



City of Royal Oak, Michigan Recommended Budget

FY2019-20



**Royal Oak
Recommended Budget for
Fiscal Year 2019-20**

mayor
Michael Fournier



city commissioners
Sharlan Douglas
Kim Gibbs
Kyle DuBuc
Randy LeVasseur
Patricia Paruch
Melanie Macey

city manager
Donald E. Johnson

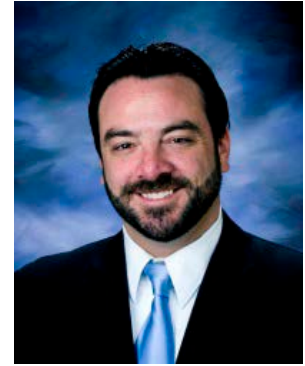
director of finance
Julie J. Rudd

assistant finance director
Anthony C. DeCamp

The City of Royal Oak's 49th Commission and City Manager



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mayor
ccfournier@romi.gov



Kyle DuBuc
city commissioner
ccdubuc@romi.gov



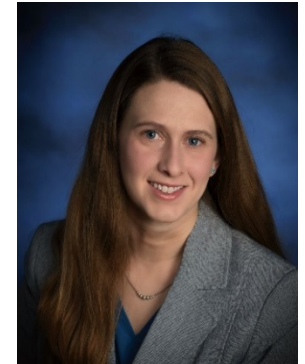
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Donald E. Johnson
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City of Royal Oak

211 S Williams Street
Royal Oak MI 48067
<http://www.romi.gov>

Executive Directors

director of finance – Julie Jenuwine Rudd
city clerk – Melanie Halas
director of human resources – Dennis Van de Laar
director of recreation & public service - Greg Rassel
fire chief – David Cummins
assistant city manager / chief of police – Corrigan O'Donohue
treasurer – Jaynmarie Hubanks
assessor - James Geiermann
assistant finance director - Anthony C. DeCamp
director of community development - Tim Thwing
city attorney – David Gillam

Department Heads

city engineer – Matt Callahan
assistant director of community development / Building Official - Jason Craig
information technology manager – Mike Kirby
library director – Emily Dumas
recreation supervisor – John Fedele
director of planning – Joseph Murphy
deputy chief of police – Michael Frazier
deputy chief of police – Robert Reilly
deputy chief of fire – James Cook
deputy city clerk – Deanna Braswell

44th District Court

district court judge – Derek Meinecke
district court judge – James Wittenberg
court administrator – Gary Dodge



GOVERNMENT FINANCE OFFICERS ASSOCIATION

***Distinguished
Budget Presentation
Award***

PRESENTED TO

City of Royal Oak

Michigan

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morrill

Executive Director

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Budget Highlights

Budget Summary

Budget Procedures

Introduction

Basis of Accounting Chart

Vision and Mission Statements

Organizational Chart

Goals and Objectives

Budget Calendar

In November and December 2018, the city commission conducted strategic planning sessions in advance of the capital improvement plan and budget season.

The city commission and administrative staff worked on re-evaluating the city goals and establishing new objectives (see pages 20-26) for the upcoming budget year(s). After the city manager's recommended budget is prepared the city commission and the administration conduct three budget work sessions in addition to a public hearing prior to city commissions adoption of the fiscal year 2019-20 budget. The fiscal year 2019-20 budget attempts to provide for the resources that are needed to help accomplish many of the city commissions goals/objectives relayed in this budget document.

The city managers recommended budget calls for a total city millage rate of 18.1187 (excluding DDA levy on the central business district area), a decrease of 0.5047 mill due to lowering of the solid waste local millage by a quarter mill, reductions in the chapter 20 drain and fire debt millages, and slight reductions on the balance of the other millages due to Headlee reductions. The Headlee reduction factor for fiscal year 2019-20 millages is 0.9893. There is not a Headlee reduction factor to the DDA millage. See pages 57-59 for millage rate details. The millage rate of 18.1187 would put the city slightly below the average and median millage rate of Oakland County cities. This rate places the city below nine bordering cities with higher millage rates and above three bordering cities with lower millage rates. This claim is based upon fiscal year 2018-19 city/village millage rates versus the recommended 2019-20 rate for the city of Royal Oak. This comparison is used, as all of the other cities/villages in the county have not adopted/reported their rates as of the publication of the recommended budget. See page 60 for the chart of the 31 Oakland County city/village 2018-19 millage rates.

Total city taxable value increased by 6.29 percent. Residential values increased 5.6 percent, industrial increased 11.5 percent, personal property increased 3 percent and commercial increased less than 1 percent. See pages 54-56 for taxable value details. The spread between 2019 state equalized value and taxable value increased to \$609 million, increasing \$95 million from the prior year.

Across all funds, the city is budgeted to receive \$54.6 million in tax revenue for fiscal year 2019-20, an increase from the projected fiscal year 2018-19 of 4.3 percent. The increase is mostly due to the net effect of the reduction in solid waste millage revenue from the lowered tax rate, the slight millage rate reductions on the balance of the city tax levies and increased revenue due to higher taxable values. The allowable inflationary factory on existing property (used in the Headlee reduction calculation) is 2.4 percent for fiscal year 2019-20.

Total grants are budgeted at \$15.8 million across all funds, a 4.5 percent increase over the prior years estimated grant revenue. State shared revenue is budgeted to increase 4 percent based upon the State of Michigan Treasury Department's published projections. Act 51 monies are budgeted at nearly \$6.5 million which is an 8 percent increase relative to fiscal year 2018-19.

Lower investment earnings generated from lower fund balances due to using fund balances for operating / capital purposes (including use of bond proceeds), will cause interest revenue city-wide (excluding trust funds) to decline to \$2.56 million, which is a decrease from a new recent high of \$3.16 million projected for fiscal year 2018-19. Currently it is a rising interest rate environment however lower cash balances are anticipated. This valuable source of revenue in 2018-19 will continue to fall as fund balances decline and should not be relied upon as a significant resource to help

off-set city operating costs. *See page 64 for funds interest revenue history graph.*

Personnel costs are increasing 14.9 percent / \$5.95 million relative to the fiscal year 2018-19 projected budget, mostly due to increased contributions to the pension and OPEB trusts, increased wages and healthcare costs. Total full-time employees are budgeted to decrease from 335 to 334 positions. This total is still down 32 positions relative to recent peak in fiscal year 2005-06. Three positions were proposed during the department requested budget process, however no positions were elevated to the city managers recommended budget. The information technology (IT) department is deleting the network engineer position as the recruitment for this position is challenging. The current plan is to contract the network engineering services. *See page 46 for personnel summary recent history.* Wages and wage based benefit costs are increasing 6.7 percent / \$2.052 million mostly due to contractual wage increases of 2.5 percent as well as step increases for newer employees who are not at the top of their pay scale and vacant positions being filled. Medical charges increased nearly 20 percent (increase for illustrative rates and 10 percent increase for the change in city's contribution to healthcare costs). The budget provides for the contributions of 100 percent of the normal and the amortized unfunded actuarial accrued liability (UAAL) for the general, police and fire pension and OPEB systems. The assumptions were changed in the most recent pension and OPEB actuarial reports. Among other assumptions, the average investment rate of return was changed from 7.75 percent to 7.25 percent. The changes increased the pension liabilities by \$21.25 million and OPEB liabilities by \$11.77 million. The additional liabilities to amortize has increased the required/recommended contributions by nearly \$2.8 million. The annual required contribution (ARC) for pension is required by law to be met. A graph in the "Financial Trends" section illustrates the magnitude of the combined

pension /other post-employment benefits (OPEB) contributions and pension/OPEB bonds debt service that the city is funding in fiscal year 2019-20. The graph show the trend of pension and OPEB contributions declining relative to general fund tax revenue, with the exception for fiscal year 2019-20. The required contributions made toward paying the current year obligations do not exceed the general fund's millage revenue due to bonding the unfunded retiree healthcare liability and the general employees unfunded pension liability, however the contributions increased due to the most recently calculated liability based upon certain new assumptions. *See graph on page 68.* The forecast in the budget is considered to be optimistic; providing the continuation of the normal costs and the amortized UAAL contribution for general, police and fire members pension. However, an additional increase in liability could in the event of a stock market correction or significant downturn.

Based upon city survey information from the prior year, related to improving impact on overall engagement, the employee training budget increased nearly \$20,000 relative to the 2018-19 projected expenditure in an effort to improve city services.

The budget includes nearly \$45.2 million in capital improvements. Typically, the first year of the recently adopted capital improvement plan (CIP) is incorporated into the recommended budget when funding is available so there are normally some exceptions, as there are for fiscal year 2019-20. Any deviations in the recommended budget from the CIP are noted in the significant notes area within each fund/cost center. The city's capital improvement budget provides \$3.06 million for major road improvements, \$5.85 million for local road improvements, \$5.9 million for water/sewage system improvements, \$2.3 million for replacement motor pool fleet (includes \$782,000 for new pumper tanker), \$24.5 million for partial construction of the new

police station, city hall and downtown park, \$2.41 million for Normandy Oak Park development, \$260,000 for various IT equipment, \$100,000 for final construction costs of the 11 Mile Rd parking structure, \$190,000 for Salter Center roof replacement, \$125,000 for Salter Center parking lot repaving, \$45,000 for Bassett Park improvements and \$17,000 tennis court resurfacing, \$58,000 for fire department thermal imagers, \$90,000 for elections high speed scanner for absentee ballot processing, and \$48,000 for farmers market outdoor heating equipment and enclosure porch/awning.

The community development block grant fund has budgeted \$350,000 for park improvements and \$600,000 for green infrastructure.

Detailed listings of capital improvements are included in each fund/cost center significant notes section (orange box) in this document. The capital projects and the descriptions that are reported in the adopted FY2019-20 to FY2024-25 Capital Improvement Plan can be found behind the “Capital Improvement” tab in this budget document.

This budget does not call for any new debt issuances for the city as capital projects are accomplished with cash on hand from

accumulated fund balances or bond proceeds received in prior years.

The water commodity rate is budgeted to increase 3 percent and the sewer disposal rate is budgeted to increase 3.3 percent. The city’s quarterly billing flat fee, to recoup billing costs, is budgeted to increase from \$11.25 to \$12.00, the first increase in three years.

The unassigned fund balance for the general and public safety funds (combined) is budgeted to decline in fiscal year 2019-20 from the current year’s projected 31 percent of expenditures to 27 percent. These two funds’ fund balances are viewed as combined since the public safety function continues to be a significant expenditure of the general fund due to the sizeable annual transfer (\$21 million) made to the public safety fund. By the last year of the forecast fiscal year 2023-24, the combined fund balance is projected to be 4 percent, and continue to decline each year thereafter due to the potential structural operating deficit. Each fund has an estimated/forecasted fund balance through fiscal year 2023-24 in the budget summary table. *See page 67 for unassigned fund balance history and page 72 for future projected balances.*

Please reference the significant notes section (orange boxes) within each fund/cost center for details and noteworthy program information for fiscal year 2019-20.

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Vision Statement

To be a dynamic balance of progressive vision and traditional values offering an inviting, premier and diverse community for all.

Mission Statement

Our mission is to provide a safe, healthy and sustainable community.

**City of Royal Oak Commission Goals and Objectives
Fiscal Year 2019-2020**

Goal one: Infrastructure - to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services

Measures: An average PASER rating for local roads of at least six by 2025
Civic Center project completed by the end of 2021

Objective one: complete the civic center project and limit any negative effects of downtown construction

Targets: Completion of the parking structure by June 2019
City Hall completion by January 2020
Police Department completion by June 2020
Downtown Park on track for completion by fall 2021

Action Strategies

Finalize the design and bid out the park project
Departments – Community Development, Economic Development and City Manager's Office

Complete the staging plan and rollout to the community
Departments – Community Engagement, City Manager's Office, Community Development and Economic Development

Establish a transition or movement plan as departments need to plan on moving from the old facility to the new complex
Departments – All departments, organized by City Manager's Office

Establish deadlines and a timetable for staff as the civic center project unfolds, and make that public as well
Departments – Community Engagement and City Manager's Office

Deal with any legal challenges as they emerge
Department – Attorney

Objective two: address critical infrastructure needs

Targets: Annual decrease in combined sewer overflows or basement backups per storm
Completion of a sustainability plan by fall 2019

Seek Oakland County Water Resources Commission commitment to require the twelve local government units in the George Kuhn drainage area to reduce drainage flows to downstream communities
Departments – City Manager's Office and Community Development

Develop a city-wide environmental sustainability plan to link together the range of infrastructure plans and projects that are unfolding

Departments – City Manager’s Office and Community Development

Goal two: Operations – to perform all city operations as efficiently and effectively as possible. This includes, but is not limited to internal communications, technology, innovation and financial management

Measures: Levels of citizen satisfaction with services that exceeds state and national benchmarks
Levels of employee engagement and satisfaction
External recognition and awards for governmental operations

Objective one: attract, retain and develop our employees

Targets: Increase of twenty to fifty percent in applications for hard-to-fill vacancies (i.e. trade inspectors, police officers, etc.)
Begin to measure and establish a baseline of the number of employees attending job-related, professional development sessions
Established baseline of employee satisfaction and engagement by December 2019
Develop succession plans for four identified key positions by June 2020

Action Strategies

Develop succession plans for key positions, identified by HR and departments, to anticipate near term retirements, and over time, develop a base succession plan for all levels of staff, providing opportunities for employee development, including a potential for job sharing as departures become imminent

Departments – All departments organized by HR and City Manager’s Office

Complete targeted compensation surveys for those departments or positions where difficulties in filling vacancies have been apparent

Departments – HR

Evaluate the Royal Oak Next Plan and identify measures to move forward.

Departments – All departments and city commission

Establish a methodology for gauging employee satisfaction and engagement

Departments – HR and City Manager’s Office

Objective two: examine the feasibility and effectiveness of reorganizing administrative responsibilities for parking and facilities management where responsibilities are currently fragmented

Targets: Recommendation to city commission by July
2019 Implementation of recommendation by fall 2019

Action Strategies

Evaluate whether creation of a parking manager or supervisor position would reduce demands on multiple department and improve the efficiency and effectiveness of services and make recommendations to the city manager and commission.

Departments – City Manager's Office, Public Services, Community Development (DDA), Police Department

Evaluate whether creation of a facilities manager position would reduce demands on multiple department and improve the efficiency and effectiveness of services and make recommendations to the city manager and commission.

Departments – City Manager's Office, Public Services, Community Development, Police Department, Fire Department, Library, Senior Center, 44th District Court

Objective three: increase user satisfaction with departments that have high levels of interaction with citizens/users

Targets: Methodology for collecting feedback on departments developed by June 2019

Measurable increase in reported user satisfaction by July 2020

Develop a method for gauging user satisfaction on a regular basis for departments with high user interactions (i.e. building, clerk, treasury, assessing, planning, etc.)

Departments: City Manager's Office

Identify areas in city service operations with the lowest satisfaction scores, either based off the Cobalt Community Survey or the ongoing satisfaction surveys, and develop strategies to address concerns and improve performance

Departments - City Manager's Office

Devise a Disney Way based customer service refresher course for new employees
Department – HR

Goal three: Communication - to proactively promote meaningful, open and respectful dialogue that ensures effective decision making

Measures: Amount and nature of media coverage received
Citizens, business owners, and visitors engaged in official city communications (Facebook, Insight Magazine, E-Blasts, etc.)

Objective one: provide proactive communication on all city projects, specifically the ROCC project status

Targets: Annual reduction in staff time required to handle resident complaints regarding city projects

Action Steps

Utilize all available methods of communication to inform the public about the status of city projects

Departments – City Manager's Office, Economic Development and Community Engagement

Objective two: increase the amount of people engaged through official city communications

Targets: Annual increase in subscribers (users or followers) to the city e-blast, city application, city Facebook pages, and city website

Action Steps

Enhance the city app to provide additional opportunities for both information outflow as well as inflow; communicate across multiple platforms to the extent feasible; utilize neighborhood associations where appropriate to inform residents and solicit input
Departments – Community Engagement and Information Systems

Ensure simplicity and clarity of all communications from the city, ensure that the community engagement specialist is in a position to understand and explain policies to the public

Departments – All departments led by Community Engagement

Regularly create a summary of top public issues that can be disseminated to city staff, city commissioners and boards and committees to better educate and inform the public.

Departments - Community Engagement and City Manager's Office

Objective three: engage residents more effectively in city decision-making

Targets: Annual increase in applications for boards and committees
Response rate increase of ten percent in city surveys and public engagement activities
Annual increase in measured satisfaction with community engagement in the biannual Cobalt survey
Annual decrease in citizen calls requesting information

Action Steps

Increase promotion of the city website, get the URL out in the public and on social media

Departments - Community Engagement and City Manager's Office

Explore establishing a citizen's academy program along the lines of the citizens police academy to help individuals understand how the city does its business

Departments - City Manager's Office and Community Engagement

Utilize citizen feedback to guide policy for recreational marijuana in the city.

Departments – Community Engagement, City Attorney, and Community Development

Ensure that departments utilize the community engagement specialist to help draft informational communications
Departments – All departments

Goal four: Community - to preserve neighborhoods by encouraging community involvement and family activities

Measures: Citizen satisfaction with community events and recreation opportunities
Citizen participation in parks and recreation leagues and activities
Attendance at community events
The number of active neighborhood associations

Objective one: develop high quality parks to enhance the quality of life in the city

Targets: Phase one of Normandy Oaks completed by Fall 2019 (Need to double check timing)
Completion of four projects identified in the parks and recreation master plan as well as other projects as funding becomes available during 2019

Action Steps

Complete phase one of Normandy Oaks Park
Departments – Public Services, Recreation and City Manager's Office

Continue to revamp city parks yearly and implement the five-year park master plan
Departments – Public Services and Recreation

Objective two: actively engage with neighborhood associations

Targets: Increased neighborhood association activity

Action Steps

Verify all active neighborhood associations and their primary contacts.
Departments – City Manager's Office and Community Engagement

Ensure all contact information on the website is up-to-date
Departments – City Manager's Office and Community Engagement

Keep neighborhood associations informed of city projects and activities.
Departments – Community Engagement

Objective three: provide community services public infrastructure that reflect the needs of all the city's population

Targets: Completion of the community engagement activities related to the AARP- Communities for a Lifetime project

Action Steps

Provide administrative support for the work of the senior services/aging in place task force.

Departments – DPS and Senior Services, City Manager's Office, Planning

Provide needed financial support for the development of the AARP-Communities for a Lifetime project

Departments – City Commission, City Manager's Office

Goal five: Economic / Tax Base - encourage and support diverse investment to maximize property values and facilitate employment opportunities and desirable housing measures:

Increased taxable value

Housing stock diversity

Jobs created within the city

Objective one: facilitate housing developments that meet identified gaps

Targets: Policy change recommendations presented to the planning commission by January 2020

Annual increase in units that meet gaps

Action Steps

Research and propose changes to city code to help address housing gaps

Departments – Planning Commission, City Commission, Community Development and City Manager's Office

Objective two: facilitate private sector development

Targets: Annual increase in new retail development

Annual decrease in downtown vacancies

Goal six: fiscal management - to preserve Royal Oak's finances through sound fiscal policy, strategic planning, prompt decisive actions and effective management of taxpayer's assets

Measures: External recognition of finance policies and practices (i.e. GFOA awards)
Short- and Mid-term estimates of revenue, expenditures and fund balance
Amount of debt in relation to legal debt limit

Objective one: ensure city financial sustainability

Targets: Service fee study completed by July
2020 Annual decrease in debt to revenue

Action Steps

Review and update service fees every two years to insure costs (i.e. staff time, enforcement, overhead, supplies, etc.) are covered

Departments – Finance, City Manager's Office and all departments that charge fees

Explore opportunities for savings from organizational restructuring or reducing outdated or duplicative services through finding efficiencies and utilizing technology

Departments – Finance, City Manager's Office and Human Resources

Goal seven: Public Safety - to protect all persons and property in Royal Oak by providing the highest quality public services possible in the most efficient manner

Measures: Crime rate
 Response time

Objective one: resolve issues related to recreational marijuana

Targets: Adopted ordinance to either regulate or opt-out of recreational marijuana businesses before December 2019

General Appropriations Act

Be it resolved, this and the following nine resolutions constitute the City of Royal Oak's General Appropriations Act for the fiscal year beginning on July 1, 2019 and ending on June 30, 2020.

Resolution one: budget resolution

Be it resolved, the 2019-20 City of Royal Oak budget for each fund is hereby appropriated as follows:

general fund

general government	12,715,200
community and economic development	534,930
health and welfare	0
public safety	464,530
public works	1,380,610
recreation and culture	1,732,080
transfers out	24,066,210

expenditures total	40,893,560
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taxes	20,165,000
licenses and permits	2,007,800
grants	6,183,450
charges for services	2,547,370
finances and forfeitures	5,035,000
interest and rentals	1,165,000
contributions and donations	0
reimbursements	202,000
other revenues	45,000
transfers in	1,512,000
use of fund balance	2,030,940

revenues, transfers and use of fund balance total	40,893,560
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major streets fund

taxes & permits	203,000
grants	4,894,000
interest	48,210
other	16,000
use of fund balance	992,260

revenues, transfers and use of fund balance total	6,153,470
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street maintenance	389,840
parkway maintenance	243,720
winter maintenance	579,870
traffic control	219,880
signal services	149,280
administration	1,281,990
construction	3,288,890

expenditure total	6,153,470
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Budget Resolutions

local streets fund	
taxes	6,315,000
grants	1,660,000
interest	30,000
transfers	1,000,000
use of fund balance	1,086,830
revenues, transfers and use of fund balance total	10,091,830
street maintenance	1,069,120
parkway maintenance	588,640
winter maintenance	359,770
traffic control	246,670
administration	1,792,190
construction	6,035,440
expenditure total	10,091,830
public safety fund	
expenditures total	33,330,440
revenues, transfers and use of fund balance	33,330,440
publicity tax fund	
expenditures total	66,520
revenues, transfers and use of fund balance	66,520
solid waste fund	
expenditures and contribution to fund balance	7,649,040
revenues and transfers	7,649,040
brownfield redevelopment authority fund	
expenditures and contributions to fund balance total	640,300
revenues total	640,300
DDA – tax incremental fund	
expenditures total	8,074,090
revenues, transfers and use of fund balance	8,074,090
DDA - operating fund	
expenditures total	62,340
revenues, transfers and use of fund balance	62,340
Indigent defense fund	
Expenditures total	539,020
Revenues, transfers and use of fund balance	539,020
library millage fund	
expenditures total	2,769,170
revenues, transfers and use of fund balance	2,769,170

CDBG fund	
expenditures total	2,279,150
revenues, transfers and use of fund balance	2,279,150
state construction code fund	
expenditures and contributions to fund balance total	2,046,500
revenues, transfers and use of fund balance	2,046,500
ROOTS fund	
expenditures and contributions to fund balance total	85,500
revenues, transfers and use of fund balance	85,500
senior citizen services fund	
expenditures total	854,090
revenues, transfers and use of fund balance	854,090
animal shelter fund	
expenditures total	128,160
revenues, transfers and use of fund balance	128,160
police grants fund	
expenditures total	1,426,720
revenues, transfers and use of fund balance	1,426,720
miscellaneous grants fund	
expenditures and contributions to fund balance total	600
revenues, transfers and use of fund balance	600

Resolution two: set tax rate

Resolved, the general operating levy for the 2019-20 fiscal year for operations is established at 7.0625 mills, and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the publicity tax is established at 0.0169 mill, and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the library operations is established at 0.9163 mill, and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the solid waste disposal operation is established at 2.6272 mills, which consists of 1.9256 mills authorized by state law and 0.7016 mill authorized by the voters of the City of Royal Oak, and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the fire bonded debt is established at 0.2270 mill, and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the chapter 20 drain debt is established at 1.085 mills, and

Be it further resolved, the property tax rate for the 2019-20 budget recommended by the Downtown Development Authority for the area designated by ordinance as the downtown district is established at 1.6021 mills, and

Be it further resolved, the 1.6021 mills levy for the downtown district is in addition to the millage applicable to properties outside of the downtown district and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the road millage is established at 2.3875 mills and

Be it further resolved, the property tax rate for the 2019-20 fiscal year for the public safety operations is established at 3.7963 mills and

Be it finally resolved, the public safety millage, chapter 20 drain millage and road millage are to be levied on the winter tax bill.

Resolution three: authorize tax administration fee

Be it resolved, the City of Royal Oak approves the imposition of a one percent administration fee on property tax levied in 2019, and

Be it further resolved, the City of Royal Oak approves the imposition of late interest penalty charges as follows: On summer taxes at the rate of one-half of one percent per month, or fraction thereof, after July 31 until Feb. 28; on December taxes at the rate of three percent after Feb. 14 until Feb. 28, 2020.

Resolution four: water and sewage disposal rates

Be it resolved, that the water and sewage disposal rates for the City of Royal Oak as of July 1, 2019 are established as follows:

Billing administrative flat fee	\$12.00 per billing period
Water & sewer commodity charge	\$108.90 per mcf for first 2 mcf per billing period
	\$125.30 for additional mcf per billing period
Outside city water only commodity charge	\$55.67 per mcf for the first 2 mcf per billing period
	\$64.03 for additional mcf per billing period
Sewer only charge	\$185.00 per quarter

Be it further resolved, industrial surcharge and industrial waste control charges will be passed along to customers as a pass-through.

Resolution five: purchases

Whereas, the City of Royal Oak finds it necessary to incur utility, postage, and other expenses provided by natural or regulated monopolies, and other sole source providers in order to operate the city, and

Whereas, it is impossible to estimate the charges to be incurred for each succeeding month, and

Whereas, these charges can and do exceed \$1,000 for each billing period;

Now, therefore, be it resolved, the city administration is authorized to place orders for and make payment of these expenses, and such authorization forgoes the requirement of presenting these bills to the commission prior to authorization for purchase and/or payment;

Further resolved, this resolution shall apply to electric, telephone, water, natural gas utility, postage charges, and other goods/services provided by natural or regulated monopolies or sole source providers.

Resolution six: purchasing

Whereas, pursuant to chapter three, section 34 of the Royal Oak city charter, the city commission shall set a purchasing limitation by resolution, adopted at the same time the annual city budget is approved.

Now, therefore, be it resolved, the city establishes that no purchase in excess of \$10,500 be made without the approval of the city commission and pursuant to chapter 14, section two. Public work or improvement costing more than \$25,000 and executed by contract, shall be awarded to a responsible bidder in competition for fiscal year 2019-20.

Resolution seven: transfers

Now, therefore, be it resolved; the finance director is hereby authorized to transfer up to 25 percent of the major street fund monies to the local street fund during the 2019-20 fiscal year. The finance director is also authorized to make transfers within appropriation centers. All other transfers between funds may be made only by further action by the city commission.

Resolution eight: PEG fees

Now, therefore, be it resolved; the city commission hereby grants Community Media Network one half of the one percent P.E.G. fee received during the 2019-20 fiscal year.

Resolution nine: financial policies

Whereas, the City of Royal Oak has established a set of financial policies

And whereas, it is prudent to regularly review and update those policies and to add new ones as needed.

Now, therefore, be it resolved, the city reaffirms its existing financial policies on attrition, investments, retirement contributions, debt management, capital assets and capital improvements projects, and fund self-supporting and affirms amendments to the fund balance policy.

City of Royal Oak FY 2019 – 20 Budget Procedures

The City of Royal Oak's budget process is governed by the city charter and state statutes of Michigan. Chapter eight, "general finances, section one" of the city charter establishes July 1 through June 30 as the city's fiscal year.

Budget Document

The city charter, as approved by the voters on Nov. 8, 1921 and as amended throughout the years, and the State of Michigan Uniform Budgeting Act (Public Act 621 of 1978), which amended the Uniform Accounting Act (Public Act Two of 1968), mandate that the budget document present a complete financial plan for the ensuing fiscal year and shall present the following:

(a) An itemized statement of the appropriation recommended by the manager for current expenses and for permanent improvements for each department and each division thereof, for the ensuing fiscal year, with comparative statement, in parallel columns, of the appropriation and expenditures for the current and next preceding fiscal year and the increases and decreases in the appropriation recommended;

(b) An itemized statement of the taxes required and of the estimated revenue of the city, from all other sources, for the ensuing fiscal year, with comparative statements of the taxes and revenues for the current and next preceding fiscal year;

(c) A statement of the financial condition of the city and an inventory of all property owned by the city; and

(d) Such other information as may be required by the commission.

Budget

As required by the city manager, each department head must submit to the city manager

an itemized estimate of expenditures for the next fiscal year for the department or activities under their direction.

The city manager then prepares a complete itemized budget proposal for the next fiscal year and must present a balanced budget to the city commission not later than 30 days before the end of each fiscal year. Prior to the adoption of the budget, a public hearing on the budget must be held to inform the public and solicit input and comments from residents. A public notice, published in a newspaper of general circulation in the community, announces the time and place of the meeting and the availability of the budget document for review.

Budget Appropriation and Amendments

The city budget is adopted by the city commission on a functional basis. The finance director is authorized by budget resolution to transfer up to 25 percent of major street fund monies to the local street fund during the fiscal year and to make transfers within appropriation centers. All other transfers between funds may be made only by further action by the city commission.

The commission may make additional appropriations during the fiscal year for unanticipated expenditures required of the city. The city commission may also re-appropriate funds among appropriation centers. By way of an annual budget resolution, the city commission authorizes the finance director to administratively adjust line-item budgets within a fund and appropriation centers.

Basis for Budgeting

The modified accrual basis of budgeting is utilized in the preparation of the *governmental* fund types. Expenditures, with the exception of debt service expenditures, compensated absences, claims and judgments, are recorded at the time the liability is incurred. Revenues are recorded when

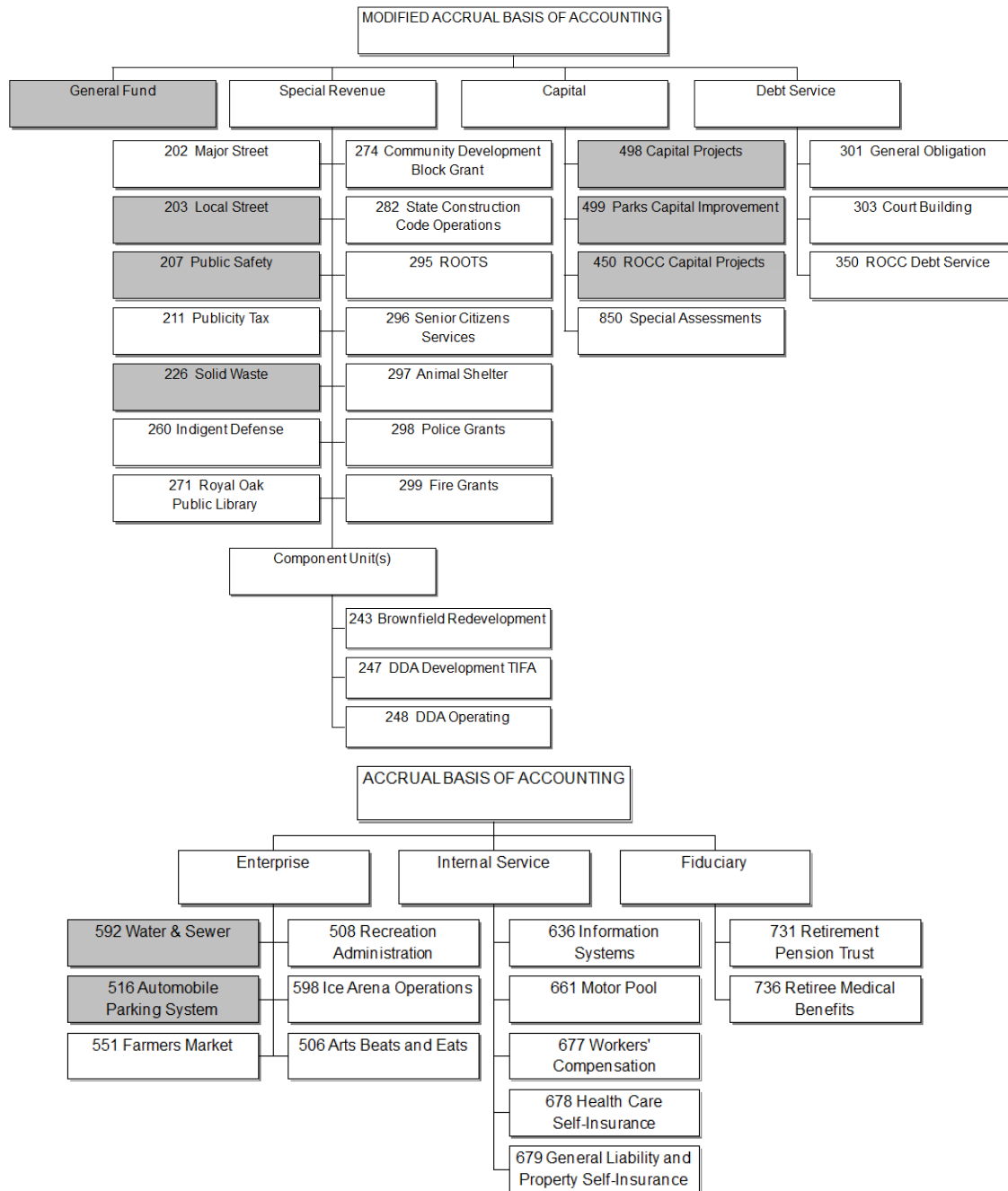
received as cash, with the exception for material or available revenues that are accrued to properly show revenues earned and/or levied taxes. The accrual basis of accounting is utilized for the internal service and enterprise funds budgets which are not officially adopted but included in this document.

The budget is prepared in accordance with Generally Accepted Accounting Principles (GAAP).

FY 2019-2020 Budget Calendar

October / Nov	Special city commissions strategic planning sessions conducted
November	Finance department requests capital improvement plan submittals
January	Finance department develops initial personnel costing and finalizes the draft capital improvement plan
January (mid)	Special city commissions strategic planning (goals & objectives) session
January (late)	Finance sends personnel costing detail to departments for review
February (mid)	Motorpool and IT department requested budgets are due to finance department and finance department distributes charges to various funds
February (late)	Deadline to submit department requested budgets to finance department
Feb. to March	Finance department evaluates departments' requested budgets, including budget narratives
March (early)	Finance department begins to perform 5-year projections based on department requested budgets
March (mid)	Capital improvement plan adopted by planning commission
March	Finance reviews and compiles departmental budget requests presentation for city manager
March late	Departments and finance meet with city manager to present budgets
April (mid)	City manager relays to the finance department any last changes to the department requested budget
April (late)	Finance department compiles proposed budget document/city managers recommended budget
May (mid)	Proposed budget documents are distributed to city commissioner and made available to the public (library and city's website)
May (mid-late)	Special city commission budget workshop meetings
May (late)	Finance department makes any city commission changes (developing out of city commission workshops) and if necessary, prepares changes for the final budget resolutions
June (mid)	City commission conducts public hearing and adopts budget (with any revisions to the city manager's recommended budget)
June (late)	Finance department prepares adopted budget document and document is printed/distributed and posted to city's website.
July – June	Finance department monitors budget and performs budget amendments when appropriate

Financial Organization Chart



Shaded funds are major funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least ten percent of corresponding totals for all governmental or enterprise funds and at

least five percent of the aggregate amount for all governmental and enterprise funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Attrition Policy

Policy on Attrition

Purpose:

The City of Royal Oak is facing revenues that are not sufficient to necessarily meet operating and capital needs and needs to further reduce its staffing levels in order to maintain a balanced budget.

Policy:

All City of Royal Oak full-time positions except sworn police and fire positions that become vacant, for any reason, may only be filled with specific approval from the city commission. Such approval shall only be granted when it can be clearly established that it will cost more to not fill a position than it will cost to fill a position or when the position is unique, and no other employee can perform a critical function.

[Adopted 06/02/2008]
[Reaffirmed 06/10/2019]

Capital Asset Policy

Capital Asset Policy

Capital assets are assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized once projects are placed in service. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and renovations	25 to 50
Improvements	10 to 20
Infrastructure	15 to 50
Vehicles	five to eight
Equipment	five to 15
Intangibles	ten

[Adopted 04/06/2009]
[Reaffirmed 06/10/2019]

Capital Improvement Project Policy

Capital Improvement Project Definition

Capital improvement projects are any project or physical improvement that results in a permanent addition to the city's capital assets or revitalization/improvement that extends a capital asset's useful life or increases its usefulness or capacity. Qualifying projects must have an estimated cost of \$10,000 or more and an estimated useful life in excess of three years. Examples include:

1. New and expanded physical facilities for the community
2. Renovation, reconstruction, repair or major maintenance to existing facilities
3. Equipment for any public facility or improvement when first erected or acquired
4. Major landscape improvement
5. Utility modification
6. New construction project
7. Public improvement projects (road and park improvements, curbs and gutters, drainage improvements, sidewalks/bikeway/path projects, etc.)

A capital improvement is not a recurring capital outlay item (such as a motor vehicle) or a maintenance expense (such as fixing a leaking roof or painting park benches). Acquisition of equipment is not a capital project unless it is an integral part of the capital project.

Explanations of the option *type of project* are as follows:

Replacement: Existing improvements that are deteriorated and need to be replaced and/or upgraded to continue to provide service and to meet current codes and regulations.

Expansion: New improvements that are growth-related and/or based on projected development.

Economic vitality and diversity: This includes construction of improvements for promotion of economic vitality and diversity and to eliminate and prevent the spread of blight and deterioration to the city.

Explanation of the options for *project priority* are as follows:

Emergency: The project is urgent and must be completed as soon as possible. This could be a temporary or permanent repair to major equipment, facilities or infrastructure. The project must be complete to protect the health, safety or welfare of the community.

Regulatory requirement: The project is required by new legislation, federal guidelines, codes or regulations. The city may be fined if the project is not implemented.

Correct existing deficiencies: The project corrects an existing deficiency to keep the facilities or infrastructure from becoming an emergency situation. If the project is not implemented, the health, safety and welfare of the community may be endangered in the near future.

Near-term capacity need: The project expands the capacity of equipment, facilities or infrastructure to accommodate increasing demand. Failure to address the project may create public inconvenience or an emergency situation.

Long-term capacity need/master plan: The project is identified in the city's master plan(s).

Availability of funds: The project is addressed if there is enough outside funding.

[Adopted 04/06/2009]

[Reaffirmed 06/10/2019]

Debt Management Policy

Background: Debt management policies are written guidelines and restrictions that affect the amount and type of debt issued, the issuance process, and the management of the city's debt portfolio. A debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines to manage its debt program in line with those resources.

Objective: To manage the debt portfolio to finance all necessary capital improvements while being fiscally responsible with the taxpayer's money in a conservative and prudent manner.

Debt manager and disclosure agent: The director of finance is the debt manager for all items involving debt management. The debt manager is the disclosure agent responsible to develop and conduct an investor relations program and is the person authorized to speak externally on behalf of the city concerning debt. His/her duties include the filing of all

public records to meet federal and state legislation. He or she may appoint a member(s) of staff or consultant to assist in carrying out this mission.

The debt manager shall review this policy at least annually and recommend revisions as necessary.

Policy:

1. The city shall exhibit purposeful restraint in incurring debt.
2. The city shall refrain from issuing short-term debt which requires repeated annual appropriation.
3. Long-term debt will not be used for operations with the exception of legacy costs.
4. Long-term debt will be confined to capital improvements and legacy costs that cannot be financed from current revenue.
5. The payback period of the debt will not exceed the expected useful life of the project.
6. Total city debt, including loans and contractual obligations (e.g. George W. Kuhn Drain debt), will not exceed ten percent (10 percent) of the total taxable valuation of taxable property.
7. The city will maintain good communications with bond rating agencies about its financial condition and will follow a policy of full disclosure on every financial report and bond prospectus.
8. The city will strive to have a minimum bond rating of AA-, or the equivalent, with at least two (2) qualified bond rating agencies.

[Adopted 6/2/2008]

[Reaffirmed 06/10/2019]

Fund Balance Policies

Fund balance policy – general fund

Purpose:

To ensure proper stewardship of the City of Royal Oak's financial resources, by maintaining the city's ability to:

1. Meet liquidity requirements for current and long-term obligations by considering *economic cycles of municipal revenues/expenditures and the estimated budget forecasts*.
2. Manage unexpected revenue shortfalls
3. Accept reasonable uninsured risks, where advantageous
4. Provide for unanticipated contingencies and emergencies
5. Provide for long-term budget and tax stabilization

6. Borrow funds at reasonable interest rates, when needed

Policy:

Be it resolved, that it shall be the policy of the City of Royal Oak to maintain an unassigned fund balance in the general fund at least equal to 10 percent of budgeted expenditures but not more than 25 percent of budgeted expenditures.

[Adopted 2/06/2006; Amended 06/10/2019]

Be it resolved, that it shall be the policy of the City of Royal Oak that any amendment to the city's current fund balance policy for the general fund shall require the affirmative vote of two-thirds of the members of the city commission.

[Adopted 03/06/2006; Reaffirmed 06/10/2019]

Fund balance policy – non-major enterprise funds

Any transfers from any of the city's non-major enterprise funds (farmer's market, ice arena, and recreation administration) to the city's general fund be limited so as not to reduce the net non-capital assets of the non-major enterprise funds by more than 20 percent in any given fiscal year. Be it resolved, that it shall be the policy of the City of Royal Oak that any amendment to the city's

current fund balance policy for the non-major enterprise funds shall require the affirmative vote of two-thirds of the members of the city commission.

[Adopted 03/06/2006; Reaffirmed 06/10/2019]

Fund balance policy – auto parking enterprise fund

Whereas, on February 6, 2006, in order to ensure proper stewardship of the city's financial resources, the city commission unanimously established a policy regarding the maintenance of a minimum unassigned fund balance in the general fund;

Whereas, after additional consideration, the city commission has determined that in order to further ensure proper stewardship of the city's financial resources, a policy should also be established to restrict the level of transfers from the city's parking fund to the city's general fund in

any given fiscal year. Such a policy will ensure that the city will be able to properly maintain the assets associated with the parking fund without having to draw upon the city's general fund.

Therefore, be it resolved, that it shall be the policy of the City of Royal Oak that any transfers from the city's parking fund to the city's general fund be limited so as not to reduce the net non-capital assets of the parking fund by more than 20 percent in any given fiscal year.

[Adopted 12/04/2006; Reaffirmed 06/10/2019]

Fund balance policy – state construction code fund

Purpose:

To help ensure the proper stewardship of the City of Royal Oak's financial resources and in an effort to stabilize the volatility of state construction code fund (as it is a public safety function) through economic downturns *and to ensure that the services paid for are completed*, a fund balance policy has been established.

Policy:

That it shall be the policy of the City of Royal Oak to maintain an unassigned fund balance in the

state construction code fund not less than 50 percent of budgeted expenditures.

That it shall be the policy of the City of Royal Oak that any amendment to the city's current fund balance policy for the state construction fund shall require the affirmative vote of two-thirds of the members of the city commission.

[Adopted 06/02/2013]
[Reaffirmed 06/11/2018]
[Amended 06/10/2019]

Investment Policy

Policy:

It is the policy of the City of Royal Oak to invest its funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the city and complying with all state statutes governing the investment of public funds.

Scope:

This investment policy applies to all financial assets of the City of Royal Oak, except the financial assets of the retirement funds. The city's financial assets are accounted in the city's annual report and include:

- general fund
- special revenue funds
- debt service funds
- capital project funds
- enterprise funds
- internal service funds
- agency funds
- any new fund type established by the city, unless specifically exempted by the legislative body.

This investment policy applies to all transactions involving the financial assets and related activity of all the foregoing funds.

Objectives:

The primary objectives of the city's investment activities, in priority order, are:

Safety—Ensuring the safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio and will employ mechanisms to control risks and diversify investments regarding specific types of individual financial institutions.

Liquidity—The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, accounts payable, etc.).

Return on investment—The investment portfolio shall be designed with the objective of attaining a market rate of return commensurate with the portfolio's level of investment risk and cash flow characteristics.

Diversification—The investment portfolio will be diversified by security type and institution so that potential losses on individual securities do not exceed the gains generated from the remainder of the portfolio.

Delegation of authority to make investments:

Authority to manage the city's investment program is granted to the city finance director, hereinafter referred to as investment officer. This authority is derived from city charter chap. three, sec. 24. No person may engage in an investment transaction except as provided under the terms of this policy and any procedures established by the investment officer. The investment officer may designate an employee to be responsible for the day-to-day management of the portfolio, under the leadership of the investment officer, and to act on the investment officer's behalf in the absence of the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of any subordinate official.

Authorized investments:

The City of Royal Oak, as a public corporation operating under the laws of the State of Michigan, is limited to investments authorized by Act 20 of the Public Acts of 1943, as amended (MCL 129.91 to 129.96). The city has approved investment in the following authorized investment instruments:

Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a rule or law of this state or the United States.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 after the date of purchase.

Repurchase agreements consisting of bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.

Bankers' acceptances of United States banks.

Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.

Mutual funds registered under the Investment Company Act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. This mutual fund authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share. A mutual fund is not disqualified as a permissible investment solely by reason of any of the following:

The purchase of securities on a when-issued or delayed delivery basis.

The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100 percent of the value of the securities loaned.

The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary and emergency purposes.

Obligations described in subsections 5.1 through 5.7 if purchased through an inter-local agreement under the Urban Cooperation Act, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.

The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

It is further understood that investments of certain bond proceeds may be restricted by covenants in the bond ordinances.

Authorized financial institutions and brokers/dealers:

Investments shall be made only through approved financial institutions and approved security broker/dealers and shall be selected to attain a market rate of return commensurate with the portfolio's level of investment risk and cash flow characteristics. The investment officer, or his/her delegate, shall be responsible for reviewing financial institutions' and broker/dealers' qualifications and deciding who is approved to conduct investment business with the city. The investment officer, or his/her delegate, shall maintain a list of the approved financial institutions and broker/dealers. All financial institutions and broker/dealers who desire to obtain approval for conducting investment business with the city must provide the investment officer or his/her delegate, with evidence of their creditworthiness and qualifications for doing business in this state. This evidence includes audited financial statements, proof of National Association of Securities Dealers (NASD) certification (if applicable), proof of qualifications for doing business in Michigan, a signed agreement to comply with this investment policy (see Attachment A), and any other documents required by the investment officer or his/her delegate.

The investment officer or his/her delegate shall conduct an annual review of the financial condition and qualifications of approved financial institutions and broker/dealers to determine if they should remain on the aforementioned list of approved institutions. Financial institutions and broker/dealers shall provide the investment officer or his/her delegate, with documents necessary for the review.

Safekeeping & custody:

All trades, where applicable, will be executed on a cash basis or a delivery vs. payment (DVP) basis, as determined by the investment officer or his/her delegate. It shall be the responsibility of the investment officer, or his/her delegate, to determine which securities a third-party custodian shall hold. A safekeeping receipt must evidence

any securities held in safekeeping by a third-party custodian.

All securities shall be properly designated as assets of the City of Royal Oak. Securities shall be in the name of the City of Royal Oak and shall name the specific fund from which the instrument was purchased.

Prudence:

In keeping with the investment officer's and his/her delegate's fiduciary responsibilities, investments shall be made with judgment and care, under circumstances then prevailing, in a manner consistent with that which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments shall be made for investment purposes, not for speculative purposes, considering the probable safety of the capital as well as the probable income to be derived.

The investment officer, or his/her delegate, acting in accordance with this policy and written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Ethics & conflicts of interest:

Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their abilities to make impartial investment decisions.

Officials and employees involved in the investment process shall disclose to the city manager, or confirm the absence thereof, any material financial interests in financial institutions or broker/dealers that conduct business within this jurisdiction. They shall further disclose, or confirm the absence thereof, any large personal financial/investment positions that could be related to the performance of this jurisdiction's portfolio. Officials and employees shall subordinate their personal investment interests to those of this city.

Internal controls

The investment officer shall establish and maintain written procedures and internal controls for the operation of the investment program that are consistent with this investment policy. The internal control structure shall be designed to provide reasonable assurance that public funds are protected from loss, theft, or misuse and that the city complies with laws governing investment of public funds. These internal controls shall be reviewed annually by the independent auditor.

Reporting

The investment officer, or his/her delegate, shall prepare a monthly report of investment activity. The report shall be designed to provide a clear picture of the status of the current investment

portfolio and to allow the city to ascertain if the investment activities during the reporting period conform to this investment policy. The monthly reports shall be maintained in the finance department and shall be available for review by the general public or by city officials. On an annual basis, the investment officer shall provide an annual report of investment activity to the city commission.

Adoption by city commission

The city commission has adopted this investment policy by resolution on 11/16/98.

[Reaffirmed 06/10/2019]

Retirement (Pension) Contributions Policy

Be it resolved, the City of Royal Oak shall make pension contributions to the City of Royal Oak retirement system or its successor in accordance with the recommendation of an independent actuarial valuation which shall be conducted on an annual basis.

Be it further resolved, should the weighted average percentage contribution for unfunded actuarial accrued liability recommended by the actuary fall below two percent, the amortization period shall be reduced, and the contribution recalculated until a further reduction would result

in a percentage in excess of two percent or until the amortization period is reduced to 20 years. This reduction in the amortization period shall be permanent.

Be it further resolved, should the unfunded actuarial accrued liability fall below zero, the overfunding credit shall be calculated using an amortization period of not less than 30 years

[Adopted 04/07/2008]
[Reaffirmed 06/10/2019]

Fund Self-Supporting Policy

Policy on funds being self-supportive

Purpose:

To acknowledge and document the expectation of which funds are sole supportive and which funds will accept and / or give fiscal transfers (gifts).

Policy:

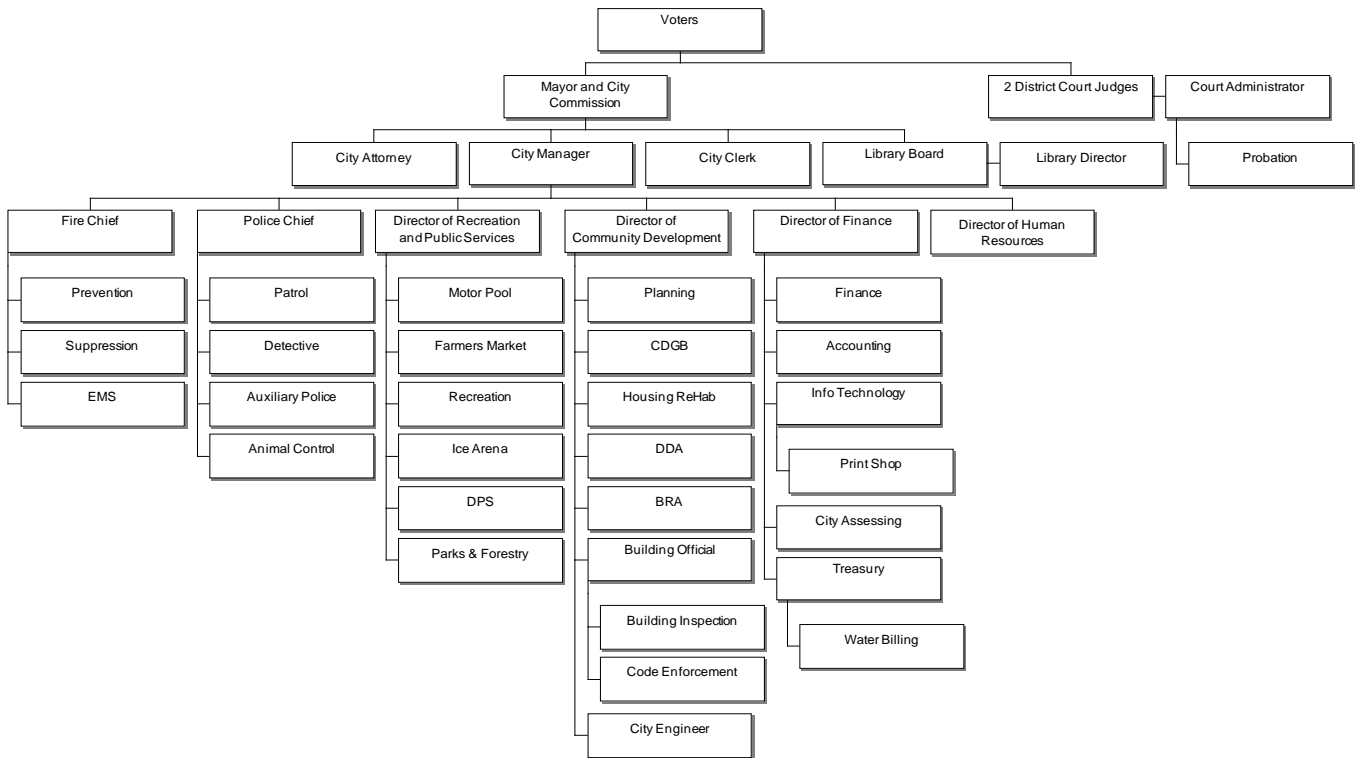
Based on the type of fund and expectations the following list provides whether a city fund can accept or provide a fiscal transfer (gifts) between funds.

[Adopted 06/2014]
[Reaffirmed 06/10/2019]

general fund
major road fund
local road fund
public safety fund
publicity fund
solid waste fund
indigent defense fund
library fund
community development block grant fund
state construction fund
ROOTS fund
animal shelter fund
police grants fund
miscellaneous grants fund
Brownfield fund
DDA funds

receive / provide
receive / provide (local street fund only)
receive
receive
receive
self-supporting
receive
receive
self-supporting
self-supporting
receive / provide
receive
self-supporting
self-supporting
self-supporting
provide

Organizational Chart City of Royal Oak



Authorized Full-time Employees by Function/Program

Function/Program	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
44th District Court/Probation	20	22	22	29	29	*29	30	30
Administrative Services								
Manager	2.5	2.5	4.5	4.2	4.2	5	5	5
Attorney	2.5	3.5	3.5	3.8	3.8	4	4	4
City Clerk	4	5	5	5	5	5	5	5
Human Resources	2	2	3	3	3	4	4	4
State Construction Code	5	6	11	10.5	10.5	13.5	13	13
Ordinance Enforcement	2	5	5	5	5	5	5	5
Engineering	7	7	8	13	13	13	13	13
Community Development	3	3	3	3.5	3.5	3.5	4	4
Planning-Block Grant	1	1	0	0	0	0	0	0
Planning-Housing	1	1	1	1	1	1	1	1
Finance / Purchasing	5	5	**6	***7	7	7	7	7
Assessing	3	3	4	4	4	4	4	4
Treasurer / Water Billing	5	4	4	5	5	5	*6	6
Information Technology	4	4	4	4	5	5	7	6
Economic Development	0	0	1	1	1	1	1	1
Subtotal	67	74	85	99	100	105	109	108
Library	10	10	9	8	8	8	9	9
Public Safety								
Police	81	96	97	98	98	98	98	98
Fire	56	56	56	56	56	56	56	56
Subtotal	137	152	153	154	154	154	154	154
Recreation & Public Services								
Public Service								
Parks & Forestry	7	7	7	7	7	7	7	7
Building Maintenance	2	2	2	2	2	2	2	2
Highway	0	0	0	1.5	1.5	2.5	2.5	2.5
Motor Pool	9	9	9	9	9	9	9	9
Electrical	0	0	0	1	1	1	1	1
Solid Waste	14	14	14	14	14	15	15	15
Water Maintenance	7	7	7	7.5	7.5	7.5	7.5	7.5
Water Services	4	4	4	4	4	4	4	4
Sewer Maintenance	7	7	7	7	7	9	9	9
Auto Parking	3	3	3	3	3	3	3	3
Recreation	2	2	2	2	2	2	2	2
Ice Arena	0	0	0	0	0	0	0	0
Senior Services	1	1	1	1	1	1	1	1
Subtotal	56	56	56	59	59	63	63	63
Total	270	292	303	320	321	330	335	334

Report based on home-base allocations not FTE

*Deviates from the FY17-18 original budget

**Centralized purchasing function into the finance department

***Moved pension payroll inhouse and moved risk management to the finance department

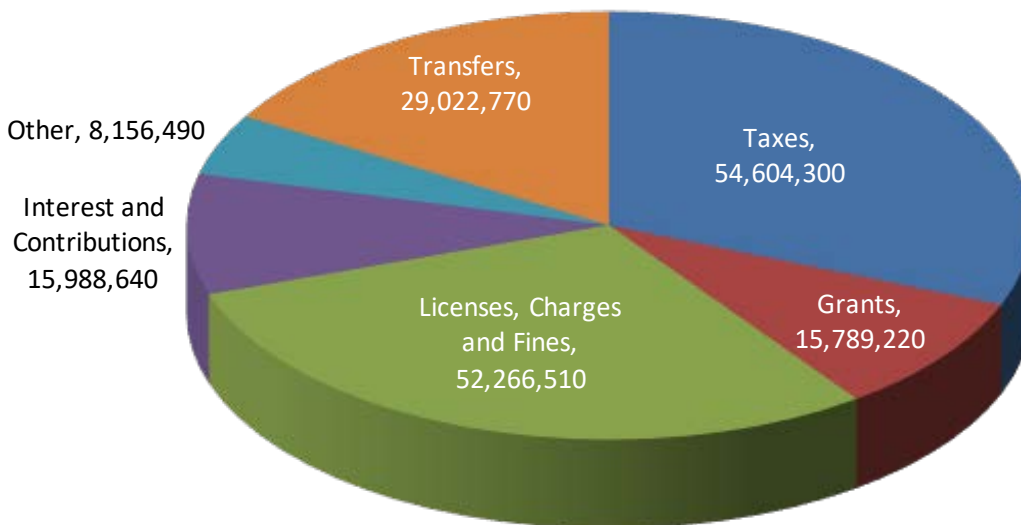
Statement of Revenues / Expenditures All Funds

	2017-18 Actuals	2018-19 Projected Year End	2019-20 Proposed Budget	Percent Change
Revenues				
Taxes	48,061,000	52,354,930	54,604,300	4.30%
Grants	12,841,050	15,113,490	15,789,220	4.47%
Licenses, Charges, and Fines	55,213,170	51,643,520	52,266,510	1.21%
Interest and Contributions	13,185,510	16,749,240	15,988,640	-4.54%
Other	55,734,420	8,675,670	8,156,490	-5.98%
Transfers	28,646,350	31,980,840	29,022,760	-9.25%
Total Revenues	213,681,500	176,517,690	175,827,920	-0.39%
Expenditures				
Personnel Services	41,754,300	40,068,410	46,020,880	14.86%
Supplies	3,101,860	3,455,750	3,968,790	14.85%
Capital	3,930,380	33,153,680	45,214,040	36.38%
Other	92,183,740	110,938,500	98,372,910	-11.33%
Transfers	4,809,500	2,940,620	48,000	-98.37%
Debt	12,072,410	15,135,180	15,491,800	2.36%
Total Expenditures/Expenses	157,852,190	205,692,140	209,116,420	1.66%

All Funds Revenue Summary

Revenues	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Component Unit	Grand Total
Taxes	20,165,000	25,778,000	600,000	0	2,870,000	0	5,191,300	54,604,300
Grants	6,183,450	8,802,200	6,000	797,570	0	0	0	15,789,220
Licenses, Charges and Fines	9,590,170	4,094,500	0	0	38,197,000	384,840	0	52,266,510
Interest and Contributions	970,000	1,419,810	600	350,000	117,000	12,878,730	252,500	15,988,640
Other	442,000	467,840	0	0	126,500	7,120,150	0	8,156,490
Transfers	1,512,000	22,956,210	2,672,000	1,200,000	582,560	0	100,000	29,022,770
Total	38,862,620	63,518,560	3,278,600	2,347,570	41,893,060	20,383,720	5,543,800	175,827,930

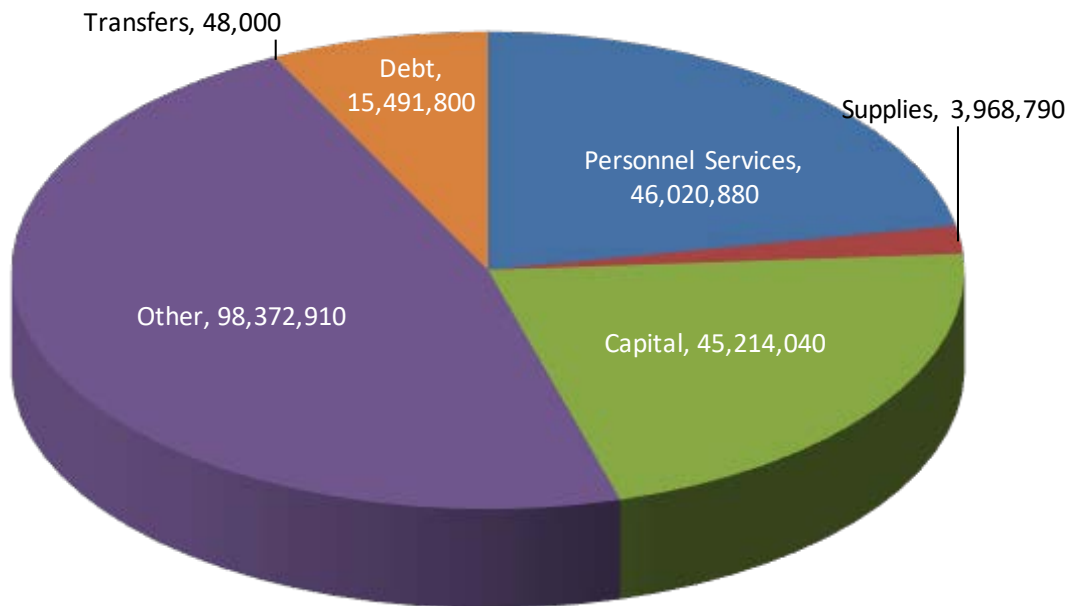
City Wide Revenue



All Funds Expenditure Summary

Expenditures / Expenses	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Component Unit	Grand Total
Personnel Services	9,124,150	31,509,300	0	0	3,257,070	1,902,660	227,700	46,020,880
Supplies	442,560	1,542,520	0	0	868,190	1,113,020	2,500	3,968,790
Capital	467,000	9,078,030	0	26,922,910	6,142,800	2,603,300	0	45,214,040
Other	28,396,850	18,374,800	0	0	27,845,070	15,664,990	8,091,200	98,372,910
Transfers	0	48,000	0	0	0	0	0	48,000
Debt	2,463,000	6,506,100	3,303,000	0	2,619,000	600,700	0	15,491,800
Total	40,893,560	67,058,750	3,303,000	26,922,910	40,732,130	21,884,670	8,321,400	209,116,420

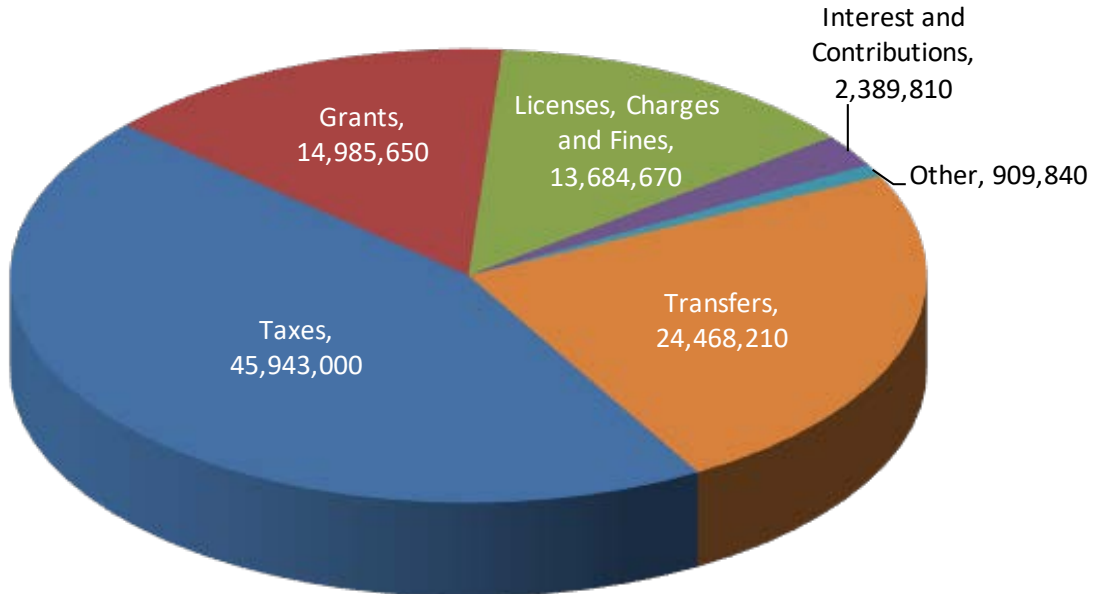
City Wide Expenditures



General and Special Revenue Funds Revenues Summary

Revenues	General	Special Revenue	Grand Total
Taxes	20,165,000	25,778,000	45,943,000
Grants	6,183,450	8,802,200	14,985,650
Licenses, Charges and Fines	9,590,170	4,094,500	13,684,670
Interest and Contributions	970,000	1,419,810	2,389,810
Other	442,000	467,840	909,840
Transfers	1,512,000	22,956,210	24,468,210
Total	38,862,620	63,518,560	102,381,180

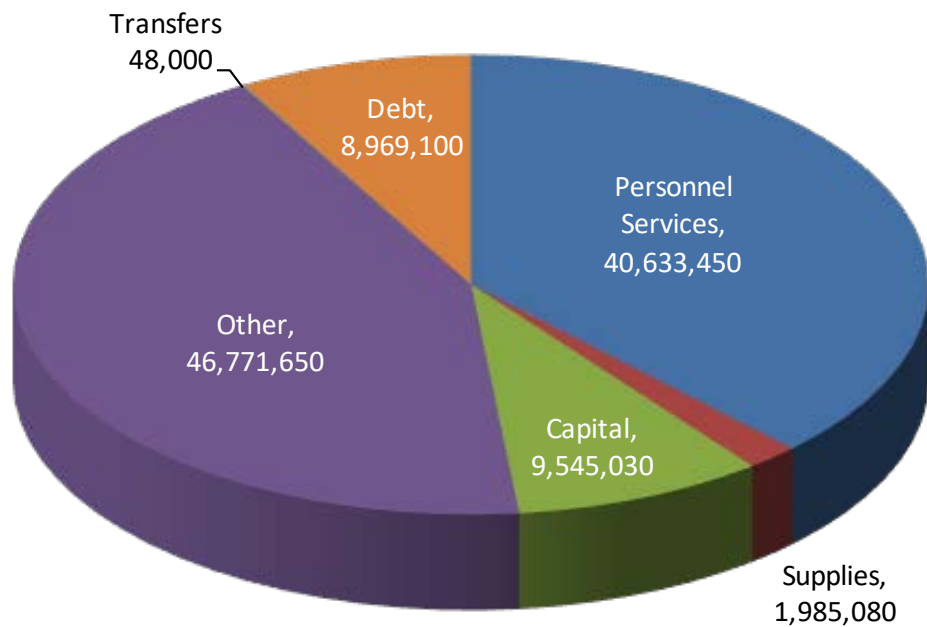
General and Special Revenue Funds Revenue



General and Special Revenue Funds Expenditures Summary

Expenditures	General	Special Revenue	Grand Total
Personnel Services	9,124,150	31,509,300	40,633,450
Supplies	442,560	1,542,520	1,985,080
Capital	467,000	9,078,030	9,545,030
Other	28,396,850	18,374,800	46,771,650
Transfers	0	48,000	48,000
Debt	2,463,000	6,506,100	8,969,100
Total	40,893,560	67,058,750	107,952,310

General and Special Revenue Funds Expenditures





Financial Trends

The financial trends in this section of the budget report show year-to-year comparisons and projections in the following categories.

Taxable Value

Tax Allocation

City Millage Rates

State Shared Revenue

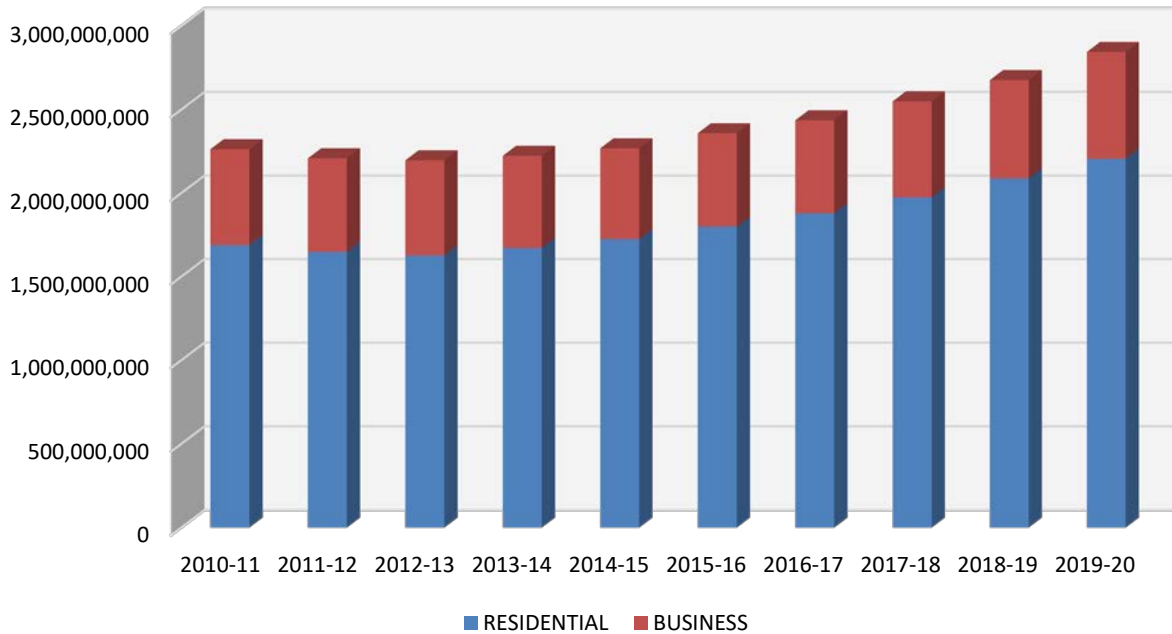
Millage Summary

Interest Income

Millage Rate Comparison

Debt Projections

Taxable Value: Residential + Business Ten Years Actual & Two Years Projected

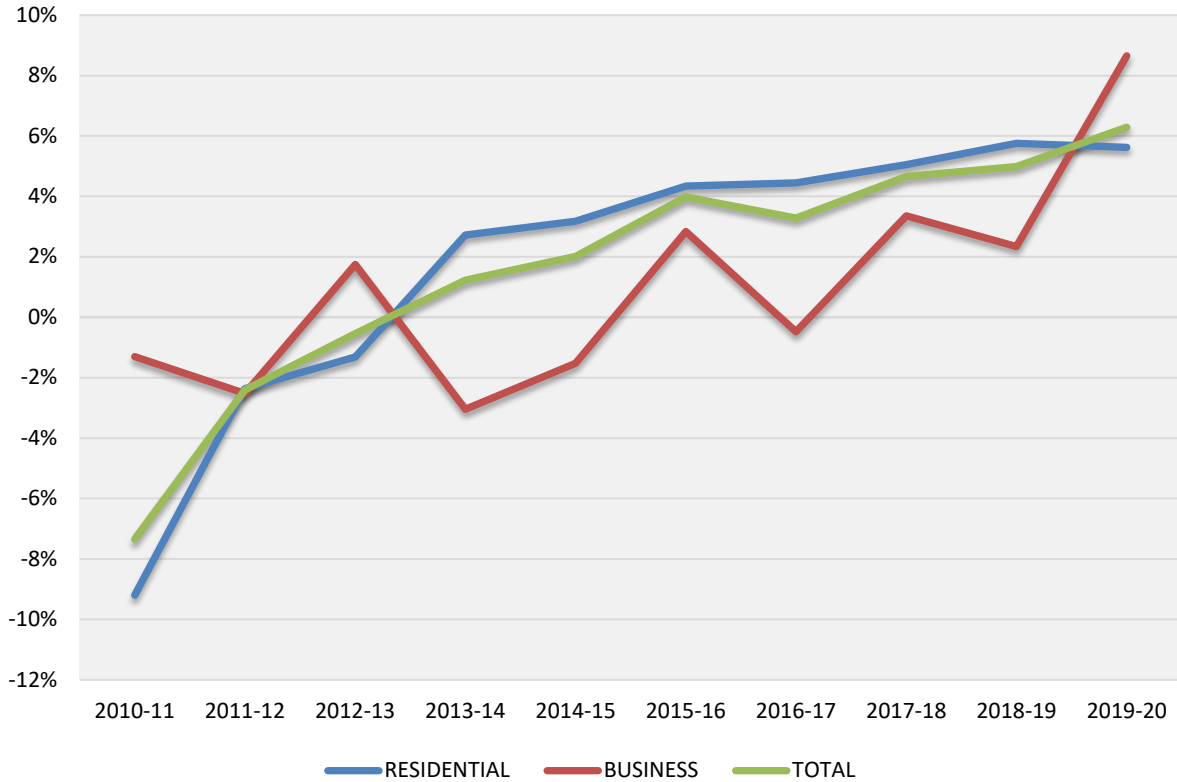


Taxable value, the basis for tax revenue, increased 6.29 percent based on valuations after the March board of review process. All property tax classes increase. For the estimated years in the budget, Royal Oak's

revenues are assumed to increase an average of 2.5 percent each year. This revenue assumption is the net effect of long-term taxable value averages and Headlee reductions to maximum authorized millage rates.

Fiscal Year	By Class					CHANGE
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PERSONAL	TOTAL	
2010-11	1,688,549,090	403,781,590	54,329,690	116,007,990	2,262,668,360	-7.34%
2011-12	1,648,632,770	396,588,890	43,977,480	119,051,890	2,208,251,030	-2.41%
2012-13	1,626,988,850	391,226,770	41,045,340	137,095,330	2,196,356,290	-0.54%
2013-14	1,671,311,400	379,835,840	36,914,920	135,277,840	2,223,340,000	1.23%
2014-15	1,724,404,970	375,365,660	36,935,510	131,328,570	2,268,034,710	2.01%
2015-16	1,799,260,920	378,983,060	37,730,500	142,368,610	2,358,343,090	3.98%
2016-17	1,879,373,700	393,810,370	39,070,030	123,548,190	2,435,802,290	3.28%
2017-18	1,974,284,140	405,165,090	38,888,620	131,044,220	2,549,382,070	4.66%
2018-19	2,087,920,010	423,697,010	39,757,990	125,109,600	2,676,484,610	4.99%
2019-20	2,205,346,400	472,434,490	40,962,070	126,095,950	2,844,838,910	6.29%

Taxable Value Percent Change By Year



Fiscal Year	RESIDENTIAL		COMMERCIAL	
	\$	%	\$	%
2010-11	1,688,549,090	-9.2%	574,119,270	-1.3%
2011-12	1,648,632,770	-2.4%	559,618,260	-2.5%
2012-13	1,626,988,850	-1.3%	569,367,440	1.7%
2013-14	1,671,311,400	2.7%	552,028,600	-3.0%
2014-15	1,724,404,970	3.2%	543,629,740	-1.5%
2015-16	1,799,260,920	4.3%	559,082,170	2.8%
2016-17	1,879,373,700	4.45%	556,428,590	-0.47%
2017-18	1,974,284,140	5.1%	575,097,930	3.4%
2018-19	2,087,920,010	5.8%	588,564,600	2.3%
2019-20	2,205,346,400	5.6%	639,492,510	8.7%

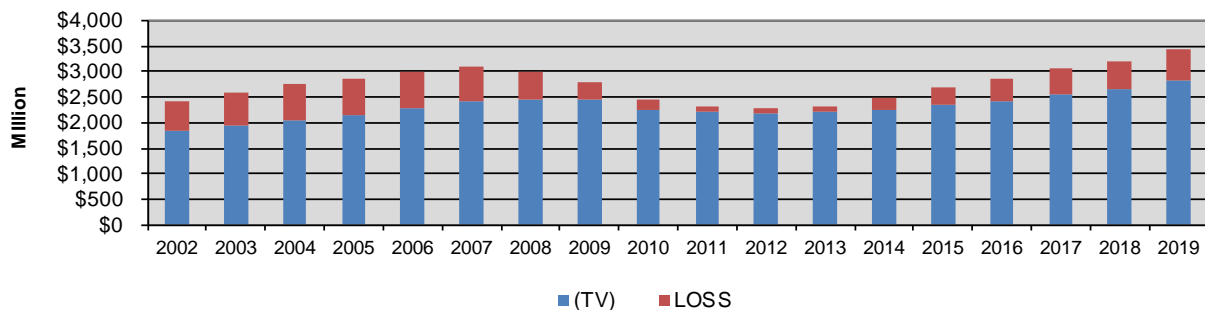
Proposal A Effect in Royal Oak
Taxable Value v. Assessed Valuation
 (Values are in Millions)

July 1	ASSESSED VALUE (SEV)	TAXABLE VALUE (TV)	LOSS	LOSS INCREASE (DECREASE)
2002	2,439	1,841	598	128
2003	2,603	1,938	665	67
2004	2,746	2,038	708	43
2005	2,872	2,157	715	7
2006	3,013	2,300	713	-2
2007	3,114	2,435	679	-34
2008	2,986	2,455	531	-148
2009	2,808	2,442	366	-165
2010	2,462	2,263	199	-167
2011	2,335	2,208	127	-72
2012	2,279	2,196	83	-44
2013	2,320	2,223	97	14
2014	2,497	2,268	229	132
2015	2,694	2,358	336	107
2016	2,853	2,435	418	82
2017	3,082	2,549	533	115
2018	3,190	2,676	514	-19
2019	3,453	2,844	609	95

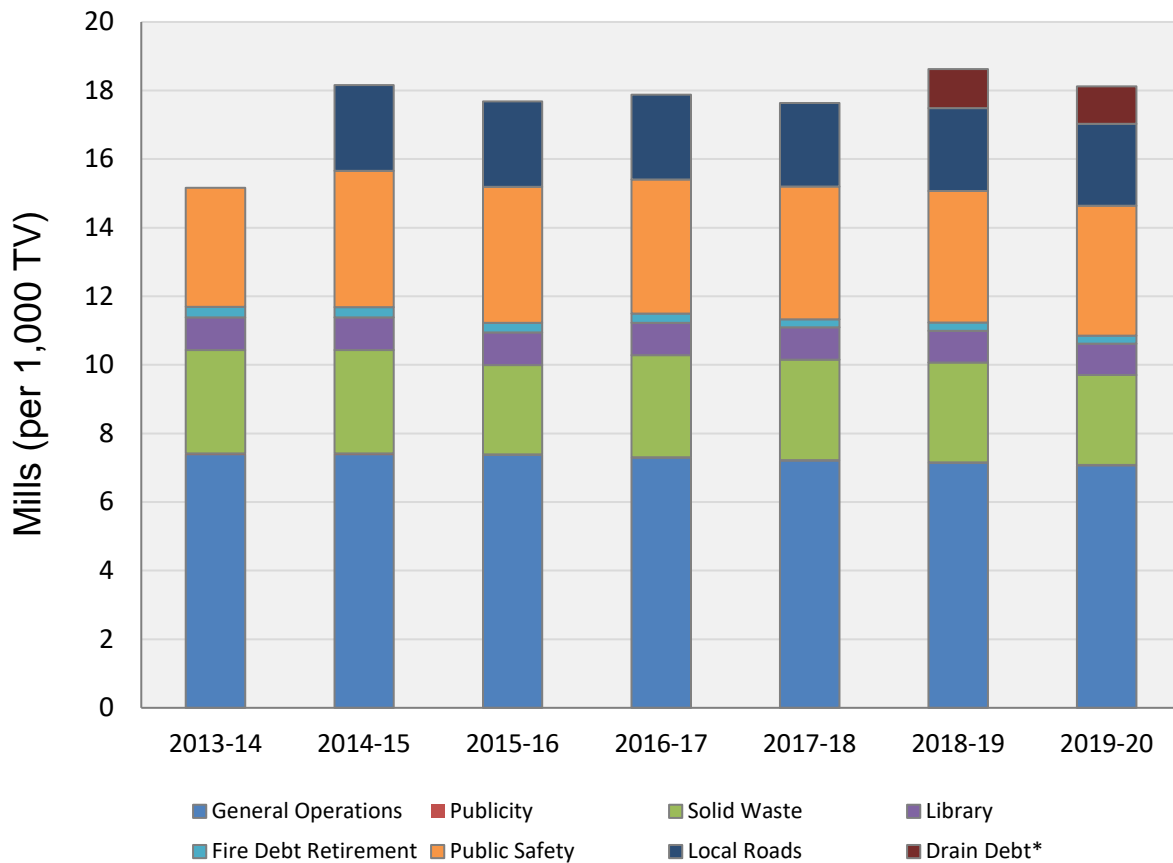
Proposal A of 1994 amended the state constitution changing the property taxation base from state equalized value (SEV) to taxable value (TV). The annual increase in taxable value to each parcel is limited by the parcel's SEV or to the rate of inflation (CPI) or 5 percent whichever is less. The city's allowable inflation rate multiplier for fiscal

year 2019-20 is 2.4 percent. The chart and graph show the widening result of this through 2005 when the gap reached a high of \$715 million. After 2005, the trend reversed, and the gap began to close until 2013. In 2013, the loss gap had begun to widen again and continues to expand significantly.

Taxable Value + Loss = Assessed Value



City Tax Rate



Millage Rate	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Operations	7.3947	7.3947	7.3695	7.2899	7.2031	7.1389	7.0625
Publicity	0.0223	0.0218	0.0212	0.0206	0.0195	0.0180	0.0169
Solid Waste	3.0129	3.0129	2.6026	2.9700	2.9346	2.9084	2.6272
Library	0.9597	0.9597	0.9564	0.9460	0.9347	0.9263	0.9163
Fire Debt Retirement	0.3006	0.2910	0.2770	0.2665	0.2400	0.2450	0.2270
Public Safety	3.4750	3.9750	3.9614	3.9186	3.8719	3.8374	3.7963
Local Road	0.0000	2.5000	2.4915	2.4645	2.4351	2.4134	2.3875
Drain Debt*	0.0000	0.0000	0.0000	0.0000	0.0000	1.1360	1.0850
TOTAL	15.1652	18.1551	17.6796	17.8761	17.6389	18.6234	18.1187

*formerly charged in sewage disposal rate

Downtown Development Authority – Specific Tax Rate - Operations

DDA Operating Levy	1.6477	1.6477	1.6477	1.6146	1.6146	1.6021	1.6021
City & DDA Operations	16.8129	19.8028	19.3273	19.4907	19.2535	20.2255	19.7208

General operating levy

City charter amendment 04/01/1957

Up to 11.0000 mills authorized by the charter (limited to 7.0625 mills by Headlee rollback) for any governmental purpose. A levy of 7.0625 mills is budgeted for fiscal year 2019-20.

Publicity levy

Public Act 359 of 1925 - MCL 123.881
Publicity tax; limit. Sec. 1. [Excerpt]

The common council of any city ... in this state, shall have the power to levy a special tax not to exceed in any 1 year 4 mills on the dollar of the assessed valuation of all taxable property within the said city or village, to be used for advertising, exploiting and making known the industrial, commercial, educational or recreational advantages of the said city ..., and to establish recreational and educational projects for the purpose of encouraging immigration to, and increasing the trade, business and industries of the said city or village: Provided, however, that such tax levy shall not exceed 50,000 dollars in any 1 year. A levy of 0.0169 mill is budgeted.

Refuse levy

Public Act 298 of 1917 as amended-MCL 123.261 Garbage disposal plants or systems in cities [Excerpt, underlining added] Sec. 1. (1) The city council of a city, whether organized under the general law or special charter, ... may establish and maintain garbage systems or plants for the collection and disposal of garbage in the city or village, and may levy a tax not to exceed 3 mills on the taxable value of all taxable property in the city or village according to the valuation of the property, as made for the purpose of state and county taxation by the last assessment in the city or village for these purposes (2) As used in this act, "garbage" means any putrescible and non-putrescible solid wastes, except body wastes, and includes ashes, incinerator ash, incinerator residue, street cleanings, solid market wastes, solid industrial wastes, and also rubbish including such items as paper, cardboard, tin cans, yard clippings, wood, glass, bedding, crockery, and litter of any

kind. The Headlee millage limitation and the levy is 1.9256 mills.

Refuse levy

City charter amendment 08/02/2016

As authorized in a city charter amendment this millage was first levied in the summer of 2007. Therefore, it expired after the 2011 levy. It was renewed in November 2011 and again in August 2016 for five years. The renewal allows the city to levy up to 1.000 mill, to defray the costs of refuse collection, disposal and curbside recycling. Currently, the Headlee millage limitation is 0.9516 mill. This millage is budgeted for 0.7016 in fiscal year 2019-20.

Library operations levy

Public Act 164 of 1877 as amended-MCL 297.210a Free public library in the city.

Voter approved millage 11/04/2003

Up to 1.0000 mill is authorized for reconstructing, furnishing, equipping and operating the city's existing library for 20 years. The millage expires after 2023. The current Headlee limitation and levy is 0.9163 mill for fiscal year 2019-20.

Fire bond debt service levy

Public Act 31 of 1948 (1st Ex. Session) as amended. Voter approved bond issue 05/15/2001. A full faith and credit tax millage authorized to pay debt service of building authority series 2001A bonds. This issuance was advance refunded in 2012 and is now called series 2012. This millage expires after 2021. A millage rate is budgeted at 0.2270 mill for fiscal year 2019-20.

Public safety levy

City charter amendment 11/08/2016

Authorized in chapter 8, section 11 (as amended) in the city charter, this language allows the city to levy a millage for a period not to exceed five (5) years of up to 3.975 mills, to defray the costs for police, fire and emergency medical services. On Nov. 8, 2016 a year prior to expiration, the voters of Royal Oak approved the renewal of this millage and it is charged on the winter tax bill.

The fiscal year 2019-20 budget provides for a levy of 3.7963 mills.

City of Royal Oak Downtown Development Authority

DDA general operations levy Public Act 57 of 2018 DDA Act-MCL 125.1662 Ad valorem tax--Commission adopted 11/02/1976 Sec. 12. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax in the downtown district. The tax shall be not more than two mills if the downtown district is in a municipality having a population of less than 1,000,000. This is only for the purposes provided by Act 57 beginning with the duty to correct and prevent deterioration in business districts. The levy is budgeted at 1.6021 mills for fiscal year 2019-20 and is also the maximum due to the Headlee limitation. This millage is not reduced by Headlee this year.

Road levy

City charter amendment 11/04/2014 As authorized in a city charter amendment this millage was first levied in the winter of 2014,

this language allows the city to levy up to 2.5 mills for a period not to exceed ten (10) years beginning on Dec. 1, 2014, to defray costs for maintaining, repairing, and reconstructing roads and right of ways in the City of Royal Oak. Voters approved this millage on Nov. 4, 2014 and it was immediately placed on the winter tax bill in the amount of 2.5 mills. The fiscal year 2019-20 budget provides for a levy of 2.3875 mills and this is also the Headlee maximum.

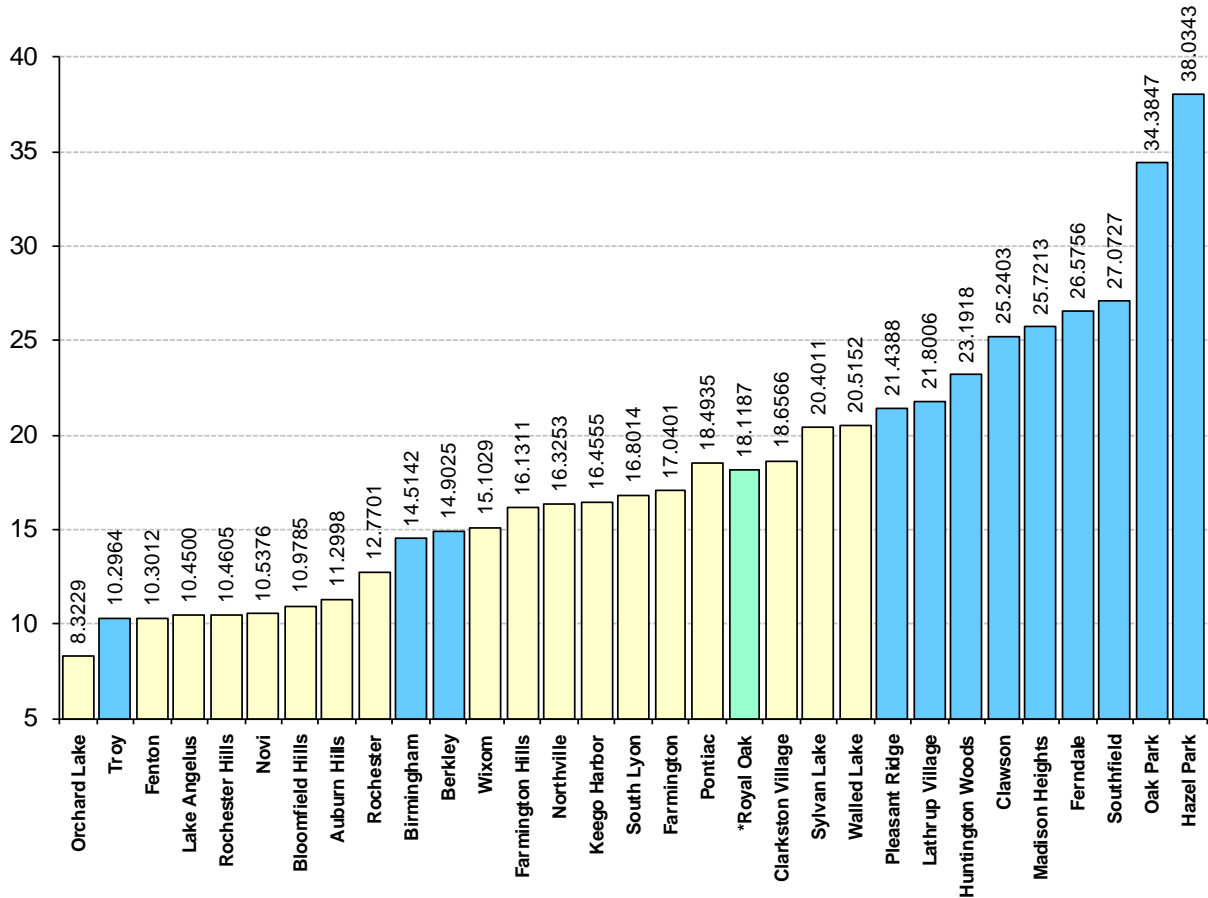
Drain levy

Public Act 40 of 1956 MCL 280.475 Statutory or charter tax limitations inapplicable; rate or amount of taxes. Taxes levied by a public corporation for the payment of assessments hereunder shall not be deemed to be within any statutory or charter tax limitation. A public corporation may impose taxes without limitation as to a rate or amount for the payment of assessments in anticipation of which bonds are issued.....The fiscal year 2019-20 budget provides for a levy of 1.0850 mills. Fiscal year 2019-20 will be the second year of this millage as this revenue was collected to pay drain debt services by way of sewage disposal fees in prior year.

FY 2018-2019 Millage Rate Comparison

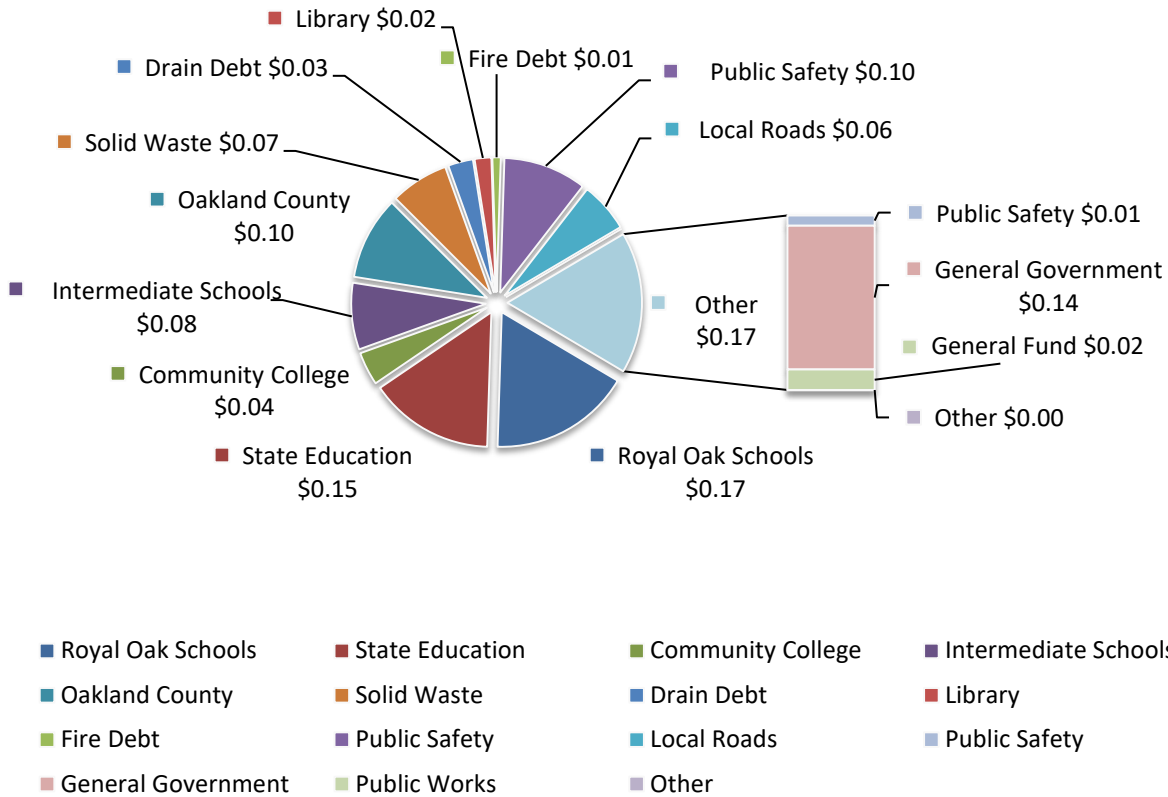
(Average Millage Rate = 18.47)

Blue bar represents a bordering neighbor



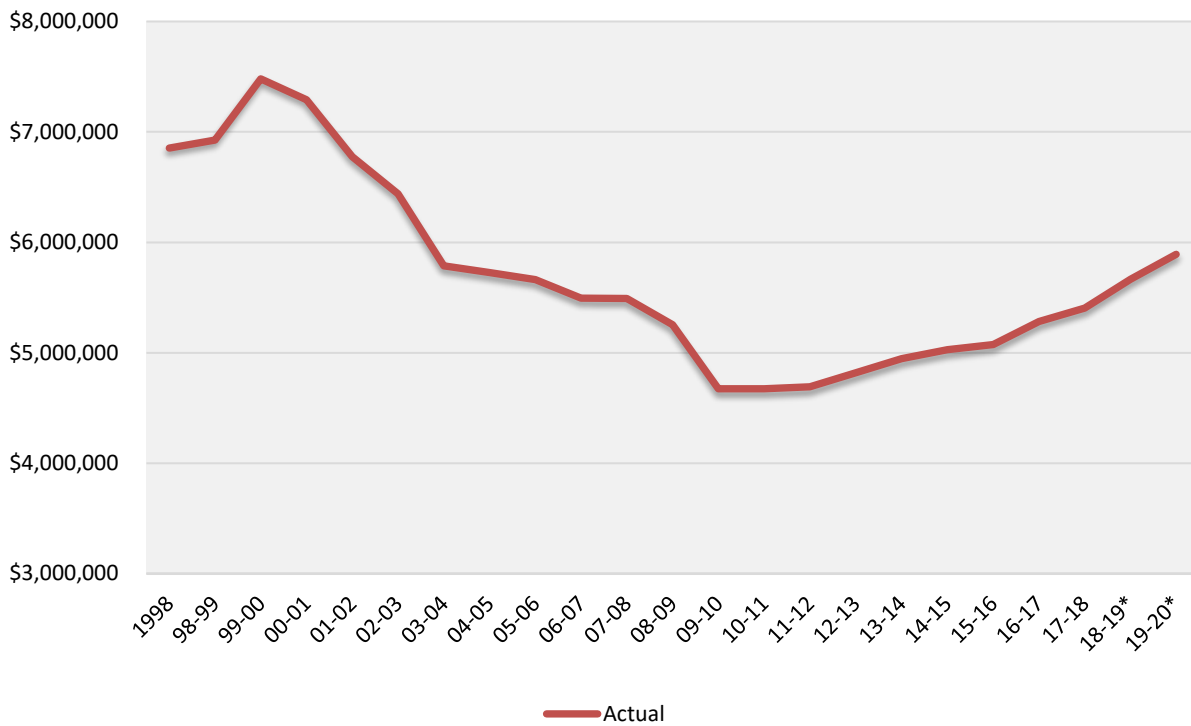
Note: City of Royal Oaks millage rate is for fiscal year 2019-20, however the rest of the community's rates are from 2018-19 as the community's rates are not available for the upcoming fiscal year until July.

Where Your Tax Dollar Goes



46 percent of taxes support city services in Royal Oak. 54 percent of real tax revenue supports the county and schools.

General Fund State Shared Revenue



The Michigan legislature has dramatically reduced distributions of state shared revenue of sales tax receipts since fiscal year 1999-2000. The formula was fully funded in 2001 but population dropped in the 2010 census. The constitutional formula is set by the voters and cannot be affected by the legislature. Statuary/CVTRS payments to the city have been lower each year than its peak since 2000. First there were challenges to the Headlee tax rate limits, and then by Proposal A to taxable value. The past 20 years, local governments have had to contend with the dilemma that state shared revenue is drastically reduced.

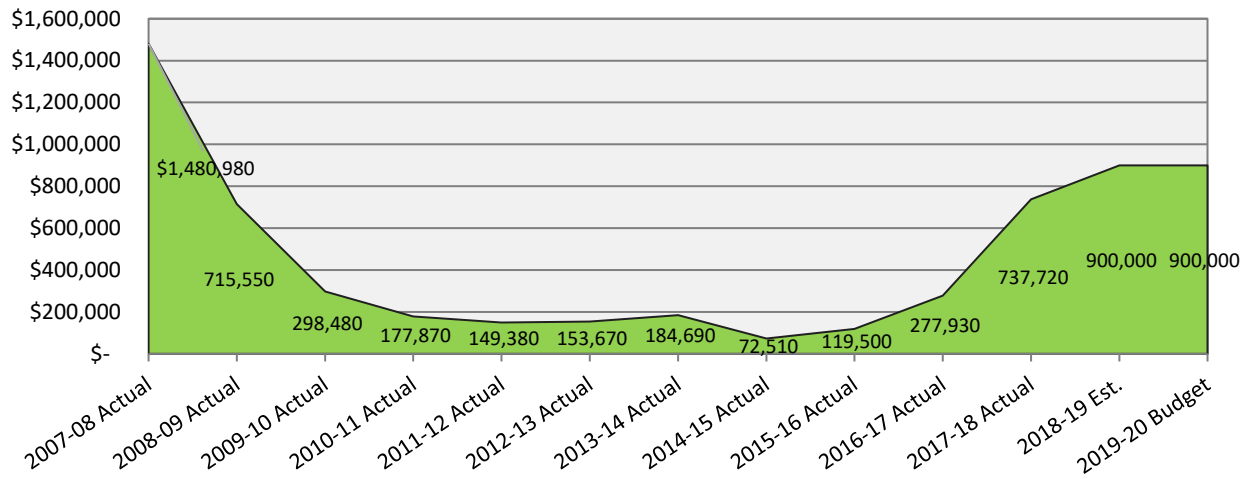
As the graph illustrates, funding is down \$1.588 million since the high in 1999-2000 (not adjusted for inflation). This leaves the local unit of government with the position of having to reduce services or find some creative way to raise new revenue (which has its restrictions), such as new voter approved millages. The full CVTRS (formerly EVIP) funding has been budgeted for fiscal year 2019-20, a \$227,000 increase, based upon the State of Michigan's projection.

State Shared Revenue

<u>Fiscal</u>	<u>Year</u>	<u>Constitutional</u>	<u>Statutory</u>	<u>Actual</u>	
	1998	3,978,040	2,874,568	6,852,608	
	98-99	4,094,535	2,831,659	6,926,194	
	99-00	4,433,959	3,046,331	7,480,290	Formula revised
	00-01	3,897,555	3,393,244	7,290,799	
	01-02	3,937,256	2,838,283	6,775,539	Uses 2000 census; fully funded
	02-03	4,003,913	2,436,424	6,440,337	Reductions begin anew
	03-04	3,960,423	1,827,848	5,788,271	
	04-05	4,054,936	1,670,243	5,725,179	
	05-06	4,123,971	1,537,506	5,661,477	
	06-07	4,038,279	1,456,481	5,494,760	
	07-08	4,173,107	1,319,767	5,492,874	
	08-09	3,935,742	1,319,775	5,255,517	
	09-10	3,815,174	859,079	4,674,253	
	10-11	3,861,430	812,823	4,674,253	
	11-12	4,110,082	582,777	4,692,859	EVIP Implemented
	12-13	4,195,175	624,402	4,819,577	
	13-14	4,293,557	654,486	4,948,043	
	14-15	4,416,029	612,393	5,028,420	CVTRS Implemented
	15-16	4,369,203	674,467	5,073,238	
	16-17	4,607,911	674,467	5,282,378	
	17-18	4,729,610	674,467	5,404,077	
Projected	18-19*	4,990,540	674,460	5,665,007	
Projected	19-20*	5,150,100	742,330	5,892,430	

*Does not include projected personal property tax reimbursement (supplemental CVTRS)

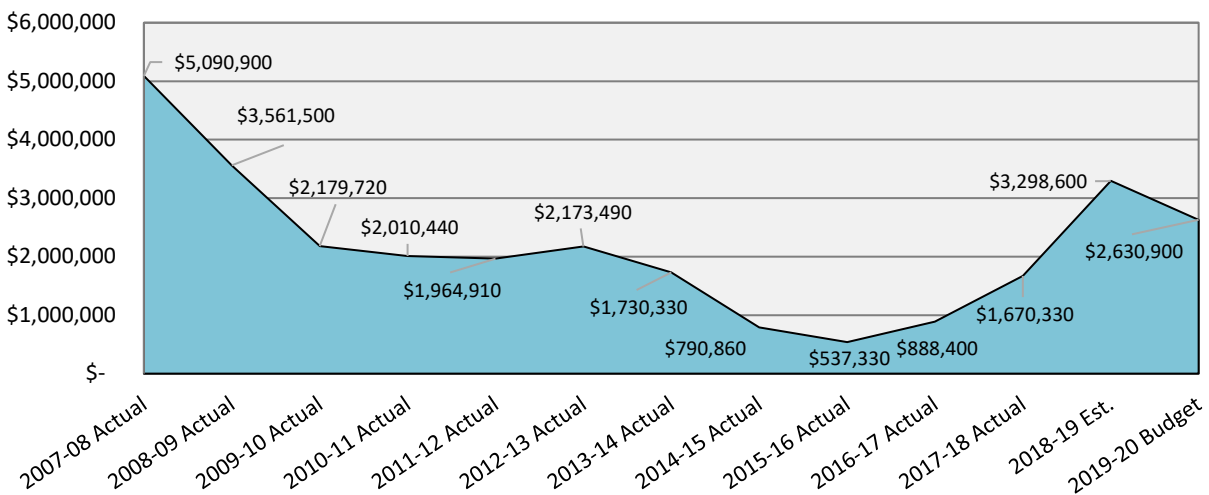
General Fund Interest Revenue



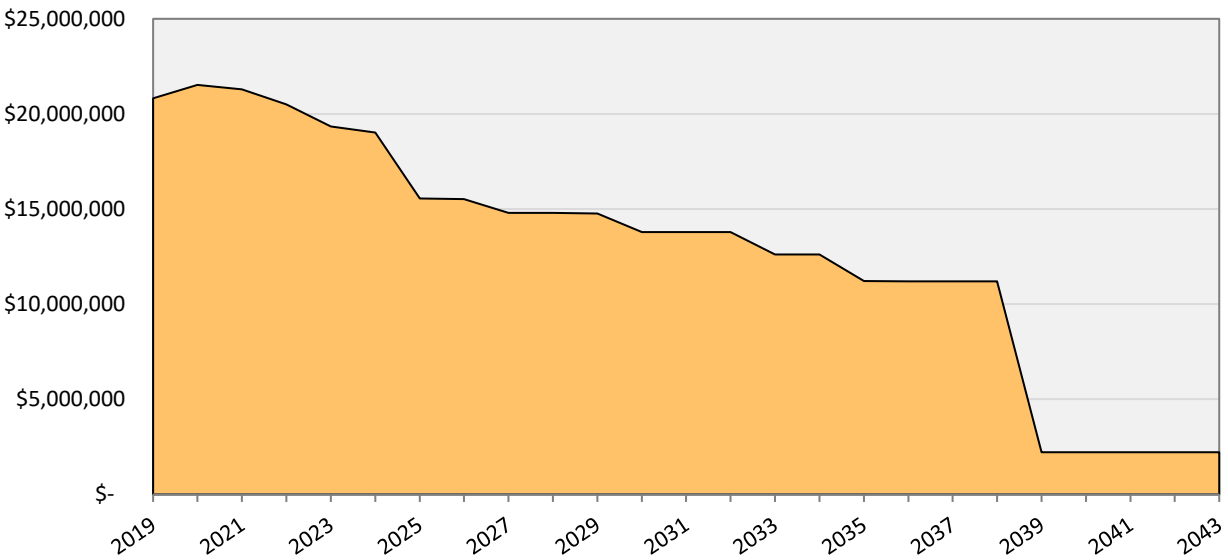
Beyond ten years ago, funds were able to significantly supplement operations with interest income earned on cash balances. Unfortunately, this changed over the last ten years. Interest rates earned on the city's cash had fallen drastically as well as certain cash levels from which interest rates are calculated. In fiscal year 2007-08, the

general fund earned nearly \$1.5 million to help offset its operating expenditures. The general fund fiscal year 2019-20 interest income is budgeted at \$900,000 due to rising interest rates. However, it is nearly \$600,000 less income than the peak in fiscal year 2007-08. The all funds interest revenue includes trust and agency funds.

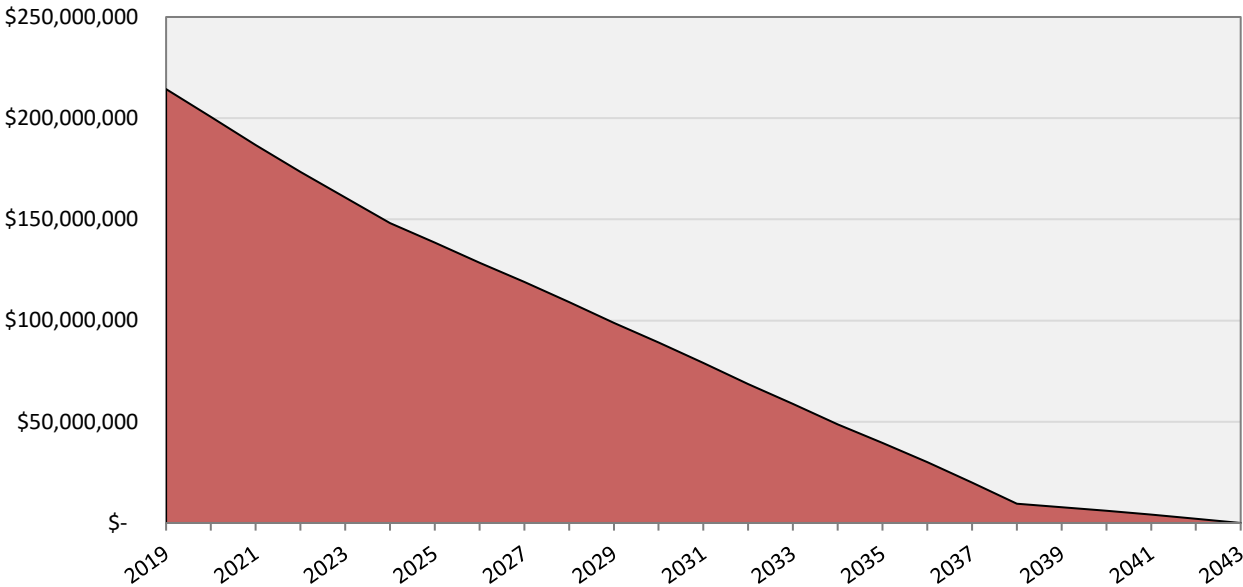
All Funds Combined Interest Revenue



Annual Debt Service



Principle Outstanding



Financial Trends - Debt Projections

Fiscal Year Ending	Annual Interest	Annual Principal	Annual Debt Service	Principle Outstanding
6/30/2019	7,827,897	12,984,985	20,812,882	214,367,932
6/30/2020	7,804,918	13,720,247	21,525,164	200,647,685
6/30/2021	7,465,213	13,822,919	21,288,132	186,824,766
6/30/2022	7,104,563	13,389,183	20,493,745	173,435,583
6/30/2023	6,721,552	12,616,864	19,338,415	160,818,720
6/30/2024	6,335,892	12,685,740	19,021,632	148,132,980
6/30/2025	5,940,358	9,612,340	15,552,698	138,520,640
6/30/2026	5,597,567	9,927,143	15,524,710	128,593,497
6/30/2027	5,245,906	9,554,694	14,800,600	119,038,802
6/30/2028	4,887,111	9,912,635	14,799,746	109,126,167
6/30/2029	4,506,284	10,261,167	14,767,451	98,865,000
6/30/2030	4,115,063	9,675,000	13,790,063	89,190,000
6/30/2031	3,718,116	10,065,000	13,783,116	79,125,000
6/30/2032	3,297,970	10,490,000	13,787,970	68,635,000
6/30/2033	2,877,241	9,725,000	12,602,241	58,910,000
6/30/2034	2,460,639	10,145,000	12,605,639	48,765,000
6/30/2035	2,039,247	9,170,000	11,209,247	39,595,000
6/30/2036	1,629,830	9,575,000	11,204,830	30,020,000
6/30/2037	1,196,357	10,005,000	11,201,357	20,015,000
6/30/2038	743,293	10,460,000	11,203,293	9,555,000
6/30/2039	477,750	1,730,000	2,207,750	7,825,000
6/30/2040	391,250	1,815,000	2,206,250	6,010,000
6/30/2041	300,500	1,905,000	2,205,500	4,105,000
6/30/2042	205,250	2,000,000	2,205,250	2,105,000
6/30/2043	105,250	2,105,000	2,210,250	-

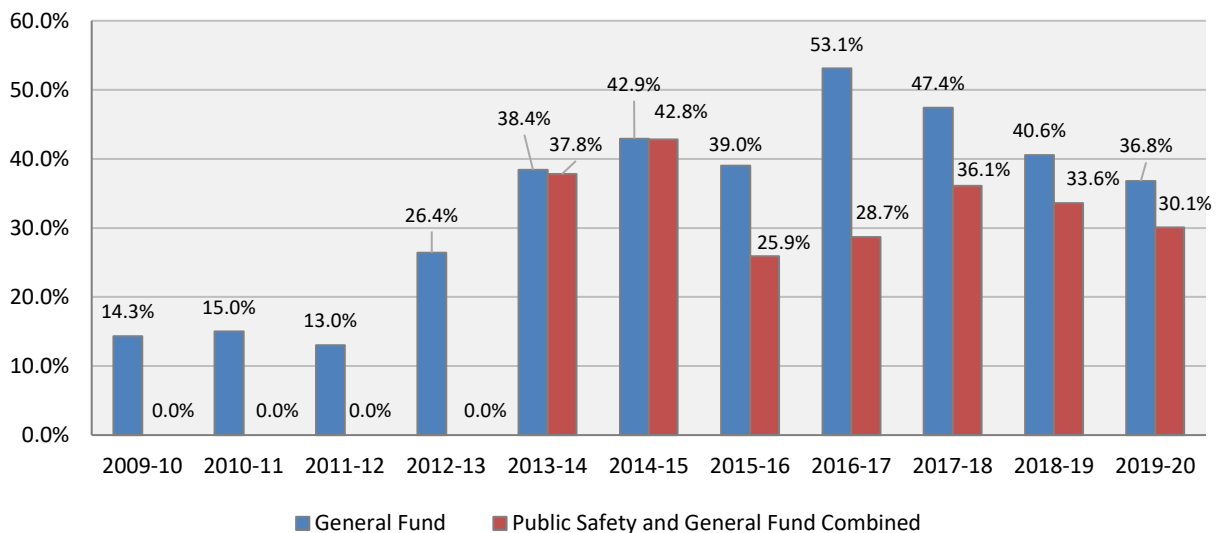
General Fund
Unassigned Fund Balance as a Percentage of Expenditures
Fiscal Year 2008-09 to 2019-20

<u>Fiscal Year</u>		<u>Expenditures</u>	<u>Unassigned Fund Balance</u>	<u>Percent</u>
2009-10		36,469,831	5,233,096	14.3%
2010-11		34,800,450	5,221,748	15.0%
2011-12		33,696,290	4,374,352	13.0%
2012-13		27,949,060	7,391,788	26.4%
2013-14		29,019,450	11,149,200	38.4%
2014-15		30,512,890	13,085,091	42.9%
2015-16		33,808,180	14,481,359	39.0%
2016-17		40,123,140	21,321,516	53.1%
2017-18		41,061,287	19,445,520	47.4%
2018-19	Estimated	42,117,290	15,518,490	36.9%
2019-20	Estimated	40,893,560	13,487,550	33.0%

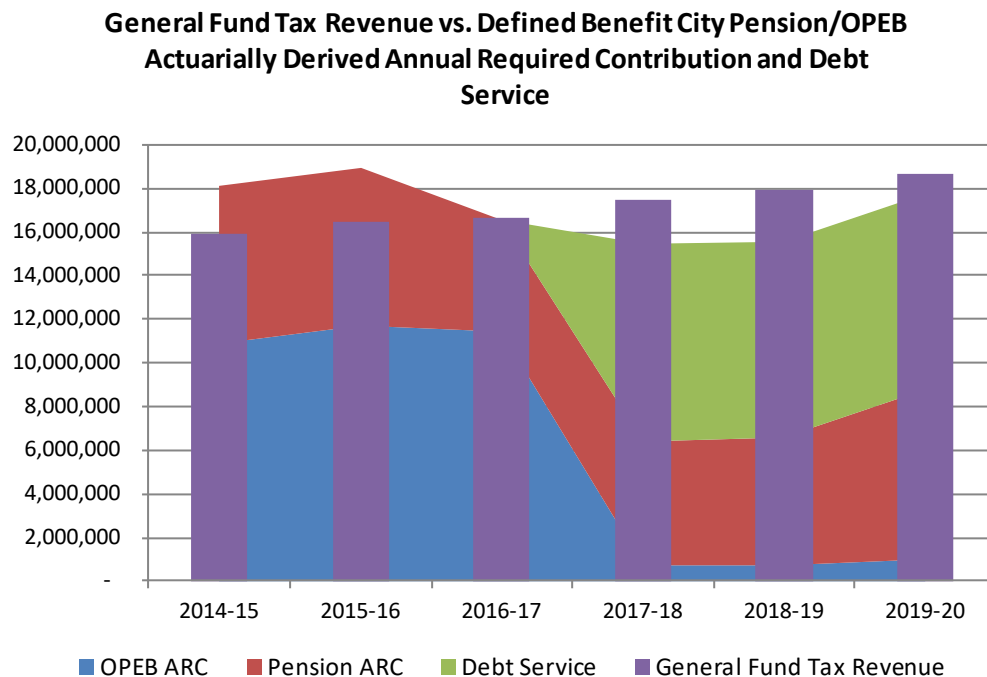
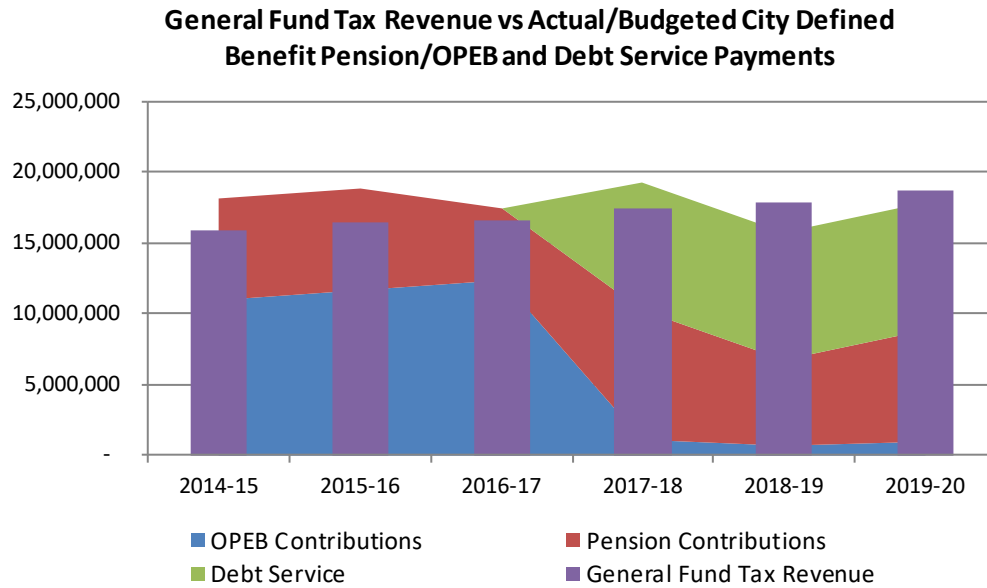
The Royal Oak City Commission has set the goal for the general fund to maintain undesignated fund balance of not less than ten percent and not more than 25 percent of expenditures. The public safety fund is combined with the general fund unassigned fund balance in the red bar graph below,

general fund significantly funds police, fire, and EMS operations. The budgeted unassigned combined fund balance for fiscal year 2019-20 is estimated at \$13.5 million or 33 percent. However, the budgeted forecast shows ending fund balance to be estimated at 5% in the fiscal year ending 2023-24.

Unassigned Fund Balance as a Percentage of Expenditures



Financial Trends – Tax Revenues vs. DB Pension and OPEB Contributions



The graph illustrates that the city's combined pension and OPEB actuarially derived ARC and related debt service payments are now less than the general fund millage revenue. In accordance with state requirements the city has contributed the full pension ARC however the city has not contributed the full OPEB ARC in some of these years. OPEB ARC is not a required annual contribution as is pension. The top graph illustrates that for

fiscal year 2019-20 the city is budgeting to contribute the full pension and OPEB ARCs and pension/OPEB debt service. The contributions are below the general fund tax revenue for fiscal year 2019-20, as well as 2017-18 and 2018-19 as opposed to prior years' mostly due to bonding for OPEBs unfunded liability and general unfunded pension liability.

General Fund

The general fund is the city's major operating fund accounting for all financial resources of the city except those required to be accounted for in another fund. Property taxes from the city's general tax millage/levy and state shared revenue are recorded in this fund. General administration and some public works functions are services provided from this fund.

Mayor/Commission – 101.101	Ordinance Enforcement – 101.372
Court – 101.136	Community Development – 101.400
Manager – 101.172	Animal Protection Services – 101.430
Elections – 101.191	Electrical – 101.433
Finance – 101.201	Engineering – 101.447
Assessor – 101.209	Street Lighting – 101.448
Attorney – 101.210	Economic Development – 101.728
Clerk – 101.215	Community Engagement – 101.747
Human Resources – 101.226	Cable Communications – 101.834
Administration – 101.248	Dream Cruise – 101.836
Treasurer – 101.253	Arts, Beats and Eats – 101.837
City Office Building – 101.267	Transfers-Out – 101.965
Parks & Forestry – 101.266	
Building Maintenance – 101.267	

The mission of the general fund is to record all revenue not required by state statute or local law to be reported separately, and to show the legal expenditure of those monies.

The general fund is typically the largest operating fund of any municipality. The City of Royal Oak is no exception; its revenue exceeds \$38.8 million (including transfers-in from other funds).

Over 90% percent of general fund revenue is from property taxes, state/federal grants, fines and forfeitures, licenses and permits,

and charges for services. Property tax revenue alone makes up over half of revenue. The base operating millage is authorized by the city charter in chapter eight section 4.11(a).

A secondary source of general fund revenue includes interest and rentals, contributions and donations, other revenue.

GOALS

1. Provide for the proper collection of revenue to defray the cost of service delivery for the general purpose operations of the City of Royal Oak.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Revenues - Total general fund revenue (excluding transfers-in) is budgeted to increase less than one percent / \$275,050 relative to fiscal year 2018-19 estimated year-end revenue mostly due to increased tax revenue and state shared revenue. Tax revenue for the general fund is budgeted to increase 4 percent / \$782,000 and state shared revenue, another significant revenue source, is budgeted to increase 4 percent/ \$228,000 based upon the State of Michigan's published projection. These increases are netted against decreases, such as the indirect cost revenue (fee charged to other city funds for general fund central service costs) which declined \$357,000 due to the expense for the unfunded liability for pension and OPEB costs no longer being collected through personnel costs as it is now paid by way of debt payments. In addition, reimbursements and grants are decreasing approximately \$197,000 due to one time revenue sources in fiscal year 2018-19.

Transfers-in - The transfer-in total is \$1,512,000 which is an increase of \$500,000 due to the one-time transfer from the DDA TIF to help fund a portion of the ROCC project utility work costs. The balance of the transfer-in is a \$737,000 annual transfer from the DDA TIF to pay the debt service on the downtown park and \$275,000 from the auto parking fund for in lieu of tax payment.

Expenditures – Total general fund expenditures (excluding the one-time cash transfer for the ROCC project) are budgeted to increase 7 percent / \$2.8 million relative to fiscal year 2018-19 estimated year-end expenditures, mostly due to the transfer to the public safety fund, wage increases, medical benefit increase and pension and OPEB UAL contribution increases.

Transfers-out – Total transfers-out of the general fund amounts to \$24.07 million. Transfers-out to the public safety fund is budgeted at \$21 million, a \$2 million increase from fiscal year 2018-19. The forecast estimates that the transfer-out to the public safety fund will be as high as \$22.75 million by fiscal year 2023-24. \$350,000 transfer-out to senior center fund continues to be necessary to support current programming and it is estimated that the transfer will need to increase to \$450,000 by fiscal year 2023-24. The 2019-20 budget has a transfer to ROOTs fund in the amount of \$20,000 for the commission for the arts funding and \$2,000 to ROOTS for the Memorial Day parade. The budget provides for a \$22,210 transfer to the Indigent Defense Fund representing the city's match. The 2019-20 budget includes a \$2.2 million debt payment on the ROCC project, and the forecast provides for this same amount to be transferred annually for the duration of the term on ROCC project bonds. The general fund continues to transfer-out approximately \$466,000 annually to pay the debt service on the court building until 2024.

General Fund and Public Safety Fund balance combined– The fiscal year 2019-20 budget provides for the use of \$2.2 million from fund balance as a revenue source to fund expenditures and transfers-out. The ending fund balance level is projected at nearly \$14.4 million / 27 percent, which is outside of the fund balance policy as the fund balance policy is 10 percent to 25 percent of expenditures. However, the projected forecast shows a continued structural deficit with use of fund balance between \$2.1 million to \$3.5 million annually. A combined fund balance for the general fund and public safety fund totals \$2.3 million / 4.1 percent of expenditures at the end of the estimated forecast. Should the future estimated budgets be accurate, the use of fund balance will not be sustainable in the long-term as the fund balance will be depleted.

The balance of noteworthy program information can be found in the significant note section (an orange box) within each of the funds/cost centers.

Budget Summary

General Fund Summary	2018-2019 Estimated Year End	2019-2020 Adopted Budget	2020-2021 Projected Budget	2021-2022 Projected Budget	2022-2023 Projected Budget	2023-2024 Projected Budget
Unassigned Beginning Fund Balance	19,445,520	15,518,490	13,487,550	11,392,500	8,886,340	5,819,720
Revenues	37,178,240	37,350,620	37,599,790	38,057,620	38,631,280	39,158,410
Expenditures	42,117,270	40,893,560	40,706,840	41,575,780	42,709,900	43,698,650
Net	(4,939,030)	(3,542,940)	(3,107,050)	(3,518,160)	(4,078,620)	(4,540,240)
Transfers from other funds	1,012,000	1,512,000	1,012,000	1,012,000	1,012,000	1,012,000
Net Change in Fund Balance	(3,927,030)	(2,030,940)	(2,095,050)	(2,506,160)	(3,066,620)	(3,528,240)
Ending Fund Balance	15,518,490	13,487,550	11,392,500	8,886,340	5,819,720	2,291,480
Fund Balance as a percentage of Expenditures	36.85%	32.98%	27.99%	21.37%	13.63%	5.24%
Public Safety Beginning Fund Balance	1,246,580	1,090,210	951,590	486,300	109,890	50,690
Public Safety Revenues	11,246,050	11,651,820	11,899,880	12,694,800	12,956,640	13,225,450
Public Safety Expenditures	30,983,420	33,330,440	33,905,170	34,571,210	35,265,840	35,983,770
Net	(19,737,370)	(21,678,620)	(22,005,290)	(21,876,410)	(22,309,200)	(22,758,320)
Transfers from other funds	19,581,000	21,540,000	21,540,000	21,500,000	22,250,000	22,750,000
Net Change in fund balance	(156,370)	(138,620)	(465,290)	(376,410)	(59,200)	(8,320)
Public Safety Ending Fund Balance	1,090,210	951,590	486,300	109,890	50,690	42,370
General Fund and Public Safety combined Fund Balance as a percentage of Expenditures	30.70%	27.13%	22.16%	16.46%	10.53%	4.10%

Revenues

101-000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	17,848,720	5,412,470	9,802,790	171,450	528,370	1,367,380	35,131,180
2016-2017 Actual	18,277,450	5,373,830	10,095,130	421,980	875,400	6,911,820	41,955,610
2017-2018 Actual	18,822,260	5,567,900	10,376,650	813,200	241,460	3,504,640	39,326,110
2018-2019 Original Budget	19,309,700	5,601,180	10,042,050	678,000	503,000	1,012,000	37,145,930
2018-2019 Adjusted Budget (Dec)	19,309,700	5,601,180	10,042,050	717,400	503,000	1,012,000	37,185,330
2018-2019 Six Month Actual	18,606,600	2,281,650	4,633,660	(201,440)	200,970	0	25,521,440
2018-2019 Estimated Year End	19,362,000	6,061,650	10,155,650	1,018,580	580,360	1,012,000	38,190,240
2019-2020 Dept Request	20,165,000	6,183,450	9,590,170	970,000	442,000	1,512,000	38,862,620
2019-2020 Manager's Budget	20,165,000	6,183,450	9,590,170	970,000	442,000	1,512,000	38,862,620
2019-2020 Adopted Budget							
2020-2021 Projected Budget	20,657,250	6,306,290	9,359,250	835,000	442,000	1,012,000	38,611,790
2021-2022 Projected Budget	21,161,680	6,431,620	9,302,070	720,250	442,000	1,012,000	39,069,620
2022-2023 Projected Budget	21,678,590	6,559,470	9,328,510	622,710	442,000	1,012,000	39,643,280
2023-2024 Projected Budget	22,208,290	6,689,900	9,278,420	539,800	442,000	1,012,000	40,170,410

Expenditures

General Fund	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	9,093,950	590,580	299,180	23,824,470	0	33,808,180
2016-2017 Actual	9,905,140	369,050	159,900	27,027,920	0	37,462,010
2017-2018 Actual	7,692,080	303,700	246,800	30,360,400	2,459,570	41,062,550
2018-2019 Original Budget	8,275,720	384,940	727,000	30,583,890	2,465,000	42,436,550
2018-2019 Adjusted Budget (Dec)	8,275,720	384,940	766,400	30,587,770	2,465,000	42,479,830
2018-2019 Six Month Actual	3,773,890	176,430	160,690	12,069,090	1,843,070	18,023,170
2018-2019 Estimated Year End	8,060,460	394,800	712,290	30,484,720	2,465,000	42,117,270
2019-2020 Dept Request	9,352,490	442,560	467,000	28,396,850	2,463,000	41,121,900
2019-2020 Manager's Budget	9,124,150	442,560	467,000	28,396,850	2,463,000	40,893,560
2019-2020 Adopted Budget						
2020-2021 Projected Budget	9,414,860	442,560	0	28,386,090	2,464,000	40,707,510
2021-2022 Projected Budget	9,716,200	442,560	0	28,955,370	2,463,000	41,577,130
2022-2023 Projected Budget	10,028,650	442,560	0	29,776,750	2,464,000	42,711,960
2023-2024 Projected Budget	10,352,540	442,560	0	30,445,340	2,461,000	43,701,440

The mission of the mayor and commission is to govern the City of Royal Oak in such a manner as to provide a safe, healthy and sustainable community.

As provided for in the city charter, Royal Oak has a commission-manager form of government. A commission consisting of a mayor and six commissioners has full power and authority, except as herein otherwise provided, to exercise all the powers conferred upon the city.

The commission appoints the manager as the chief administrative officer of the city. The commission selects the city manager based on his executive and administrative qualifications.

The commission constitutes the legislative and governing body of the city, possessing all the powers herein provided for, with power and authority to pass ordinances and adopt resolutions as they shall deem proper to exercise any or all these powers possessed by the city.

The members of the commission are elected on a non-partisan ballot by the city at large. To be eligible for the office of mayor or commissioner, a person shall have been a

resident of the territory included in the City of Royal Oak at least one year immediately preceding election.

Three commissioners are elected to four-year terms every two years to ensure experienced legislators at all times. The mayor is elected for a two-year term.

The mayor is the presiding officer of the commission. In the absence of the mayor, the mayor pro tempore is the presiding officer.

Each elected official has one vote that can be cast on each motion. Appointed officials do not have a vote. Four members of the commission constitute a quorum and may conduct city business. Ordinance and resolutions require four affirmative votes to be approved.

City commission meetings are held every second and fourth Monday of the month (with some exceptions) at 7:30 p.m. in the commission chambers of city hall at 211 Williams. Meetings are open to the public and are broadcast on WROK channels 55/10.

GOALS

1. Operations – to perform all city operations as efficiently and effectively as possible. This includes, but is not limited to internal communications, technology, innovation and financial management
2. Economic / tax base - encourage and support diverse investment to maximize property values and facilitate employment opportunities and desirable housing

OBJECTIVES

- Evaluate the Royal Oak Next Plan and identify measures to move forward.
GOAL1

GOALS

OBJECTIVES

3. Fiscal management – to preserve Royal Oak as a safe and healthy community through sound fiscal policy, strategic planning, prompt decisive actions and effective management of taxpayer's assets.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Meeting and conference charges are increasing \$1,500 relative to the fiscal year 2018-19 original budget due to additional sessions attended by the city commissioners. Dues and membership fees are increasing by \$1,600 to join the Urban Sustainability Director's Network.

Budget Summary Expenditures

101-101 MAYOR/COMMISSION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	4,440	190	0	26,730	0	31,360
2016-2017 Actual	5,410	390	0	29,400	0	35,200
2017-2018 Actual	5,290	360	8,280	32,480	0	46,410
2018-2019 Original Budget	5,830	600	0	32,100	0	38,530
2018-2019 Adjusted Budget (Dec)	5,830	600	0	32,100	0	38,530
2018-2019 Six Month Actual	2,170	60	0	19,330	0	21,560
2018-2019 Estimated Year End	5,830	600	0	34,100	0	40,530
2019-2020 Dept Request	5,810	600	0	35,200	0	41,610
2019-2020 Manager's Budget	5,810	600	0	35,200	0	41,610
2019-2020 Adopted Budget						
2020-2021 Projected Budget	5,810	600	0	35,200	0	41,610
2021-2022 Projected Budget	5,810	600	0	35,200	0	41,610
2022-2023 Projected Budget	5,810	600	0	35,200	0	41,610
2023-2024 Projected Budget	5,810	600	0	35,200	0	41,610

Cost Center Position Detail – Home Base
Part-Time Employees

Mayor/Commission	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total	0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The mission of the 44th District Court is to interpret and apply the law with fairness, equality and integrity and to promote public accountability for improved quality of life in Royal Oak and Berkley.

In January 2015, pursuant to law, the 45A District Court (Berkley) merged with and into the 44th District Court, creating one court to serve both the Royal Oak and Berkley communities.

The court is responsible for all civil, traffic and criminal cases that transpire within the boundaries of the cities of Royal Oak and Berkley.

The 44th District Court has two judges elected by the citizens of Royal Oak and Berkley. A portion of the judge's salaries are paid by the State of Michigan. The judges are responsible to handle all civil and criminal trials, preliminary hearings, formal hearings, appeals, arraignments, bench warrants, etc. The court also has one part-time magistrate who hears over 9,000 informal hearings and small claims cases.

Both judges conduct programs that promote youth-awareness. The Justice 101 program educates younger children on the role of the court and includes visiting the court to observe and tour the facility. Teen court is for young adults and involves teens involved in minor infractions being heard and judged by a court of their peers.

Under general supervision of the chief judge, the court administrator serves as the executive officer for the 44th District Court. The court administrator is responsible for the administrative management of all non-judicial functions of the court. This includes personnel management, financial administration, facility management, scheduling and case management, records management, jury utilization and other administrative duties.

The criminal division maintains records on all misdemeanor and felony offenses and is responsible for the processing, scheduling and noticing of all criminal cases in the court.

The traffic division is responsible for maintaining records and processing all traffic civil infractions, parking violations, and code enforcement proceedings.

The civil division maintains records on general civil, landlord/tenant and small claims cases and is responsible for the scheduling, processing and noticing of these cases.

The court services division is responsible to administer several programs; jury administration, comprehensive collections efforts and the supervision, counseling, and referral of defendants placed on probation.

Probation officers assist persons sentenced to probation with supervision and rehabilitation with a goal to eliminate re-offending. The probation component of the division performs alcohol screening assessments and pre-sentence investigations. Other services provided include assisting with securing training, schooling and employment.

The 44th District Court's two judges each preside over a sobriety court caseload. Sobriety court is a two-year intensive supervision and rehabilitation program for individuals who have been convicted of drug offenses or two or more offenses of drunk driving. Participants are monitored closely to insure there is no alcohol or drug use. They participate in therapy and support group meetings and meet with a specially trained probation officer twice per month. The program consists of four phases and presently averages about 95 participants. Since 2013, the 44th District Court's Sobriety Court has shown significant success in rehabilitating participants graduating over 100 people from the program.

Jury administration encompasses all aspects of the process of summoning eligible citizens from the Royal Oak and Berkley communities when they are needed for jury trials. This includes notices, payments, responding to inquiries, and seeing to their needs while serving as a juror. The court is mindful that jury service, while essential to our system of law, does sometimes present an inconvenience to those summoned.

The court is responsible for collection of monies owed for all traffic tickets, parking tickets, misdemeanors, and code violations. Due to the court's continued aggressive collections program, the 44th District Court has one of the highest collections and case closure rates in the State of Michigan. There is a maxim that a fine is not a punishment until it is collected. This court believes that. Failure to aggressively pursue those who

owe fines and costs can result in diminished respect for the rule of law and possible re-offending. The court utilizes several proven strategies to compel compliance.

The 44th District Court has implemented numerous technological initiatives to serve the community. The court's webpage provides in-depth information about court services; filing civil cases, paying fines and costs, daily docket search, case look up, court statistics and online request for a marriage ceremony. The court's Facebook page shares an array of judicial/legal information relevant to the citizens of Michigan. The court has implemented reminders application to remind parties via text message of hearing and payment dates. The court plans to implement E-filing in the near future

GOALS

1. To provide a fair venue for resolving traffic and ordinance, civil, criminal, small claims and landlord/tenant legal disputes.
2. To provide a courteous, safe and customer friendly environment for all persons entering the facility.
3. To provide efficient, courteous service to citizens summoned to jury duty, remaining mindful that we are taking people from their daily routines.
4. To utilize innovative strategies to compel compliance from persons who owe fines and costs.
5. To assist judges with sentencing by providing thorough reports and professional analysis which will provide persons sentenced probation with a range of rehabilitation services designed to minimize re-offending.

OBJECTIVES

- For detailed information and performance measures, visit the court's website available at:
<https://www.romi.gov/307/44th-District-Court>

GOALS**OBJECTIVES**

6. To continue to look for opportunities to employ technology to better serve our customers.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Part-time wages are increasing \$45,440 relative to the fiscal year 2018-19 original budget due to the probability of adding a part-time magistrate to cover the increased civil case load that is in part due to the increased demands of the Michigan Indigent Defense Commission (MIDC) and to adjust the salary range of part-time employees to remain competitive with other courts in the region. Overtime wages are projected to decrease \$7,500 over the fiscal year 2018-19 original budget based on historical activity.

Contracted legal and advisory counsel expenditures are increasing \$17,000 relative to the fiscal year 2018-19 original budget due to an increase in garnishment filings projected for fiscal year 2019-20. Contracted worker services are budgeted at \$70,000 for fiscal year 2019-20 to cover Sober Link alcohol testing for persons in phase I of the program. These expenditures are reimbursed by the drug court grant.

Books and subscriptions are increasing \$700 as the price of law books increases annually. Building security services are increasing \$1,500 due to an increase in the cost of the services provided. Office supplies are decreasing \$6,000, juror fees are decreasing \$1,000, and bank service charges and fees are decreasing \$1,500 relative to the fiscal year 2018-19 original budget based on historical activity. \$7,500 is budgeted for travel costs and \$6,500 is budgeted for training and education to cover customer service training for the staff through the state court administrative office (SCAO) and mandatory training is required for the two drug court teams. This also covers the costs of the probation officer certifications.

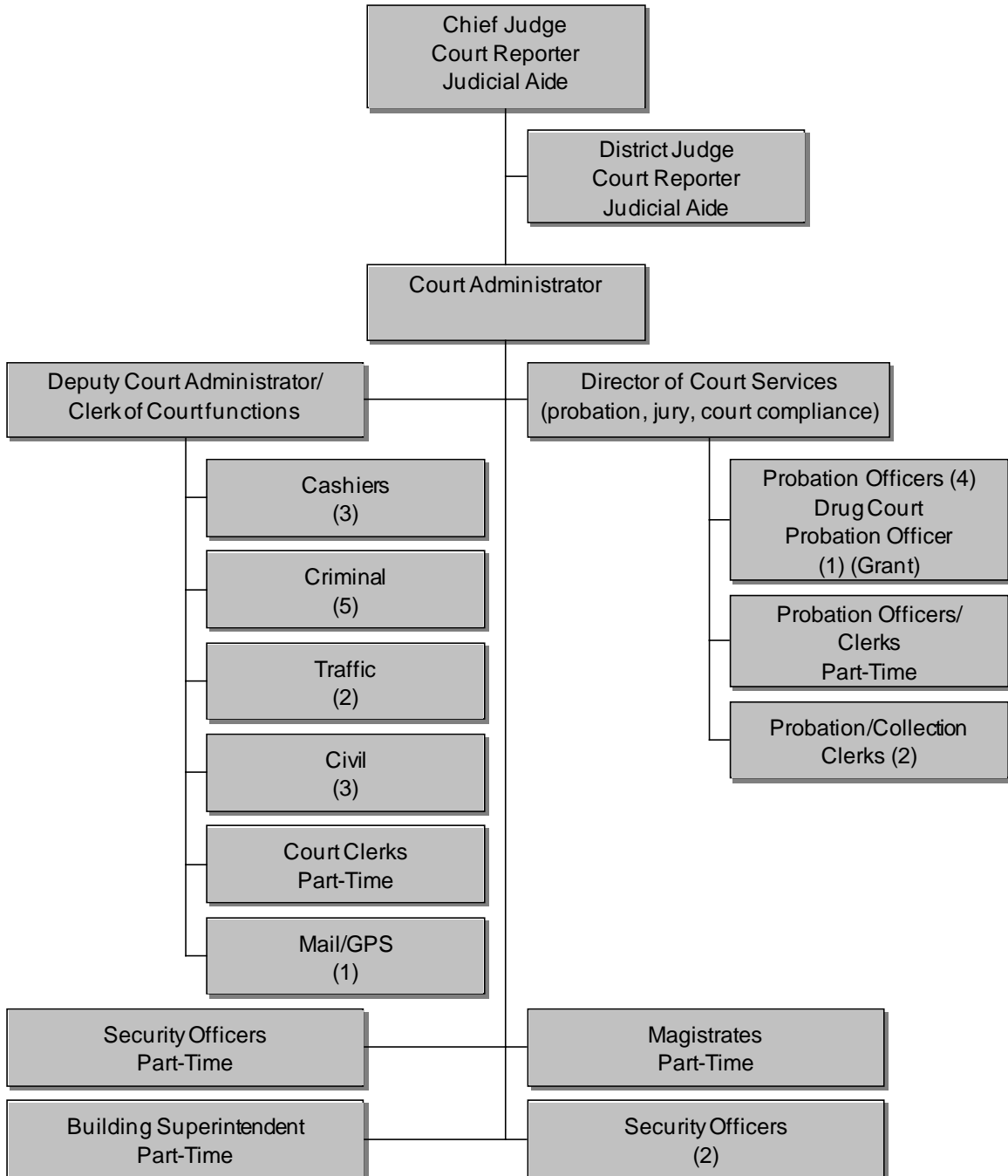
The court experienced significant expenditure issues with the HVAC system during prior years due to age and discovery of components that have not worked properly for years. The court expects to replace a motor and other parts in one of the air handlers within the next 12 months. Building repair and maintenance supplies are increasing \$10,900 relative to the 2018-19 original budget due to these anticipated repairs.

Budget Summary Expenditures

101.136 DISTRICT COURT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	2,778,610	74,790	(280)	359,890	0	3,213,010
2016-2017 Actual	3,535,810	85,470	0	415,670	0	4,036,950
2017-2018 Actual	2,792,260	61,840	410	425,770	0	3,280,280
2018-2019 Original Budget	3,019,540	73,500	50,000	474,000	0	3,617,040
2018-2019 Adjusted Budget (Dec)	3,019,540	73,500	50,000	474,000	0	3,617,040
2018-2019 Six Month Actual	1,318,920	29,090	11,110	222,150	0	1,581,270
2018-2019 Estimated Year End	2,843,100	74,700	120,000	561,510	0	3,599,310
2019-2020 Dept Request	3,204,230	79,100	0	524,710	0	3,808,040
2019-2020 Manager's Budget	3,204,230	79,100	0	524,710	0	3,808,040
2019-2020 Adopted Budget						
2020-2021 Projected Budget	3,299,690	79,100	0	524,710	0	3,903,500
2021-2022 Projected Budget	3,398,540	79,100	0	524,710	0	4,002,350
2022-2023 Projected Budget	3,500,880	79,100	0	524,710	0	4,104,690
2023-2024 Projected Budget	3,606,840	79,100	0	524,710	0	4,210,650

101.151 PROBATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	628,540	6,760	0	3,500	0	638,800
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Original Budget	0	0	0	0	0	0
2018-2019 Adjusted Budget (Dec)	0	0	0	0	0	0
2018-2019 Six Month Actual	0	0	0	0	0	0
2018-2019 Estimated Year End	0	0	0	0	0	0
2019-2020 Dept Request	0	0	0	0	0	0
2019-2020 Manager's Budget	0	0	0	0	0	0
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	0	0	0
2021-2022 Projected Budget	0	0	0	0	0	0
2022-2023 Projected Budget	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

District Court	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
District Court Judge	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Court Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy Court Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Judicial Secretary/Recorder	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	1.0
Court Officer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
District Court Clerk	8.0	8.0	8.0	9.0	13.0	13.0	15.0	15.0	14.0
Collections Clerk	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Court Bailiff Law Clerk	2.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Director of Court Services	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Probation Officer	1.0	1.0	1.0	2.0	4.0	4.0	4.0	5.0	5.0
Pre-Sentence Director	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Building Superintendent	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0
Full-time total	21.0	20.0	20.0	22.0	29.0	29.0	29.0	30.0	30.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	5.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	26.4	20.0	20.0	22.0	29.0	29.0	29.0	30.0	30.0

The mission of the city manager is to efficiently and effectively manage the delivery of the city's services as established by the mayor and the city commission's goals, objectives and policies and as prescribed by the city charter.

The city manager is the chief administrative officer of the city. The manager is chosen by the commission based on his/her executive and administrative qualifications, in addition to other criteria described in the city charter.

The city manager is responsible to the commission for the proper administration of the affairs of the city and makes most appointments, including the heads of departments.

Another important duty involves maintaining effective communication with, and being available for, the city commission. The city manager is required to be present at all meetings of the commission and be present at meetings of its committees and to take part in discussions but has no vote.

The city manager's office oversees, administers and supervises all departments within the city with the exception of those that are separated by charter. These include the city attorney, city clerk, library director and the 44th District Court. The city manager's office acts as the chief operating office for the local government.

The office sets the commission agendas, negotiates with the city's nine (9) bargaining units, coordinates all special projects, works with all neighborhood associations and nonprofit and business groups, and has general control of all operational, financial, support and maintenance functions of the city government.

According to city charter, not later than 30 days before the end of each fiscal year, the city manager must prepare and submit to the commission an annual budget for the ensuing fiscal year, based upon detailed estimates furnished by the finance department and numerous other divisions of the city government.

GOALS

1. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.
2. Operations – to perform all city operations as efficiently and effectively as possible. This includes, but is not limited to internal communications, technology, innovation and financial management.
3. Communication – to proactively promote meaningful, open and respectful dialogue that ensures effective decision making.

OBJECTIVES

- Complete the civic center project and limit any negative effects of downtown construction. ^{GOAL1}
- Address critical infrastructure needs. ^{GOAL1}
- Attract, retain and develop city employees. ^{GOAL2}
- Examine the feasibility and effectiveness of reorganizing administrative responsibilities for parking and facilities management where responsibilities are currently fragmented. ^{GOAL2}

GOALS

4. Community – to preserve neighborhoods by encouraging community involvement and family activities.
5. Economic / tax base – encourage and support diverse investment to maximize property values and facilitate employment opportunities and desirable housing.
6. Fiscal management – to preserve Royal Oak as a safe and healthy community through sound fiscal policy, strategic planning, prompt decisive actions and effective management of taxpayer's assets.

OBJECTIVES

- Increase user satisfaction with departments that have high levels of interactions with citizens/users. ^{GOAL2}
- Provide proactive communication on all city projects, specifically the ROCC project status. ^{GOAL3}
- Engage residents more effectively in city decision-making. ^{GOAL4}
- Develop high quality parks to enhance the quality of life in the city. ^{GOAL4}
- Actively engage with neighborhood associations. ^{GOAL4}
- Provide community services and public infrastructure that reflects the needs of the city's population. ^{GOAL4}
- Facilitate housing developments that meet identifies gaps. ^{GOAL5}
- Facilitate private sector development. ^{GOAL5}

Performance Indicators / Outcome Measures

	<u>Actual 2014</u>	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>
The City of Royal Oak's overall "American Customer Satisfaction Index" Rating (scale 1-100)	N/A	68	N/A	69	N/A

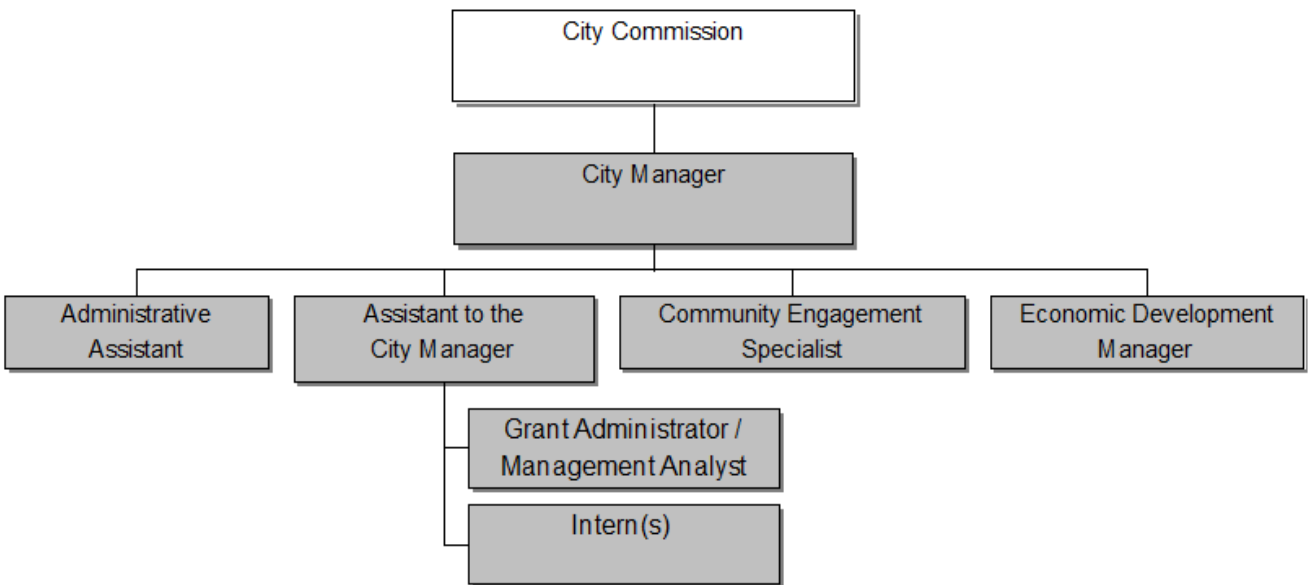
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Full time personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases and all department positions being filled for the entire fiscal year. \$6,000 is budgeted for grant tracking software. This is a cost that has been covered by the Southeast Michigan Council of Governments (SEMCOG), during past fiscal years, but may not be covered during fiscal year 2019-20. Travel costs are increasing \$250 relative to the fiscal year 2018-19 original budget to account for additional out of office meetings.

Budget Summary Expenditures

101.172 MANAGER	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	530,070	5,080	0	8,620	0	543,770
2016-2017 Actual	646,770	2,550	0	7,140	0	656,460
2017-2018 Actual	420,890	1,160	0	6,580	0	428,630
2018-2019 Original Budget	491,730	8,900	0	96,900	0	597,530
2018-2019 Adjusted Budget (Dec)	491,730	8,900	0	96,900	0	597,530
2018-2019 Six Month Actual	211,040	270	0	3,890	0	215,200
2018-2019 Estimated Year End	461,390	8,900	0	9,440	0	479,730
2019-2020 Dept Request	504,690	8,900	0	12,350	0	525,940
2019-2020 Manager's Budget	504,690	8,900	0	12,350	0	525,940
2019-2020 Adopted Budget						
2020-2021 Projected Budget	520,120	8,900	0	12,350	0	541,370
2021-2022 Projected Budget	536,100	8,900	0	12,350	0	557,350
2022-2023 Projected Budget	552,630	8,900	0	12,350	0	573,880
2023-2024 Projected Budget	569,740	8,900	0	12,350	0	590,990

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Manager	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
City Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant to City Manager	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Engagement Specialist*	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Grant Administrator / Management Analyst	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Development Manager*	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	0.5	0.5	0.5	0.5	0.2	0.2	1.0	1.0	1.0
Full-time total	1.5	1.5	3.5	5.5	5.2	5.2	6.0	6.0	6.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	1.5	2.5	3.5	5.5	5.2	5.2	6.0	6.0	6.0

The mission of the elections division is to conduct elections in an effective and ethical manner meeting the requirements of the federal and state election law and the city charter.

The elections division of the city clerk's office maintains the city's qualified voter file (QVF) for the State of Michigan and is responsible for the conduct of elections in the city.

This division provides service to the community by maintaining a permanent absentee voter list and automatically mailing absentee applications to those voters, as requested. Promoting no-reason absentees since the passage of 18-3 last November.

For an election cycle, the division sends ID cards to new voters, mails out absentee applications to those who have requested to be on the permanent absentee voter list and mails ballots and orders election supplies. Prior to every election we participate with the county for a mock election to verify the accuracy of results. We prepare tabulators, ADA equipment, ballot boxes and supply boxes for each precinct.

The city's clerk's office uploads election information onto laptops used at the precincts. Staff verifies candidate and ordinance petitions to be placed on the ballots. Voter lists are prepared as requested by candidates including specific election data and daily lists that are sent to them electronically. Training is conducted for all election workers prior to every election to assure compliance with all applicable election laws.

The clerk oversees all election day activities to make sure elections run smoothly. Election results are processed and sent via modem to the county. Once election results have been tabulated, voter history is uploaded into the QVF software system.

Voter registration drives are conducted with cooperation of Royal Oak High School (ROHS). The same is done with the nursing homes located within the city.

This office also helps ROHS with their mock elections by providing voting booths for students. Students are also hired for higher turnout elections, such as even year elections. This gives them a better understanding of the election process.

GOALS

1. To effectively administer the election program by keeping informed of relevant legislation and improvements in technology and efficient process.
2. Streamline election process at the polls.
3. Provide timely and accurate election results.

OBJECTIVES

- Keeping up to date with new election laws. ^{GOAL1}
- Continue to utilize new ideas, make sure there are plenty of voting stations and election workers hired for each election. ^{GOAL1,2,3}
- Purchase another high-speed scanner to ensure absentee ballots are counted in a timely manner. ^{GOAL2}

Performance Indicators / Outcome Measures

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Projected 2020
GOAL1 Elections	2	3	1	2	1	3
GOAL1 Number of Registered Voters	48,014	49,806	48,064	48,783	49,000	49,500
GOAL2 Registration Applications Submitted	5,238	9,411	6,599	7,855	8,000	9,500
GOAL1 New Valid Registrations	3,461	6,208	4,558	5,269	5,000	6,000
GOAL1 Active New Voters	4,679	6,267	4,482	5,170	4,600	5,800
GOAL1 Active Voters Cancelled	1,894	4,945	2,683	4,657	2,500	3,000

Note: Elections performance Indicators are reported on a calendar year basis as opposed to a fiscal year basis.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Part-time wages and overtime wages are increasing due to election workers receiving wage increases in addition to additional hours worked. There will be two elections in fiscal year 2019-20. \$90,000 is budgeted to purchase a high-speed image scanner to process absentee ballots which will be the city's second high speed scanner. The first high speed scanner that was purchased in fiscal year 2018-19.

Budget Summary Expenditures

101.191 ELECTIONS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	242,720	40,260	0	14,250	0	297,230
2016-2017 Actual	287,330	63,570	0	9,240	0	360,140
2017-2018 Actual	173,260	53,750	163,790	14,020	0	404,820
2018-2019 Original Budget	234,340	70,000	90,000	18,400	0	412,740
2018-2019 Adjusted Budget (Dec)	234,340	70,000	90,000	18,400	0	412,740
2018-2019 Six Month Actual	157,060	22,710	84,110	7,750	0	271,630
2018-2019 Estimated Year End	243,030	70,000	88,680	19,700	0	421,410
2019-2020 Dept Request	290,550	70,000	90,000	18,400	0	468,950
2019-2020 Manager's Budget	290,550	70,000	90,000	18,400	0	468,950
2019-2020 Adopted Budget						
2020-2021 Projected Budget	297,530	70,000	0	18,400	0	385,930
2021-2022 Projected Budget	304,700	70,000	0	18,400	0	393,100
2022-2023 Projected Budget	312,090	70,000	0	18,400	0	400,490
2023-2024 Projected Budget	319,690	70,000	0	18,400	0	408,090

ROYAL OAK ELECTION HISTORY

Type of Election	Date	Total Voting	Voters Registered	Percent Voting	AV's counted	AV's Processed
Gubernatorial Election	11/06/2018	32,898	48,316	68.09%	8,153	8,487
Primary Election	08/07/2018	17,393	48,028	36.21%	4,245	4,515
City Election	11/07/2018	12,419	48,002	25.87%	3,819	4,247
Presidential Election	11/08/2016	35,344	48,898	72.28%	8,787	9,024
August Primary Election	08/02/2016	9,591	48,618	19.73%	3,299	3,810
Presidential Primary	03/08/2016	20,230	48,230	41.94%	3,550	3,793
City Election	11/03/2015	6,779	48,159	14.08%	3,054	3,578
Special Election	05/05/2015	12,305	48,202	25.53%	3,621	3,879
Gubernatorial Election	11/04/2014	23,734	49,164	48.28%	5,711	5,997
Primary Election	08/15/2014	8,030	49,094	16.36%	3,121	3,383
City General Election	11/05/2013	12,555	49,105	25.57%	3,605	3,808
Presidential Election	11/06/2012	34,607	49,034	70.58%	9,071	9,375
Primary Election	08/07/2012	12,356	48,641	25.40%	3,450	3,801
Presidential Primary	02/28/2012	8,119	48,309	16.81%	2,849	3,187
City General/School	11/08/2011	7,456	48,167	15.48%	3,142	3,617
Gubernatorial	11/02/2010	23,685	47,539	49.82%	5,587	5,966
August Primary	08/03/2010	12,406	47,539	26.10%	3,530	3,911
Berkley School Bond	02/23/2010	70	287	24.39%	18	21
City General & School	11/03/2009	8,375	47,374	17.68%	3,457	4,112
Presidential General	11/04/2008	36,669	48,187	76.10%	9,935	10,019
August Primary	08/05/2008	11,426	46,724	24.45%	3,356	3,771
Presidential Primary	01/15/2008	11,677	46,279	25.22%	3,254	3,508
City General & School	11/06/2007	8,222	46,111	17.83%	3,455	3,958
Gubernatorial Election	11/07/2006	27,746	46,047	60.26%	6,340	6,619
Primary	08/08/2006	8,847	46,022	19.22%	3,827	4,215
RO School Bond	05/02/2006	6,671	46,538	22.29%	3,675	4,675
City General/School	11/08/2005	16,645	47,098	35.34%	4,611	4,894
School Board	05/03/2005	9,627	50,125	19.24%	3,559	4,095
School Bond Millage	02/22/2005	11,026	49,217	22.40%	3,980	4,273
Presidential	11/02/2004	35,203	49,605	70.97%	8,642	8,986
Primary	08/03/2004	7,134	48,576	14.69%	3,343	3,798
School	06/14/2004	2,388	48,448	4.93%	1,946	3,124
City	11/04/2003	10,808	48,700	22.19%	3,737	3,989
School	06/09/2003	5,200	48,377	10.75%	3,130	3,768

The mission of the finance department is to provide accurate and timely financial services for the City of Royal Oak in the most efficient manner possible.

The director of finance has the responsibility of the administration of the financial affairs of the city insofar as they relate to the keeping of accounts and financial records and the disbursement of city funds.

The short-term and long-term financial planning, cost allocation, labor contract costing, budget preparation and capital improvement plan coordination (of finances) are performed by the finance department. The budget is prepared in accordance with the city charter and the state's Uniform Budgeting Act. The budget function includes all the personnel costing, cost allocation, monitoring, amendments, forecasts and various financial reports.

The department accounts for approximately 50 funds and 125 cost centers, utilizing 15 different banking institutions. All account records are kept by the finance department showing all the financial transactions of the city including cash receipts, cash disbursements, revenues accrued, and liabilities incurred and all transactions affecting the acquisition, custody, and disposition of city property and make such reports of the financial transactions and conditions of the city as required by law, ordinance, or resolution. The CAFR (Comprehensive Annual Financial Report) and compliance (financial) reports for state and federal purposes are prepared by the department as well.

Centralized accounts payable and (most of) payroll functions are performed within the department.

The department supports other city departments with their purchases by providing assistance with bid and quotation solicitation and review of responses for the procurement of goods and services and purchase order processing. The procurement process recently has become more centralized due to the re-establishment of one purchasing agent within the finance department.

In accordance with the city ordinance, the director of finance serves as the secretary, treasurer and chief administrative officer for the retirement system and the custodian of its assets. The department is responsible for the preparation of estimated and final pension benefit calculations, monthly pension benefit payments, day-to-day administration of the system and provides all of the data for the actuarial valuations. The director of finance also serves as the administrator to other retiree benefit plans.

The sale of municipal bonds and the maintenance of bond service payments are administered within the department along with the development of utility (water and sewage disposal) rates, various financial reports, certain aspects of risk management and assistance with grant reporting.

The director of finance is responsible for the other fiscal related functions such as the treasury, assessing, and information technology departments.

GOALS

1. To accurately and timely record all financial transactions as to provide the best financial information to the city commission, city manager, residents and other users; continue to earn the GFOA Certificate of Achievement for Excellence in Financial Reporting.
2. To properly administer the purchasing, payroll, payables, pension risk management, debt management functions and accomplish the numerous financial reporting requirements accurately and timely.
3. To facilitate the city's (fiscal) strategic planning and adoption of sound financial policies in an effort to effectively and efficiently manage the city's assets.
4. To develop reports including a budget plan document that excels as an operational guide, financial plan, policy document and communication devise.
5. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.

OBJECTIVES

- Perform comprehensive review of the of the general administrative cost allocation methodology and the general liability cost allocation methodology to look for opportunities for improvement. ^{GOAL1}
- Revamp the chart of accounts to comply with the newest State of Michigan requirements. ^{GOAL1}
- Develop a comprehensive purchasing manual and purchasing policy document. ^{GOAL2}
- Assist with the development of a loss prevention committee in an effort to preserve the city's assets and reduce risk. ^{GOAL2,3}
- Suggest various retirement system policies to the board of trustees to help improve upon the administration of the retirement system/trust. ^{GOAL3}
- Work closely with departments to prepare more comprehensive goals, objectives and performance measures to improve upon communication and benchmarking. ^{GOAL4}
- Assist the fire department with the cost benefit analysis of leasing versus buying fire equipment. ^{GOAL5}

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL2 Bank Statements Reconciled	252	252	126	264	264	264
GOAL2 Accounts Payable Invoices Processed	14,868	14,957	7,837	15,000	15,000	15,000
GOAL2 General Payroll Checks/NODs Generated	12,210	12,632	6,847	13,000	13,000	13,000
GOAL1 Auditors Correcting Entries to Financial Statements	0	0	0	0	0	0
GOAL2 Estimate/Final Pension Calculations	30 / 16	16 / 9	8 / 4	40 / 20	40 / 20	40 / 20
GOAL4 GFOA Distinguished Budget Awarded	yes	yes	yes	yes	yes	yes
GOAL4 GFOA CAFR Awarded	yes	yes	yes	yes	yes	yes
GOAL2 Bids Prepared	29	25	11	60	60	60
GOAL2 General Liability Incidents/ Claims Processed	272 / 96	244 / 82	91 / 33	225/70	215/65	210/62

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The personnel budget is increasing due to the potential for newer employees (who are not at the top of their pay range) to receive merit wage increases. The department requested budgeted included a request for the addition of a full-time accountant III however this request was not elevated to the city managers recommended budget. The finance office currently has the same number of full-time staff members* as it did ten years ago, although a significant amount of workload has been pickup by the department in that same time. The new position is needed due to the expansion of duties the department has undertaken, some of this additional workload includes the following: centralized purchasing, risk management, additional reporting requirements (such as CVT, continuing disclosures/bond covenant testing, pension system summary annual reporting, form 5572 reporting, additional required actuarial reporting - with quicker turnaround time, assistance to the new grant coordinator position, approximately 50 percent increase in accounting standards compliance. Also, this requested position would frequently help to fill vacancies during times of turnover (which have been extremely high), vacations, family and medical leave time-off, as nearly all duties need to be accomplished timely and cannot be left unaccomplished even in the short-term.

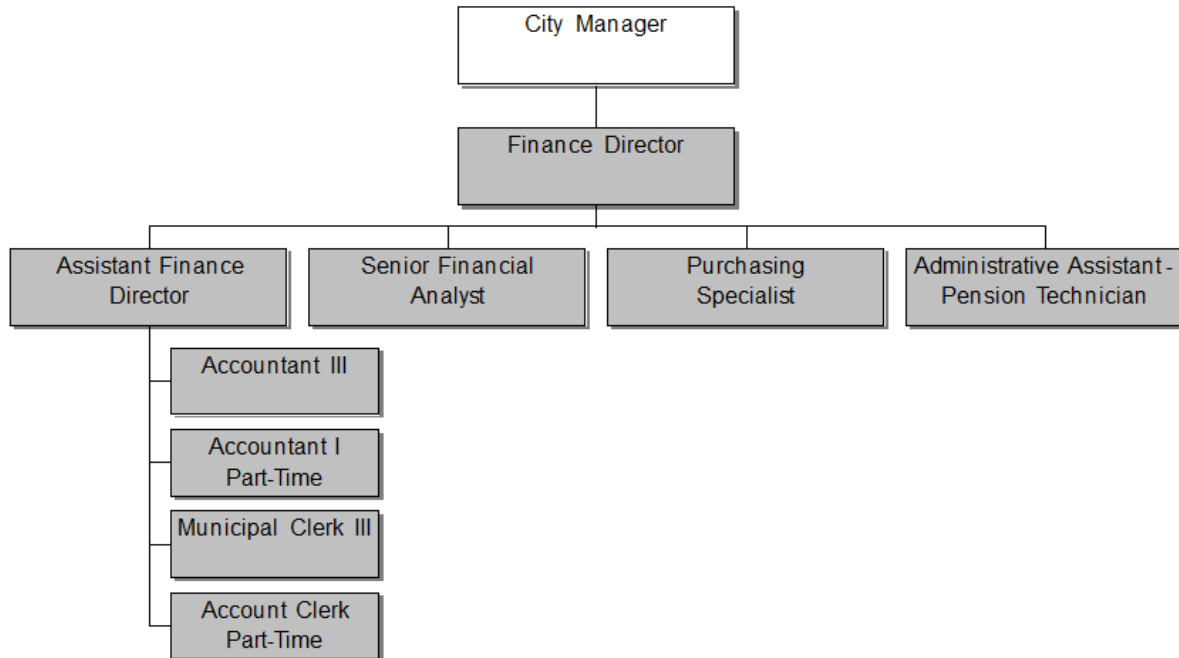
Contracted worker services are budgeted to increase \$500 due to an increase in the contract cost of the municipal bond advisors.

*includes a full-time analyst paid through contracted services.

Budget Summary Expenditures

101.201 FINANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	766,030	2,740	0	8,000	0	776,770
2016-2017 Actual	793,150	2,500	0	7,080	0	802,730
2017-2018 Actual	660,490	4,330	0	28,240	0	693,060
2018-2019 Original Budget	682,660	3,000	0	31,750	0	717,410
2018-2019 Adjusted Budget (Dec)	682,660	3,000	0	31,750	0	717,410
2018-2019 Six Month Actual	297,140	990	0	14,870	0	313,000
2018-2019 Estimated Year End	709,800	3,200	0	32,850	0	745,850
2019-2020 Dept Request	860,290	3,500	0	33,350	0	897,140
2019-2020 Manager's Budget	766,650	3,500	0	33,350	0	803,500
2019-2020 Adopted Budget						
2020-2021 Projected Budget	799,020	3,500	0	34,550	0	837,070
2021-2022 Projected Budget	832,800	3,500	0	35,810	0	872,110
2022-2023 Projected Budget	868,070	3,500	0	37,130	0	908,700
2023-2024 Projected Budget	904,880	3,500	0	38,520	0	946,900

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Finance		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Director of Finance		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Asst. Finance Director		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Accountant III		0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Financial Analyst – Senior		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Accountant II		1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Purchasing Specialist*		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Secretary I – Finance**		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payroll Clerk III		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance - MC III		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant - Pension		0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Full-time total		5.0	5.0	5.0	6.0	7.0	7.0	7.0	7.0	7.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		2.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		7.0	5.0	5.0	6.0	7.0	7.0	7.0	7.0	7.0

*Purchasing formerly decentralized to all departments

**Administrative Secretary position existed prior to 2011

The mission of the assessor's office is to annually provide the residents and property owners of Royal Oak with fair and equitable assessments; provide information to the general public that is accurate and reliable and mindful; provide information to other city departments efficiently and allowing them to better perform their duties; provide all of these services in a professional and courteous manner which complies with the Charter of the City of Royal Oak and the constitution and laws of the State of Michigan.

The assessor's office uniformly and accurately values all taxable property in the City of Royal Oak. The office is responsible for preparing the assessment rolls and tax rolls of the city for all classes of property subject to taxation. The state constitution and statutes require that, notwithstanding any other provision of law, the assessed values placed upon the assessment roll shall be at 50 percent of true cash value.

Passed by the voters in March of 1994, Proposal A placed additional limits on values used to compute property taxes. Starting in 1995, property taxes were calculated using "taxable value". This value is capped by the inflation rate multiplier until a property transfers ownership. Prior to Proposal A, taxes were calculated on the "State Equalized Value" (SEV). This value represents market or true cash value and changed annually regardless of changes in ownership.

The office is a valuable source of information for the public, maintaining data on each parcel of property in the city. This includes plat maps and record cards for over 25,000 real property parcels. Additionally, an outside vendor, by contract, maintains approximately 2,000 personal property parcels. The total parcels include these ad valorem parcels, Industrial Facilities Tax (IFT), Tax Increment Financing Authority (TIFA), Downtown Development Authority (DDA) and Brownfield Redevelopment Authority properties.

Another function of the assessor's office is to record, maintain and edit the status of each parcel of property in the city to determine whether it qualifies for a "principal residence exemption" for a portion of school tax. The office also analyzes deeds and affidavits on every transferred property within the city that would trigger an "uncapping" of taxable value in accordance with Proposal A.

The administration of land divisions and combinations is the responsibility of the city assessor while coordinating review efforts with planning, building, engineering and treasury through completion with the Oakland County Land Division and the Land and Address Management System. The assessor assists and guides the property owner through the process. This procedure includes plat and condominium developments.

Change of assessment notices are mailed in February of each year and taxpayers are given the opportunity to protest their assessment before the city's board of review in March. The board of review is composed of six city residents, forming two boards working as one, appointed by the commission for two-year terms. The board has the discretion and authority to make adjustments to an individual's assessment if warranted.

General property tax law also provides for a special meeting of the board of review to be held on specific days in July and December for the purpose of correcting clerical errors or mutual mistakes of fact.

With the legal assistance of quality, professional outside counsel, the assessor's office is able to settle, dismiss, and defend the tax tribunal appeals that are brought against the city.

On or before the first day of July of each year, the city assessor delivers a certified copy of the assessment roll on which the city tax has been apportioned and spread, with the warrant annexed to the city treasurer.

The assessments are utilized with the millage rates adopted by the various taxing authorities (Oakland County Operating, Oakland County Parks & Recreation, Zoological Authority, Art Institute Authority, Public Transportation Authority, Huron-

Clinton Metropolitan Authority, Berkley, Clawson and Royal Oak Schools, Oakland Community College, Oakland Schools ISD) to generate tax revenues for the authorities within the city's boundaries.

GOALS

1. To maintain fair assessments for all classes of property.
2. To improve the quality of service and information available to the public.
3. To keep accurate sale valuation, name, address and principal residence exemption files.
4. Compliment a quality board of review for March, July and December.
5. To review cost measures associated with the assessment function.
6. Defend assessments at the Michigan Tax Tribunal.
7. Meet STC guidelines regarding the annual review of properties.
8. Prepare all mandatory reports to insure proper collection of taxes.
9. Create and administer the process for all lot splits/combinations.
10. Prepare special assessment rolls.
11. Review and update land value maps.
12. Review sales, annually for correct record card information, accurate uncappings and values.

OBJECTIVES

- Review functional and economic obsolescence on residential properties. GOAL1
- Review garage depreciations for discrepancies. GOAL1,3
- Create electronic computer sketches of all properties. GOAL 2, 7
- Research possible missing extra addresses to assist census. GOAL 2, 7
- Standardize site address entry to conform with USPS standards. GOAL 2, 7
- Review all annual residential sales and update record cards. GOAL12

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL1 Assessment Notices Processed	27,579	27,733	27,767	27,800	27,800	27,800
GOAL7 Residential Property Appraisals	1,903	1,606	1,039	2,000	2,000	2,000
GOAL7 Commercial/Industrial Appraisals	254	262	165	300	300	300
GOAL6 Small Claims Tribunal Appeals	11	12	12	12	12	12
GOAL6 Full Tax Tribunal Appeals	11	7	12	12	12	12
GOAL3 Homestead Affidavits Processed	8,907	8,742	4,491	8,800	8,800	8,800
GOAL3 Transfer Affidavits Processed	2,686	2,324	1,198	2,500	2,500	2,500
GOAL1 Board of Review Appeals	275	366	112	350	350	350
GOAL1 Board of Review Adjustments	-2,704,930	-7,363,210	-1,338,590	-3,400,000	-3,400,000	-3,400,000
GOAL6 Tax Tribunal Decisions	40	6	11	8	12	12
GOAL6 Tax Tribunal Adjustments	-279,980	-173,540	-72,690	-200,000	-200,000	-200,000
GOAL1, GOAL3 Property Sales Reviewed	2,636	1,537	999	2,000	2,000	2,000
GOAL1 Property Transfers Uncapped	2,686	1,926	941	2,500	2,500	2,500
GOAL1 Equalization Factor	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
GOAL9 Lot Splits/Combinations	32	27	16	35	30	30

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

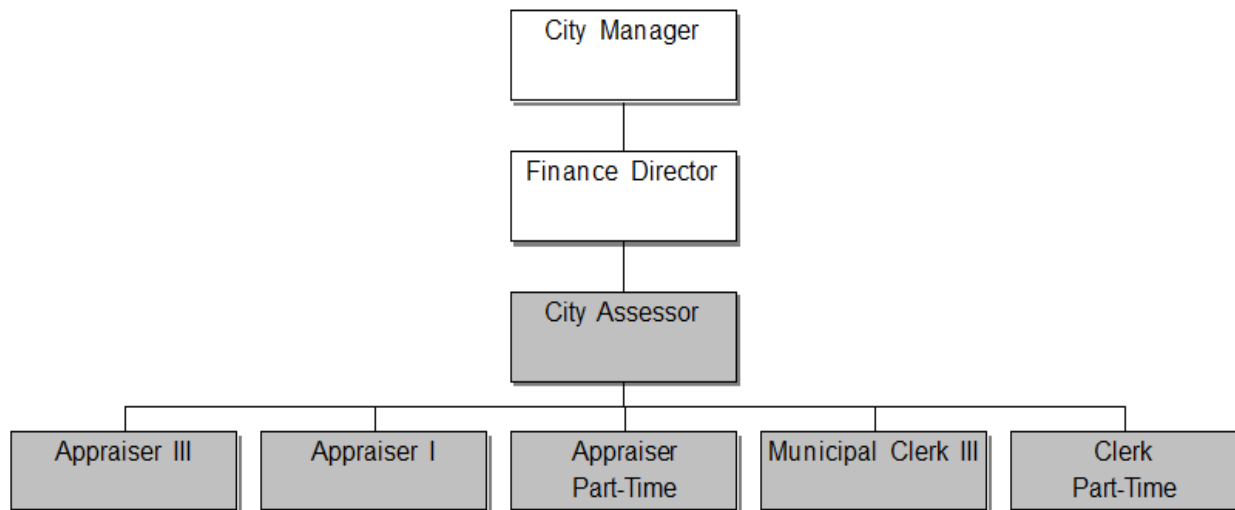
Personnel costs in the 2019-20 budget are increasing due to newer employees (who are not at the top of their pay range) potentially receiving merit wage increases. The departments requested budget included the request for the addition of a full-time appraiser I position and the elimination of a part-time appraiser (vacant) position. The full-time position was requested due to the workload and the lack of success filling the part-time position. However, the addition for a full-time position was not elevated to the city managers budget therefore the part-time position was added back to the budget. The city has approximately 2,000 sales annually and a part-time position has not been able to complete the review of all parcels. Sale values trend higher than assessments due to home updates performed without a permit and complete review is the only means of correct assessments that keeps the city in compliance with State Tax Commission (STC) standards. The city has 24,471 residential parcels and only one residential appraiser. The additional position would share responsibility for new construction, renovations, demolitions and annual sales review for accurate assessments and proper taxable values. Total reviews cannot currently be completed due to the limited staffing and quantity of sales. The next STC AMAR (Audit of Minimum Assessing Requirements) review is scheduled for 2022 and the STC recommends that 20% of all parcels be reviewed annually. The new appraiser would assist with updating records, such as photographs that haven't been updated for twenty years. Unfortunately, all of these requirements cannot be met with only one appraiser.

Contracted worker services are decreasing \$13,400 relative to the fiscal year 2018-19 original budget due to costs for the personal property contractor that will decrease due to exemptions for qualifying properties with true cash value below \$80,000 increasing.

Budget Summary Expenditures

101.209 ASSESSOR	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	634,350	14,360	0	90,620	0	739,330
2016-2017 Actual	670,290	13,260	0	120,610	0	804,160
2017-2018 Actual	459,060	14,740	0	145,430	0	619,230
2018-2019 Original Budget	492,330	15,040	0	169,370	0	676,740
2018-2019 Adjusted Budget (Dec)	492,330	15,040	0	169,370	0	676,740
2018-2019 Six Month Actual	213,540	2,580	0	47,550	0	263,670
2018-2019 Estimated Year End	469,600	14,450	0	168,400	0	652,450
2019-2020 Dept Request	557,150	14,370	0	154,950	0	726,470
2019-2020 Manager's Budget	527,420	14,370	0	154,950	0	696,740
2019-2020 Adopted Budget						
2020-2021 Projected Budget	544,640	14,370	0	155,510	0	714,520
2021-2022 Projected Budget	562,470	14,370	0	156,080	0	732,920
2022-2023 Projected Budget	580,910	14,370	0	156,660	0	751,940
2023-2024 Projected Budget	600,010	14,370	0	157,250	0	771,630

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Assessing	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
City Assessor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy City Assessor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appraiser III	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Appraiser I	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assessing - MC III	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assessing - MC II	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assessing - MC I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total	4.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	5.3	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0

The mission of the City of Royal Oak attorney's office is to promote responsible government by providing highly professional legal counsel to the city commission, city departments, boards and committees, and city employees in all matters relating to any official duties.

The city attorney's office is established by the Royal Oak Charter (chapter III, section 22). The city attorney is appointed by and is directly responsible to the city commission. The attorney serves as the legal adviser and counsel for the city and for all officers and departments in all matters relating to their official duties and performs such other duties as may be imposed by the commission, either by ordinance or resolution.

The city attorney prepares and reviews contracts and development agreements, reviews bonds and insurance policies, prepares ordinances, and manages all civil litigation for the city.

The city attorney's office is also an integral part of the criminal justice system, working with the police and code enforcement departments in the prosecution of misdemeanors and civil infractions in the district court.

GOALS

1. General counsel - to provide sound legal advice in a timely manner.
2. Civil litigation – to provide the city with effective representation in all cases in which the city is a party.
3. Ordinance prosecution – to effectively prosecute city ordinance violations.
4. To advocate on behalf of the people of the City of Royal Oak in the best interests of justice.
5. To courteously handle inquiries from the general public regarding the city code and/or established city policies and procedures.
6. To provide on-going review of the city code to comply with the current state of the law and further the city commission's goals and objectives.

OBJECTIVES

- Continue to deal with any legal challenges to the civic center project. ^{GOAL1}
- Assist the city commission with development of a policy for adult-use marihuana in the city. ^{GOAL6}

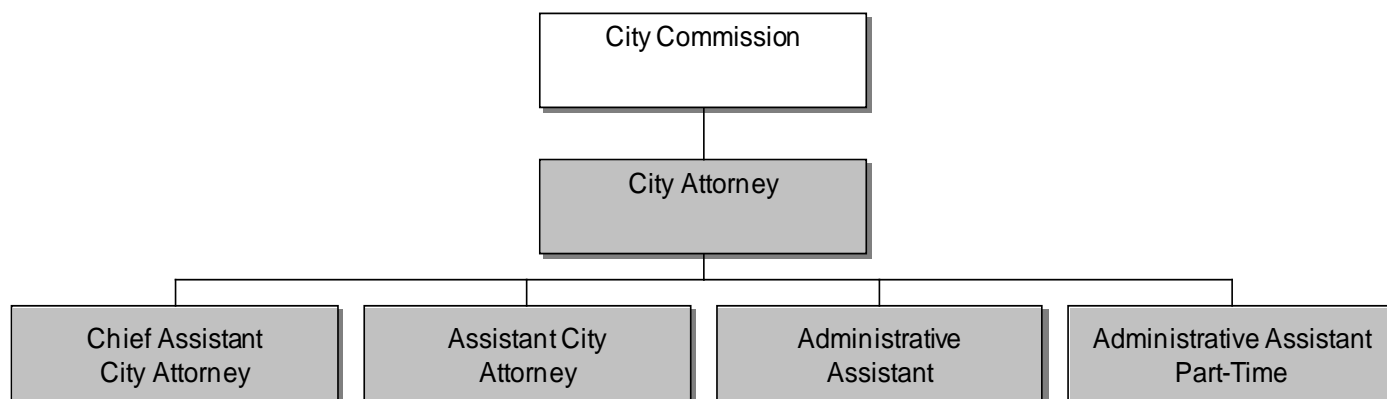
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving merit wage increases. Contracted legal services are expected to decrease \$65,000 relative to the fiscal year 2018-19 original budget as litigation related to the civic center project winds down. Additionally, filing, recording, and other miscellaneous expenditures are expected to decrease slightly as a result of the decreased litigation. Books, subscriptions, and electronic works are increasing \$1,000 relative to fiscal year 2018-19 original budget due to the addition of a drafting assistant module to the legal software which will allow for a more streamlined, efficient and accurate document drafting process.

Budget Summary Expenditures

101.210 ATTORNEY	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	570,570	11,920	0	166,280	0	748,770
2016-2017 Actual	533,830	12,250	0	198,660	0	744,740
2017-2018 Actual	474,960	13,430	0	153,660	0	642,050
2018-2019 Original Budget	516,390	15,400	0	131,650	0	663,440
2018-2019 Adjusted Budget (Dec)	516,390	15,400	0	131,650	0	663,440
2018-2019 Six Month Actual	221,790	5,610	0	24,150	0	251,550
2018-2019 Estimated Year End	488,430	15,400	0	55,440	0	559,270
2019-2020 Dept Request	529,170	16,500	0	65,470	0	611,140
2019-2020 Manager's Budget	529,170	16,500	0	65,470	0	611,140
2019-2020 Adopted Budget						
2020-2021 Projected Budget	544,140	16,500	0	65,470	0	626,110
2021-2022 Projected Budget	559,570	16,500	0	65,470	0	641,540
2022-2023 Projected Budget	575,460	16,500	0	65,470	0	657,430
2023-2024 Projected Budget	591,840	16,500	0	65,470	0	673,810

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full-Time Employees

Attorney	Fiscal Year								
	11-12	12-13	13-14	13-14	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
City Attorney	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Chief Assistant City Attorney	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Assistant City Attorney	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Administrative Assistant	0.5	0.5	0.5	0.5	0.8	0.8	1.0	1.0	1.0
Full-time total	2.5	2.5	3.5	3.5	3.8	3.8	4.0	4.0	4.0

The mission of the city's clerk's office is to successfully serve the public and city commission as prescribed by federal and state law and the city charter, in addition to providing high quality customer service to city departments.

Pursuant to the city charter, the city clerk is the clerk of the city commission and with the mayor, signs and attests all ordinances; and keeps a journal of record of the city commission's proceedings. In addition, the city clerk performs such other duties as are prescribed by the charter, the general laws of the state, or by the city commission.

Such duties include the posting of meeting notices, records and transcribe minutes for official city commission meetings and workshops in accordance with the Open Meetings Act. The office prepares minutes for the following meetings: city commission, charter review, civil service, fire civil service commission and rules committee. The clerk's office is the keeper of official city records, processes freedom of information requests and serves as a notary public for city business

The clerk's office provides birth and death certificates, dog licenses, dog park passes, bike licenses, valet licenses, special event permits, parking station permits,

solicitation/peddler permits, dream cruise permits, residential parking permits; processes SDD/SDM and class C liquor license renewals, liquor transfers and bistro licenses; publishes legal notices, sends updates of all ordinances to general code for codification; processes applications from residents who want to serve on city boards and committees maintaining a list of qualified candidates.

A do not knock list was established in December of 2012 in which the city clerk's office continues to keep track of.

Since 2014, the office has been utilizing the electronic death registry system through the State of Michigan in which death certificates are e-filed.

In 2016, all city commission minutes were scanned and are now word searchable on the city's website for anyone to be able to view.

In 2019, online forms were created for birth and death certificates, dog licenses, dog park passes and residential parking permits. Anyone may now apply and pay for these items online and no longer need to come into the clerk's office.

GOALS

1. To be in compliance with all acts / laws related to the duties of the clerk's office.
2. To effectively administer the clerk office's license and permit process while providing excellent customer service.
3. To provide excellent and efficient official record keeping by use of technology, while keeping records safe and accessible.

OBJECTIVES

- Continue education to be up to date with all of the new laws. ^{GOAL1}
- Continue to update online forms to the website to make it easier for residents and customers to apply for things instead of having to come into the office. ^{GOAL2,3}
- Keep the website up to date with all approved minutes/notices that the clerk's office is responsible for. ^{GOAL3}

Performance Indicators / Outcome Measures

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>
Documents Processed/Issued:						
GOAL2 Birth Certificates	6,184	6,701	6,903	6,850	6,900	7,000
GOAL2 Business Licenses (Annual)	183	16	11	11	15	20
GOAL2 Death Certificates	1,763	1,693	1,735	1,730	1,800	1,850
GOAL2 Dog Licenses	2,488	2,519	2,226	2,920	3,000	3,100
GOAL2 Dog Park Passes	235	237	264	295	300	325
GOAL1 Freedom of Information Act	116	129	121	121	125	130
GOAL2 Initial Merchants Licenses	11	0	0	0	0	0
GOAL2 Liquor License Renewals	52	55	55	54	55	58
GOAL2 Miscellaneous Business Licenses	99	72	52	61	65	70
GOAL2 Peddler Permits	37	56	58	68	75	80
GOAL2 SDD/SDM Renewals	37	36	37	39	42	45
GOAL2 Solicitation Permits	19	20	16	15	20	20
GOAL2 Special Event Permits	55	55	55	51	53	55
GOAL2 Woodward Dream Cruise Permits	67	75	69	63	65	70

Note: City clerk's department performance measures are reported on a calendar year basis as opposed to a fiscal year basis.

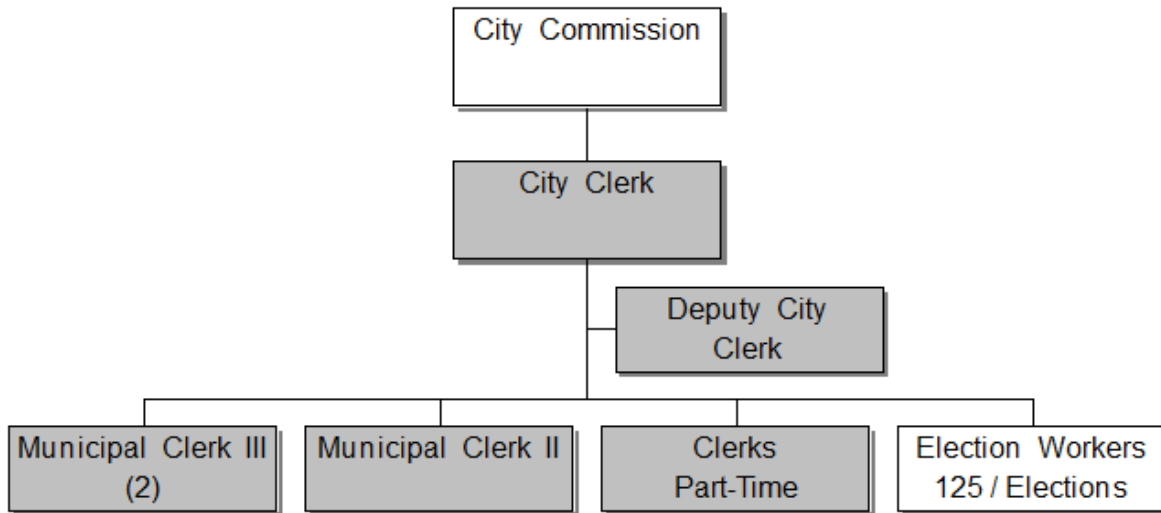
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Relative to the original fiscal year 2018-19 budget, the personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases. Temporary wages are increasing \$7,500 relative to fiscal year 2018-19 original budget due to potential hourly wage increases and additional hour worked.

Budget Summary Expenditures

101.215 CLERK	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	403,400	14,900	0	31,930	0	450,230
2016-2017 Actual	408,370	8,310	0	20,050	0	436,730
2017-2018 Actual	278,690	10,170	0	16,030	0	304,890
2018-2019 Original Budget	313,790	16,000	0	21,900	0	351,690
2018-2019 Adjusted Budget (Dec)	313,790	16,000	0	21,900	0	351,690
2018-2019 Six Month Actual	147,190	1,960	0	2,600	0	151,750
2018-2019 Estimated Year End	339,030	16,000	0	22,050	0	377,080
2019-2020 Dept Request	341,810	16,000	0	22,050	0	379,860
2019-2020 Manager's Budget	341,810	16,000	0	22,050	0	379,860
2019-2020 Adopted Budget						
2020-2021 Projected Budget	356,130	16,000	0	22,050	0	394,180
2021-2022 Projected Budget	371,080	16,000	0	22,050	0	409,130
2022-2023 Projected Budget	386,720	16,000	0	22,050	0	424,770
2023-2024 Projected Budget	403,050	16,000	0	22,050	0	441,100

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

City Clerk		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
City Clerk		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy City Clerk		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CS III - Purchasing		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Clerk - MC III		2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	3.0
City Clerk – MCII		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City Clerk - MC I		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0
Full-time total		4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		0.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		4.7	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

The mission of the human resources department (HR) is to provide our customers – management, employees, retirees, applicants and the general public – with efficient, effective and courteous human resources services within legal, professional and ethical parameters.

The department coordinates and administers the recruitment, screening, selection, and on-boarding of new employees, consistent with federal and state laws and local civil service ordinance. It manages the classification, promotion, transfer and evaluation of employees consistent with union contract provisions, civil service rules and city goals and objectives.

HR administers compensation and benefit plans for employees consistent with contract provisions and applicable laws, including leave benefits, tuition reimbursement, deferred compensation, and special pays. This includes 72 different health plans that provide health, dental, vision, life and supplemental insurance for all employees and retirees including monthly billings, liaison duties with providers, and processing of employee/retiree status changes, including Medicare A, B & D (dependents and beneficiaries, etc.). The office maintains applicant, employee and retiree records.

HR assists in negotiating, interpreting and administering nine (9) union contracts, resolving grievances and participating in Act 312 and grievance arbitration.

HR provides counseling and assistance to department heads and employees relevant to personnel issues and coordinates/facilitates training to meet department and city needs.

The department reports and/or monitors workers' compensation and unemployment compensation claims with third party administrators; ensures compliance with the Affordable Care Act, MIOSHA, accident/injury policies and procedures, and collective bargaining agreements; performs liaison duties with workers' compensation clinics for employee injuries, new hire physicals and DOT drug testing program and requirements.

HR develops, distributes and monitors city policies such as sexual harassment, EEO, ADA, Family and Medical Leave Act, workplace violence, employee assistance, drug free workplace, nepotism, etc. The human resources department staffs the civil service board and fire civil service commission. It also provides representation to safety committees and the city-sponsored health and wellness center.

GOALS

1. To promote lawful, nondiscriminatory, and ethical personnel actions and policy decisions.
2. To facilitate the culture of a qualified, productive and diverse workforce.
3. To provide equitable and cost-effective benefit packages for the city's workforce.

OBJECTIVES

- Improve attraction, retention and development of our employees through succession planning, compensation studies and metrics to gauge employee satisfaction and engagement. ^{GOAL3}
- Boost the number and quality of available training opportunities. ^{GOAL2}
- Continue the process of updating and revising employee policies. ^{GOAL1}

GOALS**OBJECTIVES**

4. Operations – to perform all city operations as efficiently and effectively as possible. This includes, but is not limited to internal communications, technology, innovation and financial management.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases and filling the human resources specialist position that was added to the budget in the prior year. Temporary wages are expected to decrease by \$5,000 relative to the fiscal year 2018-19 original budget in anticipation of filling the open vacancy for a full-time human resources specialist position which will reduce the hours needed from part-time employee(s).

Civil service examination budget will decrease \$10,000 due to a new fire promotion system that was implemented during fiscal year 2018-19 that included up-front costs that will not reoccur at the same rate during fiscal year 2019-20. Medical services are expected to decrease by \$10,000 relative to the fiscal year 2018-19 original budget due to cost savings from utilizing the MiLife Clinic services for city employees and further savings are anticipated through another possible health provider. Miscellaneous contracted services are expected to increase \$2,000 due to an increase in policy and professional development training related expenditures for all city employees.

Performance Indicators / Outcome Measures

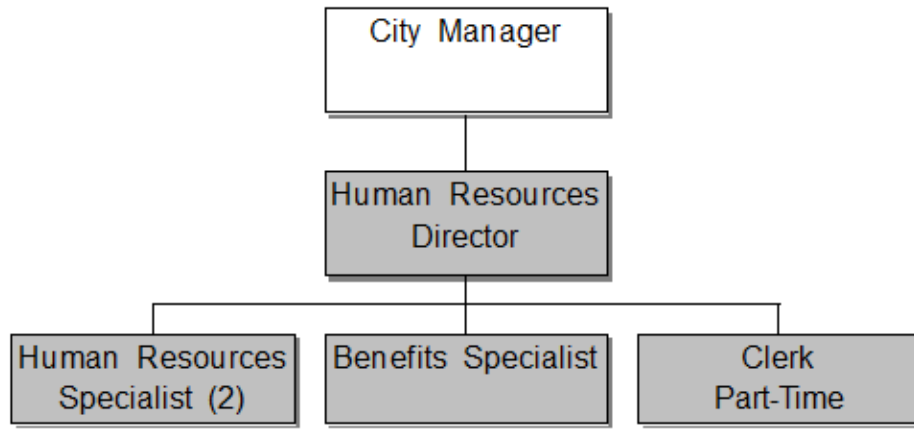
	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL ² Labor Contracts Negotiated	6	6	3	1	1	1
GOAL ² % of Labor Contracts Settled	100	100	70	100	100	100
GOAL ¹ Employees Hired (FT/PT)	201*	116	129	175	140	140
GOAL ² Applications Processed (FT/PT)	2,674	1,960	1,749	2,200	2,200	2,200
GOAL ² Promotions/Transfers/Terminations Processed	124	91	139	170	170	170
GOAL ³ Worker's Comp Claims Processed	50	47	20	55	55	55
GOAL ³ Administration/Processing of Benefits for Insurance Enrollees	782	789	781	796	796	796
GOAL ³ FT HR Staff to FT Workforce Ratio	1:102	1:100	1:103	1:103	1:103	1:103
Residents rated friendly	n/a	n/a	n/a	n/a	n/a	n/a
Residents rated helpful	n/a	n/a	n/a	n/a	n/a	n/a
Residents rated efficient	n/a	n/a	n/a	n/a	n/a	n/a

*includes election workers for presidential election

Budget Summary Expenditures

101.226 HUMAN RESOURCES	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	407,470	2,790	0	194,970	0	605,230
2016-2017 Actual	420,860	1,570	0	189,480	0	611,910
2017-2018 Actual	297,110	1,030	0	206,420	0	504,560
2018-2019 Original Budget	409,370	2,100	0	291,450	0	702,920
2018-2019 Adjusted Budget (Dec)	409,370	2,100	0	291,450	0	702,920
2018-2019 Six Month Actual	127,640	450	0	92,990	0	221,080
2018-2019 Estimated Year End	299,870	1,610	0	251,050	0	552,530
2019-2020 Dept Request	433,460	2,100	0	270,150	0	705,710
2019-2020 Manager's Budget	433,460	2,100	0	270,150	0	705,710
2019-2020 Adopted Budget						
2020-2021 Projected Budget	448,670	2,100	0	270,150	0	720,920
2021-2022 Projected Budget	464,440	2,100	0	270,150	0	736,690
2022-2023 Projected Budget	480,780	2,100	0	270,150	0	753,030
2023-2024 Projected Budget	497,710	2,100	0	270,150	0	769,960

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Human Resources		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Human Resource Director		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resource Specialist		0.0	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0
Benefits Specialist		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Recruitment Coordinator		0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Secretary I - HR		1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
H/R - MC III		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
H/R - MC II		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total		2.0	2.0	2.0	3.0	3.0	3.0	4.0	4.0	4.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		0.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		2.6	2.0	2.0	3.0	3.0	3.0	4.0	4.0	4.0

The general administration cost center records charges that are general fund responsibilities but are not specifically assigned to any user due to their subjective nature.

Administrative charges for non-specific items are recorded here to monitor total cost. There are numerous general costs expensed in this cost center such as property and general liability insurance costs, information technology service charges, audit services, a

portion of bank services charges, tax correction/adjustments. In fiscal year 2016-17 the Royal Oak City Center consulting costs were expended in this cost center. Beginning in fiscal year 2017-18, the principal and interest payments for the general fund's portion of the OPEB and pension bonds are expended in this cost center.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Fiscal year 2018-19 estimated year end expenditures are increasing relative to the fiscal year 2018-19 original budget due to a higher than expected increase in general liability costs during the year however the budget is a decrease from the projected fiscal year 2019-20.

Budget Summary Expenditures

101.248 ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	(1,750)	0	0	1,057,460	0	1,055,710
2016-2017 Actual	0	0	0	1,216,590	0	1,216,590
2017-2018 Actual	1,560	0	0	6,561,760	2,459,570	9,022,890
2018-2019 Original Budget	0	0	0	939,520	2,465,000	3,404,520
2018-2019 Adjusted Budget (Dec)	0	0	0	939,520	2,465,000	3,404,520
2018-2019 Six Month Actual	360	0	0	742,660	1,843,070	2,586,090
2018-2019 Estimated Year End	760	0	0	1,264,450	2,465,000	3,730,210
2019-2020 Dept Request	780	0	0	1,073,010	2,463,000	3,536,790
2019-2020 Manager's Budget	780	0	0	1,073,010	2,463,000	3,536,790
2019-2020 Adopted Budget						
2020-2021 Projected Budget	780	0	0	1,137,000	2,464,000	3,601,780
2021-2022 Projected Budget	780	0	0	1,172,240	2,463,000	3,636,020
2022-2023 Projected Budget	780	0	0	1,208,770	2,464,000	3,673,550
2023-2024 Projected Budget	780	0	0	1,246,650	2,461,000	3,708,430

The mission of the treasurer's office is to effectively and efficiently collect, secure, invest, and disburse all city monies; which includes tax billing, water billing, accounts receivables, special assessments, parking funds, and numerous miscellaneous receivables and disbursements.

All taxes, special assessments, and license fees, accruing to the city, are collected by the city treasurer. All money received by any officer or employees of the city for or in connection with the business of the city is paid to the city treasurer and deposited to one of the approved banking institutions. The treasury office collects and redistributes property taxes for all of the various taxing authorities within the city including Oakland County, Oakland County Parks & Recreation, the Zoological Authority, the Public Transportation Authority, the Huron-Clinton Metropolitan Authority, Berkley, Clawson and Royal Oak Schools, Oakland Community College, Oakland Schools ISD.

In addition, the office handles all accounts receivable billing, water/sewer utility receipts, rehab loan accounting, parking permits, collection, balancing and accounting for city revenues collected by the cashier and the reconciliation and posting of all revenues collected at off-site locations.

The treasurer is responsible for cash management: investing and tracking investments of city funds, the strategic planning of investments to cover regular

monthly planned expenditures, such as accounts payable, payroll and retirement, as well as, cash flow planning for less-regular expenditures, such as large construction contract or semi-annual bond payments.

The office has continued to add value to the city's investment portfolio through diversification and has worked diligently to improve the yield of the investments while maintaining the safety of principal. This department consistently looks for ways to offer better services and a more effective use of funds through a greater use of bank products and services and improved technology.

Beginning December 2015, Royal Oak property owners have the option of paying tax bills and water bills online with a credit card, debit card or e-check from the city website through "Official Payments". In addition, the city is offering direct debit payments for water bills. These electronic payment programs have been tremendously popular, with over 6,600 residents, or 27 percent of our total customer base.

For improved customer service, treasury has worked to expand the acceptance of credit cards to other departments. For convenience, customers can now pay for various city services, permits and certificates at the building department, clerk's office, treasurer's office, DPS, the library, and parks and recreation.

GOALS

1. To develop and implement treasury related processes to improve efficiencies and reduce costs.

OBJECTIVES

- To expand and improve upon 24/7 online access to information needed by residents, and to ensure that accurate and up-to-date information is available to title/mortgage servicing companies at a reasonable price. ^{GOAL1}

GOALS

2. To manage the tax administration and receivables programs in compliance with all applicable laws and internal controls.
3. To administer the cash management program with the effect of increasing returns and decreasing cost.
4. To train and educate employees to keep them up to date on all relevant laws.

OBJECTIVES

- To decrease "surprise" water bills by better educating customers and investigate options for an information portal for customers to periodically review their usage between billing periods. ^{GOAL1}
- To assist other departments in increasing use of online payments and forms through SeamlessDocs and Stripe. ^{GOAL1}
- To provide an option for residents to pay special assessments online through SeamlessDocs. ^{GOAL1}
- To change online payment processing vendors in order to increase back-office efficiency and improve the customers' experience. ^{GOAL3}
- To see that each treasury employee is given the opportunity to attend BS&A and MMTA training as related to their specific duties. ^{GOAL4}

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
^{GOAL2} Tax bills generated	62,018	63,103	66,425	66,425	66,580	66,720
^{GOAL2} Water bills generated	96,332	97,728	97,800	97,916	98,000	98,100
^{GOAL2} Phone calls received	41,791	38,756	18,952	38,000	37,000	36,000
^{GOAL1} Direct Debit Customers (W & S)	2,306	2,780	2,865	2,900	3,045	3,197
^{GOAL1} % Participation in Automatic Bill Pay	9.6%	11.4%	11.7%	11.8%	12.4%	13.0%
^{GOAL2} Invoices Billed	862	754	448	750	750	750
^{GOAL2} Special Assessments Billed	4,560	4,734	4,734	4,734	5,000	5,000

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

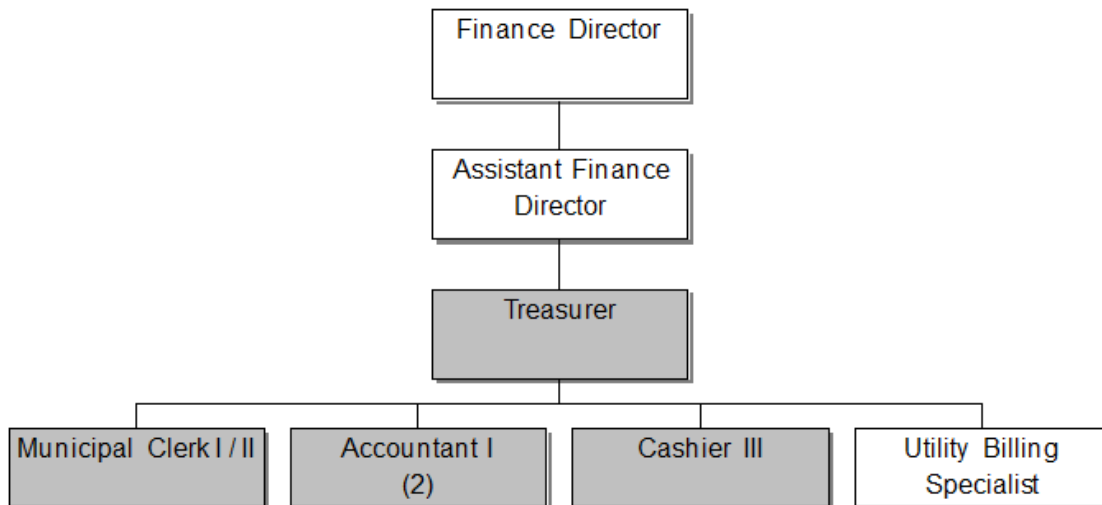
Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases and due to changes in the allocation of treasury staff charges relative to the fiscal year 2018-19 original budget. Overtime wages are decreasing \$1,500, printing and document duplicating costs are decreasing \$3,500, and training and education costs are decreasing \$1,000 relative to fiscal year 2018-19 original budget based on historical usage. Postage costs are increasing \$1,680 relative to fiscal year 2018-19 original budget due to an increase in postal rates in January 2019. Staff is working on improving the information available to water customers to help them better understand their water usage and monitor their own consumption. Staff is also working on improving the information provided to sellers, buyers, realtors, and title companies prior to the transfer of property ownership.

Budget Summary

Expenditures

101.253 TREASURER	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	199,000	1,490	0	10,810	0	211,300
2016-2017 Actual	227,010	5,280	0	13,280	0	245,570
2017-2018 Actual	286,150	3,410	0	31,660	0	321,220
2018-2019 Original Budget	235,720	2,750	0	47,030	0	285,500
2018-2019 Adjusted Budget (Dec)	235,720	2,750	0	47,030	0	285,500
2018-2019 Six Month Actual	94,620	1,470	0	20,500	0	116,590
2018-2019 Estimated Year End	235,120	2,750	0	42,510	0	280,380
2019-2020 Dept Request	437,940	2,750	0	44,010	0	484,700
2019-2020 Manager's Budget	437,940	2,750	0	44,010	0	484,700
2019-2020 Adopted Budget						
2020-2021 Projected Budget	456,780	2,750	0	44,010	0	503,540
2021-2022 Projected Budget	476,480	2,750	0	44,010	0	523,240
2022-2023 Projected Budget	497,050	2,750	0	44,010	0	543,810
2023-2024 Projected Budget	518,520	2,750	0	44,010	0	565,280

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-time Employees

Treasurer		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
City Treasurer		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy City Treasurer		1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accountant II		0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0
Accountant I		0.0	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0
Cashier III		0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Cashier II		1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Treasurer - MC I / MC II		1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Full-time total		4.0	4.0	3.0	3.0	4.0	4.0	4.0	4.0	5.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		0.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		4.6	4.0	4.0	3.0	4.0	4.0	4.0	4.0	5.0

The city office building cost center records the operating, repair and maintenance charges for the city hall.

The city office building budget includes city hall building costs, under the city engineer for all departments.

Building costs primarily involve external vendors. The largest operating costs are utilities (electric, gas, water and telephone), postage, janitorial service and supplies. Repairs and maintenance costs include building trades (HVAC, plumbing, electrical, elevator).

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to assumed wage step increases. Overtime wages are increasing \$1,500 relative to the fiscal year 2018-19 original budget based on current year activity.

Cleaning and janitorial supplies, miscellaneous operating supplies, miscellaneous contracted services, and miscellaneous building repair and maintenance services are each decreasing by \$1,000 relative to the fiscal year 2018-19 original budget, based on historical activity and the declining need for upkeep as the existing city hall is expected to be abandoned by April 2020. Heating and cooling repair budget and electric budget both decreased \$10,000 due to the move to a new city hall.

Budget Summary Expenditures

101.265 CITY OFFICE BUILDING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	4,430	5,960	0	388,820	0	399,210
2016-2017 Actual	54,700	11,330	0	262,280	0	328,310
2017-2018 Actual	49,860	10,170	0	243,000	0	303,030
2018-2019 Original Budget	59,750	12,700	0	278,800	0	351,250
2018-2019 Adjusted Budget (Dec)	59,750	12,700	0	278,800	0	351,250
2018-2019 Six Month Actual	28,830	4,560	0	169,080	0	202,470
2018-2019 Estimated Year End	61,660	10,400	0	273,300	0	345,360
2019-2020 Dept Request	69,000	10,000	0	251,800	0	330,800
2019-2020 Manager's Budget	69,000	10,000	0	251,800	0	330,800
2019-2020 Adopted Budget						
2020-2021 Projected Budget	71,130	10,000	0	253,180	0	334,310
2021-2022 Projected Budget	73,320	10,000	0	254,610	0	337,930
2022-2023 Projected Budget	75,600	10,000	0	256,100	0	341,700
2023-2024 Projected Budget	77,950	10,000	0	257,640	0	345,590

Cost Center Position Detail - Home Base Full & Part-Time Employees

City Office Building		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Day Porter		n/a	n/a	n/a	n/a	n/a	1.0	1.0	1.0	1.0
Full-time total		n/a	n/a	n/a	n/a	n/a	1.0	1.0	1.0	1.0

The mission of the parks and forestry division is to build and maintain all city owned parks, playgrounds, athletic fields and open spaces and the public trees; maintaining the urban forest, so that they are a source of pride and enjoyment for residents and visitors alike.

The parks and forestry division of the department of public service are responsible for the 50 parks and playgrounds throughout the City of Royal Oak with a combined acreage exceeding 310 acres. This includes a dog park on the east side. The city's recreation division puts on all programs in the parks.

The division maintains baseball, volleyball, football and soccer venues; basketball and tennis courts; picnic areas; and walking trails, signs, lighting and parking.

Although the city's namesake, the original Royal Oak, no longer lives, the forestry section is responsible for over 23,000 trees.

These include trees in the parks, central business district, parkways and easement areas of roads, golf courses, cemetery and city owned open spaces (e.g. around the library).

Every fall, this crew and the highway division make two or more passes to remove fallen leaves from the city's streets; this service is paid for by the solid waste fund.

During the winter, they perform snow and ice maintenance. Winter maintenance on city roads is charged to the major or local road fund as is appropriate; to the DDA development fund for the central business district; and to the auto parking fund for parking lots and decks.

During the growing season, duties include removing dangerous or fallen branches and debris, cutting grass, controlling park weeds, and tending streetscapes and banners. Charges for these services are distributed to the proper funds as well.

GOALS

1. To maintain the city's park grounds in accordance with maintenance schedules.
2. To provide quality facilities for recreation programs and support the use by all citizens of Royal Oak.
3. Support the community youth athletic organizations.
4. Improve the urban forest.
5. To minimize the city liability in city parks.
6. Community – to preserve neighborhoods by encouraging community involvement and family activities.

OBJECTIVES

- Development of Normandy Oaks. ^{GOAL6}
- Design the downtown park. ^{GOAL6}

Performance Indicators / Outcome Measures

	Actual <u>FY16-17</u>	Actual <u>FY17-18</u>	Dec 31 <u>2018</u>	Projected <u>FY18-19</u>	Projected <u>FY18-19</u>	Projected <u>FY19-20</u>
GOAL ¹ Hours Ball Diamonds Maintained	1,782	2,331	846	1,800	1,800	1,800
GOAL ¹ Hours Soccer / Football Fields Maintained/Lined	583	490	271	600	600	600
Trees Planted	123	423	10	200	200	200

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Overtime wages are increasing \$15,000 relative to the fiscal year 2018-19 original budget based on the estimated activity during year. Miscellaneous contracted services include a budget of \$10,000 for a landscape architect and \$9,000 to expand the fencing at the Mark Twain dog park. Sand, gravel and slag expenditures are increasing \$35,000 relative to the fiscal year 2018-19 original budget due to wood cushion material to be used as part of the city's park improvement projects. Playground equipment repair and maintenance supplies are increasing \$5,000, uniforms are increasing \$450, safety gear is increasing \$750, and tools and hardware are increasing \$1,000 relative to the fiscal year 2018-19 original budgeted amounts based on historical activity. Motor pool rental charges are increasing approximately \$18,500 relative to the fiscal year 2018-19 original budget due to new equipment in the vehicle (equipment) replacement charge.

The development of Normandy Oaks will be a primary objective during the coming year (these development costs are recorded in the parks capital improvement fund). The following capital improvement projects are budgeted for parks and forestry for FY2019-20 (deviates from the CIP):

• Salter center roof replacement	\$190,000
• Salter center parking lot repaving	125,000
• Bassett park improvements	45,000
• Tennis court resurfacing	<u>17,000</u>
FY2019-20 total:	\$377,000

Budget Summary Expenditures

101.266 PARKS & FORESTRY	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	231,310	81,820	64,100	282,400	0	659,630
2016-2017 Actual	387,830	81,190	159,900	278,780	0	907,700
2017-2018 Actual	332,470	79,670	45,760	310,220	0	768,120
2018-2019 Original Budget	292,120	93,550	537,000	386,440	0	1,309,110
2018-2019 Adjusted Budget (Dec)	292,120	93,550	576,400	386,440	0	1,348,510
2018-2019 Six Month Actual	206,750	59,380	65,470	170,670	0	502,270
2018-2019 Estimated Year End	340,320	101,250	503,610	373,400	0	1,318,580
2019-2020 Dept Request	362,140	134,250	377,000	412,790	0	1,286,180
2019-2020 Manager's Budget	362,140	134,250	377,000	412,790	0	1,286,180
2019-2020 Adopted Budget						
2020-2021 Projected Budget	371,690	134,250	0	420,730	0	926,670
2021-2022 Projected Budget	381,560	134,250	0	428,910	0	944,720
2022-2023 Projected Budget	391,790	134,250	0	437,320	0	963,360
2023-2024 Projected Budget	402,360	134,250	0	445,970	0	982,580

Cost Center Position Detail - Home Base Full & Part-Time Employees

Parks & Forestry		Fiscal Year							
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Supervisor of Parks & Forestry	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment Repair worker	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks Maintenance Worker II	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Parks Maintenance Worker	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks/Forestry MC III	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	5.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	13.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0

The building maintenance cost center records the DPS personnel and vehicle charges for city hall repair and maintenance.

See also the general fund's city hall building (265) cost center for other charges for city hall operations, repairs and maintenance.

The building maintenance budget is under the director of public services. Personnel costs are for full-time DPS workers.

GOALS

1. Provide quality building repairs in timely manner.
 2. Support other divisions as necessary during weather emergencies.
-

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing relative to the fiscal year 2018-19 original budget due to a change in allocation for certain DPS workers to perform slightly more building projects. The department requested budget included a request for the addition of a full-time facilities manager however this request was not elevated to the city managers proposed budget. Overtime is expected to increase \$2,000, and miscellaneous operating supplies by \$500, relative to the fiscal year 2018-19 original budget due to the increased projects and repairs that are often take place after-hours.

Budget Summary Expenditures

101.267 BUILDING MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	226,390	227,750	0	18,760	0	472,900
2016-2017 Actual	254,270	10,250	0	16,020	0	280,540
2017-2018 Actual	153,960	11,220	0	17,770	0	182,950
2018-2019 Original Budget	145,710	10,560	0	21,280	0	177,550
2018-2019 Adjusted Budget (Dec)	145,710	10,560	0	21,280	0	177,550
2018-2019 Six Month Actual	79,900	3,730	0	10,640	0	94,270
2018-2019 Estimated Year End	152,140	12,560	0	21,280	0	185,980
2019-2020 Dept Request	297,900	11,060	0	18,260	0	327,220
2019-2020 Manager's Budget	192,930	11,060	0	18,260	0	222,250
2019-2020 Adopted Budget						
2020-2021 Projected Budget	198,970	11,060	0	18,630	0	228,660
2021-2022 Projected Budget	205,220	11,060	0	19,000	0	235,280
2022-2023 Projected Budget	211,720	11,060	0	19,380	0	242,160
2023-2024 Projected Budget	218,470	11,060	0	19,770	0	249,300

Cost Center Position Detail - Home Base Full & Part-Time Employees

DPS	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Bldg Maintenance Repair Worker II	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Bldg Maintenance Repair Worker I	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

The mission of the ordinance enforcement division of the building department is to enforce City of Royal Oak ordinances that address commercial and residential property maintenance, merchant licensing, and public health and safety issues; and to perform regular checks of all apartments, hotels, motels and houses offered for rent within the city.

The ordinance enforcement division inspects commercial and residential buildings for property maintenance violations. Inspectors

enforce local ordinances addressing problems such as blight, weeds, unlicensed/inoperable vehicles and other issues that may have a negative effect on property values. The ordinance enforcement division learns of these issues by responding to complaints in addition to proactively seeking violations.

The building department consists of two divisions: building inspection and ordinance enforcement.

GOALS

1. To protect the public safety, welfare and property values by enforcing regulations, nuisance abatements and other codes.
2. Apply a common-sense approach to enforcement while maintaining the intent of city ordinances.
3. Respond to complaints within one business day.
4. Treat each resident and business owner with respect and understanding.
5. Enforce city ordinances in a fair and consistent manner.

OBJECTIVES

- Review and modify ordinances to better address issues with compliance.^{GOAL1}

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL1 Percent of Non-homestead Properties Reviewed for Unlicensed Rental Activity	10%	15%	15%	20%	20%	20%
GOAL1 Percent of Complaints Responded to Within One Business Day	90%	90%	90%	90%	95%	95%
GOAL1 Percent of Questions Responded to Within Two Business Days	90%	90%	90%	90%	95%	95%
GOAL2 Rental Licenses Issued	1,592	1,931	852	1,800	1,800	1,800
GOAL1 Responses to Complaints	6,328	6,482	3,165	6,400	6,400	6,400
GOAL2 Scheduled Inspections Conducted	16,884	16,551	8,012	16,500	16,500	16,500

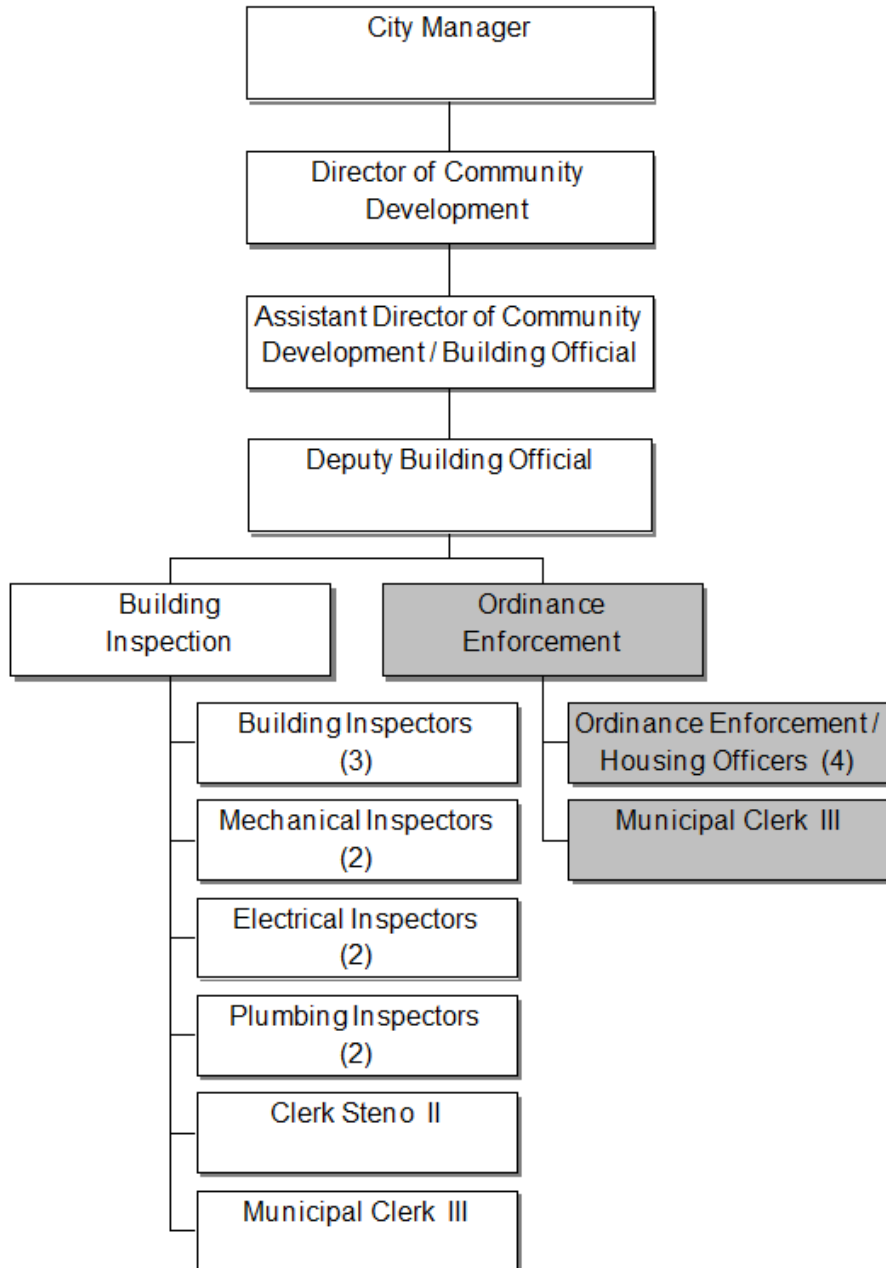
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to the potential for newer employees (who are not at the top of their pay range) to receive wage increases. Telephone service charges are increasing \$4,000 due to utilizing tablets and training and education costs are decreasing \$800, relative to the fiscal year 2018-19 original budget, based on historical activity. Motor pool rental charges are increasing \$4,060 based on estimated past utilization.

Budget Summary Expenditures

101.372 ORDINANCE ENFORCEMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	602,450	370	0	23,480	0	626,300
2016-2017 Actual	572,740	580	0	31,140	0	604,460
2017-2018 Actual	337,810	2,340	0	32,870	0	373,020
2018-2019 Original Budget	357,410	1,010	0	38,480	0	396,900
2018-2019 Adjusted Budget (Dec)	357,410	1,010	0	38,480	0	396,900
2018-2019 Six Month Actual	171,480	40	0	20,370	0	191,890
2018-2019 Estimated Year End	358,050	1,000	0	41,180	0	400,230
2019-2020 Dept Request	368,170	1,000	0	46,860	0	416,030
2019-2020 Manager's Budget	368,170	1,000	0	46,860	0	416,030
2019-2020 Adopted Budget						
2020-2021 Projected Budget	381,040	1,000	0	47,680	0	429,720
2021-2022 Projected Budget	394,360	1,000	0	48,510	0	443,870
2022-2023 Projected Budget	408,180	1,000	0	49,360	0	458,540
2023-2024 Projected Budget	422,520	1,000	0	50,230	0	473,750

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full-Time Employees

Code Enforcement		Fiscal Year							
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Full-Time Positions									
Code Enforcement/Housing Officer	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
CS III - Inspection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Housing Rehabilitation Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Code Enforcement - MC III	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement - MC I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

The mission of the planning division of the community development department is to pro-actively oversee the physical and economic development of the city, in particular those areas under private ownership.

In fulfilling this mission, the planning division provides administrative support to the city commission and various advisory boards, most notably, the planning commission, zoning board of appeals, downtown development authority, brownfield redevelopment authority, and the community development block grant program. The planning division also works closely with the business community and city residents, answering questions and addressing concerns in an effort to meet the needs of each within the context of the city's plans and ordinances.

The traditional role of the planning division, in the context of municipal government, involves foreseeing the various physical and economic development needs of a community and then providing for those needs through the preparation of various plans and ordinances, which may be considered for approval by elected and appointed officials.

In Royal Oak, this traditional role has been supplemented by the planning division's pro-active role and participation in the actual implementation of many physical and economic development plans or projects. This pro-active role has changed the nature of the division from a more passive one, concerned primarily with the preparation of plans, to one actively involved in every aspect of the city's physical and economic development.

A planning commission for the City of Royal Oak has been created and organized under the provisions of the Michigan Planning Enabling Act (PA No. 33 of 2008, as amended), and has the powers and duties therein specified. The planning commission

meets monthly and is responsible for adopting and updating the city's master plan, reviewing and recommending changes to the zoning ordinance (including the rezoning of property), granting special land use permits, reviewing appeals to the city's sign ordinance, and reviewing site plans for all development except one-family and two-family dwellings. Interested parties are advised that the planning commission requires submission of applications a minimum of six weeks prior to the meeting at which they are to be considered. This is to allow for the publication of public hearing notices required by state law and to provide ample time for staff to review applications and prepare written reports and recommendations for the planning commission.

All site plan applications are reviewed by a planner, as well as representatives from the building inspection, fire, engineering, and police departments. The petitioner is invited to make changes to the site plan based upon staff comments. Following any such changes, the site plan, along with written recommendations, are provided to the planning commission for formal review.

Special land use applications are reviewed by a planner and a written report is submitted to the planning commission describing the proposed use and how it may meet the requirements for granting a special land use permit in the city's zoning ordinance and state law. Applications for a special land use permit require a public hearing with notification published in a local newspaper and mailed to property owners within 300 feet of the site.

Applications for rezoning property are reviewed by a planner and a report is submitted to the planning commission describing the requested zoning district, how it may meet the requirements for a rezoning in the city's zoning ordinance and state law, and whether it is consistent with the future land use map of the city's master plan.

Proposed text amendments to the city's zoning ordinance are typically prepared by staff in response to changes in state law, generally accepted planning and zoning principles, or by the specific direction of the planning commission, city commission, or city attorney. For each proposed amendment, staff prepares draft language for review by the planning commission, whose recommendation is then forwarded to the city commission. Rezoning and text amendments require a public hearing and public notification as previously noted.

A zoning board of appeals has been created and organized under the Michigan Zoning Enabling Act (PA 110 of 2006, as amended) and is charged with hearing requests for variances and interpretations to specific zoning ordinance provisions. It meets monthly and all appeals require a public hearing and public notification as previously noted. Staff prepares a written report of findings on all appeals detailing the city's zoning ordinance standards for which variances are being sought and how the request may meet required standards for granting a variance in the zoning ordinance and state law. Considerable staff time is spent to ensure that all information is accurate, and the appellant's intent is clear.

In addition to serving the above referenced duties, the planning division spends a great deal of time assisting both residents and businesses on questions regarding land use, zoning, and economic development. Many if not most of these inquiries and contacts do not result in items which appear on an agenda but permit citizens and business owners to better understand city ordinances and policies.

The planning division also reviews plans submitted to the building inspection department for construction permits to ensure they comply with approved site plans. For major projects, this review can take as much time to complete as the original site plan review. If such building plans are found to comply with an approved site plan, then the division marks them as "approved" and returns them to the applicant or the building inspection department. If they are not, the petitioner is advised what is needed to bring the plans into compliance. No additional application or fee is required by the planning division to complete this type of review.

Other tasks or issues involve a great deal of planning division staff time, such as new and renewed sidewalk café applications, license agreements for occupying a right-of-way and a variety of other purposes, right-of-way vacations, land divisions, liquor license requests, downtown newspaper boxes and bicycle racks, staff traffic committee meetings, zoning compliance inquiries, processing and reviewing brownfield redevelopment plans, etc.

The planning division also maintains the city's geographic information system (GIS) as well as community development updates for the city's website.

Other Related Areas

See the budgets for the downtown development authority (DDA) operating fund, DDA (TIF) development fund, the community block grant fund, the housing assistance program, the Brownfield redevelopment authority (BRA) fund, engineering, and ordinance/state construction code.

GOALS

1. Provide professional / technical reviews and assistance on all phases

OBJECTIVES

GOALS

OBJECTIVES

- of planning and zoning responsibilities for businesses and residents.
2. Provide technical support and expertise to the planning commission and zoning board of appeals, as well as the city commission.
3. Develop and propose policies which facilitate consistency with the city's master plan, as well as compatibility and harmony between land uses in the city, mitigating any potential adverse effects.
4. Assist businesses and homeowners to the greatest extent possible with new business proposals or expansions, building or home additions, etc., by directing them to the proper review body or application procedure.
5. When necessary, provide recommendations on whether the proposed activity is consistent with the zoning ordinance, master plan, other city ordinances and policies, and state law, and what, if any, contingencies of approval should be adopted.
6. Work with the city attorney and others to prepare such needed amendments to the zoning ordinance, zoning map, and master plan, and report on them to the planning commission and other necessary advisory boards and commissions.
7. Assist petitioners with their applications to the greatest extent possible without actually preparing the information and documents they need to provide.
8. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to

GOALS**OBJECTIVES**

promote efficient delivery of beneficial services.

9. Community – to preserve neighborhoods by encouraging community involvement and family activities.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing relative to the fiscal year 2018-19 original budget due to assumed wage step increases and as a result of filling a new full-time position for a planner II position during fiscal year 2018-19. Contracted worker services are decreasing by \$200,000 due to the master plan update that was dropped as a priority based upon the city commissions strategic planning discussions.

Budget Summary Expenditures

101.400 PLANNING & ZONING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	292,210	1,730	0	51,450	0	345,390
2016-2017 Actual	352,090	1,270	0	60,420	0	413,780
2017-2018 Actual	200,380	850	0	14,210	0	215,440
2018-2019 Original Budget	269,600	1,900	0	214,280	0	485,780
2018-2019 Adjusted Budget (Dec)	269,600	1,900	0	214,280	0	485,780
2018-2019 Six Month Actual	89,240	880	0	4,980	0	95,100
2018-2019 Estimated Year End	234,390	1,500	0	13,280	0	249,170
2019-2020 Dept Request	348,790	1,500	0	16,280	0	366,570
2019-2020 Manager's Budget	348,790	1,500	0	16,280	0	366,570
2019-2020 Adopted Budget						
2020-2021 Projected Budget	359,490	1,500	0	16,280	0	377,270
2021-2022 Projected Budget	370,540	1,500	0	16,280	0	388,320
2022-2023 Projected Budget	381,950	1,500	0	16,280	0	399,730
2023-2024 Projected Budget	393,730	1,500	0	16,280	0	411,510

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Community Development		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Full-Time Positions										
Community Development Director		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Director of Planning		0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Planner III		1.0	1.0	1.0	1.0	1.0	0.0	0.0	2.0	0.0
Planner II		1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	2.0
Community Development Liaison		0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.0	0.0
CS III - Planning		1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total		4.0	3.0	3.0	3.0	3.5	3.5	3.5	4.0	4.0

Note: Planning division staff costs are allocated to numerous other funds outside the general fund.

The mission of animal protection services is to capture dangerous, rabid and stray animals humanely and safely transport them to the animal shelter for safe keeping.

Animal protection services are supervised by the police department in the general fund. The city contracts with our neighbor for the shared services of the City of Berkley animal control officer and truck.

That officer captures dangerous or rabid animals for observation and/or treatment. They also pick up stray dogs and cats and transport them to the Royal Oak Animal Shelter for feeding and care (see fund 297).

The officer also picks dead animals from major streets with speeds over 35 mph. Residents and businesses are asked to pick up all other dead animals.

GOALS

1. To provide prompt animal control services as to keep the community safe from incidents.
-

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Animal control services are expected to increase \$1,500 from fiscal year 2018-19 due to an anticipated contract increase with the city of Berkley.

Budget Summary Expenditures

101.430 ANIMAL PROTECTION SERVICES	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	39,160	0	39,160
2016-2017 Actual	0	0	0	42,490	0	42,490
2017-2018 Actual	0	0	0	42,920	0	42,920
2018-2019 Original Budget	0	0	0	47,000	0	47,000
2018-2019 Adjusted Budget (Dec)	0	0	0	47,000	0	47,000
2018-2019 Six Month Actual	0	0	0	19,320	0	19,320
2018-2019 Estimated Year End	0	0	0	47,000	0	47,000
2019-2020 Dept Request	0	0	0	48,500	0	48,500
2019-2020 Manager's Budget	0	0	0	48,500	0	48,500
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	49,960	0	49,960
2021-2022 Projected Budget	0	0	0	51,460	0	51,460
2022-2023 Projected Budget	0	0	0	53,000	0	53,000
2023-2024 Projected Budget	0	0	0	54,590	0	54,590

Cost Center Position Detail - Home Base Part-Time Employees

Animal Protection Services		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total		1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The mission of the electrical division of the department of public service is to provide effective electrical service to the city hall.

The electrical cost center is under the director of public services and records the electrician's personnel costs when servicing

the city hall, his certification and tool costs. His other personnel time, cost, and electric materials and supplies are charged directly to the requesting department when used elsewhere.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are decreasing relative to the fiscal year 2018-19 original budget due to less time being allocated to this cost center for the electrician as less electrical work is anticipated in the new / old city hall buildings. Motor pool charges are increasing \$31,290 relative to the fiscal year 2018-19 original budget mostly due to a new replacement vehicle that was acquired during fiscal year 2018-19.

Budget Summary Expenditures

101.443 ELECTRICAL	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	14,910	4,200	0	20,640	0	39,750
2016-2017 Actual	35,810	11,030	0	21,430	0	68,270
2017-2018 Actual	34,410	7,350	0	20,600	0	62,360
2018-2019 Original Budget	34,000	11,680	0	18,920	0	64,600
2018-2019 Adjusted Budget (Dec)	34,000	11,680	0	18,920	0	64,600
2018-2019 Six Month Actual	16,820	2,750	0	9,460	0	29,030
2018-2019 Estimated Year End	33,690	12,460	0	18,920	0	65,070
2019-2020 Dept Request	25,180	12,460	0	50,210	0	87,850
2019-2020 Manager's Budget	25,180	12,460	0	50,210	0	87,850
2019-2020 Adopted Budget						
2020-2021 Projected Budget	25,840	12,460	0	51,210	0	89,510
2021-2022 Projected Budget	26,530	12,460	0	52,230	0	91,220
2022-2023 Projected Budget	27,260	12,460	0	53,270	0	92,990
2023-2024 Projected Budget	28,000	12,460	0	54,340	0	94,800

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Electrical		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Electrician I		0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5
Full-time total		0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		0.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		0.3	0.3	0.0	0.0	0.5	0.5	0.5	0.5	0.5

The mission of the engineering division is to develop and implement master plans and programs and to service and inspect public improvement in the city.

The Royal Oak engineering division is committed to providing sound, efficient and proactive engineering practices and techniques to maintain and improve the city's transportation, water and sewer and building assets. Working closely with Royal Oak's other departments; the engineering staff strives to partner the needs of the various departments with those of our residents and property owners for overall commitment to a high quality of life that can be attributed to our community's infrastructure.

The division's fiscal year 2019-20 budget targets the management of available resources to meet departmental goals and responsibilities. Current budget resources are comprised primarily of dedicated non-general funding sources and fees. The engineers, engineering assistants, draftspersons and clerical staff recognize their responsibility to the community they serve. The division employees are dedicated to efficiently managing its infrastructure projects as well as community development requirements by assisting developers, contractors, residents and other city personnel, which results in timely and accurate resolutions of construction and development requirements. The Royal Oak engineering division reaffirms its

commitment and looks forward to serving the Royal Oak community.

The engineering cost center in the general fund covers the costs of communicating with the public and city staff, training and administration, and performing community development duties for plan review and permits. It also covers oversight of city hall and new city buildings. The engineering division contributes fees from permits and plan reviews to the general fund to cover this cost center. The engineering staff charges the majority of their time to numerous budgets. Those charges can be direct or through capital projects, mostly affecting other funds such as the major street, local street, and the water and sewer funds which includes the stormwater utility cost center.

For city infrastructure projects, engineering provides or contracts for the evaluation, planning and design skills to handle our many systems. Those systems include alleys, streets, on- and off-street parking including lots and decks, streetscapes, sidewalks, bike facilities, traffic evaluations, signs and signals, city buildings and parks, and water and sewer mains.

The engineering division also oversees the traffic committee which actively reviews traffic and pedestrian safety, as well as parking issues and recommends and implements approved actions.

GOALS

1. Effectively and efficiently review plans for consideration of public and private improvements and oversee construction.
2. Provide useful information to developers, builders, consulting engineers, utility companies and residents regarding city utilities by maintaining and updating the city website for engineering involvement in community development.
3. Perform all city operations as efficiently and effectively as possible.
4. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.
5. Community – to preserve and enhance neighborhoods by encouraging community involvement and activities.
6. Public safety – to protect all persons and property in Royal Oak by providing the highest quality public services possible in the most efficient manner.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

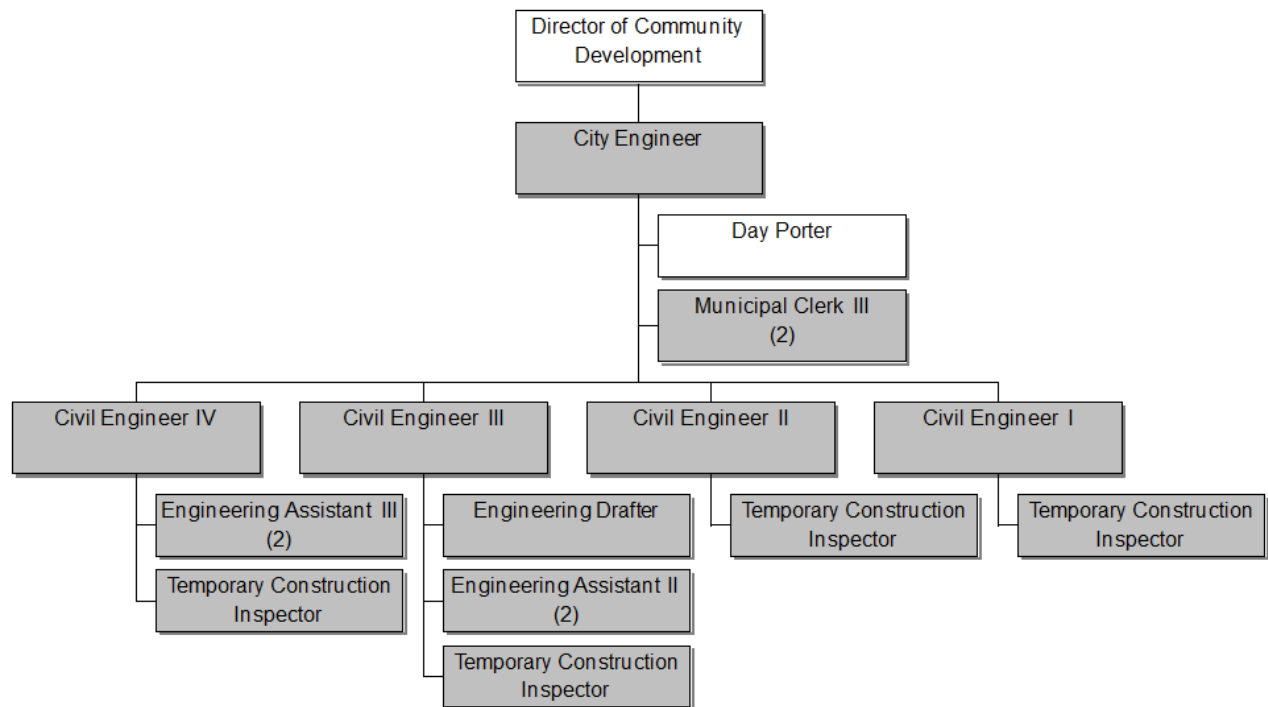
Plan review and permitting continues to be active which brings in revenues to the general fund. Staffing is budgeted higher for these activities as the plan review / permitting is estimated to continue.

Miscellaneous contracted services are decreasing \$70,000 due to an environmental sustainability plan project that was carried over from prior years that will not be re allocated to fiscal year 2019-20.

Budget Summary Expenditures

101.447 ENGINEERING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	348,840	6,040	0	3,600	0	358,480
2016-2017 Actual	411,760	2,600	0	6,640	0	421,000
2017-2018 Actual	431,700	1,300	0	7,200	0	440,200
2018-2019 Original Budget	395,500	3,250	0	82,850	0	481,600
2018-2019 Adjusted Budget (Dec)	395,500	3,250	0	82,850	0	481,600
2018-2019 Six Month Actual	209,740	1,080	0	4,300	0	215,120
2018-2019 Estimated Year End	471,290	2,900	0	12,400	0	486,590
2019-2020 Dept Request	397,040	3,150	0	12,500	0	412,690
2019-2020 Manager's Budget	397,040	3,150	0	12,500	0	412,690
2019-2020 Adopted Budget						
2020-2021 Projected Budget	408,840	3,150	0	7,600	0	419,590
2021-2022 Projected Budget	421,020	3,150	0	7,700	0	431,870
2022-2023 Projected Budget	433,610	3,150	0	7,800	0	444,560
2023-2024 Projected Budget	446,610	3,150	0	7,910	0	457,670

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Engineering		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
City Engineer		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civil Engineer IV		0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Civil Engineer III		2.0	1.0	1.0	2.0	2.0	1.0	1.0	1.0	1.0
Civil Engineer II		0.0	0.0	0.0	0.0	0.0	1.0	1.0	2.0	1.0
Civil Engineer I		0.0	1.0	1.0	0.0	2.0	1.0	1.0	1.0	1.0
Engineering Assistant IV		1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	0.0
Engineering Assistant III		1.0	1.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0
Engineering Assistant II		1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Engineering Drafter		2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
CS III - Engineering		1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Engineering - MC III		0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	2.0
Full-time total		9.0	7.0	7.0	8.0	13.0	12.0	12.0	12.0	12.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		2.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		11.9	7.0	7.0	8.0	13.0	12.0	12.0	12.0	12.0

The mission of the street lighting cost center of the department of public service is to provide street lighting that is safe, effective and economical and that attracts residents, business and visitors to the City of Royal Oak.

The city pays Detroit Edison electrical charges for our street lighting. The DDA pays for street lighting electricity in the downtown; this budget pays for the balance. Electricity normally makes up over 95% of operating costs in this budget.

Detroit Edison owns certain street light poles and fixtures throughout Royal Oak; the city owns the majority. At this time, nothing is scheduled to replace the city's portion of the system.

When individual light poles and fixtures are damaged and destroyed, repair or replacement costs are charged to this cost center.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

There are no significant changes to this cost center.

Budget Summary Expenditures

101.448 STREET LIGHTING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	5,380	48,500	0	815,560	0	869,440
2016-2017 Actual	7,930	26,000	0	799,550	0	833,480
2017-2018 Actual	11,070	310	0	873,050	0	884,430
2018-2019 Original Budget	9,920	15,000	0	859,000	0	883,920
2018-2019 Adjusted Budget (Dec)	9,920	15,000	0	859,000	0	883,920
2018-2019 Six Month Actual	6,920	4,660	0	275,850	0	287,430
2018-2019 Estimated Year End	13,410	9,000	0	853,000	0	875,410
2019-2020 Dept Request	12,070	15,000	0	853,000	0	880,070
2019-2020 Manager's Budget	12,070	15,000	0	853,000	0	880,070
2019-2020 Adopted Budget						
2020-2021 Projected Budget	12,350	15,000	0	869,880	0	897,230
2021-2022 Projected Budget	12,640	15,000	0	887,100	0	914,740
2022-2023 Projected Budget	12,940	15,000	0	904,660	0	932,600
2023-2024 Projected Budget	13,240	15,000	0	922,570	0	950,810

Cost Center Position Detail - Home Base

Part-Time Employees

Street Lighting		Fiscal Year							
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The chief role of the office of economic development is to position Royal Oak as a destination for new business opportunities, while providing strategic guidance and resources to existing businesses to facilitate growth and expansion.

This department seeks to remain independent of regulatory processes and is focused on business growth, retention and recruitment. It works in concert with community development to shepherd new business proposals and expansions while coordinating with the city attorney to draft and review all contracts and development agreements related to the same. This office cultivates and maintains proactive relationships with private and non-profit business development partners, academic institutions, and regional economic development entities.

As Royal Oak undergoes a transformation of its downtown, fueled, in part, by a substantial

increase in its office base, this department remains involved in supporting the current proposed developments underway while marketing new business opportunities on both public and privately-held sites with the national business and development communities. Continuing the city's relationships with organizations focused upon business and real estate development is critical to providing access to these networks.

The city's investment in economic development has reinforced to the business, real estate and retail communities Royal Oak's commitment to attracting new business opportunities and fostering programs and initiatives designed to encourage growth for those who already call this city their home.

This office serves as the lead point of contact on special Royal Oak development projects, including the Royal Oak Civic Center project.

GOALS

1. Encourage and support diverse investment to maximize property values and facilitate employment opportunities.
2. Represent Royal Oak as a vibrant business destination locally and nationally.
3. Assist businesses with new proposals or expansions by guiding them through the entitlement process.
4. When necessary, provide recommendations to the city commission and other bodies on matters of economic development policy designed to facilitate new or maintain current investments within Royal Oak.

OBJECTIVES

- Pursue the development of additional class A office space in downtown Royal Oak. ^{GOAL1}
- Pursue the development of new retail establishments throughout the city. ^{GOAL1}
- Increase focus on 11 Mile Rd. and Fourth St. ^{GOAL1}
- Finalize the design and bid out the downtown park project. ^{GOAL9}
- Complete the staging plan and rollout to the community. ^{GOAL9}
- Utilize all available methods of communication to inform the public about the status of city projects. ^{GOAL10}

GOALS

5. Serve as Royal Oak's primary representative to the economic development departments of the State of Michigan, Oakland County, local municipalities, etc.
6. Maintain a list of resources available at all levels for businesses to grow and expand.
7. Promote Royal Oak by hosting multiple economic development events throughout the year and/or sponsoring such events.
8. Maintain contact with business community through retention visits.
9. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.
10. Communication – to proactively promote meaningful, open dialogue that ensures effective decision making.
11. Economic / tax base – encourage and support diverse investment to maximize property values and facilitate employment opportunities and desirable housing.

OBJECTIVES

- Enable housing developments that meet gaps identified in the target market analysis. ^{GOAL11}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

There are no significant changes relative to the fiscal year 2018-19 original budget.

Budget Summary Expenditures

101.728 ECONOMIC DEVELOPMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	108,500	0	0	56,430	0	164,930
2016-2017 Actual	118,840	0	0	19,360	0	138,200
2017-2018 Actual	121,860	0	0	20,780	0	142,640
2018-2019 Original Budget	126,310	0	0	38,950	0	165,260
2018-2019 Adjusted Budget (Dec)	126,310	0	0	38,950	0	165,260
2018-2019 Six Month Actual	58,600	0	0	6,540	0	65,140
2018-2019 Estimated Year End	126,250	0	0	34,430	0	160,680
2019-2020 Dept Request	129,410	0	0	38,950	0	168,360
2019-2020 Manager's Budget	129,410	0	0	38,950	0	168,360
2019-2020 Adopted Budget						
2020-2021 Projected Budget	132,550	0	0	38,950	0	171,500
2021-2022 Projected Budget	135,780	0	0	38,950	0	174,730
2022-2023 Projected Budget	139,070	0	0	38,950	0	178,020
2023-2024 Projected Budget	142,450	0	0	38,950	0	181,400

Cost Center Position Detail - Home Base Full-Time Employees

Economic Development		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Economic Development Manager		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0

The role of the community engagement division is to proactively promote meaningful, open and respectful dialogue that ensures effective decision making and fosters the city's image as a safe and vibrant place to live, work and play.

The guiding principles of community engagement are to be clear and direct, proactive, transparent and to recognize that communication is two-way. When the city engages and receives feedback from its residents it builds trust and credibility.

The city recognizes the need to have a variety of tools to present clear and helpful information to Royal Oak residents and visitors. As such, the community engagement division manages multiple communication assets to increase citizen awareness, including website content, city-wide email blasts, social media, public relations, direct mail, Insight magazine and more.

GOALS

1. Generate enhanced awareness of our community's priorities and the actions of the city commission.
2. Increase engagement by proactively promoting meaningful, open and respectful dialogue that ensures effective decision making and increases awareness of beneficial services, goals and programs.
3. Reach the broadest audience by protecting, fostering and growing key community relationships and partnerships and increasing engagement with all residents and businesses to generate high levels of interest and participation for city programs and events.
4. Establish transparency by providing transparency via the city's website, social media and public forums to make information regarding city policies user-friendly and available to all.
5. Reinforce credibility by exploring, obtaining and coordinating information via internal and external surveys in an effort to obtain resident/business feedback and promote that feedback on a continuous basis to reinforce credibility.

OBJECTIVES

- Complete the staging plan and rollout to the community. ^{GOAL6}
- Utilize all available methods of communication to inform the public about the status of city projects. ^{GOAL7}
- Enhance the city app to provide additional opportunities for both information outflow as well as inflow; communicate across multiple platforms to the extent feasible; utilize neighborhood associations where appropriate to inform residents and solicit input. ^{GOAL7}
- Ensure simplicity and clarity of all communications from the city, ensure that the community engagement specialist is in a position to understand and explain policies to the public. ^{GOAL7}
- Regularly create a summary of top public issues that can be disseminated to city staff, city commissioners and boards and committees to better educate and inform the public. ^{GOAL7}
- Increase promotion of the city website, get the URL out in the public and on social media. ^{GOAL7}

GOALS

6. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.
7. Communication – to proactively promote meaningful, open and respectful dialogue that ensures effective decision making.

OBJECTIVES

- Explore establishing a citizen's academy program along the lines of the citizens police academy to help individuals understand how the city does its business. ^{GOAL7}
- Utilize citizen feedback to guide policy for recreational marijuana in the city. ^{GOAL7}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Fiscal year 2019-20 expenditures are decreasing relative to the fiscal year 2018-19 original budget due to postage and mailing costs related to an informational sidewalk millage voter mailing and a community satisfaction survey that were one-time costs in fiscal year 2019-20.

Budget Summary Expenditures

101.747 COMMUNITY ENGAGEMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	0	0	0
2016-2017 Actual	82,400	0	0	2,120	0	84,520
2017-2018 Actual	89,300	0	0	23,780	0	113,080
2018-2019 Original Budget	96,640	0	0	25,140	0	121,780
2018-2019 Adjusted Budget (Dec)	96,640	0	0	25,140	0	121,780
2018-2019 Six Month Actual	41,870	0	0	430	0	42,300
2018-2019 Estimated Year End	92,300	0	0	22,050	0	114,350
2019-2020 Dept Request	87,170	0	0	12,000	0	99,170
2019-2020 Manager's Budget	87,170	0	0	12,000	0	99,170
2019-2020 Adopted Budget						
2020-2021 Projected Budget	89,310	0	0	12,000	0	101,310
2021-2022 Projected Budget	91,500	0	0	12,000	0	103,500
2022-2023 Projected Budget	93,740	0	0	12,000	0	105,740
2023-2024 Projected Budget	96,060	0	0	12,000	0	108,060

Cost Center Position Detail - Home Base
Full-Time Employees

Community Engagement		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Community Engagement Specialist		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0

The mission of the cable communications department is to provide the residents of Royal Oak a clear view of the city's commission, main committees and departments, to enhance transparency and to increase residents' understanding of their government's processes, goals, objectives and accomplishments.

WROK is the City of Royal Oak's government access channel. WROK is available to subscribers of W.O.W. on channel 10 and Comcast on channel 17. AT&T subscribers can access the real time live stream of WROK programming that is available on the city website. By law, cable TV providers must provide public, government and educational access channels on their systems. To support this, each company pays a franchise fee to the city.

Residents can watch live coverage of the city commission, planning commission, ZBA, DDA and Brownfield redevelopment authority meetings as well as youth sports and summer concerts. In addition to the many live programs that WROK produces throughout the year, they also provide taped coverage of the many special events and meetings that dot the Royal Oak calendar.

WROK programming can be seen 7 days a week. Programming runs 10:00 a.m. – 2:00 p.m., 4:00 p.m. – 8:00 p.m. and meetings are re-run at midnight. For the night owls, WROK also offers expanded playback on weekends starting at midnight. The programming runs on an automated MP-3 video server. We do not anticipate being able to offer high definition cable casts at any time in the near future.

In between program hours, residents can view a computer-generated bulletin board. It features our program schedule and provides information regarding a wide variety of city news and events. It is updated daily.

WROK supports internet web casting of city meetings and other programming.

The video needs of many city departments are supplied regularly by WROK, with special projects on request. The city clerk's office and the community development department rely on copies of each meeting that WROK produces for their record keeping. WROK also provides video support for Royal Oak's many safe community projects.

WROK and the City of Royal Oak do not regulate the cable companies that serve Royal Oak. That job is handled by the Michigan Public Service Commission in Lansing. You may contact the MPSC at www.michigan.gov/mpsc.

To pay for WROK activities, the City of Royal Oak receives a franchise fee from the cable companies.

WROK, working under the information technology department, has a contract staff of one full-time cable coordinator and part-time production assistants. WROK also relies heavily on a crew of volunteers to fill assorted positions during productions. The staff of WROK are employees of cable access management, not employees of the City of Royal Oak. CAMCO pays all employee related expenses out of the contractual management fee in the cable TV budget.

GOALS**OBJECTIVES**

1. Communication: provide 30 hours of programming weekly, showing key board and committee meetings and special events at three time slots: 7:00 a.m. – 2:00 p.m.; 4:00 p.m. – 8:00 p.m.; and midnight to 2:00 a.m.
2. Community: use electronic media to inform the community of city services and promote community dialog.
3. Community: promote recreational and cultural activities for all ages.
4. Infrastructure: to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.
5. Public safety: to protect all persons and property in Royal Oak by providing the highest quality public services possible in the most efficient manner.

Significant Revenue, Expenditure, Staff & Program Notes -Fiscal Years 2019-20:

Miscellaneous operating supplies are increasing \$10,820 for the purchase of a studio recorder, subscribing to apple and roku for a dedicated WROK channel, and various network/video storage solutions. Office equipment and repair and maintenance costs are decreasing \$4,500 due to server upgrades that were undertaken in fiscal year 2018-19 that will not have to be undertaken during fiscal year 2019-20. The budget includes \$7,500 for maintenance agreements for the city's web streaming appliances, video on-demand service and playback system. Capital outlay is decreasing \$50,000 due to a capital project for repairs to the undercarriage of the cable truck that was originally included in fiscal year 2018-19 but were not performed and will not be carried forward to the fiscal year 2019-20 budget. Alternative options to the repair of the truck are being investigated.

Budget Summary Expenditures

101.834 CABLE COMMUNICATIONS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	1,550	235,360	93,740	0	330,650
2016-2017 Actual	0	330	0	94,300	0	94,630
2017-2018 Actual	0	0	28,560	93,350	0	121,910
2018-2019 Original Budget	0	400	50,000	125,330	0	175,730
2018-2019 Adjusted Budget (Dec)	0	400	50,000	125,330	0	175,730
2018-2019 Six Month Actual	0	0	0	42,490	0	42,490
2018-2019 Estimated Year End	0	400	0	125,330	0	125,730
2019-2020 Dept Request	0	11,220	0	120,360	0	131,580
2019-2020 Manager's Budget	0	11,220	0	120,360	0	131,580
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	11,220	0	121,660	0	132,880
2021-2022 Projected Budget	0	11,220	0	122,980	0	134,200
2022-2023 Projected Budget	0	11,220	0	124,320	0	135,540
2023-2024 Projected Budget	0	11,220	0	125,680	0	136,900

The mission of the community promotion cost center is to provide support to non-governmental organizations focused on serving our residents whose missions further the goals and objectives of the City of Royal Oak.

There is a very small amount of personnel costs allocated here in addition to some overtime. This cost center also records payment to eligible organizations.

As an example, the city commission assisted various not-for-profit groups (which benefit the city) who serve disadvantaged persons in the city.

City contributions are on a year-to-year, case-to-case basis, depending on availability of funds.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Royal Oak Youth Services continue to be budgeted at \$20,000 as in prior years. Starr House costs are increasing \$1,340 relative to the fiscal year 2018-19 original budget for building improvements. \$1,500 is budgeted for branded rugs at city facilities this year. The budget includes an estimate of \$100,000 for the roof replacement at the fire station museum that was originally budgeted during fiscal year 2017-18, however, was ultimately not replaced at that time due to bids coming in over budget. There is also a \$3,000 increase expected in parade contributions due to the city handling the Memorial Day parade and the Veteran's Day Ruck March.

Budget Summary Expenditures

101.835 COMMUNITY PROMOTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	14,000	1,650	0	57,720	0	73,370
2016-2017 Actual	20,940	790	0	85,290	0	107,020
2017-2018 Actual	24,020	700	0	63,120	0	87,840
2018-2019 Original Budget	16,930	600	0	112,450	0	129,980
2018-2019 Adjusted Budget (Dec)	16,930	600	0	112,450	0	129,980
2018-2019 Six Month Actual	12,520	930	0	28,220	0	41,670
2018-2019 Estimated Year End	19,100	930	0	108,650	0	128,680
2019-2020 Dept Request	17,530	600	0	169,740	0	187,870
2019-2020 Manager's Budget	17,530	600	0	169,740	0	187,870
2019-2020 Adopted Budget						
2020-2021 Projected Budget	17,570	600	0	67,820	0	85,990
2021-2022 Projected Budget	17,620	600	0	67,900	0	86,120
2022-2023 Projected Budget	17,670	600	0	67,980	0	86,250
2023-2024 Projected Budget	17,720	600	0	68,060	0	86,380

The mission for the Woodward Dream Cruise is to provide a safe family event for the thousands of visitors and residents of Royal Oak and to advertise the City of Royal Oak and attract people from around North America to it as a place to live and do business.

The Woodward Dream Cruise (WDC) is a “one-day” classic car event held annually on the third Saturday of August. The WDC event spans down Woodward Ave. from Pontiac through Royal Oak in Oakland County, Michigan, all the way to Eight Mile Rd.

The Woodward Dream Cruise is the world’s largest one-day automotive event, drawing up to 1.5 million people and 40,000 classic cars each year from around the globe. The Woodward Dream Cruise also welcomes vehicles of all models whose owners have either scrupulously maintained or customized their car to create a unique vehicle or statement.

The WDC was inaugurated in 1995. It is now the largest single day classic car event in the world and brings in over \$56 million annually for the Metro Detroit economy.

Each year, the celebration starts early in the week with these classic vehicles brought out onto the streets in preparation, and ancillary events are scheduled in the sponsoring communities of Ferndale, Pleasant Ridge, Royal Oak, Huntington Woods, Berkley, Bloomfield Township, Bloomfield Hills, and Pontiac.

An interdisciplinary committee of the eight communities meets, at least monthly, to coordinate the event. This involves representatives of police, fire, public service, communications and recreation departments at a minimum.

Traffic and crowd control require regular and overtime services for up to seven days of Dream Cruise week. Woodward Ave., a state highway, is closed all day Saturday for 18 miles.

This budget records the city’s additional expenses for overtime, auxiliary staff, volunteers, events and other cruise specific costs. Advertising revenue from sponsoring organizations offsets part of that cost.

GOALS

1. To provide a safe event.
2. To maintain facilities after the event.
3. Utilize resources to raise funds to support the event.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

There are no significant changes in this cost center.

Budget Summary Expenditures

101.836 DREAM CRUISE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	39,400	35,110	0	6,100	0	80,610
2016-2017 Actual	29,120	27,430	0	12,650	0	69,200
2017-2018 Actual	27,240	25,740	0	13,630	0	66,610
2018-2019 Original Budget	33,100	26,000	0	14,500	0	73,600
2018-2019 Adjusted Budget (Dec)	33,100	26,000	0	14,500	0	73,600
2018-2019 Six Month Actual	28,490	29,440	0	7,000	0	64,930
2018-2019 Estimated Year End	29,450	31,000	0	8,250	0	68,700
2019-2020 Dept Request	30,120	27,000	0	13,500	0	70,620
2019-2020 Manager's Budget	30,120	27,000	0	13,500	0	70,620
2019-2020 Adopted Budget						
2020-2021 Projected Budget	30,120	27,000	0	13,550	0	70,670
2021-2022 Projected Budget	30,120	27,000	0	13,600	0	70,720
2022-2023 Projected Budget	30,120	27,000	0	13,650	0	70,770
2023-2024 Projected Budget	30,120	27,000	0	13,700	0	70,820

Cost Center Position Detail - Home Base Full & Part-Time Employees

Dream Cruise		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total		0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The purpose of the Arts, Beats & Eats cost center is to account for the costs related to the permit parking zone the weekend of the event. The balance of the Arts Beats & Eats fiscal activity is recorded in its own enterprise fund.

Arts, Beats & Eats is held in downtown Royal Oak over the Labor Day weekend. The event was formerly held in downtown Pontiac.

Over one-quarter of a million visitors are expected to enjoy the 150 musical acts, 150 fine artists, and nearly 50 restaurants at this year's event.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

There are no other significant items to note for fiscal year 2019-20.

**Budget Summary
Expenditures**

101.837 AB&E	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	42,680	620	0	10,660	0	53,960
2016-2017 Actual	47,880	1,100	0	11,790	0	60,770
2017-2018 Actual	28,280	(170)	0	12,200	0	40,310
2018-2019 Original Budget	37,030	1,000	0	12,230	0	50,260
2018-2019 Adjusted Budget (Dec)	37,030	1,000	0	12,230	0	50,260
2018-2019 Six Month Actual	31,260	3,790	0	2,670	0	37,720
2018-2019 Estimated Year End	32,450	3,790	0	11,490	0	47,730
2019-2020 Dept Request	42,090	1,500	0	12,240	0	55,830
2019-2020 Manager's Budget	42,090	1,500	0	12,240	0	55,830
2019-2020 Adopted Budget						
2020-2021 Projected Budget	42,650	1,500	0	12,350	0	56,500
2021-2022 Projected Budget	43,220	1,500	0	12,460	0	57,180
2022-2023 Projected Budget	43,820	1,500	0	12,570	0	57,890
2023-2024 Projected Budget	44,440	1,500	0	12,680	0	58,620

The purpose of the transfers out cost center is to provide a means of tracking the transfer of monies from the general fund to other city funds.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

For fiscal year 2019-20, \$21,000,000 is budgeted to be transferred to the public safety fund. And \$350,000 is budgeted to be transferred to the senior citizens services fund in accordance with the public safety millage plan. \$466,000 is budgeted to be transferred to the court debt fund. \$2,206,000 is budgeted for the estimated ROCC project debt service payment. \$22,000 is budgeted to be transferred to ROOTS for the commission for the arts and Memorial Day parade. \$22,210 is budgeted to be transferred to the indigent defense fund to cover compliance expenditures related to the Michigan Indigent Defense Act. Total transfers are decreasing due to the one-time only transfer of nearly \$4 million to the ROCC capital improvement fund in fiscal year 2019-20 for the cash portion of the ROCC project.

Budget Summary Expenditures

101.965 TRANSFERS TO OTHER FUNDS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	19,982,890	0	19,982,890
2016-2017 Actual	0	0	0	23,056,460	0	23,056,460
2017-2018 Actual	0	0	0	20,949,650	0	20,949,650
2018-2019 Original Budget	0	0	0	26,054,170	0	26,054,170
2018-2019 Adjusted Budget (Dec)	0	0	0	26,058,050	0	26,058,050
2018-2019 Six Month Actual	0	0	0	10,098,630	0	10,098,630
2018-2019 Estimated Year End	0	0	0	26,059,260	0	26,059,260
2019-2020 Dept Request	0	0	0	24,066,210	0	24,066,210
2019-2020 Manager's Budget	0	0	0	24,066,210	0	24,066,210
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	24,065,210	0	24,065,210
2021-2022 Projected Budget	0	0	0	24,565,210	0	24,565,210
2022-2023 Projected Budget	0	0	0	25,315,210	0	25,315,210
2023-2024 Projected Budget	0	0	0	25,910,210	0	25,910,210

Special Revenue Funds

Special revenue funds are funds that are used to record transactions in which a funding source is legally restricted for specific expenditures.

Major Streets Fund - 202	State Construction Code Fund – 282
Local Streets Fund - 203	ROOTS Fund – 295
Public Safety Fund - 207	Senior Citizen Services Fund – 296
Publicity Tax Fund - 211	Animal Shelter Fund – 297
Solid Waste Fund - 226	Police Grants – 298
Indigent Defense Fund - 260	Miscellaneous Grants - 299
Library Millage Fund - 271	
Community Development Block Grant Fund - 274	

Special Revenue Funds – Component Units

Brownfield Redevelopment Authority – 243	DDA Development Fund – 247
	DDA Operation Fund - 248

The highway division of the department of public service (DPS) is responsible for routine maintenance of the city's 64.9 miles of the major street system. Routine maintenance includes joint/crack repairs,

concrete slab replacement, curb replacement, asphalt overlays/repairs, street sweeping, catch basin repair, and storm sewer/catch basin cleaning.

GOALS

1. To provide a safe and adequate major road system, preserving the quality of life in the city; which enhances the attraction and retention of residents and businesses.
2. To provide proactive planning and programming of maintenance activities to maximize the use of available resources dedicated for road maintenance activities.
3. Maintain a long-term major road improvement program that maximizes funds to extend and enhance the life of the city's major road system.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Relative to the fiscal year 2019-20 original budget the personnel budget is increasing due to the potential for newer employees (who are not at the top of their pay range) to receive merit wage increases. Asphalt supplies cost is increasing \$5,000 relative to the fiscal year 2018-19 original budget due to increasing asphalt prices and an increase in work load. Construction and barricades are increasing \$1,500 to purchase new barricades. There is a decrease of \$120,000 in construction and consulting engineering services costs over the fiscal year 2018-19 original budget request related to asphalt skin patch work and potential traffic signal design serveries that were not included in the fiscal year 2019-20 budget request.

Budget Summary Expenditures

202.467 STREETS MAINTENANCE	Personnel Services	Supplies	Capital	Other	Transfer	Debt	Total
2015-2016 Actual	239,580	79,130	0	2,145,320	25,000	0	2,489,030
2016-2017 Actual	270,950	71,350	0	2,253,260	0	0	2,595,560
2017-2018 Actual	238,240	96,060	0	288,690	0	0	622,990
2018-2019 Original Budget	226,850	73,800	0	188,580	0	0	489,230
2018-2019 Adjusted Budget (Dec)	226,850	73,800	0	188,580	0	0	489,230
2018-2019 Six Month Actual	96,620	25,610	0	16,910	0	0	139,140
2018-2019 Estimated Year End	240,940	73,800	0	70,380	0	0	385,120
2019-2020 Dept Request	245,590	80,300	0	63,950	0	0	389,840
2019-2020 Manager's Budget	245,590	80,300	0	63,950	0	0	389,840
2019-2020 Adopted Budget							
2020-2021 Projected Budget	252,590	80,300	0	64,850	0	0	397,740
2021-2022 Projected Budget	259,810	80,300	0	65,770	0	0	405,880
2022-2023 Projected Budget	267,280	80,300	0	66,640	0	0	414,220
2023-2024 Projected Budget	275,010	80,300	0	67,590	0	0	422,900

The parks & forestry division of the department of public service (DPS) maintains parkways in the city's major street system.

Parkways or boulevards are the grassy areas between opposing lanes of roads. DPS crews weed, mow the grass, and trim trees and bushes.

GOALS

1. To facilitate the growth of hardy trees and vegetation that will enhance the major road system while providing schemes and maintenance programs that enhance traffic safety, especially lines of sight.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs will increase due to increased work load for median and right of way maintenance. Motor pool rental charges are increasing by \$19,200 relative to the fiscal year 2018-19 original budget due to updated equipment and increased utilization.

Budget Summary Expenditures

202.469 STREETS PARKWAY MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	226,700	0	0	33,240	0	259,940
2016-2017 Actual	208,890	0	0	41,730	0	250,620
2017-2018 Actual	158,110	0	0	43,410	0	201,520
2018-2019 Original Budget	152,550	0	0	56,480	0	209,030
2018-2019 Adjusted Budget (Dec)	152,550	0	0	56,480	0	209,030
2018-2019 Six Month Actual	73,790	0	0	24,870	0	98,660
2018-2019 Estimated Year End	154,810	0	0	56,480	0	211,290
2019-2020 Dept Request	168,040	0	0	75,680	0	243,720
2019-2020 Manager's Budget	168,040	0	0	75,680	0	243,720
2019-2020 Adopted Budget						
2020-2021 Projected Budget	172,800	0	0	77,350	0	250,150
2021-2022 Projected Budget	177,730	0	0	79,070	0	256,800
2022-2023 Projected Budget	182,800	0	0	80,840	0	263,640
2023-2024 Projected Budget	188,030	0	0	82,660	0	270,690

The highway division of the department of public service (DPS) is responsible for winter

maintenance, such as snow and ice control, of the city's 64.4-mile major street system.

GOALS

1. To provide safe and passable major road system by performing prompt and efficient snow removal and ice control.
2. To clear major roads within 24 hours of a major snow event.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to anticipation of increased ice/snow removal workload. Motor pool rental charges are increasing due to collecting replacement costs on newer equipment.

Budget Summary Expenditures

202.472 STREETS WINTER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	69,020	201,480	0	81,210	0	351,710
2016-2017 Actual	68,420	173,680	0	64,580	0	306,680
2017-2018 Actual	104,070	409,220	0	191,020	0	704,310
2018-2019 Original Budget	67,160	301,000	0	72,240	0	440,400
2018-2019 Adjusted Budget (Dec)	67,160	301,000	0	72,240	0	440,400
2018-2019 Six Month Actual	5,080	14,640	0	1,560	0	21,280
2018-2019 Estimated Year End	78,160	315,000	0	150,000	0	543,160
2019-2020 Dept Request	92,830	280,350	0	206,690	0	579,870
2019-2020 Manager's Budget	92,830	280,350	0	206,690	0	579,870
2019-2020 Adopted Budget						
2020-2021 Projected Budget	94,460	280,350	0	210,820	0	585,630
2021-2022 Projected Budget	96,150	280,350	0	215,040	0	591,540
2022-2023 Projected Budget	97,890	280,350	0	219,340	0	597,580
2023-2024 Projected Budget	99,690	280,350	0	223,730	0	603,770

The department of public service (DPS) is responsible for implementing and maintaining traffic control for the city's major street system. This cost center focuses on traffic signage, pavement markings and traffic risk management. See also street signal services.

The city uses a two-stage traffic control committee to review traffic control issues and make recommendations for changes. Representatives from DPS, police, fire, planning, and engineering departments meet monthly to discuss traffic control issues. A

volunteer resident's committee reviews the staff recommendations and makes recommendations to the city commission.

Traffic control signage means street, stop, parking, turn/no-turn, speed, school zone, pedestrian walk signs, etc. The DPS's sign shop provides replacement signs promptly and reduces the cost of carrying an extensive sign inventory.

Additional services performed include pavement markings, intersection and pedestrian markings, guard rails, and bridge inspections.

GOALS

1. To promote effective traffic control in order to provide safety on the city's major roads.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Supplies are decreasing relative to the fiscal year 2018-19 original budget due to a replacement paint machine that was purchased in fiscal year 2018-19. Miscellaneous contracted services are decreasing \$60,000 relative to the fiscal year 2018-19 original budget due to a one-time schedule change for center-line striping that caused striping to occur twice during fiscal year 2018-19.

Budget Summary Expenditures

202.473 STREETS TRAFFIC CONTROL	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	102,720	40,920	0	86,010	0	229,650
2016-2017 Actual	118,480	75,140	0	78,550	0	272,170
2017-2018 Actual	72,230	43,820	0	76,380	0	192,430
2018-2019 Original Budget	81,940	60,000	0	142,130	0	284,070
2018-2019 Adjusted Budget (Dec)	81,940	60,000	0	142,130	0	284,070
2018-2019 Six Month Actual	45,810	35,370	0	55,390	0	136,570
2018-2019 Estimated Year End	94,790	59,060	0	114,300	0	268,150
2019-2020 Dept Request	88,790	50,000	0	81,090	0	219,880
2019-2020 Manager's Budget	88,790	50,000	0	81,090	0	219,880
2019-2020 Adopted Budget						
2020-2021 Projected Budget	91,390	50,000	0	81,510	0	222,900
2021-2022 Projected Budget	94,070	50,000	0	81,930	0	226,000
2022-2023 Projected Budget	96,830	50,000	0	82,360	0	229,190
2023-2024 Projected Budget	99,660	50,000	0	82,800	0	232,460

Cost Center Position Detail - Home Base Full & Part-Time Employees

Streets Traffic Control		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		n/a	n/a	0.5	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total		n/a	n/a	0.5	n/a	n/a	n/a	n/a	n/a	n/a

The department of public service (DPS) is responsible for implementing and maintaining traffic control for the city's major street system. This cost center focuses on signal services.

The major street system owns 78 signals, each with its own controller and wiring plus possible pedestrian crossing signals. A DPS electrician handles signal maintenance.

This cost center pays the city's share of maintenance cost for signals on state and county roads.

The city uses a two-stage traffic control committee to review traffic control issues and make recommendations for changes. Representatives from DPS, police, fire, planning, and engineering departments meet monthly. A volunteer citizen's committee reviews the staff recommendations and makes recommendations to the city commission.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Electrical and lighting supplies are requested to increase \$2,000 relative to the fiscal year 2018-19 original budget. There are no other significant changes to note for fiscal year 2019-20.

Budget Summary Expenditures

202.474 STREETS SIGNAL SERVICES	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	21,570	9,300	0	131,440	0	162,310
2016-2017 Actual	37,250	12,140	0	72,920	0	122,310
2017-2018 Actual	34,420	14,780	0	95,470	0	144,670
2018-2019 Original Budget	34,650	12,000	0	98,120	0	144,770
2018-2019 Adjusted Budget (Dec)	34,650	12,000	0	98,120	0	144,770
2018-2019 Six Month Actual	16,670	10,490	0	82,760	0	109,920
2018-2019 Estimated Year End	36,600	14,000	0	153,120	0	203,720
2019-2020 Dept Request	36,720	14,000	0	98,560	0	149,280
2019-2020 Manager's Budget	36,720	14,000	0	98,560	0	149,280
2019-2020 Adopted Budget						
2020-2021 Projected Budget	37,360	14,000	0	98,820	0	150,180
2021-2022 Projected Budget	38,010	14,000	0	99,080	0	151,090
2022-2023 Projected Budget	38,700	14,000	0	99,350	0	152,050
2023-2024 Projected Budget	39,410	14,000	0	99,620	0	153,030

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Signal Services	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	3.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total	3.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The mission of the major street fund is to maintain the major streets system and rights-of-way in a manner to ensure safe vehicle and pedestrian traffic as well as to present an attractive roadside environment in accordance with Michigan Act 51 of Public Acts of 1951 as amended.

The City of Royal Oak owns over 64 miles of major streets. These are the main arteries that move residents to and from local or neighborhood streets to larger, faster roads that are maintained by Oakland County or the State of Michigan. (See street map)

The city engineer, as the street administrator, is responsible for evaluating, planning, designing and constructing the road system and its traffic safety. This includes original construction, major replacement or resurfacing, traffic signs and signals.

The engineer coordinates regularly with the Oakland County Road Commission, surrounding communities and the State

Department of Transportation regarding the roads in the city for which the city is responsible. It also means meeting with subdivision and homeowner groups or associations, and other concerned citizens as situations warrant.

The department of public service maintains the system of roadways. Their responsibilities include patching roads, maintaining parkways, rights-of way, signs and signals, and controlling snow and ice.

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The major street fund / administration cost center accounts for the cost of the overall planning, administration and oversight of all activities that affect traffic conditions on the city's major street network.

Audit and debt expenditures are included. This cost center also accounts for any city commission authorized transfer-out to support the local street fund, as allowed by Act 51.

GOALS

1. Coordinate all aspects of major street construction, maintenance and permitting practices.
2. Construct and rehabilitate failing segments of the city's major street system by implementing safety improvements as presented in the annual capital improvement plan (CIP) while balancing the sometimes-conflicting interests of safety, mobility and environmental impacts.
3. Maintain an active role in regional public transportation initiatives.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Using the State of Michigan's distribution formula projections based on the funding law, revenues from the gasoline/vehicle registration (Act 51) tax are budgeted at \$4.894 million, a small increase over the prior year. All of the road millage revenue is recorded and expended by the local street fund.

Fiscal year 2019-20 budgets for approximately \$1 million use of fund balance. The forecast for this fund is healthy therefore the budget provides for \$1 million transfer from major street fund to local street fund, as the local street fund would be in a deficit position. In addition, the final fiscal year 2018-19 budget amendment will request \$1 million transfer from major to local street fund.

Budget Summary

Major Street Fund Summary	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	4,942,248	3,199,258	2,206,998	3,093,048	4,081,638	5,182,218
Revenues and transfers from other funds	5,127,720	5,161,210	5,405,910	5,662,850	5,932,630	6,215,900
Expenditures and transfers to other funds	6,870,710	6,153,470	4,519,860	4,674,260	4,832,050	4,066,420
Net Change in Fund Balance	(1,742,990)	(992,260)	886,050	988,590	1,100,580	2,149,480
Ending Fund Balance	3,199,258	2,206,998	3,093,048	4,081,638	5,182,218	7,331,698

Revenues

202-000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	3,585,730	207,150	30,180	35,730	0	3,858,790
2016-2017 Actual	0	3,588,460	202,260	97,470	30,130	693,360	4,611,680
2017-2018 Actual	0	4,723,310	203,040	43,970	161,670	337,680	5,469,670
2018-2019 Original Budget	0	4,529,000	202,000	35,850	16,000	0	4,782,850
2018-2019 Adjusted Budget (Dec)	0	4,529,000	202,000	35,850	16,000	0	4,782,850
2018-2019 Six Month Actual	0	1,845,340	500	46,970	1,060	0	1,893,870
2018-2019 Estimated Year End	0	4,825,510	203,000	83,210	16,000	0	5,127,720
2019-2020 Dept Request	0	4,894,000	203,000	48,210	16,000	0	5,161,210
2019-2020 Manager's Budget	0	4,894,000	203,000	48,210	16,000	0	5,161,210
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	5,138,700	203,000	48,210	16,000	0	5,405,910
2021-2022 Projected Budget	0	5,395,640	203,000	48,210	16,000	0	5,662,850
2022-2023 Projected Budget	0	5,665,420	203,000	48,210	16,000	0	5,932,630
2023-2024 Projected Budget	0	5,948,690	203,000	48,210	16,000	0	6,215,900

Expenditures

202.515 STREETS ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	149,270	0	149,270
2016-2017 Actual	280	0	0	123,570	0	123,850
2017-2018 Actual	0	0	0	94,570	208,580	303,150
2018-2019 Original Budget	0	0	0	127,580	185,000	312,580
2018-2019 Adjusted Budget (Dec)	0	0	0	127,580	185,000	312,580
2018-2019 Six Month Actual	0	0	0	77,460	137,750	215,210
2018-2019 Estimated Year End	0	0	0	1,135,900	185,000	1,320,900
2019-2020 Dept Request	0	0	0	1,096,990	185,000	1,281,990
2019-2020 Manager's Budget	0	0	0	1,096,990	185,000	1,281,990
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	98,500	185,500	284,000
2021-2022 Projected Budget	0	0	0	100,030	185,010	285,040
2022-2023 Projected Budget	0	0	0	101,600	184,000	285,600
2023-2024 Projected Budget	0	0	0	103,200	183,500	286,700

The mission of the major street construction cost center is to track and fund major street projects.

GOALS

OBJECTIVES

1. Maintain a long-term major road improvement program that maximizes funds to extend and enhance the life of the city's major road system.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The following capital projects for this fund for fiscal year 2019-20 are as follows (deviates from CIP):

• CAP1101 surveying services	\$15,000
• CAP1401 traffic signal upgrade project	150,000
• CAP1907 Normandy Rd. resurfacing and traffic calming	700,000
• CAP1909 14 Mile Rd. resurfacing	1,210,500
• CAP1915 millage asphalt resurfacing	10,000
• CAP1935 millage intersection reconstruction	25,000
• CAP1941 traffic signal upgrade project – 11 Mile Rd & 13 Mile Rd.	108,000
• CAP1942 Main St. traffic calming	123,000
• CAP1899 I-75 widening	35,000
• CAP2006 Greenfield Rd. traffic calming survey	50,000
• CAP2008 Crooks Rd. resurfacing	358,000
• CAPXX25 millage and major joint sealing	130,000
• CAP2041 CMAQ grant – traffic signal upgrades	104,500
• Traffic calming project – Washington and Crane**	<u>45,000</u>
 FY2019-20 total:	 \$3,064,000

***due to timing differences, this project was not included in the adopted capital improvement plan document, however, it is included in the fiscal year 2019-20 budget.*

Budget Summary Expenditures

202.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	155,680	5,030	0	224,180	0	384,890
2016-2017 Actual	60,200	180	21,510	2,107,680	0	2,189,570
2017-2018 Actual	139,070	1,070	980	359,900	0	501,020
2018-2019 Original Budget	245,440	0	3,737,560	0	0	3,983,000
2018-2019 Adjusted Budget (Dec)	245,440	0	3,737,560	0	0	3,983,000
2018-2019 Six Month Actual	90,350	650	0	2,479,230	0	2,570,230
2018-2019 Estimated Year End	200,810	0	3,737,560	0	0	3,938,370
2019-2020 Dept Request	224,890	0	3,064,000	0	0	3,288,890
2019-2020 Manager's Budget	224,890	0	3,064,000	0	0	3,288,890
2019-2020 Adopted Budget						
2020-2021 Projected Budget	231,330	0	2,398,000	0	0	2,629,330
2021-2022 Projected Budget	237,980	0	2,520,000	0	0	2,757,980
2022-2023 Projected Budget	244,840	0	2,645,000	0	0	2,889,840
2023-2024 Projected Budget	251,940	0	1,845,000	0	0	2,096,940

The highway division of the department of public service (DPS) is responsible for daily routine maintenance of the city's 148-mile local street system.

Routine maintenance includes joint and crack sealing, concrete slab replacement, some limited asphalt overlays/repairs that

are implemented through CIP's managed by the engineering department, street sweeping and storm sewer/catch basin cleaning. Dust control is applied when paid by residents and is performed by the highway division.

GOALS

1. To provide a safe and adequate local/neighborhood system, preserving the quality of life in the city; which enhances the attraction and retention of residents and businesses.
2. To provide proactive planning and programming of maintenance activities to maximize the use of available resources dedicated for local/neighborhood maintenance activities.
3. To maintain a long-term local street improvement program that maximizes funding to extend and enhance the life of the city's local street system.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to newer employees receiving step wage increases as well as other benefit cost increases. This cost center includes partial costing for six months funding for a second director of recreation and public services position for succession planning/training purposes.

Contracted services include \$20,000 for tree removal services. Asphalt increased \$5000 due to material costs relative to the fiscal year 2018-19 original budget. Motor pool charges are increasing based on estimated utilization.

Transfers-out decreased \$1.4 million to zero as all capital project costs will be accounted for in the construction cost center within the fund.

Budget Summary Expenditures

203.467 STREETS MAINTENANCE	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	691,870	42,620	0	6,590,100	25,000	0	7,349,590
2016-2017 Actual	706,520	39,060	0	3,927,600	13,000	0	4,686,180
2017-2018 Actual	533,340	59,120	0	1,372,410	0	0	1,964,870
2018-2019 Original Budget	509,470	51,000	0	405,630	0	0	966,100
2018-2019 Adjusted Budget (Dec)	509,470	51,000	0	405,630	0	0	966,100
2018-2019 Six Month Actual	236,110	22,730	0	1,154,160	0	0	1,413,000
2018-2019 Estimated Year End	502,240	59,000	0	1,770,050	0	0	2,331,290
2019-2020 Dept Request	606,150	57,000	0	405,970	0	0	1,069,120
2019-2020 Manager's Budget	606,150	57,000	0	405,970	0	0	1,069,120
2019-2020 Adopted Budget							
2020-2021 Projected Budget	622,800	57,000	0	413,690	0	0	1,093,490
2021-2022 Projected Budget	640,020	57,000	0	421,560	0	0	1,118,580
2022-2023 Projected Budget	657,820	57,000	0	429,590	0	0	1,144,410
2023-2024 Projected Budget	676,220	57,000	0	437,780	0	0	1,171,000

This division of the department of public service (DPS) maintains parkways in the city's local street system. Parkway or boulevards are the grassy areas between opposing lanes of roads.

DPS crews weed, mow the grass, and trim trees and bushes.

GOALS

1. To facilitate the growth of hardy trees and vegetation that will enhance the neighborhood while providing schemes and maintenance programs that enhance traffic safety, especially lines of sight.

OBJECTIVES

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY1819</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>
GOAL ¹ Boulevards mowed (hours)	1,258	1,812	1,267	1,500	1,500	1,500
GOAL ¹ Street tree work requests	981	803	408	1,400	1,400	1,400

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to newer staff receiving wage step increases and increases with other benefits. Overtime is requested to increase \$5,000 relative to the fiscal year 2018-19 estimated year-end balance. Motor pool rental charges are projected to decrease \$20,900 relative to the fiscal year 2018-19 original budget based on estimated usage and rates. Miscellaneous contracted services include \$35,000 for raingarden work and for ROW tree replacement.

Budget Summary Expenditures

203.469 STREETS PARKWAY MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	375,820	0	0	163,410	0	539,230
2016-2017 Actual	387,780	0	0	207,390	0	595,170
2017-2018 Actual	256,980	0	0	162,020	0	419,000
2018-2019 Original Budget	259,890	0	0	246,370	0	506,260
2018-2019 Adjusted Budget (Dec)	259,890	0	0	246,370	0	506,260
2018-2019 Six Month Actual	109,560	0	0	113,130	0	222,690
2018-2019 Estimated Year End	266,610	0	0	210,000	0	476,610
2019-2020 Dept Request	368,170	0	0	220,470	0	588,640
2019-2020 Manager's Budget	368,170	0	0	220,470	0	588,640
2019-2020 Adopted Budget						
2020-2021 Projected Budget	377,830	0	0	224,180	0	602,010
2021-2022 Projected Budget	387,810	0	0	227,960	0	615,770
2022-2023 Projected Budget	398,130	0	0	231,820	0	629,950
2023-2024 Projected Budget	408,790	0	0	235,760	0	644,550

The highway division of the department of public service (DPS) is responsible for winter

maintenance, such as snow and ice control, of the city's 148-mile local street system.

GOALS

1. To provide safe and passable local road system by performing prompt and efficient snow removal and ice control.
2. To continue to introduce de-icing as a cost saving measure.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The personnel budget is increasing due to the potential for newer employees (who are not at the top of their pay range) to receive merit wage increases. Road salt and ice melt compound is requested to increase \$6,000 relative to the fiscal year 2018-19 original budget due to increased utilization. Motor pool rental charges are increasing \$63,920 relative to the fiscal year 2018-19 original budget due to new equipment and increased utilization.

Budget Summary Expenditures

203.472 STREETS WINTER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	63,090	23,050	0	31,080	0	117,220
2016-2017 Actual	105,790	20,440	0	88,840	0	215,070
2017-2018 Actual	95,920	45,490	0	148,890	0	290,300
2018-2019 Original Budget	97,430	72,000	0	97,220	0	266,650
2018-2019 Adjusted Budget (Dec)	97,430	72,000	0	97,220	0	266,650
2018-2019 Six Month Actual	17,660	0	0	6,330	0	23,990
2018-2019 Estimated Year End	79,190	45,000	0	93,000	0	217,190
2019-2020 Dept Request	120,630	78,000	0	161,140	0	359,770
2019-2020 Manager's Budget	120,630	78,000	0	161,140	0	359,770
2019-2020 Adopted Budget						
2020-2021 Projected Budget	123,160	78,000	0	164,360	0	365,520
2021-2022 Projected Budget	125,760	78,000	0	167,650	0	371,410
2022-2023 Projected Budget	128,450	78,000	0	171,000	0	377,450
2023-2024 Projected Budget	131,240	78,000	0	174,420	0	383,660

The department of public service (DPS) is responsible for implementing and maintaining traffic control for the city's local street system. This cost center focuses on traffic signage, pavement markings and traffic risk management.

The city uses a two-stage traffic control committee to review traffic control issues and make recommendations for changes. Representatives from DPS, police, fire, planning, and engineering departments meet monthly.

A volunteer citizen's committee reviews the staff recommendations and makes recommendations to the city commission.

Traffic control signage means street, stop, parking, turn/no-turn, speed, school zone, pedestrian walk signs, etc. DPS's own sign shop provides replacement signs promptly and reduces the cost of carrying an extensive sign inventory. Additional services performed include pavement markings, intersection and pedestrian markings.

GOALS

1. To promote effective traffic control in order to provide safety on the city's local streets.
2. To maintain all street pavement markings.
3. To replace all down signs within 24 hours of notification.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The personnel budget is increasing due to the potential for newer employees (who are not at the top of their pay range) to receive merit wage increases and various benefit cost increases.

Budget Summary Expenditures

203.473 STREETS TRAFFIC CONTROL	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	228,160	11,160	0	75,960	0	315,280
2016-2017 Actual	241,030	11,070	0	45,380	0	297,480
2017-2018 Actual	140,250	7,960	0	40,730	0	188,940
2018-2019 Original Budget	143,080	13,000	0	43,160	0	199,240
2018-2019 Adjusted Budget (Dec)	143,080	13,000	0	43,160	0	199,240
2018-2019 Six Month Actual	66,620	6,960	0	18,260	0	91,840
2018-2019 Estimated Year End	142,560	13,000	0	43,160	0	198,720
2019-2020 Dept Request	191,190	13,000	0	42,480	0	246,670
2019-2020 Manager's Budget	191,190	13,000	0	42,480	0	246,670
2019-2020 Adopted Budget						
2020-2021 Projected Budget	196,780	13,000	0	43,330	0	253,110
2021-2022 Projected Budget	202,560	13,000	0	44,200	0	259,760
2022-2023 Projected Budget	208,540	13,000	0	45,080	0	266,620
2023-2024 Projected Budget	214,750	13,000	0	45,980	0	273,730

The mission of the local street fund is to maintain the local streets system and rights-of-way in a manner to ensure safe vehicle and pedestrian traffic as well as to present an attractive roadside environment in accordance with Michigan Act 51 of Public Acts of 1951 as amended.

The City of Royal Oak owns over 148 miles of local streets. These are the neighborhood roads that move residents to and from their residences to major streets or other larger, faster roads that are maintained by Oakland County or the State of Michigan.

The city engineer, as the street administrator, is responsible for evaluating, planning, designing and constructing the road system and its traffic safety. This includes original construction, major replacement or resurfacing, and traffic signs.

The engineer meets with neighborhood groups wishing to upgrade their streets to inform them and guide them in obtaining special assessment funding.

The department of public service maintains the system of roadways. Their responsibilities include patching roads, maintaining parkways, rights-of way, signs, and controlling snow and ice on the roads.

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The local street fund / administration cost center accounts for the cost of the overall planning, administration and oversight of all activities that affect traffic conditions on the city's local street network. Audit expenditures are included.

GOALS

1. To effectively plan and coordinate the construction, maintenance and permitting for the city's local street system in a manner that maximizes the use of resources.
2. Maintain an active role in regional public transportation initiatives.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Using the State of Michigan's distribution formula projections based on the road funding law, revenues from the gasoline/vehicle registration (Act 51) tax are budgeted to be nearly \$1.6 million for local streets. The full streets millage levy of 2.3875 mills is budgeted to generate approximately \$6.315 million. Nearly \$1.1 million of fund balance is budgeted to be used as a funding source in fiscal year 2019-20. The budget provides for \$1 million transfer from major street fund to local street fund, as the local street fund would be in a deficit position. In addition, the final fiscal year 2018-19 budget amendment will request \$1 million transfer from major to local street fund.

Budget Summary

Local Street Fund Summary	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	5,159,617	2,202,067	1,115,237	(4,163)	344,567	1,240,367
Revenues and transfers from other funds	8,672,520	9,005,000	8,698,860	8,944,310	9,197,990	9,460,200
Expenditures and transfers to other funds	11,630,070	10,091,830	9,818,260	8,595,580	8,302,190	7,928,150
Net Change in Fund Balance	(2,957,550)	(1,086,830)	(1,119,400)	348,730	895,800	1,532,050
Ending Fund Balance	2,202,067	1,115,237	(4,163)	344,567	1,240,367	2,772,417

Revenues

203.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	5,541,620	1,014,760	0	2,400	159,810	44,220	6,762,810
2016-2017 Actual	5,714,550	1,167,130	0	14,540	4,580	4,434,820	11,335,620
2017-2018 Actual	5,896,780	1,399,210	0	57,230	8,526,660	1,120,900	17,000,780
2018-2019 Original Budget	6,055,000	1,474,000	0	40,000	10,000	0	7,579,000
2018-2019 Adjusted Budget (Dec)	6,055,000	1,474,000	0	40,000	10,000	0	7,579,000
2018-2019 Six Month Actual	2,489,850	669,820	0	37,270	6,840	0	3,203,780
2018-2019 Estimated Year End	6,044,000	1,542,020	0	75,000	11,500	1,000,000	8,672,520
2019-2020 Dept Request	6,315,000	1,660,000	0	30,000	0	1,000,000	9,005,000
2019-2020 Manager's Budget	6,315,000	1,660,000	0	30,000	0	1,000,000	9,005,000
2019-2020 Adopted Budget							
2020-2021 Projected Budget	6,472,880	1,739,650	0	30,000	363,333	93,000	8,698,863
2021-2022 Projected Budget	6,634,700	1,823,280	0	30,000	363,333	93,000	8,944,313
2022-2023 Projected Budget	6,800,570	1,911,090	0	30,000	363,333	93,000	9,197,993
2023-2024 Projected Budget	6,970,580	2,003,290	0	30,000	363,333	93,000	9,460,203

Expenditures

203.515 STREETS ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	0	0	0	49,070	710	0	49,780
2016-2017 Actual	0	0	0	51,300	80	0	51,380
2017-2018 Actual	0	0	0	69,160	3,500,990	1,602,500	5,172,650
2018-2019 Original Budget	0	0	0	154,090	500	1,609,600	1,764,190
2018-2019 Adjusted Budget (Dec)	0	0	0	154,090	500	1,609,600	1,764,190
2018-2019 Six Month Actual	0	0	0	78,030	440	304,400	382,870
2018-2019 Estimated Year End	0	0	0	153,260	500	1,609,300	1,763,060
2019-2020 Dept Request	0	0	0	156,190	0	1,636,000	1,792,190
2019-2020 Manager's Budget	0	0	0	156,190	0	1,636,000	1,792,190
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	0	156,630	0	1,635,000	1,791,630
2021-2022 Projected Budget	0	0	0	157,080	0	1,610,000	1,767,080
2022-2023 Projected Budget	0	0	0	157,540	0	1,635,000	1,792,540
2023-2024 Projected Budget	0	0	0	158,010	0	1,607,500	1,765,510

The mission of the local street construction cost center is to track and fund local street projects.

GOALS

OBJECTIVES

1. To maintain a long-term local street improvement program that maximizes funding to extend and enhance the life of the city's local street system.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The following capital projects for this fund for fiscal year 2019-20 are as follows (deviates from CIP):

• CAP1836 Delaware Ave. special assessment	\$21,000
• CAP1901 concrete pavement and prepaid sidewalk imp.	47,000
• CAP1905 millage concrete street repairs	1,283,000
• CAP1910 road work on water/sewer projects	744,000
• CAP1936 Massoit Rd. special assessment	104,000
• CAP2015 millage asphalt resurfacing	1,825,000
• CAP2025 millage and major joint sealing	60,000
• CAP2035 millage road reconstruction	1,690,000
• CAP2040 Arden / Sheridan green infrastructure imp.	<u>75,000</u>

FY2019-20 total:	\$5,849,000
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Budget Summary Expenditures

203.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	72,310	530	0	556,370	0	629,210
2016-2017 Actual	268,170	3,330	0	4,444,700	0	4,716,200
2017-2018 Actual	211,720	4,440	0	4,947,790	0	5,163,950
2018-2019 Original Budget	233,170	0	6,464,830	0	0	6,698,000
2018-2019 Adjusted Budget (Dec)	233,170	0	6,464,830	0	0	6,698,000
2018-2019 Six Month Actual	95,550	870	0	1,087,320	0	1,183,740
2018-2019 Estimated Year End	178,370	0	6,464,830	0	0	6,643,200
2019-2020 Dept Request	186,420	0	5,849,000	0	0	6,035,420
2019-2020 Manager's Budget	186,440	0	5,849,000	0	0	6,035,440
2019-2020 Adopted Budget						
2020-2021 Projected Budget	186,500	0	5,526,000	0	0	5,712,500
2021-2022 Projected Budget	186,560	0	5,395,000	0	0	5,581,560
2022-2023 Projected Budget	186,630	0	5,049,000	0	0	5,235,630
2023-2024 Projected Budget	186,700	0	4,674,000	0	0	4,860,700

The public safety fund collects the public safety millage, authorized by voters in November 2012 and renewed for a second five-year term in 2016. The city budgets to levy 3.7963 mills of the 3.975 (reduced by Headlee to 3.7963) authorized levy for FY2019-20. This will be the third year of the

renewal. The millage is approved for five years. Revenues generated by the police, fire and ambulance functions are accounted for in this fund. It appears a renewal will be needed again, based upon the estimated future years' projections.

Significant Revenue, Staff & Program Notes - Fiscal Year 2019-20:

The public safety millage is budgeted to generate approximately \$10 million based upon the millage rate of 3.7963 mills (the maximum authorized levy reduced by Headlee). Fiscal year 2019-20 will be the fourth year of the five-year millage renewal. The forecast assumes the maximum authorized millage will be renewed and levied. A transfer of \$21 million from the general fund to offset the police, fire, and ambulance functions' expenditures for fiscal year 2019-20 is budgeted. By the last year of the forecast, the general fund transfers-out is estimated at \$22.75 million to the public safety fund (see general fund forecast to review the growing use of general fund balance). The transfer from the DDA to this fund is budgeted \$540,00 for policing services in the downtown area. In addition, the forecast shows the use of public safety fund fund balance as a revenue source through fiscal year 2023-24. It appears a renewal will be need again, based upon the estimated forecast.

Budget Summary

PUBLIC SAFETY FUND	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	1,246,580	1,090,210	951,590	486,300	109,890	50,690
Revenues and transfers from other funds	30,827,050	33,191,820	33,439,880	34,194,800	35,206,640	35,975,450
Expenditures and transfers to other funds	30,983,420	33,330,440	33,905,170	34,571,210	35,265,840	35,983,770
Net Change in Fund Balance	(156,370)	(138,620)	(465,290)	(376,410)	(59,200)	(8,320)
Ending Fund Balance	1,090,210	951,590	486,300	109,890	50,690	42,370

Revenues

207-000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	8,811,470	0	1,322,880	7,970	170,950	19,540,000	29,853,270
2016-2017 Actual	9,086,400	0	1,271,270	17,640	140,830	19,240,000	29,756,140
2017-2018 Actual	9,376,680	0	1,411,670	15,430	146,440	18,640,000	29,590,220
2018-2019 Original Budget	9,627,000	0	1,302,500	10,000	113,520	19,540,000	30,593,020
2018-2019 Adjusted Budget (Dec)	9,627,000	0	1,302,500	10,000	113,520	19,581,000	30,634,020
2018-2019 Six Month Actual	3,958,990	108,150	511,820	6,840	53,600	9,770,000	14,409,400
2018-2019 Estimated Year End	9,610,000	108,150	1,377,000	15,000	135,900	19,581,000	30,827,050
2019-2020 Dept Request	10,042,000	107,000	1,376,000	15,000	111,820	21,540,000	33,191,820
2019-2020 Manager's Budget	10,042,000	107,000	1,376,000	15,000	111,820	21,540,000	33,191,820
2019-2020 Adopted Budget							
2020-2021 Projected Budget	10,293,055	107,000	1,376,000	12,000	111,820	21,540,000	33,439,875
2021-2022 Projected Budget	10,550,380	107,000	1,376,000	9,600	111,820	22,040,000	34,194,800
2022-2023 Projected Budget	10,814,140	107,000	1,376,000	7,680	111,820	22,790,000	35,206,640
2023-2024 Projected Budget	11,084,490	107,000	1,376,000	6,140	111,820	23,290,000	35,975,450

The Royal Oak Police Department's mission is to keep the City of Royal Oak a safe community.

ROPD is organized into two divisions, staff services division and patrol operations division. Additionally, there is a professional standards unit that reports directly to the chief. A complete 911-emergency police and fire dispatch function is housed and supervised within the police department. Services include responding to calls for service, traffic education and enforcement, emergency management, investigation and prosecution of criminal offenses, school liaison program, crime prevention, school crossing and maintaining a detention facility.

The patrol division has three 8-hour shifts: day, afternoon and midnight. Each patrol shift is led by a lieutenant and is staffed by patrol sergeants, and patrol officers, two K-9 officers, and police service aides. Part-time police desk assistants (PDA) staff the front desk on day shift and afternoon shift, which allows for an additional police officer on the road.

The Criminal Investigation Division (CID) is headed by a lieutenant, who supervises a sergeant, detectives, and officers assigned to various task forces.

Royal Oak participates in the following task forces; Narcotic Enforcement Team, FBI Violent Crimes Task Force, Troy Special Investigations Unit, Oakland County Auto Theft, and Secret Service Fraud Task Force. Royal Oak Police Department also has a school liaison officer assigned to Royal Oak High School

The records section collects, analyzes, and reports performance data, processes handgun permits and maintains evidence. The records section reports to the deputy chief of staff services.

20 volunteer auxiliary police "officers" assist the department in a variety of ways, including acting as extra "eyes and ears" while patrolling on Thursday, Friday and Saturday evenings, performing home vacation checks, and working special events such as the Woodward Dream Cruise, Arts, Beats and Eats and the Clay and Glass Festival. Additionally, auxiliary officers are available to assist patrol operations on an emergency call-out basis for downed wires, flooding, etc.

The police chief is the city's emergency manager. In separate cost centers, the chief is responsible for the animal control division, Royal Oak Animal Shelter, parking enforcement division and grant activity in the police grants fund.

GOALS

1. To keep Royal Oak safe.
2. To maintain a visible presence in the community.
3. To provide quality police service in the most efficient and cost-effective manner possible.

OBJECTIVES

- Implement new in-car video system with body cameras. ^{GOAL1}
- Upgrade modems and mobile data computers (MDC). ^{GOALS 3,5}
- Continue to develop cadet program. ^{GOALS1,7}

GOALS**OBJECTIVES**

4. To provide exceptional public safety for major events, such as Woodward Dream Cruise and Arts, Beats and Eats.
5. Utilize a data-driven approach to crime prevention and enforcement.
6. To establish or maintain partnerships with community groups to make the most of proactive police efforts.
7. Fully implement organizational changes.

Performance Indicators / Outcome Measures

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Projected 2019	Projected 2020
GOAL1 Calls for Service**	49,696	48,147	49,139	47,569	48,000	48,000
GOAL1 CID Cases Assigned	823	733	789	728	750	750
GOAL1 Warrants Obtained	401	409	370	336	350	350
GOAL1 Traffic Violations Issued	14,656	14,244	14,145	13,548	14,500	14,500
GOAL1 Accidents reported-Non-Injury	2,037	2,143	2,034	2,004	2,000	2,000
GOAL1 Accidents- Injury	242	227	255	283	270	270
GOAL1 Accidents- Fatal	1	1	4	2	1	1
GOAL1 Part A Crimes	2,320	2,350	1,987	1,628	1,800	1,800
GOAL1 Part B Crimes	1,296	1,344	1,409	1,140	1,800	1,800

Note: Police performance measures are reported on a calendar year basis as opposed to a fiscal year basis.

**From 2015-2017 'calls for service' were total reports for the year.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The personnel budget is increasing due to the potential for newer employees (who are not at the top of their pay range) to receive merit wage increases. Computer and telecom equipment leases and rentals include \$64,000 for new computers, modems and ID scanners for patrol cars. \$200,000 is budgeted to purchase 58 bodycams and stun devices for the law enforcement officers, this lease includes data storage and video management for the equipment. Uniform clothing and gear costs are expected to increase \$10,000 based upon historical costs. and training and education is increasing \$5,000 relative to the fiscal year 2019-20 original budget for new employees. In the motor pool fund, seven replacement patrol vehicles in the amount of \$252,000 are budgeted.

Budget Summary Expenditures

207.301 POLICE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	15,157,710	88,610	12,550	2,275,480	0	17,534,350
2016-2017 Actual	15,634,790	66,090	115,510	2,745,370	0	18,561,760
2017-2018 Actual	12,963,450	125,110	0	2,113,710	2,166,590	17,368,860
2018-2019 Original Budget	13,442,140	97,000	0	2,383,480	2,168,500	18,091,120
2018-2019 Adjusted Budget (Dec)	13,442,140	97,000	0	2,408,420	2,168,500	18,116,060
2018-2019 Six Month Actual	6,156,790	47,890	0	1,311,620	1,623,490	9,139,790
2018-2019 Estimated Year End	13,224,370	92,300	0	2,588,860	2,168,500	18,074,030
2019-2020 Dept Request	14,816,350	108,000	0	2,483,070	2,167,000	19,574,420
2019-2020 Manager's Budget	14,816,350	108,000	0	2,483,070	2,167,000	19,574,420
2019-2020 Adopted Budget						
2020-2021 Projected Budget	15,208,410	108,000	0	2,528,030	2,167,880	20,012,320
2021-2022 Projected Budget	15,613,400	108,000	0	2,574,320	2,168,000	20,463,720
2022-2023 Projected Budget	16,031,740	108,000	0	2,621,960	2,168,000	20,929,700
2023-2024 Projected Budget	16,463,760	108,000	0	2,671,030	2,168,000	21,410,790

Cost Center Position Detail- Home Base Full & Part-Time Employees

Police	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Police Chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy Chief of Police	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police Lieutenant	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Police Sergeant	10.0	10.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Detective	5.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Police Officer	44.0	48.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Police Service Aide	9.0	9.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Police Records Supervisor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Secretary I - Police	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CS III - Detective Bureau	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Police Records - MC III	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Detective Bureau - MC II	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Police Records - MC II	1.0	1.0	1.0	2.0	2.0	2.0	4.0	4.0	4.0
Full-time total	77.0	81.0	96.0	97.0	98.0	98.0	98.0	98.0	98.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	7.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	84.0	81.0	96.0	97.0	98.0	98.0	98.0	98.0	98.0

The mission of the Royal Oak Fire Department is to protect and preserve life, property and the environment through a dedicated and highly trained professional team.

The fire department staffs three strategically located fire stations to provide the shortest possible response time to all areas of the city. Operations are funded primarily through general fund tax revenue along with a public safety millage.

Fire operations are organized into two divisions, fire prevention and fire suppression in this one cost center.

The fire prevention division provides risk management services. They lead inspections, investigations, test alarm panels and sprinkler systems, plan reviews, and fire code enforcement. They work with several other departments in the City of Royal Oak on plan reviews and annual business license renewals.

The fire suppression division responds to fire emergencies and medical emergencies, as well as special tactical operations for hazardous materials and technical rescue. Members of the suppression division also respond to calls for lift assistance, odor investigations, and downed power lines.

The department currently provides transporting advanced life support (ALS) services to the City of Royal Oak and its immediate OakWay neighbors for medical care and transport to area hospitals. Costs of ambulance rescue services are tracked in the ambulance service cost center, so they can be evaluated against ambulance service revenue.

As part of the OakWay mutual aid pact, the suppression firefighters are first responders to our city and provide assistance to seven other neighboring fire departments.

The department responds to hazardous material incidents with an in-house initial response. If additional resources are needed the city activates the OakWay Haz-Mat Team.

The department provides technical rescue response to the City of Royal Oak via the OakWay Technical Rescue Team. The city also coordinates with Birmingham, Madison Heights and Ferndale to form Squad 4 of the Oakland County Technical Rescue Regional Response Team.

The city's ISO rating which is based on manpower, stations, equipment, training and water supply is currently at three.

All fire department calls are dispatched by the 911 public safety answering point (PSAP) at the police department's dispatch center.

The department is responsible for the daily maintenance of all emergency response vehicles and equipment. The shift personnel maintain the stations' buildings and grounds.

Daily training is conducted to keep the quality of our service high and employee injuries low.

Grants are recorded in the grants fund.

A separate fire debt tax millage is collected and budgeted separately in the general obligation debt fund to pay the debt service on Series 2001A bonds that built or improved fire stations. The millage is to be levied at 0.2270 mill.

Fire apparatus are purchased by the motor pool and rented to the fire department. Those rental rates in this budget include charges for debt and/or capital replacement plus repair and maintenance costs.

The fire department currently has a CPR program for the public. This function is performed by the firefighters to the public for a nominal fee.

The fire department has a lockbox program for its residents, which provides firefighters easy access into homes in case of fires or medical run

GOALS

1. Provide the highest quality emergency services delivery.
2. Seek additional funding opportunities for department services.
3. Utilize technology to maximize the efficiency, effectiveness, and safety of fire operations.
4. Limit fire loss through increased comprehensive fire safety inspections.
5. Promote physical fitness for all personnel especially those who perform fire-fighting activities.
6. Evaluate the level of service being delivered to residents using an increased focus on measurable factors.
7. Maintain safe working conditions through the use of well-maintained equipment, and safe operating practices.
8. Explore additional fire grant opportunities.

OBJECTIVES

- Conduct advanced training as a department and with mutual aid partners. GOAL 1
- Update fee schedule for prevention services and explore alternative funding sources to expand inspection capabilities. GOAL 2
- Continue to implement geographic location system (GIS) technology in conjunction with alarm software to provide vital on-scene information. GOAL 3
- Increase the number of fire inspections performed annually to 700. GOAL 4
- Increase physical readiness and decrease injuries through participation in fitness training and increased participation in the fitness prevention program. GOAL 5
- Continue to use customer satisfaction data and “chute times” to monitor and evaluate service and delivery times. GOAL 6
- Complete review and implementation of tactical and administrative policies and establish maintenance policies for new equipment. GOAL 7
- Work closely with city grants coordinator to identify and apply for available grant opportunities. GOAL 8
- Perform a cost benefit analysis of leasing fire equipment versus buying with assistance from the finance department.

Performance Indicators / Outcome Measures

	<u>Actual</u> <u>FY 16-17</u>	<u>Actual</u> <u>FY 17-18</u>	<u>Dec 31</u> <u>2018</u>	<u>Projected</u> <u>FY18-19</u>	<u>Projected</u> <u>FY19-20</u>	<u>Projected</u> <u>FY20-21</u>
GOAL4 Structure Fires	60	64	21	65	65	65
GOAL4 Vehicle Fires	31	27	12	25	25	25
GOAL4 Other Fires	54	36	15	50	50	50
GOAL4 Total Fires	145	147	48	140	140	140
GOAL6 Total EMS Incidents	3,883	4,104	2,320	4,200	4,300	4,400
GOAL3 False Alarms including detector activations	360	399	186	400	400	400
GOAL3 Hazardous Conditions	403	486	92	400	400	400
GOAL1 Public Service Calls	527	586	310	600	600	600
GOAL1 Good Intent including Smoke Scares	597	439	200	510	510	510
GOAL1 Other Alarms	89	55	26	50	50	50
GOAL1 Incidents by Fire Station						
Station #1	2,645	2,738	1,401	2,800	2,850	2,900
Station #2	2,336	2,419	1,239	2,400	2,400	2,400
Station #3	1,023	1,059	542	1,100	1,150	1,200
Total Incidents	6,004	6,216	3,182	6,300	6,400	6,500
ISO Rating	3	3	3	3	3	3
GOAL6 Average Fire Response Time	05:50	05:46	05:45	05:45	05:45	05:45
GOAL4 # of Businesses available to inspect	2,396	2,585	2,585	2,585	2,600	2,600
GOAL4 # of Fire Prevention Inspections annually	702	496	336	650	700	800
GOAL4 # of those Re-Inspected due to violations	265	204	237	450	400	375
GOAL4 % of Businesses requiring Re-Inspection	11	41	70	100	70	50
GOAL4 # of Plan Reviews conducted annually	148	132	64	140	150	160
GOAL4 % of Businesses inspected annually	29%	19%	13%	25%	30%	35%

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The personnel budget is increasing due to newer employees (who are not at the top of their pay range) receiving wage increases. Training and education expenses are increasing \$1,750 relative to the fiscal year 2018-19 projection as newer firefighters will require additional training. Dues and memberships are decreasing \$1,500 due to reduced fees. Office equipment is decreasing \$3,500 relative to the fiscal year 2018-19 original budget due to one-time staff office improvements that were undertaken during the prior year. Cleaning and janitorial supplies are increasing \$1,500 due a projected increase in the usage and cost of these supplies. Heating and cooling repair and maintenance services are increasing \$3,500 due to aging equipment that will require additional maintenance. Miscellaneous building repair and maintenance services are increasing \$38,000 to replace all overhead doors at Fire Station #1. Hazardous materials cost is decreasing \$3,000 relative to the fiscal year 2018-19 original budget due to periodic physicals for the hazmat team being performed during fiscal year 2018-19.

The following capital improvement projects are budgeted for the fire department for FY2019-20 (deviates from CIP*):

• Fire department – thermal imagers	\$53,000
• Fire station #1 – concrete replacement	15,000
• Fire department – fire hose	<u>10,000</u>
FY2019-20 total:	\$78,000

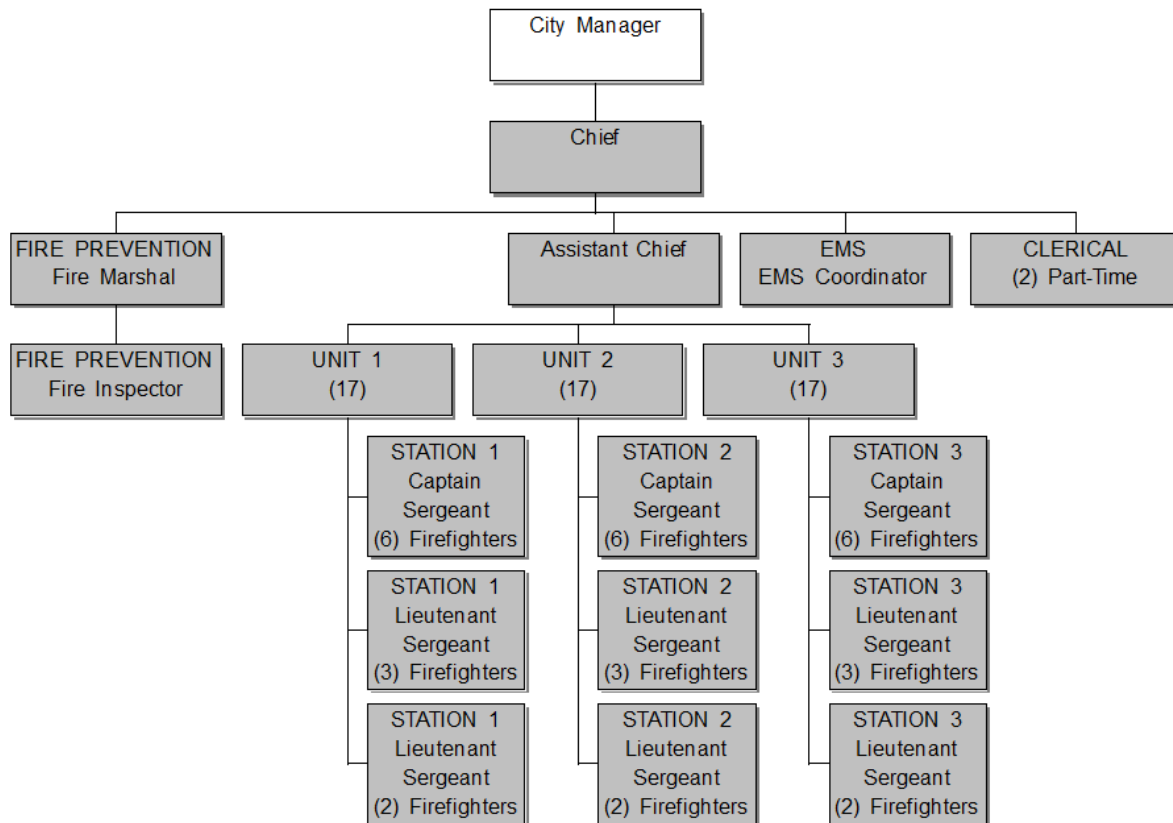
*interior paint project exchanged for the overhead door project.

In the Motor Pool fund the E-1 pumper tanker for \$782,000 and two SUV's totaling \$74,000 are budgaeted.

Budget Summary Expenditures

207.336 FIRE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	10,366,370	96,180	25,190	1,367,160	0	11,854,900
2016-2017 Actual	10,147,940	93,540	45,370	1,380,850	0	11,667,700
2017-2018 Actual	8,056,880	101,140	124,940	1,273,110	1,591,510	11,147,580
2018-2019 Original Budget	8,447,830	127,640	185,000	1,530,950	1,593,300	11,884,720
2018-2019 Adjusted Budget (Dec)	8,447,830	207,640	105,000	1,530,950	1,593,300	11,884,720
2018-2019 Six Month Actual	4,194,660	107,560	74,100	854,610	1,192,500	6,423,430
2018-2019 Estimated Year End	8,513,320	204,550	110,000	1,646,710	1,593,300	12,067,880
2019-2020 Dept Request	9,432,580	124,550	138,000	1,603,540	1,593,000	12,891,670
2019-2020 Manager's Budget	9,432,580	124,550	138,000	1,603,540	1,593,000	12,891,670
2019-2020 Adopted Budget						
2020-2021 Projected Budget	9,603,250	124,550	60,000	1,635,140	1,595,000	13,017,940
2021-2022 Projected Budget	9,779,610	124,550	60,000	1,667,590	1,590,000	13,221,750
2022-2023 Projected Budget	9,961,800	124,550	60,000	1,700,930	1,592,000	13,439,280
2023-2024 Projected Budget	10,150,000	124,550	60,000	1,735,180	1,595,000	13,664,730

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Fire	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Fire Chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Fire Chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Marshal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Prevention Inspector Act	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire Captain	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Lieutenant	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Fire Sergeant	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Firefighter	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Fire Dept - MC III	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	1.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	56.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0

The mission of the ambulance service is to provide quality emergency transport and medical services within Royal Oak.

The fire department currently provides transporting advanced life support (ALS) ambulances and one ALS engine to the City of Royal Oak and its immediate OakWay neighbors for medical care and transport to area hospitals. Costs of ambulance rescue services are tracked in this ambulance service cost center so they can be evaluated against ambulance service revenue.

Costs of billing and collecting ambulance services are included in this fund.

The fire department's EMS calls are dispatched by the 911 public safety answering point (PSAP) at the police department's dispatch center.

Ambulances are purchased by the motor pool and rented to the fire department. Those rental rates in this budget include charges for debt and/or capital replacement plus repair and maintenance costs.

GOALS

1. Maintain good working relationships with area hospitals and neighboring EMS agencies and continue to work with area hospitals and our mutual aid departments to provide the most efficient service and care for our patients.
2. Provide quality Advanced Life Support (ALS) with proper oversight and compliance with Oakland County Medical Control Authority protocols.
3. Provide a high level of EMS service through technology and a commitment to excellent customer service.
4. Look at ways to improve our service to our residents.

OBJECTIVES

- Enhance our working relationships with area hospitals and mutual aid departments to provide the best and most efficient care for our residents. ^{GOAL1}
- Review and update our protocols to maintain compliance with county standards. ^{GOAL2}
- Continue to improve and control medical training costs by using our own instructors. ^{GOAL3}
- Maximize the use of Accumed Web for patient and billable revenue. ^{GOAL3}
- Diligently review medical reports to identify opportunities to improve service. ^{GOAL4}

Performance Indicators / Outcome Measures

	<u>Actual FY 16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL3 Gross Collection Rate	88.19%	89.01%	85.31%	88.00%	88.00%	88.00%
GOAL1 Total EMS Runs	3,883	4,104	2,320	4,200	4,300	4,400
GOAL1 Average EMS Turnout Time	n/a	n/a	1:26	1:20	1:15	1:10
Customer Satisfaction Score	95.63	95.46	96.31	96.00	96.50	97.00
National Average Customer Satisfaction Score	92.63	93.09	93.09	93.00	93.00	93.00

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing relative to the fiscal year 2018-19 estimated year end budget due to newer employees (who are not at the top of their pay range) receiving wage increases. EMS supplies are increasing \$2,000 relative to the fiscal year 2018-19 budget due an increase in the cost of these supplies. Miscellaneous expenditures are budgeted at \$10,000 for the new quarterly ambulance assessment required by the state of Michigan. Motor pool rental charges are decreasing \$14,000 relative to the fiscal year 2018-19 original budget based on estimated rental rates and usage.

Budget Summary Expenditures

207.344 AMBULANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	411,560	170,270	78,420	75,050	0	735,300
2016-2017 Actual	395,720	175,770	35,470	68,280	0	675,240
2017-2018 Actual	401,160	173,910	0	150,590	0	725,660
2018-2019 Original Budget	370,510	179,580	0	216,880	0	766,970
2018-2019 Adjusted Budget (Dec)	370,510	179,580	0	216,880	0	766,970
2018-2019 Six Month Actual	320,830	67,440	0	108,440	0	496,710
2018-2019 Estimated Year End	437,970	181,660	0	221,880	0	841,510
2019-2020 Dept Request	469,480	181,990	0	212,880	0	864,350
2019-2020 Manager's Budget	469,480	181,990	0	212,880	0	864,350
2019-2020 Adopted Budget						
2020-2021 Projected Budget	475,760	182,210	0	216,940	0	874,910
2021-2022 Projected Budget	482,220	182,440	0	221,080	0	885,740
2022-2023 Projected Budget	488,880	182,680	0	225,300	0	896,860
2023-2024 Projected Budget	495,710	182,930	0	229,610	0	908,250

Cost Center Position Detail - Home Base Full-Time Employees

Ambulance Service (Fire)		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Fire ALS Coordinator		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

The mission of the publicity tax fund is to inform prospective and existing residents and businesses about the advantages, programs and services that the City of Royal Oak City offers.

This fund collects the ad valorem publicity tax, authorized by State Act 59 of 1925, plus contributions from other city funds. The city is budgeting to levy 0.0169 mill for fiscal year 2019-20.

The City of Royal Oak's departments publish the *Insight* magazine quarterly. It focuses on the recreational and cultural activities available for the next season.

Additionally, *Insight* highlights many varied, on-going and special events and services. For instance: library seminars, assessment

notices and snow emergency procedures in the winter; yard waste procedures and the ice show in the spring; tax bills, the art fair and kids park programs in the summer; and senior trips, elections, leaf pickup and the holiday hockey tournament in the fall.

Copy preparation, editing and final makeup are coordinated by the superintendent of recreation and his staff. A local printer assists and completes the final document.

Magazines are mailed to all residents and businesses. Copies are displayed prominently in city hall and given out to attract new home buyers. Planners distribute copies to entice prospective developers and business persons.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The millage is budgeted to decrease slightly from 0.0180 mill to 0.0169 mill based upon the allowable amount of tax revenue the levy generates according to Michigan legislation. The small transfers from funds/advertisers of Insight Magazine will decrease from \$3,000 to \$2,000 however that transfer may need to increase in fiscal year 2021-22 as the fund may be in a deficit position.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	25,540	24,290	17,300	9,210	(10)	(10,410)
Revenues and transfers from other funds	61,640	59,530	60,490	61,470	62,470	63,490
Expenditures and transfers to other funds	62,890	66,520	68,580	70,690	72,870	75,120
Net Change in Fund Balance	(1,250)	(6,990)	(8,090)	(9,220)	(10,400)	(11,630)
Ending Fund Balance	24,290	17,300	9,210	(10)	(10,410)	(22,040)

Revenues

211.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	47,190	0	0	0	160	20,000	67,350
2016-2017 Actual	47,730	0	0	0	150	27,730	75,610
2017-2018 Actual	47,200	0	0	0	310	20,000	67,510
2018-2019 Original Budget	48,000	0	0	0	250	15,000	63,250
2018-2019 Adjusted Budget (Dec)	48,000	0	0	0	250	15,000	63,250
2018-2019 Six Month Actual	43,920	540	0	0	530	0	44,990
2018-2019 Estimated Year End	45,100	540	0	0	1,000	15,000	61,640
2019-2020 Dept Request	48,000	530	0	0	1,000	10,000	59,530
2019-2020 Manager's Budget	48,000	530	0	0	1,000	10,000	59,530
2019-2020 Adopted Budget							
2020-2021 Projected Budget	48,960	530	0	0	1,000	10,000	60,490
2021-2022 Projected Budget	49,940	530	0	0	1,000	10,000	61,470
2022-2023 Projected Budget	50,940	530	0	0	1,000	10,000	62,470
2023-2024 Projected Budget	51,960	530	0	0	1,000	10,000	63,490

Expenditures

211.835 COMMUNITY PROMOTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	28,450	36,060	0	11,100	0	75,610
2016-2017 Actual	28,990	36,500	0	10,520	0	76,010
2017-2018 Actual	16,140	36,340	0	11,490	0	63,970
2018-2019 Original Budget	15,890	36,000	0	12,290	0	64,180
2018-2019 Adjusted Budget (Dec)	15,890	36,000	0	12,290	0	64,180
2018-2019 Six Month Actual	6,650	16,740	0	5,680	0	29,070
2018-2019 Estimated Year End	14,890	36,000	0	12,000	0	62,890
2019-2020 Dept Request	16,520	38,000	0	12,000	0	66,520
2019-2020 Manager's Budget	16,520	38,000	0	12,000	0	66,520
2019-2020 Adopted Budget						
2020-2021 Projected Budget	17,080	39,140	0	12,360	0	68,580
2021-2022 Projected Budget	17,650	40,310	0	12,730	0	70,690
2022-2023 Projected Budget	18,240	41,520	0	13,110	0	72,870
2023-2024 Projected Budget	18,850	42,770	0	13,500	0	75,120

The mission of the solid waste function is to keep the city appealing by providing residents and businesses with desirable curbside refuse collection and disposal, recycling and yard waste services.

Curbside refuse, recycling and yard waste services to homes and businesses are administered by the department of public services.

To provide economical service, the city partners with the South Oakland County Resource Recovery Authority. SOCRRA is a multi-community, public enterprise delivering outstanding services for Royal Oak's recycling, yard waste and composting needs.

SOCRRA privatizes collection with a third-party waste hauler on a ten-year contract ending in 2027. Household refuse and recycling material is picked-up weekly. Yard waste is collected seasonally April through mid-December.

Recycling and certain construction and household hazardous materials may be dropped off at the SOCRRA drop-off site on Coolidge Hwy. north of 14 Mile Rd. by appointment.

Recycling is encouraged, as it reuses valuable raw resources, reduces landfill needs, and saves residents money. The city has implemented a business recycling program.

The DPS leaf pickup program vacuums up leaves raked onto city streets. Pickup begins at the end of October after leaves start dropping. Solid waste funding is also used for the removal and disposal of dead trees from public property.

A total millage rate of 2.6272 mills is budgeted. This is 0.25 mill lower the maximum authorized amount of 2.8772 mill (voted local millage of 0.9516 and 1.9256 mills levied under authority of PA 298 of 1917 (MCL 123.261)).

The solid waste function is a division of the department of public service.

GOALS

1. To provide refuse collection and disposal, recycling and yard waste services in both an efficient and effective manner in accordance with federal and state laws.
2. Provide street sweeping four times per year.
3. Increase percentage of recycled material.

OBJECTIVES

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>
GOAL ² Tons of Yard Waste Diverted from Landfill	10,551	11,341	9,676	12,600	13,000	13,000
GOAL ³ Recycle tons	4,292	5,410	2,856	6,000	6,000	6,000
GOAL ¹ Hazardous Material Collected – Drop off	5,462	10,208	7,006	8,000	6,000	6,000

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The local solid waste millage was renewed for five years at the August 2016 election. The full authorized millage that can be levied is 2.8772 mills however it is recommended to temporarily lower the levy to 2.6272 mills (0.25 mill lower than the maximum allowed). Each year of the forecast illustrates reduced tax revenue due to not levying the full authorized local voted millage however this doesn't appear that this will be a permanent reduction as there is an operating deficit during this time. Use of fund balance is proposed to fund the lowering of the local voted millage.

Personnel costs are increasing due to the potential for newer employees (who are not at the top of their pay range) to receive wage increases. The fiscal year 2019-20 budget also includes six months of funding for a second director of recreation and public services position for succession planning purposes.

SOCRRA has contracted with GFL for 10 years through 2027. Solid waste collection services are budgeted to increase 3% in fiscal year 2019-20. Solid waste disposal services are increasing \$10,000 relative to the fiscal year 2018-19 original budget due to contractual increases for tree removal services. In fiscal year 2020-21 the forecast includes capital outlay in the amount of \$1.8 million for city-wide residential property garbage bins.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	5,523,068	5,524,868	5,155,828	2,917,498	2,403,918	1,875,888
Revenues and transfers from other funds	7,378,970	7,280,000	7,453,730	7,631,800	7,814,320	8,001,400
Expenditures and transfers to other funds	7,377,170	7,649,040	9,692,060	8,145,380	8,342,350	8,549,340
Net Change in Fund Balance	1,800	(369,040)	(2,238,330)	(513,580)	(528,030)	(547,940)
Ending Fund Balance	5,524,868	5,155,828	2,917,498	2,403,918	1,875,888	1,327,948

Revenues

226.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	5,810,170	0	2,340	43,160	31,360	0	5,887,030
2016-2017 Actual	6,898,570	0	260	51,730	62,690	405,860	7,419,110
2017-2018 Actual	7,119,760	0	0	64,630	51,940	0	7,236,330
2018-2019 Original Budget	7,296,000	0	0	80,000	50,000	0	7,426,000
2018-2019 Adjusted Budget (Dec)	7,296,000	0	0	80,000	50,000	0	7,426,000
2018-2019 Six Month Actual	7,116,170	81,970	0	100,300	32,610	0	7,331,050
2018-2019 Estimated Year End	7,047,000	81,970	0	200,000	50,000	0	7,378,970
2019-2020 Dept Request	6,949,000	81,000	0	200,000	50,000	0	7,280,000
2019-2020 Manager's Budget	6,949,000	81,000	0	200,000	50,000	0	7,280,000
2019-2020 Adopted Budget							
2020-2021 Projected Budget	7,122,730	81,000	0	200,000	50,000	0	7,453,730
2021-2022 Projected Budget	7,300,800	81,000	0	200,000	50,000	0	7,631,800
2022-2023 Projected Budget	7,483,320	81,000	0	200,000	50,000	0	7,814,320
2023-2024 Projected Budget	7,670,400	81,000	0	200,000	50,000	0	8,001,400

Expenditures

226.528 SOLID WASTE	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	1,090,630	32,660	0	5,199,680	4,000	0	6,326,970
2016-2017 Actual	1,027,100	33,740	0	5,983,590	4,500	0	7,048,930
2017-2018 Actual	811,020	33,880	994,160	6,187,830	4,000	225,210	8,256,100
2018-2019 Original Budget	931,100	36,600	0	6,409,080	3,000	226,500	7,606,280
2018-2019 Adjusted Budget (Dec)	931,100	36,600	0	6,409,080	3,000	226,500	7,606,280
2018-2019 Six Month Actual	517,790	21,950	940	2,946,850	0	168,830	3,656,360
2018-2019 Estimated Year End	872,090	38,100	940	6,236,540	3,000	226,500	7,377,170
2019-2020 Dept Request	1,014,990	39,100	0	6,365,950	2,000	227,000	7,649,040
2019-2020 Manager's Budget	1,014,990	39,100	0	6,365,950	2,000	227,000	7,649,040
2019-2020 Adopted Budget							
2020-2021 Projected Budget	1,041,660	39,100	1,800,000	6,583,300	2,000	226,000	9,692,060
2021-2022 Projected Budget	1,069,290	39,100	0	6,808,990	2,000	226,000	8,145,380
2022-2023 Projected Budget	1,097,900	39,100	0	6,977,350	2,000	226,000	8,342,350
2023-2024 Projected Budget	1,127,510	39,100	0	7,154,730	2,000	226,000	8,549,340

Cost Center Position Detail - Home Base
Full & Part-Time Employees

Solid Waste	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Director of Rec & Public Svc	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
DPS Supervisor - Highway	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sign Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Equipment Operator II	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Equipment Operator I	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Painting Machine Operator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Truck Driver	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
DPS/Hwy - MC III	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment Repair-worker	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Solid Waste Employee	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Full-time total	13.0	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	0.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	13.5	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0

The purpose of the indigent defense fund is to account for costs associated with grant revenue received to provide defense attorneys for indigent defendants at the 44th District Court.

Originally adopted in 2013, the Michigan Indigent Defense Commission Act (PA 93 of 2013) established a new state oversight body to review and implement state-wide standards for the provision of criminal

defense services for indigent defendants. The act also established state funding requirement for local court systems.

In May of 2017, the Michigan Indigent Defense Commission adopted the first four standards for the provision of criminal defendants. Funding for the local courts was first appropriated during the state's 2018-19 fiscal year.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Revenue from state grants and contracted worker services are anticipated to increase in fiscal year 2019-20 due to the costs for the contracted managed assigned counsel coordinator to effectively administer the program for the city.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	0	55,000	55,000	55,000	55,000	55,000
Revenues and transfers from other funds	474,020	539,020	539,020	539,020	539,020	539,020
Expenditures and transfers to other funds	419,020	539,020	539,020	539,020	539,020	539,020
Net Change in Fund Balance	55,000	0	0	0	0	0
Ending Fund Balance	55,000	55,000	55,000	55,000	55,000	55,000

Revenues

260.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	0	0	0	0
2016-2017 Actual	0	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0	0
2018-2019 Original Budget	0	0	0	0	0	0	0
2018-2019 Adjusted Budget (Dec)	0	0	0	0	0	0	0
2018-2019 Six Month Actual	0	184,000	0	0	0	0	184,000
2018-2019 Estimated Year End	0	423,010	0	0	28,800	22,210	474,020
2019-2020 Dept Request	0	488,010	0	0	28,800	22,210	539,020
2019-2020 Manager's Budget	0	488,010	0	0	28,800	22,210	539,020
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	488,010	0	0	28,800	22,210	539,020
2021-2022 Projected Budget	0	488,010	0	0	28,800	22,210	539,020
2022-2023 Projected Budget	0	488,010	0	0	28,800	22,210	539,020
2023-2024 Projected Budget	0	488,010	0	0	28,800	22,210	539,020

Expenditures

260.286 DISTRICT COURT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	0	0	0
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Original Budget	0	0	0	0	0	0
2018-2019 Adjusted Budget (Dec)	0	0	0	0	0	0
2018-2019 Six Month Actual	0	0	0	0	0	0
2018-2019 Estimated Year End	0	42,630	0	376,390	0	419,020
2019-2020 Dept Request	0	52,630	0	486,390	0	539,020
2019-2020 Manager's Budget	0	52,630	0	486,390	0	539,020
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	52,630	0	486,390	0	539,020
2021-2022 Projected Budget	0	52,630	0	486,390	0	539,020
2022-2023 Projected Budget	0	52,630	0	486,390	0	539,020
2023-2024 Projected Budget	0	52,630	0	486,390	0	539,020

The Royal Oak Public Library provides opportunities for all to learn, connect, create, and innovate.

The Public Library of the City of Royal Oak is administered by a library board of nine members whose duties are fixed by ordinance and whose members are appointed for fixed terms by the mayor with city commission approval. The board appoints the librarian and subordinate employees of the library and determines their compensation. The board can make purchases for the library without the requisition chapter; however, the total amount expended by the board in any one year for compensation of employees, purchase, and other expenses cannot exceed the appropriation allowed for library purposes in the annual budget.

The Royal Oak Public Library provides informational and recreational resources to the community in many forms: books, e-books, audio books in several formats including downloadable ones, internet access, music CDs, DVDs, online databases with remote access, online courses, and local history materials. The library presents many programs for all ages and interests. The Royal Oak Public Library is a major information source for the community and a great place to access entertaining and informative books and media in both traditional and electronic formats.

The number of people coming to the library has more than doubled since 2006-2007, the first full year after its major renovation. The size of the library's collection, and the number of lending transactions have all increased significantly. Over one third of the residents of Royal Oak have a library card.

A growing number of programs attracted both adults and children in the last fiscal year. The library presents programs on a huge variety of topics; an average of ten programs weekly. The summer reading program provides an entertaining way for children to maintain and improve their literacy skills during the summer vacation.

The Royal Oak Public Library is a great destination for residents seeking information and recreational reading, viewing, and listening. The number of card holders, persons making visits, and users checking out items in the last fiscal year are strong indications of the community's high regard for the services the library provides.

A dedicated one mill secures the operating funds restricted for Royal Oak Public Library purposes through the year 2023. The maximum allowable rate is now 0.9163 mill due to Headlee reductions over the years. The full allowable rate is budgeted to be levied for this fiscal year.

GOALS

1. To provide the best possible library service to the Royal Oak community through its lending collections and online access to databases, downloadables, and learning opportunities.
2. To provide a high standard of professional assistance in providing reference, information, and referral services.

OBJECTIVES

- Continue to improve the book and media collections by purchasing new circulating and downloadable materials. ^{GOAL1}
- Maximizing scheduling of staff to cover times of high-volume circulation desk and re-shelving time of returned materials. ^{GOAL1}

GOALS

3. To provide quality programs which encourage all forms of literacy, literature discussions, and self-improvement; spark interest in local history, the environment, and other topics of interest to the community including personal finance, health, and technology topics.
4. To provide highly efficient stewardship of the tax revenue provided so generously by this city.
5. To maximize opportunities to obtain grants and charitable giving.
6. Carefully review expenditures.

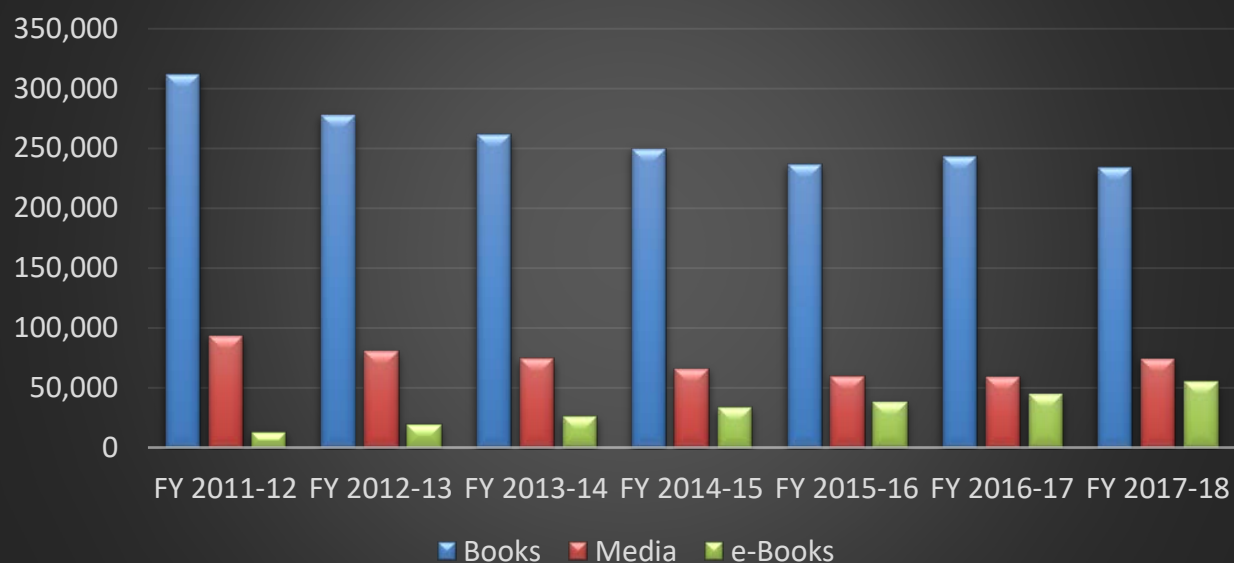
OBJECTIVES

- Encourage staff development opportunities and sharing of staff expertise so that all staff members are conversant in the library's many resources and formats. ^{GOAL2}
- Continue to publicize to the community the information and referral services that are available from the library. ^{GOAL2}
- Seek creative partnerships to sponsor programs. ^{GOAL3}
- Continue to work closely with the Friends of the Library who provide funds for the library's programs through their Friend's Book Shop, online sales, and annual book sale. ^{GOAL3,4}
- Use cooperative purchasing agreements and volume discounts available through all sources. ^{GOAL4}
- Continue annual donation appeals to the community and to seek grants and other support for youth and adult programs and materials. ^{GOAL5}
- Increase access to downloadable resources to meet patron's demands. ^{GOAL1}
- Encourage readers of all ages to participate in the Summer Reading Program and sharpen reading skills during these months. ^{GOAL3}
- Continue to improve technological resources to meet today's demands. ^{GOAL1}

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL1 Registered Card Holders	24,317	24,038	25,632	30,000	30,000	30,000
GOAL1 Annual Library Visitors	369,996	193,697*	109,071	200,000	200,000	200,000
GOAL1 Collection Size	162,945	157,758	152,887	15,000	15,000	15,000
GOAL1 E-Titles	587,262	321,414	n/a	600,000	600,000	600,000
GOAL1 Lending Transactions	403,009	399,759	163,764	350,000	400,000	400,000
GOAL2 Reference Question Responses	27,280	26,346	11,578	25,000	28,000	28,000
GOAL3 Programs Offered	513	434	237	500	500	500
GOAL3 Program Attendance	15,503	16,794	10,958	17,000	17,000	17,000
GOAL3 Summer Youth Reading Enrollment	1,441	1,420	n/a	1,450	1,450	1,450

Library Circulation by Format



Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases. Part-time wages are increasing \$11,250 relative to the fiscal year 2018-19 projected budget due to a 2.5% planned wage increase for part-time employees.

The expenditure budget request for fiscal year 2019-20 includes \$10,000 in office equipment/furniture to purchase new furniture as part of a space study with the possibility of rethinking the interior design of the building. \$21,500 is budgeted to repair the facilities restrooms and for interior painting. There is an \$8,000 increase relative to the fiscal year 2018-19 original budget for computer supplies and parts to continue purchases related to the technology plan to upgrade the library's computers and software and a \$5,000 increase in data processing services due to an increase in the library's automation software (CARL). There is a \$10,000 budget increase for downloadables due to the continue high demand by patrons for more titles. This increase is partially offset by a \$5,000 decrease in electronic resources and a \$2,000 decrease in video & audio resources following usage trends in 2018-19.

Heating and cooling repair and maintenance is decreasing \$10,000 relative to the fiscal year 2018-19 original budget, printing and document duplicating services are decreasing \$4,000, and postage and mailing services are decreasing \$2,000 due to a history of low activity during 2018-19. There is a request to increase the training and education budget by \$2,000 for active threat training that may require the use of an outside consultant.

The estimated forecast illustrates the fund balance is healthy however there are capital needs that are not reflected in the expenditures.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	1,477,543	1,338,353	1,309,383	1,284,063	1,271,253	1,278,073
Revenues and transfers from other funds	2,809,880	2,740,200	2,774,800	2,836,590	2,899,920	2,964,840
Expenditures and transfers to other funds	2,949,070	2,769,170	2,800,120	2,849,400	2,893,100	2,940,700
Net Change in Fund Balance	(139,190)	(28,970)	(25,320)	(12,810)	6,820	24,140
Ending Fund Balance	1,338,353	1,309,383	1,284,063	1,271,253	1,278,073	1,302,213

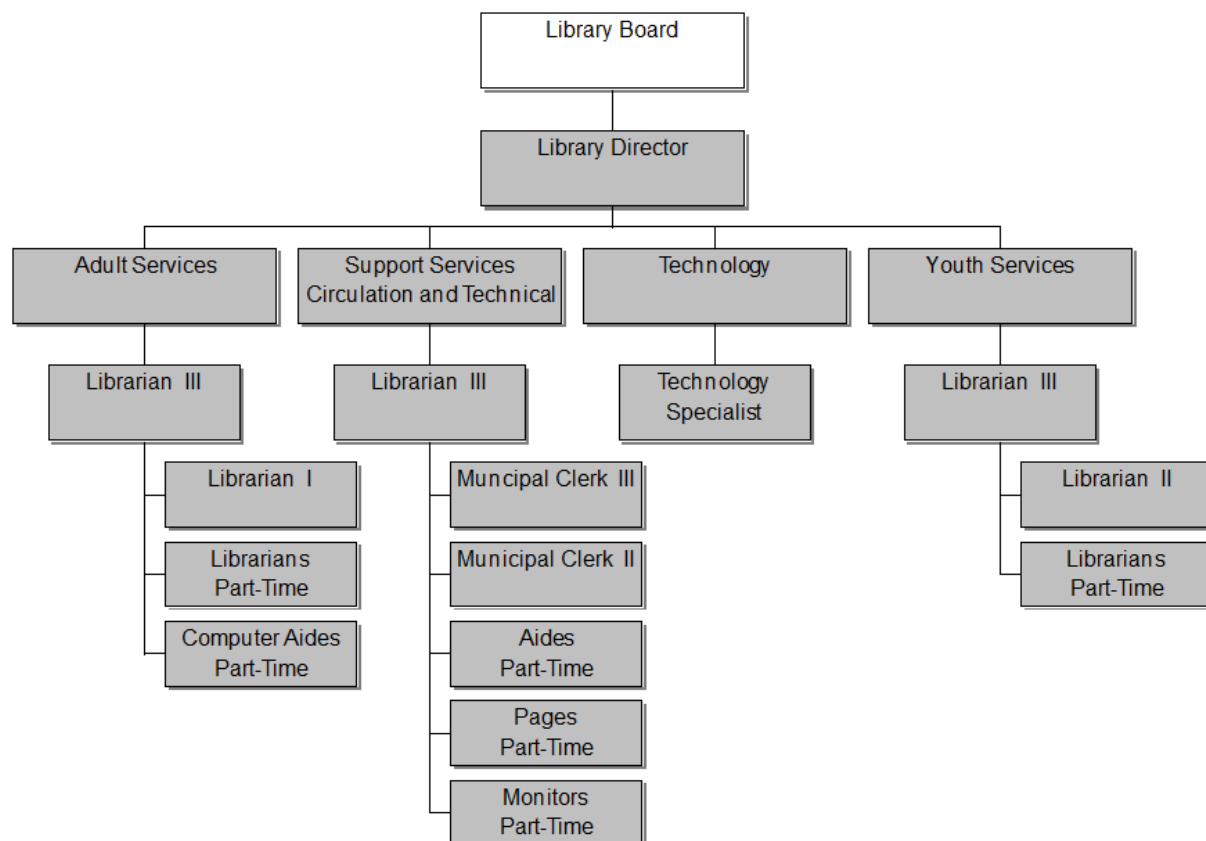
Revenues

271.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	2,134,660	35,600	178,230	19,590	5,220	20,000	2,393,300
2016-2017 Actual	2,197,660	37,430	180,320	21,760	5,700	263,480	2,706,350
2017-2018 Actual	2,268,050	39,680	163,610	22,760	4,920	0	2,499,020
2018-2019 Original Budget	2,320,000	37,000	157,500	39,000	5,000	0	2,558,500
2018-2019 Adjusted Budget (Dec)	2,320,000	37,000	157,500	39,000	5,000	0	2,558,500
2018-2019 Six Month Actual	2,266,390	47,250	141,600	52,150	2,090	169,080	2,678,560
2018-2019 Estimated Year End	2,326,000	63,110	157,290	89,000	5,400	169,080	2,809,880
2019-2020 Dept Request	2,424,000	62,000	159,500	89,500	5,200	0	2,740,200
2019-2020 Manager's Budget	2,424,000	62,000	159,500	89,500	5,200	0	2,740,200
2019-2020 Adopted Budget							
2020-2021 Projected Budget	2,471,600	49,000	159,500	89,500	5,200	0	2,774,800
2021-2022 Projected Budget	2,533,390	49,000	159,500	89,500	5,200	0	2,836,590
2022-2023 Projected Budget	2,596,720	49,000	159,500	89,500	5,200	0	2,899,920
2023-2024 Projected Budget	2,661,640	49,000	159,500	89,500	5,200	0	2,964,840

Expenditures

271.790 LIBRARY	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	1,391,690	254,960	0	361,830	0	279,220	2,287,700
2016-2017 Actual	1,442,050	266,650	0	370,970	0	280,880	2,360,550
2017-2018 Actual	1,137,830	301,970	1,090	432,630	0	638,970	2,512,490
2018-2019 Original Budget	1,217,220	360,500	130,000	464,490	0	641,500	2,813,710
2018-2019 Adjusted Budget (Dec)	1,217,220	360,500	130,000	464,490	0	641,500	2,813,710
2018-2019 Six Month Actual	560,310	129,590	12,460	206,070	0	282,670	1,191,100
2018-2019 Estimated Year End	1,237,020	349,400	264,380	456,770	0	641,500	2,949,070
2019-2020 Dept Request	1,283,770	382,000	0	462,400	0	641,000	2,769,170
2019-2020 Manager's Budget	1,283,770	382,000	0	462,400	0	641,000	2,769,170
2019-2020 Adopted Budget							
2020-2021 Projected Budget	1,320,870	382,000	0	457,250	0	640,000	2,800,120
2021-2022 Projected Budget	1,359,160	382,000	0	462,240	0	646,000	2,849,400
2022-2023 Projected Budget	1,398,710	382,000	0	467,390	0	645,000	2,893,100
2023-2024 Projected Budget	1,439,520	382,000	0	472,680	0	646,500	2,940,700

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Library		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Library Director		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Librarian III		2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Librarian II		3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	1.0
Librarian I		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Library Technology Specialist		1.0	1.0	1.0	1.0	1.0	0.0	0.0	1.0	1.0
Library - MC III		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Library - MC II		2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Full-time total		10.0	10.0	10.0	9.0	8.0	8.0	8.0	9.0	9.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		11.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		21.0	10.0	10.0	9.0	8.0	8.0	8.0	9.0	9.0

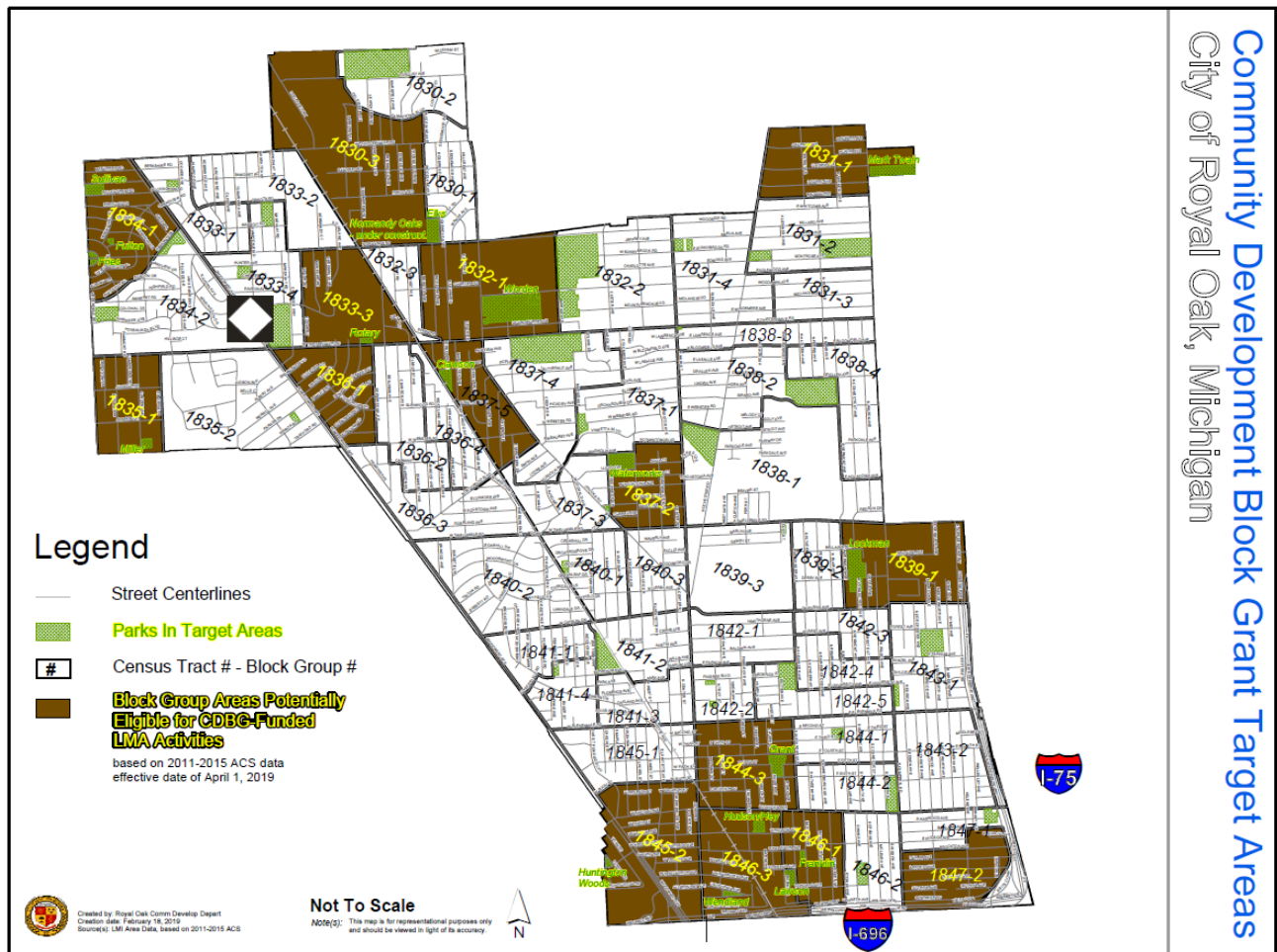
The mission of the community development block grant program is to develop viable urban communities by providing the following, principally for persons of low and moderate income: decent housing, a suitable living environment; and expanded economic opportunities.

Funding for CDBG fund operations comes from Federal Housing and Urban Development grants.

The city commission appoints a rehabilitation board of appeals to review community development matters including applications

of CDBG funded projects. The board makes recommendations to the city commission. The planning department staff oversees implementation of the grant and compliance with all associated federal requirements.

Historically, the city housing rehabilitation and senior center service programs are the recipients of the largest share of the CDBG program's annual grant amount. Large-scale capital projects, such as road improvements and the renovation of historic structures, have also received significant CDBG funds.



The mission of the housing rehabilitation program is to upgrade and conserve the existing housing stock of the City of Royal Oak meeting federal H.U.D. regulations for eligibility.

The housing rehabilitation loan program provides low-interest financing for necessary home repairs to eligible low- and moderate-income homeowners.

The City of Royal Oak has operated a successful housing rehabilitation program since 1976, upgrading and conserving the existing single-family housing stock in the city.

It is funded by Community Development Block Grant Program (CDBG) through the U.S. Dept. of Housing and Urban Development (HUD). Annually this revolving loan program makes new loans using new CDBG grants and repayments on existing loans.

Two kinds of loan are available: monthly installment loans at 3 percent interest for homeowners with incomes no greater than 80 percent of the Detroit area median income, and deferred loans for homeowners at 40 percent of the median income. Loans are required to address local property maintenance standards, HUD's minimum housing quality standards, and any identified lead-based paint hazards.

As a full-service program, the city provides housing and credit counseling, loan underwriting, property inspections, contractor solicitation, and construction management.

Planning staff coordinates funding requests and provides reports and information on these Community Development Block Grant programs.

The department also prepares documents such as the Impediments to Fair Housing, the Five-Year Consolidated Plan, the Annual Action Plan, Comprehensive Annual Performance Evaluation Report, and other interim reports required by HUD for the rehab program.

Rehabilitation Board of Appeals: The Rehabilitation Board of Appeal is comprised of seven citizen members, empowered to grant or deny appeals from the eligibility requirements of the housing assistance program or actions of the administration of the rehabilitation loan committee. The decision of the board of appeals is final. Action to set aside guidelines and eligibility is on the basis of demonstrated hardship. Board members are appointed by the commission to three-year terms and meet the fourth Tuesday of each month.

GOALS

1. Increase the availability of decent, safe, and affordable housing.
2. Reduce the health risks of lead-based paint.
3. Continue the financial viability of the revolving loan program.

OBJECTIVES

Performance Indicators / Outcome Measures

	<u>Actual FY15-16</u>	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>
GOAL3 Rehabilitation Loans						
Loan Applications Received	34	23	38	20	35	35
Loan Applicants on Waiting List	0	63	0	0	0	0
Number of Loans Approved	24	19	30	29	32	30
Funds Available for Loans	\$315k	\$315k	\$428k	\$600k	\$500k	\$450k
Amount of Loans Approved	\$353k	\$439k	\$478k	\$370k	\$500k	\$450k
GOAL2 Lead-based Paint Hazards						
Homes with Hazards Identified	21	11	22	10	15	10
Homes with Hazards Addressed	12	10	13	10	8	5
Repairs Made on Eligible Properties	24	19	18	13	32	30

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

During FY18-19, the total dollar amount needed to conduct the rehabilitation work is below budget. A significant amount of the funds will carry forward to next program year to be reallocated. Staff suggests a reduced amount of funds dedicated to loans to conduction renovations to owner-occupied single-family dwellings for fiscal year 2019-20 to avoid allocating funds to an activity that is unlikely to expend an excess amount. \$150,000 is budgeted for a tree planting program.

The following capital improvement projects budgeted for FY2019-20 are as follows (may deviate from CIP):

- Green infrastructure paving project along Judson Avenue \$600,000

FY2019-20 total: \$600,000

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	0	0	0	0	0	0
Revenues and transfers from other funds	2,395,690	2,279,150	2,279,150	2,279,150	2,279,150	2,279,150
Expenditures and transfers to other funds	2,395,690	2,279,150	2,279,150	2,279,150	2,279,150	2,279,150
Net Change in Fund Balance	0	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0

Revenues

274.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	1,601,450	478,680	0	204,520	0	2,284,650
2016-2017 Actual	0	807,820	396,910	0	110,010	38,600	1,353,340
2017-2018 Actual	0	524,370	326,960	0	13,790	0	865,120
2018-2019 Original Budget	0	1,083,440	250,000	862,330	5,500	0	2,201,270
2018-2019 Adjusted Budget (Dec)	0	1,186,690	250,000	1,140,000	5,500	0	2,582,190
2018-2019 Six Month Actual	0	1,140,120	251,750	0	5,630	0	1,397,500
2018-2019 Estimated Year End	0	1,186,690	350,000	850,000	9,000	0	2,395,690
2019-2020 Dept Request	0	1,179,150	245,000	850,000	5,000	0	2,279,150
2019-2020 Manager's Budget	0	1,179,150	245,000	850,000	5,000	0	2,279,150
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	1,179,150	245,000	850,000	5,000	0	2,279,150
2021-2022 Projected Budget	0	1,179,150	245,000	850,000	5,000	0	2,279,150
2022-2023 Projected Budget	0	1,179,150	245,000	850,000	5,000	0	2,279,150
2023-2024 Projected Budget	0	1,179,150	245,000	850,000	5,000	0	2,279,150

Expenditures

274.692 HOUSING ASSISTANCE PROGRAM	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	152,740	120	0	259,930	0	412,790
2016-2017 Actual	136,410	190	0	460,470	0	597,070
2017-2018 Actual	79,660	210	0	394,500	0	474,370
2018-2019 Original Budget	83,940	200	0	1,120,760	0	1,204,900
2018-2019 Adjusted Budget (Dec)	83,940	200	0	1,169,670	0	1,253,810
2018-2019 Six Month Actual	43,020	80	0	215,830	0	258,930
2018-2019 Estimated Year End	89,180	220	0	1,008,240	0	1,097,640
2019-2020 Dept Request	104,290	250	0	622,540	0	727,080
2019-2020 Manager's Budget	104,290	250	0	622,540	0	727,080
2019-2020 Adopted Budget						
2020-2021 Projected Budget	106,970	250	0	622,540	0	729,760
2021-2022 Projected Budget	109,710	250	0	622,540	0	732,500
2022-2023 Projected Budget	112,540	250	0	622,540	0	735,330
2023-2024 Projected Budget	115,430	250	0	622,540	0	738,220

274.712 BLOCK GRANT ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	253,610	230	0	33,940	0	287,780
2016-2017 Actual	226,140	120	0	12,890	0	239,150
2017-2018 Actual	126,540	100	0	25,500	0	152,140
2018-2019 Original Budget	163,940	500	0	28,930	0	193,370
2018-2019 Adjusted Budget (Dec)	163,940	500	0	35,560	0	200,000
2018-2019 Six Month Actual	61,670	0	0	20,910	0	82,580
2018-2019 Estimated Year End	154,900	350	0	42,710	0	197,960
2019-2020 Dept Request	147,300	0	0	46,180	0	193,480
2019-2020 Manager's Budget	147,300	0	0	46,180	0	193,480
2019-2020 Adopted Budget						
2020-2021 Projected Budget	150,960	0	0	46,550	0	197,510
2021-2022 Projected Budget	154,720	0	0	46,940	0	201,660
2022-2023 Projected Budget	158,590	0	0	47,350	0	205,940
2023-2024 Projected Budget	162,580	0	0	47,780	0	210,360

CDBG Fund – Housing Rehabilitation Program

274.759 SENIOR CENTER	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	28,000	0	28,000
2016-2017 Actual	0	0	0	31,540	0	31,540
2017-2018 Actual	0	0	0	39,420	0	39,420
2018-2019 Original Budget	0	0	0	33,000	0	33,000
2018-2019 Adjusted Budget (Dec)	0	0	0	33,000	0	33,000
2018-2019 Six Month Actual	0	0	0	21,360	0	21,360
2018-2019 Estimated Year End	0	0	0	33,000	0	33,000
2019-2020 Dept Request	0	0	0	33,000	0	33,000
2019-2020 Manager's Budget	0	0	0	33,000	0	33,000
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	33,000	0	33,000
2021-2022 Projected Budget	0	0	0	33,000	0	33,000
2022-2023 Projected Budget	0	0	0	33,000	0	33,000
2023-2024 Projected Budget	0	0	0	33,000	0	33,000

274. OTHER COST CENTERS	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	21,970	0	0	1,449,980	0	0	1,471,950
2016-2017 Actual	0	0	0	193,270	0	0	193,270
2017-2018 Actual	0	0	0	141,930	0	0	141,930
2018-2019 Original Budget	0	0	0	770,000	0	0	770,000
2018-2019 Adjusted Budget (Dec)	0	0	0	1,095,380	0	0	1,095,380
2018-2019 Six Month Actual	0	0	0	1,047,090	0	0	1,047,090
2018-2019 Estimated Year End	0	0	0	1,067,090	0	0	1,067,090
2019-2020 Dept Request	0	0	0	1,320,000	0	0	1,320,000
2019-2020 Manager's Budget	0	0	0	1,320,000	0	0	1,320,000
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	0	620,000	0	0	620,000
2021-2022 Projected Budget	0	0	0	620,000	0	0	620,000
2022-2023 Projected Budget	0	0	0	620,000	0	0	620,000
2023-2024 Projected Budget	0	0	0	620,000	0	0	620,000

CDBG Fund – Housing Rehabilitation Program

274.	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	0	0	720	0	0	0	720
2016-2017 Actual	0	0	950	330	0	0	1,280
2017-2018 Actual	56,020	0	30	1,190	0	0	57,240
2018-2019 Original Budget	0	0	0	0	0	0	0
2018-2019 Adjusted Budget (Dec)	0	0	0	0	0	0	0
2018-2019 Six Month Actual	0	0	0	0	0	0	0
2018-2019 Estimated Year End	0	0	0	0	0	0	0
2019-2020 Dept Request	5,560	0	30	0	0	0	5,590
2019-2020 Manager's Budget	5,560	0	30	0	0	0	5,590
2019-2020 Adopted Budget							
2020-2021 Projected Budget	5,560	0	30	0	0	0	5,590
2021-2022 Projected Budget	5,560	0	30	0	0	0	5,590
2022-2023 Projected Budget	5,560	0	30	0	0	0	5,590
2023-2024 Projected Budget	5,560	0	30	0	0	0	5,590

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Housing Assistance		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Housing Program Supervisor		1.0	1.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Housing Rehabilitation Officer		0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
CS III - Housing		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

The mission of the inspection division of the building division is to effectively administer the Michigan construction codes and local ordinances to ensure public health, safety and welfare.

Pursuant to the provisions of Section 9 of Act No. 230 of the Michigan Public Act of 1972 (MCLA § 125.1509), the Royal Oak building official is designated as the enforcing agency to discharge the responsibilities of the act. The city's building division assumes responsibility for the administration and enforcement of the act within our corporate limits.

The building inspection division issues permits for commercial and residential construction projects and performs related building, mechanical, electrical and plumbing inspections throughout the construction process to insure compliance with state construction codes and local ordinances. Fees are intended to cover the costs of this special revenue fund.

The building division of community development department consists of two areas: building inspection and code enforcement.

GOALS

1. To inspect all new construction to help ensure a safe environment for city residents, businesses, and visitors.
2. To provide professional services to our customers that will encourage development and growth within the city.
3. To encourage and support diverse investment to maximize property values and facilitate employment opportunities.
4. Provide accurate and thorough plan reviews within 14 days.
5. Provide requested inspections by the next business day.
6. Fiscal management – to preserve Royal Oak as a safe and healthy community through sound fiscal policy, strategic planning, prompt decisive actions and effective management of taxpayer's assets.

OBJECTIVES

- Review and update policies to ensure compliance with current codes and laws. ^{GOAL1}

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL ¹ Percent of Required Code Training Received	100	100	100	100	100	100
GOAL ² Percent of Inspections Performed Within the Next Business Day	95	95	95	95	95	95
GOAL ¹ Percent of Plans Reviewed for Permit Within 14 Business Days	85	85	85	95	95	95
<u>Permits Issued</u>						
Building	2,451	2,399	1,516	2,900	2,220	2,200
Electrical	1,771	1,818	800	1,600	1,600	1,600
Mechanical	1,376	1,506	853	1,600	1,300	1,300
Plumbing Sewer	1,047	1,285	806	1,200	1,000	1,000
Construction Value (in 1000's)	\$129,000	\$215,000	\$83,000	\$160,000	\$130,000	\$130,000

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Revenues are decreasing relative to the fiscal year 2018-19 adjusted budget due to conservative budgeting as construction activity is unpredictable and permit revenues can vary greatly. Total expenditures are decreasing due a one-time transfer of cash to the ROCC project for this function's allocation of square footage for the new city hall building.

Personnel service costs are increasing slightly relative to the fiscal year 2018-19 original budget due to newer employees (who are not at the top of their pay range) to receive wage increases and unfilled vacancies. Supplies are increasing \$4,500 relative to the fiscal year 2018-19 original budget. This increase includes \$2,000 for safety clothing and gear, \$1,000 for non-capital office equipment/furniture, \$1,000 for books, subscriptions and electronic works, and \$500 for office supplies. There is a request to increase printing and document duplicating by \$10,000 due to the increased amount of scanning and digitizing of documents to take place during fiscal year 2019-20. Training and education costs are expected to increase \$2,000 in relation to filling the current vacancies. Allocated charges, which include motor pool charges, administrative charges and IT charges are budgeted to decrease by approximately \$112,500 relative to the fiscal year 2018-19 original budget which are based on total expenditures and vehicles which have been fully depreciated.

The forecasted revenues assume the construction conditions continue as budgeted in fiscal year 2019-20 and also does not assume a reduction in permit fees.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	8,468,816	9,624,666	9,969,026	10,268,616	10,521,846	10,727,066
Revenues and transfers from other funds	3,522,760	2,046,500	2,046,500	2,046,500	2,046,500	2,046,500
Expenditures and transfers to other funds	2,366,910	1,702,140	1,746,910	1,793,270	1,841,280	1,891,010
Net Change in Fund Balance	1,155,850	344,360	299,590	253,230	205,220	155,490
Ending Fund Balance	9,624,666	9,969,026	10,268,616	10,521,846	10,727,066	10,882,556

Revenues

282.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	4,307,480	0	39,650	68,320	4,415,450
2016-2017 Actual	0	0	2,831,410	0	32,240	248,300	3,111,950
2017-2018 Actual	0	0	3,988,770	0	59,840	71,020	4,119,630
2018-2019 Original Budget	0	0	1,812,500	0	50,000	50,000	1,912,500
2018-2019 Adjusted Budget (Dec)	0	0	1,812,500	0	50,000	50,000	1,912,500
2018-2019 Six Month Actual	0	0	1,968,890	0	96,420	41,010	2,106,320
2018-2019 Estimated Year End	0	0	3,252,760	0	200,000	70,000	3,522,760
2019-2020 Dept Request	0	0	1,801,500	0	220,000	25,000	2,046,500
2019-2020 Manager's Budget	0	0	1,801,500	0	220,000	25,000	2,046,500
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	1,801,500	0	220,000	25,000	2,046,500
2021-2022 Projected Budget	0	0	1,801,500	0	220,000	25,000	2,046,500
2022-2023 Projected Budget	0	0	1,801,500	0	220,000	25,000	2,046,500
2023-2024 Projected Budget	0	0	1,801,500	0	220,000	25,000	2,046,500

Expenditures

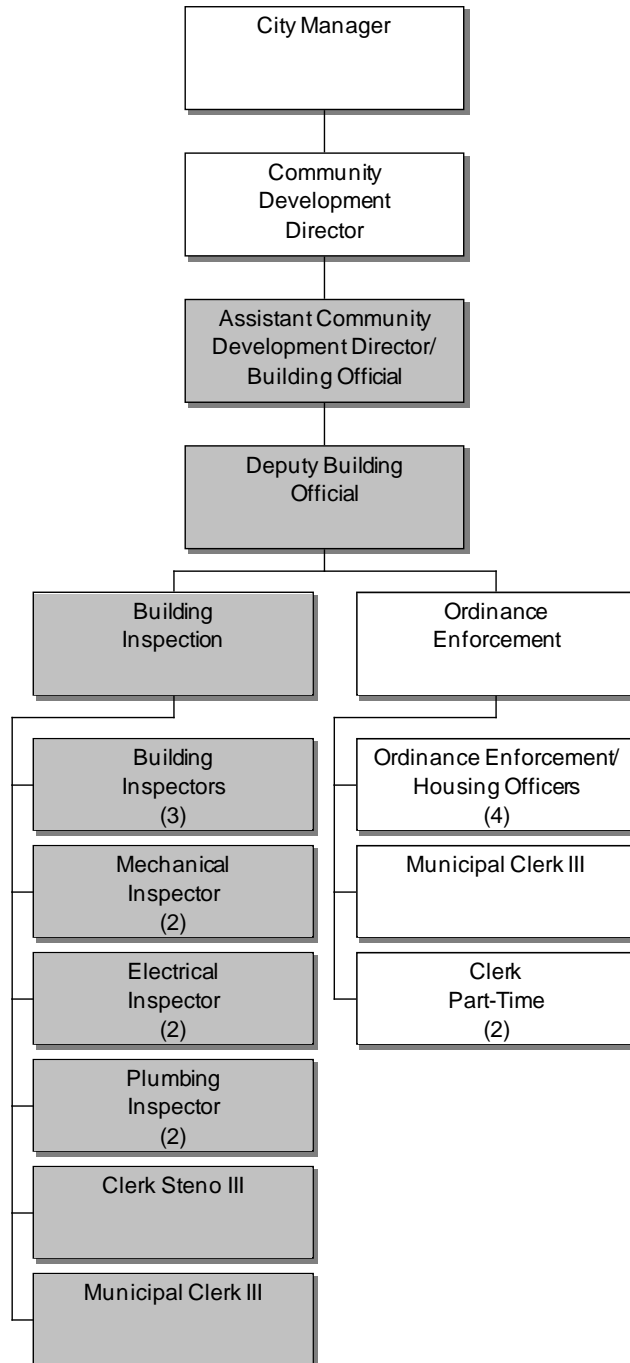
282.371 INSPECTION	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	1,180,430	6,290	0	383,390	34,000	0	1,604,110
2016-2017 Actual	4,741,980	6,790	0	369,730	4,500	0	5,123,000
2017-2018 Actual	817,070	2,340	0	430,700	4,000	0	1,254,110
2018-2019 Original Budget	1,229,180	12,500	0	667,820	3,000	0	1,912,500
2018-2019 Adjusted Budget (Dec)	1,229,180	12,500	0	667,820	3,000	0	1,912,500
2018-2019 Six Month Actual	378,920	980	0	272,200	0	0	652,100
2018-2019 Estimated Year End	919,820	11,500	0	569,590	866,000	0	2,366,910
2019-2020 Dept Request	1,236,670	17,000	0	446,470	2,000	0	1,702,140
2019-2020 Manager's Budget	1,236,670	17,000	0	446,470	2,000	0	1,702,140
2019-2020 Adopted Budget							
2020-2021 Projected Budget	1,276,430	17,000	0	451,480	2,000	0	1,746,910
2021-2022 Projected Budget	1,317,600	17,000	0	456,670	2,000	0	1,793,270
2022-2023 Projected Budget	1,360,230	17,000	0	462,050	2,000	0	1,841,280
2023-2024 Projected Budget	1,404,370	17,000	0	467,640	2,000	0	1,891,010

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Building	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Assistant C.D. Director / Building Official	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy Building Official	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CS III Inspection	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Inspection - MC III	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Building Inspectors	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Electrical Inspector	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0
Housing Inspector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mechanical Inspector	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0
Plumbing Inspector	0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0
Full-time total	5.0	5.0	6.0	10.0	10.0	10.5	13.0	13.0	13.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	0.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	5.6	5.0	6.0	10.0	10.0	10.0	13.0	13.0	13.0

Departmental Organization Chart



The ROOTS (Royal Oak Opportunity to Serve) Foundation is a committee established by the city charter. Its purpose is to promote charitable contributions through the city disbursement to various

organizations or projects whose work constitutes a public purpose within the city. This fund records the receipt and disbursement of the monies/property.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	495,505	340,675	357,175	373,225	388,805	403,885
Revenues and transfers from other funds	84,500	85,500	85,500	85,500	85,500	85,500
Expenditures and transfers to other funds	239,330	69,000	69,450	69,920	70,420	70,940
Net Change in Fund Balance	(154,830)	16,500	16,050	15,580	15,080	14,560
Ending Fund Balance	340,675	357,175	373,225	388,805	403,885	418,445

Revenues

295.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	101,540	0	0	101,540
2016-2017 Actual	0	0	0	89,880	0	0	89,880
2017-2018 Actual	0	0	0	64,160	0	0	64,160
2018-2019 Original Budget	0	0	0	61,000	0	0	61,000
2018-2019 Adjusted Budget (Dec)	0	0	0	61,000	0	0	61,000
2018-2019 Six Month Actual	0	0	0	35,680	0	0	35,680
2018-2019 Estimated Year End	0	0	0	84,500	0	0	84,500
2019-2020 Dept Request	0	0	0	85,500	0	0	85,500
2019-2020 Manager's Budget	0	0	0	85,500	0	0	85,500
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	0	85,500	0	0	85,500
2021-2022 Projected Budget	0	0	0	85,500	0	0	85,500
2022-2023 Projected Budget	0	0	0	85,500	0	0	85,500
2023-2024 Projected Budget	0	0	0	85,500	0	0	85,500

Expenditures

295. MULTIPLE COST CENTERS	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	0	18,360	0	20,470	75,970	0	114,800
2016-2017 Actual	0	20,980	0	22,050	51,440	0	94,470
2017-2018 Actual	0	4,150	700	20,470	41,980	0	67,300
2018-2019 Original Budget	0	0	0	30,110	50,000	0	80,110
2018-2019 Adjusted Budget (Dec)	0	0	0	30,110	50,000	0	80,110
2018-2019 Six Month Actual	0	730	0	5,210	182,630	0	188,570
2018-2019 Estimated Year End	0	1,150	0	25,100	213,080	0	239,330
2019-2020 Dept Request	0	0	0	25,000	44,000	0	69,000
2019-2020 Manager's Budget	0	0	0	25,000	44,000	0	69,000
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	0	25,000	44,450	0	69,450
2021-2022 Projected Budget	0	0	0	25,000	44,920	0	69,920
2022-2023 Projected Budget	0	0	0	25,000	45,420	0	70,420
2023-2024 Projected Budget	0	0	0	25,000	45,940	0	70,940

The City of Royal Oak offers mature adults' opportunities for lifelong education, fitness, nutrition, and leisure activities. Supportive services that promote independence and quality of life are available for residents who are 62 and over or permanently disabled adults.

The City of Royal Oak's recreation department does not discriminate against any program participant or applicant for participation because of actual or perceived race, color, religion, national origin, sex, age, height, weight, condition of pregnancy, marital status, physical or mental limitations, legal source of income, family responsibilities, sexual orientation, gender identity, or HIV status of person, that person's relatives, or that person's associates or for any other reason (s) prohibited by law. The City of Royal Oak will take affirmative action to ensure that all practices are free from such discrimination.

Senior administrative offices and the bulk of its programs are located at the Mahany/Meininger Center (the M/M or Senior Center). Additional activities are held at the Salter Center and other sites.

The coordinator of senior citizen activity is responsible for all cost centers and reports to the superintendent of recreation. Senior programs include a wide range of activities supported by an equally diverse group of fees, donations and grants.

Center Operations CDBG (274.759) - A significant portion of costs were covered by federal reimbursement and recorded in the block grant fund (274.759). Former CDBG budgets covered wages for one full-time and various part-time employees providing services to seniors at the Mahany/Meininger (M/M) and Salter Centers. It also pays a subsidy for R.O.S.E.S. personnel serving low-income residents. CDBG funds were used for the replacement of front building windows at the Mahany/Meininger Senior Community Center.

Janitorial, repair, maintenance, heating, cooling and other miscellaneous items are charged to the senior citizen services fund. Senior building maintenance taps into fund balance for the balance of its budget. At this time, due to eligibility concerns, CDBG will not be supporting any senior center costs.

The Mahany/Meininger Senior Center has a senior's resource center that provides brochures for seniors from businesses with products and services for older adults. The fees to display brochures are \$10 monthly or \$100 yearly.

Health and wellness programs are offered at the Salter Center for individual's 50 years of age and over. Pickle ball, while easy for beginners, can also develop an intense competition for high-level players; is played one evening and two days a week. Bounce volleyball numbers are increasing daily. Walking on a daily basis is very popular. This fund pays the recreation fund for the rental of the Salter Center.

The recreation specialist plans, publicizes, and schedules activities, classes, plus one day and extended trips tailored to senior citizens' interests. Three trips per month are scheduled on average.

At the M/M center, new programs include: Walk with the Doc, Hodge Podge Sale, Karaoke, Memory Screening, Crop Paper Scissors, Scrap and Stamp, and Get Together. Classes for Chair Yoga and Chair Exercise with Cindy have increased from once a week to twice a week and additional sessions have been added for Retirement Planning Fundamentals post- and pre-retirement.

Tim's Kitchen, a senior congregate meal program, began in June 2007. About 8,478 tasty and nutritious meals were served from July 2017 – June 2018. With the passing of our beloved Chef Tim our congregate meal site was suspended for two and a half months. We are very fortunate now to have on board Chef Erin. She comes to us with a background in school and hospital services.

Senior building maintenance (296.750) - This budget covers utilities, janitorial, heating & cooling, and other building maintenance and repair items of the M/M Center. Funding of approximately \$50,000 from M/M rentals partially funds this budget. The remainder is covered by other receipts.

R.O.S.E.S. (296.686) - Royal Oak Senior Essential Services is a local program hiring contract workers to provide home chores, minor home repairs and personal care to senior citizens, age 62 and over, and permanently handicapped adults. R.O.S.E.S. enables older adults who reside in Royal Oak to remain independent in their own homes, shorten hospital stays, lower health care costs and reduce the need for institutionalization.

R.O.S.E.S. workers are independent contractors with this agency and have agreed to work at an affordable per-hour or per-job rate dependent upon the service rendered. There were services to 2,333 low-income senior adults provided during 2018.

The R.O.S.E.S. budget pays half of the wages for two part-time R.O.S.E.S. aides, paid by client administrative fees and donations. The remainder of the R.O.S.E.S. aides' wages is paid by the CDBG budget.

A.G.E. (296.687) - The Adjacent Generational Exchange volunteer program, funded by a Beaumont Health grant, pays a volunteer coordinator to recruit, train and place volunteers to serve senior citizen needs. In the community, volunteers provide senior citizens with meals and assistance delivered to homes, and transportation.

One A.G.E. staff member is trained to counsel seniors in Medicare D prescription drug coverage. 37 seniors received assistance in plan eligibility, benefit comparisons, low income assistance and enrollment assistance. This program runs from Nov. 15 to Dec. 31 annually, by appointment only.

18 volunteers assisted 356 seniors with free tax help and free e-filing. Royal Oak's volunteer program was awarded the 904th Point of Light by former President George Bush in 1992.

Non-senior volunteers assist staff with programming. Sources include care management professionals providing mentally impaired adults with a job coach, students from Judson Center and Berkley Schools provide a cleaning and nutrition program.

Transportation (296.688) - The senior transportation program continues to provide high quality van service for 10,703 one-way trips to doctor appointments, grocery shopping, and programs at the senior center. This service promotes independence for residents aged 62 or older, and adults who are permanently handicapped. Door-to-door service is available to those with mobility problems who need to be personally escorted to the buses. With an increase in Community Credits of \$18,383 annually, the services can increase to five vehicles on the road Monday and Wednesdays.

We are partnering with the City of Pleasant Ridge to provide bus transportation to senior residents of Pleasant Ridge once a week and one trip per month. The City of Royal Oak receives PR Municipal and Community Credits to provide this service.

Another partnership is with the Royal Oak Middle School to provide transportation every Friday for mentally and physically challenged student's social outings.

The city currently operates six community transit vehicles purchased in collaboration with SMART. This budget provides for part-time (eight drivers, two dispatchers), maintenance and insurance for vans. This budget is funded by Beaumont Health, SMART municipal and community credit funds, and rider donations. The center received one 2018 Ford 23' bus with lift/wheelchair equipped replacement

vehicle. Still waiting from 2016 for replacement of two other vehicles.

The ROOTS fund (295.759 cost center) records ad hoc grant receipts and related expenditures.

GOALS

1. Continue exploring opportunities to partner with other senior centers to increase opportunities and maintain the current ones.
2. Continue partnering with the private sector, schools and neighboring communities.
3. Investigate innovative ways to fund and reduce the cost of programs.
4. Continue meeting the transportation needs of the senior citizens.
5. Investigate a partnership with local community college culinary arts program.

OBJECTIVES

- Focusing on the focus groups and the eight domains of AARP Network of Age-Friendly Communities.

Performance Indicators / Outcome Measures

	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>
GOAL1 Supportive Services						
Congregate Meals Served	10,048	11,139	8,478	11,200	11,200	11,200
Homebound Meals Served *	0	0	0	0	0	0
Information & Referral	74,700	74,700	74,700	74,700	74,700	74,700
R.O.S.E.S. Jobs	2,168	2,206	2,333	0	0	0
Senior Bus Rides	12,580	12,079	10,703	12,500	12,500	12,500
Frail Elderly Escort	0	0	0	0	0	0
Outreach Assessments	44	38	91	90	90	90
GOAL3 Mahany/Meininger Center Programs						
Programs Offered	102	108	100	104	104	104
Sessions Held	2,626	2,872	2,890	2,900	2,900	2,900
Participants	58,322	59,734	59,750	59,800	59,800	59,800
GOAL3 Salter Community Center Programs						
Programs Offered	11	11	13	13	13	13
Sessions Held	1,116	1,157	1,228	1,230	1,230	1,230
Participants	15,150	13,310	11,812	11,840	11,840	11,840
GOAL3 Combined Senior Programs						
Programs Offered	113	119	113	117	117	117
Sessions Held	3,742	4,029	4,118	4,130	4,130	4,130
Participants	73,472	73,044	71,562	71,640	71,640	71,640

Note: Senior center performance indicators are on a calendar year as opposed to fiscal year.

**Please note that as of September 30, 2012 Oakland County Mobile Meals disbanded homebound meals. Emerald Foods now provides all volunteers and deliveries through the Troy Community Center.*

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Revenues are expected to increase due to additional SMART municipal community credits awarded during fiscal year 2018-19 that will allow for more senior ride vehicles on Mondays and Wednesdays that are projected to increase ride fee revenues by approximately \$1,000. Program supplies are increasing by \$20,500 and miscellaneous supplies are decreasing \$3,000 due to a change in the way food purchases are being made to better track and reflect actual expenditures. Contracted worker services are decreasing by \$13,200 due to personnel changes in the chef position. Payments to the recreation fund for space rental will be zero, a \$49,500 decrease relative to the fiscal year 2018-19 budget as this senior activity at the Salter Center will be considered recreation related. The forecast demonstrates continued use of fund balance and continued transfer from the general fund ultimately increasing to \$450,000 in the last year of the forecast.

The following capital improvement project is budgeted for senior center for FY2019-20 (may deviate from CIP):

- Sidewalk and curbing concrete replacement (senior center) \$27,000

FY2019-20 total: \$27,000

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	577,369	513,199	455,119	409,259	349,229	272,569
Revenues and transfers from other funds	787,930	796,010	796,010	796,010	796,010	896,010
Expenditures and transfers to other funds	852,100	854,090	841,870	856,040	872,670	887,750
Net Change in Fund Balance	(64,170)	(58,080)	(45,860)	(60,030)	(76,660)	8,260
Ending Fund Balance	513,199	455,119	409,259	349,229	272,569	280,829

Revenues

296.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	118,150	238,590	5,910	30,000	350,000	742,650
2016-2017 Actual	0	157,120	256,730	6,830	30,000	397,870	848,550
2017-2018 Actual	0	149,820	237,940	8,060	30,000	350,000	775,820
2018-2019 Original Budget	0	153,240	236,500	5,000	30,000	350,000	774,740
2018-2019 Adjusted Budget (Dec)	0	153,240	236,500	5,000	30,000	350,000	774,740
2018-2019 Six Month Actual	0	15,430	121,930	6,870	30,000	175,000	349,230
2018-2019 Estimated Year End	0	165,510	229,400	13,020	30,000	350,000	787,930
2019-2020 Dept Request	0	165,510	237,500	13,000	30,000	350,000	796,010
2019-2020 Manager's Budget	0	165,510	237,500	13,000	30,000	350,000	796,010
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	165,510	237,500	13,000	30,000	350,000	796,010
2021-2022 Projected Budget	0	165,510	237,500	13,000	30,000	350,000	796,010
2022-2023 Projected Budget	0	165,510	237,500	13,000	30,000	350,000	796,010
2023-2024 Projected Budget	0	165,510	237,500	13,000	30,000	450,000	896,010

Expenditures

296.686 R.O.S.E.S.	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	12,910	0	0	0	0	12,910
2016-2017 Actual	14,970	0	0	0	0	14,970
2017-2018 Actual	12,020	0	0	0	0	12,020
2018-2019 Original Budget	15,940	0	0	0	0	15,940
2018-2019 Adjusted Budget (Dec)	15,940	0	0	0	0	15,940
2018-2019 Six Month Actual	9,960	0	0	0	0	9,960
2018-2019 Estimated Year End	21,930	0	0	0	0	21,930
2019-2020 Dept Request	36,630	0	0	0	0	36,630
2019-2020 Manager's Budget	36,630	0	0	0	0	36,630
2019-2020 Adopted Budget						
2020-2021 Projected Budget	37,480	0	0	0	0	37,480
2021-2022 Projected Budget	38,350	0	0	0	0	38,350
2022-2023 Projected Budget	39,240	0	0	0	0	39,240
2023-2024 Projected Budget	40,160	0	0	0	0	40,160

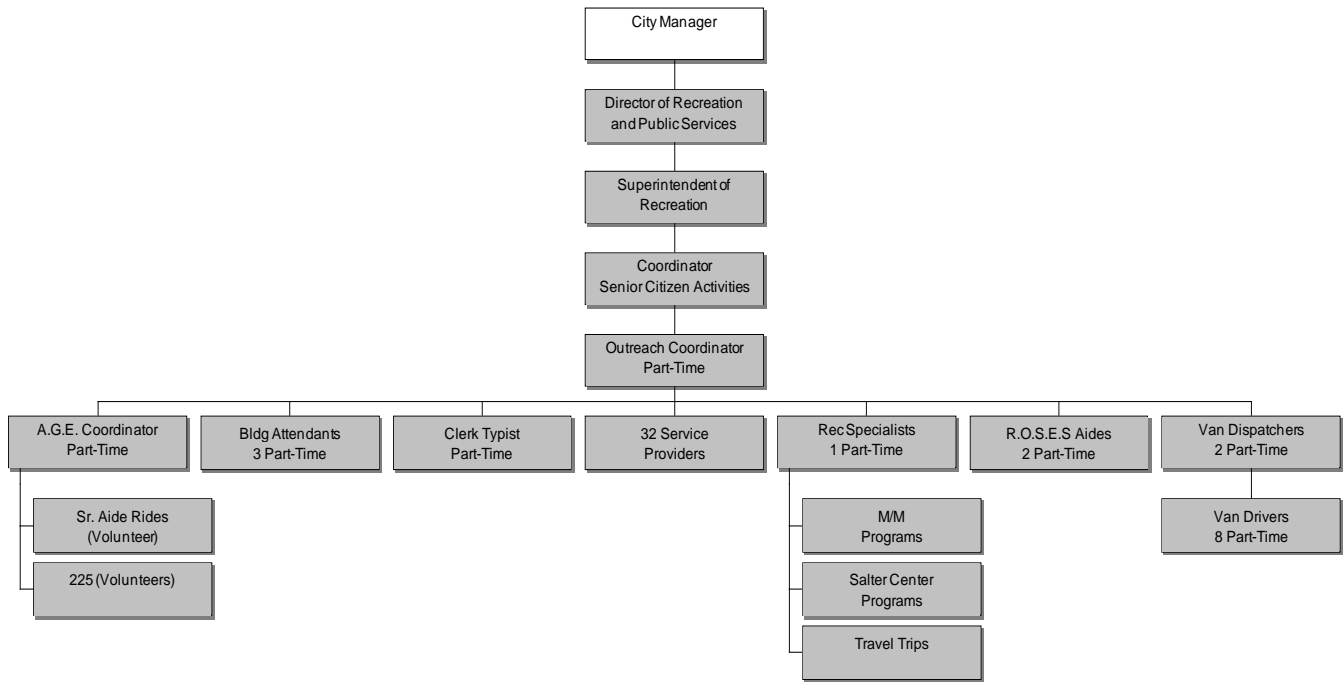
296.687 A.G.E. PROGRAM	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	11,930	160	0	0	0	12,090
2016-2017 Actual	11,740	910	0	0	0	12,650
2017-2018 Actual	11,710	500	0	0	0	12,210
2018-2019 Original Budget	13,800	1,000	0	500	0	15,300
2018-2019 Adjusted Budget (Dec)	13,800	1,000	0	500	0	15,300
2018-2019 Six Month Actual	5,880	0	0	0	0	5,880
2018-2019 Estimated Year End	15,500	1,000	0	500	0	17,000
2019-2020 Dept Request	19,410	1,000	0	500	0	20,910
2019-2020 Manager's Budget	19,410	1,000	0	500	0	20,910
2019-2020 Adopted Budget						
2020-2021 Projected Budget	19,860	1,000	0	500	0	21,360
2021-2022 Projected Budget	20,320	1,000	0	500	0	21,820
2022-2023 Projected Budget	20,790	1,000	0	500	0	22,290
2023-2024 Projected Budget	21,270	1,000	0	500	0	22,770

296.688 SENIOR VAN	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	152,330	90	0	50,960	0	203,380
2016-2017 Actual	144,380	0	0	41,930	0	186,310
2017-2018 Actual	127,150	150	0	35,690	0	162,990
2018-2019 Original Budget	155,450	200	0	33,110	0	188,760
2018-2019 Adjusted Budget (Dec)	155,450	200	0	33,110	0	188,760
2018-2019 Six Month Actual	60,230	30	0	20,660	0	80,920
2018-2019 Estimated Year End	142,240	200	0	38,000	0	180,440
2019-2020 Dept Request	146,550	200	0	34,330	0	181,080
2019-2020 Manager's Budget	146,550	200	0	34,330	0	181,080
2019-2020 Adopted Budget						
2020-2021 Projected Budget	150,350	200	0	35,170	0	185,720
2021-2022 Projected Budget	154,230	200	0	36,030	0	190,460
2022-2023 Projected Budget	158,230	200	0	36,920	0	195,350
2023-2024 Projected Budget	162,340	200	0	37,830	0	200,370

296.750 SENIOR BUILDING MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	1,460	0	111,920	0	113,380
2016-2017 Actual	0	3,010	8,770	109,920	0	121,700
2017-2018 Actual	0	3,130	22,300	91,590	0	117,020
2018-2019 Original Budget	0	4,500	7,000	99,270	0	110,770
2018-2019 Adjusted Budget (Dec)	0	4,500	7,000	99,270	0	110,770
2018-2019 Six Month Actual	0	730	5,830	36,510	0	43,070
2018-2019 Estimated Year End	0	3,750	7,000	99,240	0	109,990
2019-2020 Dept Request	0	3,750	27,000	99,240	0	129,990
2019-2020 Manager's Budget	0	3,750	27,000	99,240	0	129,990
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	3,750	0	99,490	0	103,240
2021-2022 Projected Budget	0	3,750	0	99,740	0	103,490
2022-2023 Projected Budget	0	3,750	0	100,000	0	103,750
2023-2024 Projected Budget	0	3,750	0	100,270	0	104,020

296.759 SENIOR CENTER	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	190,150	5,630	0	241,930	0	437,710
2016-2017 Actual	182,290	8,020	0	262,580	0	452,890
2017-2018 Actual	189,150	9,760	0	269,620	56,310	524,840
2018-2019 Original Budget	193,450	10,500	0	265,960	57,100	527,010
2018-2019 Adjusted Budget (Dec)	193,450	10,500	0	265,960	57,100	527,010
2018-2019 Six Month Actual	85,060	2,110	0	134,620	42,210	264,000
2018-2019 Estimated Year End	203,590	11,700	0	250,350	57,100	522,740
2019-2020 Dept Request	219,290	8,000	0	201,090	57,100	485,480
2019-2020 Manager's Budget	219,290	8,000	0	201,090	57,100	485,480
2019-2020 Adopted Budget						
2020-2021 Projected Budget	225,960	8,000	0	203,010	57,100	494,070
2021-2022 Projected Budget	232,840	8,000	0	204,980	56,100	501,920
2022-2023 Projected Budget	239,940	8,000	0	207,000	57,100	512,040
2023-2024 Projected Budget	247,260	8,000	0	209,070	56,100	520,430

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Senior Center		Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	
<u>Full-Time Positions</u>										
Coordinator of Sr Citizen Activity	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Sr Citizen Program Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Full-time total	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
<u>Part-Time Positions (FTEs)</u>										
Part-time positions	3.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Cost center total	4.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	

The mission of the animal shelter is to provide a safe haven for animals lost or given up by their owners; to reunite lost animals with their human companions; and to provide the best possible adoptions of available animals into the home best suited to their personalities.

The Royal Oak Animal Shelter is operated as a city service under management of the Royal Oak Police Department.

The shelter charges fees for its services including rent and spay/neutering costs. This covers some of the cost of operation. Donations both direct and through the ROOTS foundation make up any difference.

The shelter pays for limited part-time help and trains volunteers to work with and care for all animals throughout their stay. The shelter uses its own internet website as an excellent way to seek situations for animals considered suitable for pets.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Dog pound fees and sales are budgeted to increase relative to the original fiscal year 2019-20 budget as efforts to focus on fundraising during fiscal year 2018-19 were made a priority and will continue to be a priority. Approximately \$62,000 of fund balance as a revenue source.

Part-time wages are decreasing approximately \$16,000 relative to the projected fiscal year 2019-20 wages due to necessary budget reductions.

Project fiscal year 2018-19 and recommended budget fiscal year 2019-20 will utilize nearly the entire fund balance for this fund. The forecast illustrates that expenditures will need to decrease significantly (or revenues increase to cover expenditures) as the fund is not legally allowed to operate in a deficit.

The budget does not include the animal shelter drive repaving in the amount of \$45,000.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	64,109	43,309	2,169	4,219	4,419	2,729
Revenues and transfers from other funds	123,370	87,020	87,020	87,020	87,020	87,020
Expenditures and transfers to other funds	144,170	128,160	84,970	86,820	88,710	90,660
Net Change in Fund Balance	(20,800)	(41,140)	2,050	200	(1,690)	(3,640)
Ending Fund Balance	43,309	2,169	4,219	4,419	2,729	(911)

Revenues

297.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	15,830	44,140	840	12,580	73,390
2016-2017 Actual	0	0	13,260	43,750	550	23,920	81,480
2017-2018 Actual	0	0	11,340	63,760	1,000	15,000	91,100
2018-2019 Original Budget	0	0	12,000	50,500	0	15,000	77,500
2018-2019 Adjusted Budget (Dec)	0	0	12,000	50,500	0	15,000	77,500
2018-2019 Six Month Actual	0	0	16,730	66,170	20	7,030	89,950
2018-2019 Estimated Year End	0	0	26,000	87,000	1,370	9,000	123,370
2019-2020 Dept Request	0	0	18,000	60,000	20	9,000	87,020
2019-2020 Manager's Budget	0	0	18,000	60,000	20	9,000	87,020
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	18,000	60,000	20	9,000	87,020
2021-2022 Projected Budget	0	0	18,000	60,000	20	9,000	87,020
2022-2023 Projected Budget	0	0	18,000	60,000	20	9,000	87,020
2023-2024 Projected Budget	0	0	18,000	60,000	20	9,000	87,020

Expenditures

297.430 ANIMAL SHELTER	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	41,080	2,680	0	45,310	0	89,070
2016-2017 Actual	39,610	2,120	0	42,650	0	84,380
2017-2018 Actual	46,630	1,910	0	51,120	0	99,660
2018-2019 Original Budget	69,550	5,000	0	52,620	0	127,170
2018-2019 Adjusted Budget (Dec)	69,550	5,000	0	52,620	0	127,170
2018-2019 Six Month Actual	42,010	2,990	0	22,880	0	67,880
2018-2019 Estimated Year End	89,570	7,000	0	47,600	0	144,170
2019-2020 Dept Request	72,560	6,000	0	49,600	0	128,160
2019-2020 Manager's Budget	72,560	6,000	0	49,600	0	128,160
2019-2020 Adopted Budget						
2020-2021 Projected Budget	74,370	6,000	(45,000)	49,600	0	84,970
2021-2022 Projected Budget	76,220	6,000	(45,000)	49,600	0	86,820
2022-2023 Projected Budget	78,110	6,000	(45,000)	49,600	0	88,710
2023-2024 Projected Budget	80,060	6,000	(45,000)	49,600	0	90,660

Cost Center Position Detail - Home Base

Part-Time Employees

Animal Protection Services		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total		1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The police grants fund accounts for the receipt and disbursement of all police grants and forfeitures.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Revenues are down due to grant funds received through the U.S. Department of Homeland Security grant program for a police roadblock barricade and forfeiture sharing funds received from participating in the federal Narcotics Enforcement Team (NET) during fiscal year 2018-19 that are not projected to reoccur during fiscal year 2019-20. There is also approximately a 50% decrease in ACT 251 drug forfeitures projected for fiscal year 2018-19.

A \$1,200,000 transfer to the ROCC capital project fund to cover eligible expenditures related to the new police station is budgeted for fiscal year 2019-20.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	1,239,827	1,460,567	280,847	245,307	205,807	162,207
Revenues and transfers from other funds	605,460	247,000	195,000	195,000	195,000	195,000
Expenditures and transfers to other funds	384,720	1,426,720	230,540	234,500	238,600	242,840
Net Change in Fund Balance	220,740	(1,179,720)	(35,540)	(39,500)	(43,600)	(47,840)
Ending Fund Balance	1,460,567	280,847	245,307	205,807	162,207	114,367

Revenues

298.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	240,560	0	10,550	2,670	0	253,780
2016-2017 Actual	0	273,550	49,560	16,310	1,140	0	340,560
2017-2018 Actual	0	413,810	54,700	42,210	1,160	0	511,880
2018-2019 Original Budget	0	203,000	53,000	13,000	0	0	269,000
2018-2019 Adjusted Budget (Dec)	0	203,000	53,000	13,000	0	0	269,000
2018-2019 Six Month Actual	0	282,930	12,360	21,430	98,000	0	414,720
2018-2019 Estimated Year End	0	412,910	53,000	41,540	98,010	0	605,460
2019-2020 Dept Request	0	165,000	54,000	28,000	0	0	247,000
2019-2020 Manager's Budget	0	165,000	54,000	28,000	0	0	247,000
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	113,000	54,000	28,000	0	0	195,000
2021-2022 Projected Budget	0	113,000	54,000	28,000	0	0	195,000
2022-2023 Projected Budget	0	113,000	54,000	28,000	0	0	195,000
2023-2024 Projected Budget	0	113,000	54,000	28,000	0	0	195,000

Expenditures

298.301 POLICE GRANTS/RESTRICTED MONIES	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	66,010	11,950	15,490	49,110	0	142,560
2016-2017 Actual	89,250	5,630	30,850	187,180	0	312,910
2017-2018 Actual	128,330	3,700	0	70,530	0	202,560
2018-2019 Original Budget	135,230	0	0	133,770	0	269,000
2018-2019 Adjusted Budget (Dec)	135,230	0	0	133,770	0	269,000
2018-2019 Six Month Actual	70,250	6,030	98,000	35,500	0	209,780
2018-2019 Estimated Year End	174,610	9,670	98,000	102,440	0	384,720
2019-2020 Dept Request	157,940	7,400	0	1,261,410	0	1,426,750
2019-2020 Manager's Budget	157,910	7,400	0	1,261,410	0	1,426,720
2019-2020 Adopted Budget						
2020-2021 Projected Budget	161,730	7,400	0	61,410	0	230,540
2021-2022 Projected Budget	165,690	7,400	0	61,410	0	234,500
2022-2023 Projected Budget	169,790	7,400	0	61,410	0	238,600
2023-2024 Projected Budget	174,030	7,400	0	61,410	0	242,840

The miscellaneous grants fund accounts for city grants, receipts and disbursements (except for grants that are recorded in a fund that is already dedicated).

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

There are no significant notes for this fund.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	132,467	133,117	133,717	134,317	134,917	135,517
Revenues and transfers from other funds	294,100	600	600	600	600	600
Expenditures and transfers to other funds	293,450	0	0	0	0	0
Net Change in Fund Balance	650	600	600	600	600	600
Ending Fund Balance	133,117	133,717	134,317	134,917	135,517	136,117

Revenues

299.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	71,130	0	42,310	0	130,000	243,440
2016-2017 Actual	0	67,760	0	310	0	344,430	412,500
2017-2018 Actual	0	22,950	0	720	0	11,250	34,920
2018-2019 Original Budget	0	220,000	0	0	0	54,000	274,000
2018-2019 Adjusted Budget (Dec)	0	292,110	0	0	0	57,880	349,990
2018-2019 Six Month Actual	0	162,270	0	450	0	57,880	220,600
2018-2019 Estimated Year End	0	235,720	0	500	0	57,880	294,100
2019-2020 Dept Request	0	0	0	600	0	0	600
2019-2020 Manager's Budget	0	0	0	600	0	0	600
2019-2020 Adopted Budget							
2020-2021 Projected Budget	0	0	0	600	0	0	600
2021-2022 Projected Budget	0	0	0	600	0	0	600
2022-2023 Projected Budget	0	0	0	600	0	0	600
2023-2024 Projected Budget	0	0	0	600	0	0	600

Expenditures

299 MULTIPLE COST CENTERS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	36,570	6,000	0	42,570
2016-2017 Actual	650	0	98,180	408,640	0	507,470
2017-2018 Actual	1,240	0	4,560	34,630	0	40,430
2018-2019 Original Budget	71,870	0	227,000	680	0	299,550
2018-2019 Adjusted Budget (Dec)	147,850	0	227,000	680	0	375,530
2018-2019 Six Month Actual	4,900	0	0	303,160	0	308,060
2018-2019 Estimated Year End	11,460	0	0	281,990	0	293,450
2019-2020 Dept Request	0	0	0	0	0	0
2019-2020 Manager's Budget	0	0	0	0	0	0
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	0	0	0
2021-2022 Projected Budget	0	0	0	0	0	0
2022-2023 Projected Budget	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0

The mission of the Royal Oak Brownfield Redevelopment Authority (BRA) is to encourage the redevelopment of eligible “brownfield” properties by providing financial assistance for remediation of environmental contamination at such properties.

The Brownfield Redevelopment Act 381 of 1996, (as amended) provides for creative financing with economic and environmental benefit. The Act allows for a municipality to adopt plans, capture incremental local and school property taxes from redeveloped contaminated properties to pay for the environmental clean-up costs associated with those properties.

The BRA meets on an as-needed basis to review applications for new brownfield plans. Once an application is received by the planning department, a meeting of the BRA is scheduled as soon as possible, pending publication of required public hearing notices

required by state law. The BRA then meets to review each plan and submits a recommendation to the city commission.

The City of Royal Oak currently has thirteen (13) active brownfield plans: 802 S. Main St. [Huntington Bank]; 3213 Rochester Rd. [North Oaks Dental]; 3380 Greenfield Rd. [7 Eleven]; 426 E. Lincoln Ave. [LSL Planning / Safe Built]; 520 N. Main St. [Genisys Credit Union]; 25766 Woodward Ave. [Kramar Jewelry]; 30712 Woodward Ave. [Starbucks]; 1210 to 1260 Diamond Ct. [33 on Harrison Lofts]; 1210 to 1232 Morse Ave. [Harrison Lofts]; 2200 E. 12 Mile Rd. [Kroger]; 31786 Woodward Ave. [Shell / Barrel & Vines]; 30901 to 30995 Woodward Ave. [Woodward Corners by Beaumont]; and 1112 S. Washington Ave. [Urbane on Harrison Apartments].

GOALS

- Encourage the redevelopment of blighted and contaminated property.
- Process applications for new brownfield plans and reimbursement requests for existing plans in a timely fashion.
- Work with the city treasurer and finance departments to ensure tax increment revenues for each brownfield plan are correctly accounted for and properly credited.
- Continue capture of tax increment revenues until each brownfield plan expires to create revolving loan fund.

OBJECTIVES

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	291,443	770,923	1,226,253	1,690,103	2,153,953	2,617,803
Revenues and transfers from other funds	638,830	640,300	640,300	640,300	640,300	640,300
Expenditures and transfers to other funds	159,350	184,970	176,450	176,450	176,450	176,450
Net Change in Fund Balance	479,480	455,330	463,850	463,850	463,850	463,850
Ending Fund Balance	770,923	1,226,253	1,690,103	2,153,953	2,617,803	3,081,653

Revenues

243.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	33,740	0	0	490	0	0	34,230
2016-2017 Actual	119,710	0	0	1,420	0	0	121,130
2017-2018 Actual	434,450	0	0	4,180	0	0	438,630
2018-2019 Original Budget	338,270	0	0	2,000	0	0	340,270
2018-2019 Adjusted Budget (Dec)	338,270	0	0	2,000	0	0	340,270
2018-2019 Six Month Actual	469,760	0	0	6,690	0	0	476,450
2018-2019 Estimated Year End	625,830	0	0	13,000	0	0	638,830
2019-2020 Dept Request	627,300	0	0	13,000	0	0	640,300
2019-2020 Manager's Budget	627,300	0	0	13,000	0	0	640,300
2019-2020 Adopted Budget							
2020-2021 Projected Budget	627,300	0	0	13,000	0	0	640,300
2021-2022 Projected Budget	627,300	0	0	13,000	0	0	640,300
2022-2023 Projected Budget	627,300	0	0	13,000	0	0	640,300
2023-2024 Projected Budget	627,300	0	0	13,000	0	0	640,300

Expenditures

243.729 BROWNFIELD REDEVELOPMENT AUTH	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	26,750	0	26,750
2016-2017 Actual	0	0	0	36,750	0	36,750
2017-2018 Actual	0	0	0	324,000	0	324,000
2018-2019 Original Budget	0	0	0	340,270	0	340,270
2018-2019 Adjusted Budget (Dec)	0	0	0	340,270	0	340,270
2018-2019 Six Month Actual	0	0	0	4,090	0	4,090
2018-2019 Estimated Year End	0	0	0	159,350	0	159,350
2019-2020 Dept Request	0	0	0	184,970	0	184,970
2019-2020 Manager's Budget	0	0	0	184,970	0	184,970
2019-2020 Adopted Budget						
2020-2021 Projected Budget	0	0	0	176,450	0	176,450
2021-2022 Projected Budget	0	0	0	176,450	0	176,450
2022-2023 Projected Budget	0	0	0	176,450	0	176,450
2023-2024 Projected Budget	0	0	0	176,450	0	176,450

The DDA's mission is to promote economic growth and revitalization in downtown Royal Oak. The DDA will accomplish this mission by (1) improving and maintaining a solid and user-friendly infrastructure; (2) marketing downtown Royal Oak to consumers and businesses and; (3) encouraging preservation of Royal Oak's downtown. By fulfilling its mission, the DDA will enhance the viability of not only the downtown, but the entire City of Royal Oak.

The authority is authorized by the city to impose an ad valorem tax on all taxable property in the downtown district for the purposes provided by Act 197 of 1975. The tax cannot exceed two mills on the value of taxable property in the downtown district. The levy is proposed at its authorized Headlee maximum.

Tax incremental financing (TIF) allows an authority like the DDA, to "capture" incremental tax revenues that result from growth in the district.

The City of Royal Oak Downtown Development Authority is under the supervision and control of a board consisting of the city manager and eight or ten members as determined by the city commission. Members are appointed by the city manager, subject to approval by the city commission.

The authorities goals are to pay into the debt retirement fund, for all outstanding series of bonds issued pursuant to the plan; establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan; to provide the initial stage and second stage public improvements costs that are not financed from the proceeds of bonds; pay administrative and operating costs of the DDA; to acquire property, clear land, make preliminary plans, and improvements necessary for the development of the development area.

The development plan, created by the downtown development authority, prioritizes needed physical improvements like façade improvements, buildings, parking lots and decks, streetscapes, and infrastructure.

Additionally, marketing themes have been developed to enhance the renewed physical appearance. These include advertising, signage and banners, street lighting, tree and floral arrangements. This fund provides extra police officers for the district to enhance existing public safety efforts.

Additional funding for improvements can come from the block grant program, and other state and federal programs.

GOALS

1. Downtown safety goal: to protect the residents, businesses and visitors of downtown Royal Oak.
2. Downtown promotion goal: to promote downtown Royal Oak as a premier destination for shopping, dining, entertainment, living and working.

OBJECTIVES

- Develop a downtown plan which enumerates our collective vision for Downtown Royal Oak and addresses business development, liquor license policy, special events, land use, office space, hotels and downtown parks.^{GOAL1}
- Continue the funding of three downtown police officers.^{GOAL1}

GOALS

3. Downtown infrastructure goal: to provide a downtown that is clean and well maintained.
4. Downtown development goal: to encourage development in downtown through programs and TIF reimbursement.
5. Downtown parking goal: to provide adequate and safe parking for downtown residents, employees and visitors.
6. Downtown public goal: to keep the public informed of the DDA's activities.

OBJECTIVES

- Expand the marketing of downtown. Prepare and distribute a “request for proposals, RFP” in order to hire a company that would prepare a public relations/marketing plan for the downtown. GOAL2
- Create event management strategy. Prepare and distribute a “request for proposals, RFP” in order to hire a company that would develop and coordinate the annual Spooktacular and Holiday events. GOAL2
- Update the website. Prepare and distribute a “request for proposals, RFP” in order to hire firm that will complete update. GOAL2
- Support and encourage downtown events that measurably contribute to the improvement of business through both financial commitments and direct participation. Establish a formal process to evaluate requests for funds and outcomes. GOAL1
- Expand marketing efforts of the façade improvement program to downtown property owners and businesses. GOAL1
- Continue to provide downtown maintenance/enhancement services. GOAL3
- Create downtown city park. Provide financial support for Royal Oak Civic Center proposed park. GOAL2
- Work with the library to enhance the north entrance from 11 Mile Road. GOAL3
- Continue to complete streetscape improvements and repairs. Create an improvement program for public alleys in the downtown. GOAL3
- Investigate and improve streetscape design elements and components, including light fixtures, tree grates and other technology improvements. GOAL2

GOALS

OBJECTIVES

- Complete implementation of Wayfinding Program. ^{GOAL2}
- Fund the purchase and installation of holiday lights downtown. ^{GOAL2}
- Reimburse TIF revenue to approved development projects. ^{GOAL4}
- Identify and improve targeted business base. ^{GOAL4}
- Identify ways to Improve Customer Base; such as “cohesive business hours”. ^{GOAL4}
- Continue to provide funding to cover the 2nd Street parking structure(s) annual debt service. ^{GOAL5}
- Evaluate parking supply versus demand to determine if all areas of downtown are adequately served by convenient/sufficient parking. ^{GOAL5}
- Investigate and monitor technology enhancements that could improve the downtown parking system. ^{GOAL5}
- Purchase revenue producing property. ^{GOAL4}
- Hold monthly DDA board meetings. ^{GOAL6}
- Continue to communicate with stakeholders of the downtown. ^{GOAL6}
- Continue to support temporary street closings for special events downtown. ^{GOAL2}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

DDA TIF: Personnel costs are increasing due to the potential for newer employees (who are not at the top of their pay range) to receive wage increases.

Miscellaneous contracted services include a budget for the following: downtown maintenance \$340,000, holiday lights \$315,000, EMC signs \$200,000, alley improvement program \$300,000, decorative street light upgrades/LED \$1,000,000, replacement brick pavers \$150,000, northside library improvements \$50,000, traffic signal replacement to mast arm style \$1,236,000 and build out of the lower level space at the Center Street parking structure.

\$1,237,000 is being transferred to the general fund. \$737,000 is to fund the downtown park portion of the ROCC debt payment and \$500,000 one-time transfer to help fund the police station/city hall project utilities. \$540,000 annually continues to be transferred out to fund extra police services in the downtown. \$582,560 is budgeted to be transferred to the auto parking fund to pay a portion of the Center Street structure debt.

The forecast shows the fund balance growing should the distributions/expenditures not increase by \$2 million annually.

DDA millage fund: There are no significant changes in this fund.

Budget Summary

DDA Development Fund

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	5,303,533	6,348,073	3,123,983	4,913,143	7,045,833	9,225,353
Revenues and transfers from other funds	4,103,600	4,850,000	5,195,140	5,543,730	5,595,810	5,648,410
Expenditures and transfers to other funds	3,059,060	8,074,090	3,405,980	3,411,040	3,416,290	3,421,720
Net Change in Fund Balance	1,044,540	(3,224,090)	1,789,160	2,132,690	2,179,520	2,226,690
Ending Fund Balance	6,348,073	3,123,983	4,913,143	7,045,833	9,225,353	11,452,043

Development Revenues

247.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	3,191,760	0	0	44,980	21,310	100,000	3,358,050
2016-2017 Actual	3,341,500	0	0	38,170	94,000	178,300	3,651,970
2017-2018 Actual	3,459,920	0	0	21,870	2,429,430	100,000	6,011,220
2018-2019 Original Budget	3,450,000	0	0	20,000	0	100,000	3,570,000
2018-2019 Adjusted Budget (Dec)	3,450,000	0	0	20,000	0	100,000	3,570,000
2018-2019 Six Month Actual	2,815,290	0	0	65,880	5,800	0	2,886,970
2018-2019 Estimated Year End	3,780,000	0	0	216,560	7,040	100,000	4,103,600
2019-2020 Dept Request	4,514,000	0	0	236,000	0	100,000	4,850,000
2019-2020 Manager's Budget	4,514,000	0	0	236,000	0	100,000	4,850,000
2019-2020 Adopted Budget							
2020-2021 Projected Budget	4,859,140	0	0	236,000	0	100,000	5,195,140
2021-2022 Projected Budget	5,207,730	0	0	236,000	0	100,000	5,543,730
2022-2023 Projected Budget	5,259,810	0	0	236,000	0	100,000	5,595,810
2023-2024 Projected Budget	5,312,410	0	0	236,000	0	100,000	5,648,410

Development Expenditures

247.729 DDA/TIFA	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2015-2016 Actual	121,900	0	0	1,192,150	2,137,600	0	3,451,650
2016-2017 Actual	141,590	0	0	1,072,070	1,115,980	0	2,329,640
2017-2018 Actual	161,390	0	0	1,016,270	1,342,500	0	2,520,160
2018-2019 Original Budget	110,130	0	0	1,602,020	1,857,790	0	3,569,940
2018-2019 Adjusted Budget (Dec)	110,130	0	0	1,602,020	1,857,790	0	3,569,940
2018-2019 Six Month Actual	61,270	0	0	690,730	738,880	0	1,490,880
2018-2019 Estimated Year End	182,840	0	0	1,018,180	1,858,040	0	3,059,060
2019-2020 Dept Request	184,060	0	0	5,530,470	2,359,560	0	8,074,090
2019-2020 Manager's Budget	184,060	0	0	5,530,470	2,359,560	0	8,074,090
2019-2020 Adopted Budget							
2020-2021 Projected Budget	188,950	0	0	1,357,470	1,859,560	0	3,405,980
2021-2022 Projected Budget	194,010	0	0	1,357,470	1,859,560	0	3,411,040
2022-2023 Projected Budget	199,260	0	0	1,357,470	1,859,560	0	3,416,290
2023-2024 Projected Budget	204,690	0	0	1,357,470	1,859,560	0	3,421,720

Budget Summary

DDA Operating Fund

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	138,367	105,907	97,067	88,437	81,327	74,467
Revenues and transfers from other funds	53,500	53,500	54,750	57,340	58,690	58,690
Expenditures and transfers to other funds	85,960	62,340	63,380	64,450	65,550	66,680
Net Change in Fund Balance	(32,460)	(8,840)	(8,630)	(7,110)	(6,860)	(7,990)
Ending Fund Balance	105,907	97,067	88,437	81,327	74,467	66,477

DDA Operating Revenues

248.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	50,560	0	0	670	0	0	51,230
2016-2017 Actual	49,930	0	0	900	10	3,040	53,880
2017-2018 Actual	50,140	0	0	1,150	0	0	51,290
2018-2019 Original Budget	55,000	0	0	500	0	0	55,500
2018-2019 Adjusted Budget (Dec)	55,000	0	0	500	0	0	55,500
2018-2019 Six Month Actual	40,730	0	0	1,720	0	0	42,450
2018-2019 Estimated Year End	50,000	0	0	3,500	0	0	53,500
2019-2020 Dept Request	50,000	0	0	3,500	0	0	53,500
2019-2020 Manager's Budget	50,000	0	0	3,500	0	0	53,500
2019-2020 Adopted Budget							
2020-2021 Projected Budget	51,250	0	0	3,500	0	0	54,750
2021-2022 Projected Budget	52,530	0	0	3,500	0	0	56,030
2022-2023 Projected Budget	53,840	0	0	3,500	0	0	57,340
2023-2024 Projected Budget	55,190	0	0	3,500	0	0	58,690

DDA Operating Expenditures

248.729 DDA/TIFA	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	30,290	210	0	8,410	0	38,910
2016-2017 Actual	31,430	1,620	0	4,730	0	37,780
2017-2018 Actual	19,040	3,090	0	23,800	0	45,930
2018-2019 Original Budget	40,720	2,500	0	14,740	0	57,960
2018-2019 Adjusted Budget (Dec)	40,720	2,500	0	14,740	0	57,960
2018-2019 Six Month Actual	8,650	430	0	1,790	0	10,870
2018-2019 Estimated Year End	35,960	0	0	50,000	0	85,960
2019-2020 Dept Request	43,640	2,500	0	16,200	0	62,340
2019-2020 Manager's Budget	43,640	2,500	0	16,200	0	62,340
2019-2020 Adopted Budget						
2020-2021 Projected Budget	44,680	2,500	0	16,200	0	63,380
2021-2022 Projected Budget	45,750	2,500	0	16,200	0	64,450
2022-2023 Projected Budget	46,850	2,500	0	16,200	0	65,550
2023-2024 Projected Budget	47,980	2,500	0	16,200	0	66,680

Cost Center Position Detail - Home Base

Full & Part-Time Employees

DDA/TIFA		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		n/a	0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total		n/a	0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a



Debt Service Funds

Debt Service funds are funds established to finance and account for the payment of interest and principal on all tax supported debt, serial and term, including that payable for special assessments.

Description of Long-Term Debt	ROCC Debt Service Fund – 350
General Obligation Debt Fund – 301	Legal Debt Margin
Court Building Debt Service Fund – 303	.

Description of Long-Term Debt

As of May 1, 2019, the City of Royal Oak has 18 outstanding bond debt issues and contracts totaling \$218 million. Michigan statute limits general obligation debt to ten percent (\$345,751,645) of state equalized value and a five percent limit for capital improvement bonds. Our exempt debt of \$41,509,174 leaves approximately \$169.2 million of additional bond debt that can be incurred. These bonds and contract terms are summarized as follows:

Primary Government

Building Authority – Public Act 31 of 1948 (First Extra Session)

Act 31 provides for an authority to issue bonds to build and equip various public buildings, which are then leased to the city. Proceeds from these leases are used to repay the bonds. The collection of lease payments, payment of interest and retirement of debt is reflected in the respective Debt Service or Proprietary fund.

On Oct. 11, 2001, the City of Royal Oak Building Authority issued \$9,000,000 of bonds, series 2001A (unlimited tax general obligation), pursuant to a special election on May 15, 2001. The proceeds were used to construct and equip a new fire station, and remodel and equip existing fire stations. These 20-year bonds have interest rates that range from 3.750 percent to 5.000 percent. The city was obligated to pay interest commencing March 1, 2002 and semiannually thereafter. The first principal payment was due Sept. 1, 2002 and due annually Sept. 1 through 2021. In Aug. 2012, the city performed an advanced refunding of the Series 2001A, now Series 2012. This refunding created a net present value savings of \$614,000. The term of the payments did not change.

On June 2, 2005, the City of Royal Oak Building Authority issued \$3,700,000 of bonds, series 2005 (general obligation limited tax). The proceeds were used to remodel,

renovate, equip and furnish the city library building. These 18-year bonds have interest rates that range from 3.000 percent to 4.250 percent. Library fund revenue is used to pay the debt service. The city is obligated to pay interest commencing Dec. 1, 2005 and semiannually thereafter. The first principal payment was due June 1, 2006 and due annually June 1 through 2023. In Nov. 2014, the city performed an advanced refunding, issuing capital improvement refunding bonds, series 2014 with a 2.3 percent interest rate. This refunding created a net present value savings of \$104,000. The term of the payments did not change.

Capital Improvement Bonds – Revised Municipal Finance Act, Public Act 34 of 2001, Part V

Act 34 permits the issuance of bonds for the purpose of paying the cost of capital improvements.

On March 15, 2006, the City of Royal Oak issued \$4,325,000 of capital improvement bonds, series 2006A (general obligation limited tax) to finance capital improvements to the city's water and sewer systems and other items. The city used the net proceeds exclusively to finance improvements to the water and sewer system, which is responsible for all debt service payments. These 20-year bonds have interest rates ranging from 3.500 percent to 4.300 percent. The city is obligated to pay interest commencing Nov. 1, 2006 and semiannually thereafter. The first principal payment was due May 1, 2007 and was due through May 1, 2026. In March 2016, these bonds were refunded at 1.9 percent true interest cost providing a net present value savings of \$295,028. And now part of the capital improvement refunding bonds, series 2016.

On April 26, 2006, the City of Royal Oak Building Authority issued \$11,100,000 of capital improvement refunding bonds, series 2006B (general obligation limited tax), with

interest rates that range from 4.000 percent to 4.375 percent. The net proceeds were used to advance refund 1999 prior (44th District Court building) bonds for the years 2010 through 2024 in the amount of \$5,475,000, and the 2001 prior (parking structure) bonds for the years 2012 through 2026 in the amount of \$8,185,000. The proceeds were used to purchase U.S. Certificates of Indebtedness – State and Local Government Securities (SLGS). Those securities were deposited into an irrevocable trust with an escrow agent and subsequently used to pay off the bonds, including call premiums on June 1, 2009 and May 1, 2011 respectively. Accordingly, the refunded bonds are no longer reported on the city's financial statements. The advance refunding reduced the total debt payments over the next 20 years by approximately \$310,090 which represents an economic gain of \$198,175. The new bonds will bear interest payable commencing Nov. 1, 2006 and semiannually thereafter. The first principal payment was due May 1, 2008 and was due annually May 1 through 2026. In March 2016, these bonds were refunded at 1.8 percent true interest cost, providing a net present value savings of \$871,950. And now part of the capital improvement refunding bonds, series 2016.

On Nov. 15, 2007, the City of Royal Oak issued \$2,645,000 of capital improvement bonds, series 2007A (general obligation limited tax) to finance a vehicle purchase project. The city used approximately \$1,970,000 to acquire five fire trucks, \$500,000 for two ambulance rescue vehicles and \$175,000 for two dump truck bodies. These 12-year serial bonds have interest at 4.0 percent. The city is obligated to pay interest commencing May 1, 2008 and semiannually thereafter. The first principal payment was due Oct. 1, 2008 and will continue to be due Oct. 1 until 2019.

In September 1997, the City of Royal Oak and the Oakland County Drain Commission (currently Water Resources Commission) entered into an agreement whereby the city

contracted to pay \$1,710,691 of Garfield drain refunding revenue bonds, series 1997, with interest rates that range from 5.000 percent to 5.125 percent. Repayment is made from net revenues of the water and sewer fund. These bonds bear interest payable commencing April 1, 1998 and semiannually thereafter. The first principal payment was due Oct. 1, 1998 and due annually Oct. 1 through 2017.

On Dec. 11, 2008, the City of Royal Oak sold \$11,825,000 of capital improvement bonds, series 2008 (general obligation limited tax) with interest rates that range from 4.000 percent to 6.250 percent. The bonds finance projects in three funds: auto parking \$7,250,000 (\$5,481,000 to purchase & develop the 600-700 S. Main Street property and to improve other decks and lots, plus \$1,550,000 to acquire the 225 S. Troy Street property); water and sewer \$3,270,000 for infrastructure improvements; and motor pool \$1,305,000 (\$650,000 to purchase vehicles and \$620,000 to repave the DPS yard); plus related costs. These bonds bear interest payable commencing May 1, 2009 and semiannually thereafter. The first principal payment is due annually Oct. 1, 2009 through 2028. In March 2016, these bonds were advance refunded at a true interest cost of 2.32 percent providing a net present value savings of \$1,086,758. And now a part of the Capital Improvement Refunding Bonds, Series 2016.

On Jan. 31, 2017 the City of Royal Oak sold \$106,040,000 of taxable limited tax general obligation bonds, series 2017-A (OPEB). The sale closed on February 21, 2017. The bond proceeds were used to fund the entire unfunded actuarial accrued liability of the city's defined benefit retiree healthcare plan as of June 30, 2016. The term of the bonds is 21 years with the last maturity due on Oct. 1, 2037. The bonds bear interest rates between 1.163 percent to 4.524 percent, with a true interest rate of 4.082 percent. The city is obligated to pay interest commencing on October 1, 2017 and semiannually thereafter. The first principal payment is due on Oct. 1,

2017. It is intended that numerous funds will contribute toward the debt service payments based upon the fund in which the legacy cost was incurred.

On Jan. 31, 2017 the City of Royal Oak sold \$20,570,000 of taxable limited tax general obligation bonds, series 2017-A (pension). The sale closed on Feb. 21, 2017. The bond proceeds were used to fund the entire general employees' unfunded actuarial accrued liability of the city's defined benefit pension plan as of June 30, 2016. The term of the bonds is 21 years with the last maturity due on Oct. 1, 2037. The bonds bear interest rates between 1.163 percent to 4.524 percent, with a true interest rate of 4.082 percent. The city is obligated to pay interest commencing on Oct. 1, 2017 and semiannually thereafter. The first principal payment is due on October 1, 2017. It is intended that numerous funds will contribute toward the debt service payments based upon the fund in which the legacy cost was incurred.

On Sept. 12, 2017, the City of Royal Oak sold \$8,500,000 of tax-exempt general obligation limited tax bonds, series 2017. The bond proceeds were used to fund capital improvements to streets within the city. The term of the bonds is 6.5 years with the last maturity due on April 1, 2024. The bonds bear an interest rate of 2.10 percent.

On May 23, 2018, the City of Royal Oak issued \$32,465,000 of limited tax general obligation bonds, series 2018. The bond proceeds will be used to construct a new city hall, police headquarters, and develop a central park. The term of the bonds is 25 years. The first interest payment is Oct. 1, 2018 and the first principal payment is April 1, 2018. A net premium of \$3,018,257 was on these bonds. The issue price of the bonds amounted to \$35,483,257 with the per annum rate of 3.4528%. A true interest cost of 3.825%. There is an optional redemption date of April 1, 2028. Final maturity date is April 1, 2043.

Michigan Municipal Bond Authority Bonds – Public Act 227 of 1985

The MMBA has a variety of financing tools including the broad authority to purchase municipal notes or bonds and bundle them for resale. Among those tools, the MMBA and Michigan Department of Environmental Quality (MDEQ) jointly administer state revolving fund (SRF) and drinking water revolving fund (DWRF) low interest loan programs. The following bonds are paid from net revenues of the water and sewer fund.

On Sept. 29, 1998, the City of Royal Oak and the Michigan Municipal Bond Authority entered into an agreement whereby the city of Royal Oak would issue revenue bonds, and the Michigan Municipal Bond Authority would purchase, up to \$15,800,000 of North Arm Relief Drain bonds, series 1998A (General Obligation Limited Tax). The project built enclosed pipes, expanding and improving the North Relief Arm of the 12 Towns Drainage District, to abate flooding primarily affecting the City of Royal Oak, plus seven other communities and highways therein, controlled by the State of Michigan and Oakland County. The State and County paid cash up front. Based on the interlocal agreement between the City of Royal Oak (the city) and the seven other communities, the city pledges its net water and sewer revenue and pays approximately 49% of the debt service. The city bills approximately 51% to the other communities and collects their payments to pay the debt service. The city is obligated if payments received on contracts with benefiting municipalities are insufficient to meet principal and interest requirements of this debt, when due. The city is obligated to pay interest at 2.25 percent commencing on April 1, 1999 and semiannually thereafter. The first principal payment was due Oct. 1, 2001 and will continue to be due Oct. 1 through 2020.

Since 2000, the Oakland County Drain Commission, predominantly with the MMBA, has initiated multiple financings for the George W. Kuhn Drainage District (GWKDD) to abate

combined sewer overflows from its communities, which includes the City of Royal Oak. The whole retention/treatment facility was estimated to cost \$144 million in 2001. Construction was staged in several contracts. MMBA borrowing draw-downs occur over months or years during construction. The principal payback period is 20 years. The various communities share in GWKDD debt based on the percentage of their contract flow capacity that is about 29 percent for the city. The following eight paragraphs discuss the city's GWKDD contract debt obligations.

On Sept. 30, 2000, the city's share of GWKDD bonds, series A, was issued for \$5,176,386 to the MMBA bearing interest at 2.50 percent. The city is obligated to pay interest commencing April 1, 2001 and semiannually thereafter. The first principal payment was due April 1, 2003 and will continue to be due April 1 until 2022.

On Sept. 28, 2001, the city's share of GWKDD bonds, series C, was issued for \$23,797,479 to the MMBA bearing interest at 2.50 percent. The city is obligated to pay interest commencing April 1, 2002 and semiannually thereafter. The first principal payment was due April 1, 2005 and will continue to be due April 1 until 2024.

On Dec. 20, 2001, the city's share of GWKDD bonds, series D, was issued for up to \$3,170,000 to the MMBA bearing interest at 2.50 percent. The city is obligated to pay interest commencing April 1, 2002 and semiannually thereafter. The first principal payment was due April 1, 2005 and will continue to be due April 1 until 2024.

On Jan. 2, 2002, the city's share of GWKDD bonds, series E, was issued originally for \$2,857,431 bearing market interest rates from 4.00 percent to 5.25 percent. The city is obligated to pay interest commencing April 1, 2001 and semiannually thereafter. The first principal payment was due April 1, 2002 and originally continued to be due April 1 until 2024. On August 1, 2007, bonds maturing

2012 through 2024 were advanced refunded and no longer are shown as debt. Remaining unrefunded bonds were due through April 1, 2012.

On Sept. 22, 2005, the city's share of GWKDD bonds, series 2005 (F), was issued for \$469,002 to the MMBA bearing interest at 1.625 percent. To date, \$390,953 has been drawn as the city's share. The city is obligated to pay interest commencing October 1, 2006 and semiannually thereafter. The first principal payment was due April 1, 2007 and will continue to be due April 1 until 2026.

On Aug. 1, 2007, the city's share of GWKDD Drain (partial B & E) refunding bonds, series 2007 (R), was issued for \$3,607,258, bearing market interest rates from 4.250 percent to 4.375 percent. The refunding bonds advance refunded part of series B and E bonds above. The city is obligated to pay interest commencing Oct. 1, 2007 and semiannually thereafter. The first principal payment was due April 1, 2008 and will continue to be due April 1 until 2024. The city realized a net savings in cash flow of \$176,280 over the life of the bonds for a net economic gain (present value savings) of \$117,311. In February 2016, drain refunding bonds were reissued saving the city \$158,000.

On Sept. 22, 2007, the city's share of GWKDD bonds, series 2007 (G) was issued for up to \$1,765,000 in total to the MMBA, bearing interest at 1.625 percent. Based on \$1,754,260 drawn down by February 9, 2009, the city's share was approximately \$515,923. The city is obligated to pay interest commencing April 1, 2009 and semiannually thereafter. The first principal payment was due April 1, 2009 and will continue to be due April 1 until 2026.

On Sept. 22, 2008, the city's share of 5 GWKDD bonds, Series 2008 (H) was issued for up to \$2,260,136 in total to the MMBA, bearing interest at 2.500 percent. Based on \$4,057,179 drawn down by April 2, 2009, the city's share was approximately \$1,183,205.

Debt Service Funds – Description of Long-Term Debt

The city is obligated to pay interest commencing April 1, 2009 and semiannually thereafter. The first principal payment was due April 1, 2010 and will continue to be due April 1 until 2029. This is expected to be the final funding for the GWKDD project.

Revenue Bonds – Public Act 94 of 1933

On Dec. 22, 2016 the City of Royal Oak issued \$13,500,000 of Parking System Revenue Bonds, Series 2016. The bond proceeds were used to construct a new parking garage on the land of the former Second Street surface lot. The new structure will be attached to the existing Center Street parking garage. The term of the bonds is 15 years with the last maturity due on Oct. 1, 2031. The bonds have a true interest rate of 3.45%. The city is obligated to pay interest commencing on April 1, 2017 and semiannually thereafter. The first principal payment is due on Oct. 1, 2017.

Parking fee revenue and monies from the Downtown Development Authority are pledged to pay the debt service.

On May 23, 2018, the City of Royal Oak issued \$16,325,000 of Parking System Revenue Bonds – Series 2018. The bond proceeds are used to construct a new parking garage on the land formerly known as the North Williams Street Lot. This garage is titled the 11 Mile Road garage. Parking fee revenue will be pledged to pay the debt service. The term of the bond is 15 years. The bonds were issued as a single registered term bond and mature on Oct. 1, 2033 with first interest payable on Oct. 1, 2018 and semiannually thereafter on April 1 and Oct. 1 of each year at the per annum rate of 3.551%. The true interest cost is also 3.551%.

Budget Summary

GENERAL OBLIGATION DEBT	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	47,799	60,699	36,299	36,899	0	0
Revenues and transfers from other funds	640,970	606,600	631,600	596,101	0	0
Expenditures and transfers to other funds	628,070	631,000	631,000	633,000	0	0
Net Change in Fund Balance	12,900	(24,400)	600	(36,899)	0	0
Ending Fund Balance	60,699	36,299	36,899	0	0	0

Revenues

301.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	618,470	0	0	540	160	0	619,170
2016-2017 Actual	619,990	0	0	600	60	0	620,650
2017-2018 Actual	585,760	0	0	150	0	0	585,910
2018-2019 Original Budget	614,000	0	0	400	0	0	614,400
2018-2019 Adjusted Budget (Dec)	614,000	0	0	400	0	0	614,400
2018-2019 Six Month Actual	604,050	6,700	0	440	0	0	611,190
2018-2019 Estimated Year End	620,000	6,700	0	600	0	0	627,300
2019-2020 Dept Request	600,000	6,000	0	600	0	0	606,600
2019-2020 Manager's Budget	600,000	6,000	0	600	0	0	606,600
2019-2020 Approved Budget							
2020-2021 Projected Budget	631,000	0	0	600	0	0	631,600
2021-2022 Projected Budget	595,501	0	0	600	0	0	596,101
2022-2023 Projected Budget	0	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0	0

Expenditures

301.905 GENERAL OBLIGATION DEBT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	240	626,620	626,860
2016-2017 Actual	0	0	0	0	630,870	630,880
2017-2018 Actual	0	0	0	-	629,600	629,600
2018-2019 Original Budget	0	0	0	-	628,000	628,000
2018-2019 Adjusted Budget (Dec)	0	0	0	-	628,000	628,000
2018-2019 Six Month Actual	0	0	0	-	600,920	600,920
2018-2019 Estimated Year End	0	0	0	-	628,070	628,070
2019-2020 Dept Request	0	0	0	-	631,000	631,000
2019-2020 Manager's Budget	0	0	0	-	631,000	631,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	-	631,000	631,000
2021-2022 Projected Budget	0	0	0	-	633,000	633,000
2022-2023 Projected Budget	0	0	0	-	634,000	634,000
2023-2024 Projected Budget	0	0	0	-	635,000	635,000

Budget Summary

COURT BUILDING DEBT SERVICE	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	0	1,200	1,200	1,200	1,200	1,200
Revenues and transfers from other funds	460,200	466,000	465,000	465,000	465,000	460,000
Expenditures and transfers to other funds	459,000	466,000	465,000	465,000	465,000	460,000
Net Change in Fund Balance	1,200	0	0	0	0	0
Ending Fund Balance	1,200	1,200	1,200	1,200	1,200	1,200

Revenues

303.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	0	0	517,490	517,490
2016-2017 Actual	0	0	0	0	0	463,460	463,460
2017-2018 Actual	0	0	0	0	0	463,400	463,400
2018-2019 Original Budget	0	0	0	0	0	459,000	459,000
2018-2019 Adjusted Budget (Dec)	0	0	0	0	0	459,000	459,000
2018-2019 Six Month Actual	0	0	0	0	490	423,630	424,120
2018-2019 Estimated Year End	0	0	0	0	1,200	459,000	460,200
2019-2020 Dept Request	0	0	0	0	0	466,000	466,000
2019-2020 Manager's Budget	0	0	0	0	0	466,000	466,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	0	0	465,000	465,000
2021-2022 Projected Budget	0	0	0	0	0	465,000	465,000
2022-2023 Projected Budget	0	0	0	0	0	465,000	465,000
2023-2024 Projected Budget	0	0	0	0	0	460,000	460,000

Expenditures

303.905 COURT BUILDING DEBT SERVICE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	0	575,900	575,900
2016-2017 Actual	0	0	0	0	463,470	463,470
2017-2018 Actual	0	0	0	0	463,400	463,400
2018-2019 Original Budget	0	0	0	0	459,000	459,000
2018-2019 Adjusted Budget (Dec)	0	0	0	0	459,000	459,000
2018-2019 Six Month Actual	0	0	0	0	423,630	423,630
2018-2019 Estimated Year End	0	0	0	0	459,000	459,000
2019-2020 Dept Request	0	0	0	0	466,000	466,000
2019-2020 Manager's Budget	0	0	0	0	466,000	466,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	0	465,000	465,000
2021-2022 Projected Budget	0	0	0	0	465,000	465,000
2022-2023 Projected Budget	0	0	0	0	465,000	465,000
2023-2024 Projected Budget	0	0	0	0	460,000	460,000

Budget Summary

ROCC DEBT SERVICE FUND	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	0	0	0	0	0	0
Revenues and transfers from other funds	2,206,000	2,206,000	2,206,000	2,206,000	2,206,000	2,206,000
Expenditures and transfers to other funds	2,206,000	2,206,000	2,206,000	2,206,000	2,206,000	2,206,000
Net Change in Fund Balance	0	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0

Revenues

350.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	0	0	0	0
2016-2017 Actual	0	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0	0
2018-2019 Original Budget	0	0	0	0	0	2,227,000	2,227,000
2018-2019 Adjusted Budget (Dec)	0	0	0	0	0	2,227,000	2,227,000
2018-2019 Six Month Actual	0	0	0	0	0	0	0
2018-2019 Estimated Year End	0	0	0	0	0	2,206,000	2,206,000
2019-2020 Dept Request	0	0	0	0	0	2,206,000	2,206,000
2019-2020 Manager's Budget	0	0	0	0	0	2,206,000	2,206,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	0	0	2,206,000	2,206,000
2021-2022 Projected Budget	0	0	0	0	0	2,206,000	2,206,000
2022-2023 Projected Budget	0	0	0	0	0	2,206,000	2,206,000
2023-2024 Projected Budget	0	0	0	0	0	2,206,000	2,206,000

Expenditures

350.905 ROCC DEBT SERVICE FUND	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	0	0	0
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Original Budget	0	0	0	0	2,227,000	2,227,000
2018-2019 Adjusted Budget (Dec)	0	0	0	-	2,227,000	2,227,000
2018-2019 Six Month Actual	0	0	0	0	534,230	534,230
2018-2019 Estimated Year End	0	0	0	0	2,206,000	2,206,000
2019-2020 Dept Request	0	0	0	0	2,206,000	2,206,000
2019-2020 Manager's Budget	0	0	0	0	2,206,000	2,206,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	0	2,206,000	2,206,000
2021-2022 Projected Budget	0	0	0	0	2,206,000	2,206,000
2022-2023 Projected Budget	0	0	0	0	2,206,000	2,206,000
2023-2024 Projected Budget	0	0	0	0	2,206,000	2,206,000

City's Legal Debt Limit

Section 21 of Article VII of the Michigan Constitution authorizes the enactment of laws for the incorporation of cities and grants cities the power to levy taxes for public purposes, subject to statutory and constitutional limitation:

"The legislature shall provide by general laws for the incorporation of cities and villages. Such laws shall limit their range of as valorem property taxation for municipal purposes and restrict the powers of cities and villages to borrow money and contract debts. Each city and village are granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by the constitution or by law."

IN accordance with the foregoing, the Home Rule City Act, Act 279, Michigan Public Acts, 1909, as amended, limits the amount of debt a home rule city may have outstanding at any time. Section 4-a of the Home Rule City Act provides, in pertinent part:

"Notwithstanding a charter provision to the contrary the net indebtedness incurred for all public purposes shall not exceed the greater of the following:

- (a) 10 percent of the assessed value of all the real and personal property in the city.
- (b) 15 percent of the assessed value of all the real and personal property in the city if that portion of the total amount of indebtedness incurred which exceeds 10 percent is or has been used solely for the construction or renovation of hospital facilities."

The provision of the Home Rule City Act cited above overrides the city's charter provision which limits the city indebtedness to five percent of the "assessed valuation" (SEV) of all real and personal property in the city. Other limitations may apply, however, if specifically set forth in a statute authorizing a particular kind of borrowing.

Certain types of indebtedness are not subject to the 10 percent limitation of the Home Rule City Act, including: special assessment bonds, Michigan transportation fund bonds and revenue bonds, whether secured by a mortgage or not: bonds issued or contract obligations or assessment incurred to comply with an order of the Water Resource Commission of the state or a court of competent jurisdiction; obligations incurred for water supply, sewage, drainage, or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution; and bonds issued for construction, improvements and replacement of a combined sewer overflow abatement facility. The resources of a sinking fund pledged for the retirements of outstanding binds shall also be excluded in compounding debt limitation.

Pursuant to the statutory and constitutional debt provisions set forth above, the following table reflects the amount of additional debt the city may legally incur as of June 2019.

	<u>10% SEV</u>	<u>5% SEV*</u>
2019 State Equalized Value (SEV)	3,457,516,450	3,457,516,450
Debt Limit	345,751,645	172,875,823
Debt Outstanding	218,032,377	218,032,377
Less: Exempt Obligations	(41,509,174)	(161,675,362)
Debt Subject to SEV Limitation	176,523,203	56,357,015
Additional Debt which can be legally incurred	169,228,442	116,518,808
 Non-exempt debt outstanding as a percentage of 2019 SEV	 5.11%	 1.63%
*Capital Improvement Bond Limit		



Capital Improvement Plan

Capital Improvement Summary

ROCC Capital Projects Fund - 450

Capital Projects Fund - 498

Parks Improvement Fund - 499

Street Improvements

Water & Sewer Improvements

Parks & Facilities

Information Technology

Vehicles, Equipment, and Others

What is a Capital Improvement Program?

Capital improvement programming is a long-range study of non-operating wants, needs, expected revenue and policy intentions. It is not a budget but provides the necessary information for prudent budget recommendations. It compares various departments' needs over a period of years with anticipated revenue and puts them in single focus for analytical purposes.

It is not a law such as an annual budget, but a collection of facts, trends, and suggestions available for the guidance of the budget people and the legislative body when budget time arrives. After it is adopted by the legislative body, it is a non-binding assertion of future intent only. For each year, however, when an appropriation for an annual capital budget is adopted as part of the regular budget, it represents that amount which will be used to implement a part of the capital improvement program in the coming year.

One-year or two-year budget studies do not always yield the best long-term policy. Accordingly, they have added five, six, or even ten-year capital improvement planning to their program, wherein the larger and longer-term picture can be anticipated and studied. This kind of capital improvement planning is nothing more than business common sense applied to public monies.

Typically, the function of studying long-term capital improvement trends and needs is done with a single agency or team of agencies. A commonly used team is that of budget, which best knows the details of the annual "facts of life," and engineering which is the closest to the many problems of

providing space and facilities for the ever-changing departments and their equipment. In initiating such a program, a master list of needed improvements is first compiled by the various operating departments to cover, usually, the next six years. The list is studied in the light of the comprehensive plan, comparative needs, and replacement urgencies. The trend of tax rates, revenues from other sources, various financing possibilities, bond retirement and future available funds are considered during the budget process. Finally, a recommended priority listing emerges from combined study of these proposed revenues and expenditures.

By providing this planning and programming of capital improvements, all the preliminary engineering or architectural design can be completed timely. Financing is planned well in advance and the effect of the annual budget is determined. This eliminates hasty decisions brought on by crash programs and provides for well designed, orderly growth or renewal of the city's capital. Good management requires greater physical and financial planning than ever before.

The planning commission adopted the capital improvement plan in March and many of the CIP projects are provided for in this section of the budget document. The CIP projects that the city manager is recommending to move forward are listed in the significant notes section of the budget narrative for each of the funding source's (i.e. water % sewer fund, major street fund, local street fund, auto parking fund, IT, motor pool, etc.).

Budget Summary

ROCC CAPITAL PROJECTS	2018-2019 Estimated Year End	2019-2020 Recommended Budget	2020-2021 Projected Budget	2021-2022 Projected Budget	2022-2023 Projected Budget	2023-2024 Projected Budget
Beginning Fund Balance	36,256,839	29,707,009	6,694,099	0	0	0
Revenues	600,000	300,000	0	0	0	0
Expenditures	12,011,000	24,512,910	6,694,099	0	0	0
Net	(11,411,000)	(24,212,910)	(6,694,099)	0	0	0
Transfers from other funds	4,861,170	1,200,000	0	0	0	0
Net Change in Fund Balance	(6,549,830)	(23,012,910)	(6,694,099)	0	0	0
Ending Fund Balance	29,707,009	6,694,099	0	0	0	0
Fund Balance as a percentage of Expenditures	81.93%	22.53%	0.00%	0.00%	0.00%	0.00%

ROADS, WATER & SEWER CAPITAL PROJECTS	2018-2019 Estimated Year End	2019-2020 Recommended Budget	2020-2021 Projected Budget	2021-2022 Projected Budget	2022-2023 Projected Budget	2023-2024 Projected Budget
Beginning Fund Balance	292,297	0	0	0	0	0
Revenues	2,500	0	0	0	0	0
Expenditures	1,724,790	0	0	0	0	0
Net	(1,722,290)	0	0	0	0	0
Transfers from other funds	1,430,000	0	0	0	0	0
Net Change in Fund Balance	(292,290)	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0
Fund Balance as a percentage of Expenditures	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%

PARKS CAPITAL IMPROVEMENT FUND	2018-2019 Estimated Year End	2019-2020 Recommended Budget	2020-2021 Projected Budget	2021-2022 Projected Budget	2022-2023 Projected Budget	2023-2024 Projected Budget
Beginning Fund Balance	3,750,040	1,611,350	48,920	48,920	48,920	48,920
Revenues	75,000	847,570	0	0	0	0
Expenditures	2,271,150	2,410,000	0	0	0	0
Net	(2,196,150)	(1,562,430)	0	0	0	0
Transfers from other funds	57,460	0	0	0	0	0
Net Change in Fund Balance	(2,138,690)	(1,562,430)	0	0	0	0
Ending Fund Balance	1,611,350	48,920	48,920	48,920	48,920	48,920
Fund Balance as a percentage of Expenditures	42.97%	3.04%	100.00%	100.00%	100.00%	100.00%

Water & Sewer Improvements

CAP1908	14 Mile Rd. Water Main Improvements
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$1,070,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 12" water main along 14 Mile Rd. (Woodward Ave.-Cooper Ave.) and (Mankato Ave.-CN Railroad).	

CAP1910	2019 Water Main Improvements
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$3,748,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along Rockingham Rd. (Woodward Ave.-Kensington Dr.), Blair Ave. (Lincoln Ave.-Sixth St.), Judson Ave. (Elmwood Ave.-Cummings Ave.), and Albert Ave. (Garden Ave.-Harvard Rd.). Replace existing water main with a new 12" water main on Harrison Ave. (Main St.-Batavia Ave.), Normandy Rd. (Woodward Ave.-Normandy Ct.) and Houstonia Ave. (Woodland Ave.-Evergreen Dr.).	

CAP1935	Mossoit Rd. and Nakota Rd. Water Main Improvements
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$832,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along Massoit Rd. (Cresthill Ave.-Hillcrest Ave.) and Nakota Rd. (Briarwood Ave.-Woodland Ave.) in coordination with 2019 millage road reconstruction projects.	

CAP2040	Arden / Sheridan Green Infrastructure Improvements
Project Length: 2019-2021	City Share: 43%
Estimated City Cost: \$251,000	Funding Source: water and sewer fund / MDEQ grant
Impact on the Operating Budget: Reduce inflow into the sewers. Description: Installation of rain gardens at the intersection(s) of Arden Place, Sheridan Dr., and Grandview Rd. to help solve problematic road flooding. Replace existing water main with a new 8" water main on Arden Place. Project is in coordination with road millage reconstruction projects.	
CAP1999	Quality Control Review of Water and Sewer GIS Database
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$76,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Unknown Description: Cleanup of geographic location services ("GIS") databases for water main and sewers within the city. Training of city staff on database software.	
CAP2010	2020 Water Main Improvements
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$3,193,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 12" water main along East Fifth St. (Knowles St.-Alexander Ave.). Replace existing water main with a new 8" water main along Farnum Ave. (Dorchester Ave.-Kenwood Ave.), East Seventh St. (Troy St.-Knowles St.), Longfellow Ave. (Harrison Ave.-Lincoln Ave.), South Altadena Ave. (Lincoln Ave.-Sixth St.), Rembrandt Ave. (Lincoln Ave.-Sixth St.), South Vermont Ave. (Lincoln Ave.-Fifth St.), 11 Mile Rd. (Dorchester Ave.-Kenwood Ave.), Forest Ave. (Symes Ave.-Stephenson Hwy.) and Helene Ave. (Barrett Ave.-Brockton Ave.) in coordination with road reconstruction repairs.	
CAP2035	N Wilson Ave. Water Main Improvements
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$374,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along North Wilson Ave. (East Farnum Ave.-Forest Ave.) in coordination with the 2020 millage road reconstruction projects.	

CAP2110	2021 Water Main Improvements
Project Length: 2020-2022	City Share: 100%
Estimated City Cost: \$4,482,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along DeVillen Ave. (Ferris Ave.-Campbell Rd.), Glendale Ave.(13 Mile Rd.-Englewood Ave.), Girard Ave. (Vermont Ave.-Lauren Ct.), Parkdale (Vermont Ave.-Wilson Ave.), East Houstonia Ave. (Vermont Ave.-Campbell Rd.), and North Vermont (12 Mile Rd.-Girard Ave.). Replace existing water main with a new 12" water main along Crooks Rd. (Webster Rd.-Royal Ave.), and Normandy Rd. (Delemere Blvd.-Crooks Rd.). Project is in coordination with road millage reconstruction projects.	

CAP2135	Manor Ave. Water Main Improvements
Project Length: 2020-2022	City Share: 100%
Estimated City Cost: \$170,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along Manor Ave. in coordination with road millage reconstruction projects.	

CAP2210	2022 Water Main Improvements
Project Length: 2021-2023	City Share: 100%
Estimated City Cost: \$3,790,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along East Sixth St. (Knowles St.-South Alexander Ave.), Ardmore Ave. (12 Mile Rd.-Beaver Ave.), Clifton Ave. (12 Mile Rd.-Beaver Ave.), Fern (12 Mile Rd.-Beaver Ave.), Sycamore Ave. (Maplewood Ave.-Bonnieview Dr.), Vinsetta Blvd. (12 Mile Rd.-Crooks Rd.), Northwood Blvd. (Maplewood Ave.-Crooks Rd.), and West Houstonia Ave. (Main St.-Beechwood Ave.). Project is in coordination with road millage reconstruction projects.	

CAP2310	2023 Water Main Improvements
Project Length: 2022-2024	City Share: 100%
Estimated City Cost: \$3,550,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along Forest Ave. (Main St.-Rosedale Ave.), Virginia Ave. (Pingree Blvd.-dead end), North Alexander Ave. (13 Mile Rd.-Woodlawn Ave.), and North Blair Ave. (13 Mile Rd.-Woodlawn Ave.). Replace existing water main with a new 12" water main along 14 Mile Rd. (Rochester Rd.-Campbell Rd.) and Stephenson Hwy. (Fourth St.-Gardenia Ave.). Project is in coordination with road millage reconstruction projects.	

CAP2410	2024 Water Main Improvements
Project Length: 2023-2025	City Share: 100%
Estimated City Cost: \$3,816,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Replace existing water main with a new 8" water main along Rosewold Ave. (Normandy Rd.-Massoit Rd.), Nakota Rd. (Hillcrest Ave.-Crooks Rd.), Arden Pl. (Grandview Rd.-Sheridan Dr.), Sheridan Dr. (Arden Pl.-Grandview Rd.), Dukeshire Hwy. (Chester Rd.-Normandy Rd.), Ravena (Woodward Ave.-Chester Rd.), Yorba Linda Blvd. (Dukeshire Hwy.-Kensington Dr.), York Rd. (Huntington Rd.-city limit), and Oakdale St. (Fourth St.-11 Mile Rd.). Replace existing water main with new 12" water main on Woodward Ave. (Buckingham Rd.-Starr Rd.), Lexington Blvd. (Marais Ave.-Washington Ave.), and Chester Rd. (Hillside Dr.-Dukeshire Hwy.). Project is in coordination with road millage reconstruction projects.	

CAP1905-CAP2405	Sewer and Drainage - Millage Concrete Street Repairs
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$295,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Sewer and drainage structure costs in coordination with the structural repairs and replacement of failed and deteriorated concrete slab sections identified through the City's pavement management system and field inspections.	

CAP1815-CAP2415	Water Main Replacement – Millage Asphalt Resurfacing
Project Length: 2019-2025	City Share: 56%
Estimated City Cost: \$434,000	Funding Source: water and sewer fund / local streets fund
Impact on the Operating Budget: Lower system maintenance costs. Description: Drainage structure costs in coordination with the resurfacing of local roads with an asphalt top layer on deteriorating sections.	

CAP2055-CAP2455	Water Main Replacement - Special Assessment Street Paving
Project Length: 2020-2025	City Share: 100%
Estimated City Cost: \$1,260,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs.	
Description: Replace existing 6" water mains with new 8" water mains in coordination with special assessment roads.	

CAP1975-CAP2475	Sewer Televising and Root Control
Project Length: 2020-2025	City Share: 100%
Estimated City Cost: \$4,392,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs and general liability costs.	
Description: Sewer televising, cleaning, and invasive root removal in sewer lines city wide.	

CAP1985-CAP2485	Sewer Lining (City Wide)
Project Length: 2020-2025	City Share: 100%
Estimated City Cost: \$5,563,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs.	
Description: Extend life and restore structural integrity of sewer pipes by lining with cured in place liner to prevent sewer pipe failure or collapse due to root intrusion.	

CAP1995-CAP2495	Spot Sewer Repairs (City Wide)
Project Length: 2020-2025	City Share: 100%
Estimated City Cost: \$4,120,000	Funding Source: water and sewer fund
Impact on the Operating Budget: Lower system maintenance costs.	
Description: Spot sewer repair of broken sanitary sewer of different sizes in various locations city wide.	

tbd	Judson Ave. Green Stormwater Infrastructure
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$200,000	Funding Source: CDBG fund
Impact on the Operating Budget: Will help reduce inflow into the sewers.	
Description: Incorporation of green infrastructure stormwater management elements during the paving of the public right-of-way segment of Judson Ave. between Harvard Rd. and Prairie Ave.	

Sidewalk Improvements

CAP1901-CAP2401	Concrete Pavement and Prepaid Sidewalk Program Improvements
Project Length: 2019-2025 Estimated City Cost: \$2,961,000	City Share: 100% Funding Source: water and sewer fund / local streets fund
Impact on the Operating Budget: Improve safety thus reducing liability expenses due to fewer trip and fall claims. Description: Concrete pavement repairs resulting from water main breaks/sewer failures, infrastructure improvements and/or residents' prepaid concrete improvements.	
CAP1902-CAP2402	Sidewalk Improvements Program (City-Wide)
Project Length: 2019-2025 Estimated City Cost: \$6,000,000	City Share: 100% Funding Source: local streets fund / direct invoice
Impact on the Operating Budget: Improve safety thus reducing liability expenses due to fewer trip and fall claims. Description: Repair and replacement of residents' deficient sidewalks city-wide.	
CAP1902	Downtown Sidewalk Improvements Program
Project Length: 2018-2021 Estimated City Cost: \$1,000,000	City Share: 100% Funding Source: local streets fund / direct invoice
Impact on the Operating Budget: Unknown Description: Replacement of pavers with stamped colored concrete as part of the downtown sidewalk improvements program.	

Local Street Improvements

CAP1836	Delaware Ave. Special Assessment
Project Length: 2019-2020 Estimated City Cost: \$207,000	City Share: 67% Funding Source: local streets fund / special assessments
Impact on the Operating Budget: Unknown Description: Special assessment paving (from gravel to asphalt) of Delaware Ave. from East Kenilworth Ave. to East Harrison Ave.	
CAP1936	Massoit Rd. Special Assessment
Project Length: 2019-2020 Estimated City Cost: \$104,000	City Share: 80% Funding Source: local streets fund / special assessments
Impact on the Operating Budget: Unknown Description: Special assessment paving (from gravel to asphalt) of Massoit Rd. from Hampton Blvd. to East Mankato Ave.	
CAP2040	Arden / Sheridan Green Infrastructure Improvements
Project Length: 2019-2021 Estimated City Cost: \$100,000	City Share: 100% Funding Source: water and sewer fund / MDEQ grant
Impact on the Operating Budget: Unknown Description: Road reconstruction at the intersection of Arden Place and Sheridan Dr. in coordination with water main improvements and rain garden installation.	
CAP1901-CAP2401	Concrete Pavement and Prepaid Sidewalk Program Improvements
Project Length: 2019-2025 Estimated City Cost: \$329,000	City Share: 100% Funding Source: water and sewer fund / local streets fund
Impact on the Operating Budget: Improve safety thus reducing liability expenses due to fewer trip and fall claims. Description: Concrete pavement repairs resulting from water main breaks/sewer failures, infrastructure improvements and/or residents' prepaid concrete improvements.	

CAP1905-CAP2405	Road Millage Concrete Street Repairs
Project Length: 2020-2025	City Share: 100%
Estimated City Cost: \$8,019,000	Funding Source: local streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to local roads. Description: Removal and replacement of failed concrete slab sections within the local street network, as identified through the city's pavement management system and based upon field inspections. The slab replacement program will replace/patch deteriorated concrete on local streets.	

CAP1910-CAP2410	Road Work on Water / Sewer Projects
Project Length: 2020-2025	City Share: 100%
Estimated City Cost: \$3,047,000	Funding Source: local streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to local roads. Description: Road millage concrete street repairs in coordination with water main improvements.	

CAP1815-CAP2415	Road Millage Asphalt Street Resurfacing
Project Length: 2018-2025	City Share: 100%
Estimated City Cost: \$12,247,000	Funding Source: local streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to local roads. Description: Resurfacing of local roads with an asphalt top layer. This program is meant to address locations where the road is deteriorating.	

CAP1925-CAP2425	Road Millage and Major Street Joint Sealing
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$500,000	Funding Source: local streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to local roads. Description: Perform joint sealing maintenance on local streets for streets paved in previous year.	

CAP1835-CAP2135	Road Millage Road Reconstruction
Project Length: 2019-2022 Estimated City Cost: \$3,876,000	City Share: 94% Funding Source: local streets fund / major streets fund / County PILOT program
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to local roads. Description: Removal and replacement of failed concrete slab sections within the local street network, as identified through the city's pavement managements system and based upon field inspections.	

CAP1955-CAP2455	Special Assessment Road Paving
Project Length: 2019-2025 Estimated City Cost: \$4,046,000	City Share: 60% Funding Source: local streets fund / special assessment
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to local roads. Description: Special assessment paving of unimproved local roads. The city is covering a portion of costs due to these roads going from gravel to pavement.	

Major Street Improvements

CAP1101	Surveying Services
Project Length: 2020-2025 Estimated City Cost: \$95,000	City Share: 100% Funding Source: major streets fund / local streets fund
Impact on the Operating Budget: Improve efficiency and access to information. Description: This program serves as a guide by providing surveying consulting services for preparing construction plans for street paving.	
CAP1401	Traffic Signal Upgrade Project
Project Length: 2020-2024 Estimated City Cost: \$1,200,000	City Share: 20% Funding Source: major streets fund / safety grant
Impact on the Operating Budget: Unknown Description: Improvement of city traffic signals along major road corridors.	
CAP1907	Normandy Rd. Resurfacing and Traffic Calming
Project Length: 2019-2020 Estimated City Cost: \$900,000	City Share: 100% Funding Source: major streets fund
Impact on the Operating Budget: Reduce maintenance costs. Description: Resurfacing of Normandy Rd. from greenfield Rd. to Woodward Ave. with possible traffic calming island to be installed.	
CAP1909	2019 14 Mile Rd. Resurfacing - MDOT
Project Length: 2019-2020 Estimated City Cost: \$1,346,000	City Share: 34% Funding Source: major streets fund / federal funds
Impact on the Operating Budget: Reduce maintenance costs. Description: Resurfacing of 14 Mile Rd. from Greenfield Rd. to Crooks Rd. (MDOT project), with additional curb and pavement repairs including restoration and striping.	
CAP1915	Millage Asphalt Resurfacing
Project Length: 2019-2020 Estimated City Cost: \$20,000	City Share: 100% Funding Source: major streets fund / local streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads. Description: Resurfacing of asphalt streets in the city as part of road millage.	

CAP1935	2019 Road Millage – Northwood Blvd. and Houstania Ave. Intersection Reconstruction
Project Length: 2019-2020 Estimated City Cost: \$50,000	City Share: 100% Funding Source: major streets fund / local streets funds
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads. Description: Road replacement on Massoit Rd. (Cresthill Ave.-Hillcrest Ave.), Nakota Rd. (Briarwood Ave.-Woodland Ave.), Fernlee Ave. (Samoset Rd.-14 Mile Rd.), and Benjamin (13 Mile Rd.-north of railroad), in coordination with water main replacements.	
CAP1941	2019 Traffic Signal Upgrade – 11 Mile Rd. and 13 Mile Rd.
Project Length: 2019-2020 Estimated City Cost: \$252,000	City Share: 15% Funding Source: major streets fund / Congestion Mitigation and Air Quality Improvement (CMAQ) grant
Impact on the Operating Budget: Unknown Description: Traffic signal upgrades on 11 Mile Rd. and 13 Mile Rd.	
CAP1942	2019 Main St. Traffic Calming
Project Length: 2019-2020 Estimated City Cost: \$123,000	City Share: 100% Funding Source: major streets fund
Impact on the Operating Budget: Reduce possible city liability by increasing pedestrian safety. Description: Installation of pedestrian islands along Main St. at CN railroad .	
CAP1899	I-75 Widening
Project Length: 2019-2021 Estimated City Cost: \$100,000	City Share: 100% Funding Source: major streets fund
Impact on the Operating Budget: Staffing costs for time dedicated to the MDOT project. Description: Staff personnel costs to review, manage, and meet minor repairs as part of the I-75 widening project by MDOT. This will include engineering staff costs for project review and coordination.	

CAP2006	Greenfield Rd. Traffic Calming
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$100,000	Funding Source: major streets fund
Impact on the Operating Budget: Unknown Description: Survey, design and coordination with Oakland County for installation of traffic circle or other traffic calming measures on Greenfield Rd. from 13 Mile Rd. to 14 Mile Rd., particularly focused at Normandy Rd. intersection.	

CAP2008	Crooks Rd. Resurfacing
Project Length: 2019-2021	City Share: 33%
Estimated City Cost: \$716,000	Funding Source: major streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads. Description: Resurfacing of Crooks Rd. from 13 Mile Rd. to 14 Mile Rd.	

CAP2041	2020 Traffic Signal Upgrade – Crooks Rd. and Main St.
Project Length: 2019-2021	City Share: 16%
Estimated City Cost: \$160,000	Funding Source: major streets fund / Congestion Mitigation and Air Quality Improvement (CMAQ) grant
Impact on the Operating Budget: Unknown Description: Traffic signal upgrades on Main St. and Crooks Rd. signals.	

CAP2042	2020 Traffic Signal Upgrade – Coolidge Rd. at 14 Mile Rd.
Project Length: 2019-2021	City Share: 16%
Estimated City Cost: \$160,000	Funding Source: major streets fund / Highway Safety Improvement Program (HSIP) grant
Impact on the Operating Budget: Unknown Description: Traffic signal upgrades for Coolidge Rd. and 14 Mile Rd. intersections. City will be responsible for design and construction engineering costs.	

CAP2043	2020 Traffic Signal Upgrade – Main St. at Third St. and Fourth St.
Project Length: 2019-2021	City Share: 24%
Estimated City Cost: \$140,000	Funding Source: major streets fund / Highway Safety Improvement Program (HSIP) grant
Impact on the Operating Budget: Unknown Description: Traffic signal upgrades for Main St. at Third St. and Fourth St. intersections. City will be responsible for design and construction engineering costs.	

CAP2108	11 Mile Rd. Resurfacing
Project Length: 2020-2022	City Share: 100%
Estimated City Cost: \$2,400,000	Funding Source: major streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads.	
Description: Resurfacing of 11 Mile Rd. from CN Railroad to Campbell Rd.	

CAP2110	Crooks Rd. Repair
Project Length: 2020-2022	City Share: 100%
Estimated City Cost: \$350,000	Funding Source: major streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads.	
Description: Road repairs in coordination with water main improvements on Crooks Rd. (Webster Ave.-Royal Ave.).	

CAP2112	Rochester Rd. Resurfacing
Project Length: 2021-2023	City Share: 27%
Estimated City Cost: \$1,600,000	Funding Source: major streets fund / City of Clawson
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads.	
Description: Resurfacing of Rochester Rd. from Main St. to 14 Mile Rd.	

CAP1909-CAP2409	Major Street Improvements
Project Length: 2022-2025	City Share: 100%
Estimated City Cost: \$4,500,000	Funding Source: major streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads.	
Description: Major road resurfacing and/or reconstruction using the major road fund. Roads being considered include: Campbell Rd. curb replacements (12 Mile Rd.-14 Mile Rd.), Crooks Rd. resurfacing (12 Mile Rd.-Webster Rd.), Coolidge Hwy. concrete overlay (13 Mile Rd.-13 Mile Rd.), Fourth St. resurfacing (Knowles St.-Stephenson Hwy.), 13 Mile Rd. resurfacing (Woodward Ave.-Crooks Rd.), central business district street resurfacing, Lincoln Ave. resurfacing (Woodward Ave.-Main St.), Washington Ave. (Crooks Rd.-12 Mile Rd.), and Normandy Rd. resurfacing (Coolidge Hwy.-Crooks Rd.).	

CAP1825-CAP2525	Road Millage and Major Street Joint Sealing
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$910,000	Funding Source: major streets fund
Impact on the Operating Budget: Reduce road maintenance costs over time by making structural repairs to major roads. Description: Perform joint sealing maintenance on major streets paved in the previous year.	

Parks and Facilities

CAP1102	Parking Meters
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$800,000	Funding Source: parking fund / fees
Impact on the Operating Budget: Lower costs for coin collection and possibly increase costs for finance department. Description: Replacement of the city parking meters with improved meter technology, as they are aging and becoming obsolete. Technology will provide additional methods of payment which will provide improved service to the visitors.	
CAP1811	Motor Pool HVAC
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$45,000	Funding Source: motor pool fund
Impact on the Operating Budget: Reduce labor and maintenance costs by \$250 and utility costs by \$500 annually. Description: Replacement of makeup air unit as part of maintenance of motor pool HVAC system.	
CAP1812	Center St. and Catalpa Dr. Parking Lot Wall
Project Length: 2020-2021	City Share: 100%
Estimated City Cost: \$45,000	Funding Source: parking fund / fees
Impact on the Operating Budget: Unknown Description: Repair of a wall at the Center St. and Catalpa Dr. parking lot.	
CAP1818	DPS Building Roof
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$920,000	Funding Source: motor pool fund / general fund
Impact on the Operating Budget: Reduce costs by \$2,000 annually due to lower maintenance costs and improved energy efficiency. Description: Replacement of the roof at the DPS building.	
CAP1870	11 Mile Rd. / Williams St. Parking Structure
Project Length: 2018-2020	City Share: 100%
Estimated City Cost: \$18,300,000	Funding Source: parking fund / fees
Impact on the Operating Budget: Unknown Description: Construction of a city center public parking garage.	

CAPPD18	Police Department Building
Project Length: 2018-2020	City Share: 100%
Estimated City Cost: \$18,680,000	Funding Source: general fund
Impact on the Operating Budget: Unknown	
Description: Construction of a new police department building.	
CAPCH18	City Hall Building
Project Length: 2018-2020	City Share: 100%
Estimated City Cost: \$12,260,000	Funding Source: general fund
Impact on the Operating Budget: Unknown	
Description: Construction of a new city hall building.	
CAP1907	Animal Shelter Drive
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$45,000	Funding Source: unknown
Impact on the Operating Budget: Reduce annual cold patch maintenance by \$250.	
Description: Pave the access drive to the animal shelter and DPS off of Edgar Ave.	
tbd	Ice Arena Building Roof
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$1,025,000	Funding Source: ice arena fund / rates
Impact on the Operating Budget: Reduce maintenance costs by \$1,000 annually.	
Description: Replacement of one (of two) roofs on the ice arena building.	
tbd	Library Roof Replacement
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$475,000	Funding Source: library millage
Impact on the Operating Budget: Reduce repair and maintenance costs.	
Description: Replacement of library roof.	
tbd	Salter Center Roof Replacement
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$190,000	Funding Source: general fund
Impact on the Operating Budget: Reduce repair and maintenance costs.	
Description: Replacement of the roof on the Salter Center building.	

tbd	Salter Center Parking Lot Repaving
Project Length: 2019-2020 Estimated City Cost: \$125,000	City Share: 100% Funding Source: general fund
Impact on the Operating Budget: Reduce maintenance by \$1,000 over a 5-year average. Description: To repave the parking lot at the Salter Center building.	

tbd	Salter Center Sidewalk and Curbing Replacement
Project Length: 2019-2020 Estimated City Cost: \$27,000	City Share: 100% Funding Source: general fund
Impact on the Operating Budget: Unknown Description: To replace concrete and make additional curbing repairs, including handicapped ramps with detectable warning surfaces to improve the safety of the area.	

tbd	Fire Station #1 Concrete Replacement
Project Length: 2019-2020 Estimated City Cost: \$15,000	City Share: 100% Funding Source: public safety fund
Impact on the Operating Budget: Unknown Description: Replace and remove concrete in front of ladder bay at Fire Station #1.	

tbd	Fire Station #1 Interior Painting
Project Length: 2019-2020 Estimated City Cost: \$28,000	City Share: 100% Funding Source: public safety fund
Impact on the Operating Budget: Unknown Description: Interior painting of offices and living quarters at Fire Station #1.	

CAP1511	Normandy Oaks Park Development (Phase I)
Project Length: 2019-2020 Estimated City Cost: \$3,000,000	City Share: 100% Funding Source: Normandy Oaks asset sale
Impact on the Operating Budget: \$55,000 annual operating cost possibly depending on design. Description: Redevelopment of Normandy Oaks Golf Course into a city park with a wide range of recreational activities, including a splash park, ropes playground equipment, soccer field, sledding hill, and nature area.	

tbd	Normandy Oaks Park Development (Phase II)
Project Length: 2020-2022 Estimated City Cost: \$2,000,000	City Share: 67% Funding Source: general fund / county grant
Impact on the Operating Budget: \$55,000 annual operating cost possibly depending on design. Description: Completion of the redevelopment of Normandy Oaks Golf Course into a city park with a wide range of recreational activities, including an additional soccer field.	

CAP1829	Royal Oak Golf Course Improvements
Project Length: 2019-2021 Estimated City Cost: \$420,000	City Share: 100% Funding Source: Normandy Oaks asset sale
Impact on the Operating Budget: Unknown Description: Install a paved golf cart path, clubhouse deck, and repave the parking lot at the Royal Oak golf course.	

CAPCP18	Downtown Park Development and Connectivity
Project Length: 2018-2021 Estimated City Cost: \$16,746,000	City Share: 100% Funding Source: general fund / DDA
Impact on the Operating Budget: Unknown Description: Construction of a new downtown park where the existing city hall and police buildings are located.	

CAP1846	Tree Planting
Project Length: 2019-2021 Estimated City Cost: \$450,000	City Share: 100% Funding Source: CDBG fund
Impact on the Operating Budget: Tree pruning by DPS employees or contractors. Description: CDBG funded tree planting in qualified areas of the city.	

CAP1904	Upton Park Soccer Field Development
Project Length: 2019-2020 Estimated City Cost: \$75,000	City Share: 100% Funding Source: general fund
Impact on the Operating Budget: Unknown Description: Improve open grass area at Upton Park to develop a soccer field.	

CAP1912	Westwood and Worden East Parks Play Equipment
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$90,000	Funding Source: CDBG fund
Impact on the Operating Budget: Annual maintenance will decrease by \$300 per structure.	
Description: Update play equipment at Westwood and Worden East Parks. Worden East Park is heavily used by the city preschool program.	

CAP1913	Mark Twain and Elks Parks Parking Lot Improvements
Project Length: 2021-2022	City Share: 100%
Estimated City Cost: \$130,000	Funding Source: tbd / general fund / CDBG fund
Impact on the Operating Budget: Unknown	
Description: Pave two unimproved parking lots.	

CAP1918	Memorial Park Parking Lot Improvement
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$125,000	Funding Source: tbd / general fund
Impact on the Operating Budget: Reduce maintenance costs.	
Description: Repaving of parking lot (performed last paving in the 1990's).	

CAP2011	Cody Park Improvements
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$200,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown	
Description: Replacement of Cody Park play equipment.	

CAP2111	Fernwood Park Improvements
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$450,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown	
Description: Replacement of play equipment and fall zone surface material and installing outdoor fitness equipment with rubber fall zone surface material.	

CAP2113	Waterworks Park Improvements
Project Length: 2020-2021	City Share: 100%
Estimated City Cost: \$200,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown	
Description: Replacement of Waterworks Park play equipment.	

CAP2211	Barton Park Improvements
Project Length: 2021-2022	City Share: 100%
Estimated City Cost: \$200,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown	
Description: Replacement of Barton Park play equipment.	

CAP2212	Grant Park Improvements
Project Length: 2021-2020	City Share: 100%
Estimated City Cost: \$200,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown	
Description: Replacement of Grant Park play equipment.	

CAP2213	Marks Park Improvements
Project Length: 2021-2022	City Share: 100%
Estimated City Cost: \$200,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown	
Description: Replacement of Marks Park play equipment.	

tbd	Red Run and Exchange Park Pavilion and Restrooms
Project Length: 2019-2021	City Share: 100%
Estimated City Cost: \$300,000	Funding Source: tbd / general fund / Land & Water Conservation Fund (LWCF) grant
Impact on the Operating Budget: Maintenance and supplies for upkeep of pavilions and restrooms.	
Description: Installation of park pavilions and restrooms renovations to Red Run and Exchange Parks.	

tbd	Memorial and Worden Park Irrigation Systems
Project Length: 2019-2022	City Share: 100%
Estimated City Cost: \$92,000	Funding Source: tbd / general fund / Land & Water Conservation Fund (LWCF) grant / Michigan Department of Natural Resources Trust Fund (MNRTF) grant
Impact on the Operating Budget: Unknown	
Description: Installation of irrigation systems for playing surfaces at Worden and Memorial Parks.	

tbd	Memorial and Sullivan Park Improvements and ADA Compliance
Project Length: 2019-2020 Estimated City Cost: \$35,000	City Share: 100% Funding Source: tbd / general fund / Land & Water Conservation Fund (LWCF) grant / Michigan Department of Natural Resources Trust Fund (MNRTF) grant / Recreation Passport (RP) grant
Impact on the Operating Budget: Unknown Description: Renovation to provide American with Disabilities Act ("ADA") compliant improvements to Memorial and Sullivan Parks.	

tbd	Miller Park Improvements
Project Length: 2001-2021 Estimated City Cost: \$220,000	City Share: 100% Funding Source: CDBG fund
Impact on the Operating Budget: Unknown Description: Replacement of Miller Park playground equipment and replacement of current fibar fall zone material with artificial turf.	

tbd	Worden Park Improvements
Project Length: 2020-2021 Estimated City Cost: \$250,000	City Share: 100% Funding Source: CDBG fund
Impact on the Operating Budget: Unknown Description: Improvements may include adding traditional neighborhood park features such as playground equipment and artificial turf and/or outdoor fitness equipment with poured rubber fall zone material.	

tbd	Worden Park Parking Lot Resurfacing
Project Length: 2019-2021 Estimated City Cost: \$132,000	City Share: 100% Funding Source: CDBG fund
Impact on the Operating Budget: Reduce liability by preventing future trip and fall hazards. Description: Resurfacing of the parking lot in Worden Park.	

tbd	Baseball Infield Clay Replenishment
Project Length: 2019-2025 Estimated City Cost: \$90,000	City Share: 100% Funding Source: CDBG fund
Impact on the Operating Budget: Unknown Description: Replace the clay in the city's baseball infields to help with drainage issues. Plan to work on one to two fields each year to increase the drainage of the fields and improve the quality of play for the residents and those who rent the fields.	

tbd	Playground Equipment Fall Zone Replacement
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$150,000	Funding Source: CDBG fund
Impact on the Operating Budget: Reduction of maintenance crew labor hours. Description: Replacement of fall zones with spray-in fibar in and around playground equipment throughout the city in necessary park locations.	

tbd	Arboretum ADA Trail Project
Project Length: 2019-2020	City Share: 100%
Estimated City Cost: \$500,000	Funding Source: CDBG fund
Impact on the Operating Budget: Unknown Description: Installation of American with Disabilities Act ("ADA") compliant pathways in Arboretum's trail system.	

Information Technology

CAP1103	Computer Replacement Program
Project Length: 2016-2025 Estimated City Cost: \$750,000	City Share: 100% Funding Source: IT fund / retained earnings
Impact on the Operating Budget: Costs are anticipated to remain consistent for the proposed replacement, before more extensive service is required to keep older equipment operational. Description: Scheduled replacement of desktop computers when they have reached the end of their useful service life. Useful service life is generally five years.	
CAP1104	Office Software and Training Program
Project Length: 2016-2025 Estimated City Cost: \$454,000	City Share: 100% Funding Source: IT fund / retained earnings
Impact on the Operating Budget: Unknown Description: Upgrade software and training programs. Office365 to replace older versions of the Microsoft Office software for all city employees. Lynda.com licensing for employee training. This program is ongoing.	
CAP1105	Server-Network-Cabling Infrastructure
Project Length: 2016-2025 Estimated City Cost: \$523,000	City Share: 100% Funding Source: IT fund / retained earnings
Impact on the Operating Budget: Unknown Description: Upgrade and replace key areas of the city's network, cabling, server hardware, and intrusion protection improvements when appropriate. This program is ongoing.	
CAP1302	GIS Integration
Project Length: 2013-2025 Estimated City Cost: \$615,000	City Share: 100% Funding Source: IT fund / retained earnings
Impact on the Operating Budget: Costs will increase due to license renewals. Reporting capabilities could potentially save time and assist with decision making processes. Description: Consulting services to integrate geographical information systems (GIS) applications and development into planning, fire, clerk, and engineering and various departments and Oakland County CAMS. This program is ongoing.	

CAP1403	Mobile Workforce
Project Length: 2014-2025 Estimated City Cost: \$152,000	City Share: 100% Funding Source: IT fund / retained earnings
Impact on the Operating Budget: Costs are anticipated to remain consistent, until more extensive service levels are required to keep older equipment operational. Description: This project would address the aging laptop computers for remote and mobile workforce equipment. Consideration and utilization of other electronic devices similar to PDA/smart phones and iPads can be addressed. Accessibility of wireless access points to be implemented. This is an ongoing program.	

CAP1726	Disaster Recovery Solution
Project Length: 2017-2025 Estimated City Cost: \$800,000	City Share: 100% Funding Source: IT fund / retained earnings
Impact on the Operating Budget: There will be ongoing operating expenses to provide data and telephony redundancy as well as rental costs for an offsite recovery location. Description: Implement a disaster recovery solution to ensure city technology and systems can be quickly recovered in case of a disaster. This could include rental costs for a recovery location, hardware, and cloud computing.	

Vehicles, Equipment, Large Studies, and Others

CAP1830	Motor Pool Vehicle Replacement Plan
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$11,756,000	Funding Source: motor pool fund / user charges
Impact on the Operating Budget: Lower maintenance costs	
Description: Vehicle replacement plan for fiscal years 2019-20 to 2024-25; Plan is modified due to operational review modifications and year 2025 is being added to maintain six-ye a r period. Detailed schedules begin on the next page.	

VEHICLE REPLACEMENT 2019-2020

<u>VEHICLE #</u>	<u>YEAR</u>	<u>MAKE & MODEL</u>	<u>ESTIMATED REPLACEMENT COSTS</u>
FIRE			
907	2014	Ford Explorer	\$ 36,998
908	2014	Ford Explorer	\$ 36,998
931	1999	Pierce Pumper	\$ 782,334
HIGHWAY			
233	2005	GMC Sierra	\$ 34,780
247	2010	Sterling L8513 - Single	\$ 205,729
267	2002	GMC Sign Truck	\$ 336,000
1241	1998	American Leaf Vacuum	\$ 40,260
1469	2000	Magnum Cement Saw	\$ 18,600
INSPECTION			
163	2014	Ford Escape	\$ 29,700
MOTOR POOL			
GM071	2007	Torro Groundsmaster 328D	\$ 56,680
PARK & FORESTRY			
765	2003	Sterling/Prentice Log Ldr	\$ 205,460
766	1996	Sterling L8513 - Single	\$ 132,890
774	2001	NH TN-65 Tractor	\$ 33,000
777	1996	Ford 4630 Tractor	\$ 33,000
POLICE			
813	2014	Ford Explorer	\$ 39,755
823	2013	Ford Taurus	\$ 37,697
829	2010	Ford Escape	\$ 35,700
830	2013	Ford Taurus	\$ 38,702
832	2013	Ford Taurus	\$ 38,702
843	2013	Ford Edge	\$ 30,110
863	2013	Ford Edge	\$ 31,341
WATER MAINTENANCE			
1480	1995	Target Arrow	\$ 6,700
Total			\$ 2,241,136

**VEHICLE REPLACEMENT
2020-2021**

<u>VEHICLE #</u>	<u>YEAR</u>	<u>MAKE & MODEL</u>	<u>ESTIMATED REPLACEMENT COSTS</u>
		ASSESSOR	
104	2015	Ford Escape	\$ 29,700
		AUTO PARKING	
683	2015	Tennant Sweeper	\$ 47,520
		CABLE	
1055	2001	Ford F550 Van	\$ 640,000
		FIRE	
215	2016	Ford Explorer	\$ 36,998
		HIGHWAY	
205	2005	GMC Sierra	\$ 34,780
910	1993	Hypac Roller	\$ 58,500
1247	2002	American Leaf Vacuum	\$ 40,260
1280	2002	Target Arrow	\$ 6,700
		INSPECTION	
182	2014	Ford Escape	\$ 29,700
		MOTOR POOL	
1601	1992	Ajax Trailer	\$ 21,000
1602	1994	Special Events Trailer	\$ 16,800
		PARK & FORESTRY	
2716	1992	Ajax Trailer	\$ 16,800
2717	1992	Ajax Trailer	\$ 16,800
771	2004	NH TN-60A2 Tractor	\$ 33,000
778	1996	Ford 4630 Tractor	\$ 33,000
		POLICE	
842	2013	Ford Taurus	\$ 29,500
862	2013	Ford Taurus	\$ 30,500
816	2017	Ford Explorer	\$ 36,141
824	2016	Ford Explorer	\$ 39,223
826	2016	Ford Explorer	\$ 39,223
854	2014	Ford F-150	\$ 34,800
		SEWER	
1467	2001	Ingersoll Air Compressor	\$ 27,600
		WATER MAINTENANCE	
491	2004	Arrow Hammer	\$ 117,000
		Total	\$ 1,415,545

VEHICLE REPLACEMENT 2021-2022

<u>VEHICLE #</u>	<u>YEAR</u>	<u>MAKE & MODEL</u>	<u>ESTIMATED REPLACEMENT COSTS</u>
BUILDING MAINTENANCE			
737	2015	Ford F-250	\$ 34,984
FIRE			
967	2015	Ford F-350	\$ 43,138
911	2008	E-1 Pumper	\$ 782,334
HIGHWAY			
416	2009	GMC Sierra	\$ 34,780
283	2002	Bobcat L 873	\$ 78,000
1248	1998	American Leaf Vacuum	\$ 40,260
INSPECTION			
164	2014	Ford Escape	\$ 29,700
165	2015	Ford Escape	\$ 29,700
184	2015	Ford Escape	\$ 29,700
185	2015	Ford Escape	\$ 29,700
MOTOR POOL			
GM131	2013	Torro Groundsmaster 360	\$ 56,680
PARK & FORESTRY			
775	2001	NH D65C82 Tractor	\$ 33,000
779	1997	Ford 4630 Tractor	\$ 33,000
1763	1996	Altec Chipper	\$ 54,560
POLICE			
841	2016	Chevy Tahoe	\$ 40,430
851	2017	Ford Explorer	\$ 37,450
845	2015	Ford Taurus	\$ 29,500
812	2015	Chevy Tahoe	\$ 50,876
814	2016	Chevy Tahoe	\$ 54,610
801	2017	Ford Explorer	\$ 41,402
803	2018	Ford Explorer	\$ 37,603
809	2017	Ford Explorer	\$ 37,921
811	2017	Ford Explorer	\$ 40,846
815	2016	Ford Explorer	\$ 40,822
SEWER			
141	2015	Ford F-250	\$ 37,300
413	2009	GMC Savana	\$ 33,320
WATER MAINTENANCE			
1466	2001	Ingersoll Air Compressor	\$ 27,600
1460	1997	Ingersoll Light Tower	\$ 19,800
Total			\$ 1,839,016

VEHICLE REPLACEMENT 2022-2023

<u>VEHICLE #</u>	<u>YEAR</u>	<u>MAKE & MODEL</u>	<u>ESTIMATED REPLACEMENT COSTS</u>
		ASSESSOR	
102	2017	Ford Escape	\$ 29,700
		FIRE	
912	2003	E-1 Aerial Pumper	\$ 1,290,800
		ENGINEERING	
637	2016	Ford F-250	\$ 31,530
630	2017	Ford Explorer	\$ 36,537
631	2017	Ford Explorer	\$ 35,839
633	2016	Ford Explorer	\$ 35,200
905	2017	Ford Explorer	\$ 36,998
108	2016	Ford Transit Connect	\$ 33,320
632	2012	Ford Transit Connect	\$ 31,000
		HIGHWAY	
234	2015	Ford F-250	\$ 37,437
261	2018	Ford F-250	\$ 40,720
268	2019	Ford F-250	\$ 34,780
1249	2004	American Leaf Vacuum	\$ 40,260
		INSPECTION	
180	2016	Ford Escape	\$ 29,700
		MOTOR POOL	
GM061	2006	Torro Groundsmaster 345	\$ 56,680
		PARK & FORESTRY	
717	2015	Ford F-250	\$ 36,164
703	2002	Bobcat L 773	\$ 58,500
		POLICE	
844	2017	Dodge Durango	\$ 34,436
860	2015	Ford Taurus	\$ 34,175
806	2018	Ford Explorer	\$ 37,603
810	2018	Ford Explorer	\$ 37,603
818	2016	Chevy Tahoe	\$ 45,687
		SEWER	
2441	2001	Hudson Bros. Trailer	\$ 28,000
		Total	\$ 2,112,669

VEHICLE REPLACEMENT 2023-2024

<u>VEHICLE #</u>	<u>YEAR</u>	<u>MAKE & MODEL</u>	<u>ESTIMATED REPLACEMENT COSTS</u>
		ASSESSOR	
109	2017	Ford Escape	\$ 29,700
		ELECTRICAL	
331	2016	Ford Transit 150	\$ 33,855
		FIRE	
907	2014	Ford Explorer	\$ 36,998
920	2008	E-1 Pumper	\$ 782,334
99X1	2003	Haulmark Trailer	\$ 21,000
		HIGHWAY	
202	2018	Ford F-150	\$ 37,119
256	2014	Freightliner 108SD	\$ 205,729
1242	1998	American Leaf Vacuum	\$ 40,260
1245	2002	American Leaf Vacuum	\$ 40,260
		ICE ARENA	
792	2015	Zamboni	\$ 130,000
		INSPECTION	
186	2016	Ford Escape	\$ 29,700
187	2017	Ford Escape	\$ 29,700
		MOTOR POOL	
GM051		Torro Groundsmaster 345	\$ 56,680
		PARK & FORESTRY	
1768	2001	Bandit Tree Stumper	\$ 32,500
2715	1999	Integrity Trailer - 24ft.	\$ 16,800
2718	1999	Integrity Trailer - 24ft.	\$ 16,800
		POLICE	
819	2013	BMW Motorcycle	\$ 26,400
820	2013	BMW Motorcycle	\$ 26,400
821	2013	BMW Motorcycle	\$ 26,400
822	2013	BMW Motorcycle	\$ 26,400
840	2019	Ford Explorer	\$ 40,628
861	2017	Chevy Traverse	\$ 35,330
823	2013	Ford Taurus	\$ 37,697
		SEWER	
461	2015	Freightliner 2100/Vactor	\$ 492,698
		WATER MAINTENANCE	
401	2018	Ford F-150	\$ 37,119
471	2009	JCB 3C-15	\$ 124,150
1481	2008	Target Arrow	\$ 6,700
1483	2008	Target Arrow	\$ 6,700
Total			<u>\$ 2,426,057</u>

VEHICLE REPLACEMENT 2024-2025

<u>VEHICLE #</u>	<u>YEAR</u>	<u>MAKE & MODEL</u>	<u>ESTIMATED REPLACEMENT COSTS</u>
		ENGINEERING	
103	2017	Ford F-150	\$ 37,119
		HIGHWAY	
252	2016	Freightliner 108SD	\$ 205,729
253	2016	Freightliner 108SD	\$ 205,729
286	2017	Elgin Sweeper	\$ 240,000
		MOTOR POOL	
GM071	2007	Torro Groundsmaster 328D	\$ 56,680
		PARK & FORESTRY	
713	2018	Ford F-250	\$ 38,200
742	2015	Ford F-350	\$ 44,970
		POLICE	
858	2018	Ford Taurus	\$ 30,500
802	2019	Ford Explorer	\$ 48,555
807	2019	Ford Explorer	\$ 48,555
808	2015	Ford Explorer	\$ 37,812
813	2014	Ford Explorer	\$ 39,755
817	2019	Ford Explorer	\$ 42,383
829	2010	Ford Escape	\$ 35,700
832	2013	Ford Taurus	\$ 38,702
		SEWER	
463	2015	Freightliner 2100/Vactor	\$ 492,000
		WATER MAINTENANCE	
417	2015	Ford F-450	\$ 74,773
		Total	\$ 1,717,162

tbd	Police Officer Technology
Project Length: 2019-2025	City Share: 100%
Estimated City Cost: \$1,050,000	Funding Source: general fund / public safety fund
Impact on the Operating Budget: Unknown	
Description: Replacement of in-car cameras and possibly additional police technology.	
tbd	Fire Department Thermal Imagers
Project Length: 2019	City Share: 100%
Estimated City Cost: \$53,000	Funding Source: general fund / public safety fund
Impact on the Operating Budget: Will have some minimal annual maintenance costs. Imagers are expected to be on a 5-year replacement plan.	
Description: Replace and expand the thermal imager inventory so that imagers are available on all fire engines and aerials. Two older imagers will be repurposed by Fire Prevention.	
tbd	Fire Department Hose
Project Length: 2019	City Share: 100%
Estimated City Cost: \$10,000	Funding Source: general fund / public safety fund
Impact on the Operating Budget: Unknown	
Description: Purchase of a replacement fire hose.	

tbd	Baseball Infield Pro Sand Groomer
Project Length: 2019 Estimated City Cost: \$22,000	City Share: 100% Funding Source: motor pool fund / parks and forestry fund
Impact on the Operating Budget: Reduction in equipment maintenance costs. Description: Purchase of a baseball field groomer to properly groom city baseball fields.	

tbd	City-Wide Uniform Garbage Bins
Project Length: 2020-2021 Estimated City Cost: \$1,800,000	City Share: 100% Funding Source: solid waste fund
Impact on the Operating Budget: Unknown Description: Purchase of uniform garbage bins for residential properties in the city that would allow for a more streamlined garbage collection service.	



Enterprise Funds

Enterprise funds are established to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominately self-supporting by user charges; or where the governing body has decided periodic determination of revenue earned, expenses incurred and/or net income is appropriate.

Arts, Beats and Eats Fund - 506

Farmers Market Fund - 551

Recreation Fund - 508

Water & Sewer Fund - 592

Auto Parking Fund - 516

Ice Arena Fund - 598

The purpose of the Arts, Beats & Eats cost center is to account for the city's personnel, contracted and supply costs of the festival. Personnel costs consist of police, fire and DPS employees.

Arts, Beats & Eats is held in downtown Royal Oak over the Labor Day weekend. The event was formerly held in downtown Pontiac.

Over one-quarter of a million visitors are expected to enjoy the 150 musical acts, 150 fine artists, and nearly 50 restaurants at this year's event.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Parking revenues are expected to increase by approximately \$40,000 relative to the fiscal year 2018-19 actual revenues as the Civic Center project parking garage is due to open in June 2019 which is expected to provide parking for the event. Parking revenues for the fiscal year 2018-19 festival came in under the original budget due to unexpected inclement weather during the Labor Day weekend however the fiscal year 2019-20 revenue is budgeted at a level between the prior two years. The future years' estimated budgets utilize a small portion of fund balance when assuming revenue projections averaging the last two years. . However, this projection is very uncertain due to the nature of this event. Ultimately near the end of the forecast the fund would go not a deficit position.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	67,042	23,542	19,612	13,782	6,012	(3,758)
Revenues and transfers from other funds	229,920	270,000	270,000	270,000	270,000	270,000
Expenditures and transfers to other funds	273,420	273,930	275,830	277,770	279,770	281,820
Net Change in Net Assets	(43,500)	(3,930)	(5,830)	(7,770)	(9,770)	(11,820)
Ending Unrestricted Net Assets	23,542	19,612	13,782	6,012	(3,758)	(15,578)

Revenues

506.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	333,620	0	9,920	0	343,540
2016-2017 Actual	0	0	370,700	0	0	9,730	380,430
2017-2018 Actual	0	0	295,690	0	0	0	295,690
2018-2019 Original Budget	0	0	302,000	0	0	0	302,000
2018-2019 Adjusted Budget (Dec)	0	0	302,000	0	0	0	302,000
2018-2019 Six Month Actual	0	0	229,060	0	0	0	229,060
2018-2019 Estimated Year End	0	0	229,920	0	0	0	229,920
2019-2020 Dept Request	0	0	270,000	0	0	0	270,000
2019-2020 Manager's Budget	0	0	270,000	0	0	0	270,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	270,000	0	0	0	270,000
2021-2022 Projected Budget	0	0	270,000	0	0	0	270,000
2022-2023 Projected Budget	0	0	270,000	0	0	0	270,000
2023-2024 Projected Budget	0	0	270,000	0	0	0	270,000

Expenditures

506.837 ARTS, BEATS, & EATS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	67,090	188,030	0	81,940	0	337,060
2016-2017 Actual	67,540	320,330	0	74,160	0	462,030
2017-2018 Actual	64,780	162,880	0	65,510	0	293,170
2018-2019 Original Budget	67,460	163,880	0	75,050	0	306,390
2018-2019 Adjusted Budget (Dec)	67,460	163,880	0	100,050	0	331,390
2018-2019 Six Month Actual	79,460	16,980	0	60,410	0	156,850
2018-2019 Estimated Year End	79,210	111,440	0	82,770	0	273,420
2019-2020 Dept Request	75,000	113,880	0	85,050	0	273,930
2019-2020 Manager's Budget	75,000	113,880	0	85,050	0	273,930
2019-2020 Approved Budget						
2020-2021 Projected Budget	76,880	113,900	0	85,050	0	275,830
2021-2022 Projected Budget	78,800	113,920	0	85,050	0	277,770
2022-2023 Projected Budget	80,770	113,950	0	85,050	0	279,770
2023-2024 Projected Budget	82,790	113,980	0	85,050	0	281,820

The mission of the recreation department is to provide residents a variety of year-round recreation opportunities that are responsive to their needs, are enjoyable to their families and contribute to their physical and mental well-being.

The department is challenged to provide excellent leisure programs that stimulate the bodies and minds of the city residents and business persons of all ages, including toddlers, youth, adults, and seniors.

The recreation staff is responsible for marketing, registration, equipment, supplies, facilities, budget and evaluation. All other staffing is part-time and/or contract personnel.

Programs are operated in the city's two community centers and throughout our 50 parks and playgrounds. Separately, the ice arena and senior citizen services programs are two companion activities that operate from their own individual funds.

Working with all city departments, the superintendent also produces the city's quarterly newsletter "The Insight".

The school district of the City of Royal Oak and the City of Royal Oak joined in the creation of a parks and recreation department in accordance with the provisions of Section 3 of Act 156, Public Acts for 1917.

Recreation is guided with the assistance of the parks and recreation advisory board to formulate an annual recreation program. The department of recreation and public service sponsor games, contests, exhibitions and other recreational events, and charges admission to any such events when deemed necessary and advisable in order to defray the expenses of the recreational program. In connection with all such events, the department rents concessions for the accommodation of patrons of such events.

The major responsibility of the recreation department is to offer a variety of leisure

programs for toddlers, youth, adults, and seniors. The superintendent of recreation is the liaison between the city and school district for the implementation of the in-kind service agreement as it relates to recreational facility usage. The department also works with and oversees the contracts between the City of Royal Oak and Suburban Management Group at the Lindell Ice Arena, Royal Oak Golf Course, Royal Oak Golf Center, Grand Slam Batting Cages and Total Soccer.

Infant and Toddlers: Our Four Seasons Preschool is a state licensed preschool program; children participate in a 33-week curriculum at the Senior Community Center. Recently the department began to offer a seven-week summer program for returning and new students. (79 participants)

Youth Sports and Enrichment: Children can sign up for a 30-week dance program, sport camps, t-ball, golf, basketball, soccer and tennis. Recently we have added art classes, young engineers and story time with crafts. (909 participants)

Summer Day Camp: A nine-week, 50-hour camp. Children participate in sports, arts and crafts, swimming, special events and field trips. The camp will be held at Royal Oak High School with a camper to counselor ratio of one to ten. (430 participants)

Adult Sports Leagues/Programs: Softball 102 teams, women's soccer 10 teams, volleyball 36 teams. Pickle ball 3700 and tennis 105. (est. 3145 participants)

Adult Enrichment: Programs include tai-chi, yoga, ballroom dance. In 2016, the department began offering cooking classes; Ravioli's, Cannoli's, Pierogies. (est. 450 participants)

Adult Fitness: Classes include aerobics, kickboxing, pilates, abs, glutes, and thighs. (1152 participants)

Cultural Events: The 48th Annual Royal Oak Art Fair will be held July 7 and 8 at Memorial

Park. One hundred artists from all over the United States participate in this annual event.

In 2018, the City of Royal Oak was considered the pickleball destination of Michigan with 21 newer pickleball courts; eight at Whittier Park, seven at Upton Park and six indoor courts at the Salter Community Center. The department will continue to offer the adopt-a-park program that offer a private-public partnership with residents, community organizations, and businesses. The goal is to improve our parks system through beautification projects and donations for trees, benches and park supplies.

The recreation department works with community youth athletic organizations to coordinate hundreds of games, practices and the maintenance schedules for all soccer fields (18 fields spring and fall), baseball (20), softball (12), and a football field. Coordinates all pavilion rentals at Memorial, VFW and Starr/J.C. parks.

The recreation department oversees the contracts and works with the staff of the following recreational entities in the City of Royal Oak: Royal Oak Golf Courses, Royal Oak Golf Center, the Grand Slam Batting Training Center, Suburban Ice Management at the Lindell Ice Arena and Total Soccer.

GOALS

- 1. Enhance the quality of life for residents by offering desirable leisure and social activities.
- 2. Make the execution of the parks & recreation master plan a top priority.
- 3. Community – to preserve neighborhoods by encouraging community involvement and family activities.

OBJECTIVES

- Complete phase one of Normandy Oaks park development. GOAL3
- Improve playing conditions for baseball fields around the city. GOAL3
- Create a healthy movement utilizing the outdoor fitness equipment. GOAL1
- Institute a fall zone replacement plan for parks. GOAL3

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL¹ Participants						
Preschool – Senior Center	79	79	79	79	79	79
Youth Sports & Enrichment	900	1046	504	1,009	1,200	1,200
Summer Day Camp	400	360	0	400	400	400
Adult Sports Leagues	2,720	2,720	1,280	2,720	3000	3,000
Adult Enrichment	390	255	130	450	450	450
Adult Fitness	900	1,232	593	1,050	1,050	1,050
Cultural Events - Artists	102	101	38	100	100	100
GOAL¹ Adult Sports League Teams						
Softball	99	100	0	100	100	100
Soccer - Women	9	4	0	10	10	10
Basketball	0	0	0	0	0	0
Volleyball	36	32	32	32	32	32
Pickle Ball registrations	3,200	3,200	1,600	3,700	3,700	3,700
GOAL² Venues Scheduled						
Soccer Fields (spring & fall)	18	18	0	18	18	19
Baseball Fields	20	20	0	20	20	20
Softball Fields	12	12	0	12	12	12
Football Fields	1	1	0	1	1	1
GOAL² Indoor Rentals (in hours)						
Indoor Rentals (in hours)	705	705	300	750	750	750
Outdoor Field Rentals	350	350	0	345	345	345
Pavilion Rentals – VFW and Starr/JC parks	229	229	0	275	275	300

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Cultural events revenue is anticipated to increase \$2,000 relative to the fiscal year 2018-19 original budget due to an increase in event marketing for public engagement. Advertising revenues are increasing to \$1,300 due to an increase in field sponsorship. Revenue received from the senior citizens services fund that is received for office space rental is decreasing \$49,500 to zero relative to the fiscal year 2018-19 budget due to the utilization of the Salter Center by seniors currently viewed as recreation rather than senior activity.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
*Beginning Unrestricted Net Assets	452,486	501,726	588,706	669,556	743,566	810,526
Revenues and transfers from other funds	585,500	541,000	541,000	541,000	541,000	541,000
**Expenditures and transfers to other funds	536,260	454,020	460,150	466,990	474,040	482,310
Net Change in Net Assets	49,240	86,980	80,850	74,010	66,960	58,690
Ending Unrestricted Net Assets	501,726	588,706	669,556	743,566	810,526	869,216

*adjusted for net pension and OPEB liability

**depreciation is removed from expenses

Revenues

508.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	580,650	1,580	0	0	582,230
2016-2017 Actual	0	0	600,960	2,920	0	63,930	667,810
2017-2018 Actual	0	0	577,290	2,880	0	0	580,170
2018-2019 Original Budget	0	0	585,200	2,000	0	0	587,200
2018-2019 Adjusted Budget (Dec)	0	0	585,200	2,000	0	0	587,200
2018-2019 Six Month Actual	0	0	242,260	4,700	0	0	246,960
2018-2019 Estimated Year End	0	0	576,500	9,000	0	0	585,500
2019-2020 Dept Request	0	0	532,000	9,000	0	0	541,000
2019-2020 Manager's Budget	0	0	532,000	9,000	0	0	541,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	532,000	9,000	0	0	541,000
2021-2022 Projected Budget	0	0	532,000	9,000	0	0	541,000
2022-2023 Projected Budget	0	0	532,000	9,000	0	0	541,000
2023-2024 Projected Budget	0	0	532,000	9,000	0	0	541,000

Expenditures

508.751 RECREATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	323,870	17,730	0	212,150	0	553,750
2016-2017 Actual	73,600	15,970	0	217,180	15,820	322,570
2017-2018 Actual	432,450	29,390	0	198,610	52,420	712,870
2018-2019 Original Budget	214,290	21,000	0	209,670	95,500	540,460
2018-2019 Adjusted Budget (Dec)	214,290	21,000	0	209,670	95,500	540,460
2018-2019 Six Month Actual	97,720	5,930	0	111,230	0	214,880
2018-2019 Estimated Year End	205,020	21,000	0	214,670	95,500	536,190
2019-2020 Dept Request	215,210	21,000	0	210,310	95,500	542,020
2019-2020 Manager's Budget	215,210	21,000	0	210,310	95,500	542,020
2019-2020 Approved Budget						
2020-2021 Projected Budget	221,180	21,000	0	210,970	95,000	548,150
2021-2022 Projected Budget	227,340	21,000	0	211,650	95,000	554,990
2022-2023 Projected Budget	233,690	21,000	0	212,350	95,000	562,040
2023-2024 Projected Budget	240,240	21,000	0	213,070	96,000	570,310

508.752 SALTER COMMUNITY CENTER	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	87,010	0	87,010
2016-2017 Actual	0	0	0	87,150	0	87,150
2017-2018 Actual	0	0	0	90,210	0	90,210
2018-2019 Original Budget	0	0	0	88,000	0	88,000
2018-2019 Adjusted Budget (Dec)	0	0	0	88,000	0	88,000
2018-2019 Six Month Actual	0	0	0	44,750	0	44,750
2018-2019 Estimated Year End	0	0	0	88,070	0	88,070
2019-2020 Dept Request	0	0	0	88,000	0	88,000
2019-2020 Manager's Budget	0	0	0	88,000	0	88,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	88,000	0	88,000
2021-2022 Projected Budget	0	0	0	88,000	0	88,000
2022-2023 Projected Budget	0	0	0	88,000	0	88,000
2023-2024 Projected Budget	0	0	0	88,000	0	88,000

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Recreation		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>										
Director of Rec & Public Srv		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Superintendent - Recreation		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
CS III - Recreation		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recreation - MC III		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		2.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		4.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

The mission of the auto parking fund is to provide ample auto parking opportunity in the business and entertainment areas to support the demands.

The auto parking system builds and maintains the on- and off-street paid parking throughout the business area of the city, primarily in the central business district. The system's goal is to provide ample auto parking to encourage development. Parking must be easily accessible to our wide range of commercial establishments like offices, retail business, restaurants and entertainment venues from morning to night. This enterprise fund charges parking fees in order to be self-supporting.

The city commission decides rates and the number of parking spots to allow based on recommendations from the Downtown Development Authority. There are approximately 4,000 spaces managed overall. A new parking garage was opened in 2018 and another in 2019. The city utilizes a private contractor to operate the parking garages in an effort to improve service and reduce costs.

Parking rates were increased in late 2010 and multi-rate meters were installed. Spaces are metered on the street and in lots and metered or attended in parking decks. Monthly pass rates were increased in March 2018. Drivers are able to pay rates based on time spent or purchase monthly permits from the treasurer.

Operations have two divisions: parking operations and enforcement.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Revenues are expected to increase during fiscal year 2019-20 as the 11 Mile parking structure will be completed and operating. However, the new garage will decrease the amount of revenue expected to be received from street meters as there is a temporary surge in street meter revenue in fiscal year 2018-19 due to the development on the Williams Street lots. The projection for attendant parking revenues at the Center Street garage for fiscal year 2019-20 is decreasing by \$200,000 based upon the estimated 2018-19 year-end revenue. The transfer from the DDA TIFA fund is budgeted at \$583,000 to fund 50% of the Center Street debt payment.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
*Beginning Unrestricted Net Assets	21,178,876	5,335,596	6,248,986	7,359,366	8,385,876	9,393,936
Revenues and transfers from other funds	5,358,640	5,457,560	6,110,560	6,110,560	6,110,560	6,110,560
Expenditures and transfers to other funds	21,201,920	4,544,170	5,000,180	5,084,050	5,102,500	5,124,550
Net Change in Net Assets	(15,843,280)	913,390	1,110,380	1,026,510	1,008,060	986,010
Ending Unrestricted Net Assets	5,335,596	6,248,986	7,359,366	8,385,876	9,393,936	10,379,946

*adjusted for bond proceeds

Note: depreciation is included in expenses

Revenues

516.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	3,951,280	2,700	30,190	526,180	4,510,350
2016-2017 Actual	0	0	3,922,810	4,670	42,320	507,080	4,476,880
2017-2018 Actual	0	0	4,084,070	0	30,040	827,300	4,941,410
2018-2019 Original Budget	0	0	4,279,000	4,000	27,000	580,790	4,890,790
2018-2019 Adjusted Budget (Dec)	0	0	4,279,000	4,000	27,000	605,590	4,915,590
2018-2019 Six Month Actual	0	0	2,473,910	0	17,710	468,880	2,960,500
2018-2019 Estimated Year End	0	0	4,726,080	0	51,520	581,040	5,358,640
2019-2020 Dept Request	0	0	4,848,000	0	27,000	582,560	5,457,560
2019-2020 Manager's Budget	0	0	4,848,000	0	27,000	582,560	5,457,560
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	5,501,000	0	27,000	582,560	6,110,560
2021-2022 Projected Budget	0	0	5,501,000	0	27,000	582,560	6,110,560
2022-2023 Projected Budget	0	0	5,501,000	0	27,000	582,560	6,110,560
2023-2024 Projected Budget	0	0	5,501,000	0	27,000	582,560	6,110,560

The mission of the parking enforcement division is to encourage auto parking opportunity in the central business district by enforcing parking regulations.

In the parking fund, the police department budgets for its parking enforcement

division of 12 parking enforcement officers. These employees write tickets for expired meters and other parking violations.

In the general fund, the district court adjudicates the violations and collects the fines.

GOALS

1. Encourage compliance with all parking regulations to continue to enforce parking regulations.

OBJECTIVES

Performance Indicators / Outcome Measures

	Actual <u>2016</u>	Actual <u>2017</u>	Actual <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>
Violations Issued	75,627	67,537	56,869	60,000	60,000	60,000

Note: Performance indicators are reported on a calendar year basis as opposed to a fiscal year.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Part-time wages are increasing relative to the fiscal year 2018-19 original budget due to a new part-time coordinator position whose costs will be shared between this cost center and parking operation. Equipment repair and maintenance service is increasing \$2,000 and uniforms, clothing and gear costs are increasing \$1,500 relative to the fiscal year 2018-19 original budget based on usage during fiscal year 2018-19.

Budget Summary Expenditures

516.316 PARKING ENFORCEMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	202,100	910	0	25,870	0	228,880
2016-2017 Actual	228,250	130	0	14,160	0	242,540
2017-2018 Actual	183,150	200	0	101,970	0	285,320
2018-2019 Original Budget	217,160	3,500	0	23,580	0	244,240
2018-2019 Adjusted Budget (Dec)	217,160	3,500	0	23,580	0	244,240
2018-2019 Six Month Actual	84,510	3,110	0	7,690	0	95,310
2018-2019 Estimated Year End	193,250	5,000	0	17,580	0	215,830
2019-2020 Dept Request	244,160	5,000	0	25,280	0	274,440
2019-2020 Manager's Budget	244,160	5,000	0	25,280	0	274,440
2019-2020 Approved Budget						
2020-2021 Projected Budget	249,730	5,000	0	25,370	0	280,100
2021-2022 Projected Budget	255,450	5,000	0	25,460	0	285,910
2022-2023 Projected Budget	261,330	5,000	0	25,550	0	291,880
2023-2024 Projected Budget	267,370	5,000	0	25,640	0	298,010

Cost Center Position Detail- Home Base Full & Part-Time Employees

Parking Enforcement		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Part-Time Positions (FTEs)</u>										
Part-time positions		5.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Part-time total		5.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The mission of the parking operation cost center is to create and maintain auto parking spaces and meters and to collect the fees paid.

The department of public services (DPS) parking division builds and maintains all spaces and collects parking fees. DPS employs three full-time staff and various part-time staff. A parking contractor operates the three parking decks.

GOALS

1. To ensure that all meters are properly operating.
2. To promote the use of parking garages.
3. To integrate new parking technology where it makes business sense.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are decreasing in this cost center due to the net effect of changes in the allocation of treasury staff charges relative to the fiscal year 2018-19 original budget and an increase in part-time wages due to a new part-time coordinator position, whose costs will be shared between this cost center and parking enforcement. Additionally, the fiscal year 2019-20 budget includes six months funding for a portion of a second director of recreation and public services position for training/succession planning purposes.

Building repairs and maintenance includes \$20,000 to repair spalled concrete at the Center Street parking garage and \$5,000 for concrete joint repairs. Electrical and lighting supplies includes \$10,000 to change out broken light fixtures. \$20,000 has been budgeted in misc. contracted services for the creation of a call center for automation charges and \$10,000 due to the increased costs of a new garage. An in lieu of tax transfer to the general fund in the amount of \$275,000 is budgeted again this year.

Budget Summary Expenditures

516.570 AUTO PARKING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	712,050	36,700	541,470	1,732,510	900,280	3,923,010
2016-2017 Actual	(391,050)	25,490	69,470	689,320	1,630,370	2,023,600
2017-2018 Actual	299,360	36,140	17,330	1,652,110	802,940	2,807,880
2018-2019 Original Budget	354,650	56,650	65,000	2,295,970	1,388,320	4,160,590
2018-2019 Adjusted Budget (Dec)	354,650	56,650	65,000	2,295,970	1,388,320	4,160,590
2018-2019 Six Month Actual	145,630	23,000	40,210	960,430	570,440	1,739,710
2018-2019 Estimated Year End	336,470	64,590	65,000	2,465,020	1,388,320	4,319,400
2019-2020 Dept Request	279,590	54,850	65,000	2,540,790	1,229,500	4,169,730
2019-2020 Manager's Budget	279,590	54,850	65,000	2,540,790	1,229,500	4,169,730
2019-2020 Approved Budget						
2020-2021 Projected Budget	285,330	54,850	50,000	3,084,900	1,200,000	4,675,080
2021-2022 Projected Budget	291,260	54,850	50,000	3,222,030	1,180,000	4,798,140
2022-2023 Projected Budget	297,380	54,850	50,000	3,250,390	1,158,000	4,810,620
2023-2024 Projected Budget	303,670	54,850	50,000	3,280,020	1,138,000	4,826,540

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Auto Parking		Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	
<u>Full-Time Positions</u>										
Traffic Service Supervisor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Parking Meter Technician	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Full-time total	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
<u>Part-Time Positions (FTEs)</u>										
Part-time positions	0.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Cost center total	3.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	

The mission of the auto parking construction cost center is to track, and fund parking

projects included in the capital improvement plan.

GOALS

OBJECTIVES

1. Maintain a long-term auto parking program that maximizes funds to extend and enhance the life of the city's parking system.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The following capital project is included in this fund for fiscal year 2019-20 (may deviate from CIP):

11 Mile / William Street parking structure final work

\$100,000

Budget Summary Expenditures

516.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	0	0	0
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Original Budget	0	0	0	18,530,000	0	18,530,000
2018-2019 Adjusted Budget (Dec)	0	0	0	18,530,000	0	18,530,000
2018-2019 Six Month Actual	0	0	0	10,460,390	0	10,460,390
2018-2019 Estimated Year End	0	0	0	16,666,690	0	16,666,690
2019-2020 Dept Request	0	0	0	100,000	0	100,000
2019-2020 Manager's Budget	0	0	0	100,000	0	100,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	45,000	0	45,000
2021-2022 Projected Budget	0	0	0	0	0	0
2022-2023 Projected Budget	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0

The mission of the Royal Oak Farmers Market is to provide an excellent and economical facility providing a sustainable place to attract local merchants, shoppers, public and private rental events and showcase the Royal Oak downtown.

The Royal Oak Farmers Market sells locally grown produce and wares in a family-oriented venue. The farmers market is located in the civic center at the corner of 11 Mile Rd. and Troy St., across from the library and adjacent to the 44th District Court.

The farmers market is one of southeast Michigan's premium farm market venues. Farm producers sell on Friday during the farm season (May through Christmas) and Saturday all year round. During growing season farmers are only allowed to sell what they grow.

Residents of the City of Royal Oak and surrounding communities are attracted downtown to a first-class venue with ample parking. Beside its well-rounded farmers market, offering the best of the state's harvest, the building hosts a weekly, highly rated, long running antiques and collectibles show, every Sunday all year round.

The enclosed building provides a great gathering place, in any weather conditions, for large group events such as the Memorial Day pancake breakfast and the city's holiday tree lighting ceremony.

Designed to make a profit (meaning generating enough revenue to exceed expenses to be self-sustaining), the market uses an enterprise fund with one cost center named market operations. Funds necessary to operate the farmers market are derived solely from revenues collected. Operation of the market does not put any burden on the general fund.

The farmers market is run by a contracted market management company, under direction of the director of recreation and public services.

Its operating costs include limited DPS personnel cost, depreciation for the building and equipment, advertising, general administration, utilities, supplies, repairs and maintenance.

Greater rental availability has generated additional funds that allow continued updates to the building. A concessionaire leases the kitchen, eliminating the concession cost center.

GOALS

1. Provide an exciting center piece for local economic activity.
2. Fully integrate with city planning to create a facility reflecting the needs and interests of the community.
3. Support community-based events.
4. Create and encourage special events to include local participants of all ages.

OBJECTIVES

- In 2019-20 the Royal Oak Farmers Market is restructuring the internal vendor layout to maximize space. This will allow more farmers/vendors to participate, to enhance the overall shopping experience. ^{GOAL1}
- Implement new steps to help shoppers and attendees with parking and loading issues during the new downtown civic center construction. ^{GOAL2}

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL ¹ Customer Attendance Rate <i>Saturday and Sunday Combined</i>	4,500	5,500	3,600	5,000	3,000	4,000
GOAL ¹ Facility Rentals	77	124	40	90	60	80
GOAL ¹ Average Vendor Occupancy Rate						
Saturday Farm Market	99%	99%	99%	99%	90%	90%
Average Sunday Antique Market	98%	99%	100%	100%	90%	80%

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The Royal Oak Civic Center project continues to have an adverse impact to market operations during the coming fiscal year. Revenues from facility rentals are projected to decrease by approximately \$20,000 relative to fiscal year 2018-19. Annual rental revenues from producers are projected to decrease by \$5,000 and special event revenue is projected to decrease \$8,000.

Contracted worker services are increasing \$35,000 due to an increase in the cost of the new management contract. Advertising and legal notices are increasing \$5,000 for additional online advertisements. Relative to the fiscal year 2018-19 original budget, miscellaneous contracted services are decreasing \$1,000, and heating/cooling repair and maintenance costs are increasing \$1,000 based on historical activity.

The following projects were approved and included in the fiscal year 2018-19 budget and are being requested to be re-appropriated to the fiscal year 2019-20 budget:

- West porch enclosure /11 Mile Road awning \$30,000
- Outside heating elements 18,000

FY 2019-20 total: \$48,000

The estimated future years revenue and expense projections in the budget summary table illustrates that revenues are not sufficient to sustain anticipated expenses and use of retained earnings to balance the annual deficit will be necessary each year. However, this is not sustainable.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	699,489	680,969	568,419	495,149	412,969	321,679
Revenues and transfers from other funds	522,000	478,500	478,500	478,500	478,500	478,500
*Expenditures and transfers to other funds	540,520	591,050	551,770	560,680	569,790	579,110
Net Change in Net Assets	(18,520)	(112,550)	(73,270)	(82,180)	(91,290)	(100,610)
Ending Unrestricted Net Assets	680,969	568,419	495,149	412,969	321,679	221,069

*depreciation of approximately \$70,000 is removed from expenses

Revenues

551.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	491,740	3,600	4,000	0	499,340
2016-2017 Actual	0	0	479,230	3,460	9,650	7,390	499,730
2017-2018 Actual	0	0	563,950	4,590	9,460	0	578,000
2018-2019 Original Budget	0	0	503,500	5,000	5,000	0	513,500
2018-2019 Adjusted Budget (Dec)	0	0	503,500	5,000	5,000	0	513,500
2018-2019 Six Month Actual	0	0	305,930	7,320	1,930	0	315,180
2018-2019 Estimated Year End	0	0	503,000	15,000	4,000	0	522,000
2019-2020 Dept Request	0	0	469,500	15,000	4,000	0	488,500
2019-2020 Manager's Budget	0	0	469,500	15,000	4,000	0	488,500
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	469,500	5,000	4,000	0	478,500
2021-2022 Projected Budget	0	0	469,500	5,000	4,000	0	478,500
2022-2023 Projected Budget	0	0	469,500	5,000	4,000	0	478,500
2023-2024 Projected Budget	0	0	469,500	5,000	4,000	0	478,500

Expenditures

551.545 FARMERS MARKET	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	11,660	6,570	15,400	493,200	0	526,830
2016-2017 Actual	(4,270)	7,260	12,050	524,430	0	539,470
2017-2018 Actual	5,180	8,520	13,390	477,430	0	504,520
2018-2019 Original Budget	5,810	9,500	48,000	488,290	0	551,600
2018-2019 Adjusted Budget (Dec)	5,810	9,500	48,000	488,290	0	551,600
2018-2019 Six Month Actual	2,690	3,310	16,620	240,910	0	263,530
2018-2019 Estimated Year End	6,180	9,500	27,000	497,840	0	540,520
2019-2020 Dept Request	8,480	9,500	48,000	525,070	0	591,050
2019-2020 Manager's Budget	8,480	9,500	48,000	525,070	0	591,050
2019-2020 Approved Budget						
2020-2021 Projected Budget	8,710	9,500	0	533,560	0	551,770
2021-2022 Projected Budget	8,950	9,500	0	542,230	0	560,680
2022-2023 Projected Budget	9,190	9,500	0	551,100	0	569,790
2023-2024 Projected Budget	9,440	9,500	0	560,170	0	579,110

The mission of the water & sewer function is to provide the City of Royal Oak residents and businesses with water supply and sewage disposal services that support a high quality of life.

The City of Royal Oak purchases water from the Southeastern Oakland County Water Authority (SOCWA) and pays the Oakland County Water Resources Commission for the treatment of sewage. Both in turn, contract with the Great Lakes Water Authority (GLWA) which first provides treated water from the Great Lakes and later treats our sewerage before returning it downstream.

The water and sewer fund uses seven cost centers to categorize its activities: engineering, administration, water billing, water maintenance, meter services, sewer maintenance and construction. Revenues for these operations are generated based on the amount of water

used by Royal Oak's residential and commercial customers.

Most revenue is generated through two-tiered user charges. The water commodity rate is budgeted to increase 3 percent based upon the net effect of increased capital improvement/infrastructure costs. SOCWA's water rates for fiscal year 2019-20 are essentially flat. The city's sewer commodity rate is budgeted to increase nearly 3.3 percent based upon nearly a 2 percent increase from Oakland County Water Resources Commission and an increase in city operational costs. Fiscal year 2019-20 is the second year of the drain debt levy in the amount of 1.0850 mills to pay the chapter 20 drain debt, as this was formerly collected in the sewer commodity charge. The flat rate billing is budgeted to increase from \$11.25 to \$12.00 per quarter for the purpose of recouping the city's water billing costs which is the first increase in three years.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	4,033,742	3,305,602	3,512,142	4,411,912	5,718,322	8,125,822
Revenues and transfers from other funds	31,171,480	33,654,000	35,149,200	36,719,160	38,367,620	40,098,500
Expenditures and transfers to other funds	31,899,620	33,447,460	34,249,430	35,412,750	35,960,120	37,134,320
Net Change in Net Assets	(728,140)	206,540	899,770	1,306,410	2,407,500	2,964,180
Ending Unrestricted Net Assets	3,305,602	3,512,142	4,411,912	5,718,322	8,125,822	11,090,002

Revenues

592.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	30,647,200	14,110	100,000	4,410,520	35,171,830
2016-2017 Actual	0	0	31,541,110	5,720	175,600	2,477,970	34,200,400
2017-2018 Actual	0	0	31,097,570	29,240	139,500	122,780	31,389,090
2018-2019 Original Budget	2,852,000	0	28,154,000	30,000	90,000	142,710	31,268,710
2018-2019 Adjusted Budget (Dec)	2,852,000	0	28,154,000	30,000	90,000	438,710	31,564,710
2018-2019 Six Month Actual	1,171,030	0	14,772,190	44,590	38,880	0	16,026,690
2018-2019 Estimated Year End	2,845,000	0	28,104,000	90,000	132,480	0	31,171,480
2019-2020 Dept Request	2,870,000	0	30,604,000	90,000	90,000	0	33,654,000
2019-2020 Manager's Budget	2,870,000	0	30,604,000	90,000	90,000	0	33,654,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	2,870,000	0	32,099,200	90,000	90,000	0	35,149,200
2021-2022 Projected Budget	2,870,000	0	33,669,160	90,000	90,000	0	36,719,160
2022-2023 Projected Budget	2,870,000	0	35,317,620	90,000	90,000	0	38,367,620
2023-2024 Projected Budget	2,870,000	0	37,048,500	90,000	90,000	0	40,098,500

The mission of the engineering cost center of the water & sewer fund is to provide for general water and sewer engineering services that are related to projects.

The engineering department evaluates problem sewers throughout the year then coordinates major replacements for those sewers where failures are threatened or occurring, or where street repairs are

planned. These costs usually are charged to specific projects and capitalized. Any non-project costs for engineering services are charged here. This would include attending meetings that are not project specific.

The engineering division often utilizes consultants to assist with the engineering activities described.

GOALS

1. Develop a sustainable plan to maintain and enhance Royal Oak's infrastructure including water/sewer and roads.
2. Ramp up the expenditure on water main improvements to complete the CIP public water system master plan improvements by 2025 based on the most recent water system reliability study.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

No significant items to note for fiscal year 2019-20. There is a slight decrease in personnel costs relative to the fiscal year 2018-19 original budget as engineering staff now allocates a portion of time to the sewer maintenance cost center in this fund.

Budget Summary Expenditures

592.447 ENGINEERING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	38,270	0	0	4,347,690	0	4,385,960
2016-2017 Actual	10,680	0	0	1,407,960	0	1,418,640
2017-2018 Actual	54,590	0	0	109,070	0	163,660
2018-2019 Original Budget	31,330	0	0	800	0	32,130
2018-2019 Adjusted Budget (Dec)	31,330	0	0	800	0	32,130
2018-2019 Six Month Actual	15,960	0	0	620	0	16,580
2018-2019 Estimated Year End	32,220	0	0	1,000	0	33,220
2019-2020 Dept Request	29,160	0	0	0	0	29,160
2019-2020 Manager's Budget	29,160	0	0	0	0	29,160
2019-2020 Approved Budget						
2020-2021 Projected Budget	29,990	0	0	0	0	29,990
2021-2022 Projected Budget	30,850	0	0	0	0	30,850
2022-2023 Projected Budget	31,740	0	0	0	0	31,740
2023-2024 Projected Budget	32,650	0	0	0	0	32,650

The function of the administration cost center of the water & sewer fund is to pay all administrative costs including debt service and purchases of potable water.

The director of public services is responsible for the overall direction of this fund. The administration budget pays a portion of personnel services for the DPS director and the front office staff, purchased water, debt service and related administrative expenses.

Potable water is our largest single water expense. The city is a member of

S.O.C.W.A., the Southeast Oakland County Water Authority. SOCWA is the regional intergovernmental agency that transports clean water from the Great Lakes Water Authority system to its member cities.

Debt service is a large component of the budget. Depreciation expense must provide sufficient cash flow to pay debt principal. Other costs include general administration, information service, insurance and auditing cost.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The water purchases (from SOCWA) are budgeted to remain relatively flat. Depreciation is budgeted to increase slightly due to increased capital projects to depreciate.

Budget Summary Expenditures

592.536 WATER & SEWER ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	7,601,620	923,600	8,525,220
2016-2017 Actual	0	0	0	9,873,370	558,230	10,431,600
2017-2018 Actual	0	0	0	8,066,740	1,016,190	9,082,930
2018-2019 Original Budget	0	0	0	8,083,370	1,353,500	9,436,870
2018-2019 Adjusted Budget (Dec)	0	0	0	8,083,370	1,028,500	9,111,870
2018-2019 Six Month Actual	0	0	0	3,894,000	301,920	4,195,920
2018-2019 Estimated Year End	0	0	0	8,092,070	1,353,000	9,445,070
2019-2020 Dept Request	0	0	0	8,044,620	1,275,000	9,319,620
2019-2020 Manager's Budget	0	0	0	8,044,620	1,275,000	9,319,620
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	8,425,370	1,307,000	9,732,370
2021-2022 Projected Budget	0	0	0	8,824,760	1,229,500	10,054,260
2022-2023 Projected Budget	0	0	0	9,243,720	1,149,000	10,392,720
2023-2024 Projected Budget	0	0	0	9,683,210	1,085,000	10,768,210

The mission of the water billing cost center in the water and sewer fund is to provide quality customer service along with efficient billing and collection services.

The water billing function is housed in the treasury department in city hall. This assists customers when they personally pay bills, by keeping the collection point in one place.

Billing staff solve water and sewer problems for customers by answering their questions and taking customer requests for service. They work daily with the department of public works (DPS) staff at the public service building to resolve these issues.

The treasury billing staff is the primary answer point to deal with setting up new accounts; meter reading, billing and collecting process; setting up “final” meter reads and preparing courtesy bills; and investigating water leaks and basement backups.

Utility accounts are billed four times annually. There are 13 billing cycles and 1,500 to 2,000 bills are mailed out weekly. Payment on bills is typically due on Monday; three weeks after the bills are mailed.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Years 2019-20:

Personnel costs are decreasing in this cost center due to changes in the allocation of treasury staff charges relative to the fiscal year 2018-19 original budget. Miscellaneous contracted worker services are decreasing \$2,200 due to monthly shredding services that were budgeted to this cost center during fiscal year 2018-19 being undertaken in a different department. Printing and document duplicating costs are increasing \$500 relative to fiscal year 2018-19 original budget due to an educational water conservation mailing planned for fiscal year 2019-20.

Budget Summary Expenditures

592.537 WATER BILLING	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	129,780	0	0	52,740	0	182,520
2016-2017 Actual	163,340	1,420	0	44,990	0	209,750
2017-2018 Actual	117,200	0	0	47,350	0	164,550
2018-2019 Original Budget	201,410	200	0	57,700	0	259,310
2018-2019 Adjusted Budget (Dec)	201,410	200	0	57,700	0	259,310
2018-2019 Six Month Actual	70,810	180	0	18,180	0	89,170
2018-2019 Estimated Year End	156,680	200	0	51,000	0	207,880
2019-2020 Dept Request	55,180	200	0	56,000	0	111,380
2019-2020 Manager's Budget	55,180	200	0	56,000	0	111,380
2019-2020 Approved Budget						
2020-2021 Projected Budget	56,910	200	0	57,680	0	114,790
2021-2022 Projected Budget	58,700	200	0	59,410	0	118,310
2022-2023 Projected Budget	60,560	200	0	61,190	0	121,950
2023-2024 Projected Budget	62,490	200	0	63,030	0	125,720

Cost Center Position FTE Detail Full & Part-Time Employees

Water Billing		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Full-Time Positions										
Water Service – MC III		1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Water Billing - MC I / MC II		0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
Utility Billing Specialist		0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Full-time total		1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	0.0
Part-Time Positions (FTEs)										
Part-time positions		0.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		1.7	1.0	1.0	1.0	1.0	1.0	1.0	2.0	0.0

The mission of the water maintenance division of the water and sewer fund is to provide a clean, constant supply of water to homes and businesses, and to provide a sufficient pressure supply of water for fire protection.

The water service division of the department of public services has three full-time employees and one supervisor, who oversee both the water service, water maintenance and sewer activities.

The water maintenance activity is responsible for the maintenance of approximately 200 miles of water main throughout the community. There are many water conveyances it must maintain.

Water mains are the pressurized pipes that transmit water to the user. They are made of several materials, the most common being cast iron. They are subject to leaks and breaks due to stress, corrosion, and changes in water pressure because of seasonal demand. These breaks and leaks have to be pinpointed, dug up, and repaired. A new material, ductile iron, shows great promise in eliminating such problems.

Valves (or gates) are strategically located in various points throughout the transmission system. Usually spaced one or two blocks apart, they are used to isolate certain areas for repair or construction. These are subject to corrosion of bolts and packing and must be periodically dug up and repaired.

Water services are the private lines that supply water from the city's water main to a house or business. Service lines also are made of different materials with copper being far superior. Copper services require little, if any, maintenance. Galvanized iron services eventually rust out and must be replaced. Services made of lead are a health hazard and should be replaced.

Royal Oak has over 1,400 hydrants of different ages and brands located strategically throughout the city. These suffer from vandalism, automobile accidents, and aging and must be repaired or dug up and replaced. The fire department also monitors their condition; malfunctions they find are reported to water maintenance division.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The total expense in this cost center is decreasing. Personnel costs are increasing due to assumed wage step increases and increases in other benefits including pension – UAL. Tools and hardware are decreasing by \$8,000 relative to the fiscal year 2018-19 original budget as there is currently sufficient inventory to utilize, therefore less need to purchase new tools. Sand, gravel and slag are increasing \$2,000 due to rising costs. Motor pool rental charges, which are allocated to this cost center based on service truck hours, are projected to decrease for fiscal year 2019-20 by approximately \$198,000 relative to the fiscal year 2018-19 original budget.

Budget Summary Expenditures

592.538 WATER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	1,335,220	113,030	0	602,140	0	2,050,390
2016-2017 Actual	211,300	128,120	0	591,840	0	931,260
2017-2018 Actual	1,775,390	89,090	4,000	611,630	0	2,480,110
2018-2019 Original Budget	847,200	133,200	54,000	853,990	0	1,888,390
2018-2019 Adjusted Budget (Dec)	847,200	133,200	54,000	853,990	0	1,888,390
2018-2019 Six Month Actual	413,800	65,360	0	338,540	0	817,700
2018-2019 Estimated Year End	861,590	133,550	0	854,220	0	1,849,360
2019-2020 Dept Request	933,780	127,200	0	643,270	0	1,704,250
2019-2020 Manager's Budget	933,780	127,200	0	643,270	0	1,704,250
2019-2020 Approved Budget						
2020-2021 Projected Budget	954,160	127,200	0	655,230	0	1,736,590
2021-2022 Projected Budget	975,270	127,200	0	667,430	0	1,769,900
2022-2023 Projected Budget	997,130	127,200	0	679,870	0	1,804,200
2023-2024 Projected Budget	1,019,750	127,200	0	692,560	0	1,839,510

Cost Center Position FTE Detail Full & Part-Time Employees

Water Maintenance		Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	
<u>Full-Time Positions</u>										
Water Service - MC III	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Water Maintenance Worker II	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
Maintenance Worker II	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Water Maintenance Worker	3.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	
Full-time total	8.0	7.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	
<u>Part-Time Positions (FTEs)</u>										
Part-time positions	1.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Cost center total	9.0	7.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	

The mission of the water service division of the water & sewer fund is to maintain the water connection and meters between the customer and the system to insure safety and fairness for both.

The water service division of the department of public services oversees the water service, water maintenance and sewer divisions.

There are approximately 24,100 water meters within the Royal Oak water system for which this division is responsible.

The water service division is responsible for reading of water meters for billing, performing investigations on high water bills,

24-hour emergency call-out for leaking water meters, installing new water meters, investigating possible water service leaks, cross connection inspections.

The water service division also has a meter testing and replacement program. The division is presently in the process of installing the radio reading devices where possible. There is no additional direct cost to the homeowner for the installation of these meters.

The water service division is also presently converting older style remote readers over to a newer type.

GOALS

1. Maintain meters that are up to date to keep billing rates low.
2. Proactively locate potential water leaks to minimize loss and/or large customer bills.
3. Locate and eliminate cross connections to the system to protect all users.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to the increase in pension – UAL contribution. . Water meters and meter parts are increasing \$60,000 relative to the fiscal year 2018-19 original budget due to more aggressive meter changeout planned for fiscal year 2019-20. The administration is currently reviewing a proposal to install (in a one-year time period) the balance of the meters/radio read units which would provide all the w/s customers with radio read technology. Tools and hardware costs are decreasing \$1,500 due to purchases that were made during fiscal year 2018-19 that are not expected to reoccur during fiscal year 2019-20.

Budget Summary Expenditures

592.539 METER SERVICES	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	631,900	289,290	0	97,960	0	1,019,150
2016-2017 Actual	53,170	337,160	0	76,590	0	466,920
2017-2018 Actual	799,390	350,210	0	74,690	0	1,224,290
2018-2019 Original Budget	362,790	344,250	0	82,320	0	789,360
2018-2019 Adjusted Budget (Dec)	362,790	344,250	0	152,320	0	859,360
2018-2019 Six Month Actual	166,000	286,070	0	49,740	0	501,810
2018-2019 Estimated Year End	368,260	402,750	0	129,740	0	900,750
2019-2020 Dept Request	403,480	402,750	0	152,130	0	958,360
2019-2020 Manager's Budget	403,480	402,750	0	152,130	0	958,360
2019-2020 Approved Budget						
2020-2021 Projected Budget	412,580	402,750	0	152,640	0	967,970
2021-2022 Projected Budget	422,000	402,750	0	153,160	0	977,910
2022-2023 Projected Budget	431,750	402,750	0	153,690	0	988,190
2023-2024 Projected Budget	441,850	402,750	0	154,230	0	998,830

Cost Center Position FTE Detail Full & Part-Time Employees

Meter Services	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
DPS Supervisor - Water	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water Service Worker	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Superintendent - Water & Sewer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

The mission of the sewer maintenance cost center of the water & sewer fund is to keep sewer lines in top repair to minimize basement water conditions, and to respond quickly to calls for service if backups do occur.

The sewer maintenance division of the department of public service is responsible for the maintenance of approximately 300 miles of sewers throughout the City of Royal Oak. The city has a combined sanitary and storm system.

Over 85 percent of the amounts budgeted here are for contractual sewage disposal charges from the Oakland County Water Resources Commissioner. Our sewage passes through the George W. Kuhn Sewage Disposal System (GWKSDS). Next it gets transported by the City of Detroit system then treated and returned to the Great Lakes system. The other 15 percent of costs are local costs.

Sanitary sewer cleaning is designed to clean all sanitary sewers within the city by sewer jetting and eliminating most of the sewer back-up problems in the city's lines.

The city provides 24 hours a day, seven days a week, response to any basement water calls.

Maintenance and normal repairs are scheduled starting in the spring on catch basins, manholes and any sewer lines that have had problems. This work continues if weather permits. During the winter, the sewer personnel clean the tops of catch basins and inspect all the sewer structures for repair. From this program, a repair list is made up for the construction repair season.

During severe snow storms the sewer division supports the highway division with equipment and manpower for the plowing of city streets. Also, during the winter months, the sewer division uses a power-rodding machine to rod or clean city sewer lines that have root growth problems. This power rod is in operation until our construction season begins.

The sewer division also handles all Miss Dig requests. This is a program set up by all utilities for the staking of utility lines before any digging occurs. This division stakes or paints all City of Royal Oak sewer mains and laterals, water mains, sewer service tie-in locations, and water curb shut offs.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Personnel costs are increasing due to assumed step wage increases as well as additional time being allocated here by DPS employees and engineering staff relative to the fiscal year 2018-19 original budget. The fiscal year 2019-20 also includes six months funding for a second director of recreation and public services position for succession/training planning purposes.

Motor pool rental charges are projected to increase for fiscal year 2019-20 by approximately \$288,000 relative to the fiscal year 2018-19 original budget due to new equipment acquired during fiscal year 2018-19 as well as the city's two combination waste vacuum disposal/cleaner trucks replacement costs being allocated to this cost center for fiscal year 2019-20. During fiscal year 2018-19 the two waste trucks were allocated to the water maintenance cost center (538).

Sewage disposal services are increasing 1.8 percent based on estimates from the drain commission. \$640,000 is budgeted for sewer televising and root control work and \$100,000 is budgeted for sewer fog treatment.

Budget Summary Expenditures

592.540 SEWER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	854,250	52,360	0	12,891,540	0	13,798,150
2016-2017 Actual	96,380	50,530	0	13,204,140	0	13,351,050
2017-2018 Actual	1,272,670	61,490	0	13,682,150	0	15,016,310
2018-2019 Original Budget	628,230	60,710	0	13,817,710	0	14,506,650
2018-2019 Adjusted Budget (Dec)	628,230	60,710	0	14,043,710	0	14,732,650
2018-2019 Six Month Actual	271,240	25,500	0	5,937,090	0	6,233,830
2018-2019 Estimated Year End	627,160	58,960	0	14,349,290	0	15,035,410
2019-2020 Dept Request	879,720	57,710	0	14,337,070	0	15,274,500
2019-2020 Manager's Budget	879,720	57,710	0	14,337,070	0	15,274,500
2019-2020 Approved Budget						
2020-2021 Projected Budget	900,540	57,710	0	14,898,440	0	15,856,690
2021-2022 Projected Budget	925,930	57,710	0	15,666,080	0	16,649,720
2022-2023 Projected Budget	952,230	57,710	0	16,434,830	0	17,444,770
2023-2024 Projected Budget	979,470	57,710	0	17,246,830	0	18,284,010

Cost Center Position FTE Detail Full & Part-Time Employees

Sewer Maintenance	Fiscal Year								
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
DPS Supervisor - Sewer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sewer Maintenance Worker II	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Sewer Maintenance Worker	4.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0
Sewer Maintenance Worker (Temp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total	8.0	7.0	7.0	7.0	7.0	7.0	9.0	9.0	9.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	0.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	8.8	7.0	7.0	7.0	7.0	7.0	9.0	9.0	9.0

The mission of the water and sewer construction cost center is to track and fund water and sewer related projects.

GOALS

1. Develop a sustainable plan to maintain and enhance Royal Oak's infrastructure including water/sewer and roads.
2. Ramp up the expenditure on water main improvements to complete the CIP public water system master plan improvements by 2025 based on the most recent water system reliability study.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The following capital improvement projects related to water and sewer for FY2019-20 are as follows (may deviate from CIP):

• CAP1905 millage concrete street repairs	\$46,600
• CAP1908 14 Mile Rd water main improvements	107,000
• CAP1910 2019 water main improvements	1,873,500
• CAP1915 millage asphalt road resurfacing	64,300
• CAP1935 water main imp. and sewer upgrades	498,600
• CAP1999 QC review of water and sewer database	38,000
• CAP2010 2020 water main improvements	1,596,500
• CAP2035 North Wilson Ave. water main improvements	187,000
• CAP2040 Arden / Sheridan green infrastructure improvements	187,500
• CAP2055 street paving (water main improvements)	125,800
• CAP2085 sewer lining	695,000
• CAP2095 spot sewer repairs	<u>510,000</u>

FY2019-20 total: \$5,929,800

Budget Summary Expenditures

592.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	14,370	60	2,610	0	0	17,040
2016-2017 Actual	5,940	690	2,990	0	0	9,620
2017-2018 Actual	9,510	60	38,150	0	0	47,720
2018-2019 Original Budget	106,600	0	4,249,400	0	0	4,356,000
2018-2019 Adjusted Budget (Dec)	106,600	0	4,249,400	0	0	4,356,000
2018-2019 Six Month Actual	93,580	150	1,019,430	0	0	1,113,160
2018-2019 Estimated Year End	178,530	0	4,249,400	0	0	4,427,930
2019-2020 Dept Request	120,390	0	5,929,800	0	0	6,050,190
2019-2020 Manager's Budget	120,390	0	5,929,800	0	0	6,050,190
2019-2020 Approved Budget						
2020-2021 Projected Budget	122,830	0	5,829,500	0	0	5,952,330
2021-2022 Projected Budget	125,350	0	5,980,000	0	0	6,105,350
2022-2023 Projected Budget	127,960	0	5,502,000	0	0	5,629,960
2023-2024 Projected Budget	130,660	0	5,576,000	0	0	5,706,660

The mission of the ice arena is to provide to both resident and regional skaters of all ages outstanding recreation programs on ice that are financially self-supporting.

A full menu of programs for ice skating and hockey are provided at the John Lindell Ice Arena. Skaters can enjoy open skating times, drop-in hockey, and freestyle sessions.

Whether you are a beginner looking for open public skating or an advanced figure skater or hockey player, programs are available for all ages. Programs are offered all year long.

A skating instructor might be a current Olympic-class athlete or coach because of the strength of skating training the Metro Detroit region.

The annual ice show is a crowd pleaser, providing friends and families a chance to see young skaters show off their skill.

Lindell Arena is the home arena for many teams and clubs: Royal Oak Hockey Club, Eagles Travel Hockey, New Edge Figure Skating Club, Royal Oak High School Figure Skating Club, Royal Oak Ravens High School Hockey, Shrine Knights High School Hockey, Far Flyers Hockey Team, TOT[^]2 Women's Hockey Team Division Five, TOT Women's Hockey Team Division Six, Detroit Women's Hockey League, Royal Oak Senior Hockey League.

Program offerings include:

Open public skating: times are available daily throughout the year for skaters of all ages.

Learn to skate program: the learn to skate program offers a wide range of classes to suit everyone's needs from ages three to adult. The program is a place to learn basic skating skills and is a stepping-stone for hockey as

well as freestyle, synchronized, and recreational skating.

Freestyle program: skaters must be members of the New Edge Figure Skating Club or a USFS member. Sessions are limited to the first 24 skaters signed in and paid.

Drop-in hockey: players are required to be at least 18 years of age and wear full equipment with a helmet.

High school varsity hockey: home to two varsity hockey programs, Royal Oak High School Ravens and Shrine Catholic High School Knights. Both are pay-to-play programs.

Royal Oak adult hockey league: the fall/winter league has 32 teams in three divisions and spring/ summer league has 30 teams in three divisions.

Tournaments: The ice arena hosts multiple tournaments each year. Two Computware-Honeybaked AAA tournaments are hosted in September and October, The Warrior AAA tournament is in mid-October, The Bauer World Invite Girls Tier I tournament is in mid-November, and a Selects Hockey Tier II boy's tournament is held over Thanksgiving weekend.

Ice show: the annual ice show showcases the talents of New Edge Figure Skating Club skaters.

The ice arena operations are now contracted out to Suburban Ice Management. The \$1.4 million budget also pays all operational and building maintenance costs.

Most revenue to fund programs comes from rink rental fees. The bulk of the remaining receipts come from other fees: e.g. lessons, open freestyle and open skating fees.

GOALS

1. To provide excellent customer service.
2. To provide quality ice surfaces.
3. To provide and run programming to utilize ice available time.

OBJECTIVES

- Increase 8 and under league numbers.
- Increase Learn to Skate numbers.
- Create ice time for senior league.
- Add an additional high school team to rink rentals.

Performance Indicators / Outcome Measures

	<u>Actual FY16-17</u>	<u>Actual FY17-18</u>	<u>Dec 31 2018</u>	<u>Projected FY18-19</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
Learn to Skate Participants	924	908	315	915	920	925
Number of Scheduled Hours Used Weekly (September – March)	228	250	250	250	250	250

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Overall revenues are projected to decrease \$64,000, or 4%, relative to the fiscal year 2018-19 original budget. Leagues and tournaments will see a \$70,000 decrease; however, this will open rink time which will allow for the introduction of a senior league and other possible leagues with the hopes of rebounding some of those lost revenues. Rink rentals will see a decrease of \$30,000 due to losing rink rentals from travel hockey teams. Revenues from ice lessons are increasing \$10,000 with the anticipation that new learn to skate programs and skate jams (a new program) will encourage and increase participation. Drop-in hockey and freestyle are projected to increase \$15,000 and \$10,000, respectively, as more adults participate during the sessions. Additionally, ice show admissions are expected to increase \$5,000.

The budget summary forecast shows the fund is projected to remain healthy. The estimated future budget for fiscal year 2020-21 includes a capital expenditure of \$1,025,000 for replacing one of the two ice arena roofs.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
*Beginning Unrestricted Net Assets	828,000	927,810	1,164,310	359,790	563,710	750,710
Revenues and transfers from other funds	1,425,830	1,482,000	1,482,000	1,482,000	1,482,000	1,482,000
**Expenditures and transfers to other funds	1,326,020	1,245,500	2,286,520	1,278,080	1,295,000	1,312,290
Net Change in Net Assets	99,810	236,500	(804,520)	203,920	187,000	169,710
Ending Unrestricted Net Assets	927,810	1,164,310	359,790	563,710	750,710	920,420

*adjusted for net pension and OPEB liability

**depreciation is removed from expenses

Revenues

598.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	1,456,710	2,000	18,740	0	1,477,450
2016-2017 Actual	0	0	1,576,640	0	16,710	22,770	1,616,120
2017-2018 Actual	0	0	1,465,220	1,050	13,100	0	1,479,370
2018-2019 Original Budget	0	0	1,522,500	2,000	5,500	0	1,530,000
2018-2019 Adjusted Budget (Dec)	0	0	1,522,500	2,000	5,500	0	1,530,000
2018-2019 Six Month Actual	0	0	626,700	1,200	26,610	0	654,510
2018-2019 Estimated Year End	0	0	1,408,500	6,250	11,080	0	1,425,830
2019-2020 Dept Request	0	0	1,473,500	3,000	5,500	0	1,482,000
2019-2020 Manager's Budget	0	0	1,473,500	3,000	5,500	0	1,482,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	1,473,500	3,000	5,500	0	1,482,000
2021-2022 Projected Budget	0	0	1,473,500	3,000	5,500	0	1,482,000
2022-2023 Projected Budget	0	0	1,473,500	3,000	5,500	0	1,482,000
2023-2024 Projected Budget	0	0	1,473,500	3,000	5,500	0	1,482,000

Expenditures

598.758 ICE ARENA	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	23,390	88,120	0	1,116,780	0	1,228,290
2016-2017 Actual	13,100	75,490	0	1,126,570	3,160	1,218,320
2017-2018 Actual	57,720	90,930	243,800	1,220,150	10,480	1,623,080
2018-2019 Original Budget	12,040	79,100	75,000	1,239,760	19,100	1,425,000
2018-2019 Adjusted Budget (Dec)	12,040	79,100	105,000	1,209,760	19,100	1,425,000
2018-2019 Six Month Actual	4,460	36,660	76,990	532,440	4,780	655,330
2018-2019 Estimated Year End	11,640	77,100	77,000	1,141,180	19,100	1,326,020
2019-2020 Dept Request	12,920	76,100	0	1,137,480	19,000	1,245,500
2019-2020 Manager's Budget	12,920	76,100	0	1,137,480	19,000	1,245,500
2019-2020 Approved Budget						
2020-2021 Projected Budget	13,330	76,100	1,025,000	1,153,290	18,800	2,286,520
2021-2022 Projected Budget	13,750	76,100	0	1,169,430	18,800	1,278,080
2022-2023 Projected Budget	14,180	76,100	0	1,185,920	18,800	1,295,000
2023-2024 Projected Budget	14,630	76,100	0	1,202,760	18,800	1,312,290

Internal Service Funds

Internal service funds are established to finance and account for services and commodities furnished by a designated department or agency to other departments within a single government unit or to other governmental units.

Information Technology Fund -
636

Health Care Fund - 678

Motor Pool Fund - 661

General Liability and Property
Insurance Fund - 679

Workers Compensation Insurance
Fund – 677

The mission of the information technology department is to provide computer, telecommunications, software, security and other technology tools and services in support of the city's operational goals in the most efficient manner possible.

The information technology (IT) department researches, supports and coordinates technological solutions to keep the city's information technology functioning and performing consistently at expected levels. The IT staff continually strives to meet productivity gains and address the city's technology challenges.

Technology plays a critical support role in the city's ability to provide government services. The IT department is the city's central control center where proactively securing and managing the city's technology and data is a top priority. The job gets more complicated daily as new threats to security emerge and as information technology become more integrated across multiple platforms and networks. The department oversees application integration between the city and county, state and federal organizations and is responsible for the infrastructure that ties it all together.

The department manages a nearly \$2 million technology budget and is responsible for servicing all city departments and the 44th District Court. The department is responsible for procurement and maintenance of more than 800 devices including networking switches and routers, servers, computers, printers, telephones, smart/cell phones, pagers, faxes, scanners, cameras, and other computer equipment and communication devices. Email, document storage and retrieval systems are maintained for approximately 400 user accounts and over 120 computer software applications at 14 different municipal locations, most of which are connected via the city's wide area network. The IT staff provides daily support in the following areas: help desk, hardware and network issues, data and document

management, project management, data and voice communications, and specialized application software.

The city's website annually serves over 1.3 million-page requests from more than 500,000 visits. The most frequently accessed areas of the city's website are: Royal Oak Public Library, Farmers Market, Royal Oak Animal Shelter, job openings, 44th District Court, the agenda center, leaf collection and online payments. The top site search keywords are: "water bill", "farmers market", "call curbside leaf collection", "parking", "permits", "taxes", "birth certificate" and "trash". The most utilized devices to access the city's website are: desktop, smartphone and then tablet. The most utilized browsers are: Chrome, mobile Safari, Chrome mobile, Internet Explorer, Firefox, Safari then Microsoft Edge. The most common locations the site receives visitors from are: Royal Oak, Troy, Detroit, Madison Heights, Waterford, Oak Park, Rochester, Berkley then Ferndale.

Information technology is an internal service fund that uses cost allocation to expense all computer applications, licensing, software and hardware support and maintenance, and print shop costs to each user department/cost center.

The information technology plan is an ongoing and evolving strategy. It is a challenge to develop a technology plan that has enough foresight to envision the future. The plan needs to anticipate what new technology will be available and applicable to the city's needs, and to provide an adequate outline that presents an overview for decision making and allocation of funding for these improvements. It is important to review the plan periodically and to make it flexible enough to adapt to changes along the way. The plan is designed to address the levels of technology support for city-wide efficiency and assignment of priority to the targeted projects over a three to five year period.

GOALS

1. To maintain appropriate levels of network security to protect the city's critical business systems from security threats and respond to security threats in a prompt and effective manner.
2. To provide the city with cost-effective, dependable and accurate information services, which support both current and future business needs.
3. To provide city departments with strategic project planning and assistance as it relates to technology.
4. To enhance and maintain an effective communications network for city operations.
5. Infrastructure – to sustain, replace and enhance Royal Oak's infrastructure to promote efficient delivery of beneficial services.

OBJECTIVES

- Build out city network infrastructure to new city hall and police station. Deploy new technologies to these buildings to enhance city employee productivity and customer service. ^{GOALS 5}
- Deploy remote assistance software to allow for more timely support from vendors and IT staff. ^{GOALS 1-4}
- Continue to deliver additional Office365 features and services to city employees. ^{GOALS 1-4}
- Enhance existing GIS applications, continue to deliver new GIS capabilities and integrate select functionalities with the new city website. ^{GOALS 2-4}
- Continue PC replacement program and expansion of mobile device use. ^{GOALS 2-4}
- Upgrade PCs to Windows 10 operating systems as Windows 7 is scheduled for end of support in early 2020. ^{GOALS 2-4}
- Expand Wi-Fi network to new city hall, police station and other city facilities as necessary. ^{GOALS 5}
- Work to build certain redundancies in the police station and city hall for disaster recovery purposes.

Performance Indicators / Outcome Measures

	Actual <u>FY16-17</u>	Actual <u>FY17-18</u>	Dec 31 <u>2018</u>	Projected <u>FY18-19</u>	Projected <u>FY19-20</u>	Projected <u>FY20-21</u>
Network Connections						
Building Locations	13	13	13	13	13	13
PC's	447	447	457	465	470	470
LAN Services	14	14	13	14	14	14
AD, Email, Social Media Service						
User accounts	485	485	540	540	540	540
Group accounts	93	93	45	42	42	42
Social Media Accounts	17	17	18	18	18	18
Device Installs and upgrades						
PC's	78	78	50	60	60	60
Printers	84	84	4	4	4	4
Other	20	20	3	5	5	5
Telecommunications						
Telephones – VOiP	354	354	355	380	385	385
SIP/Channels	55	55	140	140	140	140
TDM Pri/Channels	1/23	1/23	1/23	1/23	1/23	1/23
Point to Point T1's/Channels	0	0	3/69	3/69	3/69	3/69
Adds, moves, changes	105	105	50	100-200	000-000	100-200
Voicemail accounts	280	280	292	293	295	295
Cell Phone Accounts	91	179	184	180	180	180
General						
# of PC Virus outbreaks	0	0	0	1	1	1

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-2020:

In lieu of hiring a full-time network engineer, \$50,000 has been added to miscellaneous contracted services budget to cover network engineering support services as needed. The vacant network engineer position is being eliminated. In the large computer supply account, \$75,000 is budgeted for the computer replacement program, \$7,500 for replacement laptops, \$10,000 for replacement uninterruptible power supply (UPS), \$20,000 for replacement stitches and \$5,000 is being carried over from fiscal year 2018-19 for court e-filing. Windows 7 operating system is scheduled for end of support in early 2020, so \$30,000 has been added to the budget for upgrading PCs to Windows 10. The budget does not include allocations for the Civic Center project.

The following capital improvement projects budgeted for FY2019-20 are as follows:

- Disaster Recovery \$75,000
- Office software and training program 60,000
- GIS integration 60,000
- Server-Network-Cabling infrastructure 50,000
- Mobile workforce 15,000

FY2019-20 total: \$260,000

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	1,353,083	1,371,923	1,367,453	1,374,343	1,486,903	1,622,393
Revenues and transfers from other funds	1,881,880	1,858,140	1,903,220	1,949,430	1,996,790	2,045,330
Expenditures and transfers to other funds	1,655,520	1,862,610	1,896,330	1,836,870	1,861,300	1,886,620
Net Change in Net Assets	226,360	(4,470)	6,890	112,560	135,490	158,710
Ending Unrestricted Net Assets	1,371,923	1,367,453	1,374,343	1,486,903	1,622,393	1,781,103

*depreciation of approximately \$200,000 is removed from expenses

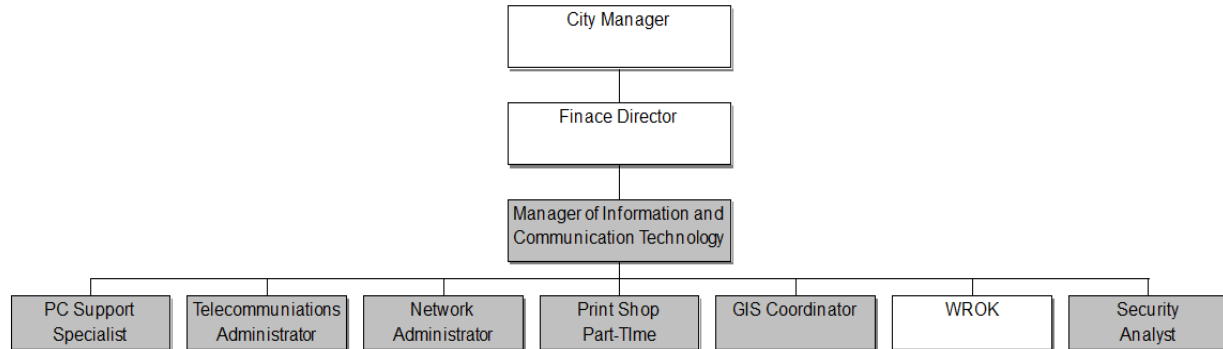
Revenues

636.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	7,520	1,436,950	0	1,444,470
2016-2017 Actual	0	0	0	13,110	1,746,660	0	1,759,770
2017-2018 Actual	0	0	0	18,130	1,745,230	0	1,763,360
2018-2019 Original Budget	0	0	0	20,000	1,818,580	0	1,838,580
2018-2019 Adjusted Budget (Dec)	0	0	0	20,000	1,818,580	0	1,838,580
2018-2019 Six Month Actual	0	0	0	26,660	917,580	0	944,240
2018-2019 Estimated Year End	0	0	0	55,000	1,826,880	0	1,881,880
2019-2020 Dept Request	0	0	0	55,000	1,803,140	0	1,858,140
2019-2020 Manager's Budget	0	0	0	55,000	1,803,140	0	1,858,140
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	55,000	1,848,220	0	1,903,220
2021-2022 Projected Budget	0	0	0	55,000	1,894,430	0	1,949,430
2022-2023 Projected Budget	0	0	0	55,000	1,941,790	0	1,996,790
2023-2024 Projected Budget	0	0	0	55,000	1,990,330	0	2,045,330

Expenditures

636.258 INFORMATION SYSTEMS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	239,210	49,800	0	564,780	0	853,790
2016-2017 Actual	185,410	57,950	7,900	744,970	15,430	1,011,660
2017-2018 Actual	614,530	71,810	23,190	714,340	41,920	1,465,790
2018-2019 Original Budget	682,980	112,000	241,000	893,160	142,890	2,072,030
2018-2019 Adjusted Budget (Dec)	682,980	112,000	241,000	893,160	142,890	2,072,030
2018-2019 Six Month Actual	231,700	55,800	46,680	412,330	19,120	765,630
2018-2019 Estimated Year End	532,660	107,000	166,000	876,970	142,890	1,825,520
2019-2020 Dept Request	632,390	138,500	260,000	955,720	76,000	2,062,610
2019-2020 Manager's Budget	632,390	138,500	260,000	955,720	76,000	2,062,610
2019-2020 Approved Budget						
2020-2021 Projected Budget	654,330	138,500	324,000	903,500	76,000	2,096,330
2021-2022 Projected Budget	677,050	138,500	241,000	904,320	76,000	2,036,870
2022-2023 Projected Budget	700,620	138,500	241,000	905,180	76,000	2,061,300
2023-2024 Projected Budget	725,040	138,500	241,000	906,080	76,000	2,086,620

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Info Tech									
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
<u>Full-Time Positions</u>									
Manager of Information and Communication Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Data Base Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Network Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PC Support Specialist	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
GIS Coordinator	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Telecommunications Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Info Tech - MC II	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Security Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Network Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
Full-time total	4.0	4.0	4.0	4.0	4.0	5.0	5.0	7.0	6.0
<u>Part-Time Positions (FTEs)</u>									
Part-time positions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	4.0	4.0	4.0	4.0	4.0	5.0	5.0	7.0	6.0

The mission of the motor pool is to provide a central location of accountability for the acquisition and maintenance of safe and efficient machinery, equipment and vehicles for city operations.

The motor pool division of the department of public service (DPS) is an internal citywide service unit responsible for fleet maintenance, repairs, fueling and vehicle / equipment acquisition, to keep citywide departments operational. The motor pool division ensures that the city-owned fleet of machinery, equipment and vehicles remain in a safe and proper functioning condition. Scheduled preventative maintenance is performed.

Vehicle condition and criteria for replacement are also closely monitored to optimize long-term cost. The motor pool maintains its own computerized records and inventory. Gasoline, diesel fuel, auto and truck parts are inventoried and charged to the various departments when used.

Internal city departments are charged monthly or hourly user fees that include a replacement charge ensuring that funds will be available when replacement is due.

The motor pool manages over \$16 million in machinery, equipment and vehicles, consisting of approximately eight fire trucks, four ambulance units, 132 cars, vans and pickup trucks, 15 dump-trucks, 28 heavy construction vehicles and seven trailers and specialty vehicles.

The division continually analyzes city-wide vehicle and equipment utilization; recommends, develops and refines specifications maximizing vehicle life cycle; and analyzes fleet composition in order to “right size” the fleet with a focus on reducing the total number of vehicles and equipment to the number that would provide the lowest overall fleet cost.

GOALS

1. Provide each department quality service.
 2. Complete repairs in a timely manner by prioritizing each repair according to need and importance.
 3. To maintain the fleet in a safe and proper functioning condition by providing a preventive maintenance program consistent with manufacturing recommendations.
 4. To maintain an adequate level of parts and supplies while minimizing inventory costs.
-

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

Motor pool charges include fees for the catch-up plan to collect depreciation that was not collected numerous years ago during an intentional depreciation (collection) vacation. This catch-up is intended to help to provide the proper accumulation of funds that will be sufficient for the motor pool's future replacements. Fiscal year 2019-20 will be the second year of the ten-year catch-up plan.

Tools and hardware include \$15,000 for the purchase of specialty tools, which is a decrease of \$8,500 relative to the fiscal year 2018-19 original budget. Vehicle repair and maintenance services and parts are decreasing \$30,000 and \$10,000, respectively, due to the city's vehicle replacement plan purchases that has reduced the average age of the fleet and thus the maintenance costs. Heating/cooling repair and maintenance services are increasing \$10,000 relative to the fiscal year 2018-19 original budget due to a repair needed to a conduit tunnel. Equipment repair and maintenance costs are increasing \$8,000 for a contingency as this account tends to fluctuate higher ever few years.

Capital projects requested in the fiscal year 2019-20 include \$45,000 for an HVAC air handling unit and \$22,000 for a baseball infield sand groomer. In the estimated future years' budget for fiscal year 2020-21, it is projected that \$750,000 will be needed to replace the entire roof on the DPS building.

The following replacement vehicles for fiscal year 2019-20 will be funded with the cash on-hand in the motor pool fund that accumulated by way of depreciation (may deviate from CIP):

• Fire department	
E-1 Pumper tanker	\$782,000
Two SUV's	74,000
• Highway	
Sign truck	336,000
Single axle day cab truck	205,700
Pick-up truck	42,800*
Leaf vacuum	40,300
Cement saw	24,800*
• Inspection	
One SUV	29,700
• Motor pool	
Groundmaster mower	56,800
• Parks & forestry	
Log loader truck	205,500
Single axle day cab truck	132,900
Two tractors	87,100*
• Police department	
Seven patrol vehicles	252,000
• Water maintenance	
Target arrow	<u>6,700</u>
FY2019-20 total:	\$2,276,300

*Amounts deviate from the FY 2019-20 CIP to reflect updated estimates received for the replacement costs of the indicated vehicles.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	3,280,740	4,151,796	4,290,376	4,684,624	5,514,542	6,182,033
Revenues and transfers from other funds	5,694,130	5,417,010	5,574,420	5,736,550	5,903,550	6,075,560
*Expenditures and transfers to other funds	4,289,240	5,278,430	5,180,172	4,906,632	5,236,059	5,610,803
Net Change in Net Assets	1,404,890	138,580	394,248	829,918	667,491	464,757
Ending Unrestricted Net Assets	4,151,796	4,290,376	4,684,624	5,514,542	6,182,033	6,646,790

*depreciation is removed from expenses

Revenues

661.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	47,060	4,385,470	80,000	4,512,530
2016-2017 Actual	0	0	0	56,360	4,536,240	255,340	4,847,940
2017-2018 Actual	0	0	0	72,870	4,813,970	0	4,886,840
2018-2019 Original Budget	0	0	0	100,000	5,045,410	0	5,145,410
2018-2019 Adjusted Budget (Dec)	0	0	0	100,000	5,045,410	0	5,145,410
2018-2019 Six Month Actual	0	0	0	110,220	2,815,280	0	2,925,500
2018-2019 Estimated Year End	0	0	0	220,000	5,474,130	0	5,694,130
2019-2020 Dept Request	0	0	0	100,000	5,317,010	0	5,417,010
2019-2020 Manager's Budget	0	0	0	100,000	5,317,010	0	5,417,010
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	100,000	5,474,420	0	5,574,420
2021-2022 Projected Budget	0	0	0	100,000	5,636,550	0	5,736,550
2022-2023 Projected Budget	0	0	0	100,000	5,803,550	0	5,903,550
2023-2024 Projected Budget	0	0	0	100,000	5,975,560	0	6,075,560

Expenditures

661.442 MOTOR POOL	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	1,262,800	692,790	125,390	1,469,380	69,420	3,619,780
2016-2017 Actual	612,920	650,090	54,040	1,833,860	146,900	3,297,810
2017-2018 Actual	2,106,390	716,060	74,060	1,850,360	316,340	5,063,210
2018-2019 Original Budget	965,190	990,020	1,844,100	1,844,520	537,100	6,180,930
2018-2019 Adjusted Budget (Dec)	965,190	990,020	1,844,100	1,844,520	537,100	6,180,930
2018-2019 Six Month Actual	416,710	344,340	466,920	900,600	143,760	2,272,330
2018-2019 Estimated Year End	888,030	849,220	1,500,000	1,933,390	538,600	5,709,240
2019-2020 Dept Request	990,270	974,520	2,343,300	1,945,640	524,700	6,778,430
2019-2020 Manager's Budget	990,270	974,520	2,343,300	1,945,640	524,700	6,778,430
2019-2020 Approved Budget						
2020-2021 Projected Budget	1,013,800	1,004,120	2,166,000	1,948,990	547,262	6,680,172
2021-2022 Projected Budget	1,038,080	1,034,640	1,840,000	1,952,450	541,462	6,406,632
2022-2023 Projected Budget	1,063,150	1,066,110	2,113,000	1,956,000	537,799	6,736,059
2023-2024 Projected Budget	1,089,030	1,098,580	2,427,000	1,959,660	536,533	7,110,803

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Motor Pool		Fiscal Year								
		11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Full-Time Positions										
Superintendent - Motor Pool		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Motor Pool Supervisor		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Budget Analyst		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Automotive Mechanic		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Communications Maintenance Tech		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Stock Clerk		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Oil and Lube Tech		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Service Facility Custodian		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Motor Pool - MC III		1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total		9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Part-Time Positions (FTEs)										
Part-time positions		1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		10.3	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

The mission of the worker's compensation fund is to account for all costs of worker's compensation claims.

The city is responsible for paying the costs of eligible worker's compensation claims from employees. It has elected to be "self-insured," bearing the burden of normal costs.

Reinsurance is purchased to limit losses by individual case and, annually, in the aggregate.

The human resources department receives and forwards employee claims from departments to an independent claims

processor for professional case management.

This fund pays the eligible costs of training, lost time, medical and indemnity, claims processor, reinsurance and legal fees, if any.

Funds and departments are charged a user charge based on worker's compensation insurance principals to fund this activity.

The city currently has a self-insured specific retention of \$600,000 with an employer's limit of \$1,000,000. The aggregate policy limit is \$5 million.

GOALS

1. Minimize worker's compensation claims through proper hiring, screening and employee safety training.
2. Provide supervisors with safety training so that, when accidents occur, they protect the injured employee and record all pertinent circumstances regarding any potential claim.
3. Vigorously oppose lawsuits arising from ineligible worker's compensation claims.
4. Create equitable worker's compensation charge rates to other funds to maintain a proper fund balance.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The workers compensation medical payment account is budgeted to decrease relative to the projected fiscal year 2018-19 expense due to a known higher redemption on a particular claim in fiscal year 2018-19.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	1,431,271	1,253,661	1,262,971	1,253,041	1,224,831	1,179,251
Revenues and transfers from other funds	356,420	428,840	409,600	391,320	373,950	357,450
Expenditures and transfers to other funds	534,030	419,530	419,530	419,530	419,530	419,530
Net Change in Net Assets	(177,610)	9,310	(9,930)	(28,210)	(45,580)	(62,080)
Ending Unrestricted Net Assets	1,253,661	1,262,971	1,253,041	1,224,831	1,179,251	1,117,171

Revenues

677.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	626,390	20,620	220,040	0	867,050
2016-2017 Actual	0	0	717,270	15,320	253,900	0	986,490
2017-2018 Actual	0	0	354,700	15,100	0	0	369,800
2018-2019 Original Budget	0	0	339,990	18,000	0	0	357,990
2018-2019 Adjusted Budget (Dec)	0	0	339,990	18,000	0	0	357,990
2018-2019 Six Month Actual	0	0	181,000	21,040	0	0	202,040
2018-2019 Estimated Year End	0	0	314,420	42,000	0	0	356,420
2019-2020 Dept Request	0	0	384,840	44,000	0	0	428,840
2019-2020 Manager's Budget	0	0	384,840	44,000	0	0	428,840
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	365,600	44,000	0	0	409,600
2021-2022 Projected Budget	0	0	347,320	44,000	0	0	391,320
2022-2023 Projected Budget	0	0	329,950	44,000	0	0	373,950
2023-2024 Projected Budget	0	0	313,450	44,000	0	0	357,450

Expenditures

677.871 WORKERS COMPENSATION	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	217,640	0	0	120,860	0	338,500
2016-2017 Actual	332,670	0	0	2,238,520	0	2,571,190
2017-2018 Actual	219,160	0	0	122,800	0	341,960
2018-2019 Original Budget	240,000	0	0	139,430	0	379,430
2018-2019 Adjusted Budget (Dec)	240,000	0	0	139,430	0	379,430
2018-2019 Six Month Actual	117,080	0	0	41,450	0	158,530
2018-2019 Estimated Year End	395,000	0	0	139,030	0	534,030
2019-2020 Dept Request	280,000	0	0	139,530	0	419,530
2019-2020 Manager's Budget	280,000	0	0	139,530	0	419,530
2019-2020 Approved Budget						
2020-2021 Projected Budget	280,000	0	0	139,530	0	419,530
2021-2022 Projected Budget	280,000	0	0	139,530	0	419,530
2022-2023 Projected Budget	280,000	0	0	139,530	0	419,530
2023-2024 Projected Budget	280,000	0	0	139,530	0	419,530

The mission of the health care fund is to account for all employee and retiree health care costs.

Effective April 2010, the city transitioned from an experienced rated contract to an administrative services contract (ASC) with Blue Cross Blue Shield (BCBS) of Michigan for healthcare for its employees and retirees. Under an ASC the city operates under a self-insured funded arrangement making the city

responsible for claims, fixed administrative fees and stop loss insurance. The city carries (medical only) \$150,000 stop loss protection, administered on a per contract basis, rather than per family member. For certain retirees, the city continues to pay HAP insurance premiums as opposed to being self-insured. Beginning in plan year 19-20, it is budgeted that all employees pay 10 percent of the BCBS illustrative rates into this fund.

GOALS

1. Manage city health related risks as efficiently and effectively as possible.

OBJECTIVES

- Resurrect the Wellness committee in an effort to reduce risks as it relates to healthcare costs.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

BCBS illustrative rates for fiscal year 2019-20 are budgeted to increase 8 percent for active employees and essentially no change for retirees with BCBS. In addition, the HAP fully insured rate for retirees increased 3 percent. The stop loss rate increased by 1 percent. The BCBS administration fee remains constant. Approximately 60% of the medical budget in this fund is for retiree coverage. \$10,000 is budgeted for the health & wellness committee's future initiatives and \$226,000 is budgeted for the collaborative health center an increase relative to prior years due to contract change.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	5,301,352	4,938,542	4,939,002	5,066,182	5,100,602	5,077,442
Revenues and transfers from other funds	10,878,290	11,361,560	12,037,080	12,533,660	13,052,230	13,593,790
Expenditures and transfers to other funds	11,241,100	11,361,100	11,909,900	12,499,240	13,075,390	13,679,670
Net Change in Net Assets	(362,810)	460	127,180	34,420	(23,160)	(85,880)
Ending Unrestricted Net Assets	4,938,542	4,939,002	5,066,182	5,100,602	5,077,442	4,991,562

Revenues

678.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	9,687,920	0	0	9,687,920
2016-2017 Actual	0	0	0	9,855,520	0	0	9,855,520
2017-2018 Actual	0	0	0	10,643,920	0	0	10,643,920
2018-2019 Original Budget	0	0	0	10,638,850	0	0	10,638,850
2018-2019 Adjusted Budget (Dec)	0	0	0	10,638,850	0	0	10,638,850
2018-2019 Six Month Actual	0	0	0	4,895,070	0	0	4,895,070
2018-2019 Estimated Year End	0	0	0	10,878,290	0	0	10,878,290
2019-2020 Dept Request	0	0	0	11,415,630	0	0	11,415,630
2019-2020 Manager's Budget	0	0	0	11,361,560	0	0	11,361,560
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	12,037,080	0	0	12,037,080
2021-2022 Projected Budget	0	0	0	12,533,660	0	0	12,533,660
2022-2023 Projected Budget	0	0	0	13,052,230	0	0	13,052,230
2023-2024 Projected Budget	0	0	0	13,593,790	0	0	13,593,790

Expenditures

678.851 Medical	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	9,063,660	0	9,063,660
2016-2017 Actual	0	0	0	8,972,610	0	8,972,610
2017-2018 Actual	0	0	0	15,143,210	0	15,143,210
2018-2019 Original Budget	0	0	0	10,515,500	0	10,515,500
2018-2019 Adjusted Budget (Dec)	0	0	0	10,515,500	0	10,515,500
2018-2019 Six Month Actual	0	0	0	6,256,480	0	6,256,480
2018-2019 Estimated Year End	0	0	0	11,241,100	0	11,241,100
2019-2020 Dept Request	0	0	0	11,415,100	0	11,415,100
2019-2020 Manager's Budget	0	0	0	11,361,100	0	11,361,100
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	11,909,900	0	11,909,900
2021-2022 Projected Budget	0	0	0	12,499,240	0	12,499,240
2022-2023 Projected Budget	0	0	0	13,075,390	0	13,075,390
2023-2024 Projected Budget	0	0	0	13,679,670	0	13,679,670

The mission of the general liability & property insurance fund is to account for all of the city's general liability and property insurance coverage activity.

In a collaborative effort, the city is a member of the Michigan Municipal Risk Management Authority (MMRMA), a pooled organization under the laws of the State of Michigan to assist with risk management services and self-insurance protection from general liability, property coverage and crime loss.

The city has been a member of the pool since 1985. The city is bound by all of the provisions of the MMRMA's joint powers agreement, coverage documents, MMRMA rules, regulations, and administrative procedures.

The city currently has a self-insured retention (SIR) of \$500,000 for general liability, \$15,000 for vehicle damage and \$250,000 for limited sewage system overflow. Vehicle physical damage and property /crime and EMS/Fire replacement have a \$1,000 deductible.

The city has a stop loss of \$750,000. This limits the city's payments during the year for those costs falling within the city's SIR. The stop loss only responds to cumulative city SIR payments, including damages, indemnification, and allocated loss adjustment expenses within one year (June 1 to May 31).

Over the past twelve years, the city has received nearly \$5.3 million in net asset distributions from the MMRMA.

GOALS

1. To minimize general liability and property losses.

OBJECTIVES

- Coordinate the development of a loss prevention committee to help to improve safety and reduce losses and related costs to the city.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

The budget and forecast assume an annual \$240,000 net asset distribution is received from the MMRMA. The 2019-20 budget has a decrease as there was a need to replenish the SIR fund in 2018-19 that is not budgeted to occur in fiscal year 2019-20.

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	(187,883)	2,117	57,287	102,417	136,997	160,507
Revenues and transfers from other funds	1,965,190	1,318,170	1,371,280	1,427,040	1,485,590	1,547,070
Expenditures and transfers to other funds	1,775,190	1,263,000	1,326,150	1,392,460	1,462,080	1,535,180
Net Change in Net Assets	190,000	55,170	45,130	34,580	23,510	11,890
Ending Unrestricted Net Assets	2,117	57,287	102,417	136,997	160,507	172,397

Revenues

679.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	3,089,990	0	0	3,089,990
2016-2017 Actual	0	0	0	1,464,190	0	0	1,464,190
2017-2018 Actual	0	0	0	1,071,970	0	0	1,071,970
2018-2019 Original Budget	0	0	0	1,144,710	0	0	1,144,710
2018-2019 Adjusted Budget (Dec)	0	0	0	1,144,710	0	0	1,144,710
2018-2019 Six Month Actual	0	0	0	1,200,830	0	0	1,200,830
2018-2019 Estimated Year End	0	0	0	1,965,190	0	0	1,965,190
2019-2020 Dept Request	0	0	0	1,318,170	0	0	1,318,170
2019-2020 Manager's Budget	0	0	0	1,318,170	0	0	1,318,170
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	1,371,280	0	0	1,371,280
2021-2022 Projected Budget	0	0	0	1,427,040	0	0	1,427,040
2022-2023 Projected Budget	0	0	0	1,485,590	0	0	1,485,590
2023-2024 Projected Budget	0	0	0	1,547,070	0	0	1,547,070

Expenditures

679.881 General Liability and Property	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	1,226,290	0	1,226,290
2016-2017 Actual	0	0	0	1,482,460	0	1,482,460
2017-2018 Actual	0	0	0	1,962,320	0	1,962,320
2018-2019 Original Budget	0	0	0	1,144,710	0	1,144,710
2018-2019 Adjusted Budget (Dec)	0	0	0	1,144,710	0	1,144,710
2018-2019 Six Month Actual	0	0	0	1,193,700	0	1,193,700
2018-2019 Estimated Year End	0	0	0	1,775,190	0	1,775,190
2019-2020 Dept Request	0	0	0	1,263,000	0	1,263,000
2019-2020 Manager's Budget	0	0	0	1,263,000	0	1,263,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	1,326,150	0	1,326,150
2021-2022 Projected Budget	0	0	0	1,392,460	0	1,392,460
2022-2023 Projected Budget	0	0	0	1,462,080	0	1,462,080
2023-2024 Projected Budget	0	0	0	1,535,180	0	1,535,180



Fiduciary Funds

A fiduciary fund is any fund held by a governmental unit in a fiduciary capacity.

Retirement (Pension) Fund - 731

Retiree Health Care Fund - 736

The funding objective of the retirement (pension trust) fund is to actuarially determine and receive contributions which will accumulate as assets during members' time of employment that will be sufficient to finance retirement pension benefits throughout the members (and beneficiaries) retirement years. In February 2017, the city closed on a \$20.57 million pension bond issuance. This was intended to eliminate the general employee unfunded actuarial

accrued liability (UAAL). The UAAL for police and fire was not bonded as the plan is an open plan and in accordance with Michigan legislation an open plan cannot bond it's UAAL. The In November 2018, the retirement board modified the assumptions used for the annual actuarial reports, the most impactful change was the lowering of the average investment rate of return. Lower rate of return caused the fund to once again have an unfunded accrued liability.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

As of the last actuarial report dated June 30, 2018 the required employer contribution is approximately \$7.7 million an increase of over \$2.1 million relative to the prior fiscal year, due to assumption changes, mostly investment returns, as there is an anticipation of lower investment returns (at least in the short-term). The full ARC contribution is budgeted as required by law. The retirement system has a ratio of over two retirees/beneficiaries to one employee member. The complete actuarial report is on the city's website at <https://www.romi.gov/ArchiveCenter/ViewFile/Item/685>

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	156,198,592	159,695,252	164,173,412	168,972,632	174,127,072	179,673,952
Revenues and transfers from other funds	21,692,070	22,883,260	23,935,600	25,053,850	26,242,530	27,506,470
Expenditures and transfers to other funds	18,195,410	18,405,100	19,136,380	19,899,410	20,695,650	21,526,670
Net Change in Net Assets	3,496,660	4,478,160	4,799,220	5,154,440	5,546,880	5,979,800
Ending Unrestricted Net Assets	159,695,252	164,173,412	168,972,632	174,127,072	179,673,952	185,653,752

Revenues

731.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	5,192,880	5,530	0	5,198,410
2016-2017 Actual	0	0	0	47,163,800	22,810	0	47,186,610
2017-2018 Actual	0	0	0	19,320,640	4,160	0	19,324,800
2018-2019 Original Budget	0	0	0	21,799,870	0	0	21,799,870
2018-2019 Adjusted Budget (Dec)	0	0	0	21,799,870	0	0	21,799,870
2018-2019 Six Month Actual	0	0	0	(4,945,310)	10,670	0	(4,934,640)
2018-2019 Estimated Year End	0	0	0	21,676,500	15,570	0	21,692,070
2019-2020 Dept Request	0	0	0	22,883,260	0	0	22,883,260
2019-2020 Manager's Budget	0	0	0	22,883,260	0	0	22,883,260
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	23,935,600	0	0	23,935,600
2021-2022 Projected Budget	0	0	0	25,053,850	0	0	25,053,850
2022-2023 Projected Budget	0	0	0	26,242,530	0	0	26,242,530
2023-2024 Projected Budget	0	0	0	27,506,470	0	0	27,506,470

Expenditures

731.237 RETIREMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	34,130	0	0	7,498,030	0	7,532,160
2016-2017 Actual	51,380	0	0	17,159,190	0	17,210,570
2017-2018 Actual	42,470	0	0	18,054,600	0	18,097,070
2018-2019 Original Budget	47,920	0	0	21,751,950	0	21,799,870
2018-2019 Adjusted Budget (Dec)	47,920	0	0	21,751,950	0	21,799,870
2018-2019 Six Month Actual	17,880	0	0	8,404,890	0	8,422,770
2018-2019 Estimated Year End	34,200	0	0	18,161,210	0	18,195,410
2019-2020 Dept Request	49,650	0	0	18,355,450	0	18,405,100
2019-2020 Manager's Budget	49,650	0	0	18,355,450	0	18,405,100
2019-2020 Approved Budget						
2020-2021 Projected Budget	50,990	0	0	19,085,390	0	19,136,380
2021-2022 Projected Budget	52,370	0	0	19,847,040	0	19,899,410
2022-2023 Projected Budget	53,790	0	0	20,641,860	0	20,695,650
2023-2024 Projected Budget	55,260	0	0	21,471,410	0	21,526,670

The funding objective of the retiree healthcare trust fund is to actuarially determine and receive contributions which will accumulate as assets during members' time of employment that will be sufficient to finance retirement healthcare benefits throughout the members (and beneficiaries) retirement years. The city currently is making the entire annual contribution. In February 2017, the city closed on a \$106.04 million OPEB bond issuance. This was

intended to eliminate the general, police and fire employees' current unfunded actuarial accrued liability, which it temporarily eliminated. . In November 2018, the board of trustees modified the assumptions used for the bi-annual actuarial reports; the most impactful change was the lowering of the average investment rate of return. Lower rate of return caused the fund to once again have an unfunded accrued liability.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2019-20:

As of the last complete actuarial valuation report dated June 30, 2018, the annual recommended contribution (ARC) for fiscal year beginning July 1, 2019 is \$1,021,657. an increase of over \$650,000 relative to the prior fiscal year, due to assumption changes, mostly investment returns, as there is an anticipation of lower investment returns (at least in the short-term). The full ARC is budgeted to be contributed. The complete actuarial report is on the city's website at <https://www.romi.gov/ArchiveCenter/ViewFile/Item/686>

Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Unrestricted Net Assets	132,747,651	128,457,651	130,945,151	133,864,051	137,263,091	141,148,161
Revenues and transfers from other funds	3,233,440	10,457,350	11,159,400	11,911,270	12,716,550	13,579,080
Expenditures and transfers to other funds	7,523,440	7,969,850	8,240,500	8,512,230	8,831,480	9,126,720
Net Change in Net Assets	(4,290,000)	2,487,500	2,918,900	3,399,040	3,885,070	4,452,360
Ending Unrestricted Net Assets	128,457,651	130,945,151	133,864,051	137,263,091	141,148,161	145,600,521

Revenues

736.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	479,070	11,677,120	0	12,156,190
2016-2017 Actual	0	0	0	3,526,970	119,383,920	0	122,910,890
2017-2018 Actual	0	0	0	7,636,580	716,490	0	8,353,070
2018-2019 Original Budget	0	0	0	10,325,000	699,960	0	11,024,960
2018-2019 Adjusted Budget (Dec)	0	0	0	10,325,000	699,960	0	11,024,960
2018-2019 Six Month Actual	0	0	0	(8,375,120)	388,200	0	(7,986,920)
2018-2019 Estimated Year End	0	0	0	2,536,150	697,290	0	3,233,440
2019-2020 Dept Request	0	0	0	9,430,000	1,027,350	0	10,457,350
2019-2020 Manager's Budget	0	0	0	9,430,000	1,027,350	0	10,457,350
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	10,111,500	1,047,900	0	11,159,400
2021-2022 Projected Budget	0	0	0	10,842,410	1,068,860	0	11,911,270
2022-2023 Projected Budget	0	0	0	11,626,310	1,090,240	0	12,716,550
2023-2024 Projected Budget	0	0	0	12,467,040	1,112,040	0	13,579,080

Expenditures

736.860 RETIREE INSURANCE BENEFITS	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	7,298,120	0	7,298,120
2016-2017 Actual	0	0	0	7,455,630	0	7,455,630
2017-2018 Actual	0	0	0	7,929,130	0	7,929,130
2018-2019 Original Budget	0	0	0	11,024,960	0	11,024,960
2018-2019 Adjusted Budget (Dec)	0	0	0	11,024,960	0	11,024,960
2018-2019 Six Month Actual	0	0	0	3,795,660	0	3,795,660
2018-2019 Estimated Year End	0	0	0	7,523,440	0	7,523,440
2019-2020 Dept Request	0	0	0	7,969,850	0	7,969,850
2019-2020 Manager's Budget	0	0	0	7,969,850	0	7,969,850
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	8,240,500	0	8,240,500
2021-2022 Projected Budget	0	0	0	8,512,230	0	8,512,230
2022-2023 Projected Budget	0	0	0	8,831,480	0	8,831,480
2023-2024 Projected Budget	0	0	0	9,126,720	0	9,126,720



Supplemental Information

Building Authorities

- Fire

City Property

Biographies

- Elected Officials
- Management

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SEMOG Community Profiles

Principal Employers and
Taxpayers

Fire Building Authority Budget Summary

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beginning Fund Balance	0	0	0	0	0	0
Revenues and transfers from other funds	628,100	631,000	631,000	633,000	0	0
Expenditures and transfers to other funds	628,100	631,000	631,000	633,000	0	0
Net Change in Fund Balance	0	0	0	0	0	0
Ending Fund Balance	0	0	0	0	0	0

Fire Building Authority Revenues

573.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2015-2016 Actual	0	0	0	0	626,620	0	626,620
2016-2017 Actual	0	0	0	0	630,870	0	630,870
2017-2018 Actual	0	0	0	0	629,600	0	629,600
2018-2019 Original Budget	0	0	0	0	628,000	0	628,000
2018-2019 Adjusted Budget (Dec)	0	0	0	0	628,000	0	628,000
2018-2019 Six Month Actual	0	0	0	0	600,920	0	600,920
2018-2019 Estimated Year End	0	0	0	0	628,100	0	628,100
2019-2020 Dept Request	0	0	0	0	631,000	0	631,000
2019-2020 Manager's Budget	0	0	0	0	631,000	0	631,000
2019-2020 Approved Budget							
2020-2021 Projected Budget	0	0	0	0	631,000	0	631,000
2021-2022 Projected Budget	0	0	0	0	633,000	0	633,000
2022-2023 Projected Budget	0	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0	0

Fire Building Authority Expenditures

573.336 FIRE BUILDING AUTHORITY	Personnel Services	Supplies	Capital	Other	Debt	Total
2015-2016 Actual	0	0	0	0	626,620	626,620
2016-2017 Actual	0	0	0	0	630,870	630,870
2017-2018 Actual	0	0	0	0	629,600	629,600
2018-2019 Original Budget	0	0	0	0	628,000	628,000
2018-2019 Adjusted Budget (Dec)	0	0	0	0	628,000	628,000
2018-2019 Six Month Actual	0	0	0	0	600,920	600,920
2018-2019 Estimated Year End	0	0	0	0	628,100	628,100
2019-2020 Dept Request	0	0	0	0	631,000	631,000
2019-2020 Manager's Budget	0	0	0	0	631,000	631,000
2019-2020 Approved Budget						
2020-2021 Projected Budget	0	0	0	0	631,000	631,000
2021-2022 Projected Budget	0	0	0	0	633,000	633,000
2022-2023 Projected Budget	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0

Elected Officials

Mayor Michael Fournier

Mr. Fournier became Royal Oak's 24th Mayor in December 2016. Mr. Fournier was first elected to the city commission in November of 2011. He holds a BA from Michigan State University and an MBA from the University of Notre Dame. He has spent most of his professional career in financial and operational leadership roles.

Commissioner Kyle DuBuc

Mr. DuBuc was first elected to the city commission in November of 2011 and has lived in the city since 2007. He has extensive public policy experience and currently works as the Director of Public Policy & Advocacy at United Way of Southeast Michigan. Kyle earned a BA in community relations from Michigan State University.

Commissioner Kim Gibbs

Ms. Gibbs was first elected to the city commission in November of 2017. She obtained her bachelor's degree and Juris Doctor from Michigan State University. She has lived in the city since 2002. Her professional practice is transactional based with a focus on real estate.

Commissioner Sharlan Douglas

Ms. Douglas was elected to the city commission in 2013. She holds a BA in journalism from Michigan State University. She currently owns Douglas Communications Group, a public relations and social marketing firm.

Commissioner Pat Paruch

Ms. Paruch was sworn into office on Nov. 10, 2014. A 14-year veteran of the city commission, Ms. Paruch was previously the Mayor of the City of Royal Oak (1989-1993), a city commissioner (1979-1989) and mayor pro-tem for two years. Ms. Paruch graduated with a bachelor's degree from the University of Detroit (1972) and a Juris Doctor from Wayne State University (1992). A shareholder at the Kemp Klein Law Firm in Troy, her practice areas include municipal and environmental law.

Commissioner Melanie Macey

Ms. Macey was first elected to the city commission in November of 2017. Ms. Macey holds a M.S. in computer science and engineering from the University of Michigan and a Juris Doctor from the University of Michigan Law School. She is currently an attorney-counselor for the University of Michigan Law School's Office of Career Planning. She is also a board member for the Royal Oak Public Library.

Commissioner Randy LeVasseur

Mr. LeVasseur was first elected to the city commission in November of 2017. He obtained both a bachelor's degree and a Juris Doctor from the University of Michigan. He started his own real estate law practice in 1999 and started a small business dedicated to helping homeowners reduce their property taxes in 2010.

44th District Court Judge Derek Meinecke
The honorable Judge Meinecke was elected 44th District Court Judge in November 2012 with his term beginning in January 2013. In May 2013, Judge Meinecke was awarded the Public Service Leadership Award by the area agency on Aging 1-B. Prior to taking the bench, he spent over a decade as an assistant prosecuting attorney with the Oakland County Prosecutor's Office. Judge Meinecke served on the special victim's unit, prosecuting sexual assault, domestic violence, elder abuse and child abuse cases. Before joining the prosecutor's office, Judge Meinecke served as the law clerk to long-time 44th District Court Judge, Daniel Sawicki while completing his law degree at Wayne State University, where he graduated with honors. Judge Meinecke completed his undergraduate studies at Northwestern University where he majored in political science and history.

44th District Court Judge Jamie Wittenberg
The honorable Judge Jamie Wittenberg was first elected to the bench in November of 2008 and re-elected in November of 2014. Judge Wittenberg has spent his entire legal career as a public servant. After law school he worked as an Assistant Wayne County Prosecutor under both Mike Duggan and Kym Worthy, and most recently as an Assistant Macomb County Prosecutor under Eric Smith. As a prosecutor, he handled a number of high-profile homicide cases. Prior to attending law school, Judge Wittenberg opened his own retail/wholesale bakery business and later worked as a district manager for Elaine's Bagels. Judge Wittenberg received his undergraduate degree in public affairs from Indiana University and his law degree from Wayne State University.

Management

City Manager Donald E. Johnson

Mr. Johnson was officially appointed the city manager in July 2009. Prior to becoming city manager, he was appointed as the Royal Oak Director of Finance in September 2005. He started his career as a research analyst for the City of Southfield. He later served as finance director and treasurer for the City of Wayne and director of finance for the City of Birmingham. He earned his master's degree in public administration from Cornell University after completing his Bachelor of Arts degree at Oakland University. In the 15 years directly before starting with Royal Oak, Don owned and managed a software firm which specialized in municipal applications.

Director of Finance Julie Jenuwine Rudd

Ms. Rudd was hired in December 2009 as the city's chief financial officer. She has over 25 years of municipal finance and operational experience. She was with the City of Sterling Heights for ten years in numerous fiscal related positions and eight years with the City of Rochester Hills, including five years as the director of finance. She earned a Bachelor of Science degree in accounting from Oakland University and a Master of Science in taxation from Walsh College.

Assistant Finance Director Anthony DeCamp

Mr. DeCamp was selected to be the controller for the Royal Oak Finance Department in January 2008. He previously worked as a senior auditor for the Rehmann Group, where his assignments included auditing the City of Royal Oak. Tony is a C.P.A. and holds a bachelor's degree in professional accounting from Saginaw Valley State University.

City Treasurer Jaynmarie C. Hubanks

Ms. Hubanks was hired in August 2017. She has 40 years of financial and human resource management experience working for non-profits, governments, and small businesses. She spent 24 years at the City of Ferndale as the finance director, treasurer, and assistant city manager, and six years at University of Detroit as a loan specialist, financial analyst, then assistant controller. She received degrees in marketing and small business management at Ferris State College (now University), and her MBA from University of Detroit-Mercy.

44th District Court Administrator

Gary W. Dodge

Mr. Dodge was selected as the court administrator for the 44th District Court in December of 2014. He has worked as the court administrator at district and circuit courts in Michigan and Illinois from 1994 to 2014. Prior to that, he was a legal administrator with the US Army Judge Advocate General's Corp serving from 1972 to 1994.

Assistant Director of Planning / Building

Official Jason Craig

Appointed in July 2006, Mr. Craig came to the City of Royal Oak after serving for four years as the deputy building official for the Township of Canton. Jason possesses a Bachelor of Science degree in construction engineering from Eastern Michigan University.

City Attorney David Gillam

Mr. Gillam was named city attorney in November 2016. He previously served as city attorney from October 2006 to November 2014. Dave received his juris doctorate from Wayne State University Law School in June of 1986. He then served as an assistant prosecuting attorney in the Oakland County Prosecutor's Office for nearly five years. In June of 1991, he began his City of

Royal Oak career as deputy city attorney. He served in that position through December of 1998, when he moved into private practice with the Royal Oak law firm of Cooper, Shifman, Gabe, Quinn & Seymour. While in private practice, he served as prosecuting attorney for the City of Novi, assistant city attorney for Pleasant Ridge, Hazel Park, and Lathrup Village, and assistant township attorney for Lyon Township. In December of 2003, he joined the municipal practice group at the Farmington Hills Office of Secrest Wardle, where he served as legal counsel for several communities in Oakland County, including Walled Lake, Novi, and Bloomfield Township. Following the former city attorney's retirement, Royal Oak retained Secrest Wardle as interim city attorney in November of 2005. Mr. Gillam was assigned day-to-day responsibility for the city's legal affairs at that time, and he served the city in that capacity until he formally rejoined the city.

City Clerk Melanie Halas

Ms. Halas is a Royal Oak native who was hired as a clerk in August of 1995. Her dedication and hard work earned her a promotion to deputy city clerk in February 2000. In March of 2005 she obtained her Municipal Clerk Certification (CMC); in April of 2012 she received her Master Municipal Clerk Certification (MMC); and in April of 2014 she received her Certified Michigan Municipal Clerk Certification (CMMC). She is currently serving as President of the Oakland County Clerk's Association; In May of 2008 Ms. Halas was appointed to the city clerk's position with the full consensus of the city commission.

City Engineer Matt Callahan PE

Mr. Callahan was hired by the City of Royal Oak as a civil engineer III in 1996. He holds a Bachelor of Science degree in civil engineering from Michigan Tech and a master's degree in civil engineering from Wayne State University. He has a Professional Engineers (P.E.) license and is a member of the American Society of Civil Engineers.

Director of Community Development
Timothy Thwing

Mr. Thwing was promoted to director of planning in August 2001 after serving as deputy director of planning since October of 1996. He was first employed by the City of Royal Oak in October 1991 as a planner III. He earned his Bachelor of Science degree in urban planning from Michigan State University. Tim's previous experience with the City of Monroe, Monroe County and the City of Jackson ranged from assistant planner, associate planner, planner, and principal planner to acting director of planning.

Director of Recreation and Public Service
Gregory Rassel

Mr. Rassel was promoted to the director of recreation and public service in August 2004 after serving in an "acting" position since March 2004. He had been selected from Florida originally, to be the superintendent of public works effective October 1997. Greg entered service with the City of Royal Oak possessing a Bachelor of Arts degree in economics from the University of Florida, master's in organizational management from University of Phoenix, has served thirty years (active and reserve) in the U.S. Marine Corps, a retired colonel in the reserves, and two years as the superintendent of fleet management for the City of Hollywood, Florida.

Fire Chief David Cummins

Mr. Cummins has been serving as fire chief since March 2017. He was hired by the fire department in August of 1992 and has held the positions of firefighter/paramedic, sergeant, and lieutenant. He was the president of the Royal Oak Professional Firefighters Association from November 2005 through January 2009. He received a B.A. in philosophy from the University of Michigan-Dearborn.

Human Resource Director Dennis Van de Laar

Mr. Van de Laar was promoted to Human Resources Director in April of 2017. He was hired as a City Management Graduate Intern in the summer of 2012 and was also assigned to a role of part-time specialist in 2013, before moving into a full-time position with Human Resources later that year. Prior to arriving in Royal Oak, he worked for the Southern Illinois Airport Authority and was assigned to a variety of operational and capital funding projects. He also worked as a Manager of Regulatory Affairs for the National Air Transport Association in Washington DC. Dennis holds a Bachelor of Science degree in Aviation Management, with a minor in Organizational Psychology, and a master's degree in Public Administration with a concentration in HR and International Relations from Southern Illinois University.

Library Director Emily Dumas

Ms. Dumas became the library director in 2019. She started at the Royal Oak Public Library in 2009 in the circulation department. She became a paraprofessional in the youth and teen services department and upon graduation was promoted to Librarian I. After working as a librarian for a different library for five years, Emily returned to Royal Oak Public Library as head of youth and teen services in 2016. She holds a bachelor's degree in Psychology from Oakland University and a master's degree in library and Information Science from Wayne State university.

Manager of Information & Communications Technology Mike Kirby

Mr. Kirby was hired as the manager of information and communication technology in July 2015. He earned his Bachelor of Science degree in electrical engineering and computer science from the University of Michigan. Mike has over 20 years of experience in the technology field including software development, enterprise system and application architecture, data-center and infrastructure administration, project management and program management.

Assistant City Manager / Police Chief Corrigan O'Donohue

Chief O'Donohue was named the interim police chief in March 2011. He has also served as a deputy chief, lieutenant, sergeant, and patrol officer with the Royal Oak Police Department. He is a graduate of Eastern Michigan University's Staff and Command School, the FBI National Academy and has a bachelor's degree in criminal justice from Eastern Michigan University. He is currently pursuing a master's degree in public administration from Eastern Michigan University. Prior to joining the Royal Oak Police Department, he served in the United States Marine Corps.

Superintendent of Recreation John Fedele

Mr. Fedele was appointed the superintendent of recreation in February 2018. John graduated from the University of Florida with a bachelor's degree in sport management and minor in business administration. Previously, he was the Athletic Director for the City of Newberry, Florida where he operated multiple sport complexes and activities.

Ice Arena Building - East Rink	Eagle Plaza	Park - Wendland
Ice Arena Building - West Rink	Parking Deck – 5th & Lafayette	Park - Westwood
Center St Parking Structure	Lot - Woodward at Harrison	Park - Whittier
4th & Lafayette Pkg Structure	Lot - Woodward S. of Harrison	Park - Woodsboro
Golf Course Clubhouse	Land Under Roadways	Park - Worden
Golf Course Pump House #1	Park – 13 & Main (Not Dedicated)	City Hall-211 Williams
Golf Course Pump House #2	Park - Barton North	Vacant/Closed Street - Batavia
City Buildings	Park - Barton South	Vacant - Woodward & Hunter
Soccer Dome	Park - Bassett	5th & Williams Properties
Dept Of Public Service Bldg	Park - Beachwood	Park-Memorial
Barricade Storage Building	Park - Clawson	Ice Arena Land
Animal Shelter	Park - Cummingston	Land-Normandy Oaks
Police Station	Park - Dickinson	Farmers Mkt - Land
Fire Station #1 (Troy St)	Park - Dondero	Farmers Mkt - Parking Lot
Fire Station #1 (Renovations)	Park - Elks	Courthouse Land
Fire Station #2 (Museum) (Webster)	Park - Exchange	Land - 600 Fernwood
Fire Station #4-Storage Bldg	Park - Fernwood	Lot – 600 S. Main & 700 S. Main
Mahany/Meininger Center	Park - Franklin	Salt Shed
Orson Starr House	Park - Fred Pieper Optimist	Lot – 3rd & Williams
Orson Starr House Garage	Park - Fulton	11 Mile Rd. Pkg Structure
Memorial Prk-Storage Bldg	Park - Grant	
Memorial Park-Restroom Bldg	Park - Gunn Dyer	
Memorial Park-Press Box	Park - Hudson	
Memorial Park-Press Box	Park - Huntington Woods	
Memorial Park-Concession Bldg	Park - Kenwood	
Memorial Park-Restroom Bldg	Park - Lawson	
Memorial Park-Press Box	Park - Lockman	
RO Club Maintenance Bldg	Park - Maddock	
Salter Community Center	Park - Marais-Dickie Putnam	
Farmers Mkt - Bldg	Park - Mark Twain	
6th & Lafayette Parking Deck	Park - Marks	
Fire Station #3 (Rochester)	Park - Maudlin	
Fire Station #4 (Woodward)	Park - Meininger	
Library	Park - Miller	
Golf Course Cart Storage Facility	Park - Pioneer	
Courthouse	Park - Quickstad	
Land (For 606 Lloyd Property)	Park - Reactor	
Rr R/W Forestdale & Cedar Hill	Park - Red Run	
Rr R/W Woodsboro Park	Park - Rotary	
Lot - Crooks & Main	Park - Starr-Jaycee	
Lot - 11 Mile & Troy	Park - Sullivan	
Lot - Farmers Mkt	Park - Upton	
Lot - Troy St.	Park - VFW	
Parking Deck - 4th & Lafayette	Park - Wagner	
Parking Deck - 2nd & Center	Park - Waterworks	

Principal Employers

Company Name	Product/Service	2009			2018		
		Employees	Rank	Percentage of Total	Employees	Rank	Percentage of Total
William Beaumont Hospital	Hospital	10,362	1	31.32%	13,176	1	34.39%
Royal Oak Public Schools	Education	582	2	1.76%	580	2	1.51%
City of Royal Oak	Municipality	312	4	0.94%	505	3	1.32%
Detroit Zoo	Zoo	210	8	0.63%	420	4	1.10%
Holiday Market	Grocery store	300	5	0.91%	300	5	0.78%
Consumers Energy	Utility	270	6	0.82%	368	6	0.96%
Flex-n-Gate	Automotive supplier	180	10	0.54%	352	7	0.92%
Meijer, Inc.	Grocery store	250	7	0.76%	256	8	0.67%
Oakland Community College	Education	n/a	n/a	n/a	119	9	0.31%
Comau, LLC	Automotive supplier	n/a	n/a	n/a	100	10	0.26%
Howard & Howard	Legal	317	3	0.96%	n/a	n/a	n/a
HHI-Form Tech Industries	Automotive Supplier	200	9	n/a	n/a	n/a	n/a
Total		<u>12,983</u>		<u>39.24%</u>	<u>16,176</u>		<u>42.22%</u>

Principal Taxpayers

Taxpayer	Assessment Year 2008			Assessment Year 2018		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Consumers Energy Company	\$9,845,680	8	0.40%	\$29,809,690	1	1.17%
DTE Electric Company	18,446,510	2	0.75%	24,014,930	2	0.94%
Amber Equities	12,614,880	4	0.51%	16,733,110	3	0.41%
William Beaumont Hospital	17,371,970	3	0.71%	10,543,720	4	0.66%
Co-op Services	10,248,050	6	0.42%	8,830,600	5	0.35%
Meijer, Inc.	8,523,330	10	0.35%	8,351,370	6	0.33%
Flex-n-Gate	10,460,210	5	0.43%	7,775,820	7	0.30%
National City Bank	n/a	n/a	n/a	6,562,890	8	0.26%
The Kroger Company	n/a	n/a	n/a	6,336,220	9	0.25%
H2 Royal Oak, LLC	10,083,590	7	n/a	6,263,420	10	0.25%
Sprint Holdings / Form Tech	20,030,990	1	0.81%	n/a	n/a	n/a
Main Eleven R.O.	<u>8,720,800</u>	9	<u>0.35%</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Total taxable value of ten largest taxpayers	123,346,010		5.14%	125,221,770		4.90%
Total taxable value of all other taxpayers	<u>2,333,941,380</u>		<u>94.86%</u>	<u>2,429,424,890</u>		<u>95.10%</u>
Total taxable value of all taxpayers	<u>\$ 2,460,287,390</u>		<u>100.00%</u>	<u>\$ 2,554,646,660</u>		<u>100.00%</u>

Glossary

Accrual basis: Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACORN: The ACORN fund accounts for the receipt and use of donations to the City to be used for a public purpose. Name changed to ROOTS.

Activity: Specific and distinguishable service performed by one or more organizational components of the City to accomplish a function for which the City is responsible.

Adjacent Generational Exchange (A.G.E.): The A.G.E. budget, using a Beaumont Hospital grant, funds a Volunteer Coordinator to recruit, train and place volunteers to serve senior citizen needs. The volunteers assist City staff with programming at both Community Centers. In the community, volunteers provide senior citizens with meals, assistance and transportation.

Americans with Disabilities Act (ADA): A law to provide a clear and comprehensive national mandate for the elimination of discrimination against individuals with disabilities, to ensure the facilities, policies, and programs of public entities and their accommodations are equally accessible to the disabled.

Agency fund: A fund used to account for assets held by the city as an agent for individuals, private organizations, other governments and/or other funds.

Appropriation: An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

Appropriation budget: The official resolution by the city commission establishing the legal

authority for the city to incur obligations and to expend public funds for a stated purpose.

Annual Required Contribution (ARC): Term used in connection with defined benefit pension and other postemployment benefit plans to describe the amount an independent actuary has determined the employer should contribute in a given year.

Assessed Value (AV): The basic value of property assigned by an assessor. It is used for an individual parcel and in the aggregate for the city as whole. Pursuant to Michigan's laws and regulations, assessed value is 50% of market value at December 31st.

Balanced budget: A budget in which estimated revenues, transfers-in and use of fund balance are equal to or greater than estimated expenditures and transfers-out.

Bargaining Units for Full-Time Employees: *Executive Department Heads* (city assessor, city treasurer, city clerk, police chief, fire chief, plus directors of finance, recreation & public service, human resource, and arena operations) are not represented.

The *Department Head and Deputy Department Head Association* is the local bargaining association including department heads not included above, deputy department heads, managers and superintendents.

The *Professional and Technical Employees Association (Pro-Tech)* is the local bargaining association representing certain professional, specialist and supervisory employees.

The *American Federation of State, County and Municipal Employees (AFSCME) Local #2396* of Michigan Council #25 is the union representing certain inspectors, officers, librarians, and all clerical employees except confidential secretaries.

The *Professional Fire Fighters Local #431*, affiliated with the Michigan Professional Firefighters Union and the International

Association of Fire Fighters AFL-CIO, includes all uniformed firefighting and fire prevention personnel.

The *Royal Oak Police Command Officers Association* (ROCOA) is the local bargaining association, represented by the Police Officer's Labor Council, including sergeant and lieutenant ranks.

The *Royal Oak Police Officers Association* (ROPOA) is the local bargaining association representing police officers, police service aides and part-time parking enforcement officers.

The *Royal Oak Detectives' Association*, represented by the Labor Council Michigan Fraternal Order of Police, includes all employees with the rank of Detective.

The *Foreman and Supervisors' Association* is the local bargain association representing public works supervisors.

The *Service Employees' International Union* AFL-CIO Local 517M (SEIU) is the union representing hourly employees of the department of recreation and public service.

Brownfield: The site(s) or legally defined area(s) meeting the eligibility requirements of the Brownfield Development Act as environmentally contaminated, functionally obsolete or blighted areas.

Brownfield Development Authority (BRA): The board to investigate potential brownfield sites and plan and finance their redevelopment. BRAs may use tax increment financing (TIF), per Public Act 381 of 196 as amended, to capture local property taxes and school taxes if approved.

Business-type activity: Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds which follow essentially the same accounting rules as a private enterprise.

Capital assets: Capital assets are tangible and intangible assets that will be of use for three or more years and have a cost greater than \$10,000. Typical examples are land, buildings, building improvements, streets, water and sewer lines, vehicles, machinery, equipment, and easements.

Capital projects fund: A fund to account for the development of municipal capital facilities.

Capital improvement budget: A capital improvement budget plans and prioritizes acquisition of or major repair to long-lived assets, such as infrastructure. This budget typically has a long-term outlook where a project can span a several year period. (see Operating Budget)

Community Development Block Grant (CDBG): This is a federally funded program to assist communities in the expansion and improvement of community services, to develop and improve neighborhoods, and to restore and preserve property values. In Royal Oak, CDBG money pays for most of our senior citizen programs.

Contingency: An estimated amount of funds needed for contingent or emergency purposes.

Debt service fund: A fund to account for the accumulation of resources for and the payment of, general long-term debt principal and interest.

Defeasance: In financial reporting, the netting of outstanding liabilities and related assets on the statement of position. Defeased debt is no longer reported as a liability on the face of the statement of position. Most refundings result in the defeasance of the refunded debt.

Deficit: An excess of liabilities and reserves of a fund over its assets.

Depreciation: Depreciation is the accrual accounting concept using various methods to expense the capitalized cost of an asset over its estimated useful life.

Downtown Development Authority (DDA): The City Commission created the Downtown Development District and the DDA board (also the Authority) to administer it on November 1, 1976. The DDA Act (P.A. 175 of 1975 as amended) is designed to resist blight and be a catalyst in the development of a downtown.

DDAs have a variety of funding options. Royal Oak's DDA primarily uses development bonds and tax increment financing (TIF) to fund its development plan. It levies a district tax millage for its staffing operations. Projects to date include downtown marketing, streetscape improvements, public parking, the district court building, and other public infrastructure improvements.

Downtown Development District (DDD): The legal area created on November 1, 1976 by the city commission, originally bounded by 11 Mile Rd. and Troy, Lincoln and West Streets. The district has been amended three times.

Emergency Medical Service (EMS): The fire department provides advanced and basic emergency medical services typically with a rescue unit or ambulance.

Enterprise fund: A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Water & sewer is an example of an enterprise fund.

Expenditure: The cost of goods delivered, and services rendered whether paid or unpaid.

Expenditure object: An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects

include personnel services, supplies, other charges, capital outlays, debt service, and transfers out.

Final Average Compensation (FAC): An average of an employee's annual wages used in the calculation of their retirement benefit.

Fiscal Year (FY): The 12-month period, July 1 to June 30, to which the annual operating budget applies and, at the end of which, financial position and the results of operations are determined.

Full-Time Equivalent (FTE): A method to convert part-time hours worked to that of a full-time worker in a like position based on 2080 hours per year.

Function: Groups of related activities aimed at accomplishing a major service or regulatory program for which the city is responsible.

Fund: Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions, activities or objectives with special regulations, restrictions, or limitations. (e.g. Major Street Fund). A fund is a self-balancing set of accounts recording financial resources with all related liabilities resulting in equities or balances. The accounts of the city are organized on the basis of funds and account groups in order to report on its financial position and results of its operations.

Fund balance: The difference between assets and liabilities reported in a governmental fund.

Generally Accepted Accounting Principles (GAAP): Conventions, rules and procedures that serve as the norm for the fair presentation of financial statements.

General fund: The city's major operating fund to account for all financial resources except those accounted for in another fund.

Government-type activities: Activities typically supported by taxes, intergovernmental revenues or other non-exchange revenue. The general, special revenue, debt service, capital project, internal service and permanent funds are governmental activities.

Government Finance Officers Association (GFOA): The GFOA of the United States and Canada is a professional organization of public officials united to enhance and promote the professional management of governmental financial resources by identifying, developing and advancing fiscal strategies, policies and practices for public benefit.

Industrial Facilities Tax (IFT): An exemption from property tax allowed to eligible industrial facilities in Michigan.

Infrastructure: Long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, and lighting systems.

Interfund transfers: Flows of assets (such as cash or goods) between funds and blended components of the primary government without equivalent flows of assets in return or without a requirement for payment.

Internal service funds: Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis. These funds use the flow of economic resources for measurement purposes and the full accrual basis of accounting. Included in this category are the information technology, motor pool and worker's compensation funds.

Industrial Waste Charge (IWC): A surcharge placed by the City of Detroit on certain non-residential sewer accounts to pay to remove

the level of waste (e.g. grease from restaurants) above normal residential use.

Line item budget: A budget which emphasizes allocations of resources to given organizational units for particular expenditures, such as, salaries, supplies services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as on department, division, or agency levels. The City of Royal Oak adopts budgets on a "function" level.

Modified accrual accounting: This basis of accounting recognizes revenues in the accounting period in which they are both measurable and available to finance expenditures. Expenditures are generally recognized in the accounting period in which they are both measurable and incurred.

Michigan Municipal Risk Management Authority (MMRMA): A risk pool program providing a risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess property/casualty insurance coverage and to establish a member's loss fund. The loss fund is used to pay self-insured retention portion of the member's claims.

Net assets: The difference between assets and liabilities of assets and liabilities of proprietary funds. Net assets may be further divided into unrestricted and restricted amounts like constraints of legislation or external parties, trust amounts for pensions or pools, or other purposes like invested in capital assets, net of related debt.

Object (of expenditure): In the context of the classification of expenditures, the article purchased, or the service obtained, rather than the purpose for which the article or service was purchased or obtained (e.g., personal services, contractual services, materials and supplies).

Operating budget: The operating budget is the authorized revenues and expenditures for on-going municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year. Personnel costs, supplies, and other charges are found in an operating budget. A capital budget typically has a long-term outlook where a project can span a several year period.

Occupational Safety and Health Administration (OSHA): The agencies in state and federal government that oversee the workplace environment to ensure it is safe for workers.

Other Postemployment Benefits (OPEB): Other postemployment benefits (OPEB) include postemployment benefits provided separately from a pension plan, especially retiree healthcare benefits.

Other charges: An expenditure object within an activity which includes professional services, utilities, rents, and training for example.

Personnel services: An expenditure object within an activity which includes payroll and all fringe benefits.

Revenue: The income of the city used to fund operations. Typical revenue examples are taxation, licenses and permits, inter-governmental (e.g. state grants), charges for goods and services, fines and forfeitures, contributions and donations, reimbursements, interest and rents, and gains on the sale of investments or disposal of capital assets.

Refunding: Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

Royal Oak Civic Center Project (ROCC): A new development project to build a new city hall, police station and downtown park. The project will transform the downtown area to a gathering place for the entire city as well as provide necessary updates to building designed more than 60 years ago.

Royal Oak Opportunity to Serve (ROOTS): A city committee formed to receive any money or property deemed by donor for city use.

Royal Oak Senior Essential Services (R.O.S.E.S.): R.O.S.E.S. is a local program providing contract workers to provide home chores, minor home repairs and personal care to senior citizens, age 60 and over, and permanently handicapped adults. Low income senior citizens may be able to qualify for a CDBG subsidy. Administrative fees from clients, donations and CDBG grants pay for R.O.S.E.S. aides.

State Equalized Value (SEV): It is the function of the Michigan State Tax Commission to establish and maintain uniformity between counties by establishing the value of the total of each classification in each county. The State Equalized Valuation of an individual parcel of real property is that parcel's final value in the assessment process. Normally SEV equals Assessed Value (AV) when measurement and professional standards are properly applied. (see AV, TV)

Southeastern Oakland County Resource Recovery Authority (SOCRRA): The intergovernmental organization, serving 12 municipalities in the southeastern region of Oakland County, that provides for collection and disposal of solid waste as well as the handling of yard waste, compost and recyclables.

Southeastern Oakland County Water Authority (SOCWA): The intergovernmental organization, serving 11 communities in the southeastern region of Oakland County, that purchases water from the Detroit Water and Sewerage Department and stores and/or pumps it to each member unit.

Special assessment: Amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special revenue fund: A fund to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The library fund, the major street fund and the local street fund are examples of special revenue funds.

Supplies: An expenditure object within an activity which includes all goods that have a useful life of less than three years and cost less than \$2,500.

Surplus: An excess of the assets of a fund over its liabilities and reserves.

Transmittal letter: A concise written policy and financial overview of the city as presented by the city manager. It notes the major changes in priorities or service levels from the current year and the factors leading to those changes. It articulates the priorities and key issues for the new budget period. It identifies and summarizes major financial factors and trends affecting the budget, such as economic factors; long-range outlook; significant changes in revenue collections, tax rates, or other changes; current and future debt obligations; and significant use of or increase in fund balance or retained earnings.

Transfers-in/out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

Trust & agency fund: Trust & agency funds are used to account for assets held by the city

in a trustee capacity or as an agent for individuals, organizations, other governments or other funds. These include the Employees' Retirement System and the agency funds.

Tax Increment Financing (TIF): Financing secured by the anticipated incremental increase in tax revenue, resulting from the redevelopment of an area, or the funding on a current basis of pay-as-you-go improvements or operations. The TIF Authority (TIFA) board creates the TIF plan, carries out the projects and collects the incremental taxes to pay its costs. TIFAs may capture local taxes but not school taxes.

Tax millage rate: Tax millage rates are expressed in dollars per thousand dollars of taxable value. A tax rate of 10 mills means \$10/1,000 or \$0.010 x Taxable Value. (see TV)

Taxable Value (TV): Taxable Value is the base for calculating a taxable parcel's property tax in Michigan. Property tax equals Taxable Value multiplied by the tax millage rate. Taxable Value is calculated to limit growth in property taxes to a parcel's State Equalized Value or to 5 percent a year or less depending on inflation. Michigan's 1994 Proposal A Constitutional amendment and related legislation govern its application. (see AV and SEV)

Unreserved fund balance: The balance of net financial resources that is spendable or available for appropriation, or the portion of funds balance that is not legally restricted.

Water & sewer fund: This enterprise fund accounts for the operation of a combined water & sewer system. The revenues consist of charges for services from city businesses and residences which are used to pay for all water and sewer related expenses.