

**Royal Oak
Recommended Budget for
Fiscal Year 2020-21**

Mayor
Michael Fournier



City Commissioners
Sharlan Douglas
Kim Gibbs
Kyle DuBuc
Randy LeVasseur
Patricia Paruch
Melanie Macey

City Attorney / Interim City Manager
David W. Gillam

Director of Finance
Julie J. Rudd

Assistant Finance Director
Anthony C. DeCamp

The City of Royal Oak's 50th Commission and City Manager



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David W. Gillam
City Attorney / Interim
City Manager
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City of Royal Oak

203 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 – Aaron Filipski
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 / Interim City Manager – David W. Gillam

Department Heads

City Engineer – Holly Donoghue
Assistant Director of Community Development / Building Official - Jason Craig
Information and Communication 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 – Michael Moore
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 – Tami Bone



GOVERNMENT FINANCE OFFICERS ASSOCIATION

***Distinguished
Budget Presentation
Award***

PRESENTED TO

City of Royal Oak

Michigan

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

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Budget Highlights

Budget Summary

Budget Procedures

Introduction

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Vision and Mission Statements

Organizational Chart

Goals and Objectives

Budget Calendar

In January 2020, the city commission conducted strategic/budget planning session in advance of the budget preparation season and in advance of the completion of the annual capital improvement plan (CIP).

The city commission and administrative staff worked on re-evaluating the city goals and establishing new objectives (see pages 16-23) for the upcoming budget year(s). After the adoption of the city commissions goals/objectives the interim city manager and department heads prepared these recommended budgets. The city commission has scheduled three budget work sessions (May 13, 20 and 28) in addition to a public hearing (June 8) prior to city commission adopting the fiscal year 2020-21 budget. The fiscal year 2020-21 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 projected 2019-20, 2020-21 recommended budget and future years' forecasts/estimates do not take into consideration all of the potential negative effects of the COVID-19 pandemic, such as reduced state shared revenue, reduced Act 51 revenue, and future decreases in property values. It is recommended that the administration prepare proposed amendments to the budget for city commission consideration early in the new fiscal year (such as August), when we hope to have additional information related to the impact of the pandemic.**

The city managers recommended budget calls for a total city millage rate of 17.8496 (excluding the DDA levy on the central business district area), a decrease of 0.2691 mill due to reductions in the chapter 20 drain, publicity and fire debt millages, and slight reductions on the balance of the other millages due to Headlee Act reductions. This total reduced millage rate includes not levying the solid waste millage at the Headlee Act maximum allowable rate for a second year. The proposed rate is 0.2477

mill below the maximum allowable rate. The Headlee reduction factor for fiscal year 2020-21 millages is 0.9896. There is not a Headlee reduction factor to the DDA millage. *See pages 53-56 for millage rate details.* The millage rate of 17.8496 would put the city slightly below the average and slightly above the median millage rate of Oakland County cities. This rate places the city below eight bordering cities with higher millage rates and above four bordering cities with lower millage rates. This claim is based upon fiscal year 2019-20 city/village millage rates versus the recommended 2020-21 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 56 for the chart of the 31 Oakland County city/village 2019-20 millage rates.*

Total city taxable value increased by 5.98 percent. Residential values increased 5.3 percent, industrial increased 2.4 percent, personal property increased 6.4 percent and commercial increased 9 percent. *See pages 50-52 for taxable value detail.* The spread between 2020 state equalized value and taxable value increased to a \$672 million loss, a \$63 million loss increase from the prior year.

Across all funds, the city is budgeted to receive \$56.577 million in tax revenue for fiscal year 2020-21, an increase from fiscal year 2019-20 projected of 3.7 percent. The increase is due to the net effect of slight millage rate reductions for all of city tax levies (some due to Headlee Act) and higher taxable values. The allowable inflationary factory on existing property used in the Headlee Act reduction calculation is 1.9 percent for fiscal year 2020-21.

Total grants are budgeted at \$17.3 million across all funds, an 8.6 percent increase over the prior years estimated grant revenue. State shared revenue is budgeted to increase 1.8 percent based upon the State of Michigan Treasury Department's published

projections as of the date this recommended budget was developed. Act 51 monies are budgeted at \$7.4 million which is an 6.2 percent increase relative to fiscal year 2019-20 projected revenue.

Lower interest revenue generated from (recent) significantly lower interest rates and lower fund balances due to using fund balances for operating / capital purposes (including use of bond proceeds), is causing the interest revenue city-wide (excluding trust funds) to decline to \$1.1 million, which is a decrease from a recent high of \$3.6 million in fiscal year 2018-19 and down from nearly \$3 million in fiscal year 2019-20. This valuable source of revenue 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 should the city maintain smaller fund balances. See *page 60 for funds interest revenue history graph*.

Personnel costs are increasing 6.3 percent / \$2.86 million relative to the fiscal year 2019-20 projected, mostly due to increased contributions to the pension and OPEB trusts, increasing wages, increasing healthcare costs and requests for seven position to be added. Total full-time employees are budgeted to increase from 334 to 341 positions. This total is down 25 positions relative to recent peak in fiscal year 2005-06. See *page 43 for position summary recent history*.

Wages are increasing 7 percent / \$1.897 million mostly due to (assumed) city-wide labor contract wage increases of 3 percent as well as step increases for newer employees who are not at the top of their pay scale, filling vacant positions and the request for seven new positions. Medical cost budget is increasing 14 percent due to illustrative rate increasing, filling of vacant positions and new positions requested. The budget provides for the contributions of 100 percent of the normal and the amortized unfunded actuarial accrued liability (UAAL)

for the general, police/fire pension and OPEB systems. The additional liabilities to amortize is increasing the required/recommended contributions by nearly \$500,000. 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 2020-21. The graph shows pension and OPEB contributions declined in fiscal year 2018-19 however increased in fiscal year 2019-20 beginning to level off now at \$19.7 million. 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 have been increasing since bonding due to unfavorable investment returns and more conservative assumptions. See *graph on page 63*. 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 contribution could occur in the event of a stock market correction or significant downturn.

Based upon city survey information from a couple of years ago, related to improving the impact on overall engagement, the employee training budget increased \$36,000 in an effort to improve city services.

The budget includes nearly \$34.8 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. 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 \$3.7 million for major road improvements, \$6.7 million for local road improvements, \$5.4 million for water/sewage system improvements, \$2.3 million for replacement motor pool fleet (includes \$782,000 for new fire department pumper tanker), \$10.7 million for the balance of construction for the new police station, city hall and downtown park, \$2.45 million for continued Normandy Oak Park development, \$249,000 for various IT equipment, \$139,400 for senior center oven, condenser unit and exercise equipment, \$290,000 for fire station #1 roof replacement, \$140,000 for fire station #1 HVAC replacement, \$20,000 for fire station #1 security remodel, \$60,000 for fire station #2 apron slab repair, \$60,000 for 18 replacement AEDs, \$90,000 for election's high speed scanner for absentee ballot processing, \$30,000 for farmers market west porch enclosure porch/awning, \$48,080 for police exercise equipment, \$875,000 for ice arena roof and floor mats.

The community development block grant fund has budgeted \$1.3 million for traffic diverters on the city's south end and Lawson Park improvements.

Detailed listings of capital improvements are included in each fund/cost center significant notes section (orange box) in this document. The capital projects are also reported in the FY2020-21 to FY2025-26 Capital Improvement Plan and 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 accumulated in fund

balances or bond proceeds received in prior years.

The city's combined water/sewer commodity rate (see *budget resolution page 27*) is budgeted to increase 1.8 percent. SOCWA's water charge is reported to increase 3.5% and the Oakland County Water Resources Commission is increasing the combined sewer (sanitary/storm) disposal rates by 1.1 percent. The city's quarterly billing flat fee, to recoup billing costs, is budgeted to increase from \$12 to \$13, a \$4 per year increase.

The unassigned fund balance for the general and public safety funds (combined) is budgeted to decline in fiscal year 2020-21 from the current year's projected 28 percent of expenditures to 20 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 2024-25, the combined fund balance is projected to be *negative* 17 percent and continue to decline each year thereafter due to the estimated annual operating deficit. Each city fund has an estimated/forecasted fund balance through fiscal year 2024-25 in the budget summary tables throughout the document. See *page 68 for future estimated fund balances*.

Please reference the significant notes section (orange boxes) within each fund/cost center for details and noteworthy program information for fiscal year 2020-21.

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City of Royal Oak

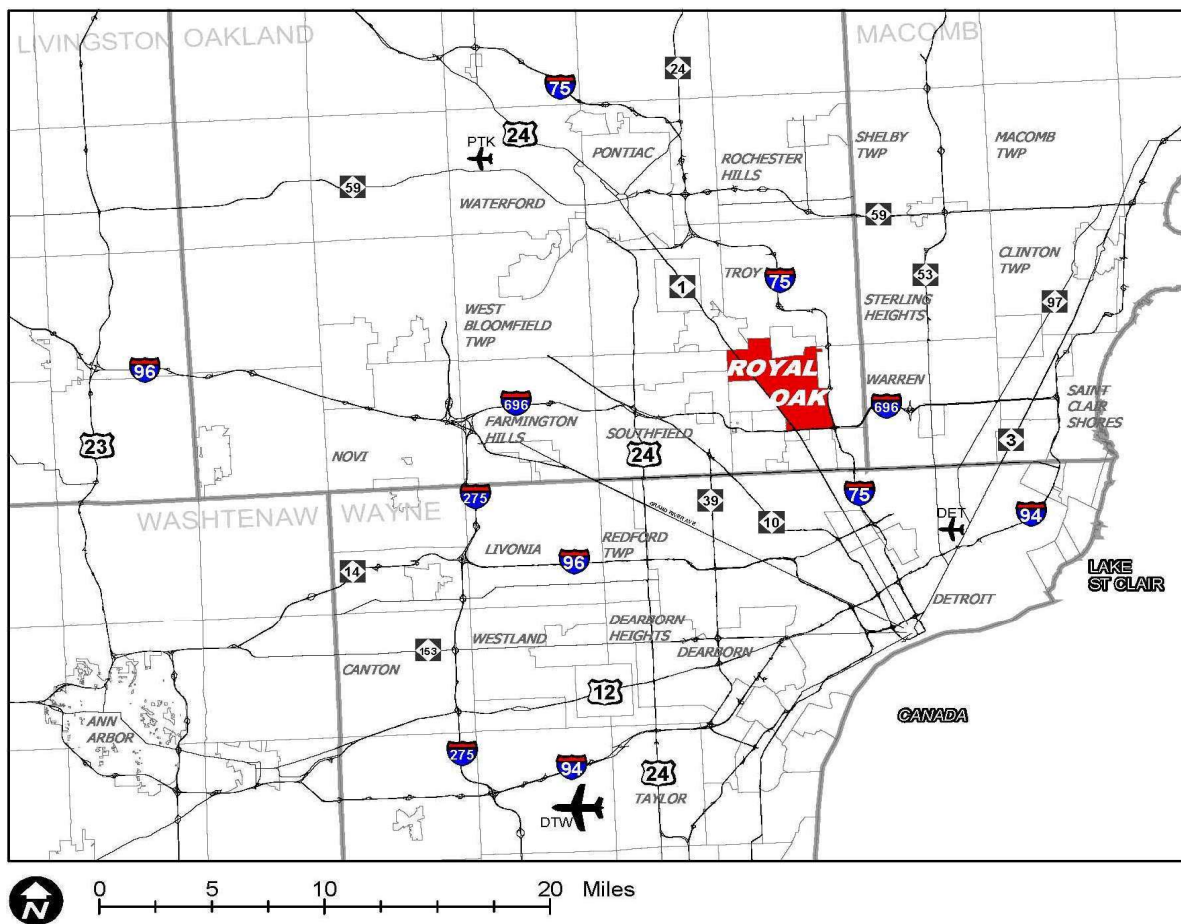
The City of Royal Oak is located in southeast Oakland County, Michigan. The city's 11.83 square miles has a population of approximately 57,236 according to the 2010 US census. Flanked by I-75 on the east border, I-696 on the south and Woodward Avenue (M-1) on the west side, the city has excellent highway access for residents and visitors alike. Approximately 15 to 20 miles northwest of downtown Detroit, businesses and residents have easy access to the Ambassador Bridge and the Detroit-Windsor tunnel, the busiest international crossings between the United States and Canada.

The City of Royal Oak has operated under the "council manager" form of government since its incorporation on November 8, 1921. This form of government provides that the city commission act as the legislative or policy making body. The city commission is composed of six commissioners

and a mayor elected by the city-at-large on a nonpartisan ballot. 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 city commission enacts ordinances, resolutions and regulations governing the city. City commission also appoints members of various statutory and advisory boards and commissions, and the city manager.

The city manager is the city's chief administrative officer and, as such, is held accountable for planning, coordinating, directing and executing all of the city's operations in a manner prescribed by law and conforming to the general policies and specific directives of the commission. The city manager also appoints and supervises most of the heads of departments of the city. See *statistical section for additional city information.*





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 2020-2021**

GOAL ONE: Infrastructure - to maintain, replace and enhance Royal Oak's infrastructure to promote efficient and sustainable delivery of beneficial services

Measures: an average PASER rating for local roads of over 5 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: City Hall completion by June 2020
Police Department completion by August 2020
begin demolition of existing buildings by fall 2020
Downtown Park on track for completion by fall 2021

Action steps:

1. Finalize the design and bid out the park project
Departments – DPS, Recreation, Downtown Park Taskforce, Economic Development and City Manager's Office
2. 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
3. Publicize opening events for the new facilities
Departments – Community Engagement
4. Promote communication with staff and the public
Departments – Community Engagement and City Manager's Office

Objective two: address critical infrastructure needs

Targets: annual decrease in combined sewer overflows or basement backups per storm
developed multi-year plan to address lead and copper regulations by December 2020
development of a major road improvement plan, including funding recommendations by June 2021

Action steps:

1. Seek Oakland County Water Resources Commission commitment to require the fourteen local government units in the George Kuhn drainage area to reduce drainage flows to downstream communities.
Departments – City Commission, City Manager's Office and Community Development
2. Update the city's inventory of lead and copper service lines, assess their current status and identify the total costs for replacement
Departments – DPS, Finance and Engineering

3. Create a plan to address the replacement of the lead and copper service lines.
Departments – DPS, Finance and Engineering
4. Create a funding strategy to implement a major road improvement plan
Departments – Engineering, Finance and City Manager

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 February 2020
develop succession plans for four identified key positions by June 2020

Action steps:

1. 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
2. Complete targeted compensation surveys for those departments or positions where difficulties in filling vacancies have been apparent
Departments – HR
3. Evaluate the Royal Oak Next Plan and identify measures to move forward.
Departments – All departments and city commission
4. 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 facilities management where responsibilities are currently fragmented

Targets: recommendation to city commission by July 2020
implementation of recommendation by fall 2020

Action steps:

1. Pursue creation of a facilities manager position to reduce demands on multiple department and improve the efficiency and effectiveness of services.
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 2020
measurable increase in reported user satisfaction by July 2020

Action steps:

1. Develop a method for actively soliciting and quantifying 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 and Human Resources
2. 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 – HR and any relevant departments coordinated by the City Manager’s Office

Objective four: use committees, boards, commissions and task forces to achieve the objectives of specific city departments and programs

Action steps:

1. Begin evaluating all committees, reviewing the ordinances creating them, their operating rules, programs of work, qualifications for membership if any, and relationship to city departments and to evaluate the department’s needs for citizen oversight, advice, decision-making, and actual service. The results of the evaluation would then be presented to the city commission
2. Evaluate how committees match department needs, determine and provide the resources they need to be effective and advise city commission on any need to revise or create committees
3. Consider establishing a position for volunteer coordinator in the city
4. Make it easier for people to understand volunteer opportunities and apply through the website and an improved application process

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:

1. 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:

1. 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
Department – Community Engagement and Information Systems
2. 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
Department – All departments led by Community Engagement
3. 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.
Department - 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 increase in visits to the city's website

Action steps:

1. 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

2. 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
3. Utilize citizen feedback to guide policy for recreational marihuana in the city.
Departments – Community Engagement, City Attorney, and Community Development
4. 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 2020
 completion of four projects identified in the parks and recreation master plan as well as other projects as funding becomes available during 2020

Action steps:

1. Complete phase one of Normandy Oaks Park.
Departments – Public Services, Recreation and City Manager's Office
2. Continue to revamp city parks yearly and implement the five-year park master plan
Departments – Public Services and Recreation
3. Examine options to address park drainage issues.
Departments – Recreation and Engineering

Objective two: actively engage with neighborhood associations

Targets: increased neighborhood association activity

Action steps:

1. Verify all active neighborhood associations and their primary contacts.
Departments – City Manager's Office and Community Engagement
2. Ensure all contact information on the website is up to date.
Departments – City Manager's Office and Community Engagement
3. Keep neighborhood associations informed of city projects and activities.
Departments – Community Engagement

Objective three: provide community services and 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:

1. 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
2. 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 city commission by January 2021
annual increase in units that meet gaps

Action steps:

1. 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

Objective three: ensure accuracy of assessments of taxable values

Targets: review of all city parcels on target with state requirements

Action steps:

1. Pursue the addition of a full-time appraiser I position and the elimination of a part-time appraiser position to be in compliance with State Tax Commission (STC) standards. The additional position would share responsibility for new construction, renovations, demolitions and annual sale reviews for accurate assessments and proper taxable values.
Departments – City Manager's Office, Finance, Assessing, City Commission

GOAL SIX: Fiscal Management - to preserve Royal Oak's finances through sound fiscal policy, strategic planning, prompt decisive actions and effective management of public assets

Measures: 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:

1. 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
2. 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 times

Objective one: monitor issues related to the legalization of marihuana

Targets: adopted ordinance to either regulate or opt-out of recreational marihuana
businesses before July 2020

GOAL EIGHT: Sustainability – to operate the City of Royal Oak in an environmentally sustainable way and to protect the environment

Measures: level of GHG emissions reduction
reduction in energy costs to the city by July 2021
sustainability action plan completed by January 2021

Objective one: complete sustainability plan

Targets: greenhouse gas emissions baseline
specific climate action goals
specific energy action goals

Action steps:

1. Provide needed information and resources, including financial, to complete a greenhouse gas emissions inventory.

Departments - City Commission, all departments coordinated by the City Manager's Office

2. Utilize community engagement activities and the Royal Oak Environmental Advisory Board (EAB) to identify climate and energy action goals.
Departments – City Commission, City Manager's Office and the EAB
3. Provide needed resources, including labor, to develop and implement the sustainability plan based on the climate and energy action goals.
Department – City Manager's Office

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, 2020 and ending on June 30, 2021.

Resolution One: Budget Resolution

Be it resolved, the 2020-21 City of Royal Oak budget for each fund is hereby appropriated as follows:

General Fund

general government	13,576,180
community and economic development	515,960
health and welfare	0
public safety	483,260
public works	1,512,650
recreation and culture	1,486,500
transfers out	24,094,240
expenditures total	41,668,790
taxes	21,116,000
licenses and permits	1,676,100
grants	6,294,450
charges for services	2,686,220
finances and forfeitures	4,516,000
interest and rentals	773,450
contributions and donations	41,000
reimbursements	1,000
other revenues	40,000
transfers in	1,587,000
use of fund balance	2,937,570
revenues, transfers and use of fund balance total	41,668,790

Major Streets Fund

street maintenance	612,090
parkway maintenance	231,100
winter maintenance	546,070
traffic control	324,700
signal services	187,440
administration	344,440
construction	3,883,170
contribution to fund balance	193,090
expenditures and contribution to fund balance total	6,312,100
taxes and permits	-0-
grants	5,606,000
interest	48,500
other revenues	454,600
transfers in	-0-
revenues and transfers total	6,312,100

Local Streets Fund	
street maintenance	790,560
parkway maintenance	583,800
winter maintenance	242,160
traffic control	128,420
administration	1,766,540
construction	6,960,840
expenditures total	10,472,320
taxes	6,626,000
rents	1,894,000
interest	30,000
transfers in	-0-
use of fund balance	1,922,320
revenues, transfers and use of fund balance total	10,472,320
Public Safety Fund	
expenditures total	34,681,340
revenues, transfers and use of fund balance	34,681,340
Publicity Tax Fund	
expenditures total	67,310
revenues, transfers and use of fund balance	67,310
Solid Waste Fund	
expenditures total	8,047,510
revenues, transfers and use of fund balance	8,047,510
Brownfield Redevelopment Authority Fund	
expenditures total	249,200
revenues total	249,200
DDA – Tax Incremental Fund	
expenditures total	11,124,400
revenues, transfers and use of fund balance	11,124,400
DDA - Operating Fund	
expenditures total	77,880
revenues, transfers and use of fund balance	77,880
Indigent Defense Fund	
expenditures total	701,240
revenues and transfers total	701,240
Library Millage Fund	
expenditures total	2,841,420
revenues, transfers and use of fund balance	2,841,420

CDBG Fund	
expenditures total	2,306,030
revenues, transfers and use of fund balance	2,306,030
State Construction Code Fund	
expenditures total	1,803,310
revenues, transfers and use of fund balance	1,803,310
ROOTS Fund	
expenditures total	74,100
revenues, transfers and use of fund balance	74,100
Senior Citizen Services Fund	
expenditures total	1,039,200
revenues, transfers and use of fund balance	1,039,200
Animal Shelter Fund	
expenditures total	107,460
revenues, transfers and use of fund balance	107,460
Police Grants Fund	
expenditures total	270,100
revenues, transfers and use of fund balance	270,100
Miscellaneous Grants Fund	
expenditures total	11,170
revenues, transfers and use of fund balance	11,170

Resolution Two: Set Tax Rates

Resolved, the general operating levy for the 2020-21 fiscal year for operations is established at 6.9890 mills, and

Be it further resolved, the property tax rate for the 2020-21 fiscal year for the publicity tax is established at 0.0160 mill, and

Be it further resolved, the property tax rate for the 2020-21 fiscal year for the library operations is established at 0.9067 mill, and

Be it further resolved, the property tax rate for the 2020-21 fiscal year for the solid waste disposal operation is established at 2.5995 mills, which consists of 1.9055 mills authorized by state law and 0.6940 mill authorized by the voters of the City of Royal Oak, and

Be it further resolved, the property tax rate for the 2020-21 fiscal year for the fire bonded debt is established at 0.2175 mill, and

Be it further resolved, the property tax rate for the 2020-21 fiscal year for the chapter 20 drain debt is established at 1.0015 mills, and

Be it further resolved, the property tax rate for the 2020-21 budget 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 2020-21 fiscal year for the road millage is established at 2.3626 mills and

Be it further resolved, the property tax rate for the 2020-21 fiscal year for the public safety operations is established at 3.7568 mills and

Be it finally resolved, the public safety 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 2020, 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, 2021.

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, 2020 are established as follows:

Billing administrative flat fee	\$13.00 per billing period
Water & sewer commodity charge	\$110.90 per mcf for first 2 mcf per billing period
	\$127.50 for additional mcf per billing period
Outside city water only commodity charge	\$57.50 per mcf for the first 2 mcf per billing period
	\$66.13 for additional mcf per billing period
Sewer only charge	\$217.80 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 2020-21.

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 2020-21 fiscal year. The finance director is also authorized to make administrative 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 2020-21 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 policies 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 policies.

City of Royal Oak FY 2020 – 21 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

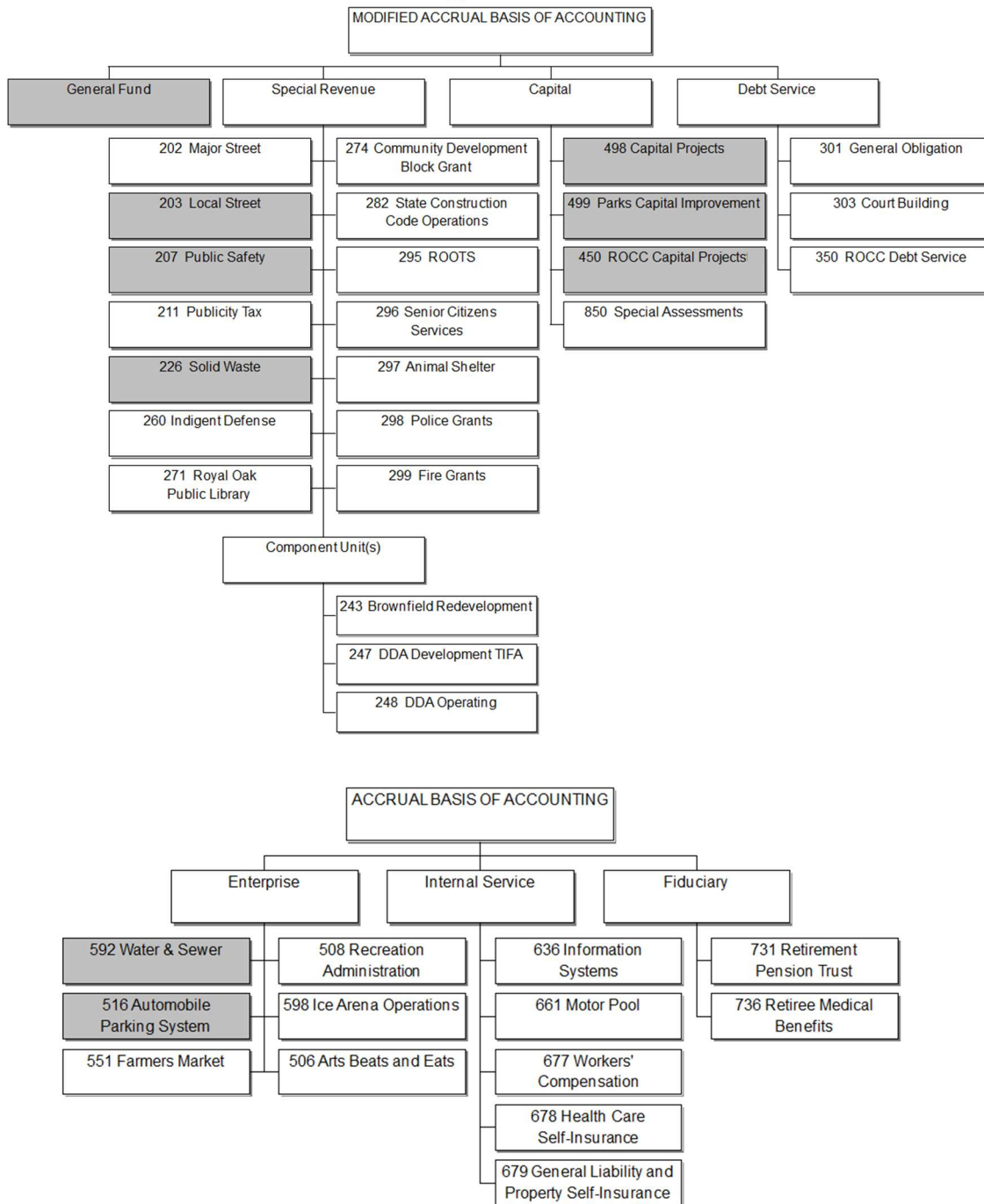
accrual basis of accounting is utilized for the internal service and enterprise funds budgets which are not officially adopted but included in this document.

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

FY 2020-2021 Budget Calendar

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)	Motor pool and IT departments 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 late	Departments and finance meet with city manager to present budgets
April (mid)	City manager relays to the finance department any 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 (early)	City commission conducts public hearing and adopts general appropriations act and establishes tax/millage rates
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 adjustments / amendments when appropriate

Financial Organization Chart



Shaded funds are major funds as of the last audited fiscal year. 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

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

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.

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

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]

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]

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:

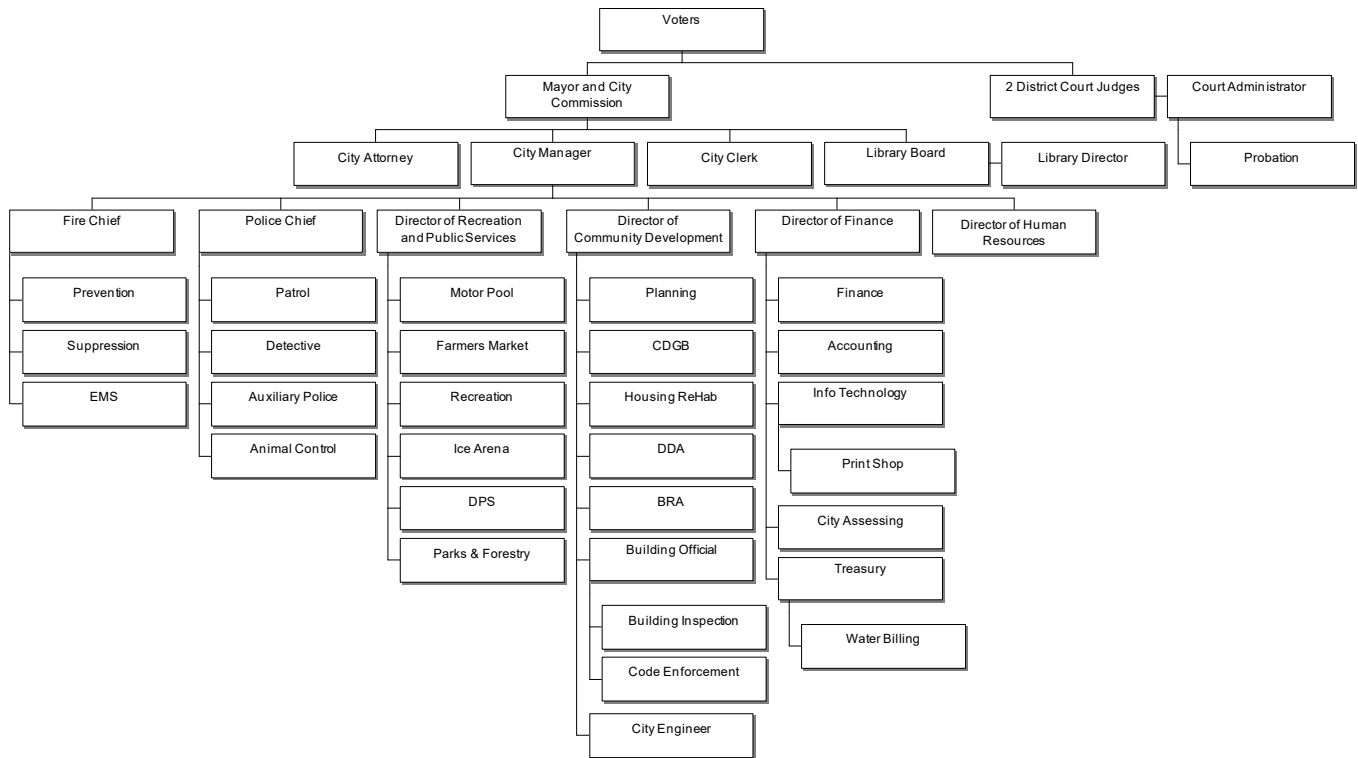
Based on the type of fund and expectations the following list provides whether a city fund can accept or provide a fiscal transfer (gifts) between funds.

[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



Function/Program	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
44th District								
Court/Probation	22	22	29	29	*29	30	30	30
Administrative Services								
Manager	2.5	5.5	5.2	5.2	6	6	6	6
Attorney	3.5	3.5	3.8	3.8	4	4	4	4
City Clerk	5	5	5	5	5	5	5	6
Human Resources	2	3	3	3	4	4	4	4
State Construction Code	6	11	10.5	10.5	13.5	13	13	13
Ordinance Enforcement	5	5	5	5	5	5	5	5
Engineering	7	8	13	13	13	13	13	13
Community Development	3	3	3.5	3.5	3.5	4	4	4
Planning-Block Grant	1	0	0	0	0	0	0	0
Planning-Housing	1	1	1	1	1	1	1	1
Finance	5	**6	***7	7	7	7	7	8
Assessing	3	4	4	4	4	4	4	5
Treasurer / Water Billing	4	4	5	5	5	*6	6	6
Information Technology	4	4	4	5	5	7	6	6
Subtotal	74	85	99	100	105	109	108	111
Library	10	9	8	8	8	9	9	9
Public Safety								
Police	96	97	98	98	98	98	98	98
Fire	56	56	56	56	56	56	56	56
Subtotal	152	153	154	154	154	154	154	154
Recreation & Public Services								
Public Service								
Parks & Forestry	7	7	7	7	7	7	7	9
Building Maintenance	2	2	2	2	2	2	2	3
Highway	0	0	1.5	1.5	2.5	2.5	2.5	2.5
Motor Pool	9	9	9	9	9	9	9	9
Electrical	0	0	1	1	1	1	1	1
Solid Waste	14	14	14	14	15	15	15	15
Water Maintenance	7	7	7.5	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	9	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	2
Subtotal	56	56	59	59	63	63	63	67
Total	292	303	320	321	330	335	334	341

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 in-house and moved risk management to the finance department

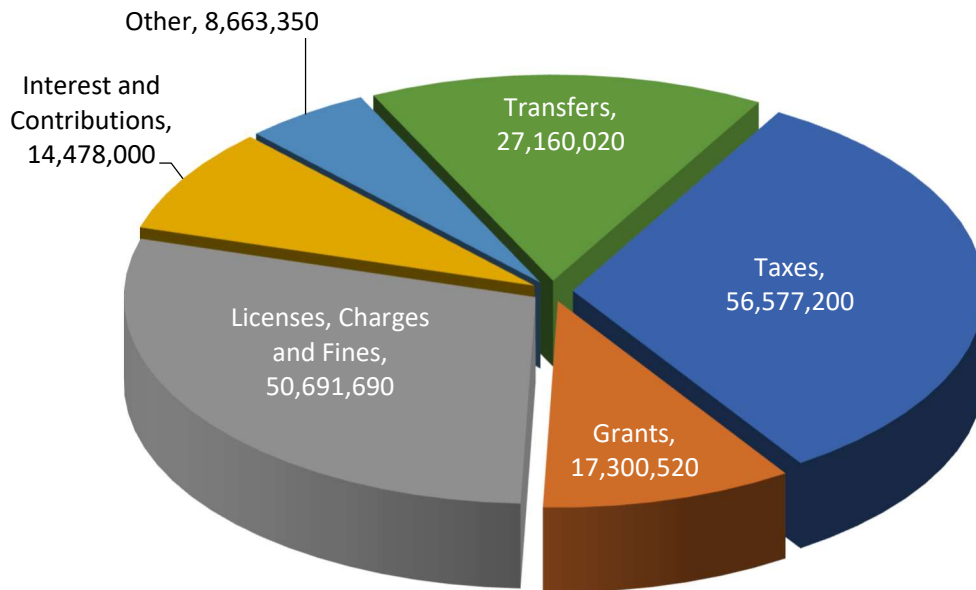
**Statement of Revenues / Expenditures
All Funds**

	2018-19 Actuals	2019-20 Projected Year End	2020-21 Proposed Budget	Percent Change
Revenues				
Taxes	52,783,440	54,544,820	56,577,200	3.73%
Grants	16,007,340	15,933,940	17,300,520	8.58%
Licenses, Charges and Fines	50,963,200	46,351,940	50,691,690	9.36%
Interest and Contributions	16,297,110	15,911,200	14,478,000	-9.01%
Other	8,764,840	8,691,390	8,663,350	-0.32%
Transfers	32,956,480	28,612,750	27,160,020	-5.08%
Total Revenues	177,772,410	170,046,040	174,870,780	2.84%
Expenditures / Expenses				
Personnel Services	43,177,860	45,329,260	48,191,390	6.31%
Supplies	3,515,600	3,684,320	3,997,600	8.50%
Capital	10,050,030	37,060,650	34,817,310	-6.05%
Other	72,412,130	75,610,590	73,079,460	-3.35%
Transfers	29,694,850	27,196,870	27,200,220	0.01%
Debt	14,710,300	15,445,020	15,279,600	-1.07%
Total Expenditures / Expenses	173,560,770	204,326,710	202,565,580	-0.86%

All Funds Revenue Summary

Revenues	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Component Unit	Grand Total
Taxes	21,116,000	27,042,000	610,000	0	2,809,000	0	5,000,200	56,577,200
Grants	6,294,450	9,946,070	7,330	1,052,670	0	0	0	17,300,520
Licenses, Charges and Fines	8,878,320	4,070,000	0	0	37,356,300	387,070	0	50,691,690
Interest and Contributions	619,000	1,051,300	200	45,000	76,000	12,608,500	78,000	14,478,000
Other	236,450	784,820	0	0	397,670	7,244,410	0	8,663,350
Transfers	1,587,000	21,960,240	2,675,000	0	583,780	254,000	100,000	27,160,020
Total	38,731,220	64,854,430	3,292,530	1,097,670	41,222,750	20,493,980	5,178,200	174,870,780

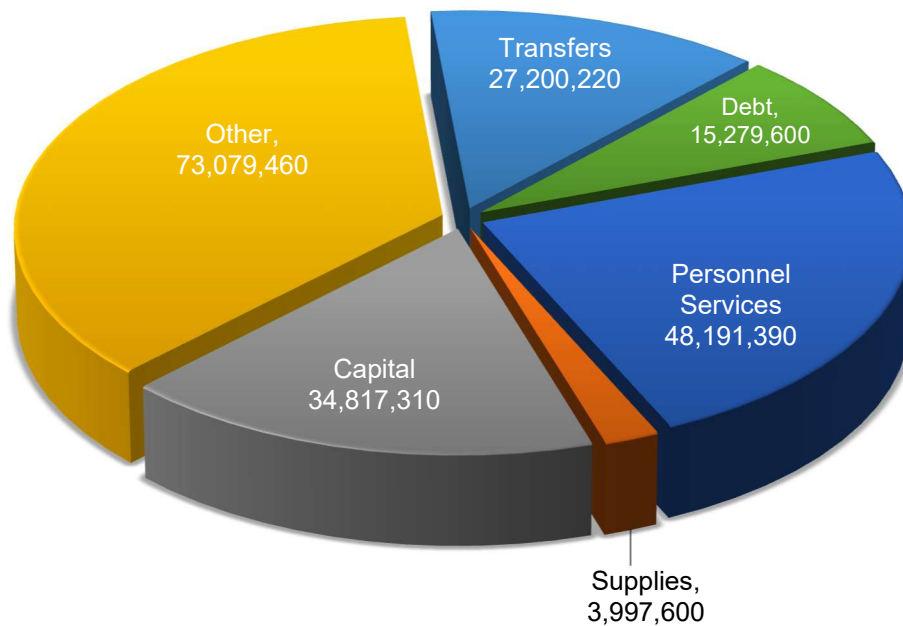
City Wide Revenue



All Funds Expenditure Summary

Expenditures / Expenses	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Component Unit	Grand Total
Personnel Services	10,173,540	32,384,330	0	0	3,418,800	1,959,990	254,730	48,191,390
Supplies	534,960	1,687,900	0	0	756,970	1,015,270	2,500	3,997,600
Capital	90,000	12,518,400	0	13,214,100	6,432,520	2,562,290	0	34,817,310
Other	4,314,550	15,200,120	0	300	29,072,500	15,408,520	9,083,470	73,079,460
Transfers	24,094,240	259,200	0	600,000	136,000	0	2,110,780	27,200,220
Debt	2,461,500	6,480,400	3,308,000	0	2,432,100	597,600	0	15,279,600
Total	41,668,790	68,530,350	3,308,000	13,814,400	42,248,890	21,543,670	11,451,480	202,565,580

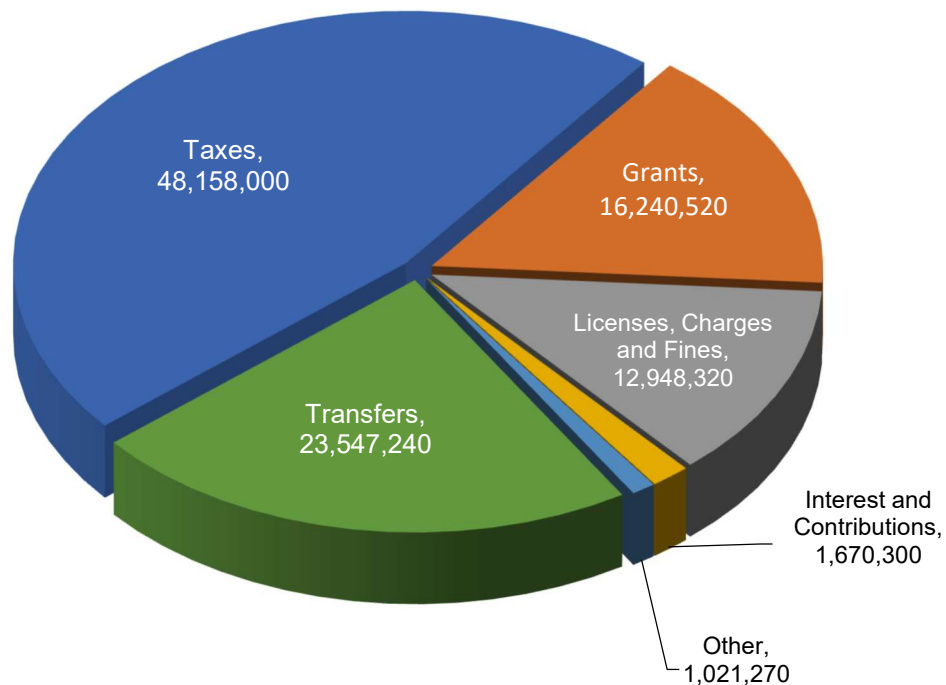
City Wide Expenditures



General and Special Revenue Funds Revenues Summary

Revenues	General	Special Revenue	Grand Total
Taxes	21,116,000	27,042,000	48,158,000
Grants	6,294,450	9,946,070	16,240,520
Licenses, Charges and Fines	8,878,320	4,070,000	12,948,320
Interest and Contributions	619,000	1,051,300	1,670,300
Other	236,450	784,820	1,021,270
Transfers	1,587,000	21,960,240	23,547,240
Total	38,731,220	64,854,430	103,585,650

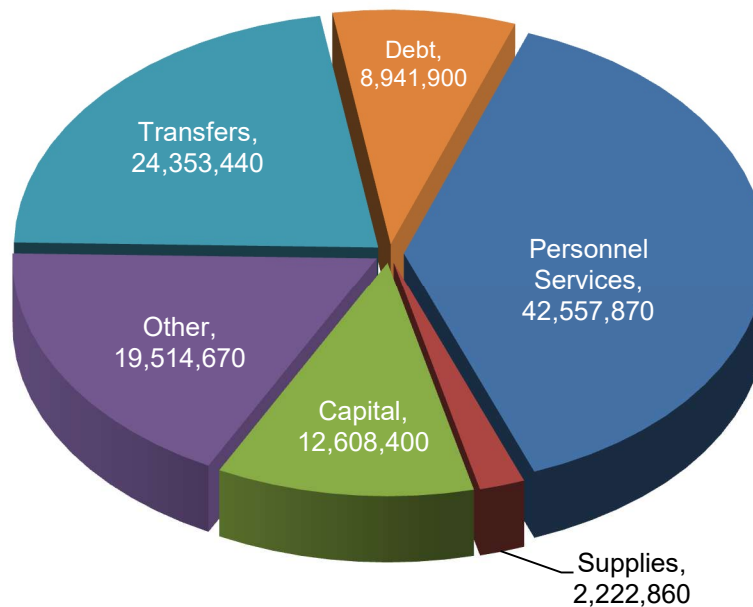
General and Special Revenue Funds Revenue



General and Special Revenue Funds Expenditures Summary

Expenditures	General	Special Revenue	Grand Total
Personnel Services	10,173,540	32,384,330	42,557,870
Supplies	534,960	1,687,900	2,222,860
Capital	90,000	12,518,400	12,608,400
Other	4,314,550	15,200,120	19,514,670
Transfers	24,094,240	259,200	24,353,440
Debt	2,461,500	6,480,400	8,941,900
Total	41,668,790	68,530,350	110,199,140

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

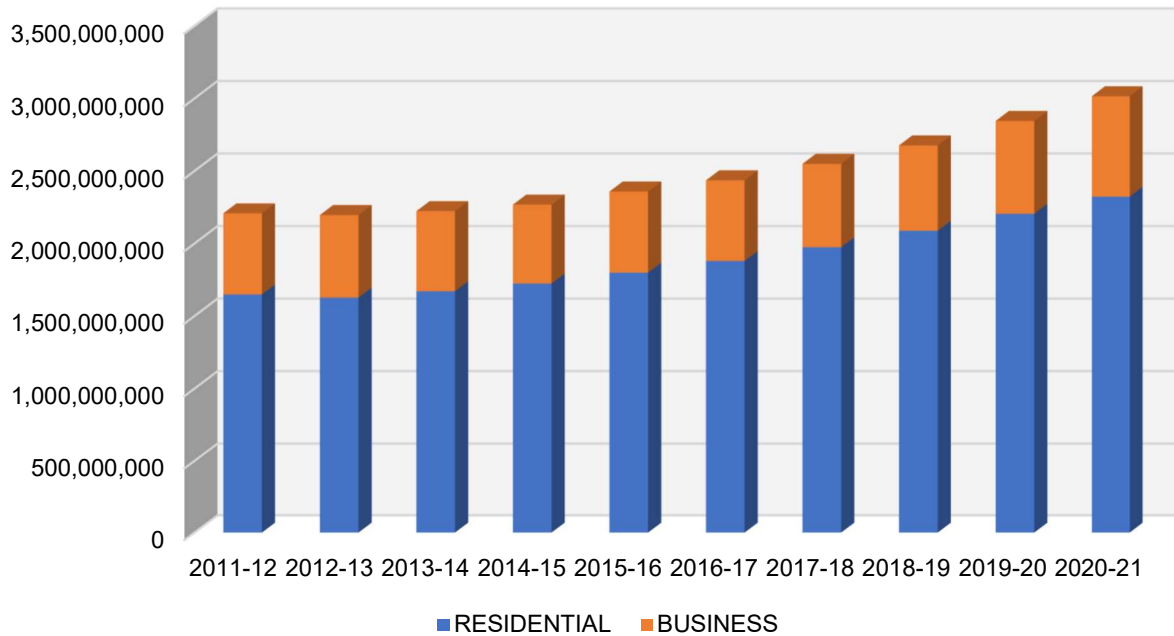
Millage Summary

Interest Income

Millage Rate Comparison

Debt Projections

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

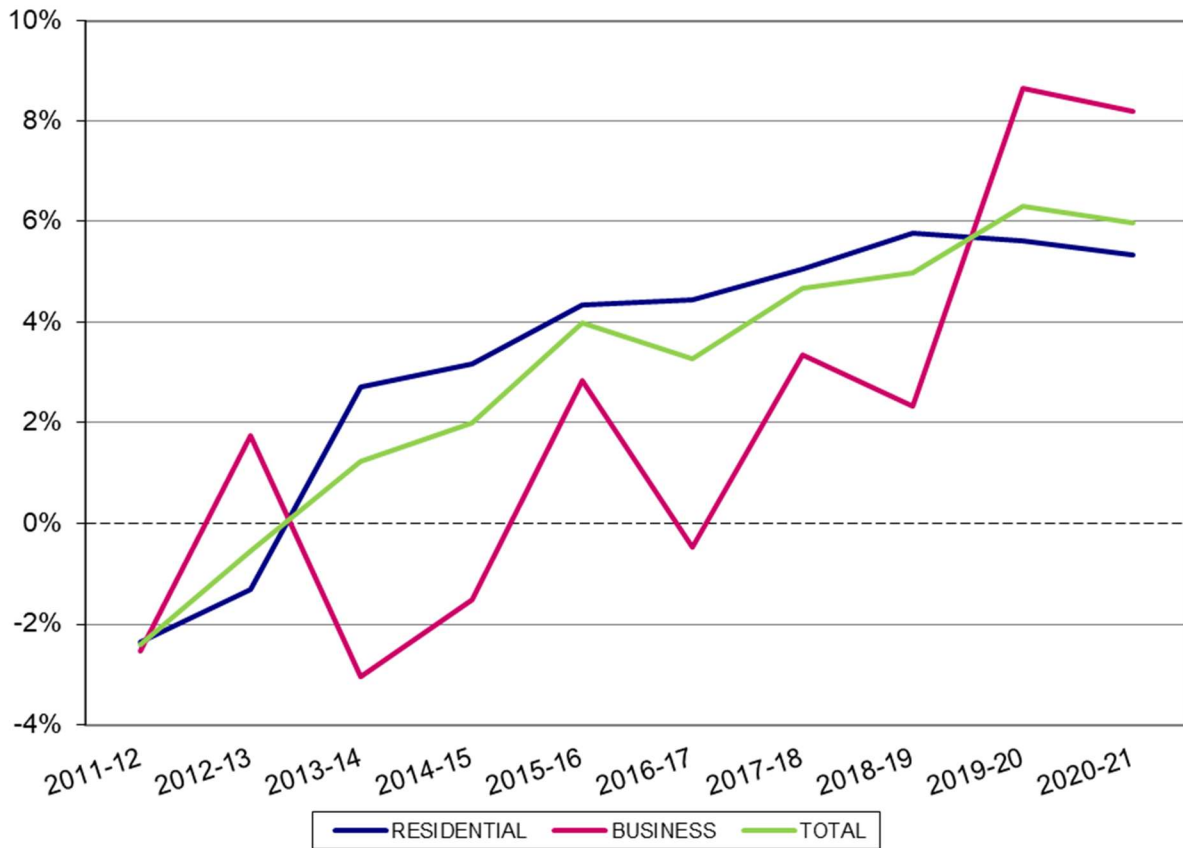


Taxable value, the basis for tax revenue, increased 5.98 percent based on valuations after the March board of review process. All property tax classes increased. For the estimated years in the budget, Royal Oak's

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

Fiscal Year	By Class					CHANGE
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PERSONAL	TOTAL	
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%
2020-21	2,323,253,670	515,657,620	41,963,590	134,178,010	3,015,052,890	5.98%

Taxable Value Percent Change By Year



Fiscal Year	RESIDENTIAL		COMMERCIAL	
	\$	%	\$	%
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%
2020-21	2,323,253,670	5.3%	691,799,220	8.2%

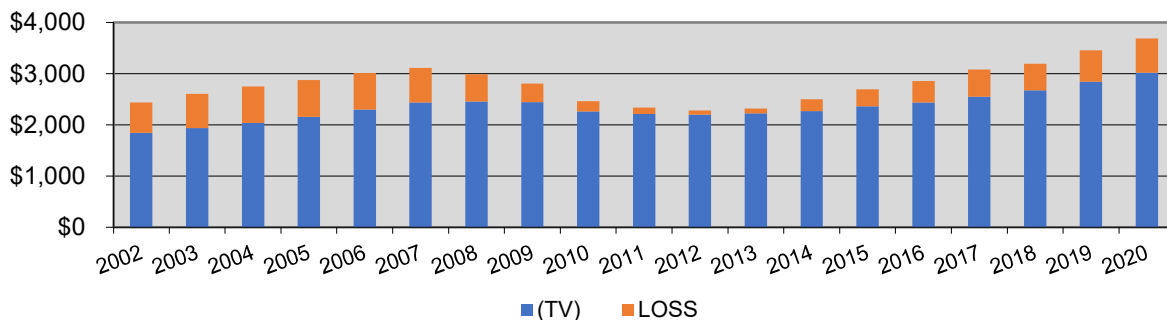
Proposal A Effect in Royal Oak
Taxable Value v. Assessed Valuation
 (Values are in Millions)

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
2020	3,687	3,015	672	-63

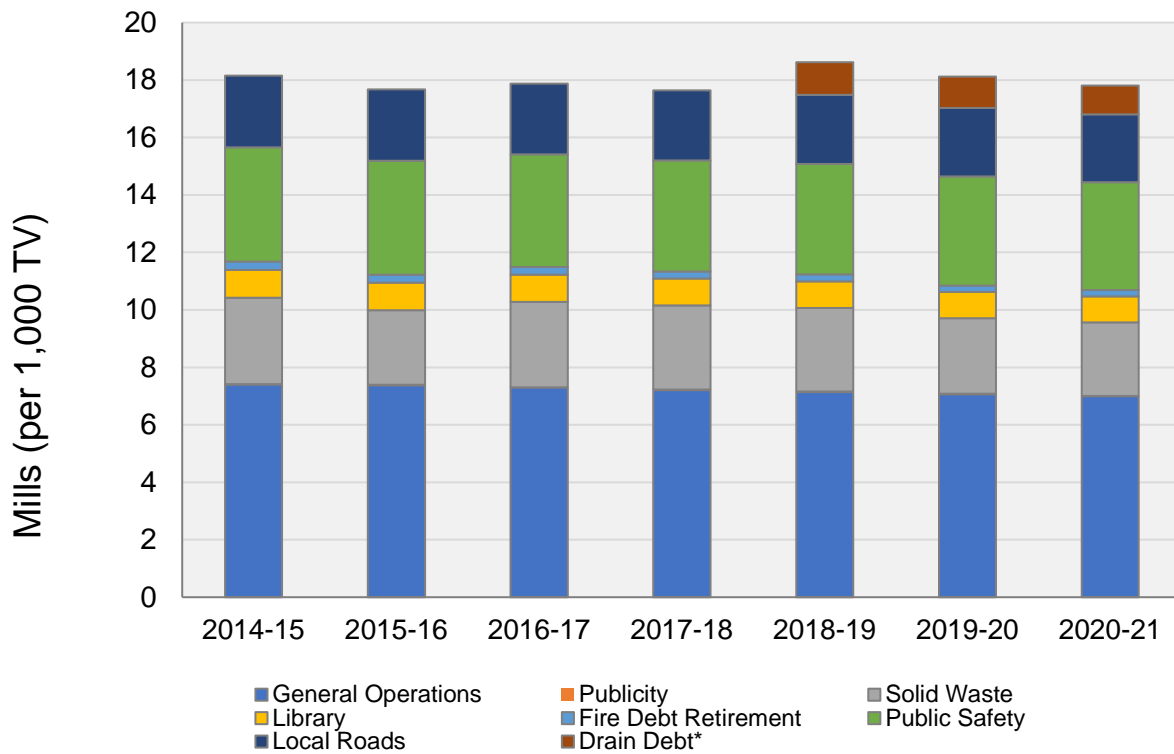
Proposal A of 1994 amended the state constitution changing the property taxation base from state equalized value (SEV) to taxable value (TV). The annual increase in taxable value to each parcel is limited by the parcel's SEV or to the rate of inflation (CPI) or 5 percent whichever is less. The city's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

year 2020-21 is 1.9 percent. The chart and graph show the general 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	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General Operations	7.3947	7.3695	7.2899	7.2031	7.1389	7.0625	6.9890
Publicity	0.0218	0.0212	0.0206	0.0195	0.0180	0.0169	0.0160
Solid Waste	3.0129	2.6026	2.9700	2.9346	2.9084	2.6272	2.5995
Library	0.9597	0.9564	0.9460	0.9347	0.9263	0.9163	0.9067
Fire Debt Retirement	0.2910	0.2770	0.2665	0.2400	0.2450	0.2270	0.2175
Public Safety	3.9750	3.9614	3.9186	3.8719	3.8374	3.7963	3.7568
Local Road	2.5000	2.4915	2.4645	2.4351	2.4134	2.3875	2.3626
Drain Debt*	0.0000	0.0000	0.0000	0.0000	1.1360	1.0850	1.0015
TOTAL	18.1551	17.6796	17.8761	17.6389	18.6234	18.1187	17.8496

*formerly charged in sewage disposal rate

Downtown Development Authority – Specific Tax Rate - Operations

DDA Operating Levy	1.6477	1.6477	1.6146	1.6146	1.6021	1.6021	1.6021
City & DDA Operations	19.8028	19.3273	19.4907	19.2535	20.2255	19.7208	19.4517

General operating levy

City charter amendment 04/01/1957

Up to 11.0000 mills authorized by the charter (limited to 6.9890 mills by Headlee rollback) for any governmental purpose. A levy of 6.9890 mills is budgeted for fiscal year 2020-21.

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 0.0160 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 1.9055 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 0.9417 mill. This millage is budgeted for 0.6940 in fiscal year 2020-21.

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 0.9067 mill for fiscal year 2020-21.

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 0.2175 mill for fiscal year 2020-21.

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 2020-21 budget provides for a levy of 3.7568 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 2020-21 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 2020-21 budget provides for a levy of 2.3626 mills and this is also the Headlee maximum.

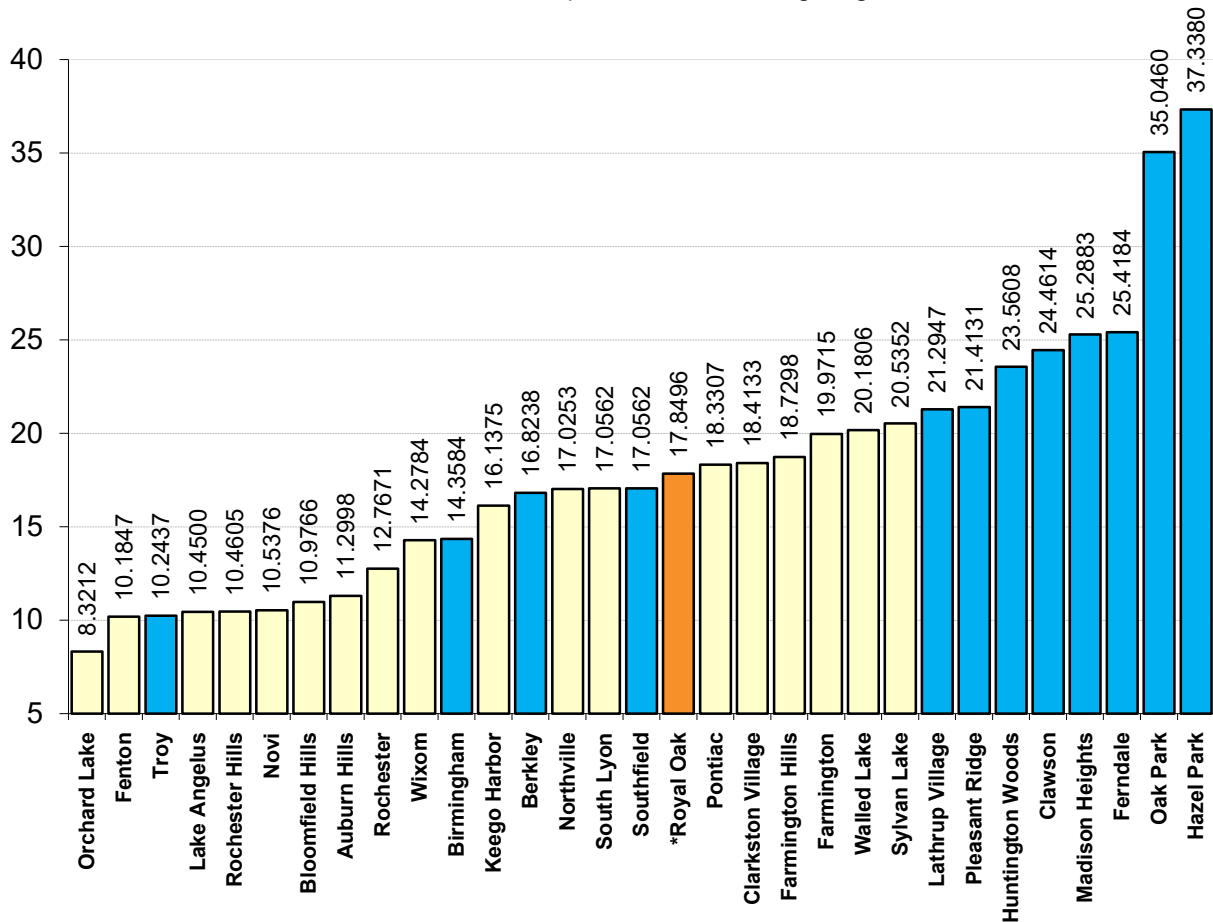
Drain levy

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 2020-21 budget provides for a levy of 1.0015 mills. Fiscal year 2020-21 will be the third year of this millage as this revenue was collected to pay drain debt services by way of sewage disposal fees in prior year.

FY 2019-2020 Millage Rate Comparison

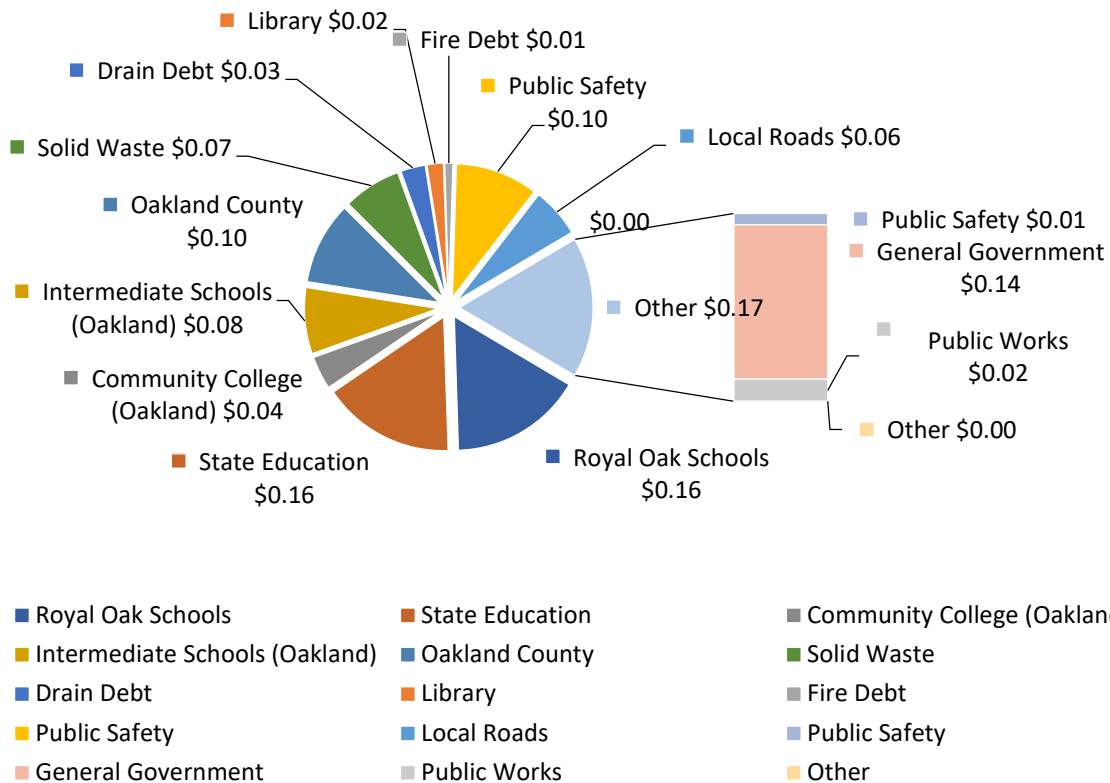
(Average Millage Rate = 18.25)

Blue bar represents a bordering neighbor

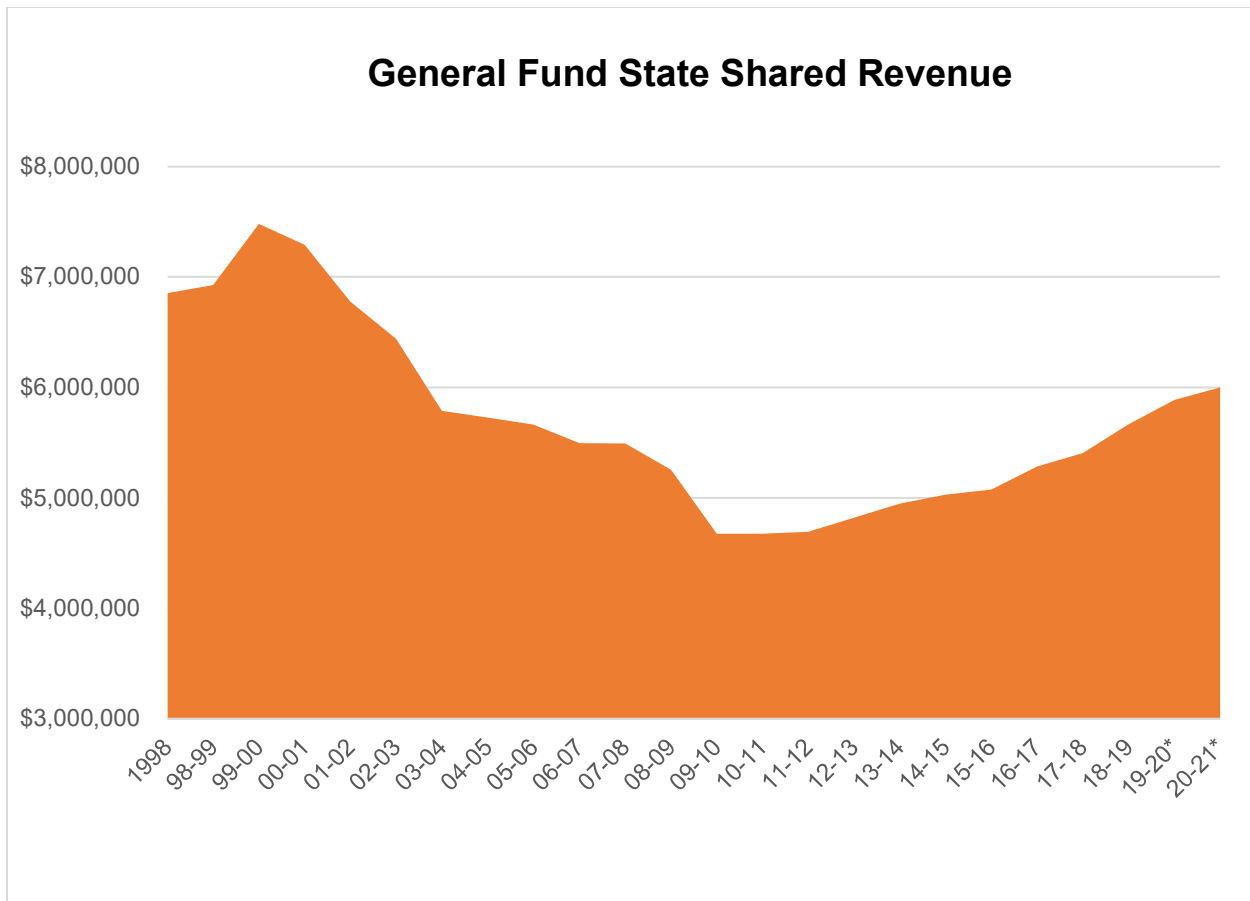


Note: City of Royal Oak's millage rate is for fiscal year 2020-21, however the rest of the community's rates are from 2019-20 as the community's rates are not available for the upcoming fiscal year until July.

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.



**based on projected estimates provided by the State of Michigan*

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. Statutory/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.

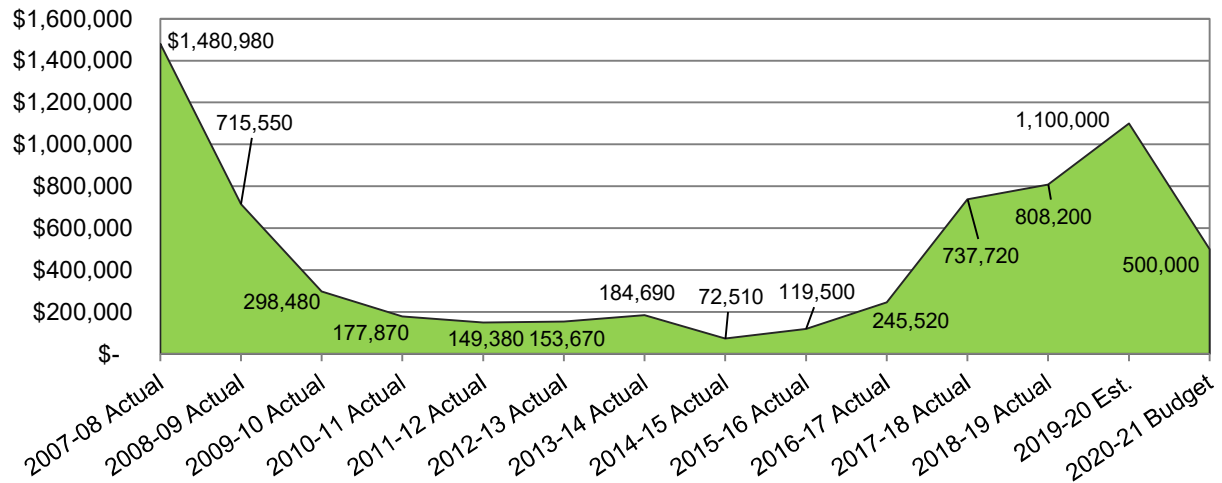
As the graph illustrates, funding is down \$1.481 million since the high in 1999-2000 (not adjusted for inflation). This leaves the local unit of government with the position of having to reduce services or find some way to raise new revenue (which has its restrictions), such as new voter approved millages. The full CVTRS (formerly EVIP) funding has been budgeted for fiscal year 2020-21, a \$106,000 increase, based upon the State of Michigan's projection. **However, the State has not yet updated its projected payments based upon the impact of the recent COVID-19 pandemic.**

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	
	18-19	4,990,540	674,460	5,665,007	
Projected	19-20*	5,147,000	737,000	5,884,000	
Projected	20-21*	5,240,000	750,000	5,990,000	

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

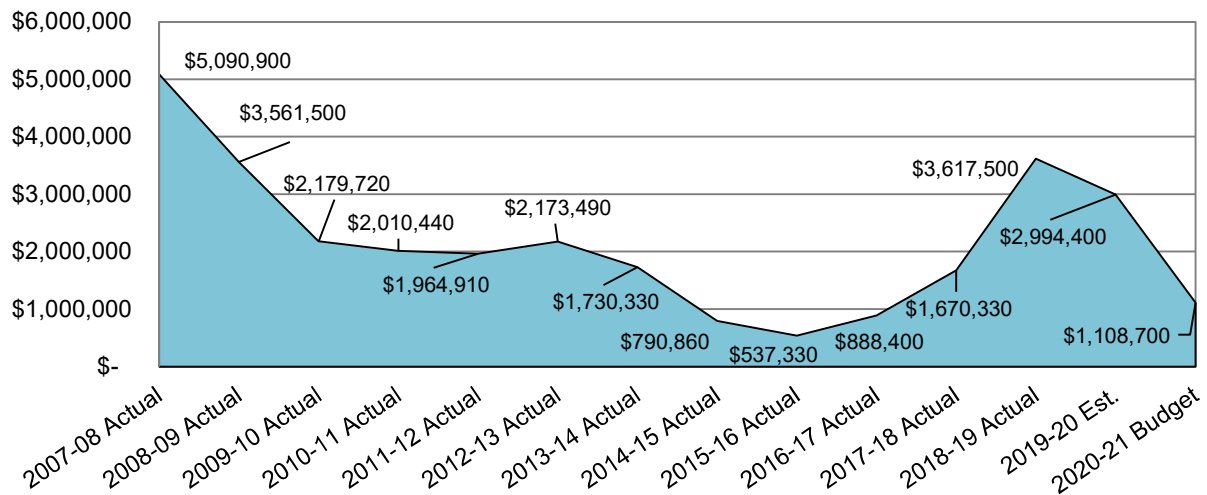
General Fund Interest Revenue



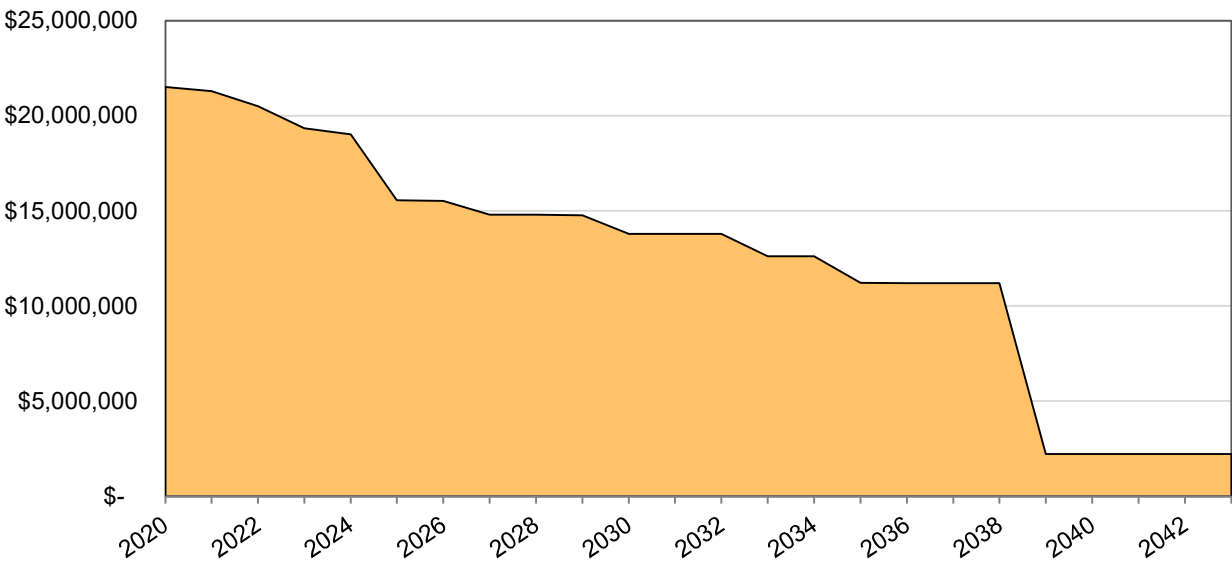
Beyond ten years ago, funds were able to significantly supplement operations with interest income earned on cash balances. Unfortunately, this changed over the last ten years. Interest rates earned on the city's cash fell drastically as well as certain cash levels from which interest rates are calculated. In fiscal year 2007-08, the general fund earned nearly \$1.5 million to help offset its operating expenditures. Fiscal year 2017-18 interest income began to

significant rise again until the third quarter of fiscal year 2019-20, when interest rates plummeted during the beginning of the COVID 19 pandemic. The general fund fiscal year 2020-21 interest income is budgeted at \$500,000 due to lower fund balance and significantly lower interest rates. This is (nearly a) \$1,000,000 less income than the peak in fiscal year 2007-08. The all funds interest revenue (below) includes trust and agency funds.

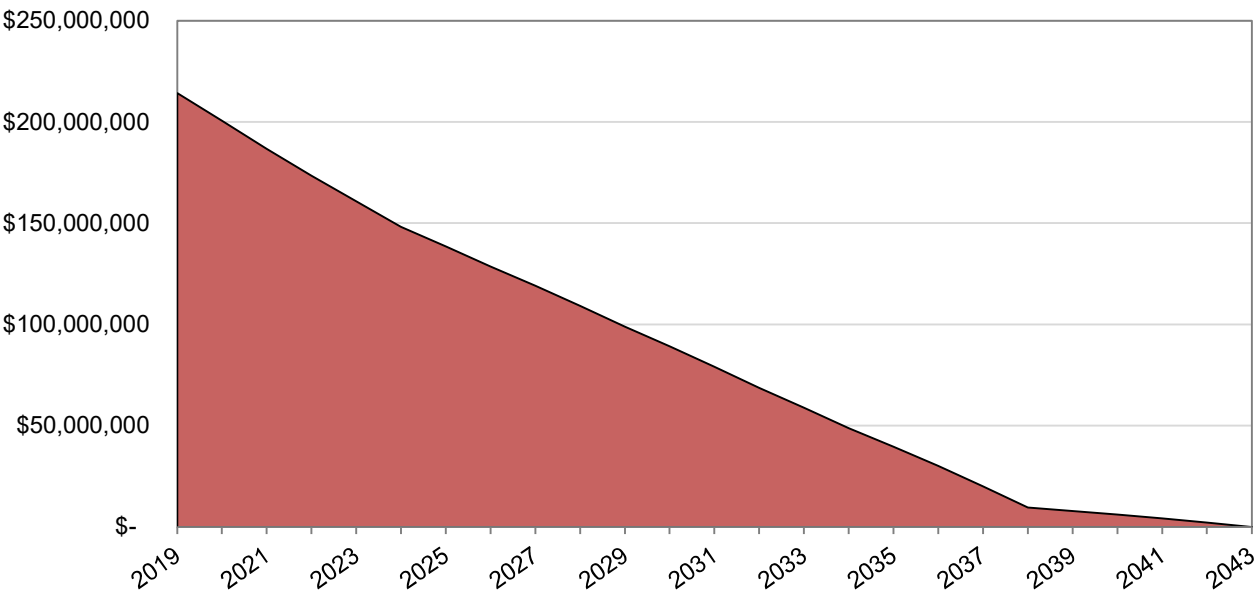
All Funds Combined Interest Revenue



Annual Debt Service



Principle Outstanding

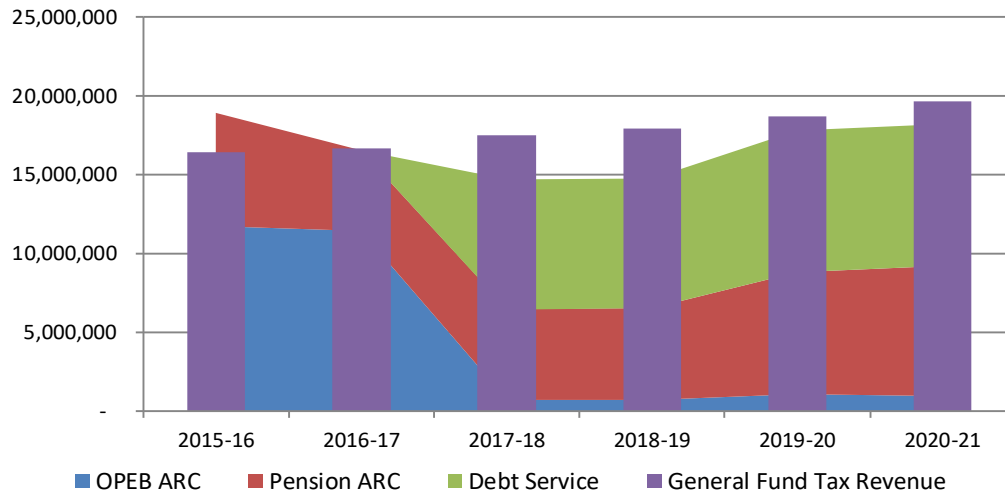


Financial Trends - Debt Projections

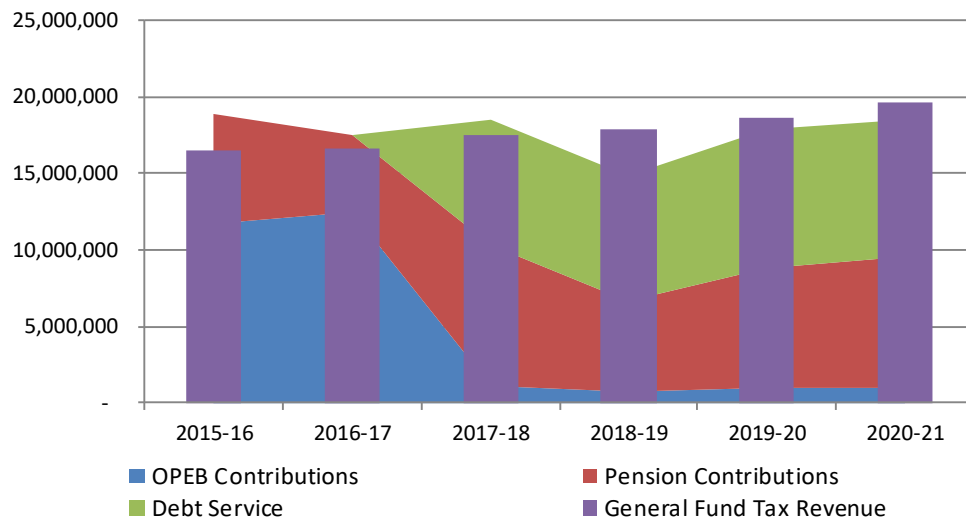
Fiscal Year Ending	Annual Interest	Annual Principal	Annual Debt Service	Principle Outstanding
6/30/2020	7,804,918	13,720,247	21,525,164	200,647,685
6/30/2021	7,465,213	13,822,919	21,288,132	186,824,766
6/30/2022	7,104,563	13,389,183	20,493,745	173,435,583
6/30/2023	6,721,552	12,616,864	19,338,415	160,818,720
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	-

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

General Fund Tax Revenue vs. Defined Benefit City Pension/OPEB Actuarially Derived Annual Required Contribution and Debt Service



General Fund Tax Revenue vs Actual/Budgeted City Defined Benefit Pension/OPEB and Debt Service Payments



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 2020-21 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 2020-21, as well as 2017-18, 2018-19, and 2019-20, 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	Community Promotion – 101.835
Treasurer – 101.253	Dream Cruise – 101.836
City Office Building – 101.265	Arts, Beats and Eats – 101.837
Parks & Forestry – 101.266	Transfers-Out – 101.965
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 \$38.7 million (including transfers-in from other funds).

Over 95% 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 2020-21:

Revenues - Total general fund revenue (excluding transfers-in) is budgeted to increase less than one percent / \$60,530 relative to fiscal year 2019-20 estimated year-end revenue mostly due to an increase from tax revenue, state shared revenue, parking violations and indirect costs revenue netted against decreases from cable franchise/PEG fees, landlord licenses, right-of-way permits, dream cruise revenue and interest income. Tax revenue for the general fund is budgeted to increase 4 percent / \$781,000 and state shared revenue (another significant revenue source) is budgeted to increase 1.8 percent/ \$106,000 based upon the State of Michigan's published projection. Indirect costs revenue (fee charged to other city funds for general fund central/admin service) is budgeted to increase 8 percent / \$157,750 due to increased personnel costs. Parking violations are budgeted to increase 19 percent / \$80,000 due to the revenue decline in the last quarter of 2019-20. There increases are netted against numerous decreases as follows: cable franchise/PEG fees of 10 percent / \$121,000 due to declining revenue /subscribers, landlord licenses 24 percent / \$90,000 due to performing a higher number of inspections every two years, right-of-way permits 59 percent / \$285,000 relative to projected 2019-20 as this was a higher than average year, Dream Cruise 19 percent / \$25,000 due to using historical average revenue, and interest income 54 percent / \$600,000 due to decrease in fund/cash balance and a significant decline in interest rates recently.

Transfers-in - The transfer-in total is \$1,587,000, which is an increase of \$350,000 from fiscal year 2019-20 estimated transfers, mostly due to a one-time \$600,000 transfer from the parks capital fund returning the monies loaned for Normandy Oaks Park development, which is netted against a decrease of \$250,000 from the DDA TIF fund, a \$275,000 decrease from the auto parking fund, and a \$250,000 decrease due to moving the Medicare retiree drug subsidy revenue to the retiree healthcare fund . Transfers-in consist of \$737,000 for the annual transfer from the DDA TIF fund to pay the ROCC debt service related to the downtown park, and the return of \$600,000 for the Normandy Oaks Park loan.

Expenditures – Total general fund expenditures are budgeted to remain relatively flat with an increase less than one percent / \$210,740 relative to fiscal year 2019-20 estimated year-end expenditures, mostly due to the increase for the transfer out to the public safety fund, wage increases, medical benefit increases and pension / OPEB contribution increases. These increases are offset by a decrease in capital and “other” expenses that are described in each of the applicable cost centers significant notes section.

Transfers-out – Total transfers-out of the general fund amount to \$24.09 million. Transfer-out to the public safety fund is budgeted at \$21 million. A \$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 \$475,000 by fiscal year 2024-25. The 2020-21 budget has a transfer to the 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 \$23,240 transfer to the indigent defense fund representing the city's match, and \$24,000 to the motor pool fund to purchase a tri-deck mower for parks & forestry. The 2020-21 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 \$465,000 annually to pay the debt service on the court building until 2024.

Continued on next page...

**Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:
(Continued)**

General Fund and Public Safety Fund balance combined – The fiscal year 2020-21 budget provides for the use of \$3.9 million from fund balance as a revenue source to fund expenditures and transfers-out. The ending fund balance level is projected at nearly \$11.1 million / 20.1 percent, which is within 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 \$4.1 million to \$6.7 million annually. A combined fund balance for the general fund and public safety fund totals -\$10.6 million / -17.3 percent of expenditures at the end of the estimated forecast. Should the future estimated budgets be somewhat accurate, the use of fund balance will not be sustainable in the long-term as the combined fund balance will be depleted by fiscal year 2023-24.

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	2019-2020 Estimated Year End	2020-2021 Recommended Budget	2021-2022 Projected Budget	2022-2023 Projected Budget	2023-2024 Projected Budget	2024-2025 Projected Budget
Unassigned Beginning Fund Balance	16,526,632	13,389,272	10,451,702	5,976,101	1,524,481	(4,012,219)
Revenues	37,083,690	37,144,220	38,052,000	38,523,160	38,905,930	39,527,870
Expenditures	41,458,050	41,668,790	43,514,601	43,961,780	45,429,630	46,409,670
Net	(4,374,360)	(4,524,570)	(5,462,601)	(5,438,620)	(6,523,700)	(6,881,800)
Transfers from other funds	1,237,000	1,587,000	987,000	987,000	987,000	987,000
Net Change in Fund Balance	(3,137,360)	(2,937,570)	(4,475,601)	(4,451,620)	(5,536,700)	(5,894,800)
Ending Fund Balance	13,389,272	10,451,702	5,976,101	1,524,481	(4,012,219)	(9,907,019)
Fund Balance as a percentage of Expenditures	32.30%	25.08%	13.73%	3.47%	-8.83%	-21.35%
Public Safety Beginning Fund Balance	1,572,982	1,640,002	657,982	979,762	480,702	113,932
Public Safety Revenues	11,697,970	12,159,320	12,421,720	13,230,910	13,507,000	13,790,140
Public Safety Expenditures	33,170,950	34,681,340	35,139,940	36,229,970	37,373,770	38,567,280
Net	(21,472,980)	(22,522,020)	(22,718,220)	(22,999,060)	(23,866,770)	(24,777,140)
Transfers from other funds	21,540,000	21,540,000	23,040,000	22,500,000	23,500,000	24,000,000
Net Change in fund balance	67,020	(982,020)	321,780	(499,060)	(366,770)	(777,140)
Public Safety Ending Fund Balance	1,640,002	657,982	979,762	480,702	113,932	(663,208)
General Fund and Public Safety combined Fund Balance as a percentage of Expenditures	28.02%	20.07%	12.39%	3.48%	-6.57%	-17.33%

Revenues

101-000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	18,277,450	5,373,830	10,095,130	389,470	875,400	6,911,820	41,923,100
2017-2018 Actual	18,822,260	5,567,900	10,376,650	813,200	241,460	3,504,640	39,326,110
2018-2019 Actual	19,424,780	6,133,410	10,312,980	930,790	595,950	1,014,040	38,411,950
2019-2020 Original Budget	20,165,000	6,183,450	9,590,170	970,000	442,000	1,512,000	38,862,620
2019-2020 Adjusted Budget (Dec)	20,165,000	6,183,450	9,590,170	970,000	442,000	1,512,000	38,862,620
2019-2020 Six Month Actual	19,437,130	2,373,320	4,673,620	563,020	151,000	0	27,198,090
2019-2020 Estimated Year End	20,307,000	6,288,390	8,761,320	1,218,060	508,920	1,237,000	38,320,690
2020-2021 Dept Request	21,116,000	6,294,450	8,878,320	619,000	236,450	1,587,000	38,731,220
2020-2021 Manager's Budget	21,116,000	6,294,450	8,878,320	619,000	236,450	1,587,000	38,731,220
2020-2021 Adopted Budget							
2021-2022 Projected Budget	21,632,030	6,419,580	9,219,940	544,000	236,450	987,000	39,039,000
2022-2023 Projected Budget	22,160,830	6,547,240	9,098,390	480,250	236,450	987,000	39,510,160
2023-2024 Projected Budget	22,702,710	6,677,470	9,163,240	126,060	236,450	987,000	39,892,930
2024-2025 Projected Budget	23,258,000	6,810,330	9,104,090	119,000	236,450	987,000	40,514,870

Expenditures

General Fund	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	8,175,100	363,760	396,770	29,885,560	2,460,520	41,281,710
2019-2020 Original Budget	9,124,150	442,560	467,000	29,112,420	2,463,000	41,609,130
2019-2020 Adjusted Budget (Dec)	9,124,150	469,210	467,000	29,161,620	2,463,000	41,684,980
2019-2020 Six Month Actual	4,084,380	229,610	117,620	13,382,090	1,853,270	19,666,970
2019-2020 Estimated Year End	9,070,430	491,050	467,000	28,966,570	2,463,000	41,458,050
2020-2021 Dept Request	10,173,540	534,960	90,000	28,408,790	2,461,500	41,668,790
2020-2021 Manager's Budget	10,173,540	534,960	90,000	28,408,790	2,461,500	41,668,790
2020-2021 Adopted Budget						
2021-2022 Projected Budget	10,517,580	534,960	0	30,026,561	2,436,000	43,515,101
2022-2023 Projected Budget	10,874,780	534,960	0	30,090,040	2,463,000	43,962,780
2023-2024 Projected Budget	11,245,900	534,960	0	31,155,290	2,495,000	45,431,150
2024-2025 Projected Budget	11,631,360	534,960	0	31,717,400	2,528,000	46,411,720

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 and be a registered voter.

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 203 S. Williams. Meetings are open to the public and are broadcast on WROK channels 55/10.

GOALS

1. Infrastructure - To maintain, replace and enhance Royal Oak's infrastructure to promote efficient and sustainable delivery of beneficial services.
2. Operations – To perform all city operations as efficiently and effectively as possible.
3. Community - To preserve neighborhoods by encouraging community involvement and family activities.

OBJECTIVES

- Seek Oakland County Water Resources Commission commitment to require the fourteen local government units in the George Kuhn drainage area to reduce drainage flows to downstream communities.^{GOAL1}
- Evaluate the Royal Oak Next Plan and identify measures to move forward.^{GOAL2}
- Provide needed financial support for the development of the AARP-Communities for a Lifetime project.^{GOAL3}

GOALS

4. Economic / Tax Base - Encourage and support diverse investment to maximize property values and facilitate employment opportunities and desirable housing.
5. Sustainability – To operate the City of Royal Oak in an environmentally sustainable way and to protect the environment.

OBJECTIVES

- Research and propose changes to city code to help address housing gaps.^{GOAL4}
- Provide needed information and resources, including financial, to complete a greenhouse gas emissions inventory.^{GOAL4}
- Utilize community engagement activities and the Royal Oak Environmental Advisory Board to identify climate and energy action goals.^{GOAL4}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Meeting and conference charges are increasing by \$9,500 relative to the fiscal year 2019-20 original budget. This is to account for a more extensive strategic planning process than in years past incorporating visioning sessions and multiple facilitated sessions.

Budget Summary Expenditures

101-101 MAYOR/COMMISSION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	5,040	110	0	30,220	0	35,370
2019-2020 Original Budget	5,810	600	0	35,200	0	41,610
2019-2020 Adjusted Budget (Dec)	5,810	600	0	35,200	0	41,610
2019-2020 Six Month Actual	2,170	140	0	17,140	0	19,450
2019-2020 Estimated Year End	5,810	600	0	32,820	0	39,230
2020-2021 Dept Request	5,680	600	0	44,820	0	51,100
2020-2021 Manager's Budget	5,680	600	0	44,820	0	51,100
2020-2021 Adopted Budget						
2021-2022 Projected Budget	5,680	600	0	44,820	0	51,100
2022-2023 Projected Budget	5,680	600	0	44,820	0	51,100
2023-2024 Projected Budget	5,680	600	0	44,820	0	51,100
2024-2025 Projected Budget	5,680	600	0	44,820	0	51,100

Cost Center Position Detail – Home Base Part-Time Employees

Mayor/Commission		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total		n/a	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 2020-21:

Full-time personnel budgets are increasing relative to the fiscal year 2019-20 original budget in order to allow employees to potentially receive merit wage increases. Part-time wages are increasing approximately \$75,000 relative to the fiscal year 2019-20 original budget due to the increase in civil cases, the expectation that all open positions will be filled during the fiscal year, and to adjust the salary range of part-time employees to remain competitive with other courts in the region. Overtime wages are increasing \$1,000 due to the increase in civil cases and additional garnishments.

Contracted legal and advisory counsel expenditures are decreasing \$150,000 relative to the fiscal year 2019-20 original budget due to MIDC grant funding for indigent defendants, being accounted for in a separate dedicated special revenue fund (260). Contracted judges' services are budgeted at \$50,000 to cover the continued use of a visiting judge into fiscal year 2020-21. Contracted worker services are budgeted at \$70,000 for fiscal year 2020-21 to cover Sober Link alcohol testing for persons in phase I of the program. These expenditures are reimbursed by the drug court grant.

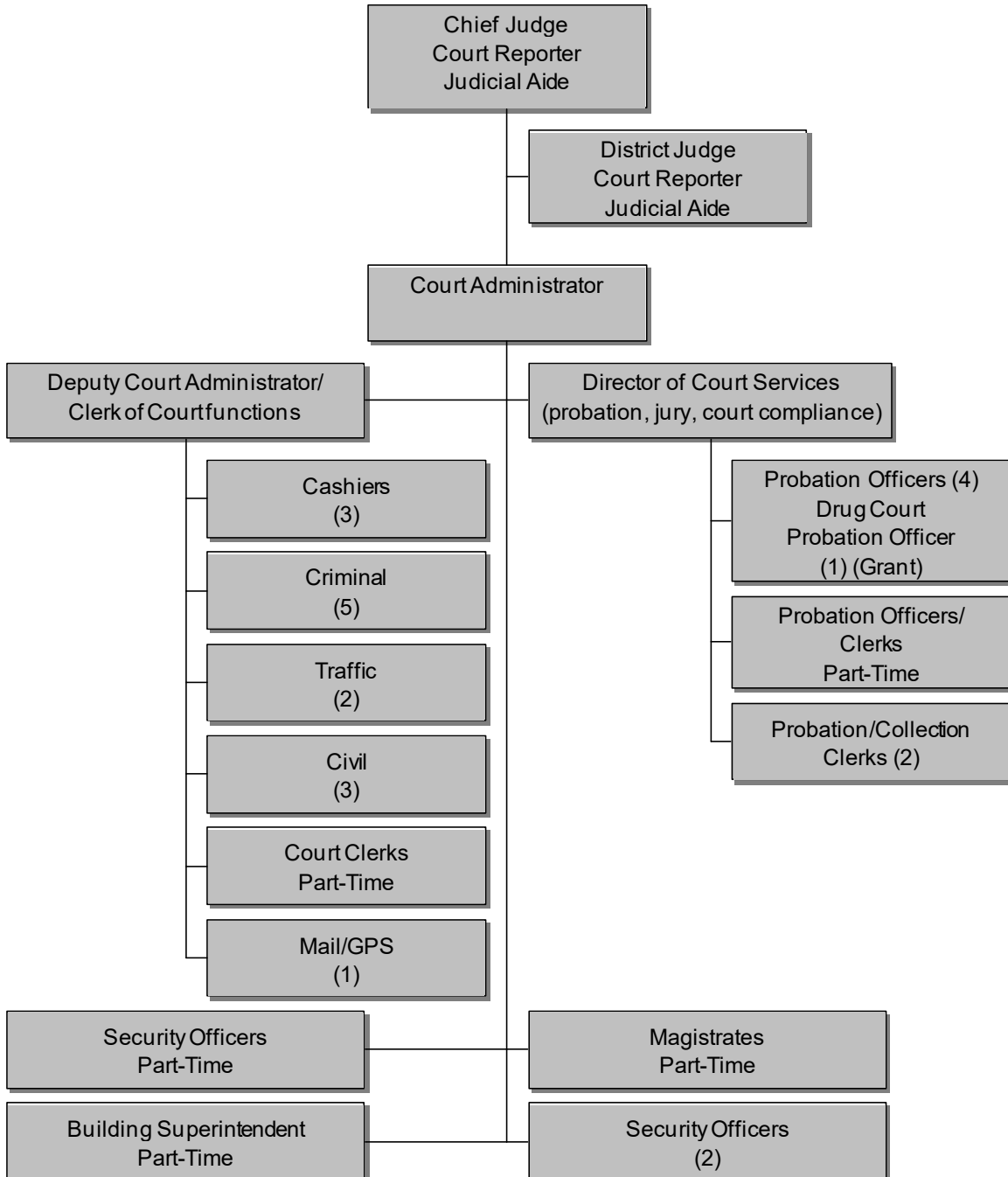
Relative to the fiscal year 2019-20 original budget, travel costs and training and education costs are increasing \$1,000 and \$500, respectively, due to having an additional magistrate and the expectation of being fully staffed in fiscal year 2020-21. This also covers mandatory training that is required for the two drug court teams and the costs of the probation officer certifications. Office supplies are increasing \$17,000 to cover the cost of print shop projects, paper, and supplies, which were previously charged to an internal service fund and allocated as administrative charges.

Building security services are increasing \$23,000 due to the need for increased server capacity and camera replacement. Building repair and maintenance supplies are increasing \$36,600 relative to the 2019-20 original budget due to an energy efficient lighting upgrade project. The court experienced significant repair costs with the HVAC system during prior years due to age and discovery of components that have not worked properly for years. A \$10,000 increase is budgeted for heating and cooling repair and maintenance services for HVAC repairs.

Budget Summary Expenditures

101.136 DISTRICT COURT	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	2,902,940	58,310	11,320	347,690	0	3,320,260
2019-2020 Original Budget	3,204,230	79,100	0	524,710	0	3,808,040
2019-2020 Adjusted Budget (Dec)	3,204,230	105,750	0	573,910	0	3,883,890
2019-2020 Six Month Actual	1,417,940	53,160	0	227,300	0	1,698,400
2019-2020 Estimated Year End	3,172,840	106,200	0	462,910	0	3,741,950
2020-2021 Dept Request	3,432,070	133,000	0	473,700	0	4,038,770
2020-2021 Manager's Budget	3,432,070	133,000	0	473,700	0	4,038,770
2020-2021 Adopted Budget						
2021-2022 Projected Budget	3,534,030	133,000	0	473,700	0	4,140,730
2022-2023 Projected Budget	3,639,590	133,000	0	473,700	0	4,246,290
2023-2024 Projected Budget	3,748,870	133,000	0	473,700	0	4,355,570
2024-2025 Projected Budget	3,862,020	133,000	0	473,700	0	4,468,720

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

District Court		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Full-Time Positions										
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	0.0	0.0	1.0	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	9.0	13.0	13.0	15.0	15.0	14.0	14.0
Collections Clerk		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Court Bailiff Law Clerk		1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Director of Court Services		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0
Chief Probation Officer		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Probation Officer		1.0	1.0	2.0	4.0	4.0	4.0	5.0	5.0	5.0
Pre-Sentence Director		1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Building Superintendent		0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0
Full-time total		20.0	20.0	20.0	29.0	29.0	29.0	30.0	30.0	30.0
Part-Time Positions (FTEs)										
Part-time positions		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		20.0	20.0	20.0	29.0	29.0	29.0	30.0	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

- Establish a transition or movement plan as departments need to plan on moving from the old facility to the new complex. ^{GOAL1}
- Promote communication with staff and the public. ^{GOAL1}
- 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. ^{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.
7. Sustainability – To operate the City of Royal Oak in an environmentally sustainable way and to protect the environment.

OBJECTIVES

- Establish a methodology for gauging employee satisfaction and engagement. ^{GOAL2}
- Develop a method for actively soliciting and quantifying user satisfaction on a regular basis for departments with high user interactions (i.e. building, clerk, treasury, assessing, planning, etc.). ^{GOAL2}
- 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. ^{GOAL2}
- Utilize all available methods of communication to inform the public about the status of city projects. ^{GOAL3}
- 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. ^{GOAL3}
- Increase promotion of the city website, get the URL out in the public and on social media. ^{GOAL3}
- 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. ^{GOAL3}
- Ensure that departments utilize the community engagement specialist to help draft informational communications. ^{GOAL3}
- Verify all active neighborhood associations and their primary contacts. ^{GOAL4}

GOALS

OBJECTIVES

- Ensure all contact information on the website is up to date. ^{GOAL4}
- Provide administrative support for the work of the senior services/aging in place task force. ^{GOAL4}
- Explore opportunities for savings from organizational restructuring or reducing outdated or duplicative services through finding efficiencies and utilizing technology. ^{GOAL6}
- Provide needed information and resources, including financial, to complete a greenhouse gas emissions inventory. ^{GOAL7}
- Utilize community engagement activities and the Royal Oak Environmental Advisory Board to identify climate and energy action goals. ^{GOAL7}
- Provide needed resources, including labor, to develop and implement the sustainability plan based on the climate and energy action goals. ^{GOAL7}

Performance Indicators / Outcome Measures

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Actual 2019</u>
The City of Royal Oak's overall "American Customer Satisfaction Index" Rating (scale 1-100)	68	N/A	69	N/A	N/A

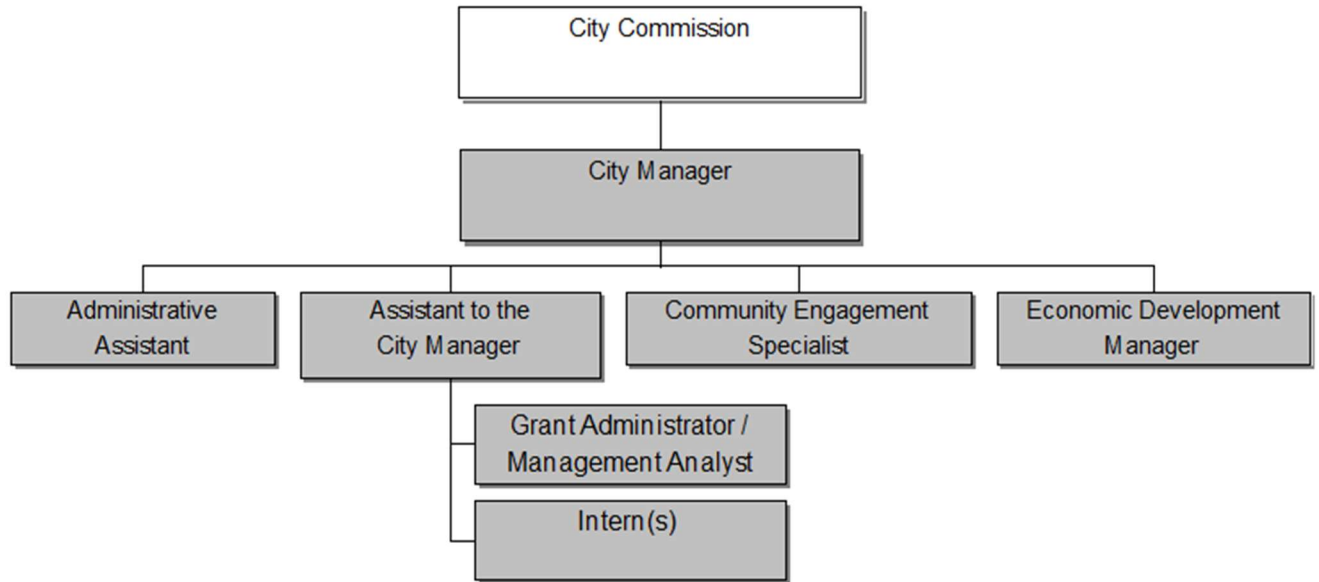
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Full-time personnel costs are increasing compared to the fiscal year 2019-20 original budget due to newer staff receiving merit step wage increases. \$4,000 is budgeted for consulting work to complete the public engagement of sustainability study. Dues and memberships are increasing \$3,200 for sustainability group membership costs, and training and education costs have increased \$2,000 for staff to attend sustainability conferences, as compared to the fiscal year 2019-20 original budget.

Budget Summary Expenditures

101.172 MANAGER	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	522,050	900	0	7,500	0	530,450
2019-2020 Original Budget	504,690	8,900	0	12,350	0	525,940
2019-2020 Adjusted Budget (Dec)	504,690	8,900	0	12,350	0	525,940
2019-2020 Six Month Actual	144,930	670	0	2,860	0	148,460
2019-2020 Estimated Year End	362,610	9,700	0	8,900	0	381,210
2020-2021 Dept Request	512,300	18,400	0	21,650	0	552,350
2020-2021 Manager's Budget	512,300	18,400	0	21,650	0	552,350
2020-2021 Adopted Budget						
2021-2022 Projected Budget	529,220	18,400	0	17,650	0	565,270
2022-2023 Projected Budget	546,740	18,400	0	17,650	0	582,790
2023-2024 Projected Budget	564,920	18,400	0	17,650	0	600,970
2024-2025 Projected Budget	583,720	18,400	0	17,650	0	619,770

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Manager	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Engagement Specialist*	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Grant Coordinator / Energy and Sustainability Manager	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Development Manager*	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	0.5	0.5	0.5	0.2	0.2	1.0	1.0	1.0	1.0
Full-time total	1.5	3.5	5.5	5.2	5.2	6.0	6.0	6.0	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	1.5	3.5	5.5	5.2	5.2	6.0	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 November 2018.

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 2016	Actual 2017	Actual 2018	Actual 2019	Projected 2020	Projected 2021
GOAL ¹ Elections	3	1	2	1	3	1
GOAL ¹ Number of Registered Voters	49,806	48,064	48,783	49,331	50,000	50,200
GOAL ² Registration Applications Submitted	9,411	6,599	7,855	6,673	9,500	6,600
GOAL ¹ New Valid Registrations	6,208	4,558	5,269	4,277	6,500	5,500
GOAL ¹ Active New Voters	6,267	4,482	5,170	3,969	6,500	5,500
GOAL ¹ Active Voters Cancelled	4,945	2,683	4,657	3,632	5,000	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 2020-21:

The fiscal year 2020-21 budget includes the addition of a full-time clerk whose costs will be shared between elections and the city clerk's office cost centers. Part-time wages are increasing \$20,000 relative to the fiscal year 2019-20 original budget and overtime wages are increasing \$16,000. This is due to having three elections in fiscal year 2020-21, including the presidential election, in which voter turnout is expected to be high and additional staffing will be needed. \$90,000 is budgeted to purchase an additional high-speed image scanner to process absentee ballots.

Budget Summary Expenditures

101.191 ELECTIONS	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	233,210	60,700	88,680	17,010	0	399,600
2019-2020 Original Budget	290,550	70,000	90,000	18,400	0	468,950
2019-2020 Adjusted Budget (Dec)	290,550	70,000	90,000	18,400	0	468,950
2019-2020 Six Month Actual	109,340	20,490	0	3,590	0	133,420
2019-2020 Estimated Year End	283,540	70,000	90,000	18,400	0	461,940
2020-2021 Dept Request	362,570	70,000	90,000	18,400	0	540,970
2020-2021 Manager's Budget	362,570	70,000	90,000	18,400	0	540,970
2020-2021 Adopted Budget						
2021-2022 Projected Budget	371,540	70,000	0	18,400	0	459,940
2022-2023 Projected Budget	380,790	70,000	0	18,400	0	469,190
2023-2024 Projected Budget	390,340	70,000	0	18,400	0	478,740
2024-2025 Projected Budget	400,200	70,000	0	18,400	0	488,600

ROYAL OAK ELECTION HISTORY

Type of Election	Date	Total Voting	Voters Registered	Percent Voting	AV's counted	AV's Processed
City Election	11/05/2019	13,290	49,155	27.04%	6,603	8,296
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%	9071	9375
Primary Election	08/07/2012	12,356	48,641	25.40%	3450	3801
Presidential Primary	02/28/2012	8,119	48,309	16.81%	2849	3187
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 processing 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 to assist the various departments city-wide, with the re-establishment of one purchasing agent position 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}
- Develop a defined contribution board of trustees for fiduciary oversight, by potentially proposing a city ordinance, as most of the city's employees are in DC plans. Improve upon the DC investment options and reduce fees for the employees/retirees.
- Develop a comprehensive purchasing manual / policy document. ^{GOAL2}
- Implement new government accounting standards number 84(Fiduciary Activities) and 88 (Certain Disclosures related to Debt) . ^{GOAL1}
- Assist with the development of a loss prevention committee in an effort to preserve the city's assets (lower costs) and reducing costs/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}

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL2 Bank Statements Reconciled	252	252	126	252	240	240
GOAL2 Accounts Payable Invoices Processed	14,957	15,626	8,524	16,000	16,000	16,000
GOAL2 General Payroll Checks/NODs Generated	12,632	13,521	6,674	12,370	12,400	12,400
GOAL1 Auditors Correcting Entries to Financial Statements	0	0	0	0	0	0
GOAL2 Estimate/Final Pension Calculations	16 / 9	18 / 15	12 / 9	20 / 16	19 / 11	18 / 9
GOAL4 GFOA Distinguished Budget Awarded	yes	yes	yes	yes	yes	yes
GOAL4 GFOA CAFR Awarded	yes	yes	yes	yes	yes	yes
GOAL2 Bids Prepared	25	32	12	30	35	40
GOAL2 General Liability Incidents/ Claims Processed	244 / 82	198 / 60	63 / 36	190 / 75	190 / 75	180 / 70

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

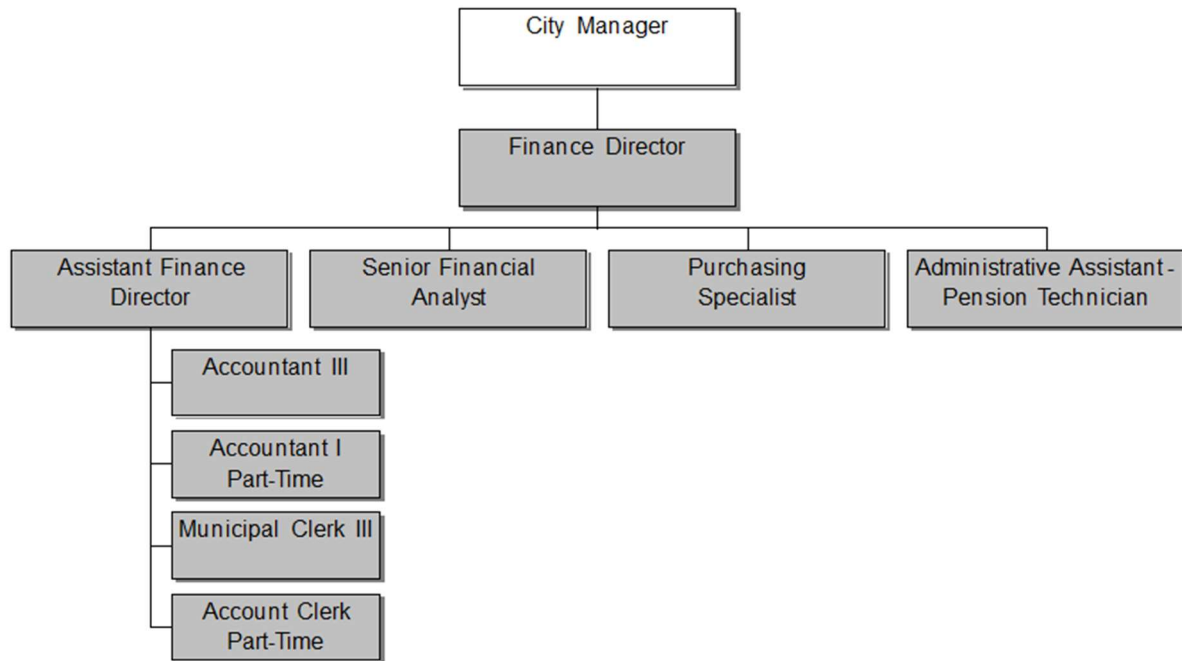
The personnel budget is increasing due to the potential for the newer employees (who are not at the top of their pay range) to receive merit wage increases. The department requested budget includes a request for an addition full-time accountant position. The new position would assist with the numerous functions/tasks that the department has taken on, such as risk management, purchasing, and the increased accounting work due to accounting standards increasing by 50 percent, the past 10 years. The finance department has the same FTE level as it had 10 years ago. In addition, personnel costs are budgeted to increase slightly due to allocating 100 percent of the existing administrative assistant position to this cost center rather than splitting the cost with another cost center.

Contracted worker services are budgeted to increase \$25,000 for digitizing and document shredding due to the limited storage space in the new city hall. This increase only addresses the accounts payable files.

Budget Summary Expenditures

101.201 FINANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	684,260	2,860	0	29,370	0	716,490
2019-2020 Original Budget	766,650	3,500	0	33,350	0	803,500
2019-2020 Adjusted Budget (Dec)	766,650	3,500	0	33,350	0	803,500
2019-2020 Six Month Actual	346,350	440	0	18,780	0	365,570
2019-2020 Estimated Year End	758,880	3,500	0	34,310	0	796,690
2020-2021 Dept Request	929,020	3,500	0	59,450	0	991,970
2020-2021 Manager's Budget	929,020	3,500	0	59,450	0	991,970
2020-2021 Adopted Budget						
2021-2022 Projected Budget	969,110	3,500	0	40,960	0	1,013,570
2022-2023 Projected Budget	1,010,990	3,500	0	42,540	0	1,057,030
2023-2024 Projected Budget	1,054,760	3,500	0	44,200	0	1,102,460
2024-2025 Projected Budget	1,100,480	3,500	0	45,940	0	1,149,920

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	1.0
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	8.0
<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	8.0

*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
- 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 FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL1 Assessment Notices Processed	27,733	27,767	28,058	28,100	28,100	28,100
GOAL7 Residential Property Appraisals	1,606	1,723	1,037	2,000	2,000	2,000
GOAL7 Commercial/Industrial Appraisals	262	397	330	325	325	325
GOAL6 Small Claims Tribunal Appeals	12	14	14	14	12	12
GOAL6 Full Tax Tribunal Appeals	7	12	12	12	12	12
GOAL3 Homestead Affidavits Processed	8,742	8,991	5,121	8,800	8,800	8,800
GOAL3 Transfer Affidavits Processed	2,324	1,942	1,177	2,400	2,400	2,400
GOAL1 Board of Review Appeals	366	366	105	350	350	350
GOAL1 Board of Review Adjustments	-7,363,210	-8,757,780	-1,574,200	-4,000,000	-4,000,000	-4,000,000
GOAL6 Tax Tribunal Decisions	6	4	14	14	8	8
GOAL6 Tax Tribunal Adjustments	-173,540	-4,416,380	-8,916,730	-200,000	-200,000	-200,000
GOAL1, GOAL3 Property Sales Reviewed	1,537	1,929	950	2,000	2,000	2,000
GOAL1 Property Transfers Uncapped	1,926	1,926	1,177	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	27	10	8	30	30	30

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs in the 2020-21 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 also includes 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 is requested due to the workload and the lack of success filling the part-time position. 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 25,970 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 plus years. Unfortunately, all these requirements cannot be met with only one appraiser. In addition to this need, the department would like to fill one or two part-time positions with students to help with photographs and sketches.

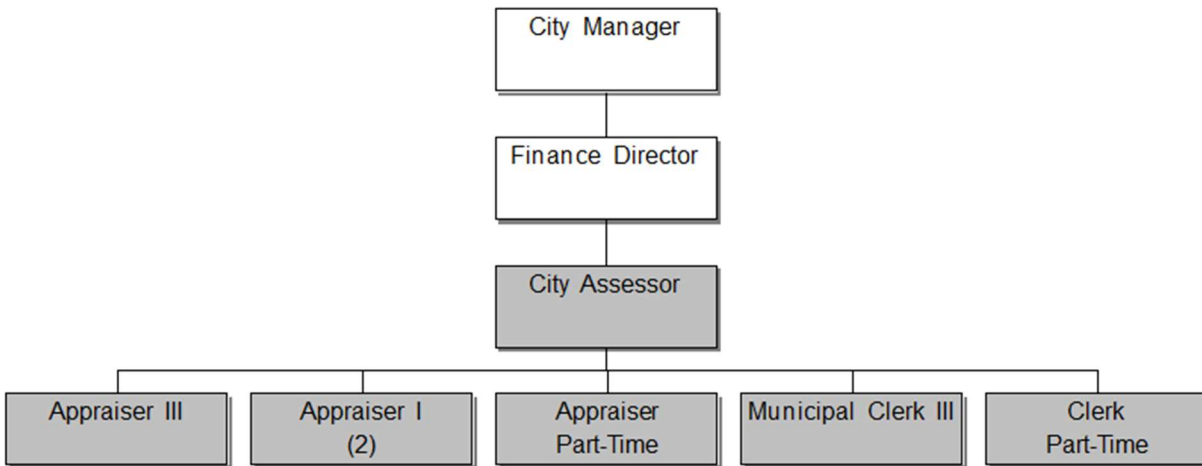
Relative to the fiscal year 2019-20 original budget, office supplies are decreasing \$700 due to historical usage and motor pool rental charges are decreasing by \$5,660 due to decreased depreciation charges on assessing vehicles.

Budget Summary

Expenditures

101.209 ASSESSOR	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	464,170	13,410	0	160,510	0	638,090
2019-2020 Original Budget	527,420	14,370	0	154,950	0	696,740
2019-2020 Adjusted Budget (Dec)	527,420	14,370	0	154,950	0	696,740
2019-2020 Six Month Actual	227,130	1,130	0	52,600	0	280,860
2019-2020 Estimated Year End	502,410	13,400	0	154,640	0	670,450
2020-2021 Dept Request	626,370	13,800	0	150,050	0	790,220
2020-2021 Manager's Budget	626,370	13,800	0	150,050	0	790,220
2020-2021 Adopted Budget						
2021-2022 Projected Budget	648,970	13,800	0	150,500	0	813,270
2022-2023 Projected Budget	672,420	13,800	0	150,950	0	837,170
2023-2024 Projected Budget	696,770	13,800	0	151,410	0	861,980
2024-2025 Projected Budget	722,050	13,800	0	151,880	0	887,730

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Assessing	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	1.0	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	2.0
Assessing - MC III	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assessing - MC II	0.0	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	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
<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	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0

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

- Assist the incoming City Manager in assuming his/her role as the Chief Administrative Officer of the city. ^{GOAL1}
- Assist the city commission with development of a policy for adult-use and/or medical marihuana in the city. ^{GOAL6}
- Assist the staff in developing and implementing a procedure for the replacement of lead service lines. ^{GOAL6}

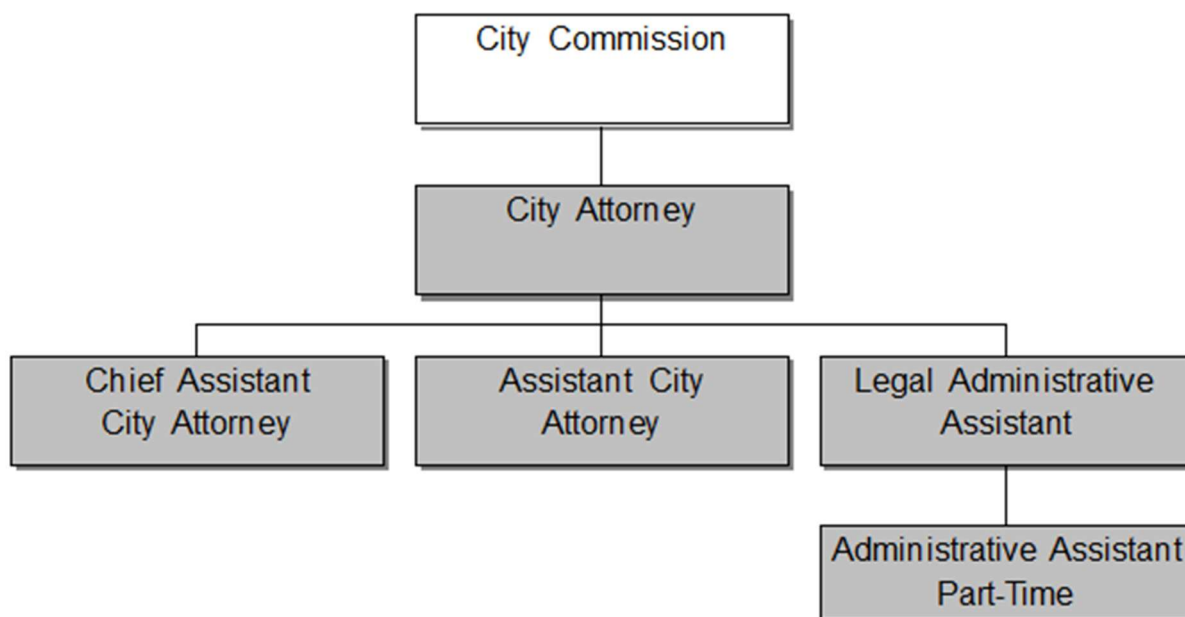
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

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, along with related fees, are expected to be comparable as litigation in several significant lawsuits continues.

Budget Summary Expenditures

101.210 ATTORNEY	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	475,810	15,650	0	43,060	0	534,520
2019-2020 Original Budget	529,170	16,500	0	65,470	0	611,140
2019-2020 Adjusted Budget (Dec)	529,170	16,500	0	65,470	0	611,140
2019-2020 Six Month Actual	236,090	6,580	0	5,420	0	248,090
2019-2020 Estimated Year End	526,640	16,500	0	46,220	0	589,360
2020-2021 Dept Request	569,300	17,250	0	57,850	0	644,400
2020-2021 Manager's Budget	569,300	17,250	0	57,850	0	644,400
2020-2021 Adopted Budget						
2021-2022 Projected Budget	587,710	17,250	0	57,850	0	662,810
2022-2023 Projected Budget	606,760	17,250	0	57,850	0	681,860
2023-2024 Projected Budget	626,490	17,250	0	57,850	0	701,590
2024-2025 Projected Budget	646,920	17,250	0	57,850	0	722,020

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full-Time Employees

Attorney	Fiscal Year								
	12-13	13-14	14-15	14-15	16-17	17-18	18-19	19-20	20-21
Full-Time Positions									
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	1.0	1.0
Assistant City Attorney	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Legal Administrative Assistant	0.5	0.5	0.5	0.8	0.8	1.0	1.0	1.0	1.0
Full-time total	2.5	3.5	3.5	3.8	3.8	4.0	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 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Actual 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>
Documents Processed/Issued:						
GOAL2 Birth Certificates	6,701	6,903	6,850	7,154	7,200	7,300
GOAL2 Business Licenses (Annual)	16	11	11	10	10	11
GOAL2 Death Certificates	1,693	1,735	1,730	1,644	1,700	1,700
GOAL2 Dog Licenses	2,519	2,226	2,920	2,138	2,300	2,400
GOAL2 Dog Park Passes	237	264	295	356	375	400
GOAL1 Freedom of Information Act	129	121	121	170	175	180
GOAL2 Initial Merchants Licenses	0	0	0	0	0	0
GOAL2 Liquor License Renewals	55	55	54	52	55	60
GOAL2 Miscellaneous Business Licenses	72	52	61	71	75	80
GOAL2 Peddler Permits	56	58	68	66	70	75
GOAL2 SDD/SDM Renewals	36	37	39	38	40	40
GOAL2 Solicitation Permits	20	16	15	15	16	20
GOAL2 Special Event Permits	55	55	51	60	65	70
GOAL2 Woodward Dream Cruise Permits	75	69	63	64	65	70

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

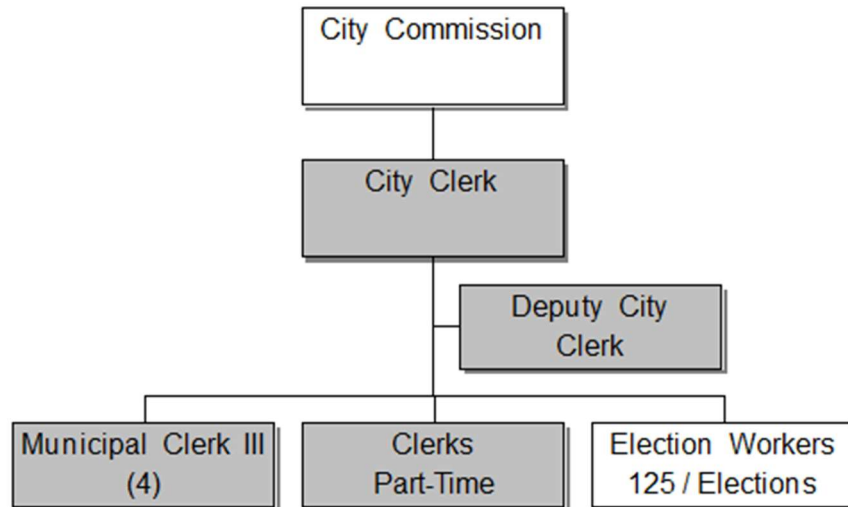
Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Relative to the fiscal year 2019-20 original budget, personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases, and the fiscal year 2020-21 budget includes the addition of a full-time clerk whose costs will be shared between the city clerk's office and election cost centers. Overtime wages are increasing \$5,000 relative to the fiscal year 2019-20 original budget due to the need for additional staffing. Contracted worker services are increasing \$10,000 relative to the fiscal year 2019-20 original budget for offsite storage and increased document shredding services.

Budget Summary Expenditures

101.215 CLERK	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	322,580	6,570	0	11,040	0	340,190
2019-2020 Original Budget	341,810	16,000	0	22,050	0	379,860
2019-2020 Adjusted Budget (Dec)	341,810	16,000	0	22,050	0	379,860
2019-2020 Six Month Actual	153,980	5,460	0	6,640	0	166,080
2019-2020 Estimated Year End	345,720	16,000	0	22,430	0	384,150
2020-2021 Dept Request	402,780	16,000	0	32,050	0	450,830
2020-2021 Manager's Budget	402,780	16,000	0	32,050	0	450,830
2020-2021 Adopted Budget						
2021-2022 Projected Budget	419,750	16,000	0	32,050	0	467,800
2022-2023 Projected Budget	437,480	16,000	0	32,050	0	485,530
2023-2024 Projected Budget	456,010	16,000	0	32,050	0	504,060
2024-2025 Projected Budget	475,390	16,000	0	32,050	0	523,440

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

City Clerk		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	3.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0
City Clerk – MCII		0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
City Clerk - MC I		0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Full-time total		4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	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	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0

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, Family and Medical Leave 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. 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. Fiscal Management – to preserve Royal Oak's finances through sound fiscal policy, strategic planning, prompt decisive actions and effective management of public assets.

OBJECTIVES

- 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. ^{GOAL1}
- Complete targeted compensation surveys for those departments or positions where difficulties in filling vacancies have been apparent. ^{GOAL1}

GOALS

3. Communication - to proactively promote meaningful, open and respectful dialogue that ensures effective decision making.

OBJECTIVES

- Establish a methodology for gauging employee satisfaction and engagement. GOAL1
- Develop a method for actively soliciting and quantifying user satisfaction on a regular basis for departments with high user interactions. GOAL1
- 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. GOAL1

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving merit wage increases. Temporary wages are decreasing \$13,000 relative to the fiscal year 2019-20 original budget due to filling the full-time human resources specialist position which reduced the hours needed for part-time employee(s).

Tuition reimbursement decreased \$2,000, relative to fiscal year 2019-20 original budget. Three employees in the department now hold professional certifications which is expected to require a minimal amount of funds to support. As staff already holds the proper education levels required, we do not anticipate having to rely on tuition reimbursement for the department. Miscellaneous contracted services remains unchanged from fiscal year 2019-2020 however, the department expects to use some of the funds (approximately \$10,000) for a record digitization project in fiscal year 2020-21.

The civil service examination budget was decreased by \$15,000 in comparison to fiscal year 2019-20 due to further reduction in costs experienced by the revised fire promotion system, as well as additional efforts to streamline the frequency of testing across all employee groups. In addition, in line with cities elsewhere, we have seen a drop in the number of applicants for many positions.

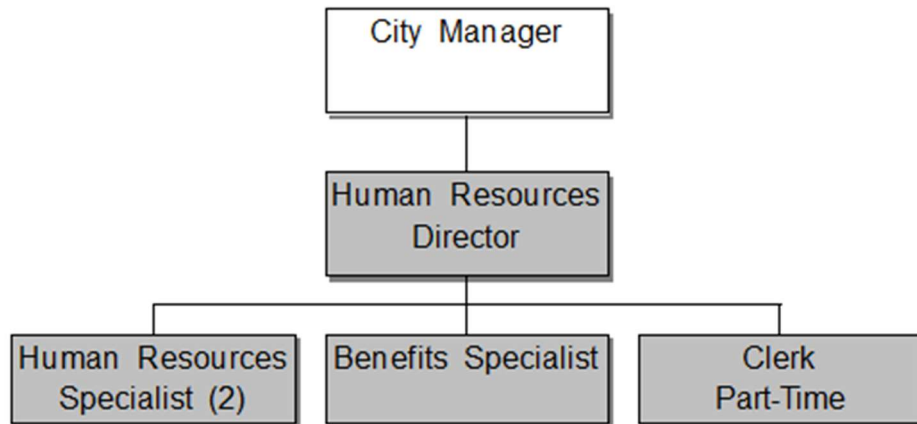
Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL ² Labor Contracts Negotiated	6	8	9	6	1	1
GOAL ² % of Labor Contracts Settled	100	88.8	100	100	100	100
GOAL ¹ Employees Hired (FT/PT)	116	185	45	140	140	140
GOAL ² Applications Processed (FT/PT)	1,960	2,049	458	1,800	2,000	2,000
GOAL ² Promotions/Transfers/Terminations Processed	91	96	46	95	95	95
GOAL ³ Worker's Comp Claims Processed	47	41	15	45	45	45
GOAL ³ Administration/Processing of Benefits for Insurance Enrollees	789	7933	787	790	790	790
GOAL ³ FT HR Staff to FT Workforce Ratio	1:100	1:106	1:86	1:90	1:90	1:90

Budget Summary Expenditures

101.226 HUMAN RESOURCES	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	298,860	1,560	0	216,460	0	516,880
2019-2020 Original Budget	433,460	2,100	0	270,150	0	705,710
2019-2020 Adjusted Budget (Dec)	433,460	2,100	0	270,150	0	705,710
2019-2020 Six Month Actual	181,480	550	0	92,910	0	274,940
2019-2020 Estimated Year End	398,820	2,100	0	214,050	0	614,970
2020-2021 Dept Request	441,350	2,600	0	253,550	0	697,500
2020-2021 Manager's Budget	441,350	2,600	0	253,550	0	697,500
2020-2021 Adopted Budget						
2021-2022 Projected Budget	460,630	2,600	0	253,550	0	716,780
2022-2023 Projected Budget	480,780	2,600	0	253,550	0	736,930
2023-2024 Projected Budget	501,850	2,600	0	253,550	0	758,000
2024-2025 Projected Budget	523,860	2,600	0	253,550	0	780,010

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Human Resources		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	1.0	1.0	1.0	2.0	2.0	2.0
Benefits Specialist		0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Recruitment Coordinator		0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Secretary I - HR		1.0	1.0	1.0	0.0	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	3.0	3.0	3.0	4.0	4.0	4.0	4.0
<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		2.0	2.0	3.0	3.0	3.0	4.0	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 2020-21:

There are no significant changes to this cost center. The pension and OPEB principal and interest allocated to the general fund continues to be budgeted in this cost center.

Budget Summary Expenditures

101.248 ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	690	0	0	1,162,010	2,460,520	3,623,220
2019-2020 Original Budget	780	0	0	1,073,010	2,463,000	3,536,790
2019-2020 Adjusted Budget (Dec)	780	0	0	1,073,010	2,463,000	3,536,790
2019-2020 Six Month Actual	390	0	0	710,780	1,853,270	2,564,440
2019-2020 Estimated Year End	800	0	0	1,071,920	2,463,000	3,535,720
2020-2021 Dept Request	800	0	0	1,063,400	2,461,500	3,525,700
2020-2021 Manager's Budget	800	0	0	1,063,400	2,461,500	3,525,700
2020-2021 Adopted Budget						
2021-2022 Projected Budget	800	0	0	1,122,090	2,436,000	3,558,890
2022-2023 Projected Budget	800	0	0	1,151,760	2,463,000	3,615,560
2023-2024 Projected Budget	800	0	0	1,182,440	2,495,000	3,678,240
2024-2025 Projected Budget	800	0	0	1,214,170	2,528,000	3,742,970

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. The city's current online vendor is "Invoice Cloud". 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, parks and recreation, and CDBG loans.

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 FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
^{GOAL2} Tax bills generated	63,103	61,525	59,431	63,873	66,580	66,720
^{GOAL2} Water bills generated	97,728	102,308	50,632	97,916	98,000	98,100
^{GOAL2} Phone calls received	38,756	38,073	19,475	38,000	37,000	36,000
^{GOAL1} Direct Debit Customers (W & S)	2,780	2,660	2,493	2,900	3,045	3,197
^{GOAL1} % Participation in Automatic Bill Pay	11.4%	10.8%	10.1%	11.8%	12.4%	13.0%
^{GOAL2} Invoices Billed	754	704	260	750	750	750
^{GOAL2} Special Assessments Billed	4,734	6,704	3,341	4,730	0	5,000

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage increases. Printing and document duplicating costs are increasing \$1,500, and training and education costs are increasing \$500, relative to fiscal year 2019-20 original budget based on historical usage. Postage and mailing services are decreasing \$2,200, relative to fiscal year 2019-20 original budget to better reflect usage, and \$2,700 is budgeted in office equipment to purchase check scanners and a bill counter.

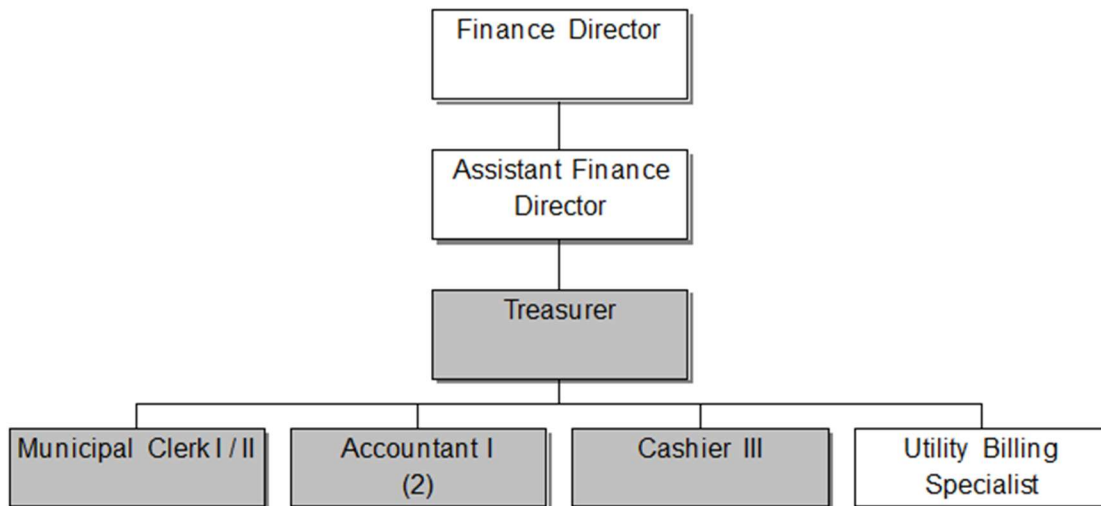
Staff continues to work on improving the information available to water customers to help them better understand their water usage and monitor their own consumption. Staff also continues to work on improving the information provided to sellers, buyers, realtors, and title companies prior to the transfer of property ownership.

Budget Summary

Expenditures

101.253 TREASURER	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	207,760	2,540	0	38,290	0	248,590
2019-2020 Original Budget	437,940	2,750	0	44,010	0	484,700
2019-2020 Adjusted Budget (Dec)	437,940	2,750	0	44,010	0	484,700
2019-2020 Six Month Actual	160,160	920	0	19,150	0	180,230
2019-2020 Estimated Year End	410,520	4,500	0	42,100	0	457,120
2020-2021 Dept Request	465,500	5,200	0	44,770	0	515,470
2020-2021 Manager's Budget	465,500	5,200	0	44,770	0	515,470
2020-2021 Adopted Budget						
2021-2022 Projected Budget	486,340	5,200	0	44,770	0	536,310
2022-2023 Projected Budget	508,120	5,200	0	44,770	0	558,090
2023-2024 Projected Budget	530,890	5,200	0	44,770	0	580,860
2024-2025 Projected Budget	554,710	5,200	0	44,770	0	604,680

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-time Employees

Treasurer		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accountant II		0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Accountant I		0.0	0.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0
Cashier III		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Cashier II		1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasurer - MC I / MC II		1.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Full-time total		4.0	3.0	3.0	4.0	4.0	4.0	4.0	5.0	5.0
<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	3.0	3.0	4.0	4.0	4.0	4.0	5.0	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 2020-21:

Personnel costs are increasing due to assumed wage step increase for a newer employee. Part-time wages are decreasing \$2,500 relative to the fiscal year 2019-20 original budget based on current year activity.

The existing city hall is expected to be closed early fiscal year 2020-21 with the opening of the new city hall building. As a result, the budgets for heating and cooling, plumbing, and elevator repair and maintenance costs have all been reduced to \$-0- in the fiscal year 2020-21 budget due to the new building being under warranty. Additionally, electric costs are projected to decrease \$35,000 and gas by \$4,000, relative to the fiscal year 2019-20 projected year-end due to the smaller square footage and efficiencies of a new building. Postage and mailing services are increasing \$4,000 relative to the 2019-20 original budget based on higher costs in the current year.

Budget Summary Expenditures

101.265 CITY OFFICE BUILDING	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	62,060	10,790	0	235,560	0	308,410
2019-2020 Original Budget	69,000	10,000	0	251,800	0	330,800
2019-2020 Adjusted Budget (Dec)	69,000	10,000	0	251,800	0	330,800
2019-2020 Six Month Actual	31,330	5,310	0	199,560	0	236,200
2019-2020 Estimated Year End	66,480	12,050	0	289,500	0	368,030
2020-2021 Dept Request	71,940	9,750	0	227,510	0	309,200
2020-2021 Manager's Budget	71,940	9,750	0	227,510	0	309,200
2020-2021 Adopted Budget						
2021-2022 Projected Budget	74,180	9,750	0	228,890	0	312,820
2022-2023 Projected Budget	76,500	9,750	0	230,320	0	316,570
2023-2024 Projected Budget	78,900	9,750	0	231,800	0	320,450
2024-2025 Projected Budget	81,380	9,750	0	233,340	0	324,470

Cost Center Position Detail - Home Base

Full & Part-Time Employees

City Office Building		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>										
Day Porter		n/a	n/a	n/a	n/a	1.0	1.0	1.0	1.0	1.0
Full-time total		n/a	n/a	n/a	n/a	1.0	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 350 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. Infrastructure - To maintain, replace and enhance Royal Oak's infrastructure to promote efficient and sustainable delivery of beneficial services.
2. To maintain the city's park grounds in accordance with maintenance schedules.
3. To provide quality facilities for recreation programs and support the use by all citizens of Royal Oak.
4. Support the community youth athletic organizations.
5. Improve the urban forest.
6. To minimize the city liability in city parks.

OBJECTIVES

- Finalize design and solicit bids for the Centennial Park project. ^{GOAL1}
- Complete phase one of the Normandy Oaks Park development. ^{GOAL8}
- Begin construction and ecological development for the Oak Savannah habitat restoration at Normandy Oaks Park. ^{GOAL8}
- Continue to implement improvements at neighborhood parks as guided by the five-year park master plan. ^{GOAL8}

GOALS**OBJECTIVES**

7. Communication - To proactively promote meaningful, open and respectful dialogue that ensures effective decision making.
8. Community – to preserve neighborhoods by encouraging community involvement and family activities.

Performance Indicators / Outcome Measures

	Actual	Actual	Dec 31	Projected	Projected	Projected
	<u>FY17-18</u>	<u>FY18-19</u>	<u>2019</u>	<u>FY19-20</u>	<u>FY20-21</u>	<u>FY20-21</u>
GOAL1 Hours Ball Diamonds Maintained	2,331	2,848	1,607	1,800	2,600	2,600
GOAL1 Hours Soccer / Football Fields Maintained/Lined	490	123	277	300	600	600
Trees Planted	423	401	496	700	500	500

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Full-time personnel costs are increasing due to the request to hire two parks maintenance workers in consideration of the additional maintenance activities related to Normandy Oaks Park. Temporary wages are decreasing \$6,750 relative to the fiscal year 2019-20 original budget as a result; however, the budget still includes room to provide higher starting wages to seasonal workers to be able to attract and retain more candidates.

Completing phase one of Normandy Oaks Park and beginning construction and establishment of the Oak Savannah habitat restoration will be a primary objective during the coming year (these development costs are recorded in the parks capital improvement fund). There are no parks capital projects budgeted to be funded by the general fund.

The fiscal year 2020-21 budget includes \$65,570 for ongoing maintenance of the park, and grounds. Parks and grounds repair and maintenance supplies is increasing \$2,500 relative to the fiscal year 2019-20 original budget to provide for additional supplies for Normandy Oaks Park and \$5,000 is budgeted in training and education to cover splash pad operation and maintenance training. Additionally, water costs are projected to increase \$11,000 relative to the fiscal year 2019-20 projected activity due to partial use of the splash pad during the year. Miscellaneous contracted services are decreasing \$10,000.

Budget Summary Expenditures

101.266 PARKS & FORESTRY	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	424,640	110,480	296,770	320,320	0	1,152,210
2019-2020 Original Budget	362,140	134,250	377,000	528,360	0	1,401,750
2019-2020 Adjusted Budget (Dec)	362,140	134,250	377,000	528,360	0	1,401,750
2019-2020 Six Month Actual	224,080	66,210	117,620	214,440	0	622,350
2019-2020 Estimated Year End	443,150	139,300	377,000	511,490	0	1,470,940
2020-2021 Dept Request	508,290	140,200	0	484,560	0	1,133,050
2020-2021 Manager's Budget	508,290	140,200	0	484,560	0	1,133,050
2020-2021 Adopted Budget						
2021-2022 Projected Budget	522,840	140,200	0	491,880	0	1,154,920
2022-2023 Projected Budget	537,950	140,200	0	499,360	0	1,177,510
2023-2024 Projected Budget	553,630	140,200	0	507,000	0	1,200,830
2024-2025 Projected Budget	569,910	140,200	0	514,810	0	1,224,920

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

Parks & Forestry		Fiscal Year							
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks Maintenance Worker II	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Parks Maintenance Worker	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	3.0
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	9.0
<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	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0

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. Operations – to perform all city operations as efficiently and effectively as possible.
2. Provide quality building repairs in timely manner.
3. Support other divisions as necessary during weather emergencies

OBJECTIVES

- Pursue the creation of a facilities manager position to reduce demands on multiple departments and improve the efficiency and effectiveness of services. ^{GOAL1}
- Develop a scheduled HVAC / mechanical inspection program for city facilities. ^{GOAL2}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing relative to fiscal year 2020-21 original budget due to the request to add a full-time facilities manager. The fiscal year 2019-20 projected balance for overtime was unusually high as a result of a power outage at city hall and the police station that occurred during the summer, therefore the requested overtime budget for fiscal year 2020-21 is decreasing \$14,000 relative to that balance, however, this is still a \$6,000 increase relative to the fiscal year 2019-20 original budget as overtime has been trending higher over the past two fiscal years.

\$4,000 is budgeted for tools and hardware which is an increase of \$2,000 relative to the fiscal year 2020-21 original budget based on historical activity.

Budget Summary

Expenditures

101.267 BUILDING MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	166,690	8,940	0	21,330	0	196,960
2019-2020 Original Budget	192,930	11,060	0	18,260	0	222,250
2019-2020 Adjusted Budget (Dec)	192,930	11,060	0	18,260	0	222,250
2019-2020 Six Month Actual	110,000	4,880	0	9,420	0	124,300
2019-2020 Estimated Year End	210,660	12,460	0	18,960	0	242,080
2020-2021 Dept Request	283,450	13,100	0	19,850	0	316,400
2020-2021 Manager's Budget	283,450	13,100	0	19,850	0	316,400
2020-2021 Adopted Budget						
2021-2022 Projected Budget	293,470	13,100	0	20,230	0	326,800
2022-2023 Projected Budget	303,880	13,100	0	20,620	0	337,600
2023-2024 Projected Budget	314,720	13,100	0	21,020	0	348,840
2024-2025 Projected Budget	326,010	13,100	0	21,430	0	360,540

Cost Center Position Detail - Home Base

Full & Part-Time Employees

DPS	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>									
Facilities Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
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	3.0

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}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing relative to the fiscal year 2019-20 original budget due to the potential for newer employees (who are not at the top of their pay range) to receive wage increases. Part-time wages are decreasing as it is anticipated that all full-time positions will be filled. Training and education costs are budgeted at \$1,500 as the city is paying for training rather than the employee. Motor pool rental charges are increasing \$12,690 based on estimated past utilization and higher depreciation costs.

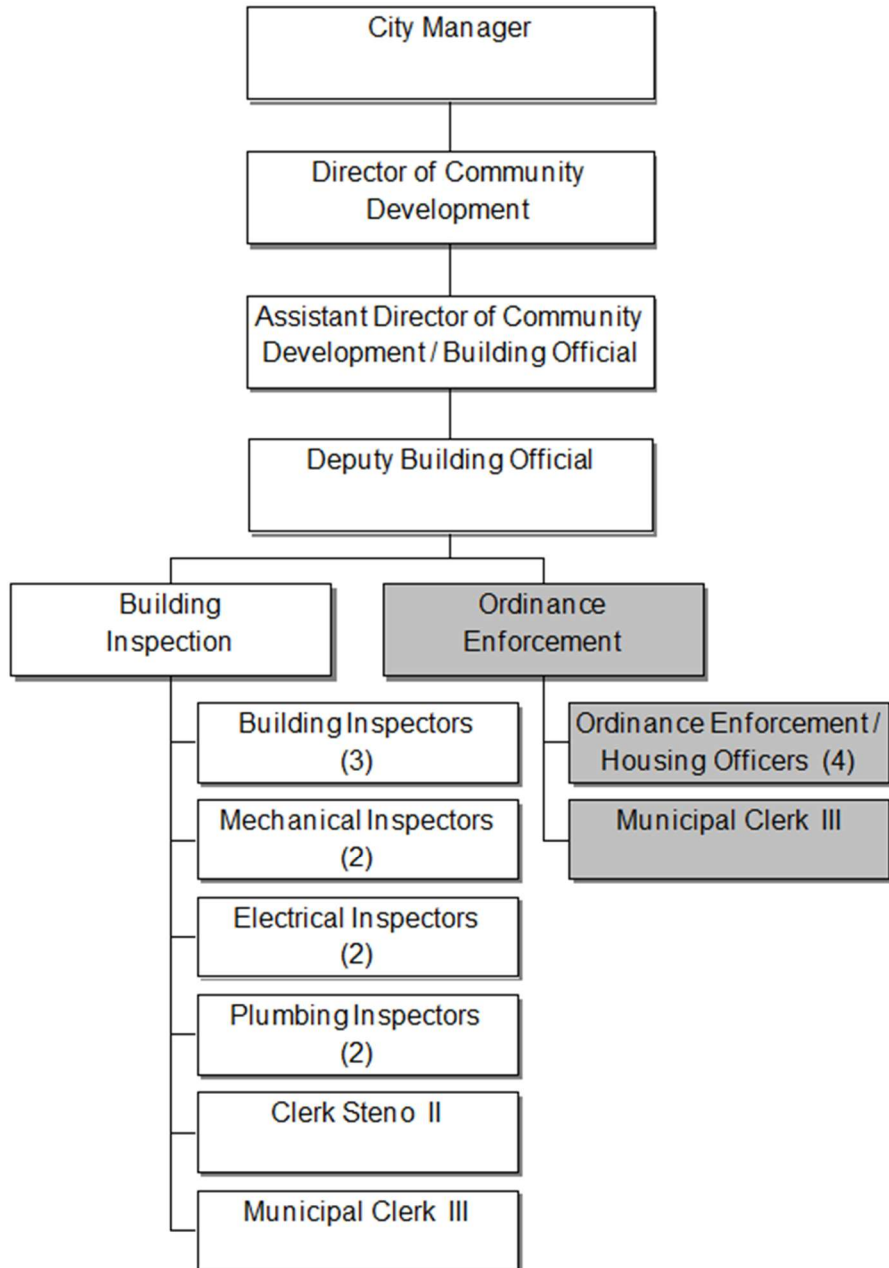
Budget Summary Expenditures

101.372 ORDINANCE ENFORCEMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	351,660	350	0	41,210	0	393,220
2019-2020 Original Budget	368,170	1,000	0	46,860	0	416,030
2019-2020 Adjusted Budget (Dec)	368,170	1,000	0	46,860	0	416,030
2019-2020 Six Month Actual	167,530	280	0	22,310	0	190,120
2019-2020 Estimated Year End	392,020	1,000	0	44,890	0	437,910
2020-2021 Dept Request	373,230	1,000	0	59,080	0	433,310
2020-2021 Manager's Budget	373,230	1,000	0	59,080	0	433,310
2020-2021 Adopted Budget						
2021-2022 Projected Budget	386,580	1,000	0	60,110	0	447,690
2022-2023 Projected Budget	400,420	1,000	0	61,160	0	462,580
2023-2024 Projected Budget	414,780	1,000	0	62,230	0	478,010
2024-2025 Projected Budget	429,660	1,000	0	63,320	0	493,980

Cost Center Position Detail - Home Base Full-Time Employees

Code Enforcement	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>									
Code Enforcement/Housing Officer	2.0	4.0	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	1.0	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	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Departmental Organization Chart



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 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.

OBJECTIVES

- Seek Oakland County Water Resources Commission commitment to require the fourteen local governments units in the George Kuhn drainage area to reduce drainage flows to downstream communities. ^{GOAL8}
- Pursue creation of a facilities manager position to reduce demands on multiple departments and improve the efficiency and effectiveness of services. ^{GOAL9}
- Utilize citizen feedback to guide policy for recreational marijuana in the city. ^{GOAL10}
- Research and propose changes to city code to help address housing gaps. ^{GOAL11}
- Provide administrative support for the work of the senior services/aging in place task force. ^{GOAL12}

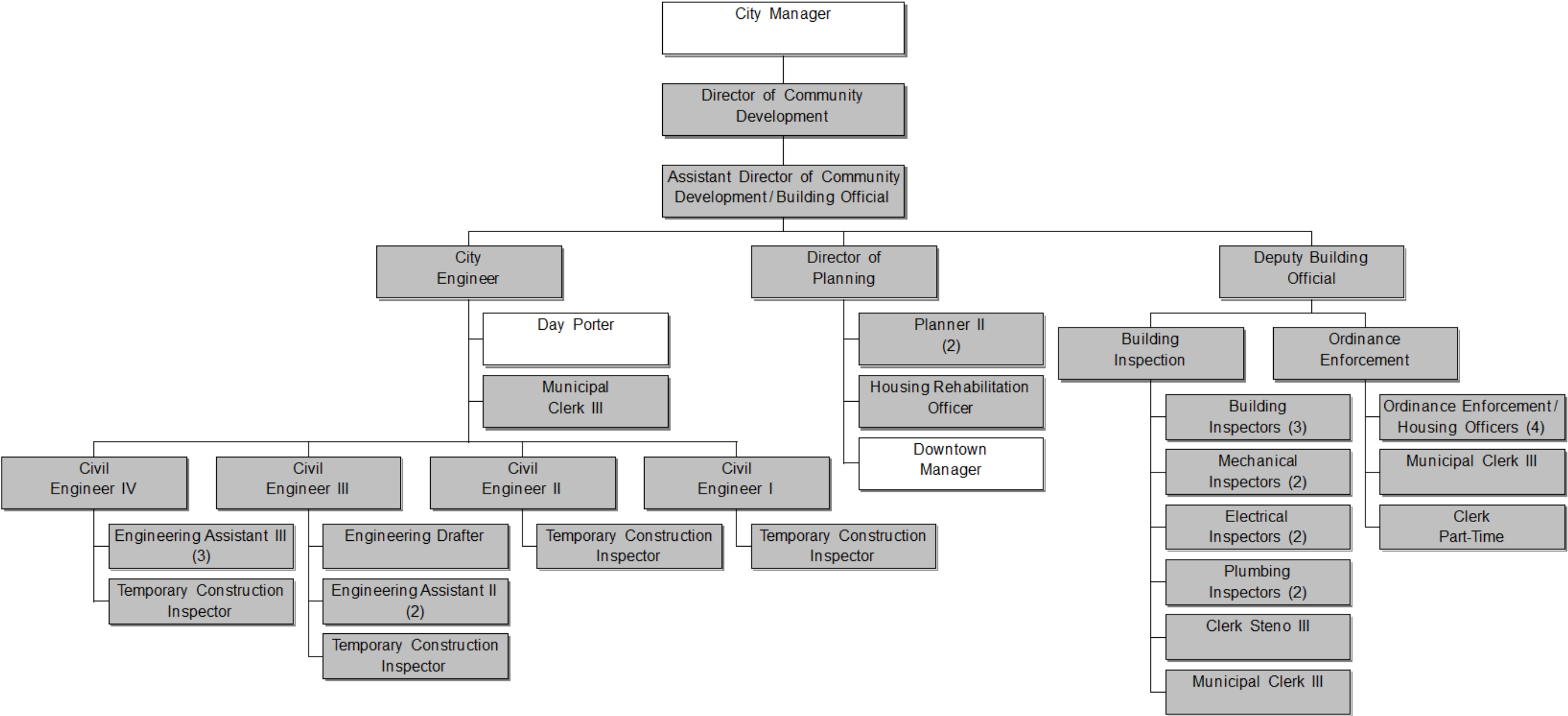
GOALS**OBJECTIVES**

8. Infrastructure – to sustain, replace and enhance Royal Oak’s infrastructure to promote efficient delivery of beneficial services.
 9. Operations – to perform all city operations as efficiently and effectively as possible.
 10. Communication – to proactively promote meaningful, open and respectful 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.
 12. Community – to preserve neighborhoods by encouraging community involvement and family activities.
-

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are decreasing relative to the fiscal year 2019-20 original budget due to the net effect of budgeting for a wage step merit increase for a newer employee and a decrease in the allocation of some staff members to this cost center. Travel cost budget is decreasing relative to the fiscal year 2019-20 original budget by \$2,400 based on historical activity.

Department Organization Chart



Budget Summary Expenditures

101.400 PLANNING & ZONING	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	224,720	1,680	0	14,100	0	240,500
2019-2020 Original Budget	348,790	1,500	0	16,280	0	366,570
2019-2020 Adjusted Budget (Dec)	348,790	1,500	0	16,280	0	366,570
2019-2020 Six Month Actual	133,570	710	0	2,620	0	136,900
2019-2020 Estimated Year End	312,760	1,500	0	13,880	0	328,140
2020-2021 Dept Request	327,610	1,500	0	13,880	0	342,990
2020-2021 Manager's Budget	327,610	1,500	0	13,880	0	342,990
2020-2021 Adopted Budget						
2021-2022 Projected Budget	340,100	1,500	0	13,880	0	355,480
2022-2023 Projected Budget	353,060	1,500	0	13,880	0	368,440
2023-2024 Projected Budget	366,540	1,500	0	13,880	0	381,920
2024-2025 Projected Budget	380,550	1,500	0	13,880	0	395,930

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Community Development		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
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	2.0	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	0.5	0.5	0.5	0.0	0.0	0.0
CS III - Planning		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full-time total		3.0	3.0	3.0	3.5	3.5	3.5	4.0	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 2020-21:

Animal control services are budgeted to increase \$1,450 due to a possible contract increase with the city of Berkley.

Budget Summary Expenditures

101.430 ANIMAL PROTECTION SERVICES	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	42,490	0	42,490
2017-2018 Actual	0	0	0	42,920	0	42,920
2018-2019 Actual	0	0	0	46,330	0	46,330
2019-2020 Original Budget	0	0	0	48,500	0	48,500
2019-2020 Adjusted Budget (Dec)	0	0	0	48,500	0	48,500
2019-2020 Six Month Actual	0	0	0	23,760	0	23,760
2019-2020 Estimated Year End	0	0	0	48,500	0	48,500
2020-2021 Dept Request	0	0	0	49,950	0	49,950
2020-2021 Manager's Budget	0	0	0	49,950	0	49,950
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	0	0	51,450	0	51,450
2022-2023 Projected Budget	0	0	0	52,990	0	52,990
2023-2024 Projected Budget	0	0	0	54,580	0	54,580
2024-2025 Projected Budget	0	0	0	56,220	0	56,220

Cost Center Position Detail - Home Base Part-Time Employees

Animal Protection Services		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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 2020-21:

Personnel costs are increasing relative to the fiscal year 2019-20 original budget due to a larger allocation of the city electrician cost to this cost center. Electrical and lighting supplies are increasing \$2,000. (Fiscal year 2019-20 estimated year-end was higher than originally budgeted due to a power outage at city hall and the police station during the summer that required an emergency generator and more time charged to this cost center than originally budgeted.)

Budget Summary Expenditures

101.443 ELECTRICAL	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	38,170	9,690	0	18,920	0	66,780
2019-2020 Original Budget	25,180	12,460	0	50,210	0	87,850
2019-2020 Adjusted Budget (Dec)	25,180	12,460	0	50,210	0	87,850
2019-2020 Six Month Actual	15,800	18,520	0	25,110	0	59,430
2019-2020 Estimated Year End	37,150	26,330	0	50,210	0	113,690
2020-2021 Dept Request	39,090	14,460	0	52,250	0	105,800
2020-2021 Manager's Budget	39,090	14,460	0	52,250	0	105,800
2020-2021 Adopted Budget						
2021-2022 Projected Budget	40,280	14,460	0	53,300	0	108,040
2022-2023 Projected Budget	41,500	14,460	0	54,370	0	110,330
2023-2024 Projected Budget	42,760	14,460	0	55,460	0	112,680
2024-2025 Projected Budget	44,070	14,460	0	56,570	0	115,100

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Electrical		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>										
Electrician I		0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5
Full-time total		0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5
<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		0.0	0.0	0.0	0.5	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, 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 2020-21 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.

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 2020-21:

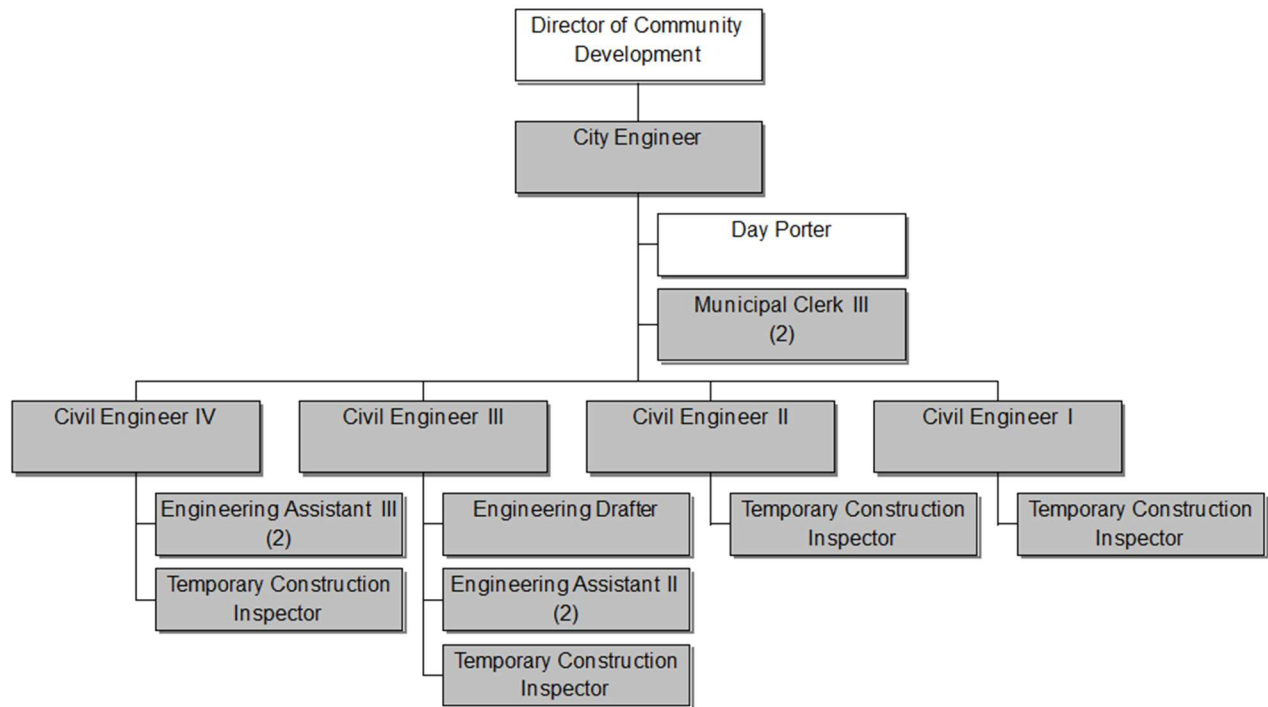
Personnel costs are increasing relative to the fiscal year 2019-20 original budget due the increased allocation of staff time to this cost center as opposed to capital projects.

Training and education costs are increasing \$1,370 relative to the fiscal year 2019-20 original budget for PCAP training and certification, PE license course, and soil erosion training. \$2,400 has been budgeted in safety clothing and gear to purchase shoes, safety vests and hard hats, and \$1,000 has been budgeted in tools and hardware to purchase specialty tools for field inspectors. Miscellaneous contracted services is decreasing \$5,000 relative to fiscal year 2019-20 original budget due to a one-time cost related to an environmental sustainability study.

Budget Summary Expenditures

101.447 ENGINEERING	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	479,160	1,640	0	7,700	0	488,500
2019-2020 Original Budget	397,040	3,150	0	12,500	0	412,690
2019-2020 Adjusted Budget (Dec)	397,040	3,150	0	12,500	0	412,690
2019-2020 Six Month Actual	248,280	580	0	5,760	0	254,620
2019-2020 Estimated Year End	529,230	2,500	0	13,100	0	544,830
2020-2021 Dept Request	501,000	7,800	0	8,150	0	516,950
2020-2021 Manager's Budget						
2020-2021 Adopted Budget						
2021-2022 Projected Budget	518,510	7,800	0	8,250	0	534,560
2022-2023 Projected Budget	536,660	7,800	0	8,350	0	552,810
2023-2024 Projected Budget	555,510	7,800	0	8,450	0	571,760
2024-2025 Projected Budget	575,070	7,800	0	8,560	0	591,430

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employee

Engineering		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	1.0	1.0	1.0	1.0	0.0
Civil Engineer III		1.0	1.0	2.0	2.0	1.0	1.0	1.0	1.0	2.0
Civil Engineer II		0.0	0.0	0.0	0.0	1.0	1.0	2.0	1.0	1.0
Civil Engineer I		1.0	1.0	0.0	2.0	1.0	1.0	1.0	1.0	1.0
Engineering Assistant IV		1.0	1.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0
Engineering Assistant III		1.0	1.0	0.0	2.0	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	2.0	2.0
Engineering Drafter		2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
CS III - Engineering		1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Engineering - MC III		0.0	0.0	0.0	1.0	1.0	1.0	1.0	2.0	2.0
Full-time total		9.0	9.0	8.0	13.0	12.0	12.0	12.0	12.0	12.0
<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		9.0	9.0	8.0	13.0	12.0	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 streetlight 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 2020-21:

Electrical and lighting supplies are increasing \$5,000 relative to the fiscal year 2019-20 original budget due to continued LED retrofitting on city streetlights.

Budget Summary Expenditures

101.448 STREET LIGHTING	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	15,690	16,520	0	823,710	0	855,920
2019-2020 Original Budget	12,070	15,000	0	853,000	0	880,070
2019-2020 Adjusted Budget (Dec)	12,070	15,000	0	853,000	0	880,070
2019-2020 Six Month Actual	7,860	10,610	0	497,980	0	516,450
2019-2020 Estimated Year End	16,490	15,000	0	853,000	0	884,490
2020-2021 Dept Request	16,900	20,000	0	853,000	0	889,900
2020-2021 Manager's Budget	16,900	20,000	0	853,000	0	889,900
2020-2021 Adopted Budget						
2021-2022 Projected Budget	17,210	20,000	0	869,880	0	907,090
2022-2023 Projected Budget	17,530	20,000	0	887,100	0	924,630
2023-2024 Projected Budget	17,870	20,000	0	904,660	0	942,530
2024-2025 Projected Budget	18,210	20,000	0	922,570	0	960,780

Cost Center Position Detail - Home Base

Part-Time Employees

Street Lighting		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total		n/a	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

- Facilitate and provide financial assistance and resources to companies impacted by the economic crisis resulting from the Covid-19 pandemic . GOAL1, 4, 6, 10
- Pursue the development of new commercial establishments throughout the city. GOAL1, 3, 11,
- Increase focus on 11 Mile Rd. and Fourth St. GOAL1
- Bid out the downtown park project. GOAL9
- Complete, occupy, and close out the new city hall and police station. GOAL9

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

- Utilize all available methods of communication to inform the public about the status of high-impact projects. ^{GOAL10}
- Pursue housing developments that meet gaps identified in the target market analysis. ^{GOAL11}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

There are no significant changes relative to the fiscal year 2019-20 original budget.

Budget Summary Expenditures

101.728 ECONOMIC DEVELOPMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	129,850	0	0	15,180	0	145,030
2019-2020 Original Budget	129,410	0	0	38,950	0	168,360
2019-2020 Adjusted Budget (Dec)	129,410	0	0	38,950	0	168,360
2019-2020 Six Month Actual	59,490	0	0	15,580	0	75,070
2019-2020 Estimated Year End	131,110	0	0	33,920	0	165,030
2020-2021 Dept Request	134,510	0	0	38,460	0	172,970
2020-2021 Manager's Budget	134,510	0	0	38,460	0	172,970
2020-2021 Adopted Budget						
2021-2022 Projected Budget	137,750	0	0	38,460	0	176,210
2022-2023 Projected Budget	141,070	0	0	38,460	0	179,530
2023-2024 Projected Budget	144,470	0	0	38,460	0	182,930
2024-2025 Projected Budget	147,960	0	0	38,460	0	186,420

Cost Center Position Detail - Home Base Full-Time Employees

Economic Development		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>										
Economic Development Manager		0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total		0.0	0.0	1.0	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. Infrastructure - to maintain, replace and enhance Royal Oak's infrastructure to promote efficient and sustainable delivery of beneficial services
2. Operations – to perform all city operations as efficiently and effectively as possible.
3. Communication – to proactively promote meaningful, open and respectful dialogue that ensures effective decision making.
4. Community - to preserve neighborhoods by encouraging community involvement and family activities.
5. Sustainability – to operate the city of Royal Oak in an environmentally sustainable way and to protect the environment.

OBJECTIVES

- Publicize opening events for the new facilities. ^{GOAL1}
- Promote communication with staff and the public. ^{GOAL1}
- Utilize all available methods of communication to inform the public about the status of city projects. ^{GOAL3}
- 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. ^{GOAL3}
- 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. ^{GOAL3}
- 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. ^{GOAL3}

GOALS

OBJECTIVES

- Increase promotion of the city's website, get the uniform resource locator (URL) out in the public and on social media. ^{GOAL3}
- 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. ^{GOAL3}
- Utilize citizen feedback to guide policy for recreational marihuana in the city. ^{GOAL3}
- Verify all active neighborhood associations and their primary contacts. ^{GOAL4}
- Ensure all contact information on the website is up to date. ^{GOAL4}
- Keep neighborhood associations informed of city projects and activities. ^{GOAL4}
- Provide needed information and resources to complete a greenhouse gas emissions inventory. ^{GOAL5}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Fiscal year 2020-21 expenditures include \$36,000 for a public relations firm (contingency) for various grand openings, \$12,000 for a citizen's survey, \$10,000 for the city's centennial celebration and \$1,000 for Normandy Oaks and Police Department grand openings.

Budget Summary Expenditures

101.747 COMMUNITY ENGAGEMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	83,770	0	0	8,770	0	92,540
2019-2020 Original Budget	87,170	0	0	12,000	0	99,170
2019-2020 Adjusted Budget (Dec)	87,170	0	0	12,000	0	99,170
2019-2020 Six Month Actual	39,970	0	0	300	0	40,270
2019-2020 Estimated Year End	87,270	0	0	12,710	0	99,980
2020-2021 Dept Request	90,590	0	0	60,710	0	151,300
2020-2021 Manager's Budget	90,590	0	0	60,710	0	151,300
2021-2022 Projected Budget	93,180	0	0	12,710	0	105,890
2022-2023 Projected Budget	95,850	0	0	12,710	0	108,560
2023-2024 Projected Budget	98,600	0	0	12,710	0	111,310
2024-2025 Projected Budget	101,430	0	0	12,710	0	114,140

Cost Center Position Detail - Home Base Full-Time Employees

Community Engagement		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Full-Time Positions										
Community Engagement Specialist		0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total		0.0	0.0	1.0	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 2020-21:

Office equipment and repair and maintenance costs include maintenance agreements for the city's web streaming appliances, video on-demand service and playback system. This budget includes \$7,500 for the live stream and video on demand service which includes additional storage, \$2,000 for the playback system maintenance agreement, and \$20,000 as a repair contingency for equipment during the transition into the new city buildings.

As part of the city's annual vehicle replacement plan, \$200,000 is budgeted in the motor pool fund during fiscal year 2020-21 for the replacement of the WROK cable van.

Budget Summary Expenditures

101.834 CABLE COMMUNICATIONS	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	0	0	110,840	0	110,840
2019-2020 Original Budget	0	11,220	0	120,360	0	131,580
2019-2020 Adjusted Budget (Dec)	0	11,220	0	120,360	0	131,580
2019-2020 Six Month Actual	0	0	0	39,750	0	39,750
2019-2020 Estimated Year End	0	2,000	0	109,700	0	111,700
2020-2021 Dept Request	0	11,000	0	135,370	0	146,370
2020-2021 Manager's Budget	0	11,000	0	135,370	0	146,370
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	11,000	0	136,630	0	147,630
2022-2023 Projected Budget	0	11,000	0	137,910	0	148,910
2023-2024 Projected Budget	0	11,000	0	139,210	0	150,210
2024-2025 Projected Budget	0	11,000	0	140,530	0	151,530

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 2020-21:

Expenditures have decreased \$100,000 relative to the fiscal year 2019-20 projected year-end due to the roof replacement at the fire station museum that was completed during fiscal year 2019-20. Royal Oak Youth Services continue to be budgeted at \$20,000 as in prior years. \$2,000 has been budgeted for the Starr House contribution in fiscal year 2020-21.

Budget Summary Expenditures

101.835 COMMUNITY PROMOTION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	21,260	2,530	0	80,740	0	104,530
2019-2020 Original Budget	17,530	600	0	169,740	0	187,870
2019-2020 Adjusted Budget (Dec)	17,530	600	0	169,740	0	187,870
2019-2020 Six Month Actual	10,170	230	0	27,520	0	37,920
2019-2020 Estimated Year End	18,630	600	0	156,260	0	175,490
2020-2021 Dept Request	18,190	0	0	56,850	0	75,040
2020-2021 Manager's Budget	18,190	0	0	56,850	0	75,040
2020-2021 Adopted Budget						
2021-2022 Projected Budget	18,260	0	0	53,911	0	72,171
2022-2023 Projected Budget	18,330	0	0	53,970	0	72,300
2023-2024 Projected Budget	18,400	0	0	54,030	0	72,430
2024-2025 Projected Budget	18,470	0	0	54,100	0	72,570

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

- Improve online car registration. ^{GOAL2}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

There are no significant notes for this cost center.

Budget Summary Expenditures

101.836 DREAM CRUISE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	28,490	34,250	0	8,250	0	70,990
2019-2020 Original Budget	30,120	27,000	0	13,500	0	70,620
2019-2020 Adjusted Budget (Dec)	30,120	27,000	0	13,500	0	70,620
2019-2020 Six Month Actual	35,990	23,930	0	21,030	0	80,950
2019-2020 Estimated Year End	35,980	27,000	0	23,000	0	85,980
2020-2021 Dept Request	38,770	27,000	0	23,000	0	88,770
2020-2021 Manager's Budget	38,770	27,000	0	23,000	0	88,770
2020-2021 Adopted Budget						
2021-2022 Projected Budget	38,820	27,000	0	23,050	0	88,870
2022-2023 Projected Budget	38,870	27,000	0	23,100	0	88,970
2023-2024 Projected Budget	38,920	27,000	0	23,150	0	89,070
2024-2025 Projected Budget	38,970	27,000	0	23,200	0	89,170

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

Dream Cruise		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total		n/a	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 2020-21:

Personnel costs for fiscal year 2020-21 are decreasing relative to the fiscal year 2019-20 original budget to reflect overtime actually incurred during the latest event.

Budget Summary Expenditures

101.837 AB&E	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	31,570	4,280	0	11,490	0	47,340
2019-2020 Original Budget	42,090	1,500	0	12,240	0	55,830
2019-2020 Adjusted Budget (Dec)	42,090	1,500	0	12,240	0	55,830
2019-2020 Six Month Actual	20,350	8,810	0	9,390	0	38,550
2019-2020 Estimated Year End	20,910	8,810	0	12,060	0	41,780
2020-2021 Dept Request	22,230	8,800	0	12,240	0	43,270
2020-2021 Manager's Budget	22,230	8,800	0	12,240	0	43,270
2020-2021 Adopted Budget						
2021-2022 Projected Budget	22,620	8,800	0	12,350	0	43,770
2022-2023 Projected Budget	23,010	8,800	0	12,460	0	44,270
2023-2024 Projected Budget	23,420	8,800	0	12,570	0	44,790
2024-2025 Projected Budget	23,840	8,800	0	12,680	0	45,320

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 2020-21:

For fiscal year 2020-21, \$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. The forecast estimates that the transfer-out to the public safety fund will be as high as \$24 million by fiscal year 2024-25 and as high as \$475,000 to the senior citizens fund. \$465,000 is budgeted to be transferred to the court debt fund. \$2,210,000 is budgeted for the Royal Oak Civic Center (ROCC) project debt service payment. \$20,000 is budgeted for the Arts Commission and \$2,000 for the Memorial Day Parade. \$23,240 is budgeted to be transferred to the indigent defense fund to cover compliance expenditures related to the Michigan Indigent Defense Act. \$24,000 is budgeted to be transferred out to the motor pool fund for a new tri-deck mower for DPS/parks & forestry.

Total transfers are decreasing due to the one-time only transfer of \$600,000 loan to the parks capital improvement fund in fiscal year 2019-20.

Budget Summary Expenditures

101.965 TRANSFERS TO OTHER FUNDS	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	0	0	26,057,950	0	26,057,950
2019-2020 Original Budget	0	0	0	24,666,210	0	24,666,210
2019-2020 Adjusted Budget (Dec)	0	0	0	24,666,210	0	24,666,210
2019-2020 Six Month Actual	0	0	0	11,110,390	0	11,110,390
2019-2020 Estimated Year End	0	0	0	24,666,690	0	24,666,690
2020-2021 Dept Request	0	0	0	24,094,240	0	24,094,240
2020-2021 Manager's Budget	0	0	0	24,094,240	0	24,094,240
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	0	0	25,695,240	0	25,695,240
2022-2023 Projected Budget	0	0	0	25,695,240	0	25,695,240
2023-2024 Projected Budget	0	0	0	26,695,240	0	26,695,240
2024-2025 Projected Budget	0	0	0	27,190,240	0	27,190,240



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 2020-21:

Relative to the fiscal year 2019-20 original budget, the personnel budget for fiscal year 2020-21 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 an increased level of activity for maintenance work.

Tools and hardware are decreasing \$2,000 relative to the fiscal year 2019-20 original budget based on history. Construction and barricades are increasing \$1,000 for the purchase of new barricades and guardrails. Motor pool rental charges, which are allocated to this cost center based upon a variable rate, are increasing \$53,890 relative to the fiscal year 2020-21 original budget due to increased utilization.

Budget Summary Expenditures

202.467 STREETS MAINTENANCE	Personnel Services	Supplies	Capital	Other	Transfer	Debt	Total
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 Actual	313,670	79,540	0	109,910	0	0	503,120
2019-2020 Original Budget	245,590	80,300	0	63,950	0	0	389,840
2019-2020 Adjusted Budget (Dec)	245,590	80,300	0	63,950	0	0	389,840
2019-2020 Six Month Actual	183,000	59,030	0	68,860	0	0	310,890
2019-2020 Estimated Year End	396,690	106,300	0	155,950	0	0	658,940
2020-2021 Dept Request	414,950	79,300	0	117,840	0	0	612,090
2020-2021 Manager's Budget	414,950	79,300	0	117,840	0	0	612,090
2020-2021 Adopted Budget							
2021-2022 Projected Budget	428,240	79,300	0	119,820	0	0	627,360
2022-2023 Projected Budget	442,030	79,300	0	121,840	0	0	643,170
2023-2024 Projected Budget	456,350	79,300	0	123,840	0	0	659,490
2024-2025 Projected Budget	471,200	79,300	0	125,940	0	0	676,440

Major Streets Fund – Parkway Maintenance

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 2020-21:

Relative to the fiscal year 2019-20 original budget, personnel costs are decreasing slightly due to a decrease in workload. Motor pool rental charges, which are allocated to this cost center based on a variable rate, are decreasing \$15,290 relative to the fiscal year 2019-20 original budget due to a decrease in utilization. Miscellaneous contracted services are increasing \$10,000 relative to fiscal year 2019-20 original budget due to the increase in activity of MDOT cost-sharing for Woodward tree planting projects.

Budget Summary Expenditures

202.469 STREETS PARKWAY MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	144,140	0	0	48,540	0	192,680
2019-2020 Original Budget	168,040	0	0	75,680	0	243,720
2019-2020 Adjusted Budget (Dec)	168,040	0	0	75,680	0	243,720
2019-2020 Six Month Actual	68,450	0	0	37,430	0	105,880
2019-2020 Estimated Year End	155,480	0	0	85,180	0	240,660
2020-2021 Dept Request	161,340	0	0	69,760	0	231,100
2020-2021 Manager's Budget	161,340	0	0	69,760	0	231,100
2020-2021 Adopted Budget						
2021-2022 Projected Budget	166,260	0	0	70,550	0	236,810
2022-2023 Projected Budget	171,370	0	0	71,360	0	242,730
2023-2024 Projected Budget	176,660	0	0	72,180	0	248,840
2024-2025 Projected Budget	182,170	0	0	73,020	0	255,190

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 64.9-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

- Study the efficacy and feasibility of using pavement anti-icing solutions to reduce costs related to snow/ice removal.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The personnel budget is increasing due to the potential for newer employees (who are not at the top of their pay range) to potentially receive merit wage increases. However, overall expenditures are decreasing slightly based upon historically lighter snowfall every few years. This is reflected in the decrease in motor pool rental charges of \$50,950 relative to fiscal year 2019-20 original budget. Road salt and ice melt compound are increasing \$5,300 due to an assumed 2% increase in costs.

Budget Summary Expenditures

202.472 STREETS WINTER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	83,790	285,630	0	146,140	0	515,560
2019-2020 Original Budget	92,830	280,350	0	206,690	0	579,870
2019-2020 Adjusted Budget (Dec)	92,830	280,350	0	206,690	0	579,870
2019-2020 Six Month Actual	22,800	56,620	0	28,850	0	108,270
2019-2020 Estimated Year End	99,910	280,850	0	206,690	0	587,450
2020-2021 Dept Request	104,680	285,650	0	155,740	0	546,070
2020-2021 Manager's Budget	104,680	285,650	0	155,740	0	546,070
2020-2021 Adopted Budget						
2021-2022 Projected Budget	107,060	285,650	0	158,850	0	551,560
2022-2023 Projected Budget	109,540	285,650	0	162,030	0	557,220
2023-2024 Projected Budget	112,140	285,650	0	165,270	0	563,060
2024-2025 Projected Budget	114,830	285,650	0	168,580	0	569,060

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 2020-21:

Paint and pavement marking materials are increasing \$3,000 due to the planned painting of CBD parking lines. Motor pool rental charges, which are allocated to this cost center based on a variable rate, are increasing \$22,220 due to the planned increase in activity and a new truck being depreciated. Personnel costs are increasing \$79,600 relative to the fiscal year 2019-20 original budget due to the planned increase in workload.

Budget Summary Expenditures

202.473 STREETS TRAFFIC CONTROL	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	122,510	63,690	0	78,280	0	264,480
2019-2020 Original Budget	88,790	50,000	0	81,090	0	219,880
2019-2020 Adjusted Budget (Dec)	88,790	50,000	0	81,090	0	219,880
2019-2020 Six Month Actual	93,200	25,780	0	46,200	0	165,180
2019-2020 Estimated Year End	154,880	50,000	0	140,390	0	345,270
2020-2021 Dept Request	168,390	53,000	0	103,310	0	324,700
2020-2021 Manager's Budget	168,390	53,000	0	103,310	0	324,700
2020-2021 Adopted Budget						
2021-2022 Projected Budget	173,940	53,000	0	104,170	0	331,110
2022-2023 Projected Budget	179,690	53,000	0	105,050	0	337,740
2023-2024 Projected Budget	185,660	53,000	0	105,950	0	344,610
2024-2025 Projected Budget	191,860	53,000	0	106,860	0	351,720

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

Streets Traffic Control		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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 has 78 signals to maintain, 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 2020-21:

Traffic and signal repair and maintenance services are increasing \$23,000 relative to the fiscal year 2019-20 original budget due to the planned replacement of a damaged signal. Electrical and lighting supplies are increasing \$5,000 relative to fiscal year 2019-20 original budget to better reflect historical usage of this account, and the increased use of LED retrofits and accident-related repairs.

Budget Summary Expenditures

202.474 STREETS SIGNAL SERVICES	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	39,680	19,380	0	159,100	0	218,160
2019-2020 Original Budget	36,720	14,000	0	98,560	0	149,280
2019-2020 Adjusted Budget (Dec)	36,720	14,000	0	98,560	0	149,280
2019-2020 Six Month Actual	21,540	15,840	0	84,660	0	122,040
2019-2020 Estimated Year End	42,970	25,000	0	121,560	0	189,530
2020-2021 Dept Request	46,540	19,000	0	121,900	0	187,440
2020-2021 Manager's Budget	46,540	19,000	0	121,900	0	187,440
2020-2021 Adopted Budget						
2021-2022 Projected Budget	47,070	19,000	0	122,160	0	188,230
2022-2023 Projected Budget	47,620	19,000	0	122,430	0	189,050
2023-2024 Projected Budget	48,180	19,000	0	122,700	0	189,880
2024-2025 Projected Budget	48,760	19,000	0	122,980	0	190,740

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Signal Services		Fiscal Year							
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total	n/a	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.

* * * * *

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 2020-21:

Using the latest State of Michigan's distribution formula projections based on the funding law, revenues from the gasoline/vehicle registration (Act 51) tax are budgeted at \$5.606 million, however the distribution formula used was not updated since the Stay Home Stay Safe order.

A \$193,090 contribution to fund balance is budgeted. Based upon the current projects in the CIP and current Act 51 revenue estimates (pre COVID-19 pandemic) it is estimated that the funds condition is well.

Note: All of the road millage revenue is recorded and expended in the local street fund.

Budget Summary

Major Street Fund Summary	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	4,230,636	4,078,046	4,271,136	5,024,956	5,179,886	5,082,056
Revenues and transfers from other funds	5,580,930	6,312,100	6,362,300	5,867,500	5,867,500	5,867,500
Expenditures and transfers to other funds	5,733,520	6,119,010	5,608,480	5,712,570	5,965,330	8,298,660
Net Change in Fund Balance	(152,590)	193,090	753,820	154,930	(97,830)	(2,431,160)
Ending Fund Balance	4,078,046	4,271,136	5,024,956	5,179,886	5,082,056	2,650,896

Revenues

202-000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	5,220,000	203,990	115,040	10,020	129,590	5,678,640
2019-2020 Original Budget	0	4,894,000	203,000	48,210	16,000	0	5,161,210
2019-2020 Adjusted Budget (Dec)	0	4,894,000	203,000	48,210	16,000	0	5,161,210
2019-2020 Six Month Actual	0	2,492,830	0	42,730	11,470	0	2,547,030
2019-2020 Estimated Year End	0	5,285,500	203,000	78,430	14,000	0	5,580,930
2020-2021 Dept Request	0	5,606,000	203,000	48,500	454,600	0	6,312,100
2020-2021 Manager's Budget	0	5,606,000	203,000	48,500	454,600	0	6,312,100
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	5,606,000	203,000	48,500	504,800	0	6,362,300
2022-2023 Projected Budget	0	5,606,000	203,000	48,500	10,000	0	5,867,500
2023-2024 Projected Budget	0	5,606,000	203,000	48,500	10,000	0	5,867,500
2024-2025 Projected Budget	0	5,606,000	203,000	48,500	10,000	0	5,867,500

Expenditures

202.515 STREETS ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	0	0	1,135,940	183,840	1,319,780
2019-2020 Original Budget	0	0	0	1,096,990	185,000	1,281,990
2019-2020 Adjusted Budget (Dec)	0	0	0	1,096,990	185,000	1,281,990
2019-2020 Six Month Actual	0	0	0	62,380	138,540	200,920
2019-2020 Estimated Year End	0	0	0	97,290	185,000	282,290
2020-2021 Dept Request	0	0	0	150,040	184,400	334,440
2020-2021 Manager's Budget	0	0	0	150,040	184,400	334,440
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	0	0	152,460	185,000	337,460
2022-2023 Projected Budget	0	0	0	154,930	184,000	338,930
2023-2024 Projected Budget	0	0	0	157,450	184,000	341,450
2024-2025 Projected Budget	0	0	0	160,020	183,500	343,520

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 2020-21:

The following capital projects for this fund for fiscal year 2020-21 are as follows (deviates from CIP):

• CAP1909 14 Mile Rd. resurfacing (MDOT)	\$375,000*
• CAP1941 traffic signal upgrade project – 11 Mile Rd. & 13 Mile Rd.	580,100
• CAP2008 Crooks Rd. resurfacing from 13 Mile to 14 Mile Rd. (MDOT)	500,000*
• CAP2009 Lincoln Rd. resurfacing from Woodward to Lafayette	617,000
• CAP2035 millage road reconstruction	101,400*
• CAP2041 traffic signal upgrade project – Crooks and Main	480,900*
• CAP2109 S. Main St. resurfacing from Lincoln to 11 Mile Rd.	750,000*
• CAP2125 millage and major street joint sealing	297,000*
• surveying projects	<u>16,000</u>
FY2020-21 total:	\$3,717,400

*Project amount deviates from the estimated cost listed in the FY 2020-21 CIP document due to revised cost estimates provided after the CIP document was prepared.

Budget Summary Expenditures

202.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	60,200	180	182,600	2,113,070	0	2,356,050
2017-2018 Actual	139,110	1,070	980	359,900	0	501,060
2018-2019 Actual	155,000	1,430	0	3,219,990	0	3,376,420
2019-2020 Original Budget	224,890	0	3,064,000	0	0	3,288,890
2019-2020 Adjusted Budget (Dec)	224,890	0	3,064,000	0	0	3,288,890
2019-2020 Six Month Actual	95,420	70	0	1,970,080	0	2,065,570
2019-2020 Estimated Year End	203,080	300	0	3,226,000	0	3,429,380
2020-2021 Dept Request	150,950	1,000	3,717,400	13,820	0	3,883,170
2020-2021 Manager's Budget	150,950	1,000	3,717,400	13,820	0	3,883,170
2020-2021 Adopted Budget						
2021-2022 Projected Budget	156,230	1,000	3,164,700	14,020	0	3,335,950
2022-2023 Projected Budget	161,710	1,000	3,226,800	14,220	0	3,403,730
2023-2024 Projected Budget	167,380	1,000	3,435,200	14,420	0	3,618,000
2024-2025 Projected Budget	173,260	1,000	5,723,100	14,630	0	5,911,990

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

- Increase the use of GIS technology in tracking maintenance activities on neighborhood streets. ^{GOAL2}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are decreasing due to less time/activity being allocated by DPS employees and engineering staff relative to the fiscal year 2019-20 original budget and reduced costs for the replacement DPS director and city engineer positions. The fiscal year 2019-20 personnel budget was higher due to budgeting for six months of funding for a second director of recreation and public services position for succession/training planning purposes.

Miscellaneous contracted services are budgeted at \$20,000 for tree removal services and raingarden maintenance. Sand, gravel & slag increased \$500 due to an increase in material costs relative to the fiscal year 2019-20 original budget. Motor pool charges are decreasing \$115,300 based on estimated utilization which is projected to decrease in fiscal year 2020-21.

Budget Summary Expenditures

203.467 STREETS MAINTENANCE	Personnel Services	Supplies	Capital	Other	Transfer	Debt	Total
2016-2017 Actual	706,530	39,060	0	3,927,600	13,000	0	4,686,190
2017-2018 Actual	533,340	59,120	0	1,372,410	0	0	1,964,870
2018-2019 Actual	460,730	69,870	0	1,655,890	0	0	2,186,490
2019-2020 Original Budget	606,150	57,000	0	405,970	0	0	1,069,120
2019-2020 Adjusted Budget (Dec)	606,150	57,000	0	405,970	0	0	1,069,120
2019-2020 Six Month Actual	177,920	17,140	0	89,000	0	0	284,060
2019-2020 Estimated Year End	435,160	57,610	0	405,970	0	0	898,740
2020-2021 Dept Request	442,120	57,500	0	290,940	0	0	790,560
2020-2021 Manager's Budget	442,120	57,500	0	290,940	0	0	790,560
2020-2021 Adopted Budget							
2021-2022 Projected Budget	454,640	57,500	0	296,360	0	0	808,500
2022-2023 Projected Budget	467,640	57,500	0	301,890	0	0	827,030
2023-2024 Projected Budget	481,100	57,500	0	307,530	0	0	846,130
2024-2025 Projected Budget	495,070	57,500	0	313,280	0	0	865,850

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

OBJECTIVES

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.

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL1 Boulevards mowed (hours)	1,812	1,582	744	1,500	1,500	1,500
GOAL1 Street tree work requests	803	742	597	1,200	1,200	1,200

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Total personnel costs are lower than the fiscal year 2019-20 original budget due to a smaller allocation of DPS staff allocated to this cost center than the prior year to reflect slightly less activity. However, there is still an increase over the fiscal year 2019-20 projection to allow for newer staff to receive step wage increases. Motor pool rental charges are projected to increase \$21,020 relative to the fiscal year 2019-20 original budget.

Budget Summary Expenditures

203.469 STREETS PARKWAY MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	250,060	0	0	220,000	0	470,060
2019-2020 Original Budget	368,170	0	0	220,470	0	588,640
2019-2020 Adjusted Budget (Dec)	368,170	0	0	220,470	0	588,640
2019-2020 Six Month Actual	134,650	0	0	118,680	0	253,330
2019-2020 Estimated Year End	293,580	0	0	220,470	0	514,050
2020-2021 Dept Request	342,310	0	0	241,490	0	583,800
2020-2021 Manager's Budget	342,310	0	0	241,490	0	583,800
2020-2021 Adopted Budget						
2021-2022 Projected Budget	353,040	0	0	245,620	0	598,660
2022-2023 Projected Budget	364,200	0	0	249,830	0	614,030
2023-2024 Projected Budget	375,820	0	0	254,130	0	629,950
2024-2025 Projected Budget	387,910	0	0	258,510	0	646,420

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 2020-21:

The personnel budget is decreasing due to a much lower allocation of DPS staff than in prior years. Fiscal year 2020-21 requested budget is based on the fiscal year 2019-20 projected . Road salt and ice melt compound is requested to increase \$1,500 relative to the fiscal year 2019-20 original budget due to a slight increase in material costs. Motor pool rental charges are decreasing \$61,550 relative to the fiscal year 2019-20 original budget due to the decreased usage.

Budget Summary Expenditures

203.472 STREETS WINTER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	69,360	30,800	0	92,910	0	193,070
2019-2020 Original Budget	120,630	78,000	0	161,140	0	359,770
2019-2020 Adjusted Budget (Dec)	120,630	78,000	0	161,140	0	359,770
2019-2020 Six Month Actual	9,960	6,390	0	9,170	0	25,520
2019-2020 Estimated Year End	60,470	78,100	0	161,140	0	299,710
2020-2021 Dept Request	63,070	79,500	0	99,590	0	242,160
2020-2021 Manager's Budget	63,070	79,500	0	99,590	0	242,160
2020-2021 Adopted Budget						
2021-2022 Projected Budget	64,260	79,500	0	101,580	0	245,340
2022-2023 Projected Budget	65,510	79,500	0	103,610	0	248,620
2023-2024 Projected Budget	66,820	79,500	0	105,680	0	252,000
2024-2025 Projected Budget	68,170	79,500	0	107,790	0	255,460

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 2020-21:

The personnel budget is decreasing significantly relative to the fiscal year 2019-20 budget due to multiple retirements that occurred during fiscal year 2019-20 and due to having a lower allocation of DPS staff to this cost center as the workload is expected to decline. Motor pool rental charges are decreasing \$17,370 based on a workload decrease for this function.

Budget Summary Expenditures

203.473 STREETS TRAFFIC CONTROL	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	129,400	18,600	0	24,070	0	172,070
2019-2020 Original Budget	191,190	13,000	0	42,480	0	246,670
2019-2020 Adjusted Budget (Dec)	191,190	13,000	0	42,480	0	246,670
2019-2020 Six Month Actual	41,780	6,490	0	4,070	0	52,340
2019-2020 Estimated Year End	131,340	13,000	0	21,000	0	165,340
2020-2021 Dept Request	90,310	13,000	0	25,110	0	128,420
2020-2021 Manager's Budget	90,310	13,000	0	25,110	0	128,420
2020-2021 Adopted Budget						
2021-2022 Projected Budget	93,430	13,000	0	25,610	0	132,040
2022-2023 Projected Budget	96,670	13,000	0	26,120	0	135,790
2023-2024 Projected Budget	100,030	13,000	0	26,640	0	139,670
2024-2025 Projected Budget	103,530	13,000	0	27,170	0	143,700

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.

* * * * *

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 2020-21:

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 approximately \$1.822 million for local streets however the formula was not updated since the Stay Home Stay Safe order.

The full streets millage levy of 2.3626 mills is budgeted to generate approximately \$6.698 million. A transfer of \$1 million from major street fund to local street fund is budgeted in fiscal year 2019-20 to prevent the local street fund from going into a deficit position. However, the transfer will not be needed in fiscal year 2020-21 as some capital project work has not occurred as early as originally planned.

Approximately \$1.9 million of fund balance is budgeted to be used as a funding source in fiscal year 2020-21 and then decreasing to approximately \$1.2 million use of fund balance in fiscal year 2021-22 before stabilizing in the remaining years of the forecast. The final year of the forecast has only \$2.9 million of capital project expenditures. The forecast assumes the continuation of the street millage in this fund. The original 10-year millage ends after fiscal year 2020-21 and a millage renewal is assumed in the forecast.

Budget Summary

Local Street Fund Summary	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	6,422,013	4,610,713	2,688,393	1,476,083	2,218,933	3,800,468
Revenues and transfers from other funds	8,223,040	8,550,000	9,472,650	10,149,740	10,431,080	10,716,770
Expenditures and transfers to other funds	10,034,340	10,472,320	10,684,960	9,406,890	8,849,545	5,737,450
Net Change in Fund Balance	(1,811,300)	(1,922,320)	(1,212,310)	742,850	1,581,535	4,979,320
Ending Fund Balance	4,610,713	2,688,393	1,476,083	2,218,933	3,800,468	8,779,788

Revenues

203.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	6,053,150	1,722,860	0	426,150	17,100	1,832,490	10,051,750
2019-2020 Original Budget	6,315,000	1,660,000	0	30,000	0	1,000,000	9,005,000
2019-2020 Adjusted Budget (Dec)	6,315,000	1,660,000	0	30,000	0	1,000,000	9,005,000
2019-2020 Six Month Actual	30,630	878,260	0	41,640	1,430	0	951,960
2019-2020 Estimated Year End	6,350,000	1,786,540	0	75,000	1,500	10,000	8,223,040
2020-2021 Dept Request	6,626,000	1,894,000	0	30,000	0	0	8,550,000
2021-2022 Projected Budget	6,791,650	1,894,000	0	630,000	63,997	93,000	9,472,647
2022-2023 Projected Budget	6,961,440	1,894,000	0	1,030,000	171,297	93,000	10,149,737
2023-2024 Projected Budget	7,135,480	1,894,000	0	1,030,000	278,597	93,000	10,431,077
2024-2025 Projected Budget	7,313,870	1,894,000	0	1,030,000	385,897	93,000	10,716,767

Expenditures

203.515 STREETS ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2016-2017 Actual	0	0	0	51,300	80	0	51,380
2017-2018 Actual	0	0	0	69,160	3,500,990	0	3,570,150
2018-2019 Actual	0	0	0	153,260	1,350	1,607,230	1,761,840
2019-2020 Original Budget	0	0	0	156,190	0	1,636,000	1,792,190
2019-2020 Adjusted Budget (Dec)	0	0	0	156,190	0	1,636,000	1,792,190
2019-2020 Six Month Actual	0	0	0	80,420	510	293,590	374,520
2019-2020 Estimated Year End	0	0	0	156,200	1,100	1,636,000	1,793,300
2020-2021 Dept Request	0	0	0	156,940	1,100	1,608,500	1,766,540
2021-2022 Projected Budget	0	0	0	160,000	1,100	1,634,000	1,795,100
2022-2023 Projected Budget	0	0	0	163,120	1,100	1,609,000	1,773,220
2023-2024 Projected Budget	0	0	0	166,310	1,100	1,634,000	1,801,410
2024-2025 Projected Budget	0	0	0	169,560	1,100	1,606,500	1,777,160

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 2020-21:

The following capital projects for this fund for fiscal year 2020-21 are as follows (deviates from CIP):

• CAPXX01 concrete pavement and prepaid sidewalk imp.	\$54,050*
• CAPXX05 millage concrete street repairs	1,648,640*
• CAPXX10 road work on water/sewer projects	560,630*
• CAPXX15 millage asphalt resurfacing	2,696,400*
• CAPXX25 millage and major joint sealing	55,000*
• CAPXX35 millage road reconstruction	1,030,800*
• CAPXX55 special assessment road paving	640,000
• CAP2040 green infrastructure improvements (Arden/Sheridan)	45,000*
• surveying projects	<u>13,000</u>
FY2020-21 total:	\$6,743,520

*Project amount deviates from the estimated cost listed in the FY 2020-21 CIP document due to revised cost estimates provided after the CIP document was prepared.

Budget Summary Expenditures

203.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	199,520	3,360	0	3,802,900	0	4,005,780
2019-2020 Original Budget	186,420	0	5,849,000	0	0	6,035,420
2019-2020 Adjusted Budget (Dec)	186,420	0	5,849,000	0	0	6,035,420
2019-2020 Six Month Actual	95,760	10,300	0	2,778,450	0	2,884,510
2019-2020 Estimated Year End	171,380	13,000	0	6,178,820	0	6,363,200
2020-2021 Dept Request	187,650	8,000	6,743,520	21,670	0	6,960,840
2020-2021 Manager's Budget	187,650	8,000	6,743,520	21,670	0	6,960,840
2020-2021 Adopted Budget						
2021-2022 Projected Budget	187,750	8,000	6,887,900	21,670	0	7,105,320
2022-2023 Projected Budget	187,850	8,000	6,417,710	21,670	0	6,635,230
2023-2024 Projected Budget	187,960	8,000	5,808,885	21,670	0	6,026,515
2024-2025 Projected Budget	188,070	8,000	2,696,970	21,670	0	2,914,710

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 3.7568 mills, the maximum authorized amount (reduced by Headlee from 3.975 mills) for FY2020-21. This will be the fourth year of the renewal. The renewal millage is

approved for five years. Revenues generated by the police, fire and ambulance functions are accounted for in this fund. As anticipated when originally approved, it appears a renewal will be needed again, based upon the estimated future years' projections.

Significant Revenue, Staff & Program Notes - Fiscal Year 2020-21:

The public safety millage is budgeted to generate approximately \$10.6 million based upon the millage rate of 3.7568 mills (the maximum authorized levy reduced by Headlee Act). Fiscal year 2020-21 will be the fourth year of the five-year millage renewal. The forecast assumes the millage will be renewed and levied beginning in fiscal year 2022-23.

A transfer of \$21 million from the general fund to offset the police, fire, and ambulance functions' expenditures for fiscal year 2020-21 is budgeted. By the last year of the forecast, the general fund transfers-out needed is estimated at \$24.7 million to the public safety fund to try to keep the fund out of a deficit position however the general fund cannot transfer due to its deficit position in fiscal year 2023-24. This transfer did not increase from the prior year due to a significant use of \$982,020 from public safety's fund balance. The forecast shows the use of fund balance as a revenue source through fiscal year 2023-24. By fiscal year 2024-25 the fund balance in both the public safety and general funds fund balances are in a deficit. It appears a renewal (at a minimum) will be needed again, based upon the estimated forecast.

Ambulance service revenue is budgeted to increase \$50,000 / 4.5 % due to anticipated increase in transports (from new facilities such as Henry Ford downtown). The transfer from the DDA remains budgeted at \$540,000 for policing services in the downtown area.

Budget Summary

PUBLIC SAFETY FUND	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	1,572,982	1,640,002	657,982	979,762	480,702	113,932
Revenues and transfers from other funds	33,237,970	33,699,320	35,461,720	35,730,910	37,007,000	37,790,140
Expenditures and transfers to other funds	33,170,950	34,681,340	35,139,940	36,229,970	37,373,770	38,567,280
Net Change in Fund Balance	67,020	(982,020)	321,780	(499,060)	(366,770)	(777,140)
Ending Fund Balance	1,640,002	657,982	979,762	480,702	113,932	(663,208)

Revenues

207-000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	9,086,400	0	1,271,270	18,540	140,830	19,240,000	29,757,040
2017-2018 Actual	9,376,680	0	1,411,670	15,430	146,440	18,640,000	29,590,220
2018-2019 Actual	9,624,850	108,150	1,359,370	35,330	162,130	19,540,000	30,829,830
2019-2020 Original Budget	10,042,000	107,000	1,376,000	15,000	111,820	21,540,000	33,191,820
2019-2020 Adjusted Budget (Dec)	10,042,000	107,000	1,376,000	15,000	111,820	21,540,000	33,191,820
2019-2020 Six Month Actual	48,700	114,810	738,950	4,030	81,090	10,770,000	11,757,580
2019-2020 Estimated Year End	10,100,000	114,810	1,341,500	7,400	134,260	21,540,000	33,237,970
2020-2021 Dept Request	10,536,000	115,000	1,391,500	5,000	111,820	21,540,000	33,699,320
2020-2021 Manager's Budget	10,536,000	115,000	1,391,500	5,000	111,820	21,540,000	33,699,320
2020-2021 Adopted Budget							
2021-2022 Projected Budget	10,799,400	115,000	1,391,500	4,000	111,820	23,040,000	35,461,720
2022-2023 Projected Budget	11,069,390	115,000	1,391,500	3,200	111,820	23,040,000	35,730,910
2023-2024 Projected Budget	11,346,120	115,000	1,391,500	2,560	111,820	24,040,000	37,007,000
2024-2025 Projected Budget	11,629,770	115,000	1,391,500	2,050	111,820	24,540,000	37,790,140

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.

24 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, auto parking 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

- Expand the cadet program to assist with administrative tasks to keep sworn officers on the road and a pipeline for recruiting. GOALS1,7
- Train officers to fill expected leadership vacancies. GOAL1,7

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

	<u>Actual 2016</u>	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Actual 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>
GOAL1 Calls for Service**	48,147	49,139	47,569	51,582	51,000	51,000
GOAL1 CID Cases Assigned	733	789	728	755	750	750
GOAL1 Warrants Obtained	409	370	336	353	350	350
GOAL1 Traffic Violations Issued	14,244	14,145	13,548	14,587	11,000	14,000
GOAL1 Accidents reported-Non-Injury	2,143	2,034	2,004	2,094	1,500	2,000
GOAL1 Accidents- Injury	227	255	283	171	200	270
GOAL1 Accidents- Fatal	1	4	2	2	1	1
GOAL1 Part A Crimes	2,350	1,987	1,628	1,438	1,400	1,700
GOAL1 Part B Crimes	1,344	1,409	1,140	1,030	1,000	1,300

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 2020-21:

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 in addition to contributions to defined benefit pension/OPEB trusts increasing by \$325,590.

Computer and telecom equipment leases and rentals are budgeted at \$250,000 in fiscal year 2020-21 for equipment and software for new in-car cameras, officer-worn body cameras, next generation stun devices, interview room recording equipment, a cloud-based digital evidence storage and management system, and five computers for patrol cars being replaced during the year, and \$2,800 to purchase four tablets for arraignments and report taking. Training is increasing \$5,000 relative to the fiscal year 2019-20 original budget to train officers for expected leadership vacancies. Uniforms, clothing and gear is increasing by \$14,000 due to the need to reoutfit the volunteer Honor Guard unit. Weapons and ammunition is increasing \$15,000 for new officers participating in the rifle buyback program (these monies will be repaid over a period of two years). Miscellaneous operating supplies are increasing \$9,800 relative to the fiscal year 2019-20 original budget for a replacement large frame electric bike. In the motor pool fund, \$320,090 is budgeted for five replacement patrol vehicles and two replacement unmarked vehicles.

Relative to the fiscal year 2019-20 original budget, the budgets for heating and cooling, plumbing, and elevator repair and maintenance costs are decreasing by \$40,000, \$2,000, and \$3,000, respectively. This is due to the expected efficiencies of a new building and it being under warranty, as the new police station is expected to be completed during fiscal year 2020-21.

Budget Summary Expenditures

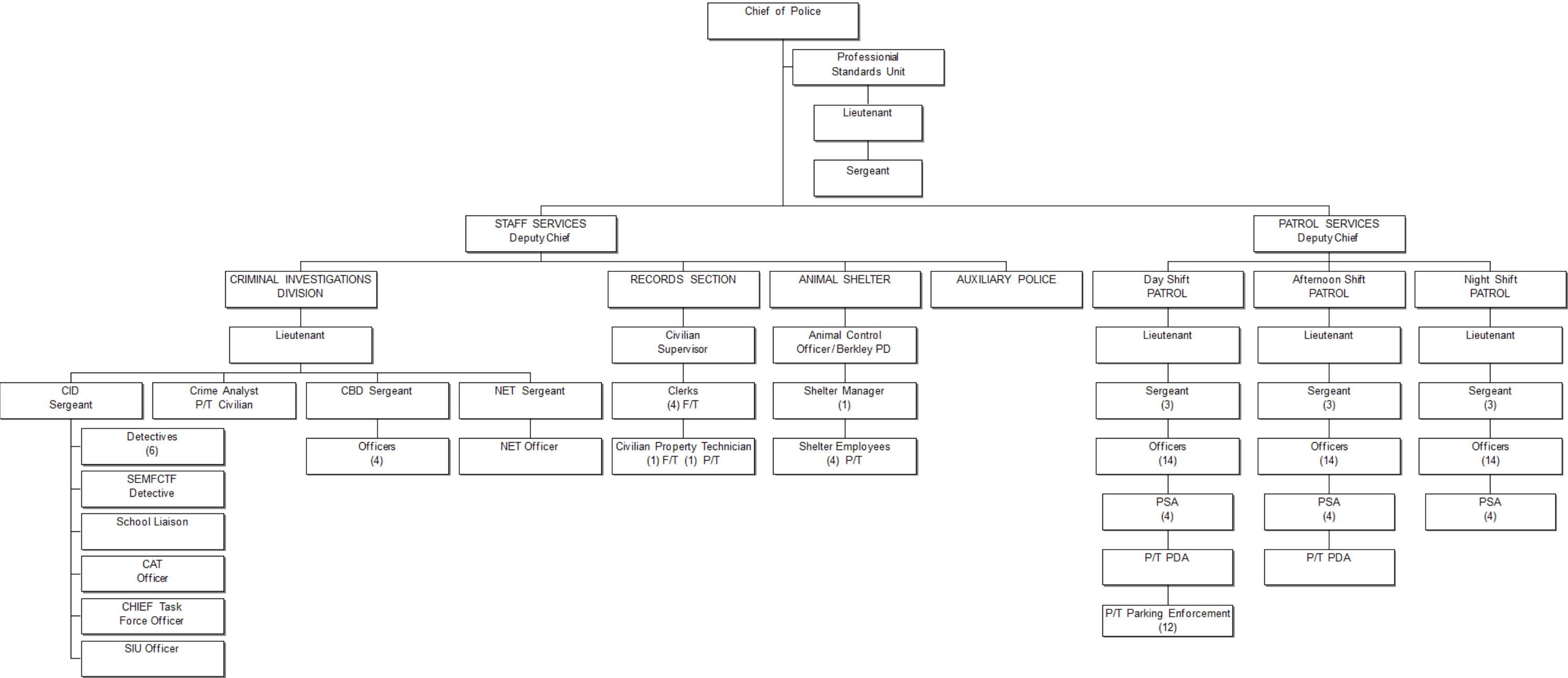
207.301 POLICE	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	15,634,790	66,090	115,510	2,745,370	0	18,561,760
2017-2018 Actual	12,963,450	125,110	0	2,113,710	2,166,590	17,368,860
2018-2019 Actual	13,182,240	84,920	0	2,363,630	2,166,780	17,797,570
2019-2020 Original Budget	14,816,350	108,000	0	2,483,070	2,167,000	19,574,420
2019-2020 Adjusted Budget (Dec)	14,788,350	108,000	0	2,536,010	2,167,000	19,599,360
2019-2020 Six Month Actual	6,679,560	38,290	0	1,161,080	1,633,390	9,512,320
2019-2020 Estimated Year End	14,667,640	108,400	0	2,484,090	2,167,000	19,427,130
2020-2021 Dept Request	14,980,110	131,000	0	2,539,710	2,167,400	19,818,220
2020-2021 Manager's Budget	14,980,110	131,000	0	2,539,710	2,167,400	19,818,220
2020-2021 Adopted Budget						
2021-2022 Projected Budget	15,556,730	131,000	0	2,584,900	2,168,000	20,440,630
2022-2023 Projected Budget	16,158,640	131,000	0	2,631,410	2,168,000	21,089,050
2023-2024 Projected Budget	16,786,900	131,000	0	2,679,270	2,168,000	21,765,170
2024-2025 Projected Budget	17,442,590	131,000	0	2,728,550	2,168,000	22,470,140

Cost Center Position Detail- Home Base

Full & Part-Time Employees

Police		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police Lieutenant		4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Police Sergeant		10.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Detective		5.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Police Officer		48.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Police Service Aide		9.0	12.0	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
Administrative Asst II - 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	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Police Records - MC III		0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Detective Bureau - MC II		0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Police Records - MC II		1.0	1.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0
Full-time total		81.0	96.0	97.0	98.0	98.0	98.0	98.0	98.0	98.0
<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		81.0	96.0	97.0	98.0	98.0	98.0	98.0	98.0	98.0

Department Organization Chart



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 0.2175 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
- Regular review of fee schedule for Fire Prevention and explore service models to increase annual inspections. GOAL 2
- 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
- Use customer satisfaction data and “chute times” to monitor and evaluate service and delivery times. GOAL 6
- Establish maintenance policies for new equipment. GOAL 7
- Work closely with city grants coordinator to identify and apply for available grant opportunities. GOAL 8

Performance Indicators / Outcome Measures

	Actual FY 17-18	Actual FY18-19	Dec 31 2019	Projected FY19-20	Projected FY20-21	Projected FY21-22
GOAL4 Structure Fires	64	58	18	65	65	65
GOAL4 Vehicle Fires	27	12	10	25	25	25
GOAL4 Other Fires	36	18	25	50	50	50
GOAL4 Total Fires	147	98	53	140	140	140
GOAL6 Total EMS Incidents	4,104	4,158	2,263	4,300	4,400	4,400
GOAL3 False Alarms including detector activations	399	343	183	400	400	400
GOAL3 Hazardous Conditions	486	252	122	400	400	400
GOAL1 Public Service Calls	586	497	230	600	600	600
GOAL1 Good Intent including Smoke Scares	439	457	247	510	510	510
GOAL1 Other Alarms	55	39	15	50	50	50
GOAL1 Incidents by Fire Station						
Station #1	2,738	2,645	1,365	2,850	2,900	2,900
Station #2	2,419	2,381	1,253	2,400	2,400	2,400
Station #3	1,059	1,141	564	1,150	1,200	1,200
Total Incidents	6,216	6,011	3,182	6,400	6,500	6,500
ISO Rating	3	3	3	3	3	3
GOAL6 Average Fire Response Time	05:46	05:42	05:49	05:45	05:45	05:45
GOAL4 # of Businesses available to inspect	2,585	2,585	2,585	2,600	2,600	2,600
GOAL4 # of Fire Prevention Inspections annually	496	647	209	700	700	700
GOAL4 # of those Re-Inspected due to violations	204	192	156	400	375	375
GOAL4 % of Businesses requiring Re-Inspection	41	29	74	100	50	50
GOAL4 # of Plan Reviews conducted annually	132	111	67	150	160	160
GOAL4 % of Businesses inspected annually	19%	25%	8%	30%	35%	35%

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The personnel budget is increasing due to newer employees (who are not at the top of their pay range) receiving wage step increases, paid time off bank payouts from an increase in anticipated retirements and contributions to defined benefit pension/OPEB trusts increasing by \$176,120.

Fire and EMS supplies are increasing \$9,500 to cover costs of the cancer prevention program. Training and education expenses are increasing \$3,000 and uniform clothing and gear \$10,000, relative to the fiscal year 2019-20 original budget, as recently hired firefighters will require additional training and uniform/gear. Communication systems parts and supplies are decreasing \$2,000 as less parts are expected to be needed during fiscal year 2020-21. Miscellaneous building repair and maintenance is decreasing \$48,000 due to the one-time costs of door replacements in fiscal year 2019-20. Heating and cooling repair and maintenance is increasing \$5,000 to better reflect historical usage and equipment repair and maintenance is increasing \$1,000 to cover the increased cost of materials.

The following capital improvement projects are budgeted for the fire department for FY2020-21 (deviates from CIP):

• Fire station #1 – roof replacement*	\$290,000
• Fire station #1 – HVAC system replacement	140,000
• Fire station #1 – security remodel	20,000
• Fire station #2 – apron slab repair	60,000
• (18) Automated external defibrillators (AED) city-wide replacement	<u>60,000</u>

FY2020-21 total:

\$570,000

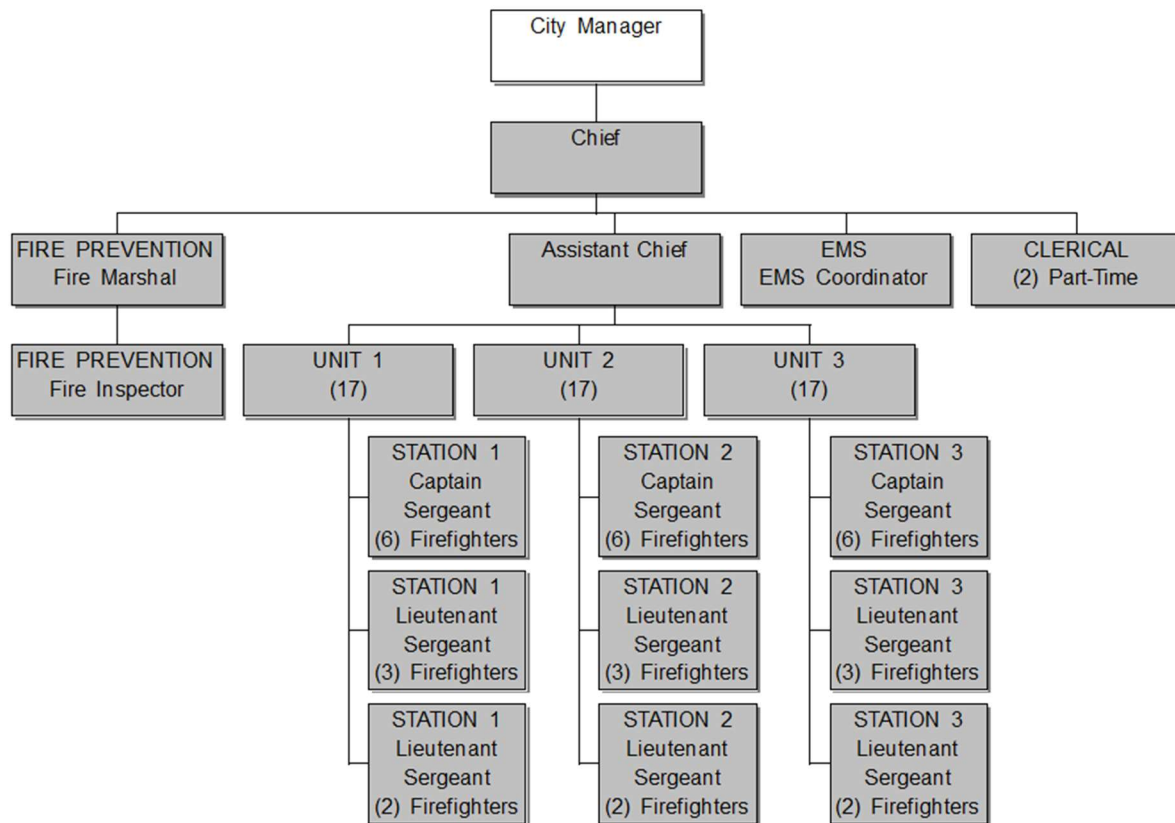
**due to timing differences, this project was not included in the adopted capital improvement plan document, however, it is included in the fiscal year 2020-21 budget.*

Fiscal year 2020-21 includes \$782,400 for an E-1 pumper tanker and \$32,400 for an SUV budgeted in the motor pool fund as part of the city's annual vehicle replacement program.

Budget Summary Expenditures

207.336 FIRE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	8,538,210	164,460	108,240	1,576,420	1,591,590	11,978,920
2019-2020 Original Budget	9,432,580	124,550	138,000	1,603,540	1,593,000	12,891,670
2019-2020 Adjusted Budget (Dec)	9,432,580	124,550	138,000	1,603,540	1,593,000	12,891,670
2019-2020 Six Month Actual	4,727,210	28,060	61,340	842,690	1,199,860	6,859,160
2019-2020 Estimated Year End	9,390,780	119,750	101,840	1,584,750	1,593,000	12,790,120
2020-2021 Dept Request	10,004,100	144,600	570,000	1,581,630	1,592,100	13,892,430
2020-2021 Manager's Budget	10,004,100	144,600	570,000	1,581,630	1,592,100	13,892,430
2020-2021 Adopted Budget						
2021-2022 Projected Budget	10,385,950	144,600	0	1,610,180	1,595,000	13,735,730
2022-2023 Projected Budget	10,784,750	144,600	0	1,639,350	1,590,000	14,158,700
2023-2024 Projected Budget	11,201,200	144,600	0	1,669,160	1,592,000	14,606,960
2024-2025 Projected Budget	11,636,040	144,600	0	1,699,620	1,595,000	15,075,260

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Fire	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total	55.0	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}
- Comprehensive quality assurance and professional standards review to identify opportunities to improve service. ^{GOAL4}

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL ³ Gross Collection Rate	89.01%	n/a	90.90%	91%	91%	91%
GOAL ¹ Total EMS Runs	4,104	4,158	2,444	4,300	4,400	4,400
GOAL ¹ Average EMS Turnout Time	n/a	1:38	1:40	1:35	1:30	1:30
Customer Satisfaction Score	95.46	96.38	n/a	97	97	97
National Average Customer Satisfaction Score	93.09	93.18	n/a	93	93	93

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing relative to the fiscal year 2019-20 original budget to provide for wage step increases for a newer employee, ALS premium cost increase as additional staff qualify for payment and for contributions to defined benefit pension/OPEB trusts increasing by \$63,950.

Equipment repair and maintenance supplies are increasing \$24,000 relative to the fiscal year 2019-20 original budget for sanitizing equipment for all three rescue units for infectious disease control. EMS supplies are increasing \$3,000 relative to the fiscal year 2019-20 budget due an increase in the cost of these supplies. Dues and memberships have increased \$7,000 to cover the customer satisfaction surveys previously paid by OakWay. Miscellaneous expenditures are budgeted at \$6,000 for the quarterly ambulance assessment required by the State of Michigan, a decrease of \$4,000 from the fiscal year 2019-20 original budget as it was the first year and a conservative estimate.

Budget Summary Expenditures

207.344 AMBULANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	359,290	150,770	0	216,880	0	726,940
2019-2020 Original Budget	469,480	181,990	0	212,880	0	864,350
2019-2020 Adjusted Budget (Dec)	469,480	181,990	0	212,880	0	864,350
2019-2020 Six Month Actual	401,300	82,330	0	102,790	0	586,420
2019-2020 Estimated Year End	512,830	171,990	60,000	208,880	0	953,700
2020-2021 Dept Request	544,610	217,280	0	208,800	0	970,690
2020-2021 Manager's Budget	544,610	217,280	0	208,800	0	970,690
2020-2021 Adopted Budget						
2021-2022 Projected Budget	558,150	192,570	0	212,860	0	963,580
2022-2023 Projected Budget	572,350	192,870	0	217,000	0	982,220
2023-2024 Projected Budget	587,240	193,180	0	221,220	0	1,001,640
2024-2025 Projected Budget	602,850	193,510	0	225,520	0	1,021,880

Cost Center Position Detail - Home Base Full-Time Employees

Ambulance Service (Fire)		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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 0.0160 mill for fiscal year 2020-21.

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 businesspersons.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The millage is budgeted to decrease slightly from 0.0169 mill to 0.0160 mill based upon the allowable maximum amount of tax revenue the levy can generate according to Michigan legislation. The small transfers from funds that advertise in *Insight* Magazine will increase from \$2,000 to \$3,000 for fiscal year 2020-21. Those transfers will need to increase in fiscal year 2021-22 to \$4,000 for the fund to maintain a positive fund balance.

There are no significant changes in expenditures.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	23,381	14,531	11,051	11,281	10,161	7,621
Revenues and transfers from other funds	57,330	63,830	69,790	70,770	71,770	72,790
Expenditures and transfers to other funds	66,180	67,310	69,560	71,890	74,310	76,810
Net Change in Fund Balance	(8,850)	(3,480)	230	(1,120)	(2,540)	(4,020)
Ending Fund Balance	14,531	11,051	11,281	10,161	7,621	3,601

Revenues

211.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	45,150	1,130	0	0	810	15,000	62,090
2019-2020 Original Budget	48,000	530	0	0	1,000	10,000	59,530
2019-2020 Adjusted Budget (Dec)	48,000	530	0	0	1,000	10,000	59,530
2019-2020 Six Month Actual	43,700	530	0	0	440	0	44,670
2019-2020 Estimated Year End	46,000	530	0	0	800	10,000	57,330
2020-2021 Dept Request	48,000	530	0	0	300	15,000	63,830
2020-2021 Manager's Budget	48,000	530	0	0	300	15,000	63,830
2020-2021 Adopted Budget							
2021-2022 Projected Budget	48,960	530	0	0	300	20,000	69,790
2022-2023 Projected Budget	49,940	530	0	0	300	20,000	70,770
2023-2024 Projected Budget	50,940	530	0	0	300	20,000	71,770
2024-2025 Projected Budget	51,960	530	0	0	300	20,000	72,790

Expenditures

211.835 COMMUNITY PROMOTION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	14,450	37,800	0	11,900	0	64,150
2019-2020 Original Budget	16,520	38,000	0	12,000	0	66,520
2019-2020 Adjusted Budget (Dec)	16,520	38,000	0	12,000	0	66,520
2019-2020 Six Month Actual	7,390	17,930	0	5,910	0	31,230
2019-2020 Estimated Year End	16,180	38,000	0	12,000	0	66,180
2020-2021 Dept Request	17,310	38,000	0	12,000	0	67,310
2020-2021 Manager's Budget	17,310	38,000	0	12,000	0	67,310
2020-2021 Adopted Budget						
2021-2022 Projected Budget	18,060	39,140	0	12,360	0	69,560
2022-2023 Projected Budget	18,850	40,310	0	12,730	0	71,890
2023-2024 Projected Budget	19,680	41,520	0	13,110	0	74,310
2024-2025 Projected Budget	20,540	42,770	0	13,500	0	76,810

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 2.5995 mills is budgeted. This is 0.2477 mill lower the combined maximum authorized amount of 2.8472 mill (voted local millage of 0.9417 and 1.9055 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 FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL ² Tons of Yard Waste Diverted from Landfill	11,341	10,033	7,907	10,000	10,100	10,100
GOAL ³ Recycle tons	5,410	5,573	2,331	5,500	5,600	5,600
GOAL ¹ Hazardous Material Collected – Drop off	10,208	13,441	7,001	11,000	11,000	11,000

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The local solid waste charter millage was renewed for five years at the August 2016 election. The full authorized combined millage that can be levied is 2.8472 mills however it is recommended to temporarily lower the levy to 2.5995 mills (0.2477 mill lower than the maximum allowed) as done in fiscal year 2019-20. *However, there is sufficient fund balance to reduce the millage rate further in fiscal year 2020-21 should the commission find it more desirable to use a greater amount of fund balance earlier.* Each year of the forecast illustrates reduced tax revenue due to not levying the full authorized local voted millage and using fund balance as a revenue source, however, it does not appear that this could be a permanent reduction.

Personnel costs are increasing due to the potential for newer employees (who are not at the top of their pay range) to receive wage step increases.

SOCRRA has contracted with GFL for 10 years through 2027 and is increasing their charges by 3.5% to the community members. Solid waste collection services expenditure lin-item is budgeted to increase 3.5% in fiscal year 2020-21. Solid waste disposal services are increasing \$50,000 relative to the fiscal year 2019-20 original budget due to annual contractual increases for various tree removal services. \$200,000 is budgeted as a transfer out to the motor pool fund to purchase a new front-end loader / leaf claw for the city's leaf pickup program.

Future capital expenditures included in the fiscal year 2021-22 forecast, include \$1.8 million for city-wide residential property garbage bins.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	5,836,387	5,449,177	4,836,667	2,600,467	2,140,797	1,723,127
Revenues and transfers from other funds	7,306,220	7,435,000	7,617,250	7,804,060	7,995,540	8,191,800
Expenditures and transfers to other funds	7,693,430	8,047,510	9,853,450	8,263,730	8,413,210	8,569,430
Net Change in Fund Balance	(387,210)	(612,510)	(2,236,200)	(459,670)	(417,670)	(377,630)
Ending Fund Balance	5,449,177	4,836,667	2,600,467	2,140,797	1,723,127	1,345,497

Revenues

226.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	7,312,310	170,350	170	186,500	41,350	0	7,710,680
2019-2020 Original Budget	6,949,000	81,000	0	200,000	50,000	0	7,280,000
2019-2020 Adjusted Budget (Dec)	6,949,000	81,000	0	200,000	50,000	0	7,280,000
2019-2020 Six Month Actual	6,811,960	86,220	0	95,250	38,980	0	7,032,410
2019-2020 Estimated Year End	6,990,000	86,220	0	180,000	50,000	0	7,306,220
2020-2021 Dept Request	7,290,000	86,000	0	9,000	50,000	0	7,435,000
2020-2021 Manager's Budget	7,290,000	86,000	0	9,000	50,000	0	7,435,000
2020-2021 Adopted Budget							
2021-2022 Projected Budget	7,472,250	86,000	0	9,000	50,000	0	7,617,250
2022-2023 Projected Budget	7,659,060	86,000	0	9,000	50,000	0	7,804,060
2023-2024 Projected Budget	7,850,540	86,000	0	9,000	50,000	0	7,995,540
2024-2025 Projected Budget	8,046,800	86,000	0	9,000	50,000	0	8,191,800

Expenditures

226.528 SOLID WASTE	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
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 Actual	863,170	39,220	940	6,265,720	3,000	225,300	7,397,350
2019-2020 Original Budget	1,014,990	39,100	0	6,365,950	2,000	227,000	7,649,040
2019-2020 Adjusted Budget (Dec)	1,014,990	39,100	0	6,365,950	2,000	227,000	7,649,040
2019-2020 Six Month Actual	605,810	26,470	0	3,194,250	0	169,760	3,996,290
2019-2020 Estimated Year End	1,037,670	39,350	0	6,387,410	2,000	227,000	7,693,430
2020-2021 Dept Request	1,042,850	39,100	0	6,536,560	203,000	226,000	8,047,510
2020-2021 Manager's Budget	1,042,850	39,100	0	6,536,560	203,000	226,000	8,047,510
2020-2021 Adopted Budget							
2021-2022 Projected Budget	1,075,330	39,100	1,800,000	6,709,020	3,000	227,000	9,853,450
2022-2023 Projected Budget	1,109,080	39,100	0	6,886,550	3,000	226,000	8,263,730
2023-2024 Projected Budget	1,144,140	39,100	0	7,000,970	3,000	226,000	8,413,210
2024-2025 Projected Budget	1,180,570	39,100	0	7,120,760	3,000	226,000	8,569,430

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

Solid Waste		Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	
<u>Full-Time Positions</u>										
Director of Rec & Public Srvcs	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	6.0	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	1.0	1.0	1.0	1.0	
Full-time total	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	
<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	14.0	14.0	14.0	14.0	14.0	15.0	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 2020-21:

Grant revenue and contracted legal/advisory service expenditures are increasing due to the increase in state funding provided by the 2020 state grant award from the Michigan Indigent Defense Commission.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	92,164	92,164	92,164	92,164	92,164	92,164
Revenues and transfers from other funds	534,260	701,240	701,240	701,240	701,240	701,240
Expenditures and transfers to other funds	534,260	701,240	701,240	701,240	701,240	701,240
Net Change in Fund Balance	0	0	0	0	0	0
Ending Fund Balance	92,164	92,164	92,164	92,164	92,164	92,164

Revenues

260.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0	0
2018-2019 Actual	0	276,000	0	0	0	22,210	298,210
2019-2020 Original Budget	0	488,010	0	0	28,800	22,210	539,020
2019-2020 Adjusted Budget (Dec)	0	488,010	0	0	28,800	22,210	539,020
2019-2020 Six Month Actual	0	436,240	0	0	0	0	436,240
2019-2020 Estimated Year End	0	483,590	0	0	28,000	22,670	534,260
2020-2021 Dept Request	0	650,000	0	0	28,000	23,240	701,240
2020-2021 Manager's Budget	0	650,000	0	0	28,000	23,240	701,240
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	650,000	0	0	28,000	23,240	701,240
2022-2023 Projected Budget	0	650,000	0	0	28,000	23,240	701,240
2023-2024 Projected Budget	0	650,000	0	0	28,000	23,240	701,240
2024-2025 Projected Budget	0	650,000	0	0	28,000	23,240	701,240

Expenditures

260.286 DISTRICT COURT	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Actual	0	0	0	206,050	0	206,050
2019-2020 Original Budget	0	52,630	0	486,390	0	539,020
2019-2020 Adjusted Budget (Dec)	0	52,630	0	486,390	0	539,020
2019-2020 Six Month Actual	0	0	0	253,870	0	253,870
2019-2020 Estimated Year End	0	9,760	0	524,500	0	534,260
2020-2021 Dept Request	0	73,850	0	627,390	0	701,240
2020-2021 Manager's Budget	0	73,850	0	627,390	0	701,240
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	73,850	0	627,390	0	701,240
2022-2023 Projected Budget	0	73,850	0	627,390	0	701,240
2023-2024 Projected Budget	0	73,850	0	627,390	0	701,240
2024-2025 Projected Budget	0	73,850	0	627,390	0	701,240

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 0.9067 mill due to Headlee Act 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 create 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 materials, both physical and downloadable. ^{GOAL1}
- Maximizing scheduling of staff to cover times of high-volume circulation, reference and computer questions, events and programming, and reshelving of returned materials. ^{GOAL1,2}

GOALS

3. To provide quality programs for all ages 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 training and 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
- Renovate the library interior to provide a more comfortable, efficient, and attractive space for patrons. GOAL1

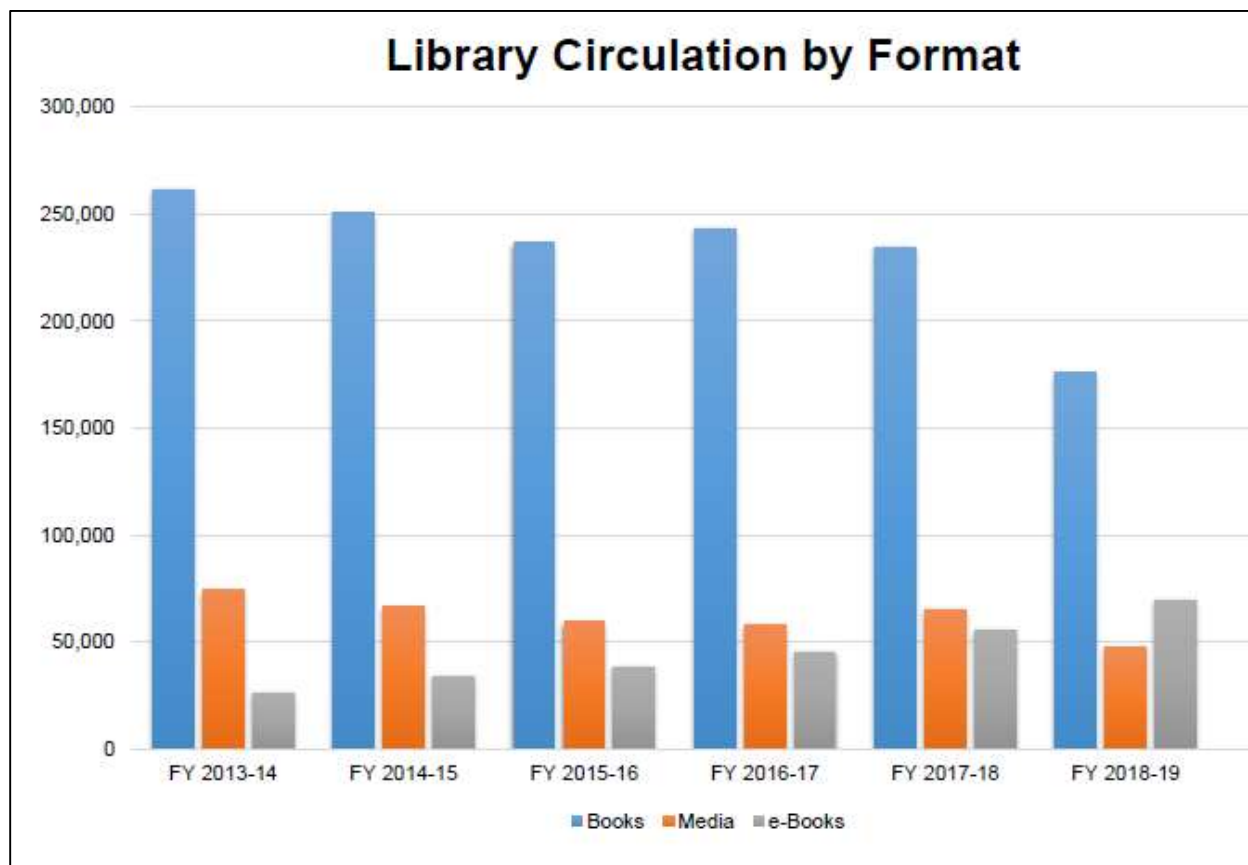
Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL1 Registered Card Holders	24,038	23,885	21,682	22,000	22,500	23,000
GOAL1 Annual Library Visitors	193,697	163,413*	88,972	135,000**	185,000	190,000
GOAL1 Collection Size	157,758	152,589	146,280	148,000	150,000	150,000
GOAL1 E-Titles	321,414	603,071	603,100	675,000	700,000	750,000
GOAL1 Lending Transactions	399,759	339,197	171,969	345,000	350,000	350,000
GOAL2 Reference Question Responses	26,346	20,369	10,801	22,000	22,000	22,000
GOAL3 Programs Offered	434	524	272	545	545	545
GOAL3 Program Attendance	16,794	17,275	9,584	13,500**	18,000	18,000
GOAL3 Summer Youth Reading Enrollment	1,420	1,530	1,530	1,600	1,650	1,700

* In 2019, a door counter was not installed until approximately one month after the 11 Mile Rd. entrance was opened.

**In 2020, the library was closed for several months due to the COVID-19 pandemic.

Library Circulation by Format



Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving wage step increases.

The library fund is now covering a significant portion of the programming budget (previously funded completely by the Friends of the Library). \$10,000 is dedicated to hiring presenters for youth, teen, and adult programs, as well as for purchasing necessary supplies. \$12,500 is budgeted to create a program for patrons to check out items such as baking supplies or garden tools. Library subscriptions (magazines and newspapers) are increasing \$2,600, relative to fiscal year 2019-20 original budget, to provide new titles and online access to the New York Times for Royal Oak cardholders. Electronic resources are decreasing \$63,300 relative to fiscal year 2019-20 projected mainly due to a one-time cost to digitize the Daily Tribune. There is a \$27,000 increase in the budget for downloadables as high demand for more titles by patrons continue, which is partially offset by a \$12,720 decrease in the book budget.

Relative to the fiscal year 2019-20 original budget, printing and document duplicating is increasing \$6,000 to cover the costs of paper and supplies previously charged through the information technology fund. Advertising and legal notices are increasing \$3,000, and training and education is increasing \$2,000 as part of the library's strategic goals to provide more training opportunities to staff. Building and security services are increasing \$12,700 as additional cameras are being added to cover security blind spots. Electrical and lighting supplies are increasing \$2,500 to upgrade lighting on both floors. Cleaning and janitorial supplies are increasing \$12,000 in fiscal year 2020-21 to cover the sanitation and deep cleaning of the building on a regularly scheduled basis. The budget for office furniture has decreased \$23,000 relative to the fiscal year 2019-20 original budget.

Future capital expenditures, included in the fiscal year 2022-23 forecast, include \$475,000 for a complete roof replacement.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	1,493,401	1,495,521	1,466,101	972,031	965,021	977,091
Revenues and transfers from other funds	2,748,010	2,812,000	2,863,230	2,928,730	2,995,870	3,064,690
Expenditures and transfers to other funds	2,745,890	2,841,420	3,357,300	2,935,740	2,983,800	3,036,050
Net Change in Fund Balance	2,120	(29,420)	(494,070)	(7,010)	12,070	28,640
Ending Fund Balance	1,495,521	1,466,101	972,031	965,021	977,091	1,005,731

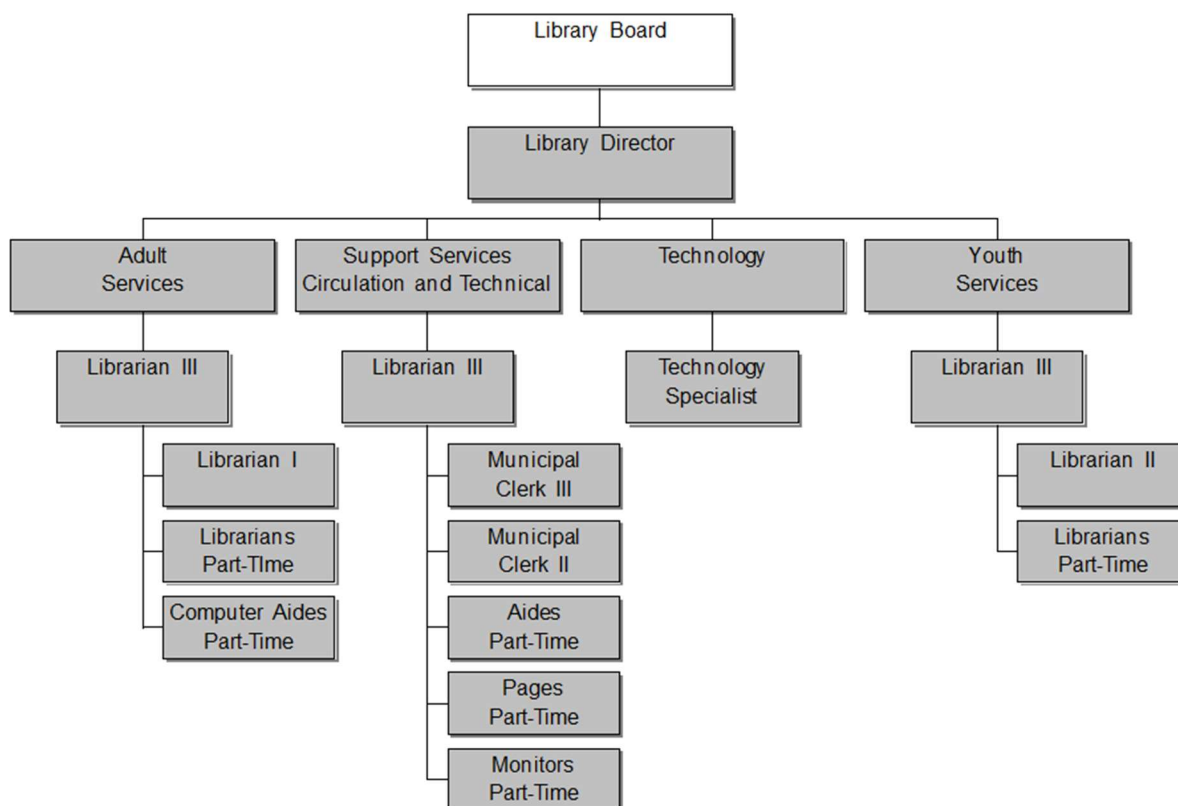
Revenues

271.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	2,197,660	37,430	180,320	22,550	5,700	263,480	2,707,140
2017-2018 Actual	2,268,050	39,680	163,610	22,760	4,920	0	2,499,020
2018-2019 Actual	2,329,220	98,120	158,470	87,330	5,420	169,080	2,847,640
2019-2020 Original Budget	2,424,000	62,000	159,500	89,500	5,200	0	2,740,200
2019-2020 Adjusted Budget (Dec)	2,424,000	62,000	159,500	89,500	5,200	0	2,740,200
2019-2020 Six Month Actual	2,375,800	50,720	146,510	46,770	1,730	0	2,621,530
2019-2020 Estimated Year End	2,442,000	67,460	154,250	80,000	4,300	0	2,748,010
2020-2021 Dept Request	2,542,000	64,000	142,500	59,500	4,000	0	2,812,000
2020-2021 Manager's Budget	2,542,000	64,000	142,500	59,500	4,000	0	2,812,000
2020-2021 Adopted Budget							
2021-2022 Projected Budget	2,592,550	64,680	142,500	59,500	4,000	0	2,863,230
2022-2023 Projected Budget	2,657,360	65,370	142,500	59,500	4,000	0	2,928,730
2023-2024 Projected Budget	2,723,790	66,080	142,500	59,500	4,000	0	2,995,870
2024-2025 Projected Budget	2,791,880	66,810	142,500	59,500	4,000	0	3,064,690

Expenditures

271.790 LIBRARY	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
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 Actual	1,230,760	359,510	196,560	405,430	0	639,450	2,831,710
2019-2020 Original Budget	1,283,770	382,000	0	462,400	0	641,000	2,769,170
2019-2020 Adjusted Budget (Dec)	1,283,770	455,800	0	462,400	0	641,000	2,842,970
2019-2020 Six Month Actual	588,980	174,500	29,680	213,650	0	280,910	1,287,720
2019-2020 Estimated Year End	1,270,480	398,400	29,680	406,330	0	641,000	2,745,890
2020-2021 Dept Request	1,310,480	384,880	0	501,060	0	645,000	2,841,420
2020-2021 Manager's Budget	1,310,480	384,880	0	501,060	0	645,000	2,841,420
2020-2021 Adopted Budget							
2021-2022 Projected Budget	1,351,130	384,880	475,000	506,290	0	640,000	3,357,300
2022-2023 Projected Budget	1,393,190	384,880	0	511,670	0	646,000	2,935,740
2023-2024 Projected Budget	1,436,710	384,880	0	517,210	0	645,000	2,983,800
2024-2025 Projected Budget	1,481,750	384,880	0	522,920	0	646,500	3,036,050

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Library	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	3.0	3.0	3.0	3.0	3.0
Librarian II	3.0	3.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Librarian I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Library Technology Specialist	1.0	1.0	1.0	1.0	0.0	0.0	1.0	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	1.0	1.0	1.0	1.0	1.0	1.0
Full-time total	10.0	10.0	9.0	8.0	8.0	8.0	9.0	9.0	9.0
<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	10.0	10.0	9.0	8.0	8.0	8.0	9.0	9.0	9.0

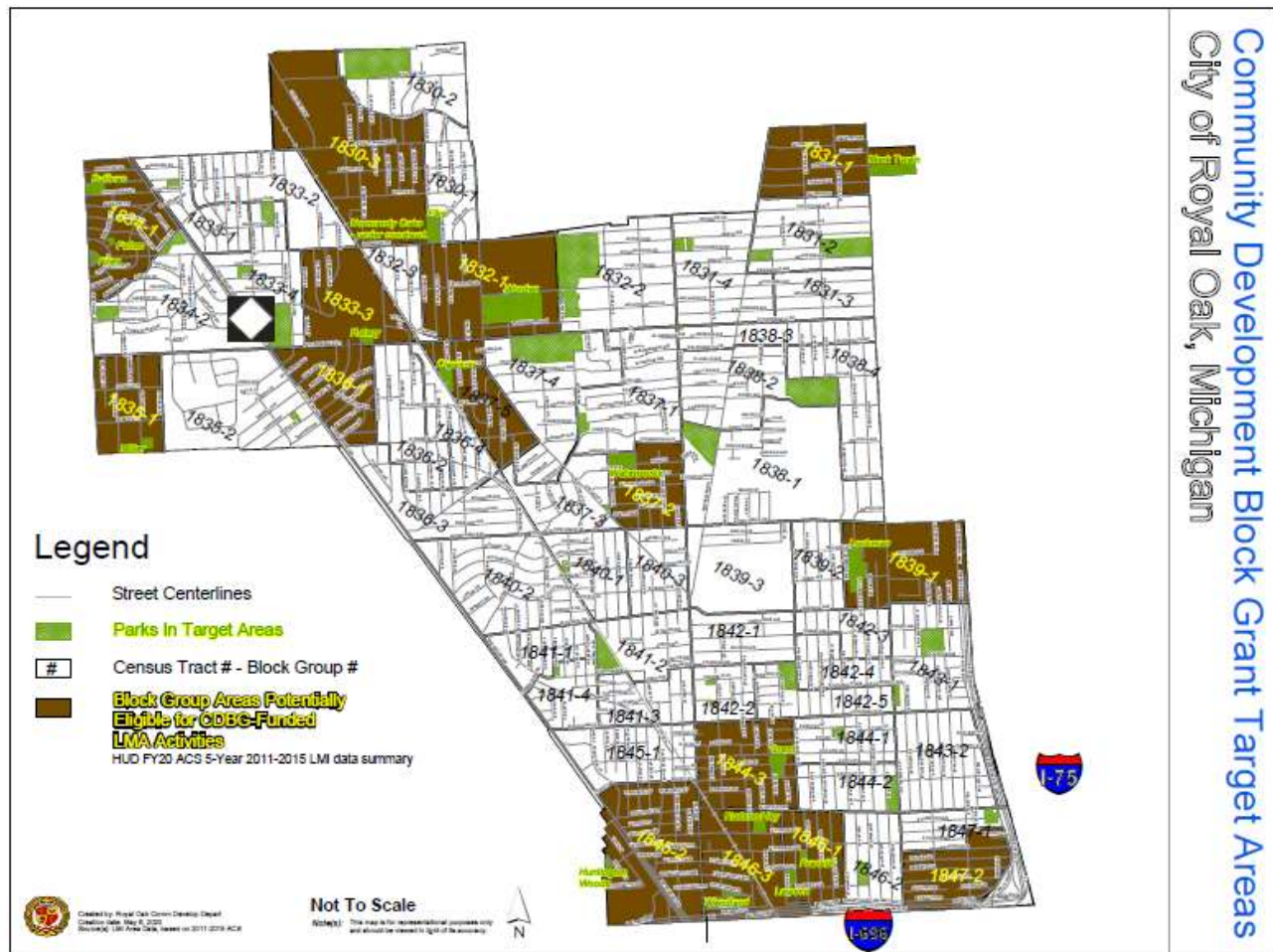
The mission of the community development block grant program is to develop viable urban communities by providing the following, principally for persons of low and moderate income: decent housing, a suitable living environment; and expanded economic opportunities.

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 FY16-17</u>	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>
GOAL3 Rehabilitation Loans						
Loan Applications Received	23	38	26	10	20	29
Loan Applicants on Waiting List	63	0	0	0	0	0
Number of Loans Approved	19	30	27	9	18	25
Funds Available for Loans	\$315k	\$428k	\$900k	\$700k	\$700k	\$500k
Amount of Loans Approved	\$439k	\$478k	\$448k	\$171k	\$340k	\$500k
GOAL2 Lead-based Paint Hazards						
Homes with Hazards Identified	11	22	18	2	5	10
Homes with Hazards Addressed	10	13	14	3	6	8
Repairs Made on Eligible Properties	19	18	25	6	15	26

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The fiscal year 2020-21 budget includes \$45,000 to provide supportive services for residents who qualify through the city's R.O.S.E.S (Royal Oak Senior Essential Services) program that is administered by the city's recreation department. This is an increase of \$12,000 relative to the fiscal year 2019-2020 original budget. \$35,000 has been allocated to support local organizations that provide homeless assistance and emergency shelter programs in the city, which is increasing \$15,000 relative to the fiscal year 2019-20 original budget. Contracted worker services in the block grant administration cost center are decreasing \$14,570 relative to the fiscal year 2019-20 budget due to the declining need for outside legal counsel.

The following capital improvement project budgeted for FY2020-21 is as follows (deviates from CIP):

- South-end traffic diverters, Lawson Park and Franklin Park improvements
- FY2020-21 total: \$1,300,000

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	0	0	0	0	0	0
Revenues and transfers from other funds	2,456,610	2,306,030	1,544,030	1,544,030	1,544,030	1,544,030
Expenditures and transfers to other funds	2,456,610	2,306,030	1,544,030	1,544,030	1,544,030	1,544,030
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
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 Actual	0	1,482,320	471,650	0	11,690	0	1,965,660
2019-2020 Original Budget	0	1,179,150	245,000	850,000	5,000	0	2,279,150
2019-2020 Adjusted Budget (Dec)	0	1,179,150	245,000	1,027,460	5,000	0	2,456,610
2019-2020 Six Month Actual	0	0	218,220	0	4,090	0	222,310
2019-2020 Estimated Year End	0	1,179,150	245,000	1,027,460	5,000	0	2,456,610
2020-2021 Dept Request	0	1,194,030	344,000	762,000	6,000	0	2,306,030
2020-2021 Manager's Budget	0	1,194,030	344,000	762,000	6,000	0	2,306,030
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	1,194,030	344,000	0	6,000	0	1,544,030
2022-2023 Projected Budget	0	1,194,030	344,000	0	6,000	0	1,544,030
2023-2024 Projected Budget	0	1,194,030	344,000	0	6,000	0	1,544,030
2024-2025 Projected Budget	0	1,194,030	344,000	0	6,000	0	1,544,030

Expenditures

274.692 HOUSING ASSISTANCE PROGRAM	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	90,640	220	0	538,820	0	629,680
2019-2020 Original Budget	104,290	250	0	622,540	0	727,080
2019-2020 Adjusted Budget (Dec)	104,290	250	0	795,500	0	900,040
2019-2020 Six Month Actual	48,150	220	0	232,620	0	280,990
2019-2020 Estimated Year End	104,290	250	0	795,500	0	900,040
2020-2021 Dept Request	100,480	390	0	488,510	0	589,380
2020-2021 Manager's Budget	100,480	390	0	488,510	0	589,380
2020-2021 Adopted Budget						
2021-2022 Projected Budget	103,800	390	0	488,510	0	592,700
2022-2023 Projected Budget	107,260	390	0	488,510	0	596,160
2023-2024 Projected Budget	110,850	390	0	488,510	0	599,750
2024-2025 Projected Budget	114,580	390	0	488,510	0	603,480

274.712 BLOCK GRANT ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	134,080	190	0	91,070	0	225,340
2019-2020 Original Budget	147,300	0	0	46,180	0	193,480
2019-2020 Adjusted Budget (Dec)	147,300	0	0	46,180	0	193,480
2019-2020 Six Month Actual	78,530	0	0	20,560	0	99,090
2019-2020 Estimated Year End	147,300	0	0	46,180	0	193,480
2020-2021 Dept Request	170,290	0	0	37,920	0	208,210
2020-2021 Manager's Budget	170,290	0	0	37,920	0	208,210
2020-2021 Adopted Budget						
2021-2022 Projected Budget	176,200	0	0	37,920	0	214,120
2022-2023 Projected Budget	182,340	0	0	37,920	0	220,260
2023-2024 Projected Budget	188,710	0	0	37,920	0	226,630
2024-2025 Projected Budget	195,330	0	0	37,920	0	233,250

CDBG Fund – Housing Rehabilitation Program

274.759 SENIOR CENTER	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	31,540	0	31,540
2017-2018 Actual	0	0	0	39,420	0	39,420
2018-2019 Actual	0	0	0	43,550	0	43,550
2019-2020 Original Budget	0	0	0	33,000	0	33,000
2019-2020 Adjusted Budget (Dec)	0	0	0	33,000	0	33,000
2019-2020 Six Month Actual	0	0	0	17,300	0	17,300
2019-2020 Estimated Year End	0	0	0	33,000	0	33,000
2020-2021 Dept Request	0	0	0	45,000	0	45,000
2020-2021 Manager's Budget	0	0	0	45,000	0	45,000
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	0	0	45,000	0	45,000
2022-2023 Projected Budget	0	0	0	45,000	0	45,000
2023-2024 Projected Budget	0	0	0	45,000	0	45,000
2024-2025 Projected Budget	0	0	0	45,000	0	45,000

274. OTHER COST CENTERS	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
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 Actual	0	0	0	1,067,090	0	0	1,067,090
2019-2020 Original Budget	0	0	0	1,320,000	0	0	1,320,000
2019-2020 Adjusted Budget (Dec)	0	0	0	724,500	0	0	724,500
2019-2020 Six Month Actual	0	0	0	397,120	0	0	397,120
2019-2020 Estimated Year End	0	0	0	724,500	0	0	724,500
2020-2021 Dept Request	0	0	0	157,160	0	0	157,160
2020-2021 Manager's Budget	0	0	0	157,160	0	0	157,160
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	0	0	157,160	0	0	157,160
2022-2023 Projected Budget	0	0	0	157,160	0	0	157,160
2023-2024 Projected Budget	0	0	0	157,160	0	0	157,160
2024-2025 Projected Budget	0	0	0	157,160	0	0	157,160

CDBG Fund – Housing Rehabilitation Program

274.901 CAPITAL	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2016-2017 Actual	285,810	0	4,060	2,430	0	0	292,300
2017-2018 Actual	56,050	0	0	1,190	0	0	57,240
2018-2019 Actual	0	0	0	0	0	0	0
2019-2020 Original Budget	5,590	0	0	0	0	0	5,590
2019-2020 Adjusted Budget (Dec)	5,590	0	600,000	0	0	0	605,590
2019-2020 Six Month Actual	3,520	0	0	0	0	0	3,520
2019-2020 Estimated Year End	5,590	0	600,000	0	0	0	605,590
2020-2021 Dept Request	6,280	0	1,300,000	0	0	0	1,306,280
2020-2021 Manager's Budget	6,280	0	1,300,000	0	0	0	1,306,280
2020-2021 Adopted Budget							
2021-2022 Projected Budget	6,280	0	528,770	0	0	0	535,050
2022-2023 Projected Budget	6,280	0	519,170	0	0	0	525,450
2023-2024 Projected Budget	6,280	0	509,210	0	0	0	515,490
2024-2025 Projected Budget	6,280	0	498,860	0	0	0	505,140

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

Housing Assistance		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>										
Housing Program Supervisor		1.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Housing Rehabilitation Officer		0.0	1.0	1.0	1.0	1.0	0.0	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 ensure 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 FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</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	2,399	2,904	1,301	2,400	1,700	1,700
Electrical	1,818	1,960	1,072	1,800	1,000	1,000
Mechanical	1,506	1,786	1,116	1,900	900	900
Plumbing Sewer	1,285	1,378	945	1,500	1,500	1,500
Construction Value (in 1000's)	\$215,000	\$156,000	\$73,000	\$130,000	\$ 80,000	\$ 80,000

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Revenues are decreasing relative to the fiscal year 2019-20 budget due to conservative budgeting as construction activity is unpredictable/ cyclical so permit revenues can vary greatly from year to year. The lower forecasted revenues assumes that construction conditions continue as budgeted in fiscal year 2020-21, fortunately the fund has a healthy fund balance.

Personnel costs are increasing relative to the fiscal year 2019-20 estimated due to newer employees (who are not at the top of their pay range) potentially receiving merit wage increases and three unfilled vacancies being filled.

Printing and document duplicating costs are decreasing \$6,000 relative to the fiscal year 2019-20 original budget based on estimated year-end activity. Training and education costs and dues/membership costs are expected to increase by \$1,000 each in relation to filling the current vacancies. Allocated charges including motor pool rentals, administrative charges, and information system service charges are increasing by a net amount of \$16,160 relative to the fiscal year 2019-20 budget.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	9,804,403	11,302,233	11,301,423	11,245,443	11,132,263	10,959,793
Revenues and transfers from other funds	2,954,700	1,802,500	1,802,500	1,802,500	1,802,500	1,802,500
Expenditures and transfers to other funds	1,456,870	1,803,310	1,858,480	1,915,680	1,974,970	2,036,490
Net Change in Fund Balance	1,497,830	(810)	(55,980)	(113,180)	(172,470)	(233,990)
Ending Fund Balance	11,302,233	11,301,423	11,245,443	11,132,263	10,959,793	10,725,803

Revenues

282.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	2,831,410	0	35,550	248,300	3,115,260
2017-2018 Actual	0	0	3,988,770	0	59,840	71,020	4,119,630
2018-2019 Actual	0	0	3,615,410	0	218,020	88,330	3,921,760
2019-2020 Original Budget	0	0	1,801,500	0	220,000	25,000	2,046,500
2019-2020 Adjusted Budget (Dec)	0	0	1,801,500	0	220,000	25,000	2,046,500
2019-2020 Six Month Actual	0	0	1,697,720	0	104,150	37,790	1,839,660
2019-2020 Estimated Year End	0	0	2,699,700	0	200,000	55,000	2,954,700
2020-2021 Dept Request	0	0	1,682,500	0	100,000	20,000	1,802,500
2020-2021 Manager's Budget	0	0	1,682,500	0	100,000	20,000	1,802,500
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	0	1,682,500	0	100,000	20,000	1,802,500
2022-2023 Projected Budget	0	0	1,682,500	0	100,000	20,000	1,802,500
2023-2024 Projected Budget	0	0	1,682,500	0	100,000	20,000	1,802,500
2024-2025 Projected Budget	0	0	1,682,500	0	100,000	20,000	1,802,500

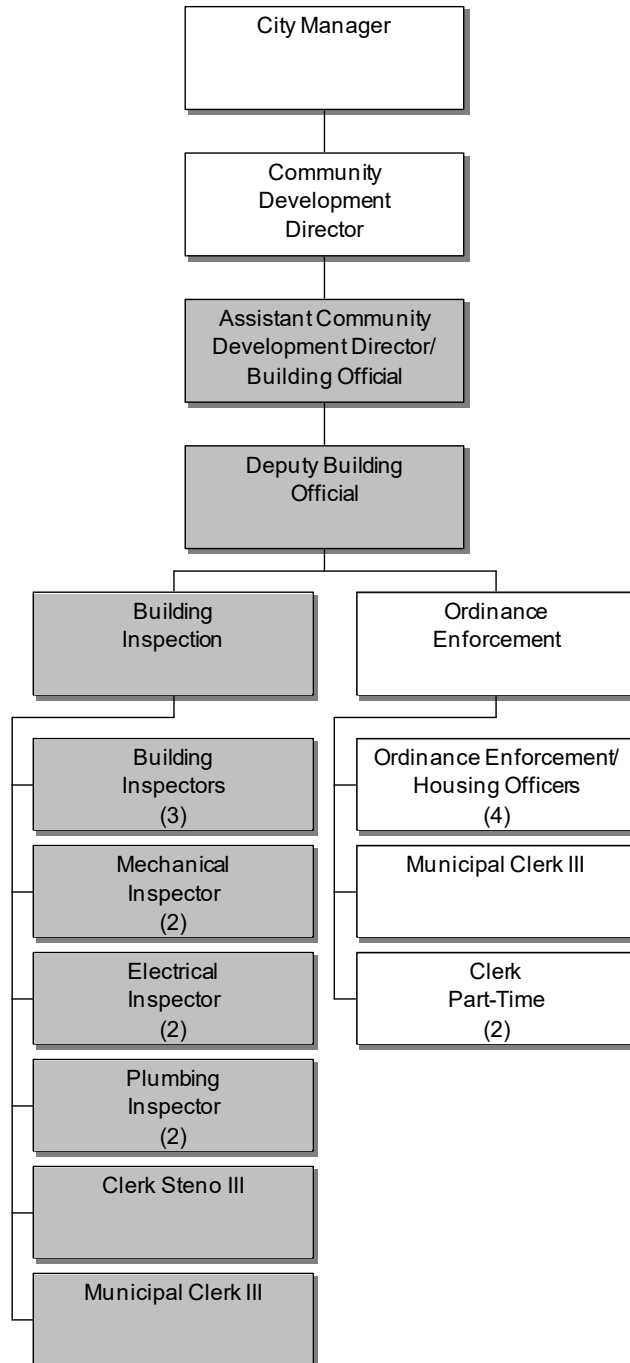
Expenditures

282.371 INSPECTION	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
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 Actual	866,770	6,030	0	510,550	1,202,800	0	2,586,150
2019-2020 Original Budget	1,236,670	17,000	0	790,830	2,000	0	2,046,500
2019-2020 Adjusted Budget (Dec)	1,236,670	17,000	0	754,830	38,000	0	2,046,500
2019-2020 Six Month Actual	443,200	2,580	0	220,100	0	0	665,880
2019-2020 Estimated Year End	975,700	10,000	0	433,170	38,000	0	1,456,870
2020-2021 Dept Request	1,335,160	18,000	0	447,150	3,000	0	1,803,310
2020-2021 Manager's Budget	1,335,160	18,000	0	447,150	3,000	0	1,803,310
2020-2021 Adopted Budget							
2021-2022 Projected Budget	1,383,600	18,000	0	453,880	3,000	0	1,858,480
2022-2023 Projected Budget	1,433,880	18,000	0	460,800	3,000	0	1,915,680
2023-2024 Projected Budget	1,486,070	18,000	0	467,900	3,000	0	1,974,970
2024-2025 Projected Budget	1,540,280	18,000	0	475,210	3,000	0	2,036,490

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

Building	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building Inspectors	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Electrical Inspector	0.0	0.0	1.0	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	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Plumbing Inspector	0.0	0.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Full-time total	5.0	6.0	10.0	10.0	10.0	10.0	13.0	13.0	13.0
<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	5.0	6.0	10.0	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

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	349,059	343,059	324,059	305,059	286,059	267,059
Revenues and transfers from other funds	47,520	55,100	55,100	55,100	55,100	55,100
Expenditures and transfers to other funds	53,520	74,100	74,100	74,100	74,100	74,100
Net Change in Fund Balance	(6,000)	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)
Ending Fund Balance	343,059	324,059	305,059	286,059	267,059	248,059

Revenues

295.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	0	90,190	0	0	90,190
2017-2018 Actual	0	0	0	64,150	0	0	64,150
2018-2019 Actual	0	0	0	66,320	0	0	66,320
2019-2020 Original Budget	0	0	0	85,500	0	0	85,500
2019-2020 Adjusted Budget (Dec)	0	0	0	85,500	0	0	85,500
2019-2020 Six Month Actual	0	0	0	23,640	0	0	23,640
2019-2020 Estimated Year End	0	0	0	47,520	0	0	47,520
2020-2021 Dept Request	0	0	0	55,100	0	0	55,100
2020-2021 Manager's Budget	0	0	0	55,100	0	0	55,100
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	0	0	55,100	0	0	55,100
2022-2023 Projected Budget	0	0	0	55,100	0	0	55,100
2023-2024 Projected Budget	0	0	0	55,100	0	0	55,100
2024-2025 Projected Budget	0	0	0	55,100	0	0	55,100

Expenditures

295. MULTIPLE COST CENTERS	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2016-2017 Actual	0	20,980	0	22,050	51,440	0	94,470
2017-2018 Actual	0	4,150	0	21,170	41,980	0	67,300
2018-2019 Actual	0	3,850	0	20,960	187,960	0	212,770
2019-2020 Original Budget	0	0	0	41,500	44,000	0	85,500
2019-2020 Adjusted Budget (Dec)	0	0	0	41,500	44,000	0	85,500
2019-2020 Six Month Actual	0	7,720	0	4,750	25,100	0	37,570
2019-2020 Estimated Year End	0	0	0	15,000	38,520	0	53,520
2020-2021 Dept Request	0	0	0	25,000	49,100	0	74,100
2020-2021 Manager's Budget	0	0	0	25,000	49,100	0	74,100
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	0	0	25,000	49,100	0	74,100
2022-2023 Projected Budget	0	0	0	25,000	49,100	0	74,100
2023-2024 Projected Budget	0	0	0	25,000	49,100	0	74,100
2024-2025 Projected Budget	0	0	0	25,000	49,100	0	74,100

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.

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 into 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. 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: A Matter of Balance class in cooperation with the Michigan State University extension program, Zumba Gold is back on Wednesday mornings, AARP Driver Safety (2-Day program), AARP Smartphone Basics 101 class and a 201 class.

Tim's Kitchen, a senior congregate meal program, began in June 2007. About 8,704 tasty and nutritious meals were served from July 2018 – June 2019. With the passing of our beloved Chef Tim our congregate meal site has continued with Chef Erin Koch still providing some of Chef Tim's favorite dishes, such as pork chops, Shepard's pie, and meatloaf. Chef Erin has turned the kitchen into a hands-on program with two or more intellectually disabled students and/or adults who are learning skills to become employable in society. They assist Chef Erin in baking and cooking of the daily meal. Chef Erin has incorporated some classes such as, Cookie Making, Pizza Making, and Mad Hatter Tea Party, into the program as well. Additionally, we are beginning to partner with private bakeries and local restaurants to offer Pop-Up restaurants at the Senior Center.

Center Operations CDBG (274.759) – Certain eligible costs are covered by federal reimbursement and recorded in the block grant fund (274.759). The CDBG fund pays a subsidy for R.O.S.E.S. personnel serving low-income residents. \$45,000 has been budgeted for support in fiscal year 2020-21.

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 \$48,000 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 disabled 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 1,483 low-income senior adults provided during 2019.

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 delivered to homes, assistance, and transportation.

One A.G.E. staff member is trained to counsel seniors in Medicare D prescription drug coverage. 82 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 430 seniors with free tax help and free e-filing.

Non-senior volunteers assist staff with programming. Sources include care management professionals that provide mentally disabled adults with a job coach, and students from the Judson Center and Berkley schools, who provide a cleaning and nutrition program.

Transportation (296.688) - The senior transportation program continues to provide high quality van service for 11,105 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 disabled. Door-to-door service is available to those with mobility problems who need to be personally escorted to the buses. With annual Community Credits the services can increase to five vehicles on the road Mondays 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 disabled students' social outings.

The city currently operates six community transit vehicles purchased in collaboration with SMART. This budget provides for part-time (nine drivers, two dispatchers), maintenance and insurance for vans. This budget is funded by Beaumont Health, SMART municipal and community credit funds, and rider donations. Still waiting from 2016 for replacement of one other vehicle.

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. Community - To preserve neighborhoods by encouraging community involvement and family activities.

OBJECTIVES

- Focusing on the focus groups and the eight domains of AARP Network of Age-Friendly Communities. ^{GOAL6}
- Provide administrative support for the work of the senior services/aging in place task force. ^{GOAL6}

Performance Indicators / Outcome Measures

	<u>Actual 2017</u>	<u>Actual 2018</u>	<u>Actual 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
<u>GOAL1 Supportive Services</u>						
Congregate Meals Served	11,139	8,478	8,704	9,000	9,000	9,000
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	2,206	2,333	1,428	1,500	1,500	1,500
Senior Bus Rides	12,079	10,703	11,105	11,500	11,500	11,500
Frail Elderly Escort	0	0	0	0	0	0
Outreach Assessments	38	91	149	150	150	150
<u>GOAL3 Mahany/Meininger Center Programs</u>						
Programs Offered	108	100	94	96	96	96
Sessions Held	2,872	2,890	2,632	2,700	2,700	2,700
Participants	59,734	59,750	55,640	56,000	56,000	56,000
<u>GOAL3 Salter Community Center Programs</u>						
Programs Offered	11	13	13	13	13	13
Sessions Held	1,157	1,228	1,173	1,173	1,173	1,173
Participants	13,310	11,812	10,456	11,840	10,456	10,456
<u>GOAL3 Combined Senior Programs</u>						
Programs Offered	119	113	107	109	109	109
Sessions Held	4,029	4,118	3,805	3,873	3,873	3,873
Participants	73,044	71,562	66,096	66,456	66,456	66,456

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 2020-21:

The fiscal year 2020-21 budget includes a new full-time position for assistant to the coordinator of senior citizen activity / chef. This addition will eliminate the previous part-time chef position. Overall temporary wages are decreasing by approximately \$47,500 relative to the fiscal year 2019-20 original budget due to the change noted above and to better reflect actual time charged by staff based on prior years. However, there has been room budgeted to potentially provide all part time staff with a \$0.50 per hour raise during the upcoming fiscal year that is offset by increased program revenues. \$2,000 has been budgeted for supplies related to the Aging-In-Place Task Force.

Program supplies are budgeted at \$30,000, which includes the food purchases and supplies used during the year. Cleaning and janitorial services are increasing \$6,930 relative to the fiscal year 2019-20 original budget due to a change in vendor and an increase in contract costs. Contract worker services are decreasing by \$8,800 relative to the fiscal year 2019-20 original budget due to personnel changes in the chef position that took place during fiscal year 2019-20 (moving from contract to part time).

The following capital improvement projects are budgeted for senior center for FY2020-21 (may deviate from CIP):

• Parking lot improvements (carryover from fy 2019-20)	\$219,000
• Condensing unit (senior center)	78,100
• Fitness equipment (senior center)	46,300
• Convection oven (senior center)	<u>15,000</u>

FY2020-21 total:	\$358,400
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The fund forecast demonstrates a continued use of fund balance and continued transfer from the general fund of \$350,000 for fiscal year 2020-21, ultimately increasing to \$475,000 in fiscal year 2021-22 and thereafter until the end of the forecast in fiscal year 2024-25.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	550,205	356,885	108,695	108,395	92,095	57,265
Revenues and transfers from other funds	727,180	791,010	916,010	916,010	916,010	916,010
Expenditures and transfers to other funds	920,500	1,039,200	916,310	932,310	950,840	967,940
Net Change in Fund Balance	(193,320)	(248,190)	(300)	(16,300)	(34,830)	(51,930)
Ending Fund Balance	356,885	108,695	108,395	92,095	57,265	5,335

Revenues

296.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	148,850	239,500	14,980	30,000	350,000	783,330
2019-2020 Original Budget	0	165,510	237,500	13,000	30,000	350,000	796,010
2019-2020 Adjusted Budget (Dec)	0	165,510	237,500	13,000	30,000	350,000	796,010
2019-2020 Six Month Actual	0	15,430	119,020	5,950	15,000	175,000	330,400
2019-2020 Estimated Year End	0	165,510	170,090	11,580	30,000	350,000	727,180
2020-2021 Dept Request	0	165,510	238,500	7,000	30,000	350,000	791,010
2020-2021 Manager's Budget	0	165,510	238,500	7,000	30,000	350,000	791,010
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	165,510	238,500	7,000	30,000	475,000	916,010
2022-2023 Projected Budget	0	165,510	238,500	7,000	30,000	475,000	916,010
2023-2024 Projected Budget	0	165,510	238,500	7,000	30,000	475,000	916,010
2024-2025 Projected Budget	0	165,510	238,500	7,000	30,000	475,000	916,010

Expenditures

296.686 R.O.S.E.S.	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	14,970	0	0	0	0	14,970
2017-2018 Actual	12,020	0	0	0	0	12,020
2018-2019 Actual	21,230	0	0	0	0	21,230
2019-2020 Original Budget	36,630	0	0	0	0	36,630
2019-2020 Adjusted Budget (Dec)	36,630	0	0	0	0	36,630
2019-2020 Six Month Actual	9,680	0	0	0	0	9,680
2019-2020 Estimated Year End	21,530	0	0	0	0	21,530
2020-2021 Dept Request	32,240	0	0	0	0	32,240
2020-2021 Manager's Budget	32,240	0	0	0	0	32,240
2020-2021 Adopted Budget						
2021-2022 Projected Budget	32,990	0	0	0	0	32,990
2022-2023 Projected Budget	33,760	0	0	0	0	33,760
2023-2024 Projected Budget	34,550	0	0	0	0	34,550
2024-2025 Projected Budget	35,360	0	0	0	0	35,360

Senior Citizen Services Fund

296.687 A.G.E. PROGRAM	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	11,740	910	0	0	0	12,650
2017-2018 Actual	11,710	500	0	0	0	12,210
2018-2019 Actual	12,420	830	0	0	0	13,250
2019-2020 Original Budget	19,410	1,000	0	500	0	20,910
2019-2020 Adjusted Budget (Dec)	19,410	1,000	0	500	0	20,910
2019-2020 Six Month Actual	5,880	0	0	120	0	6,000
2019-2020 Estimated Year End	12,930	1,000	0	300	0	14,230
2020-2021 Dept Request	16,180	3,000	0	300	0	19,480
2020-2021 Manager's Budget	16,180	3,000	0	300	0	19,480
2020-2021 Adopted Budget						
2021-2022 Projected Budget	16,560	3,000	0	300	0	19,860
2022-2023 Projected Budget	16,940	3,000	0	300	0	20,240
2023-2024 Projected Budget	17,330	3,000	0	300	0	20,630
2024-2025 Projected Budget	17,730	3,000	0	300	0	21,030

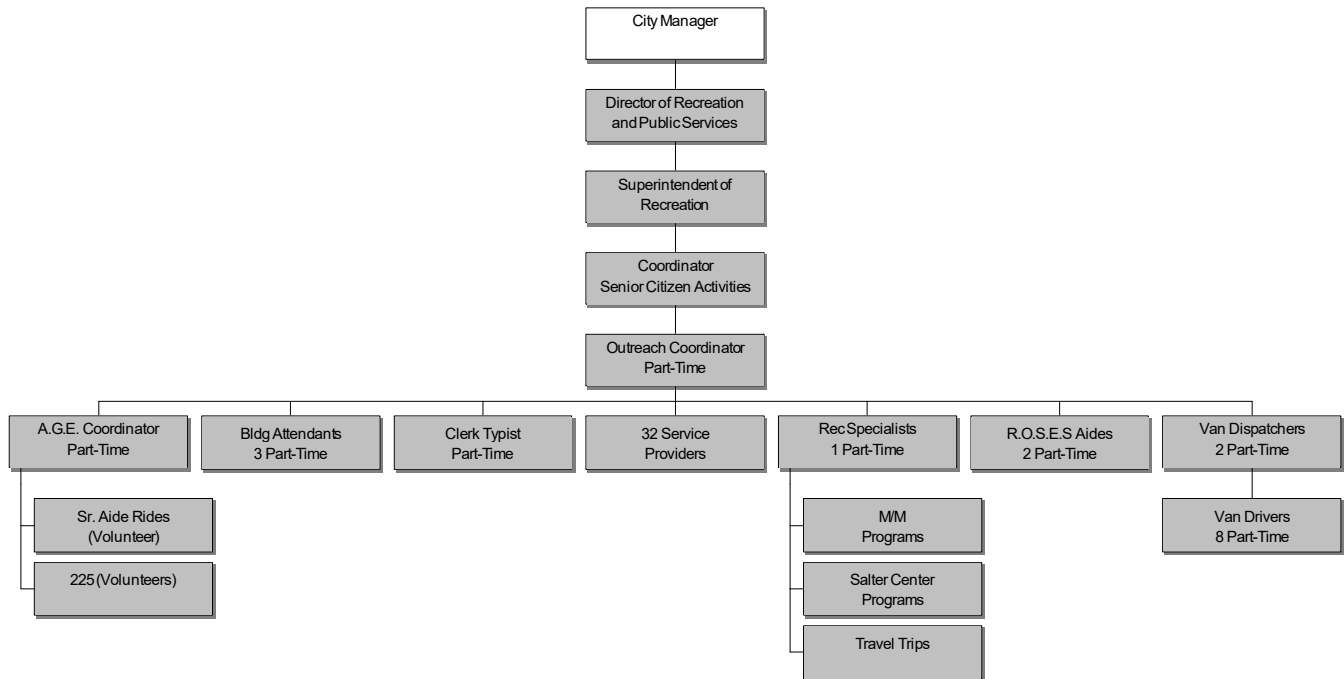
296.688 SENIOR VAN	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	144,380	0	0	41,930	0	186,310
2017-2018 Actual	127,150	150	0	35,690	0	162,990
2018-2019 Actual	132,380	160	0	36,440	0	168,980
2019-2020 Original Budget	146,550	200	0	34,330	0	181,080
2019-2020 Adjusted Budget (Dec)	146,550	200	0	34,330	0	181,080
2019-2020 Six Month Actual	67,470	0	0	19,890	0	87,360
2019-2020 Estimated Year End	145,730	100	0	34,330	0	180,160
2020-2021 Dept Request	154,630	100	0	42,740	0	197,470
2020-2021 Manager's Budget	154,630	100	0	42,740	0	197,470
2020-2021 Adopted Budget						
2021-2022 Projected Budget	158,750	100	0	43,780	0	202,630
2022-2023 Projected Budget	162,980	100	0	44,860	0	207,940
2023-2024 Projected Budget	167,340	100	0	45,960	0	213,400
2024-2025 Projected Budget	171,830	100	0	47,100	0	219,030

Senior Citizen Services Fund

296.750 SENIOR BUILDING MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	2,980	6,780	82,030	0	91,790
2019-2020 Original Budget	0	3,750	227,000	99,240	0	329,990
2019-2020 Adjusted Budget (Dec)	0	3,750	227,000	104,840	0	335,590
2019-2020 Six Month Actual	0	2,380	0	41,400	0	43,780
2019-2020 Estimated Year End	0	2,980	178,000	80,000	0	260,980
2020-2021 Dept Request	0	3,750	139,400	106,170	0	249,320
2020-2021 Manager's Budget	0	3,750	139,400	106,170	0	249,320
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	3,750	0	106,420	0	110,170
2022-2023 Projected Budget	0	3,750	0	106,670	0	110,420
2023-2024 Projected Budget	0	3,750	0	106,930	0	110,680
2024-2025 Projected Budget	0	3,750	0	107,200	0	110,950

296.759 SENIOR CENTER	Personnel Services	Supplies	Capital	Other	Transfers	Debt
2016-2017 Actual	182,290	8,020	0	258,080	4,500	0
2017-2018 Actual	189,150	9,780	0	265,620	4,000	56,310
2018-2019 Actual	193,900	17,870	0	244,150	3,000	56,330
2019-2020 Original Budget	219,290	8,000	0	199,090	2,000	57,100
2019-2020 Adjusted Budget (Dec)	219,290	8,000	0	199,090	2,000	57,100
2019-2020 Six Month Actual	98,930	14,290	0	98,690	0	42,440
2019-2020 Estimated Year End	212,840	22,930	0	148,730	2,000	57,100
2020-2021 Dept Request	254,880	32,000	0	193,810	3,000	57,000
2020-2021 Manager's Budget	254,880	32,000	0	193,810	3,000	57,000
2020-2021 Adopted Budget						
2021-2022 Projected Budget	263,240	32,000	0	195,420	3,000	57,000
2022-2023 Projected Budget	271,890	32,000	0	197,060	3,000	56,000
2023-2024 Projected Budget	280,850	32,000	0	198,730	3,000	57,000
2024-2025 Projected Budget	290,130	32,000	0	200,440	3,000	56,000

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Senior Center		Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	
<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	
Assistant Coordinator / Chef	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
Full-time total	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	
<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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	

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 2020-21:

Projected fiscal year 2019-20 and fiscal year 2020-21 will utilize nearly the entire fund balance and put the fund in a deficit position by fiscal year 2021-22. The forecast illustrates that expenditures will need to decrease significantly (or revenues increase to cover expenditures) as special revenue funds are not legally allowed to budget a fund balance deficit.

Relative to the fiscal year 2019-20 original budget, personnel costs are decreasing approximately \$13,000, animal medical, and spay/neutering services are budgeted to decrease \$5,000 and \$3,000, respectively, and heating/cooling repair and maintenance services by \$1,000 due to necessary budget reductions.

Relative to fiscal year 2019-20 estimated, personnel costs and animal medical services are the accounts that are increasing total expenditures.

The budget forecast does not include the animal shelter drive repaving in the amount of \$45,000.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	47,064	46,484	8,324	(31,906)	(74,276)	(118,866)
Revenues and transfers from other funds	78,620	69,300	69,300	69,300	69,300	69,300
Expenditures and transfers to other funds	79,200	107,460	109,530	111,670	113,890	116,180
Net Change in Fund Balance	(580)	(38,160)	(40,230)	(42,370)	(44,590)	(46,880)
Ending Fund Balance	46,484	8,324	(31,906)	(74,276)	(118,866)	(165,746)

Revenues

297.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	13,260	43,800	550	23,920	81,530
2017-2018 Actual	0	0	11,340	63,760	1,000	15,000	91,100
2018-2019 Actual	0	0	23,550	82,140	1,370	11,620	118,680
2019-2020 Original Budget	0	0	18,000	60,000	20	9,000	87,020
2019-2020 Adjusted Budget (Dec)	0	0	18,000	60,000	20	9,000	87,020
2019-2020 Six Month Actual	0	0	5,830	38,810	0	1,070	45,710
2019-2020 Estimated Year End	0	0	7,000	59,000	100	12,520	78,620
2020-2021 Dept Request	0	0	13,000	44,200	100	12,000	69,300
2020-2021 Manager's Budget	0	0	13,000	44,200	100	12,000	69,300
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	0	13,000	44,200	100	12,000	69,300
2022-2023 Projected Budget	0	0	13,000	44,200	100	12,000	69,300
2023-2024 Projected Budget	0	0	13,000	44,200	100	12,000	69,300
2024-2025 Projected Budget	0	0	13,000	44,200	100	12,000	69,300

Expenditures

297.430 ANIMAL SHELTER	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	89,690	7,740	0	38,310	0	135,740
2019-2020 Original Budget	72,560	6,000	0	49,600	0	128,160
2019-2020 Adjusted Budget (Dec)	72,560	6,000	0	49,600	0	128,160
2019-2020 Six Month Actual	18,920	2,480	0	16,400	0	37,800
2019-2020 Estimated Year End	43,180	3,500	0	32,520	0	79,200
2020-2021 Dept Request	59,340	6,000	0	42,120	0	107,460
2020-2021 Manager's Budget	59,340	6,000	0	42,120	0	107,460
2020-2021 Adopted Budget						
2021-2022 Projected Budget	61,410	6,000	0	42,120	0	109,530
2022-2023 Projected Budget	63,550	6,000	0	42,120	0	111,670
2023-2024 Projected Budget	65,770	6,000	0	42,120	0	113,890
2024-2025 Projected Budget	68,060	6,000	0	42,120	0	116,180

Cost Center Position Detail - Home Base

Part-Time Employees

Animal Protection Services		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total		n/a	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 2020-21:

Revenues are budgeted to increase slightly over the fiscal year 2019-20 original budget due to a projected increase of \$6,000 for state alcohol retailer license fee revenue and \$30,000 in donations, however this is offset by a decrease in interest income of \$27,000 that is projected due to significant declines in interest rates. Fiscal year 2019-20 year-end revenue projections came in higher than budget due to forfeiture sharing funds received from participating in the federal Narcotics Enforcement Team (NET) and from an increase of approximately \$71,000 in ACT 251 drug forfeiture revenue above the fiscal year 2019-20 original budget.

The most significant decline in expenditures is due to a one-time \$1,400,000 transfer to the ROCC capital project fund to cover eligible expenditures related to the new police station in fiscal year 2019-20. \$48,080 is budgeted in capital expenditures for fiscal year 2020-21 to purchase exercise and fitness equipment.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	1,547,325	287,625	274,525	274,525	269,465	259,155
Revenues and transfers from other funds	389,330	257,000	257,000	257,000	257,000	257,000
Expenditures and transfers to other funds	1,649,030	270,100	257,000	262,060	267,310	272,750
Net Change in Fund Balance	(1,259,700)	(13,100)	0	(5,060)	(10,310)	(15,750)
Ending Fund Balance	287,625	274,525	274,525	269,465	259,155	243,405

Revenues

298.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	406,820	59,010	63,470	98,000	0	627,300
2019-2020 Original Budget	0	165,000	54,000	28,000	0	0	247,000
2019-2020 Adjusted Budget (Dec)	0	165,000	54,000	28,000	0	0	247,000
2019-2020 Six Month Actual	0	165,760	15,020	38,620	0	0	219,400
2019-2020 Estimated Year End	0	274,580	54,000	60,750	0	0	389,330
2020-2021 Dept Request	0	171,000	55,000	31,000	0	0	257,000
2020-2021 Manager's Budget	0	171,000	55,000	31,000	0	0	257,000
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	171,000	55,000	31,000	0	0	257,000
2022-2023 Projected Budget	0	171,000	55,000	31,000	0	0	257,000
2023-2024 Projected Budget	0	171,000	55,000	31,000	0	0	257,000
2024-2025 Projected Budget	0	171,000	55,000	31,000	0	0	257,000

Expenditures

298.301 POLICE GRANTS/RESTRICTED MONIES	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	89,350	5,630	30,850	187,180	0	313,010
2017-2018 Actual	128,330	3,700	0	70,530	0	202,560
2018-2019 Actual	114,460	9,650	98,000	97,710	0	319,820
2019-2020 Original Budget	157,940	7,400	0	1,261,410	0	1,426,750
2019-2020 Adjusted Budget (Dec)	157,940	7,400	0	1,461,410	0	1,626,750
2019-2020 Six Month Actual	66,670	4,920	0	39,310	0	110,900
2019-2020 Estimated Year End	170,100	12,400	0	1,466,530	0	1,649,030
2020-2021 Dept Request	183,080	0	48,080	38,940	0	270,100
2020-2021 Manager's Budget	183,080	0	48,080	38,940	0	270,100
2020-2021 Adopted Budget						
2021-2022 Projected Budget	187,950	0	0	69,050	0	257,000
2022-2023 Projected Budget	193,010	0	0	69,050	0	262,060
2023-2024 Projected Budget	198,260	0	0	69,050	0	267,310
2024-2025 Projected Budget	203,700	0	0	69,050	0	272,750

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 2020-21:

There are no significant notes for this fund.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	68,397	67,447	67,447	67,447	67,447	67,447
Revenues and transfers from other funds	10,220	0	0	0	0	0
Expenditures and transfers to other funds	11,170	0	0	0	0	0
Net Change in Fund Balance	(950)	0	0	0	0	0
Ending Fund Balance	67,447	67,447	67,447	67,447	67,447	67,447

Revenues

299.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	232,630	0	450	0	53,770	286,850
2019-2020 Original Budget	0	0	0	600	0	0	600
2019-2020 Adjusted Budget (Dec)	0	0	0	600	0	0	600
2019-2020 Six Month Actual	0	9,110	0	430	790	0	10,330
2019-2020 Estimated Year End	0	7,410	0	800	2,010	0	10,220
2020-2021 Dept Request	0	0	0	0	0	0	0
2020-2021 Manager's Budget	0	0	0	0	0	0	0
2020-2021 Adopted Budget							
2021-2022 Projected Budget	0	0	0	0	0	0	0
2022-2023 Projected Budget	0	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0	0
2024-2025 Projected Budget	0	0	0	0	0	0	0

Expenditures

299 MULTIPLE COST CENTERS	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	680	0	98,180	408,650	0	507,510
2017-2018 Actual	1,240	0	4,560	34,630	0	40,430
2018-2019 Actual	15,080	0	0	335,810	0	350,890
2019-2020 Original Budget	0	0	0	600	0	600
2019-2020 Adjusted Budget (Dec)	0	0	0	600	0	600
2019-2020 Six Month Actual	0	0	0	9,930	0	9,930
2019-2020 Estimated Year End	0	0	0	11,170	0	11,170
2020-2021 Dept Request	0	0	0	0	0	0
2020-2021 Manager's Budget	0	0	0	0	0	0
2020-2021 Adopted Budget						
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
2024-2025 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 and 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 nine (9) active brownfield plans: 802 S. Main St. [Huntington Bank]; 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]; and 31786 Woodward Ave. [Shell / Barrel & Vines];

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

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	455,274	455,274	455,274	467,534	486,004	510,834
Revenues and transfers from other funds	256,520	249,200	255,260	261,470	267,830	274,350
Expenditures and transfers to other funds	256,520	249,200	243,000	243,000	243,000	243,000
Net Change in Fund Balance	0	0	12,260	18,470	24,830	31,350
Ending Fund Balance	455,274	455,274	467,534	486,004	510,834	542,184

Revenues

243.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	119,700	0	0	1,430	0	0	121,130
2017-2018 Actual	434,450	0	0	4,180	0	0	438,630
2018-2019 Actual	579,570	0	0	15,150	0	0	594,720
2019-2020 Original Budget	627,300	0	0	13,000	0	0	640,300
2019-2020 Adjusted Budget (Dec)	627,300	0	0	13,000	0	0	640,300
2019-2020 Six Month Actual	280,520	0	0	8,150	0	0	288,670
2019-2020 Estimated Year End	242,520	0	0	14,000	0	0	256,520
2020-2021 Dept Request	242,200	0	0	7,000	0	0	249,200
2020-2021 Manager's Budget	242,200	0	0	7,000	0	0	249,200
2020-2021 Adopted Budget							
2021-2022 Projected Budget	248,260	0	0	7,000	0	0	255,260
2022-2023 Projected Budget	254,470	0	0	7,000	0	0	261,470
2023-2024 Projected Budget	260,830	0	0	7,000	0	0	267,830
2024-2025 Projected Budget	267,350	0	0	7,000	0	0	274,350

Expenditures

243.729 BROWNFIELD REDEVELOPMENT AUTH	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	36,750	0	36,750
2017-2018 Actual	0	0	0	324,010	0	324,010
2018-2019 Actual	0	0	0	430,890	0	430,890
2019-2020 Original Budget	0	0	0	640,300	0	640,300
2019-2020 Adjusted Budget (Dec)	0	0	0	640,300	0	640,300
2019-2020 Six Month Actual	0	0	0	4,090	0	4,090
2019-2020 Estimated Year End	0	0	0	256,520	0	256,520
2020-2021 Dept Request	0	0	0	249,200	0	249,200
2020-2021 Manager's Budget	0	0	0	249,200	0	249,200
2020-2021 Adopted Budget						
2021-2022 Projected Budget	0	0	0	243,000	0	243,000
2022-2023 Projected Budget	0	0	0	243,000	0	243,000
2023-2024 Projected Budget	0	0	0	243,000	0	243,000
2024-2025 Projected Budget	0	0	0	243,000	0	243,000

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 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.
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

- 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}
- Continue the marketing of downtown.^{GOAL2}
- Develop a communication workplan (strategy) to plan, manage and coordinate the DDA's efforts regarding advertising, promotions, and public relations.^{GOAL2}
- 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}
- 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}
- 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}

GOALS

OBJECTIVES

- 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}
 - Conduct parking analysis / study to evaluate parking supply versus demand after the completion of the new city hall and police station. ^{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}
 - Conduct regular meetings with stakeholders to receive feedback on policies, projects and events occurring downtown. ^{GOAL6}
 - Continue to support temporary street closings for special events downtown. ^{GOAL2}
-

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

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.

Expenditures related to the business development committee have increased by \$2.094 million relative to the fiscal year 2019-20 original budget. Of this amount, \$2 million has been allocated for the development of a downtown business relief and recovery program to assist select small businesses located within the city's downtown development district that have been severely affected by the COVID-19 pandemic. The remaining increase is for public relations contract to promote and provide information related to the program. Promotion expenditures are increasing \$22,000 relative to the fiscal year 2019-20 original budget to support various downtown events throughout the year.

Miscellaneous contracted services have increased by approximately \$950,000. Significant expenditures in this account include the following: \$1.5 million for the replacement of brick pavers and 4th Street lights, \$1.5 million for phase II of the downtown park, \$1.1 million for decorative pedestrian/streetlight upgrades, \$583,000 for mast-arm style traffic signal replacements, \$375,000 for downtown maintenance, \$300,000 for an alley improvement program, and \$300,000 to build out commercial space at the second street deck.

\$987,000 is being transferred to the general fund. \$540,000 annually continues to be transferred out to fund extra police services in the downtown. \$583,780 is budgeted to be transferred to the auto parking fund to pay a portion of the Center Street structure debt.

DDA millage fund: There are no significant changes in this fund. The millage is proposed to remain the same (there is not a Headlee Act reduction for fiscal year 2020-21)

Budget Summary

DDA Development Fund

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	6,327,731	6,814,441	567,041	46,451	132,891	351,831
Revenues and transfers from other funds	5,062,770	4,877,000	5,294,680	5,722,800	5,861,620	6,003,910
Expenditures and transfers to other funds	4,576,060	11,124,400	5,815,270	5,636,360	5,642,680	5,649,240
Net Change in Fund Balance	486,710	(6,247,400)	(520,590)	86,440	218,940	354,670
Ending Fund Balance	6,814,441	567,041	46,451	132,891	351,831	706,501

Development Revenues

247.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	3,341,500	0	0	39,430	94,000	178,300	3,653,230
2017-2018 Actual	3,459,920	0	0	21,870	2,429,430	100,000	6,011,220
2018-2019 Actual	3,894,330	0	0	147,800	8,040	100,000	4,150,170
2019-2020 Original Budget	4,514,000	0	0	236,000	0	100,000	4,850,000
2019-2020 Adjusted Budget (Dec)	4,514,000	0	0	236,000	0	100,000	4,850,000
2019-2020 Six Month Actual	2,905,090	0	0	78,450	320,970	0	3,304,510
2019-2020 Estimated Year End	4,526,000	0	0	130,800	320,970	85,000	5,062,770
2020-2021 Dept Request	4,707,000	0	0	70,000	0	100,000	4,877,000
2020-2021 Manager's Budget	4,707,000	0	0	70,000	0	100,000	4,877,000
2020-2021 Adopted Budget							
2021-2022 Projected Budget	5,124,680	0	0	70,000	0	100,000	5,294,680
2022-2023 Projected Budget	5,552,800	0	0	70,000	0	100,000	5,722,800
2023-2024 Projected Budget	5,691,620	0	0	70,000	0	100,000	5,861,620
2024-2025 Projected Budget	5,833,910	0	0	70,000	0	100,000	6,003,910

Development Expenditures

247.729 DDA/TIFA	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
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 Actual	195,860	0	0	1,072,330	1,857,790	0	3,125,980
2019-2020 Original Budget	184,060	0	0	5,530,470	2,359,560	0	8,074,090
2019-2020 Adjusted Budget (Dec)	184,060	0	0	5,564,170	2,359,560	0	8,107,790
2019-2020 Six Month Actual	74,310	0	0	823,480	747,410	0	1,645,200
2019-2020 Estimated Year End	180,560	0	0	1,934,670	2,359,560	0	4,474,790
2020-2021 Dept Request	196,850	0	0	8,816,770	2,110,780	0	11,124,400
2020-2021 Manager's Budget	196,850	0	0	8,816,770	2,110,780	0	11,124,400
2020-2021 Adopted Budget							
2021-2022 Projected Budget	202,720	0	0	3,616,770	1,860,780	0	5,680,270
2022-2023 Projected Budget	208,810	0	0	3,816,770	1,610,780	0	5,636,360
2023-2024 Projected Budget	215,130	0	0	3,816,770	1,610,780	0	5,642,680
2024-2025 Projected Budget	221,690	0	0	3,816,770	1,610,780	0	5,649,240

Budget Summary

DDA Operating Fund

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	139,325	113,515	87,635	61,335	35,915	10,035
Revenues and transfers from other funds	52,600	52,000	53,280	55,930	57,300	57,300
Expenditures and transfers to other funds	78,410	77,880	79,580	81,350	83,180	85,090
Net Change in Fund Balance	(25,810)	(25,880)	(26,300)	(25,420)	(25,880)	(27,790)
Ending Fund Balance	113,515	87,635	61,335	35,915	10,035	(17,755)

DDA Operating Revenues

248.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	49,930	0	0	980	10	3,040	53,960
2017-2018 Actual	50,140	0	0	1,150	0	0	51,290
2018-2019 Actual	49,960	0	0	3,610	0	0	53,570
2019-2020 Original Budget	50,000	0	0	3,500	0	0	53,500
2019-2020 Adjusted Budget (Dec)	50,000	0	0	3,500	0	0	53,500
2019-2020 Six Month Actual	40,250	0	0	1,300	0	0	41,550
2019-2020 Estimated Year End	50,300	0	0	2,300	0	0	52,600
2020-2021 Dept Request	51,000	0	0	1,000	0	0	52,000
2020-2021 Manager's Budget	51,000	0	0	1,000	0	0	52,000
2020-2021 Adopted Budget							
2021-2022 Projected Budget	52,280	0	0	1,000	0	0	53,280
2022-2023 Projected Budget	53,590	0	0	1,000	0	0	54,590
2023-2024 Projected Budget	54,930	0	0	1,000	0	0	55,930
2024-2025 Projected Budget	56,300	0	0	1,000	0	0	57,300

DDA Operating Expenditures

248.729 DDA/TIFA	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	24,010	940	0	27,630	0	52,580
2019-2020 Original Budget	43,640	2,500	0	16,200	0	62,340
2019-2020 Adjusted Budget (Dec)	43,640	2,500	0	16,200	0	62,340
2019-2020 Six Month Actual	12,760	0	0	35,770	0	48,530
2019-2020 Estimated Year End	34,010	0	0	44,400	0	78,410
2020-2021 Dept Request	57,880	2,500	0	17,500	0	77,880
2020-2021 Manager's Budget	57,880	2,500	0	17,500	0	77,880
2020-2021 Adopted Budget						
2021-2022 Projected Budget	59,580	2,500	0	17,500	0	79,580
2022-2023 Projected Budget	61,350	2,500	0	17,500	0	81,350
2023-2024 Projected Budget	63,180	2,500	0	17,500	0	83,180
2024-2025 Projected Budget	65,090	2,500	0	17,500	0	85,090

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

DDA/TIFA		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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
Part-time total		n/a	n/a	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 those 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 June 30, 2019, the last audited fiscal year, the City of Royal Oak has 23 outstanding bond debt issues and contracts totaling \$218 million. Michigan statute limits general obligation debt to ten percent (\$345,302,291) of state equalized value and a five percent limit for capital improvement bonds. Our exempt debt of \$41,273,933 leaves approximately \$168.5 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 2026 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 is 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 the last was due Oct. 1 2019 – last fiscal year.

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 was 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 was 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 are 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 is 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 is 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	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	48,194	31,304	15,834	4	4	4
Revenues and transfers from other funds	613,930	617,530	615,170	0	0	0
Expenditures and transfers to other funds	630,820	633,000	631,000	0	0	0
Net Change in Fund Balance	(16,890)	(15,470)	(15,830)	0	0	0
Ending Fund Balance	31,304	15,834	4	4	4	4

Revenues

301.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	620,820	6,700	0	950	0	0	628,470
2019-2020 Original Budget	600,000	6,000	0	600	0	0	606,600
2019-2020 Adjusted Budget (Dec)	600,000	6,000	0	600	0	0	606,600
2019-2020 Six Month Actual	590,870	7,330	0	320	0	0	598,520
2019-2020 Estimated Year End	606,000	7,330	0	600	0	0	613,930
2020-2021 Dept Request	610,000	7,330	0	200	0	0	617,530
2020-2021 Manager's Budget	610,000	7,330	0	200	0	0	617,530
2020-2021 Approved Budget							
2021-2022 Projected Budget	614,970	0	0	200	0	0	615,170
2022-2023 Projected Budget	0	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0	0
2024-2025 Projected Budget	0	0	0	0	0	0	0

Expenditures

301.905 GENERAL OBLIGATION DEBT	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	10	630,870	630,880
2017-2018 Actual	0	0	0	0	629,600	629,600
2018-2019 Actual	0	0	0	0	628,070	628,070
2019-2020 Original Budget	0	0	0	0	631,000	631,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	631,000	631,000
2019-2020 Six Month Actual	0	0	0	0	612,450	612,450
2019-2020 Estimated Year End	0	0	0	0	630,820	630,820
2020-2021 Dept Request	0	0	0	0	633,000	633,000
2020-2021 Manager's Budget	0	0	0	0	633,000	633,000
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	0	631,000	631,000
2022-2023 Projected Budget	0	0	0	0	0	0
2023-2024 Projected Budget	0	0	0	0	0	0
2024-2025 Projected Budget	0	0	0	0	0	0

Budget Summary

COURT BUILDING DEBT SERVICE	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	2,249	2,749	2,749	2,749	2,749	2,749
Revenues and transfers from other funds	466,000	465,000	465,000	465,000	465,000	460,000
Expenditures and transfers to other funds	465,500	465,000	465,000	465,000	465,000	460,000
Net Change in Fund Balance	500	0	0	0	0	0
Ending Fund Balance	2,749	2,749	2,749	2,749	2,749	2,749

Revenues

303.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	0	0	2,250	457,690	459,940
2019-2020 Original Budget	0	0	0	0	0	466,000	466,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	0	466,000	466,000
2019-2020 Six Month Actual	0	0	0	0	800	435,390	436,190
2019-2020 Estimated Year End	0	0	0	0	0	466,000	466,000
2020-2021 Dept Request	0	0	0	0	0	465,000	465,000
2020-2021 Manager's Budget	0	0	0	0	0	465,000	465,000
2020-2021 Approved Budget							
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	465,000	465,000
2024-2025 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
2016-2017 Actual	0	0	0	0	463,470	463,470
2017-2018 Actual	0	0	0	0	463,400	463,400
2018-2019 Actual	0	0	0	0	457,690	457,690
2019-2020 Original Budget	0	0	0	0	466,000	466,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	466,000	466,000
2019-2020 Six Month Actual	0	0	0	0	435,390	435,390
2019-2020 Estimated Year End	0	0	0	0	465,500	465,500
2020-2021 Dept Request	0	0	0	0	465,000	465,000
2020-2021 Manager's Budget	0	0	0	0	465,000	465,000
2020-2021 Approved Budget						
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	465,000	465,000
2024-2025 Projected Budget	0	0	0	0	460,000	460,000

Budget Summary

ROCC DEBT SERVICE FUND	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	0	0	0	0	0	0
Revenues and transfers from other funds	2,206,000	2,210,000	2,210,000	2,210,000	2,210,000	2,210,000
Expenditures and transfers to other funds	2,206,000	2,210,000	2,210,000	2,210,000	2,210,000	2,210,000
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
2016-2017 Actual	0	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0	0
2018-2019 Actual	0	0	0	0	0	2,206,000	2,206,000
2019-2020 Original Budget	0	0	0	0	0	2,206,000	2,206,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	0	2,206,000	2,206,000
2019-2020 Six Month Actual	0	0	0	0	0	0	0
2019-2020 Estimated Year End	0	0	0	0	0	2,206,000	2,206,000
2020-2021 Dept Request	0	0	0	0	0	2,210,000	2,210,000
2020-2021 Manager's Budget	0	0	0	0	0	2,210,000	2,210,000
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	0	0	2,210,000	2,210,000
2022-2023 Projected Budget	0	0	0	0	0	2,210,000	2,210,000
2023-2024 Projected Budget	0	0	0	0	0	2,210,000	2,210,000
2024-2025 Projected Budget	0	0	0	0	0	2,210,000	2,210,000

Expenditures

350.905 ROCC DEBT SERVICE FUND	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Actual	0	0	0	0	2,206,000	2,206,000
2019-2020 Original Budget	0	0	0	0	2,206,000	2,206,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	2,206,000	2,206,000
2019-2020 Six Month Actual	0	0	0	0	732,870	732,870
2019-2020 Estimated Year End	0	0	0	0	2,206,000	2,206,000
2020-2021 Dept Request	0	0	0	0	2,210,000	2,210,000
2020-2021 Manager's Budget	0	0	0	0	2,210,000	2,210,000
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	0	2,210,000	2,210,000
2022-2023 Projected Budget	0	0	0	0	2,210,000	2,210,000
2023-2024 Projected Budget	0	0	0	0	2,210,000	2,210,000
2024-2025 Projected Budget	0	0	0	0	2,210,000	2,210,000

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 ad 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 bonds 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 2020.

	<u>10 % SEV</u>	<u>5% SEV*</u>
2020 State Equalized Value (SEV)	3,686,895,500	3,686,895,500
Debt limit	368,689,550	184,344,775
Debt outstanding	204,069,988	204,069,988
Less: exempt obligations	(36,716,690)	(115,023,332)
Debt subject to SEV limitation	167,353,298	89,046,656
Additional debt which can be legally incurred	201,336,252	95,298,119

Non-exempt debt outstanding as a percentage of 2020 SEV	4.54%	2.42%
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* Capital Improvement Bond Limit



Capital Improvement Plan

Capital Improvement Summary

Capital Projects Fund - 498

ROCC Capital Projects Fund - 450

Parks Improvement Fund - 499

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 planned to adopt 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 sources (i.e. water and sewer fund, major street fund, local street fund, auto parking fund, IT, motor pool, etc.).

Budget Summary

ROCC CAPITAL PROJECTS	2019-2020 Estimated Year End	2020-2021 Recommended Budget	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	35,299,084	12,112,854	1,383,554	4	4	4
Revenues	500,000	40,000	5,000	0	0	0
Expenditures	25,086,230	10,769,300	1,388,550	0	0	0
Net	(24,586,230)	(10,729,300)	(1,383,550)	0	0	0
Transfers from other funds	1,400,000	0	0	0	0	0
Net Change in Fund Balance	(23,186,230)	(10,729,300)	(1,383,550)	0	0	0
Ending Fund Balance	12,112,854	1,383,554	4	4	4	4
Fund Balance as a percentage of Expenditures	34.31%	11.42%	0.00%	0.00%	0.00%	0.00%

CAPITAL PROJECTS	2019-2020 Estimated Year End	2020-2021 Recommended Budget	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	282,131	(0)	(0)	(0)	(0)	(0)
Revenues	3,500	0	0	0	0	0
Expenditures	285,631	0	0	0	0	0
Net	(282,131)	0	0	0	0	0
Transfers from other funds	0	0	0	0	0	0
Net Change in Fund Balance	(282,131)	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 IMPROVEMENT FUND	2019-2020 Estimated Year End	2020-2021 Recommended Budget	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	3,502,541	2,728,561	741,131	0	0	0
Revenues	232,320	1,057,670	0	0	0	0
Expenditures	1,606,300	3,045,100	741,131	0	0	0
Net	(1,373,980)	(1,987,430)	(741,131)	0	0	0
Transfers from other funds	600,000	0	0	0	0	0
Net Change in Fund Balance	(773,980)	(1,987,430)	(741,131)	0	0	0
Ending Fund Balance	2,728,561	741,131	0	0	0	0
Fund Balance as a percentage of Expenditures	77.90%	27.16%	0.00%	100.00%	100.00%	100.00%



CIP #	PROJECT NAME	SUBMITTER RATING	PROJECT COORDINATION	PROJECT TYPE	POTENTIAL FUNDING SOURCE(S)	ESTIMATED TOTAL PROJECT COST	% CITY SHARE	NON CITY COST	TOTAL CITY COST	PRIOR YRS CITY COST	FUTURE CITY COST (2021-2026)	FISCAL YEAR 2020-21 CITY COST	FISCAL YEAR 2021-22 CITY COST	FISCAL YEAR 2022-23 CITY COST	FISCAL YEAR 2023-24 CITY COST	FISCAL YEAR 2024-25 CITY COST	FISCAL YEAR 2025-26 CITY COST
Water and Sewer Improvements																	
CAP1836	Delaware Ave Special Assessment (associated stormwater costs)	130	Local Street Paving	New	Water & Sewer Fund / Rates	10,300	100%	-	10,300	5,100	5,200	5,200	-	-	-	-	-
CAP1936	Massoit Rd Special Assessment (associated stormwater costs)	130	Local Street Paving	New	Water & Sewer Fund / Rates	10,400	100%	-	10,400	5,200	5,200	5,200	-	-	-	-	-
CAP1999	Quality Control Review of Water and Sewer GIS Database	126	N/A	New	Water & Sewer Fund / Rates	62,000	100%	-	62,000	-	62,000	40,000	22,000	-	-	-	-
CAP2008	2021 Crooks Road Resurfacing (water main improvements)	132	Major Streets	Rehabilitation	Water & Sewer Fund / Rates	444,000	100%	-	444,000	-	444,000	333,000	111,000	-	-	-	-
CAP2010	2020 Water Main Improvements	141	Local Street Paving	Replacement	Water & Sewer Fund / Rates	3,060,000	100%	-	3,060,000	1,530,000	1,530,000	1,530,000	-	-	-	-	-
CAP2035	2020 Road Reconstruction (associated stormwater costs)	132	Major Streets / Local Streets	Replacement	Water & Sewer Fund / Rates	172,800	100%	-	172,800	86,400	86,400	86,400	-	-	-	-	-
CAP2040	Green Infrastructure Improvements (Arden, Sheridan) (possible EGLE grant)	135	Local Street Paving	New	Water & Sewer Fund / Rates / EGLE Grant	747,000	36%	481,000	266,000	-	266,000	133,000	133,000	-	-	-	-
CAP2110	2021 Water Main Improvements	141	Local Street Paving	Replacement	Water & Sewer Fund / Rates	4,312,000	100%	-	4,312,000	-	4,312,000	2,156,000	2,156,000	-	-	-	-
CAP2135	2021 Road Reconstruction (water main imp. and associated stormwater costs)	132	Local Street Paving	Replacement	Water & Sewer Fund / Rates	176,000	100%	-	176,000	-	176,000	88,000	88,000	-	-	-	-
CAP2150	Stormwater Mapping (aerial flyover of city)	119	N/A	New	Water & Sewer Fund Rates	155,000	100%	-	155,000	-	155,000	-	75,000	-	-	80,000	-
CAP2210	2022 Water Main Improvements	141	Local Street Paving	Replacement	Water & Sewer Fund / Rates	3,793,000	100%	-	3,793,000	-	3,793,000	-	1,896,500	1,896,500	-	-	-
CAP2240	Sewer and Green Infrastructure Improvements (Chester, Bellaire)	105	N/A	Rehabilitation	Water & Sewer Fund Rates	500,000	100%	-	500,000	-	500,000	-	250,000	250,000	-	-	-
CAP2308	2022 Normandy Rd Resurfacing (water main improvements)	107	Major Street Paving	Rehabilitation	Water & Sewer Fund Rates	1,020,000	100%	-	1,020,000	-	1,020,000	-	-	510,000	510,000	-	-
CAP2310	2023 Water Main Improvements	141	Local Street Paving	Replacement	Water & Sewer Fund / Rates	2,704,000	100%	-	2,704,000	-	2,704,000	-	-	1,352,000	1,352,000	-	-
CAP2410	2024 Water Main Improvements	141	Local Street Paving	Replacement	Water & Sewer Fund / Rates	3,815,000	100%	-	3,815,000	-	3,815,000	-	-	-	1,907,500	1,907,500	-
CAP2507	2025 Crooks Road Resurfacing (water main improvements)	107	Major Streets	Rehabilitation	Water & Sewer Fund Rates	351,000	100%	-	351,000	-	351,000	-	-	-	-	175,500	175,500
CAPXX05	Millage Concrete Street Repairs (assoc. stormwater costs) (CAP1805-CAP2405)	125	Local Streets	Replacement	Water & Sewer Fund / Rates	272,200	100%	-	272,200	46,700	225,500	50,200	45,900	49,500	54,900	25,000	-
CAPXX15	Millage Asphalt Resurfacing (assoc. stormwater costs) (CAP1815-CAP2415)	130	Local Street Paving	Replacement	Water & Sewer Fund / Rates	411,000	100%	-	411,000	72,600	338,400	76,400	83,000	84,000	68,000	27,000	-
CAPXX55	Special Assessment Paving (water main imp. and associated stormwater costs)	130	Local Street Paving	Replacement	Water & Sewer Fund / Rates	1,441,000	100%	-	1,441,000	10,000	1,431,000	263,000	305,000	305,000	305,000	253,000	-
CAPXX65	Lead and Copper Service Replacements	131	N/A	Replacement	Water & Sewer Fund Rates	3,000,000	100%	-	3,000,000	-	3,000,000	500,000	500,000	500,000	500,000	500,000	500,000
CAPXX66	Water Service Line Inventory	131	N/A	New	Water & Sewer Fund Rates	1,200,000	100%	-	1,200,000	-	1,200,000	240,000	240,000	240,000	240,000	240,000	-
SRXX01	Sewer Televising & Root Control (City Wide) (S1901-S2401)	126	N/A	Rehabilitation	Water & Sewer Fund / Rates	3,757,000	100%	-	3,757,000	635,000	3,122,000	534,000	600,000	630,000	662,000	696,000	-
SRXX02	Sewer Lining (City-Wide) (CAP1985-CAP2485)	126	N/A	Rehabilitation	Water & Sewer Fund / Rates	4,791,000	100%	-	4,791,000	695,000	4,096,000	750,000	776,000	815,000	856,000	899,000	-
SRXX03	Spot Sewer Repairs (City-Wide) (CAP1995-CAP2495)	126	N/A	Rehabilitation	Water & Sewer Fund / Rates	3,634,000	100%	-	3,634,000	510,000	3,124,000	536,000	600,000	630,000	662,000	696,000	-
	Water and Sewer Improvements				Subtotal	39,838,700		481,000	39,357,700	3,596,000	35,761,700	7,326,400	7,881,400	7,262,000	7,117,400	5,499,000	675,500
Sidewalk Improvements																	
CAPXX01	Concrete Pavement And Prepaid Sidewalk Improv.(City-Wide) (CAP1801-CAP2401)	105	Local Street Paving	Replacement	Water & Sewer Fund / Rates / Local Streets Fund	2,961,000	100%	-	2,961,000	846,000	2,115,000	423,000	423,000	423,000	423,000	423,000	-
CAPXX02	Sidewalk Improvements Program (City-Wide) (CAP1902-CAP2402)	145	N/A	Replacement	Local Streets Fund / Direct Invoice	6,000,000	10%	5,400,000	600,000	-	600,000	100,000	100,000	100,000	100,000	100,000	100,000
CAPXX03	Downtown Sidewalk Improvements Program	145	N/A	Replacement	DDA Fund / Direct Invoice	1,500,000	9%	1,365,000	135,000	-	135,000	135,000	-	-	-	-	-
	Sidewalk Improvements				Subtotal	10,461,000		6,765,000	3,696,000	846,000	2,850,000	658,000	523,000	523,000	523,000	523,000	100,000
Local Street Improvements																	
CAP1836	Delaware Ave Special Assessment	130	CAP2035	New	Local Streets Fund / Special Assessment	195,700	47%	103,000	92,700	46,350	46,350	46,350	-	-	-	-	-
CAP1936	Massoit Rd Special Assessment	130	CAP2035	New	Local Streets Fund / Special Assessment	119,600	78%	26,000	93,600	46,800	46,800	46,800	-	-	-	-	-
CAP2035	2020 Millage Road Reconstruction	132	Major Streets / W&S Projects	Replacement	Local Streets Fund / Special Assessment / W&S Fund / Rates	933,000	100%	-	933,000	466,500	466,500	466,500	-	-	-	-	-
CAP2036	Diverter Islands (Various Woodward Intersections)	79	N/A	New	Local Streets Fund	150,000	100%	-	150,000	-	150,000	150,000	-	-	-	-	-
CAP2040	Arden / Sheridan Green Infrastructure Improvements (possible EGLE grant)	135	W&S Projects	New	Local Streets Fund	150,000	100%	-	150,000	-	150,000	37,500	112,500	-	-	-	-
CAP2050	CDBG Judson Ave Paving Improvements	105	N/A	New	CDBG Fund	400,000	100%	-	400,000	200,000	200,000	200,000	-	-	-	-	-
CAP2135	2021 Millage Road Reconstruction	132	W&S Projects	Replacement	Local Streets Fund	785,000	100%	-	785,000	-	785,000	392,500	392,500	-	-	-	-
CAPXX01	Concrete Pavement And Prepaid Sidewalk Improv.(City-Wide) (CAP1801-CAP2401)	105	W&S Projects / Sidewalk Imp.	Replacement	Water & Sewer Fund / Rates / Local Streets Fund	329,000	100%	-	329,000	94,000	235,000	47,000	47,000	47,000	47,000	47,000	-
CAPXX05	Millage Concrete Street Repairs (CAP1905-CAP2405)	125	W&S Projects	Replacement	Local Streets Fund	7,778,500	100%	-	7,778,500	1,332,300	6,446,200	1,433,600	1,312,500	1,415,400	1,569,900	714,800	-
CAPXX10	Road Work on Water / Sewer Projects (CAP1910-CAP2410)	141	W&S Projects	Replacement	Local Streets Fund	2,561,000	100%	-	2,561,000	375,000	2,186,000	487,500	562,500	553,000	343,000	240,000	-
CAPXX15	Millage Asphalt Resurfacing (CAP1915-CAP2415)	130	W&S Projects	Replacement	Local Streets Fund	12,093,000	100%	-	12,093,000	2,136,000	9,957,000	2,247,000	2,453,000	2,467,500	1,995,000	794,500	-
CAPXX25	Millage and Major Street Joint Sealing (CAP1925-CAP2425)	121	Major Street Joint Sealing	Replacement	Local Streets Fund	374,000	100%	-	374,000	84,000	290,000	50,000	50,000	60,000	80,000	50,000	-
CAPXX55	Special Assessments Paving (CAP1955-CAP2455)	130	N/A	Replacement	Local Streets Fund / Special Assessment	7,355,500	60%	2,856,000	4,499,500	104,000	4,395,500	640,000	1,073,000	1,073,000	1,073,000	536,500	-
	Local Street Improvements				Subtotal	33,224,300		2,985,000	30,239,300	4,884,950	25,354,350	6,244,750	6,003,000	5,615,900	5,107,900	2,382,800	-
Major Street Improvements																	
CAP1101	Surveying Services	84	N/A	New	Major Streets Fund	248,000	100%	-	248,000	35,500	212,500	35,500	35,500	35,500	35,500	35,500	35,000
CAP1899	I-75 Widening (staff work)	139	N/A	New	Major Streets Fund	110,000	100%	-	110,000	10,000	100,000	20,000	20,000	30,000	30,000	-	-
CAP1909	2019 14 Mile Rd Resurfacing (Greenfield Rd to Crooks Rd) - MDOT	130	W&S Projects	Rehabilitation	Major Streets Fund / Federal Funds	4,459,200	22%	3,463,500	995,700	697,000	298,700	298,700	-	-	-	-	-
CAP1941	2019 Traffic Sig. Upgrade - 11 and 13 Mile (CMAQ), downtown mast arm upgrades	134	N/A	Replacement	Major Streets Fund / CMAQ Grant / DDA Fund	2,431,300	37%	1,533,800	897,500	317,400	580,100	580,100	-	-	-	-	-
CAP2006	Inventory of City Street Lights in GIS	72	N/A	New	Major Streets Fund	50,000	100%	-	50,000	-	50,000	50,000	-	-	-	-	-
CAP2007	W. Fourth St Lighting Improvements	108	N/A	Rehabilitation	tbd / DDA Fund	170,000	100%	-	170,000	-	170,000	170,000	-	-	-	-	-
CAP2008	2021 Crooks Road Resurfacing (13 Mile to 14 Mile) - MDOT	132	W&S Projects	Rehabilitation	Major Streets Fund / Federal Funds	2,303,500	26%	1,695,500	608,000	25,000	583,000	437,200	145,800	-	-	-	-
CAP2009	2020 Lincoln Road Resurfacing (Woodward to Lafayette)	107	N/A	Rehabilitation	Major Streets Fund	625,000	100%	-	625,000	8,000	617,000	617,000	-	-	-	-	-
CAP2035	2020 Millage Road Reconstruction	132	Local Streets / W&S Projects	Replacement	Major Streets Fund	169,000	100%	-	169,000	84,500	84,500	84,500	-	-	-	-	-
CAP2041	2020 Traffic Signal Upgrade Project - Crooks and Main (CMAQ)	134	N/A	Replacement	Major Streets Fund / CMAQ Grant	1,334,500	23%	1,030,000	304,500	-	304,500	60,900	243,600	-	-	-	-
CAP2041	2020 Traffic Sig. Upgrade - mast arms on Main St., Kenilworth, Third and Fourth St.	134	N/A	Replacement	DDA Fund	600,000	100%	-	600,000	-	600,000	120,000	480,000	-	-	-	-
CAP2109	2021 S Main St Resurfacing (Lincoln to 11 Mile Rd)	107	N/A	Rehabilitation	Major Streets Fund	1,250,000	100%	-	1,250,000	-	1,250,000	625,000	625,000	-	-	-	-
CAP2208	2022 Lincoln Ave Resurfacing (Lafayette to Campbell)	107	N/A	Rehabilitation	Major Streets Fund	2,000,000	100%	-	2,000,000	-	2,000,000	-	1,000,000	1,000,000	-	-	-
CAP2308	2023 Normandy Rd Resurfacing (Coolidge to Crooks)	107	W&S Projects	Rehabilitation	Major Streets Fund	2,735,000	100%	-	2,735,000	-	2,735,000	-	-	1,367,500	1,367,500	-	-
CAP2408	2024 Rochester Road Resurfacing (Catalpa to 12 Mile Rd)	107	N/A	Rehabilitation	Major Streets Fund	885,000	100%	-	885,000	-	885,000	-	-	-	442,500	442,500	-
CAP2409	2024 11 Mile Rd Gateway Project (Campbell to Stephenson)	107	N/A	Rehabilitation	Major Streets Fund	1,504,000	100%	-	1,504,000	-	1,504,000	-	-	-	752,000	752,000	-
CAP2507	2025 Crooks Road Resurfacing (North Main St to 13 Mile Road)	107	N/A	Rehabilitation	Major Streets Fund	3,755,000	100%	-	3,755,000	-	3,755,000	-	-	-	-	1,877,500	1,877,500
CAP2508	2025 Gardenia Road Resurfacing (Campbell Rd to Stephenson Rd)	107	N/A	Rehabilitation	Major Streets Fund	645,000	100%	-	645,000	-	645,000	-	-	-	-	322,500	322,500
CAP2509	2025 11 Mile Road Resurfacing (Main St to Campbell Rd)	107	N/A	Rehabilitation	Major Streets Fund	2,205,000	100%	-	2,205,000	-	2,205,000	-	-	-	-	1,102,500	1,102,500
CAPXX25	Millage and Major Street Joint Sealing (CAP1925-CAP2525)	121	Local St. Joint Sealing	Rehabilitation	Major Streets Fund	1,424,000	100%	-	1,424,000	130,000	1,294,000	270,000	251,000	148,000	328,000	297,000	-</

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 2020-21:

Parking revenues for the 2019 festival came in approximately \$30,000 under the fiscal year 2019-20 original budget, however, this is still an increase from revenue taken in during the 2018 festival. Due to the uncertain nature of the event, the budget for fiscal year 2020-21 is based upon an average of the last three years of revenues. The future years' estimated budgets project that the use of fund balance will be needed as a revenue source and the fund will be in a deficit position by fiscal year 2024-25 at this pace.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	1,940	3,340	5,960	6,810	5,850	3,020
Revenues and transfers from other funds	239,360	257,000	257,000	257,000	257,000	257,000
Expenditures and transfers to other funds	237,960	254,380	256,150	257,960	259,830	261,740
Net Change in Net Assets	1,400	2,620	850	(960)	(2,830)	(4,740)
Ending Unrestricted Net Assets	3,340	5,960	6,810	5,850	3,020	(1,720)

Revenues

506.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	231,320	0	0	0	231,320
2019-2020 Original Budget	0	0	270,000	0	0	0	270,000
2019-2020 Adjusted Budget (Dec)	0	0	270,000	0	0	0	270,000
2019-2020 Six Month Actual	0	0	237,980	0	0	0	237,980
2019-2020 Estimated Year End	0	0	239,360	0	0	0	239,360
2020-2021 Dept Request	0	0	257,000	0	0	0	257,000
2020-2021 Manager's Budget	0	0	257,000	0	0	0	257,000
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	257,000	0	0	0	257,000
2022-2023 Projected Budget	0	0	257,000	0	0	0	257,000
2023-2024 Projected Budget	0	0	257,000	0	0	0	257,000
2024-2025 Projected Budget	0	0	257,000	0	0	0	257,000

Expenditures

506.837 ARTS, BEATS, & EATS	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2016-2017 Actual	67,540	208,890	0	74,160	111,440	0	462,030
2017-2018 Actual	64,780	62,880	0	65,510	100,000	0	293,170
2018-2019 Actual	80,060	33,620	0	82,750	100,000	0	296,430
2019-2020 Original Budget	75,000	13,880	0	85,050	100,000	0	273,930
2019-2020 Adjusted Budget (Dec)	75,000	13,880	0	85,050	100,000	0	273,930
2019-2020 Six Month Actual	65,360	10,890	0	76,060	0	0	152,310
2019-2020 Estimated Year End	65,360	11,500	0	76,100	85,000	0	237,960
2020-2021 Dept Request	73,120	11,210	0	70,050	100,000	0	254,380
2020-2021 Manager's Budget	73,120	11,210	0	70,050	100,000	0	254,380
2020-2021 Approved Budget							
2021-2022 Projected Budget	74,870	11,230	0	70,050	100,000	0	256,150
2022-2023 Projected Budget	76,660	11,250	0	70,050	100,000	0	257,960
2023-2024 Projected Budget	78,500	11,280	0	70,050	100,000	0	259,830
2024-2025 Projected Budget	80,380	11,310	0	70,050	100,000	0	261,740

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 businesspersons 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, tennis and lacrosse. Recently we have added art classes, young engineers and story time with crafts. (933 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 3,700 and tennis 105. (est. 3,145 participants)

Adult Enrichment: Programs include tai-chi, yoga, ballroom dance. In 2016, the department began offering cooking classes; Ravioli's, Cannoli's, Pierogis'. (est. 450 participants)

Adult Fitness: Classes include aerobics, kickboxing, pilates, abs, glutes, and thighs. (1,152 participants)

Cultural Events: The 50th Annual Royal Oak Art Fair will be held July 11 and 12 at Memorial Park (tentatively). 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. It also 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. Infrastructure - to maintain, replace and enhance Royal Oak's infrastructure to promote efficient and sustainable delivery of beneficial services.
2. Operations – To perform all city operations as efficiently and effectively as possible.
3. Community – to preserve neighborhoods by encouraging community involvement and family activities.
4. Enhance the quality of life for residents by offering desirable leisure and social activities.
5. Make the execution of the parks & recreation master plan a top priority.

OBJECTIVES

- Finalize the design and bid out the Downtown Park project. ^{GOAL1}
- Evaluate the Royal Oak Next Plan and identify measures to move forward. ^{GOAL2}
- Complete phase one of Normandy Oaks Park. ^{GOAL 3,4,5}
- Continue to revamp city parks yearly and implement the five-year park master plan. ^{GOAL3}
- Examine options to address park drainage issues. ^{GOAL3}
- Continue to work with vendors to add more classes for our residents. ^{GOAL4}
- Finish the renovation of Memorial Park field number 3. ^{GOAL3,4,5}
- Create tournaments for adult sports to include softball and kickball. ^{GOAL4}

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL1 Participants						
Preschool – Senior Center	79	72	72	80	80	80
Youth Sports & Enrichment	1,046	1,103	486	1,000	1,200	1,200
Summer Day Camp	360	340	0	400	400	400
Adult Sports Leagues	2,720	2,800	620	2,800	2,800	2,800
Adult Enrichment	255	271	111	0	0	0
Adult Fitness	1,232	1,352	459	0	0	0
Cultural Events - Artists	101	90	0	95	100	100
GOAL1 Adult Sports League Teams						
Softball	100	99	0	100	100	100
Soccer - Women	4	6	0	6	6	6
Basketball	0	0	0	0	0	0
Volleyball	32	32	31	32	32	32
Pickle Ball registrations	3,200	3,200	1,600	3,500	3,500	3,500
GOAL2 Venues Scheduled						
Soccer Fields (spring & fall)	18	18	0	18	18	20
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	350	600	705	705
Outdoor Field Rentals	350	350	0	250	380	380
Pavilion Rentals – VFW and Starr/JC parks	229	229	0	100	280	280

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Due to the Stay at Home executive order issued by the State of Michigan in response to the Covid-19 pandemic, it is assumed the revenues for fiscal year 2019-20 have been affected in the following manner: revenues from youth sports charges and youth enrichment programs are estimated to be under budget by \$45,000 and \$42,000, respectively. Revenues lost from adult fitness programs, adult sports leagues, and enrichment programs are estimated to be \$40,920, \$35,590, and \$5,670, respectively. **The 2019-20 projected, 2020-21 budget, and other projected fiscal year columns assume the recreation programs will be affected by the COVID-19 precautions through June 30, 2020 only. As a result, a significant amount of fund balance may be used in fiscal year 2019-20.**

Revenue from youth sports is anticipated to increase \$2,000 relative to the fiscal year 2019-20 original budget due to the addition of a lacrosse program. Advertising revenues are conservatively budgeted at \$3,500, due to an increase in field sponsorship during fiscal year 2019-20, while interest income is projected to decrease by \$6,000 relative to the fiscal year 2019-20 original budget due to declining interest rates.

There are no significant changes in expenditures.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
*Beginning Unrestricted Net Assets	551,505	372,165	358,935	336,835	306,115	266,515
Revenues and transfers from other funds	362,850	538,000	538,000	538,000	538,000	538,000
**Expenditures and transfers to other funds	542,190	551,230	560,100	568,720	577,600	587,790
Net Change in Net Assets	(179,340)	(13,230)	(22,100)	(30,720)	(39,600)	(49,790)
Ending Unrestricted Net Assets	372,165	358,935	336,835	306,115	266,515	216,725

*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
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 Actual	0	0	591,510	10,540	0	0	602,050
2019-2020 Original Budget	0	0	532,000	9,000	0	0	541,000
2019-2020 Adjusted Budget (Dec)	0	0	532,000	9,000	0	0	541,000
2019-2020 Six Month Actual	0	0	212,650	4,750	0	0	217,400
2019-2020 Estimated Year End	0	0	354,850	8,000	0	0	362,850
2020-2021 Dept Request	0	0	535,000	3,000	0	0	538,000
2020-2021 Manager's Budget	0	0	535,000	3,000	0	0	538,000
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	535,000	3,000	0	0	538,000
2022-2023 Projected Budget	0	0	535,000	3,000	0	0	538,000
2023-2024 Projected Budget	0	0	535,000	3,000	0	0	538,000
2024-2025 Projected Budget	0	0	535,000	3,000	0	0	538,000

Expenditures

508.751 RECREATION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	282,690	18,560	0	212,360	47,240	560,850
2019-2020 Original Budget	215,210	21,000	0	210,310	95,500	542,020
2019-2020 Adjusted Budget (Dec)	215,210	21,000	0	210,310	95,500	542,020
2019-2020 Six Month Actual	108,840	11,560	0	106,810	0	227,210
2019-2020 Estimated Year End	219,150	21,000	0	206,540	95,500	542,190
2020-2021 Dept Request	228,020	21,000	0	207,710	94,500	551,230
2020-2021 Manager's Budget	228,020	21,000	0	207,710	94,500	551,230
2020-2021 Approved Budget						
2021-2022 Projected Budget	235,210	21,000	0	208,890	95,000	560,100
2022-2023 Projected Budget	242,630	21,000	0	210,090	95,000	568,720
2023-2024 Projected Budget	250,290	21,000	0	211,310	95,000	577,600
2024-2025 Projected Budget	258,230	21,000	0	212,560	96,000	587,790

508.752 SALTER COMMUNITY CENTER	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	87,150	0	87,150
2017-2018 Actual	0	0	0	90,210	0	90,210
2018-2019 Actual	0	0	0	85,530	0	85,530
2019-2020 Original Budget	0	0	0	88,000	0	88,000
2019-2020 Adjusted Budget (Dec)	0	0	0	88,000	0	88,000
2019-2020 Six Month Actual	0	0	0	44,200	0	44,200
2019-2020 Estimated Year End	0	0	0	88,000	0	88,000
2020-2021 Dept Request	0	0	0	88,000	0	88,000
2020-2021 Manager's Budget	0	0	0	88,000	0	88,000
2020-2021 Approved Budget						
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
2024-2025 Projected Budget	0	0	0	88,000	0	88,000

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Recreation		Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	
<u>Full-Time Positions</u>										
Director of Rec & Public Svc	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	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Cost center total	2.0	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 3,900 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 2020-21:

Fiscal year 2020-21 total revenue is expected to decrease relative to fiscal year 2019-20 original budget mostly due to attendant parking revenue. **The 2019-20 projected, 2020-21 budget and other projected fiscal year assume the parking system revenue will be affected by the COVID-19 precautions through June 30, 2020 only.**

The transfer from the DDA TIFA fund is budgeted at \$584,000 to fund 50% of the Center Street debt payment.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
*Beginning Unrestricted Net Assets	4,826,828	4,286,988	4,519,868	5,023,248	5,507,318	5,972,698
Revenues and transfers from other funds	4,383,750	4,988,750	5,641,750	5,641,750	5,641,750	5,641,750
Expenditures and transfers to other funds	4,923,590	4,755,870	5,138,370	5,157,680	5,176,370	5,198,460
Net Change in Net Assets	(539,840)	232,880	503,380	484,070	465,380	443,290
Ending Unrestricted Net Assets	4,286,988	4,519,868	5,023,248	5,507,318	5,972,698	6,415,988

*adjusted for bond proceeds

Note: depreciation of approximately \$1.26M is included in expenses

Revenues

516.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	4,905,630	0	53,370	580,790	5,539,790
2019-2020 Original Budget	0	0	4,848,000	0	27,000	582,560	5,457,560
2019-2020 Adjusted Budget (Dec)	0	0	4,848,000	0	27,000	607,360	5,482,360
2019-2020 Six Month Actual	0	0	2,625,610	0	355,850	477,410	3,458,870
2019-2020 Estimated Year End	0	0	3,745,390	0	55,800	582,560	4,383,750
2020-2021 Dept Request	0	0	4,368,300	0	36,670	583,780	4,988,750
2020-2021 Manager's Budget	0	0	4,368,300	0	36,670	583,780	4,988,750
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	5,021,300	0	36,670	583,780	5,641,750
2022-2023 Projected Budget	0	0	5,021,300	0	36,670	583,780	5,641,750
2023-2024 Projected Budget	0	0	5,021,300	0	36,670	583,780	5,641,750
2024-2025 Projected Budget	0	0	5,021,300	0	36,670	583,780	5,641,750

Auto Parking Fund – Parking Enforcement

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 11 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.
2. Improve customer satisfaction.

OBJECTIVES

- Coordinate with the 44th district court to provide customers with alternative ways to resolve parking disputes. GOAL2

Performance Indicators / Outcome Measures

	Actual <u>2017</u>	Actual <u>2018</u>	Actual <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>
Violations Issued	67,537	56,869	66,663	62,500	62,500	62,500

Note: Performance indicators are reported on a calendar year basis as opposed to a fiscal year.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are decreasing relative to the fiscal year 2019-20 original budget due to a decrease in the allocation of time charged to this cost center by full-time staff, although the decrease is partially offset by an increase in part-time staff costs. Miscellaneous operating supplies are increasing \$10,000 relative to fiscal year 2019-20 original budget based upon budgeting the average actual expenses experienced the past few years.

Budget Summary

Expenditures

516.316 PARKING ENFORCEMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	223,950	5,120	0	28,910	0	257,980
2019-2020 Original Budget	244,160	5,000	0	25,280	0	274,440
2019-2020 Adjusted Budget (Dec)	244,160	5,000	0	25,280	0	274,440
2019-2020 Six Month Actual	124,380	560	0	10,530	0	135,470
2019-2020 Estimated Year End	247,140	5,000	0	25,280	0	277,420
2020-2021 Dept Request	208,460	5,000	0	35,680	0	249,140
2020-2021 Manager's Budget	208,460	5,000	0	35,680	0	249,140
2020-2021 Approved Budget						
2021-2022 Projected Budget	214,050	5,000	0	35,770	0	254,820
2022-2023 Projected Budget	219,790	5,000	0	35,870	0	260,660
2023-2024 Projected Budget	225,700	5,000	0	35,970	0	266,670
2024-2025 Projected Budget	231,790	5,000	0	36,070	0	272,860

Cost Center Position Detail- Home Base

[illegible]

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.
4. To improve public parking experience by updating and maintaining city assets.

OBJECTIVES

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing relative to the fiscal year 2019-20 original budget due to a change in the allocation of staff budgeted to this cost center.

Continued repair to aging buildings (under a three-year plan) and infrastructure budget includes: \$80,000 to repair concrete, joint, and drains; \$43,000 to install fiber optic lines to process credit card transactions in parking structures; and \$14,000 to replace elevator ceiling tiles. Equipment repair and maintenance services are budgeted to decrease \$46,500 relative to the fiscal year 2019-20 original budget due to wall repair at Catalpa that is expected to be complete by the end of the current fiscal year. Building security services are increasing \$4,000 for additional cameras installed at the 11 Mile garage. Parking meter parts are decreasing \$10,000 as new replacement meters may be purchased in the future. \$30,000 is being transferred to the motor pool fund for the replacement of two personal electric stand up vehicles.

Depreciation expense is increasing \$369,000 relative to fiscal year 2019-20 original budget due to beginning to expense depreciation on the new (11 Mile) parking garage. Insurance is increasing \$24,800 mostly due to adding the new parking garage to the coverage policy.

Budget Summary Expenditures

516.570 AUTO PARKING	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2016-2017 Actual	(391,050)	25,490	69,470	688,050	1,270	1,630,370	2,023,600
2017-2018 Actual	299,360	36,140	17,330	1,652,110	0	802,940	2,807,880
2018-2019 Actual	622,490	37,180	55,350	2,249,940	275,000	1,269,420	4,509,380
2019-2020 Original Budget	279,590	54,850	65,000	3,179,180	275,000	1,229,500	5,083,120
2019-2020 Adjusted Budget (Dec)	279,590	54,850	65,000	3,179,180	275,000	1,229,500	5,083,120
2019-2020 Six Month Actual	151,340	14,440	13,200	1,343,970	0	634,930	2,157,880
2019-2020 Estimated Year End	339,930	36,650	13,200	2,661,550	0	1,230,500	4,281,830
2020-2021 Dept Request	383,780	40,150	67,000	2,828,300	30,000	1,157,500	4,506,730
2020-2021 Manager's Budget	383,780	40,150	67,000	2,828,300	30,000	1,157,500	4,506,730
2020-2021 Approved Budget							
2021-2022 Projected Budget	396,550	40,150	50,000	3,268,850	0	1,128,000	4,883,550
2022-2023 Projected Budget	409,850	40,150	50,000	3,289,020	0	1,108,000	4,897,020
2023-2024 Projected Budget	423,690	40,150	50,000	3,309,860	0	1,086,000	4,909,700
2024-2025 Projected Budget	438,090	40,150	50,000	3,331,360	0	1,066,000	4,925,600

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

Auto Parking		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		3.0	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 2020-21:

There are no construction projects budgeted for fiscal year 2020-21. The 11 Mile and Williams parking structure was completed and opened during 2019.

Budget Summary Expenditures

516.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	0	0	0	0	0	0
2017-2018 Actual	0	0	0	0	0	0
2018-2019 Actual	0	0	0	0	0	0
2019-2020 Original Budget	0	0	0	100,000	0	100,000
2019-2020 Adjusted Budget (Dec)	0	0	0	100,000	0	100,000
2019-2020 Six Month Actual	0	0	0	325,800	0	325,800
2019-2020 Estimated Year End	0	0	0	364,340	0	364,340
2020-2021 Dept Request	0	0	0	0	0	0
2020-2021 Manager's Budget	0	0	0	0	0	0
2020-2021 Approved Budget						
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
2024-2025 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

- Create more community and family driven events to help support the Farmers Market and Civic Center area. ^{GOAL2,3,4}
- Create programs to educate the community on the importance of locally grown and raised produce, meat and eggs, to create a better understanding on the positive impact to personal health and the local economy. ^{GOAL1}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Due to the Stay at Home executive order issued by the State of Michigan in response to the Coronavirus pandemic, projected revenues for fiscal year 2019-20 have been affected in the following manner: The postponement of the Sunday antique market has resulted in fifteen markets being cancelled for the remainder of the fiscal year, with an estimated revenue loss of \$45,000. Twelve private rentals have been postponed (with all but one rescheduled) resulting in an estimated loss in the current year of \$25,000. The cancellation of the Food Truck Rally during April through June is projected to result in \$7,000 of lost revenue. There is an estimated \$10,000 loss attributed to the loss of advertising revenue from selling space in the In-Harvest Guide and a \$2,500 loss from cancelled sponsorship for previously scheduled in-house events. **The 2019-20 projected, 2020-21 budget and other projected fiscal year columns assume the market will be affected by the COVID-19 precautions through June 30, 2020 only. As a result, a significant amount of fund balance may be used in fiscal year 2019-20.**

Upon completion of the new city hall and the Royal Oak Civic Center project, (pre COVID-19) the farmers market fully expects to regain lost revenues from past Saturday and Sunday regular markets, market rentals and event sponsorships. In addition, the size of events such as the annual Corn Roast & Country Fair and Senior Health Expo will increase allowing for more sponsorship revenue and there will be a focus on creating new community events including, but not limited to, artisan markets, festivals, and expos, to bring in additional revenue to the farmers market while supporting the civic center area.

Special event expenses are increasing \$9,000 relative to the fiscal year 2019-20 original budget due to the request to expand events such as the annual Corn Roast, Senior Health Expo, and to host the return of the Royal Oak Holiday Tree Lighting ceremony. Printing and document duplicating costs are decreasing \$2,000, telephone services are decreasing \$3,000, while water is increasing \$1,000, relative to the fiscal year 2019-20 original budget, based on historical activity.

The following project was approved and included in the fiscal year 2019-20 budget and is being requested to be re-appropriated to the fiscal year 2020-21 budget:

- West porch enclosure /11 Mile Road awning \$30,000

The estimated future years revenue and expense projections in the budget summary table illustrates that revenues are not sufficient to sustain anticipated expenses, and the use of retained earnings to balance the annual deficit will be necessary each year. However, this is not sustainable as unrestricted net assets are nearly depleted by 2024-25.

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
GOAL ¹ Customer Attendance Rate <i>Saturday and Sunday Combined</i>	5,500	5,500	2,800	4,000	5,000	6,000
GOAL ¹ Facility Rentals	124	120	58	100	150	160
GOAL ¹ Average Vendor Occupancy Rate						
Saturday Farm Market	99%	99%	99%	99%	99%	100%
Average Sunday Antique Market	98%	99%	99%	99%	99%	100%

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	685,076	480,336	355,686	253,646	188,036	113,686
Revenues and transfers from other funds	311,930	462,500	463,500	508,500	508,500	508,500
*Expenditures and transfers to other funds	516,670	587,150	565,540	574,110	582,850	591,780
Net Change in Net Assets	(204,740)	(124,650)	(102,040)	(65,610)	(74,350)	(83,280)
Ending Unrestricted Net Assets	480,336	355,686	253,646	188,036	113,686	30,406

*depreciation of approximately \$74,000 is removed from expenses

Revenues

551.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	478,840	3,850	9,650	7,390	499,730
2017-2018 Actual	0	0	563,950	4,590	9,460	0	578,000
2018-2019 Actual	0	0	475,660	14,970	3,730	0	494,360
2019-2020 Original Budget	0	0	469,500	15,000	4,000	0	488,500
2019-2020 Adjusted Budget (Dec)	0	0	469,500	15,000	4,000	0	488,500
2019-2020 Six Month Actual	0	0	245,480	5,700	2,070	0	253,250
2019-2020 Estimated Year End	0	0	297,930	10,000	4,000	0	311,930
2020-2021 Dept Request	0	0	454,500	4,000	4,000	0	462,500
2020-2021 Manager's Budget	0	0	454,500	4,000	4,000	0	462,500
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	454,500	5,000	4,000	0	463,500
2022-2023 Projected Budget	0	0	499,500	5,000	4,000	0	508,500
2023-2024 Projected Budget	0	0	499,500	5,000	4,000	0	508,500
2024-2025 Projected Budget	0	0	499,500	5,000	4,000	0	508,500

Expenditures

551.545 FARMERS MARKET	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	(4,270)	7,260	12,050	524,430	0	539,470
2017-2018 Actual	5,180	8,520	13,390	549,650	0	576,740
2018-2019 Actual	9,750	5,670	23,120	546,700	0	585,240
2019-2020 Original Budget	8,480	9,500	48,000	598,070	0	664,050
2019-2020 Adjusted Budget (Dec)	8,480	9,500	48,000	598,070	0	664,050
2019-2020 Six Month Actual	3,790	2,410	0	289,850	0	296,050
2019-2020 Estimated Year End	7,240	8,500	18,000	555,930	0	589,670
2020-2021 Dept Request	6,930	9,500	30,000	614,720	0	661,150
2020-2021 Manager's Budget	6,930	9,500	30,000	614,720	0	661,150
2020-2021 Approved Budget						
2021-2022 Projected Budget	7,110	9,500	0	622,930	0	639,540
2022-2023 Projected Budget	7,300	9,500	0	631,310	0	648,110
2023-2024 Projected Budget	7,490	9,500	0	639,860	0	656,850
2024-2025 Projected Budget	7,690	9,500	0	648,590	0	665,780

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 numerous cost centers to categorize its activities: engineering, administration, water billing, water maintenance, meter services, sewer maintenance and construction.

Most of the revenues for these operations are generated based upon the amount of water used by Royal Oak's residential and commercial/industrial customers.

Most revenue is generated through two-tiered user charges. The water/sewer combined commodity rate is budgeted to increase by 1.8%. SOCWA is increasing the water rate to the city by 3.5%. Oakland County Water Resources Commission is increasing its sewer/storm rates (combined) by 1.1%. Fiscal year 2020-21 is the third year of the drain debt levy budgeted at 1.0045 mills (a decrease from the prior year) to pay the chapter 20 drain debt, as this was formerly collected in the sewer commodity charge. The flat billing rate is budgeted to increase \$1 from \$12.00 to \$13.00 per quarter for the purpose of recouping the city's water billing costs.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	5,155,997	2,190,577	1,984,657	(8,933)	(1,386,953)	(2,951,303)
Revenues and transfers from other funds	29,676,060	33,533,500	34,423,210	35,099,110	36,043,000	37,015,210
*Expenditures and transfers to other funds	32,641,480	33,739,420	36,416,800	36,477,130	37,607,350	36,116,100
Net Change in Net Assets	(2,965,420)	(205,920)	(1,993,590)	(1,378,020)	(1,564,350)	899,110
Ending Unrestricted Net Assets	2,190,577	1,984,657	(8,933)	(1,386,953)	(2,951,303)	(2,052,193)

**includes depreciation expense*

Revenues

592.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	31,541,110	5,780	175,600	2,477,970	34,200,460
2017-2018 Actual	0	0	31,097,570	29,240	139,500	122,780	31,389,090
2018-2019 Actual	2,849,310	0	26,540,660	116,200	177,590	38,900	29,722,660
2019-2020 Original Budget	2,870,000	0	29,080,000	90,000	90,000	1,317,460	33,447,460
2019-2020 Adjusted Budget (Dec)	2,870,000	0	29,080,000	90,000	90,000	1,317,460	33,447,460
2019-2020 Six Month Actual	13,920	0	14,617,310	69,680	61,980	0	14,762,890
2019-2020 Estimated Year End	2,885,000	0	26,575,000	103,680	112,380	0	29,676,060
2020-2021 Dept Request	2,809,000	0	30,307,000	66,000	351,500	0	33,533,500
2020-2021 Manager's Budget	2,809,000	0	30,307,000	66,000	351,500	0	33,533,500
2020-2021 Approved Budget							
2021-2022 Projected Budget	2,809,000	0	31,196,710	66,000	351,500	0	34,423,210
2022-2023 Projected Budget	2,809,000	0	32,113,110	66,000	111,000	0	35,099,110
2023-2024 Projected Budget	2,809,000	0	33,057,000	66,000	111,000	0	36,043,000
2024-2025 Projected Budget	2,809,000	0	34,029,210	66,000	111,000	0	37,015,210

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 sewer problems throughout the year then coordinates rehabilitation or 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. Infrastructure – to maintain. Replace 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.

3.

OBJECTIVES

- Develop a stormwater utility for city commission consideration. ^{GOAL1}
- Update the city's inventory of lead and copper service lines, assess their current status and identify total costs for replacement. ^{GOAL1}
- Create a plan to update the replacement of the lead and copper service lines. ^{GOAL1}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

There is an increase in personnel costs relative to the fiscal year 2019-20 original budget due to a slightly higher allocation of engineering staff to this cost center for work on general water and sewer projects that are not tied to specific capital projects.

Fiscal year 2019-20 included a one-time cost for a service line reimbursement agreement that is not anticipated in 2020-21.

Budget Summary Expenditures

592.447 ENGINEERING	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	51,400	0	0	860	0	52,260
2019-2020 Original Budget	29,160	0	0	0	0	29,160
2019-2020 Adjusted Budget (Dec)	29,160	0	0	0	0	29,160
2019-2020 Six Month Actual	22,040	0	0	7,430	0	29,470
2019-2020 Estimated Year End	53,210	0	0	7,590	0	60,800
2020-2021 Dept Request	41,850	0	0	0	0	41,850
2020-2021 Manager's Budget	41,850	0	0	0	0	41,850
2020-2021 Approved Budget						
2021-2022 Projected Budget	43,300	0	0	0	0	43,300
2022-2023 Projected Budget	44,820	0	0	0	0	44,820
2023-2024 Projected Budget	46,380	0	0	0	0	46,380
2024-2025 Projected Budget	48,010	0	0	0	0	48,010

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 2020-21:

The water purchases costs (from SOCWA) are budgeted to increase by approximately 6.8% relative to fiscal year 2019-20 estimated budget. Administrative charges are increasing approximately \$36,000 due to the water and sewer fund having a larger percentage of overall expenditures during fiscal year 2018-19. Depreciation is budgeted to increase by \$48,000 relative to the fiscal year 2019-20 estimated budget due to increased capital projects to depreciate.

Budget Summary Expenditures

592.536 WATER & SEWER ADMINISTRATION	Personnel Services	Supplies	Capital	Other	Transfers	Debt
2016-2017 Actual	0	0	0	9,868,870	4,500	558,230
2017-2018 Actual	0	0	0	8,117,710	4,000	961,220
2018-2019 Actual	0	0	0	8,199,020	3,000	844,110
2019-2020 Original Budget	0	0	0	8,089,620	2,000	1,228,000
2019-2020 Adjusted Budget (Dec)	0	0	0	8,089,620	2,000	910,000
2019-2020 Six Month Actual	0	0	0	3,790,430	0	239,460
2019-2020 Estimated Year End	0	0	0	7,735,850	2,000	1,228,000
2020-2021 Dept Request	0	0	0	8,126,550	3,000	1,161,300
2020-2021 Manager's Budget	0	0	0	8,126,550	3,000	1,161,300
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	8,341,590	3,000	1,259,000
2022-2023 Projected Budget	0	0	0	8,550,780	3,000	1,186,500
2023-2024 Projected Budget	0	0	0	8,764,780	3,000	1,112,000
2024-2025 Projected Budget	0	0	0	8,982,760	3,000	1,056,000

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 2020-21:

Personnel costs are increasing due to newer employees (who are not at the top of their pay range) potentially receiving merit wage increases. Relative to fiscal year 2019-20 projected, printing and document duplicating costs are anticipated to increase slightly.

Budget Summary Expenditures

592.537 WATER BILLING	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	162,680	180	0	53,180	0	216,040
2019-2020 Original Budget	55,180	200	0	56,000	0	111,380
2019-2020 Adjusted Budget (Dec)	55,180	200	0	56,000	0	111,380
2019-2020 Six Month Actual	44,610	0	0	24,860	0	69,470
2019-2020 Estimated Year End	76,290	200	0	58,000	0	134,490
2020-2021 Dept Request	60,340	200	0	61,000	0	121,540
2020-2021 Manager's Budget	60,340	200	0	61,000	0	121,540
2020-2021 Approved Budget						
2021-2022 Projected Budget	62,110	200	0	62,830	0	125,140
2022-2023 Projected Budget	63,940	200	0	64,710	0	128,850
2023-2024 Projected Budget	65,840	200	0	66,650	0	132,690
2024-2025 Projected Budget	67,800	200	0	68,650	0	136,650

Cost Center Position FTE Detail Full & Part-Time Employees

Water Billing		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>										
Water Service – MC III		1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Water Billing - MC I / MC II		0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Utility Billing Specialist		0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Full-time total		1.0	1.0	1.0	1.0	1.0	1.0	2.0	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	2.0	1.0	1.0

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.

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, and reports malfunctions to the water maintenance division.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing due to a higher allocation of DPS staff budgeted in this cost center for fiscal year 2020-21. There is also increases for assumed wage steps and increases in other benefits including pension – UAL.

\$500,000 has been budgeted in miscellaneous contracted services as a contingency for private water lead related work in fiscal year 2020-21. Training and education costs are increasing \$1,250 relative to fiscal year 2019-20 original budget to cover CEU credits / group training and trenching safety training. Corporations, curb stops, and curb boxes are increasing \$3,000 relative to the fiscal year 2019-20 original budget to cover incidentals related to lead line replacements. Motor pool rental charges, which are allocated to this cost center based on service truck hours, are projected to increase for fiscal year 2020-21 by \$86,600 relative to the fiscal year 2019-20 original budget.

Budget Summary Expenditures

592.538 WATER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	211,300	128,120	0	591,840	0	931,260
2017-2018 Actual	1,775,390	89,090	3,990	611,630	0	2,480,100
2018-2019 Actual	1,435,440	119,140	49,900	663,370	0	2,267,850
2019-2020 Original Budget	933,780	127,200	0	643,270	0	1,704,250
2019-2020 Adjusted Budget (Dec)	933,780	127,200	0	655,270	0	1,716,250
2019-2020 Six Month Actual	439,930	44,410	0	312,620	0	796,960
2019-2020 Estimated Year End	1,000,800	129,800	0	685,480	0	1,816,080
2020-2021 Dept Request	1,046,900	130,200	0	1,238,300	0	2,415,400
2020-2021 Manager's Budget	1,046,900	130,200	0	1,238,300	0	2,415,400
2020-2021 Approved Budget						
2021-2022 Projected Budget	1,079,550	130,200	0	1,251,990	0	2,461,740
2022-2023 Projected Budget	1,113,520	130,200	0	1,265,960	0	2,509,680
2023-2024 Projected Budget	1,148,850	130,200	0	1,280,210	0	2,559,260
2024-2025 Projected Budget	1,185,630	130,200	0	1,294,740	0	2,610,570

Cost Center Position FTE Detail Full & Part-Time Employees

Water Maintenance		Fiscal Year							
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Full-time total	1.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5
<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	7.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5

The mission of the water service division is to maintain the water connection between the city's water main and water customers' meters. In addition to installing and repairing water meters and related equipment, water service division employees respond to consumer concerns, investigate leaks, and assist in the administration of the city's lead service line replacement program. The city's residential and commercial cross connection control programs are also included in this cost center.

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 the 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, and cross connection inspections.

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.

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

- Develop a comprehensive inventory of all water service line materials throughout the city. ^{GOAL}
- Replace 7% of lead/galvanized water services per year. ^{GOAL}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Personnel costs are increasing due to assumed step wage increases for newer staff in fiscal year 2020-21. Temporary wages are increasing \$31,680 relative to the fiscal year 2019-20 original budget to hire an experienced part-time employee to help with the mandatory water service line replacements in fiscal year 2020-21.

There are no significant changes expected for expenditures relative to the fiscal year 2019-20 original budget.

**Budget Summary
Expenditures**

592.539 METER SERVICES	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	639,720	478,850	0	133,060	0	1,251,630
2019-2020 Original Budget	403,480	402,750	0	152,130	0	958,360
2019-2020 Adjusted Budget (Dec)	403,480	402,750	0	152,130	0	958,360
2019-2020 Six Month Actual	181,610	253,510	0	80,670	0	515,790
2019-2020 Estimated Year End	407,100	402,750	0	155,950	0	965,800
2020-2021 Dept Request	452,260	402,900	0	154,890	0	1,010,050
2020-2021 Manager's Budget	452,260	402,900	0	154,890	0	1,010,050
2020-2021 Approved Budget						
2021-2022 Projected Budget	465,410	402,900	0	155,440	0	1,023,750
2022-2023 Projected Budget	479,090	402,900	0	156,000	0	1,037,990
2023-2024 Projected Budget	493,330	402,900	0	156,570	0	1,052,800
2024-2025 Projected Budget	508,130	402,900	0	157,150	0	1,068,180

Cost Center Position FTE Detail
Full & Part-Time Employees

Meter Services	Fiscal Year								
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<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	3.0	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	4.0	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 snowstorms 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 2020-21:

Personnel costs are decreasing due to less time being allocated here by DPS employees and engineering staff relative to the fiscal year 2019-20 original budget, and reduced costs from the retirement of the DPS director and city engineer during fiscal year 2019-20. The fiscal year 2019-20 also included six months of funding for a second director of recreation and public services position for succession/training planning purposes.

Motor pool rental charges are budgeted to increase \$89,920 relative to fiscal year 2019-20 due to increased cost for usage of new equipment purchased in the prior year. Hauling services are increasing \$3,000 relative to fiscal year 2019-20 to better reflect historical usage. Sewage disposal service costs are increasing 1.1 percent from the Oakland County Water Resources commission and \$600,000 is budgeted for sewer televising and root control work and sewer fog treatment.

Budget Summary Expenditures

592.540 SEWER MAINTENANCE	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	96,380	50,530	0	13,205,680	0	13,352,590
2017-2018 Actual	1,272,670	61,490	0	13,682,150	0	15,016,310
2018-2019 Actual	936,700	57,680	0	13,864,550	0	14,858,930
2019-2020 Original Budget	879,720	57,710	0	14,337,070	0	15,274,500
2019-2020 Adjusted Budget (Dec)	879,720	57,710	0	14,325,070	0	15,262,500
2019-2020 Six Month Actual	270,900	33,420	0	5,910,270	0	6,214,590
2019-2020 Estimated Year End	710,790	58,210	0	14,349,760	0	15,118,760
2020-2021 Dept Request	692,390	57,710	0	14,433,070	0	15,183,170
2020-2021 Manager's Budget	692,390	57,710	0	14,433,070	0	15,183,170
2020-2021 Approved Budget						
2021-2022 Projected Budget	715,570	57,710	0	14,843,260	0	15,616,540
2022-2023 Projected Budget	739,700	57,710	0	15,296,820	0	16,094,230
2023-2024 Projected Budget	764,800	57,710	0	15,767,310	0	16,589,820
2024-2025 Projected Budget	790,940	57,710	0	16,257,520	0	17,106,170

Cost Center Position FTE Detail Full & Part-Time Employees

Sewer Maintenance		Fiscal Year								
		12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Full-Time Positions										
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		3.0	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	6.0	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		7.0	7.0	7.0	7.0	7.0	9.0	9.0	9.0	9.0
Part-Time Positions (FTEs)										
Part-time positions		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cost center total		7.0	7.0	7.0	7.0	7.0	9.0	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 2020-21:

The fiscal year 2020-21 budget includes \$40,000 to perform a quality control review and water reliability study, and \$3,500 budgeted in supplies for a new rain gauge.

The following capital improvement projects related to water and sewer for FY2020-21 are as follows (may deviate from CIP):

• CAP2001 concrete pavement and prepaid sidewalk imp. 2020	\$119,980*
• CAP2010 water main improvements 2020	1,345,610*
• CAP2101 concrete pavement and prepaid sidewalk imp. 2021	428,290*
• CAP2008 new water main Nakota Rd. to 14 Mile Rd.	490,100*
• CAP2135 water main imp. in coordination with road reconstruction	45,570*
• CAP2040 green infrastructure improvements (Arden / Sheridan)	131,660
• CAP2085 sewer lining improvements	300,000*
• CAP2095 spot sewer repairs	300,000*
• CAP2166 water service line inventory	243,000*
• CAP2110 water main improvements 2021	1,923,750*
• surveying projects	<u>71,000*</u>
FY2020-21 total:	\$5,398,960

*Project amount deviates from the estimated cost listed in the FY 2020-21 CIP document due to revised cost estimates provided after the CIP document was prepared.

Budget Summary Expenditures

592.901 CONSTRUCTION	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	5,940	690	3,200	0	0	9,830
2017-2018 Actual	9,510	60	38,130	0	0	47,700
2018-2019 Actual	42,190	430	465,540	7,060	0	515,220
2019-2020 Original Budget	120,390	0	5,929,800	0	0	6,050,190
2019-2020 Adjusted Budget (Dec)	120,390	0	5,929,800	0	0	6,050,190
2019-2020 Six Month Actual	149,850	0	2,517,260	288,660	0	2,955,770
2019-2020 Estimated Year End	200,200	0	5,379,500	0	0	5,579,700
2020-2021 Dept Request	212,540	3,500	5,460,520	0	0	5,676,560
2020-2021 Manager's Budget	212,540	3,500	5,460,520	0	0	5,676,560
2020-2021 Approved Budget						
2021-2022 Projected Budget	218,280	3,500	7,320,960	0	0	7,542,740
2022-2023 Projected Budget	224,220	3,500	6,693,560	0	0	6,921,280
2023-2024 Projected Budget	230,360	3,500	7,112,760	0	0	7,346,620
2024-2025 Projected Budget	236,700	3,500	4,864,560	0	0	5,104,760

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 Compuware-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 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 efficiently utilize ice available time.

OBJECTIVES

- Continue to 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.
- Add 12U house team
- Add new women's adult Fall league
- Host one more major tournament
- Host more special events during the day (school field trips).

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Due to the Stay at Home executive order issued by the State of Michigan in response to COVID-19 pandemic, projected revenues for fiscal year 2019-20 have been affected in the following manner: revenues from rink rentals are estimated to come in approximately \$153,000 under budget, leagues and tournaments approximately \$126,000, drop-in hockey \$22,800, open skating \$20,850, lessons \$15,360, and revenues from special events, advertisements, and skate rentals are estimated to be under budget by approximately \$7,000. **The 2019-20 projected, 2020-21 budget and other projected fiscal year columns assume the ice arena will be affected by the COVID-19 precautions through June 30, 2020 only.**

Revenue from leagues and tournaments is projected to decrease \$50,000 relative to the fiscal year 2019-20 original budget due to losing two house teams during the year, however, there is the expectation that a team will be added back during fiscal year 2020-21. The loss of the teams has been partially offset by being able to add two extra time slots to freestyle skating during fiscal year 2019-20. Rink rental revenue is budgeted to increase \$15,000 as there is more availability to rent the ice to new users.

Capital expenditures for fiscal year 2020-21 include \$15,000 to replace floor mats in both the east and west rinks and \$860,000 to replace the roof on the west rink of the arena. Funding for the capital improvements are recommended to be funded with cash available in this fund.

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
Learn to Skate Participants	908	931	337	935	940	945
Number of Scheduled Hours Used Weekly (September – March)	250	250	250	250	250	250

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
*Beginning Unrestricted Net Assets	927,227	919,577	268,737	468,037	649,297	812,007
Revenues and transfers from other funds	1,134,900	1,443,000	1,443,000	1,443,000	1,443,000	1,443,000
**Expenditures and transfers to other funds	1,142,550	2,093,840	1,243,700	1,261,740	1,280,290	1,299,150
Net Change in Net Assets	(7,650)	(650,840)	199,300	181,260	162,710	143,850
Ending Unrestricted Net Assets	919,577	268,737	468,037	649,297	812,007	955,857

*adjusted for net pension and OPEB liability

**depreciation of approximately \$100,000 has been removed from expenses

Revenues

598.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	1,577,230	0	16,710	22,770	1,616,710
2017-2018 Actual	0	0	1,465,220	1,050	13,100	0	1,479,370
2018-2019 Actual	0	0	1,444,460	6,250	11,450	0	1,462,160
2019-2020 Original Budget	0	0	1,473,500	3,000	5,500	0	1,482,000
2019-2020 Adjusted Budget (Dec)	0	0	1,473,500	3,000	5,500	0	1,482,000
2019-2020 Six Month Actual	0	0	736,290	0	1,600	0	737,890
2019-2020 Estimated Year End	0	0	1,130,900	0	4,000	0	1,134,900
2020-2021 Dept Request	0	0	1,434,500	3,000	5,500	0	1,443,000
2020-2021 Manager's Budget	0	0	1,434,500	3,000	5,500	0	1,443,000
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	1,434,500	3,000	5,500	0	1,443,000
2022-2023 Projected Budget	0	0	1,434,500	3,000	5,500	0	1,443,000
2023-2024 Projected Budget	0	0	1,434,500	3,000	5,500	0	1,443,000
2024-2025 Projected Budget	0	0	1,434,500	3,000	5,500	0	1,443,000

Expenditures

598.758 ICE ARENA	Personnel Services	Supplies	Capital	Other	Transfers	Debt	Total
2016-2017 Actual	13,100	75,490	0	1,093,740	32,830	3,160	1,218,320
2017-2018 Actual	57,720	90,930	243,800	1,216,150	4,000	10,480	1,623,080
2018-2019 Actual	15,430	69,400	0	1,264,330	3,000	9,450	1,361,610
2019-2020 Original Budget	12,920	76,100	0	1,371,980	2,000	19,000	1,482,000
2019-2020 Adjusted Budget (Dec)	12,920	76,100	0	1,371,980	2,000	19,000	1,482,000
2019-2020 Six Month Actual	6,220	26,930	0	647,870	0	4,710	685,730
2019-2020 Estimated Year End	12,700	42,500	0	1,171,350	2,000	19,000	1,247,550
2020-2021 Dept Request	12,210	75,600	875,000	1,214,230	3,000	18,800	2,198,840
2020-2021 Manager's Budget	12,210	75,600	875,000	1,214,230	3,000	18,800	2,198,840
2020-2021 Approved Budget							
2021-2022 Projected Budget	12,600	75,600	0	1,265,700	3,000	25,800	1,382,700
2022-2023 Projected Budget	13,000	75,600	0	1,283,540	3,000	25,600	1,400,740
2023-2024 Projected Budget	13,420	75,600	0	1,301,770	3,000	25,500	1,419,290
2024-2025 Projected Budget	13,860	75,600	0	1,320,390	3,000	25,300	1,438,150



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. ^{GOAL5}
- Deploy remote assistance software to allow for more timely support from vendors and IT staff. ^{GOALS1-4}
- Continue to deliver additional Office 365 features and services to city employees. ^{GOALS1-4}
- 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}
- Expand Wi-Fi network to new city hall, police station and other city facilities as necessary. ^{GOAL5}
- Work to build certain redundancies in the police station and city hall for disaster recovery purposes. ^{GOAL1}

Performance Indicators / Outcome Measures

	<u>Actual FY17-18</u>	<u>Actual FY18-19</u>	<u>Dec 31 2019</u>	<u>Projected FY19-20</u>	<u>Projected FY20-21</u>	<u>Projected FY21-22</u>
Network Connections						
Building Locations	13	13	13	13	13	13
PC's	447	n/a	n/a	n/a	n/a	n/a
LAN Services	14	n/a	n/a	n/a	n/a	n/a
AD, Email, Social Media Service						
User accounts	485	n/a	n/a	n/a	n/a	n/a
Group accounts	93	n/a	n/a	n/a	n/a	n/a
Social Media Accounts	17	n/a	n/a	n/a	n/a	n/a
Device Installs and upgrades						
PC's	78	n/a	n/a	n/a	n/a	n/a
Printers	84	n/a	n/a	n/a	n/a	n/a
Other	20	n/a	n/a	n/a	n/a	n/a
Telecommunications						
Telephones – VOiP	354	n/a	n/a	n/a	n/a	n/a
SIP/Channels	55	n/a	n/a	n/a	n/a	n/a
TDM Pri/Channels	1/23	n/a	n/a	n/a	n/a	n/a
Point to Point T1's/Channels	0	n/a	n/a	n/a	n/a	n/a
Adds, moves, changes	105	n/a	n/a	n/a	n/a	n/a
Voicemail accounts	280	n/a	n/a	n/a	n/a	n/a
Cell Phone Accounts	179	n/a	n/a	n/a	n/a	n/a
General						
# of PC Virus outbreaks	0	n/a	n/a	n/a	n/a	n/a

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-2021:

Personnel costs are increasing due to employees (who are not at the top of their pay range) potentially receiving merit wage increases. Computer supplies and parts are increasing \$7,000 relative to the fiscal year 2019-20 original budget to purchase replacement laptops. Contracted services are increasing \$110,460 mostly due to increases in licensing and software maintenance agreements for network security and cloud hosting services as well as additional network engineering support. Printing and document duplicating charges are decreasing \$10,000 as departments are now being directly charged for paper and printing supplies. Depreciation expense is decreasing \$120,000 due to assets that have become fully depreciated during fiscal year 2019-20.

The following capital improvement projects budgeted for FY2020-21 are as follows:

• Disaster recovery	\$75,000
• Office software and training program	48,000
• GIS integration	60,000
• Server-Network-Cabling infrastructure	50,000
• Mobile workforce	<u>16,000</u>
FY2020-21 total:	\$249,000

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	1,758,786	1,692,686	1,607,116	1,595,376	1,671,316	1,684,806
Revenues and transfers from other funds	1,858,590	1,916,630	1,954,460	1,993,050	2,032,410	2,072,560
Expenditures and transfers to other funds	1,717,170	2,002,200	1,966,200	1,917,110	2,018,920	2,046,740
Net Change in Net Assets	141,420	(85,570)	(11,740)	75,940	13,490	25,820
Ending Unrestricted Net Assets	1,692,686	1,607,116	1,595,376	1,671,316	1,684,806	1,710,626

*depreciation of approximately \$80,000 is removed from expenses

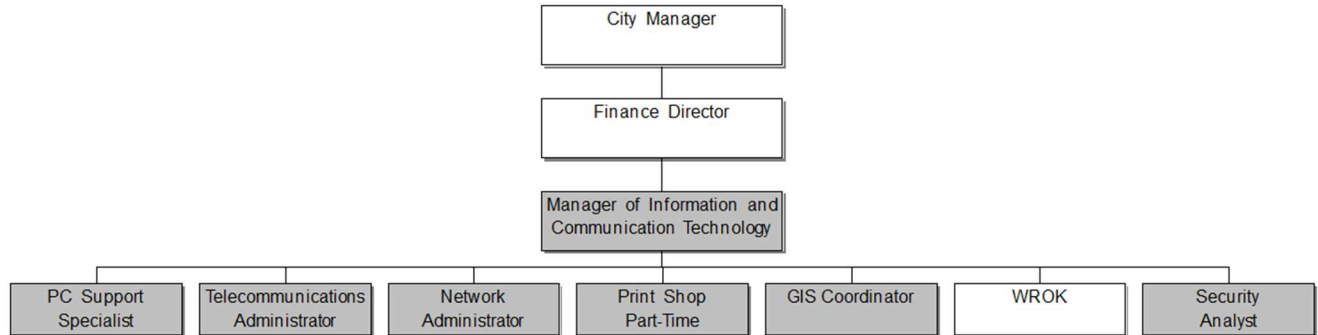
Revenues

636.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	0	60,660	1,829,330	0	1,889,990
2019-2020 Original Budget	0	0	0	55,000	1,803,140	0	1,858,140
2019-2020 Adjusted Budget (Dec)	0	0	0	55,000	1,803,140	0	1,858,140
2019-2020 Six Month Actual	0	0	0	30,700	902,020	0	932,720
2019-2020 Estimated Year End	0	0	0	55,000	1,803,590	0	1,858,590
2020-2021 Dept Request	0	0	0	25,000	1,891,630	0	1,916,630
2020-2021 Manager's Budget	0	0	0	25,000	1,891,630	0	1,916,630
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	25,000	1,929,460	0	1,954,460
2022-2023 Projected Budget	0	0	0	25,000	1,968,050	0	1,993,050
2023-2024 Projected Budget	0	0	0	25,000	2,007,410	0	2,032,410
2024-2025 Projected Budget	0	0	0	25,000	2,047,560	0	2,072,560

Expenditures

636.258 INFORMATION SYSTEMS	Personnel Services	Supplies	Capital	Other	Debt	Total
2016-2017 Actual	185,420	57,950	7,900	744,970	15,430	1,011,670
2017-2018 Actual	614,540	71,810	23,190	714,340	41,920	1,465,800
2018-2019 Actual	699,120	95,650	101,130	812,000	37,800	1,745,700
2019-2020 Original Budget	632,390	138,500	260,000	955,720	76,000	2,062,610
2019-2020 Adjusted Budget (Dec)	632,390	138,500	260,000	955,720	76,000	2,062,610
2019-2020 Six Month Actual	252,690	3,020	26,470	306,250	18,820	607,250
2019-2020 Estimated Year End	561,670	138,500	250,000	777,000	76,000	1,803,170
2020-2021 Dept Request	666,000	145,500	249,000	946,200	75,500	2,082,200
2020-2021 Manager's Budget	666,000	145,500	249,000	946,200	75,500	2,082,200
2020-2021 Approved Budget						
2021-2022 Projected Budget	689,040	145,500	241,000	895,160	75,500	2,046,200
2022-2023 Projected Budget	712,920	145,500	166,000	897,190	75,500	1,997,110
2023-2024 Projected Budget	737,630	145,500	241,000	899,290	75,500	2,098,920
2024-2025 Projected Budget	763,270	145,500	241,000	901,470	75,500	2,126,740

Departmental Organization Chart



Cost Center Position Detail - Home Base

Full & Part-Time Employees

Info Tech									
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Full-Time Positions									
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	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
GIS Coordinator	0.0	0.0	0.0	0.0	1.0	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	0.0	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	1.0	1.0	1.0
Network Engineer	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Full-time total	4.0	4.0	4.0	4.0	5.0	5.0	7.0	6.0	6.0
Part-Time Positions (FTEs)									
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	5.0	5.0	7.0	6.0	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 \$17 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

- Schedule appropriate safety training to ensure fleet maintenance is provided in a safe and proper environment. ^{GOAL3}

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

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 2020-21 will be the third year of the ten-year catch-up plan.

Communication systems' parts and supplies are decreasing \$7,000 relative to the fiscal year 2019-20 original budget due to the retirement of the communications maintenance technician and a restructuring of the position to more of a public service facility custodian type of position. Communication systems' repair and maintenance services however are increasing \$5,000 relative to the fiscal year 2019-20 original budget due to contracted police vehicle upfitting. The requested budget for training and education includes \$5,000 for specialized fire apparatus training due to current and future purchases of a different brand of fire trucks, \$1,700 for OSHA compliance training, \$3,850 for forklift safety training, \$1,700 for aerial work platform safety training, and \$1,250 for confined space safety training.

Transfers-in include \$200,000 from the solid waste fund to purchase a new front-end loader / leaf claw, \$30,000 from the auto parking fund for two personal electronic vehicles, and \$24,000 from the general fund to purchase a new tri-deck mower for parks.

Capital projects in fiscal year 2020-21 include \$50,000 to replace a boiler at the DPS building and \$30,000 to refinish the flooring in the bay area of motor pool (not included in the CIP).

The following replacement vehicles for fiscal year 2020-21 will be funded with the cash on-hand in the motor pool fund that accumulated by way of charging user departments for replacement costs:

Assessing		Highway	
One SUV	\$29,700	Pick-up truck	\$47,000
Auto Parking		Hypac roller	58,500
Sweeper	47,500	Leaf vacuum	40,300
Cable		Target Arrow	6,700
*One van	200,000	Parks and Forestry	
Engineering		Two tractors	73,900
One van	31,000	Two trailers	33,600
Fire Department		Police Department	
E-1 Pumper	782,400	*Five patrol cars	219,890
One SUV	38,200	*Two unmarked cars	100,200
Inspection		Sewer	
Two SUV's	88,000	Air compressor	27,600
Motor Pool		Water Maintenance	
Two trailers	37,800	Arrow Hammer	117,000

Fiscal year 2020-21 total: \$1,979,290

*Amounts deviate from the FY 2020-21 CIP to reflect updated estimates received for the replacement costs of the indicated vehicles

Budget Summary

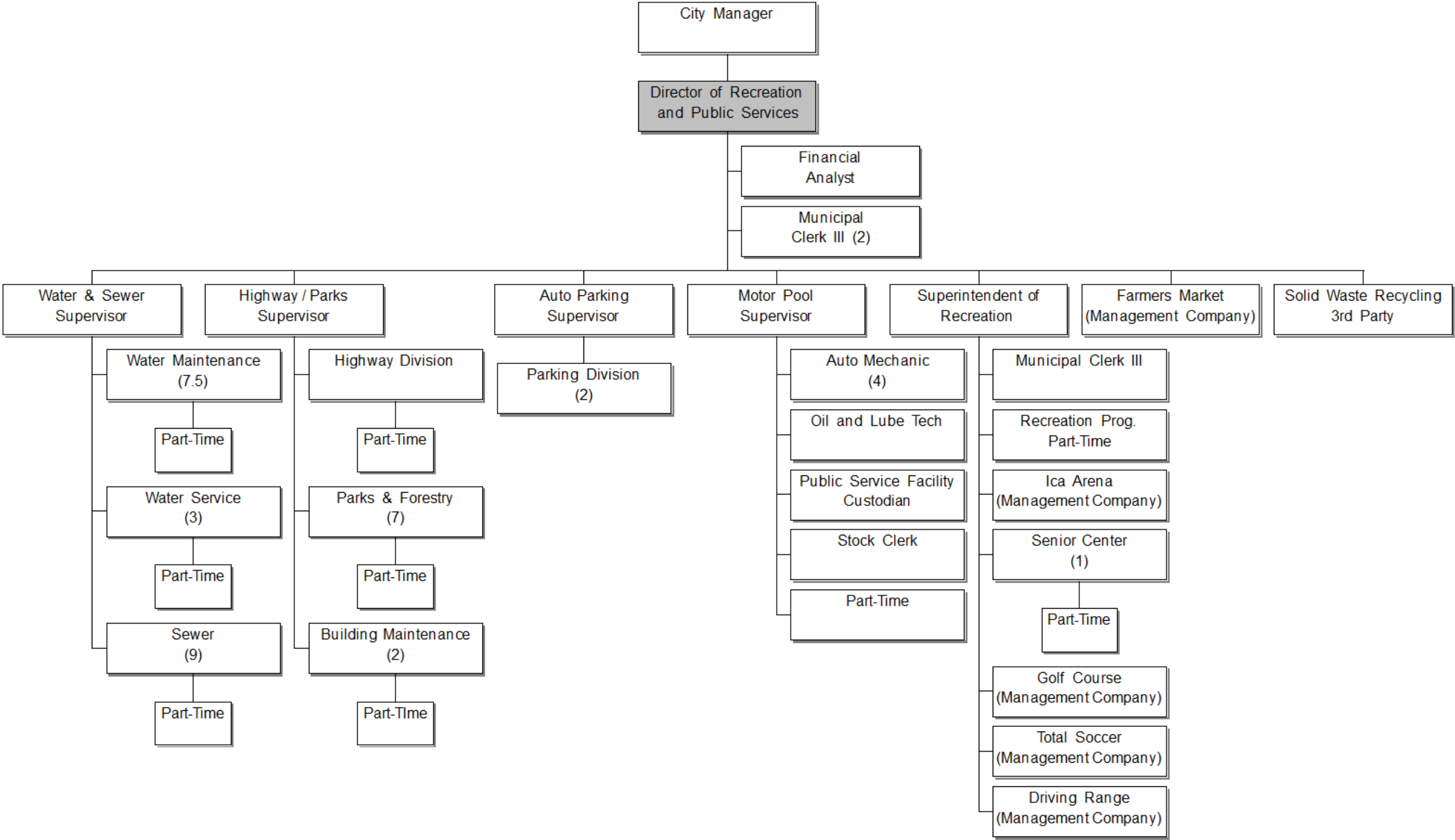
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	4,543,336	3,684,992	4,189,972	4,783,970	5,223,698	6,138,289
Revenues and transfers from other funds	5,647,360	5,696,780	5,548,240	5,655,800	5,765,520	5,877,430
*Expenditures and transfers to other funds	5,971,870	5,191,800	4,954,242	5,216,072	4,850,929	4,827,183
Net Change in Net Assets	(324,510)	504,980	593,998	439,728	914,591	1,050,247
Ending Unrestricted Net Assets	3,684,992	4,189,972	4,783,970	5,223,698	6,138,289	7,188,536

*depreciation of approximately \$1.35M is removed from expenses

Revenues

661.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	0	237,130	5,348,350	0	5,585,480
2019-2020 Original Budget	0	0	0	100,000	5,317,010	0	5,417,010
2019-2020 Adjusted Budget (Dec)	0	0	0	100,000	5,317,010	36,000	5,453,010
2019-2020 Six Month Actual	0	0	0	113,030	2,730,900	0	2,843,930
2019-2020 Estimated Year End	0	0	0	200,000	5,411,360	36,000	5,647,360
2020-2021 Dept Request	0	0	0	90,000	5,352,780	254,000	5,696,780
2020-2021 Manager's Budget	0	0	0	90,000	5,352,780	254,000	5,696,780
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	90,000	5,458,240	0	5,548,240
2022-2023 Projected Budget	0	0	0	90,000	5,565,800	0	5,655,800
2023-2024 Projected Budget	0	0	0	90,000	5,675,520	0	5,765,520
2024-2025 Projected Budget	0	0	0	90,000	5,787,430	0	5,877,430

Department Organization Chart



Expenditures

661.442 MOTOR POOL	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	1,215,990	808,100	197,810	1,845,090	279,470	4,346,460
2019-2020 Original Budget	990,270	974,520	3,093,300	1,945,640	524,700	7,528,430
2019-2020 Adjusted Budget (Dec)	990,270	974,520	3,129,300	1,945,640	524,700	7,564,430
2019-2020 Six Month Actual	444,720	388,600	608,980	811,900	137,000	2,391,200
2019-2020 Estimated Year End	941,840	775,690	3,277,600	1,622,140	524,600	7,141,870
2020-2021 Dept Request	1,013,990	869,770	2,313,290	1,822,650	522,100	6,541,800
2020-2021 Manager's Budget	1,013,990	869,770	2,313,290	1,822,650	522,100	6,541,800
2020-2021 Approved Budget						
2021-2022 Projected Budget	1,047,320	869,770	2,014,000	1,827,490	545,662	6,304,242
2022-2023 Projected Budget	1,081,970	869,770	2,242,000	1,832,470	539,862	6,566,072
2023-2024 Projected Budget	1,118,030	869,770	1,839,300	1,837,630	536,199	6,200,929
2024-2025 Projected Budget	1,155,520	869,770	1,774,000	1,842,960	534,933	6,177,183

Cost Center Position Detail - Home Base

Full & Part-Time Employees

Motor Pool		Fiscal Year							
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
<u>Full-Time Positions</u>									
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	1.0	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	0.0	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	1.0	1.0
Motor Pool - MC III	1.0	1.0	0.0	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
<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	9.0	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 sufficient funding.

OBJECTIVES

- To resurrect the safety committee in an effort to improve upon the safety of the city's work force.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The workers compensation fund is budgeted to decrease slightly relative to the projected fiscal year 2019-20 expenses as future claim/settlements are unknown. A small use of fund balance is budgeted.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	1,311,473	1,253,193	1,231,893	1,210,593	1,189,293	1,167,993
Revenues and transfers from other funds	402,650	402,070	402,070	402,070	402,070	402,070
Expenditures and transfers to other funds	460,930	423,370	423,370	423,370	423,370	423,370
Net Change in Net Assets	(58,280)	(21,300)	(21,300)	(21,300)	(21,300)	(21,300)
Ending Unrestricted Net Assets	1,253,193	1,231,893	1,210,593	1,189,293	1,167,993	1,146,693

Revenues

677.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	329,860	43,980	132,870	0	506,710
2019-2020 Original Budget	0	0	384,840	44,000	0	0	428,840
2019-2020 Adjusted Budget (Dec)	0	0	384,840	44,000	0	0	428,840
2019-2020 Six Month Actual	0	0	171,520	16,960	0	0	188,480
2019-2020 Estimated Year End	0	0	372,650	30,000	0	0	402,650
2020-2021 Dept Request	0	0	387,070	15,000	0	0	402,070
2021-2022 Projected Budget	0	0	387,070	15,000	0	0	402,070
2022-2023 Projected Budget	0	0	387,070	15,000	0	0	402,070
2023-2024 Projected Budget	0	0	387,070	15,000	0	0	402,070
2024-2025 Projected Budget	0	0	387,070	15,000	0	0	402,070

Expenditures

677.871 WORKERS COMPENSATION	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	488,110	0	0	138,390	0	626,500
2019-2020 Original Budget	280,000	0	0	148,840	0	428,840
2019-2020 Adjusted Budget (Dec)	280,000	0	0	148,840	0	428,840
2019-2020 Six Month Actual	125,600	0	0	19,600	0	145,200
2019-2020 Estimated Year End	320,000	0	0	140,930	0	460,930
2020-2021 Dept Request	280,000	0	0	143,370	0	423,370
2021-2022 Projected Budget	280,000	0	0	143,370	0	423,370
2022-2023 Projected Budget	280,000	0	0	143,370	0	423,370
2023-2024 Projected Budget	280,000	0	0	143,370	0	423,370
2024-2025 Projected Budget	280,000	0	0	143,370	0	423,370

The mission of the health care fund is to account for all employee and retiree self-insured 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. In fiscal year 19-20, it was the beginning of budgeting for all full-time employees (that are not receiving a medical coverage buy-out) to contribute 10 percent of the BCBS illustrative rates into this fund, down from 20 percent in prior years. Retiree do not contribute toward the BCBS illustrative rate or HAP premium.

GOALS

1. Manage city health related risks as efficiently and effectively as possible.

OBJECTIVES

- To resurrect the wellness committee in an effort to reduce risks as it relates to the city's healthcare costs.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

Blue Cross Blue Shield illustrative rates are budgeted to increase 5 percent for employees and 6 percent for retirees with BCBS. The HAP fully insured rate for retirees is increasing 4 percent. The BCBS stop loss rate is increasing by 31 percent. The BCBS administration fee remains nearly constant. Approximately 60% of the medical budget in this fund is for retiree coverage.

\$15,000 is budgeted for the health & wellness committee's future initiatives and \$225,000 is budgeted for the collaborative health center.

This self-insurance funds has a healthy fund balance and is projected to continue however the nature of this activity can be very unpredictable.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	5,561,415	6,075,465	6,080,865	6,029,245	5,901,755	5,734,255
Revenues and transfers from other funds	10,646,150	11,203,500	11,691,370	12,200,820	12,732,830	13,288,390
Expenditures and transfers to other funds	10,132,100	11,198,100	11,742,990	12,328,310	12,900,330	13,500,370
Net Change in Net Assets	514,050	5,400	(51,620)	(127,490)	(167,500)	(211,980)
Ending Unrestricted Net Assets	6,075,465	6,080,865	6,029,245	5,901,755	5,734,255	5,522,275

Revenues

678.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
2016-2017 Actual	0	0	0	9,860,220	0	0	9,860,220
2017-2018 Actual	0	0	0	10,643,920	0	0	10,643,920
2018-2019 Actual	0	0	0	10,790,090	0	0	10,790,090
2019-2020 Original Budget	0	0	0	11,361,560	0	0	11,361,560
2019-2020 Adjusted Budget (Dec)	0	0	0	11,361,560	0	0	11,361,560
2019-2020 Six Month Actual	0	0	0	4,966,900	0	0	4,966,900
2019-2020 Estimated Year End	0	0	0	10,646,150	0	0	10,646,150
2020-2021 Dept Request	0	0	0	11,203,500	0	0	11,203,500
2020-2021 Manager's Budget	0	0	0	11,203,500	0	0	11,203,500
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	11,691,370	0	0	11,691,370
2022-2023 Projected Budget	0	0	0	12,200,820	0	0	12,200,820
2023-2024 Projected Budget	0	0	0	12,732,830	0	0	12,732,830
2024-2025 Projected Budget	0	0	0	13,288,390	0	0	13,288,390

Expenditures

678.851 Medical	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	0	0	10,530,030	0	10,530,030
2019-2020 Original Budget	0	0	0	11,361,560	0	11,361,560
2019-2020 Adjusted Budget (Dec)	0	0	0	11,361,560	0	11,361,560
2019-2020 Six Month Actual	0	0	0	5,794,030	0	5,794,030
2019-2020 Estimated Year End	0	0	0	10,132,100	0	10,132,100
2020-2021 Dept Request	0	0	0	11,198,100	0	11,198,100
2020-2021 Manager's Budget	0	0	0	11,198,100	0	11,198,100
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	11,742,990	0	11,742,990
2022-2023 Projected Budget	0	0	0	12,328,310	0	12,328,310
2023-2024 Projected Budget	0	0	0	12,900,330	0	12,900,330
2024-2025 Projected Budget	0	0	0	13,500,370	0	13,500,370

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 thirteen years, the city has received \$5.7 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 reduce losses related to property and general liability.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

The budget assumes a \$100,000 net asset distribution (NAD) from the MMRMA which is a significant decrease relative to prior years due to an anticipated decline of the MMRMA's value of investments (a figure that is utilized in the determination of NAD). The 2020-21 budget includes a 5% premium increase and a contribution increase from \$300,000 to \$335,000 to the city's retention fund.

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	521,407	574,367	551,167	521,517	485,087	441,547
Revenues and transfers from other funds	1,316,170	1,275,000	1,333,450	1,394,820	1,459,260	1,526,920
Expenditures and transfers to other funds	1,263,210	1,298,200	1,363,100	1,431,250	1,502,800	1,577,930
Net Change in Net Assets	52,960	(23,200)	(29,650)	(36,430)	(43,540)	(51,010)
Ending Unrestricted Net Assets	574,367	551,167	521,517	485,087	441,547	390,537

Revenues

679.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	0	1,992,730	0	0	1,992,730
2019-2020 Original Budget	0	0	0	1,318,170	0	0	1,318,170
2019-2020 Adjusted Budget (Dec)	0	0	0	1,318,170	0	0	1,318,170
2019-2020 Six Month Actual	0	0	0	816,430	0	0	816,430
2019-2020 Estimated Year End	0	0	0	1,316,170	0	0	1,316,170
2020-2021 Dept Request	0	0	0	1,275,000	0	0	1,275,000
2020-2021 Manager's Budget	0	0	0	1,275,000	0	0	1,275,000
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	1,333,450	0	0	1,333,450
2022-2023 Projected Budget	0	0	0	1,394,820	0	0	1,394,820
2023-2024 Projected Budget	0	0	0	1,459,260	0	0	1,459,260
2024-2025 Projected Budget	0	0	0	1,526,920	0	0	1,526,920

Expenditures

679.881 General Liability and Property	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	0	0	1,283,450	0	1,283,450
2019-2020 Original Budget	0	0	0	1,263,000	0	1,263,000
2019-2020 Adjusted Budget (Dec)	0	0	0	1,263,000	0	1,263,000
2019-2020 Six Month Actual	0	0	0	808,770	0	808,770
2019-2020 Estimated Year End	0	0	0	1,263,210	0	1,263,210
2020-2021 Dept Request	0	0	0	1,298,200	0	1,298,200
2020-2021 Manager's Budget	0	0	0	1,298,200	0	1,298,200
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	1,363,100	0	1,363,100
2022-2023 Projected Budget	0	0	0	1,431,250	0	1,431,250
2023-2024 Projected Budget	0	0	0	1,502,800	0	1,502,800
2024-2025 Projected Budget	0	0	0	1,577,930	0	1,577,930



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. Then in November 2018, the retirement board modified some of the assumptions used for the annual actuarial reports, the most impactful change was the lowering of the average investment rate of return to 7.25 percent. Lower rate of return helped to cause the fund to once again have an unfunded accrued liability.

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2020-21:

As of the last actuarial report dated June 30, 2019, the required employer contribution is \$8,259,186, an increase of over a half million dollars. The full ARC contribution is budgeted as required by law. Personnel costs will no longer be budgeted in this fund, as they will be budgeted in the finance department only.

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/981/Actuarial-Valuations>

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	154,305,575	156,807,855	157,403,085	158,043,065	158,742,605	159,518,195
Revenues and transfers from other funds	21,854,330	20,354,530	21,162,210	22,017,210	22,922,660	23,881,930
Expenditures and transfers to other funds	19,352,050	19,759,300	20,522,230	21,317,670	22,147,070	23,011,940
Net Change in Net Assets	2,502,280	595,230	639,980	699,540	775,590	869,990
Ending Unrestricted Net Assets	156,807,855	157,403,085	158,043,065	158,742,605	159,518,195	160,388,185

Revenues

731.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	0	16,182,860	18,610	289,000	16,490,470
2019-2020 Original Budget	0	0	0	22,883,260	0	0	22,883,260
2019-2020 Adjusted Budget (Dec)	0	0	0	22,883,260	0	0	22,883,260
2019-2020 Six Month Actual	0	0	0	13,593,910	1,310	0	13,595,220
2019-2020 Estimated Year End	0	0	0	21,853,010	1,320	0	21,854,330
2020-2021 Dept Request	0	0	0	20,354,530	0	0	20,354,530
2020-2021 Manager's Budget	0	0	0	20,354,530	0	0	20,354,530
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	21,162,210	0	0	21,162,210
2022-2023 Projected Budget	0	0	0	22,017,210	0	0	22,017,210
2023-2024 Projected Budget	0	0	0	22,922,660	0	0	22,922,660
2024-2025 Projected Budget	0	0	0	23,881,930	0	0	23,881,930

Expenditures

731.237 RETIREMENT	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	32,820	0	0	18,350,680	0	18,383,500
2019-2020 Original Budget	49,650	0	0	22,833,610	0	22,883,260
2019-2020 Adjusted Budget (Dec)	49,650	0	0	22,833,610	0	22,883,260
2019-2020 Six Month Actual	13,660	0	0	9,271,950	0	9,285,610
2019-2020 Estimated Year End	30,800	0	0	19,321,250	0	19,352,050
2020-2021 Dept Request	0	0	0	19,759,300	0	19,759,300
2020-2021 Manager's Budget	0	0	0	19,759,300	0	19,759,300
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	20,522,230	0	20,522,230
2022-2023 Projected Budget	0	0	0	21,317,670	0	21,317,670
2023-2024 Projected Budget	0	0	0	22,147,070	0	22,147,070
2024-2025 Projected Budget	0	0	0	23,011,940	0	23,011,940

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, and police and fire employees' current unfunded actuarial accrued liability, which it temporarily eliminated. In November 2018, the board of trustees modified some of 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 2020-21:

As of the last bi-annual actuarial valuation report dated June 30, 2018, the annual recommended contribution (ARC) for fiscal year beginning July 1, 2020 is \$940,979. The full ARC is budgeted to be contributed. The medicare retiree drug subsidy in the amount of \$250,000 is budgeted (for the first time) in this fund as opposed to the general fund.

The complete actuarial report is on the city's website at <https://www.romi.gov/981/Actuarial-Valuations>

Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Unrestricted Net Assets	132,742,176	135,468,606	137,996,976	140,736,376	143,734,596	146,993,496
Revenues and transfers from other funds	10,497,820	10,900,120	11,401,650	11,938,500	12,513,200	13,128,470
Expenditures and transfers to other funds	7,771,390	8,371,750	8,662,250	8,940,280	9,254,300	9,580,770
Net Change in Net Assets	2,726,430	2,528,370	2,739,400	2,998,220	3,258,900	3,547,700
Ending Unrestricted Net Assets	135,468,606	137,996,976	140,736,376	143,734,596	146,993,496	150,541,196

Revenues

736.000 REVENUE	Taxes	Grants	Licenses, Charges and Fines	Interest and Contributions	Other	Transfers	Total
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 Actual	0	0	0	6,879,880	695,840	47,800	7,623,520
2019-2020 Original Budget	0	0	0	9,430,000	1,027,350	0	10,457,350
2019-2020 Adjusted Budget (Dec)	0	0	0	9,430,000	1,027,350	0	10,457,350
2019-2020 Six Month Actual	0	0	0	8,208,900	482,340	0	8,691,240
2019-2020 Estimated Year End	0	0	0	9,410,000	1,087,820	0	10,497,820
2020-2021 Dept Request	0	0	0	9,902,500	997,620	0	10,900,120
2020-2021 Manager's Budget	0	0	0	9,902,500	997,620	0	10,900,120
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	10,384,080	1,017,570	0	11,401,650
2022-2023 Projected Budget	0	0	0	10,900,580	1,037,920	0	11,938,500
2023-2024 Projected Budget	0	0	0	11,454,520	1,058,680	0	12,513,200
2024-2025 Projected Budget	0	0	0	12,048,620	1,079,850	0	13,128,470

Expenditures

736.860 RETIREE INSURANCE BENEFITS	Personnel Services	Supplies	Capital	Other	Debt	Total
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 Actual	0	0	0	7,629,000	0	7,629,000
2019-2020 Original Budget	0	0	0	10,457,350	0	10,457,350
2019-2020 Adjusted Budget (Dec)	0	0	0	10,457,350	0	10,457,350
2019-2020 Six Month Actual	0	0	0	3,845,880	0	3,845,880
2019-2020 Estimated Year End	0	0	0	7,771,390	0	7,771,390
2020-2021 Dept Request	0	0	0	8,371,750	0	8,371,750
2020-2021 Manager's Budget	0	0	0	8,371,750	0	8,371,750
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	8,662,250	0	8,662,250
2022-2023 Projected Budget	0	0	0	8,940,280	0	8,940,280
2023-2024 Projected Budget	0	0	0	9,254,300	0	9,254,300
2024-2025 Projected Budget	0	0	0	9,580,770	0	9,580,770



Supplemental Information

Building Authorities

- Fire

City Property

Biographies

- Elected Officials
- Management

Glossary

Principal Employers and
Taxpayers

Fire Building Authority Budget Summary

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Beginning Fund Balance	0	0	0	0	0	0
Revenues and transfers from other funds	631,000	633,000	633,000	633,000	0	0
Expenditures and transfers to other funds	631,000	633,000	633,000	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
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 Actual	0	0	0	0	628,070	0	628,070
2019-2020 Original Budget	0	0	0	0	631,000	0	631,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	631,000	0	631,000
2019-2020 Six Month Actual	0	0	0	0	612,450	0	612,450
2019-2020 Estimated Year End	0	0	0	0	631,000	0	631,000
2020-2021 Dept Request	0	0	0	0	633,000	0	633,000
2020-2021 Manager's Budget	0	0	0	0	633,000	0	633,000
2020-2021 Approved Budget							
2021-2022 Projected Budget	0	0	0	0	633,000	0	633,000
2022-2023 Projected Budget	0	0	0	0	633,000	0	633,000
2023-2024 Projected Budget	0	0	0	0	0	0	0
2024-2025 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
2016-2017 Actual	0	0	0	0	630,870	630,870
2017-2018 Actual	0	0	0	0	629,600	629,600
2018-2019 Actual	0	0	0	0	628,070	628,070
2019-2020 Original Budget	0	0	0	0	631,000	631,000
2019-2020 Adjusted Budget (Dec)	0	0	0	0	631,000	631,000
2019-2020 Six Month Actual	0	0	0	0	612,450	612,450
2019-2020 Estimated Year End	0	0	0	0	631,000	631,000
2020-2021 Dept Request	0	0	0	0	633,000	633,000
2020-2021 Manager's Budget	0	0	0	0	633,000	633,000
2020-2021 Approved Budget						
2021-2022 Projected Budget	0	0	0	0	633,000	633,000
2022-2023 Projected Budget	0	0	0	0	633,000	633,000
2023-2024 Projected Budget	0	0	0	0	0	0
2024-2025 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

Interim City Manager / City Attorney

David W. 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.

Director of Finance Julie Jenuwine Rudd

Ms. Rudd was hired in December 2009 as the city's chief financial officer. She has nearly 30 years of municipal finance and operational experience. She was with the City of Sterling Heights for more than ten years in numerous fiscal positions and served 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.

44th District Court Administrator

Tami Boné

Ms. Boné was appointed court administrator in January 2020. She previously served as court administrator at 45A District Court in Berkley, prior to both courts merging in 2015. She began her career as a probation officer and after 20 years, she moved into administration. She graduated from Eastern Michigan University with a Bachelor of Science degree in Criminal Justice. She also completed the Certified Court Manager program through the National Center for State Courts.

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.

Director of Recreation and Public Service
Aaron Filipski

Mr. Filipski was hired in October 2019 to serve as the director of public services and recreation. He has over 15 years of municipal public works experience, having previously served as the public services manager for the city of Birmingham, and in various field positions for the city of Sterling Heights. He holds a Bachelor of Arts in Public Relations from Wayne State University, and a Master of Science in Administration from Central Michigan University. He maintains an S-1 water distribution system operator license and currently serves as chairperson of the Southeast Oakland County Public Works Association (SOCPWA).

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.

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.

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 a MBA from University of Detroit-Mercy.

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.

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.

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 Engineer Holly Donoghue, P.E.

Ms. Donoghue was hired by the City of Royal Oak as a civil engineer III in 2014 and was ultimately hired as the city engineer in 2020. She holds a Bachelor of Science degree in civil and environmental engineering from the University of Michigan and a master's degree in geotechnical engineering from the University of Michigan. She has a Professional Engineer (P.E.) license and is a member of the American Society of Civil Engineers.

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, datacenter and infrastructure administration, project management and program management.

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.

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.

Supplemental Information – City Owned Property

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
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 Park-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	

Supplemental Information – Principal Employers and Taxpayers

Principal Employers

Company Name	Product/Service	2010			2019		
		Employees	Rank	Percentage of Total	Employees	Rank	Percentage of Total
William Beaumont Hospital	Hospital	13,694	1	41.22%	10,851	1	27.54%
Royal Oak Public Schools	Education	607	2	1.83%	619	2	1.57%
City of Royal Oak	Municipality	461	5	1.39%	504	3	1.28%
Consumers Energy	Utility	n/a	n/a	n/a	376	4	0.95%
Flex-n-Gate	Automotive Supplier	350	6	0.55%	346	5	0.88%
Holiday Market	Grocery store	160	10	0.91%	295	6	0.75%
Detroit Zoo	Zoo	215	9	0.64%	291	7	0.74%
Kroger	Grocery Store	260	7	0.30%	290	8	0.74%
Meijer, Inc.	Grocery store	250	8	0.76%	234	9	0.59%
RPM Logistics	Automotive Transportation	n/a	n/a	n/a	175	10	0.44%
Global Automotive Systems	Automotive Supplier	502	3	0.13%	n/a	n/a	n/a
Oakland Community College	Education	470	4	1.41%	n/a	n/a	n/a
Total		16,969		51.08%	13,981		35.48%

Principal Taxpayers

Taxpayer	Assessment Year 2009			Assessment Year 2019		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Consumers Energy Company	9,845,680	8	0.40%	29,090,960	1	1.02%
DTE Electric Company	18,446,510	2	0.75%	25,276,630	2	0.88%
Trailhead RO, LLC	n/a	n/a	n/a	18,519,330	3	0.21%
William Beaumont Hospital	17,371,970	3	0.71%	15,956,600	4	0.65%
Etkin Acquisition RO, LLC	n/a	n/a	n/a	11,380,050	5	0.40%
Flex-n-Gate	10,460,210	5	0.43%	7,997,290	6	0.28%
Meijer, Inc.	8,523,330	10	0.35%	7,630,420	7	0.27%
H2 Royal Oak, LLC	10,083,590	7	0.41%	6,413,740	8	0.22%
Garber Family Partnership	n/a	n/a	n/a	6,272,260	9	0.22%
Woodland Gardens MI, LLC	n/a	n/a	n/a	5,921,670	10	0.21%
Amber Equities	12,614,880	4	0.52%	n/a	n/a	n/a
Co-op Services	10,248,050	6	0.42%	n/a	n/a	n/a
Sprint Holdings	20,030,990	1	0.35%	n/a	n/a	n/a
Main Eleven RO	8,720,800	9	0.82%	n/a	n/a	n/a
Total taxable value of ten largest taxpayers	126,346,010		5.16%	\$134,458,950		4.70%
Total taxable value of all other taxpayers	2,320,349,985		94.84%	2,723,742,960		95.30%
Total taxable value of all taxpayers	\$ 2,446,695,995		100.00%	\$ 2,858,201,910		100.00%

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. 57 of 2018, 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.