

City of Bloomfield Hills

**Budget Fiscal Year 2024
Forecast Fiscal Year 2025-2028**



**Alice Buckley, Mayor
Brad Baxter, Mayor Pro-Tem
Lauren Fisher, Commissioner
Susan McCarthy, Commissioner
Sarah McClure, Commissioner**

David Hendrickson, City Manager

**Sandra Barlass
Finance Director
& Treasurer**

**Amy Burton
Assistant City Manager
& City Clerk**

**Jeffrey Gormley
Public Safety
Director**

**Jamie Spivy
Public Works
Director**

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BUDGET PROCESS

City of Bloomfield Hills Fiscal Year 2024 Budget

Preparation of the city budget is aligned with the schedule set by Charter and City Commission, and with the state statutes of Michigan.

Chapter seven, section one of the City Charter establishes the fiscal year of the city to begin on the first day of July of each year and end on the thirtieth day of June of the following year.

The budget process begins each January with Department Heads submitting an expenditure request, followed by reviews from the Finance Director and City Manager. Meetings with Department Heads to review and discuss the submitted expenses occur if needed.

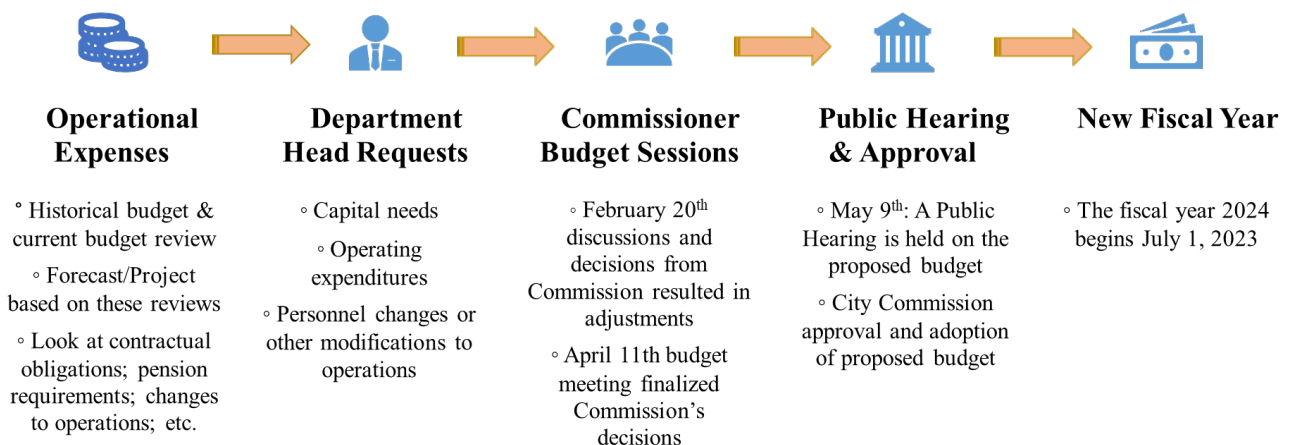
Budget meetings are scheduled with the City Commission to provide context to the proposed budget and to receive feedback from Commissioners.

The budget represents a complete financial plan for all activities of the city for the ensuing fiscal year. All estimated income and proposed expenditures are detailed and presented in a form prescribed by the State of Michigan Public Act 2 of 1968, as amended, Uniform Budgeting and Accounting Act (Public Act 621 of 1978). The City Charter requires that the proposed budget be prepared on or before the second Tuesday in May of each year.

A public hearing on the proposed budget shall be held before its final adoption. Not later than the thirty-first day of May of each year, the commission shall pass an annual appropriation resolution, which shall be based on the budget as adopted.

City Commission may make additional appropriations during the fiscal year for unanticipated expenditures.

Fiscal Year 2024 Budget Process



Budget Calendar for Fiscal Year 2024

The annual budget preparation is a thorough process, with a great deal of attention to ensuring public safety and services are met, current and future obligations are considered, and fiscal responsibility is upheld. The following is a summary of fiscal year 2024's budget development:

January 2023	Department Heads submitted budget requests The City Manager, Finance Director, and Department Heads met to review and discuss requests, resulting in some adjustments
February 2023	The Finance Director prepared a proposed budget for City Commissioners' consideration A budget meeting was held on February 20 th with City Commission members to review and discuss the proposed budget, resulting in some adjustment requests
April 2023	An adjusted budget proposal was presented to City Commission at a second budget meeting held on April 11 th
May 2023	A Public Hearing on the proposed budget was held at the regularly scheduled City Commission meeting on May 9 th City Commission approved the adoption of Fiscal Year 2024 budget during a Commission meeting held on May 9 th
July 2023	Fiscal Year 2024 budget began July 1, 2023



Budget Objectives

- Provide 5 year rolling balanced budgets
- No increase in City operating tax millage
- Fund road and water/sewer improvements internally
- Continue to increase legacy cost funding
- Maintain 30% to 35% General Fund Unassigned Fund Balance

Budget Assumptions for Fiscal Year 2024

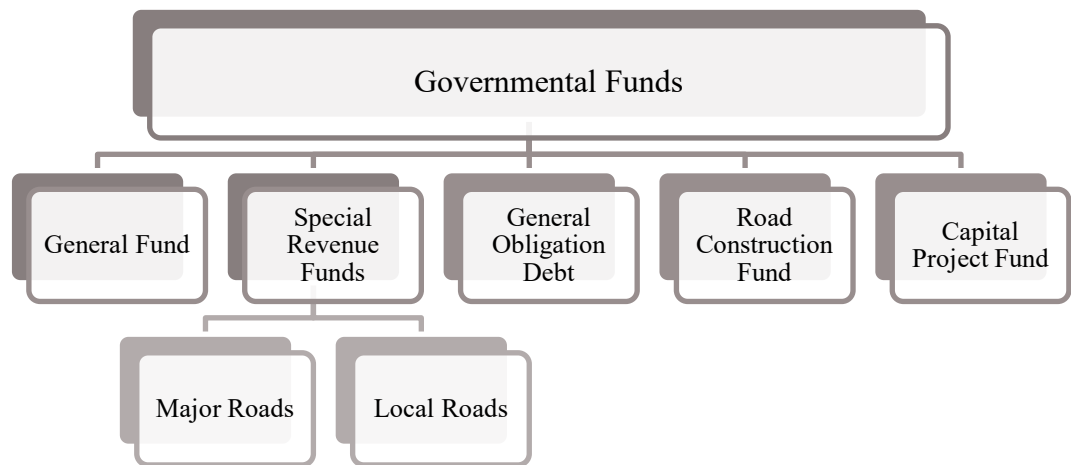
- Property Tax Revenue – Taxable Value = \$1,042,242,370
- Operating Millage – General Fund 10.2340 & Road Construction Fund .3660
- Library millage to be levied at .3600
- Personnel salary increases – per CBA contracts & 5% for administrative staff
- Defined Benefit/Pension – decrease in actuarial employer required contributions
- OPEB/Retirees – Continue to fund discretionary payments to trust account
- Road bond obligation maturity date is in fiscal year 2025
- Capital and Bond Debt are 100% supported by transfer from the General Fund

BASIS FOR BUDGETING

The City of Bloomfield Hills’ basis for budgeting parallels the basis of accounting used for financial reporting in accordance with Generally Accepted Accounting Principles (GAAP) guided by the Governmental Accounting Standards Board (GASB).

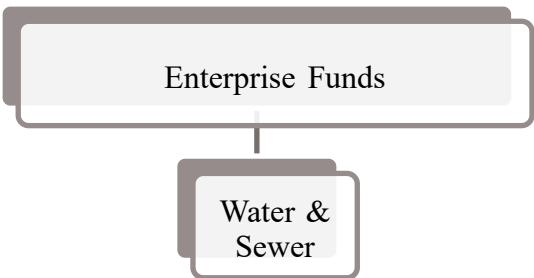
All governmental type funds are prepared on a modified-accrual basis of accounting. Under this method, revenues are recognized when it becomes both measurable and available to finance current operations. Expenditures are recorded when the related fund liabilities are incurred, except general obligation debt principal and interest maturities, as well as compensated absences, which are recorded at the time of payment.

Modified Accrual Basis of Budgeting



Full accrual basis of accounting is used for all proprietary type funds where revenues are recognized when earned and expenses are recognized and recorded as a liability when incurred.

Full Accrual Basis of Budgeting





FUND DESCRIPTIONS

The following is an overview description of the seven (7) funds the city annually budgets.

GENERAL FUND

The General Fund is a governmental fund that is the city's primary operating source. It contains the budgetary and financial controls for all the activities and functions of the city that are not accounted for in other specialized, restricted funds. The General Fund records activities into categories by function, including General Government, Public Safety, Public Services, and Transfers Out.

SPECIAL REVENUE FUNDS

Special Revenue funds are governmental funds that account for proceeds of distinctive revenue sources that are legally restricted to expenditures for specific purposes. The city currently has two special revenue funds:

- 1) Major Road Fund – This fund accounts for resources of state and weight tax revenues that are restricted for use on major roads. The fund accounts for expenditures associated with the maintenance and improvements of the city roads.
- 2) Local Road Fund – This fund also accounts for resources of state gas and weight tax revenues. Again, the funds are restricted for use solely on city roads, including maintenance and improvements to the local roads.

GENERAL OBLIGATION DEBT FUND

The General Obligation Debt Fund is a governmental fund that accounts for financial resources accumulated to provide payment of principal, interest and fees on general obligation bond debt.

ROAD CONSTRUCTION FUND

This fund is to account for road repair and replacement projects.

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund is used to account for all capital purchases, such as IT items, vehicles, equipment, and large building improvement projects.

ENTERPRISE FUND

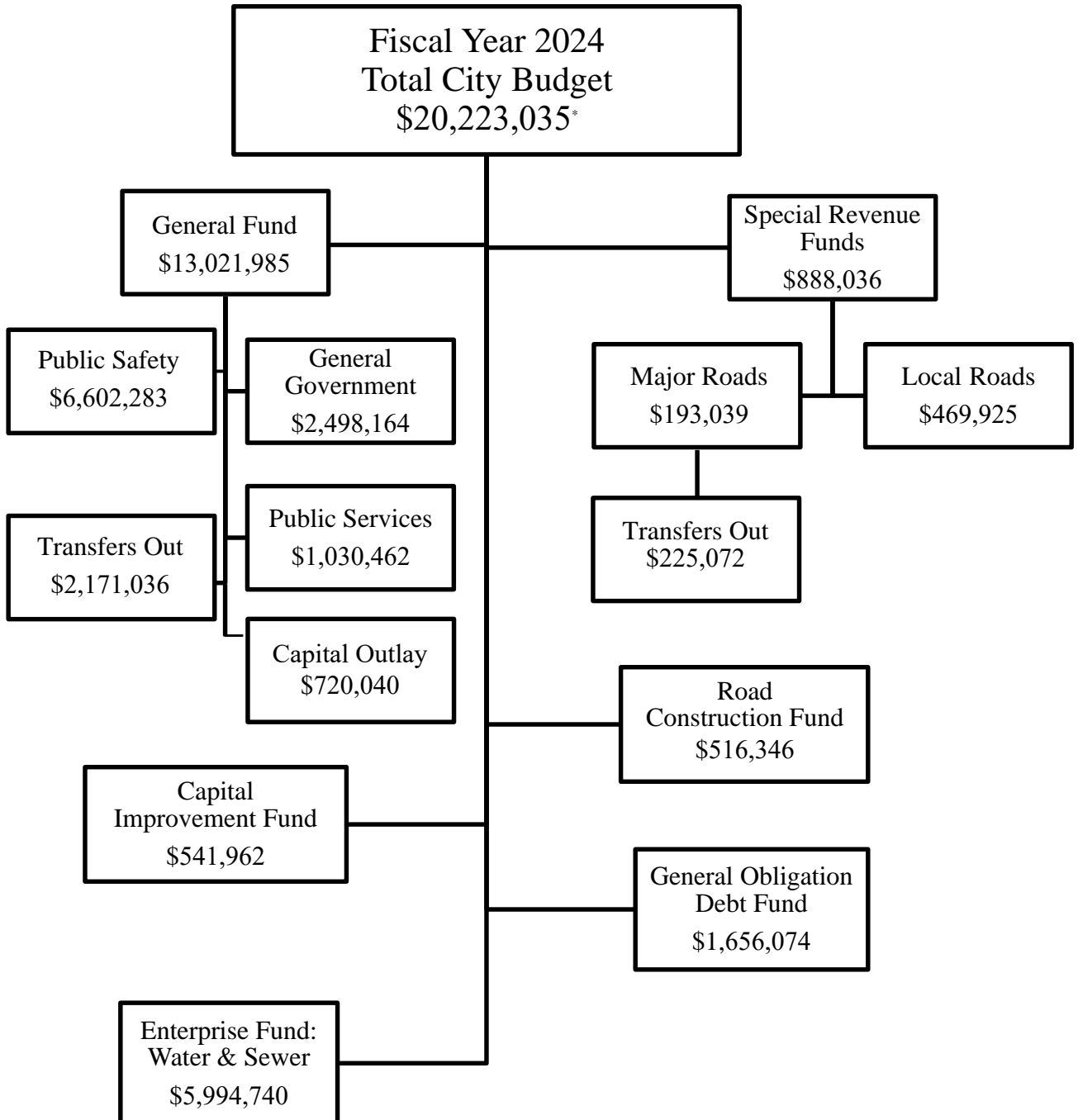
Enterprise Funds are proprietary funds that account for operations financed and operated in a manner similar to private business enterprises. The costs of providing goods or services are financed and/or recovered primarily through user charges. The city has one enterprise fund:

- 1) Water & Sewer Fund – This fund reports the results of operations that provide water and sewer services to citizens that are financed by user charges.

City of Bloomfield Hills
Fiscal Year 2024



**FINANCIAL ORGANIZATION AND
STRUCTURE CHART 2024
APPROPRIATIONS**



* Excludes transfers out to other funds

City of Bloomfield Hills

Fiscal Year 2024



BUDGET SUMMARY 2024 APPROPRIATIONS

	Modified Accrual Basis					Full Accrual Basis	
	General Fund	Special Revenue Funds - Major & Local Roads	General Obligation Debt Fund	Capital Improvement Fund	Road Construction Fund	Enterprise Fund - Water & Sewer	Total
Revenue							
Property Taxes	11,095,380				382,000		11,477,380
Licenses & Permits	678,400						678,400
Federal Sources	420,040						
State Sources	535,521	658,505					1,194,026
Charges of Services	274,664					6,164,532	6,439,196
Fines & Forfeitures	-						-
Other Revenue	129,000	77,977		27,000		310,000	543,977
Investment Income	45,000					4,110	49,110
	13,178,005	736,482	-	27,000	382,000	6,478,642	20,382,089
Appropriations							
General Government	2,498,164	77,523				71,890	2,647,577
Public Safety	6,602,283						6,602,283
Public Services	1,030,462						1,030,462
Infrastructure Maintenance		385,441				535,000	920,441
Operations						4,170,000	4,170,000
Debt Service			1,656,074	188,262		17,850	1,862,186
Depreciation						750,000	750,000
Capital Outlay	720,040	200,000		353,700	516,346	450,000	2,240,086
	10,850,949	662,964	1,656,074	541,962	516,346	5,994,740	20,223,035
Transfers In		225,072	1,656,074	514,962			2,396,108
Transfers Out	(2,171,036)	(225,072)					(2,396,108)
Addition to Fund Balance	156,020	73,518	-	-	-	483,902	713,440
Reduction of Fund Balance	-	-	-	-	(134,346)	-	(134,346)
Estimated Beg Fund Balance	6,082,958	243,714	1,110	4,023	140,076	17,066,514	23,538,395
Ending Fund Balance	6,238,978	317,232	1,110	4,023	5,730	17,550,416	24,117,489



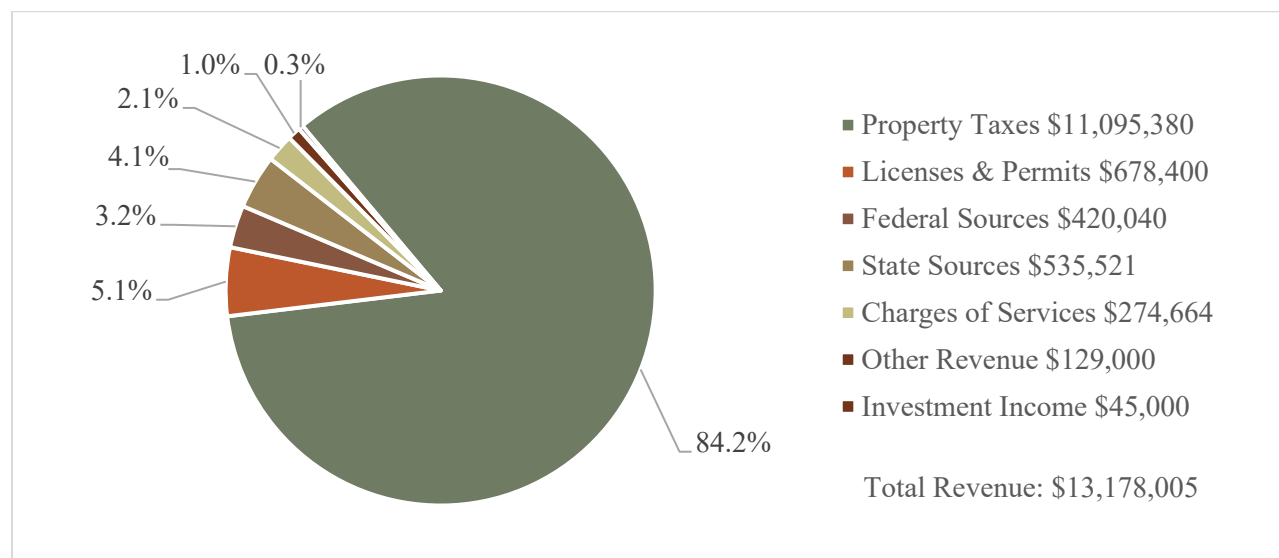
City of Bloomfield Hills Fiscal Year 2024 Budget General Fund

The General Fund is the main operating fund for the city. For simplicity, a 'fund' can be thought of as a company. The city manages seven (7) budgeted funds and two (2) non-budgeted pass-through funds (tax collection fund and trust & agency fund). Every fund other than the General Fund was created to account for a specific activity; for example, the Capital Improvement Fund records all financial activities related to capital purchases, and the Road Construction Fund is to record all activity related to construction work on city roads. Any activities that are not specifically recorded in other funds are recorded in the General Fund.

Revenue

The city's largest source of funding is through property taxes, accounting for an estimated 84.2% of the total General Fund revenue in fiscal year 2024. The graph below demonstrates the breakdown of revenue by source. It is important to note that the federal source of \$420,040 is a one-time revenue, which was received as part of federal grant funds through the American Rescue Plan Act (ARPA). This grant became available because of the coronavirus pandemic that affected the nation's economy beginning in 2020. The city commission approved these funds to be devoted toward a new fire apparatus that will be delivered in July 2023.

General Fund Revenue Summary by Source



Property Taxes

The following chart provides post-March Board of Review assessed and taxable values, indicating a 6% increase in taxable value over tax year 2022. Also included below is the estimated taxable revenue for budget year 2024.

Assessed and Taxable Values Post-March Board of Review

	Assessed Value (Post MBOR)	Taxable Value (Post MBOR)	TV % Increase over TY22
Total Value	\$1,238,155,380	\$ 1,042,242,370	6%

Estimated Taxable Revenue By Millage Rate

	Operating Millage General Fund 10.2340	Operating Millage Road Construction .3660	Library Millage .3600	Total 10.9600
Revenue	\$10,659,380	\$382,000	\$375,000	\$11,416,380

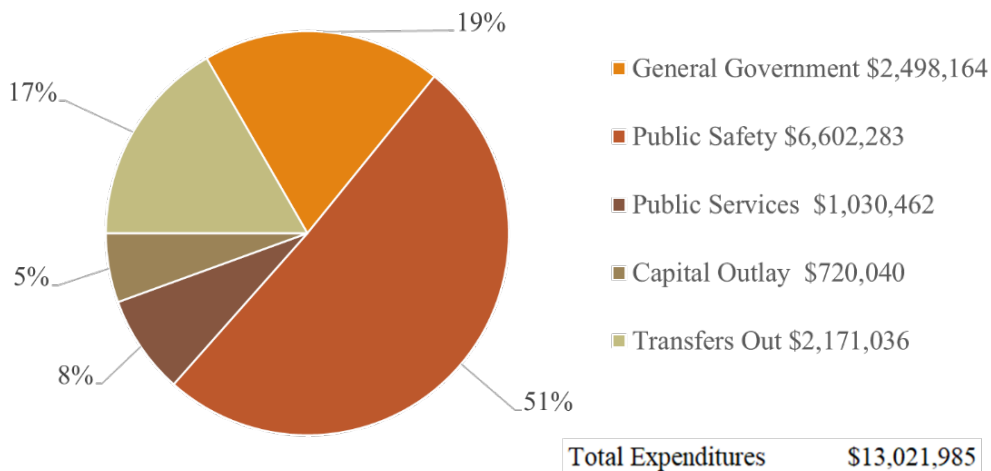
Excludes penalty & interest

In addition to property tax revenue, the City of Bloomfield Hills anticipates receiving 5.1% of its revenue from Licenses and Permits, and 4.1% from State Revenue Sharing, which is generated from the state sales tax. Additionally, for fiscal year 2024, the city has received a one-time federal grant through the American Rescue Plan Act in the amount of \$420,040, or 3.2% of total revenues. Smaller percentages of revenue are from charges for services, investment income, and other miscellaneous sources.

Expenditures

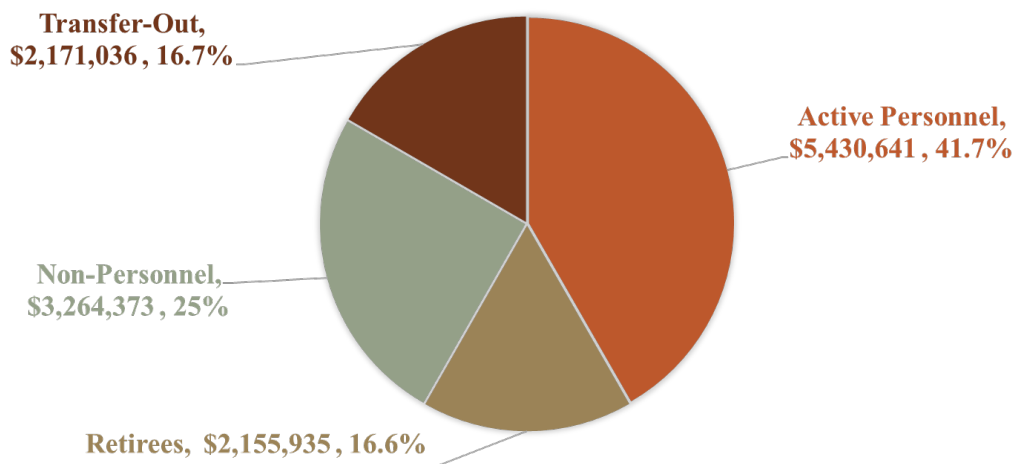
The city has different departments or cost centers in the General Fund. These departments are grouped into five (5) functions and breakdown as follows:

Expenditures by Function



Another way to present the expenditures for fiscal 2024 is by activity. The following shows the activity by active personnel, which includes wages and benefits, transfers-out for capital expenditures and bond debt payments, retiree pension and medical expenses, as well as non-personnel operating expenses. As part of the operating expenses there are two one-time costs; \$420,040 to be spent as part of a fire apparatus purchase using the above mentioned federal ARPA grant, and \$300,000 for partial payment of a culvert lining project on Chesterfield Road (an additional \$200,000 will be paid for through the local road fund).

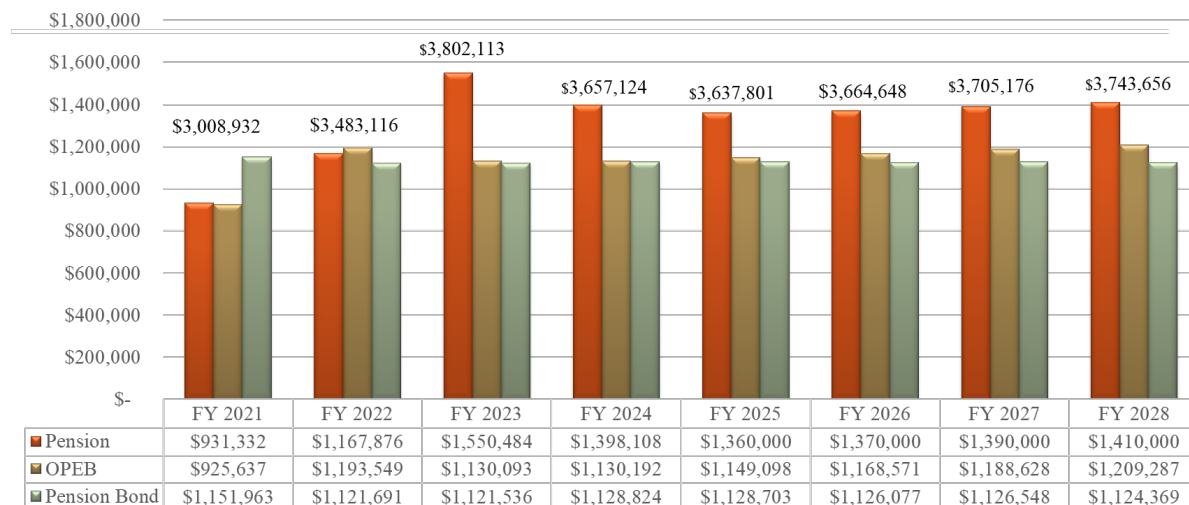
Expenditures by Activity



Legacy Costs

For fiscal year 2024, legacy costs make up about 28%, or \$3.7 million of the general fund budget, \$155K less than fiscal year 2023. These costs include the required employer contributions into the pension plan, Other Post-Employment Benefits (OPEB), and the annual pension bond principal and interest payment. OPEB comprises of pay-as-you-go medical expenses for retirees and an annual discretionary supplemental payment into a healthcare trust account held with Municipal Employees' Retirement System (MERS).

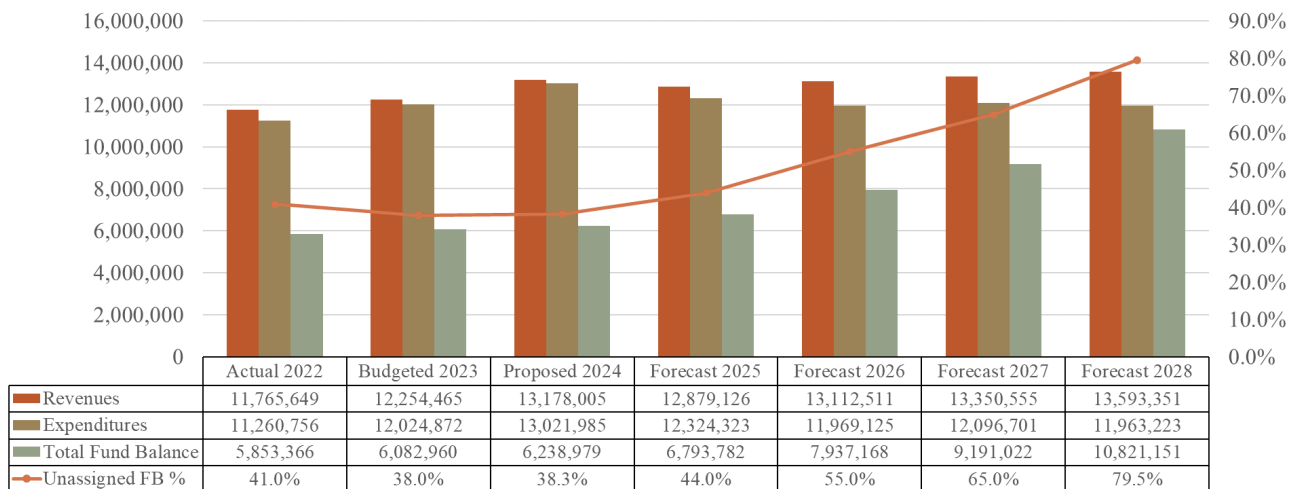
Beginning with the December 31, 2021, annual actuarial valuation, MERS implemented a Dedicated Gains Policy on its pension plans. Changes to these assumptions and methods are effective for contributions beginning in fiscal year 2024. This policy automatically adjusts the assumed rate of investment return by using excess asset gains to mitigate large increases in required contribution to the retirement plan, reducing the obligation of the annual budget. The table below illustrates the city's expected legacy retirement liabilities over the next five years.



Fund Balance

The city's policy for its unassigned fund balance is to maintain a minimum 30% of expenditures. Despite the increasing inflation costs, with sound financial planning, the city can continue with a high level of public safety and public services, infrastructure improvements, and capital purchases, while maintaining a healthy fund balance.

Change in Fund Balance





CITY OF BLOOMFIELD HILLS FISCAL YEAR 2024 BUDGET

GENERAL FUND - 101

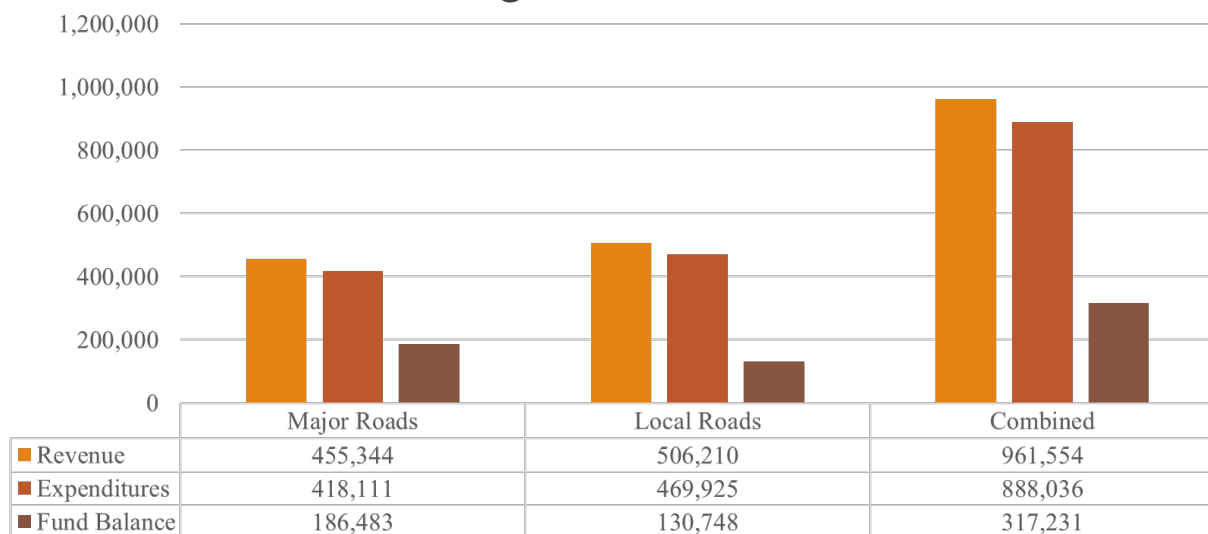
	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
PROPERTY TAXES	9,821,641	10,302,000	11,095,380	11,197,487	11,441,721	11,669,336	11,901,502
LICENSES AND PERMITS	748,102	1,012,031	678,400	678,400	648,400	638,400	628,400
FEDERAL & STATE SOURCES	562,999	525,443	955,561	550,424	565,773	581,583	597,868
CHARGES FOR SERVICES	275,429	267,008	274,664	278,397	282,205	286,089	290,051
FINES AND FORFEITURES	210,148	-	-	-	-	-	-
OTHER REVENUE	112,565	127,983	129,000	129,000	129,000	129,000	129,000
INVESTMENT INCOME	34,765	20,000	45,000	45,418	45,411	46,147	46,530
TOTAL REVENUES	11,765,649	12,254,465	13,178,005	12,879,126	13,112,511	13,350,555	13,593,351
EXPENDITURES							
CITY COMMISSION	781	625	900	900	900	900	900
DISTRICT COURT	285,446	-	-	-	-	-	-
CITY MANAGER	163,029	167,561	175,590	180,731	184,260	187,860	191,533
ASSESSING	46,524	51,850	52,000	52,000	52,940	53,899	54,877
CITY ATTORNEY'S	178,155	234,651	195,000	195,000	195,000	195,000	195,000
CITY CLERK'S OFFICE EXPS	182,524	242,220	259,186	259,186	251,908	266,558	269,451
GENERAL ADMINISTRATION	392,616	440,155	455,922	452,163	453,949	459,082	464,278
CITY TREASURER	188,491	216,156	243,565	243,565	246,921	250,344	253,835
BUILDING & GROUNDS MAINTENANCE	270,751	288,709	308,000	308,000	313,375	313,375	313,375
PUBLIC SAFETY DEPARTMENT	5,587,958	6,574,305	6,602,283	6,580,316	6,671,818	6,718,552	6,707,213
BUILDING & PLANNING DEPARTMENT	446,644	424,374	417,201	422,451	430,023	435,005	440,087
DEPARTMENT OF PUBLIC WORKS	1,026,280	1,039,273	1,330,462	1,054,981	1,008,526	1,071,701	1,081,136
ENGINEERING	135,584	64,300	51,500	51,500	51,500	51,500	51,500
LIBRARY	318,931	329,378	339,300	349,437	349,437	349,437	349,437
CAPITAL EXPENDITURE	-	-	420,040	-	-	-	-
TRANSFER TO OTHER FUNDS	2,037,042	1,951,315	2,171,036	2,174,093	1,758,568	1,743,488	1,590,601
TOTAL EXPENDITURES	11,260,756	12,024,872	13,021,985	12,324,323	11,969,125	12,096,701	11,963,223
NET OF REVENUES/EXPENDITURES	504,893	229,594	156,020	554,803	1,143,386	1,253,854	1,630,128
BEGINNING FUND BALANCE	5,348,472	5,853,366	6,082,960	6,238,979	6,793,782	7,937,168	9,191,022
ENDING FUND BALANCE	5,853,366	6,082,960	6,238,979	6,793,782	7,937,168	9,191,022	10,821,151
NONSPENDABLE/RESTRICTED/ASSIGNED	(1,238,422)	(1,519,221)	(1,408,076)	(1,376,476)	(1,354,161)	(1,331,999)	(1,309,994)
FUND BALANCE UNASSIGNED	4,614,944	4,563,739	4,830,903	5,417,306	6,583,008	7,859,023	9,511,157
FB UNASSIGNED AS A % OF EXPENSES	41.0%	38.0%	38.3%	44.0%	55.0%	65.0%	79.5%



Major & Local Road Funds

- Major revenue source is State gas and weight tax (Act 51 funds)
- Accounts for routine and winter road maintenance
- 10% of Act 51 revenue transferred to General Fund for administration
- 50% of Major Roads Act 51 revenue transferred to Local Roads Fund
- When needed, transfers are made from Local Roads Fund to Road Construction Fund for the road rehabilitation projects
- A reimbursement is made to the General Fund for applicable DPW wages and equipment costs
- The City has 8.83 miles of major roads and 24.81 miles of local roads

Major & Local Road Funds Budget Fiscal Year 2024



FY24 Expenditures include:

- Chesterfield Bridge/Culvert Project \$200,000



CITY OF BLOOMFIELD HILLS FISCAL YEAR 2024 BUDGET

MAJOR STREET FUND - 202

	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
STATE REVENUE SHARING-ACT 51	425,222	439,365	450,144	459,147	468,330	477,696	487,250
OTHER REVENUE/METRO ACT	5,378	5,243	5,200	5,304	5,410	5,518	5,629
TOTAL REVENUES	430,600	444,608	455,344	464,451	473,740	483,215	492,879
EXPENDITURES							
CONSTRUCTION	-	92,257	-	-	-	-	-
ROUTINE MAINTENANCE	20,006	71,675	71,955	73,394	74,862	76,359	77,886
TRAFFIC SERVICES	27,788	22,000	22,000	22,440	22,889	23,347	23,814
WINTER MAINTENANCE	53,471	47,925	49,070	50,051	51,052	52,073	53,115
ADMINISTRATION AND ENGINEERING	42,522	51,936	50,014	51,014	52,035	53,075	54,137
TRANSFER OUT - LOCAL ROADS	212,611	219,682	225,072	229,573	234,165	238,848	243,625
TOTAL EXPENDITURES	356,397	505,475	418,111	426,473	435,003	443,703	452,577
NET OF REVENUES/EXPENDITURES	74,202	(60,867)	37,233	37,978	38,737	39,512	40,302
BEGINNING FUND BALANCE	135,914	210,117	149,250	186,483	224,460	263,198	302,710
ENDING FUND BALANCE	210,117	149,250	186,483	224,460	263,198	302,710	343,012

LOCAL STREET FUND - 203

	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
STATE REVENUE SHARING-ACT 51	198,978	204,275	208,361	212,528	216,778	221,114	225,536
SPECIAL ASSESSMENT REVENUE	-	230,442	44,000	44,000	44,000	44,000	44,000
OTHER REVENUE	15,306	15,000	28,777	15,000	15,000	15,000	15,000
TRANSFER IN - MAJOR STREETS FUND	212,611	219,682	225,072	229,573	234,165	238,848	243,625
TOTAL REVENUES	426,895	669,399	506,210	501,101	509,943	518,962	528,161
EXPENDITURES							
CONSTRUCTION	23,610	645,194	200,000	47,884	48,842	49,819	50,815
ROUTINE MAINTENANCE	98,244	166,578	147,750	162,525	165,775	169,091	172,472
TRAFFIC SERVICES	18,667	15,300	15,606	17,167	17,510	17,860	18,217
WINTER MAINTENANCE	83,507	77,510	79,060	86,966	88,706	90,480	92,289
ADMINISTRATION AND ENGINEERING	27,224	26,970	27,509	30,260	30,866	31,483	32,113
TRANSFER TO OTHER FUNDS	-	172,000	-	-	-	-	-
TOTAL EXPENDITURES	251,252	1,103,552	469,925	344,802	351,698	358,732	365,906
NET OF REVENUES/EXPENDITURES	175,643	(434,153)	36,284	156,299	158,245	160,230	162,255
BEGINNING FUND BALANCE	352,974	528,617	94,464	130,748	287,048	445,293	605,524
ENDING FUND BALANCE	528,617	94,464	130,748	287,048	445,293	605,524	767,779

General Obligation Debt Fund



Outstanding Principal and Interest July 1, 2023-Payable FY2024

	Original Issue	Principal	Interest	Maturity Date
2010 Road Bonds	\$ 4,000,000	\$ 500,000	\$ 26,250	2025
2014 Pension Bonds	\$15,860,000	\$ 930,000	\$ 198,824	2034
Total	\$19,860,000	\$1,430,000	\$ 225,074	

- The General Obligation Debt Fund records the principal, interest and agent fees for the 2010 road bonds and the pension obligation bonds
- The payments are funded by a transfer from the General Fund
- The City also has a 2015 Water & Sewer Bond that is recorded in the Water & Sewer Fund and paid for through user rates

Debt Obligation Payment Schedule

	Maturity Date	FY2024	FY2025	FY2026	FY2027	FY2028	Current Balance
2010 Road Bond	2025	\$526,250	\$508,750	\$ -	\$ -	\$-	\$1,035,000
2014 Pension Bond	2034	\$1,128,824	\$1,128,703	\$1,126,077	\$1,126,548	\$1,124,369	\$12,388,356
Total		\$1,655,074	\$1,637,453	\$1,126,077	\$1,126,548	\$1,124,369	\$13,423,356

* Payments are funded by a transfer from the General Fund



CITY OF BLOOMFIELD HILLS FISCAL YEAR 2024 BUDGET

GENERAL OBLIGATION DEBT FUND - 301

	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
TRANSFER IN FROM GENERAL FUND	1,609,250	1,637,341	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869
TOTAL REVENUES	1,609,250	1,637,341	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869
EXPENDITURES							
G. O. DEBT	1,580,305	1,666,286	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869
TOTAL EXPENDITURES	1,580,305	1,666,286	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869
NET OF REVENUES/EXPENDITURES	28,945	(28,945)	-	-	-	-	-
BEGINNING FUND BALANCE	1,111	30,055	1,110	1,110	1,110	1,110	1,110
ENDING FUND BALANCE	30,055	1,110	1,110	1,110	1,110	1,110	1,110



Capital Improvement Fund

- The Capital Improvement Fund accounts for investment in capital purchases of \$1,000 or more with a useful life exceeding one year
- Investments include vehicles and operating equipment used by Public Safety and DPW, computer hardware and software used by all City staff, including componentry used to back-up all City information systems pursuant to the City's disaster recovery plan
- Investment recommendations stem from a systematic plan to replace and retire (sell/trade-in) assets in service in order to maximize useful life and minimize downtime for unexpected repairs and maintenance at critical times
- Funded by a transfer from the General Fund and proceeds from asset dispositions

Capital Purchases Fiscal Year 2024

Information Technology	<ul style="list-style-type: none"> • Annual Workstation (7) and Laptop (2) Replacements • Replace Switch in City Hall IDF & DMZ Switches • Replace Security Camera Server • Replace Campus Cameras • Replace Dispatch UPS (Battery Backup) • Server Room organizational rack & clean-up 	<ul style="list-style-type: none"> • \$16,000 • \$10,000 • \$15,000 • \$12,500 • \$ 2,500 • \$ 5,000 	\$61,000
Public Works Equipment	<ul style="list-style-type: none"> • Storage Shed – Additional storage at DPW site • Leaf & Lawn Vacuum 	<ul style="list-style-type: none"> • \$10,000 • \$ 4,000 	\$14,000
Public Safety Vehicles & Fire Apparatus	<ul style="list-style-type: none"> • Public Safety Vehicle Replacement • Ladder 1 Equipment (for new fire truck) 	<ul style="list-style-type: none"> • \$65,000 • \$25,000 	\$88,000
Enforcement Equipment	<ul style="list-style-type: none"> • Tasers & Equipment – Quantity 4 (\$2,000 Grant Available) 	<ul style="list-style-type: none"> • \$10,000 	\$10,000
Firefighting Equipment	<ul style="list-style-type: none"> • Personal Protective Firefighting Equipment-7 sets • Engine 1 Equipment Upgrades • Fire Hoses Upgrades – Supply Lines • Lucas Chest Compression System (Applied for Grant) 	<ul style="list-style-type: none"> • \$26,500 • \$11,000 • \$23,100 • \$28,100 	\$88,700
Building Improvements	<ul style="list-style-type: none"> • Rear DPS Fire Bay cement replacement • Commission chairs & Admin Office Furniture 	<ul style="list-style-type: none"> • \$55,000 • \$35,000 	\$90,000
Total Fiscal Year 2024			\$351,700



CITY OF BLOOMFIELD HILLS FISCAL YEAR 2024 BUDGET

CAPITAL IMPROVEMENT FUND - 401

	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
OTHER FINANCING	-	-	-	-	-	-	-
OTHER REVENUE	39,733	34,000	27,000				
TRANSFER IN FROM GENERAL FUND	427,792	313,974	514,962	486,262	663,512	576,012	380,262
TOTAL REVENUES	467,525	347,974	541,962	486,262	663,512	576,012	380,262
EXPENDITURES							
CAPITAL PURCHASES	452,447	268,180	353,700	298,000	475,250	387,750	192,000
FINANCING COSTS (P&I)	11,672	79,794	188,262	188,262	188,262	188,262	188,262
TOTAL EXPENDITURES	464,120	347,974	541,962	486,262	663,512	576,012	380,262
NET OF REVENUES/EXPENDITURES	3,406	-	-	-	-	-	-
BEGINNING FUND BALANCE	617	4,023	4,023	4,023	4,023	4,023	4,023
ENDING FUND BALANCE	4,023	4,023	4,023	4,023	4,023	4,023	4,023



Road Construction Fund

- The Road Construction Fund accounts for replacement of city roads pursuant to an ongoing City-wide plan
- All costs internally funded - No tax increase and no new bonded debt
 - Funding sources used in current year and previous years:
 - Dedicated portion of operating millage – FY24 set at .3660 mills
 - General Fund and Local Road Fund transfers

Planned Road Rehabilitation FY2024

Road Project	Estimated Cost
Lone Pine Hill, Edgemere, Cranbrook Ct., Linda Lane (Cranbrook to bridge), & Linda Court	\$516,346
<u>Funding Source</u>	
.3660 Mills of City Operating	\$381,346
Fund Balance	<u>\$135,000</u>
Total Revenue	\$516,346

City of Bloomfield Hills Road Program

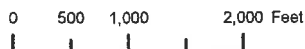
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Road Program

- Before Improvement Again
- 2016 - 2023

- Improvements within 3 years
- Gravel
- Private
- Other Roads





CITY OF BLOOMFIELD HILLS FISCAL YEAR 2024 BUDGET

ROAD CONSTRUCTION FUND - 450

	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
PROPERTY TAXES	514,780	541,000	382,000	500,000	500,000	500,000	500,000
OTHER REVENUE	114,000	-	-	-	-	-	-
INVESTMENT INCOME	2,007	-	-	-	-	-	-
TRANSFER IN	-	172,000	-	-	-	-	-
TOTAL REVENUES	630,787	713,000	382,000	500,000	500,000	500,000	500,000
EXPENDITURES							
CONSTRUCTION	1,190,353	936,248	516,346	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	1,190,353	936,248	516,346	500,000	500,000	500,000	500,000
NET OF REVENUES/EXPENDITURES	(559,566)	(223,248)	(134,346)	0	0	0	0
BEGINNING FUND BALANCE	922,890	363,324	140,076	5,730	5,730	5,730	5,730
ENDING FUND BALANCE	363,324	140,076	5,730	5,730	5,730	5,730	5,730



Water & Sewer Fund

- An Enterprise Fund which operates like a for-profit business
- A budget for this fund is not mandatory, but is considered best practice
- Revenues include:
 - User Fees that vary depending on usage and weather
 - Capital Charges for infrastructure, maintenance and bond payments
- Expenses include:
 - Oakland County – Cost to maintain, bill, and collect
 - Interest on bonded debt
 - A small allocation for staff wage and benefits

Infrastructure Funding Projects

Current Projects:

- Square Lake vault (meter pit) repair – GLWA’s project
- PRV at Square Lake & Lahser
- Trowbridge Farms SAD Project:
 - ✓ Water Gate and Well - \$4,000
 - ✓ Sanitary Structure - \$14,400

Upcoming projects & expenditures:

- Evergreen-Farmington Sanitary Drain – City paid in full FY2023
- Lead Service Line Verifications
- 2015 Bond Payment due FY24 \$362,850
- Sewer line analysis conducted – repair will be completed as needed

Outstanding Water & Sewer Bond

- The following 2015 Water & Sewer bonds are recorded in the Water & Sewer fund and are funded from user charges:

WATER & SEWER FUND 2015 WATER & SEWER BONDS

Fiscal Year	Principal	Rate	Interest	Total
2023/24	345,000	2.00%	17,850	362,850
2024/25	355,000	2.00%	10,850	365,850
2025/26	365,000	2.00%	3,650	368,650
	<u>1,065,000</u>		<u>32,350</u>	<u>1,097,350</u>



CITY OF BLOOMFIELD HILLS FISCAL YEAR 2024 BUDGET

WATER-SEWER FUND - FUND 592

	2021-2022 ACTUAL & AUDITED	2022-2023 PROJECTED ACTIVITY	2023-2024 APPROVED BUDGET	2024-2025 FORECAST BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET
REVENUES							
STATE SOURCES		-	-	-	-	-	-
OTHER REVENUE	296,682	310,000	310,000	307,690	309,540	311,450	313,420
INVESTMENT INCOME	543	4,110	4,110	4,110	4,110	4,110	4,110
WATER & SEWER REVENUE	5,580,791	6,334,532	6,164,532	6,318,102	6,473,332	6,634,502	6,801,812
TOTAL REVENUES	5,878,016	6,648,642	6,478,642	6,629,902	6,786,982	6,950,062	7,119,342
EXPENDITURES							
GENERAL ADMINISTRATION	63,476	67,990	71,390	74,960	78,707	82,643	86,775
ENGINEERING	11,436	10,000	10,000	11,000	12,100	48,310	14,520
CONSTRUCTION	27,926	2,244,976	450,000	450,000	450,000	450,000	450,000
ROUTINE MAINTENANCE	-	710,000	525,000	750,000	750,000	750,000	750,000
ADMINISTRATION COSTS	500	500	500	500	500	-	-
WATER	2,413,984	2,535,990	2,590,000	2,719,500	2,855,475	2,998,249	3,148,161
SEWER	1,505,667	1,546,960	1,580,000	1,659,000	1,741,950	1,829,048	1,920,500
DEPRECIATION	788,466	765,000	750,000	740,000	720,000	700,000	680,000
G. O. DEBT	22,602	24,650	17,850	10,850	3,650	-	-
TOTAL EXPENDITURES	4,834,057	7,906,066	5,994,740	6,415,810	6,612,382	6,858,249	7,049,956
NET OF REVENUES/EXPENDITURES	1,043,959	(1,257,424)	483,902	214,093	174,600	91,813	69,386
BEGINNING NET POSITION	17,279,979	18,323,938	17,066,514	17,550,416	17,764,509	17,939,108	18,030,921
ENDING NET POSITION	18,323,938	17,066,514	17,550,416	17,764,509	17,939,108	18,030,921	18,100,307

GLOSSARY OF TERMS

ACCRUAL BASIS - The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

AD VALOREM TAXES – Latin term, meaning according to value. Commonly referred to as property taxes. These taxes are levied on both real and personal property according to the property's valuation and the tax rate.

APPROPRIATION – A legal authorization to incur obligations and to make expenditures for specific purposes.

APPROVED BUDGET - The revenue and expenditure plan for the city for the fiscal year as reviewed and formally adopted by City Commission Budget Resolution.

ASSESSED VALUATION - The value placed upon property equal to 50% of fair market value, as required by State law.

AUDIT – Prepared by an independent certified public accountant, the primary objective of an audit is to determine if the city's financial statements present fairly the city's financial position and results of operations in conformity with generally accepted accounting principles. It is customary that a Management Letter be issued.

BALANCED BUDGET – A budget in which estimated revenues are equal to or greater than estimated expenditures.

BOND – A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date, the maturity date. Bonds are primarily used to finance capital projects.

BUDGET – A plan of financial activity for a specified period of time, indicating all planned revenues and expenses for the budget period.

BUDGET AMENDMENT - Adjustment made to the budget during the fiscal year by the City Commission to properly account for unanticipated changes which occur in revenues and/or expenditures and for program initiatives approved during the fiscal year. The adjustment is made by formally amending the approved budget.

BUDGET CALENDAR – The schedule of key dates a government follows in the preparations and adoption of the budget.

BUDGET POLICIES – General and specific guidelines that govern financial plan preparation and administration.

BUDGET RESOLUTION - The formal Resolution by which the City Commission adopts the recommended budget and establishes the millage rate for taxation of property during the budget year.

CAPITAL BUDGET – The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

CAPITAL EXPENDITURE - Expenditures relating to the purchase of equipment, facility modifications, land, or other fixed assets. To be categorized as a capital outlay item (fixed asset), the purchase must have a value of at least \$1,000 and a useful life of more than one fiscal year.

CAPITAL IMPROVEMENT PLAN (CIP) – A five (5) year plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term plans.

DEBT SERVICE - Expenditures relating to the retirement of long-term debt principal and interest.

ENTERPRISE FUNDS - Are used to account for operations financed and operated in a manner similar to private business enterprises. An Enterprise Fund is established when the intention is that the costs of providing goods or services is financed or recovered primarily through user charges.

EXPENDITURES - Are decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

EXPENSES - Are outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

FISCAL YEAR - A twelve-month period designated as the operating year for an entity. The fiscal year for the city is July 1 through June 30.

FUND - An independent fiscal entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are categorized for budgeting purposes as General, Special Revenue, Debt Service, Enterprise, and Component Unit. Funds are defined in the Uniform Chart of Accounts for Counties and Local Units of Government in Michigan.

FUND BALANCE - An accumulated excess of revenues over expenditures segregated by fund. Exception: Proprietary Funds (Enterprise, Internal Service) are accounted for in the same manner as private businesses and record retained earnings as opposed to fund balances. The Budgets for these funds are prepared on a net working capital basis, which equates to fund balances.

FUND BALANCE, AVAILABLE (UNASSIGNED) – The funds remaining from the prior year, which are available for appropriation and expenditure in the current year.

GENERAL FUND - The fund used to account for all financial transactions except those required to be accounted for in another fund.

GENERAL OBLIGATION DEBT FUND - Are used to account for the payment of general long-term debt principal and interest.

GRANTS – Contributions by a government or other organization to support a particular function. Grants may be classified as either operational or capital.

INTERFUND TRANSFERS - Budgeted allocations of the resources of one fund transferred to another fund. This is typical for those funds which do not receive sufficient revenues to pay for necessary expenditures incurred in their operations.

INFRASTRUCTURE - The basic physical framework or foundation of the city, referring to its buildings, roads, sidewalks, stormwater, water system and sewer systems.

MILL - A taxation unit equal to one dollar of tax obligation for every \$1,000 of assessed valuation of property.

MILLAGE - The total tax obligation per \$1,000 of assessed valuation of property.

MODIFIED ACCRUAL BASIS - The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred except for inventories of materials and supplies that may be considered expenditures either when purchased or when used, and prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

OPERATING SUPPLIES - Expenditures relating to the purchase of expendable items utilized in service delivery such as office supplies, gas and oil and parts and repair items.

PROPOSAL “A” - A State Constitutional Amendment approved by the electorate in 1994 that limits increases in Taxable Value of individual parcels to the Consumer Price Index or 5%, whichever is lower. This applies to all parcels that do not transfer ownership. Properties that change ownership or where new additions or construction takes place can be assessed at 50% of Fair Market Value.

RECOMMENDED BUDGET - The city's revenue and expenditure plan for the fiscal year as prepared and recommended by the City Manager for consideration by the City Commission.

RETAINED EARNINGS - An accumulated excess of revenues over expenditures for proprietary funds (Enterprise, Internal Service) equates to fund balance for governmental funds.

REVENUES - Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. Also, general long-term debt proceeds and operating transfers in are classified as “other financing sources” rather than as revenues.

SPECIAL ASSESSMENT DISTRICT (SAD) - A method of financing public improvements by distributing the cost of a project to those properties realizing a direct benefit. Types of projects most often financed through Special Assessments include sanitary sewers, water mains, road construction and reconstruction and sidewalk construction.

SPECIAL REVENUE FUNDS - Are used to account for the proceeds of specific revenue sources or to finance specified activities in accordance with statutory or administrative requirements. Budgeted special revenue funds for Bloomfield Hills are Major Roads and Local Roads.

STATE EQUALIZED VALUE (SEV) - The assessed valuation of property in the city as determined by the City Assessor is subject to review by higher levels of government to assure that it equals 50% of fair market value, as required by State law.

TAXABLE VALUE - In March 1994, the electorate of the State of Michigan approved Proposal A, which added new terminology to property tax administration. This terminology was "Taxable Value." Taxable Value is the State Equalized Value at December 31, 1994, adjusted for changes in fair market value, the cost of living index or 5%, whichever provides the lower Taxable Value for calculation of taxes.

TRANSFERS OUT See Interfund Transfers.

TRUST AND AGENCY FUNDS - Used to account for assets held by the city as trustee.

General Appropriations Act (Budget)

A resolution to establish a general appropriations act for the City of Bloomfield Hills; to define the powers and duties of the city officers in relation to the administration of the budget; and to provide remedies for refusal or neglect to comply with the requirements of this resolution.

The City Commission resolves:

Section 1: Title

This resolution shall be known as the Bloomfield Hills General Appropriations Act.

Section 2: Chief Administrative Officer

The City Manager shall be the Chief Administrative Officer and shall perform the duties of the Chief Administrative Officer enumerated in this act.

Section 3: Fiscal Officer

The Finance Director/Treasurer shall be the Fiscal Officer and shall perform the duties of the Fiscal Officer enumerated in this act.

Section 4: Public Hearings on the Budget

Pursuant to MCL 141.412, notice of a public hearing on the proposed budget was published in a newspaper of general circulation on April 24, 2023 and a public hearing on the proposed budget was held on May 9, 2023.

Section 5: Estimated Expenditures

The following amounts are hereby appropriated for the operations of the City Government and its activities for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

General Fund

City Commission	\$ 900
City Manager	175,590
City Attorney	195,000
Assessing	52,000
City Clerk	259,186
Treasury	243,565
General Administration	455,922
Building & Grounds	308,000
Public Safety	6,602,283
Building & Planning	417,201
Public Works	1,330,462
Engineering	51,500
Library	339,300
Capital Expenditure	420,040
Transfers Out	<u>2,171,036</u>
Total General Fund	\$13,021,985

Major Streets Fund

Public Works	\$ 193,039
Transfers Out	<u>225,072</u>
Total Major Streets Fund	\$ 418,111

Local Streets Fund

Public Works	\$ 269,925
Construction	<u>200,000</u>
Total Local Streets Fund	\$ 469,925

General Obligation Debt Fund

Debt Service	\$ 1,656,074
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Capital Improvement Fund

Capital Improvements	\$ 541,962
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Road Construction Fund

Road Improvements	\$ 516,346
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Water and Sewer Fund

Public Works	\$ 5,994,740
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Section 6: Estimated Revenues

The following are estimated to be available for the fiscal year beginning July 1, 2023 and ending June 30, 2024, to meet the foregoing appropriations.

General Fund

Property Taxes	\$11,095,380
License and Permits	678,400
Intergovernmental Revenue	955,561
Charges for Services	274,664
Interest Income	45,000
Other Revenue	<u>129,000</u>
Total General Fund	\$ 13,178,005

Major Streets Fund

State Sources	\$ 450,144
Other Revenue	<u>5,200</u>
	\$ 455,344

Local Streets Fund

State Sources	\$ 208,361
Special Assessment Revenue	44,000
Other Revenue	28,777
Transfers In	<u>225,072</u>
Total Local Streets Fund	\$ 506,210

General Obligation Debt Fund

Transfers In	\$ 1,656,074
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Capital Improvement Fund

Other Revenue	\$ 27,000
Transfers In	\$ 514,962
Total Capital Improvement Fund	\$ 541,962

Road Construction Fund

Property Taxes	\$ 382,000
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Water and Sewer Fund

Operating Revenue	\$3,942,890
Capital/Connection Revenue	2,221,642
Interest Income and Other Revenue	314,110
Total Water and Sewer Fund	\$6,478,642

Section 7: Millage Levy

The City Commission shall cause to be levied and collected the general property tax on all real and personal property within the city upon the current tax roll an amount equal to 10.9600 mills as authorized under state law and approved by the electorate.

Section 8: Adoption of Budget by Reference

The general fund budget of the City of Bloomfield Hills is hereby adopted by reference, with revenues and activity expenditures as indicated in Sections 5 and 6 of this act.

Section 9: Appropriation not a Mandate to Spend

Appropriations will be deemed maximum authorizations to incur expenditures. The fiscal officer shall exercise supervision and control to ensure that expenditures are within appropriations, and shall not issue any city order for expenditures that exceed appropriations.

Section 10: Periodic Fiscal Reports

The fiscal officer shall provide the City Commission monthly reports of fiscal year to date revenues and expenditures compared to the budgeted amounts.

Section 11: Limit on Obligations and Payments

No obligation shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.

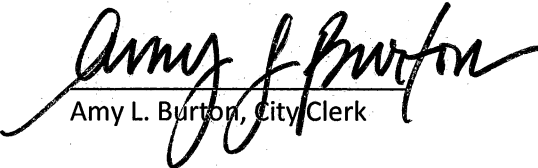
Section 12: Budget Monitoring

Whenever it appears to the fiscal officer or the city commission that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures shall exceed an appropriation, the fiscal officer shall present to the city commission recommendations to prevent expenditures from exceeding available

revenues or appropriations for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

Section 13: City Commission Adoption

Motion made by Commissioner Baxter, seconded by Commissioner McClure to adopt the foregoing resolution. Upon roll call vote, the following voted aye: The following voted nay: The Mayor declared the motion carried and the resolution duly adopted on the 9th day of May, 2023.


Amy L. Burton, City Clerk