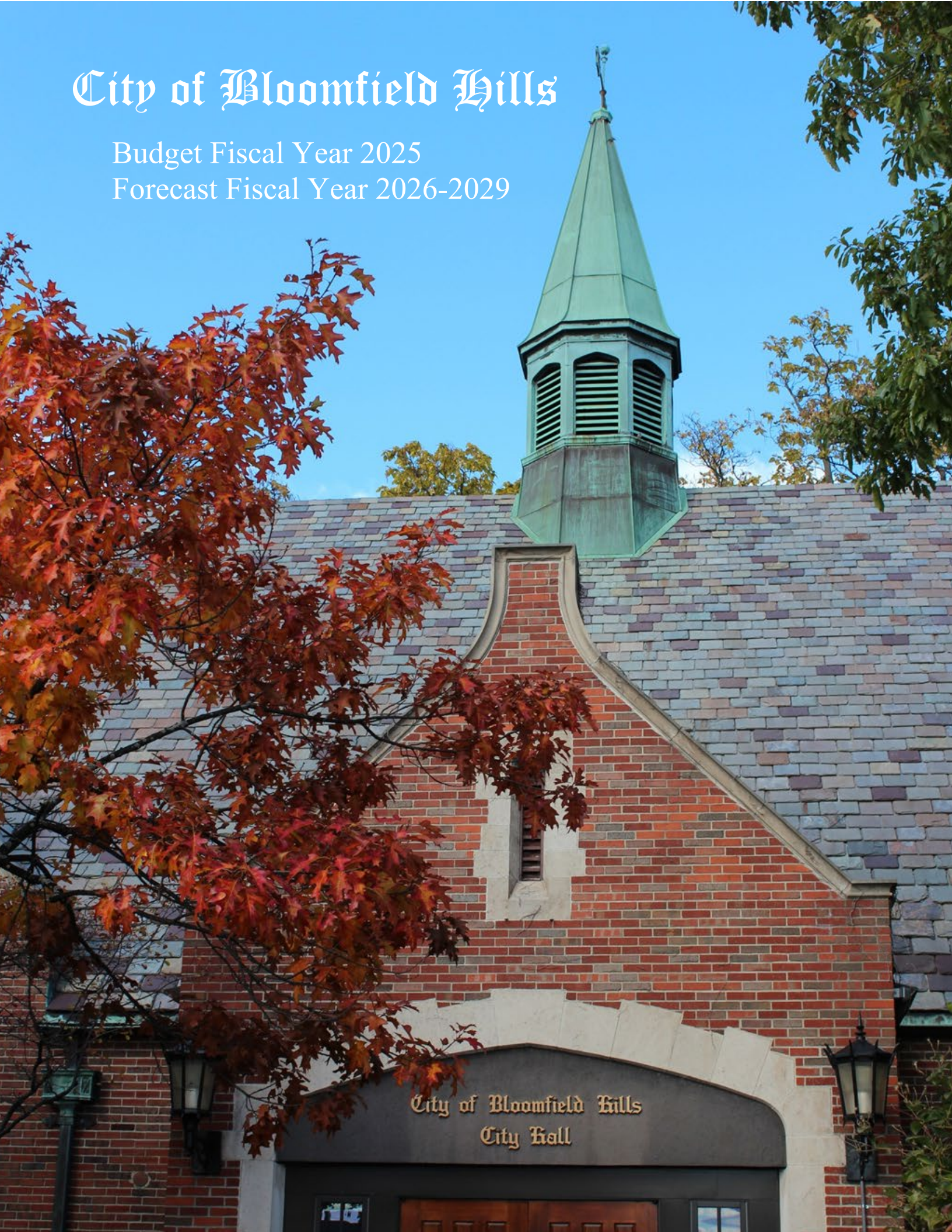


# City of Bloomfield Hills

Budget Fiscal Year 2025

Forecast Fiscal Year 2026-2029





# **City Commission**

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



**David Hendrickson, City Manager**

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

**Sandra Barlass**  
**Finance Director**  
**& Treasurer**

**Jeffrey Gormley**  
**Public Safety**  
**Director**

**Jamie Spivy**  
**Public Works**  
**Director**

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## BUDGET PROCESS

### City of Bloomfield Hills Fiscal Year 2025 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.

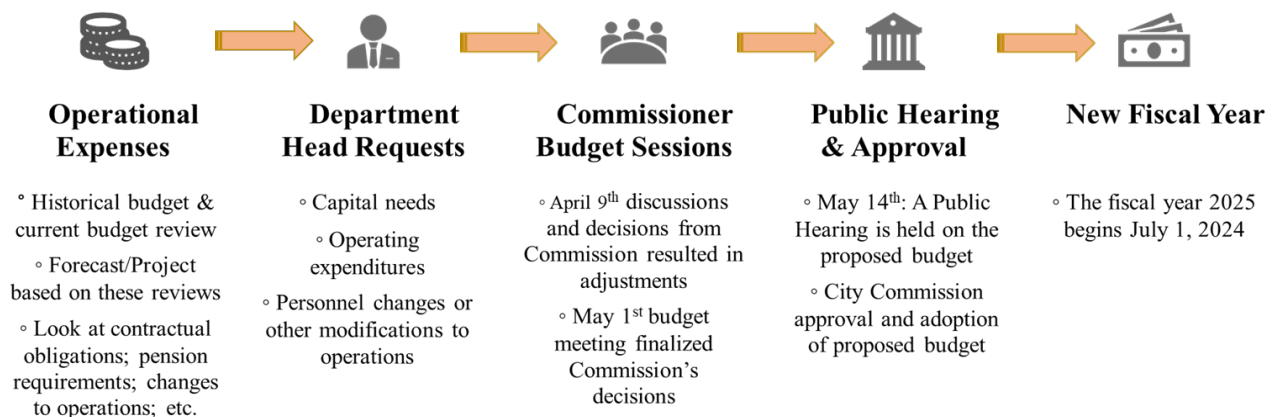
The budget represents a complete financial plan for all activities of the city for the ensuing fiscal year. All estimated income and proposed expenditures are detailed and presented in a form prescribed by the State of Michigan Public Act 2 of 1968, as amended, Uniform Budgeting and Accounting Act (Public 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.

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

#### Fiscal Year 2025 Budget Process

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## Budget Calendar for Fiscal Year 2025

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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 2025's budget development:

January -  
March 2024

Department Heads submitted budget requests

The City Manager, Finance Director, and Department Heads met several times to review and discuss requests, resulting in adjustments

April 2024

The Finance Director prepared a proposed budget for City Commissioners' consideration

A budget meeting was held on April 9<sup>th</sup> with City Commission members to review and discuss the proposed budget, resulting in some adjustment requests

May 2024

An adjusted budget proposal was presented to City Commission at a second budget meeting held on May 1<sup>st</sup>

A Public Hearing on the proposed budget was held at the regularly scheduled City Commission meeting on May 14<sup>th</sup>

City Commission approved the adoption of Fiscal Year 2025 budget during a Commission meeting held on May 14<sup>th</sup>

July 2024

Fiscal Year 2025 budget began July 1, 2024



## 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 2025

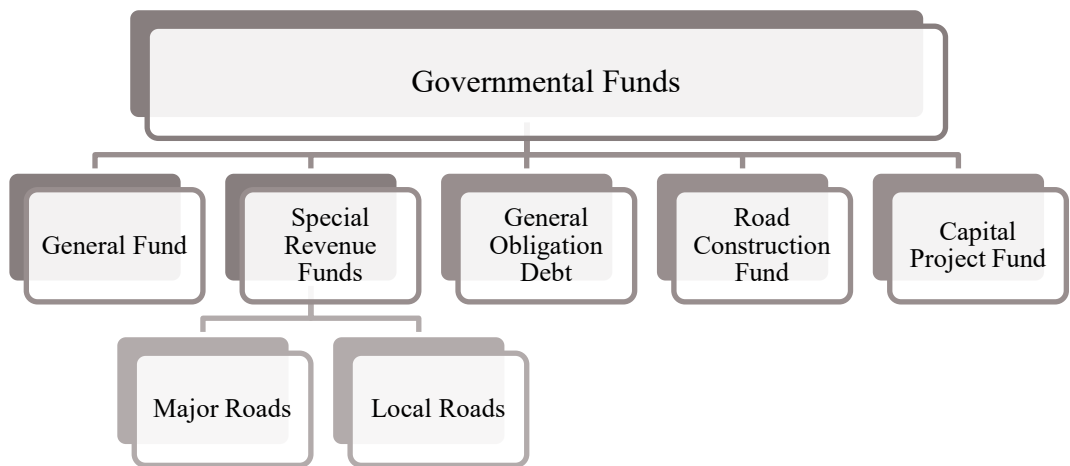
- Property Tax Revenue – Taxable Value = \$1,108,339,040
- Operating Millage 10.6000
  - General Fund 10.1473
  - Road Construction Fund .4527
- Library millage to be levied at .3600
- Personnel salary increases – per CBA contracts & 4% for administrative staff
- Defined Benefit/Pension – 25% increase in actuarial employer required contributions
- Opened a surplus/discretionary pension division to lower unfunded liabilities
- 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).

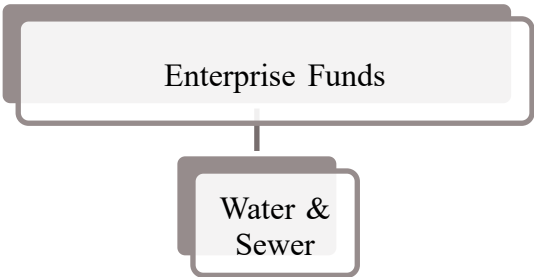
All governmental type funds are prepared on a modified-accrual basis of accounting. Under this method, revenues are recognized when it becomes both measurable and available to finance current operations. Expenditures are recorded when the related fund liabilities are incurred, except general obligation 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:

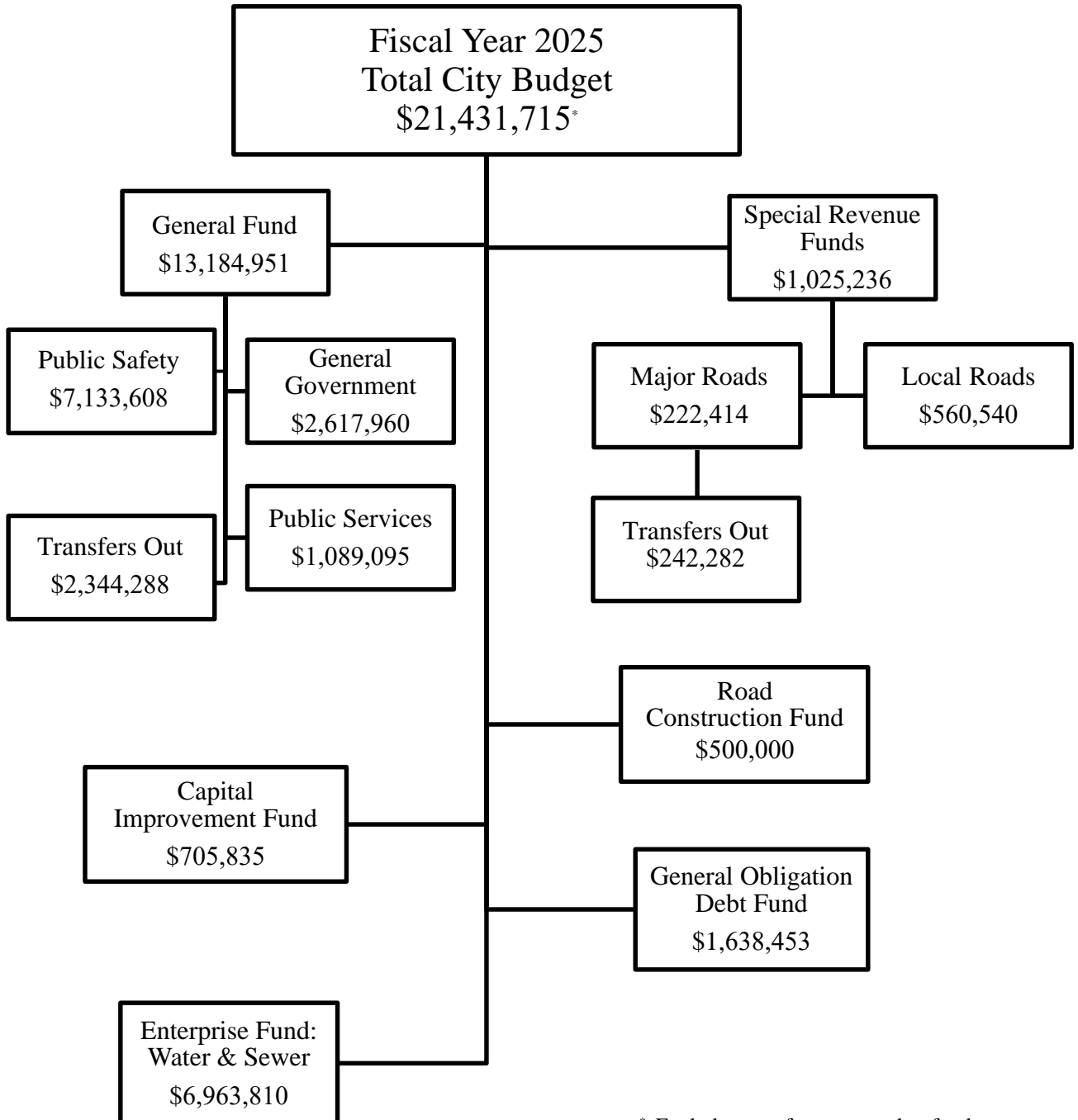
- 1) Water & Sewer Fund – This fund reports the results of operations that provide water and sewer services to citizens that are financed by user charges.



City of Bloomfield Hills  
Fiscal Year 2025



**FINANCIAL ORGANIZATION AND  
STRUCTURE CHART 2025  
APPROPRIATIONS**



\* Excludes transfers out to other funds

# City of Bloomfield Hills

## Fiscal Year 2025



### BUDGET SUMMARY 2025 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
<b>Revenue</b>							
Property Taxes	11,658,500				500,000		12,158,500
Licenses & Permits	687,205						687,205
Federal & State Sources	532,128	710,057				100,000	1,342,185
Charges of Services	294,674					6,302,094	6,596,768
Other Revenue	126,020	84,081				375,000	585,101
Investment Income	90,000					10,000	100,000
	<u>13,388,527</u>	<u>794,138</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>6,787,094</u>	<u>21,469,759</u>
<b>Appropriations</b>							
General Government	2,617,960	84,005				72,170	2,774,135
Public Safety	7,133,608						7,133,608
Public Services	1,089,095						1,089,095
Infrastructure Maintenance		457,949				646,200	1,104,149
Operations						3,914,590	3,914,590
Debt Service			1,638,453	188,265		10,850	1,837,568
Depreciation						750,000	750,000
Capital Outlay		241,000		517,570	500,000	1,570,000	2,828,570
	<u>10,840,663</u>	<u>782,954</u>	<u>1,638,453</u>	<u>705,835</u>	<u>500,000</u>	<u>6,963,810</u>	<u>21,431,715</u>
Transfers In		242,282	1,638,453	705,835			2,586,570
Transfers Out	(2,344,288)	(242,282)					(2,586,570)
Addition to Fund Balance	203,576	11,184	-	-	-	-	214,760
Reduction of Fund Balance	-	-	-	-	-	(176,716)	(176,716)
Est Beg Fund Balance/Net Position	6,397,108	808,616	111	7,085	447	20,395,303	27,608,670
Est Ending Fund Balance/Net Position	<u>6,600,684</u>	<u>819,800</u>	<u>111</u>	<u>7,085</u>	<u>447</u>	<u>20,218,587</u>	<u>27,646,714</u>



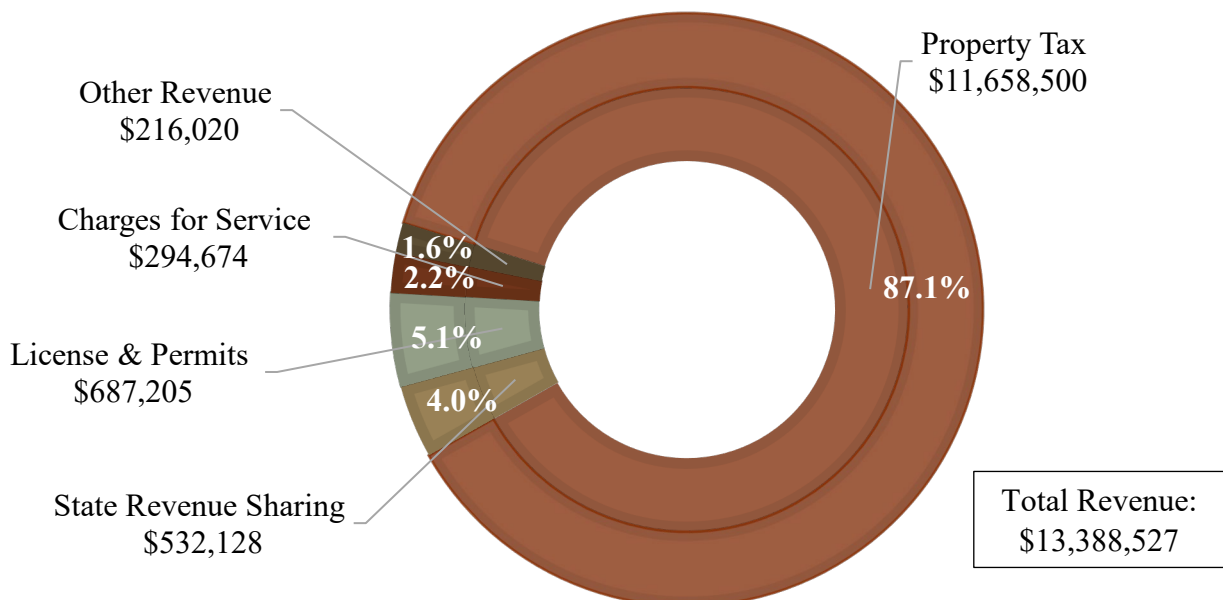
## City of Bloomfield Hills Fiscal Year 2025 Budget General Fund

The General Fund is the city's main operating fund, similar to a company. The city manages seven (7) budgeted funds and two (2) non-budgeted pass-through funds (tax collection fund and trust & agency fund). All funds other than the General Fund were created to track specific activities; for example, the Capital Improvement Fund records all financial activities related to capital purchases, and the Road Construction Fund records all activity related to construction work on city roads. Any activities not explicitly recorded in other funds are covered by the General Fund.

### Revenue

The city's primary source of funding is property taxes, accounting for an estimated 87.1% of the total General Fund revenue in fiscal year 2025. Additionally, the city expects to receive 5.1% of its revenue from Licenses and Permits and 4.0% from sales tax State Revenue Sharing. Smaller revenue percentages come from charges for services, investment income, and other miscellaneous sources.

The graph below demonstrates the revenue breakdown by source:



## Property Taxes

The following chart provides the 2024 taxable value, indicating a 6% increase over the 2023 tax year, and the estimated taxable revenue by millage rate for the 2025 budget year:

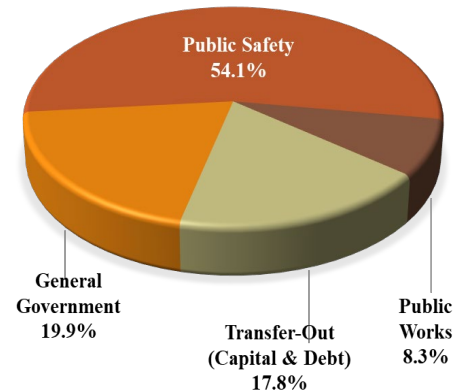
Taxable Value (with estimated adjustments)	Operating Millage 10.1473 General Fund Revenue	Operating Millage .4527 Road Construction Revenue	Library Millage .3600 Revenue	Total Revenue FY2025
\$ 1,104,382,037	\$ 11,200,000	\$500,000	\$ 397,500	\$12,097,500
6% Increase over Tax Year 2023	87% of General Fund Revenue		Estimated Reserve at 6/30/2025 ~\$100K	\$687,500 increase over FY2024

Excludes penalty & interest.

## Expenditures

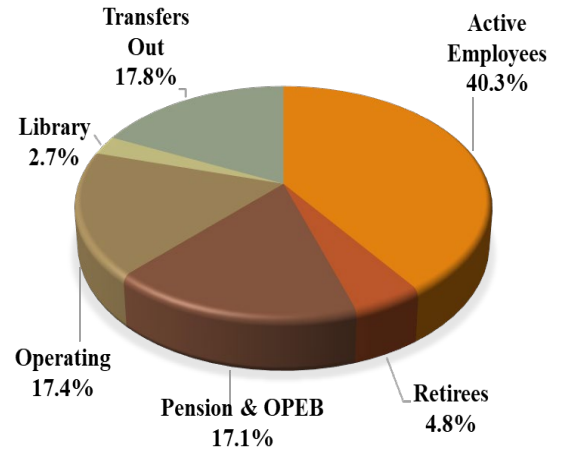
The city has various departments or cost centers in the General Fund, grouped into five (5) functions:

	FY 2024 Amended	FY 2025 Approved	\$ Change 2024/2025	% Change 2024/2025	% of Budget
General Government	2,514,104	2,617,960	103,856	4.1%	19.9%
Public Safety	6,602,283	7,133,609	531,326	8.0%	54.1%
Public Works	1,330,462	1,089,095	(241,366)	-18.1%	8.3%
Capital Outlay	420,040	-	(420,040)	-100.0%	0.0%
Transfer-Out (Capital & Debt)	2,219,036	2,344,287	125,251	5.6%	17.8%
Total Expenditures	13,085,925	13,184,951	99,027	0.8%	100.0%



Another way to present the expenditures for fiscal 2025 is by activity. The following shows the activity by active personnel, including wages and benefits, transfers out for capital expenditures and bond debt payments, retiree pension and medical expenses, and non-personnel operating expenses.

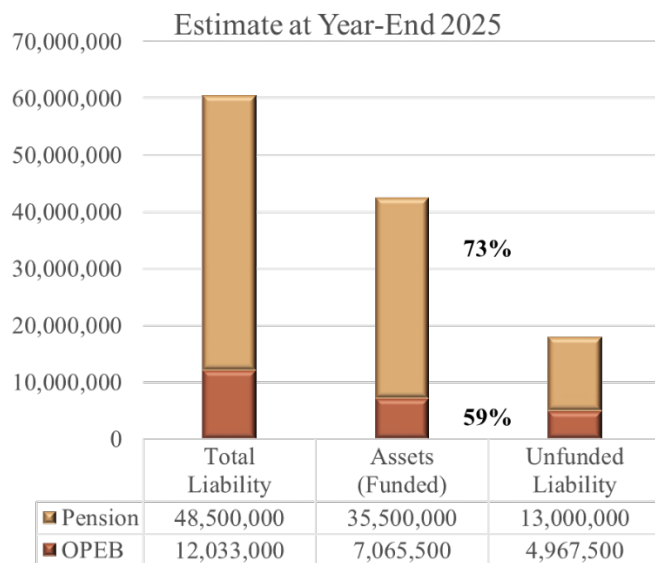
	FY 2024 Amended	FY 2025 Approved	\$ Change 2024/2025	% Change 2024/2025	% of Budget
Active Personnel Salary	3,798,580	3,990,831	192,251	5.1%	30.3%
Active Personnel Benefits	1,219,651	1,320,217	100,566	8.2%	10.0%
Retiree Medical	646,655	633,108	(13,547)	-2.1%	4.8%
Pension ER Funding	1,398,108	1,748,962	350,854	25.1%	13.3%
Pension Surplus Funds	-	500,000	500,000	100.0%	3.8%
OPEB Funding	800,000	-	(800,000)	-100.0%	0.0%
Total Personnel Expense	7,862,994	8,193,118	330,124	4.2%	62.1%
Operating Expense	2,244,555	2,298,109	53,554	2.4%	17.4%
Library Expense	339,300	349,437	10,137	3.0%	2.7%
Capital Outlay	420,040	-	(420,040)	-100.0%	0.0%
Transfer-Out Capital	562,962	705,834	142,872	25.4%	5.4%
Transfer-Out Debt	1,656,074	1,638,453	(17,621)	-1.1%	12.4%
Total Expenditures	13,085,925	13,184,951	99,026	0.8%	100.0%



## Legacy Costs

For fiscal year 2025, legacy costs comprise about 30.4%, or just over \$4 million of the general fund budget. These costs include the required employer contributions into the pension plan (\$1,748,962), a discretionary payment into the pension asset account (\$500,000), the annual pension bond principal and interest payment (\$1,128,703), and Other-Post Employee Benefits (OPEB) (\$633,108). OPEB includes pay-as-you-go medical expenses for retirees. Over the past several years, the City Commission has approved discretionary supplemental payments into a healthcare trust account held with the Municipal Employees Retirement System (MERS) to fund the outstanding OPEB liability. The decision for fiscal year 2025 is to wait until the end of the year to evaluate whether or not to make a deposit.

The table below illustrates the city's expected funding of legacy liabilities by the end of the fiscal year.



Number of Participants		
	Pension	OPEB
Active	16	14
Retired	54	39
Total	70	53

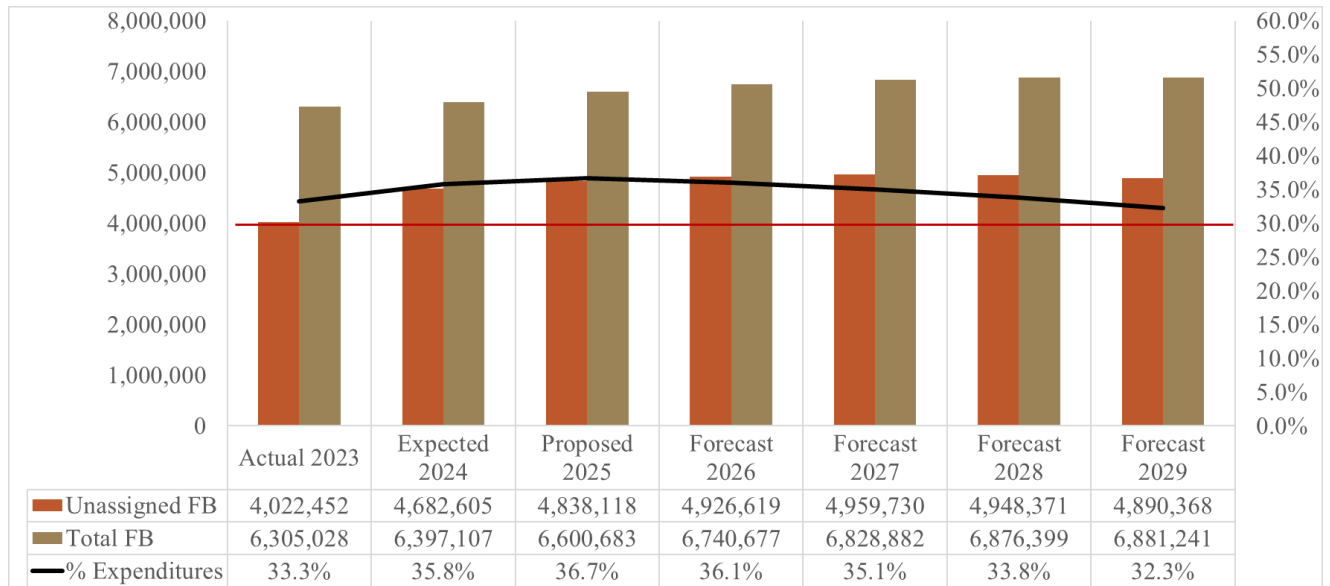
- Both benefits closed to new employees
- With discretionary contributions –
  - estimated year to be 100% funded:
    - Pension = 2032-2035
    - OPEB = 2030



## Fund Balance

The city's policy for its unassigned fund balance is to maintain a minimum of 30% of expenditures. Despite rising 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 2025 BUDGET

### GENERAL FUND - 101

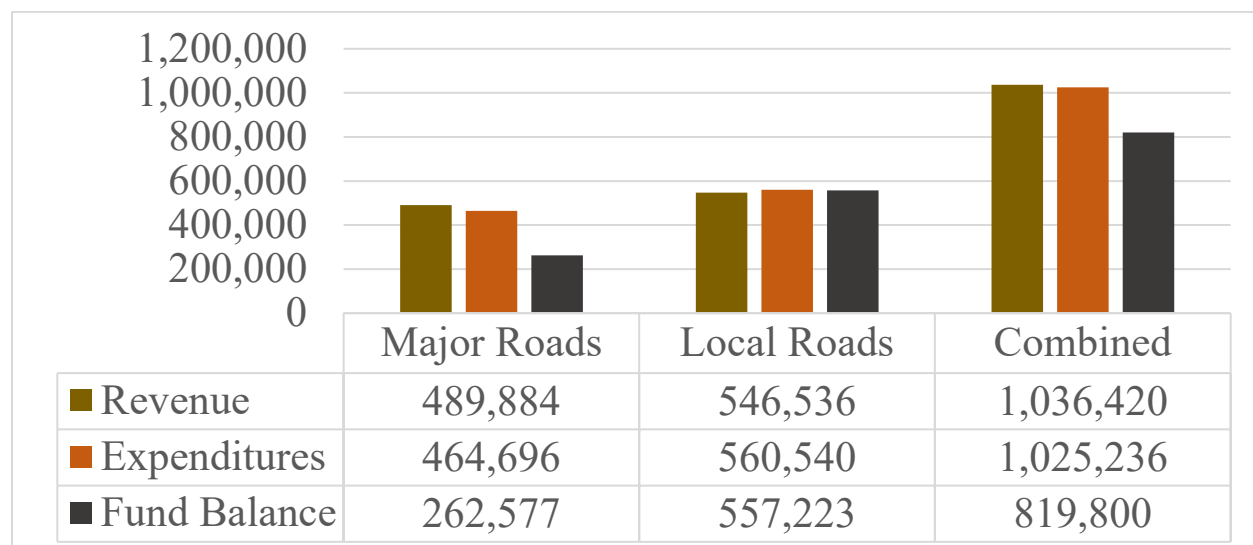
	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED BUDGET	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
PROPERTY TAXES	10,281,280	11,095,380	11,658,500	12,064,413	12,484,532	12,919,356	13,369,398
LICENSES AND PERMITS	1,174,784	678,400	687,205	687,205	687,205	687,205	687,205
FEDERAL & STATE SOURCES	566,039	955,561	532,128	541,947	551,961	562,177	572,596
CHARGES FOR SERVICES	222,913	274,664	294,674	294,674	294,674	294,674	294,674
FINES AND FORFEITURES	34,285	-	-	-	-	-	-
OTHER REVENUE	159,781	129,000	126,020	126,020	126,020	126,020	126,020
INVESTMENT INCOME	98,668	45,000	90,000	90,000	90,000	90,000	90,000
<b>TOTAL REVENUES</b>	12,537,750	13,178,005	13,388,527	13,804,259	14,234,392	14,679,432	15,139,893
<b>EXPENDITURES</b>							
CITY COMMISSION	468	900	1,100	1,133	1,167	1,202	1,238
CITY MANAGER	167,358	175,590	192,098	197,861	203,797	209,911	216,208
CITY CLERK	240,339	275,126	313,993	323,413	333,115	343,109	353,402
GENERAL ADMINISTRATION	459,885	455,922	418,063	475,261	496,986	519,603	541,916
CITY TREASURER	215,935	243,565	269,250	277,328	285,647	294,217	303,043
ASSESSING	50,013	52,000	53,880	55,496	57,161	58,876	60,642
BUILDING & GROUNDS	289,052	308,000	333,295	343,294	353,593	364,200	375,126
CITY ATTORNEY	119,343	195,000	182,000	187,460	193,084	198,876	204,843
PUBLIC SAFETY DEPARTMENT	6,749,732	6,602,283	7,133,608	7,867,829	8,217,769	8,569,764	8,929,815
BUILDING & PLANNING DEPARTMENT	392,375	417,201	456,544	470,240	484,348	498,878	513,844
DEPARTMENT OF PUBLIC WORKS	1,070,272	1,330,462	1,089,095	1,222,868	1,264,679	1,307,955	1,351,710
ENGINEERING	50,624	51,500	48,300	49,749	51,241	52,779	54,362
LIBRARY	329,378	339,300	349,437	359,920	370,718	381,839	393,294
CAPITAL EXPENDITURE	-	420,040	-	-	-	-	-
TRANSFER TO OTHER FUNDS	1,951,315	2,219,036	2,344,288	1,832,412	1,832,883	1,830,704	1,835,606
<b>TOTAL EXPENDITURES</b>	12,086,089	13,085,925	13,184,951	13,664,264	14,146,188	14,631,913	15,135,049
<b>NET OF REVENUES/EXPENDITURES</b>	451,661	92,080	203,576	139,995	88,204	47,519	4,844
BEGINNING FUND BALANCE	5,853,366	6,305,028	6,397,108	6,600,684	6,740,679	6,828,883	6,876,402
ENDING FUND BALANCE	6,305,028	6,397,108	6,600,684	6,740,679	6,828,883	6,876,402	6,881,246
NONSPENDABLE/RESTRICTED/ASSIGNED	(2,282,575)	(1,714,502)	(1,762,565)	(1,814,057)	(1,869,152)	(1,928,028)	(1,990,874)
<b>FUND BALANCE UNASSIGNED</b>	4,022,453	4,682,606	4,838,119	4,926,622	4,959,731	4,948,374	4,890,372
<b>FB UNASSIGNED AS A % OF EXPENSES</b>	33.3%	35.8%	36.7%	36.1%	35.1%	33.8%	32.3%



## 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 2025



FY25 Expenditures include:

Contribution to the Road Construction Fund Project \$220,000



## CITY OF BLOOMFIELD HILLS FISCAL YEAR 2025 BUDGET

### MAJOR STREET FUND - 202

	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED BUDGET	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
STATE REVENUE SHARING-ACT 51	450,333	450,144	484,565	503,948	524,106	545,070	566,873
OTHER REVENUE/METRO ACT	5,734	5,200	5,319	5,425	5,534	5,645	5,757
<b>TOTAL REVENUES</b>	456,067	455,344	489,884	509,373	529,639	550,714	572,630
<b>EXPENDITURES</b>							
CONSTRUCTION	92,257	-	-	-	-	-	-
ROUTINE MAINTENANCE	47,054	71,955	88,934	91,602	94,350	97,181	100,096
TRAFFIC SERVICES	10,047	22,000	28,500	29,355	30,236	31,143	32,077
WINTER MAINTENANCE	46,470	49,070	51,524	53,070	54,662	56,302	57,991
ADMINISTRATION AND ENGINEERING	45,033	50,014	53,456	55,060	56,711	58,413	60,165
TRANSFER OUT - LOCAL ROADS	225,167	225,072	242,282	251,973	262,052	272,534	283,436
<b>TOTAL EXPENDITURES</b>	466,028	418,111	464,696	481,060	498,011	515,572	533,765
<b>NET OF REVENUES/EXPENDITURES</b>	(9,960)	37,233	25,188	28,313	31,628	35,142	38,865
BEGINNING FUND BALANCE	210,116	200,156	237,389	262,577	290,890	322,518	357,661
ENDING FUND BALANCE	200,156	237,389	262,577	290,890	322,518	357,661	396,526

### LOCAL STREET FUND - 203

	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED ACTIVITY	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
STATE REVENUE SHARING-ACT 51	209,404	208,361	225,492	234,512	243,892	253,648	263,794
SPECIAL ASSESSMENT REVENUE	259,792	142,881	34,125	20,619	20,619	20,619	20,619
OTHER REVENUE	34,769	28,777	44,637	45,976	47,355	48,776	50,239
TRANSFER IN - MAJOR STREETS FUND	225,167	225,072	242,282	251,974	262,053	272,535	283,436
<b>TOTAL REVENUES</b>	729,132	605,091	546,536	553,081	573,920	595,578	618,089
<b>EXPENDITURES</b>							
CONSTRUCTION	217,815	367,280	241,000	200,000	200,000	200,000	200,000
ROUTINE MAINTENANCE	151,639	155,612	182,533	189,834	197,428	205,325	213,538
TRAFFIC SERVICES	14,114	15,300	22,300	22,969	23,658	24,368	25,099
WINTER MAINTENANCE	66,064	80,150	84,158	86,683	89,283	91,962	94,721
ADMINISTRATION AND ENGINEERING	23,738	27,900	30,549	31,465	32,409	33,382	34,383
TRANSFER TO OTHER FUNDS	172,000	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	645,371	646,242	560,540	530,952	542,778	555,036	567,740
<b>NET OF REVENUES/EXPENDITURES</b>	83,760	(41,151)	(14,004)	22,129	31,141	40,542	50,348
BEGINNING FUND BALANCE	528,617	612,378	571,227	557,223	579,352	610,493	651,035
ENDING FUND BALANCE	612,378	571,227	557,223	579,352	610,493	651,035	701,383

# General Obligation Debt Fund



Outstanding Principal and Interest July 1, 2024-Payable FY2025

	Original Issue	Principal	Interest	Maturity Date
2010 Road Bonds	\$ 4,000,000	\$ 500,000	\$ 8,750	2025
2014 Pension Bonds	\$15,860,000	\$ 955,000	\$ 173,703	2034
Total	\$19,860,000	\$1,455,000	\$ 182,453	

- 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	FY2025	FY2026	FY2027	FY2028	FY2029	Current Balance
2010 Road Bond	2025	\$508,750	\$ -	\$ -	\$-	\$-	\$508,750
2014 Pension Bond	2034	\$1,128,703	\$1,126,077	\$1,126,548	\$1,124,369	\$1,129,271	\$11,259,532
Total		\$1,637,453	\$1,126,077	\$1,126,548	\$1,124,369	\$1,129,271	\$11,768,282

\* Payments are funded by a transfer from the General Fund





## CITY OF BLOOMFIELD HILLS FISCAL YEAR 2025 BUDGET

### GENERAL OBLIGATION DEBT FUND - 301

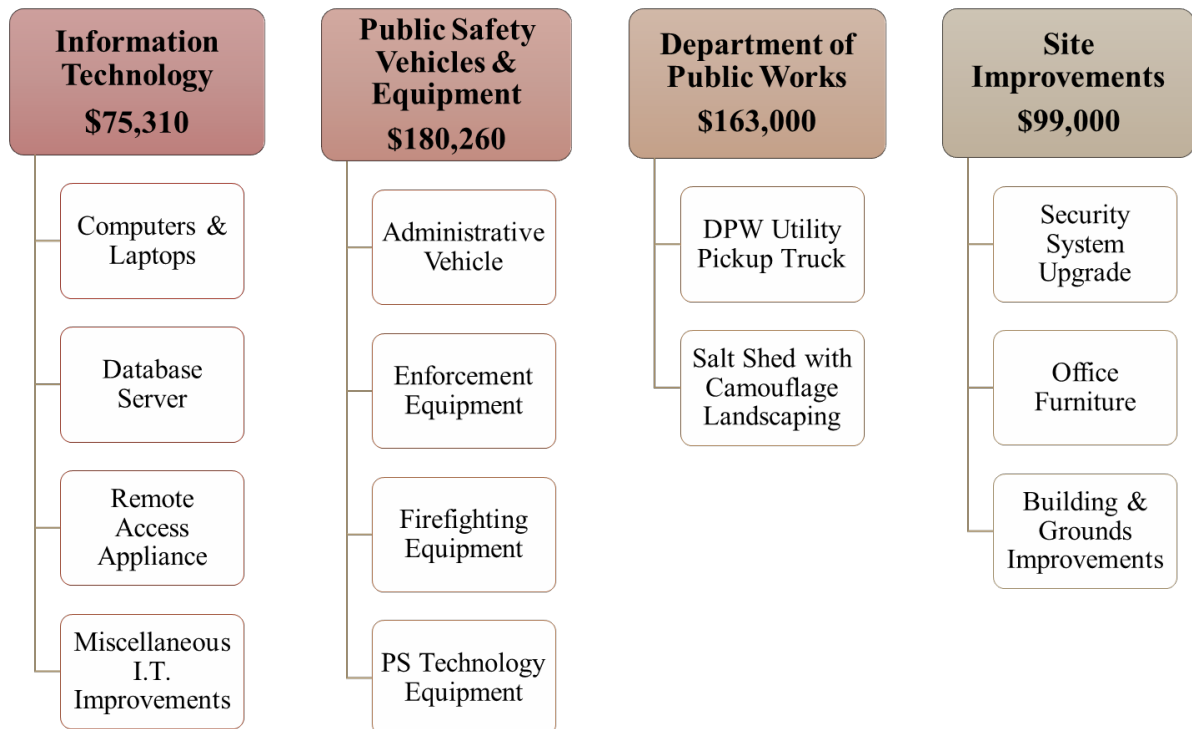
	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED BUDGET	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
TRANSFER IN FROM GENERAL FUND	1,637,341	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869	1,129,771
<b>TOTAL REVENUES</b>	1,637,341	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869	1,129,771
<b>EXPENDITURES</b>							
G. O. DEBT	1,667,286	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869	1,129,771
<b>TOTAL EXPENDITURES</b>	1,667,286	1,656,074	1,638,453	1,126,577	1,127,048	1,124,869	1,129,771
<b>NET OF REVENUES/EXPENDITURES</b>	(29,945)	-	-	-	-	-	-
BEGINNING FUND BALANCE	30,055	111	111	111	111	111	111
ENDING FUND BALANCE	111	111	111	111	111	111	111



# 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 2025 Summarized by Category



# Capital Purchases Fiscal Year 2025

## Detailed by Category

Information Technology	<ul style="list-style-type: none"> <li>• Annual Workstation (7) and Laptop (2) Replacements</li> <li>• Bomgar Remote Access Appliance</li> <li>• Replace Switch in DPW IDF &amp; Upgrade Wireless Access Points, Controller</li> <li>• Replace Database Server</li> <li>• Replace 1 of 2 main Uninterruptable Power Supplies (UPS/Battery Backup)</li> <li>• Wattboxes: 3x12 port for Remote Reset Capability</li> <li>• Netmotion Upgrade</li> <li>• Implement MFA for M365</li> </ul>	<ul style="list-style-type: none"> <li>• \$16,250</li> <li>• \$15,000</li> <li>• \$15,000</li> <li>• \$20,000</li> <li>• \$ 3,500</li> <li>• \$ 3,000</li> <li>• \$ 1,280</li> <li>• \$ 1,280</li> </ul>
Public Works Vehicle	<ul style="list-style-type: none"> <li>• Heavy Duty 3 Ton 2500 Pickup Truck</li> </ul>	<ul style="list-style-type: none"> <li>• \$63,000</li> </ul>
Public Safety Vehicles & Fire Apparatus	<ul style="list-style-type: none"> <li>• Public Safety Administrative Vehicle Replacement</li> <li>• Engine 1 Graphics</li> </ul>	<ul style="list-style-type: none"> <li>• \$55,000</li> <li>• \$ 3,100</li> </ul>
Enforcement Equipment	<ul style="list-style-type: none"> <li>• Tasers &amp; Equipment – Quantity 4 (\$2,000 Grant Available)</li> </ul>	<ul style="list-style-type: none"> <li>• \$11,760</li> </ul>
Firefighting Equipment	<ul style="list-style-type: none"> <li>• Personal Protective Firefighting Equipment-4 sets</li> <li>• Engine 1 Equipment Replacements / Upgrades</li> <li>• Engine 3 Extrication Equipment Rescue 42 System</li> <li>• Fire Hoses Upgrades – Handlines Lines</li> </ul>	<ul style="list-style-type: none"> <li>• \$17,500</li> <li>• \$ 6,500</li> <li>• \$ 3,200</li> <li>• \$24,200</li> </ul>
Public Safety Technology Equipment	<ul style="list-style-type: none"> <li>• In Car Modem Replacements</li> <li>• Clemis CAD PC Replacement (Dispatch Requirement)</li> <li>• Intersection Cameras at Long Lake &amp; Woodward</li> </ul>	<ul style="list-style-type: none"> <li>• \$ 8,000</li> <li>• \$ 1,000</li> <li>• \$50,000</li> </ul>
Building Improvements	<ul style="list-style-type: none"> <li>• City Campus Parking Lot &amp; Cement Caulking</li> <li>• City Campus Single Person Entry Doors (x2)</li> <li>• Water Heater Replacement for Public Safety Department</li> <li>• Electronic Access Security System Upgrade (50% MMRMA Grant Available)</li> <li>• New Multi-View PTZ Camera (50% MMRMA Grant Available)</li> <li>• Office Furniture – City Manager Office</li> <li>• Salt Shed with landscaping camouflage</li> </ul>	<ul style="list-style-type: none"> <li>• \$ 5,000</li> <li>• \$ 8,000</li> <li>• \$11,000</li> <li>• \$50,000</li> <li>• \$10,000</li> <li>• \$15,000</li> <li>• \$100,000</li> </ul>
<b>Total Fiscal Year 2025</b>		



## CITY OF BLOOMFIELD HILLS FISCAL YEAR 2025 BUDGET

### CAPITAL IMPROVEMENT FUND - 401

	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED BUDGET	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
OTHER REVENUE	46,564	85,682	-	-	-	-	-
TRANSFER IN FROM GENERAL FUND	313,974	562,962	705,835	705,835	705,835	705,835	705,835
<b>TOTAL REVENUES</b>	360,538	648,644	705,835	705,835	705,835	705,835	705,835
<b>EXPENDITURES</b>							
CAPITAL PURCHASES	281,003	454,100	517,570	529,246	529,246	529,246	529,246
FINANCING COSTS (P&I)	82,755	188,262	188,265	176,589	176,589	176,589	176,589
<b>TOTAL EXPENDITURES</b>	363,758	642,362	705,835	705,835	705,835	705,835	705,835
<b>NET OF REVENUES/EXPENDITURES</b>	(3,220)	6,282	-	-	-	-	-
BEGINNING FUND BALANCE	4,023	803	7,085	7,085	7,085	7,085	7,085
ENDING FUND BALANCE	803	7,085	7,085	7,085	7,085	7,085	7,085



## 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 – FY25 set at .4527 mills
    - General Fund and Local Road Fund transfers

### **Planned Road Rehabilitation FY2025**

Road Project – Mill & Overlay	Estimated Cost
Whitehall; Kingsley Trail Ct; Randal Ln; Westview to City Limits; Parkman to City Limits	\$720,000
<b><u>Funding Source</u></b>	
City Operating Tax Revenue	\$500,000
Local Roads Fund	<u>\$220,000</u>
<b>Total Funding</b>	<b>\$720,000</b>





- Date: 4/5/2024





## CITY OF BLOOMFIELD HILLS FISCAL YEAR 2025 BUDGET

### ROAD CONSTRUCTION FUND - 450

	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED BUDGET	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
PROPERTY TAXES	535,424	382,000	500,000	517,500	535,613	554,359	573,762
INVESTMENT INCOME	294	-	-	-	-	-	-
TRANSFER IN	172,000	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	707,718	382,000	500,000	517,500	535,613	554,359	573,762
<b>EXPENDITURES</b>							
CONSTRUCTION	936,248	516,346	500,000	517,500	535,613	554,359	573,762
<b>TOTAL EXPENDITURES</b>	936,248	516,346	500,000	517,500	535,613	554,359	573,762
<b>NET OF REVENUES/EXPENDITURES</b>	(228,530)	(134,346)	-	-	-	-	-
BEGINNING FUND BALANCE	363,324	134,793	447	447	447	447	447
ENDING FUND BALANCE	134,793	447	447	447	447	447	447



## 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:

- Service lines verifications
- Sanitary sewer study
- Water system redundancy plan

<b>Upcoming Project &amp; Expenses FY2025</b>	
Eastways Watermain Relocation	\$250,000
Sanitary Pipe Lining (2-year plan)	\$600,000
Water master plan & CIP update	\$100,000
Water system optimization & flow monitoring	\$100,000

### Outstanding Water & Sewer Bond

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

Fiscal Year	Principal	Rate	Interest	Total
2024/25	355,000	2.00%	10,850	365,850
2025/26	365,000	2.00%	3,650	368,650
	<u>720,000</u>		<u>14,500</u>	<u>734,500</u>



## CITY OF BLOOMFIELD HILLS FISCAL YEAR 2025 BUDGET

### WATER-SEWER FUND - FUND 592

	2022-2023 ACTUAL & AUDITED	2023-2024 APPROVED BUDGET	2024-2025 APPROVED BUDGET	2025-2026 FORECAST BUDGET	2026-2027 FORECAST BUDGET	2027-2028 FORECAST BUDGET	2028-2029 FORECAST BUDGET
<b>REVENUES</b>							
FEDERAL SOURCES - GRANT	-	-	100,000	-	-	-	-
OTHER REVENUE	216,195	310,000	375,000	375,000	375,000	375,000	375,000
INVESTMENT INCOME	10,423	4,110	10,000	10,000	10,000	10,000	10,000
WATER & SEWER REVENUE	6,850,715	6,164,532	6,302,094	6,491,157	6,685,892	6,886,468	7,093,062
<b>TOTAL REVENUES</b>	<b>7,077,333</b>	<b>6,478,642</b>	<b>6,787,094</b>	<b>6,876,157</b>	<b>7,070,892</b>	<b>7,271,468</b>	<b>7,478,062</b>
<b>EXPENDITURES</b>							
GENERAL ADMINISTRATION	63,303	71,890	72,170	75,057	78,059	81,181	84,429
GENERAL ENGINEERING	13,526	10,000	50,000	52,500	55,125	57,881	60,775
CONSTRUCTION	-	975,000	1,570,000	500,000	500,000	500,000	500,000
ROUTINE MAINTENANCE	510,791	525,000	596,200	41,734	44,655	47,781	51,126
WATER OPERATIONS	2,459,638	2,065,000	2,210,310	2,365,032	2,530,584	2,707,725	2,897,266
SEWER OPERATIONS	1,608,505	1,580,000	1,704,280	1,823,580	1,951,230	2,087,816	2,233,963
DEPRECIATION	818,173	750,000	750,000	750,000	750,000	750,000	750,000
G. O. DEBT	15,927	17,850	10,850	3,650	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>5,489,863</b>	<b>5,994,740</b>	<b>6,963,810</b>	<b>5,611,552</b>	<b>5,909,654</b>	<b>6,232,385</b>	<b>6,577,559</b>
<b>NET OF REVENUES/EXPENDITURES</b>	<b>1,587,470</b>	<b>483,902</b>	<b>(176,716)</b>	<b>1,264,605</b>	<b>1,161,238</b>	<b>1,039,083</b>	<b>900,503</b>
BEGINNING NET POSITION	18,323,931	19,911,401	20,395,303	20,218,587	21,483,192	22,644,430	23,683,513
ENDING NET POSITION	19,911,401	20,395,303	20,218,587	21,483,192	22,644,430	23,683,513	24,584,017

## 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 May 1, 2024 and a public hearing on the proposed budget was held on May 14, 2024.

### 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, 2024 and ending June 30, 2025:

#### General Fund

City Commission	\$ 1,100
City Manager	192,098
City Clerk	313,993
General Administration	418,063
City Treasury	269,250
Assessing	53,880
Building & Grounds	333,295
City Attorney	182,000
Public Safety	7,133,608
Building & Planning	456,544
Public Works	1,089,095
Engineering	48,300
Library	349,437
Transfers Out	<u>2,344,288</u>
Total General Fund	\$13,184,951

**Major Streets Fund**

Public Works	\$ 222,414
Transfers Out	<u>242,282</u>
Total Major Streets Fund	\$ 464,696

**Local Streets Fund**

Public Works	\$ 319,540
Construction	<u>241,000</u>
Total Local Streets Fund	\$ 560,540

**General Obligation Debt Fund**

Debt Service	\$ 1,638,453
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**Capital Improvement Fund**

Capital Improvements	\$ 705,835
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**Road Construction Fund**

Road Improvements	\$ 500,000
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**Water and Sewer Fund**

Public Works	\$ 6,963,810
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**Section 6: Estimated Revenues**

The following are estimated to be available for the fiscal year beginning July 1, 2024 and ending June 30, 2025, to meet the foregoing appropriations.

**General Fund**

Property Taxes	\$11,658,500
License and Permits	687,205
Federal & State Revenue	532,128
Charges for Services	294,674
Interest Income	90,000
Other Revenue	<u>126,020</u>
Total General Fund	\$ 13,388,527

**Major Streets Fund**

State Sources	\$ 484,565
Other Revenue	<u>5,319</u>
	\$ 489,884

**Local Streets Fund**

State Sources	\$ 225,492
Special Assessment Revenue	34,125
Other Revenue	44,637
Transfers In	<u>242,282</u>
Total Local Streets Fund	\$ 546,536

**General Obligation Debt Fund**

Transfers In	\$ 1,638,453
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**Capital Improvement Fund**

Transfers In	\$ 705,835
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**Road Construction Fund**

Property Taxes	\$ 500,000
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**Water and Sewer Fund**

Operating Revenue	\$4,325,180
Capital/Connection Revenue	1,976,914
Federal Sources	100,000
Interest Income and Other Revenue	<u>385,000</u>
Total Water and Sewer Fund	\$6,787,094

**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**

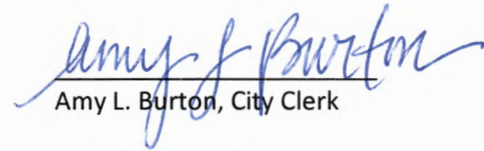
No obligation shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.

**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 Buckley, seconded by Commissioner L. Fisher to adopt the foregoing resolution. Upon roll call vote, the following voted aye: (4) Baxter, Buckley, L. Fisher, D. Fisher. The following voted nay: (0) The Mayor declared the motion carried and the resolution duly adopted on the 14th day of May, 2024.



Amy L. Burton, City Clerk