



CITY OF AUBURN HILLS

City Council Workshop

Minutes

August 26, 2019

CALL TO ORDER: Mayor McDaniel at 5:33 PM

LOCATION: Admin Conference Room, 1827 N. Squirrel Road, Auburn Hills, MI 48326

Present: Mayor McDaniel, Council Members Burmeister, Hammond, Kittle, Knight, Moniz, Verbeke

Absent: None

Also Present: City Manager Tanghe, Assistant City Manager Grice, City Attorney Beckerleg, City Clerk Pierce, Director of Senior Services Adcock, Director of Community Development Cohen, Director of Public Works Melchert, Deputy DPW Director Stahly, Mgr of Municipal Properties Torres, Mgr of Public Utilities Michling, Finance Director/Treasurer Schulz, Deputy Finance Director/Deputy Treasurer Farmer, Accountant Potvin, Fire Chief Taylor, Assistant Fire Chief Macias, Police Chief Baker, Recreation Director Hegdal, Director of Authorities Skopek, Engineer Cousino, Executive Assistant Weber

Ms. Schulz presented the 2019 Amended Budget and the 2020-2024 Projected Budget. She discussed the net appropriations and noted that the increase in TIFA A is due to the purchase of property and the overall decrease is due to the postponement of roads. Within the General Fund amendments, the increase in the General Administration fund is due to an additional transfer for pension and increase to RHC. In the Police Patrol fund the increase is due to the pension benefit reallocation. She pointed out that the Storm Water Management fund was offset by grant revenue. Overall the amendments project a decrease in expenditures.

Ms. Schulz explained that the major assumptions include:

- General Fund Road Transfers 2019-2024 - Total \$26.4 Million
- SAD Revenue West Entrance and Atlantic Blvd. \$1.6 Million 2020-2024
- General Fund Transfers over ARC to RHC Internal Service Fund:
 - \$1 million 2019 (\$750,000 original budget) and 2020
 - \$500K 2021-2022
- General Fund Transfers over ARC to Pension Trust Fund:
 - \$500K 2019-2022
- PPT Reimbursement \$1.6 million in 2019 (\$1.9m original budget), \$1.3 million in 2020 to \$650k in 2021.
- 12% increase in ACT 51 funds 2019, 2020 up 8.7%
- Reserves for potential AFSCME adjustments and Admin performance/wage adjustments are reflected in General Admin
- January 2020 rate increase for water 0% and sewer 1%

In response to questions from Council, Ms. Schulz explained that the water is well funded and there was not a need to increase it. She confirmed that the pension transfer would be done each year.

Ms. Schulz presented the Police and Fire Department budgets. She noted that as PPT reimbursement declines, reliance on revenue from the current millage for operations increases

resulting in the police and fire operations becoming fully dependent on the millage for support. She explained the amounts that Police and Fire would assume if the City assigned General Fund costs using the current admin/interfund allocation method. The increased reliance on the current tax revenue would burden the General Fund.

Ms. Schulz discussed the recommendations to the wages and benefits. She noted that the goal is to retain and attract high quality employees and pointed out that the budget includes a COLA and performance increase in the General Admin budget.

She discussed the major and local roads, highlighting the amount of General Fund support and the amount needed to maintain the roads at the PASER rating of 6.

She reviewed the General Fund projections and noted that the fund balance will fall below 25% by 2023. She showed the impact of a millage increase if approved by voters in August, 2020 which would cover the transfer to roads. Council discussed placing the issue on the ballot next year, whether to do a charter amendment option versus a Headlee override, the amount that should be requested, and whether to place it on the August or November ballot.

The meeting adjourned at 6:57 PM.

Kevin R. McDaniel, Mayor

Laura M. Pierce, City Clerk

2019 AMENDED BUDGET 2020-2024 PROJECTED BUDGET

8.26.2019

NET APPROPRIATIONS (Revenues less Expenses) BY FUND			
	2019 ORIGINAL BUDGET	2019 AMENDED BUDGET	NET (INCREASE)DECREASE OF APPROPRIATIONS
GOVERNMENTAL FUNDS			
GENERAL	\$ (5,348,926)	\$ (1,767,625)	\$ 3,581,301
MAJOR ROADS	71,707	17,546	(54,161)
LOCAL ROADS	36,353	19,002	(17,351)
METRO ACT	(98,651)	(109,560)	(10,909)
WAYNE DISPOSAL	13,412	6,500	(6,912)
TREE ORDINANCE	(7,670)	122,465	130,135
CDBG	728	728	0
FED DRUG FORFEITURE	0	7,984	7,984
STATE DRUG FORFEITURE	(4,500)	(3,504)	996
CAPITAL IMPROVEMENT DEBT SERVICE	0	0	0
CAPITAL PROJECTS	0	(237,212)	(237,212)
SPECIAL ASSESSMENT DEBT SERVICE	(17,106)	(5,463)	11,643
	\$ (5,354,653)	\$ (1,949,139)	\$ 3,405,514
PROPRIETARY FUNDS			
FIELDSTONE GOLF	\$ 1,809	\$ 22,307	\$ 20,498
SEWER/WATER	3,208,036	3,866,019	657,983
	\$ 3,209,845	\$ 3,888,326	\$ 678,481
INTERNAL SERVICE FUNDS			
FLEET	\$ 713,870	\$ 1,081,154	\$ 367,284
RETIREE HEALTH CARE	193,962	(10,766)	(204,728)
	\$ 907,832	\$ 1,070,388	\$ 162,556
COMPONENT UNIT FUNDS			
DDA	\$ 79,396	\$ 110,691	\$ 31,295
BROWNFIELD AUTHORITY	(38,628)	(364,073)	(325,445)
ECONOMIC DEVELOPMENT	(300)	(300)	0
TIFA A	(145,355)	(1,490,818)	(1,345,463)
TIFA B	232,484	371,288	138,804
TIFA D	57,761	498,326	440,565
	\$ 185,358	\$ (874,886)	\$ (1,060,244)
Grand Totals	\$ (1,051,618)	\$ 2,134,689	\$ 3,186,307

2019 General Fund Amendments -APPROVED AT DEPARTMENT LEVEL

DEPT	DESCRIPTION	2019	2019	INCREASE/	
		ORIGINAL BUDGET	PROJECTED ACTIVITY	(DECREASE) Revenue	
000	GENERAL CITY	\$10,222,146	\$ 11,662,653	\$ 1,440,507	Increase PPT reimbursement \$192K, interest revenue \$598K, interfund/admin charges \$198K, and sale of fixed assets \$303K
266	PARKS/GROUNDS	\$ 199,600	\$ -	\$ (199,600)	Remove DNR Trust Fund Grant for Kayak Point
301	POLICE - PATROL	\$ 160,233	\$ 186,129	\$ 25,896	Increase police OT reimbursement \$72K; Removed reimbursed expenses for Oakland Net \$44K (in Federal Drug Forfeiture)
305	POLICE ADMINISTRATION	\$10,574,984	\$ 10,295,128	\$ (279,856)	Decrease PPT reimbursement projection \$470K; Increase in police fines \$229K
336	FIRE DEPARTMENT	\$ 4,406,928	\$ 4,369,148	\$ (37,780)	Decrease PPT reimbursement \$46K
339	FIRE - SUPPRESSION	\$ 800,400	\$ 819,216	\$ 18,816	Increase Safer Grant funds \$113K; Decrease in ambulatory/medical services collection \$100K
445	STORM WATER MANAGEMENT	\$ 3,427	\$ 303,427	\$ 300,000	Reflect \$300K in Galloway Wetland Grant
685	SENIOR CITIZENS	\$ 115,500	\$ 97,660	\$ (17,840)	Decrease senior travel \$10K; Moved farebox revenues to SMART \$5,500
686	SMART GRANT	\$ 45,991	\$ 58,028	\$ 12,037	Increase State funds \$5,500; Farebox revenues \$6,500 moved from Seniors to SMART departments funds
720	BUILDING SERVICES	\$ 1,155,500	\$ 1,751,600	\$ 596,100	Increase fees \$115K and permits \$475K due to development
751	RECREATION	\$ 189,700	\$ 188,684	\$ (1,016)	
892	PENSION BOARD	\$ 90,130	\$ 82,360	\$ (7,770)	Reduction in amount required to reimburse City funds from trust
TOTALS		\$27,964,539	\$ 29,814,033	\$ 1,849,494	Net Amendments INCREASING Revenue

2019 General Fund Amendments -APPROVED AT DEPARTMENT LEVEL

DEPT	DESCRIPTION	2019	2019	(INCREASE)/	
		ORIGINAL BUDGET	PROJECTED ACTIVITY	DECREASE EXPENSE	
101	CITY COUNCIL	\$ 138,490	\$ 146,477	\$ (7,987)	Net change due to computer/tablet replacements of \$16K
172	CITY MANAGER	\$ 941,401	\$ 953,781	\$ (12,380)	Net change due to increases in allocation RX costs
215	CLERK	\$ 400,025	\$ 348,056	\$ 51,969	\$53K Decrease in document management software projection
253	TREASURER/FINANCE	\$ 728,261	\$ 654,324	\$ 73,937	\$65K decrease in wages/benefits due to PY staff changes
257	ASSESSOR	\$ 618,293	\$ 571,141	\$ 47,152	\$22K adjustment in consultant services, \$12K adjustment in computer services
261	GENERAL ADMINISTRATION	\$ 2,846,825	\$ 3,365,711	\$ (518,886)	\$500K additional transfer for pension and increase RHC from \$750K to \$1 Million
265	FACILITIES	\$ 2,034,705	\$ 2,071,140	\$ (36,435)	Net increase due primarily to adjustment in equipment maintenance \$69,369 and reduced wages/benefits of \$23K
266	PARKS/GROUNDS	\$ 1,589,952	\$ 1,709,823	\$ (119,871)	Increase equipment fleet rental \$114K adjusted for new MDOT rates
270	HUMAN RESOURCES	\$ 292,502	\$ 276,887	\$ 15,615	\$15K decrease in employee development and health and wellness initiatives
301	POLICE - PATROL	\$ 6,928,469	\$ 7,221,433	\$ (292,964)	\$312K Increase in pension defined benefit due to reallocation of ARC to actives
305	POLICE ADMINISTRATION	\$ 1,582,890	\$ 1,553,993	\$ 28,897	\$24K decrease in wage/benefit due to a reclassification of EE department to 301
336	FIRE DEPARTMENT	\$ 478,868	\$ 505,756	\$ (26,888)	\$9400 added for promotion testing/remainder primarily due to revised dispatch agreement
339	FIRE - SUPPRESSION	\$ 3,485,481	\$ 3,550,452	\$ (64,971)	Increase Fleet Rental interfund charges for recent newer vehicles

Approval of Pension and RHC Amendments approves this \$519K change

2019 General Fund Amendments -APPROVED AT DEPARTMENT LEVEL

DEPT	DESCRIPTION	2019 ORIGINAL BUDGET	2019 PROJECTED ACTIVITY	(INCREASE)/ DECREASE EXPENSE	
341	FIRE - PREVENTION	\$ 317,242	\$ 315,640	\$ 1,602	
441	DPW MANAGEMENT SERVICES	\$ 633,781	\$ 716,174	\$ (82,393)	\$65K increase in wages due primarily to FT position beginning 2019
445	STORM WATER MANAGEMENT	\$ 303,858	\$ 697,005	\$ (393,147)	Galloways Wetland Restoration \$466K (\$300K reimbursed by Grant)
685	SENIOR CITIZENS	\$ 527,841	\$ 491,931	\$ 35,910	\$29.7K reduction in overall benefits due to staffing changes
686	SMART GRANT	\$ 46,695	\$ 61,363	\$ (14,668)	Revised budget of additional \$13K for Smart Fleet fuel, maintenance, and insurance
720	BUILDING SERVICES	\$ 1,087,959	\$ 1,256,079	\$ (168,120)	Increased contracted services costs in relation to increased development
721	COMMUNITY DEVELOPMENT	\$ 253,800	\$ 251,794	\$ 2,006	
751	RECREATION	\$ 588,450	\$ 615,453	\$ (27,003)	Net change in expenses primarily due to increased part time wages and DB benefit
883	MIS DEPARTMENT	\$ 561,972	\$ 587,216	\$ (25,244)	\$15K for 3 Par Storage, Additional \$18K added for consultant services
892	PENSION BOARD	\$ 93,630	\$ 87,754	\$ 5,876	Reduction in Consultant services of \$4,750
901	CAPITAL IMPROVEMENTS	\$ 6,832,075	\$ 3,572,275	\$ 3,259,800	Reduced transfers to Roads due to postponed or reallocated road work
	TOTALS	\$33,313,465	\$ 31,581,658	\$ 1,731,807	Net Amendments DECREASING Expenditures
				(1,527,993)	If no reduction in road transfers, expenditures increased
		\$ (5,348,926)	\$ (1,767,625)	\$3,581,301	Overall Net INCREASE in Fund Balance
		\$ 1,483,149	\$ 1,804,650	(\$321,501)	Overall Net DECREASE in Fund Balance w/o road transfers

Offset by \$300K in grant revenues →

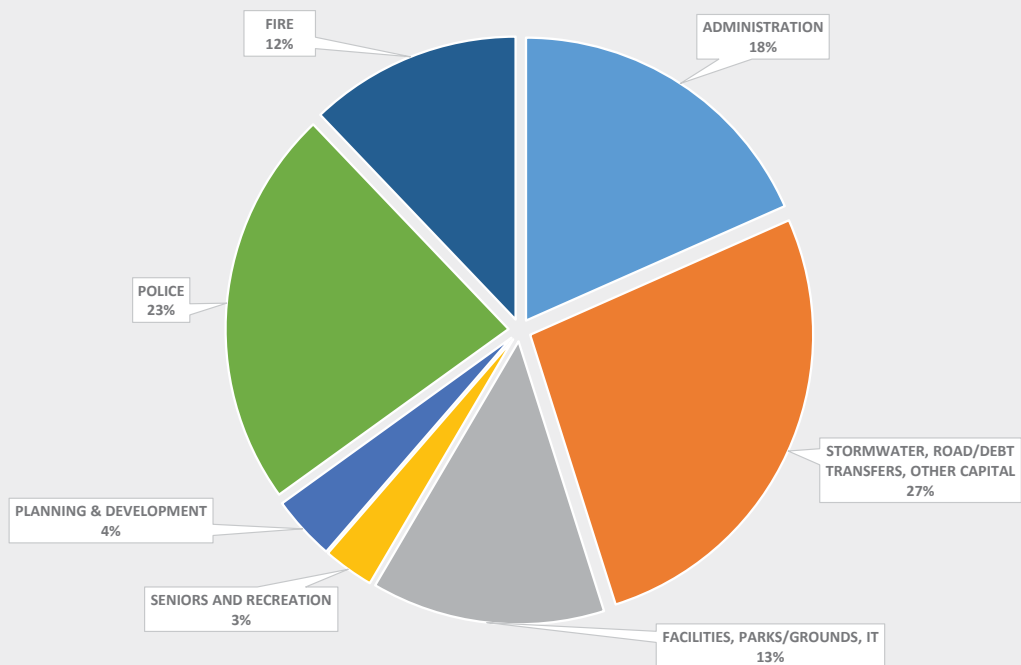
MAJOR ASSUMPTIONS:

- **GENERAL FUND ROADS TRANSFERS 2019-2024 TOTAL \$26.4 MILLION. SAD REVENUE WEST ENTRANCE AND ATLANTIC BLVD. \$1.6 MILLION 2020-2024**
- **GENERAL FUND TRANSFERS OVER ARC TO RHC INTERNAL SERVICE FUND:**
 - \$1 MILLION 2019 (\$750,000 ORIGINAL BUDGET) AND 2020
 - \$500K 2021-2022
- **GENERAL FUND TRANSFERS OVER ARC TO PENSION TRUST FUND:**
 - \$500K 2019-2022
- **PPT REIMBURSEMENT \$1.6 MILLION IN 2019 (\$1.9M ORIGINAL BUDGET), \$1.3 MILLION IN 2020 TO \$650K IN 2021.**
- **12% INCREASE IN ACT 51 FUNDS 2019, 2020 UP 8.7%**
- **RESERVES FOR POTENTIAL AFSCME ADJUSTMENTS AND ADMIN PERFORMANCE/WAGE ADJUSTMENTS ARE REFLECTED IN GENERAL ADMIN (details on subsequent slide)**
- **JANUARY 2020 RATE INCREASE FOR WATER 0% AND SEWER 1%**

2020 General Fund Expenditures by Function

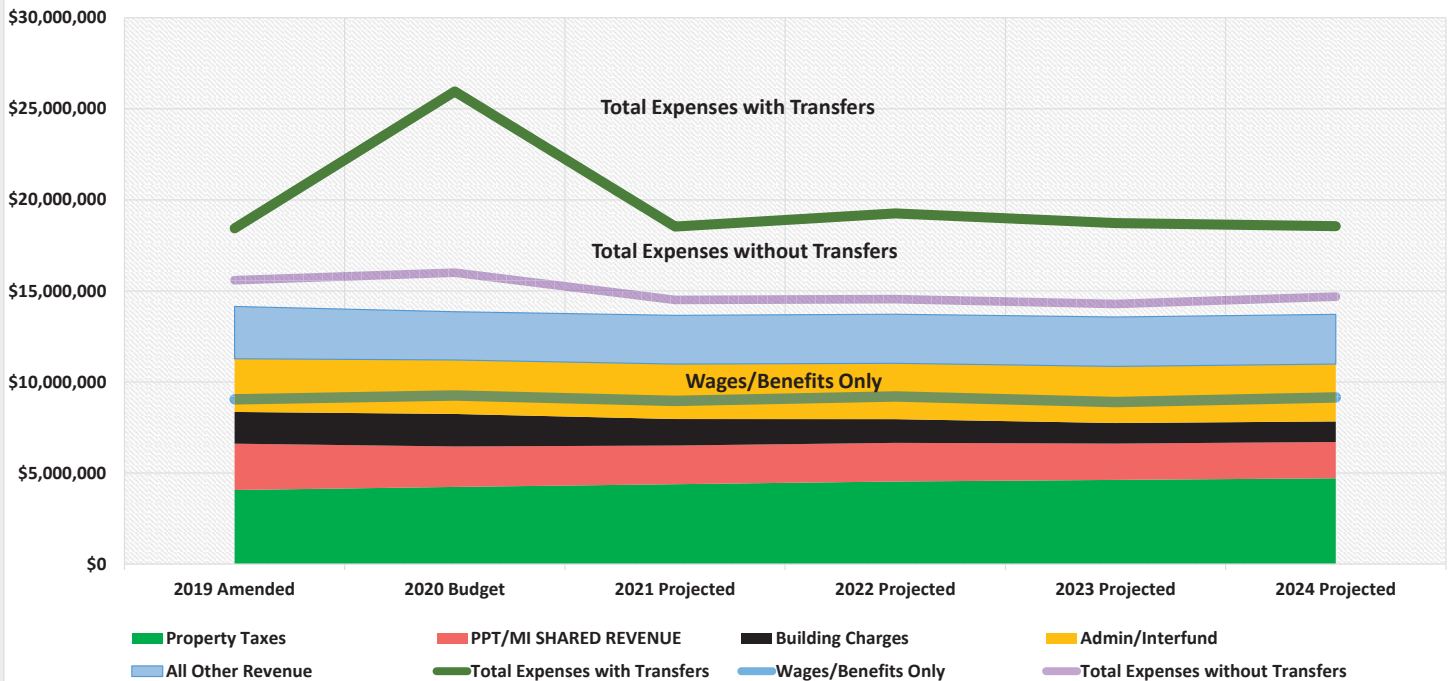
Total Expenditures: \$39,897,276

(includes transfers between funds)



GENERAL FUND EXPENDITURES BY FUNCTION			
	2018	2019 AMENDED	2020
FUNCTION	ACTUAL	BUDGET	BUDGET
ADMINISTRATION	\$ 6,220,402	\$ 7,120,305	\$ 7,329,499
STORMWATER, ROAD/DEBT TRANSFERS, OTHER CAPITAL	2,691,109	4,269,280	10,669,205
FACILITIES, PARKS/GROUNDS, IT	3,619,766	4,368,179	5,323,709
SENIORS AND RECREATION	1,033,970	1,168,747	1,159,093
PLANNING & DEVELOPMENT	1,498,339	1,507,873	1,471,871
	\$ 15,063,586	\$ 18,434,384	\$ 25,953,377
SUPPORT PROVIDED BY 2.11 MILLS =			3,439,888
POLICE	7,961,516	8,775,426	\$ 9,105,574
SUPPORT PROVIDED BY 5.9857 MILLS =			9,758,421
FIRE	4,218,551	4,371,848	\$ 4,838,325
SUPPORT PROVIDED BY 2.5 MILLS =			4,074,768
TOTAL GENERAL FUND EXPENDITURES	\$ 27,243,653	\$ 31,581,658	\$ 39,897,276
Note:			
2020 Administration includes additional transfers for RHC (\$1M) and DB (\$500K) and additional reserves for AFSCME \$25,500 and ADMIN \$55,800			
*The budget book provides further breakdown of the departments and detail under each function			

**GENERAL FUND WITHOUT POLICE AND FIRE
2019-2024**



NON-PUBLIC SAFETY GENERAL FUND	2018	2019	2019	2020	2021	2022	2023	2024
	ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
REVENUES	\$ 13,865,426	\$ 12,021,994	\$ 14,144,412	\$ 13,854,389	\$ 13,656,306	\$ 13,718,059	\$ 13,565,146	\$ 13,712,569
LESS RHC AND PENSION ADDITIONAL FUNDING		\$ 750,000	1,500,000	1,500,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
LESS EXPENSES W/OUT TRANSFER	12,632,983	13,538,540	14,082,409	14,502,802	13,509,160	13,548,320	14,277,202	14,686,810
CHANGE IN CASH BEFORE TRANSFERS	\$ 1,232,443	\$ (2,266,546)	\$ (1,437,997)	\$ (2,148,413)	\$ (852,854)	\$ (830,261)	\$ (712,056)	\$ (974,241)
LESS TRANSFERS:								
ROADS	\$ 1,200,000	\$ 5,670,000	\$ 2,290,000	\$ 9,390,000	\$ 3,460,000	\$ 4,150,000	\$ 3,880,000	\$ 3,310,000
TIFA A	\$ 569,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BOND DEBT	\$ 660,865	\$ 561,975	\$ 561,975	\$ 560,575	\$ 563,800	\$ 561,650	\$ 564,125	\$ 561,225
IMPACT TO FUND BALANCE	\$ (1,198,161)	\$ (8,498,521)	\$ (4,289,972)	\$ (12,098,988)	\$ (4,876,654)	\$ (5,541,911)	\$ (5,156,181)	\$ (4,845,466)

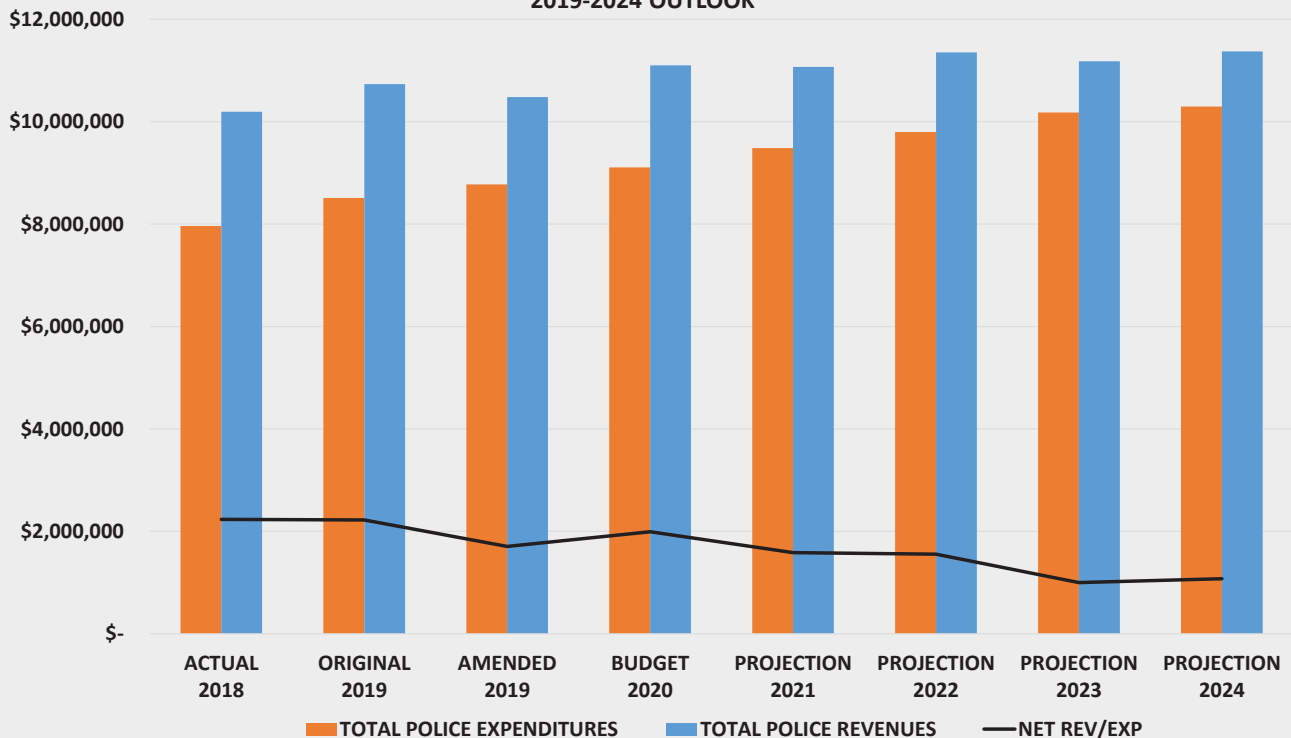
2.11 mills plus other associated tax revenues averages 23% of the non-public safety expenses.

Total revenues are insufficient for total non-public safety operational costs.

Average transfer for Roads only 2020-2024 is \$4,838,000 per year.

Objective: Commit additional funding for legacy costs

CITY OF AUBURN HILLS
2020 POLICE BUDGET REVIEW
2019-2024 OUTLOOK



POLICE-- GENERAL FUND	2018	2019		2020	2021	2022	2023	2024
	ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION
	REVENUES	\$ 10,195,268	\$ 10,735,217	\$ 10,481,257	\$ 11,099,055	\$ 11,068,815	\$ 11,351,992	\$ 11,180,295
LESS EXPENSES	7,961,516	8,511,359	8,775,426	9,105,574	9,483,323	9,798,420	10,180,233	10,297,523
IMPACT TO FUND BALANCE	\$ 2,233,752	\$ 2,223,858	\$ 1,705,831	\$ 1,993,481	\$ 1,585,492	\$ 1,553,572	\$ 1,000,062	\$ 1,072,708

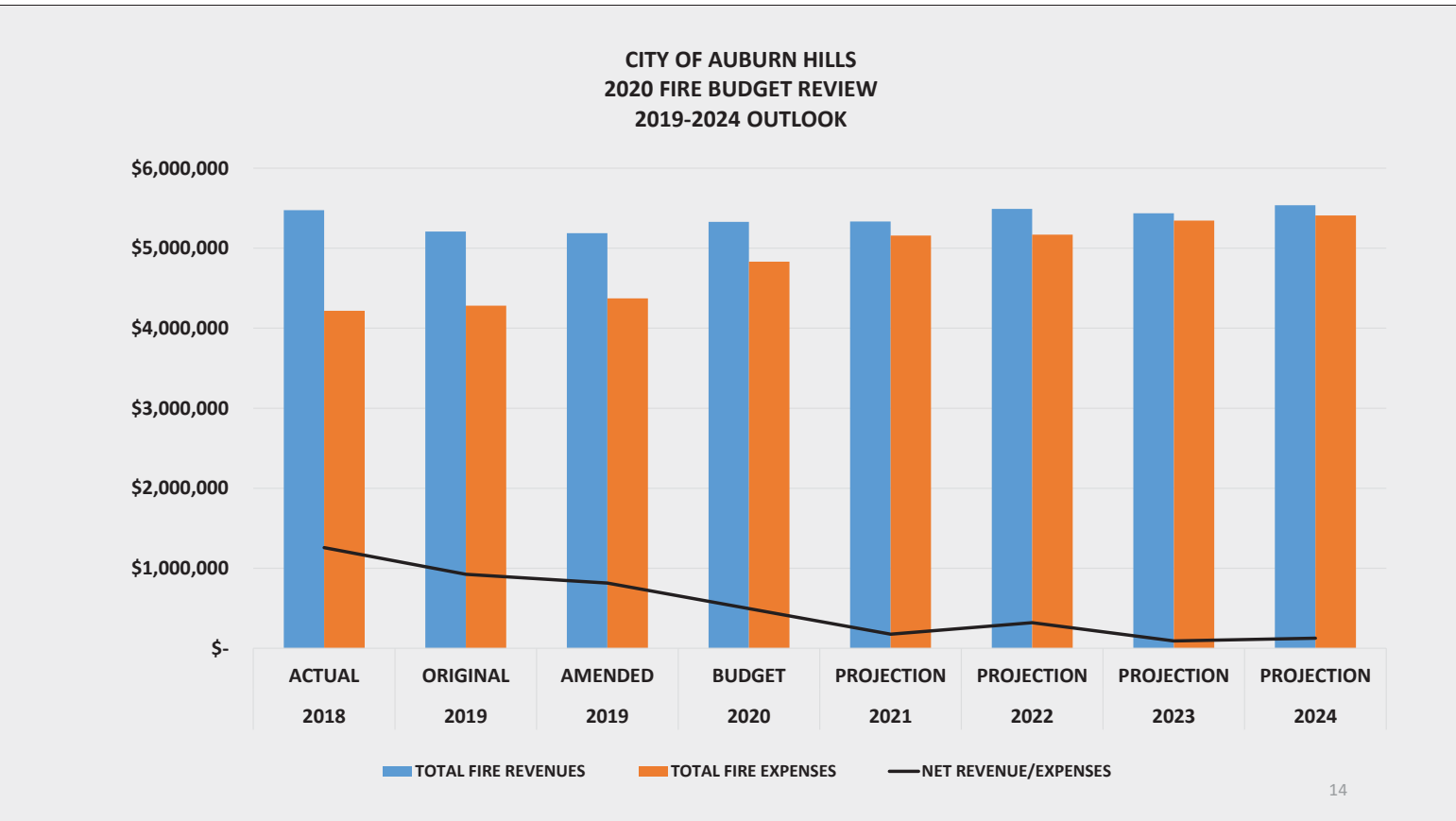
Current millage averages 91% of total police revenues 2019-2024 sufficiently covering police direct expenses.

As PPT reimbursement declines, reliance on revenue from current millage for operations increases representing 95% of total Police revenue by 2024. Thus, the police operations will become fully dependent on this millage for support.

IMPACT:

If the City assigned General Fund costs using the current admin/interfund allocation method, Police would assume approximately \$1.3 Million in 2020 in such costs. Increased reliance on current tax revenue will burden the General fund.

Admin/Interfund Allocation currently spreads a portion of the following cost to Water/Sewer, Golf, Component Units, and Fleet Administration (City Council, City Manager, Clerk, Finance/Treasurer, Human Resources) and Interfund (Assessing, IT, Facilities, General Administration)



FIRE GENERAL FUND	2019		2019		2020	2021	2022	2023	2024
	2018	ORIGINAL	AMENDED						
	ACTUAL	BUDGET	BUDGET	BUDGET					
REVENUES	\$ 5,476,107	\$ 5,207,328	\$ 5,188,364	\$ 5,328,353	\$ 5,334,693	\$ 5,490,047	\$ 5,436,168	\$ 5,536,222	
LESS EXPENSES	4,218,551	4,281,591	4,371,848	4,838,325	5,164,215	5,176,285	5,350,645	5,415,278	
IMPACT TO FUND BALANCE	\$ 1,257,556	\$ 925,737	\$ 816,516	\$ 490,028	\$ 170,478	\$ 313,762	\$ 85,523	\$ 120,944	

Current millage averages 79% of total fire revenues 2019-2024 and sufficiently covers fire direct expenses.

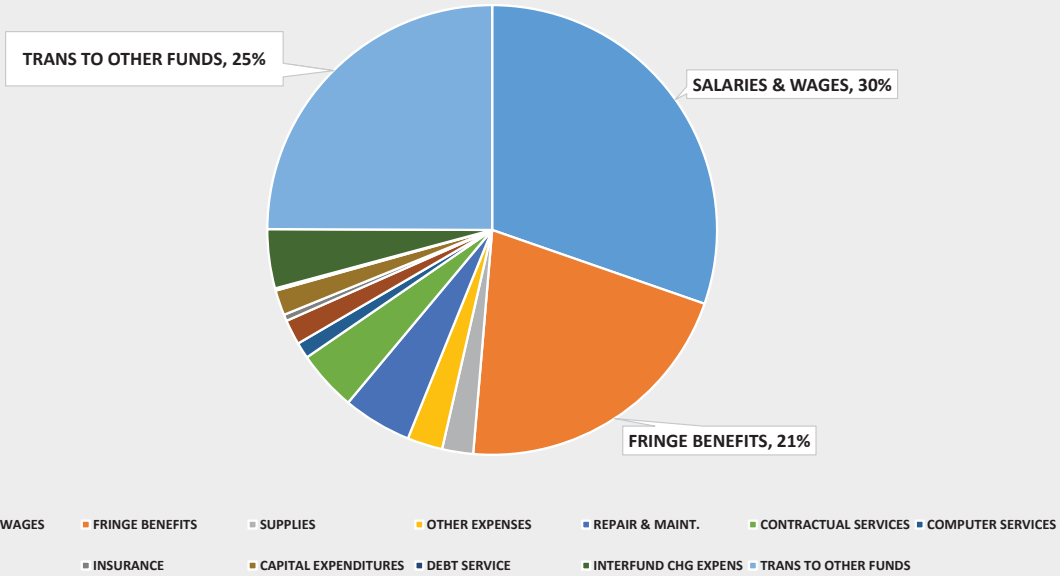
As PPT reimbursement declines, reliance on revenue from current millage for operations increases representing 83% of total Fire revenue by 2024. Thus, the direct fire operations are nearing full reliance on this millage for support.

IMPACT:

**If the City assigned General Fund costs using the current admin/interfund allocation method,
Fire would assume approximately \$550,000 in 2020 in such costs.
Increased reliance on current tax revenue will burden the General fund.**

Admin/Interfund Allocation currently spreads a portion of the following cost to Water/Sewer, Golf, Component Units, and Fleet Administration (City Council, City Manager, Clerk, Finance/Treasurer, Human Resources) and Interfund (Assessing, IT, Facilities, General Administration)

**City of Auburn Hills
2020 Budget
General Fund Expenditures
\$39,897,276**



SALARY TOTALS BY UNION CODE AND NON-BARGAINING GROUP (ADMIN)											2020	
	2019	2020	PY CHANGE	2021	PY CHANGE	2022	PY CHANGE	2023	PY CHANGE	2024	PY CHANGE	EE Count
ADMIN	2,508,692	2,479,254	-1%	2,529,992	2%	2,581,839	2%	2,634,824	2%	2,688,977	2%	36
AFSCME	2,598,614	2,814,502	8%	2,898,034	3%	2,985,648	3%	3,077,578	3%	3,163,463	3%	54
IAFF	1,555,273	1,712,531	10%	1,897,043	11%	1,971,794	4%	2,036,196	3%	2,092,559	3%	25
COMMAND	801,965	822,014	2%	840,509	2%	859,421	2%	878,758	2%	898,530	2%	9
DET	404,144	414,248	2%	423,568	2%	433,098	2%	438,512	1%	443,994	1%	5
POAM	2,488,856	2,643,774	6%	2,832,006	7%	3,008,496	6%	3,124,756	4%	3,219,917	3%	38
	\$ 10,357,544	\$ 10,886,322		\$ 11,421,152		\$ 11,840,296		\$ 12,190,625		\$ 12,507,439		

NOTE: 2020 new positions include 2 AFSCME (Municipal Properties and Water), 1 Patrol and 2 IAFF
 2021 new positions include 1 Patrol and 2 IAFF
 2022 new positions include 1 Patrol
 All Union Codes have steps plus COLA for new positons
 City Manager, Police Chief, Fire Chief, Assistant Fire Chief and both the Police and Fire Admin Assistants are classified as NON-BARGAINING GROUP
 *RESERVES FOR AFSCME NEGOTIATIONS AND ADMIN PERFORMANCE ADJUSTMENTS NOT INCLUDED HERE

Current AFSCME Tiers:

Tier 2 Grade 3 employees hourly wage is approximately 11% less than the equivalent in Tier 1 group

Tier 2 Grade 4 and 5 employees hourly wage is approximately 14% less than the equivalent Tier 1 group

Tier 2 Grade 6 employees hourly wage is approximately 5% less than the equivalent Tier 1 group

INCLUDED IN BUDGET:

Reserves in the General Administration department of the General Fund for potential negotiated changes.
Currently, the budget assumes the current contract COLA of 1% plus applicable steps.

Goal: Retain and Attract High Quality Employees

ADMINISTRATION EMPLOYEES:

(Goal: Retain and Attract High Quality Employees)

2020-2024 general fund budget INCLUDES a 2% COLA annually for all Administrative positions within EACH respective department.

A reserve pool for an additional 2% performance and/or wage adjustment over the 2% COLA is included in the General Admin budget of the General fund at this time.

In order to reserve the maximum that could be necessary, budget outlook assumes ALL Admin would receive 2% additional over the COLA.

Includes the expected increase in tax and wage based benefits of the group.
\$55,788 is reserved for 2020.

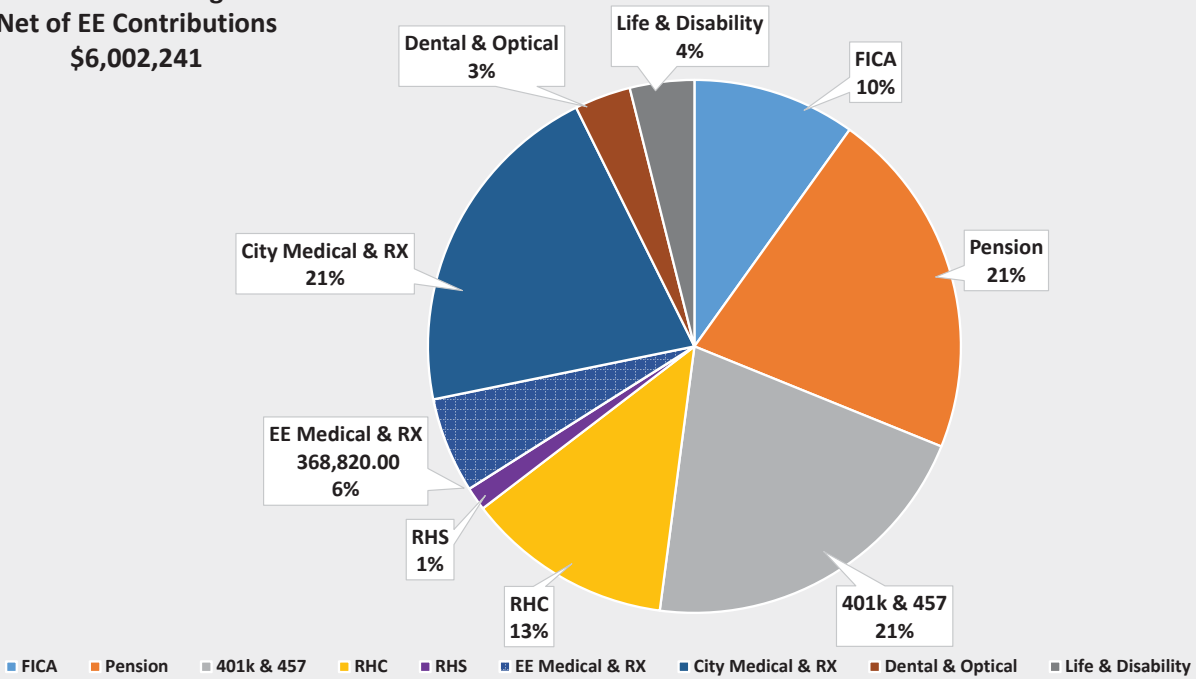
Thus, if 4% was given 2020-2024 across all positions, the maximum cumulative effect over the next 5 years totals \$927,500.

Administrative positions include the City Manager, Police Chief, Fire Chief, Assistant Fire Chief, and the Police and Fire Administrative assistants.

Administration employees total 36 positions for 2020. The lowest salary in 2020 assuming only the 2% COLA is at \$38,888.

**City of Auburn Hills
Fringe Benefits
2020**

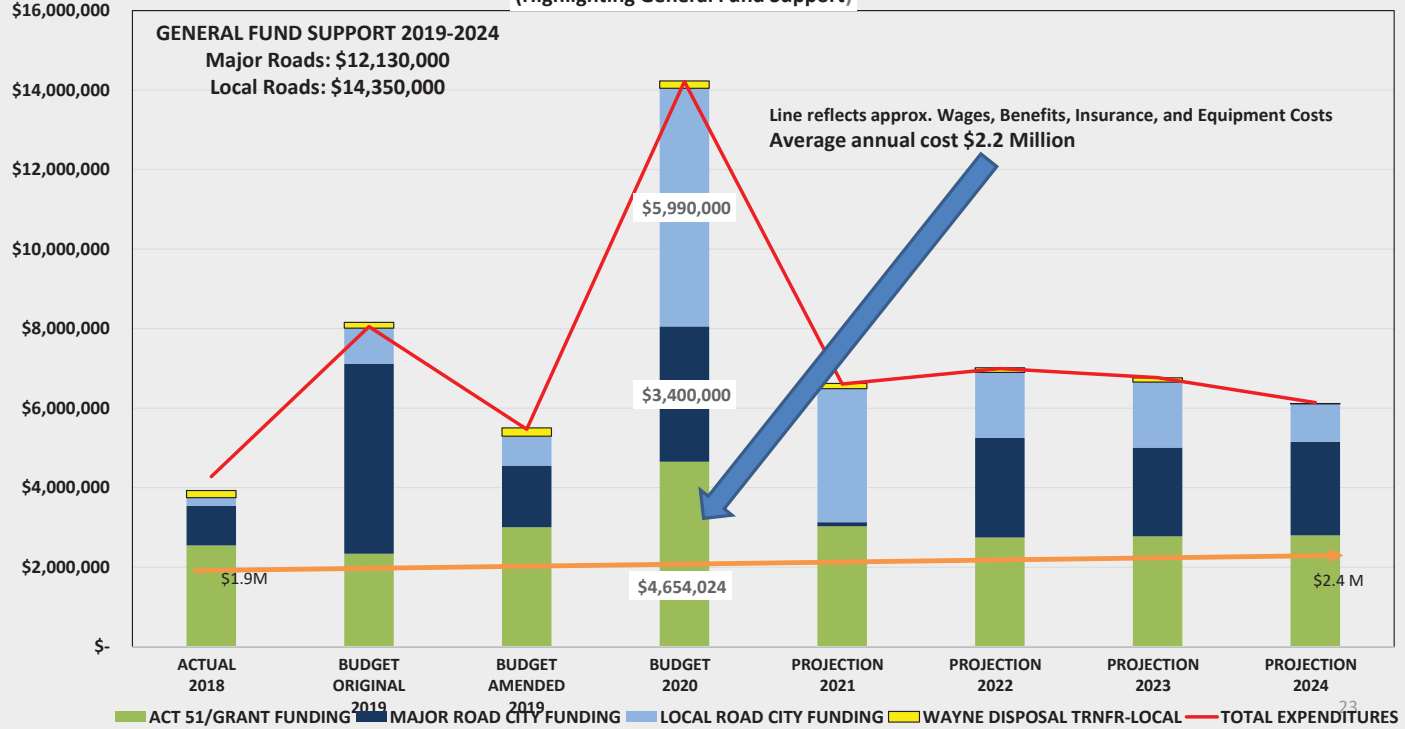
**Total Active EE Fringe cost
Net of EE Contributions
\$6,002,241**



**City of Auburn Hills
ALL Wages and Fringe Benefits
2018-2024**



**CITY OF AUBURN HILLS
MAJOR AND LOCAL ROADS
2018-2024
(Highlighting General Fund Support)**



SLIDE FROM ROADS WORKSHOP



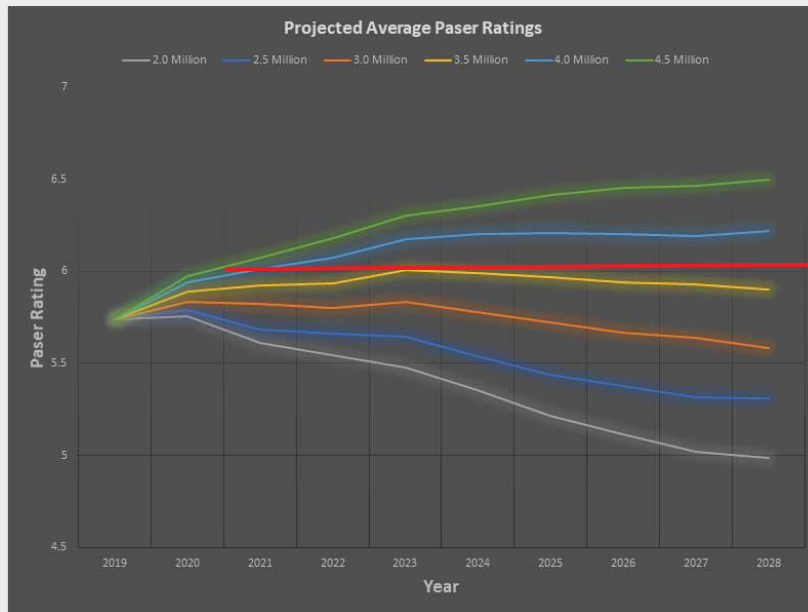
Current State of Roads - Juidici
Based on PASER Rating

ALL STREETS TODAY			
Rating	Condition	Lane Miles Today	Total Estimated Cost
10 & 9	Excellent	27.01	\$ -
8 & 7	Very Good	40.24	\$ 95,409.00
6 & 5	Good-Fair	52.66	\$ 13,352,525.00
4 & 3	Fair - Poor	55.98	\$ 25,664,650.00
2 & 1	Failed	7.24	\$ 6,223,300.00
Total		183.13	\$ 45,335,884.00

GENERAL FUND SUPPORT 2019-2024
Major Roads: \$12,130,000
Local Roads: \$14,350,000
TOTAL: \$26,480,000

Average Costs to Meet Paser Ratings

Objective: Maintain Paser Standard



6 PASER LEVEL
(\$4.5M TO \$3.5M ANNUALLY)

Handout 4

GENERAL FUND PROJECTIONS

	2019		2019		2020	2021	2022	2023	2024
	2018	ORIGINAL	AMENDED	BUDGET					
	ACTUAL	BUDGET	BUDGET	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION
IMPACT TO FUND BALANCE									
NON-PUBLIC SAFETY GENERAL FUND	\$ (1,198,161)	\$ (8,498,521)	\$ (4,289,972)	\$ (12,098,988)	\$ (4,876,654)	\$ (5,541,911)	\$ (5,156,181)	\$ (4,845,466)	
POLICE GENERAL FUND	\$ 2,233,752	\$ 2,223,858	\$ 1,705,831	\$ 1,993,481	\$ 1,585,492	\$ 1,553,572	\$ 1,000,062	\$ 1,072,708	
FIRE GENERAL FUND	\$ 1,257,556	\$ 925,737	\$ 816,516	\$ 490,028	\$ 170,478	\$ 313,762	\$ 85,523	\$ 120,944	
TOTAL IMPACT	\$ 2,293,147	\$ (5,348,926)	\$ (1,767,625)	\$ (9,615,479)	\$ (3,120,684)	\$ (3,674,577)	\$ (4,070,596)	\$ (3,651,814)	
UNRESTRICTED FUND BALANCE									
UNASSIGNED FUND BALANCE	\$ 14,131,768	\$ 7,399,161	\$ 11,730,462	\$ 9,421,027	\$ 7,012,763	\$ 4,510,792	\$ 4,173,103	\$ (654,777)	
ASSIGNMENTS:									
SUBSEQUENT YEARS BUDGET	\$ 5,348,926	\$ 9,615,479	\$ 9,615,479	\$ 3,120,684	\$ 3,674,577	\$ 4,070,596	\$ 3,651,814	\$ 4,826,630	*
ROADS PROJECTION HELD FOR YEAR AFTER NEXT	\$ 5,435,000	\$ 3,460,000	\$ 3,460,000	\$ 4,150,000	\$ 3,880,000	\$ 3,310,000	\$ -	\$ -	**
HAWK WOODS LODGE ADDITIONAL	\$ 150,000								
OPEB TRANSFER OVER REQUIRED	\$ 3,000,000	\$ 2,250,000	\$ 2,000,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	
PENSION TRANSFER OVER REQUIRED	\$ 2,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	
TOTAL UNRESTRICTED FUND BALANCE	\$ 30,065,694	\$ 24,724,640	\$ 28,305,941	\$ 18,691,711	\$ 15,567,340	\$ 11,891,388	\$ 7,824,917	\$ 4,171,853	
Fund Balance as % Expenditures	110.36%	75.93%	94.10%	48.68%	48.38%	35.78%	22.85%	12.17%	
*2024 ASSIGNED NEXT YEARS BUDGET IS AN AVERAGE OF 2020-2024 PROJECTIONS									
**2023-2024 ASSIGNMENT OF ROADS DEPENDS ON FUTURE YEAR BUDGET									

27

Impact of Increased/Additional Mills Approved by 8/2020					
Mills	2021	2022	2023	2024	Total 2021-2024
0.89	\$ 1,500,797.85	\$ 1,549,087.82	\$ 1,577,045.22	\$ 1,605,286.00	\$ 6,232,216.89
1.00	\$ 1,686,289.72	\$ 1,740,548.11	\$ 1,771,960.92	\$ 1,803,692.14	\$ 7,002,490.89
1.50	\$ 2,529,434.59	\$ 2,610,822.17	\$ 2,657,941.38	\$ 2,705,538.21	\$ 10,503,736.34
2.00	\$ 3,372,579.45	\$ 3,481,096.22	\$ 3,543,921.84	\$ 3,607,384.28	\$ 14,004,981.78
2.25	\$ 3,794,151.88	\$ 3,916,233.25	\$ 3,986,912.07	\$ 4,058,307.31	\$ 15,755,604.51
2.50	\$ 4,215,724.31	\$ 4,351,370.28	\$ 4,429,902.29	\$ 4,509,230.35	\$ 17,506,227.23
3.00	\$ 5,058,869.17	\$ 5,221,644.33	\$ 5,315,882.75	\$ 5,411,076.42	\$ 21,007,472.68

Average transfer for Roads 2020-2024 is \$4,838,000 per year.
Average transfer for Roads 2021-2024 is \$3,700,000 per year.

NOTE: .89 Mills represents the additional mills available to reach the maximum allowable by Charter.
The City would request a Headlee override of .8875 mills to achieve 3.00 mills.
(current maximum allowable levy reduced by Headlee is 2.1125)

Current shortfall for Non-Public Safety Expenditures averages \$1.2M 2019-2024

Objective: Identify and implement a 2020 millage election strategy

28

Estimated Impact of 2.5 Mills Road Millage specifically for Roads

	2018	2019	2019	2020	2021	2022	2023	2024	2025
	ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION
IMPACT TO FUND BALANCE									
NON-PUBLIC SAFETY GENERAL FUND	\$ (1,198,161)	\$ (8,498,521)	\$ (4,289,972)	\$ (12,098,988)	\$ (1,416,654)	\$ (1,625,678)	\$ (1,276,181)	\$ (1,535,466)	\$ (1,535,466)
POLICE GENERAL FUND	\$ 2,233,752	\$ 2,223,858	\$ 1,705,831	\$ 1,993,481	\$ 1,585,492	\$ 1,553,572	\$ 1,000,062	\$ 1,072,708	\$ 959,435
FIRE GENERAL FUND	\$ 1,257,556	\$ 925,737	\$ 816,516	\$ 490,028	\$ 170,478	\$ 313,762	\$ 85,523	\$ 120,944	\$ 55,961
TOTAL IMPACT	\$ 2,293,147	\$ (5,348,926)	\$ (1,767,625)	\$ (9,615,479)	\$ 339,316	\$ 241,656	\$ (190,596)	\$ (341,814)	\$ (520,070)
UNRESTRICTED FUND BALANCE									
UNASSIGNED FUND BALANCE	\$ 14,131,768	\$ 10,859,161	\$ 15,190,462	\$ 16,457,944	\$ 18,027,340	\$ 19,077,025	\$ 18,739,336	\$ 17,544,434	\$ 15,806,262
ASSIGNMENTS:									
SUBSEQUENT YEARS BUDGET	\$ 5,348,926	\$ 9,615,479	\$ 9,615,479	\$ -	\$ -	\$ 190,596	\$ 341,814	\$ -	* \$ 202,706
ROADS PROJECTION HELD FOR YEAR AFTER NEXT	\$ 5,435,000	\$ -	\$ -	\$ 233,767	\$ -	\$ -	\$ -	\$ -	** \$ -
HAWK WOODS LODGE ADDITIONAL	\$ 150,000								
OPEB TRANSFER OVER REQUIRED	\$ 3,000,000	\$ 2,250,000	\$ 2,000,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
PENSION TRANSFER OVER REQUIRED	\$ 2,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
TOTAL UNRESTRICTED FUND BALANCE	\$ 30,065,694	\$ 24,724,640	\$ 28,305,941	\$ 18,691,711	\$ 19,027,340	\$ 19,267,621	\$ 19,081,150	\$ 17,544,434	\$ 16,008,968
Fund Balance as % Expenditures	110.36%	75.93%	94.10%	48.68%	66.25%	65.72%	62.82%	56.67%	51.41%
*2024 ASSIGNED NEXT YEARS BUDGET IS AN AVERAGE OF 2020-2024 PROJECTIONS									
**2023-2024 ASSIGNMENT OF ROADS DEPENDS ON FUTURE YEAR BUDGET									

Estimated Impact of Headlee Override

	2018	2019	2019	2020	2021	2022	2023	2024	2025
	ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	BUDGET	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION
IMPACT TO FUND BALANCE									
NON-PUBLIC SAFETY GENERAL FUND	\$ (1,198,161)	\$ (8,498,521)	\$ (4,289,972)	\$ (12,098,988)	\$ (3,375,856)	\$ (3,992,823)	\$ (3,579,136)	\$ (3,240,180)	\$ (3,630,180)
POLICE GENERAL FUND	\$ 2,233,752	\$ 2,223,858	\$ 1,705,831	\$ 1,993,481	\$ 1,585,492	\$ 1,553,572	\$ 1,000,062	\$ 1,072,708	\$ 959,435
FIRE GENERAL FUND	\$ 1,257,556	\$ 925,737	\$ 816,516	\$ 490,028	\$ 170,478	\$ 313,762	\$ 85,523	\$ 120,944	\$ 55,961
TOTAL IMPACT	\$ 2,293,147	\$ (5,348,926)	\$ (1,767,625)	\$ (9,615,479)	\$ (1,619,886)	\$ (2,125,489)	\$ (2,493,551)	\$ (2,046,528)	\$ (2,614,784)
UNRESTRICTED FUND BALANCE									
UNASSIGNED FUND BALANCE	\$ 14,131,768	\$ 7,399,161	\$ 11,730,462	\$ 10,921,825	\$ 10,062,649	\$ 9,137,723	\$ 10,405,320	\$ 6,823,883	\$ 5,469,198
ASSIGNMENTS:									
SUBSEQUENT YEARS BUDGET	\$ 5,348,926	\$ 9,615,479	\$ 9,615,479	\$ 1,619,886	\$ 2,125,489	\$ 2,493,551	\$ 2,046,528	\$ 3,580,187	* \$ 2,320,088
ROADS PROJECTION HELD FOR YEAR AFTER NEXT	\$ 5,435,000	\$ 3,460,000	\$ 3,460,000	\$ 4,150,000	\$ 3,880,000	\$ 3,310,000	\$ -	\$ -	** \$ -
HAWK WOODS LODGE ADDITIONAL	\$ 150,000								
OPEB TRANSFER OVER REQUIRED	\$ 3,000,000	\$ 2,250,000	\$ 2,000,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
PENSION TRANSFER OVER REQUIRED	\$ 2,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
TOTAL UNRESTRICTED FUND BALANCE	\$ 30,065,694	\$ 24,724,640	\$ 28,305,941	\$ 18,691,711	\$ 17,068,138	\$ 14,941,274	\$ 12,451,848	\$ 10,404,070	\$ 7,789,286
Fund Balance as % Expenditures	110.36%	75.93%	94.10%	48.68%	53.04%	44.96%	36.35%	30.36%	22.36%
*2024 ASSIGNED NEXT YEARS BUDGET IS AN AVERAGE OF 2020-2024 PROJECTIONS									
**2023-2024 ASSIGNMENT OF ROADS DEPENDS ON FUTURE YEAR BUDGET									