

CITY OF TECUMSEH
STUDY SESSION
MONDAY, FEBRUARY 15, 2016
AT
TECUMSEH CITY HALL
IN
COUNCIL CHAMBERS
6:45 P.M.

AGENDA

1. Call to order
2. Roll call
3. Approval of Agenda
4. Public Comment Re: Items on the Agenda
5. Discussion Items:
 - A. **Preliminary FY 2016/2017 Budget Review**
6. Adjournment



City of Tecumseh

Budget Preview FY 2016-2017


Innovative • Timeless • Inviting



Overview & Terminology

- Government “Funds”
 - 31 Different Funds
 - General Fund
- Fund Balance
 - Reserves
 - 25% of annual budget suggested
 - Actual \$1.4 M on 6/30/2015: 26%
- Fiscal Year July 1 – June 30
- Reserve Funds
 - Set aside for other projects by City Council
- Designated Funds
 - Set aside by donor
- Undesignated Funds
 - Set aside for general purpose and to meet cash flow needs.

Innovative • Timeless • Inviting




General Fund

- General/Administrative
- Cemetery
- Parks and Recreation
- Police Department
- Emergency Services
- Public Works
- Transfers In and Out

- Components of GF Fund Balance
 - Reserved Funds
 - Designated Funds
 - Unreserved Funds

Innovative • Timeless • Inviting

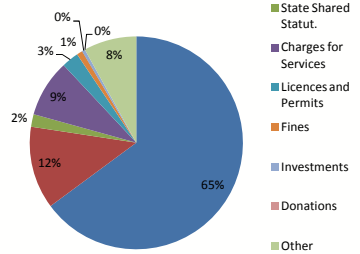


General Fund Revenue/Expenses

as of 6/30/2015

General Fund Revenues FY 2014-15

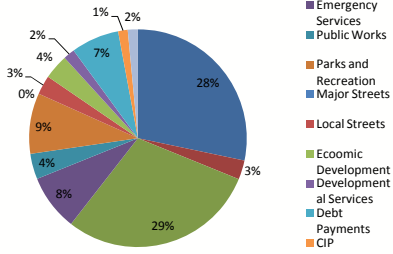
\$5.28 Million



- Property Taxes
- State Shared Const.
- State Shared Statut.
- Charges for Services
- Licences and Permits
- Fines
- Investments
- Donations
- Other


General Fund Expendit. FY 2014-15

\$5.3 Million



- General Govt.
- Cemetery
- Police
- Emergency Services
- Public Works
- Parks and Recreation
- Major Streets
- Local Streets
- Ecoomic Development Services
- Debt Payments
- CIP


Innovative • Timeless • Inviting



Other Funds

- Water
- Wastewater
- TCA
- CIP
- Local
- Major
- Econ Dev
- Dev Services
- DDA
- Debt (Various)
- LDFA
- BRA
- Equipment Fund

Innovative • Timeless • Inviting




2016-17 Projections

General Fund

- \$5.28 M Revenue
 - **Flat or Slight Decrease**
 - Taxable Values- 0.3% increase
 - Personal Property Coming **OFF** Roll
 - Revenue Sharing?
 - Proposing Small Increases in Fees
- \$5.41 M Expenses
 - Employee Pay Increases (1.5%)
 - Contractual Increases (2-3%)
 - Insurance Outpacing Inflation
 - Deferred CIP Projects
 - PD Overtime
 - Fire Truck Payments

Innovative • Timeless • Inviting



2016-17 Challenges

- Police & Emergency Services Departments
 - Equipment
 - Technology Updates
- City Hall Technology
 - Server & Network
 - Data Back-Up
- Equipment Fund
- TCA Support
- Deferred and “NEW” Capital Projects
 - Aging Building/Facility Systems (Mech.)
 - Deteriorating Parking Lot Surfaces
 - Evans Street Corridor
 - Park Buildings & Equip.
 - Matching Funds for Grants

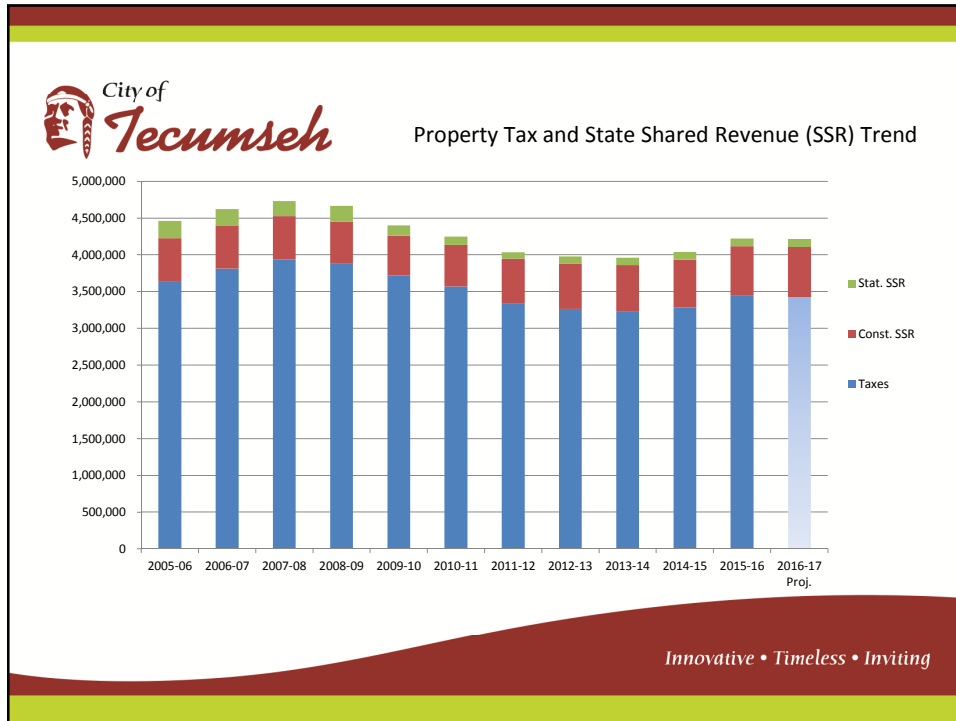
Innovative • Timeless • Inviting



Trends

- **Assumptions/Projections (3-5 years)**
 - Flat Revenues (<1% Increases) - *Why? Things Are Improving...*
 - Headlee & Proposal A: Low Inflation Measures (2016: 0.3%)
 - Personal Property Coming Off the Tax Roll
 - Increase in Property Tax Appeals, Lenient Tax Tribunal
 - Anticipated Incentives for New Development
 - Limited Increases in State Shared Revenue
 - Expenses Will Continue to Increase at ~2%/year
 - Collective Bargaining Agreements (1.5 % and 2% Increases)
 - Contractual Services Increases (Exp. Health Ins., Trash, Software)
 - Easier Cuts Have Already Occurred

Innovative • Timeless • Inviting



-
- Options to Maintain Fund Balance**
- Revenue Enhancements (Sustains Current Level of Service)
 - New Fees for Service- *Exp.* Trash Collection
 - Request Headlee Override from the Voters
 - Additional Expenditure Cuts (Logical Cuts Already Made)
 - Review all non-essential services
 - Building Dept.
 - Cemetery
 - Economic Development
 - Parks and Recreation
 - TCA
- Innovative • Timeless • Inviting*



Next Steps

- Draft Budget – 2/29/2016
- Budget Workshop – 3/14/2016
- Budget Recommendation – 4/18/2016
- Budget Approval – 5/2/2016

Innovative • Timeless • Inviting