



Long-Range Financial Plan – Multi-Year Budget 2020-2022

The City of River Rouge has recognized the need for planning to provide quality services to its residents. The City has prepared a three-year budget, going beyond the requirement for adoption of an annual budget. The multi-year budget is prepared using projections based on the best information/data available at the time. The research includes obtaining data from the County and state of Michigan. This future outlook allows the City to plan rather than react to anticipated financial conditions.

General Fund

General Fund

The General Fund is used to account for all financial resources traditionally associated with City government, except those required to be accounted for in another fund. The General Fund includes police, fire, mayor, building inspection, senior and recreation services, public works, assessing, and internal services such as legal and finance among others. The two primary sources of revenue for this fund are general property taxes and State Shared Revenue. In addition, the General Fund also receives revenue from licenses and permits, grants, fines and forfeitures and interest on investments.



GENERAL FUND

	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 4,334,819	\$ 4,311,739	\$ 3,837,447	\$ 3,427,447	\$ 3,427,447
CHARGES FOR SERVICES	950,086	941,762	945,000	950,000	955,000
LICENSES AND PERMITS	330,164	418,600	350,000	360,000	370,000
FEDERAL GRANTS	10,397	10,300	11,000	11,000	11,000
STATE SOURCES	5,182,286	4,655,216	4,795,000	4,900,000	5,000,000
OTHER REVENUE	224,182	405,450	300,000	310,000	320,000
FINES AND FORFEITURES	599,424	630,000	660,000	670,000	680,000
INVESTMENT INCOME	47,730	77,826	52,424	50,316	20,116
TOTAL ESTIMATED REVENUES	\$ 11,679,088	\$ 11,450,893	\$ 10,950,871	\$ 10,678,763	\$ 10,783,563
APPROPRIATIONS					
LEGISLATIVE	\$ 85,025	\$ 83,970	\$ 83,500	\$ 83,500	\$ 83,500
DISTRICT COURT	412,376	430,000	435,000	440,000	445,000
MAYOR	240,990	325,540	265,540	270,000	275,000
ELECTIONS	3,764	21,240	15,000	15,000	15,000
FINANCE	112,350	115,600	112,000	112,000	112,000
ASSESSOR	132,671	140,145	144,000	148,000	152,000
LEGAL	670,856	672,870	600,000	550,000	575,000
CITY CLERK	146,954	146,580	146,000	148,000	150,000
PURCHASING	17,089	17,625	18,000	19,000	20,000
TREASURER	111,151	106,595	108,000	110,000	112,000
BUILDING AND GROUNDS	217,043	239,000	242,000	250,000	260,000



GENERAL FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
APPROPRIATIONS (CONTINUED)					
POLICE	\$ 2,233,587	\$ 2,283,500	\$ 2,300,000	\$ 2,375,000	\$ 2,425,000
FIRE	950,550	915,500	899,500	915,000	935,000
INSPECTIONS	206,378	158,425	188,425	190,000	195,000
ANIMAL CONTROL	54,799	73,225	57,225	58,000	60,000
PUBLIC WORKS	611,002	598,300	605,000	610,000	615,000
STREET LIGHTING	249,065	240,000	250,000	254,000	258,000
HOME PURCHASE	165,276	357,000	207,000	210,000	210,000
SENIOR CENTER	27,751	62,900	59,000	60,000	60,000
COMMUNITY PROMOTION	100,300	118,155	106,655	110,000	110,000
RECREATION	164,771	154,825	145,000	145,000	145,000
EMPLOYEE FRINGE BENEFITS	12,307,603	3,308,606	3,082,525	3,205,000	3,240,000
INSURANCE	376,789	421,300	440,000	460,000	480,000
ECONOMIC DEVELOPMENT	54,543	56,000	50,000	50,000	50,000
DEBT SERVICE	413,403	403,992	391,501	396,263	396,063
TOTAL APPROPRIATIONS	\$ 20,066,086	\$ 11,450,893	\$ 10,950,871	\$ 11,183,763	\$ 11,378,563
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER OUT	\$ (34,337)	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES	\$ (34,337)	\$ -	\$ -	\$ -	\$ -
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (8,421,335)	\$ -	\$ -	\$ (505,000)	\$ (595,000)
BEGINNING FUND BALANCE	9,651,956	1,230,621	1,230,621	1,230,621	725,621
ENDING FUND BALANCE	\$ 1,230,621	\$ 1,230,621	\$ 1,230,621	\$ 725,621	\$ 130,621



Special Revenue Funds

Major Street Fund

The Major Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the Major Street portion (as defined by State Act 51) of the City's street network. Of the 27.44 total centerline miles that make up the City of Novi road network, the City has 8.60 centerline miles of Major streets. Financing is primarily provided by the City's share of State gas and weight taxes.

MAJOR STREETS FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
STATE SOURCES	\$ 543,305	\$ 596,638	\$ 622,500	\$ 649,500	\$ 677,500
OTHER REVENUE	1,321	1,650	1,600	1,625	1,650
INVESTMENT INCOME	1,024	2,149	1,492	1,000	500
TOTAL ESTIMATED REVENUES	\$ 545,650	\$ 600,437	\$ 625,592	\$ 652,125	\$ 679,650
APPROPRIATIONS					
PUBLIC WORKS	\$ 462,897	\$ 430,250	\$ 365,250	\$ 369,034	\$ 370,730
DEBT SERVICE	-	15,187	216,342	214,091	214,920
TOTAL APPROPRIATIONS	\$ 462,897	\$ 445,437	\$ 581,592	\$ 583,125	\$ 585,650
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER OUT	\$ (80,000)	\$ (155,000)	\$ (100,000)	\$ (120,000)	\$ (125,000)
TOTAL OTHER FINANCING SOURCES	\$ (80,000)	\$ (155,000)	\$ (100,000)	\$ (120,000)	\$ (125,000)
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ 2,753	\$ -	\$ (56,000)	\$ (51,000)	\$ (31,000)
BEGINNING FUND BALANCE	159,441	162,194	162,194	106,194	55,194
ENDING FUND BALANCE	\$ 162,194	\$ 162,194	\$ 106,194	\$ 55,194	\$ 24,194



Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the City's 18.84 centerline miles of Local Streets. Financing is provided by the City's share of State gas and weight taxes and transfers from other funds.

LOCAL STREETS FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
STATE SOURCES	\$ 208,101	\$ 228,476	\$ 239,700	\$ 258,700	\$ 278,700
INVESTMENT INCOME	133	168	332	194	197
TOTAL ESTIMATED REVENUES	\$ 208,234	\$ 228,644	\$ 240,032	\$ 258,894	\$ 278,897
APPROPRIATIONS					
PUBLIC WORKS	\$ 297,256	\$ 355,440	\$ 283,540	\$ 284,614	\$ 286,171
DEBT SERVICE	-	28,204	116,492	115,280	115,726
TOTAL APPROPRIATIONS	\$ 297,256	\$ 383,644	\$ 400,032	\$ 399,894	\$ 401,897
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER IN	\$ 80,000	\$ 155,000	\$ 100,000	\$ 120,000	\$ 125,000
TOTAL OTHER FINANCING SOURCES	\$ 80,000	\$ 155,000	\$ 100,000	\$ 120,000	\$ 125,000
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (9,022)	\$ -	\$ (60,000)	\$ (21,000)	\$ 2,000
BEGINNING FUND BALANCE	112,232	103,210	103,210	43,210	22,210
ENDING FUND BALANCE	\$ 103,210	\$ 103,210	\$ 43,210	\$ 22,210	\$ 24,210



Pension Levy Fund

The Pension Levy Fund is used to collect the court ordered property tax judgment levy and pay all or part of the previous year's required actuarially calculated pension contributions for both the General Employees and Police and Fire Retirement Systems.

PENSION LEVY FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 2,001,496	\$ 1,920,777	\$ 1,325,127	\$ 1,269,284	\$ 1,299,000
STATE SOURCES	1,654,941	1,962,081	1,750,000	1,600,000	1,500,000
INVESTMENT INCOME	5,923	7,181	1,000	1,000	1,000
TOTAL ESTIMATED REVENUES	\$ 3,662,360	\$ 3,890,039	\$ 3,076,127	\$ 2,870,284	\$ 2,800,000
APPROPRIATIONS					
GENERAL GOVERNMENT	\$ 1,195,110	\$ 1,067,202	\$ 768,366	\$ 809,978	\$ 800,000
PUBLIC SAFETY	2,259,228	2,822,837	2,307,761	2,060,306	2,000,000
TOTAL APPROPRIATIONS	\$ 3,454,338	\$ 3,890,039	\$ 3,076,127	\$ 2,870,284	\$ 2,800,000
NET OF REVENUE/APPROPRIATIONS	\$ 208,022	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	458,096	666,118	666,118	666,118	666,118
ENDING FUND BALANCE	\$ 666,118	\$ 666,118	\$ 666,118	\$ 666,118	\$ 666,118



Refuse Fund

The Refuse Fund records the activity related to the City trash/recycle program which began in July 2016. Financing for the annual service is provided by a dedicated property tax millage.

REFUSE FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED 2020-21 2021-22	
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 527,023	\$ 500,049	\$ 443,237	\$ 383,237	\$ 383,237
STATE SOURCES	578,001	514,720	455,000	450,000	440,000
INVESTMENT INCOME	11,249	9,858	8,000	5,000	5,000
TOTAL ESTIMATED REVENUES	\$ 1,116,273	\$ 1,024,627	\$ 906,237	\$ 838,237	\$ 828,237
APPROPRIATIONS					
PUBLIC WORKS	\$ 767,715	\$ 925,020	\$ 876,630	\$ 808,630	\$ 823,630
DEBT SERVICE	29,607	29,607	29,607	29,607	29,607
TOTAL APPROPRIATIONS	\$ 797,322	\$ 954,627	\$ 906,237	\$ 838,237	\$ 853,237
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ 318,951	\$ 70,000	\$ -	\$ -	\$ (25,000)
BEGINNING FUND BALANCE	538,595	857,546	927,546	927,546	927,546
ENDING FUND BALANCE	\$ 857,546	\$ 927,546	\$ 927,546	\$ 927,546	\$ 902,546



Grant Fund

This fund records federal grant monies passed through to the City from Wayne County along with funds from SMART to run the City's senior bus services.

GRANT FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
FEDERAL GRANTS	\$ 306,800	\$ 365,167	\$ 125,000	\$ 125,000	\$ 125,000
STATE SOURCES	<u>8,271</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
TOTAL ESTIMATED REVENUES	\$ 315,071	\$ 390,167	\$ 150,000	\$ 150,000	\$ 150,000
APPROPRIATIONS					
COMMUNITY & ECONOMIC DEVELOP	<u>\$ 161,006</u>	<u>276,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
TOTAL APPROPRIATIONS	\$ 161,006	\$ 276,000	\$ 150,000	\$ 150,000	\$ 150,000
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER IN	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL OTHER FINANCING SOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ 154,065	\$ 114,167	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	<u>(268,232)</u>	<u>(114,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ (114,167)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Drug Law Enforcement Fund

This fund records all receipts and expenditures relating to Federal, State, Local and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, State laws and ordinances.

DRUG LAW ENFORCEMENT FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
FEDERAL GRANTS	\$ 89,143	\$ 5,000	\$ 75,000	\$ 81,000	\$ 84,000
STATE SOURCES	10,657	10,000	35,000	30,000	30,000
INVESTMENT INCOME	-	17,100	-	-	-
OTHER REVENUE	2,260	900	700	1,000	1,000
TOTAL ESTIMATED REVENUES	\$ 102,060	\$ 33,000	\$ 110,700	\$ 112,000	\$ 115,000
APPROPRIATIONS					
PUBLIC SAFETY	\$ 220,016	\$ 188,000	\$ 110,700	\$ 112,000	\$ 115,000
TOTAL APPROPRIATIONS	\$ 220,016	\$ 188,000	\$ 110,700	\$ 112,000	\$ 115,000
NET OF REVENUE/APPROPRIATIONS	\$ (117,956)	\$ (155,000)	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	284,568	166,612	11,612	11,612	11,612
ENDING FUND BALANCE	\$ 166,612	\$ 11,612	\$ 11,612	\$ 11,612	\$ 11,612



Library Fund

The River Rouge Public Library provides the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community. The Library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment. The Library is funded primarily from property taxes.

LIBRARY FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 141,022	\$ 133,483	\$ 117,446	\$ 98,946	\$ 98,946
STATE SOURCES	170,388	149,376	135,000	120,000	110,000
INVESTMENT INCOME	7,017	6,919	5,819	3,000	3,000
	<u>318,427</u>	<u>289,778</u>	<u>258,265</u>	<u>221,946</u>	<u>211,946</u>
TOTAL ESTIMATED REVENUES	\$ 318,427	\$ 289,778	\$ 258,265	\$ 221,946	\$ 211,946
APPROPRIATIONS					
RECREATION AND CULTURE	\$ 168,328	\$ 268,778	\$ 258,265	\$ 253,946	\$ 249,946
	<u>168,328</u>	<u>268,778</u>	<u>258,265</u>	<u>253,946</u>	<u>249,946</u>
TOTAL APPROPRIATIONS	\$ 168,328	\$ 268,778	\$ 258,265	\$ 253,946	\$ 249,946
NET OF REVENUE/APPROPRIATIONS	\$ 150,099	\$ 21,000	\$ -	\$ (32,000)	\$ (38,000)
BEGINNING FUND BALANCE	483,790	633,889	654,889	654,889	622,889
ENDING FUND BALANCE	<u>\$ 633,889</u>	<u>\$ 654,889</u>	<u>\$ 654,889</u>	<u>\$ 622,889</u>	<u>\$ 584,889</u>



Capital Project Fund

Capital Improvement Fund

This fund is used to account for the construction or purchase of certain capital assets. The city self-funded previous projects and has elected to maintain this new fund to account for certain assets and their related contributions from city funds and outside agencies

CAPITAL IMPROVEMENT FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
FEDERAL GRANTS	\$ -	\$ 300,000	\$ -	\$ -	\$ -
STATE SOURCES	572,785	51,353	368,581	-	-
TOTAL ESTIMATED REVENUES	\$ 572,785	\$ 351,353	\$ 368,581	\$ -	\$ -
APPROPRIATIONS					
CAPITAL OUTLAY	\$ 818,297	219,661	368,581	-	-
TOTAL APPROPRIATIONS	\$ 818,297	\$ 219,661	\$ 368,581	\$ -	\$ -
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER IN	34,337	-	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ 34,337	\$ -	\$ -	\$ -	\$ -
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (211,175)	\$ 131,692	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	79,483	(131,692)	-	-	-
ENDING FUND BALANCE	\$ (131,692)	\$ -	\$ -	\$ -	\$ -



Enterprise Fund

Water and Sewer Fund

The City of River Rouge takes pride in providing safe and efficient water distribution and sanitary sewage collection systems. The City purchases its water from the GLWA and is part of the Down River Sewage Disposal System for sewage. The City also owns and maintains a CSO basin. The City continues to take steps to further improve infrastructure on an annual basis.

WATER AND SEWER FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 282,742	297,900	300,000	300,000	300,000
STATE SOURCES	638,718	300,000	275,000	275,000	275,000
CHARGES FOR SERVICES	4,462,681	4,648,000	4,834,000	5,027,000	5,228,000
INVESTMENT INCOME	66,120	32,221	30,000	30,000	30,000
OTHER REVENUE	-	500	500	500	500
TOTAL ESTIMATED REVENUES	\$ 5,450,261	\$ 5,278,621	\$ 5,439,500	\$ 5,632,500	\$ 5,833,500
APPROPRIATIONS					
COST OF WATER	\$ 604,307	647,000	673,000	700,000	728,000
COST OF SEWAGE	693,332	774,000	805,000	838,000	872,000
OPERATING AND MAINTENANCE	2,009,973	2,363,176	2,457,055	2,560,055	2,659,055
DEPRECIATION	1,080,995	-	-	-	-
DEBT SERVICE	84,171	1,234,445	1,234,445	1,234,445	1,234,445
TOTAL APPROPRIATIONS	\$ 4,472,778	\$ 5,018,621	\$ 5,169,500	\$ 5,332,500	\$ 5,493,500
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ 977,483	\$ 260,000	\$ 270,000	\$ 300,000	\$ 340,000
BEGINNING NET POSITION	36,881,066	37,858,549	38,118,549	38,388,549	38,688,549
ENDING NET POSITION	\$ 37,858,549	\$ 38,118,549	\$ 38,388,549	\$ 38,688,549	\$ 39,028,549



Fiduciary Fund

Retiree Health Care Benefits Fund

The Retiree Health Care Benefits Fund accounts for medical benefits provided to retirees and are funded through contributions from the various funds of the City.

RETIREE HEALTHCARE BENEFIT FUND					
	ACTUAL 2017-18	ESTIMATED 2018-19	BUDGET 2019-20	PROJECTED	
				2020-21	2021-22
ESTIMATED REVENUES					
EMPLOYER CONTRIBUTIONS	\$ 9,580,000	\$ 508,000	\$ 300,000	\$ 200,000	\$ 100,000
INVESTMENT INCOME	97,888	300,000	450,000	500,000	550,000
TOTAL ESTIMATED REVENUES	\$ 9,677,888	\$ 808,000	\$ 750,000	\$ 700,000	\$ 650,000
APPROPRIATIONS					
CONSULTING FEES	\$ -	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000
TOTAL APPROPRIATIONS	\$ -	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000
NET OF REVENUE/APPROPRIATIONS	\$ 9,677,888	\$ 758,000	\$ 690,000	\$ 630,000	\$ 570,000
BEGINNING FUND BALANCE	-	9,677,888	10,435,888	11,125,888	11,755,888
ENDING FUND BALANCE	\$ 9,677,888	\$ 10,435,888	\$ 11,125,888	\$ 11,755,888	\$ 12,325,888



City of River Rouge
General Fund Budget Major Assumptions
Fiscal Year Ending June 30, 2020

1. Property taxes are assumed to have an approximate .6% increase as the City has stopped losing TV on an annual basis and new housing rehab programs have improved the current housing stock.
2. State sources represent primarily revenue sharing and the personal property tax loss repayment. Revenue sharing projects are per the Department of Treasury web site and the personal property tax loss reimbursement is estimated at the 2019 amount.
3. The City has implemented a new investment strategy in late 2017 under P.A. 20 which has resulted in overall earnings citywide increasing more than 500% from the fiscal 2016 totals. Returns are expected to remain constant or increase over the coming years.
4. Employee pay rates are based on union contracts and other contractual arrangements and are approximately 2%.
5. Employee fringe benefits are based on healthcare provider estimates of approximately 6% overall. The decrease in 2019 was due to a reduction in the voluntary additional OPEB contribution over and above the pay as you go amount.
6. All other expenditures were held constant or adjusted for inflation of approximately 2%.