

Projected Budget Report

City of Dearborn

Local Unit Code: 822030-DEARBORN

Fiscal Year Ended: June 30

General Fund

	Fiscal Year:			
	2022 Adopted Budget	2023 Forecast Budget	% Change Increase -Decrease	Assumptions:
Revenues & Income Sources:				
Taxes and related sources	\$ 76,563,121	\$ 65,144,639	-14.9%	Elimination of supplemental operating millage (3.5 mills).
Licenses & Permits	3,905,085	4,459,819	14.2%	Increase in Permit and Plan Examination due to new fee structure.
Intergovernmental	27,155,556	27,718,865	2.1%	Increase in projected Sales Tax revenue (increased census), netted with projected LCSA decrease (reduction in operating millage).
Charges for Services	15,504,015	15,411,325	-0.6%	
Fines & Forfeits	5,048,900	7,113,860	40.9%	Increase Traffic and Parking enforcement.
Miscellaneous Revenues	7,489,611	7,482,188	-0.1%	
Subtotal operating revenues:	135,666,288	127,330,696	-6.1%	
Interest Income	24,401	19,934	-18.3%	Estimated market interest rates
Interfund Contributions In	-	1,175,000	0.0%	Contribution returns from General Capital Improvement Fund.
Total Revenues and Sources:	\$ 135,690,689	\$ 128,525,630	-5.3%	
Expenses & Uses:				
Policy Formulation & Administration:				
Mayor	\$ 1,167,329	\$ 1,252,232	7.3%	Personnel increases
City Council	\$ 444,995	\$ 478,095	7.4%	Personnel increases
Subtotal:	1,612,324	1,730,327	7.3%	
Executive & Enterprise Support Services:				
Clerk & Elections	990,842	1,012,287	2.2%	
Assessor	1,303,837	1,169,337	-10.3%	Decrease in Personnel Services
Corporate Counsel	1,893,593	1,580,643	-16.5%	Decrease in Personnel Services
City Plan Commission	227,465	223,462	-1.8%	
Finance-Accounting	1,135,122	973,562	-14.2%	Decrease in Technology Project funding (new ERP software).
Finance-Purchasing	746,460	746,425	0.0%	
Finance-Treasury	873,560	769,706	-11.9%	Decrease in Personnel Services
Philanthropy and Grants	-	235,055	0.0%	New department
Human Resources	1,005,419	996,635	-0.9%	
Subtotal:	8,176,298	7,707,112	-5.7%	
Protection of Persons and Property:				
19th District Court	4,343,043	4,306,764	-0.8%	
Police Operations	48,231,866	43,619,976	-9.6%	Decrease in Personnel Services: Benefits (pension, post employment healthcare)
Fire Operations	32,482,143	31,952,980	-1.6%	Decrease in Personnel Services: Benefits (pension, post employment healthcare)
Property Maint & Development Svcs	3,325,553	2,880,211	-13.4%	Decrease in Personnel Services: Benefits (pension, post employment healthcare) & FT Wages
Subtotal:	88,382,605	82,759,931	-6.4%	
Public Works:				
Administration	356,260	279,798	-21.5%	Decrease in Personnel Services (FT wages allocated to other divisions)
Line Crew + 20% Bldg. Services	567,732	511,048	-10.0%	Decrease in Contractual Services (Traffic Signal Maint., Utility Staking).
Sanitation-DPW	394,033	-	-100.0%	Rubbish Millage mapped to division as expenditure credit (\$406K).
Sanitation-Res Serv	5,317,913	182,390	-96.6%	Rubbish Millage mapped to division as expenditure credit (\$5.3M).
Neighborhood Services	1,104,439	1,064,310	-3.6%	Decrease in Personnel Services: Benefits (pension, post employment healthcare) & Wages
Neighborhood Services - CDBG	275,000	275,000	0.0%	
Environmental Services - CDBG	100,000	300,000	200.0%	Increase in operating supplies for vector birth control.
Highways	5,595,075	6,419,957	14.7%	Increase in Fleet Replacement funding.
Parks	3,029,420	2,911,078	-3.9%	Decrease in Personnel Services (PEHC, Pension).
Parking	793,156	828,511	4.5%	Contractual Services increase (snow removal).
Train Station	331,189	320,394	-3.3%	
Subtotal:	17,864,217	13,092,486	-26.7%	

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General Fund

	<i>Fiscal Year:</i>		<i>% Change</i>	<i>Assumptions:</i>
	<i>2022</i>	<i>2023</i>	<i>Increase</i>	
	<i>Adopted</i>	<i>Forecast</i>	<i>-Decrease</i>	
	<i>Budget</i>	<i>Budget</i>		
Community Services:				
Recreation	16,097,243	14,467,866	-10.1%	Decrease capital project funding (FCPAC Roof Replacement, HVAC upgrades)
Community Relations	-	529,844	0.0%	New department
Public Health	-	168,085	0.0%	New department
Economic & Community Development	1,853,052	1,866,684	0.7%	
Historical Commission	342,674	336,565	-1.8%	
Public Information	919,167	1,020,147	11.0%	Increase Personnel Services (FT wages, medical)
Subtotal:	19,212,136	18,389,191	-4.3%	
Subtotal Operating Expenses:	135,247,580	123,679,047	-8.6%	
Non-Departmental Contributions Out:				
To Residential and Neighborhood Services	-	5,717,994	0.0%	Offset of rubbish millage mapping to Sanitation divisions.
To Capital Improvement Fund	-	250,000	0.0%	Based on Capital Improvement Plan (parking lots R&M)
To Facilities Fund	16,655	500,000	2902.1%	Facility assessment funding.
To Fleet & Gen Liab Insurance Fund	242,000	313,000	29.3%	Estimated tax refunds
Subtotal Contributions Out:	258,655	6,780,994	2521.6%	
Total Expenses and Uses:	\$ 135,506,235	\$ 130,460,041	-3.7%	
Revenues over (under) Expenses	\$ 184,454	\$ (1,934,411)		

General Notes:

Voters approved a 5-year operating millage increase of up to 3.5 mills setting the maximum Home Rule Charter operating millage levy at 18.5 mills. The first year of the supplemental levy was FY2013 and the final year FY2017 renewed in August primary election 2016 for another 5 years through FY2022.

On November 2, 2021, a three-year supplemental operating millage renewal set at 2.75 mills was placed before the voters and it did not pass.

The Operating Millage Levy is set at 15.00 mills for FY2023.

The Departments of Philanthropy and Grants, Public Health, and Community Relations were created in January of 2022 by the new City Administration.

Budgets for these departments were not represented in the FY2022 Adopted Budget passed in June of 2021.

For transparency purposes, the Rubbish Millage was mapped to the two Sanitation divisions in FY2023 as an expenditure credit in order to demonstrate the offsetting of costs.

The expenditure credit itself is offset with a Non-Departmental Contribution Out, as the Rubbish Millage is also recorded as tax revenue.

Departments are charged a technology fee for funding ongoing technology related costs and one-time initiatives that is paid to the internal services Information Systems Fund.

Departments are charged a fee based on utilized space for operating and capital costs, where applicable, that is paid to the internal services Facilities Fund.

The annual funding for asset replacement and major capital components is analyzed each year during the budget process, but reserves are inadequate and below the calculated need.

Departments are charged an annual allocation for legal cases, where applicable, based on recovering settlements and/or on estimated reserves.

Note 1:

Minimal dollar variance. Overall 2023 Amended Budget is estimated to be \$132.9 million.

The funding for post-employment health care was changed with the adoption of the FY2023 budget to a HRA for retirees that related into the estimated savings of the actuarial determined contribution.

All labor group contracts are being negotiated for new expiration dates of July 1, 2024, with the exception of Firefighters which had an existing expiration of July 1, 2024.

The compensation package cost increases are driven by pay rates and employee benefits, specifically health care and the legacy components for retirement and retiree health care. Employees are cost sharing for health care and retirement programs.

The annual funding for retiree pension benefits is at the actuarially determined level.

The City issued Pension and OPEB Bonding in 2019. These debt payment expenses are recorded within the appropriate department/Fund of where the employee's payroll resides.