Fiscal Year 2019-2020 assumptions:

- A taxable value increase of 5.93% and a comparative millage rate decrease of 0.27%
- A new millage levy for Capital Improvement Projects-Road Improvements rolled back to 1.9612 mil
- Total city millage levy of 16.8238
- State Shared Revenue increase of 2.6%
- 2% salary increase
- 2.5% health care increase (active and retiree)
- 27.9% increase in MERS pension contributions
- 30.8% increase in Public Safety pension contributions
- Decrease in CIP requests from 2018-2019 of $423,803
- Decrease in CERP requests from 2018-2019 of $646,546
Proposal A limits growth in taxable value to the lesser of 5% or the rate of inflation, whichever is lower.

Since Proposal A was adopted by Michigan voters in 1995, the average rate of inflation has been 2.2%.

Since 2013, when taxable value began to recover from the housing crisis, inflation has averaged 1.6%.

Since 2013, taxable value has increased an average of 4.2% annually.

That’s a 2.6% average gap between taxable value increases and the average rate of inflation.

With the Headlee rollback added to the equation, we realize much lower increases each year in property tax revenue than the increase in taxable value or real property.
## General Fund

### Property Taxes - Millage Rates

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating</th>
<th>Public Safety</th>
<th>Sanitation</th>
<th>Community Promotions</th>
<th>Public Safety Pension</th>
<th>Capital Improve</th>
<th>Debt</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>6.3101</td>
<td>1.8927</td>
<td>1.8927</td>
<td>0.095</td>
<td>1.6922</td>
<td>1.1952</td>
<td>13.0779</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>6.3101</td>
<td>1.8927</td>
<td>1.8927</td>
<td>0.1023</td>
<td>2.4762</td>
<td>1.3916</td>
<td>14.0656</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>6.3101</td>
<td>1.8927</td>
<td>1.8927</td>
<td>0.1075</td>
<td>2.5479</td>
<td>1.5481</td>
<td>14.2990</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>6.3101</td>
<td>1.8927</td>
<td>1.8927</td>
<td>0.1101</td>
<td>2.643</td>
<td>1.6431</td>
<td>14.4917</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>9.3101</td>
<td>1.8927</td>
<td>1.8927</td>
<td>0.1078</td>
<td>2.7435</td>
<td>1.5606</td>
<td>17.5074</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>9.2831</td>
<td>1.8872</td>
<td>1.8872</td>
<td>0.1055</td>
<td>2.712</td>
<td>1.6704</td>
<td>17.5454</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>9.1456</td>
<td>1.8592</td>
<td>1.8592</td>
<td>0.1012</td>
<td>2.429</td>
<td>1.5849</td>
<td>16.9791</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>8.9818</td>
<td>1.8259</td>
<td>1.8259</td>
<td>0.0982</td>
<td>2.5445</td>
<td>0.5452</td>
<td>15.8215</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>8.7590</td>
<td>1.7806</td>
<td>1.7806</td>
<td>0.0933</td>
<td>2.2684</td>
<td>0.4927</td>
<td>15.1746</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>8.5697</td>
<td>1.7421</td>
<td>1.7421</td>
<td>0.0875</td>
<td>2.2684</td>
<td>0.4927</td>
<td>14.9025</td>
<td></td>
</tr>
<tr>
<td>2020*</td>
<td>8.4034</td>
<td>1.7083</td>
<td>1.7083</td>
<td>0.0826</td>
<td>2.4975</td>
<td>0.4625</td>
<td>16.8238</td>
<td></td>
</tr>
</tbody>
</table>

*In 2018, Berkley voters approved up to 2 mil for Capital Improvements for roads.
## General Fund

### Property Taxes - Taxable Values

<table>
<thead>
<tr>
<th>Year</th>
<th>Taxable Values</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$524,179,820</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>$488,650,310</td>
<td>-6.78%</td>
</tr>
<tr>
<td>2011</td>
<td>$465,101,570</td>
<td>-4.82%</td>
</tr>
<tr>
<td>2012</td>
<td>$454,037,820</td>
<td>-2.38%</td>
</tr>
<tr>
<td>2013</td>
<td>$463,919,680</td>
<td>2.18%</td>
</tr>
<tr>
<td>2014</td>
<td>$473,817,278</td>
<td>2.13%</td>
</tr>
<tr>
<td>2015</td>
<td>$494,027,840</td>
<td>4.27%</td>
</tr>
<tr>
<td>2016</td>
<td>$508,946,490</td>
<td>3.02%</td>
</tr>
<tr>
<td>2017</td>
<td>$535,721,820</td>
<td>5.26%</td>
</tr>
<tr>
<td>2018</td>
<td>$571,391,430</td>
<td>6.66%</td>
</tr>
<tr>
<td>2019</td>
<td>$605,258,850</td>
<td>5.93%</td>
</tr>
</tbody>
</table>
With the new millage for Capital Improvements for Roads of 1.9612 mills added as a new millage levy, the average City tax amount will increase $175.97

<table>
<thead>
<tr>
<th></th>
<th>City Wide Taxable Value</th>
<th>Residential Average TV</th>
<th>City Millage Rate</th>
<th>City Millage Tax Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Taxable Value</td>
<td>571,391,430</td>
<td>77,264</td>
<td>14.9025</td>
<td>$1,151.43</td>
</tr>
<tr>
<td>2019 Taxable Value</td>
<td>605,258,850</td>
<td>78,900</td>
<td>16.8238</td>
<td>$1,327.40</td>
</tr>
<tr>
<td>Value Change</td>
<td>33,867,420</td>
<td>1,636</td>
<td>1.9213</td>
<td>$175.97</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>5.93%</td>
<td>2.12%</td>
<td>12.89%</td>
<td>15.28%</td>
</tr>
</tbody>
</table>
## GENERAL FUND REVENUES - BY TYPE

<table>
<thead>
<tr>
<th>General Fund Revenue Type</th>
<th>Projected Amount</th>
<th>Percentage of Total General Fund Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$7,860,149</td>
<td>65.37%</td>
</tr>
<tr>
<td>State &amp; Federal revenue sources</td>
<td>1,580,191</td>
<td>13.14%</td>
</tr>
<tr>
<td>Charges for services</td>
<td>1,050,567</td>
<td>8.74%</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>731,550</td>
<td>6.08%</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>245,500</td>
<td>2.04%</td>
</tr>
<tr>
<td>Property and equipment rental</td>
<td>228,814</td>
<td>1.90%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>167,500</td>
<td>1.39%</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>92,000</td>
<td>0.77%</td>
</tr>
<tr>
<td>Contributions/Donations</td>
<td>67,400</td>
<td>0.56%</td>
</tr>
<tr>
<td><strong>Total Estimated Revenues</strong></td>
<td><strong>$12,023,671</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

The budgeted revenue increase is $810,762 from the 2018-2019 budget and is due primarily to property tax increases of over $527,996.
GENERAL FUND
REVENUES-BY TYPE

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>65%</td>
</tr>
<tr>
<td>State &amp; Federal revenue sources</td>
<td>13%</td>
</tr>
<tr>
<td>Charges for services</td>
<td>9%</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>2%</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>2%</td>
</tr>
<tr>
<td>Property and equipment rental</td>
<td>2%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1%</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1%</td>
</tr>
<tr>
<td>Contributions/Donations</td>
<td>1%</td>
</tr>
</tbody>
</table>

![Pie chart showing the distribution of revenue sources](chart.png)
## Property Tax Revenue Forecast FY 2019-20

<table>
<thead>
<tr>
<th>Millage Type</th>
<th>Rate</th>
<th>Revenue - Net of DDA Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>8.4034</td>
<td>$4,993,577</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1.7083</td>
<td>1,015,128</td>
</tr>
<tr>
<td>Sanitation</td>
<td>1.7083</td>
<td>1,015,128</td>
</tr>
<tr>
<td>Public Safety-Act 345</td>
<td>2.4975</td>
<td>1,484,096</td>
</tr>
<tr>
<td>Debt</td>
<td>0.4625</td>
<td>274,833</td>
</tr>
<tr>
<td>Community Promotions</td>
<td>0.0826</td>
<td>49,048</td>
</tr>
<tr>
<td>Capital Improvements (Roads)</td>
<td>1.9612</td>
<td>1,165,409</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>16.8238</td>
<td>$9,997,219</td>
</tr>
</tbody>
</table>
GENERAL FUND
STATE SHARED REVENUE

2nd Largest Source of Revenue

State Shared Revenue History

- Statutory Payments
- Constitutional Payments
In fiscal year 1999-2000, Berkley received $1,950,363 in State Shared Revenue.
In 2009-2010 that figure dropped to $1,210,027.
We are still over $430,400 below that amount.
Charges for Services - $59,497 decrease from the projected 2018-2019 fiscal year end (FYE) amount
Licenses and Permits – $10,850 increase from the projected FYE amount
Fines and Forfeitures - $3,500 decrease from projected FYE
Decrease in new builds:

Residential New Builds

![Bar Chart showing Residential New Builds from 2009 to 2019]

- 2009: 6
- 2010: 5
- 2011: 11
- 2012: 16
- 2013: 27
- 2014: 26
- 2015: 32
- 2016: 46
- 2017: 35
- 2018: 28
- 2019: 5
GENERAL FUND
OTHER REVENUE HIGHLIGHTS

- Property and Equipment Rental – an increase of $5,438 from last year’s budgeted amount
- Contributions and Donations, Miscellaneous, and Investment Earnings - $42,570 increase from last year’s budgeted amounts
- Transfers In - $290,000 from the Sidewalk Fund after special assessment collections
GENERAL FUND
REVENUE - 5 YEAR TREND

General Fund Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>$10,539,820</td>
</tr>
<tr>
<td>2016-17</td>
<td>$10,826,879</td>
</tr>
<tr>
<td>2017-18</td>
<td>$11,223,052</td>
</tr>
<tr>
<td>2018-19 Projected</td>
<td>$11,502,056</td>
</tr>
<tr>
<td>2019-20 Budgeted</td>
<td>$12,313,671</td>
</tr>
</tbody>
</table>
### General Fund Expenditures by Type

<table>
<thead>
<tr>
<th>General Fund Expenditure Type</th>
<th>Projected Amount</th>
<th>Percentage of Total General Fund Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Fringe Benefits</td>
<td>$7,975,373</td>
<td>63.74%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$1,302,272</td>
<td>10.41%</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$1,236,219</td>
<td>9.88%</td>
</tr>
<tr>
<td>Insurance</td>
<td>$198,652</td>
<td>1.59%</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$420,164</td>
<td>3.36%</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$621,861</td>
<td>4.97%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$118,367</td>
<td>0.95%</td>
</tr>
<tr>
<td>Other Financing Sources</td>
<td>$640,000</td>
<td>5.11%</td>
</tr>
<tr>
<td><strong>Total Estimated Expenditures</strong></td>
<td><strong>$12,512,908</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
GENERAL FUND EXPENDITURES BY TYPE

- Salaries and Fringe Benefits: 64%
- Capital Outlay: 10%
- Contractual Services: 10%
- Insurance: 2%
- Materials and Supplies: 3%
- Other Charges: 5%
- Utilities: 1%
- Other Financing Uses: 5%
- Other Financing Sources: 5%
GENERAL FUND
EXPENDITURES BY FUNCTION

- Public Safety: 49%
- Public Works: 11%
- City Hall: 13%
- Building and Planning: 6%
- Library: 5%
- Retiree Benefits: 7%
- Active Employee Benefits: 4%
- Transfers Out: 5%
2% wage increase for most employees
Budgeted General Fund amount for FY 2019-2020 - $7,975,373
- This is $176,864 higher than FY 2018-2019
These totals include active salary and fringe benefits as well as retiree health care costs
These totals include Public Safety changes in Dispatch Services and the addition of one Public Safety Officer.
Health care costs are budgeted at a 2% increase from the prior year based upon good experience with the self-funded plan for the first year
Required pension contributions increased substantially due to assumption changes
- MERS Pension contribution increased $205,178
- PSO Pension contribution increased $238,927
MERS is changing assumptions for a second time for contributions beginning in 2021
Contributions to MERS will continue to increase until we reach a 100% funded level in about 20 years
PSO Pension increases are anticipated at a lower percentage for the next 15 years until the pension reaches 100% funding
Budget for FY 2019-2020 - $1,236,219
This is an increase in the annual amount of $208,927 which is due mostly to the contracting of inspection services from McKenna
Examples of Contractual Services:
- Consultant Fees
- Audit Fees
- Legal Services
- Actuarial Services
- Inspections in Building Department
- Library Co-Op
- Assessing Services
- Wayfinding
Budgeted General Fund Capital $1,302,272 for FY 2019-2020
- Reduced by $1,338,105 from FY 2018-2019
  - Mostly due to fire truck purchase in 2018-2019 for $998,000
Public Safety FY 2019-2020
- Completion of Fire Hall expansion from prior fiscal year
- Replacement of 4 Public Safety Vehicles on 2 year and 4 year cycles - $184,562
- In Car Cameras for Police Vehicles - $100,000
DPW FY 2019-2020
- Hook truck with plow/spreader - $325,000
- Pickup trucks – ¾ ton and 1 ton - $90,000
- Mowers - $40,000
- Gator Tool Cat - $50,000
- Other equipment $47,000
Computers FY 2019-2020 for $40,000 on 5 year cycle
Transfers out will be $640,000

Transfers support the operation of the Parks & Recreation Revolving Fund $350,000

There is also a budgeted transfer of $290,000 to cover the cost of the sidewalk replacement scheduled for FY 2019-2020

- There will also be a transfer back to the General Fund for this amount once the sidewalk work is repaid from homeowners through a special assessment and billing process
- There may be some overlap of fiscal year collections for sidewalk repairs and those will be recorded in the Sidewalk Fund
GENERAL FUND EXPENDITURES 5-YEAR TREND

General Fund Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>$9,688,357</td>
</tr>
<tr>
<td>2016-17</td>
<td>$10,087,814</td>
</tr>
<tr>
<td>2017-18</td>
<td>$10,109,029</td>
</tr>
<tr>
<td>2018-19 Projected</td>
<td>$12,698,006</td>
</tr>
<tr>
<td>2019-20 Budgeted</td>
<td>$12,512,908</td>
</tr>
</tbody>
</table>

GENERAL FUND
FUND BALANCE 5-YEAR TREND

2015-16: $4,378,786
2016-17: $5,117,847
2017-18: $6,231,870
2018-19 Projected: $5,035,918
2019-20 Budgeted: $4,836,681
Act 51 Revenues are expected to increase from $960,000 to $1,050,000 in the 2019-2020 budget year.

Metro Act (Right-of-Way) revenues are expected to be $43,500. These revenues have been used to remove diseased/blighted trees and replace them with new trees in the right-of-way.

Major Street expenditures have been consolidated into major functions and each function will have Program Supplies, Contractual Services, and Equipment Rental.

Labor is now tracked and posted completely in Street Maintenance Operations.

Benefits are posted to Department 952 Active Employee Benefits.

Construction and maintenance for roads and sidewalks planned for 2019-2020 budget year of $544,000 in Major and Local Streets.

Tree trimming and removal by JH Hart is budgeted at $114,900.
MAJOR STREETS
EXPENDITURES 5-YEAR TREND

$701,777  $995,801  $1,424,929  $753,075  $1,344,449
MAJOR STREETS
FUND BALANCE 5-YEAR TREND

Major Street Fund Balance
Amount and % of Annual Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>% of Annual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>$1,575,719</td>
<td>225%</td>
</tr>
<tr>
<td>2016-17</td>
<td>$1,461,031</td>
<td>147%</td>
</tr>
<tr>
<td>2017-18</td>
<td>$1,208,962</td>
<td>85%</td>
</tr>
<tr>
<td>2018-19 Projected</td>
<td>$1,535,779</td>
<td>204%</td>
</tr>
<tr>
<td>2019-20 Budgeted</td>
<td>$1,734,217</td>
<td>129%</td>
</tr>
</tbody>
</table>
Act 51 Revenues are expected to increase from $368,000 to $420,000 in the 2019-2020 budget year.

Local Street expenditures have been consolidated into major functions and each function will have Program Supplies, Contractual Services, and Equipment Rental.

Labor is now tracked and posted completely in Street Maintenance Operations.

Benefits are posted to Department 952 Active Employee Benefits.

Additional Contractual Services estimated at $268,100 will be performed by JH Hart to trim and remove trees along local streets.
LOCAL STREETS
EXPENDITURES 5-YEAR TREND

Local Street Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>$426,494</td>
</tr>
<tr>
<td>2016-17</td>
<td>$527,485</td>
</tr>
<tr>
<td>2017-18</td>
<td>$567,416</td>
</tr>
<tr>
<td>2018-19 Projected</td>
<td>$677,510</td>
</tr>
<tr>
<td>2019-20 Budgeted</td>
<td>$744,320</td>
</tr>
</tbody>
</table>
LOCAL STREETS
FUND BALANCE 5-YEAR TREND

Local Street Fund Balance
Amount and % of Annual Expenditures

- 2015-16: $1,014,064 (238%)
- 2016-17: $960,009 (182%)
- 2017-18: $953,371 (168%)
- 2018-19 Projected: $864,221 (128%)
- 2019-20 Budgeted: $752,901 (101%)

Budgeted amounts in budgeted columns: $1,014,064, $960,009, $953,371, $864,221, $752,901.
Total budgeted revenue for 2019-2020 is $1,458,208

Property tax revenue is estimated at $1,015,128 net of DDA capture and additional residential and commercial charges are expected to generate $424,180 of revenue

Total solid waste expenditures, including SOCRRA disposal charges for curbside waste, yard-waste, and recycling is budgeted at $1,586,145

The budgeted annual deficit is $127,937

The remaining fund balance will be $162,455 after the 2019-2020 fiscal year ends.
Solid Waste Fund - Expenditures

- 2015-16: $1,474,000
- 2016-17: $1,127,568
- 2017-18: $1,374,052
- 2018-19 Projected: $1,568,809
- 2019-20 Budgeted: $1,586,145
Solid Waste Fund - Fund Balance

- 2015-16: $656,203 (45%)
- 2016-17: $542,700 (48%)
- 2017-18: $462,947 (34%)
- 2018-19 Projected: $290,392 (19%)
- 2019-20 Budgeted: $162,455 (10%)
The current and ongoing CDBG programs include:

- Anticipated revenue of $33,419 for 2019 Program Year (PY)
  - ADA Sidewalk Ramps
    - Reprogrammed $7,817 from 2016 PY
    - Programmed $37,100 from 2017 PY
    - Programmed $23,394 for 2019 PY
  - ADA Entry Doors for Public Safety Building
    - 2018 PY $23,393 - Likely to be reprogrammed in 2019 for sidewalks to be completed in 2020
  - HAVEN Shelter Services for battered and abused spouses - 2018 PY $3,226 – reimbursed - 2019 PY $3,500 funding pending federal approval in 2019
  - Large Print Books for Library – 2018 PY - $3,300 funding available – 2019 PY $3,025 funding pending federal approval in 2019
Total Revenue is budgeted in 2019-2020 to be $346,665
- Property Tax Revenues, 2 mil levy rolled back to 1.8776 mills, $38,823
- Tax Increment Financing (TIF) capture, $259,002
- LCSA-State Reimbursement – PPT, $26,340
- Contributions/Donations, $19,000

Total Expenditures are budgeted at $354,637
- Administration Costs $76,300
- Operations Cost $12,812
- Special Events $35,700
- Advertising/Marketing $38,500
- Streetscape and Design Improvements $38,985
- Façade Grants $25,000
- Business Development $9,200
- Wayfinding $115,000
DDA
EXPENDITURES 5-YEAR TREND

DDA Fund Expenditures

- 2015-16: $52,012
- 2016-17: $199,703
- 2017-18: $360,616
- 2018-19 Projected: $402,174
- 2019-20 Budgeted: $354,637
DDA FUND BALANCE 5-YEAR TREND

DDA Fund - Fund Balance

- 2015-16: $152,490 (293%)
- 2016-17: $280,784 (141%)
- 2017-18: $199,722 (55%)
- 2018-19 Projected: $91,509 (23%)
- 2019-20 Budgeted: $83,537 (24%)

Values are in thousands of dollars.
Court Building Fund
- A $300,000 transfer out to the Arena Fund is scheduled for demolition of the Ice Arena
- Remaining fund balance will be $438,259

Sidewalk Fund
- A $290,000 transfer will be made from the General Fund to pay the costs of the sidewalk program beginning in the summer or fall
- A transfer back to the General Fund will be made once special assessments are received from residents or businesses
- Residents will be billed based upon the number of slabs which are replaced along their property lines

Capital Improvement-Roads Fund
- Voters approved a Capital Improvement millage for road improvements for 2 mills. That millage has already been rolled back to 1.9612 mills
- Estimated property tax revenue for 2019-2020 is $1,165,409
- Since tax collection is not completed until late 2019, local road repair and replacement projects will be bid in the winter of 2019-2020 to take advantage of off-season pricing and the early-season scheduling of contractors and road work will begin in spring 2020
There is currently one outstanding general debt fund for Berkley.

The 11-Mile Road Bond Project with bond debt issued in November 2005.

The balance of the debt remaining is $575,000.

Principal payment due for the 2019-2020 budget year is $275,000 and interest is $17,500.

This will leave one remaining payment for the 2020-2021 budget year of $300,000 and interest of $6,000.

Property tax millage to levy on 2019 summer taxes for this debt payment is .4625, which is a drop of .0302 from the 2018 millage rate of .4927.
WATER & SEWER FUND
OVERVIEW

- Budgeted Revenue for the 2019-2020 budget is $7,732,877
- Consumption Charge Revenue is budgeted at $4,423,156
- Ready to Serve Charge Revenue is budgeted at $671,764
- Storm Water Charge Revenue is budgeted at $2,356,462
- An overall rate increase of 5.5% is budgeted for 2019-2020
  - Based on 1,500 cu/ft of water usage per quarter, that would amount to a $44.93 increase annually for a residential consumer
  - Berkley still has the second lowest overall rate of the ten SOCWA communities based on 4,000 cu/ft of water consumption at $396.59

<table>
<thead>
<tr>
<th>Rank</th>
<th>Municipality</th>
<th>Quarterly Bill*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huntington Woods</td>
<td>$531.80</td>
</tr>
<tr>
<td>2</td>
<td>Lathrup Village</td>
<td>$487.25</td>
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<tr>
<td>3</td>
<td>Southfield</td>
<td>$485.63</td>
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<td>4</td>
<td>Royal Oak</td>
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<td>5</td>
<td>Clawson</td>
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<td>6</td>
<td>Pleasant Ridge</td>
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<td>7</td>
<td>Birmingham</td>
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<td>8</td>
<td>Beverly Hills</td>
<td>$408.04</td>
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<tr>
<td>9</td>
<td>Berkley</td>
<td>$396.59</td>
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<tr>
<td>10</td>
<td>Bingham Farms</td>
<td>$205.65</td>
</tr>
</tbody>
</table>

*Assumes 4,000 Units Used
Plante Moran complete a Water Rate Forecast in March of 2017 to sustainably fund needed repairs and replacement of Berkley’s aging water and sewer lines.

The rate forecast recommended that consumption rate increases should be continued in an amount to complete $2.2 million of water and sewer infrastructure upgrades annually.

Fund should also maintain a working capital amount between $3 million and $4 million (current working capital estimate is near $4 million)

As projected, rate model is on target to allow $2.2 million worth of water and sewer repairs during the 2019-2020 fiscal year.
WATER AND SEWER EXPENSES 5-YEAR TREND

- 2015-16: $5,214,188
- 2016-17: $5,762,888
- 2017-18: $5,721,616
- 2018-19 Projected: $8,188,438
- 2019-20 Budgeted: $7,935,175
The 2019-2020 Budget is projecting revenues at $1,202,200 and a deficit of $381,252.

The projected fund balance on 6/30/2019 will be $910,129.

Budgeted Capital Improvements are $608,600 for building improvements and multiple park improvements.

Fund Balance will be reduced to $528,877 by 6/30/2020 and then further reduced to $34,107 in the 2020-2021 budget.

The General Fund will transfer $350,000 and the Senior Activities Fund will transfer in $100,000.
Senior Activities Revenues are budgeted at $86,086 for the 2019-2020 budget.

The Fund Balance is budgeted to be reduced to $14,833 by the end of fiscal year 2019-2020.

A transfer of $100,000 will be made to the Parks and Recreation Revolving Fund to help fund Parks & Rec operations.

It is anticipated that the $100,000 transfer will not be made in 2020-2021 due to depletion of the fund balance.