

City of Birmingham
Five-year Financial Forecast

Years Ending June 30, 2018 Through June 30, 2022

City of Birmingham
Five-year Financial Forecast
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Independent Accountant's Report

To the Honorable Mayor
and City Commission
City of Birmingham, Michigan

Management is responsible for the accompanying five-year financial forecast of the City of Birmingham, Michigan's (the "City") General Fund, Major Streets Fund, Local Streets Fund, and Water and Sewer Funds for the years ending June 30, 2018 through 2022, including the related summaries of significant assumptions and accounting policies, in accordance with guidelines for the presentation of a financial forecast as established by the American Institute of Certified Public Accountants. In addition, management is responsible for the accompanying community profile, estimation of property tax revenue, property tax assumptions, and graphs (as listed in the table of contents). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. The compiled financial forecast is limited in scope and we did not examine or review the forecasted financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these forecasted financial statements or the underlying assumptions.

Historical data for fiscal years 2013-2014 through 2016-2017 has been compiled from the City's Comprehensive Annual Financial Reports, upon which we performed audit engagements.

The forecast does not present all significant measures that would be included in a complete set of forecasted financial statements (statement of net position and statements of revenue, expenses, and changes in net position and cash flows). Accordingly, this forecast is not designed for those who are not informed about the City's financial position, results of operations, and cash flows.

The forecasted results may not be achieved as there will be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying financial forecast and this report are intended solely for the information and use of the City of Birmingham, Michigan and are not intended to be and should not be used by anyone other than the specified party.

Plante & Moran, PLLC

January 10, 2018

Project Summary

The results of the analysis should be considered within the appropriate context. Essentially, the financial results for future fiscal years should be viewed only as financial estimates, derived from the best available financial information at this particular point in time. Considered in this light, the financial plan provides a benchmark from which to monitor and evaluate ongoing financial trends and results. The five-year financial forecast is updated on an annual basis by the City of Birmingham, Michigan (the “City”). This allows the City to capture changes from the prior year in order to evaluate the long-term financial implications of various financial scenarios. This forecast is utilized to assist the City Commission on decisions regarding the scope and timing of future capital projects. The amounts and timing of future capital projects, as disclosed in this forecast, are sensitive estimates and changes in these estimates could have a significant impact of the forecasted fund balances in the General Fund, Major Streets Fund, Local Streets Fund, and Water and Sewer Funds.

For the purpose of the General Fund and street funds, the level of projected fund balance is typically used as the barometer to measure likely future financial strength. In general, a level fund balance indicates a stable financial condition. A decreasing or negative fund balance indicates a financial situation that the City will have to monitor closely in the coming years; it does not indicate that we believe an actual fund deficit will occur.

Utilizing the Financial Model

The financial forecast has been developed as an automated spreadsheet program. As such, it provides the City with the ability to test alternative financial scenarios related to both revenue and expenditures.

Closing Comments

The financial forecast that has been presented this year shows continued improvement in the City’s financial outlook. After a low point in revenue reached in 2011-2012, the City has seen five years of revenue growth. This is expected to continue in the future, with the increases led by property tax revenue. Also, continued development (or redevelopment) is further strengthening the City’s tax base.

On the expenditure side, total costs are impacted significantly by the amount of planned capital projects as well as the cost of personnel services. The forecast shows that the resources available to the City will be sufficient to fund the projects that are currently planned to be undertaken.

The City's General Fund fund balance policy is that unassigned fund balance is to be maintained at an amount not less than two months, or 17 percent, of General Fund operating expenditures and not more than the equivalent of 40 percent of General Fund operating expenditures. The General Fund’s unassigned fund balance is currently above the City Commission's range but is forecasted to be within the range for the year ending June 30, 2018. The General Fund’s unassigned fund balance is forecasted to be above the range for the years ending June 30, 2019 through 2022.

City of Birmingham Five-year Financial Forecast

The City of Birmingham, Michigan continues to be an example of strong fiscal management. With careful planning and investing, the City will be able to remain a positive model to other communities and to maintain the strong bond rating that is a result.

General Assumptions and Information

- Historical data for fiscal years 2013-2014 through 2016-2017 has been compiled from the City's audited financial reports.
- Assumptions are based on management's judgment given the most recent and best information known at the time of completion of this forecast, which was January 10, 2018. Because these projected results are based on management's estimates and assumptions, actual results will likely differ from what is projected.
- The assumptions presented are what management considers to be "significant assumptions" and are not all-inclusive.
- Estimates for fiscal years 2017-2018 through 2021-2022 were developed based on the City's current budget and adjusted for inflation to determine future results. Nonrecurring capital outlay purchases and significant encumbrance rollovers from 2016-2017 have been excluded from future projections. Significant exceptions to this method are noted in the specific assumptions on the following pages.
- An annual inflation factor of 1.5 percent for revenue and 2.0 percent for expenditures for fiscal years 2017-2018 through 2021-2022 is utilized throughout the financial forecast.
- Data has been collected and financial estimates have been developed utilizing a number of expert sources, including the city finance director and department heads, State of Michigan departments, and other professional sources.

Basis of Accounting

Data has been presented using the modified accrual basis of accounting, which is the basis of accounting used in preparing the annual budget. Revenue is recognized when it is both measurable and available. Revenue is considered to be available if it is collected within 60 days. Disbursements for nonfinancial assets (capital outlay) are recorded as expenditures. Expenditures are recognized when a liability is incurred; however, expenditures for debt service principal and interest, compensated absences, and claims and judgments are recorded only when the payment is due. The Water and Sewer Funds have been presented using a basis of accounting that is different than the basis of accounting used in the City's historical financial statements. The Water and Sewer Funds have been presented in a manner to assist the City in forecasting the net cost of services throughout the forecasted period to coincide with the City's rate-making methodology. The Water and Sewer Funds also include depreciation expense, consistent with the City's rate-making methodology.

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Description of Infrastructure Needs

Overview of Projected Infrastructure Costs

The Department of Engineering has provided estimated costs for street improvements along with associated water and sewer improvement costs for the period of 2018-2022. The following, subject to approval, is a summary of estimated infrastructure improvement costs by fiscal year:

FISCAL YEAR	MAJOR STREETS	LOCAL STREETS	WATER FUNDⁱ	SEWER FUNDⁱⁱ	TOTAL
2017-2018 ⁱⁱⁱ	\$2,648,000 ^{iv}	\$940,000	\$1,454,000	\$2,543,000	\$7,585,000
2018-2019	\$1,050,000	\$1,225,000	\$845,000	\$1,370,000	\$4,490,000
2019-2020	\$3,605,000 ^v	\$505,000	\$2,580,000	\$3,375,000	\$10,065,000
2020-2021	\$990,000	\$1,894,000	\$1,935,000	\$350,000	\$5,169,000
2021-2022	\$3,958,000	\$1,423,000	\$1,720,000	\$750,000	\$7,851,000

Streets

The Department of Engineering believes that the level of spending shown above is needed to allow the City to maintain its investment in streets. Failure to maintain streets at this level could result in streets deteriorating faster than the City can replace them in the future. Individual planned street projects are listed in the Major and Local Streets Funds section beginning on page 14.

Sewage Disposal System

In 2011, the City Commission endorsed a backyard sewer and water master plan. The goal of the plan was to abandon or rehabilitate most public sewers and water mains located in backyards by 2018. The key components of this eight-year plan included:

- Address all backyard facilities to greatly reduce the chance of unexpected failures and emergency work as well as the private property damages that go along with such events
- Provide additional sewer capacity to the system in general in these neighborhoods where deficiencies currently exist

ⁱ Fiscal year 2019-2020 for the Water Fund includes \$150,000 for the Hunter Water Tower refurbishment.

ⁱⁱ Fiscal years 2017-2018 through 2019-2020 for the Sewer Fund include funding for backyard sewer lining, \$750,000, \$250,000, and \$750,000, respectively.

ⁱⁱⁱ Amounts for 2017-2018 reflect those projects as of December 11, 2017 which have not yet been approved by City Commission and awarded to contractors. Projects in progress are not included.

^{iv} This amount includes \$418,830 for traffic signals for Old Woodward reconstruction from Willits St. to Brown St.

^v This amount includes \$400,000 for traffic signal replacement on Maple Road between Southfield Rd. and Woodward Ave.

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

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- Replace or rehabilitate permanent pavements and water mains in the study area that are also in need of work
- Divert storm water flows away from the combined sewer system for significant acreage in the Evergreen-Farmington District in order to reduce sewage treatment and retention basin maintenance costs

As of the end of 2014, all backyard water mains in the project areas have now been supplemented with new mains in the adjacent streets, and all buildings have been noticed to begin disconnections from the back. In 2015, new storm and sanitary sewers were installed in the Oak St. corridor, preparing for future upstream modifications where new large areas of the Quarton Lake subdivision will have their storm flows diverted to the adjacent Rouge River, instead of into combined sewers. Also in 2015, all backyard water mains were disconnected from the system within the Crestview Subdivision, marking a 10-year effort to disconnect over 100 buildings within that neighborhood.

In 2016, minor sewer improvements were completed along the Maple Rd. corridor. In 2017, the City finished planned storm sewer improvements on the Oak St. corridor, preparing the way for further storm sewer extensions to serve the northwest corner of the City in the future. Also, lining of backyard sewers has begun on 13 blocks within the Quarton Lake Subdivision, as well as the one block planned in the Birmingham Villas subdivision.

Additional effort at acquiring easements will have to continue to allow for more lining in the future.

Water Distribution System

On-going improvements to the water system are planned in conjunction with street renovation projects subject to City Commission approval.

Other Current and Future Projects

Corridor Improvement Authority

The City Commission has created a Corridor Improvement Authority to accommodate expanded business development in the City's Triangle District, which is an area of emerging business growth. The Corridor Improvement Authority has been charged with the task of developing public parking facilities in the Triangle District to help spur additional economic development as the Triangle District Urban Plan is implemented. The initial focus will likely include the construction of an approximately 350-space public parking structure. It is anticipated that funding for the parking structure will be provided by a bond issue, which will be repaid through tax increment financing, special assessment, and user fees. At present, the City is seeking opportunities in the Triangle District for development. Once a development plan is in place, tax incremental financing will commence and revenue from captured taxes will begin. It is unknown at this time when this will occur; therefore, the forecast does not reflect any tax capture for the authority.

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Streetlights

New streetlights are proposed in conjunction with planned downtown renewal projects. The estimated costs are as follows:

Old Woodward Ave. - Willits St. to Brown St.	\$310,000 in fiscal year 2017-2018
Maple Rd. - Southfield Rd. to Woodward Ave.	\$325,000 in fiscal year 2019-2020
S. Old Woodward Ave. - Brown St. to Landon St.	\$460,000 in fiscal year 2021-2022

Alleys and Sidewalks

In 2017-2018, sidewalks and streetscape improvements are planned on Old Woodward Ave., from Oakland Ave. to Brown St., and on E. Maple Rd. in the vicinity of the intersection of Old Woodward Ave. The proposed improvements have an estimated cost of \$2,315,000. In year 2019-2020, similar improvements are planned along Maple Rd., from approximately Southfield Rd. to Woodward Ave., with an estimated cost of \$520,000. In 2021-2022, sidewalk and streetscape improvements are planned on S. Old Woodward Ave., Brown St. to Landon St., at an estimated cost of \$1,212,000. Other sidewalks will be replaced as needed as part of the annual sidewalk replacement program. Other potential improvements include the following:

- Alley, sidewalk, and passage improvements
- Additional bicycle parking facilities in the downtown area - Phase 3 (Phases 1 and 2 have been implemented)
- Sidewalk and streetscape enhancements along S. Eton Rd., from E. Maple Rd. to 14 Mile Rd.
- The addition of bicycle facilities on S. Eton Rd., from E. Maple Rd. to 14 Mile Rd.
- Construction of a portion of Phase 3 of the Sidewalk Plan in the Rail District
- The addition of bike lanes, transit stop improvements, and pedestrian improvements in conjunction with the complete streets approach as road improvements are due. Future improvements include sidewalks, concrete pads, shelters, benches, bike racks, and trash receptacles.

General Fund Assumptions

Revenue

Property Taxes

Appendix B illustrates the process used to estimate property tax revenue. Economic indicators show continued growth in the housing market, which will affect SEV and TV growth. The 2017-2018 taxable value for the City increased by 5.22 percent. The forecast assumes an annual increase in taxable value starting at 5.28 percent for 2018-2019, with gradually smaller increases to 3.43 percent in 2021-2022.

Personal property tax revenue is expected to decline as a result of recent legislation: small taxpayers with total personal property valued at less than \$80,000 will be able to sign a taxation exemption for personal property beginning in 2014; additionally, recent legislation will phase out the industrial portion of personal property tax over a nine-year period beginning in 2016. It is expected that the City will lose about \$5.1 million, or 0.3 percent, in taxable value as a result of these changes.

The legislation intends to reimburse for these property tax losses in the form of a use tax and an essential services assessment levy. The revenue from the use tax has been factored into the forecast as an intergovernmental revenue source in the amount of approximately \$70,000.

Key assumptions on a line-by-line basis, beginning at the top of Appendix B, are provided in Appendix C.

The property taxes from the general operating levy exclude levies for the George W. Kuhn Drain, North Arm Drain debt service, and water capital improvements.

Building Permits

Reinvestment in the City continues as new house permits, renovations, and additions have continued on a slower pace compared to the prior fiscal year. Revenue received from building permits in 2017-2018 is anticipated to be lower than revenue received in the prior fiscal year. The decrease in permit revenue in 2018-2019 reflects a return to historical levels as interest rates are expected to rise. The 2019-2020 level remains steady for the remaining forecasted years.

Cable Franchise Fees

Revenue is projected to increase slightly for each of the forecasted years through 2021-2022.

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State-shared Revenue

The State eliminated the Economic Vitality Incentive Program (EVIP) and replaced it with “City, Village, and Township Revenue Sharing” (CVTRS) in which a city is required to meet certain criteria to be eligible to receive a percentage of the revenue sharing appropriations. The estimated statutory revenue-sharing payment for fiscal year 2017-2018 per the State’s formula is expected to be less than \$190,000. The supplemental CVTRS is estimated at around \$16,000. Constitutional revenue sharing payments depend on the level of state sales tax collections and, in 2017-2018, are estimated slightly higher than last year’s level according to the State’s website. Actual revenue-sharing distributions depend on the stability of the State’s budget as well as the State’s economy. The City has forecasted a constant level of revenue sharing for the statutory portion and an inflationary increase of 1.50 percent for the constitutional portion for the years beginning 2018-2019.

Other Intergovernmental Revenue

Fiscal year 2013-2014 includes a \$324,244 payment from the Birmingham Area Cable Board. This represents a return of surplus funds. Additionally in 2014-2015, 2015-2016, and 2016-2017, a surplus of cable funds in the amount of \$375,100, \$122,613, and \$143,402, respectively, was received.

48th District Court

Based on information received from the 48th District Court, the City’s caseload percentage increased in 2016 to 25.48. The City’s caseload for 2017-2018 is projected at 27.28 percent. For the remaining forecasted years, a level increase of 1.50 percent in court revenue is projected to be received.

Parking Fines

Parking fine revenue increased in fiscal year 2016-2017 from the prior fiscal year. Revenue is expected to remain steady from 2017-2018 projected levels.

Other Revenue

Revenue in this category is projected to remain steady as it represents normal activity consisting of miscellaneous charges. Additional revenue is expected for fiscal years 2017-2018 through 2021-2022, which include sidewalk special assessments.

Interest and Rent

The projected interest rate earned on investments for 2017-2018 through 2021-2022 is 1.25 percent, 1.50 percent, 1.75 percent, 2.00 percent, and 2.25 percent, respectively.

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Expenditures

Personnel Service Cost Assumptions

Full-time staffing, which consists of 150 full-time employees, is assumed to remain at or near the same level for the period covered by the financial estimation.

The current status of wage contracts is as follows:

<u>Union or Group</u>	<u>Contract Runs Through</u>
AFSCME	June 30, 2020
Teamsters	June 30, 2018
Police Command (BCOA)	June 30, 2019
Firefighters (BFFA)	June 30, 2020
Police (BPOA)	June 30, 2019

For estimating purposes, the model assumes a rate increase for union and nonunion employees consistent with existing contracts for closed years and estimated increases thereafter. The actual rate can vary based on the results of union negotiations, the potential impact of reduced personal property tax, and limits on increases in property taxes.

Health insurance costs have been adjusted to reflect an increase of 5 percent for fiscal year 2017-2018, zero increase for 2018-2019 and 2019-2020, and a 1 percent increase for the remaining forecasted years. These percentage increases reflect utilization of targeted reserves in our internal service fund and do not necessarily reflect the healthcare industry proposed increases.

Expenditures have been adjusted for the employer's portion of retirement contributions and retiree healthcare contributions as recommended by the City's actuarial valuation and actuarial forecast prepared for the period ended June 30, 2017.

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Sidewalk and Alley Construction

Construction costs include \$70,000 in 2013-2014 for the Pierce and Merrill sidewalk project. Additional replacement costs include sidewalk reconstruction on Hamilton in 2015-2016 and other sidewalk area reconstruction costs in 2016-2017. Other projects planned are the Old Woodward Avenue sidewalks, from Willits to Brown Streets in 2017-2018 for \$2.3 million, Maple Road sidewalk reconstruction in 2019-2020 for \$520,000, and South Old Woodward Avenue sidewalks from Brown to Landon in 2021-2022 for \$1.2 million. Sidewalk routine replacement costs are estimated at \$280,000 per year. Alley construction costs include Hamilton Alley between Hamilton Avenue and Park Street in 2015-2016 for \$225,000, and in 2017-2018 for \$10,800. Both the sidewalk and alley construction will be assessed to the owners.

48th District Court

Expenditures are allocated to each of the four governmental units responsible for maintaining the Court in the same proportion as the number of cases arising from each unit.

Operating Transfers Out

For 2013-2014, a transfer of \$1,294,000 was made to the Retirement Fund. In 2014-2015, a transfer was made to the Water Fund in the amount of \$400,000. In 2015-2016, a transfer to the Risk Management was made in the amount of \$1,000,000 to partially cover the Wolf vs. Birmingham lawsuit settlement. Additionally in 2016-2017, a transfer of \$480,000 to the Risk Management Fund was made and \$775,000 to the Sewer Fund is planned for 2018-2019 as reimbursement of costs paid to settle the Wolf vs. Birmingham lawsuit. Transfers out to the Major Streets Fund, Local Streets Fund, and Capital Projects Fund are routine and represent funding for capital improvements.

Other Expenditures

Other expenditures assume 2 percent inflationary increases for the years 2018-2019 through 2021-2022.

City of Birmingham
General Fund Historic and Estimated Financial Operations

	Actual				Estimated Future Operations				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue									
Taxes									
Real and personal property taxes	\$ 19,135,930	\$ 19,742,553	\$ 20,315,235	\$ 21,021,455	\$ 23,542,500	\$ 24,737,960	\$ 25,989,370	\$ 27,008,040	\$ 28,194,280
Tax losses	(216,083)	(90,384)	(82,340)	(13,724)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Penalties and interest	142,178	144,961	120,233	121,537	149,000	149,000	149,000	149,000	149,000
Total taxes	19,062,025	19,797,130	20,353,128	21,129,268	23,591,500	24,786,960	26,038,370	27,057,040	28,243,280
Licenses and Permits									
Business licenses and permits	79,325	61,779	64,926	61,160	63,550	64,280	65,244	66,223	67,216
Rental housing fees	146,703	140,590	140,873	145,180	137,000	140,000	142,100	144,232	146,395
Building permits	2,125,015	2,107,031	2,651,421	2,560,488	2,336,700	1,986,195	1,870,000	1,870,000	1,870,000
Appeal and review fees	96,117	121,280	97,939	114,474	124,510	108,420	110,046	111,697	113,372
Telecommunications permit	55,701	49,194	66,375	65,788	50,750	51,510	52,283	53,067	53,863
Cable television franchise fees	320,470	341,015	352,810	359,605	360,000	360,000	363,600	367,236	370,908
Other	63,620	67,750	85,596	73,701	76,650	77,720	78,886	80,069	81,270
Total licenses and permits	2,886,951	2,888,639	3,459,940	3,380,396	3,149,160	2,788,125	2,682,159	2,692,523	2,703,025
Intergovernmental									
Federal emergency management assistance	17,470	13,137	13,180	20,161	20,160	20,160	20,462	20,769	21,081
State:									
Shared revenue	1,692,131	1,721,436	1,719,964	1,808,160	1,834,444	1,858,870	1,883,662	1,908,827	1,934,368
Other	520,677	534,208	445,572	342,839	231,140	233,730	236,186	238,679	241,209
Total intergovernmental	2,230,278	2,268,781	2,178,716	2,171,160	2,085,744	2,112,760	2,140,311	2,168,275	2,196,658
Charges for Services									
Labor charges to other funds	1,147,385	1,295,960	1,178,584	1,137,579	1,257,620	1,272,810	1,290,329	1,308,110	1,326,159
Ice arena fees	631,318	612,309	619,354	603,275	599,400	600,400	609,406	618,547	627,825
Other recreation program fees	99,611	99,371	101,437	99,043	102,500	103,500	105,053	106,628	108,228
Museum fees	44,761	40,616	44,874	44,204	43,600	45,000	45,675	46,360	47,056
Special events fees	63,905	94,953	72,663	75,468	81,290	81,380	82,601	83,840	85,097
Sidewalk construction	5,391	20,518	14,978	53,843	45,000	45,000	45,675	46,360	47,056
Dispatch	287,572	302,905	344,076	311,928	326,910	364,230	369,693	375,239	380,867
EMS transports	285,461	301,797	328,193	354,650	354,000	355,000	360,325	365,730	371,216
Other	101,520	118,566	85,884	78,357	86,810	87,810	89,127	90,464	91,821
Total charges for services	2,666,924	2,886,995	2,790,043	2,758,347	2,897,130	2,955,130	2,997,884	3,041,279	3,085,324
Fines and Forfeitures									
48 th District Court	1,246,147	1,204,800	1,033,994	1,028,810	1,157,100	1,174,460	1,192,077	1,209,958	1,228,107
Parking and dog fines	523,964	479,705	423,494	560,238	570,000	570,000	570,488	570,982	571,485
Impound fees	-	6,775	5,825	7,025	6,500	6,500	6,598	6,696	6,797
False alarm charges	14,320	12,238	12,130	7,150	12,500	12,500	12,688	12,878	13,071
Total fines and forfeitures	1,784,431	1,703,518	1,475,443	1,603,223	1,746,100	1,763,460	1,781,849	1,800,515	1,819,460

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

City of Birmingham
General Fund Historic and Estimated Financial Operations

	Actual				Estimated Future Operations				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue (Continued)									
Interest and Rent									
Interest earned on investments	\$ 194,744	\$ 139,966	\$ 162,430	\$ 29,169	\$ 233,850	\$ 208,330	\$ 265,130	\$ 349,130	\$ 461,400
Rent	56,761	56,311	55,008	73,716	56,840	57,700	58,566	59,444	60,336
Other interest earnings	4,150	3,924	1,787	5,595	3,600	3,600	3,654	3,709	3,764
Total interest and rent	255,655	200,201	219,225	108,480	294,290	269,630	327,350	412,283	525,500
Other Revenue	85,115	86,310	112,230	125,400	108,090	631,521	311,617	433,290	439,788
Contributions from Other Funds	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Total revenue	28,971,372	29,831,574	30,588,725	31,276,274	33,972,014	35,407,586	36,379,539	37,705,204	39,113,035
Expenditures									
General Government									
Commission	53,749	53,044	55,550	58,784	62,560	63,160	64,391	65,646	66,927
Manager's office	176,483	315,107	318,161	307,879	540,413	551,598	561,063	571,111	579,006
Elections	35,155	40,483	27,397	33,911	46,910	34,010	27,718	41,033	28,353
Assessor	200,680	200,365	200,871	207,435	206,870	206,870	206,952	207,036	207,122
Legal	454,040	434,040	418,974	373,288	456,000	456,000	465,120	474,422	483,911
Clerk	299,569	338,966	341,259	316,902	331,700	349,176	355,574	361,701	367,550
Finance department	860,150	863,698	689,278	717,427	833,567	849,446	863,539	877,623	887,824
Human resources department	400,256	301,086	342,819	354,567	419,005	425,382	433,213	441,500	449,404
Treasurer	732,286	801,159	646,690	629,480	669,994	671,601	683,346	694,941	702,456
City hall and grounds	485,399	538,384	566,312	520,750	582,130	525,184	534,782	544,512	552,757
Library maintenance	42,162	91,569	120,094	38,000	41,250	35,200	35,904	36,622	37,355
Historical museums:									
Hunter House	11,485	10,337	13,898	9,968	12,900	12,900	13,158	13,421	13,690
Allen House	146,421	133,341	126,171	202,113	223,570	169,149	172,335	175,730	179,079
General administration	1,074,733	1,039,123	1,050,173	1,107,453	1,141,924	1,125,160	1,147,663	1,170,616	1,194,029
Total general government	4,972,568	5,160,702	4,917,647	4,877,957	5,568,793	5,474,835	5,564,759	5,675,914	5,749,462
Public Safety									
Police	5,916,910	6,349,443	6,048,860	6,125,234	6,194,268	6,664,782	6,728,886	6,852,062	6,935,098
Fire	5,164,824	5,279,689	5,031,199	5,277,470	5,469,502	5,670,595	5,830,303	5,935,852	6,002,410
Dispatch	863,300	983,075	891,222	915,251	1,110,501	1,063,800	1,084,975	1,104,087	1,120,765
Emergency preparedness	5,787	4,787	5,931	5,065	9,400	9,400	9,588	9,780	9,975
Total public safety	11,950,821	12,616,994	11,977,212	12,323,020	12,783,671	13,408,577	13,653,752	13,901,781	14,068,248

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

City of Birmingham
General Fund Historic and Estimated Financial Operations

	Actual				Estimated Future Operations				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Expenditures (Continued)									
Community Development									
Planning	\$ 435,273	\$ 457,620	\$ 453,053	\$ 593,540	\$ 829,365	\$ 604,162	\$ 614,790	\$ 626,290	\$ 636,463
Building inspection	1,342,323	1,627,359	1,754,318	2,043,357	2,447,610	2,253,419	1,895,919	1,840,055	1,879,293
Total community development	1,777,596	2,084,979	2,207,371	2,636,897	3,276,975	2,857,581	2,510,709	2,466,345	2,515,756
Engineering and Public Services									
Engineering	646,300	673,157	711,702	782,760	881,345	872,418	889,742	905,283	918,822
Sidewalk construction and replacement	182,547	203,599	297,732	538,003	3,203,977	301,200	827,224	313,368	1,531,636
Alley construction and maintenance	372	38,418	231,874	30,459	43,851	25,000	25,500	26,010	26,530
Property maintenance	752,163	847,601	845,260	787,288	899,355	919,112	935,479	951,129	964,394
General	252,415	256,627	251,828	266,163	300,770	298,490	304,460	310,549	316,760
Weed/Snow enforcement	53,679	38,758	28,621	32,214	50,890	52,420	53,361	54,367	55,233
Ice sports arena	648,360	652,452	592,836	634,115	696,281	672,145	684,855	697,997	710,420
Community activities	233,271	254,571	273,438	251,929	275,755	281,019	286,034	290,954	295,067
Parks	889,196	895,747	863,326	932,213	1,130,632	1,006,943	1,025,907	1,044,890	1,062,652
Total engineering and public services	3,658,303	3,860,930	4,096,617	4,255,144	7,482,855	4,428,747	5,032,563	4,594,547	5,881,514
Contributions									
48 th District Court	1,239,132	1,228,831	1,019,722	1,116,515	1,150,000	1,150,000	1,173,000	1,196,460	1,220,389
Operating transfers to other funds:									
Major Streets Fund	1,350,000	1,200,000	1,580,000	1,550,000	2,100,000	2,500,000	3,500,000	3,500,000	3,500,000
Local Streets Fund	2,150,000	2,000,000	2,250,000	2,650,000	2,200,000	2,500,000	2,500,000	2,500,000	2,500,000
Capital Projects Fund	280,000	643,920	371,900	344,890	736,570	695,000	279,000	360,000	-
Sewer Fund	-	-	-	-	-	775,000	-	-	-
Water Fund	-	400,000	-	-	500,000	-	-	-	-
Risk Management	-	-	1,000,000	480,000	-	-	-	-	-
Retirement System	1,294,000	-	-	-	-	-	-	-	-
Other	30,450	25,000	13,900	50,000	20,000	-	-	-	-
Total contributions	6,343,582	5,497,751	6,235,522	6,191,405	6,706,570	7,620,000	7,452,000	7,556,460	7,220,389
Total expenditures	28,702,870	29,221,356	29,434,369	30,284,423	35,818,864	33,789,740	34,213,782	34,195,047	35,435,369
Excess of Revenue Over (Under)									
Expenditures	268,502	610,218	1,154,356	991,851	(1,846,850)	1,617,846	2,165,757	3,510,157	3,677,666
Fund Balance - Beginning of year	12,279,205	12,547,707	13,157,925	14,312,281	15,304,132	13,457,282	15,075,127	17,240,884	20,751,041
Fund Balance - End of year	\$ 12,547,707	\$ 13,157,925	\$ 14,312,281	\$ 15,304,132	\$ 13,457,282	\$ 15,075,127	\$ 17,240,884	\$ 20,751,041	\$ 24,428,707

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

Major and Local Streets Funds Assumptions

Major Streets Fund

This forecast analyzes the actual results from 2013-2014 through 2016-2017 and the City's adopted budget for 2017-2018 with inflationary increases for the years 2018-2019 through 2021-2022. Exceptions to this method are noted below:

Revenue

State Grants and Distributions

On November 10, 2015, the Governor signed a new road funding bill. The funding for this road bill comes from an increase in registration fees, an increase in gas taxes, and the dedication from the State General Fund. The Michigan Department of Transportation (MDOT) has provided to the City their estimated potential revenue increase. These estimates are based on the State's fiscal year, which ends on September 30.

This forecast has taken the State's estimates into consideration. For 2017-2018, the forecast reflects the amount budgeted, which is slightly more conservative than the State's estimate.

For fiscal year 2018-2019, the State has provided two separate estimates. One estimate assumes the redirection of income tax revenue to the Michigan Transportation Fund (MTF). This estimate projects an 8 percent increase over 2017-2018. The second estimate for 2018-2019 assumes that the legislature will not support the redirection of income tax revenue. This estimate projects a 2 percent increase over 2017-2018. Since legislative support for the redirection of income taxes is not guaranteed, this forecast assumes a 2 percent increase for 2018-2019.

For 2019-2020, the State projects no increase if income tax revenue is not redirected to MTF. This forecast assumes no increase for 2019-2020 and subsequent fiscal years.

Local Grant

The \$215,000 in 2017-2018 is a reimbursement from the Birmingham School District for work performed for the school district during construction on Oak Street.

Special Assessments

The forecast for 2017-2018 is based on cape seal work performed in 2017-2018 (SAD 879). This assessment is to be paid back in one year. Other revenue amounts are based on estimated collections for prior and future assessments.

City of Birmingham
Five-year Financial Forecast

Interfund Transfers

Interfund transfers are forecasted in an amount to provide consistent funding to the street funds by the General Fund. The forecast demonstrates that at these levels of funding, fund balance is expected to decline to a very low level in 2017-2018, but it is expected to rebound in 2018-2019 and remain at adequate levels through 2021-2022.

Interest Income

The forecast assumes investment returns of 1.25 percent for 2017-2018 with slow improvement to 2.25 percent for 2021-2022.

Expenditures

Maintenance of Streets and Bridges

A cape seal project was completed in summer 2017.

Street Cleaning

The forecast projects that catch basin cleaning will continue to be scheduled once every two years.

Capital Outlay

Below is a list of planned projects with an estimated cost equal to or greater than \$200,000:

2017-2018	Old Woodward Ave. - Willits St. to Brown St.	\$2,199,260
	Traffic signal replacement on Old Woodward Ave.	\$418,830
2018-2019	14 Mile Rd. - Greenfield Rd. to East City Limit	\$200,000
	Bowers St. - Woodward Ave. to S. Adams Rd.	\$230,000
	Oakland Blvd. - N. Old Woodward Ave. to Woodward Ave.	\$250,000
2019-2020	Maple Rd. - Southfield Rd. to Woodward Ave.	\$2,380,000
	Traffic signal replacement on Maple Rd.	\$400,000
	Coolidge Hwy. - Derby Rd. to E. Maple Rd.	\$425,000
	Grant St. - E. Lincoln Ave. to Humphrey Ave.	\$200,000
2020-2021	Pierce St. - Lincoln Ave. to Bird Ave.	\$350,000
	Redding Rd. - Lakepark Ave. to Woodward Ave.	\$420,000
2021-2022	S. Old Woodward Ave. - Brown St. to Landon St.	\$3,638,000

City of Birmingham Five-year Financial Forecast

One federal grant has been secured in the amount of \$350,000 for the Maple Rd. project between Southfield Rd. and Woodward Ave. This amount is reflected in the forecast as revenue for 2019-2020. A second grant application in the amount of \$320,000 has been submitted to MDOT for the same project. This grant, if received, would be applied toward the \$500,000 cost of safety improvements at the intersection of Maple Rd. and Southfield Rd. A determination on this grant will not be made by MDOT until August 2018. Since this grant is not guaranteed, it is not included as revenue in the forecast.

Local Streets Fund

This forecast analyzes the actual results from 2013-2014 through 2016-2017 and the City's adopted budget for 2017-2018, with inflationary increases for the years 2018-2019 through 2021-2022. Exceptions to this method are noted below:

Revenue

State Grants and Distributions

On November 10, 2015, the governor signed a new road funding bill. The funding for this road bill comes from an increase in registration fees, an increase in gas taxes, and the dedication from the State General Fund. The Michigan Department of Transportation has provided to the City its estimated potential revenue increase. These estimates are based on the State's fiscal year which ends on September 30.

This forecast has taken the State's estimates into consideration. For 2017-2018, the forecast reflects the amount budgeted, which is slightly more conservative than the State's estimate.

For fiscal year 2018-2019, the State has provided two separate estimates. One estimate assumes the redirection of income tax revenue to the Michigan Transportation Fund (MTF). This estimate projects an 8 percent increase over 2017-2018. The second estimate for 2018-2019 assumes that the Legislature will not support the redirection of income tax revenue. This estimate projects a 2 percent increase over 2017-2018. Since legislative support for the redirection of income taxes is not guaranteed, this forecast assumes a 2 percent increase for 2018-2019.

For 2019-2020, the State projects no increase if income tax revenue is not redirected. This forecast assumes no increase for 2019-2020 and subsequent fiscal years.

Special Assessments

These revenue amounts are based on estimated collections for prior and future assessments. 2017-2018 includes \$200,000 for the 2017 Cape Seal SAD. 2018-2019 includes an estimated \$510,000 for the 2018 Cape Seal SAD. Both are one-year assessments.

City of Birmingham
Five-year Financial Forecast

Interfund Transfers

Interfund transfers are forecasted in an amount to provide consistent funding to the street funds by the General Fund. The forecast demonstrates that at these levels of funding, fund balance is expected to decline somewhat in 2017-2018 but will rebound and remain at adequate levels for the remainder of the forecast period.

Interest Income

The forecast assumes investment returns of 1.25 percent for 2017-2018 with slow improvement to 2.25 percent for 2021-2022.

Expenditures

Maintenance of Streets and Bridges

The most recent cape seal project was completed in summer 2017. The next cape seal project is planned for summer 2018 and is included in projected expenditures for 2018-2019 based on the amount budgeted.

Street Cleaning

The forecast projects that catch basin cleaning will continue to be scheduled once every two years.

Capital Outlay

Below is a list of planned projects with an estimated cost equal to or greater than \$200,000:

2017-2018	Chapin Ave. and Ruffner Ave. - Grant St. to Woodward Ave. and Bennaville Ave. - Edgewood Ave. to Grant St.	\$915,000
2018-2019	Raynale St. - N. Glenhurst Dr. to Chesterfield Ave. N. Glenhurst Dr. - Raynale St. to Oak St. Brookwood - N. Glenhurst Dr. To Raynale St. Kenwood Ct. - N. Glenhurst Dr. to 230 ft. east	\$985,000
2019-2020	Haynes St. - Bowers St. to Columbia Ave.	\$250,000
2020-2021	Bowers St. - Haynes Ave. to Columbia Ave.	\$207,000
	Bird Ave. - Pierce St. to 120 ft. W. of Woodward Ave.	\$600,000
	Pembroke Rd. - West end to N. Eton St.	\$250,000
	Edgewood Ave. - E. Lincoln Ave. to Southlawn Blvd.	\$260,000
	Townsend St. - Southfield Rd. to Chester St.	\$330,000
2021-2022	Maryland Blvd - W. Lincoln Ave. to Southlawn Blvd.	\$300,000
	Windemere Rd. - N. Eton Rd. to St. Andrews Rd.	\$550,000

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

City of Birmingham
Major Streets Fund Historic and Estimated Financial Operations

	Actual				Estimated Future Operations				
	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Revenue									
State grants and distributions	\$ 969,737	\$ 1,390,083	\$ 947,165	\$ 1,088,480	\$ 1,182,264	\$ 1,205,909	\$ 1,205,909	\$ 1,205,909	\$ 1,205,909
Special assessment collections	12,314	12,446	485	11,823	64,386	849	849	849	849
Federal grants	-	-	-	-	15,420	-	350,000	-	-
Local sources	-	-	124,794	-	215,000	-	-	-	-
Interest and rent	35,710	24,304	12,242	3,880	16,756	14,450	22,950	42,100	56,350
Other	770	1,350	7,130	-	1,000	1,000	1,000	1,000	1,000
Transfers from General Fund	1,350,000	1,200,000	1,580,000	1,550,000	2,100,000	2,500,000	3,500,000	3,500,000	3,500,000
Total revenue	2,368,531	2,628,183	2,671,816	2,654,183	3,594,826	3,722,208	5,080,708	4,749,858	4,764,108
Expenditures									
Maintenance of streets and bridges	273,729	322,310	302,173	270,632	378,100	327,810	331,815	337,897	300,829
Street cleaning	154,617	122,855	162,528	146,308	174,670	154,954	191,916	159,596	200,806
Street trees	231,594	253,083	251,257	229,860	242,690	247,533	251,573	256,531	261,308
Traffic controls	195,874	202,226	323,555	236,791	882,830	383,613	829,124	435,305	471,612
Snow and ice removal	472,644	292,463	208,915	241,982	343,080	328,910	333,026	339,368	345,041
Administrative	19,874	21,803	17,867	18,639	18,200	18,564	18,935	19,314	19,700
Capital outlay - Engineering and construction of roads and bridges	535,526	3,047,929	1,772,358	1,040,576	3,061,018	1,143,697	3,300,571	1,087,482	4,057,431
Total expenditures	1,883,858	4,262,669	3,038,653	2,184,788	5,100,588	2,605,081	5,256,960	2,635,493	5,656,727
Excess of Revenue Over (Under) Expenditures	484,673	(1,634,486)	(366,837)	469,395	(1,505,762)	1,117,127	(176,252)	2,114,365	(892,619)
Fund Balance - Beginning of year	3,319,047	3,803,720	2,169,234	1,802,397	2,271,792	766,030	1,883,157	1,706,905	3,821,270
Fund Balance - End of year	\$ 3,803,720	\$ 2,169,234	\$ 1,802,397	\$ 2,271,792	\$ 766,030	\$ 1,883,157	\$ 1,706,905	\$ 3,821,270	\$ 2,928,651

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

City of Birmingham
Local Streets Fund Historic and Estimated Financial Operations

	Actual				Estimated Future Operations				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue									
State grants and distributions	\$ 357,108	\$ 420,043	\$ 583,936	\$ 442,394	\$ 482,900	\$ 492,554	\$ 492,554	\$ 492,554	\$ 492,554
Special assessment collections	102,596	205,365	57,034	388,717	280,000	566,000	56,000	56,000	56,000
Local sources	-	-	-	-	30,598	-	-	-	-
Interest and rent	45,459	26,437	19,618	6,375	37,400	33,300	42,300	51,000	49,300
Other	7,812	15,517	8,737	13,224	10,000	10,000	10,000	10,000	10,000
Transfers from General Fund	<u>2,150,000</u>	<u>2,000,000</u>	<u>2,250,000</u>	<u>2,650,000</u>	<u>2,200,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total revenue	2,662,975	2,667,362	2,919,325	3,500,710	3,040,898	3,601,854	3,100,854	3,109,554	3,107,854
Expenditures									
Maintenance of streets and bridges	310,579	576,777	387,999	520,667	854,827	1,120,200	502,042	510,792	517,965
Street cleaning	200,595	172,487	207,995	145,298	242,260	172,164	240,252	177,463	252,876
Street trees	534,982	504,318	503,186	515,500	499,470	511,707	521,004	531,350	541,605
Traffic controls	59,664	59,932	62,987	66,052	68,990	70,370	71,776	73,210	74,675
Snow and ice removal	224,206	122,511	126,621	136,992	155,280	149,540	151,106	153,905	156,300
Administrative	28,254	31,103	25,177	26,319	25,600	26,112	26,634	27,167	27,710
Capital outlay - Engineering and construction of roads and bridges	<u>1,358,736</u>	<u>2,140,833</u>	<u>2,050,733</u>	<u>2,325,620</u>	<u>1,595,370</u>	<u>1,294,238</u>	<u>575,623</u>	<u>1,966,036</u>	<u>1,496,476</u>
Total expenditures	2,717,016	3,607,961	3,364,698	3,736,449	3,441,797	3,344,331	2,088,437	3,439,923	3,067,607
Excess of Revenue (Under) Over Expenditures	(54,041)	(940,599)	(445,373)	(235,739)	(400,899)	257,523	1,012,417	(330,369)	40,247
Fund Balance - Beginning of year	<u>3,083,423</u>	<u>3,029,382</u>	<u>2,088,783</u>	<u>1,643,410</u>	<u>1,407,671</u>	<u>1,006,772</u>	<u>1,264,295</u>	<u>2,276,712</u>	<u>1,946,343</u>
Fund Balance - End of year	<u>\$ 3,029,382</u>	<u>\$ 2,088,783</u>	<u>\$ 1,643,410</u>	<u>\$ 1,407,671</u>	<u>\$ 1,006,772</u>	<u>\$ 1,264,295</u>	<u>\$ 2,276,712</u>	<u>\$ 1,946,343</u>	<u>\$ 1,986,590</u>

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

City of Birmingham
Five-year Financial Forecast

Water and Sewer Fund Assumptions

This forecast analyzes the actual results from 2013-2014 through 2016-2017 and the City's adopted budget for 2017-2018 with inflationary increases for the years 2018-2019 through 2021-2022. Water volumes are based on a five-year running average. Exceptions to this method are noted below:

Water Fund

Water Purchase Cost

The forecast assumes a 4 percent increase in the cost of water for 2018-2019 through 2021-2022. Water volumes are projected to remain relatively constant.

Depreciation

There was additional depreciation charged in 2015-2016 in order to correct an error made in 2014-2015.

Capital Outlay

The forecast is based on estimates prepared by the city engineer for years 2018-2019 through 2021-2022. These improvements will be made in conjunction with road improvements and will be partially funded by \$750,000 in property taxes from 2018-2019 through 2021-2022. These additional resources will partially fund capital projects over the next four years and maintain the reserves of the system which have spent \$10 million in capital projects over the past six years.

Interest Income

The forecast assumes investment returns of 1.50 percent for 2018-2019, with slow improvement to 2.25 percent for 2021-2022.

Transfers from Other Funds

A transfer from the General Fund of \$500,000 is budgeted for 2017-2018 to provide funding for retiree healthcare liabilities associated with the implementation of GASB 75.

Sewer Fund

Sewage Disposal Cost

The forecast assumes a 4 percent increase in the sanitary sewage disposal costs for the Evergreen-Farmington and George W. Kuhn Sewage Disposal Districts.

City of Birmingham Five-year Financial Forecast

Stormwater Disposal Costs

The forecast assumes a 3-4 percent increase in stormwater disposal costs for the Evergreen-Farmington and George W. Kuhn Sewage Disposal Districts.

General and Administrative

Fiscal year 2015-2016 includes an \$850,000 contribution from the Sewer Fund for the settlement of the Wolf vs. City of Birmingham lawsuit.

Capital Outlay

The forecast uses estimates prepared by the city engineer for years 2018-2019 through 2021-2022. These improvements will be made in conjunction with road improvements and will be funded by the reserves of the system.

Interest Income

The forecast assumes investment returns of 1.50 percent for 2018-2019, with slow improvement to 2.25 percent for 2021-2022.

Debt Service Payments

Debt service payments are based on current debt schedules for 2018-2019 through 2021-2022.

Transfers from Other Funds

Amounts represent reimbursements from the Risk Management Fund (2016-2017) and the General Fund (2018-2019) for costs associated with the Wolf vs. City of Birmingham lawsuit.

City of Birmingham
Water Fund Historic and Estimated Financial Operations

	Actual				Estimated Future Operations				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Key Operating Data									
Water sold	\$ 770,840	\$ 724,718	\$ 812,470	\$ 856,232	\$ 829,700	\$ 825,600	\$ 826,300	\$ 839,400	\$ 839,400
Water purchased	884,443	820,700	905,577	926,688	897,000	892,500	893,250	907,500	907,500
Average unit cost of water purchased	\$ 1.86	\$ 1.93	\$ 2.16	\$ 2.23	\$ 2.29	\$ 2.35	\$ 2.44	\$ 2.53	\$ 2.63
Cost of Services									
Cost of water	1,643,550	1,586,540	1,952,114	2,064,386	2,051,400	2,098,909	2,180,869	2,296,412	2,384,240
Depreciation	768,351	768,351	864,213	782,677	818,820	875,145	939,645	988,020	1,031,020
Operation and maintenance	1,326,453	1,429,517	1,280,770	1,386,935	1,524,100	1,630,017	1,657,743	1,686,686	1,710,671
General and administrative	195,866	214,353	186,352	190,325	198,890	202,868	206,926	211,065	215,286
Capital outlay	2,607,295	1,852,457	706,428	395,014	1,454,215	845,000	2,580,000	1,935,000	1,720,000
Total cost of services	6,541,515	5,851,218	4,989,877	4,819,337	6,047,425	5,651,939	7,565,183	7,117,183	7,061,217
Other Income									
Interest	16,107	150	4,909	1,664	16,720	38,879	44,395	39,864	43,317
Property taxes	(9)	(9)	500,092	749,579	750,000	750,000	750,000	750,000	750,000
Flat rate meter charge and other	851,186	793,162	855,144	748,051	739,800	786,300	783,100	784,954	786,864
Transfer from other funds	-	750,000	-	-	500,000	-	-	-	-
Total other income	867,284	1,543,303	1,360,145	1,499,294	2,006,520	1,575,179	1,577,495	1,574,818	1,580,181
Less Capital Outlay Not Included in Net Cost of Services					(204,215)	(95,000)	(1,830,000)	(1,185,000)	(970,000)
Net Cost of Services	\$ 5,674,231	\$ 4,307,915	\$ 3,629,732	\$ 3,320,043	\$ 3,836,690	\$ 3,981,760	\$ 4,157,688	\$ 4,357,365	\$ 4,511,036
Average User Charge					\$ 4.62	\$ 4.82	\$ 5.03	\$ 5.19	\$ 5.37
Average Rate Increase						4.33%	4.36%	3.18%	3.47%

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

City of Birmingham
Sewer Fund Historic and Estimated Financial Operations

	Actual					Estimated Future Operations				
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
Key Operating Data										
Water sold	\$ 770,840	\$ 724,718	\$ 812,470	\$ 856,232	\$ 829,700	\$ 825,600	\$ 826,300	\$ 839,400	\$ 839,400	
Water purchased	884,443	820,700	905,577	926,688	897,000	892,500	893,250	907,500	907,500	
Average unit cost of sewage disposal	\$ 3.25	\$ 3.80	\$ 3.52	\$ 3.55	\$ 4.08	\$ 4.26	\$ 4.42	\$ 4.52	\$ 4.69	
Cost of Services										
Sanitary sewage disposal costs	2,870,763	3,120,025	3,190,852	3,292,146	3,661,080	3,799,549	3,946,502	4,099,139	4,257,680	
Storm water costs	2,137,224	2,169,924	2,383,232	2,413,872	2,432,800	2,483,948	2,551,744	2,621,576	2,693,502	
Depreciation and amortization ⁽¹⁾	879,649	784,047	842,433	881,897	969,180	997,180	1,062,805	1,071,555	1,090,305	
Debt service - Including principal	3,411,462	3,382,646	3,221,345	2,815,923	1,585,004	1,644,702	1,699,285	1,694,378	397,670	
Operation and maintenance	559,209	644,374	645,500	586,150	655,350	609,130	615,485	624,213	632,215	
General and administrative	223,325	250,750	1,055,860	214,495	222,300	226,746	231,281	235,907	240,626	
Capital outlay	1,122,794	2,459,819	1,498,017	1,042,866	2,543,200	1,370,000	3,375,000	350,000	750,000	
Total cost of services	11,204,426	12,811,585	12,837,239	11,247,349	12,068,914	11,131,255	13,482,102	10,696,768	10,061,998	
Other Income										
Interest	79,728	56,196	34,739	10,063	21,720	38,966	40,998	44,948	78,263	
Property taxes	3,353,599	3,356,369	3,209,493	2,828,930	1,591,880	1,644,702	1,699,285	1,694,378	397,670	
Storm water charge				1,675,229	2,432,800	2,483,948	2,551,744	2,621,576	2,693,502	
Other	60,189	70,105	80,706	78,243	60,000	70,000	70,000	70,000	70,000	
Transfers from other funds	-	-	-	73,203	-	775,000	-	-	-	
Total other income	3,493,516	3,482,670	3,324,938	4,665,668	4,106,400	5,012,616	4,362,027	4,430,902	3,239,435	
Less Capital Outlay Not Included in Net Cost of Services										
					(1,843,200)	105,000	(2,675,000)	350,000	(50,000)	
Net Cost of Services	\$ 7,710,910	\$ 9,328,915	\$ 9,512,301	\$ 6,581,681	\$ 6,119,314	\$ 6,223,639	\$ 6,445,075	\$ 6,615,866	\$ 6,772,563	
Average User Charge										
					\$ 7.38	\$ 7.54	\$ 7.80	\$ 7.88	\$ 8.07	
Average Rate Increase/Decrease ⁽²⁾										
						2.17%	3.45%	1.03%	2.41%	

⁽¹⁾ Does not include depreciation on joint projects (i.e. CSO facilities, North Arm Drain, and GWK Drain)

⁽²⁾ Starting in January 2017, storm water disposal charges will be billed separately from sanitary sewage disposal. The storm water fee will be based on each property's estimated contribution to storm water costs.

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

Community Profiles

YOU ARE VIEWING DATA FOR:

City of Birmingham

151 Martin St
 Birmingham, MI 48009-3368
<http://www.bhamgov.org>

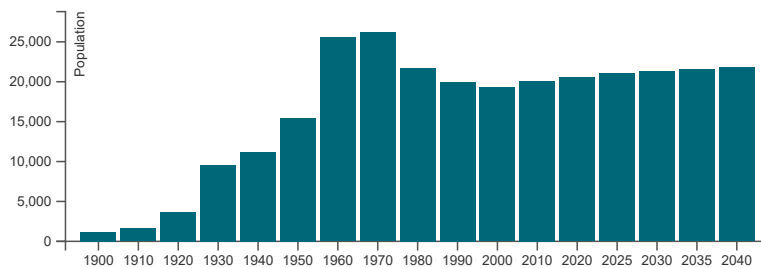


Census 2010 Population: 20,103
 Area: 4.8 square miles

Population and Households

Link to American Community Survey (ACS) Profiles: **Select a Year** **Social | Demographic**
Population and Household Estimates for Southeast Michigan, August 2016

Population Forecast



Note for City of Birmingham : Incorporated in 1933 from Village of Birmingham. Population numbers prior to 1933 are of the village.

Population and Households

Population and Households	Census 2010	Change 2000-2010	Pct Change 2000-2010	SEMCOG Jul 2016	SEMCOG 2040
Total Population	20,103	812	4.2%	22,358	21,800
Group Quarters Population	1	-3	-75.0%	1	1
Household Population	20,102	815	4.2%	22,357	21,799
Housing Units	9,979	279	2.9%	10,241	-
Households (Occupied Units)	9,039	-92	-1.0%	9,734	9,309
Residential Vacancy Rate	9.4%	3.6%	-	5.0%	-
Average Household Size	2.22	0.11	-	2.30	2.34

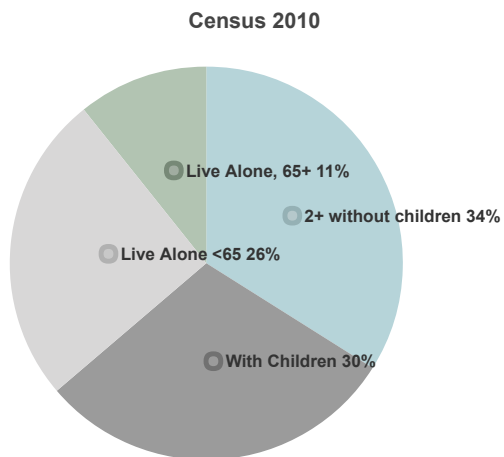
Source: U.S. Census Bureau and SEMCOG 2040 Forecast produced in 2012.

Components of Population Change

Source: Michigan Department of Community Health Vital Statistics
U.S. Census Bureau, and SEMCOG.

Components of Population Change	2000-2005 Avg.	2006-2010 Avg.
Natural Increase (Births - Deaths)	138	109
Births	279	232
Deaths	141	123
Net Migration (Movement In - Movement Out)	-177	92
Population Change (Natural Increase + Net Migration)	-39	201

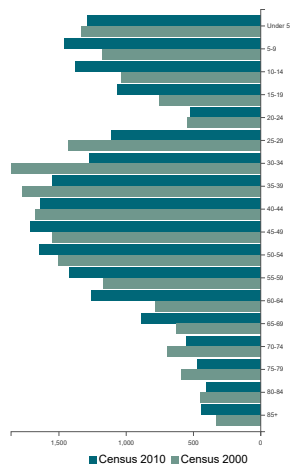
Household Types



Household Types	Census 2000	Census 2010	Pct Change 2000-2010
With Seniors 65+	1,996	2,087	4.6%
Without Seniors	7,135	6,952	-2.6%
Two or more persons without children	3,363	3,068	-8.8%
Live alone, 65+	922	969	5.1%
Live alone, under 65	2,550	2,307	-9.5%
With children	2,296	2,695	17.4%
Total Households	9,131	9,039	-1

Source: U.S. Census Bureau and Decennial Census.

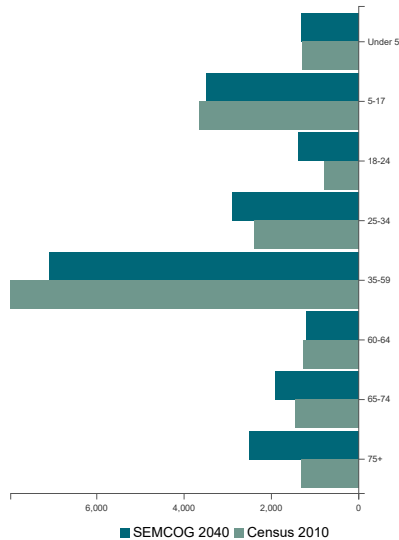
Population Change by Age, 2000-2010



Age Group	Census 2000	Census 2010	Change 2000-2010
Under 5	1,331	1,291	-40
5-9	1,178	1,462	284
10-14	1,035	1,382	347
15-19	752	1,067	315
20-24	544	523	-21
25-29	1,431	1,110	-321
30-34	1,856	1,273	-583
35-39	1,774	1,547	-227
40-44	1,677	1,641	-36
45-49	1,549	1,717	168
50-54	1,508	1,646	138
55-59	1,172	1,420	248
60-64	784	1,261	477
65-69	628	891	263
70-74	697	552	-145
75-79	593	472	-121
80-84	448	402	-46
85+	334	446	112
Total	19,291	20,103	812
Median Age	39.3	41.1	1.8

Source: U.S. Census Bureau and Decennial Census.

Forecasted Population Change 2010-2040



Source: **SEMCOG 2040 Forecast** produced in 2012.

Age Group	2010	2015	2020	2025	2030	2035	2040	Change 2010 - 2040
Under 5	1,291	1,333	1,355	1,373	1,355	1,335	1,325	34
5-17	3,648	3,456	3,119	3,138	3,209	3,354	3,488	-160
18-24	786	1,188	1,338	1,334	1,318	1,340	1,383	597
25-34	2,383	2,469	2,610	3,041	3,170	3,072	2,903	520
35-59	7,971	7,526	7,065	6,651	6,495	6,705	7,086	-885
60-64	1,261	1,439	1,658	1,593	1,488	1,342	1,210	-51
65-74	1,443	1,739	2,046	2,296	2,321	2,133	1,908	465
75+	1,320	1,248	1,348	1,596	1,929	2,259	2,497	1,177
Total	20,103	20,398	20,539	21,022	21,285	21,540	21,800	1,697

Source: **U.S. Census Bureau** and **SEMCOG 2040 Forecast** produced in 2010.

Senior and Youth Populations

Senior and Youth Population	Census 2000	Census 2010	Pct Change 2000-2010	SEMCOG 2040	Pct Change 2010-2040
65 and over	2,700	2,763	2.3%	4,405	59.4%
Under 18	4,094	4,939	20.6%	4,813	-2.6%
5 to 17	2,763	3,648	32%	3,488	-4.4%
Under 5	1,331	1,291	-3%	1,325	2.6%

Note: Population by age changes over time because of the aging of people into older age groups, the movement of people, and the occurrence of births and deaths.

Source: **U.S. Census Bureau, Decennial Census** and **SEMCOG 2040 Forecast** produced in 2012.

Race and Hispanic Origin

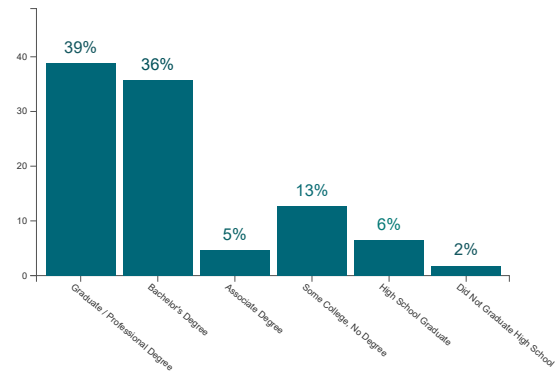
Race and Hispanic Origin	Census 2000	Percent of Population (2000)	Census 2010	Percent of Population (2010)	Percentage Point Change 2000-2010
Non-Hispanic	19,061	98.8%	19,684	97.9%	-0.9%
White	18,375	95.3%	18,243	90.7%	-4.5%
Black	168	0.9%	601	3%	2.1%
Asian	289	1.5%	500	2.5%	1%
Multi-Racial	181	0.9%	285	1.4%	0.5%
Other	48	0.2%	55	0.3%	0%
Hispanic	230	1.2%	419	2.1%	0.9%
Total	19,291	100%	20,103	100%	0%

Source: U.S. Census Bureau and Decennial Census.

Highest Level of Education

Highest Level of Education*	5-Yr ACS 2010	Percentage Point Chg 2000-2010
Graduate / Professional Degree	38.8%	9.3%
Bachelor's Degree	35.7%	-1.9%
Associate Degree	4.6%	0%
Some College, No Degree	12.7%	-4.1%
High School Graduate	6.4%	-2.3%
Did Not Graduate High School	1.8%	-1%

* Population age 25 and over



Source: U.S. Census Bureau, Census 2000 and 2010 American Community Survey 5-Year Estimates.

Community Profiles

YOU ARE VIEWING DATA FOR:

City of Birmingham

151 Martin St
Birmingham, MI 48009-3368
<http://www.bhamgov.org>

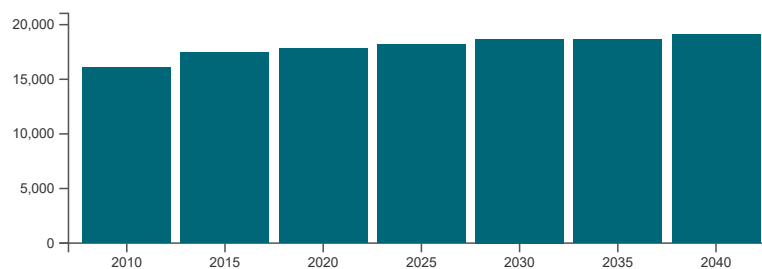


Census 2010 Population: 20,103
Area: 4.8 square miles

Economy & Jobs

Link to American Community Survey (ACS) Profiles: **Select a Year** **Economic**

Forecasted Jobs



Source: SEMCOG 2040 Forecast produced in 2012.

Forecasted Jobs by Industry

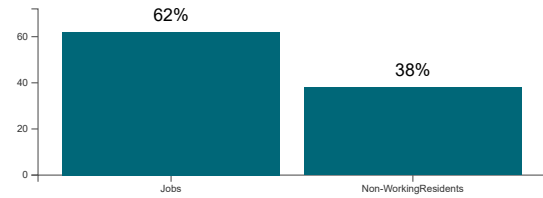
Forecasted Jobs By Industry	2010	2015	2020	2025	2030	2035	2040	Change 2010 - 2040
Natural Resources, Mining, & Construction	377	426	426	445	447	445	456	79
Manufacturing	204	212	217	213	206	191	192	-12
Wholesale Trade, Transportation, Warehousing, & Utilities	392	396	375	372	411	408	386	-6
Retail Trade	1,215	1,226	1,120	1,097	1,059	1,030	1,087	-128
Knowledge-based Services	6,311	7,026	7,358	7,422	7,709	7,701	7,799	1,488
Services to Households & Firms	2,960	3,255	3,437	3,501	3,604	3,569	3,716	756
Private Education & Healthcare	1,136	1,308	1,423	1,553	1,633	1,664	1,738	602
Leisure & Hospitality	2,464	2,550	2,407	2,517	2,552	2,556	2,655	191
Government	1,035	1,018	1,045	1,059	1,073	1,087	1,092	57
Total	16,094	17,417	17,808	18,179	18,694	18,651	19,121	3,027

Source: **SEMCOG 2040 Forecast** produced in 2012.

Note: "C" indicates data blocked due to confidentiality concerns of ES-202 files.

Daytime Population

Daytime Population	SEMCOG and ACS 2010
Jobs	16,094
Non-Working Residents	9,848
Age 15 and under	4,403
Not in labor force	5,029
Unemployed	416
Daytime Population	25,942



Source: **SEMCOG 2040 Forecast** produced in 2012, **U.S Census Bureau**, and **2010 American Community Survey 5-Year Estimates**.

Note: The number of residents attending school outside Southeast Michigan is not available. Likewise, the number of students commuting into Southeast Michigan to attend school is also not known.

Where Workers Commute From 5-Yr ACS 2010

Rank	Where Workers Commute From *	Workers	Percent
1	Birmingham	1,920	13.5%
2	Royal Oak	1,230	8.7%
3	Troy	910	6.4%
4	Bloomfield Township	845	6%
5	Detroit	595	4.2%
6	Waterford Township	455	3.2%
7	Warren	425	3%
8	Sterling Heights	410	2.9%
9	Rochester Hills	400	2.8%
10	West Bloomfield Township	385	2.7%
-	Elsewhere	6,607	46.6%
* Workers, age 16 and over employed in Birmingham		14,182	

Source: **U.S. Census Bureau** - CTPP/ACS Commuting Data.

Commuting Patterns in Southeast Michigan

Where Residents Work 5-Yr ACS 2010

Rank	Where Residents Work *	Workers	Percent
1	Birmingham	1,920	19.1%
2	Troy	1,225	12.2%
3	Detroit	985	9.8%
4	Southfield	970	9.7%
5	Royal Oak	490	4.9%
6	Farmington Hills	370	3.7%
7	Auburn Hills	360	3.6%
8	Dearborn	325	3.2%
9	Bloomfield Township	300	3%
10	Pontiac	295	2.9%
-	Elsewhere	2,795	27.9%
* Workers, age 16 and over residing in Birmingham		10,035	

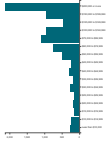
Source: U.S. Census Bureau - CTPP/ACS Commuting Data.

Household Incomes

Income	5-Yr ACS 2010	Change 2000-2010	Percent Change 2000-2010
Median Household Income (in 2010 dollars)	\$101,529	\$-4,307	-4.1%
Per Capita Income (in 2010 dollars)	\$69,151	\$-8,483	-10.9%

Source: U.S. Census Bureau, Census 2000, and 2010 American Community Survey 5-Year Estimates.

Annual Household Incomes



Annual Household Income	5-Yr ACS 2010
\$200,000 or more	2,129
\$150,000 to \$199,999	964
\$125,000 to \$149,999	479
\$100,000 to \$124,999	967
\$75,000 to \$99,999	1,109
\$60,000 to \$74,999	771
\$50,000 to \$59,999	508
\$45,000 to \$49,999	248
\$40,000 to \$44,999	315
\$35,000 to \$39,999	180
\$30,000 to \$34,999	275
\$25,000 to \$29,999	146
\$20,000 to \$24,999	184
\$15,000 to \$19,999	165
\$10,000 to \$14,999	243
Less than \$10,000	258
Total	8,941

Source: **U.S. Census Bureau**
and **2010 American**
Community Survey 5-Year
Estimates.

Poverty

Poverty	Census 2000	% of Total (2000)	5-Yr ACS 2010	% of Total (2010)	% Point Chg 2000-2010
Persons in Poverty	555	2.9%	760	3.8%	0.9%
Households in Poverty	314	3.4%	428	4.8%	1.3%

Source: U.S. Census Bureau and 2010 American Community Survey 5-Year Estimates.

Community Profiles

YOU ARE VIEWING DATA FOR:

City of Birmingham

151 Martin St
Birmingham, MI 48009-3368
<http://www.bhamgov.org>



Census 2010 Population: 20,103
Area: 4.8 square miles

Housing

Link to American Community Survey (ACS) Profiles: **Select a Year** **Housing**

Building Permits 2000 - 2017

Year	Single Family	Two Family	Attach Condo	Multi Family	Total Units	Total Demos	Net Total
2000	46	0	0	0	46	25	21
2001	67	0	0	0	67	0	67
2002	66	0	0	0	66	0	66
2003	91	0	22	0	113	25	88
2004	127	0	0	0	127	97	30
2005	127	0	0	0	127	14	113
2006	59	0	0	0	59	31	28
2007	32	0	0	0	32	12	20
2008	17	0	0	27	44	10	34
2009	22	0	0	0	22	12	10
2010	28	0	0	0	28	23	5
2011	42	0	0	0	42	27	15
2012	59	0	0	0	59	49	10
2013	74	0	2	131	207	61	146
2014	105	0	0	0	105	75	30
2015	103	0	14	27	144	113	31
2016	83	0	3	0	86	68	18
2017	66	0	0	8	74	58	16
2000 to 2017 totals	1,214	0	41	193	1,448	700	748

Source: SEMCOG Development.

Note: Permit data for most recent years may be incomplete and is updated monthly.

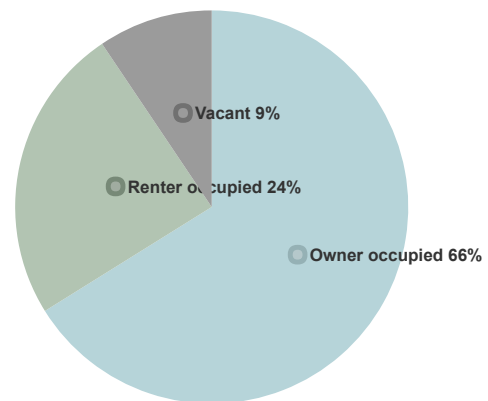
Housing Types

Housing Type	Census 2000	5-Yr ACS 2010	Change 2000-2010	New Units Permitted 2010-2016
Single Family Detached	7,060	7,205	145	494
Duplex	186	141	-45	0
Townhouse / Attached Condo	554	529	-25	19
Multi-Unit Apartment	1,896	2,000	104	158
Mobile Home / Manufactured Housing	19	16	-3	0
Other	10	0	-10	
Total	9,725	9,891	166	671
Units Demolished				-416
Net (Total Permitted Units - Units Demolished)				255

Source: U.S. Census Bureau, Census 2000, and 2010 American Community Survey 5-Year Estimates.

Housing Tenure

Housing Tenure	Census 2000	Census 2010	Change 2000-2010
Owner occupied	6,923	6,599	-324
Renter occupied	2,208	2,440	232
Vacant	569	940	371
Seasonal/migrant	101	144	43
Other vacant units	468	796	328
Total Housing Units	9,700	9,979	279

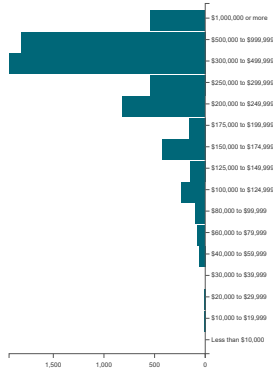


Source: U.S. Census Bureau, Census 2000, 2010 American Community Survey 5-Year Estimates.

Housing Value (in 2010 dollars)

Housing Value (in 2010 dollars)	5-Yr ACS 2010	Change 2000-2010	Percent Change 2000-2010
Median housing value	\$369,200	\$-27,555	-6.9%
Median gross rent	\$1,191	\$-121	-9.2%

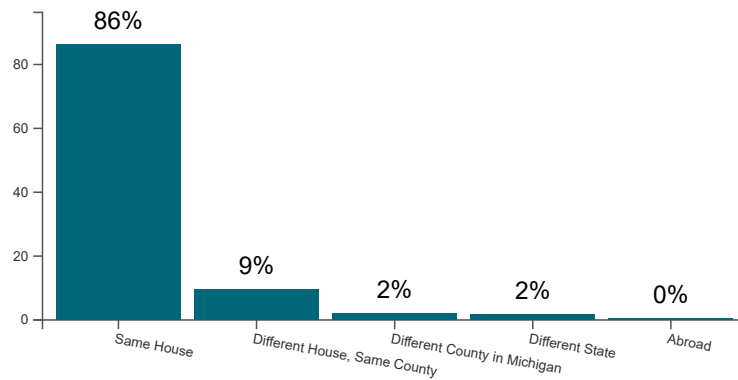
Housing Value



Housing Value	5-Yr ACS 2010
\$1,000,000 or more	540
\$500,000 to \$999,999	1,817
\$300,000 to \$499,999	1,937
\$250,000 to \$299,999	547
\$200,000 to \$249,999	818
\$175,000 to \$199,999	160
\$150,000 to \$174,999	425
\$125,000 to \$149,999	152
\$100,000 to \$124,999	232
\$80,000 to \$99,999	95
\$60,000 to \$79,999	75
\$40,000 to \$59,999	61
\$30,000 to \$39,999	0
\$20,000 to \$29,999	11
\$10,000 to \$19,999	10
Less than \$10,000	0
Owner-Occupied Units	6,880

Source: U.S. Census Bureau and 2010 American Community Survey 5-Year Estimates.

Residence One Year Ago *



* This table represents persons, age 1 and over, living in City of Birmingham from 2009-2013. The table does not represent person who moved out of City of Birmingham from 2009-2013.

Source: 2010 American Community Survey 5-Year Estimates.

Community Profiles

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City of Birmingham

151 Martin St
 Birmingham, MI 48009-3368
<http://www.bhamgov.org>



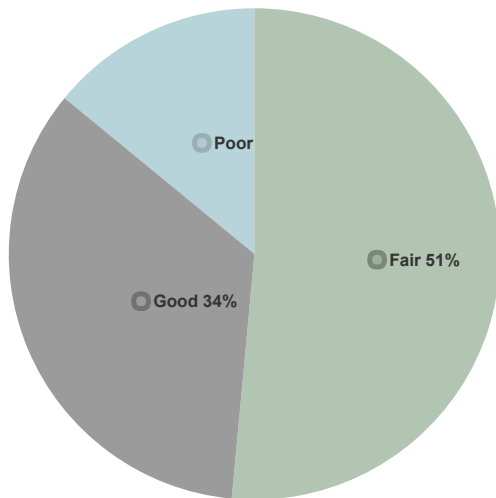
Census 2010 Population: 20,103
 Area: 4.8 square miles

Transportation

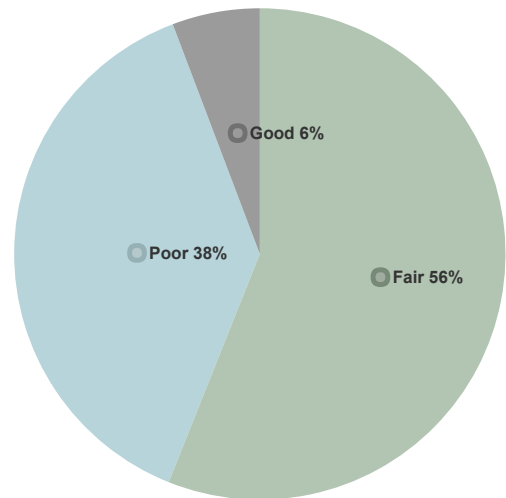
Miles of public road (including boundary roads): 90
 Source: Michigan Geographic Framework

Pavement Condition (in Lane Miles)

Past Pavement Conditions
 2007



Current Pavement Conditions
 2015 - 2016



Note: Poor pavements are generally in need of rehabilitation or full reconstruction to return to good condition. Fair pavements are in need of capital preventive maintenance to avoid deteriorating to the poor classification. Good pavements generally receive only routine maintenance, such as street sweeping and snow removal, until they deteriorate to the fair condition.

Source: SEMCOG

Bridge Status

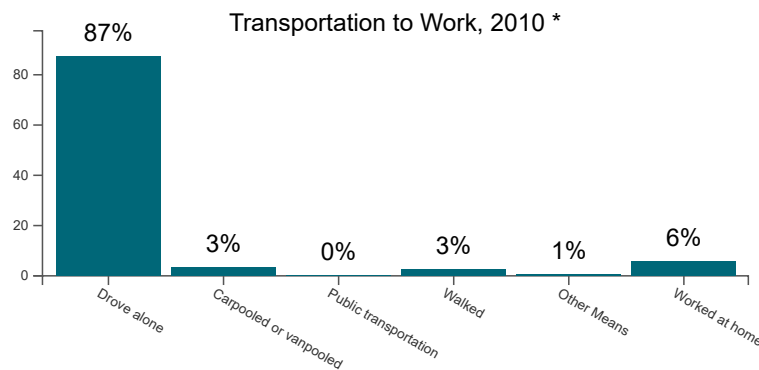
Bridge Status	2008	2008 (%)	2009	2009 (%)	2010	2010 (%)	Percent Point Chg 2008-2010
Open	8	88.9%	6	66.7%	6	85.7%	-3.2%
Open with Restrictions	1	11.1%	3	33.3%	1	14.3%	3.2%
Closed*	0	0%	0	0%	0	0%	0%
Total Bridges	9	100.0%	9	100.0%	7	100.0%	0.0%
Deficient Bridges	1	11.1%	3	33.3%	1	14.3%	3.2%

* Bridges may be closed because of new construction or failed condition.

Note: A bridge is considered deficient if it is structurally deficient (in poor shape and unable to carry the load for which it was designed) or functionally obsolete (in good physical condition but unable to support current or future demands, for example, being too narrow to accommodate truck traffic).

Source: Michigan Structure Inventory and Appraisal Database

Detailed Intersection & Road Data



* Resident workers age 16 and over

Transportation to Work

Transportation to Work	Census 2000	Census 2000 (%)	Census 2010	Census 2010 (%)	% Point Chg 2000-2010
Drove alone	9,254	89.6%	8,798	87.5%	-80.8%
Carpooled or vanpooled	296	2.9%	345	3.4%	-2.6%
Public transportation	56	0.5%	20	0.2%	-0.5%
Walked	140	1.4%	256	2.5%	-1.1%
Other Means	43	0.4%	68	0.7%	-0.3%
Worked at home	541	5.2%	568	5.6%	-4.6%
Resident workers age 16 and over	10,330	100.0%	10,055	100.0%	0.0%

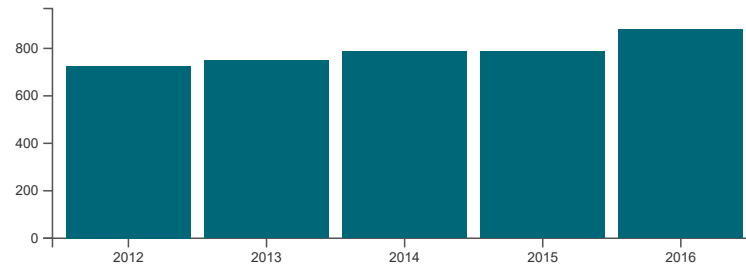
Source: U.S. Census Bureau | Census 2000 | 2010 American Community Survey 5-Year Estimates

Mean Travel Time to Work

Mean Travel Time To Work	Census 2000	5-Yr ACS 2010	Change 2000-2010
For residents age 16 and over who worked outside the home	22.6 minutes	22.8 minutes	0.2 minutes

Source: U.S. Census Bureau Census 2000 2010 American Community Survey 5-Year Estimates

Crashes, 2012-2016



Source: Michigan Department of State Police with the Criminal Justice Information Center, and SEMCOG.

Note: Crash data shown is for the entire city.

Crash Severity

Crash Severity	2012	2013	2014	2015	2016	Percent of Crashes 2012 - 2016
<u>Fatal</u>	1	0	0	0	0	0%
<u>Serious Injury</u>	2	4	4	0	0	0.3%
<u>Other Injury</u>	107	114	120	117	134	15.1%
<u>Property Damage Only</u>	616	632	663	670	746	84.7%
<u>Total Crashes</u>	726	750	787	787	880	100%

Crashes by Type

Crashes by Type	2012	2013	2014	2015	2016	Percent of Crashes 2012 - 2016
<u>Head-on</u>	0	6	3	5	2	0.4%
<u>Angle or Head-on/Left-turn</u>	146	167	179	170	192	21.7%
<u>Rear-End</u>	269	278	253	288	316	35.7%
<u>Sideswipe</u>	130	130	155	172	180	19.5%
<u>Single Vehicle</u>	28	42	51	45	54	5.6%
<u>Backing</u>	N/A	N/A	N/A	0	6	0.2%
<u>Other or Unknown</u>	153	127	146	107	130	16.9%

Crashes by Involvement

Crashes by Involvement	2012	2013	2014	2015	2016	Percent of Crashes 2012 - 2016
<u>Red-light Running</u>	10	14	14	12	22	1.8%
<u>Lane Departure</u>	52	53	63	54	80	7.7%
<u>Alcohol</u>	19	24	21	21	14	2.5%
<u>Drugs</u>	2	4	3	2	2	0.3%
<u>Deer</u>	2	3	7	3	3	0.5%
<u>Train</u>	0	0	0	1	0	0%
<u>Commercial Truck/Bus</u>	29	31	46	35	54	5%
<u>School Bus</u>	1	5	7	6	1	0.5%
<u>Emergency Vehicle</u>	8	1	3	2	3	0.4%
<u>Motorcycle</u>	5	2	4	2	6	0.5%
<u>Intersection</u>	255	261	228	181	260	30.2%
<u>Work Zone</u>	13	2	11	3	9	1%
<u>Pedestrian</u>	8	6	10	6	7	0.9%
<u>Bicyclist</u>	5	5	7	4	2	0.6%
<u>Distracted Driver</u>	0	0	0	0	27	0.7%
<u>Older Driver (65 and older)</u>	158	157	171	168	196	21.6%
<u>Young Driver (16 to 24)</u>	158	219	218	210	283	27.7%

High Frequency Intersection Crash Rankings

Local Rank	County Rank	Region Rank	Intersection	Annual Avg 2012-2016
1	105	270	<u>Maple Rd E @ Woodward Ave</u>	23.6
2	120	303	<u>Maple Rd E @ Coolidge Rd</u>	22.4
3	150	410	<u>Maple Rd E @ Woodward Ave</u>	19.6
4	197	531	<u>Maple Rd E @ Old Woodward Ave N</u>	17.6
5	270	762	<u>14 Mile Rd W @ Southfield Rd</u>	14.6
6	281	800	<u>Adams Rd @ Maple Rd E</u>	14.2
7	302	851	<u>14 Mile Rd E @ Woodward Ave</u>	13.6
8	333	943	<u>Quarton Rd @ Woodward Ave</u>	12.8
9	408	1,169	<u>Woodward Ave @ Lincoln E</u>	11.2
10	473	1,357	<u>Woodward Ave @ Brown St E</u>	10.2

Note: Intersections are ranked by the number of reported crashes, which does not take into account traffic volume. Crashes reported occurred within 150 feet of the intersection.

Source: Michigan Department of State Police with the Criminal Justice Information Center SEMCOG

High Frequency Road Segment Crash Rankings

Local Rank	County Rank	Region Rank	Segment	From Road - To Road	Annual Avg 2012-2016
1	52	116	Telegraph Rd S	Fairfax - Square Lake Rd W	52.4
2	81	188	Maple Rd W	Cranbrook Rd S - Southfield Rd	44.4
3	89	204	Quarton Rd	Lahser Rd - Woodward Ave	43.4
4	163	412	Maple Rd E	Adams Rd - Coolidge Rd	32.6
5	167	423	Telegraph Rd S	Fairfax - S Telegraph/Square Lake Cutoff	32.2
6	220	554	Woodward Ave	Adams Rd - 14 Mile Rd E	29
7	236	587	Adams Rd N	Maple Rd E - Big Beaver Rd W	28
8	243	607	Maple Rd W	Lahser Rd - Cranbrook Rd S	27.6
9	248	617	Woodward Ave	9 Mile Rd E - W M 1 Service Drive	27.4
10	254	631	Woodward Ave N	Long Lake Rd W - Lone Pine Rd	27.2

Note: Segments are ranked by the number of reported crashes, which does not take into account traffic volume.

Community Profiles

YOU ARE VIEWING DATA FOR:

City of Birmingham

151 Martin St
Birmingham, MI 48009-3368
<http://www.bhamgov.org>



Census 2010 Population: 20,103
Area: 4.8 square miles

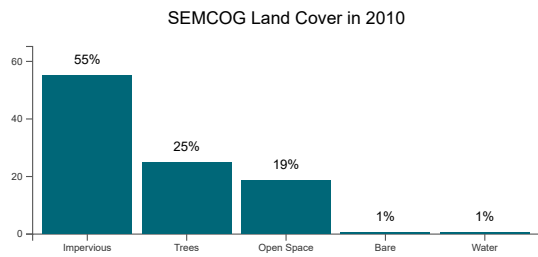
Environment

SEMCOG 2008 Land Use

SEMCOG 2008 Land Use	Acres	Percent
Agricultural	0	0%
Single-family residential	1,677.7	52.2%
Multiple-family residential	34.1	1.1%
Commercial	155.6	4.8%
Industrial	34.6	1.1%
Governmental/Institutional	252.9	7.9%
Park, recreation, and open space	237.4	7.4%
Airport	0	0%
Transportation, Communication, and Utility	812.9	25.3%
Water	11.5	0.4%
Total	3,216.7	

Note: Land Cover was derived from SEMCOG's 2010 Leaf off Imagery.

Source: **SEMCOG**



Type	Description	Acres	Percent
Impervious	buildings, roads, driveways, parking lots	1,697.4	55.2%
Trees	woody vegetation, trees	767.4	24.9%
Open Space	agricultural fields, grasslands, turfgrass	572.5	18.6%
Bare	soil, aggregate piles, unplanted fields	19.8	0.6%
Water	rivers, lakes, drains, ponds	18.8	0.6%
Total Acres		3,075.9	

Source Data
SEMCOG - Detailed Data

Appendix B

Part 1 - History of Actual Property Tax Levies:

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
History of Form L-4025, Assessor's Report of Taxable Values:	\$ 1,791,720,590	\$ 1,842,028,420	\$ 1,895,084,170	\$ 2,001,037,050	\$ 2,110,188,780
New property additions	34,314,495	33,573,753	55,400,552	84,086,384	71,343,980
Property losses	(7,656,271)	(15,257,897)	(10,951,259)	(17,980,114)	(13,236,860)
Increases in existing property TV (imputed; includes both uncapping and Headlee inflation increases)	<u>23,649,606</u>	<u>34,739,894</u>	<u>61,503,587</u>	<u>43,045,460</u>	<u>52,048,510</u>
Current year taxable value	<u>\$ 1,842,028,420</u>	<u>\$ 1,895,084,170</u>	<u>\$ 2,001,037,050</u>	<u>\$ 2,110,188,780</u>	<u>\$ 2,220,344,410</u>
Headlee Inflation rate	2.40%	1.60%	1.60%	0.30%	0.90%
Actual increase on existing properties	-1.07%	0.30%	1.65%	1.85%	1.57%
Total change in taxable value	2.81%	2.88%	5.59%	5.45%	5.22%
Headlee reduction fraction	1.0000	0.9970	0.9839	0.9817	0.9846

Part 2 - Projection of Future Property Taxes:

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Fiscal years ending June 30,					
Assumed rate of:					
New property additions	3.38%	2.75%	2.00%	1.40%	1.00%
Property losses	0.63%	0.75%	0.75%	0.75%	0.75%
Headlee Inflation rate multiplier	0.90%	2.10%	2.00%	2.00%	2.00%
Projected actual change in TV of existing property	1.57%	1.20%	1.20%	1.20%	1.20%
Total change in taxable value	5.22%	5.28%	4.44%	3.84%	3.43%
Projected taxable value:					
Beginning value	\$ 2,110,188,780	\$ 2,220,344,410	\$ 2,337,672,959	\$ 2,441,348,755	\$ 2,534,974,480
New property additions	71,343,980	61,059,471	46,753,459	34,178,883	25,349,745
Property losses	(13,236,860)	(16,652,583)	(17,532,547)	(18,310,116)	(19,012,309)
Market value adjustments	<u>52,048,510</u>	<u>72,921,661</u>	<u>74,454,884</u>	<u>77,756,958</u>	<u>80,738,937</u>
Taxable value	<u>\$ 2,220,344,410</u>	<u>\$ 2,337,672,959</u>	<u>\$ 2,441,348,755</u>	<u>\$ 2,534,974,480</u>	<u>\$ 2,622,050,853</u>
Headlee rollback factor	0.9846	0.9883	0.9883	0.9883	0.9883
Less tax incremental taxable value	12,427,220	19,813,670	12,240,800	15,782,610	13,445,240

Part 3 - Millage Rates:

Operating - General Fund	8.7006	8.5156	8.2291	8.3392	8.5081
Road - General Fund	1.9443	2.1572	2.4700	2.3817	2.3001
General Fund subtotal	10.6449	10.6728	10.6991	10.7209	10.8082
George W. Kuhn Drain	0.1807	0.1719	0.1639	0.1578	0.1524
North Arm Drain	0.0834	0.0798	0.0763	0.0717	0.0000
Water Fund	0.3391	0.3236	0.3088	0.2977	0.2875
City Operating Levy subtotal	11.2481	11.2481	11.2481	11.2481	11.2481
Library tax	1.4100	1.3983	1.3819	1.3657	1.1000
Refuse	0.8266	0.8111	0.7986	0.7979	0.7974
Debt	1.1906	1.1232	1.1109	1.0490	0.5621
Total millage rate	<u>14.6753</u>	<u>14.5807</u>	<u>14.5395</u>	<u>14.4607</u>	<u>13.7076</u>

Part 4 - Amount of Property Tax Levy:

Operating - General Fund	\$19,210,200	\$19,737,960	\$19,989,370	\$21,008,040	\$22,194,280
Road - General Fund	4,300,000	5,000,000	6,000,000	6,000,000	6,000,000
General Fund subtotal	23,510,200	24,737,960	25,989,370	27,008,040	28,194,280
George W. Kuhn Drain	399,610	398,338	398,071	397,610	397,670
North Arm Drain	184,490	184,953	185,314	180,718	-
Water Fund	750,000	750,000	750,000	750,000	750,000
City Operating Levy subtotal	24,844,300	26,071,251	27,322,755	28,336,368	29,341,950
Library tax	3,113,160	3,241,063	3,356,784	3,440,460	2,869,466
Refuse	1,825,000	1,880,000	1,940,000	2,010,000	2,080,000
Debt	2,649,600	2,631,500	2,717,900	2,664,500	1,476,800
Total Property Taxes Levied	<u>\$ 32,432,060</u>	<u>\$ 33,823,814</u>	<u>\$ 35,337,439</u>	<u>\$ 36,451,328</u>	<u>\$ 35,768,216</u>

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

Property Tax Assumptions

Appendix B illustrates the process used to estimate the property tax revenue.

Part I includes the last five years of actual data from the Assessor's Report of Taxable Values (Form L-4025). Parts 2 through 4 represent the projection of future property tax values, millage rates, and dollars levied. The 2017 tax billing is already final (billed on July 1, 2017); key assumptions for 2018-2019 through 2021-2022 on a line-by-line basis are as follows:

- a. New property additions are assumed to range between 1.00 percent and 2.75 percent and losses are assumed to be .75 percent (the five-year historical average is 2.80 percent in additions and 0.6 percent in losses).
- b. The projected actual change in taxable values of existing properties is expected to be positively impacted by the current improvements in the local real estate market. Note that this index represents the net change in valuation for all properties that existed in the previous year; therefore, it includes three components: (1) inflationary adjustments (as indicated by the Headlee inflation rate multiplier), (2) uncapping of properties that are transferred or sold; and (3) any reductions in market value that cause SEV (50 percent of market value) to go lower than the TV. While market value increases are expected to continue, the impact on taxable value is limited because of Proposal A. As a result, this forecast has assumed that adjustments to the taxable value of existing properties for the years 2018-2019 through 2021-2022 will be a positive 1.20 percent. The annual change in taxable value for the years 2018-2019 through 2021-2022 is projected to be 5.28 percent in 2018-2019, with smaller increases in subsequent years to 3.43 percent in 2021-2022.
- c. Personal property tax revenue is expected to decline as recent legislation will phase out the industrial portion of personal property tax over a nine-year period beginning in 2016 and businesses with less than \$40,000 taxable value in industrial and commercial personal property would no longer pay the tax beginning in July 2014. It is expected that the City will lose about \$5.1 million, or .3 percent, in taxable value as a result of these changes. This loss is offset by funding from the Local Community Stabilization Authority (LCSA) in the amount of approximately \$70,000 per year. The LCSA derives its funding from use taxes collected in the state.
- d. The Headlee inflation rate multiplier for years 2017 and 2018 has already been set by the State at 0.90 percent and 2.10 percent, respectively. This projection assumes future inflation rates of 2.00 percent for 2019-2020, 2020-2021, and 2021-2022, respectively.
- e. Taxable values are then calculated based on the above three factors.
- f. Millage rates are set as required to achieve the amount of property tax levy required in Part 4. Specifically:
 - I. The millage rate for the city operating levy is assumed to remain constant through the forecasted 2021-2022 fiscal year.

2. The millage rate for the Solid Waste Fund is expected to decrease over the years beginning in fiscal year 2016-2017.
 3. The debt millage rate is expected to decrease due to the increase in taxable value growth and refinancing of the debt in October 2016.
 4. The millage rates for the George W. Kuhn levy, the North Arm Drain levy, and the debt levy were provided by the finance department and are established at the amount necessary to fund debt service.
 5. The library tax levy for the 2018 tax year is at the 2018-2019 planned 1.3983 millage rate and decreases back to 1.1000 in the 2021-2022 forecasted year.
 6. Beginning in 2015-2016 through 2021-2022, a Water Fund millage rate was established to finance capital improvements.
- g. Property tax millage rates are limited by City Charter and Headlee Amendment as follows:

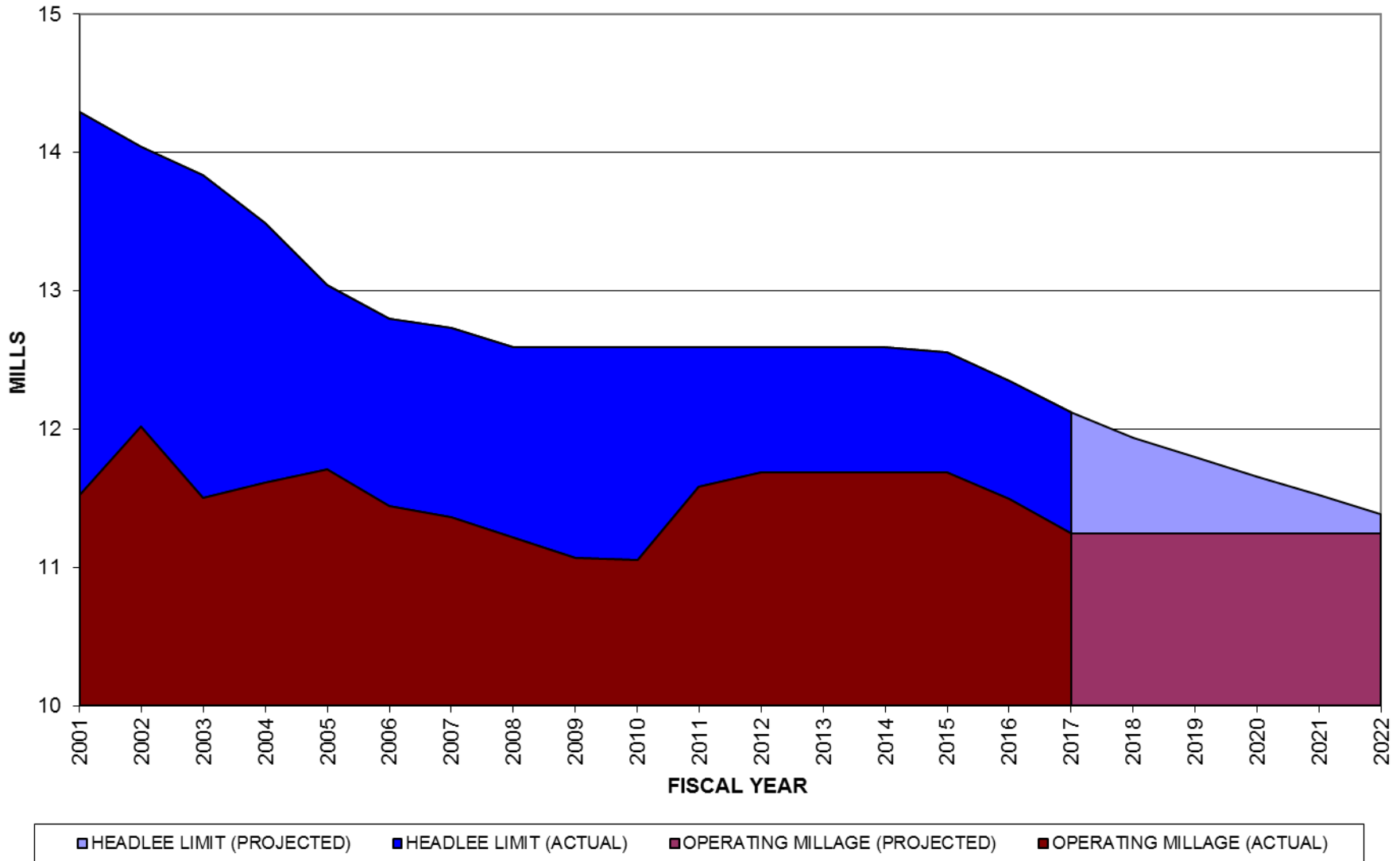
As of Fiscal Year 2017-2018

Tax Levy	City Charter Limit	Headlee Amendment Limit
City Operating Levy	20.0000	11.9369
Library	1.7500	1.4149
Refuse	3.0000	1.7902

All tax levies under this forecast are projected to be at or under the Headlee limit in the future.

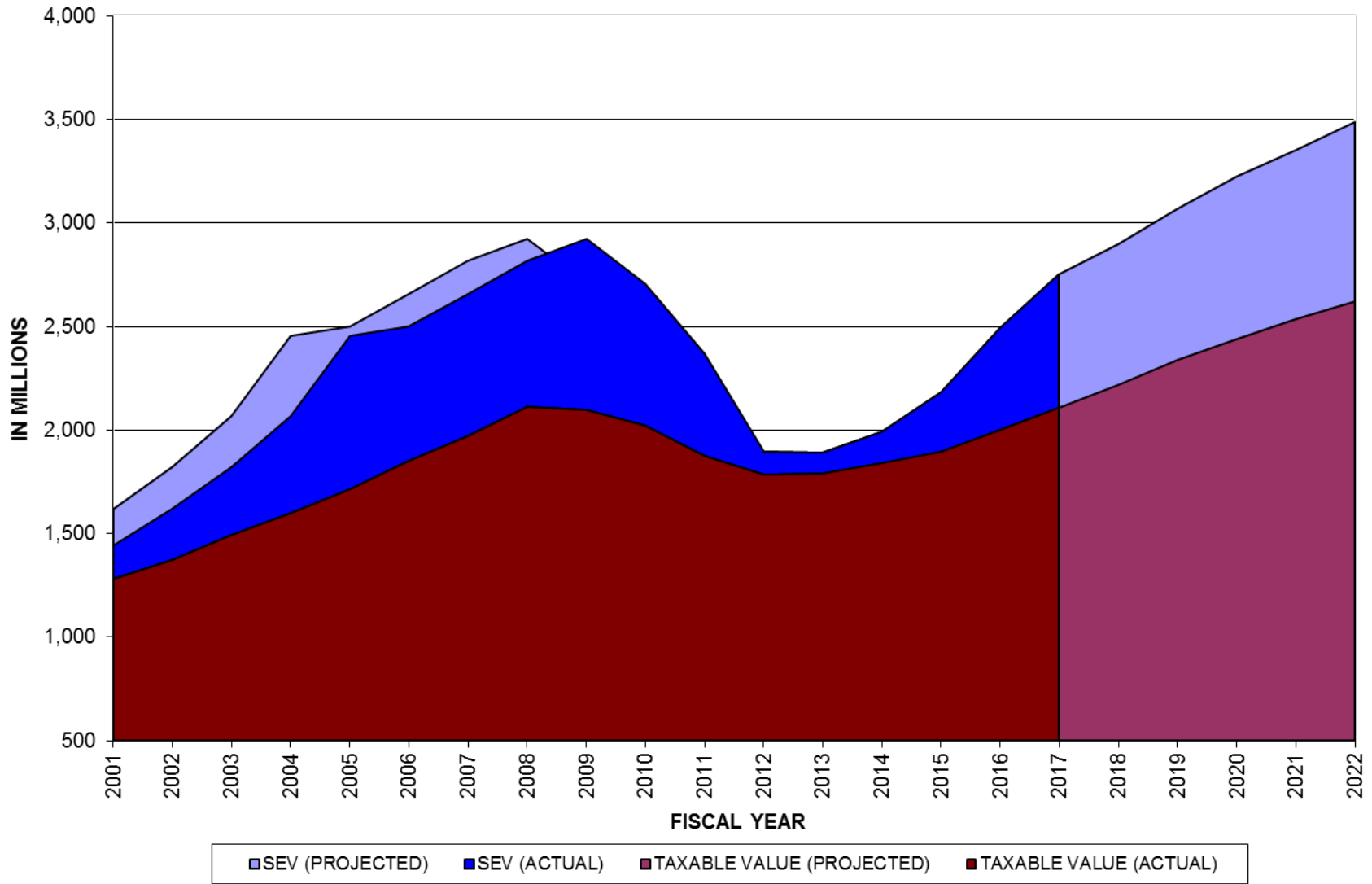
- h. The City considered the effects of tax incremental financing on property tax revenue in the forecast. The City uses tax incremental financing as a tool to encourage redevelopment of properties that would otherwise likely not be redeveloped. Tax incremental financing is primarily used to reimburse developers who have removed environmental contamination from their property in the course of redevelopment. The City is also planning on using tax incremental financing to pay for a portion of a parking deck located in the Triangle District, which consists of commercial properties located within the Maple, Adams, and Woodward boundaries. Tax incremental financing works by capturing property taxes generated from an increase in a property's value as a result of redevelopment and using the taxes for the stated purposes above.

HEADLEE LIMIT VS. OPERATING MILLAGE

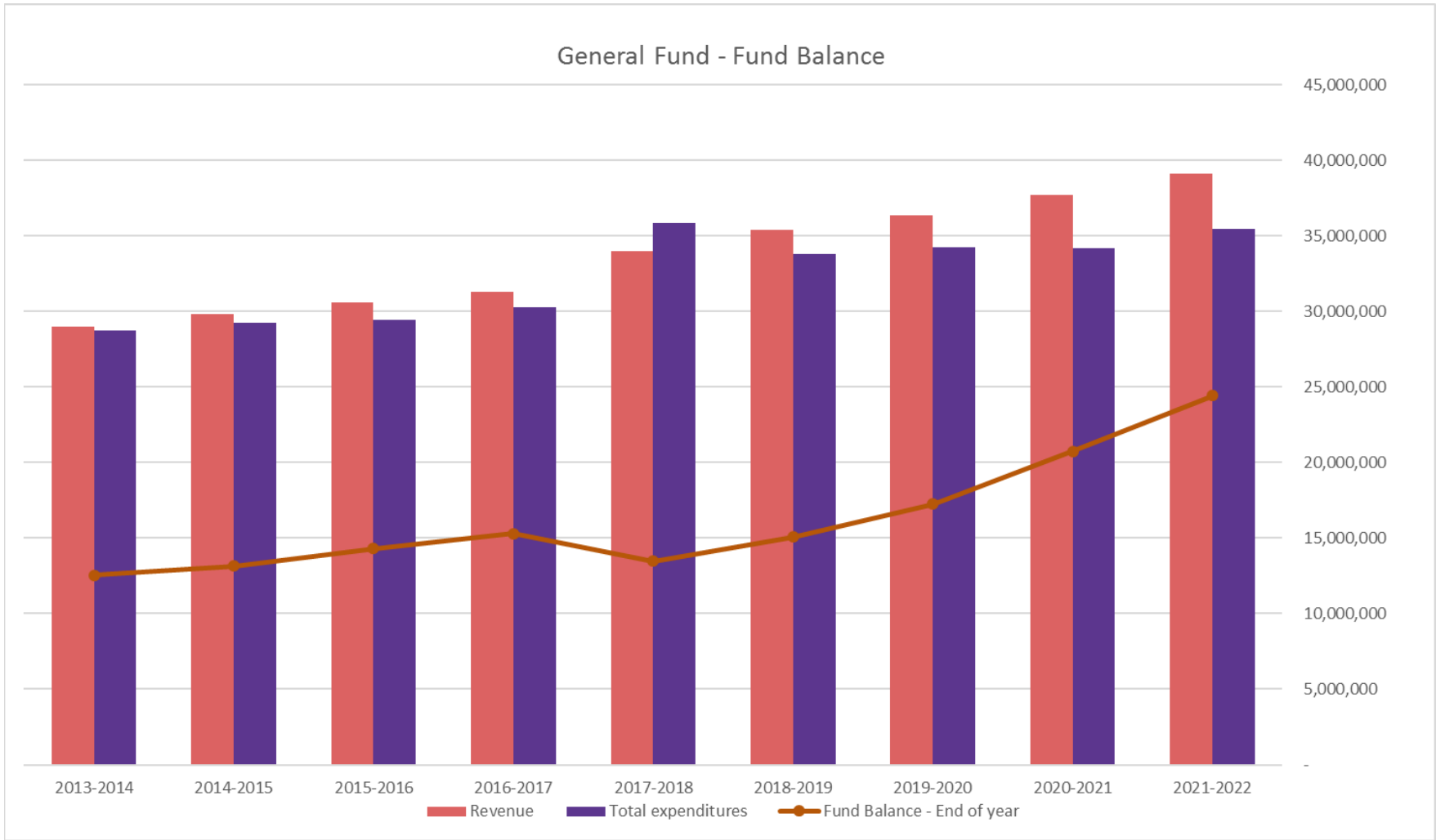


See accompanying summaries of significant assumptions and accounting policies and accountant’s report.

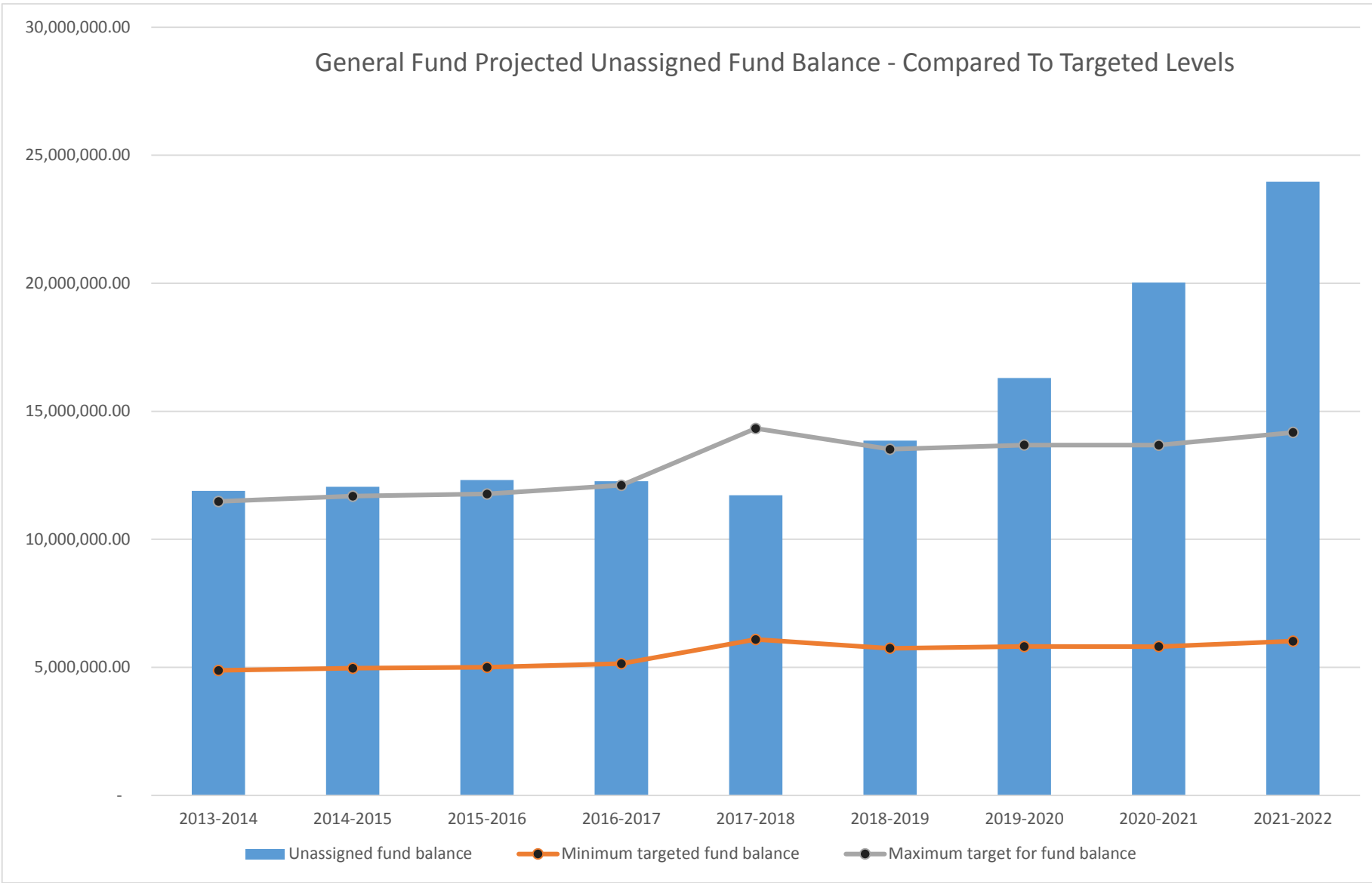
SEV VS. TAXABLE VALUE



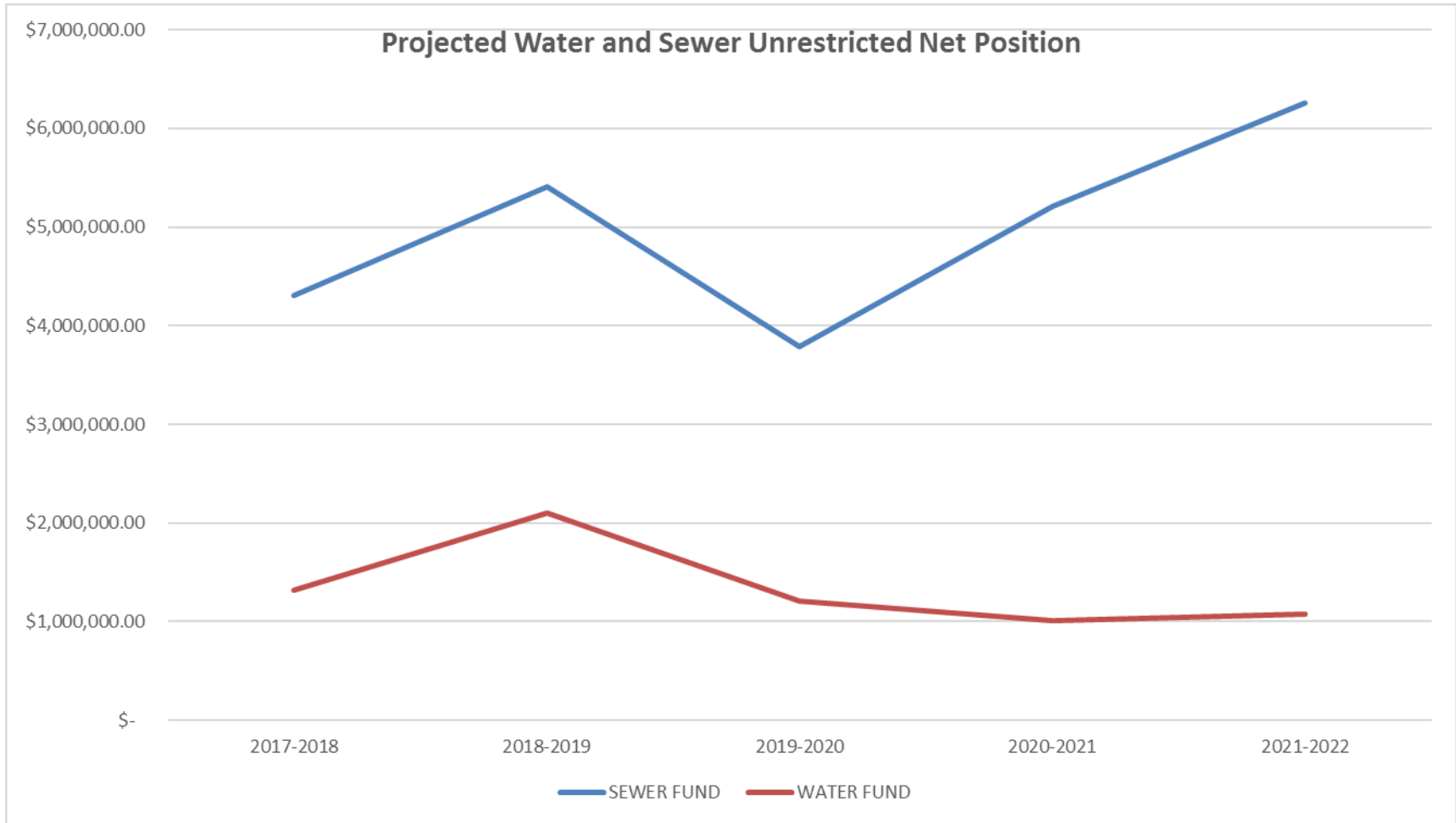
See accompanying summaries of significant assumptions and accounting policies and accountant's report.



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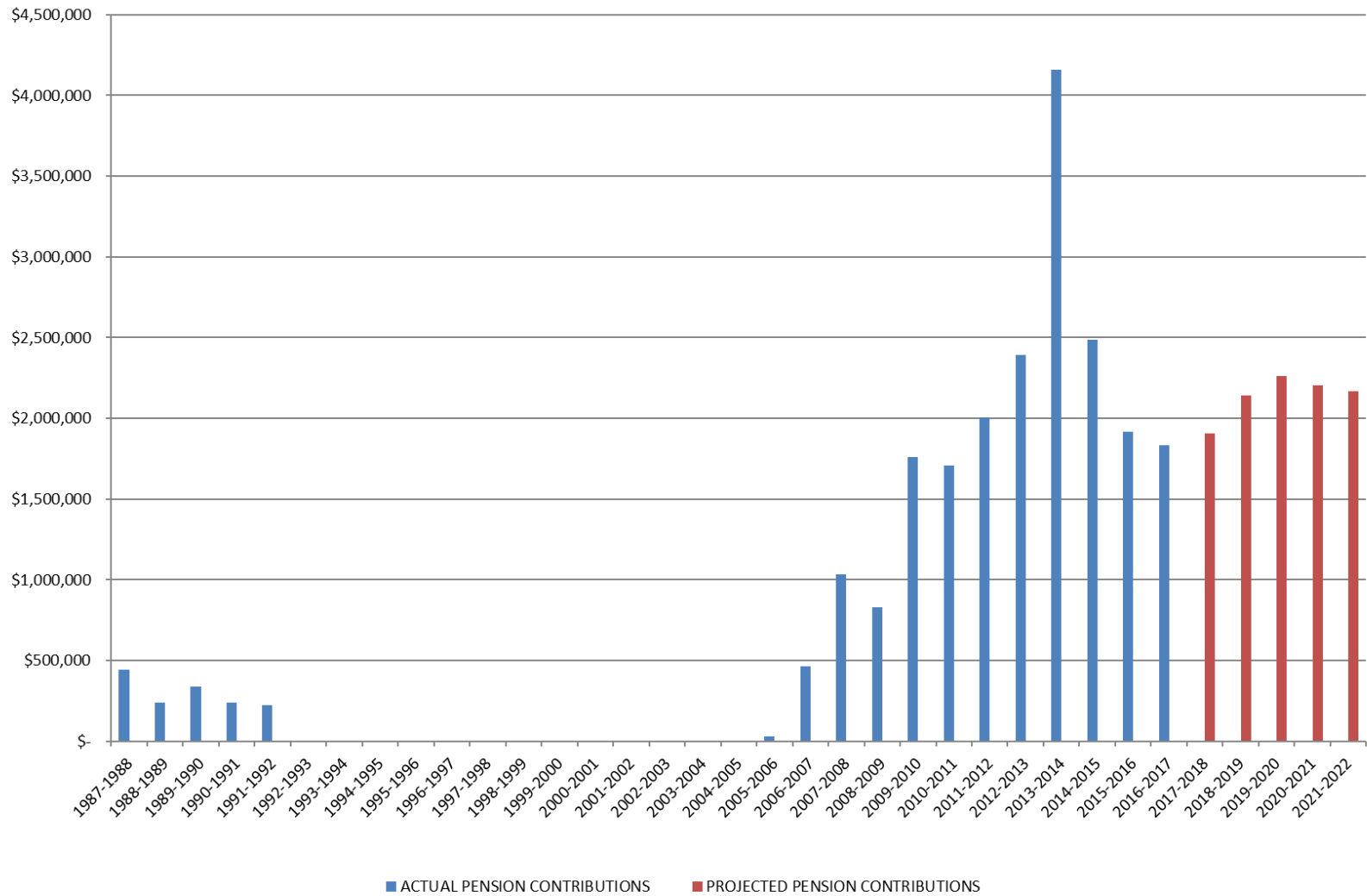


See accompanying summaries of significant assumptions and accounting policies and accountant's report.



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CITY PENSION CONTRIBUTIONS FISCAL YEAR 1988-2017 (actual) AND 2018-2022 (projected)

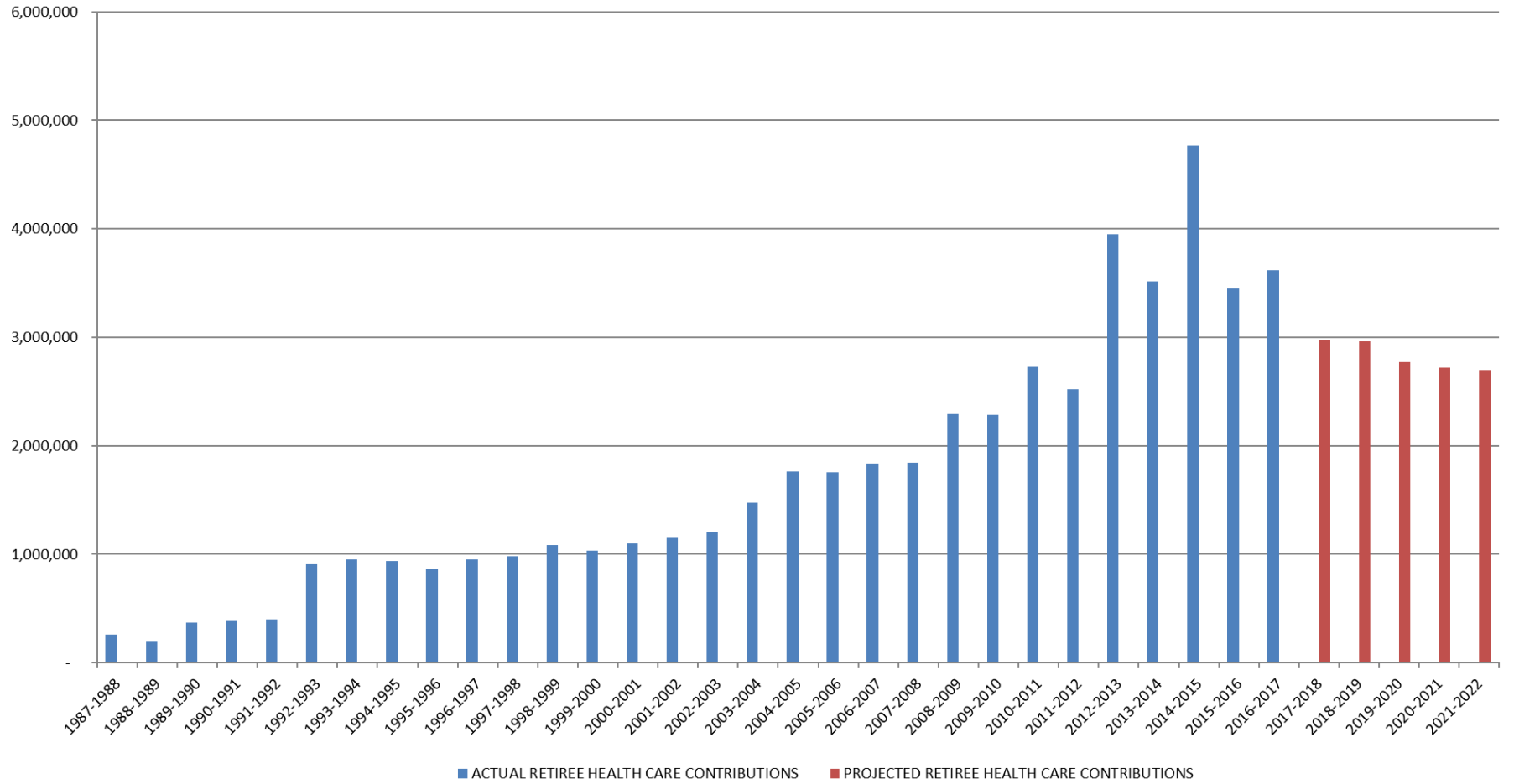


Fiscal Year 2013-2014 included an extra \$1,294,000 contribution

See accompanying summaries of significant assumptions and accounting policies and accountant's report.

CITY RETIREE HEALTH CARE CONTRIBUTIONS

FISCAL YEARS 1988-2017 (actual) AND 2018-2022 (projected)



CITY MADE ADDITIONAL CONTRIBUTIONS OF \$450,000 IN 2009, \$300,000 IN 2010, AND \$1,000,000 IN 2013

See accompanying summaries of significant assumptions and accounting policies and accountant's report.