

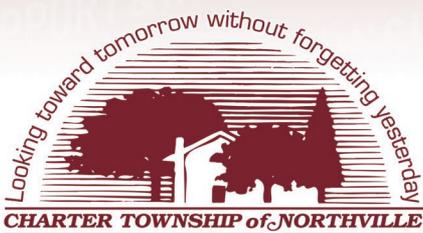
COURAGE • LEADERSHIP  
 VISION • CITIZEN FOCUSED  
 SUPPORT & INFRASTRUCTURE  
 RELIABLE & RESPONSIBLE  
 STABILITY • QUALITY OF LIFE  
 EVENTS & RECREATION  
 DESIRABLE COMMUNITY  
 FUTURE GENERATIONS  
 MANAGED GROWTH  
 SAFETY & SECURITY  
 COURAGE • LEADERSHIP  
 VISION • CITIZEN FOCUSED  
 SUPPORT & INFRASTRUCTURE

# A Commitment TO SERVICE



## BOARD OF TRUSTEES

From Left to Right: Trustee Marv Gans, Trustee Symantha Heath, Treasurer Marjorie Banner, Supervisor Robert Nix II, Clerk Sue Hillebrand, Trustee Mindy Herrmann, Trustee Fred Shadko



Having the **courage** to make **responsible** decisions for our **community** and **future generations**.

# Citizen's Guide to the Budget

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**Introduction:** *The purpose of this section is to explain to the reader the format and information presented in the 2016 budget document.*

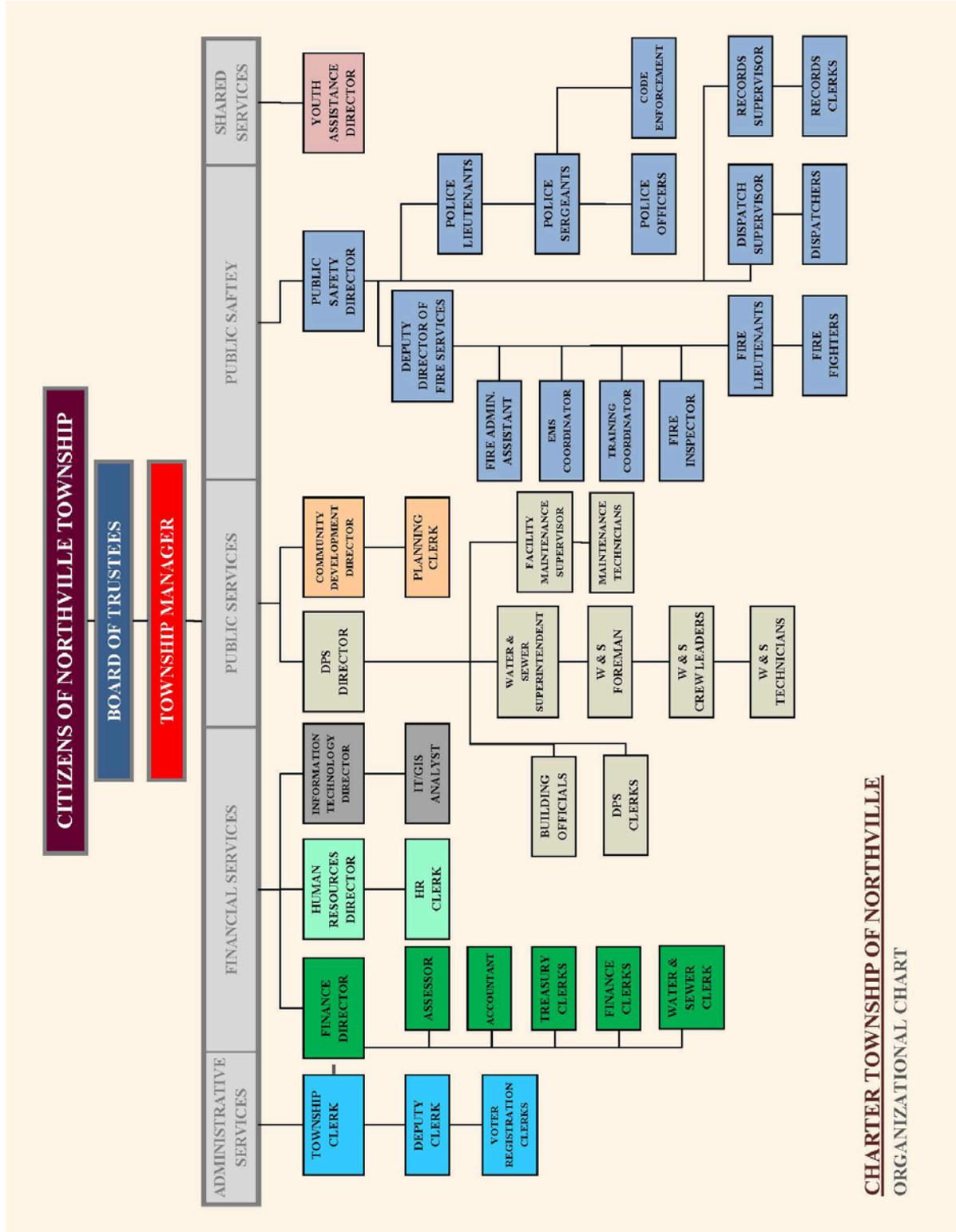
The budget provides a financial plan to execute the Budget Program Strategies which are funded through the General Fund, Special Revenue Funds, Water & Sewer Fund and other sources; and includes payment of debt. A glossary of terms is included within the Appendices section with definitions for these and other budget and financial terms.

## **Budget Document**

The budget document consists of the following sections:

- The **Township Manager's Budget Message** highlights the program strategies and budget plan priorities.
  - The **Budget Overview** provides a summary of the budget including a Financial Overview and review of the Financial and Budget Policies.
  - The **Multi-Year Budget** illustrates the Township's three-year budget plan.
  - The **Budget Program Categories** section includes the following program categories: Public Safety and Fiscally-Responsible Government.
  - The **Capital Improvements Program** section provides a listing of capital improvement projects for the upcoming fiscal year as well as for the next five years.
  - The **Budget Summary** (General Fund, Special Revenue Funds, Debt Service, Capital Projects Fund, and Enterprise Funds) sections present the operating budgets for the Township's various departments. These presentations include an *Overview* of the department as well as 2015 *Significant Accomplishments*.
  - The **Appendices** have been included to provide additional information pertaining to the Township of Northville that may be of interest to the reader of the budget document. Included in these sections are: Township Board Resolutions, Statistical information and a Glossary of budget and financial terms.
-

# Northville Township Organizational Chart



**CHARTER TOWNSHIP OF NORTHVILLE**  
ORGANIZATIONAL CHART

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## **BOARD OF TRUSTEES**



Left to Right: Symantha Heath (Trustee), Marv Gans (Trustee), Marjorie Banner (Treasurer), Robert Nix II (Supervisor), Sue Hillebrand (Clerk), Mindy Herrmann (Trustee), Fred Shadko (Trustee)

<http://www.northvillemich.com/index.aspx>

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

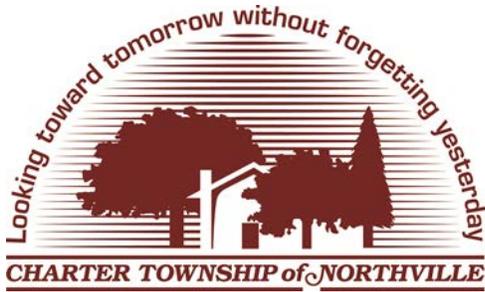
PRESENTED TO

**Charter Township of Northville  
Michigan**

For the Fiscal Year Beginning

**January 1, 2015**

Executive Director



FISCAL YEAR 2016  
BUDGET MESSAGE

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Honorable Supervisor Nix and Township Board Members:

Transmitted for your consideration is the 2016 Annual Budget and Financial Plan for the Charter Township of Northville:

**Northville Township Receives a Perfect Fiscal Score**



*"This rating is a testament to a local government's fiscal strength as well as to the diligence and perseverance that elected leaders and other community officials have exhibited over several very challenging years,"* notes SEMCOG Executive Director, Kathleen Lomako." This fiscal indicator score as released by the Southeast Michigan Council of Government reflects the continuing cooperation between our Directors and the Board of Trustees. This score speaks volumes to the Board's level of commitment to public service as well as their continued commitment and wisdom in overseeing township government.

The scoring system looks at ten ratios which include economic and financial circumstances and a government scores a point if each ratio has moved in the wrong direction (e.g. tax base loss) or is beyond designated thresholds. The ratios are designed to measure factors that are external to government operations, such as population and tax base change, and factors that are internal to government operations, such as operating deficits and the debt load. A low score reflects strong fiscal health.

## **Building a Financially Resilient Government through Long-Range Fiscal Planning**

Standard & Poor's Rating Service raised Northville Township's long-term general obligation bond rating to "AA+" citing the stability of the Township's financial outlook. This rating places Northville Township in an elite group with only 49 communities throughout the state receiving a AA+ rating or better. S&P assigns AA+ ratings to communities that have a very strong capacity to meet their financial commitments.

S&P officials listed several reasons for the upgrade, including strong management with good financial policies and practices. These policies serve as a guide in the decision making process and were established to ensure:

- Reserves aren't used to fund recurring expenditures therefore prohibiting unsustainable uses of fund balance.
- Strategic long-term policy decisions are properly identified.
- Capital improvement projects are carefully planned and funded.

The Government Finance Officers Association's executive board approved a best practice on long-term financial planning. It says: *"Long-term financial planning is the process of aligning financial resources with long-term service objectives. Financial planning uses forecasts to provide insight into future financial issues so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges."*

Northville Township's approach to long-range financial planning goes well beyond managing sustainability. Our goal is to strive towards achieving financial resiliency by having the **courage** to **make** responsible decisions for **our community** and **future generations**.

Northville Township was further recognized this year by the Government Finance Officers Association with the Distinguished Budget Presentation Award for the second consecutive year in a row. This national award represents the highest form of recognition in governmental budgeting. Its attainment reflects the commitment of the Township Board and management to meet the highest principles in governmental budgeting. The Board's vision to set in writing the **framework** for the overall fiscal management of the Township was instrumental in assuring the highest standards of financial stewardship are followed. The Board sets the bar for excellence and promoting transparency in public finance.

## **Having the *vision* to set the framework for the overall fiscal management of the Township and the courage to stay on course**

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For 2016, Northville Township's financial plan includes:

An overall budget of \$36.5 million consisting of:

- Water & Sewer Fund operations totaling \$15 million.
- General Government expenditures totaling \$21.5 million.
- The 2016 Budget ***maintains the 2015 millage rate*** at 8.6564 mills.
- 2016 General Government expenditures totaling \$21.5 million are estimated to increase overall by less than 1% from 2015.
- No further reductions to full-time staff positions are proposed in 2016. The Township's overall workforce has now been reduced by 18 full-time positions or 14% since 2008.

All of the programs, activities and projects that we engage in today form the foundation for our Township's future. By maintaining a strong public safety program, a financially sound infrastructure plan, responsive internal systems and quality development standards, we will continue to make Northville Township's future strong and vibrant.

The annual operating, capital budgets and multi-year budget plans could not have been prepared without the dedicated service of each Director and their staff. Each and every individual who contributed to the process and production has my deepest appreciation.

**Charter Township of Northville, Michigan**  
**FISCAL YEAR 2016 BUDGET CALENDAR**

<u>Date/Deadline</u>	<u>Objective/Deliverable</u>
May 1, 2015	Transmittal of Capital Improvements Program (CIP) Preparation Manual to Departments
May 11, 2015	Transmittal of Budget Preparation Manual and mid-year fiscal 2015 Budget estimate material to departments
June 12, 2015	CIP submittals due from departments
June 15, 2015	Deadline for departments to provide revenue and expenditure estimates for fiscal 2015 through the remainder of the fiscal year (operations and capital)
July 1, 2015	Deadline for submission of fiscal 2016 departmental Operating Budget, Service Improvement Requests, Part-time & Seasonal Requests and Department Narratives and Significant Accomplishments
July 2 - 24, 2015	Finance staff review of Revenue and Expenditure estimates, Operating Budget, Service Improvement, Capital Outlay and Vehicle requests, and submittal to Township Manager's Office
August 2015	Township Manager's review of budget requests with the following departments:
August 3, 2015	Public Safety
August 5, 2015	Clerk's Office/Youth Assistance
August 7, 2015	Human Resources/Treasurer's Office/Information Technology
August 10, 2015	Planning/Building Division/Facility Maintenance
August 12, 2015	Shared Services
August 14, 2015	Water & Sewer/Solid Waste
September 2 -18, 2015	Staff compiles draft budget and prepares Budget Transmittal Message and narrative for program budget sections
September 23, 2015	Township Manager submits Proposed Budget to Township Board
September 29, 2015	Public hearing on Capital Improvements Program, Planning Commission and CIP adoption
September 30, 2015	Executive Board meeting
October 8, 2015	Budget Study Session and Public Hearing
October 15, 2015	Public Hearing on Budget
October 15, 2015	Township Board adopts Budget and approves tax levy
October 16, 2015	Staff publishes final Adopted Budget document and CIP Program
December 17, 2015	Staff proposes and Township Board reviews and approves fiscal 2015 year-end 4th quarter budget amendment, if needed
January 1, 2016	Fiscal year 2016 begins

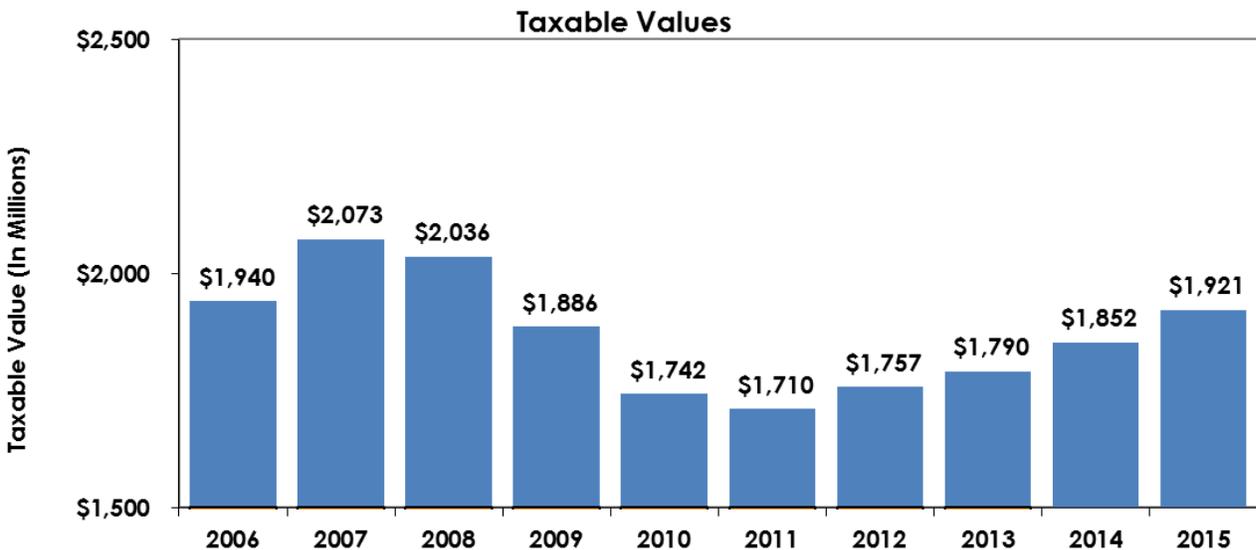
# Governmental Funds Revenue & Expenditures

## Property Taxes

Property taxes are expressed in terms of millage with one mill being equal to \$1.00 per thousand dollars of taxable value. Assessing records maintain two values for each property in the Township. Prior to Proposal A, all property was taxed based on the State Equalized Value (S.E.V.), which represents 50% of true cash value. Proposal A limits the increase in value attributed to market change to the lower of 5% or the Inflation Rate Multiplier (previously referred to as Consumer Price Index). The one exception refers to properties that change ownership, which brings the taxable value back up to the S.E.V.

The following shows recent history of taxable values and percentage change from prior year:

Tax Year	Taxable Value (in millions)	% Change
2006	\$ 1,940	10.5%
2007	\$ 2,073	6.9%
2008	\$ 2,036	-1.8%
2009	\$ 1,886	-7.4%
2010	\$ 1,742	-7.6%
2011	\$ 1,710	-1.8%
2012	\$ 1,757	2.7%
2013	\$ 1,790	1.9%
2014	\$ 1,852	3.5%
2015	\$ 1,921	3.7%



## Personal Property Tax Repeal

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On August 5, 2014 the State of Michigan voters passed Proposal 1. This law exempts small businesses (as defined below) from personal property tax beginning January 1, 2014. It also starts to exempt certain industrial personal property beginning January 1, 2016.

### “Small Business Exemption”

Businesses with personal property having a true cash value of less than \$80,000 in a particular assessing jurisdiction can claim a personal property exemption for that property. If a business or a related entity owned, leased or was in possession of personal property with a cumulative true cash value of \$80,000 or more in that jurisdiction, they do not qualify for the exemption.

### Personal Property Tax Phase Out

In 2016, a phase out of the personal property tax on industrial equipment will begin. This exempt equipment is referred to as “Eligible Manufacturing Personal Property” (*the term refers to all personal property located on real property where that personal property is used more than 50% of the time in industrial processing or in supporting industrial processes*). All Eligible Manufacturing Personal Property placed into service after December 31, 2012 will become 100% exempt in 2016. Going forward, any Eligible Manufacturing Personal Property in place for at least 10 years also will be exempt (*see table 1 for schedule*). As a result, in each tax year after 2016 a new year of Eligible Manufacturing Personal Property will become exempt until all Eligible Manufacturing Personal Property is exempt by 2023.

**TABLE 1. Personal Property Tax Phase Out**

**A. Small Business Personal**

If commercial or industrial personal property owned or under control of a business within a city or township is worth a total of \$80,000 or less, the personal property is 100% exempt beginning in 2014.

**B. Eligible Manufacturing Personal Property**

Purchase Period*	Status
Purchased by first owner after 2012	100% exempt beginning in 2016
Purchased by first owner before 2006	100% exempt beginning in 2016
Purchased by first owner in 2006 through 2012	100% exempt when equipment becomes 10 years old

\* Note: The exempt status is based on the year the equipment was first purchased by its first owner, not necessarily the current owner.

## **Local Government Reimbursements of Lost Personal Property Tax Revenue**

There are several major changes to state government revenues as a result of passage of Proposal 1:

- Starting in 2016, a large portion of the state Use Tax revenues will be renamed the local community stabilization share tax and allocated to a new statewide “Local Community Stabilization Authority”. Reimbursements from the new statewide “Local Community Stabilization Authority” will come from the local community stabilization share tax revenue and will be distributed to school districts and local governments for only certain purposes, such as police and fire protection. The local community stabilization share tax rate would be determined annually by the Michigan Department of Treasury.

The legislation includes a prioritization for the reimbursement and prescribes that affected schools and local units of government are to be first reimbursed for 100% of any revenue losses attributable to:

- School operating, debt, and sinking fund/recreation millages;
- Intermediate school district debt and operating millages;
- All losses to tax increment financing authorities;
- All losses attributable to the small personal property holder exemption;
- Losses associated with revenue used to finance “essential services” – defined as police, fire, and ambulance services as well as jail operations.

Future personal property revenue replacement for local units of government will be contingent on the ability of the State to meet the required revenue targets.

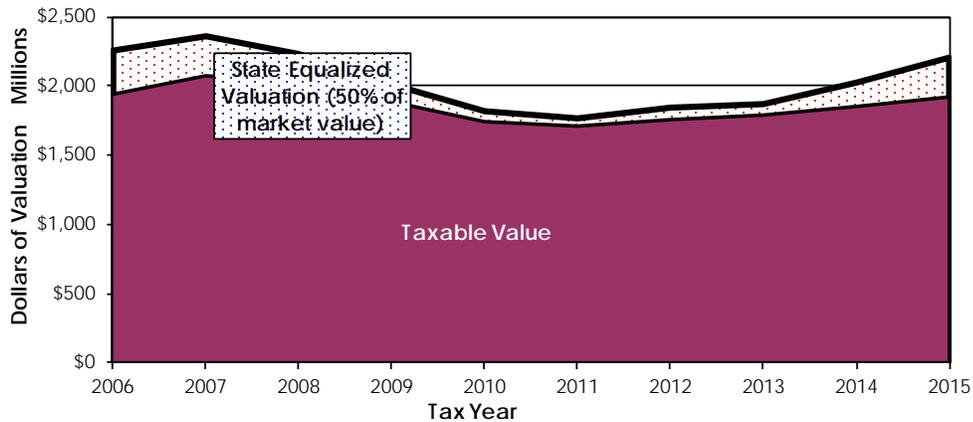
### **Fiscal Impact to Northville Township**

Beginning December 31, 2015, eligible manufacturing personal property that has been subject to the tax for ten years or more becomes exempt resulting in an estimated loss to the Township of approximately \$109,000 in property tax revenue per year. Of this loss, over 70% of the personal property tax reduction would directly affect the Township’s public safety operations. Any further projections of revenue replacement for the Township would be contingent on the ability of the State to meet the required revenue targets.

## Ten Year Taxable Value Actual Compared to State Equalized Valuation (SEV)

Tax Liability Year	State Equalized Valuation (50% of market value)		Taxable Value		% Taxable Value of SEV
	Amount	% Change	Amount	% Change	
2006	\$2,254,275,696	9.9%	\$1,939,716,641	10.5%	86.0%
2007	\$2,356,196,789	4.5%	\$2,073,030,468	6.9%	88.0%
2008	\$2,227,724,000	-5.5%	\$2,036,479,322	-1.8%	91.4%
2009	\$2,006,440,913	-9.9%	\$1,886,033,923	-7.4%	94.0%
2010	\$1,817,710,850	-9.4%	\$1,742,126,090	-7.6%	95.8%
2011	\$1,764,076,740	-3.0%	\$1,710,015,057	-1.8%	96.9%
2012	\$1,836,113,250	4.1%	\$1,756,604,647	2.7%	95.7%
2013	\$1,867,281,729	1.7%	\$1,789,766,930	1.9%	95.8%
2014	\$2,014,863,081	7.9%	\$1,851,705,894	3.5%	91.9%
2015	\$2,200,717,244	9.2%	\$1,920,733,524	3.7%	87.3%

**Ten Year Taxable Value Compared to State Equalized Valuation - Northville Township, Michigan**



The 1994 SEV established the base for taxable value calculations beginning in 1995. In addition to SEV, a taxable value was determined for each property. Taxable value is the lower of either capped value or SEV. Capped value increases are limited to the lesser of 5% or the rate of inflation. Although SEV continues to be based on market conditions, taxable value is thus in place to control property tax increases. Additions or losses to a property will increase or reduce the taxable value of that property. In the year following a property transfer, the taxable value of that property will uncapped to the SEV. Northville Township's total taxable value rate of change moves larger than the SEV largely due to the uncapping of properties from sales and the addition of new construction. In the coming decades, as Northville Township reaches build-out and ages, under current rules, yearly increases in taxable value will be closer to capped consumer price index (termed Inflation Rate Multiplier by the State of Michigan).

## Constitutional Tax Limitations - Headlee Amendment

The Headlee amendment of the State Constitution can reduce the amount of operating millages allowed by Township Law. This amendment limits the growth in property tax revenue from existing property to the rate of inflation. It accomplishes this by reducing millages proportionally by the amount that market changes exceed the State's inflation rate multiplier. For fiscal year 2016, the maximum authorized millage rates have been reduced by the Headlee tax formula as follows:

### Nothville Township - 2015 TAXABLE VALUES AND MILLAGE RATES

For 2016 Fiscal Year (2015 Tax Year)

P.A.35 (HEADLEE) AND PROPOSAL A	REAL	PERSONAL	TOTAL
Beginning taxable value	\$ 1,790,256,694	\$ 61,449,200	\$1,851,705,894
Additions	29,966,298	11,649,100	41,615,398
Losses	(1,312,637)	(4,232,100)	(5,544,737)
Adjustment	36,031,269	(3,074,300)	32,956,969
Ending taxable value	<u>\$ 1,854,941,624</u>	<u>\$ 65,791,900</u>	<u>\$ 1,920,733,524</u>

USEABLE TAX BASE	2015 FISCAL YEAR	2016 FISCAL YEAR
Taxable value	\$1,851,705,894	\$ 1,920,733,524
Brownfield adjustment	(9,333,827)	(13,085,188)
Allowance for Board of Review, State Tax Tribunal & reductions in personal property	(17,561,497)	(40,000,000)
TAXABLE VALUE as adjusted	<u>\$1,824,810,570</u>	<u>\$ 1,867,648,336</u>

PA 86 of 2014, taxable value to determine debt millage (associated with the Small Business Personal Property Exemption) \$ 1,924,547,874

HEADLEE FORMULA						2015 Millage Reduction Fraction
Beginning taxable balance	P.A. 35 losses	Adjusted balance	Increase in inflation rate multiplier			
\$ 1,851,705,894	\$ (5,544,737)	\$ 1,846,161,157	X 1.600%	\$ 1,875,699,736		
\$ 1,920,733,524	\$ (41,615,398)	\$ 1,879,118,126		\$ 1,879,118,126		0.9982
Ending taxable	P.A. 35 additions	Adjusted balance				

### CHARTER TOWNSHIP OF NORTHVILLE, MICHIGAN MILLAGE RATES, HEADLEE MAXIMUM RATES AND 2015 TAX LEVY

	MAXIMUM LEVY	HEADLEE		2015 LEVY	REMAINING CAPACITY
		2015 Allowable Levy	Millage Reduction Fraction		
OPERATING FUNDS					
GENERAL OPERATING	\$ 1.0000	\$ 0.6816	0.9982	\$ 0.6804	\$ -
PUBLIC SAFETY	6.2500	6.2500	0.9982 *	6.2386	\$ -
SHARED SERVICES	0.7574	0.7574	0.9982 *	0.7560	\$ -
GENERAL VOTED OPERATING	0.1176	0.1176	0.9982 *	0.1174	\$ -
DEBT SERVICE FUNDS					Last Year of Payments
SEVEN MILE PROPERTY DEBT SERVICE	0.9661	N/A	N/A	0.8640	2029
				<u>\$ 8.6564</u>	

	MILLAGE			REVENUE	REMAINING CAPACITY
	2014	2015	CHANGE		
OPERATING FUNDS					
GENERAL OPERATING	0.6816	0.6804	(0.0012)	\$ 1,271,000	\$ -
PUBLIC SAFETY	6.2500	6.2386	(0.0114)	11,652,000	\$ -
SHARED SERVICES	0.7574	0.7560	(0.0014)	1,412,000	\$ -
GENERAL VOTED OPERATING	0.1176	0.1174	(0.0002)	219,000	\$ -
	<u>7.8066</u>	<u>7.7924</u>	<u>(0.0142)</u>		
DEBT SERVICE FUNDS					
SEVEN MILE PROPERTY DEBT SERVICE	0.8498	0.8640	0.0142	1,625,000	
	<u>0.8498</u>	<u>0.8640</u>	<u>0.0142</u>		
Total	<u>8.6564</u>	<u>8.6564</u>	<u>0.0000</u>	<u>\$ 16,179,000</u>	

\* MCL 211.7d(9) states:

(9) The millage reduction shall be determined separately for authorized millage approved by the voters. The limitation on millage authorized by the voters on or before April 30 of a year shall be calculated beginning with the millage reduction fraction for that year. Millage authorized by the voters after April 30 shall not be subject to a millage reduction until the year following the voter authorization which shall be calculated beginning with the millage reduction fraction for the year following the authorization. The first millage reduction fraction used in calculating the limitation on millage approved by the voters after January 1, 1979 shall not exceed 1.

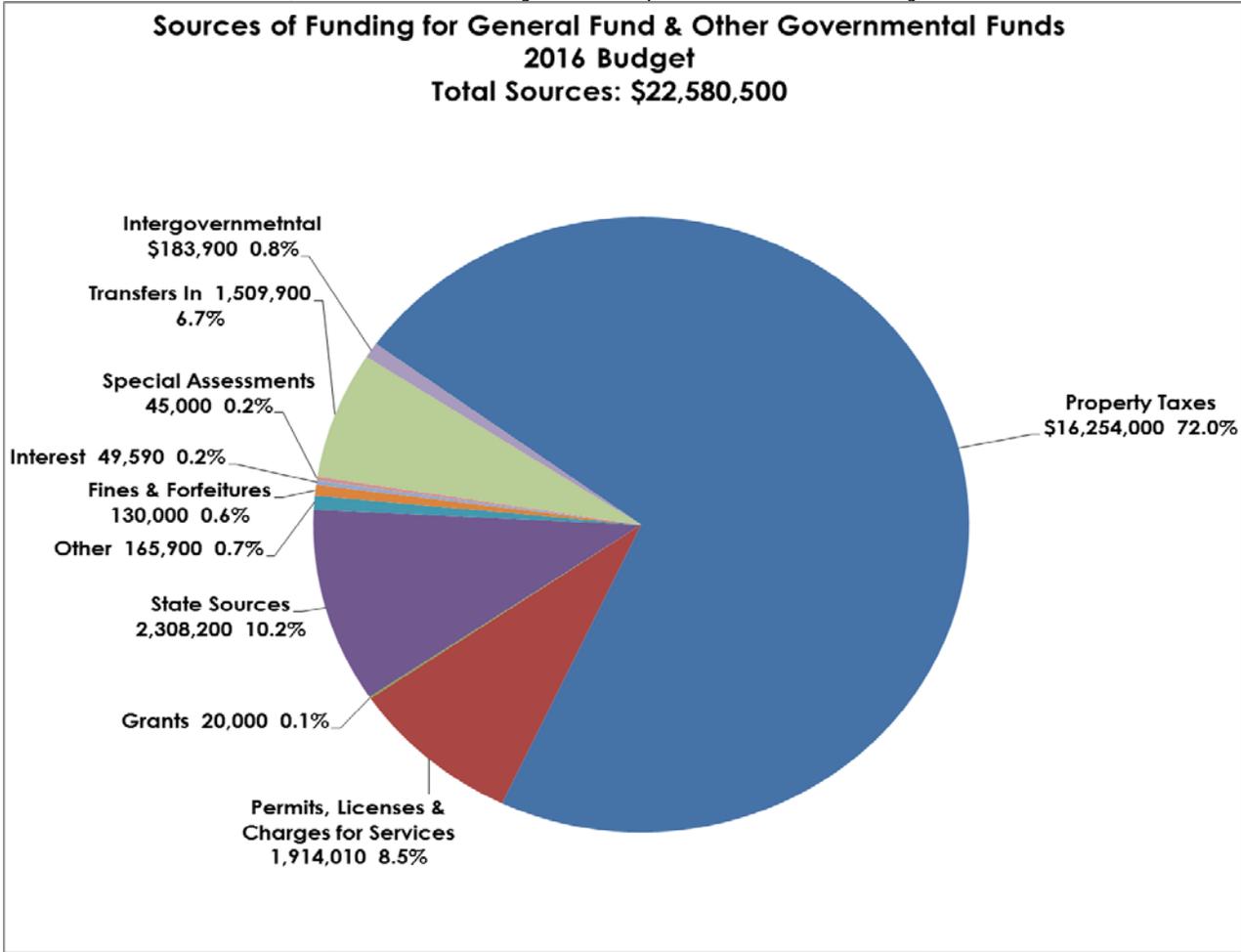
## Millage Rate

The tax impact on a home with a \$300,000 market value is easily computed. The State Equalized Value (S.E.V.) of a single family residence would be half of the market value of the home. For the example, we will assume the taxable value is equal to the S.E.V. of the residence, which would be \$150,000. The tax millage rates are equal to \$1 per \$1,000 of taxable value. To compute the amount of Township property taxes, the property owner could simply take the taxable value and divide it by 1,000 then multiply that by the tax millage rate. Below is an illustration of the computation for the amount of Township property taxes on a single family residence with a taxable value of \$150,000 in 2014:

<i>Taxable Value Example (assumes a home worth \$300,000):</i>				
	<u>2014</u>		<u>2015</u>	
	\$ 150,000		\$ 152,400	
	2014 Tax Year		2015 Tax Year	
	MILLS	TAXES	MILLS	TAXES
General Operating	0.6816	\$ 102.24	0.6804	\$ 103.69
Public Safety	6.2500	937.50	6.2386	950.76
Shared Services	0.7574	113.61	0.7560	115.21
General Voted	0.1176	17.64	0.1174	17.89
Total Operating:	7.8066	1,170.99	7.7924	1,187.55
Seven Mile Property Debt Service	0.8498	127.47	0.8640	131.67
<b>Total</b>	8.6564	\$ 1,298.46	8.6564	\$ 1,319.22
Anticipated change between 2014 and 2015				\$ 21
2015 Inflation Rate Multiplier				1.6%

## Revenue Summaries

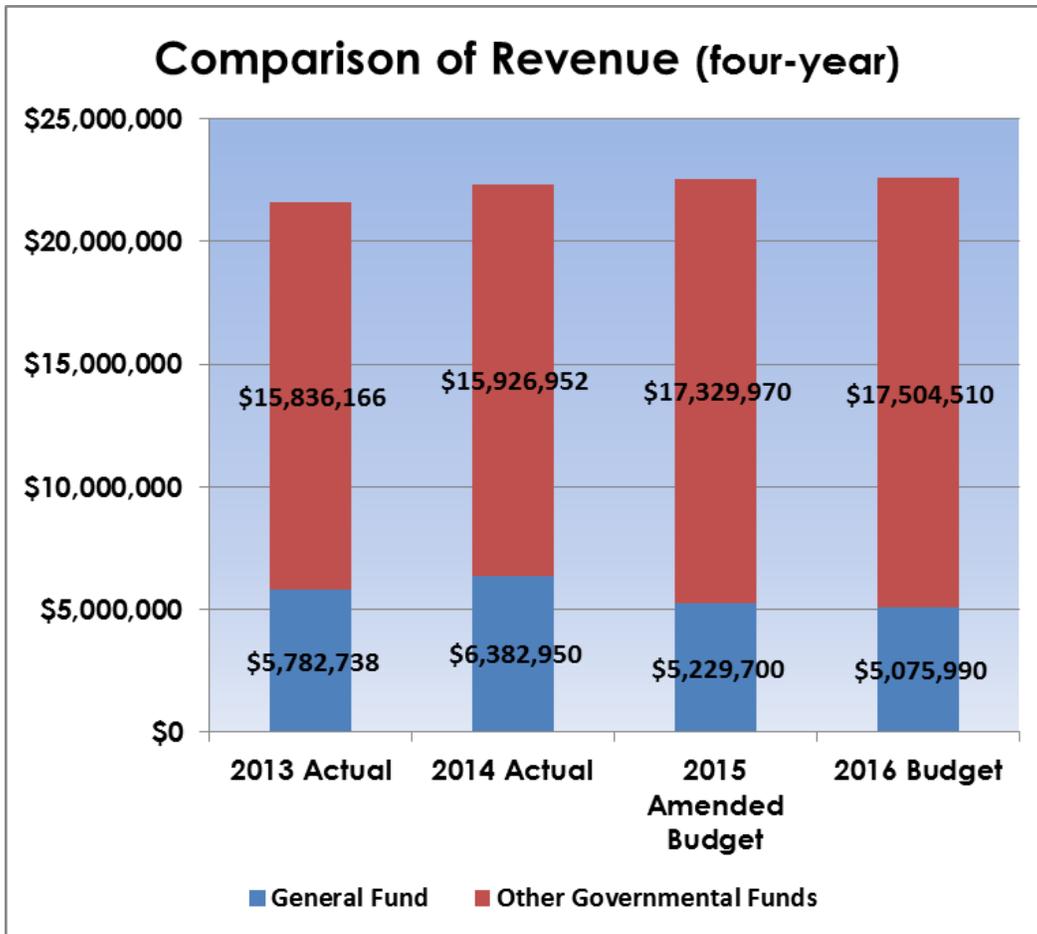
The following represents Fiscal Year 2016 revenue estimates (General Fund and Other Governmental Funds), as well as a four-year comparison of revenue by fund:



### Fiscal Year 2016 Budgeted Revenue (by category)

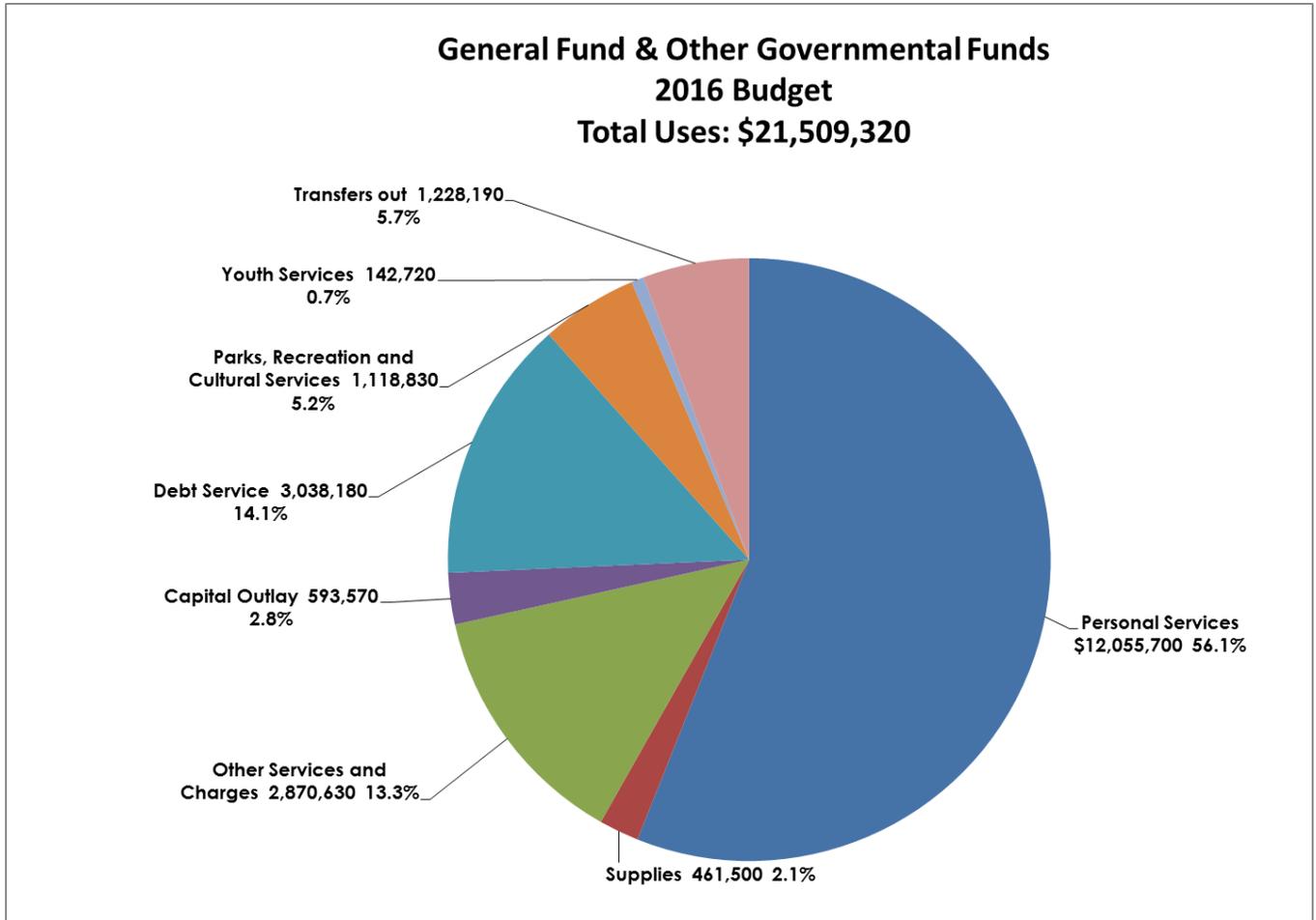
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL REVENUE
<b>ESTIMATED REVENUE:</b>			
Property Taxes	\$ 1,565,000	\$ 14,689,000	\$ 16,254,000
Permits, Licenses & Charges for Services	1,253,290	660,720	1,914,010
Grants	-	20,000	20,000
State Sources	2,193,200	115,000	2,308,200
Other	52,500	113,400	165,900
Fines & Forfeitures	-	130,000	130,000
Interest	12,000	37,590	49,590
Special Assessments	-	45,000	45,000
Transfers In	-	1,509,900	1,509,900
Intergovernmental	-	183,900	183,900
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 5,075,990</b>	<b>\$ 17,504,510</b>	<b>\$ 22,580,500</b>

<u>FUND</u>	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Amended Budget</u>	<u>2016 Budget</u>	<u>% Change from Amended Budget 2015 to Budget 2016</u>
GENERAL FUND	\$ 5,782,738	\$ 6,382,950	\$ 5,229,700	\$ 5,075,990	-2.9%
SPECIAL REVENUE FUNDS					
Public Safety	10,240,805	11,174,432	12,403,050	12,684,370	2.3%
Special Operations Team	50,000	50,000	50,000	50,000	-
Shared Services	766,455	828,636	1,368,500	1,413,500	3.3%
Youth Assistance	196,135	166,239	117,050	136,000	16.2%
Community Development Block Grant	13,050	-	-	-	-
DEBT SERVICE FUNDS					
2006 Refunding Bonds - Land Acquisition	281,888	274,330	266,230	253,100	-4.9%
2009 GO - Seven Mile Property Purchase	1,469,415	1,541,118	1,636,410	1,625,000	-0.7%
2003 GO - Building Authority Bonds	832,000	-	-	-	-
2012 Refunding Bonds - Building Authority	1,046,562	1,140,050	1,138,210	1,126,800	-1.0%
2009 Special Assessment Limited Tax Bonds	52,738	75,602	50,620	50,620	0.0%
CAPITAL PROJECT FUNDS					
Capital Projects	887,118	676,545	299,900	165,120	-44.9%
OTHER GOVERNMENTAL FUNDS	\$ 15,836,166	\$ 15,926,952	\$ 17,329,970	\$ 17,504,510	1.0%
TOTAL REVENUE	\$ 21,618,904	\$ 22,309,902	\$ 22,559,670	\$ 22,580,500	0.1%



## Expenditure Summaries

The following represents Fiscal Year 2016 expenditures (General Fund and Other Governmental Funds), as well as a four-year comparison of expenditures by fund.

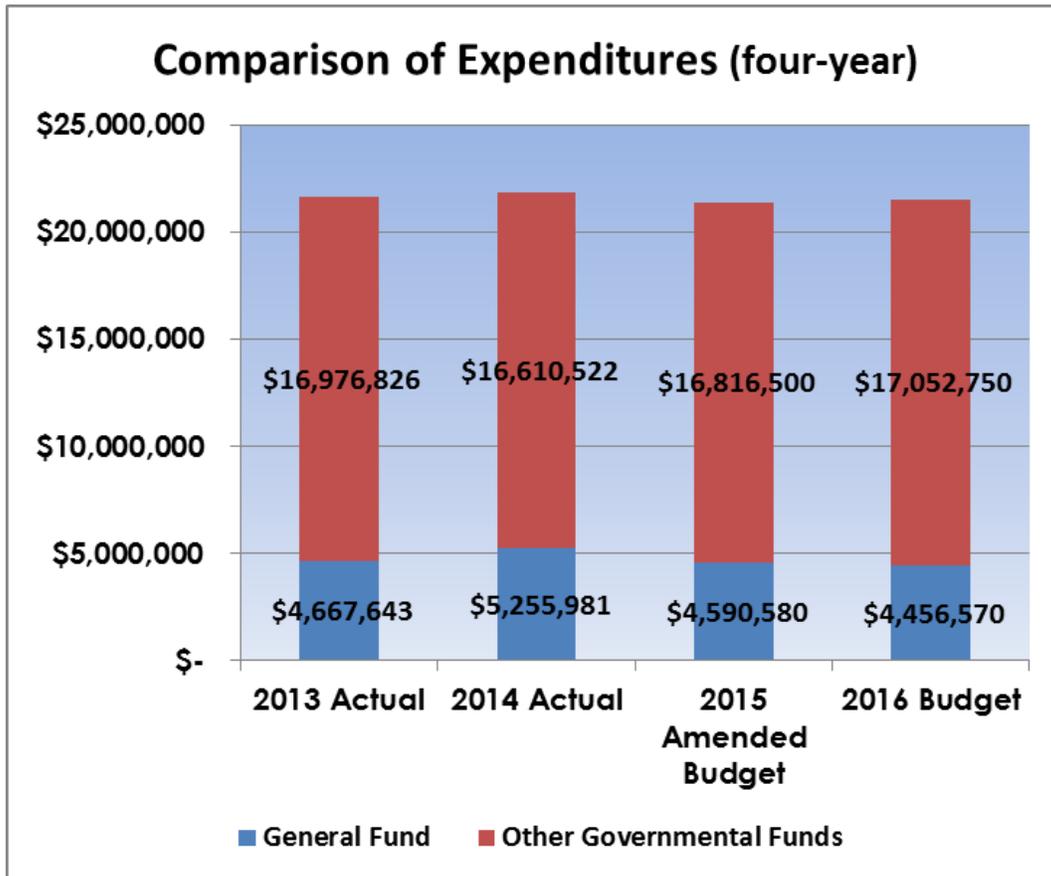


## Fiscal Year 2016 Expenditures

EXPENDITURES:	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL Expenditures
Personal Services	\$ 2,384,350	\$ 9,671,350	\$ 12,055,700
Supplies	114,000	347,500	461,500
Other Services and Charges	1,456,380	1,414,250	2,870,630
Capital Outlay	-	593,570	593,570
Debt Service	-	3,038,180	3,038,180
Parks, Recreation and Cultural Services	-	1,118,830	1,118,830
Youth Services	-	142,720	142,720
Transfers out	501,840	726,350	1,228,190
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,456,570</b>	<b>\$ 17,052,750</b>	<b>\$ 21,509,320</b>

**Comparison of Expenditures (Four-Year)**

<b>FUND</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Amended Budget</b>	<b>2016 Budget</b>	<b>% Change from Amended Budget 2015 to Budget 2016</b>
GENERAL FUND	\$ 4,667,643	\$ 5,255,981	\$ 4,590,580	\$ 4,456,570	-2.9%
SPECIAL REVENUE FUNDS					
Public Safety	10,966,904	11,714,849	11,989,230	12,284,800	2.5%
Special Operations Team	76,255	77,600	50,000	50,000	-
Shared Services	1,108,466	1,115,233	1,117,000	1,371,930	22.8%
Youth Assistance	202,576	177,184	137,760	142,720	3.6%
Community Development Block Grant	13,050	-	-	-	-
DEBT SERVICE FUNDS					
2006 Refunding Bonds - Land Acquisition	282,113	274,500	266,230	253,100	-4.9%
2009 GO - Seven Mile Property Purchase	1,613,684	1,591,130	1,636,410	1,595,280	-2.5%
2003 GO - Building Authority Bonds	1,572,737	-	-	-	-
2012 Refunding Bonds - Building Authority	306,330	1,140,700	1,139,100	1,126,800	-1.1%
2009 Special Assessment Limited Tax Bonds	61,748	60,778	58,840	63,000	7.1%
CAPITAL PROJECT FUNDS					
Capital Projects	772,963	458,548	421,930	165,120	-60.9%
OTHER GOVERNMENTAL FUNDS	\$ 16,976,826	\$ 16,610,522	\$ 16,816,500	\$ 17,052,750	1.4%
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,644,469</b>	<b>\$ 21,866,503</b>	<b>\$ 21,407,080</b>	<b>\$ 21,509,320</b>	<b>0.5%</b>



## Fund Balance

The General Fund encompasses the Township's activities not required to be segregated in separate funds. The fund balance available can be appropriated as specified by the Township Board.

Other Governmental Funds which include Special Revenue Funds, Debt Service and Capital Projects are segregated since there are restrictions on the use of each fund's respective fund balance.

### FUND BALANCE PROJECTION

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Balance January 1, 2015	\$ 7,884,178	\$ 6,701,362	\$ 14,585,540
Estimated 2015:			
Revenue	5,327,220	17,950,080	23,277,300
Expenditures	(4,360,070)	(17,410,800)	(21,770,870)
Revenues over/(under) expenditures	967,150	539,280	1,506,430
Projected Balance December 31, 2015	8,851,328	7,240,642	16,091,970
Budget 2016:			
Revenue	5,075,990	17,504,510	22,580,500
Expenditures	(4,456,570)	(17,052,750)	(21,509,320)
Revenues over/(under) expenditures	619,420	451,760	1,071,180
Projected Balance December 31, 2016	\$ 9,470,748	\$ 7,692,402	\$ 17,163,150

# Enterprise Funds Overview

Enterprise Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service. The Township has two enterprise funds: Water & Sewer and Solid Waste.

## Water & Sewer Fund

**Cash Flow Analysis:** Since 2008, cash reserves totaling over \$27 million were used to subsidize operating and related capital activities. The collection of over \$11 million in tap/connection fees was used to offset this decline.

**Cash & Investments Analysis:**

Fiscal Year End	2008	2009	2010	2011	2012	2013	2014
Cash balance	\$ 1,468,869	\$ 1,854,012	\$ 2,541,804	\$ 4,308,382	\$ 5,020,708	\$ 2,474,273	\$ 768,147
Replacement Reserve **	26,853,352	23,573,756	20,547,588	17,511,537	14,087,399	15,174,805	15,127,717
<b>Total cash &amp; investments</b>	<b>\$28,322,221</b>	<b>\$25,427,768</b>	<b>\$23,089,392</b>	<b>\$21,819,919</b>	<b>\$19,108,107</b>	<b>\$17,649,078</b>	<b>\$15,895,864</b>

**Impact to working capital – why it matters:** The significant decrease in cash reserves over time has created a shortage of working capital of approximately \$3.8 million. Adequate working capital reserves provide financial stability and are particularly important to ensure rate stabilization.

**Working Capital Analysis:**

Fiscal Year End	2008	2009	2010	2011	2012	2013	2014
Current assets	\$ 3,994,655	\$ 3,821,502	\$ 4,734,360	\$ 6,356,010	\$ 7,162,561	\$ 4,453,769	\$ 2,704,678
Current liabilities	(1,224,100)	(980,796)	(969,006)	(1,214,245)	(1,585,152)	(1,615,188)	(1,958,012)
<b>Working capital reserves</b>	<b>\$ 2,770,555</b>	<b>\$ 2,840,706</b>	<b>\$ 3,765,354</b>	<b>\$ 5,141,765</b>	<b>\$ 5,577,409</b>	<b>\$ 2,838,581</b>	<b>\$ 746,666</b>
Operating expenses	\$ 12,329,075	\$ 13,172,196	\$ 12,617,420	\$ 13,171,212	\$ 14,087,399	\$ 14,361,738	\$ 13,668,242
Working capital reserve requirements	4,109,692	4,390,732	4,205,807	4,390,404	4,695,800	4,787,246	4,556,081
<b>Working capital reserve over/(under) minimum level</b>	<b>(\$1,339,137)</b>	<b>(\$1,550,026)</b>	<b>(\$440,453)</b>	<b>\$751,361</b>	<b>\$881,609</b>	<b>(\$1,948,665)</b>	<b>(\$3,809,415)</b>

\*\* Goal is to use future capital contributions from tap fees in lieu of raising future water & sewer rates to fund reserves.

The Township does own and is responsible for the operations and maintenance of transmission lines and other ancillary infrastructure (i.e. lift stations, etc.). This infrastructure has an estimated useful life of 50 years and is depreciated (expensed) on that basis. The Township has not had the ability to fund 100% of depreciation which was approximately \$1.7 million for the fiscal year ended December 31, 2014 through user rates. As was recommended in the Township's 2014 Annual Budget and Financial Plan and again in 2015, in lieu of increasing future user rates to fund depreciation, it is recommended that capital contributions from future development be used to replenish necessary working capital reserves.

The **Northville Township Water & Sewer Fund Fiscal Policy** was recently adopted by the Board of Trustees and establishes recommended reserve levels and continues the Board's vision to set in writing the **framework** for the overall fiscal management of the Township to ensure the highest standards of financial stewardship are followed. A written and adopted Reserve Fund Policy provides for and facilitates attainment of program and financial goals relative to the prudent accumulation and management of designated reserves and reserve funds. It is the intent of the Reserve Fund Policy to set target levels for reserves that are consistent with the Township's overall financial framework.

The purpose of establishing financial policies for the Township's Water & Sewer Fund is to protect the financial integrity of the Fund and to provide for the sustainability of essential utility services. Below is a summary of the Water & Sewer Fund financial performance objectives which will guide forecasting and rate proposal development for sound financial management of the Water and Sewer Fund:

<b>FINANCIAL PERFORMANCE OBJECTIVES</b>	
<b>Measurement</b>	<b>Objective</b>
Working Capital Reserves Capital Improvements Reserve	The greater of 33% or 4 months of O&M 25% of the current fair market value of water and sewer infrastructure assets
Debt Service Coverage Ratio	≥ 1.5
Debt Burden to Asset Value	≤ 25%
Sufficiency of Revenues Above Debt Requirements	Annual Debt service shall not exceed 35% of annual gross revenues gross revenues

## *Personnel Summary (full-time staff)*

The Township of Northville employs 110 full-time staff in various capacities. The costs for these employees are budgeted in the General Fund, Public Safety Fund, Youth Assistance and Water and Sewer Fund.

- No further reductions to full-time staff positions are proposed in 2016. The Township's overall workforce has now been reduced by 18 full-time positions or 14% since 2008.

### GENERAL FUND

	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	INCREASE (DECREASE)
<b>LEGISLATIVE</b>				
Township Manager	1	1	1	-
Director of Information Technology	1	1	1	-
Facilities Maintenance	2	2	2	-
	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
<b>TOWNSHIP CLERK</b>				
Township Clerk	1	1	1	-
Deputy Township Clerk	1	1	1	-
Clerical Staff	2	-	-	-
	<u>4</u>	<u>2</u>	<u>2</u>	<u>-</u>
<b>TREASURER</b>				
Finance Director	1	1	1	-
Director of Human Resources	1	1	1	-
Accountant	1	1	1	-
Clerical Staff	5	4	4	-
	<u>8</u>	<u>7</u>	<u>7</u>	<u>-</u>
<b>BUILDING</b>				
Inspectors	3	3	3	-
Clerical Staff *	1.5	2.5	2.5	-
	<u>4.5</u>	<u>5.5</u>	<u>5.5</u>	<u>-</u>
<b>PLANNING</b>				
Community Development Director	1	1	1	-
Clerical Staff *	0.5	0.5	0.5	-
	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>-</u>
<b>TOTAL GENERAL FUND</b>	<u>22</u>	<u>20</u>	<u>20</u>	<u>-</u>

Planning and Building each share one full-time clerical employee.

**Personnel Summary (full-time staff)**  
Continued

<b>PUBLIC SAFETY FUND</b>				
	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	INCREASE (DECREASE)
<b>DEPARTMENT OF PUBLIC SAFETY</b>				
Director of Public Safety	1	1	1	-
Deputy Director of Fire Services	1	1	1	-
Police Lieutenant	2	3	3	-
Police Sergeant	4	4	4	-
Dispatcher Supervisor	2	2	2	-
Dispatcher	10	10	10	-
Police Officer	23	22	22	-
Administrative Assistant/Clerical Staff	2	1	1	-
Fire Inspector	1	1	1	-
Firefighter	21	21	21	-
Fire Lieutenant	6	6	6	-
EMS Coordinator	1	1	1	-
Training Coordinator	1	1	1	-
Ordinance Officer	1	1	1	-
<b>TOTAL PUBLIC SAFETY FUND</b>	<b>76</b>	<b>75</b>	<b>75</b>	<b>-</b>
<b>YOUTH ASSISTANCE FUND</b>				
	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	INCREASE (DECREASE)
Director of Youth Assistance	1	1	1	-
<b>WATER &amp; SEWER FUND</b>				
	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	INCREASE (DECREASE)
Director of Public Services	1	1	1	-
Superintendent	1	1	1	-
Foreman	1	1	1	-
Crew Leader	4	4	4	-
Operator	3	3	3	-
Laborer	2	2	2	-
Clerical Staff	2	2	2	-
<b>TOTAL WATER AND SEWER FUND</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>-</b>
<b>TOTAL PERSONNEL FOR ALL FUNDS</b>	<b>113</b>	<b>110</b>	<b>110</b>	<b>-</b>

# ***Financial Policies***

The Township of Northville's financial policies, as compiled below, set forth the basic framework for the overall fiscal management of the Township. Operating independently of changing economic circumstances and conditions, these policies help the decision making process of the Township Board and administration. These policies provide guidelines for evaluating both current activities and proposals for future programs.

Most of the policies represent long-standing principles (i.e. traditions and practices) that have guided the Township in the past and have helped maintain financial stability.

The Township's financial policies serve the administration in the preparation of a balanced operating budget and management of the Township's financial affairs.

## **Operating Budget Policies**

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The Township will attempt to maintain current service levels for all priority and essential services and to fund them adequately.

- The Township will maintain a budgetary control system to ensure adherence to the budget and will prepare periodic reports comparing actual revenues and expenditures with budgeted amounts.
- The Township will emphasize efforts to reduce expenditures in major cost centers (i.e. energy, medical insurance premiums, pension cost and Worker's Compensation payments).
- The Water and Sewer and Solid Waste Funds will be self-supporting.
- The Township will protect against catastrophic losses through a combination of insurance and maintaining appropriate fund balance levels.

## **Fund Balance/Reserve Policies**

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The Township will adhere to the following fund balance/reserve policies:

- The Township will establish a reserve to pay for expenditures as a result of unforeseen emergencies or for shortfalls caused by revenue declines. The Township will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source. The Township will attempt to obtain additional revenue sources to insure a balanced budget.
- The Township will strive to establish all user charges and fees at a level considering the cost (operating, direct, indirect and capital) of providing the service.
- The Township will establish reserves to comply with the terms and conditions of the debt instruments used to finance capital improvement projects.

- The Township will review fund balance/reserves annually during the budget process.
- In the event the level of expenditures exceeds the estimated appropriations, the Township will create a plan to replenish fund balance/reserves within a specified time period by controlling operating expenditures, adjusting operations and/or dedicating specific revenue sources.

## **General Fund**

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The Government Finance Officers Association (GFOA) recently updated its best practice on general fund balances to recommend that general purpose governments maintain at a minimum a general fund balance of no less than 2 months of regular general fund operating expenditures. This amounts to 16.7% of budgeted general fund operating expenditures.

For the General Fund, the reserve will be maintained at a minimum of 16.7% of the budgeted expenditures. In the event that circumstances arise causing the fund balance to fall below 16.7%, a plan will be put in place to replenish the balance during the subsequent budget year. Additional reserves can be designated for a specific purpose as identified by Township Board during the budget process. Fund balance will be established to:

- Provide a fund or reserve to meet emergency expenditures;
- Provide adequate cash flow to finance expenditures;
- Demonstrate financial stability and therefore preserve or enhance its bond rating,
- Accumulate sufficient assets to make designated purchases;
- Avoid short-term borrowing and associated interest costs.

As part of the budget process excess fund balance may be used to reduce liabilities or fund future capital improvements over the next fiscal period.

## **Special Revenue Funds**

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Resources in a fund other than the General Fund are either (1) required to be used for the purpose of the fund or (2) intended by the government to be used for that purpose. Special revenue funds report specific revenue sources that are limited to being used for a particular purpose.

### **Public Safety Fund**

The Township's fund balance for Public Safety will be established to be at least at the GFOA minimum recommended level of 16.7% to cover extraordinary events and contingencies for budgeted expenditures and projects. The revenue from the special voted property tax millage for this fund is used specifically to support only police and fire department expenditures.

### **Shared Services Fund**

The fund balance for the Shared Services Fund will also be established within a minimum range of 16.7% of annual budgeted expenditures, since this fund is similar to the General Fund in terms of covering operations. This fund reports only one major source of revenue: special voted property tax millage.

### **Other Special Revenue Funds**

The fund balance for other special revenue funds (Special Operations, Youth Assistance and Community Development Block Grant Funds) will be used for appropriations based on the specific purpose of those funds.

## **Capital Replacement Reserve Policy – Enterprise Funds**

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The Township has established Capital Replacement Reserve accounts in its Water & Sewer Enterprise Fund.

The key Capital Replacement Funding principle is that the money is collected and segregated, over a period of time, to cover the repair or replacement cost of existing common elements; that is, capital assets already in existence (for example, water and sewer infrastructure systems, etc.). Capital Replacement Funds are part of a long-term financial plan, which helps:

- Strengthen the community's fiscal health
- Increase the market value of units
- Provides stability to avoid large future assessments or rate increases

User charges and fees will be computed based on current year operating expenses, debt service requirements and annual contribution/replenishment of the capital replacement reserve.

The Capital Replacement Reserve for the Water & Sewer Fund is targeted at 10-25% of the current fair market value of water and sewer infrastructure assets. The Township uses the overall national CPI to compute the fair market value of these assets. Cash and investment balances for operations will be computed based on a minimum of two months expenditures plus planned capital improvement projects for the year.

## **Revenue Policies**

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- The Township will estimate its annual revenue by a conservative, objective and analytical process.
- The Township will review fees and charges annually. It will attempt to design and/or modify revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service.
- Non-recurring revenue will be used only to fund non-recurring expenditures.

## Capital Improvement Policies

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- The Township will develop a multi-year plan for capital improvements and update it annually.
- The Township's plan includes large capital purchases and construction projects costing more than \$5,000. A Capital Improvement, as defined in this document, includes real property expenditures greater than \$5,000 that have a life expectancy of at least five years and personal property items costing more than \$5,000 with a life expectancy of at least one year.
- The Township will maintain its physical assets at a level adequate to protect the Township's capital investment and to reduce future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of the capital plant and equipment from current revenues where possible.
- The Township will use the following criteria to evaluate the relative merit of each capital project:
  - Projects specifically included in an approved replacement schedule will receive priority consideration.
  - Projects will be evaluated as to the impact on the operating budget; those that reduce the cost of operations or energy consumption will receive priority consideration.

## Debt Policies

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- The Township will confine long-term borrowing to capital improvements.
- When the Township finances capital projects by issuing debt, it will repay the debt within a period not to exceed the expected useful life of the project.
- When possible, the Township will use special assessment revenue, tax increment, or other self-supporting bonds.
- The Township will maintain a sound relationship with all bond-rating agencies and will keep them informed about our current capital projects.

## Investment Policies

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- The Township's investment objectives in priority order are: Safety, Liquidity, and Yield.
- Disbursement, collection, and deposit of all funds will be managed to insure that all cash is invested promptly until needed.
- The Township will strive to maximize the return on the portfolio, with the primary objective of preserving capital by prudent investment practices.
- For the Township's complete investment policies please contact the Finance Department.

## **Accounting, Auditing and Financial Reporting Policies**

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- An independent audit will be performed annually.
- The Township will produce annual financial reports following Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
- The Township will maintain strong internal audit controls.

## **Purchasing Policies**

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- Purchases will be made in accordance with federal, state and municipal requirements.
- Purchases will be made in an impartial, economic, competitive and efficient manner.
- All bid openings will be public. All bids and/or written quotations and request for proposals are awarded by the Township Board.

## **Grant Policies**

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- The Township Manager's Office reviews and approves department requests to pursue grants.
- Completed applications requiring a local match are presented for approval to the Township Board. The approval includes financing mechanism and required matching funds.
- Upon notice of grant award, the Township Board approves budget and formal acceptance.
- The Treasurer's Department works with the initiating department for proper reporting and program monitoring as well as coordinates the Single Audit requirements for federal grant programs.

# *Significant Budget and Accounting Policies*

The budgeting and accounting policies of the Township of Northville conform to (GAAP) as applicable to governmental units. The following is a summary of the significant budget and accounting policies:

## **Budgeting**

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All Governmental Funds, including the legally adopted General Fund and Special Revenue Funds, are budgeted for on a modified accrual basis. As an example, employee wages are budgeted to account for the number of days scheduled for each fiscal year.

## **Fund Structure of Approved Budget**

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Annual budgets are legally adopted for the General Fund and Special Revenue Funds as required by the State's Uniform Budgeting and Accounting Act. In addition, although not required by law, budgets are prepared for the Township's Debt Service, Capital Projects, and Enterprise Funds. These budgets are prepared for financial management and project control purposes.

## **Fund Accounting**

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The accounts of the Township are organized by funds and account groups, each of which is considered a separate accounting entity. Funds are established to segregate specific activities or objectives of a government in accordance with special regulations, restrictions or limitations. The various funds are grouped into generic fund types in four broad fund categories as follows:

### **Governmental Funds**

**General Fund:** The General Fund contains the records of the ordinary activities of the Township that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue and other sources.

**Special Revenue Funds:** Special Revenue Funds are used to account for the proceeds of earmarked revenues such as special voted property tax millage and activities requiring separate accounting because of legal or regulatory provisions.

**Debt Service Funds:** Debt Service Funds are used to account for the annual payment of principal and interest concerning certain long-term debt other than debt payable from the operations of an enterprise fund.

**Capital Projects Funds:** Capital Project Funds are used to account for the development of capital facilities other than those financed by the operations of the enterprise funds.

## Proprietary Funds

**Enterprise Funds:** The Water and Sewer and Solid Waste Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service.

## Fiduciary Funds

**Fiduciary Funds:** Fiduciary Funds are used to account for assets held by the Township in a trustee capacity. Agency funds are custodial in nature and do not involve the measurement of results of operations.

## Basis of Accounting

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The accrual basis of accounting is used by the Enterprise Funds. Revenues are recognized when earned and expenses are recognized in the period incurred.

All Governmental Funds and Agency Funds use the modified-accrual basis of accounting. Modified accrual basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported on the financial statements. Revenues are recognized when they become measurable and available as follows:

Property tax revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Other revenue is recorded when received. The Township's tax is levied and collectible beginning December 1<sup>st</sup>. These taxes are due without a penalty during the period December 1 through February 14 with a 3% penalty added after that date. After February 28, they are added to the county tax rolls. The County Tax Revolving Fund reimburses the Township for the real property portion of these taxes.

**Fixed Assets and Long-Term Liabilities:** Fixed assets used in governmental fund type operations are capitalized in the government-wide financial statements, rather than in the governmental funds. Depreciation is reported on a straight-line basis for such fixed assets. All fixed assets are recorded at cost or, if donated, at their estimated fair value on the date donated. Long-term liabilities expected to be financed from governmental funds are accounted for in the government-wide financial statements, not in the governmental funds.

Fixed assets and long-term liabilities relating to the Water and Sewer and Solid Waste Funds are accounted for in those funds. Depreciation on such fixed assets is charged as an expense against the operations of the fund on a straight-line basis.

**Cash Equivalents:** For purposes of the statement of cash flow, the Enterprise funds consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. In addition, the statements of cash flow include both restricted and unrestricted cash and cash equivalents.

**Inventories:** Inventories in the Enterprise funds are valued at cost, on a first in, first out basis, which approximates market value.

## **Investments**

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The Township is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, government agencies, Bankers' acceptances and mutual funds and investment pools that are composed of authorized vehicles.

To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that investment earnings by the Agency Funds are allocated to the General Fund.

Funds of Northville Township will be invested in accordance with Michigan Public Act 20 of 1943 as amended and in accordance with the following objectives, procedures and policy.

A) Safety of Capital - Safety of principal will be the foremost objective of the Northville Township. Each investment transaction shall seek to first ensure that capital losses are avoided whether they are from defaults or erosion of market value.

B) Liquidity - The Township's investment portfolio will remain sufficiently liquid to enable the Township to meet all operating requirements that might be reasonably anticipated.

C) Return on Investment - The investment portfolio of the Township shall be designed in a manner to attain a market rate of return throughout budgetary and economic cycles while preserving and protecting capital.

D) Protection of Purchasing Power - Funds held for capital projects shall be invested so that they can reasonably be expected to produce enough income to offset inflationary construction cost increases. However, such funds shall never be exposed to risks that would jeopardize the assets capital value or be in conflict with state law.

E) Maintain the Public's Trust - All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. In addition, the overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. Investment officials shall also avoid any transaction that might knowingly impair public confidence in the Township's ability to govern effectively. Investment officers should have sufficient knowledge of financial markets and investment management.

# *Budget Policies and Procedures*

## **Role of the Budget**

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The budget provides the annual financial plan for the management of the Township's affairs. The document compiles the financial data needed to support Northville's comprehensive decision making/policy development process. This Budget is based on the Township Multi-Year Budget Plan, the Capital Improvements Plan, and the Township's financial policies, Township Board direction, and Township Manager and departmental review of operations.

## **Budget Strategy**

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The current financial plan is governed by the stewardship of public funds and reflects the following principles:

- Priority and essential services will be maintained at least at current levels and will be funded adequately.
- Program costs will reflect a true picture of the cost of operations.
- Program services will be provided in the most efficient method while meeting the needs of the public.
- Necessary infrastructure improvements will be undertaken to meet needs.
- Revenue will be estimated at realistic levels.
- Reserves will be programmed at appropriate levels to protect the Township from future uncertainties.
- The budget will comply with provisions of the State Constitution, Township Charter, and sound fiscal policy.

## **Balanced Operating Budget**

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A balanced budget is a basic budgetary constraint intended to ensure that the Township does not spend beyond its means. The Township must function within the limits of the financial resources available and under normal circumstances, requires commitment to a balanced budget. The appropriated budget cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Any deviation from a balanced operating budget requires disclosure when it occurs.

## **Impact of Capital Budget on the Operating Budget**

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As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs.

Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

For additional information pertaining to the capital budget, please see the "Capital Improvements Program" section of this document.

## **Budgeting Controls**

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### **Internal Controls**

The annual adopted budget provides a basis of control over financial operations. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the approved budget. Activities of the General Fund and Special Revenue Funds are included in the annual approved budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established by function within each individual fund.

### **Independent Audit**

State statutes and the Township Charter require an annual audit of all accounts of the Township by certified public accountants selected by the Township Board. Plante & Moran has fulfilled this requirement. The auditor's report is included in the Township's Comprehensive Annual Financial Report (CAFR) and is available to the public. The auditor's reports that relate specifically to the single audit are reported separately and are available to the public as well on the Township's website [www.twp.northville.mi.us](http://www.twp.northville.mi.us).

# ***Budget Process Overview***

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The Township's annual budget covers a twelve-month period beginning January 1<sup>st</sup> and ending December 31<sup>st</sup>. The budget is an ongoing process that includes phases of development, adoption, implementation and oversight throughout the year.

Several goals are associated with the preparation and development of the Township's annual budget document. First, the budget is a policy document. The document should help foster comprehensive community problem-solving and policy making. Second, the budget is a financial plan and management tool. The document should help staff in monitoring revenue and expenditures and in evaluating the effectiveness of Township programs and services. Third, the budget serves as an important reference document. It should provide the Township Board, the public and staff with extensive information on the nature and scope of municipal operations and services.

## **Departmental Requests**

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Particular attention is given to accurately completing all required forms and providing sufficient justification for budget requests.

## **Budget Review and Analysis**

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All departments meet with the Township Manager for review and evaluation of requests. The objectives of this phase are to:

- Ensure that the intent of all budget requests is understood and that budget requests are complete.
- Gain greater understanding of departmental objectives and standards of performance and operations for the upcoming fiscal year.
- Determine how proposed budgetary programs and associated changes are related to Township-wide goals and objectives.
- Develop comprehensive information and/or request further justification on budgeted items.
- Balance the needs of each department to total Township needs.

Various analytical techniques are used in evaluating department budget requests. Some of these include: analysis of workloads and levels of services, evaluation of historical expenditure patterns, projection of inflationary price increases, analysis of work methods, review of work force scheduling, and review of department operations.

## **Building the Proposed Budget**

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Under the direction of the Township Manager, and with the assistance of Directors and staff, the Finance Director prepares an initial projection of revenue for the next fiscal year. This projection is based on reasonable assumptions of revenue generated by estimated property values and current user fees, and the best available information from the State of Michigan.

Spending priorities are based on the Township's financial policies and mandated requirements, and focus on maintaining services, covering insurance and bond requirements, and the balancing of labor, supplies, and equipment.

## **Township Manager Review**

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Departmental review sessions are scheduled with the Township Manager. After these discussions, the Township Manager makes the final adjustments and works with the Finance Director and staff to prepare the draft of the proposed budget.

## **Township Board Adoption**

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After receiving the Recommended Budget, public meetings are conducted with the Township Board to familiarize members of the Board with its contents. A public hearing is also conducted to assure that all persons and organizations are provided an opportunity to be heard. The Township Board then adopts the budget for the next fiscal year.

## **Budget Amendment Process**

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After the budget is adopted, the primary responsibility for managing it falls to the individual departments. The Finance Department reviews the monthly budget reports concurrently with the departments. Management flexibility is given to each department of exceeding a line item if it can be compensated for within that same category.

If a category must be adjusted, a Budget Amendment Request (BAR) form is filed with the Finance Department. This form first directs the department to provide the coverage from another of its categories. The Township Manager reviews the request and if deemed appropriate a formal budget amendment is presented to the Township Board along with a report on the status of the respective fund's reserve balance. It takes a majority vote to amend the budget.

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# Multi-Year Budget 2016 - 2019

## A Long-Range Fiscal Plan to Ensure a Solid Future

Northville Township has long recognized the need for planning as well as the importance of providing quality services to its residents. An overriding goal for our Township is to apply business standards to what is a **municipal business**.

Beginning in 2014, the Township moved from a single-year budget approach to a three-year rolling budget cycle. Given the long-term structural nature of costs and revenue streams like the elimination of personal property tax, a multi-year budget forecast can identify problems early in the process so they can be clearly analyzed and solutions developed.

Multi-year budgets, a best practice according to the Government Finance Officers Association, bring important benefits to communities such as:

- Decision makers gain more time to reduce or avoid deficits
- Elected and appointed leaders manage more proactively, increasing public confidence
- Local government can better predict and manage both downturns and growth by pushing out their financial horizons

Governments can no longer prepare a responsible budget by simply calculating a yearly average for each line item, relying solely on historical financial data. In today's economy, a good starting point is to gather relevant economic data that will allow the Township to recognize trends or indicators that can be used to effectively identify concerns with the Township's tax base or other financial issues.

### The Multi-Year Budget Planning process combines financial forecasting with:

- Analysis of the financial environment
- Linking to a strategic business plan
- Connecting strategic and business plan priorities to a financial plan
- Planned monitoring mechanisms, such as reporting quarterly operating results to identify key indicators of financial health

### The multi-year budget process includes:

assessing current core operations, defining multi-year operating priorities, determining performance outputs, financial planning and policy and funding decisions. The result will be a multi-year budget and operating plan to implement core and strategic business plan priorities.

## Factors affecting financial condition

In 2009, taxable values in the Township declined by 7.4% with a continued decline in 2010 of 7.6% and again in 2011 by an additional 1.8%. During this time, demand for services continued to increase as population continued to rise. According to the results of the 2010 census, the U. S. Census Bureau reports Northville Township ranked 21<sup>st</sup> in the State for the highest percentage increase in population out of approximately 1,530 communities.

### Population of Michigan Cities and Townships: 2000 and 2010

Area Name	Resident Population								
	2000				2010			Change from 2000-2010	
	Original Count	Revised Count	Percent of Total	Rank	Number of Persons	Percent of Total	Rank	Percent Change	Rank
Michigan	9,938,444	9,938,823	100.00%	--	9,883,640	100.00%	--	-0.6%	--
East Lansing city (pt.)	34	92	0.00%	1,516	1,969	0.02%	832	2040.2%	1
Richmond city (pt.)	1	1	0.00%	1,530	2	0.00%	1,529	100.0%	2
Fife Lake township	1,517	1,517	0.02%	990	2,791	0.03%	630	84.0%	3
Union charter township	7,615	7,611	0.08%	236	12,927	0.13%	151	69.8%	4
Marenisco township	1,051	1,051	0.01%	1,183	1,727	0.02%	920	64.3%	5
New Baltimore city	7,405	7,397	0.07%	246	12,084	0.12%	158	63.4%	6
Allendale charter township	13,042	13,042	0.13%	143	20,708	0.21%	93	58.8%	7
Macomb township	50,478	50,478	0.51%	30	79,580	0.81%	15	57.7%	8
Kochville township	3,241	3,243	0.03%	530	5,078	0.05%	347	56.6%	9
Bath charter township	7,541	7,541	0.08%	243	11,598	0.12%	166	53.8%	10
Marion township	6,757	6,744	0.07%	266	9,996	0.10%	193	48.2%	11
Milton township	2,646	2,646	0.03%	654	3,878	0.04%	453	46.6%	12
Saline township	1,302	1,298	0.01%	1,074	1,896	0.02%	859	46.1%	13
Oceola township	8,362	8,362	0.08%	216	11,936	0.12%	160	42.7%	14
Frankenlust township	2,530	2,530	0.03%	676	3,562	0.04%	493	40.8%	15
Augusta charter township	4,813	4,813	0.05%	359	6,745	0.07%	280	40.1%	16
Portland township	2,460	2,436	0.02%	704	3,404	0.03%	517	39.7%	17
Linden city	2,861	2,861	0.03%	608	3,991	0.04%	437	39.5%	18
Jamestown charter township	5,062	5,062	0.05%	336	7,034	0.07%	269	39.0%	19
Caledonia township	8,964	8,964	0.09%	202	12,332	0.12%	156	37.6%	20
Northville township	21,036	21,036	0.21%	88	28,497	0.29%	66	35.5%	21
Leighton township	3,652	3,652	0.04%	473	4,934	0.05%	357	35.1%	22
Texas charter township	10,919	10,919	0.11%	166	14,697	0.15%	128	34.6%	23
Wexford township	798	798	0.01%	1,297	1,072	0.01%	1,174	34.3%	24
Berlin charter township	6,924	6,924	0.07%	264	9,299	0.09%	209	34.3%	25
Bois Blanc township	71	71	0.00%	1,519	95	0.00%	1,515	33.8%	26
Hartland township	10,996	10,996	0.11%	165	14,663	0.15%	130	33.3%	27
Lima township	3,224	2,482	0.02%	690	3,307	0.03%	532	33.2%	28
Brownstown charter township	22,989	22,989	0.23%	75	30,627	0.31%	58	33.2%	29
Ada township	9,882	9,882	0.10%	188	13,142	0.13%	149	33.0%	30

**Source:** U.S. Census Bureau.

The 2010 Census reports Northville Township's population at 28,497, which represents a 35% increase from the 2000 Census population of 21,036. The 2010 Census data was required to be used for the Constitutional portion of State Shared Revenue distributions beginning mid-2011. A constitutional portion is distributed to cities, villages and townships based on a community's population and cannot be eliminated without a constitutional amendment. For the fiscal year ended December 31, 2014, Northville's revenue sharing payments represent 35% of total General Fund revenues, or \$2,214,975.

Standard & Poor's, which provides credit ratings and other financial analysis, recently upgraded the Township of Northville's high quality rating on general obligation bonds as AA/Stable to AA+/Stable. Standard & Poor's defines the

AA+ rating as "having excellent financial security and being highly safe." This rating places Northville Township in an elite group of communities throughout the country. In addition, income levels are very strong, at 181% of the national average. Although unemployment rates are falling nationwide, the Township's unemployment rate of 1.8% is significantly lower than the rest of the state and country.

## Economic Assumptions and Millage Rates

The (FY) 2016 budget plan assumes no change from the current millage rate of 8.6564 mills. The Township has separately voted public safety, shared services and general voted millage rates as detailed below.

CHARTER TOWNSHIP OF NORTHVILLE - TAXABLE VALUE, MILLAGE RATE AND PROPERTY TAX REVENUE PROJECTIONS						
	Actual	ESTIMATED	BUDGET	PROJECTED		
Tax Year	2013	2014	2015	2016	2017	2018
Fiscal Year	2014	2015	2016	2017	2018	2019
<b>Taxable Value</b>	\$ 1,789,766,930	\$ 1,851,705,894	\$ 1,920,733,524	\$ 1,968,751,862	\$ 2,017,970,659	\$ 2,068,419,925
Less: Brownfield captured taxable value (taxable value)		(9,333,827)	(13,085,188)	(13,477,744)	(13,882,076)	(14,298,538)
Less: personal property and various allowances		(17,561,497)	(40,000,000)	(40,000,000)	(20,000,000)	(20,000,000)
<b>Adjusted Taxable Value</b>	\$ 1,789,766,930	\$ 1,824,810,570	\$ 1,867,648,336	\$ 1,915,274,118	\$ 1,984,088,583	\$ 2,034,121,387
<b>PA 86 of 2014, taxable value to determine debt millage (associated with the Small Business Personal Property Exemption)</b>		\$ 1,855,520,244	\$ 1,924,547,874			
<b>Millage Rate</b>						<b>Expiration Date</b>
General	0.6824	0.6816	0.6804	0.6804	0.6804	0.6804 **
General Voted Millage	0.1176	0.1176	0.1174	0.1174	0.1174	2020
Public Safety	5.0000	6.2500	6.2386	6.2386	6.2386	2020
Shared Services	0.4574	0.7574	0.7560	0.7560	0.7560	2020
<b>Total Operating Millage</b>	<b>6.2574</b>	<b>7.8066</b>	<b>7.7924</b>	<b>7.7924</b>	<b>7.7924</b>	<b>7.7924</b>
Seven Mile Property Debt Retirement	0.8500	0.8498	0.8640	0.8640	0.8640	2029
<b>Total Debt Millage</b>	<b>0.8500</b>	<b>0.8498</b>	<b>0.8640</b>	<b>0.8640</b>	<b>0.8640</b>	<b>0.8640</b>
<b>Total Township Millage Rate</b>	<b>7.1074</b>	<b>8.6564</b>	<b>8.6564</b>	<b>8.6564</b>	<b>8.6564</b>	<b>8.6564</b>
<b>Taxes</b>						
General Fund	\$ 1,221,000	\$ 1,244,000	\$ 1,271,000	\$ 1,303,000	\$ 1,350,000	\$ 1,384,000
General Fund Voted Millage	210,000	215,000	219,000	225,000	233,000	239,000
Police and Fire Funds	8,949,000	11,405,000	11,652,000	11,949,000	12,378,000	12,690,000
Shared Services	819,000	1,382,000	1,412,000	1,448,000	1,500,000	1,538,000
Seven Mile Property Debt Retirement	1,521,000	1,577,000	1,625,000	1,666,000	1,726,000	1,770,000
<b>Total property tax revenue</b>	<b>\$ 12,720,000</b>	<b>\$ 15,823,000</b>	<b>\$ 16,179,000</b>	<b>\$ 16,591,000</b>	<b>\$ 17,187,000</b>	<b>\$ 17,621,000</b>
<b>% Change in taxable value from</b>	1.89%	3.46%	3.73%	2.50%	2.50%	2.50%
** The General Fund - Headlee cap of .6816 mills was reduced in 2015 by the Headlee millage reduction fraction						

## Public Safety (multi-year budget)

The Township has a separately voted public safety millage dedicated for police and fire operations. The Public Safety Fund multi-year projections below show ***budgeted revenues in excess of expenditures*** in fiscal year 2016. For fiscal year 2016, the Public Safety authorized millage rate has been reduced by the Headlee tax formula from 6.2500 mills to 6.2386 mills.

Charter Township of Northville Multi-Year Budget Analysis 2014-19 Public Safety Fund (Does not include Special Operations)						
REVENUE						
DESCRIPTION	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
Property Taxes	\$ 9,046,232	\$ 11,405,000	\$ 11,652,000	\$ 11,949,000	\$ 12,378,000	\$ 12,690,000
Licenses, Permits & Charges for Services	823,149	651,900	660,720	660,720	660,720	660,720
Federal Sources	283,044	20,000	20,000	20,000	20,000	20,000
State Sources	123,293	165,000	115,000	115,000	115,000	115,000
Fines & Forfeitures	330,819	188,050	130,000	30,000	-	-
Interest Income	77,100	11,350	11,350	10,000	10,000	10,000
Other Revenue	490,795	95,630	95,300	95,300	95,300	95,300
<b>Total revenue</b>	<b>\$ 11,174,432</b>	<b>\$ 12,536,930</b>	<b>\$ 12,684,370</b>	<b>\$ 12,880,020</b>	<b>\$ 13,279,020</b>	<b>\$ 13,591,020</b>
APPROPRIATIONS						
DESCRIPTION	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
<b>Police</b>						
Personal Services	\$ 5,193,039	\$ 5,355,700	\$ 5,615,410	\$ 5,840,020	\$ 6,073,630	\$ 6,316,580
Supplies	171,558	174,800	177,500	178,390	179,290	180,190
Other Services and Charges	978,053	949,320	945,550	950,280	955,030	959,810
Capital Outlay	143,098	390,500	248,450	311,000	196,000	196,000
Transfers Out	159,610	159,350	157,750	156,220	154,780	152,210
Total police expenditures	\$ 6,645,358	\$ 7,029,670	\$ 7,144,660	\$ 7,435,910	\$ 7,558,730	\$ 7,804,790
<b>Fire:</b>						
Personal Services	\$ 3,908,501	\$ 3,959,860	\$ 4,055,940	\$ 4,218,180	\$ 4,386,910	\$ 4,562,390
Supplies	140,527	126,000	170,000	170,850	171,710	172,580
Other Services and Charges	579,512	436,000	468,700	471,050	473,410	475,780
Capital Outlay	121,741	192,000	130,000	25,000	230,000	230,000
Transfers Out	319,210	318,700	315,500	312,440	309,550	305,020
Total fire expenditures	\$ 5,069,491	\$ 5,032,560	\$ 5,140,140	\$ 5,197,520	\$ 5,571,580	\$ 5,745,770
<b>Total public safety expenditures</b>	<b>\$ 11,714,849</b>	<b>\$ 12,062,230</b>	<b>\$ 12,284,800</b>	<b>\$ 12,633,429</b>	<b>\$ 13,130,310</b>	<b>\$ 13,550,560</b>
Public Safety Fund-Fund Balance Summary						
	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
Fund balance, unassigned beginning	\$ 2,862,861	\$ 2,438,026	\$ 3,267,726	\$ 3,667,296	\$ 3,913,887	\$ 4,062,597
Restricted for drug forfeitures	1,455,089	1,339,507	984,507	984,507	984,507	984,507
Fund balance, beginning (excludes Special Operations)	4,317,950	3,777,533	4,252,233	4,651,803	4,898,394	5,047,104
Annual Revenue	11,174,432	12,536,930	12,684,370	12,880,020	13,279,020	13,591,020
Annual Expenditures	(11,714,849)	(12,062,230)	(12,284,800)	(12,633,429)	(13,130,310)	(13,550,560)
Revenues over/(under) expenditures	(540,417)	474,700	399,570	246,591	148,710	40,460
<b>Ending Fund Balance:</b>	<b>\$ 3,777,533</b>	<b>\$ 4,252,233</b>	<b>\$ 4,651,803</b>	<b>\$ 4,898,394</b>	<b>\$ 5,047,104</b>	<b>\$ 5,087,564</b>
Estimated Ending Fund Balance	\$ 3,777,533	\$ 4,252,233	\$ 4,651,803	\$ 4,898,394	\$ 5,047,104	\$ 5,087,564
16.7% Target fund balance for contingencies				2,109,780	2,192,760	2,262,940
<b>Cumulative Amount Over/(Under) Minimum Reserve Levels</b>				<b>\$1,557,516</b>	<b>\$1,721,127</b>	<b>\$ 1,799,657</b>

## General Fund (multi-year budget)

The multi-year budget plan maintains General Fund reserves within the Government Finance Officers Association, recommended minimum levels of 16.7% of budgeted expenditures.

### Charter Township of Northville Multi-Year Budget Analysis 2014-19 GENERAL FUND - Revenue

DESCRIPTION	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
<b>TAXES</b>						
Property Taxes	\$ 1,448,991	\$ 1,459,000	\$ 1,490,000	\$ 1,528,000	\$ 1,583,000	\$ 1,623,000
Tax Billing Services	66,529	61,000	61,000	61,000	61,000	61,000
Penalty and Interest	11,890	14,000	14,000	14,000	14,000	14,000
Taxes	<u>\$ 1,527,410</u>	<u>\$ 1,534,000</u>	<u>\$ 1,565,000</u>	<u>\$ 1,603,000</u>	<u>\$ 1,658,000</u>	<u>\$ 1,698,000</u>
<b>LICENSES, PERMITS &amp; CHARGES FOR SERVICES</b>						
Mechanical Permits	\$ 98,352	\$ 100,000	\$ 80,000	\$ 50,000	\$ 50,000	\$ 50,000
Building Permits	764,053	500,000	350,000	300,000	300,000	300,000
Electrical Permits	111,716	80,000	50,000	40,000	40,000	40,000
Plumbing Permits	63,661	70,000	40,000	30,000	30,000	30,000
Building Miscellaneous	13,813	5,000	5,000	5,000	5,000	5,000
IT Contracted Services	21,855	21,860	21,860	21,860	21,860	21,860
Dog Licenses	4,828	2,500	2,500	2,500	2,500	2,500
ZBA fees	550	800	800	800	800	800
Planning Fees	60,165	45,000	45,000	45,000	45,000	45,000
Engineering Plan Review	24,588	10,300	-	-	-	-
Administrative Reimbursement	63,565	24,960	10,000	10,000	10,000	10,000
Duplicating/Reports	436	500	500	500	500	500
Election revenue	860	31,800	-	-	-	-
Business License Fees	1,300	1,300	1,300	1,300	1,300	1,300
Administrative Services	236,750	241,500	246,330	251,260	256,290	261,420
Public Utility	545,334	400,000	400,000	400,000	400,000	400,000
Licenses, Permits & Charges for Services	<u>\$ 2,011,826</u>	<u>\$ 1,535,520</u>	<u>\$ 1,253,290</u>	<u>\$ 1,158,220</u>	<u>\$ 1,163,250</u>	<u>\$ 1,168,380</u>
<b>STATE SOURCES</b>						
State Revenue Sharing	<u>\$ 2,214,975</u>	<u>\$ 2,193,200</u>	<u>\$ 2,193,200</u>	<u>\$ 2,140,130</u>	<u>\$ 2,161,530</u>	<u>\$ 2,183,150</u>
<b>OTHER REVENUE</b>						
Forfeiture of Bonds	\$ 38,845	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Donations	1,100	-	-	-	-	-
Special Assessment Collections	32,591	24,500	24,500	15,000	15,000	15,000
Federal grants (tornado sirens)	29,175	-	-	-	-	-
Miscellaneous Revenue	113,065	25,000	25,000	25,250	25,500	25,760
Other Revenue	<u>\$ 214,776</u>	<u>\$ 52,500</u>	<u>\$ 52,500</u>	<u>\$ 43,250</u>	<u>\$ 43,500</u>	<u>\$ 43,760</u>
<b>INTEREST INCOME</b>	<u>\$ 11,909</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 12,400</u>	<u>\$ 12,800</u>	<u>\$ 13,200</u>
<b>OTHER FINANCING SOURCES</b>						
Proceeds from sales of land	402,054	-	-	-	-	-
Federal sources	<u>\$ 402,054</u>	<u>\$ -</u>				
<b>TOTAL REVENUE</b>	<u><u>\$ 6,382,950</u></u>	<u><u>\$ 5,327,220</u></u>	<u><u>\$ 5,075,990</u></u>	<u><u>\$ 4,957,000</u></u>	<u><u>\$ 5,039,080</u></u>	<u><u>\$ 5,106,490</u></u>

## General Fund (multi-year budget continued)

Charter Township of Northville  
Multi-Year Budget Analysis 2014-19  
GENERAL FUND - Appropriations

DESCRIPTION	Actual 2014	Estimated 2015	Budget 2016	Projected		
				2017	2018	2019
<b>LEGISLATIVE</b>						
Personnel Services	\$ 588,078	\$ 632,450	\$ 655,250	\$ 684,740	\$ 715,550	\$ 747,750
Supplies	43,806	64,000	64,000	65,920	67,900	69,940
Other Services and Charges	1,641,264	732,720	976,520	1,005,820	1,035,990	1,067,070
Capital Outlay	41,360	170,000	-	-	-	-
	<u>\$ 2,314,508</u>	<u>\$ 1,599,170</u>	<u>\$ 1,695,770</u>	<u>\$ 1,756,480</u>	<u>\$ 1,819,440</u>	<u>\$ 1,884,760</u>
<b>TOWNSHIP CLERK'S OFFICE</b>						
Personnel Services	\$ 338,225	\$ 310,280	\$ 350,340	\$ 324,240	\$ 366,110	\$ 338,830
Supplies	41,189	7,000	40,000	7,210	41,200	7,430
Other Services and Charges	6,930	6,000	9,000	6,180	9,270	6,370
Capital Outlay	-	1,000	-	-	-	-
	<u>\$ 386,344</u>	<u>\$ 324,280</u>	<u>\$ 399,340</u>	<u>\$ 337,630</u>	<u>\$ 416,580</u>	<u>\$ 352,630</u>
<b>TREASURER</b>						
Personnel Services	\$ 641,845	\$ 661,360	\$ 700,100	\$ 731,600	\$ 764,520	\$ 798,920
Supplies	-	-	-	-	-	-
Other Services and Charges	311,079	308,340	319,260	328,840	338,710	348,870
Capital Outlay	-	-	-	-	-	-
	<u>\$ 952,924</u>	<u>\$ 969,700</u>	<u>\$ 1,019,360</u>	<u>\$ 1,060,440</u>	<u>\$ 1,103,230</u>	<u>\$ 1,147,790</u>
<b>BUILDING DEPARTMENT</b>						
Personnel Services	\$ 433,570	\$ 461,710	\$ 481,980	\$ 503,670	\$ 526,340	\$ 550,030
Supplies	1,301	10,000	10,000	10,300	10,610	10,930
Other Services and Charges	91,990	100,700	112,500	115,880	119,360	122,940
Capital Outlay	-	26,940	-	-	-	-
	<u>\$ 526,861</u>	<u>\$ 599,350</u>	<u>\$ 604,480</u>	<u>\$ 629,850</u>	<u>\$ 656,310</u>	<u>\$ 683,900</u>
<b>PLANNING DEPARTMENT</b>						
Personnel Services	\$ 182,310	\$ 190,730	\$ 196,680	\$ 205,530	\$ 214,780	\$ 224,450
Supplies	-	-	-	-	-	-
Other Services and Charges	4,084	35,000	39,100	40,270	41,480	42,720
Capital Outlay	-	-	-	-	-	-
	<u>\$ 186,394</u>	<u>\$ 225,730</u>	<u>\$ 235,780</u>	<u>\$ 245,800</u>	<u>\$ 256,260</u>	<u>\$ 267,170</u>
<b>TRANSFERS OUT</b>						
Debt Service Funds	\$ 376,220	\$ 375,610	\$ 371,840	\$ 368,230	\$ 364,830	\$ 359,500
Capital Projects	512,730	266,230	130,000	130,000	130,000	130,000
	<u>\$ 888,950</u>	<u>\$ 641,840</u>	<u>\$ 501,840</u>	<u>\$ 498,230</u>	<u>\$ 494,830</u>	<u>\$ 489,500</u>
<b>CONTINGENCIES</b>						
	<u>\$ -</u>					
<b>Capital Outlay and/or Non-Recurring Expenditures</b>						
One-time capital items, service improvements, etc.**		-	-	66,250	-	-
<b>TOTAL APPROPRIATIONS/EXPENDITURES</b>	<u>\$ 5,255,981</u>	<u>\$ 4,360,070</u>	<u>\$ 4,456,570</u>	<u>\$ 4,594,680</u>	<u>\$ 4,746,650</u>	<u>\$ 4,825,750</u>

## General Fund (multi-year budget continued)

### Multi-Year Budget Analysis 2014-19 GENERAL FUND - Fund Balance

DESCRIPTION	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
<u>General Fund-Fund Balance Summary</u>						
Fund balance, unassigned beginning	\$ 5,752,961	\$ 7,036,145	\$ 8,171,508	\$ 8,934,186	\$ 9,439,764	\$ 9,875,452
Restricted for donations to Thayer School	5,125	6,225	6,225	6,225	6,225	6,225
Nonspendable fund balance	999,123	841,808	673,595	530,337	387,079	243,821
Fund balance, beginning, total	\$ 6,757,209	\$ 7,884,178	\$ 8,851,328	\$ 9,470,748	\$ 9,833,068	\$ 10,125,498
Annual Revenue	6,382,950	5,327,220	5,075,990	4,957,000	5,039,080	5,106,490
Annual Expenditures	(5,255,981)	(4,360,070)	(4,456,570)	(4,594,680)	(4,746,650)	(4,825,750)
Revenues over/(under) expenditures	1,126,969	967,150	619,420	362,320	292,430	280,740
Estimated Ending Fund Balance	\$ 7,884,178	\$ 8,851,328	\$ 9,470,748	\$ 9,833,068	\$ 10,125,498	\$ 10,406,238
Total Fund balance as a percentage of total annual expenditures	150.0%	203.0%	212.5%	214.0%	213.3%	215.6%
Fund Balance Ending (reserve 16.7% of current expenditures)			\$ 744,247	\$ 767,312	\$ 792,691	\$ 805,900
Funds in excess/or (shortfall) of 16.7% reserve			\$ 8,726,501	\$ 9,065,756	\$ 9,332,807	\$ 9,600,338

### General Fund Capital Outlay and Non-Recurring Expenditures

During the year, a capital needs assessment was completed for Township Hall, Police, Fire and the Department of Public Services facilities. The assessment was conducted for the purpose of:

- Reviewing the physical condition of each site and structure within the Township.
- Determining the capital improvement needs of each respective Township facility, equipment, systems and structural elements over a 20-year period, including non-dwelling components such as parking lots and common areas.
- Estimating the projected costs of recommended capital improvements, major repairs, and replacement of appliances, taking into account such variables as standard rates of inflation.
- Creating building reserves to ensure that funds have been provided for the inevitable need to reinvest in the Township's facilities.

The needs assessment assumes future capital actions are based on useful life expectations and continued effective maintenance and physical management of each facility. Costs for the twenty year plan total \$3,816,505 in current dollars (\$4,778,338 in inflated dollars). Currently there is no established replacement reserve for these properties. Beginning with the 2016 Budget Plan, it is recommended to start funding annual contributions of \$130,000 from the General Fund.

# Executive Summary

## Capital Needs Assessment and Replacement Reserve Analysis

Chartered Township of Northville, MI

### 5-Year Reserve Funding Analysis

	2016	2017	2018	2019	2020
<b>Reserve Balances</b>					
Starting Replacement Reserves	\$266,230	\$307,110	\$258,110	\$216,110	\$291,110
<b>Annual Funding</b>	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Estimated Capital Cost	\$89,120	\$179,000	\$172,000	\$55,000	\$96,000
<b>Reserve Balances</b>	<b>\$307,110</b>	<b>\$258,110</b>	<b>\$216,110</b>	<b>\$291,110</b>	<b>\$325,110</b>

Capital renewal and replacement is defined as a systematic management process to plan and budget for known cyclic repair and replacement requirements that extend the life and retain usable condition of facilities and systems and are not normally contained in the annual operating budget. By planning ahead and systematically saving for future capital needs, the Township can help mitigate the financial impact of major, nonrecurring expenditures on future budgets.

### Major Maintenance and Capital Renewal and Replacement Strategy

The key components of a major maintenance and capital renewal and replacement assets are as follows

- Funding maintenance and repairs at adequate levels to avoid accumulation of backlogs.

- Conducting facilities audits and assessments of conditions.

- Prioritizing critical deferred maintenance needs.

- Adjusting operating and capital budgeting practices to emphasize maintenance and capital renewal.

## Special Revenue Funds (multi-year budget)

The Special Operations Fund's purpose is to account for expenditures associated with the Western Wayne County Special Operations Team.

Charter Township of Northville  
Multi-Year Budget Analysis 2014-19  
Special Operations Fund

DESCRIPTION	REVENUE					
	Actual 2014	Estimated 2015	Budget 2016	Projected		
				2017	2018	2019
Other Revenue	50,000	50,000	50,000	50,000	50,000	50,000
Total revenue	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
DESCRIPTION	APPROPRIATIONS					
	Actual 2014	Estimated 2015	Budget 2016	Projected		
				2017	2018	2019
Capital Outlay	77,600	50,000	50,000	50,000	50,000	50,000
Total expenditures	<u>\$ 77,600</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Fund Balance, Beginning	\$ 54,433	\$ 26,833	\$ 26,833	\$ 26,833	\$ 26,833	\$ 26,833
Revenues over/(under) expenditures	(27,600)	-	-	-	-	-
Ending Fund Balance	<u>\$ 26,833</u>	<u>\$ 26,833</u>	<u>\$ 26,833</u>	<u>\$ 26,833</u>	<u>\$ 26,833</u>	<u>\$ 26,833</u>

<b>Fund Balance Analysis - Special Operations Fund:</b>					
Fund Balance, January 1, 2015				\$ 26,833	
Estimated 2015:					
Revenue				50,000	
Expenditures				<u>(50,000)</u>	
Revenues over/(under) expenditures					-
2016 Budget:					
Revenue				50,000	
Expenditures				<u>(50,000)</u>	
Revenues over/(under) expenditures					-
Projected Fund Balance, December 31, 2016					<u>\$ 26,833</u>

## Special Revenue Funds (multi-year budget continued)

Northville Parks and Recreation Commission is a shared service provided through an agreement between the City of Northville and the Charter Township of Northville.

### Charter Township of Northville Multi-Year Budget Analysis 2014-19 Shared Services Fund

DESCRIPTION	REVENUE			Projected		
	Actual 2014	Estimated 2015	Budget 2016	2017	2018	2019
Property Taxes	\$ 826,742	\$ 1,382,000	\$ 1,412,000	\$ 1,448,000	\$ 1,500,000	\$ 1,538,000
Interest Income	1,894	1,500	1,500	1,500	1,500	1,500
<b>Total revenue</b>	<b>\$ 828,636</b>	<b>\$ 1,383,500</b>	<b>\$ 1,413,500</b>	<b>\$ 1,449,500</b>	<b>\$ 1,501,500</b>	<b>\$ 1,539,500</b>
DESCRIPTION	APPROPRIATIONS			Projected		
	Actual 2014	Estimated 2015	Budget 2016	2017	2018	2019
Senior programs	\$ 156,434	\$ 156,430	\$ 156,430	\$ 156,430	\$ 156,430	\$ 156,430
Recreation programs	852,869	852,870	852,870	852,870	852,870	852,870
Youth programs	90,930	92,700	94,530	94,530	94,530	94,530
Park development	15,000	15,000	15,000	15,000	15,000	15,000
Transfers out	-	266,230	253,100	295,100	330,100	313,300
<b>Total expenditures</b>	<b>\$ 1,115,233</b>	<b>\$ 1,383,230</b>	<b>\$ 1,371,930</b>	<b>\$ 1,413,930</b>	<b>\$ 1,448,930</b>	<b>\$ 1,432,130</b>
Fund Balance, Beginning	\$ 1,097,614	\$ 811,017	\$ 811,287	\$ 852,857	\$ 888,427	\$ 940,997
Revenues over/(under) expenditures	(286,597)	270	41,570	35,570	52,570	107,370
Ending Fund Balance	<u>\$ 811,017</u>	<u>\$ 811,287</u>	<u>\$ 852,857</u>	<u>\$ 888,427</u>	<u>\$ 940,997</u>	<u>\$ 1,048,367</u>
Fund Balance Ending (minimum 16.7%)				<u>186,244</u>	<u>230,999</u>	<u>229,112</u>
<i>Funds in excess/or (shortfall) of reserve amount</i>				<u>\$ 702,183</u>	<u>\$ 709,998</u>	<u>\$ 819,255</u>

### **Fund Balance Analysis - Shared Services Fund:**

Fund Balance, January 1, 2015					\$ 811,017
Estimated 2015:					
Revenue				1,383,500	
Expenditures				(1,383,230)	
Revenues over/(under) expenditures					270
2016 Budget:					
Revenue				1,413,500	
Expenditures				(1,371,930)	
Revenues over/(under) expenditures					41,570
Projected Fund Balance, December 31, 2016					<u>\$ 852,857</u>

## Special Revenue Funds (multi-year budget continued)

Northville Youth Assistance (NYA) was established in December 1986 as part of the Shared Services Agreement between the Charter Township of Northville and the City of Northville, with the cooperation of the Northville Public Schools.

### Charter Township of Northville Multi-Year Budget Analysis 2014-19 Youth Assistance Fund

DESCRIPTION	REVENUE					
	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
County sources	\$ 5,358	\$ 5,360	\$ 5,360	\$ 5,360	\$ 5,360	\$ 5,360
Conrad Charitable Foundation Donations *	50,289	-	-	-	-	-
Northville Township contributions	90,930	92,700	94,530	94,530	94,530	94,530
Northville City contributions	17,320	17,490	18,010	18,010	18,010	18,010
Other	2,342	17,070	18,100	14,700	14,700	14,700
<b>Total revenue</b>	<b>\$ 166,239</b>	<b>\$ 132,620</b>	<b>\$ 136,000</b>	<b>\$ 132,600</b>	<b>\$ 132,600</b>	<b>\$ 132,600</b>

DESCRIPTION	APPROPRIATIONS					
	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
Personnel Services	\$ 93,863	\$ 96,440	\$ 98,910	\$ 101,880	\$ 104,940	\$ 108,090
Supplies	2,502	1,600	1,600	1,610	1,620	1,630
Other Services & Charges	15,284	19,020	18,770	18,870	18,970	19,070
Conrad Charitable Foundation *	41,803	-	-	-	-	-
Program Expenditures	23,732	20,000	23,440	18,300	18,300	18,300
<b>Total expenditures</b>	<b>\$ 177,184</b>	<b>\$ 137,060</b>	<b>\$ 142,720</b>	<b>\$ 140,660</b>	<b>\$ 143,830</b>	<b>\$ 147,090</b>

\*These donations are restricted for specific purposes.

Fund balance, unassigned beginning	\$ 123,696	\$ 104,265	\$ 99,825	\$ 93,105	\$ 85,045	\$ 73,815
Restricted for Conrad Charitable Trust	33,115	41,601	41,601	41,601	41,601	41,601
Fund balance, beginning, total	156,811	145,866	141,426	134,706	126,646	115,416
Revenues over/(under) expenditures	(10,945)	(4,440)	(6,720)	(8,060)	(11,230)	(14,490)
Estimated Ending Fund Balance	\$ 145,866	\$ 141,426	\$ 134,706	\$ 126,646	\$ 115,416	\$ 100,926

<b>Fund Balance Analysis - Youth Assistance Fund:</b>						
				<b>Youth Assistance</b>	<b>Conrad Charitable</b>	<b>Total</b>
Fund Balance, January 1, 2015				\$ 104,265	\$ 41,601	\$ 145,866
Estimated 2015:						
Revenue				132,620	70	132,690
Expenditures				(137,060)	(18,330)	(155,390)
Revenues over/(under) expenditures				(4,440)	(18,260)	(22,700)
2016 Budget:						
Revenue				136,000	-	136,000
Expenditures				(142,720)	-	(142,720)
Revenues over/(under) expenditures				(6,720)	-	(6,720)
Projected Fund Balance, December 31, 2016				\$ 93,105	\$ 23,341	\$ 116,446

## Special Revenue Funds (multi-year budget continued)

The Community Development Block Grant Fund is used to account for federal grants and related expenditures in accordance with regulations of the U.S. Department of Housing and Urban Development (HUD) to develop viable communities.

### Charter Township of Northville Multi-Year Budget Analysis 2014-19 Community Development Block Grant Fund

DESCRIPTION	REVENUE					
	Actual 2014	Estimated 2015	Budget 2016	Projected		
				2017	2018	2019
Federal Grants	-	301,970	-	-	-	-
Total revenue	\$ -	\$ 301,970	\$ -	\$ -	\$ -	\$ -
DESCRIPTION	APPROPRIATIONS					
	Actual 2014	Estimated 2015	Budget 2016	Projected		
				2017	2018	2019
Seven Mile Property Building Demolition	-	301,970	-	-	-	-
Total expenditures	\$ -	\$ 301,970	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues over/(under) expenditures	-	-	-	-	-	-
Estimated Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<b>Fund Balance Analysis - Community Development Block Grant Fund:</b>						
Fund Balance, January 1, 2015						\$ -
Estimated 2015:						
Revenue					301,970	
Expenditures					(301,970)	
Revenues over/(under) expenditures						-
2016 Budget:						
Revenue					-	
Expenditures					-	
Revenues over/(under) expenditures						-
Projected Fund Balance, December 31, 2016						\$ -

## Capital Projects Fund (multi-year budget)

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction including maintenance to extend the useful life of capital or infrastructure improvements.

### Charter Township of Northville Multi-Year Budget Analysis 2014-19 Capital Projects Fund

DESCRIPTION	REVENUE					
	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
Special assessment collections	\$ 12,814	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Interest on special assessments	7,945	6,920	6,920	6,920	6,920	6,920
Interest Income	656	700	700	700	700	700
Transfers in	512,730	266,230	130,000	130,000	130,000	130,000
Other	142,400	225,000	16,000	16,000	16,000	16,000
<b>Total revenue</b>	<b>\$ 676,545</b>	<b>\$ 510,350</b>	<b>\$ 165,120</b>	<b>\$ 165,120</b>	<b>\$ 165,120</b>	<b>\$ 165,120</b>
DESCRIPTION	APPROPRIATIONS					
	Actual	Estimated	Budget	Projected		
	2014	2015	2016	2017	2018	2019
Capital Outlay	\$ 139,397	\$ 143,700	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Facility maintenance/renovation	-	-	89,120	179,000	172,000	55,000
Pathway maintenance	26,400	16,000	16,000	16,000	16,000	16,000
Election equipment	-	-	50,000	-	-	-
Seven Mile Project	-	31,800	-	-	-	-
Five Mile Road project	18,421	150,000	-	-	-	-
Thayer's Corner (replace roof)	-	15,600	-	-	-	-
Transfers out	274,330	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 458,548</b>	<b>\$ 357,100</b>	<b>\$ 165,120</b>	<b>\$ 205,000</b>	<b>\$ 198,000</b>	<b>\$ 81,000</b>
Fund balance, unassigned beginning	\$ 511,933	\$ 463,700	\$ 576,070	\$ 625,070	\$ 627,190	\$ 519,310
Capital replacement reserve	-	266,230	307,110	258,110	216,110	291,110
Fund balance, beginning, total	511,933	729,930	883,180	883,180	843,300	810,420
Revenues over/(under) expenditures	217,997	153,250	-	(39,880)	(32,880)	84,120
Estimated Ending Fund Balance	<b>\$ 729,930</b>	<b>\$ 883,180</b>	<b>\$ 883,180</b>	<b>\$ 843,300</b>	<b>\$ 810,420</b>	<b>\$ 894,540</b>

<b>Fund Balance Analysis - Capital Projects Fund:</b>						
Fund Balance, January 1, 2015						\$ 729,930
Estimated 2015:						
Revenue					510,350	
Expenditures					(357,100)	
Revenues over/(under) expenditures						153,250
2016 Budget:						
Revenue					165,120	
Expenditures					(165,120)	
Revenues over/(under) expenditures						-
Projected Fund Balance, December 31, 2016						\$ 883,180

## Debt Service Funds (multi-year budget continued)

The purpose of a debt service fund is to account for the accumulation of resources for the payment of interest as well as the principal on debt instruments that have been issued by the Township.

Charter Township of Northville  
Multi-Year Budget Analysis 2014-19  
**2006 REFUNDING BONDS - LAND ACQUISITION**

DESCRIPTION	REVENUE					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Transfers in	\$ 274,330	\$ 266,230	\$ 253,100	\$ 295,100	\$ 330,100	\$ 313,300
Total revenue	<u>\$ 274,330</u>	<u>\$ 266,230</u>	<u>\$ 253,100</u>	<u>\$ 295,100</u>	<u>\$ 330,100</u>	<u>\$ 313,300</u>
DESCRIPTION	APPROPRIATIONS					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Principal	\$ 205,000	\$ 205,000	\$ 200,000	\$ 250,000	\$ 295,000	\$ 290,000
Interest expense	69,200	61,000	52,800	44,800	34,800	23,000
Paying agent fees	300	300	300	300	300	300
Total expenditures	<u>\$ 274,500</u>	<u>\$ 266,300</u>	<u>\$ 253,100</u>	<u>\$ 295,100</u>	<u>\$ 330,100</u>	<u>\$ 313,300</u>

**2009 GENERAL OBLIGATION UNLIMITED TAX - SEVEN MILE PROPERTY PURCHASE**  
(Build America Bonds)

DESCRIPTION	REVENUE					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Current property taxes	\$ 1,541,118	\$ 1,577,000	\$ 1,625,000	\$ 1,666,000	\$ 1,726,000	\$ 1,770,000
Appropriation to fund balance	-	-	(29,720)	(33,320)	(137,350)	(146,820)
Total revenue	<u>\$ 1,541,118</u>	<u>\$ 1,577,000</u>	<u>\$ 1,595,280</u>	<u>\$ 1,632,680</u>	<u>\$ 1,588,650</u>	<u>\$ 1,623,180</u>
DESCRIPTION	APPROPRIATIONS					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Principal	\$ 810,000	\$ 885,000	\$ 880,000	\$ 955,000	\$ 950,000	\$ 1,025,000
Interest expense	780,030	750,140	713,980	676,380	637,350	596,880
Paying agent fees	1,100	1,100	1,300	1,300	1,300	1,300
Total expenditures	<u>\$ 1,591,130</u>	<u>\$ 1,636,240</u>	<u>\$ 1,595,280</u>	<u>\$ 1,632,680</u>	<u>\$ 1,588,650</u>	<u>\$ 1,623,180</u>

**2012 REFUNDING BONDS - BUILDING AUTHORITY**

DESCRIPTION	REVENUE					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Transfers in	\$ 1,140,050	\$ 1,138,210	\$ 1,126,800	\$ 1,115,850	\$ 1,105,550	\$ 1,089,350
Total revenue	<u>\$ 1,140,050</u>	<u>\$ 1,138,210</u>	<u>\$ 1,126,800</u>	<u>\$ 1,115,850</u>	<u>\$ 1,105,550</u>	<u>\$ 1,089,350</u>
DESCRIPTION	APPROPRIATIONS					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Principal	\$ 835,000	\$ 850,000	\$ 855,000	\$ 870,000	\$ 895,000	\$ 915,000
Interest expense	305,450	288,600	271,550	245,600	210,300	174,100
Paying agent fees	250	250	250	250	250	250
Total expenditures	<u>\$ 1,140,700</u>	<u>\$ 1,138,850</u>	<u>\$ 1,126,800</u>	<u>\$ 1,115,850</u>	<u>\$ 1,105,550</u>	<u>\$ 1,089,350</u>

## Debt Service Funds (multi-year budget continued)

### 2009 SPECIAL ASSESSMENT LIMITED TAX BONDS

DESCRIPTION	REVENUE					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Special assessment collections	\$ 50,770	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500
Interest on special assessments	24,832	19,030	17,120	15,220	13,320	12,000
Appropriation - fund balance	-	-	12,380	12,560	12,550	11,840
Total revenue	<u>\$ 75,602</u>	<u>\$ 52,530</u>	<u>\$ 63,000</u>	<u>\$ 61,280</u>	<u>\$ 59,370</u>	<u>\$ 57,340</u>

DESCRIPTION	APPROPRIATIONS					
	Actual 2014	Estimated 2015	Budget 2016	2017	Projected 2018	2019
Principal	\$ 40,000	\$ 40,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Interest expense	20,028	18,740	17,250	15,530	13,620	11,590
Paying agent fees	750	750	750	750	750	750
Total expenditures	<u>\$ 60,778</u>	<u>\$ 59,490</u>	<u>\$ 63,000</u>	<u>\$ 61,280</u>	<u>\$ 59,370</u>	<u>\$ 57,340</u>

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# *Public Safety*

## **Public Safety Demographics**

All officers are full-time paid police officers certified by the **Michigan Commission on Law Enforcement Standards (MCOLES)**.

All firefighters are full-time certified by the **Michigan Firefighter Training Council** as Firefighter I & II, EMT, Paramedic and Hazmat operations.

## **Township Summary**

Over the last 10 years, construction and development have slowed from the pace set in the late 90's and early 2000's. However, 2013 saw an increase in new residential and commercial developments. As many of these developments are completed in phases, the Township should continue to see growth in both population and business and tax base. In 2013, the population of Northville Township increased to 29,553, up from the 2010 Census by a little over 1,000 residents. The chart below illustrates the tremendous growth experienced by the Township from 1970 through 2013.

## **Administrative Division**

The Administrative Division establishes Department strategy, prepares and manages the budget and performs other administrative functions, including performance measurement and statistical reports. The Administrative Division is also responsible for community relations programs, state and federal grant

acquisition and policy and procedure updates. Further, the Administrative Division coordinates the departmental training by sending our officers and firefighters to the most up-to-date training classes locally, nationally and by hosting on-site training classes conducted by the Northville Township Department of Public Safety staff as well as various outside agencies.

## Communications

The Northville Township Department of Public Safety Communications Division is made up of 8 full-time dispatchers, 1 part-time dispatcher and a Dispatch Supervisor. The center is operational 24 hours a day, seven days a week. Communications Division personnel are specially trained in expediting emergency response through the use of sophisticated call taking and computer-aided-dispatch equipment.

The Dispatchers are the first of the “first responders” and have been trained as Emergency Medical Dispatchers. They have been trained to provide potentially life-saving advice, such as the applications of CPR or choking-victim techniques, via telephone, to callers before the arrival of emergency units. This training requires dispatchers to ask mandated questions designed by Doctors to determine what type of call for service they are sending the Fire Department on and when possible the Dispatcher will give pre-arrival instructions to help the caller assist the patient. This does NOT delay response from the Fire Department it allows Dispatch to assist the caller with helping the patient.

The Communications Division answered 53,150 calls during calendar year 2013. These calls are a combination of 911 and business lines for both Northville Township and Northville City Police and Fire Departments. During calendar year 2013 the Communications Division dispatched Police and Fire on the following number of calls for service:

Description	2012	2013
Northville Township Police	16,324	16,236
Northville Township Fire	2,351	2,607
Northville City Police	4,695	4,863
Northville City Fire	565	696

<b>Total Calls for Service</b>	<b>23,935</b>	<b>24,402</b>
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## **Uniform Patrol Division**

The Uniform Patrol Division is responsible for the 24-hour, seven day-a-week patrols of the Township, and is the largest division within the police department. Officers within this division respond to calls for service and conduct proactive patrols in order to protect life, property and prevent unlawful activity. In 2013 the patrol division responded to 16,236 calls for service which included 675 adult arrests, 28 juvenile arrests and 105 driving while intoxicated arrests. Officers within this division also assist other divisions with special events, departmental tours and group presentations (educating citizens on safety).

The Uniform Patrol Division contains specialized work units referred to as special services. These work units are the SWAT Team, Bicycle Squad, Traffic Squad, School Resource Officer (SRO) Program and DARE program.

## **Investigative Division**

The Criminal Investigative Division is primarily responsible for conducting follow-up investigations of all criminal incidents reported to the Northville Township Police Department. Detectives identify and apprehend offenders; recover, identify, preserve property and evidence; prepare assigned cases for prosecution in court; and present cases to the State, Local and Federal prosecutors. In 2013 the detective bureau handled 486 cases. The detectives maintain intelligence files on crimes occurring in the Township. The Investigative Division works in conjunction with other local, state and federal agencies on various cases. Detectives attend monthly meeting groups, which networks all investigating agencies in Western Wayne County and the adjoining areas.

## **Fire Suppression**

Fire suppression includes the response to fires and the other preparation needed to be ready and capable, including training and equipment maintenance. The Fire Department also responds to all calls for emergency medical services and rescue situations using vehicles that have been equipped with Basic and Advanced Life Support (ALS) capabilities. Fire Fighter/Paramedics respond and provide ALS on the scene and transport the patient, if necessary, to the hospital.

## **Advanced Life Support (ALS)**

In 2009, the department was awarded certification by the State of Michigan as an Advanced Life Support (ALS) medical provider. Since the inception of the program the department has continued to work to improve the service provided. All frontline emergency vehicles are capable of providing ALS service at all times. This allows the department to handle multiple ALS incidents simultaneously.

In 2013, the department responded to 1,984 requests for emergency medical service. Of those incidents over 2,000 patients were evaluated and over 1,300 were transported to area hospitals.

Providing ALS from all frontline units allows a quicker response and better patient outcome. The Fire Department Advanced Life Support response delivers faster treatment and transportation to all patients. Quicker response equates to quicker treatment which helps to reduce the length of hospital stays; reduce stroke symptoms and/or long term deficits; and improves the return of spontaneous circulation (ROSC) for patients. Providing at rates over 27% higher than the national average. Along with better patient outcomes the program also provides continuity of care from the original 911 call to the Public Safety Dispatch Center through the response, treatment, transport and emergency room transfer by the Fire Department. These benefits are supported by countless incidents throughout the year, including the following:

***On June 17, 2013, at 9:26 pm the department was dispatched to the report of a 47 year old male patient that was in cardiac arrest. Three (3) FD units arrived 9:30 pm, in less than 3 minutes and 22 seconds, to find the patient lying on the ground with his wife performing CPR. The patient was in cardiac arrest with no pulse or respirations. CPR was continued by FD and ALS was started including the delivery of a defibrillation (shock) within 2 minutes of arrival. ALS treatment was continued and pulses returned to the patient. The patient was loaded into the fire department unit and transport was initiated at 9:41 pm, 11 minutes after the fire departments arrival. The patient arrived at the hospital at 9:50 pm with pulses still intact. The patient was discharged from the hospital after less than one week, with no deficits. From the original 911 call until arrival at the emergency room was less than 25 minutes.***

## **Fire Prevention**

Fire prevention has become a focus of the organization and is accomplished through a variety of methods. In November of 2012, the Northville Township Fire Department added the position of Fire Inspector to the Administrative Division. In 2013, the first full year of the position, the Fire Inspector implemented a number of fire prevention programs, completed national certification and training programs, and conducted inspections and pre-fire plans in an effort to support the mission statement of the department. Other responsibilities include public education, community relations and the development of programs and relationships that enhance the safety of the community.

## Fire Safety Inspection Program

In 2013, the Fire Safety Inspection program of the department made strides in a number of areas. This includes building a strong working relationship between various Township Departments including Building, Engineering and Planning. This relationship has an impact on both the development and construction of projects within our jurisdiction, including: fire department access, fire hydrant locations, fire protection systems, and other various life safety features. This process is beneficial to the contractors, businesses and patrons in the community.

At the end of 2013, the department purchased a new computer software program, MobileEyes, to develop and maintain a database of all business and public buildings within the Township. This program will be vital to the implementation of an Annual Fire and Life Safety Inspection Program. MobileEyes provides the ability to create a Pre-Fire Plan for the buildings in the jurisdiction. Information gathered during inspections of commercial or public buildings will be used to identify important fire protection features and their locations, on-site Hazardous Materials, and other general building information including size, occupancy load and other hazards. This pre-planning program, MobileEyes Responder, will allow all responding vehicles to access vital information regarding the building or its hazards while en route to the scene. Training and implementation of this software will begin in 2014.

In 2013, over 97 fire and life safety inspections were conducted within the Township. These inspections include change of occupancies, new and/or remodeled fire suppression and protection systems, kitchen hood systems and general construction. In 2013 there were also 44 burn permits issued for recreational burning and others issued for environmental prescribed burns.

## Consortium Concept

The Northville Township Department of Public Safety is a member in several area consortiums. The department has been instrumental in the development of several consortiums over the past two decades. The consortium concept was developed as a means to provide investigative and emergency resources to local departments who cannot afford to staff and equip stand-alone units within their own agencies.

Several police agencies in the Western Wayne County area have teamed up with the Michigan State Police and the Wayne County Sheriff's Department to provide the benefit of regional units in return for their monetary contribution and/or contribution of officers from their own agencies. The Northville Township Police Department is currently a member of the following consortiums:

- **Western Wayne Special Operations Team**

The SWAT team was formed in 1987 to provide resources and specialized expertise in resolving critical or high-risk situations. The team also provides dignitary support when requested. This team trains extensively to maintain a state of readiness. Members of the team are required to maintain above average physical fitness standards and marksmanship skills.

- **Western Wayne Community Response Team**

The unit was developed to respond to criminal activity in the community, is comprised of officers from several area departments, along with the Michigan State Police. The team conducts surveillances and criminal investigations; it also is available to assist local agencies when a major crime occurs.

The Northville Township Fire Department is currently a member of the Western Wayne County Mutual Aid Group, an association that consists of 22 area fire departments including the Wayne County Airport Authority and has developed the following consortiums:

- **Western Wayne County Haz-Mat Team**

The Hazardous Incident Response Team was created to provide an emergency response of trained Firefighters to an incident that involves hazardous materials. The purpose of this response team is to respond to releases or potential releases of hazardous materials for the purpose of control or stabilization consistent with nationally recognized practices.

- **Western Wayne County Technical Rescue Team**

A newly developed Technical Rescue Team is currently in the training stages. This team will specialize in confined space, trench, structural collapse, and rope rescue operations. Currently the team has a total of 36 members, 3 from Northville Township.

## **Community Policing Programs**

### **Bicycle Safety**

Officers conduct programs with youth targeted at bicycle safety. Laws applicable to bicyclists are discussed, and bicycle inspections are performed.

### **Police Department Tours**

Departmental tours are provided free to the public upon request. Scouts of all ages, church groups and civic organizations take advantage of this service.

**Ride-A-Long Program**

The Northville Township Police Department allows members of the community who have an interest in law enforcement to ride with commissioned officers. Observers are able to see first-hand the duties performed by law enforcement personnel.

**Reserve Officer Program**

The Northville Township Police Department currently has 15 reserve officers. The reserve officers provide assistance to the Police Department during special events such as parades, the Fourth of July Celebration, etc. Reserve officers work at least 16 hours each month for the Northville Township Police Department.

## **Community Fire Programs**

**CPR Classes**

The Fire Department offers CPR classes for the community. Our American Red Cross certified instructors will teach you the correct techniques, in adult CPR, Infant/child CPR, airway emergencies, and Blood-Borne Pathogens. Classes can also be arranged to teach students how to operate Automated External Defibrillators (AED's), or even basic first aid.

**File of Life**

Residents with severe medical problems, seniors, and other interested citizens are provided a FREE File of Life packet. The packet consists of a program door decal, a File of Life Information Card and a vinyl cardholder for placement on your refrigerator door. The File of Life information card has areas to record personal information concerning medical conditions, drug allergies, emergency contact numbers for friends and family members, doctors' information, prescription information and any special circumstances Rescue personnel should know.

**Child Safety Seat Inspection**

Child Passenger safety technicians assist you in making sure your child seats are installed correctly.

# Northville Township Public Safety Dashboard – 2014

Average Police Response Times to Calls for Service					
	2010	2011	2012	2013	2014
	3.88	4.05	4.09	3.39	4.15
Uniform Road Patrol Comparison					
	2010	2011	2012	2013	2014
Runs	16999	17013	16342	16236	16127
Arrests	966	835	864	703	720
Citations	5169	5235	4948	4679	4881
Prisoners Housed at NTPD					
	2010	2011	2012	2013	2014
Township	867	655	627	624	535
City	179	145	115	155	246
<b>Total</b>	<b>1046</b>	<b>800</b>	<b>742</b>	<b>779</b>	<b>781</b>
Detective Bureau					
	2010	2011	2012	2013	2014
Cases	1252	794	363	527	779
Northville Township Fire Responses					
TYPE	2010	2011	2012	2013	2014
Fires	26	35	46	53	44
Medicals	1761	1745	1764	1984	2135
Hazardous Conditio	95	83	82	116	89
Service Calls	221	239	231	222	262
FPS Activation	78	89	98	101	92
False Alarm	88	100	102	97	121
CO Detector/Alarm	20	12	13	23	32
<b>Totals</b>	<b>2289</b>	<b>2303</b>	<b>2336</b>	<b>2596</b>	<b>2775</b>

Northville Township Crime Statistics					
Violent Offenses					
TYPE	2010	2011	2012	2013	2014
Homicide	0	0	0	0	0
CSC	3	9	11	8	9
Robbery	6	1	5	0	2
Assault/Domestic	70	72	56	46	65
Aggravated Assault	12	5	9	10	12
Intimidation/Stalking	52	41	47	40	43
Non-Violent Offenses					
TYPE	2010	2011	2012	2013	2014
Burglary	69	50	56	52	37
Larceny	261	256	231	212	212
Retail Fraud	110	107	98	98	95
Auto theft	17	19	34	14	23
Drug Related	122	96	60	80	56
Fraud/Identity Theft	126	99	122	142	182
Traffic Related Offenses					
TYPE	2010	2011	2012	2013	2014
Crashes	678	687	714	692	903
OWI	146	70	80	105	75
DWLS/License/Title	261	148	165	148	167
Northville Communications Center					
TYPE	2010	2011	2012	2013	2014
Administrative Calls	52343	48517	44119	44416	44269
911 Calls	8972	8883	8145	8434	8969
<b>Total</b>	<b>61315</b>	<b>57400</b>	<b>52264</b>	<b>53150</b>	<b>53238</b>

# Fiscally-Responsible Government

## Building a Financially Resilient Government through Long-Range Fiscal Planning

Fiscal health measures a local unit's overall ability to maintain services and respond to an emergent situation. There are generally four agreed upon measures of fiscal health. They are (a) cash solvency, (b) budget solvency, (c) long-run solvency and (d) service level-solvency and are defined as follows:

**Cash solvency** measures a local government's liquidity, effective cash management and its ability to pay current liabilities.

**Budgetary solvency** refers to the ability of the government to generate sufficient revenue to fund its current or desired service levels.

**Long-run solvency** refers to the impact of existing long-term obligations on future resources.

**Service level solvency** refers to the ability of the government to provide and sustain a service level that citizens require and desire.

## EXTERNAL FISCAL HEALTH ASSESSMENT

The Michigan Department of Treasury commissioned the Institute for Public Policy and Social Research at Michigan State University to develop fiscal indicators to measure the financial condition of local governments. These scoring measures were recently updated based on the work of the Michigan Government Finance Officers Association. These measures are now available through **Munetrix**, a Michigan based online firm that provides financial benchmarking to local governments. The "**Munetrix**" fiscal scores represent a look at how a community is faring fiscally considering changing economic climates. **The lower the score the more fiscally stable**; as the score increases, the probability for fiscal stress increases.

The **Institute of Ethics and Emerging Technologies** identifies the following essential characteristics of a resilient government:

- **Transparency.** Promote transparency in key areas like goals and objectives, forecast assumptions and reserve standards.
- **Collaboration.** Working together to become stronger. Sharing information and reporting key indicators of financial condition.
- **Redundancy.** Avoid having only one path of escape or rescue. Reserves must be taken seriously by all to prohibit unsustainable uses of fund balance to fund recurring expenditures.
- **Flexibility.** Recognize changing conditions and maintain flexibility and focus on reaching goals to develop a solid future.
- **Foresight.** You can't predict the future, but you can hear its footsteps approaching. Develop effective forecasting techniques to identify emerging patterns within which to develop and execute effective strategies.

## 2014 Community Overview for Northville Township



Northville Township's 2011 fiscal score was a 2 – based on actual results of operations for the fiscal years 2012, 2013 and again in 2014, the Township's score has improved to a perfect 0 – local units that score in this category are deemed to be managing its financial circumstances appropriately.

The scoring system looks at ten ratios which include economic and financial circumstances and a government scores a point if each ratio has moved in the wrong direction (e.g. tax base loss) or is beyond designated thresholds. The ratios are designed to measure factors that are external to government operations, such as population and tax base change, and factors that are internal to government operations, such as operating deficits and the debt load. Low scores reflect strong fiscal health and higher scores reflect poor fiscal health.

### LONG-RANGE FINANCIAL PLANNING AND RESILIENCY

Developing and adopting budgets that support strategic goals without exceeding available resources is always a challenge. In 2008, the Government Finance Officers Association's executive board approved a best practice on long-term financial planning. It says: "*Long-term financial planning is the process of aligning financial resources with long-term service objectives. Financial planning uses forecasts to provide insight into future financial issues so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.*"

Northville Township's approach to long-range financial planning goes well beyond managing sustainability. Our goal is to strive towards achieving financial resiliency by having the **courage** to **make** responsible decisions for **our community** and **future generations**. The Township engages in long-range fiscal planning to ensure:

- reserves are not used for ongoing expenses
- strategic long-term policy decisions are properly identified
- capital improvement projects are carefully planned and funded
- departments are actively engaged in determining demand for services
- flexibility and collaboration when responding to program revenue shortfalls
- elected officials and decision makers incorporate prioritization into the resource allocation process

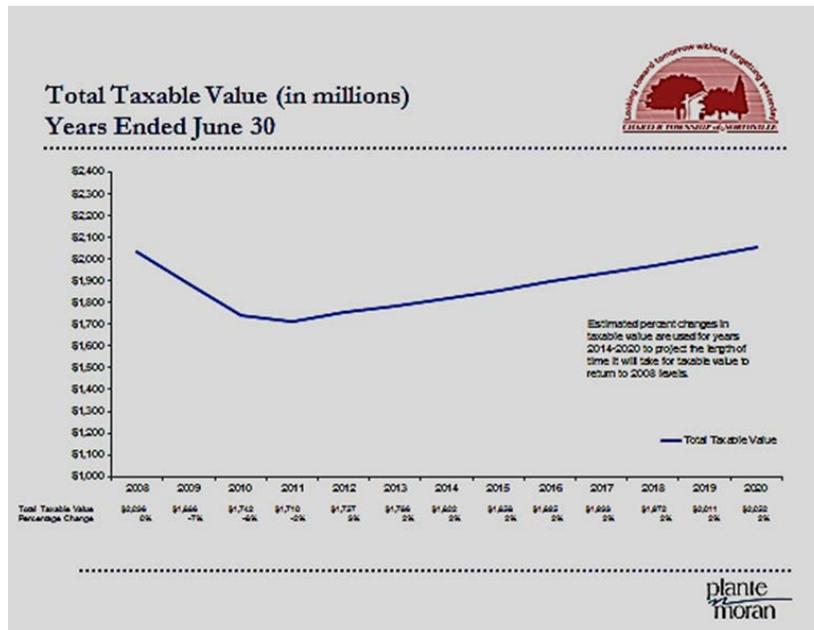
## FISCALLY SOUND AUDIT RESULTS

- Northville Township in the top 3.6% of the State for its excellence in financial reporting** - the Township of Northville's 2014 fiscal year-end audit report shows a job well done by the Board of Trustees and staff.

Along with a fiscally sound nod, the Township received high praise for completing a Comprehensive Annual Financial Report (CAFR) for the third year in a row. This work was undertaken to present a thorough and detailed presentation of the Township's financial condition and places Northville Township in an elite class of Michigan communities for its excellence in financial reporting.

After auditing the December 31, 2014 fiscal year-end financial reports and accounting records of the Township, staff of the certified public accounting firm Plante & Moran, LLC said there were no inconsistencies nor were there any deficiencies with the Township's records resulting in an unmodified opinion from the auditors. It is the highest report a municipality may receive from an external auditor.

According to audit documents, one of the largest sources of revenue for the Township remains property taxes. The Township's taxable value began to decrease in 2008 and **decreased a total of 13.8% between 2008 and 2013**. Based on future estimated percent changes in taxable value as indicated in the graph below, it is anticipated that it will take until the year 2020 to return to 2008 values.



## Program Highlights

- The Government Finance Officers Association recommends a minimum fund balance reserve of 16.7% of budgeted expenditures.
- The Township will strive to establish all user charges and fees at a level considering the cost (operating, direct, indirect and capital) of providing the service.
- Reserves are not used to fund recurring expenditures eliminating unsustainable uses of fund balance.
- Capital improvement projects are carefully planned and funded.

### PERFORMANCE MEASUREMENT

#### Outcomes:

- Internal and external customers have the financial information they need to make informed decisions.

Program: Financial Planning & Operations	2014 Actual	2015 Target	2015 Actual	2015 Target Met or Exceeded	2016 Target
<i>Earn GFOA Distinguished Budget Award</i>	Yes	Yes	Yes	Submitted to GFOA for Award	Yes
<i>Complete a comprehensive annual financial report and apply for the Certificate of Achievement in Financial Reporting</i>	100%	100%	100%	Met	100%
<i>Implementation and maintenance of GASB 68 and all required accounting standard policies</i>	n/a	100%	In progress	In progress	100%
<i>Maintain bond rating – Moody's/S&amp;P</i>	AA	AA	AA+	Exceeded	AA+
<i>Average no. of days to close quarter in financial system</i>	5	5	5	Exceeded	5

# *Capital Improvements Program*

Township of Northville, Michigan  
2016-2021

## **Overview**

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The Township of Northville's Capital Improvements Program (CIP) is a planning tool, with a goal to identify capital improvement needs over a six-year period from 2016-2021. The CIP is an opportunity to formulate strategic long-term policy decisions that extends beyond the current 2016 budget year. The CIP helps track multi-year projects that may require planning, design, land acquisition and construction. The projects identified in the CIP represent the Township of Northville's plan to serve residents and anticipate the needs of a growing and dynamic community. The following documents were considered in preparation of the CIP:

- Land Use Master Plan(adopted August 16, 2007)
- Pathway Gap Analysis (prepared August 2012)

## **Definition of a Capital Improvement**

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A capital improvement is defined as any new equipment, construction, acquisition or improvement to public lands, buildings or structures in excess of \$5,000 with a minimum life expectancy of one year. Maintenance-oriented, operational or continuous expenditures are not considered to be capital improvements.

The CIP allows for responsible and thoughtful planning of future major expenditures that are not necessarily financed or automatically included in the annual budgeting process. All capital projects, however, as they pertain to the definition of capital improvements above should be part of this CIP. Specifically, the purpose of the CIP is to:

- Identify and evaluate the needs for public facilities.
- Determine cost estimates for each capital project submitted.
- Determine if there will be future operating costs for such projects.
- Determine potential sources of funding for such projects.
- Adopt policies for implementing capital improvement construction.
- Anticipate and pre-plan projects with an emphasis on seizing opportunities for partnerships and alternative funding.

## **Impact of Capital Budget on the Operating Budget**

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As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs.

Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

## **Legal Basis of the Capital Improvements Program**

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The development and the adoption of a CIP is driven by a statutory requirement at the State level. The State of Michigan has set forth the requirement of a CIP under the Michigan Planning Enabling Act, Act 33 of 2008. The following excerpt from the Act sets for the requirement:

*"...(2) Any township may prepare and adopt a capital improvement program. However, subsection (1) is only mandatory for a township if the township alone or jointly with one or more other local units of government, owns or operates a water supply or sewage disposal system."*

## **Planning and Benefits of the Capital Improvements Program**

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The CIP is first and foremost, a planning tool. It can be quite useful as a primary guide in implementing the Master Plan. With thoughtful foresight and review as a result of a CIP, the many outstanding capital projects that communities are faced with implementing every year, can be viewed as one package, rather than as small, fragmented groups or lists, with no unified sense of focus and direction.

When capital improvements begin with careful planning and study, the Township of Northville's chances for receiving state and federal grants are greatly enhanced. Some grants require the inclusion of a CIP with their application. Formulation of a CIP assists those involved to look at alternative funding mechanisms that might not have been considered before. Instead of relying on local revenue sources alone, the CIP allows the Township to think more creatively to fulfill Master Plan goals and policies. The CIP often avoids reactive planning, and instead replaces it with balanced growth initiatives.

## **Program Funding**

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There are multiple methods available to local governments for financing capital improvement projects. Since capital improvements require large outlays of capital for any given project, it is often necessary to pursue multiple solutions for financing projects.

The Capital Improvement Plan is simply that – a plan. As such, projects are subject to change based on new or shifting service needs, special financing opportunities, or emerging needs. Because priorities can change, projects included in outward planning years are not guaranteed for funding.

### **General Obligation (G.O.) Bonds**

These types of bonds are especially useful for financing large municipal projects such as infrastructure improvements. They require voter approval and usually are used for projects that will benefit the residents of the entire community.

When the Township sells G.O. Bonds, the purchaser is basically lending money to the Township. The amount of the bond, plus interest is repaid through property taxes that the Township, as the issuing authority, has the power to levy at the level necessary and within state guidelines to retire the debt.

A variation of the G.O. Bonds is the G.O. Limited Tax Bonds which can be repaid through tax millage. The interest rate for this type if issue is slightly higher than for the G.O. Bonds, and though voter approval is not required, a referendum period is afforded to the citizenry to challenge the proposed bond resolution.

### **Revenue Bonds**

These bonds are generally sold as a means for constructing revenue-producing facilities such as water and sewer systems, and other such facilities that produce tolls, fees, rental charges, etc. Security for and payment of revenue bonds are typically based upon the revenue-producing facility or activity rather than the economic or taxpaying base.

### **Federal Grants**

Funding is made available to townships through Federal grants and programs. Grants are usually subject-specific, and require application by the local government for consideration. Amounts of grants vary, and are determined by the grantor through criteria-based processes. The availability of grants is usually a competitive process, so creative and effective grant writing is crucial to receiving funding for capital improvement projects.

## **Building Authority**

The Township of Northville has a Building Authority that functions as a mechanism to facilitate the selling of bonds to finance public improvements. These bonds can be used as funding for buildings and recreational uses. Though voter approval is not required, a referendum period is afforded to the citizenry to challenge the proposed bond resolution. This is the mechanism used in the construction of the Township Hall.

## **Enterprise Funds**

Enterprise funds are typically established for services such as water, sewer, recreation, and housing. Revenues are generated primarily through user charges and connection fees from those who benefit from the improvements.

## **Developer Contributions**

Developers as part of subdivision and site planning requirements may provide infrastructure, open space and recreational facilities. Developers may contribute a share of funds to the government entity, or install the facilities themselves as local need arises, and/or during the construction process. Once completed, the local government entity may agree to maintain the facilities.

## **Millage**

Property taxes are based upon the local millage rate. Revenue received from property taxes may be used for capital improvements, but such improvements are usually smaller scale and less expensive.

## **Miscellaneous Funding Options**

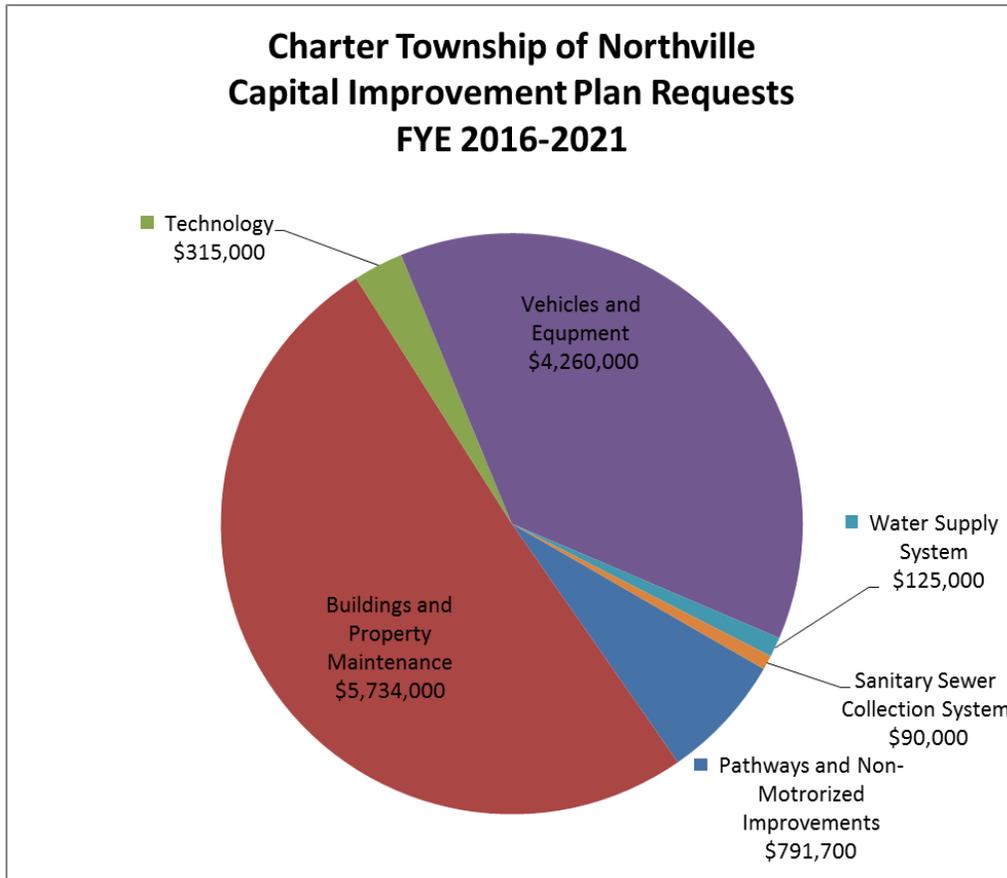
There are additional methods that are suitable for funding capital improvements. Examples of alternative funding methods are Tax Increment Financing (TIF), Facility User Fees, etc.

## Project Summary

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The following tables include project summaries with estimated costs over the six-year period. The first column identifies an item number and the tables are followed by a numeric Project Description.

The projects listed in the graph below represent all projects that have been submitted, and are not reflective of any approved budget amounts.



## 2016-2021 Project Descriptions

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### Pathways and non-motorized improvements

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- 1. 5' Wide Non-Motorized Pathway (6 Mile Road, East of Beck Road)**

Two tenths of a mile (943 linear feet) of five foot wide concrete pathway on the north side of Six Mile Road, east of Beck Road. The project will fill in two small gaps and complete the section of path on the north side of 6 Mile Road, between Sheldon Road and Beck Road. The project also includes approximately 23 street trees to be planted between the pathway and 6 Mile Road. The Township will purchase the street trees with funds from the Woodland Fund, if the adjacent homeowners will accept the maintenance

responsibility for them. The project was identified as a 2013 project, but with the opportunity to do the 8 Mile/Beck Road pathways as part of the Oakland County Road project, this project was deferred. The pathway is a high priority project based on the pathway matrix gap analysis. The required road right of way to complete the project exists. The pathway will provide access from the Hills of Crestwood subdivision to the high school, Millennium Park, and a significant portion of the Township's non-motorized pathway system. The pathway will require maintenance and repair in the future.

**2. 5' Wide Non-Motorized Pathway (6 Mile Road, West of Beck Road)**

One tenth of a mile (600 linear feet) of five foot wide concrete pathway on the north side of 6 Mile Road, west of Beck Road. The project will fill a small gap and complete the section of pathway on the north side of 6 Mile Road, between Beck Road and Ridge Road. The project also includes approximately 15 street trees to be planted between the pathway and 6 Mile Road. The Township will purchase the street trees with funds from the Woodland Fund, if the adjacent homeowners will accept the maintenance responsibility for them. The project was identified as a 2013 project, but with the opportunity to do the 8 Mile/Beck pathways as part of the Oakland County Road project, this project was deferred. The project will provide access to a significant portion of the Township's non-motorized pathway system for the residents of Stonewater. The pathway will require maintenance and repair in the future.

**3. 10' Wide Non-Motorized Pathway (Ridge Road)**

Thirty-two hundredths of a mile (1,693 linear feet) of ten foot wide asphalt pathway on the east side of Ridge Road, south of 7 Mile Road. The project also includes approximately 42 street trees to be planted between the pathway and Ridge Road. The Township will purchase the street trees with funds from the Woodland Fund, if the adjacent homeowners will accept the maintenance responsibility for them. The pathway is a high priority based on the pathway matrix gap analysis. The project will fill in two gaps and complete the section of pathway on the east side of Ridge Road, between 6 and 7 Mile Roads. The pathway will also provide a connection into Maybury State Park, on the south side of the park, and access to a significant portion of the Township's pathway system for many residents residing on the western edge of the Township. The pathway will require maintenance and repair in the future.

**4. 10' Wide Non-Motorized Pathway (Bradner Road)**

Seventy-four hundredths of a mile (3,895 linear feet) of ten foot wide asphalt pathway on the east and west sides of Bradner Road between 5 and 6 Mile Roads (from Ladywood Drive to Norham Street on the east side and in front of Whisperwood Subdivision on the west side). The project also includes approximately 86 street trees to be planted between the pathway and Bradner Road. The Township will purchase the street trees with funds from the Woodland Replacement Fund, if the adjacent homeowners will accept the maintenance responsibility for them. The pathway is a high priority based on the pathway matrix gap analysis. With the exception of a parcel located on the west side of the road, the required right of way exists to complete this

project. A non-motorized pathway in this location will provide an off road route for many kids who walk to Meads Mill Middle School and will serve several hundred households within subdivisions along Bradner Road. Bradner Road is not on any county plans for improvement in the near future and the area is already developed, so the pathway will not be done as part of a land development project. However, the full right of way is available for all but a fraction of the project area and as a result the project can be accomplished without being removed in the future. The pathway will require maintenance and repair in the future.

**5. Twenty 21 Plan Implementation – .78 Miles of Path**

Seventy-eight hundredths of a mile (4,100 linear feet) of ten foot wide asphalt pathway along the south side of 7 Mile Road. The project will also include approximately 100 street trees to be planted between the pathway and 7 Mile Road. The project is consistent with the adopted 7 Mile Road Master Plan. The project represents a start to the future development of the site and will provide visible improvements along 7 Mile Road. The project will require maintenance of the path and street trees.

**6. 5' Wide Non-Motorized Pathway (Silver Springs Drive)**

Sixty-one hundredths of a mile (3,209 linear feet) of five foot wide concrete pathway on the east side of Silver Springs Drive, between 7 Mile Road and 8 Mile Road. The pathway is a high priority project based on the pathway matrix gap analysis and will complete the section of pathway between 7 Mile Road and 8 Mile Road. The required road right of way to complete the project exists. The project is scheduled to coincide with the timing of Silver Spring Drive reconstruction project. The pathway will require maintenance and repair in the future.

**7. 10' Wide Non-Motorized Pathway (8 Mile Road)**

Seventy-six hundredths of a mile (4,012 linear feet) of ten foot wide asphalt pathway on the south side of 8 Mile Road, from Silver Springs Drive to Spring Lane. The project also includes approximately 100 street trees to be planted between the pathway and 8 Mile Road. The Township will purchase the street trees with funds from the Woodland Replacement Fund, if the adjacent homeowners will accept the maintenance responsibility for them. The pathway is a mid-range priority based on the pathway matrix gap analysis, but is identified in the Capital Improvement Plan (CIP) to coincide with Wayne County's planned road improvement project. The project will complete a significant segment along 8 Mile Road and tie into the I-275 pathway. The pathway will require maintenance and repair in the future.

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## **Buildings and Property Maintenance**

**8. Architectural/Engineering Services – Fire Station #2**

Architectural and engineering services required to initiate construction of a second fire station within the Township. A second station is necessary to improve response times to the northeast area of the community. Currently the road system and travel distances do not allow easy or timely access to a

part of the community. There are also operational issues which will be addressed.

- 9. Replace Boiler and Last Air Conditioner Unit at Police Station**  
Replace boiler and the last air conditioner unit at Police Station per assessment done by W.J. O'Neil. This will help maintain current service levels and maintain township property. Proper environmental conditions need to be met within the facility during hot and cold weather.
- 10. Resurface and Restripe Parking Lot at Police Station**  
Resurface and restripe the parking lot at the Police Station. This will help maintain current levels of service and maintain township property. Parking lot is at the end of its useful life.
- 11. New Roof for Water and Sewer Building (16225 Beck Road)**  
Replace the existing roof at 16225 Beck Road. This accomplishes maintaining current service levels and adequately sustaining Township owned property. The existing roof is over twenty years old and numerous roof leaks have occurred. Typical shingle roof life expectancy is 20 to 25 years. Maintenance costs will be reduced by suitably maintaining the property.
- 12. Replace Roof at Police Station**  
Replace the existing roof at Police Headquarters. This needs to be done to maintain current service levels and adequately maintain Township property. Flat sections of the roof are leaking and a leaking roof can compromise the integrity of the building. Maintenance costs will be reduced as a result of these preserving repairs.
- 13. Replace Some of the Air Conditioner Units at Township Hall**  
Replace some of the air conditioner units at Township Hall per assessment done by W.J. O'Neil. This will help to maintain current service levels and adequately maintain Township property. Proper environmental conditions need to be met within the facility during hot weather.
- 14. Replace Air Conditioner Units and Duct Work at Police Station**  
Replace some of the air conditioner units and duct work at Police Station per assessment done by W.J. O'Neil. This will help to maintain current service levels and maintain township property. Proper environmental conditions need to be met within the facility during hot weather.
- 15. Replace Air Conditioner Units at Township Hall**  
Replace some of the air conditioner units at Township Hall per assessment done by W.J. O'Neil. This will help maintain current service levels and adequately maintain Township property. Proper environmental conditions need to be met within the facility.
- 16. Jail Cell Renovation**  
This will be a two-step process of starting the project with an architect and then the following construction costs.

**17. Fire Station #2 Construction**

A second Fire Station is necessary to improve response times to the northeast area of the community. Currently, the road system and travel distances do not allow easy or timely access to a part of the community. There are also operational issues which will be addressed.

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**Technology**

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**18. Microsoft Office/Windows 10 Upgrade**

Replace the current Township's Microsoft Office products with a hosted Microsoft Office solution. This project will also upgrade all computers from Windows 7 to the Windows 10 platform. This will allow the Township to stay up-to-date with the computers' operating systems and software to avoid current software End of Life. This project will also allow the Township to continue to utilize critical software systems that require new operating systems and allow for the continual use of Microsoft Office products. This project will require ongoing annual software maintenance fee which will include all ongoing upgrades to both Microsoft Office and Windows platforms.

**19. Wireless Network Upgrade**

This project will create a corporate and public wireless network throughout all four Township buildings. This will allow for the use of more mobile device integrations with software systems like BS&A, CMMS (computerized maintenance management system), and more. This project will eliminate the need to provide wired connections to Thin Client computers and IP based phones. The Township will then be able to eliminate the four internet contracts currently being utilized by the Township.

**20. Replace Two Multifunction Printers – Township Hall (East and West Wing)**

Purchase new multi-function printers to replace the current equipment purchased in 2010. The existing equipment will have exceeded its life expectancy. Multi-function printers cut down on print costs by providing an inexpensive cost preprint that includes toner and maintenance. These are replacement pieces of equipment.

**21. Firewall and Networking Upgrade**

This project will upgrade and replace existing Cisco networking equipment. This is needed to maintain current network service levels. Current networking infrastructure has reached its expected useful life. This project will not generate any revenue.

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**Vehicles and Equipment**

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**22. Replace Police Patrol Vehicles**

In each fiscal year, per contract, the Police Department will need to replace four patrol units used for road patrol. The oldest four vehicles will be taken out of service and stripped of all emergency equipment. The vehicles will be

replaced with current year model Ford Police Interceptor sedans. The new vehicles will also need to be equipped and decaled with the Township insignia.

**23. Detective Bureau Vehicle Lease**

The Police Department will need to replace one leased vehicle per year for the next six years due to expiring leases. The vehicles are currently assigned to the Detective Bureau and are used for a variety of purposes which include: surveillances, undercover work by road patrol officers, and daily duties performed by the detectives.

**24. Election Equipment**

In 2005, the Township, in conjunction with the State of Michigan, received a Federal Help America Vote Act Grant (HAVA) to purchase Optical Scan Voting Tabulators and an Election Management system for all of the Township's existing precincts. An additional grant was received to purchase the ADA compliant AutoMARK Voter Assist Terminals. The State is currently evaluating the possibility of up-grading the voting systems in Michigan and has informed local clerks that there is not sufficient Federal Grant money available to replace each community's existing election equipment. Presently, the Township has 22 M100 Tabulators, one UNITY computer based program, eight AutoMARKS and an inventory of 270 voting booths. State of Michigan, or Wayne County will select the vendor for replacement election equipment and the Township, most likely, will need to provide the funding or pay a substantial portion of the costs to replace the existing election systems. If grant opportunities are available, the Township will meet the qualifications necessary to secure the maximum percentage of funding, or reimbursement, which would be available.

**25. Self-Contained Breathing Apparatus Fill Station**

The current SCBA fill station is approximately 25 years old. Clean, reliable air supply is essential to firefighting and firefighter safety. It is believed the current unit is the property of the DNR, as they occasionally request information on the unit and whether the Fire Department is still in possession of it.

**26. Water and Sewer Pick-Up Truck**

Purchase a new 2016 Ford F350 pick-up truck. This vehicle will replace a 2004 Ford F350 Extended Cab pick-up truck. The truck condition is poor with considerable rust, including holes in the truck bed. The existing equipment is 12 years old with over 100,000 miles.

**27. Water and Sewer Dump Box for Existing Truck**

This project would make use of a box truck no longer in use. The box truck is in great shape and could be outfitted with a dump truck box. This would give the Water & Sewer Department another small dump truck for use with water main repairs and other landscape work. A small truck is easier to work with in tight locations and would cause less damage than a larger truck. The dump truck would be used to maintain the Township's water and sewer system.

- 28. Bullet proof vests**  
The Police Department is contractually bound to supply bullet proof vests to all officers. The Department has applied for a grant through the Bulletproof Vest Partnership (BVP) in which the Office of Justice Program will pay up to 50% of the costs of vests purchased for officers. This grant has always been approved when the purchase of vests is submitted.
- 29. VHF Radio Control Stations**  
Three VHF Radio Control Stations are approaching the end of their reliable service life. The original system was purchased in 1995. These control stations handle tornado sirens, paging fire departments, and inner city radio. Initially the Department should realize a reduction in maintenance costs as the counsels will be more reliable and also under warranty.
- 30. Replace Taser Equipment**  
The Township Board authorized the purchase of Taser X2; a less lethal conducted energy weapon that propels wires which penetrate a suspect's skin or clothing causing an Electro Muscular Disruption that affects the sensory and motor nervous system causing incapacitation. The Taser X2 is a state of the art Electronic Control Device that has the capability of shooting 2 cartridges without reloading. The officer can control which cartridge the X2 fires and he/she can control which probes are energized after they have been deployed. The recommended replacement schedule is five years.
- 31. Water and Sewer radio read tower and equipment**  
Design and construct radio read tower and equipment so all meters can be read from two locations within the Township. This will help to maintain customer service levels and find more efficient ways to complete services. This will allow more efficient use of staff and will reduce the time to read meters. This project will also require some additional equipment.
- 32. Replace Rescue 1 (Ambulance)**  
Vehicle is approaching the end of its reliable service life. Initially the Fire Department should realize a reduction in maintenance costs as the vehicle will be more reliable and under warranty.
- 33. Replace Rescue 2 (Ambulance)**  
Vehicle is approaching the end of its reliable service life. Initially the Fire Department should realize a reduction in maintenance costs as the vehicle will be more reliable and under warranty.
- 34. Replace Thermal Imaging Cameras**  
The Fire Department's thermal imaging cameras will be at the end of their service life. They are an important tool for ensuring a continued safe work environment for the firefighters of the Township.
- 35. Water and Sewer Tandem Dump Truck**  
Purchase a new 2020 Tandem Dump Truck. This vehicle will be added to the fleet of vehicles and equipment to be available for water main repairs which we anticipate to increase with the age of the system. This is a new piece of

equipment, which will be needed to maintain current service levels and will require no additional staffing.

**36. Replace Utility Vehicle and Fire Chief Vehicle**

Replace two Command Vehicles. Vehicles are approaching the end of their reliable service life. Initially the Department should realize a reduction in maintenance costs as the vehicles will be more reliable and also under warranty. Cost includes vehicle markings, emergency lights and siren, radio installation, equipment storage systems, etc. One vehicle will serve as a command vehicle and will be staffed by a Command Officer (Lieutenant). This vehicle will be used for daily details, emergencies and, on a limited basis, will be deployed on non-emergency public service calls. The second vehicle will be used by the Fire Chief.

**37. Replace Monitor/Defibrillators**

Units are approaching the end of their reliable service life. Initially, the Fire Department should realize a reduction in maintenance costs, as the units will be more reliable and under warranty.

**38. Water & Sewer 4x4 Vehicle – Superintendent**

This is a replacement vehicle for the Water and Sewer Department Superintendent. It is used by the Superintendent to assure 24 hour access to operate the Township's water and sewer systems. Industry recommendations are that vehicles should be replaced at 100,000 miles or 10 years old. This vehicle will replace a 2014 Ford Explorer with over 100,000 miles on it. The six year old vehicle being replaced will be moved into the Building Department to replace an old inspector vehicle. This project will allow existing staff to complete their job requirements while maintaining customer service levels.

**39. Water and Sewer Pick-Up Truck with Plow Attachment**

Purchase new F-150 Ford Pickup Truck with plow attachments. This is a replacement vehicle for the Water and Sewer which is used in winter to plow our parking lots and then used for maintenance in the summer. This will replace an existing 2009 vehicle which will be auctioned off.

**40. Replace 44 Portable Police Radios**

Forty-four portable radios are approaching the end of their reliable service life. By replacing them, the Police Department should initially realize a reduction in maintenance costs, as the radios will be more reliable and under warranty.

**41. Replace Dispatch Radio Consoles**

Dispatch Radio Consoles are approaching the end of their reliable service life. By replacing them, the Police Department should initially realize a reduction in maintenance costs, as the consoles will be more reliable and under warranty.

**42. Replace Engine 1**

Vehicle is approaching the end of its reliable service life. By replacing the vehicle, the Fire Department should initially realize a reduction in

maintenance costs, as the vehicle will be more reliable and under warranty.

**43. Replace Ladder Truck**

Replace Fire Department's ladder truck. The vehicle is approaching the end of its reliable service life. Initially, the Department should realize a reduction in maintenance costs as the vehicle will be more reliable and under warranty.

## **Water Supply System**

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**44. Paint Elevated Water Tank**

This project is required to ensure the proper maintenance of the Township water system. To maintain the integrity of the tank, it should be painted every ten years. Continuing this maintenance routine will ensure the design life of the tank is met.

## **Sanitary Sewer Collection System**

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**45. SAW Grant List of Projects**

Provide matching funds to complete the SAW Grant List of projects, which includes completing the GIS database for the Township's sanitary sewer system and purchasing technical equipment to help with the management and maintenance of the system. Information collected includes condition of pipes and structures, cleanliness of pipe segments, areas where grease buildup is an issue, locations of sewer backups, accurate location of asset, periodic cost of maintenance tracked by pipe length or structure, and computer generated reporting. Township has goal of completing the GIS database for all of its assets. The asset management system will be used for the cost efficient operation of the system, thereby helping to minimize the cost of operations which is reflected in the rate structure our customers receive. Township will better able to track and maintain its assets. Tracking the asset guarantees proper cleaning schedules and helps identify problem areas so greater attention can be focused on the maintenance process in these areas. Tracking also helps determine when replacement or relining should occur. Asset management also helps to improve on the efficiency and timing needed to file reports with the State of Michigan. This also helps form the Township's defense for sewer backup litigation. Pending grant approval.

**FY 2016-2021 Six Year Capital Improvement Plan**

Project Descriptions		Capital Outlay Requests					
PATHWAYS AND NON-MOTORIZED IMPROVEMENTS	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
5' wide non-motorized pathway (6 Mile Road, east of Beck)	Project depends on funding source becoming available	\$ -	\$ 34,000	\$ -	\$ -	\$ -	\$ -
5' wide non-motorized pathway (6 Mile Road, west of Beck)	Project depends on funding source becoming available	\$ -	20,700	\$ -	\$ -	\$ -	\$ -
10' wide non-motorized pathway (Ridge Road)	Project depends on funding source becoming available	\$ -	\$ -	123,000	\$ -	\$ -	\$ -
10' wide non-motorized pathway (Bradner Road)	Project depends on funding source becoming available	\$ -	\$ -	\$ -	172,000	\$ -	\$ -
.78 miles (4,100 linear feet) of 10' wide asphalt pathway along the south side of 7 Mile Road	Project depends on funding source becoming available	\$ -	\$ -	\$ -	\$ -	187,000	\$ -
5' wide non-motorized pathway (Silver Springs Drive, between 7 and 8 Mile Roads)	Project depends on funding source becoming available	\$ -	\$ -	\$ -	\$ -	\$ -	71,500
10' wide non-motorized pathway (8 Mile Road)	Project depends on funding source becoming available	\$ -	\$ -	\$ -	\$ -	\$ -	183,500
<b>PATHWAYS AND NON-MOTORIZED IMPROVEMENTS</b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 54,700</b>	<b>\$ 123,000</b>	<b>\$ 172,000</b>	<b>\$ 187,000</b>	<b>\$ 255,000</b>
BUILDINGS AND PROPERTY IMPROVEMENTS	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
Architectural/Engineering services - Fire Station #2	Public Safety Fund/Fire Division	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
Replace boiler and last air conditioner unit at Police Station	Public Safety Fund/Police Division	\$ -	50,000	\$ -	\$ -	\$ -	\$ -
Resurface and restripe parking lot at Police Station	Capital Projects Fund	\$ -	179,000	\$ -	\$ -	\$ -	\$ -
Replace roof at 16225 Beck Road	Water & Sewer Fund	\$ -	\$ -	20,000	\$ -	\$ -	\$ -
Replace Roof at Police Station	Capital Projects Fund	\$ -	\$ -	172,000	\$ -	\$ -	\$ -
Replace some of the air conditioner units at Township Hall	Capital Projects Fund	\$ -	\$ -	\$ -	55,000	\$ -	\$ -
Replace air conditioner and duct work at Police Station	Public Safety Fund/Police Division	\$ -	\$ -	\$ -	37,000	\$ -	\$ -
Replace air conditioner units at Township Hall	Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	71,000	\$ -
Jail Cell Renovation	Federal Forfeiture/State Forfeiture	\$ -	\$ -	\$ -	\$ -	25,000	600,000
New Fire Station (serve northeast area of the community)	Project depends on funding source becoming available	\$ -	\$ -	\$ -	\$ -	\$ -	4,500,000
<b>BUILDINGS AND PROPERTY IMPROVEMENTS</b>	<b>Total</b>	<b>\$ 25,000</b>	<b>\$ 229,000</b>	<b>\$ 192,000</b>	<b>\$ 92,000</b>	<b>\$ 96,000</b>	<b>\$5,100,000</b>
TECHNOLOGY	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
Microsoft Office/Windows 10 Upgrade	General Fund/Public Safety/Water & Sewer	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Wireless Network Upgrade	General Fund/Public Safety/Water & Sewer	\$ -	35,000	\$ -	\$ -	\$ -	\$ -
Replace two multifunction printers	Water & Sewer Fund/General Fund	\$ -	40,000	\$ -	\$ -	\$ -	\$ -
Firewall and Networking Upgrade	General Fund/Public Safety/Water & Sewer	\$ -	\$ -	\$ -	\$ -	150,000	\$ -
<b>TECHNOLOGY</b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 165,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>
VEHICLES AND EQUIPMENT	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
Replace four patrol vehicles	Public Safety Fund/Police Division	\$ 181,000	\$ 181,000	\$ 181,000	\$ 181,000	\$ 181,000	\$ 181,000
Detective bureau vehicle lease	Public Safety Fund/Police Division	15,000	15,000	15,000	15,000	15,000	15,000
Election equipment	Capital Projects Fund	50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Contained Breathing Apparatus Fill Station	Public Safety Fund/Fire Division	40,000	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer Ford F-350 Pick-Up Truck	Water & Sewer Fund	33,000	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer Dump Box for Existing Truck	Water & Sewer Fund	12,000	\$ -	\$ -	\$ -	\$ -	\$ -

VEHICLES AND EQUIPMENT	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
Bullet proof vests	Public Safety Fund/Police Division/Federal Grant	-	50,000	-	-	-	-
VHF Radio control stations	Public Safety Fund/Police Division	-	20,000	-	-	-	-
Replace taser equipment	Federal Forfeiture/State Forfeiture	-	50,000	-	-	-	-
Water & Sewer Radio Read Tower and Equipment	Water & Sewer Fund	-	90,000	-	-	-	-
Replace rescue 1 (ambulance)	Public Safety Fund/Fire Division	-	-	230,000	-	-	-
Replace rescue 2 (ambulance)	Public Safety/Fire Division	-	-	-	230,000	-	-
Replace thermal imaging cameras	Public Safety Fund/Fire Division	-	-	-	-	60,000	-
Water & Sewer Tandem Dump Truck	Water & Sewer Fund	-	-	-	-	80,000	-
Replace command vehicle	Public Safety Fund/Fire Division	-	-	-	-	75,000	-
Replace monitor/defibrillators	Public Safety Fund/Fire Division	-	-	-	-	120,000	-
Water & Sewer 4x4 vehicle - Superintendent	Water & Sewer Fund	-	-	-	-	33,000	-
Ford F-350 Pickup 4x4 with Plow Attachment	Water & Sewer Fund	-	-	-	-	-	40,000
Replace 44 portable radios	Public Safety Fund/Police Division	-	-	-	-	-	220,000
Replace Dispatch radio consoles	Public Safety Fund/Police Division	-	-	-	-	-	376,000
Replace engine 1	Public Safety Fund/Fire Division	-	-	-	-	-	475,000
Replace ladder truck	Public Safety Fund/Fire Division	-	-	-	-	-	800,000
<b>VEHICLES AND EQUIPMENT</b>	<b>Total</b>	<b>\$ 331,000</b>	<b>\$ 406,000</b>	<b>\$ 426,000</b>	<b>\$ 426,000</b>	<b>\$ 564,000</b>	<b>\$2,107,000</b>
WATER SUPPLY SYSTEM	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
Paint elevated water tank	Water & Sewer Fund	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>WATER SUPPLY SYSTEM</b>	<b>Total</b>	<b>\$ 125,000</b>	<b>\$ -</b>				
SANITARY SEWER COLLECTION SYSTEM	POTENTIAL FUNDING SOURCE/NOTES	2016	2017	2018	2019	2020	2021
SAW Grant list of projects	Water & Sewer Fund/Pending SAW Grant Award	\$ -	\$ -	\$ 45,000	\$ 45,000	\$ -	\$ -
<b>SANITARY SEWER COLLECTION SYSTEM</b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Grand Total</b>	<b>\$ 481,000</b>	<b>\$ 854,700</b>	<b>\$ 786,000</b>	<b>\$ 735,000</b>	<b>\$ 997,000</b>	<b>\$7,462,000</b>

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## ***Budget Summaries – General Fund***

The General Fund is used to account for all financial resources traditionally associated with Township government, except those required to be accounted for in another fund. The General Fund includes legislative, clerk, treasurer, building and planning departments. The two primary sources of revenue for this fund are general property taxes and state shared revenue. In addition, the General Fund also receives revenue from licenses and permits, grants and interest income.

DESCRIPTION	GENERAL FUND REVENUE				
	2014	2015			2016
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Taxes	\$ 1,527,410	\$ 1,517,000	\$ 1,521,383	\$ 1,534,000	\$ 1,565,000
Licenses, Permits & Charges for Services	2,011,826	1,461,600	1,103,495	1,503,720	1,253,290
State Sources	2,214,975	2,193,200	688,818	2,225,000	2,193,200
Other Revenue	214,776	52,500	44,330	52,500	52,500
Interest Income	11,909	5,400	6,807	12,000	12,000
Proceeds from sale of land	402,054	-	-	-	-
Total Revenue	\$ 6,382,950	\$ 5,229,700	\$ 3,364,833	\$ 5,327,220	\$ 5,075,990

<b>Fund Balance Analysis - General Fund</b>						<i>Total</i>
Fund Balance, January 1, 2015						\$ 7,884,178
Estimated 2015:						
Revenue				\$ 5,327,220		
Expenditures				(4,360,070)		<u>967,150</u>
Projected Fund Balance, December 31, 2015						8,851,328
2016 Budget:						
Revenue				\$ 5,075,990		
Expenditures				(4,456,570)		619,420
Projected Fund Balance, December 31, 2016						<u>\$ 9,470,748</u>

### **Property Tax Revenue**

The General Fund property tax revenue is estimated at \$1,565,000 for 2016 and is based on the general voted millage of 0.1174 mills which expires December 31, 2020 and the Charter authorized millage rate of 0.6804 mills. For fiscal year 2016, the Headlee cap for the Charter authorized millage has been permanently reduced to 0.6804 mills.

The Headlee amendment of the State Constitution can reduce the amount of operating millages allowed by Township Law. This amendment limits the growth

in property tax revenue from existing property to the rate of inflation. It accomplishes this by reducing millages proportionally by the amount that market changes exceed the State's inflation rate multiplier.

### **Licenses, Permits & Charges for Services**

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This revenue includes fees for various services and permits. The revenue sources in this category includes cable television franchise fees of \$400,000 and includes \$570,000 in estimated fees paid by builders and contractors for plan review and building permit activities which is used to offset the cost of both the Building and Planning Departments. This revenue source will be monitored carefully since it is directly related to construction activity. In addition, the Township receives approximately \$22,000 a year to provide Information Technology support services as part of a joint venture with the City of Northville.

### **State Shared Revenue**

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Estimated at \$2,193,200, revenue sharing represents 43% of the 2016 fiscal year General Fund Annual Revenue. The State Shared Revenue program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenue on a per capita basis. Receipts from the State Treasury are scheduled to be received in April, June, August, October, December and the following February (recorded as a receivable as of December 31<sup>st</sup>).

On June 18, 2015, Governor Snyder signed into law the state's budget for fiscal year 2016. The budget continues the incentive-based revenue sharing program known as the City, Village, and Township Revenue Sharing (or "CVTRS") program begun in fiscal year 2015, similar to the Economic Vitality Incentive Program ("EVIP") that from fiscal year 2012 through fiscal year 2014 distributed revenue sharing to municipalities that complied with certain "best practices" such as increasing transparency. The fiscal year 2016 budget includes an increased constitutional revenue sharing distribution to cities, villages and townships of 3.1% from the fiscal year 2015 distribution to approximately \$788,500,000. Under the state's fiscal year 2016 budget, approximately \$243 million, a reduction of 2.3% from fiscal year 2015 amounts, has been appropriated for revenue sharing to cities, villages and townships that meet requirements for accountability and transparency, including making a citizen's guide to its finances, a performance dashboard, a debt service report and a two-year budget projection available for public viewing.

### **Interest on Investments**

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This revenue is from investing temporarily idle funds and is estimated at \$12,000.

### **Other**

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This line item estimated at \$52,500 is made up of insurance rebates, sale of equipment, etc.

## Appropriations

The following schedule represents the appropriations by department. Following this schedule are the departmental overviews and significant accomplishments. While financial resources and personnel are shown by department, the Northville Township staff strives to work together cross-departmentally to provide services to Northville Township customers.

DESCRIPTION	APPROPRIATIONS				
	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
<b>LEGISLATIVE</b>					
Personal Services	\$ 588,078	\$ 633,450	\$ 254,340	\$ 632,450	\$ 655,250
Supplies	43,806	64,000	21,943	64,000	64,000
Other Services and Charges	1,641,264	785,680	272,337	732,720	976,520
Capital Outlay	41,360	170,000	-	170,000	-
	<u>\$ 2,314,508</u>	<u>\$ 1,653,130</u>	<u>\$ 548,620</u>	<u>\$ 1,599,170</u>	<u>\$ 1,695,770</u>
<b>TOWNSHIP CLERK'S OFFICE</b>					
Personal Services	\$ 338,225	\$ 269,470	\$ 145,401	\$ 310,280	\$ 350,340
Supplies	41,189	7,000	6,893	7,000	40,000
Other Services and Charges	6,930	22,000	4,422	6,000	9,000
Capital Outlay	-	2,000	-	1,000	-
	<u>\$ 386,344</u>	<u>\$ 300,470</u>	<u>\$ 156,716</u>	<u>\$ 324,280</u>	<u>\$ 399,340</u>
<b>TREASURER</b>					
Personal Services	\$ 641,845	\$ 711,020	\$ 286,615	\$ 661,360	\$ 700,100
Other Services and Charges	311,079	308,340	161,846	308,340	319,260
	<u>\$ 952,924</u>	<u>\$ 1,019,360</u>	<u>\$ 448,461</u>	<u>\$ 969,700</u>	<u>\$ 1,019,360</u>
<b>BUILDING DEPARTMENT</b>					
Personal Services	\$ 433,570	\$ 470,920	\$ 213,516	\$ 461,710	\$ 481,980
Supplies	1,301	10,000	5,059	10,000	10,000
Other Services and Charges	91,990	149,500	48,476	100,700	112,500
Capital Outlay	-	27,000	26,939	26,940	-
	<u>\$ 526,861</u>	<u>\$ 657,420</u>	<u>\$ 293,990</u>	<u>\$ 599,350</u>	<u>\$ 604,480</u>
<b>PLANNING DEPARTMENT</b>					
Personal Services	\$ 182,310	\$ 195,150	\$ 83,860	\$ 190,730	\$ 196,680
Other Services and Charges	4,084	63,800	9,372	35,000	39,100
	<u>\$ 186,394</u>	<u>\$ 258,950</u>	<u>\$ 93,232</u>	<u>\$ 225,730</u>	<u>\$ 235,780</u>
<b>TRANSFERS OUT</b>					
Debt Service Funds	\$ 376,220	\$ 435,020	\$ 375,610	\$ 375,610	\$ 371,840
Capital Projects	512,730	266,230	266,230	266,230	130,000
	<u>\$ 888,950</u>	<u>\$ 701,250</u>	<u>\$ 641,840</u>	<u>\$ 641,840</u>	<u>\$ 501,840</u>
<b>Total Expenditures</b>	<u><u>\$ 5,255,981</u></u>	<u><u>\$ 4,590,580</u></u>	<u><u>\$ 2,182,859</u></u>	<u><u>\$ 4,360,070</u></u>	<u><u>\$ 4,456,570</u></u>

# Legislative

## Overview

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The citizens of Northville Township elect the Supervisor, Clerk, Treasurer and four Trustees every four years as their representatives. The Township Board has the power to adopt laws, ordinances and resolutions, to approve contracts and agreements, to adopt the budget, to levy taxes, and to set policy. The Township Board appoints a Township Manager who is accountable for all of the day to day administrative functions.

The Township Manager's Office strives to effectively serve the Township Board and public through responsible administration of all Township affairs and demonstration and promotion of a high standard of ethics, professionalism, and integrity throughout the Township organization.

The Township Manager's Office fosters open and complete communications, actively seeks out and incorporates citizen involvement and participation, and achieves outstanding results through partnerships with other service providers in both the public and private sectors.

The Board of Trustees prides itself on visionary thinking and servant leadership and this is demonstrated in collaboration with the Township Manager's Office through words, actions, and policies and a commitment to treat all colleagues and citizens with respect, accountability and dignity.

## 2015 Significant Accomplishments

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- **Approved the *Northville Township Water & Sewer Fund Fiscal Policy which establishes recommended reserve levels and establishes financial policies for the Township's Water & Sewer Fund necessary to protect the financial integrity of the Fund and to provide for the sustainability of essential utility services.***

These financial policies serve as a guide in the Board's decision making process and were established to ensure:

- |  |
|--|
| <ul style="list-style-type: none"><li>• Reserves aren't used to fund recurring expenditures therefore prohibiting unsustainable uses of fund balance.</li><li>• Strategic long-term policy decisions are properly identified.</li><li>• Capital improvement projects are carefully planned and funded.</li></ul> |
|--|

- Approved Refunding Contract and Authority Resolution for refinancing of 2007 Capital Improvement Bonds for an estimated savings of approximately \$200,000 for the Water & Sewer Fund.

# Treasurer

## Overview

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Treasury oversees the billing, collection and distribution of Township, County, School and State Education taxes; prepares delinquent tax rolls; collection of water and sewer usage fees; prepares all special assessment billings and rolls; oversees investment activities; maintenance of financial guarantees, collects Township receivables and conducts daily banking. The mission of the Treasurer's Department is to continue providing extraordinary customer service as our primary goal through continued professional growth of our staff, and through credible, proactive improvements in our procedures and technologies.

The Treasurer's Department also provides operational services including accounting, budgeting, debt administration, assessing, grant reporting, accounts receivable, payroll and human resources, accounts payable as well as coordinates the annual financial audit and preparation of the Comprehensive Annual Financial Report. The department's diligence in these activities will position the Township to earn accolades from the Government Finance Officers Association and helped maintain Northville's AA+ bond credit rating with Standard & Poor's.

The Department maintains the Township's financial records in accordance with Township Charter, State law, and generally accepted accounting principles (GAAP). A comprehensive annual financial report will be prepared each year in connection with the Township's annual audit.

The mission of the Assessing Division is to uniformly and equitably value all taxable real and personal property within the Township of Northville. The annual creation of this tax base provides funding for education, Township services as well as other government functions.

## 2015 Significant Accomplishments

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- Earned the Government Finance Officers Association ***Certificate of Achievement Award for Excellence in Financial Reporting*** for a second consecutive year as well as the ***Distinguished Budget Award***.
- Achieved a "clean opinion" for the 2014 audit and ensured full compliance with generally accepted accounting principles (GAAP).

# Township Clerk

## Overview

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The Clerk's Office is a primary point of contact for the public and strives to provide the highest quality of service to the community by supporting the organizational values and goals of the Township Board. The statutory responsibilities of the Clerk are public information, election administration, records administration and financial accounting.

The Clerk's Office conducts all elections in accordance with State and Federal law. The Clerk is one of the 55 "Master Municipal Clerks" in the State of Michigan and is accredited by the Secretary of State to conduct election administration, including the training for precinct inspectors appointed to serve in the polls at local, School, County, State, and Federal elections. Each election involves a three month cycle of preparation and follow-up. Elections may be held on the fourth Tuesday in February, and the first Tuesday after the first Monday in May, August and November.

As the Township's official record keeper, the Clerk is responsible for document storage and retrieval of contracts, agreements, leases, bids, deeds, easements, Township Code amendments and minutes of all Board and Commissions. The Clerk's office staff responds to requests for public records according to the Freedom of Information Act (FOIA) daily and maintains and produces documents that enable the public to participate in local government.

The Clerk's Office posts and publishes notices of meetings, public hearings, zoning map amendments and adopted ordinances. All meeting actions of the Board of Trustees are recorded, transcribed and maintained in the Clerk's office.

## 2015 Significant Accomplishments

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- Conducted the statewide election in May which included a ballot question for the Northville Public School's Sinking Fund. Received verification from the County Board of Canvassers, certifying the results.
- Transitioned the Deputy Clerk to train the precinct inspectors utilizing laptop computers purchased with grant funds to quickly and more accurately process voters.
- Completed transactions in the State-mandated Qualified Voter File system, including 7,248 voter applications, 733 duplications, and 3,297 cancelled voters.
- The department encourages being "green" by providing all forms, permits and the Code of Ordinances online. In addition, voters can view their ballots on line with the Secretary of State and Northville Township's website, prior to every election.

- Received, routed and provided response documents for all FOIA (Freedom of Information Act) requests.
- Successfully completed the transfer of all historical easements to electronic medium and all permanent documents related to homeowner's associations which are available to residents upon request. The township's Board of Trustees permanent records have been maintained electronically since 2005 as well as the electronic transmission of Board packets for all Board of Trustee meetings.
- With the implementation of the Business Registration program and in conjunction with the IT department, the township offers a link to information about the local businesses, such as hours of operation, products available, coupons, etc.. on the township's website. Annual updates to the business registration files can now be handled on-line as well making it more convenient for the business owners in our community.

## **Building Department**

### **Overview**

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Northville's Building Department ensures that building construction projects meet community standards for local building codes and ordinances. Staff issues permits for the construction, repair and alteration to private property. Housing and some ordinance complaints are also handled by the Department.

In 2014, the Building Department issued 57 new single family residential permits. Commercial also continued to remain strong with 94 permits for various commercial uses. The building department performs many customer services on a daily basis. Some of the tasks performed by staff in 2014 are quantified below:

- Total number of permits issued 2,317
- Total number of inspections performed 5,725
- Total number of certificates of occupancy issued 71

During 2014 the total construction value represented by the permits that were issued was \$ 63,037,449 as compared to \$ 68,692,446 for 2013. At the end of 2014, there were 116 developed single family residential lots available.

### **2015 Significant Accomplishments**

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- Sponsored the third Annual Building Safety Month in May with significant support from the Board, community and local news media.
- Continue to provide staff support to the Zoning Board of Appeals (ZBA).

- Continue to process and inspect a significant number of residential and commercial construction permits.
- Continued the process of collecting expired permit fees which generated \$12,000 in revenue for 2014.
- Witnessed the completion and grand opening of Addington Place Senior Care Facility.
- Witnessed the completion and grand opening of the U of M Health Center.
- Closed out four subdivisions (Grande Vista, Hidden Ridge, Arcadia Ridge and Belmont Park).
- Issued building permits for Northville Park Place, Buildings A, B, D, and E.

## Planning Department

### Overview

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The planning department is responsible for administering the long term planning efforts of the township, maintaining the zoning ordinance, administering development related regulations, guiding new development and acts as the technical staff to the planning commission, zoning board of appeals, the board of trustees and the economic development corporation. The planning department strives to effectively maintain and prioritize services within the scope of reduced resources while intently pursuing the township's vision for the future. Building on this vision includes continuing to lay the groundwork for a growing, developing, constantly improving, quality community while leveraging our available strengths to increase our competitive advantage.

Encompassing the continuum of planning though physical construction followed by maintenance and redevelopment of the built environment, it is important to note that the things we do today will affect the fabric of the township far into the future. Pursuit of this vision in partnership with the township board of trustees, boards and commissions and the members of the community as a whole encompasses a wide range of efforts.

The township's pathway plan focuses this vision as it applies to non-motorized travel within the township to enhance the quality of life for our residents, visitors and establishing the character of the community. In prior years where the township experienced rapid development, a significant amount of pathways were constructed by the private sector in conjunction with development projects. However, as the amount of land available for new construction is diminished, the current initiative is looking toward filling in gaps within the non-motorized system and prioritizing the allocation of funds and other resources for these non-motorized improvements.

Continuous improvement and refinement of the zoning ordinance through amendments promote orderly and consistent development practices, as well as,

enhance the visual characteristics of the community such as setbacks, landscaping, lighting and parking. These regulations balance the priorities of the resident, development and business communities.

Every aspect of our world is changing at an increasing rate and our standards need to reflect uses, materials and processes that did not exist a decade ago. Creative solutions have been found within the scope of the ordinances to jump-start stalled projects without compromising township values. Recently, the planning department has seen a renewed interest new projects which is also a positive sign. While other communities have limited services to a few days or even afternoons each week, we have continued to provide exceptional full time service.

We are committed to providing a high level of customer service. This often means expending extraordinary effort to assist, guide and support new businesses, developments and residents in the Township. We make no apologies for the high standards expected by our residents, but will bend over backwards to help bring an appropriate project to fruition.

## **2015 Significant Accomplishments**

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- Reviewed and presented one rezoning request to the planning commission and township board.
- Reviewed and presented eleven site plan requests to the planning commission for approval.
- Reviewed and presented seven requests to the board of trustees for approval.
- Completed ten administrative reviews of land divisions/land reconfiguration requests.
- Reviewed and presented twenty seven petitions for variances to the township zoning board of appeals.
- Approved a new 22 unit single family development on 6 Mile Road, between Beck and Ridge Roads (Forest Edge Estates).
- Approved a site plan for a mixed use senior residential project on Haggerty Road, between 5 and 6 Mile Roads. The project will include 19 senior cottages, 96 units of independent living, 48 assisted living beds and 44 memory care units.
- Approved the state's second Granite City Brewery at Northville Park Place.
- Worked with Maybury State Park and the DNR to create a non-motorized access into Maybury State Park at the intersection of 8 Mile & Beck Roads.

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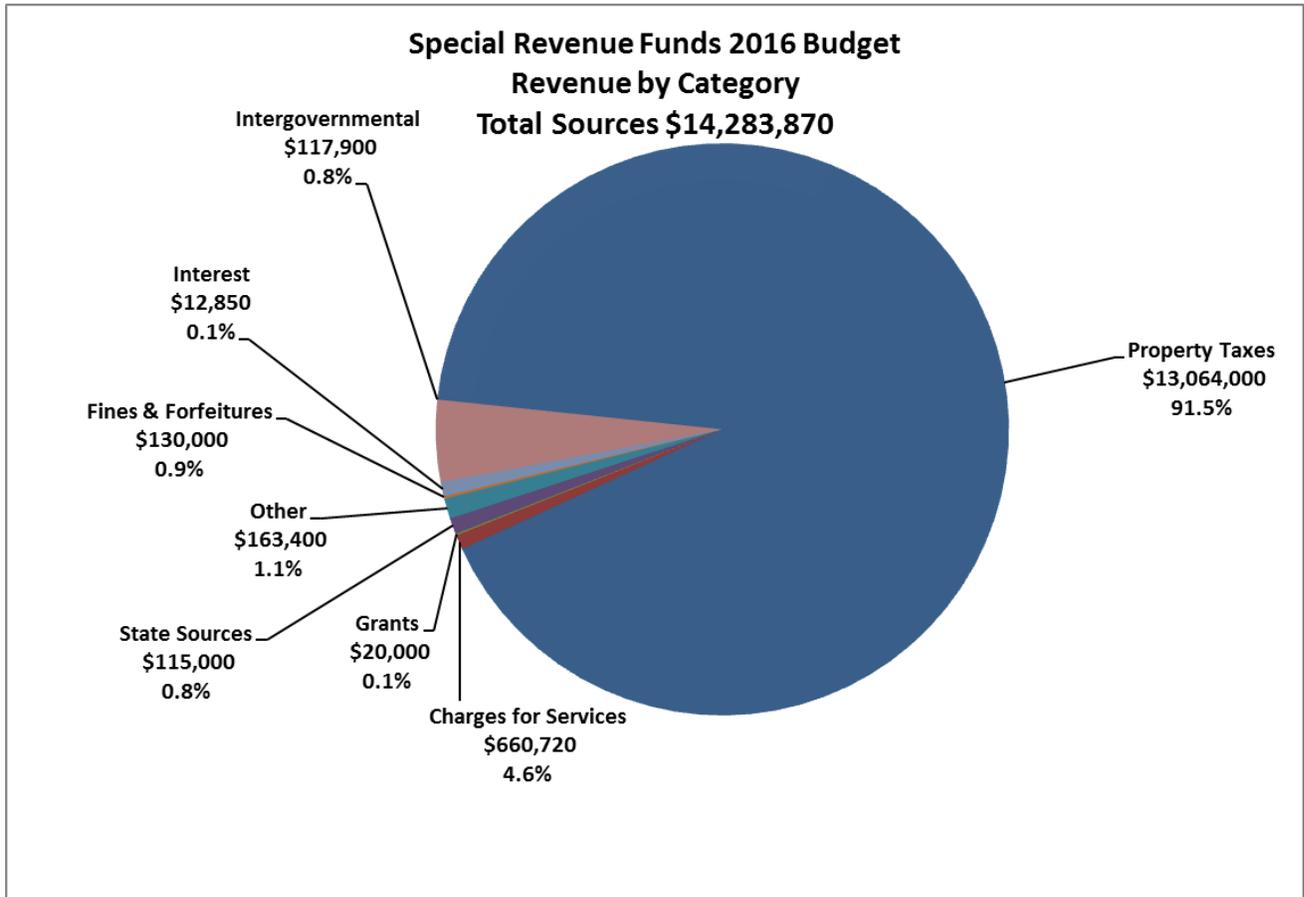
# Budget Summaries - Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Township of Northville has five Special Revenue Funds that are accounted for separately.

## Revenue

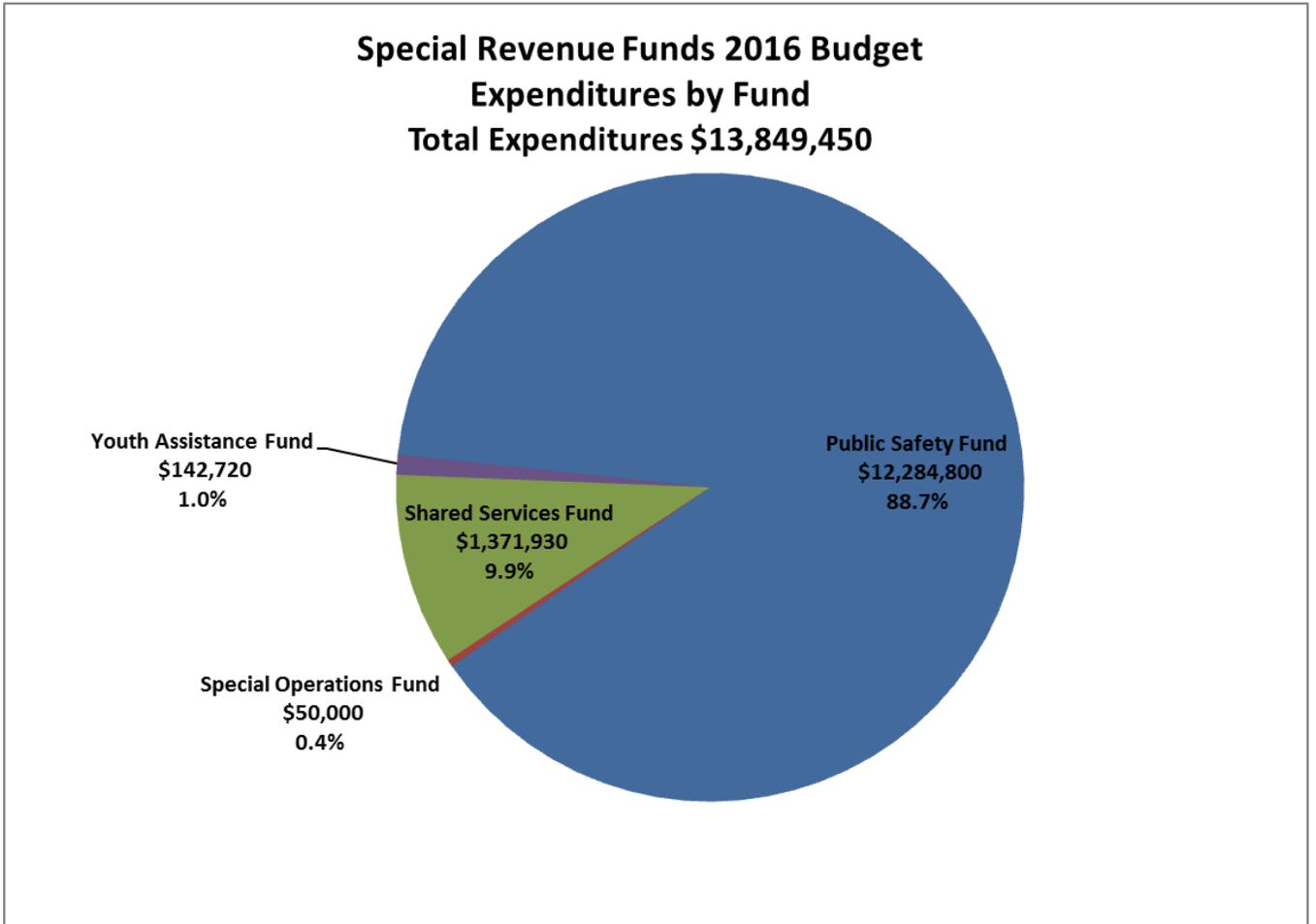
Special Revenue Funds are required to account for revenue intended for limited purposes. For example, property taxes levied for library purposes must be budgeted and accounted for to assure that the revenue is used only for library purposes.



**Total Special Revenue Fund Revenues \$14,283,870**

# Appropriations

Public Safety and Shared Services represent the largest appropriations for the current year.



**Total Special Revenue Fund Expenditures \$13,849,450**

## Public Safety Fund

The revenue for this fund is generated from a voted property tax millage that is authorized to fund the operations of the police and fire departments.

### PUBLIC SAFETY FUND (Does not include Special Operations)

DESCRIPTION	REVENUE				
	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Property Taxes	\$ 9,046,232	\$ 11,280,000	\$ 11,334,214	\$ 11,405,000	\$ 11,652,000
Licenses, Permits & Charges for Services	823,149	650,700	413,085	651,900	660,720
Federal Sources	283,044	20,000	18,025	20,000	20,000
State Sources	123,293	165,000	112,164	165,000	115,000
Fines & Forfeitures	330,819	178,000	72,711	188,050	130,000
Interest Income	77,100	11,350	9,670	11,350	11,350
Other Revenue	490,795	98,000	60,156	95,630	95,300
<b>Total Revenue</b>	<b>\$ 11,174,432</b>	<b>12,403,050</b>	<b>\$ 12,020,025</b>	<b>\$ 12,536,930</b>	<b>12,684,370</b>
Appropriation (to)/from - Fund Balance		(413,820)			(399,570)
<b>Total Revenue and Appropriation-Fund Balance</b>		<b>\$ 11,989,230</b>			<b>\$ 12,284,800</b>

### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
	<b>Police:</b>				
Personal Services	\$ 5,193,039	\$ 5,355,700	\$ 2,270,053	\$ 5,355,700	\$ 5,615,410
Supplies	171,558	247,730	89,031	174,800	177,500
Other Services and Charges	978,053	744,540	498,742	949,320	945,550
Capital Outlay	143,098	470,550	32,210	390,500	248,450
Transfers Out	159,610	159,350	159,350	159,350	157,750
<b>Total police expenditures</b>	<b>\$ 6,645,358</b>	<b>\$ 6,977,870</b>	<b>\$ 3,049,386</b>	<b>\$ 7,029,670</b>	<b>\$ 7,144,660</b>
<b>Fire:</b>					
Personal Services	\$ 3,908,501	\$ 3,959,860	\$ 1,686,212	\$ 3,959,860	\$ 4,055,940
Supplies	140,527	215,000	117,877	126,000	170,000
Other Services and Charges	579,512	438,800	128,314	436,000	468,700
Capital Outlay	121,741	79,000	161,236	192,000	130,000
Transfers Out	319,210	318,700	318,700	318,700	315,500
<b>Total fire expenditures</b>	<b>\$ 5,069,491</b>	<b>\$ 5,011,360</b>	<b>\$ 2,412,339</b>	<b>\$ 5,032,560</b>	<b>\$ 5,140,140</b>
<b>Total public safety expenditures</b>	<b>\$ 11,714,849</b>	<b>\$ 11,989,230</b>	<b>\$ 5,461,725</b>	<b>\$ 12,062,230</b>	<b>\$ 12,284,800</b>

## Property Tax Revenue

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The Public Safety Fund property tax revenue is estimated at \$11,652,000 for 2016 and is based on a reduced authorized millage rate of 6.2386 mills which expires December 31, 2020. The Headlee cap for the public safety millage has been permanently reduced from 6.2500 mills as authorized by voters in 2014 to 6.2386 mills. The Headlee amendment of the State Constitution can reduce the amount of operating millages allowed by Township Law. This amendment limits the growth in property tax revenue from existing property to the rate of inflation. It accomplishes this by reducing millages proportionally by the amount that market changes exceed the State's inflation rate multiplier. Property tax revenue accounts for over 92% of the combined budgeted revenue sources for this fund.

## Licenses, Permits & Charges for Services

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This revenue source includes \$252,920 to provide both dispatch and lock-up services to the City of Northville. In addition, service fees in the amount \$400,000 are projected to provide the necessary capital replacement to maintain Advanced Life Support (ALS) services within the Township.

## Federal Grants

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The 2015 Budget estimates \$20,000 in federal funding for police overtime reimbursement.

## Fines and Forfeitures

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This activity includes court fines and fees and is estimated to generate approximately \$130,000. The Township does not estimate drug forfeiture revenue during the budget process in accordance with the Department of Justice Asset Forfeiture Program guidelines, "**Guide to Equitable Sharing for State and Local Law Enforcement Agencies**" which state: **Anticipated shared property should not be budgeted in advance.**

## State Sources

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This revenue source represents proceeds pursuant to the all-communication device surcharge mandated by P.A. 379 of 2008. This 9-1-1 funding legislation allows Wayne County to levy an all communication device surcharge on all wireline, wireless, VoIP and prepaid calling cards registered in Michigan. These funds are disbursed to member communities by the Conference of Western Wayne and are estimated to total \$115,000.

## Other

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This line item estimated at \$98,000 includes primarily revenue derived from special detail and proceeds from the sale of equipment.

<b>Fund Balance Analysis - Public Safety Fund:</b>						
				<u>Public Safety</u>	<u>Drug Forfeiture</u>	<u>Total</u>
Fund Balance, January 1, 2015				\$ 2,438,026	\$ 1,339,507	\$ 3,777,533
Estimated 2015:						
Revenue				12,536,930	-	12,536,930
Expenditures				(11,707,230)	(355,000)	(12,062,230)
Revenues over/(under) expenditures				829,700	(355,000)	474,700
2016 Budget:						
Revenue				12,684,370	-	12,684,370
Expenditures				(12,284,800)	-	(12,284,800)
Revenues over/(under) expenditures				399,570	-	399,570
Projected Fund Balance, December 31, 2016				\$ 3,667,296	\$ 984,507	\$ 4,651,803

### 2015 Significant Accomplishments

- Maintained a safe working environment for Police and Fire personnel.
- Maintained facility, apparatus and equipment upgrades and replacement programs.
- Maintained effective training programs and state-of-the-art equipment.
- Implement and maintain policy, procedures and best practices consistent with Public Safety standards.
- Implement and maintain public education and prevention programs in the schools.

## Special Operations Fund

The Special Operations Fund's purpose is to account for expenditures associated with the Western Wayne County Special Operations Team. The Special Operations Team was formed in 1987 to provide resources and specialized expertise in resolving critical high-risk situations. The team also provides dignitary support when requested. This team trains extensively to maintain a state of readiness. Members of the team are required to maintain above average physical fitness standards and marksmanship skills. The consortium concept was developed as a means to provide local departments who cannot afford to staff and equip stand-alone units within their own agencies.

### SPECIAL OPERATIONS FUND

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Other Revenue	50,000	50,000	51,800	50,000	50,000
Total Revenue	<u>\$ 50,000</u>	<u>50,000</u>	<u>\$ 51,800</u>	<u>\$ 50,000</u>	<u>50,000</u>
Appropriation (to)/from - Fund Balance		-			-
Total Revenue and Appropriation-Fund Balance		<u>\$ 50,000</u>			<u>\$ 50,000</u>

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Capital Outlay	77,600	50,000	17,517	50,000	50,000
Total Expenditures	<u>\$ 77,600</u>	<u>\$ 50,000</u>	<u>\$ 17,517</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

### Fund Balance Analysis - Special Operations Fund:

Fund Balance, January 1, 2015				\$ 26,833	
Estimated 2015:					
Revenue				50,000	
Expenditures				(50,000)	
Revenues over/(under) expenditures					-
2016 Budget:					
Revenue				50,000	
Expenditures				(50,000)	
Revenues over/(under) expenditures					-
Projected Fund Balance, December 31, 2016					<u>\$ 26,833</u>

## Shared Services Fund

Northville Parks and Recreation Commission is a shared service provided through an agreement between the City of Northville and the Charter Township of Northville. The revenue for this fund is generated through a voted property tax millage and provides for the cost of parks and recreation, senior adult services, pathway and facility maintenance, capital improvements as well as youth assistance programs.

### SHARED SERVICES FUND

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated Budget	
Property Taxes	\$ 826,742	\$ 1,367,000	\$ 1,373,435	\$ 1,382,000	\$ 1,412,000
Interest Income	1,894	1,500	917	1,500	1,500
Total Revenue	<u>\$ 828,636</u>	<u>1,368,500</u>	<u>\$ 1,374,352</u>	<u>\$ 1,383,500</u>	<u>1,413,500</u>
Appropriation (to)/from - Fund Balance		(251,500)			(41,570)
Total Revenue and Appropriation-Fund Balance		<u>\$ 1,117,000</u>			<u>\$ 1,371,930</u>

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated Budget	
Senior Citizens	\$ 156,434	\$ 156,430	\$ 78,217	\$ 156,430	\$ 156,430
Park Development	15,000	15,000	15,000	15,000	15,000
Recreation	852,869	852,870	426,435	852,870	852,870
Youth Assistance	90,930	92,700	92,700	92,700	94,530
Transfers Out	-	-	266,230	266,230	253,100
Total Expenditures	<u>\$ 1,115,233</u>	<u>\$ 1,117,000</u>	<u>\$ 878,582</u>	<u>\$ 1,383,230</u>	<u>\$ 1,371,930</u>

### Fund Balance Analysis - Shared Services Fund:

Fund Balance, January 1, 2015					\$ 811,017
Estimated 2015:					
Revenue				1,383,500	
Expenditures				(1,383,230)	
Revenues over/(under) expenditures					270
2016 Budget:					
Revenue				1,413,500	
Expenditures				(1,371,930)	
Revenues over/(under) expenditures					41,570
Projected Fund Balance, December 31, 2016					\$ 852,857

## **2015 Significant Accomplishments**

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- The Adult Basketball program was re-started and running year-round.
- The Northville Senior Services was a recipient of a \$10,000 non-matching grant from Providence Mission Fund for Transportation.
- The Department revamped the Friday Night Concert series by internally booking and contracting with the individual performers. This resulted in over a \$7,000 cost savings and still was able to produce 13 quality shows with average attendance around 500-1,000 nightly.
- Safety Town was the recipient of a \$1,500 sponsorship from St. John's Providence Hospital for supplies.
- A well for potable water was installed at Community Park Dog Park.
- Community Park was the recipient of a new pavilion sponsored by Aisin.
- The Lacrosse program partnered with the Northville Mavericks maintaining a hometown premier Lacrosse program.
- The Northville Community Center gym was renamed the Lisa Bowman Christensen Memorial Gymnasium at a dedication ceremony on May 16, 2015.

## Youth Assistance Fund

Northville Youth Assistance (NYA) was established in December 1986 and is funded through a shared service agreement between the Charter Township of Northville and the City of Northville. The vision of Northville Youth Assistance is a community where all Northville youth feel valued and safe and have opportunities to be engaged and prepared for the future. In pursuit of this vision, the mission of Northville Youth Assistance is to support and encourage our youth, in partnership with their families, through mentoring, counseling, social support and community programs.

NYA offers a variety of resiliency-based components including mentoring, Challenge Day, Children Adjusting to Middle School (CAMP), counseling for youngsters and their families, parenting programs, after-school music lessons, anger management classes, and diversion from the courts for first-time offenders as a way for them to learn how to make better decisions.

### YOUTH ASSISTANCE FUND

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
County sources	\$ 5,358	\$ 6,860	\$ 2,027	\$ 5,360	\$ 5,360
Conrad Charitable Foundation Donations *	50,289	-	70	70	-
Northville Township contributions	90,930	92,700	92,700	92,700	94,530
Northville City contributions	17,320	17,490	8,745	17,490	18,010
Other	2,342	-	14,895	17,070	18,100
<b>Total Revenue</b>	<b>\$ 166,239</b>	<b>117,050</b>	<b>\$ 118,437</b>	<b>\$ 132,690</b>	<b>136,000</b>
Appropriation (to)/from - Fund Balance		20,710			6,720
<b>Total Revenue and Appropriation-Fund Balance</b>		<b>\$ 137,760</b>			<b>\$ 142,720</b>

\*These donations are restricted for specific purposes.

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Personal Services	\$ 93,863	\$ 96,440	\$ 43,136	\$ 96,440	\$ 98,910
Supplies	2,502	1,750	433	1,600	1,600
Other Services & Charges	15,284	19,570	6,094	19,020	18,770
Conrad Charitable Foundation *	41,803	-	18,326	18,330	-
Program Expenditures	23,732	20,000	6,698	20,000	23,440
<b>Total Expenditures</b>	<b>\$ 177,184</b>	<b>\$ 137,760</b>	<b>\$ 74,687</b>	<b>\$ 155,390</b>	<b>\$ 142,720</b>

<b>Fund Balance Analysis - Youth Assistance Fund:</b>						
				<u>Youth Assistance</u>	<u>Conrad Charitable</u>	<u>Total</u>
Fund Balance, January 1, 2015				\$ 104,265	\$ 41,601	\$ 145,866
Estimated 2015:						
Revenue				132,620	70	132,690
Expenditures				(137,060)	(18,330)	(155,390)
Revenues over/(under) expenditures				(4,440)	(18,260)	(22,700)
2016 Budget:						
Revenue				136,000	-	136,000
Expenditures				(142,720)	-	(142,720)
Revenues over/(under) expenditures				(6,720)	-	(6,720)
Projected Fund Balance, December 31, 2016				\$ 93,105	\$ 23,341	\$ 116,446

## 2015 Significant Accomplishments

- Provided counseling, anger management, decision making and court diversion services for children and teens.
- Trained and matched volunteer mentors with young people in the community.
- Organized a mentor-mentee community garden as a service project.
- Established a middle school peer-to-peer program for 56 students.
- Managed a middle school transition program for 80 students.
- Administered camp scholarship program benefiting 37 students.
- Conducted Love and Logic classes for 57 parents.
- Coordinated an after-school music lesson program.
- Sponsored Challenge Day program for approximately 300 students.
- Offered a lending closet of costumes for the community's Victorian Festival.

## Community Development Block Grant Fund

The Community Development Block Grant Fund is used to account for federal grants and related expenditures in accordance with regulations of the U.S. Department of Housing and Urban Development (HUD) to develop viable communities.

### COMMUNITY DEVELOPMENT BLOCK GRANT FUND

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Federal Grants	\$ -	\$ -	\$ 177,480	\$ 301,970	\$ -
Total Revenue	\$ -	\$ -	\$ 177,480	\$ 301,970	\$ -

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Seven Mile Property Building Demolition	\$ -	\$ -	\$ 177,480	\$ 301,970	\$ -
Total Expenditures	\$ -	\$ -	\$ 177,480	\$ 301,970	\$ -

### ***Fund Balance Analysis - Community Development Block Grant Fund:***

Fund Balance, January 1, 2015					\$ -
Estimated 2015:					
Revenue				301,970	
Expenditures				(301,970)	
Revenues over/(under) expenditures					-
2016 Budget:					
Revenue				-	
Expenditures				-	
Revenues over/(under) expenditures					-
Projected Fund Balance, December 31, 2016					\$ -

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## *Debt Service Funds*

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. Schedules of indebtedness for the Enterprise funds can be found in the Enterprise Funds section of this document.

### **Legal Debt Margin**

Township Charter and Public Act 279 of 1909 (as amended) provide that the net indebtedness of the Township shall not be in excess of 10% of the State Equalized Valuation of all real and personal property in the Township, plus assessed value equivalent of Act 198 specific tax levies.

Obligations which are not included in the computation of legal debt margin are:

- Special Assessment Bonds;
- Mortgage Bonds;
- Michigan Transportation Bonds;
- Revenue Bonds;
- Bonds issued, or contracts or assessment obligations, incurred, to comply with an order of the Water Resources Commission (now the Department of Environmental Quality) or a court of competent jurisdiction;
- Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

#### Legal Debt Margin Information (as of August 27, 2015)

##### **Calculation of Debt Limit**

2015 State equalized valuation	\$ 2,200,717,244
Assessed value equivalent of Act 198 exemptions	11,977,900
Debt limit (10% of SEV)	2,212,695,144

##### **Calculation of Debt Subject to Limit**

Debt Limited 10% of State Equalized Valuation	221,269,514
Total debt	32,786,005
Less special assessment bonds	(405,000)
Net debt subject to limit	32,381,005
Legal debt margin	\$ 188,888,509

<b>Net Debt Subject to Limit as Percent of Debt Limit</b>	<b>14.6%</b>
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## 2006 Refunding Bonds – Land Acquisition Debt Fund

These bonds were issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended to refund a portion of the Township's obligations pursuant to a Limited Tax Full Faith and Credit General Obligation Contract of Lease dated May 1, 1999, between the Charter Township of Northville Building Authority Bonds, Series 1999.

### 2006 REFUNDING BONDS - LAND ACQUISITION

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Transfer in	\$ 274,330	\$ 266,230	\$ 266,230	\$ 266,230	\$ 253,100
Total Revenue	<u>\$ 274,330</u>	266,230	<u>\$ 266,230</u>	<u>\$ 266,230</u>	253,100
Appropriation - Fund Balance		-			-
Total Revenue (including Appropriation)		<u>\$ 266,230</u>			<u>\$ 253,100</u>

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Principal	\$ 205,000	\$ 205,000	\$ -	\$ 205,000	\$ 200,000
Interest expense	69,200	61,000	30,500	61,000	52,800
Paying agent fees	300	230	150	300	300
Total Expenditures	<u>\$ 274,500</u>	<u>\$ 266,230</u>	<u>\$ 30,650</u>	<u>\$ 266,300</u>	<u>\$ 253,100</u>

### 2006 REFUNDING BONDS - LAND ACQUISITION

#### SCHEDULE OF INDEBTNESS

YEAR ISSUED: 2006

AMOUNT OF ISSUE: \$2,645,000

YEAR	PRINCIPAL DUE		INTEREST		TOTAL PRINCIPAL & INTEREST
	OCTOBER 1	RATE	APRIL 1	OCTOBER 1	
2015	205,000	4.0000%	30,500	30,500	266,000
2016	200,000	4.0000%	26,400	26,400	252,800
2017	250,000	4.0000%	22,400	22,400	294,800
2018	295,000	4.0000%	17,400	17,400	329,800
2019	290,000	4.0000%	11,500	11,500	313,000
2020	285,000	4.0000%	5,700	5,700	296,400
Balance remaining	<u>\$ 1,525,000</u>		<u>\$ 113,900</u>	<u>\$ 113,900</u>	<u>\$ 1,752,800</u>

## 2009 General Obligation Unlimited Tax – Seven Mile Property Purchase Debt Fund

These bonds were issued pursuant to the provisions of Act 359, Public Acts of Michigan, 1947, as amended, and authorized by an approving vote of the electors of the Charter Township of Northville at the election held on August 4, 2009, which authorized the issuance of not to exceed \$24,095,000 in bonds for the purpose of financing the acquisition of 232.5 acres of property located at Seven Mile and Haggerty Roads. The Series A Bonds are designated as tax-exempt and the Series B Bonds are designated as “Build America Bonds”.

### 2009 GENERAL OBLIGATION UNLIMITED TAX - SEVEN MILE PROPERTY PURCHASE

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Property taxes	\$ 1,541,118	\$ 1,577,000	\$ 1,549,031	\$ 1,577,000	\$ 1,625,000
Interest Income	-	-	668	670	-
Transfer in	-	59,410	-	-	-
Total Revenue	<u>\$ 1,541,118</u>	<u>1,636,410</u>	<u>\$ 1,549,699</u>	<u>\$ 1,577,670</u>	<u>1,625,000</u>
Appropriation to Fund Balance		-			(29,720)
Total Revenue (including Appropriation)		<u>\$ 1,636,410</u>			<u>\$ 1,595,280</u>

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Principal	\$ 810,000	\$ 885,000	\$ 885,000	\$ 885,000	\$ 880,000
Interest expense	780,030	749,760	384,138	750,140	713,980
Paying agent fees	1,100	1,650	1,100	1,100	1,300
Total Expenditures	<u>\$ 1,591,130</u>	<u>\$ 1,636,410</u>	<u>\$ 1,270,238</u>	<u>\$ 1,636,240</u>	<u>\$ 1,595,280</u>

<b>Fund Balance Analysis - Seven Mile Road Property Purchase Fund (Build America Bonds):</b>						
Fund Balance, January 1, 2015						\$ 283,183
Estimated 2015:						
Revenue				1,577,670		
Expenditures				(1,636,240)		
Revenues over/(under) expenditures						(58,570)
2016 Budget:						
Revenue				1,625,000		
Expenditures				(1,595,280)		
Revenues over/(under) expenditures						29,720
Projected Fund Balance, December 31, 2016						<u>\$ 254,333</u>

## 2009 General Obligation Unlimited Tax – Seven Mile Property Purchase Debt Fund (continued)

2009 GENERAL OBLIGATION UNLIMITED TAX - SEVEN MILE PROPERTY PURCHASE

SCHEDULE OF INDEBTNESS

YEAR ISSUED: 2009, SERIES B Build America Bonds

AMOUNT OF ISSUE: \$18,145,000

YEAR	PRINCIPAL	INTEREST	Gross	Estimated	TOTAL
	DUE				
	OCTOBER 1	RATE		Amount	& INTEREST
2015	885,000	6.0660%	1,110,417	(360,275)	1,635,142
2016	880,000	6.0660%	1,056,887	(342,907)	1,593,980
2017	955,000	6.0660%	1,001,231	(324,849)	1,631,382
2018	950,000	6.0660%	943,453	(306,103)	1,587,350
2019	1,025,000	6.0660%	883,551	(286,668)	1,621,883
2020	1,095,000	6.0660%	819,251	(265,806)	1,648,445
2021	1,085,000	6.0660%	753,132	(244,354)	1,593,778
2022	1,160,000	6.0660%	685,041	(222,262)	1,622,779
2023	1,230,000	6.0660%	612,552	(198,742)	1,643,810
2024	1,300,000	6.4780%	533,139	(172,977)	1,660,162
2025	1,370,000	6.4780%	446,658	(144,918)	1,671,740
2026	1,470,000	6.4780%	354,671	(115,073)	1,709,598
2027	1,545,000	6.4780%	257,015	(83,389)	1,718,626
2028	1,565,000	6.4780%	156,282	(50,706)	1,670,576
2029	1,630,000	6.4780%	52,796	(17,130)	1,665,666
Balance remaining	<u>\$ 18,145,000</u>		<u>\$ 9,666,076</u>	<u>\$ (3,136,158)</u>	<u>\$ 24,674,918</u>

The Township issued Build America Bonds back in 2009 for the purpose of financing the acquisition of the Seven Mile property. At that time, the Township received a direct pay interest credit from the United States Treasury equal to 35% of the annual interest on the bonds. The interest cost for these bonds has become more expensive given the 7.2% cut in our federal subsidy under the 2014 federal sequestration order. According to the IRS, the 2015 sequestration reduction will increase to 7.3%. The rate could be subject to further reductions in the future.

It is important to note, these bonds were also issued with a ***make-whole call provision***, which stipulates a premium settlement of \$5,059,458 that would be required to be paid by the Township over and above the principal amount of \$18,145,000 if the Township were to consider paying off the remaining debt early. The Township did covenant at the time these bonds were issued not to exercise its right to optionally redeem any bonds if such redemption would result in a premium exceeding 3% of the principal amount of the bonds.

## 2012 Refunding Bonds – Building Authority Debt Fund

These bonds were issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended to advance refund all of the outstanding Township’s 2003 General Obligation Limited Tax Bonds.

### 2012 REFUNDING BONDS - BUILDING AUTHORITY

#### REVENUE

DESCRIPTION	2014		2015		2016
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
	Transfers in	\$ 1,140,050	\$ 1,138,210	\$ 1,138,210	\$ 1,138,210
Total Revenue	\$ 1,140,050	1,138,210	\$ 1,138,210	\$ 1,138,210	1,126,800
Appropriation - Fund Balance		890			-
Total Revenue (including Appropriation)		\$ 1,139,100			\$ 1,126,800

#### APPROPRIATIONS

DESCRIPTION	2014		2015		2016
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
	Principal	\$ 835,000	\$ 850,000	\$ 850,000	\$ 850,000
Interest expense	305,450	288,600	148,550	288,600	271,550
Paying agent fees	250	500	250	250	250
Total Expenditures	\$ 1,140,700	\$ 1,139,100	\$ 998,800	\$ 1,138,850	\$ 1,126,800

### 2012 Refunding Bonds - Building Authority

#### SCHEDULE OF INDEBTNESS

YEAR ISSUED: 2012

AMOUNT OF ISSUE: \$9,115,000

YEAR	PRINCIPAL DUE		INTEREST		TOTAL PRINCIPAL & INTEREST
	OCTOBER 1	RATE	APRIL 1	OCTOBER 1	
2015	850,000	2.0000%	148,550	140,050	1,138,600
2016	855,000	2.0000%	140,050	131,500	1,126,550
2017	870,000	4.0000%	131,500	114,100	1,115,600
2018	895,000	4.0000%	114,100	96,200	1,105,300
2019	915,000	4.0000%	96,200	77,900	1,089,100
2020	960,000	4.0000%	77,900	58,700	1,096,600
2021	955,000	4.0000%	58,700	39,600	1,053,300
2022	945,000	4.0000%	39,600	20,700	1,005,300
2023	1,035,000	4.0000%	20,700	-	1,055,700
Balance remaining	\$ 8,280,000		\$ 827,300	\$ 678,750	\$ 9,786,050

## 2009 Special Assessment Limited Tax Debt Fund

These Bonds were issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended, and pursuant to a resolution adopted by the Township Board on September 17, 2009, for the purpose of defraying the cost of installing and constructing water main improvements to serve properties in and surrounding the Edenderry Hills Subdivision.

### 2009 SPECIAL ASSESSMENT LIMITED TAX BONDS

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Special assessment collections	\$ 50,770	\$ 33,500	\$ 14,052	\$ 33,500	\$ 33,500
Interest on special assessments	24,832	17,120	7,982	19,030	17,120
Total Revenue	<u>\$ 75,602</u>	50,620	<u>\$ 22,034</u>	<u>\$ 52,530</u>	50,620
Appropriation - Fund Balance		8,220			12,380
Total Revenue (including Appropriation)		<u>\$ 58,840</u>			<u>\$ 63,000</u>

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Principal	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 45,000
Interest expense	20,028	18,740	9,704	18,740	17,250
Paying agent fees	750	100	750	750	750
Total Expenditures	<u>\$ 60,778</u>	<u>\$ 58,840</u>	<u>\$ 50,454</u>	<u>\$ 59,490</u>	<u>\$ 63,000</u>

### 2009 Special Assessment Limited Tax Bonds

#### SCHEDULE OF INDEBTNESS

YEAR ISSUED: 2009

AMOUNT OF ISSUE: \$625,000

YEAR	PRINCIPAL DUE		INTEREST		TOTAL PRINCIPAL & INTEREST
	OCTOBER 1	RATE	APRIL 1	OCTOBER 1	
2015	40,000	3.3500%	9,704	9,034	58,738
2016	45,000	3.6500%	9,034	8,212	62,246
2017	45,000	4.0000%	8,213	7,312	60,525
2018	45,000	4.5000%	7,313	6,300	58,613
2019	45,000	4.5000%	6,300	5,288	56,588
2020	45,000	4.5000%	5,287	4,275	54,562
2021	45,000	4.7500%	4,275	3,206	52,481
2022	45,000	4.7500%	3,206	2,138	50,344
2023	45,000	4.7500%	2,137	1,069	48,206
2024	45,000	4.7500%	1,069	-	46,069
Balance remaining	<u>\$ 445,000</u>		<u>\$ 56,538</u>	<u>\$ 46,834</u>	<u>\$ 548,372</u>

## Budget Summaries – Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of capital or infrastructure improvements.

### CAPITAL PROJECTS FUND

#### REVENUE

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
County sources	\$ 116,000	\$ -	\$ 208,995	\$ 209,000	\$ -
Special assessment collections	12,814	12,170	3,844	11,500	11,500
Interest on special assessments	7,945	5,000	2,307	6,920	6,920
Interest Income	656	500	326	700	700
Transfers in	512,730	266,230	266,230	266,230	130,000
Metro Act Funds	26,400	16,000	-	16,000	16,000
Total Revenue	<u>\$ 676,545</u>	<u>299,900</u>	<u>\$ 481,702</u>	<u>\$ 510,350</u>	<u>165,120</u>
Appropriation (to)/from - Fund Balance		122,030			-
Total Revenue and Appropriation-Fund Balance		<u>\$ 421,930</u>			<u>\$ 165,120</u>

#### APPROPRIATIONS

DESCRIPTION	2014	2015		2016	
	Actual	Amended Budget	Actual Thru 06/30/2015	Estimated	Budget
Capital Outlay	\$ 139,397	\$ 98,700	\$ 49,632	\$ 143,700	\$ 99,120
Pathway maintenance	26,400	16,000	-	16,000	16,000
Pond Improvements	18,421	25,000	-	-	-
Seven Mile Project	-	-	17,401	31,800	-
Five Mile Road concept plan	-	-	-	150,000	-
Thayer's Corner (replace roof)	-	16,000	15,600	15,600	-
Election equipment	-	-	-	-	50,000
Transfers out	274,330	266,230	-	-	-
Total Expenditures	<u>\$ 458,548</u>	<u>\$ 421,930</u>	<u>\$ 82,633</u>	<u>\$ 357,100</u>	<u>\$ 165,120</u>

### **Fund Balance Analysis - Capital Projects Fund:**

Fund Balance, January 1, 2015					\$ 729,930
Estimated 2015:					
Revenue				510,350	
Expenditures				(357,100)	
Revenues over/(under) expenditures					153,250
2016 Budget:					
Revenue				165,120	
Expenditures				(165,120)	
Revenues over/(under) expenditures					-
Projected Fund Balance, December 31, 2016					<u>\$ 883,180</u>

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## ***Budget Summaries - Enterprise Funds***

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Enterprise Funds are used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service. The Township has two enterprise funds: Water & Sewer and Solid Waste.

### **Water and Sewer Fund**

#### **Overview**

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The Township of Northville takes pride in providing safe and effective water distribution and sanitary sewage collection systems. Over the past few years, the Township has taken steps to further improve its underground systems as recommended by the Water Distribution Study, Master Plan Update, and the Centralized Maintenance Management System (CMMS). These programs have allowed the Township to establish benchmarks for the current operation of the Township's utility-based infrastructure, and to provide recommendations for improvements to the water distribution and sanitary sewage collection systems.

The following are goals of the Water and Sewer Division's Strategic Plan and the Water Distribution Master Plan:

- Replace or upgrade equipment as needed, and make improvements to existing infrastructure as recommended in the Water Distribution Study and Master Plan and as a result of findings from implementation of the CMMS Program (pumps, booster stations, lift/pump stations, collection mains, distribution and transmission lines, storage, and appurtenant facilities).
- Work in concert with the Detroit Water & Sewerage Department (DWSD) to ensure the community receives adequate water pressure, especially during the summer peak demand periods.
- Continue to work with the Michigan Department of Environmental Quality (MDEQ) and the Federal Environmental Protection Agency to prepare for and conduct further water system testing.
- Provide uninterrupted water and sewer service to the residents of Northville Township.
- Provide public education programs to facilitate water conservation and promote greater awareness and support of the Division and its activities.
- Continue to promote water conservation efforts to lower the peak demand charges paid to the Detroit Water and Sewerage Department (DWSD) by changing the operating times of irrigation systems to between 12:00 AM and 6:00 AM.
- Continue to support water distribution education programs supplied by the State of Michigan.
- Continue to interconnect water mains for enhanced reliability, redundancy, fire protection and water quality.
- Continue to study and streamline Township services with input from customers and staff.

## **Water and Sewer Fund - (continued)**

- Continue to partner with DWSD through participation in the Technical Advisory Committee (TAC) to work to provide safe, secure, and reliable potable water supply with sufficient quantities and in an efficient and cost-effective manner.

## **Water Distribution System**

### **Water Source**

The Township of Northville is a wholesale water customer community of DWSD. As a community, we purchased more than 1.3 billion gallons of water in 2012 from DWSD. We currently have six metered service connections to the DWSD system. The metered water is divided into pressure districts to ensure that all areas of the Township are provided adequate water pressure regardless of elevation. In 2012, the Township of Northville and DWSD entered into a service contract that provides specified volume and pressure requirements for DWSD to maintain. The Township continues to monitor the contract and the rate structure to manage the water system supply at the lowest possible rate structure. The majority of the Township's water is supplied from the Detroit River. DWSD treats our water at the Springwells and Northeast Water Treatment Plants. These facilities pump raw water from the Detroit River, provide treatment through a variety of chemical and physical processes, and transmit the water to customer communities. Transmission of the water is accomplished by a series of water mains and booster pump stations as the treated water makes its way to the Township of Northville. The Detroit water system has historically provided water that meets or exceeds all state and federal quality standards.

### **History of the Township of Northville Water Distribution System**

On June 2, 1964, the Charter Township of Northville entered into an agreement with the DWSD for purchasing treated water for distribution throughout the Township. The original water system agreement provided capacity for approximately 250 people.

### **Today's Water Distribution System**

We currently have in excess of 157 miles of water mains in the system and 1,710 fire hydrants. Water mains range in size from 6 to 24 inches in diameter. The water mains that are 16 inches and larger are located along major roadways and are commonly referred to as transmission mains; mains smaller than 16 inches are commonly referred to as distribution mains. The Township of Northville now distributes water to approximately 8,300 service connections.

In 2009, the Township of Northville conducted a study to identify improvements required for continued efficient operation of the water system. The study recommended a series of redundancy improvements to ensure a stable water system, and identified areas that would require new water main construction. The study also considered viable options for additional water storage within the

## Water and Sewer Fund - (continued)

Township to lower the peak demand and maximum day demand – two parameters that currently negatively affect the water rates charged by DWSD.

In 2012, construction of a water main along various locations feeding the Beck Road Pressure District and improvements to the Beck Road Booster Pump Station was completed under the purview of the Department of Public Services. These water system improvements were identified in the Township’s Water Distribution Study and Master Plan Update to improve pressures within the Beck Road Pressure District. Improvements such as this are made to enhance the Township’s ability to provide domestic water service and fire protection to current and future customers throughout the community.

The Water and Sewer Division performs many customer services on a daily basis. Some of the water-related tasks performed by staff in 2013 are quantified below:

Total number of meters read	50,097
Final real estate meter reads	464
Water meters installed	63
Water meters repaired	0
Water meters replaced	582
Water meters tested	0
Meters Investigated (required re-read)	1,213
Fire hydrant repaired, tested, and inspected	351
Water structures repaired/adjusted	0
Water concerns investigated	7

## Sanitary Sewage Collection System

On August 10, 1961 the original contract with Wayne County for sanitary sewer services was implemented for sewer disposal to DWSD. Since the implementation of these contracts, the Township has grown in size. There are currently 120 miles of sanitary sewer mains ranging from 8 to 30 inches in diameter in the Township of Northville.

All of our sewer flow is discharged to the Western Townships Utilities Authority (WTUA) who manages flow from the townships of Northville, Plymouth and Canton. WTUA then transports our flow to both the Ypsilanti Communities Utilities Authority and the DWSD Treatment Plants for the proper treatment prior to discharge to the waters of the State.

The portion of flow distributed to Wayne County occurs to the Middle Rouge Interceptor at Eckles and Joy Roads and the Lower Rouge Interceptor at Hannon and Michigan Avenue. The portion of flow that is distributed to YCUA occurs at Haggerty and Michigan Avenue.

## Water and Sewer Fund - (continued)

Over the last few years, the Township has taken a proactive approach to managing and maintaining the sanitary sewer system by initiating the Centralized Maintenance Management System (CMMS), which is an infrastructure management tool for utility systems. The CMMS helps the community to perform long-range planning, improve operations and maintenance of the system, and ensure the integrity of the system.

In 2014, the Township cleaned and televised approximately 30.2 miles of sanitary sewer lines in the Township. The review of the televised portions of these areas and the subsequent inspections are used to identify sewer mains that are in need of repair. There were no areas needing repair identified in 2014.

Northville Township initiated the CMMS program to help accomplish the following objectives:

- ✓ Provide confidence in the current state of the system
- ✓ Ensure that adequate capacity is available for future growth
- ✓ Meet customer and MDEQ expectations
- ✓ Improve operational and maintenance efficiencies
- ✓ Clean a fifth of the Township's NHV/RV sanitary sewer mains each year (24 miles of sewer annually)
- ✓ Video tape sewer mainlines in designated areas to help assess the integrity of the system

In 2006, Township staff worked to develop a Computerized Maintenance Management Software (CMMS) system. The implementation of this program is in the final stages and we hope to be completed by the end of 2015. The asset management program will help us track operation and maintenance programs, customer complaints, and data sharing between member government agencies. This system will utilize a geographical information system (GIS) mapping system that users will be able to access, identify, locate and track the operations and maintenance of the Township's water, sanitary, and storm drainage assets. We will also be able to determine and prioritize areas for future maintenance.

The Water and Sewer Division performs many customer services on a daily basis. Some of the sewer-related tasks performed by staff in 2014 are quantified below:

Total number of sewer tap inspections	63
Sanitary sewer cleaning in miles	30.2
Sewer structures repaired/adjusted	30
Sewer concerns investigated	10
Lift station maintenance assignments	8
Lift station mechanical repairs	0
Sanitary sewer structure inspections	390

## Water and Sewer Fund - (continued)

### 2015 Significant Accomplishments

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- Successfully continued the water management program implemented in 2009 that requires automatic irrigation systems to run between the hours of 12:00 AM and 6:00 AM on an alternate day basis. The success of this program helped the Township to shift its peak water demand which in turn kept us within our DWSD contract limits which helps keep our wholesale water rate from increasing.
- Maintained a high drinking water quality within the Township of Northville throughout the year.
- Completed the Sanitary Lift Station Improvements.
- Implemented internal monitoring system for water booster stations, water tower and sanitary sewer lift stations.
- Continued our second year of a fire hydrant inspection program to help ensure fire hydrant reliability. Over the two year period all fire hydrants have been inspected, tested and repaired as necessary.
- Quickly and efficiently repaired three water main breaks. In each case received complements from adjacent township residents.
- Installed the Smock Road Watermain Loop with our own Water and Sewer Staff which resulted in considerable savings to the Township Water and Sewer Fund.
- Successfully implemented the outsourcing of the printing and mailing of water and sewer bills reducing the cost to the Township Water and Sewer Fund.
- Successfully re-connected and re-zoned the High School watermain with our own Water and Sewer Staff which resulted in reduced cost and improved pressures.

## Capital Replacement Reserve

The Water & Sewer Fund Capital Replacement Reserve account had a balance of \$15,127,717 as of the fiscal year ended December 31, 2014. Capital asset acquisition in enterprise funds including vehicles, etc. is accounted for using the flow of economic resources method. Amounts disbursed for the acquisition of capital assets are not recorded as an expense. Instead, the appropriate property, plant, or equipment asset account is debited on the purchase. Depreciation expense is recorded as an expense to reflect the allocation of the cost of the assets to operations over the service life of the asset.

The key Capital Replacement Funding principle is that the money is collected and segregated, over a period of time, to cover the repair or replacement cost of existing common elements; that is, capital assets already in existence (for example, water and sewer infrastructure systems, etc.). Capital Replacement Funds are part of a long-term financial plan, which helps:

- Strengthen the community's fiscal health
- Provides stability to avoid large spikes in future assessments or rate increases

User charges and fees will be computed based on current year operating expenses and debt service requirements and annual contribution/replenishment of the capital replacement reserve.

The Capital Replacement Reserve for the Water & Sewer Fund is targeted at 10-25% of the current fair market value of water and sewer infrastructure assets. The Township uses the overall national CPI to compute the fair market value of these assets. Cash and investment balances for operations will be computed based on a minimum of two months expenditures plus planned capital improvement projects for the year.

In addition the following steps have been taken to make progress towards a comprehensive replacement plan:

- The Township has completed a Capital Improvement plan that identifies future capital improvement projects and replacement needs. ***These projections go out six years and are presented in the Capital Improvement Program in the budget.***
- The Township's financial policies serve as a guide in the decision making process when evaluating future capital improvement projects and were established to ensure:
  - Capital improvement projects are carefully planned and funded.
- The ability to fund future capital improvement projects will depend on when user charges are established to allow for sufficient cash flow to pay for current year operating expenses including debt service requirements.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Reserve Balances:</b>				
Starting reserve	\$ 15,127,717	\$ 12,530,557	\$ 10,467,557	\$ 8,449,557
<b>Reserve Adjustments:</b>				
Reduction in replacement reserve	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)
Estimated cost of capital improvements	(397,630)	(213,000)	(168,000)	(158,000)
WTUA CIP	(599,530)	(200,000)	(200,000)	(200,000)
<b>Add: Carryover items</b>				
Interest on reserves (cash basis)	100,000	50,000	50,000	50,000
Reserve balances, ending	<u>\$ 12,530,557</u>	<u>\$ 10,467,557</u>	<u>\$ 8,449,557</u>	<u>\$ 6,441,557</u>
Low Range (10%) - Benchmark		\$ 5,233,651		
High Range (25%) - Benchmark		\$ 13,084,128		
Infrastructure assets, December 31, 2014	\$ 52,336,512			
(Shortfall)/Overage - Compared to High Range		\$ (553,571)		

\*\* Goal is to replenish replacement reserves with capital contributions currently used to provide cash flow to operations.

**Cash & Investments Analysis:**

Fiscal Year End	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Cash & Investments	\$ 2,474,273	\$ 768,147	\$ 704,331	\$ 704,331
Replacement Reserve	15,174,805	15,127,717	12,530,557	10,467,557
Total	<u>\$ 17,649,078</u>	<u>\$ 15,895,864</u>	<u>\$ 13,234,888</u>	<u>\$ 11,171,888</u>

*The above Cash & Investment analysis does not assume unrealized gains/(losses) on investments in accordance with the requirements of the Governmental Accounting Standards Board, Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*

**2016 BUDGET**  
**Water & Sewer Fund**

DESCRIPTION	2014	2015	2016
	Actual	Estimated	Budget
<b>OPERATING REVENUE</b>			
Water & Sewer sales	\$ 10,371,892	\$ 13,084,360	\$ 13,223,470
TOTAL REVENUE	<u>10,371,892</u>	<u>13,084,360</u>	<u>13,223,470</u>
<b>OPERATING EXPENSES</b>			
Personnel Services	1,425,405	1,468,250	1,467,200
Supplies	249,126	217,150	183,700
Depreciation	1,667,331	1,600,000	1,600,000
Cost of water	4,421,391	5,162,220	5,668,350
Cost of sewage disposal	4,650,863	5,027,330	5,187,620
Other Services and Charges	1,254,126	1,179,280	1,017,600
TOTAL EXPENSES	<u>13,668,242</u>	<u>14,654,230</u>	<u>15,124,470</u>
<b>Operating loss</b>	<u>(3,296,350)</u>	<u>(1,569,870)</u>	<u>(1,901,000)</u>
Interest income /unrealized gain	985,622	206,400	204,000
Interest expense	(241,640)	(235,720)	(220,150)
Customer assessments - tap fees	1,278,477	1,013,750	1,701,250
Donated water and sewer lines	1,291,696	600,000	300,000
<b>Change in Net Position</b>	<u>\$ 17,805</u>	<u>\$ 14,560</u>	<u>\$ 84,100</u>

SCHEDULE OF INDEBTNESS  
YEAR ISSUED: 2009  
AMOUNT OF ISSUE: \$1,125,000

YEAR	PRINCIPAL DUE		INTEREST		TOTAL PRINCIPAL & INTEREST
	OCTOBER 1	RATE	APRIL 1	OCTOBER 1	
2015	75,000	3.300%	20,263	20,263	115,526
2016	75,000	3.500%	19,025	19,025	113,050
2017	100,000	3.750%	17,713	17,713	135,426
2018	100,000	3.850%	15,838	15,838	131,676
2019	100,000	4.000%	13,913	13,913	127,826
2020	100,000	1.150%	11,913	11,913	123,826
2021	100,000	4.250%	9,838	9,838	119,676
2022	100,000	4.300%	7,713	7,713	115,426
2023	125,000	4.400%	5,562	5,562	136,124
2024	125,000	4.500%	2,812	2,812	130,624
	<u>\$ 1,000,000</u>		<u>\$ 124,590</u>	<u>\$ 124,590</u>	<u>\$ 1,249,180</u>

**Water & Sewer Fund Debt Schedules (continued):**

CAPITAL IMPROVEMENT BONDS  
 SCHEDULE OF INDEBTNESS  
 YEAR ISSUED: 2007  
 AMOUNT OF ISSUE: \$5,000,000

YEAR	PRINCIPAL		INTEREST		TOTAL PRINCIPAL & INTEREST
	DUE MAY 1	RATE	MAY 1	NOVEMBER 1	
2015	200,000	4.000%	80,400	76,400	356,800
2016	200,000	4.000%	76,400	72,400	348,800
2017	200,000	4.000%	72,400	68,400	340,800
2018	300,000	4.000%	68,400	62,400	430,800
2019	300,000	4.000%	62,400	56,400	418,800
2020	300,000	4.000%	56,400	50,400	406,800
2021	300,000	4.000%	50,400	44,400	394,800
2022	300,000	4.000%	44,400	38,400	382,800
2023	300,000	4.000%	38,400	32,400	370,800
2024	400,000	4.050%	32,400	24,300	456,700
2025	400,000	4.050%	24,300	16,200	440,500
2026	400,000	4.050%	16,200	8,100	424,300
2027	400,000	4.050%	8,100	-	408,100
	<u>\$ 4,000,000</u>		<u>\$ 630,600</u>	<u>\$ 550,200</u>	<u>\$ 5,180,800</u>

CAPITAL IMPROVEMENT BONDS  
 SCHEDULE OF INDEBTNESS  
 YEAR ISSUED: 2012  
 AMOUNT OF ISSUE: \$1,664,907

YEAR	PRINCIPAL		INTEREST		TOTAL PRINCIPAL & INTEREST
	DUE OCTOBER 1	RATE	APRIL 1	OCTOBER 1	
2015	60,000	2.500%	17,398	17,398	94,796
2016	65,000	2.500%	16,648	16,648	98,296
2017	65,000	2.500%	15,835	15,835	96,670
2018	65,000	2.500%	15,023	15,023	95,046
2019	70,000	2.500%	14,210	14,210	98,420
2020	70,000	2.500%	13,335	13,335	96,670
2021	70,000	2.500%	12,460	12,460	94,920
2022	75,000	2.500%	11,585	11,585	98,170
2023	75,000	2.500%	10,648	10,648	96,296
2024	75,000	2.500%	9,710	9,710	94,420
2025	80,000	2.500%	8,773	8,773	97,546
2026	80,000	2.500%	7,773	7,773	95,546
2027	85,000	2.500%	6,772	6,772	98,544
2028	85,000	2.500%	5,710	5,710	96,420
2029	90,000	2.500%	4,647	4,647	99,294
2030	90,000	2.500%	3,522	3,522	97,044
2031	95,000	2.500%	2,397	2,397	99,794
2032	96,805	2.500%	1,210	1,210	99,225
	<u>\$ 1,391,805</u>		<u>\$ 177,656</u>	<u>\$ 177,656</u>	<u>\$ 1,747,117</u>

Water and Sewer Fund - (continued)

Western Townships Utility Authority, WTUA *Debt Service Payments:*

**ANALYSIS OF DEBT SERVICE**

<b>Allocation to Townships of Debt Service Budget</b>				
	<b>Total</b>	<b>Canton Township</b>	<b>Northville Township</b>	<b>Plymouth Township</b>
Principal payment - 2009 Bond Issue	6,015,000	2,458,330	2,028,860	1,527,810
Interest expense - 2009 Bond Issue	766,163	313,131	258,427	194,605
Principal payment - 2012 Bond Issue	2,710,000	914,625	817,065	978,310
Interest expense - 2012 Bond Issue	1,021,275	344,680	307,915	368,680
Allocation of Debt Service Budget	<u>\$ 10,512,438</u>	<u>\$ 4,030,766</u>	<u>\$ 3,412,267</u>	<u>\$ 3,069,405</u>

<b>Allocation to Townships of Debt Service Payments - Cash Flow</b>					
	<b>Township Payment Dates to WTUA</b>	<b>Total Payment Due</b>	<b>Canton Township</b>	<b>Northville Township</b>	<b>Plymouth Township</b>
2009 Bond Issue	12/1/2015	6,510,863	2,660,990	2,196,114	1,653,759
(C 40.87%, N 33.73%, P 25.40%)	6/1/2016	345,487	141,200	116,533	87,754
2012 Bond Issue	12/1/2015	3,251,125	1,097,255	980,214	1,173,656
(C 33.75%, N 30.15%, P 36.10%)	6/1/2016	500,475	168,910	150,893	180,672
Allocation of Bond Debt Service Payments		<u>\$ 10,607,950</u>	<u>\$ 4,068,355</u>	<u>\$ 3,443,754</u>	<u>\$ 3,095,841</u>

*The Township is a partial owner of the Western Townships Utility Authority (WTUA), in conjunction with Plymouth and Canton Townships. Any debt issued in conjunction with these sanitary sewer systems is passed through WTUA, to each community based on their proportionate share of the system. As of December 31, 2014, the Township's share of WTUA debt totaled \$15,934,622.*

# Solid Waste Fund

## Overview

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In February of 2011 Northville Township initiated a new solid waste collection/disposal, recycling and composting program. The Township bid out for services and selected Duncan Waste Disposal Services, Inc. as our contractor and entered a seven year contract with them. Under the new program, the Township supplied special carts allowing both the 95 and 64 gallon roll-out carts. Solid waste and recycling carts are collected using automated tipping equipment for maximum efficiency. Solid waste and yard waste are collected weekly while recycling is currently collected biweekly.

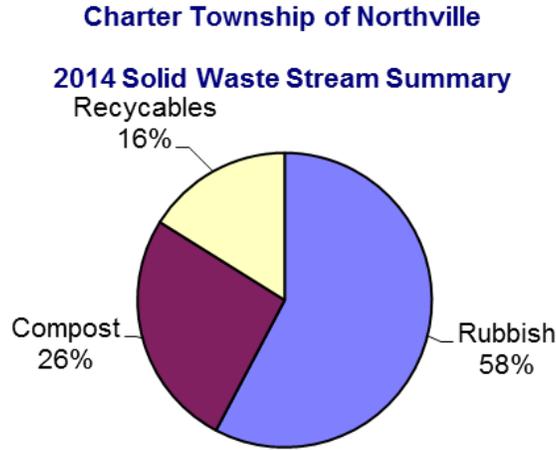
The program has been very successful. In 2014, we collected and disposed of or recycled over 12,000 tons of material. We also joined with Livonia and the City of Northville in hosting two household hazardous waste days in which approximately 1,000 township residents participated. Our program serves over 7,200 homes and condominiums.

The following chart of data compares the last 10 years of collection data:

### **HISTORICAL COMPARISON (tons)**

<u>Year</u>	<u>Rubbish</u>	<u>Compost</u>	<u>Recyclables</u>
2005	12,510	1,647	1,323
2006	8,331	2,130	1,079
2007	7,473	1,588	1,188
2008	7,281	1,099	1,858
2009	6,766	2,129	984
2010	6,746	2,130	1,290
2011	6,240	2,877	1,688
2012	6,779	2,743	1,861
2013	6,854	3,107	1,932
2014	7,019	3,179	1,959

The following diagram provides a breakdown of the waste stream by component:



**Solid Waste Fund - (continued)**

**2016 BUDGET**  
**Solid Waste Fund**

DESCRIPTION	2014 Actual	2015 Estimated	2016 Budget
<b>OPERATING REVENUE</b>			
Solid Waste charges	\$ 1,231,692	\$ 1,230,600	\$ 1,239,000
TOTAL REVENUE	<u>1,231,692</u>	<u>1,230,600</u>	<u>1,239,000</u>
<b>OPERATING EXPENSES</b>			
Collection and recycling charges	1,045,940	1,083,920	1,120,670
Depreciation	52,882	55,000	55,000
Other Services and Charges	35,175	32,230	33,000
TOTAL EXPENSES	<u>1,133,997</u>	<u>1,171,150</u>	<u>1,208,670</u>
<b>Change in Net Position</b>	<u>\$ 97,695</u>	<u>\$ 59,450</u>	<u>\$ 30,330</u>

The Township's Water and Sewer Fund advanced \$793,328 to the Solid Waste Fund for the acquisition of equipment. The loan bears interest at two percent and will be repaid to the Water and Sewer Fund over a five-year period. At December 31, 2014, the balance was \$313,248.

## *Resolution of Adoption for 2015 Millage Rates*

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**WHEREAS**, the Township Board agrees to set the Township's total millage rate at 8.6564 mills, of which 7.1250 mills will not expire until 2020, and

**WHEREAS**, public hearings were held on October 8, 2015 and October 15, 2015 on the proposed millage rates and proposed budget,

**NOW, THEREFORE, BE IT RESOLVED**, that to finance the level of services established for the 2016 fiscal year, and to meet specific debt obligations of the Township that the following millages are authorized to be spread:

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<b>Millage Rates:</b>	
General Operating	0.6804
General Voted	0.1174
Public Safety	6.2386
Shared Services	0.7560
<b>Total Operating Millage</b>	<b>7.7924</b>
Seven Mile Property Debt Retirement	0.8640
<b>Total Debt Millage</b>	<b>0.8640</b>
<b>Total 2014 Township Millage Rate</b>	<b>8.6564</b>

I, Sue A. Hillebrand, Clerk of the Charter Township of Northville, County of Wayne, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution of action approved by the Board of Trustees at their regular meeting held on October 15, 2015 at 44405 Six Mile Road, Northville, Michigan 48168.

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Sue A. Hillebrand, M.M.C.

## ***Resolution of Adoption 2016 Budget***

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**WHEREAS**, the proposed budget is based upon the post-March 2015 Board of Review, and the October 8, 2015 Township Board Budget Study Session, and

**WHEREAS**, this budget takes into consideration the Township's Fiscal Analysis and financial planning through 2019, and

**WHEREAS**, public hearings were held on October 8, 2015 and October 15, 2015 on the proposed budget, and

**NOW, THEREFORE, BE IT RESOLVED**, that the attached budget is adopted and made a part of this resolution.

I, Sue A. Hillebrand, Clerk of the Charter Township of Northville, County of Wayne, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution of action approved by the Board of Trustees at their regular meeting held on October 15, 2015 at 44405 Six Mile Road, Northville, Michigan 48168.

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Sue A. Hillebrand, M.M.C.

GENERAL FUND  
REVENUE

DESCRIPTION	2016 Adopted Budget
Taxes	\$ 1,565,000
Licenses, Permits & Charges for Services	1,253,290
State Sources	2,193,200
Other Revenue	52,500
Interest Income	12,000
Appropriation (to)/from - Fund Balance	(619,420)
	\$ 4,456,570

APPROPRIATIONS

DESCRIPTION	2016 Adopted Budget
Legislative	\$ 1,695,770
Township Clerk's Office	399,340
Treasurer	1,019,360
Building Department	604,480
Planning Department	235,780
Transfers out	501,840
	\$ 4,456,570

SPECIAL OPERATIONS FUND  
REVENUE

DESCRIPTION	2016 Adopted Budget
Other Revenue	50,000
	\$ 50,000

APPROPRIATIONS

DESCRIPTION	2016 Adopted Budget
Special Operations Fund	\$ 50,000
	\$ 50,000

PUBLIC SAFETY FUND  
REVENUE

DESCRIPTION	2016 Adopted Budget
Taxes	\$ 11,652,000
Licenses, Permits & Charges for Services	660,720
Federal Sources	20,000
Fines & Forfeitures	130,000
State Sources	115,000
Other Revenue	95,300
Interest Income	11,350
Appropriation (to)/from - Fund Balance	(399,570)
	\$ 12,284,800

APPROPRIATIONS

DESCRIPTION	2016 Adopted Budget
Public Safety Fund	\$ 12,284,800

SHARED SERVICES FUND  
REVENUE

DESCRIPTION	2016 Adopted Budget
Taxes	\$ 1,412,000
Interest Income	1,500
Appropriation (to)/from - Fund Balance	(41,570)
	\$ 1,371,930

APPROPRIATIONS

DESCRIPTION	2016 Adopted Budget
Shared Services Fund	\$ 1,371,930

YOUTH ASSISTANCE FUND  
REVENUE

DESCRIPTION	2016 Adopted Budget
County Sources	\$ 5,360
Northville Township Contribution	94,530
Northville City Contribution	18,010
Other Revenue	18,100
Appropriation (to)/from - Fund Balance	6,720
	\$ 142,720

YOUTH ASSISTANCE FUND  
APPROPRIATIONS

DESCRIPTION	2016 Adopted Budget
Youth Assistance Fund	\$ 142,720

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## ***Appendix B - Statistical Information***

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### **About the Township of Northville**

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The Charter Township of Northville, incorporated in 1829, is strategically located in the northwestern portion of Wayne County. Located just 15 miles east of Ann Arbor and 30 miles west of downtown Detroit, the Township serves over 28,000 residents and encompasses an area of approximately 16.5 square miles. Northville Township is considered a choice community to live. Northville Township offers an abundance of rolling, wooded acreage, which provides a unique natural backdrop for residential and commercial land development. Northville Township is well connected to highway, rail, and air transportation routes offering outstanding accessibility.

The Township of Northville is governed by a Board of Trustees which is composed of seven members who are elected for four year terms. The Board is composed of a Supervisor, a Clerk, a Treasurer and four trustees under the Trustee-Manager form of government. Policy-making and legislative authority are vested in the Board of Trustees which is presided over by the Supervisor, who is the chief executive of the Township.

The Township provides a full range of municipal services including police and fire protection; parks, recreational and cultural activities through a shared services agreement between the City of Northville and the Charter Township of Northville; building inspection; code enforcement and planning and development. The Township is a member of the Western Township Utilities Authority (WTUA), which provides sewage disposal services to the residents of Canton, Northville and Plymouth Townships.

**GENERAL ECONOMIC INFORMATION**  
**CHARTER TOWNSHIP OF NORTHVILLE**

**LOCATION AND DESCRIPTION**

The Charter Township of Northville encompasses approximately 16.5 square miles in the northwest portion of Wayne County, approximately 30 miles west of the City of Detroit.

**FORM OF GOVERNMENT**

The Township is governed by a Board of Trustees which is composed of seven members who are elected for four year terms. The Board is composed of a Supervisor, a Clerk, a Treasurer and four Trustees. The Supervisor is the chief executive and administrative officer of the Township. The Board is vested with all legislative powers except those otherwise provided by law.

**POPULATION**

2010 U.S. Census	28,497
2000 U.S. Census	21,036
1990 U.S. Census	17,313
1980 U.S. Census	12,987

**FISCAL YEAR**

January 1 to December 31

**PROPERTY VALUATIONS**

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the lesser of 1.05 or the inflation rate, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

***REAL PROPERTY TAX ASSESSMENTS***

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under the Michigan Plant Rehabilitation and Industrial Development District Act, Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") are recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

## APPEAL OF PROPERTY ASSESSMENTS

Property taxpayers may appeal their assessments to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. The Township has several tax appeals pending before the Tax Tribunal (including personal property appeals), none of which are expected to have a significant impact on the Township's State Equalized Valuation, Taxable Value or the resulting taxes.

### INDUSTRIAL FACILITIES TAX

Act 198 provides significant property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198.

*The Township has ten (10) IFT exemption certificates currently outstanding, aggregating \$11,625,085 in 2015 Equivalent Taxable Value.*

### HISTORY OF PROPERTY VALUATIONS

<u>Year</u>	<u>State Equalized Valuation</u>	<u>Taxable Value</u>
2015	\$2,200,717,244	\$1,920,733,524
2014	2,014,863,081	1,851,705,894
2013	1,867,281,729	1,789,766,930
2012	1,836,113,250	1,756,604,647
2011	1,764,076,740	1,710,015,057
2010	1,817,740,850	1,742,126,090
2009	2,006,440,913	1,886,033,923
2008	2,227,724,000	2,036,479,322
2007	2,356,196,789	2,073,030,468
2006	2,254,275,696	1,939,716,641

An analysis of **State Equalized Valuation** by class and by use is as follows:

	BY CLASS		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Real Property	\$2,134,925,344	\$1,953,413,881	\$1,803,822,229
Personal Property	65,791,900	61,449,200	63,459,500
<b>TOTAL</b>	<u>\$2,200,717,244</u>	<u>\$2,014,863,081</u>	<u>\$1,867,281,729</u>

	BY USE		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Residential	\$1,911,487,844	\$1,728,866,981	\$1,581,504,129
Commercial	183,080,200	182,557,200	171,378,600
Industrial	40,357,300	41,989,700	43,075,200
Developmental	0	0	7,864,300
Personal Property	65,791,900	61,449,200	63,459,500
<b>TOTAL</b>	<u>\$2,200,717,244</u>	<u>\$2,014,863,081</u>	<u>\$1,867,281,729</u>

An analysis of **Taxable Value** by class and buy use is as follows:

	BY CLASS		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Real Property	\$1,854,941,624	\$1,790,256,694	\$1,726,317,290
Personal Property	65,791,900	61,449,200	63,449,640
<b>TOTAL</b>	<u>\$1,920,733,524</u>	<u>\$1,851,705,894</u>	<u>\$1,789,766,930</u>

	BY USE		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Residential	\$1,649,321,507	\$1,588,937,304	\$1,530,830,084
Commercial	172,157,844	166,723,196	159,848,207
Industrial	33,462,273	34,596,194	34,106,264
Developmental	0	0	1,532,735
Personal Property	65,791,900	61,449,200	63,449,640
<b>TOTAL</b>	<u>\$1,920,733,524</u>	<u>\$1,851,705,894</u>	<u>\$1,789,766,930</u>

Source: Wayne County Equalization Department.

## MAJOR TAXPAYERS

According to Township officials, the 2015 State Equalized Valuation and the 2015 Taxable Value of each of the Township's major taxpayers is as follows:

Taxpayer	2015 State Equalized Valuation	2015 Taxable Value
Wilson Park Place, LLC	\$20,637,500	\$20,637,500
Consumers Energy	15,912,700	15,842,323
DTE Energy	15,505,500	15,503,808
Reis-Mob 1, LLC	11,923,300	11,923,300
Kings Mill Cooperative	9,168,200	9,168,200
ZF Technologies	8,692,000	8,692,000
Aisin World Corp. of America	7,087,700	7,087,700
Meijer Inc.	6,550,800	6,550,800
BHI - SEI Northville Delaware, LLC <sup>(1)</sup>	6,461,800	6,461,800
Huntington Management <sup>(1)</sup>	6,049,000	5,941,113

<sup>(1)</sup> These taxpayers have tax appeals pending before the Michigan Tax Tribunal.

### TAX RATES (Per \$1,000 of Taxable Value)

	2014		2013		2012	
	Principal <u>Residence</u>	Non Principal <u>Residence</u>	Principal <u>Residence</u>	Non Principal <u>Residence</u>	Principal <u>Residence</u>	Non Principal <u>Residence</u>
Charter Township of Northville						
Operating	0.6816	0.6816	0.6824	0.6824	0.6824	0.6824
Operating	0.1176	0.1176	0.1176	0.1176	0.1176	0.1176
Public Safety	6.2500	6.2500	5.0000	5.0000	5.0000	5.0000
Shared Services	0.7574	0.7574	0.4574	0.4574	0.4574	0.4574
Debt Service	0.8498	0.8498	0.8500	0.8500	0.8500	0.8500
Northville District Library	1.2856	1.2856	1.3913	1.3913	1.4223	1.4223
County of Wayne	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220
Northville School District						
Local	0.0000	18.0000	0.0000	18.0000	0.0000	18.0000
Sinking Fund	0.9978	0.9978	1.0000	1.0000	1.0000	1.0000
Site & Debt	3.8700	3.8700	4.3000	4.3000	4.3000	4.3000
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Wayne County RESA	3.4643	3.4643	3.4643	3.4643	3.4643	3.4643
Schoolcraft College	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967
DIA Authority	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Zoo Authority	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Huron - Clinton Metro Authority	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
<b>Total All Jurisdictions</b>	<b>34.4074</b>	<b>52.4074</b>	<b>33.3963</b>	<b>51.3963</b>	<b>33.4273</b>	<b>51.4273</b>

Source: Charter Township of Northville

### TAX RATE LIMITATIONS

The Charter Township of Northville is authorized pursuant to Act 359, Public Acts of Michigan 1947, as amended (the Charter Township Act) to levy the following tax rates:

Purpose	Maximum Millage Authorized	Maximum Millage to be Levied <sup>(1)</sup>	Expiration Date of Millage
General Operation	1.0000	0.6816	In perpetuity

The Township's electors have voted additional millage as follows:

Purpose	Authorized	Maximum Millage to be Levied <sup>(1)</sup>	Expiration Date of Millage
Public Safety	6.2500	6.2386	2020
Shared Services	0.7574	0.7560	2020
General Operating	0.1176	0.1176	2020

<sup>(1)</sup> See “Constitutional Tax Limitations” and “Constitutional Millage Roll-Back”, herein.

The Township may levy taxes in excess of the above limitation pursuant to state law for the following purposes:

Purpose	Authority	Rate (per \$1,000 of Taxable Value)
Police Operations	Act 33, P.A. of Michigan 1937, as amended	\$10.00  (for vehicles, apparatus, equipment and housing) plus amount required for operations (unlimited)
Fire Operations	Act 33, P.A. of Michigan 1937, as amended	\$10.00  (for vehicles, apparatus, equipment and housing) plus amount required for operations (unlimited)

In addition, Article IX, Section 6, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978 or tax supported issues which have been approved by the voters for which the issuer has pledged its full faith and credit.
2. Operating purposes for a specified period of time provided that said increase is approved by a majority of the qualified electors of the local unit.
3. Payment of valid judgments levied in accordance with State law.

## CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31 of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Factor unless reversed by a vote of the electorate of the local taxing unit.

### TAX LEVIES AND COLLECTIONS\*

Tax Year	Fiscal Year	Tax Levy	Collections to March 1 of Following Year	
2013	2014	\$12,823,837	\$12,491,792	97.41%
2012	2013	12,503,503	12,169,947	97.33%
2011	2012	12,269,725	11,850,278	96.58%
2010	2011	12,144,940	11,765,494	96.88%
2009	2010	11,865,702	11,381,096	95.92%
2008	2009	12,707,701	12,148,857	95.60%
2007	2008	13,039,577	12,424,059	95.28%
2006	2007	12,689,250	12,308,572	97.00%
2005	2006	10,558,466	10,241,712	97.00%
2004	2005	10,529,661	10,167,796	96.56%

\* Includes public safety, shared services, park development and land acquisition levies, Township operating.  
Source: Treasurer, Charter Township of Northville

The Township's taxes are due and payable and a lien created upon the assessed property on December 1, each year. Taxes remaining unpaid on the following March 1st are turned over to the County Treasurer for collection. If all real property taxes are not paid within two years from the May 1 following their return to the County Treasurer, the property is sold for taxes.

The General Property Tax Act was amended by Act 123 of Public Acts, Michigan, 1999 ("Act 123") which made extensive revisions to the procedures for collection of delinquent real property taxes. In general, for real property taxes levied after December 31, 1998, all property returned for delinquent taxes is subject to forfeiture, foreclosure and sale for the delinquent taxes in lieu of the tax lien sale held heretofore by the County Treasurer on the second Monday in May (which followed by twenty six (26) months the return of the delinquent taxes). Act 123 has the effect of shortening the process for collection of delinquent real property taxes from approximately six years (including statutory redemption periods) to approximately four years. Act 123 will not affect the obligation or authority of the Township to levy any taxes necessary for payment of debt service on general obligation limited tax bonds of the Township, including the Refunding Bonds offered herein.

Wayne County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. If feasible, it is anticipated that the County will continue to reimburse the Township for any uncollected taxes, but there is no assurance that this will be the case since the County is not obligated to continue this fund in future years. Uncollected personal property taxes must be collected by the local treasurer and are negligible.

### REVENUES FROM THE STATE OF MICHIGAN

The Township receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the Township can vary depending on the population of the Township and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature's appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On June 18, 2015, Governor Snyder signed into law the budget for fiscal year 2016. The budget continues the incentive-based revenue sharing program known as the City, Village, and Township Revenue Sharing (or “CVTRS”) program begun in fiscal year 2015, similar to the Economic Vitality Incentive Program (“EVIP”) that from fiscal year 2012 through fiscal year 2014 distributed revenue sharing to municipalities that complied with certain “best practices” such as increasing transparency. The fiscal year 2016 budget includes an increased constitutional revenue sharing distribution to cities, villages and townships of 3.1% from the fiscal year 2015 distribution to approximately \$788,500,000. Under the fiscal year 2016 budget, approximately \$243 million, a reduction of 2.3% from fiscal year 2015 amounts, has been appropriated for revenue sharing to cities, villages and townships that meet requirements for accountability and transparency, including making a citizen’s guide to its finances, a performance dashboard, a debt service report and a two-year budget projection available for public viewing.

The fiscal year 2016 budget eliminates the one-time per capita payment distributed in fiscal year 2015, but continues, with a reduction from fiscal year 2015 amounts of \$8 million to \$5 million, the revenue sharing grant first distributed in fiscal year 2015 to financially distressed communities. Any portion of the CVTRS payment that the Township would be eligible to receive would be subject to certain benchmarks that the Township would need to meet, and there can be no assurance of what amount, if any, the Township would receive under the CVTRS program. The Township received CVTRS of \$37,710 in fiscal year 2014 and anticipates meeting the requirements to receive \$75,420 in CVTRS payments for its fiscal year 2015.

Purchasers of the Bonds should be alerted to further modifications to revenue sharing payments to Michigan local governmental units, to potential consequent impact on the Township’s general fund condition, and to the potential impact upon the market price or marketability of the Bonds resulting from changes in revenues received by the Township from the State.

The following table sets forth the annual revenue sharing payments and other moneys received by the Township for the fiscal years ended December 31, 2011 through December 31, 2014 and the amount the Township anticipates receiving in fiscal year ending December 31, 2015.

Fiscal Year Ending December 31	Constitutional Payments	EVIP/CVTRS Payments	Total
2015 **	\$2,198,679	\$75,420	\$2,274,099
2014 *	2,177,264	37,710	2,214,974
2013 *	2,118,456	0	2,118,456
2012 *	2,077,884	0	2,077,884
2011 *	2,283,885	0	2,283,885

\*\* Estimate, Source: State of Michigan Treasury Website - <https://treas-secure.state.mi.us/apps/findrevshareinfo.asp>

\* Source: Charter Township of Northville Audited Comprehensive Annual Financial Reports

### LABOR AGREEMENTS

The Township has five (5) employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the Township. The duration of these agreements are as follows:

Employee Group	Number of Employees	Expiration Date of Contract
AFSCME (Water & Sewer Technical Employees )	9	December 31, 2019
COAM (Command Officers)	10	December 31, 2018
POAM (Police and Dispatchers)	32	December 31, 2018
IAFF (Firefighters )	30	December 31, 2015
ASCME (Clerical)	10	December 31, 2016

**GENERAL FUND-FUND BALANCE**

The Township's General Fund fund balance for the last five years is as follows:

Fiscal Year Ending	Fund
<u>December 31,</u>	<u>Balance</u>
2014	\$7,884,178
2013	6,757,209
2012	5,642,114
2011	4,475,687
2010	2,282,019

Source: Charter Township of Northville and Charter Township of Northville audited Financial Report with Supplemental Information

**MAJOR EMPLOYERS**

Major employers in the Township are as follows:

Name of Employer	Product/Service	Approximate Number of Employees
Meijer	Retail	750 *
ZF Group North America	Automobile suspension components	450
Home Depot	Home centers	300
Hayes Lemmerz International	Automotive supplier of wheels	175
Belanger, Inc.	Automobile washing equipment	150
Hawthorne Center	General medical & surgical hospitals	150
Jack L. Doheny Co.	Remanufacturers & wholesaler of industrial air handling machinery	150

\* Includes part time and seasonal  
Source: Reference USA

## INDUSTRIAL CHARACTERISTICS

In addition to the above major employers, according to the 2015 Michigan Manufacturers Directory, other employers in the Township and the City of Northville, which is located adjacent to the Township, include the following:

<u>Firm Name</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
ZF Group, North American <sup>(2)</sup>	Automobile suspension components	450
Hayes Lemmerz International <sup>(1)</sup>	Automotive supplier of wheels	175
Gentherm, Inc. <sup>(2)</sup>	Thermoelectric based cooled & heated automotive seats	160
Sumitomo Electric Wiring Systems <sup>(2)</sup>	Electrical wiring & engineering prototypes	160
Belanger, Inc. <sup>(2)</sup>	Automobile washing equipment	150
Jack L. Doheny Supplies, Inc. <sup>(1)</sup>	Remanufacturers & wholesaler of industrial air handling machinery	150
Schaffner Mfg. Co., Inc. <sup>(2)</sup>	Coated abrasives	150
Key Plastics, LLC <sup>(2)</sup>	Plastic injection molding	75
Jogue, Inc. <sup>(2)</sup>	Food flavoring	30
Gardner - Westcott Co. <sup>(2)</sup>	Distributor of aftermarket fasteners	25
Inch Memorial Co. <sup>(2)</sup>	Cut stone monuments & engraving	20
Guemsey Farms Dairy <sup>(2)</sup>	Milk & ice cream	20
OSRAM OPTO Semiconductors, Inc. <sup>(2)</sup>	Light emitting diodes	20

In addition to the above, the Township has:

<u>Number of Employers</u>	<u>Number of Employees</u>
11	1 - 9
8	10 - 19

Sources: <sup>(1)</sup> Charter Township of Northville audited Comprehensive Annual Financial Reports  
<sup>(2)</sup> Michigan Manufacturers Directory, 2015 Edition

# Custom Community Profile

YOU ARE VIEWING DATA FOR:

## Northville Township

44405 6 Mile Rd  
Northville, MI 48168-9547  
<http://www.northvillemich.com>

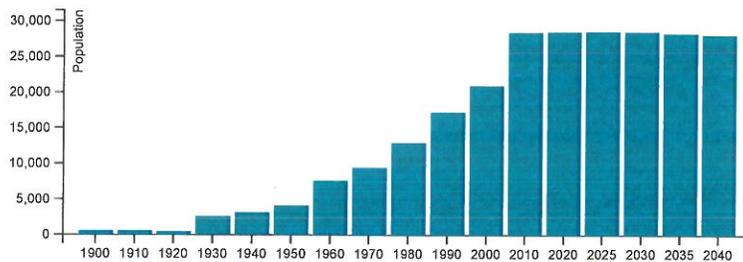


Census 2010 Population:  
28,497  
Area: 16.6 square miles

### Population and Households

Link to American Community Survey (ACS) Profiles:  Social | Demographic  
Population and Household Estimates for Southeast Michigan, December 2014

### Population Forecast



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

### Population and Households

Population and Households	Census 2010	Change 2000-2010	Pct Change 2000-2010	SEMCOG Dec 2014	SEMCOG 2040
<b>Total Population</b>	28,497	7,461	35.5%	29,921	28,204
<b>Group Quarters Population</b>	19	-1,606	-98.8%	19	19
<b>Household Population</b>	28,478	9,067	46.7%	29,902	28,185
<b>Housing Units</b>	12,236	3,756	44.3%	12,713	-
<b>Households (Occupied Units)</b>	11,520	3,401	41.9%	11,906	12,102
<b>Residential Vacancy Rate</b>	5.9%	1.6%	-	6.3%	-
<b>Average Household Size</b>	2.47	0.08	-	2.51	2.33

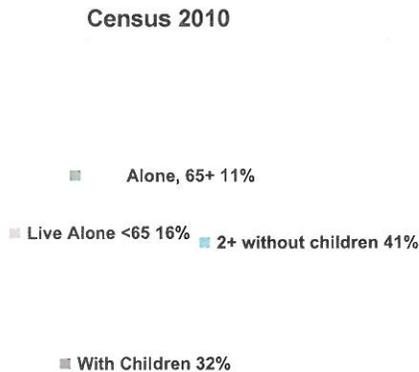
## Components of Population Change

Components of Population Change	2000-2005 Avg.	2006-2010 Avg.
<b>Natural Increase (Births - Deaths)</b>	4	27
<b>Births</b>	118	152
<b>Deaths</b>	114	125
<b>Net Migration (Movement In - Movement Out)</b>	767	694
<b>Population Change (Natural Increase + Net Migration)</b>	771	721

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

## Demographics

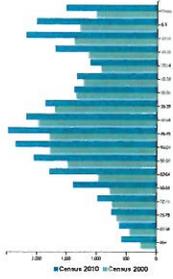
### Household Types



Household Types	Census 2000	Census 2010	Pct Change 2000-2010
<b>With Seniors 65+</b>	1,940	3,135	61.6%
<b>Without Seniors</b>	6,179	8,385	35.7%
<b>Two or more persons without children</b>	3,587	4,702	31.1%
<b>Live alone, 65+</b>	730	1,244	70.4%
<b>Live alone, under 65</b>	1,416	1,838	29.8%
<b>With children</b>	2,386	3,736	56.6%
<b>Total Households</b>	<b>8,119</b>	<b>11,520</b>	<b>41.9%</b>

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

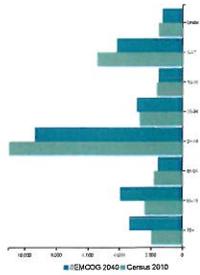
# Population Change by Age, 2000-2010



Age Group	Census 2000	Census 2010	Change 2000-2010
<b>Under 5</b>	1,024	1,533	509
<b>5-9</b>	1,292	2,031	739
<b>10-14</b>	1,386	2,202	816
<b>15-19</b>	1,147	1,712	565
<b>20-24</b>	938	1,124	186
<b>25-29</b>	1,226	1,342	116
<b>30-34</b>	1,348	1,387	39
<b>35-39</b>	1,715	1,883	168
<b>40-44</b>	1,987	2,195	208
<b>45-49</b>	1,794	2,492	698
<b>50-54</b>	1,792	2,364	572
<b>55-59</b>	1,488	2,065	577
<b>60-64</b>	979	1,802	823
<b>65-69</b>	784	1,398	614
<b>70-74</b>	749	991	242
<b>75-79</b>	668	760	92
<b>80-84</b>	452	628	176
<b>85+</b>	267	588	321
<b>Total</b>	21,036	28,497	7,461
<b>Median Age</b>	41.1	42.4	1.3

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
<b>Under 5</b>	1,533	1,430	1,314	1,355	1,403	1,356	1,291	-242
<b>5-17</b>	5,434	5,131	4,619	4,221	4,108	4,196	4,191	-1,243
<b>18-24</b>	1,635	1,869	1,911	1,818	1,621	1,475	1,520	-115
<b>25-34</b>	2,729	2,900	2,978	3,221	3,249	3,146	2,915	186
<b>35-59</b>	10,999	10,567	9,743	9,301	9,098	9,201	9,394	-1,605
<b>60-64</b>	1,802	1,988	2,192	2,059	1,818	1,693	1,561	-241
<b>65-74</b>	2,389	3,147	3,921	4,364	4,556	4,165	3,955	1,566
<b>75+</b>	1,976	1,842	1,928	2,314	2,743	3,136	3,377	1,401
<b>Total</b>	<b>28,497</b>	<b>28,874</b>	<b>28,606</b>	<b>28,653</b>	<b>28,596</b>	<b>28,368</b>	<b>28,204</b>	<b>-293</b>

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
<b>65 and over</b>	2,920	4,365	49.49%	7,332	67.97%
<b>Under 18</b>	4,499	6,967	54.86%	5,482	-21.31%
<b>5 to 17</b>	3,475	5,434	56.37%	4,191	-22.87%
<b>Under 5</b>	1,024	1,533	49.71%	1,291	-15.79%

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

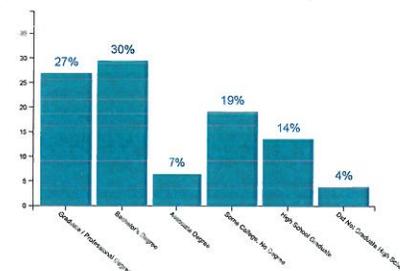
Race and Hispanic Origin	Census 2000	Percent of Population (2000)	Census 2010	Percent of Population (2010)	Percentage Point Change 2000-2010
<b>Non-Hispanic</b>	20,664	98.2%	27,826	97.6%	-0.6%
<b>White</b>	18,538	88.1%	23,049	80.9%	-7.2%
<b>Black</b>	914	4.3%	1,021	3.6%	-0.8%
<b>Asian</b>	891	4.2%	3,205	11.2%	7.0%
<b>Multi-Racial</b>	250	1.2%	470	1.6%	0.5%
<b>Other</b>	71	0.3%	81	0.3%	-0.1%
<b>Hispanic</b>	372	1.8%	671	2.4%	0.6%
<b>Total</b>	21,036	100.0%	28,497	100.0%	0.0%

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
<b>Graduate / Professional Degree</b>	27.0%	6.8%
<b>Bachelor's Degree</b>	29.5%	1.6%
<b>Associate Degree</b>	6.5%	-0.7%
<b>Some College, No Degree</b>	19.2%	0.0%
<b>High School Graduate</b>	13.7%	-3.4%
<b>Did Not Graduate High School</b>	4.0%	-4.3%

\* Population age 25 and over



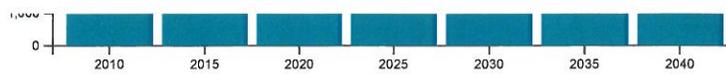
Source: U.S. Census Bureau, Census 2000 and 2010 American Community Survey 5-Year Estimates.

## Economy & Jobs

Link to American Community Survey (ACS) Profiles: 2011-2013 ▼ Economic

### Forecasted Jobs





Source: SEMCOG 2040 Forecast produced in 2012.

## Forecasted Jobs by Industry

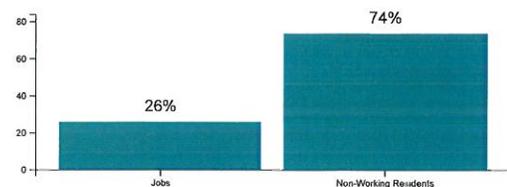
Forecasted Jobs By Industry	2010	2015	2020	2025	2030	2035	2040	Change 2010 - 2040
Natural Resources, Mining, & Construction	88	85	73	71	83	90	96	8
Manufacturing	235	245	242	229	229	211	195	-40
Wholesale Trade, Transportation, Warehousing, & Utilities	154	142	137	129	143	144	133	-21
Retail Trade	1,878	1,802	1,741	1,703	1,694	1,656	1,653	-225
Knowledge-based Services	368	377	414	447	458	462	489	121
Services to Households & Firms	312	328	332	332	318	333	328	16
Private Education & Healthcare	656	803	911	936	981	1,084	1,222	566
Leisure & Hospitality	716	696	685	718	723	752	793	77
Government	1,122	1,173	1,197	1,224	1,247	1,277	1,282	160
<b>Total</b>	<b>5,529</b>	<b>5,651</b>	<b>5,732</b>	<b>5,789</b>	<b>5,876</b>	<b>6,009</b>	<b>6,191</b>	<b>662</b>

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	5,529
Non-Working Residents	15,669
Age 15 and under	7,061
Not in labor force	7,743
Unemployed	865
<b>Daytime Population</b>	<b>21,198</b>



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	Livonia	955	14.3%
2	Northville Township	915	13.7%
3	Detroit	670	10.1%
4	Redford Township	405	6.1%
5	Canton Township	395	5.9%
6	Westland	370	5.6%
7	Novi	350	5.3%
8	Farmington Hills	245	3.7%
9	Northville (Total)	230	3.5%
10	Plymouth Township	155	2.3%
-	Elsewhere	1,967	29.5%

\* Workers, age 16 and over employed in Northville Township 6,657

Source: U.S. Census Bureau - CTPP/ACS Commuting Data.  
Commuting Patterns in Southeast Michigan

## Resident Population

### Where Residents Work 5-Yr ACS 2010

Rank	Where Residents Work *	Workers	Percent
1	Livonia	1,520	12.1%
2	Detroit	1,315	10.5%
3	Dearborn	1,155	9.2%
4	Northville Township	915	7.3%
5	Novi	750	6.0%
6	Farmington Hills	570	4.5%
7	Plymouth Township	545	4.3%
8	Southfield	515	4.1%
9	Ann Arbor	460	3.7%
10	Northville	430	3.4%
-	Elsewhere	4,382	34.9%

\* Workers, age 16 and over residing in Northville Township 12,557

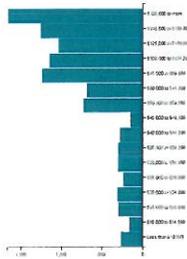
Source: U.S. Census Bureau - CTPP/ACS Commuting Data.

## Household Incomes

Income	5-Yr ACS 2010	Change 2000-2010	Percent Change 2000-2010
Median Household Income (in 2010 dollars)	\$ 101,761	\$ -4,965	-4.7%
Per Capita Income (in 2010 dollars)	\$ 49,799	\$ -2,893	-5.5%

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	1,664
\$150,000 to \$199,999	1,266
\$125,000 to \$149,999	1,046
\$100,000 to \$124,999	1,157
\$75,000 to \$99,999	1,246
\$60,000 to \$74,999	690
\$50,000 to \$59,999	726
\$45,000 to \$49,999	153
\$40,000 to \$44,999	279
\$35,000 to \$39,999	303
\$30,000 to \$34,999	302
\$25,000 to \$29,999	241
\$20,000 to \$24,999	310
\$15,000 to \$19,999	296
\$10,000 to \$14,999	165
Less than \$10,000	267
<b>Total</b>	<b>10,111</b>

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	494	2.5%	718	2.7%	0.2
Households in Poverty	235	2.9%	317	3.1%	0.2

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

## Building Permits 2000 - 2015

Year	Single Family	Two Family	Attach Condo	Multi Family	Total Units	Total Demos	Net Total
2000	327	0	47	26	400	11	389
2001	287	18	80	4	389	11	378
2002	286	178	82	100	646	1	645
2003	356	28	148	22	554	6	548
2004	426	38	69	4	537	4	533
2005	266	16	126	0	408	0	408
2006	138	4	83	0	225	11	214
2007	85	4	7	0	96	2	94
2008	46	14	0	0	60	0	60
2009	35	2	4	4	45	2	43
2010	97	4	16	0	117	0	117
2011	88	8	19	0	115	5	110
2012	108	12	0	0	120	4	116
2013	85	0	0	0	85	1	84
2014	57	0	0	0	57	6	51
2015	20	0	0	0	20	2	18
<b>2000 to 2015 totals</b>	<b>2,707</b>	<b>326</b>	<b>681</b>	<b>160</b>	<b>3,874</b>	<b>66</b>	<b>3,808</b>

Source: SEMCOG Development.

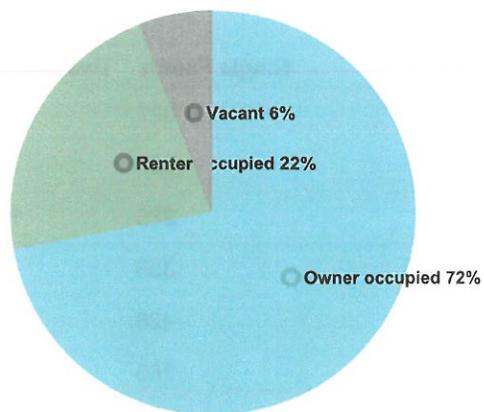
Note: Permit data for most recent years may be incomplete and is updated monthly.

## Housing Types

Housing Type	Census 2000	5-Yr ACS 2010	Change 2000-2010	New Units Permitted 2010-2014
Single Family Detached	4,371	6,106	1,735	455
Duplex	137	25	-112	24
Townhouse / Attached Condo	1,657	2,057	400	35
Multi-Unit Apartment	2,298	2,674	376	0
Mobile Home / Manufactured Housing	17	17	0	0
Other	0	0	0	0
<b>Total</b>	<b>8,480</b>	<b>10,879</b>	<b>2,399</b>	<b>514</b>
Units Demolished				-18
Net (Total Permitted Units - Units Demolished)				496

## Housing Tenure

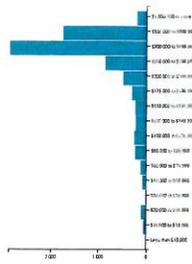
Housing Tenure	Census 2000	Census 2010	Change 2000-2010
Owner occupied	5,975	8,818	2,843
Renter occupied	2,144	2,702	558
Vacant	361	716	355
Seasonal/migrant	65	108	43
Other vacant units	296	608	312
<b>Total Housing Units</b>	<b>8,480</b>	<b>12,236</b>	<b>3,756</b>



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

## Housing Value (in 2010 dollars)

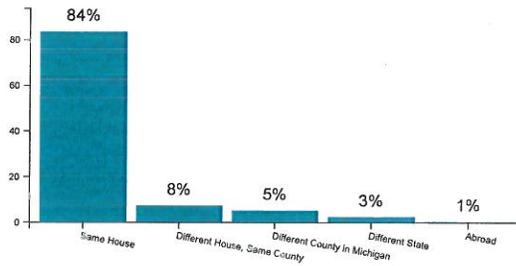
Housing Value (in 2010 dollars)	5-Yr ACS 2010	Change 2000-2010	Percent Change 2000-2010
Median housing value	\$350,300	\$-14,129	-3.9%
Median gross rent	\$991	\$-111	-10.1%



Housing Value	5-Yr ACS 2010
\$1,000,000 or more	206
\$500,000 to \$999,999	1,749
\$300,000 to \$499,999	2,863
\$250,000 to \$299,999	864
\$200,000 to \$249,999	495
\$175,000 to \$199,999	308
\$150,000 to \$174,999	238
\$125,000 to \$149,999	228
\$100,000 to \$124,999	259
\$80,000 to \$99,999	237
\$60,000 to \$79,999	123
\$40,000 to \$59,999	86
\$30,000 to \$39,999	14
\$20,000 to \$29,999	107
Less than \$10,000	7
<b>Owner-Occupied Units</b>	<b>7,839</b>

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 Northville Township from 2009-2013. The table does not represent person who moved out of Northville Township from 2009-2013.

Source: 2010 American Community Survey 5-Year Estimates.

## Transportation

Miles of public road (including boundary roads): 153

Source: Michigan Geographic Framework

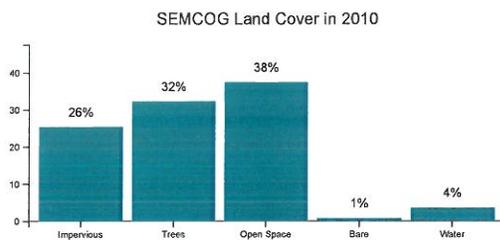
# Environment

## SEMCOG 2008 Land Use

SEMCOG 2008 Land Use	Acres	Percent
Agricultural	0	0.0%
Single-family residential	5,222	49.1%
Multiple-family residential	289	2.7%
Commercial	370	3.5%
Industrial	421	4.0%
Governmental/Institutional	556	5.2%
Park, recreation, and open space	2,332	21.9%
Airport	0	0.0%
Transportation, Communication, and Utility	1,143	10.7%
Water	301	2.8%
<b>Total</b>	<b>10,633</b>	

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

Source: SEMCOG



Type	Description	Acres	Percent
<b>Impervious</b>	buildings, roads, driveways, parking lots	2,704	25.5%
<b>Trees</b>	woody vegetation, trees	3,434	32.4%
<b>Open Space</b>	agricultural fields, grasslands, turfgrass	3,982	37.6%
<b>Bare</b>	soil, aggregate piles, unplanted fields	92	0.9%
<b>Water</b>	rivers, lakes, drains, ponds	391	3.7%
<b>Total Acres</b>		<b>10,603</b>	

Source Data  
SEMCOG - Detailed Data

## ***Glossary of Budget and Finance Terms***

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The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, this budget glossary has been included in the document.

**Accrual Basis of Accounting:** A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

**Activity:** Cost center within a fund or department to which specific expenses are to be allocated.

**Ad Valorem:** Tax imposed at a percentage rate of the value as stated.

**ADA:** Abbreviation for Americans with Disabilities Act.

**Appropriation:** An authorization made by the Township Board, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**Assessed Valuation:** The estimated value placed upon real and personal property by the Township Assessor. Assessed value is required to be at 50% of true cash value.

**Assets:** Property owned by the Township, which has monetary value.

**Audit:** A systematic examination of resource utilization concluding in a written report. It is a test of management's internal controls and is intended to ascertain whether financial statements fairly present financial positions and results of operations;

- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures;
- Ascertain whether transactions have been recorded accurately and consistently;
- Ascertain the stewardship of officials responsible for governmental resources.

**BAR:** Abbreviation for budget amendment request.

**Base Budget:** The budget predicted on maintaining the existing level of service.

**Bond (Debt Instrument):** A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital improvements.

**Budget (Operating):** A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the Township and its departments operate.

**Budget Calendar:** The schedule of key dates or milestones that the Township follows in the preparation and adoption of the budget.

**Budgetary Control:** The level at which expenditures cannot legally exceed the appropriated amounts.

**Budgeted Funds:** Funds that are planned for certain uses. The budget document that is submitted for Board approval is composed of budgeted funds.

**Budget Message (Township Manager's):** Initially, a general discussion of the proposed budget document presented in writing as a supplement to the budget document.

**CAFR:** Abbreviation for Comprehensive Annual Financial Report.

**Capital Outlay:** A disbursement of money, which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$5,000 and have a useful life of more than 1 year.

**Cash Management:** The management of cash necessary to pay government services while investing idle cash in order to earn interest. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds safely in order to achieve the highest interest on temporary cash balances.

**CIP:** Abbreviation for Capital Improvement Program.

**Contingency:** An estimated amount of funds needed for deficiency or emergency purposes. An annual appropriation to cover short falls in revenue and/or underestimation of expenditures. Under Michigan law, to be used, contingencies must be moved to a more distinctive appropriation by a budget amendment.

**Contractual Services:** Items of expenditure from services that the Township receives from an outside company. Heating and cooling mechanical

services, maintenance, custodial services and support for the Township owned telephone systems are examples of contractual services.

**CPI:** Abbreviation for Consumer Price Index. Renamed the Inflation Rate Multiplier (IRM).

**Current Taxes:** Taxes that are levied and due within one year.

**Debt Service:** The Township's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

**Department:** A major administrative division of the Township, which indicates overall management responsibility for an operation of a group of related operations within a functional area.

**Depreciation:** That portion of the cost of a capital asset, used during the year to provide service.

**DWSD:** Abbreviation for Detroit Water and Sewerage Department.

**Enterprise Fund:** A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds are established for services such as water and sewer.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year.

**Expenditure:** The cost of goods delivered and services rendered, whether paid or unpaid.

**Expense:** The cost of goods delivered and services rendered, whether paid or unpaid in the Enterprise Funds.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance:** The excess of an entity's assets over liabilities. A negative fund balance is sometimes called a deficit.

**GAAP:** Abbreviation for Generally Accepted Accounting Principles.

**GASB:** The Governmental Accounting Standards Board, which provides direction in accounting and reporting requirements for units of government.

**General Fund:** The General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund

revenues include property taxes, licenses and permits, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, public works and general administration.

**General Obligation Bonds:** When the Township pledges its full faith and credit to the repayment of the bonds it issues, those

**GFOA:** Abbreviation for Government Finance Officers Association.

**GIS:** Abbreviation for Geographic Information System.

**Headlee Amendment:** The Headlee Amendment places an upper limit on the total amount of property taxes a Township can collect in the fiscal year. This constitutional amendment limits the growth in taxable value attributed to market adjustment (excluding new construction) to the growth in the consumer price index (CPI). If this situation occurs, the operating millages, which are applied to the taxable value, must be reduced to compensate for any increase in excess of the CPI.

**Headlee Override:** A Headlee override is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or a vote of the people, and is necessary to counteract the effects of the Headlee Rollback.

**Headlee Rollback:** The term Headlee Rollback became part of municipal finance lexicon in 1978 with the passage of the Headlee Amendment to the Constitution of the State of Michigan of 1963. The Headlee Amendment requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation (IRM-CPI). As a consequence, the local unit's millage rate is "rolled back" so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation.

**Inflation Rate Multiplier(IRM):** State of Michigan term for CPI computation in the Headlee computation.

**Investment:** Securities purchased and held for the production of income in the form of interest.

**Liabilities:** Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

**Long Term Debt:** Debt with a maturity of more than one year.

**Maturities:** The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

**MERS:** The Michigan Municipal Employees Retirement System is a multiple-employer statewide public employee retirement plan created to provide retirement and survivor and disability benefits to local government employees.

**Millage:** A rate (as of taxation) expressed in mills per dollar.

**Modified Accrual Basis of Accounting:** Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar obligations, which should be recognized when due.

**Other Charges:** An expenditure object within an activity, which includes professional services, utilities, and training for example.

**Per Capita Basis:** Per unit population.

**Personal Services:** An expenditure object within an activity, which includes payroll and all fringe benefits.

**Revenue:** An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in an enterprise.

**SEV:** Abbreviation for State Equalized Value.

**Special Assessments:** Special Assessments are used to account for the construction and financing of public improvements benefiting a limited number of properties. Assessments are repaid over a number of years with interest.

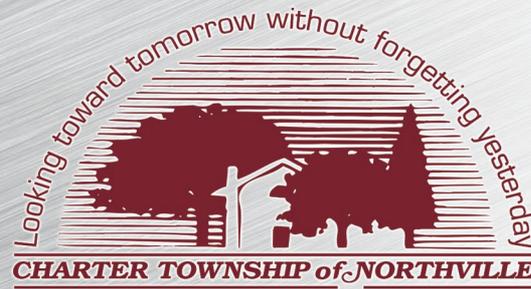
**Supplies:** An expenditure object within an activity that includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000 dollars.

**Taxable Value:** This is a value used as a base for levying property taxes. It was established by a state constitutional amendment. Taxable value limits increases in value attributed to market adjustment. The increase is limited to the lesser of the actual increase, the rate of inflation as established by the consumer price index, or 5%. When property changes ownership, the value returns to 50% of true cash value.

**Transfers In/Out:** A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

**Trust and Agency Fund:** Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds.

**Water and Sewer Fund:** This enterprise fund is used to account for the provision of water and sewer services to the customer financed primarily by user charges.



# A Commitment TO SERVICE

## 2016 ANNUAL BUDGET AND FINANCIAL PLAN

*Courage • Leadership • **Vision** • Citizen Focused • Support & Infrastructure*

*Reliable & Responsible Stability • Quality of Life • **Events & Recreation***

*Desirable Community • **Future Generations** • **Managed Growth** • Safety & Security*

*Courage • **Leadership** • **Vision** • Citizen Focused • Support & Infrastructure*

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Having the courage to make responsible decisions  
*for our community and future generations.*