

City of Wixom Multi-Year Budget Projections and Assumptions

The City of Wixom began including multi-year budget projections during the FY2011-12 budget process in order to provide a financial forecast for future planning.

The City continues in a strong financial position as a result of fiscal action planning and maintaining responsible practices.

Various assumptions, as listed below, were utilized when preparing the FY2022-23 Budget and FY2023-24 and FY2024-25 projections.

- Property taxes were increased to reflect a 1% increase for each year and estimates of new construction based upon current building permits in process and anticipated further development of an existing project.
- Moderate adjustments to state revenue, and other fees and revenue.
- To reduce the health care cost realized by the City, it factored in employee cost sharing of health care premiums, as mandated by Public Act 152, beginning in FY2014-15. The projections reflect an employee share of 20% of the estimated health care premiums over the three-year period.
- Wage increases were reflected in all three years in accordance with existing union contracts.
- Interfund transfers reflect Capital Improvement, Major & Local Road, Land Acquisition, Safety Path and DDA contributions. Capital Improvement contributions are reflective of a ten-year capital plan established during the current budget.
- Contributions to Other Post-Employment Benefits are budgeted in accordance with the annual required contribution included in the most recent actuarial report. In addition, the City bonded for unfunded pension and OPEB liabilities in August 2018, therefore the projected budgets also include bond payments.
- Full-time staffing has decreased, through attrition, from a high of 65 in FY2003-04 to 47 in FY2014-15, with one position being added in FY2015-16, three new positions in FY2017-18, two in FY2019-20 and one in FY2020-21 for a total of 54. No new positions were added in the FY2022-23 budget and staffing levels will be revisited during the FY2023-24 budgeting process.
- Normal reduction in previous debt service. The City issued Wastewater capital improvement debt in FY2019-20. Debt issuance added for unfunded pension and OPEB liabilities that occurred in August 2018.
- Increase in contractual services either by inflation or in accordance with a current contract. Also, the ongoing use of contractual services in the Construction & Development Department and County assessing services.

The FY2022-23 budget and the general fund projections as used in the preparation of the budget were approved by City Council in accordance with City Charter. The projections were based on the best data available at the time of preparation. Financial forecasting provides a proactive foundation to build upon as opposed to being reactive to the ever-changing economic conditions.