



HEART OF INDUSTRY

RECOMMENDED BUDGET

2026 - 2027



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June 16, 2026

The City of River Rouge remains strong as we end our ninth full fiscal year out from under the State of Michigan's consent agreement. While the City is currently on solid financial ground, the future continues to offer significant challenges that will be addressed with a united Mayor and City Council all working for the greater good of the City. The budget for the 2026/2027 fiscal year is balanced and continues to provide the basic services for our residents including our top priority public safety. The top priority for both the Mayor and City Council is providing the best services while minimizing the cost/tax burden. The budget document also includes projections for the fiscal years 2027/2028 and 2028/2029. The following are some of the significant items addressed in the budget:

Revenue

General Fund revenue has risen slightly over the past couple years as a result of stable property values, an increase in fees collected from the marijuana businesses located in the City. While much of Southeast Michigan has experienced a leveling off and/or an increase in their tax base since the 2008 event, the City of River Rouge has not. The overall taxable value for the City fell only 1% from \$132.6 million to \$132.4 million. The inflation rate continues to roll back toward the 20 year average at 2.7% for fiscal year 2026/27. Despite the inflationary increase in property tax values, the City will again see a fall in property tax revenue. The City anticipates the tax base to continue to decrease over the next three years. The State of Michigan is also in the process of phasing out personal property taxes (which make up approximately 39% of the City's total taxable value) and while the State is currently reimbursing a substantial portion of the lost revenue, it is not 100%. In addition to the large loss in personal property taxes, the city's largest taxpayer DTE Energy closed their River Rouge plant in 2022 which will result in a loss of 45 million in taxable value (32% of the City's total tax base) over the next three years.

Transparency and Community Involvement

The Mayor and City Council have made getting residents involved and updated on happenings a high priority. Newsletter are sent to all residents highlighting happening and available services and resources. The City has also increase the opportunities for the entire community to get together in events such as food truck Fridays, numerous new senior events, holiday events and many more events have brought hundreds of residents out throughout the year. The construction of Coolidge Plaza using federal grants has also created a new and unique community gathering area.



Citywide Sense of Pride

A dedicated crew of DPW workers continue to do an incredible job cleaning up alleys and trash leaving the city looking better than it has in years. Abandon houses continue to come down and lots are being sold to lessen the burden of the City having to maintain the vacant properties.

Redevelopment and Revitalization

The City over the past few years has received several significant grants for the revitalization and redevelopment of several key area's/facilities within the city. The State awarded a \$3 million grant to for cleanup and reconstruction of amenities at Belanger Park which was just completed. State grants have also been received for the renovation of the Beechwood Center, Memorial Park and other pocket parks within the City.

Water and Sewer

River Rouge continues to invest in the City's aging infrastructure to ensure safe clean water for all residents. In addition to the annual operating costs, the City has been burden by EPA mandates which including building a large retention basin for sewage and contributing millions toward improvements on the Downriver Sewage Disposal System plant. The latest unfunded State mandate is the replacement of lead lines for almost all households in the City. The estimated cost is in excess of \$20 million and the City's Water and Sewer Fund has run out of cash and has fallen into a deficit. A formal deficit elimination plan was filed with the State which will require cost cuts and significant annual rate increases until the deficit is eliminated. The City was able to obtain a \$13 million loan/grant to begin replacing several hundred of these lines and will continue to look for additional grants to fund the remaining mandate. In addition to the significant infrastructure projects, the City's largest water and sewer user US Steel shut down in December 2020 and has not reopened to date and DTE permanently closed their plant in 2022. These closures have resulted in the Water and Sewer Fund having a net cashflow deficit of more than \$1 million annually.

Despite the difficult economic times over the past few years the City of River Rouge has continued to remain independent and provide its residents the best services available in the most efficient and effective manner possible. The success would not have been possible without an overall team effort including the City Council and all the citizens and volunteers within the City. As I conclude my fourth fiscal year as Mayor, I look forward to many more years of continued success, as the City of River Rouge is truly a wonderful place to live and work, and it remains the heart of the industry.

William L. Campbell, Mayor



Fund Structure

Governmental Funds

*# **101 General Fund**

Capital Projects Funds

401 - Capital Projects

* **Special Revenue Funds**

202 - Major Street

203 - Local Street

211 - Pension Levy

226 - Refuse Collection

252 - Grant

266 - Drug Enforcement

271 - Library

Proprietary (Enterprise) Funds

592 - Water and Sewer

Trust and Agency (Fiduciary) Funds

702 - Del Personal Property Tax Collection

731 - General Employees Retirement System

732 - Police and Fire Retirement System

737 - Retiree Health Care Benefits

Component Unit

244 - Downtown Development Authority

250 - Economic Development Corporation

* Requires Budget

Major Fund



Significant Budget and Accounting Policies

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

Basis of Budgeting

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. The basis of budgeting is the same as the basis of accounting.

Basis of Accounting

The accrual basis of accounting is used by the Enterprise Funds. All Governmental Funds and Agency Funds use the modified-accrual basis of accounting. Modifications in such methods from the accrual basis are 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. Properties are assessed as of December 31 and become a lien then. The related property taxes are billed on July 1 of the following year. These taxes are due without a penalty during the period July 1 through October 1 with a 4% penalty added after that date. After February 28, they are added to the County tax rolls. The County Tax Revolving Fund reimburses the City for the real property portion of these taxes and assumes collection responsibilities for both real and personal property taxes.

- Interest on bonded indebtedness and other long-term debt are not recorded as expenditures until the due date.
- Payments for inventory type of supplies are recorded as expenditures at the time of purchase.
- Normally, expenditures are not divided between years by the recording of prepaid expenses.
- The non-current portion of accumulated employee benefits is reflected in the government-wide financial statements.

Fund Structure of Approved Budget

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 Capital Project, Enterprise Fund, and Fiduciary Funds. These budgets are prepared for financial management and project control purposes.

Major Funds

The City of River Rouge reports on three major governmental funds which are the General, Pension Levy Fund and the Water and Sewer Fund.



Fund Accounting

The accounts of the City 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 three broad fund categories as follows:

Governmental Funds

General Fund: The General Fund contains the records of the ordinary activities of the City 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 revenue from financing activities requiring separate accounting because of legal or regulatory provisions.

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

Proprietary Funds

Enterprise Funds: The Water and Sewer Fund is 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.

Trust and Agency Funds

Fiduciary Funds: Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments or other funds. These include the General Employees' Retirement System, Police and Fire Retirement System, Retiree Health Care Benefits Fund and the Tax Collection Fund. The Retiree Health Care Benefits Fund is an expendable trust fund and is accounted for in the same manner as governmental funds. The Tax Collection Fund and Agency Fund are custodial in nature and do not involve the measurement of results of operations.

Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations are accounted for 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 Fund 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.

Deposits and Investments

The City believes that due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation, insuring all bank deposits is impractical. The City evaluates every financial institution it deposits City funds into, assessing the level of risk.

Investments

The City 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.



Financial Policies

The City of River Rouge's financial policies, as compiled below, set forth the basic framework for the overall fiscal management of the City. Operating independently of changing economic circumstances and conditions, these policies help the decision making process of the City Council 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 City in the past and have helped maintain financial stability.

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

Operating Budget Policies

The City will attempt to maintain its present service level for all priority and essential services within the existing property tax millage limits.

- The City 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 City will emphasize efforts to reduce expenditures in major cost centers (i.e. energy, medical insurance premiums, street lighting, pension cost, and Worker's Compensation payments).
- The Water and Sewer funds will be self-supporting.
- The City will protect against catastrophic losses through a combination of insurance and maintaining appropriate fund balance levels.

Fund Balance/Reserve Policies

The Mayor and City Council follow the following fund balance/reserve policies:

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



Financial Structure, Policy, and Process

- In the event the level of expenditures exceeds the estimated appropriations, the City will create a plan to replenish fund balance/reserves within three years by controlling operating expenditures, adjusting operations and/or dedicating excess or specific revenue sources.

Revenue Policies

The City will estimate its annual revenue by a conservative, objective and analytical process.

The City 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 Improvements Policies

The City will develop a multi-year plan for capital improvements

The City will maintain its physical assets at a level adequate to protect the City'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 City 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

City of River Rouge, as a home rule unit, presently has a statutory limit on the amount of general obligation debt outstanding. The limit on the outstanding indebtedness cannot exceed 10% of the equalized assessed valuation. Using 2025 values (the most recent available information), this limitation would allow for approximately \$13.485 million in debt.

Investment Policies

The City'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.



Financial Structure, Policy, and Process

The City will strive to maximize the return on the portfolio, with the primary objective of preserving capital by prudent investment practices.

For the City's complete investment policies please contact the Finance Department.

Accounting, Auditing and Financial Reporting Policies

An independent audit will be performed annually.

The City will produce annual financial reports following Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).

The City will maintain strong internal audit controls.

Purchasing Policies

The Purchasing Division is responsible for the administration of the procurement process for the supplies, materials and equipment required for the operation and maintenance of the City's departments and facilities.

Purchases will be made in accordance with federal, state and municipal requirements.

Purchases will be made in an impartial, economic, competitive, and efficient manner.

Purchases under \$2,500: Department's responsibility to obtain best price possible and to foster competition.

Purchases over \$2,500: Formal sealed bids must be obtained. All bids and/or written quotations and request for proposals are awarded by the City Council.

Grant Policies

The Mayor reviews and approves department requests to pursue grants.

Completed applications requiring a local match are presented for approval to City Council. The approval includes financing mechanism and required matching funds.

Upon notice of grant award City Council approves budget and formal acceptance.

The Finance Department works with the initiating department for proper reporting and program monitoring.



Budget Policies and Procedures

Role of the Budget

The budget provides the annual financial plan for the management of the City's affairs. The document compiles the financial data needed to support River Rouge's comprehensive decision making/policy development process. This Budget is based on the City Council Goals, the Capital Improvements needs, and the City's financial policies, past City Council direction, and Mayor and departmental review of operations.

Budget Strategy

The current financial plan is based upon Council direction and current revenue constraints. These factors govern the stewardship of public funds and reflect the following principles:

- Basic 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. Depreciation will not be included in program costs (except in the enterprise funds) and some City-wide expenses will be separated from program expenditures for ease of administration.
- 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 City from future uncertainties.
- The budget will comply with provisions of the State Constitution, City Charter, Municipal Code and sound fiscal policy.

Balanced Operating Budget

A balanced budget is a basic budgetary constraint intended to ensure that the City does not spend beyond its means. The City 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

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.

Budgetary 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 for the General Fund and at the fund level for the Special Revenue Funds.

Independent Audit

State statutes and the City Charter require an annual audit of all accounts of the City by certified public accountants selected by the City Council. Yeo & Yeo, PC has fulfilled this requirement. The auditor's report is included in the City's Annual Financial Report with supplemental Information and is available to the public.

Budget Process

The City's annual budget covers a twelve-month period beginning July 1 and ending June 30. 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 City'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 City programs and services. Third, the budget serves as an important reference document. It should provide the City Council, the public and staff with extensive information on the nature and scope of municipal operations and services.

Building the Recommended Budget

Under the direction of the Mayor, and with the assistance of the City Assessor and other Department Heads 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 City's financial policies and mandated requirements, and focus on maintaining services, covering insurance and bond requirements, and the balancing of labor, supplies, and equipment.



Mayor Review

The Mayor makes the final adjustments and works with the Finance Director and staff to prepare the draft of the Proposed Budget.

City Council Adoption

After receiving the Proposed Budget, a public hearing is conducted to assure that all persons and organizations are provided an opportunity to be heard. The City Council then makes its revisions and adopts the budget for the next fiscal year no later than June 30.

Budget Amendment Process

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 within a function if it can be compensated for within that same function.

If a function must be adjusted, a formal budget amendment must be requested. The Finance Department prepares a formal budget amendment which is presented to the City Council along with a report on the status of the contingency balance for approval.



Long-Range Financial Plan – Multi-Year Budget 2027-2029

The City of River Rouge has recognized the need for planning to provide quality services to its residents. The City has prepared a three-year budget, going beyond the requirement for adoption of an annual budget. The multi-year budget is prepared using projections based on the best information/data available at the time. The research includes obtaining data from the County and State of Michigan. This future outlook allows the City to plan rather than react to anticipated financial conditions.

General Fund

General Fund

The General Fund is used to account for all financial resources traditionally associated with City government, except those required to be accounted for in another fund. The General Fund includes police, fire, mayor, building inspection, senior and recreation services, public works, assessing, and internal services such as legal and finance among others. 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, fines and forfeitures and interest on investments.



Financial Summaries

GENERAL FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 3,836,190	\$ 4,040,000	\$ 4,040,000	\$ 4,000,000	\$ 3,960,000
CHARGES FOR SERVICES	189,578	140,000	145,000	150,000	155,000
LICENSES AND PERMITS	575,068	860,000	870,000	880,000	890,000
FEDERAL GRANTS	-	10,000	10,000	10,000	10,000
STATE SOURCES	6,896,653	6,950,000	6,697,000	6,800,000	6,980,000
OTHER REVENUE	472,977	525,000	550,000	575,000	600,000
FINES AND FORFEITURES	521,371	500,000	800,000	810,000	820,000
INVESTMENT INCOME	59,314	40,922	34,884	30,447	30,272
TOTAL ESTIMATED REVENUES	\$ 12,551,151	\$ 13,065,922	\$ 13,146,884	\$ 13,255,447	\$ 13,445,272
APPROPRIATIONS					
LEGISLATIVE	\$ 86,658	\$ 86,659	\$ 86,659	\$ 86,659	\$ 86,659
DISTRICT COURT	244,294	375,000	380,000	385,000	390,000
MAYOR	508,703	325,000	350,000	360,000	360,000
ELECTIONS	122,588	50,000	125,000	50,000	125,000
FINANCE	125,700	130,000	135,000	140,000	140,000
ASSESSOR	112,206	133,000	136,000	140,000	145,000
LEGAL	609,460	660,000	600,000	610,000	620,000
CITY CLERK	91,134	180,000	190,000	195,000	200,000
PERSONNEL	149,471	155,000	160,000	165,000	170,000
PURCHASING	15,176	20,000	20,000	20,000	20,000
TREASURER	127,211	160,000	165,000	170,000	175,000
BUILDING AND GROUNDS	259,157	340,000	300,000	320,000	340,000



Financial Summaries

GENERAL FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
APPROPRIATIONS (CONTINUED)					
POLICE	\$ 3,573,469	\$ 3,162,500	\$ 3,450,000	\$ 3,500,000	\$ 3,650,000
FIRE	750,918	803,000	811,000	820,000	825,000
INSPECTIONS	240,690	275,000	280,000	285,000	290,000
ANIMAL CONTROL	88,791	112,000	115,000	118,000	120,000
PUBLIC WORKS	659,130	755,000	660,000	670,000	680,000
STREET LIGHTING	392,444	408,000	405,000	410,000	417,000
HOME PURCHASE	39,382	145,000	100,000	100,000	100,000
SENIOR CENTER	66,807	70,000	70,000	70,000	70,000
COMMUNITY PROMOTION	160,493	134,000	60,000	65,000	70,000
RECREATION	249,474	225,000	250,000	250,000	250,000
SPLASH PARK	15,003	20,000	20,000	20,000	20,000
EMPLOYEE FRINGE BENEFITS	2,392,789	3,299,000	3,335,000	3,338,000	3,190,000
INSURANCE	397,787	600,000	500,000	525,000	550,000
ECONOMIC DEVELOPMENT	49,422	50,000	50,000	50,000	50,000
DEBT SERVICE	393,062	392,763	393,225	392,788	391,613
TOTAL APPROPRIATIONS	\$ 11,921,419	\$ 13,065,922	\$ 13,146,884	\$ 13,255,447	\$ 13,445,272
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER OUT	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ 629,732	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	1,300,814	1,930,546	1,930,546	1,930,546	1,930,546
ENDING FUND BALANCE	\$ 1,930,546	\$ 1,930,546	\$ 1,930,546	\$ 1,930,546	\$ 1,930,546



Special Revenue Funds

Major Street Fund

The Major Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the Major Street portion (as defined by State Act 51) of the City's street network. Of the 27.44 total centerline miles that make up the City of River Rouge road network, the City has 8.60 centerline miles of Major streets. Financing is primarily provided by the City's share of State gas and weight taxes.

MAJOR STREETS FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED 2027-28	PROJECTED 2028-29
ESTIMATED REVENUES					
STATE SOURCES	\$ 682,756	\$ 676,000	\$ 736,000	\$ 751,000	\$ 766,000
OTHER REVENUE	15,797	16,500	2,000	2,000	2,000
INVESTMENT INCOME	6	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 698,559	\$ 692,500	\$ 738,000	\$ 753,000	\$ 768,000
APPROPRIATIONS					
PUBLIC WORKS	\$ 360,696	\$ 354,500	\$ 380,192	\$ 395,611	\$ 408,064
CAPITAL OUTLAY	-		20,000	20,000	20,000
DEBT SERVICE	212,965	213,000	212,808	212,389	214,936
TOTAL APPROPRIATIONS	\$ 573,661	\$ 567,500	\$ 613,000	\$ 628,000	\$ 643,000
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER OUT	\$ (125,000)	\$ (125,000)	\$ (125,000)	\$ (125,000)	\$ (125,000)
TOTAL OTHER FINANCING SOURCES	\$ (125,000)	\$ (125,000)	\$ (125,000)	\$ (125,000)	\$ (125,000)
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (102)	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	4,073	3,971	3,971	3,971	3,971
ENDING FUND BALANCE	\$ 3,971	\$ 3,971	\$ 3,971	\$ 3,971	\$ 3,971



Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the City's 18.84 centerline miles of Local Streets. Financing is provided by the City's share of State gas and weight taxes and transfers from other funds.

LOCAL STREETS FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
STATE SOURCES	\$ 264,321	\$ 266,000	\$ 272,000	\$ 282,000	\$ 293,000
INVESTMENT INCOME	4	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 264,325	\$ 266,000	\$ 272,000	\$ 282,000	\$ 293,000
APPROPRIATIONS					
PUBLIC WORKS	\$ 274,652	\$ 276,326	\$ 262,411	\$ 272,637	\$ 282,264
CAPITAL OUTLAY	-		20,000	20,000	20,000
DEBT SERVICE	114,673	114,674	114,589	114,363	115,736
TOTAL APPROPRIATIONS	\$ 389,325	\$ 391,000	\$ 397,000	\$ 407,000	\$ 418,000
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER IN	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
TOTAL OTHER FINANCING SOURCES	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -



Pension Levy Fund

The Pension Levy Fund is used to collect the court ordered property tax judgment levy and pay all or part of the previous year's required actuarially calculated pension contributions for both the General Employees and Police and Fire Retirement Systems.

PENSION LEVY FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 1,456,920	\$ 1,100,000	\$ 475,000	\$ 450,000	\$ 450,000
STATE SOURCES	1,509,324	1,000,000	475,000	450,000	450,000
INVESTMENT INCOME	28,132	1,836	2,000	2,000	2,000
TOTAL ESTIMATED REVENUES	\$ 2,994,376	\$ 2,101,836	\$ 952,000	\$ 902,000	\$ 902,000
APPROPRIATIONS					
GENERAL GOVERNMENT	\$ 247,697	\$ 276,837	\$ 350,000	\$ 330,000	\$ 310,000
PUBLIC SAFETY	2,041,218	1,933,999	700,000	675,000	650,000
TOTAL APPROPRIATIONS	\$ 2,288,915	\$ 2,210,836	\$ 1,050,000	\$ 1,005,000	\$ 960,000
NET OF REVENUE/APPROPRIATIONS	\$ 705,461	\$ (109,000)	\$ (98,000)	\$ (103,000)	\$ (58,000)
BEGINNING FUND BALANCE	1,205,096	1,910,557	1,801,557	1,703,557	1,600,557
ENDING FUND BALANCE	\$ 1,910,557	\$ 1,801,557	\$ 1,703,557	\$ 1,600,557	\$ 1,542,557



Refuse Fund

The Refuse Fund records the activity related to the City trash collection program. Financing for the annual service is provided by a dedicated property tax millage.

REFUSE FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED 2027-28	PROJECTED 2028-29
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 418,184	\$ 407,000	\$ 406,000	\$ 403,000	\$ 400,000
STATE SOURCES	777,992	780,000	780,000	780,000	780,000
CHARGES FOR SERVICES	108,570	90,000	95,000	95,000	95,000
INVESTMENT INCOME	74,081	3,000	30,000	25,000	20,000
TOTAL ESTIMATED REVENUES	\$ 1,378,827	\$ 1,280,000	\$ 1,311,000	\$ 1,303,000	\$ 1,295,000
APPROPRIATIONS					
PUBLIC WORKS	\$ 1,469,619	\$ 1,499,000	\$ 1,540,000	\$ 1,585,000	\$ 1,630,000
CAPITAL OUTLAY	-	30,000	30,000	30,000	30,000
DEBT SERVICE	-	-	-	-	-
TOTAL APPROPRIATIONS	\$ 1,469,619	\$ 1,529,000	\$ 1,570,000	\$ 1,615,000	\$ 1,660,000
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (90,792)	\$ (249,000)	\$ (259,000)	\$ (312,000)	\$ (365,000)
BEGINNING FUND BALANCE	1,924,913	1,834,121	1,585,121	1,326,121	1,014,121
ENDING FUND BALANCE	\$ 1,834,121	\$ 1,585,121	\$ 1,326,121	\$ 1,014,121	\$ 649,121



Grant Fund

This fund records federal grant monies passed through to the City from Wayne County along with funds from SMART to run the City's senior bus services.

GRANT FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED 2027-28	PROJECTED 2028-29
ESTIMATED REVENUES					
FEDERAL GRANTS	\$ 190,350	\$ 390,763	\$ 150,000	\$ 150,000	\$ 150,000
STATE SOURCES	13,954	25,000	25,000	25,000	25,000
OTHER REVENUE	-	20,400	-	-	-
TOTAL ESTIMATED REVENUES	\$ 204,304	\$ 436,163	\$ 175,000	\$ 175,000	\$ 175,000
APPROPRIATIONS					
COMMUNITY & ECONOMIC DEVELOP	\$ 248,040	\$ 260,000	\$ 175,000	\$ 175,000	\$ 175,000
TOTAL APPROPRIATIONS	\$ 248,040	\$ 260,000	\$ 175,000	\$ 175,000	\$ 175,000
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER IN	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (43,736)	\$ 176,163	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	(132,427)	(176,163)	-	-	-
ENDING FUND BALANCE	\$ (176,163)	\$ -	\$ -	\$ -	\$ -



Drug Law Enforcement Fund

This fund records all receipts and expenditures relating to Federal, State, Local and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, State laws and ordinances.

DRUG LAW ENFORCEMENT FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED 2027-28	PROJECTED 2028-29
ESTIMATED REVENUES					
FEDERAL GRANTS	\$ -	\$ 26,000	\$ 1,000	\$ 1,000	\$ 1,000
OTHER REVENUE	-	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ -	\$ 26,000	\$ 1,000	\$ 1,000	\$ 1,000
APPROPRIATIONS					
PUBLIC SAFETY	\$ -	\$ 26,000	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL APPROPRIATIONS	\$ -	\$ 26,000	\$ 1,000	\$ 1,000	\$ 1,000
NET OF REVENUE/APPROPRIATIONS	\$ -	\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -



Library Fund

The River Rouge Public Library provides the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community. The Library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment. The Library is funded primarily from property taxes.

LIBRARY FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 112,015	\$ 108,000	\$ 107,000	\$ 105,000	\$ 102,000
STATE SOURCES	208,152	210,000	210,000	210,000	210,000
INVESTMENT INCOME	47,341	5,000	5,000	5,000	4,000
TOTAL ESTIMATED REVENUES	\$ 367,508	\$ 323,000	\$ 322,000	\$ 320,000	\$ 316,000
APPROPRIATIONS					
RECREATION AND CULTURE	\$ 289,450	\$ 305,000	\$ 312,000	\$ 322,000	\$ 331,000
TOTAL APPROPRIATIONS	\$ 289,450	\$ 305,000	\$ 312,000	\$ 322,000	\$ 331,000
NET OF REVENUE/APPROPRIATIONS	\$ 78,058	\$ 18,000	\$ 10,000	\$ (2,000)	\$ (15,000)
BEGINNING FUND BALANCE	1,445,455	1,463,455	1,481,455	1,491,455	1,489,455
ENDING FUND BALANCE	\$ 1,523,513	\$ 1,481,455	\$ 1,491,455	\$ 1,489,455	\$ 1,474,455



Capital Project Fund

Capital Improvement Fund

This fund is used to account for the construction or purchase of certain capital assets. The city self-funded previous projects and has elected to maintain this new fund to account for certain assets and their related contributions from city funds and outside agencies

CAPITAL IMPROVEMENT FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
FEDERAL GRANTS	\$ -	\$ -	\$ -	\$ -	\$ -
STATE SOURCES	76,378	1,000,000	500,000	300,000	300,000
OTHER REVENUE	50,000	-	-	-	-
INVESTMENT INCOME	89,245	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 215,623	\$ 1,000,000	\$ 500,000	\$ 300,000	\$ 300,000
APPROPRIATIONS					
CAPITAL OUTLAY	\$ 585,472	1,800,000	500,000	300,000	300,000
TOTAL APPROPRIATIONS	\$ 585,472	\$ 1,800,000	\$ 500,000	\$ 300,000	\$ 300,000
OTHER FINANCING SOURCES (USES)					
OPERATING TRANSFER IN		-	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ (369,849)	\$ (800,000)	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE	2,284,205	1,914,356	1,114,356	1,114,356	1,114,356
ENDING FUND BALANCE	\$ 1,914,356	\$ 1,114,356	\$ 1,114,356	\$ 1,114,356	\$ 1,114,356



Enterprise Fund

Water and Sewer Fund

The City of River Rouge takes pride in providing safe and efficient water distribution and sanitary sewage collection systems. The City purchases its water from the GLWA and is part of the Down River Sewage Disposal System for sewage. The City also owns and maintains a CSO basin. The City continues to take steps to further improve infrastructure on an annual basis.

WATER AND SEWER FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
PROPERTY TAXES	\$ 158,759	125,000	125,000	125,000	125,000
STATE SOURCES	2,651,369	1,000,000	1,000,000	1,000,000	1,000,000
CHARGES FOR SERVICES	3,188,028	3,721,028	4,297,028	4,789,028	5,220,041
INVESTMENT INCOME	22,474	25,000	30,000	35,000	35,000
OTHER REVENUE	-	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 6,020,630	\$ 4,871,028	\$ 5,452,028	\$ 5,949,028	\$ 6,380,041
APPROPRIATIONS					
COST OF WATER	\$ 512,196	500,000	535,000	575,000	615,000
COST OF SEWAGE	1,376,277	1,400,000	1,490,000	1,590,000	1,700,000
OPERATING AND MAINTENANCE	2,363,892	1,963,882	2,100,000	2,200,000	2,300,000
DEPRECIATION	1,188,164	-	-	-	-
DEBT SERVICE	215,244	676,358	672,960	684,568	578,350
TOTAL APPROPRIATIONS	\$ 5,655,773	\$ 4,540,240	\$ 4,797,960	\$ 5,049,568	\$ 5,193,350
NET REVENUE, APPROPRIATIONS AND OTHER FINANCING SOURCES	\$ 364,857	\$ 330,788	\$ 654,068	\$ 899,460	\$ 1,186,691
BEGINNING NET POSITION	30,977,028	31,341,885	31,672,673	32,326,741	33,226,201
ENDING NET POSITION	\$ 31,341,885	\$ 31,672,673	\$ 32,326,741	\$ 33,226,201	\$ 34,412,892



Fiduciary Fund

Retiree Health Care Benefits Fund

The Retiree Health Care Benefits Fund accounts for medical benefits provided to retirees and are funded through contributions from the various funds of the City.

RETIREE HEALTHCARE BENEFIT FUND					
	ACTUAL 2024-25	ESTIMATED 2025-26	BUDGET 2026-27	PROJECTED	
				2027-28	2028-29
ESTIMATED REVENUES					
EMPLOYER CONTRIBUTIONS	\$ 1,548,424	\$ 1,850,000	\$ 1,700,000	\$ 1,800,000	\$ 1,900,000
INVESTMENT INCOME	2,538,789	1,140,000	1,475,000	1,575,000	1,700,000
TOTAL ESTIMATED REVENUES	\$ 4,087,213	\$ 2,990,000	\$ 3,175,000	\$ 3,375,000	\$ 3,600,000
APPROPRIATIONS					
BENEFIT PAYMENTS	\$ 1,548,424	\$ 1,850,000	\$ 1,700,000	\$ 1,800,000	\$ 1,900,000
CONSULTING FEES	199,051	140,000	220,000	240,000	260,000
TOTAL APPROPRIATIONS	\$ 1,747,475	\$ 1,990,000	\$ 1,920,000	\$ 2,040,000	\$ 2,160,000
NET OF REVENUE/APPROPRIATIONS	\$ 2,339,738	\$ 1,000,000	\$ 1,255,000	\$ 1,335,000	\$ 1,440,000
BEGINNING FUND BALANCE	17,913,407	20,253,145	21,253,145	22,508,145	23,843,145
ENDING FUND BALANCE	\$ 20,253,145	\$ 21,253,145	\$ 22,508,145	\$ 23,843,145	\$ 25,283,145



Fund Balance

Fund Balance is the difference between assets and liabilities in a governmental fund. The governmental funds account for the City's bread-and-butter, are typically tax-supported activities of a government (as opposed to enterprise funds, which are self-supporting, business-like activities), and include the following:

- General Fund – where a government accounts for everything not reported in another fund
- Special Revenue Funds – for reporting specific sources that are limited to being used for a particular purpose
- Capital Project Funds – which track the accumulation and use of resources for construction, acquiring, and rehabilitating capital assets (such as buildings and roads)

GASB 54

GASB Statement No. 54 creates five components of fund balance, though not every government or governmental fund will report all components. This approach is intended to provide users consistent and understandable information about a fund's net resources. The five components are:

Nonspendable Fund Balance

**cannot be spent (legally restricted or in unspendable form)*

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund)

Restricted Fund Balance

**externally imposed (law, creditor, bond covenant)*

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. This is the same definition used by GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, for restricted net assets.

Committed Fund Balance

**constraints approved by Council*

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.



Assigned Fund Balance

**constrained by intent by City Council, or by the Mayor, or by a body/person to which City Council designates the authority*

- For all governmental funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.
- For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

Unassigned Fund Balance

**available to spend, unrestricted*

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.
- For all governmental funds other than the general fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

Resolution of Adoption 2026 Millage Rates

WHEREAS, the City Council has agreed to **decrease** the City’s total millage rate from last year’s 24.1009 to 24.0328 mills and

WHEREAS, that these levies are being placed on a diversified tax base that has decreased slightly as anticipated in the financial plan, and

WHEREAS, a public hearing was held on June 16, 2026 on the 2026 millage rates and the 2026-2027 budget,

NOW, THEREFOR, BE IT RESOLVED, that to finance the level of services established in the 2026-2027 fiscal year, and to meet specific debt obligations of the City that the following millages are authorized to be spread:

General Operating	19.8761
Refuse	2.9841
Economic Development	0.3777
Library	<u>0.7976</u>
	<u>24.0328</u>

Resolution of Adoption Fiscal-Year 2026-2027 Budget and Acknowledging the Multi-Year Budget Including Projections of Future Fiscal-Years 2027-2028 and 2028-2029

WHEREAS, the Mayor has submitted a balance proposed budget for fiscal year 2026-2027 and

WHEREAS, the budget takes into consideration the City's multi-year budget and financial planning through fiscal year 2028-2029, and

WHEREAS, the budget takes into consideration property tax revenue from the proposed 2026 millage rates and water and sewer revenue from an increase in water and sewer variable rates of 9% (includes passing along GLWA and DUWA rate changes), and

WHEREAS, a public hearing was held on June 16, 2025 on the proposed 2026-2027 budget,

NOW, THEREFOR, BE IT RESOLVED, that the fiscal year 2026-2027 attached budget is adopted (including the proposed property tax and water and sewer rate changes) and that the City Council acknowledges the Multi-Year Budget, including projections of future-years 2027-2028 and 2028-2029 as part of this resolution.