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City Manager
Assistant City Manager/HR Director
Building Official
City Assessor
City Attorney
City Clerk
City Development Director
City Development Manager
City Engineer
City Planner
City Treasurer
Community Relations Director
Controller
Finance & Budget Director
Fire Chief
HR & Benefits Manager
Information Technology Director
Parks & Recreation Director
Interim Police Chief
Public Library Director
Public Works Director
Purchasing Manager

City Seal

Sterling Heights' "Coat of Arms" was officially adopted by the City Council in December, 1968. The words "City of Sterling Heights" encompass the circular seal beginning and ending with five-pointed stars, which represent Quality. Above the crest is the eagle representing Courage. The eagle's talons hold a bundle of arrows, symbolizing Achievement. There are two types of branches beneath the eagle. On the right is an olive branch, representing Peace, while a religious symbol, the palm branch, curves upward on the left. A triskelion, representing Progress radiates above the symbolic City Hall and residents. At the base of the seal is an unrolled scroll with the words, "To Strive on Behalf of All", representing the government's commitment to its residents.■



Note: A copy of this publication is available within five (5) business days in an alternate format, such as Braille or audio tape, for persons with visual impairments.

*Click on page number to follow link

City Organizational Chart.....	4
City Manager's Budget Message.....	5
Fact Sheet	10
Reader's Guide	11
Budget Calendar	14
Community Profile	15
City Goals & Objectives.....	16
Budget Policies	18
City Policy Benchmarks.....	22
Comparable City Benchmarks.....	24

Section I – All Funds Summary

Financial Organization Chart.....	32
Executive Summary.....	33
All Funds Financial Summary	42

Section II – General Fund

How the City Allocates Its Money	50
--	----

Trends and Summaries

Summary of Taxes.....	53
G.F. Revenue, Exp., Fund Balance	55
Revenue Definitions & Assumptions	57
G.F. Revenues by Account	66
G.F. Expenditures by Budgetary Center	70
G.F. Expenditures by Category.....	72
G.F. Expenditures by Account	75

Personnel Summary

Trends.....	80
Listing by Department	81

Legislative

City Council	90
--------------------	----

City Administration Department

City Management	99
City Clerk	105
Information Technology	109
Assessing.....	113
Financial Services.....	117
Purchasing	121
Treasury	125

Public Library Department

Library.....	135
--------------	-----

Police Department

Police Administration	143
Police Investigations.....	147
Police Operations.....	153
Police Support Services	157

Fire Department

Fire Administration.....	165
Fire Extinguishment.....	171
Fire Prevention.....	175

Public Works Department

Fleet Maintenance	183
Parks & Grounds Maintenance.....	187
Public Works Center	191
Refuse Collection	193
Street Services	197

City Development Department

Building & Facilities Maintenance.....	205
Economic Development.....	211
Engineering.....	215
Neighborhood Services	219
Planning.....	223

Community Relations Department

Community Relations.....	231
--------------------------	-----

Non-Departmental Services

41-A District Court	237
Act 78 Civil Service Commission	241
Arts Commission	244
Beautification Commission	246
General Employees Retirement Board.....	248
General Expenditures	250
Historical Commission	252
Legal.....	256
Planning Commission	260
Transfers Out.....	262
Zoning Board of Appeals	264
Component Unit Funding	266

*Click on page number to follow link

Section III – Water & Sewer Fund

Water & Sewer Fund Statement	268
Revenues & Expenses Schedule	269
Revenues & Expenses by Account	271
Water & Sewer Administration	279
Water Distribution	283
Sewage Collection	287

Section IV – Special Revenue Funds

Revenues, Expend. & Fund Balance	292
Revenues & Expenditures by Account	299
Major Road Fund	306
Local Road Fund	308
Land & Water Conservation Fund	310
Parks & Recreation Fund	315
Public Safety Forfeiture Fund	320
Community Dev. Block Grant Fund	322
Corridor Improvement Authority Fund	324
Economic Develop. Corporation Fund	326
Local Develop. Finance Authority Fund	328

Section V – Debt Service Funds

Debt Management Program	332
Revenues, Expenditures & Fund Balance	336
Revenues & Expenditures by Account	340
Voted Tax General Obligation Fund	342
Road Bond Debt Retirement Fund	344
Limited Tax General Obligation Fund	346

Section VI – Capital Projects

Revenues, Expenditures & Fund Balance	350
Revenues & Expenditures by Account	352
Capital Projects Fund	354
Clinton River Restoration Fund	356
Road Bond Construction Fund	358

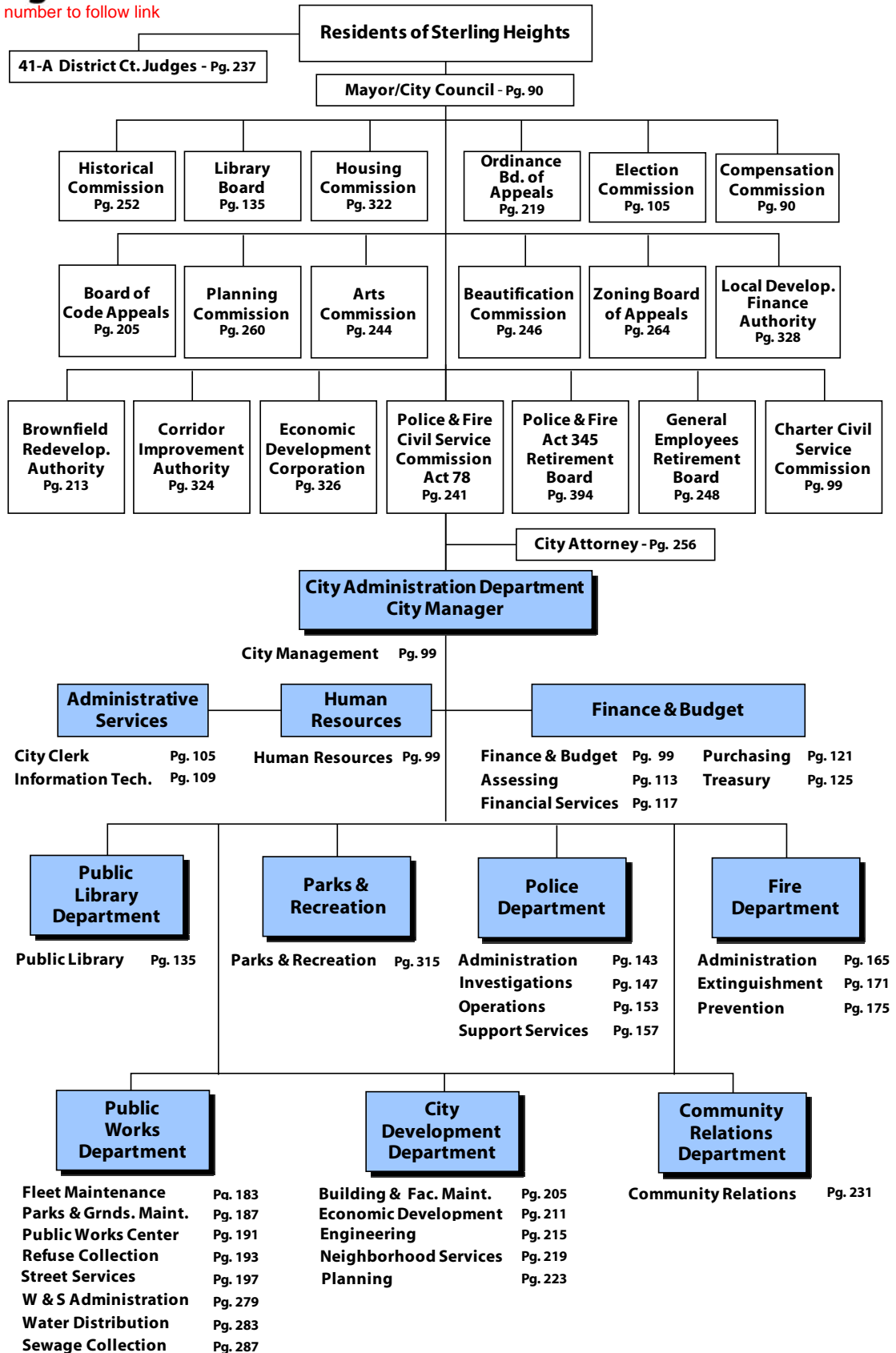
Capital Improvements Program	360
Capital Equipment	363
Information Technology Capital Program	366
Capital Vehicles	367
Capital Projects	368
Storm Drain Improvements	369
Road Bond Construction Fund	369
Major Road Fund	370
Local Road Fund	371

Community Dev. Block Grant Fund	372
Local Develop. Finance Authority Fund	372
Land & Water Conservation Fund	372
Clinton River Restoration Fund	372
Parks & Recreation Fund	373
Corridor Improvement Authority Fund	373
Sanitary Sewers	374
Water Mains	374
Capital Improvement Maps	377

Section VII – Supplemental Information

Financial & Demographic Data	385
Labor Agreements	395
Appropriations Ord. & Fee Schedule	399
Glossary	428
Index	433

City Organization Chart



NOTE: Offices are cross-referenced by budget page number.

July 1, 2017

**Honorable Mayor and
Members of the City Council**

Introduction

Over the course of the City's history, this document has been integral to the City's ability to remain financially strong and resilient, regardless of the economic times. Although the process is not always smooth or easy, the commitment of City Administration and the City Council to good stewardship of the City's finances has always been reflected in a fiscally sound budget. This commitment, as set forth in annual budgets, has garnered state and national awards. Even more important than these accolades is the positive impact the budgetary process has on the Sterling Heights community in terms of the assured delivery of quality, efficient, and essential public services.

It is also true the budget is more than numbers on paper. It is a living document that reflects what this community strives to be – a safe, vibrant, and welcoming place to live and work. It is in this spirit that City Administration submits the proposed fiscal year 2017/18 Annual Budget.

The Year in Review

A Transformation Year – Investing in Quality of Life and Infrastructure

The past year proved to be a transformational year in many respects. First, the Recreating Recreation Initiative passed and will result in a \$45 million investment in quality of life services. These exciting improvements will commence this fiscal year and will be completed over the next three years. Second, the City is completing a massive Clinton River revitalization initiative to clear log jams, stop erosion and restore natural habitation. In addition, a number of canoe and kayak launches/landings will be installed opening the Clinton River to recreational use for the first time in decades! Thirdly, the City completed a number of major roadway projects including Van Dyke and Dodge Park Road, to name just a few, not to mention many neighborhood road projects. These projects have become focal points incorporating design features that make them more aesthetically pleasing, having a positive impact on commercial businesses along the new roadways. Tens of millions will be spent on additional roadway improvements over the next few years, far exceeding the amount allocated through the Safe Streets Proposal approved by the voters in 2013. Lastly, the City finalized its first Public Art Plan to build on the theme of place making and creating focal points and lasting impressions for residents and visitors alike. Studies show there is a direct correlation to increased resident satisfaction levels, quality of life and vibrant business sectors in communities that have a strong commitment to public art.

Economic Growth

Over the past year the City continued numerous cutting edge economic development strategies in the City's manufacturing and retail sectors. This included facilitating ongoing development on the Sterling Enterprise Park – the City's largest concentration of new high tech manufacturing in recent history. In addition, the City began reinvesting in the entire manufacturing corridor to improve roadways, signage, and rebranding the area to reflect what it now represents -- the Sterling Innovation Corridor. This effort included embarking on an ambitious www.InnovateMound.org initiative which is a collaborative effort between Sterling Heights, Warren, and Macomb County to raise over \$217 million to improve the entire Mound Road corridor from I-696 to M-59. These efforts, in part, have resulted in massive manufacturing investments in Sterling Heights over the past year, including hundreds of millions from Fiat Chrysler Automotive, Ford Motor Company, Mitchell Plastics, and many others.

The City's economic development strategies included refocusing attention on retail nodes, as well as the City's most important commercial asset, Lakeside Mall. This included implementing concepts outlined in the recently developed Lakeside Sustainability Report. Playing an active role in redefining the Lakeside area will better position "brick and mortar" businesses facing stiff competition from "online" sales to adapt in a rapidly changing retail environment for the mall itself, big box retailers, and surrounding businesses that rely on their success. The North Van Dyke River District, supported by the Corridor Improvement Authority, experienced progress this past year with a number of new projects underway and the prospect of a significant redevelopment mixed use project on the north end of the district. Another marquee development for the Van Dyke corridor will include the construction a new commercial headquarters on the northeast corner of 15 Mile Road and Van Dyke, construction of a new TRU Hilton hotel south of Metro Parkway on Van Dyke, and the opening of a new Holiday Inn Express near 15 Mile Road and Van Dyke.

The City's residential sectors continue to experience impressive growth with many residential units either under construction or going through the review process. This includes the much anticipated Mocerri Veranda development at Maple Lane golf course. The massive project consists of over 800 housing units, new 18-hole and 9-hole golf courses, a state of the art country club, senior facility, and hundreds of single family homes. This development will be one of the largest residential developments since the Mocerri developments in the northwest area of the City 20 years ago.

Neighborhood Investment

The City continues to reinvest in neighborhoods through the Sterling Heights Initiative for Neighborhood Excellence (SHINE) program. Millions of dollars have been expended over the past ten years to clean up blighted properties through the City's proactive Rental Inspection program and Code Enforcement. Complimenting reinvestment in neighborhoods, the City developed a Reforestation Plan this past year and will continue implementing the objectives set forth in the plan over the next year. Studies show that there is a direct correlation between increased tree canopy coverage and higher property values.

Improving Public Safety Services

The aforementioned achievements over the past year illustrate that the City's Visioning 2030 Plan is paying off. Sterling Heights continues to experience manufacturing, commercial, and residential growth. Investments in quality of life services, widely supported by residents, will help keep families in the City while attracting new residents. At the same time, the City continues to improve traditional services. A new curbside recycling program will begin next year that will be less expensive than the current program and provide weekly collection as opposed to the current bi-weekly cycle. The City will begin for the first time, Fire EMS Transport services thanks to required labor reform measures that will make the program entirely self-sustaining. Highly trained City paramedics will not only be the first on the scene to provide advanced life support services, but will also provide continuity of care by deploying those same lifesaving services while in transport to the hospital facilities in the area. This service results in more efficient deployment of personnel and apparatus under a new structure of priority dispatching, minimizing the need to send costly fire engines on all EMS calls.

Over the past year, the Police Department and Community Relations Department implemented the City's first ever CORE program. CORE, an acronym for "Community Outreach and Engagement," was created earlier this year and is aimed at building stronger police-community relations. The program gives each of the six patrol area districts of the City its own SHPD Officer assigned to serve as a resource to residents of the region. Residents with questions or concerns in their neighborhood can call or email their assigned officer and have a one-on-one conversation rather than calling the main non-emergency line. The CORE program uses the SHPD existing area district map and divides the City into six sections. Each area district is assigned an officer that will be the region's advocate and neighborhood expert. These six officers will work to not only make meaningful relationships, but identify and report potential crime trends and neighborhood issues to SHPD leadership. This innovative program will help keep Sterling Heights one of the safest cities in the Country.

As the City prepares to celebrate its 50th Anniversary in 2018, we are well positioned for continued prosperity thanks in large part to strong leadership from the Mayor and City Council, excellent relationships with the City's business community, engaged residents who care deeply for this great City, and hard-working employees dedicated to providing excellent services. At the same time, good financial planning through the budget process has also helped the City achieve a high level of success.

The following is a financial overview of the proposed budget, which will result in another highly successful year for the City.

Proposed Budget Overview

Revenues and Expenditures

The City's Total Budget equates to \$192 million – an increase of \$6.3 million or 3.4% from the prior year. The increase is due in large part to a continued commitment to reinvest in the City's infrastructure, including roads, sidewalks, water & sewer lines, capital equipment replacements, and preventative maintenance programs. In addition, the increase is due to the voter approved Recreating Recreation initiative. Without these expenditures, the overall budget would be declining once again.

The General Fund expenditure budget totals \$93.9 million, an increase of \$1.7 million or 1.8% above the prior year budget. The General Fund revenue budget totals \$96.5 million, an increase of \$3.5 million or 3.8%.

The City's total millage rate of 16.1558 mills represents an increase of 0.97 mills over the prior year. This is a result of voter approval of the twenty-year 0.97 mill Recreating Recreation millage last November. Despite the increase, the City's tax rate continues to be lower than most cities in the State and is one of the lowest of any city in Macomb County. The City's tax rate is 4.5 mills lower than the average tax rate of all Macomb County cities.

City Reserves

The fiscal year 2017/18 Budget provides for an increase to General Fund Reserves of \$2.6 million marking the fourth consecutive year the City has added to reserves. Increasing reserves has been an important objective for the City knowing that reserves just five years ago were at approximately 5% of expenditures, their lowest level since 1987. According to best practices, General Fund Reserves should be around 25% of expenditures or \$25 million. At the end of FY 2017/18, reserves are projected to be at 18% or approximately \$17.3 million. While significant progress is being made, the City needs to plan on adding to reserves for the next several years.

Due to legacy reforms and the elimination of Retiree Healthcare for all new hires, the Retiree Healthcare Trust Fund is nearly 50% funded with reserves totaling over \$98 million. Both the Police & Fire Pension and General Employee Pension Funds are funded at 69% and 82% respectively. Elimination of the fixed pension plan (Defined Benefit) for general employees, reduction of the pension multiplier from 2.8% to 2.0% for public safety, and increased fund contributions to reflect reduced earnings projections will further improve long-term funding levels.

Personnel

The budget includes funding for 471 full-time positions – a net increase of 22 positions. Fifteen new Firefighter positions are planned as part of the proposal to provide EMS transport services. Three additional full-time positions are funded for Public Works and a full-time Risk Management Coordinator

position is also funded. Two part-time Accountant positions are combined into one full-time position in Financial Services and one part-time Building Inspector is converted to full-time. Lastly, two full-time positions are funded for a partial year for the advance hiring of the Purchasing Manager and the City Assessor due to planned retirements, while the City Clerk's office will eliminate one position due to the upcoming retirement of the City Clerk. In total, the City has reduced funding for 178 full-time positions or 27% of its workforce since 2002, saving \$13.9 million annually.

The budget reflects a net increase of three part-time positions. Four new part-time positions are proposed as part of the Recreating Recreation initiative. Two new part-time Technical Secretaries and a High School Co-op in Police Records, a Clerk Typist in Fire Administration, and an Intern in Community Relations are funded due to increased service demands. These positions are offset by the elimination of six part-time positions throughout the organization. The number of part-time staff has increased by 53 positions or 66% since 2004.

Capital Expenditures

The proposed FY 2017/18 Capital Budget includes over \$15 million in various infrastructure improvements or capital expenditures. Some of the noteworthy projects include:

- Resurfacing of Schoenherr from 15 Mile to Metro Parkway and the rehabilitation of the north side of the Metro Parkway service drive.
- Resurfacing of Clinton River Road from Schoenherr to Saal Road.
- Improvements to the sidewalk on the Maple Lane bridge over Red Run.
- \$3.45 million in neighborhood road concrete repairs funded by the Safe Streets millage approved by City residents.
- The resurfacing of 15 Mile from Ryan to Mound Road, median improvements on M-59, and the rehabilitation of Canal Road from Van Dyke to Schoenherr.
- \$894,500 for replacement vehicles, including nine police vehicles, a tandem axle dump truck, and an aerial sign truck.
- Replacement of the Fire Station #1 roof, a replacement door wall at Fire Station #5, four replacement emergency warning sirens, repairs to the outdoor pond at City Hall, replacement of work stations in Police Investigations, and the installation of exhaust fans in the Public Works garage.
- \$510,880 for replacement equipment, including State required election equipment, high speed ballot counters, a DPW fork lift, brush flail, and street roller, and a vehicle crash reconstruction system for the Police Department.
- \$674,790 for Technology upgrades.
- \$400,000 for Neighborhood Sidewalk Repairs, \$570,000 for the Sidewalk Gap Program, and an erosion study on the Gibson Drain.

Future

Sterling Heights is on an exciting path forward making major progress on place making initiatives, increasing public safety services, and creating an even higher quality of life for existing and future residents. By fostering an environment where businesses can not only survive, but thrive, high paying jobs continue to be created across a variety of business sectors. The City continues a proactive approach by emphasizing financial stability and investing in infrastructure despite the State's continued dis-investment in communities. The secret sauce in the Sterling Heights model of success is taking care of today's needs in the most cost effective manner while planning for the future in a progressive way. With this in mind, the proposed budget includes funding for the completion of a statistically valid community wide Customer Survey to determine satisfaction levels, future needs, and areas in which to improve. Continuous improvement will be the guiding light in preserving Sterling Heights' long standing tradition of excellence.

Conclusion

In closing, I would like to acknowledge the efforts of the Finance & Budget staff: Jennifer Varney, Janice Schoenrath, and Sharon Wennerstrom for their hard work and effort during the budget process. The City's department directors and managers are also commended for their team effort and continued commitment to service excellence. I am especially grateful to the City employees who remain dedicated to this great organization and work tirelessly on behalf of our customers, delivering exemplary services.

I would also like to thank the Mayor and City Council for their continued leadership and support throughout the year, especially during the months required to prepare and present the annual budget. Thanks to the entire Sterling Heights Team, the City's future is promising.

Respectfully submitted,



Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2017/18 Budget At A Glance ...

Michael C. Taylor
Mayor

Barbara A. Ziarko
Mayor Pro Tem

Deanna Koski
Councilwoman

Gary Lusk
Councilman

Maria G. Schmidt
Councilwoman

Nate Shannon
Councilman

Liz Sierawski
Councilwoman



Mark D. Vanderpool
City Manager

Jennifer L. Varney
Finance & Budget
Director

The budget totals \$192.2 million – an increase of \$6.3 million or 3.4%. The budget incorporates the newly voter approved Recreating Recreation millage to fund improvements to our parks and build new facilities, continues the Safe Streets initiative which enables the City to avoid further cuts to public safety staffing, provides for needed community investments, and increases reserves.

- The budget increase is a result of planned capital improvements funded through the Recreating Recreation millage, higher water & sewer costs, and supplies and equipment for EMS transport services. These increases are partially offset by one-time capital improvement projects in the prior year including the Clinton River Restoration project, the reconstruction of Dodge Park Road and M-59, and the replacement of the Dodge Park bridge.
- Additional funds are budgeted for public art, facility repairs, an increase in the funding for long-term retirement liabilities, 22 additional full-time positions and contractual wage increases.
- The City's taxable value increased 2.1% due to increased investment in the City, despite only a 0.9% inflationary adjustment on existing real property. Continued loss from manufacturing personal property also limited taxable value growth.
- Despite increases in real property for the past three years, taxable values have fallen by 23.8% since 2008. Because of the Safe Streets and Recreating Recreation millages, we collect approximately the same amount of property tax revenue as 2008; however we have experienced a \$119 million loss of tax revenue growth. The State has cut our funding by \$43.0 million since 2002. As a result, the budget cannot restore all of the past cuts, but does allow for limited service improvements and community investments.
- The average homeowner's tax bill is about \$90 or 3.3% less than ten years ago. The City's tax rate remains one of the lowest in Macomb County, and is 4.5 mills lower than the average Macomb County city tax rate. City taxes average \$88 per month which represents a \$6 per month increase for the average household. Approximately \$5.25 of the monthly increase is due to the Recreating Recreation millage and the

remainder is due to the low 0.9% inflationary factor.

- The General Fund Budget totals \$93.9 million, an increase of \$1.7 million or 1.8%. The increase is primarily due to personnel and supplies to provide EMS transport services, public art funding and the resumption of funding liability insurance from the General Fund. The City is able to continue funding for needed capital and road repairs, add other limited staff, and continue to restore reserves.
- The budget includes new road debt to fund the Canal Road rehabilitation and debt to finance the Recreating Recreation facilities and improvements. Overall debt remains low and well below the allowable limit under State law.
- The budget includes funding for 471 full-time positions – a net increase of 22 positions: 15 new firefighter positions for EMS transport services, three additional positions in Public Works, and a Risk Management Coordinator are included.
- The City has reduced 178 full-time positions or 27% of its workforce since 2002, saving \$13.9 million. The employee per resident ratio has decreased by 41%. Public safety staffing is down only 20% compared to more than a 37% reduction in other departments. The City continues to have one of the lowest employee-to-resident ratios of any city in the State.

The budget includes funding for:

- \$29.0 million in infrastructure improvements including \$8.4 million in repairs to major roads (15 Mile, M-59, Canal, Clinton River, Mound, Dequindre, and Schoenherr Roads), \$5.7 million for neighborhood road repairs, \$2.2 million to repair City facilities, \$2.6 million for water & sewer mains, and \$10.0 million for park improvements funded through Recreating Recreation.
- Capital funding to replace 15 Police vehicles, 2 DPW dump trucks and a sign truck, a SMART bus and two SMART transit vans, election equipment, a crash reconstruction system, a fork lift, brush flail, street roller, a replacement server and replacement personal computers.
- Maintaining one of the lowest combined water & sewer rates for residential customers, as residents will pay only \$74 per month for water & sewer services.■

INTRODUCTION

As you review the City's Budget document, note that it is organized by fund type. These fund types are distinguished by the red laminated tabs and include:

- General Fund
- Water & Sewer Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds

The General Fund is further divided into major divisions or departments. These departments are comprised of several offices. For example, within the City Administration Department, there are seven offices including City Management, City Clerk, Information Technology, Assessing, Financial Services, Purchasing, and Treasury.

Each office in a department contains a:

- Service & Mission Statement
- Performance Objectives and Indicators
- Staffing and Organization Chart
- Summary of Budget Changes

The Service & Mission Statement highlights the types of services each activity provides and annual Key Goals they strive for each year. The Performance Objectives give specific objectives that the activity hopes to achieve in the current year, while the Performance Indicators provide a listing of key measurements of the activity's service, efforts and accomplishments. Each office's objectives are referenced and linked to the City-wide goals. The Staffing and Organization Chart illustrates the number of budgeted positions and the internal office structure. Finally, the Summary of Budget Changes provides a detailed look at the office's expenditure history and explains the funding level changes that have taken place.

The Functional Organization Charts, Department At A Glance summaries, and Key Departmental Trends provide a quick overview of the entire department.

Q: *Your budget contains a lot of information! How can I quickly find summary information?*

A: *The information with the **All Funds Summary** tab provides a quick overview of the City's total budget. It explains how the funds are organized as well as total revenue and expenditure trends. The **Executive Summary** provides a general overview explaining how the City plans to utilize its resources and highlights some of the more significant changes to the City's budget. The information within the **Trends & Summaries** tab also contains a multitude of useful information about the City's largest fund – the General Fund.*

Q: *I noticed that each office has a **Funding Level Summary**. How can I get more detailed expenditure information by account within each office?*

A: *The Office of City Management produces a separate line-item budget booklet, which details each office's expenditure accounts. These line-items are not included in the City budget document. The City budget document is more focused on total City-wide costs and in the results achieved with the dollars spent. Regardless, each fund and office budget includes a detailed Summary of Budget Changes which provides expenditure account information.*

Q: *How can I find out information about your Capital Budget?*

A: *The Capital Budget is incorporated in the annual budget document. It details the funds appropriated for specific facilities, equipment, vehicles, and improvement projects. A listing, description, and City map geographically depicting the location of all projects can be found within the **Capital Projects** tab.*

Q: *How can I quickly find the location of certain offices within the budget document?*

A: *The **Table of Contents** at the beginning of the budget lists all offices in the order in which they appear in the document. The **Index** at the end of the document alphabetically lists each office and the corresponding page number. The City's **Organizational Chart** is also cross-referenced to the office's corresponding page number within the document.*

Q: *Where can I find out how many employees are within each department?*

A: *There is a schedule within the **Personnel Summary** tab that lists all position titles and number of employees within each office.*

Q: *How much do you spend in the General Fund on salaries for full-time employees?*

A: *Within the **Trends & Summaries** tab, there is both an Expenditure and Revenue by Account History, which provides the reader with the total dollars spent in each account.*

UNIFORM BUDGETING ACT

The City is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provision of this Act.

1. Budgets must be adopted for the General Fund and Special Revenue Funds.
2. The budgets must be balanced.
3. The budgets must be amended when necessary.

4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed the budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

BUDGET PROCESS

In establishing the budgetary information within the budget document, the City follows steps and deadlines outlined in the City Charter.

- A. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The annual operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and the Enterprise Fund.
- B. After the City Manager has submitted the proposed budget to the City Council, public hearings are conducted to obtain City Council input and taxpayer comments.
- C. Prior to May 10, the budget is legally adopted through the passage of an Appropriations Ordinance for each fund which takes effect the following July 1.
- D. The Appropriations Ordinance is the legislative vehicle, which allows for the expenditure of funds throughout the City. The Ordinance is based on the approved and adopted budget and is the final product of the budget cycle.
- E. The City Manager is authorized to transfer budgeted amounts within budgetary centers (major activity or department); however, any revisions that alter the total expenditures of any budgetary center must be approved by the City Council.

In addition to the Charter requirements, the Administrators of all City offices have made budget requests to the City Manager, which he has reviewed before arriving at his proposed budget recommendations. The Budget Calendar outlines the entire budget process by month.

The Proposed vs. Approved Budget: The terminology "Proposed Budget" is utilized throughout the document to indicate the budgetary totals and concepts as presented by the City Manager to the City Council on or before April 1. The terminology "Adopted Budget" refers to the official budgetary totals adopted by the City Council after the City Manager's submission and required public hearings are held.

The City adopts its budget by budgetary center, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

BASIS OF BUDGETING

The adopted Budget is prepared on a basis consistent with Generally Accepted Accounting Principles (GAAP) except that; operating transfers are treated as revenues and expenditures, certain expenditures such as compensated absences are not recognized for budgetary purposes but are accrued, and capital outlay in the Water & Sewer Fund is recorded as an expense for budgetary purposes as opposed to an adjustment of the balance sheet account. The modified accrual basis of accounting is utilized in the preparation of budgets for all governmental fund types, which are contained within this document. Expenditures, other than accrued interest on long-term debt are recorded at the time liabilities are incurred, and revenues are recorded when received in cash, except for material and/or available revenues which should be accrued to properly reflect the tax levied and revenues earned. The accrual basis of accounting is utilized in developing the Water & Sewer Fund Budget.

Budgets are monitored carefully with the use of an encumbrance system. In addition, budgets are monitored monthly by City Management and

necessary amendments approved by City Council periodically throughout the year to ensure fiscal responsibility, accountability, and financial planning.

The budget document for the City also includes additional information summaries for debt and other non-budgetary funds.■

October

- Quarterly Budget Report Prepared
- Capital budget manual and forms distributed to all offices
- Offices submit Capital requests

November

- Revenue and Expenditure forecast prepared
- Updated Revenue Study of rates and fees prepared
- Preparation of Municipal Improvement Plan and Multi-year Financial Plan
- City Management prepares current year Budget Amendment
- Capital Coordinating Unit (C.C.U.) reviews capital requests

December

- Prior year Audit released and Comprehensive Annual Financial Report completed
- City Management prepares personnel costs for Proposed Budget
- Preparation of the Water & Sewer Fund Rate Study
- City Management presents the C.C.U.'s Capital Improvements Report to City Manager
- City Manager's final capital recommendations are reported to all offices
- City Council approves current year Budget Amendment
- Distribute Operating Budget Manual and Revenue Worksheets

January

- City Council Strategic Planning Workshop
- Operating Budget Worksheets due from all departments
- Revenue Worksheets due from all departments
- City Management analyzes Department's budget requests

February

- Revenue Forecast prepared by City Management
- Budget Meetings held with all City Departments
- City Manager makes final proposed Budget recommendations
- City Management prepares Proposed Budget document

March

- Proposed Budget printed and distributed to City Council
- Budget Video Produced

April

- City Council Workshops – Budget Review, Questions & Adjustments
- Budget Notice published in local newspaper

May

- Public Hearing for Budget
- City Council adopts Appropriations Ordinance
- City Management prepares final current year Budget Amendment

June - July

- City Management prepares Approved Budget document incorporating City Council adjustments
- Approved Budget document distributed at first City Council meeting in July
- Preparation of Capital Improvement Status Report
- Begin Monitoring Budget Performance

The City of Sterling Heights is a vibrant and progressive community with a strong sense of civic pride and determination by its leaders. Its balanced environment is rich with cultural diversity, community wellness, and economic vitality. Sterling Heights is a family community known for its youthful residents, exceptional neighborhoods, scenic parks, and blue-ribbon schools.

A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

The area now known as Sterling Heights was first incorporated as Jefferson Township on March 17, 1835. In 1838, its name was changed to Sterling Township, and in July of 1968, the City of Sterling Heights was incorporated. Since incorporation, a seven-member City Council, including the Mayor, who serves two-year terms, has governed the City. Under the Council-Manager form of government, the Mayor and City Council appoint two officials: the City Manager and the City Attorney. In turn, the City Manager appoints all department heads and employees.

Geographically, Sterling Heights is the third largest city in the state, occupying 36.8 square miles. Although much of its land is developed, approximately 5% remains vacant and available for development. The 2017 estimated population of Sterling Heights is 131,500. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 51,680 households in the City and a 41-year old median age. The City's median household income is \$60,089. Of all communities with a population of 100,000 or more, Sterling Heights is one of the top ten safest.

The City is a full-service community with the exception of a public transportation system, which is provided by a regional public transit authority. Sterling Heights offers a wide variety of restaurants, movie theaters, churches, and retail shops. Currently, the City maintains 29 developed park sites, four of which are major parks, and several other undeveloped park properties. City parks provide a variety of recreational



opportunities from baseball diamond complexes to children's tot lots, to miles of developed walking, jogging, and bicycle riding pathways. The Clinton River flows in a southeast direction through the northeast section of the City.

Sterling Heights takes pride in providing various community events throughout the year to its residents. The grand event highlighted each year is the City's "Sterlingfest", which provides the community with the opportunity to take pleasure in the summer festivity of fun, food, arts and crafts, carnival rides, and music.

The City has enjoyed a solid reputation for municipal planning and growth management. The comprehensive Master Land Use Plan has foreseen the Van Dyke corridor and the Lakeside Mall shopping district area as the most significant focal points of the community in terms of industrial and retail development. The commercial and industrial business environment is a mix of services, products, and technological employers. This impressive mix of business opportunities has allowed the City to maintain a relatively low unemployment rate. Principal employers in the City include: Ford Motor Company, Fiat Chrysler Automobiles, Utica Community Schools, General Dynamics, and Lakeside Associates.

Sterling Heights has received many awards from various professional associations and municipal service organizations for its innovative approaches to service delivery and quality improvements. ■

Responsible government is the recognized duty and charge of all City employees and elected officials. The following City-wide goals have been identified to continue serving the residents of Sterling Heights in the most professional, courteous, and efficient manner possible. **Each City office also prepares performance objectives, which are located in the departmental sections of this document, and are directly tied and referenced to at least one of the City's overall goals and objectives.**

ORGANIZATIONAL OPERATIONS

1. Provide quality and innovative services desired by the majority of the community, while maintaining the City's low cost and efficient government operations.
2. Provide managers and employees with the tools, resources and training to properly serve the community.
3. Offer an efficient, progressive, and high quality service delivery system that manages costs, maximizes revenues, empowers managers and employees, rewards success, and encourages accountability and creativity.
4. Stay up to date on the latest trends to meet the changing needs of the community and to continually update the City's long-range plans for land use, roads, parks, technology, capital, financial forecasting, long-term liabilities, debt, and employee succession.
5. Review department structures and staffing levels to achieve continued efficient and effective desired service levels and review the sharing of services and avoiding duplication of services with other units of government and the private sector where feasible.
6. Create high performance organization that adds value and continues to innovatively provide services and solve problems using an interdepartmental collaborative approach and where department goals are directed toward achieving City-wide goals.
7. Facilitate efficient management of City operations and services by keeping abreast of legislation, legal issues, and through regular communication with legislators.

8. Provide a system for financial and performance reporting that complies with accounting standards, ensures the City's long-term financial stability, regularly reports the City's financial condition, controls risk, increases investments returns, and achieves the high City bond rating.

PUBLIC SAFETY

9. Provide for a safe peaceful community by offering first rate emergency response capabilities that ensure a rapid response and which seek to lower the City's crime rate and minimize the effects of medical emergencies and property loss from fire.
10. Stay current with crime and fire prevention efforts, provide public education, and encourage citizen volunteers for neighborhood watch activities.
11. Maintain and improve the City's ability to respond to civil, natural and medical emergencies by partnering and coordinating with other public safety agencies.

PROPERTY VALUES

12. Develop a clear and visual image of the community, which reflects the highest standards of design quality for both the public and private sectors.
13. Protect a property owner's investment by equitably assessing property, monitoring environmental and blighting conditions and land uses which may adversely affect housing values, and encourage and administer property maintenance, enhancement and redevelopment programs in both residential and commercial areas.
14. Emphasize existing programs and develop additional programs and services which reinforce Sterling Heights as a safe, attractive residential community with well-maintained and desirable neighborhoods.
15. Strive for a balance of housing options which is available to meet the needs of all members of the community regardless of age, income or background.

CITY INFRASTRUCTURE & ENVIRONMENT

16. Develop a comprehensive system to maintain and improve City infrastructure including

major and local roads, bridges, parks, sidewalks, City facilities, signage, rivers, and water, storm and sewer mains to serve the needs of Sterling Heights residents.

17. Provide an orderly, balanced, well-maintained and safe transportation plan for vehicular, bike, and pedestrian traffic throughout the City, which is integrated with the regional transit system.
18. Ensure the safety and the physical beauty of the community with well-maintained, groomed, and attractive green spaces, a healthy urban forest, and an effective storm water runoff system.

RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES

19. Offer high quality and diverse educational, recreational, cultural, and leisure opportunities for City residents of all ages.

ECONOMIC DEVELOPMENT

20. Aggressively maintain and improve the City's financial base by emphasizing the importance of economic development, redevelopment, and marketing the City as a distinctive and welcoming place to do business.
21. Refine economic development and marketing policies and work with local partnerships to focus on business retention and attraction efforts including high tech and emerging industries and entrepreneurs, through economic gardening, retail business development, VELOCITY and business incubation, the defense corridor, Blue Water Economy, and tax increments financing which can further diversify and expand the City's tax base and create local jobs.
22. Facilitate strong identifiable City regional centers and successful vibrant and attractive commercial centers with unique offerings and focal points, which offer alternatives to the traditional downtown by providing clusters of community commercial facilities that serve as destinations for residents and visitors.

TECHNOLOGY & INNOVATION

23. Seek and maintain state-of-the-art innovation and technology hardware and software upgrades in City government through

automating systems and the City's website, thereby enhancing customer service while reducing costs, leading to increases in efficiency and improves services to residents and businesses.

COMMUNICATIONS

24. Maintain an open line of communication with all stakeholders, inform and promote City services, seek opinions, ideas, and feedback from all and promote cultural understanding in our diverse community.
25. Promote City services and events through a coordinated multi-media strategy incorporating the use of the City Magazine and website, press releases, brochures, social media, SHTV, and radio station AM 1700.
26. Encourage and promote volunteerism within the City to assist at City-wide events and with general operations where feasible. ■

2030 VISION STATEMENT:

A vibrant, inclusive community for residents and businesses that is safe, active, progressive and distinctive. Sterling Heights - a bold vision for an exceptional quality of life.

2030 GUIDING PRINCIPLES:

- ***Safe, well maintained and desirable neighborhoods enhanced by great schools.***
- ***Plentiful leisure and recreation opportunities featuring fully utilized parks.***
- ***Abundant pathways for biking and walking.***
- ***Focal points that are both public and private to serve as destinations for residents and visitors.***
- ***Well maintained and aesthetically pleasing roads and green spaces.***
- ***Successful, vibrant and attractive commercial centers with unique offerings.***
- ***Destination for high-tech and emerging industries and entrepreneurs.***

In recent years, changing fiscal conditions and the demand for increased services has forced a reassessment of the roles of local government units. As public officials, we are charged with the responsibility to ensure that all services are provided within acceptable levels of cost, and when required, to seek alternative methods of financing. The budgetary process provides the opportunity to analyze and debate the merits of each service as well as to make decisions about its level and cost.

The budget continues the conservative spending approach that the residents of Sterling Heights have come to expect from City government. The document also assists our efforts to make the operations of the City more efficient, less costly, and more importantly, to target available resources to specific needs of the community.

FINANCIAL POLICIES

The City of Sterling Heights' financial policies set forth basic tenets for the overall fiscal management of the City. Operating independently of changing circumstances and conditions, these policies provide a framework to assist the decision-making process of the City Council and Administration.

These policies provide guidelines for evaluating both current activities as well as proposals for future programs.

1. The budget will first determine how much money is available, it will then allocate the resources among the highest priority results based on analyses, which determine which programs can best achieve the desired results, and it will use a performance measurement process to annually evaluate the results.
2. Emphasis will be increased on those personnel and management areas of long-term importance: employee relations, work simpler but more effectively, implementation of new technologies, long-term work force planning, and management incentives.
3. Expanding an existing service program or adding a new service program will only be

considered when a new revenue source can support all of the ongoing costs; or when the requesting department can identify an existing service which can be reduced or eliminated. Programs financed with grant money shall be budgeted in special funds, and when grant revenues are reduced or eliminated, the service program shall be adjusted accordingly.

4. The budget is balanced and the City will maintain a balanced budget in which estimated revenues and fund balance reserves are equal to or greater than estimated expenditures.
5. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.
6. The City will monitor departmental expenditures on a monthly basis to ensure conformity to budgets and decide on actions to bring the budget into balance, if necessary.
7. The City will integrate performance measurement and productivity indicators within the budget.
8. The City will attempt to avoid layoffs in all actions to balance the budget. Any personnel reductions will be scheduled to come from attrition and where necessary, through bumping actions. Any reductions in positions will be proportionately distributed among various levels of employees.
9. The City will avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues.
10. The budget will provide for the adequate maintenance and orderly replacement of capital facilities and equipment.
11. The budget will provide for adequate levels of funding for all retirement systems.
12. The City will develop and maintain accounting and budgetary control systems to adequately safeguard the assets held in public trust.

13. The Operating and Capital Budgets will describe the major goals to be achieved and the services to be delivered, based upon the levels of funding anticipated or provided.
14. The City will finance essential City services, which have a City-wide benefit from revenue sources, which are generated from a broad base, i.e., property taxes, State revenue sharing, assessments, and fees.
15. The impact on the use of property tax financing will be minimized by seeking alternative financing for City services including user fees and upgrading and/or enhancement of the property tax base.
16. Financing formulas and user fee rate structures will be reassessed to accurately charge the cost of service provided to the benefiting property owners and customers while considering the needs of low-income residents.
17. Federal and State legislation will be supported that provides property tax relief and direct aid to cities. Any legislation which forces local service mandates without matching Federal, State, or regional funding will be opposed.
18. In conjunction with the Municipal Improvement Plan (MIP), the City will prepare a three-year projection of operating revenues and expenditures for all major funds. The projection shall be monitored on an ongoing basis and major changes shall be incorporated into the document as they occur.

REVENUE POLICIES

1. The City will attempt to maintain a diversified and stable revenue base to shelter it from short or long-term fluctuations in any one revenue source.
2. Annual City revenues will be projected by an objective and thorough analytical process.
3. The City will maintain sound appraisal procedures and practices to reflect current property values.

4. The City will establish user charges and set fees for services for its Water & Sewer Fund at a level that fully supports both the operational and capital outlay costs of the activity.
5. The City will follow an aggressive policy of collecting revenues.
6. The City will annually review fees and charges and will design or modify revenue systems to allow charges to increase at a rate that keeps pace with the cost of providing the service.

RESERVE POLICIES

1. The City will strive to maintain a minimum General Fund and Self-Insurance Fund reserve of 10% or in an amount equal to 1.2 months of operational expenditures.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

1. An independent audit will be performed annually.
2. The City will produce comprehensive annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP), the body of accounting and financial reporting standards, conventions, and practices that have authoritative support from standard setting bodies such as the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

INVESTMENT POLICIES

1. The City will conduct a cash-flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled to insure maximum investment capabilities.
2. When permitted by law, the City will pool cash from several different funds for investment purposes to maximize potential earnings.
3. The City will analyze market conditions and potential investments to maximize its yield,

while maintaining the integrity, diversification, and safety of the principal.

4. The City's accounting system will provide monthly information concerning cash position and investment performance.
5. The City's Investment Officer will quarterly report the portfolio holdings by type, the average maturity, earnings and any other information necessary to allow the City Council and Investment Committee to confirm compliance with the adopted investment policy.

DEBT POLICIES

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. All bonds will be amortized over a period not to exceed the expected useful life of the project.
2. The City will attempt to keep the average maturity of general obligation and all types of revenue bonds at or below 20 years.
3. When possible, the City will use special assessment, revenue, tax increment, or other self-supporting bonds. These bonds may be backed by the limited full faith and credit of the City to achieve a lower interest cost.
4. The City will not incur long-term debt to support current operations.
5. The City will maintain a sound relationship with all bond-rating agencies and will keep them informed about our current capital projects.
6. The City will only use water and/or sewer revenue bonds to finance capital improvements and projects for enterprise activities.
7. The City will annually review all outstanding debt for potential refunding. Outstanding debt will be refunded only when a net savings greater than 1.5% can be achieved.

8. The City will not issue general obligation debt in excess of 10% of the current state equalized value of real and personal property. Additionally, the City will attempt to maintain the per capita debt, for all types of debt, at or below \$2,500.

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The fiscal integrity of the City's operating debt service and capital improvement budgets will be maintained in order to provide services, construct and maintain public facilities, streets, and utilities.
2. The City shall make all capital improvements in accordance with an adopted capital acquisition program.
3. The City will annually update its multi-year capital improvements plan including proposed funding sources.
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.
5. The City will attempt to maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
6. The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the adopted capital improvement plan, City priorities, and for which operating and maintenance costs have been included in the operating budget.
7. Capital investments will foster Sterling Heights' goal of preserving its infrastructure.
8. The City will minimize long-term interest expense when financing capital improvements by maintaining an ongoing systematic bonding program, which spreads the costs of the improvements to the benefiting residents. ■

***Not everything that is faced can be changed,
but nothing can be changed until it is faced.***

~ James Baldwin ~



<u>Policy Benchmark</u>	<u>Status</u>
<i>Financial Policy</i> <ul style="list-style-type: none"> Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements 	<ul style="list-style-type: none"> Update of the City's Information Technology Plan and funding to: replace personal computers, storage and controlling servers, electronic medical reporting, and on line business registration
<ul style="list-style-type: none"> Maintain a budgetary control system to ensure adherence to the budget 	<ul style="list-style-type: none"> Only City in the nation to receive the GFOA's "Outstanding" budget award in all categories; "Distinguished" budget award for the past 30 years
<ul style="list-style-type: none"> Integrate performance measurement and productivity indicators in the budget 	<ul style="list-style-type: none"> Earned GFOA's "Special Recognition" award for use of performance measurements Benchmarking included in the Citizen's Guide to Finances, Performance Scorecard and Dashboard Participation in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction Department objectives linked to City goals
<ul style="list-style-type: none"> To avoid practices that balance current expenditures at the expense of future years' revenues 	<ul style="list-style-type: none"> No short-term borrowing for operations Lowest government debt of ten comparable MI cities Avoided borrowing to finance long-term liabilities Lowest City staffing since 1970's (reduced 178 FT) Achieved \$30.0 million in operational savings
<ul style="list-style-type: none"> To provide adequate maintenance and orderly replacement of capital facilities and equipment 	<ul style="list-style-type: none"> Facilities repair \$1.9 million Vehicle expenditures \$1.1 million Equipment & technology \$1.6 million
<ul style="list-style-type: none"> Maintain adequate level of funding for all retirement systems 	<ul style="list-style-type: none"> General Employees System 82.4% funded Police & Fire Pension System 68.5% funded 401(a) Plan for all new general employees; reduced fixed pensions for all existing employees Eliminated Police & Fire DROP program Eliminated retiree medical for new hires Pre-funding retiree medical past 22 years Increased retiree medical funding past fourteen years and fully funding contributions; plan 49.1% funded
<ul style="list-style-type: none"> Seek property tax relief 	<ul style="list-style-type: none"> Average total tax bill has declined by \$90 or 3.3% since 2007 City tax rate lower than majority of all cities in the State and one of lowest of any Macomb County city City tax rate is 4.5 mills below the average tax rate of all Macomb cities Lowest taxes per resident of ten comparable MI cities
<ul style="list-style-type: none"> Enhancement of the property tax base 	<ul style="list-style-type: none"> City total taxable value has decreased by 23.8% since 2008 Property values increased 10.6% in 2016 Over 220% increase in code enforcement properties cleaned up since 2006 Successful efforts to save Chrysler Plant Defense Corridor and economic development initiatives SmartZone and North Van Dyke Corridor Improvements

<u>Policy Benchmark</u>	<u>Status</u>
<i>Revenue Policy</i> <ul style="list-style-type: none"> Maintain a diversified and stable taxable revenue base Maintain sound appraisal procedures and practices to reflect accurate property values Review fees and charges to assure the cost of providing the service is appropriately charged 	<ul style="list-style-type: none"> City's Taxable Value: <ul style="list-style-type: none"> Residential 67% Commercial & Industrial 33% 4th highest property values in State Equalization Factor = .9941 Use of one and two-year sales studies Annual review of rates and fees Higher non-resident fees Average \$88 monthly City tax bill and \$74 water & sewer bill
<i>Reserve Policy</i> <ul style="list-style-type: none"> 10% minimum unreserved/undesignated General Fund Balance (excluding Self-Insurance Fund) 37 days of General Fund operations 	<ul style="list-style-type: none"> 18.4% of 2017 budgeted expenditures Lowest General Fund reserves of ten comparable Michigan cities; adding to reserves for four consecutive years 60 days of General Fund operations
<i>Accounting, Auditing, Financial Reporting Policy</i> <ul style="list-style-type: none"> Produce comprehensive annual reports in accordance with GAAP 	<ul style="list-style-type: none"> Certificate of Achievement for Excellence in Financial Reporting Award for 29 years One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
<i>Investment Policy</i> <ul style="list-style-type: none"> Analyze market conditions to maximize yields while maintaining the integrity and safety of principal 	<ul style="list-style-type: none"> Maximized Interest on Investment earnings Retiree Health Care Fund Investments maximized
<i>Debt Policy</i> <ul style="list-style-type: none"> Keep average maturity of general obligation bonds at or below 20 years Maintain a sound relationship with all bond rating agencies 	<ul style="list-style-type: none"> 2017 Recreating Recreation Capital Bond 20 yrs. 2017 MTF Road Bond 15 yrs. 2016 MTF Road Bond 15 yrs. 60% of City debt paid off within ten years Refinanced bonds saving \$1.5 million Thirteen bonds fully paid off last five years 3rd highest bond rating of ten comparable MI cities Fitch's rating AA Moody's rating Aa2 Standard & Poors' rating AA
<i>Capital Improvement Policy</i> <ul style="list-style-type: none"> Make all capital improvements in accordance with an adopted capital acquisition program Continue to implement a multi-year plan for capital improvements 	<ul style="list-style-type: none"> \$29.0 million in total Capital Improvement Projects \$5.8 million in neighborhood street repairs \$8.4 million in Major road improvements \$10.0 million in Park improvements Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

Comparable City Benchmarks

City Revenues

Total Revenue Per Resident

1. Southfield	\$3,154
2. Ann Arbor	2,417
3. Dearborn	2,367
4. Grand Rapids	2,214
5. Lansing	2,053
6. Warren	1,644
7. Troy	1,582
8. Livonia	1,433
9. Farmington Hills	1,373
10. Sterling Heights	1,231

Tax Revenue Per Resident

1. Dearborn	\$865
2. Southfield	831
3. Grand Rapids	720
4. Warren	696
5. Ann Arbor	676
6. Lansing	653
7. Troy	597
8. Livonia	562
9. Farmington Hills	496
10. Sterling Heights	486

State Revenue Sharing Per Resident

1. Lansing	\$122
2. Grand Rapids	108
3. Warren	98
4. Ann Arbor	92
5. Dearborn	92
6. Southfield	89
7. Livonia	85
8. Sterling Heights	83
9. Troy	82
10. Farmington Hills	81

Gas Tax (Act 51) Revenue Per Resident

1. Livonia	\$87
2. Lansing	84
3. Farmington Hills	77
4. Dearborn	75
5. Ann Arbor	74
6. Grand Rapids	74
7. Southfield	72
8. Troy	71
9. Warren	65
10. Sterling Heights	59

Comparable City Benchmarks

City Expenditures

Total Expenditures Per Resident

1. Dearborn	\$2,592
2. Southfield	2,419
3. Ann Arbor	2,314
4. Grand Rapids	2,103
5. Lansing	1,916
6. Warren	1,799
7. Troy	1,654
8. Livonia	1,487
9. Farmington Hills	1,393
10. Sterling Heights	1,259

Police Expenditures Per Resident

1. Dearborn	\$349
2. Lansing	337
3. Southfield	331
4. Warren	293
5. Grand Rapids	283
6. Troy	273
7. Sterling Heights	250
8. Farmington Hills	246
9. Ann Arbor	226
10. Livonia	225

Fire Expenditures Per Resident

1. Lansing	\$295
2. Dearborn	214
3. Southfield	203
4. Warren	154
5. Grand Rapids	148
6. Sterling Heights	134
7. Livonia	132
8. Ann Arbor	131
9. Farmington Hills	114
10. Troy	82

Public Works Expenditures Per Resident

1. Lansing	\$207
2. Dearborn	164
3. Ann Arbor	157
4. Livonia	146
5. Farmington Hills	133
6. Warren	113
7. Grand Rapids	111
8. Sterling Heights	100
9. Southfield	94
10. Troy	70

Comparable City Benchmarks

City Expenditures (continued)

Refuse Expenditures Per Resident

1. Troy	\$201
2. Livonia	119
3. Ann Arbor	114
4. Dearborn	72
5. Warren	63
6. Grand Rapids	55
7. Farmington Hills	47
8. Southfield	45
9. Lansing	42
10. Sterling Heights	37

Library Expenditures Per Resident

1. Southfield	\$65
2. Dearborn	49
3. Grand Rapids	45
4. Troy	33
5. Livonia	32
6. Warren	27
7. Sterling Heights	19
8. Ann Arbor*	0
9. Farmington Hills*	0
10. Lansing*	0

**District Library*

Parks & Recreation Expenditures Per Resident

1. Dearborn	\$143
2. Ann Arbor	110
3. Troy	109
4. Farmington Hills	94
5. Southfield	83
6. Livonia	76
7. Lansing	66
8. Grand Rapids	65
9. Warren	53
10. Sterling Heights	14

2015 Revenues Over (Under) Expenditures Per Resident

1. Southfield	\$735
2. Lansing	137
3. Grand Rapids	111
4. Ann Arbor	103
5. Farmington Hills	(20)
6. Sterling Heights	(28)
7. Livonia	(54)
8. Troy	(72)
9. Warren	(155)
10. Dearborn	(225)

Comparable City Benchmarks

Financial Benchmarks

2015 State Equalized Value (Billions)

1. Ann Arbor	\$6.6
2. Troy	5.6
3. Grand Rapids	5.1
4. Sterling Heights	5.1
5. Livonia	4.6
6. Dearborn	3.9
7. Warren	3.9
8. Farmington Hills	3.8
9. Southfield	2.8
10. Lansing	2.2

Standard & Poor's Bond Ratings

1. Farmington Hills	AAA
2. Troy	AAA
3. Ann Arbor	AA+
4. Grand Rapids	AA
5. Livonia	AA
6. Southfield	AA
7. Sterling Heights	AA
8. Warren	AA
9. Lansing	AA-
10. Dearborn	A+

General Fund Reserves Per Resident

1. Troy	\$427
2. Warren	413
3. Southfield	360
4. Farmington Hills	348
5. Dearborn	329
6. Grand Rapids	211
7. Ann Arbor	197
8. Livonia	117
9. Lansing	93
10. Sterling Heights	58

2015 Fiscal Health Scores 1 = Best; 10 = Worst

1. Ann Arbor (2012)	1
2. Dearborn	1
3. Farmington Hills (2014)	1
4. Livonia	1
5. Southfield	1
6. Troy (2013)	1
7. Warren (2013)	1
8. Grand Rapids (2014)	2
9. Sterling Heights	2
10. Lansing	3

Comparable City Benchmarks

City Pension Plans

Annual Required Contribution Per Resident

1. Lansing	\$189
2. Warren	152
3. Dearborn	132
4. Southfield	128
5. Ann Arbor	115
6. Sterling Heights	81
7. Grand Rapids	80
8. Farmington Hills	61
9. Livonia	22
10. Troy	18

Police & Fire Plan Percent Funded (GASB Valuation)

1. Troy*	114.6
2. Livonia*	104.4
3. Grand Rapids	100.7
4. Ann Arbor*	88.0
5. Farmington Hills*	82.9
6. Southfield	82.6
7. Dearborn	80.3
8. Lansing	73.8
9. Warren	67.7
10. Sterling Heights	58.0

**Includes general employees*

General Employees Plan Percent Funded (GASB Valuation)

1. Troy*	114.6
2. Livonia*	104.4
3. Grand Rapids	93.1
4. Ann Arbor*	88.0
5. Sterling Heights	86.1
6. Farmington Hills*	82.9
7. Southfield	82.6
8. Dearborn	81.7
9. Warren	65.3
10. Lansing	55.9

**Includes police & fire employees*

Unfunded Pension Liability Per Resident

1. Lansing	\$1,746
2. Warren	1,313
3. Southfield	927
4. Sterling Heights	842
5. Ann Arbor	786
6. Dearborn	741
7. Grand Rapids	521
8. Farmington Hills	297
9. Livonia	223
10. Troy	(193)

Comparable City Benchmarks

Retiree Health Benefit Plans

Annual Required Contribution Per Resident

1. Lansing	\$273
2. Southfield	241
3. Dearborn	202
4. Warren	202
5. Ann Arbor	105
6. Sterling Heights	81
7. Grand Rapids	75
8. Livonia	61
9. Troy	55
10. Farmington Hills	36

Retiree Health Plan Percent Funded

1. Farmington Hills	88.1
2. Troy	59.8
3. Livonia	52.0
4. Sterling Heights	49.1
5. Ann Arbor	44.1
6. Dearborn	24.8
7. Southfield	22.7
8. Grand Rapids	21.3
9. Lansing	13.8
10. Warren	13.4

Unfunded Health Liability Per Resident

1. Southfield	\$3,041
2. Lansing	2,418
3. Warren	2,052
4. Dearborn	1,665
5. Ann Arbor	1,295
6. Livonia	791
7. Sterling Heights	736
8. Grand Rapids	687
9. Troy	568
10. Farmington Hills	107

Retirement Health Benefit Recipients Per 1,000 Residents

1. Lansing	13.1
2. Warren	11.2
3. Ann Arbor	7.3
4. Dearborn	7.3
5. Southfield	7.3
6. Livonia	6.7
7. Sterling Heights	4.6
8. Troy	4.1
9. Farmington Hills	2.6
10. Grand Rapids	2.3

Comparable City Benchmarks

Miscellaneous Benchmarks

Full-Time Employees Per 1,000 Residents

1. Grand Rapids	8.0
2. Southfield	7.8
3. Lansing	7.4
4. Dearborn	7.3
5. Ann Arbor	6.4
6. Livonia	5.9
7. Warren	5.2
8. Farmington Hills	4.4
9. Troy	4.2
10. Sterling Heights	3.5

Government Debt Per Resident

1. Ann Arbor	\$2,641
2. Lansing	2,089
3. Dearborn	2,013
4. Southfield	1,332
5. Warren	1,221
6. Livonia	664
7. Grand Rapids	481
8. Farmington Hills	406
9. Troy	396
10. Sterling Heights	115

Pension & Retiree Health Care Annual Req'd Contribution Per Resident

1. Lansing	\$462
2. Southfield	369
3. Warren	354
4. Dearborn	334
5. Ann Arbor	220
6. Sterling Heights	176
7. Grand Rapids	155
8. Farmington Hills	97
9. Livonia	83
10. Troy	73

Average Residential Monthly Water & Sewer Bill

1. Lansing	\$112
2. Southfield	98
3. Dearborn	78
4. Grand Rapids	76
5. Ann Arbor	73
6. Farmington Hills	72
7. Livonia	68
8. Sterling Heights	65
9. Troy	63
10. Warren	61

All Funds Summary

The All Funds Summary provides the reader with a quick overview of the entire financial plan of the city for the upcoming fiscal year. This section includes an Executive Summary which explains the services each city fund provides and the budget adjustments from the previous year. Several schedules, charts and graphs are also included which highlight the revenue, expenditure, and fund balance history and trends for all of the city's funds and helps to better illustrate the city's overall fund structure.

Financial Organization Chart

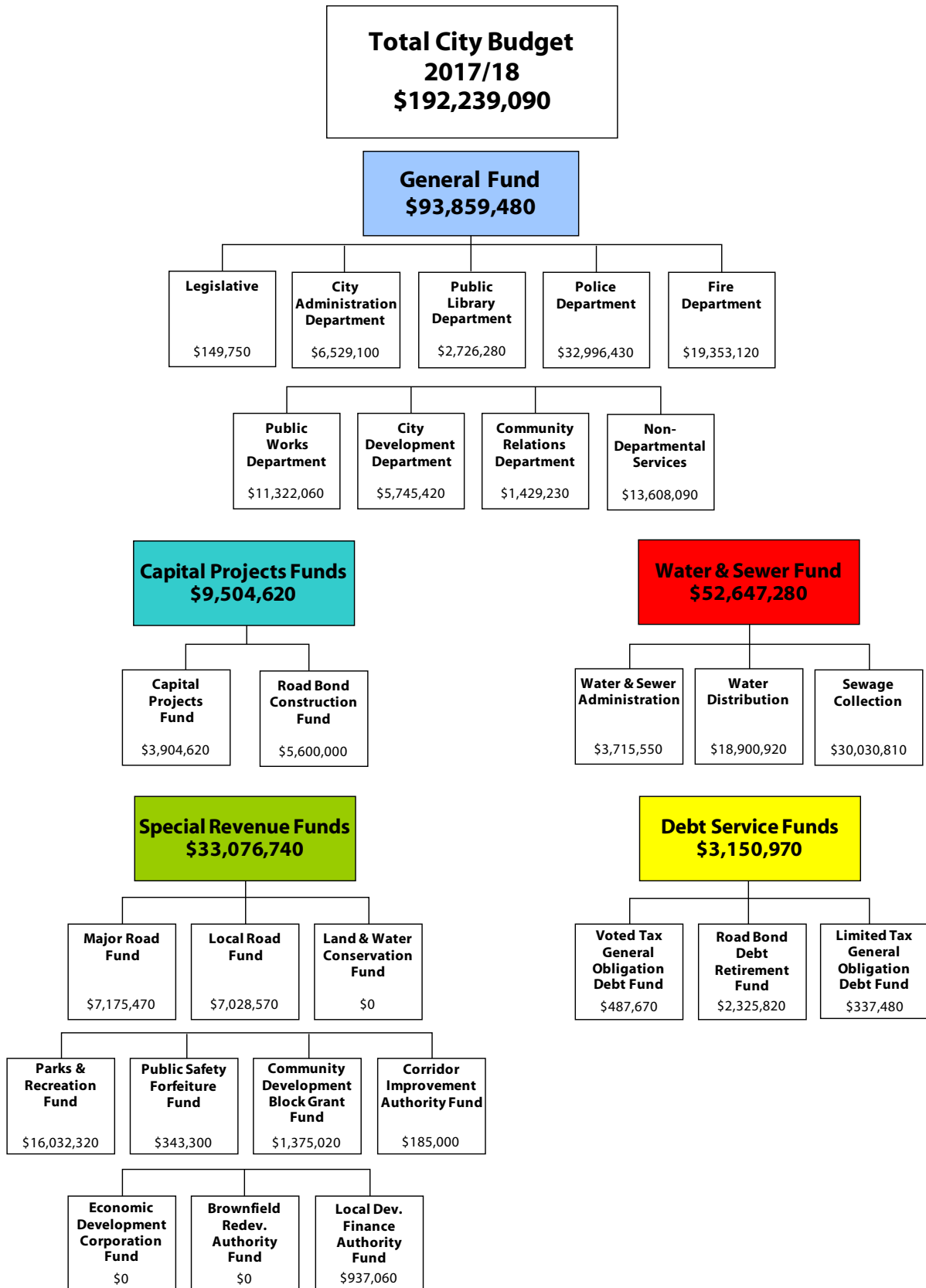


Chart figures correspond to budget tabs and include all transfers.

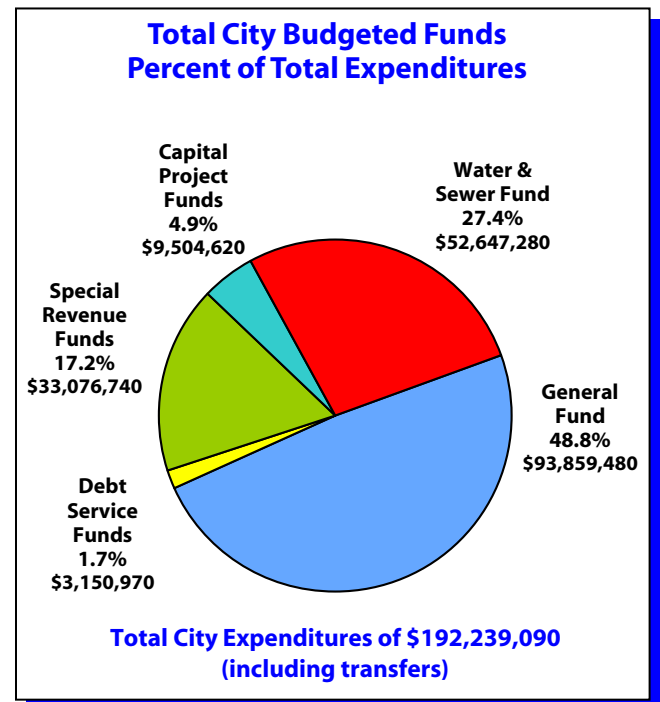
INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2017/2018 Budget for the City of Sterling Heights. This overview will provide City residents with a comprehensive summary of the City's plans for the fiscal year. The City Council held several budget hearings throughout the months of April and May in order to review the budget document.

This Executive Summary will briefly introduce you to the City's budget. It will explain how the City plans to utilize its resources and will highlight some of the more significant changes to the City's budget. If a more in-depth understanding of the budget is desired, please take some time to review the wealth of information found within the graphs, charts, narrative text, significant notes, and funding level summaries located in the budget document. The document is available on the City's website (www.sterling-heights.net), and at the City Clerk's office and the Public Library.

TOTAL CITY FUNDS

The 2017/2018 Budget for all City Funds totals \$192.2 million – an increase of \$6.3 million or 3.4% from the prior year. The increase is primarily due to planned capital improvements as well as increased debt payments funded through the voter approved Recreating Recreation millage. Construction of a splash park, skate park, Farmer's Market Pavilion and other projects, as well as preliminary work on the Community Center, are all scheduled in the next fiscal year. In addition, higher water & sewer costs from the Great Lakes Water Authority and the Macomb County Public Works office, increased investment in water & sewer infrastructure, increased road debt payments, and additional neighborhood road repairs also contributed to the increase. Additional funds are budgeted for an increase in long-term retirement liabilities, contractual employee wage increases and additional full-time positions, including 15 firefighters as part of the implementation of city provided EMS transport services (note these costs are offset by revenue for the EMS service). These increases were partially offset by one-time capital improvement projects in the prior year including the Clinton River Restoration project, the reconstruction of Dodge Park Road and



M-59, the resurfacing of 15 Mile Road and the replacement of the Dodge Park bridge.

The City establishes a budget for 16 separate funds or accounting divisions. These 16 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the General Fund, which provides \$93.9 million in funding towards the majority of services available to City residents through the City's eight departments. The second largest fund is the **Water & Sewer Operating Fund**, which provides \$52.6 million in funding for the water distribution and sewage disposal services purchased from the Great Lakes Water Authority and Macomb County. Both the General and Water & Sewer Funds will be discussed in depth later in this Executive Summary.

The Special Revenue Funds provide a total of \$33.1 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, the Local Development Financing Authority, the Corridor Improvement Authority, and for the federally subsidized Community Development Block Grant. Due to the passing of the Recreating Recreation millage, the 2018 budget established a new special revenue fund for the Parks and Recreation department.

Several notable items in the Special Revenue Funds Budget include:

- CDBG funding to repair the Upton House, repair Fairway and Barnum Drives, funding to assist low and moderate-income families in making minor home repairs, for property maintenance code enforcement efforts, funding for not-for-profit service organizations, and funding for the Special Recreation program.
- Funding for continued operation of the business incubator improvements and for signage and streetscapes in the SmartZone.
- The purchase of land in the North Van Dyke River District for future development.
- Increased investment in major and local road maintenance including additional asphalt repairs, right of way mowing, and street sweeping.
- Parks and Recreation improvements funded through the Recreating Recreation millage including the splash park, skate park, Senior Center bocce ball court, Farmer's Market pavilion and ice rink, and the rehabilitation of numerous neighborhood parks. The canoe and kayak liveries along the Clinton River, the dog park at Delia Park, and the Community Center will also begin construction.

Numerous road improvement projects are budgeted next year including:

- Resurfacing of Schoenherr from 15 Mile to Metro Parkway and the rehabilitation of the north side of the Metro Parkway service drive.
- Resurfacing of Clinton River Road from Schoenherr to Saal Road.
- Improvements to the sidewalk on the Maple Lane bridge over Red Run.
- \$3.45 million in neighborhood road concrete repairs funded by the new Safe Streets millage approved by City residents.

The Capital Project Funds total \$9.5 million. These funds are used for the road construction projects financed by the sale of bonds, the purchase of capital equipment and vehicles, and the repairs to municipal facilities, sidewalks, and storm drains. Notable capital projects include:

- The resurfacing of 15 Mile from Ryan to Mound Road, median improvements on M-59, and the rehabilitation of Canal Road from Van Dyke to Schoenherr.

- \$894,500 for replacement vehicles including nine police vehicles, a tandem axle dump truck, and an aerial sign truck.
- Replacement of the Fire Station #1 roof, a replacement door wall at Fire Station #5, four replacement emergency warning sirens, repairs to the outdoor pond at City Hall, replacement of work stations in Police Investigations and the installation of exhaust fans in the Public Works garage.
- \$510,880 for replacement equipment including State required election equipment, high speed ballot counters, a DPW fork lift, brush flail, and street roller and a vehicle crash reconstruction system for the Police Department.
- \$674,790 for Technology upgrades including replacing the City's storage and controlling servers, an updated e-mail exchange license, an electronic medical reporting system for the fire department and replacement computers for Assessing, City Clerk, City Development, 41-A District Court, Engineering, Building and Facilities Maintenance, Library, Public Works and the Fire Department.
- \$400,000 for Neighborhood Sidewalk Repairs, \$570,000 for the Sidewalk Gap Program, and an erosion study on the Gibson Drain.

Finally, the **Debt Service Funds** total \$3.2 million and provide funding for the debt payments on road construction projects, the City Center Commons, and the debt resulting from the voter approved Proposal F. The City has saved over \$1.9 million in future interest payments due to the refinancing of several bonds and AA debt rating. The City's outstanding government debt is very low as 13 existing bonds have been fully paid off over the past five years.

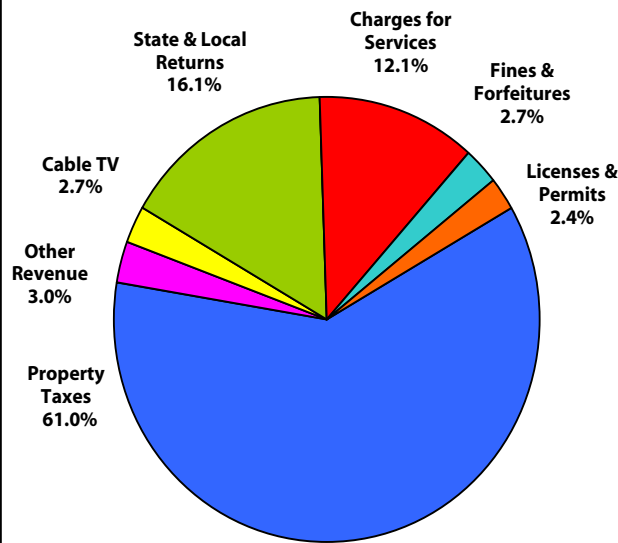
GENERAL FUND

The General Fund revenues of \$96.5 million in the proposed budget exceed the proposed General Fund expenditures of \$93.9 million by \$2.6 million. This marks the fourth consecutive year the City has added to reserves and is estimated to increase the total reserves to 18.4% of General Fund expenditures.

Revenues by Category

General Fund revenues are budgeted at \$96.5 million which is an increase of \$3.5 million from the

General Fund Revenues By Revenue Category



prior year. A notable increase this year is \$2.5 million in revenue budgeted to be received from providing EMS Transport services. This new revenue will offset the expenses related to this service.

The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City's tax rate of 16.1558 mills will provide \$58.8 million or 61.0% of the total General Fund budget. Taxes are levied for General Operations, Safe Streets, Recreating Recreation, Refuse Collection, Police & Fire Pensions, and Public Improvement Proposal F debt.

The City's total millage rate of 16.1558 mills represents an increase of 0.97 mills over the prior year. This is a result of voter approval of the twenty-year 0.97 mill Recreating Recreation millage last November. Despite the increase, the City's tax rate continues to be lower than most cities in the State and is one of the lowest of any city in Macomb County. The City's tax rate is 4.5 mills lower than the average tax rate of all Macomb County cities.

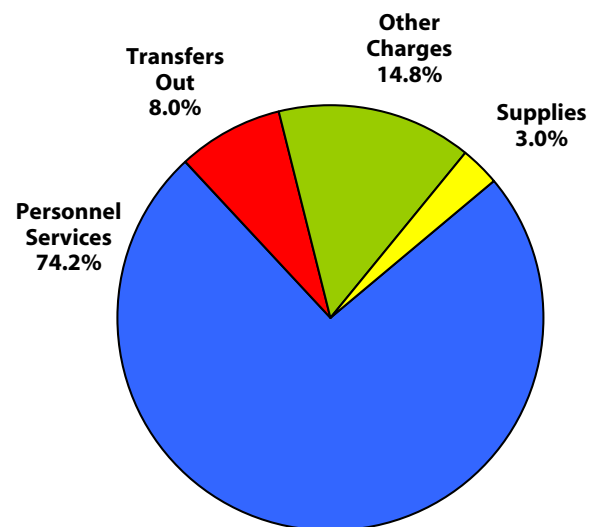
The City's total taxable value in 2018 is estimated to increase by 2.1%. Although Proposal A allowed only a 0.9% inflationary adjustment, due to increased investment in our community, Real Property taxable value increased 3.1%. However, this was offset by an 11.3% decrease in Personal Property value. The

Personal Property taxable value decrease next year is a result of the elimination of certain manufacturing personal property taxes due to a change in State law. The State will be reimbursing the City for the lost personal property tax revenue. The City's total taxable value has fallen by 23.8% since 2008. As a result, the City has now lost \$119 million since 2008 in lower property tax revenues compared to receipts in a normal housing market. When inflation and a normal housing market are excluded, the amount of property tax revenue is approximately equal to the tax revenue generated in 2008, however \$14.2 million of current tax revenue is due to the voter-approved Safe Streets and Recreating Recreation millages.

To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 2.4%, State and Local Returns 16.1%, Fines & Forfeitures 2.7%, Charges for Services 12.1%, Other Revenue 3.0% and Cable TV Revenue 2.7%. For the second year in a row, no Other Financing Sources are budgeted.

Due to revenue increases and continued efficiency efforts, \$2.6 million is budgeted to increase depleted General Fund reserves which had dropped

General Fund Expenditures by Category



Total General Fund Budget of \$93,859,480

to their lowest level since 1987. Reserves are estimated to total \$17.3 million or 18.4% of General Fund expenditures next year.

Expenditures by Category

The \$93.9 million General Fund budget represents a \$1.7 million or 1.8% increase over the prior year. The General Fund is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel costs, which is made up of wages and fringe benefits and comprises 74.2% of the total budget. Supplies, which is primarily made up of operating supplies, fuel, parts for the repair and maintenance of City vehicles, and the purchase of Library books totals 3.0% of the budget. Other Charges totals 14.8% of the budget and is primarily for refuse, dispatch, detention facility and custodial contract costs, utility bills, and legal costs. Transfers to other City funds totals 8.0% of the General Fund budget.

The total \$1.7 million increase in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

	Dollar Change	Percentage Change
Personnel Services	(\$419,080)	(0.60%)
Supplies	368,670	14.98%
Other Charges	528,690	4.00%
Transfers Out	1,181,380	18.77%
Total	\$1,659,660	1.80%

Personnel Services decreased by \$419,080 or 0.6% below last year's budget. Wages for full-time employees decreased \$403,220 or 1.3%. This decrease is primarily due to reduced wages of \$1.5 million in Police Operations for the funding of 29 new Police Officers in advance of retirements in the prior year and \$504,000 in reduced wages due to the transfer of the Parks & Recreation department from the General Fund to a Special Revenue fund. These decreases were offset by increases due the addition of 20 full-time positions in the General Fund (including 15 Firefighter positions for EMS transport), contractual wage increases, and employee wage-step increases for those not at the top of the wage scale. The budget funds the partial year advance hiring of two administrators due to upcoming retirements. Part-time wages are reduced by

\$480,000 primarily due to the transfer of the Parks and Recreation department costs to a Special Revenue fund. Overtime costs remain relatively unchanged from the prior year.

The City will again fully fund its actuarially required contribution for current and future pension and retiree medical liabilities. The total amount the City is required to contribute to fund these liabilities has increased by \$0.9 million or 4.2% next year.

The budget includes funding for 471 full-time positions – a net increase of 22 positions. Fifteen new Firefighter positions are planned as part of the proposal to provide EMS transport services. Three additional full-time positions are funded for Public Works and a full-time Risk Management Coordinator position is also funded. Two part-time Accountant positions are combined into one full-time position in Financial Services and one part-time Building Inspector is converted to full-time. Lastly, two full-time positions are funded for a partial year for the advance hiring of the Purchasing Manager and the City Assessor due to planned retirements, while the City Clerk's office will eliminate one position due to the upcoming retirement of the City Clerk. In total, the City has reduced funding for 178 full-time positions or 27% of its workforce since 2002, saving \$13.9 million annually. The City's employee per resident ratio has decreased by 41%. The City has worked hard to reduce the staffing impact to the Police and Fire Departments. As a result, in the past 16 years public safety staffing is down only 20% compared to more than a 37% reduction in other City departments.

The budget reflects a net increase of three part-time positions. Four new part-time positions are proposed as part of the Recreating Recreation initiative. Two new part-time Technical Secretaries and a High School Co-op in Police Records, a Clerk Typist in Fire Administration, and an Intern in Community Relations are funded due to increased service demands. These positions are offset by the elimination of six part-time positions throughout the organization. The number of part-time staff has increased by 53 positions or 66% since 2004.

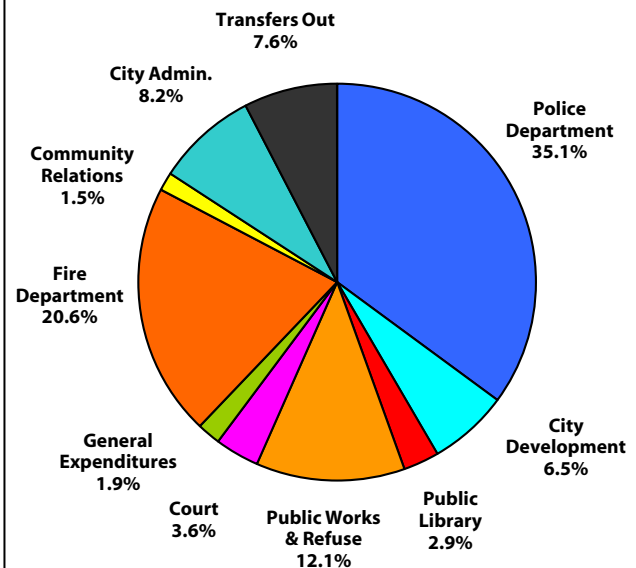
Supplies increased by \$368,670 or 15.0%. The increase is primarily due to public art funding of \$225,000 and supplies for EMS transport services of \$178,000.

Other Charges increased by \$528,690 or 4.0%. The increase is primarily due to the resumption of funding of \$500,000 for liability insurance from the General Fund. This funding had been temporarily halted beginning in the 2014/15 fiscal year as funds from the Self-Insurance fund were being used to supplement the General Fund budget. Additional funds of \$100,000 are proposed to invest in facility maintenance and improvements including a complete assessment of City Hall buildings. Funding is also proposed for a new Business License registration system, costs related to the 50th anniversary celebration, \$178,450 for billing services related to EMS transport (charged as a percentage of revenue collected), and irrigation costs for the Van Dyke Median. These increases are offset by reductions in Police Investigations of \$250,000 as a result of the resumption of the Federal Forfeiture program and \$338,000 due to the transfer of the Parks and Recreation department from the General Fund to a Special Revenue fund.

Capital Outlay is budgeted in the Capital Projects Fund. All capital equipment and vehicles used by General Fund departments, with the exception of drug forfeiture purchases, are expensed in the Capital Projects Fund and are funded through a Transfer Out from the General Fund. \$510,880 is budgeted for equipment including \$232,500 for new election equipment required by the State of Michigan. \$674,790 is budgeted for Information Technology upgrades including the replacement of 44 personal computers and replacement servers. \$894,500 is budgeted for the purchase of replacement vehicles including high mileage police cars and four DPW trucks. **A complete list of all capital equipment, vehicles, and projects is located in the Capital Projects section of this document.**

General Fund **Transfers Out** to other City Funds increased by \$1,181,380 or 18.8% primarily due to a transfer of \$1,250,000 to the Parks and Recreation fund. This transfer funds the pre-existing expenses of the Parks and Recreation department prior to the passing of the Recreating Recreation millage. This transfer from the General Fund ensures that the revenue generated from the millage will only be used to fund the new services and amenities in the Recreating Recreation plan. Increased funds continue to be budgeted for the necessary replacement of capital equipment, vehicles, and repairs to City facilities that had been reduced during the economic downturn.

General Fund Expenditures By Budgetary Center



Expenditures by Budgetary Center

The General Fund can be further broken down into the departmental or budgetary center level. These centers are comprised of the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, nearly 68% of the budget is used to fund the three largest City departments – Police, Fire and Public Works.

Within the General Fund, the following changes are included in the 2017/2018 Budget:

City Administration Department

- Replacement of the Finance and Budget and Human Resources Directors whose positions were previously held by rehired retirees on a reduced wage scale.
- Savings due to the retirement of the former City Clerk as anticipated in the City's succession plan.
- Funding for the partial year early hiring of an Assessor and Purchasing Manager in advance of upcoming retirements.
- Field tablets for the Assessing Office, a high speed currency scanner for the Treasury office and the replacement of personal computers for Assessing and City Clerk.

- The purchase of a business registration system and State required election tabulators, ADA equipment and high speed ballot counters in the City Clerk's office.
- The conversion of two part-time Accountant positions into one full-time position in Financial Services.
- Funding for the replacement of the City's storage and controlling servers and an updated e-mail exchange license.

Public Library Department

- The continuation of Library Sunday hours, the purchase of replacement Library patron tables and chairs, and the replacement of carpeting in the Library programming center.
- Funding for a new service to offer free internet at home and a new online software service – BrainHQ.
- Continued \$38,000 in additional funding for the purchase of books, publications and audiovisual materials, a new book drop chute and book drop bin, a replacement projector for the programming center and continued CDBG funding for the purchase of senior books.
- Funding for the purchase of period furniture and other supplies for the Upton House.

Police Department

- Funding for two part-time Technical Secretaries and a High School Co-op to assist in the increased volume of FOIA requests, impound entries, and other required paperwork.
- Increased Command Officer training, and the purchase of bullet proof vests and uniforms needed for the new Police Officer hires.
- Funding for nine replacement high mileage traffic and patrol vehicles and for the reinstitution of the Citizens' Police Academy.
- Capital needs include a vehicle crash reconstruction system, portable vehicle scales, and replacement workstations in Police Investigations.
- Replacement of four emergency warning sirens.
- The use of forfeiture funds to purchase five mid-size vehicles and a transit wagon, fund maintenance to the MRAP vehicle and the licensing of new surveillance equipment.

- A budget reduction due to the planned advanced hiring of Police Officers in advance of retirements in the prior year.

Fire Department

- Funding for 15 additional Firefighters as part of the plan to provide transport services and funding for one part-time Clerk Typist to replace the High School Co-op.
- The replacement of the roof at Fire Station #1, a replacement door wall at Fire Station #5, three portable air supply systems, fire hose testing equipment, 12 replacement air cylinders, and an electronic medical reporting system.

Public Works Department

- Funding for an additional full-time Mechanic to focus on retrofitting new Police cruisers and maintenance of Fire apparatus.
- The rental of a utility vehicle for plowing City property and the rental of a Michigan CAT excavator for the clearing and re-grading of ditches.
- Funding for a tandem axle dump truck, an aerial sign truck, a mini dump truck and a pickup truck with a plow.
- The replacement of 15 personal computers.
- Capital needs include the installation of exhaust fans at the DPW garage, a fork lift and a tire changer for Fleet Maintenance, a brush flail and an irrigation monitoring system for Parks and Grounds, and a roller for road repairs and replacement computers for the entire office.

City Development Department

- Continued increased hours for Building Inspectors and overtime funds due to increased permit activity and inspection demand.
- Funding to convert one part-time Building Inspector to full-time to help with increased demand.
- Repairs to the outdoor pond and replacement of the gazebo roof on the City Hall grounds.
- Increased funds for building maintenance including a needs assessment study to develop a five-year plan for maintaining City facilities.

- Increased funding for custodial services at the DPW building as additional cleaning is necessary due to the nature of services provided in that building.
- The replacement of 9 personal computers in Engineering, 1 in Neighborhood Services and 1 in Facilities Maintenance.
- Savings from the Master Land Use Plan that was funded in the prior year.
- Funds for the purchase of land in the Van Dyke River District for future development and SmartZone corridor improvements.

Community Relations Department

- Continued funding for the appreciation banquet for City volunteers and board and commission members and the attendance of 10-20-30 year employees.
- Funding for the Public Art Initiative and for the Ethnic Community Committee to reinstate the Diversity Awards Banquet.
- Funding for costs related to the City's 50th anniversary activities.
- A citizen survey to evaluate and prioritize local services.
- The purchase of a refurbished printing press, booklet maker and envelope feeder for the Print Shop.

Non-Departmental Services

- Increased funding for substitute Court Reporters and 3 replacement computers for the 41-A District Court.
- Funding for required Police Lieutenant assessments.
- \$500,000 in funding for City liability insurance premiums.
- Increased training funds for the Planning Commission and Zoning Board.
- Continued funds for the restored employee tuition reimbursement program, the employee merit-based incentive program, and for future economic development and property acquisitions.
- Slight increase in street lighting costs due to anticipated DTE rate increase.
- The continued City memberships to the

Southeast Michigan Council of Governments (SEMCOG), the Clinton River Watershed Council, Michigan Municipal League, Chamber of Commerce and the Government Finance Officers Association.

WATER & SEWER FUND

The Water & Sewer Fund is a completely self-supporting activity that does not receive funding from property taxes. It is designed to break even and is solely for the purpose of providing water distribution and sewage disposal services to the City of Sterling Heights' residents.

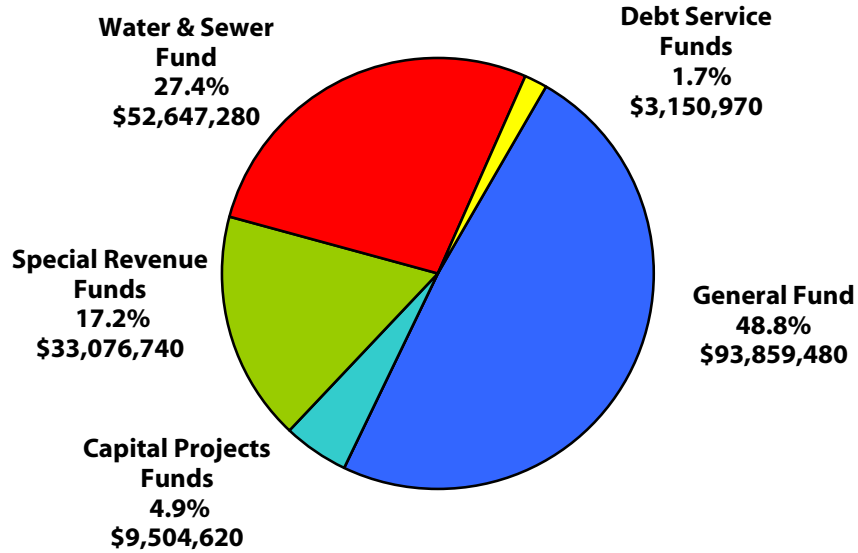
Sterling Heights purchases its water and sewage services from the Great Lakes Water Authority (GLWA) and the Macomb County Public Works office, which directly influences the rates we must charge. Effective July 1, 2017, the cost of water purchased from the GLWA and the GLWA's fixed charges will increase by 5.0%. Water consumption is estimated to fall by 1.6%, which lowers both water and sewer sale revenues. Macomb's sewer costs are estimated to increase by 11.5%; this includes an anticipated new debt payment for a portion of the 15 Mile Interceptor Repair. City costs have risen by 21.2% due to an increased investment in water and sewer infrastructure including a one-time \$444,000 required match on a \$1.4 million federal grant for sewer line televising. As a result, an overall 14.3% combined water and sewer rate adjustment must be passed on to our customers, resulting in a \$9 per month average increase.

The City continues to control its discretionary costs within this fund; however costs will increase next year due to important infrastructure investments. Personnel costs increased \$360,200 or 9.4% primarily due to the addition of two full-time positions to respond to water main breaks, implement a hydrant flushing program to ensure water quality and to televise the underground storm and sanitary lines to avoid emergency repairs. Other Charges increased \$1.1 million or 29.6% (net of Federal grant funds received). This increase is primarily due to infrastructure investments including \$444,000 of matching funds for sewer line televising, a hydrant and valve inspection program required by the DEQ, and increased investment in water and sewer main repair. The Capital budget decreased by \$491,450 or 63.4% and includes

equipment such as a sewer televising camera, a cement saw, a backhoe loader and 13 replacement personal computers.

The average Sterling Heights residential customer will pay \$74 per month for water & sewer services. According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on the GLWA's water rate is also one of the lowest in the State. ■

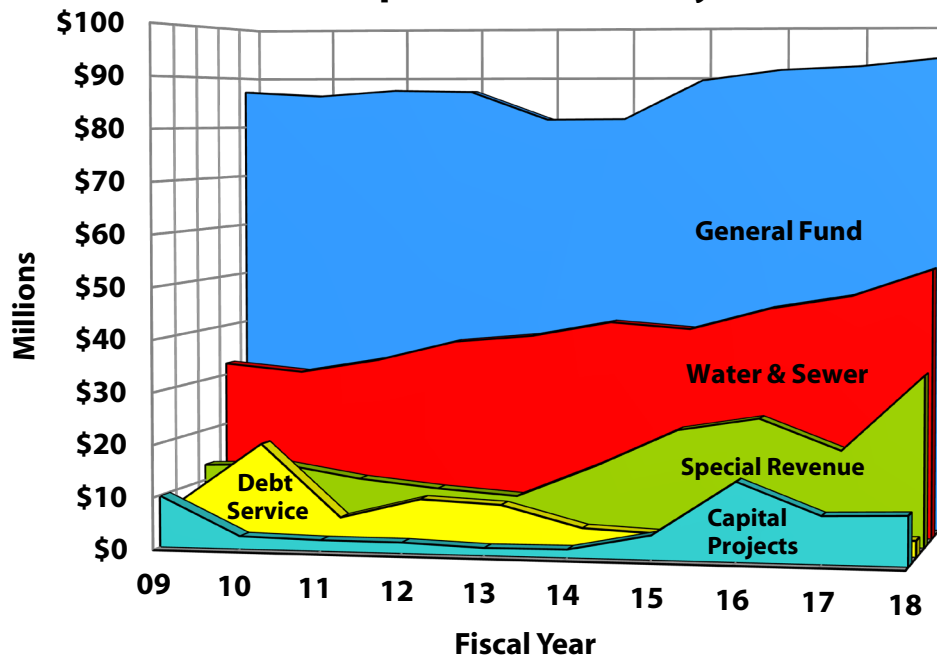
Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$192,239,090
(including transfers)**

This graph illustrates total fund expenditures
as a percent of all City Funds.

Total City Budgeted Funds Expenditure History



This graph illustrates the expenditure history of all City budgeted funds.

2017/18 ALL FUNDS - COMBINED BUDGET SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

	General	Water & Sewer	Special Revenue	Debt Service	Capital Projects	Total Budget
REVENUES BY SOURCE						
City Property Taxes	\$58,787,340	\$0	\$7,246,990	\$461,010	\$0	\$66,495,340
Water & Sewer Service	0	48,508,650	0	0	0	48,508,650
Charges for Services	10,564,220	2,169,050	594,570	0	0	13,327,840
State Revenue Sharing	11,000,000	0	0	0	0	11,000,000
Highway & Street Grants	0	0	10,408,900	0	0	10,408,900
Interfund Transfers In	0	0	2,251,310	2,337,480	4,588,090	9,176,880
Federal, State & Local Grants	4,497,770	0	2,544,680	58,370	0	7,100,820
Miscellaneous Revenue	1,300,170	1,661,790	324,000	217,660	251,490	3,755,110
Proceeds - Long-Term Debt	0	0	0	0	3,600,000	3,600,000
Cable Revenue	2,650,000	0	0	0	0	2,650,000
Court & Police Fines and Forf.	2,570,150	0	0	0	0	2,570,150
Licenses & Permits	2,297,500	0	0	0	0	2,297,500
Rental - Road Equipment	1,200,000	0	0	0	0	1,200,000
Labor Services Roads	1,100,000	10,000	0	0	0	1,110,000
TIF/LDFA - SmartZone Capture	0	0	944,000	0	0	944,000
Interest on Investments	400,000	295,000	53,430	7,130	41,500	797,060
Other Fines & Forfeitures	56,500	0	0	0	0	56,500
Sale of Fixed Assets	20,000	0	0	0	0	20,000
Total Revenues	96,443,650	52,644,490	24,367,880	3,081,650	8,481,080	185,018,750
EXPENDITURES BY OBJECT						
Personnel Services	69,704,110	4,193,060	1,936,470	0	0	75,833,640
Other Charges	9,599,290	40,460,910	2,183,510	2,480	0	52,246,190
Capital Improvement Projects	0	0	19,055,490	0	7,424,450	26,479,940
Interfund Transfers Out	7,476,880	0	2,000,000	0	0	9,476,880
Principal Payments	0	3,151,970	2,325,000	2,510,000	0	7,986,970
Other Services	0	0	4,209,500	0	0	4,209,500
Refuse Collection	4,180,500	0	0	0	0	4,180,500
Interest Payments	0	2,101,410	787,500	638,490	0	3,527,400
Supplies	2,829,600	379,580	152,210	0	0	3,361,390
Interfund Services	69,100	2,076,300	19,000	0	0	2,164,400
Capital Equipment	0	284,050	11,260	0	1,185,670	1,480,980
Capital Vehicles	0	0	396,800	0	894,500	1,291,300
Total Expenditures	93,859,480	52,647,280	33,076,740	3,150,970	9,504,620	192,239,090
Excess of Revenues Over (Under) Expenditures	2,584,170	*	(8,708,860)	(69,320)	(1,023,540)	(7,217,550)
Beginning Fund Balance	14,678,490	*	48,630,930	893,230	3,990,250	68,192,900
Ending Fund Balance	\$17,262,660	*	\$39,922,070	\$823,910	\$2,966,710	\$60,975,350

Note: * Water & Sewer Fund revenue and expenses are excluded from the fund balance calculations.

ALL FUNDS - COMBINED HISTORICAL SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

	2015/16 Actual	2016/17 Estimate	2017/18 Budget
<u>REVENUES BY SOURCE</u>			
City Property Taxes	\$64,036,730	\$61,220,320	\$66,495,340
Water & Sewer Service	37,323,030	44,861,380	48,508,650
Charges for Services	10,925,570	10,740,450	13,327,840
State Revenue Sharing	10,694,420	10,881,560	11,000,000
Highway & Street Grants	8,050,420	9,300,000	10,408,900
Interfund Transfers In	10,797,380	11,020,740	9,176,880
Federal, State & Local Grants	4,857,410	15,405,130	7,100,820
Miscellaneous Revenue	3,502,870	2,585,940	3,755,110
Proceeds - Long-Term Debt	9,884,560	47,075,000	3,600,000
Cable Revenue	2,595,400	2,625,000	2,650,000
Court & Police Fines and Forfeitures	3,001,120	2,625,300	2,570,150
Licenses & Permits	2,149,070	2,036,500	2,297,500
Rental - Road Equipment	1,179,420	1,200,000	1,200,000
Labor Services Roads	991,970	1,100,000	1,110,000
TIF/LDFA - SmartZone Capture	676,300	971,250	944,000
Interest on Investments	628,730	673,590	797,060
Other Fines & Forfeitures	56,300	56,500	56,500
Sale of Fixed Assets	220,990	102,300	20,000
Total Revenues	171,571,690	224,480,960	185,018,750
<u>EXPENDITURES BY OBJECT</u>			
Personnel Services	71,682,000	72,248,320	75,833,640
Other Charges	48,615,200	48,212,580	52,246,190
Capital Improvement Projects	17,045,960	27,708,480	26,479,940
Interfund Transfers Out	9,747,310	11,320,740	9,476,880
Principal Payments	1,725,000	4,772,930	7,986,970
Other Services	4,015,700	3,869,880	4,209,500
Refuse Collection	4,545,090	4,100,000	4,180,500
Interest Payments	3,191,910	2,836,760	3,527,400
Supplies	2,725,640	2,823,560	3,361,390
Interfund Services	2,090,090	2,205,630	2,164,400
Capital Equipment	611,180	1,719,570	1,480,980
Capital Vehicles	1,732,390	2,613,140	1,291,300
Total Expenditures	167,727,470	184,431,590	192,239,090
Excess of Revenues Over (Under) Expenditures*	12,265,030	40,367,110	(7,217,550)
Beginning Fund Balance	15,560,760	27,825,790	68,192,900
Ending Fund Balance	\$27,825,790	\$68,192,900	\$60,975,350

Note: * Water & Sewer Fund revenue and expenses are excluded from the fund balance calculations.

REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget	% Change from 16/17
	<u>GENERAL FUND</u>						
1010	General Fund	\$92,599,750	\$93,741,720	\$92,934,580	\$94,727,420	\$96,443,650	3.8%
	<u>WATER & SEWER FUND</u>						
5790	Water & Sewer Fund - Operations	37,064,540	40,739,280	46,882,890	47,684,390	52,644,490	12.3%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	10,601,130	7,461,430	8,100,750	7,993,650	8,525,500	5.2%
2030	Local Road Fund	6,259,620	6,831,410	7,319,800	7,281,990	6,744,490	-7.9%
2440	Land & Water Conservation Fund	221,520	745,220	323,600	326,300	4,500	-98.6%
2760	Parks & Recreation Fund	0	0	0	45,050,000	6,289,140	100.0%
2770	Public Safety Forfeiture Fund	139,030	248,440	184,880	317,820	35,510	-80.8%
2780	Comm. Develop. Block Grant Fund	909,070	645,060	1,260,470	868,810	1,375,020	9.1%
2890	Neighborhood Stabilization Fund	3,330	2,350	0	9,670	0	0.0%
8510	Corridor Improvement Auth. Fund	18,690	20,750	25,270	25,300	191,950	659.6%
8550	Economic Develop. Corp. Fund	300,390	302,590	302,150	306,430	140,700	-53.4%
8560	Brownfield Redevelopment Fund	104,680	107,430	88,900	91,150	91,570	3.0%
8670	Local Dev. Finance Authority Fund	755,860	723,850	1,904,250	1,903,680	969,500	-49.1%
	Total Special Revenue Funds	19,313,320	17,088,530	19,510,070	64,174,800	24,367,880	24.9%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	658,760	164,560	0	19,830	980	100.0%
3050	Voted Gen. Obligation Debt Fund	430,760	473,400	490,150	510,540	489,810	-0.1%
3270	Road Bond Debt Retirement Fund	1,883,910	1,410,950	2,193,370	2,228,530	2,253,380	2.7%
3690	Ltd. Tax Gen. Obligation Debt Fund	312,670	322,380	356,080	356,080	337,480	-5.2%
	Total Debt Service Funds	3,286,100	2,371,290	3,039,600	3,114,980	3,081,650	1.4%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	5,206,470	6,560,770	4,925,540	5,877,100	4,861,580	-1.3%
4050	Clinton River Restoration Fund	0	634,830	3,865,170	3,865,170	0	-100.0%
4280	Road Bond Construction Fund	70	10,435,270	4,498,950	5,037,100	3,619,500	-19.5%
	Total Capital Project Funds	5,206,540	17,630,870	13,289,660	14,779,370	8,481,080	-36.2%
	Total Revenue	157,470,250	171,571,690	175,656,800	224,480,960	185,018,750	5.3%
	Duplicating Transfers	(13,594,440)	(10,797,380)	(9,820,740)	(11,020,740)	(9,176,880)	-6.6%
	Total All Funds	\$143,875,810	\$160,774,310	\$165,836,060	\$213,460,220	\$175,841,870	6.0%

Note: Figures do not include use of, or contribution to Fund Balance.

EXPENDITURE COMPARISON CITY BUDGETED FUNDS

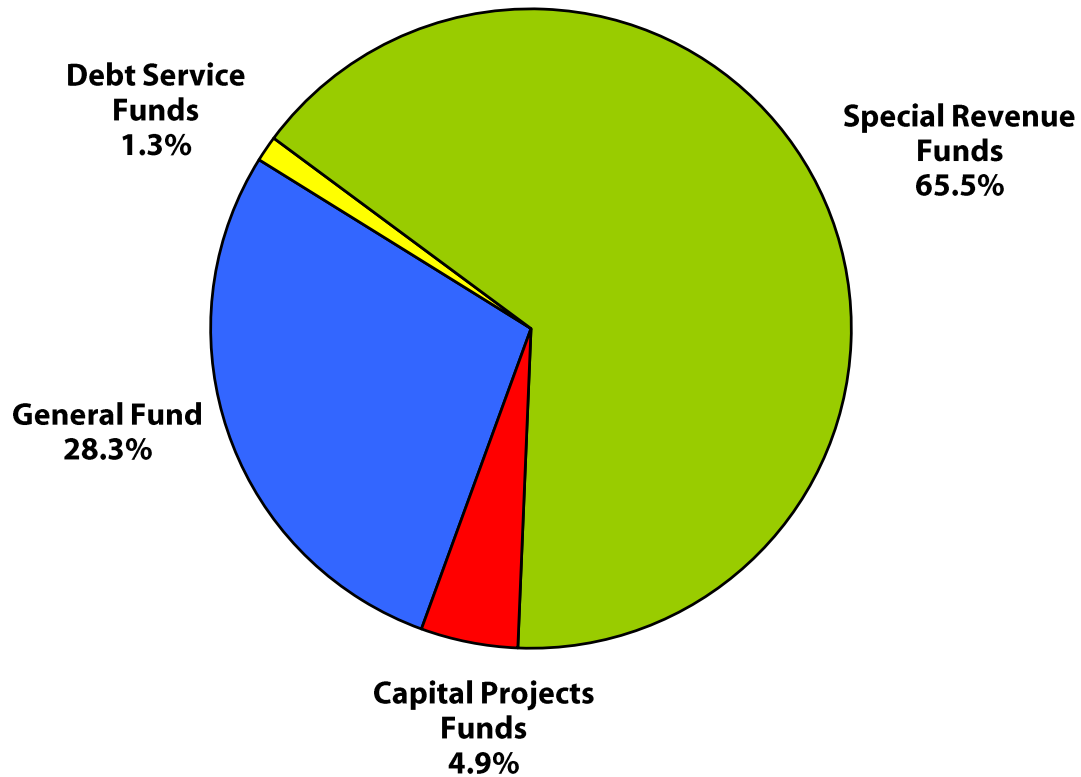
Fund No.	Fund Name	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget	% Change from 16/17
	<u>GENERAL FUND</u>						
1010	General Fund	\$90,289,410	\$89,886,580	\$92,199,820	\$91,443,800	\$93,859,480	1.8%
	<u>WATER & SEWER FUND</u>						
5790	Water & Sewer Fund - Operations	44,747,330	49,160,090	47,290,160	48,002,130	52,647,280	11.3%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	9,582,080	7,847,180	10,664,770	9,537,080	7,175,470	-32.7%
2030	Local Road Fund	6,183,600	5,967,050	7,104,440	5,346,140	7,028,570	-1.1%
2440	Land & Water Conservation Fund	664,340	207,370	664,540	560,190	0	-100.0%
2760	Parks & Recreation Fund	0	0	0	3,383,400	16,032,320	100.0%
2770	Public Safety Forfeiture Fund	416,990	430,550	222,310	222,110	343,300	54.4%
2780	Comm. Develop. Block Grant Fund	909,070	645,060	1,260,470	868,810	1,375,020	9.1%
2890	Neighborhood Stabilization Fund	3,330	2,350	0	9,670	0	0.0%
8510	Corridor Improvement Auth. Fund	0	0	0	90,000	185,000	100.0%
8550	Economic Develop. Corp. Fund	0	0	900,000	900,000	0	-100.0%
8560	Brownfield Redevelopment Fund	104,670	(332,620)	0	0	0	0.0%
8670	Local Dev. Finance Authority Fund	695,820	626,880	2,325,750	1,976,560	937,060	-59.7%
	Total Special Revenue Funds	18,559,900	15,393,820	23,142,280	22,893,960	33,076,740	42.9%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	661,150	157,050	0	0	0	0.0%
3050	Voted Gen. Obligation Debt Fund	430,480	470,850	484,480	484,480	487,670	0.7%
3270	Road Bond Debt Retirement Fund	1,847,580	1,322,530	2,142,350	2,142,900	2,325,820	8.6%
3690	Ltd. Tax Gen. Obligation Debt Fund	312,670	322,380	356,080	356,080	337,480	-5.2%
	Total Debt Service Funds	3,251,880	2,272,810	2,982,910	2,983,460	3,150,970	5.6%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	4,233,910	6,458,870	5,703,670	6,163,070	3,904,620	-31.5%
4050	Clinton River Restoration Fund	0	634,830	3,865,170	3,865,170	0	-100.0%
4280	Road Bond Construction Fund	0	3,920,470	10,783,030	9,080,000	5,600,000	-48.1%
	Total Capital Project Funds	4,233,910	11,014,170	20,351,870	19,108,240	9,504,620	-53.3%
	Total Expenditures	161,082,430	167,727,470	185,967,040	184,431,590	192,239,090	3.4%
	Duplicating Transfers	(10,794,430)	(9,747,310)	(10,120,740)	(11,320,740)	(9,476,880)	-6.4%
	Total All Funds	\$150,288,000	\$157,980,160	\$175,846,300	\$173,110,850	\$182,762,210	3.9%

Note: Figures do not include use of, or contribution to Fund Balance.

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget	% Change from 16/17
	<u>GENERAL FUND</u>						
1010	General Fund	\$7,539,730	\$11,394,870	\$12,129,630	\$14,678,490	\$17,262,660	42.3%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	4,117,390	3,731,640	1,167,620	2,188,210	3,538,240	203.0%
2030	Local Road Fund	246,780	1,111,140	1,326,500	3,046,990	2,762,910	108.3%
2440	Land & Water Conservation Fund	85,590	623,440	282,500	389,550	394,050	39.5%
2760	Parks & Recreation Fund	0	0	0	41,666,600	31,923,420	100.0%
2770	Public Safety Forfeiture Fund	515,210	333,100	295,670	428,810	121,020	-59.1%
2780	Comm.Development Block Grant Fund	0	0	0	0	0	0.0%
2890	Neighborhood Stabilization Fund	0	0	0	0	0	0.0%
8510	Corridor Improvement Auth. Fund	43,560	64,310	89,580	(390)	6,560	-92.7%
8550	Economic Development Corp. Fund	313,090	615,680	17,830	22,110	162,810	813.1%
8560	Brownfield Redevelopment Fund	5,340	445,390	534,290	536,540	628,110	17.6%
8670	Local Dev. Finance Authority Fund	328,420	425,390	3,890	352,510	384,950	9795.9%
	Total Special Revenue Funds	5,655,380	7,350,090	3,717,880	48,630,930	39,922,070	973.8%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	11,180	18,690	18,690	38,520	39,500	111.3%
3050	Voted General Obligation Debt Fund	6,680	9,230	14,900	35,290	37,430	151.2%
3270	Road Bond Debt Retirement Fund	645,030	733,450	784,470	819,080	746,640	-4.8%
3690	Limited Tax Gen. Obligation Debt Fund	340	340	340	340	340	0.0%
	Total Debt Service Funds	663,230	761,710	818,400	893,230	823,910	0.7%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	1,630,430	1,732,330	954,200	1,446,360	2,403,320	151.9%
4050	Clinton River Restoration Fund	0	0	0	0	0	0.0%
4280	Road Bond Construction Fund	71,990	6,586,790	302,710	2,543,890	563,390	86.1%
	Total Capital Project Funds	1,702,420	8,319,120	1,256,910	3,990,250	2,966,710	136.0%
	Unappropriated Total - All Funds	\$15,560,760	\$27,825,790	\$17,922,820	\$68,192,900	\$60,975,350	240.2%

City Government Funds Percent of Total Reserves



Total Government Fund Reserves of \$60,975,350

This graph illustrates total fund balance reserves for each of the City's Government Funds.

YEAR-END NET ASSET COMPARISON NON-BUDGETARY FUNDS

Fund No.	Fund Name	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual
	PROPRIETARY FUNDS					
	<u>ENTERPRISE FUND</u>					
5740	Water & Sewer Improvement Fund	\$31,595,124	\$29,959,285	\$24,257,254	\$20,469,668	\$15,924,721
	<u>INTERNAL SERVICE FUND</u>					
6770	Self-Insurance Fund	22,581,793	21,465,741	20,028,461	16,013,770	12,757,301
	Total Proprietary Funds	54,176,917	51,425,026	44,285,715	36,483,438	28,682,022
	FIDUCIARY FUNDS					
	<u>TRUST FUNDS</u>					
7010	Retiree Medical Benefits Fund	47,243,195	57,608,594	74,626,106	83,072,213	86,860,837
7370	General Employees Retirement System	104,725,421	107,385,692	118,470,102	114,783,962	106,683,028
7380	Police & Fire Retirement System	163,021,978	175,705,787	203,771,027	203,358,526	192,115,761
	Total Fiduciary Funds	314,990,594	340,700,073	396,867,235	401,214,701	385,659,626
	Total All Non-Budgetary Funds	\$369,167,511	\$392,125,099	\$441,152,950	\$437,698,139	\$414,341,648

This informational schedule is included in the budget document to illustrate fund balance reserves or "net assets" of the City's non-budgeted funds. The net assets shown are recorded in the City's audited financial statements as of June 30th for each fiscal year end. By listing these net assets as supplementary information, all City Funds' reserves or net assets are now reflected in the City's budget document.

In accordance with the State's Uniform Budgeting Act and the City Charter, the City produces a budget for the required governmental fund types including the General Fund and Special Revenue Funds. Though not required, we also produce a budget for the Debt Service Funds, Capital Project Funds, Water & Sewer Operating Fund, and Component Units.

The Funds listed on this informational page do not require a budget. However, many of their revenues and expenditures are directly budgeted in other City Funds. For example, the Self-Insurance Fund, Retiree Medical Benefits Fund, and the General Employees and Police & Fire Retirement Systems derive most of their revenue from budgeted cross-charges from the General Fund and Water & Sewer Operating Fund. The Trust Funds are managed based on actuarial methods and assumptions approved by their fiduciary boards and by approved labor contracts. The Trust Funds' net assets, however, have not been netted against long-term actuarial determined liabilities. Trust Fund net assets are restricted for future benefit payments. The net assets in the Retiree Medical Benefits Fund exclude the provision for uninsured liabilities in order to reflect the amount of funds available to pay benefits as calculated in the retiree health actuarial study. The Water & Sewer Improvement Fund is used to record water & sewer main improvements as adopted by the City Council and found in the City's Capital Improvement Plan. The net assets shown for the Water & Sewer Improvement Fund exclude investments in capital assets and are available to fund the completion of the City's water & sewer main system and for future infrastructure replacement needs as the City matures.

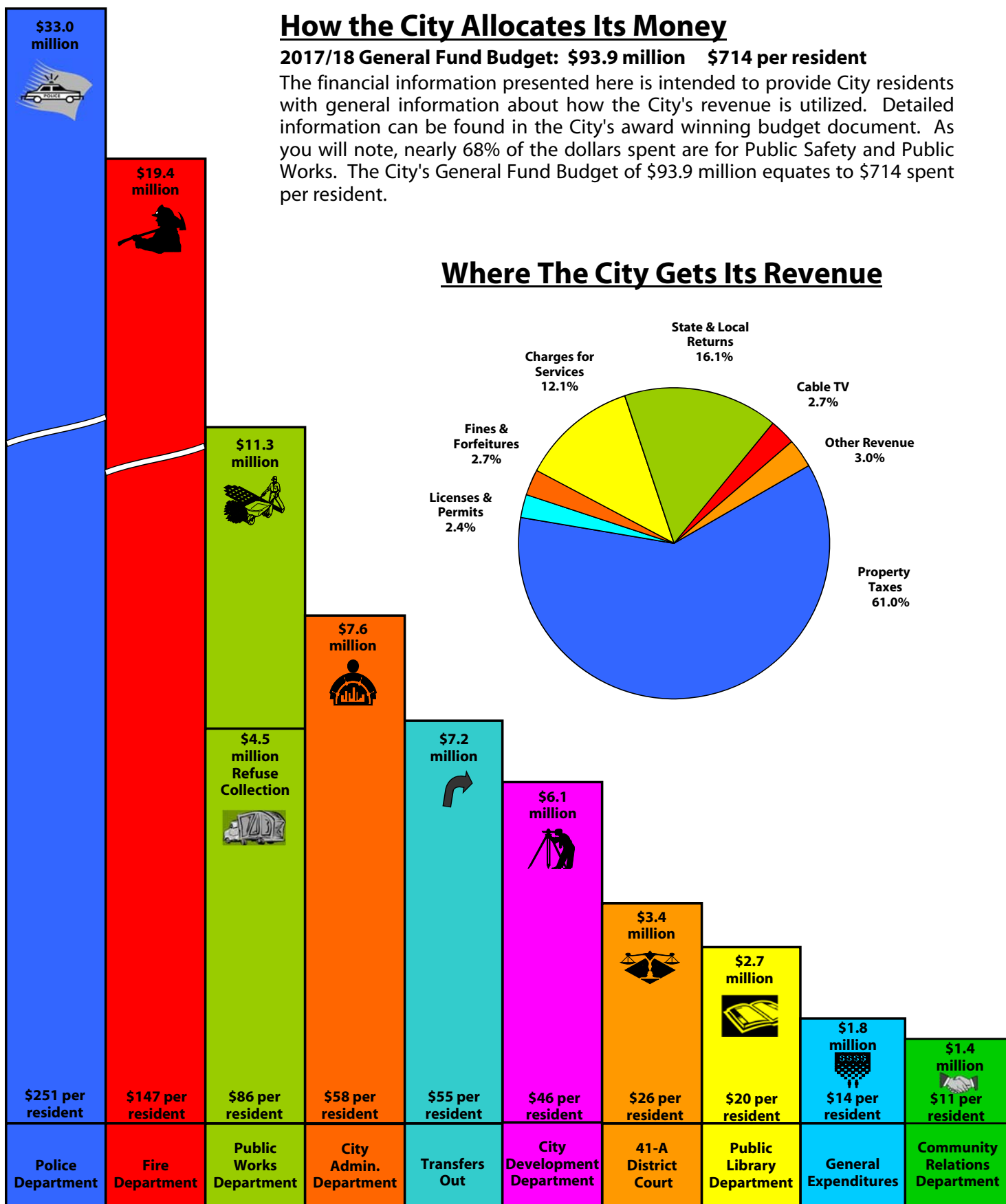
General Fund

The General Fund is the city's major operating fund, providing the majority of the services available to our residents.

The services provided include City Administration, Public Library, Police, Fire, Public Works, City Development, Community Relations and the 41-A District Court.

Local property taxes and state shared revenues are the primary sources of revenue used to fund these services.

The General Fund also provides for Refuse Collection and Police and Fire Pensions. Revenues to cover these specific expenditures are generated by taxes levied exclusively for these purposes.



Trends & Summaries

The Trends & Summaries section presents a concise synopsis of the General Fund's historical trends. Included is a wealth of useful information, both financial and demographic in nature, which should answer any questions the reader may have regarding the history behind the numbers. This history allows the reader to develop an idea of where Sterling Heights has come from and in what direction the community intends to go.

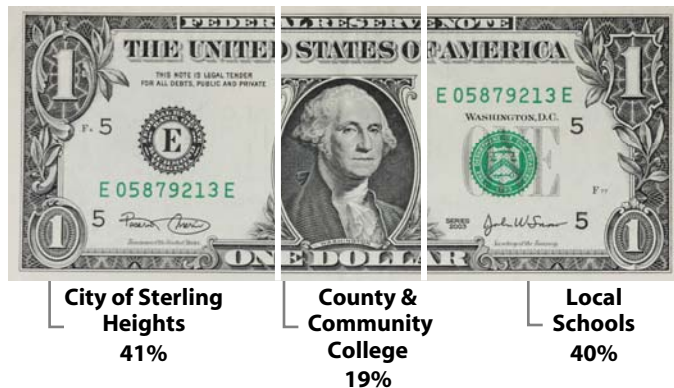
Graphs, tables and schedules numerically depict the relationship between revenues and expenditures. Historical data are presented by budgetary center, activity, and account.

Property Tax Benefit Statement

Have you ever wondered how much of your total property tax bill goes to pay for City services and what you receive in City services for your tax dollar?

The average residential property tax bill is \$2,415 for those in the Utica Community School district and \$2,933 for those in the Warren Consolidated School district. Of this amount, the City receives 41%, or \$1,060, to fund all local City services such as police and fire protection, refuse collection, and snow plowing services. The average homeowner pays \$88 per month in City taxes.

	Utica Schools	Warren Schools
Average Residential Total Property Tax Bill: <i>(based on home with a market value of \$160,000 and taxable value of \$65,600)</i>	\$2,415	\$2,933
Average Residential Property Tax (City Portion Only):	\$1,060	\$1,060



The City of Sterling Heights spends an average of \$2,340 per parcel on the following general public programs and services. The funds are distributed as follows:

Cost of City Services			
Service	City Average Cost	% of Total	Average Residential Tax Paid Toward Service
Police Department	\$796	34%	\$360
Fire Department	\$468	20%	\$212
Public Works	\$281	12%	\$127
General Expenditures & Transfers	\$211	9%	\$95
City Administration Department	\$187	8%	\$85
City Development Department	\$140	6%	\$64
Debt Service	\$94	4%	\$42
Public Library Department	\$70	3%	\$32
41-A District Court	\$70	3%	\$32
Community Relations Department	\$23	1%	\$11
Total Per Parcel	\$2,340	100%	\$1,060

Because the average amount of residential property tax the City receives is only \$1,060, you will see that property taxes for most households are not enough to support the services rendered. To make up the difference, the City relies on property taxes from businesses and other revenue sources such as state revenue sharing, grants, engineering and building permits and fees, court fines, and interest on investments.

RESIDENTIAL TAX RATES

(UTICA COMMUNITY SCHOOLS)

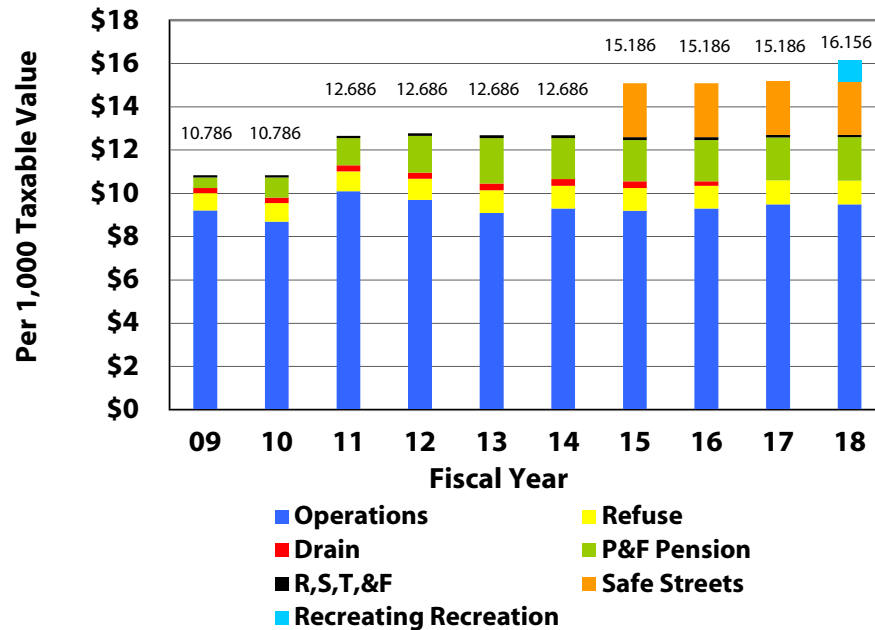
Taxing Entity	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Tax Rate Shown in Mills							
Utica Community Schools	9.850	9.850	9.850	9.850	9.850	9.850	9.850
Macomb County	4.574	4.574	4.574	4.574	4.574	4.560	4.560
Macomb Community College	1.571	1.571	1.531	1.526	1.530	1.420	1.420
Macomb Intermediate School District	2.943	2.943	2.943	2.943	2.943	2.940	2.940
Huron Clinton Metro Authority	0.215	0.215	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	1.000	1.000	0.997	0.997
County Zoo/Veterans/DIA	0.140	0.340	0.340	0.340	0.340	0.339	0.339
Property Tax Administration Fee	0.326	0.328	0.327	0.356	0.356	0.353	0.353
STERLING HEIGHTS	12.686	12.686	12.686	15.186	15.186	15.186	16.156
Total Millage Rates	32.894	33.096	33.055	35.989	35.993	35.860	36.830
Average Residential Taxable Value	\$66,000	\$61,400	\$62,800	\$63,800	\$64,820	\$65,010	\$65,600
Average Tax Rates Shown in Dollars							
Utica Community Schools	\$650	\$605	\$619	\$628	\$638	\$640	\$646
Macomb County Government	302	281	287	292	296	296	299
Macomb Community College	104	96	96	97	99	92	93
Macomb Intermediate School District	194	181	185	188	191	191	193
Huron Clinton Metro Authority	14	13	13	14	14	14	14
S.M.A.R.T.	39	36	37	64	65	65	65
County Zoo/Veterans/DIA	9	21	21	22	22	22	22
Property Tax Administration Fee	21	20	21	23	23	23	23
STERLING HEIGHTS	837	779	797	969	984	987	1,060
Total Tax Bill	\$2,171	\$2,032	\$2,076	\$2,296	\$2,333	\$2,330	\$2,415

(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Tax Rate Shown in Mills							
Warren Consolidated Schools	16.842	17.362	17.383	16.760	16.697	17.661	17.661
Macomb County	4.574	4.574	4.574	4.574	4.574	4.560	4.560
Macomb Community College	1.571	1.571	1.531	1.526	1.530	1.420	1.420
Macomb Intermediate School District	2.943	2.943	2.943	2.943	2.943	2.940	2.940
Huron Clinton Metro Authority	0.215	0.215	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	1.000	1.000	0.997	0.997
County Zoo/Veterans/DIA	0.140	0.340	0.340	0.340	0.340	0.339	0.339
Property Tax Administration Fee	0.396	0.403	0.403	0.425	0.425	0.432	0.432
STERLING HEIGHTS	12.686	12.686	12.686	15.186	15.186	15.186	16.156
Total Millage Rates	39.956	40.683	40.664	42.969	42.909	43.750	44.720
Average Residential Taxable Value	\$66,000	\$61,400	\$62,800	\$63,800	\$64,820	\$65,010	\$65,600
Average Tax Rates Shown in Dollars							
Warren Consolidated Schools	\$1,112	\$1,066	\$1,092	\$1,069	\$1,082	\$1,148	\$1,159
Macomb County Government	302	281	287	292	296	296	299
Macomb Community College	104	96	96	97	99	92	93
Macomb Intermediate School District	194	181	185	188	191	191	193
Huron Clinton Metro Authority	14	13	13	14	14	14	14
S.M.A.R.T.	39	36	37	64	65	65	65
County Zoo/Veterans/DIA	9	21	21	22	22	22	22
Property Tax Administration Fee	26	25	25	27	28	28	28
STERLING HEIGHTS	837	779	797	969	984	987	1,060
Total Tax Bill	\$2,637	\$2,498	\$2,554	\$2,741	\$2,781	\$2,843	\$2,933
Average Total Tax Bill	\$2,404	\$2,265	\$2,315	\$2,519	\$2,557	\$2,587	\$2,674

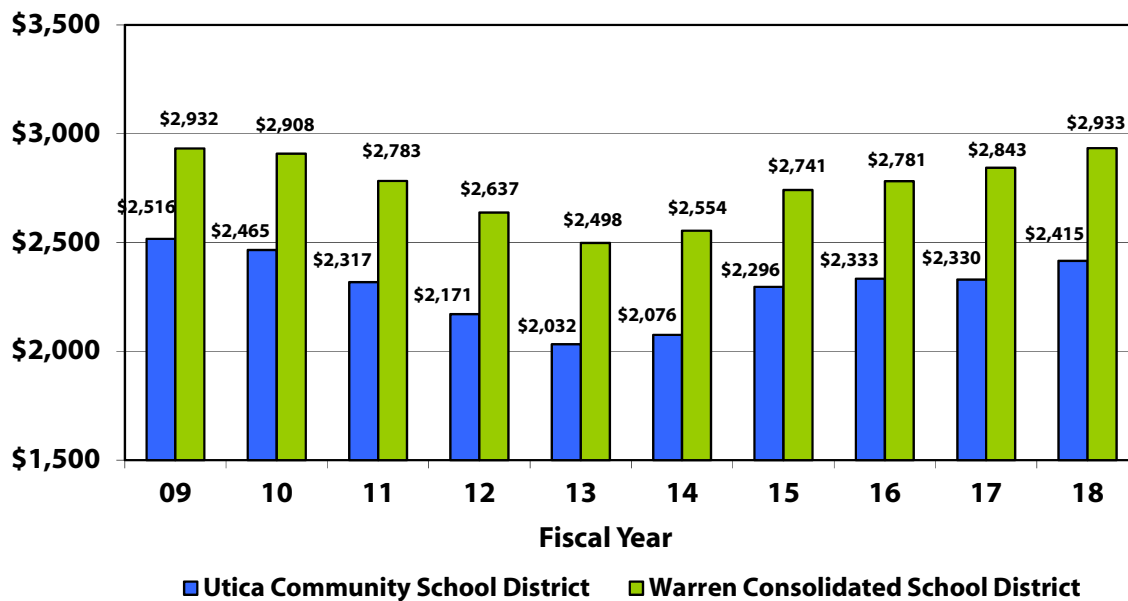
Non-City tax rates are estimated. School rates are for principal residences. Totals may not foot due to rounding.

City of Sterling Heights Millage Rates



This graph illustrates the millage rates for the various City millage levies.

Total Property Tax Bill Average Resident

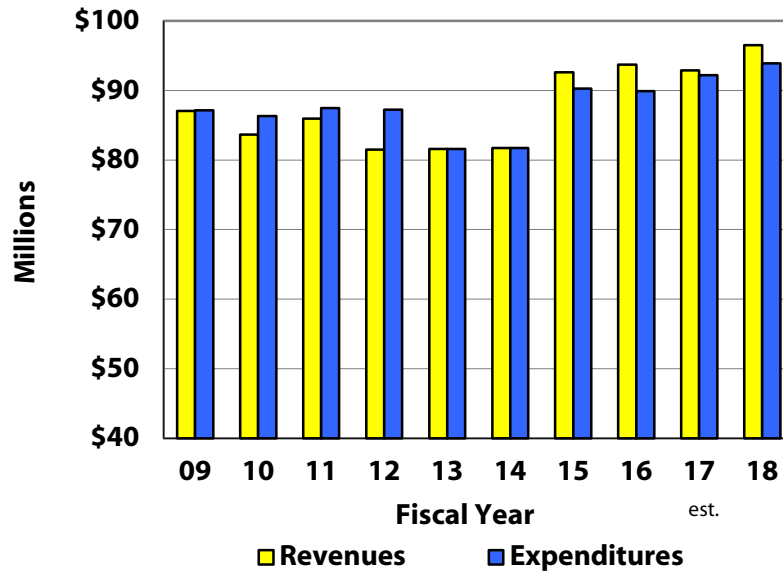


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

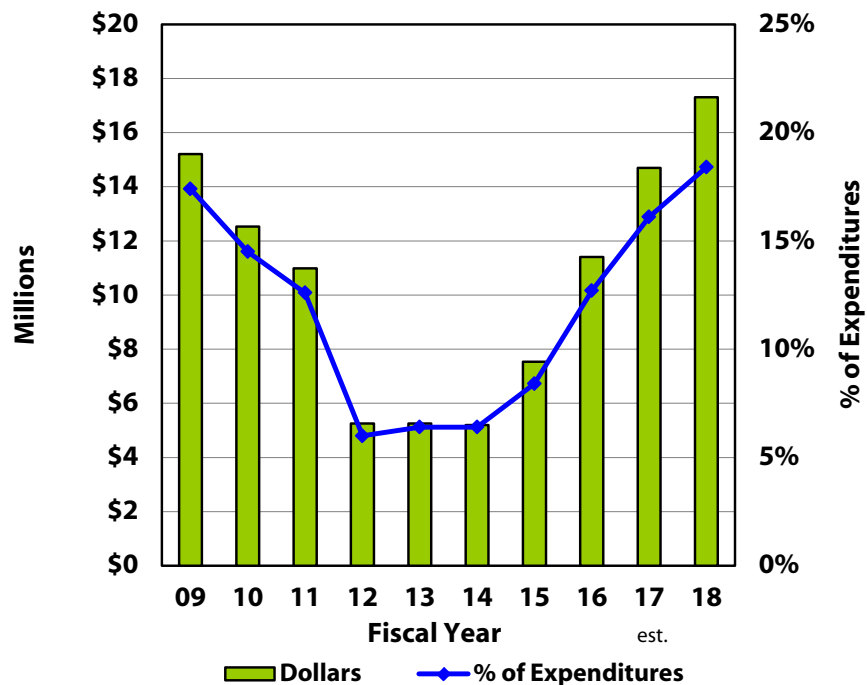
Budgetary Centers	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
REVENUES						
City Operating Taxes	\$38,380,860	\$40,154,340	\$38,313,350	\$38,291,610	\$39,106,380	\$39,083,290
Licenses & Permits	1,800,970	2,149,070	2,095,000	2,036,500	2,297,500	2,297,500
State and Local Returns	11,769,100	11,772,080	15,013,600	17,201,840	15,497,770	15,497,770
Fines & Forfeitures	2,567,230	3,057,420	2,690,000	2,681,800	2,626,650	2,626,650
Charges For Services	10,085,730	9,719,470	10,011,620	9,720,400	11,664,220	11,664,220
Other Revenue	2,872,470	3,043,560	2,853,840	2,932,350	2,920,170	2,920,170
Cable Revenue	2,533,070	2,595,400	2,625,000	2,625,000	2,650,000	2,650,000
Refuse Tax	4,615,660	4,786,970	4,469,150	4,446,280	4,464,060	4,464,060
Police & Fire Pension Tax	7,905,420	7,992,150	7,994,750	7,953,630	8,297,370	8,297,370
Safe Streets Tax	6,969,240	7,121,200	6,868,270	6,838,010	6,935,510	6,942,620
Total Revenues	89,499,750	92,391,660	92,934,580	94,727,420	96,459,630	96,443,650
Other Financing Sources						
Transfers In	3,100,000	1,350,060	0	0	0	0
Total Revenues & Sources	\$92,599,750	\$93,741,720	\$92,934,580	\$94,727,420	\$96,459,630	\$96,443,650
EXPENDITURES						
City Administration Dept.	\$6,577,840	\$6,810,640	\$7,087,600	\$7,220,840	\$7,653,610	\$7,653,610
Public Library Department	2,409,000	2,493,100	2,631,170	2,613,380	2,726,870	2,730,870
Parks & Recreation Dept.	1,780,470	1,900,650	1,957,950	1,999,870	0	0
Police Department	32,155,740	32,935,260	34,775,720	32,866,900	32,991,430	32,996,430
Fire Department	17,369,430	16,585,310	17,427,680	17,275,550	19,353,120	19,353,120
Public Works Department	6,688,430	6,279,890	6,578,470	6,612,470	6,858,000	6,858,000
Refuse Collection	4,744,360	4,767,020	4,494,150	4,376,070	4,464,060	4,464,060
City Development Dept.	5,282,490	5,625,780	5,650,870	5,726,250	6,062,790	6,062,790
Community Relations Dept.	933,810	1,022,790	1,091,300	1,093,990	1,430,000	1,430,000
41-A District Court	3,087,260	3,223,740	3,271,140	3,268,790	3,366,950	3,366,950
General Expenditures	1,116,140	1,025,080	1,238,270	1,194,190	1,766,770	1,766,770
Total Expenditures	82,144,970	82,669,260	86,204,320	84,248,300	86,673,600	86,682,600
Other Financing Uses						
Transfers Out	8,144,440	7,217,320	5,995,500	7,195,500	7,176,880	7,176,880
Total Expenditures & Uses	\$90,289,410	\$89,886,580	\$92,199,820	\$91,443,800	\$93,850,480	\$93,859,480
Excess of Revenues Over (Under) Expenditures	2,310,340	3,855,140	734,760	3,283,620	2,609,150	2,584,170
Beginning Fund Balance	5,229,390	7,539,730	11,394,870	11,394,870	14,678,490	14,678,490
Ending Fund Balance	\$7,539,730	\$11,394,870	\$12,129,630	\$14,678,490	\$17,287,640	\$17,262,660

General Fund Revenues vs. Expenditures



The data presented plots revenues vs. expenditures in the General Fund.

General Fund Fund Balance



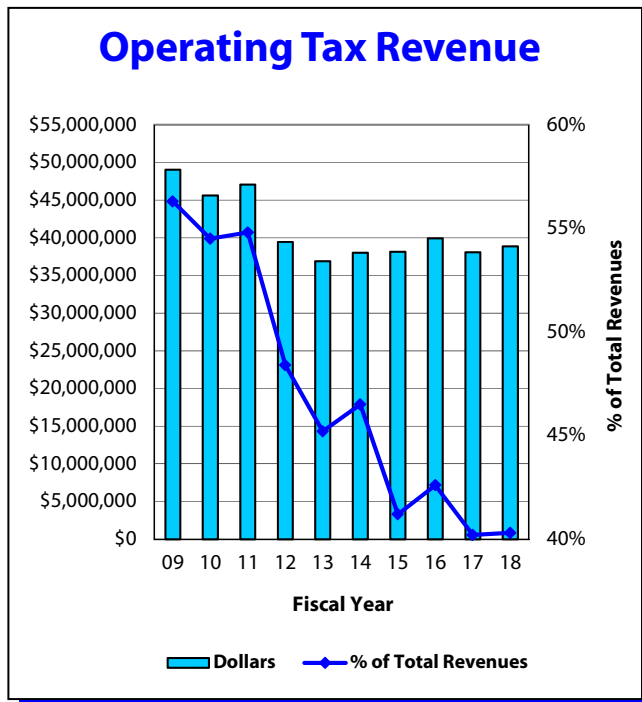
This graph illustrates the cumulative result of excess General Fund revenues over expenditures and total fund balance as a percent of General Fund expenditures.

CITY OPERATING TAX

The City's largest source of revenue is from property taxes. Tax revenues are based on two variables. The first is the assessed taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. This valuation is called the TV or Taxable Valuation. The second variable is the application of a specific tax millage levy. Changes in either of these two variables directly correlate to changes in City tax revenue.

The City has six individual tax levies – the largest is for Operations. Over the past ten years, changes in Operating Tax revenues have varied. Since 2008, due to overall decreases in taxable values and a declining Operations tax rate, the Operating revenues as a percent of total revenues has declined. Amounts collected have increased in four of the past five years due to an increasing Operating tax rate and stabilizing taxable values.

In the 2017/18 Budget, Operating tax revenue represents 40.3% of total revenues, a \$792,000, or 2.1% increase from the amount to be collected in 2017. The increase is a result of an estimated 2.1% overall rise in the City's taxable value and a 0.0084 increase in the Operating Millage rate. The City's Operating tax revenues are now \$11.0 million lower than what was collected in 2008.

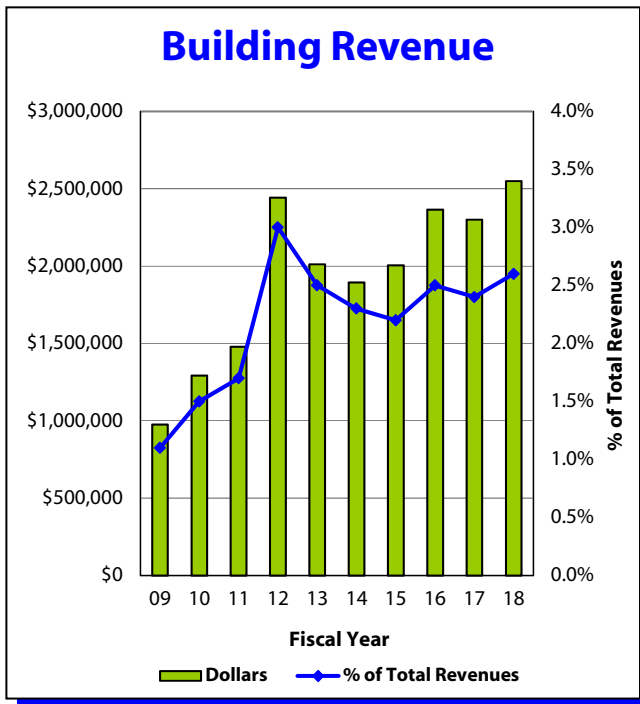


The Operations tax rate for 2017/2018 is 9.494 mills per \$1,000 Taxable Value, an increase of 0.0084 mills. This increase offsets the reduction in the Safe Streets millage required by the Headlee rollback. The City's overall millage has increased to 16.1558 mills due to the November 2016 voter approved Recreating Recreation millage of 0.97 mills and continues to include the November 2013 voter approved Safe Streets proposal. The Operating millage rate remains below the 12.0 millage rate limit established by the City Charter and is presently 1.28 mills below the 10.7755 State Headlee rollback maximum allowable levy. The City's millage rate continues to be lower than most cities in the State and is one of the lowest of any city in Macomb County.

The City's total taxable value for 2017/2018 increased by 2.1%. Real property increased by 3.1% due to new construction, property turnover leading to the uncapping of assessments, and a 0.9% inflationary factor on all existing properties. The Proposal A inflationary adjustment of only 0.9% is one of the lowest increases in the past 23 years and is well below the 2.3% average rate. The inflationary adjustment on most existing properties and the slight increase from new development is offset by an additional 11.3% decline in personal property assessments. The State legislated phased in exemption of eligible manufacturing personal property continues and property purchased prior to 2007 and after 2012 is exempt from paying personal property taxes. The City also continues to experience the loss of personal property taxes due to the State law that exempts personal property under \$40,000 in taxable value. As a result, the City's total taxable value has now fallen by 23.8% since 2008.

LICENSES AND PERMITS

The revenue source of Licenses and Permits represents fees charged by City offices to individuals and businesses for the building of new structures as well as improvements made to existing structures. New structures that require permits include garages, sheds, decks, porches, and buildings. Improvements such as central air conditioning, furnace replacement, electrical and plumbing modifications, fences, and pools also require permits from the respective City offices.

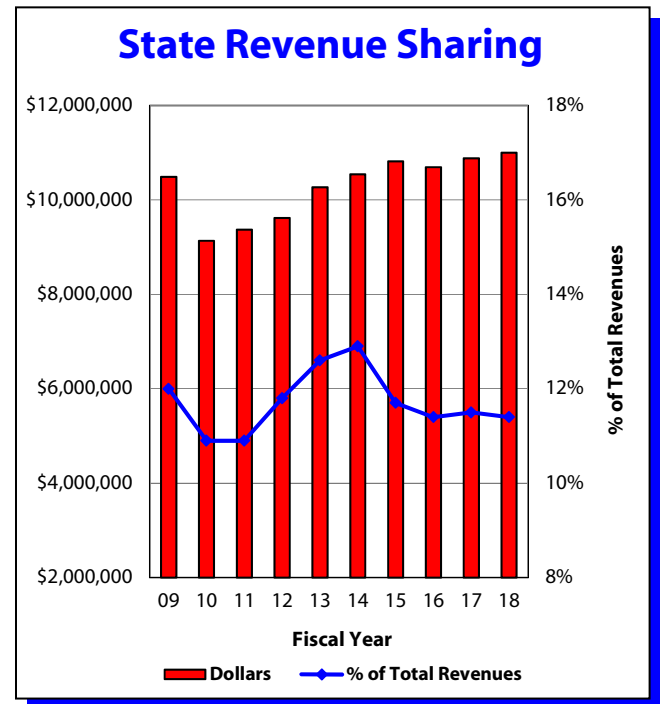


License and Permit revenues are primarily comprised of building revenues. With the State's economic downturn, building revenues fell to a ten-year low in 2009. Fewer new subdivisions, renovations or new commercial sites were developed. In 2012, revenues increased due to one-time large new development projects from BAE and Chrysler. In the past several years, Building revenues have stabilized due to an uptick in new permit activity. Building revenues are now approximating amounts collected back in 2004.

In the 2017/18 Budget, License and Permit revenues represent 2.4% of total revenue sources, a \$261,000 or 12.8% increase from what is estimated to be collected in 2017. The budget assumes a continuation of upward residential and commercial permits, and an additional increase due to higher application fees. To continue to strengthen and enforce property maintenance standards, the budget includes the fifth year of revenues from the non-homestead residential property inspection program.

STATE AND LOCAL RETURNS

The second largest source of revenue to the General Fund is State & Local returns. This revenue is comprised of grants from the Federal, State, and County levels of government. The major revenue source is from State Revenue Sharing. Revenue

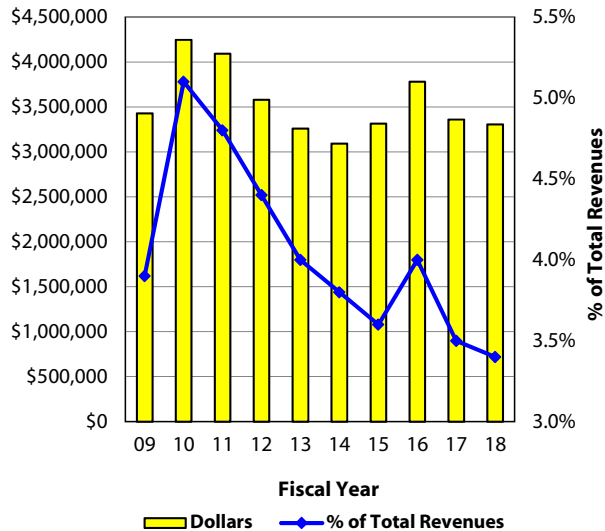


sharing payments, made by the State to communities in Michigan from sales tax receipts, are distributed based on formulas that take into consideration population, government type, and taxable values per capita.

Since 2002, the amount of Revenue Sharing the City has received has fallen dramatically. In 2002, the City received \$13.3 million from the State. In 2018, it is estimated the City will receive \$11.0 million, a decrease of \$2.3 million or 17.3%. While the State has increased revenue sharing payments since 2011, the City has lost \$43.4 million cumulatively since 2002. As a percent of total City revenues, State revenue sharing has fallen from 20% of the budget in 2002 to only 11.4% today.

In the 2017/18 Budget, State & Local Return revenues represent 16.1% of revenue sources, a decrease of \$1.7 million or 9.9% below what is estimated to be received in 2017. \$1.5 million of the decrease is due to a one-time increase in the personal property tax loss reimbursement from the State of Michigan. The actual personal property tax losses for the entire State of Michigan were lower than estimated; however the State is required to distribute all of the revenue reserved for the reimbursement. Reimbursements for all municipalities were prorated at 265%. This higher

41-A District Court Revenue



rate of reimbursement is not expected to continue. The remaining difference is due to revenue received in the current year from SMART that will now be recognized in the new Parks and Recreation Special Revenue Fund.

FINES & FORFEITURES

Fines and Forfeiture revenues are comprised of payments made by individuals or businesses that have violated various statutes, ordinances, or laws.

Included in this revenue center are library fines, court costs, parking fines, bond forfeitures, and default judgment fees. Over 95% of these revenues are generated and collected by the judicial branch of our municipal government, the City's 41-A District Court, working in conjunction with the Police Department.

Historical trends show 41-A District Court revenue increasing between 2008 and 2010. Since 2010, revenues decreased, largely as the number of tickets written by the Police Department had fallen. Over the past several years, Court revenues have begun to slightly rebound, however recent Michigan Supreme Court rulings requiring an ability-to-pay hearing prior to the enforcement of fines may further decrease overall Court revenues. Court revenues have declined from 5.1% of total City revenues in 2010 to 3.4% in 2018.

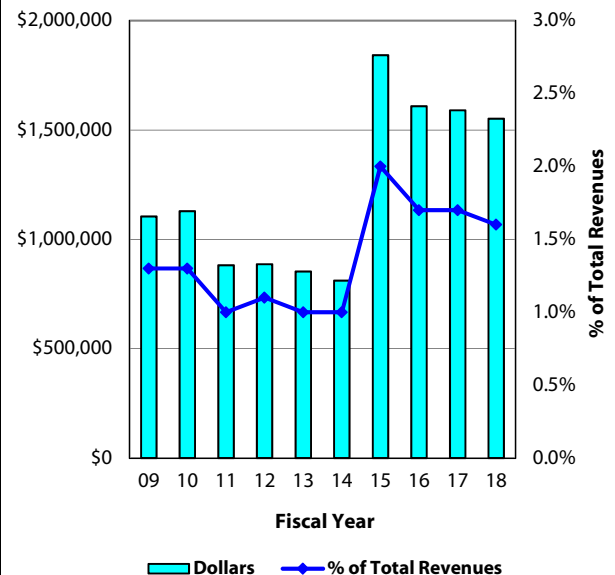
In the 2017/2018 Budget, Fines & Forfeiture revenues represent 2.7% of total revenues. Fines are conservatively estimated to fall by \$55,000 or 2.1% from the higher amounts estimated to be collected in 2017. Court revenues have now declined by \$938,000 or 22.1% since 2010.

CHARGES FOR SERVICES

Charges for Services consist of revenues received from individuals, businesses, and cross-charges from other City Funds. These monies reimburse the General Fund for services provided by General Fund employees. The revenue accounts within this revenue center include Property Tax Administration fees, Revenue from EMS transport services, Water & Sewer and Road Fund cross-charges, False Alarm fees, Engineering inspection and design charges, and Building review fees.

Anticipated revenue from the newly implemented EMS Transport services is one of the largest sources of Charges for Services revenues. The Sterling Heights Fire Department is expected to assume responsibility for EMS Transport in September 2017 and through the use of an outside medical services billing company, will begin to bill Medicare, Medicaid, other insurance companies, commercial

Engineering Revenue



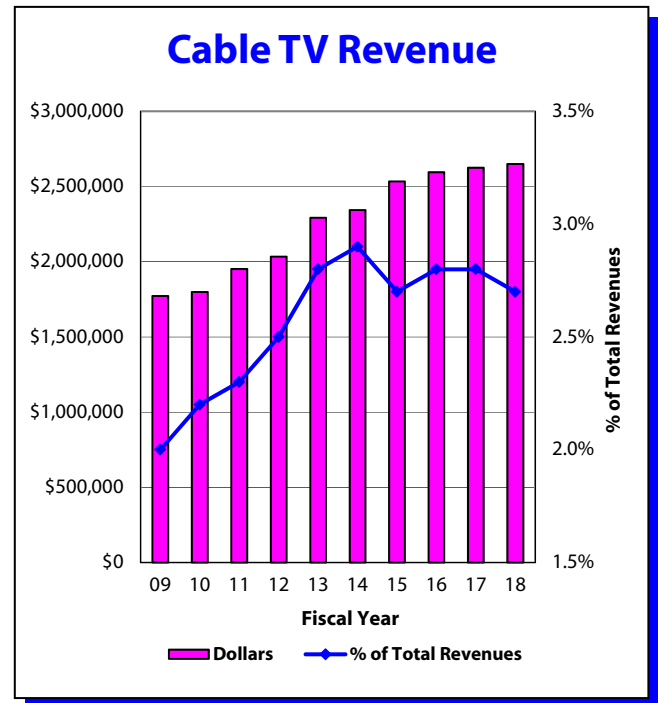
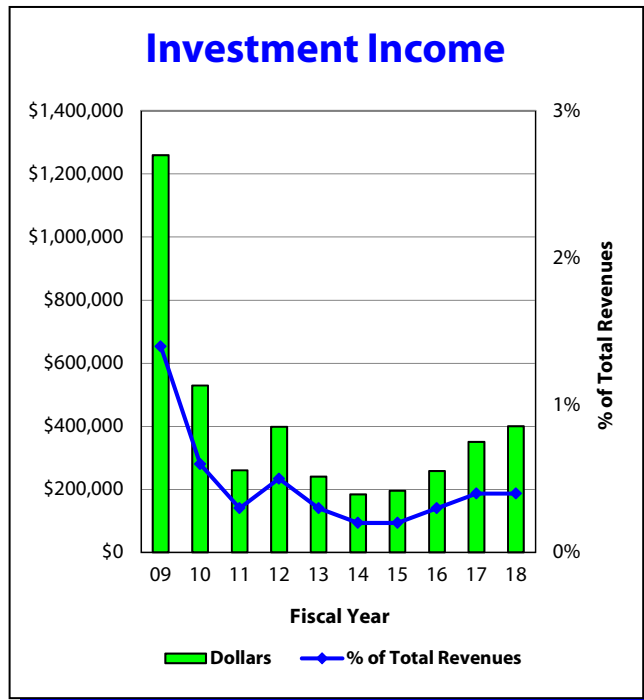
businesses and uninsured individuals for EMS Transport services. The revenue estimated to be collected from this service in the 2017/2018 budget is \$2.5 million.

Engineering revenues make up another large source of Charges for Services revenues. Engineering revenues declined from nearly \$1.2 million in 2008 to \$811,000 in 2014 due to the State's overall economic downturn. However, due to the passage of the Safe Streets proposal, Engineering revenues began to increase starting in 2015, as the General Fund receives a cross-charge from the Local Road Fund for the reimbursement of administration, design and inspection costs of neighborhood road repairs.

In the 2017/18 Budget, Charges for Services revenues represent 12.1% of total revenue sources, an increase of \$1.9 million or 20% above what is estimated to be received in 2017. This increase is primarily due to the first year of EMS Transport revenue of \$2.5 million offset by a \$510,000 decrease in revenues resulting from moving Parks and Recreation fees to a new Special Revenue Fund.

OTHER REVENUE

Other Revenue includes revenues that cannot be



easily classified in another revenue center. Included in this revenue center is Interest on Investments, Rental Income from different sources, Police Auction revenues, Reimbursements, and OUIL cost recovery fees.

Due to interest rate cuts by the Federal Reserve starting in 2008 and declining fund balance reserves, Interest on Investments has since fallen. While interest rates have increased slightly, investment revenues will remain low in 2018 and account for only 0.4% of total General Fund revenues, down from the peak of 2.6% in 2007. As higher yielding investments have matured, new investments are achieving lower returns. In the 2017/18 Budget, Other Revenue represents 3.0% of revenue sources, a decrease of \$12,200 from what we estimate receiving in 2017. Most of the decrease is due to \$20,000 in estimated Parks and Recreation donations and \$21,000 in insurance recoveries received in 2017. This was offset by slightly higher investment returns due to increasing interest rates and expected revenue to be received from the sale of 50th Anniversary merchandise.

CABLE TV REVENUE

Cable Television Revenues are received from Comcast, AT&T, and Wide Open West (WOW!) as

franchise fees between these companies and either the City or the State of Michigan. 83.3% of these fees repay the City for the use of our rights-of-way, while 16.7% of the fees reimburse the City for its cost of public access programming.

Cable Revenue has climbed steadily due to increasing cable subscriber charges. In 2017/18, Cable Revenue is estimated to increase by \$25,000 or 1.0% to total \$2.650 million, or 2.7% of total revenue sources.

REFUSE TAX

Another significant source of revenue to the City of Sterling Heights is the tax to pay the City's Refuse Collection costs. As discussed earlier, this revenue calculation is based on the relationship between two variables. The refuse collection expenditures and the City's taxable valuation are used to determine the ad-valorem tax to levy on all properties in the City.

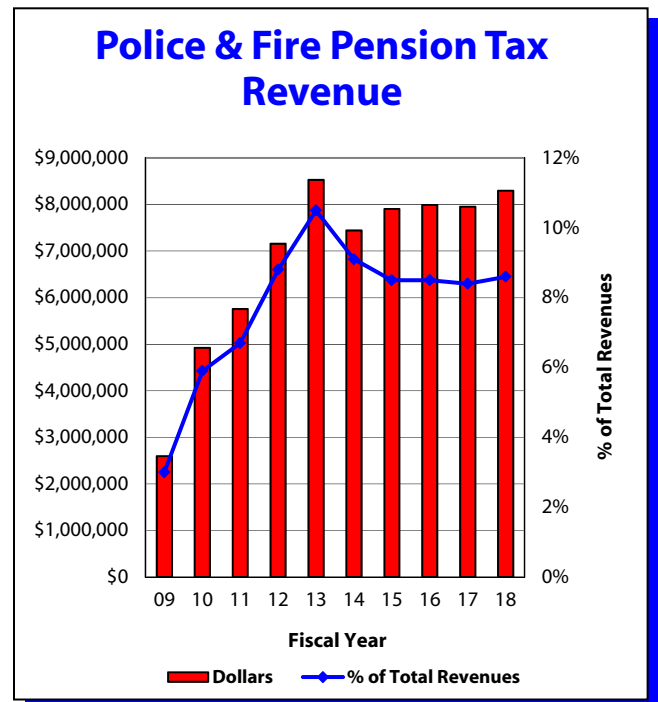
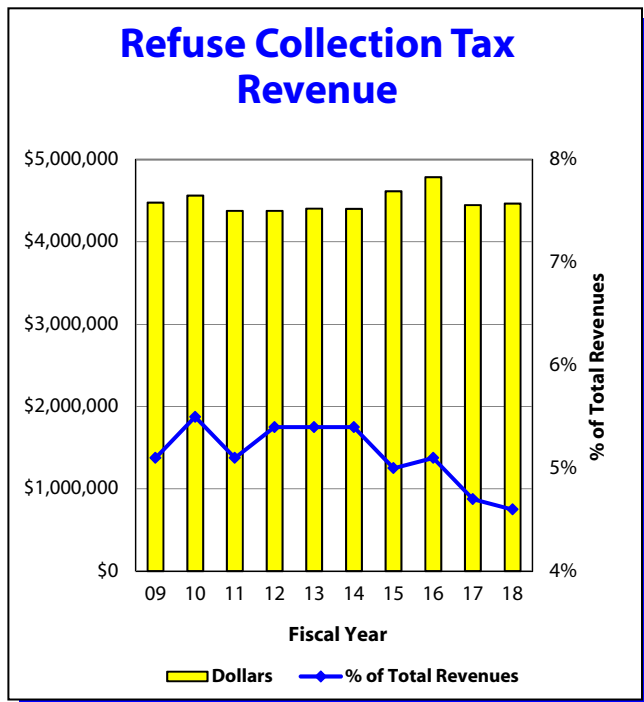
Revenues generated by the refuse collection levy are used to pay for the collection, removal, and drop-off center recycling of all garbage in the City. The voluntary curbside recycling program costs are billed directly to the homeowner. The refuse collection millage rate is adjusted annually to cover the

projected cost of the Refuse activity, less any refuse collection fees paid by apartments, mobile home parks and school districts.

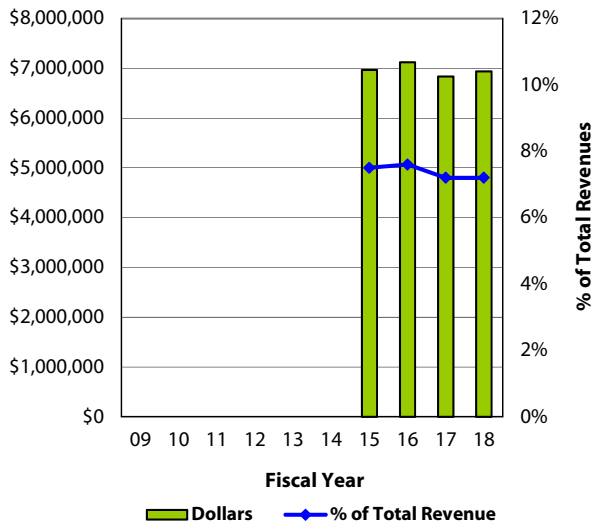
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. In the 2017/18 Budget, the Refuse Tax represents 4.6% of total revenue sources, which is a \$17,800 or 0.4% decrease. The decrease reflects the continued lower costs for the new refuse contract that took effect on May 1, 2016. Due to the 2.1% increase in taxable values, the Refuse millage rate declined by 0.0235 mills from 1.1062 to 1.0827 mills in order to generate sufficient funds to cover the estimated refuse contract costs.

POLICE & FIRE PENSION TAX

The Police & Fire Pension Tax is another substantial source of revenue to the City. The calculation of this revenue source is much like that of the Refuse Tax. Revenues are generated in an amount sufficient to cover the City's actuarially required contribution to fund Police & Fire pensions. By dividing these projected expenditures by the City's taxable property valuation, an ad-valorem tax levy is calculated. The Police & Fire Tax millage rate is adjusted annually to cover the pension expenditures for which this revenue is restricted.



Safe Streets Tax Revenue



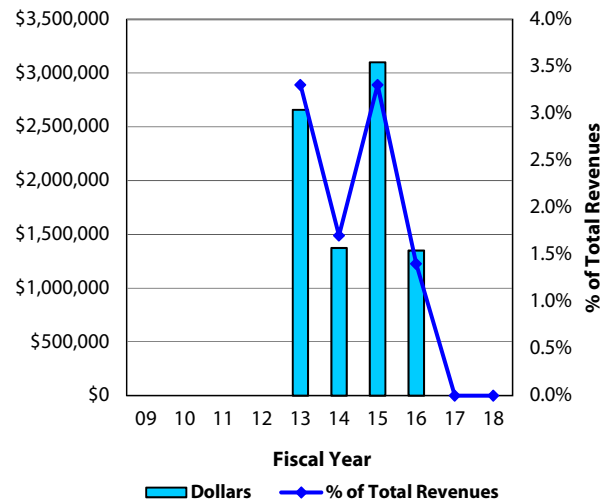
The pension tax revenue increased to match a higher required pension contribution of \$8.3 million. The overall pension liability increased primarily due to the addition of 24 active members to the system, resulting in an increase in the required contribution. Compared to 2008, the required contribution to the pension system has increased to its second highest level and is now \$6.6 million higher than in 2008.

In the 2017/18 Budget, the Police & Fire Pension Tax represents 8.6% of revenue sources, an increase of \$343,700 or 4.3%. The Police & Fire Pension Tax levy for 2017/18 is 2.0124 mills per \$1,000 Taxable Value, an increase of 0.0336 mills. The millage increase is due to the higher required contribution offset by the 2.1% increase in taxable value.

SAFE STREETS TAX

In November 2013, City residents approved a six-year 2.5 mill tax levy starting July 1, 2014. Due to a projected Headlee rollback, this millage will be reduced to 2.4853 for 2017. 1.69 of the 2.4853 mills will generate \$6.9 million in the General Fund to prevent further staffing cuts to Police and Fire positions. The remaining 0.7953 mills will generate \$3.3 million in the Local Road Fund to cover the cost of asphalt and concrete repairs to neighborhood streets.

Transfers from Self-Insurance Fund

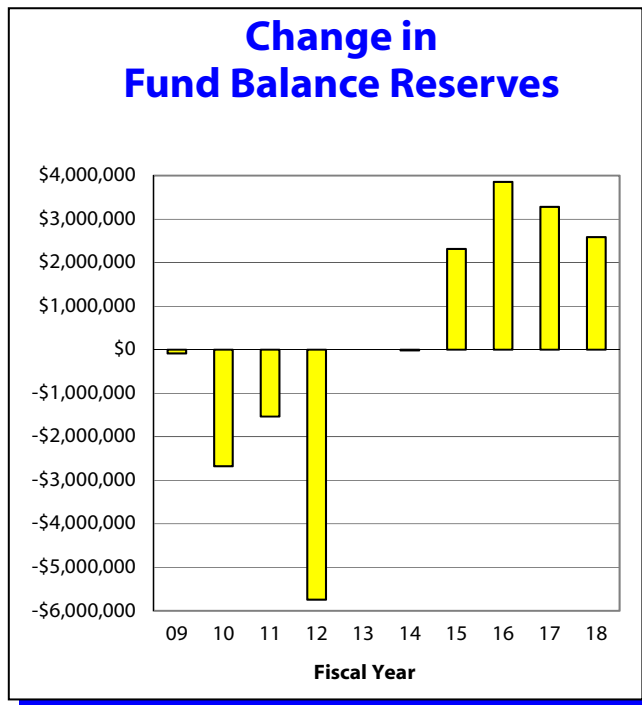


In the 2017/18 Budget, the Safe Streets Tax increased by \$107,000 or 1.1% from amounts collected in 2017 due to the increase in City taxable values. Safe Streets Tax revenue represents 7.2% of General Fund revenue sources. The millage has allowed the City the funding to restore capital purchases and infrastructure repairs that had been reduced during the economic downturn. It has also allowed the City to avoid having to continue to reduce City staffing levels to pay for these needed repairs, and to begin restoring General Fund reserves back to adequate levels.

OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt and the transfers into the General Fund from other City funds. There has been no General Fund purchases financed using long-term debt over the past ten years.

In four of the past five years, despite expenditure reductions, transfers from the Self-Insurance Fund were needed to prevent a further use of General Fund reserves. In 2015, a \$3.1 million transfer of Self-Insurance reserves was budgeted as a pass-through and transfer out to other City funds. \$2.8 million was budgeted for the internal financing of the Van Dyke reconstruction project in the Major



Road Fund. By utilizing insurance funds for the project, the City saved bond interest and issuance costs. \$300,000 was transferred to the Economic Development Fund to establish a revolving fund for future property acquisitions, brownfield or redevelopment projects that would assist the City's economic development efforts. The budget was amended in 2016 to use \$1.4 million for needed capital and parking lot repairs. No transfers from the Self-Insurance Fund are estimated in the current year or proposed in the 2017/18 budget.

USE OF FUND BALANCE

A budgeted Use of, or Contribution to, Fund Balance exists when there is an inequality between budgeted revenues and expenditures. If expenditures exceed revenues, a Use of Fund Balance is needed to balance the budget. If revenues exceed expenditures, then a Contribution to Fund Balance exists.

In 2008, due to lower development revenues, \$425,000 of reserves was used. Only \$85,850 of reserves was used in 2009, despite a 1.1% decrease in taxable values, because of a one-time \$2.1 million transfer from other city funds. In 2010, due to a 1.8% decline in taxable values and despite continued cost-saving efforts, \$2.7 million of reserves was used. In 2011, due to a 9.8% decrease in taxable values offset

by further budget cuts and a 1.9 mill tax adjustment, only \$1.5 million was used. For 2012, \$5.7 million was used due to a 6.9% decrease in taxable values, offset by continued labor and personnel savings.

In 2013 and 2014, while little or no use of General Fund reserves occurred, the City used Self-Insurance Funds to balance the General Fund budget due to a fifth and sixth consecutive year of declining taxable values. General Fund Balance reserves totaled only \$5.2 million or 6.5% of General Fund expenditures – the lowest reserve level in 27 years or since 1987.

Largely due to the one-time increase in the Property Tax reimbursement received from the State of Michigan in the current year and the continued impact of the Safe Streets millage, we estimate contributing \$3.3 million to General Fund Balance reserves in 2017 and \$2.6 million in the 2017/18 budget bringing total General Fund reserves to \$17.3 million or 18.4% of expenditures at year-end.

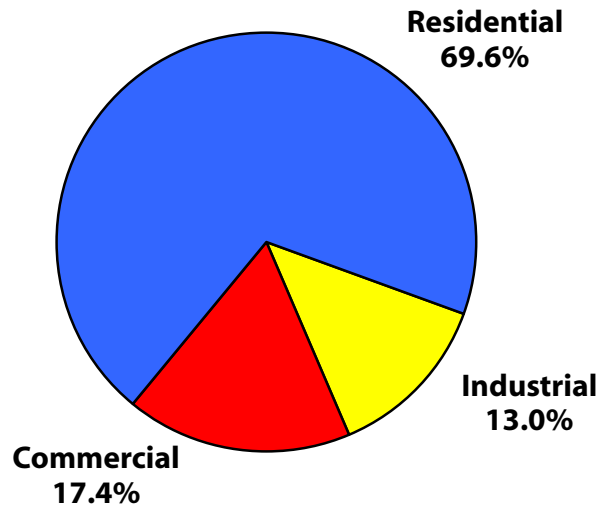
OTHER CITY TAXES

There are two additional property tax millages levied by the City that are not recorded in the General Fund.

The Public Improvements (Proposal F – Fire Station Improvements) millage is recorded in the Debt Service fund and decreased by 0.0038 mills to 0.1114 mills. The Proposal F millage rate is lower due to a 2.1% increase in the City's taxable values and an anticipated refunding that will save approximately \$32,000 annually in interest costs over the remaining six year life of the bond. The Drain Debt was retired in 2015/2016, the final Proposal R road bonds were retired in 2008/09, and the Proposal S debt was paid off in 2001/02, while Proposal T debt was retired in the 1996/97 fiscal year.

The Recreating Recreation millage was approved by voters in November 2016 and is recorded in the newly established Parks and Recreation Special Revenue Fund. This millage was approved at 0.97 mills and is budgeted to generate \$3.98 million in 2017/2018. More detail can be found in the Special Revenues section of this document.■

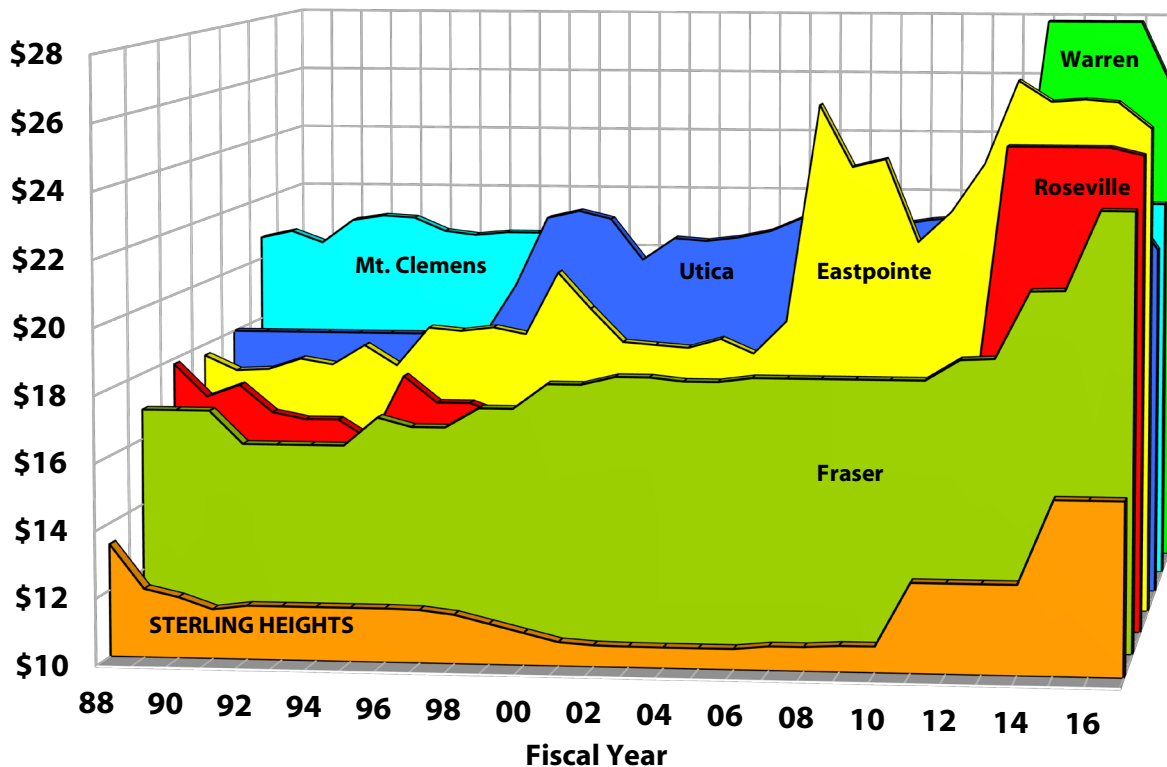
City of Sterling Heights Share of Taxes



This graph illustrates the taxable value of property in the City as a percent by customer class.

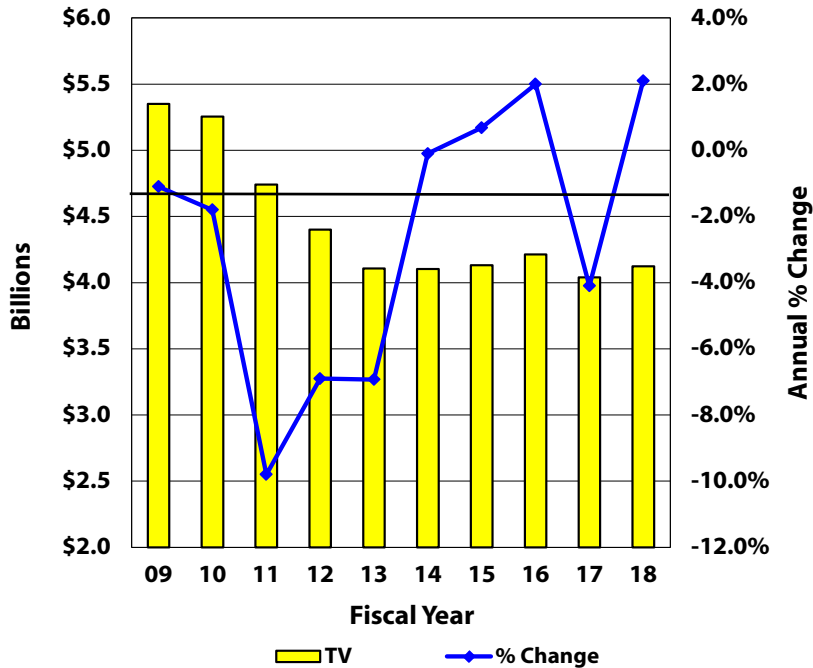
Comparable Tax Rates of Surrounding Macomb County Cities

Per \$1,000 TV



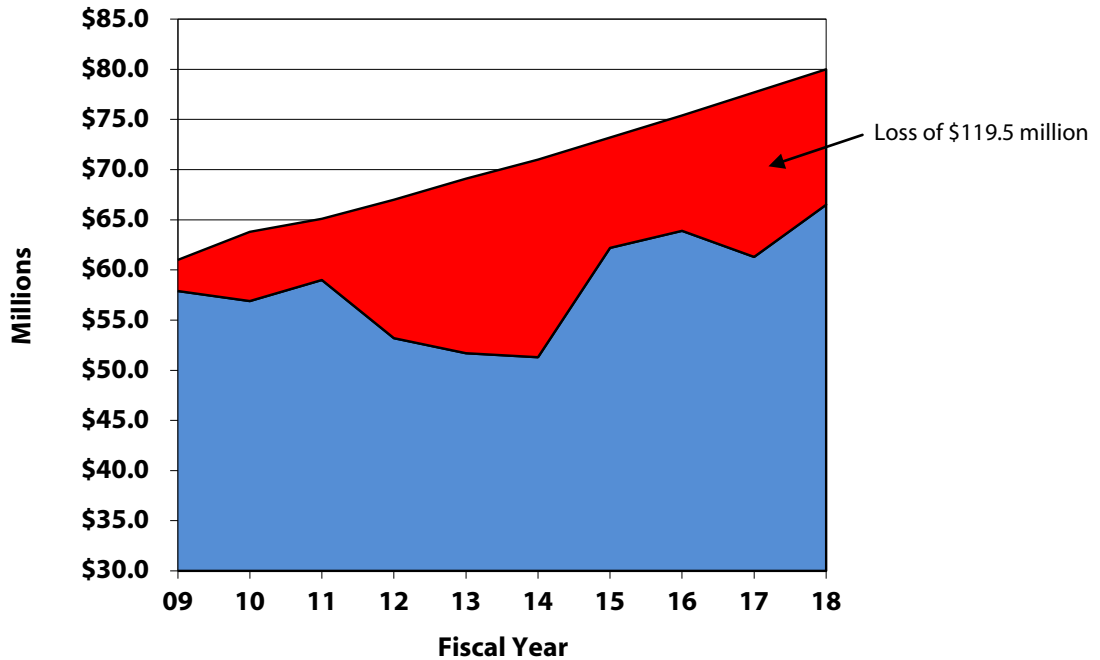
This graph illustrates the taxes levied by Macomb County cities for the past 30 years.

City Taxable Values (TV)



This graph illustrates the property value assessments for real and personal property in the City. The TV, along with the millage rate, determines the total property tax collected.

Property Tax Revenues



This graph illustrates that City property tax revenues historically increased, despite a declining City tax rate, due to inflationary property assessment increases and new development. Starting in 2009, revenues declined due to falling assessments, partially offset by a millage adjustment in 2011, 2015 and 2018.

GENERAL FUND

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CITY OPERATING TAXES</u>						
404000	City Operating Tax	\$39,770,796	42.43	\$38,323,350	41.24	\$38,918,290	40.35
404001	Property Tax Refunds	162,984	0.17	(250,000)	-0.27	(50,000)	-0.05
415000	Delinquent Personal Property Tax	54,314	0.06	65,000	0.07	50,000	0.05
445000	Penalties & Interest	166,242	0.18	175,000	0.19	165,000	0.17
	Total Taxes	40,154,336	42.84	38,313,350	41.23	39,083,290	40.52
	<u>LICENSES & PERMITS</u>						
451000	Business Operating License	19,784	0.02	16,000	0.02	15,000	0.02
452000	Mobile / Temporary Vendor	6,514	0.01	6,000	0.01	6,000	0.01
453000	Liquor License	108,106	0.12	100,000	0.11	100,000	0.10
454000	Vending/Amusement Device Fee	34,297	0.04	15,000	0.02	15,000	0.02
461000	Electrical Registration & Permits	279,252	0.30	245,000	0.26	260,000	0.27
462000	Heating Registration & Permits	289,516	0.31	255,000	0.27	278,000	0.29
463000	Plumbing Registration & Permits	190,567	0.20	190,000	0.20	190,000	0.20
464000	Sign Registration & Permits	43,490	0.05	50,000	0.05	45,000	0.05
470000	Building Registration & Permits	932,425	0.99	1,000,000	1.08	1,150,000	1.19
471000	Fence Permits	13,904	0.01	13,000	0.01	13,500	0.01
477000	Fire Suppression Permits	71,169	0.08	40,000	0.04	70,000	0.07
478000	Animal Permits	55,289	0.06	60,000	0.06	55,000	0.06
479401	Non-Homestead Resident Insp. Fee	69,254	0.07	65,000	0.07	65,000	0.07
479402	Re-Inspection Code Enforcement Fee	35,502	0.04	40,000	0.04	35,000	0.04
	Total Licenses & Permits	2,149,069	2.29	2,095,000	2.24	2,297,500	2.35
	<u>STATE & LOCAL RETURNS</u>						
529000	Federal Grant - Other	192,492	0.21	141,350	0.15	65,000	0.07
539002	State Grants	469	0.00	0	0.00	0	0.00
539378	Act 78 Emergency Telephone Service	33,246	0.04	0	0.00	0	0.00
544000	Drunk Driving Case Flow Assistance	13,317	0.01	12,000	0.01	12,000	0.01
567001	State Aid - Library	80,676	0.09	83,010	0.09	85,600	0.09
569001	Judges Salary Stand Payments	137,172	0.15	137,170	0.15	137,170	0.14
573386	Personal Prop. Tax Reimbursement	182,061	0.19	3,305,070	3.56	4,000,000	4.15
574000	State Revenue Sharing	10,694,420	11.41	10,900,000	11.73	11,000,000	11.42
581001	Municipal Credit Transportation	244,216	0.26	250,000	0.27	0	0.00
583000	Macomb Auto Theft Squad - Grant	61,327	0.07	65,000	0.07	65,000	0.07
585000	Drug Enforce. Admin. - Federal	17,774	0.02	0	0.00	18,000	0.02
587001	County Contrib. - Library Penal Fines	114,910	0.12	120,000	0.13	115,000	0.12
	Total State & Local Returns	11,772,080	12.56	15,013,600	16.16	15,497,770	16.09
	<u>FINES & FORFEITURES</u>						
656003	Contempt Court Fines	38,127	0.04	55,000	0.06	40,000	0.04
656004	Ordinance Fines & Costs	2,590,352	2.76	2,250,000	2.42	2,200,000	2.28
656005	Municipal Civil Infractions	5,150	0.01	3,000	0.00	6,500	0.01
657001	Library Fines	51,153	0.05	52,000	0.06	50,000	0.05
658001	Bond Forfeitures	111,298	0.12	100,000	0.11	100,000	0.10
659001	Driver Reinstatement Fee	38,718	0.04	32,000	0.03	32,000	0.03
659002	Default Judgment Fee	209,047	0.22	185,000	0.20	185,000	0.19
659003	Crime Victim Rights Admin. Fee	13,572	0.01	13,000	0.01	13,000	0.01
659004	Forensic Admin. Fee	0	0.00	0	0.00	150	0.00
	Total Fines & Forfeitures	3,057,417	3.25	2,690,000	2.89	2,626,650	2.72

GENERAL FUND

REVENUE SUMMARY BY ACCOUNT

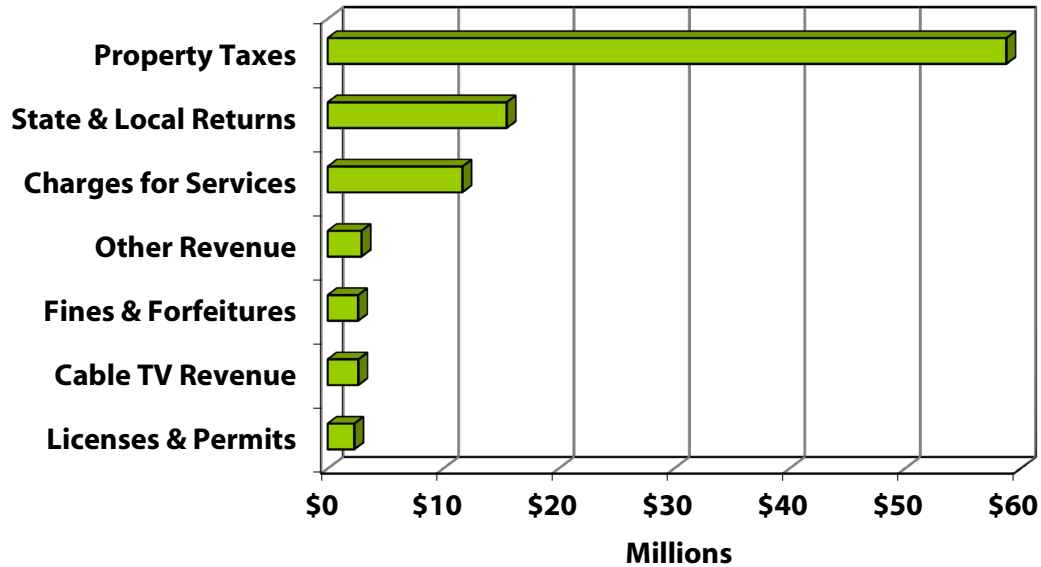
Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>OTHER FINANCING SOURCES</u>						
699677	Transfer From Self-Insurance Fund	1,350,064	1.44	0	0.00	0	0.00
	Total Other Financing Sources	1,350,064	1.44	0	0.00	0	0.00
	<u>CHARGES FOR SERVICES</u>						
603000	Court Filing Fee	118,291	0.13	120,000	0.13	115,000	0.12
603001	Jury Demand Fee	7,420	0.01	4,000	0.00	4,500	0.00
604000	Probation Oversight	278,906	0.30	280,000	0.30	240,000	0.25
605000	Garnishments - Filing Fee	128,297	0.14	145,000	0.16	130,000	0.13
606000	Split/Combination Fee	9,185	0.01	10,000	0.01	8,000	0.01
607000	Fire Permits, Fees, & Inspections	27,481	0.03	30,000	0.03	22,000	0.02
608000	Encroachment/Deviation Fees	680	0.00	1,000	0.00	1,500	0.00
609000	Mobile Home Tax	9,564	0.01	9,600	0.01	9,600	0.01
610000	Vital Statistics	84,990	0.09	75,000	0.08	70,000	0.07
611000	Attorney Fee Reimbursement	34,756	0.04	35,000	0.04	35,000	0.04
612000	Alcohol Assessment Fee	49,176	0.05	50,000	0.05	50,000	0.05
626000	Services - PTAF	1,771,123	1.89	1,720,000	1.85	1,754,180	1.82
627000	Water & Sewer Activity	1,621,410	1.73	1,717,860	1.86	1,679,460	1.74
627444	Administrative Services - Roads	276,680	0.30	270,000	0.29	275,000	0.29
627556	Admin Services-Water Distribution	337,560	0.36	353,970	0.38	349,230	0.36
627574	Admin Services-W&S Improvements	143,070	0.15	147,360	0.16	150,300	0.16
627677	Administrative Services-Self Insurance	296,580	0.32	287,130	0.31	289,050	0.30
627732	Administrative Services-P&F Pension	5,896	0.01	6,500	0.01	6,000	0.01
628001	Voter Lists	873	0.00	800	0.00	800	0.00
629001	Labor Services - Roads	991,971	1.06	1,100,000	1.18	1,100,000	1.14
629002	Labor Services - Cross Charges	22,589	0.02	40,000	0.04	40,000	0.04
629003	Labor Services - Fleet Maintenance	89,368	0.10	75,000	0.08	60,000	0.06
631001	Police & Fire Services	122,313	0.13	125,000	0.13	125,000	0.13
631002	Towed Vehicle Impound Fee	107,657	0.11	105,000	0.11	120,000	0.12
632001	Inspection Services-Projects-Other	255,739	0.27	170,000	0.18	225,000	0.23
632002	Inspection Services-City Projects	397,692	0.42	420,000	0.45	375,000	0.39
632003	Engineering Review Fee	96,980	0.10	140,000	0.15	150,000	0.16
632004	Engineering & Design - Project	708,071	0.76	800,000	0.86	710,000	0.74
632005	Building Number Assignments	1,919	0.00	1,000	0.00	800	0.00
632006	SESC Review Fee	69,651	0.07	25,000	0.03	25,000	0.03
632007	SESC Inspection Fee	72,455	0.08	65,000	0.07	60,000	0.06
632008	Easement Vacation	2,620	0.00	1,500	0.00	1,700	0.00
632009	ROW Permit Fees	2,965	0.00	4,000	0.00	4,000	0.00
634003	Supplies & Gasoline Revenue	34,596	0.04	45,000	0.05	40,000	0.04
634004	Parts-Vehicle Maintenance	59,879	0.06	55,000	0.06	25,000	0.03
635535	Refuse Collection Fees	25,548	0.03	25,000	0.03	12,000	0.01
636000	Plan Review Fee	58,774	0.06	55,000	0.06	70,000	0.07
636001	Building Department Plan Review	371,314	0.40	375,000	0.40	375,000	0.39
637001	Copies & Forms	15,577	0.02	15,000	0.02	15,000	0.02
637002	Maps	440	0.00	400	0.00	400	0.00
637003	Police Reports	103,084	0.11	120,000	0.13	104,000	0.11
637005	Fire Reports	1,743	0.00	2,000	0.00	1,450	0.00

GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
637006	PBT User Fee	288	0.00	500	0.00	250	0.00
637007	False Alarm Fees	106,633	0.11	135,000	0.15	100,000	0.10
637009	Transport Fees	0	0.00	0	0.00	2,491,000	2.58
637301	Notary Fee	2,060	0.00	2,000	0.00	1,500	0.00
638000	Application Fees	19,000	0.02	12,000	0.01	15,000	0.02
639001	Parks & Recreation Fees	496,149	0.53	525,000	0.56	0	0.00
639253	Treasury Transfer & Late Fees	62,404	0.07	70,000	0.08	63,000	0.07
640001	5% Cash Deposit	4,451	0.00	5,000	0.01	2,500	0.00
640002	Weed Cutting	126,659	0.14	150,000	0.16	80,000	0.08
640003	Board of Zoning Appeals Fees	23,723	0.03	15,000	0.02	17,000	0.02
640005	Ordinance Board of Appeals Fees	63,217	0.07	70,000	0.08	65,000	0.07
	Total Charges for Services	9,719,467	10.36	10,011,620	10.79	11,664,220	12.11
	OTHER REVENUE						
656006	Interpreter Fees	12,822	0.01	22,000	0.02	12,000	0.01
665000	Interest on Investments	258,031	0.28	275,000	0.30	400,000	0.41
667002	Rental Income - Utica Road	43,020	0.05	45,690	0.05	47,610	0.05
667003	Rental Income - DPS	103,890	0.11	117,750	0.13	82,950	0.09
667005	Rental - DPW - Impound Lot	33,000	0.04	45,000	0.05	47,610	0.05
667007	Rental - Universal Ambulance	6,500	0.01	6,000	0.01	1,500	0.00
667009	Rental - Towers	178,457	0.19	174,600	0.19	183,000	0.19
669001	Rental - Road Equipment	1,179,415	1.26	1,200,000	1.29	1,200,000	1.24
669002	Rental - Equipment - Cross Charges	20,625	0.02	35,000	0.04	25,000	0.03
673000	Sale of Fixed Assets	56,783	0.06	20,000	0.02	20,000	0.02
675000	Contributions & Donations	6,899	0.01	10,000	0.01	10,000	0.01
675001	Donations - Parks & Recreation	27,564	0.03	20,000	0.02	0	0.00
675003	Art Fair Revenue	80,914	0.09	70,000	0.08	70,000	0.07
676000	Reimbursements	730,482	0.78	600,000	0.65	600,000	0.62
676001	Reimbursements - Legal	(3,222)	0.00	2,000	0.00	2,000	0.00
677008	Unrealized Gain/Loss	123,053	0.13	0	0.00	0	0.00
679000	Police Auction	4,717	0.01	10,000	0.01	0	0.00
679752	Parks & Recreation Retail Sales	667	0.00	750	0.00	0	0.00
679792	Library Book Sales	0	0.00	50	0.00	500	0.00
685000	Miscellaneous Revenue	52,688	0.06	70,000	0.08	70,000	0.07
685292	Misc Revenue - Comm Relations	0	0.00	0	0.00	21,000	0.02
685792	Miscellaneous Revenue - Library	77,173	0.08	80,000	0.09	80,000	0.08
690000	O.U.I.L. Recovery	43,465	0.05	45,000	0.05	41,000	0.04
690002	Warrant Arrest Processing Fee	6,620	0.01	5,000	0.01	6,000	0.01
	Total Other Revenue	3,043,563	3.25	2,853,840	3.07	2,920,170	3.03
405000	City Refuse Tax	4,786,968	5.11	4,469,150	4.81	4,464,060	4.63
406000	P&F Pension Tax	7,992,154	8.53	7,994,750	8.60	8,297,370	8.60
407000	Safe Streets Tax	7,121,201	7.60	6,868,270	7.39	6,942,620	7.20
680000	Cable TV Revenue	2,595,396	2.77	2,625,000	2.82	2,650,000	2.75
	Total General Fund Revenue	\$93,741,715	100.00	\$92,934,580	100.00	\$96,443,650	100.00

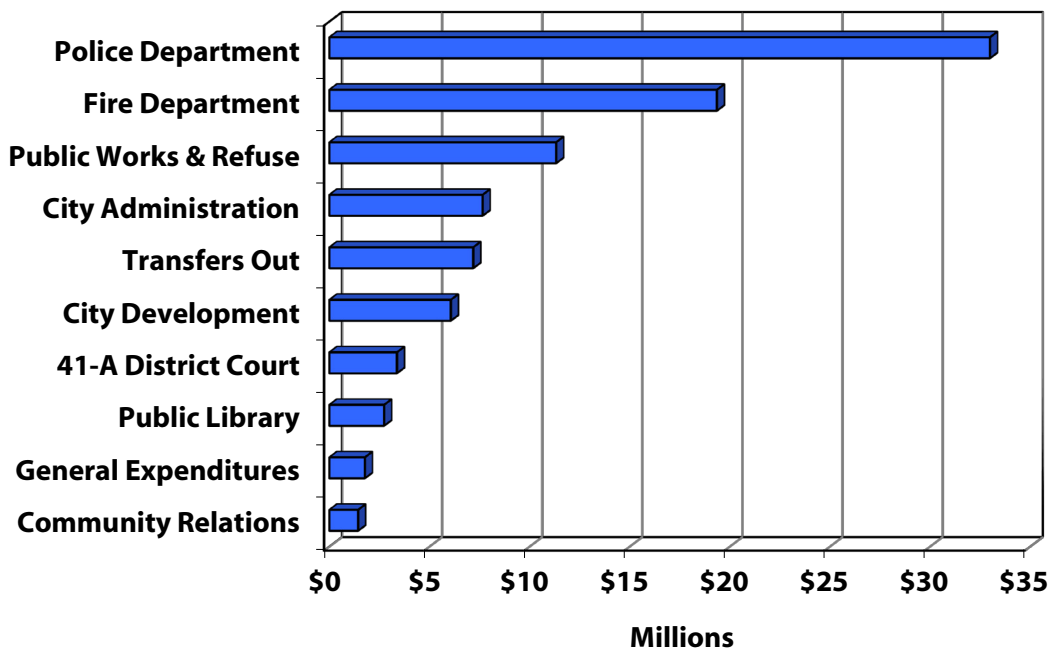
Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted for each budgetary center.

GENERAL FUND EXPENDITURES BY BUDGETARY CENTER

Activity Name	Activity No.	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
LEGISLATIVE					
1. City Council	1010	\$143,940	\$142,170	\$149,750	5.3%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	914,600	1,137,530	1,347,340	18.4%
2. City Clerk	2160	756,590	855,650	854,020	-0.2%
3. Information Technology	2580	879,010	908,010	987,110	8.7%
4. Assessing	2090	878,950	921,780	996,340	8.1%
5. Financial Services	2010	882,250	767,890	787,430	2.5%
6. Purchasing	2330	316,990	318,430	385,680	21.1%
7. Treasury	2530	1,078,660	1,127,910	1,171,180	3.8%
8. Act 78 - Civil Service Commission	2200	42,840	28,120	43,970	56.4%
9. General Employees Pension Board	2390	52,790	55,110	55,790	1.2%
10. Legal	2100	864,020	825,000	875,000	6.1%
Total City Administration Department		6,810,640	7,087,600	7,653,610	8.0%
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,492,550	2,630,590	2,726,280	3.6%
2. Historical Commission	8030	550	580	4,590	691.4%
Total Public Library Department		2,493,100	2,631,170	2,730,870	3.8%
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	1,900,650	1,957,950	0	-100.0%
Total Parks & Recreation Department		1,900,650	1,957,950	0	-100.0%
POLICE DEPARTMENT					
1. Police Administration	3050	4,905,920	5,031,510	5,149,120	2.3%
2. Police Investigations	3100	6,225,590	6,532,510	6,538,970	0.1%
3. Police Operations	3150	20,276,870	21,699,180	19,656,310	-9.4%
4. Police Support Services	3260	1,526,880	1,512,520	1,652,030	9.2%
Total Police Department		32,935,260	34,775,720	32,996,430	-5.1%
FIRE DEPARTMENT					
1. Fire Administration	3370	1,504,920	1,480,470	1,422,360	-3.9%
2. Fire Extinguishment	3390	14,031,400	14,890,860	16,862,330	13.2%
3. Fire Prevention	3410	1,048,990	1,056,350	1,068,430	1.1%
Total Fire Department		16,585,310	17,427,680	19,353,120	11.0%

GENERAL FUND EXPENDITURES BY BUDGETARY CENTER

Activity Name	Activity No.	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
<u>PUBLIC WORKS DEPARTMENT</u>					
1. Fleet Maintenance	5530	2,648,400	2,740,180	2,866,030	4.6%
2. Parks & Grounds Maintenance	7700	1,373,600	1,378,910	1,440,640	4.5%
3. Public Works Center	4420	187,440	256,000	226,500	-11.5%
4. Street Services	4440	2,070,450	2,203,380	2,324,830	5.5%
Total Public Works Department		6,279,890	6,578,470	6,858,000	4.2%
<u>REFUSE COLLECTION</u>					
1. Refuse Collection	5350	4,767,020	4,494,150	4,464,060	-0.7%
Total Refuse Collection		4,767,020	4,494,150	4,464,060	-0.7%
<u>CITY DEVELOPMENT DEPARTMENT</u>					
1. Building & Facilities Maintenance	4120	1,968,060	1,980,450	2,216,100	11.9%
2. Economic Development	4150	320,630	317,510	329,900	3.9%
3. Engineering	4470	1,288,080	1,343,450	1,371,630	2.1%
4. Neighborhood Services	4170	1,508,510	1,515,250	1,661,050	9.6%
5. Planning	4020	226,800	183,030	166,740	-8.9%
6. Planning Commission	4030	6,650	5,790	10,090	74.3%
7. Zoning Board of Appeals	4130	7,050	5,390	7,280	35.1%
8. Component Unit Funding	9670	300,000	300,000	300,000	0.0%
Total City Development Department		5,625,780	5,650,870	6,062,790	7.3%
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
1. Community Relations	2920	1,022,090	1,090,530	1,429,230	31.1%
2. Arts Commission	7930	50	50	50	0.0%
3. Beautification Commission	8060	650	720	720	0.0%
Total Community Relations Department		1,022,790	1,091,300	1,430,000	31.0%
41-A DISTRICT COURT	1360	3,223,740	3,271,140	3,366,950	2.9%
GENERAL EXPENDITURES	8950	1,025,080	1,238,270	1,766,770	42.7%
TRANSFERS OUT	9660	7,217,320	5,995,500	7,176,880	19.7%
Total General Fund Expenditures		\$89,886,580	\$92,199,820	\$93,859,480	1.8%

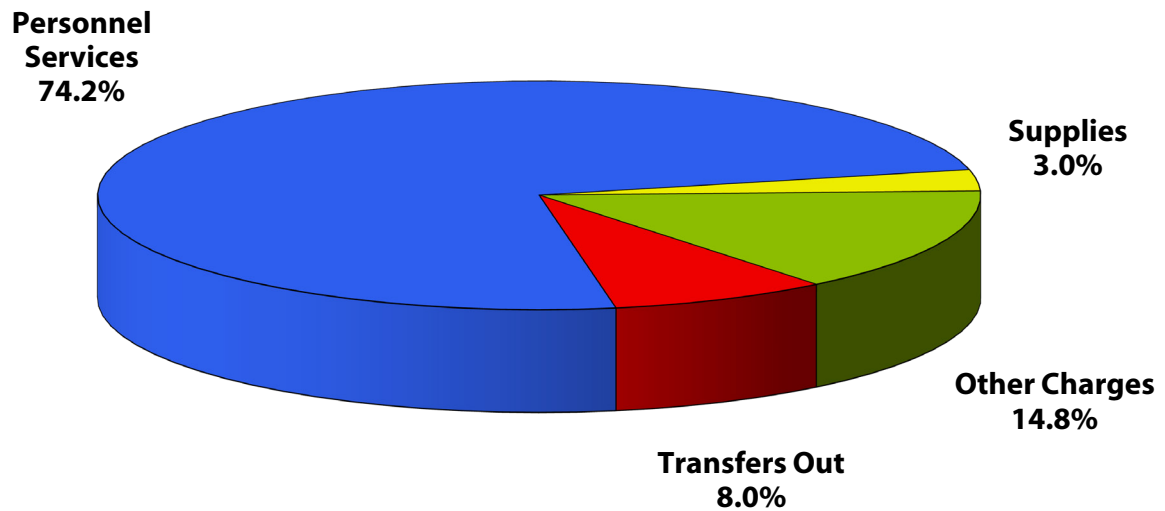
GENERAL FUND BUDGETARY CENTERS EXPENDITURES BY CATEGORY

Budgetary Center	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget
<u>CITY ADMINISTRATION DEPARTMENT</u>					
Personnel Services	\$4,613,108	\$4,991,419	\$5,098,708	\$5,381,830	\$5,743,440
Supplies	180,845	189,434	204,605	202,140	207,940
Other Charges	1,266,388	1,396,990	1,507,329	1,503,630	1,702,230
Total	6,060,341	6,577,843	6,810,642	7,087,600	7,653,610
<u>PUBLIC LIBRARY DEPARTMENT</u>					
Personnel Services	1,906,688	1,946,129	2,033,376	2,133,600	2,219,370
Supplies	173,733	208,266	208,956	216,670	228,940
Other Charges	255,337	254,600	250,770	280,900	282,560
Total	2,335,758	2,408,995	2,493,102	2,631,170	2,730,870
<u>PARKS & RECREATION DEPARTMENT</u>					
Personnel Services	1,330,416	1,417,210	1,514,235	1,542,060	0
Supplies	65,550	64,099	67,009	78,000	0
Other Charges	270,769	299,163	319,406	337,890	0
Total	1,666,735	1,780,472	1,900,650	1,957,950	0
<u>POLICE DEPARTMENT</u>					
Personnel Services	30,357,770	30,483,904	30,074,132	31,544,570	29,978,090
Supplies	84,016	79,532	161,831	179,450	166,680
Other Charges	1,056,797	1,592,300	2,699,298	3,051,700	2,851,660
Total	31,498,583	32,155,736	32,935,261	34,775,720	32,996,430
<u>FIRE DEPARTMENT</u>					
Personnel Services	16,529,831	16,835,642	15,872,444	16,737,970	18,367,970
Supplies	131,764	132,312	178,321	157,980	346,960
Other Charges	416,851	401,480	534,544	531,730	638,190
Total	17,078,446	17,369,434	16,585,309	17,427,680	19,353,120
<u>PUBLIC WORKS DEPARTMENT</u>					
Personnel Services	4,239,264	4,391,242	4,206,217	4,315,880	4,502,200
Supplies	1,647,121	1,524,102	1,380,836	1,472,850	1,484,350
Other Charges	730,805	773,088	692,838	789,740	871,450
Total	6,617,190	6,688,432	6,279,891	6,578,470	6,858,000
<u>REFUSE</u>					
Personnel Services	126,546	135,702	129,333	147,630	144,760
Supplies	2,467	3,163	3,352	2,000	3,000
Other Charges	4,568,622	4,605,496	4,634,339	4,344,520	4,316,300
Total	4,697,635	4,744,361	4,767,024	4,494,150	4,464,060
<u>CITY DEVELOPMENT DEPARTMENT</u>					
Personnel Services	3,916,254	4,127,504	4,393,326	4,413,380	4,704,480
Supplies	42,339	42,531	47,120	47,560	61,980
Other Charges	643,420	812,460	885,325	889,930	996,330
Transfers Out	0	300,000	300,000	300,000	300,000
Total	4,602,013	5,282,495	5,625,771	5,650,870	6,062,790

GENERAL FUND BUDGETARY CENTERS EXPENDITURES BY CATEGORY

Budgetary Center	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
Personnel Services	775,237	817,941	863,762	937,430	988,470
Supplies	28,699	33,902	41,989	44,280	270,450
Other Charges	53,740	81,962	117,043	109,590	171,080
Total	857,676	933,805	1,022,794	1,091,300	1,430,000
<u>41-A DISTRICT COURT</u>					
Personnel Services	2,775,346	2,798,930	2,924,965	2,948,840	3,035,330
Supplies	38,867	39,558	42,327	42,500	41,800
Other Charges	264,552	248,772	256,448	279,800	289,820
Total	3,078,765	3,087,260	3,223,740	3,271,140	3,366,950
<u>GENERAL EXPENDITURES</u>					
Personnel Services	9,229	8,974	26,857	20,000	20,000
Supplies	16,423	20,020	15,814	17,500	17,500
Other Charges	2,142,130	1,087,143	982,408	1,200,770	1,729,270
Total	2,167,782	1,116,137	1,025,079	1,238,270	1,766,770
<u>TRANSFERS OUT</u>					
Transfers Out	1,081,460	8,144,435	7,217,315	5,995,500	7,176,880
<u>TOTAL EXPENDITURES BY CATEGORY</u>					
Personnel Services	66,579,689	67,954,597	67,137,355	70,123,190	69,704,110
Supplies	2,411,824	2,336,919	2,352,160	2,460,930	2,829,600
Other Charges	11,669,411	11,553,454	12,879,748	13,320,200	13,848,890
Transfers Out	1,081,460	8,444,435	7,517,315	6,295,500	7,476,880
Total General Fund	\$81,742,384	\$90,289,405	\$89,886,578	\$92,199,820	\$93,859,480

General Fund Expenditures by Expenditure Category



Total General Fund Budget of \$93,859,480

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 74.2% of total General Fund expenditures.

GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	\$130,473	0.15	\$134,410	0.15	\$139,450	0.15
704000	Wages & Salaries-Permanent	28,734,423	31.97	30,764,800	33.37	30,361,580	32.35
704001	Sick Time Buy Back	342,411	0.38	420,450	0.46	373,450	0.40
704721	Health Insurance Allowance	111,124	0.12	112,500	0.12	111,000	0.12
705000	Wages-Salaries - Temp/Part Time	2,349,860	2.61	2,447,600	2.65	1,967,400	2.10
706000	Wages-Salaries - Occasional	87,930	0.10	110,000	0.12	92,000	0.10
708000	Overtime	2,464,220	2.74	2,803,750	3.04	2,833,750	3.02
708001	Compensatory Time Buy Back	1,587,505	1.77	1,645,150	1.78	1,632,150	1.74
708795	Overtime - F.L.S.A.	17,440	0.02	70,000	0.08	30,000	0.03
709000	Other Benefits/Reimbursements	26,434	0.03	27,770	0.03	34,000	0.04
710000	Longevity	808,513	0.90	726,060	0.79	733,820	0.78
711000	Holiday Pay	928,542	1.03	1,010,150	1.10	1,027,470	1.09
713500	Car Allowance	2,333	0.00	4,000	0.00	4,000	0.00
714000	Food Allowance	72,499	0.08	75,000	0.08	90,000	0.10
715000	Clothing Allowance	314,314	0.35	366,330	0.40	333,530	0.36
717000	FICA	1,414,708	1.57	1,498,900	1.63	1,458,300	1.55
718000	Worker's Compensation	323,707	0.36	330,980	0.36	324,420	0.35
719000	Unemployment Compensation	26,857	0.03	20,000	0.02	20,000	0.02
720000	Pension - General Emp Retirement	2,258,500	2.51	2,160,770	2.34	2,532,150	2.70
720001	Pension - Police and Fire Retirement	7,986,312	8.88	7,994,750	8.67	8,297,370	8.84
720002	Defined Contribution - Employer	221,509	0.25	238,290	0.26	264,120	0.28
720010	Employer Contribution Recovery	(774,039)	-0.86	0	0.00	0	0.00
721000	Health Insurance	4,873,023	5.42	5,301,190	5.75	5,393,720	5.75
721001	Health Insurance - Retirees	11,935,210	13.28	10,861,790	11.78	10,678,360	11.38
721003	Retiree Health Savings - City	166,283	0.18	182,450	0.20	228,000	0.24
722000	Dental Insurance	415,280	0.46	474,560	0.51	415,340	0.44
723000	Life Insurance	60,472	0.07	66,180	0.07	63,820	0.07
724000	Eye Care Insurance	28,168	0.03	30,760	0.03	27,620	0.03
725000	Disability Insurance - Long Term	63,146	0.07	69,030	0.07	67,800	0.07
725355	Disability Insurance - Short Term	160,198	0.18	175,570	0.19	169,490	0.18
	Total Personnel Services	67,137,355	74.69	70,123,190	76.06	69,704,110	74.26
	SUPPLIES						
729000	Postage	246,818	0.27	253,150	0.27	250,100	0.27
730000	Publications	23,337	0.03	22,750	0.02	24,120	0.03
741000	Ammunition	64,514	0.07	64,830	0.07	66,130	0.07
742000	Dog Care Supplies	1,608	0.00	2,000	0.00	2,000	0.00
750000	Fuels & Lubricants	382,081	0.43	500,000	0.54	534,380	0.57
750001	Fuel & Lube Inventory	21,313	0.02	23,000	0.02	24,000	0.03
751000	Operating Supplies	467,110	0.52	494,000	0.54	647,270	0.69
751001	Operating Supplies - Federal Funds	10,863	0.01	0	0.00	0	0.00
758000	Computer Software	589	0.00	500	0.00	500	0.00
759000	Parts & Sublet Services	862,105	0.96	825,000	0.89	825,000	0.88
760000	Playground & Athletic Supplies	29,667	0.03	25,000	0.03	35,000	0.04
761000	Program Activity Supplies	37,859	0.04	43,700	0.05	0	0.00

GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

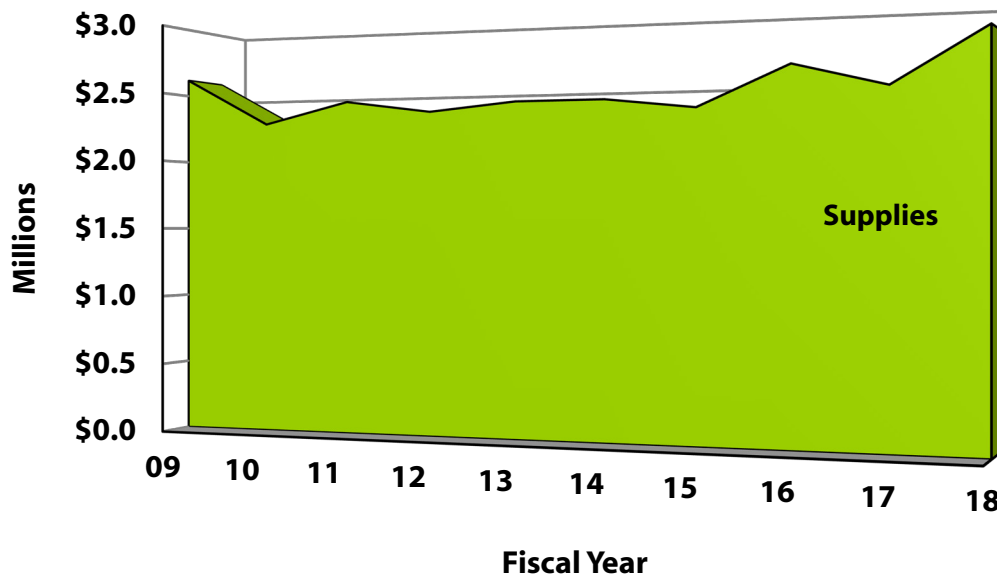
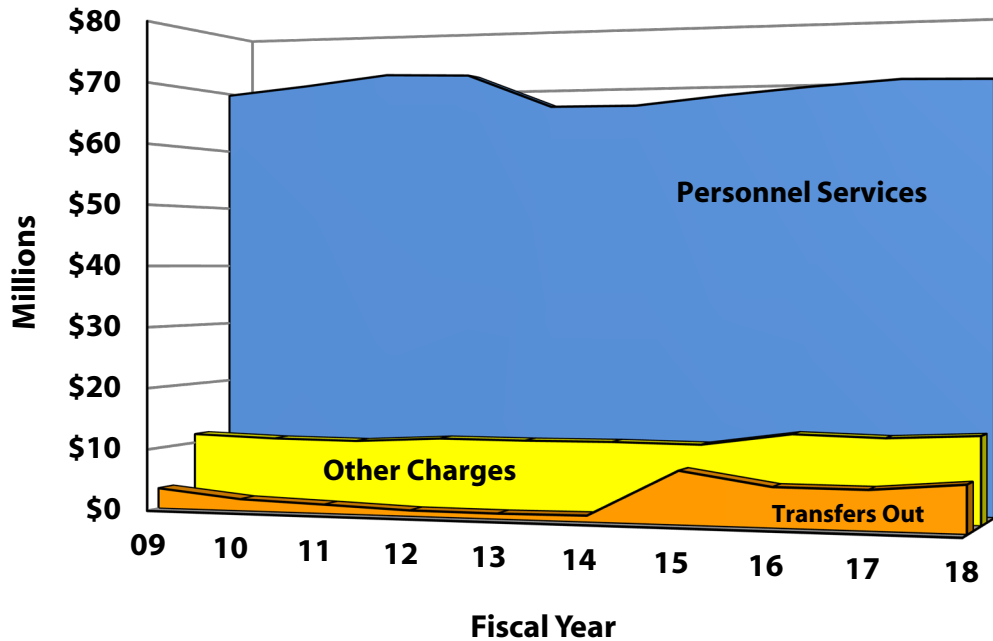
Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
762000	Seniors Program Supplies	11,811	0.01	15,000	0.02	0	0.00
763000	Public Art	0	0.00	0	0.00	225,000	0.24
769000	Audio Visual Media	25,008	0.03	30,000	0.03	31,100	0.03
783000	Seeding & Planting Supplies	10,509	0.01	10,000	0.01	10,000	0.01
785000	Books	156,968	0.17	152,000	0.16	155,000	0.17
	Total Supplies	2,352,160	2.62	2,460,930	2.66	2,829,600	3.01
	OTHER CHARGES						
802000	Audit & Accounting Services	47,600	0.05	55,190	0.06	56,250	0.06
803000	Computer Consultant Services	3,200	0.00	9,000	0.01	8,000	0.01
806000	Legal Services - Other	79,450	0.09	81,000	0.09	80,000	0.09
806001	Legal Services - City Attorney	808,823	0.90	750,600	0.81	800,600	0.85
807000	Medical Services	25,826	0.03	44,300	0.05	41,000	0.04
807001	Medical Services - Grant	102,436	0.11	83,980	0.09	0	0.00
808000	Reporting Services	23,230	0.03	17,800	0.02	24,580	0.03
810000	Other Fees	59,208	0.07	72,330	0.08	71,230	0.08
820000	Tree/Weed Cutting	53,069	0.06	80,000	0.09	60,000	0.06
821000	Spraying Services	15,930	0.02	30,000	0.03	30,000	0.03
822000	Rubbish Removal	4,545,091	5.06	4,209,620	4.57	4,180,500	4.45
825000	Animal Collection	10,358	0.01	25,000	0.03	25,500	0.03
826000	Other Contracted Services	3,764,555	4.19	3,866,270	4.19	3,987,130	4.25
826412	Nuisance Abatements	(5,178)	-0.01	30,000	0.03	30,000	0.03
827000	Interfund Services	69,100	0.08	69,100	0.07	69,100	0.07
829000	Hazardous Waste Disposal	2,274	0.00	1,300	0.00	2,500	0.00
830000	Recruiting Costs	475	0.00	0	0.00	0	0.00
832000	Building Maintenance	200,477	0.22	191,650	0.21	292,000	0.31
833000	Equipment Maintenance	340,373	0.38	347,490	0.38	427,890	0.46
833001	Personal Computer Maintenance	4,489	0.00	6,000	0.01	6,000	0.01
835000	Vehicle Maintenance	0	0.00	0	0.00	50,000	0.05
836000	Radio Maintenance	5,436	0.01	7,100	0.01	7,150	0.01
837000	Retention Pond Maintenance	64,560	0.07	70,000	0.08	70,000	0.07
838000	Parks & Grounds Maintenance	28,799	0.03	25,000	0.03	25,000	0.03
902000	Publishing	18,755	0.02	18,480	0.02	14,640	0.02
903000	Printing	83,413	0.09	82,780	0.09	93,170	0.10
913000	Liability Insurance	5,068	0.01	5,100	0.01	505,100	0.54
915000	Other Insurance	19,260	0.02	19,260	0.02	18,960	0.02
921000	Electric	471,772	0.52	536,000	0.58	473,000	0.50
922000	Telephone	53,017	0.06	60,560	0.07	56,140	0.06
922001	Fiber Optic Lease Charges	45,327	0.05	55,750	0.06	57,420	0.06
923000	Gas - Fuel - Oil	154,036	0.17	222,000	0.24	180,000	0.19
924000	Street Lighting	825,145	0.92	945,000	1.02	965,000	1.03
925000	Water	158,911	0.18	175,500	0.19	247,500	0.26
944000	Hydrant Rental	162,950	0.18	166,210	0.18	166,210	0.18
945000	Other Rental	261,969	0.29	260,040	0.28	242,770	0.26
949000	Interpreter Fees	53,829	0.06	53,000	0.06	53,500	0.06
950000	Witness Fees	5,020	0.01	5,000	0.01	5,000	0.01
951000	Juror Fees	3,211	0.00	4,000	0.00	4,000	0.00

GENERAL FUND EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
954000	Mileage	1,304	0.00	1,500	0.00	1,200	0.00
956000	Local Meetings	8,727	0.01	7,790	0.01	7,850	0.01
956002	Special Events	165	0.00	250	0.00	39,770	0.04
957000	Memberships & Dues	115,216	0.13	119,370	0.13	123,330	0.13
959000	Education & Training	143,790	0.16	163,480	0.18	163,200	0.17
959001	Education & Training - Grant	5,490	0.01	0	0.00	0	0.00
960000	Donation Expense Non-Capital	6,741	0.01	4,000	0.00	4,000	0.00
961000	Athletic Entry Fees	40	0.00	200	0.00	0	0.00
962000	Miscellaneous Expense	26,790	0.03	92,200	0.10	82,700	0.09
962001	Misc Exp - Cash - Short/Over	221	0.00	0	0.00	0	0.00
962002	Misc Exp - Police Forfeiture	0	0.00	250,000	0.27	0	0.00
	Total Other Charges	12,879,748	14.33	13,320,200	14.45	13,848,890	14.75
	TRANSFERS OUT						
999202	Transfer to Major Road Fund	0	0.00	500,000	0.54	500,000	0.53
999203	Transfer to Local Road Fund	0	0.00	400,000	0.43	500,000	0.53
999244	Transfer to L&W Conservation Fund	738,700	0.82	240,000	0.26	0	0.00
999276	Transfer to P&R Fund	0	0.00	0	0.00	1,251,310	1.33
999369	Transfer to LTGO Debt Fund	322,375	0.36	356,080	0.39	337,480	0.36
999403	Transfer to Capital Projects Fund	6,156,240	6.85	4,499,420	4.88	4,588,090	4.89
999851	Transfer to CIA Fund	0	0.00	0	0.00	160,000	0.17
999855	Transfer to EDC Fund	300,000	0.33	300,000	0.33	140,000	0.15
	Total Transfers Out	7,517,315	8.36	6,295,500	6.83	7,476,880	7.96
	Total General Fund	\$89,886,578	100.00	\$92,199,820	100.00	\$93,859,480	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

General Fund Expenditure History



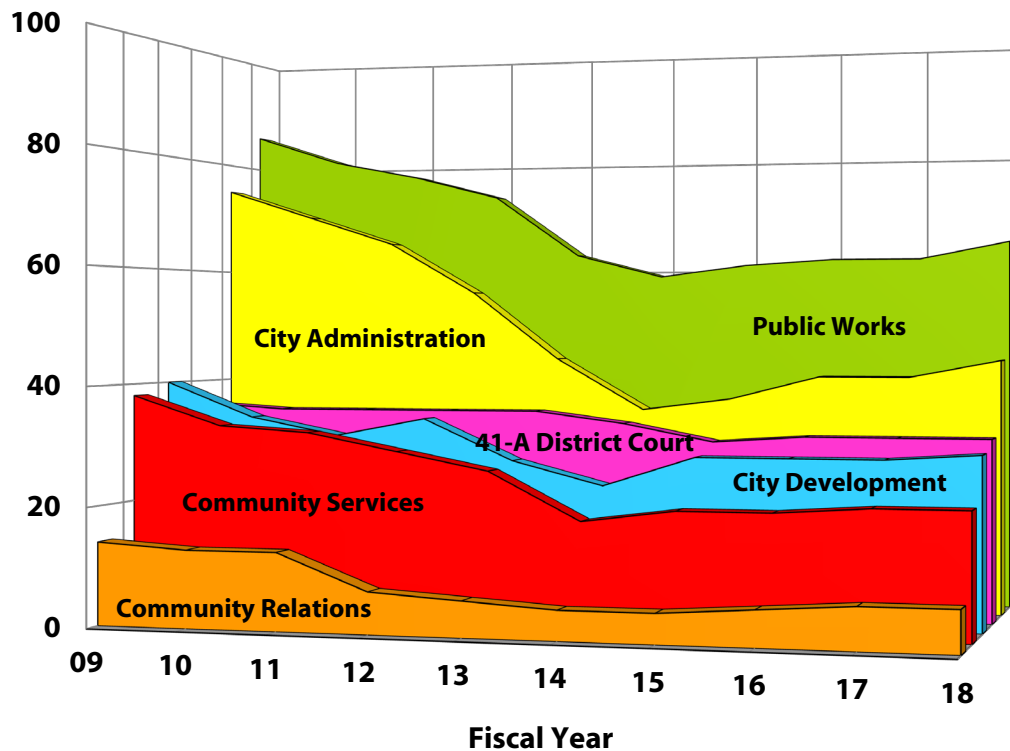
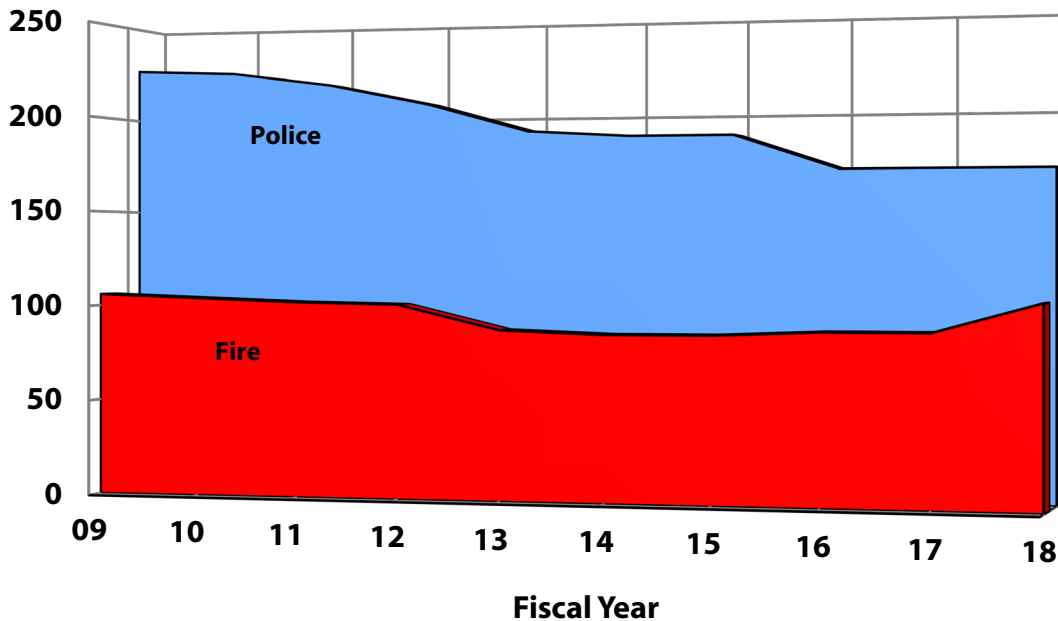
These graphs illustrate the expenditure category history for the General Fund.

Personnel Summary



The Personnel Summary portion of the city budget represents a historical summary of all personnel related information. This information includes graphs showing the number of full-time personnel employed by the city, along with fringe benefit expenses. Also presented is a breakdown of the personnel assigned within each activity and the budgeted wages for each position.

Full-time Personnel History by Department



These graphs illustrate the number of full-time employees by department for the past 10 years.

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2015/16		Budget 2016/17		Budget 2017/18	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>CITY ADMINISTRATION DEPARTMENT</u>						
	<u>CITY MANAGEMENT</u>						
153,717	City Manager	1		1		1	
132,000	Assistant City Manager	0		1		1	
	Human Resources Director/Assistant City Manager	1		1		0	
95,832 - 120,590	Finance & Budget Director	1		1		1	
76,061 - 104,781	Human Resources & Benefits Manager	0		0		1	
	Deputy Human Resources Director	1		0		0	
63,012 - 70,529	Budget Management Coordinator	1		1		1	
51,331 - 63,747	Risk Management Coordinator	0		0		1	
45,651 - 56,693	Management Services Specialist	1		1		1	
41,464 - 53,822	Management Assistant	1		1		1	
44,516 - 52,002	Administrative Assistant	1		1		1	
	Administrative Assistant (P.T.)		1		0		0
	Clerk Typist (P.T.)		0		1		0
	Total	8	1	8	1	9	0
	<u>CITY CLERK</u>						
	City Clerk/Risk Manager	1		1		0	
86,249 - 120,590	City Clerk	0		0		1	
	Deputy City Clerk	1		1		0	
41,464 - 53,822	Management Assistant	2		2		2	
36,291 - 47,131	Senior Clerk	1		1		1	
27,095 - 44,202	Clerk Typist	1		1		1	
21,833	Clerk Typist (P.T.)		0		1		1
	Total	6	0	6	1	5	1
	<u>INFORMATION TECHNOLOGY</u>						
95,233 - 118,072	Information Technology Director	0		1		1	
	Information Technology Manager	1		0		0	
62,320 - 69,655	Senior Systems Analyst	2		2		2	
53,393 - 66,960	Information Technology Specialist	2		2		2	
	Total	5	0	5	0	5	0
	<u>ASSESSING</u>						
88,740 - 110,020	City Assessor	1		1		2	
60,964 - 77,220	Appraiser III	2		2		2	
	Appraiser III (P.T.)		1		0		0
53,880 - 68,247	Appraiser II	1		2		2	
52,380 - 59,711	Appraiser I	1		1		1	
43,024 - 55,849	Appraiser Aide	1		1		1	
21,833	Clerk Typist (P.T.)		1		1		1
	Total	6	2	7	1	8	1
	<u>FINANCIAL SERVICES</u>						
79,865 - 110,020	Controller	2		1		1	
63,012 - 70,529	Payroll Accountant	1		1		1	
54,866 - 68,479	Accountant					1	
	Accountant (P.T.)		2		2		0
40,064 - 52,002	Senior Account Clerk	2		2		2	
22,835	Account Clerk (P.T.)		2		2		2
	Total	5	4	4	4	5	2
	<u>PURCHASING</u>						
68,993	Purchasing Manager	1		1		1	
84,514 - 104,781	Purchasing Manager	0		0		1	
57,034 - 63,747	Purchasing Specialist	1		1		1	
44,516 - 52,002	Administrative Assistant	1		1		1	
	Total	3	0	3	0	4	0

PERSONNEL SUMMARY

	OFFICE	Budget 2015/16		Budget 2016/17		Budget 2017/18	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>TREASURY</u>						
79,865 - 110,020	City Treasurer	1		1		1	
66,596 - 75,348	Pension Administrator/Utility Billing Accountant	1		1		1	
60,962 - 68,479	Accountant	1		1		1	
46,071 - 53,822	Management Assistant	1		1		1	
44,516 - 52,002	Senior Account Clerk	2		2		2	
33,544 - 47,131	Account Clerk	2		2		2	
16,065 - 28,086	Account Clerk (P.T.)		2		3		3
	Total	8	2	8	3	8	3
	Total City Administration Department	41	9	41	10	44	7
	<u>PUBLIC LIBRARY DEPARTMENT</u>						
95,233 - 118,072	Public Library Director	0		1		1	
	Community Service Director/Library Director	1		0		0	
60,962 - 69,157	Library Service Area Coordinator	2		2		2	
59,325 - 66,960	Public Relations & Programs Coordinator	1		1		1	
51,265 - 63,975	Librarian	2		2		2	
31,420 - 39,369	Librarian (P.T.)		10		10		10
52,380 - 59,711	Circulation Supervisor	1		1		1	
47,805 - 55,849	Library Services Specialist	0		1		1	
	Management Assistant	1		0		0	
44,516 - 52,002	Library Assistant II	3		3		3	
37,210 - 48,302	Library Assistant I	1		1		1	
17,620 - 24,097	Library Clerk (P.T.)		6		6		6
9,203 - 10,535	Library Page (P.T.)		10		10		10
	Total Public Library Department	12	26	12	26	12	26
	<u>POLICE DEPARTMENT</u>						
	<u>POLICE ADMINISTRATION</u>						
99,877 - 125,367	Chief of Police	1		1		1	
108,055 - 110,089	Captain	1		1		1	
98,012 - 102,460	Lieutenant	1		1		1	
88,611 - 93,214	Sergeant	2		2		2	
44,705 - 77,553	Police Officer	2		2		2	
38,523 - 53,482	Secretary to Chief	1		1		1	
37,498 - 52,456	Administrative Secretary	4		4		4	
26,621 - 45,768	Technical Secretary	1		1		1	
	Total	13	0	13	0	13	0
	<u>POLICE INVESTIGATIONS</u>						
107,305 - 110,089	Captain	1		1		1	
98,012 - 102,460	Lieutenant	2		2		2	
88,611 - 93,214	Sergeant	4		4		4	
44,705 - 77,553	Police Officer	24		25		26	
37,498 - 52,456	Administrative Secretary	2		2		2	
26,621 - 45,768	Technical Secretary	2		2		2	
	Total	35	0	36	0	37	0

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2015/16		Budget 2016/17		Budget 2017/18	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>POLICE OPERATIONS</u>						
107,305 - 110,089	Captain	1		1		1	
98,012 - 102,460	Lieutenant	4		4		4	
88,611 - 93,214	Sergeant	16		16		16	
44,705 - 77,553	Police Officer	89		88		87	
37,498 - 52,456	Administrative Secretary	2		2		2	
25,365 - 45,768	Technical Secretary	1		1		1	
150,000	Crossing Guards (P.T.)		30		30		30
	Total	113	30	112	30	111	30
	<u>POLICE SUPPORT SERVICES</u>						
88,611 - 93,214	Sergeant	1		1		1	
31,358	Laboratory Technician (P.T.)		1		1		1
38,523 - 53,482	Evidence Clerk	1		1		1	
37,498 - 52,456	Administrative Secretary	2		2		2	
40,016 - 50,439	Animal Control Officer	2		2		2	
33,677 - 47,469	Terminal Agency Coordinator	1		1		1	
25,365 - 45,768	Technical Secretary	3		3		3	
21,801	Technical Secretary (P.T.)		0		0		2
9,250	Co-op (P.T.)		0		0		1
	Total	10	1	10	1	10	4
	Total Police Department	171	31	171	31	171	34
	<u>FIRE DEPARTMENT</u>						
	<u>FIRE ADMINISTRATION</u>						
82,547	Fire Chief	1		1		1	
106,180 - 115,188	Division Chief/Assistant Fire Chief	1		1		1	
97,413 - 106,164	Chief of Training	1		1		1	
95,620 - 99,269	EMS Coordinator	1		1		1	
91,112 - 94,674	Training Officer	1		1		1	
47,805 - 55,849	Fire Services Specialist	1		1		1	
46,071 - 53,822	Management Assistant	1		1		1	
44,516 - 52,002	Administrative Assistant	1		1		1	
22,161	Clerk Typist (P.T.)		0		0		1
	Co-op (P.T.)		0		1		0
	Total	8	0	8	1	8	1
	<u>FIRE EXTINGUISHMENT</u>						
95,505 - 101,109	Battalion Chief	3		3		3	
92,031 - 97,433	Captain-Advanced Life Support	5		5		5	
83,600 - 89,388	Lieutenant-Advanced Life Support	13		13		14	
78,870 - 84,329	Lieutenant	3		3		2	
78,550 - 80,073	Sergeant - Fire Engine Operator	9		9		9	
43,708 - 77,728	Fire Fighter-Advanced Life Support	30		30		45	
42,883 - 76,261	Fire Fighter-Fire Engine Operator	12		12		12	
	Total	75	0	75	0	90	0
	<u>FIRE PREVENTION</u>						
97,413 - 106,164	Fire Marshal	1		1		1	
91,112 - 94,674	Fire Inspector	3		3		3	
83,592 - 86,859	Fire Prevention Specialist	1		1		1	
	Total	5	0	5	0	5	0
	Total Fire Department	88	0	88	1	103	1

PERSONNEL SUMMARY

		Budget 2015/16		Budget 2016/17		Budget 2017/18	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	OFFICE						
	<u>PUBLIC WORKS DEPARTMENT</u>						
	<u>FLEET MAINTENANCE</u>						
62,259 - 82,068	Division Supervisor	0		1		1	
	Maintenance Supervisor	1		0		0	
43,344 - 62,342	Mechanic	9		9		10	
45,230 - 56,779	Storekeeper	1		1		1	
24,440	Seasonal Laborer (P.T.)		1		1		1
	Total	11	1	11	1	12	1
	<u>PARKS & GROUNDS MAINTENANCE</u>						
62,259 - 82,068	Division Supervisor	1		1		1	
45,230 - 56,779	Parks & Grounds Maintenance Worker	3		3		3	
29,106 - 55,145	Laborer	1		1		1	
4,272 - 21,000	Seasonal Laborer (P.T.)		12		12		12
	Total	5	12	5	12	5	12
	<u>REFUSE COLLECTION</u>						
24,097	Account Clerk (P.T.)		1		1		1
22,360 - 23,400	Seasonal Laborer (P.T.)		4		4		4
	Total	0	5	0	5	0	5
	<u>STREET SERVICES</u>						
62,259 - 82,068	Division Supervisor	1		1		1	
50,404 - 62,342	Equipment Operator A	1		1		1	
47,392 - 59,150	Equipment Operator B	7		7		7	
47,392 - 59,150	Traffic Sign Worker	2		2		2	
47,392 - 59,150	Street Services Inspector	1		1		1	
45,230 - 56,779	Equipment Operator C	2		2		2	
29,106 - 55,145	Laborer	5		4		4	
4,272 - 22,050	Seasonal Laborer (P.T.)		6		6		6
	Total	19	6	18	6	18	6
	Total Public Works Department	35	24	34	24	35	24
	<u>CITY DEVELOPMENT DEPARTMENT</u>						
	<u>BUILDING & FACILITIES MAINTENANCE</u>						
94,772 - 117,498	Building Official/Facilities Maintenance Manager	1		1		1	
69,109 - 81,281	Building Plan Review Coordinator	1		1		1	
63,611 - 78,596	Building Inspector	1		1		2	
63,611 - 78,596	Plumbing Inspector	1		1		1	
63,611 - 78,596	Electrical Inspector	1		1		1	
63,611 - 78,596	Mechanical Inspector	1		1		1	
	Building Inspector (P.T.)		1		1		0
52,049 - 60,638	Lead Facilities Maintenance Mechanic	1		1		1	
47,640 - 55,263	Facilities Maintenance Mechanic	2		2		2	
	Total	9	1	9	1	10	0
	<u>ECONOMIC DEVELOPMENT</u>						
52,380 - 59,711	Building Services Specialist - Velocity	0		1		1	
	Management Assistant	1		0		0	
	Total	1	0	1	0	1	0

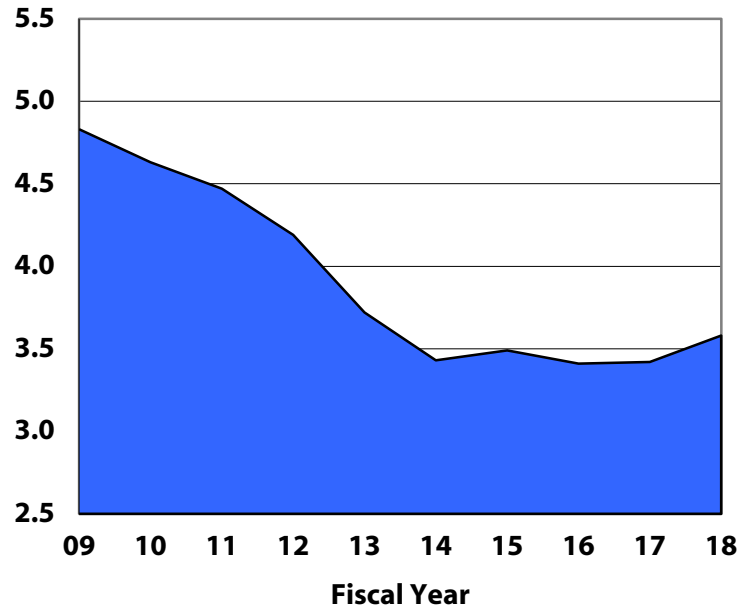
PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2015/16		Budget 2016/17		Budget 2017/18	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>ENGINEERING</u>						
94,772 - 117,498	City Engineer	1		1		1	
64,138 - 83,262	Civil Engineer II	1		2		2	
	Civil Engineer I	1		0		0	
71,265 - 83,262	CAD/GIS Coordinator	1		1		1	
68,283 - 75,057	Construction Coordinator	0		1		1	
	Lead Engineering Inspector	1		0		0	
49,546 - 71,018	Engineering Aide	3		3		3	
	Engineering Aide (P.T.)		1		1		0
	Co-op (P.T.)		1		1		1
	Total	8	2	8	2	8	1
	<u>NEIGHBORHOOD SERVICES</u>						
95,832 - 120,590	City Development Director	1		1		1	
84,514 - 104,781	City Development Manager	1		1		1	
76,789 - 81,281	Code Enforcement Coordinator	1		1		1	
63,320 - 69,655	HUD Program Coordinator	1		1		1	
58,721 - 66,933	Neighborhood Property Maintenance Code Officer	1		1		1	
41,464 - 53,822	Management Assistant	2		2		2	
44,516 - 52,002	Administrative Assistant	1		1		1	
36,291 - 47,131	Senior Clerk	1		1		1	
26,592 - 27,460	Code Enforcement Officer (P.T.)		6		8		8
21,833 - 23,050	Clerk Typist (P.T.)		2		2		2
8,790	CDBG Intern (P.T.)		1		1		1
	Total	9	9	9	11	9	11
	<u>PLANNING</u>						
79,865 - 110,020	City Planner	1		1		1	
	City Planner (P.T.)		1		0		0
	Total	1	1	1	0	1	0
	Total City Development Department	28	13	28	14	29	12
	<u>COMMUNITY RELATIONS DEPARTMENT</u>						
86,247 - 115,089	Community Relations Director	1		1		1	
64,059 - 72,478	Broadcast Services Coordinator	1		1		1	
54,417 - 61,429	Broadcast Programming Specialist	1		1		1	
48,976 - 61,429	Digital Content Coordinator	0		1		1	
50,723 - 57,827	Community Relations Services Specialist	0		1		1	
	Management Services Specialist	1		0		0	
49,730 - 55,581	Citizen Services Specialist	1		1		1	
45,868 - 53,598	Printing Technician II	1		1		1	
30,000	Graphic Specialist (P.T.)		1		1		1
4,320	Intern (P.T.)		0		0		1
	Total Community Relations Department	6	1	7	1	7	2
	<u>41-A DISTRICT COURT</u>						
45,724	Judge	3		3		3	
123,018	Court Administrator/Magistrate	0		1		1	
	Magistrate/Director of Probation	1		0		0	
	Court Administrator	1		0		0	
71,761	Chief Probation Officer	0		1		1	
66,635	Chief Deputy Clerk	1		1		1	
59,873	Court Recorder	3		3		3	
55,702	Court Officer	3		3		3	

PERSONNEL SUMMARY

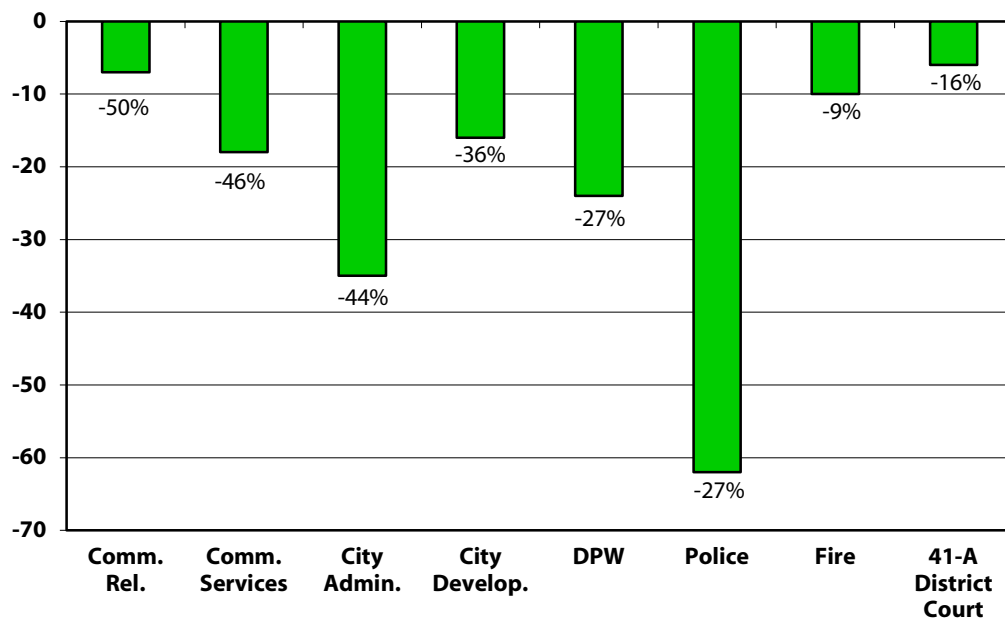
Current Pay Range	OFFICE	Budget 2015/16		Budget 2016/17		Budget 2017/18	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>41-A DISTRICT COURT (CONTINUED)</u>						
48,695	Probation Officer	1		1		1	
30,976 - 45,309	Deputy Clerk	18		18		18	
16,971 - 21,749	Deputy Clerk (P.T.)		6		7		7
13,074	Security Guards (P.T.)		4		3		3
	Total 41-A District Court	31	10	31	10	31	10
	Total General Fund	412	114	412	117	432	116
	<u>PARKS & RECREATION FUND</u>						
88,740 - 110,020	Parks & Recreation Director	0		1		1	
	Parks & Recreation Manager	1		0		0	
53,393 - 66,960	Recreation Supervisor	2		4		4	
38,356	Recreation Supervisor (P.T.)		1		0		1
	Recreation Specialist	1		0		0	
30,661 - 32,610	Recreation Specialist (P.T.)		0		0		3
44,516 - 52,002	Administrative Assistant	1		1		1	
36,291 - 47,131	Program & Services Assistant	2		2		2	
29,004	Program & Services Assistant (P.T.)		1		1		1
36,291 - 47,131	Senior Clerk	1		1		1	
	Total Parks & Recreation Fund	8	2	9	1	9	5
	<u>WATER & SEWER FUND</u>						
	<u>WATER & SEWER ADMINISTRATION</u>						
99,877 - 125,367	Public Works Director	1		1		1	
70,511 - 92,998	Operations Manager	1		1		1	
65,289 - 86,079	General Supervisor	1		1		1	
44,516 - 52,002	Senior Account Clerk	1		1		1	
29,944 - 44,976	Clerk Dispatcher	1		1		1	
30,105 - 44,202	Clerk Typist	1		1		1	
4,895	Seasonal Laborer (P.T.)		3		3		3
	Total	6	3	6	3	6	3
	<u>WATER DISTRIBUTION</u>						
	Division Supervisor	1		0		0	
55,246 - 69,758	Maintenance Supervisor	0		1		1	
47,392 - 59,150	Water Inspector	2		2		2	
47,392 - 59,150	Water Service Worker	4		4		5	
45,230 - 56,779	Meter Repair/Installer	2		2		2	
10,750 - 15,300	Seasonal Laborer (P.T.)		4		4		4
	Total	9	4	9	4	10	4
	<u>SEWAGE COLLECTION</u>						
	Division Supervisor	1		0		0	
55,246 - 69,758	Maintenance Supervisor	0		1		1	
48,160 - 59,883	Plant Operator/Mechanic	2		2		2	
47,392 - 59,150	Sewer Service Worker (Clean)	2		2		2	
47,392 - 59,150	Water/Sewage Inspector	2		2		3	
45,230 - 57,894	Sewer Service Worker (Maint.)	1		1		1	
29,106 - 55,145	Laborer	4		5		5	
2,520 - 22,913	Seasonal Laborer (P.T.)		5		5		5
	Total	12	5	13	5	14	5
	Total Water & Sewer Fund	27	12	28	12	30	12
	Total All Funds	447	128	449	130	471	133

Full-time Employees per 1,000 Population



This graph illustrates the number of City employees per 1,000 residents.

Full-time Staffing Reductions By Department Since 2002



The City's full time staffing has decreased by 178 positions or 27% since 2002.

***We are what we repeatedly do.
Excellence, then, is not an act, but a habit.***

~ Aristotle ~



Legislative



The Sterling Heights City Council (L-R)

Councilman Gary Lusk, Councilwoman Liz Sierawski, Councilwoman Maria G. Schmidt, Mayor Michael C. Taylor, Mayor Pro Tem Barbara A. Ziarko, Councilwoman Deanna Koski, Councilman Nate Shannon.

MISSION STATEMENT: *To represent the residents of the City of Sterling Heights in a responsible and judicious manner ensuring their health, safety and well-being.*

The Sterling Heights City Council assumes many duties and responsibilities. Unlike the Mayor/Council form of government, separation of powers between the elected Mayor and Council does not exist in Sterling Heights. The legislative powers of the Council are shared equally among all members. The Mayor and Council members are collectively responsible for establishing policy and adopting a budget, as well as hiring, directing, and evaluating the City Manager, the chief administrator responsible for the City's administrative operations. The City Council also appoints, directs and evaluates the City Attorney.

One of the main duties of the City Council is to establish policies. Priorities include the adoption of goals and objectives, the establishment of priorities for public services, and the approval of programs throughout the City. This also includes the approval and amendment of the operating and capital budgets, approval of expenditures and payments, and grant applications. The City Council also ratifies contracts, adopts zoning ordinances and changes, and resolves appeals.

The City Council acts indirectly in a supervisory role as part of its duties and responsibilities. Direction is given to City Administration through the City Council regarding the implementation and evaluation of various programs. Residents' concerns are forwarded to City Administration by the City Council.

The Sterling Heights City Council represents the City in various local, regional, state, and national boards, commissions and committees, provides public leadership, and communicates with constituents about various issues. Public leadership is provided by the City Council through verbal and written communications with constituents. The wishes of the constituents are brought forth and addressed at the City Council meetings. Ultimately, the City Council is responsible for the arbitration of conflicting interests that arise during the course of City business.

KEY GOALS

- *To provide policy direction to City Administration in the implementation and evaluation of various City programs.*
- *To ensure the City's long-term financial stability by seeking alternative revenue sources.*
- *To preserve and improve the City's infrastructure and economic base.*
- *To enhance communications between the residents and City government through cable programming, focus groups, surveys, and other written material.*
- *To promote a legislative agenda dedicated to neighborhood safety, economic development, environmental issues, and traffic enforcement.*

The final category of responsibility, which falls upon the City Council, is the decision-making duty. City Council studies the issues, reviews alternatives, and determines the best course of public policy.■

*Did you know...
...that Sterling Township was almost named
Moravian Township?*

City Council

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	4	3	4	4	4	4
	Public Hearings Held	12	5	6	10	10	10
	Ordinances and Amendments Adopted	10	14	9	16	16	15
	Agenda Items Reviewed and Acted Upon	252	279	320	270	275	300
	City Council Members Attending Training Sessions	6	4	6	5	5	5
	"Nice Neighbor" Awards Presented	10	11	6	12	12	10
Effectiveness	City Council Member Attendance at Council Mtgs.	97%	98%	98%	100%	98%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	100%	100%
	% Diff. from Proposed to Adopted Budget (G.F.)	0.00%	0.02%	0.35%	0.00%	-0.20%	0.00%
	Activity Expenditures as % of General Fund	0.16%	0.14%	0.16%	0.15%	0.16%	0.16%

City Council

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 5.3%.

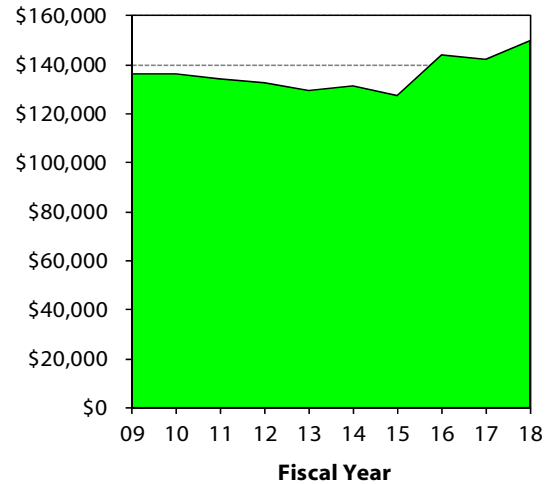
Personnel Services – The total Personnel budget increased by \$4,640 or 3.5% to reflect an increase in wages for the Mayor and City Council members as recommended by the Elected Officials Compensation Commission in February 2017.

Supplies – Total Supplies increased \$820 or 67.2%. \$800 was added to the budget to cover the cost of additional supplies in the event new Council members are elected in November. Postage costs increased slightly by \$20 based on the current year's estimated expenditure usage.

Other Charges – Total Other Charges increased \$2,120 or 24.3%. Telephone costs increased \$2,400 due to higher contractual rates and the recent addition of three City-issued Smartphones necessary for improved communications with constituents. The training budget increased \$120 for increased Council attendance at Michigan Municipal League conferences. \$410 was saved, as a print version of the Bresser's Cross Index Directory was eliminated.

Capital – There is no Capital proposed for this activity.

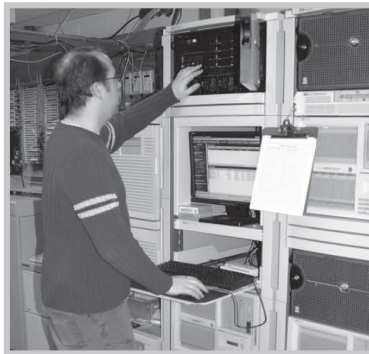
Expenditure History



FUNDING LEVEL SUMMARY

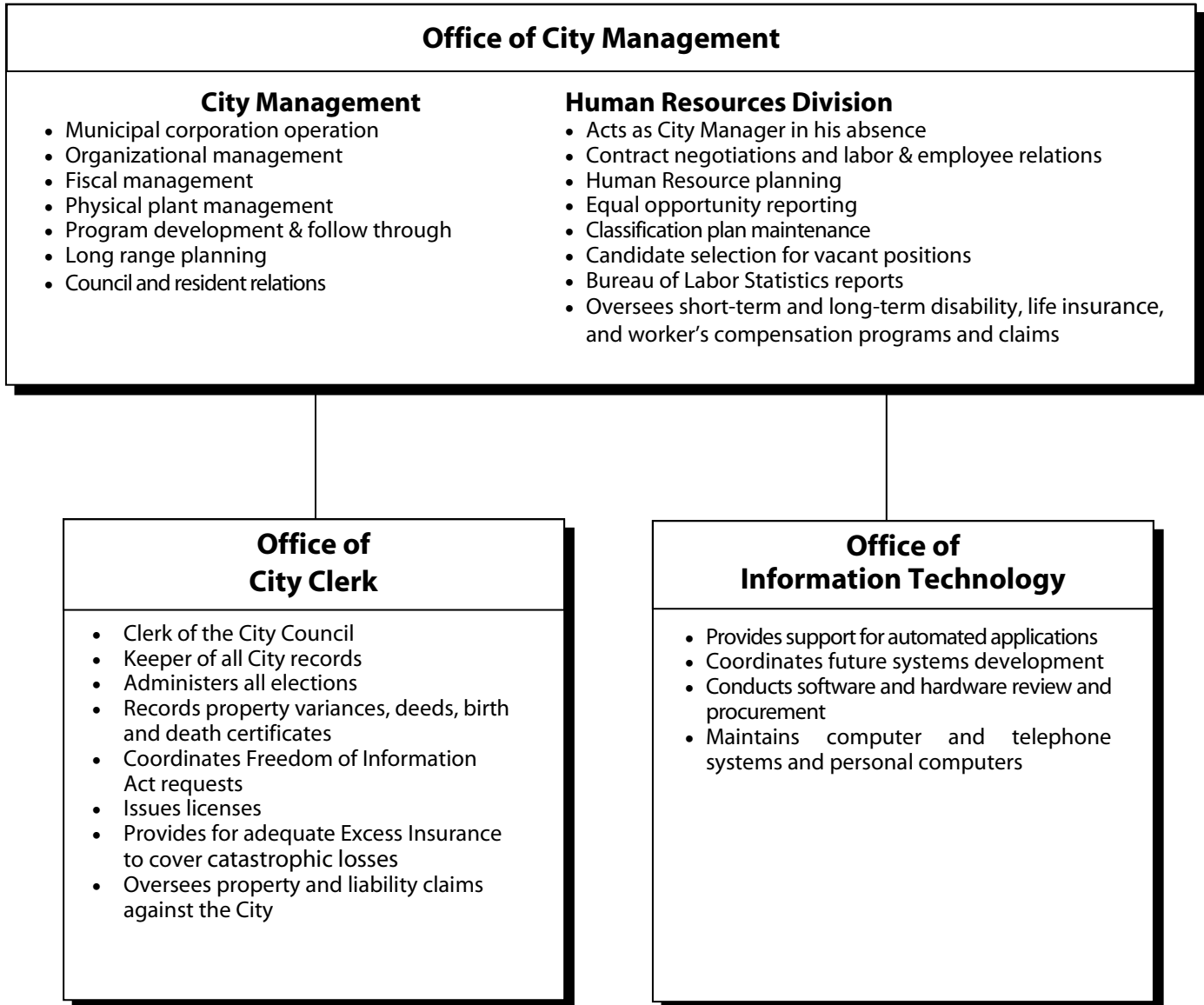
	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$130,350	\$132,220	\$132,220	\$136,860	\$136,860
Supplies	3,612	1,220	740	2,040	2,040
Other Charges	9,981	8,730	12,730	10,850	10,850
Total	\$143,943	\$142,170	\$145,690	\$149,750	\$149,750

City Administration Department



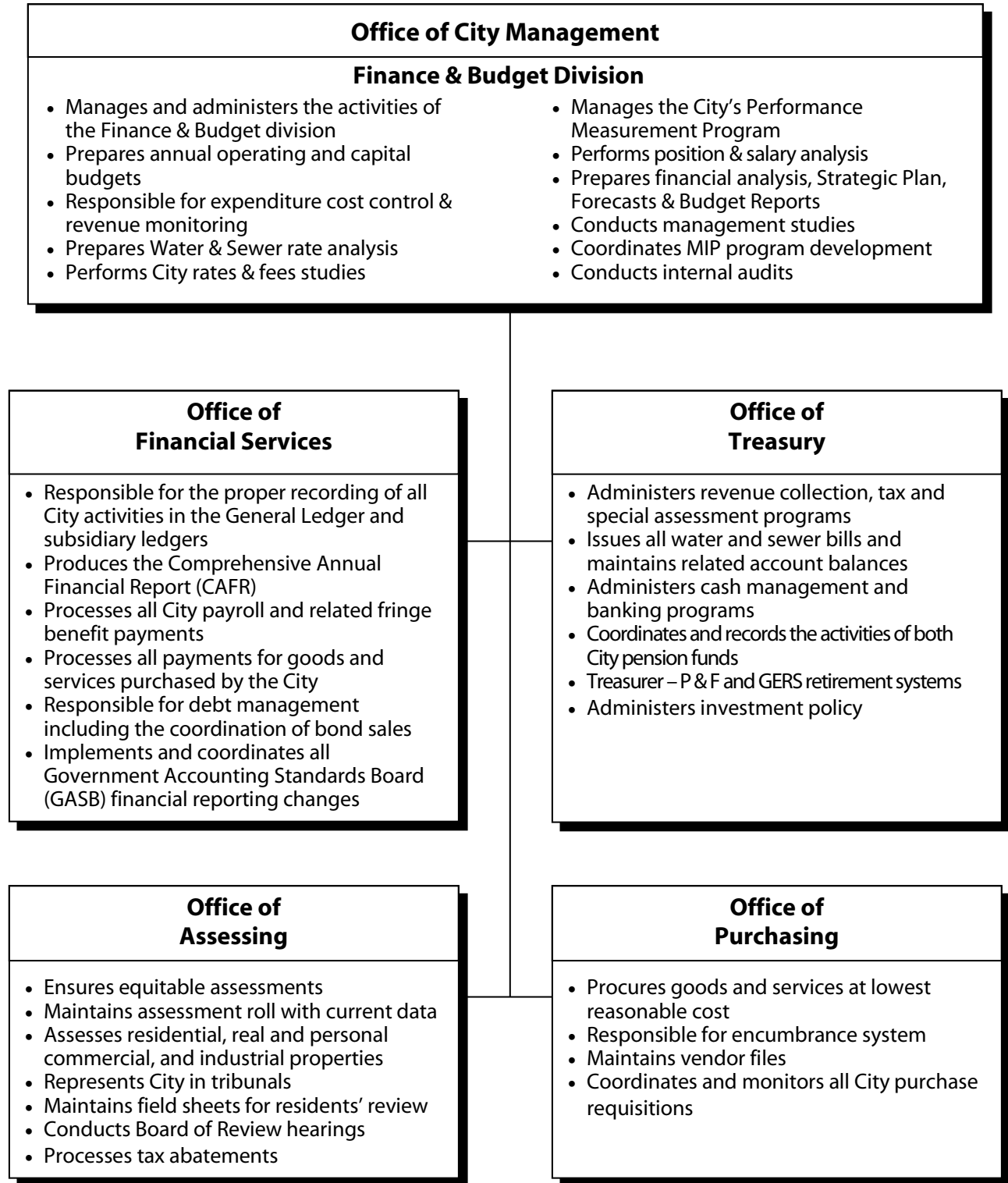
FUNCTIONAL ORGANIZATION CHART

City Administration Department



FUNCTIONAL ORGANIZATION CHART

City Administration Department *(continued)*



DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

City Administration increased \$491,900 or 8.1%. Personnel costs increased \$356,970 or 6.8% primarily due to the replacement of the Finance & Budget and Human Resources Directors whose positions were previously held by rehired retirees and the partial year advance hiring of a City Assessor and Purchasing Manager in anticipation of upcoming retirements. In addition, required funding for long-term liabilities increased by a total of \$97,780. This increase was partially offset by lower election worker costs due to expected lower voter turnout and the retirement of the current City Clerk. Supplies increased \$5,000 or 2.5% due to the purchase of four tablet computers for the Assessing Office and a high speed currency scanner for the Treasury Office. Other Charges rose \$129,930 or

22.1% due to the purchase of business registration software, voting ballots and the contracting out of election equipment testing in the City Clerk Office, forecasting software upgrades, new maintenance agreements for security cameras and alarms and other maintenance agreements that were transferred to Information Technology from other departments. The Capital Budget funds a vehicle for the Assistant City Manager, the replacement of election equipment, a replacement network server, an updated e-mail exchange license, and the replacement of personal computers for the Assessing and City Clerk offices.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
City Management	\$929,190	\$914,600	\$1,137,530	\$1,347,340	18.4%
City Clerk	707,340	756,590	855,650	854,020	-0.2%
Information Technology	878,360	879,010	908,010	987,110	8.7%
Assessing	844,860	878,950	921,780	996,340	8.1%
Financial Services	868,810	882,250	767,890	787,430	2.5%
Purchasing	311,350	316,990	318,430	385,680	21.1%
Treasury	1,044,510	1,078,660	1,127,910	1,171,180	3.8%
Total Department	\$5,584,420	\$5,707,050	\$6,037,200	\$6,529,100	8.1%
Personnel Services	\$4,871,030	\$4,968,360	\$5,249,610	\$5,606,580	6.8%
Supplies	188,060	200,740	200,480	205,480	2.5%
Other Charges	525,330	537,950	587,110	717,040	22.1%
Total Department	\$5,584,420	\$5,707,050	\$6,037,200	\$6,529,100	8.1%

PERSONNEL SUMMARY

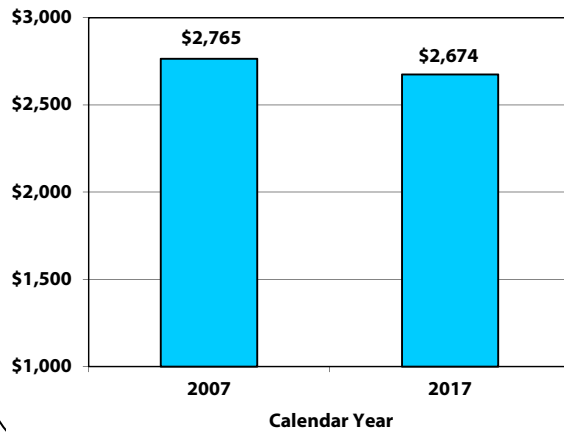
	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	7	1	8	1	8	1	9	0
City Clerk	4	1	6	0	6	1	5	1
Information Technology	5	0	5	0	5	0	5	0
Assessing	6	2	6	2	6	1	8	1
Financial Services	4	4	5	4	5	4	5	2
Purchasing	3	0	3	0	3	0	4	0
Treasury	8	2	8	2	8	3	8	3
Total Department	37	10	41	9	41	10	44	7

Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

City Administration Department

Average Homeowner's Property Tax Bill



Despite an increase in the City's millage rate in 2014 due to the voter approved Safe Streets Proposal, and in 2017 due to the Recreating Recreation Proposal, the average homeowner's tax bill remains \$88 or 3.3% less than it was ten years ago due to lower property assessments. In addition, the inflationary adjustment in taxable value was only 1.6%, in 2014 and 2015, 0.3% in 2016, and 0.9% in 2017.

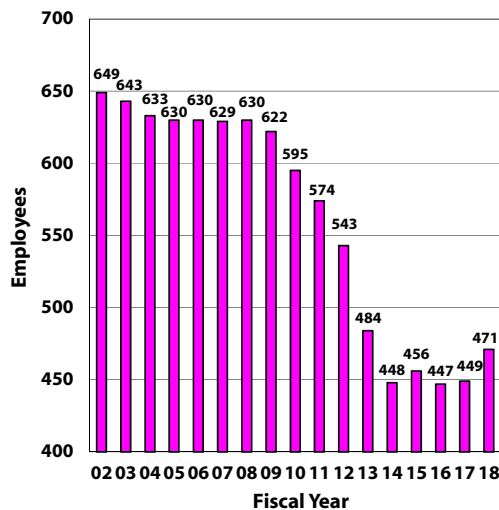
Macomb City Tax Rates

1. Centerline	38.70
2. Warren	25.67
3. Eastpointe	25.15
4. Roseville	24.61
5. Fraser	23.26
6. Mount Clemens	22.13
7. St. Clair Shores	21.23
8. Utica	20.99
9. Richmond	16.56
10. STERLING HEIGHTS	16.16

Macomb Average: 20.62 mills

The City's property tax rate is lower than most cities in Michigan. It is also one of the lowest of any city in Macomb County. The tax rate in Sterling Heights is 4.5 mills below the average of all cities in Macomb County. The tax rate in Warren, for example, is over 9.5 mills or 59% higher than in Sterling Heights.

City's Full-time Staffing



City staffing has declined by 27%, or 178 positions between 2002 and 2018, saving \$13.9 million annually.

Full-Time Employees Per 1,000 Residents

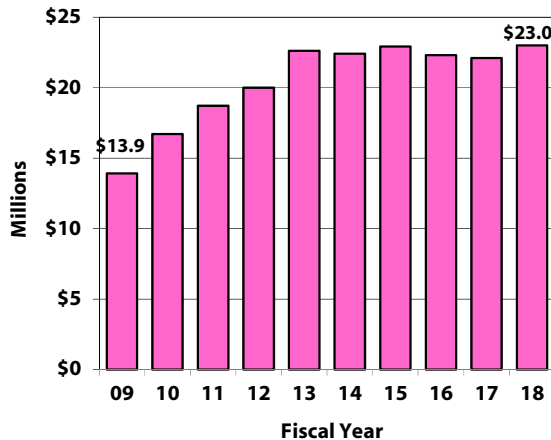
1. Grand Rapids	8.0
2. Southfield	7.8
3. Lansing	7.4
4. Dearborn	7.3
5. Ann Arbor	6.4
6. Livonia	5.9
7. Warren	5.2
8. Farmington Hills	4.4
9. Troy	4.2
10. STERLING HEIGHTS	3.6

Based on current staffing data and the 2010 census, Sterling Heights has 3.6 full-time employees per 1,000 residents – the lowest of our benchmark communities. Despite having the third largest population, Sterling Heights has the fewest employees. Based on a 2010 study of over 140 cities, 89% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

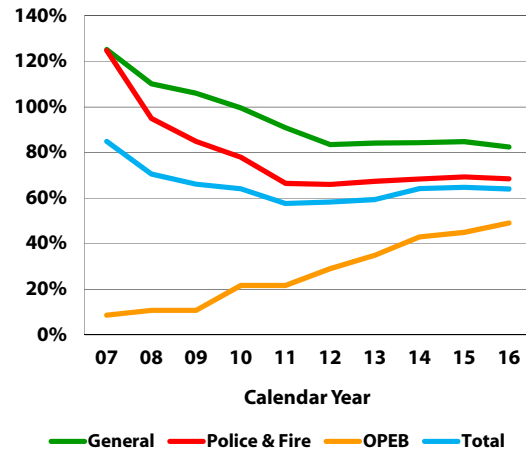
City Administration Department (continued)

Contributions to Fund Retirement Liabilities



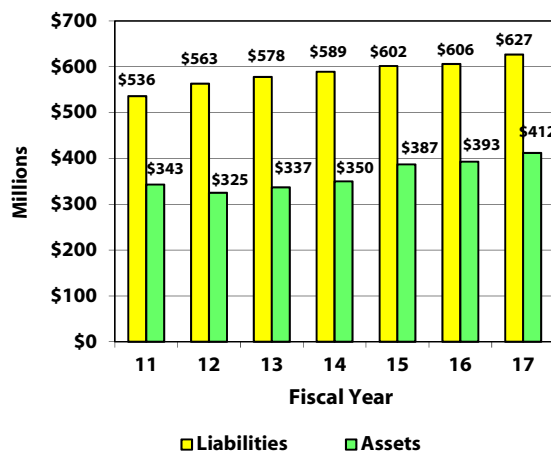
The City annually contributes 100% of the actuarially required funding for all long-term retiree liabilities including police & fire pensions, general employee pensions, and retiree medical. The amounts contributed have increased from \$13.9 million in 2009 to \$23.0 million in 2018. 62% of the increase is to fund police & fire pensions.

City Retirement Plans Percent Funded



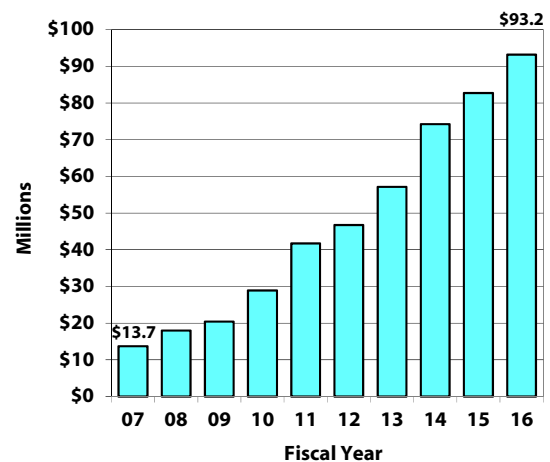
Both the General Employees and Police & Fire pension systems have seen a decrease in funding levels due to prior year declines in the stock market. The General Employees pension system and retiree medical plans are closed to new members. In addition, all employee pensions and medical benefits have been reduced with new labor contracts.

Long-Term Retirement Assets vs. Liabilities



\$398 million has been set aside to fund future long-term retirement liabilities. The City has closed its General Employees pension plan, which will begin to reduce long-term liabilities. Nearly 50% of the gap between assets and liabilities is a result of medical inflation, which has increased retiree medical liabilities. The City has worked hard to reduce the growth of the liabilities by changing future retiree benefits and eliminating benefits for new hires.

Retiree Medical Fund Net Assets



The City has dramatically increased the assets being set aside to pay for future retiree medical benefit costs. We now have nearly seven times the assets we had only nine years ago, and we continue to fully fund these liabilities each year, unlike many communities. In addition, the City has reduced the cost of the benefits for all employees, and benefits have been completely eliminated for new hires.

MISSION STATEMENT: *To effectively and efficiently manage the delivery of City services in accordance with the guidelines and policies established by the Mayor and City Council.*

As the City's Chief Administrative Officer, the City Manager is ultimately responsible for all operations of the municipal corporation.

The Manager's work can be summarized into five distinct categories including organizational, fiscal, physical plant management, program development and follow-through, and long-range planning. Each requires daily planning and organizing of ongoing programs and services.

The City Manager is responsible for creating new and innovative City programs and services. Public policy issues are researched and analyzed in anticipation of future needs and problems.

Maintaining good relations with the Mayor and City Council is an important aspect of this office. This involves maintaining effective communications, and being available to the City Council. This office must present an image that conveys vitality, professionalism, and quality service to private agencies, organizations, groups, and residents.

The Finance & Budget Director oversees the Assessing, Financial Services, Purchasing and Treasury offices. The City's budget is prepared in accordance with the State Budgeting Act. This office monitors the City's financial and service performance through budget amendments, forecasts, quarterly budget reports, and the management of the City's performance measurement program. In addition, salary wage spreads, personnel costs, labor contract analyses, telephone and Internet monitoring reports, travel requests, and insufficient funds purchase orders are processed. The Municipal Improvement Plan (MIP), Citizen's Guide to Finances, water and sewer rate studies, benchmarking and performance reports, financial & demographic trend reviews, department audits, and revenue studies are also prepared.

The Human Resources function administers programs including employee education and development, labor and employee relations, human resource planning, and equal opportunity reporting. This office also administers all short-term disability, long-term disability, worker's compensation, and Family & Medical Leave Act requests.

KEY GOALS

- *To identify key priorities and establish management procedures that develop and effectively utilize City resources.*
- *To create a results-oriented budget for City operations and capital improvements that encourages accountability, flexibility, and creativity in response to community needs.*
- *To provide leadership, coordination and administrative support to City departments.*
- *To hire the most qualified employees using selection methods based on merit and equal opportunity.*
- *To work in partnership with the City Council to achieve the City's mission and goals.*
- *To provide risk management activities which will safeguard all City assets in the most cost effective manner.*

A Human Resource Plan is developed annually to determine staffing levels for full-time, part-time, seasonal employees, and contractual services. Labor negotiations and grievance processing are conducted with 12 different bargaining units representing over 99% of the City's workforce.

This office assures that the City meets equal employment requirements by monitoring employment practices and completing annual State and Federal reports.

Loss control and risk management functions are also performed by this office. Management of risks include general liability, property, and automobile. Procuring appropriate insurance certificates and performance bonds are also duties of this office.■

Did you know...

...that current and prior budget documents are available on-line at the City website?

City Management

2017/18 INTENTION STATEMENTS

(City Management)

1. To oversee, in a macro-sense, the implementation of the Recreating Recreation improvements totaling \$45 million and to ensure all improvements are made on time and within the approved budget. (City Goal 1, 2, 4, 12, 14, 16, 18, 19)
2. To continue implementing the City's 2030 Visioning Plan with a strong focus on place-making initiatives, including creation of the City's Public Art Plan. (City Goal 1, 2, 4, 6, 16, 19, 23)
3. To ensure road improvement projects along major business corridors incorporate the City's new landscaping, signage, and other aesthetic elements. (City Goal 2, 12, 13, 16, 20)
4. To continue leading the InnovateMound.org initiative to secure over \$200 million in funding necessary to improve the entire corridor from I-696 to M-59. (City Goal 1, 2, 4, 14, 16, 18, 20)
5. To continue working with the City's Economic Development team in implementing the following initiatives: Retail Plan, Lakeside Sustainability Plan, Sterling Enterprise Park, Sterling Innovation District, and numerous new projects in the Corridor Improvement Authority (CIA). (City Goal 1, 4, 6, 12, 20, 21, 22)
6. To strengthen the City's Human Resource Office through the addition of a Human Resources and Benefits Manager position and formalize a New Employee Orientation Program, complete the Volunteer Board and Commission Handbook, expand the Employee Handbook, and complete an updated study on an Employee Health and Wellness Center. (City Goal 2, 5, 6)
7. To continue collaborating with groups including the MML, MACRO, SEMCOG, and others to pursue advance causes favorable to the City. (City Goal 7, 24)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Admin. Policy & Procedure Orders Reviewed/Updated	1	1	16	3	12	10
	False Alarm Appeals Processed	44	45	44	50	20	30
	Special Reports Researched & Written	21	20	21	20	20	20
	Special Projects Researched & Developed	14	15	15	17	17	15
	Policy Resolutions Presented to Council	9	9	9	10	10	10
	Legislative Issues Monitored	5	8	10	12	12	10
	Neighborhood/Business Meetings Facilitated	5	6	10	8	12	10
	Intergovernmental Relation Contacts	130	140	140	140	150	160
	New Programs & Policies Developed	6	6	6	6	6	5
Efficiency	Council Requests Responded to within 30 minutes	98%	98%	98%	100%	98%	100%
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Council Requested Items on Agenda w/i 28 days	100%	100%	100%	100%	100%	100%
	% of Meetings Attended within 7 days of Request	100%	100%	100%	100%	100%	100%
	% of Resident Inquiries Responded to w/i 48 hours	N/A	90%	95%	100%	100%	100%
	Activity Expenditures as % of General Fund	1.04%	1.03%	1.02%	1.23%	1.26%	1.44%

City Management

2017/18 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To update the water volume, maximum day and peak hour contract demands in preparation for contract negotiations with the Great Lakes Water Authority. (City Goal 3, 4, 6, 16)
2. To develop a comprehensive five-year financial forecast to be shared with City Council and the public. (City Goal 4, 8, 24)
3. To work with Information Technology to update the citywide policy regarding city-owned cellphones with the goal of reducing cost and administrative time. (City Goal 3, 6)
4. To investigate a more efficient way to print the budget document. (City Goal 3, 23)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	City Budgeted Funds Monitored (Millions)	\$143.6	\$161.1	\$167.7	\$170.0	\$184.4	\$192.2
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	26	22	24	25	25	25
	Management & Labor Cost Studies Conducted	35	22	25	20	20	20
	City Council Agenda Statements Reviewed	252	279	320	270	275	300
	Municipal Improvement Plan (MIP) Prepared	0	0	0	1	1	1
	Travel Requests Reviewed for Policy Compliance	137	128	138	150	150	160
	Years Member of ICMA Center for Perf. Measurement	8	8	8	8	8	8
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa2,AA+,AA	Aa2,AA+,AA	Aa2,AA,AA	Aa2,AA,AA
	City's Fiscal Indicator Score	4	3	2	2	2	2
	General Fund Expenditures Per Capita	\$626	\$691	\$686	\$702	\$697	\$714
	Government Debt Per Capita	\$160	\$135	\$115	\$175	\$175	\$174
	OPEB Ann'l Required Contribution Funded (Millions)	\$12.2	\$12.3	\$11.6	\$11.5	\$11.5	\$11.5
	OPEB Trust Funding Status	29.1%	43.0%	43.0%	48.0%	49.1%	49.1%
	Services Delivered Via Cooperative Venture	58	61	64	65	65	65
	Accuracy Forecasting Expenditures - General Fund	99.6%	98.8%	99.1%	100.0%	99.2%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.6%	99.4%	100.1%	100.0%	102.6%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	27	28	29	30	30	31
	Savings from Reviewing Travel Requests	\$1,084	\$1,565	\$1,128	\$1,200	\$1,200	\$1,200
	Average Cost to Review a Travel Request	\$6.29	\$6.42	\$6.30	*	*	*

*Cost is calculated for "Actual" columns only.

City Management

2017/18 PERFORMANCE OBJECTIVES

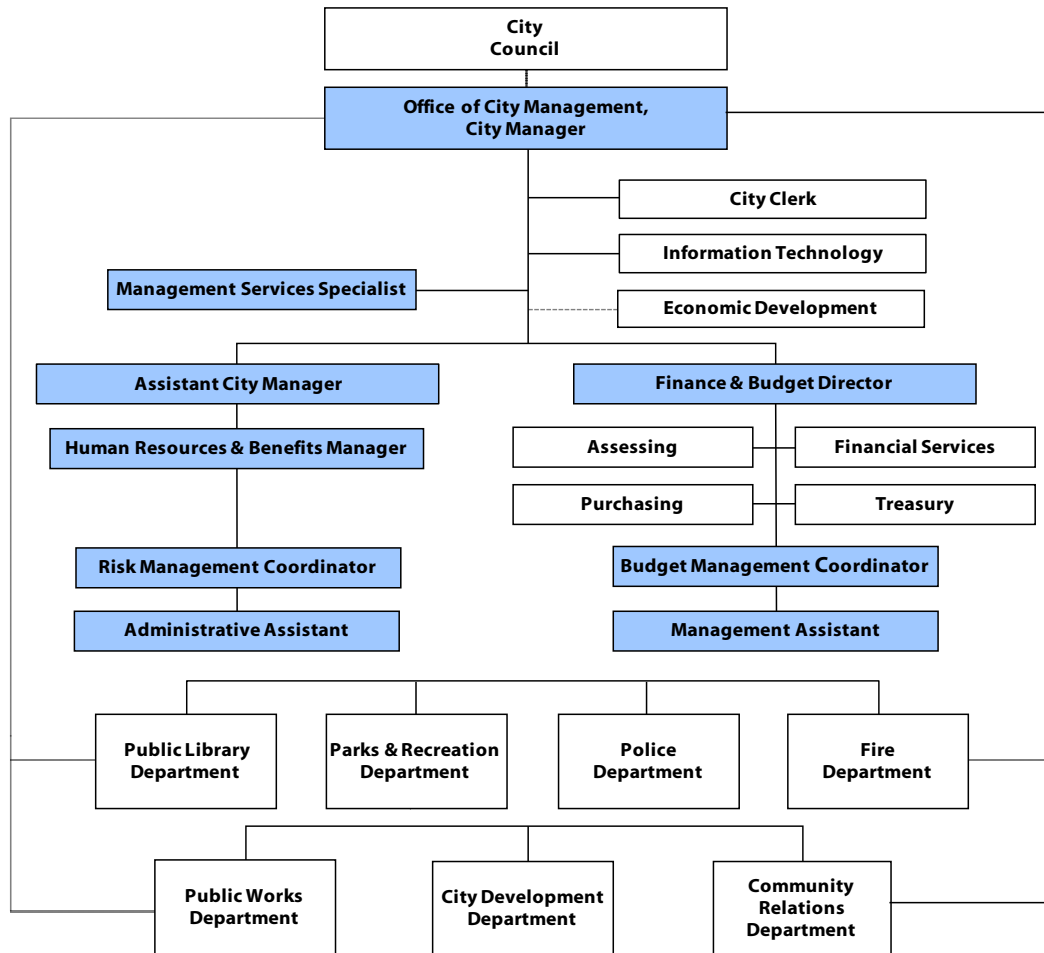
(Human Resources)

1. To develop and implement a comprehensive new employee orientation program. (City Goal 2, 6)
2. To successfully integrate the new Human Resources and Benefits Manager and Risk Management Coordinator into the Human Resources staffing. (City Goal 1, 2, 4, 6)
3. To develop and implement health initiatives through the Wellness Committee. (City Goal 1, 2, 6)
4. To negotiate six new collective bargaining agreements. (City Goal 1, 2, 6)
5. To review and upgrade the process for new employee recruitment and testing. (City Goal 1)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Promotional Job Postings	28	28	29	21	38	33
	Open Competitive Job Postings	5	10	14	8	14	12
	Applications Reviewed & Processed	332	564	1,108	410	510	480
	Employees Hired (Full-time/Part-time)	6/91	27/91	42/133	22/92	24/95	22/94
	Police/Fire Promotional Tests	1	1	3	1	1	2
	Labor Contracts Settled (Incl. Re-opened Contracts)	2	4	3	3	3	5
	Worker's Compensation Incident Reports	19	29	23	21	20	22
	Short-Term Disability Claims Handled	24	9	22	20	25	22
	Life Insurance Claims	2	0	2	2	2	2
	New Worker's Compensation Claims	74	63	67	68	65	66
	Liability/Property Claims	214	210	141	150	97	150
	Liability/Property Incident Reports	88	87	75	100	95	100
	New Lawsuits/Lawsuits Closed	13/9	10/10	7/6	9/9	10/13	9/9
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	30	30	30	30	30	30
	# Labor Grievances Per 100 F.T. Union Employees	2.5	2.4	2.1	2.4	2.0	2.1
	Avg. # Work Days to Complete Internal Recruitment	23	23	23	23	23	23
	% of Grievances Resolved Before Arbitration	95%	90%	90%	95%	95%	95%
	Total FTE's Per 1,000 Residents	4.2	4.3	4.2	4.2	4.2	4.4
	Full-time Employee Turnover Rate (Excl. Retirements)	0.4%	0.5%	1.3%	1.2%	1.0%	1.0%
	% Minorities in Work Force	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	1	1	1	2	1	1
	Cost to Recruit & Hire a Full-time General Employee	\$1,360	\$847	\$708	*	*	*
	# Worker's Comp Claims Per 100 FTE's	13.5	12.0	12.8	12.4	12.0	12.0
	% Worker's Comp Claims Paying Compensation	6.7%	7.0%	6.0%	8.0%	4.0%	6.0%
	W/C Lost Work Days Due to Injury Per 100 FTE's	44	62	45	60	75	60
	# of Accidents Per 100,000 Miles Driven	1.45	1.77	2.12	1.75	1.75	1.75

*Cost is calculated for "Actual" columns only.

City Management



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Manager	1	1	1
Assistant City Manager	0	0	1
Human Resources Director/Asst. City Mgr.	1	1	0
Deputy Human Resources Director	1	1	0
Finance & Budget Director	1	1	1
Human Resources & Benefits Manager	0	0	1
Budget Management Coordinator	1	1	1
Risk Management Coordinator	0	0	1
Management Services Specialist	1	1	1
Management Assistant	1	1	1
Administrative Assistant	1	1	1
Administrative Assistant (P.T.)	1	0	0
Clerk Typist (P.T.)	0	1	0
Total	9	9	9

City Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 18.4%.

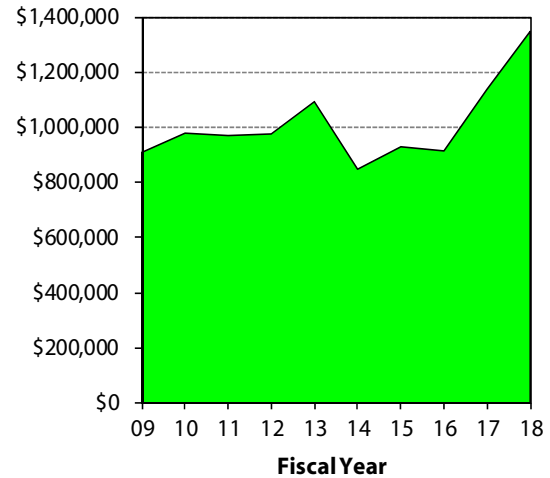
Personnel Services – The total Personnel budget increased \$190,350 or 17.6%. The increase is primarily due to the replacement of the Finance & Budget and Human Resources Directors whose positions were previously held by rehired retirees paid on a reduced wage scale with minimal benefits. Required funding for long-term retirement liabilities increased by \$9,660.

Supplies – Total Supplies decreased \$20 or 0.8%. Publication costs decreased \$50 based on historic expenditure trends. \$30 was added for an inflationary increase in supply costs.

Other Charges – Total Other Charges increased \$19,480 or 37.3%. Contracted services increased \$16,830 to outsource recruitment testing for new employees and for the cost of software upgrades needed to perform an annual five-year financial forecast that will be used as a tool for long-term planning and decision making. \$1,930 was added for higher training costs at the annual MML and MGFOA conferences and for staff to attend additional educational programs and one-day seminars. Telephone costs increased \$1,200 due to the addition of two smartphones in the prior year. \$480 was saved, as fewer memberships are funded.

Capital – \$20,000 is proposed to fund a mid-sized vehicle for the Assistant City Manager.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$863,837	\$1,082,680	\$1,096,590	\$1,273,030	\$1,273,030
Supplies	3,094	2,600	2,550	2,580	2,580
Other Charges	47,668	52,250	51,310	71,730	71,730
Total	\$914,599	\$1,137,530	\$1,150,450	\$1,347,340	\$1,347,340

MISSION STATEMENT: *To serve the public, City departments, and City Council by efficiently providing relevant information regarding the many diverse functions that fall under the direction of this office.*

The City Clerk's Office is responsible for many diverse functions of the City acting as both an internal and external office. All City offices, residents, community associations, businesses, and industries benefit from the services offered by this Office.

The City Clerk attends and records all City Council meetings. A summary report of Council's actions is prepared and distributed. The City Clerk also prepares the tentative and final agendas with the assistance of the City Manager. All public hearing notices are posted and submitted for publishing by the City Clerk's Office.

As Keeper of the Records, the Clerk maintains and/or records the following City documents: Boards and Commissions meeting minutes; bids, summonses, lawsuits, and legal documents, property variances and deeds; and birth and death certificates. The City Clerk also processes requests filed under the Freedom of Information Act.

The City Clerk receives and processes all Boards and Commissions applications. The business registry is annually updated to ensure that information utilized by various City offices is accurate. The dog license program ensures that dogs receive their mandatory vaccinations in order to protect the health and welfare of City residents.

The Elections staff registers potential new voters, processes absentee ballot applications, hires and supervises precinct workers, tabulates election results, verifies nominating petitions, and conducts tests on the election program to detect errors prior to an election.

License applications for amusement devices, cigarette vending machines, solicitors, temporary-use vendors, auctions, carnivals/festivals, going out of business sales, mobile vendors, and house moving are filed with the City Clerk.

In addition to these services, the City Clerk also serves as administrative liaison to several City

KEY GOALS

- *To provide accurate and efficient recordkeeping by incorporating the use of modern technology to streamline programs whenever possible.*
- *To assist City Council by expediting information to them that will aid in establishing policy and by communicating Council's actions regarding items on the agenda.*
- *To facilitate efficient management of the election process by keeping abreast of proposed and current legislation and any new technological developments relating to the election field.*
- *To oversee and monitor the license application process to ensure that appropriate inspections and/or investigations are completed thus protecting the public's safety.*

boards and commissions. These include the Act 78 Civil Service Commission, Local Officials Compensation Commission, and the Election Commission.■

Did you know...

...that wait times for Michigan voters improved by approximately 10 minutes from 2012 to 2016, and through interdepartmental efforts the City's precincts had minimal wait times for voters?

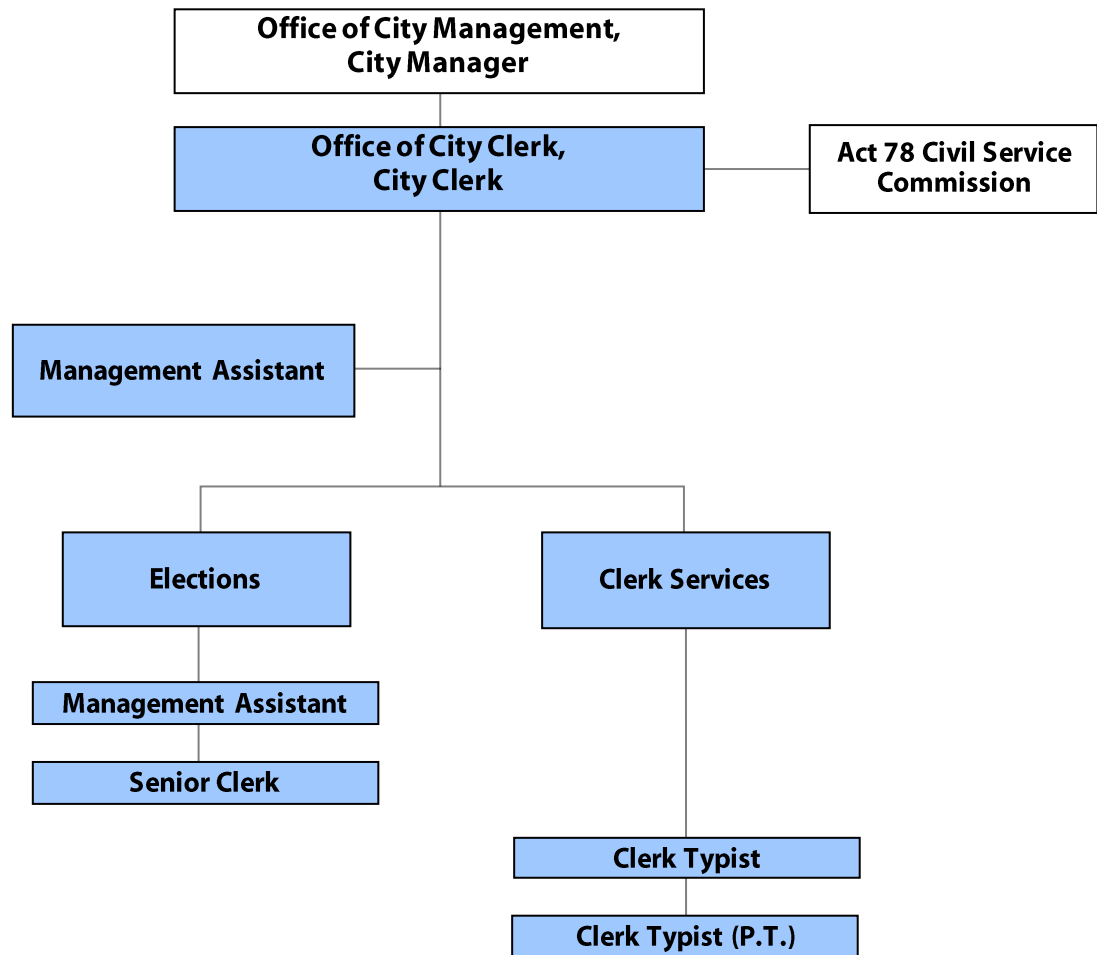
City Clerk

2017/18 PERFORMANCE OBJECTIVES

1. To implement a new Business Licensing program with online portal access to better serve residents and businesses. *(City Goal 1, 2, 4, 6, 23)*
2. To continue to investigate and implement electronic record storage procedures to improve retrieval outcomes and reduce the inventory of paper documents stored by the City Clerk. *(City Goal 1, 2, 3, 18)*
3. To purchase new voting equipment under a State contract. Help America Vote Act (HAVA) federal funds will be awarded to cover most of the cost. *(City Goal 1, 2, 4, 23)*
4. To host voter outreach forums to educate voters on the use of new voting equipment and to also utilize social media as a method of voter education. *(City Goal 1, 2, 4, 19, 25)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Council Agenda Statements Processed	252	279	320	270	275	300
	Council Actions Correspondence Mailed	572	417	284	300	300	300
	New Voter Registrations/Changes Processed	20,811	19,827	23,542	25,000	25,000	22,000
	Elections Conducted	1	3	3	2	3	2
	Absentee Voter Applications Mailed	23,236	23,073	20,325	20,000	24,000	20,000
	Absentee Voter Ballots Prepared	9,511	29,049	20,465	18,000	26,000	18,000
	Freedom of Information Requests Processed	157	139	154	150	175	150
	Documents Recorded	46	77	78	75	120	100
	Business Registry: New/Closed/Info. Changed	2,567	2,456	2,133	2,700	2,700	3,000
	Class C Liquor Licenses Approved (New/Transferred)	0/9	1/5	0/10	1/7	1/7	0/7
	Licenses Issued (dog, vendors, etc.)	8,955	7,873	6,458	7,500	7,500	7,500
	Pieces of Outgoing Mail Processed	121,761	149,983	83,822	100,000	150,000	125,000
	Birth & Death Certificates Processed	672	734	807	700	750	700
	Board/Commission Applications on File	410	420	456	425	480	450
	Number of Registered Voters (November)	88,164	87,576	86,465	89,000	88,000	89,000
Efficiency	% of Residents Applying for City Boards	0.35%	0.34%	0.35%	0.33%	0.33%	0.35%
	% of Registered Voters Voting (November)	24%	43%	19%	62%	66%	19%
	% of License Applications Reviewed within 48 Hours	100%	100%	100%	100%	100%	100%
	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.66%	0.78%	0.84%	0.93%	1.02%	0.91%

City Clerk



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Clerk/Risk Manager	1	1	0
City Clerk	0	0	1
Deputy City Clerk	1	1	0
Management Assistant	2	2	2
Senior Clerk	1	1	1
Clerk Typist	1	1	1
Clerk Typist (P.T.)	0	1	1
Total	6	7	6

City Clerk

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

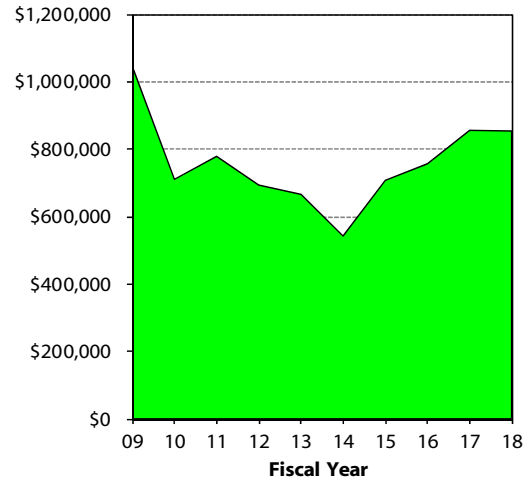
The total budget decreased by 0.2%.

Personnel Services – The total Personnel budget decreased \$59,230 or 8.1%. The decrease is primarily due to the retirement of the City Clerk who is anticipated to be replaced by the current Deputy City Clerk effective July 2017. In addition, lower part-time election worker costs are expected due to lower voter turnout in non-presidential elections. These reductions are offset by an increase in the required funding for long-term retirement liabilities of \$12,850.

Supplies – Total Supplies decreased \$5,250 or 10.5%, primarily due to the additional postage and supply costs for the Presidential election in the prior year.

Other Charges – Total Other Charges increased \$62,850 or 80.5%. Equipment maintenance increased \$40,200 for the cost of web-based business registration software that will streamline the process for registering and renewing business licenses. Funding increased \$13,000 to purchase voting ballots for two City elections. The County Clerk supplies ballots for non-City elections. Contracted services increased \$8,740, as State required testing of election equipment will be contracted out. Reporting services increased \$2,480 to reflect a slight rate increase for the recording secretary at City Council meetings. Rental costs decreased \$2,000 based on recent expenditure trends. Voting machine programming costs decreased \$1,000 due to the consolidation of voter precincts for City elections.

Expenditure History



Capital – Total Capital of \$237,600 is proposed. \$162,500 is for the replacement of 55 Election Tabulators and ADA Equipment as required by the State of Michigan. The State will fund approximately 50% of each tabulator required to be replaced. \$70,000 is for two High Speed Ballot Counters to process absent voter ballots more efficiently, which will significantly reduce the number of election workers required. \$5,100 is for six personal computers to replace the existing five-year old units.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$626,827	\$727,520	\$800,820	\$668,290	\$668,290
Supplies	50,173	50,090	55,000	44,840	44,840
Other Charges	79,587	78,040	80,180	140,890	140,890
Total	\$756,587	\$855,650	\$936,000	\$854,020	\$854,020

MISSION STATEMENT: *The Office of Information Technology is committed to excellence, and ensuring the business of government is efficient by providing an information technology infrastructure and applications that are reliable, long-term, financially viable and secure.*

The goals and objectives of the Information Technology (I.T.) Office are approved by the City Manager and established by prioritizing the technology needs of the City's operating departments. I.T. continually strives to improve the dissemination of City information using expanded communications, computing technology, and effective telecommunications oversight.

The three major areas of responsibility within the Information Technology activity are: Network Administration, Maintenance, and Operations. The Network Administration section is responsible for the development and maintenance of the Wide Area Network (WAN). This WAN supports the voice and data communication needs of the City. I.T. provides stable and reliable network and enterprise technology systems to support the effective and efficient operation of City business. This section also assumes the responsibility for all security, configuration and back up of permanent data files.

The second area of responsibility is the Maintenance section. This section is responsible to support all City offices in the implementation and support of enterprise applications. This section is responsible for enhancements to current application and operating software which resides on various hardware platforms throughout the City. The responsibility of troubleshooting hardware and software issues falls within this area. Hardware support is provided on Windows, Macintosh, and AS400 platforms. The emphasis of this section is to standardize workstations hardware and software wherever possible. The trend has been to acquire third party packaged software rather than develop applications in-house. All communication devices, with the exception of the 800MHz radio system, are also maintained by the Office of Information Technology.

The third area of Information Technology is Operations. The Operations area provides support to all workstations, printers, telephone desk sets, telephone wall units and all wireless

KEY GOALS

- *To respond to the needs of end-users in a timely and pleasant manner.*
- *To share query solutions with end-users to encourage self-reliance whenever possible.*
- *To collaborate with user departments to ensure state-of-the-art status on all computer systems.*
- *To standardize computer workstations throughout the City.*

communication devices such as cellular telephones and smartphones.■

Did you know...

...the Office of Information Technology is currently upgrading the network infrastructure that supports data and voice communication to all City buildings?

Information Technology

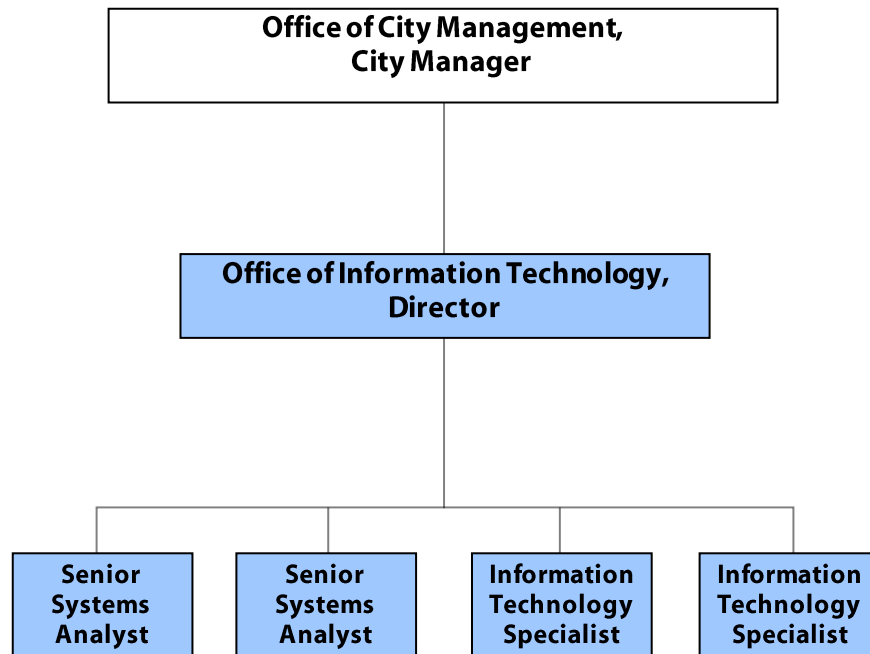
2017/18 PERFORMANCE OBJECTIVES

1. To successfully implement workstation replacements in the offices of Assessing, City Clerk, City Development, Engineering, Library, 41-A District Court, and Public Works. (City Goal 6, 17, 18)
2. To replace the storage area network (SAN). This project will increase storage, provide redundancy and replication, and utilize more efficient disk technology. (City Goal 6, 17, 18)
3. To successfully digitalize all assets from the water, sanitary, and storm systems. (City Goal 6, 17, 18)
4. To upgrade Exchange 2007 to Exchange 2013/2016. Email is critical to all City operations and this upgrade is needed due to the age of the current email environment. (City Goal 6, 17, 18)
5. To successfully implement the technology, software, and hardware needed for the Fire Department to support transport. (City Goal 6, 17, 18)
6. To work with Finance & Budget to update the citywide policy regarding city-owned cellphones with the goal of reducing cost and administrative time. (City Goal 3, 6)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Hardware Platforms Supported-(Windows, Unix, etc.)	5	5	5	5	5	5
	Applications/Database Systems Supported	33	33	34	34	34	34
	"Help Desk" Communications Received	8,000	8,100	8,150	8,100	8,200	8,200
	Computers Supported (Desk/Laptops)	460	475	457	465	463	463
	MDC's and Tablets Supported	115	116	127	128	137	145
	Printers Supported	74	46	68	68	68	68
	Land Line Telephones Supported	556	556	556	556	557	557
	Mobile Telephones Supported	144	157	159	158	158	159
	E-Mail Accounts Supported	650	650	650	680	670	675
	Servers Maintained	38	39	44	44	53	54
	Network Equipment Maintained (Routers/Switches)	35	35	35	35	35	40
	Wireless Access Point/Infrastructure Maintained	26	29	36	36	40	44
	Hours Spent on Computer Support/Repair	9,000	9,000	9,100	9,100	9,100	9,100
Efficiency & Effectiveness	% of "Help Desk" Issues Resolved w/i 8 hrs.	91%	91%	90%	90%	90%	90%
	# of Computers/Tablets/MDC's per FTE	1.05	1.06	1.06	1.08	1.09	1.06
	Telephone Problems Resolved within 1 day	90%	90%	90%	90%	90%	90%
	% of Revolving 5-yr. Technology Plan Implemented	90%	90%	90%	90%	0%	20%
	% of Time Computer Network Down	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
	Overtime/Comp Hours Required to Meet Demand	270	350	310	290	290	295
	Average Annual Cost to Support a PC	\$250	\$245	\$248	*	*	*
	Cost to Support User Systems	\$313,165	\$318,077	\$315,463	*	*	*
	Activity Expenditures as % of General Fund	1.07%	0.97%	0.98%	0.98%	1.01%	1.05%

*Cost is calculated for "Actual" columns only.

Information Technology



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Information Technology Director	0	1	1
Information Technology Manager	1	0	0
Senior Systems Analyst	2	2	2
Information Technology Specialist	2	2	2
Total	5	5	5

Information Technology

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 8.7%.

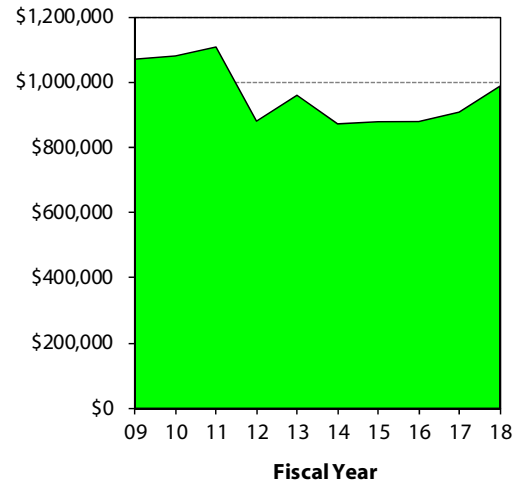
Personnel Services – The total Personnel budget increased \$44,220 or 6.5%. Full-time wages increased \$28,840 primarily due to contractual increases in the wage scale for job classes in this department. Required funding for long-term retirement liabilities increased by \$16,320.

Supplies – Total Supplies increased \$30 or 1.4% due to an inflationary increase in office supply costs.

Other Charges – Total Other Charges increased \$34,850 or 15.4%. Contractual costs rose \$22,380, as funding for various Police Department software support agreements are now budgeted in this activity and several existing multiple-year service agreements are due for renewal next year. \$10,600 is funded for maintenance agreements for electronic door access, security cameras and alarms for City buildings due to an increased number of these devices, making it more cost-effective than paying for individual repairs. \$1,670 was added due to an increase in the fiber optic network system lease fees. Telephone costs rose \$200 due to higher contractual rates necessary for improved communications.

Capital – Total Capital of \$674,790 is proposed. Four Storage and Controlling Servers are budgeted for \$558,500 to replace the current Storage Area Network (SAN) that is no longer able to handle the City's demand for access and storage of data. \$43,600 is for

Expenditure History



an updated Email Exchange License. \$37,400 is budgeted for 44 personal computers to replace the existing 5-year old units in Assessing, City Development, Engineering, Building & Facilities Maintenance, City Clerk, Public Works, Library, and the 41-A District Court. \$35,290 is budgeted for an Electronic Medical Reporting System that will allow the Fire Department to perform medical reporting in the field.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$676,785	\$679,520	\$691,920	\$723,740	\$723,740
Supplies	2,706	2,100	2,100	2,130	2,130
Other Charges	199,524	226,390	226,910	261,240	261,240
Total	\$879,015	\$908,010	\$920,930	\$987,110	\$987,110

MISSION STATEMENT: *To promote and foster positive interaction between the Office of Assessing and the taxpayers of the City of Sterling Heights by ensuring that all assessments are accurate, fair, equitable, and lawful.*

The primary and continuing goal of the Assessing activity is to achieve fair and equitable assessments in all classes of property.

Assessments are most importantly used in conjunction with the millage rates adopted by the various legislative bodies to generate property taxes guaranteeing revenues for the operation of all local governing units.

This activity continues to introduce new technology, update existing programs, and develop cost-saving practices to allow for the efficient operation of equipment and personnel. To achieve this goal, extensive research in all phases of residential, commercial, industrial, and personal property must be conducted. These include: 1) gathering sales data on vacant property and homes, 2) compiling rental and lease information for apartments, 3) assembling commercial and industrial information, and 4) auditing personal property accounts. This research process must be done annually to maintain equitable valuations in all classes of property.

At the conclusion of this research, a computerized listing, or assessment roll, containing the property identification number, property address and legal description, school district, property classification and tentative state equalized and taxable values for all properties in the City is generated. The assessment roll is the only record in the City that ties the property owner of record with the legal description and/or property address. It is in constant use by taxpayers, appraisers, and real estate personnel.

Assessing information is available on-line via the City's website at www.sterling-heights.net. This allows those with access to the Internet the ability to search by parcel number, property address, or comparable building attribute, in order to obtain general assessment, building appraisal and tax information 24 hours a day.

KEY GOALS

- *To provide an accurate and equitable assessment annually for residential, commercial, industrial, and personal property.*
- *To provide accurate and timely implementation of Primary Residence Exemption requests.*
- *To inform taxpayers, residents, and potential investors of new or pertinent assessment information.*
- *To ensure that recipients of Industrial Facilities Tax Exemptions comply with all program requirements.*
- *To meet and/or exceed all State Tax Commission and Macomb County Equalization Department requirements.*

Today's economic conditions warrant up-to-date data from the sale and development of both vacant and occupied land. The assessment roll provides the information required to ensure proper growth in our community.

With tax reform a reality now and in the future, the staff continues to keep informed of all new regulations. The Assessing Office is monitored closely by higher taxing authorities (e.g. Macomb County Equalization Department and State Tax Commission) to make sure all necessary guidelines are followed. It is a difficult task, but the end result will benefit the taxpayers of Sterling Heights. ■

Did you know...

...the average selling price for a single family residential home in Sterling Heights in 2016 was \$180,800 and the median sale price was \$175,000 representing a 10.6% increase from 2015 levels?

Assessing

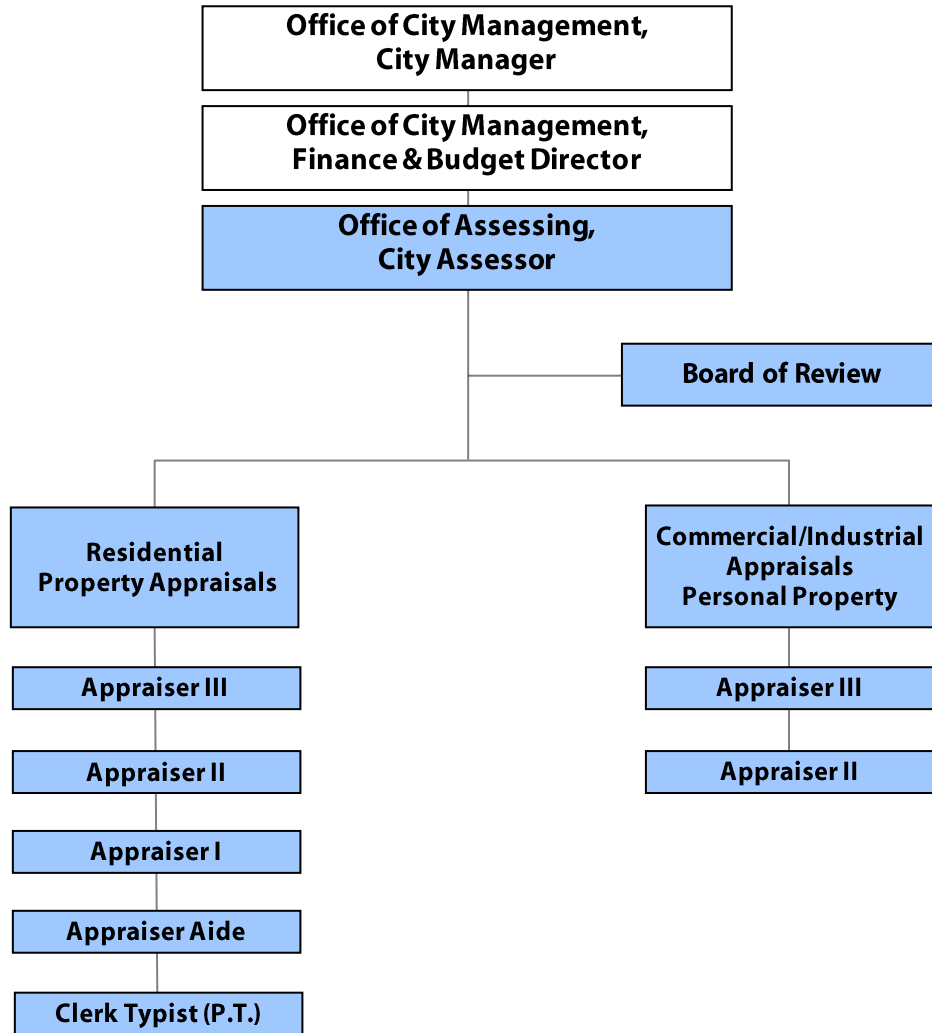
2017/18 PERFORMANCE OBJECTIVES

1. To continue to create digital sketches of the 33,922 houses and 6,691 condominiums in the City and have them accessible on the City's website. *(City Goal 14,18)*
2. To facilitate and complete integration of Geographic Information System (GIS) components to the City's assessment database. *(City Goal 3, 6)*
3. To implement Personal Property Tax (PPT) changes as promulgated by the State of Michigan. *(City Goal 3, 7)*
4. To incorporate field laptop computers to increase personnel efficiency. *(City Goal 2, 4, 23)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Assessment Notices Processed - Real/Personal	47,649	48,262	48,762	48,600	48,385	48,400
	Residential Property Appraisals (including Partial)	95	111	113	200	200	200
	Commercial/Industrial Property Appraisals - Real	20	83	80	85	85	85
	Full Tax Tribunal Applications - Businesses	130	75	66	65	63	60
	Board of Review Appeals	624	734	589	700	600	600
	Personal Property Audits	0	0	2	0	0	0
	Land Divisions/Combinations Processed	12	21	17	25	10	10
	Resident Assessing Online Retrievals	204,126	149,066	134,070	130,000	130,000	130,000
	Deeds & Property Owner Updates	3,683	4,607	4,950	4,800	4,800	4,800
	Property Transfer Affidavits Processed	3,543	3,516	3,591	3,600	3,800	3,800
	Homestead Exemption Affidavits Processed	3,236	3,423	3,614	3,600	3,800	3,800
	Residential Digital Sketches Created	N/A	61	99	400	500	500
	IFEC's/328's Personal Property Exemptions Approved	7	3	0	4	10	10
	Total Invest. Resulting from IFEC's/328's (millions)	\$28	\$28	\$4	\$5	\$30	\$30
Efficiency & Effectiveness	I.F.T. Roll & Certif. Status Reported by Deadline	100%	100%	100%	100%	100%	100%
	Total I.F.T. Valuation as a % of City Tax Base (TV)	3.7%	2.8%	5.6%	4.0%	7.0%	7.0%
	% Change in City Tax Base (TV)	-0.10%	0.68%	2.00%	-4.10%	2.00%	2.00%
	% Site Plans Reviewed within 2 days	95%	95%	95%	95%	95%	95%
	% Land Divisions/Comb. Processed w/i 3 days	90%	90%	90%	90%	90%	90%
	Equalization Factor	1.000	1.000	1.000	1.000	1.000	1.000
	Average Cost to Appraise a Residential Parcel	\$2.50	\$2.41	\$2.99	*	*	*
	Activity Expenditures as % of General Fund	1.01%	0.94%	0.98%	1.00%	1.01%	1.06%

*Cost is calculated for "Actual" columns only.

Assessing



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Assessor	1	1	2
Appraiser III	2	2	2
Appraiser III (P.T.)	1	0	0
Appraiser II	1	2	2
Appraiser I	1	1	1
Appraiser Aide	1	1	1
Clerk Typist (P.T.)	1	1	1
Total	8	8	9

Assessing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

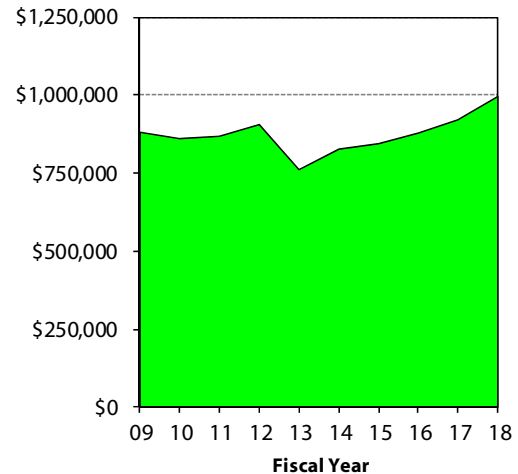
The total budget increased by 8.1%.

Personnel Services – The total Personnel budget increased \$67,490 or 7.8%. Most of the increase is due to the partial year advance hiring of a new City Assessor in anticipation of the retirement of the current City Assessor. In addition, all employees are budgeted to receive a contractual wage increase and several employees will receive step increases. Required funding for long-term retirement liabilities increased by \$17,100.

Supplies – Total Supplies increased \$4,230 or 17.6%. Funding for operating supplies increased \$3,730 for the one-time purchase of four tablet computers and the annual City-logo shirts for field personnel. Postage costs rose \$500 for larger-sized personal property statements required by the State.

Other Charges – Total Other Charges increased \$2,840 or 10.9%. \$2,020 was added for the higher cost of printing larger-sized personal property statements. \$380 was added to the budget as more local meetings will be attended. \$320 was added for a slight increase in the CoStar contract. Rental costs rose \$300 based on a more accurate estimate of per-page copier print fees. Educational funding increased \$250 as additional funds are included for staff to attend in-house BS&A training. Telephone costs decreased \$250 and equipment maintenance costs fell \$130, as both can be reduced and brought more in line with recent years' expenditure trends.

Expenditure History



Capital – This office is scheduled to receive seven personal computers totaling \$5,950 to replace the existing five-year old units.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$829,943	\$871,540	\$870,660	\$939,030	\$939,030
Supplies	24,067	24,100	24,100	28,330	28,330
Other Charges	24,941	26,140	26,450	28,980	28,980
Total	\$878,951	\$921,780	\$921,210	\$996,340	\$996,340

MISSION STATEMENT: *To provide competent and comprehensive financial services to the City and its residents.*

The Financial Services activity is directly responsible for all financial records, payroll, accounts payable, bond sale activity, benefit plan activities and annual audit completion and reporting.

Financial Services develops and maintains tracking systems for funds, projects, grants, capital assets and other financial needs. This office prepares required work papers, schedules and financial statements to complete the annual external audit and the award winning Comprehensive Annual Financial Report (CAFR), as well as annual reports to the State of Michigan and compliance reports for state and federal granting agencies. This office also prepares monthly reports for City Council, City management and City departments, as well as other specifically required periodic reports.

Payroll processing and record keeping for all City employees is executed in Financial Services. This processing includes data input and coordination of insurance benefits, withholding and reporting of income taxes, maintenance of records and payment of all other deductions. Payroll processing and record keeping functions are performed for 11 bargaining units and two (2) employee groups, all with unique benefits.

Financial Services processes all accounts payable including data entry, reconciliation, and filing of vendor invoices. Related bill listings are generated for approval at each regularly scheduled City Council meeting.

Project and grant cost records are maintained by Financial Services. Unlike most financial reporting, which occurs within a fiscal year framework, specific project ledgers are kept for the duration of road, water and sewer, capital projects and grant programs ensuring that the City fulfills bond and grant covenants. ■

KEY GOALS

- *To meet all payroll and related reporting deadlines on a timely basis with a tolerance of zero defects.*
- *To provide timely payments to vendors after appropriate internal approvals have been granted.*
- *To ensure an annual audit is performed and that a comprehensive annual financial report is distributed to City Council and is available to all residents.*

Did you know...

...that by switching to electronic delivery of payroll advices the City reduced payroll printing by over 90%, which equates to over 16,000 documents saved annually?

Financial Services

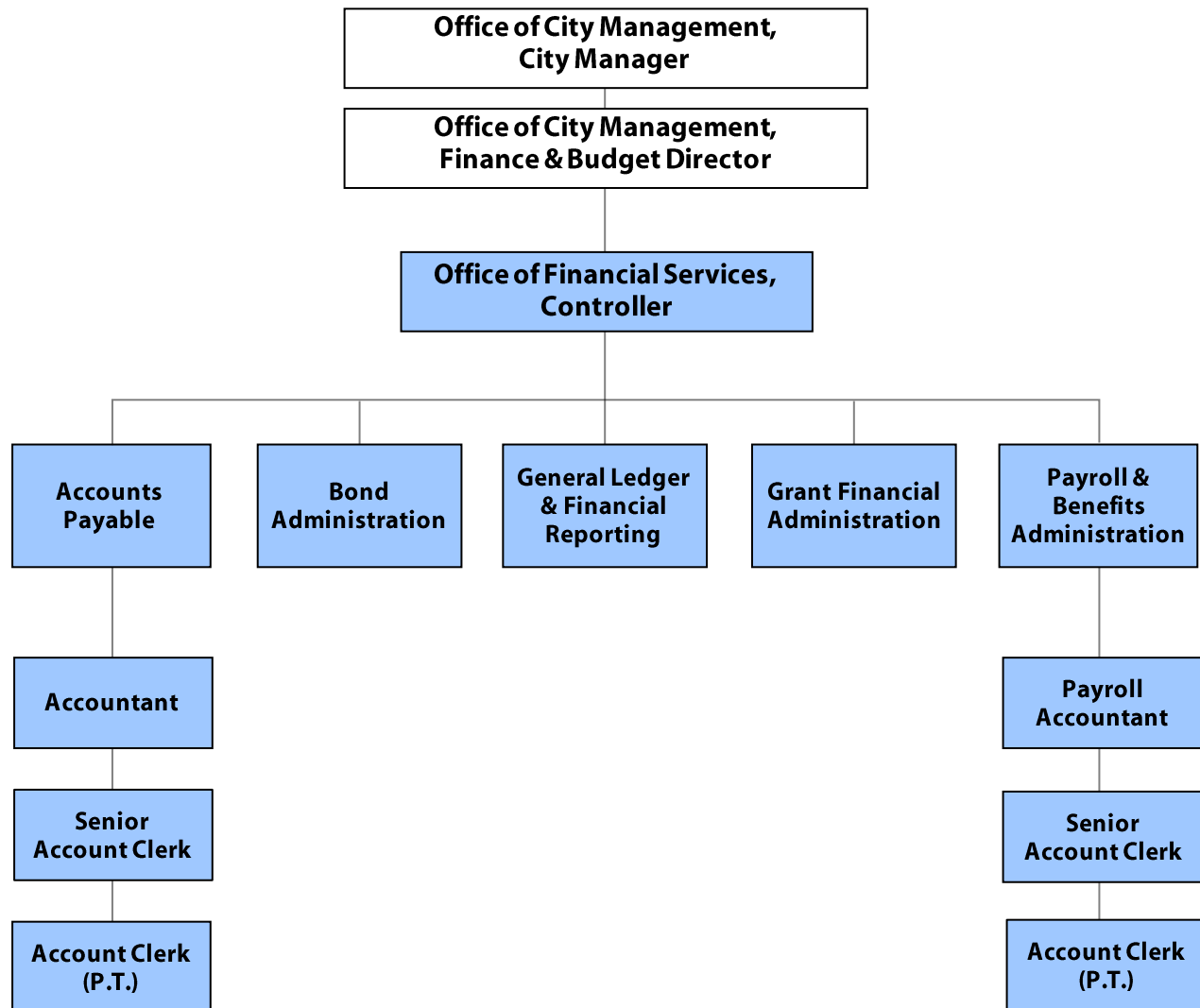
2017/18 PERFORMANCE OBJECTIVES

1. To implement Governmental Accounting Standards Board numbers 74, 75, 77 and 80 into the audited financial statements. *(City Goal 7, 8)*
2. To analyze various payroll time keeping solutions to assess capabilities, budgetary requirements and compatibility with existing City systems in order to improve payroll capabilities, improve efficiency and increase accuracy of payroll. *(City Goal 1, 3, 23)*
3. To analyze the current accounts payable process and PCard system to look for ways to increase electronic payment utilization and optimize PCard usage to ensure maximum vendor rebates are being achieved. *(City Goal 2, 3, 23)*
4. To analyze the impact and financial feasibility of a potential Health & Wellness Center in conjunction with Human Resources. *(City Goal 4, 5)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Bank Statements Reconciled	252	252	240	252	240	240
	General Journal Entries Processed	1,718	1,603	1,641	1,700	1,700	1,700
	Accounts Payable Invoices Processed	14,261	14,353	15,073	14,800	14,400	14,800
	Accounts Payable Checks Issued	6,690	6,437	7,046	6,800	6,600	6,700
	Payroll Checks & Deposit Notices Generated	17,387	17,996	18,334	18,600	19,500	19,200
	Accounting Funds Maintained	27	27	28	28	29	30
	Retirees/Beneficiaries Receiving Medical Benefits	593	626	635	650	670	670
	Federal Grants Tracked	25	29	29	27	27	27
	Audit Workpapers Prepared	410	400	400	400	380	380
	Active Assets Tracked	5,459	5,272	5,684	5,800	5,800	5,900
	Vendor Files Maintained	3,392	3,899	3,682	3,800	3,300	3,500
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	14.3	14.0	14.0	14.0	14.0	14.0
	% of A/P Checks Issued Without Error	98.2%	99.3%	99.5%	99.0%	99.3%	99.0%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.6%	99.0%	97.0%	99.0%
	Active Employees Receiving Compensation/Benefits	1,183	1,347	1,410	1,300	1,400	1,450
	Financial Statement Correcting Entries by Auditors	1	0	0	0	0	0
	Financial Admin. of Federal Grant Expenditures	\$5,541,279	\$5,716,090	\$2,329,798	\$3,000,000	\$3,000,000	\$3,000,000
	Cost for an Independent Auditor to Perform Audit	\$93,850	\$95,750	\$97,700	\$99,600	\$99,600	\$101,600
	Years Received G.F.O.A. CAFR Award	26	27	28	29	29	30
	Cost to Process an Accounts Payable Invoice	\$9.63	\$9.44	\$9.25	*	*	*
	Cost of Payroll Service Per Employee	\$318	\$305	\$308	*	*	*
	Activity Expenditures as % of General Fund	0.95%	0.96%	0.98%	0.83%	0.82%	0.84%

*Cost is calculated for "Actual" columns only.

Financial Services



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Controller	2	1	1
Payroll Accountant	1	1	1
Accountant	0	0	1
Accountant (P.T.)	2	2	0
Senior Account Clerk	2	2	2
Account Clerk (P.T.)	2	2	2
Total	9	8	7

Financial Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 2.5%.

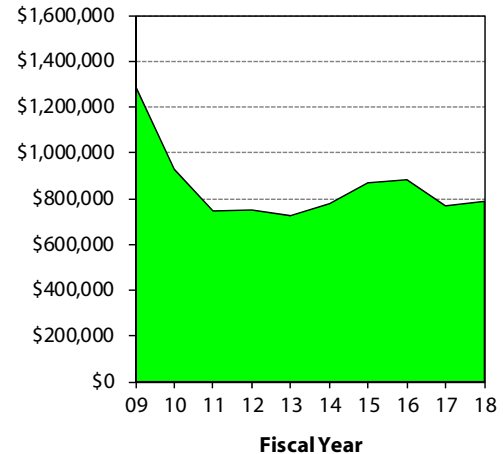
Personnel Services – The total Personnel budget increased by \$17,350 or 2.6%. The increase is primarily due to the increase in the required funding for long-term retirement liabilities of \$17,750. Two part-time Accountant positions are budgeted to be replaced with one full-time Accountant at an increase of \$23,980. This increase was offset by a reduction in health insurance due to an additional employee electing the health allowance and lower wages due to the replacement of a retired employee with a new employee at a lower wage rate.

Supplies – Total Supplies increased \$40 or 0.6% due to an inflationary increase in office supply costs.

Other Charges – Total Other Charges increased \$2,150 or 2.3%. Software maintenance costs increased \$4,150 due to an anticipated 5% increase in MUNIS licensing and support fees. The training budget increased \$200 for the Accountants to attend an educational program. Existing membership fees increased slightly, by \$40. The printing budget can be reduced \$1,810, as employee Notices of Deposit are now being delivered electronically. Telephone costs decreased \$400 due to a revised allocation of citywide telephone expenditures. \$40 was saved based on a more accurate estimate of per-page copier print fees.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$783,866	\$668,920	\$647,140	\$686,270	\$686,270
Supplies	7,034	6,370	6,370	6,410	6,410
Other Charges	91,349	92,600	92,060	94,750	94,750
Total	\$882,249	\$767,890	\$745,570	\$787,430	\$787,430

MISSION STATEMENT: *To procure goods and services at the lowest competitive price and to maintain efficiency, quality and ethical standards while acting in the City's best interest.*

The procurement of goods and services is an integral part of the quality control procedures currently being applied to all levels of the organization. Several policies and procedures are in place to ensure that all purchase requisitions are screened for compliance.

The use of several different purchasing methods allows for the purchase of goods and services at the lowest competitive price. Examples include: on-line requisitioning, cooperative purchasing, quantity purchases, Requests for Proposals, purchasing cards and an on-line e-procurement program that allows registered vendors instant access to bids and quotes. Having these alternatives available allows for a more expedient method of procuring goods and services.

Surplus items such as vehicles, furniture, computer equipment, police related items, etc. are disposed of through the Michigan Intergovernmental Trade Network (MITN) auction website (www.mitn.info).

The issues involving ethical standards of purchasing are continually monitored to maintain the highest level of standards. These issues include establishing policies and procedures, preparing specifications, and the testing and inspecting of materials and supplies purchased by and for the City.

Purchasing is also responsible for encumbering and monitoring all purchase requisitions through the MUNIS system, which coordinates with the modules used by the City's other financial and management offices. The encumbrance module strengthens the control and reporting procedures of the City.

Additional Purchasing responsibilities include training personnel on the use of on-line requisitioning, purchasing cards, Internet purchases of office supplies, and coordinating all office, cable television, and Print Shop equipment maintenance. Determination is made for equipment replacement, service contracts, and/or vendor performance. This office also provides microfilming services for most City departments. ■

KEY GOALS

- *To ensure that the maximum number of vendors are contacted in order to obtain the best possible price and quality.*
- *To research products and services to ensure quality, particularly in large purchases.*
- *To participate in statewide and local cooperatives to broaden purchasing operations and to obtain better pricing by combining orders with multiple communities.*
- *To monitor purchasing histories and activities identifying areas where purchases can be consolidated to allow for further cost reduction.*
- *To provide guidance to departments and vendors regarding purchasing practices.*

Did you know...

...the City's Purchasing Ordinance requires formal competitive bidding and City Council approval of all purchases in excess of \$10,000?

Purchasing

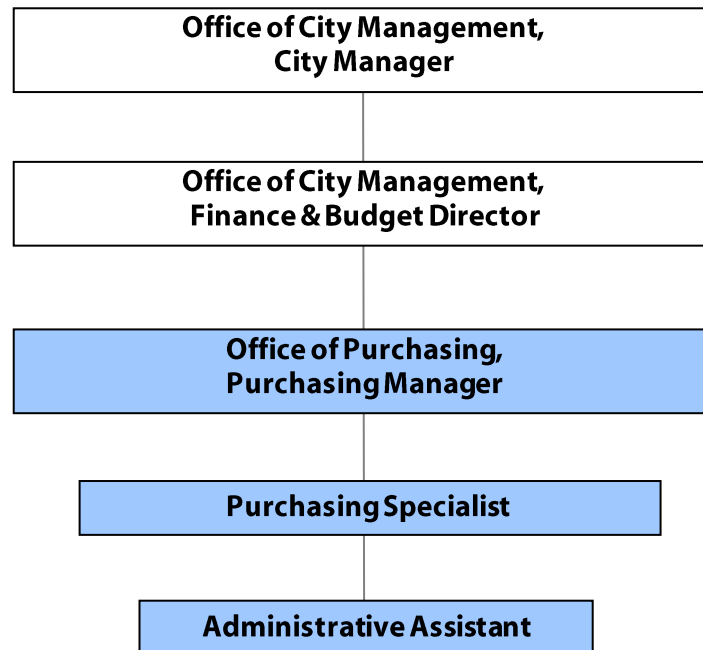
2017/18 PERFORMANCE OBJECTIVES

1. To explore and identify a shared electronic office calendar to automate and more effectively track all aspects of bid awards. *(City Goal 2, 23)*
2. To implement and fully exploit the improved functionality proposed for the new Bid Net system. *(City Goal 1, 2, 3, 4, 6, 23)*
3. To communicate and work together with adjacent communities to gain economies of scale for the purchase of normal and recurring commodities. *(City Goal 1, 2, 4, 6, 23)*
4. To maximize the cash-back feature of the Purchasing card program to increase rebate levels. *(City Goal 1, 4, 8, 23)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Purchase Orders Processed	927	1,055	1,091	1,100	1,129	1,200
	Bid Solicitation Occurrences	51	34	50	50	50	50
	Total # of Bid Responses Reviewed	170	191	164	180	180	180
	Electronic Bids Reviewed	0	0	4	40	36	40
	Surplus Item Auctions Conducted	60	63	71	70	195	150
	Agenda Items Presented to City Council	69	90	86	80	80	80
	FedEx/UPS Packages Processed	1,766	1,611	1,713	1,631	2,152	2,000
	Written Quotation Solicitation Occurrences	23	2	3	10	5	5
	Written Quotation Responses Reviewed	32	18	18	40	25	25
	# of Employees Assigned a Purchasing Card	56	58	56	55	62	60
	Purchasing Card Transactions	1,247	1,682	1,708	1,900	1,665	1,700
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	95%	95%	95%	95%	95%	95%
	Avg. Days to Process a P.O. (informal/formal pricing)	7/30	7/30	7/30	7/30	7/30	7/30
	Online Procurement System - Registered Vendors	7,816	8,298	8,238	8,200	8,100	8,200
	Revenue from Sale of Surplus Property	\$40,051	\$26,259	\$61,500	\$30,000	\$20,000	\$20,000
	Dollar Value of Purchasing Card Transactions	\$209,427	\$256,349	\$274,515	\$230,000	\$275,000	\$270,000
	Cost to Issue a Purchase Order	\$92	\$83	\$80	*	*	*
	Average Cost to Go Out to Bid	\$1,391	\$1,425	\$1,278	*	*	*
	Total Dollar Value of Purchase Orders	\$12.6M	\$17.1M	\$16.9M	\$14.4M	\$17.5M	\$18.0M
	Avg. Savings Thru Bid Process/Vendor Savings Prog.	30%	30%	30%	30%	30%	30%
	Activity Expenditures as % of General Fund	0.34%	0.34%	0.35%	0.35%	0.35%	0.41%

*Cost is calculated for "Actual" columns only.

Purchasing



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Purchasing Manager	1	1	2
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	4

Purchasing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 21.1%.

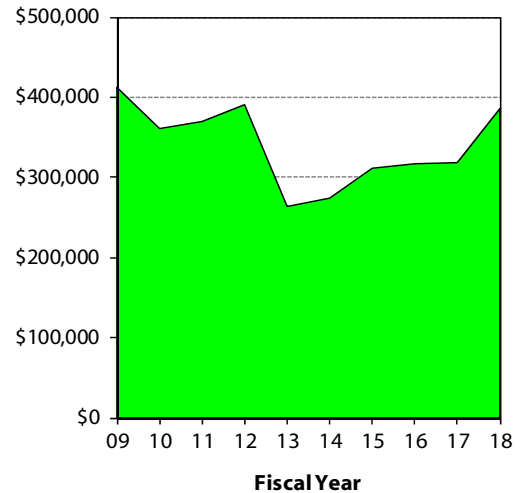
Personnel Services – The total Personnel budget increased \$61,170 or 20.5%. The overall increase is primarily due to the advanced hiring of a Purchasing Manager to replace the current manager who is retiring in June 2018. Required funding for long-term retirement liabilities increased by \$6,520 and wages for two employees increased slightly due to a contractual wage adjustment.

Supplies – Total Supplies increased \$20 or 1.6% due to an inflationary increase in supply costs.

Other Charges – Total Other Charges increased \$6,060 or 32.6%. Funding increased \$5,000 as the cost for digitizing Building records was transferred to Purchasing. \$1,030 was added due to an increase in citywide office equipment repairs and for the annual maintenance of the City campus street clock, which has not recently been maintained. Telephone costs increased \$30 based on the current year's estimated expenditure usage.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$299,012	\$298,610	\$298,800	\$359,780	\$359,780
Supplies	1,151	1,220	1,220	1,240	1,240
Other Charges	16,824	18,600	23,030	24,660	24,660
Total	\$316,987	\$318,430	\$323,050	\$385,680	\$385,680

MISSION STATEMENT: *To accurately bill and collect all City revenues on a timely basis and invest idle funds prudently while establishing and accomplishing strategic financial objectives of the City.*

Treasury is responsible for the receipt, deposit, control, and distribution of all receipts (taxes, water and sewer, and all other revenues) of the City on a daily basis.

A major function of Treasury is the investment of available City funds. The City utilizes Internet technology to provide current market information to allow timely purchases and trades, thus decreasing costs and increasing earnings.

Treasury also bills, collects, and maintains all special assessments for water, sewer, pavement, sidewalks, and drains.

Monthly water and sewer bills are prepared for residential, industrial and commercial customers. Delinquent account reports are generated and transferred to tax rolls after approval by the City Manager on a semi-annual basis.

Other responsibilities involve acting as Treasurer and trustee for both the Police & Fire and the General Employees Retirement Systems. Through prudent investment strategies, both systems continue to maximize investment earnings.

The Treasurer provides administrative support to the Corridor Improvement Authority (CIA), the Brownfield Redevelopment Authority, and the Local Development Finance Authority (LDFA). The Brownfield Redevelopment Authority reviews and processes applications for potential development on contaminated sites while the CIA and LDFA work to enhance commercial districts in the City by offering development incentives in order to increase economic vitality within these districts. Administrative support is also provided to the Economic Development Corporation (EDC).

Treasury is also responsible for the various defined contribution plans (401(A) and 457 plans) and the defined benefit plan (General Employee's Retirement System or GERS) sponsored by the City. For the defined contribution plans, duties include the day-to-day administration and working with

KEY GOALS

- ***To effectively administer tax programs in accordance with all applicable laws.***
- ***To serve all water and sewer customers with accurate and timely billing and collections.***
- ***To administer cash management programs with the goal of decreasing costs and increasing earnings.***
- ***To assist in administering the City's two pension funds: Police & Fire and General Employees.***
- ***To assist in developing and implementing programs to reduce costs, increase revenues, and add efficiencies.***

various service providers relative to investment options, coordination of employee education and general employee assistance. Duties related to the GERS include day-to-day administration of the system, preparing agendas and packets for monthly meetings, coordinating with money managers and service providers for quarterly performance meetings, assisting the system's legal actuary and custodial bank to ensure timely and proper benefit payments to retired employees.

The office also compiles and provides all required data to complete the annual actuarial valuation for both defined benefit pension plans and the bi-annual actuarial valuation of the retiree health and other post employment benefits trust fund.■

Did you know...

...that more than 2,000 residents pay their water bill by credit card each month?

Treasury

2017/18 PERFORMANCE OBJECTIVES

1. To review the fee structure of the City's 457 providers to consider consolidating to one provider, to reduce maintenance fees. (City Goal 6)
2. To work with Finance and City Auditors to implement Governmental Accounting Standards Board numbers 74 and 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension. (City Goal 8)

Output	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
	Tax Bill Payments Processed - Manually (incl. partials)	22,358	21,913	23,020	22,900	22,046	22,000
	Tax Bill Payments Processed - Electronically (escrows)	32,143	32,659	33,177	32,800	33,217	33,200
	Tax Bill Payments Processed - Lock Box	31,805	29,034	28,285	28,300	27,610	27,600
	Tax Bill Payments Processed - Online	4,525	4,499	4,330	4,500	4,600	4,750
	Special Assessment Parcels Billed	132	81	75	80	65	80
	Invoices Billed	4,073	3,206	2,432	3,200	2,200	2,300
	Investments Bought/Sold - Number of Transactions	364	414	353	300	300	300
	Tax Adjustments Processed	1,298	1,032	1,061	1,000	796	800
	Resident Tax Online Retrievals	60,355	82,576	67,931	68,000	69,000	69,500
	Cash Receipts Processed by Treasury Personnel	60,578	57,358	57,761	59,000	56,000	57,000
	City-Wide Credit Card Payments Received	37,320	41,630	48,636	47,000	47,000	48,000
	Dollar Value of All Credit Card Transactions (Millions)	\$5.6	\$6.6	\$8.4	\$8.5	\$9.7	\$9.7
	Defined Contribution Active Employees	76	84	96	94	108	114
	Defined Benefit Active GERS Employees	130	110	109	103	100	94
	GERS Retirements Processed	5	13	4	5	6	6
	GERS Retirees/Beneficiaries Receiving Benefits	349	358	359	358	362	366
	Pension Calculations Prepared (P&F and GERS)	19	30	18	20	20	20
	Water and Sewer Bills Issued	190,041	190,284	190,812	192,000	192,000	192,000
	Final Water Bills Prepared	1,158	1,149	1,143	1,400	1,400	1,500
	Water & Sewer Customer Bill Online Retrievals	31,287	36,784	41,007	39,000	44,600	45,000
	Water & Sewer Auto Pay Customers	2,331	2,261	2,281	2,300	2,300	2,300
	Water & Sewer Budget Billing Customers	111	104	88	95	85	80
	Service Orders Processed by Utility Billing	2,403	2,937	3,193	3,000	3,200	3,200
	Water Bill Adjustments	1,844	2,151	2,264	2,300	1,750	1,800

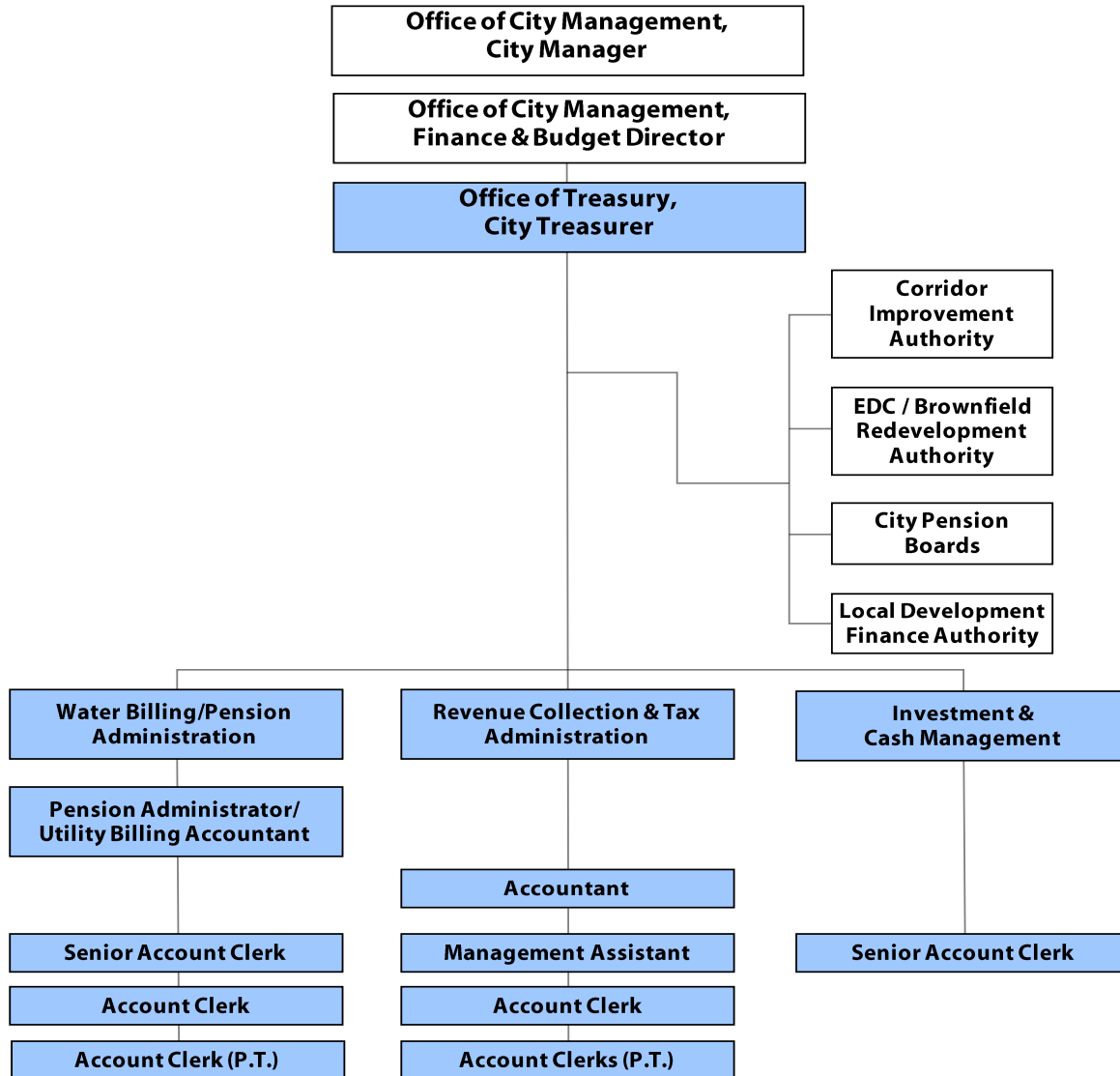
Treasury

2017/18 PERFORMANCE OBJECTIVES

3. To obtain quotes from numerous credit processing agencies in attempt to lower the fees paid for merchant card services. *(City Goal 1)*
4. To investigate the possibility of accepting credit cards (other than Discover) over the counter for property taxes. *(City Goal 1)*

Efficiency & Effectiveness	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
	% of Real & Personal City Prop. Tax Levy Collected	97%	97%	97%	97%	97%	97%
	% of Prop. Tax Parcels Turned Delinquent to County	6.10%	5.79%	5.67%	6.00%	6.00%	6.00%
	Average Rate of Return on Investments	1.20%	1.27%	1.40%	1.75%	1.60%	1.75%
	Average 2-Year T-Note Rate	0.32%	0.47%	0.68%	1.00%	0.80%	0.95%
	City's Return as a % of 2-Year T-Note	375%	270%	206%	175%	200%	185%
	% of Portfolio Invested in Active Market	85.2%	83.7%	84.1%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	\$0.3	\$0.6	\$0.6	\$0.8	\$0.7	\$0.8
	Police & Fire Pension System - % Funded	67.4%	68.4%	69.3%	69.0%	68.5%	69.0%
	General Employees Pension System - % Funded	84.2%	84.3%	84.8%	84.0%	82.4%	82.5%
	Ratio of Active GERS Employees to GERS Retirees	1:2.68	1:3.25	1:3.29	1:3.48	1:3.62	1:3.89
	Annual % Change in GERS Market Value - Fiscal Year	18.6%	3.4%	-2.8%	7.8%	7.5%	7.5%
	Annual % Change in P&F Market Value - Fiscal Year	18.3%	4.5%	-2.4%	7.8%	8.0%	8.0%
	Ratio of Active P&F Employees to P&F Retirees	1:2.29	1:1.92	1:1.56	1:1.66	1:1.79	1:1.66
	% of Water & Sewer Bills Adjusted	0.97%	1.13%	1.19%	1.20%	0.91%	1.00%
	Activity Expenditures as % of General Fund	1.24%	1.16%	1.20%	1.22%	1.23%	1.25%

Treasury



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Treasurer	1	1	1
Pension Admin./Utility Bill. Accountant	1	1	1
Accountant	1	1	1
Management Assistant	1	1	1
Senior Account Clerk	2	2	2
Account Clerk	2	2	2
Account Clerk (P.T.)	2	3	3
Total	10	11	11

Treasury

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.8%.

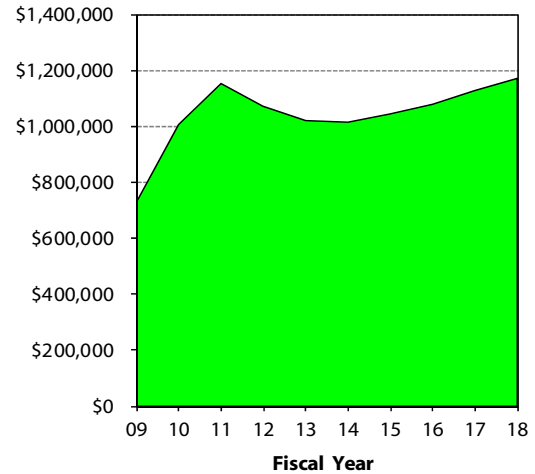
Personnel Services – The total Personnel budget increased \$35,620 or 3.9%. Full-time wages decreased slightly due to the replacement of the City Treasurer at a lower starting rate. This was offset by a contractual wage increase for all employees. Health insurance costs increased due to a change for one employee from health allowance to fully insured. Required funding for long-term retirement liabilities increased by \$17,580.

Supplies – Total Supplies increased \$5,950 or 5.2%. Postage costs increased \$4,000 due to an increase in the cost of tax and water bill mailings. \$1,950 was added for the one-time purchase of a high speed currency scanner and counterfeit detector, and for a slight inflationary increase in supply costs.

Other Charges – Total Other Charges increased \$1,700 or 1.8%. \$1,000 was added due to higher credit card service fees. Contracted service costs increased \$520 primarily due to higher costs for printing tax and water bills. Rental costs increased \$340 due to higher lease costs for the investment tracking software. BS&A software support fees increased slightly by \$90. Telephone costs decreased \$100 and printing costs fell \$100, as both can be reduced and brought more in line with the current year's estimated expenditure levels. Funding for publishing can be reduced by \$50, as recent costs have been less than anticipated.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$888,089	\$920,820	\$913,000	\$956,440	\$956,440
Supplies	112,515	114,000	114,200	119,950	119,950
Other Charges	78,054	93,090	93,870	94,790	94,790
Total	\$1,078,658	\$1,127,910	\$1,121,070	\$1,171,180	\$1,171,180

***An economic forecaster is like a cross-eyed javelin thrower:
they don't win many accuracy contests,
but they keep the crowd's attention.***

~ Anonymous ~



Public Library Department



FUNCTIONAL ORGANIZATION CHART

Public Library Department

Library Administration

- Directs the Public Library Department
- Prepares and administers library's budget
- Recommends and implements policies
- Coordinates and evaluates activities of staff
- Formulates and develops service programs and priorities; assesses long-range needs
- Coordinates and administers grants
- Compiles and maintains statistical records
- Guides and directs activities of the Library Board of Trustees
- Guides and directs activities of the Historical Commission
- Represents and promotes the library to the community
- Serves as liaison to the Suburban Library Cooperative
- Provides administrative support for activities of Friends

Library Programming & Community Services

- Plans and coordinates publicity and public relations activities
- Creates and maintains library's Internet site
- Conducts technical training for patrons and staff
- Coordinates adult, teen and youth programming and volunteer activities
- Coordinates memorial/gift book and exhibit case programs
- Plans and schedules cable channel programs

Circulation Services

- Check-out and check-in of library materials
- Registers eligible borrowers
- Processes claim-returned items
- Processes inter-library loans, renewals and holds
- Maintains patron database
- Provides Sirsi Voice Automation (SVA) telephone notification
- Collects overdue fines and fees for lost materials
- Coordinates with collection agency for resolution of delinquent accounts
- Coordinates material delivery

Public Services

- Reference/information retrieval
- Provides bibliographic instruction
- Collection development and evaluation
- Provides outreach service to senior citizen residences & the homebound
- Processes deposit collections and extension loans
- Shelves materials for user access
- Maintains periodical and newspaper collections
- Provides Readers' Advisory Services
- Selects online reference sources
- Coordinates Internet access and instruction
- Coordinates Young Adult Services
- Conducts Youth programming and seasonal activities
- Creates exhibits, displays and information packets
- Coordinates MeLCat access to materials

Technical Services

- Coordinates the acquisition and processing of materials
- Catalogs and classifies materials
- Administers online catalog and Internet systems
- Processes and routes donations
- Maintains online catalogs and equipment
- Maintains ongoing collection inventory and statistical analysis
- Processes items and donations for Upton House Historical Collection
- Installs and maintains software and hardware for staff and public workstations

DEPARTMENT AT A GLANCE

Public Library Department

BUDGET SUMMARY

Note that the 2014/15, 2015/16 Actuals and 2016/17 Budget include the Parks and Recreation Department which has been moved to the Special Revenue section beginning in 2017/18. Comparative numbers for only the Public Library can be found on the Summary of Budget Changes page.

ten mobile Internet devices that will be available for circulation. Other Charges increased \$1,650 or 0.6% to fund the new BrainHQ service and the wireless Internet service for the ten mobile devices. These increases were offset by savings in utility costs. Capital funding includes replacement carpeting for the programming center and two replacement personal computers.

The Public Library budget increased \$95,690 or 3.6%. Personnel costs for the Library increased \$85,770 or 4.0%, due to contractual wage increases and an increase in the funding for long-term retirement liabilities. Supplies increased \$8,270 or 3.8% due to the purchase of a book drop chute and bin, a projector and

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Public Library	\$2,408,630	\$2,492,550	\$2,630,590	\$2,726,280	3.6%
Parks & Recreation	\$1,780,470	\$1,900,650	\$1,957,950	\$0	N/A
Total Department	\$4,189,100	\$4,393,200	\$4,588,540	\$2,726,280	-40.6%
Personnel Services	\$3,363,340	\$3,547,610	\$3,675,660	\$2,219,370	-39.6%
Supplies	272,180	275,800	294,530	224,800	-23.7%
Other Charges	553,580	569,790	618,350	282,110	-54.4%
Total Department	\$4,189,100	\$4,393,200	\$4,588,540	\$2,726,280	-40.6%

In 2017/18, the Parks & Recreation budget was moved to the Special Revenue Section.

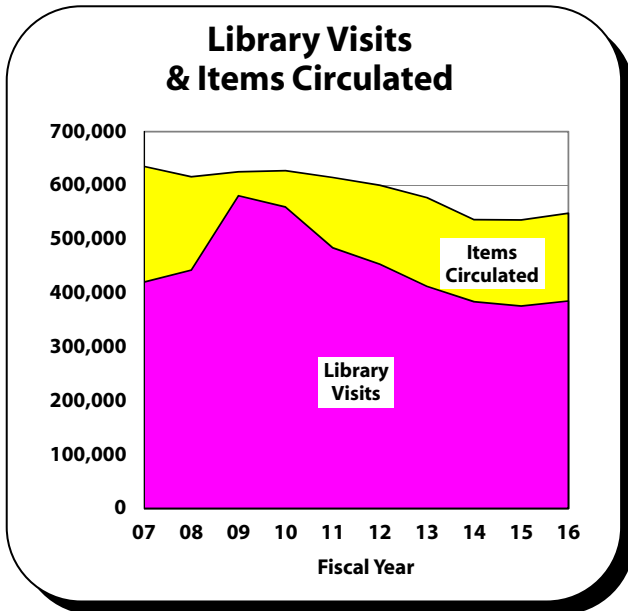
PERSONNEL SUMMARY

	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	13	23	12	26	12	26	12	26
Total Department	13	23	12	26	12	26	12	26

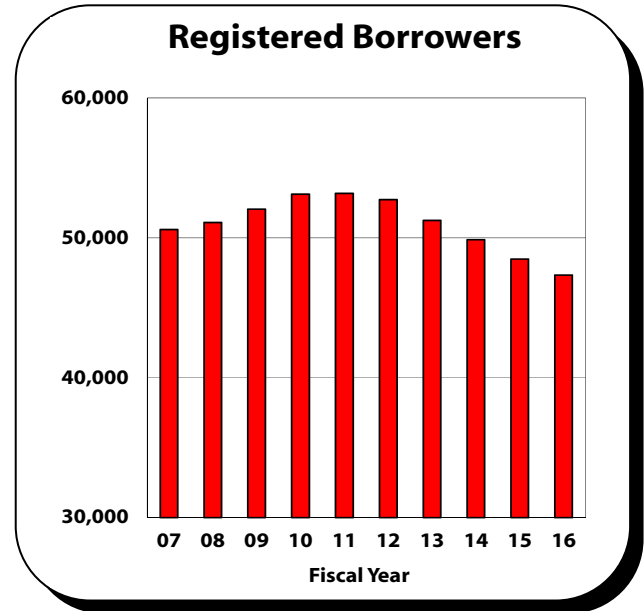
Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

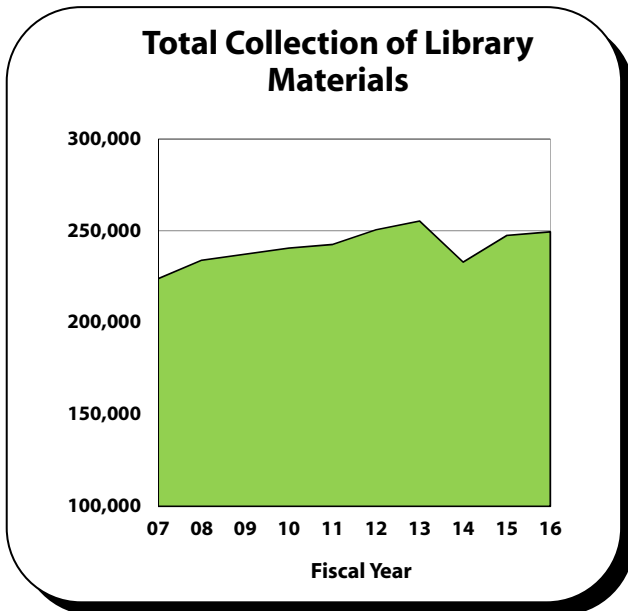
Public Library Department



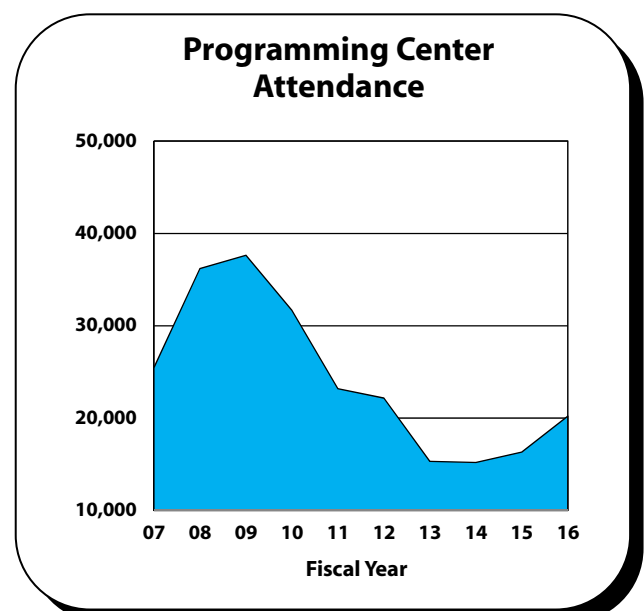
Over the past ten years, the number of Library items circulated has declined. Attendance has also declined with the exception of an increase during the recession. In 2016, 385,000 visits were recorded or an average of 125 visits per hour open. 548,000 items (or an average of 1.4 items per visit) were circulated. Library Sunday hours were restored effective September, 2015.



The number of registered borrowers in the City has generally ranged around 50,000 residents over the past ten years as the City regularly updates its registered borrower database.



The size of the Library's collections, including books, audiovisual, and software materials, has generally grown over the past ten years. There are currently 249,466 materials on hand, or an average of 1.9 items per resident. A total of 0.9 million online and electronic database uses were recorded in 2016.



Attendance at the Library's Programming Center has generally decreased since reaching a high of 37,639 participants in 2009. Attendance in 2016 totaled 20,209 participants.

MISSION STATEMENT: *To serve as an information center for our community, offering a wide variety of materials and services for education, entertainment, and enrichment in a welcoming and helpful environment.*

The Sterling Heights Public Library offers a full range of services for all community residents. Activities such as preschool story times, adult, teen and youth summer reading programs, computer and Internet assistance, film festivals, book talks, author visits, consumer interest programs, reference and readers' advisory services, educational cable programming, an oral history collection, and a wide selection of books, online reference sources, e-books and audiovisual materials provide residents with excellent educational opportunities.

Computerized information retrieval is offered with the online catalog of 21 libraries in the Suburban Library Cooperative. The Digital Media Archives section of the online catalog includes hundreds of digital photographs of Sterling Township farms and families from the 1860's. The Library also participates in the MeLCat statewide catalog and delivery system, allowing City residents to borrow materials from hundreds of public, school and academic libraries throughout Michigan. Other services include full-text online magazine and newspaper reference sources, Internet access at public workstations, wireless Internet access, area newspapers on microfilm, and a Tech for Tots area with educational software applications and games.

The Library's web site, www.shpl.net, serves as an effective guide to the wealth of resources provided by the Library in addition to an introduction to the vast resources of the Internet providing access to thousands of full-text electronic books, downloadable audiobooks, digital magazines, and downloadable music. Technology training sessions are regularly offered to allow residents to make optimal use of the Library's online resources. A van delivers a wide selection of materials, including large print books, directly to the homebound and senior citizen housing units.

The Library has an international language collection of popular fiction and magazines in 22 languages, and a unique collection of English as a second language materials designed to improve English

KEY GOALS

- *To provide up-to-date information for residents in their pursuit of educational, job-related, and personal goals.*
- *To provide access to information and resources beyond the Library's in-house collection through interlibrary cooperation, online databases, programming, and outreach services.*
- *To maintain a high standard of friendly and professional assistance in providing reference, information, referral, and circulation services.*
- *To provide high demand, high interest popular materials in a variety of formats and in a timely manner for residents of all ages.*
- *To provide materials and services which promote learning and reading for children.*

language skills. For patrons with visual disabilities, the Library provides large print and audio books.

Additionally, the Library's cable channel broadcasts quality educational programs daily. These programs feature topics in literacy, arts and history, science, cultural enrichment, and youth and teen issues. At other times, the channel lists current library events, programs, and collections.

The Library is committed to quality service that satisfies the individual and enriches the community.■

Did you know...

...the Sterling Heights Public Library offers Mango Languages, an online language-learning system that offers access to 60 foreign language courses and 17 English courses taught completely in the user's native language?

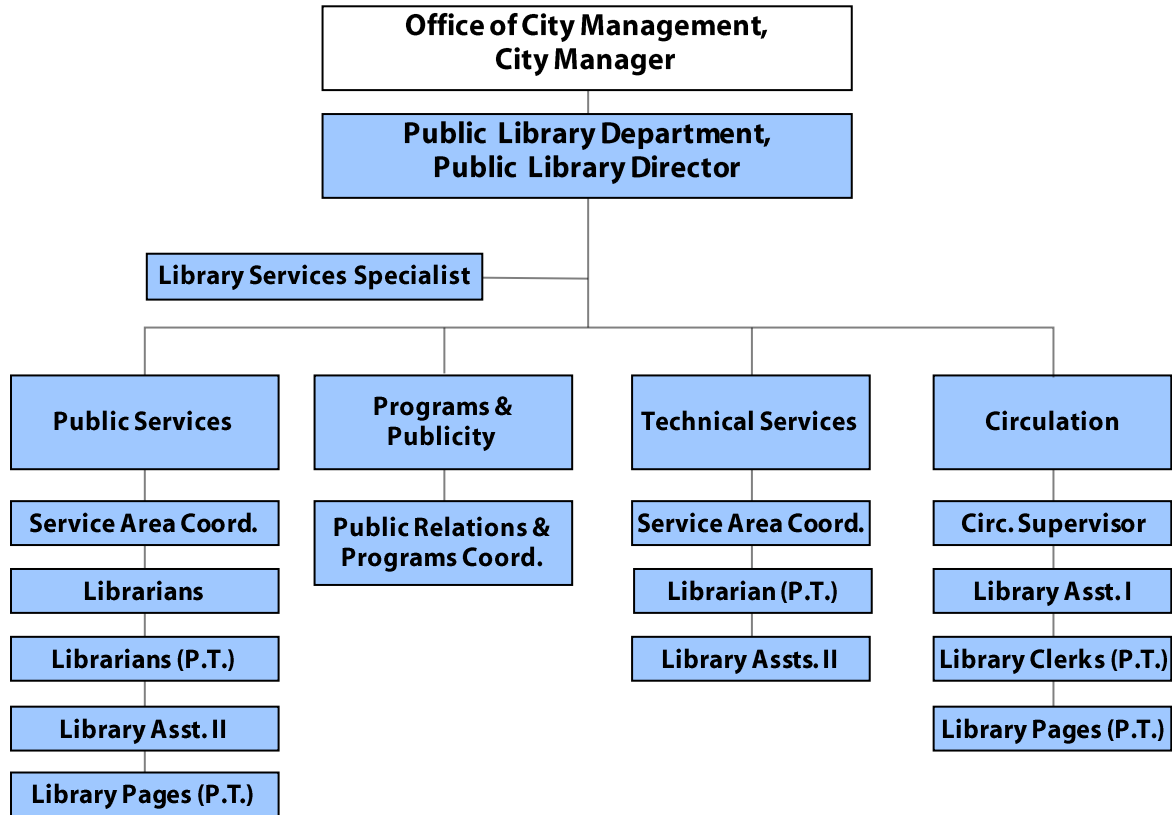
Library

2017/18 PERFORMANCE OBJECTIVES

1. To plan and implement a successful year-long 50th anniversary celebration in conjunction with Community Relations, Parks & Recreation and the Historical Commission. *(City Goal 1, 19, 24)*
2. To continue to foster an environment of creativity to preserve and expand quality of life services. *(City Goal 1, 19)*
3. To continue to promote the library as a technology center for the community through programming, hardware, and software improvements for all ages. *(City Goal 1, 19, 23)*
4. To seek grants, community partnerships, and other sources of revenue to improve core library services. *(City Goal 19, 24)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Library Registered Borrowers	49,863	48,490	47,334	47,000	46,500	46,500
	Annual Library Attendance	384,063	376,007	385,398	390,000	370,000	385,000
	Total Collection of Lib. Materials (Excl. magazines)	233,004	247,485	249,466	260,000	255,000	257,000
	Items Circulated	536,485	536,038	548,414	540,000	535,000	540,000
	Program Attendance	15,196	16,322	20,209	20,000	20,000	20,000
	Reference & General Information Requests	68,052	65,368	65,587	63,000	64,000	64,000
	Hours of Library Operation Weekly	57.5	57.5	61.5	61.5	61.5	61.5
	Materials Added to Collection	19,632	21,257	19,011	20,000	19,000	19,000
	In-Library Use of Materials	82,304	60,279	54,742	60,000	45,000	40,000
	Items Processed for Loan to Other Libraries	79,360	72,109	70,606	72,000	64,000	64,000
	Items Processed for Receipt from Other Libraries	86,950	80,545	78,015	80,000	71,000	71,000
	Online & Electronic Database Usage	1,659,105	1,216,053	921,671	900,000	950,000	950,000
	Wireless Computer Users	10,876	92,285	114,533	100,000	120,000	120,000
	Outreach Loans by Library Van	3,253	3,259	2,833	2,800	2,900	2,900
Efficiency & Effectiveness	Registered Borrowers as a % of Population	38%	37%	36%	36%	35%	35%
	Library Materials per Capita	1.79	1.89	1.90	1.98	1.94	1.95
	Circulation of Materials per 1,000 Population	4,111	4,100	4,186	4,115	4,076	4,106
	% of Hold Material Requests Filled within 30 days	78%	79%	81%	84%	81%	82%
	% of Material Reshelfed within 24 hours	99%	98%	98%	98%	98%	98%
	Full-time Equivalent Staff Per 1,000 Population	0.18	0.19	0.19	0.19	0.19	0.19
	Library Material Acquisition Costs Per Resident	\$1.21	\$1.47	\$1.48	\$1.48	\$1.48	\$1.51
	Library Cost Per Capita	\$17.90	\$18.42	\$19.03	\$20.04	\$19.91	\$20.73
	Total Cost Per Library Registered Borrower	\$46.84	\$49.67	\$52.66	\$55.97	\$56.19	\$58.63
	Activity Expenditures as % of General Fund	2.86%	2.67%	2.77%	2.85%	2.86%	2.90%

Library



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Public Library Director	0	1	1
Community Services/Library Director	1	0	0
Library Service Area Coordinator	2	2	2
Public Relations & Programs Coordinator	1	1	1
Librarian	2	2	2
Librarian (P.T.)	10	10	10
Circulation Supervisor	1	1	1
Library Services Specialist	0	1	1
Management Assistant	1	0	0
Library Assistant II	3	3	3
Library Assistant I	1	1	1
Library Clerk (P.T.)	6	6	6
Library Page (P.T.)	10	10	10
Total	38	38	38

Library

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

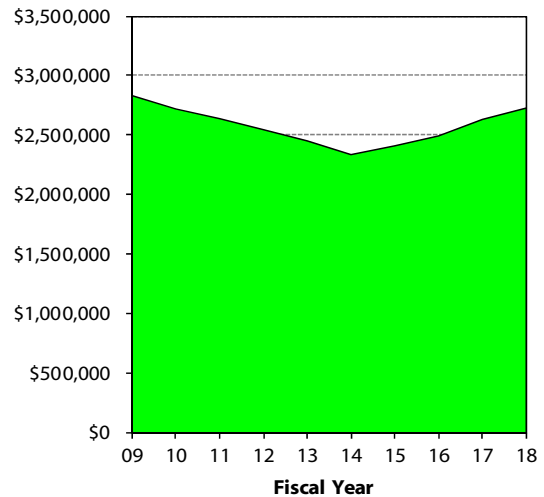
The total budget increased by 3.6%.

Personnel Services – The Personnel budget increased \$85,770 or 4.0%. The overall increase is due to a contractual wage increase and employee wage steps, as well as an increase in the minimum wage for Library Pages. As a result, total wages increased \$34,050. The budget continues to fund Library Sunday hours. Required funding for long-term retirement liabilities increased by \$37,710.

Supplies – Total Supplies increased \$8,270 or 3.8%. Operating supply costs increased \$3,500 for the one-time purchase of a replacement book drop chute, book drop bin, and a projector for the programming center. The supply budget also continues to fund the replacement of patron tables and chairs. \$4,770 was added for additional library books, publications, audiovisual materials, and ten mobile Internet access devices that will be available for circulation.

Other Charges – Total Other Charges increased \$1,650 or 0.6%. Funding increased \$5,040 for an online subscription service to BrainHQ and wireless Internet service for ten mobile Internet access devices. The increase was partially offset as the online Consumers Reports database will be eliminated. \$1,210 was added due to an increase in the Library Cooperative membership fee, which is tied to higher state aid. \$600 was added for library staff training. Electric costs decreased \$3,000 and heating costs fell \$2,000, as both can be reduced based on recent expenditure levels.

Expenditure History



\$400 was saved, as a subscription to the Bresser's Cross-Index Directory was eliminated.

Capital – The Library is scheduled to receive two replacement personal computers totaling \$1,700 to replace the existing five-year old units. \$7,500 is budgeted for replacement carpeting in the Library's programming center.

FUNDING LEVEL SUMMARY

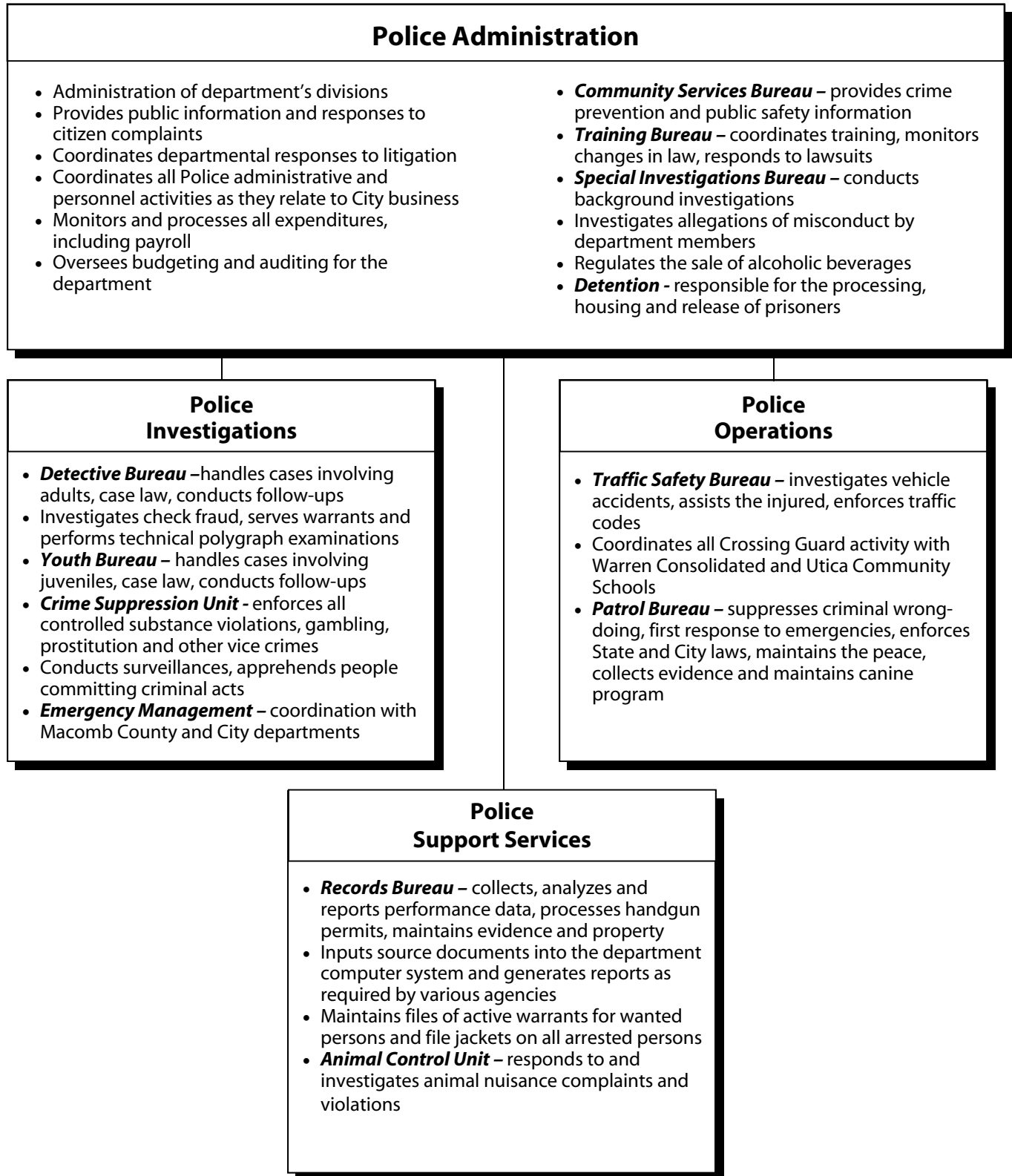
	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$2,033,376	\$2,133,600	\$2,130,130	\$2,219,370	\$2,219,370
Supplies	208,791	216,530	216,380	224,800	224,800
Other Charges	250,381	280,460	266,290	282,110	282,110
Total	\$2,492,548	\$2,630,590	\$2,612,800	\$2,726,280	\$2,726,280

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department



DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police Department budget decreased \$1,779,290 or 5.1%. Personnel costs decreased \$1,566,480 or 5.0% primarily due to funding budgeted in the prior year for the hiring of Police Officers in advance of planned retirements. This additional wage and benefit cost will not be incurred in the current year. This savings was offset by budgeted contractual wage increases, an increase in the funding for long-term retirement liabilities of \$242,750 and the planned hiring of two part-time Technical Secretaries and a High School Co-op in Police Support Services. Supplies decreased \$12,770 or 7.1% primarily due to reduced funding for uniforms and body armor for new Officers due to fewer anticipated new hires. Other Charges decreased \$200,040 or 6.6% primarily due to a one-time budgeted

expenditure in the prior year to offset the expected reduction in Federal drug forfeiture receipts. Federal equitable sharing payments have returned to normal. This savings is partially offset by increases in Macomb County Dispatch and detention facility contract costs. Additional Command Officer training and County animal shelter costs are also funded. Software support costs are reduced as several maintenance agreements are now budgeted Information Technology. The Capital Budget funds the replacement of a total of 14 vehicles and a Transit Wagon. The budget also includes the replacement of four emergency warning sirens, 22 workstations in Police Investigations and a Vehicle Crash Reconstruction System.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Police Administration	\$3,611,950	\$4,905,920	\$5,031,510	\$5,149,120	2.3%
Police Investigations	5,857,000	6,225,590	6,532,510	6,538,970	0.1%
Police Operations	19,741,950	20,276,870	21,699,180	19,656,310	-9.4%
Police Support Services	2,944,840	1,526,880	1,512,520	1,652,030	9.2%
Total Department	\$32,155,740	\$32,935,260	\$34,775,720	\$32,996,430	-5.1%
Personnel Services	\$30,483,910	\$30,074,130	\$31,544,570	\$29,978,090	-5.0%
Supplies	79,530	161,830	179,450	166,680	-7.1%
Other Charges	1,592,300	2,699,300	3,051,700	2,851,660	-6.6%
Total Department	\$32,155,740	\$32,935,260	\$34,775,720	\$32,996,430	-5.1%

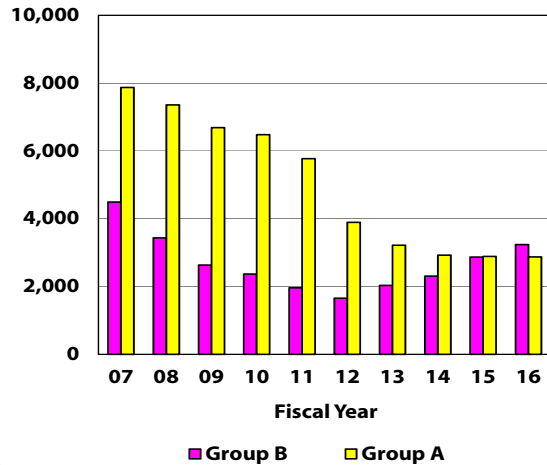
PERSONNEL SUMMARY

	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	13	0	13	0	13	0	13	0
Police Investigations	34	0	35	0	36	0	37	0
Police Operations	113	30	113	30	112	30	111	30
Police Support Services	29	3	10	1	10	1	10	4
Total Department	189	33	171	31	171	31	171	34

KEY DEPARTMENTAL TRENDS

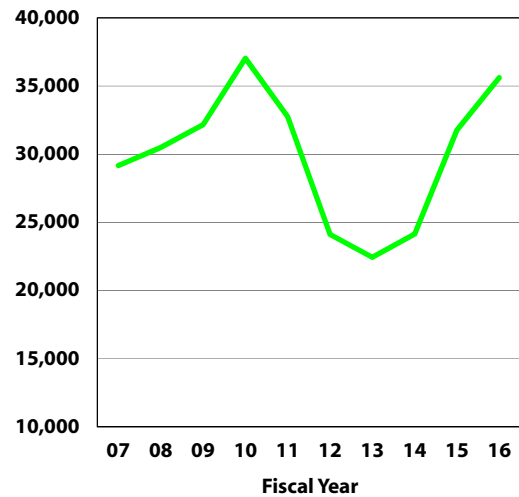
Police Department

**Crime Statistics
Group A & B Crimes**



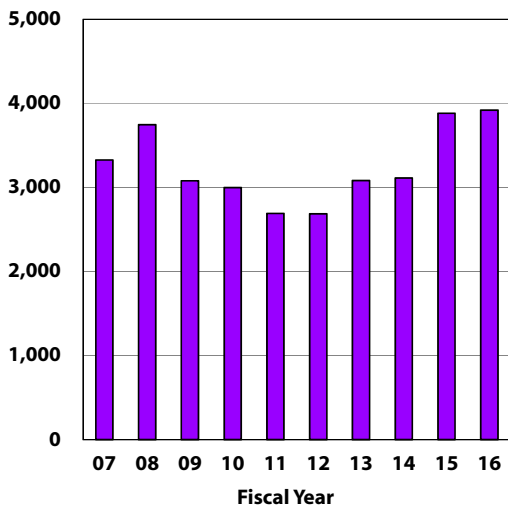
Group A and Group B crimes have decreased over the past ten years. As a result, the City's total crime statistics are lower than levels ten years ago. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.

Traffic Violations



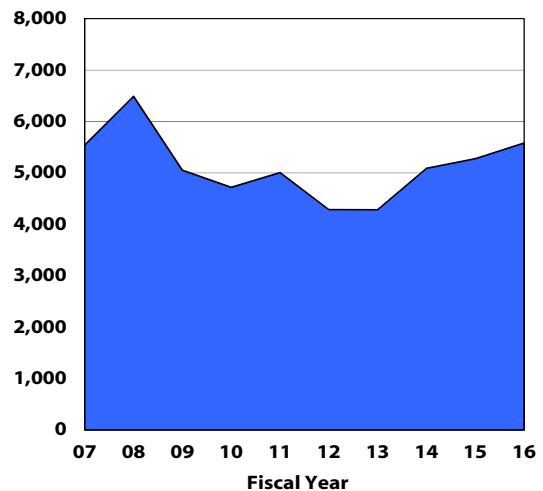
Traffic violations rose as the department initiated a multi-faceted strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents expressed a concern. Additional officers also became radar certified.

Adult Arrests



This graph reflects the number of arrests in the City. After declining for four years, the number of arrests increased over the past four years to now be slightly above 2008 levels.

Traffic Accidents



Despite an increase in traffic over the past ten years due to the growth in the City and in the surrounding northern communities, traffic accidents fell in 2012 to a 10-year low. The number of accidents has increased slightly in over the past three years due in part to increased distracted drivers from cell phone usage.

MISSION STATEMENT: *To provide effective, efficient and ethical police services through the management of allocated human and physical resources.*

The Chief of Police is responsible for the overall management of police services in the community. Reporting to the City Manager, the Chief and his staff plan, organize and direct all Police Department operations to provide a safe and orderly environment for residents and visitors.

The Chief is assisted by three Captains who serve as commanders of the Department's divisions and report directly to him. The Chief is responsible for media relations and manages responses to citizen complaints and inquiries.

Under the direction of the Chief, the Special Investigations Bureau (S.I.B.) investigates allegations of serious misconduct by Police Department members, and incidents that may result in civil litigation. This Bureau also conducts background investigations of various applicants for employment and licensing. The Bureau also enforces laws regulating the sale of alcoholic beverages and prepares the Department's response to litigation.

Through a variety of training and educational mediums, the Training Bureau identifies training needs and provides officers with the necessary equipment to effectively perform their jobs.

The Police Captain serves as the emergency management liaison between City administration and departments, and the Macomb County Office of Emergency Management. The City still maintains its own emergency operations center, municipal security team, emergency services operations group and Citizen Emergency Response Team (CERT) program.

The Administrative Captain and the Police Administration staff prepare the annual budget, monitor and process all expenditures, oversee audits and are responsible for the Department's inventory. This Division also administers personnel matters and processes the Department's payroll. ■

KEY GOALS

- *To provide leadership, coordination and support to the Department's four divisions.*
- *To conduct thorough investigations on prospective City employees, liquor license applicants, and any internal allegations of serious misconduct.*
- *To provide staff training in various areas of law enforcement to reduce liability and improve services.*
- *To provide public education in areas of crime prevention, personal safety, and child protection.*
- *To coordinate special projects that will provide for a more effective and efficient service to the public.*
- *To coordinate crime fighting efforts with other law enforcement agencies, utilizing the latest in crime analysis software and technology.*
- *To coordinate the citywide Emergency Response Program.*

Did you know...

...the Special Investigations Bureau will conduct over 20 background investigations for Police new hires over the next year, and each background check will take an average of 20 hours to complete?

Police Administration

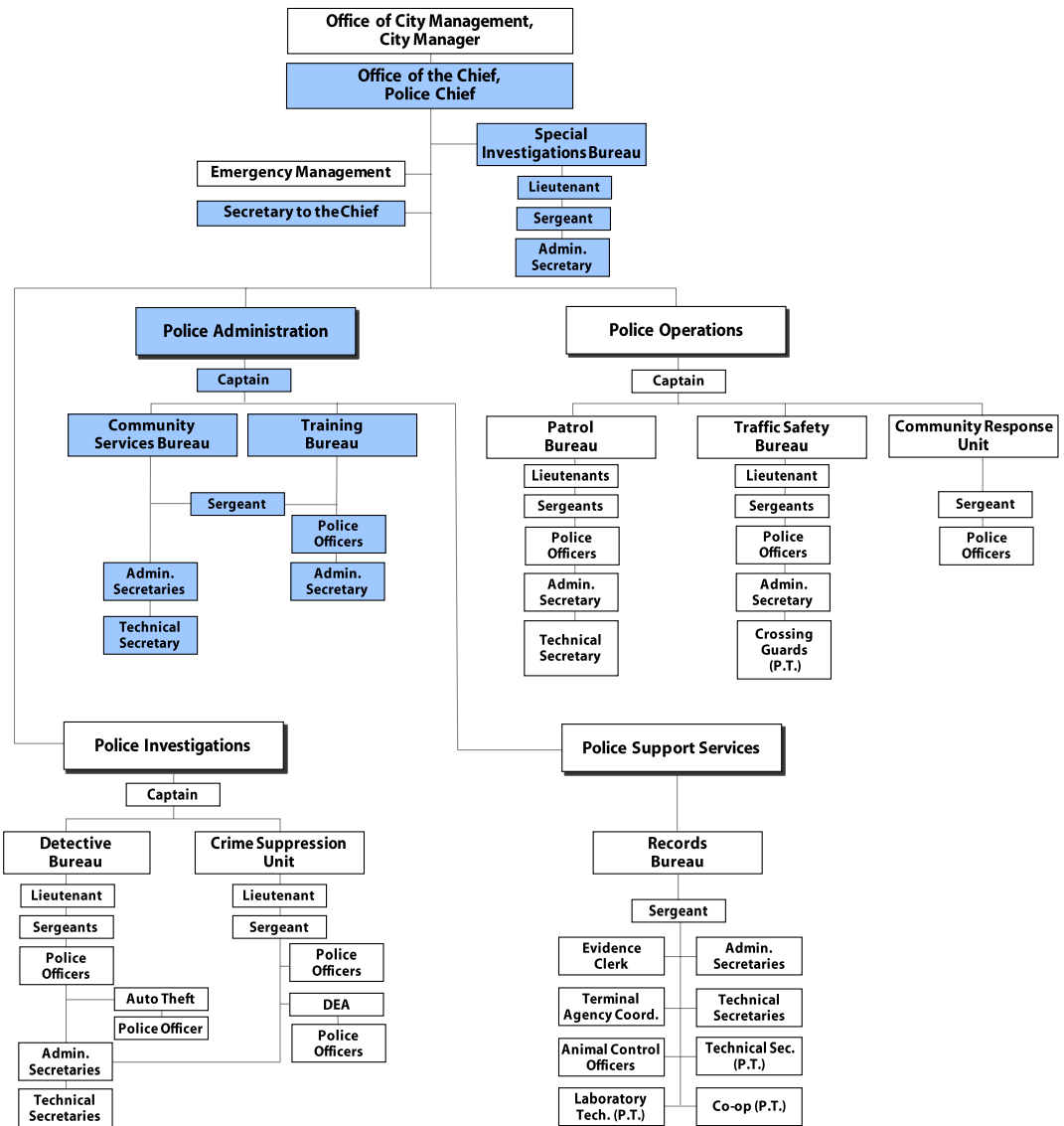
2017/18 PERFORMANCE OBJECTIVES

1. To reduce redundant paperwork and filing that is not essential in order to utilize staff in the most efficient manner. *(City Goal 1, 2, 3)*
2. To investigate automated software redaction of personal information from police video that is requested through the Freedom of Information Act. *(City Goal 2, 3)*
3. To clear the department shared computer drive of non-department items. *(City Goal 2, 7)*
4. To establish a secure shared computer file for command officers. *(City Goal 2, 7)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Public Education Programs Presented	23	9	3	0	2	3
	Security/Safety Presentations	11	4	3	0	2	2
	Neighborhood Watch Programs	6	1	0	0	0	0
	Elementary and Middle School Programs	6	4	0	0	0	0
	Citizen's Police Academy Programs	N/A	N/A	N/A	N/A	N/A	1
	General Orders Issued or Amended	16	7	11	20	18	18
	School Safety Program - Students Impacted	6,484	850	0	0	0	0
	Training Seminars Attended - Department-wide	258	201	279	350	335	350
	Employment Background Investigations	102	109	89	100	90	100
	Internal Affairs Investigations	60	51	32	50	32	40
	Liquor License Background Investigations	15	11	25	18	4	10
	Other Special Investigations Bureau Investigations	1,210	1,270	1,261	1,240	1,200	1,200
	Liquor & Tobacco Inspections/Observations	130	123	134	130	150	140
	Liquor License Violations	1	1	0	5	0	5
	Citizen's Police Academy Participants	N/A	N/A	N/A	N/A	N/A	20
	Citizen Observer Web-based Alert System Recipients	N/A	315	552	500	750	750
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	3.4:1	4.0:1	7.9:1	5.0:1	5.7:1	5.0:1
	Employment Background Investigations - % Hired	84%	61%	83%	80%	85%	85%
	# of Complaints per Officer	0.4	0.3	0.2	0.0	0.2	0.0
	Average Cost of an Administrative Investigation	\$550	\$497	\$509	*	*	*
	Average Liquor License or Tobacco Inspection Cost	\$94	\$96	\$93	*	*	*
	Department Cost per Capita	\$241	\$246	\$251	\$265	\$250	\$251
	Division Expenditures as % of General Fund	3.66%	4.00%	5.46%	5.46%	5.51%	5.48%

* Cost is calculated for "Actual" columns only.

Police Administration



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	2	2	2
Police Officer	2	2	2
Secretary to the Chief	1	1	1
Administrative Secretary	4	4	4
Technical Secretary	1	1	1
Total	13	13	13

Police Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

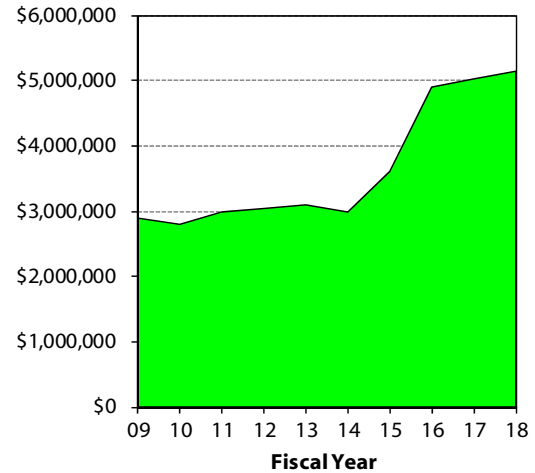
The total budget increased by 2.3%.

Personnel Services – The total Personnel budget increased \$75,970 or 3.7%. The increase is primarily due to the appointment of the Police Chief at a higher wage than was budgeted in the prior year. The additional increase is due to contractual wage and longevity adjustments and an increase in the required funding for long-term retirement liabilities of \$10,180.

Supplies – Total Supplies decreased \$13,270 or 7.4%, as reduced funding is included for the purchase of uniforms and body armor for new Officers due to fewer anticipated new hires. Postage can be reduced \$1,000 based on recent actual expenditure trends. \$1,300 was added for ammunition due to increased firearms training.

Other Charges – Total Other Charges increased \$49,910 or 1.8%. Contracted services increased \$59,560 primarily due to higher Macomb County Dispatch and detention facility contract costs. Membership costs increased \$7,560 for the Department to rejoin the Macomb Emergency Training Center, which will provide officers training classes at reduced rates, and for a slight increase in existing membership fees. Water costs rose \$1,000 due to higher rates. Software support costs decreased \$13,210, as funding for various contract agreements are now budgeted in Information Technology. The decrease was partially offset by an increase in emergency warning siren maintenance costs. The training budget decreased \$5,400 due to the anticipated savings from the Macomb Emergency

Expenditure History



Training Center's discounted classes. Increased funding remains included for additional Command Officer training that will be needed due to staff turnover.

Capital – There is no Capital proposed for this division.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – The budget increased \$4,500 to fund overtime costs to reinstitute a Citizen's Police Academy.

Supplies – Total Supplies increased \$500 to purchase shirts and training ammunition for the Citizen's Police Academy.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$2,046,200	\$2,052,310	\$2,064,170	\$2,128,280	\$2,132,780
Supplies	161,831	179,450	176,160	166,180	166,680
Other Charges	2,697,890	2,799,750	2,794,610	2,849,660	2,849,660
Total	\$4,905,921	\$5,031,510	\$5,034,940	\$5,144,120	\$5,149,120

MISSION STATEMENT: *To deliver professional, effective and efficient investigative services to the community.*

The primary responsibility of the Investigations Division is the investigation and prosecution of criminal activity occurring within the City.

The Investigations Division consists of three squads of detectives. The Detective Bureau consists of two adult squads that investigate criminal activity involving persons 17 years of age or older. This includes the processing of arrest warrants, and the presentation of evidence in court as the prosecution moves forward. The Detective Bureau has one detective assigned to the Macomb Auto Theft Squad (MATS) full time and one detective assigned to the United States Marshals on a part-time, as-needed basis.

The Youth Bureau examines all law violations involving persons 16 years of age and younger, and works closely with the students, teachers and administrators of the secondary schools. The Youth Bureau is also responsible for the investigation and subsequent prosecution of all cases involving child abuse and neglect. The Youth Bureau also has a school resource officer assigned to Sterling Heights High School and a community resource officer responsible for providing crime prevention education and serving as liaison for the Neighborhood Watch, Child Watch, Citizens on Patrol (COPS), and other community groups.

The Crime Suppression Unit is a group of detectives that enforces all controlled substance violations, gambling, prostitution and other vice crimes. Additionally, this unit coordinates with federal, state and local task forces to address organized drug trafficking issues, conduct surveillances, and apprehend persons actively committing criminal acts. This Unit also has personnel assigned to Drug Enforcement Administration.

The investigators assigned to this Division continually pursue training in all aspects of criminal investigation including: interviewing, legal update, violent crimes and the utilization of computers as investigative tools. This training is necessary to maintain and enhance the skills of the investigators. Victim assistance and citizen satisfaction are key objectives to our approach toward lessening the

KEY GOALS

- *To quickly respond to complainants and/or victims.*
- *To create a safer community through the vigorous enforcement of controlled substance laws and other vice crimes.*
- *To assist school administrators in the creation of a safe and secure learning environment within the City's schools.*
- *To foster close working relationships with other law enforcement professionals to accomplish the Division's mission.*
- *To conduct timely and thorough investigations of criminal activity and process these cases through the appropriate criminal justice system.*
- *To efficiently and effectively provide accurate and timely information to various entities in accordance with State statutes.*

effects of crime on our community. Detectives work in close partnership with social response agencies, such as Turning Point, Macomb County Victims Assistance Unit, Forensics Nurses Examiner Program, and Crime Stoppers.■

Did you know...

...that on average, Detectives within the Criminal Investigations Division have over 16 years of experience with the Sterling Heights Police Department?

Police Investigations

2017/18 PERFORMANCE OBJECTIVES

1. To promote a partnership between the Police Department and schools by assigning the Youth Bureau detectives to visit schools and work with administrators to identify, prioritize and resolve problems within the schools to help maintain a safe and secure environment. *(City Goal 10, 24)*
2. To assign a detective on a part-time basis to the United States Marshals-Macomb Fugitive Apprehension Team in a cooperative effort to support the investigation and apprehension of fugitives, while using the resources of the U.S. Marshals to apprehend those wanted on Sterling Heights warrants or who live in the City, and assist in the investigation and compliance of registered sex offenders in the community. *(City Goal 5,11)*

	Performance Indicators	2013/14	2014/15	2015/16	2016/17	2016/17	2017/18
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Detective Bureau Cases Assigned	3,828	3,719	3,690	4,020	4,063	4,130
	Adult Investigative Cases	2,388	2,703	2,693	3,000	3,050	3,100
	Juvenile Investigative Cases	1,147	694	692	700	685	700
	In-Custody Cases	293	322	305	320	328	330
	Total Crime Suppression Unit Cases Assigned	670	702	654	750	745	750
	Auto Theft Investigative Cases	181	148	113	170	167	170
	Theft from Auto Invest. Cases (Incl. Parts/Access.)	141	141	126	140	138	140
	Narcotic/Vice Investigative Cases	348	413	415	440	440	440
	Total Interviews Conducted	26,615	26,430	24,887	27,000	26,600	26,700
	Suspect Interviews	5,454	5,174	4,323	5,200	5,100	5,000
	Witness & Informant Interviews	12,723	12,542	11,721	12,700	12,500	12,600
	Victim Interviews	8,438	8,714	8,843	9,100	9,000	9,100
	Arrest Warrants Obtained	1,410	1,241	1,525	1,500	1,525	1,550
	Search Warrants Obtained/Executed	472	551	605	642	640	645
	Polygraph Examinations Conducted	7	3	0	0	0	0
	Criminal Surveillances	2,620	2,779	2,491	2,750	2,800	2,775
	Federal Forfeiture Cases Processed	67	5	90	40	50	45
	State Forfeiture Cases Processed	58	60	51	64	62	65
	School Resource Officer - # of Hours at Schools	1,450	1,450	1,450	1,450	1,450	1,450
	# of Students Served by School Resource Officer	1,650	1,650	1,650	1,600	1,600	1,600
	COPS Program Participants	25	25	25	25	25	25

Police Investigations

2017/18 PERFORMANCE OBJECTIVES

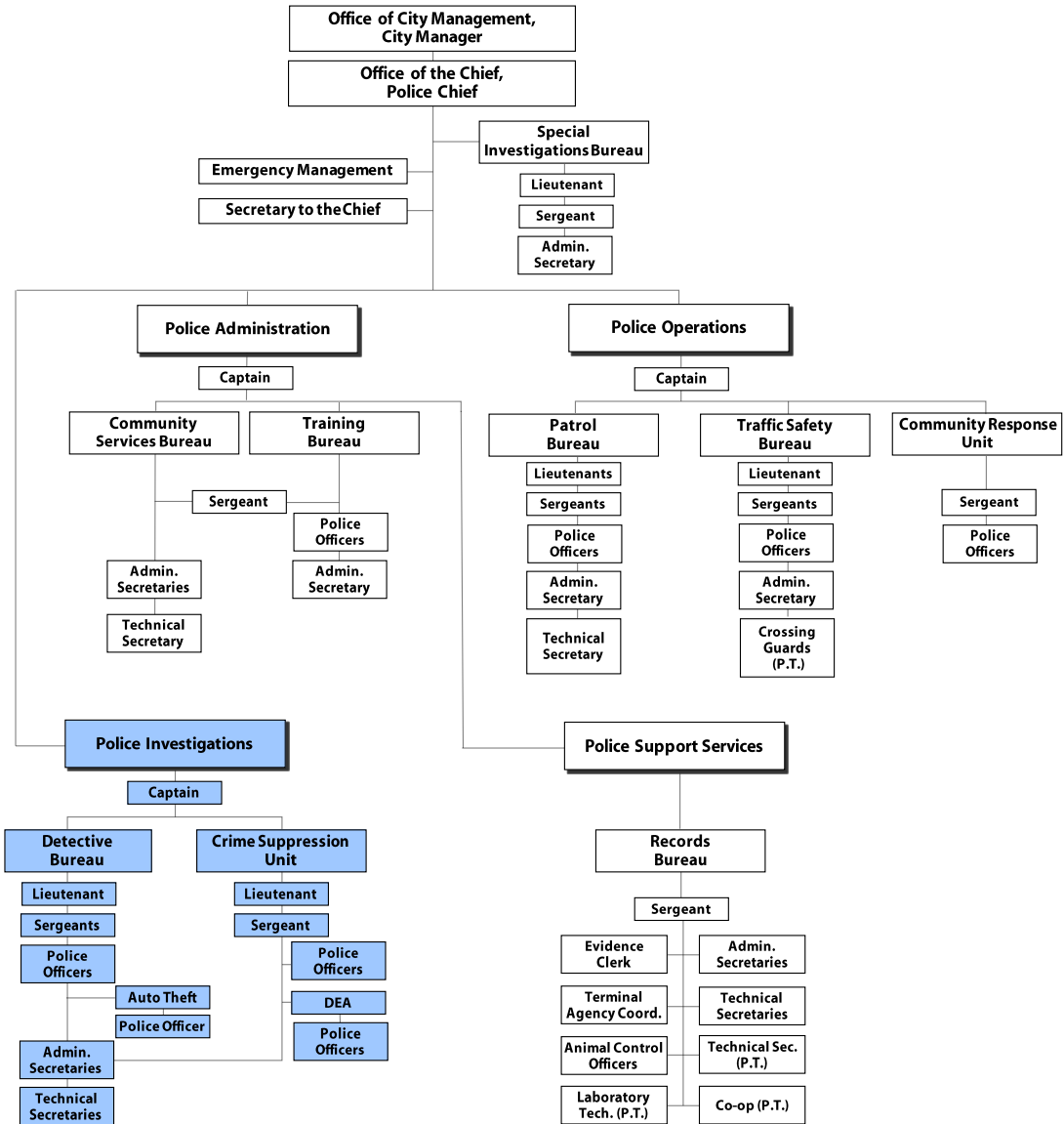
3. To thoroughly investigate all complaints of marijuana grow houses in the City to ensure state laws and city ordinances are being followed and that proper registration has been secured. *(City Goal 9, 13)*
4. To investigate reports of vice crimes at City locations that otherwise advertise as legitimate businesses. *(City Goal 9, 12)*

Efficiency & Effectiveness	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
	% of Petitions Obtained vs. Requested	94%	96%	97%	96%	94%	95%
	% of Arrest Warrants Obtained vs. Requested	87%	84%	86%	85%	88%	87%
	Detective Bureau Cases per Investigator	255	248	246	268	239	242
	Crime Suppression Unit Cases per Investigator	112	117	109	125	124	125
	% of Part I Violent Crimes Cleared**	56.0%	59.0%	52.0%	60.0%	57.0%	58.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.7	0.8	0.7	0.8	0.8	0.8
	Juvenile Arrests Violent Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%
	% of Part I Property Crimes Cleared**	60.0%	60.0%	74.0%	60.0%	60.0%	60.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	5.1	5.3	5.8	5.0	4.8	5.0
	Juvenile Arrests Property Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	Auto Theft Ratio Per 1,000 Population	0.7	0.9	0.8	1.3	1.3	1.3
	Average Cost to Conduct a Polygraph Examination	\$393	\$436	\$0	*	*	*
	Average Cost to Investigate a Case	\$554	\$559	\$563	*	*	*
	Division Expenditures as % of General Fund	6.88%	6.49%	6.93%	7.09%	6.96%	6.97%

*Cost is calculated for "Actual" columns only.

**Beginning in 2012/13, when a subject is arrested on charges relating from several incidents, all incidents are counted as cleared, even if the prosecutor does not charge on all of them.

Police Investigations



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Captain	1	1	1
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	24	25	26
Administrative Secretary	2	2	2
Technical Secretary	2	2	2
Total	35	36	37

Police Investigations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 0.1%.

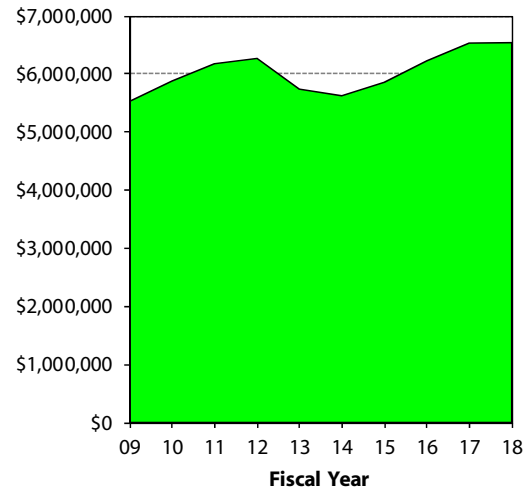
Personnel Services – The total Personnel budget increased \$256,410 or 4.1%. Wages rose \$153,700 due to a budgeted wage increase for all personnel, as well as the transfer of one Police Officer position from Police Operations. Health insurance costs increased due to the additional officer as well as one fewer employee opting out of health insurance. Required funding for long-term retirement liabilities increased by \$43,110.

Supplies – All Supplies for the Police Department are budgeted in Police Administration.

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding increased slightly by \$50 due to an inflationary cost increase. An additional \$250,000 was budgeted in the current year for possible drug forfeiture-related miscellaneous expenses due to the U.S. Department of Justice's action to cease new federal equitable sharing payments to local law enforcement agencies. Next year, all drug forfeiture-related purchases are funded in the Public Safety Forfeiture Fund, as equitable sharing payments have resumed.

Capital – Total Capital of \$228,850 is proposed. \$132,850 is budgeted for 22 replacement workstations and office furniture, wall repair and painting, and the removal and replacement of carpet for the Police Investigations area. \$96,000 is budgeted in the Public

Expenditure History



Safety Forfeiture Fund and includes \$69,000 for three mid-size Investigative Vehicles to replace 12 and 13-year old high-mileage vehicles and \$27,000 for a Transit Wagon to replace a 20-year old vehicle used to transport officers and equipment when executing search warrants.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$6,224,657	\$6,281,560	\$6,367,670	\$6,537,970	\$6,537,970
Supplies	0	0	0	0	0
Other Charges	933	250,950	950	1,000	1,000
Total	\$6,225,590	\$6,532,510	\$6,368,620	\$6,538,970	\$6,538,970

***Only in American banks
can you find the pens chained to the counter
and the doors wide open.***

~ Branden Kerr ~



MISSION STATEMENT: *To function as the primary first responder to scenes requiring police assistance and enforcing laws in an effort to maintain a safe community.*

Police Operations is divided into two Bureaus: Patrol and Traffic Safety. The Division commander is a Captain who reports directly to the Chief of Police.

The Patrol Bureau is responsible for the suppression of all criminal wrongdoing. Patrol personnel are the first responders to most emergency situations. They conduct the initial investigation of all reported incidents of crime. The Evidence Technicians from within this Bureau locate and collect forensic evidence in support of criminal cases. Other responsibilities include maintaining peace, ensuring order at public gatherings, enforcing State and City laws and ordinances, and mediating disputes.

Two officers are assigned to the K-9 program. Two dogs are trained in narcotics and tracking. These officers and their partners are not only involved in criminal apprehension, but in the identification of illegal contraband. They have been recognized with national awards and honors.

The Traffic Safety Bureau investigates motor vehicle collisions, assists the injured, and impounds disabled vehicles at accident scenes. They enforce motor carrier laws, investigate abandoned autos, and are the primary traffic enforcement agency for state and local traffic codes.

This Bureau trains and maintains a cadre of part-time adult school crossing guards. These crossing guards ensure direct street safety for elementary students in grades K-6.

The Special Response Team (SRT) is a unit of Police Operations which reports to the Police Operations Captain. The SRT is responsible for special operations where appropriate, such as crisis negotiations, active shooter situations, hostage situations, barricade situations, sniper situations, high-risk apprehension, high-risk warrant service, and other highly tactical situations.

A Community Response Unit (CRU) is a unit of Police Operations which reports to the Police

KEY GOALS

- *To suppress criminal activity; respond to crimes and emergencies; conduct preliminary investigations; and collect forensic evidence.*
- *To enforce compliance with State laws, traffic laws, and local ordinances; and to arrest or cite violators as necessary.*
- *To provide prompt and efficient service to the public.*
- *To provide a safe environment for vehicular and pedestrian traffic by implementing effective traffic safety strategies and providing traffic and pedestrian safety information.*

Operations Captain. The CRU conducts focused directed patrols in both uniform and plain clothes in the areas of surveillance, gathering intelligence, and taking appropriate enforcement action in order to identify, arrest, successfully prosecute and otherwise deter criminal activity. ■

Did you know...

...the Police Department recently acquired a Traffic Data Collector to identify areas of traffic safety concerns and implement corrective measures to ensure the safety of all our residents?

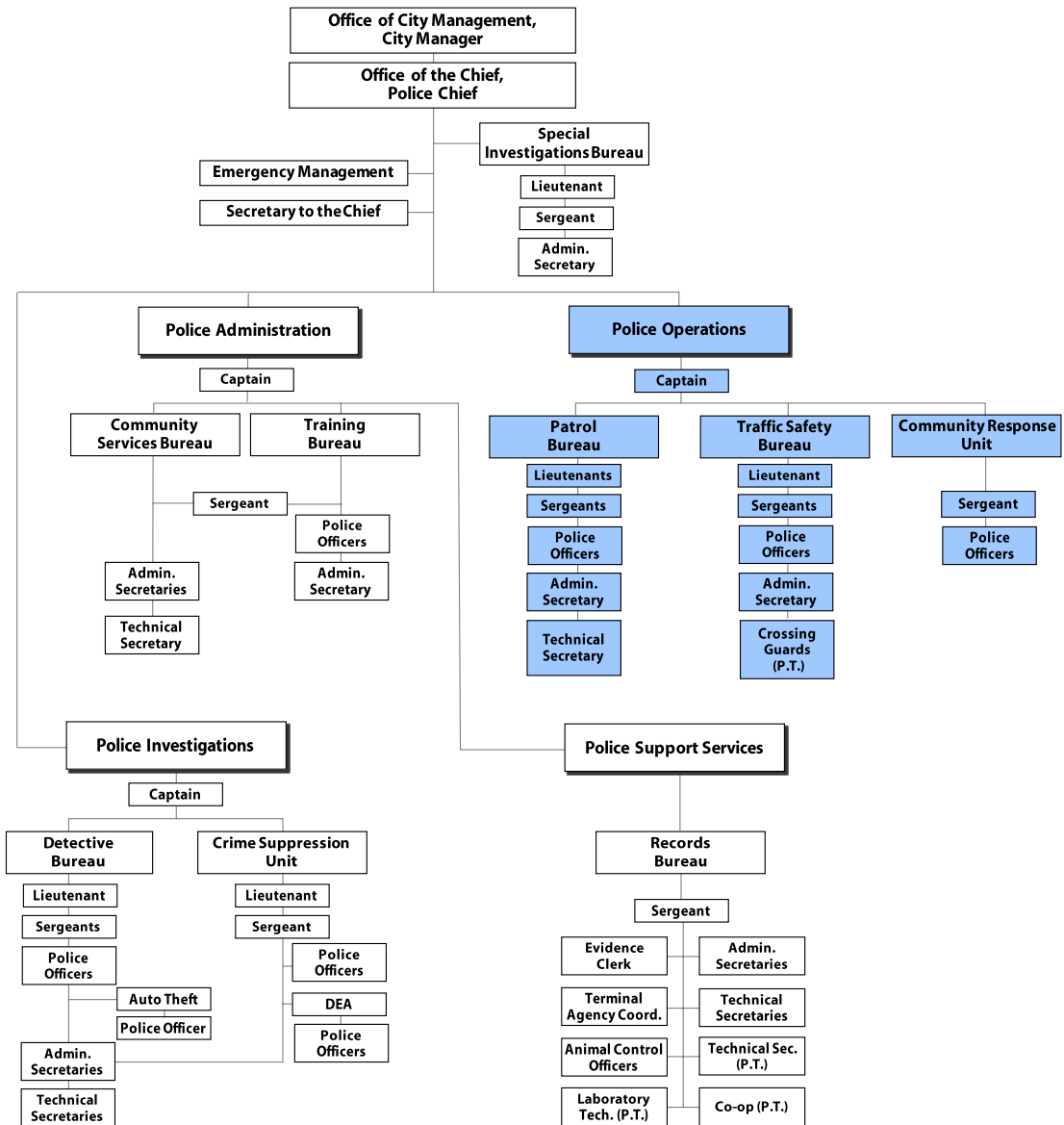
Police Operations

2017/18 PERFORMANCE OBJECTIVES

1. To improve and expand the in-house training program so new Command Officers can be properly trained to effectively take over command positions, as 13 Command Officers will be retiring. *(City Goal 2)*
2. To implement use of the new Traffic Data Collector (TDC) which will provide empirical data to assist police, code enforcement and the Macomb County Road Commission in making accurate assessments of traffic volumes and excessive speeding in areas of concern. *(City Goal 6, 9, 11)*
3. To implement the Community Outreach Engagement Program (CORE) to maintain an open line of communication with residents and enhance the sharing of ideas and feedback. *(City Goal 6, 10, 24)*
4. To create a succession plan for the K-9 program and train and certify a new K-9 puppy to be ready for service within the next year, as both current K-9 dogs are reaching maturity. *(City Goal 2)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Police Incident Reports Completed	54,139	51,796	53,917	52,109	54,976	54,585
	Group A Crime Reports	2,926	2,885	2,871	3,009	2,850	2,875
	Group B Crime Reports	2,306	2,867	3,235	2,564	3,118	3,210
	Vehicular Accident Reports	4,354	4,577	4,644	4,474	5,136	4,900
	All Other Rpts. (incl. cases prev. not given case #)	44,553	41,467	43,167	42,062	43,872	43,600
	Adults/Juveniles Arrested	3,113/190	3,882/219	3,919/212	3,640/200	3,898/106	4,100/120
	Total Traffic Violations Issued	24,142	31,777	35,610	30,000	33,568	35,500
	Motor Carrier Violations Issued	202	640	274	315	285	250
	Residential Traffic Enforcement Violations	1,647	2,060	1,857	1,762	2,138	2,300
	SMART Radar Trailer Deployments	87	333	605	450	656	650
	K-9 Unit Deployments	411	257	167	297	122	140
	OUIL Arrests	183	204	169	199	162	180
	SWAT/SRT Call-outs	19	8	6	13	12	8
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	22.4	22.1	21.9	22.9	21.7	21.8
	Group B Crimes per 1,000 Population	17.7	21.9	24.7	19.5	23.7	24.2
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Sworn Division Personnel	492	471	490	478	533	550
	# of Injury Traffic Accidents per 100,000 Pop.	659	728	992	660	832	810
	# of Traffic Fatalities Per 100,000 Population	4.6	5.0	9.0	5.9	7.8	8.0
	% of Total Sworn Personnel in Traffic & Patrol	74%	74%	74%	74%	72%	72%
	OUIL Arrests Per 1,000 Residents	1.4	1.6	1.3	1.5	1.2	1.4
	Division Expenditures as % of General Fund	23.98%	21.87%	22.56%	23.53%	21.83%	20.94%

Police Operations



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Captain	1	1	1
Lieutenant	4	4	4
Sergeant	16	16	16
Police Officer	89	88	87
Administrative Secretary	2	2	2
Technical Secretary	1	1	1
Crossing Guard	30	30	30
Total	143	142	141

Police Operations

SUMMARY OF BUDGET CHANGES

IGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 9.4%.

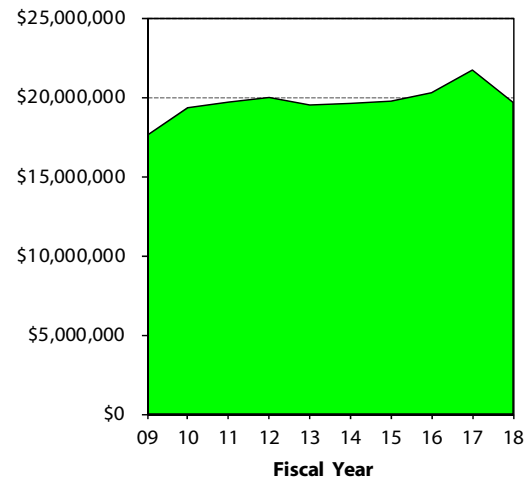
Personnel Services – The total Personnel budget decreased \$2,042,870 or 9.4%. Funding was budgeted in the prior year for the early hiring of Police Officers in advance of planned retirements. This additional wage and benefit cost will not be incurred in the current year. Total wages are also reduced due to an influx of newer officers which are hired at a lower starting wage. Finally, one Police Officer was transferred from Operations to Investigations. Required funding for long-term retirement liabilities increased by \$124,780.

Supplies – All Supplies for the Police Department are budgeted in Police Administration.

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding will remain the same at \$1,000.

Capital – Total Capital of \$323,790 is proposed. \$247,500 is budgeted to replace nine high mileage traffic and patrol vehicles. \$40,000 is for new vehicle light bars and equipment mounts to equip the new SUV patrol vehicles. \$26,500 is for a Vehicle Crash Reconstruction System to replace the current 11-year old system that is failing and has reached the end of its life span. Two Portable Vehicle Scales are funded for \$9,790 to replace scales that are more than 20-years old and will no longer pass State certification inspection. \$57,260 is budgeted in the Public Safety Forfeiture

Expenditure History



Fund and includes \$46,000 for two replacement mid-size Criminal Response Unit (CRU) Vehicles and \$11,260 for four replacement hand-held Laser Guns.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$20,276,392	\$21,698,180	\$19,962,090	\$19,655,310	\$19,655,310
Supplies	0	0	0	0	0
Other Charges	475	1,000	700	1,000	1,000
Total	\$20,276,867	\$21,699,180	\$19,962,790	\$19,656,310	\$19,656,310

MISSION STATEMENT: *To function as the Police Department's main information center.*

The Support Services Division is one of four divisions within the Police Department. The Division commander is a Sergeant who reports to a Captain. The Captain oversees the Records Bureau and the Animal Control Unit.

The Records Bureau serves as the information center for businesses, attorneys and the public. The Records Bureau collects, maintains, and distributes reports of crimes, incidents, vehicular accidents and other matters of interest to the public and those needed for police operations. Records personnel respond to all police-related document requests filed under the Freedom of Information Act. They receive, process and monitor file jackets pertaining to arrested persons. Records personnel input source documents into the Department's computer system and generate reports as required by the State of Michigan, the Federal Bureau of Investigations (FBI) and other Police Department personnel.

The Records Bureau also maintains the inventory of all recovered or confiscated property, items of evidence, impounded motor vehicles and property in conjunction with other City departments. Personnel process all applications for the purchase of handguns and concealed weapon permits.

The Computer Services function of the Records Bureau provides for the capture and retrieval of information designated by statute and/or the needs of the Department. The Lab Technician is responsible for processing all photographic evidence. This area assists other City departments in processing photographs and serves as a resource to the Department's Evidence Technicians.

The Animal Control Unit patrols, responds to and investigates reported violations of the City's Animal Control Regulatory Ordinance and other animal nuisance complaints. ■

KEY GOALS

- *To collect, maintain and disseminate information to the public as needed.*
- *To input report information into the computer database in compliance with State and federal guidelines.*
- *To properly receive, record and store property and criminal evidence.*
- *To monitor, enforce and educate the public regarding the City's Animal Control Regulatory Ordinance and to impound stray or neglected animals as necessary.*
- *To provide prompt, efficient service when public requests for service are received.*

Did you know...

...the Police Records Division will process over 1,500 Freedom of Information Act requests this year, double the amount from two years ago?

Police Support Services

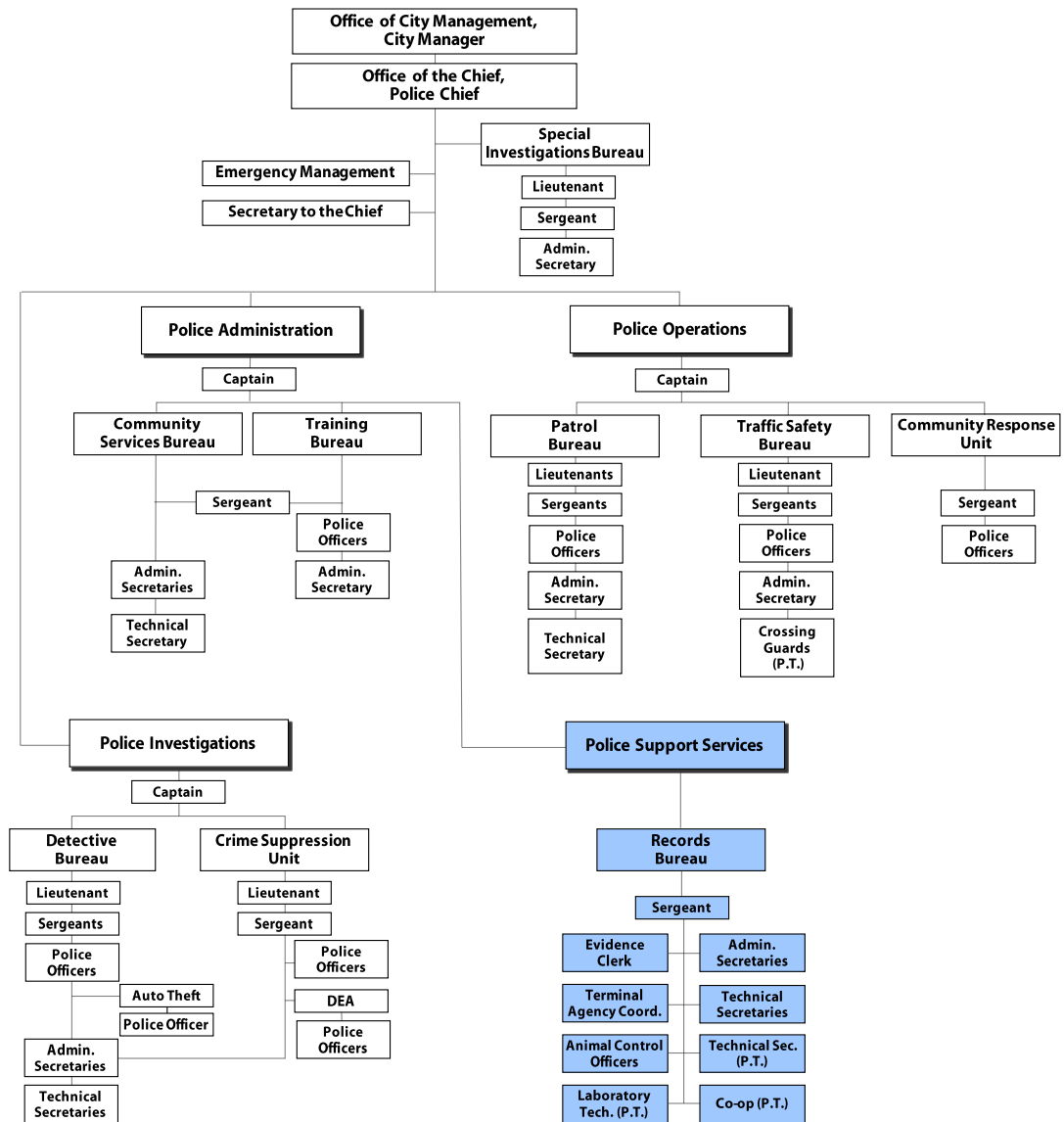
2017/18 PERFORMANCE OBJECTIVES

1. To move vehicle impound data entry and management from Administration back to Support Services. (City Goal 5, 6)
2. To prepare a succession plan for the anticipated retirement of the Support Services Supervisor. (City Goal 2, 4)
3. To build and foster relationships with additional animal rescue groups. (City Goal 6, 7)
4. To streamline the annual property room clean-out process and reduce inventory of property. (City Goal 6)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Incidents Processed into Computer	54,139	51,796	53,917	52,109	54,976	54,585
	Police Reports Provided on Request	11,322	7,537	7,097	9,426	7,136	8,000
	Gun Permits Obtained	3,096	3,333	4,094	3,594	3,624	3,600
	Responses by Animal Control	2,172	1,974	2,389	2,147	2,630	2,600
	Freedom of Information Act Requests	805	789	1,634	1,267	1,542	1,600
	Criminal Warrants Processed (now 41-A Court)	2,053	N/A	N/A	N/A	N/A	N/A
	Arrests Processed	3,303	4,098	4,131	3,840	4,004	4,220
	Pieces of Evidence Collected	2,810	2,880	3,025	2,816	2,920	2,900
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	35	35	35	35	35	35
	Average Cost of an Animal Control Response	\$31.07	\$32.44	\$31.88	*	*	*
	Average Cost to Process a FOIA Request	\$36	\$32	\$36	*	*	*
	Outsourced Dispatch Operations Cost	N/A	\$0.5M	\$1.7M	\$1.7M	\$1.7M	\$1.7M
	Emerg. Responses/EOC Activations/Train. Exercises	2	2	2	2	2	2
	Testing & Maintenance of Warning Systems (Hours)	20	20	20	20	20	20
	Division Expenditures as % of General Fund	4.02%	3.26%	1.70%	1.64%	1.64%	1.76%

* Cost is calculated for "Actual" columns only.

Police Support Services



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Sergeant	1	1	1
Laboratory Technician (P.T.)	1	1	1
Evidence Clerk	1	1	1
Administrative Secretary	2	2	2
Animal Control Officer	2	2	2
Terminal Agency Coordinator	1	1	1
Technical Secretary	3	3	3
Technical Secretary (P.T.)	0	0	2
Co-op (P.T.)	0	0	1
Total	11	11	14

Police Support Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 9.2%.

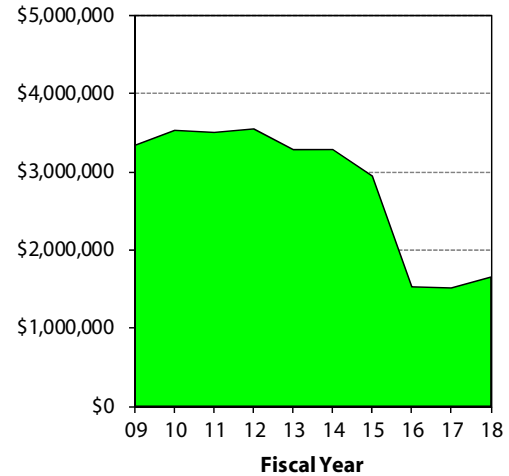
Personnel Services – The total Personnel budget increased \$139,510 or 9.2%. Full-time wages increased due to contractual wage increases for clerical staff. Part-time wages rose \$53,620 due to the planned hiring of two part-time Technical Secretaries and a high school Co-op to assist with the increase in FOIA requests, impound entries and other required paperwork. Required funding for long-term retirement liabilities increased by \$64,680.

Supplies – All Supplies for the Police Department are budgeted in Police Administration.

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration.

Capital – Total Capital of \$124,000 is budgeted in the Capital Projects Fund to replace four Emergency Warning Sirens that require frequent repairs and are no longer dependable.

Expenditure History



FUNDING LEVEL SUMMARY

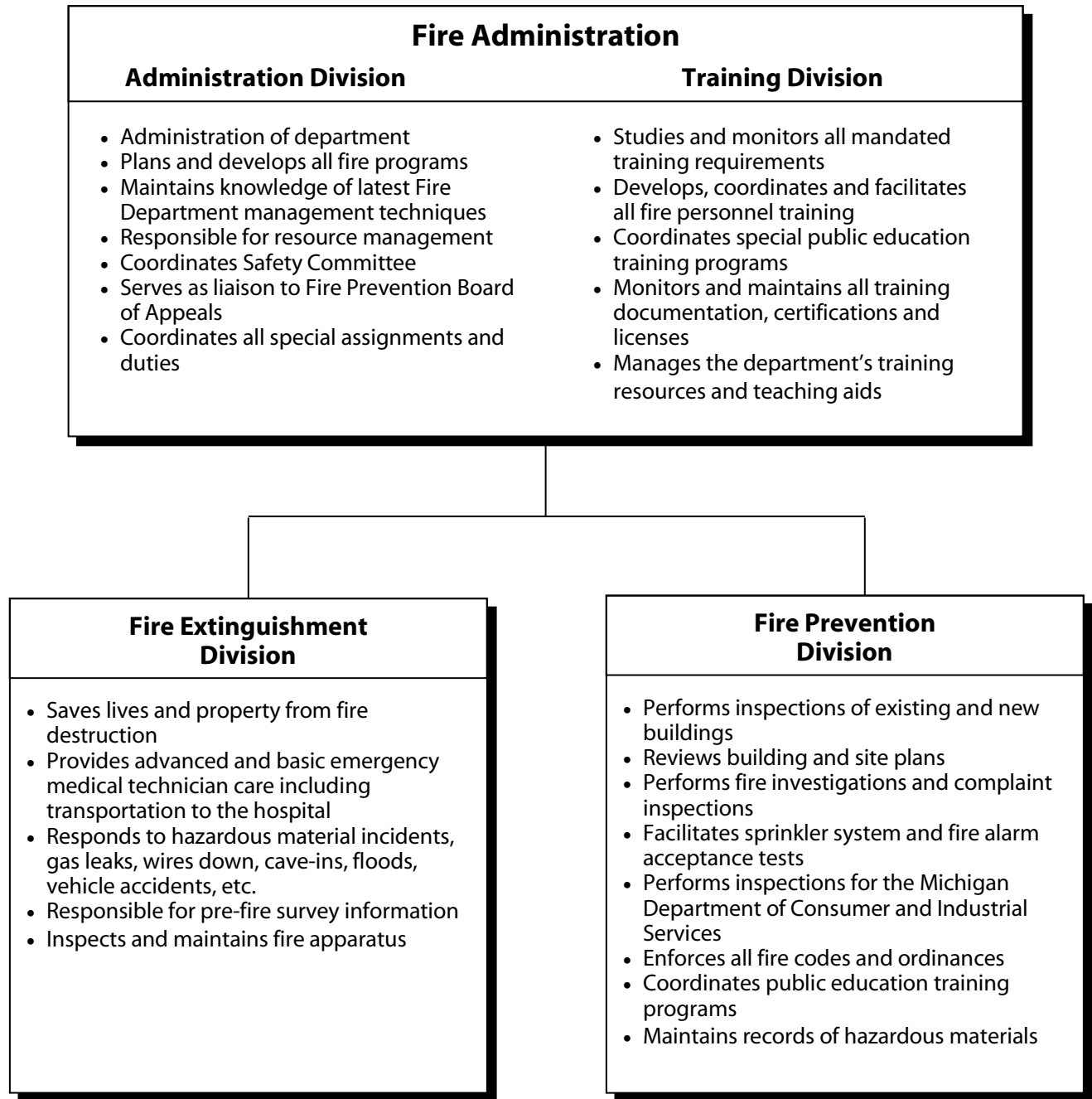
	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,526,883	\$1,512,520	\$1,500,550	\$1,652,030	\$1,652,030
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$1,526,883	\$1,512,520	\$1,500,550	\$1,652,030	\$1,652,030

Fire Department



FUNCTIONAL ORGANIZATION CHART

Fire Department



DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget increased \$1,925,440, or 11.0%. Personnel costs rose \$1,630,000 or 9.7% primarily due to the hiring of 15 new full-time Firefighters as part of the self-sustaining model for the City to provide EMS transport services. Contractual wage increases, a new part-time Clerk Typist for Fire Administration and \$134,240 higher costs for long-term retirement liabilities also contributed to the increase. Supplies increased \$188,980 or 119.6% due to the purchase of turnout gear and equipment for the new firefighters and other medical supplies and costs related to EMS transport. Total Other Charges increased

\$106,460 or 20% for medical billing services related to EMS transport and the cost of ambulance maintenance. Additional costs include the purchase of 13 tablets and software support to allow for field patient care reporting. These cost increases are partially offset by savings due to the one-time cost of grant funded firefighter physicals in the prior year. The Capital Budget funds the replacement of the roof at Fire Station #1, the door wall at Fire Station #5, three portable air supply systems, a fire hose tester and an electronic medical reporting system.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Fire Administration	\$1,387,650	\$1,504,920	\$1,480,470	\$1,422,360	-3.9%
Fire Extinguishment	15,180,830	14,031,400	14,890,860	16,862,330	13.2%
Fire Prevention	800,950	1,048,990	1,056,350	1,068,430	1.1%
Total Department	\$17,369,430	\$16,585,310	\$17,427,680	\$19,353,120	11.0%
Personnel Services	\$16,835,640	\$15,872,450	\$16,737,970	\$18,367,970	9.7%
Supplies	132,310	178,320	157,980	346,960	119.6%
Other Charges	401,480	534,540	531,730	638,190	20.0%
Total Department	\$17,369,430	\$16,585,310	\$17,427,680	\$19,353,120	11.0%

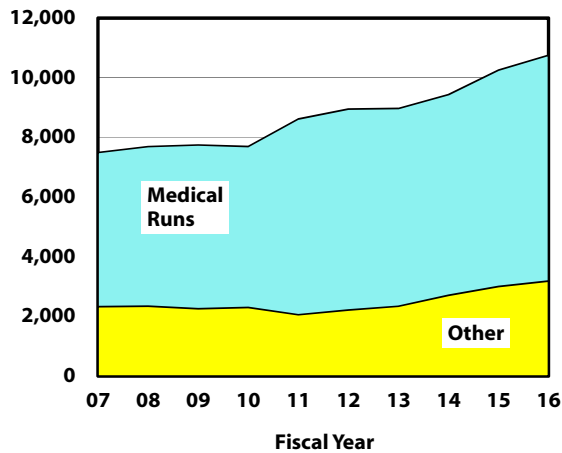
PERSONNEL SUMMARY

	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	8	0	8	0	8	1	8	1
Fire Extinguishment	75	0	75	0	75	0	90	0
Fire Prevention	3	0	5	0	5	0	5	0
Total Department	86	0	88	0	88	1	103	1

KEY DEPARTMENTAL TRENDS

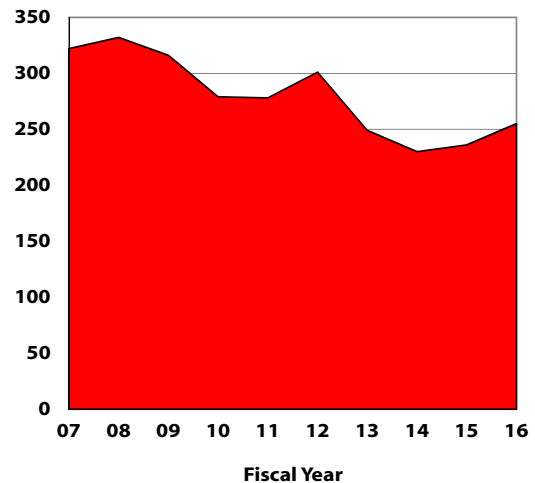
Fire Department

Emergency Medical & Other Incidents



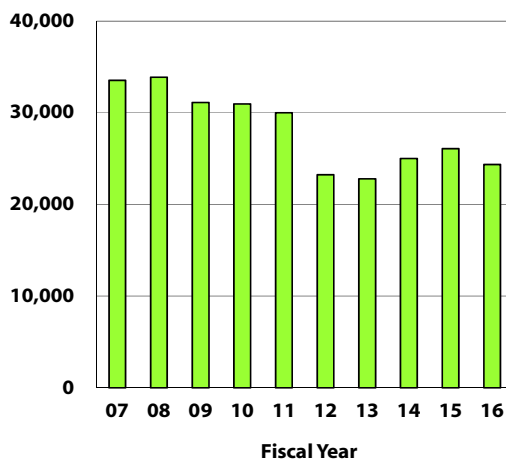
There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 76% of cities nationally had a higher number of EMS responses per resident based on a 2010 ICMA survey. Two-thirds of cities had a slower average EMS response time.

Fire Incidents



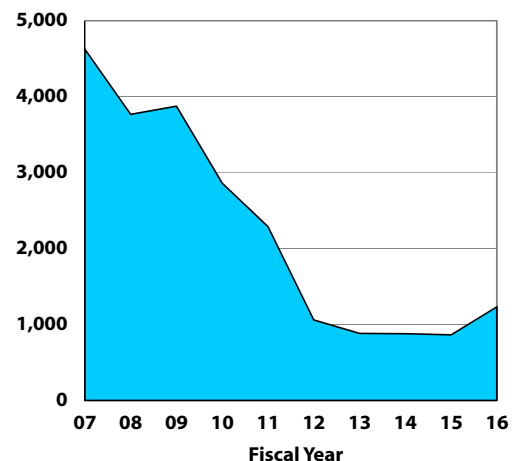
Over the past 10 years, the number of fires has declined by 21%, reaching a low of 230 in 2014. The value of non-residential fire losses is \$1.1 million, which is below national, state, and county averages. The City currently averages fewer than one fire incident per week at each of the City's five fire stations. 63% of cities nationally had higher fire incidents per resident based on a 2010 ICMA survey. Only 10% of communities had a faster average fire response time.

Training Hours Completed



The City's firefighters devote many hours during the year toward in-house formalized training provided by the Fire Training division. In recent years, training has been necessary for Advance Life Support, Hazardous Materials, Building Collapse Rescue, Peer Fitness, and Weapons of Mass Destruction education. In 2012, 2013, and 2016 training hours decreased due to staff turnover.

Fire Inspections Conducted



Fire inspections declined due to a decrease in the number of Fire Inspectors. In 2016, two additional Fire Inspectors were budgeted which increased inspections by 43%. The Department continues to annually inspect the high-risk structures, while routine inspections were changed to a biennial cycle. The Department also began limited in-company inspections performed by firefighters during their shift.

MISSION STATEMENT: *To reduce deaths, injuries, and property loss from fire, hazardous material incidents, emergency medical situations, and other disasters/emergencies.*

Fire Administration is responsible for supervising the prevention and extinguishment of fires and the protection of life and property against the hazards of fire in the City of Sterling Heights.

The Fire Chief directs the planning and development of all Fire Department programs.

In addition, the Fire Chief must keep informed of the latest fire techniques to develop policies that improve and enhance the operations of the Department. This will ensure that the Fire Department is providing the finest fire extinguishment and emergency medical service available to the City's residents.

The Fire Chief also serves as a liaison to the Board of Code Appeals. Within the Department, the Chief conducts weekly briefing sessions with divisional managers, holds monthly meetings with staff, and conducts semi-annual meetings with all Department officers. Maintaining discipline and adherence to Fire Department policies rests with the Fire Chief. The Fire Chief stays active with other agencies in the County and throughout the State to foster professional working relationships to ensure that mutual aid is efficient during times of need.

Resource management is another part of administration. Preparing the annual Fire Department budget is a large part as well as the ongoing process of revenue and expenditure monitoring. Administrative support for the entire Department lies within Fire Administration. The support staff maintains all records, files, and employee time records, coordinates public relations and educational activities, and performs word processing and mail distribution functions.

This activity includes the funding support of the Fire Training Division, which is headed by the Chief of Training, and is responsible for all firefighter training.

The Training Division develops, coordinates, facilitates, and conducts training to ensure that all personnel are proficient in the operation of all

KEY GOALS

- *To develop, deliver, evaluate, and document training of Fire Department members.*
- *To ensure that training meets all federal, state and locally mandated requirements.*
- *To develop, deliver, evaluate, and document public fire safety education.*
- *To research and implement new equipment and procedures.*
- *To budget for training facilities, supplies, training aids, and training staff.*

departmental equipment and technical skills. The State and federal governments, and the fire fighters' collective bargaining agreement have mandated new programs and standards. With these new standards, there are certain training packages that must be delivered, certification processes that must be met, standards that must be adhered to, and accurate documentation that must be prepared for all aspects of these programs.■

Did you know...

...the Sterling Heights Fire Department participated in countywide flashover fire training, along with over 800 county firefighters, the largest fire training ever conducted through the Michigan Fire Fighters Training Council?

Fire Administration

2017/18 PERFORMANCE OBJECTIVES

(Administration)

1. To institute Advanced Life Support Transportation. (City Goal 1, 2, 3, 5, 6, 7, 8, 9, 11)
2. To continually analyze all revenues and expenses associated with Advanced Life Support Transport to ensure a cost effective model is maintained. (City Goal 1, 3, 4, 6, 7, 8, 11)
3. To review the consolidation feasibility study to identify and implement improvements that can increase the efficiency of Fire Department operations. (City Goal 1, 3, 5, 9, 11)
4. To develop and institute the Sterling Heights Fire Department Safe Sleep Program. (City Goal 1, 2, 4, 6, 9, 10, 24)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Incident Reports Reviewed for Quality	12,451	13,588	14,293	14,100	14,548	14,600
	Employee Evaluations Conducted/Tracked	86	82	87	88	87	101
	APPO's and Standard Operating Guidelines Reviewed	159	172	193	200	216	250
	Freedom of Information Act Requests	34	42	60	50	58	55
	Staff/Battalion Meetings Conducted	12	12	14	14	14	14
	Presentations to Civic Groups/Organizations	20	14	12	10	10	10
	Employee/Civilian Citations Processed	22	18	37	30	44	40
	Safety Recommendations Implemented	6	7	8	8	9	12
	Residents Receiving Safe Sleep Education/Information	N/A	N/A	N/A	N/A	N/A	50
Efficiency & Effectiveness	% of Incident Reports Reviewed for Quality	100%	100%	100%	100%	100%	100%
	% Employee Evaluations Conducted on Time	100%	100%	100%	100%	100%	100%
	% of Service Complaints Responded to w/i 48 Hours	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Processed within 72 Hours	100%	100%	100%	100%	100%	100%
	% of Safety Suggestions Acted Upon within 90 Days	100%	100%	100%	100%	100%	100%
	Department Cost per Capita	\$131	\$133	\$127	\$133	\$132	\$147
	Division Expenditures as % of General Fund	1.80%	1.54%	1.67%	1.61%	1.62%	1.52%

Fire Administration

2017/18 PERFORMANCE OBJECTIVES

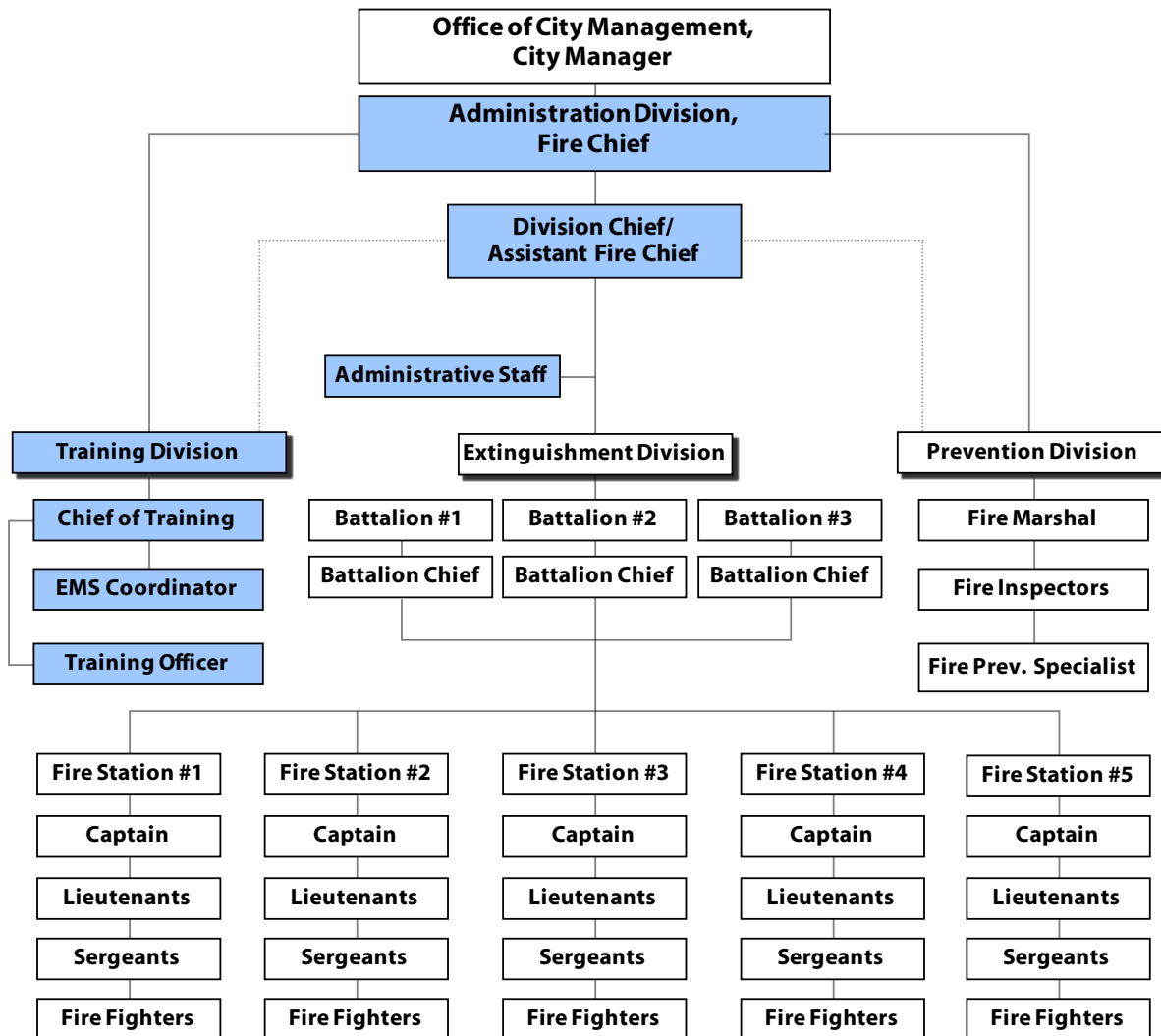
(Training)

1. To develop and train firefighters to become competent in the use of a tablet-based patient care report (PCR) and billing form. (City Goal 1, 2, 3, 5, 6, 7, 8, 9, 11)
2. To develop and implement the education and training necessary for the integration of ambulances in fire ground operations. (City Goal 1, 3, 4, 6, 7, 8, 11)
3. To develop and train firefighters to become proficient in the use of patient movement devices, such as stretchers and stair chairs, that are related to ALS Transport as evidenced by performance based tasks. (City Goal 1, 2, 4, 6, 9, 10, 24)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Formal Training Hours Coordinated	24,994	26,086	24,359	22,900	31,213	37,000
	Hours of Fire Officer Training	3,082	1,622	2,234	1,960	1,885	2,200
	Hours of EMS Training	1,938	4,656	2,360	2,400	3,446	2,900
	Hours of Fire Suppression Training	6,046	4,762	4,587	4,780	6,972	6,550
	Hours of Hazardous Materials Training	864	964	880	980	1,015	1,200
	Hours of Professional Development Training	1,343	1,436	1,210	1,020	1,594	1,050
	Hours of Physical Training	7,865	8,760	9,855	7,500	8,600	10,500
	Hours of Technical Rescue Training	1,544	1,794	1,379	1,400	1,314	1,300
	Hours of All Other Training	2,312	2,092	1,854	2,120	6,387	11,300
	Residents Receiving Formal Public Education	480	515	565	450	527	500
	Individuals Receiving CPR Instruction	146	127	257	275	190	200
	Paramedic/EMT License Applications Processed	25	32	28	30	20	31
	Procedures Developed and Updated	51	47	38	60	51	50
Efficiency & Effectiveness	Days of Work Lost Due to Injury	142	60	61	100	15	50
	Sworn Pers. to Workers Comp/Disability Indemnity	83:1	42:1	85:1	85:0	85:0	100:0
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	301	314	287	269	367	370
	Training Division Cost per Fire Fighter	\$2,994	\$2,960	\$2,925	*	*	*

*Cost is calculated for "Actual" columns only.

Fire Administration



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Fire Chief	1	1	1
Division Chief/Assistant Fire Chief	1	1	1
Chief of Training	1	1	1
EMS Coordinator	1	1	1
Training Officer	1	1	1
Fire Services Specialist	1	1	1
Management Assistant	1	1	1
Administrative Assistant	1	1	1
Clerk Typist (P.T.)	0	0	1
Co-op (P.T.)	0	1	0
Total	8	9	9

Fire Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

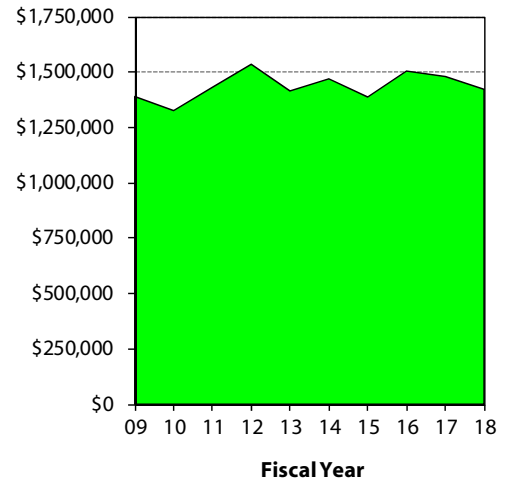
The total budget decreased by 3.9%.

Personnel Services – The total Personnel budget increased \$36,220 or 2.8%. Full-time wages increased by \$10,580 due to contractual wage increases for all staff. Part-time wages increased by \$13,330 to allow for the hiring of a part-time Clerk Typist to replace the High School Co-op. Required funding for long-term retirement liabilities increased by \$12,690.

Supplies – Total Supplies increased \$1,310 or 5.5% primarily due to a slight inflationary adjustment in supply costs and for the purchase of start-up materials and educational supplies for the Safe Sleep Program. \$40 was added for the higher cost of existing publications and online subscriptions.

Other Charges – Total Other Charges decreased \$95,640 or 58.6%. Medical services decreased \$83,980 due to grant-funded Firefighter physicals in the prior year. Contracted services declined \$10,680 due to prior year reappropriated encumbrances, partially offset by an increase to fund an annual training tower inspection required by the National Fire Protection Association (NFPA) and Internet access fees for 13 tablets, which will give the department the ability to complete patient care reports in the field. The training budget decreased \$2,430 due to a prior year reappropriated encumbrance, offset by a slight increase for higher training costs. \$1,270 was added for the printing of updated department forms and literature for the Safe Sleep Program.

Expenditure History



Capital – Total Capital of \$159,400 is proposed. \$143,400 is for roof replacement at Fire Station #1. \$16,000 is to replace a door wall at Fire Station #5 that is leaking and causing water damage inside of the station.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,280,385	\$1,293,510	\$1,315,000	\$1,329,730	\$1,329,730
Supplies	22,292	23,710	23,670	25,020	25,020
Other Charges	202,239	163,250	144,460	67,610	67,610
Total	\$1,504,916	\$1,480,470	\$1,483,130	\$1,422,360	\$1,422,360

***Do not go where the path may lead,
go instead where there is no path and leave a trail.***

~ Ralph Waldo Emerson ~



MISSION STATEMENT: *To reduce deaths and limit pain and suffering through proper emergency medical services while preserving, protecting, and minimizing loss of property from fire.*

The primary function of the Fire Extinguishment Division is to save lives, minimize property from loss, and reduce the time needed to recover from medical emergencies, fires, and man-made or natural disasters in the City of Sterling Heights.

Fire Extinguishment Division personnel follow regulations, recommended practices, and guidelines of the Superfund Amendment Reauthorization Act (SARA), National Fire Academy's Incident Command System (NFA-IC), and the National Fire Protection Association (NFPA), to efficiently manage a wide spectrum of emergency events safely with the proper techniques and needed equipment.

The Division's three battalions respond to a wide variety of incidents including medical issues, hazardous material leaks and spills, down wires, vehicle accidents, cave-ins, floods, technical rescue, and much more in addition to providing fire protection service. Fire Extinguishment Division personnel also provide public education and fire safety programs to the residents of our community.

The Fire Department is transitioning into providing the transportation services for all emergency medical patients who need to be taken to the hospital. A cost effective program was developed to provide a significant increase in the service delivery of emergency medical services to our residents, with no increase in funding to the department. This should reduce response times to all incidents throughout the City.

This Division also performs pre-incident surveys of major buildings in the City to develop plans to reduce risk to personnel and damage to the facility in the event of fire or other destructive events.

Division personnel are responsible for the daily maintenance of all emergency response apparatus and the corresponding equipment. This also holds true for emergency medical equipment, as well as maintaining the five fire stations.

To maintain proficiency in multiple skills, firefighters attend daily training in emergency

KEY GOALS

- *To provide the highest quality fire protection possible thereby saving lives and property from the ravages of fire.*
- *To provide the highest quality advanced life support delivery system possible thereby saving lives and minimizing the effects of medical emergencies and injuries.*
- *To provide for community betterment through Fire Department sponsored public education.*

medicine, fire ground tactics and operations, vehicle accident victim extrication, search & rescue, hazardous materials, and emergency situation management. In addition to their training, firefighters receive the continuing education required to maintain their various levels of licensure and certification.

The Fire Extinguishment Division works diligently to provide skilled professionals to successfully mitigate emergencies and raise public awareness of safety, in a cost effective manner.■

Did you know...

...the Fire Department uses high-performance CPR to maximize the amount of "hands on" compression time during a cardiac arrest, minimizing interruptions in CPR which leads to better patient outcomes?

Fire Extinguishment

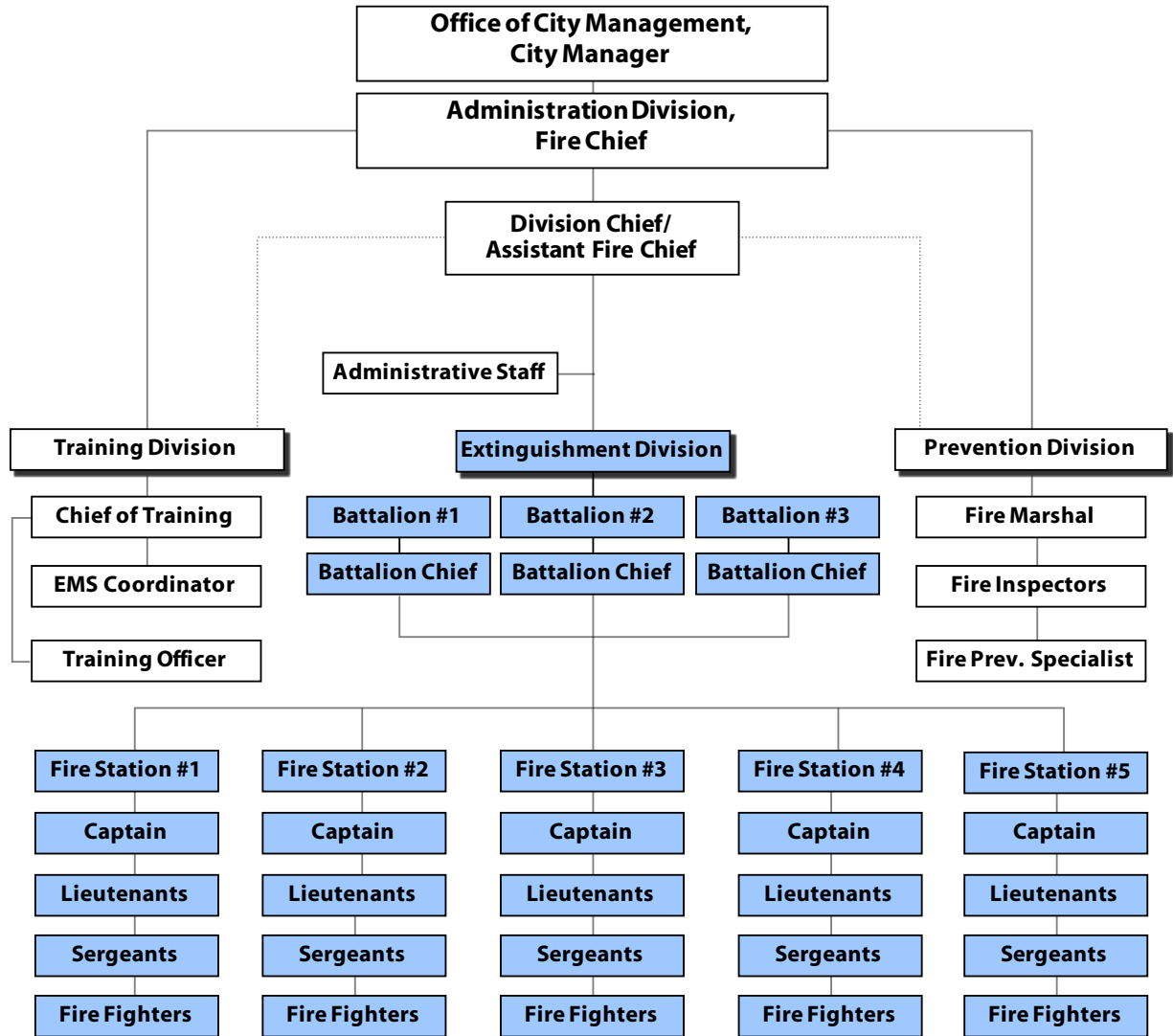
2017/18 PERFORMANCE OBJECTIVES

1. To work with a medical claims management provider to improve efficiency, minimize expenses, maximize net billing revenue and ensure full compliance with regulatory agencies related to ALS transport. (City Goal 1, 2, 3, 6, 8, 9, 11)
2. To review, update, and train on all policies related to the call-in of additional command staff during significant incidents. (City Goal 2, 6, 9, 11)
3. To analyze and improve all procedures and response plans for the various types of incidents the Fire Department responds to in order to integrate the addition of ambulances with maximum effectiveness. (City Goal 1, 2, 3, 5, 9, 11)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Fire Department Incidents	12,451	13,588	14,293	14,100	14,548	14,600
	EMS-Related Incidents	9,435	10,253	10,753	10,500	10,834	10,990
	Hazardous Material Incidents	79	98	99	80	96	85
	Fire Incidents	230	236	255	275	254	275
	All Other Incidents	2,707	3,001	3,186	3,245	3,364	3,250
	ALS Patients	4,481	5,106	5,864	5,200	5,418	5,500
	BLS (Priority 3) Patients	4,608	4,859	4,668	5,100	5,030	5,290
	All Other EMS Patients	156	169	221	200	144	200
	Mutual Aid Provided/Received (Man Hours)	85/27	172/15	96/30	200/20	75/30	120/40
	Students Receiving Fire Safety Tours	3,612	3,572	2,616	3,000	2,489	2,800
	Hours Spent on Vehicle/Station Maintenance	11,238	11,312	11,386	11,400	11,400	12,500
	Hours Spent on Vehicle/Station Maintenance	11,238	11,312	11,386	11,400	11,400	12,500
Efficiency & Effectiveness	Average Scene Time (Hours) per Fire/ALS Incident	.73/.30	.85/.30	.60/.30	.80/.30	.63/.30	.70/.30
	Fire Fighter Injuries/Deaths	26/0	44/0	43/0	0/0	36/0	0/0
	Civilian Fire Related Injuries/Deaths	7/0	11/1	7/0	0/0	4/1	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	79%/71%	80%/76%	80%/74%	78%/77%	83%/72%	75%/75%
	Average EMS Response Time - Minutes	4.5	4.8	5.1	5.0	5.2	4.7
	Average Cost of an EMS Incident	\$150	\$139	\$135	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,673	\$2,552	\$2,463	*	*	*
	Division Expenditures as % of General Fund	18.11%	16.81%	15.61%	16.15%	16.12%	17.97%

*Cost is calculated for "Actual" columns only.

Fire Extinguishment



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Battalion Chief	3	3	3
Captain - ALS	5	5	5
Lieutenant - ALS	13	13	14
Lieutenant	3	3	2
Sergeant - FEO	9	9	9
Fire Fighter - ALS	30	30	45
Fire Fighter - FEO	12	12	12
Total	75	75	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

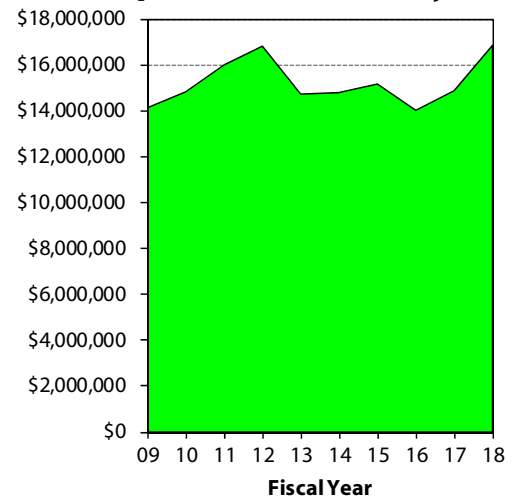
The total budget increased by 13.2%.

Personnel Services – The Personnel budget increased \$1,581,700 or 11.0%. \$1,218,280 or 8.5% of the increase is due to the hiring of 15 new firefighters as part of the self-sustaining model for the City to provide EMS transport services. Full-time wages increased by \$199,780 due to a contractual wage adjustment and step increases for many newer firefighters who are not at the top of their wage scale. Required funding for long-term retirement liabilities increased by \$113,130.

Supplies – Total Supplies increased \$187,670 primarily for the purchase of turnout gear and equipment for 15 new firefighters, medical supplies and fuel all needed to provide EMS transport services. \$8,400 is also included for the needed replacement of 12 SCBA air packs.

Other Charges – Total Other Charges increased \$202,100 or 54.8%. Contracted services increased \$128,040 for the cost of contracting out the medical billing for EMS transport services. Funds are also included for additional State radio system user fees and internet access for ambulance radios and defibrillators. \$50,000 was added for ambulance maintenance and repairs. \$20,710 is budgeted for medical reporting software support. Utility costs rose \$4,000 based on higher rates and activity levels. \$130 is budgeted for ambulance licensing fees. Telephone costs decreased \$900 based on the current year's estimated expenditure usage, partially offset by higher cellular service fees for five additional wireless telephones.

Expenditure History



Capital – Total Capital of \$52,880 is proposed. \$12,390 is for the replacement of three Portable Air Supply Systems that are no longer compliant with NFPA standards. \$5,200 is budgeted for a Fire Hose Tester. \$35,290 is budgeted for an Electronic Medical Reporting System needed for the Department's transition to field reporting, which is necessary in providing transport services and will also be required by the Macomb County Medical Control Authority by 2018.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$13,543,066	\$14,388,110	\$14,201,880	\$15,969,810	\$15,969,810
Supplies	156,029	134,270	177,680	321,940	321,940
Other Charges	332,305	368,480	357,740	570,580	570,580
Total	\$14,031,400	\$14,890,860	\$14,737,300	\$16,862,330	\$16,862,330

MISSION STATEMENT: *To ensure structures are built and maintained in accordance with the adopted fire prevention code and to reduce and ultimately, eliminate fire and life safety hazards through diligent code enforcement and public fire education.*

The Fire Prevention Division is responsible for the following duties and activities:

Inspections:

1. Existing buildings
2. New buildings
3. Fire systems

Plan Reviews:

1. Site
2. Buildings
3. Fire systems

Fire Investigations:

1. Photography
2. State/Federal Reporting
3. Arson Follow-up
4. Evidence Preservation

D.S.S. Fire System Acceptance Test Inspections:

1. Adult Foster Care
2. Child Day Care
3. Child Foster Care

State Inspections:

1. Clinics
2. Cooperative Inspections
3. Health Care Facilities
4. Schools

Public Fire Education:

1. Health Care Facilities
2. Senior Citizens
3. Industrial Personnel
4. Commercial & Mercantile Personnel
5. Child Fire Safety Programs in all schools
6. Juvenile Firesetter Intervention

This Division is also responsible for capacity inspections, complaint inspections and investigations, environmental hazard mitigation, fire emergency preparedness, and referrals to other City departments.

Fire Prevention personnel are actively involved in legislative improvements. The staff is active in the

KEY GOALS

- *To reduce fire incident rates to the lowest achievable level in inspectable buildings.*
- *To remove and ultimately eliminate fire hazards through diligent code enforcement efforts.*
- *To educate the commercial/business/industrial community in fire and life safety methodology.*
- *To educate residents in fire safety practices thereby reducing residential fire incidents and ultimately eliminating fatal and large loss residential fires.*

Oakland Macomb Fire Prevention Society, attends required certification training, schedules and attends meetings with Building, Planning, Engineering, Public Works, Police, and the Macomb County Health Department. Meetings are also held as necessary with architects and contractors.

The Fire Prevention Division prepares an annual report based on the files that are maintained throughout the year. This Division maintains files on all buildings located in the City.

The Fire Prevention Division is the lead division on all fire code enforcement and related issues and the coordination of efforts between the Fire Department and other City departments responsible for code and ordinance enforcement. The Fire Prevention Division uses a third party reporting company to ensure compliance to the fire code.■

Did you know...

...the Detroit Red Wings donate smoke detectors to the Sterling Heights Fire Department for distribution to City residents?

Fire Prevention

2017/18 PERFORMANCE OBJECTIVES

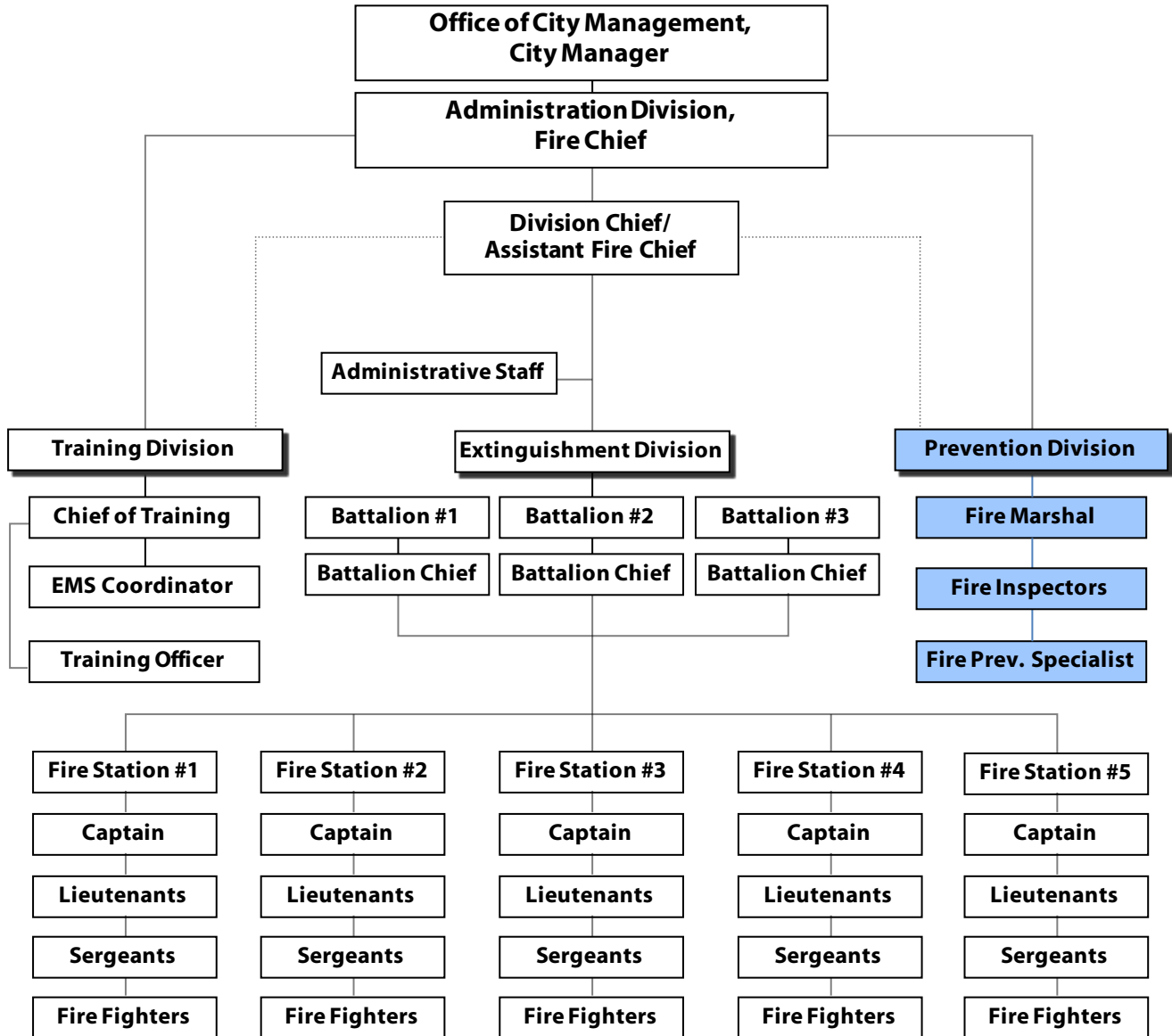
1. To review, improve, and update all Fire Prevention regulations, utilizing the Fire Department website for business owner and contractor access. *(City Goal 1, 2, 9, 10, 14, 23, 25)*
2. To review, improve, and update pre-fire plans for commercial businesses to help responders effectively manage emergencies to maximize protection for occupants, responding personnel, and property. *(City Goal 1, 2, 9, 10, 11)*
3. To analyze, implement, and manage the effectiveness of the Home Self Inspection Program to detect and correct unsafe living conditions. *(City Goal 1, 2, 4, 6, 10, 11)*
4. To develop and implement a registration process with requirements for fire protection contractors providing services to local businesses. *(City Goal 1, 2, 6, 9, 10, 25)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Inspections Conducted	878	863	1,232	1,625	1,932	1,810
	Use Permit or Final Occupancy Inspections	399	345	402	400	288	300
	Special Event/Annual License Inspections	41	62	41	40	32	35
	Liquor Lic. Amusement, & Hazardous Bldg. Insp.	48	32	97	40	66	65
	Witnessed Acceptance Test Inspections	91	99	100	100	102	110
	Reinspections of Violations	191	194	240	375	510	400
	Citizen Assistance Inspections	50	47	90	70	114	100
	In-Service Company Inspections	58	84	156	300	234	300
	General Inspections/High Risk Occupancies	N/A	N/A	106	300	586	500
	Violations Discovered and Issued	1,020	1,215	2,433	1,800	2,868	2,500
	Investigations (Fire and Other)	26	29	27	30	23	25
	Plan Reviews (sites, buildings, alarms)	321	106	100	200	110	120
Efficiency & Effectiveness	% Bus. Receiving Violations during Inspections	99%	99%	99%	99%	99%	99%
	Value of Non-Residential Fire Loss	\$615,000	\$753,000	\$1,066,725	\$600,000	\$632,000	\$500,000
	% of Solicited Inspections Performed w/i 1 Day	60%	80%	80%	80%	80%	80%
	% of Inspectable Occupancies Experiencing Fires	0.55%	0.32%	0.27%	0.50%	0.52%	0.50%
	Inspections Conducted Per Inspector/Marshal**	410	390	307	380	485	430
	% of Site Plans Reviewed within 20 Days	80%	90%	90%	100%	100%	100%
	Average Plan Review Cost	\$175	\$225	\$227	*	*	*
	Division Expenditures as % of General Fund	0.98%	0.89%	1.17%	1.15%	1.15%	1.14%

*Cost is calculated for "Actual" columns only.

**Excludes In-Service Company Inspections.

Fire Prevention



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Fire Marshall	1	1	1
Fire Inspector	3	3	3
Fire Prevention Specialist	1	1	1
Total	5	5	5

Fire Prevention

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.1%.

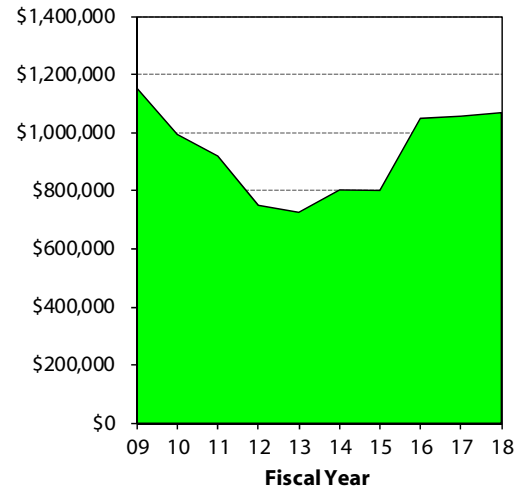
Personnel Services – The total Personnel budget increased \$12,080 or 1.1%. Wages increased \$6,350 due to a contractual wage increase. Required funding for long-term retirement liabilities increased by \$8,420.

Supplies – All Supplies for this division are budgeted in the Fire Administration division.

Other Charges – All Other Charges for this division are budgeted in the Fire Administration division.

Capital – There is no Capital proposed for this division.

Expenditure History



FUNDING LEVEL SUMMARY

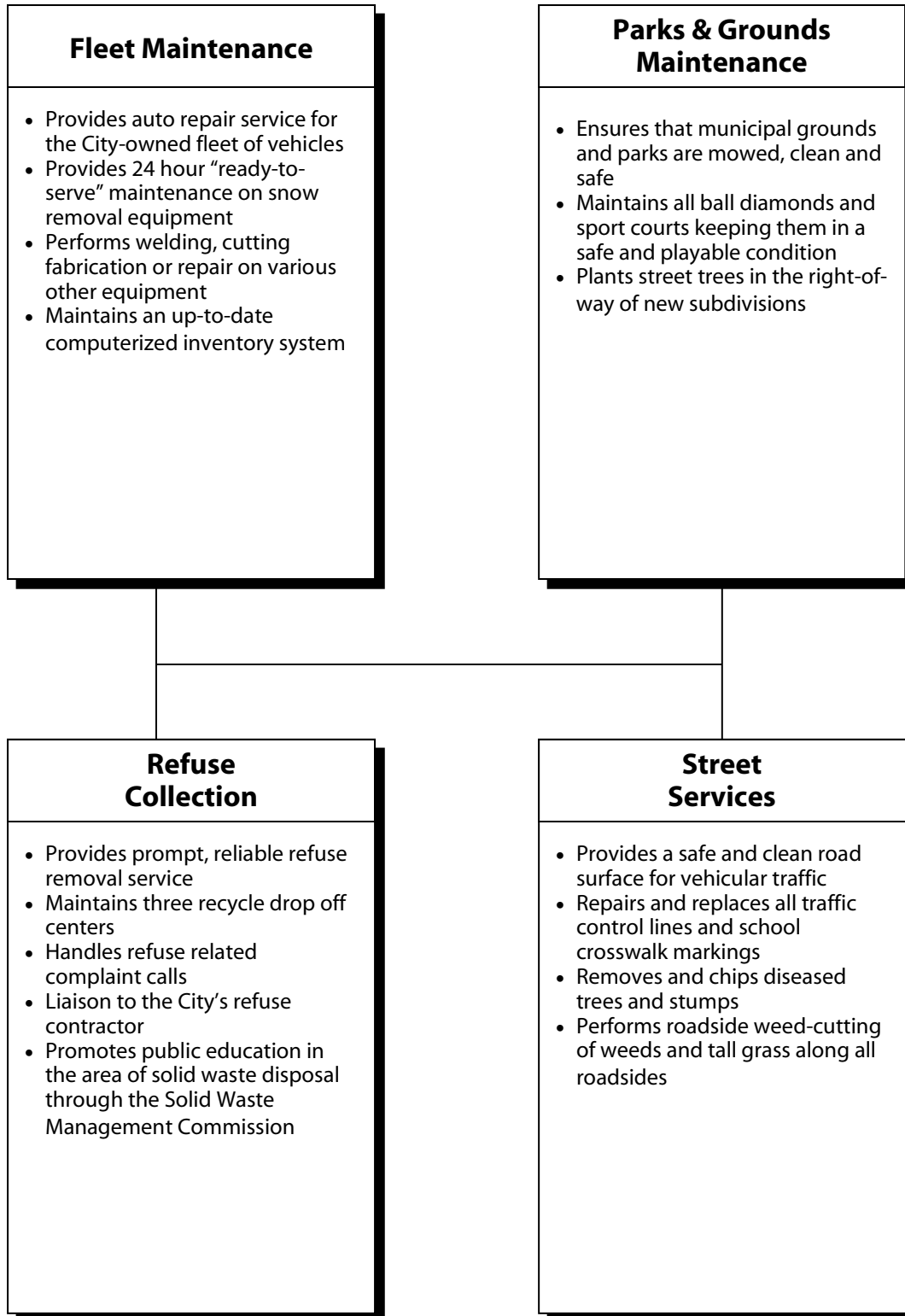
	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,048,993	\$1,056,350	\$1,055,120	\$1,068,430	\$1,068,430
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$1,048,993	\$1,056,350	\$1,055,120	\$1,068,430	\$1,068,430

Public Works Department



FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works budget increased by \$279,530 or 4.2%. Personnel costs increased \$186,320 or 4.3% primarily due to the funding of an additional full-time Mechanic to focus on retrofitting new Police cruisers and the maintenance of Fire apparatus. Required funding for long-term retirement liabilities also increased by \$84,430. Supplies increased slightly by \$11,500 or 0.8% primarily for materials to maintain City baseball fields. Other Charges increased \$81,710 or 10.3% for increased electric and water costs due to higher usage including irrigating City medians and rights-of-way. Rental fees for a utility vehicle and an excavator are also included. These costs were partially offset by lower contracted

costs for the noxious weed cutting program. The Capital Budget funds a forklift and tire changer for Fleet Maintenance, a mini-dump truck, pickup truck and brush flail mower for Parks and Grounds, a tandem axle dump truck, aerial sign truck, street roller and brine tank for Street Services, exhaust fans for the DPW garage and 15 replacement personal computers.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Fleet Maintenance	\$2,780,650	\$2,648,400	\$2,740,180	\$2,866,030	4.6%
Parks & Grounds Maint.	1,358,400	1,373,600	1,378,910	1,440,640	4.5%
Public Works Center	278,640	187,440	256,000	226,500	-11.5%
Street Services	2,270,740	2,070,450	2,203,380	2,324,830	5.5%
Total Department	<u>\$6,688,430</u>	<u>\$6,279,890</u>	<u>\$6,578,470</u>	<u>\$6,858,000</u>	<u>4.2%</u>
Personnel Services	\$4,391,240	\$4,206,220	\$4,315,880	\$4,502,200	4.3%
Supplies	1,524,100	1,380,830	1,472,850	1,484,350	0.8%
Other Charges	773,090	692,840	789,740	871,450	10.3%
Total Department	<u>\$6,688,430</u>	<u>\$6,279,890</u>	<u>\$6,578,470</u>	<u>\$6,858,000</u>	<u>4.2%</u>

PERSONNEL SUMMARY

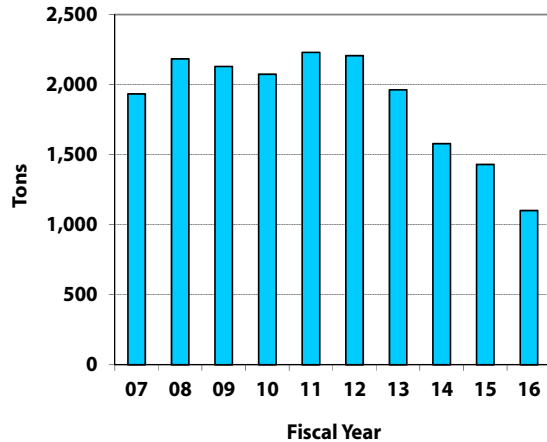
	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fleet Maintenance	11	0	11	1	11	1	12	1
Parks & Grounds Maint.	5	9	5	12	5	12	5	12
Refuse Collection	0	0	0	5	0	5	0	5
Street Services	17	4	19	6	18	6	18	6
Total Department	<u>33</u>	<u>13</u>	<u>35</u>	<u>24</u>	<u>34</u>	<u>24</u>	<u>35</u>	<u>24</u>

Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

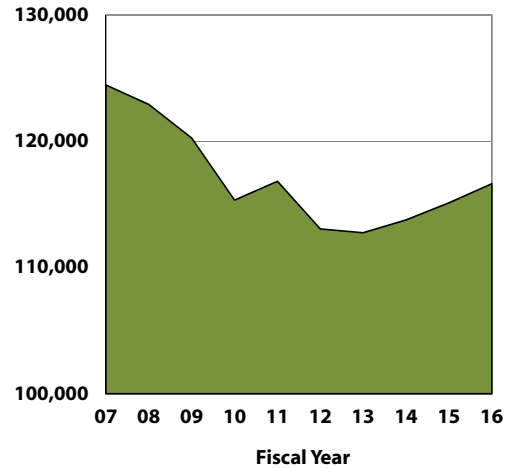
Public Works Department

Recycling Center Newspaper Collections



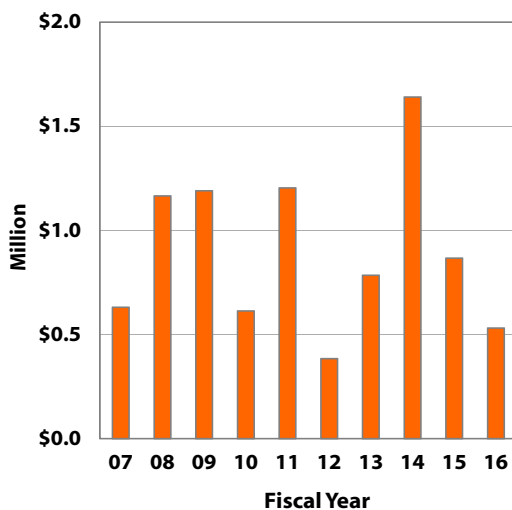
The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites and the subscription based curbside recycling program initiated in 2013. The average homeowner pays only \$72 per year for trash pickup, which is much lower than most communities. Only five cities in a national study had a lower recycling cost per ton recycled.

Cubic Yards of Refuse Landfilled



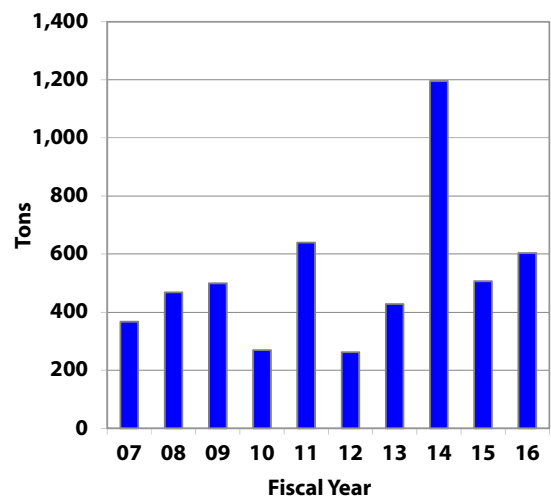
The number of cubic yards of refuse landfilled declined, reaching a low of 112,750 cubic yards in 2013. Fewer apartment complexes and mobile home parks elected to receive City refuse service. The separate collection of yard waste, which is now composted, and additional Recycling Center and curbside recycling collections have also contributed to the decline in the amount of garbage annually landfilled.

Snow Removal Costs



The City's snow removal costs have generally increased over ten years. Expenditures decreased in some years due to warmer winters or reduced snowfalls. Snow removal costs reached a ten-year high of \$1.64 million in 2014, while costs fell in 2012 to a low of \$384,000.

Road Pothole Patch Used



The City has had to increase the amount of road patch needed since 2007 in order to repair City roads due to the loss of State gas tax revenues, which has limited the City's ability to reconstruct major roads.

MISSION STATEMENT: *To efficiently and economically maintain the City-owned fleet of vehicles and equipment in a safe and properly functioning condition.*

The Fleet Maintenance Division is responsible for maintaining the City-owned fleet of vehicles and equipment in a safe and properly functioning condition. An adequate parts inventory is maintained in order to complete repairs in a timely manner to minimize down time.

The Division is “ready to serve”. Twenty-four (24) hour service is available for repairs required on snow removal equipment during a snow emergency, pumps during flood control operations, or Fire Department equipment at a fire scene.

This Division handles the maintenance and repair of the City-owned fleet of vehicles and equipment on an as-needed basis. Approximately 53 pieces of heavy equipment, 421 pieces of various equipment ranging from chainsaws to tractors, and 253 cars and trucks are repaired. Preventative maintenance is performed on approximately 767 vehicles or pieces of equipment. Also included is the repair and preventative maintenance on 29 Fire Department emergency vehicles, and 11 buses for the Parks & Recreation Department. Fleet Maintenance provides road call service to vehicles in the field to minimize down time. Fleet Maintenance performs welding, cutting, fabrication, repair of park gates, play apparatus, bike racks, bleachers, retention pond gates, pumping stations, and many other repair projects. This Division repairs heating-cooling and exhaust systems, bridges, and guardrails. This involves the planning and designing of modifications performed on various pieces of equipment.

Another responsibility of Fleet Maintenance is to maintain an up-to-date inventory of frequently used parts and a computerized inventory system. This inventory system ensures that a sufficient quantity of proper parts, tools, and materials are stocked. This Division also distributes parts and tools as necessary.

Fleet Maintenance maintains its own records and files. On a daily basis, a record of fuel being dispensed from the pumping facilities is maintained to ensure sufficient availability.

KEY GOALS

- *To provide an effective vehicle/equipment repair program in order to maintain a full complement of vehicles/equipment in service.*
- *To maintain an adequate parts inventory to minimize downtime.*
- *To provide a preventative maintenance program on a scheduled basis consistent with manufacturer's recommendations and professional standards.*
- *To provide preseason maintenance and winterization programs for spring/winter equipment.*
- *To recommend specifications for the purchase of vehicles/equipment and the economical replacement of the City fleet.*

This Division also performs an annual physical inventory to count and record each stock item by identifying quantity, location, and price.■

Did you know...

...the Fleet Maintenance Mechanics fabricate and modify their own parts to make hydraulic lines in-house to keep the snowplow fleet up and running and the City streets safe and clear of snow?

Fleet Maintenance

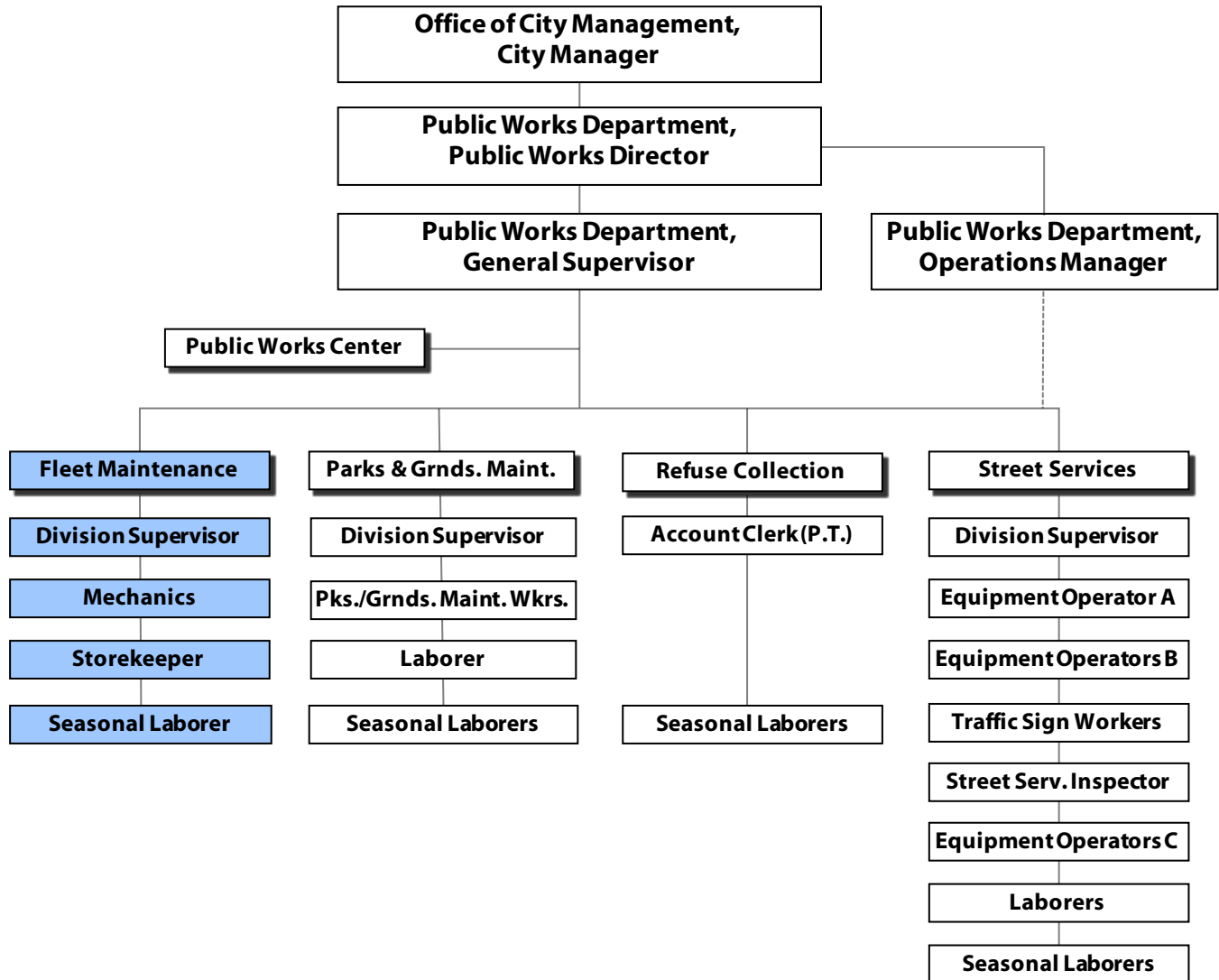
2017/18 PERFORMANCE OBJECTIVES

1. To implement a cross-training program rotating mechanics between Police and Fire vehicle repairs to prevent downtime due to seasonal backlogs. (City Goal 1)
2. To investigate a lease-to-own program to acquire necessary equipment that is not approved during the capital process. (City Goal 2)
3. To perform an analysis to determine the most cost effective way to retrofit new police cruisers. (City Goal 3, 23)
4. To create a resource sharing program where Police Investigations, Narcotics, and the Detective Bureau share available vehicles to create an overall newer pool of undercover vehicles. (City Goal 6)
5. To work with Finance to implement a vehicle replacement program that allows the City to sell Fleet vehicles and pieces of equipment while they still have value and before repair costs exceed replacement costs. (City Goal 6)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Full Service Preventive Maintenances Performed	441	397	405	450	343	400
	Preseason Maintenance - Trucks with Plows	47	44	41	50	50	50
	Preseason Maintenance - Snow Plows	47	44	41	50	50	50
	Preseason Maintenance - Salt Spreaders	21	21	21	21	21	21
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	4
	Preseason Maintenance - Lawn Equipment	50	50	50	50	50	50
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	422	476	484	500	495	488
	Safety Inspections Conducted on Hoists	10	10	10	10	10	16
	Material Safety Data Sheets Maintained	400	400	400	400	400	400
Efficiency & Effectiveness	% of Preventive Maint. Performed on Schedule	85%	85%	85%	85%	85%	85%
	Avg. Time to Perform Maintenance on a Car (Mins.)	50	50	50	50	50	50
	Avg. # of Vehicles/Equip. Maintained Per Mechanic	86	88	84	87	88	88
	Average Age of Police Vehicles (Years)	4.0	4.0	4.3	4.0	4.0	4.0
	Average Age of Fire Engines (Years)	12.0	14.0	12.0	13.0	13.0	14.0
	% of Snow Removal Vehicles & Equipment Available	95%	95%	95%	95%	95%	95%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	100%	100%	100%	100%	80%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	99%	99%	99%	99%	99%	99%
	% of Actual Inventory to Inventory Ledger	91%	91%	95%	95%	95%	95%
	Cost of a Passenger Car Oil Change	\$24.93	\$25.46	\$25.99	*	*	*
	Preventive Maintenance Cost of a Passenger Car	\$58.26	\$60.35	\$60.03	*	*	*
	Activity Expenditures as % of General Fund	3.50%	3.08%	2.95%	2.97%	2.89%	3.05%

*Cost is calculated for "Actual" columns only.

Fleet Maintenance



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Division Supervisor	0	1	1
Maintenance Supervisor	1	0	0
Mechanic	9	9	10
Storekeeper	1	1	1
Seasonal Laborer	1	1	1
Total	12	12	13

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 4.6%.

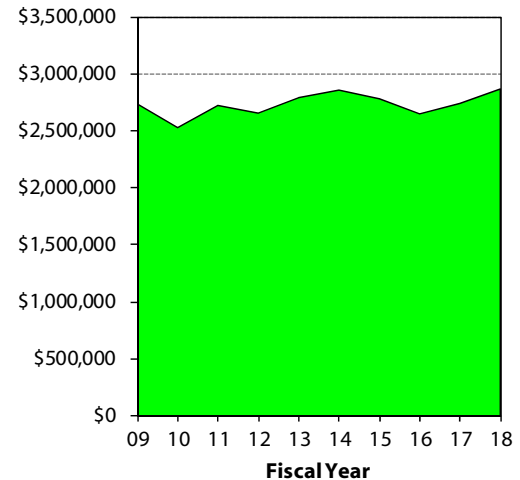
Personnel Services – The total Personnel budget increased \$122,040 or 9.2%. This is primarily due to funding an additional full-time Mechanic to focus on retrofitting new Police cruisers and the maintenance of Fire apparatus. This new position will help to expedite repairs for emergency responders. Required funding for long-term retirement liabilities increased by \$26,250.

Supplies – Total Supplies increased \$2,000 or 0.1%. Operating supply costs increased \$1,000 as more small hand tools and fasteners need to be replenished. \$1,000 was added for the higher cost of vehicle fluids and lubricants.

Other Charges – Total Other Charges increased \$1,810 or 9.7%. \$1,200 was added to the budget for higher hazardous waste disposal costs. Educational funding increased \$450 for the Supervisor's attendance at computer training workshops and a slight increase in State license renewal fees. Rental costs rose \$160 based on a more accurate estimate of per-page copier print fees.

Capital – Total Capital of \$59,000 is budgeted in the Capital Projects Fund. \$50,000 is for a Forklift to replace an existing 1976 forklift. \$9,000 is for a Tire Changer to replace a 15-year old machine that is not capable of mounting tires on the new SUV patrol vehicles.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,318,807	\$1,325,640	\$1,329,770	\$1,447,680	\$1,447,680
Supplies	1,311,868	1,395,850	1,296,850	1,397,850	1,397,850
Other Charges	17,724	18,690	17,440	20,500	20,500
Total	\$2,648,399	\$2,740,180	\$2,644,060	\$2,866,030	\$2,866,030

MISSION STATEMENT: *To maintain all municipal grounds, and parks and recreational facilities in a clean, safe, and aesthetically pleasing manner.*

The Parks & Grounds Maintenance Division is responsible for ensuring that all municipal grounds, parks, and recreational facilities are maintained in a clean, safe, and aesthetically pleasing manner.

The beauty of our City is enhanced by the planting of trees, flowers, and shrubs and preserving the health of our existing urban forest.

This Division maintains baseball, football, and soccer fields and also keeps tennis, volleyball and basketball courts in a safe, playable condition at City parks and school sites.

To ensure that all municipal grounds and parks are well maintained, the following activities are undertaken: grass cutting, trimming, turf maintenance, and fertilizer/herbicide application at all municipal sites. When conditions warrant, snow and ice are removed at all municipal sites, 41 school walkways, and five bridge sidewalks. This activity also maintains the Parks & Grounds garage. The funds for retention pond maintenance cross charges, such as inspection, weed and grass cutting, and pump facility repairs, are included in this program.

Football and soccer fields are set up and lines are repainted once a week during the fall and spring seasons. Parks & Grounds Maintenance upgrades and maintains over 50 ball diamonds, including lighting systems, benches and bleachers.■

KEY GOALS

- *To ensure that the turf and landscaping at municipal building sites and parks are cut, trimmed, and upgraded in accordance with maintenance schedules.*
- *To provide seasonal maintenance of athletic fields and playground apparatus.*
- *To enhance the City's beauty by planting and trimming parks and street trees.*
- *To provide snow and ice control at municipal building sites, school walkways and park sites.*
- *To clean all park restrooms daily, empty trash barrels, and pick up litter as necessary.*

Did you know...

...the Parks & Grounds staff installed three canoe liveries along the Clinton River so residents can safely and easily access the river for recreational activities?

Parks & Grounds Maintenance

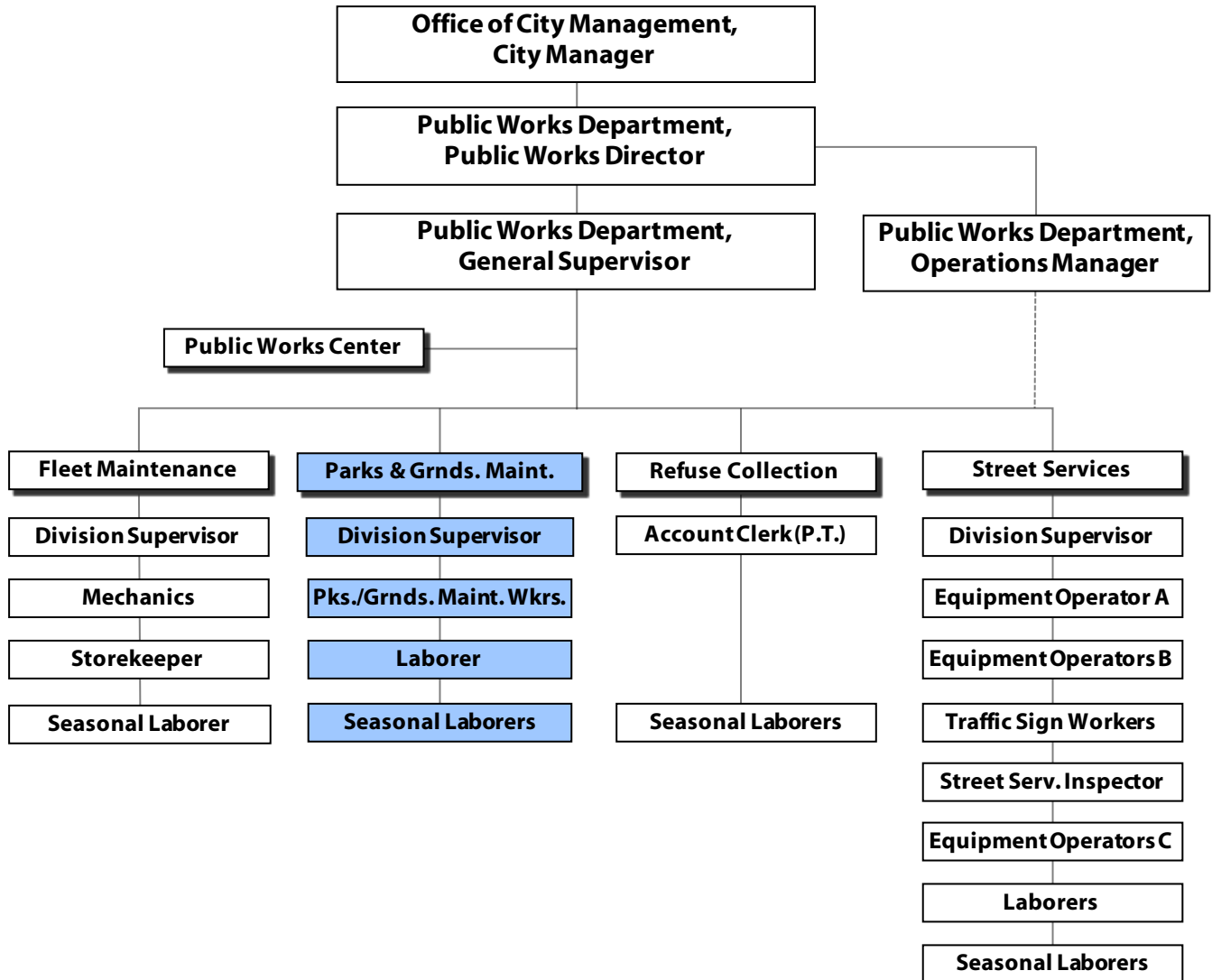
2017/18 PERFORMANCE OBJECTIVES

1. To develop a five-year maintenance plan for all of the newly purchased park apparatuses and improvements. (City Goal 14, 16, 18)
2. To stain/seal the wood walking bridges along the Clinton River and Nelson Park walking trails to increase the safety and longevity of the bridges. (City Goal 16, 17, 18)
3. To install crushed concrete along the sides of the trails throughout the Clinton River trail system to help fortify the sides of the asphalt path and remove any hazards. (City Goal 16, 17, 18)
4. To install two new canoe liveries along the Clinton River to allow residents to utilize the river. (City Goal 16, 17, 19)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Cuttings/Trimming - 31 Parks (559 of the 826 Acres)	22	23	24	28	28	28
	Cuttings/Trimming - 9 Mun. Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maint. Performed (Incl. UCS & WCS)	1,252	1,241	1,259	1,200	1,249	1,200
	Soccer/Football Fields Relined	475	417	555	450	483	450
	Snow/Ice Control Call-Ins	23	18	16	20	25	20
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenance/Repairs Made	139	121	195	150	168	170
	Cleaning of Restroom Facilities (Subcontracted)	742	751	910	850	891	900
	Trash Collection Days-Parks & Municipal Sites	235	231	242	250	239	250
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equip.	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of Total Easement Trees Insp. due to Complaints	10%	10%	10%	10%	10%	10%
	Cost to Mow an Acre of Parkland	\$30.58	\$33.22	\$32.07	*	*	*
	Activity Expenditures as % of General Fund	1.61%	1.50%	1.53%	1.50%	1.59%	1.54%

*Cost is calculated for "Actual" columns only.

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Division Supervisor	1	1	1
Parks & Grounds Maintenance Worker	3	3	3
Laborer	1	1	1
Seasonal Laborer	12	12	12
Total	17	17	17

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR BUDGET

The total budget increased by 4.5%.

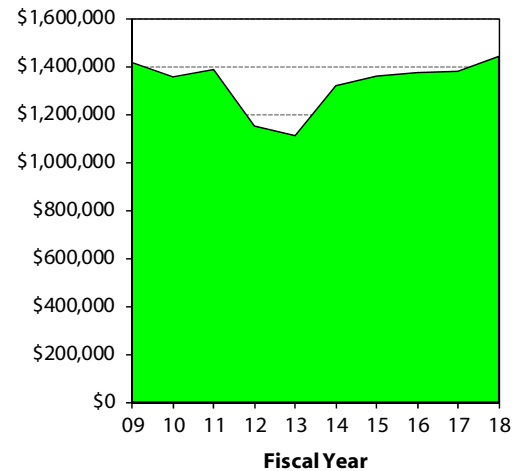
Personnel Services – The Personnel budget increased \$17,680 or 2.2%, primarily due to an increase in the required funding for long-term retirement liabilities of \$21,130 and to fund additional part-time hours due to increased workload. This was partially offset by a decrease in full-time wages due to the replacement of a full-time laborer with a new employee at a lower starting wage.

Supplies – Total Supplies increased \$9,000 or 15.7%. An additional \$10,000 is budgeted for athletic supplies and materials needed to better maintain the City's ball fields. Operating supplies decreased \$1,000 to bring the budget more in line with recent actual expenditure levels.

Other Charges – Total Other Charges increased \$35,050 or 6.9%. Water costs rose \$25,000 due to higher rates and increased usage. \$10,000 was added for the rental of a utility vehicle to assist with snow and ice removal operations at municipal sites.

Capital – Total Capital of \$166,500 is budgeted in the Capital Projects Fund. \$65,000 is for a replacement mini Dump Truck utilized for snow removal and hauling materials from job sites. \$32,000 is to replace a 2004 4x4 Pickup Truck with Plow that is utilized in daily operations and snow emergencies. \$60,000 is for a heavy-duty Brush Flail Mower used to remove heavy

Expenditure History



brush, trees, and tall grass in City parks. Twelve irrigation monitoring systems are funded for \$9,500.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$835,628	\$810,010	\$817,150	\$827,690	\$827,690
Supplies	53,528	57,500	52,000	66,500	66,500
Other Charges	484,449	511,400	585,450	546,450	546,450
Total	\$1,373,605	\$1,378,910	\$1,454,600	\$1,440,640	\$1,440,640

MISSION STATEMENT: *To budget and account for expenditures that are incurred for the maintenance and operation of the Public Works Department that are not reflected in any other Public Works activity.*

The Public Works Center is used to budget and account for expenditures that are incurred throughout the fiscal year for the operations and maintenance of the Public Works facility, including required repairs and preventative maintenance, as well as costs associated with the City's noxious weed cutting program. There are no department staff members assigned to this activity. The Public Works Director and the Operations Manager oversee the administrative functions of this activity, which are necessary to ensure the efficient and effective delivery of services in the areas of street maintenance, parks and grounds maintenance, and fleet maintenance.

Examples of the types of expenditures that are charged to this activity include water, heating, and electric costs for the operation of the Public Works facility, office supplies, building maintenance and custodial supplies, licensing fees for the 800 MHz radio communication system, and office telephone charges.

In addition, contracted service costs for noxious weed cutting and preventative maintenance on the facility's heating and cooling system is also included in this activity.

Costs associated with the Facility Maintenance and Repair Program are accounted for in the Public Works Center and include the facilitation of required repairs and maintenance of the Public Works facility including general cleaning, internal and external electrical and lighting repairs, minor plumbing repairs, vehicle door repair, and maintenance of facility equipment. This program also includes the preventive maintenance contract on the furnaces and air conditioning equipment at the Public Works facility.■

KEY GOALS

- *To provide a means of accounting for facility maintenance and repair expenditures which benefit all offices of the Public Works Department.*
- *To provide a means of accounting for certain operational expenditures for the Public Works facility.*
- *To provide a means of budgeting and accounting for the City's Noxious Weed Program.*

Did you know...

...the Public Works Center administered the grass cutting of 121 residential homes and 257 vacant fields in violation of the Noxious Weed Ordinance in 2016?

Public Works Center

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 11.5%.

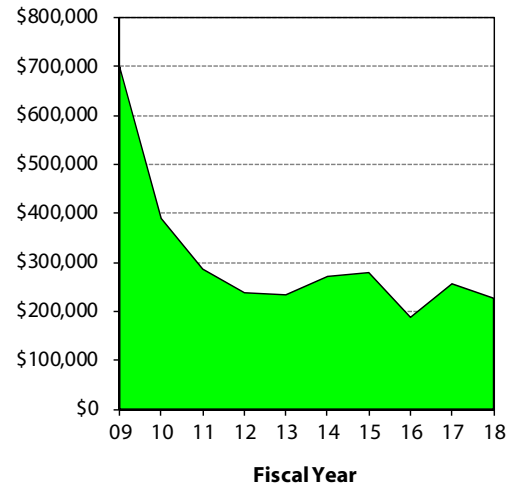
Personnel Services – There is no staff assigned to this division.

Supplies – Total Supplies increased \$500 or 11.1% due to an increase in the cost of small hand tools and supplies needed to maintain the Public Works facility.

Other Charges – Total Other Charges decreased \$30,000 or 11.9%. Funding for the noxious weed cutting program decreased \$20,000, as fewer cuttings of high grass on vacant or foreclosed properties are needed due to greater compliance. Utility costs declined \$6,500 based on recent expenditure trends. Less funding is needed for State radio fees, saving \$6,000. Building maintenance costs increased \$2,000 to fund additional building and electrical repairs needed at the Public Works facility. Medical service costs increased due to higher drug and alcohol testing costs.

Capital – Total Capital of \$112,750 is budgeted in the Capital Projects Fund. \$100,000 is proposed for the installation of exhaust fans at the DPW garage. Public Works is scheduled to receive 15 personal computers totaling \$12,750 to replace the existing five and six-year old units.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	9,149	4,500	5,000	5,000	5,000
Other Charges	178,290	251,500	206,420	221,500	221,500
Total	\$187,439	\$256,000	\$211,420	\$226,500	\$226,500

MISSION STATEMENT: *To provide prompt, reliable and efficient refuse collection for each household in the City and ensure that all waste generated in the City is properly collected, transported, and disposed of in accordance with State and federal laws and professional standards.*

Refuse Collection provides prompt, reliable, and efficient refuse collection by a private contractor weekly from residential homes, condominiums, commercial curbsides, and City dumpster pick-ups. A voluntary subscription-based curbside recycling program is also provided by the City's contractor.

Through the cost recovery program, apartment complexes are eligible for City-provided collection if they pay for the cost of collection, plus an administrative fee.

A separate collection of yard waste is made from early April through late November from all curbside collection stops. Yard waste is composted and diverted from landfill disposal. A separate collection of Christmas trees for composting is also provided.

Three voluntary Recycling Drop-Off Centers are maintained in order to provide residents with the opportunity to recycle in a cost effective manner.

Refuse Collection includes pick up of bulky items on regularly scheduled collection days as well as the separate collection of "white" goods, i.e. stoves, refrigerators, etc. These white goods are delivered to a scrap metal recycler for reuse. All refuse related files and correspondences are maintained in this activity.

The General Supervisor serves as the City's liaison with the refuse contractor to ensure the contractor is performing in accordance with the contract and City ordinance. The handling and resolution of more difficult complaints and the provision of information and reports is accomplished through this area. The clerical support staff verifies the contractor's monthly invoices, prepares requests for payment and monthly reports, maintains all refuse files, and types all related correspondence.

The Solid Waste Management Commission is funded in the Refuse activity. The Operations

KEY GOALS

- *To ensure that all properly placed refuse is collected on a weekly basis by the City's private contractor and transported and disposed of at an approved facility.*
- *To provide recycling and composting opportunities in a cost-effective manner.*
- *To assist the Solid Waste Management Commission in its review of the City's solid waste collection, recycling, composting and waste reduction efforts.*
- *To maintain and supervise the City's three recycling centers.*
- *To continually review the status of various solid waste management legislation.*

Manager serves as the liaison to the Commission. The Commission serves in an advisory capacity to the City Council and Administration. The Commission's responsibility is to continually review and update the City's position regarding solid waste disposal activities.

Clerical support is also provided to the Grass/Weed Cutting Program, tree planting, tree removal, trimming, as well as general information requests. ■

Did you know...

...that one ton of recycled paper saves approximately 17 trees and, in 2016, Sterling Heights residents saved over 21,420 trees by recycling 1,260 tons of newspaper, magazines, junk mail, cardboard, office paper and telephone books?

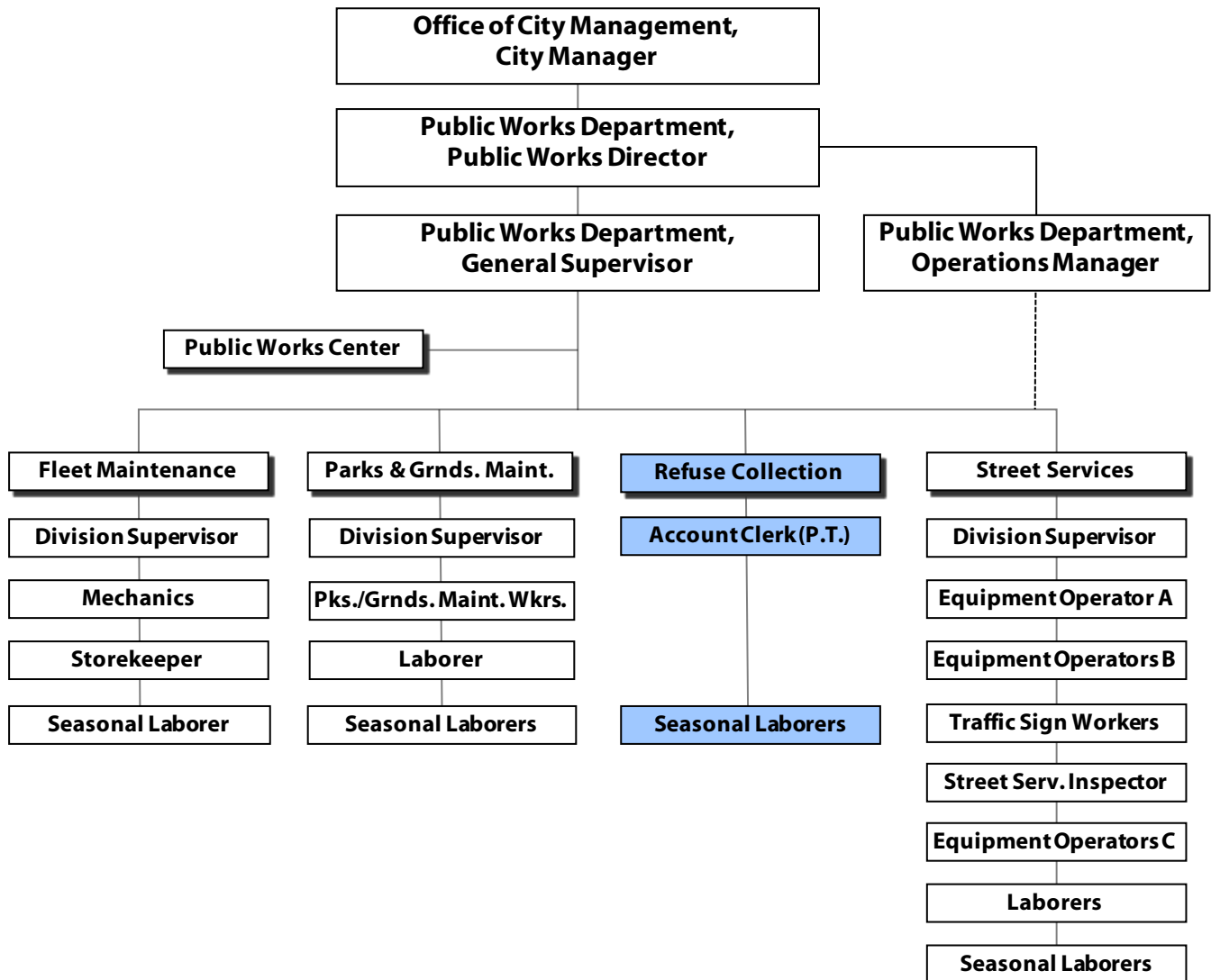
Refuse Collection

2017/18 PERFORMANCE OBJECTIVES

1. To monitor the daily operation of the voluntary curbside recycling program to ensure customer service expectations are met. *(City Goal 1, 14)*
2. To coordinate a hazardous material collection day and properly dispose of the collected items. *(City Goal 1, 14)*
3. To work with apartment and condominium complexes that currently do not have dumpsters for refuse collection, and convert them to dumpster collection. *(City Goal 1, 14)*
4. To improve the appearance and operation of the three current recycle centers. *(City Goal 1, 14)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,669	39,598	39,800	39,700	39,735	39,750
	Cubic Yards of Refuse Landfilled	113,767	115,122	116,640	115,000	115,000	115,000
	Tons of Yard Waste Composted/Diverted	11,234	9,018	10,366	10,000	10,000	10,000
	Christmas Trees Chipped and Composted	3,170	3,012	1,193	1,000	1,500	1,250
	Cubic Yards of Plastics Recycled (Recycling Center)	324	315	125	300	360	325
	Tons of Paper Recycled (Recycling Center)	1,578	1,430	1,100	1,500	1,500	1,500
	Curbside Recycling Subscribers	5,367	5,372	5,400	5,500	5,500	5,500
	Curbside Recycling Volume (tons)	1,560	1,572	1,550	1,500	1,500	1,500
Efficiency & Effectiveness	Refuse Violations Tagged by Contractor	27	19	19	20	20	20
	% of Refuse Collection Stops Making Complaints	0.10%	0.17%	0.20%	0.10%	0.10%	0.10%
	% of Trouble Calls Remedied within 24 Hours	98%	96%	99%	99%	100%	100%
	Reduction in Landfill Volume vs. 1989/1990	48.5%	47.9%	47.6%	48.0%	48.0%	48.0%
	Refuse Collection Costs per Capita	\$36.00	\$36.29	\$36.39	\$34.24	\$33.34	\$33.95
	Refuse Collection Millage Rate	1.09	1.13	1.14	1.11	1.11	1.08
	Refuse Cost for Average Homeowner	\$68	\$72	\$74	\$72	\$72	\$70
	Net Cost to Operate Three Recycling Centers	\$122,510	\$123,900	\$171,670	\$175,000	\$185,000	\$185,000
	Recycling Costs Per Ton Recycled	\$33.84	\$34.08	\$37.05	\$37.00	\$37.50	\$37.50
	Cost to Collect/Dispose of Refuse (1 cubic yard)	\$41.29	\$41.21	\$40.87	\$39.08	\$38.05	\$38.82
	Activity Expenditures as % of General Fund	5.75%	5.25%	5.30%	4.87%	4.79%	4.76%

Refuse Collection



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Account Clerk (P.T.)	1	1	1
Seasonal Laborer	4	4	4
Total	5	5	5

Refuse Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 0.7%.

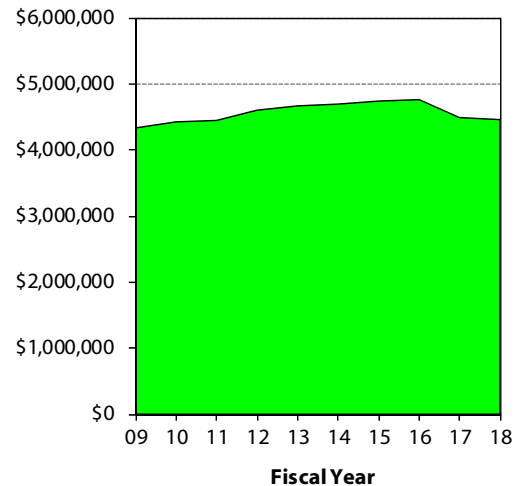
Personnel Services – The total Personnel budget decreased \$2,870 or 1.9%. The decrease is due to a lower number of labor hours required to operate the recycling centers, partially offset by required health insurance for one employee and an increase in the required funding for long-term retirement liabilities of \$1,490.

Supplies – Total Supplies increased \$1,000 or 50.0%, as more supplies and small tools need to be replenished.

Other Charges – Total Other Charges decreased \$28,220 or 0.6%. The City will save \$29,120 based on the contractual prices under the new eight-year refuse contract that went into effect May 1, 2016. The budget assumes the continuation of the voluntary subscription-based curbside recycling program. The contract with the current provider will expire in April 2018 and be replaced with a less expensive program which will include weekly collection services. Funding for printing decreased \$100, as prior year funds were not spent. \$1,000 was added for recycling equipment repairs.

Capital – There is no Capital proposed for this division.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$129,333	\$147,630	\$138,270	\$144,760	\$144,760
Supplies	3,352	2,000	3,000	3,000	3,000
Other Charges	4,634,339	4,344,520	4,234,800	4,316,300	4,316,300
Total	\$4,767,024	\$4,494,150	\$4,376,070	\$4,464,060	\$4,464,060

MISSION STATEMENT: *To maintain the City's streets and rights-of-way in such a manner as to ensure safety for vehicular and pedestrian traffic as well as presenting a clean, well-groomed, attractive roadside environment.*

Three specific programs set up within this Public Works division detail the mission of the Street Services activity. Roads and Streets Maintenance, Supplementary Roadside Maintenance, and Snow and Ice Control programs provide excellent care to the City's streets. Street Services provides a safe and clean road surface for vehicular traffic, adequate visual direction and a safe, maintained, and unobstructed roadside environment on more than 349 miles of City roads.

The Roads and Streets Maintenance program strives to maintain safe road surfaces for vehicular and pedestrian traffic by ensuring adequate pavement markings. One-third of all school crosswalks and stop bar pavement markings are repaired or replaced every year. Traffic control lines are painted and athletic courts are taped throughout the City.

Street sweeping of all paved road surfaces occurs at least four times per year on 395 miles of major, local, and county roads. This activity is responsible for road patching and shoulder grading to maintain safe roads.

The Supplementary Roadside Maintenance program provides a safe, well-maintained roadside environment. Cutting of weeds and tall grass along all roadsides, ditches, and medians is done five times per year. Dead leaves are removed from along curbsides throughout the leaf drop season.

Support activities include the installation of new street signs, maintenance and repair of existing signs, and the installation of informational signs for the municipal sites and 29 developed parks.

Another support activity is the maintenance of Sterling Heights' urban forest. Approximately 29,000 right-of-way trees are maintained, including inspection, trimming, removal of trees and stumps, and replanting of trees.

Catch basin cleaning is another important function. Catch basins are routinely cleaned allowing for the

KEY GOALS

- *To provide a safe and clean road surface for vehicular traffic.*
- *To provide adequate visual direction to regulate, warn, or guide vehicular and pedestrian traffic through proper signage and pavement markings.*
- *To provide a safe, well-maintained and unobstructed roadside environment.*
- *To provide effective storm water runoff without damaging our stream ecology.*
- *To provide an organized snow and ice control program based on designated priorities in order to maintain safe, passable streets.*

rapid disposal of storm water runoff and drainage. Drainage ditches are cleaned and the culverts are maintained to ensure adequate capacity for storm runoff.

During a declared Snow Emergency, the Snow and Ice Control program ensures an organized procedure for snow removal of all City roads within 48 hours after snowfall ceases. This objective is achieved on 60 miles of major roads and 289 miles of local roads.■

Did you know...

...the Street Services Division had over 150 trees planted in the City in 2016, helping to keep the City's "Tree City USA" status?

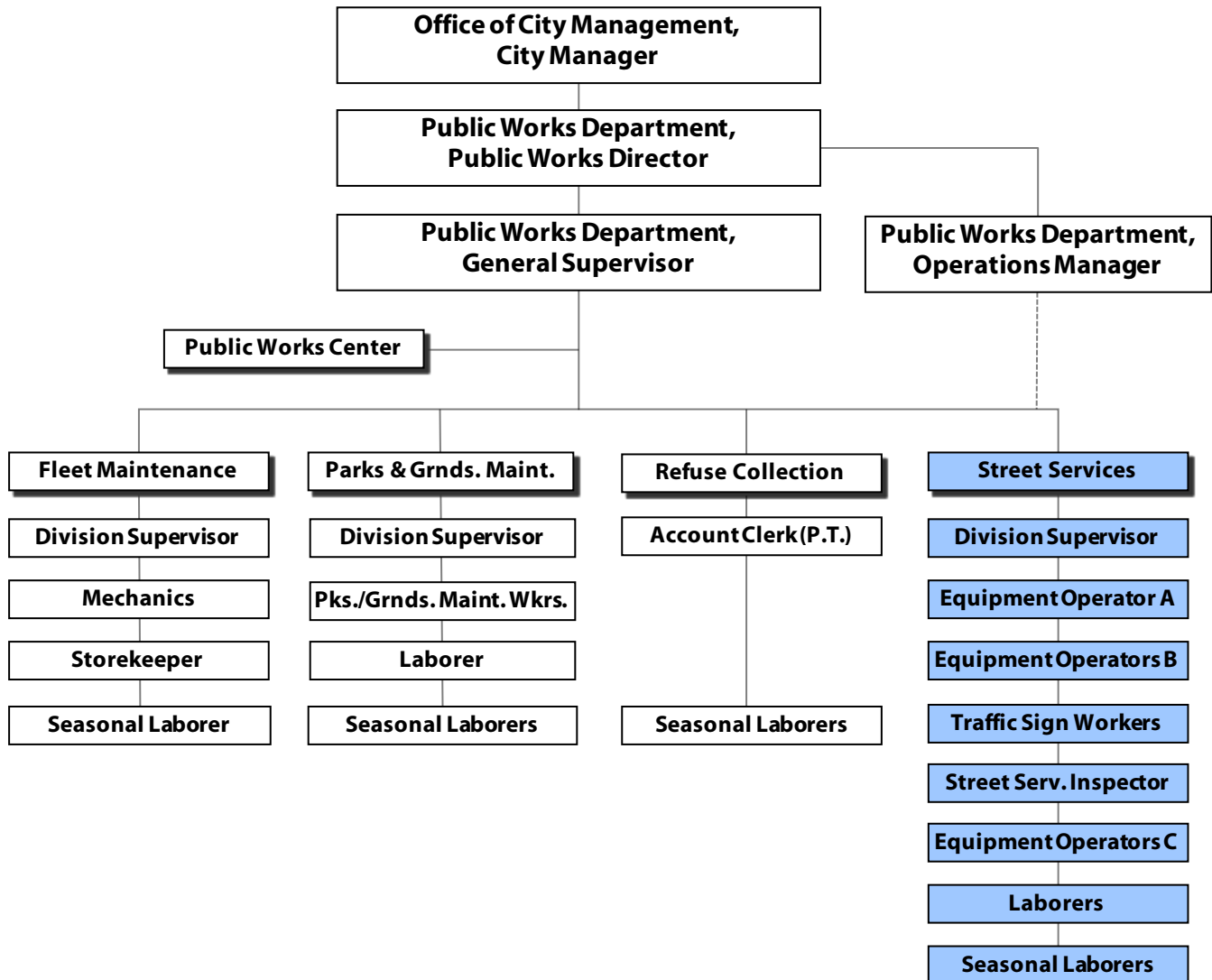
Street Services

2017/18 PERFORMANCE OBJECTIVES

1. To clean over 1,000 catch basins throughout the City to prevent storm back-ups on residential streets. *(City Goal 16,17)*
2. To complete tree trimming in all sections of the City, in order to begin a citywide 4 to 5-year tree trimming rotation of right-of-way trees. *(City Goal 12, 14, 16, 18)*
3. To cross train personnel on all equipment, to become more efficient and effective. *(City Goal 2,6)*
4. To use recently purchased road equipment to repair deteriorating roads. *(City Goal 16,17)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	After Hours Snow Removal Occurrences	41	31	27	30	30	30
	Tons of Road Salt Used	15,338	7,503	5,221	10,000	8,000	8,000
	Miles of Snow Fence Installation or Removal	2.1	2.1	2.1	2.0	2.0	2.0
	Pothole Patching - Tons of Patch Used	1,196	506	603	500	500	500
	Sidewalk Patching - Number of Locations	82	91	180	250	235	225
	Street Sweeping - Rotation (395 miles)	3	3	3	5	5	5
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	6	9	8	10	9	10
	Right-of-Way Mowing - Revolution (357 miles)	13	10	10	10	10	10
	Storm Catch Basin Cleaning-Number of Locations	953	635	1,087	1,000	1,100	1,100
	Street Trees Removed (In-House/Contractor)	148/146	137/254	137/297	200/400	150/300	150/300
	Street Trees Planted (Subcontracted)	49	175	157	250	190	300
	Street Trees Pruned (Subcontracted)	3,536	4,903	4,980	4,000	4,500	4,500
	Street Trees Trimmed (In-House)	2,905	992	212	300	275	300
	Homeowner Tree Inquiries/Inspection Responses	3,536	1,946	1,512	1,500	1,450	1,500
	Res. Tree/Branch Chipping Req. Filled (Incl. ROW's)	1,770	945	477	1,000	500	500
	Traffic Sign Repairs or Replacements	557	366	426	550	550	500
	Gravel Roads - Lane Miles Graded	35	28	54	40	51	50
	Dust Control - Gallons Calcium Chloride Applied	45,800	26,200	33,900	45,000	45,000	45,000
	Signs Installed for Adopt-A-Road	0	0	0	2	0	1
	Refuse Pick-Ups Made from Adopt-A-Road	74	15	21	45	40	40
Efficiency	% of Tree Chipping Requests Completed w/i 1 week	98%	99%	99%	99%	99%	99%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$1,200	\$700	\$381	\$750	\$3,200	\$750
	Street Services Cost Per Capita	\$16.63	\$17.37	\$15.80	\$16.79	\$17.54	\$17.68
	Activity Expenditures as % of General Fund	2.66%	2.52%	2.30%	2.39%	2.52%	2.48%

Street Services



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Division Supervisor	1	1	1
Equipment Operator A	1	1	1
Equipment Operator B	7	7	7
Traffic Sign Worker	2	2	2
Street Services Inspector	1	1	1
Equipment Operator C	2	2	2
Laborer	5	4	4
Seasonal Laborer	6	6	6
Total	25	24	24

Street Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

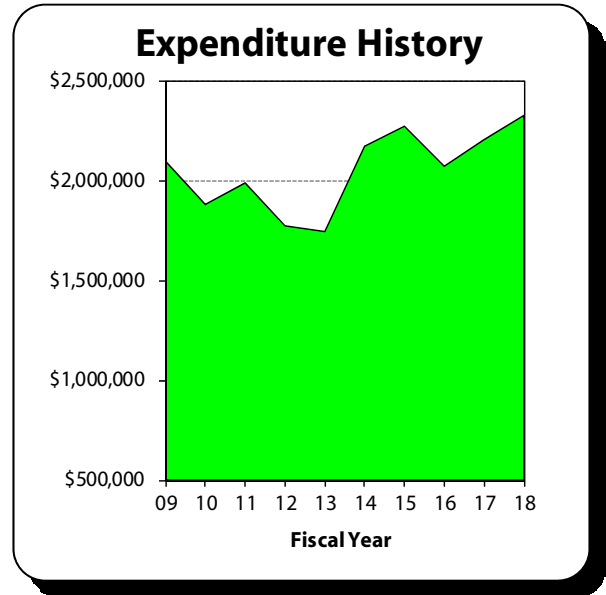
The total budget increased by 5.5%.

Personnel Services – The Personnel budget increased \$46,600 or 2.1%. The increase is primarily due to an increase in the required funding for long-term retirement liabilities of \$37,050 and an increase in health insurance costs.

Supplies – Total Supplies is proposed to remain the same at \$15,000. There is no proposed funding change to the operating supplies account.

Other Charges – Total Other Charges increased \$74,850, primarily for electric and water costs for new irrigation and system controls installed in City medians and rights-of-way. \$12,000 was added for the rental of an excavator for the clearing and re-grading of ditches. Educational funding increased \$1,850 for aerial platform training, which is required every three years, and for a Road Salting and Brining class.

Capital – Total Capital of \$555,000 is budgeted in the Capital Projects Fund. \$270,000 is for a Tandem Axle Dump Truck with Plow to replace a 17-year old truck used for snow and tree removal, road grading, paving projects, and other road maintenance duties. \$220,000 is for an Aerial Sign Truck to replace a 1996 truck that is used to replace street signs, lights, and banners. \$60,000 is for a Roller used to compact asphalt for road repairs. \$5,000 is proposed for a 6,000 gallon Brine Tank that will fill salt trucks more quickly and efficiently.



FUNDING LEVEL SUMMARY

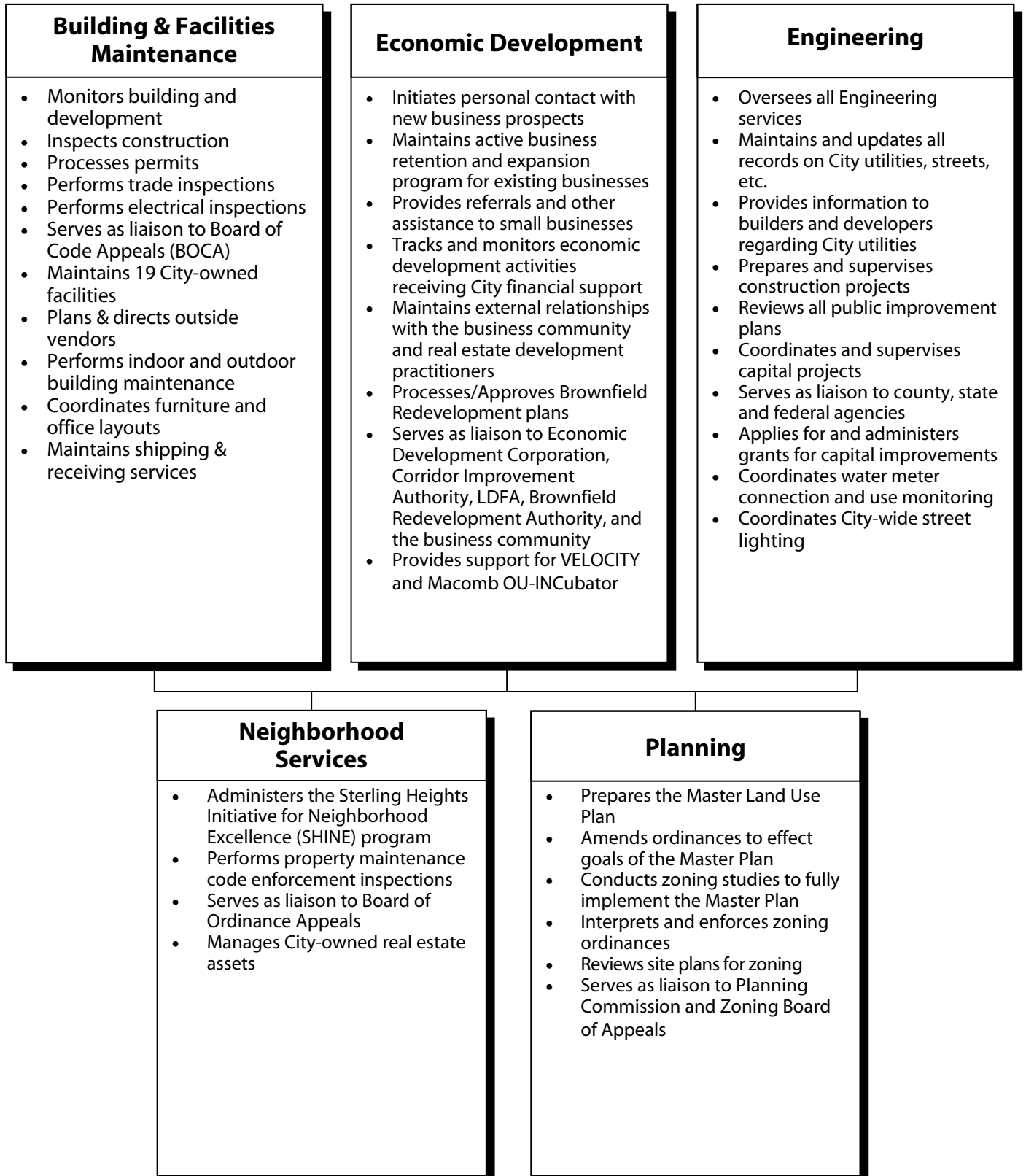
	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$2,051,783	\$2,180,230	\$2,170,890	\$2,226,830	\$2,226,830
Supplies	6,292	15,000	9,000	15,000	15,000
Other Charges	12,376	8,150	122,500	83,000	83,000
Total	\$2,070,451	\$2,203,380	\$2,302,390	\$2,324,830	\$2,324,830

City Development Department



FUNCTIONAL ORGANIZATION CHART

City Development Department



DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department budget increased \$405,730 or 7.6%. Personnel costs rose \$290,280 or 6.6% primarily due to an increase in hours for all part-time code enforcement officers and the conversion of a part-time Building Inspector position to full-time. Required funding for long-term retirement liabilities also increased by \$89,820. Supplies increased \$13,350 or 28.7% to fund replacement office chairs for City Hall and City-logo shirts for all field personnel. Other Charges increased by \$102,100 or 11.5% primarily due to increased building maintenance expenses including a facility assessment study. Other increases include contractor costs for the delivery of

election equipment and Citiworks licensing fees for Facilities Maintenance. These increases are offset by savings due to the prior year reappropriated encumbrance for the update to the City Master Plan. The Capital Budget funds repairs to the pond and replacement of the gazebo roof on the City Center grounds and one replacement personal computer.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Building & Facilities Maint.	\$1,893,630	\$1,968,060	\$1,980,450	\$2,216,100	11.9%
Economic Development	291,910	320,630	317,510	329,900	3.9%
Engineering	1,291,350	1,288,080	1,343,450	1,371,630	2.1%
Neighborhood Services	1,318,560	1,508,510	1,515,250	1,661,050	9.6%
Planning	177,000	226,800	183,030	166,740	-8.9%
Total Department	<u>\$4,972,450</u>	<u>\$5,312,080</u>	<u>\$5,339,690</u>	<u>\$5,745,420</u>	<u>7.6%</u>
Personnel Services	\$4,123,530	\$4,388,480	\$4,408,750	\$4,699,030	6.6%
Supplies	41,370	45,690	46,520	59,870	28.7%
Other Charges	807,550	877,910	884,420	986,520	11.5%
Total Department	<u>\$4,972,450</u>	<u>\$5,312,080</u>	<u>\$5,339,690</u>	<u>\$5,745,420</u>	<u>7.6%</u>

PERSONNEL SUMMARY

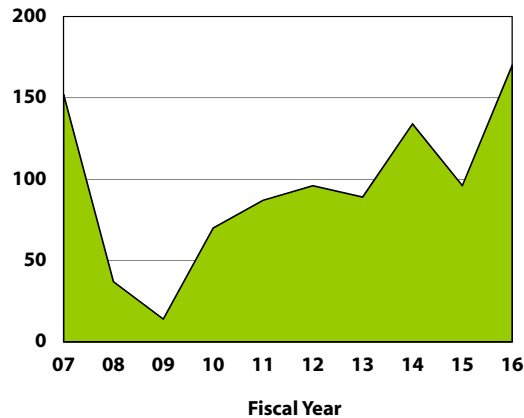
	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building & Facilities Maint.	9	0	9	1	9	1	10	0
Economic Development	2	0	1	0	1	0	1	0
Engineering	8	2	8	2	8	2	8	1
Neighborhood Services	9	8	9	9	9	11	9	11
Planning	0	1	1	1	1	0	1	0
Total Department	<u>28</u>	<u>11</u>	<u>28</u>	<u>13</u>	<u>28</u>	<u>14</u>	<u>29</u>	<u>12</u>

Excludes Boards and Commissions.

KEY DEPARTMENTAL TRENDS

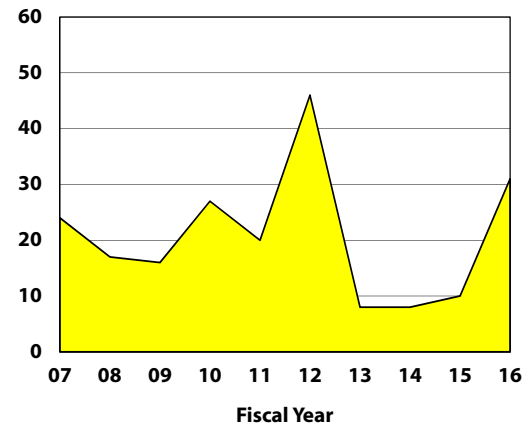
City Development Department

**Residential Building Permits
New Construction**



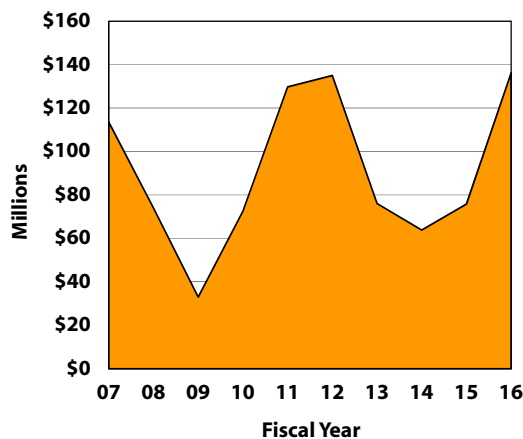
The number of residential building permits declined to a ten year low in 2009 as only 14 permits were issued. The number of permits issued has increased over the past seven years and is now slightly above 2007 numbers.

**Commercial Building Permits
New Construction**



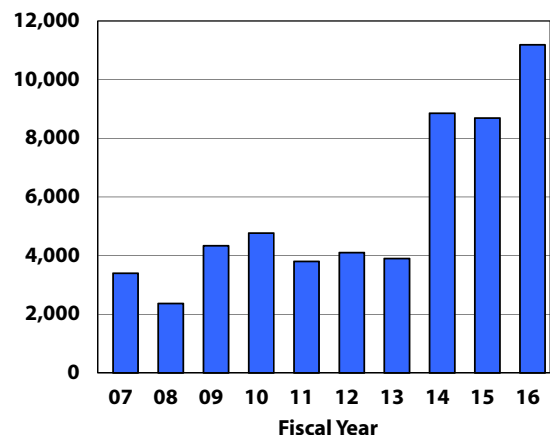
The number of new commercial building permits decreased in 2013 and 2014 to reach a ten-year low. Permits increased slightly in 2016 to its highest level since 2012.

**Building Permits
at Market Value**



The dollars invested in new building construction and improvements fell from \$113 million in 2007 to a low of \$33 million in 2009. The number of residential permits dramatically declined. The market value of commercial permits rose in 2011, 2012, and 2015 due to several large projects, including BAE and FCA. Additional residential permits accounted for the market value increase in 2016.

**Code Enforcement
Properties Cleaned**



The number of code enforcement cases have dramatically increased since 2007. The City has made a concerted effort to strengthen and vigorously maintain property values by eliminating blighting influences. In 2009 the City's building inspectors began to assist code enforcement officers with code inspections, and in 2011 the SHINE program began. Three additional part-time code inspectors were hired in both 2014 and 2016. 95% of inspections were performed within 48 hours of complaint and 98% of violations were corrected prior to City action.

MISSION STATEMENT: *To maintain a well-balanced program of monitoring building construction, so that the community may enjoy a safe environment and to maintain all City facilities in a safe, clean and economical manner.*

The Building office monitors the building and development activities in the City. The objective of the staff is to inspect projects for compliance to the State adopted construction codes to ensure the health, safety and welfare of the public. This is achieved through an aggressive inspection program in all types of construction – residential, commercial, and industrial. Daily inspections are performed throughout the City to assure compliance to State and local building codes and ordinances.

The wellness of the community is looked after from the ground up when it comes to the construction of buildings that are open to the general public. The community is safeguarded against improperly constructed structures by numerous inspections performed by the inspection staff from the beginning through the completion of a project.

To best serve the interests of the taxpayers, developers and investors in the community, the Building activity is operated in a very efficient manner to ensure that inspections are conducted in a timely manner. The established plan review process provides for the efficient administration of the permitting process.

The inspectors employed within the Building office are highly qualified and trained professionals who are monitored not only by the City, but also by the State. They have obtained nationally recognized certifications and participate in continuing education to stay informed of all new construction techniques and code changes. A highly competent clerical staff supports the inspectors and assists customers visiting the Building office.

The Building Official is responsible for proper enforcement of code requirements throughout the construction process. He oversees the daily responsibilities of the department and provides assistance to the inspection staff as needed. The Building Official has the authority to render interpretations of the codes and to adopt policies and procedures in order to clarify the provisions.

KEY GOALS

- *To aggressively inspect all new residential construction to ensure a safe living environment for our residents.*
- *To process permits in an expedient and efficient manner.*
- *To review plans and construction drawings in a manner that will reduce the time necessary to issue permits.*
- *To protect public safety, health, and welfare and preserve property values by strictly enforcing property maintenance standards.*
- *To oversee outside contractors/vendors to ensure the quality of materials and workmanship on projects and adherence to all applicable State and City codes.*
- *To conduct preventative maintenance programs on all mechanical, electrical, and plumbing equipment to ensure it operates at safe and optimum efficiency.*

The Building Official also oversees the daily activities of the City's custodial contractor and the Facilities Maintenance staff, who are responsible for maintaining all City facilities in a safe, clean and efficient manner. The Facilities Maintenance staff works on preventative maintenance on all mechanical, electrical and plumbing equipment. They also maintain all interior and exterior surfaces that require routine maintenance throughout the year.■

Did you know...

...the Building Department and its software company worked to create a Quick Response (QR) code access system to make it easier for permit holders to schedule inspections?

Building & Facilities Maintenance

2017/18 PERFORMANCE OBJECTIVES

(Building)

1. To update the residential plan review checklists to include the 2015 Michigan Building Code and to standardize the language and enforcement of code provisions. (City Goal 2, 4)
2. To implement a permit process for various residential projects where applicants can review plans with staff and be issued a permit in one visit. (City Goal 2, 6)
3. To work with the Fire Prevention division to adopt the International Fire Protection Code when the State adopts the new Michigan Building Code. (City Goal 2, 4)
4. To host a Code Update seminar for registered inspectors and contractors to review the code changes taking effect. (City Goal 1, 2, 25)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Permits Issued	5,921	5,391	6,129	7,750	6,478	7,450
	Building Permits Issued	1,644	1,844	2,119	2,800	2,200	2,400
	Mechanical Permits Issued	2,395	1,534	1,877	2,100	1,878	2,200
	Plumbing Permits Issued	847	890	913	1,400	1,150	1,400
	Electrical Permits Issued	1,035	1,123	1,220	1,450	1,250	1,450
	Total Inspections Performed	13,602	14,373	16,424	17,100	16,406	18,000
	Building Inspections	5,909	6,187	7,965	8,400	8,000	8,800
	Mechanical Inspections	3,185	3,070	3,208	3,200	3,306	3,600
	Plumbing Inspections	2,267	2,538	2,583	2,800	2,400	2,800
	Electrical Inspections	2,241	2,578	2,668	2,700	2,700	2,800
	Ordinance Complaint Tickets Issued	1	2	3	0	1	0
	Board of Code Appeals Applications	2	4	6	4	6	4
	Insurance Service Office (ISO) Rating	3	3	3	3	3	3
Efficiency & Effectiveness	% of Inspections Performed on Schedule	95%	95%	95%	95%	95%	98%
	% of Commercial Plans Reviewed w/i 20 days	95%	95%	100%	100%	100%	100%
	% of Residential Plans Reviewed w/i 10 days	90%	95%	95%	98%	95%	100%
	Average No. of Inspections per Budgeted Inspector	2,720	2,875	2,986	3,110	2,980	3,000
	Market Value of Building Permits (Millions)	\$63.8	\$75.8	\$136.2	\$98.0	\$117.7	\$120.0
	Permits Issued via City's Website	210	297	299	325	300	350
	Activity Expenditures as % of General Fund	2.18%	2.10%	2.19%	2.15%	2.15%	2.36%

Building & Facilities Maintenance

2017/18 PERFORMANCE OBJECTIVES

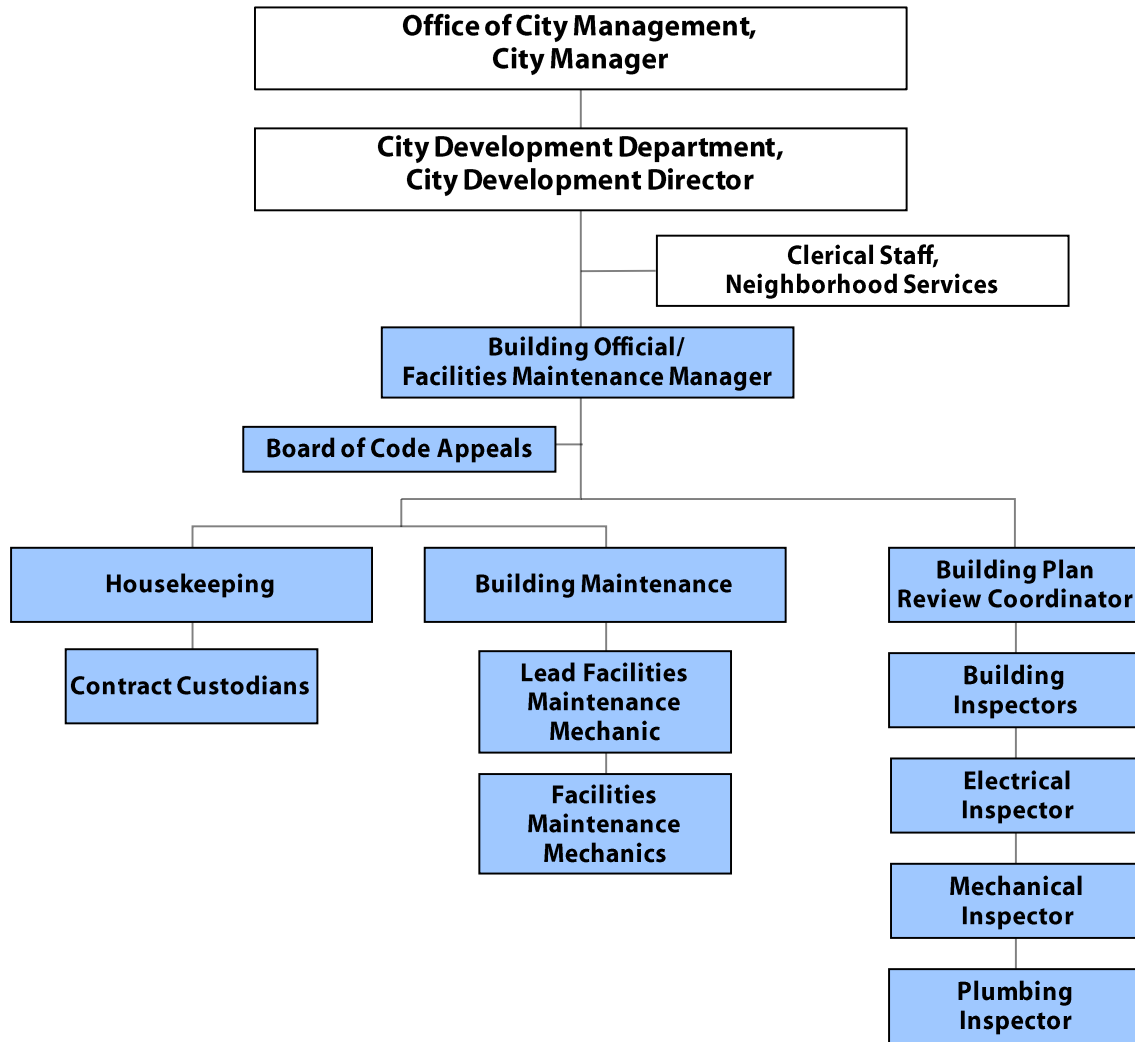
(Facilities Maintenance)

1. To implement the City Works computer tracking system to follow work order requests and track expenses for each city-owned building. (City Goal 1, 3)
2. To continue to educate staff through on-line training and seminars offered by the utility companies to keep them up to date with industry standards. (City Goal 4, 7)
3. To implement a proactive assessment on vital equipment in city buildings to reduce the amount of emergency repairs. (City Goal 3, 5)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	City Facilities Supported - Square Feet	360,823	360,823	360,823	360,823	360,823	360,823
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	246,434	246,434	246,434	246,434	246,434	246,434
	Renovations/Projects Supervised/Coordinated	\$222,550	\$149,630	\$260,000	\$509,300	\$475,000	\$500,000
	Interior Preventive Maintenance Cycles	4	4	6	6	6	6
	Exterior Preventive Maintenance Cycles	4	4	4	4	4	5
	Maintenance/Custodial Service Requests Processed	1,050	1,300	1,400	1,400	1,400	1,400
	Deliveries to City Council Members	55	55	55	55	55	10
	Car Pool Vehicles Supervised	37	36	2	2	2	2
	Voting Machines Assembled & Delivered	1,000	1,400	1,450	2,100	2,100	0
Efficiency & Effectiveness	% of Emg. Call-Ins Reported to w/i 30 minutes	98%	98%	98%	98%	98%	98%
	% of Service Requests Met Within 15 Days	90%	95%	98%	98%	98%	98%
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	19.0	19.0	19.0	19.0	19.0	19.0
	Overtime/Comp Hours Worked	120	140	260	230	230	165
	Cost to Complete In-House Maint. Service Requests	\$408,006	\$389,420	\$369,571	*	*	*

*Cost is calculated for "Actual" columns only.

Building & Facilities Maintenance



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Building Official/Facilities Maintenance Manager	1	1	1
Building Plan Review Coordinator	1	1	1
Building Inspector	1	1	2
Building Inspector (P.T.)	1	1	0
Electrical Inspector	1	1	1
Mechanical Inspector	1	1	1
Plumbing Inspector	1	1	1
Lead Facilities Maintenance Mechanic	1	1	1
Facilities Maintenance Mechanic	2	2	2
Total	10	10	10

Building & Facilities Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

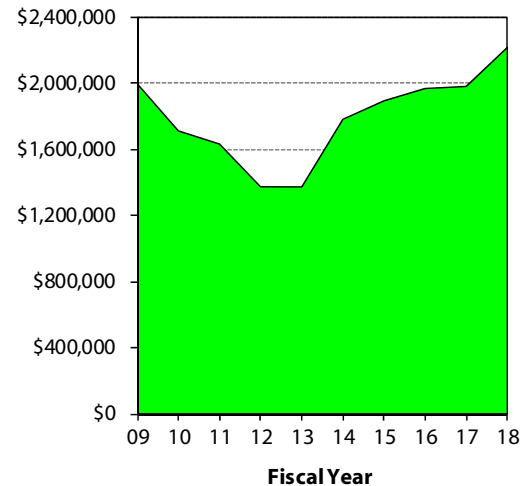
The total budget increased by 11.9%.

Personnel Services – The Personnel budget increased \$105,360 or 8.1%. A part-time Building Inspector position was converted to full-time at a total increase of \$44,570. The remaining increase is due to contractual wage raises and a \$27,640 increase in the required funding for long-term retirement liabilities.

Supplies – Total Supplies increased \$11,920 or 36.4%. Funding for operating supplies increased \$11,170 due to the one-time funding of 17 replacement office chairs for City Hall, City-logo shirts for field personnel, and increased funding for the higher cost of paper products, lighting equipment, and other supplies used to maintain City facilities. Postage costs increased \$250 for increased mailings of permits. Publication costs increased \$500 for the one-time purchase of updated commercial code books and reference documents.

Other Charges – Total Other Charges increased \$118,370 or 18.2%. \$98,350 was added for increased building maintenance including an assessment study to develop a 5-year plan for maintaining City facilities. \$18,700 was added to contract out the delivery and pick-up of election equipment at voter precincts and to fund additional custodial services needed at the Public Works facility. \$3,750 was added to fund the software license fees for the tracking and managing of Facility Maintenance work orders, offset by a decrease due to the prior year one-time funding of municipal building key safe upgrades. Educational funding increased \$350

Expenditure History



and membership costs rose \$120, both due to the conversion of a part-time Building Inspector to full-time. Electric costs decreased \$3,000 based on recent expenditure levels.

Capital – Total Capital of \$43,350 is proposed. \$40,000 is budgeted for repairs to the outdoor pond and \$2,500 is for the replacement of the gazebo roof on the City Center grounds. This office is scheduled to receive one personal computer for \$850 to replace an existing five-year old unit.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,294,974	\$1,297,060	\$1,284,620	\$1,402,420	\$1,402,420
Supplies	30,413	32,780	28,780	44,700	44,700
Other Charges	642,670	650,610	652,550	768,980	768,980
Total	\$1,968,057	\$1,980,450	\$1,965,950	\$2,216,100	\$2,216,100

***Whenever you are asked if you can do a job,
tell 'em "Certainly, I can!" Then get busy
and find out how to do it.***

~ Theodore Roosevelt ~



MISSION STATEMENT: *To implement and maintain a progressive and proactive economic development program designed to sustain and expand the City's economic and employment base. Sterling Heights Economic Development will seek to retain Sterling Heights' ranking as one of the nation's premier communities to live, work, play and prosper.*

Sterling Heights Economic Development is the key point of contact for business support and needs. Sterling Heights Economic Development implements policies, programs, and activities that seek to improve the economic well-being of the community by supporting the creation or retention of jobs, and facilitating investment and growth in the City. Fiscal oversight and management of all economic development projects is handled in a responsible manner. Proposing and implementing economic development programs and functions that address the goals of the City are also primary objectives.

This office maintains an active program that encourages the retention and expansion of existing businesses providing quality jobs, a diverse workforce and expanded tax base. The Business Attraction program fosters an economic development climate that attracts and encourages the recruitment of businesses in targeted industries to Sterling Heights. The office also works with a variety of partners to promote workforce development in the City.

The partnership between the City of Sterling Heights, Macomb County, and Oakland University at VELOCITY is fostered by this office to promote business incubation and collaboration in advanced manufacturing, defense, and homeland security.

This office offers a professional image that demonstrates a strong customer focus and a positive image of the City as a great place to do business.

KEY GOALS

- *To maintain a solid foundation for a competitive economic development program that is high performing, targeted, and efficient.*
- *To implement and maintain a business retention strategy focused on existing employers, particularly in targeted clusters that represent growth opportunities for Sterling Heights.*
- *To establish a targeted business attraction strategy for Sterling Heights by being "set up for success" and focused on target-rich mediums.*
- *To establish a marketing and outreach plan that provides relevant and timely information to the business community.*
- *To work in partnership with the local communities, Macomb County, MEDC, and other key stakeholders to identify and develop a Defense Corridor strategy.*
- *To implement a meaningful retail business development strategy that achieves a high return for the public investment.*
- *To work in partnership with Macomb County and Oakland University to support the VELOCITY collaborative center that serves as a hub for business incubation and collaboration*
- *To maintain and develop "green" economic development opportunities that can stimulate business activity and create jobs.*

Did you know...

...the City of Sterling Heights' industrial vacancy rate is 0.7%?

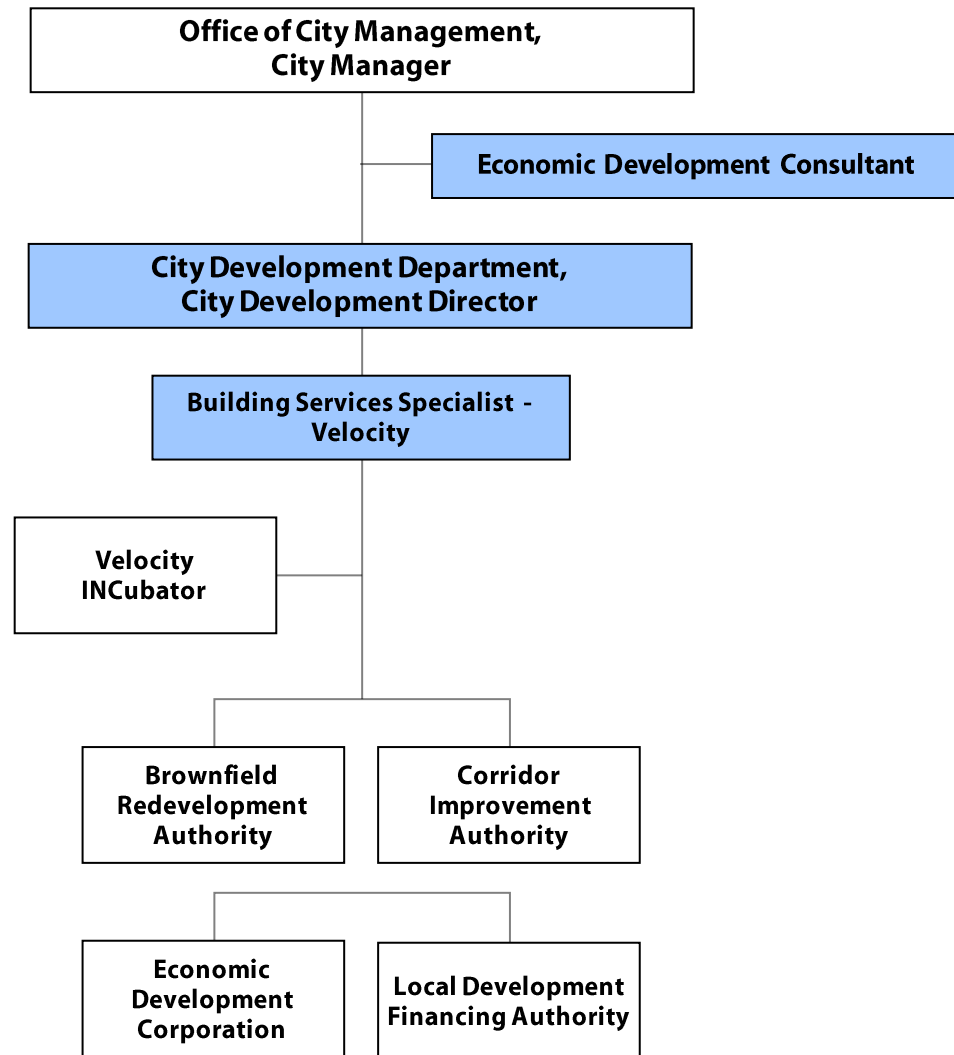
Economic Development

2017/18 PERFORMANCE OBJECTIVES

1. To partner with City Development and launch an aggressive retail attraction campaign. *(City Goal 20, 21, 22)*
2. To launch an educational program in partnership with Entrepreneurial Operating System certified consultants to support small businesses. *(City Goal 20, 21, 22)*
3. To work collaboratively with Macomb County and the City of Warren on the Innovate Mound Campaign. *(City Goal 20, 21, 22)*
4. To continue business retention and attraction efforts with Macomb County and the Michigan Economic Development Corporation. *(City Goal 20, 21, 22)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Business Retention/Attraction Contacts Made	84	41	40	75	90	75
	Redevelop. Projects (Comm. >20K s.f. & Ind. >\$500K)	12	0	3	5	6	5
	State & Federal Legislative Contacts Made	6	2	3	5	5	5
	Banking & Real Estate Contacts Made	12	32	53	100	125	100
	LDFA Meetings Held	3	8	9	10	8	9
	Meetings with Chambers of Commerce	24	4	6	5	8	5
	Targeted Industry Events Attended	6	1	2	5	1	2
	Velocity Partner Meetings Held	12	10	3	10	3	3
	Economic Development Partner Meetings	50	26	20	50	30	25
	Velocity Events & Meetings Held	165	147	122	120	120	125
	Business Awards Presented	5	5	6	5	5	5
	Hits on City's Econ. Develop. Website (Home Page)	2,710	2,550	2,908	3,000	3,000	3,000
	Velocity Center Number of Businesses	13	21	21	20	18	20
Effectiveness	Velocity Center Occupancy Rate	70%	95%	95%	90%	81%	90%
	Businesses and/or Participants at Velocity Events	3,200	3,265	2,854	3,000	2,800	3,000
	Value of Redevelop. Projects & New Investments	\$36M	\$48M	\$49M	\$35M	\$76M	\$70M
	Grant Dollars Provided to Small Businesses	\$283,000	\$103,505	\$81,731	\$100,000	\$100,000	\$100,000
	Industrial Vacancy Rate	N/A	2.30%	0.50%	1.50%	0.70%	2.00%
	Retail Vacancy Rate	N/A	7.70%	9.30%	7.50%	8.40%	7.50%
	City Unemployment Rate (April)	5.8%	4.7%	4.3%	5.0%	4.5%	5.0%
	Activity Expenditures as % of General Fund	0.32%	0.32%	0.36%	0.34%	0.39%	0.35%

Economic Development



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Building Services Specialist - Velocity	0	1	1
Management Assistant	1	0	0
Total	1	1	1

Economic Development

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.9%.

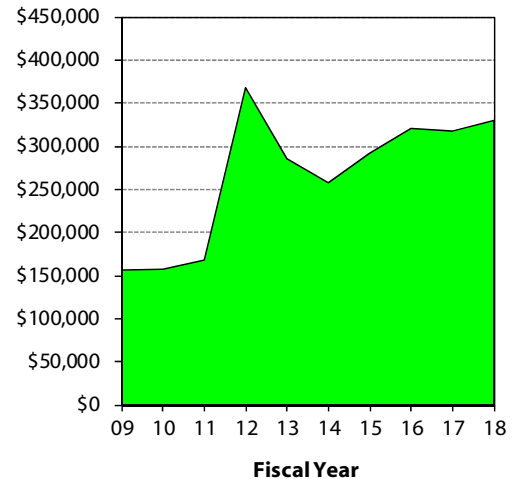
Personnel Services – The total Personnel budget increased by \$6,440 or 4.2%. The increase is due to a contractual wage increase for the Building Services Specialist and a \$3,720 increase in the required funding for long-term retirement liabilities.

Supplies – Total Supplies decreased \$150 or 42.9%. Operating supply costs decreased \$100, as fewer supplies need to be replenished. Funding for postage decreased \$50 as the budget can be reduced and brought more in line with recent years' expenditure trends.

Other Charges – Total Other Charges increased \$6,100 or 3.8%. Contracted service costs increased \$10,000 to bring the budget more in line with the current year's estimated expenditure usage, as additional economic development consultant services have been required. A membership has been eliminated, saving \$3,600. Funding for mileage decreased \$300, as prior year funds were not fully utilized.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$157,580	\$155,060	\$155,080	\$161,500	\$161,500
Supplies	86	350	300	200	200
Other Charges	162,963	162,100	198,600	168,200	168,200
Total	\$320,629	\$317,510	\$353,980	\$329,900	\$329,900

MISSION STATEMENT: *To develop and implement master plans and programs and to supervise and inspect all public improvements constructed by or for the City.*

Major responsibilities of the Engineering office include the supervision and performance of all engineering services of the City. Engineering is responsible for the development of master plans and programs for public improvements, supervision, and inspection of all improvements constructed by or for the City.

Engineering maintains and updates, on a regular basis, all records of City utilities, streets, properties including parks, zoning changes, rights-of-way and addresses. Updating of Engineering records is necessary when changes are made or become available through other City departments.

Information is provided to prospective developers, builders, and consulting engineers on the availability, size, and location of all City utilities. Information is provided to residents and other interested parties on scheduled or future public improvements. In addition, information is provided to residents regarding water and sanitary sewer connection fees and traffic signs and signals. Other activities include the review of site plans and building plans for appropriate water and sewer connections, the issuance of culvert permits, common area irrigation permits, and monitoring well permits.

Engineering reviews all planned public improvements, City projects, City awarded contracts, and subdivision sites which generate revenues to the City each year.

Engineering prepares the plans and specifications and supervises construction of all projects authorized by City Council. This office prepares ordinance variance agreements and coordinates activities and decisions involving the City and other agencies such as the Road Commission of Macomb County and the City of Detroit. Multi-jurisdictional contracts are often required with road construction projects. The City Engineer serves as liaison to County, State and federal agencies to synchronize the approval process for orderly and organized project development.

KEY GOALS

- *To maintain and regularly update all records of City utilities, streets, properties, parks, zoning changes, rights-of-way, and addresses.*
- *To provide current information to prospective developers, builders, consulting engineers, residents and other interested parties on City utilities and scheduled or future public improvements.*
- *To review plans for consideration of public and private improvements.*
- *To prepare plans and specifications and supervise construction of all authorized projects.*
- *To administer the Soil Erosion and Sedimentation Control Program.*

The Soil Erosion and Sedimentation Control Program is administered by the Engineering Office as required by the State of Michigan and the National Pollutant Discharge Elimination System Program. Plans for private development are submitted to Engineering to review for conformance to City standards and specifications. After plans are approved and implemented by the private developer, inspections are conducted to ensure conformance with City ordinance and the State of Michigan Soil Erosion and Sedimentation Control Act.■

Did you know...

...that in 2016/17, the Office of Engineering administered three contracts totaling \$12 million in Federal funds for improvements to the Dodge Park pedestrian bridge, Clinton River, and Dodge Park Road?

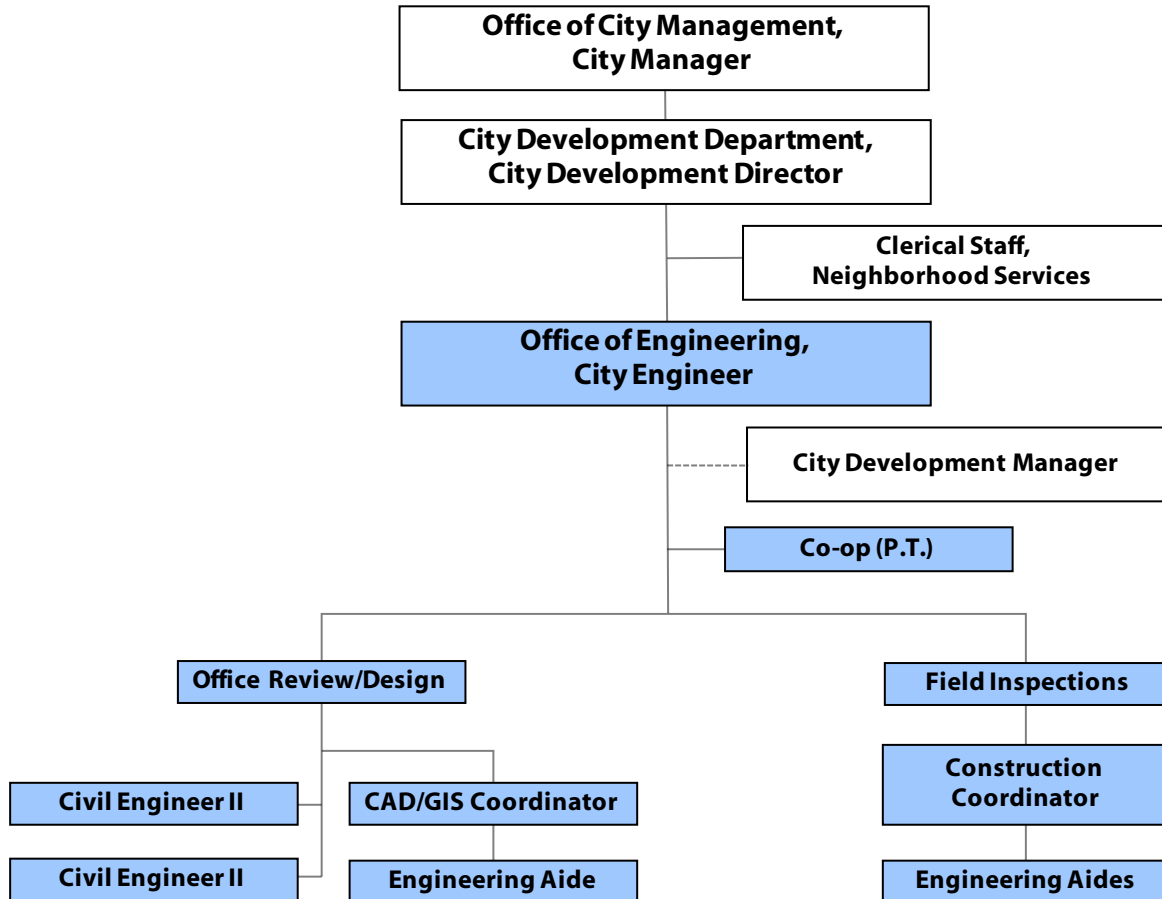
Engineering

2017/18 PERFORMANCE OBJECTIVES

1. To create plans and specifications, and administer contracts for various capital improvement projects including water main, sanitary sewer, drain, road and sidewalk projects. *(City Goal 6, 22)*
2. To continue to improve collaboration efforts with local communities and jurisdiction agencies to ensure desired outcomes of projects such as M-59 reconstruction and Dequindre Road improvements. *(City Goal 16, 18, 24)*
3. To pursue alternative funding for capital projects, such as grants to improve pavement surface conditions, including high dollar grants for improvements to Mound Road. *(City Goal 21)*
4. To optimally utilize local road funding and improve the overall condition of local road infrastructure to promote well-maintained and desirable neighborhoods. *(City Goal 5, 13, 23)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Site Plans Approved	20	42	34	35	28	30
	Land Divisions Reviewed	16	13	16	16	15	16
	Plot Plans/Grading Plans Approved	109	79	113	70	65	70
	Utility Company Permits Issued	29	50	48	60	60	60
	SESC Permits Issued	127	104	126	100	110	110
	W & S Connection Permits Issued (Existing Homes)	6	10	6	10	8	10
	Value of Const. Contracts Awarded & Supervised	\$10.9M	\$7.5M	\$15.3M	\$8.0M	\$11.5M	\$10.0M
	Miles of Sidewalks in City	612	615	619	620	620	621
	Service Requests Processed	283	430	375	700	380	500
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	53%	58%	64%	80%	75%	80%
	% of Fire Suppression Plans Reviewed w/i 2 days	100%	100%	100%	100%	100%	100%
	% of W & S Abandonment Requests Issued w/i 1 day	100%	100%	100%	100%	100%	100%
	% of Utility Company Permits Reviewed w/i 15 days	90%	85%	90%	90%	90%	90%
	% of Plot or Grading Plans Reviewed w/i 10 days	80%	85%	85%	85%	85%	85%
	% of Capital Projects Completed w/i 5% of Bid Costs	88%	100%	100%	90%	90%	95%
	% of Initial Traffic Requests Resp. to w/i 35 Days	100%	100%	100%	100%	100%	100%
	Visual Road Surface (PASER) Rating - Good, Fair, Poor	7%,82%,11%	9%,81%,10%	11%,81%,8%	11%,81%,8%	12%,79%,9%	12%,79%,9%
	Eng. Inspection Hrs. Required to Meet Demand	5,817	7,236	7,945	7,000	7,900	7,500
	Activity Expenditures as % of General Fund	1.43%	1.43%	1.43%	1.46%	1.45%	1.46%

Engineering



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Engineer	1	1	1
Civil Engineer II	1	2	2
Civil Engineer I	1	0	0
CAD/GIS Coordinator	1	1	1
Construction Coordinator	0	1	1
Lead Engineering Inspector	1	0	0
Engineering Aide	3	3	3
Engineering Aide (P.T.)	1	1	0
Co-op (P.T.)	1	1	1
Total	10	10	9

Engineering

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 2.1%.

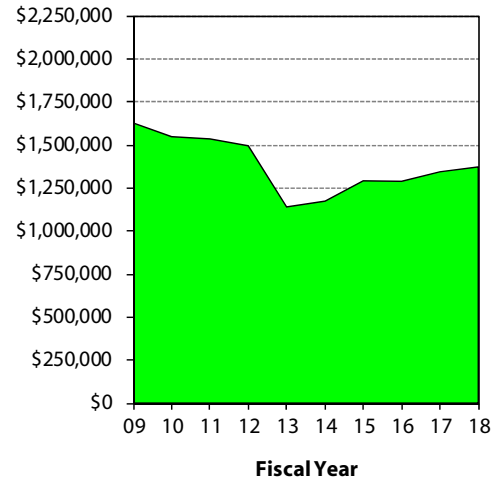
Personnel Services – The total Personnel budget increased \$27,030 or 2.0%. The overall increase is a result of a \$28,300 increase in the required funding for long-term retirement liabilities. Full-time contractual wage increases were offset by the elimination of a part-time Engineering Aide position that was budgeted in the prior year.

Supplies – Total Supplies increased \$630 or 10.8%. Postage costs rose slightly due to more anticipated mailings of plans and correspondence. \$600 was added to the budget for City-logo shirts for field personnel.

Other Charges – Total Other Charges increased \$520 or 8.8%. Rental costs rose \$500 based on a more accurate estimate of per-page copier print fees. Training funds increased \$120, as more employees are scheduled to attend SESC training next year. Telephone costs fell \$100, as the budget can be reduced and brought more in line with recent expenditure trends.

Capital – This office is scheduled to receive nine personal computers totaling \$7,650 to replace the existing five-year old units.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,276,538	\$1,331,690	\$1,312,760	\$1,358,720	\$1,358,720
Supplies	6,727	5,840	5,840	6,470	6,470
Other Charges	4,814	5,920	6,340	6,440	6,440
Total	\$1,288,079	\$1,343,450	\$1,324,940	\$1,371,630	\$1,371,630

MISSION STATEMENT: *To protect a property owner's investment by enhancing the quality of life in our neighborhoods, educating residents, and performing neighborhood outreach as well as encouraging economic development through the promotion of energy efficiency, water-related tourism, and Science, Technology, Engineering, and Mathematics (STEM) workforce development initiatives.*

Neighborhood Services is an office in the City Development Department responsible for code enforcement as well as economic development programs related to energy efficiency and technology, the Blue Economy (promotion of water resources) and Science, Technology, Engineering, and Mathematics (STEM) workforce development initiatives.

This office works closely with the office of Community Relations to implement and administer the principals of SHINE - Sterling Heights Initiative for Neighborhood Excellence. Those principals include working closely with community groups to advise property owners on maintenance issues; using multi-lingual resources to communicate in neighborhoods where there may have been a significant influx of refugees; coordinating clean-ups to assist residents who may have challenges that prevent them from maintaining their property.

Neighborhood Services' Code Enforcement Officers strive to preserve residential and commercial property values through strict enforcement of property maintenance standards. Property owners who do not voluntarily comply are sent to the Ordinance Board of Appeals (OBA) and a nuisance abatement public hearing is held. The mission of the Ordinance Board of Appeals is to consider appeals and requests for variances from City ordinances as authorized by the City Council. The Ordinance Board of Appeals also reviews dangerous and potentially dangerous dog cases. The City Development Director is the staff liaison to the Ordinance Board of Appeals.

To support efficient and sustainable energy-related policies and practices, the City is a member of the Southeast Michigan Regional Energy Office (SEMREO), a unique collaboration of nonprofits and local governments encouraging greener communities to attract talent and consequently help revive Michigan's economy.

KEY GOALS

- **To protect a property owner's investment by administering property maintenance ordinances.**
- **To implement the principals of SHINE – Sterling Heights Initiative for Neighborhood Excellence – to encourage long-term property maintenance.**
- **To support policies and practices that will attract talent to the area and consequently help revive the economy.**
- **To develop STEM (science, technology, engineering and math) educational initiatives that will encourage the growth of a diverse, talented and educated local workforce that will attract businesses to Sterling Heights.**

The City Development Director also works to encourage the development of STEM initiatives, such as Velocity Jr., the STEM educational partnership with Utica Community Schools that encourages the growth of a diverse, talented and educated workforce that will attract businesses to Sterling Heights.■

Did you know...

...the Code Enforcement Officers remove over 3,300 signs illegally placed in the right-of-way each year?

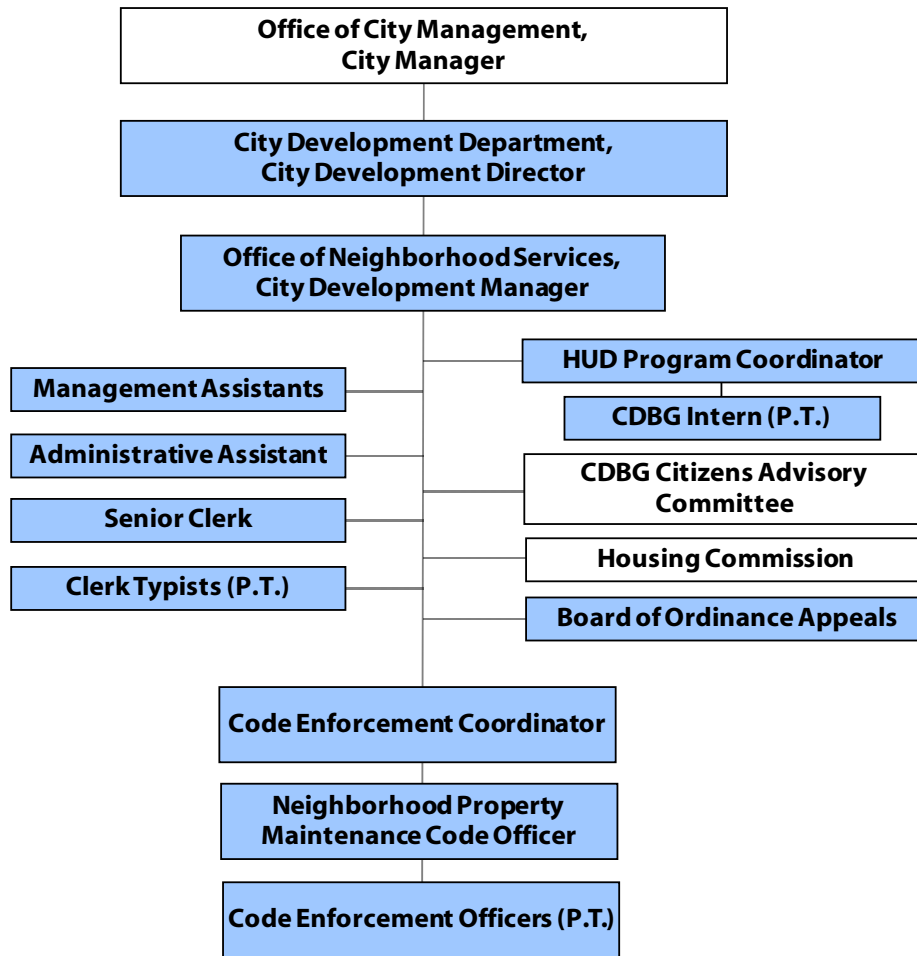
Neighborhood Services

2017/18 PERFORMANCE OBJECTIVES

1. To install new signs and monuments within the LDFA/SmartZone corridor. (City Goal 12, 14, 20, 21, 22)
2. To coordinate construction and installation of the splash pad, skate park, and farmer's market pavilion. (City Goal 1, 18, 19)
3. To dispose of any parcels obtained through tax foreclosure that have no public purpose. (City Goal 4)
4. To create a Master River Plan identifying paddling and other recreational opportunities along the Clinton River. (City Goal 12, 14, 16, 18, 19)

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Inspections Performed	15,667	16,935	22,038	18,000	18,000	18,000
	Total Code Enforcement Cases/Properties Cleaned	8,851	8,684	11,185	10,900	10,800	10,800
	# of Proactive Code Enforcements (City Observed)	6,260	5,941	8,523	8,000	8,000	8,000
	# of Code Complaints Received	2,591	2,743	2,662	2,900	2,800	2,800
	Board of Ordinance Appeals Hearings	25	26	23	26	22	22
	Ordinance Board Cases Prepared - Nuisances	361	360	316	300	300	290
	Civil Infraction & Misdemeanor Tickets Issued	895	362	27	400	200	200
	# of Illegal Signs Removed from ROW	2,576	2,352	3,387	2,900	3,200	3,200
	# of Dangerous Dog Cases Reviewed	3	2	2	2	0	1
	Neighborhood Clean Up Events Scheduled (SHINE)	2	6	11	10	8	8
	# of SHINE Tags Issued	122	35	333	200	425	425
	Volunteer Corps Membership	302	300	480	525	500	500
	# of CDBG Home Rehab Applications Received	19	15	17	14	16	15
	% of Insp. Performed w/i 48 Hours of Complaints	95%	95%	95%	95%	95%	95%
Efficiency & Effectiveness	Avg. Days Between Violation Notice & 1st Inspection	8	8	8	8	8	8
	% of Violations Corrected Prior to City Action	98%	98%	98%	95%	98%	98%
	Inspections Performed Per Inspector (FTE's)	2,901	2,646	2,938	2,400	2,400	2,400
	Code Enforcement Cases Per Inspector (FTE's)	1,639	1,357	1,491	1,450	1,440	1,440
	Code Enforcement Cases Per 1,000 Residents	67.8	66.4	85.4	83.0	82.3	82.1
	Activity Expenditures as % of General Fund	1.56%	1.46%	1.68%	1.64%	1.72%	1.77%

Neighborhood Services



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Development Director	1	1	1
City Development Manager	1	1	1
Code Enforcement Coordinator	1	1	1
HUD Program Coordinator	1	1	1
Neighborhood Prop. Maint. Code Officer	1	1	1
Management Assistant	2	2	2
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
Clerk Typist (P.T.)	2	2	2
Code Enforcement Officer (P.T.)	6	8	8
CDBG Intern (P.T.)	1	1	1
Total	18	20	20

Neighborhood Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 9.6%.

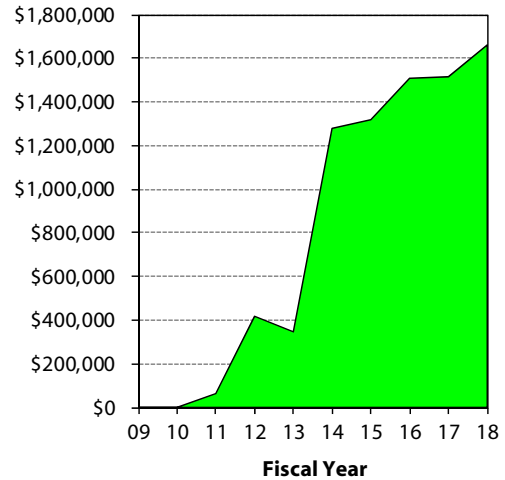
Personnel Services – The total Personnel budget increased \$144,020 or 9.8%. Part-time wages rose \$74,420 due to an increase in hours for all part-time Code Enforcement Officers to allow for a more aggressive approach to identifying city code violations. Full-time wages increased \$27,010 due to contractual wage adjustments and wage step increases for several employees not at the top of their wage scale. Required funding for long-term retirement liabilities increased by \$27,640.

Supplies – Total Supplies increased \$800 or 11.3% to fund the purchase of City-logo shirts for field personnel.

Other Charges – Total Other Charges increased \$980 or 2.4%. Rental costs increased \$1,300 based on a more accurate estimate of copier usage fees. Telephone costs increased \$400 due to a revised allocation of citywide telephone expenditures. \$250 was added due to higher training costs. Funding for contracted services decreased \$1,000 to bring the budget more in line with the current year's estimated expenditure usage.

Capital – This office is scheduled to receive one personal computer totaling \$850 to replace an existing five-year old unit

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,494,529	\$1,467,430	\$1,527,690	\$1,611,450	\$1,611,450
Supplies	7,962	7,100	7,100	7,900	7,900
Other Charges	6,017	40,720	41,500	41,700	41,700
Total	\$1,508,508	\$1,515,250	\$1,576,290	\$1,661,050	\$1,661,050

MISSION STATEMENT: *To act as the principal technical source of assistance to the Planning Commission and Zoning Board of Appeals in carrying out their duties in accordance with State enabling legislation.*

It is the responsibility of the Office of Planning to coordinate site plan reviews, and interpret and enforce the Zoning and other general ordinances of the City. This is done in accordance with its duty of providing administrative and technical assistance to both the Planning Commission and Zoning Board of Appeals (ZBA).

The City Planner serves as the administrative liaison to the Planning Commission. The Commission is required, by State enabling legislation, to prepare and adopt a Master Land Use Plan as set forth in the Michigan Planning Enabling Act, Public Act 33 of 2008. Planning provides the technical and professional assistance necessary for the creation of the plan, including any successive amendments.

As master land use plans generally entail a long range planning projection of between 15 to 20 years, continual review and maintenance is required by both the Planning Commission and Office of Planning. The Master Land Use Plan guides the physical development of the City as it relates to uses of land, public and quasi-public facilities, transportation systems, and utilities.

Planning is also responsible for the interpretation and enforcement of the Zoning, Tree Preservation, and other ordinances. Certain annual inspections such as review of liquor license establishments are also conducted by this office. In addition, this office provides information to residents regarding street lighting.

This office reviews plans for compliance with community standards that have been implemented in the Code of Ordinances. Development plans for industrial, commercial, and residential units are reviewed for height limitations, building setback, site density, parking accommodations, and floodplain violations.

The ZBA has specific powers and duties as provided in Act 110 of the Public Acts of 2006, as amended. The ZBA is a quasi-judicial body, and serves as the only body at the municipal level to hear appeals on

KEY GOALS

- *To provide technical support to the Planning Commission to prepare and adopt a Master Land Use Plan.*
- *To provide technical support to the Planning Commission to prepare and adopt Zoning and Subdivision Regulation Ordinances.*
- *To provide technical review and assistance on all phases of planning responsibilities.*
- *To protect public safety, health, welfare, and property values by administering regulations, zoning ordinances, and other general codes.*
- *To provide referral and supportive services to residents, businesses, developers, and builders.*

various zoning matters. These duties include ordinance interpretations, appeals of administrative decisions, modification, and variance of ordinance requirements, and use variances. The City Planner also serves as liaison to this Board.■

Did you know...

...the City approved an 807-unit, senior-oriented Master Planned Community and golf course development at the site of Maple Lane Golf Course?

Planning

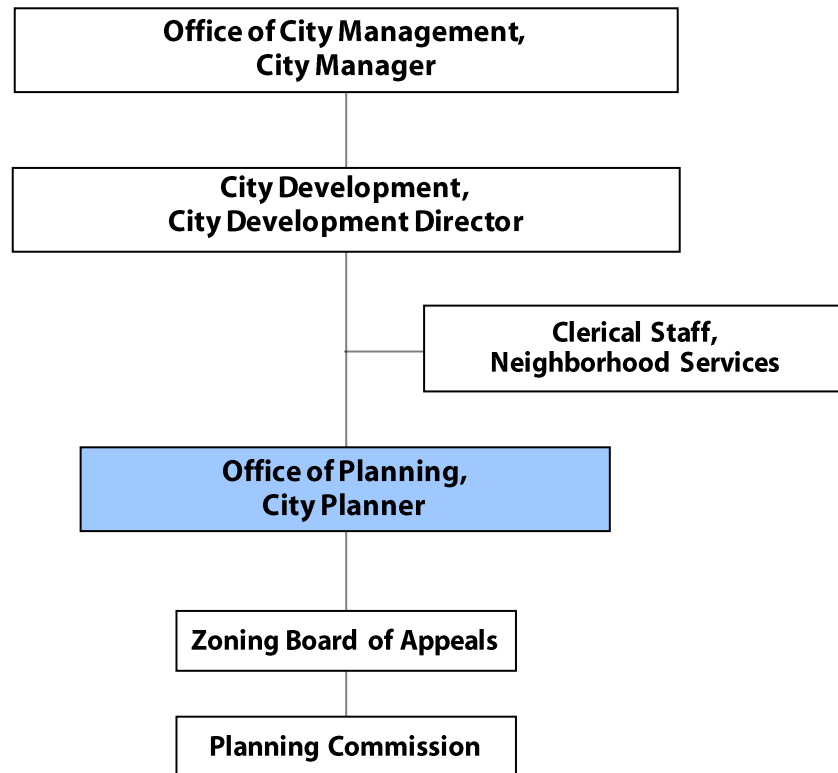
2017/18 PERFORMANCE OBJECTIVES

1. To assist the Planning Commission with the review and updating of the Zoning Ordinance to help implement the City's Master Land Use Plan. *(City Goal 13, 20)*
2. To adopt the 2016 update for the City of Sterling Heights Master Land Use Plan. *(City Goal 4, 12, 22)*
3. To digitize and attach all new applications, site plans, and planning information to the appropriate parcels in the BS&A software system. *(City Goal 2, 5, 6)*
4. To rewrite all planning and zoning application forms. *(City Goal 2, 5, 6)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Site Plans Reviewed	72	96	96	80	90	80
	Rezoning Petitions Processed	1	8	8	10	10	7
	Residential Developments	8	13	5	4	10	5
	Special Approval Land Uses Processed	4	6	6	10	15	12
	Site Inspections Conducted	335	265	277	350	240	250
	Planning Commission Cases Prepared	12	17	19	20	40	30
	Planning Commission Meetings Attended	7	8	9	11	12	11
	Temporary Uses, Variances, & Vacations Reviewed	53	38	54	55	60	55
	Zoning Board of Appeals Cases Prepared	12	25	33	30	32	30
	Zoning Board of Appeals Meetings Held	5	10	11	11	12	11
	Council Agenda Items Prepared	8	9	8	10	35	30
	Zoning Compliance, Use Permits Reviewed	254	296	251	300	250	250
Efficiency	% of Preliminary Site Plans Reviewed w/i 10 days	92%	92%	90%	90%	90%	90%
	% of Final Site Plans Reviewed w/i 3 days	90%	90%	90%	90%	90%	90%
	% of Property Splits Reviewed w/i 2 days	90%	90%	90%	90%	90%	90%
	Average Cost to Review a Site Plan	\$1,080	\$950	\$1,010	*	*	*
	Activity Expenditures as % of General Fund	0.13%	0.20%	0.25%	0.20%	0.21%	0.18%

*Cost is calculated for "Actual" columns only.

Planning



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
City Planner	1	1	1
City Planner (P.T.)	1	0	0
Total	2	1	1

Planning

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 8.9%.

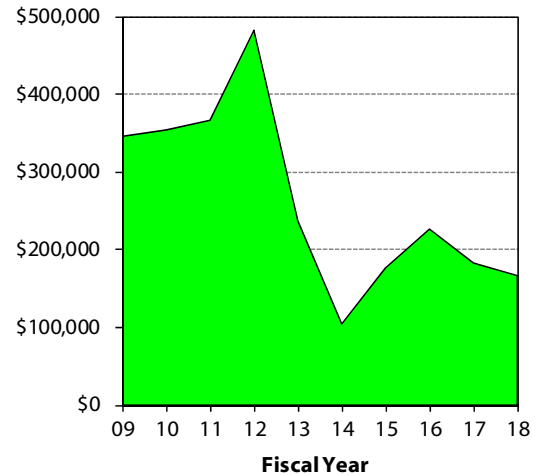
Personnel Services – The total Personnel budget increased by \$7,430 or 4.7%. The increase is due to a contractual wage adjustment for the City Planner and an increase in the required funding for long-term liabilities of \$2,520.

Supplies – Total Supplies increased \$150 or 33.3%. Postage costs rose \$50 due to increased mailings. Operating supply costs increased \$100 as more office supplies need to be replenished.

Other Charges – Total Other Charges decreased \$23,870 or 95.2%. Contracted services decreased \$23,660 due to a prior year reappropriated encumbrance for the Master Plan Update. Telephone costs decreased \$300, as the budget can be reduced and brought more in line with the current year's estimated expenditure usage. Educational funding increased \$50 for the higher cost to attend the Planning Michigan Annual Conference next year. \$40 was added due to a slight increase in membership fees.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$164,857	\$157,510	\$156,880	\$164,940	\$164,940
Supplies	496	450	530	600	600
Other Charges	61,443	25,070	34,150	1,200	1,200
Total	\$226,796	\$183,030	\$191,560	\$166,740	\$166,740

Community Relations Department



FUNCTIONAL ORGANIZATION CHART

Community Relations Department

Office of Community Relations

- Administration of department
- Implements policies and procedures
- Serves as public information officer in emergency disaster situations
- Coordinates all media contacts on behalf of the City Council and City Manager
- Coordinates all City special events, such as Sterlingfest, Memorial Day Parade, and Cultural Exchange
- Coordinates staff assignments and responsibilities
- Coordinates events for members of City Council and City Manager
- Handles miscellaneous correspondence for members of City Council and City Manager
- Produces information and publicity for all City departments
- Administers the SH Film Office to attract film makers to the City and to coordinate City service in the event of a production
- Serves as liaison to Cultural, Telecommunications, and Beautification Commissions, Ethnic Community Committee, and Community Foundation
- Prepares and manages the department budget
- Publishes website and intranet
- Coordinates focus groups
- Coordinates City surveys
- Assists with implementation and coordination of volunteers

Communication Services

- Staffs and maintains the "Citizen Contact Center"
- Prepares all official City press releases & publications and media kits
- Serves as City liaison for a variety of homeowners' groups, civic organizations, church groups, and municipal focus groups
- Coordinates and produces City's social media websites
- Provides material for and manages City's website and Employee Intranet
- Provides high quality, efficient in-house printing services

Broadcast Services

- Operates Sterling Heights Television (SHTV) and Sterling Heights Informational Radio
- Produces and directs several television series
- Develops web and social media productions
- Provides standby videotaping service to Emergency Operations Center, Police, Fire and Public Works Departments
- Provides video production service for informational programs and in-house training for all City departments
- Researches, writes, tapes and edits all material for original SHTV programs and Web videos
- Broadcasts City Council, Zoning Board of Appeals, Planning, and Ordinance Board of Appeals meetings

DEPARTMENT AT A GLANCE

Community Relations Department

BUDGET SUMMARY

The Community Relations Department budget increased \$338,700 or 31.1%. The Personnel budget rose \$51,040 or 5.4% primarily due to contractual wage increases and an increase in the required funding for long-term retirement liabilities. Supplies increased \$226,170 primarily to fund the maintenance, cleaning and commissioning of public art. Other Charges increased \$61,490 or 56.2% to fund a Citizen's survey to evaluate and better prioritize City Services, activities associated with the City's 50th anniversary and to reinstate the Ethnic Committee's Diversity Awards

Banquet. The Capital Budget funds the purchase of refurbished print shop equipment including a printing press, a booklet maker, and an envelope feeder.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Community Relations	\$933,490	\$1,022,090	\$1,090,530	\$1,429,230	31.1%
Total Department	\$933,490	\$1,022,090	\$1,090,530	\$1,429,230	31.1%
Personnel Services	\$817,940	\$863,760	\$937,430	\$988,470	5.4%
Supplies	33,660	41,440	43,650	269,820	518.1%
Other Charges	81,890	116,890	109,450	170,940	56.2%
Total Department	\$933,490	\$1,022,090	\$1,090,530	\$1,429,230	31.1%

PERSONNEL SUMMARY

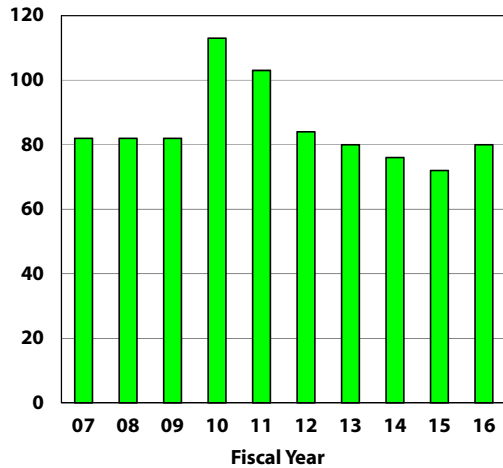
	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	5	2	6	1	7	1	7	2
Total Department	5	2	6	1	7	1	7	2

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

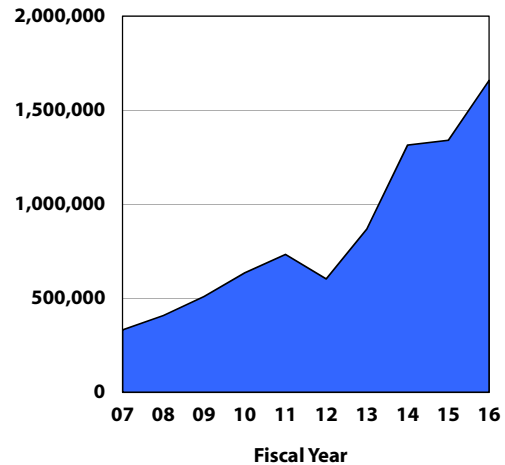
Community Relations Department

**SHTV - Weekly
Hours of Programming**



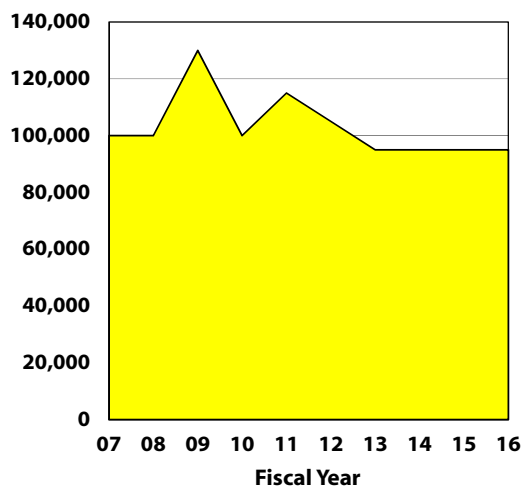
Sterling Heights Television viewers saw a rise in the total hours of programming. Hours increased in 2010 for the additional overnight programming. Hours had declined until 2016 due to a reduction in sports programming and bi-weekly newscasts.

**Customer Service
Contacts**



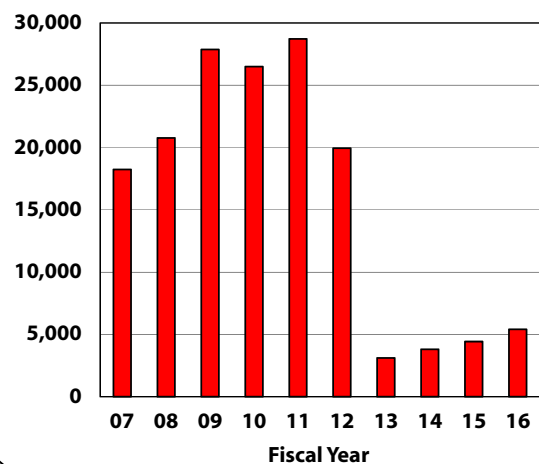
City Website visits account for 99% of total service contacts. Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents, e-mails, social media, and additional electronic feedback programs.

Sterlingfest Attendance



The Sterlingfest Art and Jazz Fair now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with local headliners, and art and jazzfest areas during the three-day event. Attendance declines in several years is attributed to inclement weather.

**City Information
E-Mail Subscriptions**



The City offers a free e-mail subscription service where residents can sign up to receive information about City meetings, events, job postings, garage sales, public safety updates, SHTV programming, the SHARP economic newsletter, and the latest City news and information. A new subscription e-mail service in 2013 required all existing e-mail addresses to be purged.

MISSION STATEMENT: *To coordinate and prepare all communication efforts for the City of Sterling Heights in accordance with the goals, objectives, and policies adopted by the City Council and City Manager.*

Under the leadership of the Community Relations Director, the Community Relations Department provides accurate information to the public through all means of communication. The Community Relations Office is subdivided into two divisions: Communications and Broadcast Services. Each division has separate and distinct duties and responsibilities.

The Communications Division prepares publications such as the City Magazine, press releases, advertisements, brochures, pamphlets and service directories. This division also maintains and updates information on the City's website at www.sterling-heights.net, Facebook, Twitter, Radio Station AM 1700, and employee news and information on the City's Intranet. The City's Print Shop is responsible for printing all City publications.

Community Relations serves as the public information contact in the event of Emergency Operation Center activation. It is responsible for emergency press releases, speeches, press conferences, and coordination of a rumor control hotline.

One of the City's most unique programs is the "Citizen Contact Center." A Citizen Services Specialist is available for residents to contact regarding any concern or need for City information. These referrals are documented and followed up with a telephone call. Residents are also welcome to voice their input on the City's website or by phone at (586) 446-CITY.

The Broadcast Services, or Sterling Heights Television Division, is responsible for the City Hall and Library public access channels. Each station offers residents an alternative to keep informed of the workings of Sterling Heights government. This division also compiles multi-media productions for broadcast on the Internet and YouTube Channel SHTV1.

The Community Relations Director assists the Economic Development Manager with activities to

KEY GOALS

- *To keep the lines of communication open among residents, businesses and municipal government.*
- *To promote City government services and events through various media in order to inform the public of what is available to them.*
- *To listen to the needs and concerns of the community and process its desires to the City Council and administration.*
- *To maintain a cost effective in-house printing center.*
- *To promote and showcase City meetings, events, programs and services in a televised manner so that residents stay informed.*
- *To preserve and enhance the City's physical and economic development.*

promote general development in the City and proposes policies that produce a better community in which to live, work, and play.■

Did you know...

...the City of Sterling Heights (formally known as Sterling Township) was officially incorporated in 1968 and will be celebrating its 50th Anniversary in 2018?

Community Relations

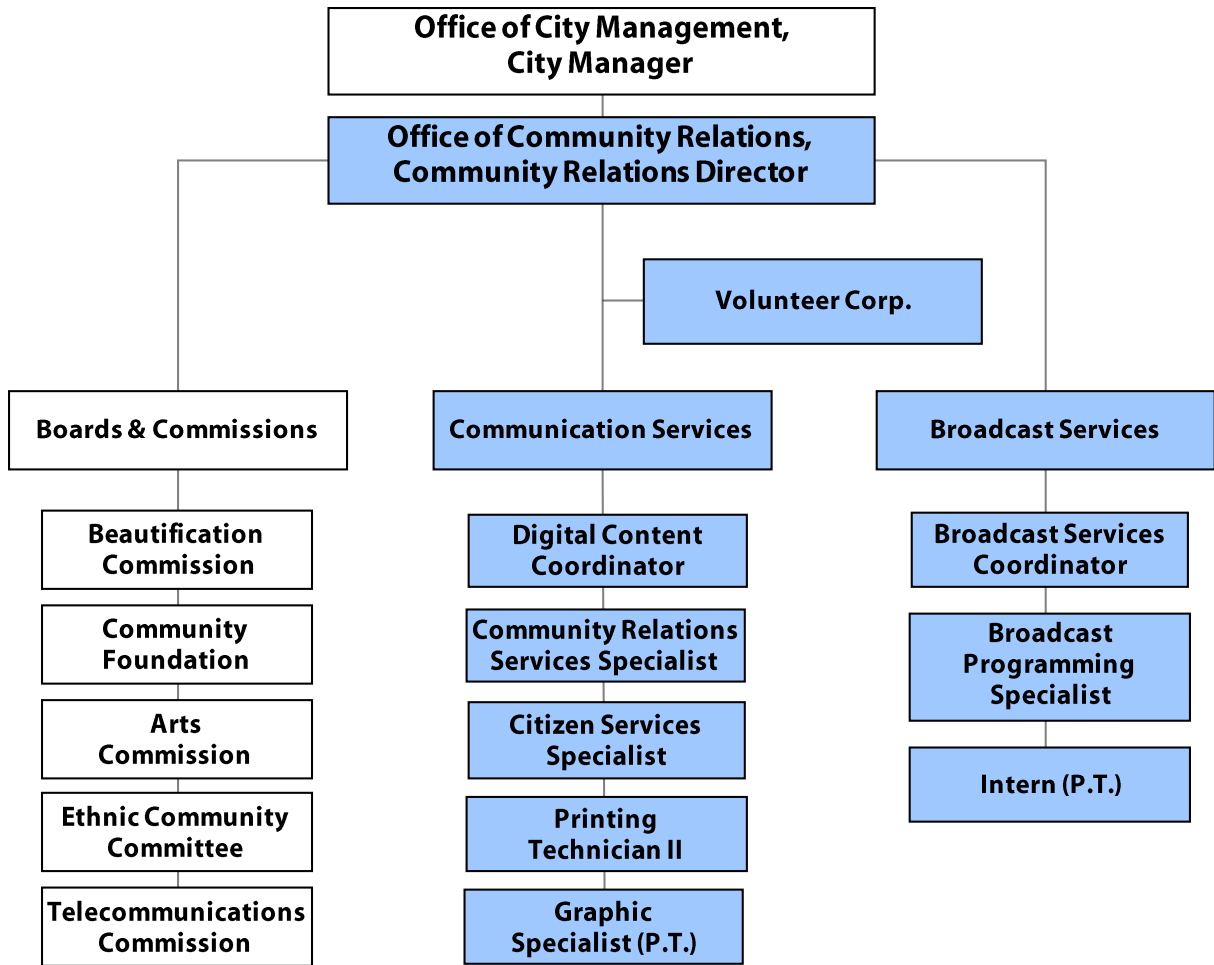
2017/18 PERFORMANCE OBJECTIVES

1. To use SHTV as an informative tool in producing short clips and videos geared to digital use, specifically social media. *(City Goal 25)*
2. To expand the City's social media accounts even further and continue to hone these channels as strong communication devices. *(City Goal 25)*
3. To reorganize and consolidate the City website to be efficient, clean and useful for City residents. *(City Goal 24, 25)*
4. To bridge better relationships with local and regional media to welcome further coverage of City events and promote openness and transparency. *(City Goal 24)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Customer Service Contacts	1,330,108	1,342,810	1,658,815	1,412,790	1,432,780	1,442,800
	Citizen Action Center Calls/Walk-ins	12,512	10,000	9,080	10,000	10,000	10,000
	E-Mail Requests	2,801	2,810	2,924	2,790	2,780	2,800
	Sterling Heights Website Home Page Views	1,314,795	1,330,000	1,646,811	1,400,000	1,420,000	1,430,000
	Total Tapings & Programs Aired	224	216	202	200	250	230
	SHTV Hours of Programming (Weekly)	76	72	80	80	75	70
	City Council, Board & Commission Live Broadcasts	68	73	73	75	80	85
	Press Releases Produced	184	173	80	150	75	75
	Employee Newsletters	42	32	19	36	18	24
	City Magazine/Brochures Produced	19	21	28	30	50	50
	Typesetting/Graphic Design Projects	250	470	285	300	400	400
	City Information E-mail Subscription Recipients	3,797	4,432	5,409	5,200	5,200	5,300
	Average Reach Per Facebook Post	N/A	N/A	6,976	8,200	9,500	10,500
	Facebook Followers	3,660	4,470	10,213	8,500	11,077	12,500
	Twitter Followers	816	1,145	2,614	2,000	3,071	4,500
	Sterlingfest & Memorial Day Parade Attendance	100,000	100,000	100,000	100,000	100,000	102,000
	Beautification Awards Presented	61	55	61	60	45	60
	Print Requests Completed	281	285	194	260	266	285
	Stockroom Requests Completed	134	140	183	175	180	185
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	90%	89%	90%	90%	90%	90%
	Cost per Citizen Contact Center Call Received	\$2.85	\$2.96	\$2.90	*	*	*
	Average Cost to Televiser a Public Meeting	\$968	\$976	\$960	*	*	*
	Activity Expenditures as % of General Fund	1.05%	1.03%	1.14%	1.18%	1.20%	1.52%

*Cost is calculated for "Actual" columns only.

Community Relations



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Community Relations Director	1	1	1
Broadcast Services Coordinator	1	1	1
Broadcast Programming Specialist	1	1	1
Digital Content Coordinator	0	1	1
Community Relations Services Specialist	0	1	1
Management Services Specialist	1	0	0
Citizens Services Specialist	1	1	1
Printing Technician II	1	1	1
Graphics Specialist (P.T.)	1	1	1
Intern (P.T.)	0	0	1
Total	7	8	9

Community Relations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 31.1%.

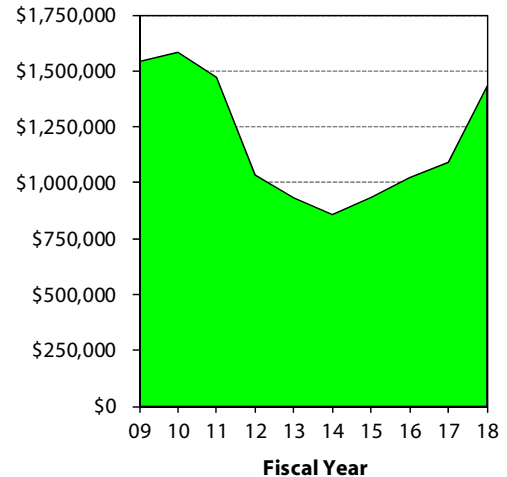
Personnel Services – The Personnel budget increased \$51,040 or 5.4%. Full-time wages increased \$24,190 due to contractual wage increases. In addition, most members of this office had four unpaid furlough days in the prior year, which have now been eliminated. Required funding for long-term retirement liabilities increased by \$27,450.

Supplies – Total Supplies increased \$226,170, primarily to fund the maintenance, cleaning, and commissioning of public art. \$1,170 was added due to higher supply costs for City programs.

Other Charges – Total Other Charges increased \$61,490 or 56.2%. The budget increased \$39,520 primarily to fund activities associated with the City's 50th anniversary and to reinstate funding for the Ethnic Committee's Diversity Awards Banquet. \$20,000 is also funded for a citywide survey to evaluate and better prioritize City services. Educational funding decreased \$750 due to a prior year adjustment to fund an additional conference for the Director. \$250 was saved, as fewer local meetings will be attended.

Capital – Total Capital of \$31,000 is proposed for refurbished Print Shop equipment, including \$12,500 for a Printing Press, \$15,000 for a Booklet Maker, and \$3,500 for an Envelope Feeder, all to replace obsolete machines that are failing and for which replacement

Expenditure History



parts are no longer available. All machines will be purchased used at a substantial savings.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$863,762	\$937,430	\$936,250	\$988,470	\$988,470
Supplies	41,444	43,650	43,500	269,820	269,820
Other Charges	116,887	109,450	113,470	170,940	170,940
Total	\$1,022,093	\$1,090,530	\$1,093,220	\$1,429,230	\$1,429,230

Non-Departmental Services



***Your most unhappy customers are your
greatest source of learning.***

~ Bill Gates ~



MISSION STATEMENT: *To provide a forum of equitable, peaceful, and timely legal dispute resolution, based on the principles of due process, while instilling public confidence in the Court system.*

The Judicial branch of the City of Sterling Heights is the 41-A District Court. The Kenneth J. Kosnic 41-A District Court and Probation offices are located in the Judicial Services Center on the grounds of City Center Commons.

The Judicial Services Center has equipment that is both desirable and necessary for a full service District Court with an increasing caseload. Technology advancements continue to improve staff efficiency and provide increased security.

The Court staff consists of three judges and a full-time magistrate who hears small claims cases, signs warrants, sets bonds, etc. The District Court Administrator oversees the court operations and supervises the support staff. The court is subdivided into six divisions and one Probation division. The six court divisions include Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and the Violations Bureau.

The Civil Division handles the jurisdiction of all civil litigation up to \$25,000.

The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement agencies.

The Traffic and Ordinance Division handles complaints filed by law enforcement agencies regarding traffic and city ordinances.

The Landlord/Tenant Division processes claims filed involving the eviction of tenants and land contract forfeitures.

The Small Claims Division hears civil cases, which are below \$5,500 and require no attorney.

The Violations Bureau handles all non-court traffic and ordinance violations. These infractions can be resolved without a court appearance by the involved parties.

KEY GOALS

- *To provide a safe and secure environment for the people involved in all dispute resolutions within our jurisdiction.*
- *To provide an unbiased climate for resolving disputes in the areas of Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and non-court traffic and ordinance violations.*
- *To assist sentencing decisions through the use of a Probation Division by providing personalized analysis, special reports, and rehabilitation programs.*

The Probation Division is responsible for providing services to judges and probationary clients. The Probation Officer provides special reports and analyses to the judges for assistance on sentencing decisions. The Court's "Alternatives to Incarceration Program" is one example of how the community may benefit from cost savings and community service work when this option is appropriate. The services provided to probationary clients include securing employment, school, or training and referrals to rehabilitation programs to assist those with drug, alcohol, or emotional problems.■

Did you know...

...the 41-A District Court's jurisdiction includes not only the City of Sterling Heights, but also all of Shelby Township, Macomb Township and the City of Utica?

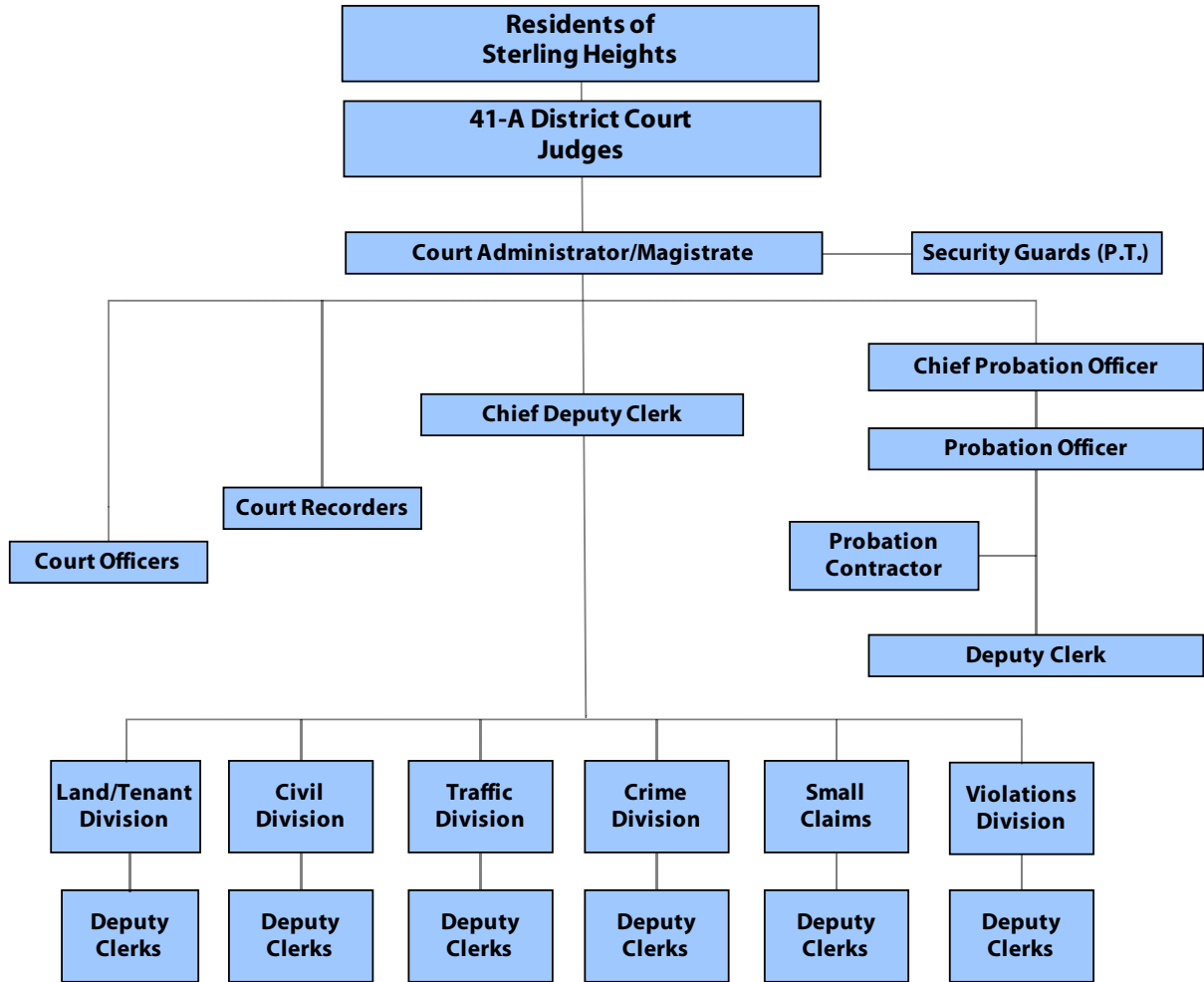
41-A District Court

2017/18 PERFORMANCE OBJECTIVES

1. To expand the in-person scheduling and issuance of Civil Court notices rather than issuing them in the mail. *(City Goal 1)*
2. To investigate the cost effectiveness of a standing court-appointed law firm rather than an individual appointment of attorneys on a case-by-case basis. *(City Goal 1)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Total Active Caseload	40,118	44,709	48,968	44,000	49,000	49,000
	Total New Cases	31,804	35,374	40,341	35,400	40,000	40,000
	Traffic Cases	20,710	24,565	29,809	25,000	30,000	29,900
	Parking Cases	1,840	1,322	1,775	1,000	2,500	2,500
	Misdemeanor Cases	3,233	3,652	3,143	3,600	3,100	3,100
	Felony Cases	580	627	501	700	700	700
	General Civil Cases	2,550	2,652	2,566	2,400	2,500	2,500
	Small Claims Cases	400	333	386	400	400	400
	Landlord/Tenant Cases	2,491	2,223	2,161	2,300	2,200	2,200
	Magistrate Dispositions	6,903	8,188	11,042	8,000	11,000	11,000
	Jury/Bench Verdicts	7,013	9,058	10,403	8,500	10,500	10,500
	Guilty/Admissions/Default - By Party	17,827	18,673	14,646	19,000	15,000	15,000
	Dismissals - By Court or Party	6,788	7,218	5,908	6,500	5,900	5,900
	Probation Caseload (includes Shelby)	1,390	1,354	1,335	1,350	1,350	1,350
	Criminal Warrants Processed	N/A	2,283	N/A	2,200	N/A	N/A
Efficiency & Effectiveness	% of Imposed Revenue Collected	96%	96%	84%	96%	80%	80%
	Court Revenue Collected by Collection Agency	\$5,683	\$2,811	\$2,305	\$1,000	\$2,000	\$2,000
	% of Probation Clients Required to Attend Rehab.	75%	75%	68%	75%	60%	60%
	Total Court Expenditures Per Capita	\$23.59	\$23.61	\$24.61	\$24.92	\$24.91	\$25.60
	Cost per Active Case	\$77	\$69	\$66	\$74	\$67	\$69
	# of Active Cases per FT Employee	1,216	1,490	1,580	1,420	1,580	1,580
	Activity Expenditures as % of General Fund	3.77%	3.42%	3.59%	3.55%	3.57%	3.59%

41-A District Court



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Judge	3	3	3
Court Administrator/Magistrate	0	1	1
Magistrate/Director of Probation	1	0	0
Court Administrator	1	0	0
Chief Probation Officer	0	1	1
Chief Deputy Clerk	1	1	1
Court Reporter	3	3	3
Court Officer	3	3	3
Probation Officer	1	1	1
Deputy Clerk	18	18	18
Deputy Clerk (P.T.)	6	7	7
Security Guard (P.T.)	4	3	3
Total	41	41	41

41-A District Court

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

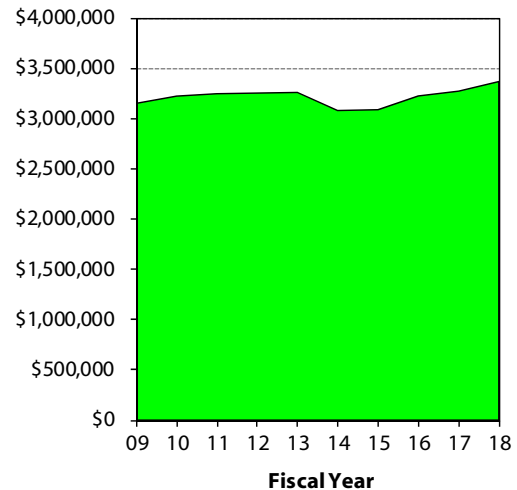
The total budget increased by 2.9%.

Personnel Services – The total Personnel budget increased \$86,490 or 2.9%. Full-time wages rose \$20,070 due to contractual wage increases. Part-time wages increased \$6,130 due to an increase in the number of Deputy Clerk hours required. Health insurance costs rose by \$14,690 due to one less employee electing the health allowance. Required funding for long-term retirement liabilities increased by \$51,090.

Supplies – Total Supplies decreased \$700 or 1.6%. Operating supply costs decreased \$1,900 due to the prior year one-time purchase of replacement chairs for staff and public use. Postage costs rose \$1,000 for increased court mailings. \$200 was added for the higher cost of publications.

Other Charges – Total Other Charges increased \$10,020 or 3.6%. Reporting services increased \$4,000 due to the increased use of outside Court recorders. Credit card fees increased \$3,000 due to greater public use of credit cards for payments. Rental costs rose \$3,000 based on a more accurate estimate of per-page copier print fees. Educational funding increased \$1,750, as the State no longer provides training funds for Judges. The budget increased \$2,000, as more printed forms and folders are needed and \$730 was added for increased membership costs. \$500 was added for the increased use of interpreters. Water costs fell \$3,000 and heating costs fell \$2,000, as both can be

Expenditure History



reduced and brought more in line with recent actual expenditure levels.

Capital – Total Capital of \$10,750 is budgeted in the Capital Projects Fund. The Court is scheduled to receive three personal computers to replace the existing 5-year old units, totaling \$2,550. \$8,200 is budgeted to waterproof the foundation under the Court's south entrance doors to eliminate basement leaks and prevent drywall and structural damage.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$2,924,965	\$2,948,840	\$2,953,140	\$3,035,330	\$3,035,330
Supplies	42,328	42,500	43,700	41,800	41,800
Other Charges	256,448	279,800	271,950	289,820	289,820
Total	\$3,223,741	\$3,271,140	\$3,268,790	\$3,366,950	\$3,366,950

MISSION STATEMENT: *To govern the testing for appointment, employment, and promotion of Police and Fire personnel.*

The Act 78 Civil Service Commission is a General Fund activity and is budgeted and accounted in a manner similar to other General Fund activities. The plan of Civil Service as established by Act No. 78 of the Public Acts of 1935, as amended, is incorporated in the Charter of the City and can be changed only by a formal amendment to the City Charter.

The City Clerk acts as ex officio liaison to the Commission and provides the necessary administrative and clerical support.

The Commission governs all aspects of the testing procedures for Police and Fire personnel. From the physical and agility aptitude exams to the written, oral, physiological, and psychological examinations, the Commission has a hands-on interface with the selection of examiners, criteria for examination, and selection of final evaluators. This important role of the Act 78 Civil Service Commission ensures the best candidates are selected for employment. The three members of the Commission serve without compensation during their term.■

KEY GOALS

- *To set requirements for Police Officer and Firefighter applicants that will best serve the interest and well-being of the residents of Sterling Heights.*
- *To keep Police Officer and Firefighter eligibility lists current by initiating the application process in a timely fashion.*
- *To monitor the testing process for new hires and personnel who have applied for certain promotions within the Police and Fire Departments.*

Did you know...

...that applicants for Firefighter and Police Officer positions pay the exam cost to the testing agency, allowing applicants to apply with multiple communities utilizing the test score, and saving participating communities exam costs?

Act 78 - Civil Service Commission

2017/18 PERFORMANCE OBJECTIVES

1. To establish a new two-year eligibility list for the Police Department. *(City Goal 1, 2, 3)*
2. To establish an eligibility list for the Fire Department. *(City Goal 1, 2, 3)*
3. To hire 16 new Firefighters and four new Police Officers. *(City Goal 1, 2, 3)*
4. To maintain high eligibility requirements for Police and Fire, ensuring new hires can perform to the City's exceptional standards. *(City Goal 1, 2, 3, 9)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Minutes of Act 78 Meetings Recorded	4	4	4	2	2	3
	Police Officer Eligibility List Applications	0	95	399	90	90	50
	Fire Fighter Eligibility List Applications	52	125	0	0	0	100
	Written Tests - Police Officer Eligibility List	0	95	399	90	90	50
	Written Tests - Fire Fighter Eligibility List	52	125	125	0	0	100
	Oral Interviews - Police Officer Eligibility List	0	87	69	60	60	30
	Oral Interviews - Fire Fighter Eligibility List	50	50	0	0	0	50
	Physical/Psychological Test - Police/Fire Candidates	0	36	58	23	23	20
Effectiveness	# of Appeals by Candidates/ Terminated Employees	0	1	1	0	0	0
	Activity Expenditures as % of General Fund	0.03%	0.03%	0.05%	0.03%	0.03%	0.05%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 56.4%.

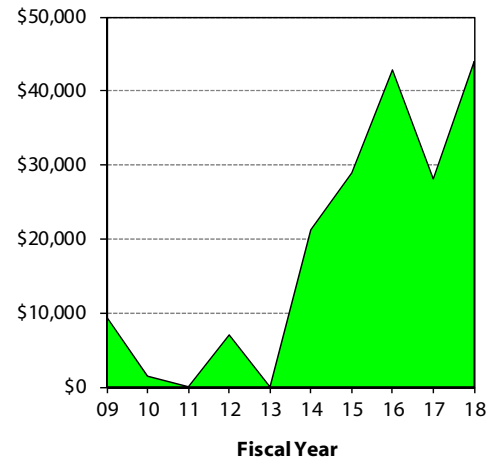
Personnel Services – There is no Personnel budget for this commission.

Supplies – Total Supplies is proposed to remain the same at \$170. There are no proposed funding changes to the postage and operating supply accounts.

Other Charges – Total Other Charges increased \$15,850 or 56.7%. \$19,000 was added for the cost of an outside assessment center for promotions to Police Lieutenant. The increase was partially offset as fewer new Firefighter and Police Officer pre-employment physical and psychological exams are anticipated next year.

Capital – There is no Capital proposed for this commission.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	33	170	100	170	170
Other Charges	42,813	27,950	27,800	43,800	43,800
Total	\$42,846	\$28,120	\$27,900	\$43,970	\$43,970

MISSION STATEMENT: *To serve in an advisory capacity to the City Council for the development of City-wide art programs.*

Programs and projects sponsored by the Arts Commission are developed in accordance with the goals and objectives set by the City Council and administration.

The Arts Commission's primary responsibility is to consider, study and recommend City-wide art programs. Culture reflects the act of developing social, moral, and intellectual faculties through education. The Commission promotes, coordinates and develops the performing and creative arts by recommending art programs and opportunities.

The "Featured Artist" program reinforces the attitude expressed by the Commission that culture should be appreciated. Throughout the year, local artists are chosen to professionally display their art in a public forum.

The "Sterlingfest Art & Music Fair" and the accompanying food festival held in Dodge Park brings thousands of area residents together. This festive and family-friendly atmosphere is conducive to good times and the appreciation of the performing, visual and culinary arts.

The annual "Memorial Day Ceremony & Parade" honors those men and women who gave their lives for our American freedom. The Arts Commission sponsors this event as well as Best Float and Band awards for those groups who best display their creativity during the parade event.

The 12 members of the Arts Commission are appointed by the City Council and serve without compensation. The Community Relations Director serves as the liaison. ■

KEY GOALS

- *To sponsor City events, such as "Sterlingfest", that showcase various forms of the performing and visual arts and encourages family entertainment.*
- *To develop an art appreciation program targeted at the City's youth, including programs that encourage creative painting and the visual arts at City events such as Sterlingfest and Teenfest.*
- *To maintain the City's outdoor publicly-owned sculptures to preserve them for generations to come.*

Did you know...

...the Arts Commission launched a program called "Art in the Park" in 2016, where members of the community could gather in Dodge Park for an instructor-led painting class?

Arts Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 0.0%.

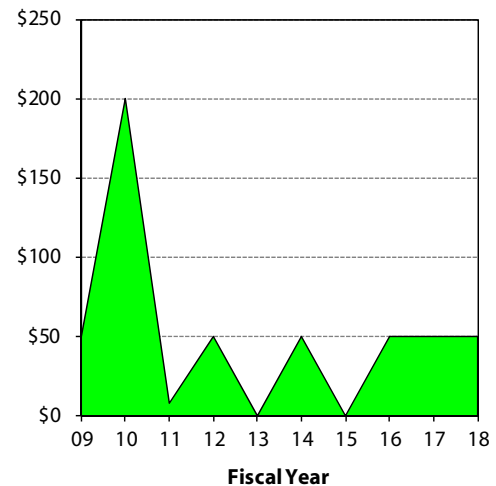
Personnel Services – There is no Personnel budget for this commission.

Supplies – There is no Supplies budget for this commission.

Other Charges – Total Other Charges is proposed to remain the same at \$50. There is no proposed funding change to the membership account.

Capital – There is no Capital proposed for this commission.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	50	50	50	50	50
Total	\$50	\$50	\$50	\$50	\$50

MISSION STATEMENT: *To promote public interest in the general improvement of the City's appearance.*

Residents and owners of all property within the City of Sterling Heights are encouraged to accept basic responsibilities in preserving and enhancing the beauty of public and private properties. An annual awards program assists the Beautification Commission in promoting its mission throughout the City. Nominations are submitted annually for properties in Sterling Heights that exemplify the enhancement of both public and private properties. The Commission reviews these nominations and those that are worthy of the award receive City-wide recognition.

Special projects are organized and coordinated to lead the way for residents to follow suit. Environmental awareness education for residents tops the list of priorities. The Beautification Commission initially proposed the City's recycling centers. This landmark project has gained City-wide acceptance and resident participation.

The Beautification Commission recommends the planting and preservation of trees, flowers, plants, and shrubbery, as well as the placing of other ornamentation throughout the City. The Beautification Commission also promotes public education for the disposal of litter in our community through its contacts with schools, scouting troops and businesses. This is accomplished through programs such as "Adopt a City Road".

The 12 member Commission includes a variety of City residents appointed by the City Council. The Community Relations Director serves as staff liaison to the Beautification Commission, coordinating its activities within City guidelines. The Commission was established pursuant to Ordinance No. 145. The Commission sets a specific budget for purposes of funding programs and projects. ■

KEY GOALS

- *To recognize and honor those individuals who take the initiative to beautify their properties.*
- *To sponsor educational programs to teach students how to beautify their City.*
- *To partner with other communities to inform residents of ways to beautify their communities.*

Did you know...

...the Beautification Commission hosts numerous roadside cleanup days throughout the summer and fall, and to volunteer to help with a cleanup individuals can call 446-CITY?

Beautification Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 0.0%.

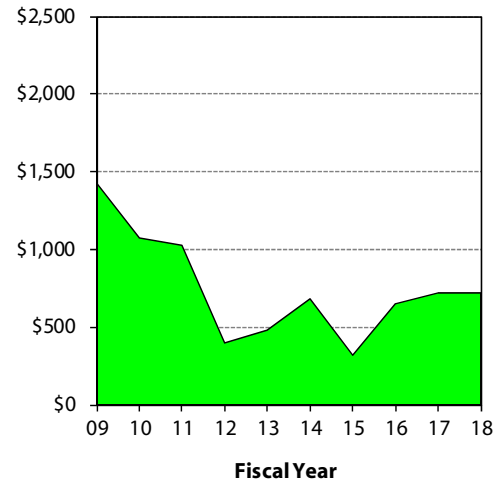
Personnel Services – There is no Personnel budget for this commission.

Supplies – Total Supplies is proposed to remain the same at \$630. There are no proposed funding changes to the operating supplies account.

Other Charges – Total Other Charges is proposed to remain the same at \$90. There are no proposed funding changes to the local meetings and membership accounts.

Capital – There is no Capital proposed for this commission.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	545	630	630	630	630
Other Charges	105	90	90	90	90
Total	\$650	\$720	\$720	\$720	\$720



MISSION STATEMENT: *To invest plan assets prudently while meeting or exceeding actuarial liabilities, while insuring timely and proper distribution of benefits to which plan participants are entitled.*

The General Employees Retirement Board activity was established with the authority to administer, manage, and operate the retirement system following the provisions established by the retirement ordinance referenced in the City Charter and Code of Ordinances. The mission of the General Employees Retirement Board is to ensure that the assets of the retirement fund are invested in a safe and prudent manner, yielding the highest possible return on the investment of the funds. The Board is also responsible for calculation of retiree benefits. Board meetings are held on the third Thursday of every month at 1:30 p.m. in City Hall. These are public meetings with the agenda posted by the end of the week prior to each meeting.

Assets in the fund as of June 30, 2016 total a market value of \$106,683,028 while the City's contribution for the 2017/18 fiscal year will be \$3,265,816. The fund is now 82.4% funded.

The Board has established the following asset allocation guidelines:

Equities:	
Large cap	32%
Small Midcap	15%
International	17%
Fixed Income	32%
Real Estate Investment Trust	4%
Cash	0%

There are currently 356 retirees receiving benefits from the fund and 110 active members of the system who pay into the system. Retirement benefits vest after five or ten years of service depending on the participant's labor agreement. As of June 30, 2016, 107 active members were vested.

Five members serve on the General Employees Retirement Board. The officers include the Finance & Budget Director as the Board Secretary and the City Treasurer as the Treasurer of the retirement system and asset custodian. A resident is appointed by City Council to serve on the Board while two

KEY GOALS

- *To monitor investments and liabilities to ensure proper matching while making necessary adjustments to maintain proper balance and long-term funding levels.*
- *To develop and follow procedures whereby plan participants receive the benefits to which they are entitled by contract and/or ordinance.*
- *To provide adequate communication to members of the retirement system so that they know how their funds are managed and what to expect at retirement.*

employee representatives are elected for staggered three-year terms by members of the General Employees Retirement System. An attorney designated by the Board acts as legal advisor while the Pension Administrator serves as the pension board liaison.■

Did you know...

...that you can receive an e-mail notification when new agendas and minutes are posted to the General Employee's Retirement Board website?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.2%.

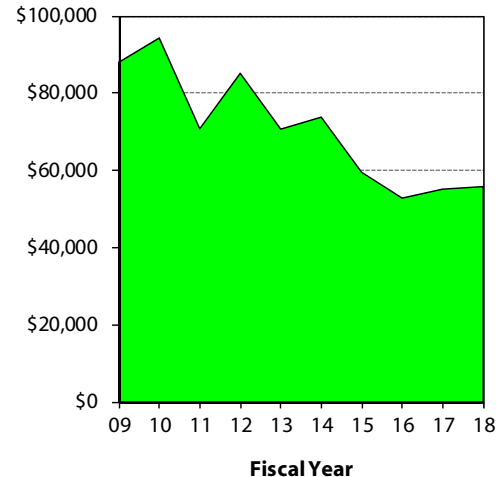
Personnel Services – There is no Personnel budget for this board.

Supplies – Total Supplies decreased \$20 or 7.4%, as postage funding can be reduced and brought more in line with the current year's estimated expenditure usage.

Other Charges – Total Other Charges increased \$700 or 1.3%. Contracted services increased \$1,700 for higher actuarial costs. Funding for legal services fell \$1,000, as the budget can be reduced and brought more in line with historic actual expenditure usage.

Capital – There is no Capital proposed for this board.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	220	270	230	250	250
Other Charges	52,574	54,840	53,740	55,540	55,540
Total	\$52,794	\$55,110	\$53,970	\$55,790	\$55,790

MISSION STATEMENT: *To budget and account for general expenditures not assigned to specific users within the City due to their non-specific nature.*

The General Expenditures activity of the General Fund is used to budget and account for all general expenditures that are incurred throughout the fiscal year. This activity is a budgetary center within the General Fund. Expenditures are charged to this activity because of the inability to properly reflect the expenditures in any other activity. This situation exists when an expenditure is incurred by the City in which benefit is realized by more than one activity. Rather than allocate the expense over the many activities in the City, it is much simpler and more auditable to charge it to an activity specifically set up for this type of expenditure – the General Expenditures activity.

Examples of these types of expenditures include employee unemployment compensation costs, postage for City publications and miscellaneous bulk mailings, and operating supplies for the copiers used throughout the City.

Other Charges, such as audit and accounting services for the annual year-end financial report, and contracted services for potential studies and reports are included in this activity. City street lighting, all liability and property insurance for the City, and citywide memberships and dues are other items of interest found in this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, approval must be received from City Council before the adjustment is made. This budgetary center rarely requires any formal budget amendment.■

KEY GOALS

- *To provide a means of accounting for certain unallocable citywide expenditures which benefit all City departments or the public at large.*
- *To provide a means of accounting for certain benefits to residents such as street lighting, auditing costs, and citywide memberships.*
- *To provide a means of budgeting and accounting for citywide liability insurance coverage.*

Did you know...

...the average monthly cost of \$75,000 for the operation of over 3,900 street lights contributes to the City's reputation as a safe city?

General Expenditures

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 42.7%.

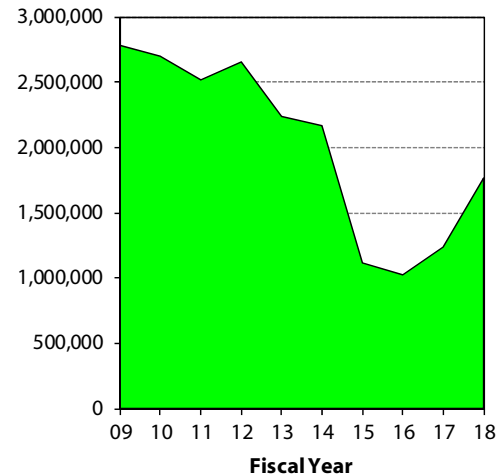
Personnel Services – The total Personnel budget remains the same as the prior year. There are no changes in unemployment compensation costs anticipated.

Supplies – Total Supplies is proposed to remain the same at \$17,500. There are no proposed funding changes to the operating supplies account.

Other Charges – Total Other Charges increased \$528,500 or 44.0%. \$500,000 was added to the budget for the resumption of funding for liability insurance, which had been temporarily halted in 2014/15 as Self-Insurance funds were being used to supplement the General Fund budget. Street lighting costs increased \$20,000 due to higher DTE electricity rates. Rental costs rose \$5,860 as per-page print fees are higher than anticipated. Membership costs increased \$1,620 due to higher anticipated Michigan Municipal League annual dues. Funding increased \$1,020 due to a slight increase in the cost of the annual audit of City financial statements.

Capital – There is no Capital proposed for this cost center.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$26,857	\$20,000	\$20,000	\$20,000	\$20,000
Supplies	15,814	17,500	16,290	17,500	17,500
Other Charges	982,409	1,200,770	1,157,900	1,729,270	1,729,270
Total	\$1,025,080	\$1,238,270	\$1,194,190	\$1,766,770	\$1,766,770

MISSION STATEMENT: *To foster an understanding and appreciation of local history and to identify the heritage of our City.*

The Historical Commission strives to promote an awareness of the community's heritage; to identify local preservation concerns; to attend workshops and seminars relating to preservation management; to study public policies designed to protect and preserve local history; and to provide opportunities for residents to share and shape their historical legacy.

Through membership in the American Association of State and Local History, the National Council on Public History, and the Historical Society of Michigan, the Commission works to expand its perceptions and knowledge of current practices in the field of local history. It keeps informed of state and federal legislation, as well as identifies sources of funding such as grants and endowments.

The Historical Commission has the responsibility to identify structures and sites of historic significance; to study the value of their preservation, and to make recommendations for future use. The Residential Date Plaque Award Program, established in 1992, has recognized 33 homes of historic value in Sterling Heights as identified by age and architectural significance.

To encourage an appreciation of local history, the Sterling Heights Historical Commission is also responsible for the development of the Sterling Historical Collection in the Upton House and its new expansion in the Library. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835.

The Commission is also a participant in the Veterans History Project created by the United States Congress in 2000 as part of the American Folklife Center at the Library of Congress. As such, the Commission collects and archives the personal recollections of United States wartime veterans from Sterling Heights to honor their service and share their stories with current and future generations.

The Commission, in partnership with the Friends of the Library, produced a book on local history

KEY GOALS

- *To increase public knowledge about local history and historic preservation.*
- *To collect and archive historic photographs.*
- *To collect, maintain, and promote a Sterling Historical Collection in the Upton House and the Library.*
- *To promote cooperation and resource sharing with local, state, and national preservation organizations.*

entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*. In addition, in partnership with the Public Library, the Commission authored *Sterling Township: 1875 – 1968*, a pictorial history.

As Sterling Heights continues to change, it is important to remember that learning about our history creates a bridge from the past to the present. What is happening here today will be tomorrow's history.

The seven member Historical Commission acts in an advisory capacity to the City Council. Members serve uncompensated terms of three years. The Commission, established in 1970, meets quarterly. The Community Services Director is the staff liaison, relating the activities of the Commission to City Administration.■

Did you know...

...that a group can schedule a tour of the Upton House with the Sterling Heights Historical Commission by calling the Sterling Heights Public Library?

Historical Commission

2017/18 PERFORMANCE OBJECTIVES

1. To work with the library staff to author a book about the City of Sterling Heights. *(City Goal 19)*
2. To provide a regular schedule of open hours for tours of the Upton House, in addition to Sterlingfest and Sterling Christmas. *(City Goal 19)*
3. To host a yearly historical program of interest to Sterling Heights residents. *(City Goal 19)*
4. To assist the Library, Community Relations, and Parks & Recreation with planning and implementing events for the City's 50th anniversary. *(City Goal 19)*

Output	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
	Meetings Held	4	4	4	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	1	1	1	1
	Professional Memberships	2	3	3	3	3	3
	Historic Photographs and Memorabilia Collected	500	15	115	5	5	5
	Program/Exhibit Attendance	1,110	1,194	1,109	1,200	1,200	1,500

Historical Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 6.9%.

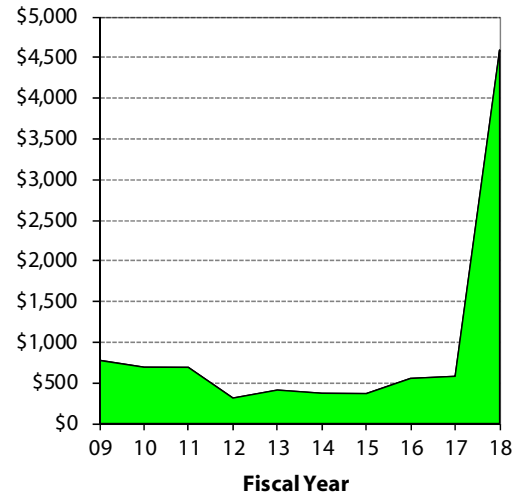
Personnel Services – There is no Personnel budget for this commission.

Supplies – Total Supplies is proposed to remain the same at \$140. There are no proposed changes to the postage and operating supply accounts.

Other Charges – Total Other Charges increased \$10 or 2.3%. Contracted service costs increased slightly, as it is estimated that more donated historic photographs will be archived next year.

Capital – There is no Capital proposed for this commission.

Expenditure History



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Supplies – Total Supplies increased \$4,000 for the purchase of period furniture and other supplies for the Upton House.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	165	140	140	140	4,140
Other Charges	389	440	440	450	450
Total	\$554	\$580	\$580	\$590	\$4,590

***If two men on the same job agree all the time, then one is useless.
If they disagree all the time, then both are useless.***

~ Darryl F. Zanuck ~



MISSION STATEMENT: *To provide all legal services, legal support, and advice to the City Council, City Manager, and City employees in a prompt professional manner.*

The Legal activity is used to account for all legal services charged to the General Fund.

The City Attorney is appointed by the City Council and serves as legal advisor and counsel for the City Council and City Manager. When requested, he advises City department directors and administrators on legal matters.

The City Attorney prosecutes District Court ordinance and traffic violations and represents the City in court cases and other legally constituted tribunals as the City Council may request. The City Clerk keeps copies of all written legal opinions, records, and files relating to City matters.

The City Attorney prepares and reviews all ordinances, contracts, bonds, and other written instruments that are submitted by either the City Council or City Manager. All new and modified matters of law and changes in the developments affecting the City are called to the attention of the City Council and City Manager after review by the City Attorney's office.

The City Attorney bills the City on a monthly basis for services rendered. These itemized billings are distributed to those activities that received benefit from the legal services. Administrators review the bills for accuracy and seek clarification from the Financial Services office if discrepancies arise. The General Fund charges will be ultimately expended to the Legal activity in the Legal Services – City Attorney account. This method of accounting for legal services has been determined to be superior to the past practice of recording expenditures in each specific activity. Centralized monitoring is more practical using the current method.

Anticipated payment for outside legal services is also budgeted in this activity. These services include court appointed attorneys, services provided by the public defender, a labor attorney, and fees paid to visiting judges.■

KEY GOALS

- *To provide legal services in an efficient, competent and cost effective manner.*
- *To identify key legal priorities of the City.*
- *To assist the City Council and other Boards and Commissions regarding legal issues that may arise at meetings.*
- *To establish legal procedures, guidelines and standards in support of the City Council and City Administration's missions and goals.*
- *To provide advice and counsel regarding developing state and federal legislation, as well as recent court decisions.*

Did you know...

...that Marc D. Kaszubski was appointed as City Attorney effective June 7, 2016?

Legal

2017/18 PERFORMANCE OBJECTIVES

1. To update legal procedures, guidelines, and standards in support of the City Council and City Administration's missions and goals. *(City Goal 6, 7)*
2. To identify, research and prepare new ordinances that will serve to update the City Code and improve the effectiveness and efficiency of the affected City department. *(City Goal 6, 7)*
3. To provide legal counsel in connection with the development of a comprehensive business license ordinance to improve effectiveness and efficiency of the City Clerk's office in conjunction with departments performing inspections. *(City Goal 7, 20)*
4. To provide legal counsel in connection with the study, evaluation, and potential implementation of medical marijuana facilities under new State law guidelines. *(City Goal 4, 7)*
5. To provide legal counsel and aggressively pursue litigation against medical marijuana grow operations, businesses, and individuals causing nuisance conditions to exist within the City that affect the health, safety and welfare of residents and the surrounding community. *(City Goal 4, 7, 21)*
6. To mitigate and aggressively defend all liability claims alleged against the City and its personnel in order to minimize exposure to damages and costs of litigation. *(City Goal 7)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	District Court Cases	3,982	5,574	7,080	6,800	6,800	6,900
	Legal Opinions Rendered	2	5	12	8	9	10
	Ordinances and Amendments Prepared	11	13	14	12	12	12
	Commission Meetings Attended	36	34	34	30	30	30
	Council Meetings Attended	27	26	26	26	26	26
	Number of Open Lawsuits	17	17	17	17	15	15
	Number of Closed Lawsuits	24	11	14	15	15	12
	Number of Files Opened	53	58	37	50	30	25
	Number of Files Closed	101	53	106	50	30	30
	Legislative Issues Reviewed	75	70	70	75	70	75
	Hours Spent on City Business	6,120	6,800	7,015	7,000	7,100	7,000
Efficiency & Effectiveness	% Opinions Replied to on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Resolutions Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Contracts Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.83%	0.86%	0.96%	0.89%	0.96%	0.93%

Legal

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 6.1%.

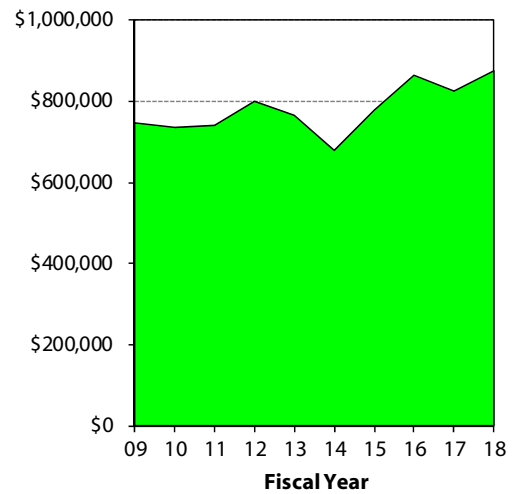
Personnel Services – There is no Personnel budget for this cost center.

Supplies – There is no Supplies budget for this cost center.

Other Charges – Total Other Charges increased \$50,000 or 6.1%. Funding for City Attorney legal services increased \$50,000 to bring the budget more in line with the current year's estimated expenditure usage, which reflected an increase in billable hours. No hourly rate change is proposed for next year.

Capital – There is no Capital proposed for this cost center.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	864,015	825,000	875,000	875,000	875,000
Total	\$864,015	\$825,000	\$875,000	\$875,000	\$875,000

***It doesn't matter who scores the points,
it's who can get the ball to the scorer.***

~ Larry Bird ~



MISSION STATEMENT: *To develop and adopt a Master Land Use Plan for the physical growth and development of the City, review and approve public development proposals and develop and implement zoning and subdivision regulations.*

Ordinance No. 113 adopted in August of 1968 established the Planning Commission. The City Council appointed Commission consists of nine members who serve terms not exceeding three years without reappointment. The Commission is an activity within the General Fund charged with several key responsibilities. The mission of the Planning Commission involves the preparation of a Master Land Use Plan for the physical development of the City. In furthering the policies and objectives of the adopted Master Land Use Plan, the Planning Commission is also empowered to review and approve a comprehensive Municipal Improvement Program (MIP) for public structures and improvements.

Similarly, the Planning Commission reviews and approves the development plans on all parks in accordance with the City's adopted Recreation Plan and Municipal Improvement Program.

The Planning Commission reviews and approves subdivision plats of land for conformity with various elements of the Master Land Use Plan and adopted City ordinances. The Commission also provides recommendations to the City Council on amendments to the Zoning and Subdivision Regulation Ordinances. The Commission reviews and recommends plans related to municipal facilities.

The review and approval of special land uses, temporary uses, and temporary buildings are also included among the key responsibilities of the Planning Commission. Recommendations are provided to the City Council relative to proposed projects under the federal Community Development Block Grant (CDBG) Program.

The members of the Planning Commission are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; and other related matters.

KEY GOALS

- *To prepare and maintain the City's Master Land Use Plan.*
- *To prepare and implement zoning regulations affecting the use of land to protect the public's health, safety, and welfare.*
- *To prepare and implement subdivision regulations related to the subdividing or platting of land.*
- *To provide technical review and recommendations on rezonings, site plans, special approval land uses, temporary uses, special development options, and subdivision plats.*

The City Planning Commission adopted a new Master Land Use Plan in February 2017 after nearly two (2) years of development and input. The previous Master Land Use Plan was adopted in May 2005 with amendments in 2007 and 2009.■

Did you know...

...the Planning Commission has updated the City's Master Land Use Plan, commercial landscaping ordinances, outdoor patio regulations, and the City's sign regulations in the last year?

Planning Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 74.3%.

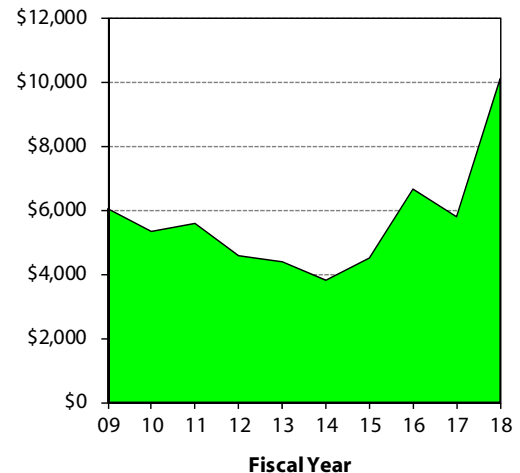
Personnel Services – The total Personnel budget increased \$820 or 33.1% due to the anticipated need for additional Planning Commission meetings.

Supplies – Total Supplies increased \$720, as postage funding increased based on a greater number of certified letters and legal notification mailings required. Publication costs also increased slightly by \$10.

Other Charges – Total Other Charges increased \$2,760 or 101.5%. The budget increased \$1,660 to provide more training and educational opportunities for the Planning Commission members. Publishing costs increased \$590, as a greater number of newspaper notices with lengthier agendas have been required. Funding for reporting services increased \$500, as more time is required to transcribe meeting minutes. \$10 was added due to a slight increase in the Michigan Association of Planning membership fee.

Capital – There is no Capital proposed for this commission.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$2,521	\$2,480	\$2,600	\$3,300	\$3,300
Supplies	764	590	1,290	1,310	1,310
Other Charges	3,364	2,720	3,670	5,480	5,480
Total	\$6,649	\$5,790	\$7,560	\$10,090	\$10,090

MISSION STATEMENT: *To facilitate the accountability of revenues and expenditures by providing a means of tracing the transfer of monies from one fund to another.*

The Transfers Out activity in the General Fund is used to account for the outgoing transfers of funds to support other City funds. The expenditure in this activity is offset in its entirety by a revenue source in the fund receiving the transfer.

This fiscal year, five transfers are budgeted from the General Fund totaling \$7,176,880. They include a transfer to the Capital Projects Fund, the Limited Tax General Obligation Debt Service Fund, the Parks & Recreation Fund, the Major Road Fund, and the Local Road Fund.

The \$4,588,090 Transfer Out to the Capital Projects Fund will be used for the funding of budgeted equipment, vehicles, information technology capital items, and capital projects.

The \$337,480 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments on the City Center Commons bond.

The \$1,251,310 General Fund transfer to the Parks & Recreation Fund will fund the pre-existing expenses of the Parks & Recreation Department prior to the passing of the Recreating Recreation millage. This transfer ensures that the revenue generated from the millage will only be used to fund the new services and amenities in the Recreating Recreation Plan.

The Transfer Out to the Major Road Fund totals \$500,000, and allows for additional investments in road repair.

The \$500,000 Transfer Out to the Local Road Fund will be used for neighborhood road projects, to allow for further investment in our local roads.■

KEY GOALS

- *To provide a system to track monies out of one fund and into another.*
- *To accurately transfer out monies in order to provide the appropriate level of funding to allow the receiver fund to pay its obligations.*

Did you know...

...the General Fund Transfer to the newly established Parks & Recreation Fund will ensure that all revenue generated by the new millage will fund new programs and amenities?

Transfers Out

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

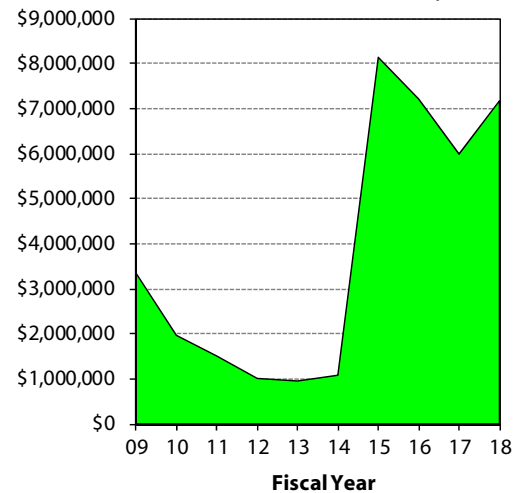
The total budget increased by 19.7%.

Personnel Services – There is no Personnel budget for this cost center.

Other Charges – There is no Other Charges budget for this cost center.

Transfers Out – Transfers Out to other City funds totals \$7,176,880. Transfers to the Capital Projects Fund totals \$4,588,090 for the funding of equipment, vehicles, information technology capital items, and capital projects. Additional funding is also being set aside in reserves to fund unplanned capital needs throughout the year. ***A listing of all proposed equipment, vehicles, and projects can be found in the Capital schedules within the Capital Projects section of this budget document.*** Transfers to the Limited Tax General Obligation Debt Service Fund totals \$337,480. This transfer will fund the principal and interest payments on the City Center Commons bond. Transfers to the Parks & Recreation Fund totals \$1,251,310 to fund the pre-existing expenses of the department prior to the passing of the Recreating Recreation millage. A transfer to the Major Road Fund is budgeted for \$500,000 for additional funding that can be utilized for future major road projects. Transfers to the Local Road Fund totals \$500,000 for additional investment in future neighborhood road projects.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfer Out	7,217,315	5,995,500	7,195,500	7,176,880	7,176,880
Total	\$7,217,315	\$5,995,500	\$7,195,500	\$7,176,880	\$7,176,880

MISSION STATEMENT: *To hear and act upon appeals on various zoning matters related to the development and use of land in the City and to provide ordinance interpretation.*

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 110 of the Public Acts of 2006, as amended. Execution of its duties are performed in such a way that the objectives of the Zoning Ordinance shall be observed and met, public safety secured, and substantial justice done. The Zoning Board of Appeals consists of seven members appointed by City Council for a term of three years.

The Zoning Board of Appeals enjoys all the powers granted to it by both State law and Ordinance No. 278, which includes certain specific powers. Ordinance and map interpretations, modification of height, wall, buffering, screening and landscape requirements, modification of vehicle parking stalls, loading area and placement regulations, and the granting of use variances are specific examples of power granted to this Board.

The members of the Board are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; and other related matters.

Zoning Board of Appeals meetings are open to the public except those authorized to be conducted in closed session pursuant to the Open Meetings Act. The public is afforded the opportunity to speak at any public hearing in accordance with the Rules of Procedure and Bylaws of the Board. No business is conducted unless a majority of the members are present.

If the Board approves a variance, it shall remain in effect only as long as the facts and circumstances, as presented, continue to exist and conditions attached to the approval are satisfied and maintained. If the variance is not exercised within 12 months from the date it was granted, the variance shall lapse.

The appeal process begins by filing a notice of appeal accompanied by an application fee. The

KEY GOALS

- *To review and act upon use and dimensional variances to the City's Zoning Ordinance.*
- *To hear appeals in regard to special land uses and planned unit developments.*
- *To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.*
- *To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.*

notice of appeal must specify the requirement from which a variance is sought and the nature and extent of such variance. An official record is prepared for each appeal upon which the Board has based a decision.■

Did you know...

...the Zoning Board of Appeals can grant both dimensional variances as well as use variances?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 35.1%.

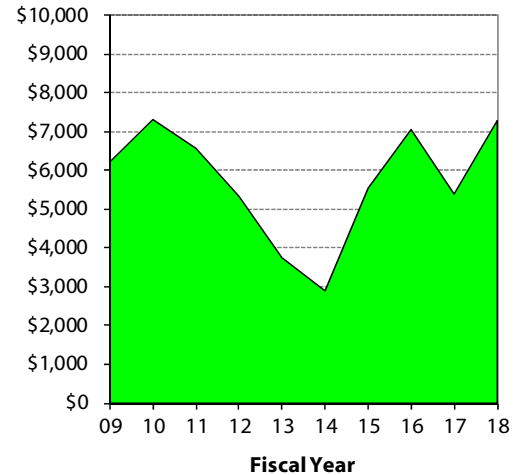
Personnel Services – The total Personnel budget is proposed to remain the same at \$2,150.

Supplies – Total Supplies increased \$350 or 77.8%. Postage funding increased \$200 based on a greater number of legal notification mailings required in recent years. Operating supply costs rose \$150, as more appeal application forms and notification cards are needed.

Other Charges – Total Other Charges increased \$1,540 or 55.2%. The budget increased \$1,100 to provide more training and educational opportunities for the Zoning Board members. Publishing costs increased \$630, as a greater number of newspaper notices with lengthier agendas have been required. \$10 was added due to a slight increase in the Michigan Association of Planning membership fee. The budget decreased \$200 for reporting services to bring the budget more in line with the current year's estimated expenditure usage.

Capital – There is no Capital proposed for this board.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$2,327	\$2,150	\$2,150	\$2,150	\$2,150
Supplies	672	450	800	800	800
Other Charges	4,053	2,790	3,020	4,330	4,330
Total	\$7,052	\$5,390	\$5,970	\$7,280	\$7,280

Component Unit Funding

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

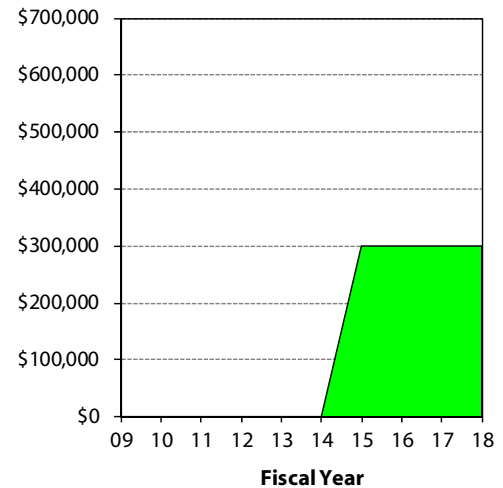
The total budget increased by 0.0%.

Personnel Services – There is no Personnel budget for this cost center.

Other Charges – There is no Other Charges budget for this cost center.

Transfers Out – Transfers Out to other City funds totals \$300,000. Transfers are budgeted to the Economic Development Corporation Fund for \$140,000 and to the Corridor Improvement Authority Fund for \$160,000, both for additional funding that can be utilized for future property acquisitions, brownfield redevelopments, and other economic development activities for which costs can be later recaptured.

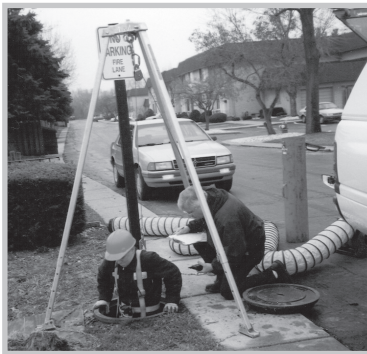
Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfer Out	300,000	300,000	300,000	300,000	300,000
Total	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

Water & Sewer Fund



The Water & Sewer Fund is an Enterprise Fund responsible for operation of the city's combined water supply and sewage disposal system. The fund is used to finance the cost of providing services to residents through user fees. Activities that make up the Water & Sewer Fund include Water & Sewer Administration, Water Distribution, and Sewage Collection.

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. It is used to provide water and sewer services to residential, industrial, and commercial customers. It is self-supporting and is designed to meet its obligations free of taxation. An annual independent audit is prepared on prior year financial results and administrative staff projects a forecast of the next year. Together they are used to determine what, if any, adjustments need to be made so the fund will remain financially sound.

Historically, Sterling Heights has not passed on the full City of Detroit water and sewage rate increases. Over the past 23 years, Detroit has increased its rates by an average of 7.3% per year, while Sterling Heights has increased its rates by only 6.4% per year. In addition, the City has made several adjustments to its rate structure as a direct result of changes in the way the City is billed for water and sewage disposal costs.

For example, in 1998/99, Detroit increased its water and sewage rates by 7.2% and 4.1%, respectively. The City passed along only a 3% increase. The summer discount increased from a maximum of \$15 to \$25.

In 2003/04, Detroit increased its water rate by 5.0% and sewage rate by 8.6%. The City passed on only a 4.9% water and 6.9% sewage rate increase, and also implemented a single-tier rate structure.

In 2004/05, Detroit implemented a new computerized meter reading system to accurately obtain the maximum peak usage of water, resulting in a 16.5% water and 4.4% sewage rate increase. The City passed on an 11.9% water and sewage rate increase to its customers.

In 2005/06, Sterling Heights changed from a single-tier to an inclining two-tier water rate structure to help reduce maximum day and peak hour usage and lessen future water cost increases.

In 2010/11, the Detroit water rate increased by 8.6%. Detroit also implemented a new fixed rate structure, which included an annual \$1.3 million fixed cost. Detroit's sewage rate also increased by 10.0%. The City passed along a 9.9% water and sewer rate increase to its customers.

In 2012/13, Detroit increased its water rate by 8.9%. Detroit's sewage fees increased 9.2%, while fixed sewage charges rose 13.5% and the City's share of

sewer rehabilitation debt increased by 23.9%. The City passed along an 8.9% water and 13.9% sewer rate increase and implemented a fixed charge as a result of Detroit's increasingly fixed charges. To lessen the impact to the average residential customer, the first tier water rate and consumption amount for the minimum bill user also decreased.

In 2014/15, water charges from Detroit increased by 6.2%, while sewage disposal fees were estimated to increase by 4.0% and sewage fixed charges increased by 5.8%. Also, treated sewage volumes rose 4.0% and the City's share of the District's debt increased 11.2%. Sterling Heights passed along a 7.9% water and 11.9% sewer rate adjustment to its customers. Fixed fees per billing period increased by \$1 for residential users and \$2 for commercial users to become more in-line with Detroit's increasing fixed rate structure.

In 2016/17, the cost of water from the Great Lakes Water Authority (GLWA) increased by 6.7%. Macomb's sewage costs were estimated to increase by 10.4%. Debt payments on the District's sewer rehabilitation projects were also increasing by 3.7% and a charge for unpaid Highland Park debt was now factored into the City's sewer rate. The City passed along a 9.9% water and 14.9% sewer rate adjustment to its customers. Fixed fees per bill were adjusted by \$2.75 for residential customers and \$4.00 for commercial users. The consumption amount for the minimum bill also increased from 800 to 900 cubic feet.

In 2017/18, the GLWA water cost is increasing by 5.0% and Macomb's sewer cost is estimated to increase by 11.5%, which includes an anticipated new debt payment for a portion of the 15 Mile Interceptor Repair. In addition, City costs have risen by 21.2% due to increased investment in water and sewer infrastructure. As a result, an overall combined 14.3% water and sewer rate adjustment must be passed on to the City's customers.■

Did you know...

...the City of Sterling Heights received a \$2 million Stormwater, Asset Management, and Wastewater (SAW) grant from the Michigan DEQ to televise the sewer lines and develop a Wastewater Asset Management Plan?

WATER & SEWER SYSTEM OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
REVENUES						
Water & Sewer Service	\$33,059,860	\$37,323,030	\$43,102,720	\$44,861,380	\$48,508,650	\$48,508,650
Penalties & Interest	587,130	635,040	650,000	625,000	650,000	650,000
Hydrant Rental	159,750	162,950	166,210	162,950	162,950	162,950
Interfund Service	83,320	69,100	86,350	69,100	79,100	79,100
Tap and Meter Revenue	504,140	520,850	515,000	600,000	550,000	550,000
Repair and Service	50,970	99,130	60,000	60,000	60,000	60,000
Inspection Fees	9,070	13,480	13,000	14,000	14,000	14,000
Turn-On Charge	19,450	18,130	20,000	18,000	18,000	18,000
Ind./Pollution Surcharge	989,420	625,760	800,000	525,000	645,000	645,000
Miscellaneous	603,880	855,760	610,610	250,110	533,790	533,790
Interest on Investments	394,810	319,340	461,000	226,850	295,000	295,000
Federal Grant	602,740	96,710	398,000	272,000	1,128,000	1,128,000
Total Revenues	\$37,064,540	\$40,739,280	\$46,882,890	\$47,684,390	\$52,644,490	\$52,644,490
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	\$1,031,290	\$1,212,070	\$994,610	\$991,790	\$1,059,700	\$1,059,700
Supplies	13,040	7,610	7,300	8,500	7,580	7,580
Other Charges	7,922,510	8,172,090	2,474,360	2,588,190	2,637,220	2,637,220
Capital Outlay	0	0	623,000	401,320	11,050	11,050
Total Expenses	8,966,840	9,391,770	4,099,270	3,989,800	3,715,550	3,715,550
WATER DISTRIBUTION						
Personnel Services	1,348,780	1,514,870	1,262,030	1,310,660	1,434,140	1,434,140
Supplies	283,870	306,370	315,000	345,000	327,000	327,000
Other Charges	13,206,090	15,283,880	16,308,980	16,520,500	17,139,780	17,139,780
Capital Outlay	0	0	168,150	168,150	0	0
Total Expenses	14,838,740	17,105,120	18,054,160	18,344,310	18,900,920	18,900,920
SEWAGE COLLECTION						
Personnel Services	1,602,900	1,817,710	1,576,220	1,520,570	1,699,220	1,699,220
Supplies	50,910	39,760	44,000	40,000	45,000	45,000
Other Charges	17,231,630	18,159,160	18,870,850	19,478,740	22,760,210	22,760,210
Capital Outlay	0	0	0	0	273,000	273,000
Debt Service	2,056,310	2,646,570	4,645,660	4,628,710	5,253,380	5,253,380
Total Expenses	20,941,750	22,663,200	25,136,730	25,668,020	30,030,810	30,030,810
Total Operating Expenses	\$44,747,330	\$49,160,090	\$47,290,160	\$48,002,130	\$52,647,280	\$52,647,280

Note: Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue and Capital and Frontage charges.

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, businesses, and other City funds. These monies are used to reimburse the Water & Sewer Fund for services provided to other entities, funds, or departments. The primary revenue accounts within this revenue center include Water Services and Sewage Collections.

In the 2017/18 Budget, Charges for Services revenue represents 96.3% of total revenue sources, an increase of \$5,277,420.

The 2017/18 Budget recommends a combined 14.3% rate adjustment on water and sewage rates charged to our resident and corporate customers. This increase is the result of an increase in the Great Lakes Water Authority's (GLWA) water rates and Macomb County's sewage rates charged to the City of Sterling Heights. Debt payments on the District's sewer rehabilitation projects also increased and include an anticipated debt payment for a portion of the 15 Mile Interceptor repair. In addition, water consumption has decreased, which lowers both water and sewer sale revenues, and the City's operational costs have increased mostly due to important infrastructure improvements. The average residential customer will pay approximately \$74 per month for water and sewer services.

The average residential customer will pay approximately \$74 per month for water & sewer services.

In 2012/13, due to Detroit's increasingly higher fixed charges, the City began passing along a portion of fixed costs to its users as part of the overall rate increase. A modest \$30 annual fixed residential fee and a \$120 commercial fixed fee was implemented. The fixed fee allowed the City to reduce its first tier water rate, where most residential consumption is billed, thereby lowering the water bill increase. The consumption amount for the minimum bill user also decreased to lessen the fixed fee impact to very low users. In 2014/15, the residential fixed fee increased by \$1 per quarterly bill, while commercial accounts increased

by \$2 per bill to begin to become more in-line with Detroit's increasing fixed rate structure.

In 2016/17, fixed fees per bill were adjusted by \$2.75 for residential customers and \$4.00 for commercial users, to further reflect the increased fixed costs billed to the City. As system users reduce consumption and the GLWA's fixed charges continue to increase, this billing method will better prevent revenue shortfalls and help avoid higher rate increases that can lead to further decreases in usage. Fixed fees reduce revenue volatility and avoid overcharging customers in years where usage increases. The consumption amount for the minimum bill also increased from 800 to 900 cubic feet. For 2017/18, the City's residential and commercial fixed fees and the minimum consumption amount remain the same.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Rental Income, Reimbursements, Insurance Recovery, Federal Grants, and Miscellaneous Revenue.

In the 2017/18 Budget, Other Revenues represents 3.7% of total revenue sources, an increase of \$484,180. This increase is primarily due to the one-time receipt of grant monies for sewer line televising, offset by a decrease in Interest on Investments.

In the 2017/18 Budget, Other Revenues represents 3.7% of total revenue sources, an increase of \$484,180.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2017/18 Budget, expenditures exceed revenues slightly, resulting in a \$2,790 use of net assets for the system to break even. The Water & Sewer Fund is typically self-supporting and is designed to break even. Water and sewage rates are set strictly to finance the City's cost of providing services to its customers.■

WATER & SEWER FUND

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CHARGES FOR SERVICES						
627531	Administrative Services - Refuse	\$69,100	0.17	\$69,100	0.15	\$69,100	0.13
629001	Labor Services - Roads	0	0.00	13,000	0.03	10,000	0.02
629002	Labor Services Cross Charges	0	0.00	500	0.00	0	0.00
633001	Water Tap Fees	170,062	0.42	125,000	0.27	170,000	0.32
633002	Sewer Tap Fees	13,660	0.03	40,000	0.09	30,000	0.06
633003	Meter Charges	337,129	0.83	350,000	0.75	350,000	0.66
633004	Inspection	13,484	0.03	13,000	0.03	14,000	0.03
633005	Water & Sewer Services	99,128	0.24	60,000	0.13	60,000	0.11
633006	Hydrant Rental - Fire Department	162,950	0.40	166,210	0.35	162,950	0.31
633009	Turn-On Charge	18,126	0.04	20,000	0.04	18,000	0.03
634001	Materials/Supplies Cross Charges	0	0.00	750	0.00	0	0.00
643000	Water Services	14,828,529	36.40	16,880,150	36.00	18,405,000	34.96
644000	Collections - Sewer	22,494,502	55.22	26,222,570	55.93	30,103,650	57.18
645000	Penalties - Water & Sewer	635,044	1.56	650,000	1.39	650,000	1.23
646000	Industrial & Pollution Surcharge	625,760	1.54	800,000	1.71	645,000	1.23
	Total Charges for Services	39,467,474	96.88	45,410,280	96.86	50,687,700	96.28
	OTHER REVENUE						
529000	Federal Grant - Other	96,712	7.60	398,000	27.03	1,128,000	57.65
665000	Interest on Investments	309,694	0.76	450,000	0.96	285,000	0.54
665445	Interest & Penalties - Tax Roll	9,641	0.02	11,000	0.02	10,000	0.02
669001	Rental - Road Equipment	0	0.00	2,500	0.01	0	0.00
669002	Rental/Equipment Cross Charges	0	0.00	500	0.00	0	0.00
676000	Reimbursements	417,516	1.02	410,610	0.88	403,790	0.77
677008	Unrealized Gain/Loss	296,591	0.73	40,000	0.09	0	0.00
685000	Miscellaneous Revenue	141,652	0.35	150,000	0.32	120,000	0.23
695000	Insurance Recovery	0	0.00	10,000	0.02	10,000	0.02
	Total Other Revenue	1,271,806	3.12	1,472,610	3.14	1,956,790	3.72
	Total Water & Sewer Fund	\$40,739,280	100.00	\$46,882,890	100.00	\$52,644,490	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
704000	Wages & Salaries - Permanent	\$1,625,696	3.31	\$1,734,180	3.67	\$1,878,490	3.57
704001	Sick Time Buy Back	20,825	0.04	9,000	0.02	9,000	0.02
704721	Health Insurance Allowance	8,250	0.02	6,000	0.01	9,000	0.02
705000	Wages-Salaries - Temp/Part-Time	145,077	0.30	136,230	0.29	132,940	0.25
708000	Overtime	270,642	0.55	280,000	0.59	280,000	0.53
708001	Compensation Time Buy Back	6,954	0.01	7,220	0.02	7,530	0.01
709000	Union Contract Reimbursements	7,850	0.02	7,950	0.02	8,850	0.02
710000	Longevity	41,203	0.08	41,440	0.09	44,680	0.08
715000	Clothing Allowance	6,592	0.01	6,300	0.01	6,800	0.01
717000	FICA	154,538	0.31	168,450	0.36	180,100	0.34
718000	Worker's Compensation	19,629	0.04	19,050	0.04	20,390	0.04
720000	Pension - General Emp Retirement	1,352,225	2.75	488,190	1.03	601,900	1.14
720002	Defined Contribution - Employer	10,163	0.02	12,890	0.03	16,810	0.03
720010	Employer Contribution Recovery	(40,739)	-0.08	0	0.00	0	0.00
721000	Health Insurance	270,705	0.55	274,360	0.58	346,730	0.66
721001	Health Insurance - Retirees	597,372	1.22	591,160	1.25	591,160	1.12
721003	Retiree Health Savings - City	2,154	0.00	2,000	0.00	7,000	0.01
722000	Dental Insurance	24,401	0.05	26,190	0.06	27,160	0.05
723000	Life Insurance	4,201	0.01	4,490	0.01	4,830	0.01
724000	Eye Care Insurance	2,096	0.00	2,050	0.00	2,650	0.01
725000	Disability Insurance - Long Term	3,703	0.01	3,930	0.01	4,240	0.01
725355	Disability Insurance - Short Term	11,108	0.02	11,780	0.02	12,800	0.02
	Total Personnel Services	4,544,645	9.24	3,832,860	8.11	4,193,060	7.96
	<u>SUPPLIES</u>						
729000	Postage	2,208	0.00	2,000	0.00	2,100	0.00
750000	Fuels & Lubricants	34,596	0.07	43,300	0.09	38,400	0.07
751000	Operating Supplies	37,687	0.08	41,000	0.09	44,080	0.08
770000	Water Meters - Assembled	120,734	0.25	140,000	0.30	140,000	0.27
771000	Fire Hydrant Parts	12,323	0.03	10,000	0.02	15,000	0.03
772000	Tap-In Materials - Water	18,021	0.04	50,000	0.11	50,000	0.09
774000	Water Meter Parts	128,170	0.26	80,000	0.17	90,000	0.17
	Total Supplies	353,739	0.73	366,300	0.77	379,580	0.72
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	41,730	0.08	37,180	0.08	37,910	0.07
806000	Legal Services - Other	54	0.00	100	0.00	100	0.00
806001	Legal Services - City Attorney	2,663	0.01	2,000	0.00	2,000	0.00
807000	Medical Services	746	0.00	1,500	0.00	1,500	0.00
810000	Other Fees	104,879	0.21	110,750	0.23	115,800	0.22
810100	Other Fees - Paid Ref Escrow	22,824	0.05	0	0.00	0	0.00
824000	Water Tap Installation - Contractor	53,995	0.11	45,000	0.10	45,000	0.09
826000	Other Contracted Services	62,228	0.13	124,800	0.26	1,853,630	3.52
827000	Interfund Services	2,001,990	4.07	2,100,000	4.44	2,076,300	3.94
832000	Building Maintenance	0	0.00	1,200	0.00	1,220	0.00
833000	Equipment Maintenance	78,835	0.16	78,500	0.17	187,000	0.36

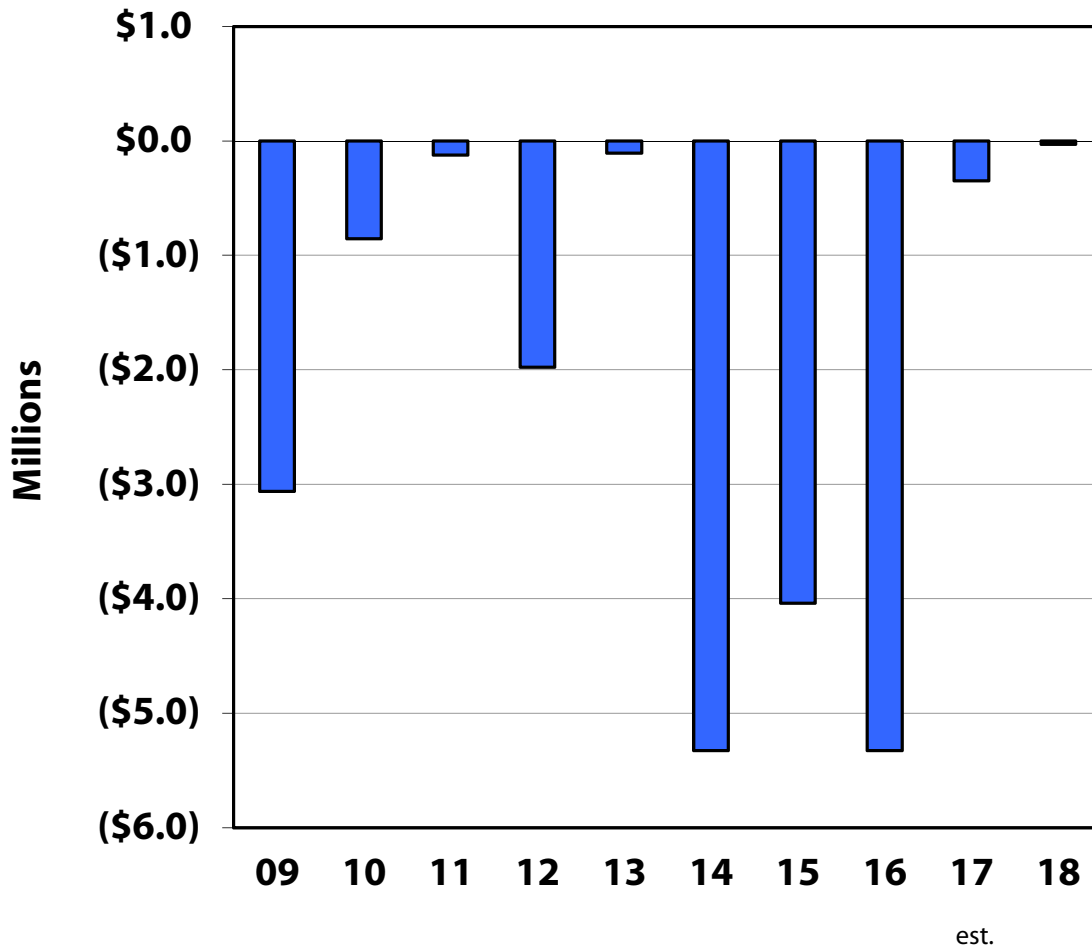
WATER & SEWER FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
835000	Vehicle Maintenance	158,373	0.32	144,000	0.30	124,000	0.24
840000	Water Main Repair	346,861	0.71	285,000	0.60	300,000	0.57
841000	Distribution Line Repair	210,436	0.43	270,000	0.57	245,000	0.47
842000	Sewer Main Repair	38,279	0.08	30,000	0.06	100,000	0.19
903000	Printing	397	0.00	150	0.00	250	0.00
913000	Liability Insurance	0	0.00	0	0.00	135,000	0.26
915000	Other Insurance	2,460	0.01	2,460	0.01	2,460	0.00
921000	Electric	22,680	0.05	23,600	0.05	28,000	0.05
922000	Telephone	3,735	0.01	3,300	0.01	4,700	0.01
923000	Gas - Fuel - Oil	7,319	0.01	9,300	0.02	8,250	0.02
931000	Water Purchased	14,678,922	29.86	15,630,300	33.05	16,305,600	30.97
932000	Sewage Disposal Services	17,566,078	35.73	18,241,470	38.57	20,201,000	38.37
934000	Industrial & Pollution Surcharge	289,962	0.59	375,000	0.79	645,000	1.23
945000	Other Rental	105,455	0.21	113,560	0.24	86,710	0.16
956000	Local Meetings	44	0.00	50	0.00	50	0.00
957000	Memberships & Dues	611	0.00	870	0.00	780	0.00
959000	Education & Training	4,632	0.01	6,100	0.01	11,950	0.02
964000	Refunds & Rebates	20,441	0.04	18,000	0.04	18,000	0.03
968000	Depreciation	5,788,498	11.77	0	0.00	0	0.00
	Total Other Charges	41,615,127	84.65	37,654,190	79.62	42,537,210	80.80
	<u>CAPITAL OUTLAY</u>						
979000	Computer Equipment	0	0.00	0	0.00	11,050	0.02
981000	Electronic Equipment	0	0.00	125,000	0.26	0	0.00
982000	Machinery & Equipment	0	0.00	598,000	1.26	273,000	0.52
984000	Vehicles	0	0.00	68,150	0.14	0	0.00
	Total Capital Outlay	0	0.00	791,150	1.67	284,050	0.54
	<u>DEBT SERVICE</u>						
992000	Principal	0	0.00	2,520,080	5.33	3,151,970	5.99
993001	Interest - Oakland-Macomb Intcpt.	639,569	1.30	530,780	1.12	557,060	1.06
993002	Interest - Macomb Interceptor	1,401,627	2.85	1,100,950	2.33	1,072,730	2.04
993003	Interest - North Gratiot Interceptor	105,073	0.21	106,410	0.23	101,790	0.19
993005	Interest - Clintondale Pump Station	500,306	1.02	387,440	0.82	369,830	0.70
	Total Debt Service	2,646,575	5.38	4,645,660	9.83	5,253,380	9.98
	Total Water & Sewer Fund	\$49,160,086	100.00	\$47,290,160	100.00	\$52,647,280	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

Water & Sewer Net Income from Operations

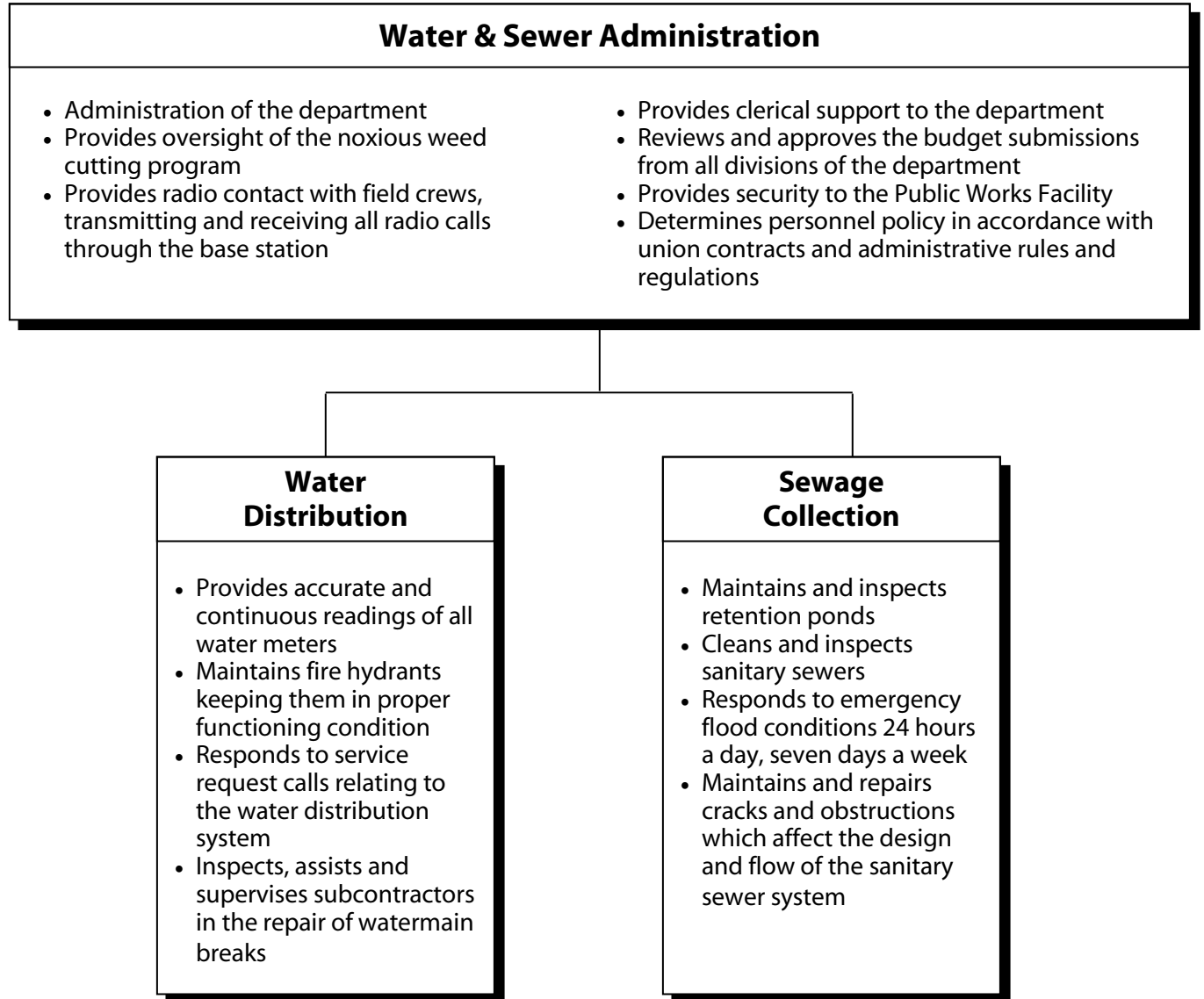


This graph illustrates the net income from operations in the Water & Sewer fund. These numbers reflect the truest picture of the results of Water & Sewer fund operating performance upon which the City's water & sewer rates are established.

Revenue includes interest on investments for both the Water & Sewer Operating and Receiving funds. Expenses exclude depreciation costs and include capital outlay and principal payments.

FUNCTIONAL ORGANIZATION CHART

Water & Sewer Fund (Public Works Department)



DEPARTMENT AT A GLANCE

Water & Sewer Fund

BUDGET SUMMARY

The Water & Sewer Fund increased \$5.4 million or 11.3%. As the City purchases its water and sewer services from the Great Lakes Water Authority (GLWA) and Macomb County Public Works Office, their costs directly impact the City's rates. The water costs from GLWA will increase 5.0%; however, water consumption is estimated to decline further by 1.6%, which will lower water sales revenue. Macomb's sewer costs are estimated to increase by 11.5%; this includes an anticipated new debt payment for a portion of the 15 Mile Interceptor Repair. City costs have risen by 21.2% due to increased investment in water and sewer infrastructure including a one-time \$444,000 required match on a \$1.4 million federal grant for sewer line televising. Personnel costs increased \$360,200 or 9.4% primarily due to the addition of two full-time positions

to respond to water main breaks, implement a hydrant flushing program to ensure water quality and to televise the underground storm and sanitary lines to avoid emergency repairs. The City is also funding a hydrant and valve inspection program required by the DEQ and increased investment in water and sewer main repair. The Capital budget funds a sewer televising camera, cement saw, backhoe loader and 13 replacement personal computers. As a result of these cost increases, an overall combined 14.3% water and sewer rate adjustment must be passed on to our customers, resulting in a \$9 per month average increase. The average Sterling Heights residential customer will pay \$74 per month for water and sewer services which compares favorably to other cities in the State.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Water & Sewer Admin.	\$8,966,840	\$9,391,770	\$4,099,270	\$3,715,550	-9.4%
Water Distribution	14,838,740	17,105,120	18,054,160	18,900,920	4.7%
Sewage Collection	20,941,750	22,663,200	25,136,730	30,030,810	19.5%
Total Department	\$44,747,330	\$49,160,090	\$47,290,160	\$52,647,280	11.3%
Personnel Services	\$3,982,980	\$4,544,650	\$3,832,860	\$4,193,060	9.4%
Supplies	347,810	353,740	366,300	379,580	3.6%
Other Charges	38,360,230	41,615,130	37,654,190	42,537,210	13.0%
Capital Outlay	0	0	791,150	284,050	-64.1%
Debt Service	2,056,310	2,646,570	4,645,660	5,253,380	13.1%
Total Department	\$44,747,330	\$49,160,090	\$47,290,160	\$52,647,280	11.3%

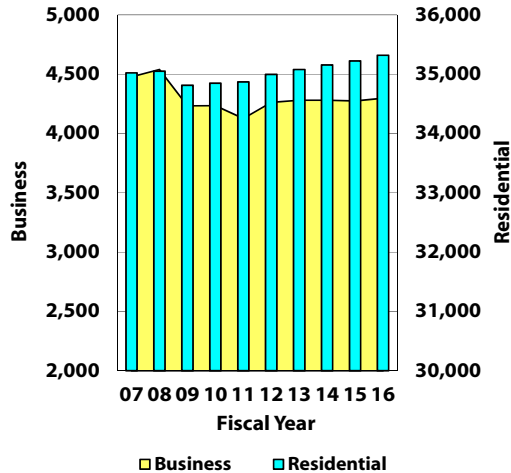
PERSONNEL SUMMARY

	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	6	0	6	3	6	3	6	3
Water Distribution	9	3	9	4	9	4	10	4
Sewage Collection	13	4	12	5	13	5	14	5
Total Department	28	7	27	12	28	12	30	12

KEY FUND TRENDS

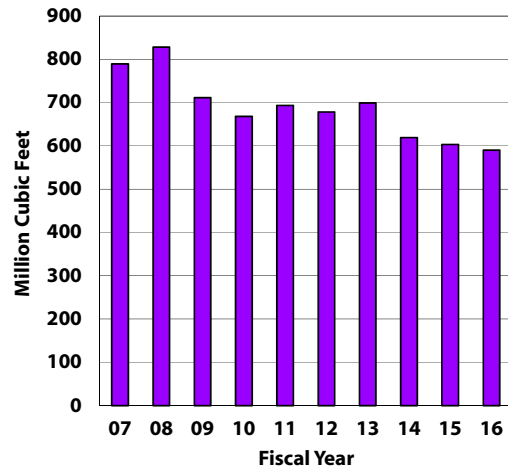
Water & Sewer Fund

Water & Sewer Customers



The number of business and residential Water & Sewer customers has increased over the past ten years due to growth and development in the City, though the rate of growth has slowed in the past several years.

Water Sold to Residents



The City has sold a fluctuating amount of water to our residents and businesses. The decrease in some years is largely a result of increased rainfall or economic conditions, which lowers the demand and use for irrigation purposes. Water usage has declined by 29.3% since 2006.

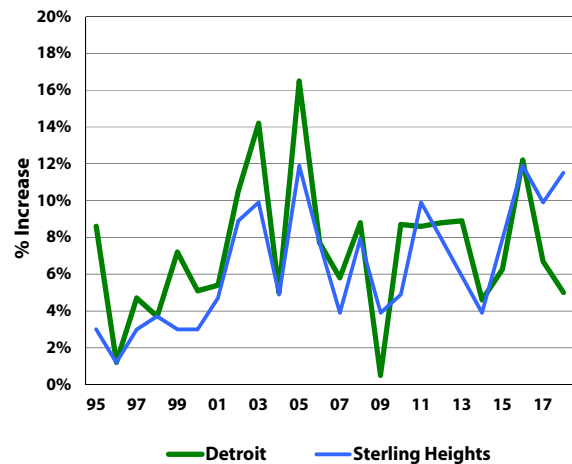
Average Residential Monthly Water & Sewer Bill

1. Lansing	\$112
2. Southfield	\$98
3. Dearborn	\$78
4. Grand Rapids	\$76
5. Ann Arbor	\$73
6. Farmington Hills	\$72
7. Livonia	\$68
8. STERLING HEIGHTS	\$65
9. Troy	\$63
10. Warren	\$61

Rates as of 10/16 using 12,000 cf.

The City purchases its water and sewer services through the Great Lakes Water Authority. The average resident pays \$65 per month for such services. This amount compares favorably to all communities. According to independent studies, Sterling Heights has the lowest residential water and sewer rate of any city in the state with more than 25,000 residents.

Annual Water Rate Increases



Historically, Sterling Heights has not passed on the full City of Detroit water and sewer rate increases to our customers. For example, in 1995 Detroit increased its rates to us by 8.6%, we passed on only a 3% increase. In 1999, Detroit increased our rates 7.2%, we passed on only 3%. In 2003, Detroit increased our rates by 14.2%, we passed on only 9.9%. Detroit has increased its rates by an average of 7.3% per year over the past 23 years. Sterling Heights has increased its rates by 6.4% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.

Beware of little expenses. A small leak will sink a great ship.

~ Benjamin Franklin ~



MISSION STATEMENT: *To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.*

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the tall grass/weed cutting program of the Public Works Department.

The staff of the Public Works Department responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also to provide these services in the most cost efficient manner. Reports, correspondence, and responses to residents and users concerning activities of the various divisions are provided through this activity. Specifications are developed, analyzed and prepared for the timely bidding of capital equipment, vehicles, materials, supplies, and subcontracted services.

This Division provides clerical support to the Public Works operation including preparation of specialized reports and correspondence, assistance in budget preparation, and response to resident inquiries and service requests over the telephone, via e-mail and at the counter. Staff schedules water and sewer inspections, Miss Dig stake-outs for City water and sewer lines, tree branch chipping, and tree removal and planting.

Staff has constant and immediate radio contact with field crews during regular duty hours, by transmitting and receiving all radio calls to the base station. The communication system also provides immediate 24 hours, seven days a week communication between administration, supervisors, and staff. Internal calls are evaluated and relayed to the appropriate division.

In the case of emergencies during off-duty hours, a tape-recorded message advises callers to contact

KEY GOALS

- *To preserve the investment made in the City's infrastructure through a continual proactive maintenance program.*
- *To provide continual high levels of safety, convenience and health protection to the public in the use of roads, water, sewers, parks, grounds, vehicles, equipment and refuse collection.*
- *To establish priorities and monitor the department's performance plan and standards.*
- *To create, develop and maintain a positive, competent, service-oriented public image.*

the Macomb County Dispatch Center. The DPW provides the County Dispatch Center with a list of emergency scenarios and a list of supervisors to contact for each type of emergency. In an emergency situation, appropriate personnel are contacted to respond. Examples of such emergencies include flood conditions, snow removal, tree damage due to storms, water main breaks, and other emergency conditions, which require personnel to report to work on other than regular duty hours. Radio contact is maintained with field crews, messages are received and relayed, and specific field operations are recorded.■

Did you know...

...the Department of Public Works hosts a paper shredding event and an e-waste recycling event every spring exclusively for its residents?

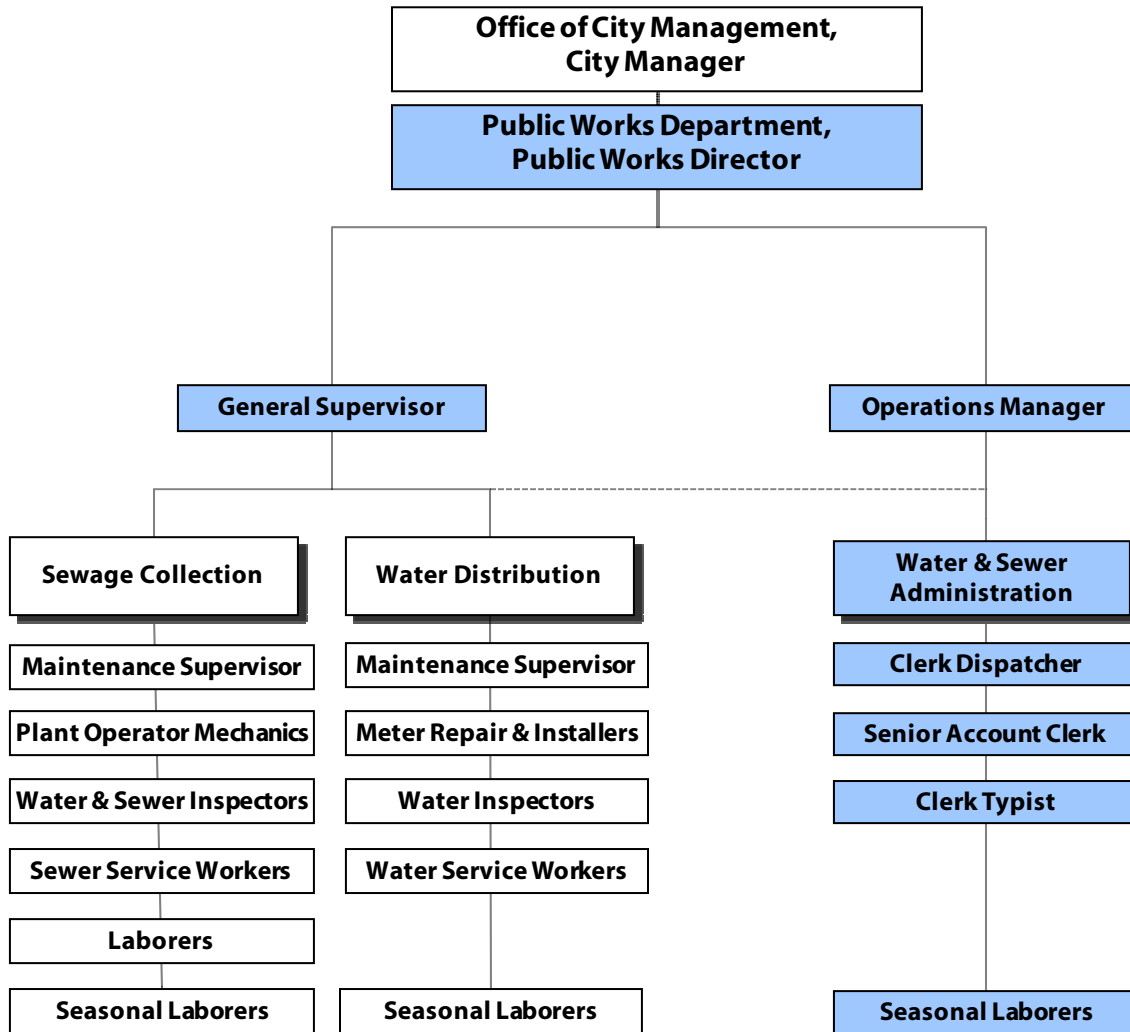
Water & Sewer Administration

2017/18 PERFORMANCE OBJECTIVES

1. To utilize the Department of Environmental Quality (DEQ) Stormwater, Asset Management, and Wastewater (SAW) Grant to develop a complete inventory of all existing utility system assets and integrate this data into the existing GIS database. *(City Goal 1, 2)*
2. To obtain condition assessments on all existing utility system assets and develop an operation and maintenance strategy with the use of the City's asset management software. *(City Goal 1, 2, 3, 6, 16, 23)*
3. To continue to aggressively enforce the City's noxious weed ordinance by sending violation letters and cutting properties when necessary, in order to maintain the aesthetics of the City, especially in our residential neighborhoods. *(City Goal 12,13,14)*
4. To develop asset management programs for water, sanitary, and storm utilities utilizing guidelines from the DEQ and Insurance Service Office (ISO) 55000 standards. *(City Goal 1, 4, 8,16)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Water & Sewer Customers	39,435	39,497	39,604	39,500	39,545	39,550
	Customer Service Requests (Permits Plus)	7,329	6,936	5,088	6,500	4,665	5,500
	Res. /Commercial Sanitary Sewer Tap Connections	114	94	112	100	107	110
	Residential/Commercial Water Taps	106	91	129	120	214	200
	Res. /Comm. Water Meter Installations (new & repl.)	639	636	698	1,000	706	800
	Tall Grass/Weed Cutting Revolutions (317 acres)	6	6	6	6	6	6
	Vacant Parcels Cut - Tall Grass/Weed Program	491	416	256	200	257	250
	Parcels Cut - Occupied Res. Homes/Businesses	647	457	156	200	121	150
	Backflow Preventer Testing Compliance Letters	1,427	1,161	1,357	1,400	1,009	1,400
	Site Plans Reviewed	20	42	34	35	35	35
	Vehicles/Equipment Specifications Prepared	12	10	14	10	11	12
	Materials/Supplies/Services Specifications Prepared	24	25	26	25	42	40
	Hours of Safety Training	443	450	586	450	787	900
	Monthly Act 51 Reports Generated	12	12	12	12	12	12
	Monthly Public Works Cross-Charge Reports	12	12	12	12	12	12
	Billings Prepared for State Highway Maintenance	4	4	4	4	4	4
	Outfalls Insp./Sampled for Stormwater Discharge	68/3	67/0	38/0	60/3	60/0	60/3
	Landscape Median Mowing - Revolutions	25	26	25	25	25	25
Efficiency	Ratio of FT Employees to Workers Comp. Claims	6:1	5:1	4:1	10:1	9:1	8:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	Annual Residential Water & Sewer Bill (12,000 cfs)	\$540	\$599	\$683	\$781	\$781	\$893
	Monthly Residential Water & Sewer Bill (12,000 cfs)	\$45	\$50	\$57	\$65	\$65	\$74
	City's Fixed Charge as a % of Total W&S Bill	4.9%	5.5%	4.9%	5.6%	5.3%	4.9%
	% of Outfalls Sampled with no Water Discharge	95%	N/A	N/A	95%	N/A	95%

Water & Sewer Administration



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Public Works Director	1	1	1
Operations Manager	1	1	1
General Supervisor	1	1	1
Clerk Dispatcher	1	1	1
Senior Account Clerk	1	1	1
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
Total	9	9	9

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

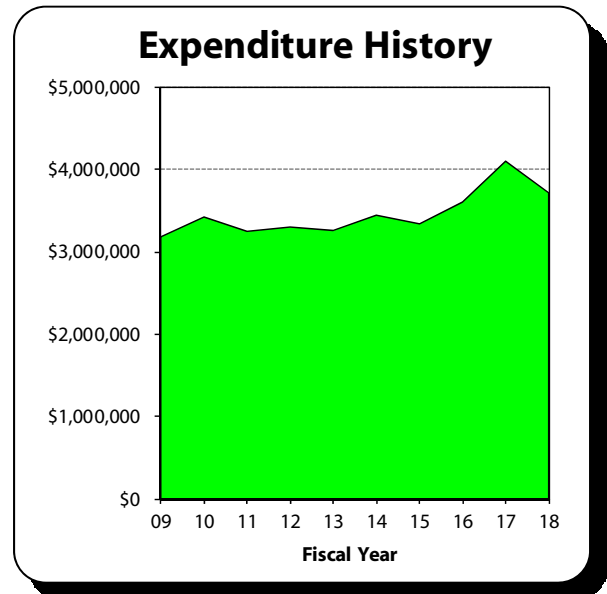
SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 9.4%.

Personnel Services – The Personnel budget increased \$65,090 or 6.5%. Full-time wages increased \$26,540 due to contractual wage adjustments and step increases for two employees not at the top of their wage scale. Required funding for long-term retirement liabilities increased by \$31,410.

Supplies – Total Supplies increased \$280 or 3.8%. Funding for fuel and lubricants increased \$100 to bring the budget more in line with recent actual expenditure levels. Postage costs increased \$100 and \$80 was added due to an inflationary increase in supply costs.

Other Charges – Total Other Charges increased \$162,860 or 6.6%. The budget includes funding of \$135,000 for liability insurance premiums. Equipment maintenance costs increased \$62,500, primarily for the new Cityworks annual software support agreement, and a slight increase in existing software support fees. Contracted service costs rose \$8,200 for increased rodent control services, partially offset by a decrease in State radio fees and cable service costs. Credit card fees increased \$5,000 due to a higher number of credit card water bill payments. Telephone costs rose \$1,400 due to the addition of two smartphones in the prior year. Educational funding increased \$550 for the Director and Operations Manager to participate in additional local and online seminars. The City will save \$26,850 in facility rental cross-charge costs due to lower General Fund operational costs. Interfund service costs



decreased \$23,700 based on a revised allocation of General Fund costs for time spent on Water & Sewer related functions. A membership was eliminated, saving \$90.

Capital – Total Capital of \$11,050 is proposed for 13 replacement personal computers.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,212,069	\$994,610	\$991,790	\$1,059,700	\$1,059,700
Supplies	7,605	7,300	8,500	7,580	7,580
Other Charges	8,172,089	2,474,360	2,588,190	2,637,220	2,637,220
Capital Outlay	0	623,000	401,320	11,050	11,050
Total	\$9,391,763	\$4,099,270	\$3,989,800	\$3,715,550	\$3,715,550

MISSION STATEMENT: *To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.*

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 6,000 service request calls are responded to annually.

Inspections and reinspections are conducted at approximately 600 commercial and industrial establishments. Citations are issued to those in violation of City ordinance and/or State rules and regulations. Residents' water shut-off boxes are checked and repaired if necessary. City-owned gatewells, valves, and meter pits are inspected for repairs, cleaning, and electrical functioning. This Division also inspects and repairs water services, damaged water shut-offs, leaking curb stop boxes as well as supervises and assists subcontractors in water main break repairs.

An inventory is maintained of all materials used in the operation of the Water Distribution program. The upkeep of the divisional garage area, storage area, and meter shop, as well as the operator/driver maintenance of vehicles and equipment is performed.

Assistance is provided in the Tall Grass/Weed Cutting Program through inspection of lots or acreage cut by the subcontractor. This Division prepares all necessary paperwork, work orders, and reports; assists in responding to complaints; and participates in the snow emergency program when required.

Residential water meters for approximately 35,000 customers are read quarterly. Commercial and industrial water meters for nearly 4,500 customers are all read on a monthly basis via a fixed network

KEY GOALS

- *To provide efficient and economical maintenance and repair of the water distribution system.*
- *To ensure accurate and continuous reading of residential, commercial and industrial water meters.*
- *To maintain all fire hydrants in a properly functioning condition to support fire fighting throughout the City.*
- *To inspect commercial/industrial establishments for cross connections and proper backflow prevention in order to protect the water system from contamination.*
- *To review construction plans for future development of the water system and inspect new connections for proper installation.*

radio meter reading system, which is able to pick up the transmission of water meter readings and transmit the readings to a central computer. Personnel read and perform rechecks as requested by homeowners and customers to check for high, low, or questionable reads. All new or replacement water meters are tested for accuracy prior to installation to ensure that high volume users are billed correctly. One-half of all compound water meters are tested and repaired annually.■

Did you know...
...the Water Distribution division winterizes over 7,200 fire hydrants every fall to prevent frost damage in the winter months?

Water Distribution

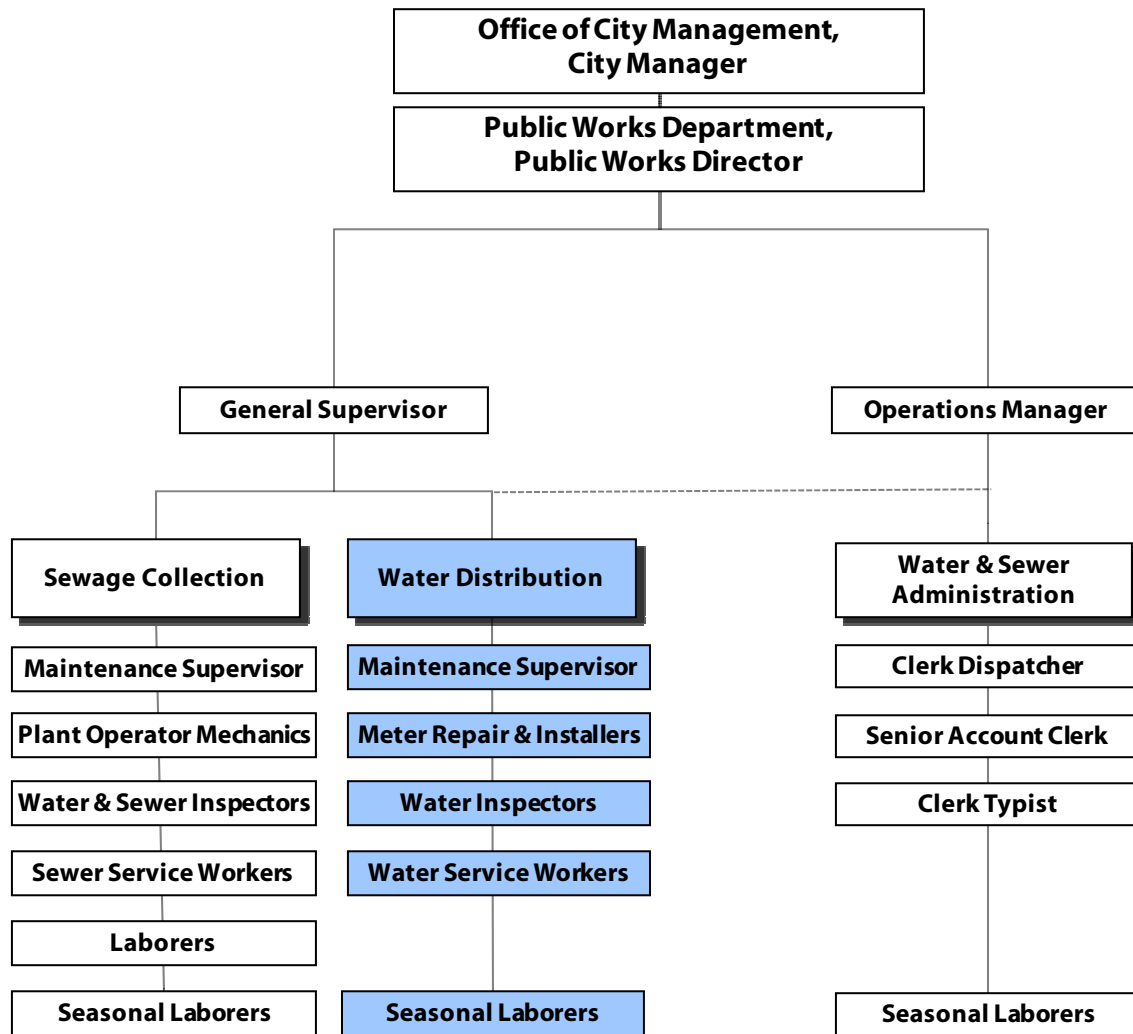
2017/18 PERFORMANCE OBJECTIVES

1. To utilize Cityworks Software to streamline daily operations of the water department by digitizing work orders and increasing asset management. *(City Goal 1, 2, 16, 23)*
2. To monitor private contractors when testing more than 1,000 backflow preventers to ensure the protection of the public water supply. *(City Goal 16)*
3. To increase valve inspections and repairs on the nearly 6,600 control valves used to isolate sections of water main for repair. *(City Goal 16)*
4. To perform annual flushing of all dead end sections of the water main to ensure fresh water to all residents. *(City Goals 1, 2, 16, 23)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Miles of Water Mains in City	667	667	667	667	667	667
	Citizen Inquiries/Service Requests Responded To	4,596	4,937	4,672	5,000	4,400	5,000
	Water Meter Manual Reads - Residential & Comm.	136,252	135,550	133,164	133,000	130,000	130,000
	Water Meter Automated Reads - Res. & Comm.	66,268	67,182	69,615	70,000	72,000	75,000
	Water Main Breaks	155	100	100	125	125	125
	Miss Dig Stakeouts of Utilities Performed	7,449	7,452	8,459	7,500	7,350	7,500
	Water Meters Installed - Residential/Comm. (new)	65/23	69/27	80/34	100/30	120/42	120/30
	Water Meters Replaced	551	540	584	600	648	650
	Water Taps Installed - Residential/Commercial	84/22	72/19	90/39	100/20	120/35	120/30
	Cross Connection Inspections/Reinspections	365	521	300	500	160	500
	Compound Meters Tested	130	174	75	300	150	150
	Gatewells Inspected	310	256	275	300	280	280
	Businesses Monitored - Backflow Compliance	1,427	1,161	1,357	1,400	1,400	1,400
	Fire Hydrants Replaced	6	2	6	5	6	5
	Fire Hydrants Painted	639	547	150	500	500	500
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	99%	99%	99%	99%	99%	99%
	% of Miss Dig Stakeouts Completed w/i 48 hours	99%	99%	99%	99%	99%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	3.9	3.8	3.8	4.0	4.0	4.0
	Miles of Water Main Maintained per FT Employee	60.6	74.1	74.1	74.1	74.0	66.7
	Water Meter Manual Reads per Reader	54,501	54,220	53,266	53,200	53,200	52,000
	Water Purchased from GLWA (1,000 cubic feet)	614,039	603,378	636,215	630,000	660,000	620,000
	Cost of 1,000 Cubic Feet of Water from GLWA	\$9.92*	\$10.54*	\$9.45*	\$10.05*	\$10.05*	\$10.56*
	GLWA Water Fixed Charge	\$5,923,824	\$6,291,168	\$8,648,200	\$9,298,800	\$9,298,800	\$9,758,400
	Water Fixed Charge as a % of Total Costs	49.3%	49.7%	58.9%	59.5%	58.4%	59.8%

*Does not include fixed water costs.

Water Distribution



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Division Supervisor	1	0	0
Maintenance Supervisor	0	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	5
Meter Repair & Installer	2	2	2
Seasonal Laborer	4	4	4
Total	13	13	14

Water Distribution

SUMMARY OF BUDGET CHANGES

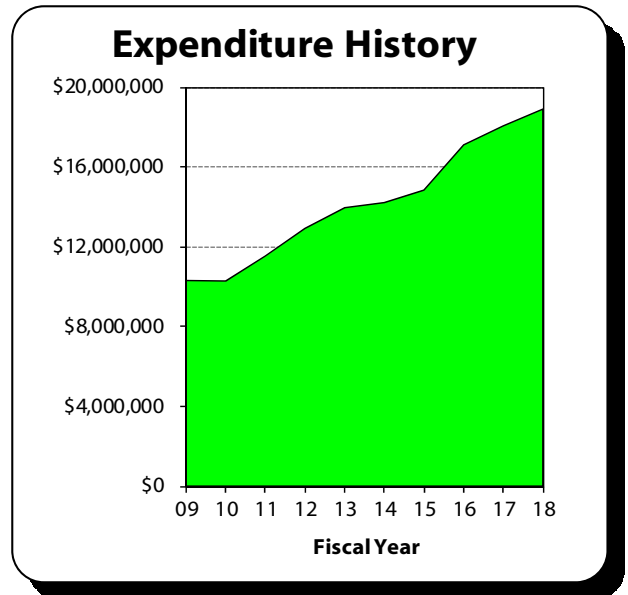
SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 4.7%.

Personnel Services – The Personnel budget increased \$172,110 or 13.6%. Full-time wage and benefit costs increased \$83,870 due to the addition of one full-time water service worker. This position will respond to emergency water main breaks, begin a hydrant flushing program and work with a contractor on a hydrant and valve maintenance program. Health insurance costs also increased due to the retirement of two employees with single coverage who were replaced by employees with family coverage. Required funding for long-term retirement liabilities increased by \$38,270.

Supplies – Total Supplies increased \$12,000 or 3.8%. \$10,000 was added for water meter replacement parts, as a greater number of meter transmitting units are needed to replace failing obsolete models. \$5,000 is needed for additional hydrant replacement parts. Fuel costs can be reduced \$3,000 due to lower gas prices in recent years.

Other Charges – Total Other Charges increased \$830,800 or 5.1%. The cost of water purchased from the GLWA increased \$675,300 due to a 5.0% increase in fixed and variable charges. \$150,000 was added for the contractual cost of a hydrant and valve inspection program required by the DEQ. Equipment maintenance costs increased \$44,000 primarily for needed maintenance and network upgrades to the MTU water meter reading system. Funding is also included for increased compound meter testing and



repairs. Funding for water main repairs increased \$15,000. Training funds increased \$3,000 for additional State-required certification classes for water service workers. Distribution line repair costs decreased \$50,000 and vehicle maintenance costs fell \$10,000, as fewer repairs have been needed.

Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,514,869	\$1,262,030	\$1,310,660	\$1,434,140	\$1,434,140
Supplies	306,370	315,000	345,000	327,000	327,000
Other Charges	15,283,879	16,308,980	16,520,500	17,139,780	17,139,780
Capital Outlay	0	168,150	168,150	0	0
Total	\$17,105,118	\$18,054,160	\$18,344,310	\$18,900,920	\$18,900,920

MISSION STATEMENT: *To maintain the sanitary and storm sewer systems to ensure that they are properly functioning in accordance with designed capacities.*

The Sewage Collection Division is responsible for maintaining designed sewerage flows through maintenance of the City-owned sanitary and storm sewer systems to ensure proper functioning.

Staff conducts thorough and responsible sewer and utility inspections. Crews of this Division continually repair and restore damaged utility structures, sewer lines, and replace the concrete required by these repairs. Included among the duties of this Division is the maintenance of retention ponds to assure proper functioning for the temporary retention of storm water drainage.

A three-year preventative maintenance program cleans a third of the sanitary system each year. Specific trouble spots in the sanitary sewer system are cleaned on a quarterly basis to avoid unnecessary problems. Debris is removed from the system to prevent blockages. Cracked or broken pipes, roots or other problems are located and resolved.

This Division responds to calls regarding sewer back-ups and/or blockages. Blockages are investigated, located, and relieved through sewer cleaning. If internal plumbing problems or sump pump malfunction is the cause, advice and assistance is provided. Residential and commercial sewer tap installations and utility structures (sanitary manholes, storm manholes, and gatewells) are inspected prior to the issuance of final occupancy permits.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

KEY GOALS

- *To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.*
- *To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.*
- *To provide an efficient, competent and responsible sewer connection and utility inspection program.*
- *To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.*
- *To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.*

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know...

...the Sewer Collection division maintains 430 miles of sanitary sewer lines and on average, cleans 750,000 feet of sanitary sewer lines yearly?

Sewage Collection

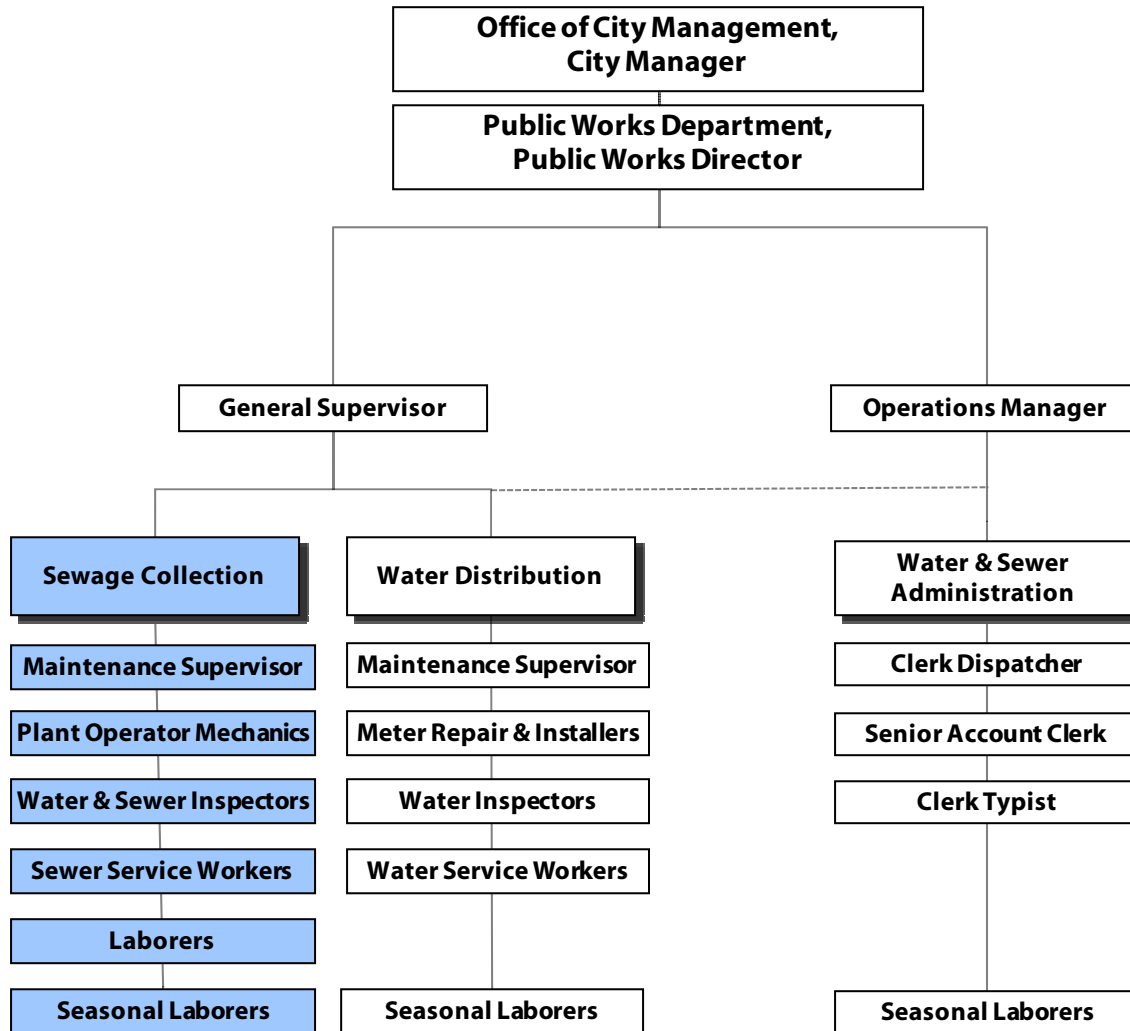
2017/18 PERFORMANCE OBJECTIVES

1. To establish a biennial inspection program using NASSCO grading system on all utility structures citywide. *(City Goal 16)*
2. To provide comprehensive confined space training for all employees who perform work inside wet wells, sanitary and storm structures, and sanitary lift stations. *(City Goal 2, 16)*
3. To maintain an annual grease trap inspection program with increased inspections for repeat violators. *(City Goal 16)*
4. To develop and institute a cleaning and televising program for all sanitary sewer lines, utilizing newly acquired video recording equipment and vehicles. *(City Goal 16)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Miles of Sanitary Sewers in City	430	430	430	430	430	430
	Sewer Inquiries Received & Resolved	2,124	1,578	1,481	2,000	1,700	1,700
	Sewer Inspections	294	292	324	300	300	300
	Water Inspections	99	77	105	80	80	80
	Certificate of Occupancy Inspections	39	59	99	75	100	100
	Sanitary Sewer Cleaned - Feet	805,510	299,450	621,886	1,500,000	1,000,000	1,250,000
	Utility Structures Restored	60	205	130	200	175	200
	Flags of Sidewalk Replaced	53	41	40	80	50	50
	Sections of Street/Approaches Replaced	28/17	182/23	105/12	100/25	150/25	150/25
	Sod Replaced - Yards	664	315	389	1,000	1,000	1,000
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	7	8	2	15	15	15
	Grease Trap Program Inspections	201	82	166	300	300	300
	Sewer Main Blockages	9	14	24	8	15	15
Efficiency & Effectiveness	% of Emergencies Responded to within 45 Minutes	100%	100%	100%	100%	100%	100%
	% of Trouble Mains Cleaned a Minimum of 4 Times	100%	100%	100%	100%	100%	100%
	Miles of Sanitary Sewer Maintained per FT Employee	35.8	33.1	35.8	33.1	33.1	30.7
	Sewage Fixed Charge as a % of Total Costs	35.3%	100.0%	100.0%	100.0%	100.0%	100.0%
	Bad Debt True-Up (Highland Park)*	\$1,188,370	\$737,641	\$737,579	\$237,670	\$190,400	\$160,000
	Sewage Metered Flow Differential Adjustment	\$215,604	N/A	N/A	N/A	N/A	N/A

*Prior to fiscal year 2016/17, this was a sewage disposal system look-back adjustment charge.

Sewage Collection



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Division Supervisor	1	0	0
Maintenance Supervisor	0	1	1
Plant Operator Mechanic	2	2	2
Sewer Worker (Clean)	2	2	2
Water & Sewer Inspector	2	2	3
Sewer Worker (Maintenance)	1	1	1
Laborer	4	5	5
Seasonal Laborer	5	5	5
Total	17	18	19

Sewage Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 19.5%.

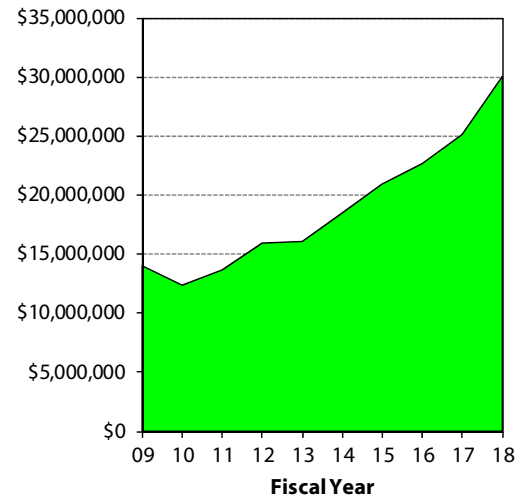
Personnel Services – The Personnel budget increased \$123,000 or 7.8%. Full-time wage and benefit costs increased \$77,570 due to the addition of a full-time Sewer Inspector. This position will be responsible for televising underground storm and sanitary lines and identifying necessary repairs to prevent an emergency. Required funding for long-term retirement liabilities increased by \$44,030.

Supplies – Total Supplies increased \$1,000 or 2.3%. \$3,000 was added for additional personal protective gear and small hand tools that need to be replenished. Fuel costs decreased \$2,000 due to lower gas prices.

Other Charges – Total Other Charges increased \$3,889,360 or 20.6%. Sewage disposal costs from Macomb are estimated to increase \$1,959,530 or 10.7%. Other cost increases include an increase in industrial waste control charges due to adjusted meter counts, an increase in sewer main repair costs of \$70,000 and \$1.6 million for sewer line cleaning and televising. \$1.2 million of these costs are funded by the federal SAW grant with a required City match of \$444,000. These increases, as well as an increase in debt service, have resulted in the City's need to pass on a 16.5% sewer rate adjustment.

Capital – Total Capital of \$273,000 is proposed. \$45,000 is for a Sewer Televising Camera used to locate breaks and blockages. \$18,000 is to replace a 12-year

Expenditure History



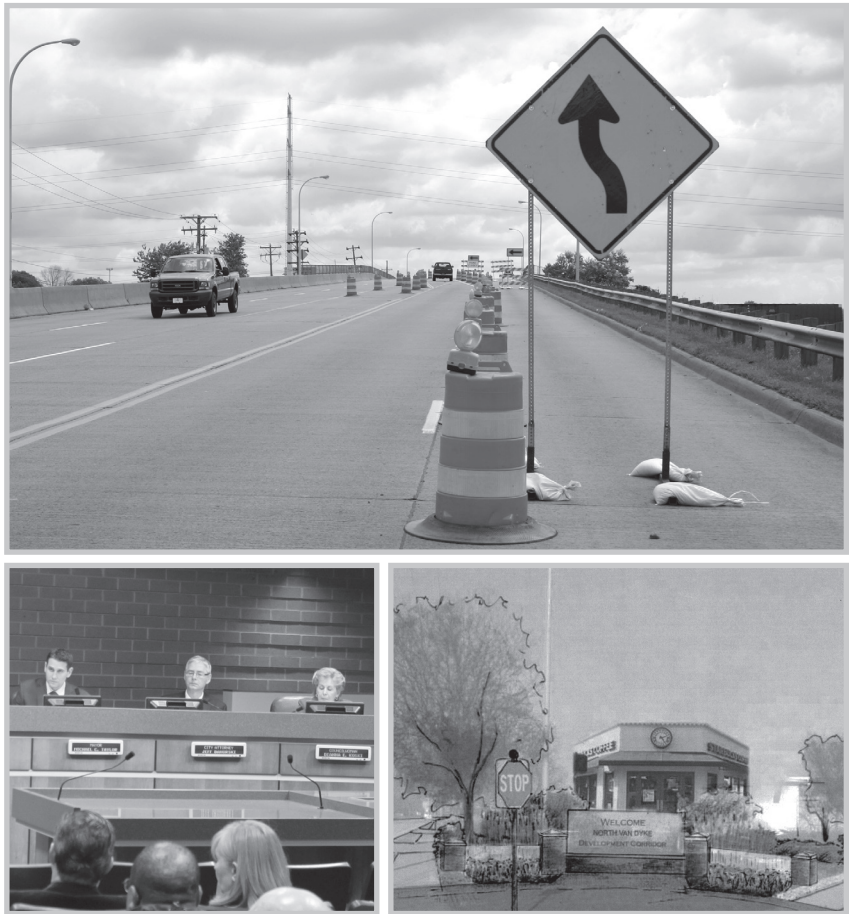
old Cement Saw. \$210,000 is for a replacement Backhoe Loader used by maintenance crews to restore storm sanitary lines and repair water main breaks.

Debt Service – Total Debt Service increased \$607,720 or 13.1% to cover the City's share of the District's sewer rehabilitation payments, which includes an anticipated debt payment for a portion of the 15 Mile Interceptor repair.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,817,708	\$1,576,220	\$1,520,570	\$1,699,220	\$1,699,220
Supplies	39,764	44,000	40,000	45,000	45,000
Other Charges	18,159,160	18,870,850	19,478,740	22,760,210	22,760,210
Capital Outlay	0	0	0	273,000	273,000
Debt Service	2,646,576	4,645,660	4,628,710	5,253,380	5,253,380
Total	\$22,663,208	\$25,136,730	\$25,668,020	\$30,030,810	\$30,030,810

Special Revenue Funds



Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this section are Major and Local Roads, Economic Development Corporation, Community Development Block Grant, Parks & Recreation, Brownfield Redevelopment Authority, Local Development Finance Authority, Corridor Improvement Authority, Land & Water Conservation Fund and Public Safety Forfeiture Fund.

SPECIAL REVENUE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
MAJOR ROAD FUND						
REVENUES						
Federal & State Grants	\$1,665,780	\$1,072,670	\$301,750	\$301,750	\$0	\$0
Gas & Weight Tax	5,575,630	5,874,540	6,911,000	6,800,000	7,598,500	7,598,500
Metro Act	217,080	292,960	220,000	220,000	250,000	250,000
Other Revenue	342,640	221,260	168,000	171,900	177,000	177,000
Transfer from General Fund	2,800,000	0	500,000	500,000	500,000	500,000
Total Revenues	10,601,130	7,461,430	8,100,750	7,993,650	8,525,500	8,525,500
EXPENDITURES						
Administration	161,720	117,080	131,070	121,070	131,100	131,100
Major Street Maintenance	2,580,950	2,192,140	2,637,000	2,173,880	2,233,000	2,233,000
Major Street Improvements	4,489,410	3,437,960	4,971,460	4,316,890	2,811,370	2,811,370
Transfer to Local Road Fund	750,000	1,100,000	1,000,000	1,000,000	0	0
Tfr. to Road Bond Debt Fund	1,600,000	1,000,000	1,925,240	1,925,240	2,000,000	2,000,000
Total Expenditures	9,582,080	7,847,180	10,664,770	9,537,080	7,175,470	7,175,470
Excess of Revenues Over (Under) Expenditures	1,019,050	(385,750)	(2,564,020)	(1,543,430)	1,350,030	1,350,030
Beginning Fund Balance	3,098,340	4,117,390	3,731,640	3,731,640	2,188,210	2,188,210
Ending Fund Balance	\$4,117,390	\$3,731,640	\$1,167,620	\$2,188,210	\$3,538,240	\$3,538,240
LOCAL ROAD FUND						
REVENUES						
Property Taxes	\$3,271,160	\$3,344,950	\$3,233,330	\$3,225,340	\$3,261,860	\$3,265,090
Gas & Weight Tax	2,063,210	2,175,880	2,560,000	2,500,000	2,810,400	2,810,400
Metro Act	80,290	108,360	80,000	80,000	90,000	90,000
Charges for Services	33,500	53,630	36,000	46,000	56,000	56,000
Other Revenue	61,460	48,590	10,470	30,650	23,000	23,000
Transfer from General Fund	0	0	400,000	400,000	500,000	500,000
Transfer from Major Road Fund	750,000	1,100,000	1,000,000	1,000,000	0	0
Total Revenues	6,259,620	6,831,410	7,319,800	7,281,990	6,741,260	6,744,490
EXPENDITURES						
Administration	139,500	142,140	155,070	140,070	140,070	140,070
Local Street Maintenance	1,829,810	1,823,560	1,848,000	1,696,000	1,976,500	1,976,500
Local Street Improvements	4,214,290	4,001,350	5,101,370	3,510,070	4,912,000	4,912,000
Total Expenditures	6,183,600	5,967,050	7,104,440	5,346,140	7,028,570	7,028,570
Excess of Revenues Over (Under) Expenditures	76,020	864,360	215,360	1,935,850	(287,310)	(284,080)
Beginning Fund Balance	170,760	246,780	1,111,140	1,111,140	3,046,990	3,046,990
Ending Fund Balance	\$246,780	\$1,111,140	\$1,326,500	\$3,046,990	\$2,759,680	\$2,762,910

SPECIAL REVENUE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
LAND & WATER FUND						
REVENUES						
Other Revenue	\$1,780	\$6,520	\$83,600	\$86,300	\$4,500	\$4,500
Transfer from General Fund	219,740	738,700	240,000	240,000	0	0
Total Revenues	221,520	745,220	323,600	326,300	4,500	4,500
EXPENDITURES						
Land Acquisition & Improve.	664,340	207,370	664,540	560,190	0	0
Total Expenditures	664,340	207,370	664,540	560,190	0	0
Rev. Over (Under) Expend.	(442,820)	537,850	(340,940)	(233,890)	4,500	4,500
Beginning Fund Balance	528,410	85,590	623,440	623,440	389,550	389,550
Ending Fund Balance	\$85,590	\$623,440	\$282,500	\$389,550	\$394,050	\$394,050
PARKS & RECREATION FUND						
REVENUES						
Property Taxes	\$0	\$0	\$0	\$0	\$3,983,500	\$3,981,900
Federal/State/Local Returns	0	0	0	0	496,860	496,860
Other Revenue	0	0	0	50,000	559,070	559,070
Proceeds Long-Term Debt	0	0	0	45,000,000	0	0
Transfer from General Fund	0	0	0	0	1,251,310	1,251,310
Total Revenues	0	0	0	45,050,000	6,290,740	6,289,140
EXPENDITURES						
Personnel Services	0	0	0	0	1,936,470	1,936,470
Supplies	0	0	0	0	101,150	101,150
Other Charges	0	0	0	337,500	627,400	627,400
Capital Outlay	0	0	0	3,045,900	10,254,800	10,254,800
Debt Service	0	0	0	0	3,112,500	3,112,500
Total Expenditures	0	0	0	3,383,400	16,032,320	16,032,320
Rev. Over (Under) Expend.	0	0	0	41,666,600	(9,741,580)	(9,743,180)
Beginning Fund Balance	0	0	0	0	41,666,600	41,666,600
Ending Fund Balance	\$0	\$0	\$0	\$41,666,600	\$31,925,020	\$31,923,420
PUBLIC SAFETY FORF. FUND						
REVENUES						
Federal Forfeitures & Income	\$48,320	\$30,330	\$111,200	\$175,000	\$0	\$0
Treasury Forfeitures & Income	0	23,410	0	0	0	0
State Forfeitures & Income	67,170	134,590	34,260	92,000	2,000	2,000
OWI Forfeitures	20,500	15,300	7,010	16,000	0	0
Gambling Forfeitures	1,820	0	830	1,000	0	0
Act 302 Training Funds	0	43,810	30,800	30,800	30,800	30,800
Other Revenue	1,220	1,000	780	3,020	2,710	2,710
Total Revenues	139,030	248,440	184,880	317,820	35,510	35,510
EXPENDITURES						
Federal Forfeiture Expenditure	261,230	295,460	124,920	124,920	257,110	257,110
Treasury Forf. Expenditures	10	0	23,450	23,450	0	0
State Forfeiture Expenditures	126,720	60,370	21,240	21,040	46,390	46,390
Gambling Forf. Expenditures	0	17,320	9,830	9,830	0	0
OWI Forfeiture Expenditures	29,030	32,780	12,070	12,070	9,000	9,000
Act 302 Training Funds	0	24,620	30,800	30,800	30,800	30,800
Total Expenditures	416,990	430,550	222,310	222,110	343,300	343,300
Rev. Over (Under) Expend.	(277,960)	(182,110)	(37,430)	95,710	(307,790)	(307,790)
Beginning Fund Balance	793,170	515,210	333,100	333,100	428,810	428,810
Ending Fund Balance	\$515,210	\$333,100	\$295,670	\$428,810	\$121,020	\$121,020

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	\$809,660	\$572,920	\$1,220,470	\$818,810	\$1,350,020	\$1,350,020
Revenue Direct Loans	99,410	72,140	40,000	50,000	25,000	25,000
Total Revenues	909,070	645,060	1,260,470	868,810	1,375,020	1,375,020
EXPENDITURES						
Community Development	909,070	645,060	1,260,470	868,810	1,375,020	1,375,020
Total Expenditures	909,070	645,060	1,260,470	868,810	1,375,020	1,375,020
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
NEIGHBORHOOD STABILIZATION FUND						
REVENUES						
Federal Grants	\$3,330	\$2,350	\$0	\$9,670	\$0	\$0
Total Revenues	3,330	2,350	0	9,670	0	0
EXPENDITURES						
Acquisition/Redevelopment	2,150	0	0	0	0	0
Administration Costs	1,180	2,350	0	9,670	0	0
Total Expenditures	3,330	2,350	0	9,670	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes	\$18,680	\$20,640	\$25,170	\$25,150	\$31,700	\$31,700
Federal/State/Local Returns	0	0	0	0	160,000	160,000
Other Revenue	10	110	100	150	250	250
Total Revenues	18,690	20,750	25,270	25,300	191,950	191,950
EXPENDITURES						
Other Charges	0	0	0	0	25,000	25,000
Capital Outlay	0	0	0	90,000	160,000	160,000
Total Expenditures	0	0	0	90,000	185,000	185,000
Excess of Revenues Over (Under) Expenditures	18,690	20,750	25,270	(64,700)	6,950	6,950
Beginning Fund Balance	24,870	43,560	64,310	64,310	(390)	(390)
Ending Fund Balance	\$43,560	\$64,310	\$89,580	(\$390)	\$6,560	\$6,560

SPECIAL REVENUE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

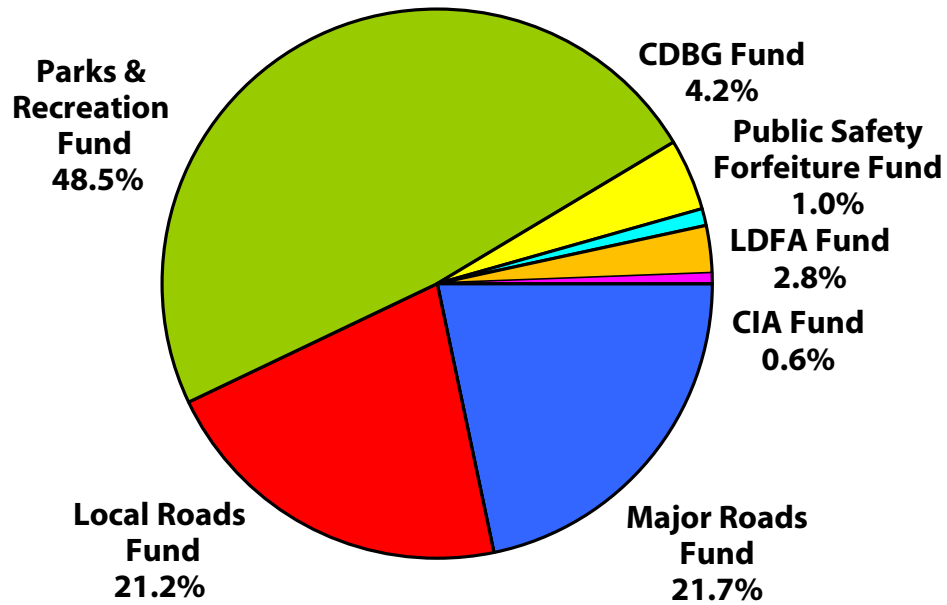
Special Revenue Funds	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Funding from General Gov't	\$300,000	\$300,000	\$300,000	\$300,000	\$140,000	\$140,000
Other Revenue	390	2,590	2,150	6,430	700	700
Total Revenues	300,390	302,590	302,150	306,430	140,700	140,700
EXPENDITURES						
Transfer to LDFA Fund	0	0	900,000	900,000	0	0
Total Expenditures	0	0	900,000	900,000	0	0
Excess of Revenues Over (Under) Expenditures	300,390	302,590	(597,850)	(593,570)	140,700	140,700
Beginning Fund Balance	12,700	313,090	615,680	615,680	22,110	22,110
Ending Fund Balance	\$313,090	\$615,680	\$17,830	\$22,110	\$162,810	\$162,810
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$104,380	\$106,060	\$87,600	\$87,100	\$87,300	\$87,300
Other Revenue	300	1,370	1,300	4,050	4,270	4,270
Total Revenues	104,680	107,430	88,900	91,150	91,570	91,570
EXPENDITURES						
Other Charges	104,670	(332,620)	0	0	0	0
Total Expenditures	104,670	(332,620)	0	0	0	0
Excess of Revenues Over (Under) Expenditures	10	440,050	88,900	91,150	91,570	91,570
Beginning Fund Balance	5,330	5,340	445,390	445,390	536,540	536,540
Ending Fund Balance	\$5,340	\$445,390	\$534,290	\$536,540	\$628,110	\$628,110
LOCAL DEVELOPMENT FINANCE AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$115,090	(\$67,350)	\$0	\$0	\$0	\$0
LDFA SmartZone Capture	500,000	616,950	862,900	859,000	825,000	825,000
Other Revenue	140,770	174,250	141,350	144,680	144,500	144,500
Transfer from EDC Fund	0	0	900,000	900,000	0	0
Total Revenues	755,860	723,850	1,904,250	1,903,680	969,500	969,500
EXPENDITURES						
Incubator Operations	580,440	919,680	824,750	825,560	586,060	586,060
BAE Reimbursement	115,380	(327,880)	900,000	900,000	0	0
Corridor Improvements	0	35,080	601,000	251,000	351,000	351,000
Total Expenditures	695,820	626,880	2,325,750	1,976,560	937,060	937,060
Excess of Revenues Over (Under) Expenditures	60,040	96,970	(421,500)	(72,880)	32,440	32,440
Beginning Fund Balance	268,380	328,420	425,390	425,390	352,510	352,510
Ending Fund Balance	\$328,420	\$425,390	\$3,890	\$352,510	\$384,950	\$384,950

***Every day I get up and look through the Forbes
list of the richest people in America.
If I'm not there, I go to work.***

~ Robert Orben ~



Special Revenue Funds Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total \$33,076,740 Special Revenue Funds budget.

TAXES

This revenue source is largely generated by the Safe Streets millage approved by the voters in November 2013 and the Recreating Recreation millage approved by the voters in November 2016, as well as from tax increment financing (TIF) revenues resulting from the Local Development Authority. A total of \$8,190,990 is anticipated next fiscal year.

STATE & LOCAL RETURNS

The major source of revenue to the Special Revenue Funds is State & Local Returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major sources of revenue in this revenue center are Federal and State Grants, including Highway & Street Grants or more commonly known as Act 51 Funds. The Act 51 Funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2017/18 Budget, State and Local Return revenues represent 53.2% of total revenue sources, an increase of \$1,136,260. The increase is primarily due to an increase in ACT 51 funds for the Major and Local Road Funds and Municipal Transportation credits for the purchase of additional SMART vehicles.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. This revenue center will receive a transfer from the General Fund next year.

In 2017/18, revenues generated from Other Financing Sources represent 9.2% of total revenue sources, a decrease of \$788,690. The decrease is primarily due to the one-time necessary transfer from the Major Road Fund in the prior year to help fund the City-wide Concrete Replacement Program and a transfer from the EDC Fund to the LDFA Fund for the reimbursement of eligible LDFA improvements at the Sterling Heights Assembly Plant. A transfer from the General Fund to the Parks & Recreation Fund is budgeted for \$1,251,310 to fund the pre-existing expenses of the Parks & Recreation Department prior to the passing of the Recreating Recreation millage.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Parks & Recreation Fees, Tree Sales & Planting and Chipping Fees. In the 2017/18 Budget, Charges for Services represents 2.4% of total revenue sources, an increase of \$558,570. This increase is primarily due to the transfer of the Parks & Recreation Department from the General Fund to a Special Revenue Fund.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Rental Income, Contributions & Donations, Miscellaneous Revenue, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2017/18, Other Revenues represent 1.6% of total revenue sources, a decrease of \$30,320. The decrease is primarily due to the one-time sale of vacant land in the prior year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2017/18 Budget, expenditures exceed revenues by \$8,708,860. A draw down of funds is planned primarily in the Parks & Recreation Fund, as debt proceeds are needed to fund Recreating Recreation improvements next year. Also, funding for the Public Safety Forfeiture Fund does not take into consideration the revenue from future anticipated receipts.■

SPECIAL REVENUE FUNDS

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>TAXES</u>						
404001	Property Tax Refunds	(\$11,573)	-0.07	(\$20,000)	-0.10	(\$10,000)	-0.04
407000	Safe Streets Tax	3,348,752	19.60	3,232,130	16.57	3,264,790	13.40
408000	Recreating Recreation Tax	0	0.00	0	0.00	3,981,900	16.34
415000	Delinquent Personal Property Tax	2,401	0.01	15,900	0.08	5,000	0.02
420000	Property Taxes - TIF - CIA	20,640	0.12	25,170	0.13	31,700	0.13
420010	Property Taxes - TIF - BAE	106,062	0.62	87,600	0.45	87,300	0.36
420011	Property Tax Refunds - TIF	(67,346)	-0.39	0	0.00	0	0.00
422000	LDFA - SmartZone Capture	616,947	3.61	862,900	4.42	825,000	3.39
445000	Penalties and Interest	5,367	0.03	5,300	0.03	5,300	0.02
	Total Taxes	4,021,250	23.53	4,209,000	21.58	8,190,990	33.61
	<u>STATE & LOCAL RETURNS</u>						
529000	Federal Grant - Other	572,923	3.35	1,220,470	6.26	1,350,020	5.54
529002	Federal Program Income	2,354	0.01	0	0.00	0	0.00
529003	Revenue Direct Loans	72,138	0.42	40,000	0.21	25,000	0.10
529100	Federal Forfeiture Grants	30,332	0.18	111,200	0.57	0	0.00
529200	Treasury Forfeiture Grants	23,414	0.14	0	0.00	0	0.00
539002	State Grants	1,072,672	6.28	301,750	1.55	0	0.00
539200	State Forfeiture Grants	120,575	0.71	33,260	0.17	0	0.00
539201	State Forfeiture Program Income	14,016	0.08	1,000	0.01	2,000	0.01
539300	Gambling Forfeitures	0	0.00	830	0.00	0	0.00
539348	Metro Act	401,321	2.35	300,000	1.54	340,000	1.40
539400	OWI Forfeitures	15,300	0.09	7,010	0.04	0	0.00
539500	Act 302 Training Funds	43,805	0.26	30,800	0.16	30,800	0.13
546000	Highway & Street Grants	8,050,421	47.11	9,471,000	48.54	10,408,900	42.72
549101	Funding from General Gov't	300,000	1.76	300,000	1.54	300,000	1.23
581001	Municipal Credit Transportation	0	0.00	0	0.00	496,860	2.04
	Total State & Local Returns	10,719,271	62.73	11,817,320	60.57	12,953,580	53.16
	<u>OTHER FINANCING SOURCES</u>						
699101	Transfer from General Fund	738,700	4.32	1,140,000	5.84	2,251,310	9.24
699202	Transfer from Major Road Fund	1,100,000	6.44	1,000,000	5.13	0	0.00
699255	Transfer from EDC Fund	0	0.00	900,000	4.61	0	0.00
	Total Other Financing Sources	1,838,700	10.76	3,040,000	15.58	2,251,310	9.24
	<u>CHARGES FOR SERVICES</u>						
639001	Parks & Recreation Fees	0	0.00	0	0.00	538,570	2.21
640004	Tree Sales & Planting	49,958	0.29	30,000	0.15	50,000	0.21
640010	Chipping Fee	3,672	0.02	6,000	0.03	6,000	0.02
	Total Charges for Services	53,630	0.31	36,000	0.18	594,570	2.44
	<u>OTHER REVENUE</u>						
665000	Interest on Investments	24,941	0.15	19,500	0.10	50,720	0.21
665100	Interest Income - Federal Forfeiture	669	0.00	420	0.00	1,800	0.01
665130	Interest Income - Treas. Forfeiture	36	0.00	40	0.00	90	0.00
665200	Interest Income - State Forfeiture	150	0.00	200	0.00	450	0.00
665300	Interest Income - Gamble Forf.	25	0.00	20	0.00	90	0.00
665400	Interest Income - OWI Forfeiture	73	0.00	60	0.00	180	0.00
665500	Interest Income - Act 302 Training	45	0.00	40	0.00	100	0.00
665715	Interest Income - LDFA TIF	1,027	0.01	0	0.00	0	0.00
667716	Rental Income Smart Incubator	172,441	1.01	140,000	0.72	140,000	0.57
672000	Special Assessment Revenue	37,152	0.22	3,780	0.02	3,360	0.01
672445	SA Delinquent Interest & Penalties	152	0.00	150	0.00	150	0.00

SPECIAL REVENUE FUNDS REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
672665	Special Assessment Interest	5,416	0.03	3,540	0.02	2,990	0.01
673000	Sale of Fixed Assets	0	0.00	81,000	0.42	0	0.00
675000	Contributions & Donations	8,964	0.05	2,000	0.01	0	0.00
675001	Donations - Parks & Recreation	0	0.00	0	0.00	20,000	0.08
676000	Reimbursements	183,735	1.08	150,000	0.77	150,000	0.62
679752	Parks & Recreation Retail Sale	0	0.00	0	0.00	500	0.00
685000	Miscellaneous Revenue	6,784	0.04	7,000	0.04	7,000	0.03
695000	Insurance Recovery	14,070	0.08	0	0.00	0	0.00
	Total Other Revenue	455,680	2.67	407,750	2.09	377,430	1.55
	Total Special Revenue Funds	\$17,088,531	100.00	\$19,510,070	100.00	\$24,367,880	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
704000	Wages - Salaries - Permanent	\$0	0.00	\$0	0.00	\$550,050	1.66
704001	Sick/Personal Buy Back	0	0.00	0	0.00	4,000	0.01
704721	Health Insurance Allowance	0	0.00	0	0.00	6,000	0.02
705000	Wages - Salaries - Temp/Part-time	0	0.00	8,790	0.04	767,490	2.32
708000	Overtime	0	0.00	0	0.00	16,320	0.05
708001	Comp Time Buy Back	0	0.00	0	0.00	14,270	0.04
709000	Other Benefits/Reimbursements	0	0.00	0	0.00	2,400	0.01
710000	Longevity	0	0.00	0	0.00	7,670	0.02
717000	FICA	0	0.00	670	0.00	104,590	0.32
718000	Worker's Compensation	0	0.00	10	0.00	7,490	0.02
720000	Pension - General Employees	0	0.00	0	0.00	131,770	0.40
720002	Defined Contribution	0	0.00	0	0.00	17,560	0.05
721000	Health Insurance	0	0.00	0	0.00	102,010	0.31
721001	Health Insurance - Retirees	0	0.00	0	0.00	183,430	0.55
721003	Retiree Health Savings	0	0.00	0	0.00	5,200	0.02
722000	Dental Insurance	0	0.00	0	0.00	8,820	0.03
723000	Life Insurance	0	0.00	0	0.00	1,800	0.01
724000	Eye Care Insurance	0	0.00	0	0.00	900	0.00
725000	Disability Insurance - Long-term	0	0.00	0	0.00	1,230	0.00
725355	Disability Insurance - Short-term	0	0.00	0	0.00	3,470	0.01
	Total Personnel Services	0	0.00	9,470	0.04	1,936,470	5.85
	<u>SUPPLIES</u>						
729000	Postage	223	0.00	1,100	0.00	6,020	0.02
741000	Ammunition	2,800	0.02	2,800	0.01	2,800	0.01
751000	Operating Supplies	10,730	0.07	25,980	0.11	62,630	0.19
761000	Program Activity Supplies	0	0.00	0	0.00	56,940	0.17
762000	Seniors Program Supplies	0	0.00	0	0.00	17,690	0.05
785000	Books	5,985	0.04	6,030	0.03	6,130	0.02
	Total Supplies	19,738	0.13	35,910	0.16	152,210	0.46
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	920	0.01	1,140	0.00	1,170	0.00
805000	Administrative Services	473,563	3.08	516,420	2.23	507,890	1.54
805100	Management Services	242,934	1.58	200,000	0.86	200,000	0.60
806000	Legal Services - Other	2,230	0.01	3,000	0.01	3,000	0.01
806001	Legal Services - City Attorney	138	0.00	1,500	0.01	1,500	0.00
807000	Medical Services	0	0.00	0	0.00	770	0.00
810000	Other Fees	0	0.00	0	0.00	37,850	0.11
826000	Other Contracted Services	181,846	1.18	361,970	1.56	656,500	1.98
826900	Subrecipient Funding	82,966	0.54	88,500	0.38	88,400	0.27
827000	Interfund Services	19,000	0.12	19,000	0.08	19,000	0.06
832000	Building Maintenance	37,385	0.24	30,000	0.13	35,000	0.11
833000	Equipment Maintenance	4,306	0.03	8,340	0.04	42,490	0.13

SPECIAL REVENUE FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
880000	Community Promotion	2,168	0.01	1,000	0.00	1,000	0.00
902000	Publishing	637	0.00	1,800	0.01	7,800	0.02
903000	Printing	0	0.00	0	0.00	5,540	0.02
913000	Liability Insurance	10,530	0.07	11,000	0.05	12,310	0.04
915000	Other Insurance	0	0.00	0	0.00	500	0.00
921000	Electric	71,756	0.47	70,000	0.30	195,000	0.59
922000	Telephone	70,418	0.46	66,000	0.29	77,800	0.24
923000	Gas - Fuel - Oil	31,438	0.20	38,000	0.16	71,000	0.21
925000	Water	5,508	0.04	8,000	0.03	49,500	0.15
942000	Building Rent	17,444	0.11	20,000	0.09	20,000	0.06
945000	Other Rental	1,385	0.01	0	0.00	51,390	0.16
956000	Local Meetings	0	0.00	0	0.00	160	0.00
957000	Memberships & Dues	4,650	0.03	4,680	0.02	9,350	0.03
959000	Education & Training	13,309	0.09	28,500	0.12	31,340	0.09
961000	Athletic Entry Fees	0	0.00	0	0.00	200	0.00
962000	Miscellaneous Expense	20,256	0.13	932,600	4.03	11,050	0.03
962010	Miscellaneous Expense - BAE	(660,539)	-4.29	0	0.00	0	0.00
962200	Miscellaneous Expense - Investigations	19,924	0.13	0	0.00	25,000	0.08
963900	Miscellaneous - Capital Program	98,853	0.64	35,000	0.15	40,000	0.12
Total Other Charges		753,025	4.89	2,446,450	10.57	2,202,510	6.66
OTHER SERVICES							
886162	Access Road Maintenance	93,092	0.60	40,000	0.17	40,000	0.12
887000	Bridge Maintenance	8,055	0.05	20,000	0.09	20,000	0.06
888000	Surface Maintenance	1,256,468	8.16	1,500,000	6.48	1,000,000	3.02
888001	Surface Maintenance - County	142	0.00	0	0.00	0	0.00
888272	2015 Joint Sealing Program	131,879	0.86	150,000	0.65	150,000	0.45
889000	Shoulder Maintenance	52,388	0.34	40,000	0.17	40,000	0.12
889001	Shoulder Maintenance - County	640	0.00	0	0.00	0	0.00
890000	Sweeping & Flushing	304,542	1.98	275,000	1.19	275,000	0.83
890001	Sweeping & Flushing - County	41,772	0.27	45,000	0.19	50,000	0.15
890002	Sweeping & Flushing - State	0	0.00	6,000	0.03	6,000	0.02
891000	Grass & Weed Control	248,470	1.61	195,000	0.84	340,000	1.03
891001	Grass & Weed Control - County	173,079	1.12	190,000	0.82	175,000	0.53
891002	Grass & Weed Control - State	125,328	0.81	125,000	0.54	125,000	0.38
892000	Roadside Cleanup	9,535	0.06	7,000	0.03	9,500	0.03
892001	Roadside Cleanup - County	2,672	0.02	4,000	0.02	8,000	0.02
892002	Roadside Cleanup - State	10,695	0.07	3,000	0.01	5,000	0.02
893000	Curb & Gutter Maintenance	8,183	0.05	2,500	0.01	5,500	0.02
894000	Storm Drain Maintenance	204,262	1.33	135,000	0.58	135,000	0.41
895000	Tree & Shrub Maintenance	455,875	2.96	440,000	1.90	565,000	1.71
895001	Tree & Shrub Maintenance - County	3,127	0.02	5,000	0.02	6,000	0.02
895002	Tree & Shrub Maintenance - State	2,300	0.01	2,500	0.01	3,000	0.01
897000	Snow & Ice Removal	531,226	3.45	900,000	3.89	900,000	2.72
897001	Snow & Ice Removal - County	12,052	0.08	0	0.00	0	0.00
898000	Traffic Signs & Signals	265,897	1.73	310,000	1.34	275,000	0.83

SPECIAL REVENUE FUNDS EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
898001	Traffic Signs & Signals - County	1,230	0.01	5,000	0.02	1,500	0.00
899000	Pavement Markings	72,789	0.47	85,000	0.37	75,000	0.23
	Total Other Services	4,015,698	26.09	4,485,000	19.38	4,209,500	12.73
	<u>CAPITAL OUTLAY</u>						
971000	Land Acquisition	0	0.00	91,310	0.39	160,000	0.48
972000	Land Improvements	66,480	0.43	42,040	0.18	10,000	0.03
972333	Delia Park Improvements	6,914	0.04	0	0.00	0	0.00
972334	Sport Courts & Path Resurfacing	0	0.00	25,000	0.11	0	0.00
972795	Park Improvements	0	0.00	0	0.00	10,000,000	30.23
975000	Buildings & Improvements	94,059	0.61	98,540	0.43	52,000	0.16
977000	Furniture	0	0.00	2,230	0.01	0	0.00
979000	Computer Equipment	3,405	0.02	0	0.00	0	0.00
981000	Electronic Equipment	210,704	1.37	0	0.00	0	0.00
982000	Machinery & Equipment	25,172	0.16	3,730	0.02	11,260	0.03
984000	Vehicles	0	0.00	0	0.00	396,800	1.20
985000	Weapons & Protective Gear	7,690	0.05	0	0.00	0	0.00
988000	Construction	148,009	0.96	3,123,680	13.50	2,568,940	7.77
988235	17 Mile Bridge Replace - Conrail	155,854	1.01	17,520	0.08	50,000	0.15
988246	Van Dyke Streetscape Design	2,311,198	15.01	658,100	2.84	50,000	0.15
988247	Indigo Dr & Elmcrest Dr Reconstr	0	0.00	10,810	0.05	0	0.00
988249	2014 Asphalt Pavement Repair	(139,908)	-0.91	0	0.00	0	0.00
988250	2014 Concrete Reconstruction	30,468	0.20	119,530	0.52	0	0.00
988254	Dodge Park - Metro to Utica Reconstr	87,703	0.57	0	0.00	0	0.00
988255	RRR 19-1/2 Mile - Merrill to Utica	758,211	4.93	41,790	0.18	0	0.00
988256	Velocity Parking Lot	238,168	1.55	255,000	1.10	0	0.00
988257	Gardner Street East	0	0.00	375,000	1.62	0	0.00
988265	2015 Concrete Replacement Pgrm	1,077,315	7.00	0	0.00	0	0.00
988266	2015 Concrete Reconstruction	1,987,199	12.91	89,740	0.39	0	0.00
988270	Sr Center Parking Lot Reconstruct	173,180	1.12	266,820	1.15	0	0.00
988276	2017 Bridge Repair Program	0	0.00	0	0.00	225,000	0.68
988277	Dodge Park Trail Bridge	105,205	0.68	484,960	2.10	0	0.00
988280	Smartzone District Improvements	35,078	0.23	600,000	2.59	350,000	1.06
988281	2016 Concrete Replacement Pgrm	650,933	4.23	1,825,000	7.89	0	0.00
988282	Comstock Dr - Concrete Replace	100,000	0.65	66,100	0.29	0	0.00
988283	2016 Concrete Reconstruction	358,695	2.33	2,600,000	11.23	0	0.00
988288	Schoenherr - 17 Mile to Clinton Rvr	0	0.00	390,000	1.69	0	0.00
988289	Riverland Pedestrian Bridge	0	0.00	330,000	1.43	0	0.00
988290	Arlingdale Drive	0	0.00	386,940	1.67	373,180	1.13
988293	2017 Concrete Reconstruction	0	0.00	0	0.00	3,200,000	9.67
988294	2017 Concrete Replacement Pgrm	0	0.00	0	0.00	1,680,000	5.08
988700	Dequindre Road - 18 Mile to M-59	13,632	0.09	436,370	1.89	336,370	1.02
	Total Capital Outlay	8,505,364	55.25	12,340,210	53.32	19,463,550	58.84

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

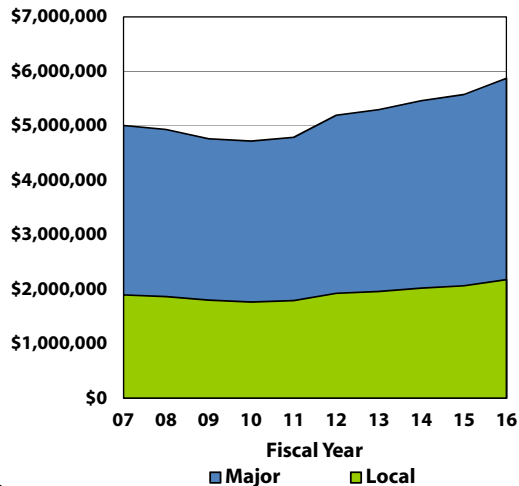
Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	DEBT SERVICE						
992000	Principal	0	0.00	0	0.00	2,325,000	7.03
993000	Interest	0	0.00	0	0.00	787,500	2.38
	Total Debt Service	0	0.00	0	0.00	3,112,500	9.41
	TRANSFERS OUT						
999203	Transfer to Local Road Fund	1,100,000	7.15	1,000,000	4.32	0	0.00
999327	Transfer to Road Bond Debt Fund	1,000,000	6.50	1,925,240	8.32	2,000,000	6.05
999867	Transfer to LDFA Fund	0	0.00	900,000	3.89	0	0.00
	Total Transfers Out	2,100,000	13.64	3,825,240	16.53	2,000,000	6.05
	Total Special Revenue Funds	\$15,393,825	100.00	\$23,142,280	100.00	\$33,076,740	100.00

Note: The 2015-16 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

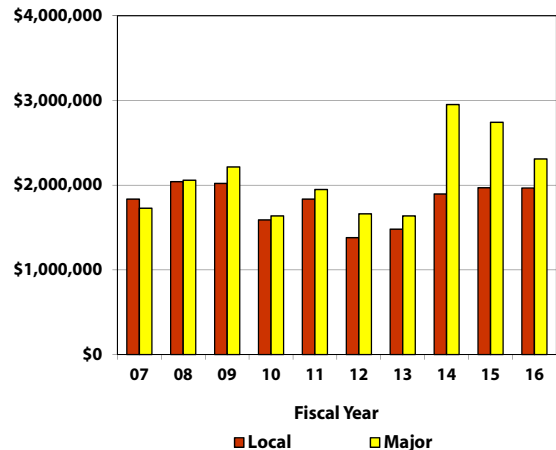
Special Revenue Funds

**Gas & Weight Tax Revenue
Road Funds**



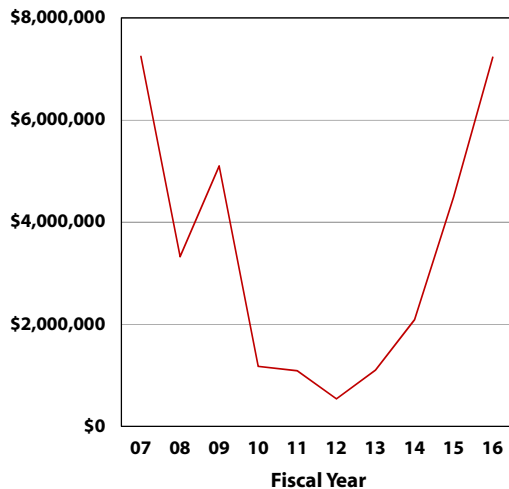
Gas tax revenues fell from 2007 to 2010 due to the economy, higher gas prices and the use of more fuel-efficient vehicles, which lessened gas consumption. The State's per gallon gas tax increased only twice in the past 32 years. Since 2004, the City cumulatively lost \$18.5 million in State gas tax revenues when adjusted for inflation.

**Major & Local Road
Maintenance Costs**



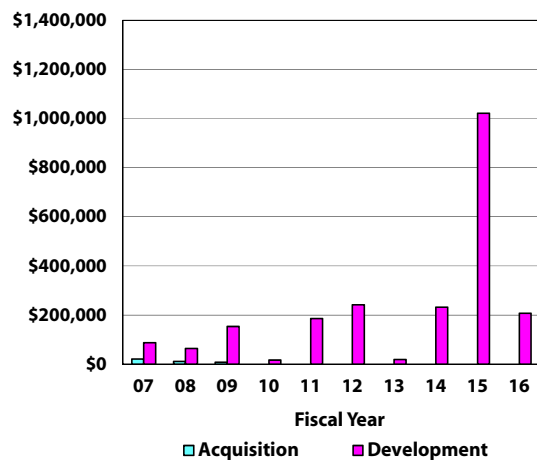
The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads, the removal of street trees due to the emerald ash borer, and fluctuating snow removal costs.

**Major Road Construction Costs
Total City**



\$7.2 million was spent in 2007 on 19 Mile, Dobry, Plumbrook, and numerous neighborhood streets, as well as \$1 million in miscellaneous concrete replacement. Costs totaled \$5.1 million in 2009, largely due to road improvements to the Lakeside Shopping District. Costs fell for several years due to declining City revenues, offset by the one-time use of federal stimulus funds. Costs rose in 2015 and 2016 for the resurfacing of several neighborhood major roads, the resurfacing of 15 Mile Road, and the reconstruction of Van Dyke and Dodge Park Roads.

**City Park Costs
Acquisition & Development**



The City continues to spend limited funds to improve City parks and provide the necessary path systems, restrooms, ball field lighting, soccer fields, bleachers, parking lot paving, park signage, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve and for future development plans. The costs exclude the \$2.1 million Senior Gymnasium addition to the Senior Center in 2007.

The Major Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. The motor fuel taxes are earmarked, by law and the State Constitution, for street and highway purposes that are described in detail by the Michigan Department of Transportation.

This Fund receives Act 51 revenues paid to Sterling Heights by the State and accounts for the construction, maintenance, and other authorized operations pertaining to all streets classified as major streets within the City. In addition, this Fund receives monies paid to Sterling Heights for trunk line contracts and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

\$131,100 is included for Other Charges, which is funded primarily for the cost of administrative time spent on Major Road Fund projects.

Total Other Services is budgeted in the amount of \$2,233,000, which is primarily used for major road maintenance, snow removal, and grass and weed control.

The 2017/18 Capital Outlay budget includes:

- Resurfacing of Clinton River Road from Schoenherr to Saal Road (\$690,000)
- Resurfacing of Schoenherr Road from 15 Mile to Metro Parkway (\$390,000)
- Rehabilitation of the north side Service Drive on Metro Parkway (\$250,000)
- Sidewalk modifications to the Maple Lane Bridge over the Red Run Drain (\$125,000)
- Traffic signal improvements (\$280,000)

Reappropriated projects include:

- Mound Road repairs from 18 Mile to M-59 and 15 Mile to Metro Parkway (\$540,000)

- Preliminary engineering and right-of-way costs for the widening of Dequindre from 18 Mile to M-59 (\$336,370)
- Van Dyke Road reconstruction project from 15 to 18 Mile Road (\$50,000)
- Bridge rehabilitation projects on Riverland, 15 Mile, and Maple Lane (\$100,000)
- Reconstruction of the 17 Mile Road Bridge over the Conrail tracks (\$50,000)

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know...

...there are 63 miles of City major roads and 46 miles of County major roads in the City?

Major Road Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 32.7%.

Other Charges – Other Charges increased by \$30 due to a slight increase in audit costs.

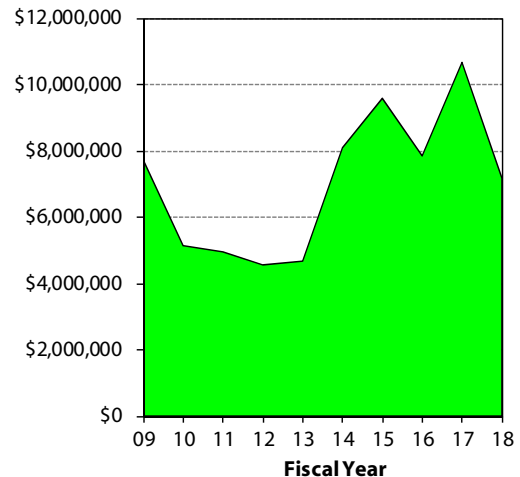
Other Services – Other Services decreased \$404,000 or 15.3%. Funding decreased \$500,000 for asphalt road repairs based on the current year's projected expenditure usage. Less funding is needed for traffic signal maintenance, saving \$38,500. The budget rose \$120,000 for grass and weed cutting and \$8,000 for roadside cleanup, both due to higher costs and greater service demands.

Capital – Proposed projects of \$2,811,370 include:

- Resurfacing of Clinton River Road from Schoenherr to Saal Road (\$690,000)
- Resurfacing of Schoenherr Road from 15 Mile to Metro Parkway (\$390,000)
- Rehabilitation of the north side Service Drive on Metro Parkway (\$250,000)
- Sidewalk modifications to the Maple Lane Bridge over the Red Run Drain (\$125,000)
- Traffic signal improvements (\$280,000)
- Reappropriated projects include: Mound Road repairs, Van Dyke reconstruction, Dequindre Road engineering, and multiple bridge rehabilitations (\$1,076,370)

For a complete list of all Major Road projects, refer to the Capital Improvements schedule and maps on the following pages.

Expenditure History



Transfers Out – Total Transfers Out decreased \$925,240 or 31.6%. There is no budgeted transfer to the Local Road Fund, as additional funding is not needed to finance proposed local road projects. Transfers to the Road Bond Debt Retirement Fund increased \$74,760 as a result of the \$2.075 million road bond anticipated to be sold in the spring of 2017 and higher debt payments on existing road bonds.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Other Charges	\$117,084	\$131,070	\$121,070	\$131,100	\$131,100
Other Services	2,192,138	2,637,000	2,173,880	2,233,000	2,233,000
Capital Outlay	3,437,959	4,971,460	4,316,890	2,811,370	2,811,370
Transfers Out	2,100,000	2,925,240	2,925,240	2,000,000	2,000,000
Total	\$7,847,181	\$10,664,770	\$9,537,080	\$7,175,470	\$7,175,470

The Local Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. These taxes are earmarked, by law and the State Constitution for street and highway purposes that are described in detail by the Michigan Department of Transportation.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow and ice control on all streets classified as local roads within the City. This Fund also accounts for the money raised through special assessments to property owners for street improvements as provided by Act 51 of the Public Acts of 1951, as amended, and for the transfers into this Fund from other City funds.

This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51 of the Public Acts of 1951, as amended.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow & ice control on all streets classified as local roads within the City.

\$140,070 is budgeted for Other Charges, which is used primarily to fund the cross-charged administrative time spent on Local Road Fund projects.

Total Other Services in this fund total \$1,976,500 and are allocated primarily for local road maintenance, snow removal, and tree and shrub maintenance.

In fiscal year 2017/18, \$4,912,000 of capital is budgeted for this fund. \$3,450,000 is funded for local road repairs, which includes \$250,000 for Sectional Concrete Replacement and \$3,200,000 for the concrete reconstruction

of Mulberry Court, New Bradford Boulevard, Kara Lane, Monterra Lane, Larch, Bluejack, Hornbeam, Allspice, Grindley, Electra, Vito, Chatsworth, Crestview, Stonecrest, and Mill Creek Drives. These neighborhood road repair projects are funded by the 0.8 mill Safe Streets millage approved by the voters in November, 2013. An additional \$1,430,000 is budgeted for the citywide Sectional Concrete Replacement Program. \$32,000 is reappropriated from the prior year for the development of a formal City Roadway Asset Management Plan that will expand the existing asset management program to meet MDOT requirements.

For fiscal year 2017/18, there are no Transfers Out proposed for this fund. The road bond debt from past Local Road projects was retired in the 2005/06 fiscal year.

Specific capital projects in the Local Road Fund are detailed in the Capital Projects section of this document.■

Did you know...

...there are 286 miles of local or neighborhood roads in the City?

Local Road Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 1.1%.

Other Charges – Total Other Charges decreased \$15,000 or 9.7%, as less funding is needed for contracted snow removal services to assist the City's plowing efforts during snow emergencies.

Other Services – Total Other Services increased \$128,500 or 7.0%. \$125,000 was added for tree and shrub maintenance as part of the citywide reforestation effort. Funding increased \$10,000 for grass and weed control costs, \$3,000 for curb and gutter maintenance, and \$500 for roadside cleanup, all to reflect more recent actual expenditure levels. Less funding is needed for pavement markings, saving \$10,000.

Capital – Total Capital of \$4,912,000 is proposed. \$3,450,000 is budgeted for local road repairs, which includes \$250,000 for the citywide Sectional Concrete Replacement Program and \$3,200,000 for the concrete reconstruction of Mulberry Court, New Bradford Boulevard, Kara Lane, Monterra Lane, Larch, Bluejack, Hornbeam, Allspice, Grindley, Electra, Vito, Chatsworth, Crestview, Stonecrest, and Mill Creek Drives. These neighborhood repair projects are funded by the 0.8 mill Safe Streets millage, which was approved by the voters in November 2013. An additional \$1,430,000 is budgeted for the citywide Sectional Concrete Replacement Program. \$32,000 is reappropriated from the prior year for the development of a formal City Roadway Asset Management Plan that will expand the

Expenditure History



existing asset management program to meet MDOT requirements.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Other Charges	\$142,132	\$155,070	\$140,070	\$140,070	\$140,070
Other Services	1,823,560	1,848,000	1,696,000	1,976,500	1,976,500
Capital Outlay	4,001,351	5,101,370	3,510,070	4,912,000	4,912,000
Total	\$5,967,043	\$7,104,440	\$5,346,140	\$7,028,570	\$7,028,570

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any parkland or park system. The balance is normally transferred to the Debt Service Fund if and when a bond issue is involved. Money for the operation of the Fund is usually supplied by the sale of General Obligation Bonds, State or Federal grants, a special voted tax, proceeds from the sale of excess City property and/or other restricted contributions.

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

In fiscal year 2017/18, there are no Capital Projects budgeted for this Fund.

For a complete list of all park improvement projects, please refer to the Capital Improvement schedule in the Capital Improvement section of this document.■

Did you know...

...the City adopted the 2017-2021 Parks, Recreation and Non-Motorized Master Plan in December 2016?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

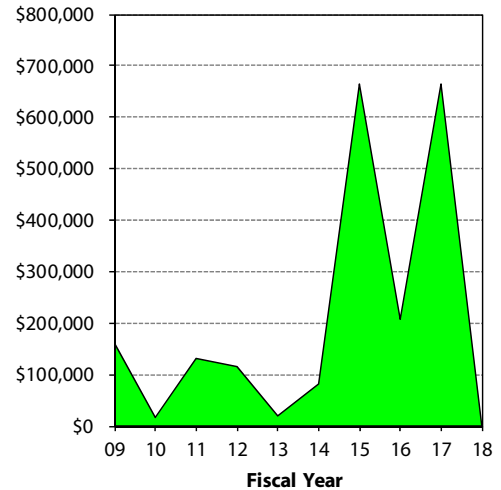
The total budget decreased by 100%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – There is no Capital budget for this fund next year.

Expenditure History

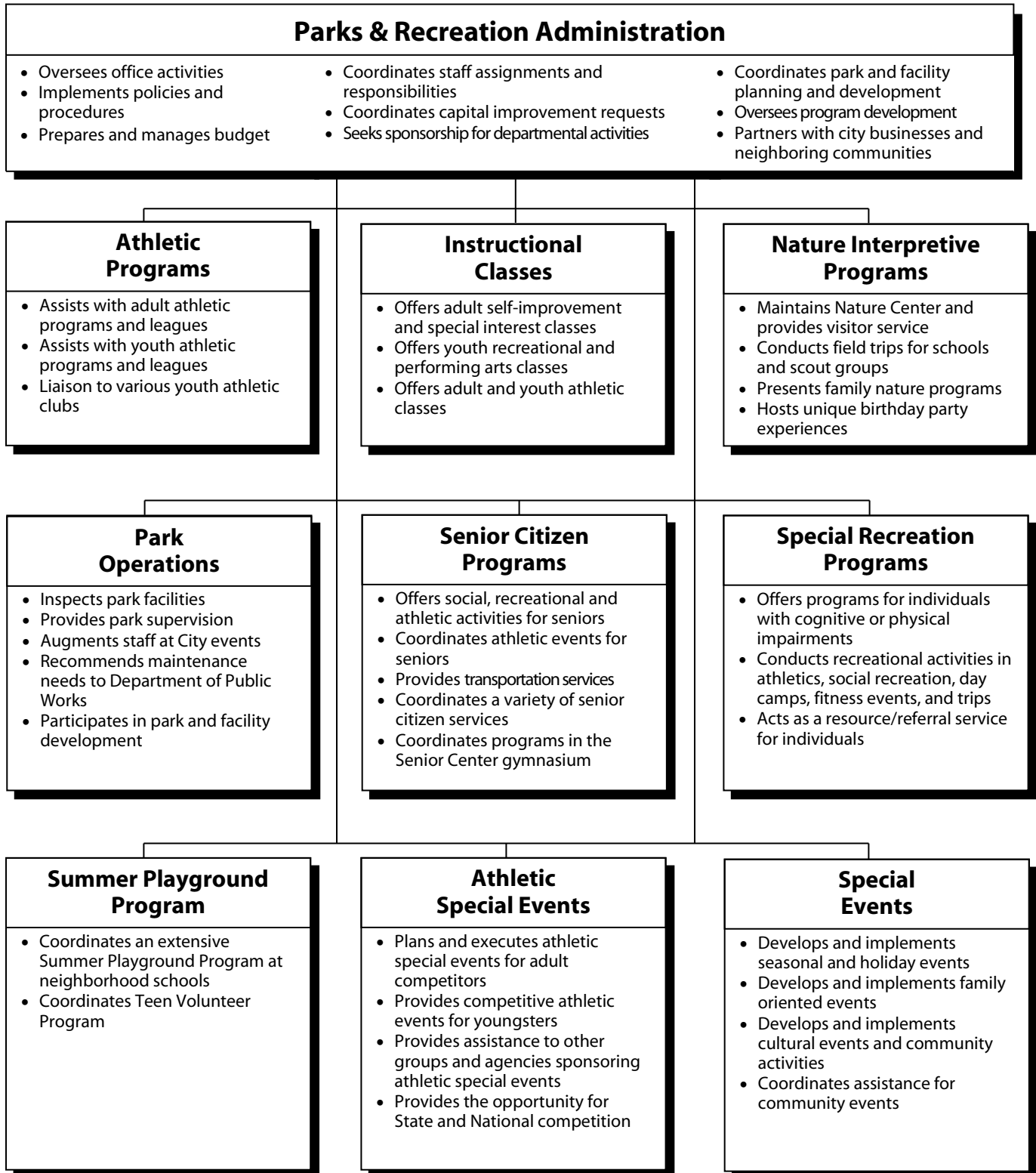


FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Capital Outlay	207,372	664,540	560,190	0	0
Total	\$207,372	\$664,540	\$560,190	\$0	\$0

FUNCTIONAL ORGANIZATION CHART

Parks & Recreation Fund



DEPARTMENT AT A GLANCE

Parks & Recreation Fund

BUDGET SUMMARY

The Parks and Recreation budget totals \$16,032,320 for 2017/18. Prior to the current budget year, the Parks and Recreation department was budgeted in the General Fund. With the passage of the Recreating Recreation millage in November 2016, a Special Revenue fund was created to easily track new expenditures related to the new dedicated millage. Prior year expenditures will continue to be reported in the General Fund for historical purposes. Personnel costs total \$1,936,470 and include three additional part-time positions and additional part-time hours necessary to implement new programming. Part-time hours also increased for additional bussing service to be offered to seniors as well as transportation to the Warren Community Center. Total Supplies are funded at \$101,150 and include additional expenditures related to new program

offerings such as ice skates and archery equipment. Other Charges total \$627,400 and include new maintenance contracts for the Splash Park and Ice Rink. \$100,000 is also included for resident use of the Warren Community Center. The Capital budget of \$10,254,800 funds a new SMART bus and two transit vans through the use of SMART credits. The remainder of the capital budget funds the improvements detailed in the Recreating Recreation Plan: splash park, skate park, Senior Center bocce ball court, Farmer's Market pavilion and ice rink, and the rehabilitation of numerous neighborhood parks. The canoe and kayak liveries along the Clinton River, the dog park at Delia Park and the Community Center will also begin construction. Total Debt Service of \$3,112,500 is budgeted for the first payment on the \$45,000,000 bond to be issued in spring 2017 to fund the Recreating Recreation improvements.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget	% Change from 16/17
Parks & Recreation	0	0	0	16,032,320	N/A
Total Department	\$0	\$0	\$0	\$16,032,320	N/A
Personnel Services	\$0	\$0	\$0	\$1,936,470	N/A
Supplies	0	0	0	101,150	N/A
Other Charges	0	0	0	627,400	N/A
Capital Outlay	0	0	0	10,254,800	N/A
Debt Service	0	0	0	3,112,500	N/A
Total Department	\$0	\$0	\$0	\$16,032,320	N/A

Prior to 2017/18, the Parks & Recreation Department was budgeted as part of the Community Services Department in the General Fund.

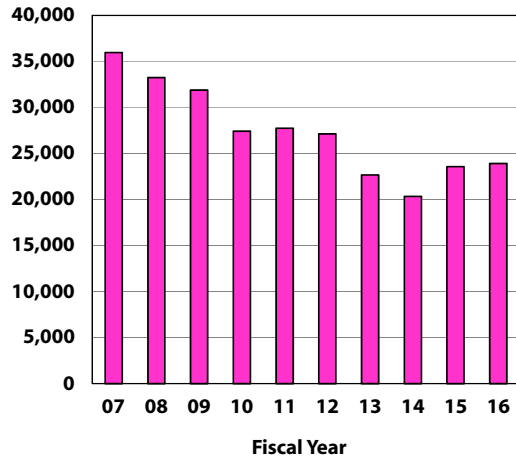
PERSONNEL SUMMARY

	2014/15		2015/16		2016/17		2017/18	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	7	3	8	2	9	1	9	5
Total Department	7	3	8	2	9	1	9	5

KEY DEPARTMENTAL TRENDS

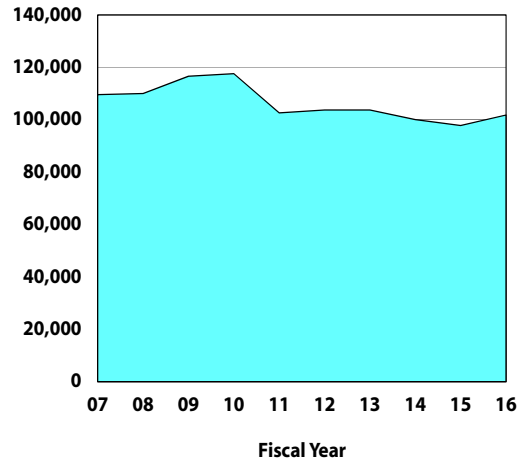
Parks & Recreation Fund

Instructional Class Attendance



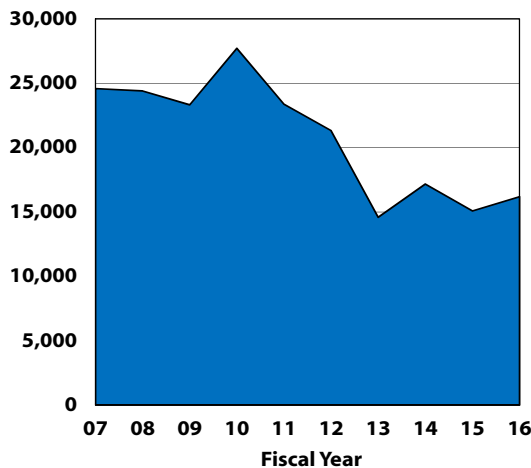
Instructional class attendance has declined over the past ten years due in part to less available pools for aquatic classes.

Senior Center Attendance



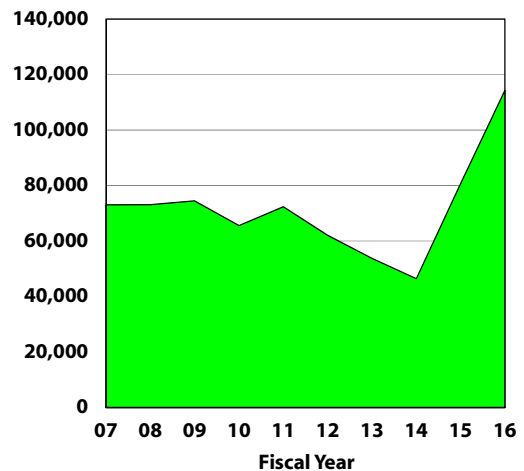
Senior program attendance has been fairly constant, exceeding 100,000 participants each year over the past ten years. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid with federal CDBG dollars.

Nature Program Attendance



Attendance at the City's Nature Center has decreased slightly over the past ten years due in part to fewer school field trips as a result of state testing requirements.

Special Events Participants



The number of participants of the City's various special events declined for several years until recently due to attendance at the Farmer's Market and increased Music in the Park concerts.

MISSION STATEMENT: *To provide the best in Parks and Recreation services for all Sterling Heights' residents as efficiently and effectively as possible.*

The Parks & Recreation Fund is a Special Revenue Fund of the City of Sterling Heights. It was created in Fiscal Year 2017/18 after voter approval of the Recreating Recreation millage in November 2016. The Fund will receive a dedicated 0.97 mills for 20 years. The Recreating Recreation initiative will deliver a diverse mix of recreational opportunities and facilities including:

- Construction of a 118,000 square foot Community Center
- A permanent pavilion for the Dodge Park Farmer's Market
- A refrigerated ice-rink, an outdoor splash park, a skate park and a dog park
- Facilities for canoe and kayak enthusiasts along the Clinton River
- Development of a hike/bike trail linking Delia Park with the City Nature Preserve
- Capital improvements to nearly every neighborhood and major park

The Fund also receives revenue from Parks & Recreation fees, SMART credits and a transfer from the General Fund for the pre-existing expenses of the department prior to the passing of the millage. In addition to providing the new amenities listed above, Parks & Recreation administers a variety of programs for residents of all ages.

The Instructional Program offers a variety of fitness, dance, athletic, and special interest classes. The Special Events Program includes the Sterling Halloween Party, A Sterling Christmas, Music in the Park, Sterlingfest, Daddy/Daughter Dance, Dance Recital, and Farmers Market.

In Athletic Services, adults and youth are provided the opportunity to compete in organized leagues and tournaments. A Summer Playground Program is conducted at schools throughout the City for children ages 5 to 14. This program offers activities such as games, crafts, field trips, sports and more.

Teens have their chance to shine in the Teenage Rockfest Battle of the Bands. The Nature Services Program offers individuals, families, and groups an opportunity to learn more about our environment.

KEY GOALS

- *To offer high quality recreation services and programs to our residents to benefit their overall health and well-being.*
- *To continue the vision of park and facility development providing new and/or improved recreation opportunities for our residents of various ages, interests and abilities as per the Department's Master Plan.*
- *To provide positive play opportunities to the youth and teens of our community through wholesome and well-rounded programs and recreational venues.*
- *To closely monitor our parks and facilities to ensure a safe and clean environment for the resident users.*

Park Operations monitors over 610 acres of large urban parks, community parks and sport complexes, as well as over 236 acres of neighborhood parks. It is estimated that over 700,000 people frequent the park system annually.

The Senior Citizens Program provides a variety of recreational activities such as trips, seasonal events, athletics, etc. Some of the special services available to our senior residents include transportation, medical services, and a healthy dining program.

The National Gold Medal Award Winning Special Recreation Program offers a variety of recreation activities to the mentally and emotionally impaired, physically challenged, learning disabled, hearing impaired, visually impaired, persons with closed head injuries, and autistic children and young adults. Activities include summer day camps, athletics, social recreation and special activities. ■

Did you know...

...that Sterling Heights residents can use the Warren Community Center at the same rates offered to Warren residents?

Parks & Recreation Fund

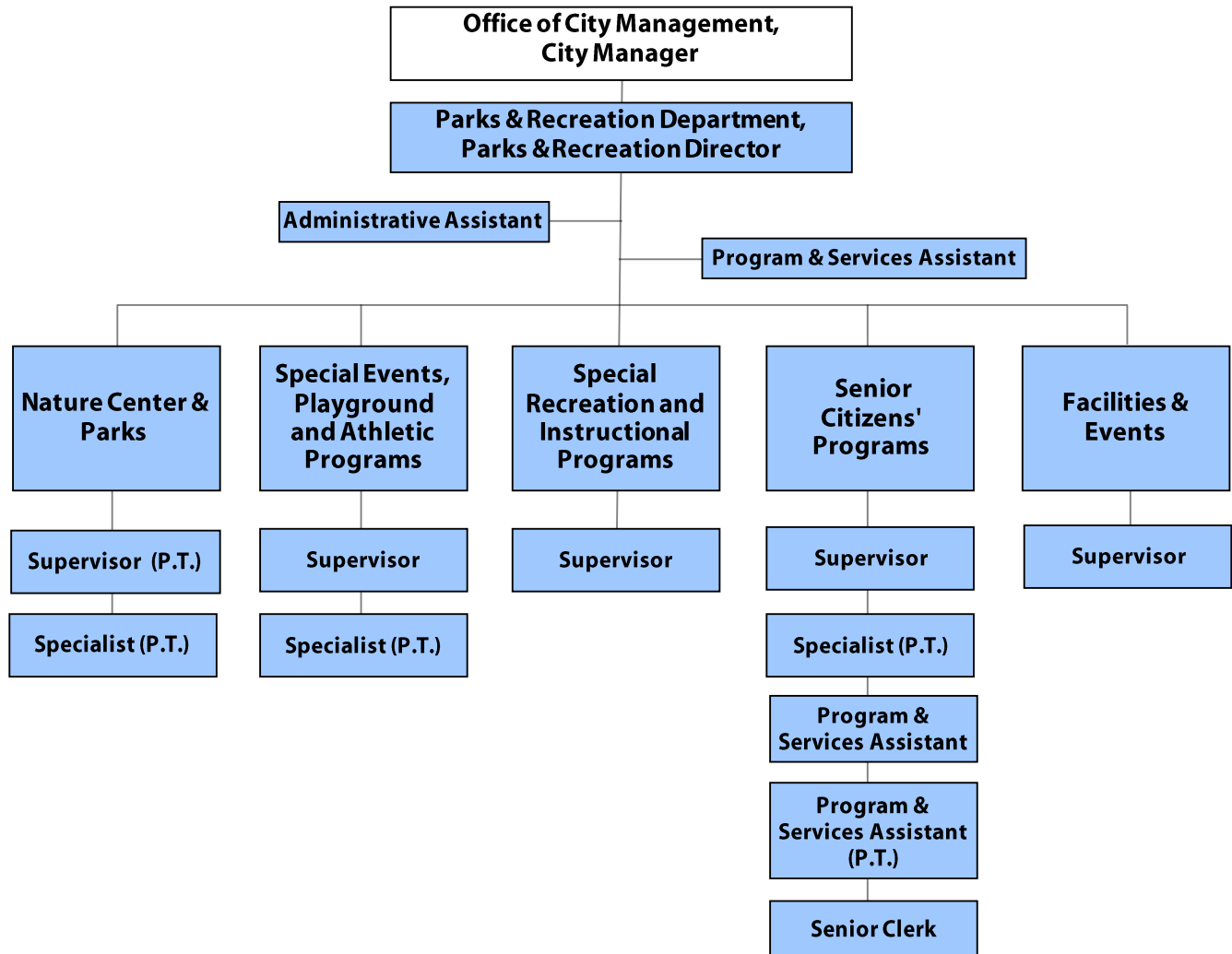
2017/18 PERFORMANCE OBJECTIVES

1. To begin implementation of the Recreating Recreation Plan in Dodge Park, including a splash park, ice rink, and farmer's market pavilion. *(City Goal 16, 18, 19)*
2. To develop one new program that will reach an underserved segment of the City's population. *(City Goal 19)*
3. To refresh the Department's marketing via publications and website. *(City Goal 25)*
4. To restructure the Parks & Recreation staff and associated responsibilities to best deliver current and future services to the residents. *(City Goal 5)*
5. To enhance transportation services to our residents by providing a more reliable and varied fleet, as well as expanding transportation opportunities. *(City Goal 17)*

	Performance Indicators	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Budget
Output	Instructional Class Attendance	20,344	23,566	23,916	23,500	21,500	23,680
	Spec. Event Participants (Incl. Sterlingfest/Farm. Mkt.)	46,379	80,680	114,295	110,000	96,200	110,000
	Special Recreation Program Attendance	8,395	8,847	8,460	9,000	8,630	9,000
	Adult & Youth Athletic Attendance	23,442	23,578	21,586	24,000	28,000	28,000
	Nature Program Participants	17,170	15,079	16,187	17,000	16,700	17,200
	Teen Only Program Attendance	476	372	150	700	0	0
	Number of Internet Registrations	2,512	2,969	1,311	2,800	2,600	2,800
	Summer Playground Registrations	698	691	675	690	690	690
	Park Playground Equipment Replaced	2	1	0	0	12	9
	Senior Center Activities Attendance (Incl. Transport.)	100,026	97,769	101,770	100,000	99,520	100,400
	Community Center Special Activity Use Attendance	5,851	5,430	4,598	5,600	3,860	4,000
	Senior & Special Recreation Transportation Riders	19,426	19,281	19,732	21,000	20,000	21,400
Efficiency & Effectiveness	P & R Revenue Earned per Capita	\$3.60	\$3.77	\$4.00	\$4.00	\$3.87	\$4.10
	% of Refunds Due to Dissatisfaction	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Developed Park Acres per 1,000 Residents	5.4	5.4	5.4	5.5	5.5	5.5
	% of Park Acres Developed	85.4%	85.4%	85.4%	87.5%	87.5%	87.5%
	FTE's per 100,000 Pop. (Incl. Parks & Grounds Maint.)	30	30	31	32	32	33
	Nature Center Cost per Visitor	\$7.18	\$8.39	\$7.97	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	\$14.85	\$14.27	\$14.09	*	*	*
	Activity Expenditures as % of General Fund	2.04%	1.97%	2.11%	2.12%	2.19%	N/A

*Cost is calculated for "Actual" columns only.

Parks & Recreation Fund



STAFFING SUMMARY

Position	Budget 2015/16	Budget 2016/17	Budget 2017/18
Parks & Recreation Director	0	1	1
Parks & Recreation Manager	1	0	0
Recreation Supervisor	2	4	4
Recreation Supervisor (P.T.)	1	0	1
Recreation Specialist	1	0	0
Recreation Specialist (P.T.)	0	0	3
Administrative Assistant	1	1	1
Program & Services Assistant	2	2	2
Program & Services Assistant (P.T.)	1	1	1
Senior Clerk	1	1	1
Total	10	10	14

Parks & Recreation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

Note: Comparison for informational purposes only; prior year expenditures were appropriated in the General Fund Budget.

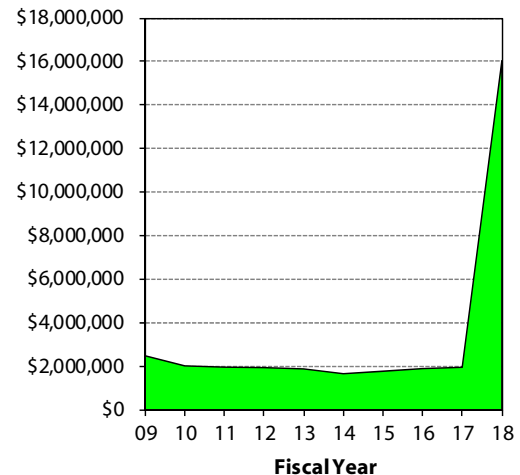
Personnel Services – The total Personnel budget increased \$394,410 or 25.6%. \$275,350 or 17.9% of the increase is due to the addition of three permanent part-time and other seasonal positions to implement the additional programs and activities funded through Recreating Recreation. Additional hours are also funded through SMART credits to increase bus service for seniors as well as for transportation to the Warren Community Center. Full-time wages increased \$45,910 due to contractual wage adjustments and funding for long-term retirement liabilities increased by \$24,890.

Supplies – Total Supplies increased \$23,150 or 29.7% for new items such as ice skates, archery equipment, a laptop, and first aid.

Other Charges – Total Other Charges increased \$289,510 or 85.7%. \$150,520 was added to fund new service contracts for the Recreating Recreation improvements including a splash park, ice rink, and use of the Warren Community Center. \$95,200 was added for increased telephone and utility costs anticipated with the new improvements. \$27,900 is funded for additional equipment maintenance and repair costs, Senior Center tables and chairs, a card-access security system at the Youth Athletic building, and painting of the amphitheater.

Capital – \$10,254,800 is proposed. \$10,000,000 is budgeted for improvements funded through the

Expenditure History



Recreating Recreation millage. SMART funds are budgeted for a new Bus, two Transit Vans, and 10 GPS units, totaling \$200,800. \$54,000 is for a department SUV and the replacement of a high-mileage Nature Center vehicle.

Debt Service – Total Debt Service of \$3,112,500 is budgeted for the principal and interest payments on a Limited Tax General Obligation bond to be issued in the spring of 2017 to fund the Parks & Recreation improvements as part of the voter approved Recreating Recreation millage.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$1,514,235	\$1,542,060	\$1,570,290	\$1,936,470	\$1,936,470
Supplies	67,009	78,000	78,900	101,150	101,150
Other Charges	319,406	337,890	688,180	627,400	627,400
Capital Outlay	0	0	3,045,900	10,254,800	10,254,800
Debt Service	0	0	0	3,112,500	3,112,500
Total	\$1,900,650	\$1,957,950	\$5,383,270	\$16,032,320	\$16,032,320

***The safest way to double your money
is to fold it over once and put it in your pocket.***

~ Kin Hubbard ~



The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the federal government electronically deposits funds into a designated City account for our equitable share of money or property that was seized during a federal investigation in which a Sterling Heights police officer took part. The City currently has two police officers assigned to Drug Enforcement Administration (D.E.A.) task forces. Therefore, the Department is entitled to a percentage, relative to these Officers' involvement in an investigation. The federal guidelines allow for the proceeds to

be used to enhance overall law enforcement efforts. Some examples of Federal Forfeiture permitted uses include the purchase of new equipment, improvements to police facilities, and law enforcement training.

Gambling Forfeiture revenue is generated from seized money or property that is directly related to illegal gambling. Seized property is sold at auction and the proceeds along with any forfeited cash are used to enhance the future enforcement of gambling statutes.

Persons involved in serious Operating While Intoxicated (O.W.I.) arrests or those with a prior O.W.I. conviction are subject to having their vehicles seized. Upon arrest, an offender's vehicle is impounded and either a settlement is paid or the vehicle is forfeited. Forfeited vehicles are then sold at auction and the proceeds are used to enhance traffic enforcement and education.

In December 2015, the U.S. Department of Justice ceased all new equitable sharing payments to local law enforcement agencies through the federal asset forfeiture program due to budget cuts. The program was reinstated in March, 2016.

In fiscal year 2017/18, a total of \$343,300 is budgeted for this fund. \$257,110 is included for Federal Forfeiture related expenditures, \$46,390 is allocated for State Forfeiture permitted uses, and \$9,000 is budgeted for O.W.I. Forfeiture related purchases. In addition, \$30,800 is included for grant-funded training-related costs. Following State guidelines, the budget for this fund is based on existing year-to-date revenue and does not take into consideration the revenue from future anticipated receipts.

For additional information regarding the City's use of Federal and State forfeiture revenue, refer to the Summary of Budget Changes on the following page. ■

Did you know...

...the Sterling Heights Police Department has two Officers that work directly with the Federal Drug Enforcement Agency in a collaborative effort to curb drug sales in the City?

Public Safety Forfeiture Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

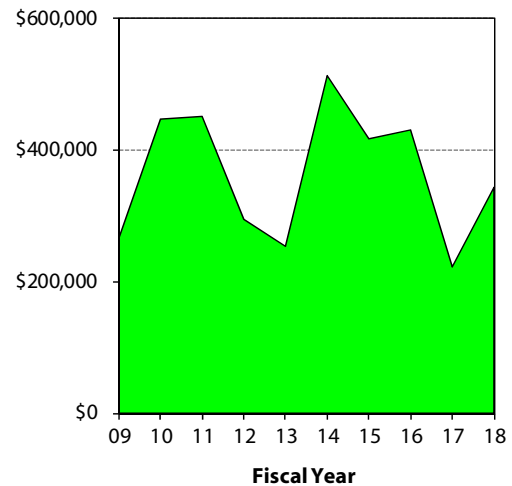
The total budget increased by 54.4%.

Supplies – Total Supplies increased \$15,050 or 71.4%, primarily for the cost of paint, emergency lights, and mechanical parts for a recently acquired Special Response Team (SRT) rescue vehicle obtained from the Department of Defense. The increase was offset by a decrease due to the one-time funding of taser gun training cartridges, weapon cases, and a safety restraint chair in the prior year.

Other Charges – Total Other Charges decreased \$31,050 or 16.8%. Contracted service costs decreased \$22,800 due to the transfer of a software support agreement to Information Technology, the elimination of a software subscription and computer warranties that are no longer needed, and a one-time prior year towing expense. Less funding is budgeted for undercover investigative costs and narcotics training, saving \$8,400. Forensics software license renewal fees increased \$150.

Capital – Total Capital of \$153,260 is proposed. \$69,000 is budgeted for three mid-size Investigative Vehicles to replace 12 and 13-year old high-mileage vehicles. \$46,000 is budgeted for two replacement mid-size Criminal Response Unit (CRU) Vehicles. \$27,000 is for a Transit Wagon to replace a 20-year old vehicle used to transport officers and equipment when executing search warrants. Four replacement hand-held Laser Guns are funded for \$11,260.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Supplies	\$8,620	\$21,080	\$21,080	\$36,130	\$36,130
Other Charges	174,962	184,960	184,760	153,910	153,910
Capital Outlay	246,971	16,270	16,270	153,260	153,260
Total	\$430,553	\$222,310	\$222,110	\$343,300	\$343,300



The Community Development Block Grant Fund serves many facets of the Sterling Heights community. In 1974, the Congress of the United States initiated the C.D.B.G. program. This program was designed to replace existing categorical programs identified with city development or redevelopment, namely: Urban Renewal and Neighborhood Development Programs, Model Cities Program, Neighborhood Facilities Programs, Open Space Acquisition, and Rehabilitation Loans.

One of the primary functions of the Community Development Act is to allow local communities the opportunity to structure the program to their own specific needs. This concept was unique at the time and offered local communities far greater flexibility than was present in the categorical programs.

Monies under this program may be spent on activities which are directed to fulfilling specific objectives: elimination of slums and blight, elimination of conditions which are detrimental to health, safety, and public welfare through code enforcement, conservation and expansion of the nation's housing stock in order to provide a decent home for all persons, expansion and improvement of community services principally for persons of low and moderate income, provide a more rational use of land, develop and improve neighborhoods, restore and preserve properties with historical value, and economically develop activities which aid in the revitalization of the community.

Block Grant funds also provide library books for low and moderate-income seniors at senior housing units. These book collections include large-print and "talking books" (books on tape).

When funding allows, the City of Sterling Heights uses Block Grant funds to defer 100% of the special assessments that would be levied against a property within the neighborhood where these improvements occur. Households meeting the low and moderate income criteria may qualify for a total relief of the special assessments because program rules require that when capital improvements are made to a

neighborhood, low and moderate income families may not be negatively impacted. The Housing Commission administers this program on behalf of the City Council.

Examples of activities undertaken in past years include the Upton House purchase and renovation, improvements to Nelson and Beaver Creek Parks, SMART Bus Stop Improvements along north Van Dyke, housing rehabilitation, Minor Home Repair Program, Handicapped Recreation Program, the Home Chore Program, and meeting the federally mandated Americans With Disabilities Act requirements.

In fiscal year 2006/07, \$400,000 was budgeted toward the construction of the \$2.2 million Senior Active Life Center addition. The proceeds from a bond sale in the spring of 2007 were used to fund the remaining \$1.8 million construction cost. Block Grant capital funds were used to fund the debt payments on the Senior gymnasium bond, which was retired in the 2012/13 fiscal year.

For fiscal year 2017/18, \$373,180 in unspent carryover funding is budgeted to complete the concrete replacement on Arlingdale Drive. \$386,940 is budgeted for concrete replacement on Fairway and Barnum Drive. Upton House repairs are funded for \$52,000. \$10,000 is included for DPW tree plantings as part of the City's reforestation effort.■

***Did you know...
...that not less than 70 percent of CDBG funds
must be used for activities that benefit low and
moderate income persons?***

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 9.1%.

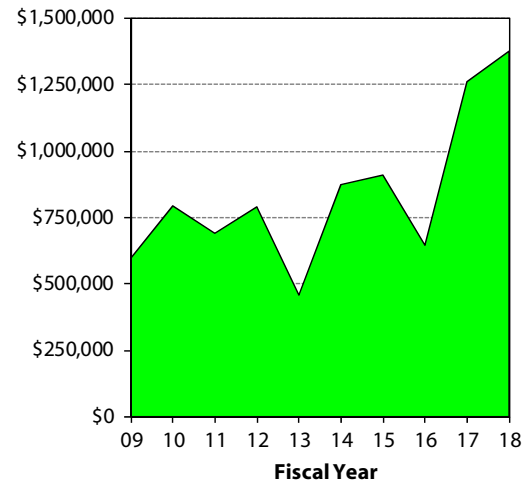
Personnel Services – There is no Personnel budget for this cost center.

Supplies – Total Supplies increased by \$100 or 1.2%, as slightly more funding is allocated for audio books and special large print books to service the needs of the homebound senior and handicapped residents.

Other Charges – Total Other Charges increased \$33,370 or 6.5%. Housing rehabilitation costs increased \$15,000 due to the reallocation of prior year unspent funds. Funding for Minor Home Repair increased \$4,000. \$23,000 is allocated for consultant services needed to assist the City in meeting a new requirement of the Fair Housing Act that obligates local jurisdictions that receive HUD funding to conduct a detailed analysis of its housing occupancy. \$105,170 is budgeted to reimburse the costs of City personnel administering the CDBG program. Funding for a part-time CDBG intern position is now budgeted in administrative services instead of part-time wages. Code enforcement funding is budgeted for \$40,000, an increase of \$5,000. The budget includes \$19,000 for the Special Recreation Program. Donations to service organizations decreased slightly by \$100.

Capital – Total Capital of \$822,120 is proposed for this fund. \$373,180 in unspent carryover funding is budgeted to complete the concrete replacement on

Expenditure History



Arlingdale Drive. Concrete replacement on Fairway and Barnum Drive is budgeted for \$386,940. Repairs to the Upton House are funded for \$52,000. \$10,000 is included for DPW tree plantings as part of the City's reforestation effort.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$9,470	\$0	\$0	\$0
Supplies	6,347	8,330	8,330	8,430	8,430
Other Charges	300,247	511,100	520,570	544,470	544,470
Capital Outlay	338,467	731,570	339,910	822,120	822,120
Total	\$645,061	\$1,260,470	\$868,810	\$1,375,020	\$1,375,020

The Corridor Improvement Authority (CIA) Fund is a Special Revenue Fund of the City of Sterling Heights. Established in 2006, the Authority allows the City to identify commercial districts in the City and utilize tax incrementing financing to make public improvements and offer development incentives in order to increase economic vitality within these districts.

The CIA currently includes one District located in the north central portion of Sterling Heights. The District consists of properties bordering Van Dyke Avenue between 18½ Mile Road to the north City limit and along Utica Road between Van Dyke Avenue and Triangle Drive.

The Primary Goals for the District are (1) to enhance the public spaces within the District; (2) to delineate the District by developing a consistent beautification and landscape style along its rights-of-way; (3) to provide a unified building style through the development and redevelopment of properties within the District; and (4) to spur economic growth and increase property values within the District's borders.

As a necessary prerequisite to achieve these goals, both a Development Plan and a Tax Increment Finance Plan have been prepared. The Development Plan outlines the improvements proposed within the District, while the Tax Increment Finance Plan identifies the funding mechanism that will be utilized to finance the proposed improvements.

The Streetscape Design Guidelines prepared for the District include select specifications for paving, decorative lighting, site furnishings, and landscaping. These amenities are intended to be constructed within the Van Dyke Avenue and Utica Road rights-of-way as well as on private property as part of future development and redevelopment within the District.

The Development Plan also includes potential façade improvements with selected styles and material specifications, access management improvements, property acquisition, floodplain/wetland mitigation, park space improvements, general infrastructure

improvements, and a business recruitment and retention program. The CIA Master Plan provides for approximately \$20 million worth of improvements in the District over a 20-year period.

The Economic Development Consultant serves as the City's liaison to the Corridor Improvement Authority Board.

For fiscal year 2017/18, \$160,000 is budgeted as a transfer from the General Fund for the acquisition of property located on Van Dyke for future use. \$25,000 is also proposed for the demolition of a vacant building on the property.■

***Did you know...
...that after 2006 any new development within
the corridor must comply with established
guidelines related to paving, decorative lighting
and landscaping?***

Corridor Improvement Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 100%.

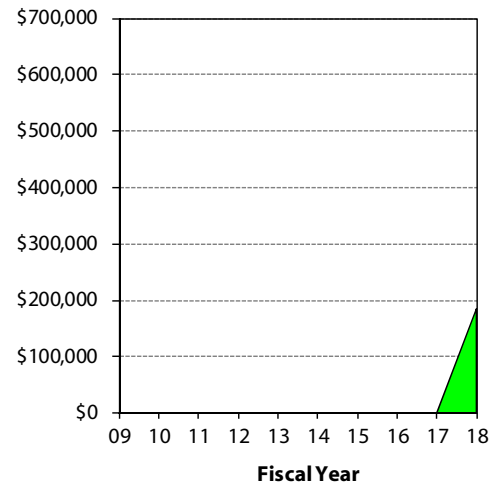
Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges of \$25,000 is proposed for the demolition of a vacant building on city-owned property on Van Dyke.

Capital – Total Capital of \$160,000 is proposed, as a transfer from the General Fund will be utilized to acquire the property located on Van Dyke for future development.

Debt Service – There is no Debt Service budget for this fund.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	25,000	25,000
Capital Outlay	0	0	90,000	160,000	160,000
Debt Service	0	0	0	0	0
Total	\$0	\$0	\$90,000	\$185,000	\$185,000



The Economic Development Corporation Fund of the City of Sterling Heights has been established and organized, pursuant to Act 388 of the Public Acts of 1974, to achieve essential public objectives of the City. Its objectives are to alleviate and prevent conditions of unemployment, and to assist and retain local industries and commercial enterprise in order to strengthen and revitalize the economy of the City. The Economic Development Corporation also provides the means for encouragement and assistance of industrial and research enterprises, and provides needed services or facilities to the City by constructing, acquiring through gift or purchase, improving, reconstructing, repairing, maintaining, and acquiring land for planned improvements suitable for use by any industrial or research enterprise.

The Economic Development Corporation provides the means and methods for encouragement and assistance of industrial and research enterprises...

To accomplish these objectives, the Economic Development Corporation is allowed to borrow money and issue its revenue bonds or revenue notes to finance all or part of the cost of the acquisition, purchase, construction, reconstruction, or improvements of any project or any part of that project. Additionally, the Economic Development Corporation may enter into leases, lease purchase agreements, or installment sales contracts with any person, firm, or corporation for the use or sale of projects.

The Economic Development Corporation functions as a nine member appointed Board and generates revenues by assessing fees on a particular bond and project improvement program.

Using web-based marketing services, promotional ads, marketing brochures, and television advertising, the Economic Development Corporation seeks to identify

industries and research enterprises that may be considering expansion or relocation to the Detroit Metropolitan area. City Administration assists interested parties in locating properties, securing financing and obtaining information about the City of Sterling Heights. The Economic Development Manager is the City's liaison to the Economic Development Corporation.

The Economic Development Corporation has been given the additional responsibility of the Brownfield Redevelopment Authority. Their tasks include making recommendations to the City Council on Brownfield plans. Brownfield Redevelopment has a positive impact on the community by providing a cleaner and safer environment.■

Did you know...

...the Economic Development Corporation Fund has the ability to fund strategic economic development projects like property acquisition?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

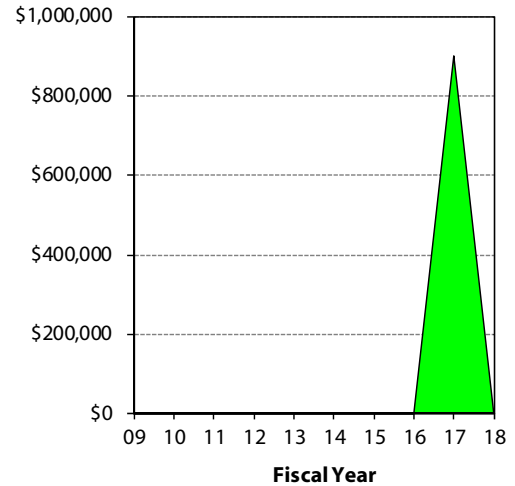
The total budget decreased by 100%.

Personnel Services – There is no Personnel budget for this fund. The Economic Development Corporation members serve as volunteers without compensation.

Other Charges – There is no Other Charges budget for this fund.

Transfers Out – Total Transfers Out decreased \$900,000, as there are no Transfers Out proposed for the 2017/18 fiscal year. A transfer of funds was made in the prior year to the Local Development Finance Authority Fund to reimburse Fiat Chrysler Automobiles for eligible improvement costs associated with the Sterling Heights Assembly Plant.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfers Out	0	900,000	900,000	0	0
Total	\$0	\$900,000	\$900,000	\$0	\$0

Public Act No. 281 of 1986, entitled The Local Development Financing Act, is intended to encourage local development to prevent unemployment and promote economic growth. These objectives are achieved under the Act by establishing local development finance authorities that create and implement development plans through tax increment financing.

The Act establishes the process for forming a Local Development Finance Authority (LDFA). This process is initiated by the municipality's governing body declaring by resolution its intention to create and provide for the operation of an authority.

The LDFA provides development incentives to companies that fall in the following categories: defense, high technology, alternative energy, agricultural processing, and automotive. The development incentives include reimbursing eligible entities for costs such as roads, water, sanitary and storm sewer, environmental remediation, demolition, and utilities.

As a prerequisite to achieving these goals, a Development Plan and Tax Increment Finance Plan are prepared. The Development Plan outlines the improvements proposed within the District, and the Tax Increment Finance Plan identifies the funding mechanism utilized to finance the proposed improvements.

The impetus for establishing the City's LDFA was the redevelopment of the former TRW site by BAE Systems located on the west side of Van Dyke Avenue, between 14 Mile Road and 15 Mile Road. This parcel was the first authority district in which the LDFA board is exercising its powers.

BAE Systems constructed a 230,000 square foot, state of the art business development and technology center based on the requirements of the United States Department of Defense and its worldwide allies. This new technology center will focus on and facilitate the integration of the technical, business and

program management teams dedicated to the design and development of tactical wheeled and combat vehicles in support of the next generation of combat systems, while enhancing the capabilities of the current combat systems of the United States and its allies. The capital investment by BAE Systems in real and personal property is an estimated \$33 million.

The State of Michigan designated the City's LDFA as a SmartZone. This designation allows the LDFA to operate a business incubator. A SmartZone plan is required to describe the operation of the business incubator and how tax dollars will be used to fund its activities.

In fiscal year 2017/18, \$586,060 is budgeted for the operational costs associated with the Macomb-OU INCubator, which will be funded by LDFA increment financing revenues. \$1,000 is also funded for professional aerial videography and photographs to be taken of the Sterling Enterprise Park redevelopment project in the City's commercial corridor district. \$350,000 is budgeted for SmartZone District Improvements including signage and streetscapes.■

Did you know...

...the Sterling Enterprise Park is a 166 acre industrial park that can house up to one million square feet of industrial buildings?

Local Development Finance Authority Fund

SUMMARY OF BUDGET CHANGES

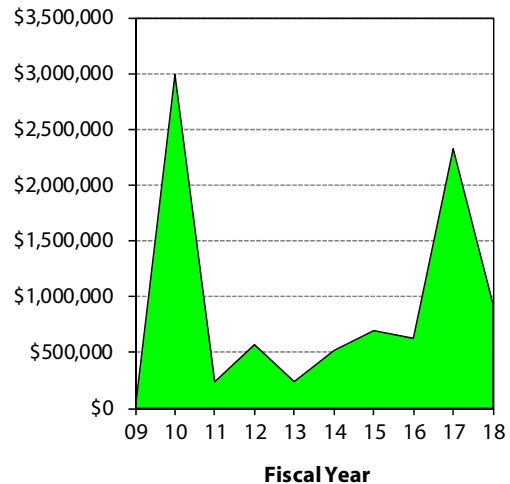
SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 59.7%.

Supplies – Total Supplies is proposed to remain the same at \$6,500. There are no proposed funding changes to the operating supplies account.

Other Charges – Total Other Charges decreased \$883,690 or 60.4% largely due to a one-time adjustment in the prior year to reflect a transfer of funding from the Economic Development Fund to reimburse Fiat Chrysler Automobiles for eligible LDFA improvements as part of their investment at the Sterling Heights Assembly Plant. The decrease was slightly offset by an increase in operation costs associated with the business incubator, which will be funded by LDFA increment financing revenues. \$83,250 is for the reimbursement of the City's administrative costs. \$118,000 is for utility costs including heat, electricity, and water. \$200,000 is budgeted for the payment to Oakland University for their management of the incubator and program development, which includes the pass through of Incubator rental payments, and for a contractor to coordinate facilities maintenance repairs. \$42,000 is for contracted service costs including landscape and snow removal fees, building alarm and fire system costs, cleaning services, engineering consultant fees, and dumpster rental fees. Business incubator building repairs and improvements are funded for \$40,000. The budget includes \$47,000 for telephone costs and \$35,000 in building maintenance costs.

Expenditure History



Capital – Total Capital of \$350,000 is budgeted for SmartZone District improvements including signage and streetscapes.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Supplies	\$4,771	\$6,500	\$6,500	\$6,500	\$6,500
Other Charges	348,867	1,464,250	1,465,060	580,560	580,560
Capital Outlay	273,246	855,000	505,000	350,000	350,000
Total	\$626,884	\$2,325,750	\$1,976,560	\$937,060	\$937,060

In the middle of difficulty lies opportunity.

~ Albert Einstein ~



Debt Service Funds



The city's Debt Service Funds are used to account for the accumulation of resources and payments of general long-term debt principal and interest. Debt Service Funds are required when legally mandated. Debt Service Funds include the General Drain Fund, Limited Tax General Obligation (LTGO) Debt Fund, Road Bond Debt Retirement Fund, and the Voted General Obligation Debt Fund.

GENERAL OBLIGATION

Section 11.01 of the Sterling Heights City Charter outlines the City's general borrowing power. It states that Council, by ordinance or resolution, may authorize the borrowing of money, the issuance of bonds, or other evidences of indebtedness, subject to State law and Charter provisions. The City may pledge its full faith credit and resources for the payment of the obligation created.

The Charter further states that the City may borrow money, within provisions stipulated by State law, in anticipation of the payment of special assessments made for defraying any public improvement costs and can issue revenue or other types of bonds. This borrowing authority is limited, however. The net bonded indebtedness incurred for all public purposes cannot exceed 10% of the assessed value of all real and personal property in the City subject to taxation. In the case of fire, flood or other disaster requiring an emergency fund for the relief of City inhabitants, or for the repair or rebuilding of municipal buildings, infrastructure, bridges, or streets, the City's legislative body may borrow money for up to five years and in the amount not exceeding three-eighths of one percent of the assessed valuation of all property in the City, notwithstanding such loan may increase the indebtedness beyond the limitation fixed in the Charter.

Some bonds are not included in the computation of net bond indebtedness including bonds issued in anticipation of the payment of special assessments, mortgage bonds that are secured only by a mortgage on the property or franchise of a public utility, Michigan Transportation Fund (MTF) road construction bonds, and bonds issued to refund monies advanced or paid on special assessments for water main extensions. The resources of the sinking fund pledged for the retirement of any outstanding bonds shall also be deducted from the amount of the bonded indebtedness. The City's portion of the sewer district's debt service is also excluded from this calculation.

The City's 2017 State Equalized Valuation plus the assessed value of abated property is \$5,323,154,800. Therefore, the City's debt limit is \$532,315,480 or 10% of total valuation. The City's population estimate is 131,500. The outstanding Net Direct Bonded Debt for the City as of June 30, 2017 is shown here as a ratio to debt to state equalized value and debt per capita.

	Debt Out- standing 6/30/17	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	\$49,000,000	0.92%	\$373

The City's Debt Management Program is the product of over 45 years of deliberate decision-making by our community's leaders. Even after the anticipated issuance of the \$45 million Recreating Recreation Bond, the City's Total Government Debt per capita will remain one of the lowest of the nine comparable Michigan Cities. The City has made judicious use of its authorities to sell bonds or otherwise incur debt. Our current bond ratings are indicated below. The City's favorable credit rating results from low debt levels, as well as a history of conservative budgeting, maintaining adequate reserves, and financial flexibility based on an operating tax rate margin. The City anticipates maintaining its low debt position, due to a modest debt burden and a rapid debt amortization. 60.0% of the City's total non-sewer debt is scheduled to be repaid within ten years. Favorable credit ratings and low debt service will better position the City to finance debt in the future.

Total Debt Maturity within 10 Years = 60.0%

BOND RATINGS

Standard & Poors	Moody's Investor Service	Fitch
AAA	Aaa	AAA
AA+	Aa1	AA+
→ AA	→ Aa2	→ AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
BB+	Ba1	BB+
BB	Ba2	BB
BB-	Ba3	BB-
B+	B1	B+
B	B2	B
B-	B3	B-
CCC+	Caa1	CCC+
CCC	Caa2	CCC
CCC-	Caa3	CCC-
	Ca	CC
	C	C
		DDD
		DD
		D

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2017, the principal and interest payments required for fiscal 2017/18, and the funding source is included within this Debt Service section. Total indebtedness is \$125,235,590. Total principal payment is \$7,435,320 and the interest payment is \$3,527,400. Brief descriptions of each type of debt incurred by the City are stated below followed by debt summary schedules.

LIMITED TAX GENERAL OBLIGATION DEBT FUND

Some of the City's debt service was financed indirectly through lease with the City's Building Authority, which was created for the purpose of acquiring and leasing City property.

In 1999/00, a \$3.7 million bond was sold for the City Center Commons development. The debt was refunded in 2004/05, saving \$118,500. Total outstanding debt is \$895,000. Total principal payment is \$300,000 and interest is \$37,250.

In 2007, a \$3.25 million Improvement Bond was issued for the new Senior Active Life Center and public safety Radio System. In 2012/13, the final debt payment was made on the Radio System bonds. The final debt payment on the Senior Active Life Center bond, which was budgeted in the Community Development Block Grant Fund, was also made in fiscal year 2012/13.

VOTED TAX GENERAL OBLIGATION DEBT FUND

In the spring of 2008, a \$5.0 million General Obligation bond was issued for improvements at three of the City's fire stations (Public Improvement F), which was approved by the voters in November, 2006. \$487,320 is budgeted for the debt payments on the Fire Station Improvement bonds. The debt was refinanced in 2016/17 at a net savings of \$190,000 over the remaining six-year life of the bond.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness is \$16,595,000. The Principal payment is \$1,615,000 and interest is \$467,320.

SPECIAL ASSESSMENTS

In 2008, a \$3.26 million Special Assessment bond was issued to finance improvements within the Lakeside Shopping Center District. Total principal payment of \$150,000 and interest of \$91,600 is funded through special assessments.

MACOMB COUNTY DRAINS

The City was under contract with Macomb County to pay the debt for Chapter 20 drains. The final debt payment for the Central Fire Station Drain bond was made in 2015/16. All City issued drain debt has been paid in full.

WATER & SEWER FUND

In 2017/18, total principal of \$2,600,320 and interest of \$2,101,410 is budgeted for the City's portion of the District's debt for the Interceptor Rehabilitation project and an anticipated debt payment for a portion of the 15 Mile Interceptor Repair. Total indebtedness is \$57,390,590.

PARKS & RECREATION FUND

In the spring of 2017, a \$45.0 million Limited Tax General Obligation Bond will be issued to fund the Recreating Recreation improvements. Total principal payment for 2017/18 is \$2,325,000 and interest is \$787,500.■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/17	2017/18		Total
			Principal	Interest	
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	\$895,000	\$300,000	\$37,250	\$337,250
VOTED TAX GENERAL OBLIGATION DEBT FUND					
2008 Fire Station Improvement Bonds (F)	VTGO Fund	3,105,000	445,000	42,320	487,320
Total Debt Fund Direct Debt Service		4,000,000	745,000	79,570	824,570
ROAD BOND DEBT RETIREMENT FUND					
2010 Build America Bonds	Major Rds	1,325,000	50,000	72,500	122,500
2012 MI Transportation Refunding Bonds	Major Rds	1,645,000	495,000	60,850	555,850
2013 MI Transportation Refunding Bonds	Major Rds	2,440,000	425,000	45,660	470,660
2016 MI Transportation Bonds	Major Rds	9,110,000	535,000	215,680	750,680
2017 MI Transportation Bonds	Major Rds	2,075,000	110,000	72,630	182,630
Special Assessment Bonds	S/A - RBDF	2,250,000	150,000	91,600	241,600
Total Road Bond Debt Service		18,845,000	1,765,000	558,920	2,323,920
WATER & SEWER FUND					
Sewer District Rehabilitation Bonds	W&S Fund	\$57,390,590	\$2,600,320	\$2,101,410	\$4,701,730
PARKS & RECREATION FUND					
Parks & Recreation Improvement Bonds	P&R Fund	\$45,000,000	\$2,325,000	\$787,500	\$3,112,500
Total Debt Service		\$125,235,590	\$7,435,320	\$3,527,400	\$10,962,720

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 To Dec. 31	2016/17 Estimate	2017/18 Budget
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
City Center Commons	312,450	322,150	355,850	333,480	355,850	337,250
Total General Fund Debt Service	312,450	322,150	355,850	333,480	355,850	337,250
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Fire Station Improvements (F)	430,130	470,500	484,130	67,060	484,130	487,320
Total VTGO Fund Debt Service	430,130	470,500	484,130	67,060	484,130	487,320
GENERAL DRAIN FUND	659,790	156,750	0	0	0	0
PARKS & RECREATION FUND	0	0	0	0	0	3,112,500
Total Tax Supported Debt Service	\$1,402,370	\$949,400	\$839,980	\$400,540	\$839,980	\$3,937,070

SCHEDULE OF PRINCIPAL & INTEREST ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	2010 B.A. Bonds	2012 M.T.F. Refunding	2013 M.T.F. Refunding	2016 M.T.F. Bonds	2017 M.T.F. Bonds	2008 S.A.D. Bonds		Total
2017/18	122,500	555,850	470,664	750,675	182,630	241,600		2,323,919
2018/19	168,937	611,000	551,029	754,975	178,780	235,600		2,500,321
2019/20	163,987	608,400	535,522	758,975	179,920	229,600		2,476,404
2020/21	183,219		515,170	762,675	180,900	272,600		1,914,564
2021/22	200,950		495,022	771,075	181,700	264,550		1,913,297
2022/23	241,300			779,075	182,320	256,450		1,459,145
2023/24	229,850			781,675	177,770	248,150		1,437,445
2024/25	218,050			788,975	178,230	239,650		1,424,905
2025/26	206,050			795,875	178,500	231,050		1,411,475
2026/27				802,375	178,600	222,350		1,203,325
2027/28				805,000	178,520	213,500		1,197,020
2028/29				808,550	178,280	204,500		1,191,330
2029/30				806,350	182,850			989,200
2030/31				808,550	182,070			990,620
2031/32					181,130			181,130
Total	\$1,734,843	\$1,775,250	\$2,567,407	\$10,974,800	\$2,702,200	\$2,859,600		\$22,614,100

GENERAL FUND AND VOTED TAX GENERAL OBLIGATION DEBT SERVICE

Fiscal Year	2005 City Center Refunding G.F. Bonds	2008 Proposal F V.T.G.O. Bonds	2017 P&R Improve. Bonds					Total
2017/18	337,250	487,320	3,112,500					3,937,070
2018/19	322,250	493,160	3,113,630					3,929,040
2019/20	302,375	552,760	3,111,920					3,967,055
2020/21		585,550	3,113,300					3,698,850
2021/22		586,670	3,112,580					3,699,250
2022/23		586,500	3,114,750					3,701,250
2023/24			3,114,650					3,114,650
2024/25			3,112,280					3,112,280
2025/26			3,112,620					3,112,620
2026/27			3,110,530					3,110,530
2027/28			3,110,980					3,110,980
2028/29			3,113,800					3,113,800
2029/30			3,113,820					3,113,820
2030/31			3,111,050					3,111,050
2031/32			3,110,470					3,110,470
2032/33			3,111,920					3,111,920
2033/34			3,115,230					3,115,230
2034/35			3,115,200					3,115,200
2035/36			3,111,850					3,111,850
2036/37			3,110,170					3,110,170
Total	\$961,875	\$3,291,960	\$62,253,250					\$66,507,085

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

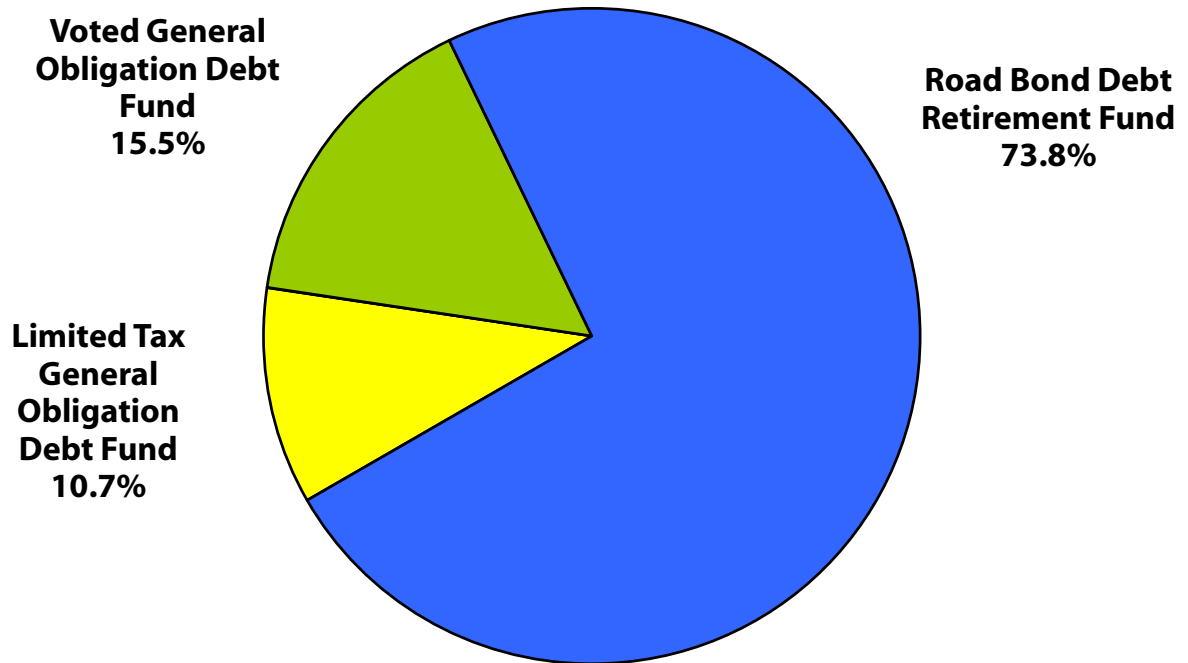
Debt Service Funds	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
GENERAL DRAIN FUND						
<u>REVENUES</u>						
Property Taxes	\$658,450	\$164,290	(\$100)	\$1,180	\$500	\$500
State/Local Returns	0	0	0	18,440	0	0
Interest Income	310	270	100	210	480	480
Total Revenues	658,760	164,560	0	19,830	980	980
<u>EXPENDITURES</u>						
Principal	625,000	150,000	0	0	0	0
Interest	34,790	6,750	0	0	0	0
Other Charges	1,360	300	0	0	0	0
Total Expenditures	661,150	157,050	0	0	0	0
Excess of Revenues Over (Under) Expenditures	(2,390)	7,510	0	19,830	980	980
Beginning Fund Balance	13,570	11,180	18,690	18,690	38,520	38,520
Ending Fund Balance	\$11,180	\$18,690	\$18,690	\$38,520	\$39,500	\$39,500
VOTED TAX GENERAL OBLIGATION DEBT FUND						
<u>REVENUES</u>						
Property Taxes	\$430,570	\$472,830	\$464,930	\$464,270	\$472,550	\$460,510
State/Local Returns	0	0	24,770	44,170	28,000	28,000
Interest Income	190	570	450	2,100	1,300	1,300
Total Revenues	430,760	473,400	490,150	510,540	501,850	489,810
<u>EXPENDITURES</u>						
Principal	275,000	325,000	350,000	350,000	400,000	445,000
Interest	155,130	145,500	134,130	134,130	121,000	42,320
Other Charges	350	350	350	350	350	350
Total Expenditures	430,480	470,850	484,480	484,480	521,350	487,670
Excess of Revenues Over (Under) Expenditures	280	2,550	5,670	26,060	(19,500)	2,140
Beginning Fund Balance	6,400	6,680	9,230	9,230	35,290	35,290
Ending Fund Balance	\$6,680	\$9,230	\$14,900	\$35,290	\$15,790	\$37,430

DEBT SERVICE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	\$145,750	\$148,870	\$145,450	\$179,650	\$139,000	\$139,000
Federal Interest Rebates	32,720	32,080	31,340	31,340	30,370	30,370
Interest Income	105,440	100,000	91,340	92,300	84,010	84,010
Trfr. from Major Roads Fund	1,600,000	1,000,000	1,925,240	1,925,240	2,000,000	2,000,000
Trfr. from Rd Bond Const Fund	0	130,000	0	0	0	0
Total Revenues	1,883,910	1,410,950	2,193,370	2,228,530	2,253,380	2,253,380
EXPENDITURES						
Principal	1,480,000	990,000	1,625,000	1,625,000	1,765,000	1,765,000
Interest	366,200	330,930	516,000	516,000	558,920	558,920
Other Charges	1,380	1,600	1,350	1,900	1,900	1,900
Total Expenditures	1,847,580	1,322,530	2,142,350	2,142,900	2,325,820	2,325,820
Excess of Revenues Over (Under) Expenditures	36,330	88,420	51,020	85,630	(72,440)	(72,440)
Beginning Fund Balance	608,700	645,030	733,450	733,450	819,080	819,080
Ending Fund Balance	\$645,030	\$733,450	\$784,470	\$819,080	\$746,640	\$746,640
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Transfer from General Fund	\$312,670	\$322,380	\$356,080	\$356,080	\$337,480	\$337,480
Total Revenues	312,670	322,380	356,080	356,080	337,480	337,480
EXPENDITURES						
Principal	240,000	260,000	305,000	305,000	300,000	300,000
Interest	72,450	62,150	50,850	50,850	37,250	37,250
Other Charges	220	230	230	230	230	230
Total Expenditures	312,670	322,380	356,080	356,080	337,480	337,480
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	340	340	340	340	340	340
Ending Fund Balance	\$340	\$340	\$340	\$340	\$340	\$340

Debt Service Funds Percent of Total Expenditures



This graph reflects budgeted Debt Service Funds expenditures as a percent of the total \$3,150,970 Debt Service Funds budget.

GENERAL DRAIN TAXES

A substantial source of revenue to the Debt Service Funds is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In 2017/18, General Drain Tax revenue increased \$2,250 primarily due to lower anticipated property tax refunds. All City issued drain debt has been paid in full.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund and Major Road Fund provide revenue to the Debt Service Funds through this revenue center.

In 2017/18, revenues generated from Other Financing Sources represent 75.9% of total revenue sources, an increase of \$56,160. The transfer from the Major Road Fund to the Road Bond Debt Retirement Fund increased as a result of the \$2.075 million road bond anticipated to be sold in the spring of 2017 and higher debt payments on existing road bonds. Transfers from the General Fund to the Limited Tax General Obligation Debt Fund slightly decreased, as the debt payment on the existing City Center Commons refunding bond is lower next fiscal year.

STATE & LOCAL RETURNS

This source of revenue consists of federal refundable credits for Recovery Zone Economic Development bonds that are issued for authorized purposes to promote economic recovery and job creation. A total of \$30,370 is anticipated to be refunded next fiscal year for the 2010 Michigan Transportation Fund (MTF) Build America Bond. A reimbursement from the State to offset the elimination of property taxes on eligible manufacturing personal property is also budgeted for \$28,000.

OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments and Special Assessment revenue. In the 2017/18 Budget, Other Revenues represent 7.3% of total revenue sources, a decrease of \$12,550. This decrease is primarily due to lower scheduled Special Assessment payments from the Lakeside Mall improvement project.

PUBLIC IMPROVEMENTS TAX

The Voted Tax General Obligation Debt Fund has been established to isolate the revenues and expenditures for the voter approved debt to finance various public improvements. This fund is used to account for the payment of principal and interest on the current debt portion of the public improvements. A specific millage is levied to retire the debt incurred and the necessary paying agent fees. For 2017/18, the millage rate is 0.1114 mills, a decrease of 0.0038 mills.

In 2017/18, Public Improvement Tax revenue represents 14.9% of total revenue sources, a decrease of \$6,070. This decrease is due to lower debt payments on the Proposal F bond, which was refinanced in the prior year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted use of fund balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2017/18 Budget, expenditures exceed revenue sources by \$69,320. A drawdown of funds is planned for debt payments for which revenue was received in prior years.■

DEBT SERVICE FUNDS REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404000	City Operating Tax	\$159,092	6.71	\$0	0.00	\$600	0.02
404001	Property Tax Refunds	3,683	0.16	(2,400)	-0.08	(200)	-0.01
415000	Delinquent Personal Property Tax	1,505	0.06	750	0.02	500	0.02
445000	Penalties & Interest	1,150	0.05	1,100	0.04	800	0.03
	Total Taxes	165,430	6.98	(550)	-0.02	1,700	0.06
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	322,375	13.59	356,080	11.71	337,480	10.95
699202	Transfer From Major Road Fund	1,000,000	42.17	1,925,240	63.34	2,000,000	64.90
699428	Transfer From Rd Bond Const Fund	130,000	5.48	0	0.00	0	0.00
	Total Other Financing Sources	1,452,375	61.25	2,281,320	75.05	2,337,480	75.85
	STATE & LOCAL RETURNS						
573386	Act 86 LCSA	0	0.00	24,770	0.81	28,000	0.91
529004	Federal - Interest Rebates	32,076	1.35	31,340	1.03	30,370	0.99
	Total State & Local Returns	32,076	1.35	56,110	1.85	58,370	1.90
	OTHER REVENUE						
665000	Interest on Investments	3,032	0.13	2,050	0.07	7,130	0.23
672000	Special Assessment Revenue	148,868	6.28	145,450	4.79	139,000	4.51
672445	S.A. Delinquent Interest & Penalties	165	0.01	160	0.01	100	0.00
672665	Special Assessment Interest	97,272	4.10	89,680	2.95	78,560	2.55
677008	Unrealized Gain/Loss	378	0.02	0	0.00	0	0.00
	Total Other Revenue	249,715	10.53	237,340	7.81	224,790	7.29
	PUBLIC IMPROVEMENTS TAX						
419000	Proposal F Debt Levy	471,689	19.89	465,380	15.31	459,310	14.90
	Total Public Improvements Tax	471,689	19.89	465,380	15.31	459,310	14.90
	Total Debt Service Funds	\$2,371,285	100.00	\$3,039,600	100.00	\$3,081,650	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

DEBT SERVICE FUNDS EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER CHARGES						
810000	Other Fees	\$2,475	0.11	\$1,930	0.06	\$2,480	0.08
	Total Other Charges	2,475	0.11	1,930	0.06	2,480	0.08
	DEBT SERVICE						
992000	Principal	1,725,000	75.90	2,280,000	76.44	2,510,000	79.66
993000	Interest	545,331	23.99	700,980	23.50	638,490	20.26
	Total Debt Service	2,270,331	99.89	2,980,980	99.94	3,148,490	99.92
	Total Debt Service Funds	\$2,272,806	100.00	\$2,982,910	100.00	\$3,150,970	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

Debt Service Funds

City Bond Ratings

1. Farmington Hills	AAA
2. Troy	AAA
3. Ann Arbor	AA+
4. STERLING HEIGHTS	AA
5. Grand Rapids	AA
6. Livonia	AA
7. Southfield	AA
8. Warren	AA
9. Lansing	AA-
10. Dearborn	A+

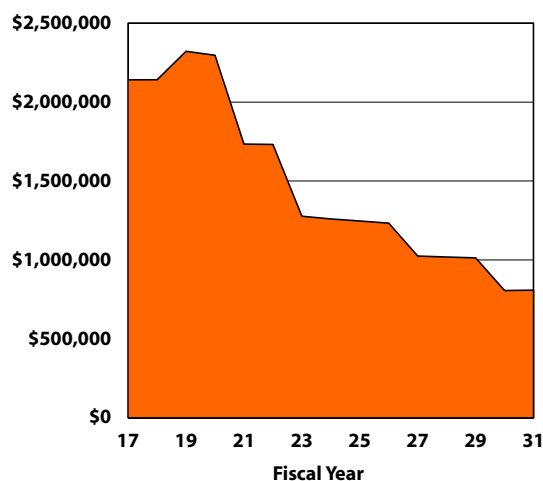
The City's AA bond rating from Standard & Poor's Rating Service ranks in the middle of other comparable communities' rankings. Sterling Heights maintains a high Aa2 rating from Moody's and an AA rating from Fitch Investor's Rating Service due to the City's low costs and proactive response to changing economic conditions.

Government Debt Per Capita

1. Ann Arbor	\$2,641
2. Lansing	\$2,089
3. Dearborn	\$2,013
4. Southfield	\$1,332
5. Warren	\$1,221
6. Livonia	\$664
7. Grand Rapids	\$481
8. Farmington Hills	\$406
9. Troy	\$396
10. STERLING HEIGHTS	\$115

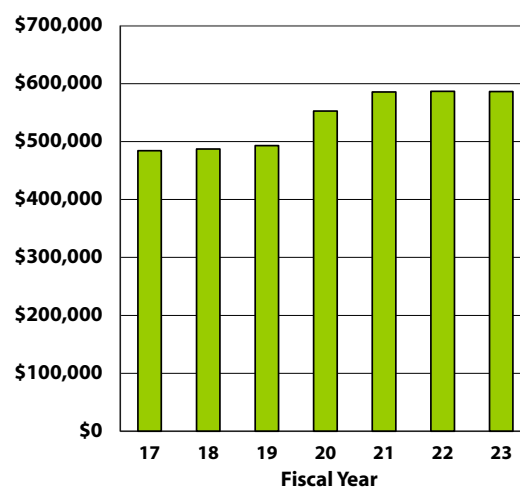
The City has the lowest direct government debt per resident of the nine comparable Michigan cities. The City's debt per resident has declined to its lowest level since 1989.

Annual Debt Payments Road Bonds



Road Bond Debt payments will decrease through 2026 as six Michigan Transportation Funds (MTF) bonds are retired. The 2016 MTF bond is scheduled to be retired in 2031.

Annual Debt Payments Proposal F - Fire Stations



Voted Tax General Obligation Debt from the Fire Station Improvements (Proposal F) continues through 2023.

The voter approved General Obligation Debt Fund was created to provide a formal mechanism of accounting for tax millage revenue and expenditures dedicated and used for the repayment of voter approved debt to finance various public improvements. A specific millage, as approved by the voters, is levied each year to retire the annual principal, interest and paying agent fee associated with each bond issued.

Each public improvement debt has its own activity and its own budgetary center within the fund. Thus, no budget adjustment can be made between budgetary centers without City Council authorization.

Proposal R authorized \$21 million of bonds to finance various road improvements. All road improvements have been completed and include Ryan Road from 14 Mile Road to M-59 Highway, Dodge Park Road from 15 Mile to 16 Mile Road, 15 Mile Road from Maple Lane to Schoenherr Road, 19 Mile Road from Saal to Canal Road, and 17 Mile Road from east of Mound Road to Dequindre Road. The bonds were issued in a series starting in 1990 and ending in 1999. The debt for "R" was retired in fiscal year 2008/09.

Proposal S authorized \$3,000,000 for the construction of the City's fifth fire station located in the northwest quadrant of the City. This station houses the Fire Department's administrative offices, classrooms for training and the fire garage. The debt for "S" was retired in fiscal year 2000/01.

Proposal T authorized \$900,000 for the purchase of a new ladder truck and related equipment. This capital was used to make the fifth fire station serviceable. The debt was retired in fiscal year 1996/97.

In November 2006, the voters approved Proposal F authorizing \$5 million for improvements to three of the City's fire stations. The improvements began in the spring of 2008 and included the modernization of the work areas, updating of the heating and cooling systems, and expansion of the facilities for both equipment storage and personnel quarters. In conjunction with the start of the project, a bond was issued to provide financing for the public improvements. In the spring of fiscal year 2016/17, the debt was refinanced resulting in the issuance of

the 2017 refunding bond, which will save the City \$190,000 in future debt payments over the remaining six-year life of the bond.

For 2017/18, principal and interest payments for Proposal F total \$521,000.■

Did you know...

...the 2008 Proposal F bond, used to remodel three City Fire Stations, was refunded in 2017 at a savings to taxpayers of \$190,000 over the remaining life of the bond?

Voted Tax General Obligation Debt Fund

SUMMARY OF BUDGET CHANGES

IGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

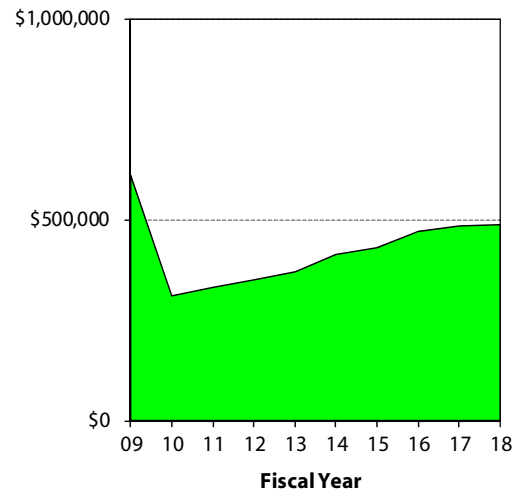
The total budget increased by 0.7%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at \$350, as bond paying agent fees remain the same as last year.

Debt Service – Total Debt Service increased \$36,870 or 7.6% due to a scheduled increase in the debt payment on the 2008 Fire Station Improvements bond (Proposal F). There is no outstanding debt for Proposals R, S, & T as the debt was retired in prior years. The debt from Proposal F is scheduled to be retired in 2023.

Expenditure History



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Debt Service – Total debt service decreased \$33,680. Total principal payments increased \$45,000, while total interest payments decreased \$78,680 both due to the recent refunding of the Proposal F Bond.

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	350	350	350	350	350
Debt Service	470,500	484,130	484,130	521,000	487,320
Total	\$470,850	\$484,480	\$484,480	\$521,350	\$487,670

The Road Bond Debt Retirement Fund is a Debt Service Fund. It is used exclusively for the retirement of debt incurred by the City for various road improvements.

The most significant revenue source of this fund is through a transfer from the Major Road Fund. In 2017/18, the Major Road Fund transfer represents 89% of total Road Bond Debt Retirement Fund revenues. Most of the bonded road construction projects are considered major roads and Public Act 51 guidelines allow for such transfer payments for major road construction and debt payments. Other sources of revenue include Interest on Investments, Reimbursements and Special Assessment revenue.

The most significant revenue source of this fund is through a transfer from the Major Road Fund.

This Fund's debt budgeted to be paid in fiscal year 2017/18 totals \$2,323,920, which is comprised of \$1,765,000 toward principal and \$558,920 in interest payments on Michigan Transportation Fund (MTF) bonds and the Lakeside Special Assessment bond that was issued in the spring of 2008. The Special Assessment bond was issued to finance various improvements within the Lakeside Shopping Center district. The improvements included road repairs, landscape improvements, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center. The debt repayment for this project is being funded through assessments on the affected property owners. A \$2.075 million MTF bond is scheduled to be sold in the spring of 2017. The debt for this bond will come online in the 2017/18 fiscal year.

The principal and interest payments for road bond projects are amortized based on the estimated total cost of the project times the

interest rate for a fixed period of time – usually 10-15 years.

Road bond projects to be retired through this fund are specified on the Road Bond Construction Fund schedule located in the Capital Projects section of this document.■

Did you know...

...that debt service on the City's Michigan Transportation Fund (MTF) Road Bonds is less than 50% of the amount allowed under Michigan law?

Road Bond Debt Retirement Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

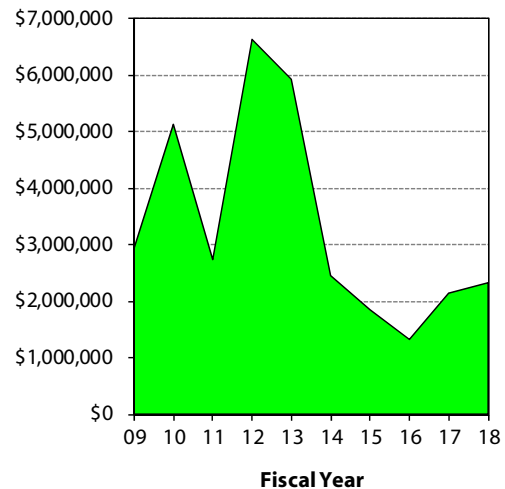
The total budget increased by 8.6%.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased \$550 or 40.7% as bond paying agent fees increased due to the anticipated issuance of the \$2.075 million 2017 MTF bond in the spring of 2017.

Debt Service – Total Debt Service is proposed to increase \$182,920 or 8.5%. Total principal payments increased \$140,000 as a result of the new 2017 MTF Bond. The principal payments on two existing MTF bond issues also increased. Total interest payments increased \$42,920 also due to the new 2017 MTF bond issue. The increase was offset slightly by lower interest payments on most existing bonds.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	1,600	1,350	1,900	1,900	1,900
Debt Service	1,320,931	2,141,000	2,141,000	2,323,920	2,323,920
Total	\$1,322,531	\$2,142,350	\$2,142,900	\$2,325,820	\$2,325,820

The Limited Tax General Obligation (LTGO) Fund is a Debt Service Fund that is used to account for the bond payments related to the construction and financing of City buildings and equipment.

The construction of the Judicial Services Center was financed with limited tax general obligation bonds issued in 1990. This debt was retired in fiscal year 2009/10.

In 2007, \$3.25 million of Limited Tax General Obligation Improvement bonds were issued to help finance the Senior Active Life Center addition and the new public safety 800 MHz radio system. This debt was retired in fiscal year 2012/13.

The City is currently paying off debt for the expansion and remodeling of the buildings in the City Center Commons. This Fund also accounts for the leasing of the buildings to the City. The prior debt for the Judicial Services Center was retired in 2009/10, and the final bond payments for the Senior Active Life Center, which were accounted for in the Community Development Block Grant (CDBG) Fund, were made in 2012/13. Debt for the public safety 800 MHz radio system was also retired in 2012/13.

The Limited Tax General Obligation Fund receives revenue for operations as a result of receiving cash rental payments transferred from the General Fund for the City Center Commons project.

The City Center Commons project was financed with Building Authority limited tax general obligation bonds originally issued in 2000 and refunded in 2005. This debt is scheduled to be retired in fiscal year 2019/20. The transfer necessary for debt repayment in 2017/18 totals \$337,250. Principal payments total \$300,000 and interest payments amount to \$37,250. ■

Did you know...

...that a limited tax general obligation bond is considered a general obligation of the City and because of the limited taxing authority, this type of bond typically has a slightly higher interest rate than a voted general obligation bond that is secured by full taxing power?

Limited Tax General Obligation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

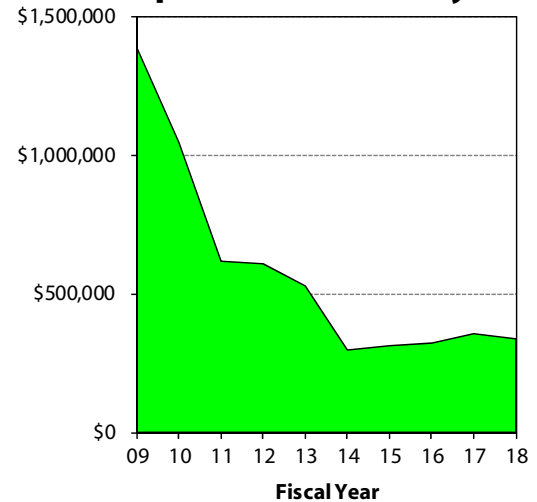
The total budget decreased by 5.2%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at \$230, as there is no change to the bond paying agent fees.

Debt Service – Total Debt Service decreased \$18,600 or 5.2% due to a scheduled decrease in the debt payment on the existing 2005 City Center Commons refunding bond.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	225	230	230	230	230
Debt Service	322,150	355,850	355,850	337,250	337,250
Total	\$322,375	\$356,080	\$356,080	\$337,480	\$337,480

A dollar saved is a quarter earned.

~ John Ciardi ~



Capital Projects



Capital Projects Funds are used to account for resources to be used for the acquisition or construction of major capital facilities, and for the purchase of capital equipment and vehicles. The city maintains two capital projects funds, the Capital Projects Fund and the Road Bond Construction Fund. The city's Capital Improvement Program is a multi-year planning instrument used to coordinate the financing and timing of improvements in a way that maximizes the return to residents.

CAPITAL PROJECTS FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

Capital Projects	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Budget
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	\$394,450	\$404,530	\$426,120	\$177,680	\$273,490	\$273,490
Transfer from General Fund	4,812,020	6,156,240	4,499,420	5,699,420	4,588,090	4,588,090
Total Revenues	5,206,470	6,560,770	4,925,540	5,877,100	4,861,580	4,861,580
EXPENDITURES						
Capital Equipment	1,450,650	364,210	942,040	1,212,290	1,185,670	1,185,670
Capital Vehicles	1,174,820	1,732,400	1,738,860	2,544,990	894,500	894,500
Capital Projects	1,608,440	4,362,260	3,022,770	2,405,790	1,824,450	1,824,450
Total Expenditures	4,233,910	6,458,870	5,703,670	6,163,070	3,904,620	3,904,620
Excess of Revenues Over (Under) Expenditures	972,560	101,900	(778,130)	(285,970)	956,960	956,960
Beginning Fund Balance	657,870	1,630,430	1,732,330	1,732,330	1,446,360	1,446,360
Ending Fund Balance	\$1,630,430	\$1,732,330	\$954,200	\$1,446,360	\$2,403,320	\$2,403,320
CLINTON RIVER RESTORATION FUND						
REVENUES						
Federal Grants	\$0	\$634,830	\$3,865,170	\$3,865,170	\$0	\$0
Total Revenues	0	634,830	3,865,170	3,865,170	0	0
EXPENDITURES						
Capital Projects	0	634,830	3,865,170	3,865,170	0	0
Total Expenditures	0	634,830	3,865,170	3,865,170	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Federal Grants	\$0	\$401,050	\$2,678,950	\$2,930,700	\$0	\$0
Other Revenue	70	149,660	25,000	31,400	19,500	19,500
Proceeds Long-Term Debt	0	9,630,000	1,795,000	2,075,000	3,600,000	3,600,000
Bond Premiums	0	254,560	0	0	0	0
Total Revenues	70	10,435,270	4,498,950	5,037,100	3,619,500	3,619,500
EXPENDITURES						
Other Charges	0	0	0	20,750	0	0
Capital Improvements	0	3,790,470	10,783,030	9,059,250	5,600,000	5,600,000
Tfr. to Road Bond Debt Fund	0	130,000	0	0	0	0
Total Expenditures	0	3,920,470	10,783,030	9,080,000	5,600,000	5,600,000
Excess of Revenues Over (Under) Expenditures	70	6,514,800	(6,284,080)	(4,042,900)	(1,980,500)	(1,980,500)
Beginning Fund Balance	71,920	71,990	6,586,790	6,586,790	2,543,890	2,543,890
Ending Fund Balance	\$71,990	\$6,586,790	\$302,710	\$2,543,890	\$563,390	\$563,390

STATE & LOCAL RETURNS

Revenue from Federal, State, and/or County grants is included in State and Local Returns. There is no grant revenue budgeted in fiscal year 2017/18.

OTHER FINANCING SOURCES

Other Financing Sources include all proceeds received from long-term debt as a result of planned Capital Project construction and/or acquisition by the City. Also included in this revenue center are transfers into the Capital Project Funds from other funds.

In the 2017/18 Budget, revenues generated from Other Financing Sources represent 54.1% of total revenue sources, an increase of \$88,670. This increase is due to a slightly larger transfer from the General Fund to the Capital Projects Fund to continue to restore funding for the replacement of capital vehicles, equipment, and needed facility repairs, as well as unplanned capital needs throughout the year.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Reimbursements, Sale of Fixed Assets, Miscellaneous Revenue, proceeds from Long-Term Debt, and Interest and Penalties.

In the 2017/18 Budget, Other Revenues represent 45.9% of total revenue sources, a decrease of \$1,746,870. This increase is primarily due to an increase in proceeds from long-term debt for the planned issuance of a Transportation Bond in the Spring 2018 for the rehabilitation of Canal Road from Van Dyke to Schoenherr.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2017/18 use of fund balance as a revenue source totals \$1,023,540. This is due to a planned drawdown of reserves to fund Road Bond Construction Projects for which bond proceeds were received in the current year.■

CAPITAL PROJECTS FUNDS

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
529000	STATE & LOCAL RETURNS Federal Grant - Other	\$1,078,828	6.12	\$6,644,120	49.99	\$0	0.00
	Total State & Local Returns	1,078,828	6.12	6,644,120	49.99	0	0.00
699101	OTHER FINANCING SOURCES Transfer from General Fund	6,156,240	34.92	4,499,420	33.86	4,588,090	54.10
	Total Other Financing Sources	6,156,240	34.92	4,499,420	33.86	4,588,090	54.10
	OTHER REVENUE						
665000	Interest on Investments	21,368	0.12	30,000	0.23	41,500	0.49
665445	Interest & Penalties - Tax Roll	0	0.00	50	0.00	0	0.00
672000	Special Assessment Revenue	15,560	0.09	540	0.00	840	0.01
672445	SA Delinquent Interest & Penalties	454	0.00	450	0.00	450	0.01
672665	Special Assessment Interest	673	0.00	80	0.00	200	0.00
673000	Sale of Fixed Assets	164,204	0.93	0	0.00	0	0.00
675000	Contributions & Donations	22,500	0.13	0	0.00	0	0.00
676000	Reimbursements	49,354	0.28	250,000	1.88	190,000	2.24
685015	Miscellaneous Revenue - MCPWC	216,033	1.23	60,000	0.45	60,000	0.71
695000	Insurance Recovery	21,100	0.12	10,000	0.08	0	0.00
698000	Proceeds Long-Term Debt	9,630,000	54.62	1,795,000	13.51	3,600,000	42.45
698001	Bond Premiums	254,555	1.44	0	0.00	0	0.00
	Total Other Revenue	10,395,801	58.96	2,146,120	16.15	3,892,990	45.90
	Total Capital Projects Funds	\$17,630,869	100.00	\$13,289,660	100.00	\$8,481,080	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

CAPITAL PROJECT FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2015-2016 Actual		2016-2017 Budget		2017-2018 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CAPITAL OUTLAY</u>						
971000	Land Acquisition	\$134,612	1.22	\$0	0.00	\$0	0.00
975000	Building & Improvements	121,126	1.10	221,550	1.09	172,200	1.81
975010	Municipal Building Modernization	0	0.00	235,600	1.16	135,350	1.42
975020	Library Renovations	0	0.00	37,000	0.18	7,500	0.08
975130	Civic Center Concrete Replacement	3,392,641	30.80	653,360	3.21	0	0.00
975140	Miscellaneous DPW Improvements	51,250	0.47	0	0.00	100,000	1.05
975210	Fire Station Renovations	0	0.00	350,000	1.72	143,400	1.51
975220	Misc. Fire Station Improvements	57,275	0.52	22,000	0.11	16,000	0.17
979000	Computer Equipment	71,529	0.65	145,620	0.72	558,500	5.88
979080	Microsoft Office - Software	14,700	0.13	25,500	0.13	43,600	0.46
979150	Financial System - Hardware	89,862	0.82	48,000	0.24	37,400	0.39
979305	Police Department - Hardware	18,140	0.16	0	0.00	0	0.00
979600	Parks & Recreation - Software	34,573	0.31	0	0.00	0	0.00
979800	Fire Department - Software	0	0.00	0	0.00	35,290	0.37
981000	Electronic Equipment	14,496	0.13	317,120	1.56	9,500	0.10
982000	Machinery & Equipment	56,497	0.51	260,500	1.28	483,790	5.09
982001	Machinery & Equipment - Grant	38,492	0.35	110,000	0.54	0	0.00
983000	Fire Equipment	25,920	0.24	35,300	0.17	17,590	0.19
984000	Vehicles	584,238	5.30	0	0.00	0	0.00
984310	Vehicles - Police Investigations	0	0.00	48,000	0.24	0	0.00
984315	Vehicles - Police Operations	228,564	2.08	307,860	1.51	287,500	3.02
984339	Vehicles - Fire Extinguishment	570,000	5.18	825,000	4.05	0	0.00
984412	Vehicles - Building & Facilities Maint	61,357	0.56	0	0.00	20,000	0.21
984444	Vehicles - Street Services	209,012	1.90	550,000	2.70	490,000	5.16
984447	Vehicles - Engineering	79,224	0.72	0	0.00	0	0.00
984752	Vehicles - Parks & Recreation	0	0.00	8,000	0.04	0	0.00
984770	Vehicles - Parks & Grounds Maint	0	0.00	0	0.00	97,000	1.02
986000	Major Drain Improvements	216,033	1.96	60,000	0.29	60,000	0.63
988000	Construction	146,389	1.33	4,249,280	20.88	4,790,000	50.40
988254	Dodge Park - Metro Parkway to Utica	1,601,257	14.54	5,168,740	25.40	0	0.00
988258	Canal Rd Storm - Sterritt/Morang	26,920	0.24	0	0.00	0	0.00
988259	15 Mile - Schoenherr to Morningdale	0	0.00	1,400,000	6.88	0	0.00
988271	15 Mile Resurfacing - Dequindre/Ryan	1,912,888	17.37	77,110	0.38	0	0.00
988275	Replacement Fuel Dispensing System	216,016	1.96	273,980	1.35	0	0.00
988278	Clinton River Restoration	634,833	5.76	3,865,170	18.99	0	0.00
988285	15 Mile Resurf - Cavant to Mound	0	0.00	0	0.00	1,200,000	12.63
988286	Ryan Rd - 15 Mile to Metro Parkway	276,325	2.51	657,180	3.23	0	0.00
988291	M59 Regional Median Improvements	0	0.00	400,000	1.97	800,000	8.42
	Total Capital Outlay	10,884,169	98.82	20,351,870	100.00	9,504,620	100.00
	<u>TRANSFERS OUT</u>						
999327	Tfr to Road Bond Debt Retirement Fund	130,000	1.18	0	0.00	0	0.00
	Total Transfers Out	130,000	1.18	0	0.00	0	0.00
	Total Capital Projects Fund	11,014,169	100.00	20,351,870	100.00	9,504,620	100.00

Note: The 2015-2016 Actual Column is rounded to the nearest dollar.

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose. This fund enables administrators to report to creditors and other grantors of capital projects fund resources that their requirements regarding the use of the resources were met.

As with all governmental funds, the Capital Projects Fund concentrates on inflows and outflows of available, spendable resources. Therefore, the Capital Projects Fund uses the modified accrual basis of accounting. The Capital Projects Fund has the authority to continue expenditures within prescribed limits until a project is completed.

Funding for Capital in 2017/18 totals \$3,904,620. Of the total, \$1,824,450 is to fund 16 improvement projects for facilities and/or infrastructure:

- Sidewalk Repair and Gap Programs (\$970,000)
- East Hampton Retention Pond repairs (\$100,000)
- Van Dyke corridor landscaping (\$70,000)
- Gibson Drain Soil Erosion Study (\$20,000)
- Storm Water Plan Update (\$30,000)
- Four emergency warning sirens (\$124,000)
- Replacement workstations, carpeting and painting for Police Investigations (\$132,850)
- Exhaust fans for improved ventilation in the DPW garage (\$100,000)

- Repairs to the City Center pond (\$40,000)
- Roof replacement at Fire Station #1 and a replacement door wall at Fire Station #5 (\$159,400)
- Replacement of the City Center gazebo roof, replacement carpeting in the Library's programming center, and basement waterproofing at the 41-A District Court (\$18,200)
- Ongoing storm drain maintenance (\$60,000)

Capital equipment and information technology improvements total \$1,185,670 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$894,500 and are detailed in the General Fund activity in which the vehicle will be utilized.

For a complete list of all equipment, vehicles and projects, please refer to the Capital schedules on the following pages.■

***Did you know...
...there are 615 miles of sidewalk and 2,535 street lights in the City?***

Capital Projects Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

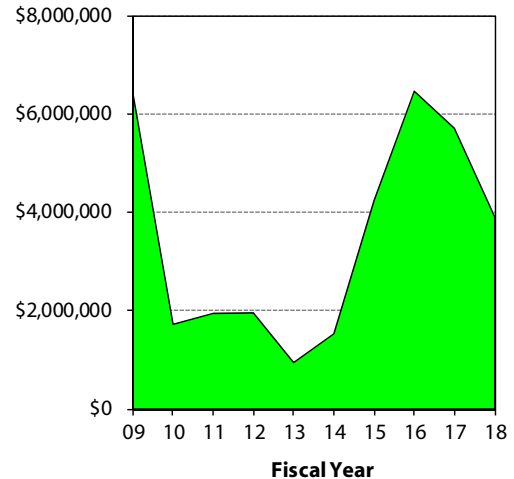
The total budget decreased by 31.5%.

Capital – Total Capital of \$3,904,620 is proposed for next fiscal year. \$510,880 is for capital equipment, \$894,500 for capital vehicles, and \$674,790 for the Information Technology Capital Program. ***The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund activity in which the Capital will be utilized.***

Sixteen additional Capital Projects totaling \$1,824,450 are also proposed:

- Sidewalk Repair and Gap Programs (\$970,000)
- East Hampton Retention Pond repairs (\$100,000)
- Van Dyke corridor landscaping (\$70,000)
- Gibson Drain Soil Erosion Study (\$20,000)
- Storm Water Plan Update (\$30,000)
- Four emergency warning sirens (\$124,000)
- Replacement workstations, carpeting and painting for Police Investigations (\$132,850)
- Exhaust fans for improved ventilation in the DPW garage (\$100,000)
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- Roof replacement at Fire Station #1 and a replacement door wall at Fire Station #5 (\$159,400)
- Replacement of the City Center gazebo roof, replacement carpeting in the Library's

Expenditure History



programming center, and basement waterproofing at the 41-A District Court (\$18,200)

- Ongoing storm drain maintenance (\$60,000) ***For a list of all Capital Equipment, Vehicles, and Projects, please refer to the schedules on the following pages.***

FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	6,458,866	5,703,670	6,163,070	3,904,620	3,904,620
Transfers Out	0	0	0	0	0
Total	\$6,458,866	\$5,703,670	\$6,163,070	\$3,904,620	\$3,904,620

The Clinton River Restoration Fund is a temporary fund which provides for payment of construction activities related to the restoration of the Clinton River.

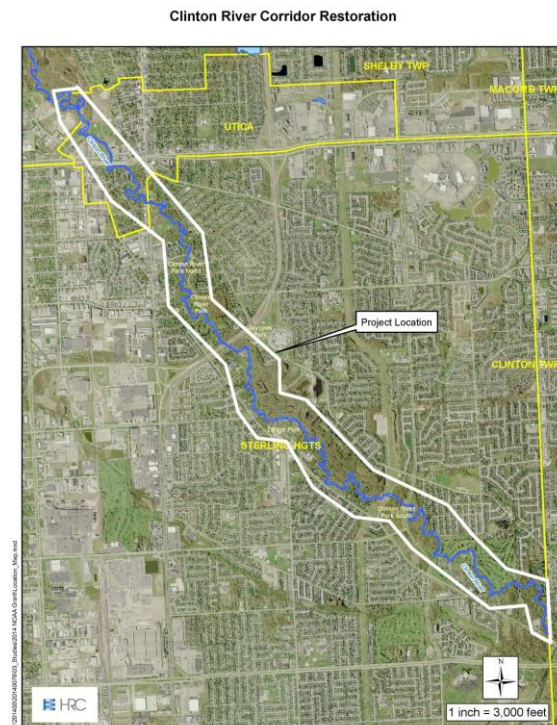
The City of Sterling Heights received a \$4.5 million dollar grant from the Environmental Protection Agency (EPA) to administer the project along a nine mile stretch of the Clinton River from Hayes Road to the north city limits of the City of Utica. The EPA grant will provide 100% reimbursement for all project related costs.

This project will make dramatic improvements along the designated nine-mile section of the Clinton River including:

- Creating new habitat and improving habitat diversity
- Accommodating a wide range of flows
- Reducing sedimentation and incision issues
- Alleviating bank erosion
- Managing woody debris blockages
- Controlling invasive species

The stream improvements will improve recreation along the Clinton River and allow opportunities for canoeing and kayaking, hike and bike trails, fishing, and other leisure activities.

In fiscal year 2016/17, the budget was amended to include \$3,865,170 of Federal Grant funding to administer the Clinton River Bank Restoration Project. There are no Capital Projects budgeted for this fund in 2017/18. ■



***Did you know...**
...the Clinton River flows 83 miles from its headwaters to Lake St. Clair?*

Clinton River Restoration Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

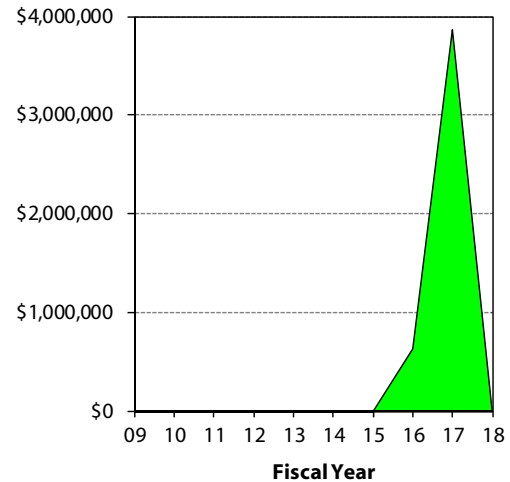
The total budget decreased by 100%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Transfers Out – There is no Capital proposed for this fund. The prior year budget was amended to include \$3,865,170 of federal grant funding to complete the Clinton River bank restoration project.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Capital Outlay	634,833	3,865,170	3,865,170	0	0
Total	\$634,833	\$3,865,170	\$3,865,170	\$0	\$0

The Road Bond Construction Fund is a Capital Projects Fund that was established in compliance with Government Accounting Standards Board (GASB) No. 6. Proceeds from the Long-Term Debt account are the most significant revenue source for this Fund.

The Road Bond Construction Fund is used to account for transactions relating to road construction costs, paving, or storm drain activities financed by special assessments or long-term bonds. Other transactions, which are accounted for in this Fund, are associated road construction costs such as engineering costs, legal fees, advertising costs for bids, and rights-of-way acquisition costs.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

Proposal R, Michigan Transportation Fund, Build America Bonds, and Special Assessment Bonds are sold to finance the cost of the road construction projects within this Fund.

In fiscal year 2017/18, three projects are budgeted and will be funded with proceeds from the sale of road bonds sold in the spring of 2016, 2017, and 2018. The resurfacing of 15 Mile Road from Ryan to Mound Road is funded for \$1,200,000, which is carried over from the prior year. Median improvements on M-59 are budgeted for \$800,000 and the rehabilitation of Canal Road from Van Dyke to Schoenherr Road is funded for \$3,600,000.

Additional information regarding the projects undertaken in the Road Bond Construction Fund can be found in the Capital Projects section of this document. ■

Did you know...

...the City will sell a \$2.075 million dollar bond to finance the widening of Dequindre Road from 18 Mile to M-59 and the M-59 reconstruction and median improvements from Hayes Road to M-53?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2017/18 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 48.1%.

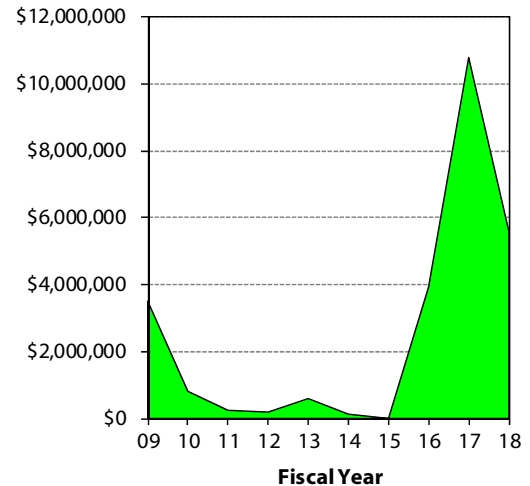
Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – \$5,600,000 is proposed for three projects in the 2017/18 fiscal year. The resurfacing of 15 Mile Road is funded for \$1,200,000, which is carried over from the prior year. Median improvements on M59 are budgeted for \$800,000. \$3,600,000 is funded for the rehabilitation of Canal Road from Van Dyke to Schoenherr Road. Bonds sold in the spring of 2016, 2017, and 2018 will fund the cost of these projects.

Transfers Out – There are no Transfers Out proposed for this fund.

Expenditure History



FUNDING LEVEL SUMMARY

	2015/16 Actual	2016/17 Budget	2016/17 Estimate	2017/18 Proposed	2017/18 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	20,750	0	0
Capital Outlay	3,790,470	10,783,030	9,059,250	5,600,000	5,600,000
Transfers Out	130,000	0	0	0	0
Total	\$3,920,470	\$10,783,030	\$9,080,000	\$5,600,000	\$5,600,000

Since Sterling Heights was incorporated as a city on July 1, 1968, it has proudly followed its motto “To Strive on Behalf of All”. Its 36.8 square miles makes Sterling Heights the third largest city in Michigan geographically. Forty-nine (49) years after its incorporation, the City has matured into a community serving approximately 131,500 residents. Coupled with the City’s rapid growth has been a desire to provide top quality city services with an emphasis on roads, beautiful parks and safe neighborhoods.

Along with the desire to provide for quality service is the realization that needs always exceed resources. In order to ensure that all facets of a Capital Improvements Program were addressed, City Council in 1987 approved the creation of a Citizen’s Executive Committee to consider and prioritize hundreds of proposed projects to be undertaken over the next ten (10) years. The results of this effort by the Executive Committee have been used in concert with updated information to provide the backbone for the Municipal Improvement Program (MIP), a five-year capital planning program.

The development of this program document marks the continuation of a capital improvement planning process for the City. The need for establishing a multi-year municipal improvement program and a planning process became increasingly evident as the City continued to grow into the new millennium. The goal in developing a municipal improvement program is to plan for and guide needed capital improvements and expenditures in a fiscally sound manner and to ensure that these improvements are consistent with the goals and policies of the City Council and the residents of Sterling Heights.

The multi-year Municipal Improvement Program alternatives and financing options are not intended to preclude other combinations or initiatives, but rather may provide a framework within which beneficial solutions may be forged.

The development of a comprehensive MIP is a vital and essential tool for planning and development of the social, physical, and economic well being of the City of Sterling Heights. This program is a necessary step in an organized effort to strengthen the quality of public facilities and services and will provide a framework for the realization of community goals and objectives and a sound basis on which to build a healthy and vibrant community.

The Municipal Improvement Program relies heavily upon the established groundwork already set in motion. Master Plans specific to unique areas have completed the preliminary stages necessary for a municipal improvement program to be successful. An introduction and brief overview to these master plans will establish a foundation upon which the Municipal Improvement Program will expound.

The complexity of each master plan demands thorough investigation for precise answers to specific questions. Information has been extracted from all of the original master plans and compiled into one document for enhanced readability. The improvements are justified when reviewed in concert with the specific master plans of the City.

The continuous relationship exists between the Municipal Improvement Program and the Budget Document. As mentioned above, the MIP entails a five (5) year overview of capital needs of the City. 2016/17 is the first year of the MIP. The second year (2017/18) of the MIP represents the capital projects that are funded in this budget document. Therefore, a direct link can be seen between the two documents, as there should be in a strategic planning environment.

In fiscal year 2017/18, the City’s total capital funding is \$31,821,220. Of the total, \$29,048,940 is budgeted for improvements, \$937,140 is for equipment, \$1,149,300 is for vehicles, and \$685,840 is for the Information Technology Capital Program.

The following schedules detail specific projects to be undertaken by major category. The first three sets of schedules presented in the Capital Improvement Program detail the equipment, technology improvements, and vehicles that are budgeted. These categories of capital are usually funded utilizing General Fund Tax Revenue. Capital equipment and vehicles are budgeted in the Capital Projects Fund with the exception of drug forfeiture purchases, which are budgeted and expensed in the Public Safety Forfeiture Fund. The Water & Sewer Fund equipment, vehicles, and technology improvements are budgeted within the respective Water & Sewer division. The fourth and last set of schedules detail capital improvement costs, future years operating costs, including debt costs for each project and the proposed method of funding these costs.

The Capital Projects Fund is also used to account for the development of capital facilities other than those financed by the Enterprise Fund. The budget for facility improvements in the Capital Projects Fund for fiscal year 2017/18 is \$1,824,450.

The Road Bond Construction Fund is used to account for transactions relating to road construction, paving, or storm drain activities financed by special assessments. Road construction projects financed wholly or in part by bond issues are also accounted for in this fund. In fiscal year 2017/18, the budgeted expenditures for the Road Bond Construction Fund total \$5,600,000.

Gas & Weight tax revenue received in the Major Road Fund is used for construction, maintenance and other operations pertaining to all streets classified as "major" within the City. These revenues are generated by the tax on gasoline & vehicle sales. Funds are distributed to each community based on population, miles, and classification of road types and are commonly referred to as Act 51 Funds. Major Road Fund street improvements totaling \$2,811,370 are budgeted for fiscal year 2017/18.

Transportation projects scheduled in 2017/18 are categorized as County road improvements, resurfacing projects, traffic controls & intersection improvements, bridge rehabilitation, and sidewalk modifications.

The Local Road Fund provides for the construction, maintenance, traffic services, and snow & ice control for streets classified as "local" within the City. Local Road Fund street improvements totaling \$4,912,000 are budgeted for fiscal year 2017/18.

The General Drain Fund services debt that was created by the sale of bonds by Macomb County under Chapter 20. The proceeds from these bond sales are realized in the Capital Projects Fund and are used to construct drains within the City. In 2017/18, there are no new drains programmed to be constructed with bond sale proceeds.

The Community Development Block Grant Fund has been used in constructive ways in prior years for the development of the community. In fiscal year 2017/18, \$822,120 is budgeted for Upton House repairs, DPW tree plantings, and concrete replacement on Arlingdale, Fairway, and Barnum Drives.

The Local Development Finance Authority Fund is utilized for the improvements and operational costs associated with the business incubator and redevelopment in the City's commercial corridor district. In 2017/18, \$350,000 is budgeted for SmartZone District Improvements including signage and streetscapes.

The Land & Water Conservation Fund is used to reflect all activities related to the acquisition and development of parks. These activities are mostly financed through Land & Water Conservation and Michigan Land Trust Fund grants and the sale of excess City property. The grants have been provided to the City on a matching basis with the General Fund typically providing the match. This year there are no capital projects funded in the Land & Water Conservation Fund.

The Clinton River Restoration Fund is a temporary fund that is utilized for construction activities related to the restoration of the Clinton River. In 2016/17, the budget was amended to include \$3,865,170 of Federal grant funding to administer the project. In 2017/18, there are no capital projects budgeted.

The Parks & Recreation Fund was created after voter approval of the Recreating Recreation millage in November 2016. In 2017/18, \$10,000,000 is budgeted for Parks & Recreation improvements.

The Corridor Improvement Authority Fund is used to account for public improvements that are made utilizing tax increment financing. In 2017/18, \$160,000 is budgeted for the acquisition of property located on Van Dyke.

The primary funding sources for Water & Sewer Fund improvements and replacement projects are fees charged for connections into the existing system and funding from special assessments. Sanitary sewer projects totaling \$1,453,000 and water main expenditures of \$1,106,000 are programmed. \$10,000 is budgeted for the Fire Hydrant Replacement and Gatewell Valve Maintenance Program.■

***Today's average consumers
wear more computing power on their wrists
than existed in the entire world before 1961.***



CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2016/17	Qty.	Proposed Budget 2017/18	Qty.	Approved Budget 2017/18
<u>City Administration Department</u>								
<u>City Clerk</u>								
Laptop Supplies	979	Computer Equipment	1	270				
Election Tabulators & ADA Equipment	982	Machinery & Equipment			55	162,500	55	162,500
High Speed Ballot Counters	982	Machinery & Equipment			2	70,000	2	70,000
ADA Equipment	982	Machinery & Equipment						
Voting Booths	982	Machinery & Equipment						
Electric Letter Openers	982	Machinery & Equipment						
Total			1	270	57	232,500	57	232,500
<u>Public Library Department</u>								
<u>Public Library</u>								
Microfilm/Fiche Reader	982	Machinery & Equipment						
Simple Scan Station	982	Machinery & Equipment						
Total								
<u>Police Department</u>								
<u>Police Operations</u>								
Vehicle Crash Reconstruction System	982	Machinery & Equipment			1	26,500	1	26,500
Portable Vehicle Scales	982	Machinery & Equipment			2	9,790	2	9,790
Total					3	36,290	3	36,290
<u>Fire Department</u>								
<u>Fire Extinguishment</u>								
Air Compressor - Grant	982.001	Machinery & Equipment	2	110,000				
EKG Monitor/Defibrillator	983	Fire Equipment	1	35,300				
Mobile Data Computers	981	Electronic Equipment	18	81,000				
Rapid Intervention Team Air Pack	983	Fire Equipment			3	12,390	3	12,390
Washer & Dryer	982	Machinery & Equipment						
Fire Hose Tester	983	Fire Equipment			2	5,200	2	5,200
Total			21	226,300	5	17,590	5	17,590
<u>Public Works Department</u>								
<u>Fleet Maintenance</u>								
Inground Hoist	982	Machinery & Equipment	2	18,500				
Mobile Column Lift	982	Machinery & Equipment	6	60,000				

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2016/17	Qty.	Proposed Budget 2017/18	Qty.	Approved Budget 2017/18
Air Compressor	982	Machinery & Equipment	1	22,000				
Fork Lift	982	Machinery & Equipment			1	50,000	1	50,000
Inground Heavy Truck Hoist	982	Machinery & Equipment						
Heavy Equipment Diagnostic Scanner	982	Machinery & Equipment						
Tire Changer	982	Machinery & Equipment			1	9,000	1	9,000
Total			9	100,500	2	59,000	2	59,000
<u>Parks & Grounds Maintenance</u>								
Brush Flail	982	Machinery & Equipment			1	60,000	1	60,000
Gator	982	Machinery & Equipment						
Irrigation Monitoring System	981	Electronic Equipment			12	9,500	12	9,500
Total					13	69,500	13	69,500
<u>Street Services</u>								
Skid Steer	982	Machinery & Equipment	1	160,000				
Roller	982	Machinery & Equipment			1	60,000	1	60,000
Brine Tank	982	Machinery & Equipment			1	5,000	1	5,000
Total			1	160,000	2	65,000	2	65,000
<u>Community Relations Department</u>								
<u>Community Relations</u>								
Council Chambers TV Production Equipment	981	Electronic Equipment	1	215,000				
SeeClickFix Software	981	Electronic Equipment	1	21,120				
Printing Press	982	Machinery & Equipment			1	12,500	1	12,500
Booklet Maker	982	Machinery & Equipment			1	15,000	1	15,000
Envelope Feeder	982	Machinery & Equipment			1	3,500	1	3,500
Total			2	236,120	3	31,000	3	31,000
Total Capital Projects Fund Equipment			34	723,190	85	510,880	85	510,880
<u>Water & Sewer Fund</u>								
<u>Water & Sewer Administration</u>								
City Works Asset Management Program	981	Electronic Equipment	1	125,000				
GIS Infrastructure Upgrade - \$80K Grant	982	Machinery & Equipment	1	80,000				
GIS Utility Integration - \$318K Grant	982	Machinery & Equipment	1	418,000				
Total			3	623,000				
<u>Water Distribution</u>								
Booster Station Upgrade	982	Machinery & Equipment	1	100,000				
Total			1	100,000				

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2016/17	Qty.	Proposed Budget 2017/18	Qty.	Approved Budget 2017/18
<u>Sewer Collection</u>								
Sewer Televising Camera	982	Machinery & Equipment			1	45,000	1	45,000
Cement Saw	982	Machinery & Equipment			1	18,000	1	18,000
Backhoe Loader	982	Machinery & Equipment			1	210,000	1	210,000
Total					3	273,000	3	273,000
Total Water & Sewer Fund Equipment			4	723,000	3	273,000	3	273,000
<u>Public Safety Forfeiture Fund</u>								
<u>Federal Justice Forfeitures</u>								
Vehicle Storage Building Repairs	975	Building & Improvements	1	1,470				
Night Vision Goggle	982	Machinery & Equipment	1	900				
Mid-Size Vehicle-Investigations	984	Vehicles			3	69,000	3	69,000
Mid-Size Vehicle-Criminal Response Unit	984	Vehicles			2	46,000	2	46,000
Transit Wagon	984	Vehicles			1	27,000	1	27,000
Handheld Radar/Laser Gun	982	Machinery & Equipment			4	11,260	4	11,260
Total			2	2,370	10	153,260	10	153,260
<u>Gambling Forfeitures</u>								
Traffic Data Collector	982	Machinery & Equipment	1	2,830				
Total			1	2,830				
<u>Federal Treasury Forfeitures</u>								
Vehicle Storage Building Repairs	975	Building & Improvements	1	8,840				
Chairs	977	Furniture	6	2,230				
Total			7	11,070				
Total Public Safety Forfeiture Fund Equipment			10	16,270	10	153,260	10	153,260
Total City Equipment			48	1,462,460	98	937,140	98	937,140

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2016/17	Estimated Budget 2016/17	Proposed Budget 2017/18	Approved Budget 2017/18
<u>CAPITAL PROJECTS FUND</u>								
<u>Information Technology</u>								
Information Technology	979.000	Computer Equipment	1	Network Infrastructure Replacement	110,000	217,900		
Information Technology	979.000	Computer Equipment	1	Replication Server Upgrade	18,000	18,000		
City Development	979.150	Computer Equipment	2	Replacement Personal Computer	2,200	1,550		
City Management/Human Resources	979.150	Computer Equipment	2	Replacement Personal Computer	2,200	1,550		
Building	979.150	Computer Equipment	18	Replacement Personal Computer	19,800	13,950		
Information Technology	979.150	Computer Equipment	9	Replacement Personal Computer	8,400	6,470		
Purchasing	979.150	Computer Equipment	2	Replacement Personal Computer	2,200	1,550		
Treasury	979.150	Computer Equipment	13	Replacement Personal Computer	13,200	10,080		
Information Technology	979.080	Computer Equipment	93	Microsoft Office Update	25,500	30,710		
Information Technology	979.000	Computer Equipment	1	E-mail Archiver	9,000	6,910		
Information Technology	979.000	Computer Equipment	1	Cooling Unit-Fire #5 Data Room	8,350	8,350		
Information Technology	979.150	Computer Equipment	8	City Council EPacket iPad	0	7,430		
Information Technology	979.000	Computer Equipment	4	Replacement Storage & Controlling Servers			558,500	558,500
Information Technology	979.080	Computer Equipment	1	Updated Email Exchange License			43,600	43,600
Assessing	979.150	Computer Equipment	7	Replacement Personal Computer			5,950	5,950
City Clerk	979.150	Computer Equipment	6	Replacement Personal Computer			5,100	5,100
City Development	979.150	Computer Equipment	1	Replacement Personal Computer			850	850
41-A District Court	979.150	Computer Equipment	3	Replacement Personal Computer			2,550	2,550
Engineering	979.150	Computer Equipment	9	Replacement Personal Computer			7,650	7,650
Building & Facility Maintenance	979.150	Computer Equipment	1	Replacement Personal Computer			850	850
Library	979.150	Computer Equipment	2	Replacement Personal Computer			1,700	1,700
Public Works	979.150	Computer Equipment	15	Replacement Personal Computer			12,750	12,750
Fire Department	979.800	Computer Equipment	8	Electronic Medical Reporting System			35,290	35,290
Total Capital Projects Fund			208		218,850	324,450	674,790	674,790
<u>Water & Sewer Fund</u>								
Water & Sewer Administration	979.000	Computer Equipment	13	Replacement Personal Computer			11,050	11,050
Total Water & Sewer Fund			13				11,050	11,050
Total City Information Technology			221		\$ 218,850	\$ 324,450	\$ 685,840	\$ 685,840

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2016/17	Qty.	Proposed Budget 2017/18	Qty.	Approved Budget 2017/18
<u>CAPITAL PROJECTS FUND</u>								
<u>Motor Vehicles & Equipment - 9010</u>								
Full-Size V8 4-Door Patrol & Traffic SUV	984315	Police Operations	9	244,220	9	247,500	9	247,500
Police Vehicle Mounts, Light Bars, Push Bumpers	984315	Police Operations	9	30,000	9	40,000	9	40,000
Full-Size SUV Tahoe - SRT	984315	Police Operations	1	33,640				
Utility Cart	984752	Parks & Recreation	1	8,000				
Mid-Size Investigative Vehicle	984310	Police Investigations	2	48,000				
Aerial Ladder Truck	984339	Fire Extinguishment	1	825,000				
Waterless Combination Street Sweeper	984444	Street Services	1	300,000				
Tandem Axle Dump Truck	984444	Street Services	1	250,000	1	270,000	1	270,000
Police Motorcycle	984315	Police Operations						
Prisoner Transport Van	984315	Police Operations						
SUV - Training Chief	984337	Fire Administration						
SUV - EMS Coordinator	984337	Fire Administration						
SUV - Training Officer	984337	Fire Administration						
SUV - Fire Marshall	984337	Fire Administration						
Aerial Sign Truck	984444	Street Services			1	220,000	1	220,000
Mini Dump Truck (net of trade in)	984770	Parks & Grounds Maintenance			1	65,000	1	65,000
4 x 4 Pickup Truck w/Plow	984770	Parks & Grounds Maintenance			1	32,000	1	32,000
Mid-Size Vehicle - Assistant City Manager	984412	Facilities Maintenance			1	20,000	1	20,000
Total Capital Projects Fund Vehicles			25	1,738,860	23	894,500	23	894,500
<u>PARKS & RECREATION FUND</u>								
<u>Motor Vehicles & Equipment - 2760</u>								
28 Passenger Vehicle	984000	Parks & Recreation (SMART Credits)			1	98,400	1	98,400
Ford Transit Vans	984000	Parks & Recreation (SMART Credits)			2	99,400	2	99,400
GPS Units	984000	Parks & Recreation (SMART Credits)			10	3,000	10	3,000
SUV	984000	Parks & Recreation			1	30,000	1	30,000
Four Wheel Drive Vehicle	984000	Parks & Recreation			1	24,000	1	24,000
Total Parks & Recreation Fund Vehicles					15	254,800	15	254,800
<u>WATER & SEWER FUND</u>								
<u>Water Distribution - 5560</u>								
One Ton Utility/Cube Truck	984000	Water Distribution	1	68,150				
Total			1	68,150				
Total Water & Sewer Fund Vehicles			1	68,150				
Total City Vehicles			26	\$ 1,807,010	38	1,149,300	38	\$ 1,149,300

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2017/18	Approved Budget 2017/18	Proposed Method of Financing	Estimated Prior Yr. 2015/16	Estimated Current Yr. 2016/17	Budget Year 2017/18	Future Years		
			Budget 2016/17	Estimate 2016/17							2018/19	2019/20	2020/21
	CAPITAL PROJECTS FUND												
975000	City Hall/Utica Road Replacement Decorative Banners	2,360 CPF	2,360	2,360			GF	0	0	0	0	0	0
975000	Security Door, Work Station - City Management Office	9,500 CPF	9,500	9,500			GF	0	0	0	0	0	0
975000	Electronic Door Locking Upgrades - Fire Department, DPW	56,390 CPF	56,390	56,390			GF	200	200	200	200	200	200
975000	(4) Replacement Emergency Warning Sirens	108,000 GF	108,000	108,000	124,000	124,000	GF	1,000	0	0	0	0	0
975000	Police Station Basement Air Conditioning	32,000 GF	32,000	32,000			GF	0	600	600	600	600	600
975000	Police Station Basement Waterproofing	6,080 GF	9,600	6,080			GF	500	0	0	0	0	0
975000	Police Station Employee Entrance Door Replacement	2,920 GF	3,700	2,920			GF	0	0	0	0	0	0
975000	Repairs to Leaking Outdoor Pond - City Hall/Police Station	40,000 GF			40,000	40,000	GF	0	0	0	0	0	0
975000	41A District Court Basement Waterproofing	8,200 GF			8,200	8,200	GF	0	0	0	0	0	0
975010	City Hall - Replacement Electrical Service Panels	80,600 CPF	80,600	80,600			GF	500	0	0	0	0	0
975010	Police Station HVAC Motors/Fan/Controls	51,000 CPF	51,000	51,000			GF	500	100	100	100	100	100
975010	District Court Generator - Relocated from Fire Station #1	4,000 GF	4,000	4,000			GF	0	200	200	200	200	200
975010	Electronic Sign Conversion, Welcome Sign Updates	98,120 GF	100,000	98,120			GF	0	0	0	0	0	0
975010	Replacement Workstations, Carpeting, Painting - Police Investigation Offices	132,850 GF			132,850	132,850	GF	0	0	0	0	0	0
975010	Gazebo Roof Replacement - Upton House	2,500 GF			2,500	2,500	GF	0	0	0	0	0	0
975020	Library Restroom Upgrades	37,000 GF	37,000	37,000			GF	500	0	0	0	0	0
975020	Replacement Carpeting - Library Programming Center	7,500 GF			7,500	7,500	GF	0	0	0	0	0	0
975130	City Hall & Court Parking Lot Reconstruction, Flood Mitigation, Retaining Wall, Blvd. Redesign, Landscaping, Plaza, Lighting	4,500,000 CPF	653,360	653,360			GF	10,000	0	0	0	0	0
975140	Exhaust Fans - Public Works Facility Garage	100,000 GF			100,000	100,000	GF	0	0	0	0	0	0
975210	Fire Station #5 Roof Replacement	139,200 GF	350,000	139,200			GF	5,000	0	0	0	0	0
975210	Fire Station #1 Roof Replacement	143,400 GF			143,400	143,400	GF	5,000	0	0	0	0	0
975220	Fire Station #1 Backup Generator	22,000 GF	22,000	22,000			GF	0	500	500	500	500	500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2017/18	Approved Budget 2017/18	Proposed Method of Financing	Estimated Prior Yr. 2015/16	Estimated Current Yr. 2016/17	Budget Year 2017/18	Future Years		
			Budget 2016/17	Estimate 2016/17							2018/19	2019/20	2020/21
975220	Replacement Doorwall - Fire Station #5	16,000 GF			16,000	16,000	GF	0	500	500	500	500	500
986000	County Drain Maintenance	120,000 CPF	60,000	60,000	60,000	60,000	GF	0	0	0	0	0	0
988000	Brentwood & Pond View Retention Pond Repairs	167,350 CPF	128,100	128,100			GF	2,000	0	0	0	0	0
988000	Pinebrook Retention Pond Repairs	27,740 CPF	27,740	27,740			GF	0	0	0	0	0	0
988000	City-wide Pedestrian Bridge Inspection Program	15,000 CPF	15,000	15,000			GF	0	0	0	0	0	0
988000	Sterling Drive South Retention Pond Improvements	50,000 CPF	37,000	37,000			GF	500	0	0	0	0	0
988000	Moravian Pointe Retention Pond Repairs	41,440 CPF	41,440	41,440			GF	500	0	0	0	0	0
988000	East Hampton Retention Pond Repairs	100,000 GF			100,000	100,000	GF	0	0	0	0	0	0
988000	Landscaping Improvements - Van Dyke/SHAP	70,000 GF			70,000	70,000	GF	0	0	0	0	0	0
988000	Sidewalk Gap Program including: Canal Road - East of Schoenherr Clinton River Rd. - E. of Schoenherr to Hayes 2018 Project: TBD	370,000 CPF SAD (CPF)	120,000 250,000	0 0	220,000 350,000	220,000 350,000	GF	0	1,000	1,000	1,000	1,000	1,000
988000	Miscellaneous City Sidewalk Repair Program	520,000 CPF/GF	200,000	200,000	150,000	150,000	GF	3,000	0	0	0	0	0
988000	2017: Section 14 (portion) 2018: Section 23 (portion)	SAD (CPF)	320,000	320,000	250,000	250,000							
988000	Storm Water Plan Update	30,000 GF/CPF	30,000	0	30,000	30,000	GF	0	0	0	0	0	0
988000	Gibson Drain Erosion/Sediment Study	20,000 CPF			20,000	20,000	GF	0	0	0	0	0	0
988275	DPW Replacement Fuel Dispensing System	805,000 CPF	273,980	273,980			GF	5,000	1,000	1,000	1,000	1,000	1,000
	Total Capital Projects Fund	\$7,936,150	\$3,022,770	\$2,405,790	\$1,824,450	\$1,824,450		\$34,200	\$4,100	\$4,100	\$4,100	\$4,100	\$4,100
	ROAD BOND CONSTRUCTION FUND												
988000	M59 Reconstruction - M53 to Hayes Road (MTFB-16)	980,000 RBCF	980,000	980,000			MRF	0	85,000	85,000	85,000	85,000	85,000
988000	Dequindre Road Widening - 18 Mile Road to M59 (MTFB-17)	800,000 RBCF	800,000	800,000			MRF	0	70,000	70,000	70,000	70,000	70,000
988254	Dodge Park Road Reconstruction - Metroparkway to Utica Road (MTFB-16)	6,770,000 RBCF	5,168,740	4,700,000			MRF	20,000	300,000	300,000	300,000	300,000	300,000
988259	15 Mile Road Resurfacing - Schoenherr to past Moravian (MTFB-16)	1,157,520 RBCF	1,400,000	1,200,000			MRF	20,000	150,000	150,000	150,000	150,000	150,000
988271	15 Mile Road Resurfacing - Dequindre Road to Ryan Road (MTFB-16)	1,990,000 RBCF	77,110	150,000			MRF	20,000	175,000	175,000	175,000	175,000	175,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2017/18	Approved Budget 2017/18	Proposed Method of Financing	Estimated Prior Yr. 2015/16	Estimated Current Yr. 2016/17	Budget Year 2017/18	Future Years		
			Budget 2016/17	Estimate 2016/17							2018/19	2019/20	2020/21
988275	15 Mile Road Resurfacing - Ryan to Mound Road (MTFB-16)	1,300,000 RBCF	1,300,000	100,000	1,200,000	1,200,000	MRF	15,000	140,000	140,000	140,000	140,000	140,000
988286	Ryan Road Concrete Repairs - 15 Mile Road to Metropolitan Parkway (MTFB-16)	933,500 RBCF	657,180	675,000			MRF	10,000	75,000	75,000	75,000	75,000	75,000
988291	M59 Regional Median Improvements (MTFB-17)	1,200,000 RBCF	400,000	454,250	800,000	800,000	MRF	0	35,000	35,000	35,000	35,000	35,000
988000	Canal Road Rehabilitation - Van Dyke to Schoenherr Road (MRF-18)	3,600,000 RBCF			3,600,000	3,600,000	MRF	0	0	175,000	175,000	175,000	175,000
	Total Road Bond Construction Fund	\$18,731,020	\$10,783,030	\$9,059,250	\$5,600,000	\$5,600,000		\$85,000	\$1,030,000	\$1,205,000	\$1,205,000	\$1,205,000	\$1,205,000
	MAJOR ROAD FUND												
988000	STATE/COUNTY ROADS												
	Traffic Signals	50,000											
	a) Miscellaneous Locations	MRF	25,000	25,000			MRF	500	500	500	500	500	500
988000	Schoenherr Road - Payment Repairs	113,000											
	14 Mile to Moravian	MRF	20,220	20,220			MRF	0	0	0	0	0	0
988000	Mound Road Repairs -	540,000											
	18 Mile Road to M-59, 15 Mile to Metroparkway	MRF	629,460	0	540,000	540,000	MRF	0	0	0	0	0	0
988000	Schoenherr Road Pavement Repairs -	509,240											
	14 Mile to 15 Mile Road	MRF	513,000	422,880			MRF	0	0	0	0	0	0
988000	14 Mile Road Resurfacing-	881,400											
	Ryan to Mound Road	MRF	900,000	881,400			MRF	0	0	0	0	0	0
988246	Van Dyke Reconstruction - 15 Mile to 18 Mile Road - including Mile Road Monuments	3,341,200 MRF	658,100	985,000	50,000	50,000	MRF	0	30,000	30,000	30,000	30,000	30,000
988288	Schoenherr Road Sidewalk/Bridge Retrofit - Clinton River Road to 17 Mile	360,000 MRF	390,000	390,000			MRF	0	0	0	0	0	0
988700	Dequindre Road - 18 Mile Road to M59	450,000											
	Prelim. Engineering & ROW	MRF	436,370	100,000	336,370	336,370	MRF	0	0	0	0	0	0
988000	Mound Road Reconstruction	50,000											
	Grant Application	MRF	50,000	50,000			MRF	0	0	0	0	0	0
988000	Schoenherr Road Resurfacing -	390,000											
	15 Mile to Metroparkway	MRF			390,000	390,000	MRF	0	0	0	0	0	0
988000	Metroparkway Service Drive Rehabilitation - Northside	250,000											
		MRF			250,000	250,000	MRF	0	0	0	0	0	0
	Total State/County Roads	\$6,934,840	\$3,622,150	\$2,874,500	\$1,566,370	\$1,566,370		\$500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500
	CITY ROADS												
988000	15 Mile Road Repair at Dodge Park Road	200,000 MRF	200,000	200,000			MRF	0	0	0	0	0	0
980000	Clinton River Road Resurfacing - Schoenherr to Saal Road	690,000 MRF			690,000	690,000	MRF	0	0	0	0	0	0
988235	17 Mile Road Bridge Over Conrail Reconstruction	1,400,000 MRF	17,520	125,000	50,000	50,000	MRF	0	0	0	0	0	0
988254	Dodge Park Construction - Metroparkway to Utica Road	500,000 MRF		7,200			MRF	0	0	0	0	0	0
988255	19 1/2 Mile Road Reconstruction - Merrill to Utica Road	1,281,690 MRF	41,790	190			MRF	5,000	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2017/18	Approved Budget 2017/18	Proposed Method of Financing	Estimated Prior Yr. 2015/16	Estimated Current Yr. 2016/17	Budget Year 2017/18	Future Years		
			Budget 2016/17	Estimate 2016/17							2018/19	2019/20	2020/21
988276	Bridge Rehabilitation Engineering/Repairs (Riverland, 15 Mile, Maple Lane Bridges)	350,000 MRF	350,000	250,000	100,000	100,000	MRF	1,000	0	0	0	0	0
288276	Maple Lane Bridge over Red Run - Sidewalk Modifications	125,000 MRF			125,000	125,000	MRF	0	0	0	0	0	0
988281	City-wide Sectional Concrete Replacement -	350,000 MRF	325,000	335,000			MRF	5,000	0	0	0	0	0
988289	Riverland Drive Pedestrian Bridge Replacement	400,000 MRF	330,000	400,000			MRF	0	2,000	2,000	2,000	2,000	2,000
988000	TRAFFIC CONTROLS	405,000 MRF											
	a) Miscellaneous Locations		25,000	25,000			MRF	300	300	300	300	300	300
	b) LED Lighting City-wide Bulb Replacement Energy Savings Project		60,000	100,000			MRF	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
	c) Moravian/Schoenherr Signal				60,000	60,000	MRF	0	0	300	300	300	300
	d) 17 Mile Rd./Mitchell Drive (50% reimbursed)				220,000	220,000	MRF	0	0	300	300	300	300
Total City Major Road		\$5,701,690	\$1,349,310	\$1,442,390	\$1,245,000	\$1,245,000		\$11,300	(\$2,700)	(\$2,100)	(\$2,100)	(\$2,100)	(\$2,100)
Total Major Road Fund		\$12,636,530	\$4,971,460	\$4,316,890	\$2,811,370	\$2,811,370		\$11,800	\$27,800	\$28,400	\$28,400	\$28,400	\$28,400
LOCAL ROAD FUND													
988000	City Roadway Asset Management Plan	32,000 LRF	32,000	0	32,000	32,000	LRF	0	0	0	0	0	0
988000	Sims Road Reconstruction - Mound Road to Faurecia (Grant Not Approved)	319,000 LRF GRANT	99,000 220,000	0 0			LRF	1,000	0	0	0	0	0
988257	Gardner Street East - Paving	415,000 LRF SAD(LRF)	40,000 335,000	80,000 335,000			LRF	5,000	1,000	1,000	1,000	1,000	1,000
988282	Concrete Replacement - Comstock Drive	166,100 LRF	66,100	0			LRF	0	0	0	0	0	0
988294	City-wide Sectional Concrete Replacement Program (Including Industrial Streets)	1,575,000 LRF	750,000	145,000	1,430,000	1,430,000	LRF	0	0	0	0	0	0
988250	Neighborhood Road Repairs - (Safe Streets Proposal) Concrete Reconstruction - Faith Drive	6,650,570 SSP	119,530	0			LRF	0	0	0	0	0	0
988266	2015: Arcola, Austin, Baker, Barrington, Deville, Diane, Irval, Jerome, Wayne, Windy Cove Court, Davenport Court	SSP	89,740	70			LRF	0	0	0	0	0	0
988283	2016: Balsam, Adele, Idaho, Dryden, Locust, Holmes, Linsdale, Clifton, King Richard, Greendale, Hemlock, Salem, Waltham	SSP	2,600,000	2,200,000			LRF	0	0	0	0	0	0
988293	2017: Mulberry Court, Larch, Bluejack, Hornbeam, Allspice, New Bradford, Grindley, Electra, Vito, Chatsworth, Crestview, Kara Lane, Stonecrest, Montera, Mill Creek	SSP			3,200,000	3,200,000	LRF	0	0	0	0	0	0
988294	Sectional Concrete Replacement - Misc. Locations	SSP	750,000	750,000	250,000	250,000	LRF	0	0	0	0	0	0
Total Local Road Fund		\$9,157,670	\$5,101,370	\$3,510,070	\$4,912,000	\$4,912,000		\$6,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2017/18	Approved Budget 2017/18	Proposed Method of Financing	Estimated Prior Yr. 2015/16	Estimated Current Yr. 2016/17	Budget Year 2017/18	Future Years		
			Budget 2016/17	Estimate 2016/17							2018/19	2019/20	2020/21
	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
972000	Tree Planting	10,000 CDBG			10,000	10,000	GF	0	0	0	0	0	0
975000	Senior Center Audiovisual Upgrade	17,000 CDBG	17,000	17,000			GF	0	0	0	0	0	0
975000	Senior Center Replacement LED Lighting	42,330 CDBG	50,000	42,330			GF	0	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
988247	Indigo Drive & West Elmcrest - Concrete Replacement	396,460 CDBG	10,810	0			LRF	0	0	0	0	0	0
988270	Senior Center Parking Lot Resurfacing, Sidewalk & Entrance Concrete Repairs	440,000 CDBG	266,820	266,820			GF	1,000	0	0	0	0	0
988290	Arlingdale Drive - Concrete Replacement	386,940 CDBG	386,940	13,760	373,180	373,180	LRF	2,000	0	0	0	0	0
975000	Upton House Repairs	52,000 CDBG			52,000	52,000	GF	0	0	0	0	0	0
988000	Fairway & Barnum Drive - Concrete Replacement	420,000 CDBG			386,940	386,940	GF	0	0	0	0	0	0
	Total C.D.B.G. Fund	1,754,730	\$731,570	\$339,910	\$822,120	\$822,120		\$3,000	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)	(\$3,000)
	LOCAL DEVELOPMENT FINANCING AUTHORITY FUND												
988256	Velocity Entrance Improvements/ Sidewalk Repairs	255,000 LDFA	255,000	255,000			LDFA	0	0	0	0	0	0
988280	Smartzone District Improvements - Signage, Streetscapes	600,000 LDFA	600,000	250,000	350,000	350,000	LDFA	0	0	0	0	0	0
	Total L.D.F.A. Fund	\$855,000	\$855,000	\$505,000	\$350,000	\$350,000		\$0	\$0	\$0	\$0	\$0	\$0
	LAND & WATER CONSERVATION FUND												
971000	Land Acquisition - Lakeside Circle Grant Match	65,000 GF/LWCF	65,000	0			GF	0	1,000	1,000	1,000	1,000	1,000
971000	Land Acquisition - 8 County Tax Reverted Parcels	26,310 LWCF	26,310	26,860			GF	1,000	1,000	1,000	1,000	1,000	1,000
972000	Baumgartner Park - Replacement Scoreboards	59,620 LAND SALE	42,040	40,450			GF	0	0	0	0	0	0
972334	Dog Park - Local Grant Match	31,500 GF/LWCF	25,000	0			GF	0	5,000	5,000	5,000	5,000	5,000
975000	Recreating Recreation - Building Feasibility Study	50,000 LWCF	21,230	1,880			GF	0	0	0	0	0	0
988277	Dodge Park Trail - Bridge Replacement & Enhancements - Grant Match	590,160 GF/LWCF	484,960	491,000			GF	2,000	500	500	500	500	500
	Total Land & Water Conserv. Fund	\$822,590	\$664,540	\$560,190	\$0	\$0		\$3,000	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
	CLINTON RIVER RESTORATION FUND												
988278	Clinton River Bank Restoration	4,500,000 GRANT	3,865,170	3,865,170			GF	0	0	0	0	0	0
	Total Clinton River Fund	\$4,500,000	\$3,865,170	\$3,865,170	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL IMPROVEMENTS

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CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Program 2017/18	Approved Program 2017/18	Proposed Method of Financing	Estimated Prior Yr. 2015/16	Estimated Current Yr. 2016/17	Program Year 2017/18	Future Years		
			Program 2016/17	Estimate 2016/17							2018/19	2019/20	2020/21
	<u>WATER & SEWER IMPROVEMENT FUND</u>												
	<u>SANITARY SEWERS</u>												
	Clinton River Road - South of Canal & Clinton River Road - Kidley to Essen	325,000 W&S	325,000	0	325,000	325,000	W&S	0	1,000	1,000	1,000	1,000	1,000
	Saal Road - North of Longview	58,000 W&S	58,000	0	58,000	58,000	W&S	0	0	0	0	0	0
	Sewer Infiltration Program - 19 Mile Road - East of Clinton River Road	190,000 W&S	190,000	0	190,000	190,000	W&S	0	0	0	0	0	0
	<u>Miscellaneous Sanitary Sewer Repairs</u>												
	Cherry Creek Lane, Ledgate Drive, Spicemill Drive, 19 Mile Road east of Rhineland, 17 Mile Road at Van Dyke, Irving Drive Manhole	465,000 W&S	465,000	465,000			W&S	10,000	0	0	0	0	0
	14 Mile Road - West of Maple Lane Road Sewer Rehabilitation	800,000 W&S	800,000	0	800,000	800,000	W&S	0	0	0	0	0	0
	Irval Drive - Sanitary Lead Replacement	20,000 W&S	20,000	0	20,000	20,000	W&S	0	0	0	0	0	0
	<u>Sanitary Sewer Lining & Rehabilitation -</u>												
	Woodvilla Drive, Waltham Drive, Linsdale Court, Ebony Court, Tarpon Drive, Serra Drive, Koper Drive	450,000 W&S	450,000	450,000			W&S	0	0	0	0	0	0
	Clinton River Road - East of Saal Road	60,000 W&S			60,000	60,000	W&S	0	0	0	0	0	0
	Total Sanitary Sewer	\$2,368,000	\$2,308,000	\$915,000	\$1,453,000	\$1,453,000		\$10,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	<u>WATER MAINS</u>												
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	900,000 W&S	900,000	0	900,000	900,000	W&S	0	0	2,000	2,000	2,000	2,000
	15 Mile Road - South Side, at Davison Street	60,000 W&S	60,000	0			W&S	0	0	500	500	500	500
	18 Mile Road - South Side, East of Dequindre - Water Main Repair	100,000 W&S	6,000	0	6,000	6,000	W&S	0	0	300	300	300	300
	Water Reliability Study	30,000 W&S	30,000	30,000			W&S	0	0	200	200	200	200
	Wilshire Court - Water Main Repair	105,000 W&S	105,000	0	105,000	105,000	W&S	500	0	0	0	0	0
	Clinton River Road - East of Saal Road	95,000 W&S	50,000	0	95,000	95,000	W&S	0	0	0	0	0	0
	Total Water Mains	1,290,000	\$1,151,000	\$30,000	\$1,106,000	\$1,106,000		\$500	\$0	\$3,000	\$3,000	\$3,000	\$3,000
	<u>WATER & SEWER REPLACEMENT MAINS/OTHER</u>												
	Fire Hydrant Replacement/Gatewell Valve Maintenance Program	20,000 W&S	10,000	10,000	10,000	10,000	W&S	500	500	500	500	500	500

CAPITAL IMPROVEMENTS

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The way to get started is to quit talking and begin doing.

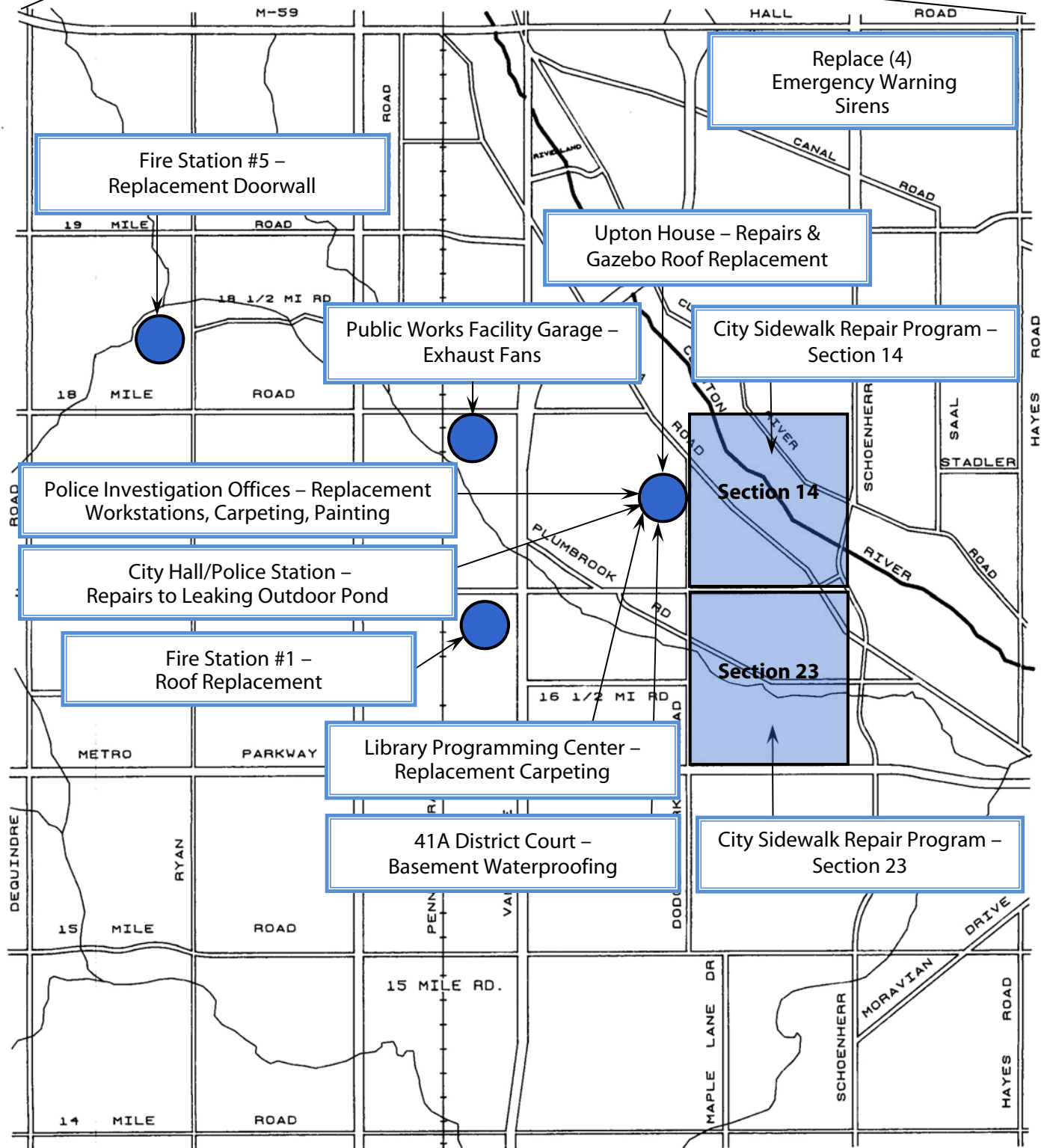
~ Walt Disney ~





2017/18 MUNICIPAL FACILITIES

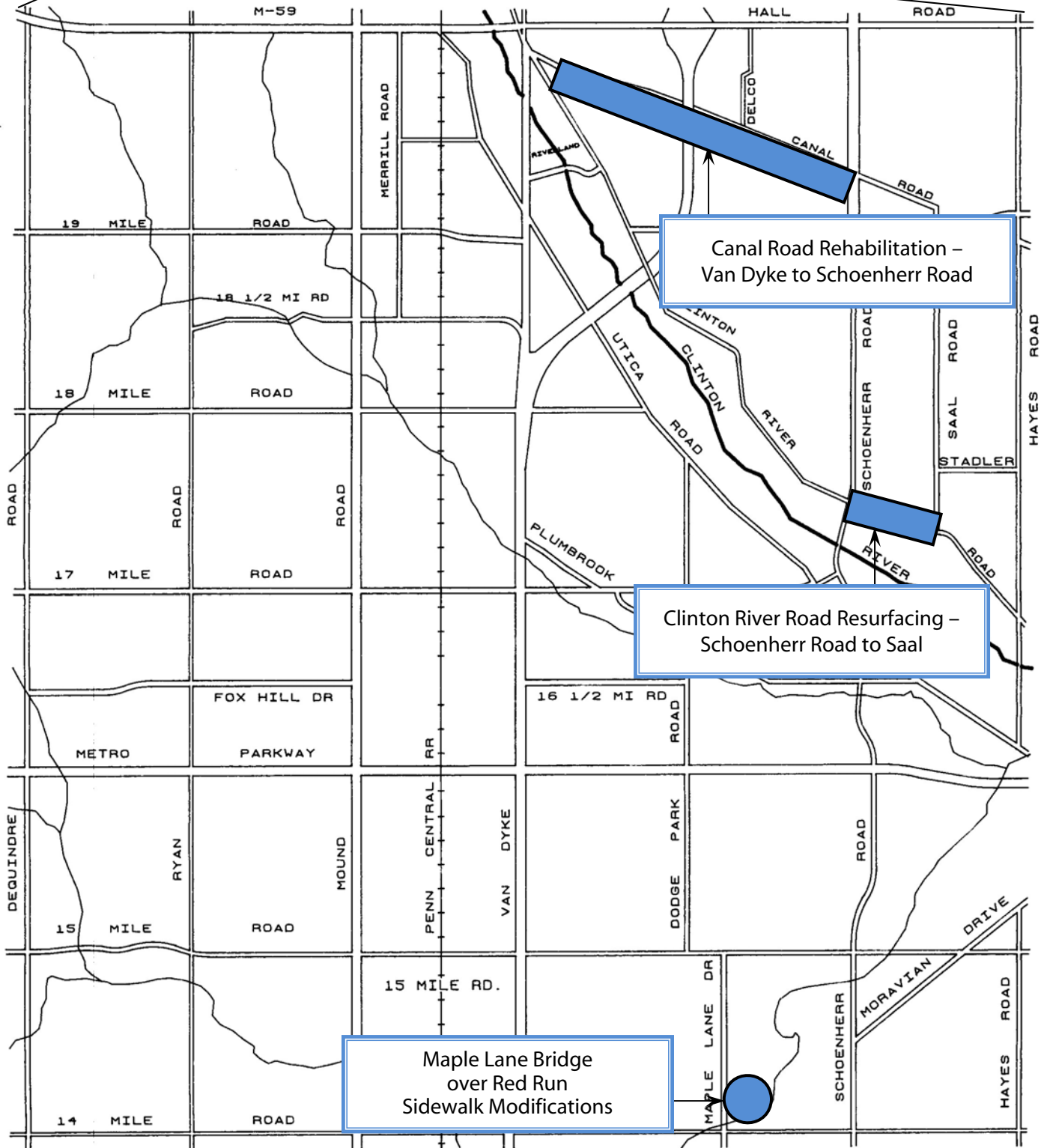
City Sidewalk
Gap Completion Program





2017/18 MAJOR ROADS

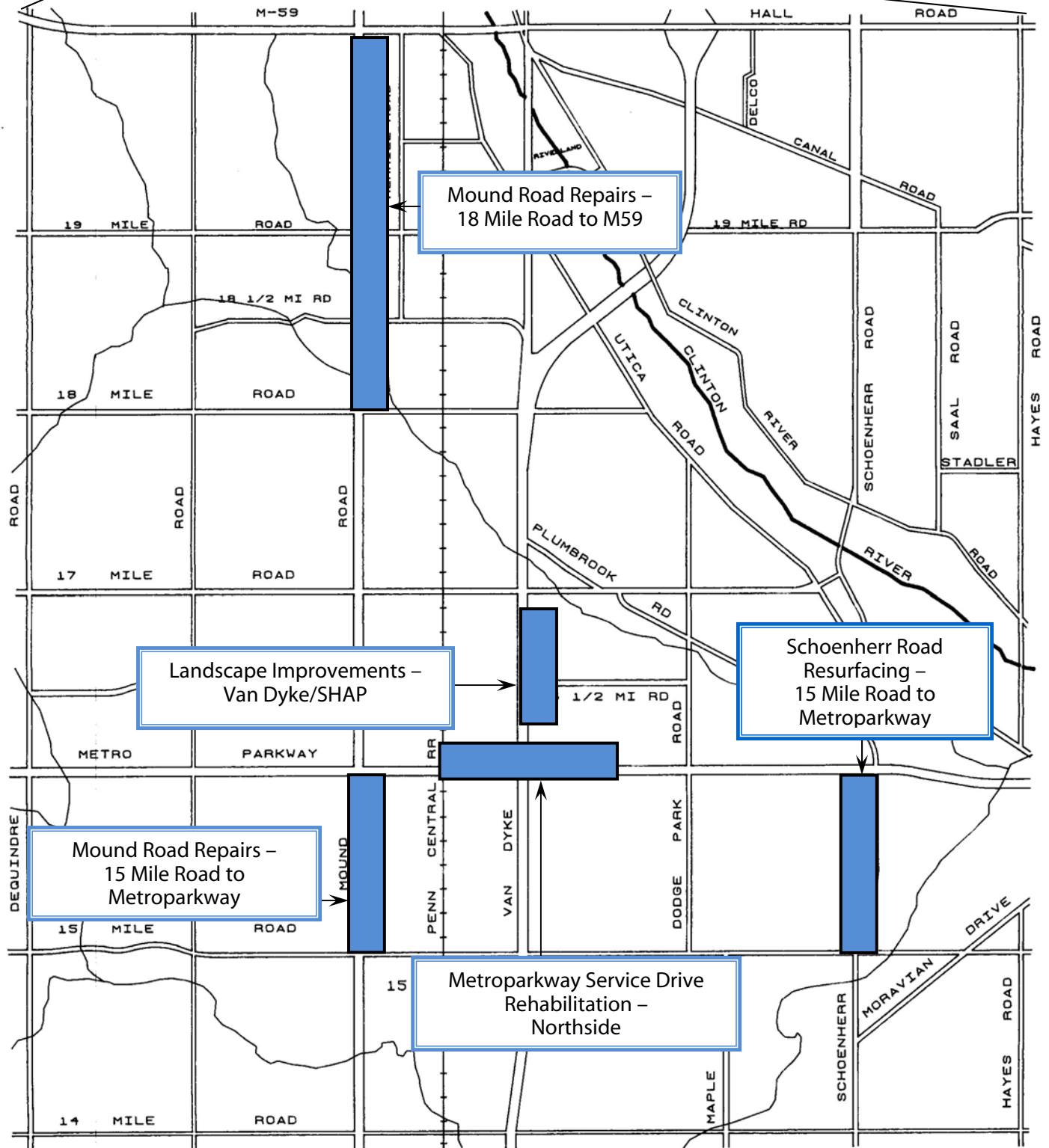
Miscellaneous Traffic Signals





2017/18 COUNTY & STATE ROAD PLANS

Miscellaneous Traffic Signals





2017/18 LOCAL ROADS

Neighborhood Road Repairs – (Safe Streets Proposal)
including: Concrete Reconstruction and Miscellaneous
Sectional Concrete Repairs

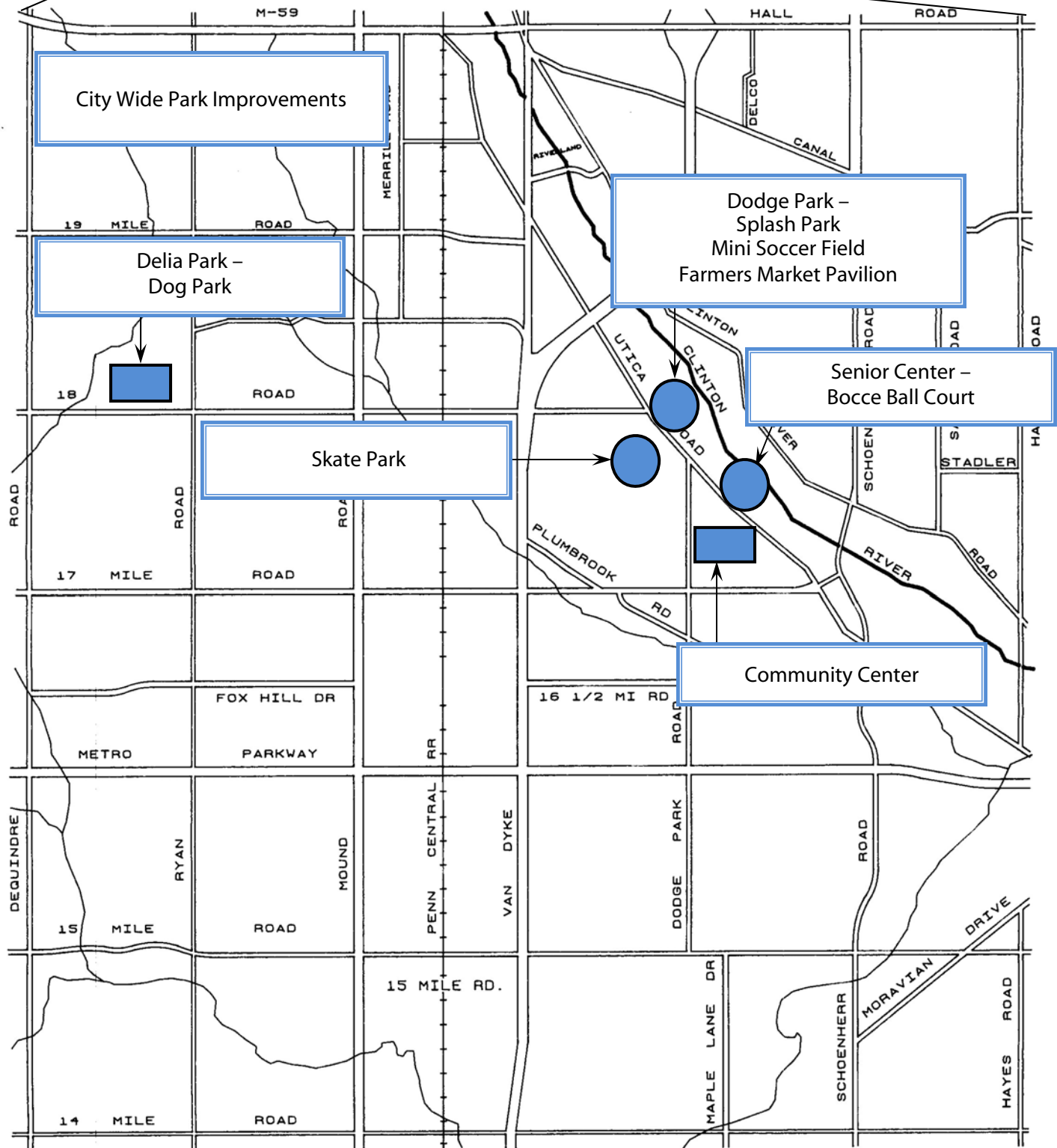
City Roadway Asset
Management Plan

City-wide Sectional Concrete
Replacement Program

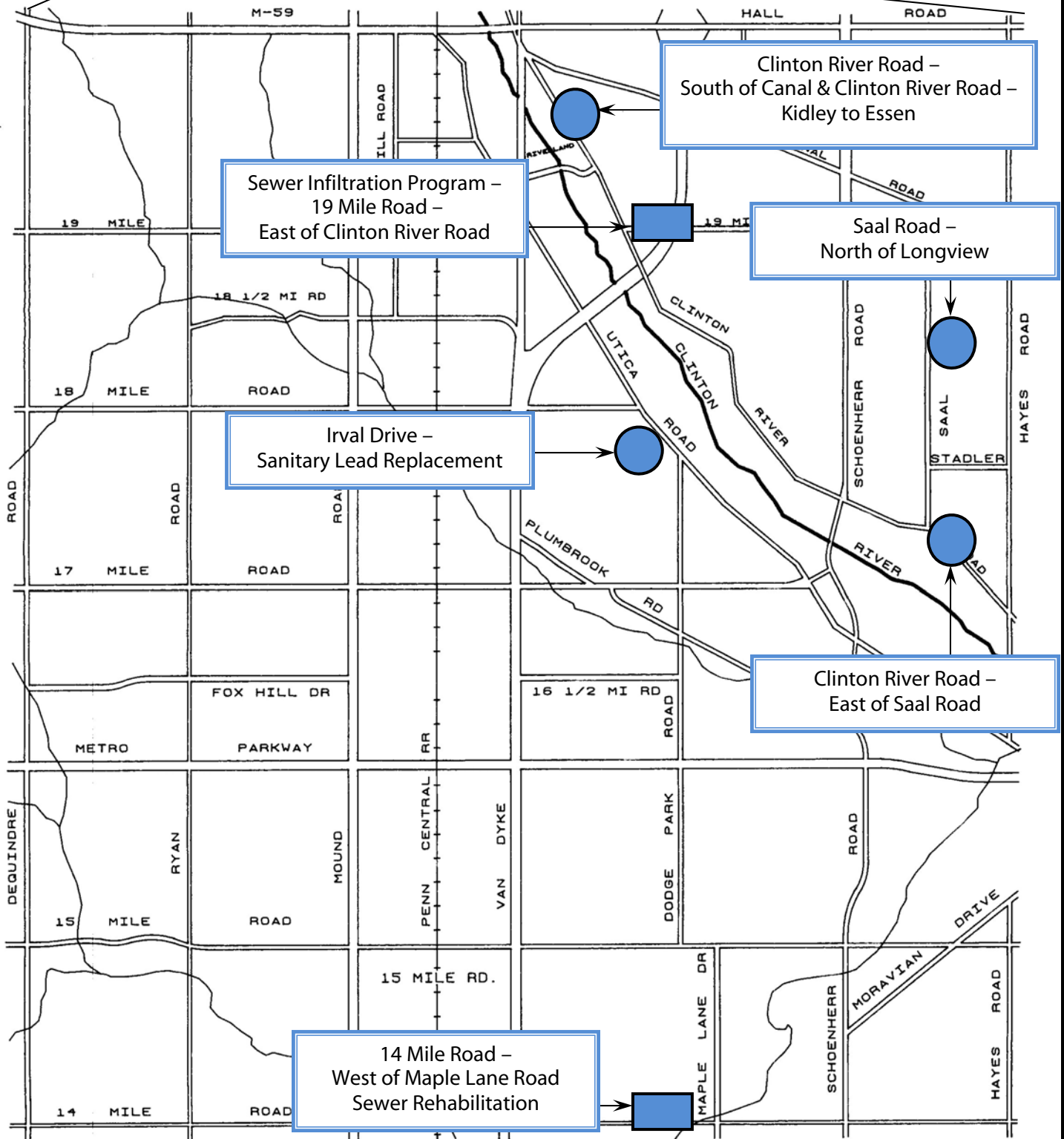
Fairway and Barnum Drive
Concrete Replacement



2017/18 MUNICIPAL PARKLANDS



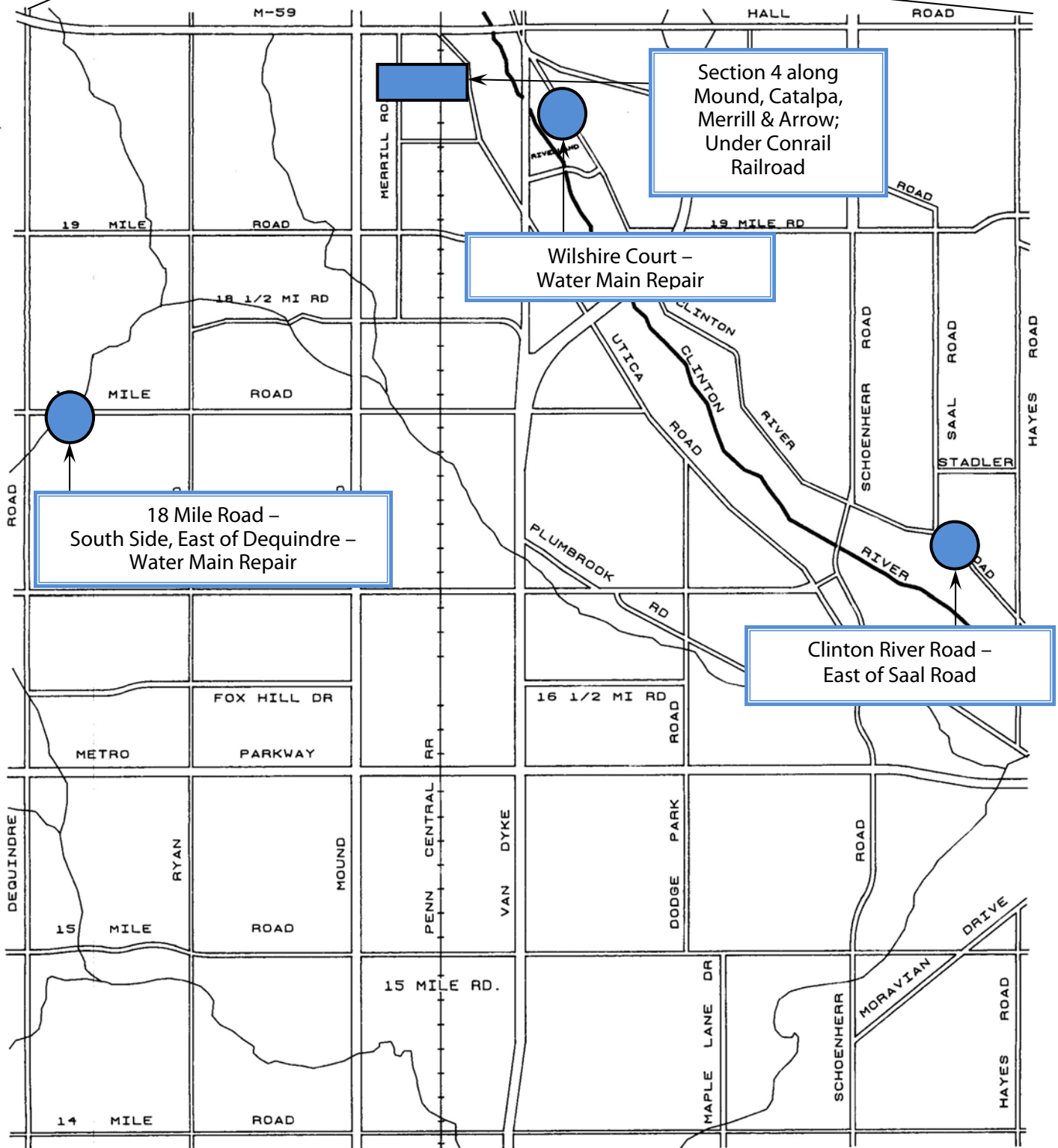
2017/18 SANITARY SEWERS





2017/18 WATER MAINS

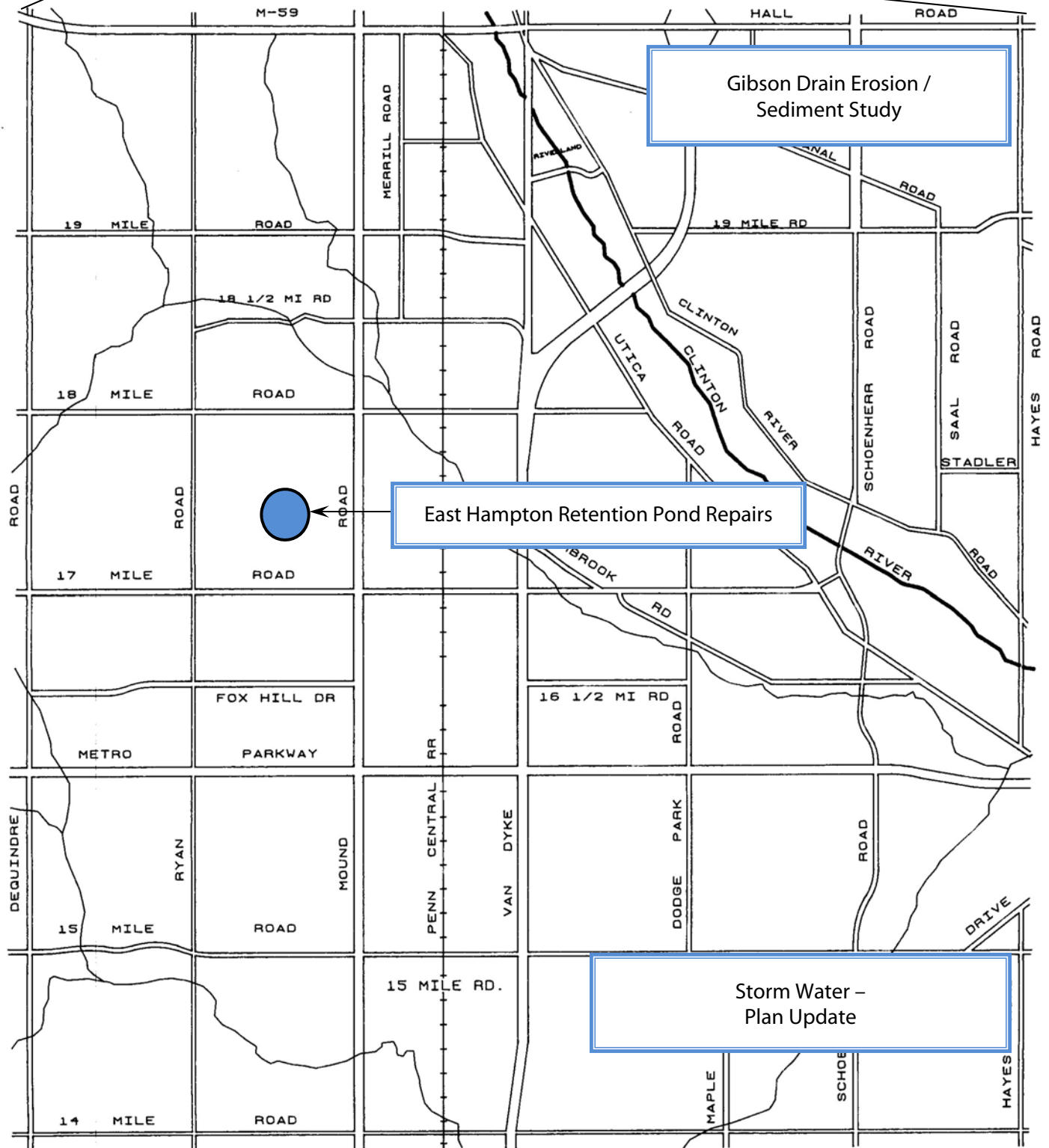
Fire Hydrant Replacement/
Gatewell Valve Maintenance Program





2017/18 STORM DRAINS

Storm Drain Maintenance – County



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$55,624,617	\$58,331,682	\$57,875,942	\$56,801,306	\$59,045,208	\$53,149,713	\$51,665,928	\$51,344,025	\$62,231,352	\$64,036,721
Fees & Permits	1,784,156	1,352,594	960,683	1,194,707	1,438,197	2,271,967	1,789,803	1,735,413	1,800,968	2,149,069
Federal Sources	2,755,145	1,001,641	1,419,052	2,789,569	3,085,016	2,661,338	1,126,423	1,921,050	1,456,596	1,990,255
State & Local Sources	19,894,287	18,939,977	18,505,491	17,114,177	17,184,734	18,065,838	18,825,672	19,920,337	21,054,148	21,279,925
Fines & Forfeitures	2,563,520	2,755,701	2,836,556	3,618,574	3,353,875	2,770,160	2,489,252	2,326,870	2,567,229	3,057,417
Charges For Services	8,038,601	7,988,183	7,896,549	8,598,054	8,583,882	8,443,205	8,306,458	9,048,012	10,085,731	9,719,467
Interest Income	2,511,234	2,316,653	1,580,754	582,435	308,422	672,239	58,534	257,632	247,437	426,998
Special Assessments	130,082	92,745	243,123	215,118	203,298	254,977	206,501	314,871	212,828	201,579
Rental Income	1,443,651	1,727,929	1,798,484	1,429,222	1,685,041	1,508,954	1,536,939	1,951,540	1,829,381	1,578,977
Cable Revenue	1,527,988	1,671,094	1,771,978	1,799,495	1,950,435	2,033,751	2,292,537	2,342,953	2,533,069	2,595,396
Reimb of Advance Rd Const	0	2,440,414	0	0	0	0	0	0	0	0
Other	1,511,396	1,755,645	2,007,807	1,898,739	1,526,205	2,044,415	1,700,076	1,619,427	1,414,282	1,960,041
Total Revenues	97,784,677	100,374,258	96,896,419	96,041,396	98,364,313	93,876,557	89,998,123	92,782,130	105,433,021	108,995,845
Expenditures										
General Government	10,562,158	11,244,018	9,534,712	9,000,797	8,613,941	8,571,928	7,700,466	7,175,604	7,803,567	8,154,052
41A District Court	2,847,111	2,974,001	3,150,155	3,221,815	3,246,811	3,252,852	3,258,362	3,078,766	3,087,262	3,223,740
Public Safety	41,610,977	44,435,670	46,327,145	49,130,527	50,929,421	52,297,573	48,644,125	48,807,450	49,752,772	49,704,157
Public Works	18,734,562	20,134,496	21,273,705	20,321,669	21,034,821	18,680,870	18,062,177	20,790,973	21,450,688	20,929,934
Recreation & Culture	5,180,497	5,358,825	5,321,281	4,747,596	4,603,108	4,489,169	4,339,952	4,002,476	4,189,468	4,393,760
General Expenditures	3,791,084	2,945,761	2,793,240	2,814,058	2,540,873	2,766,125	2,294,184	2,171,473	1,119,452	1,027,555
Capital Outlay	14,756,585	7,402,019	13,212,947	4,694,663	4,867,162	4,275,883	3,115,621	7,026,982	14,388,416	19,122,277
Debt Service - Principal	14,000,000	5,685,000	5,730,000	15,235,000	3,970,000	3,940,000	3,895,000	3,235,000	2,620,000	1,725,000
Debt Service - Interest	2,336,756	1,938,403	1,987,533	1,628,030	1,221,055	1,098,474	1,114,056	744,170	628,563	545,331
Total Expenditures	113,819,730	102,118,193	109,330,718	110,794,155	101,027,192	99,372,874	92,423,943	97,032,894	105,040,188	108,825,806
Other Financing Sources										
Long-term Financing	7,900,000	5,000,000	3,260,000	3,810,000	0	3,780,000	3,275,000	0	198,633	9,630,000
Proceeds-Sale of Fixed Assets	0	0	149,466	115,724	0	0	0	0	0	0
Bond Premium	26,815	50,143	0	33,935	0	274,196	9,311	0	0	254,555
Payments to Escrow Agents	0	0	0	(2,200,000)	0	(3,950,000)	(3,100,000)	0	0	0
Transfers In	18,458,535	9,716,170	11,319,369	16,194,395	3,953,940	3,526,740	6,158,405	5,639,290	13,594,435	10,797,379
Transfers Out	(8,681,215)	(8,197,830)	(8,412,389)	(5,056,810)	(3,953,940)	(3,526,740)	(3,500,200)	(4,266,460)	(10,494,435)	(9,447,315)
Total Other Fin. Sources	17,704,135	6,568,483	6,316,446	12,897,244	0	104,196	2,842,516	1,372,830	3,298,633	11,234,619
Net Change in Fund Balance	\$1,669,082	\$4,824,548	(\$6,117,853)	(\$1,855,515)	(\$2,662,879)	(\$5,392,121)	\$416,696	(\$2,877,934)	\$3,691,466	\$11,404,658

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget
City Council	\$132,600	\$129,410	\$131,330	\$127,360	\$143,940	\$142,170	\$149,750
City Management	975,970	1,092,740	848,150	929,190	914,600	1,137,530	1,347,340
City Clerk	693,460	666,050	542,500	707,340	756,590	855,650	854,020
Facilities Maintenance	1,358,360	987,750	0	0	0	0	0
Information Technology	880,370	959,460	871,860	878,360	879,010	908,010	987,110
Assessing	906,340	761,840	827,390	844,860	878,950	921,780	996,340
Financial Services	749,690	725,110	776,950	868,810	882,250	767,890	787,430
Purchasing	390,590	263,640	274,060	311,350	316,990	318,430	385,680
Treasury	1,070,960	1,020,450	1,014,380	1,044,510	1,078,660	1,127,910	1,171,180
Act 78 - Civil Service Commission	7,030	0	21,230	28,890	42,840	28,120	43,970
General Employees Pension Board	85,150	70,670	73,800	59,490	52,790	55,110	55,790
Legal	799,720	765,090	678,690	777,680	864,020	825,000	875,000
Total City Administration Dept.	8,050,240	7,442,210	6,060,340	6,577,840	6,810,640	7,087,600	7,653,610
Library	2,544,980	2,450,830	2,335,380	2,408,630	2,492,550	2,630,590	2,726,280
Historical Commission	310	410	370	370	550	580	4,590
Total Library Department	2,545,290	2,451,240	2,335,750	2,409,000	2,493,100	2,631,170	2,730,870
Parks & Recreation	1,943,880	1,888,710	1,666,740	1,780,470	1,900,650	1,957,950	0
Total Parks & Recreation Dept.	1,943,880	1,888,710	1,666,740	1,780,470	1,900,650	1,957,950	0
Police Administration	3,042,380	3,099,570	2,988,410	3,611,950	4,905,920	5,031,510	5,149,120
Police Investigations	6,268,090	5,738,130	5,624,610	5,857,000	6,225,590	6,532,510	6,538,970
Police Operations	19,971,990	19,501,000	19,602,490	19,741,950	20,276,870	21,699,180	19,656,310
Police Support Services	3,546,890	3,282,000	3,283,070	2,944,840	1,526,880	1,512,520	1,652,030
Emergency Management	151,390	0	0	0	0	0	0
Total Police Department	32,980,740	31,620,700	31,498,580	32,155,740	32,935,260	34,775,720	32,996,430
Fire Administration	1,535,680	1,414,940	1,469,690	1,387,650	1,504,920	1,480,470	1,422,360
Fire Extinguishment	16,830,110	14,742,310	14,806,220	15,180,830	14,031,400	14,890,860	16,862,330
Fire Prevention	749,770	725,770	802,540	800,950	1,048,990	1,056,350	1,068,430
Total Fire Department	19,115,560	16,883,020	17,078,450	17,369,430	16,585,310	17,427,680	19,353,120

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2017/18 Budget
Fleet Maintenance	2,655,030	2,790,250	2,857,030	2,780,650	2,648,400	2,740,180	2,866,030
Parks & Grounds Maintenance	1,150,800	1,110,640	1,318,490	1,358,400	1,373,600	1,378,910	1,440,640
Public Works Center	237,750	233,330	270,850	278,640	187,440	256,000	226,500
Street Services	1,772,690	1,743,280	2,170,820	2,270,740	2,070,450	2,203,380	2,324,830
Total Public Works Department	5,816,270	5,877,500	6,617,190	6,688,430	6,279,890	6,578,470	6,858,000
Refuse Collection	4,605,880	4,672,020	4,697,630	4,744,360	4,767,020	4,494,150	4,464,060
Total Refuse Collection	4,605,880	4,672,020	4,697,630	4,744,360	4,767,020	4,494,150	4,464,060
Building & Facilities Maintenance	1,373,570	1,373,140	1,781,940	1,893,630	1,968,060	1,980,450	2,216,100
Economic Development	367,830	285,330	257,590	291,910	320,630	317,510	329,900
Engineering	1,494,210	1,139,250	1,172,660	1,291,350	1,288,080	1,343,450	1,371,630
Foreclosure Relief	77,310	4,410	0	0	0	0	0
Neighborhood Services	417,580	346,260	1,278,550	1,318,560	1,508,510	1,515,250	1,661,050
Planning	483,010	237,210	104,560	177,000	226,800	183,030	166,740
Planning Commission	4,570	4,390	3,810	4,500	6,650	5,790	10,090
Zoning Board of Appeals	5,330	3,750	2,900	5,540	7,050	5,390	7,280
Component Unit Funding	0	0	0	300,000	300,000	300,000	300,000
Total City Development Dept.	4,223,410	3,393,740	4,602,010	5,282,490	5,625,780	5,650,870	6,062,790
Community Relations	1,033,780	931,910	856,950	933,490	1,022,090	1,090,530	1,429,230
Arts Commission	50	0	50	0	50	50	50
Beautification Commission	400	480	680	320	650	720	720
Total Community Relations Dept.	1,034,230	932,390	857,680	933,810	1,022,790	1,091,300	1,430,000
41-A District Court	3,252,850	3,258,360	3,078,770	3,087,260	3,223,740	3,271,140	3,366,950
General Expenditures	2,657,510	2,238,910	2,167,780	1,116,140	1,025,080	1,238,270	1,766,770
Transfers Out	1,010,670	954,090	1,081,460	8,144,440	7,217,320	5,995,500	7,176,880
Total General Fund	\$87,236,530	\$81,612,890	\$81,742,380	\$90,289,410	\$89,886,580	\$92,199,820	\$93,859,480

**GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
AND OTHER FINANCING USES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Fund Balance	Annual Expenditures & Other Uses	General Fund Balance as % of Expenditures & Other Uses
2007	15,717,895	82,775,550	18.99%
2008	15,292,910	86,516,140	17.68%
2009	15,207,061	87,146,732	17.45%
2010	12,528,923	86,337,844	14.51%
2011	10,991,216 (1)	87,480,425	12.56%
2012	5,248,480	87,236,539	6.02%
2013	5,248,480	81,612,889	6.43%
2014	5,229,392	81,742,384	6.40%
2015	7,539,734	90,289,405	8.35%
2016	11,394,869	89,886,581	12.67%

(1) GASB 54 was implemented with the fiscal year ended June 30, 2011.

**ASSESSED & ESTIMATED ACTUAL VALUATION
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Assessed Valuation (1)	Personal Assessed Valuation (1)	Total Valuation	Percent of True Value (2)
2007	4,451,151,600	944,127,850	5,395,279,450	50%
2008	4,645,291,550	1,053,774,300	5,699,065,850	50%
2009	4,599,077,850	1,007,788,550	5,606,866,400	50%
2010	4,508,088,655	986,259,050	5,494,347,705	50%
2011	4,046,809,230	917,612,350	4,964,421,580	50%
2012	3,743,670,800	874,496,200	4,618,167,000	50%
2013	3,503,196,250	755,514,350	4,258,710,600	50%
2014	3,526,557,005	724,659,700	4,251,216,705	50%
2015	3,564,635,642	714,092,150	4,278,727,792	50%
2016	3,665,393,466	670,143,500	4,335,536,966	50%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 2006 TVs (stated above in the 2007 row) were used to generate tax revenue for the year ended June 30, 2007.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

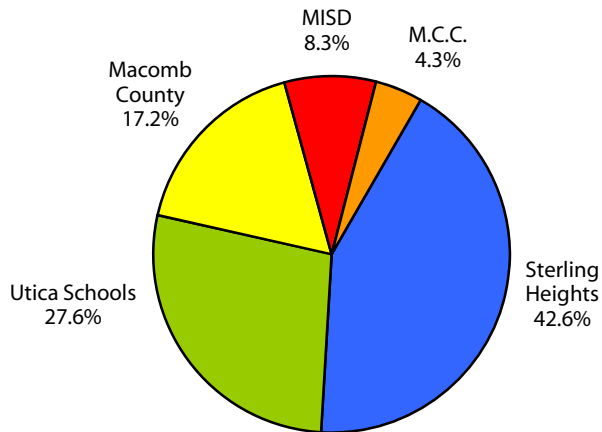
HOMESTEAD PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF TAXABLE VALUATION)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City of Sterling Heights										
Operating (1)	8.97760	9.22560	9.17770	8.71800	10.18110	9.66170	9.14280	9.47030	9.37010	9.49090
Refuse	0.81420	0.80570	0.83810	0.87170	0.94740	0.99990	1.08380	1.08790	1.12670	1.14240
Police & Fire Pension	0.51180	0.31470	0.48530	0.93720	1.23880	1.66940	2.06690	1.82250	1.92380	1.90260
Public Improvements	0.18750	0.17920	0.06670	0.03460	0.06840	0.08130	0.09030	0.10180	0.10470	0.11220
Drain	0.23390	0.19980	0.21800	0.22430	0.25010	0.27350	0.30200	0.20330	0.16050	0.03770
Safe Streets	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	2.50000	2.50000
Total	10.72500	10.72500	10.78580	10.78580	12.68580	12.68580	12.68580	12.68580	15.18580	15.18580
Overlapping Governments										
Macomb County	4.20550	4.20550	4.20550	4.57350	4.57350	4.57350	4.57350	4.57350	4.57350	4.57350
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.75000	3.85000	3.85000	3.85000	3.85000	3.85000
Warren Consol. Schools	9.82940	9.23580	8.41520	8.92780	10.25900	10.84210	11.36240	11.38290	10.76030	10.69660
State Education	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.42120	1.42120	1.42120	1.42120	1.42120	1.57120	1.57120	1.53120	1.52620	1.53020
M.I.S.D.	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	1.00000	1.00000
County Zoo Authority	0.00000	0.00000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
D.I.A.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.20000	0.20000	0.20000	0.20000
Veterans Operations	0.00000	0.00000	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000
Total										
Utica Schools (2)	29.59930	29.59930	29.80010	30.16810	32.31810	32.56810	32.76810	32.72810	35.63310	35.63710
Total										
Warren Schools (2)	35.92870	35.33510	34.71530	35.59590	38.82710	39.56020	40.28050	40.26100	42.54340	42.48370

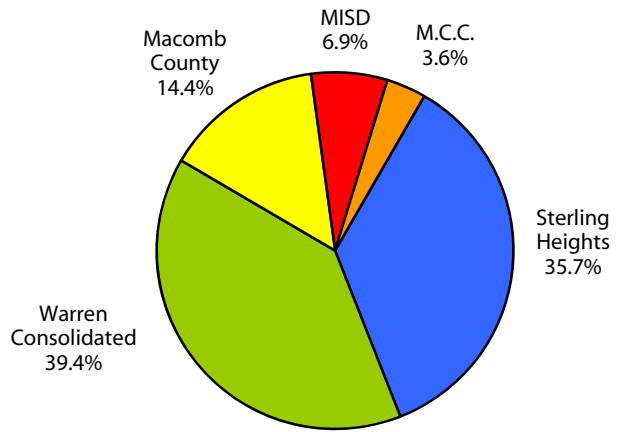
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2016.

City of Sterling Heights 2015/16 Distribution of Homestead Taxes



Utica Community Schools

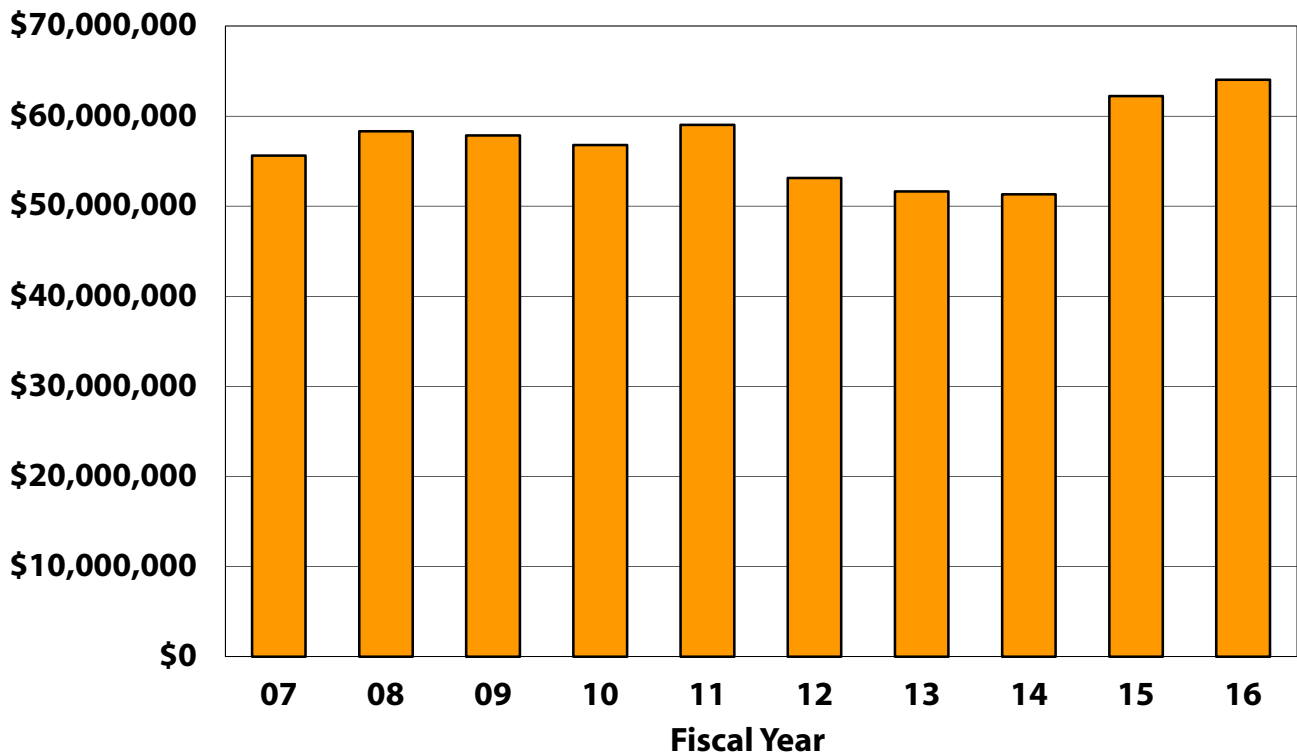


Warren Consolidated Schools

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes					Local Rds Prop Taxes	Debt Service Funds Prop Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Safe Streets	Total	Safe Streets	General Drain	Voted Tax General Obligation	Total	
2007	46,585,168	4,205,469	2,646,459	0	53,437,096	0	1,214,130	973,391	2,187,521	55,624,617
2008	50,198,476	4,359,680	1,707,910	0	56,266,066	0	1,089,261	976,355	2,065,616	58,331,682
2009	49,275,429	4,476,793	2,594,194	0	56,346,416	0	1,169,602	359,924	1,529,526	57,875,942
2010	45,954,154	4,561,110	4,925,570	0	55,440,834	0	1,178,018	182,454	1,360,472	56,801,306
2011	47,431,652	4,377,125	5,753,668	0	57,562,445	0	1,164,592	318,171	1,482,763	59,045,208
2012	40,120,585	4,376,626	7,157,201	0	51,654,412	0	1,150,140	345,161	1,495,301	53,149,713
2013	37,142,292	4,403,288	8,529,892	0	50,075,472	0	1,224,522	365,934	1,590,456	51,665,928
2014	38,262,436	4,400,850	7,444,408	0	50,107,694	0	823,757	412,574	1,236,331	51,344,025
2015	38,380,857	4,615,657	7,905,424	6,969,239	57,871,177	3,271,161	658,448	430,566	1,089,014	62,231,352
2016	40,154,336	4,786,968	7,992,154	7,121,201	60,054,659	3,344,947	164,288	472,828	637,116	64,036,722

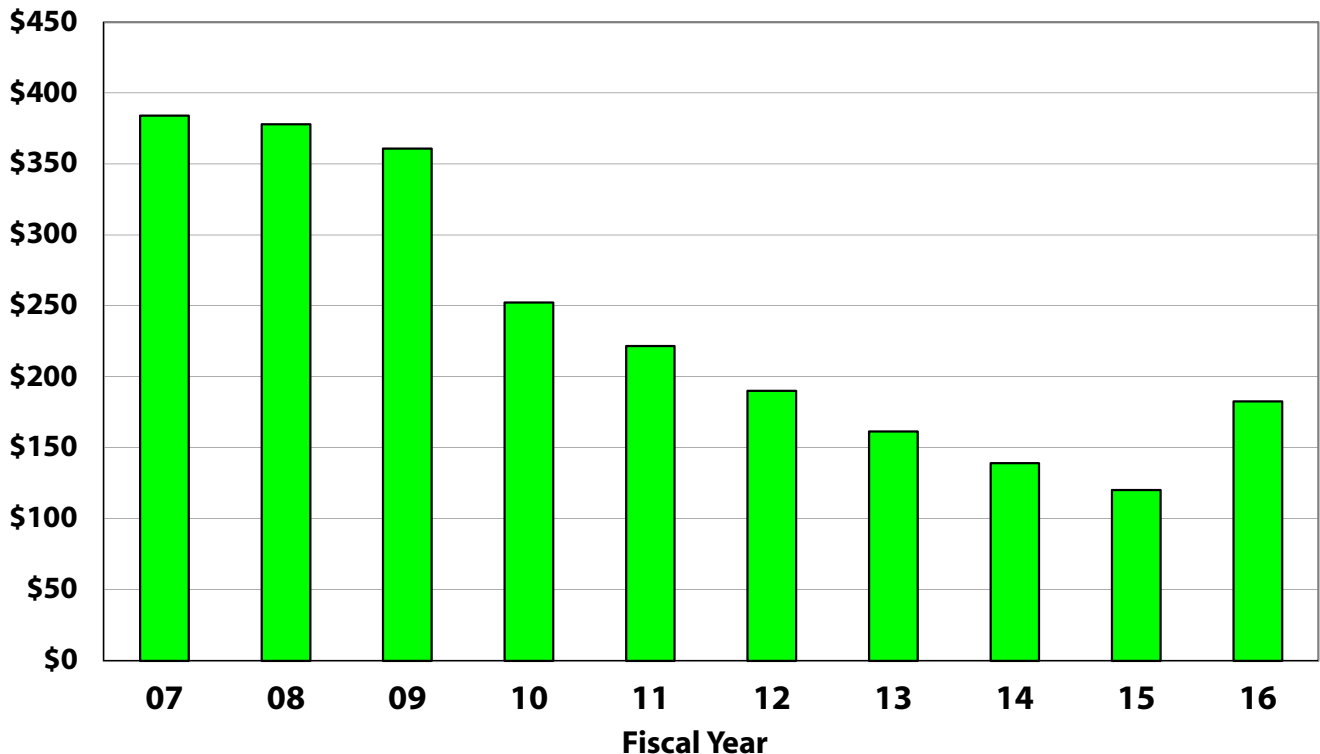
Property Tax Revenue



RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities					Business-Type Activities County Issued				Primary Govt.	% of Personal Income	Pop.	Govt. Debt Per Capita
	General Obligation Bonds	Michigan Transp. Bonds	Special Assess. Bonds	County Issued Bonds	Capital Leases	General Obligation Bonds	Special Assess. Bonds	Revolv. Loan Funds	Capital Leases	Outstand. Debt Total			
2007	21,590,000	20,610,000	-	7,325,000	-	-	-	-	-	49,525,000	1.35%	128,914	384.17
2008	23,635,000	18,710,000	-	6,495,000	-	-	-	-	-	48,840,000	1.30%	129,200	378.02
2009	20,985,000	16,535,000	3,260,000	5,590,000	-	-	-	-	-	46,370,000	1.26%	128,500	360.86
2010	8,820,000	16,130,000	3,160,000	4,635,000	-	3,702,531	-	-	-	36,447,531	0.96%	129,699	252.47
2011	7,880,000	14,180,000	3,060,000	3,655,000	-	30,584,068	-	3,314,862	-	62,673,930	2.00%	129,699	221.86
2012	6,905,000	12,170,000	2,960,000	2,630,000	-	36,565,773	2,716,185	4,931,838	-	68,878,796	2.19%	129,699	190.17
2013	6,165,000	10,405,000	2,850,000	1,525,000	-	35,428,997	2,647,602	6,825,826	-	65,847,425	2.10%	129,699	161.49
2014	5,777,683	8,811,416	2,700,000	775,000	-	34,264,780	2,548,452	11,703,389	-	66,580,720	2.12%	129,699	139.28
2015	5,253,950	7,465,086	2,550,000	150,000	186,769	33,071,724	4,098,344	17,592,684	8,789	70,377,346	2.24%	129,699	120.32
2016	4,667,114	16,480,393	2,400,000	-	150,062	31,831,025	4,054,112	20,725,947	7,063	80,315,716	2.56%	129,699	182.71

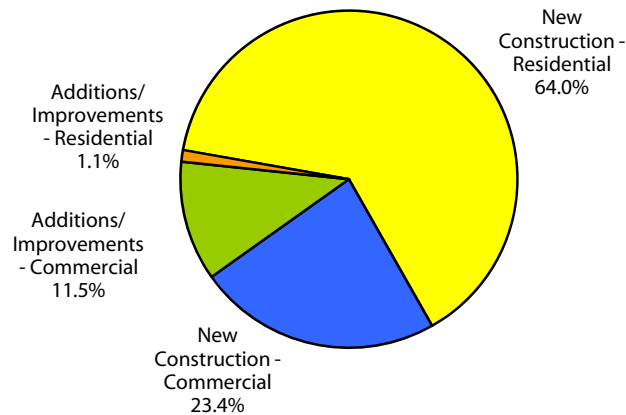
Outstanding Debt Per Capita



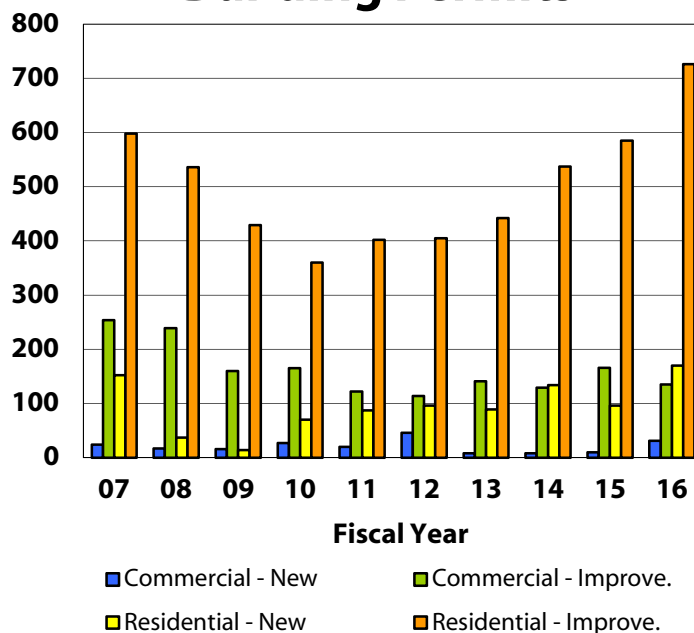
BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Residential					Commercial				
	New Construction		Additions/Improve.		Total Residential	New Construction		Additions/Improve.		Total Commercial
	No.	Value	No.	Value		No.	Value	No.	Value	
2007	152	25,895,984	598	2,454,254	28,350,238	24	44,813,309	254	40,418,973	85,232,282
2008	37	8,034,365	536	1,503,824	9,538,189	17	38,153,479	239	26,322,149	64,475,628
2009	14	3,481,198	429	1,261,884	4,743,082	16	5,148,379	160	23,119,046	28,267,425
2010	70	12,386,830	360	839,587	13,226,417	27	31,115,804	165	28,194,133	59,309,937
2011	87	15,494,221	402	1,147,729	16,641,950	20	91,661,691	122	21,444,771	113,106,462
2012	96	19,872,576	405	1,291,986	21,164,562	46	97,795,253	114	16,137,512	113,932,765
2013	89	20,919,441	442	2,528,899	23,448,340	8	15,579,387	141	37,063,864	52,610,713
2014	134	31,286,101	537	1,191,570	32,477,671	8	6,077,060	129	25,288,174	31,365,234
2015	96	22,656,130	585	1,126,895	23,783,025	10	25,455,891	166	26,570,017	52,025,908
2016	170	87,099,668	726	1,528,732	88,628,400	31	31,932,939	135	15,628,005	47,560,944

Market Value of 2016 Building Permits



Building Permits



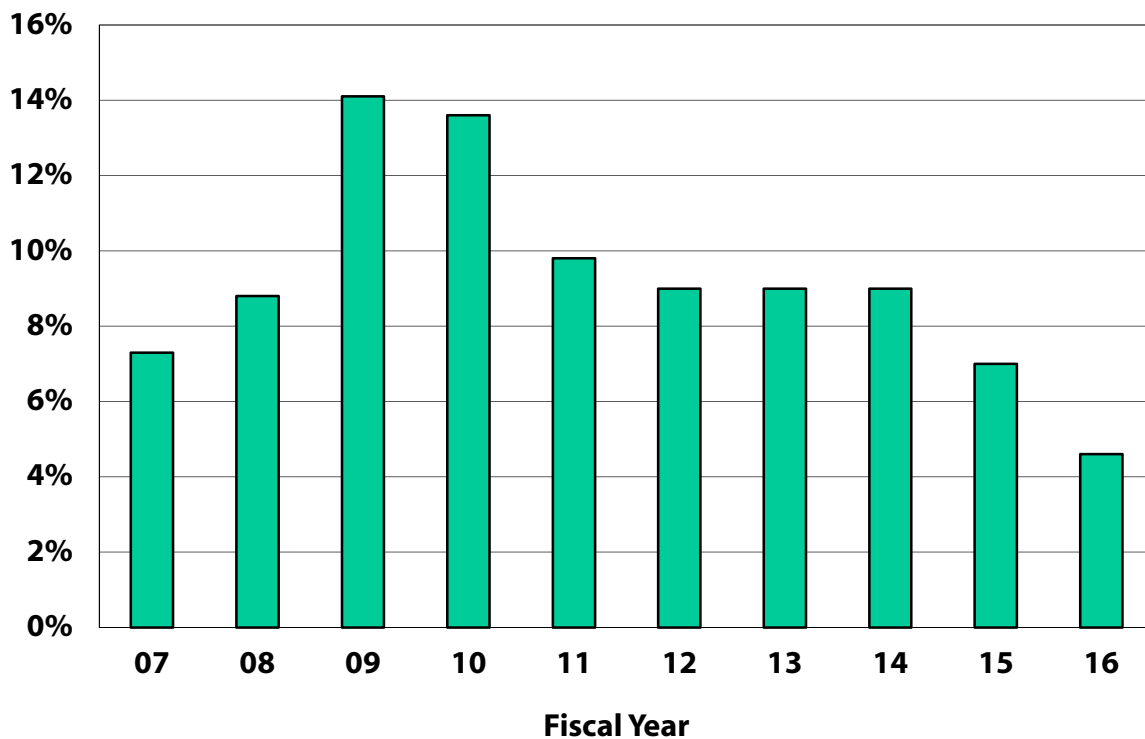
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Median Age (2)	Age 25 or Older (2)		Per Capita Income (4)/(1)	Income In Thousands (4)	Number of Households (2)	Median Household Income (1)	Sterling Heights Unemployment Rate (3)/(4)
			High School Graduate or Higher	Bachelor's Degree or Higher					
2007	128,914 (1)	35-39	84.0%	22.9%	28,399	3,661,029	50,761	60,494	7.3%
2008	129,200 (1)	35-39	84.0%	22.9%	29,308	3,766,078	50,375	60,494	8.8%
2009	128,500 (1)	35-39	84.0%	22.9%	28,546	3,668,161	49,735	60,494	14.1%
2010	129,699 (1)	35-39	84.0%	22.9%	29,430	3,781,755	49,339	60,494	13.6%
2011	129,699 (1)	40-44	84.0%	22.9%	24,213	3,140,402	49,508	53,390	9.8%
2012	129,699 (1)	40-44	86.4%	22.9%	24,213	3,140,402	49,576	53,390	9.0%
2013	129,699 (1)	40-44	86.4%	22.9%	24,213	3,140,402	49,576	53,390	9.0%
2014	129,699 (1)	40-44	86.4%	22.9%	24,213	3,140,402	49,576	53,390	9.0%
2015	129,699 (1)	40-44	86.4%	22.9%	24,213	3,140,402	49,576	53,390	7.0%
2016	129,699 (1)	40-44	86.4%	22.9%	24,213	3,140,402	49,576	53,390	4.6%

Sources:

- (1) United States Census Bureau - 2000/2010 Census and 2010 American Community Survey One Year Estimates
- (2) Southeast Michigan Council of Governments (SEMCOG)
- (3) Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information
- (4) Michigan Department of Technology, Management & Budget

City of Sterling Heights Unemployment Rate



2017/18 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2015/16 Actual	2016/17 Budget	2016/17 To 12/31	2016/17 Estimate	2017/18 Budget
	Supplies					
729.000	Postage	\$548	\$650	\$403	\$650	\$670
751.000	Operating Supplies	356	200	150	200	280
758.000	Computer Software	4,038	0	0	0	0
	Total Supplies	4,942	850	553	850	950
	Other Charges					
802.000	Audit & Accounting Services	40,496	25,000	17,933	25,000	25,000
806.000	Legal Services	10,758	12,000	3,960	12,000	11,000
807.000	Medical Services	0	2,000	1,900	1,900	4,000
826.000	Other Contracted Services	1,292,761	1,400,000	654,128	1,400,000	1,462,650
903.000	Printing	41	200	54	200	200
922.000	Telephone	369	420	205	420	480
957.000	Memberships & Dues	100	100	100	100	100
959.000	Education & Training	3,475	8,000	4,656	8,000	8,000
	Total Other Charges	1,348,000	1,447,720	682,936	1,447,620	1,511,430
	Capital Outlay					
979.000	Computer Equipment	0	0	1,266	1,270	0
	Total Capital Outlay	0	0	1,266	1,270	0
Total Activity		\$1,352,942	\$1,448,570	\$684,755	\$1,449,740	\$1,512,380

NOTE: The "2015/16 Actual" & "2016/17 To 12/31" columns are rounded to the nearest dollar.

NAME	CONTRACT EXPIRATION	BUDGETED EMPLOYEES	
		FULL-TIME	PART-TIME

Union Employees

Police Officers - MAP	6/30/2017	115	
Fire Fighters - IAFF Local 1557	6/30/2018	99	
Technical/Office - MAPE	6/30/2018	59	26*
DPW Field - Teamsters Local 214	6/30/2017	55	
Police Command Officers - COA	6/30/2018	33	
Professional & Technical - MAPE	6/30/2019	29	15
Court Clerical - AFSCME Local 1884	6/30/2018	18	6
Police Clerical - MAP	6/30/2019	20	2
Supervisory - MAPE	6/30/2018	14	
Executive Group - SHEG	6/30/2018	7	
DPW Supervisors - AFSCME Local 1917	6/30/2017	7	

Non-Union Employees

41-A District Court Administration	N/A	10	
41-A District Court Judges	N/A	3	
Ordinance Employees	N/A	2	

* Includes eight part-time employees that are excluded from the part-time limit.

Population¹

Total Population 129,699

Gender

Male 62,862

Female 66,837

Age

Under 5 years 7,126

5 to 9 years 7,529

10 to 14 years 8,104

15 to 19 years 8,636

20 to 24 years 8,132

25 to 34 years 16,151

35 to 44 years 17,346

45 to 54 years 19,835

55 to 59 years 9,015

60 to 64 years 8,124

65 to 74 years 10,730

75 to 84 years 5,944

85 years and older 3,027

Racial Makeup

White 110,426

African American 6,697

American Indian & Alaska Native 281

Asian 8,742

Native Hawaiian & Other Pacific Islander 19

Other Race 654

Two or more races 2,880

Housing

Median Housing Value \$175,000

Total Housing Units 52,190

Houses 34,498

Condominiums 6,623

Apartments 9,342

Mobile Homes 1,727

Major Employers

Company/Employees

Fiat Chrysler Automobiles 4,000

Ford Motor Company 3,600

General Dynamics 2,000

Lakeside Associates 2,000

Utica Community Schools 1,150

Detroit Media Partnership 1,000

KUKA Systems Corporation 1,000

Warren Consolidated Schools 790

U.S. Farathane Corporation 750

Henry Ford Health System 600

Employment Status²

Population 16 years & over 107,882

In labor force 68,310

Civilian labor force 68,263

Employed 62,744

Unemployed 5,519

Percent of civilian labor force 8.1

Armed Forces 47

Not in labor force 39,572

Occupation²

Employed civilian population 16 yrs. & over 64,307

Management, professional & related
occupations 22,894

Service occupations 10,335

Sales & office occupations 15,249

Natural resources, construction, &
maintenance occupations 3,458

Production, transportation & material
moving occupations 12,371

Industry²

Agriculture, forestry, fishing and hunting,
& mining 52

Construction 2,051

Manufacturing 13,921

Wholesale trade 1,752

Retail trade 9,452

Transportation and warehousing & utilities 2,169

Information 545

Finance, insurance, real estate & rental
and leasing 3,890

Professional, scientific, management,
administrative & waste management 6,507

Educational, health & social services 12,123

Arts, entertainment, recreation,
accommodation & food services 6,424

Other services (except public administration) ... 3,357

Public administration 2,064

School Enrollment²

Population 3 yrs. & over enrolled in school 30,922

Nursery school, preschool 2,308

Kindergarten 1,629

Elementary (grades 1-8) 11,115

High School (grades 9-12) 4,636

College or graduate school 11,234

Streets & Sidewalks

Miles of City Streets:	
Primary	63
Secondary	286
Estimated Sidewalks in Miles	615
Bridges	11
Street Lights	2,535

Police Protection

Group A offenses ³	2,871
Group B offenses ⁴	3,235
Injury Accidents	1,300
Property Damage	3,638
Private Property Damage	644
Total Traffic Violations	35,610
Civil Infractions	30,780
Parking Violations	1,333
Adult Arrests	3,919
Juvenile Arrests	212
OUIL Arrests	169

Fire Protection

Stations	5
Emergency Alarms Answered	14,293
Medical Emergencies	10,753
Fire Inspections Conducted	1,232
Inspection Violations Issued	2,433
Training Hours Completed	24,359

41-A District Court

Cases Handled:	
Civil	2,566
Criminal	3,644
Traffic	31,584
Landlord & Tenant	2,161
Small Claims	386

Election Data

Registered Voters	86,465
Voters at Polls	32,486
Absentee Ballots	18,357
Percent Voting	58.80%

Parks & Recreation

Acres	820
Developed Parks	28
Adult Athletics Attendance	17,914

Instructional Rec. Attendance	23,916
Nature Program Attendance	16,187
Senior Program Attendance	101,770
Special Event Attendance	114,295
Summer Playground Attendance	10,353
Special Rec. Program Attendance	8,460

Library

Registered Borrowers	47,334
Book Collections	196,019
Other Collections ⁵	53,447
Items Circulated	548,414
Reference Transactions	65,587
Program Attendance	20,209
Library Visits	385,398
Interlibrary Loan Requests	78,015
Book Van Deliveries	2,833
Online Computer Users	921,671

Water & Sewer Services

Customers:	
Residential	35,319
Commercial/Industrial	4,297
Miles of Water Mains	667
Miles of Sanitary Sewers	430
Fire Hydrants	7,292
Water (in thousand cubic feet):	
Purchased from Detroit	636,215
Sold to Residents	590,426
Rates:	
1,000 Cubic Feet (water and sewer)	\$62.59
Sewer Only – Per Billing	\$80.00

¹ Source: U.S. Census Bureau, Census 2010

² Source: 2015 American Community Survey 1-year estimates

³ Murder, criminal sexual conduct, robbery, aggravated assault, burglary, larceny, arson, motor vehicle theft, damage to property, retail fraud, etc.

⁴ Disorderly conduct, assault, family trouble, negligent homicide, obstructing justice, OUIL, etc.

⁵ Art prints, audio/video cassettes, compact discs, software discs, puppets, and posters.

***There are those who look at things the way they are, and ask why...
I dream of things that never were, and ask why not?***

~ Robert Francis Kennedy ~



**CITY OF STERLING HEIGHTS
MACOMB COUNTY, MICHIGAN
ORDINANCE NO. 451**

AN ORDINANCE TO PROVIDE FOR THE GENERAL APPROPRIATIONS OF THE CITY, AND SETTING FORTH THE AMOUNTS APPROPRIATED TO DEFRAY THE EXPENDITURES AND SETTING FORTH A STATEMENT OF ESTIMATED REVENUES, BY SOURCE, IN EACH FUND; TO ADOPT THE CITY'S BUDGETS FOR THE FISCAL YEAR 2017/18; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2017/18; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2017/18.

THE CITY OF STERLING HEIGHTS ORDAINS:

ARTICLE I

TITLE

This ordinance shall constitute the "ANNUAL APPROPRIATIONS ORDINANCE" in accordance with Section 9.14 of the City Charter, the "GENERAL APPROPRIATIONS ACT" in accordance with the Michigan Uniform Budgeting and Accounting Act, MCL 141.436 and the "SPECIAL APPROPRIATIONS ACT" pursuant to Public Act 493 of 2000.

ARTICLE II

The following is an estimate of revenues, by source, in each fund and an appropriation of monies as authorized by law, as may be needed or deemed necessary to defray all expenses and liabilities of the City as specified for the corporate purposes and objects of the City for the fiscal year July 1, 2017 through June 30, 2018. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2017/18.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net General Tax Revenue	\$39,106,380	39,083,290	
Licenses and Permits	2,297,500		
State and Local Returns	15,497,770		
Fines and Forfeitures	2,626,650		
Charges for Services	11,664,220		
Other Revenue	2,920,170		
Cable Revenue	2,650,000		
Use of Fund Balance	<u>0</u>		

Total General Revenue		76,762,690	76,739,600
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Refuse Tax Revenue	4,464,060		
Police & Fire Pension Tax Revenue	8,297,370		
Safe Streets Tax Revenue	<u>6,935,510</u>	6,942,620	
Total Other Tax Revenue		<u>19,696,940</u>	19,704,050
Total Revenues		<u>96,459,630</u>	96,443,650

OTHER FINANCING SOURCES

Transfers In	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

Total Revenues & Other Financing Sources		<u>\$96,459,630</u>	<u>\$96,443,650</u>
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and does hereby designate ~~\$38,941,380~~ \$38,918,290 to be raised by ~~9.4958~~ 9.4940 mills tax levied for General Purposes on the assessed valuation of all real and personal property subject to taxation in the City,

and does hereby designate \$8,297,370 to be raised by ~~2.0116~~ 2.0124 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for fire and police pension purposes, as authorized by MCL 38.551, et. seq.,

and does hereby designate \$4,464,060 to be raised by ~~1.0823~~ 1.0827 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of the collection and removal of garbage and trash of the City as authorized by MCL 123.261, et. seq.,

and does hereby designate ~~\$6,935,510~~ \$6,942,620 to be raised by ~~1.6876~~ 1.6900 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of providing revenue for police and fire protection as authorized by the electors of the City in approving the Safe Streets Proposal in 2013, et. seq.,

and directs the Treasurer to add a collection fee of one-half (1/2) percent per month to all taxes, charges and assessments paid after September 1, and further, upon all taxes, charges and assessments returned to the County Treasurer upon any delinquent tax roll, a charge of three percent (3%) shall be added and the same shall be collected by the County Treasurer in like manner as and together with the taxes, charges and assessments so returned.

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

City Administration Department	\$7,653,610		
Public Library Department	2,726,870	2,730,870	
Parks & Recreation Department	0		
Police Department	32,991,430	32,996,430	
Fire Department	19,353,120		
Public Works Department	6,858,000		
Refuse Collection	4,464,060		
City Development Department	6,062,790		
Community Relations Department	1,430,000		
41-A District Court	3,366,950		
General Expenditures	1,766,770		
Contribution to Fund Balance	<u>2,609,150</u>	2,584,170	
Total Expenditures		89,282,750	89,266,770

OTHER FINANCING USES

Transfers Out	<u>7,176,880</u>		
Total Other Financing Uses		<u>7,176,880</u>	

Total General Fund

\$96,459,630 **\$96,443,650**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	\$52,644,490
Use of Net Assets	<u>2,790</u>

Total Operating Revenues

\$52,647,280

OPERATING EXPENSES

Administration	\$3,715,550
Water Distribution	18,900,920
Sewage Collection	<u>30,030,810</u>

Total Water & Sewer Operating Fund

\$52,647,280

and does hereby designate the rates to be charged for water and sewage disposal services to be as follows for all bills rendered on or after July 1, 2017.

WATER RATES

Consumption Charges Per Billing Period:	Rate Per Thousand Cubic Ft.
First 3,000 cubic feet or less	\$25.28
All over 3,000 cubic feet	31.60
Fixed GLWA fee (single-family residential customers)	\$5.00
Fixed GLWA fee (all other customers)	7.00
Meter Charges Per Billing Period	
1 ½"	5.39
2"	13.96
3"	25.61
4"	33.59
6"	53.15
8"	84.65
10"	111.18
16"	127.05

SEWER RATES

This charge shall be based on the amount of water used per billing period:	Rate Per Thousand Cubic Ft.
Per 1,000 cubic feet	\$46.51
Fixed Macomb Public Works fee (single-family residential customers)	\$6.25
Fixed Macomb Public Works fee (all other customers)	9.00

BILLING

Bills for water and sewer service shall be rendered periodically as set forth in this article. The billing period for single-family residential customers is quarterly, all other customers are billed monthly. All bills shall be due and payable twenty (20) days from the date thereon. A penalty of six percent (6%) of the amount of the unpaid portion of each current bill shall be added to each bill not paid on or before the due date. An additional penalty of seventeen percent (17%) of the total of the unpaid balance and the six percent (6%) penalty shall be added at the time the delinquent bill is entered upon the tax roll, pursuant to section 35-6 (a) of the Sterling Heights City Code. The City shall establish a minimum water and sewer bill, which shall be based on 900 cubic feet of water usage per billing cycle. There will be an \$85.00 charge per bill for sewer only customers.

For all single-family residential customers of both water and sewer services from the City, the charges billed during the months of September, October, and November shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than \$26.00 during the quarterly period billed during the months of September, October, and November.

For all customers who are not single-family residential customers and have both water and sewer services from the City, the charges billed during the months of July, August, and September shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than \$8.67 during the monthly period billed during the month of July, \$8.67 during the month of August, and \$8.66 during the month of September.

Sec. 2.03**MAJOR ROAD FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0	
Federal Grants	0	
State Sources	7,848,500	
Other Revenue	<u>177,000</u>	
Total Revenues		8,025,500

OTHER FINANCING SOURCES

Transfer from General Fund	<u>500,000</u>	
Total Other Financing Sources		<u>500,000</u>

Total Revenues & Other Financing Sources **\$8,525,500**

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$131,100	
Major Street Maintenance	2,233,000	
Major Street Improvements	2,811,370	
Contribution to Fund Balance	<u>1,350,030</u>	
Total Expenditures		6,525,500

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	2,000,000	
Transfer to Local Road Fund	<u>0</u>	
Total Other Financing Uses		<u>2,000,000</u>

Total Major Road Fund **\$8,525,500**

Sec. 2.04**LOCAL ROAD FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$287,310	284,080
Net Property Taxes	3,261,860	3,265,090
State Sources	2,900,400	
Charges for Services	56,000	
Other Revenue	<u>23,000</u>	
Total Revenues		6,528,570

OTHER FINANCING SOURCES

Transfer from General Fund	500,000	
Transfer from Major Road Fund	<u>0</u>	
Total Other Financing Sources		<u>500,000</u>

Total Revenues & Other Financing Sources **\$7,028,570**

and does hereby designate ~~\$3,261,560~~ \$3,264,790 to be raised by ~~0.7942~~ 0.7953 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of providing revenue for local street improvements as authorized by the electors of the City in approving the Safe Streets Proposal in 2013.

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$140,070	
Local Street Maintenance	1,976,500	
Local Street Improvements	4,912,000	
Contribution to Fund Balance	<u>0</u>	
Total Expenditures		7,028,570

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Local Road Fund **\$7,028,570**

Sec. 2.05**LAND & WATER CONSERVATION FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0	
Federal & State Sources	0	
Other Revenue	<u>4,500</u>	
Total Revenues		4,500

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$4,500**

EXPENDITURES

Land Acquisition	\$0
Land Improvements	0
Contribution to Fund Balance	<u>4,500</u>

Total Land & Water Conservation Fund **\$4,500**

Sec. 2.06**PARKS & RECREATION FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$9,741,580	9,743,180
Property Taxes	3,983,500	3,981,900
State Sources	496,860	
Other Revenue	<u>559,070</u>	
Total Revenues		14,781,010

OTHER FINANCING SOURCES

Transfer from General Fund	<u>1,251,310</u>	
Total Other Financing Sources		<u>1,251,310</u>

Total Revenues & Other Financing Sources **\$16,032,320**

and does hereby designate ~~\$3,983,500~~ \$3,981,900 to be raised by 0.9700 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of providing revenue to acquire, construct, furnish, equip and operate parks and recreation improvements, including a new community center, as authorized by the electors of the City in approving the Recreating Recreation Proposal in 2016.

EXPENDITURES

Personnel Services	\$1,936,470
Supplies	101,150
Other Charges	627,400
Capital Outlay	10,254,800
Debt Service	<u>3,112,500</u>

Total Parks & Recreation Fund

\$16,032,320

Sec. 2.07

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES

Fund Balance	\$307,790
Federal Forfeitures	0
Treasury Forfeitures	0
State Forfeitures	2,000
Gambling Forfeitures	0
Operating While Intoxicated Forfeitures	0
Act 302 Training Funds	30,800
Interest Income	<u>2,710</u>

Total Revenues

\$343,300

EXPENDITURES

Federal Forfeitures	\$257,110
Treasury Forfeitures	0
State Forfeitures	46,390
Gambling Forfeitures	0
Operating While Intoxicated Forfeitures	9,000
Act 302 Training Funds	<u>30,800</u>

Total Public Safety Forfeiture Fund

\$343,300

Sec. 2.08

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES

Community Development Block Grant	\$1,375,020
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Total Revenues

\$1,375,020

EXPENDITURES

Administrative Expenses	\$184,370
Books	6,130
Senior Citizens Home Chore Program	30,000
Single Parent Education Program	13,000
Minor Home Repair	30,000
Handicapped Recreation Program	19,000
Housing Rehabilitation Program	225,000
Contributions to Non-Profit Organizations	45,400
Capital & Other Improvements	<u>822,120</u>

Total Community Development Block Grant Fund

\$1,375,020

Sec. 2.09**CORRIDOR IMPROVEMENT AUTHORITY FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Property Taxes	\$31,700	
Funding from General Government	160,000	
Other Revenue	<u>250</u>	
Total Revenues		191,950

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$191,950**

EXPENDITURES

Miscellaneous	\$185,000	
Contribution to Fund Balance	<u>6,950</u>	
Total Corridor Improvement Authority Fund		<u>\$191,950</u>

Sec. 2.10**ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0	
Funding from General Government	140,000	
Other Revenue	<u>700</u>	
Total Revenues		140,700

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$140,700**

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Miscellaneous	\$0	
Contribution to Fund Balance	<u>140,700</u>	
Total Expenditures		140,700

OTHER FINANCING USES

Transfer to LDFA Fund	<u>0</u>	
Total Other Financing Uses		0

Total Economic Development Corporation Fund **\$140,700**

Sec. 2.11**BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Property Taxes	\$87,300	
Charges for Services	0	
Other Revenue	<u>4,270</u>	
Total Revenues		91,570

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$91,570**

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Miscellaneous	\$0	
Contribution to Fund Balance	<u>91,570</u>	
Total Expenditures		91,570

OTHER FINANCING USES

Transfer to General Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Brownfield Redevelopment Authority Fund **\$91,570**

Sec. 2.12**LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0	
Federal Grants	0	
Property Taxes	825,000	
Other Revenue	<u>144,500</u>	
Total Revenues		969,500

OTHER FINANCING SOURCES

Transfer from Economic Development Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$969,500**

EXPENDITURES

Incubator Renovations	\$0	
Incubator Operations	586,060	
FCA Reimbursement	0	
SmartZone Improvements	351,000	
Contribution to Fund Balance	<u>32,440</u>	

Total Local Development Finance Authority Fund **\$969,500**

Sec. 2.13**GENERAL DRAIN FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Net Drain Tax Revenue	\$500	
Delinquents & Penalties	0	
Other Revenue	<u>480</u>	
Total Revenues		980

OTHER FINANCING SOURCES

Bond Proceeds – Refunding	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$980**

EXPENDITURES

Other Charges	\$0
Principal	0
Interest	0
Contribution to Fund Balance	<u>980</u>

Total Drain Fund **\$980**

Sec. 2.14**VOTED TAX GENERAL OBLIGATION DEBT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$19,500	0	
Delinquents & Penalties	1,300		
Other Revenue	1,300		
Federal & State Sources	28,000		
Net Proposal F Tax Revenue	<u>471,250</u>	459,210	
Total Revenues		521,350	489,810

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$521,350** **\$489,810**

and does hereby designate ~~\$471,350~~ \$459,310 to be raised by ~~0.1143~~ 0.1114 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for public improvement debt service as authorized by the electors of the City in approving Proposal F in 2006.

EXPENDITURES

Proposal F Expenditures	\$521,350	487,670
Contribution to Fund Balance	<u>0</u>	2,140

Total Voted Tax General Obligation Debt Fund **\$521,350** **\$489,810**

Sec. 2.15**ROAD BOND DEBT RETIREMENT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$72,440	
Special Assessment Revenue	139,000	
Interest Income	84,010	
Federal Interest Rebates	<u>30,370</u>	
Total Revenues		325,820

OTHER FINANCING SOURCES

Transfer from Major Road Fund	2,000,000	
Transfer from Road Bond Construction Fund	<u>0</u>	
Total Other Financing Sources		<u>2,000,000</u>

Total Revenues & Other Financing Sources **\$2,325,820**

EXPENDITURES

Principal	\$1,765,000	
Interest	558,920	
Other Fees	1,900	
Contribution to Fund Balance	<u>0</u>	

Total Road Bond Debt Retirement Fund **\$2,325,820**

Sec. 2.16**LIMITED TAX GENERAL OBLIGATION DEBT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Other Revenue	<u>\$0</u>	
Total Revenues		0

OTHER FINANCING SOURCES

Transfer from General Fund	<u>337,480</u>	
Total Other Financing Sources		337,480

Total Revenues & Other Financing Sources **\$337,480**

EXPENDITURES

Principal	\$300,000	
Interest	37,250	
Other Fees	<u>230</u>	

Total Limited Tax General Obligation Debt Fund **\$337,480**

Sec. 2.17**CAPITAL PROJECTS FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0	
State & Local Returns	0	
Other Revenue	<u>273,490</u>	
Total Revenues		273,490

OTHER FINANCING SOURCES

Transfer from General Fund	<u>4,588,090</u>	4,588,090
Total Other Financing Sources		

Total Revenues & Other Financing Sources		<u>\$4,861,580</u>
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EXPENDITURES

Capital Equipment	\$1,185,670	
Capital Vehicles	894,500	
Capital Projects	1,824,450	
Contribution to Fund Balance	<u>956,960</u>	

Total Capital Projects Fund		<u>\$4,861,580</u>
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Sec. 2.18**CLINTON RIVER RESTORATION FUND:****REVENUES**

Federal Grants	<u>\$0</u>	
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Total Revenues		<u>\$0</u>
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EXPENDITURES

Capital Projects	<u>0</u>	
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Total Clinton River Restoration Fund		<u>\$0</u>
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Sec. 2.19**ROAD BOND CONSTRUCTION FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$1,980,500	
Other Revenue	19,500	
Federal Grants	<u>0</u>	
Total Revenues		2,000,000

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	3,600,000	
Transfer from Major Road Fund	<u>0</u>	
Total Other Financing Sources		<u>3,600,000</u>

Total Revenues & Other Financing Sources		<u>\$5,600,000</u>
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EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Construction	<u>\$5,600,000</u>	
Total Expenditures		5,600,000

OTHER FINANCING USES

Transfer to Major Road Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Road Bond Construction Fund		<u>\$5,600,000</u>
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ARTICLE III

The City Council adopts the following fee schedule for public records and services provided by the City of Sterling Heights for the fiscal year July 1, 2017 through June 30, 2018. Any parts of resolutions and ordinances in conflict with this article are repealed. This article is intended to preserve all existing charges and fees set forth in any resolution, ordinance, or law which are not in conflict with this article and to fulfill the requirements of any ordinance authorizing the City Council to establish fees by resolution.

Fees for public records not set forth in this article, or in any other resolution, ordinance, or law, shall be set by the City Manager in accordance with Act 442 of the Public Acts of 1976, as amended. Fees for public services not specifically set forth in this article or in any other resolution, ordinance, or law may be established by the City Manager, who shall promptly notify the City Council in writing of each of them. The City Manager shall establish fees for public services based upon the cost of providing the public service.

Sec. 3.01

ASSESSING OFFICE:

Lot Splits	570.00
Lot Combinations	470.00
Processing Labels (per page)	1.40
Resident Field Sheet Fee	2.05
Apartment Listing (Names/Sidwells/Assessments)	66.00
Shopping Center List	66.00
Section or Subdivision Listing (per page)	1.05
Assessing, Board of Review, & Sales Information (first page):	2.05
Additional Pages	0.30
Plat Map	138.00
Custom Assessment Information Report	56.00
IFEC Extension Application Fee	595.00
IFEC Request for Extension to Complete Project Application Fee	595.00
IFEC Request for Revision of Final Project Cost Application Fee	595.00
Application to Establish a Speculative Building Designation Fee	595.00
Tax Hardship Income Limits:	
1 Person	14,050.00
2 Person	16,050.00
3 Person	20,160.00
4 Person	24,300.00
5 Person	28,440.00
6 Person	32,580.00
7 Person	36,730.00
8 Person	40,890.00
Each Additional Person	4,160.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit	40.00
Fence Permit – Masonry, Separation	120.00
Board of Code Appeals	236.00
Reestablish Expired Permit Fee	69.00
Overtime Inspections, Each Hour (4 hour minimum)	93.00
Special Inspections, Each Trade (Residential)	53.00
Special Inspections, Each Trade (Commercial)	75.00
Building Code Publication	Cost + 15.00 Administration fee
Building Moving Permit	309.00
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third or Subsequent Repeat Offenses	1,500.00

Electrical Work

Application Fee (Non-refundable)	50.00
Permit fee (minimum)	50.00
Electrical Contractor's Registration	28.00
Fire Alarm Contractor's Registration	28.00
Sign Contractor's Registration	28.00
Furnace Wiring	29.00
Air Conditioner Reconnect	29.00
Circuits: Each (new or extended)	23.00
Fixtures: Each 25	23.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	29.00
Each 11 to 30 HP	34.00
Each 31 to 50 HP	39.00
Each 51 to 60 HP	45.00
Each 61 and over	59.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less)	52.00
Refrigeration Units:	
Air Conditioning (residential)	29.00
Interruptible Service	29.00
Air Conditioning (commercial):	
Up to 5 Tons	34.00
5 to 40 Tons	52.00
Over 40 Tons	77.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type	29.00
Swimming Pools/Hot Tubs (all)	58.00
Service (Lights, Heat, and Power):	
100 Ampere or less	29.00
101 to 500 Ampere	39.00
501 to 900 Ampere	52.00
900 Ampere or more	64.00
Signs: Sign Circuit	45.00
Sign Tag Inspection	67.00
Sign Connection	72.00
General Repair & Alterations (per hour or fraction thereof)	60.00
Generator Connection	52.00
Motion Picture Apparatus	52.00
Special Inspections not specifically covered:	
Festivals	137.00
Carnivals	137.00
Circuses	137.00
Shop Inspection	76.00
Theatrical Road Show	76.00
Christmas Tree Lot	76.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.	69.00
Over 100,000 to 200,000 sq. ft.	128.00
Over 200,000 to 300,000 sq. ft.	154.00
Over 300,000 to 400,000 sq. ft.	227.00
Over 400,000 sq. ft.	304.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet	76.00
Mobile Home and Trailer Park Inspections (minimum)	53.00
Fire Alarm Inspection (minimum):	73.00
Plan Review Fee	101.00
Manual Pull Station	13.00
A/V, Strobe, Voice Speaker	13.00
Water Flow/Tamper Switch	13.00
Heat or Smoke Detector	13.00

Flame, Duct Detector	13.00
Auxiliary Panel	13.00
Electric Door Release.....	13.00
Elevator Recall Status.....	13.00
Fire Alarm Circuit.....	22.00
Alterations to existing system.....	60.00
Reinspection Fee.....	60.00
Miscellaneous Fire Alarm Fee	60.00

Plumbing Work

Application Fee (Non-refundable).....	50.00
Permit Fee (minimum)	50.00
Plumber's Registration.....	1.00
Journeyman Plumber's Registration.....	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum).....	50.00
New Stack or Stack Alteration	20.00
Air Admittance Valve	20.00
Roof conductor	20.00
Sump or interceptor.....	20.00
Backflow preventor	20.00
Pump or Water Lift.....	20.00
Hose connection (sillcocks)	20.00
Water treatment device	20.00
Water closets.....	20.00
Shower traps	20.00
Baths.....	20.00
Water heater.....	34.00
Tankless water heater	34.00
Basement Waterproofing.....	50.00
Sinks (any description)	20.00
Lavatories	20.00
Laundry trays	20.00
Floor drains.....	20.00
Ice Maker	20.00
Back Water Valve	20.00
Thermal Expansion Tank.....	20.00
Bidet	20.00
Dental Chair.....	20.00
Grease or Oil Interceptor	20.00
Drinking fountains.....	20.00
Soda fountains/bars	20.00
Waste opening	20.00
Humidifiers	20.00
Food waste grinders.....	20.00
Dishwashers	20.00
Urinals.....	20.00
Whirlpools.....	39.00
Lawn Sprinkler Systems	45.00
All other fixtures not mentioned	20.00
Reinspection Fee.....	60.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum).....	34.00
Each additional.....	20.00
Building Sewer Connection – sump connection.....	52.00
Drains:	
Storm drains to catch basin for main storm sewer.....	304.00
Lines less than 4" in diameter	30.00
Lines less than 6" in diameter	35.00
Lines less than 8" in diameter	46.00
Lines less than 10" in diameter.....	60.00

Lines less than 12" in diameter.....	76.00
Lines less than 14" in diameter.....	90.00
Lines less than 16" in diameter.....	107.00
Lines less than 18" in diameter.....	122.00
Lines exceeding 18" in diameter (per inch).....	18.00
Water Distribution System:	
¾"	24.00
1"	35.00
1 ¼"	40.00
1 ½"	53.00
2"	69.00
2 ½"	100.00
3"	114.00
4"	128.00
Exceeding 4"	153.00
Replace piping, no increase in size	40.00
Mechanical Work	
Application Fee (Non-refundable).....	50.00
Permit Fee (minimum)	50.00
License/Registration	15.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000	52.00
75,001 to 500,000.....	59.00
500,001 – 1,000,000.....	104.00
1,000,001 – 2,000,000.....	118.00
2,000,001 – 3,000,000	148.00
over 3,000,000	177.00
Air Handlers:	
Up to 2,000 CFM.....	52.00
Over 2,000 CFM.....	104.00
Duct Work.....	52.00
Hydronic Piping.....	60.00
Gas Piping:	
Mains up to 2"	45.00
Mains 2 ½" to 4"	59.00
Mains over 4".....	73.00
Each Opening off of Main.....	17.00
Factory Built Chimneys:	
Up to 8"	23.00
9" to 12"	34.00
Over 12"	45.00
Pre-Fab Fireplace.....	59.00
Flue Liner.....	39.00
Exhaust Fans:	
Up to 400 cfm	18.00
401 cfm to 1,000 cfm.....	23.00
1,001 cfm to 4,000 cfm	34.00
Over 4,000 cfm	45.00
Dryer Vents.....	23.00
Kitchen Hood and Duct (UL300/FM200)	53.00
Spray Booth Hood and Duct.....	53.00
Alterations to existing installations.....	60.00
Alterations to existing boilers	60.00
Reinspection Fee.....	60.00
Refrigeration Systems –	
Self-Contained:	
2 Tons or Less, each.....	45.00
Over 2 to 5 Tons, each	52.00
Alterations to each system	60.00

Remote Systems:	
5 Tons or Less, each.....	52.00
Over 5 to 50 Tons, each.....	73.00
Over 50 Tons, each	118.00
Alterations to each system	60.00
Cooling Towers	73.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter.....	46.00
Riser pipe up to 6" diameter.....	76.00
Riser pipe up to 8" diameter.....	107.00
Riser pipe 8" or more diameter	227.00
Each suppression opening (each head of the system).....	6.00
Alteration to existing system	60.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons	52.00
Tanks under 5,000 Gallons	67.00
Tanks under 20,000 Gallons	89.00
Tanks under 50,000 Gallons	104.00
Tanks under 200,000 Gallons.....	118.00
Tanks over 200,000 Gallons.....	221.00

Buildings

Application Fee (Non-refundable).....	50.00
Plan Review Deposits (Non-refundable):	
Single Family Residential.....	570.00
Commercial Alteration	227.00
New Commercial/Industrial Building.....	1,135.00
Commercial/Industrial Addition	570.00
Building Permit Fees (all use groups):	
Valuation to \$1,000.....	57.00
Valuation \$1,001 to \$10,000.....	57.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000.....	226.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000	952.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over	4,130.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained)	530.00
Temporary C/O Refundable Bond	550.00
Multi-Family Bond (5% Retained)	790.00
Commercial Bond (5% Retained)	1,610.00
Industrial Bond (5% Retained).....	3,200.00
Mobile Homes	155.00
Plan Review Fee:	
Valuation \$0 - \$500,000	0.0040 of valuation but not less than 100.00
Valuation over \$500,000.....	2,420.00 + 0.0015 of valuation over 500,000.00
Residential Plan Review: If Plan Number is on File	114.00
Additional Expedited Commercial Interior Alteration Plan Review Fee.....	208.00
Miscellaneous Plan Review.....	69.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs).....	69.00
Pigeon Loft Inspection	69.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner.....	38.00
Use Permit (tenant space).....	100.00
Fire Repair/Water Repair	241.00
Fire Inspection Fee (New City Businesses).....	94.00
Reinspection Fee	60.00
Demolition:	
Plan review and administration base fee	69.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground	73.00
Below Ground.....	148.00
Signs:	
Application Fee (non-refundable).....	50.00
Plan Review Fee	69.00

Permanent	153.00
Temporary.....	69.00
Contractor Registration Fee	28.00
Residential Basement Finish	241.00
Residential Interior Finish	241.00
Minor Commercial Alterations under 400 sq. ft.	227.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License (2-year)	750.00
Amusement Device Distributor License (2-year)	250.00
Attorney Services	Attorney fees & costs
Auction Sales License (per day)	25.00
Auctioneer License	59.00
Business Registry License.....	49.00
Carnival/Festival License	77.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License	68.00 + 6.00 each additional machine
Commercial Outdoor Patio Space License:.....	500.00
Renewal Fee	250.00
Renewal Fee with Major Material Modifications	500.00
Death and Birth Certificate (Non-FOIA):	25.00
Additional Copies (Non-FOIA)	9.25
Dog License:	
Newly Acquired Dog - Jan. 1 to Oct. 31 OR License Renewal - Jan. 1 to Mar. 31:	
Spayed/Neutered Dog:	
1-Year License	9.00
2-Year License	15.00
3-Year License	21.00
Unaltered Dog:	
1-Year License	22.00
2-Year License	42.00
3-Year License	62.00
Newly Acquired Dog - Nov. 1 to Dec. 31	
Spayed/Neutered Dog:	
1-Year License	4.50
Unaltered Dog:	
1-Year License	11.00
Newly Acquired Dog - Registering later than 30 days after acquisition:	
Additional Late Fee	10.50
License Renewal - After Mar. 31:	
Additional Late Fee	10.50
Senior (60+) Owner.....	No charge
Service Dog.....	No charge
Potentially Dangerous Dog Annual License Fee	58.00
Replacement Dog Tag.....	5.00
Fire Inspection Fee (new City businesses – charged by Building)	94.00
Going Out of Business Sales License.....	50.00
Renewal Fee	50.00
House Moving License.....	77.00
Industrial Development District Filing Fee.....	1,020.00
Industrial Facilities Exemption Certificate Filing Fee.....	2,150.00
Industrial Facilities Exemption Certificate Application Amendment Fee	1,020.00
Industrial Facilities Exemption Certificate Transfer Fee.....	1,020.00
New Personal Property Exemption Fee	2,150.00
Junk Yard License.....	285.00
Medical Marijuana Location Registration Fee	500.00
Mobile Vending License	197.00
Pawnbroker License.....	500.00
Refuse Collection License	103.00 + 7.00 each truck

Secondhand Goods Merchant Registration Fee	108.00
Snow Removal License	201.00
Solicitor/Peddler License.....	128.00
Tattoo Permit.....	590.00
Taxi License (annual fee)	101.00 + 12.00 per vehicle
Massage Establishment License:.....	675.00
Renewal Fee Massage Establishment License.....	342.00
Precinct Map.....	5.25
City Street Map.....	6.25
Zoning Map.....	5.25
City Budget.....	54.00
Municipal Improvement Program	34.00
City Financial Audit	34.00
Collective Bargaining Agreement.....	6.40
Election Results.....	10.00
Voter and Business Registry Labels (per page)	1.40
Voter and Business Registry Lists (per computer hour).....	Payroll + 0.05/page
Voter Data CD	31.00
Liquor License: Class C	2,160.00
Tavern	2,160.00
SDD & SDM	2,160.00
Entertainment and/or Dance Permit	2,160.00
Extended Hours Permit	2,160.00
Shareholder Partial Transfer	1,070.00
Hotel/Motel License:.....	2,160.00
Renewal Fee Hotel/Motel License.....	1,070.00
Certifications.....	6.00
Photo Copies – Black & White (Non-FOIA):.....	2.05
Additional Pages – Black & White (Non-FOIA)	0.30
Photo Copies – Color (Non-FOIA):	2.05
Additional Pages – Color (Non-FOIA)	0.85
Microfilm Copies (per page) (Non-FOIA)	5.70
Recording Fee (formerly Encroachment Fee).....	50.00
Notary Fee.....	10.00
Audio Tape Recordings - prepay minimum (Non-FOIA)	20.00
Fireworks Display Permit.....	740.00
Close Proximity Pyrotechnic Display Permit.....	740.00
Sterlingfest Art Fair Applications:	230.00
Double Booth Fee	410.00
Corner Booth Additional Charge.....	30.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable)	17.00
“Taste of the Town” Sterlingfest Booth – Food Cart Vendors	665.00
“Taste of the Town” Sterlingfest Booth - Restaurateurs	1,515.00
DVD Dubs:	
Resident (Non-FOIA).....	28.00
Non-Resident (Non-FOIA).....	38.00
Gazebo Rental (per event):	
Resident	61.00
Non-Resident	94.00
Gazebo Rental for Photographs Only (per 1 hour rental):	
Resident	34.00
Non-Resident	47.00
Upton House Rental – (per 4 hour rental):	
Resident	60.00
Non-Resident	92.00
Sterling Heights Magazine Advertisement Fees:	
Full Page Ad (Full Color).....	1,600.00
Full Page Ad (Two Color)	1,371.00
One-Half Page Ad (Full Color)	915.00
One-Half Page Ad (Two Color).....	800.00
One-Fourth Page Ad (Full Color)	516.00
One-Fourth Page Ad (Two Color)	457.00

Business Card Ad (Full Color)	343.00
Business Card Ad (Two Color)	285.00
Name & Phone Number Ad	114.00
Three-Edition Ad Commitment (Minimum)	20% Discount
Environmental Recovery Fee	Cost + 25% Administrative Fee
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction (Failure to Obtain Amusement Device/Amusement Device Distributor License):	
First Violation	500.00
First Repeat Offense	500.00
Reduced Fee if License Obtained Prior to Court Appearance	150.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction (Failure to Comply with Owner/Keeper of a Potentially Dangerous Dog Requirements):	
First Violation	500.00
First Repeat Offense	750.00
Second and Subsequent Repeat Offenses	1,000.00
Municipal Civil Infraction (Failure to License a Dog with the City Clerk):	
First Violation	500.00
First Repeat Offense	750.00
Reduced Fee if Licensed Prior to Court Appearance	150.00
Second and Subsequent Repeat Offenses	1,000.00

City Construction Projects	Payroll +180%
Subdivisions	Payroll +180%
Inspections by Consultants	Consultant Fee +10%
Private Development Engineering Consultant Fee	Consultant Fee +10%
Sidewalk Repair and Gap Programs	Cost +20%
Easement Vacations.....	Attorney fee+ 250.00
Easement Encroachments	270.00
Building Number Assignments (per address)	24.00
S.E.S.C. Review Fee for:	
Commercial, Industrial, Multi-Family, Subdivision	¼ of 1% of first \$500,000.00
.....	+1/8 of 1% over \$500,000.00 (50.00 minimum)
Single-Family Residential House	72.00
Underground Private Utility	0.05 linear foot (50.00 minimum)
S.E.S.C. Inspection Fees	Payroll + 180%
S.E.S.C. Inspection by Consultant.....	Consultant fee +10%
S.E.S.C. Permit Renewal Fee (\$50 min.)	10% of Permit Fee
Water & Sewer Permit Revision Review Fee.....	107.00
Public Services Agreement Execution Fee	35.00
Recording Fee	40.00
Water & Sewer Debt Service Agreement Finance Charge.....	20%
Document Copying for:	
24" x 36" Prints (Xerox 2510 or blueline)	8.50 each
34" x 34" Prints (Xerox 2510 or blueline)	8.50 each
Larger than 34" x 34" (Xerox 2510 or blueline).....	8.50 each
Detail Sheets (Mylar)	10.50 each
Topographic Map 36" x 36" (blueline)	44.00 each
Planimetric Map 36" x 36" (blueline)	27.00 each
Overall Watermain Map (blueline).....	9.50 each
Overall Sanitary Sewer Map (blueline)	9.50 each
Overall Storm Sewer Map (blueline)	9.50 each
Master Storm Sewer Plan (book form)	51.00 each
Master Watermain Plan (book form)	39.00 each
Master Sanitary Sewer Plan (book form)	39.00 each
Master Road Plan (book form) 1998 HRC	51.00 each
Municipal Civil Infraction for Various Soil Erosion and Sedimentation Control Regulations:	
First and Subsequent Repeat Offenses	750.00
Municipal Civil Infraction for Unabated Knowing Violations of City Code Chapter 17:	
Each Violation	5,000.00
First Repeat Offense	7,500.00
Second and Subsequent Repeat Offenses.....	10,000.00
Municipal Civil Infraction for Unabated Knowing Violations After a Notice of Determination:	
Each Violation	10,000.00
First Repeat Offense	15,000.00
Second and Subsequent Repeat Offenses.....	20,000.00
* Class 1 projects include drain enclosures, channel improvements, sanitary sewer, water main, and pavement overlay.	
** Class 2 projects include new road construction or reconstruction, bridges, pumping stations, etc.	

Sec. 3.06

FIRE DEPARTMENT:

Fire Reports: First Page (Non-FOIA).....	12.00
Additional Pages (Non-FOIA)	1.00
Digital Photographs:	
5" x 7" Color Print (Non-FOIA)	34.00
8" x 10" Color Print (Non-FOIA)	34.00
8" x 10" Contact Sheet (Non-FOIA)	34.00
Compact Disc (Non-FOIA)	27.00
Burning Permit.....	210.00
Fireworks Sales Permit	740.00
Fireworks Display Permit.....	740.00

Close Proximity Pyrotechnic Display Permit.....	740.00
Board of Code Appeals	250.00
Witnessed Acceptance Test Fee	176.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	813.00
Each additional hour.....	271.00
Reinspection Fee for Witnessed Acceptance Test.....	176.00
Phase I Site Inspection (1 hour minimum).....	62.00 + 37.00-per hour
Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets):	
Each Inspection.....	192.00
Each Re-Inspection	192.00
Off-Hour Inspection (3 hour minimum)	271.00
Each Additional Hour.....	80.00
Off-Hour Re-Inspection (3 hour minimum)	271.00
Each Additional Hour.....	80.00
Plan Review Fee.....	166.00
Resubmitted Plan Review Fee.....	55.00
Explosive Materials Permit Fee	205.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Reinspection Fees:	
First Reinspection	No Fee
Second and Subsequent Reinspections	118.00
False Alarm Fees: (within a 12 month period)	
First Response.....	No Fee
Second Response	160.00
Third Response.....	330.00
Fourth and Subsequent Responses.....	665.00
Municipal Civil Infraction:	
First Offense Each Violation.....	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense Each Violation.....	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00

Sec. 3.07

NEIGHBORHOOD SERVICES:

Administrative Warrant	125.00
Board of Ordinance Nuisance Abatement Appeals	225.00
Board of Ordinance Noxious Weed Appeals.....	50.00
Single Family Res. Non-Homestead Inspection Fee (biennial)	130.00
Nuisance Abatement Administrative Fee.....	25%
Nuisance Abatement Agreement Execution Fee.....	Attorney Fee + 25%
Sidewalk Snow Removal Fee	Cost + 25% +60.00
Claimed Signs:	
16 sq. ft. or less	5.00 each
17 – 31 sq. ft.....	25.00 each
32 sq. ft. and over	120.00 each
Code Enforcement Inspection	58.00
Real Estate Sign Removal Fee.....	Contract Costs + 25% Administration Fee
Municipal Civil Infraction (Residential Parking and Signs):	
Each Violation	100.00
First Repeat Offense	250.00
Second and Subsequent Repeat Offenses.....	500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation	25.00
First Repeat Offense	100.00
Second and Subsequent Repeat Offenses.....	125.00

Sec. 3.08**PARKS & RECREATION:**

Pavilion Rental:	
Weekday (Resident).....	69.00
(Non-Resident).....	104.00
Weekend (Resident)	93.00
(Non-Resident).....	140.00
Picnic Kits:	
Weekday (Resident).....	11.00
(Non-Resident).....	16.00
Weekend (Resident)	31.00
(Non-Resident).....	46.00
Nature Center Classes:	
School Field Trips (WCS/UCS Schools).....	32.00
(All Other Districts per class).....	48.00
Children's Nature Classes (Resident).....	8.00
(Non-Resident).....	12.00
Scout Badge Classes (Resident).....	10.00
(Non-Resident).....	15.00
Birthday Parties (Resident).....	120.00
(Non-Resident).....	156.00
Parent & Tot Classes:	
1 Child Per Family (Resident)	52.00
(Non-Resident).....	78.00
2 Children Per Family (Resident).....	58.00
(Non-Resident).....	87.00
Summer Playground:	
Resident	108.00
Non-Resident	162.00
Field Trip Bus Fee (Per Person)	8.00
Special Recreation Dances:	
Pre-Registered (Resident).....	7.75
(Non-Resident).....	10.75
Registration at the Door (Resident)	9.75
(Non-Resident).....	13.75
Staff Registration	1.00
Prom Dance – Individual (Resident).....	18.00
(Non-Resident).....	27.00
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident)	162.00
(Non-Resident).....	243.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident).....	273.00
(Non-Resident).....	410.00
Mentally Impaired (M.I.) – Individual (Resident)	162.00
(Non-Resident).....	243.00
Mentally Impaired (M.I.) – Family (Resident).....	273.00
(Non-Resident).....	410.00
Special Recreation:	
Creative Cooking (Resident).....	8.50
(Non-Resident).....	12.75
Line Dance Exercise (Resident)	45.00
(Non-Resident)	67.00
Softball – Individual (Resident)	50.00
(Non-Resident).....	65.00
Softball – 2nd player - Same Family (Resident).....	40.00
(Non-Resident).....	55.00
Softball – 3rd player - Same Family (Resident).....	30.00
(Non-Resident).....	45.00
Basketball (Resident)	36.00
(Non-Resident).....	47.00

Bowling (Resident)	29.00
(Non-Resident).....	38.00
Farmers Market:	
Advanced Pay-Full Season	332.00
Per-Day Rate	23.00
Electricity (Additional Fee Per Day)	5.00
Vendor Alcohol Permit Per Day.....	5.00
Vendor Alcohol Permit Full Season	51.00
Coffeehouse Tickets:	
Advance Tickets (Resident).....	15.00
(Non-Resident).....	19.00
Subscription (Resident)	25.00
(Non-Resident).....	33.00
At the Door Sales (Resident).....	16.00
(Non-Resident).....	21.00
Karate:	
Resident	51.00
Non-Resident	66.00
Yoga/Fitness Classes:	
Resident	43.00
Non-Resident	56.00
Zumba:	
Resident	61.00
Non-Resident	79.00
Men's Gym:	
Resident	47.00
Non-Resident	60.00
Double Header Softball	915.00
Single Header Softball.....	595.00
Co-ed Kickball.....	325.00
Ball Field Rental Fees – Seasonal:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams.....	406.00
All Other Users	431.00
All Users – Lighted Fields Additional Fee (per day).....	64.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams.....	280.00
All Other Users	305.00
Ball Field Rental Fees – Daily:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams.....	70.00
All Other Users	80.00
All Users – Lighted Fields Additional Fee (per day).....	64.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams.....	48.00
All Other Users	58.00
Ball Field Request to Groom/Stripe Additional Fee	Cost + 25%
Soccer Field Rental Fees (per field per season):	
Travel Clubs:	
Seasonal 1-3 days/week	580.00
Seasonal 4-7 days/week	880.00
Camp/Other:	
Weekly (one week only).....	205.00
Daily	85.00
Sand Volleyball League.....	238.00
Daddy/Daughter Dance:	
Resident Couple.....	46.00
Non-Resident Couple.....	60.00
Additional Resident Daughter.....	20.00
Additional Non-Resident Daughter.....	25.00

Mother/Son Cookout:	
Resident Couple.....	18.00
Non-Resident Couple.....	24.00
Gymnastics:	
One-half Hour Class (Resident).....	47.00
(Non-Resident)	70.00
One Hour Class (Resident).....	58.00
(Non-Resident)	87.00
Dance:	
Fall Session (Resident)	54.00
(Non-Resident).....	70.00
Winter/Spring Session (Resident).....	87.00
(Non-Resident)	113.00
30 Minute Dance Classes:	
Fall Session (Resident)	43.00
(Non-Resident).....	55.00
Winter/Spring Session (Resident).....	55.00
(Non-Resident)	71.00
Ballroom:	
Resident	41.00
Non-Resident	61.00
Senior Center Activities:	
Arthritis Exercise (Resident).....	4.00
(Non-Resident).....	6.00
Exercise (Resident)	4.00
(Non-Resident).....	6.00
Golf League (Resident)	17.00
(Non-Resident)	25.00
Line Dance (Resident).....	4.00
(Non-Resident).....	6.00
Senior News Subscription per year (Resident)	15.50
(Non-Resident).....	23.25
Stained Glass Class (Resident)	5.00
(Non-Resident).....	7.00
Tai Chi (Resident).....	5.00
(Non-Resident).....	7.00
Zumba Gold (Resident)	4.00
(Non-Resident).....	6.00
Senior Bus Trip:	
1 day.....(Resident).....	8.00
(Non-Resident)	12.00
2-4 days....(Resident).....	15.50
(Non-Resident)	23.25
Extended..(Resident)	34.00
(Non-Resident)	51.00
SMART Bus Day Trips: (Resident).....	4.00
(Non-Resident).....	6.00
Senior Activity Fee - per day: (Resident).....	0.25
(Non-Resident).....	0.50
Senior Center Gymnasium Activities:	
Track Usage Fee – After Hours (Resident)	1.00
(Non-Resident).....	1.50
Gymnasium Usage Fee – After Hours (Resident).....	2.00
(Non-Resident).....	3.00
Parks and Recreation Plan	9.25

Sec. 3.09

PLANNING:

Special Approval Land Use/Planned Unit Development	592.00
Temporary Use	432.00
Administrative Review.....	265.00

Temporary Use Vendor License.....	51.00
Variances to Subdivision Regulations	440.00
Right-of-Way Vacations	653.00
Rezoning Petition:	
First Acre	1,840.00
Additional Acre	71.00
Public Hearing Postponements (Petitioner Requested)	48.00
Ordinance Text Amendment.....	1,840.00
Subdivision Plat/Site Condominium.....	1,440.00
Each lot over 100 lots.....	9.70
Subdivision Open Space and One-Family Cluster Development	805.00
Tree Preservation – Site Plans and Plats	910.00
Tree Preservation – Single Family Lot (less than one acre)	200.00
Tree Preservation Administrative Fee	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection)	Payroll + 175%
No Tree Affidavit.....	128.00
Site Plan Review:	
First Acre	442.00
Additional Acre	73.00
Site Plan Review by Planning Commission:	
First Acre	593.00
Additional Acre	73.00
As Built Revisions	261.00
Master Land Use Report	41.00
Master Land Use Map.....	13.00
Subdivision Plat Print (per sheet).....	13.00
Subordination of Lien.....	150.00
Zoning Board of Appeals:	
Variance (Regular Meeting)	440.00
Variance (Special Meeting)	870.00
Landscape Plan Inspection.....	25% of site plan fees
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third or Subsequent Repeat Offenses.....	1,500.00

Sec. 3.10

POLICE DEPARTMENT:

Police Reports:	
First Page (Non-FOIA)	12.00
Additional Pages (Non-FOIA)	2.00
Clearance Letter.....	17.00
Noncriminal Fingerprint Card	27.00
Photos: 8" x 10" Color (Non-FOIA)	34.00
5" x 7" Color (Non-FOIA).....	32.00
8" x 10" Contact Sheet (Non-FOIA)	32.00
Compact Disc (Non-FOIA)	47.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	25.00
Reports on TR-52 Tracking	30.00
Administration and Presence at Auction	610.00
Audio Tape Duplication Fee (Non-FOIA).....	43.00
Video Tape, DVD, CD Duplication Fee (Non-FOIA)	47.00
Animal Give-up Fee:	
No Euthanasia.....	40.00
Euthanasia.....	75.00
Animal Impoundment Fee (Released from Station)	30.00
Macomb County Daily Animal Care Fee.....	25.00
Animal Trap Rental Fee (per 5 days)	50.00
Animal 10-Day Quarantine Fee.....	250.00

Rabies Testing:	
Euthanasia Not Required	70.00
Euthanasia Required	152.00
Treatment Rendered to an Animal	Cost
Use of Tranquilizer Equipment	158.00
County Animal Control Officer Fee	Cost
Personal Breathalyzer Test (PBT)	26.00
Booking Photo (Non-FOIA)	12.00
Notary Fee for Gun Permits	10.00
Park Alcohol Permit Fee	36.00
Temporary Liquor License Application Fee:	36.00
Outdoor Service Permit	268.00
Requested Police Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Towed Vehicle Impound Fee	31.00
Correctable Traffic Violation	10.00
Warrant Fee (All Warrants)	10.00
False Alarm Fees: (within a 12 month period)	
First Response	No fee
Second Response	No fee
Third Response (Residential)	37.00
Third Response (Non-Residential)	103.00
Fourth Response (Residential)	69.00
Fourth Response (Non-Residential)	209.00
Fifth and Subsequent Responses (Residential)	138.00
Fifth and Subsequent Responses (Non-Residential)	413.00
Municipal Civil Infraction (including Animal Control Regulations):	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation	25.00
First Repeat Offense	100.00
Second and Subsequent Repeat Offenses	125.00
Municipal Civil Infraction for Youth Curfew Violations:	
Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses	100.00
Municipal Civil Infraction for Violation of Bicycle Regulations (City Parks):	
Each Violation	10.00
First Repeat Offense	25.00
Second and Subsequent Repeat Offenses	50.00

Sec. 3.11

PUBLIC LIBRARY:

Overdue fines (per day):	
Hardcover Books (maximum \$15.00) 16.00	0.25
Paperback Books (maximum \$5.00) 6.00	0.25
Magazines (maximum \$5.00) 6.00	0.25
Audios (maximum \$15.00) 16.00	0.25
Compact Discs (maximum \$15.00) 16.00	0.25
DVD's (maximum \$15.00) 16.00	0.25
Replacement Library Card	3.00
Suburban Library Cooperative Non-Resident Library Card	200.00
Black & White Copy/Computer Print	0.10
Color Copy/Computer Print	1.00
Microfilm/Microfiche Print (per copy)	0.20
Internet Use Without Library Card (per day)	4.00
Municipal Civil Infraction:	
Each Violation	75.00
First Repeat Offense	150.00
Second or Subsequent Repeat Offenses	300.00

Sec. 3.12**PUBLIC WORKS DEPARTMENT:**

Sewer Inspection.....	107.00
Sewer Tap.....	1,170.00
Sewer Capital/Unit:	
Residential.....	870.00
Commercial/Industrial (per 1,000 sq. ft.)	450.00
Sewer Frontage (per front ft.)	72.00
Sewage Disposal Service Only (per billing)	85.00
Residential and Commercial Water Meters:	
¾" Remote.....	400.00
1" Remote.....	460.00
1 ½" Remote	785.00
2" Compound Remote.....	2,040.00
3" Compound Remote.....	3,600.00
4" Compound Remote.....	5,050.00
6" Compound Remote.....	7,490.00
Double Check Detector Assembly with Meter:	
3"	2,010.00
4"	2,110.00
6"	3,030.00
8"	5,490.00
10"	7,990.00
Water Inspection	107.00
Water Tap:	
1"	1,110.00
1 ½"	1,520.00
2"	1,770.00
3"	3,560.00
4"	3,890.00
6"	4,400.00
Additional Charge for 86 ft. wide street:	
1"	360.00
1 ½"	410.00
2"	550.00
Additional Charge for 120 ft. wide street:	
1"	700.00
1 ½"	910.00
2"	1,170.00
Additional Charge for 204 ft. wide street:	
1"	1,670.00
1 ½"	2,130.00
2"	3,040.00
Water Capital/Unit:	
Residential.....	680.00
Commercial/Industrial (per 1,000 sq. ft.)	370.00
Water Frontage (per front ft.)	41.00
Monitor Surcharge.....	per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee.....	93.00
Water Service Fee (avoidable & repeat visits).....	100.00
Water Service Abandonment Fee:	
Residential.....	480.00
Commercial	Contract Costs + 960.00
Sewer Service Abandonment Fee.....	107.00
Water Service Re-Use Fee:	
Residential.....	480.00
Commercial	Contract Costs + 960.00
Sewer Service Re-Use Fee	107.00
Water Meter Testing Fee	106.00
Water Meter Rescheduling Fee.....	93.00

Non-Compliance with Back Flow Fee.....	218.00
Automatic Fixed Network Meter Read Permit	177.00
Final Water Meter Read.....	36.00
Final Water & Sewer Bill Preparation Fee	15.00
Citizen Water Service Request – after hours	93.00
Public Works Services Provided.....	Cost + 25%
Water Meter Removal/Reinstallation for common area irrigation system.....	200.00
Landlord/Tenant Affidavit Filing Fee.....	160.00
Fire Hydrant Rental – Payable by City	27.00
Private Use of Fire Hydrant:	
Per Hydrant.....	110.00 per month + 340.00 water usage deposit
Bypass Inspection Fee	Back bill + 145.00
Common Area Irrigation System Permit	400.00
Planting of tree in right-of-way	285.00
Culvert installation permit.....	96.00
Ditch enclosure permit	96.00
Monitoring well installation permit	460.00
Sewer connection to discharge treated ground water.....	460.00
Cutting of noxious weeds.....	Contract costs + 60% administrative fee + 35.00 fine
Special Pickup/Additional Refuse Collection.....	Contract costs + 25% administrative fee
Refuse Collection Fees (Schools)	Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes).....	Contract costs
.....	+ 5% administrative fee – refuse taxes paid
Curbside Recycling License (min. \$1,500/year)	1% of program revenue based upon previous year
Debris Removal Fee.....	Contract Costs + 25% administrative fee
Tree Branch Chipping Fee	85.00
Fleet Services Requested by Other Cities.....	Cost + 30%
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:	
Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Violation of a Mandatory Water Restriction:	
Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Raking Leaves Into Street:	
Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses.....	100.00

Sec. 3.13

TREASURY OFFICE:

Bounced Check Fee.....	30.00
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer)	17%
Late Payment Penalty.....	6%
Penalty Assessment on Delinquent Taxes.....	3%
Attorney Review Fee for Liens or Discharges	80.00
Subordination of Lien.....	520.00
Annual Lien Penalty	6% + lien filing costs
O.U.I.L./O.U.I.D.....	330.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.)	1%
Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to sign letters of severance after notifying the City Council and establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2017.

BY ORDER OF CITY COUNCIL

**ADOPTED:
PUBLISHED:
EFFECTIVE:**

A

ALS – Advanced Life Support

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

AMORTIZATION – The process of reducing, or accounting for, an amount (usually a financial debt) over a period according to a plan.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BLS – Basic Life Support

BALANCED BUDGET – A budget in which estimated revenues and use of reserves are equal to or greater than estimated expenditures.

BUDGET – An estimate of income and expenditure for a set period of time.

BUDGET MESSAGE – A written policy and financial overview of the City as presented by the City Manager.

BUDGETARY CENTER – A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

C

CCW – Carrying of a concealed weapon. Permission for carrying of a concealed weapon is granted through an application process.

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 \$2,500 to be a capital item.

CAPITAL PROJECTS FUND – A fund to account for the development of municipal capital facilities other than those financed by the Enterprise Fund.

COMPENSATED ABSENCE – An absence for which an employee is paid, such as vacation, holiday, or sick leave.

CONTINGENCY – An estimated amount of funds needed for deficiency, contingent or emergency purposes.

D

DPW – Department of Public Works.

DEBT SERVICE FUND – A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

DEFERMENT – A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

DEFICIT – An excess of liabilities and reserves of a fund over its assets.

DEPARTMENTAL MISSION STATEMENT – A mission statement provides the full range of activities that will be used in the results oriented budget format to link the municipal purpose with the financial resources of the department.

DEPRECIATION – The amount of expense charged against earnings by a company to write off the cost of an asset over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.

E

EPA – Environmental Protection Agency.

EFFICIENCY PERFORMANCE INDICATOR – The quantifying of the relationship between input and output.

EFFECTIVENESS PERFORMANCE INDICATOR – The measure of results, accomplishments, or quality of the item or service provided.

ENCUMBRANCE – An anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund.)

EQUALIZATION FACTOR – A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50% of the true cash value of that class.

EXPENDITURE – The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

EXPENDITURE OBJECT – An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other charges, capital outlay, debt service, and transfers out.

F

FOI – Freedom of Information.

FTE – The amount of funding for full-time positions and part-time positions converted to the decimal equivalent of a full-time position (based on 2,080 hours per year, as set by the ICMA Center for Performance Measurement).

FISCAL YEAR – An accounting period of twelve months. The City's fiscal year begins July 1st and ends June 30th.

FIXED ASSETS – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the governmental full accrual statements and recorded as expenditures at the time of purchase.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

FUND ACCOUNTING – The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

FUND BALANCE – The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

G

GAAP – Generally Accepted Accounting Principles. The guiding conventions, rules, and procedures that define accepted accounting practice at a particular time in the United States.

GLWA – Great Lakes Water Authority

GENERAL FUND – The City's major operating fund to account for all financial resources except those required to be accounted for in another fund.

GROUP A CRIME OFFENSE – A more serious group of crimes such as larceny, robbery, murder, or gambling.

GROUP B CRIME OFFENSE – A less serious group of crimes such as solicitation, trespassing, or disorderly conduct.

I

ICMA – International City/County Management Association.

ICMA CENTER FOR PERFORMANCE MEASUREMENT – Center created to help communities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents.

IFEC – Industrial Facilities Exemption Certificate.

INTERNAL SERVICE FUNDS – Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Included in this category is the Self-Insurance Fund. This Fund was established in 1986 when the City became a participant in the Michigan Municipal Risk Management Authority. Expenses in this Fund include reinsurance charges, administration fees, and claims expenses and reserves for both reported and unreported claims.

L

LIABILITY – A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

LINE ITEM BUDGET – A budget which emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as department, division, or agency levels.

M

MDEQ – Michigan Department of Environmental Quality.

MIP – A multi-year *Municipal Improvement Program* that is developed to plan and guide the needed capital improvements and expenditures in a fiscally sound manner, and to ensure that these improvements are consistent with the goals and policies of the City Council and the City's residents.

MISD – Macomb Intermediate School District.

MITN – Michigan Inter-Governmental Trade Network.

MML – Michigan Municipal League.

MILLAGE RATE – A rate used to determine the amount of annual property tax a property owner must pay. This rate is expressed in mills per dollar or 1/10 cent. Each governing body that levies property taxes sets its own millage rate annually. Property taxes may generally be calculated by multiplying the millage rate by the amount of, or a percentage of, the assessed value. (A mill represents \$1 of tax per \$1,000 of assessed valuation.)

MODIFIED ACCRUAL BASIS – The basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

N

NFIRS – National Fire Incident Reporting System.

NFPA – National Fire Protection Association.

NIMS – National Incident Management System.

NLC – National League of Cities.

NPDES – National Pollution Discharge Elimination System.

O

OPERATING BUDGET – The operating budget is the authorized revenues and expenditures for on-going municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year or less. Personnel costs, supplies, and other charges are found in an operating budget. A capital budget typically has a long term outlook where a project can span a several year period.

OPERATING TRANSFERS – Transfers from a fund receiving revenue to the fund through which the resources are to be expended.

ORDINANCE EMPLOYEE – An employee position which is called for and whose duties are described in the City Charter and who is not a member of a collective bargaining agreement.

OTHER CHARGES – An expenditure object within an activity which includes professional services, utilities, rents, and training for example.

OUIL – Operating Under the Influence of Liquor. The detainment of an individual who is operating, authorizing or knowingly permitting another person to operate a motor vehicle while under the influence of intoxicating liquor or controlled substance, or combination thereof, or with blood alcohol level content of .10% or more.

OUTPUT PERFORMANCE INDICATOR – The measure of quantity or volume of products or service provided.

P

PERFORMANCE INDICATOR – A measurement of how a program is accomplishing its mission through the delivery of products or service. See Output Performance Indicator, Effectiveness Performance Indicator, or Efficiency Performance Indicator.

PERFORMANCE OBJECTIVES – Desired output oriented accomplishments which can be measured within a given time period.

PERSONNEL SERVICES – An expenditure object within an activity, which includes payroll and all fringe benefits.

R

RESULTS ORIENTED BUDGETING – A management concept which links the annual line item budget to departmental results of operations.

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 enterprise or in intra-governmental service funds.

S

SAD – Special Assessment District. A geographic area over which a governing authority has power to levy taxes for specific public uses.

SHINE – Sterling Heights Initiative for Neighborhood Excellence.

SMART – Suburban Mobility Authority for Regional Transportation.

SERVICE STATEMENT – A statement of general and specific service deliveries rendered by an activity for the community.

SINKING FUND – A special reserve account created by a bond issuer. The issuer promises to put money into the account at regular intervals and to use the cash that accumulates to redeem the bonds.

SPECIAL ASSESSMENT – A tax or levy imposed against specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

SPECIAL REVENUE FUND – A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

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

SURPLUS – An excess of the assets of a fund over its liabilities and reserves.

T

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 & AGENCY FUND – Trust & Agency 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 Retirement Systems and the Agency Funds. The Retirement Systems are accounted for in the same manner as a proprietary fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

W

WATER & SEWER FUND – This enterprise fund accounts for the operation of a combined water and sewer system. The revenues consist of charges for services from City businesses and residences which are used to pay for all water and sewer related expense

A

Act 78 – Civil Service Commission	241
All Funds Financial Summary	42
Arts Commission.....	244
Appropriations Ordinance	399
Assessing.....	113

B

Beautification Commission	246
Building & Facilities Maintenance.....	205
Budget Calendar	14
Budget Message	5
Budget Policies.....	18

C

Capital Equipment	363
Capital Improvement Maps	377
Capital Projects Fund	354
Capital Projects Fund Improvements	368
Capital Projects Funds Revenues	351
Capital Vehicles	367
City Clerk	105
City Council	90
City Goals & Objectives.....	16
City Management.....	99
Clinton River Restoration Fund.....	356
Comm. Develop. Block Grant Fund	322
Community Profile.....	15
Community Relations	231
Comparable City Benchmarks.....	24
Component Unit Funding	266
Corridor Improvement Authority Fund	324

D

Debt Management Program	332
Debt Service Funds Revenues.....	339
Departments At a Glance	
City Administration.....	96
City Development	203
Community Relations	229
Fire.....	163
Parks & Recreation Fund	313
Police	141
Public Library	132
Public Works	181
Water & Sewer Fund.....	276

E

Economic Development	211
Economic Develop. Corporation Fund	326
Engineering.....	215
Executive Summary.....	33

F

Fact Sheet	10
Fee Schedule.....	410
Financial Services	117
Financial Organization Chart.....	32
Fire Administration	165
Fire Extinguishment	171
Fire Prevention.....	175
Fleet Maintenance	183
41-A District Court	237

G

General Employees Retirement Board	248
General Expenditures	250
General Fund Revenues	57
Glossary	428

H

Historical Commission.....	252
How The City Allocates Its Money	50

I

Information Technology	109
Information Tech. Capital Program.....	366

L

Labor Agreements	395
Land & Water Capital Improvements	372
Land & Water Conservation Fund.....	310
Legal	256
Limited Tax General Obligation Fund	346
Local Develop. Finance Authority Fund	328
Local Road Fund	308
Local Road Improvements	371

M

Macomb County Comparable Tax Rates	64
Major Road Fund	306
Major Road Fund Improvements	370
Millage Rates	53

N

Neighborhood Services.....	219
----------------------------	-----

O

Ordinance Board of Appeals.....	219
Organizational Chart	4

P

Parks & Grounds Maintenance.....	187
Parks & Recreation Fund	315
Personnel by Departments	81
Planning	223
Planning Commission	260
Police Administration	143
Police Investigations	147
Police Operations	153
Police Support Services	157
Property Tax Benefit Statement	52
Public Library	135
Public Safety Forfeiture Fund.....	320
Public Works Center	191
Purchasing	121

R

Readers' Guide	11
Refuse Collection.....	193
Risk Management.....	99
Road Bond Construction Fund	358
Road Bond Debt Retirement Fund	344
Road Bond Improvements	369

S

Sanitary Sewer Main Improvements.....	374
Sewage Collection	287
SHINE	219
Solid Waste Management Commission.....	193
Special Revenue Funds Revenues	298
Street Services	197

T

Table of Contents	2
Transfers Out	262
Treasury	125

V

Voted Tax General Obligation Fund	342
---	-----

W

Water & Sewer Administration	279
Water & Sewer Fund Revenues.....	270
Water & Sewer Rates	401
Water Distribution	283
Water Main Improvements	374

Z

Zoning Board of Appeals.....	264
------------------------------	-----