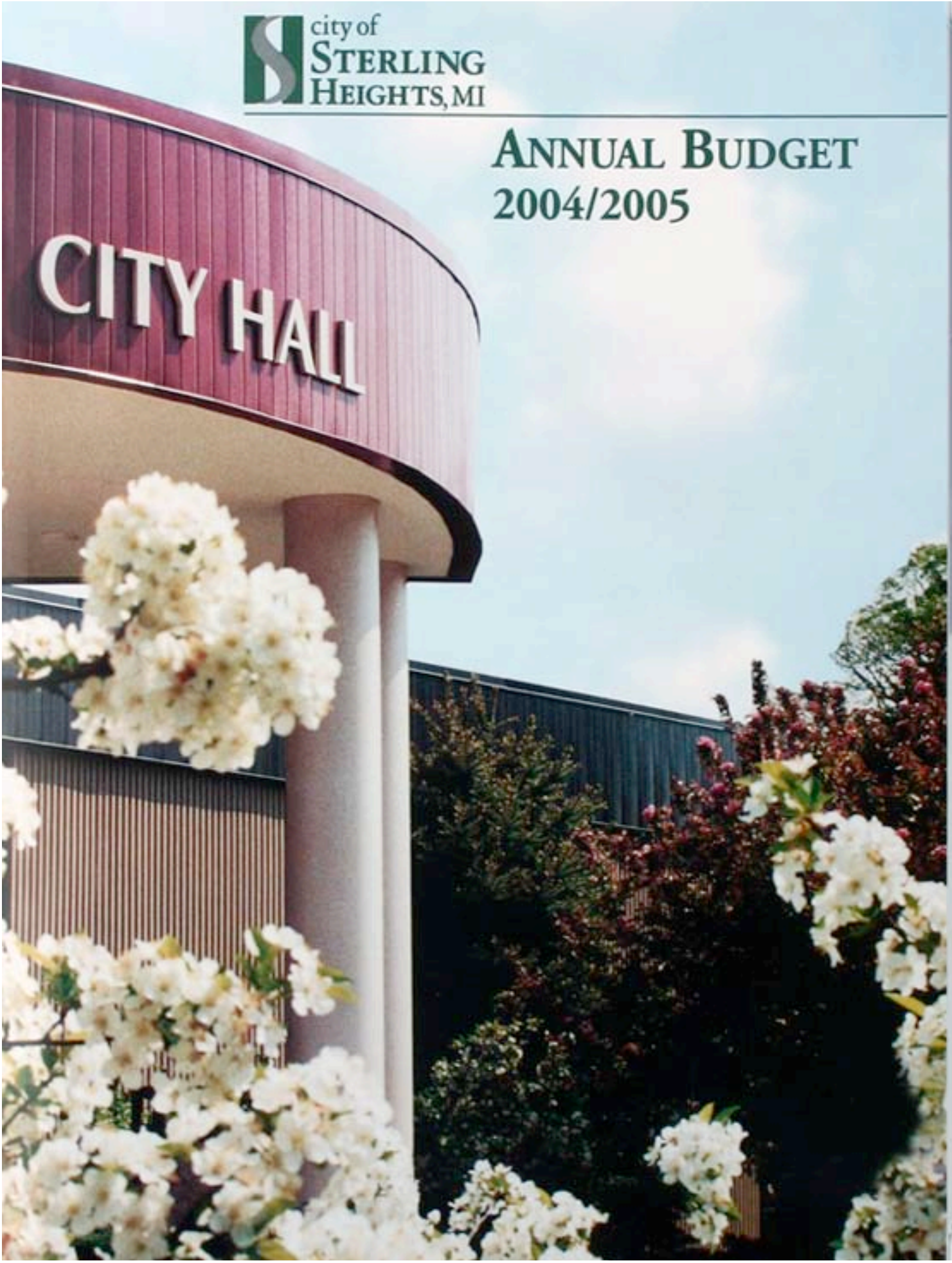
city of
STERLING
HEIGHTS, MI

ANNUAL BUDGET
2004/2005



Executive Staff

Mark D. Vanderpool	City Manager
Walter C. Blessed	City Clerk/Assistant City Manager
Daniel F. Bishop	City Development Director/Assistant City Manager
Michael Crimmins	Broadcast Services Manager
Michael Bartholomew	Building Official
Matthew Schmidt	City Assessor
Jeffrey A. Bahorski	City Attorney
Thomas R. DeHondt	City Engineer
Donald A. Mende	City Planner
James P. Buhlinger	City Treasurer
Steve Guitar	Communications Manager
Pat M. Lehman	Community Relations Director
Gerald L. Bebernick	Construction Manager
Leslie Reinhart	Controller
J. Robert Johnson	Emergency Management Coordinator
Salvatore Conigliaro	Engineering Services Manager
Daniel J. Sears	Environmental Services Manager
Gary Schamehorn	Facilities Maintenance Manager
Brian S. Baker	Finance & Budget Director
Rick J. Sanborn	Financial Services Manager
John Childs	Fire Chief
Dawn L. Demick	Human Resources Director
Lois J. Gates	Information Technology Manager
Steven Deon	Network Administrator
Susan C. Kebbe	Parks & Recreation Director
Barnett Jones	Police Chief
Carol L. Lingeman	Public Library Director
Denice Gerstenberg	Public Services Manager
Guy A. Kebbe	Public Works Director
Janice L. Sierzenga	Purchasing Manager
Mark Carufel	Risk 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, presenting 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.

city of STERLING HEIGHTS

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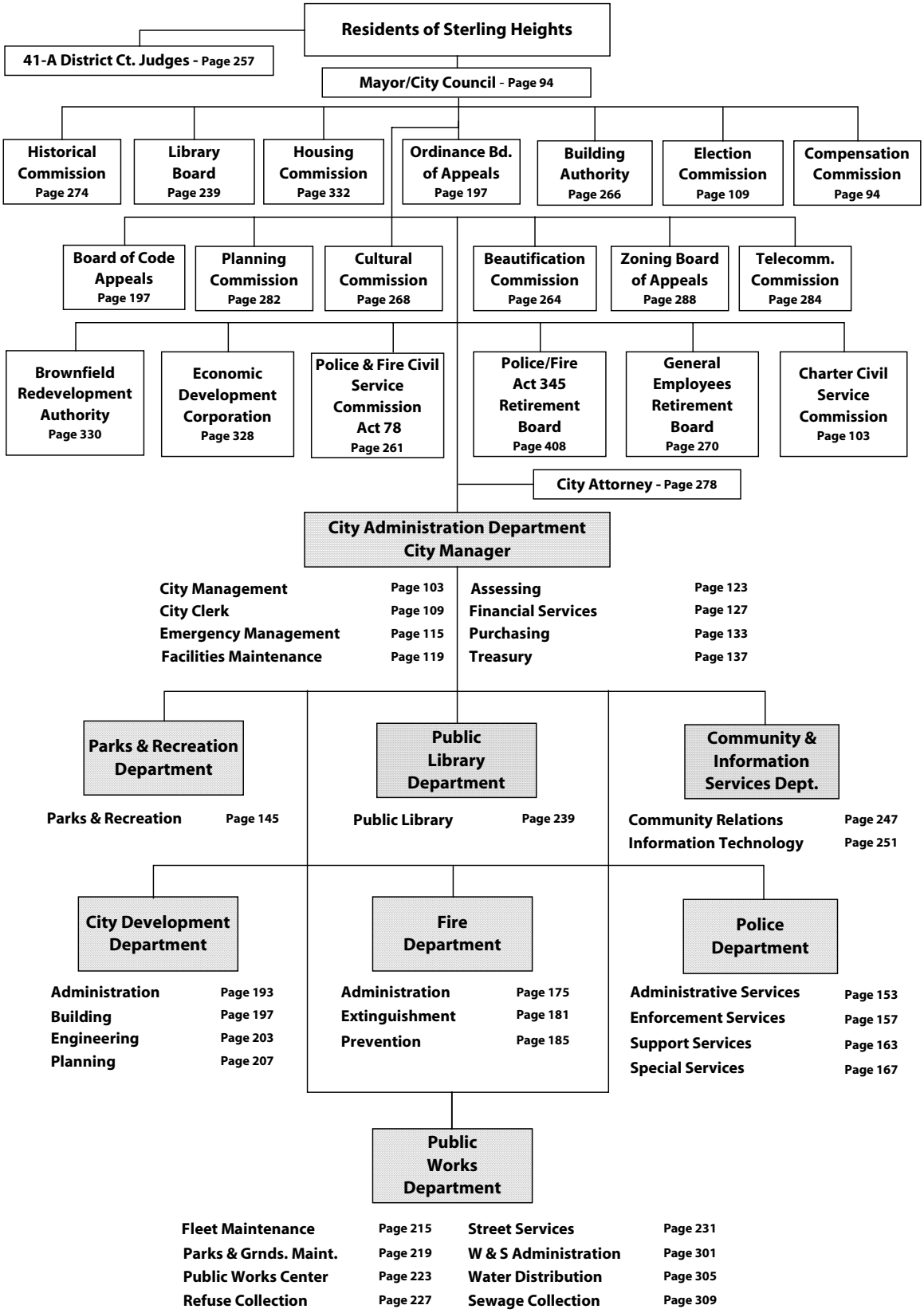
City Organization Chart



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

City of Sterling Heights Fact Sheet

2004/05 Budget At A Glance …

Richard J. Notte
Mayor

Joseph V. Romano
Mayor Pro Tem

Richard L. Bracci
Councilman

Deanna Koski
Councilwoman

Stephen M. Rice
Councilman

Maria G. Schmidt
Councilwoman

Barbara A. Ziarko
Councilwoman

Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget Director

- The total City budget of $128.6 million decreased by $10.6 million or 7.6%. The decrease is attributable to the completion of several road projects and the refinancing of bonds in the prior year's budget. These refinancings and a City bond rating upgrade have saved $425,000 in future interest payments.

- The General Fund budget increased by $4.4 million. The City has budgeted for the loss of $3.5 million in State revenue sharing payments over four years with no layoffs or service reductions to our residents. The City has continued to control its discretionary costs saving $1.1 million last year and nearly $650,000 next year. Despite these cuts, we continue to be faced with the higher cost of Police & Fire pensions, employee insurances, and rapidly rising retiree medical obligations.

- The City's millage rate will remain the same at 10.625 mills. In addition, the City will again not levy the 0.10 mills approved by the voters in 1996 for Proposal N. The City's millage rate will remain at its lowest level since 1974.

- Prior to this year, the City has decreased taxes for eight straight years saving the average resident $394 in City property taxes.

- The City's millage rate has decreased by 2.76 mills or by 20.6% since 1988. Had the City continued to levy the 2.76 mills, the average resident would have paid $2,040 more in taxes over the 17 year period.

- The budget calls for a $2.3 million use of fund balance reserves to offset the continued loss of State Revenue sharing payments. This use is offset by an estimated $1.3 million contribution to reserves in the prior year.

- Due to the passage of Proposal A, homeowners have seen only a 2.3% adjustment in taxable property assessments despite an average 4.7% increase in market values.

- The 2004/05 Budget includes funding for 630 full-time positions. Funding for three vacant full-time clerical positions has been eliminated saving nearly $145,000. Over the past three years, the City has saved $1.2 million by controlling personnel costs. Full-time staffing is down by 19 positions since 2002, but has still increased by 9 positions since 1996.

The budget includes funding for:

- Implementation of hand-held computers for Building and Fire Prevention inspectors, increased funding for the removal of Emerald Ash Borer infected trees along City roads, continued funding for the West Nile virus mosquito control program, increased Saturday Building inspection hours, and the placing in service of a new Fire Engine ordered the prior year.

- Twelve replacement Police vehicles, a new Fire Battalion Chief's vehicle, two new Emergency Generators, a Fire Thermal Imaging camera, and several Public Works vehicles.

- $10 million in Road Improvement projects including the 18½ Mile Road Connector, repairs to the 17 Mile Road Bridge, two road median landscaping projects, and several local road improvement projects.

- Increased funding for neighborhood road repairs as part of the voter approved Proposal N. We will also continue to double our funding for concrete replacement and joint sealing repairs on all City streets.

- $889,000 for recreational development projects including three new soccer fields.

- $6.0 million in Water & Sewer main improvements paid for by new user connection charges. The City has adjusted its water & sewer rates by 11.9%. This adjustment represents only half the 23.4% water cost increase imposed by the City of Detroit.■

May, 2004

Honorable Mayor and Members of the City Council
City of Sterling Heights
40555 Utica Road P.O. Box 8009
Sterling Heights, MI 48311-8009

Dear Mayor and Councilmembers,

As your Interim City Manager, I am extremely proud to present the 2004/05 City budget. The budget is the plan of action detailing how the City's overall goals will be achieved. The approved budget is balanced and provides funding for the cost of personnel, supplies, and capital improvements. Although it is expected that the City will maintain its well-managed financial position, this fiscal year will again be an ambitious and challenging year. However, as always, we will continue to take pride in a community that is "Clean, Livable, Safe".

A City for All Seasons

The City of Sterling Heights is a vibrant community with a strong sense of civic pride and determination by its community leaders and residents. Its quality of life is second to none with exceptional neighborhoods, a world-class library, superior police and fire services, and low tax and crime rates. These attributes and years of meticulous planning and progressive leadership have created a small town feel in a large suburban community.

Whether enjoying our community during the winter, spring, summer or fall, Sterling Heights provides its residents with a gentle, yet stunning, panorama that contributes to its exceptional quality of life making it a ***City for all Seasons***. Throughout the year, the City will continue to provide a variety of seasonal family activities including the Easter Egg Scramble, Memorial Day Parade, Music in the Park, Summer Reading Programs, Sterlingfest Art & Jazz Fair, Children's Halloween Party, and the annual Sterling Christmas Tree Lighting Ceremony. Seasonal recreational opportunities abound with passive hiking trails, lush parks, and abundant sports activities and events.

As a result of this family friendly atmosphere, many believe our City is one of the finest communities in the nation to raise a family. We agree and it is with this belief that this budget is presented to you.

Performance is all that Matters

The City's greatest achievement over the last two years was being honored by the International City/County Management Association (ICMA) with a Certificate of Distinction for using performance data as part of our overall management system. Sterling Heights was one of only ten communities from across the nation to achieve such a distinction.

Performance data is the type of information used to track how well the community serves its residents. Water and sewer rates, tax rates, and employee to resident ratios are among the factors that make up performance data. This data is communicated to residents through a variety of publications including the city calendar/annual report, *Sterling Vision* (municipal improvement plan), and annual budget. Conclusions that can be reached include:

- The ICMA data indicates that although the City is below the national average in park acres, we are above average in developed park acres. Park development will continue as several park improvement projects are scheduled for 2004/05 including the completion of the hike/bike trail; new soccer fields at Baumgartner and Nelson Parks; new playground equipment and a new park path at Nelson Park; replacement bleachers at Delia Park; and expansion of Arlingdale Park.

- A comparison of the voluntary drop-off recycling program showed that the City has the lowest recycling costs per ton of all 28 participating communities. These findings, coupled with the high usage rate of the City's three recycling centers, supports the City's decision to refrain from curbside recycling, saving taxpayers approximately $1 million annually and allowing us to be almost six times lower in costs than the national average. These factors should be considered as specifications for a new refuse contract effective May 1, 2005 are prepared.

- Through implementation of a comprehensive five-year Information Technology Strategic Plan, the City has narrowed the gap between the City's ratio of computers to full-time employees and the national average. Funding is included in the 2004/05 budget to narrow this gap even more as $51,500 is budgeted for personal computer purchases and replacement. Plans are also underway for the implementation of a new 800-megahertz public safety radio system, a citizen's complaint tracking software system, and a document imaging program.

- Although the City continues to be well below the national average for Property Crimes, improvements in this area can always be made. In the next year, the Police Department will be devoting more time to the Neighborhood Watch program by including the business community and providing training and education on a variety of security measures. In addition, Community Emergency Response Training will be incorporated into the Neighborhood Watch and Civilian Police Academy programs to augment first responders in the event of an emergency.

When a city develops a performance measurement system with attainable goals, elected officials and city employees are able to address priorities and move forward as a whole to achieve community objectives. After all, performance is all that matters.

Performance Objective Highlights

On an annual basis, each of the City's departments develops performance objectives to improve service delivery and streamline office operations. These objectives can be found throughout the budget document. While these objectives are certainly significant on a departmental level, certain key areas have been identified which require closer attention by City administration as they affect the City as a whole. These include:

- *Retail Redevelopment*: Redevelopment is a major issue facing the City of Sterling Heights. In an attempt to occupy vacant stores that may eventually cause blight in the community, the City will initiate an aggressive redevelopment program to encourage re-occupancy of these facilities. Real estate companies that have locations for sale or lease will be encouraged to list such properties on the City's website. The website will also include a list of underutilized properties as well as a weekly update of commercial property vacancies. Regular meetings of staff, the Brownfield Redevelopment Authority, and prospective developers will be held to encourage development of these sites. These strategies will ensure sound, managed community growth and redevelopment while maintaining desirable community characteristics.

- *Water and Sewer Rates*: The City purchases its water and sewer services from the City of Detroit. Historically, we have not passed on the full Detroit water and sewer rate increase to our customers. It is becoming more and more difficult not to do so, especially when Detroit forecasts that increases will average 7-8% annually for the next three years excluding possible additional true-up costs from new maximum day and peak hour data. The City prides itself on having the lowest combined residential water and sewer rate of any city in the State with 25,000 or more residents. In order to have that statement to be as true in five years as it is today we must consider alternative fee structures for high end users.

- *Efficiency Improvements*: During the preparation of the 2004/05 proposed budget each office was asked to submit a form indicating how that particular office has or is proposing to become more efficient, resulting in a total savings of approximately $650,000. Although these opportunities for performance efficiencies will continue throughout the year, I would like to highlight a few of the more significant efficiency savings already initiated by the various City offices:

  - Contracted with the bank to collect property tax bills instead of filling a vacant Account Clerk position, saving $50,000 per year
  - Negotiated a lower rate for cellular telephone service, saving $12,000 annually

- Contracted with an alternative electric supplier, saving $43,000 per year in electricity costs
- Reduced the size of the City calendar, saving approximately $12,000 in printing and postage costs
- Refinanced several bonds saving over $164,500 in interest payments
- Improved internal audit controls resulting in savings of $6,000 per year in external auditing services
- Increased use of technology and automated systems resulting in the elimination of two administrative support positions saving the City $100,000 annually
- Implementation of a new jury "call-in" system saving the Court $4,000 in juror fees
- Reduced expenses related to various special events sponsored by the City resulting in savings of approximately $86,000

Budget Overview

The goals and plans discussed in this budget represent a balance of needs and expectations within available resources. Because of stressed fiscal circumstances, the budget includes only absolutely essential expenditure increases. Further increases in services and service levels will require additional sources of revenue.

Since 1988, the property millage tax rate has been reduced by 20.6% saving the average resident $2,040 over this 17-year period. Strong expenditure controls and past growth in the City's tax base have helped to accomplish this planned millage rate reduction.

Property taxes make up 65.2% of our General Fund budget. Because of Proposal A, which limits the growth on existing property to the rate of inflation, and due to a lessening of new growth and development in the City, future tax reductions will be difficult. The inflation rate for 2004 was only 2.3%. Annual new growth and development in Sterling Heights has fallen from a 4% level during the late 1990's to approximately 2% last year. State revenue sharing payments decreased by $2.7 million over the past three years and are likely to decrease again this year. These factors, coupled with recent decreases from historical norms in other revenues, including Cable Revenue and Interest on Investments, have lessened the City's ability to reduce property taxes.

Despite the financial concerns, the City continues to operate with relatively low personnel costs and an efficient labor force. We have received two bond rating upgrades in the past two years. While the City's two pension systems are fully funded, we have experienced increases in pension fund contributions due to a declining stock market. We expect continued annual increases in medical costs of nearly 15-20%. In addition, an actuarial report completed in March illustrated the need to more adequately fund retiree health care.

With these significant fiscal challenges, all administrators were requested to reassess their departmental mission and objectives. Certain responsible actions were taken to continue to meet the City's objectives while ensuring that all current services are provided. The budget was prepared with the following limitations:

1. Millage rate to be maintained at 10.625 mills.

2. All new service programs without offsetting revenue have been deferred to future years.

3. Capital budget expenditures have been limited to essential purchases only.

4. All discretionary spending was maintained at 2003/04 levels.

5. Although no layoffs are planned, three full-time administrative support positions have been eliminated through attrition. The job duties and responsibilities of these positions will be absorbed through existing personnel and/or technology advancements.

6. For the first time in recent memory, a use of fund balance is included in the budget in order to maintain the current millage rate.

7. Funding for out-of-state travel and unessential memberships continues to be eliminated.

As a result of these cost-saving measures and not levying the voter-approved Proposal N tax, the

typical homeowner in Sterling Heights will not receive a City millage increase for the 13th consecutive year. The millage rate of 10.625 mills continues to be at its lowest level in 31 years.

While the typical property owner will pay $797 annually to the City in property taxes, these taxes do not fully support the cost of City services as the City spends an average of $1,902 per parcel on general programs and services.

As a result, the City must rely on State revenue sharing, grants, engineering and building permits and fees, court fines, and interest on investments to make up the difference. Unfortunately, these revenues have seen a significant reduction over the last three years causing the City to critically review its expenditures and reduce costs where feasible.

At $376, the residents of Sterling Heights pay less per capita in property taxes than those in its five most comparable communities. This trend is expected to continue in 2004/05 as property tax rates are maintained in Sterling Heights while they will increase in most other communities.

Personnel Costs

The largest portion of the budget at $58.6 million (77.4%) is Personnel Services. As a result, personnel reorganization is a continuous process. Throughout the year, decisions are made as to how to best manage the organization. Every time a position becomes available through retirement or resignation it is reviewed and analyzed to determine its value to the organization. Decisions are then made as to if the vacant position should be filled as it currently exists, could it be better utilized elsewhere, or if it needs to be filled at all.

Although the City has now eliminated 19 vacant full-time positions over the past three years resulting in $1.2 million savings, the City's overall staffing level has still increased by nine positions since 1996. Most of these additional positions have been to enhance public safety and property maintenance enforcement. In addition to contract negotiated annual increases of 3%, the City has upgraded several positions through the negotiation and reclassification process in each of the respective Unions resulting in significant personnel cost increases and higher wages for our employees.

Unlike many communities, no layoffs of personnel are planned or anticipated. However, the budget includes a reduction of three administrative support positions. This opportunity for an annual savings of approximately $150,000 was made possible through the extensive technological improvements approved by City Council over the last few years.

All labor contracts are currently settled resulting in fixed personnel costs through June 30, 2006. Of major concern in the negotiations commencing in 2006 will be health insurance for both current employees and retirees. As a result of 15-20% health insurance increases over the last few years, significant steps will need to be taken through the negotiation process to contain medical costs at an affordable level. If we are unsuccessful, reductions in services and personnel will be required.

The contracts settled in the last three years included small increases in office and prescription co-pays. Unfortunately, this change had only a minimal effect on our escalating health care costs.

The budget authorizes 630 full-time and 80 part-time employees. As evidenced by the ICMA's Center for Performance Measurement data, the City has one of the fewest numbers of City employees per 1,000 residents, which also explains why the City's costs are less than 81% of other cities nationally. This illustrates the high productivity level of our employees in order to achieve high performance results. Our performance in this area will be even greater next year as the budget includes a reduction of three vacant support positions.

Council's Changes To The Proposed Budget

The City Council made few adjustments in adopting the 2004/05 budget, including the additional use of fund balance reserves due to a revised City taxable property value figure. Also, the required transfer of Self-Insurance Fund reserves to a newly established Settlement Bonds Debt Fund was necessary to pay the first year's principal and interest costs of the 2004 Judgment Bonds. In addition, funding for the employees' annual Christmas luncheon was approved and the City's

membership to the International City/County Management Association Center for Performance Measurements was eliminated.

Conclusion

The budget is a balanced proposal that responds to Council priorities; which adheres to Council policies; that attempts to provide and add to the organizational structure to better carry out those priorities and prior commitments; and which protects the City's solid financial standing and safeguards our fiscal future.

Our belief and commitment to provide quality programs and services in a cost-efficient manner has allowed us to achieve dozens of awards from various professional associations and municipal service organizations. The cooperation between the City Council, City administration, and our residents has resulted in achieving the following recognition:

- For the past two of the last three years, the City has earned an "Outstanding" designation and Special Recognition for Performance Measurements from the Government Finance Officers' Association (GFOA) for its annual budget
- 17th consecutive year of recognition from GFOA for the City's annual budget and Comprehensive Annual Financial Report
- 7th consecutive year of national recognition from the GFOA for the Annual Report/Calendar
- Rated an "A+" and "9th Best Family Friendly Suburban City in the United States" by *Population Connection*, a Washington DC nonprofit environmental organization
- Named the "2nd Best Michigan City and the "16th Best American City" for women to live and work by *Ladies Home Journal*
- Listed among the "hot spots" for residential development in southeast Michigan by *Crain's Detroit Business*
- Recognized as a "Storm Ready Community" by the National Weather Service as a result of proactive measures in preparing for local hazardous weather
- Distinguished as Michigan's safest largest city and the sixth safest City in the nation with populations greater than 100,000 by *Morgan Quinto Press*

I would like to acknowledge the outstanding efforts of the Finance & Budget Division staff, Brian Baker, Janice Schoenrath, and Jodi Verduci, for their diligence during this arduous budget process. I also want to thank the City's Department Directors and their staff members for exceeding my expectations in meeting the challenge of diminished revenue growth while maintaining the service excellence the residents of Sterling Heights deserve and expect.

I look forward to working in partnership with the City Council, residents, and City staff in adhering to a budget that fosters innovation and results in programs and services, which enhance and improve our entire community.

Respectfully submitted,

Daniel F. Bishop
Interim City Manager

INTRODUCTION

As you review the City's Budget document, note that it is organized by fund type. These fund types are distinguished by the purple laminated tabs and include the General Fund, Water & Sewer Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

The General Fund is further divided into major divisions or departments. These departments are comprised of several activities or offices. For example, within the City Administration Department, there are eight offices including City Management, City Clerk, Emergency Management, Facilities Maintenance, Assessing, Financial Services, Purchasing, and Treasury. The Functional Organization Charts, Department At A Glance summaries, and Key Departmental Trends provide a quick overview of the entire department.

Each activity (office) in a department contains a Service & Mission Statement, Performance Objectives and Indicators, Staffing and Organization Chart, and a 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. 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 activity's expenditure history and explains the funding level changes that have taken place.

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 as our City Council has focused its attention on total office costs and performance measurement 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 and their pay ranges?***

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

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 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 Enterprise 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 Enterprise 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.■

city of STERLING HEIGHTS

Budget Calendar

October	• Capital budget manual and forms distributed to all offices • Offices submit Capital requests • Prior year Annual Audit released
November	• Revenue and Expenditure forecast prepared • Updated Revenue Study of fees and charges 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	• City Management prepares personnel costs for Proposed Budget • Preparation of the Water Supply & Sewage Disposal System Rate Analysis • 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	• Quarterly Budget Report Prepared • City Council Strategic Planning Workshop – Capital Improvements • 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 • City Manager makes final proposed Budget recommendations • City Management prepares Proposed Budget document
March	• Proposed Budget duplicated in Print Shop • Proposed Budget and Budget Video presented to City Council
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

Community Profile

Sterling Heights is a vibrant progressive community with a strong sense of civic pride and determination by its community leaders. Sterling Heights is a balanced community that is rich with cultural diversity, community wellness, and economic vitality.

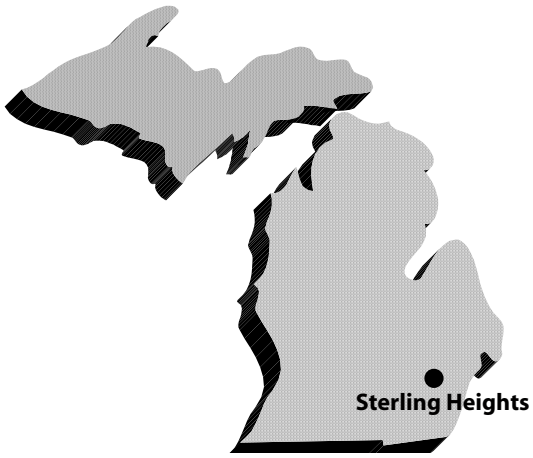
Sterling Heights is a northeast suburb of Detroit. The City is located eight miles west of Lake St. Clair, eighteen miles from Detroit Metropolitan Airport.

Sterling Heights was incorporated as Jefferson Township on March 17, 1835; the name was changed to Sterling Township in 1838. The City of Sterling Heights was incorporated effective July 1, 1968. 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.

The 2004 estimated population of Sterling Heights is 126,200. In terms of population, Sterling Heights is the fourth largest city in Michigan. In geographical size, it is the third largest city in the State.

Sterling Heights has developed into a primarily residential community. The effective buying income per household is $51,035. There are 49,450 households and a 35.0 median age. Of all communities with a population of 100,000 or more, Sterling Heights is one of the top ten wealthiest and 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. The City currently maintains 28 developed park sites, four of which are major parks, and several other undeveloped park properties. City parks provide a variety of recreational opportunities from major baseball diamond complexes to children's tot lots to miles of developed walking, jogging, and bicycle riding pathways. The Clinton River flows in a southeasterly direction through the northeast section of the City.



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 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 service, product, and technological employers. This impressive mix of business opportunities has allowed the City to maintain a relatively low unemployment rate.

Principal employers include Visteon Corporation, Ford Motor Company, Daimler-Chrysler Corporation, Detroit Newspapers, TRW, and General Dynamics. The City also enjoys a variety of restaurants, movie theaters, churches, and retail shops. The City occupies 36.8 square miles. Although much of this land is developed, approximately 5 – 7% remains vacant and available for development. The City has received many awards from various professional associations and municipal service organizations for innovative approaches to service delivery and quality improvements.■

Responsible government is the recognized duty and charge of all City employees and elected officials. To continue to serve the citizens of Sterling Heights in the most professional, courteous, and efficient manner possible, these Citywide plans have been identified.

- **Continuous client/resident service improvement.** City Management will require all departments to develop programs with the goal of continually improving government customer service.

- **Service tracking flow chart.** Each department and administrative office will develop a flow chart of the decision process with time frames included for each program and function from dog licenses to new applicant hiring and all permits in between.

- **Benchmark principles and practices.** City government will benchmark its practices against other organizations, both public and private, by first identifying key performance measures and then incorporating them into departmental and administrative performance reviews. Annual reports will be provided to the elected officials and the general public.

- **Provide means of employee identification (name tags, personal telephone greetings, and business cards for employees).** Accountability of employees and personal stake in the results are enhanced if clients/residents know exactly who they are talking to and can reach that individual again.

- **Develop "how-to" information.** Each department/office will prepare easily understood, step-by-step brochures explaining how to obtain various licenses, permits, appeals, and appearances at board or commission meetings.

- **Continuous improvement with technology.** As the City continues to improve and expand existing information technology, offices and departments should focus on improving systems to facilitate information exchanges. Many offices can now input forms on computers thereby creating the goal to eliminate many of the paper forms. All computer systems should be acquired with one factor being their ability to connect to a central system with multiple LAN's for electronic mail and data transfer purposes.

- **Ombudsman Department/Office Head.** Each agency director should make it clear that he or she is the contact person to call when clients/residents are at a stalemate with programs or staff in that agency.

- **Dispute resolution center of City government.** While the departments and staff will function as self-directed units under these principles, the Office of City Management will formally organize a conflict resolution and mediation process to resolve inter-administration and client/resident conflicts using appropriate staff from all involved agencies. Issues will be examined from the various perspectives and resolutions will be expedited.

- **Local/state governmental coordinator.** The City Manager has designated the City Clerk to coordinate relations and act as a liaison between City government, other municipal agencies, county government and state departments. Although political independence seemingly stands in the way of regional and consolidated government, nothing stops us from acting like unified government or from forming alliances such as purchasing cooperatives, mutual aid and similar programs.

- **City government units and senior officers will have more authority.** Each department and office unit has been reduced to its leanest and most efficient level. Few jobs are 100% "management". Managers provide direct service to the public as well as supervise workflow. They are in the most responsive position to work with their staff in implementing plans and activities under quality public service principles and under the coordinated administrative procedures for personnel, budget, and administration from the Office of City Management.

- **Service and Operation Forums.** The officers of each collective bargaining association will meet with department and City management officers for the sole purpose of implementing and reviewing service program quality.

- **Institute and expand existing methods for following up on resident/client satisfaction.** Common to all the different activities of City government will be the implementation of programs by departments to listen to City residents/clients to determine their ongoing needs and how to address them. Regularly scheduled focus groups and user-friendly surveys can determine satisfaction, problem areas, bottlenecks, etc.■

City Goals & Objectives

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.

ORGANIZATIONAL OPERATIONS

- Strengthen City government as an organization dedicated to serving the residents of Sterling Heights with a solid core of basic services while transferring old, new, or additional services where the City is not cost competitive to the private or residential community.
- Avoid duplication of services with other units of government. Seek joint use opportunities for public facilities with both governmental units and non-profit organizations when effective service delivery can be provided at no or less cost to the City.
- Reorganize City departments to achieve more efficient and effective service levels at a lower cost to Sterling Heights taxpayers.
- Continue to investigate staffing levels to determine the ideal number of employees required to effectively operate each department. Adjust the City work force to meet these needs through attrition, reassignments, and additional job training opportunities.
- Provide managers with an effective and efficient system to allocate, manage, and control costs by providing up-to-date information on expenditure rates, revenues, and performance indicators.
- Contain personnel costs without reducing services. Conduct City-wide employee evaluations.
- Develop technology improvement strategies, implement a consistent and future-oriented Capital Improvements Program, and maintain and complete public facilities to meet the changing needs of the community.
- Improve performance and morale by expanding employee involvement programs with emphasis on employee focus groups and a City-wide suggestion program.

ECONOMIC DEVELOPMENT

- Foster economic development in the existing industrial and commercial areas to expand the tax base while retaining and creating jobs.
- Encourage economic activity and full employment while rewarding creative enterprise.
- Create and maintain strong identifiable City regional centers, which offer alternatives to the traditional downtown by providing clusters of community commercial facilities. Additionally, provide in the City center a location of governmental, cultural, and recreational services accessible to all City residents.
- Continue to aggressively maintain and improve the City's financial base by emphasizing the importance of economic development and redevelopment.
- Develop economic development policies, which focus on business retention, neighborhood and housing maintenance, quality industrial and commercial developments, and local employment.

PROPERTY VALUE ISSUES

- Constantly monitor environmental conditions and land uses which may adversely affect housing values.
- Encourage property maintenance and enhancement programs in residential and commercial areas.
- Emphasize existing programs and develop additional programs and services, which reinforce Sterling Heights as an attractive residential community.

- Develop a clear and visual image of the community, which reflects the highest standards of design quality for both the public and private sectors.

- Strive for a permanent stock of decent housing which is available to meet the needs of all members of the community regardless of age, income, or background.

COMMUNICATIONS & TECHNOLOGY

- Institute technology and a state-of-the-art innovation in City government which reduces costs, increases efficiency, and enriches jobs.

- Improve efficiencies by investing in technological improvements and automating City systems

- Continue to seek opinions and ideas from individuals, appointed boards and committees, and citizen groups to provide direction as to how the City's cultural, recreational, and environmental resources can and should be used.

FINANCIAL STABILITY

- Insure stable tax rates by developing new revenues, eliminating inefficient programs, synchronizing the growth of government with the growth of the community, expanding service levels only as revenues allow, and establishing and enforcing long-range basic service policies.

- Seek grants and funds for projects and programs, which are beneficial to the City.

TRANSPORTATION ISSUES

- Complete road improvements as approved by voters under Proposals R and N.

- Actively pursue improvement of State and County roads to serve the needs of Sterling Heights residents.

- Assume the community's regional responsibilities, acknowledging that the City is part of a larger urban area and that solutions to certain problems, i.e., transportation and solid waste disposal, must be at the regional level.

- Provide a balanced transportation system, which is integrated with the regional transit system.

NEIGHBORHOOD SAFETY

- Maintain and expand current crime and fire prevention efforts and encourage citizen volunteers for neighborhood watch activities. ■

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. 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.

2. Expanding an existing service program or adding a new service program will only be considered when a new revenue source, other than property taxes, 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.

3. 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.

4. 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.

5. Where possible, the City will integrate performance measurement and productivity indicators within the budget.

6. 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.

7. The City will avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues.

8. The budget will provide for the adequate maintenance and orderly replacement of capital facilities and equipment.

9. The budget will provide for adequate levels of funding for all retirement systems.

10. The City will develop and maintain accounting and budgetary control systems to adequately safeguard the assets held in public trust.

11. The Operating and Capital Budgets will fully describe the major goals to be achieved and the services and programs to be delivered, based upon the levels of funding anticipated or provided.

12. 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.

13. 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.

14. 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.

15. 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.

16. Michigan property tax law reform will be sought to reduce tax base disparities among different classes of property. We will pursue elimination of tax expenditure programs including industrial tax abatement and other forms of "tax relief".

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 enterprise funds at a level that fully supports both the direct and indirect costs of the activity. Indirect costs include the recognition of annualized depreciation of capital assets. Cash flow requirements to adequately defray bond retirement and capital outlay will become a primary determinant in the development of user charges.

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 an undesignated-unreserved General Fund balance at 15% or in an amount equal to 1.8 months of General Fund 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 regular information concerning cash position and investment performance.

DEBT POLICIES

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues, and where the issuance of long-term debt is required, it will pay back the bonds within 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 bonds at or below 20 years.

3. When possible, the City will use special assessment, revenue, tax increment, or other self-supporting bonds.

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. General obligation debt will not be used for enterprise activities.

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.

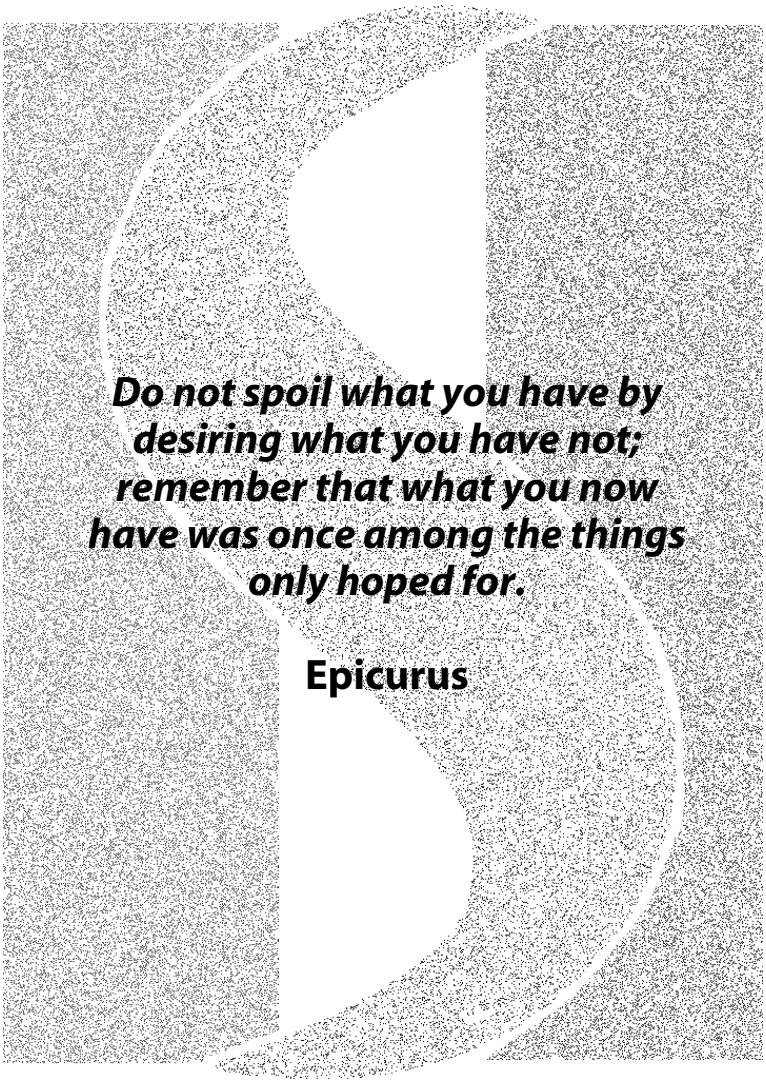
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.

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.■


Do not spoil what you have by
desiring what you have not;
remember that what you now
have was once among the things
only hoped for.
Epicurus

City Policy Benchmarks

Policy Benchmark	Status
Financial Policy	
• Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements	• Funding for the continuation of the Information Technology Plan including the replacement of personal computers and necessary software upgrades • Implementation of hand-held field inspection computers
• Maintain a budgetary control system to ensure adherence to the budget	• Only City in the nation to receive the GFOA's "Outstanding" budget award as an "Operations Guide" for two of the past three years; GFOA's "Distinguished" budget award for the past 17 years
• Integrate performance measurement and productivity indicators in the budget	• Earned GFOA's "Special Recognition" in two of the past three years for use of performance measures • Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for the past seven years • Participation past five years in ICMA's Center for Performance Measurement – one of only 10 cities nationally to receive an Award of Distinction
• To avoid practices that balance current expenditures at the expense of future years' revenues	• No short-term borrowing for operations • All General Fund debt was retired in 1998 • Low City debt ratios
• To provide adequate maintenance and orderly replacement of capital facilities and equipment	• Municipal Facilities expenditures $2,050,000 • Vehicle expenditures $418,000 • Equipment expenditures $303,480 • Technology improvements $51,500
• Maintain adequate level of funding for all retirement systems	• General Employees System 128.9% funded • Police & Fire Pension 122.5% funded • Pre-funding retiree medical for nine years • Recent update to Retiree Medical Actuarial Report with recommendation to increase funding • Contract limits to future employees' medical retirement costs • Offer Defined Contribution Plan to new employees
• Seek property tax relief	• Maintain the lowest millage rate in 31 years • Millage rate has decreased by 20.6% since 1988, saving average homeowner $2,040
• Enhancement of the property tax base	• Community investments: Detroit News Plant $173.8 million investment Visteon Plant $71 million investment Lowes Home Improvement 134,500 sq. ft. building Hampton Inn and Suites 55,800 sq. ft. building

City Policy Benchmarks

Policy Benchmark	Status
Revenue Policy	
• Maintain a diversified and stable taxable revenue base	• City's Taxable Value: Residential 61.8% Commercial & Industrial 38.2% • Residential property market values increased 4.7% while taxable values increased only 2.3%
• Maintain sound appraisal procedures and practices to reflect accurate property values	• Equalization Factor = 1
• Review fees and charges to assure the cost of providing the service is appropriately charged	• Annual review of rates and fees adjusted for inflation • Personal Property Tax Audits to ensure fairness • Higher non-resident fees
Reserve Policy	
• 15% Unreserved/Undesignated General Fund Balance	• 14.9% unreserved fund balance (2003 Audit)
• 55 days of General Fund operations	• 54.5 days of General Fund operations
Accounting, Auditing, Financial Reporting Policy	
• Produce comprehensive annual reports in accordance with GAAP	• Certificate of Achievement for Excellence in Financial Reporting Award for 16 years • One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
Investment Policy	
• Analyze market conditions to maximize yields while maintaining the integrity and safety of principal	• Maximized Interest on Investment earnings • Retiree Health Care Fund Investments maximized
Debt Policy	
• Keep average maturity of general obligation bonds at or below 20 years	• 2003 MI Transportation Refunding Bond 9 yrs. • 2003 Building Authority Refunding Bond 6 yrs. • 2002 Sterling Relief Drain Bond 10 yrs. • Refinanced high interest bonds saving $425,000
• Maintain a sound relationship with all bond rating agencies	• Moody's rating Aa2 • Fitch's rating (recent upgrade) AA+ • Standard & Poors' rating (recent upgrade) AA
Capital Improvement Policy	
• Make all capital improvements in accordance with an adopted capital acquisition program	• $18.7 million in Capital Improvement Projects • $854,000 in neighborhood street repairs • $888,800 in recreational development projects
• Continue to implement a multi-year plan for capital improvements	• Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

The City has participated in the ICMA's Center for Performance Measurement for the past five years. The Center was created to help cities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents. Below is a listing of the 2002 fiscal year results showing how Sterling Heights compares to other cities and counties across the country in various performance measurement categories.

Category	Sterling Heights	National Average	National Rank	Rank Percent *
City Administration				
Human Resources FTE's Per 100,000 Residents	0.9	9.5	1/59	0%
Full-time Employee Turnover Rate	0.3%	6.6%	1/63	0%
Risk Management				
Worker's Compensation Expenditures Per FTE	$345	$1,066	3/19	16%
Worker's Compensation Claims Per 100 FTE's	10	14	10/43	23%
Work Days Lost Due to Injury Per 100 FTE's	28	73	3/10	30%
Purchasing				
Purchasing Office Expenditures Per Resident	$2.11	$3.36	21/54	39%
Purchasing Office FTE's Per 100,000 Residents	2.4	5.0	13/49	27%
Dollar Amount of Purchases Needing Approval by Elected Body	$10,000	$43,660	13/61	21%
Days from Requisition to Purchase Order - Formal Bid	30	47	6/26	23%
Parks & Recreation Department				
Parks & Recreation Costs Per Resident	$26	$45	10/35	29%
Parks & Recreation FTE's Per 100,000 Residents	49	94	7/46	15%
Total Park Acres Per 1,000 Residents	7.7	17.7	27/81	33%
Parks & Recreation Revenue Per Resident	$3	$14	7/55	13%
Developed Park Acres Per 1,000 Residents	6.5	10.7	42/81	52%
Miles of Park Trails Per 100,000 Residents	11.2	20.3	27/61	44%
Police Department				
Police Operating Expenditures Per Resident	$146	$203	14/49	29%
Sworn Police FTE's Per 1,000 Residents	1.5	1.9	14/47	30%
Civilian Police FTE's Per 1,000 Residents	0.5	0.6	22/45	49%
Percent of Sworn Police FTE's to Total Police FTE's	74%	75%	19/45	42%
911 Police Calls Received Per 100 Residents	20	68	9/62	15%
Moving Police Violation Citations Issued Per 100,000 Population	10,628	13,569	29/67	43%
Traffic Fatalities Per 100,000 Residents	4.8	8.0	20/64	31%
Injury Producing Traffic Accidents Per 100,000 Residents	598	676	35/74	47%
Part 1 Violent Crimes Reported Per 1,000 Residents	1.7	5.5	14/77	18%
Percent of Part 1 Violent Crimes Cleared	39%	53%	13/61	21%
Part 1 Violent Crimes Cleared Per Sworn FTE	0.5	1.1	6/37	16%
Part 1 Property Crimes Reported Per 1,000 Residents	26	48	15/77	19%
Percent of Part 1 Property Crimes Cleared	20%	20%	36/63	57%
Part 1 Property Crimes Cleared Per Sworn FTE	3.6	5.1	15/39	38%
Cost per Part 1 Crime Cleared	$24,564	$22,725	26/40	65%
Total Arrests Per 1,000 Residents	34	59	19/61	31%
DUI Arrests Per 1,000 Residents	4.2	4.3	46/78	59%
Juvenile Arrests as a % of Total Arrests	17%	19%	34/60	57%
Average Age of Police Vehicles (Years)	2.5	3.3	16/57	28%
Average Annual Miles Driven Per Police Vehicle	26,766	15,551	40/43	93%

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

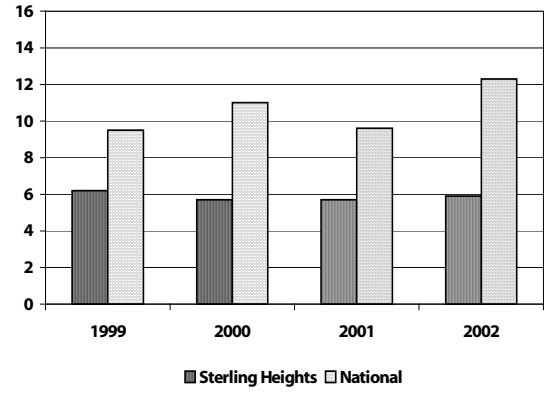
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	$87	$122	7/32	22%
Total Department FTE's Per 1,000 Residents	1.2	1.6	8/27	30%
Fire Incidents Per 100,000 Residents	233	467	6/48	13%
Total EMS Responses Per 1,000 Residents	44	77	7/49	14%
Fire Inspections Per 1,000 Residents	33.3	33.0	13/20	65%
% of Fire Responses Less Than 5 Minutes (from dispatch)	85%	66%	35/43	81%
Average EMS Response Time (Minutes)	4.1	4.9	7/31	23%
Average Age of Fire Vehicles (Years)	10.7	10.4	29/47	62%
Code Enforcement				
Code Enforcement Operating Expenses Per Resident	$4.0	$5.5	14/32	44%
Code Enforcement Violations Per 1,000 Residents	23	34	35/68	51%
Code Enforcement Violations Per FTE	474	436	23/33	70%
Public Works Department				
Fleet Maintenance Expenditures Per Resident	$12	$13	19/31	61%
Fleet Maintenance FTE's Per 100,000 Residents	12	15	21/49	43%
Annual Refuse Tons Collected Per Account	1.1	1.6	17/37	46%
Refuse Collection Costs Per Ton	$50	$72	12/30	40%
Recycling Costs Per Ton Recycled	$21	$119	1/28	0%
Street Maintenance Expenditures Per Resident	$11	$23	14/62	23%
Street Maintenance Expenditures Per Paved Lane Mile	$1,765	$2,709	23/58	40%
Snow & Ice Expenditures Per Lane Mile Per Snow Inch	$8	$23	7/30	23%
Public Library Department				
Library Expenditures Per Registered Borrower	$39	$45	16/40	45%
Library FTE's Per 1,000 Residents	0.26	0.45	8/31	26%
Annual Library Circulation Per 1,000 Residents	5,546	7,190	20/48	42%
Library Program Attendance Per 1,000 Residents	193	262	17/43	40%
Percent of Population Who Are Registered Library Borrowers	43%	54%	10/45	22%
Library Material Acquisition Costs Per Resident	$2.27	$3.88	8/41	20%
Annual Reference Transactions Per 1,000 Residents	1,089	1,482	24/43	56%
Average Hours of Library Operations Weekly	63	63	21/45	47%
Facilities Maintenance				
Facilities Management FTE's Per 100,000 Residents	14.8	22.6	15/34	44%
Facilities Mgmt. Operating & Maint. Costs per Sq. Ft.	$6.4	$4.7	24/30	80%
Information Technology				
Information Technology Expenditures Per Resident	$11	$25	7/23	30%
Information Technology FTE's Per 100,000 Residents	6.2	16.3	6/39	15%
Ratio of Intelligent Workstation to FTE	0.50	0.61	6/24	25%
Citywide				
Total Expenditures Per Resident	$793	$1,790	13/70	19%
Total Full-time Equivalent Employees (FTE's) Per 1,000 Residents	5.9	12.3	9/58	16%
Fringe Benefit Expenditures Per FTE	$12,462	$10,892	35/50	70%
Employee Benefits as a % of Wages	28.2%	27.7%	38/62	61%

*Rank Percent equals the percent of cities that are lower than Sterling Heights.

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

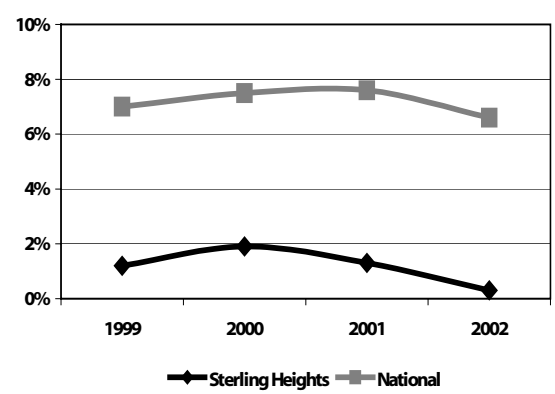
Total Full-time Employees Per 1,000 Residents



2002 National Rank: 9th out of 58 cities
Rank Percentage: 16%

The City continues to have fewer full-time employees per 1,000 residents than the national average. In 2002, the City had 5.9 full-time employees per 1,000 residents versus a national average of 12.3 employees. We rank 9th lowest out of 58 cities.

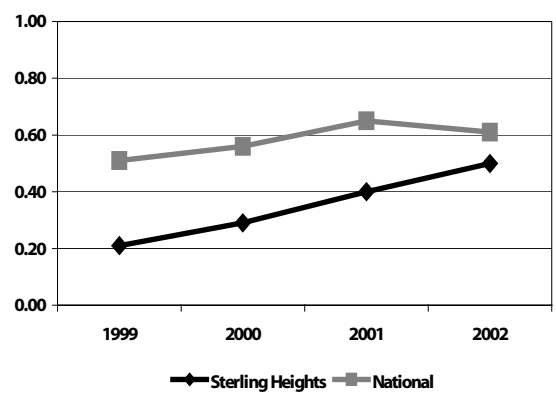
Full-time Employee Turnover Rate



2002 National Rank: 1st out of 63 cities
Rank Percentage: 0%

The rate at which the employees leave the City's employment (excluding retirements) continues to be well below the national average. In 2002, only 0.3% of employees left the City versus a 6.6% national average.

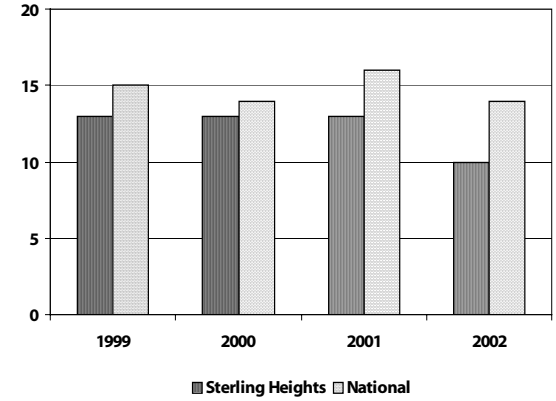
Ratio of Computers to Employees



2002 National Rank: 6th out of 24 cities
Rank Percentage: 25%

The City has more than doubled its ratio of computers to full-time employees as a result of implementing our Information Technology plan. Over the past 4 years, we have narrowed the gap between the City's ratio and the national average.

Worker's Compensation Claims Per 100 Employees



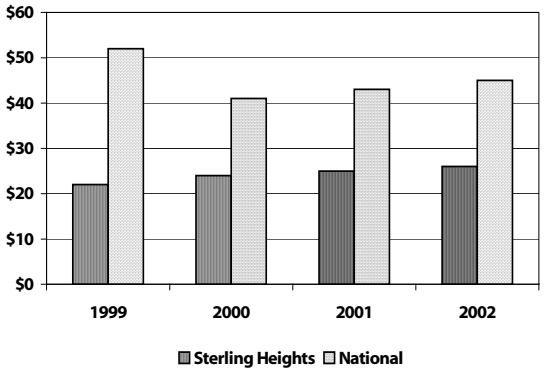
2002 National Rank: 10th out of 43 cities
Rank Percentage: 23%

The City's worker's compensation claims per 100 full-time equivalent employees (FTE's) has decreased over the past 4 years and continues to be below the national average due to our proactive Risk Management program.

ICMA PERFORMANCE MEASUREMENTS

Parks & Recreation Department

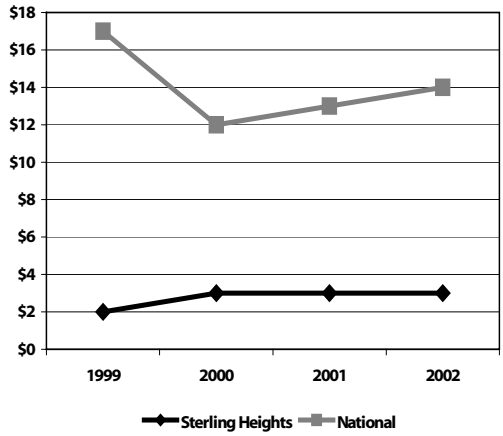
Parks & Recreation Costs Per Resident



2002 National Rank: 10th out of 35 cities
Rank Percentage: 29%

The City's total Parks & Recreation cost per resident has remained well below the national average over the past 4 years. The City currently ranks 10th lowest out of 35 cities nationally. 71% of the cities have higher Parks & Recreation costs.

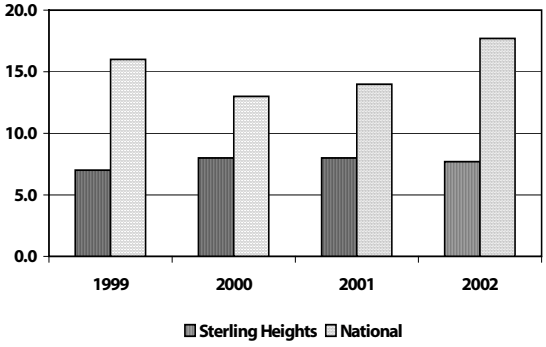
Parks & Recreation Revenue Per Resident



2002 National Rank: 7th out of 55 cities
Rank Percentage: 13%

The revenue generated by the Parks & Recreation Department has been below the national average during the past 4 years. One of the reasons we rank in the 13th percentile is the fact that our costs per resident are also less than most other cities nationally.

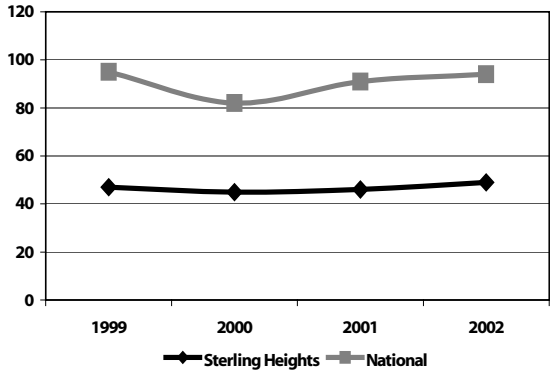
Park Acres Per 1,000 Residents



2002 National Rank: 27th out of 81 cities
Rank Percentage: 33%

The number of park acres in the City has increased slightly over the past 4 years. The City continues to be below the national average in park acres per 1,000 residents, but above average (52%) in developed park acres per resident.

Parks & Recreation Employees Per 100,000 Residents

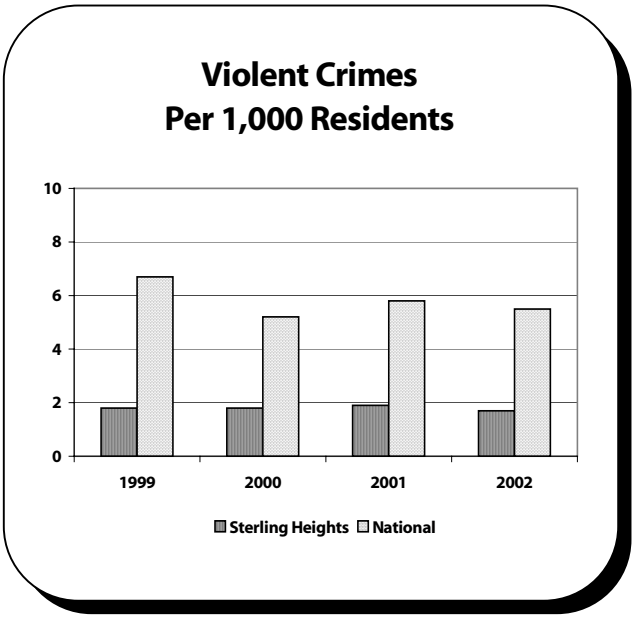


2002 National Rank: 7th out of 46 cities
Rank Percentage: 15%

Just as the total City has fewer employees per resident than other cities nationally, such is also the case with the Parks & Recreation Department. The City currently has 49 full-time equivalent employees (FTE's) compared to the national average of 94 FTE's.

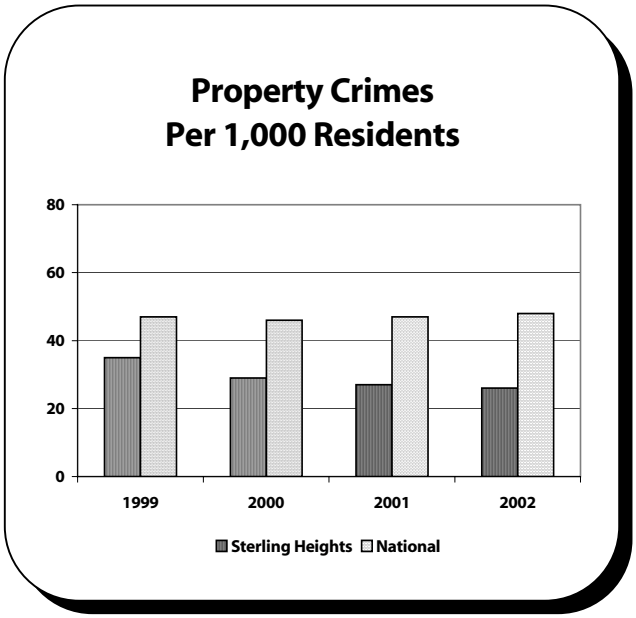
ICMA PERFORMANCE MEASUREMENTS

Police Department



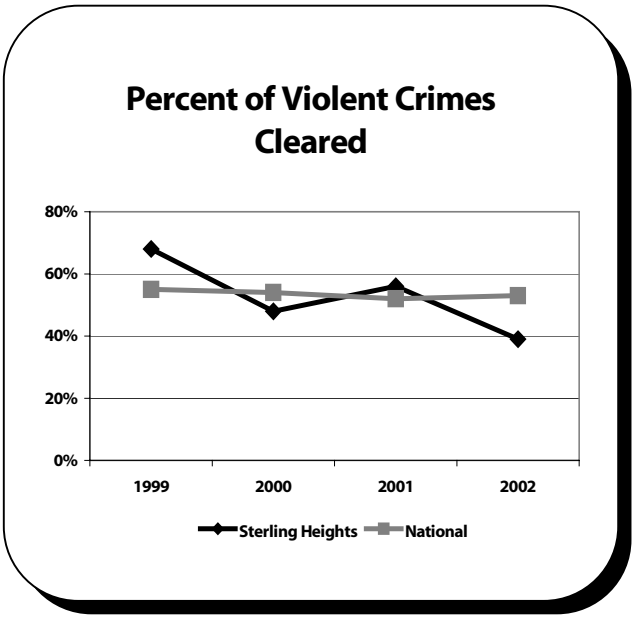
2002 National Rank: 14th out of 77 cities
Rank Percentage: 18%

The City currently ranks 14th lowest out of 77 cities nationally in Violent Crimes per 1,000 residents. Over the past 4 years, the City has continued to be well below the national average.



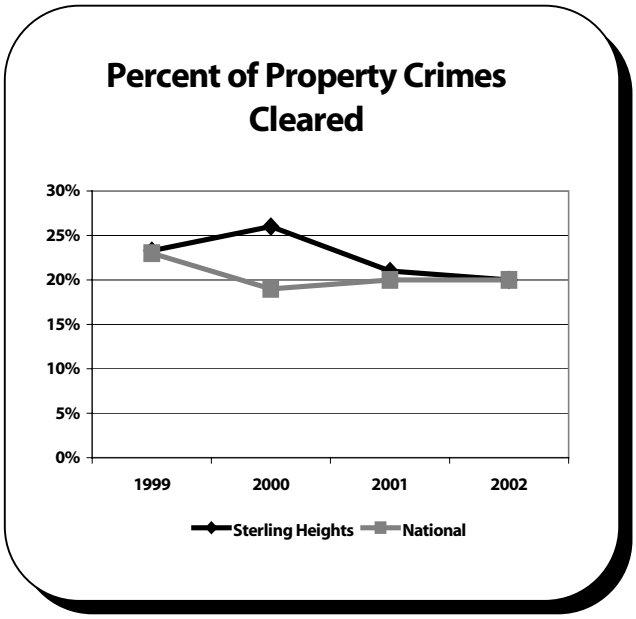
2002 National Rank: 15th out of 77 cities
Rank Percentage: 19%

The City is also well below the national average in Property Crimes per 1,000 residents. For each of the past 4 years, the number of property crimes per resident has decreased, while the national average has remained the same. The City currently ranks 15th lowest out of 77 cities nationally.



2002 National Rank: 13th out of 61 cities
Rank Percentage: 21%

The Percent of Violent Crimes Cleared, or solved, dropped slightly below the national average in 2002. In 2002, the City ranked 13th lowest out of 61 cities nationally.



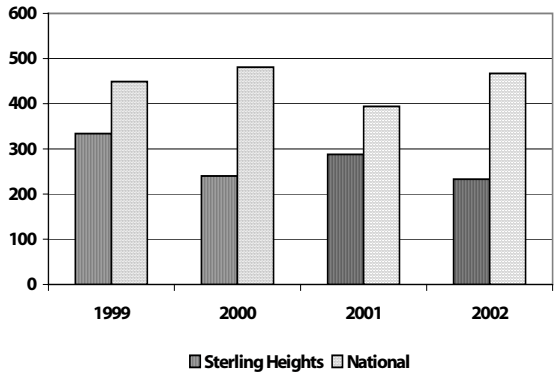
2002 National Rank: 36th out of 63 cities
Rank Percentage: 57%

The Percent of Property Crimes Cleared, or solved, over the past 4 years continues to be at or slightly above the national average. In 2002, the City ranked 36th highest out of 63 cities.

ICMA PERFORMANCE MEASUREMENTS

Fire Department

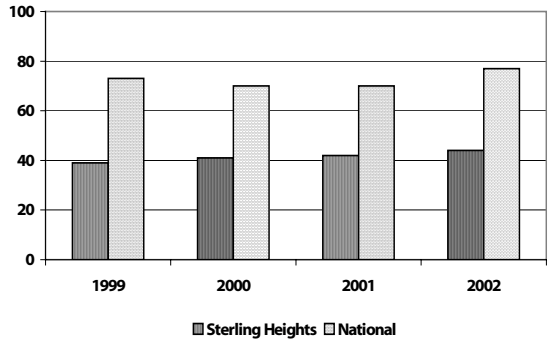
Fire Incidents Per 100,000 Residents



2002 National Rank: 6th out of 48 cities
Rank Percentage: 13%

The number of fire incidents in the City continues to be well below the national average for each of the past 4 years. The City currently ranks 6th lowest out of 48 cities nationally in the number of fire incidents per resident.

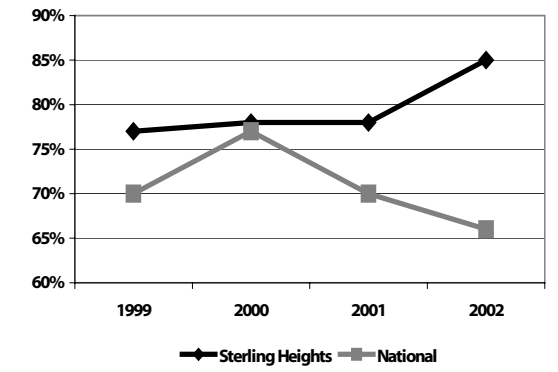
Total EMS Responses Per 1,000 Residents



2002 National Rank: 7th out of 49 cities
Rank Percentage: 14%

The number of EMS responses in the City remains well below the national average for the past 4 years. In 2002, the City ranked 7th lowest out of 49 cities reporting. 86% of cities nationally had a higher number of EMS responses per resident.

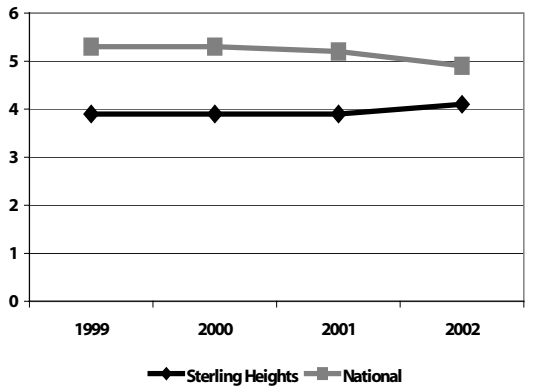
Percent of Fire Responses Less Than 5 Minutes



2002 National Rank: 35th out of 43 cities
Rank Percentage: 81%

For the past 4 years, Sterling Heights has had a higher percent of fire responses that took less than 5 minutes to respond. Currently, 85% of fire incidents are responded to in 5 minutes or less which compares favorably to the national average of 66%.

Average EMS Response Time (Minutes)



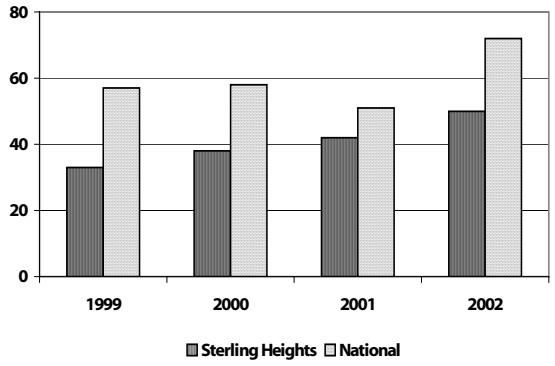
2002 National Rank: 7th out of 31 cities
Rank Percentage: 23%

The City's average EMS response time is 4.1 minutes, which is well below the national average. We currently rank 7th lowest out of 31 cities. In other words, only 23% of the cities nationally had a faster average EMS response time.

ICMA PERFORMANCE MEASUREMENTS

Public Works Department

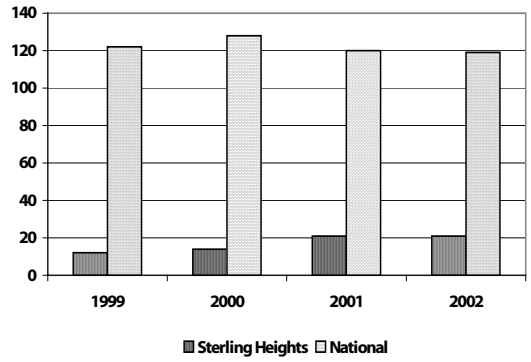
Refuse Collection Costs Per Ton



2002 National Rank: 12th out of 30 cities
Rank Percentage: 40%

Our Refuse Collection Costs per Ton have increased slightly over the past 4 years yet continues to be below the national average. The City contracts out its refuse collection services. Our costs ranked 12th lowest out of 30 cities nationally.

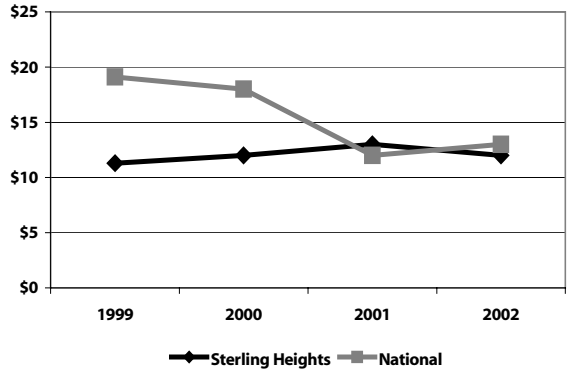
Recycling Costs Per Ton Recycled



2002 National Rank: 1st out of 28 cities
Rank Percentage: 0%

The City's Recycling Costs per Ton Recycled are the lowest out of the 28 cities reporting nationally. The City has 3 voluntary drop-off centers, which allows us to be almost 6 times lower in costs than the national average.

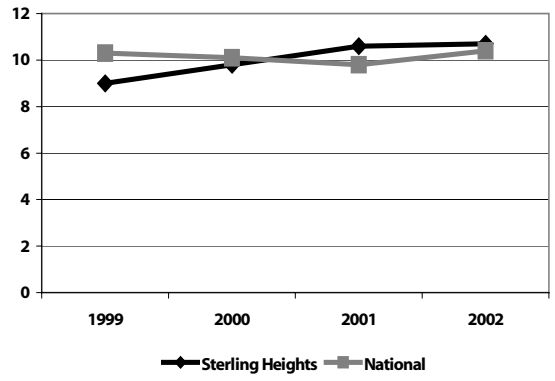
Fleet Maintenance Expenditures Per Resident



2002 National Rank: 19th out of 31 cities
Rank Percentage: 61%

The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 19th out of 31 cities nationally.

Average Age of Fire Vehicles (Years)



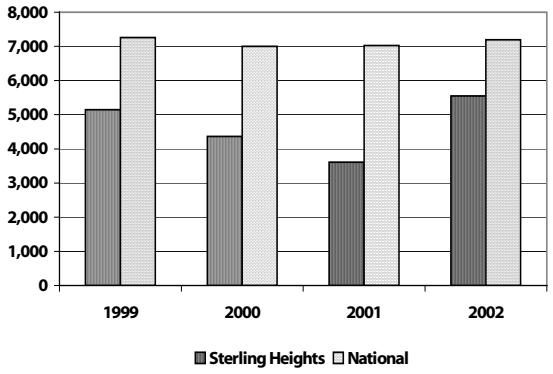
2002 National Rank: 29th out of 47 cities
Rank Percentage: 62%

For 2 of the last 4 fiscal years, the average age of the City's fire vehicles has been less than the national average. Two recently purchased vehicles will come on-line in 2003, which will help to lower the City's average age.

ICMA PERFORMANCE MEASUREMENTS

Public Library Department

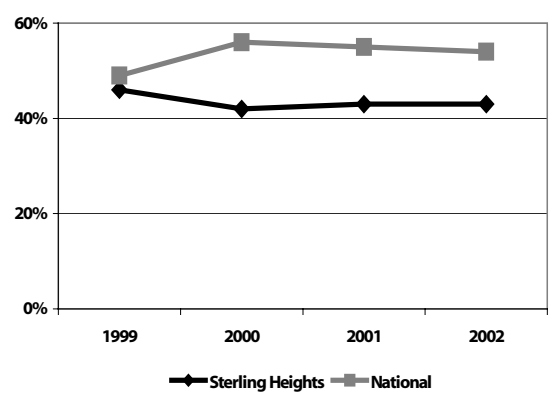
Library Circulation Per 1,000 Residents



2002 National Rank: 20th out of 48 cities
Rank Percentage: 42%

From 2000 to 2001, the Library's circulation decreased sharply as the Library was closed for 2-3 months during each fiscal year due to renovations. In 2002, the circulation increased above 1999 levels.

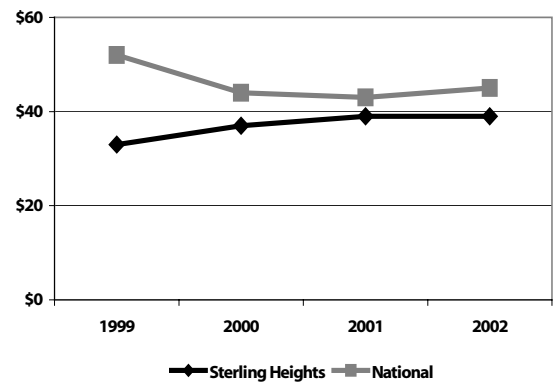
Registered Borrowers As a % of Population



2002 National Rank: 10th out of 45 cities
Rank Percentage: 22%

The City has fewer Registered Borrowers as a Percent of Population than most cities nationally. One reason for the lower figure is that the City regularly updates its registered borrower database.

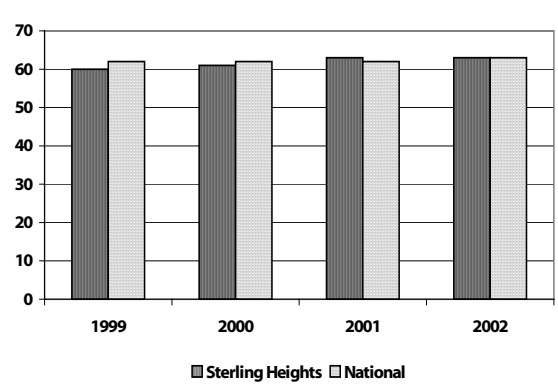
Library Expenditures Per Registered Borrower



2002 National Rank: 16th out of 40 cities
Rank Percentage: 45%

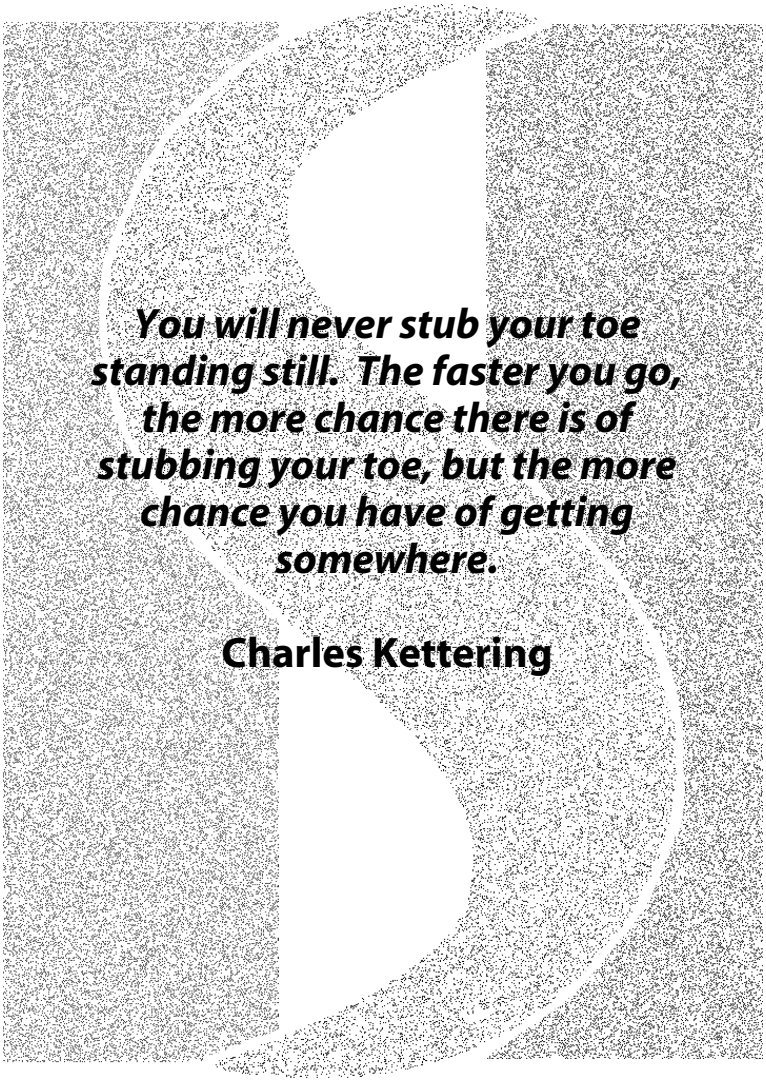
The City's Library Expenditures per Registered Borrower continues to be below the national average. In 2002, the City spent $39 per registered borrower compared to an average of $45 spent nationally. We ranked 16th out of 40 cities nationally.

Average Weekly Hours of Library Operations



2002 National Rank: 21st out of 45 cities
Rank Percentage: 47%

Over the past 4 years, the City has increased the number of hours that the Library has been open. In 2001, the City opened the Library a half-hour earlier each day. Several years ago, the Library added Sunday hours during the school year.


You will never stub your toe standing still. The faster you go, the more chance there is of stubbing your toe, but the more chance you have of getting somewhere.
Charles Kettering

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 changes 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

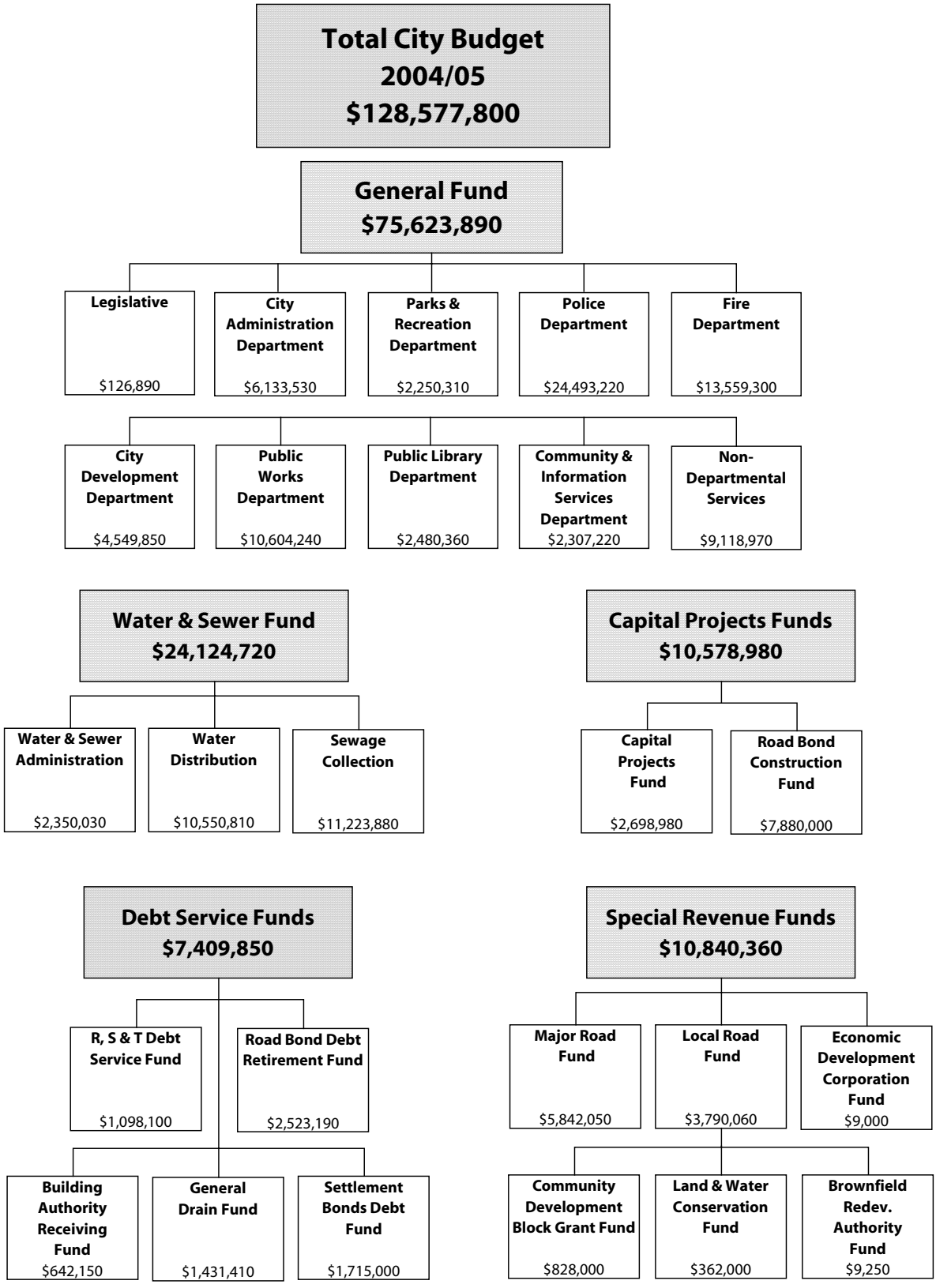
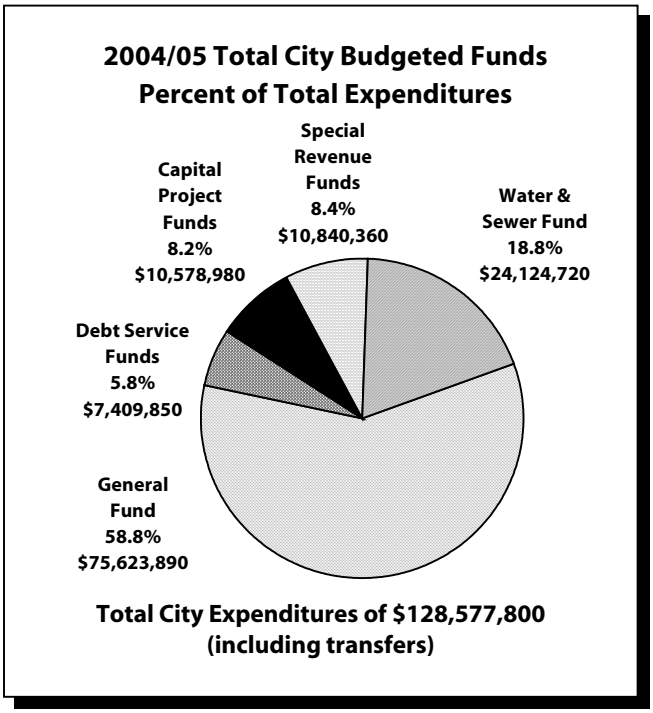


Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2004/05 Budget for the City of Sterling Heights. It is hoped that it will provide City residents with a quick overview of the fiscal plans of the City for the fiscal year. The City Council has held numerous 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 at the City Clerk's office and at the Library.



TOTAL CITY FUNDS

The 2004/05 Budget for all City Funds totals $128.6 million. The City establishes a budget for 15 separate funds or accounting divisions. These 15 funds can be further divided into five major fund groupings as the accompanying graph illustrates. The largest is the ***General Fund***, which provides $75.6 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 $24.1 million in funding for the Water distribution and Sewage disposal services purchased from the City of Detroit. 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 $10.8 million for major and local road maintenance and construction, park development, funding for economic development, brownfield redevelopment, and for the federally subsidized Community Development Block Grant program. Several notable items in the Special Revenue Funds 2004/05 Budget include:

- $24,000 for six replacement portable bleachers for Delia Park.
- $456,800 for development of Nelson Park North including a new soccer field, paving and expansion of the parking lot, a new park entrance sign and the extension of the park path.
- $270,000 for the development of two soccer fields at L. W. Baumgartner Park.
- $240,000 to assist low and moderate-income families in rehabilitating their homes and to correct code violations.
- Continued funding for the mowing and median maintenance contract on M-59 from Van Dyke to I-94.
- Funding for mosquito control in residential street catch basins to combat the spread of the West Nile virus.
- Increased funding for the removal of emerald ash borer infected trees along City roads.

As a result of the voter approved Proposal N in 1996, the City will continue its increased funding for improvements to local neighborhood streets without an additional tax levy. The City will also continue its increased funding for joint sealing and concrete replacement on all streets within the City.

Other road improvement projects include:

- $546,000 for concrete replacement on local streets including Clifton, Firestone and Breckenridge Drives.
- $6.6 million for completing the 18½ Mile Road connector from Mound Road to the M-53 Freeway.
- $1.2 million in repairs to the 17 Mile Road Bridge over Conrail.
- $230,000 for landscaping Schoenherr Road between 14 Mile Road and Metropolitan Parkway and $73,500 for landscaping Metropolitan Parkway between Dodge Park and Utica Road.
- $190,000 for connecting two dead-end roads in the Timber Ridge and Forest View subdivisions to allow through traffic.
- $118,000 for the extension of Shadow Creek Ct.
- $250,000 in survey and design costs for the eventual widening of 19 Mile Road between Van Dyke and Dequindre Road.

The ***Capital Projects Funds*** total $10.6 million for 2004/05. These funds are used for capital equipment and vehicles, the construction and improvement of municipal facilities and storm drains, and for road construction financed by the sale of bonds. Notable Capital projects in the 2004/05 Budget include $2.0 million in Capital Project Improvements including:

- $500,000 for Neighborhood Sidewalk Repairs and $250,000 for the continuation of the Sidewalk Gap Completion program.
- $130,000 to complete the Bike Trail along Utica Road from the Edison Corridor to Dodge Park.
- $1.1 million for the construction of the 14 Mile Road Somerset Relief Drain.
- $70,000 for Municipal Parking Lot Repairs.
- $216,480 in funding for replacement Capital Equipment for City departments.
- $51,500 for Information Technology hardware and software improvements.
- $381,000 in Capital Vehicle replacements.

Finally, the ***Debt Service Funds*** total $7.4 million and provide funding for the debt payments on the road bond construction projects, the Judicial Services Center, the City Center Commons, on the Drains located in the City, debt resulting from the voter approved Proposal R and settlement bonds. The City saved $425,000 in future interest payments by refinancing several bonds over the past two years.

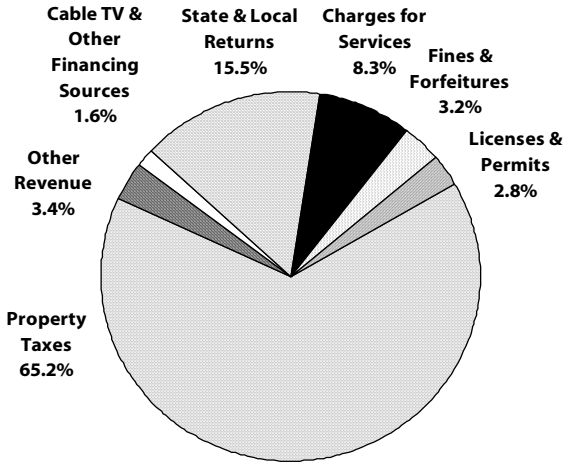
GENERAL FUND

The 2004/05 Budget for the General Fund is $75.6 million, an increase of $4.4 million or 6.1% above the 2003/04 Budget.

Revenues by Category

The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City millage rate of 10.625 mills will provide $47.6 million or 65.2% of the total General Fund budget. The taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvements debt, and Drain debt. The City's overall millage remains the same as the prior year and continues to be at its lowest level since 1974. In addition, the City will not levy the 0.10 mills approved by the voters in 1996 for Proposal N. Proposal A has capped property

2004/05 General Fund Revenues By Revenue Category



value assessments at a 2.3% inflationary increase next year despite a 4.7% increase in property market values.

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 2.8%, Federal, State and Local returns 15.5%, Fines & Forfeitures 3.2%, Charges for Services 8.3%, Other Revenue 3.4%, Cable TV Revenue 1.5%, and Other Financing Sources 0.1%.

There is a $2.3 million planned use of fund balance reserves for the 2004/05 fiscal year. The use of reserves is needed to balance the budget due to the continued loss of State revenue sharing funding and the rising cost of pension, hospitalization, and retiree medical obligations.

Expenditures by Object

The $75.6 million General Fund budget is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel Services costs, which are made up of wages and fringe benefits and comprise 77.4% of the total budget. Supplies, which is made up primarily of operating supplies, parts for the repair and maintenance of City vehicles, and the purchase of Library books, total 2.8% of the budget. Other Charges total 16.7% of the budget and are primarily used to provide for the Refuse Collection contract, Liability insurance, Utility bills, and Legal costs. Transfers to other City Funds total 3.1% of the General Fund budget.

The total $4.4 million increase in General Fund expenditures can best be explained by the following illustration showing where the expenditure changes have occurred:

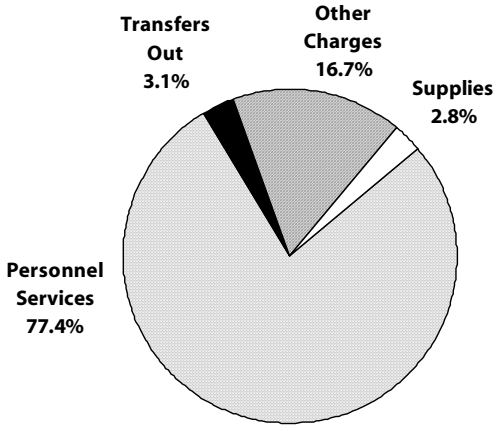
	Dollar Change	Percentage Change
Personnel Services	$4,015,250	7.4%
Supplies	(147,130)	(6.6%)
Other Charges	518,760	4.3%
Transfers Out	(8,040)	(0.3%)
Total	**$4,378,840**	**6.1%**

Personnel Services increased by $4,015,250 or 7.4% over last year's budget. Wages for full-time employees increased by $1,069,890, as all labor groups are budgeted to receive a 3% wage increase. Police & Fire Pension costs increased by $659,240 or 18.6% as a result of a recent actuarial rate study. Pension costs have risen by $2.6 million over the past three years. Hospitalization costs rose by $750,780 or 14.3% due to a rate increase for the City's medical costs.

The City will increase its contributions toward the rapidly growing General and Police & Fire retirees' medical obligations. An actuarial study has recommended that the City increase its funding in order to offset large future liabilities. In the 2004/05 fiscal year, $3.6 million has been set aside to fund these obligations, an increase of nearly $1.1 million or 43.1% higher than the amount funded the previous year.

The budget includes funding for 630 full-time positions – a decrease of three positions from last year saving $144,000. The vacant positions recommended not to be filled include a Clerk Typist in the City Clerk's office, an Account Clerk in Treasury, and a Police Technical Secretary. Despite not filling 19 vacant positions in the past three years, full-time staffing has increased by 9 positions since 1996.

2004/05 General Fund Expenditures by Expenditure Object



Total General Fund Budget of $75,623,890

Supplies decreased by $147,130 or 6.6%. The prior year budget included the one-time funding for emergency management software. In addition, most departments have reduced their discretionary spending on supplies. The City will also save by conducting fire pump testing and performing preventative maintenance on fire vehicles in-house instead of contracting these services to an outside company.

Other Charges increased $518,760 or 4.3%. Rubbish removal costs rose $326,260 based on an increased number of homes and a contractual price increase. Contractual services increased $101,530 due to a new grant funded Emergency Management Planner and for the costs of Personal Property Auditing Services. These costs were offset by savings due to the one-time updates to the Master Land Use and Parks Conceptual Plans in the prior year. Refunds on tax tribunal adjustments are anticipated to increase $252,500 as a result of Ford's appeal on a possible overpayment of personal property taxes. Savings were realized in legal, memberships, telephone and electric costs and in expenditures relating to Sterlingfest.

Capital Outlay is budgeted in the Capital Projects Fund. All Capital equipment and vehicles formerly budgeted in the General Fund are expensed in the Capital Projects Fund and funded through a Transfer Out from the General Fund. $216,480 is budgeted to fund 23 pieces of capital equipment. $51,500 is budgeted for new computer hardware and software as part of the Information Technology Plan. $381,000 is budgeted for the purchase of 17 replacement vehicles. ***A complete list of all capital equipment, vehicles, and projects that are budgeted is located in the Capital Projects section of this document.***

General Fund ***Transfers Out*** to other City Funds decreased by $8,040. Fewer transfers are needed next year in the General Drain Fund and the Capital Projects Fund. As a result, the transfer to the Major Road Fund has been re-established after it was eliminated in the prior year due to the budget constraints. The $500,000 transfer to the Major Road Fund is needed to help replenish the fund's declining reserves, to pay for future road projects, and to pay the debt on road bonds that will be sold this year for the 18½ Mile Connector and 17 Mile Bridge projects.

Expenditures by Budgetary Center

The City's General Fund can be further broken down to the departmental or budgetary center level. These budgetary centers comprise the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, nearly 65% of the budget is used to fund the three largest City departments – Police, Fire and Public Works.

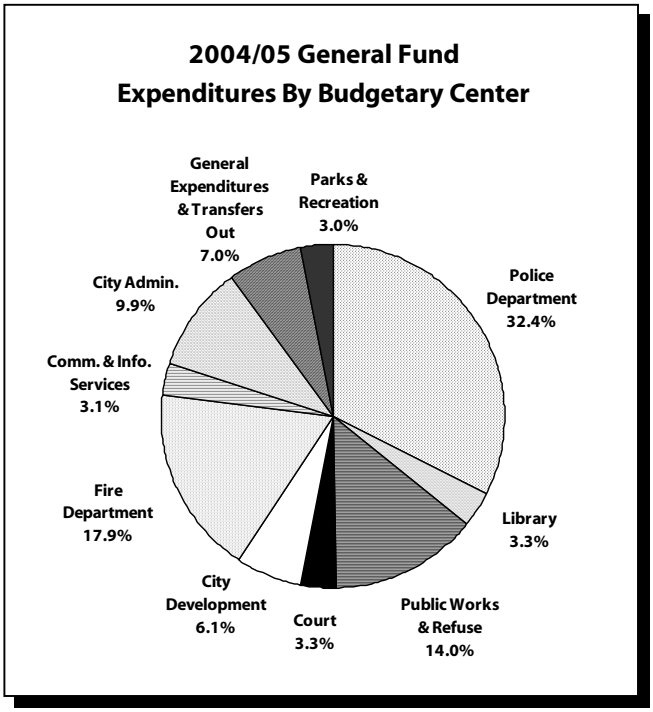
Within the General Fund, the following changes are included in the 2004/05 fiscal year budget:

Legislative

- The elimination of the National League of Cities (NLC) membership saving $7,190.
- Reduced funding for City Council education based on a ban on out-of-state travel.

City Administration Department

- Savings in City Management as a result of turnover in the City Manager position.
- Savings from conducting an in-house search for City Manager.
- The elimination of a vacant Clerk Typist position in the City Clerk's office.
- Funding for the cost of three elections including an August primary, a Presidential general election and a May school election (due to a change in State legislation).
- A $43,000 grant to fund a contractual Emergency Management Planner to develop emergency management plans.
- A replacement Emergency Generator for the Police Department to allow for additional power during an emergency.
- The replacement of two mid-sized motor pool vehicles.
- The use of digital cameras by City Information Technology staff to place Assessing property photos on-line and less overtime costs due to the completion of the Assessing computer system.
- Funding for the remaining first year cost of the Personal Property Auditing Services contract.



- Replacement of six year-old computers for the City Management and Financial Services offices.
- Savings in electric costs by participating in an alternative electric supplier program.
- The elimination of a vacant Account Clerk position in Treasury as a result of using an automated bank lock box to collect taxes.
- A savings in audit fees as City staff has done additional audit preparation work allowing the auditors to reduce the number of days needed on-site to complete the annual audit.

Parks & Recreation Department

- $889,000 toward five recreational projects including new soccer fields at Baumgartner and Nelson Parks, Tree Plantings at Baumgartner Park, Portable Bleachers at Delia Park, and completion of the Bike Trail along Utica Road.
- Lower school building rental costs as the Gymnastics program will now be held at the City's recreation center.
- A revised fee schedule for parks and recreation classes and programs.

Police Department

- Twelve Police Patrol and Traffic Safety Vehicles and new capital equipment including six Patrol Rifles.
- A replacement Emergency Generator for the Police Station.
- The elimination of a vacant Technical Secretary position due to the implementation of the new CLEMIS computer system.
- The one-time purchase of new Criminal Law and Procedure manuals for all sworn officers.

Fire Department

- The replacement of the Battalion Chief's sports utility vehicle.
- The purchase of ten Self-Contained Breathing Apparatus units, an Electronic Training Mannequin, and a new Thermal Imaging Camera.
- The replacement of Kitchen Cabinets and Countertops at Fire Station #4 and Fire Station #5.
- Increased contributions to the Police & Fire pension system and for future retiree medical obligations.
- Higher overtime costs due to increased minimum manning usage.
- The placing in service of a new Fire Engine ordered in the prior year.
- The implementation of laptop computers for Fire Prevention personnel and mobile data computers in all fire vehicles.

City Development Department

- The transferring of Code Enforcement staff to the Building division and the replacement of the Planning & Zoning Manager position with a Code Enforcement Coordinator saving $22,000.
- A reduction in the amount needed to purchase shirts for field staff.
- A slight reduction in Building Inspector weekly hours offset by additional Saturday inspection hours for residents unavailable during the week.
- The implementation of laptop computers for field

personnel to provide more efficient inspection and personal property maintenance services.

- The elimination of several Nextel telephones.

Public Works Department

- Replacement capital equipment including a new Automotive Diagnostic system for Fleet Maintenance, a Riding Lawn Mower and Tri-Mower Tractor for Parks & Grounds Maintenance, a Concrete Grinder for Street Services, and two new Pickup Trucks with plows.
- Funding for higher contractual Refuse Collection costs and a new refuse contract beginning May 1, 2005.
- Savings by conducting pump testing and preventative maintenance on fire trucks in-house rather than contracting out for this service.
- Increased funding for commercial driver license endorsements and required road tests.
- The use of City staff to install holiday lighting rather than contracting this service as has been done for the past three years.
- Increased personnel costs as a result of the recently settled DPW Field Labor contract.
- Additional hours for seasonal laborers in Street Services to better maintain the City's rights-of-way.
- Increased funding for the removal of trees infected with the emerald ash borer and the continuation of the West Nile Virus reduction program with the use of longer lasting mosquito briquettes in City parks and in street catch basins.

Public Library Department

- Continued funding to open the Library at 9:30 a.m., one half-hour earlier on Monday through Saturday and continued funding for the staffing of Library Sunday hours during the school year.
- A replacement Personal Computer for the Youth Services area.
- A reduction of one staff computer to offset an increase in the computer rental rates from the Suburban Library Cooperative.

Community & Information Services Department

- Savings in printing and postage costs due to a smaller-sized City Calendar.
- Reduced funding for the Employee Banquet and Sterlingfest.
- Software upgrades and three replacement computers for the Community Relations front office staff.
- Savings of software maintenance fees as the City will utilize existing software for tracking complaints.
- City-wide savings of $12,000 due to a new Nextel cellular rate telephone plan as the City can now pool its unused minutes.
- Replacement of six year-old Information Technology personal computers.
- A new Oracle database to support the implementation of hand-held building and fire inspection computers.

Non-Departmental Services

- The elimination of the City's participation in the ICMA Center for Performance Measurements.
- A savings in juror fees as jurors will now be able to call an automated telephone hotline to see if their appearance is necessary.
- Funding for Police Officer testing in the Act 78 Civil Service budget.
- Increased funding to cover the cost of the recently expanded City Magazine.
- The funding of a possible refund of Ford Motor Company's overpayment of prior year personal property taxes.
- The funding for employee physical examinations which were voluntarily eliminated last year.
- The elimination of the City's International Municipal Lawyers Association membership.
- Savings in the Planning Commission and the Zoning Board of Appeals budgets as meetings will be reduced to only one per month.

WATER & SEWER FUND

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

The City purchases its water and sewage disposal services from the City of Detroit, which directly influences the rates that we charge our residents. The City of Detroit increased the water rate it charges the City of Sterling Heights effective July 1, 2004. The Detroit water rate will increase by 16.5% from $8.34 to $9.72 per thousand cubic feet. In addition, the City will have to pay a one-time 6.9% true up cost from the previous year as a result of new water meter data. The sewer rate will increase from $9.87 to $10.30 per thousand cubic feet.

As a result of these increases, an 11.9% rate increase has been passed on to our residents and corporate customers to partially offset the Detroit increase. This increase is once again much less than the City of Detroit's increase. The average residential customer will pay less than $30 per month for water & sewer services.

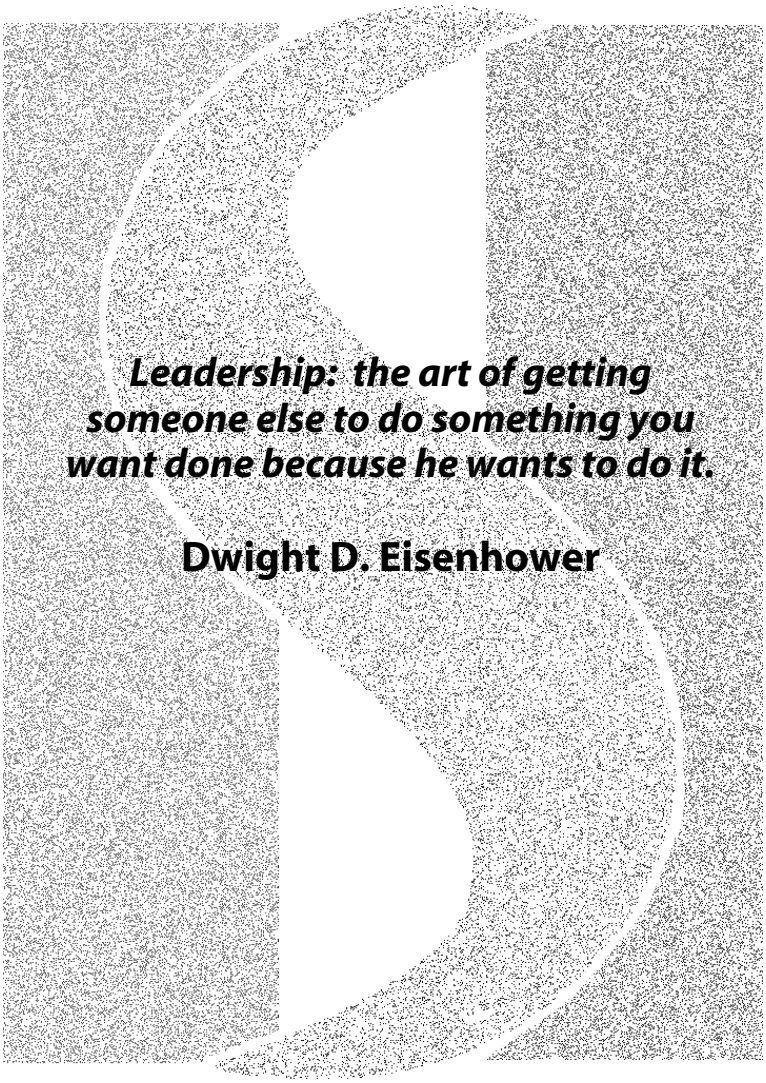
In the prior year, the City changed its rate system from a three-tier rate to a single-tier rate structure. Prior to last year, residents were using less water in the lower priced tiers and therefore paid more than businesses. By changing to a single-tier rate structure, businesses no longer enjoy a cost advantage over residents. This change also allows for more rate equity and fairness and better promotes water conservation. It also allows the City to better recover its costs from the systems larger users, thereby helping to keep our residential rates low.

The City will continue its maximum summer discount of $25, which was increased in 1998. According to a 1995, 2000, and 2003 Michigan Water & Sewer Rate survey conducted by Black and Veatch, 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 Detroit's rate is also the lowest.

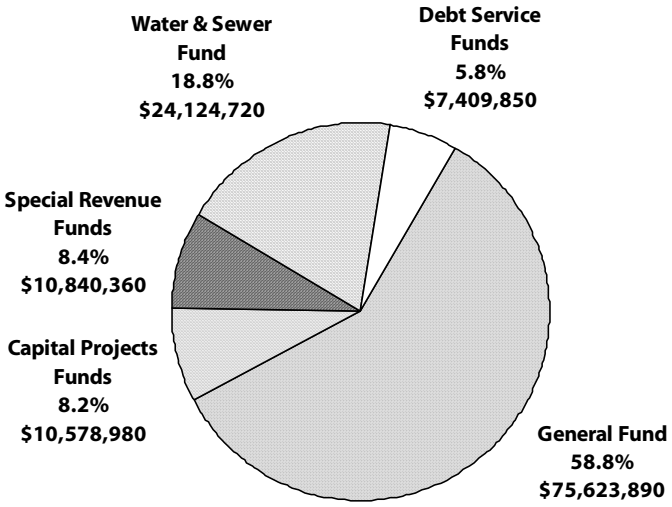
The City continues to control its discretionary costs within this Fund while providing the necessary equipment to properly maintain the system. Personnel costs rose $259,930 due to wage and fringe benefit increases for existing employees. Supplies rose only $13,050. Capital Outlay costs decreased by $385,550.

The 2004/05 Budget includes:

- $87,000 in necessary capital equipment including a Portable Trailer-Mounted Generator, a Trailer-Mounted Air Compressor and a replacement Submersible Pump.
- $37,000 is budgeted for two replacement Mini-Vans.■


Leadership: the art of getting someone else to do something you want done because he wants to do it.
Dwight D. Eisenhower

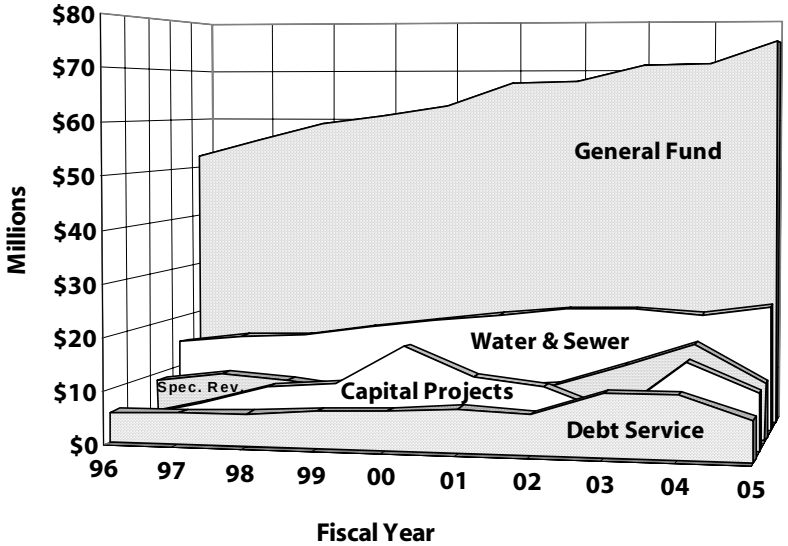
2004/05 Total City Budgeted Funds
Percent of Total Expenditures



Total City Expenditures of $128,577,800 (including transfers)

This graph illustrates total fund expenditures as a percent of all City Funds for the 2004/05 fiscal year.

Total City Budgeted Funds
Expenditure History



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

2004/05 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	$47,794,810	$0	$3,250	$2,526,510	$2,000	**$50,326,570**
Water & Sewer Service	0	21,009,440	0	0	0	**21,009,440**
State Revenue Sharing	10,400,000	0	0	0	0	**10,400,000**
Interfund Transfers In	81,360	0	1,523,000	4,784,510	943,980	**7,332,850**
Highway & Street Grants	0	0	7,000,000	0	0	**7,000,000**
Charges for Services	5,339,620	1,798,230	60,000	0	0	**7,197,850**
Interest On Investments	1,000,000	620,000	130,300	9,500	75,000	**1,834,800**
Federal, State & Local Grants	940,890	0	1,227,000	0	0	**2,167,890**
Court & Police Fines and Forf.	2,254,600	0	0	0	0	**2,254,600**
Proceeds - Long Term Debt	0	0	0	0	8,950,000	**8,950,000**
Miscellaneous Revenue	683,240	51,200	243,550	30,000	534,000	**1,541,990**
Licenses & Permits	2,046,570	0	0	0	0	**2,046,570**
Labor Services Roads	750,000	80,000	0	0	0	**830,000**
Cable Revenue	1,100,000	0	0	0	0	**1,100,000**
Rental - Road Equipment	825,000	70,000	0	0	0	**895,000**
Other Fines & Forfeitures	61,000	0	0	0	0	**61,000**
Sale of Fixed Assets	500	0	0	0	0	**500**
Total Revenues	**73,277,590**	**23,628,870**	**10,187,100**	**7,350,520**	**10,504,980**	**124,949,060**
EXPENDITURES BY OBJECT						
Personnel Services	58,567,900	2,746,360	9,190	0	0	**61,323,450**
Other Charges	7,499,150	19,726,400	4,727,400	5,020	0	**31,957,970**
Capital Improvement Projects	0	0	2,831,300	0	9,930,000	**12,761,300**
Interfund Transfers Out	2,357,630	0	3,260,220	0	0	**5,617,850**
Principal Payments	0	0	0	5,016,540	0	**5,016,540**
Refuse Collection	5,028,710	0	0	0	0	**5,028,710**
Interest Payments	0	0	0	2,388,290	0	**2,388,290**
Supplies	2,086,500	319,800	12,250	0	0	**2,418,550**
Capital Equipment	0	87,000	0	0	267,980	**354,980**
Capital Vehicles	0	37,000	0	0	381,000	**418,000**
Interfund Services	84,000	1,208,160	0	0	0	**1,292,160**
Total Expenditures	**75,623,890**	**24,124,720**	**10,840,360**	**7,409,850**	**10,578,980**	**128,577,800**
Excess of Revenues Over (Under) Expenditures	(2,346,300)	*	(653,260)	(59,330)	(74,000)	**(3,132,890)**
Beginning Fund Balance	19,499,770	*	4,586,250	252,680	2,159,430	**26,498,130**
Ending Fund Balance	**$17,153,470**	*	**$3,932,990**	**$193,350**	**$2,085,430**	**$23,365,240**

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

	2002/03 Actual	2003/04 Estimate	2004/05 Budget
REVENUES BY SOURCE			
City Property Taxes	$46,799,870	$48,682,300	**$50,326,570**
Water & Sewer Service	18,452,950	18,558,150	**21,009,440**
State Revenue Sharing	12,253,190	11,200,000	**10,400,000**
Interfund Transfers In	8,827,280	5,575,800	**7,332,850**
Highway & Street Grants	6,794,330	6,900,000	**7,000,000**
Charges for Services	7,082,120	7,314,290	**7,197,850**
Proceeds - Long-term Debt	4,916,770	5,960,000	**8,950,000**
Interest On Investments	2,599,580	1,555,950	**1,834,800**
Federal, State & Local Grants	1,867,350	3,061,320	**2,167,890**
Court & Police Fines & Forfeitures	2,523,450	2,652,410	**2,254,600**
Licenses & Permits	2,036,860	2,292,130	**2,046,570**
Labor Services Roads	819,090	830,000	**830,000**
Cable Revenue	1,120,770	1,075,000	**1,100,000**
Rental - Road Equipment	953,960	915,000	**895,000**
Other Fines & Forfeitures	64,310	62,000	**61,000**
Sale of Fixed Assets	209,850	500	**500**
Miscellaneous Revenue	2,206,210	3,798,080	**1,541,990**
Total Revenues	**119,527,940**	**120,432,930**	**124,949,060**
EXPENDITURES BY OBJECT			
Personnel Services	54,356,830	56,809,520	**61,323,450**
Other Charges	31,194,610	30,642,980	**31,957,970**
Capital Improvement Projects	10,029,130	13,810,110	**12,761,300**
Interfund Transfers Out	8,827,280	5,575,800	**5,617,850**
Principal Payments	9,191,380	9,516,540	**5,016,540**
Refuse Collection	4,482,920	4,702,450	**5,028,710**
Interest Payments	2,160,440	1,827,370	**2,388,290**
Supplies	2,451,690	2,598,700	**2,418,550**
Capital Equipment	1,092,480	1,970,970	**354,980**
Capital Vehicles	642,330	2,007,710	**418,000**
Interfund Services	1,057,240	1,171,830	**1,292,160**
Total Expenditures	**125,486,330**	**130,633,980**	**128,577,800**
Excess of Revenues Over (Under) Expenditures *	(4,177,050)	(8,675,940)	**(3,132,890)**
Beginning Fund Balance	39,351,120	35,174,070	**26,498,130**
Ending Fund Balance	**$35,174,070**	**$26,498,130**	**$23,365,240**

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

REVENUE COMPARISON - ALL FUNDS

Fund No.	Fund Name	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget	% Change from 03/04
	GENERAL FUND						
1010	General Fund	$69,132,530	$71,455,660	$71,176,750	$72,221,230	**$73,277,590**	3.0%
	WATER & SEWER FUND						
5720	Water & Sewer Fund - Operations	18,345,480	21,447,620	22,125,450	21,288,180	**23,628,870**	6.8%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	7,155,210	6,605,840	5,990,000	5,900,000	**6,085,000**	1.6%
2030	Local Road Fund	2,650,930	2,417,950	2,617,250	2,639,120	**3,256,550**	24.4%
2440	Land & Water Conservation Fund	1,415,480	712,620	48,000	38,000	**14,000**	-70.8%
2550	Economic Develop. Corp. Fund	5,280	5,190	200	140	**160**	-20.0%
2560	Brownfield Redevelopment Fund	26,020	15,190	3,280	3,300	**3,390**	3.4%
2780	Comm. Develop. Block Grant Fund	695,240	494,920	1,241,500	1,217,640	**828,000**	-33.3%
	Total Special Revenue Funds	**11,948,160**	**10,251,710**	**9,900,230**	**9,798,200**	**10,187,100**	**2.9%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,458,730	1,444,170	1,875,570	1,871,570	**1,431,410**	-23.7%
3050	R, S & T Debt Service Fund	2,100,930	1,451,830	1,114,900	1,111,190	**1,098,100**	-1.5%
3160	Settlement Bonds Debt Fund	0	0	0	0	**1,715,000**	100.0%
3270	Road Bond Debt Retirement Fund	2,648,900	7,617,980	5,835,860	5,833,860	**2,464,860**	-57.8%
3690	Building Authority Receiving Fund	1,043,840	675,700	2,693,890	2,693,400	**641,150**	-76.2%
	Total Debt Service Funds	**7,252,400**	**11,189,680**	**11,520,220**	**11,510,020**	**7,350,520**	**-36.2%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	9,456,300	4,312,450	6,493,370	5,614,310	**2,624,980**	-59.6%
4280	Road Bond Construction Fund	613,590	870,820	7,152,810	990	**7,880,000**	10.2%
	Total Capital Project Funds	**10,069,890**	**5,183,270**	**13,646,180**	**5,615,300**	**10,504,980**	**-23.0%**
	Total Revenue	**116,748,460**	**119,527,940**	**128,368,830**	**120,432,930**	**124,949,060**	**-2.7%**
	Duplicating Transfers	**(12,350,570)**	**(8,827,280)**	**(5,575,800)**	**(5,575,800)**	**(7,332,850)**	**31.5%**
	Total All Funds	**$104,397,890**	**$110,700,660**	**$122,793,030**	**$114,857,130**	**$117,616,210**	**-4.2%**

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

EXPENDITURE COMPARISON - ALL FUNDS

Fund No.	Fund Name	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget	% Change from 03/04
	GENERAL FUND						
1010	General Fund	$67,748,750	$71,069,540	$71,245,050	$70,943,540	**$75,623,890**	6.1%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	22,969,820	23,228,960	22,400,450	22,813,290	**24,124,720**	7.7%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	6,158,480	10,005,720	12,122,430	11,383,610	**5,842,050**	-51.8%
2030	Local Road Fund	2,086,400	2,463,020	3,810,310	3,629,320	**3,790,060**	-0.5%
2440	Land & Water Conservation Fund	654,420	727,390	827,360	856,660	**362,000**	-56.2%
2550	Economic Development Corp. Fund	6,300	2,710	9,000	4,700	**9,000**	0.0%
2560	Brownfield Redevelopment Fund	18,030	13,060	12,100	5,600	**9,250**	-23.6%
2780	Comm. Develop. Block Grant Fund	695,240	478,360	1,241,500	1,234,200	**828,000**	-33.3%
	Total Special Revenue Funds	**9,618,870**	**13,690,260**	**18,022,700**	**17,114,090**	**10,840,360**	**-39.9%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,464,000	1,473,700	1,872,530	1,872,530	**1,431,410**	-23.6%
3050	R, S & T Debt Service Fund	2,087,880	1,462,370	1,114,900	1,114,900	**1,098,100**	-1.5%
3160	Settlement Bonds Debt Fund	0	0	0	0	**1,715,000**	100.0%
3270	Road Bond Debt Retirement Fund	2,696,660	7,838,490	5,856,170	5,856,170	**2,523,190**	-56.9%
3690	Building Authority Receiving Fund	1,058,240	683,170	2,691,790	2,691,210	**642,150**	-76.1%
	Total Debt Service Funds	**7,306,780**	**11,457,730**	**11,535,390**	**11,534,810**	**7,409,850**	**-35.8%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	7,819,850	5,276,950	8,393,330	7,832,250	**2,698,980**	-67.8%
4280	Road Bond Construction Fund	2,862,120	762,890	7,547,820	396,000	**7,880,000**	4.4%
	Total Capital Project Funds	**10,681,970**	**6,039,840**	**15,941,150**	**8,228,250**	**10,578,980**	**-33.6%**
	Total Expenditures	**118,326,190**	**125,486,330**	**139,144,740**	**130,633,980**	**128,577,800**	**-7.6%**
	Duplicating Transfers	**(12,350,570)**	**(8,827,280)**	**(5,575,800)**	**(5,575,800)**	**(5,617,850)**	**0.8%**
	Total All Funds	**$105,975,620**	**$116,659,050**	**$133,568,940**	**$125,058,180**	**$122,959,950**	**-7.9%**

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

YEAR-END UNAPPROPRIATED
FUND BALANCE COMPARISON - ALL FUNDS

Fund No.	Fund Name	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget	% Change from 03/04
	GENERAL FUND						
1010	General Fund	$17,835,960	$18,222,080	$18,153,780	$19,499,770	**$17,153,470**	-5.5%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	750,000	750,000	750,000	750,000	**750,000**	0.0%
2020	Major Road Fund	10,820,550	7,420,670	1,288,240	1,937,060	**2,180,010**	69.2%
2030	Local Road Fund	2,388,690	2,343,620	1,150,560	1,353,420	**819,910**	-28.7%
2440	Land & Water Conservation Fund	1,360,280	1,345,510	566,150	526,850	**178,850**	-68.4%
2550	Economic Development Corp. Fund	13,180	15,660	6,860	11,100	**2,260**	-67.1%
2560	Brownfield Redevelopment Fund	7,990	10,120	1,300	7,820	**1,960**	50.8%
2780	Comm. Dev. Block Grant Fund	0	16,560	16,560	0	**0**	0.0%
	Total Special Revenue Funds	**15,340,690**	**11,902,140**	**3,779,670**	**4,586,250**	**3,932,990**	**4.1%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	37,560	8,030	11,070	7,070	**7,070**	-36.1%
3050	R, S & T Debt Service Fund	17,030	6,490	6,490	2,780	**2,780**	-57.2%
3160	Settlement Bonds Debt Fund	0	0	0	0	**0**	0.0%
3270	Road Bond Debt Retirement Fund	482,690	262,180	241,870	239,870	**181,540**	-24.9%
3690	Building Authority Receiving Fund	8,240	770	2,870	2,960	**1,960**	-31.7%
	Total Debt Service Funds	**545,520**	**277,470**	**262,300**	**252,680**	**193,350**	**-26.3%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	5,341,870	4,377,370	2,477,410	2,159,430	**2,085,430**	-15.8%
4280	Road Bond Construction Fund	287,080	395,010	0	0	**0**	0.0%
	Total Capital Project Funds	**5,628,950**	**4,772,380**	**2,477,410**	**2,159,430**	**2,085,430**	**-15.8%**
	Unappropriated Total - All Funds	**$39,351,120**	**$35,174,070**	**$24,673,160**	**$26,498,130**	**$23,365,240**	**-5.3%**

Note: The Water & Sewer Operating Fund retained earnings are not shown as the audit shows only total Water & Sewer Funds retained earnings.

General Fund

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

The services provided include City Administration, Parks & Recreation, Police and Fire Protection, Public Works, City Development, Public Library, Community and Information Services and the 41-A District Court.

The primary source of revenue to fund these services is local property taxes generated annually and supplemented by state shared revenues.

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.

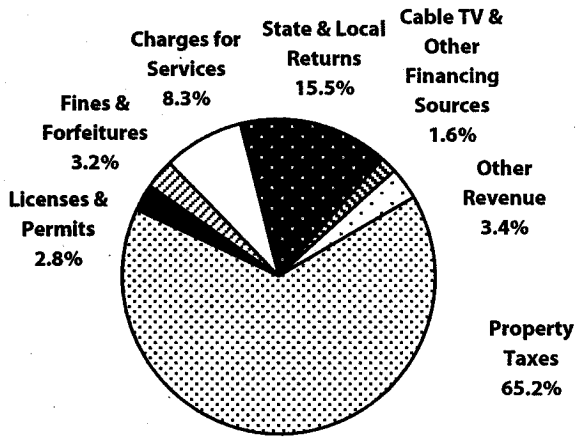
How the City Allocates Its Money

2004/05 General Fund Budget: $75.6 million $599 per resident

The financial information presented here is intended to provide City residents with general information about how the City's revenue is utilized. Detailed information can be found in the City's award winning budget document. As you will note, nearly 65% of the dollars spent are for Police & Fire protection and Public Works services including Refuse Collection. The City's General Fund Budget of $75.6 million equates to $599 spent per resident.

$24.5 million	$13.6 million	$10.6 million	$7.5 million	$5.3 million	$4.6 million	$2.5 million	$2.5 million	$2.3 million	$2.2 million
		$5.2 million Refuse Collection							
$194 per resident	$107 per resident	$84 per resident	$60 per resident	$42 per resident	$36 per resident	$20 per resident	$20 per resident	$18 per resident	$18 per resident
Police Department	Fire Department	Public Works Department	City Admin. Department	General Expenditures & Transfers	City Development Department	41-A District Court	Public Library Department	Community & Information Services	Parks & Recreation Department

Where The City Gets Its Revenue



TRENDS & SUMMARIES

The Trends & Summaries segment presents a synopsis of the General Fund's historical trends. Included is a multitude 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 we intend to go.

Graphs, tables and spreadsheets 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 the property tax you pay relates to the services you receive from the City of Sterling Heights? The average tax bill in the City is $1,216. Excluding businesses, the average homeowner pays $797 per year in City taxes. The purpose of this Benefit Statement is to show what the average homeowner is receiving for their tax dollar.

Average City Property Tax Per Parcel: *(based on 41,270 residential & business parcels)*	**$1,216**
Average Residential City Property Tax *(based on market value of $190,000, taxable value of $75,000)*	**$797**

The City of Sterling Heights spends an average of $1,902 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	$593	31%	$249
Fire Department	$329	17%	$138
Public Works & Refuse	$257	14%	$108
City Administration Department	$182	10%	$76
General Expenditures & Transfers	$129	7%	$54
City Development Department	$111	6%	$46
41-A District Court	$69	4%	$29
Debt Service	$61	3%	$26
Public Library Department	$60	3%	$25
Comm. & Information Services	$56	3%	$24
Parks & Recreation	$55	3%	$23
Total Per Parcel	**$1,902**	**100%**	**$797**

Because the average amount of residential property tax that the City receives is only $797, 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.

MILLAGE RATES FOR CITY RESIDENTS
(UTICA COMMUNITY SCHOOLS)

Taxing Entity	2000/01	2001/02	2002/03	2003/04	2004/05*
Tax Rate Shown in Mills					
Utica Community Schools	9.500	9.500	9.500	8.500	**9.500**
Macomb County Government	4.207	4.206	4.206	4.206	**4.206**
Macomb Community College	1.514	1.671	1.693	1.586	**1.586**
Macomb Intermediate School District	2.021	2.003	2.986	2.973	**2.973**
Huron Clinton Metro Authority	0.220	0.219	0.217	0.216	**0.216**
S.M.A.R.T.	0.327	0.324	0.600	0.597	**0.597**
Property Tax Administration Fee	0.095	0.095	0.098	0.068	**0.068**
STERLING HEIGHTS CITY GOVERNMENT	10.720	10.650	10.630	10.625	**10.625**
Total Millage Rates	**$28.605**	**$28.667**	**$29.929**	**$28.771**	**$29.771**
Avg. Residential Taxable Property Value	$63,000	$66,000	$69,000	$72,000	**$75,000**
Average Tax Rates Shown in Dollars					
Utica Community Schools	$599	$627	$656	$612	**$713**
Macomb County Government	265	278	290	303	**315**
Macomb Community College	95	110	117	114	**119**
Macomb Intermediate School District	127	132	206	214	**223**
Huron Clinton Metro Authority	14	14	15	16	**16**
S.M.A.R.T.	21	21	41	43	**45**
Property Tax Administration Fee	6	6	7	5	**5**
STERLING HEIGHTS CITY GOVERNMENT	675	703	733	765	**797**
Total Dollars	**$1,802**	**$1,892**	**$2,065**	**$2,071**	**$2,233**

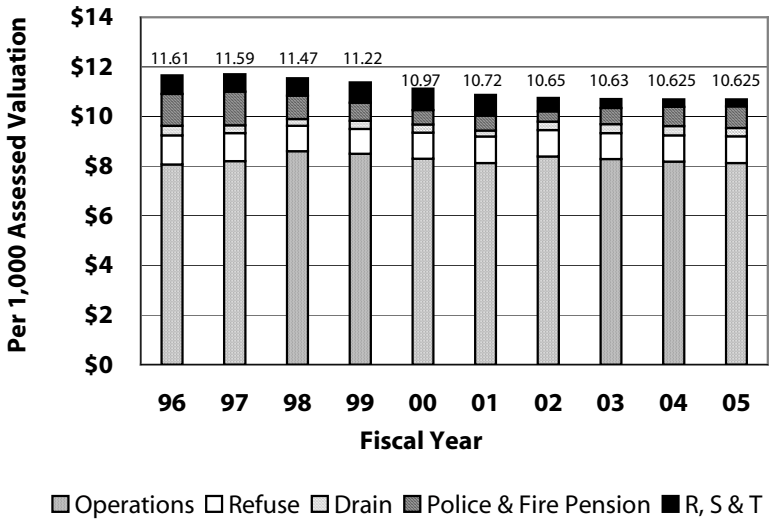
(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2000/01	2001/02	2002/03	2003/04	2004/05*
Tax Rate Shown in Mills					
Warren Consolidated Schools	14.816	16.147	16.963	15.681	**16.681**
Macomb County Government	4.207	4.206	4.206	4.206	**4.206**
Macomb Community College	1.514	1.671	1.693	1.586	**1.586**
Macomb Intermediate School District	2.021	2.003	2.986	2.973	**2.973**
Huron Clinton Metro Authority	0.220	0.219	0.217	0.216	**0.216**
S.M.A.R.T.	0.327	0.324	0.600	0.597	**0.597**
Property Tax Administration Fee	0.048	0.060	0.050	0.050	**0.050**
STERLING HEIGHTS CITY GOVERNMENT	10.720	10.650	10.630	10.625	**10.625**
Total Millage Rates	**$33.873**	**$35.279**	**$37.344**	**$35.934**	**$36.934**
Avg. Residential Taxable Property Value	$63,000	$66,000	$69,000	$72,000	**$75,000**
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	$933	$1,066	$1,170	$1,129	**$1,251**
Macomb County Government	265	278	290	303	**315**
Macomb Community College	95	110	117	114	**119**
Macomb Intermediate School District	127	132	206	214	**223**
Huron Clinton Metro Authority	14	14	15	16	**16**
S.M.A.R.T.	21	21	41	43	**45**
Property Tax Administration Fee	3	4	3	4	**4**
STERLING HEIGHTS CITY GOVERNMENT	675	703	733	765	**797**
Total Dollars	**$2,134**	**$2,328**	**$2,577**	**$2,587**	**$2,770**

***Non-City tax rates are estimated. School rates are for Homestead residents only.**

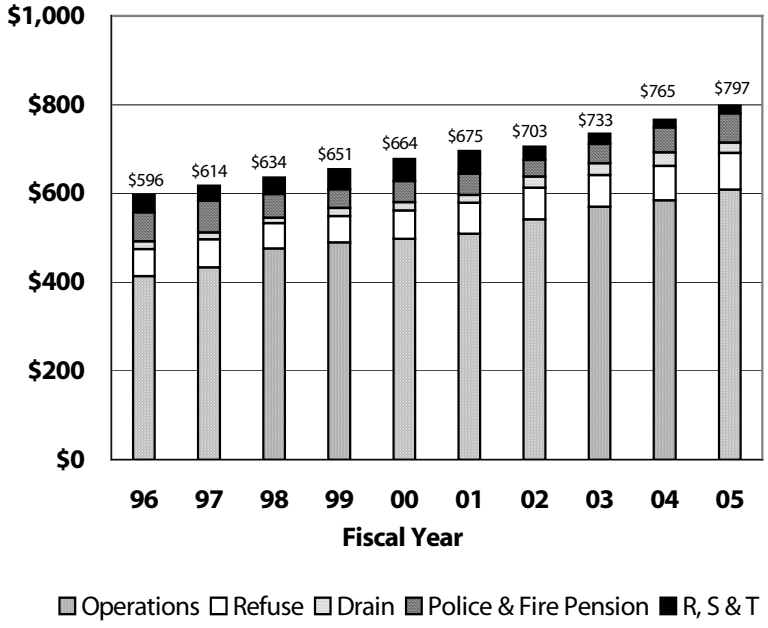
Totals may not foot due to rounding.

City of Sterling Heights
Millage Rates



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

Average City Taxes Paid

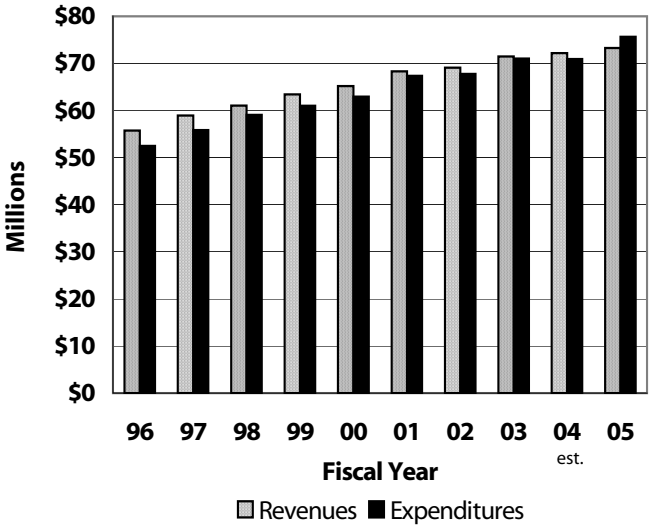


This graph represents the amount of City taxes paid by homeowners with an average taxable value.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

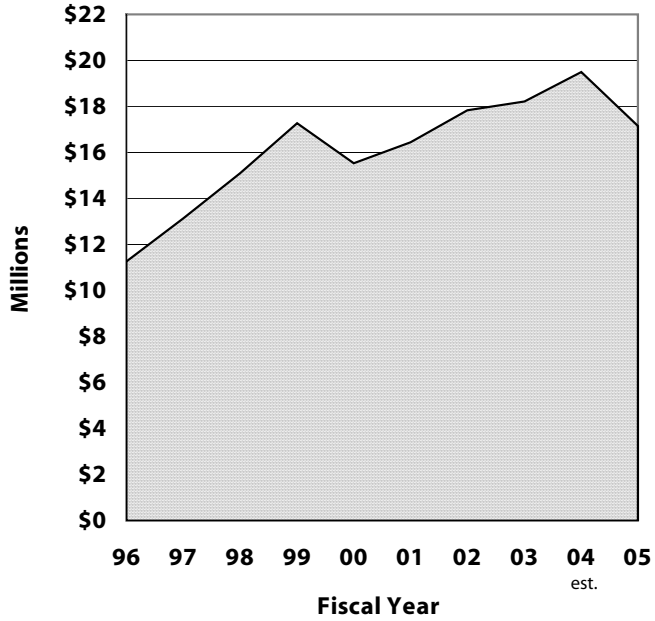
Budgetary Centers	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
REVENUES						
City Operating Taxes	$35,388,730	$36,518,390	$37,548,410	$37,573,410	$38,989,670	**$38,370,310**
Licenses & Permits	1,916,540	2,036,860	1,926,470	2,292,130	2,046,570	**2,046,570**
State and Local Returns	13,941,790	13,365,310	11,174,350	12,006,190	11,340,890	**11,340,890**
Fines & Forfeitures	2,299,390	2,295,660	2,275,190	2,380,100	2,315,600	**2,315,600**
Charges For Services	5,514,850	5,874,790	5,780,550	6,096,460	6,089,620	**6,089,620**
Other Revenue	2,721,970	2,820,370	2,755,440	2,261,600	2,508,740	**2,508,740**
Cable Revenue	1,302,180	1,120,770	1,180,000	1,075,000	1,100,000	**1,100,000**
Refuse Tax	4,377,640	4,640,530	4,883,640	4,883,640	5,219,670	**5,219,670**
Fire & Police Pension Tax	1,634,440	2,747,980	3,565,590	3,565,590	4,204,830	**4,204,830**
Total Revenue	**69,097,530**	**71,420,660**	**71,089,640**	**72,134,120**	**73,815,590**	**73,196,230**
Other Financing Sources						
Transfers In	35,000	35,000	87,110	87,110	81,360	**81,360**
Total Revenue & Sources	**$69,132,530**	**$71,455,660**	**$71,176,750**	**$72,221,230**	**$73,896,950**	**$73,277,590**
EXPENDITURES						
City Administration Department	$6,324,110	$6,707,790	$7,234,560	$7,148,510	$7,509,030	**$7,509,030**
Parks & Recreation Department	2,030,270	2,161,920	2,164,690	2,177,830	2,250,310	**2,250,310**
Police Department	18,933,640	21,839,770	22,674,010	22,578,270	24,493,220	**24,493,220**
Fire Department	10,148,090	12,017,540	12,541,350	12,654,910	13,559,300	**13,559,300**
City Development Department	3,793,730	4,197,220	4,414,020	4,364,040	4,574,600	**4,574,600**
Public Works Department	4,804,630	4,920,640	5,166,700	5,092,730	5,384,570	**5,384,570**
Refuse Collection	4,373,220	4,658,800	4,883,640	4,893,950	5,219,670	**5,219,670**
Public Library Department	2,170,150	2,285,890	2,343,140	2,347,810	2,481,780	**2,481,780**
Community & Info. Services Dept.	1,877,610	2,025,920	2,164,750	2,128,520	2,328,510	**2,328,510**
41-A District Court	2,113,290	2,173,820	2,356,180	2,311,070	2,497,280	**2,497,280**
General Expenditures	2,527,590	2,665,340	2,936,340	2,880,230	2,967,990	**2,967,990**
Total Expenditures	**59,096,330**	**65,654,650**	**68,879,380**	**68,577,870**	**73,266,260**	**73,266,260**
Other Financing Uses						
Transfers Out	8,652,420	5,414,890	2,365,670	2,365,670	2,357,630	**2,357,630**
Total Expenditures & Uses	**$67,748,750**	**$71,069,540**	**$71,245,050**	**$70,943,540**	**$75,623,890**	**$75,623,890**
Excess of Revenues Over (Under) Expenditures	**1,383,780**	**386,120**	**(68,300)**	**1,277,690**	**(1,726,940)**	**(2,346,300)**
Beginning Fund Balance	**16,452,180**	**17,835,960**	**18,222,080**	**18,222,080**	**19,499,770**	**19,499,770**
Residual Equity Transfer	**0**	**0**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$17,835,960**	**$18,222,080**	**$18,153,780**	**$19,499,770**	**$17,772,830**	**$17,153,470**

General Fund
Revenues vs. Expenditures



The data presented plots revenues vs. expenditures for the General Fund in millions of dollars. This graph excludes fund balance and includes all transfers.

General Fund
Fund Balance



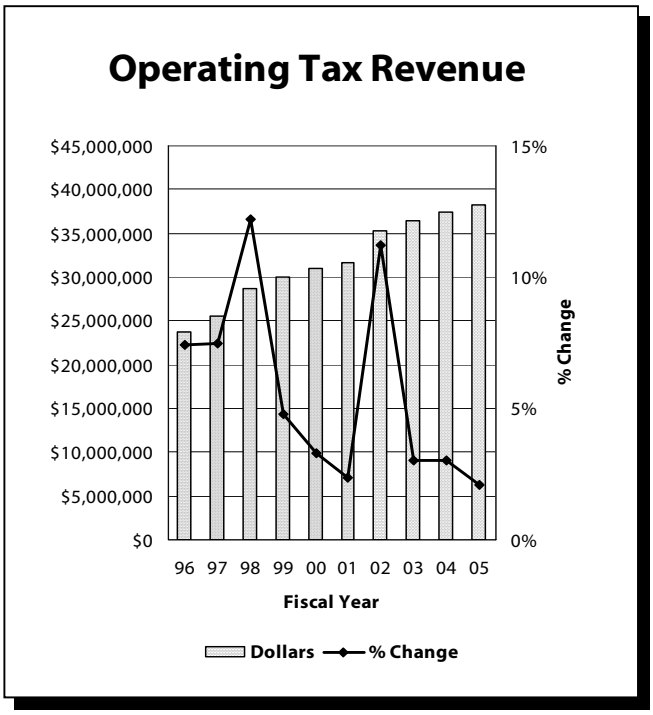
This graph illustrates the cumulative result of excess revenues over expenditures in the General Fund.

CITY TAXES

The City's major source of revenue is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the assessed property valuation of industrial, commercial, and residential parcels, both real and personal property. This valuation is called the TV – Taxable Valuation. The second variable is the application of a specific tax levy for General Operations. If either of these variables increase or decrease, a relative change to the City tax revenue will be experienced.

Over the past ten years, the percentage change in Operating Tax revenues has continually varied from year to year. In most fiscal years, revenues increased less than 5% due to growth in the assessed value and a changing millage rate. In 1998, operating revenue jumped 12.2% due to an increase in the operating millage rate to pay for additional capital equipment, vehicles, and projects.

In the 2004/05 Budget, Operating City tax revenue represents 52.3% of total revenue sources, an increase of $801,900 or 2.1% over the amount estimated to be collected in 2004. The City's Taxable Valuation (TV) has increased by 3.4% due to new construction and only a 2.3% valuation adjustment on existing property.



The General Operations tax levy for the 2004/05 fiscal year is 8.096 mills per $1,000 Taxable Value.

The City's total tax rate remains the same at 10.625 mills and continues to be at its lowest level in 31 years. The operating millage rate of 8.096 mills decreased by 0.10 mills and continues to be below the 12.0 millage rate limit established by City Charter and below the 10.8395 Headlee maximum allowable levy.

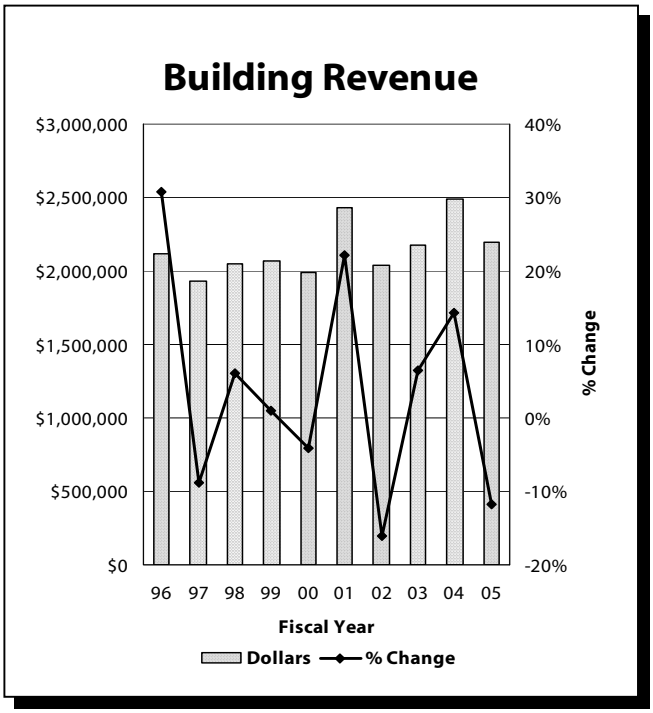
LICENSES AND PERMITS

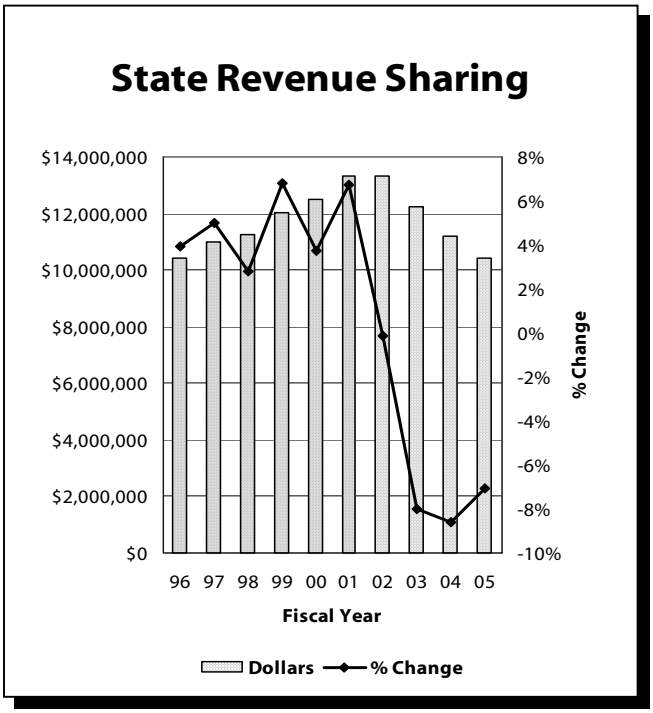
The revenue source of Licenses and Permits represents fees charged by City offices to individuals and businesses that allow for the building of new structures as well as improvements made to existing structures. New structures that require permits include garages, sheds, decks, porches, and buildings.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

For most of the past ten years, building revenue has remained relatively constant. Building revenue increased in 2001 and 2004 due primarily to building fees from large one-time developments including renovations to Lakeside Mall and the expansion of the Detroit News plant.

In the 2004/05 Budget, License and Permit revenues represent 2.8% of total revenue sources, a decrease of $245,560 or 10.7% below what we estimate receiving in 2004. The modest decrease in this revenue is due to a slowing of growth in building related activity in the City and fewer large developments, offset by a revised building fee schedule.

General Fund Revenues





STATE AND LOCAL RETURNS

Another major source of revenue to the City is State & Local returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major source in this revenue category is from State Revenue Sharing. These revenue sharing distributions, made by the State to communities in Michigan from sales tax receipts, are distributed based on formulas determined by the State. These formulas take into consideration population and government type, tax rate, and taxable values per capita.

Between 1996 and 2001, revenue growth was between 3% and 7% per year due to growth in the State's economy. Since 2002 however, due to a declining economy and State budget reductions, the amount the City has received has fallen dramatically.

In the 2004/05 Budget, State & Local Return revenues represent 15.5% of total revenue sources, a decrease of $665,300 or 5.5% below what we estimate receiving in 2004. The decrease is primarily due to a 7.1% estimated drop in State Revenue Sharing dollars.

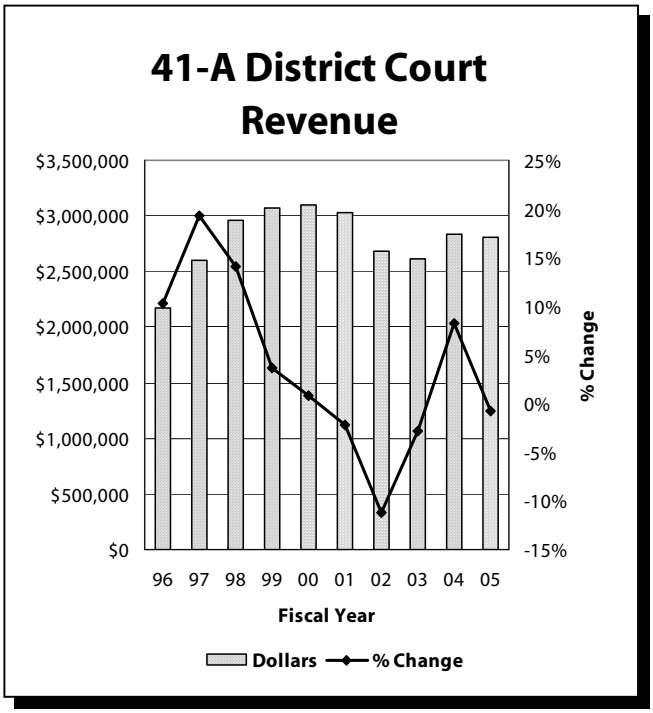
FINES & FORFEITURES

Fines and Forfeiture revenues are comprised of payments made by individuals, businesses and/or corporations who 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 in the late 1990's due to a younger, more aggressive police force and ticketing of local traffic violations. Revenues reached a high of $3.1 million in 2000.

In the 2004/05 Budget, Fines & Forfeiture revenues represent 3.2% of total revenue sources, a decrease of $64,500 or 2.7% below what we estimate receiving in 2004. 41-A District Court revenues are projected to decrease by 0.8% next fiscal year.

No Drug Forfeiture revenue is budgeted, as the City will amend the budget when the actual drug forfeiture receipts and expenditures are realized.



OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt as a result of planned General Fund acquisition by the City. Also included in this revenue center are transfers into the General Fund from other City funds.

In the 2004/05 Budget, there are no planned General Fund purchases to be financed using long-term debt.

The 2004/05 Transfer from the Community Development Block Grant revenue account is used to partially reimburse the General Fund for the Handicapped Recreation expenditures in the Parks & Recreation Department and for partial reimbursement of the CDBG Specialist personnel costs. The transfer amount for the 2004/05 fiscal year is $81,360.

In the 2004/05 Budget, total revenues generated from Other Financing Sources represent 0.1% of total revenue sources.

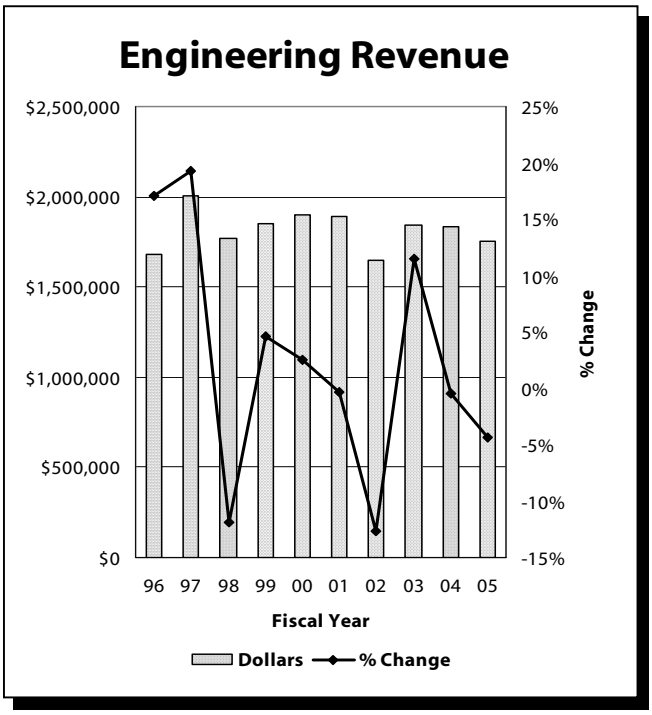
CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, schools, businesses, and other City funds. These monies reimburse the General Fund for services provided by General Fund offices.

The primary revenue accounts within this revenue center include Property Tax Administration Fees, Water & Sewer and Local Road Fund cross-charges for services rendered by General Fund offices, and Engineering inspection and design and Building review charges.

Trends show that Engineering revenue has ranged between $1.6 million and $2.0 million per year for the past ten years.

In the 2004/05 Budget, Charges for Services revenues represent 8.3% of total revenue sources, a slight decrease of $6,840 or 0.1% below what we estimate receiving in 2004. Several revenue cross-charges increased slightly, offset somewhat by a 4.4% decline in anticipated Engineering revenues.



OTHER REVENUE

Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center is Interest on Investments, Rental Income from different sources, Special Assessment Revenue, and Police Auction Revenues.

Investment Income rose from 1996 to 2000 as the City's General Fund reserves grew. Since 2000, Interest Income revenues have fallen due to declining interest rates. In 2004, revenues decline due to a one-time $250,000 accounting correction of a prior year entry.

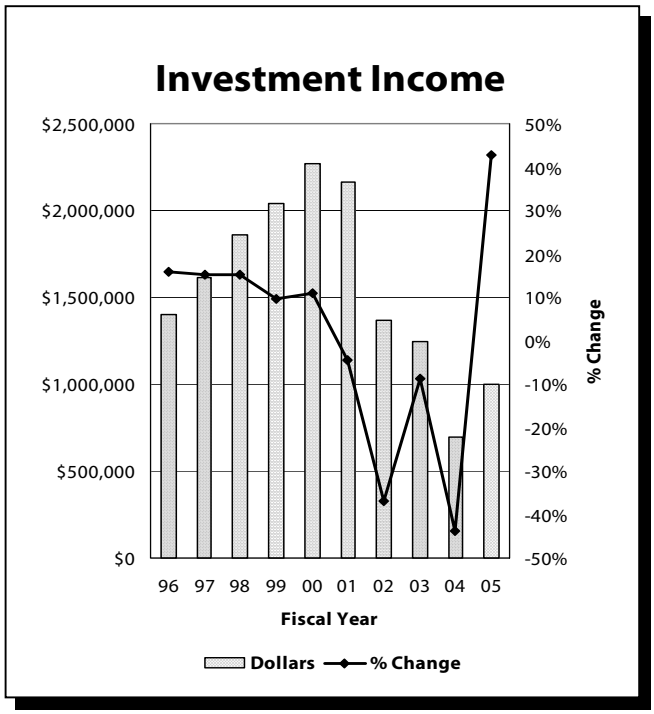
In the 2004/05 Budget, Other Revenues represent 3.4% of total revenue sources, an increase of $247,140 or 10.9% above what we estimate receiving in 2004. Interest on Investments revenue is estimated to increase by $300,000. Despite a slight increase in reserves the past several years, the interest rate in which the City invests its excess funds has fallen dramatically.

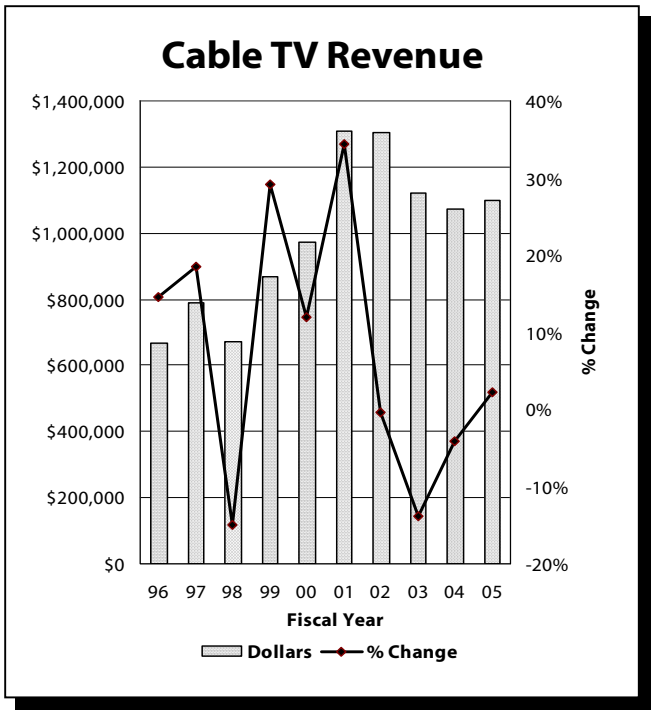
CABLE TV REVENUE

Cable Television Revenues are received from Comcast and Wide Open West (WOW) as franchise fees required by the cable franchise agreements between these companies and the City of Sterling Heights.

Cable Revenue has climbed steadily most years since 1996, except for years when the City received one-time only payments as set in the franchise agreements. Beginning in 2003, due to a court ruling, cities will no longer be allowed to collect franchise fees on cable modem charges to customers.

In the 2004/05 Budget, Cable TV Revenues represent 1.5% of total revenue sources, an increase of $25,000 or 2.3% above what we estimate receiving in 2004.



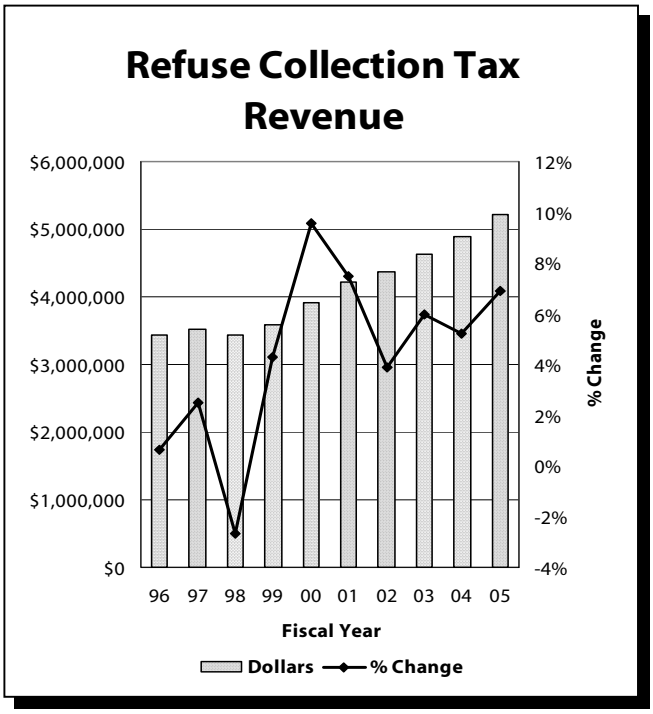


REFUSE TAX

Another significant source of revenue to the City of Sterling Heights is Refuse Tax. As was discussed earlier, this revenue calculation is based on the relationship between two variables. The Refuse taxes strike a balance between the projected expenditures for refuse collection and the taxable valuation to determine an ad valorem tax levy.

Revenues generated by the refuse collection levy are used for the purpose of the collection and removal of garbage and trash. The refuse collection millage rate is adjusted annually to cover the projected cost of the Refuse activity.

The historical trend of both increases and decreases is a direct result of refuse collection contract costs.



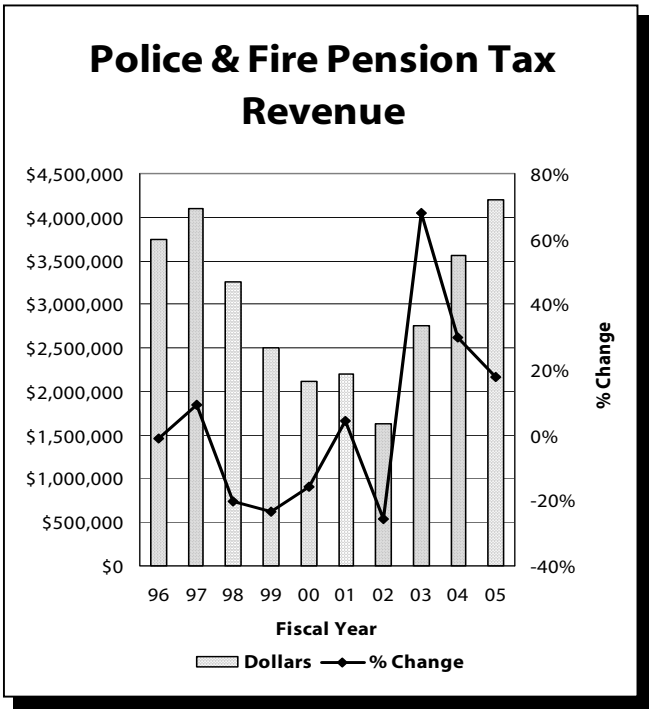
In the 2004/05 Budget, Refuse Tax represents 7.1% of total revenue sources, an increase of $336,030 or 6.9% above what we estimate collecting in 2004. The increase is a result of higher refuse collection and disposal fees from the refuse collection contract and because of additional homes in the City to service.

The Refuse Tax levy for the 2004/05 fiscal year is 1.105 mills per $1,000 Taxable Value, an increase of 0.035 mills above the 2003/04 adopted levy.

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 projected costs of Police & Fire pensions. By dividing these projected expenditures by the 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.

The revenue increased in the mid 1990's due to higher pension expenditures recommended by the City's actuarial study. From 1998 to 2002, savings resulted due to changes in the actuarial assumptions, lower wage increases, employee turnover, and higher market returns on pension plan assets. For the past three years, our costs have again risen due to an under-performing stock market.



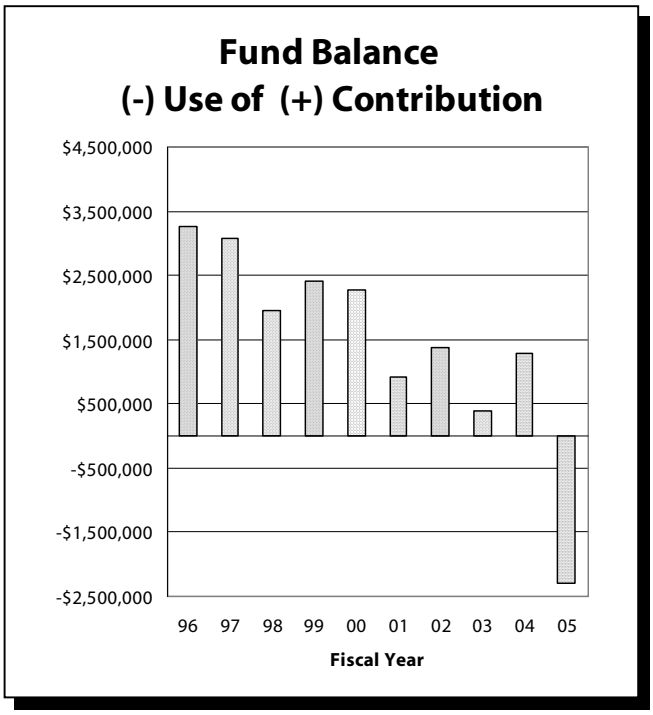
In the 2004/05 Budget, Police & Fire Pension Tax represents 5.7% of total revenue sources, an increase of $639,240 or 17.9% above what we estimate collecting in 2004. An actuarial study has concluded that the City's contribution to the pension system must increase to offset higher wages and recent lower investment returns in the pension system due to a decline in the stock market.

The Police & Fire Pension Tax levy for the 2004/05 fiscal year is 0.89 mills per $1,000 Taxable Value, an increase of 0.109 mills above the 2003/04 adopted levy.

USE OF FUND BALANCE

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

Since 1996, the City has contributed to Fund Balance reserves for nine consecutive years.



In the 2004/05 Budget, a $2.3 million use of fund balance is anticipated. It is estimated that the City will contribute $1.3 million to fund balance in the 2003/04 fiscal year.

OTHER CITY TAXES

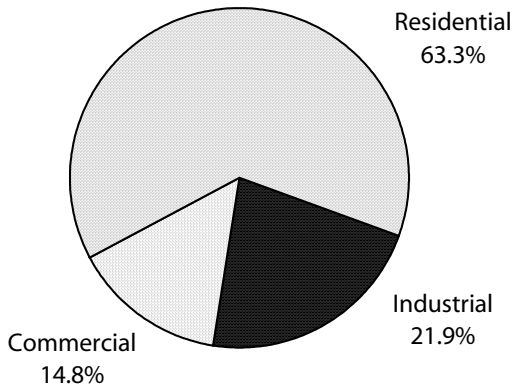
There are also two debt property tax millages levied by the City that are not received in the City's General Fund. They are recorded in the Debt Service Funds.

The Drain millage of 0.302 is 0.035 mills less than what was levied in 2003/04. It is used to repay principal and interest on bonds sold to finance drain construction. The drain millage rate decreased slightly as a result of lower drain debt payments.

The R, S & T millage rate of 0.232 mills has decreased by 0.009 mills. This levy is used to repay debt payments on City road construction projects. No Proposal T millage is needed as all outstanding debt was retired in the 1996/97 fiscal year. In addition, Proposal S debt was paid off in the 2001/02 fiscal year. The last remaining Proposal R bond was sold in the 1998/99 fiscal year.

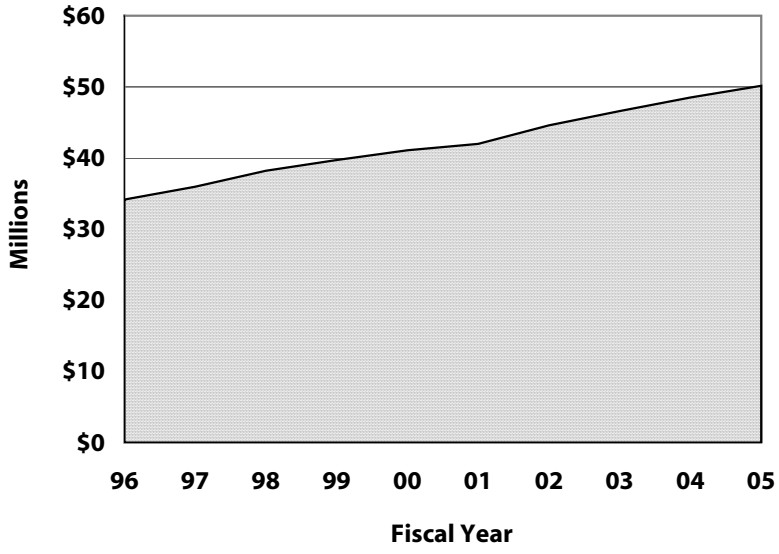
The City is again not levying a millage rate for the 1996 voter approved $2.4 million Proposal N neighborhood street repair program. The City's General Fund and Local Road Fund will split the cost of these improvements without an additional new tax levy.■

City of Sterling Heights
Share of Taxes



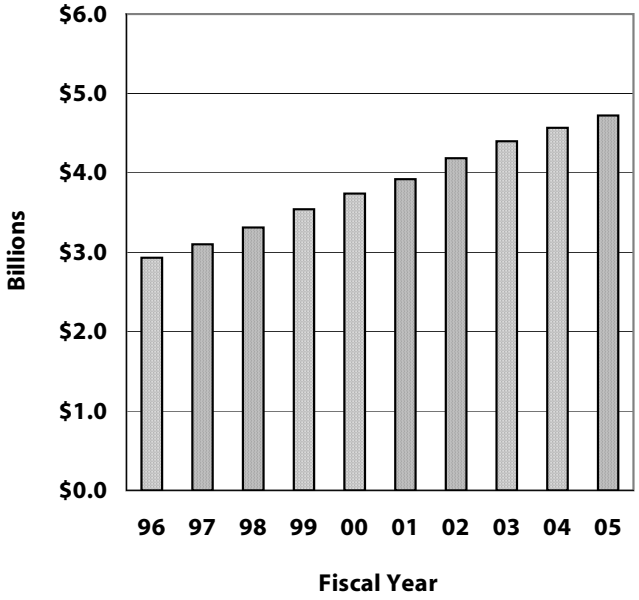
This graph illustrates the assessed value of property in the City as a percent by customer class.

Property Tax Revenues
Total City



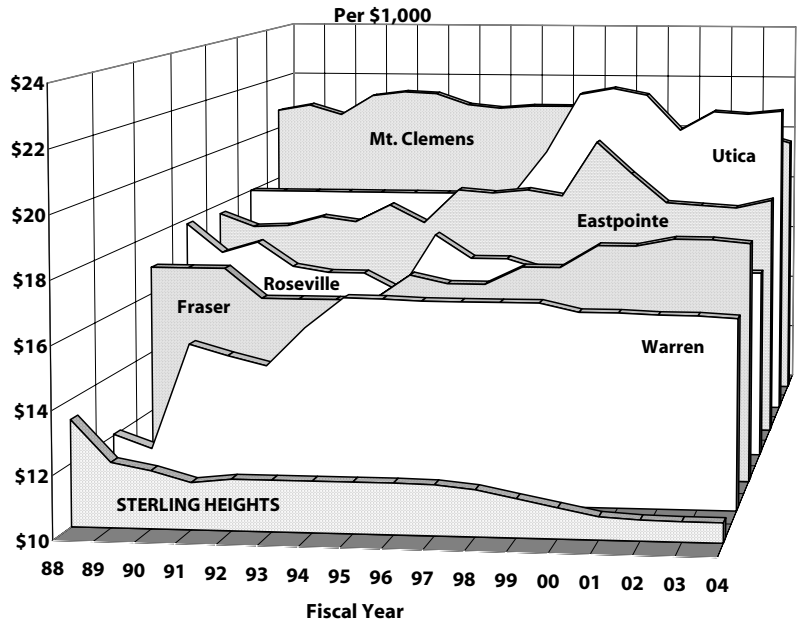
This graph is based on City Tax, Refuse Tax, Police & Fire Pension Tax, Proposal R, S & T Tax, and General Drain Tax. It reflects property tax revenues in millions of dollars.

Property Value Assessments
(Taxable Value - 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.

Comparable Tax Rates of
Surrounding Macomb County Cities



This graph illustrates the taxes levied by Macomb County cities for the past 17 years.

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	2002-2003 Actual %	2003-2004 Budget Dollars	2003-2004 Budget %	2004-2005 Budget Dollars	2004-2005 Budget %
	TAXES						
404000	City Operating Tax	$36,346,986	50.87	$37,423,410	52.58	**$38,225,310**	**52.17**
415000	Delinquent Personal Property Tax	103,806	0.15	65,000	0.09	**80,000**	**0.11**
445000	Penalties & Interest	67,601	0.09	60,000	0.08	**65,000**	**0.09**
	Total Taxes	**36,518,393**	**51.11**	**37,548,410**	**52.75**	**38,370,310**	**52.36**
	LICENSES & PERMITS						
451000	Business Operating License	5,721	0.01	7,500	0.01	**7,500**	**0.01**
452000	Mobile / Temporary Vendor	4,719	0.01	4,900	0.01	**5,000**	**0.01**
453000	Liquor License	59,817	0.08	65,000	0.09	**67,500**	**0.09**
454000	Vending/Amusement Device Fee	17,676	0.02	17,000	0.02	**17,500**	**0.02**
461000	Electrical Registration & Permits	315,762	0.44	320,000	0.45	**325,000**	**0.44**
462000	Heating Registration & Permits	330,912	0.46	320,000	0.45	**330,000**	**0.45**
463000	Plumbing Registration & Permits	292,962	0.41	280,000	0.39	**300,000**	**0.41**
464000	Sign Registration & Permits	28,684	0.04	26,000	0.04	**30,000**	**0.04**
470000	Building Registration & Permits	935,776	1.31	850,000	1.19	**925,000**	**1.26**
470001	Building Contractors Registration	5,917	0.01	0	0.00	**0**	**0.00**
471000	Fence Permits	8,212	0.01	7,000	0.01	**8,000**	**0.01**
473000	Pool Permits	100	0.00	0	0.00	**0**	**0.00**
476000	Miscellaneous Permits	0	0.00	70	0.00	**70**	**0.00**
477000	Fire Suppression Permits	12,532	0.02	13,000	0.02	**13,000**	**0.02**
478000	Animal Permits	18,074	0.03	16,000	0.02	**18,000**	**0.02**
	Total Licenses & Permits	**2,036,864**	**2.85**	**1,926,470**	**2.71**	**2,046,570**	**2.79**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	200,098	0.28	0	0.00	**43,000**	**0.06**
539002	State Grants	0	0.00	0	0.00	**137,920**	**0.19**
539302	Criminal Justice Training	40,020	0.06	37,000	0.05	**35,000**	**0.05**
539332	Dispatcher Training	5,715	0.01	6,000	0.01	**6,000**	**0.01**
543426	Emergency Services Assistance	51,159	0.07	31,000	0.04	**36,000**	**0.05**
544000	Drunk Driving Case Flow Assistance	0	0.00	23,000	0.03	**20,000**	**0.03**
545000	Drug Case Information Management	0	0.00	1,200	0.00	**800**	**0.00**
567001	State Aid - Library	103,324	0.14	75,000	0.11	**90,000**	**0.12**
569001	Judges Salary Stand Payments	137,172	0.19	137,170	0.19	**137,170**	**0.19**
574000	State Revenue Sharing	12,253,193	17.15	10,550,000	14.82	**10,400,000**	**14.19**
581001	Municipal Credit Transportation	365,350	0.51	98,980	0.14	**230,000**	**0.31**
583000	Macomb Auto Theft Squad - Grant	65,331	0.09	70,000	0.10	**70,000**	**0.10**
585000	Drug Enforce. Admin - Federal	15,809	0.02	10,000	0.01	**10,000**	**0.01**
587001	County Contrib-Library Penal Fines	128,136	0.18	135,000	0.19	**125,000**	**0.17**
	Total State & Local Returns	**13,365,307**	**18.70**	**11,174,350**	**15.70**	**11,340,890**	**15.48**
	FINES & FORFEITURES						
656001	Statute Costs	242,676	0.34	245,000	0.34	**0**	**0.00**
656003	Contempt Court Fines	54,600	0.08	58,000	0.08	**54,000**	**0.07**
656004	Ordinance Fines & Costs	1,440,916	2.02	1,500,000	2.11	**1,825,000**	**2.49**
656005	Municipal Civil Infractions	4,050	0.01	6,000	0.01	**4,000**	**0.01**
657001	Library Fines	60,256	0.08	55,000	0.08	**57,000**	**0.08**
658001	Bond Forfeitures	128,789	0.18	150,000	0.21	**125,000**	**0.17**
658002	Drug Forfeitures	132,329	0.19	25,520	0.04	**0**	**0.00**

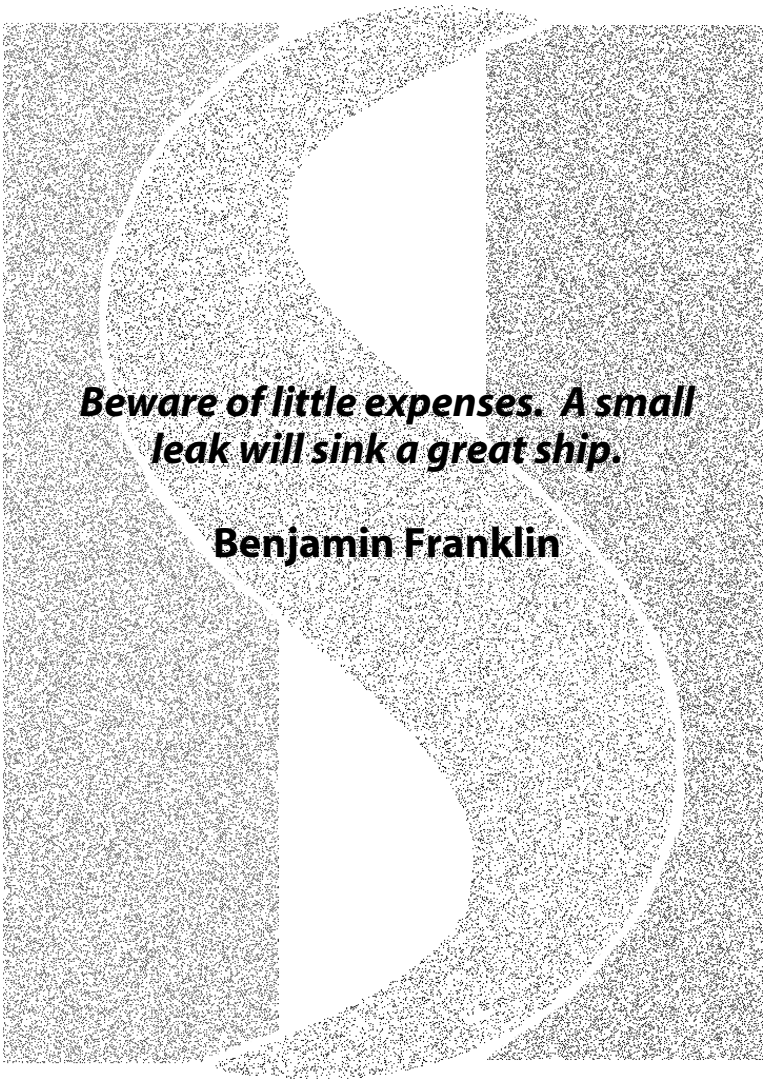
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
659001	Driver Reinstatement Fee	30,490	0.04	34,600	0.05	**50,000**	**0.07**
659002	Default Judgment Fee	195,930	0.27	195,000	0.27	**195,000**	**0.27**
659003	Crime Victim Rights Admin. Fee	5,511	0.01	6,000	0.01	**5,500**	**0.01**
659004	Forensic Administration Fee	30	0.00	50	0.00	**50**	**0.00**
659005	DNA Assessment Fee	84	0.00	20	0.00	**50**	**0.00**
	Total Fines & Forfeitures	**2,295,661**	**3.21**	**2,275,190**	**3.20**	**2,315,600**	**3.16**
	OTHER FINANCING SOURCES						
699278	Transfer From CDBG	35,000	0.05	87,110	0.12	**81,360**	**0.11**
	Total Other Financing Sources	**35,000**	**0.05**	**87,110**	**0.12**	**81,360**	**0.11**
	CHARGES FOR SERVICES						
603000	Court Filing Fee	78,805	0.11	70,000	0.10	**90,000**	**0.12**
603001	Jury Demand Fee	2,460	0.00	2,500	0.00	**2,000**	**0.00**
604000	Probation Oversight	213,470	0.30	195,000	0.27	**210,000**	**0.29**
605000	Garnishments - Filing Fee	47,010	0.07	40,000	0.06	**50,000**	**0.07**
606000	Split/Combination Fee	7,232	0.01	10,000	0.01	**11,000**	**0.02**
607000	Fire Permits, Fees, & Inspections	28,302	0.04	25,000	0.04	**30,000**	**0.04**
608000	Encroachment/Deviation Fees	2,128	0.00	2,700	0.00	**2,200**	**0.00**
609000	Mobile Home Tax	9,495	0.01	10,000	0.01	**10,000**	**0.01**
610000	Vital Statistics	24,381	0.03	24,000	0.03	**25,000**	**0.03**
611000	Attorney Fee Reimbursement	2,775	0.00	3,000	0.00	**8,000**	**0.01**
612000	Alcohol Assessment Fee	30,815	0.04	41,000	0.06	**30,000**	**0.04**
626000	Services - PTAF	446,919	0.63	365,000	0.51	**381,000**	**0.52**
627000	Water & Sewer Activity	762,560	1.07	838,720	1.18	**916,350**	**1.25**
627275	HAP Administrative Fee	13,814	0.02	13,000	0.02	**13,300**	**0.02**
627444	Administrative Services - Roads	218,338	0.31	214,000	0.30	**215,000**	**0.29**
627556	Admin Services-Water Distribution	176,402	0.25	204,510	0.29	**240,810**	**0.33**
627574	Admin Services-W&S Improv. Fund	29,235	0.04	17,000	0.02	**25,000**	**0.03**
627677	Administrative Services-Self Insurance	115,622	0.16	190,430	0.27	**203,640**	**0.28**
627732	Administrative Services-P&F Pension	6,599	0.01	4,500	0.01	**5,200**	**0.01**
628001	Voter Lists	1,728	0.00	1,000	0.00	**1,500**	**0.00**
629001	Labor Services - Roads	776,723	1.09	725,000	1.02	**750,000**	**1.02**
629002	Labor Services - Cross Charges	19,241	0.03	12,000	0.02	**15,000**	**0.02**
629003	Labor Services - Fleet Maintenance	75,965	0.11	75,000	0.11	**75,000**	**0.10**
631001	Police Service/Schools	21,264	0.03	30,000	0.04	**25,000**	**0.03**
632001	Inspection Services-Projects-Other	646,994	0.91	490,000	0.69	**525,000**	**0.72**
632002	Inspection Services-City Projects	383,697	0.54	550,000	0.77	**500,000**	**0.68**
632003	Engineering Review Fee	183,865	0.26	175,000	0.25	**180,000**	**0.25**
632004	Engineering & Design - Project	563,090	0.79	425,000	0.60	**475,000**	**0.65**
632005	Building Number Assignments	2,695	0.00	3,000	0.00	**5,000**	**0.01**
632006	SESC Review Fee	36,307	0.05	35,000	0.05	**38,000**	**0.05**
632007	SESC Inspection Fee	13,002	0.02	10,000	0.01	**10,000**	**0.01**
632008	Easement Vacation	605	0.00	340	0.00	**520**	**0.00**
632009	ROW Permit Fees	10,797	0.02	15,000	0.02	**17,000**	**0.02**
634001	Materials/Supplies Cross Charges	0	0.00	100	0.00	**100**	**0.00**
634003	Supplies & Gasoline Revenue	36,085	0.05	27,000	0.04	**32,000**	**0.04**
634004	Parts-Vehicle Maintenance	38,363	0.05	50,000	0.07	**50,000**	**0.07**

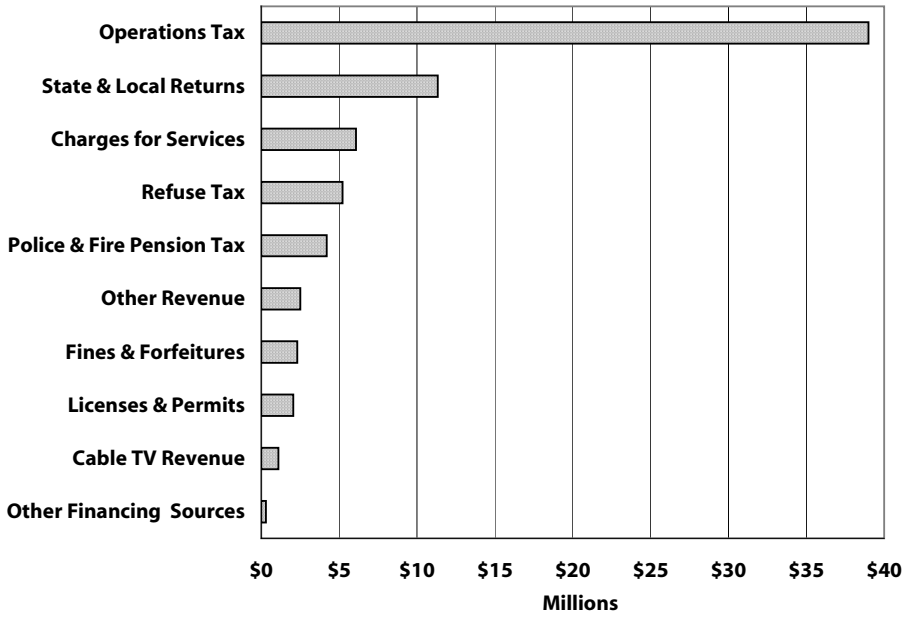
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
636000	Plan Review Fee	62,350	0.09	65,000	0.09	**65,000**	**0.09**
636001	Building Department Plan Review	230,362	0.32	235,000	0.33	**250,000**	**0.34**
637001	Copies & Forms	19,612	0.03	20,000	0.03	**20,000**	**0.03**
637002	Maps	2,369	0.00	2,750	0.00	**2,500**	**0.00**
637003	Police Reports	61,181	0.09	65,000	0.09	**68,000**	**0.09**
637005	Fire Reports	832	0.00	1,000	0.00	**800**	**0.00**
637006	PBT User Fee	0	0.00	0	0.00	**6,000**	**0.01**
638000	Application Fees	5,650	0.01	6,000	0.01	**8,000**	**0.01**
639001	Parks & Recreation Fees	365,144	0.51	380,000	0.53	**390,000**	**0.53**
640001	5% Cash Deposit	6,385	0.01	7,000	0.01	**7,000**	**0.01**
640002	Weed Cutting	73,788	0.10	85,000	0.12	**85,000**	**0.12**
640003	Board of Zoning Appeals Fees	14,636	0.02	14,000	0.02	**14,000**	**0.02**
640005	Ordinance Board of Appeals Fees	5,695	0.01	6,000	0.01	**5,700**	**0.01**
	Total Charges for Services	**5,874,787**	**8.22**	**5,780,550**	**8.12**	**6,089,620**	**8.31**
	OTHER REVENUE						
656006	Interpreter Fees	0	0.00	0	0.00	**5,000**	**0.01**
665000	Interest on Investments	1,258,495	1.76	1,250,000	1.76	**1,000,000**	**1.36**
665010	Contra - Interest on Investment	(10,846)	-0.02	0	0.00	**0**	**0.00**
667002	Rental Income - Utica Road	46,280	0.06	48,600	0.07	**51,000**	**0.07**
667003	Rental Income - DPS	122,400	0.17	128,520	0.18	**121,320**	**0.17**
667005	Rental - DPW - Impound Lot	32,500	0.05	30,000	0.04	**30,000**	**0.04**
667007	Rental - Universal Ambulance	2,640	0.00	2,880	0.00	**2,880**	**0.00**
667009	Rental - Towers	121,000	0.17	121,000	0.17	**121,000**	**0.17**
669001	Rental - Road Equipment	902,464	1.26	775,000	1.09	**825,000**	**1.13**
669002	Rental - Equipment - Cross Charges	25,864	0.04	14,000	0.02	**20,000**	**0.03**
672000	Special Assessment Revenue	4,551	0.01	4,550	0.01	**2,140**	**0.00**
673000	Sale of Fixed Assets	113	0.00	1,000	0.00	**500**	**0.00**
675000	Contributions & Donations	18,550	0.03	15,000	0.02	**10,000**	**0.01**
675001	Donations - Parks & Recreation	6,833	0.01	5,000	0.01	**5,000**	**0.01**
675002	Donations - Fire Department	5,245	0.01	100	0.00	**100**	**0.00**
675003	Art Fair Revenue	17,790	0.02	22,500	0.03	**20,000**	**0.03**
675290	Dare Donations - Police	15,907	0.02	5,000	0.01	**10,000**	**0.01**
676000	Reimbursements	82,689	0.12	83,290	0.12	**85,000**	**0.12**
676001	Reimbursements - Legal	17,664	0.02	15,000	0.02	**15,000**	**0.02**
679000	Police Auction	66,463	0.09	100,000	0.14	**75,000**	**0.10**
685000	Miscellaneous Revenue	35,486	0.05	30,000	0.04	**30,000**	**0.04**
685792	Miscellaneous Revenue - Library	4,776	0.01	4,000	0.01	**4,800**	**0.01**
687000	Refunds & Rebates	2,127	0.00	0	0.00	**0**	**0.00**
690000	O.U.I.L. Recovery	41,377	0.06	90,000	0.13	**60,000**	**0.08**
690002	Warrant Arrest Processing Fee	0	0.00	0	0.00	**5,000**	**0.01**
695000	Insurance Recovery	0	0.00	10,000	0.01	**10,000**	**0.01**
	Total Other Revenue	**2,820,368**	**3.95**	**2,755,440**	**3.87**	**2,508,740**	**3.42**
680000	Cable TV Revenue	1,120,768	1.57	1,180,000	1.66	**1,100,000**	**1.50**
405000	City Refuse Tax	4,640,527	6.49	4,883,640	6.86	**5,219,670**	**7.12**
406000	P&F Pension Tax	2,747,983	3.85	3,565,590	5.01	**4,204,830**	**5.74**
	Total General Fund Revenue	**$71,455,658**	**100.00**	**$71,176,750**	**100.00**	**$73,277,590**	**100.00**

Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

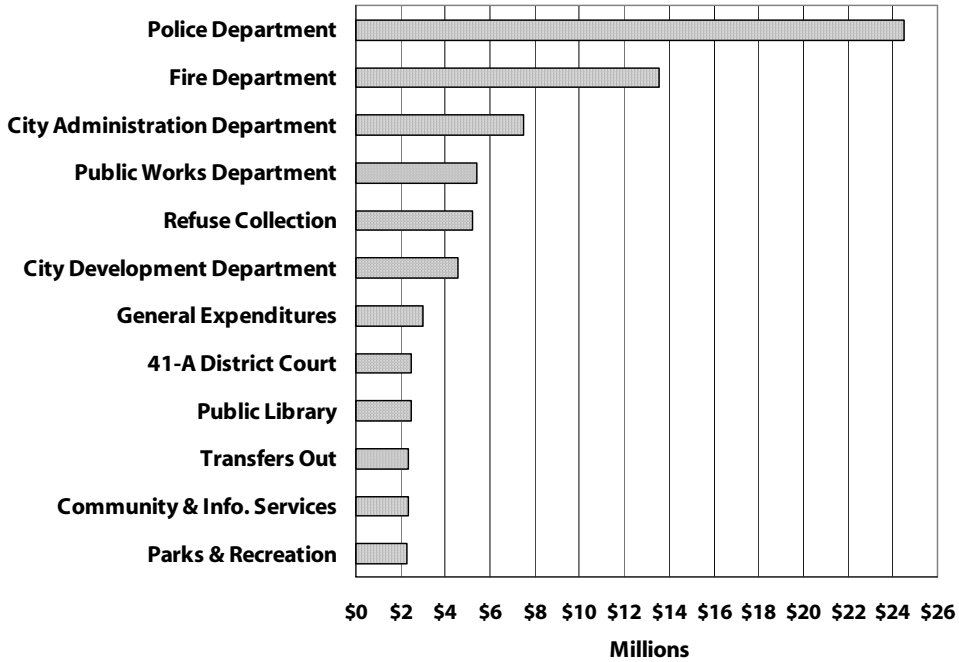

Beware of little expenses. A small leak will sink a great ship.
Benjamin Franklin

General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted in 2004/05 for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted in 2004/05 for each budgetary center.

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
LEGISLATIVE					
1. City Council	1010	$124,820	$132,790	**$126,890**	-4.4%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	721,450	759,510	**760,420**	0.1%
2. City Clerk	2160	823,510	904,000	**947,980**	4.9%
3. Emergency Management	2130	122,740	181,110	**149,940**	-17.2%
4. Facilities Maintenance	2650	1,225,680	1,285,640	**1,378,890**	7.3%
5. Assessing	2090	681,760	695,520	**818,630**	17.7%
6. Financial Services	2010	981,620	1,050,050	**1,085,840**	3.4%
7. Purchasing	2330	288,440	298,110	**313,860**	5.3%
8. Treasury	2530	665,440	704,530	**677,970**	-3.8%
9. Act 78 - Civil Service Commission	2200	8,750	25,870	**10,290**	-60.2%
10. Building Authority	2610	380	480	**400**	-16.7%
11. General Employees Pension Board	2390	399,740	497,260	**571,920**	15.0%
12. Legal	2100	663,460	699,690	**666,000**	-4.8%
Total City Administration Department		**6,707,790**	**7,234,560**	**7,509,030**	**3.8%**
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	2,161,920	2,164,690	**2,250,310**	4.0%
Total Parks & Recreation Department		**2,161,920**	**2,164,690**	**2,250,310**	**4.0%**
POLICE DEPARTMENT					
1. Police Administrative Services	3050	2,394,110	2,561,640	**2,747,740**	7.3%
2. Police Enforcement Services	3150	14,303,650	15,809,260	**17,054,950**	7.9%
3. Police Support Services	3260	1,083,020	2,693,620	**2,908,430**	8.0%
4. Police Special Services	3100	4,058,990	1,609,490	**1,782,100**	10.7%
Total Police Department		**21,839,770**	**22,674,010**	**24,493,220**	**8.0%**
FIRE DEPARTMENT					
1. Fire Administration	3370	1,084,110	1,027,100	**1,075,710**	4.7%
2. Fire Extinguishment	3390	10,045,670	10,646,340	**11,514,800**	8.2%
3. Fire Prevention	3410	887,760	867,910	**968,790**	11.6%
Total Fire Department		**12,017,540**	**12,541,350**	**13,559,300**	**8.1%**
CITY DEVELOPMENT DEPARTMENT					
1. City Development Administration	4160	292,120	304,680	**397,920**	30.6%
2. Building	4120	1,267,100	1,421,250	**1,916,580**	34.9%
3. Engineering	4470	1,738,620	1,820,670	**1,898,490**	4.3%
4. Planning	4020	871,560	835,880	**336,860**	-59.7%
5. Planning Commission	4030	16,440	18,670	**15,240**	-18.4%
6. Zoning Board of Appeals	4130	11,380	12,870	**9,510**	-26.1%
Total City Development Department		**4,197,220**	**4,414,020**	**4,574,600**	**3.6%**

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
PUBLIC WORKS DEPARTMENT					
1. Fleet Maintenance	5530	1,767,860	1,938,680	**1,997,870**	3.1%
2. Parks & Ground Maintenance	7700	1,254,140	1,204,760	**1,215,980**	0.9%
3. Public Works Center	4420	457,530	439,070	**457,590**	4.2%
4. Street Services	4440	1,441,110	1,584,190	**1,713,130**	8.1%
Total Public Works Department		**4,920,640**	**5,166,700**	**5,384,570**	**4.2%**
REFUSE COLLECTION					
1. Refuse Collection	5350	4,658,800	4,883,640	**5,219,670**	6.9%
Total Refuse Collection		**4,658,800**	**4,883,640**	**5,219,670**	**6.9%**
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,283,950	2,341,690	**2,480,360**	5.9%
2. Historical Commission	8030	1,940	1,450	**1,420**	-2.1%
Total Public Library Department		**2,285,890**	**2,343,140**	**2,481,780**	**5.9%**
COMMUNITY & INFORMATION SERVICES DEPARTMENT					
1. Community Relations	2920	1,220,980	1,285,690	**1,400,740**	8.9%
2. Information Technology	2580	785,560	857,640	**906,480**	5.7%
3. Beautification Commission	8060	3,270	2,770	**2,690**	-2.9%
4. Cultural Commission	7930	11,380	13,900	**13,850**	-0.4%
5. Telecommunications Commission	2910	4,730	4,750	**4,750**	0.0%
Total Community & Info. Services Dept.		**2,025,920**	**2,164,750**	**2,328,510**	**7.6%**
41-A DISTRICT COURT	1360	2,173,820	2,356,180	**2,497,280**	6.0%
GENERAL EXPENDITURES	8950	2,665,340	2,936,340	**2,967,990**	1.1%
TRANSFERS OUT	9660	5,414,890	2,365,670	**2,357,630**	-0.3%
Total General Fund		**$71,069,540**	**$71,245,050**	**$75,623,890**	**6.1%**

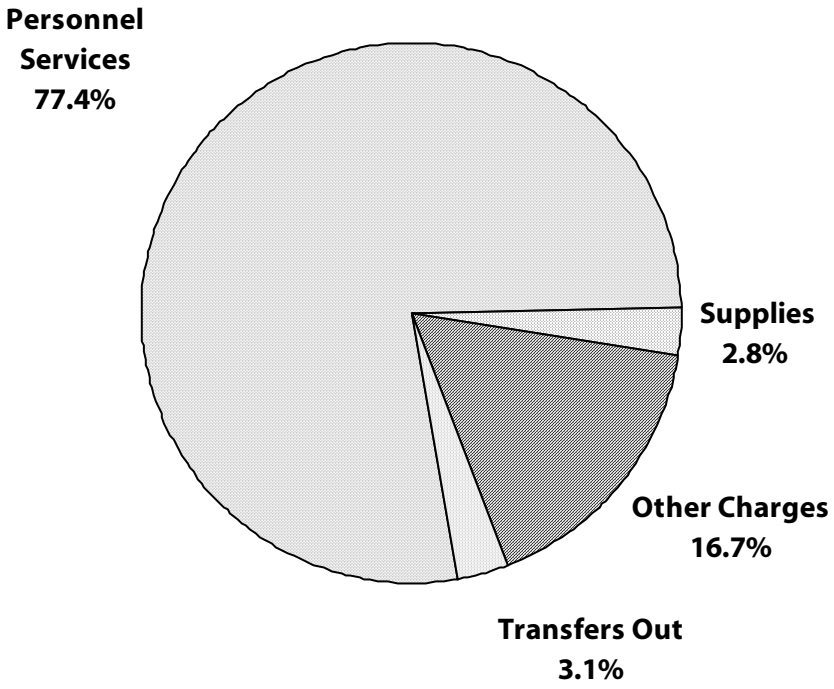
GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY OBJECT

Budgetary Center	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget
CITY ADMINISTRATION DEPARTMENT					
Personnel Services	$4,416,522	$4,369,770	$4,902,964	$5,189,290	**$5,372,420**
Supplies	158,650	241,583	205,568	298,270	**215,640**
Other Charges	1,788,181	1,712,763	1,599,259	1,747,000	**1,920,970**
Total	**6,363,353**	**6,324,116**	**6,707,791**	**7,234,560**	**7,509,030**
PARKS & RECREATION DEPARTMENT					
Personnel Services	1,443,325	1,465,413	1,585,998	1,619,560	**1,710,220**
Supplies	136,014	146,999	137,403	145,590	**140,700**
Other Charges	363,688	417,860	438,518	399,540	**399,390**
Total	**1,943,027**	**2,030,272**	**2,161,919**	**2,164,690**	**2,250,310**
POLICE DEPARTMENT					
Personnel Services	18,598,799	18,111,017	20,936,660	21,891,480	**23,761,970**
Supplies	167,198	154,802	205,569	168,780	**164,300**
Other Charges	704,964	667,817	697,540	613,750	**566,950**
Total	**19,470,961**	**18,933,636**	**21,839,769**	**22,674,010**	**24,493,220**
FIRE DEPARTMENT					
Personnel Services	10,266,974	9,493,357	11,367,529	11,879,890	**12,920,070**
Supplies	190,485	175,152	173,823	182,220	**170,720**
Other Charges	458,225	479,582	476,191	479,240	**468,510**
Total	**10,915,684**	**10,148,091**	**12,017,543**	**12,541,350**	**13,559,300**
CITY DEVELOPMENT DEPARTMENT					
Personnel Services	3,636,160	3,654,628	4,059,767	4,268,740	**4,438,480**
Supplies	35,913	33,714	34,855	32,520	**30,910**
Other Charges	90,821	105,390	102,594	112,760	**105,210**
Total	**3,762,894**	**3,793,732**	**4,197,216**	**4,414,020**	**4,574,600**
PUBLIC WORKS DEPARTMENT					
Personnel Services	3,473,698	3,422,672	3,575,164	3,812,100	**4,054,300**
Supplies	1,073,274	970,796	924,921	967,530	**954,280**
Other Charges	397,428	411,164	420,560	387,070	**375,990**
Total	**4,944,400**	**4,804,632**	**4,920,645**	**5,166,700**	**5,384,570**
REFUSE					
Personnel Services	80,449	83,543	100,509	99,890	**105,760**
Supplies	5,935	0	60	200	**100**
Other Charges	3,947,740	4,289,674	4,558,232	4,783,550	**5,113,810**
Total	**4,034,124**	**4,373,217**	**4,658,801**	**4,883,640**	**5,219,670**

GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY OBJECT

Budgetary Center	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget
PUBLIC LIBRARY DEPARTMENT					
Personnel Services	1,483,304	1,632,858	1,739,388	1,820,850	**1,960,580**
Supplies	331,653	270,063	264,191	244,020	**242,480**
Other Charges	277,226	267,228	282,311	278,270	**278,720**
Total	**2,092,183**	**2,170,149**	**2,285,890**	**2,343,140**	**2,481,780**
COMM. & INFO. SERVICES DEPARTMENT					
Personnel Services	1,523,731	1,486,961	1,652,342	1,751,580	**1,866,520**
Supplies	69,864	70,878	62,115	64,360	**61,870**
Other Charges	411,556	319,771	311,458	348,810	**400,120**
Total	**2,005,151**	**1,877,610**	**2,025,915**	**2,164,750**	**2,328,510**
41-A DISTRICT COURT					
Personnel Services	1,934,223	1,921,238	1,966,376	2,149,040	**2,287,880**
Supplies	41,331	36,932	32,739	40,090	**36,500**
Other Charges	155,540	155,117	174,702	167,050	**172,900**
Total	**2,131,094**	**2,113,287**	**2,173,817**	**2,356,180**	**2,497,280**
GENERAL EXPENDITURES					
Personnel Services	42,636	58,794	75,702	70,230	**89,700**
Supplies	93,098	51,684	52,786	90,050	**69,000**
Other Charges	2,307,637	2,417,109	2,536,852	2,776,060	**2,809,290**
Total	**2,443,371**	**2,527,587**	**2,665,340**	**2,936,340**	**2,967,990**
TRANSFERS OUT					
Transfers Out	7,268,040	8,652,420	5,414,890	2,365,670	**2,357,630**
TOTAL GENERAL FUND					
Personnel Services	46,899,821	45,700,251	51,962,399	54,552,650	**58,567,900**
Supplies	2,303,415	2,152,603	2,094,030	2,233,630	**2,086,500**
Other Charges	10,903,006	11,243,475	11,598,217	12,093,100	**12,611,860**
Transfers Out	7,268,040	8,652,420	5,414,890	2,365,670	**2,357,630**
Total General Fund	**$67,374,282**	**$67,748,749**	**$71,069,536**	**$71,245,050**	**$75,623,890**

2004/05 General Fund Expenditures by Expenditure Object



Total General Fund Budget of $75,623,890

This graph illustrates expenditures by object as a percent of the General Fund. Personnel Services, for example, comprises 77.4% of the total General Fund expenditures for 2004/05.

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	$115,343	0.16	$117,930	0.17	**$115,280**	**0.15**
704000	Wages & Salaries-Permanent	30,790,857	43.32	31,683,720	44.47	**32,753,610**	**43.31**
704001	Sick Time Buy Back	220,629	0.31	186,490	0.26	**184,700**	**0.24**
704721	Health Insurance Allowance	43,333	0.06	49,000	0.07	**50,500**	**0.07**
705000	Wages-Salaries - Temp/Part Time	1,320,786	1.86	1,198,960	1.68	**1,211,980**	**1.60**
706000	Wages-Salaries - Occasional	84,340	0.12	80,000	0.11	**125,000**	**0.17**
708000	Overtime	2,538,273	3.57	2,319,170	3.26	**2,543,050**	**3.36**
708001	Compensatory Time Buy Back	1,504,536	2.12	1,597,640	2.24	**1,490,930**	**1.97**
708795	Overtime - F.L.S.A.	45,756	0.06	58,000	0.08	**50,000**	**0.07**
709000	Union Contract Reimbursement	221,244	0.31	246,050	0.35	**279,400**	**0.37**
710000	Longevity	1,165,015	1.64	1,225,770	1.72	**1,270,800**	**1.68**
711000	Holiday Pay	817,628	1.15	884,510	1.24	**915,120**	**1.21**
713500	Car Allowance	3,000	0.00	3,000	0.00	**2,800**	**0.00**
714000	Food Allowance	109,700	0.15	108,000	0.15	**108,000**	**0.14**
715000	Clothing Allowance	358,024	0.50	354,800	0.50	**356,450**	**0.47**
717000	FICA	1,559,350	2.19	1,596,260	2.24	**1,681,500**	**2.22**
718000	Worker's Compensation	323,190	0.45	289,370	0.41	**299,940**	**0.40**
719000	Unemployment Compensation	27,149	0.04	16,900	0.02	**21,000**	**0.03**
720000	Pension - General Employees Retire.	10,431	0.01	12,500	0.02	**13,500**	**0.02**
720001	Pension - Police and Fire Retirement	2,747,983	3.87	3,545,590	4.98	**4,204,830**	**5.56**
720002	Defined Contribution - Employer	185,684	0.26	214,440	0.30	**238,320**	**0.32**
721000	Hospitalization	4,381,313	6.16	5,242,160	7.36	**5,992,940**	**7.92**
721001	Hospitalization - Retirees	2,445,440	3.44	2,516,250	3.53	**3,601,970**	**4.76**
722000	Dental Insurance	463,091	0.65	512,190	0.72	**492,010**	**0.65**
722002	Retiree Dental Insurance	44,834	0.06	49,230	0.07	**64,500**	**0.09**
723000	Life Insurance	91,254	0.13	98,300	0.14	**99,810**	**0.13**
724000	Eye Care Insurance	44,422	0.06	51,870	0.07	**94,440**	**0.12**
725000	Disability Insurance - Long Term	103,615	0.15	108,660	0.15	**112,600**	**0.15**
725355	Disability Insurance - Short Term	196,179	0.28	185,890	0.26	**192,920**	**0.26**
	Total Personnel Services	**51,962,399**	**73.11**	**54,552,650**	**76.57**	**58,567,900**	**77.45**
	SUPPLIES						
729000	Postage	232,892	0.33	259,740	0.36	**262,340**	**0.35**
730000	Publications	40,715	0.06	38,670	0.05	**40,670**	**0.05**
741000	Ammunition	7,805	0.01	12,000	0.02	**9,000**	**0.01**
741302	Ammunition - Act 302 Grant	0	0.00	6,000	0.01	**4,000**	**0.01**
742000	Dog Care Supplies	1,764	0.00	1,500	0.00	**1,500**	**0.00**
743000	Prisoners Board	7,630	0.01	7,500	0.01	**7,500**	**0.01**
750000	Fuels & Lubricants	324,707	0.46	315,000	0.44	**315,000**	**0.42**
750001	Fuel & Lube Inventory	11,352	0.02	10,000	0.01	**10,000**	**0.01**
751000	Operating Supplies	563,809	0.79	615,910	0.86	**565,810**	**0.75**
751001	Operating Supplies - Federal Funds	54,132	0.08	80,340	0.11	**0**	**0.00**
751290	Supplies - D.A.R.E.	14,886	0.02	14,500	0.02	**14,500**	**0.02**
758000	Computer Software	5,331	0.01	1,790	0.00	**1,300**	**0.00**
759000	Parts & Sublet Services	490,518	0.69	541,200	0.76	**530,000**	**0.70**
760000	Playground & Athletic Supplies	3,814	0.01	7,000	0.01	**5,000**	**0.01**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

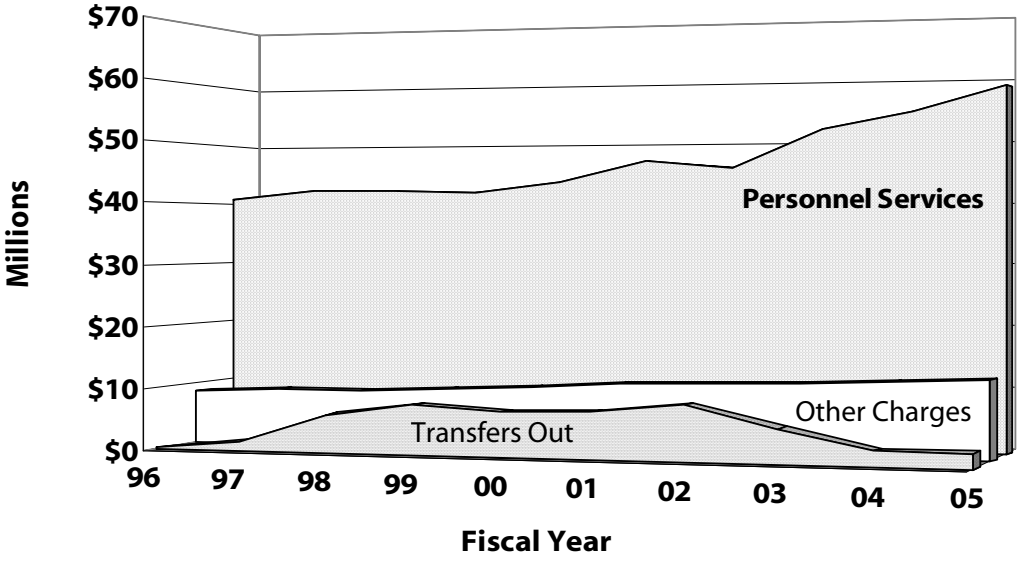
Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
761000	Program Activity Supplies	48,886	0.07	45,000	0.06	**45,000**	**0.06**
762000	Seniors Program Supplies	60,075	0.08	62,000	0.09	**62,000**	**0.08**
769000	Audio Visual Media	17,565	0.02	17,500	0.02	**17,500**	**0.02**
783000	Seeding & Planting Supplies	5,837	0.01	11,300	0.02	**9,750**	**0.01**
785000	Books	202,312	0.28	186,680	0.26	**185,630**	**0.25**
	Total Supplies	**2,094,030**	**2.95**	**2,233,630**	**3.14**	**2,086,500**	**2.76**
	OTHER CHARGES						
802000	Audit & Accounting Services	114,400	0.16	75,850	0.11	**71,850**	**0.10**
803000	Computer Consultant Services	83,064	0.12	68,700	0.10	**81,300**	**0.11**
806000	Legal Services - Other	60,790	0.09	52,500	0.07	**54,670**	**0.07**
806001	Legal Services - City Attorney	625,369	0.88	666,000	0.93	**631,000**	**0.83**
807000	Medical Services	38,759	0.05	24,110	0.03	**36,540**	**0.05**
808000	Reporting Services	25,837	0.04	24,110	0.03	**20,550**	**0.03**
810000	Other Fees	17,634	0.02	18,230	0.03	**16,530**	**0.02**
820000	Tree/Weed Cutting	57,603	0.08	60,000	0.08	**55,000**	**0.07**
821000	Spraying Services	41,005	0.06	34,000	0.05	**34,000**	**0.04**
822000	Rubbish Removal	4,482,925	6.31	4,702,450	6.60	**5,028,710**	**6.65**
825000	Animal Collection	12,695	0.02	17,000	0.02	**15,000**	**0.02**
826000	Other Contracted Services	953,636	1.34	1,231,660	1.73	**1,328,190**	**1.76**
827000	Interfund Services	72,000	0.10	80,000	0.11	**84,000**	**0.11**
828000	Auction Expenditures	32,153	0.05	54,000	0.08	**50,000**	**0.07**
829000	Hazardous Waste Disposal	2,159	0.00	3,000	0.00	**2,500**	**0.00**
832000	Building Maintenance	179,010	0.25	165,000	0.23	**167,000**	**0.22**
833000	Equipment Maintenance	388,715	0.55	378,970	0.53	**332,660**	**0.44**
833001	Personal Computer Maintenance	6,579	0.01	9,190	0.01	**10,000**	**0.01**
836000	Radio Maintenance	24,516	0.03	17,200	0.02	**18,700**	**0.02**
837000	Retention Pond Maintenance	47,602	0.07	62,650	0.09	**57,000**	**0.08**
838000	Parks & Grounds Maintenance	53,004	0.07	40,380	0.06	**41,500**	**0.05**
902000	Publishing	23,739	0.03	32,300	0.05	**30,330**	**0.04**
903000	Printing	233,835	0.33	203,950	0.29	**215,040**	**0.28**
913000	Liability Insurance	1,062,025	1.49	1,086,000	1.52	**1,119,000**	**1.48**
915000	Other Insurance	16,930	0.02	17,460	0.02	**17,800**	**0.02**
921000	Electric	485,304	0.68	466,000	0.65	**439,000**	**0.58**
922000	Telephone	325,954	0.46	319,890	0.45	**300,750**	**0.40**
922002	Telephone - Drug Forfeiture	39,079	0.05	12,130	0.02	**0**	**0.00**
923000	Gas - Fuel - Oil	168,927	0.24	145,250	0.20	**171,250**	**0.23**
924000	Street Lighting	729,955	1.03	733,550	1.03	**734,300**	**0.97**
925000	Water	61,612	0.09	56,800	0.08	**71,100**	**0.09**
942302	Building Rental - Act 302	6,520	0.01	6,000	0.01	**6,000**	**0.01**
944000	Hydrant Rental	164,070	0.23	165,830	0.23	**169,900**	**0.22**
945000	Other Rental	317,070	0.45	323,870	0.45	**314,240**	**0.42**
949000	Interpreter Fees	15,620	0.02	12,000	0.02	**12,000**	**0.02**
950000	Witness Fees	6,530	0.01	4,500	0.01	**5,000**	**0.01**
951000	Juror Fees	6,037	0.01	11,500	0.02	**7,500**	**0.01**
954000	Mileage	2,712	0.00	1,810	0.00	**1,810**	**0.00**
956000	Local Meetings	27,259	0.04	18,600	0.03	**17,400**	**0.02**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

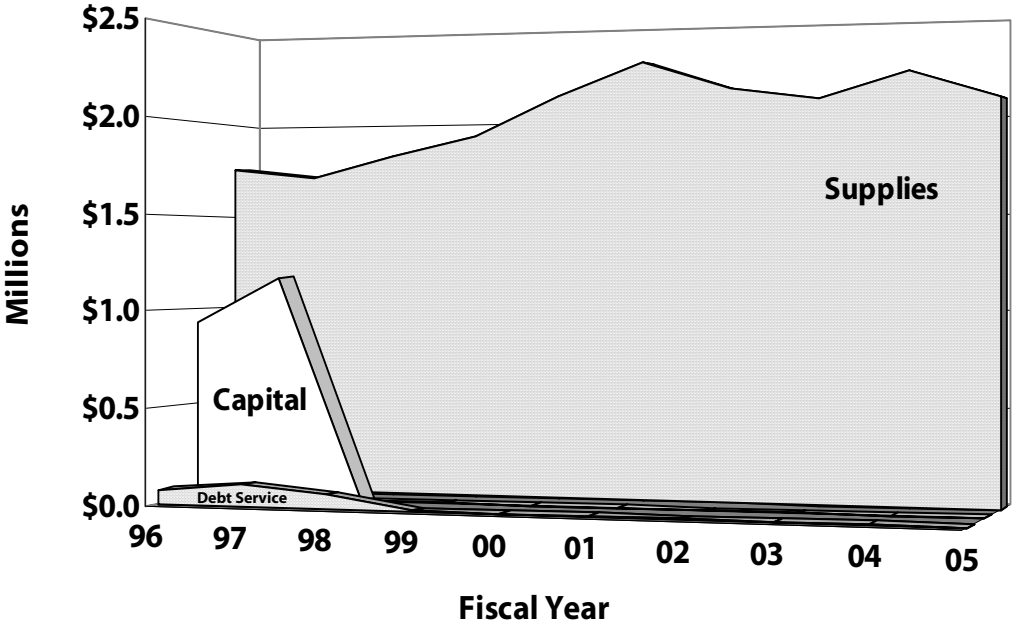
Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
956001	Michigan Week Expenses	28,601	0.04	25,000	0.04	**20,000**	**0.03**
956002	Special Events	125,919	0.18	131,500	0.18	**66,500**	**0.09**
957000	Memberships & Dues	115,973	0.16	110,380	0.15	**101,590**	**0.13**
959000	Education & Training	171,425	0.24	173,930	0.24	**171,390**	**0.23**
959302	Education & Training Act 302	33,500	0.05	25,000	0.04	**25,000**	**0.03**
959332	Education & Training Act 32	5,715	0.01	6,000	0.01	**6,000**	**0.01**
960000	Donation Expense Non-Capital	16,261	0.02	2,000	0.00	**2,000**	**0.00**
961000	Athletic Entry Fees	1,846	0.00	1,840	0.00	**1,840**	**0.00**
962000	Miscellaneous Expense	13,661	0.02	19,120	0.03	**13,420**	**0.02**
962001	Misc Exp - Cash - Short/Over	53	0.00	0	0.00	**0**	**0.00**
962002	Misc. Expense - Drug Forfeiture	63,156	0.09	13,390	0.02	**0**	**0.00**
965000	Refunds on Tribunal Adjustments	9,474	0.01	182,500	0.26	**435,000**	**0.58**
	Total Other Charges	**11,598,217**	**16.32**	**12,093,100**	**16.97**	**12,611,860**	**16.68**
	TRANSFERS OUT						
999202	Transfer to Major Roads Fund	1,231,070	1.73	0	0.00	**500,000**	**0.66**
999203	Transfer to Local Roads Fund	0	0.00	250,000	0.35	**273,000**	**0.36**
999244	Transfer to L&W Conserv. Fund	299,000	0.42	0	0.00	**0**	**0.00**
999255	Transfer to EDC Fund	5,000	0.01	0	0.00	**0**	**0.00**
999256	Transfer to Brownfield Redev. Fund	15,000	0.02	0	0.00	**0**	**0.00**
999301	Transfer to General Drain	0	0.00	82,080	0.12	**0**	**0.00**
999369	Transfer to Bldg. Auth. Rec. Fund	675,170	0.95	658,390	0.92	**640,650**	**0.85**
999403	Transfer to Capital Projects Fund	2,709,650	3.81	1,375,200	1.93	**943,980**	**1.25**
999428	Transfer to Road Bond Const. Fund	480,000	0.68	0	0.00	**0**	**0.00**
	Total Transfers Out	**5,414,890**	**7.62**	**2,365,670**	**3.32**	**2,357,630**	**3.12**
	Total General Fund	**$71,069,536**	**100.00**	**$71,245,050**	**100.00**	**$75,623,890**	**100.00**

Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

General Fund Expenditure Object History



This graph illustrates the expenditure object history for the General Fund.



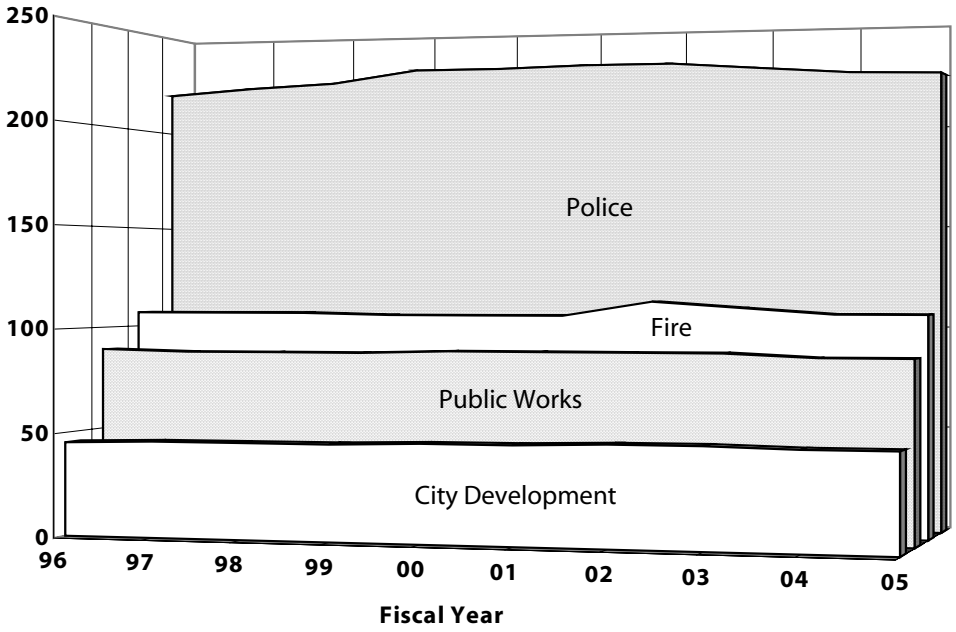
This graph illustrates the expenditure object history for the General Fund.

Personnel Summary

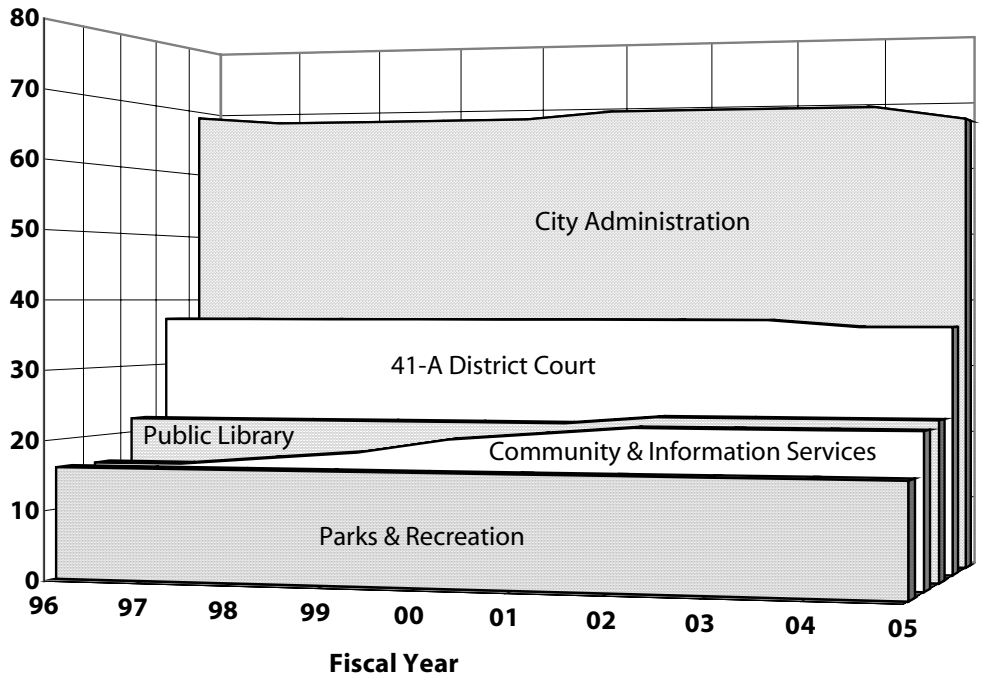
The Personnel Summary segment of the budget document represents a historical summary of all personnel related information. This information includes graphs depicting the number of full-time personnel employed by the city as well as the total fringe benefit costs.

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



This graph illustrates the number of full-time employees by department for the past 10 years.



This graph illustrates the number of full-time employees by department for the past 10 years.

PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
130,000	City Manager	1		1		1	
73,797 - 91,944	Finance & Budget Director	1		1		1	
73,797 - 91,944	Human Resources Director	1		1		1	
49,925 - 55,662	Budget Management Coordinator	1		1		1	
40,723 - 45,179	Management Services Specialist	1		1		1	
37,730 - 43,748	Management Assistant	1		1		1	
	Total	**6**	**0**	**6**	**0**	**6**	**0**
	CITY CLERK						
79,248 - 97,289	City Clerk/Assistant City Manager	1		1		1	
65,812 - 81,593	Risk Manager	1		1		1	
37,730 - 43,748	Management Assistant	1		1		1	
36,455 - 42,270	Elections Assistant	1		1		1	
33,023 - 38,309	Risk Management Assistant	1		1		1	
33,023 - 38,309	Senior Clerk	1		1		1	
24,653 - 35,396	Clerk Typist	4		4		3	
	Total	**10**	**0**	**10**	**0**	**9**	**0**
	EMERGENCY MANAGEMENT						
59,611 - 66,132	Emergency Management Coordinator	1		1		1	
	Total	**1**	**0**	**1**	**0**	**1**	**0**
	FACILITIES MAINTENANCE						
69,104 - 85,673	Facilities Maintenance Manager	1		1		1	
47,246 - 52,410	Facilities Maintenance Coordinator	1		1		1	
39,012 - 44,919	Facilities Maintenance Mechanic	3		2		2	
26,297 - 42,897	Custodian	13		14		14	
24,653 - 35,396	Clerk Typist	1		1		1	
	Total	**19**	**0**	**19**	**0**	**19**	**0**
	ASSESSING						
69,104 - 85,673	City Assessor	1		1		1	
55,475 - 62,766	Appraiser III	2		2		2	
49,026 - 55,475	Appraiser II	3		2		2	
42,896 - 48,533	Appraiser I	0		1		1	
39,148 - 45,397	Appraiser Aide	1		1		1	
24,653 - 35,396	Clerk Typist	1		1		1	
8,200	Co-op (P.T.)		1		1		1
	Total	**8**	**1**	**8**	**1**	**8**	**1**

PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	FINANCIAL SERVICES						
69,104 - 85,673	Financial Services Manager	1		1		1	
69,104 - 85,673	Controller	1		1		1	
49,925 - 55,662	Accountant	3		3		3	
36,455 - 42,270	Senior Account Clerk	3		3		3	
30,521 - 38,309	Account Clerk	4		4		4	
	Co-op (P.T.)		1		0		0
	Total	**12**	**1**	**12**	**0**	**12**	**0**
	PURCHASING						
65,812 - 81,593	Purchasing Manager	1		1		1	
41,324 - 46,530	Purchasing Specialist	1		1		1	
36,455 - 42,270	Administrative Assistant	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**
	TREASURY						
69,104 - 85,673	City Treasurer	1		1		1	
49,925 - 55,662	Accountant	1		1		1	
36,455 - 42,270	Senior Account Clerk	2		2		2	
36,455 - 42,270	Administrative Assistant	1		1		1	
30,521 - 38,309	Account Clerk	5		5		4	
	Total	**10**	**0**	**10**	**0**	**9**	**0**
	Total City Administration Department	**69**	**2**	**69**	**1**	**67**	**1**
	PARKS & RECREATION DEPARTMENT						
73,797 - 91,944	Parks & Recreation Director	1		1		1	
48,584 - 54,428	Recreation Coordinator	8		8		8	
38,828 - 43,069	Recreation Specialist	1		1		1	
36,455 - 42,270	Administrative Assistant	1		1		1	
33,023 - 38,309	Program & Services Assistant	2		2		2	
33,023 - 38,309	Senior Clerk	1		1		1	
28,479 - 35,396	Bus Driver	1		1		1	
24,653 - 35,396	Clerk Typist	1		1		1	
	Total Parks & Recreation Department	**16**	**0**	**16**	**0**	**16**	**0**
	POLICE DEPARTMENT						
	POLICE ADMINISTRATIVE SERVICES						
80,186 - 97,957	Chief of Police	1		1		1	
86,382 - 88,469	Captain	1		1		1	
80,017 - 82,329	Lieutenant	1		1		2	
71,333 - 74,884	Sergeant	2		2		2	
38,288 - 62,529	Police Officer	7		8		7	
31,710 - 43,641	Secretary to Chief	1		1		1	
30,710 - 42,640	Administrative Secretary	2		2		2	
21,799 - 37,202	Technical Secretary	3		2		2	
21,799 - 37,202	Property Clerk	1		1		1	
	Total	**19**	**0**	**19**	**0**	**19**	**0**

PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	POLICE SPECIAL SERVICES						
86,382 - 88,469	Captain	1		1		1	
80,017 - 82,329	Lieutenant	2		2		1	
71,333 - 74,884	Sergeant	5		1		2	
38,288 - 62,529	Police Officer	26		9		10	
30,710 - 42,640	Administrative Secretary	1		1		1	
	Technical Secretary	5		0		0	
	Total	**40**	**0**	**14**	**0**	**15**	**0**
	POLICE ENFORCEMENT SERVICES						
86,382 - 88,469	Captain	1		1		1	
80,017 - 82,329	Lieutenant	5		5		5	
71,333 - 74,884	Sergeant	18		21		20	
38,288 - 62,529	Police Officer	100		114		114	
	Emergency Dispatcher - Shift Leader	4		0		0	
	Emergency Dispatcher	19		0		0	
30,710 - 42,640	Administrative Secretary	4		4		4	
21,799 - 37,202	Technical Secretary	0		5		5	
215,000	Crossing Guards (P.T.)		33		33		33
	Total	**151**	**33**	**150**	**33**	**149**	**33**
	POLICE SUPPORT SERVICES						
86,382 - 88,469	Captain	1		1		1	
71,333 - 74,884	Sergeant	1		2		2	
47,875 - 49,722	Emergency Dispatcher - Shift Leader	0		4		4	
35,426 - 46,257	Emergency Dispatcher	0		19		19	
30,710 - 42,640	Administrative Secretary	1		1		1	
30,710 - 42,640	Evidence Clerk	1		1		1	
37,552 - 41,654	Laboratory Technician	1		1		1	
35,010 - 39,420	Animal Control Officer	3		3		3	
27,578 - 38,584	Data Analyst	1		1		1	
27,578 - 38,584	Terminal Agency Coordinator	1		1		1	
21,799 - 37,202	Technical Secretary	9		9		8	
	Co-op (P.T.)		1		0		0
	Total	**19**	**1**	**43**	**0**	**42**	**0**
	Total Police Department	**229**	**34**	**226**	**33**	**225**	**33**
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
78,688 - 96,601	Fire Chief	1		1		1	
84,884 - 89,196	Chief of Operations	1		1		1	
77,893 - 81,841	Chief of Training	1		1		1	
76,450 - 78,834	EMS Coordinator	1		1		1	
72,810 - 75,079	Fire Instructor	1		1		1	
37,730 - 43,748	Management Assistant	1		1		1	
36,455 - 42,270	Administrative Assistant	3		3		3	
24,653 - 35,396	Clerk Typist	1		1		1	
	Co-op (P.T.)		1		0		0
	Total	**10**	**1**	**10**	**0**	**10**	**0**

PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	FIRE EXTINGUISHMENT						
76,367 - 80,237	Batallion Chief	3		3		3	
73,565 - 77,287	Captain-Advanced Life Support	3		4		4	
70,062 - 73,606	Captain	2		1		1	
66,824 - 70,913	Lieutenant-Advanced Life Support	10		9		9	
63,644 - 67,532	Lieutenant	6		7		7	
64,299	Sergeant - Advanced Life Support	2		2		3	
63,079	Sergeant - Fire Engine Operator	6		6		5	
61,242	Sergeant	1		1		1	
38,816 - 62,127	Fire Fighter-Advanced Life Support	30		30		29	
38,080 - 60,948	Fire Fighter-Fire Engine Operator	15		15		16	
36,970 - 59,171	Fire Fighter	15		12		12	
	Total	**93**	**0**	**90**	**0**	**90**	**0**
	FIRE PREVENTION						
77,893 - 81,841	Fire Marshal	1		1		1	
72,810 - 75,079	Fire Inspector	6		6		6	
	Total	**7**	**0**	**7**	**0**	**7**	**0**
	Total Fire Department	**110**	**1**	**107**	**0**	**107**	**0**
	CITY DEVELOPMENT DEPARTMENT						
	CITY DEVELOPMENT ADMINISTRATION						
78,688 - 96,601	City Development Director/Asst. City Manager	1		1		1	
65,812 - 81,593	Public Services Manager	1		1		1	
40,723 - 45,854	CDBG Specialist	0		0		1	
33,023 - 38,309	Senior Clerk	1		1		1	
	Total	**3**	**0**	**3**	**0**	**4**	**0**
	BUILDING						
73,797 - 91,495	Building Official	1		1		1	
62,885 - 66,069	Building Plan Review Coordinator	1		1		1	
62,885 - 66,069	Code Enforcement Coordinator	0		0		1	
54,264 - 59,894	Commercial Property Compliance Officer	1		1		1	
54,264 - 59,894	Building Inspector	3		3		3	
54,264 - 59,894	Plumbing Inspector	2		2		2	
54,264 - 59,894	Electrical Inspector	2		2		2	
54,264 - 59,894	Mechanical Inspector	2		2		2	
51,294 - 58,034	Code Enforcement Officer	0		0		3	
51,294 - 58,034	Property Maintenance Code Officer	0		0		1	
36,455 - 42,270	Administrative Assistant	1		1		1	
33,023 - 38,309	Senior Clerk	1		1		1	
24,653 - 35,396	Clerk Typist	3		3		3	
8,200	Co-op (P.T.)		1		1		1
	Total	**17**	**1**	**17**	**1**	**22**	**1**

PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	ENGINEERING						
73,797 - 91,495	City Engineer	1		1		1	
69,104 - 85,673	Engineering Services Manager	1		1		1	
69,104 - 85,673	Construction Manager	1		1		1	
71,346 - 82,750	Civil Engineer III	1		1		1	
58,361 - 67,678	Civil Engineer II	2		2		2	
58,361 - 67,678	CAD/GIS Coordinator	1		1		1	
40,575 - 57,723	Engineering Aide	8		8		8	
36,455 - 42,270	Administrative Assistant	1		1		1	
33,023 - 38,309	Senior Clerk	1		1		1	
12,380	G.I.S. Intern (P.T.)		1		1		1
7,100	Co-op (P.T.)		1		1		1
	Total	**17**	**2**	**17**	**2**	**17**	**2**
	PLANNING						
73,797 - 91,495	City Planner	1		1		1	
	Planning & Zoning Manager	1		1		0	
	Code Enforcement Officer	3		3		0	
	Property Maintenance Code Officer	1		1		0	
51,035 - 56,618	Planning Coordinator	1		1		1	
	CDBG Specialist	1		1		0	
36,455 - 42,270	Administrative Assistant	2		1		1	
33,023 - 38,309	Senior Clerk	0		1		1	
	Clerk Typist	1		0		0	
	Total	**11**	**0**	**10**	**0**	**4**	**0**
	Total City Development Department	**48**	**3**	**47**	**3**	**47**	**3**
	PUBLIC WORKS DEPARTMENT						
	FLEET MAINTENANCE						
50,987 - 64,623	Division Supervisor	1		1		1	
39,151 - 50,681	Mechanic	0		11		11	
	Mechanic II	6		0		0	
	Mechanic I	4		0		0	
	Vehicle Service Worker	2		0		0	
36,774 - 46,159	Storekeeper	2		2		2	
17,680	Seasonal Laborer (P.T.)		1		1		1
	Total	**15**	**1**	**14**	**1**	**14**	**1**
	PARKS & GROUNDS MAINTENANCE						
50,987 - 64,623	Division Supervisor	1		1		1	
	Parks & Grounds Maintenance Inspector	1		0		0	
36,774 - 46,159	Parks & Grounds Maintenance Worker	5		6		6	
26,293 - 44,834	Laborer	7		6		6	
7,760	Seasonal Laborer (P.T.)		8		8		8
	Total	**14**	**8**	**13**	**8**	**13**	**8**

PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	PUBLIC WORKS CENTER						
72,393 - 89,754	Environmental Services Manager	1		1		1	
53,466 - 67,778	General Supervisor	1		1		1	
26,297 - 37,756	Custodian	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**
	REFUSE COLLECTION						
24,653 - 35,396	Clerk Typist	1		1		1	
8,840 - 18,200	Seasonal Laborer (P.T.)		3		3		3
	Total	**1**	**3**	**1**	**3**	**1**	**3**
	STREET SERVICES						
50,987 - 64,623	Division Supervisor	2		2		2	
40,976 - 50,681	Equipment Operator A	1		1		1	
38,529 - 48,089	Equipment Operator B	7		7		7	
38,529 - 48,089	Traffic Sign Worker	2		2		2	
38,529 - 48,089	Street Services Inspector	0		1		1	
36,774 - 46,159	Equipment Operator C	7		6		6	
26,293 - 44,834	Laborer	2		2		2	
10,890	Seasonal Laborer (P.T.)		2		2		2
	Total	**21**	**2**	**21**	**2**	**21**	**2**
	Total Public Works Department	**54**	**14**	**52**	**14**	**52**	**14**
	PUBLIC LIBRARY DEPARTMENT						
73,797 - 91,944	Public Library Director	1		1		1	
49,925 - 56,212	Library Service Area Coordinator	3		3		3	
47,521 - 53,767	Library Programming Specialist	1		1		1	
46,645 - 52,000	Librarian	7		7		7	
42,896 - 48,533	Circulation Supervisor	1		1		1	
37,730 - 43,748	Management Assistant	1		1		1	
36,455 - 42,270	Library Assistant II	3		3		3	
33,857 - 39,263	Library Assistant I	3		3		3	
30,521 - 35,396	Library Clerk	3		3		3	
17,738 - 26,357	Librarian (P.T.)		8		8		8
6,253 - 12,350	Library Page (P.T.)		10		9		9
12,740	Library Clerk (P.T.)		1		1		1
	Total Public Library Department	**23**	**19**	**23**	**18**	**23**	**18**
	41-A DISTRICT COURT						
45,724	Judge	3		3		3	
91,503	Magistrate/Director of Probation	1		1		1	
81,423	Court Administrator	1		1		1	
68,091	Clerk of the Court	1		1		1	
59,740	Probation Officer	1		1		1	
49,150	Court Recorder	3		3		3	
45,725	Court Officer	3		3		3	
27,982 - 36,110	Deputy Clerk	24		23		23	
	Total 41-A District Court	**37**	**0**	**36**	**0**	**36**	**0**

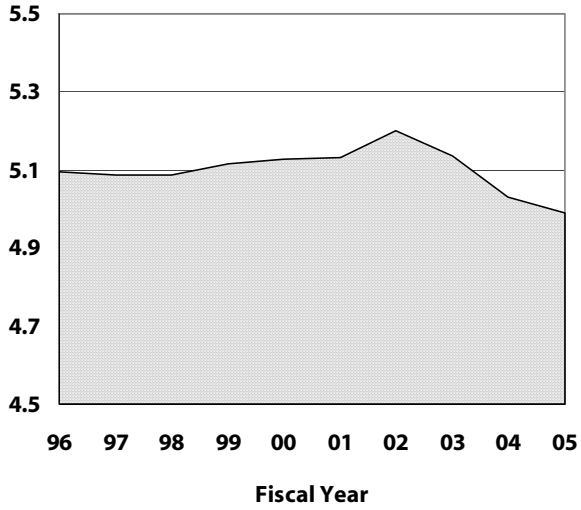
PERSONNEL SUMMARY

2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03 Full Time	Budget 2002/03 Part Time	Budget 2003/04 Full Time	Budget 2003/04 Part Time	Budget 2004/05 Full Time	Budget 2004/05 Part Time
	COMMUNITY & INFORMATION SERVICES DEPARTMENT						
	COMMUNITY RELATIONS						
80,718 - 98,600	Community Relations Director	1		1		1	
65,812 - 81,593	Communications Manager	1		1		1	
65,812 - 81,593	Broadcast Services Manager	1		1		1	
44,563 - 49,931	Broadcast Programming Specialist	1		1		1	
40,723 - 45,403	Neighborhood Specialist	1		1		1	
40,723 - 45,403	Communication Specialist	1		1		1	
40,723 - 45,403	Senior Broadcast Production Specialist	0		1		1	
40,723 - 45,179	Citizen Services Specialist	1		1		1	
40,723 - 45,179	Community Relations Specialist	1		1		1	
37,562 - 43,566	Printing Technician II	1		1		1	
36,874 - 40,909	Broadcast Production Specialist	3		2		2	
34,684 - 40,216	Printing Technician I	1		1		1	
24,653 - 35,396	Clerk Typist	1		1		1	
25,869 - 26,128	Video Production Technician (P.T.)		3		2		2
14,000	Graphic Artist (P.T.)		1		1		1
13,000	Website Specialist (P.T.)		1		1		1
4,290	Keyline Specialist (P.T.)		1		1		1
	Total	**14**	**6**	**14**	**5**	**14**	**5**
	INFORMATION TECHNOLOGY						
73,797 - 91,495	Information Technology Manager	1		1		1	
65,812 - 81,593	Network Administrator	1		1		1	
46,706 - 51,815	Information Technology Specialist	6		6		6	
	Total	**8**	**0**	**8**	**0**	**8**	**0**
	Total Comm. & Information Services Dept.	**22**	**6**	**22**	**5**	**22**	**5**
	Total General Fund	**608**	**79**	**598**	**74**	**595**	**74**
	WATER & SEWER FUND						
	WATER & SEWER ADMINISTRATION						
73,797 - 91,944	Public Works Director	1		1		1	
57,742 - 73,232	Operations Supervisor	1		1		1	
53,466 - 67,778	General Supervisor	1		1		1	
36,455 - 42,270	Administrative Assistant	1		1		1	
24,342 - 36,568	Clerk Dispatcher	2		2		2	
30,521 - 38,309	Account Clerk	2		2		2	
24,653 - 35,396	Clerk Typist	1		1		1	
	Total	**9**	**0**	**9**	**0**	**9**	**0**

PERSONNEL SUMMARY

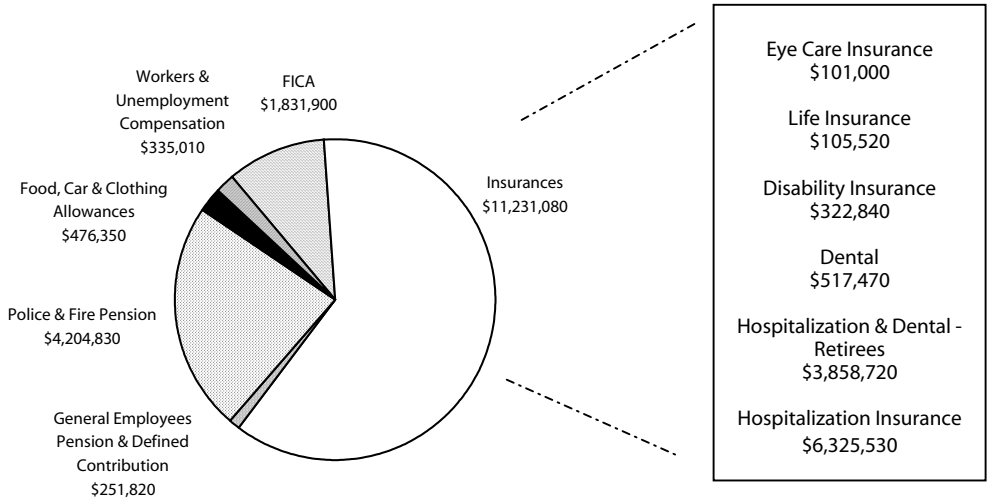
2004/05 Budgeted Pay Ranges	ACTIVITY	Budget 2002/03		Budget 2003/04		Budget 2004/05	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	WATER DISTRIBUTION						
50,987 - 64,623	Division Supervisor	1		1		1	
38,529 - 48,089	Water Inspector	2		2		2	
38,529 - 48,089	Water Service Worker	4		4		4	
36,744 - 46,159	Meter Repair/Installer	2		2		2	
36,354 - 45,670	Meter Reader	1		1		1	
26,293 - 44,834	Laborer	2		2		2	
8,580	Seasonal Laborer (P.T.)		2		2		2
	Total	**12**	**2**	**12**	**2**	**12**	**2**
	SEWAGE COLLECTION						
50,987 - 64,623	Division Supervisor	1		1		1	
39,151 - 48,686	Plant Operator/Mechanic	2		2		2	
38,529 - 48,089	Sewer Service Worker (Clean)	2		2		2	
38,529 - 48,089	Water/Sewage Inspector	2		2		2	
36,774 - 47,068	Sewer Service Worker (Maint)	3		3		3	
26,293 - 44,834	Laborer	4		4		4	
7,260	Seasonal Laborer (P.T.)		4		4		4
	Total	**14**	**4**	**14**	**4**	**14**	**4**
	Total Water & Sewer Fund	**35**	**6**	**35**	**6**	**35**	**6**
	Total All Funds	**643**	**85**	**633**	**80**	**630**	**80**

Full-time Employees per 1,000 Population



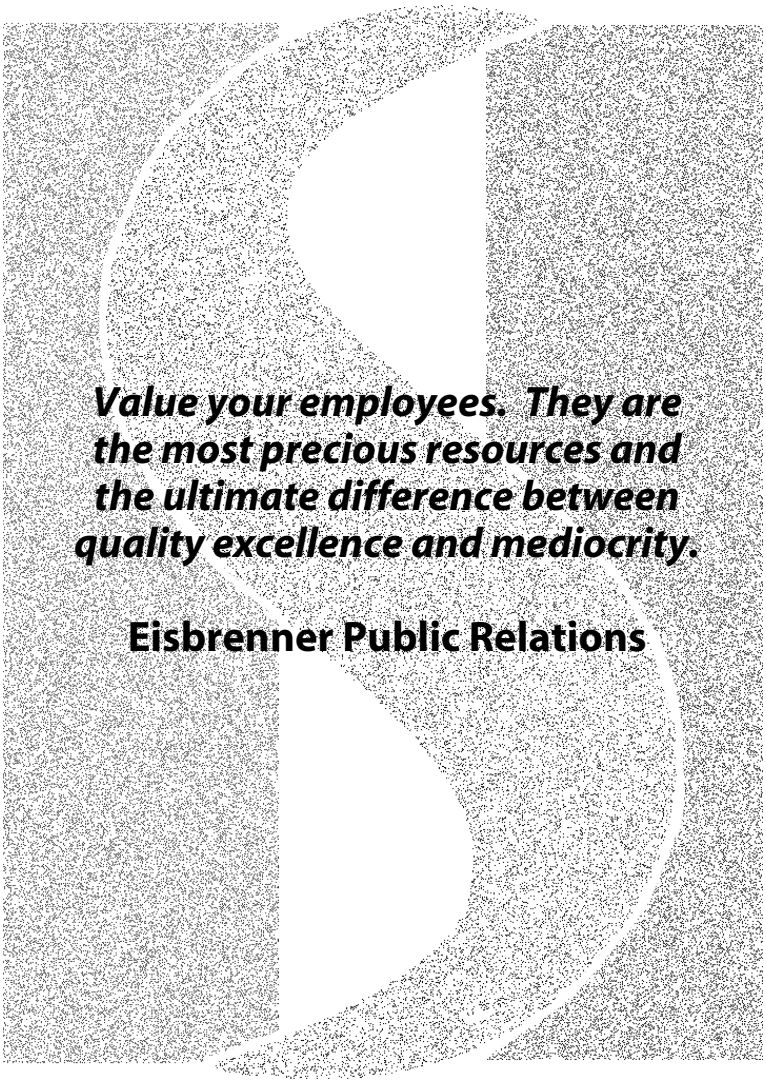
This graph illustrates the number of City employees per 1,000 residents.

Total City Fringe Benefits Fiscal Year 2004/05



Total City Fringe Benefits for 2004/05 is $18,330,990

Includes the General Fund & Water & Sewer Fund


Value your employees. They are the most precious resources and the ultimate difference between quality excellence and mediocrity.
Eisbrenner Public Relations

The Sterling Heights City Council

left to right:

Councilman
Richard L. Bracci,

Councilwoman
Maria G. Schmidt,

Mayor Pro Tem
Joseph V. Romano,

Mayor
Richard J. Notte,

Councilwoman
Barbara A. Ziarko

Councilman
Steve Rice, *and*

Councilwoman
Deanna Koski

City Council

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, in Sterling Heights the Mayor is not in charge of the administration. The legislative powers of the Council are shared equally among all members. The Mayor and Council members are collectively responsible for establishing policy, adopting a budget, and hiring and directing the Chief Administrator, the City Manager. In addition, the City Council represents the City in various local, regional, State, and national boards or commissions and committees. The Council also appoints a City Attorney, provides public leadership, and communicates with constituents about the various issues.

KEY GOALS

- ***To provide policy direction to the City Administration in the implementation and evaluation of various City programs.***
- ***To assure 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 the 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.***

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. Policy establishment 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, 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 the Administration through the City Council with reference to the implementation and evaluation of various programs. The Council forwards resident concerns to the City Administration. The City Council also provides direction to the City Attorney and evaluates his performance.

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. The City Council is responsible for the arbitration of conflicting interests that arise during the course of City business.

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

Did you know?…
…that Sterling Heights was rated an "A+" and "9th Best Family Friendly Suburban City in the United States" by Population Connection, a Washington, D.C. non-profit environmental organization?

City Council

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Regular City Council Meetings	23	24	24	24	24	24
	Special City Council Meetings	7	6	8	9	9	9
	Public Hearings Held	38	26	19	30	30	30
	Council Connection Segments Taped	14	14	14	14	14	14
	Ordinances and Amendments Adopted	25	23	20	25	25	25
	Agenda Items Reviewed and Acted Upon	443	445	392	425	420	425
	Education and Training Sessions Attended	20	15	10	16	10	10
Effectiveness	City Council Member Attendance at Council Meetings	98%	98%	97%	100%	98%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	95%	100%
	% Difference from Proposed to Adopted Budget (G.F.)	0.20%	0.58%	0.44%	0.03%	0.03%	0.20%
	Annual % Reduction in Millage Rate	-2.28%	-0.65%	-0.19%	-0.05%	-0.05%	0.00%
	Total Millage % Reduction Since 1988	-19.9%	-20.4%	-20.5%	-20.6%	-20.6%	-20.6%
	Avg. # of Residents Attending a City Council Meeting	93	97	101	110	85	80
	Activity Expenditures as % of General Fund	0.19%	0.19%	0.18%	0.19%	0.17%	0.17%

City Council

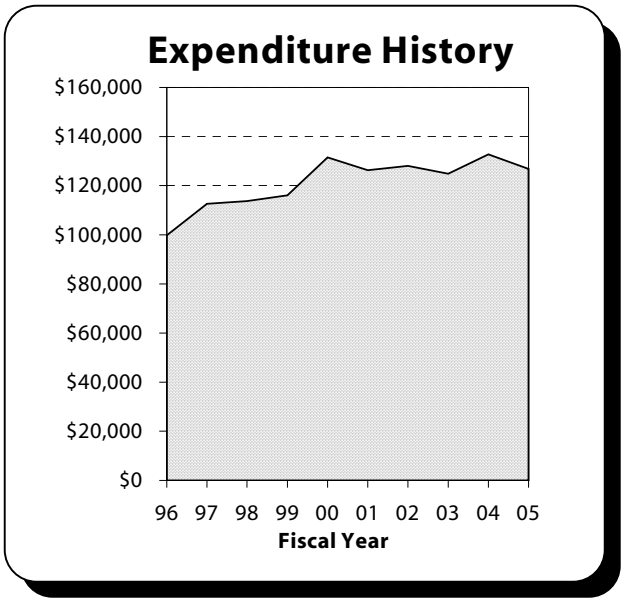
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget remained the same as last year's budget. In March, 2003 the City Council rejected the wage increase recommended by the Local Officer's Compensation Commission. As a result, the budget does not include funding for a wage increase for the next fiscal year.

Supplies – Total Supplies decreased $1,010 or 28.6%. $1,000 was saved in operating supplies, as less funding is needed since next year is not an election year. A reduction of $10 was made for postage costs based on historic actual expenditure levels.

Other Charges – Total Other Charges decreased $4,890 or 26.4%. Telephone costs decreased $2,700 based on decreased telephone usage and a new citywide Nextel telephone plan, which allows the City to pool its minutes, thereby lowering the number of excess minutes for which the City is charged. Educational funding decreased $2,300 as all out of state travel was eliminated. This savings was partially offset by an increase in costs to attend the Michigan Municipal League Annual Convention in Mackinac Island next year. The prior year's MML Conference was in Detroit and involved no overnight lodging costs. $100 was added due to increased publishing of advertisements in local newspapers and high school yearbooks and programs. Funding increased $10 for the rental cost of the Bresser's Cross Index Directory.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$107,845	$110,750	$110,750	$110,750	$110,750
Supplies	4,643	3,530	3,030	2,520	2,520
Other Charges	12,336	18,510	8,920	13,620	13,620
Total	$124,824	$132,790	$122,700	$126,890	$126,890

CITY ADMINISTRATION DEPARTMENT

FUNCTIONAL ORGANIZATION CHART

City Administration Department

Office of City Management

City Management

- Municipal corporation operation
- Organizational management
- Fiscal management
- Physical plant management
- Program development & follow through
- Long range planning
- Council and resident relations

Human Resources Division

- Contract negotiations
- Human Resource planning
- Labor & employee relations
- Equal opportunity reporting
- Classification plan maintenance
- Candidate selection for vacant positions
- Justice Department reports

Office of City Clerk

Administrative Services Division

City Clerk

- Acts as City Manager in his absence
- Clerk of the City Council
- Keeper of all City records
- Administers all elections
- Records property variances, deeds, birth and death certificates
- Provides records and documents requested under the Freedom of Information Act
- Issues licenses

Risk Management Program

- Provides Loss Control leadership
- Prepares and presents Annual Risk Management Report
- Provides for adequate Excess Insurance to cover Catastrophic Losses
- Oversees handling of all claims against the City
- Records Self-Insurance activities in the General Ledger and prepares related Audit workpapers

Office of Emergency Management

- Provides disaster mitigation
- Coordinates City-wide emergency response program
- Establishes emergency procedures
- Conducts hazardous materials research & response
- Coordinates all emergency communications
- Initiates public emergency program

Office of Facilities Maintenance

- Maintains 19 City-owned facilities
- Oversees City car pool fleet
- Plans & directs outside vendors
- Performs indoor and outdoor building maintenance
- Coordinates furniture and office layouts
- Maintains shipping & receiving services

FUNCTIONAL ORGANIZATION CHART

City Administration Department (continued)

Office of City Management

Finance & Budget Division

- Manages and administers the activities of the Finance & Budget division
- Prepares annual operating budget
- Responsible for expenditure cost control & revenue monitoring
- Prepares Water & Sewer rate analysis
- Performs City rates & fees studies
- Formulates Performance Indicators & ICMA Benchmark Reports
- Performs position & salary analysis
- Prepares financial trend analysis, forecasting & Quarterly Budget Reports
- Conducts Management studies
- Coordinates MIP program development

Office of Financial Services

Financial Services

- Coordinates and records the activities of both City pension funds
- Responsible for debt management including the coordination of bond sales and conferences with the rating agencies
- Issues all water and sewer bills to residential, industrial and commercial customers and maintains related account balances

Accounting

- Responsible for the proper recording of all City activities in the General Ledger and Subsidiary ledgers
- Produces the Comprehensive Annual Financial Report
- Processes all City payroll and related fringe benefit payments
- Processes all payments for goods and services purchased by the City

Office of Assessing

- Insures equitable assessments
- Maintains assessment roll with current data
- Assesses residential, real and personal commercial, and industrial properties
- Represents City in tribunals
- Maintains field sheets for residents' review

Office of Purchasing

- Procures goods and services at lowest reasonable cost
- Responsible for encumbrance system
- Maintains vendor files
- Coordinates and monitors all City purchase requisitions

Office of Treasury

- Administers revenue collection, tax and special assessment programs
- Administers cash management and banking programs
- Treasurer – P & F and GERS retirement systems
- Administers investment policy
- Liaison to Building Authority

DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

The total City Administration budget increased by $255,060 or 4.3%. Personnel costs rose $183,210 due to higher wage, hospitalization and retiree medical obligations. Funding for two vacant full-time positions has been eliminated saving $93,000. A clerical position in City Clerk and Treasury are no longer needed due to increased automation and departmental efficiencies. Supplies decreased $81,610 or 27.8% due to a one-time Emergency Management grant received in the prior year. Other Charges increased $153,460 or 30.3%. The City has received a $43,000 grant for a contractual Emergency Management planner. The budget includes the remaining three month cost of the personal property auditing contract approved in the prior year. There is increased funding required for three elections next fiscal year, including a school election to be conducted by the City due to a recent change in State law.

FUNDING LEVEL SUMMARY

	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
City Management	$653,610	$721,450	$759,510	$760,420	0.1%
City Clerk	644,200	823,510	904,000	947,980	4.9%
Emergency Management	86,680	122,740	181,110	149,940	-17.2%
Facilities Maintenance	1,122,270	1,225,680	1,285,640	1,378,890	7.3%
Assessing	599,830	681,760	695,520	818,630	17.7%
Financial Services	1,040,850	981,620	1,050,050	1,085,840	3.4%
Purchasing	262,310	288,440	298,110	313,860	5.3%
Treasury	621,860	665,440	704,530	677,970	-3.8%
Total Department	$5,031,610	$5,510,640	$5,878,470	$6,133,530	4.3%
Personnel Services	$4,271,340	$4,795,080	$5,078,410	$5,261,620	3.6%
Supplies	236,660	199,730	293,810	212,200	-27.8%
Other Charges	523,610	515,830	506,250	659,710	30.3%
Total Department	$5,031,610	$5,510,640	$5,878,470	$6,133,530	4.3%

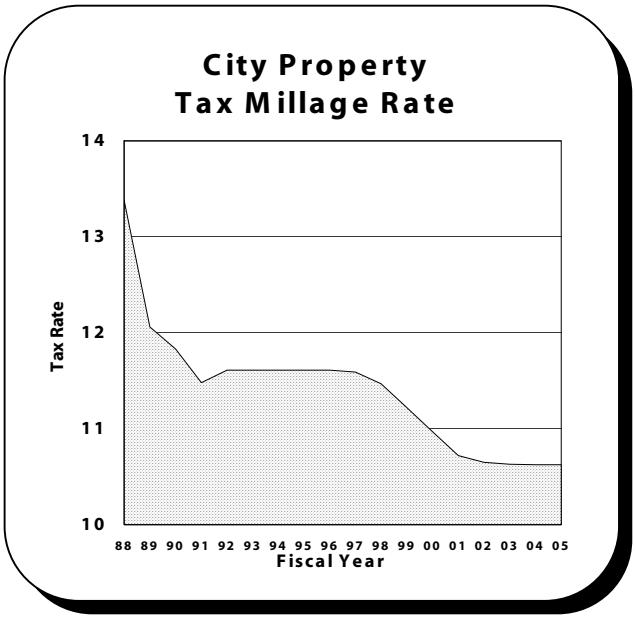
PERSONNEL SUMMARY

	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	6	0	6	0	6	0	6	0
City Clerk	8	0	10	0	10	0	9	0
Emergency Management	1	0	1	0	1	0	1	0
Facilities Maintenance	19	0	19	0	19	0	19	0
Assessing	8	1	8	1	8	1	8	1
Financial Services	14	1	12	1	12	0	12	0
Purchasing	3	0	3	0	3	0	3	0
Treasury	10	0	10	0	10	0	9	0
Total Department	69	2	69	2	69	1	67	1

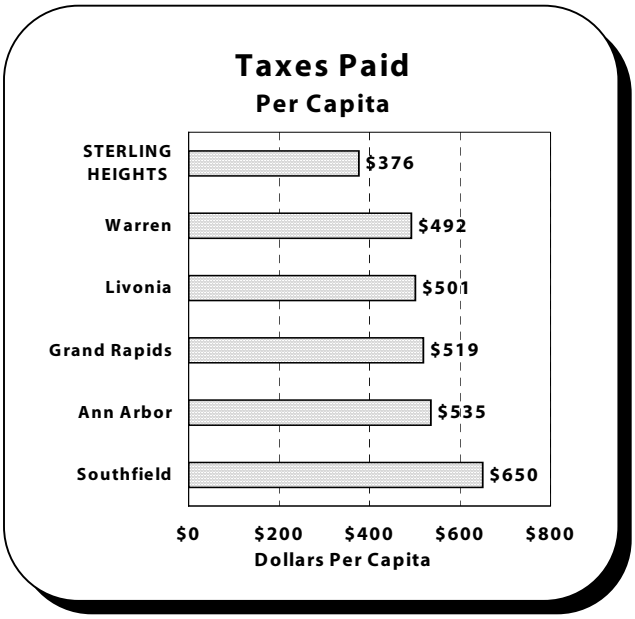
Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

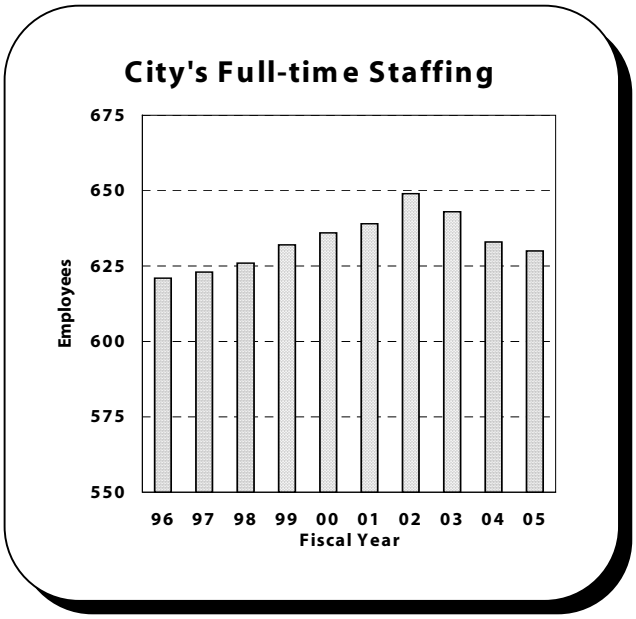
City Administration Department



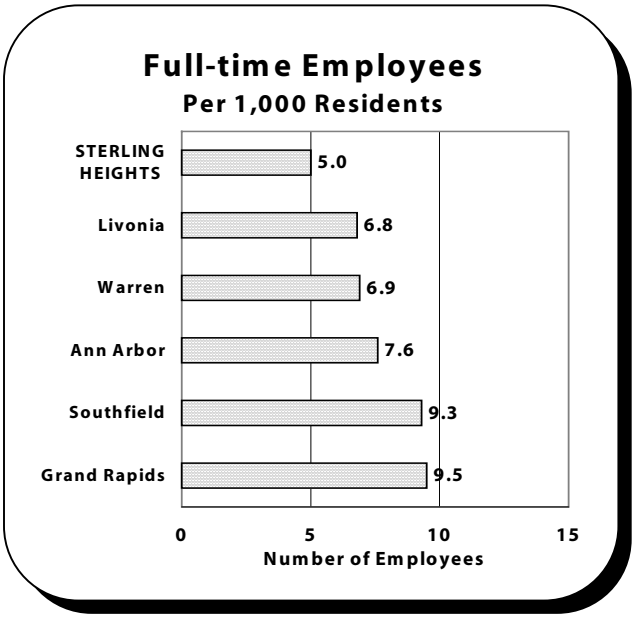
The City's property tax rate has fallen from 13.38 mills in 1988 to 10.625 mills in 2005 – a decrease of 20.6%. The tax rate is at its lowest level since 1974. Homeowner taxable values grew only 2.3% this year despite an average 4.7% increase in market values.



Sterling Heights has the lowest tax bill per resident in comparison to five comparable Michigan benchmark communities. Based on 2003 tax revenues and the 2000 census population data, Sterling Heights residents pay only $376. This is 31% below Warren and 33% below Livonia. Southfield residents pay $650 or nearly 73% more than our residents. While Grand Rapids has a lower property tax rate, all residents pay a 1.3% city income tax. Sterling Heights is the second largest city in the State without an income tax.



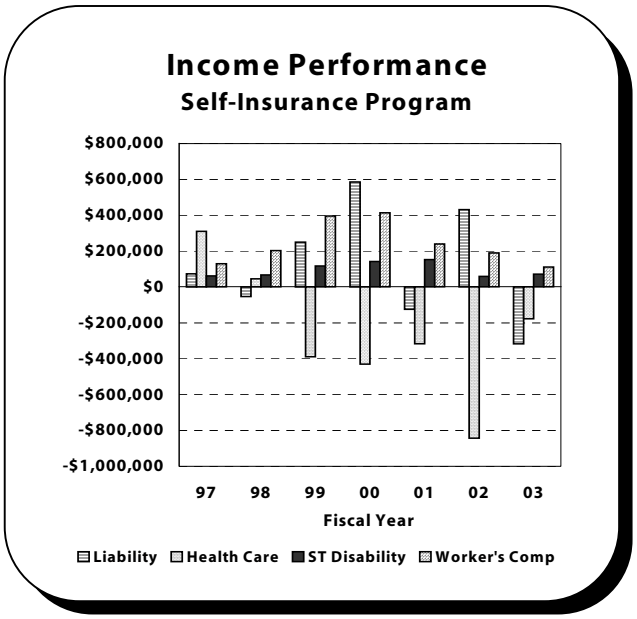
The City's full-time staffing is nearly at the same level as six years ago. Nineteen vacant full-time positions have been eliminated in the past three years saving over $1.2 million. The City has increased its staffing by 9 positions since 1996. Five in the Police Department, four in Community Relations, two in City Development and two in Information Technology. Two positions have been eliminated in both the City Administration and Public Works Departments



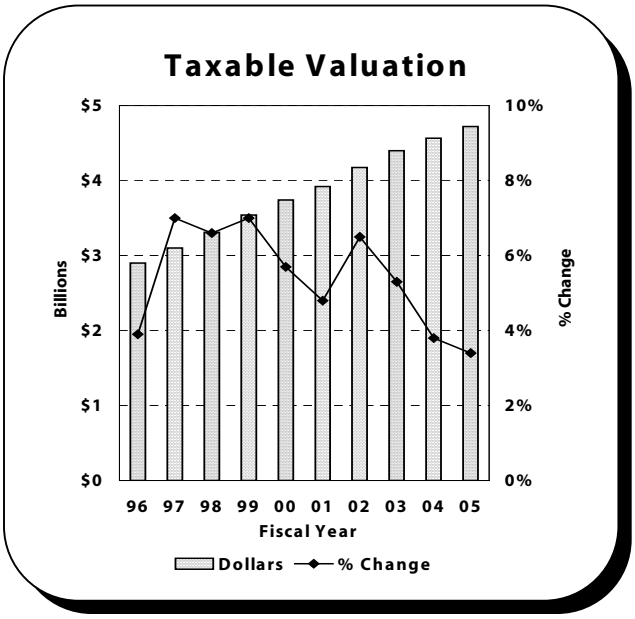
Based on current staffing and the 2000 census, Sterling Heights has 5.0 full-time employees per 1,000 residents. This rate is lower than any of our benchmark communities. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a study of over 130 cities, more than 84% have a higher number of full-time employees per 1,000 residents than Sterling Heights.

KEY DEPARTMENTAL TRENDS

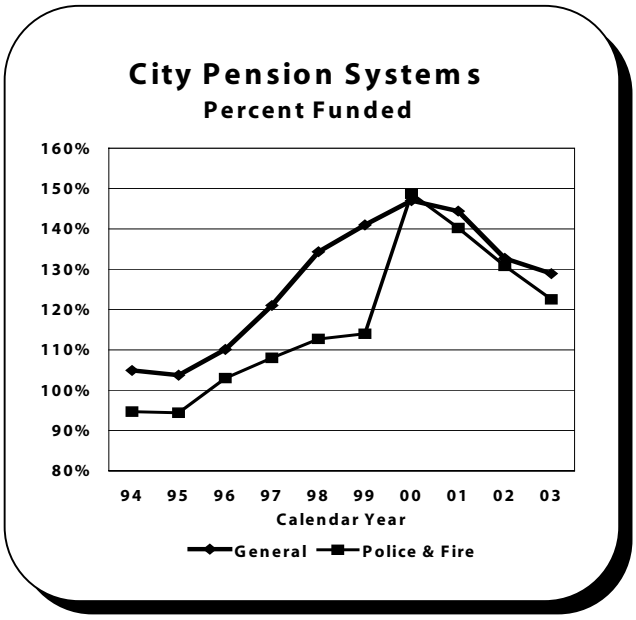
City Administration Department (continued)



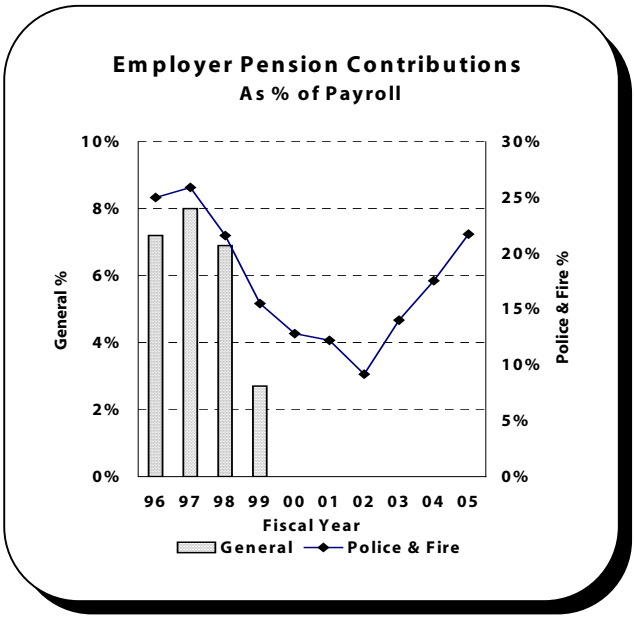
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for recent losses in the Health Care and Liability programs, most years have shown a positive net income for most programs.



For the past ten years, the City's assessed valuation has grown an average of between 4% and 7% annually. In 2005, assessed valuation grew only 3.4% - the lowest level in 10 years. The City's assessed valuation is less than 50% of market value due to Proposal A. In fact, taxable value assessments are now less than 80% of state equalized value.



For 2003, Sterling Heights' General Employees Pension System is 128.9% funded – meaning that the City has more than enough funds available to pay for all current pension obligations. For the eighth consecutive year, the Police & Fire Pension System is also more than 100% funded, totaling 122.5% of obligations. Both pension systems have increased their funding over the past ten years, despite decreases in recent years due to declines in the stock market.



The City's overall contribution to the pension systems, as a percent of payroll, has generally declined over the past ten years due to lower employee wage increases, employee turnover, and a higher return on pension investments. For the past two years, however, the required contribution to the Police & Fire Pension System increased largely due to an under-performing stock market.

City Management

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. New developments in the area of public policy are researched and analyzed to organize a process of program planning 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 City's finance and budget function is also located in this office. The Finance & Budget Director oversees the Finance & Budget division 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, the ICMA's Center for Performance Measurement, and the review of department performance indicators. In addition, salary wage spreads, personnel costs, labor contract analysis, telephone and Internet monitoring reports, travel requests, and insufficient funds purchase orders are processed. The Municipal Improvement Plan, the Popular Annual Financial Report (PAFR), water and sewer rate studies, capital status 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 is responsible for developing a Human Resource Plan 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 nearly 100% of the City's workforce.

This office assures that the City meets all equal employment requirements by monitoring all areas of employment practices and completing annual State and Federal reporting requirements.■

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.***

Did you know?…
…that the City of Sterling Heights was one of only ten government agencies in the nation to be honored by the International City/County Management Association for using performance data as part of its overall management system?

City Management

(City Management)

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Administrative Policy and Procedure Orders Processed	13	8	5	10	10	10
	Agenda Statements Reviewed	443	445	392	425	420	425
	Special Reports Researched & Written	17	17	18	15	15	15
	Special Projects Researched & Developed	15	17	15	15	15	15
	Policy Resolutions Presented to Council	10	12	10	10	10	10
	Legislative Issues Monitored	9	12	9	10	10	10
	Focus Group Meetings Facilitated	6	10	8	6	6	6
	Intergovernmental Relation Contacts	79	84	84	85	83	85
	New Programs & Policies Developed	7	8	7	8	8	8
	Council Requests Responded to within 30 minutes	100%	100%	100%	100%	100%	100%
	Average Response Time to Council Requests	25 min.	25 min.	25 min.	25 min.	25 min.	25 min.
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Agenda Items Given to Council within 28 days	100%	100%	100%	100%	100%	100%
	% of Meetings Attended within 7 Days of Request	100%	100%	100%	100%	100%	100%
Efficiency	Annual % Reduction in Millage Rate	-2.28%	-0.65%	-0.19%	-0.05%	-0.05%	0.00%
	Total Millage % Reduction Since 1988	-19.9%	-20.4%	-20.5%	-20.6%	-20.6%	-20.6%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	0.90%	0.96%	1.02%	1.07%	1.08%	1.01%

City Management

2004/05 PERFORMANCE OBJECTIVES *(Finance & Budget)*

1. To place the City's financial documents online including the Budget, Popular Annual Financial Report, Comprehensive Annual Financial Report, and Municipal Improvement Plan and to electronically index them for easy reference.

2. To review the Retiree Health Care Actuarial Report findings, investigate various funding level options, and determine a plan for the City to more fully cover the cost of its promised retiree health care obligations.

3. To conduct a financial analysis of a water and sewer increasing rate tier structure for larger system users based on new peaking and maximum day data, which the City of Detroit is using to increase the City's costs.

4. To conduct an operational, performance, and job audit on one City office to review and analyze its performance and efficiency trends.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	City Budgeted Funds Monitored (Millions)	$117.9	$118.3	$125.5	$139.1	$130.6	$126.9
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	39	47	60	50	55	50
	Management & Labor Cost Studies Conducted	11	13	10	10	8	7
	Years Member of ICMA Center for Perf. Measures	2	3	4	5	5	6
	City Council Agenda Statements Reviewed	264	278	263	275	260	260
	Semi-Annual Budget Reports Prepared	3	3	2	3	2	2
	Municipal Improvement Plan (MIP) Prepared	1	1	1	1	1	1
	Capital Project Status Reports Produced	1	1	1	1	1	1
	Travel Requests Reviewed for Policy Compliance	269	205	280	200	240	240
	Telephone Call Accounting - Months Monitored	8	9	8	8	9	9
	Employee Internet Usage - Months Monitored	0	11	11	11	11	11
	G.F.O.A. Budgets Reviewed	6	5	5	5	5	5
	Operational Performance Audits Conducted	1	1	0	1	1	1
Efficiency & Effectiveness	Accuracy Forecasting Expenditures - General Fund	101.2%	99.4%	99.7%	100.0%	99.6%	100.0%
	Accuracy Forecasting Revenues - General Fund	100.3%	99.6%	99.8%	100.0%	101.5%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	14	15	16	17	17	18
	Budget Award - "Outstanding" Categories Earned	0	1	1	1	0	1
	Years Received G.F.O.A. PAFR Award	4	5	6	7	7	8
	Savings from Reviewing Travel Requests	$1,215	$1,216	$2,476	$1,000	$1,500	$1,000
	Years Received ICMA Certificate of Distinction	0	0	1	2	2	3
	Average Cost to Review a Travel Request	$5.19	$5.50	$6.10	*	*	*

** Cost is calculated for "Actual" columns only.*

City Management

2004/05 PERFORMANCE OBJECTIVES *(Human Resources)*

1. To develop and implement a comprehensive Equal Employment Opportunity Plan (EEOP) in compliance with the U. S. Department of Justice grant funding requirements.

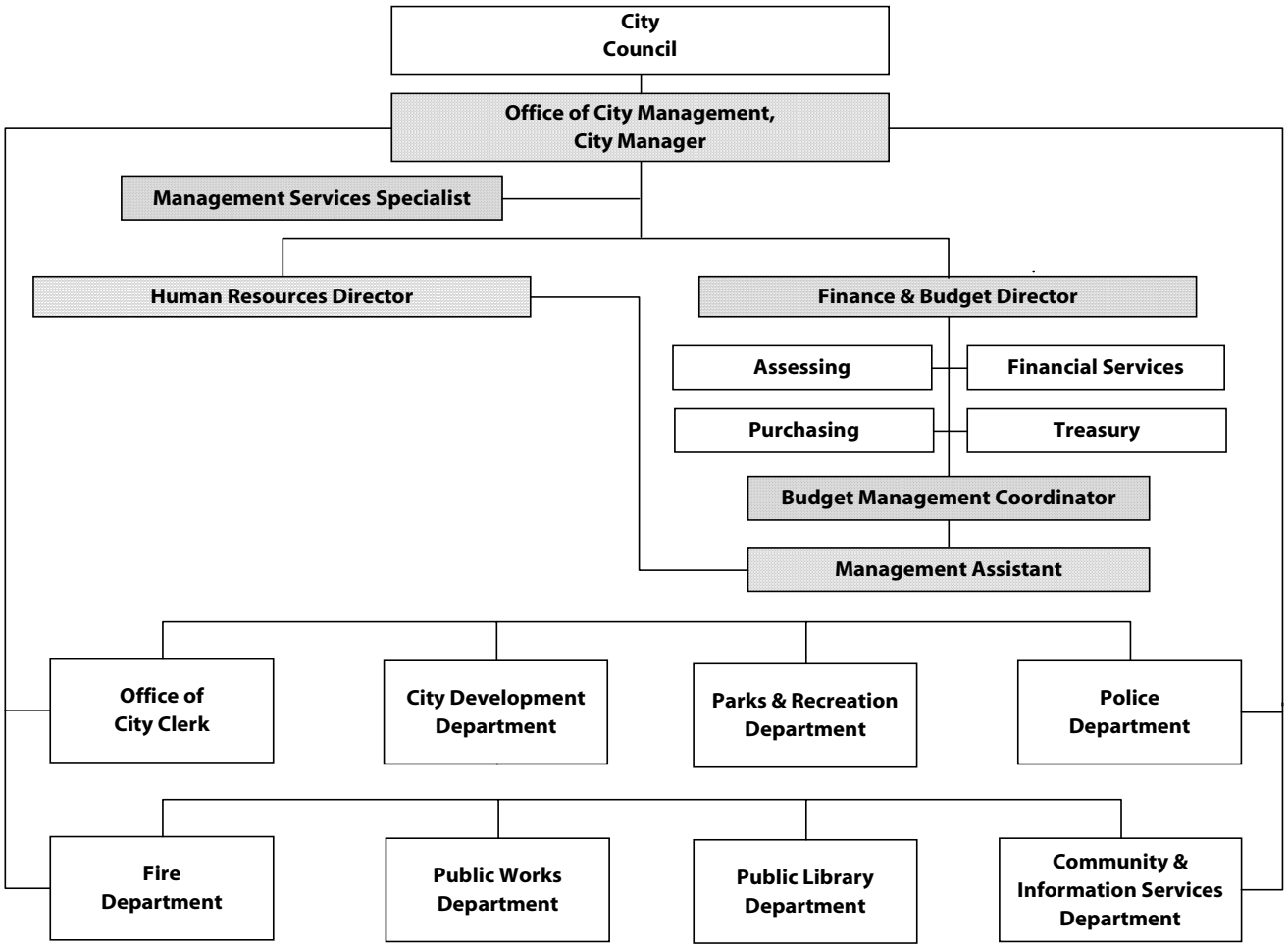
2. To review, maintain, and/or purge all personnel records stored either in the office or the City's central storage facility in compliance with the official records retention schedule.

3. To research alternative retirement option plans without sacrificing essential public services as part of the City's overall cost reduction efforts.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Promotional Job Postings	36	37	19	28	30	30
	Open Competitive Job Postings	12	11	5	10	14	15
	Applications Reviewed & Processed	356	421	778	850	800	800
	Applications Received Through Internet/Website	N/A	N/A	413	700	650	650
	Employees Hired (Full-time/Part-time)	27/42	21/31	20/50	10/30	20/40	20/40
	Reclassification Requests Reviewed/Analyzed	5	5	3	5	3	4
	Police/Fire Promotional Tests	0	2	4	2	3	3
	Labor Contracts Settled	5	5	2	2	4	0
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	35	35	35	35	35	35
	# Labor Grievances Per 100 Full-time Employees	1.5	2.0	3.0	2.0	2.0	2.0
	Avg. # Work Days to Complete Internal Recruitment	15	17	17	15	17	15
	% of Grievances Resolved Before Arbitration	100%	80%	85%	95%	86%	90%
	% of Grievances Responded to within Deadlines	100%	100%	100%	100%	100%	100%
	Total FTE's Per 1,000 Residents	5.7	5.9	6.1	5.7	5.7	5.6
	Full-time Employee Turnover Rate (Excl. Retirements)	1.3%	0.3%	0.8%	1.0%	0.8%	0.5%
	% Minorities in Work Force	1.4%	1.4%	1.4%	1.5%	1.4%	1.4%
	Discrimination Complaints Filed	0	0	0	0	1	0
	# of Employees Not Completing Probation	7	5	0	0	0	0
	Human Resource FTE's Per 100,000 Residents	0.82	0.85	0.85	0.85	0.85	0.84
	Cost to Recruit and Hire a Full-time General Employee	$1,505	$1,808	$1,898	*	*	*

** Cost is calculated for "Actual" columns only.*

City Management



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Manager	1	1	1
Finance & Budget Director	1	1	1
Human Resources Director	1	1	1
Budget Management Coordinator	1	1	1
Management Services Specialist	1	1	1
Management Assistant	1	1	1
Total	6	6	6

City Management

SUMMARY OF BUDGET CHANGES

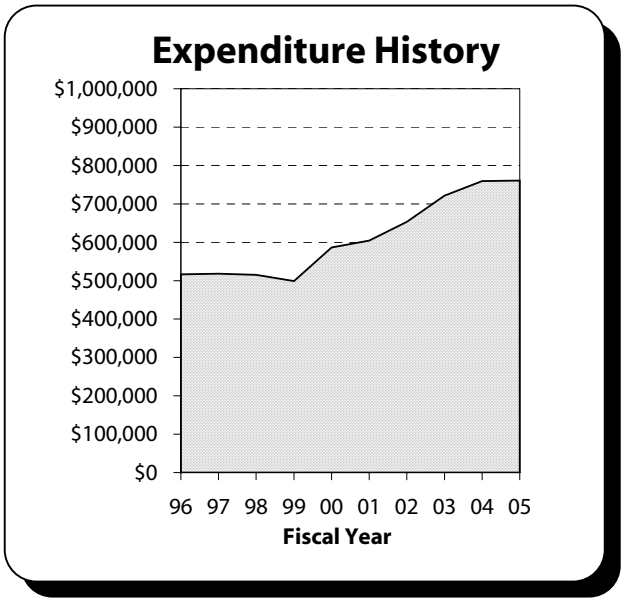
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $2,140 or 0.3%. The budget is based on the assumption that there will be savings in several accounts as a result of turnover in the City Manager position. Despite these savings, hospitalization costs increased by $7,350 or 11.2%. An additional $9,460 is budgeted to fund our growing retiree medical obligations. Eye care insurance costs rose $930 due to a rate increase and a newly added benefit from a recently settled labor union contract.

Supplies – Total Supplies decreased $200 or 4.6%. Funding for written publications decreased $200 due to the increasing availability of on-line resources.

Other Charges – Total Other Charges decreased $1,030 or 2.4%. $800 was saved in publishing costs as the Internet has allowed for reduced recruitment advertising costs. Funding for printing was reduced $500 based on less costly budget covers and tabs. The budget increased $630 to include funding for the City Manager's anticipated attendance at the annual International City/County Management Association (ICMA) Conference. Funding decreased $250 for copy machine rental and usage fees based on the current year's projected expenditure usage. $110 was saved in membership costs. As a result of conducting an in-house search for a new City Manager, rather than contracting out, the City will save an estimated $40,000 in the current year.

Capital – This office is scheduled to receive the replacement of six year-old personal computers as part of the Information Technology Plan. This funding is in the Information Technology capital budget.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$665,405	$712,280	$714,130	$714,420	$714,420
Supplies	4,286	4,400	4,600	4,200	4,200
Other Charges	51,757	42,830	47,550	41,800	41,800
Total	$721,448	$759,510	$766,280	$760,420	$760,420

City Clerk

MISSION STATEMENT: ***To serve the public, City departments, and Council by efficiently providing up-to-date 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 industrial companies 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.

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 assuring the public's safety.***
- ***To provide risk management activities which will safeguard all City assets in the most cost-effective manner.***

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.

Risk Management includes loss control and risk funding functions. Since not all losses can be avoided, the appropriate funding of these losses must be obtained. Management of risks includes general liability, property, automobile, worker's compensation, disability, health, and life claims administration and funding. It also includes procuring appropriate insurance certificates and performance bonds.■

Did you know?…
…that the City Clerk's office voter database is available on the City's website at www.sterling-heights.net allowing voters to receive polling location information and a sample ballot on-line?

City Clerk

2004/05 PERFORMANCE OBJECTIVES *(City Clerk)*

1. To implement changes in election procedures including administration of school elections as required by the recently enacted elections consolidation legislation.

2. To cross-train support staff on specific job functions to provide back up and flexibility.

3. To develop a paperless City Council packet posted on the City's website or CD-rom allowing City Council and residents to access Council materials from their home computers.

4. To review storage vault records, consolidate, and prepare for longer term storage.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Council Agenda Statements Processed	443	445	392	425	420	425
	Council Actions Correspondence Mailed	1,016	834	792	955	980	940
	Voter Registrations/Changes Processed	17,943	18,875	20,878	20,225	20,674	20,840
	Election Correspondence/Scheduling	693	578	641	945	662	640
	Absentee Voter Applications Mailed	17,478	34,030	1,031	35,100	36,052	18,030
	Absentee Voter Ballots Prepared	17,889	14,046	16,502	23,200	7,993	24,100
	Freedom of Informations Processed	395	367	376	400	398	400
	Documents Recorded	294	301	256	290	295	300
	Business Registry: New/Closed/Information Changed	2,995	3,018	2,783	3,050	3,038	3,040
	Class C Liquor Licenses Approved (New/Transferred)	2/3	1/7	1/1	1/6	1/9	1/6
	Licenses Issued - (dog, vendors, etc.)	4,618	4,635	4,827	4,660	4,850	4,860
	Pieces of Outgoing Mail Processed	161,598	166,792	174,303	201,010	175,100	174,400
	Birth & Death Certificates Processed	462	482	458	495	500	515
	Boards/Commissions Applications Processed	152	223	213	240	236	230
	Number of Registered Voters (November)	79,364	79,426	79,100	79,350	79,221	79,305
Efficiency	% of Residents Applying for City Boards	0.12%	0.18%	0.17%	0.19%	0.19%	0.19%
	% of Registered Voters Voting (November)	69%	20%	50%	18%	22%	70%
	% of License Applications Reviewed within 48 Hours	95%	95%	100%	100%	100%	100%
	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Election Cost Per Registered Voter	$2.74	$2.95	$2.99	*	*	*
	Activity Expenditures as % of General Fund	0.91%	0.95%	1.16%	1.27%	1.14%	1.25%

** Cost is calculated for "Actual" columns only.*

City Clerk

2004/05 PERFORMANCE OBJECTIVES *(Risk Management)*

1. To research alternatives to the current health insurance offered to employees and report findings to City administration.

2. To conduct a property audit of all City buildings to update property values for insurance purposes.

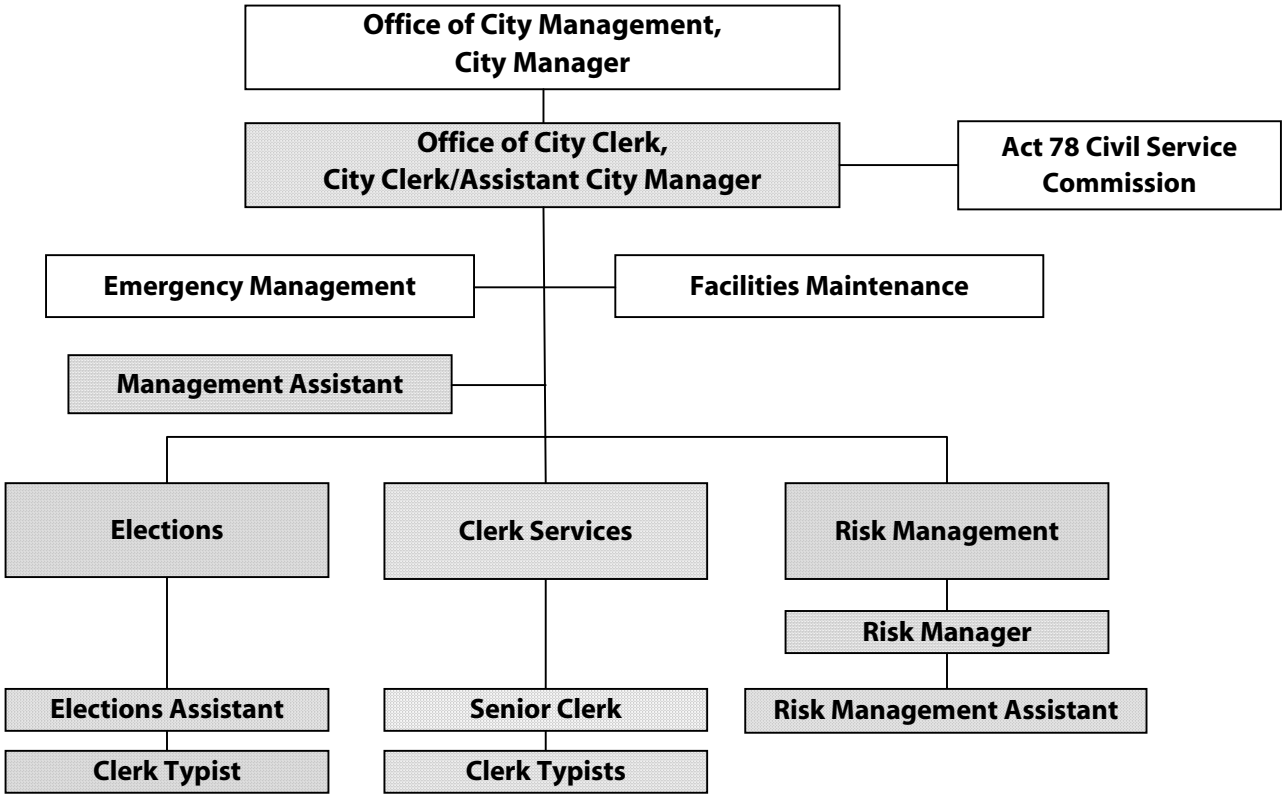
3. To examine the insurance market and, if necessary, obtain competitive proposals for the City's excess property and liability program.

4. To update and implement a risk management records retention policy and to review and organize stored records and files.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Liability/Property Claims	138	144	207	150	214	200
	Liability/Property Incident Reports	77	95	108	95	140	100
	Worker's Compensation Incident Reports	47	39	44	40	45	45
	Short-Term Disability Claims Handled	30	41	31	40	25	35
	Open Long-Term Disability Claims	5	6	4	4	3	3
	Life Insurance Claims	4	1	4	3	2	2
	Open Lawsuits - Monthly Average	35	24	19	19	21	22
	Lawsuits Closed	21	15	16	13	12	14
	Litigation Costs for Claims	$364,442	$494,115	$606,446	$450,000	$670,000	$500,000
	New Workers Compensation Claims	89	70	80	80	80	80
Efficiency & Effectiveness	# Workers Comp Claims Per 100 FTE	12.6	9.5	10.5	11.2	11.2	11.4
	% Workers Comp Claims Paying Compensation	6.7%	11.0%	12.5%	10.0%	14.0%	12.0%
	# of Accidents Per 100,000 Miles Driven	1.82	1.20	3.30	1.50	1.80	2.00
	Accident Cost Per 100,000 Miles Driven	$2,879	$1,100	$1,516	$2,250	$2,500	$2,500
	Prop. Insurance Premiums as % of Insured Value	0.10%	0.15%	0.13%	0.17%	0.18%	0.18%
	W/C Prem. Or Self-Insurance Cost Per $100 Payroll	$0.92	$0.48	$0.69	$0.80	$1.20	$0.75
	W/C Lost Work Days Due to Injury Per 100 FTE	31	28	59	30	80	50
	Cost of Risk Management Administrative Function	$204,606	$210,391	$217,766	*	*	*

** Cost is calculated for "Actual" columns only.*

City Clerk



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Clerk/Assistant City Manager	1	1	1
Risk Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Risk Management Assistant	1	1	1
Senior Clerk	1	1	1
Clerk Typist	4	4	3
Total	10	10	9

City Clerk

SUMMARY OF BUDGET CHANGES

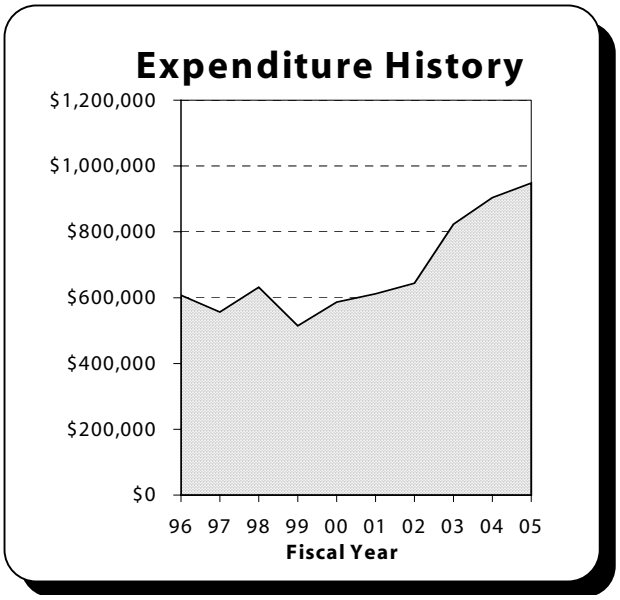
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $33,070 or 4.3%. A vacant Clerk Typist position is proposed to be eliminated saving the City $48,160. Several personnel accounts rose as the budget includes funding for three elections next fiscal year, including an August primary, the Presidential general election and a May school election. The City will be conducting this school election as a result of a change in State legislation. The City held only one election in the current fiscal year, though two were budgeted.

Supplies – Total Supplies decreased $2,320 or 4.2%. Funding decreased $1,730 for operating supplies as the County Clerk is responsible for the ballot costs of non-City elections. Funding for postage was reduced $590 based on recent spending trends.

Other Charges – Total Other Charges increased $13,230 or 18.4%. Funding increased $12,600, as test deck preparation is contracted out for general elections. Test deck preparation is done in-house for City elections. $1,650 was added due to an increase in the annual maintenance cost for the Optical Scan Voting Tabulators. Local meeting costs increased $500, as the Absentee Counting Board will be meeting for three elections. Building rental costs increased due to the increased number of elections to be held next year. This increase was offset by a decrease in copy machine rental and usage fees based on the current year's projected expenditure usage, resulting in a net savings of $620. $1,000 was saved as fewer public hearing notices and agendas are anticipated to be published.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

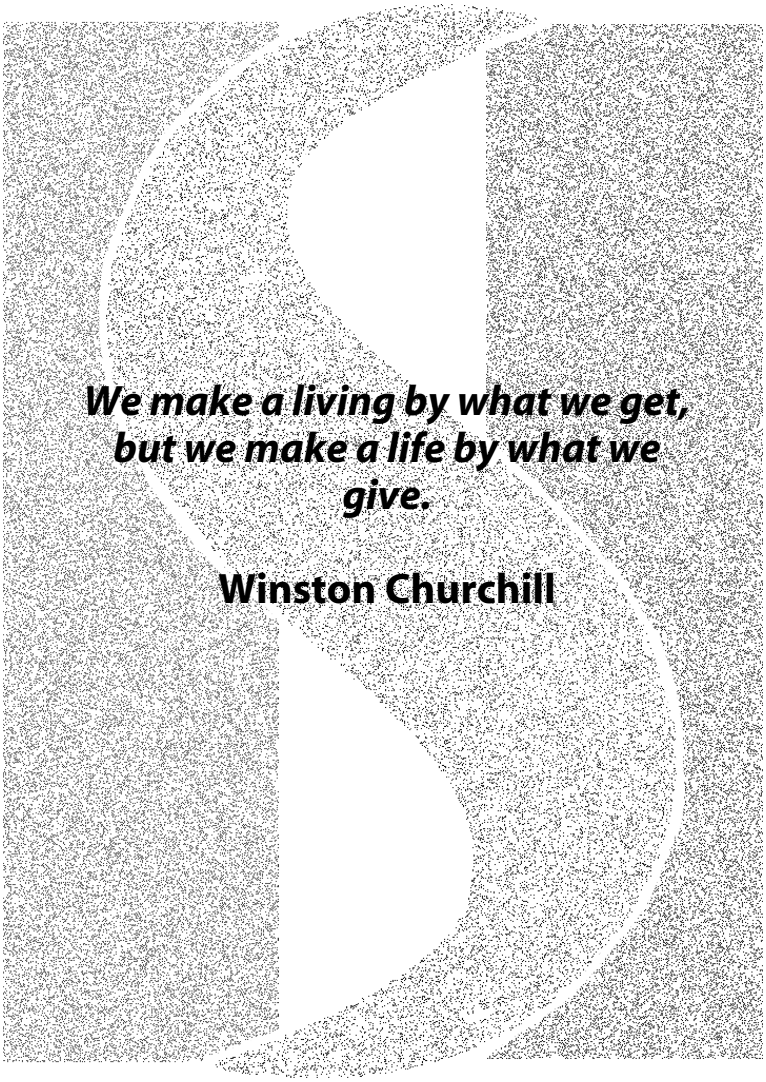
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$739,327	$776,210	$697,490	$809,280	$809,280
Supplies	18,516	55,970	45,720	53,650	53,650
Other Charges	65,667	71,820	65,160	85,050	85,050
Total	$823,509	$904,000	$808,370	$947,980	$947,980


We make a living by what we get,
but we make a life by what we
give.
Winston Churchill

Emergency Management

MISSION STATEMENT: ***To establish and maintain an emergency management program protecting the lives and property of the residents of Sterling Heights, by practicing mitigation of, preparedness for, response to, and recovery from adverse hazards.***

The mission of the Office of Emergency Management is to provide coordination and guidance of emergency service. Coordination extends to state and federal agencies in building a solid foundation of people when the City is required to call upon them to respond.

Three groups of people compose the central core for the office:

The Municipal Security Team consists of the City Manager, Public Works Director, Fire Chief, Police Chief, Community Relations Director, and the Emergency Manager. Called to action by the City Manager, the team is available as needed to prepare and respond to short and long range planning to significant events within the City.

The Municipal Operations Group is comprised of command personnel from the Public Works, Fire and Police Departments. Meeting as needed, the Group provides planning, exercise development, multi-departmental responses, and general responsibilities for emergency field forces.

The Municipal Security Council is comprised of members representing the private sector, schools, military, federal and state agencies, and volunteers from the community. Specific programs to be undertaken in the coming year will be assistance to the Neighborhood Watch Program, development of the Reserve Medical Corps, and implementation of the Community Emergency Response Teams. These teams will be available to assist during times of emergencies providing additional resources to the Emergency Manager when needed.

Federal pass through grants will continue into 2004/05 and will provide needed funding for emergency service related training. Grants provide the additional funding many local jurisdictions cannot provide because of decreases in outside funding sources. Emergency services in Sterling Heights will be well equipped and trained to response and recovery from chemical, biological, radiological, nuclear and explosive events. In this ever changing and challenging time, every jurisdiction requires the appropriate personnel and equipment that will protect the majority of the population and property when disaster strikes. It is critical that jurisdictions prepare their community for these new hazards.■

KEY GOALS

- ***To mitigate incidents which may cause injury, or loss of life.***
- ***To prepare our entire City population to know what to do when an emergency happens.***
- ***To respond to emergencies immediately and efficiently.***
- ***To establish recovery procedures to effectively bring our government, and residential and business communities back to normal operation following an emergency situation.***

Did you know?…
…that the Office of Emergency Management co-sponsored the first Homeland Security Expo in Michigan on January 5, 2004, which included public, private and resident attendees?

Emergency Management

2004/05 PERFORMANCE OBJECTIVES

1. To develop volunteer civilian programs such as Neighborhood Watch, Reserve Medical Corps and Community Emergency Response Teams to assist the City in delivering emergency services when necessary.

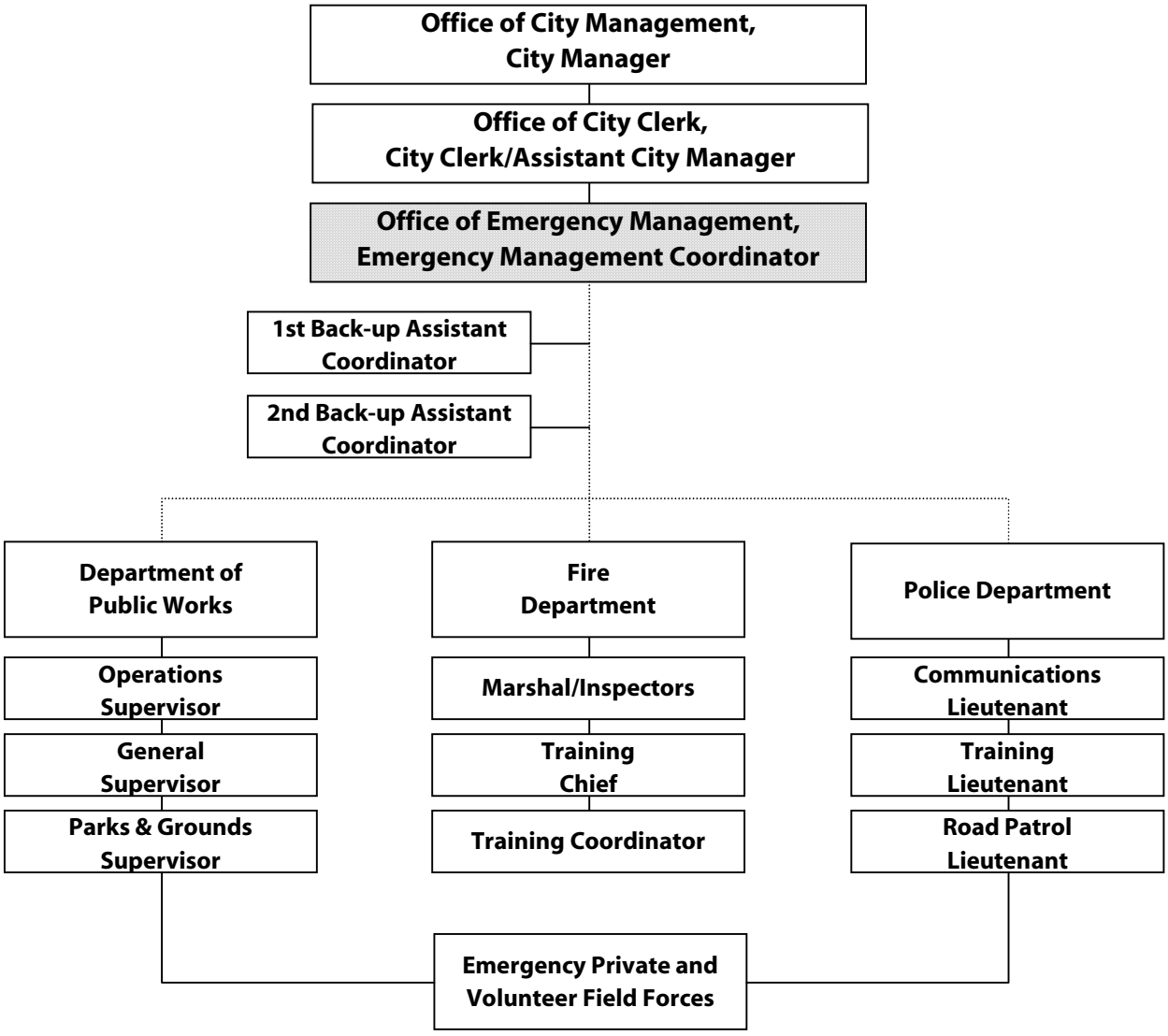
2. To secure, track and monitor federal grant funds for the purchase of equipment and training so that the City can appropriately respond to chemical, biological, radiological, and nuclear events.

3. To enhance the Emergency Operations Center as a safe haven for key City personnel during times of emergency.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Emergency Public Information Alerts & Warnings	28	39	43	41	40	36
	Training Exercises/Participants	10/600	11/210	4/175	5/350	3/150	5/400
	Hours of Communication Coordination	200	195	305	450	350	250
	Testing & Maintenance of Warning Systems (Hours)	42	35	45	40	38	40
	Corporate Instruction/Consulting (Hours)	80	100	53	60	70	60
	Public Presentations	33	35	22	20	15	30
	Civilian Program Volunteers Trained	N/A	N/A	N/A	30	30	150
	Family Protection Workbooks Distributed	500	4,000	53,000	3,200	1,000	1,000
	Hours Spent at Disaster Planning Meetings	35	45	43	40	60	65
	New Grants Applied For/Grants Received	N/A	2/2	5/5	4/4	4/4	4/4
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	100%	98%	98%	98%	96%	98%
	% of Grants Successfully Awarded	N/A	100%	100%	100%	100%	100%
	% of Emergency Calls Responded to w/i 1 Hour	100%	99%	99%	99%	98%	99%
	People Injured or Killed in City Emergencies	0	0	0	0	0	0
	% Recovered Costs from Emergency Damage	100%	100%	100%	100%	100%	100%
	Average Emergency Response Cost	$323	$328	$316	*	*	*
	Average Cost to Conduct a Training Exercise	$545	$550	$418	*	*	*
	Activity Expenditures as % of General Fund	0.13%	0.13%	0.17%	0.25%	0.25%	0.20%

** Cost is calculated for "Actual" columns only.*

Emergency Management



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Emergency Management Coordinator	1	1	1
Total	1	1	1

Emergency Management

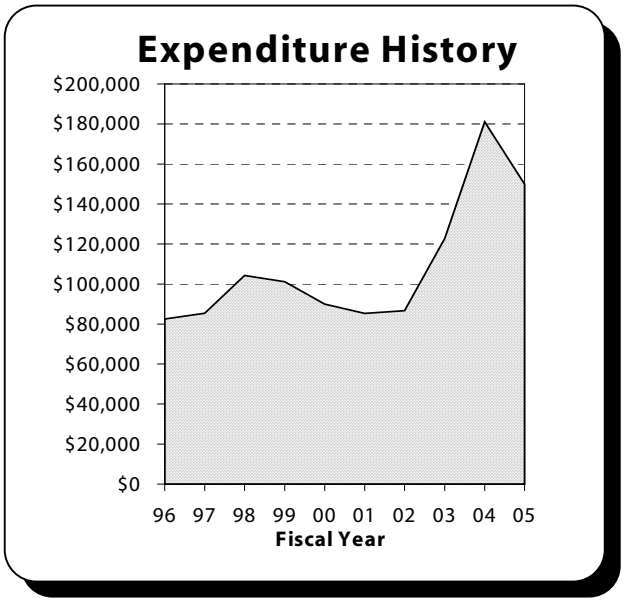
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $6,320 or 7.1% over last year's budget. Wages increased by $2,240. Hospitalization costs rose $930 due to a rate increase for next fiscal year offset by recent labor contract higher co-pay savings. As a result of the new contract, several accounts rose including longevity, deferred compensation and eye care insurance. The City is recommending increased funding for retiree health care obligations, resulting in a $1,600 increase to this activity for next year.

Supplies – Total Supplies decreased $80,340 or 99.1%. The decrease was due to a one time grant-funded purchase of Emergency Management software in the prior fiscal year. Any new grants that the City receives will be included in a subsequent budget amendment.

Other Charges – Total Other Charges increased $42,850 or 392.4%. The increase was primarily due to a $43,000 State police grant for the one-year funding of a contractual Emergency Management Support Planner to help develop emergency management plans and coordinate volunteer groups within the community to assist with disaster response. Annual maintenance costs for sirens and voice monitors increased $100. Telephone costs decreased $200 due to a new city-wide Nextel telephone plan, which allows the City to pool its minutes, thereby lowering the number of excess minutes for which the City is charged. Education costs decreased $50, as savings on travel costs will be maximized.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$85,969	$89,140	$90,140	$95,460	$95,460
Supplies	13,704	81,050	83,510	710	710
Other Charges	23,072	10,920	5,720	53,770	53,770
Total	$122,744	$181,110	$179,370	$149,940	$149,940

Facilities Maintenance

MISSION STATEMENT: ***To maintain within the budgetary framework, nineteen City facilities in a safe, clean and economical manner for the benefit of the residents and staff of the City of Sterling Heights.***

The Facilities Maintenance staff's primary goal is to maintain, within the budgetary framework, 19 City facilities in a safe, clean, and economical manner for the benefit of the residents and staff of the City of Sterling Heights.

The administration, maintenance, and housekeeping staff of Facilities Maintenance prides itself on the ability to operate efficiently, reduce unnecessary spending, and effectively deliver the services needed to maintain the City's facilities.

The Facilities Maintenance Manager plans and directs the operations of the maintenance and housekeeping staff as well as all outside contracted work and vendors. The overseeing of outside contractors and vendors ensures the quality of workmanship and materials on projects and the adherence of all applicable State and City codes, while meeting all safety standards prescribed by the State and Federal regulations. The maintenance staff is the nuts and bolts component of a wide range of projects that have been constructed and completed in-house.

The maintenance staff also ensures that through preventative maintenance programs, all mechanical, electrical, and plumbing equipment operates at safe and optimum efficiency. The staff maintains all interior and exterior surfaces that require painting throughout the year to ensure that facilities stay attractive year round.

Facilities Maintenance is responsible for housekeeping services at ten City facilities on a daily basis. The staff ensures that residents and employees of Sterling Heights have clean and safe facilities to carry on their day-to-day business as well as maintaining the high level Board of Health standards at a 24 cell detention facility.

The Facilities Maintenance staff assists all departments with furniture transfers and office furniture and equipment layout to help ensure that personnel and equipment are properly and ergonomically situated. Facilities Maintenance is an integral part in the planning, programming, and implementation phases of building modernization and efficiency. ■

KEY GOALS

- ***To operate efficiently, reduce unnecessary spending and effectively maintain the City's facilities.***
- ***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 meet all safety standards prescribed by State and Federal regulations.***
- ***To conduct preventative maintenance programs on all mechanical, electrical, and plumbing equipment, to ensure it operates at safe and optimum efficiency.***
- ***To guarantee that residents and employees of Sterling Heights have clean and safe facilities to carry on their day-to-day business.***

Did you know?…
…that the Facilities Maintenance staff maintains 19 City facilities and processed 7,500 maintenance and custodial service requests in fiscal year 2003?

Facilities Maintenance

2004/05 PERFORMANCE OBJECTIVES

1. To ensure the efficiency and readiness of all City-owned generators by coordinating and supervising a generator load test on each of the generators.

2. To improve communication with City departments on the status of service requests through the use of e-mail and a computerized tracking system.

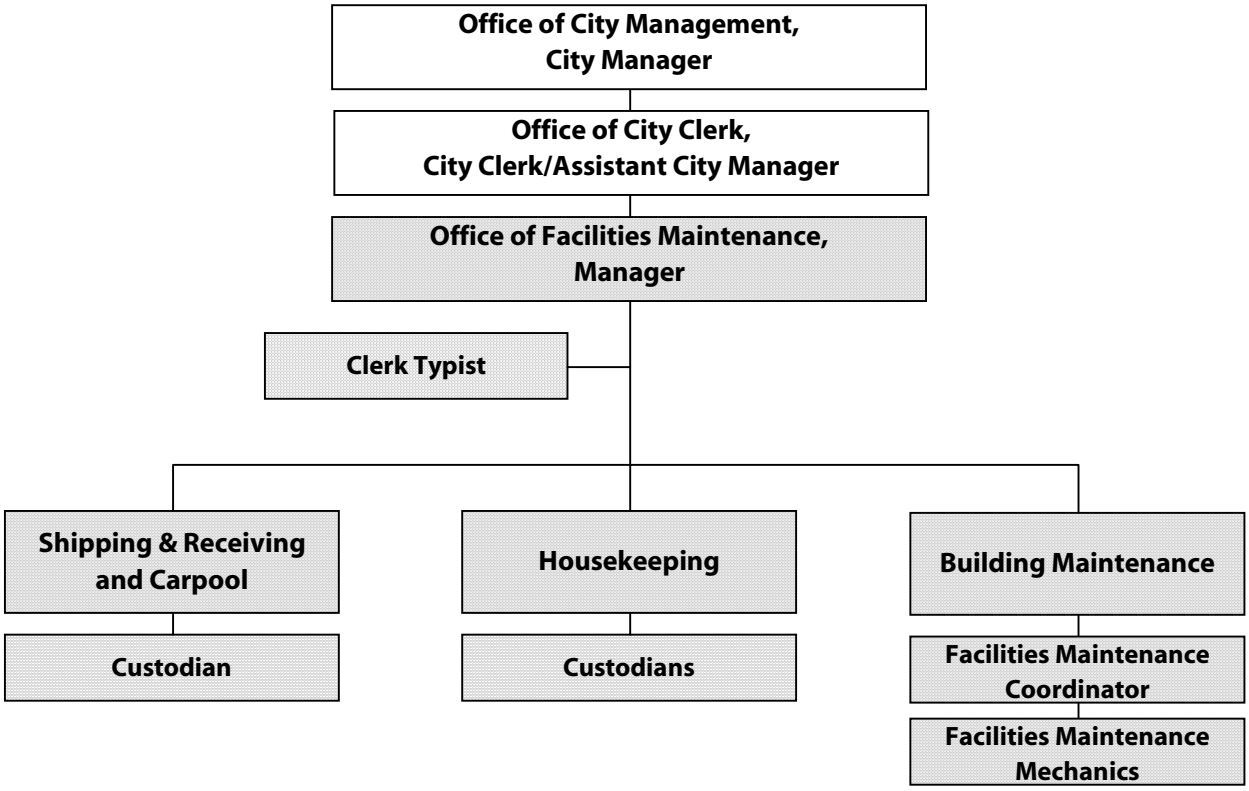
3. To minimize the amount of City records that are physically stored by seeking new storage methods.

4. To reduce the high cost of cleaning supplies and paper products by exploring and experimenting with new and innovative products.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	City Facilities Supported - Square Feet	271,816	274,064	280,776	280,776	280,776	280,776
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	210,916	213,164	213,164	213,164	213,164	213,164
	Renovations/Projects Supervised/Coordinated	$27,702	$309,921	$265,906	$61,500	$51,740	$30,000
	Interior Preventive Maintenance Cycles	4	4	4	4	4	4
	Exterior Preventive Maintenance Cycles	2	2	2	2	2	2
	Maintenance/Custodial Service Requests Processed	7,290	7,540	7,500	7,600	7,400	7,600
	Post Office Deliveries & Pick-Ups	425	420	420	425	430	430
	UPS Shipments Prepared	45	49	65	70	60	65
	Deliveries to City Council Members	78	85	85	85	90	85
	Car Pool Vehicles Supervised	38	38	39	39	39	39
	Voting Machines Assembled & Delivered	195	195	180	180	180	180
Efficiency & Effectiveness	% of Emg. Call-Ins Responded to w/i 30 minutes	95%	95%	98%	98%	98%	98%
	% of Service Requests Met Within 15 Days	75%	70%	80%	90%	85%	85%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	125.8	117.9	131.7	136.6	136.6	136.6
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	30.1	29.9	23.0	21.8	20.6	21.8
	Overtime/Comp Hours Worked	3,150	1,800	1,825	1,900	1,800	1,800
	Housekeeping Cost Per Square Foot	$3.65	$3.74	$4.15	*	*	*
	Cost to Complete Maintenance Service Requests	$453,921	$448,212	$451,933	*	*	*
	Activity Expenditures as % of General Fund	1.68%	1.66%	1.72%	1.80%	1.81%	1.82%

** Cost is calculated for "Actual" columns only.*

Facilities Maintenance



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Coordinator	1	1	1
Facilities Maintenance Mechanic	3	2	2
Custodian	13	14	14
Clerk Typist	1	1	1
Total	19	19	19

Facilities Maintenance

SUMMARY OF BUDGET CHANGES

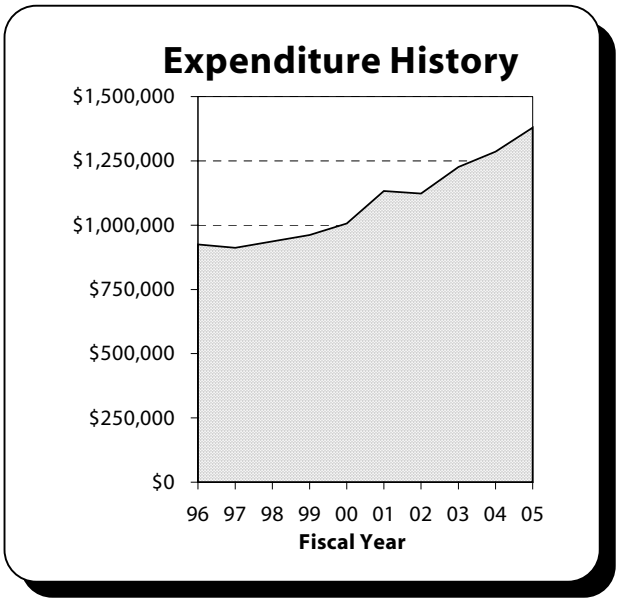
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $94,550 or 8.8%. Most of the increase is attributable to higher wages for all employees including 12 employees with additional wage step increases. Hospitalization costs rose $24,370 or 15.8% due to a rate increase for next year. An additional $18,590 is proposed for funding rising retiree health care obligations.

Supplies – Total Supplies increased $2,500 or 7.1%. Funding for the supplies used to maintain City facilities increased $2,500 based on historic actual expenditure usage and inflationary cost increases. The City anticipates some cost savings by installing automatic paper towel dispensers, which will dramatically reduce paper towel usage.

Other Charges – Total Other Charges decreased $3,800 or 2.2%. $3,000 will be saved, as more building repairs are being performed in-house rather than contracted out. Funding for telephone costs decreased $800 due to lower telephone usage and a new city-wide Nextel telephone plan, which allows the City to pool its minutes, thereby lowering the number of excess minutes for which the City is charged.

Capital – Total Capital of $79,000 is proposed for this activity and is budgeted in the Capital Projects Fund. $50,000 is for a new Emergency Generator for the Police Department that will provide more power than the existing 25 year-old generator, and will allow for increased operation of necessary equipment such as computers, lighting, and ventilation in the dispatch center during an emergency. $29,000 is proposed for two mid-size 4-door Passenger Vehicles to replace two deadlined vehicles in the general car pool.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,015,210	$1,079,180	$1,075,350	$1,173,730	$1,173,730
Supplies	46,392	35,010	40,010	37,510	37,510
Other Charges	164,077	171,450	165,630	167,650	167,650
Total	$1,225,679	$1,285,640	$1,280,990	$1,378,890	$1,378,890

Assessing

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

The primary and continuing goal of the Assessing activity is to achieve 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 the local governing unit.

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 of sales data on vacant property and homes, 2) compiling rental and lease information for apartments, 3) assembling commercial and industrial information, and 4) auditing of 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.

The City of Sterling Heights has recently made information 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.

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 will continue to be aware and will 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 to implement all the new laws, but the end result will benefit the taxpayers of Sterling Heights.■

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 assure 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.***

Did you know?…
…that personal property assessments currently account for nearly 18% of the City's annual property tax revenue?

Assessing

2004/05 PERFORMANCE OBJECTIVES

1. To implement a City-wide personal property auditing program to promote local compliance with current State personal property reporting guidelines.

2. To implement new computer software that will allow for the computerized drawing of all existing buildings for more efficient workflow and to begin to put digital photos of properties on-line.

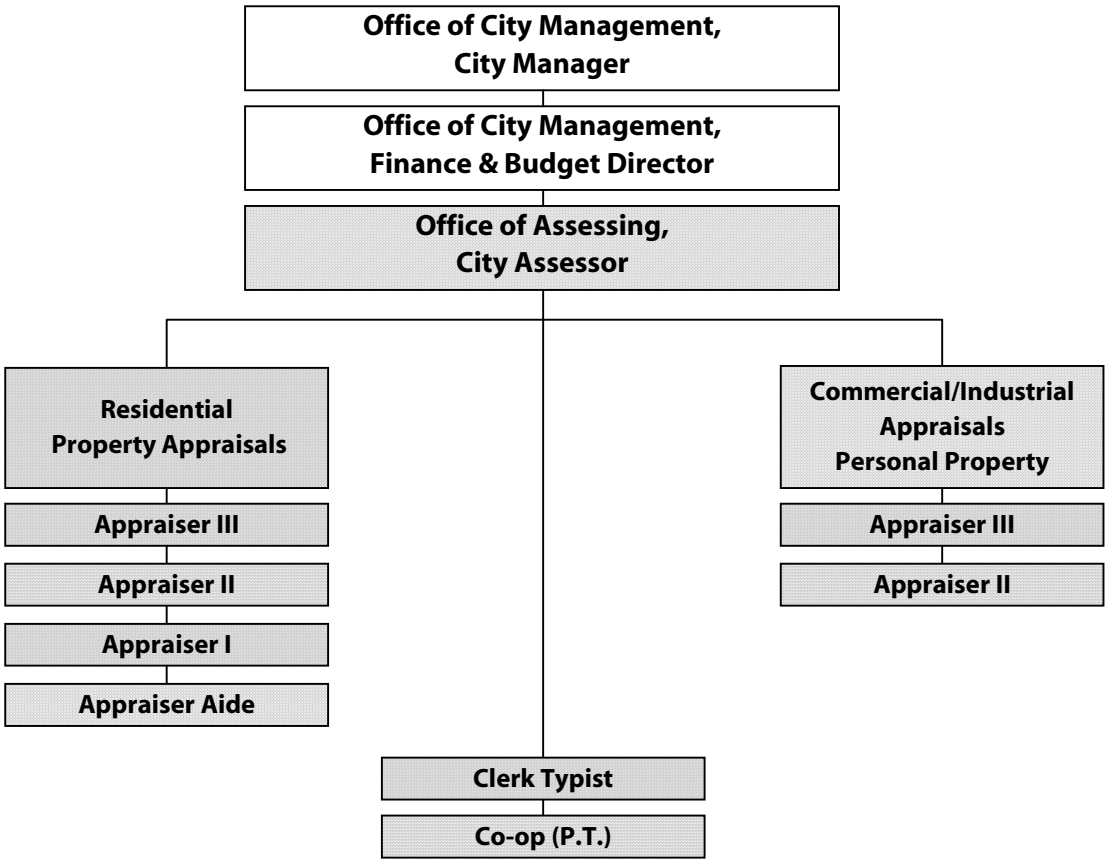
3. To increase the number of personal property audits, on accounts valued at less than $100,000, to be performed by City staff due to recent staff reorganization.

4. To update the certificate term criteria in the guidelines for the Industrial Facilities Tax Abatement Program.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Assessment Notices Processed	43,829	44,411	44,784	45,600	45,000	45,600
	Residential Property Appraisals (including Partials)	242	227	373	250	315	300
	Commercial/Industrial Property Appraisals - Real	30	29	11	25	20	20
	Reappraisals of Residential Property	399	329	50	0	0	0
	Full Tax Tribunal Applications - Comm/Ind/Personal	1	10	12	10	6	10
	Board of Review Appeals	996	572	558	500	525	500
	Personal Property Audits	63	28	12	500	485	1,070
	Property Splits/Combinations Processed	33	49	42	25	30	30
	Resident Tax & Assessing Online Searches	0	5,074	101,407	125,000	129,000	135,000
	Deeds & Property Owner Updates	4,129	2,348	4,325	4,400	5,200	5,000
	Property Transfer Affidavits Processed	3,171	3,525	2,968	3,150	4,000	3,800
	Homestead Exemption Affidavits Processed	4,565	4,647	4,325	4,200	5,400	5,200
	Industrial Facility Exemption Certifications Approved	8	4	7	7	9	7
	Total Investment resulting from IFEC's (millions)	$201	$9	$154	$280	$260	$60
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)	6.2%	5.9%	4.9%	6.3%	6.3%	6.0%
	Sales Ratio	49.52%	50.00%	50.00%	50.00%	50.00%	50.00%
	% Site Plans Reviewed within 2 days	90%	90%	90%	100%	90%	95%
	% Property Splits/Comb. Processed w/i 3 days	90%	90%	90%	100%	90%	95%
	Equalization Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Average Cost to Appraise a Residential Parcel	$6.28	$6.16	$5.11	*	*	*
	Activity Expenditures as % of General Fund	0.92%	0.89%	0.96%	0.98%	1.22%	1.08%

** Cost is calculated for "Actual" columns only.*

Assessing



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Assessor	1	1	1
Appraiser III	2	2	2
Appraiser II	3	2	2
Appraiser I	0	1	1
Appraiser Aide	1	1	1
Clerk Typist	1	1	1
Co-op (P.T.)	1	1	1
Total	9	9	9

Assessing

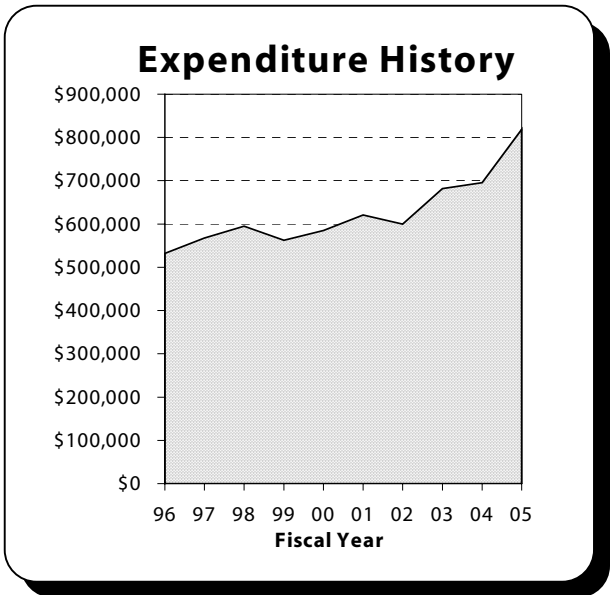
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $21,030 or 3.2%. Wages for full-time employees increased only $6,090 due to a retirement in the previous year. Overtime costs fell by $13,000, as additional manpower was required last year to convert to the new Assessing computer system. One employee has elected to receive health insurance and forego the health insurance allowance. This change, as well as an increase in medical rates, resulted in a $20,980 increase. An additional $9,560 is proposed to fund retiree health insurance costs.

Supplies – Total Supplies decreased $260 or 1.3%. The cost to photograph new construction decreased $460 as the existing Polaroid cameras will be replaced with digital cameras, eliminating the need for Polaroid film. City staff will begin taking digital photographs of properties and putting the pictures online. An increase of $200 was needed for the cost to mail Personal Property Audit correspondence.

Other Charges – Total Other Charges increased $102,340 or 465.2%. The budget increased $101,260 to provide three months of Personal Property Audit Services by Tax Management Associates, Inc. The grant for this project will end in September, 2004. $1,330 was added for the annual maintenance of the new Apex Sketching software. The City will save $150 on microfilm services, as it is more cost effective to use CD technology to archive tax information. Funding was reduced $150 for copy machine rental and usage fees and $100 in publishing costs, both based on the current year's projected expenditure usage. A slight savings was also realized in local meeting costs.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$637,729	$653,520	$656,650	$674,550	$674,550
Supplies	19,419	20,000	19,240	19,740	19,740
Other Charges	24,607	22,000	189,580	124,340	124,340
Total	$681,756	$695,520	$865,470	$818,630	$818,630

Financial Services

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, bond sale activity, water and sewer billing and pension activity functions.

Financial Services develops and maintains tracking systems for funds, projects, grants, capital assets and other financial needs. The Comprehensive Annual Financial Report and compliance reports for State and Federal agencies are prepared.

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 12 separate employee groups, all with unique benefits.

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

Water and sewer bills are prepared for over 38,000 residential, industrial and commercial customers. Delinquent account reports are generated and transferred to tax rolls after approval by the City Manager.

Project 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, and capital projects ensuring that the City fulfills bond covenants and arbitrage rebate requirements.

The Financial Services office is also responsible for the pension administration functions within the City. Duties include providing data to the actuaries for both pension systems, preparing estimated benefit calculations for employees, acting as the financial accountant for both systems, and assisting employees in the preparation of the necessary paperwork to receive retirement benefits. Financial Services also serves as the pension administrator for the General Employees Retirement System. This includes the day-to-day administration of the system, preparing agendas and packets for the monthly meetings, coordinating with money managers and service providers for quarterly and annual progress report meetings, assisting the system's legal counsel and working with the custodial bank to assure timely and proper benefit payments to retired employees.■

KEY GOALS

- ***To meet all payroll and related reporting deadlines on a timely basis with a tolerance of zero defects.***
- ***To service all water and sewer customers with accurate and timely billing and collections.***
- ***To provide timely payments to vendors after appropriate internal approvals have been granted.***
- ***To provide efficient administrative services to both pension systems so that employees and residents are assured that accurate pension benefits are being paid.***
- ***To insure an annual audit is performed and that a comprehensive annual financial report is distributed to City Council and available to all residents.***

Did you know?…
…that the City's water and sewer customers can now access their billing and consumption information on-line at www.sterling-heights.net?

Financial Services

2004/05 PERFORMANCE OBJECTIVES *(Financial Services)*

1. To increase the use of the City's on-line utility billing system by encouraging residents to use alternative payment options such as direct debit, on-line credit card payment and a possible new budget payment plan option.

2. To plan and coordinate an employee retirement planning session which will include speakers on topics such as legal planning, social security, pre- and post-retirement personal planning and pre- and post-retirement investing.

3. To assist the General Employees Board of Trustees in completing an experience and demographic assumption study to assure that all assumptions used by the Board are current and reliable.

4. To finalize new pension administration software within the MUNIS system or develop other options to reduce dependency on the current Legacy system.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Water and Sewer Bills Issued	173,843	176,737	175,498	180,700	180,629	181,000
	Final Water Bills Prepared	2,320	2,215	1,752	2,200	1,850	1,890
	Water & Sewer Customer Bill Online Searches	N/A	N/A	N/A	9,000	9,000	9,450
	Service Orders Processed by Utility Billing	N/A	N/A	N/A	2,500	3,000	2,700
	Water Bill Adjustments	N/A	N/A	N/A	1,350	1,300	1,170
	Internal Audits Conducted	0	0	2	2	3	2
	Annual % Change in GERS Market Value - Fiscal Year	2.6%	-5.3%	-1.4%	2.5%	13.5%	8.0%
	3-Year Avg. Return on GERS Investments - Fiscal Year	7.8%	4.2%	1.4%	5.0%	5.0%	8.0%
	Defined Contribution Active GERS Employees	42	42	48	58	55	60
	Defined Benefit Active GERS Employees	338	320	304	295	300	295
	GERS Retirements Processed	11	24	18	12	16	14
	GERS Retirees/Beneficiaries Receiving Benefits	166	163	171	180	186	194
	Total Retirees/Beneficiaries Receiving Medical Benefits	276	310	331	340	350	364
	Pension Calculations Prepared (P&F and GERS)	48	67	55	50	50	50
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa2,AA,AA-	Aa2,AA,AA-	Aa2,AA+,AA-	Aa2,AA+,AA	Aa2,AA+,AA	Aa2,AA+,AA
	General Employees Pension System - % Funded	147.0%	144.4%	132.7%	130.0%	128.9%	126.0%
	GERS Asset Allocation - Equities (Goal 60%)	58.0%	53.9%	56.2%	60.0%	60.8%	60.0%
	GERS Asset Allocation - Fixed Income (Goal 30%)	41.9%	46.1%	43.8%	30.0%	30.0%	30.0%
	GERS Asset Alloc. - Hedge Fund-of-Fund (Goal 5%)	N/A	N/A	N/A	5.0%	4.6%	5.0%
	GERS Asset Allocation - Real Estate (Goal 5%)	N/A	N/A	N/A	5.0%	4.6%	5.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.49	1:0.51	1:0.56	1:0.61	1:0.60	1:0.65
	% of Water & Sewer Bills Adjusted	N/A	N/A	N/A	0.75%	0.72%	0.65%
	Activity Expenditures as % of General Fund	1.61%	1.54%	1.38%	1.47%	1.43%	1.44%

Financial Services

2004/05 PERFORMANCE OBJECTIVES *(Accounting)*

1. To conduct cross training of employees which will incorporate the refinement of accounting policies and procedures of our integrated financial applications; as well as, establish knowledge of others' responsibilities in order to provide complete coverage of the office's daily functions.

2. To conduct a cost study or request for pricing of external audit fees paid and services received by other municipalities in order to identify ways to minimize the cost for our financial audit and evaluate alternatives.

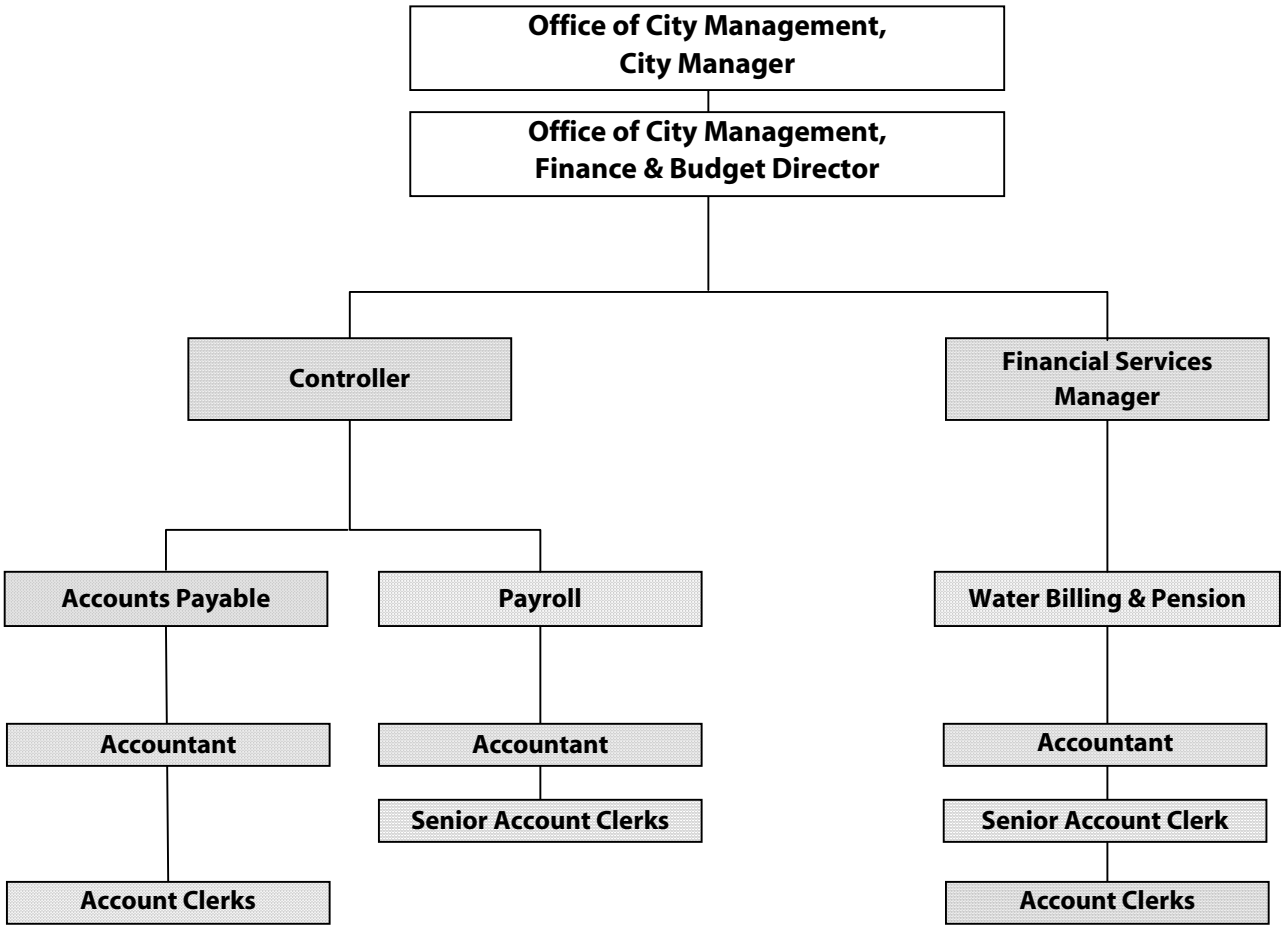
3. To identify, develop and implement processes necessary to centralize invoice processing allowing full utilization of the accounts payable system including the aging function and providing controls for timeliness of payments.

4. To eliminate manual processing of invoices by identifying alternative payment options, with an increased focus on using electronic funds transfers (EFT) in order to minimize the cost of processing invoices and payments.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Bank Statements Reconciled	504	385	300	300	300	300
	Travel Business Reports Reconciled/Processed	269	205	280	200	240	240
	Correcting Journal Entries Prepared	158	223	90	120	80	90
	Accounts Payable Invoices Processed	24,770	22,698	19,434	20,000	19,800	20,000
	Accounts Payable Checks Issued	12,875	12,378	10,120	10,500	10,900	10,500
	Payroll Checks & Deposit Notices Generated	21,625	22,360	21,543	21,800	21,500	21,800
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	11.1	13.5	8.4	9.0	9.0	9.0
	% of A/P Invoices Processed within 30 days	97.4%	94.0%	97.0%	99.0%	98.0%	99.0%
	% of A/P Checks Issued Without Error	98.2%	97.0%	99.5%	99.8%	99.5%	99.8%
	% of Payroll Checks Issued Without Error	99.0%	99.5%	99.5%	99.5%	99.5%	99.5%
	Financial Statement Correcting Entries by Auditors	6	6	2	1	0	1
	Cost for an Independent Auditor to Perform Audit	$90,000	$92,065	$135,400	$99,000	$92,900	$95,000
	Years Received G.F.O.A. CAFR Award	13	14	15	16	16	17
	Cost to Process an Accounts Payable Invoice	$6.51	$7.03	$7.92	*	*	*
	Cost of Payroll Service Per Employee	$254	$248	$255	*	*	*

** Cost is calculated for "Actual" columns only.*

Financial Services



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Financial Services Manager	1	1	1
Controller	1	1	1
Accountant	3	3	3
Senior Account Clerk	3	3	3
Account Clerk	4	4	4
Co-op (P.T.)	1	0	0
Total	13	12	12

Financial Services

SUMMARY OF BUDGET CHANGES

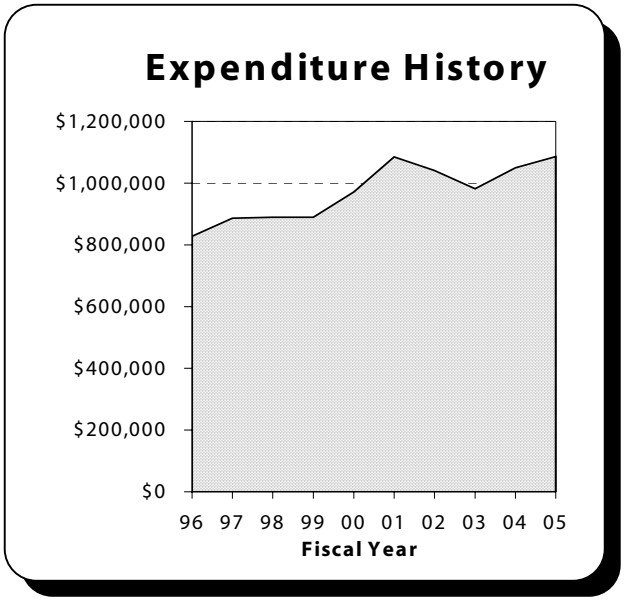
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $37,400 or 4.2%. Wages for full-time employees increased $25,160. Part-time wages fell $8,500 as a temporary employee was needed last year due to an employee absence. Overtime costs fell by $4,000 due to the completion of several MUNIS software applications in the prior year. Medical costs increased $9,820 while dental insurance costs decreased by $1,170. An additional $13,780 is required to fund retiree health insurance obligations. Several other fringe benefit accounts changed as a result of employee turnover and a new UAW labor contract.

Supplies – Total Supplies decreased $1,270 or 2.2%. Postage funding decreased $870, as prior years' expenditure levels were less than anticipated. A decrease of $300 was made in operating supplies based on the current year's projected expenditure usage. The office will save $100 as fewer professional publications will be purchased.

Other Charges – Total Other Charges decreased $340 or 0.3%. Funding for educational conferences decreased $1,600 due to the one-time funding for staff to attend the Munis User's Conference in the prior fiscal year. Printing costs decreased $1,550, as prior year budgeted funds were never fully spent. Funding for telephone costs decreased $1,000 due to a revised allocation of City telephone expenditures. The budget decreased $520 based on updated Data Mail costs for printing water bills. These decreases were offset by an increase of $4,320 due to an increase in the MUNIS licensing and software support and maintenance fees.

Capital – This office is scheduled to receive updated personal computers to replace the existing computers that are now six years old. This funding is in the Information Technology capital budget.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

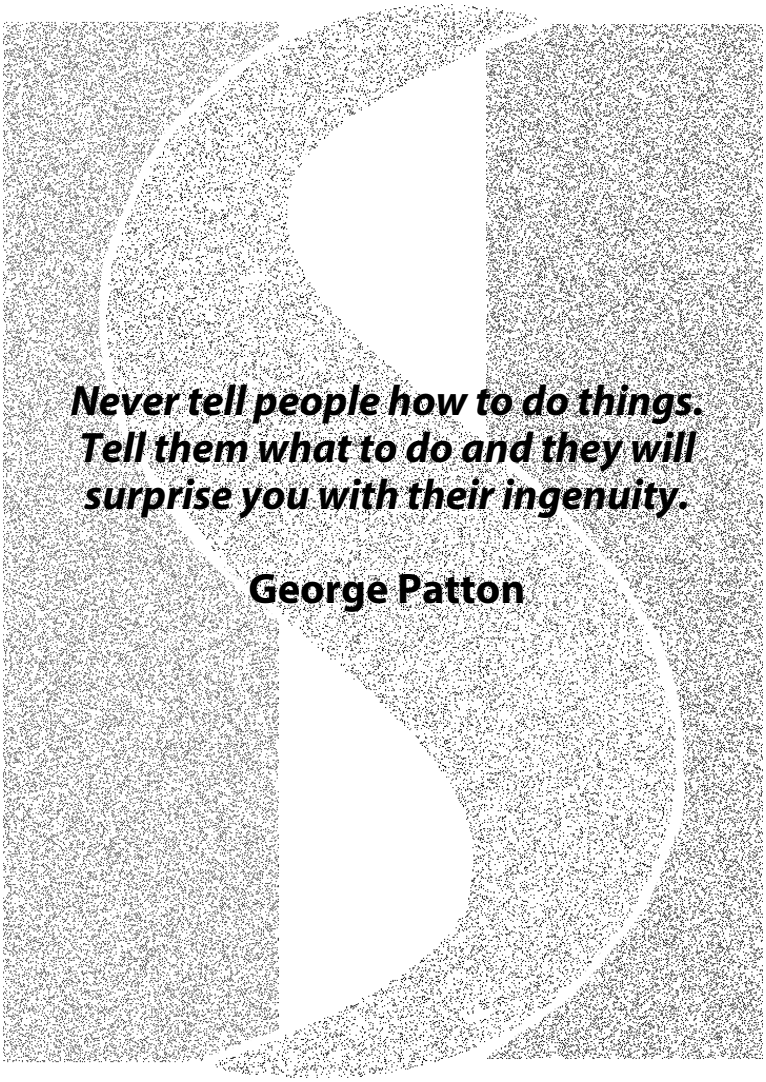
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$819,492	$885,200	$860,890	$922,600	$922,600
Supplies	53,778	57,350	53,800	56,080	56,080
Other Charges	108,345	107,500	101,320	107,160	107,160
Total	$981,615	$1,050,050	$1,016,010	$1,085,840	$1,085,840


Never tell people how to do things.
Tell them what to do and they will
surprise you with their ingenuity.
George Patton

Purchasing

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 mission of the Office of Purchasing is to procure goods and services at the lowest competitive price and to maintain quality standards in those purchases 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 administration. Several policies and procedures are in place to ensure that all requisitions enroute to Purchasing are screened for compliance along the way.

The utilization of alternative methods of purchasing allows the ultimate mix of methods and procedures enabling the objectives to be reached on a cost-effective basis. Examples of these alternative methods include: on-line requisitioning, cooperative purchasing, quantity purchases, Request for Proposals, purchasing cards and an on-line e-procurement solution that allows registered vendors instant access to bids and quotes. Having these alternatives available allows a more expedient method of processing goods and services.

The issues involving ethical standards of purchasing are constantly being monitored to maintain the highest level of standards.

The establishment of policies and procedures, preparation of specifications, and the testing and inspection of materials and supplies purchased by and for the City are responsibilities of the Purchasing Manager.

Purchasing is also responsible for encumbering and monitoring all purchase requisitions through an encumbrance module in the Munis system which strategically coincides with the modules being used in the other financial and management offices. The encumbrance module strengthens the control and reporting procedures throughout the City.

Additional Purchasing responsibilities include training of on-line requisitioning, use of purchasing cards, Internet purchases of office supplies, and coordinating maintenance on all office, cable television, and Print Shop equipment. Determination is made for equipment replacement, service contracts, and/or vendor performance. Microfilming services are also provided through Purchasing 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 our purchasing operations and to obtain better pricing through combining orders from 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 their purchasing practices.***

Did you know?…
…that since March, 2003 the on-line Tri-County Purchasing Cooperative's e-procurement solution has expanded from eight to 14 municipalities, saving taxpayers' money as well as allowing an efficient way for vendors to submit bids for City services?

Purchasing

2004/05 PERFORMANCE OBJECTIVES

1. To utilize an on-line auction through the current e-procurement system to dispose of surplus City property and equipment.

2. To initiate a Request for Proposal (RFP) to audit utility bills, at no cost to the City, to insure the utility providers are billing the City at the correct rate.

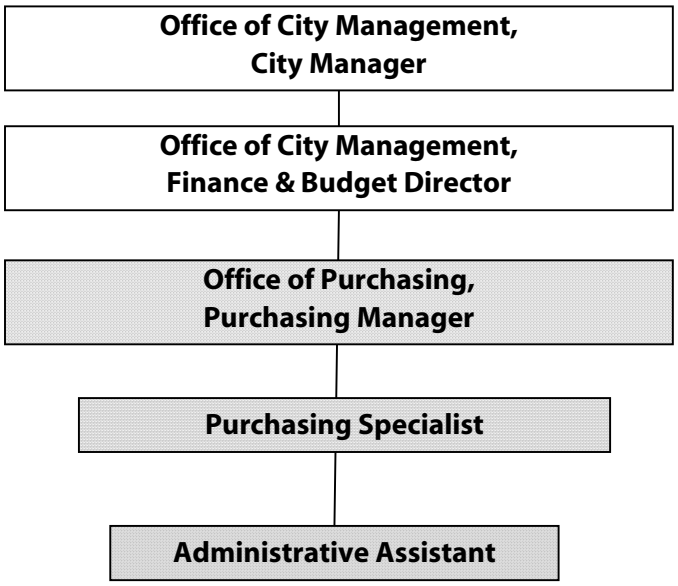
3. To educate and encourage vendors to use the e-procurement system by producing a vendor brochure explaining how to obtain bids and quotes.

4. To review, update, and revise if necessary the City's purchasing ordinance to reflect the latest trends in purchasing including reverse auctions and electronic bid submissions.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Purchase Orders Processed	1,492	1,339	1,299	1,300	1,800	1,700
	Bid Solicitation Occurrences	81	74	73	75	70	75
	Bid Responses Reviewed	532	452	483	450	425	425
	Written Quotation Solicitation Occurrences	30	44	34	35	25	30
	Written Quotation Responses Reviewed	120	193	184	185	100	120
	Vehicles Administratively Processed for Auction	424	334	337	200	330	300
	Hours Worked on Requests for Proposals (RFP's)	112.5	37.5	112.5	100.0	75.0	90.0
	Number of Purchasing Card Transactions	N/A	149	1,857	3,000	1,950	2,000
	Purchasing Card Transaction Volume	N/A	$19,443	$275,696	$400,000	$275,000	$300,000
	Equipment Repairs Scheduled	51	70	76	60	106	100
	Hours of Job Training Received	220	57	54	40	40	45
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	80%	85%	90%	90%	85%	85%
	% of P.O.'s Issued Under $500	24%	16%	20%	30%	18%	17%
	% of Bids Issued w/i 30 days of Specifications	85%	80%	85%	85%	85%	85%
	Avg. Days to Process a P. O. (informal pricing)	8	8	7	7	7	7
	Avg. Days to Process a P. O. (formal pricing)	30	30	30	30	30	30
	Revenue from Sale of Surplus Property	$129,907	$93,286	$66,576	$101,000	$75,500	$75,500
	Cost to Issue a Purchase Order	$53	$64	$70	*	*	*
	Average Cost to Go Out to Bid	$1,221	$1,329	$1,437	*	*	*
	Average % Savings Through Bid Process	N/A	N/A	20%	25%	23%	25%
	Activity Expenditures as % of General Fund	0.41%	0.39%	0.41%	0.42%	0.42%	0.42%

** Cost is calculated for "Actual" columns only.*

Purchasing



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing

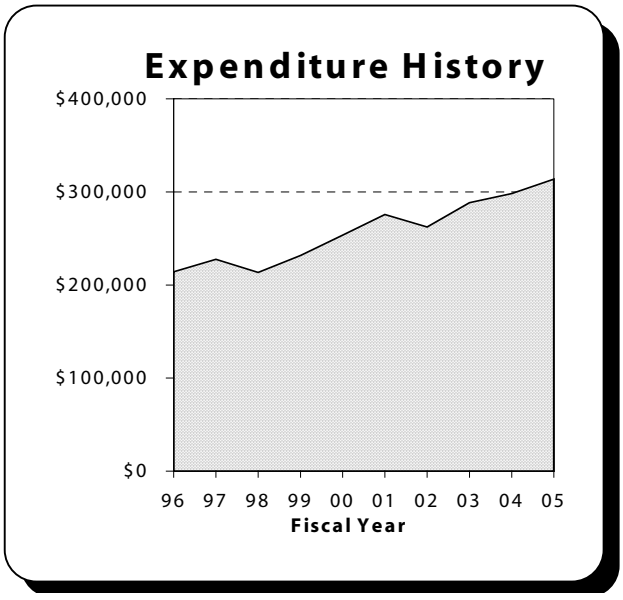
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $14,440 or 5.7%. Wages increased by $5,930. Hospitalization costs rose $3,990 as a result of a rate increase for next fiscal year. Higher retiree medical obligations resulted in a $4,120 increase. The remaining fringe benefit accounts increased as a result of the overall wage increase and because of new labor union contract benefits. Overtime costs fell by $1,500 based on historic actual expenditure usage.

Supplies – Total Supplies increased $100 or 3.7%. $100 was added to the budget due to the increased costs for facsimile and printer toner cartridges.

Other Charges – Total Other Charges increased $1,210 or 2.9%. Funding increased $1,140 for the annual Comerica purchasing card software usage fee, which was not budgeted last year. $200 was added due to an increase in city-wide office equipment repairs. A savings of $80 for the elimination of the membership to the International Association of Administrative Professionals is offset by an increase for the Commodity Service Code licensing fee and Oil Price Information Service (OPIS) to monitor the new gasoline contract. Telephone and printing costs decreased $200 and $100 respectively, based on the current year's projected expenditure usage. The City will save approximately $43,000 annually in electric costs by participating in the Michigan Municipal Risk Management Association's (MMRMA) alternate electric supplier program. These savings are reflected throughout other activity's budgets.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$240,838	$254,170	$253,390	$268,610	$268,610
Supplies	5,359	2,690	3,050	2,790	2,790
Other Charges	42,245	41,250	44,300	42,460	42,460
Total	$288,442	$298,110	$300,740	$313,860	$313,860

Treasury

MISSION STATEMENT: ***To bill and collect all City revenues accurately and on a timely basis, invest idle funds prudently and to make authorized disbursements on time; to participate in establishing and accomplishing strategic financial objectives of the City.***

Established by the City Charter, the mission and functions of the Treasury, under the direction of the City Treasurer, are well documented. The City Charter grants the office the authority to collect revenue and perform related activities.

Treasury is solely responsible for the receipt, deposit, control, and disbursement of all receipts (taxes 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.

KEY GOALS

- ***To effectively administer tax programs in accordance with all applicable laws.***
- ***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 and Fire and General Employees.***
- ***To assist in administering the debt program.***
- ***To assist in developing and implementing programs to reduce costs, increase revenues, and add efficiencies.***

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

Other responsibilities involve acting as Treasurer and trustee for the Police & Fire and the General Employees Retirement Systems. Through prudent investment strategies, both systems have yielded impressive interest earnings. Both plans are performing in the top one-third of their peer group.

The Treasurer provides administrative support to the Brownfield Redevelopment Authority and serves as administrative liaison to the Building Authority. The Brownfield Redevelopment Authority reviews and processes applications for potential development on contaminated sites while the Building Authority oversees the construction and related payments of new City facilities.

Treasury has adopted a strategy to decrease costs, improve interest earnings, and operate more efficiently. By adopting advanced technology, several areas in the Office of Treasury are now undergoing significant improvements.

To increase interest earnings, the cash management function was improved by bidding consolidated banking services, streamlining stop payment procedures, and utilizing zero percent CD's for compensating balances.

The revenue collection function was also made more efficient with the implementation of a lock box for property taxes. This lock box expedites the handling and deposit of property tax payments thus eliminating the backlog of received but unprocessed tax bills.

Treasury's objective is to further modernize through automation, which will help reduce manual workload and increase interest earnings.■

Did you know?…
…that Treasury recently implemented an image-based lock box system to receive and process property tax payments, reducing the amount of time that payments are in the mail system, the time it takes to process and deposit payments and the time it takes to clear them?

Treasury

2004/05 PERFORMANCE OBJECTIVES

1. To improve the City's financial reporting by implementing Statement No. 40 of the Governmental Accounting Standards Board regarding the Deposit and Investment Risk Disclosures.

2. To maximize the earnings potential of idle investments by investigating the use of a Securities Lending mechanism in the City's portfolio.

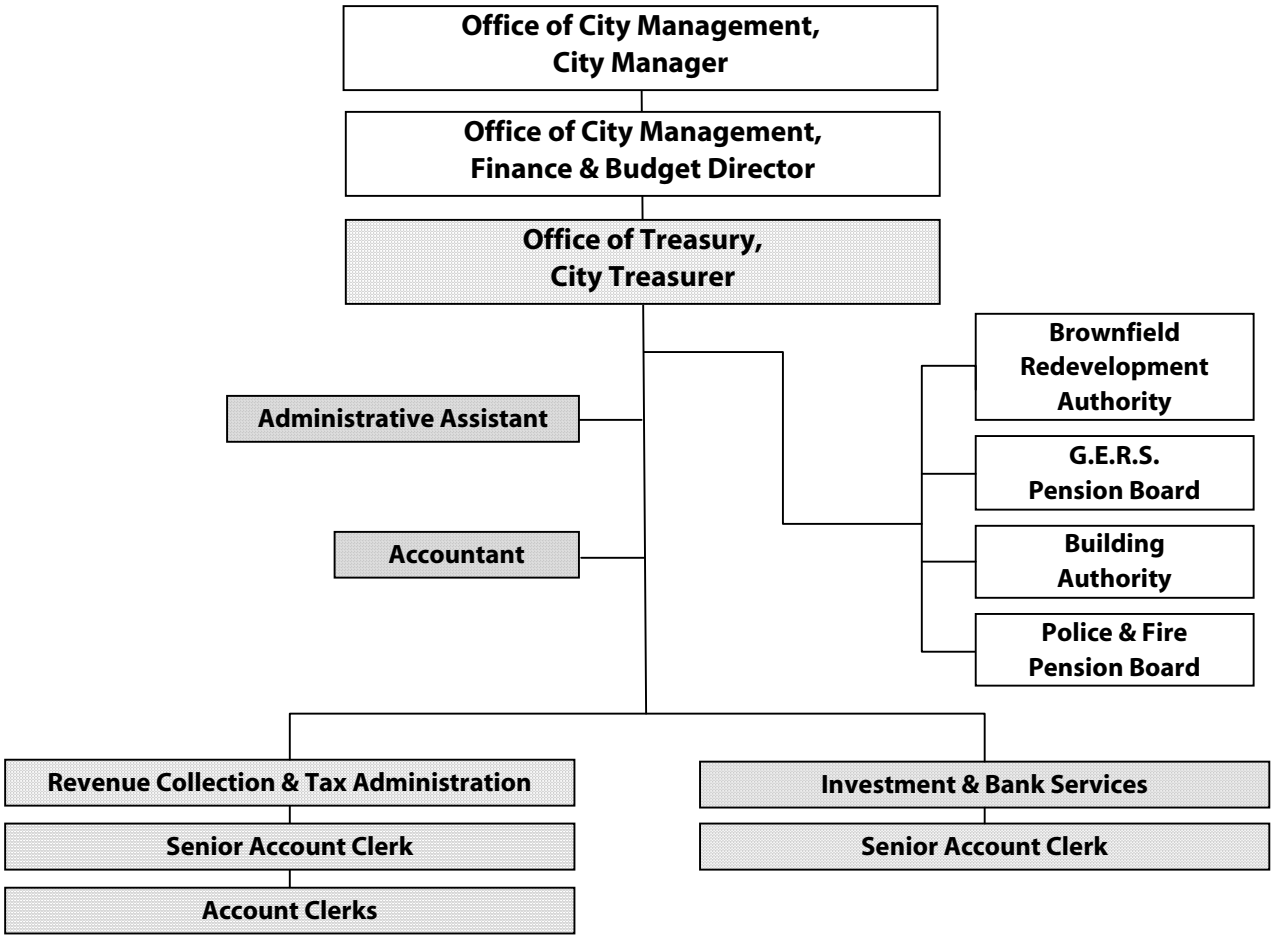
3. To maintain the current level of operational expertise by creating one Standard Operating Procedure (SOP) every quarter for three Treasury MUNIS and/or BS&A operations.

4. To increase the use of the lock box for property taxes in order to maximize its efficiencies relative to receipting, processing and reporting of all property tax payments by incorporating a printed reminder to residents or commercial/business facilities who have yet to use it.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Tax Bill Payments Processed - Manually	55,555	59,029	58,025	36,000	37,352	18,500
	Tax Bill Payments Paid - Electronically	26,904	25,458	27,461	26,000	26,019	26,000
	Tax Bill Payments Processed - Lock Box	N/A	N/A	N/A	19,000	19,000	36,000
	Special Assessment Parcels Billed	646	538	262	380	302	300
	Invoices Billed	3,907	3,368	4,009	3,300	3,340	3,300
	Investments Bought/Sold - Number of Transactions	254	138	168	200	170	180
	Tax Adjustments Processed	888	1,084	1,016	950	1,124	1,100
	Resident Tax & Assessing Online Searches	N/A	5,074	101,407	125,000	129,000	135,000
	Cash Receipts Processed by Treasury Personnel	48,494	52,006	76,061	70,000	70,416	70,000
	City-wide Credit Card Transactions	N/A	1,862	3,964	5,000	5,500	6,000
	Dollar Value of All Credit Card Transactions	$0	$281,113	$660,517	$700,000	$700,000	$710,000
	# of Online/IVR Credit Card Tax Payments	N/A	N/A	64	180	180	180
Efficiency & Effectiveness	% of Real City Property Tax Levy Collected	97%	97%	97%	97%	97%	97%
	% of Personal City Property Tax Levy Collected	96%	96%	95%	97%	97%	97%
	Average Rate of Return on Investments	6.22%	3.11%	2.50%	3.00%	1.78%	2.00%
	Average 6 Month T-Bill Rate	5.24%	2.25%	1.31%	1.75%	1.03%	1.20%
	City's Return as a % of 6 Month T-Bill	1.19%	1.38%	1.91%	1.71%	1.73%	1.67%
	% of Portfolio Invested in Active Market	80.9%	58.4%	78.3%	85.0%	82.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	$5.0	$2.7	$2.6	$2.5	$1.6	$1.8
	Police & Fire Pension System - % Funded	148.7%	140.2%	130.8%	125.0%	122.5%	125.0%
	Ratio of Active P&F Employees to P&F Retirees	1:0.70	1:0.72	1:0.73	1:0.74	1:0.79	1:0.81
	Average Cost to Process a Billing Invoice	$5.36	$5.51	$5.25	*	*	*
	Activity Expenditures as % of General Fund	0.87%	0.92%	0.94%	0.99%	0.91%	0.90%

** Cost is calculated for "Actual" columns only.*

Treasury



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Treasurer	1	1	1
Accountant	1	1	1
Senior Account Clerk	2	2	2
Administrative Assistant	1	1	1
Account Clerk	5	5	4
Total	10	10	9

Treasury

SUMMARY OF BUDGET CHANGES

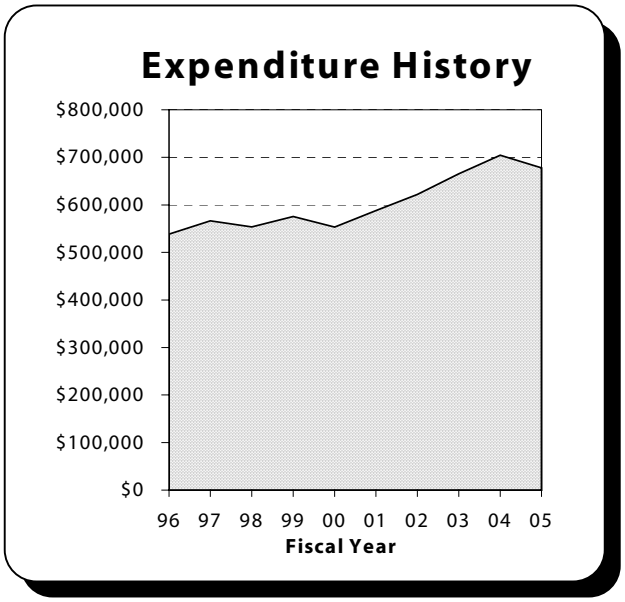
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget decreased by $25,740 or 4.1%. A vacant Account Clerk position is recommended not to be filled with a net savings of $45,000. This position is no longer needed as a result of using an automated bank lock box system to collect property taxes. As a result, most of the personnel accounts will decrease next year. Overtime and compensatory time will decrease by $4,500 also as a result of using the bank lock box.

Supplies – Total Supplies increased $180 or 0.5%. Funding increased $280 for the mailing of a greater number of tax bills next year. This increase was partially offset by a decrease of $100, as more professional publications will be shared among offices.

Other Charges – Total Other Charges decreased $1,000 or 2.6%. Credit card fees decreased $600 as Bank One has reduced the rates being charged to the City based on the increasing number of transactions processed. Funding was reduced $400 as the annual service fees for VeriSign, which clears credit card transactions, has decreased. Education costs declined by $200 as savings on travel accommodations will be maximized. Printing costs decreased $100 based on recent years' actual expenditure usage. These decreases were offset slightly as $170 was added to the budget due to an increase in the annual software maintenance fee for the BS&A Tax Administration module.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$591,102	$628,710	$569,060	$602,970	$602,970
Supplies	38,275	37,340	37,360	37,520	37,520
Other Charges	36,061	38,480	36,590	37,480	37,480
Total	$665,438	$704,530	$643,010	$677,970	$677,970

Parks & Recreation Department

FUNCTIONAL ORGANIZATION CHART

Parks & Recreation Department

Office of Parks & Recreation

- Department administration
- Implements policies and procedures
- Prepares and manages budget
- Coordinates staff assignments and responsibilities
- Coordinates capital improvement requests
- Coordinates park development and facility planning
- Oversees program development
- Manages building facilities

Athletic Programs

- Coordinates adult athletic programs and leagues
- Coordinates youth athletic programs and leagues
- Liaison to various youth athletic clubs
- Funds equipment purchases for youth athletic clubs
- Provides officials at youth and adult athletic games

Instructional Classes and Aquatics

- Offers adult self-improvement and recreational classes
- Offers youth recreational classes
- Offers year-round swim instructional classes for all ages and skill levels

Nature Interpretive Programs

- Maintains nature center and provides visitor service
- Conducts field trips for schools and scout groups
- Hosts weekly nature film series
- Presents family nature programs
- Offers outreach program for third grade students

Park Operations

- Coordinates Adopt-A-Park
- Inspects park facilities
- Provides park supervision
- Manages activities conducted at the Senior Center
- Augments staff at City events
- Recommends maintenance needs to Public Works Department
- Oversees skating rink

Senior Citizen Programs

- Offers social, recreational and athletic activities for seniors
- Coordinates athletic events for seniors
- Coordinates the Home Chore Program
- Provides transportation services
- Coordinates a variety of senior citizen services

Special Events

- Develops and implements seasonal and holiday events
- Develops and implements family and teen oriented events
- Develops and implements cultural events and community activities
- Coordinates assistance for community events

Summer Playground Program

- Coordinates an extensive Summer Playground Program at neighborhood schools
- Coordinates Teen Volunteer Program
- Provides participants the opportunity to participate in the Metro-Detroit Youth Fitness Meet

Athletic Special Events

- Plans and executes athletic special events for adult competitors
- Provides competitive athletic events for youngsters
- Provides assistance to other groups and agencies sponsoring athletic special events

Special Recreation Programs

- Offers programs for individuals with mental or physical impairments
- Conducts recreational activities in athletics, social recreation, day camps, fitness events, clubs, and trips
- Acts as a resource/referral service for individuals

DEPARTMENT AT A GLANCE

Parks & Recreation Department

BUDGET SUMMARY

The total Parks & Recreation Department's budget increased $85,620 or 4.0%. Personnel costs rose $90,660 or 5.6% due to higher wages, hospitalization, and funding for retiree health care obligations. Supply costs declined by $4,890 or 3.4% due to a leveling of expenditure increases now that the Senior Center has been open for several years. In addition, the prior year budget included a reappropriated encumbrance. Other Charges fell by $150. Higher utility costs were offset by the elimination of school building rental costs, as the gymnastics program will now be held at the City's Recreation Center. The Department's revenue is estimated to increase by $25,000 over the prior year's actual receipts as a result of an update in the fee schedule. The schedule has been revised based on the higher cost of providing Parks & Recreation classes and programming. This is the first comprehensive update of the fee schedule in many years.

FUNDING LEVEL SUMMARY

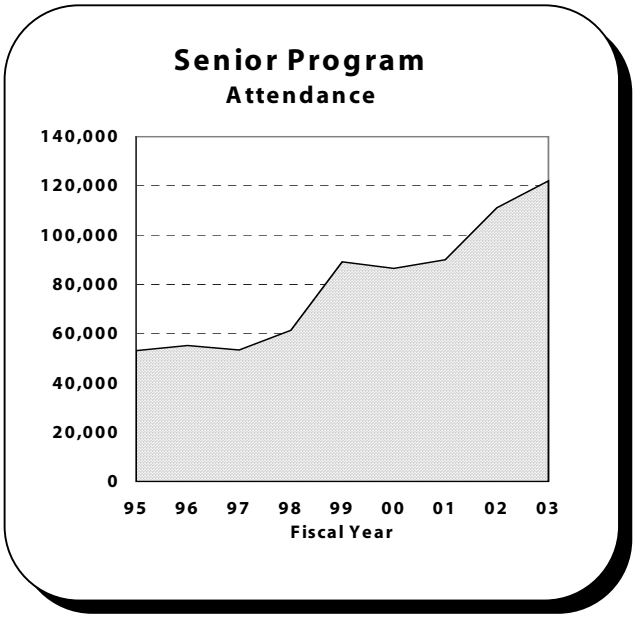
	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Parks & Recreation	$2,030,270	$2,161,920	$2,164,690	$2,250,310	4.0%
Total Department	$2,030,270	$2,161,920	$2,164,690	$2,250,310	4.0%
Personnel Services	$1,465,410	$1,586,000	$1,619,560	$1,710,220	5.6%
Supplies	147,000	137,400	145,590	140,700	-3.4%
Other Charges	417,860	438,520	399,540	399,390	0.0%
Total Department	$2,030,270	$2,161,920	$2,164,690	$2,250,310	4.0%

PERSONNEL SUMMARY

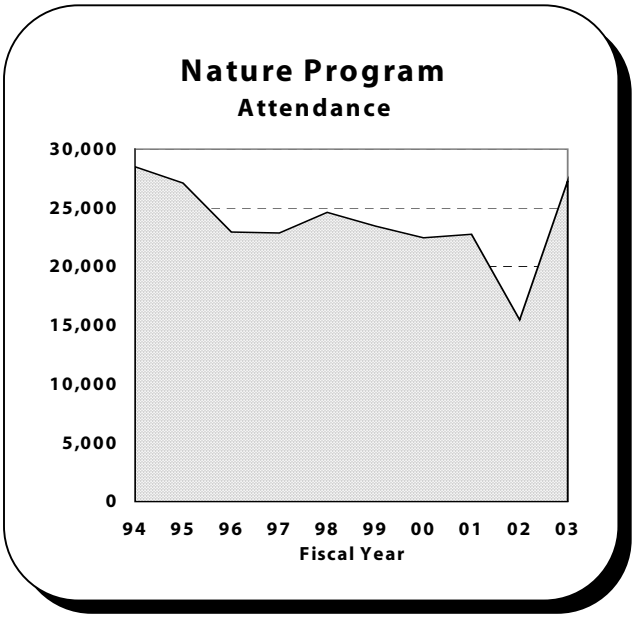
	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	16	0	16	0	16	0	16	0
Total Department	16	0	16	0	16	0	16	0

KEY DEPARTMENTAL TRENDS

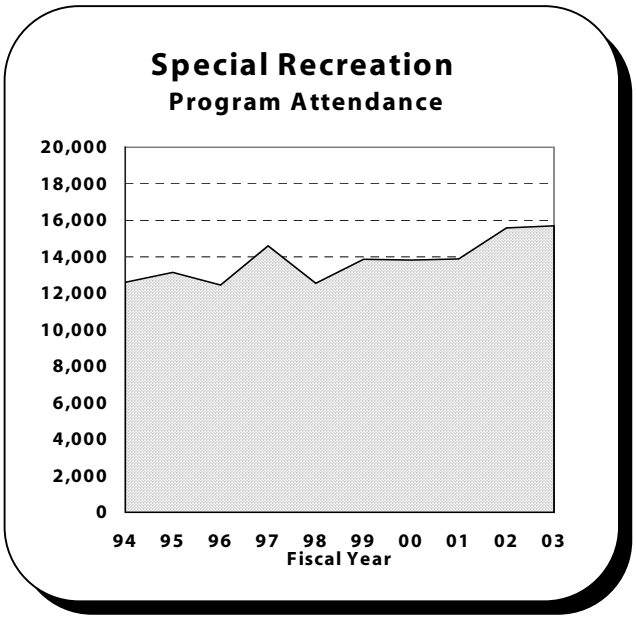
Parks & Recreation Department



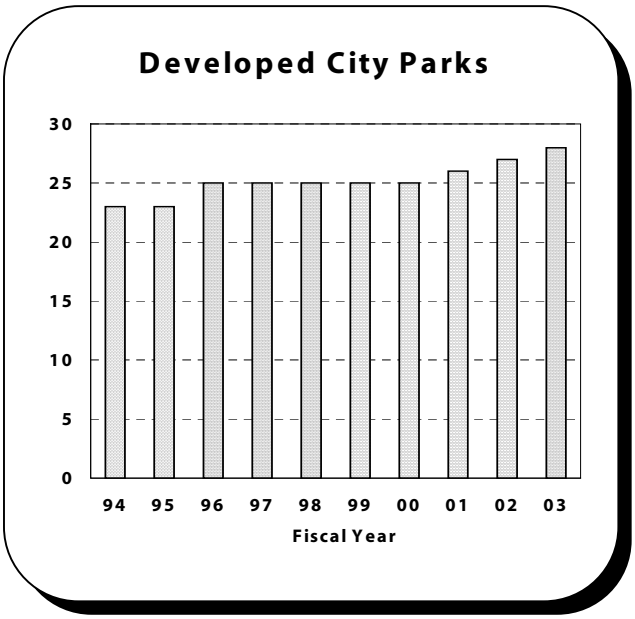
With the opening of the new Senior Citizen Center in October of 1997, senior program attendance has increased by 128%, from 53,431 to 121,990 participants. Demand was so high that additional parking spaces had to be added to the Senior Center parking lot. The number of senior transportation riders has increased by 93% since 1997.



Attendance at the City's Nature Center had decreased slightly since reaching a high in 1994 of nearly 28,000 visitors. The Center was closed for a portion of 2002 as the City constructed a 2,250 square foot addition to the Nature Center. When construction was finished, attendance rebounded in 2003 to nearly a ten-year high of 27,290 visitors.



Between 12,000 – 16,000 mentally or physically disabled individuals participate in the City's Special Recreation programs and activities annually since 1994.



The number of City parks has increased from 23 in 1994 to 28 in 2003. In the past three years Rotary, Moravian and Avis Drive Park have been developed. In 2003, the City replaced the ball diamond lighting at Baumgartner Park, new benches and bleachers at Delia Park, a new picnic shelter and playground equipment at Rotary Park, and resurfaced the asphalt paths at Dodge, Clinton River, Magnolia and Baumgartner Parks.

Parks & Recreation

MISSION STATEMENT: ***To provide the best in parks and recreation services for all Sterling Heights' residents as efficiently and effectively as possible.***

Parks & Recreation provides a variety of programs for residents including instructional programs, special events, athletic programs and tournaments, children's summer playground, nature service programs, special recreation programs, teen activities, senior citizen programs and park operations and activities.

The Instructional Recreation Program offers a variety of fitness, craft, dance, athletic, aquatic and special interest classes.

The Special Events program provides special events and cultural activities throughout the year. Annual events include the Easter Egg Scramble, Halloween Party, A Sterling Christmas, Music in the Park, TeenFest, Sterlingfest, Acoustic Coffeehouse, Daddy/Daughter Dance, Dance Recital, Mother/Son Mini-Golf Tournament, Treasure Hunters' Market and Kite Building Clinic.

In Athletic Services, adult and youth participants are provided the opportunity to compete in organized leagues, events, and tournaments.

A Summer Playground Program is conducted at neighborhood schools throughout the City for children ages 6 to 14. This six-week program offers sports, crafts, field trips, and much more.

Teens can participate in most programs offered including the annual teen ski trip, TeenFest and the summer Volunteer Teen program. The Nature Services Program offers individuals, families, and groups an opportunity to discover and learn more about our environment. The programs include school lectures, nature walks, nature talks to community groups, exhibits, the film/lecture series and more.

Park Operations monitors 659 acres of major parks and 161 acres of neighborhood parks including two major athletic parks, one major passive/picnic park, 20 neighborhood parks and a park system that includes five individual park areas for both picnic and passive type activities. Over 665,000 adults and youth utilize these parks on an annual basis.

The Senior Citizens Program provides a variety of recreational activities such as trips, dances, athletics, etc. Some of the special services available to our Senior residents include transportation, the Home Repair and Chore Program, medical services, etc.

The National Gold Medal Award Winning Special Recreation Program offers a variety of recreation activities to the mentally impaired, 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.■

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 with the end result providing new and/or improved recreation opportunities for our residents of various ages, interests and abilities.***
- ***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.***
- ***To work with City Administration and other City departments to help achieve the City's goals.***

Did you know?…
…that the City has recently completed an update to the conceptual plan for our major parks which includes recommended park improvements, to ensure maximum parks and recreation opportunities for our residents?

Parks & Recreation

2004/05 PERFORMANCE OBJECTIVES

1. To develop and install permanent bocce ball courts at the Senior Activity Center.

2. To develop one park activity area as per the newly updated Major Park and Facilities Conceptual Plan through funding from donations and/or co-sponsorships.

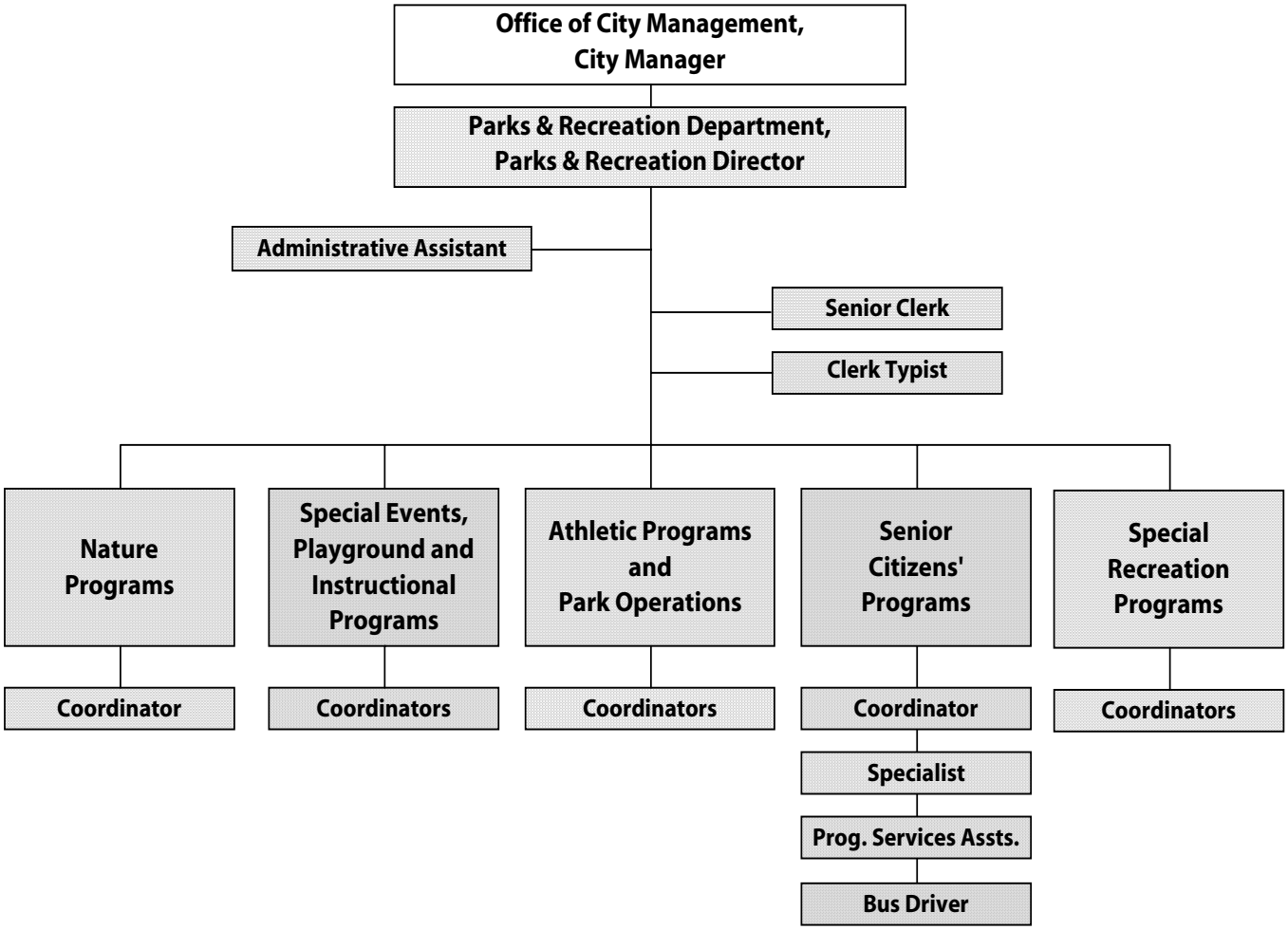
3. To design and implement an identification card system for the Senior Activity Center membership program.

4. To develop a new permit inspection policy that will result in better supervision and enforcement of picnic and alcohol permits.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Instructional & Aquatics Class Attendance	34,870	34,901	33,355	35,500	33,400	33,500
	Special Event Participants	56,183	68,534	68,480	68,800	68,550	68,800
	Special Recreation Program Attendance	13,880	15,585	15,700	15,650	15,700	15,700
	Adult & Youth Athletic Program Attendance	66,991	64,447	70,185	66,000	70,400	70,500
	Nature Program Participants	22,747	15,457	27,290	26,450	26,000	26,500
	Teen Only Program Attendance	221	512	655	520	650	700
	Number of Internet Registrations	0	0	62	100	700	800
	Summer Playground Registrations	1,578	1,462	1,045	1,440	1,050	1,200
	Park Playground Equipment Replaced	5	4	0	2	2	0
	Senior Activities Attendance	89,990	111,123	121,990	120,000	122,000	122,000
	Community Center Special Activity Use Attendance	7,836	14,104	35,010	14,150	14,500	14,700
	Senior Home Chore & Repair Jobs	2,051	2,173	1,930	2,200	1,700	2,200
	Senior & Special Recreation Transportation Riders	22,201	21,918	23,824	22,800	24,200	24,600
Efficiency & Effectiveness	P & R Revenue Earned per Capita	$2.54	$2.85	$2.92	$3.02	$2.94	$3.09
	% of Refunds Due to Dissatisfaction	1.5%	1.4%	1.2%	1.2%	1.2%	1.1%
	Developed Park Acres per 1,000 Residents	6.5	6.5	6.5	6.5	6.5	6.5
	% of Park Acres Developed	84.3%	84.4%	85.4%	85.4%	85.4%	85.4%
	Full-time Equivalent Staff per 100,000 Population	46	49	47	44	44	44
	Nature Center Cost per Visitor	$7.06	$8.69	$6.81	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	$11.52	$12.27	$11.36	*	*	*
	Department Cost per Capita	$15.61	$16.27	$17.27	$17.21	$17.31	$17.83
	Activity Expenditures as % of General Fund	2.88%	3.00%	3.04%	3.04%	3.07%	2.98%

** Cost is calculated for "Actual" columns only.*

Parks & Recreation



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Parks & Recreation Director	1	1	1
Recreation Coordinator	8	8	8
Recreation Specialist	1	1	1
Administrative Assistant	1	1	1
Program & Services Assistant	2	2	2
Senior Clerk	1	1	1
Bus Driver	1	1	1
Clerk Typist	1	1	1
Total	16	16	16

Parks & Recreation

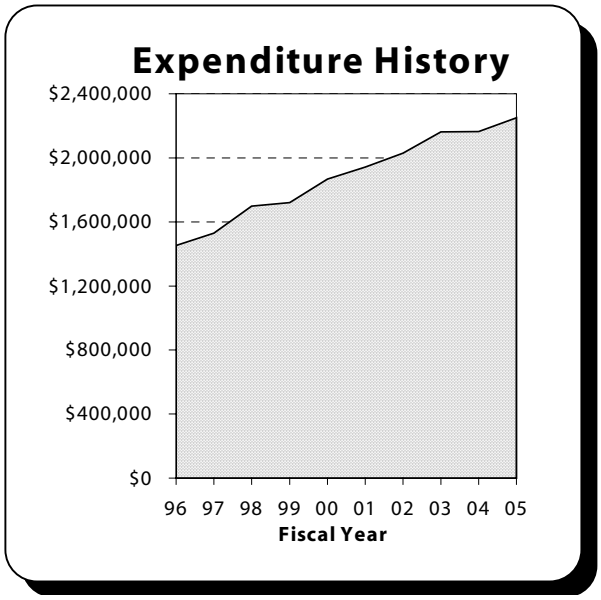
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $90,660 or 5.6%. Wages for full-time employees increased by $32,770. Wages for part-time employees increased $6,600. Several personnel accounts increased including longevity, deferred compensation and eye care insurance as a result of a new labor union contract. Hospitalization costs rose $11,700 due to a rate increase. Additional retiree health care obligations resulted in a $19,930 funding increase.

Supplies – Total Supplies decreased $4,890 or 3.4%. Funding for operating supplies decreased $4,840 due to historic actual expenditure levels and a reappropriated encumbrance from the prior year. A $50 reduction was made in publication costs as prior year budgeted funds were never spent.

Other Charges – Total Other Charges decreased $150 or 0.04%. Utility funding increased $3,750 for heating and $3,000 for water usage based on the current year's estimated expenditure levels. This increase was offset by a decrease in electric costs due to the City's participation in an alternate electrical supplier program. $1,900 was added for music class fees, which will now be collected by the City and then paid to the instructor. $500 was added for the increased costs of printing program flyers and brochures. Funding was reduced $4,500 for school building rental costs, as the Gymnastics Program will now be held at the City's Recreation Center. Telephone costs decreased $1,000 based on recent years' expenditure usage and the elimination of one Nextel telephone. Funding for educational conferences decreased $300 based on the current year's projected expenditure usage. Medical services and insurance costs each decreased $200 and membership dues decreased $100, as prior years' budgeted funds were never fully spent.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,585,998	$1,619,560	$1,622,530	$1,710,220	$1,710,220
Supplies	137,403	145,590	141,600	140,700	140,700
Other Charges	438,518	399,540	413,700	399,390	399,390
Total	$2,161,918	$2,164,690	$2,177,830	$2,250,310	$2,250,310

POLICE DEPARTMENT

FUNCTIONAL ORGANIZATION CHART

Police Department

Administrative Services

- Administration of department's divisions
- Coordinates all Police activities as they relate to City business
- Monitors and processes all expenditures, including payroll
- Administers personnel matters, including discipline
- ***Training*** **–** Coordinates training, monitors changes in law, responds to lawsuits
- ***Community Services*** **–** Provides crime prevention and public safety information including the D.A.R.E. program
- Provides public information and responses to citizen complaints.

Enforcement Services

- ***Investigations Bureau*** **–** handles cases involving adults and juveniles, case law, conducts follow-up
- Investigates check fraud, serves warrants and performs technical polygraph examinations
- ***Traffic Safety*** **–** investigates vehicle accidents, assists the injured, enforces traffic codes and educates children on traffic safety
- Coordinates all Crossing Guard activity with Warren Consolidated and Utica Community Schools
- ***Patrol*** **–** suppresses criminal wrong-doing, first response to emergencies, enforces State and City laws, maintains the peace, collects evidence and maintains canine program
- ***Detention*** **–** responsible for the processing, housing and release of prisoners

Special Services

- ***Special Projects*** **–** coordinates projects that improve technology and department efficiency
- ***Crime Suppression Unit*** **–** enforces all controlled substance violations, gambling, prostitution and other vice crimes
- Conducts surveillances, apprehends people committing criminal acts
- Works with Task Forces (Macomb Auto Theft Squad and the Drug Enforcement Administration)

Support Services

- ***Records Bureau*** **–** collects, analyzes and reports performance data, processes handgun permits, maintains evidence and property
- Inputs source documents into the department computer system and generates reports as required by various agencies
- Maintains files of active warrants for wanted persons and file jackets on all arrested persons
- ***Animal Control Bureau*** **–** responds to and investigates animal nuisance complaints and violations
- ***Dispatch Bureau*** **–** receives calls for service and dispatches Police, Fire and EMS personnel

DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The total Police Department budget increased by $1,819,210 or 8.0%. Rising personnel costs accounted for the entire increase. Personnel costs rose $1,870,490 or 8.5% due to wage and fringe benefit increases for all employees. Pension costs rose $407,060 or 18.6%, while hospitalization insurance costs rose $295,590 or 15.1%. The amount needed to partially fund the City's growing retiree medical obligations rose $495,100. Funding for a vacant Technical Secretary position has been eliminated saving $50,000. This position is no longer needed due to the implementation of the Clemis computer system. Supplies decreased by $4,480 or 2.7% based on historic actual expenditure levels excluding one-time grant funded items. Other Charges decreased by $46,800 or 7.6% due to savings in electricity and cellular telephone costs as well as the lower drug forfeiture expenditure budget. These drug forfeiture items are included in subsequent budget amendments when a better idea of how much drug forfeiture revenue will be realized.

FUNDING LEVEL SUMMARY

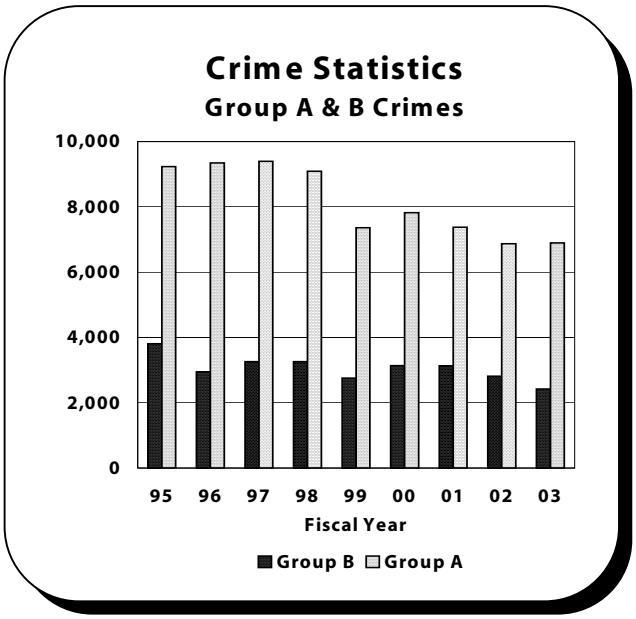
	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Police Administrative Services	$2,141,550	$2,394,110	$2,561,640	$2,747,740	7.3%
Police Enforcement Services	12,310,680	14,303,650	15,809,260	17,054,950	7.9%
Police Support Services	955,080	1,083,020	2,693,620	2,908,430	8.0%
Police Special Services	3,526,330	4,058,990	1,609,490	1,782,100	10.7%
Total Department	$18,933,640	$21,839,770	$22,674,010	$24,493,220	8.0%
Personnel Services	$18,111,020	$20,936,660	$21,891,480	$23,761,970	8.5%
Supplies	154,800	205,570	168,780	164,300	-2.7%
Other Charges	667,820	697,540	613,750	566,950	-7.6%
Total Department	$18,933,640	$21,839,770	$22,674,010	$24,493,220	8.0%

PERSONNEL SUMMARY

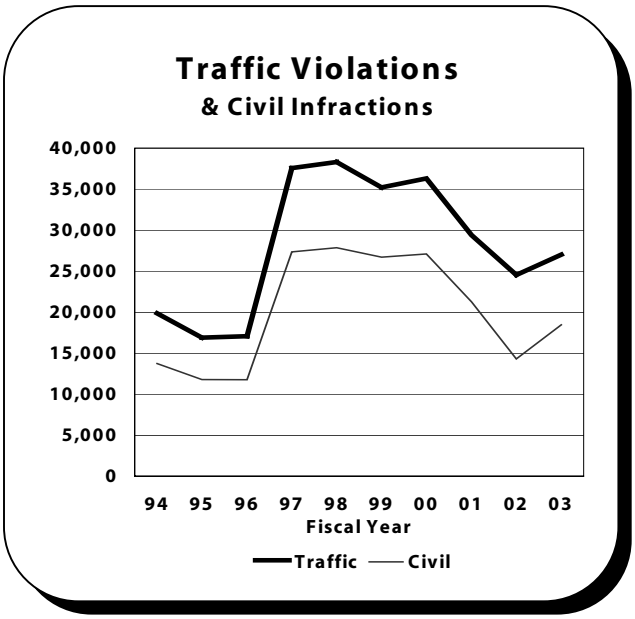
	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administrative Services	19	0	19	0	19	0	19	0
Police Enforcement Services	152	33	151	33	150	33	149	33
Police Support Services	20	1	19	1	43	0	42	0
Police Special Services	41	0	40	0	14	0	15	0
Total Department	232	34	229	34	226	33	225	33

KEY DEPARTMENTAL TRENDS

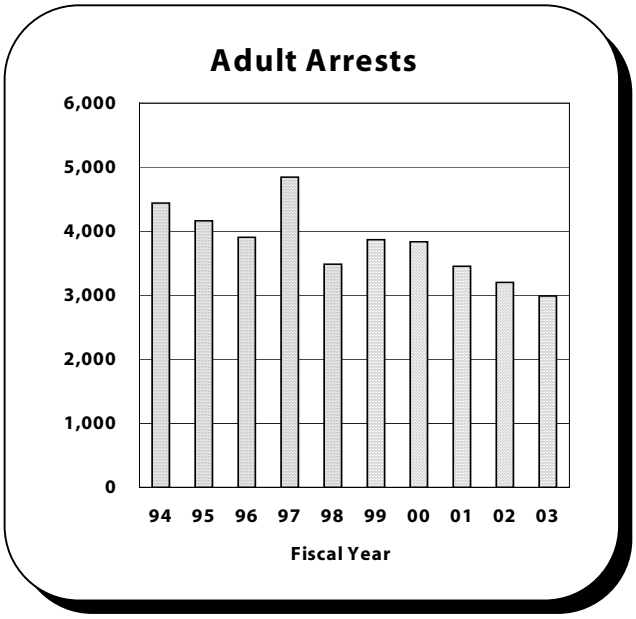
Police Department



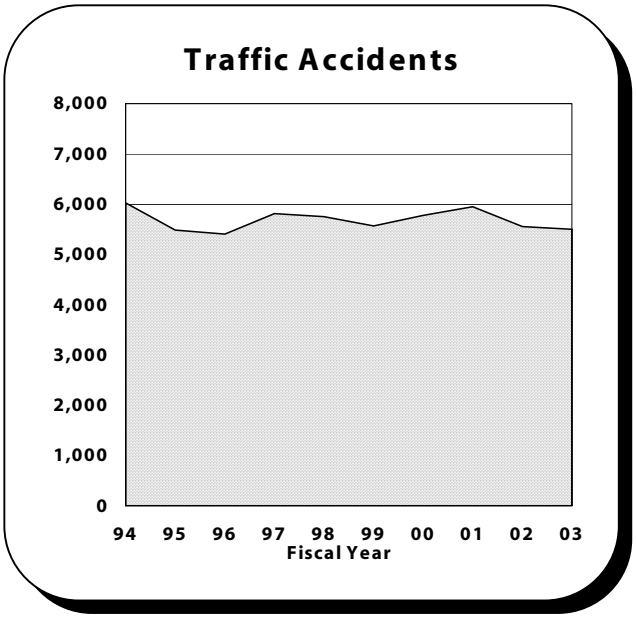
The City's crime rates have decreased over the past nine years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.



The number of traffic violations has increased by 58% since the Selective Enforcement Unit began six years ago. Civil infractions saw a corresponding increase due to the increase in traffic stops. Since 2000, however, the number of traffic violations and civil infractions has generally declined despite a slight increase in 2003. After reaching a high in 1998, traffic violations have decreased by 29%, and civil infractions have decreased by nearly 34%.



Adult arrests in Sterling Heights have averaged between 3,000 to 4,800 annually. The leading five causes of arrest are License Violations, Shoplifting, Bench Warrants, OUIL/OUID, and Assault & Battery. In 1998, arrests decreased as a result of a change in reflecting warrant arrest data. In 2003, adult arrests fell to the lowest level in ten years.



The number of accidents in the City has not increased despite the growth in traffic volume. In 2003, vehicular accident reports decreased by 1% and fell to the third lowest number in 10 years. The number of injury traffic accidents increased by 2.5% and the number of traffic fatalities per 100,000 residents increased from 4.8 to 5.6.

Police Administrative Services

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

The Administrative Captain, with assistance from the support staff within the Administrative Services Division, prepares the annual budget, monitors and processes all expenditures, and is responsible for the Department's large inventory of equipment. This Division handles the administration of all personnel matters and processes the Department's payroll for submission to Financial Services. The Captain is also responsible for the processing of all disciplinary matters for the Chief of Police.

The Training Bureau identifies training needs and manages the Department's responses to lawsuits. This Bureau also maintains and provides employees with necessary equipment. Training officers provide the means of personnel development through a variety of training and educational mediums.

The Special Investigations Bureau (S.I.B.) is responsible for investigating allegations of serious misconduct by Department members, and incidents that may result in civil litigation. The Special Investigations Bureau conducts background investigations of various applicants for employment and licensing. They also enforce laws regulating the sale of alcoholic beverages.

The Community Services Bureau provides crime prevention and public education, including the D.A.R.E. Program and Citizen's Police Academy. Its officers serve as liaison for Neighborhood Watch, Child Watch, and other community groups.■

KEY GOALS

- ***To provide leadership, coordination and support to the Department's four divisions.***
- ***To provide prompt, personal, and helpful access and response to the police, fire, and medical emergency needs of the community.***
- ***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, child protection, and drug abuse.***

Did you know?…
…that the City's Citizen's Police Academy was one of the first in the state and over 200 residents and business owners have attended since its inception in 1994?

Police Administrative Services

2004/05 PERFORMANCE OBJECTIVES

1. To enhance and improve training techniques by including real life scenarios, legal experts, Simunitions, and legal updates. These improved training techniques will better prepare our officers for what they encounter on the street.

2. To increase Neighborhood Watch participation by 50% by devoting more time to the program and including the business community.

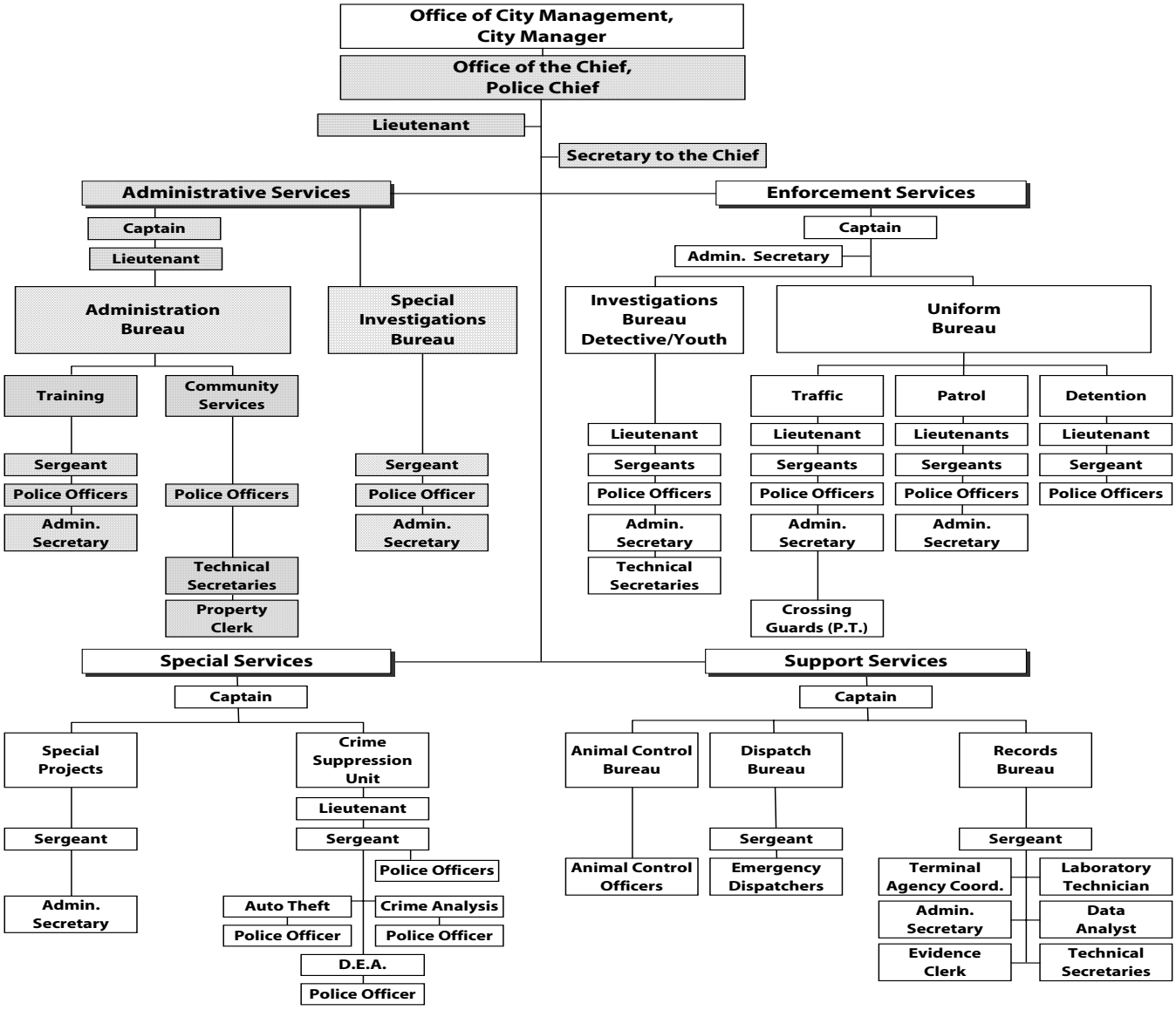
3. To implement Community Emergency Response Training (C.E.R.T.) into the Neighborhood Watch and Citizen's Police Academy programs. C.E.R.T. educates civilian volunteers to augment first responders in terrorist or natural disasters.

4. To process and complete all internal complaint investigations within 90 days from receipt of initial complaint.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	General Orders Issued or Amended	4	37	15	20	12	20
	Employment Background Investigations	78	135	80	50	40	40
	Internal Affairs Investigations	25	20	31	30	38	50
	Liquor License Background Investigations	23	37	32	45	33	45
	Other Special Investigations Bureau Investigations	188	150	213	210	210	250
	Liquor & Tobacco Inspections/Observations	157	322	285	275	275	275
	Liquor License Violations	40	51	23	26	26	25
	Public Education Programs Presented	172	199	467	300	378	425
	Training Seminars Attended - Department-wide	705	583	629	700	586	650
	Hours of D.A.R.E. Instruction	1,400	1,400	1,351	1,500	1,364	1,500
Efficiency & Effectiveness	Employment Background Investigations - % Hired	27%	30%	35%	35%	23%	25%
	FT Staff to Workers Comp./Disability Claims Ratio	8.6:1	3.5:1	6.0:1	7.0:1	5.0:1	7.0:1
	# of Sustained Complaints per 100 Officers	2.0	0.8	0.6	1.0	0.8	1.0
	% of D.A.R.E. Students Completing Program	99%	99%	99%	99%	99%	99%
	Average Cost of an Administrative Investigation	$739	$752	$739	*	*	*
	Average Liquor License or Tobacco Inspection Cost	$98	$77	$82	*	*	*
	Department Cost per Capita	$156	$152	$174	$180	$179	$194
	Division Expenditures as % of General Fund	3.33%	3.16%	3.37%	3.60%	3.43%	3.63%

** Cost is calculated for "Actual" columns only.*

Police Administrative Services



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	1	2
Sergeant	2	2	2
Police Officer	7	8	7
Secretary to the Chief	1	1	1
Administrative Secretary	2	2	2
Technical Secretary	3	2	2
Property Clerk	1	1	1
Total	19	19	19

Police Administrative Services

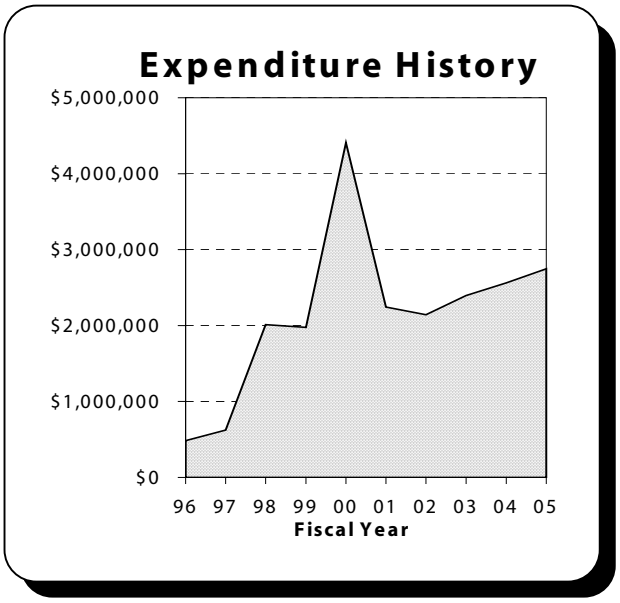
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $207,420 or 11.4%. Wages for full-time employees increased by $99,880. As part of a Police Department reorganization, an additional Lieutenant has been assigned to this division from the Special Services division, while a Police Officer has been transferred to Special Services. Police & fire pension costs rose $34,120 as a result of an actuarial rate study. Hospitalization costs rose $23,450. The amount needed to partially fund the City's growing retiree medical obligations rose $43,810.

Supplies – Total Supplies decreased $4,480 or 2.7%. Funding for ammunition decreased $5,000 based on historic actual expenditure levels. A reduction of $1,180 was made for operating supplies due to a prior year reappropriated encumbrance. $1,900 was added for the one-time purchase of new *Criminal Law and Procedure*s manuals for all sworn officers.

Other Charges – Total Other Charges decreased $16,840 or 2.9%. The City saved $7,000 due to its participation in an alternate electric supplier program. Telephone costs decreased $5,000 due to a new city-wide Nextel telephone plan. $4,000 was eliminated for auction expenditures based on historic actual expenditure usage. Funding for educational conferences and equipment maintenance decreased $1,410 and $1,100 respectively, due to reappropriated encumbrances from last year. Grant funding will be available for additional anti-terrorism training. Animal collection costs, rental costs, and contractual services each decreased $2,000 based on recent years' expenditure levels. These savings were offset by an increase of $6,000 for heating costs and $2,500 for water, due to increased usage and higher natural gas and water rates. Radio maintenance funding increased $1,000.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,649,058	$1,814,470	$1,710,650	$2,021,890	$2,021,890
Supplies	157,132	168,780	164,900	164,300	164,300
Other Charges	587,923	578,390	557,950	561,550	561,550
Total	$2,394,113	$2,561,640	$2,433,500	$2,747,740	$2,747,740

Police Enforcement Services

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. To provide effective investigative and intervention services.***

Enforcement Services is divided into two Bureaus: Uniform and Investigations. The Division commander is a Captain who reports directly to the Chief of Police.

The Uniform Bureau, Patrol section, is responsible for the suppression of all criminal wrongdoing. Patrol personnel are the first responders to most emergency situations. They conduct preliminary investigations of all reported incidents of crime. This section locates and collects forensic evidence in support of criminal cases. Other responsibilities are the maintenance of peace, ensuring order at public gatherings, enforcement of State and City laws and ordinances, and mediation of disputes.

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 maintain a lockup facility for arrested persons prior to their release or appearance in Court.***
- ***To provide a safe environment for vehicular and pedestrian traffic by investigating motor vehicle crashes; providing traffic safety education, and supervising adult crossing guards.***
- ***To make personal contact with complainants/victims within three business days.***
- ***To assist school administrators in the creation of a safe and secure learning environment within the City's schools.***
- ***To conduct timely and thorough investigations of criminal activity and process these cases through the appropriate criminal justice system.***

The Traffic Safety section investigates motor vehicle collisions, assists the injured, impounds disabled vehicles at accident scenes and enforces State and local traffic code violations. The Traffic Safety section also staffs a well-recognized traffic education and school safety program. This section trains and oversees a part-time School Crossing Guard program ensuring direct street safety for students.

The Detention section staffs the lockup facility and is responsible for all inmates under its control. The lockup facility consists of 24 cells, a holding cell, and a detoxification facility.

The Investigations Bureau's primary role is follow-up investigation and prosecution of criminal activity occurring within the City.

The Investigations Bureau consists of two sections: Detective and Youth. The Detective section consists of three squads of detectives. Two adult squads investigate criminal activity involving persons 17 years of age or older. Investigators assigned to these squads are further divided into specialized areas of expertise including crimes against persons, crimes against property, arson, missing persons, fraud and computer crimes. The adult section has a certified polygraph examiner who conducts all examinations for the bureau.

The Youth Squad investigates all law violations involving persons 16 years of age and younger. Detectives assigned to the Youth Squad work closely with local school districts, protective services, juvenile court, and diversion services. This squad is also responsible for the investigation and subsequent prosecution of all cases involving child abuse and neglect.■

Did you know?…
…that each of the City's police vehicles are driven approximately 30,000 miles per year by officers patrolling city streets and responding to calls for service?

Police Enforcement Services

2004/05 PERFORMANCE OBJECTIVES

3. To develop and implement a registered sex offender compliance program in accordance with State law.

4. To vigorously enforce State law requiring children ages 6-16 to attend school in order to deter truancy at a young age so that it will not become a habit in the future.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	59.3	55.1	55.1	58.0	51.8	52.0
	Group B Crimes Per 1,000 Population	25.1	22.5	19.4	23.8	23.3	23.0
	% of Productive K-9 Deployments	95%	98%	98%	96%	99%	98%
	# of Incident Reports per Uniform Bureau Officer	423	404	419	418	424	420
	# of Injury Traffic Accidents per 100,000 Population	641	598	609	565	620	615
	# of Traffic Fatalities Per 100,000 Population	4.8	4.8	5.6	4.0	5.6	4.0
	% of Total Sworn Personnel in Traffic & Patrol	71%	69%	68%	70%	68%	68%
	% of Petitions Obtained vs. Requested	92%	98%	98%	98%	98%	98%
	% of Arrest Warrants Obtained vs. Requested	91%	89%	89%	91%	90%	90%
	OUIL Arrests Per 1,000 Residents	4.9	4.2	3.2	3.6	3.1	3.2
	Investigative Cases per Police Investigator	163	145	191	176	179	175
	% of Part 1 Violent Crimes Cleared	55.6%	39.2%	50.7%	43.5%	50.0%	51.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.7	0.5	0.6	0.5	0.6	0.6
	Juvenile Arrests Violent Crimes - % of Total Arrests	10%	17%	10%	14%	12%	10%
	% of Part 1 Property Crimes Cleared	21.1%	19.9%	18.7%	18.4%	20.0%	19.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.9	3.6	3.1	3.6	3.5	3.5
	Juvenile Arrests Property Crimes - % of Total Arrests	27%	31%	24%	29%	30%	20%
	Average Cost to Conduct a Polygraph Examination	$232	$240	$249	*	*	*
	Average Cost to Investigate a Case	$601	$600	$566	*	*	*
	Division Expenditures as % of General Fund	15.91%	18.17%	20.13%	22.19%	22.11%	22.55%

** Cost is calculated for "Actual" columns only.*

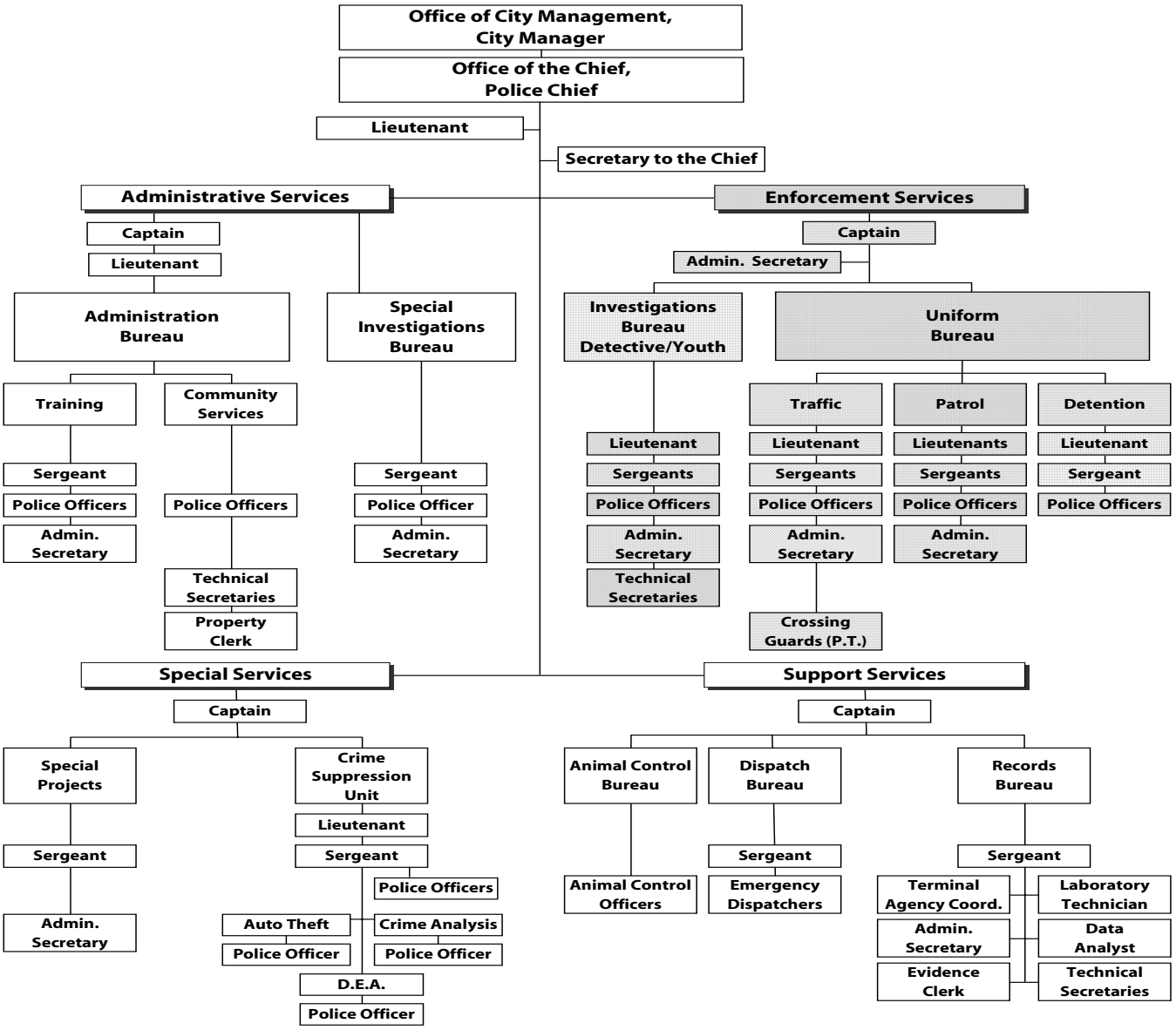
Police Enforcement Services

2004/05 PERFORMANCE OBJECTIVES

1. To increase enforcement activities in major accident corridors by conducting in-depth analysis of location and causational factors.
2. To improve the Field Training Officer Program by providing in-service training opportunities for current field training officers.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Police Incident Reports Completed	51,147	50,136	51,902	51,000	51,720	51,270
	Group A Crime Reports	7,379	6,873	6,897	7,300	5,880	6,420
	Group B Crime Reports	3,129	2,808	2,424	3,000	2,648	2,750
	Vehicular Accident Reports	4,280	3,948	4,114	4,100	4,192	4,100
	All Other Reports	36,359	36,507	38,481	36,600	39,000	38,000
	Adults/Juveniles Arrested	3,452/299	3,198/318	2,988/225	3,300/300	2,790/160	2,800/200
	Traffic Violations Issued	29,389	24,543	27,012	27,000	24,531	25,000
	Residential Traffic Enforcement Violations	3,505	3,351	3,712	3,700	3,545	3,700
	SMART Radar Trailer Deployments	55	78	137	150	280	295
	School Safety Program - Students Instructed	1,000	995	1,080	1,100	1,450	1,500
	K-9 Unit Deployments	259	259	297	270	356	290
	OUIL Arrests	610	521	405	450	386	400
	Total Investigative Cases Assigned	4,397	3,920	4,972	4,750	4,830	4,540
	Adult Investigative Cases	3,018	2,592	3,683	3,300	3,480	3,200
	Juvenile Investigative Cases	1,028	1,010	958	1,100	990	1,000
	In-Custody Cases	351	318	331	350	360	340
	Total Interviews Conducted	23,862	20,527	19,524	21,750	21,690	21,400
	Suspect Interviews	5,195	4,514	4,456	4,800	4,990	4,800
	Witness & Informant Interviews	10,572	9,223	8,800	9,450	9,700	9,600
	Victim Interviews	8,095	6,790	6,268	7,500	7,000	7,000
	Arrest Warrants Obtained	1,862	1,377	1,146	1,750	1,800	1,600
	Search Warrants Obtained/Executed	120	70	104	70	70	90
	Polygraph Examinations Conducted	110	69	70	100	70	80

Police Enforcement Services



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Captain	1	1	1
Lieutenant	5	5	5
Sergeant	18	21	20
Police Officer	100	114	114
Administrative Secretary	4	4	4
Emergency Dispatcher - Shift Leader	4	0	0
Emergency Dispatcher	19	0	0
Technical Secretary	0	5	5
Crossing Guard (P.T.)	33	33	33
Total	184	183	182

Police Enforcement Services

SUMMARY OF BUDGET CHANGES

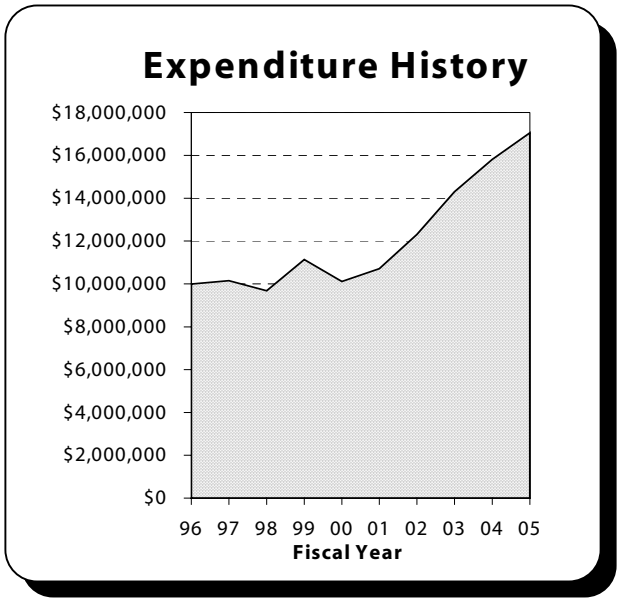
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased $1,247,700 or 7.9%. One Sergeant position has been re-assigned from this division to the Special Services division. Wages for full-time employees increased $266,140. Police & fire pension costs rose $321,930 based on a recently received actuarial report. Hospitalization costs for current employees rose $183,760 based on a rate increase next year. Retiree medical funding rose $359,010 to help offset the City's rapidly growing retiree medical liability.

Supplies – All Supplies for the Police Department are budgeted in Police Administrative Services.

Other Charges – All Other Charges for the Police Department are budgeted in Police Administrative Services, except miscellaneous expenses. These costs decreased $2,010 or 28.7% based on recent years' actual expenditure levels and a prior year reappropriated encumbrance.

Capital – Total Capital of $267,180 is proposed for this activity and is budgeted in the Capital Projects Fund. $9,180 is recommended for six additional Patrol Rifles to be deployed to Uniform Officers and used in situations that may arise where an Officer's handgun is not suitable. $258,000 is proposed for 12 replacement patrol and traffic vehicles.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

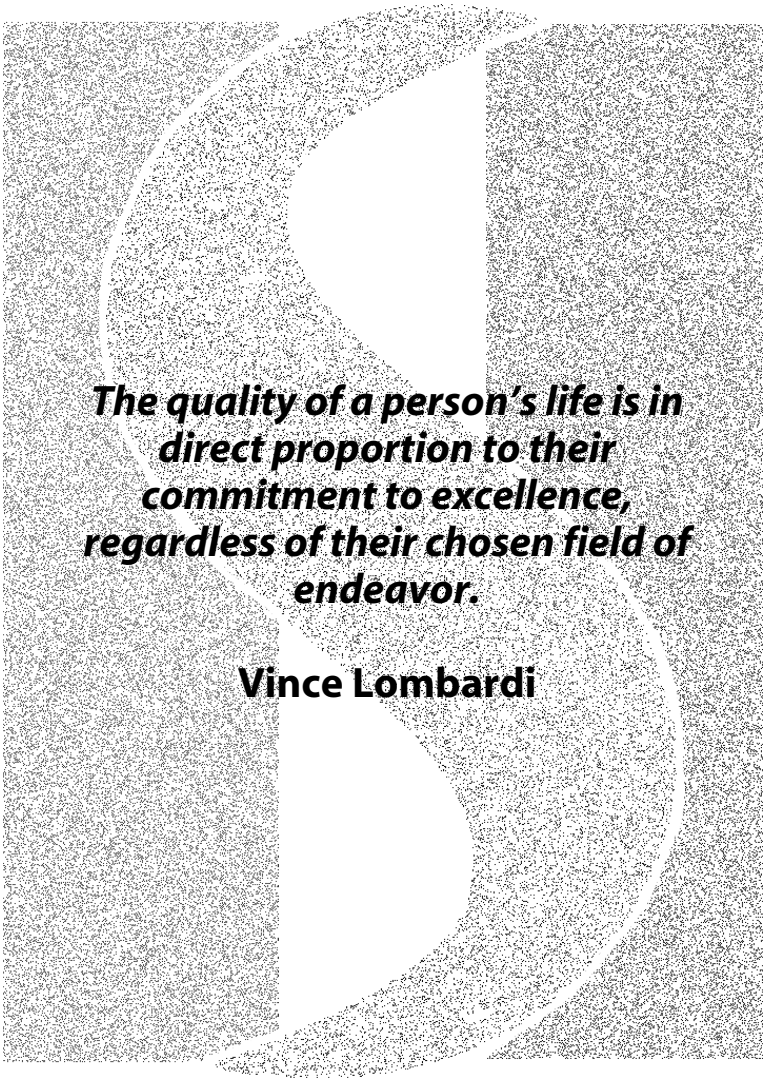
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$14,299,393	$15,802,250	$15,684,010	$17,049,950	$17,049,950
Supplies	0	0	0	0	0
Other Charges	4,254	7,010	5,000	5,000	5,000
Total	$14,303,647	$15,809,260	$15,689,010	$17,054,950	$17,054,950


The quality of a person's life is in direct proportion to their commitment to excellence, regardless of their chosen field of endeavor.
Vince Lombardi

Police Support Services

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 Captain who reports directly to the Chief of Police. It is made up of Records, Dispatch and the Animal Control Bureaus.

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 crashes and other matters of interest to the public and those needed for police operations, as required by law. Records personnel respond to all police-related document requests filed under the Freedom of Information Act. They receive, process and monitor a large file of active warrants for both criminal and civil matters, as well as, 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 F.B.I. 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. Records personnel process all applications for the purchase of handguns and concealed weapons permits.

The Computer Services function of the Records Bureau provides for the capture and retrieval of information designated by statute and/or the stated needs of the Department. Due to continuing computerization within the Department, the Computer Services unit acts as an in-house resource providing support in the utilization of computers.

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.***

The Photo Lab Technician is responsible for processing all photographic evidence. Additionally, this area assists other City departments in processing their photographic requests and serves as a technical resource to the Department's Evidence Technicians.

The Dispatch Bureau is responsible for processing all public requests for service via the 911 system, dispatching the proper police/fire response, monitoring units in the field and obtaining outside resources as needed for various incidents. This bureau processes information into the L.E.I.N. computer system relating to wanted persons, vehicles and articles. This bureau handles most of the Department's business calls, directing them to the appropriate division.

The Animal Control Bureau responds to and investigates reported violations of the City's Animal Control Regulatory Ordinance and other animal nuisance complaints. Animal Control Officers patrol the City's streets and parks for released animal problems, enforce ordinances and impound deceased, stray or neglected animals.■

Did you know?…
…the Police Records Bureau processed 1,496 handgun purchase permits in fiscal year 2003?

Police Support Services

2004/05 PERFORMANCE OBJECTIVES

1. To update our "Do Not Resuscitate" policy originally issued in 1992, to reflect current hospice procedures.

2. To increase the accountability and tracking of evidence and property by updating the current policy and procedure regarding submittal of evidence.

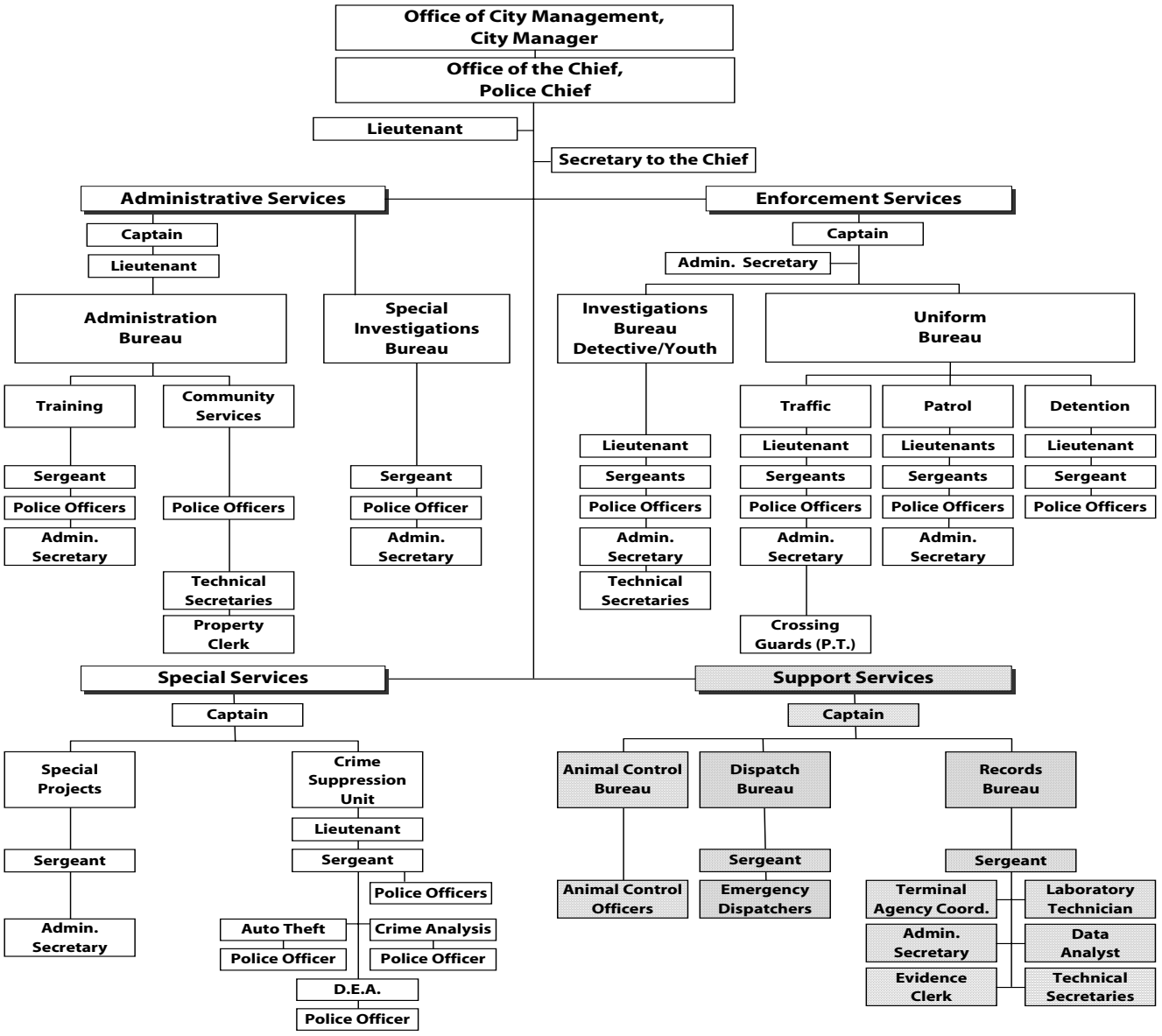
3. To improve communication and reduce injury to our officers by including 100% of the caution (high risk individuals) files into the CLEMIS mainframe system.

4. To create a better inventory and accountability system by bar coding impounded property and evidence.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Incidents Processed into Computer	51,147	50,136	51,902	51,000	51,720	51,270
	Police Reports Provided on Request	7,829	7,398	7,243	7,900	7,437	7,500
	Total Calls to 911	19,584	25,567	33,684	35,000	34,311	35,000
	Gun Permits Obtained	1,507	1,827	1,496	1,800	1,455	1,500
	Responses by Animal Control	2,530	2,590	3,034	3,100	3,124	3,200
	Freedom of Information Act Requests	451	505	414	525	370	400
	Criminal Warrants Processed	3,611	3,285	3,227	3,500	2,997	3,100
	Arrests Processed	3,751	3,516	3,213	3,600	2,947	3,100
	Pieces of Evidence Collected	2,697	3,261	2,616	2,600	2,502	2,600
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	33	53	50	43	43	45
	Average Cost of an Animal Control Response	$70.00	$68.38	$62.11	*	*	*
	Average Cost of a FOIA Request	$13	$12	$12	*	*	*
	Dispatch Operations Cost Per Call Dispatched	$30.99	$31.24	$31.37	*	*	*
	Division Expenditures as % of General Fund	3.81%	1.41%	1.52%	3.78%	3.83%	3.85%

** Cost is calculated for "Actual" columns only.*

Police Support Services



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Aproved 2004/05
Captain	1	1	1
Sergeant	1	2	2
Emergency Dispatcher - Shift Leader	0	4	4
Emergency Dispatcher	0	19	19
Administrative Secretary	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	9	9	8
Evidence Clerk	1	1	1
Laboratory Technician	1	1	1
Data Analyst	1	1	1
Animal Control Officer	3	3	3
Co-op (P.T.)	1	0	0
Total	20	43	42

Police Support Services

SUMMARY OF BUDGET CHANGES

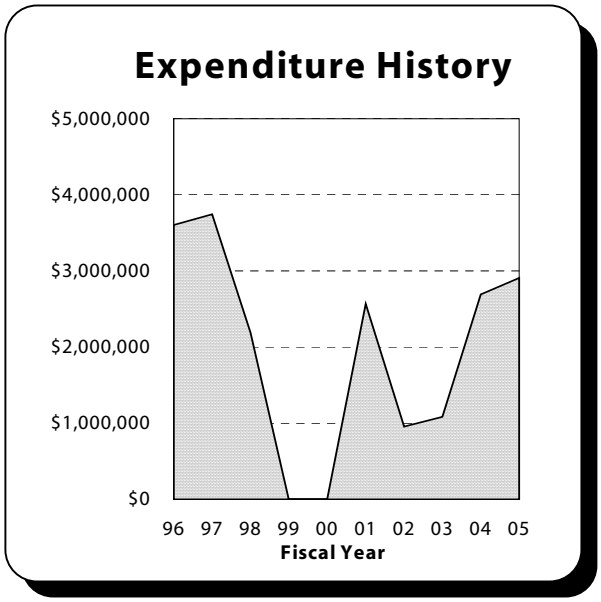
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $214,810 or 8.0% over last year's budget. Funding for a vacant Technical Secretary position is proposed to be eliminated, saving $50,220. This position is no longer needed due to the implementation of the Clemis computer system. Despite this reduction, several personnel accounts rose including salaries for full-time employees, which increased by $64,740. Hospitalization costs for current employees rose $51,790. Retiree medical funding costs rose $50,420, which is needed to fund the City's growing retiree medical liability.

Supplies – All Supplies for the Police Department are budgeted in Police Administrative Services.

Other Charges – All Other Charges for the Police Department are budgeted in Police Administrative Services, except miscellaneous expenses. Funding will remain the same at $400.

Capital – There is no Capital proposed for this activity. Any funds required to make the back-up dispatch center at Fire Station #5 operational will come from County wireless funds.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,082,571	$2,693,220	$2,717,430	$2,908,030	$2,908,030
Supplies	0	0	0	0	0
Other Charges	446	400	400	400	400
Total	$1,083,017	$2,693,620	$2,717,830	$2,908,430	$2,908,430

Police Special Services

MISSION STATEMENT: ***To function as the Police Department's specialized enforcement team and to coordinate special projects, utilizing the latest technology. Technology, the community and officers are brought together to achieve the goals and objectives of targeting the criminal element, especially drug-related crimes.***

The Special Services Division is divided into two areas: Special Projects and the Crime Suppression Unit. These two areas are managed by a sergeant and a lieutenant respectively, with the division commander being a captain who reports directly to the Chief of Police. The Special Projects section handles various projects that are of significant importance to the overall operation of the Police Department. The section is also responsible for keeping informed of technological changes and advances that will improve the Police Department's service to the community.

KEY GOALS

- ***To create a safer community through the vigorous enforcement of controlled substance laws and other vice crimes.***
- ***To provide the department with information on the latest technology for solving crime.***
- ***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.***

The Crime Suppression Unit enforces and investigates all drug law violations, gambling, prostitution and other vice crimes committed by suspects 17 years of age and older. This unit also conducts covert surveillance of suspects and locations likely to involve the occurrence of crimes and apprehends fugitive crime suspects for whom warrants have been issued.

With the assistance of a Crime Analysis Officer, reports and other information sources are analyzed to predict the occurrence of crimes. Investigations are conducted, warrants are secured and evidence pertaining to the case is appropriately handled. Cases are tracked and followed through the court process.

The Special Services Division also assigns task force officers to specialized units throughout Macomb County and the metropolitan Detroit area. The specialized units include the Macomb Auto Theft Squad (M.A.T.S.) and the Drug Enforcement Administration (D.E.A.).

The Special Projects area of the division has implemented a total software solution for the Police Department, which utilizes a regional database. This regional database is called CLEMIS (Courts and Law Enforcement Management Information Systems). Plans are also underway for the implementation of an integrated City-wide 800 MHz radio system, to be used by the Police, Fire, and Public Works Departments.■

Did you know?…
…that the Michigan Anti-Car Theft Campaign Committee reports that 35% of all stolen cars are falsely reported and are actually insurance frauds?

Police Special Services

2004/05 PERFORMANCE OBJECTIVES

1. To share and search mug shot images with over 50 police departments throughout the metropolitan area by participating in the Oakland County Regional Mug Shot/Facial Recognition System.

2. To increase the apprehension of subjects wanted on outstanding Sterling Heights warrants by 15% through aggressive enforcement efforts.

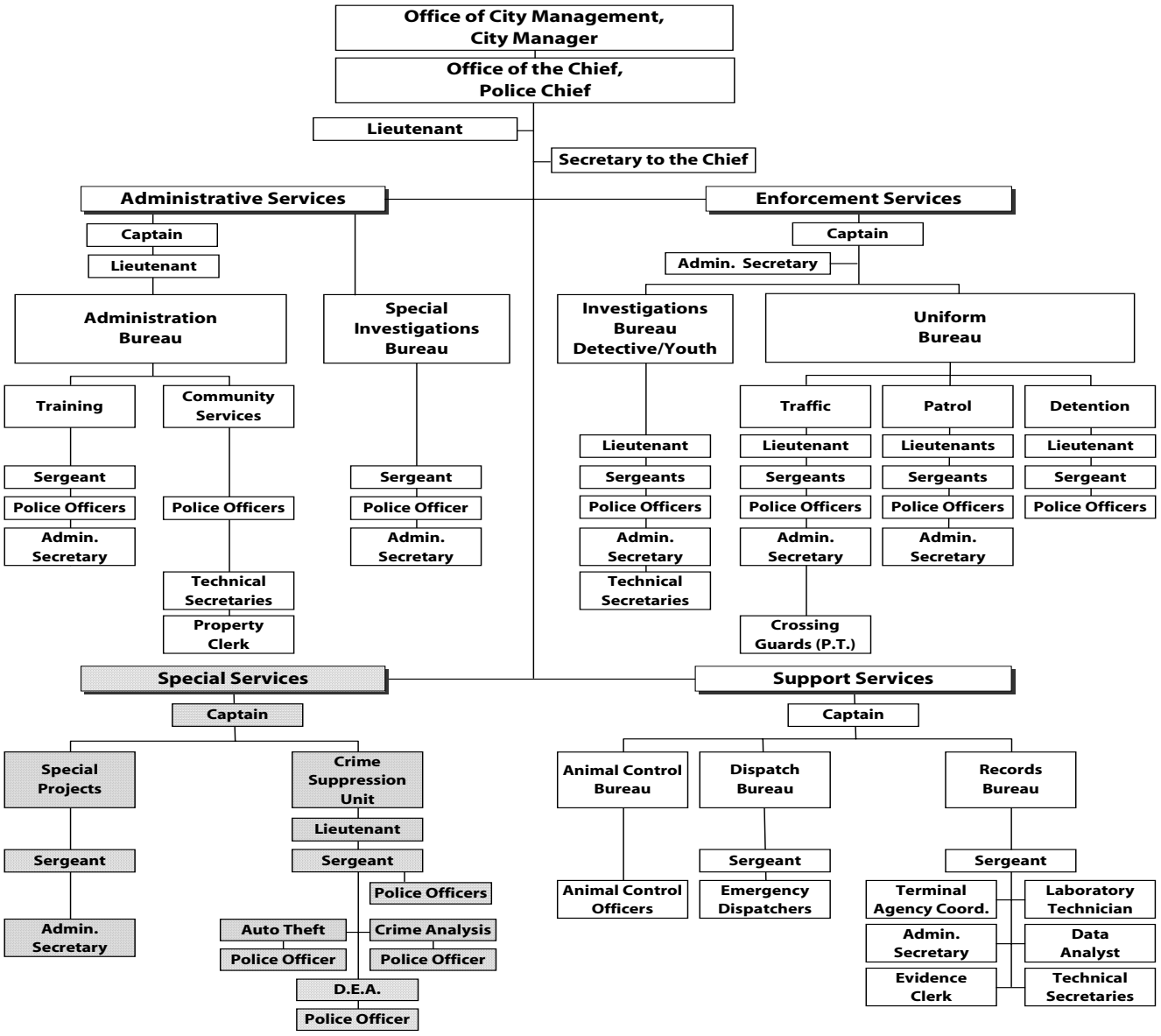
3. To increase the number of surveillances conducted in conjunction with the Detective Bureau by 20% in order to assist them with their cases and effect arrests of offenders committing crimes within the city limits.

4. To reduce the number of stolen autos by 10% through surveillance of commercial and industrial properties and aggressively investigating suspected false stolen auto reports believed to be insurance frauds.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Investigative Cases	352	405	514	460	512	570
	Auto Theft Investigative Cases	110	120	170	160	152	170
	Narcotic/Vice Investigative Cases	242	285	344	300	360	400
	Total Interviews Conducted	855	920	1,170	1,040	905	900
	Suspect Interviews	420	450	367	500	336	350
	Witness Interviews	145	150	312	200	202	250
	Informant Interviews	290	320	491	340	367	300
	Arrest Warrants Obtained	192	246	236	250	106	150
	Search Warrants Obtained/Executed	60	75	77	105	46	65
	Criminal Surveillances	566	433	460	525	446	535
Efficiency & Effectiveness	% of Arrest Warrants Obtained vs. Requested	95%	95%	98%	95%	95%	95%
	Investigative Crime Cases per Police Investigator	44	51	64	58	64	71
	Car Theft Ratio Per 1,000 Population	1.8	1.8	1.9	1.6	2.3	2.0
	Division Expenditures as % of General Fund	5.85%	5.21%	5.71%	2.26%	2.45%	2.36%

** Cost is calculated for "Actual" columns only.*

Police Special Services



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Captain	1	1	1
Lieutenant	2	2	1
Sergeant	5	1	2
Police Officer	26	9	10
Administrative Secretary	1	1	1
Technical Secretary	5	0	0
Total	40	14	15

Police Special Services

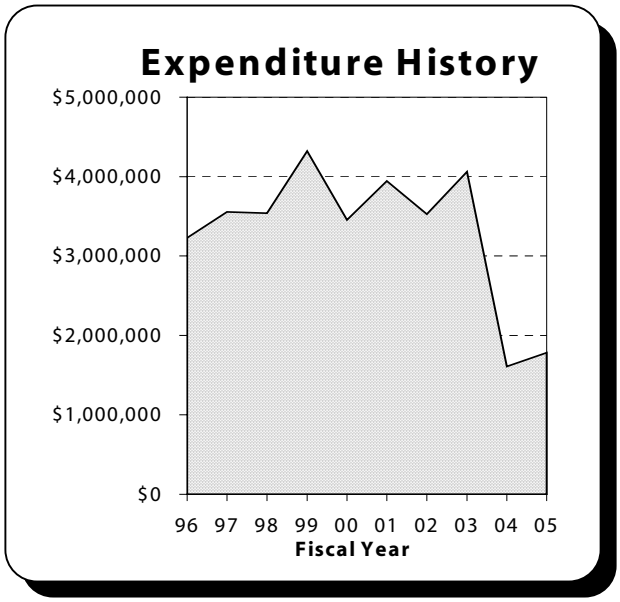
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $200,560 or 12.7%. A Lieutenant has been transferred to the Administrative Services division. A Sergeant, formerly in Enforcement Services, has been transferred into this division and a Police Officer, formerly in Administrative Services is also now budgeted in this division. As a result of these changes, as well as increasing costs for current employees, wages for full-time employees rose $63,050. Longevity costs decreased by $21,400 as a result of a shift in department personnel mid-year. Police & fire pension costs rose $42,230 as a result of a recent actuarial study. Funding for retiree medical benefits rose $41,860. Hospitalization costs for existing employees rose $36,590.

Supplies – All Supplies for the Police Department are budgeted in Police Administrative Services.

Other Charges – Total Other Charges decreased $27,950 or 100.0%. The decrease is primarily due to the policy of amending the budget for drug forfeiture expenditures during the year when there is a better idea of how much drug forfeiture expenditures and revenues will be realized. In addition, miscellaneous expenses decreased $1,630 due to a reappropriated encumbrance from the prior year. Funding was reduced $800 as the City has not participated in the County's enforcement team (C.O.M.E.T.) for the past couple years.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$3,905,639	$1,581,540	$1,671,300	$1,782,100	$1,782,100
Supplies	48,437	0	0	0	0
Other Charges	104,917	27,950	66,630	0	0
Total	$4,058,992	$1,609,490	$1,737,930	$1,782,100	$1,782,100

FUNCTIONAL ORGANIZATION CHART

Fire Department

Fire Administration

Administration Division

- Administration of department
- Plans & develops all Fire programs
- Maintains knowledge of latest Fire Department management techniques
- Responsible for resource management
- Coordinates department's Safety Committee
- Liaison to Fire Prevention Board of Appeals
- Coordinates all special assignments & duties

Training Division

- Studies and monitors all mandated training requirements
- Develops, coordinates and facilitates all training for fire personnel
- Responsible for coordinating special public education training programs
- Monitors & maintains all training documentation, certifications and licenses
- Manages the department's training media and teaching aids

Fire Extinguishment Division

- Save lives and property from fire destruction
- Provides advanced and basic emergency medical technician care
- Responds to hazardous material incidents, gas leaks, wire down, cave-ins, floods, vehicle accidents, etc.
- Responsible for pre-fire survey information
- Performs inspections and maintenance of fire apparatus

Fire Prevention Division

- Performs inspections of existing & new buildings
- Reviews building & site plans
- Performs fire investigations and complaint inspections
- Facilitates sprinkler system and fire alarm acceptance tests
- Performs inspections under contract for MI Dept. of Consumer Industrial Services
- Enforces of all fire codes and ordinances
- Coordinates public education training programs
- Manages records for hazardous materials

DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget increased by $1,017,950 or 8.1%. Personnel costs, which rose by $1,040,180 or 8.8%, accounted for the department's entire increase. Pension costs rose $252,180 or 18.7%, while hospitalization insurance costs rose $164,170 or 15.6%. Retiree medical insurance funding rose $278,170. Overtime costs rose by $76,150 due to increased minimum manning usage. No change in the number of staffing is recommended for next year. Supplies declined by $11,500 or 6.3% as a result of a prior year one-time reappropriated encumbrance. Other Charges fell by $10,730 or 2.2% due to savings in electricity and cellular telephone costs and a one-time reappropriated encumbrance.

FUNDING LEVEL SUMMARY

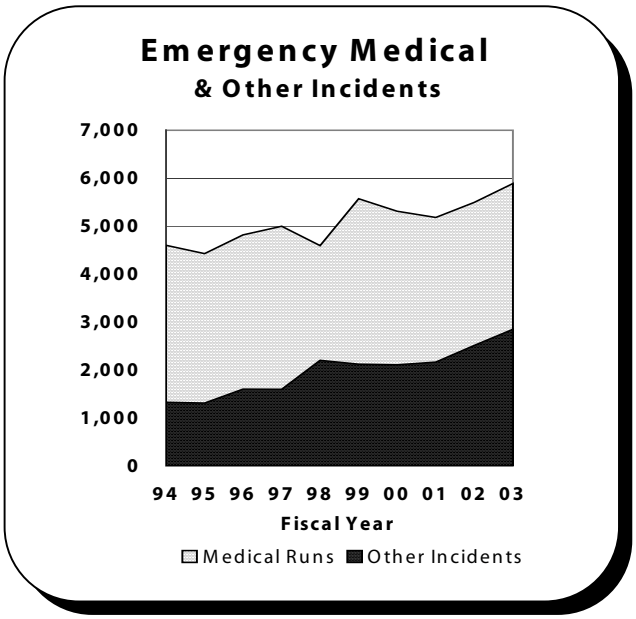
	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Fire Administration	$852,710	$1,084,110	$1,027,100	$1,075,710	4.7%
Fire Extinguishment	8,565,100	10,045,670	10,646,340	11,514,800	8.2%
Fire Prevention	730,280	887,760	867,910	968,790	11.6%
Total Department	$10,148,090	$12,017,540	$12,541,350	$13,559,300	8.1%
Personnel Services	$9,493,360	$11,367,530	$11,879,890	$12,920,070	8.8%
Supplies	175,150	173,820	182,220	170,720	-6.3%
Other Charges	479,580	476,190	479,240	468,510	-2.2%
Total Department	$10,148,090	$12,017,540	$12,541,350	$13,559,300	8.1%

PERSONNEL SUMMARY

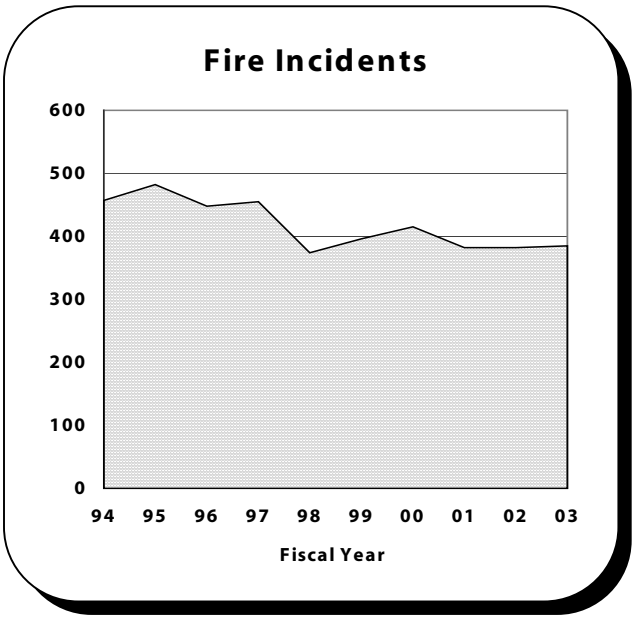
	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	1	10	1	10	0	10	0
Fire Extinguishment	96	0	93	0	90	0	90	0
Fire Prevention	7	0	7	0	7	0	7	0
Total Department	113	1	110	1	107	0	107	0

KEY DEPARTMENTAL TRENDS

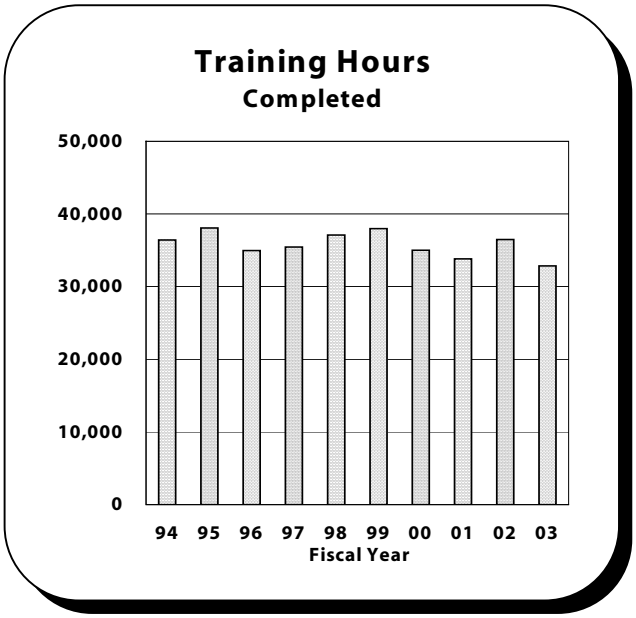
Fire Department



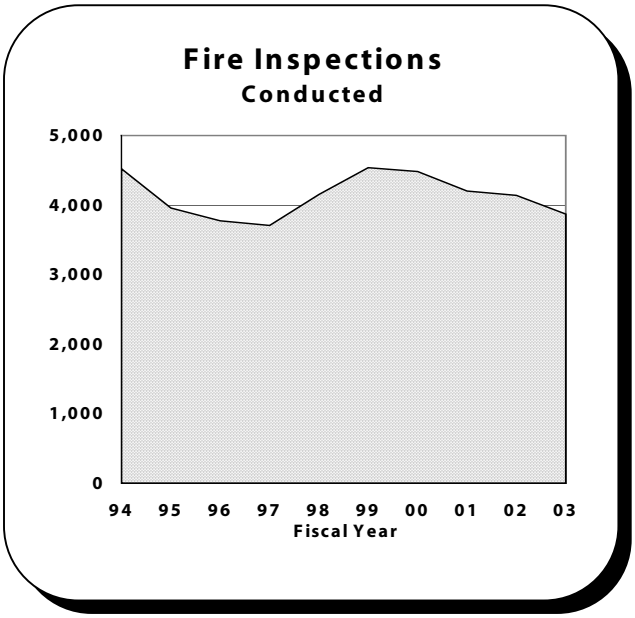
There has been an overall increase in the number of emergency medical runs and other incidents occurring in Sterling Heights over the past 10 years. Since 1994, medical runs have increased by 28% and other incidents have increased by 146%. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 86% of cities nationally had a higher number of EMS responses per resident. Only 23% of cities had a faster average EMS response time.



Since 1997, the number of fires has generally declined, reaching a low of 374 in 1998. For the past three years, fire incidents have remained relatively low, averaging about 385 per year. The value of non-residential fire loss was only $130,000. The City currently averages about one fire incident every 5th day at each of the City's five fire stations. 87% of cities nationally had higher fire incidents per resident based on a 2002 ICMA survey. 81% of cities had a slower average fire response time.



The City's firefighters devote many hours during the year toward in-house formalized training provided by the Fire Training division. In recent years, more training has been necessary for Advance Life Support, Hazardous Materials, and Weapons of Mass Destruction education.



The number of fire inspections has generally decreased during periods of employee turnover and the resulting increased training for new employees in the Fire Prevention Division. Fire inspections have generally increased when employee turnover has subsided. In a typical year, an average of 4,000 inspections are conducted by the seven member Fire Prevention staff.

Fire Administration

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.

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, expendable supplies, training aids, and training staff.***

The Fire Chief also serves as a liaison to the Board of Code Appeals. Within the Department, he 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.

This activity includes all of 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 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 must be prepared for all aspects of these programs.

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. Clerical support for the entire Department operates in Fire Administration. The support staff maintains all records, files, and employee time records, coordinates public relations and educational activities, and other word processing and mail distribution functions.■

Did you know?…
…that the City's Hazardous Materials Response Team is one of 15 teams designated as a Michigan Regional Response Team equipped and trained to respond to weapons of mass destruction incidents throughout the State of Michigan?

Fire Administration

2004/05 PERFORMANCE OBJECTIVES *(Administration)*

1. To research, develop, and propose an ordinance requiring senior residential housing complexes to provide medical first responder trained staff who will make basic medical determinations and assist their residents as necessary.

2. To incorporate within the ambulance service agreement, a mechanism to charge a fee for the advanced life support services provided by the Fire Department.

3. To pursue a Special Rescue Operations Consortium between neighboring communities to increase levels of efficiency and reduce costs to residents.

4. To develop a Standard Operating Guideline (SOG) establishing a County-wide Rapid Intervention Team to ensure a common response on County mutual aid fire incidents.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Incident Reports Reviewed for Quality	7,727	8,390	9,117	9,200	9,330	9,550
	Employee Evaluations Conducted/Tracked	136	124	138	150	140	140
	APO's and Standard Operating Guidelines Reviewed	180	176	76	50	50	50
	FOI Requests Processed	68	51	48	50	50	50
	Staff/Battalion Meetings Conducted	11	15	18	21	21	21
	Board of Code Appeals Applications Reviewed	0	0	0	2	1	1
	Presentation to Civic Groups/Organizations	10	14	22	24	24	24
	Employee/Civilian Citations Processed	11	8	10	12	10	10
	Fire-Related Periodical/Journals Reviewed	420	400	480	420	480	480
	Safety Recommendations Implemented	27	26	21	24	24	24
Efficiency & Effectiveness	% of Incident Reports Reviewed for Quality	100%	100%	100%	100%	100%	100%
	% Employee Evaluations Conducted on Time	99%	98%	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%
	Property Loss Per Capita	$15.26	$12.83	$19.97	$9.54	$7.95	$7.92
	Department Cost Per Capita	$88	$81	$96	$100	$101	$107
	Division Expenditures as % of General Fund	1.21%	1.26%	1.53%	1.44%	1.51%	1.42%

Fire Administration

2004/05 PERFORMANCE OBJECTIVES *(Training)*

1. To attain the "Technician Level" for all Fire Extinguishment personnel in the area of High Angle Rope Rescue as defined in the National Fire Protection Association (NFPA) Standard 1670.

2. To enhance firefighter safety through the development and delivery of a three-part training series on Firefighter Rapid Intervention Team (RIT) and Firefighter Self Rescue.

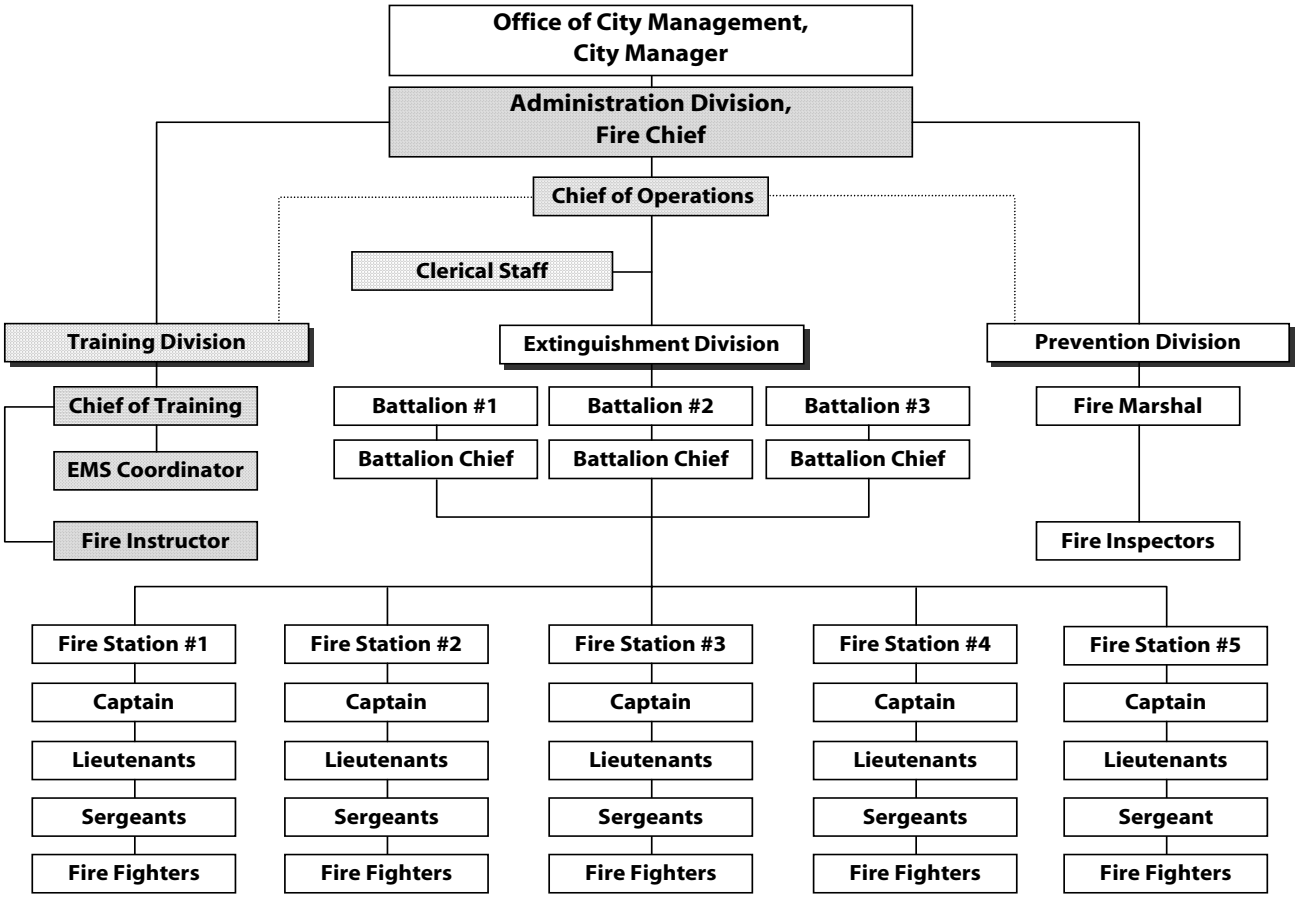
3. To develop and administer an academy-style continuing education program on Emergency Medical Dispatch (EMD) to ensure compliance with all regulations for re-certification of our emergency dispatchers.

4. To provide training on emergency operations within large multiple occupancy structures greater than three stories in height through delivery of a three part Low-Rise Fire Rescue Training Series.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Formal Training Hours Coordinated	33,798	36,491	32,839	39,450	35,750	39,750
	Hours of Fire Officer Training	879	821	520	800	748	800
	Hours of EMS Training	3,225	4,835	2,780	4,200	4,450	4,500
	Hours of Fire Suppression Training	11,829	13,550	10,331	15,250	11,950	13,500
	Hours of Hazardous Material Training	1,763	1,358	2,860	2,700	2,250	2,700
	Hours of Professional Development Training	43	36	1,019	50	1,750	1,800
	Hours of Physical Fitness Training	8,984	9,057	8,790	8,850	8,690	8,850
	Hours of All Other Training	7,075	6,834	6,539	7,600	5,912	7,600
	Residents Receiving Public Education	22,056	25,394	22,353	26,500	22,500	26,000
	Residents Receiving CPR Instruction	345	686	1,182	700	770	800
	License/Certification Applications Processed	37/51	46/41	52/52	40/24	40/42	50/48
	Procedures Developed and Updated	33	40	95	40	60	65
Efficiency & Effectiveness	Days of Work Lost Due to Injury	5	8	137	7	5	7
	Sworn Pers. to Workers Comp/Disability Indemnity	101:1	108:0	105:0	102:1	102:0	102:1
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	335	338	313	387	350	390
	Training Division Cost per Fire Fighter	$3,471	$3,102	$3,283	*	*	*

** Cost is calculated for "Actual" columns only.*

Fire Administration



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Fire Chief	1	1	1
Chief of Operations	1	1	1
Chief of Training	1	1	1
EMS Coordinator	1	1	1
Fire Instructor	1	1	1
Management Assistant	1	1	1
Administrative Assistant	3	3	3
Clerk Typist	1	1	1
Co-op (P.T.)	1	0	0
Total	11	10	10

Fire Administration

SUMMARY OF BUDGET CHANGES

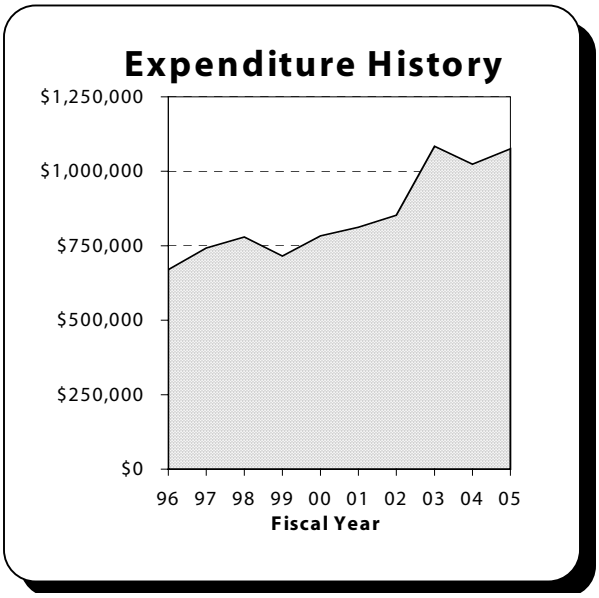
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $56,210 or 6.0%. Full-time wages increased by $14,050, which is below 3% due to numerous retirements in the prior year. Employee turnover also resulted in lower longevity payments. Higher pension costs resulted in a $10,140 increase. Hospitalization costs rose $7,570 as a result of a rate increase next year. Higher retiree medical liabilities resulted in a $19,550 increase.

Supplies – Total Supplies remained the same at $32,720. Funding for postage increased $100 for additional shipping costs related to the outsourcing of equipment calibration. A decrease of $100 was made in publication costs based on the recent year's projected expenditure usage.

Other Charges – Total Other Charges decreased $7,600 or 11.7%. $5,300 in contracted services was eliminated primarily due to a prior year reappropriated encumbrance. Funding for medical services decreased $2,000 due to the one-time cost of peer fitness certifications, cholesterol and stress testing in the prior fiscal year. Membership costs will decline by $500 based on historic actual usage. A decrease of $300 was made as fewer local lunch meetings will be held and fewer refreshments will be purchased for in-house meetings. These savings were offset slightly by an increase of $500 for educational conferences to bring the budget back to the same funding level as last year. Grant funding will be available to pay for additional anti-terrorism training.

Capital – Total Capital of $9,900 is proposed for this activity and is budgeted in the Capital Projects Fund.



$9,900 is for an Electronic Training Mannequin to allow for realistic medical training as opposed to the limited, unsophisticated individual training aids that are currently utilized.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

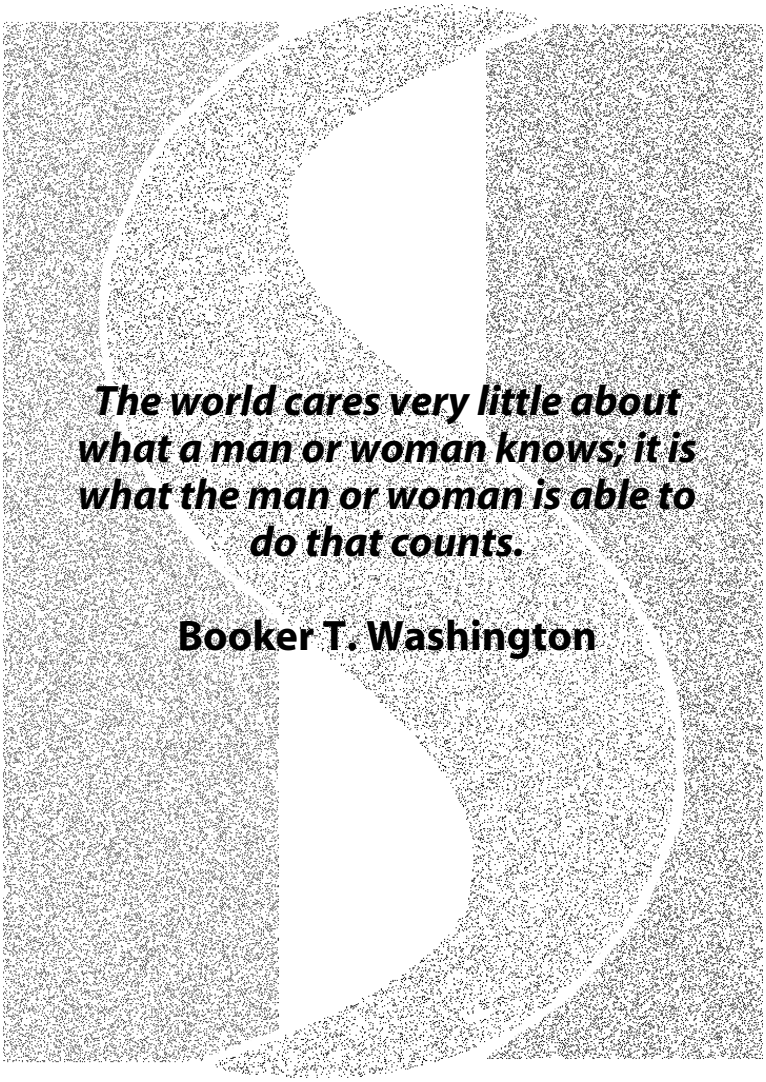
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$980,739	$929,470	$979,580	$985,680	$985,680
Supplies	36,716	32,720	32,720	32,720	32,720
Other Charges	66,660	64,910	56,810	57,310	57,310
Total	$1,084,115	$1,027,100	$1,069,110	$1,075,710	$1,075,710


The world cares very little about what a man or woman knows; it is what the man or woman is able to do that counts.
Booker T. Washington

Fire Extinguishment

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.

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.***

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 is constantly working to equip the three battalions with the staffing, equipment, and training necessary to respond to a wide variety of incidents including heart attacks, hazardous material leaks and spills, down wires, vehicle accidents, cave-ins, floods, 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.

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 medicine, fire ground tactics and operations, vehicle accident victim extrication, search & rescue, hazardous materials, and emergency situation management. In addition to their training, they 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?…
…that the Fire Department averages 24 runs per day or an average of one run every five hours at each of the City's five fire stations?

Fire Extinguishment

2004/05 PERFORMANCE OBJECTIVES

1. To incorporate all data (e.g. site 302 information, mapping and pre-incident planning documents) currently available on the department's personal computers on to the mobile computers recently installed in all emergency response vehicles.

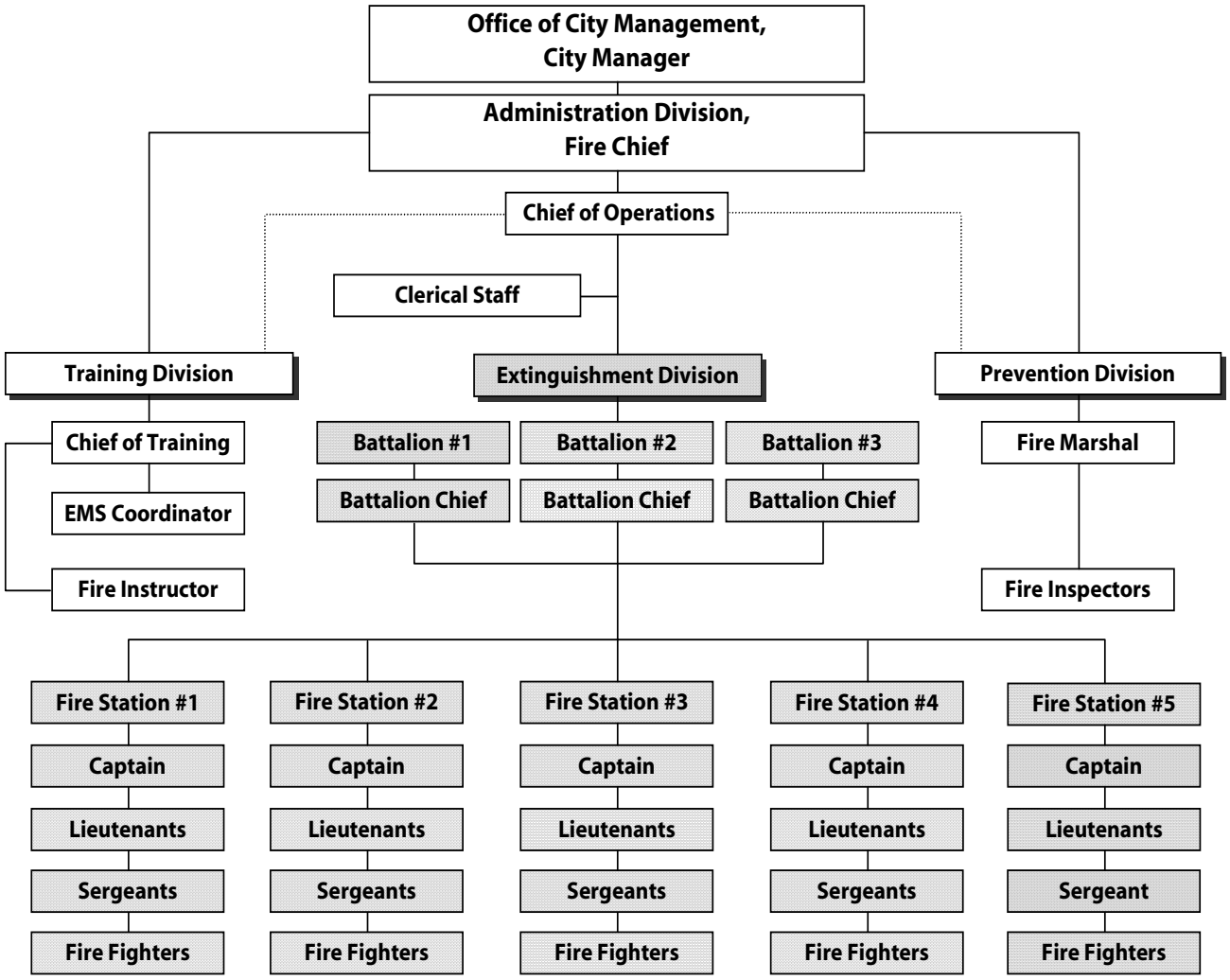
2. To facilitate the sharing of computerized data between the Fire Extinguishment and Fire Prevention Divisions.

3. To complete a threat assessment and site plan for five of the City's mass casualty and weapons of mass destruction target hazards with the assistance of a grant funded Emergency Management planner.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Fire Department Incidents	7,727	8,390	9,117	9,200	9,330	9,550
	EMS-Related Incidents	5,180	5,496	5,888	6,000	6,430	6,590
	Hazardous Material Incidents	128	160	149	200	150	160
	Fire Incidents	382	382	385	400	400	400
	All Other Incidents	2,037	2,352	2,695	2,600	2,350	2,400
	ALS Patients	2,495	2,565	2,813	2,800	2,950	3,070
	BLS (Priority 3) Patients	2,643	2,676	2,930	3,180	3,150	3,230
	All Other EMS Patients	107	98	116	125	110	120
	Students Receiving Fire Safety Education	19,200	23,200	22,353	20,900	21,600	21,000
	Hours Spent on Vehicle/Station Maintenance	18,205	16,407	21,097	18,500	14,700	17,600
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.3/1.2	1.3/1.1	1.3/1.1	1.3/1.1	1.1/1.1	1.2/1.1
	Fire Fighter Injuries/Deaths	15/0	31/0	47/0	30/0	16/0	25/0
	Civilian Fire Related Injuries/Deaths	7/0	9/0	12/0	6/0	12/2	15/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	87%/87%	85%/89%	91%/83%	89%/89%	85%/87%	87%/87%
	Average EMS Response Time - Minutes	3.9	4.1	3.6	3.9	3.8	3.8
	Value of Structure Loss Due to Fire (Millions)	$1.9	$1.6	$2.5	$1.2	$1.0	$1.0
	Average Cost of an EMS Incident	N/A	$237	$222	*	*	*
	Average Cost of a Fire Extinguishment Incident	$1,873	$1,906	$1,894	*	*	*
	Division Expenditures as % of General Fund	13.87%	12.64%	14.13%	14.94%	15.08%	15.23%

** Cost is calculated for "Actual" columns only.*

Fire Extinguishment



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Battalion Chief	3	3	3
Captain - ALS	3	4	4
Captain	2	1	1
Lieutenant - ALS	10	9	9
Lieutenant	6	7	7
Sergeant - ALS	2	2	3
Sergeant - FEO	6	6	5
Sergeant	1	1	1
Fire Fighter - ALS	30	30	29
Fire Fighter - FEO	15	15	16
Fire Fighter	15	12	12
Total	93	90	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

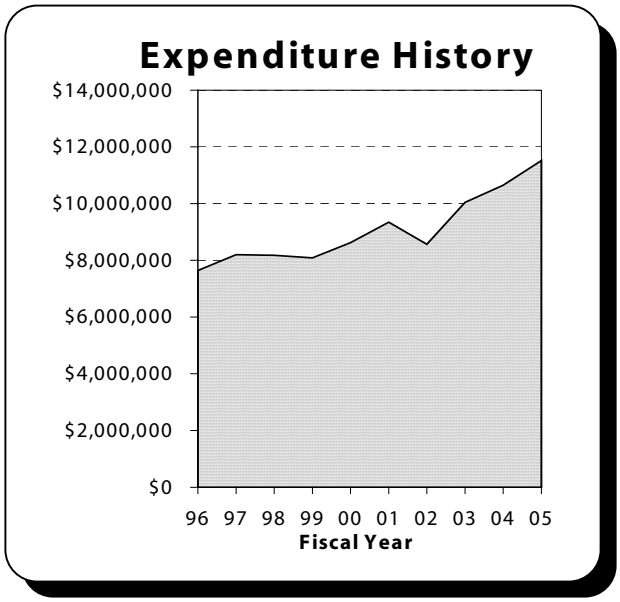
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $883,090 or 8.8%. Wages increased by $177,540. Pension costs rose $219,200. Hospitalization costs rose $145,730. Overtime costs rose $76,650 due to wage increases and increased minimum manning usage. No overtime funding has been requested for the Fire Open House. Retiree medical insurance funding rose $235,890 pending the results of an actuarial rate study.

Supplies – Total Supplies decreased $11,500 or 7.7%. Funding for operating supplies was reduced $11,500 due to a prior year reappropriated encumbrance, offset slightly by an increase in the cost of the flu shot serum.

Other Charges – Total Other Charges decreased $3,130 or 0.8%. The City saved $5,000 by participating in an alternate electric supplier program. Telephone costs decreased $5,000 due to a new city-wide Nextel telephone plan, which allows the City to pool its minutes. Rental costs decreased $1,000 and contracted services decreased $200, both based on recent years' expenditure levels. Fire hydrant rental costs went up $4,070 as the number of hydrants has increased. Funding for water usage increased $4,000 based on the current year's projected costs as well as a water rate increase.

Capital – Total Capital of $84,600 is budgeted in the Capital Projects Fund. $35,800 is for ten replacement Self-Contained Breathing Apparatus units. $11,800 is proposed for an additional Thermal Imaging Camera. $37,000 is for the replacement of the Battalion Chief's 1997 SUV that has over 90,000 miles on it, and is used to respond to emergencies and perform various other duties.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$9,499,030	$10,082,510	$10,145,420	$10,965,600	$10,965,600
Supplies	137,106	149,500	149,500	138,000	138,000
Other Charges	409,531	414,330	402,730	411,200	411,200
Total	$10,045,667	$10,646,340	$10,697,650	$11,514,800	$11,514,800

Fire Prevention

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

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.***
- ***To ensure all buildings are built in accordance with current codes and technology thereby making the built up environment safer for the occupants and our brave fire fighters in the event of fires in these buildings.***

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 Macomb County Fire Prevention Association, 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 upon the files that are maintained throughout the year. This Division maintains files on all buildings located within 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.■

Did you know?…
…that in the 2003 fiscal year, the City only had $130,000 worth of fire loss in inspectable buildings due to strict code enforcement, aggressive fire fighting and proactive fire prevention education?

Fire Prevention

2004/05 PERFORMANCE OBJECTIVES

1. To incorporate all acquired Firefighter Right to Know information obtained by the Fire Prevention division into the City's Emergency Dispatch Center for a more coordinated and informed response between firefighters and other City personnel.

2. To implement all General Fire & Life Safety Inspection information into a portable computer system.

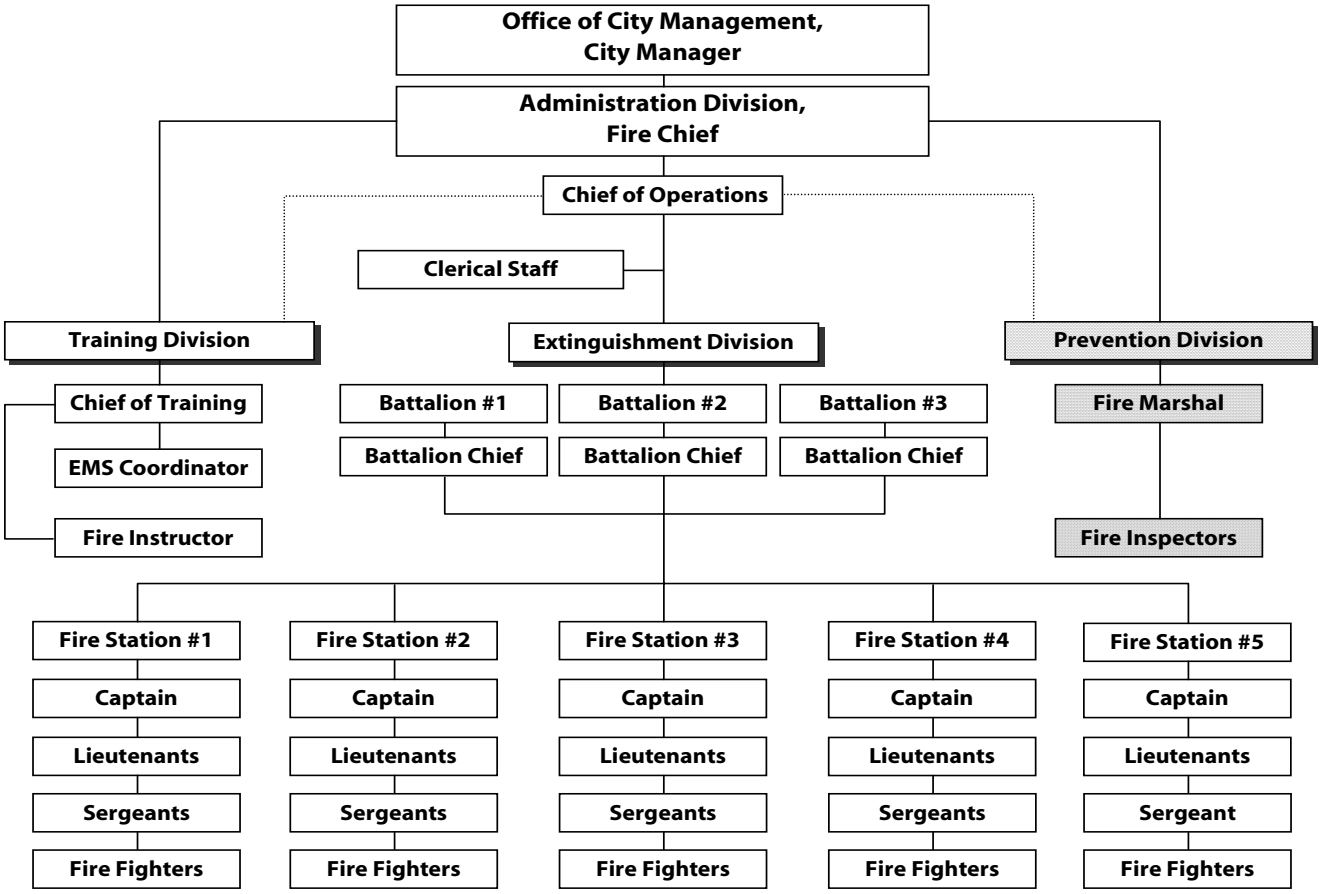
3. To enact the NFPA Standard 704 building identification system on all buildings within the City that contain hazardous materials.

4. To expand the "After the Fire" program, beyond the current residential program, to assist victims of commercial fires.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Inspections Conducted	4,202	4,139	3,871	3,975	3,965	4,175
	Annual Building Fire Inspections	673	920	590	900	725	750
	Special Code or Final Occupancy Inspections	524	480	428	600	585	550
	Liquor Lic., Amusement, & Site Inspections	1,112	1,069	1,180	800	1,100	1,200
	Witnessed Acceptance Tests Inspections	232	188	149	175	190	200
	Reinspections of Violations	1,582	1,431	1,401	1,400	1,250	1,350
	Citizen Assistance Inspections	79	51	123	100	115	125
	Violations Discovered and Issued	3,890	3,239	3,225	3,250	3,400	3,000
	Investigations (Fire and Other)	109	115	118	100	125	100
	Plan Reviews (sites, buildings, alarms)	636	555	670	640	650	650
	Public Education Hours (Preparation & Presentation)	517	485	445	600	450	400
Efficiency & Effectiveness	% Bus. Receiving Violations during Annual Inspections	95%	85%	92%	90%	90%	90%
	Value of Non-Residential Fire Loss	$1,051,000	$1,035,000	$130,000	$500,000	$300,000	$500,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	99%	99%	98%
	% of Inspectable Occupancies Experiencing Fires	0.45%	0.50%	0.50%	0.50%	0.50%	0.50%
	Inspections Conducted Per Inspector/Marshal	600	591	553	568	566	596
	% of Site Plans Reviewed within 20 Days	99%	99%	99%	99%	99%	99%
	Average Annual Fire Inspection Cost	$317	$299	$324	*	*	*
	Average Plan Review Cost	$135	$151	$145	*	*	*
	Division Expenditures as % of General Fund	1.12%	1.08%	1.25%	1.22%	1.25%	1.28%

** Cost is calculated for "Actual" columns only.*

Fire Prevention



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Fire Marshal	1	1	1
Fire Inspector	6	6	6
Total	7	7	7

Fire Prevention

SUMMARY OF BUDGET CHANGES

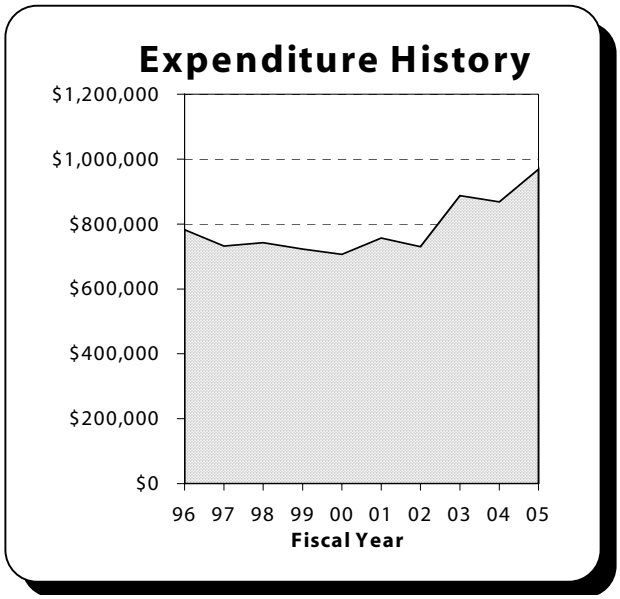
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $100,880 or 11.6% over last year's budget. Wages increased by $38,000. Compensatory time increased $3,500 based on a recent labor union contractual change for Inspector call-in time. Overtime costs fell slightly as fewer people will work Sterlingfest next year. Longevity pay decreased by $1,400 as a result of employee turnover due to retirements in the prior year. Police & fire pension costs rose $22,840 as a result of a recent actuarial analysis. Pension costs have increased as a result of recent lower investment earnings in the pension system. Hospitalization costs rose $10,870 as a result of a rate increase for next fiscal year. Dental insurance costs fell as a result of a 5% rate decrease for next year. Additional retiree medical funding is required, resulting in a $22,730 increase.

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

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

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$887,760	$867,910	$888,150	$968,790	$968,790
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	$887,760	$867,910	$888,150	$968,790	$968,790

FUTURE HOME OF
LOWE'S
161,673 SQ. FT.
HOME IMPROVEMENT
WAREHOUSE

FUNCTIONAL ORGANIZATION CHART

City Development Department

Office of City Development Administration

- Administration of department
- Proposes policies and procedures
- Provides coordination and supervision of City capital projects
- Handles right-of-way & easement acquisition
- Coordinates City-wide street lighting
- Responsible for the administration of Community Development Block Grant Program
- Coordinates traffic engineering services
- Liaison to county, state and federal agencies for project development
- Handles grant application & administration
- Coordinates water meter connection & use monitoring
- Liaison to Traffic Advisory Committee, Citizens Advisory Committee and Housing Commission

Office of Building

- Monitors building and development
- Inspects construction
- Processes Land Management System permits
- Provides plumbing inspections
- Provides electrical inspections
- Provides mechanical inspections
- Provides building inspections
- Liaison to Board of Ordinance Appeals
- Liaison to Board of Code Appeals (BOCA)
- Interprets and enforces nuisance abatement ordinances

Office of Engineering

- Oversees all Engineering services
- Maintains and updates all records on City utilities, streets, etc.
- Provides information to builders and developers regarding City utilities
- Plans preparation and supervision of all construction projects
- Reviews all plans for public improvements

Office of Planning

- Prepares the Master Land Use Plan
- Amends ordinances to affect goals of the Master Plan
- Conducts zoning studies to fully implement the Master Plan
- Interprets and enforces zoning ordinances
- Reviews liquor license establishments
- Reviews site plans for zoning
- Liaison to Planning Commission and Zoning Board of Appeals

DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department's budget increased by $167,370 or 3.8%. Higher personnel costs accounted for the increase. Personnel costs rose $173,270 or 4.1% due to wage and fringe benefit increases for all employees. While the same number of full-time staffing is recommended, the Code Enforcement function, formerly in Planning, has been transferred to the Office of Building. As a result, a new Code Enforcement Coordinator position has been established saving $22,000. The CDBG Specialist position has been transferred to City Development Administration. Building Inspectors will now be placed back on the standard work hour schedule, while additional Saturday inspections will now be available, saving $8,000. Supplies declined $1,110 or 3.7% due primarily to a reduction in City logo shirts purchased for field personnel. Other Charges declined by $4,790 or 5.1% as prior years' budgeted funds were not fully expended. In addition, savings in cellular telephone costs were realized.

FUNDING LEVEL SUMMARY

	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
City Dev. Administration	$271,720	$292,120	$304,680	$397,920	30.6%
Building	1,185,210	1,267,100	1,421,250	1,916,580	34.9%
Engineering	1,540,590	1,738,620	1,820,670	1,898,490	4.3%
Planning	764,350	871,560	835,880	336,860	-59.7%
Total Department	$3,761,870	$4,169,400	$4,382,480	$4,549,850	3.8%
Personnel Services	$3,645,130	$4,050,180	$4,258,170	$4,431,440	4.1%
Supplies	31,200	33,190	29,800	28,690	-3.7%
Other Charges	85,540	86,030	94,510	89,720	-5.1%
Total Department	$3,761,870	$4,169,400	$4,382,480	$4,549,850	3.8%

PERSONNEL SUMMARY

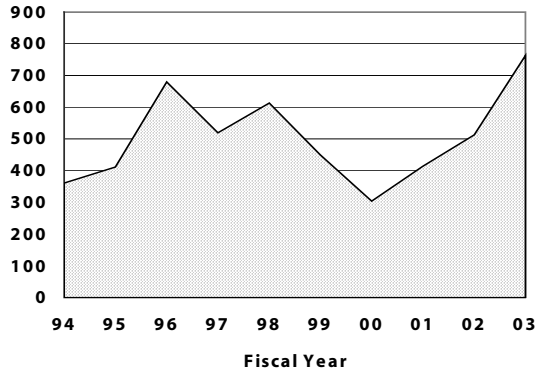
	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Dev. Administration	3	0	3	0	3	0	4	0
Building	17	1	17	1	17	1	22	1
Engineering	17	2	17	2	17	2	17	2
Planning	11	0	11	0	10	0	4	0
Total Department	48	3	48	3	47	3	47	3

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

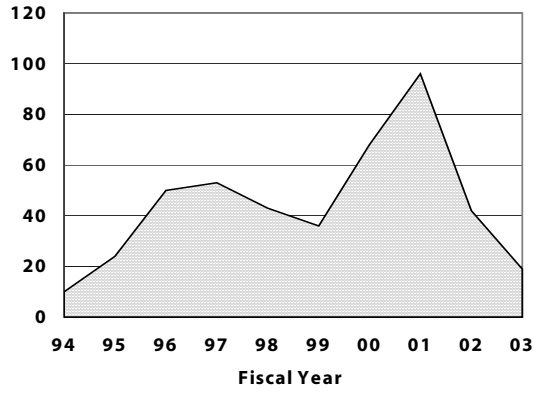
City Development Department

Residential Building Permits
New Construction



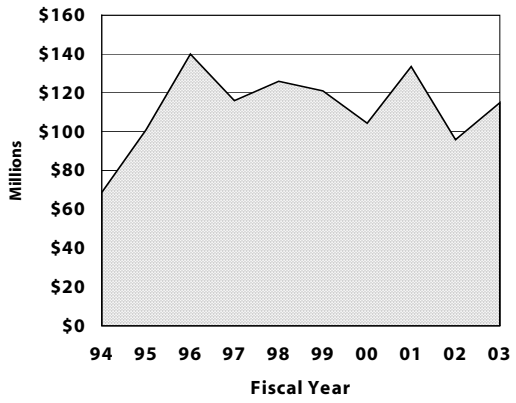
The number of residential building permits for new construction increased dramatically from 1994 to 1996. From 1996 to 2000, the number dropped to a low of 304. For the past three years, the number has steadily increased, reaching a high of 763 in 2003 due in part to the increasing number of condominium units and cluster developments.

Commercial Building Permits
New Construction



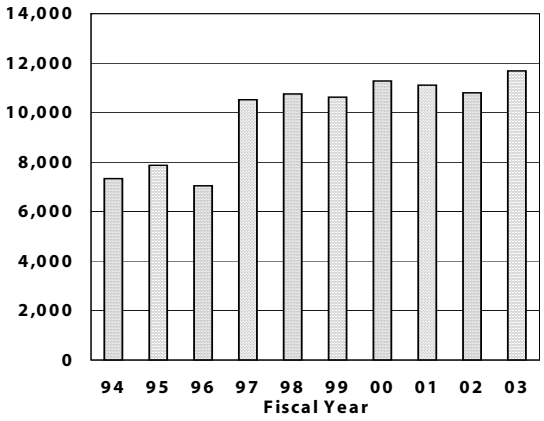
The number of new commercial building permits rose during the late 1990's after a 1994 moratorium on new commercial development. The number reached a high in 2001 when 96 permits were issued. For the past two years, the number has fallen to reach its lowest level since 1994. In 2003, 19 new commercial building permits were issued.

Building Permits at Market Value



The dollars invested in new building construction and improvements increased from $69 million in 1994 to a high of $140 million in 1996. Since 1996, the overall market value of building permits has declined. In 2002, investment declined by $38 million to reach a seven year low of $96 million. In 2003, a continued decline in commercial permits was more than offset by a strong increase in the number and value of residential permits.

Code Enforcement Inspections



The number of code enforcement inspections performed has increased by 66% over the past seven years since we hired a third Code Enforcement Officer and a Neighborhood Property Maintenance Code Officer. In 2003, there were 11,689 inspections made. 90% of inspections were performed within 48 hours of complaint. A total of 3,570 violations were issued in 2003 – a 77% increase over a two-year period.

City Development Administration

MISSION STATEMENT: ***To facilitate the development of a desirable living environment and promote the health, safety and welfare of the community through application of professional principles and the administration of building and zoning codes, engineering standards and City ordinances.***

City Development Administration coordinates public services and guides the development of the community in accordance with the goals and objectives established by the City Council and City Manager.

The public services aspect of this office coordinates land, easement, and right-of-way acquisitions for public improvements and implements construction of the City's infrastructure scheduled in capital improvement programs and Master Plans. Grant monies from State and federal sources are pursued and closely monitored. Information to residents and response to complaints is readily provided. This office prepares ordinance variance agreements. City Development coordinates activities and decisions involving the City and other agencies such as the Road Commission of Macomb County and the City of Detroit. Other activities include disposal of excess City property; overseeing of Departmental expenditures; review of building plans for appropriate water and sewer connections; overseeing of the City's Community Development Block Grant (CDBG) program; and coordination of traffic engineering studies. The public services aspect also provides assistance to the Transportation Advisory Committee.

KEY GOALS

- ***To preserve and enhance the City's physical and economic resources.***
- ***To promote and support community planning as a guide for resource allocation.***
- ***To protect the general public's health, safety, and welfare by developing and enforcing building codes, engineering standards, subdivision regulations, and zoning ordinances.***
- ***To provide excellent educational and support services to boards and commissions.***

The community development aspect of the office fosters relationships outside the City staff towards economic development and proposes policies and procedures which will produce a better community in which to live, work, and play while allocating and managing the City's resources in the most effective and efficient manner.

The Public Services Manager serves as liaison to County, State, and Federal agencies to synchronize the approval process for orderly and organized project development. The City Development Director provides informational assistance to potential economic developers, who in turn, market the community as one that appreciates the opportunities that their business interests bring to the residents of Sterling Heights.

The Director also oversees the functions performed by the Offices of Building, Engineering, and Planning. It is the Director's responsibility to ensure all activities work in concert to maintain a safe and pleasant environment.■

Did you know?…
…that the City of Sterling Heights actively assists commercial strip centers with developing re-use strategies?

City Development Administration

2004/05 PERFORMANCE OBJECTIVES

1. To re-develop one Brownfield site thus improving the City's tax base and reducing a blighting influence in the community.

2. To finalize the regional bike/hike trail throughout the City from Riverland Drive to Van Dyke Avenue.

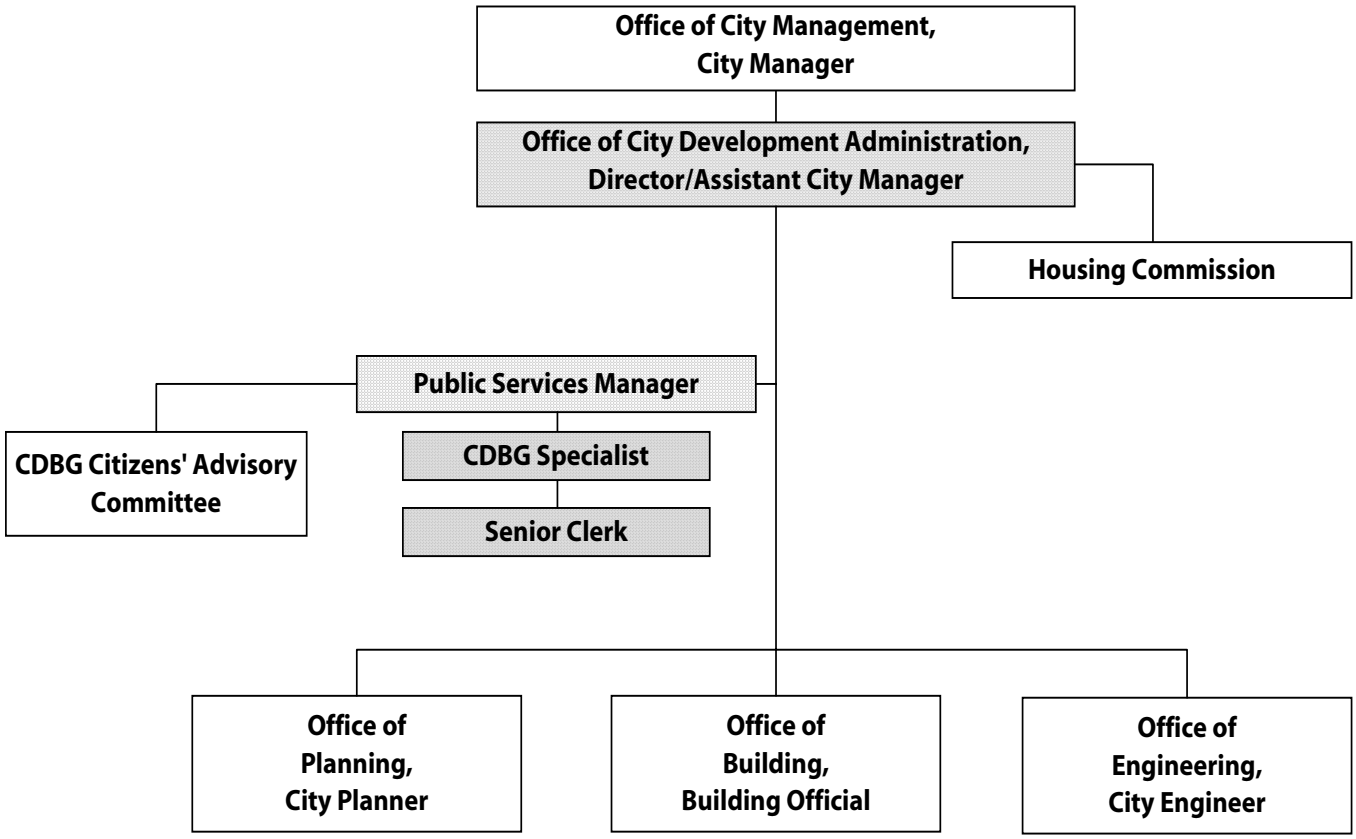
3. To apply for grant funding for the landscaping of the Metropolitan Parkway (16 Mile Road) median from Dodge Park to Utica Roads.

4. To encourage the redevelopment of vacant retail stores throughout the City to reduce the resulting blighting effect.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Building Permits & Site Plans Reviewed	510	485	460	475	460	470
	Use Permits Reviewed	210	205	220	200	200	200
	W & S Connection Permits Issued (Existing Homes)	38	40	41	45	35	35
	Special Projects Administered	5	4	6	4	7	7
	Neighborhood Condition Observations	3	15	25	30	25	25
	Developer Contacts Initiated	1	6	20	10	10	10
	Commercial Vacant Properties Marketed	0	57	62	50	50	50
	Brownfield Applications Processed/Approved	1/0	1/1	2/2	1/1	1/1	1/1
	Value of Brownfield Properties Approved (Millions)	$0	$6.0	$30.0	$1.0	$1.0	$1.0
	New Grants Applied For/Grants Received	4/2	4/2	1/1	3/3	1/1	2/2
	Council Meetings Attended	20	26	17	15	15	10
	Housing Commission Meetings Attended	10	7	9	8	11	12
	Rights-of-Way/Easements Acquired	11	14	33	20	31	35
Efficiency & Effectiveness	% Initial Traffic Requests Responded to w/i 35 days	100%	100%	100%	100%	100%	100%
	% Street Light Problems Addressed w/i 24 Hours	100%	100%	100%	100%	100%	100%
	% 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	95%	95%	100%	100%	95%	100%
	% of ROW's Acquired Without Condemnation	90%	90%	76%	85%	90%	90%
	% of Easements Acquired Without Condemnation	100%	100%	100%	90%	100%	90%
	% of Grants Successfully Awarded	50%	50%	100%	100%	100%	100%
	% of Substandard Housing Rehab. Contracts Completed	100%	100%	60%	100%	90%	95%
	Avg. Cost to Prepare/Process a Grant Application	$1,398	$1,441	$1,490	*	*	*
	Avg. Cost to Review a Use Permit Application	$55	$68	$65	*	*	*
	Activity Expenditures as % of General Fund	0.33%	0.40%	0.41%	0.43%	0.46%	0.53%

** Cost is calculated for "Actual" columns only.*

City Development Administration



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Development Dir./Asst. City Manager	1	1	1
Public Services Manager	1	1	1
CDBG Specialist	0	0	1
Senior Clerk	1	1	1
Total	3	3	4

City Development Administration

SUMMARY OF BUDGET CHANGES

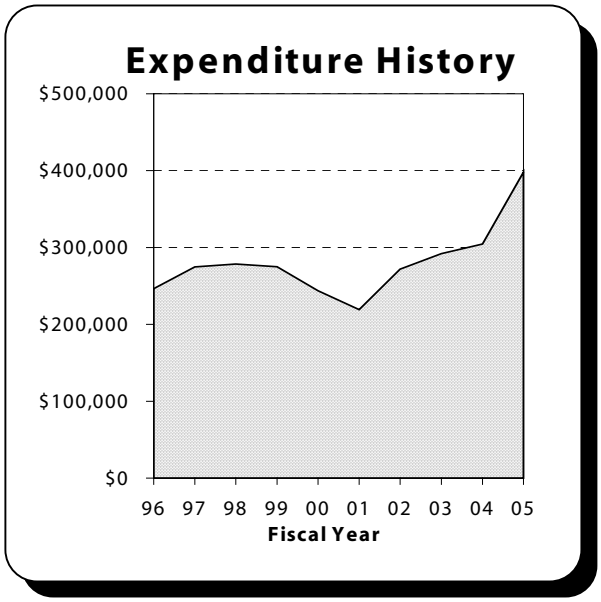
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $93,530 or 31.5%. Most of the increase ($71,600) is a result of transferring the CDBG Specialist position into this office. This position was formerly budgeted in the Office of Planning. In addition to this change, hospitalization costs rose due to a rate increase next year. In addition, the City will be setting aside additional funds to pay for our rapidly growing retiree health care obligations.

Supplies – Total Supplies decreased $690 or 14.0%. The decrease is primarily due to a reduction in City logo shirts to be purchased for Department field personnel, as only some replacement shirts will be needed. In addition, funding for operating supplies decreased $140 due to a prior year reappropriated encumbrance. Publication costs decreased $50, as fewer professional journals have needed to be purchased.

Other Charges – Total Other Charges increased $400 or 14.8%. The International City Manager's Association (ICMA) membership increased $650 to upgrade from an associate status to a full membership status. The Department had hoped to save money in the prior year by downgrading to an associate status, but the ICMA does not allow such downgrades. Telephone costs and printing costs fell $200 and $50 respectively, based on the recent year's actual expenditure levels.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$282,254	$297,040	$321,140	$390,570	$390,570
Supplies	5,557	4,940	1,720	4,250	4,250
Other Charges	4,309	2,700	3,070	3,100	3,100
Total	$292,119	$304,680	$325,930	$397,920	$397,920

MISSION STATEMENT: ***To undertake a well-balanced program of monitoring building construction, so that the community may enjoy a safe environment.***

The Building activity vigorously monitors the building and development activities in the City of Sterling Heights. As a result of this well-established procedure of monitoring, the community enjoys a sound and safe overall living environment while feeling assured that all buildings and structures frequented in the City are well constructed.

Several programs are currently in place and designed to accomplish the above-mentioned objectives. Through the aggressive inspection of new residential construction, present and future homeowners throughout the City can be assured that their dwellings are constructed in a safe and sound manner. Inspectors are dispatched daily to construction sites to monitor compliance to Building Codes and Ordinances prescribed by State and local rules and regulations.

Similarly, 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 for daily use. The community is safeguarded against improperly constructed structures by numerous preliminary and final inspections by the Building staff. The building and maintenance of these structures in a safe manner is the ultimate goal of the employees involved in the inspections.

To best serve the interests of the taxpayers, developers and investors in the community, the Building activity is operated in a manner which allows the most efficient and timely response possible. The Land Management System has been brought on line to give users better access to all information contained in the database. A new plan review process is in place to provide for a more efficient procedure.

Additionally, the Office of Building Services strives to preserve the residential and commercial property values by strict enforcement of the property maintenance standards that have been adopted by the community. Those properties that are not brought into voluntary compliance with these standards become a subject of a public hearing for nuisance abate.

The inspectors employed within the Building activity are trained professionals who are monitored not only by the local municipality, but also by the State. They participate in continuing education to stay up to date on all new construction techniques. The inspectors are supported by a highly competent clerical staff who assists customers visiting the Building Office. Their knowledge and experience ensure that a trip to the Building Office is a pleasurable one.

The Building Official is the staff liaison to the Ordinance Board of Appeals. 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 decisions of the Board are based on findings of fact set forth in the record and are supported by competent and material evidence. These decisions are final ten working days after the decision is rendered.■

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.***

Did you know?…
…that the City's code enforcement function is now located in the Office of Building?

Building

2004/05 PERFORMANCE OBJECTIVES *(Building)*

1. To update the architect and builder residential plan review checklist to ensure plans are submitted completely and accurately.

2. To improve the way special inspections are performed by eliminating duplication of services and ensuring consistent and uniform enforcement.

3. To ensure an effective response to damage assessment in the event of a natural disaster by evaluating the rapid assessment team process and organizing the inspectors into specialized areas.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Permits Issued	9,684	9,259	8,658	8,950	9,800	9,200
	Building Permits Issued	2,039	2,432	2,389	2,450	2,400	2,400
	Mechanical Permits Issued	3,437	2,872	2,717	2,900	3,000	2,900
	Plumbing Permits Issued	2,162	1,869	1,811	1,700	2,000	1,900
	Electrical Permits Issued	2,046	2,086	1,741	1,900	2,400	2,000
	Total Inspections Performed	44,744	41,845	37,760	40,700	41,300	41,700
	Building Inspections	14,133	16,338	16,506	16,000	18,000	18,100
	Mechanical Inspections	11,501	9,975	8,130	10,000	9,200	9,300
	Plumbing Inspections	9,825	8,888	7,522	8,500	7,700	7,800
	Electrical Inspections	9,285	6,644	5,602	6,200	6,400	6,500
	Ordinance Complaint Tickets Issued	32	63	47	50	55	60
	Board of Code Appeals Applications	15	6	13	15	10	15
	Board of Ordinance Appeals Hearings	48	29	43	50	50	60
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	5	5	3	3	3	3
	% of Inspections Performed on Schedule	94%	94%	94%	95%	95%	95%
	% of Commercial Plans Reviewed w/i 20 days	93%	93%	93%	93%	93%	94%
	% of Residential Plans Reviewed w/i 10 days	93%	93%	93%	93%	93%	94%
	Average No. of Inspections per FTE Inspector	4,474	4,185	3,776	4,070	4,130	4,170
	Market Value of Building Permits (Millions)	$133.5	$95.9	$114.9	$113.0	$107.0	$110.0
	Permits Issued via City's Website	0	26	120	130	90	100
	Activity Expenditures as % of General Fund	1.82%	1.75%	1.78%	1.99%	1.98%	2.53%

Building

2004/05 PERFORMANCE OBJECTIVES *(Code Enforcement)*

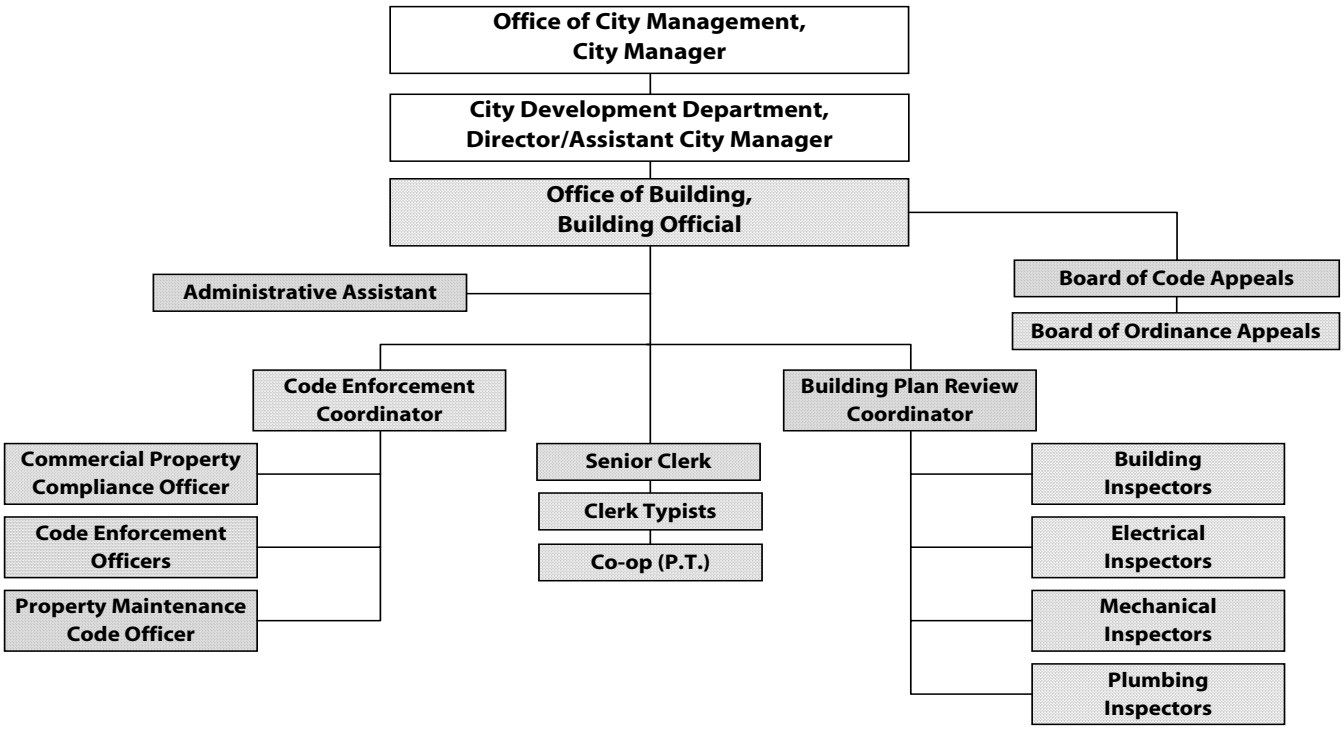
1. To reduce the time it takes to abate a nuisance after the Board of Ordinance Appeals has taken action through aggressive enforcement action and improving internal work processes.

2. To integrate all commercial and residential code enforcement activity into the Land Management System for automated tracking and follow-up of complaints.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Inspections Performed	11,114	10,802	11,689	11,000	11,000	11,100
	Total Code Enforcement Cases	2,019	2,853	3,570	3,000	3,025	3,295
	Public Nuisance Cases	373	899	1,413	1,100	1,200	1,300
	Illegal Sign Cases	687	474	547	500	450	470
	Trash & Debris Cases	206	388	480	450	400	450
	Junk Vehicle Cases	172	297	284	225	250	275
	Property Maintenance Cases	298	605	638	425	400	450
	Miscellaneous Cases	283	190	208	300	325	350
	Ordinance Board Cases Prepared - Nuisances	20	64	127	110	150	200
	Civil Infraction & Misdemeanor Tickets Issued	16	30	16	25	30	40
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	86%	87%	90%	90%	90%	90%
	Avg. Working Days Between Violation & Correction	11	11	11	10	10	10
	% of Violations Corrected Prior to City Action	95%	95%	95%	95%	95%	95%
	Inspections Performed Per Code Inspector	2,779	2,701	2,922	2,750	2,750	2,775
	Code Enforcement Cases Per Code Inspector	505	713	893	750	756	824
	Code Enforcement Cases Per 1,000 Residents	16.2	22.9	28.5	23.8	24.0	26.1
	Average Cost to Perform a Code Inspection	$20.04	$21.48	$20.97	*	*	*

** Cost is calculated for "Actual" columns only.*

Building



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Building Official	1	1	1
Building Plan Review Coordinator	1	1	1
Code Enforcement Coordinator	0	0	1
Commercial Property Compliance Officer	1	1	1
Building Inspector	3	3	3
Electrical Inspector	2	2	2
Mechanical Inspector	2	2	2
Plumbing Inspector	2	2	2
Code Enforcement Officer	0	0	3
Property Maintenance Code Officer	0	0	1
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
Clerk Typist	3	3	3
Co-op (P.T.)	1	1	1
Total	18	18	23

Building

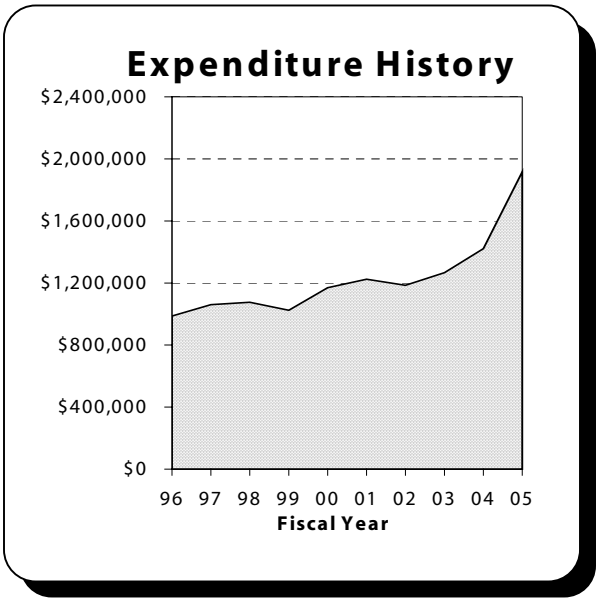
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $493,580 or 36.6%. The increase is a result of transferring five Code Enforcement positions, formerly in the Office of Planning, to this office due to a recent reorganization. Wages part-time decreased by $19,900 as funding was required for a part-time Building Inspector in the prior year due to employee turnover. All Inspector and Coordinator positions are now budgeted at 7.5 hours per day. Overtime funding increased slightly to allow additional Saturday inspections.

Supplies – Total Supplies increased $950 or 11.5%. Funding increased $640 for the mailing of code enforcement violation notices and Ordinance Board of Appeals packets. Publication costs increased $410 due to a one-time budget adjustment in the prior year for microfilm machine repairs. The budget for operating supplies decreased $100 due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased $800 or 1.3%. Equipment maintenance fees for the Land Management System increased $860. Telephone costs and funding for educational conferences each increased $500 for the addition of Code Enforcement personnel now in this office. $200 was added for Code Enforcement memberships offset by a reduction in a clerical membership. In addition, local meeting costs increased $100. Funding for contracted services decreased $870 due to a reduction in microfilming volumes in recent years. Credit card fees decreased $300 as the bank has reduced the rates being charged to the City based on the higher number of transactions processed city-wide.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

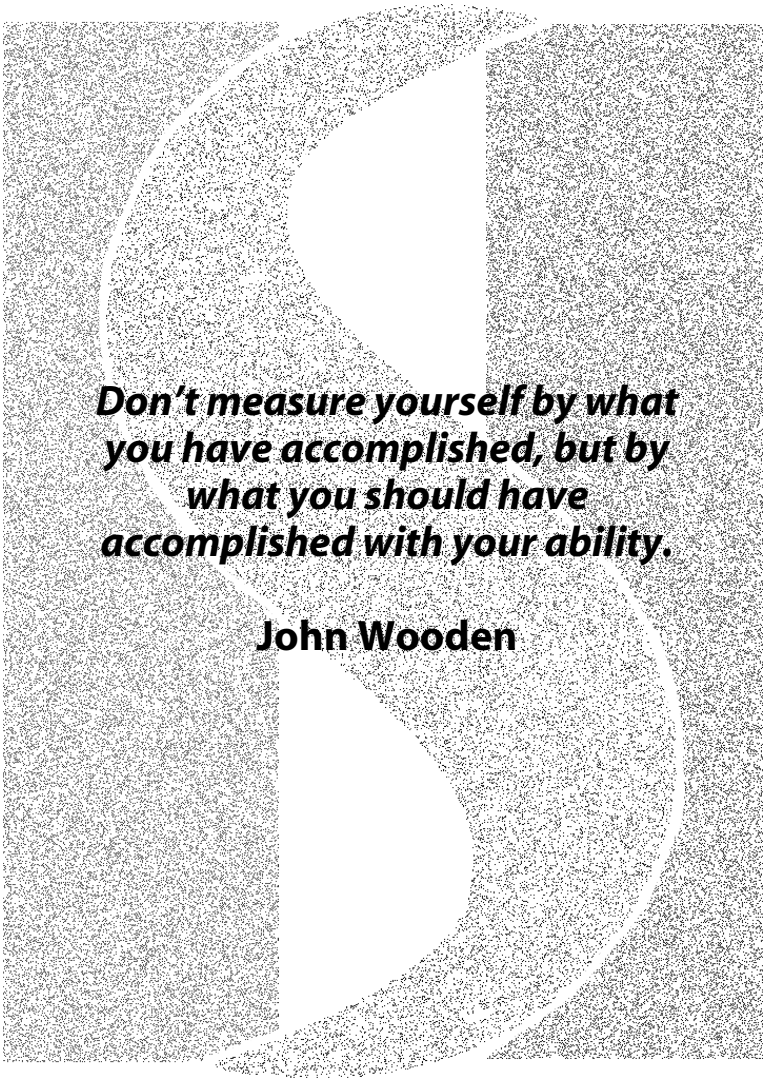
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,202,958	$1,350,360	$1,321,270	$1,843,940	$1,843,940
Supplies	8,026	8,290	8,290	9,240	9,240
Other Charges	56,114	62,600	74,140	63,400	63,400
Total	$1,267,099	$1,421,250	$1,403,700	$1,916,580	$1,916,580


Don't measure yourself by what you have accomplished, but by what you should have accomplished with your ability.
John Wooden

Engineering

MISSION STATEMENT: ***To develop and implement master plans and programs and to supervise and inspect all public improvements constructed by or for the City.***

The Engineering activity falls within the City Development Department of the City Administration organizational structure. Major responsibilities 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 also provided to residents and other interested parties on scheduled or future public improvements.

Engineering reviews all planned public improvements. The review of these plans generates revenue to the City's General Fund.

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 engineering design, administration, and inspection of City projects, City awarded contracts, and subdivision sites generates revenues in excess of $1.6 million per year.

Engineering prepares the plans and specifications and supervises construction of all projects authorized by City Council.

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 the construction of a ten-foot wide bike/hike path from Riverland Drive to Van Dyke is scheduled to begin in the Spring of 2004 and, combined with proposed sidewalk improvements on Utica Road between the Edison Corridor and Dodge Park Road, will complete the City's portion of the regional bike/hike path from Metropolitan Beach to Stony Creek?

Engineering

2004/05 PERFORMANCE OBJECTIVES

1. To successfully complete the 18½ Mile Road connector from Van Dyke Avenue to Mound Road in cooperation with the Michigan Department of Transportation.

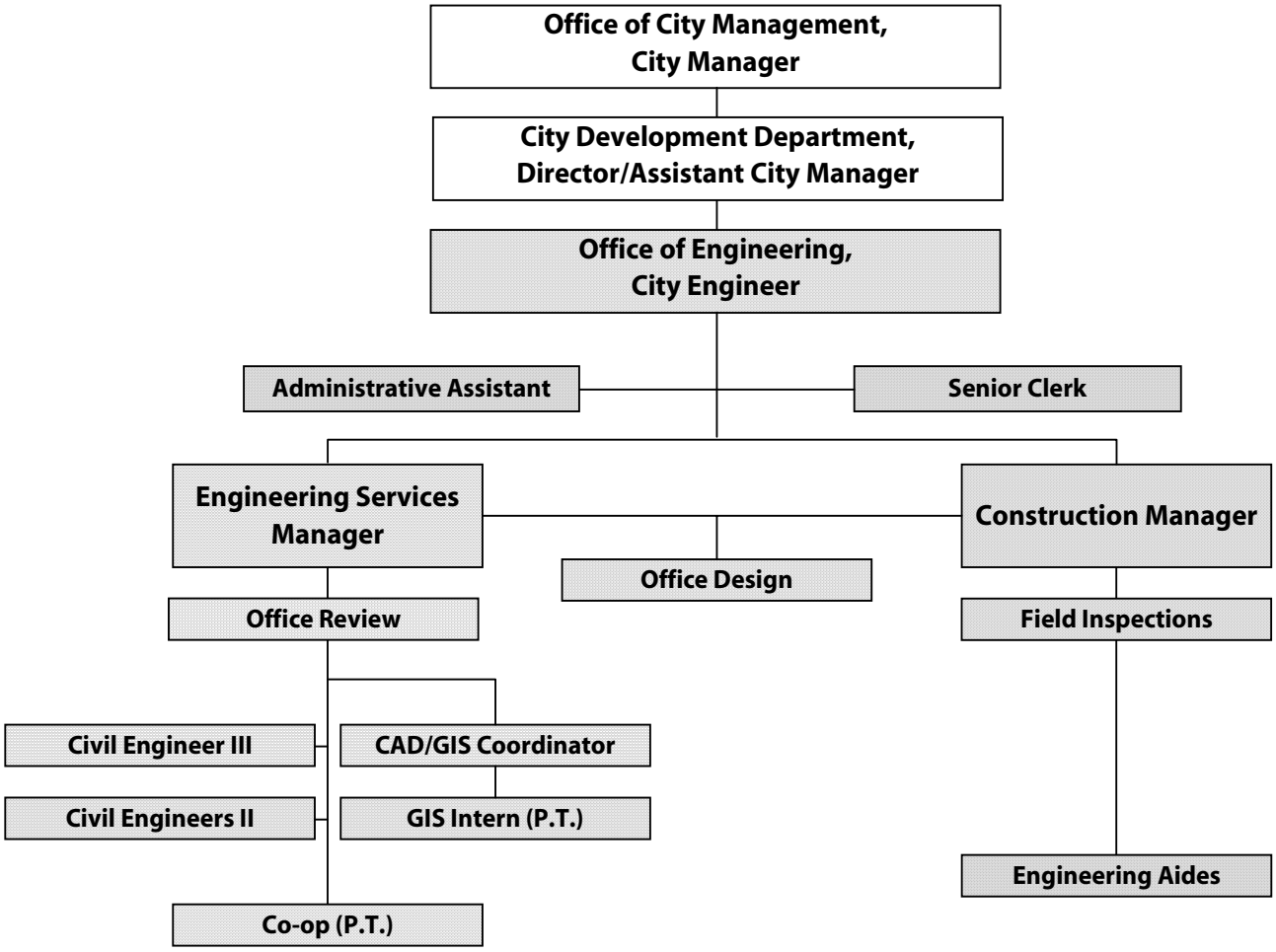
2. To develop a Request for Proposal (RFP) to implement a Pavement Management System for the orderly repair and maintenance of City streets.

3. To improve the water main system in accordance with the recommendations of the Water Reliability Study.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Site Plans Approved	77	59	54	65	65	65
	Subdivision Plans Approved	4	1	1	4	1	1
	Property Splits Reviewed	51	52	42	35	35	35
	Plot Plan/Grading Plans Approved	76	60	52	50	52	50
	Utility Company Permits Issued	65	67	68	60	75	75
	SESC Permits Issued	117	121	96	120	115	120
	Value of Const. Contracts Awarded & Supervised	$3.7M	$8.1M	$7.8M	$7.5M	$8.1M	$6.0M
	Personnel Contacts with Business - Counter	4,440	4,086	4,590	4,500	4,550	4,500
	Personnel Contacts with Business - Phone	13,582	13,834	12,645	15,000	14,850	15,000
	Service Complaints Processed	643	1,404	3,762	1,600	1,500	1,500
	Inspection Revenues Generated	$1,277,790	$919,072	$1,030,691	$1,040,000	$1,030,000	$1,025,000
	SESC Inspection Revenues Generated	$16,993	$10,667	$13,002	$10,000	$13,000	$10,000
	Construction Project Design Revenues	$343,946	$482,901	$563,090	$425,000	$525,000	$475,000
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 7 weeks	64%	68%	76%	80%	80%	80%
	% of Utility Company Permits Reviewed w/i 15 days	75%	79%	74%	80%	80%	80%
	% of Plot or Grading Plans Reviewed w/i 10 days	80%	73%	85%	90%	90%	90%
	% of Capital Projects Completed w/i 5% of Bid Costs	82%	100%	80%	90%	90%	90%
	Engineering Inspection Cost Per Hour	$95.25	$83.90	$85.10	*	*	*
	Activity Expenditures as % of General Fund	2.38%	2.27%	2.45%	2.56%	2.54%	2.51%

** Cost is calculated for "Actual" columns only.*

Engineering



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Engineer	1	1	1
Engineering Services Manager	1	1	1
Construction Manager	1	1	1
Civil Engineer III	1	1	1
Civil Engineer II	2	2	2
CAD/GIS Coordinator	1	1	1
Engineering Aide	8	8	8
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
G.I.S. Intern (P.T.)	1	1	1
Co-op (P.T.)	1	1	1
Total	19	19	19

Engineering

SUMMARY OF BUDGET CHANGES

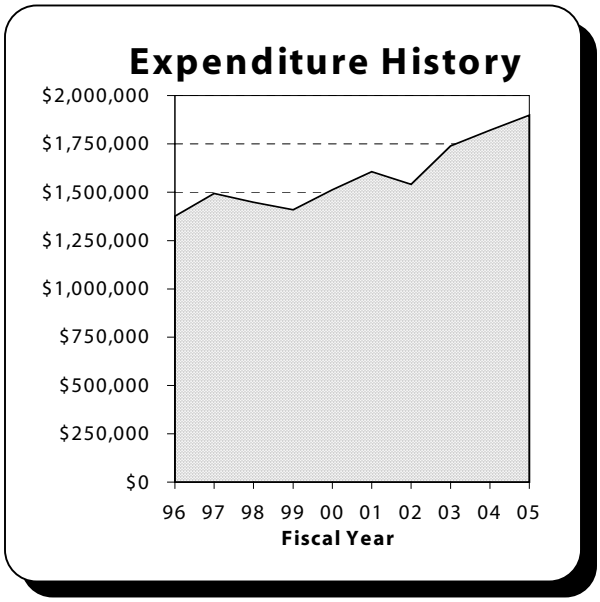
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $80,250 or 4.5%. Wages for full-time employees increased by $18,950. Hospitalization costs rose $29,230 due to a rate increase. Overtime costs fell by $5,000 based on trends experienced in the current fiscal year. Employee turnover in the prior year resulted in a $3,630 increase in defined contribution costs. The amount budgeted to help fund retiree medical costs rose $28,490.

Supplies – Total Supplies decreased $380 or 3.1%. Funding decreased $330 for operating supplies due to a reappropriated encumbrance from the prior year. Publication costs decreased $50, as prior year funds were never spent.

Other Charges – Total Other Charges decreased $2,050 or 9.5%. The decrease is primarily due to a savings in telephone costs as a new city-wide Nextel telephone plan allows the City to pool its minutes. In addition, one Nextel telephone has been eliminated. Printing costs decreased $50 based on recent years' expenditure levels.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,704,553	$1,786,980	$1,768,040	$1,867,230	$1,867,230
Supplies	15,008	12,130	11,830	11,750	11,750
Other Charges	19,055	21,560	20,260	19,510	19,510
Total	$1,738,616	$1,820,670	$1,800,130	$1,898,490	$1,898,490

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 Municipal Planning Act, Public Act 285 of 1932, as amended. 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.

This activity 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 207 of the Public Acts of 1921, as amended. The ZBA is a quasi-judicial body, and serves as the only body at the municipal level to hear appeals on 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.■

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.***

Did you know?…
…that since 1990, the Special Development Options found in the City's Zoning Ordinance have been useful in preserving over 380 acres of privately owned open space?

Planning

2004/05 PERFORMANCE OBJECTIVES

1. To assist McKenna & Associates, Inc. in successfully completing the Master Land Use Plan update by coordinating all meetings, providing relevant data, and determining development trends.

2. To assist the Planning Commission in updating the City's Zoning Ordinance including the evaluation of parking, setback, density and land use requirements to foster a more efficient use of land, which will create opportunities for existing businesses to expand while minimizing environmental impacts and preserving the City's overall quality of life.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Site Plans Reviewed	74	71	60	70	60	60
	Property Splits Reviewed	37	52	42	35	34	35
	Rezoning Petitions Processed	14	14	10	8	16	15
	Subdivision Plats Reviewed	3	1	1	1	1	1
	Special Approval Land Uses Processed	13	13	14	15	15	15
	Special Development Options Requested	3	2	1	2	2	3
	Administrative Temporary Uses Reviewed	97	88	139	100	105	100
	Planning Commission Meetings Attended	25	24	21	18	14	12
	Temporary Uses, Variances, & Vacations Reviewed	8	9	3	6	4	3
	Zoning Board of Appeals Cases Prepared	41	60	74	50	50	50
	Zoning Board of Appeals Meetings Held	20	22	20	21	16	12
	Citizens Advisory Commission Meetings Attended	7	7	7	7	7	7
	City Council Meetings Attended	20	21	17	14	17	15
	Council Agenda Items Prepared	38	30	19	18	18	18
	Section 8 Inspections Made	40	45	41	42	42	41
Efficiency & Effectiveness	% of Preliminary Site Plans Reviewed w/i 10 days	90%	90%	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	51%	77%	67%	85%	90%	90%
	Average Cost to Review a Site Plan	$1,598	$1,448	$1,578	*	*	*
	Activity Expenditures as % of General Fund	1.02%	1.13%	1.23%	1.17%	1.14%	0.45%

** Cost is calculated for "Actual" columns only.*

Planning

STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
City Planner	1	1	1
Planning & Zoning Manager	1	1	0
Planning Coordinator	1	1	1
Code Enforcement Officer	3	3	0
Property Maintenance Code Officer	1	1	0
CDBG Specialist	1	1	0
Administrative Assistant	2	1	1
Senior Clerk	0	1	1
Clerk Typist	1	0	0
Total	11	10	4

Planning

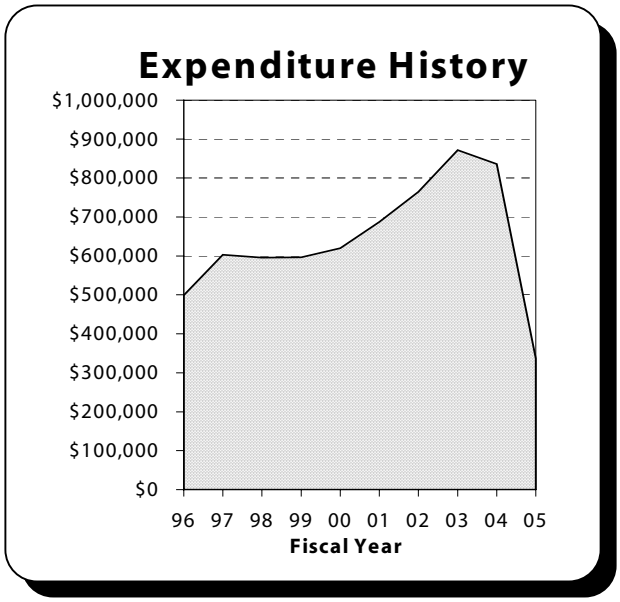
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget decreased by $494,090 or 60.0% from last year's budget. The decrease is attributable to a reorganization transferring six positions out of this office beginning next fiscal year. Five Code Enforcement positions have been transferred to Building, while the CDBG Specialist position has been transferred to City Development Administration. In addition, the vacant Planning & Zoning Manager position is recommended to be replaced with a Code Enforcement Coordinator position saving an estimated $22,000 per year.

Supplies – Total Supplies decreased $990 or 22.3%. Funding was reduced $640 for postage and $300 for operating supplies as a result of transferring Code Enforcement to the Building office. A decrease of $50 was made for publications as prior year budgeted funds were never fully spent.

Other Charges – Total Other Charges decreased $3,940 or 51.5%. Telephone costs fell $2,700 due to the transfer of Code Enforcement staffing to Building. In addition, a Nextel telephone was eliminated. Funding for educational conferences decreased $600 and local meeting costs decreased $200, both as a result of the reorganization. Annual membership fees decreased $440 due to the elimination of two memberships and the transfer of the Code Enforcement memberships to Building.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$860,409	$823,790	$797,700	$329,700	$329,700
Supplies	4,601	4,440	4,850	3,450	3,450
Other Charges	6,549	7,650	7,180	3,710	3,710
Total	$871,560	$835,880	$809,730	$336,860	$336,860

Public Works Department

FUNCTIONAL ORGANIZATION CHART

Public Works Department

Fleet Maintenance

- Provides auto repair service for the City-owned fleet of vehicles
- Provides 24 hour "ready-to-serve" maintenance on snow removal equipment
- Performs welding, cutting fabrication or repair on various other equipment
- Maintains an up-to-date computerized inventory system

Parks & Grounds Maintenance

- Ensures that municipal grounds and parks are mowed, clean and safe
- Maintains all ball diamonds and sport courts keeping them in a safe and playable condition
- Plants street trees in the right-of-way of new subdivisions
- Installs Christmas and other decorations on municipal buildings and selected Fire stations

Public Works Center

- Prepares the annual General Fund portion of the Public Works budget
- Determines personnel policy in accordance with union contracts and administrative rules and regulations
- Performs custodial upkeep of all DPW offices, rooms and lavatories
- Provides the general store operations

Street Services

- Provides a safe and clean road surface for vehicular traffic
- Repairs and replaces all traffic control lines and school crosswalk markings
- Removes and chips diseased trees and stumps
- Performs roadside weed-cutting of weeds and tall grass along all roadsides

Refuse Collection

- Provides prompt, reliable refuse removal service
- Maintains three recycle drop off centers
- Handles refuse related complaint calls
- Liaison to the City's refuse contractor
- Promotes public education in the area of solid waste disposal through the Solid Waste Management Commission

Water & Sewer Administration

- Administration of the department
- Provides oversight of the noxious weed cutting program
- Provides radio contact with field crews, transmitting and receiving all radio calls through the base station
- Provides clerical support to the department
- Reviews and approves the budget submissions from all divisions of the department
- Provides security to the Public Works Center

Water Distribution

- Provides accurate and continuous readings of all water meters
- Maintains fire hydrants keeping them in proper functioning condition
- Responds to service request calls relating to the water distribution system
- Inspects, assists and supervises subcontractors in the repair of watermain breaks

Sewage Collection

- Maintains and inspects retention ponds
- Cleans and inspects sanitary sewers
- Responds to emergency flood conditions 24 hours a day, seven days a week
- Maintains and repairs cracks and obstructions which affect the design and flow of the sanitary sewer system

DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works Department budget increased by $217,870 or 4.2% over last year's budget. Personnel costs rose $242,200 or 6.4% due to wage and fringe benefit increases. Several personnel accounts rose due to the recently settled DPW Field labor contract. Hospitalization insurance costs rose $38,810 or 8.3% which is lower than most departments due to a recently negotiated higher employee co-pay. Increased funding for retiree medical obligations resulted in a $62,130 increase. The Supplies budget declined by $13,250 or 1.4% based on lower vehicle and equipment repair costs. Pump testing and preventative maintenance on fire trucks will now be performed in-house. Other Charges decreased $11,080 or 2.9%. City staff will now be utilized to install holiday lighting at the Civic Center instead of hiring a contractor as has been done the past three years.

FUNDING LEVEL SUMMARY

	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Fleet Maintenance	$1,789,670	$1,767,860	$1,938,680	$1,997,870	3.1%
Parks & Grounds Maint.	1,177,940	1,254,140	1,204,760	1,215,980	0.9%
Public Works Center	428,560	457,530	439,070	457,590	4.2%
Street Services	1,408,460	1,441,110	1,584,190	1,713,130	8.1%
Total Department	$4,804,630	$4,920,640	$5,166,700	$5,384,570	4.2%
Personnel Services	$3,422,670	$3,575,160	$3,812,100	$4,054,300	6.4%
Supplies	970,800	924,920	967,530	954,280	-1.4%
Other Charges	411,160	420,560	387,070	375,990	-2.9%
Total Department	$4,804,630	$4,920,640	$5,166,700	$5,384,570	4.2%

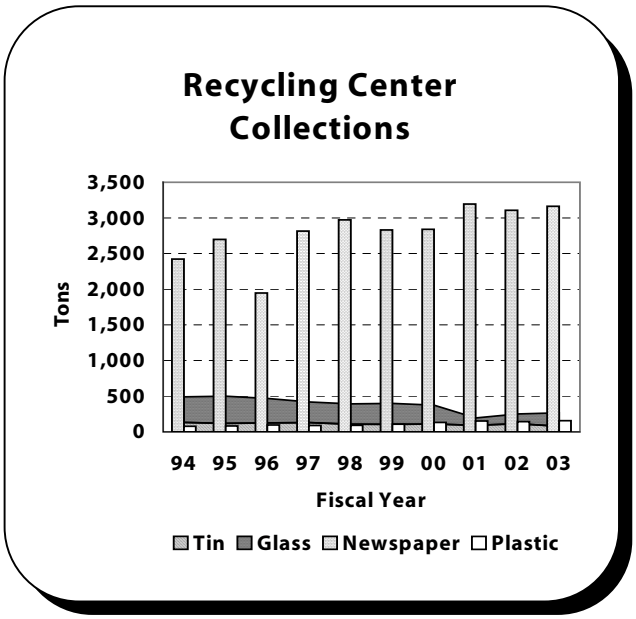
PERSONNEL SUMMARY

	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fleet Maintenance	15	1	15	1	14	1	14	1
Parks & Grounds Maint.	14	20	14	8	13	8	13	8
Public Works Center	3	0	3	0	3	0	3	0
Street Services	21	2	21	2	21	2	21	2
Total Department	53	23	53	11	51	11	51	11

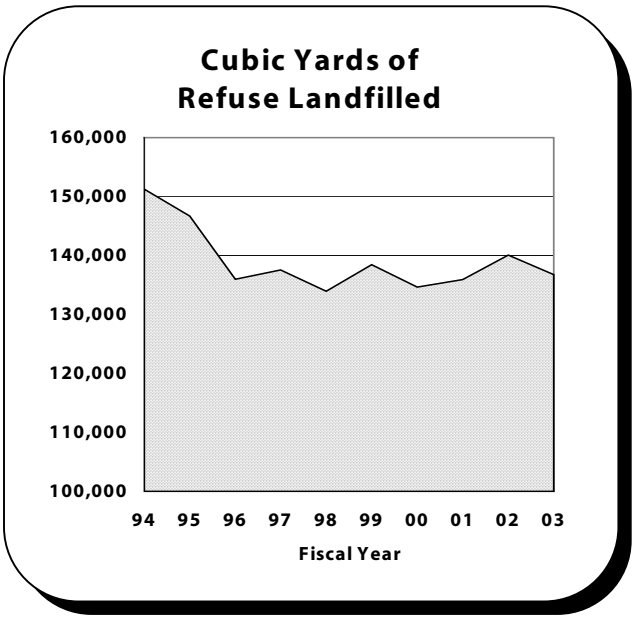
Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

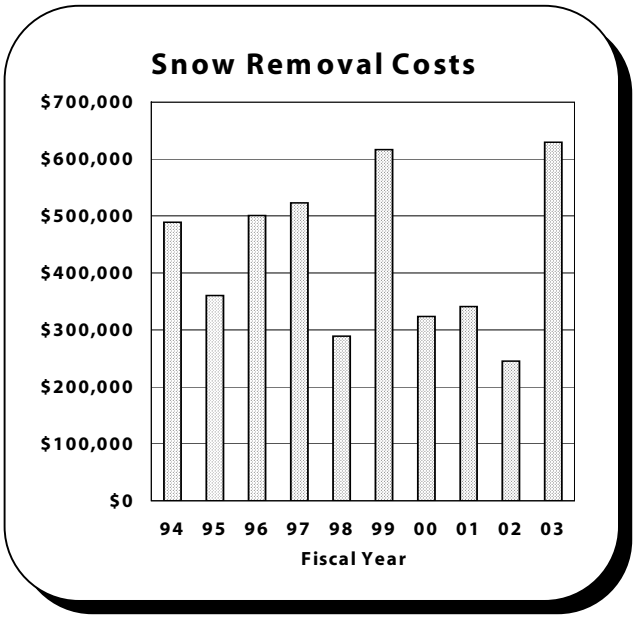
Public Works Department



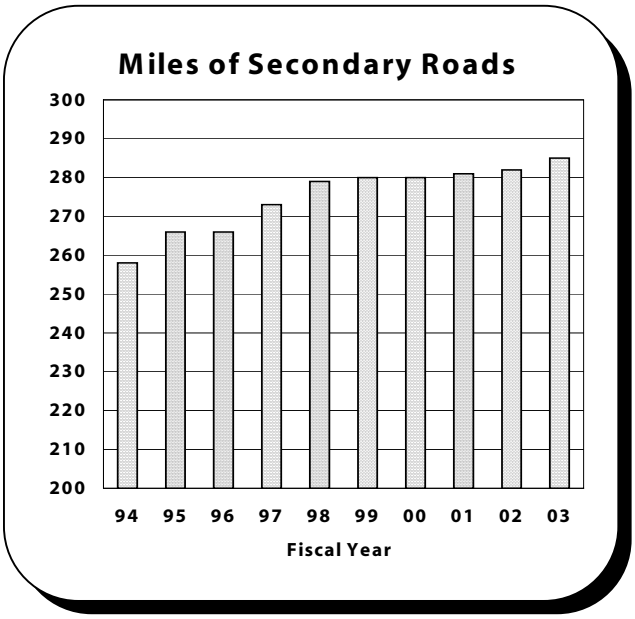
The volume of recycling center collections has increased over the past ten years at the City's three drop-off recycling centers. The growth in recycling and the composting of yard waste have allowed the City to reduce the amount of refuse landfilled since 1990 by 36%. The average homeowner currently pays only $77 per year for trash pickup compared to nearly $300 in nearby townships. No city in the ICMA study had a lower recycling cost per ton recycled.



As a result of the separate collection of soft yard waste, which is now composted, and additional Recycling Center collections, the cubic yards of refuse landfilled in the City has decreased since the early 1990's.



The City's snow and ice removal costs have generally been increasing over the past ten years due to growth in the City and an increased number of City streets. Expenditures decreased in four of the ten years due to warmer winters or reduced snow falls. Due to heavy snowfall in 2003, costs totaled $630,000 – a ten year high.



Due to an increasing number of subdivisions in the City, the number of secondary or local roads has been steadily increasing over the past ten years.

Fleet Maintenance

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

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

The Division provides a "ready to serve" ability. 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 program includes the maintenance and repair of the City-owned fleet of vehicles and equipment on an as needed basis. Approximately 48 pieces of heavy equipment, 275 pieces of various equipment ranging from chainsaws to tractors and 250 cars and trucks are repaired. Preventative maintenance is performed on 517 vehicles or pieces of equipment. Also included is the repair and preventative maintenance on the 51 Fire Department emergency vehicles, as well as numerous miscellaneous emergency equipment. Fleet Maintenance provides road call service to repair vehicles in the field to minimize down time. Fleet Maintenance performs welding, cutting, fabrication, or repair of park gates, play apparatus, bike racks, bleachers, retention pond gates and pumping stations, and many other repair projects. This Division repairs such items as heating-cooling and exhaust systems, bridges, and guardrails. This involves the planning and designing of modifications performed on various pieces of equipment.

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.***

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 consumed from the pumping facilities is maintained to ensure sufficient availability.

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

Did you know?…
…that the Fleet Maintenance division employs 11 highly skilled technicians that have the ability to diagnose and repair a wide variety of vehicles and equipment and have a combined total of 263 years of mechanical repair experience?

Fleet Maintenance

2004/05 PERFORMANCE OBJECTIVES

1. To monitor our ability to efficiently maintain the Fire fleet and determine if it is necessary to utilize an outside contractor for preventative maintenance.

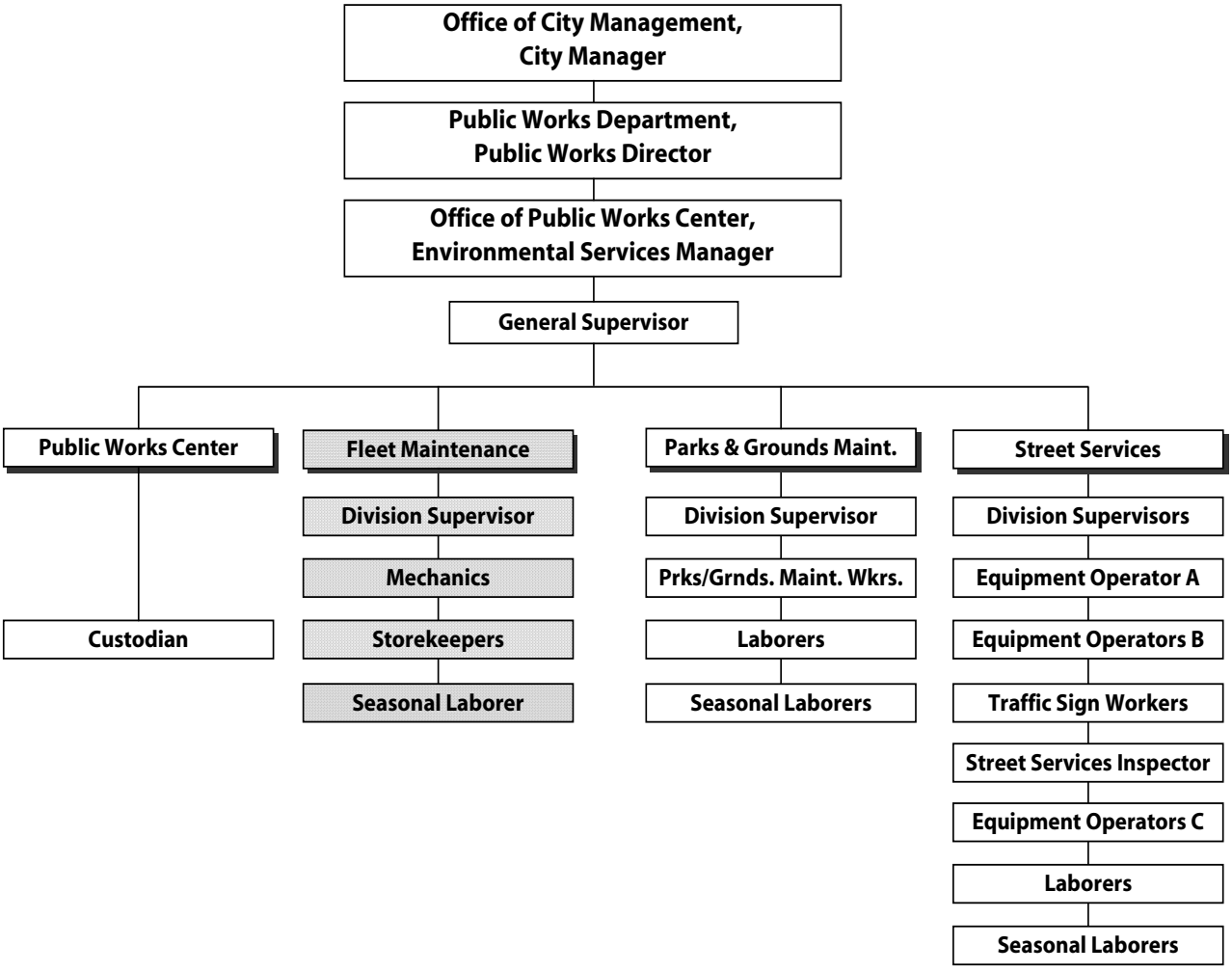
2. To review the in-house pump testing program for fire pumpers for cost effectiveness as compared to outsourcing the pump testing as was done in the past.

3. To evaluate industry standards for vehicle maintenance programs to determine the most cost effective time to maintain vehicles while ensuring the reliability of the fleet.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Full Service Preventive Maintenances Performed	902	924	776	975	696	950
	Preseason Maintenance - Trucks with Plows	34	34	34	36	37	38
	Preseason Maintenance - Tractors/Flail Mowers	12/12	11/11	11/11	12/12	12/12	12/12
	Preseason Maintenance - Snow Plows	34	34	34	36	37	38
	Preseason Maintenance - Salt Spreaders	16	16	18	16	19	21
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	42	43	44	45	45	47
	Fire Trucks Prepared & Pump Tested	9	9	9	10	9	10
	Vehicle Tires Replaced	549	624	666	700	760	700
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	89%	88%	86%	90%	87%	90%
	Avg. Time to Perform Maintenance on a Car (Mins.)	49	48	48	48	48	48
	Average Age of Police Vehicles (Years)	2.3	2.5	2.8	2.4	2.6	2.5
	Average Age of Fire Vehicles (Years)	10.6	10.7	11.0	9.0	10.5	10.2
	% of Snow Removal Vehicles & Equipment Available	95%	97%	95%	95%	96%	98%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	98%	98%	89%	100%	92%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	90%	90%	92%	97%	93%	97%
	% of Actual Inventory to Inventory Ledger	95%	95%	96%	96%	95%	97%
	Cost of a Passenger Car Oil Change	$17.61	$17.84	$19.01	*	*	*
	Preventive Maintenance Cost of a Passenger Car	$48.48	$49.11	$52.34	*	*	*
	Activity Expenditures as % of General Fund	2.95%	2.64%	2.49%	2.72%	2.65%	2.64%

** Cost is calculated for "Actual" columns only.*

Fleet Maintenance



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Division Supervisor	1	1	1
Mechanic	0	11	11
Mechanic II	6	0	0
Mechanic I	4	0	0
Vehicle Service Worker	2	0	0
Storekeeper	2	2	2
Seasonal Laborer	1	1	1
Total	16	15	15

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

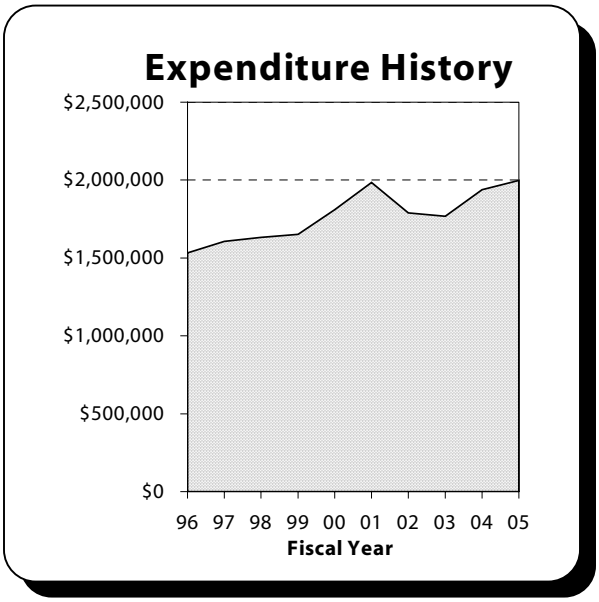
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $71,170 or 7.0%. Wages for full-time employees increased by $34,930. Overtime costs fell slightly based on less anticipated use. Costs were higher in several areas due to the recently settled DPW Field labor contract, which resulted in higher optical, longevity, CDL reimbursements, and short-term disability costs. Hospitalization costs rose $11,790 as a result of a rate increase, partially offset by savings due to higher co-pays. Dental costs decreased $660 as a result of a 5% rate decrease next year. Increased funding for retiree medical obligations resulted in a $16,920 increase.

Supplies – Total Supplies decreased $12,300 or 1.4%. The City will save $11,200 for vehicle repair parts and services due to a prior year reappropriated encumbrance and as pump testing and preventative maintenance on fire trucks and rescue vehicles is now performed in-house. The budget for operating supplies has been reduced by $1,100 based on historic actual usage and a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased $320 or 2.5%. $500 was added for radio maintenance based on recent years' actual expenditure usage. Educational funding increased $320 due to an increase in commercial driver's license renewal fees and required road test fees for "A" endorsements. The budget was reduced by $500 for hazardous waste disposal costs.

Capital – Total Capital of $31,300 is proposed. $2,300 is for an Automotive Diagnostic Tool, which troubleshoots vehicle problems and replaces an 11-year-old machine. $29,000 is for a 4x4 Pick-up Truck with Lift Gate used for road service and emergency repairs on City vehicles and equipment. It will replace a vehicle that is 13 years old.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$888,372	$1,016,520	$977,780	$1,087,690	$1,087,690
Supplies	864,297	909,480	890,200	897,180	897,180
Other Charges	15,192	12,680	13,190	13,000	13,000
Total	$1,767,862	$1,938,680	$1,881,170	$1,997,870	$1,997,870

Parks & Grounds Maintenance

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

The Parks & Grounds Maintenance activity is responsible for ensuring that all municipal grounds, and 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 street trees and preserving the health of our existing urban forest while preventing losses to human life and/or property through proper maintenance.

This activity provides seasonal programs of maintaining baseball, football, and soccer fields; tennis, volleyball and basketball courts; and ice rinks in a safe, playable condition at City parks and school sites.

To ensure that all parks and recreational facilities and properties are properly maintained, the following activities are undertaken: maintenance of the magic squares and earthen rinks including flooding all ice rinks when weather permits, and provision of requested assistance for the various Parks & Recreation activities which occur throughout the year.

To ensure that all municipal grounds and parks are well maintained, the following activities are undertaken: grass cutting, trimming, and turf maintenance, and fertilizer/herbicide application at 13 municipal sites. When conditions warrant, snow and ice are removed to bare pavement at 11 municipal sites, 41 school walkways, five bridge sidewalks and at the developed park sites. Exterior holiday decorations are installed on all municipal buildings and selected fire stations. 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.

KEY GOALS

- ***To assure 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 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.***

Parks & Grounds' goal is to plant a total of 500 trees in the street rights-of-way with two plantings scheduled to be performed, one in the spring and one in the fall. City street trees are trimmed from January to late March. About five sections of the City are trimmed each year. This activity is also responsible for issuing violations of the tree and shrub ordinance.

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 45 ball diamonds, lighting systems, benches and bleachers.■

Did you know?…
…that the Parks & Grounds Maintenance division cuts and trims over 10,000 acres of park land each year in the City's 28 developed major and neighborhood parks?

Parks & Grounds Maintenance

2004/05 PERFORMANCE OBJECTIVES

1. To maintain a safe cushioned surface around the park apparatus by replenishing decomposing fibar wood material with an equivalent generic type material.

2. To improve the safety of Beaver Creek Park and enhance the overall park aesthetics by installing post and cable along the perimeter of the parking lot.

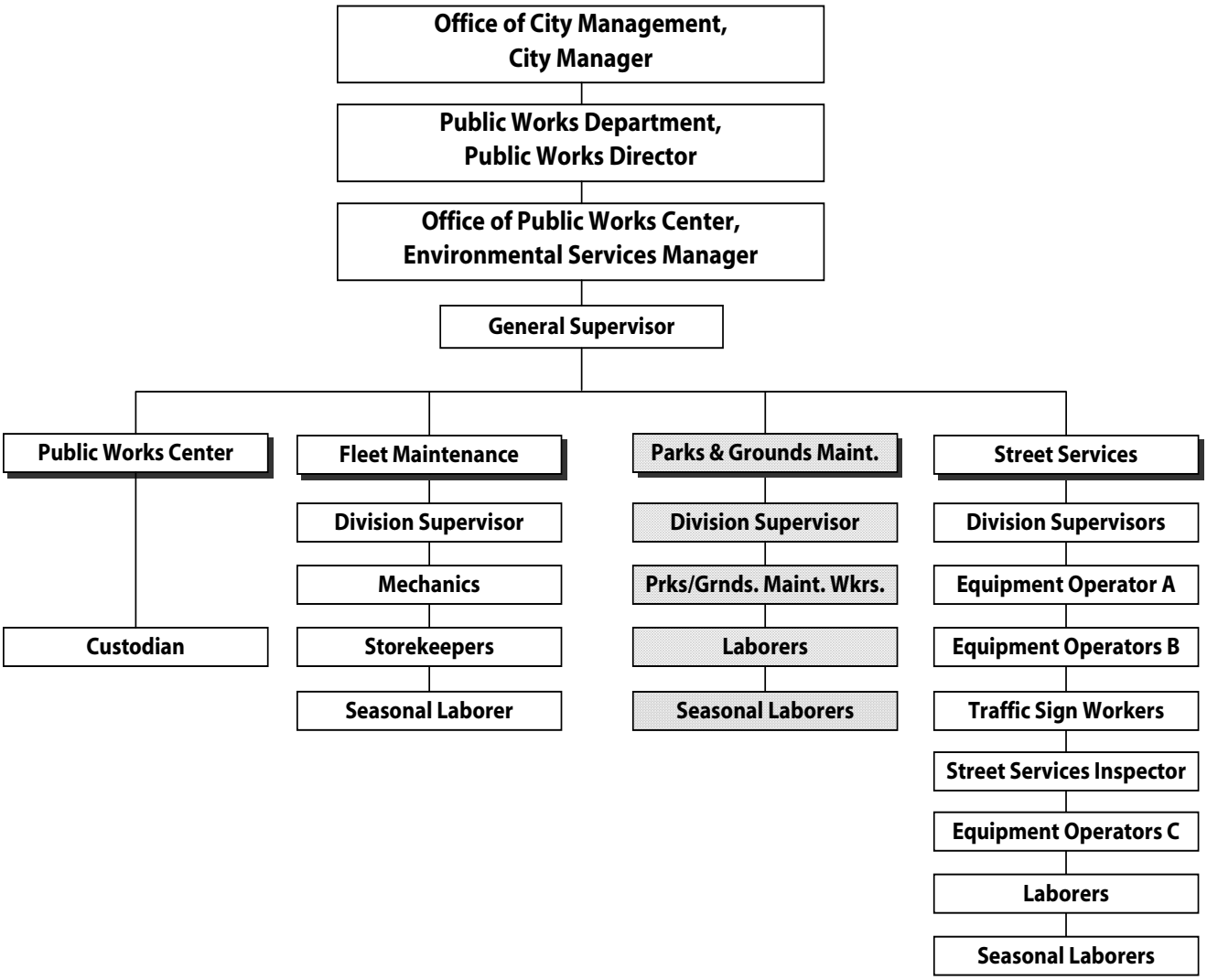
3. To aesthetically improve the restroom facilities of the City's major parks through minor upgrades, replacing worn out equipment, and painting the inside and outside of the buildings.

4. To increase the use of the magic squares (ice rinks) by upgrading the concrete surface and investigating options for joint repairs.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Street Trees Planted	521	369	372	500	500	500
	Street Trees Trimmed (Subcontracted)	2,500	4,950	3,820	5,000	5,000	5,000
	Street Trees Trimmed (In-House)	1,375	1,175	2,211	1,500	1,500	1,500
	Cuttings/Trimming - 28 Parks (559 of the 820 Acres)	19	19	19	19	19	19
	Cuttings/Trimming-9 Municipal Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maintenances Performed	1,800	1,865	1,250	1,000	1,000	1,000
	Soccer/Football Fields Relined	250	250	250	250	250	250
	Snow/Ice Control Call-Ins	18	11	10	30	15	15
	Times Sprayed for Mosquitos (Major Parks)	41	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	420	360	210	250	250	250
	Cleaning of Restroom Facilities	880	880	880	880	880	880
	Trash Collection Days-Parks & Municipal Sites	200	200	200	200	200	200
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equipment	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of Total City Easement Trees Trimmed	20%	20%	20%	20%	20%	20%
	Cost to Mow an Acre of Parkland	$39.94	$40.33	$41.61	*	*	*
	Activity Expenditures as % of General Fund	1.69%	1.74%	1.76%	1.69%	1.68%	1.61%

** Cost is calculated for "Actual" columns only.*

Parks & Grounds Maintenance



STAFFING SUMMARY

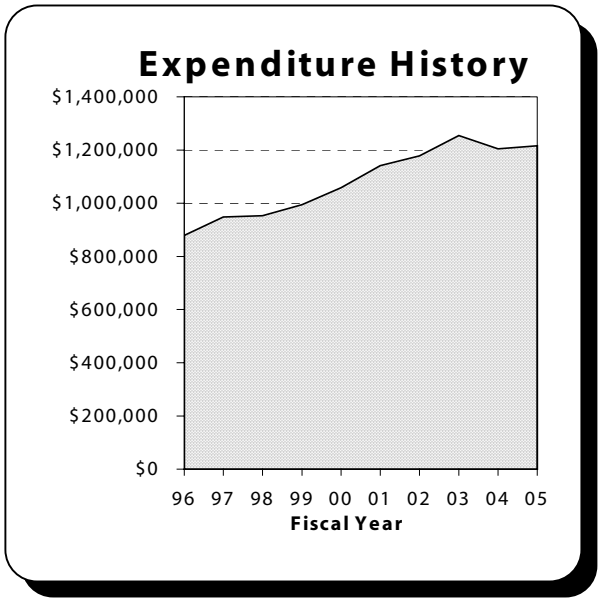
Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Division Supervisor	1	1	1
Parks & Grounds Maintenance Inspector	1	0	0
Parks & Grounds Maintenance Worker	5	6	6
Laborer	7	6	6
Seasonal Laborer	8	8	8
Total	22	21	21

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $27,080 or 2.9%. Wages for full-time employees rose only $6,470 due to employee turnover. An additional employee has elected the health insurance allowance resulting in a $3,470 savings in hospitalization insurance. Overtime costs rose $5,000 based on historic actual usage. Several personnel accounts increased due to the recently settled DPW Field labor contract. Retiree medical costs rose $13,660.
Supplies – Total Supplies decreased $1,550 or 4.1%. Funding decreased $1,550 for seeding and planting supplies due to a prior year encumbrance and fewer plantings around City Hall.
Other Charges – Total Other Charges decreased $14,310 or 6.3%. $14,000 was saved in contracted service costs as City staff will now be utilized to put up holiday lighting along the Civic Center perimeter and on Utica Road. Funding for retention pond maintenance was reduced $5,650 due to a reappropriated encumbrance and based on recent years' actual expenditure usage. Water increased $2,000 due to the new irrigation systems at Baumgartner and Nelson Park. $1,120 was added as more materials are needed for the regrading and maintenance of ball fields. Electric and telephone costs increased $1,000 and $400 respectively, based on historic actual trends. Educational funding rose $820 for commercial driver's license renewals and required road test fees.
Capital – Total Capital of $95,000 is proposed. $20,000 is for a Riding Mower and $75,000 is for a Tri-Mower Tractor. These items are needed to replace older equipment with excessive down time, and are used to cut City park sites and rights-of-way.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$987,001	$940,350	$919,400	$967,430	$967,430
Supplies	33,316	37,600	37,600	36,050	36,050
Other Charges	233,831	226,810	231,530	212,500	212,500
Total	$1,254,147	$1,204,760	$1,188,530	$1,215,980	$1,215,980

Public Works Center

MISSION STATEMENT: ***To provide the resources necessary to coordinate, plan and direct the operations of the D.P.W. in the delivery of the best in public services in the areas of Street Services, Parks & Grounds Maintenance, and Fleet Maintenance.***

The Public Works Center activity includes the administrative personnel whose responsibility it is to plan, direct, and coordinate the General Fund portion of the Public Works Department. This activity performs all administrative functions necessary to assure the efficient and effective delivery of the best in public services in the areas of streets maintenance, parks and grounds maintenance, and fleet maintenance. The Environmental Services Manager prepares and submits the annual General Fund activity budgets for approval, determines personnel policy in accordance with union contracts and administrative rules and regulations, and facilitates the City's NPDES permit requirements.

KEY GOALS

- ***To identify service priorities and establish procedures that effectively utilize departmental resources to accomplish the goals and objectives.***
- ***To assure accountability and monitor the status of departmental performance relative to the goals and objectives.***
- ***To provide for storage and distribution of a practical supply inventory for all D.P.W. divisions and City departments.***
- ***To ensure a safe work environment, schedule training, and improve safety awareness.***
- ***To maintain a positive, competitive, service-oriented public image.***

The Public Works Center provides the general stores operations, parts and operating supplies storage and distribution, building and facility maintenance, and inventory and custodial services.

The General Stores function covers the purchase, distribution, storage, inventory, and security control of small hand tools, materials, and supplies. Records of all purchases as well as disbursement transactions are maintained and updated daily.

Material safety data sheets are recorded, filed, and displayed according to Environmental Protection Agency guidelines. This program includes the conducting of an annual physical inventory to verify actual stock on hand as it compares to inventory ledgers.

The Facility Maintenance and Repair Program includes 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 Center.

The Custodial Services function involves the general housekeeping required at the Public Works Facility. This includes the custodial upkeep of all administrative offices, main office area, conference room, multi-purpose room, locker rooms and lavatories. Delivery and pickup of interdepartmental mail and correspondence from the municipal building and Fire Stations lies within this program.■

Did you know?…
…that with the construction of the new Salt Storage Barn at the Public Works Facility, the City's ability to store salt has increased by 50%?

Public Works Center

2004/05 PERFORMANCE OBJECTIVES

1. To oversee the NPDES Stormwater Discharge Permit process by providing public education, dry weather field screening, investigating illegal dumping and searching for illegal connections.

2. To monitor and evaluate the effectiveness of the bank stabilization project that was conducted on the Gibson Drain in Delia Park, and to enhance and beautify the project with the planting of wild flowers along the crest of the bank.

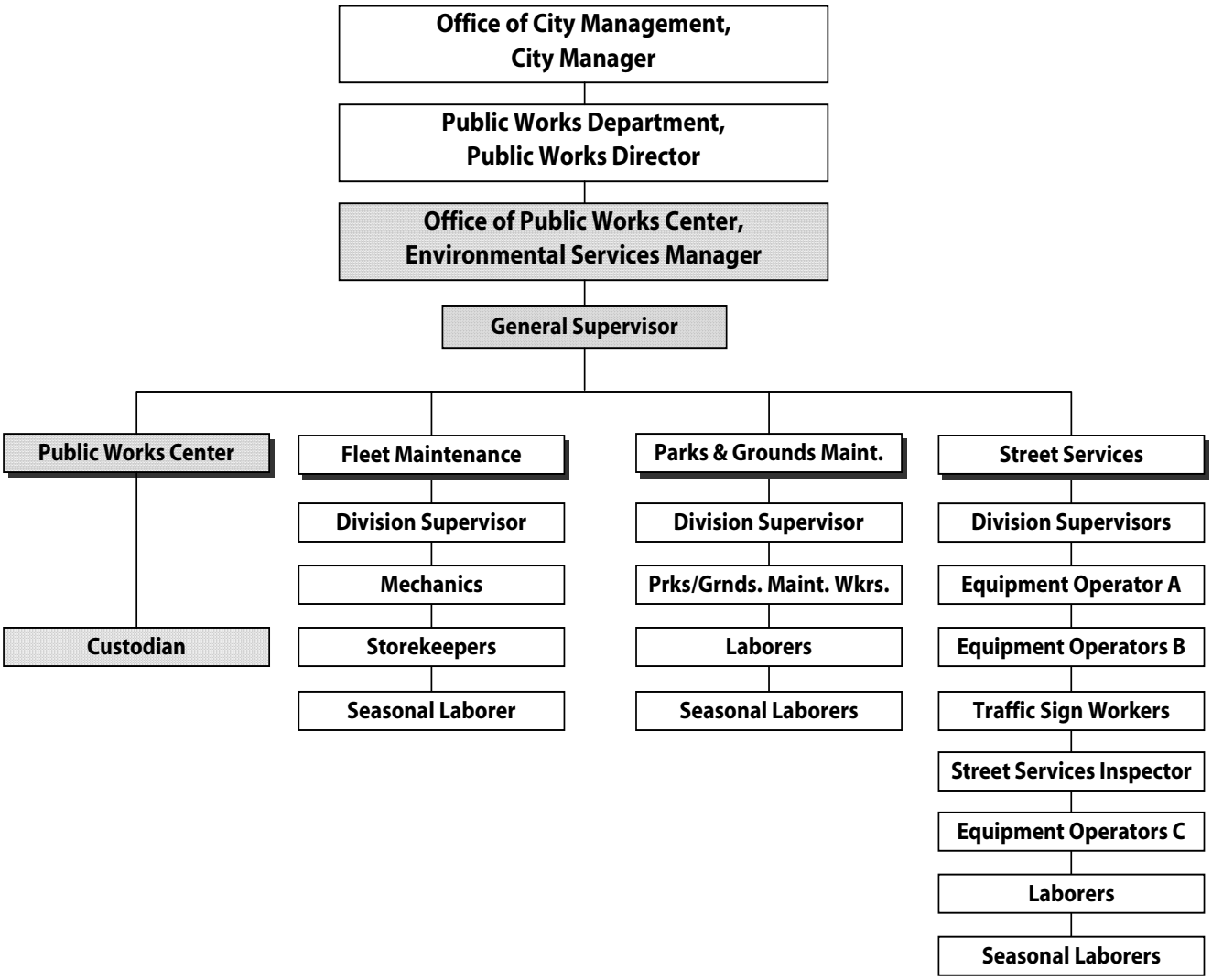
3. To upgrade the M-59 median turf with aeration, four applications of fertilizer and herbicide, and weekly to bi-weekly mowing and litter pickup.

4. To inspect and remove emerald ash borer infested ash trees in a timely manner while keeping current with the latest research on control/eradication of the pest and applying for any State or Federal funding that may become available for the removal/replacement of the affected trees.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Safety Inspections Conducted on Hoists	8	9	10	10	10	10
	Monthly Act 51 Reports Generated	12	12	12	12	12	12
	Monthly Public Works Cross-Charge Reports	12	12	12	12	12	12
	Personnel Receiving Snow Removal Training	5	21	14	16	26	16
	Activity Budgets Prepared & Recommended	4	4	4	4	4	4
	Billings Prepared for State Highway Maintenance	4	4	4	4	4	4
	Material Safety Data Sheets Maintained	2,592	1,811	2,150	2,400	2,400	2,500
	Culvert Permits Issued & Inspected	3	1	3	3	2	4
	Signs Installed for Adopt-A-Park or Road	6	10	20	10	30	30
	Refuse Pick-Ups Made from Adopt-A-Park or Road	8	16	32	12	12	12
	Outfalls Sampled for Stormwater Discharge	0	22	56	50	50	50
	Landscape Median Mowing - Revolutions	26	26	29	26	26	26
	Number of Parts Issued by General Stores	33,652	31,764	31,960	32,000	32,350	32,000
Efficiency	% of Outfalls Sampled w/no Water Discharge	N/A	100%	100%	100%	100%	100%
	Cost of Gypsy Moth Suppression per Acre	$50	N/A	N/A	*	*	*
	Activity Expenditures as % of General Fund	0.59%	0.63%	0.64%	0.62%	0.63%	0.61%

** Cost is calculated for "Actual" columns only.*

Public Works Center



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Environmental Services Manager	1	1	1
General Supervisor	1	1	1
Custodian	1	1	1
Total	3	3	3

Public Works Center

SUMMARY OF BUDGET CHANGES

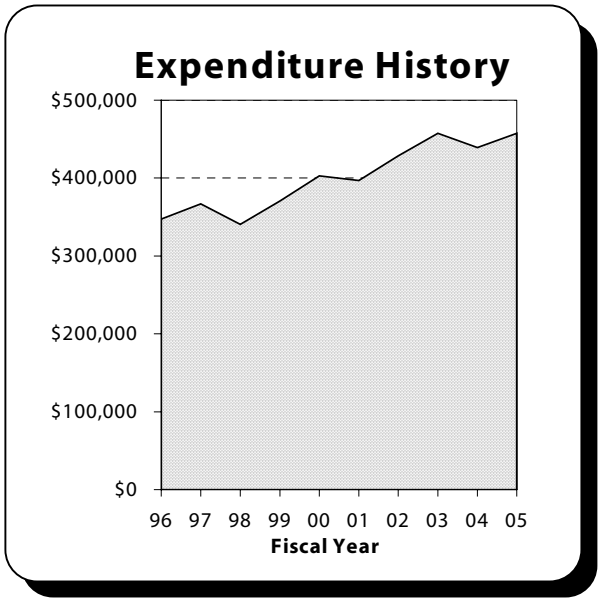
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $16,110 or 5.7%. Wages for full-time employees increased 3% or $5,870. Hospitalization insurance costs rose $3,020 based on higher medical costs for next fiscal year, while dental insurance costs decreased 5% or $110. Overtime costs rose $1,500 as a result of an increased number of water main repairs in which the General Supervisor position in this office responds. Funding for retiree medical obligations increased by $5,010.

Supplies – Total Supplies is proposed to remain the same at $9,050. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges increased $2,410 or 1.7%. $5,000 was added to the budget due to an increase in building maintenance costs. Funding increased $500 for water usage based on the current year's estimated expenditure usage. Existing membership costs will increase by $10. Electric costs decreased $3,000 due to the City's participation in the Michigan Municipal Risk Management Association's (MMRMA) alternate electric supplier program. Printing costs decreased $100, as prior years' budgeted funds were never fully spent.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$276,687	$283,600	$280,790	$299,710	$299,710
Supplies	10,926	9,050	10,050	9,050	9,050
Other Charges	169,915	146,420	156,870	148,830	148,830
Total	$457,528	$439,070	$447,710	$457,590	$457,590

Refuse Collection

MISSION STATEMENT: ***To provide prompt, reliable and efficient refuse collection for each household in the City and assure 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, curbside condominium collections, mobile homes, commercial pick ups at curbside and off the road, and dumpster pick ups.

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

Three voluntary Recycling Drop-Off Centers are also maintained in order to provide the residents the opportunity to recycle.

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 D.P.W. Operations 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 receives approximately 10,000 refuse collection information and complaint calls per year. The support staff verifies the contractor's monthly invoices, prepares requests for payment, prepares monthly reports detailing all stops, and maintains all refuse related files and types all related correspondence.

KEY GOALS

- ***To assure that all properly placed waste 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 continual review of the City's solid waste collection, recycling, composting and waste reduction efforts.***
- ***To supervise the City's three recycling centers.***
- ***To continually review the status of the various solid waste management legislation.***

The Solid Waste Management Commission is funded in the Refuse Activity. The Public Works Director 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 Noxious Weed Cutting and Parks & Grounds Maintenance programs especially those related to tree planting, trimming, and information.■

Did you know?…
…that in 2003, City residents dropped off 2,828 tons of newspaper, telephone books, magazines and glossy inserts at the City's three Recycling Centers and because one ton of recycled paper saves approximately 17 trees, Sterling Heights residents saved about 48,076 trees?

Refuse Collection

2004/05 PERFORMANCE OBJECTIVES

1. To review the Refuse Collection specifications with the Solid Waste Management Commission and prepare a recommendation for City Council as to what items should be included in a new refuse collection contract effective May 1, 2005.

2. To provide a smooth transition into the new refuse collection contract by developing and coordinating public education regarding potential changes in the refuse collection service including route changes, acceptable containers/bags for yard waste, etc.

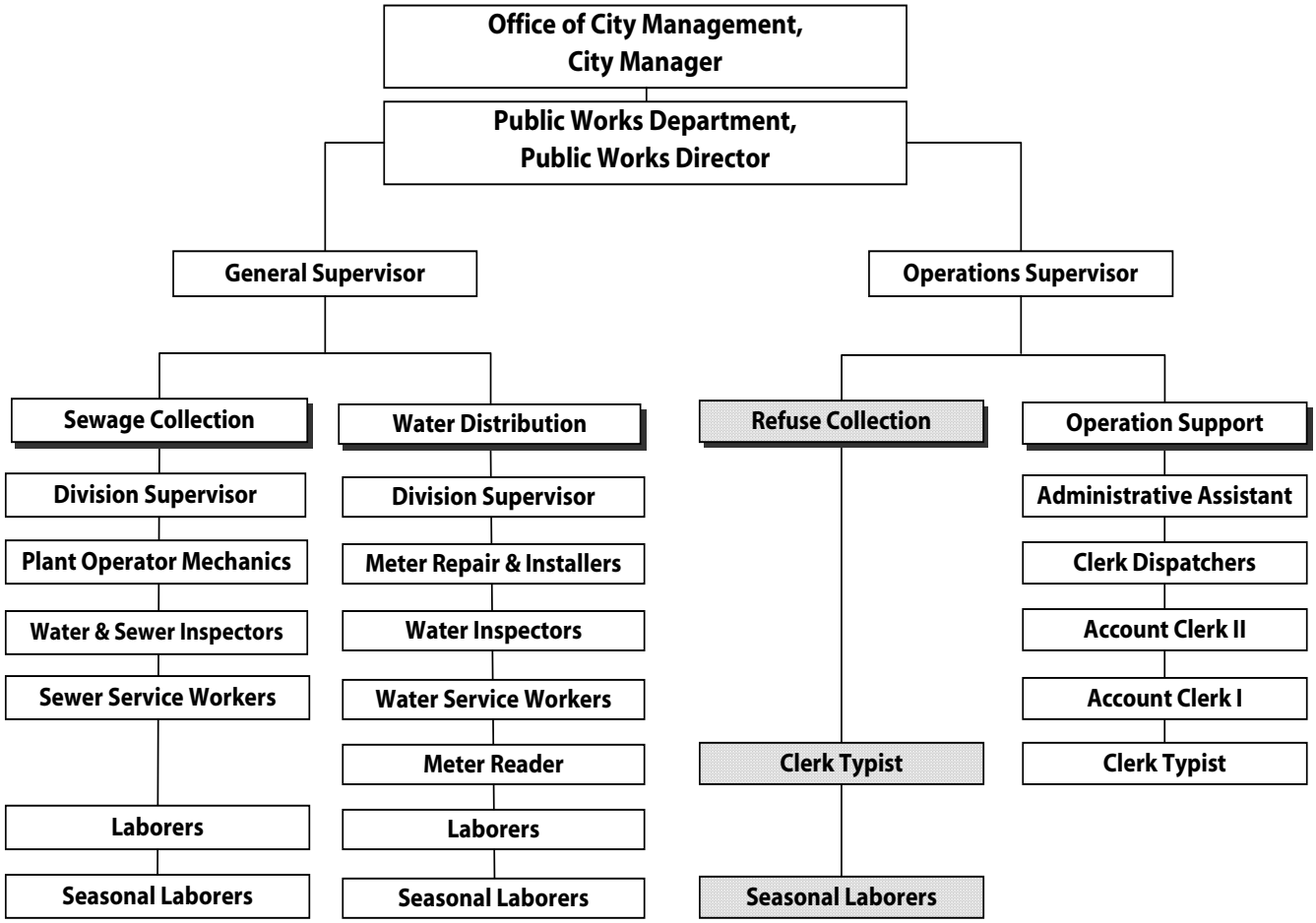
3. To monitor the refuse collection contractor to assure quality service and contract compliance by issuing violations for various performance problems resulting in the assessment of fees or charges against the contractor and providing a monetary incentive to reduce repeated problems.

4. To conduct a survey of surrounding communities regarding refuse collection services provided to apartment complexes, mobile home parks and schools and to research cost reduction alternatives regarding possible elimination of mechanical dumpster collection by the City.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Curbside Refuse Collection Points (Per Week)	37,477	38,322	38,757	39,100	39,200	39,800
	Cubic Yards of Refuse Landfilled	135,943	140,073	136,776	137,000	144,500	145,000
	Cubic Yards Recycled at Drop-Off Centers	14,147	14,058	14,232	15,000	14,800	15,000
	Tons of Yard Waste Composted/Diverted	14,607	13,913	13,511	13,000	12,600	13,000
	Christmas Trees Chipped and Composted	6,244	5,743	4,284	4,500	4,200	4,300
	Tons of Scrap Metal Recycled	396	399	396	400	390	400
	Gallons of Used Oil Recycled	36,400	47,900	42,400	40,000	42,000	43,000
Efficiency & Effectiveness	% Refuse Collection Stops Making Complaints	0.10%	0.08%	0.10%	0.10%	0.10%	0.10%
	% of Trouble Calls Remedied within 24 Hours	95%	95%	95%	95%	95%	95%
	Reduction in Landfill Volume vs. 1989/1990	35.5%	34.0%	36.0%	35.5%	34.0%	34.0%
	Refuse Collection Costs per Capita	$32.40	$35.06	$37.21	$38.82	$38.90	$41.36
	Refuse Collection Millage Rate	1.07	1.05	1.06	1.07	1.07	1.09
	Annual Refuse Cost for $190,000 Home ($75,000 TV)	$80.60	$78.50	$79.40	$80.22	$80.22	$81.90
	Total Cost to Operate Three Recycling Centers	$76,649	$74,994	$65,314	$77,000	$72,000	$75,000
	Recycling Costs Per Ton Recycled	$21.25	$21.04	$18.21	$21.50	$22.35	$22.00
	Cost to Collect/Dispose of Refuse (1 cubic yard)	$29.68	$31.22	$34.06	$35.65	$33.87	$36.00
	Activity Expenditures as % of General Fund	5.99%	6.46%	6.56%	6.85%	6.90%	6.90%

** Cost is calculated for "Actual" columns only.*

Refuse Collection



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
Total	4	4	4

Refuse Collection

SUMMARY OF BUDGET CHANGES

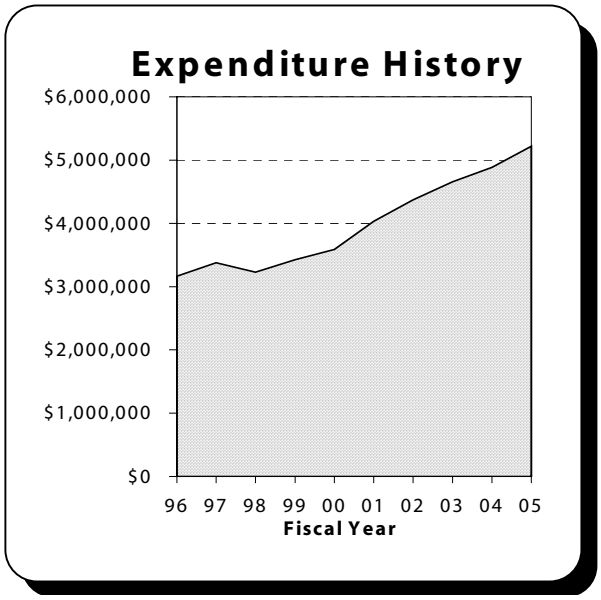
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $5,870 or 5.9% over last year's budget. Wages for full-time employees increased by $1,400. Most of the fringe-benefit accounts increased as a result of the higher wages. Longevity costs rose due to the increased years of service for the full-time employee now eligible for longevity pay. Hospitalization costs rose 15.3% or $1,660 due to a rate increase for next year. Dental insurance costs fell by 5.8% due to a slight rate decrease. Additional retiree medical obligations resulted in a $860 increase.

Supplies – Total Supplies decreased $100 or 50.0%. Funding for office supplies decreased $100, as prior years' budgeted funds were not fully spent.

Other Charges – Total Other Charges rose $330,260 or 6.9%. Rubbish removal costs increased $326,260 based on contractual price increases for both collection and landfill disposal costs as well as an increase in the number of homes and condominiums to be serviced. Furthermore, a new refuse contract will become effective May 1, 2005 and contractual price increases are anticipated. $4,000 was added for higher interfund service costs in the refuse collection activity due to personnel cost increases in the Water & Sewer Fund.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$100,509	$99,890	$110,850	$105,760	$105,760
Supplies	60	200	100	100	100
Other Charges	4,558,232	4,783,550	4,783,000	5,113,810	5,113,810
Total	$4,658,802	$4,883,640	$4,893,950	$5,219,670	$5,219,670

Street Services

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 activity 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 streets of the City. 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 345 miles of City roads.

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.***

The Road Maintenance and Upkeep program strives to maintain safe road surfaces for vehicular and pedestrian traffic by assuring 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 five times per year on 391 miles of major, local, and county roads. This activity engages in the road patching and shoulder grading to maintain safe roads.

The Supplementary Roadside Maintenance and Support 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 28 developed parks. Another support activity of Street Services is the detection, removal, and chipping of diseased trees and stumps. Tree branches are removed and chipped from approximately 3,500 locations.

Catch basin cleaning is another important function. Catch basins are routinely cleaned allowing for the 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 36 hours after snowfall ceases. This objective is achieved on 60 miles of major roads and 285 miles of local roads.■

Did you know?…
…that Street Services personnel, working with a subcontractor, reconstructed and repaved the entire 5.5 miles of the Clinton River Park Path from Riverland Drive to Edison Court, utilizing over 3,099 tons of asphalt?

Street Services

2004/05 PERFORMANCE OBJECTIVES

1. To evaluate the performance parameters, effectiveness, and future cost savings associated with utilizing residential curb delineators to reduce occurrences of snow plow damage.

2. To evaluate the performance of using pre-wetting and anti-icing equipment and materials for future snow and ice control.

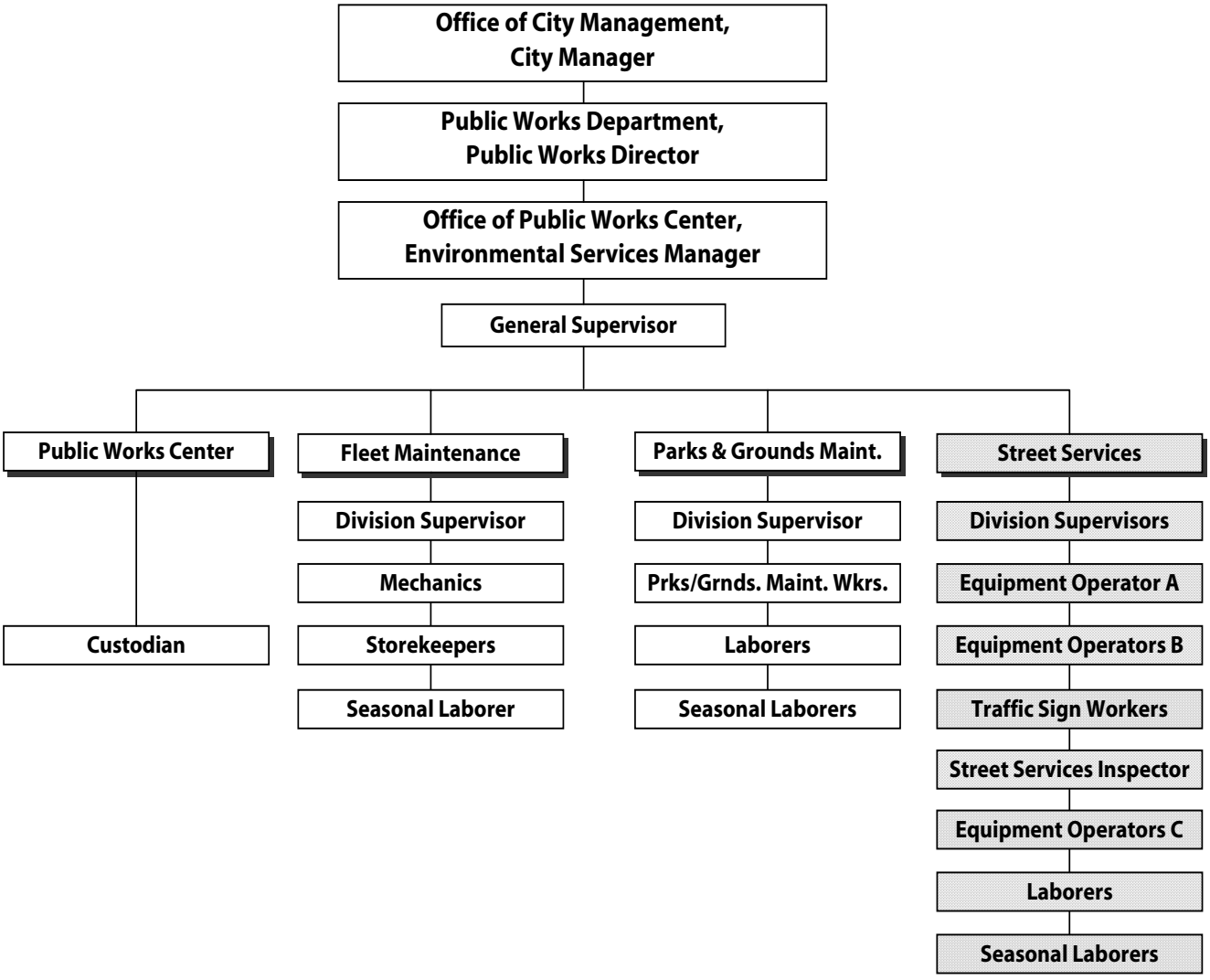
3. To cross-train all employees in the department in all job classifications and duties thereby ensuring a versatile work force capable of accomplishing all department objectives.

4. To improve the effectiveness of the pothole patching program and the durability of the pothole repair by evaluating alternative pothole patching equipment.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Miles of Roads in City (Major & Local)	341	342	345	346	346	347
	After Hours Snow Removal Occurrences	29	22	35	30	25	25
	Miles of Snow Fence Installation or Removal	0.47	1.24	1.06	0.66	1.24	1.24
	Pothole Patching - Tons of Patch Used	894	473	440	400	400	400
	Sidewalk Patching - Number of Locations	4,352	2,528	345	1,000	700	1,000
	Street Sweeping - Rotation (390 miles)	5	5	5	5	5	5
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	3	2	3	3	5	3
	Right-of-Way Mowing - Revolution (357 miles)	10	9	8	7	10	8
	Storm Catch Basin Cleaning-Number of Locations	944	1,068	670	800	200	800
	Number of Street Trees Removed In-House	232	151	494	600	800	700
	Number of Street Trees Removed by Contractor	28	27	140	350	1,000	1,500
	Homeowner Tree Inquiries/Inspection Responses	1,050	1,012	3,105	3,000	3,100	3,000
	Residential Tree/Branch Chipping Requests Filled	4,039	2,915	5,441	4,000	6,300	5,000
	Traffic Sign Repairs or Replacements	4,182	4,642	3,706	3,000	2,200	3,000
	Gravel Roads - Lane Miles Graded	166	39	21	40	30	35
	Dust Control - Gallons Calcium Chloride Applied	30,634	39,590	29,466	30,000	35,552	30,000
Efficiency & Effectiveness	% of Tree Chipping Requests Completed w/i 1 week	92%	99%	99%	95%	99%	95%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	$1,325	$1,180	$1,099	$1,000	$1,000	$1,000
	Street Services Cost Per Capita	$11.42	$11.29	$11.51	$12.59	$12.52	$13.57
	Average Cost to Sweep a Lane Mile of Major Road	$490	$494	$499	*	*	*
	Activity Expenditures as % of General Fund	2.11%	2.08%	2.03%	2.22%	2.22%	2.27%

** Cost is calculated for "Actual" columns only.*

Street Services



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Division Supervisor	2	2	2
Equipment Operator A	1	1	1
Equipment Operator B	7	7	7
Traffic Sign Worker	2	2	2
Street Services Inspector	0	1	1
Equipment Operator C	7	6	6
Laborer	2	2	2
Seasonal Laborer	2	2	2
Total	23	23	23

Street Services

SUMMARY OF BUDGET CHANGES

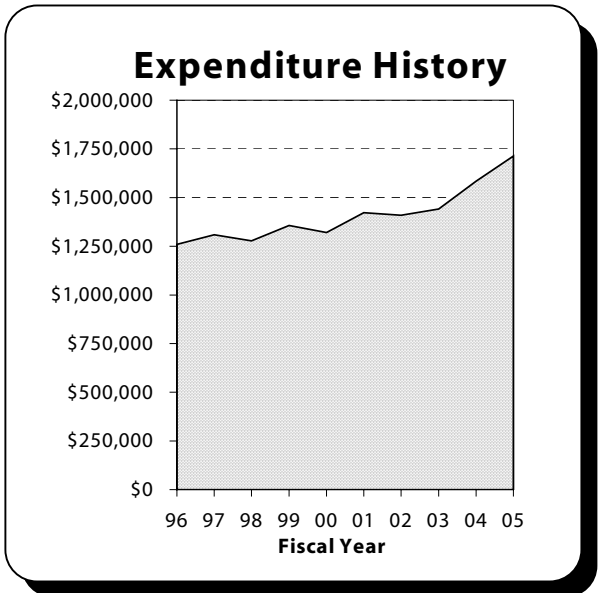
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $127,840 or 8.1%. Wages for full-time employees increased by $35,390. Part-time wages increased $7,260 as an additional 880 hours have been added for the Seasonal Laborers to better maintain the City's rights-of-way and to install holiday lighting in lieu of subcontracting this service. Overtime costs rose $15,000 based on higher demand. Several fringe benefit accounts rose as a result of the recently settled DPW Field contract. Hospitalization insurance costs rose $27,470 as a result of higher medical rates. An additional $26,540 is needed to fund rising retiree medical costs.

Supplies – Total Supplies increased $600 or 5.3%. Funding for office supplies increased $600 based on historic actual expenditure levels.

Other Charges – Total Other Charges rose $500 or 43.1%. $500 was added to the budget due to an increase in commercial driver's license renewal fees and for the required road test fees for "A" endorsements, as provided in the recently adopted labor contract. The budget also includes funding for attendance at the Michigan Homeland Security Conference.

Capital – Total Capital of $30,500 is proposed for this activity in the Capital Projects Fund. $2,500 is for a Concrete Grinder to be used for improving the flow of standing water on City streets and parking lots. $28,000 is for a new 4x4 Pick-up Truck with Plow to be used for snow removal, tree removal, stump grinding, other various road maintenance duties and to transport seasonal laborers and their equipment.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,423,104	$1,571,630	$1,562,160	$1,699,470	$1,699,470
Supplies	16,382	11,400	12,000	12,000	12,000
Other Charges	1,622	1,160	1,160	1,660	1,660
Total	$1,441,108	$1,584,190	$1,575,320	$1,713,130	$1,713,130

Public Library Department

FUNCTIONAL ORGANIZATION CHART

Public Library Department

Library Administration

- Prepares and administers library's budget
- Recommends and implements policies
- Coordinates and evaluates activities of staff
- Formulates and develops service programs and priorities
- Coordinates and administers grants
- Directs the operations of the Library
- Provides administrative support for activities of Friends
- 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

Adult Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Outreach services to senior citizen residences & the homebound
- Periodical and newspaper maintenance
- Readers' Advisory Services
- On-line database selection
- Coordinates Internet access and instruction
- On-line database searching and instruction
- Young Adult Services

Circulation Services

- Check-out and check-in of library materials
- Registers eligible borrowers
- Processes claim-returned items
- Processes inter-library loans, renewals, holds, deposit collections, and extension loans
- Maintains patron database
- "Talk to Me" telephone notification
- Collects overdue fines and fees for lost materials
- Coordinates with collection agency for resolution of delinquent accounts

Youth Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Youth programming and seasonal activities
- Outreach service to daycare centers/preschools
- Shelves materials for user access
- Readers' Advisory Services
- Youth Volunteer Activities
- School tours and site visits
- Creates exhibits, displays, and information packets

Library Programming & Community Services

- Plans/coordinates publicity, public relations activities, and adult technical training and programming
- Conducts library tours for adults
- Compiles/maintains statistical records
- Coordinates adult volunteer activities
- Coordinates memorial/gift book and exhibit case programs
- Plans and schedules cable channel programs
- Creates and maintains Library's Internet Site

Technical Services

- Acquisition of materials
- Cataloging and classification
- Bindery of materials
- Administration of SIRSI and Internet Systems
- Processes and routes donations
- Maintains on-line catalogs and equipment
- On-going collection inventory & statistical analysis
- Processes items and donations for Upton House Historical Collection
- Installs and maintains software for homework and reference center workstations

DEPARTMENT AT A GLANCE

Public Library Department

BUDGET SUMMARY

The Public Library Department's budget increased by $138,670 or 5.9%. Personnel costs rose $139,730 or 7.7%. Wages for full-time employees increased $40,780 and hospitalization costs rose $39,030. Funding for retiree medical obligations rose $26,440. Funding is again budgeted to open the Library at 9:30 a.m., as well as the continued staffing of Sunday hours during the school year. Funding for Supplies decreased $1,740 or 0.7% due to a one-time prior year reappropriated encumbrance.

Other Charges increased by $680 or 0.2% due primarily to an increase in computer rental costs from the Suburban Library Cooperative. To offset this computer rental increase, one Library staff computer has been eliminated, saving the City $4,700.

FUNDING LEVEL SUMMARY

	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Public Library	$2,167,890	$2,283,950	$2,341,690	$2,480,360	5.9%
Total Department	$2,167,890	$2,283,950	$2,341,690	$2,480,360	5.9%
Personnel Services	$1,632,860	$1,739,390	$1,820,850	$1,960,580	7.7%
Supplies	268,860	263,350	243,970	242,230	-0.7%
Other Charges	266,170	281,210	276,870	277,550	0.2%
Total Department	$2,167,890	$2,283,950	$2,341,690	$2,480,360	5.9%

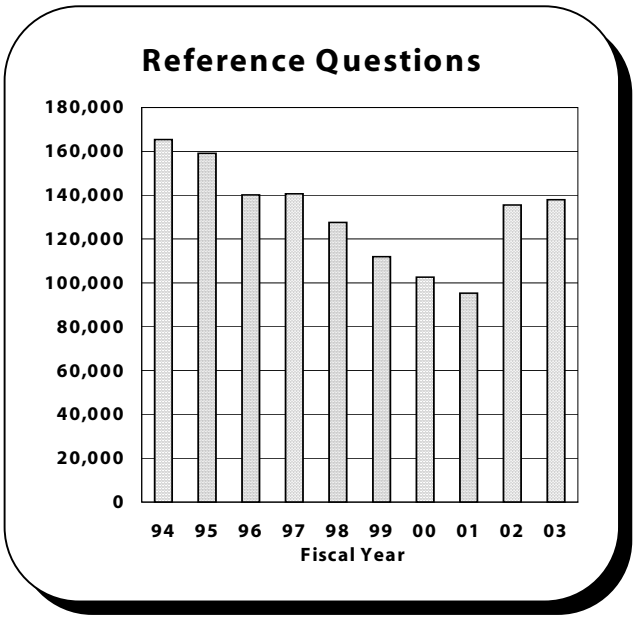
PERSONNEL SUMMARY

	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	23	19	23	19	23	18	23	18
Total Department	23	19	23	19	23	18	23	18

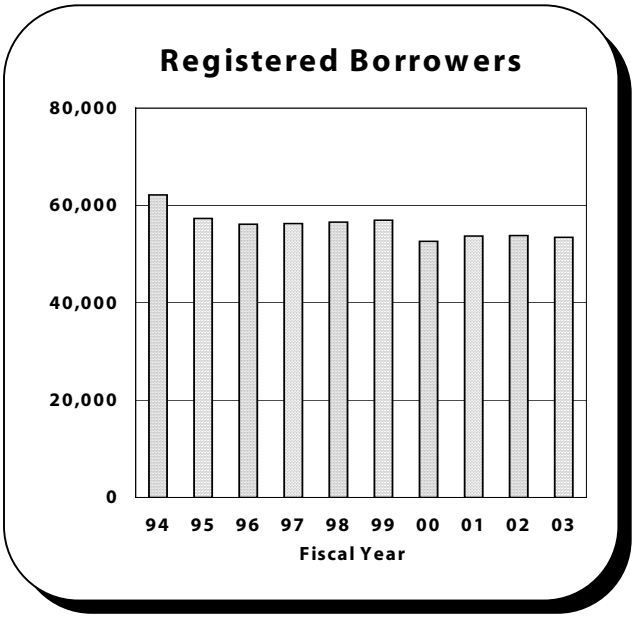
Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

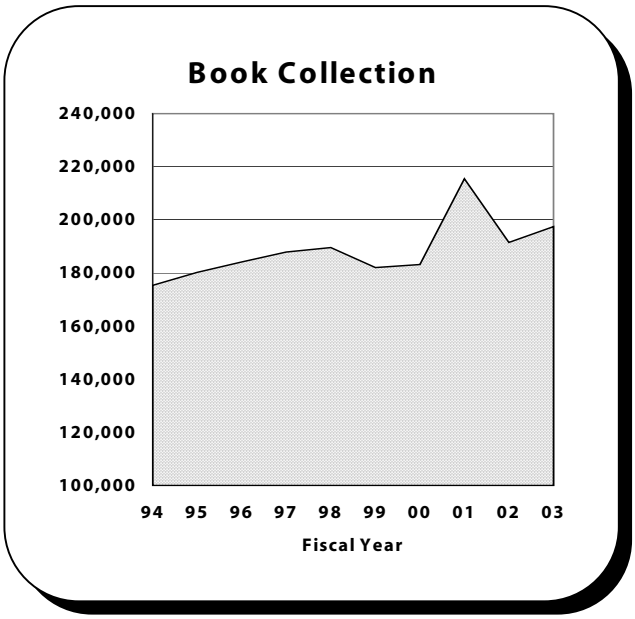
Public Library Department



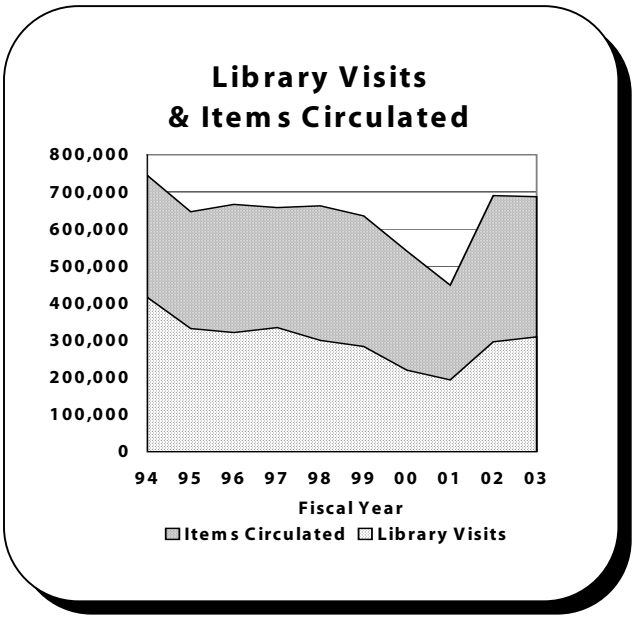
The number of questions at the City Library's Reference Desk has decreased slightly after reaching a high in 1994. Since being closed for several months in 2000 and 2001, the number of reference questions has increased.



The number of registered borrowers has decreased slightly over the past ten years primarily because the City regularly updates its registered borrower database.



The size of the library's book collection has grown over the past ten years. In 1999 and in 2002, the collection decreased as outdated books were removed. In 2001, additional funds were spent to add to the book collection. In 2003, 197,472 books were on hand or an average of 1.5 books per resident. The City has also increased instructional videos and books-on-tape. Additional resources have been spent increasing our technology and database capacity at the library resulting in a dramatic increase in on-line computer usage. Attendance at library programs has increased by more than 57% since the new library programming center was opened in 2001.



In 2000 and 2001, the number of people visiting the Library and the number of items circulated both decreased sharply as the library was closed for renovation. Since 2001, the numbers have increased to levels above the pre-renovation numbers. In 2003, more than 309,000 visits were recorded or an average of 96 visits per hour open. More than 687,000 items were circulated or an average of 2.3 items per visit.

Library

MISSION STATEMENT: ***To serve as a learning center for the community by offering state-of-the-art access to information, a wide variety of materials to assist students and independent learners, and to foster in users a lifelong habit of reading.***

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

Computerized information retrieval is offered with online catalogs of 20 libraries in the Suburban Library Cooperative. The Digital Media Archives section of the on-line catalog includes hundreds of digital photographs of Sterling Township farms and families from the 1860's. Additionally, the Michigan Library Exchange (MiLE) expands our residents borrowing privileges to over 160 academic, public, museum, and hospital libraries in southeastern Michigan. Other library services include a self check-out station, full-text online magazine and newspaper databases, Internet access at every public workstation, Michigan Occupational Information System (MOIS), area newspapers on microfilm, a collection of current out-of-state newspapers and a Youth Computer Homework Center with CD-ROM software. 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 exciting introduction to the vast resources of the Internet introducing access to thousands of full-text electronic books via the Michigan e-Library (MeL) and Net Library. Technology training sessions are regularly offered to enable residents to make optimal use of the Library's computerized resources. A book van delivers a wide selection of materials including large print books directly to the homebound, nursing homes, and senior citizen housing units. The van also delivers book deposit collections to day care centers and nursery schools.

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 loan, 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.***

The Library has an international language collection of popular fiction and magazines in over 17 languages, and a unique collection of English as a second language materials designed to improve English language skills. The Library also broadcasts international storytimes on the Library's cable station. For patrons with visual disabilities, the Library provides magnifiers, large print books, and books on tape and compact disc.

Additionally, the Library's cable channel broadcasts 11½ hours of quality educational programs Monday through Friday. 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?…
…that the Sterling Heights Public Library has the highest circulation ratio (50%) of children's material to total circulation of the 42 libraries in Michigan serving populations over 50,000?

Library

2004/05 PERFORMANCE OBJECTIVES

1. To complete the digitization of the Library's photograph collection into both the Sirsi Digital Media Archives database and the statewide database, *Making of Modern Michigan*.

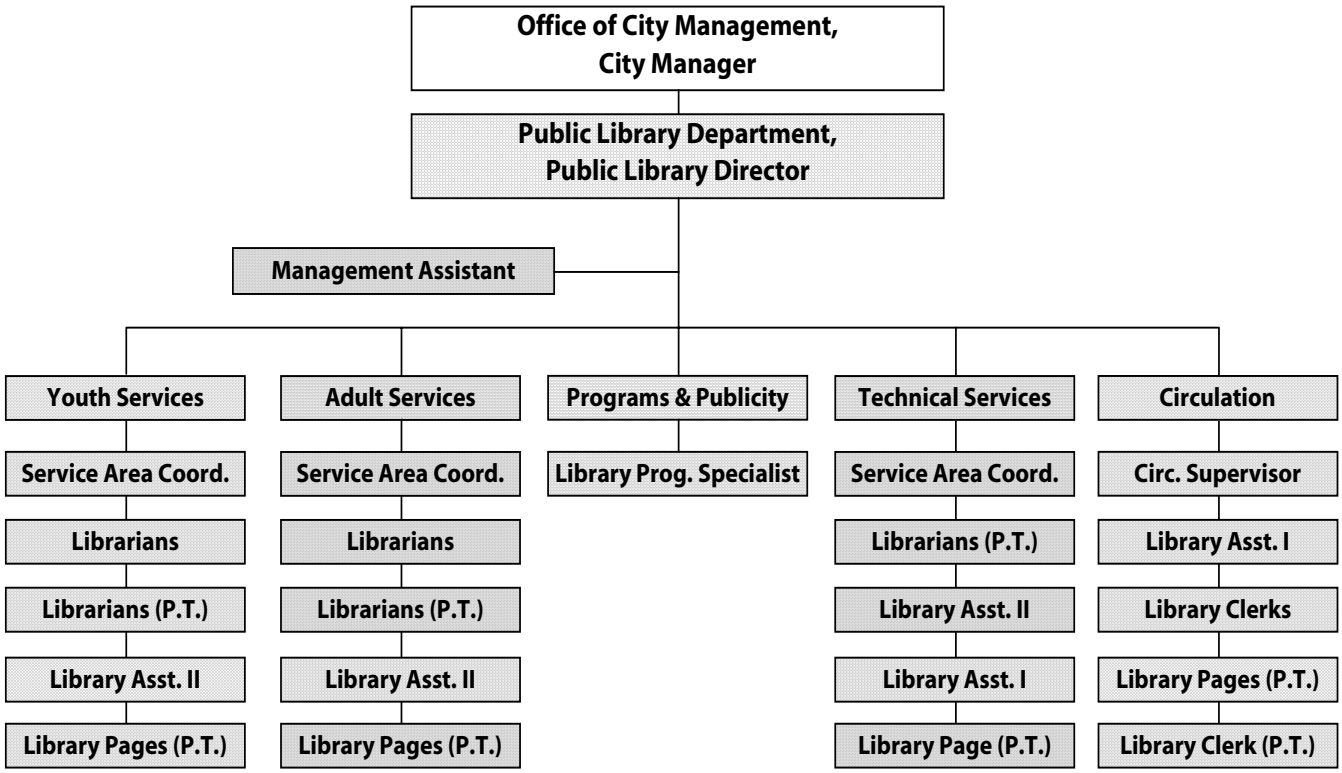
2. To improve access to collections by participating in the development of a statewide, on-line catalog and resource sharing project (MeLCat).

3. To provide weekly training classes for the public on the Internet and electronic resources.

4. To improve service to the homebound by automating the extension services database of patron and item records.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Library Registered Borrowers	53,680	53,822	53,435	55,000	54,500	55,000
	Annual Library Attendance	193,505	296,249	309,531	324,000	325,000	330,000
	Self Check-out Circulations	N/A	1,905	19,954	20,000	20,000	21,000
	Items Circulated	449,240	690,262	687,070	702,000	690,000	695,000
	Reference & General Information Requests	95,289	135,514	137,941	137,000	138,000	139,000
	Items Processed for Loan to Other Libraries	17,995	45,832	70,782	72,000	72,000	73,000
	Items Processed for Receipt from Other Libraries	15,321	58,953	86,855	94,000	88,000	90,000
	Outreach Loans by Library Van	8,098	9,126	9,759	11,000	11,000	11,000
	Hours of Library Operations Weekly	63	63	63	63	63	63
	Hours of Library Cable Programming	2,499	2,896	3,050	3,100	3,100	3,100
	Materials Added to Collection	24,185	24,234	19,264	19,000	19,000	18,000
	Program Attendance	14,687	24,004	23,046	24,000	24,500	25,000
	Online & Electronic Database Usage	170,452	187,950	296,414	265,000	300,000	303,000
	In-Library Use of Materials	104,072	208,369	190,771	208,000	180,000	185,000
Efficiency & Effectiveness	% of Reference Questions Completed	98%	97%	97%	95%	95%	95%
	% of Hold Material Requests Filled within 30 days	78%	75%	70%	75%	75%	75%
	% of Material Reshelved within 24 hours	93%	91%	86%	85%	85%	85%
	Registered Borrowers as a % of Population	43%	43%	43%	44%	43%	44%
	Circulation of Materials per 1,000 Population	3,608	5,533	5,488	5,580	5,485	5,507
	Library Material Acquisition Costs Per Resident	$2.43	$1.94	$1.90	$1.78	$1.77	$1.76
	Library Cost Per Capita	$16.79	$17.38	$18.24	$18.61	$18.65	$19.65
	Full-time Equivalent Staff Per 1,000 Population	0.25	0.26	0.27	0.25	0.25	0.25
	Total Cost Per Library Registered Borrower	$38.93	$40.28	$42.74	$42.58	$43.05	$45.10
	Activity Expenditures as % of General Fund	3.10%	3.20%	3.21%	3.29%	3.31%	3.28%

Library



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Public Library Director	1	1	1
Library Programming Specialist	1	1	1
Library Service Area Coordinator	3	3	3
Librarian	7	7	7
Circulation Supervisor	1	1	1
Management Assistant	1	1	1
Library Assistant II	3	3	3
Library Assistant I	3	3	3
Library Clerk	3	3	3
Librarian (P.T.)	8	8	8
Library Page (P.T.)	10	9	9
Library Clerk (P.T.)	1	1	1
Total	42	41	41

Library

SUMMARY OF BUDGET CHANGES

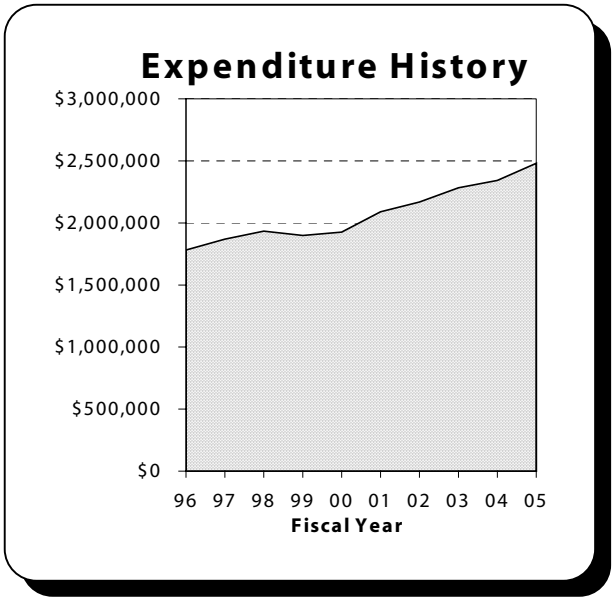
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $139,730 or 7.7%. Wages for full-time employees increased $40,780, while part-time employee costs rose $10,390. One employee who was receiving the health insurance allowance has elected to now receive insurance coverage. This change, as well as a rate increase, resulted in a $39,030 increase in medical costs. Funding for retiree medical rose $26,440. Overtime costs rose slightly due to increased contractual benefits for Sunday hours. Several fringe benefit accounts rose as a result of the new UAW Tops labor union contract including deferred compensation, longevity and optical insurance.

Supplies – Total Supplies decreased $1,740 or 0.7%. Book funding decreased $1,050 due to a prior year reappropriated encumbrance. A decrease of $400 was made as due date cards will not need to be purchased. Publication costs decreased $290 as subscription costs have not increased as much as anticipated.

Other Charges – Total Other Charges increased $680 or 0.2%. Utility funding only increased $200 as heating, water, and telephone cost increases were offset by a decrease in electric costs due to the City's participation in an alternate electric supply program. $780 was added due to an increase in computer rental costs. This increase was lessened as one staff computer was eliminated, saving the City $4,700. Funding for educational conferences and printing decreased $200 and $100 respectively, due to expected cost savings.

Capital – Total Capital of $1,500 is proposed for this activity and is budgeted in the Information Technology Capital Budget. $1,500 is for a Personal Computer with Software to replace a 5-year old computer used in Youth Services that is slow and prone to malfunctions.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

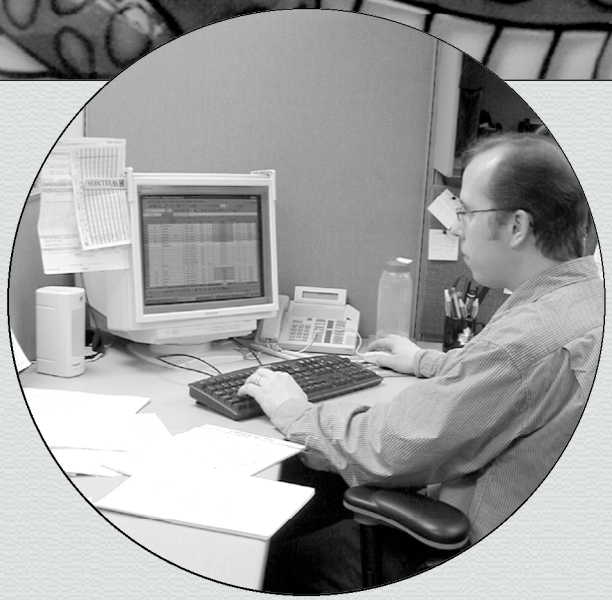
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,739,388	$1,820,850	$1,823,460	$1,960,580	$1,960,580
Supplies	263,354	243,970	243,080	242,230	242,230
Other Charges	281,206	276,870	279,820	277,550	277,550
Total	$2,283,949	$2,341,690	$2,346,360	$2,480,360	$2,480,360

Community & Information Services Department



FUNCTIONAL ORGANIZATION CHART

Community & Information Services 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 Michigan Week and Legislative Symposium
- Provides assistance to potential economic developers
- Coordinates staff assignments and responsibilities
- Coordinates events and schedules for members of City Council and City Manager
- Handles miscellaneous correspondence for members of City Council and City Manager
- Develops employee training seminars and sessions
- Produces information and publicity for all City departments
- Liaison to Beautification, Telecommunications, and Cultural Commissions, the Ethnic Community Committee, the Community Foundation, the Economic Development Corporation, Brownfield Redevelopment Authority and the business community
- Prepares and manages the department budget
- Monitors website
- Coordinates Focus Groups
- Coordinates City surveys

Communications & Neighborhood Relations

- Staffs and maintains the "Citizen Contact Center" and "We Want to Know" Program
- 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
- Provides material for, and manages City's website
- Provides high quality, efficient in-house printing services
- Prepares welcome packages for all new Sterling Heights residents and businesses

Broadcast Services

- Operates Sterling Heights Television Channels 5, 10, 11 & 12
- Produces and directs production of several television series
- Provides standby videotaping service to Emergency Operations Center, Police, Fire and Public Development 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
- Broadcasts City Council, ZBA, Planning, Cable, and Telecommunications Commission meetings

Office of Information Technology

- Provides program and operational support for automated applications
- Coordinates future systems development
- Conducts software and hardware review and procurement
- Maintains computer systems
- Maintains all personal computers
- Performs telephone system maintenance

DEPARTMENT AT A GLANCE

Community & Information Services Department

BUDGET SUMMARY

The Community & Information Services Department budget increased $163,890 or 7.6%. Personnel costs rose $114,940 or 6.6% due to higher wage and fringe benefit costs. Overtime costs have been lowered by $7,500. Hospitalization costs rose $20,070 or 13.2%, while increased retiree medical obligations resulted in a $29,380 increase. Supplies decreased by $2,420 or 3.9% based on amounts spent historically and as less postage is required to mail the smaller-sized City calendar. Other Charges increased $51,370 or 15.6%. The Michigan Week Employee Appreciation Banquet ($20,000) and Sterlingfest ($50,000) are now budgeted in this activity instead of in General Expenditures. Less funding for both programs is proposed for next year. $10,000 was saved in software maintenance fees as the City has decided to utilize existing software for tracking complaints. In addition, the budget decreased $11,460 in printing costs due to the smaller-sized City calendar. $6,900 was added for annual support costs of a new Oracle database which is needed to support hand-held field computers for City Development and Fire Prevention inspectors.

FUNDING LEVEL SUMMARY

	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Community Relations	$1,121,750	$1,220,980	$1,285,690	$1,400,740	8.9%
Information Technology	732,390	785,560	857,640	906,480	5.7%
Total Department	$1,854,140	$2,006,540	$2,143,330	$2,307,220	7.6%
Personnel Services	$1,486,960	$1,652,340	$1,751,580	$1,866,520	6.6%
Supplies	66,110	58,810	61,710	59,290	-3.9%
Other Charges	301,070	295,390	330,040	381,410	15.6%
Total Department	$1,854,140	$2,006,540	$2,143,330	$2,307,220	7.6%

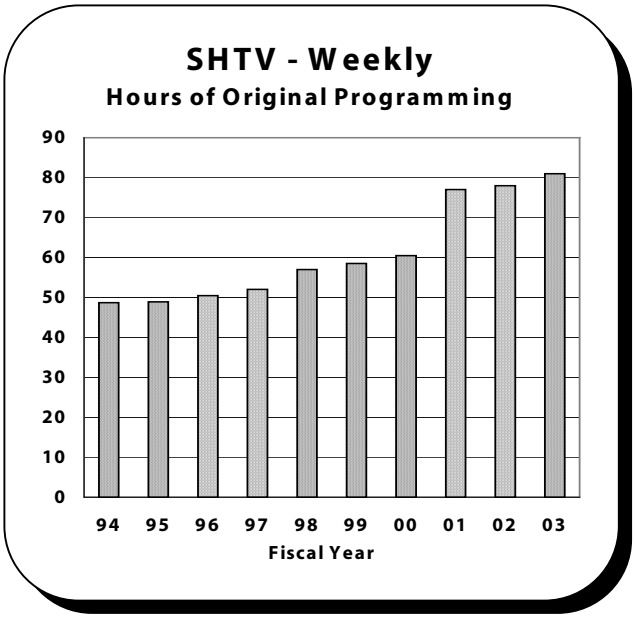
PERSONNEL SUMMARY

	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	6	14	6	14	5	14	5
Information Technology	8	0	8	0	8	0	8	0
Total Department	22	6	22	6	22	5	22	5

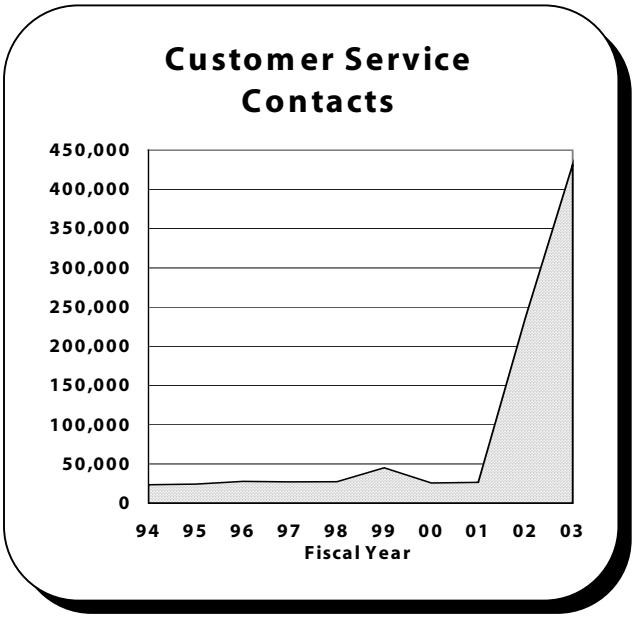
Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

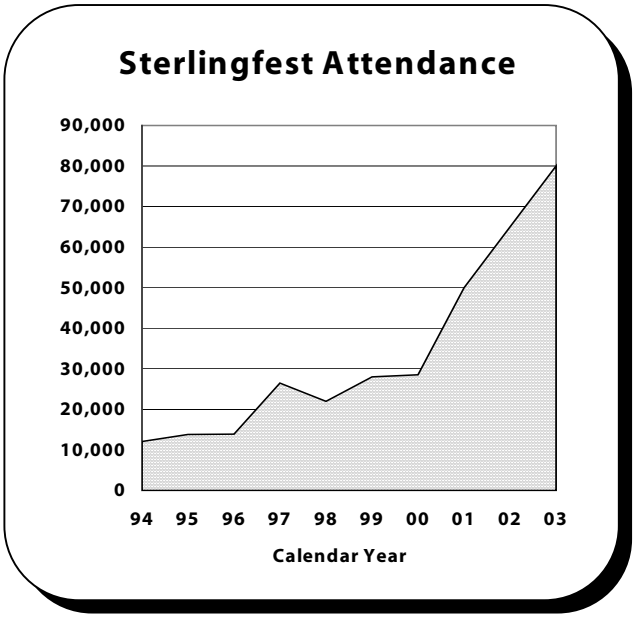
Community & Information Services Department



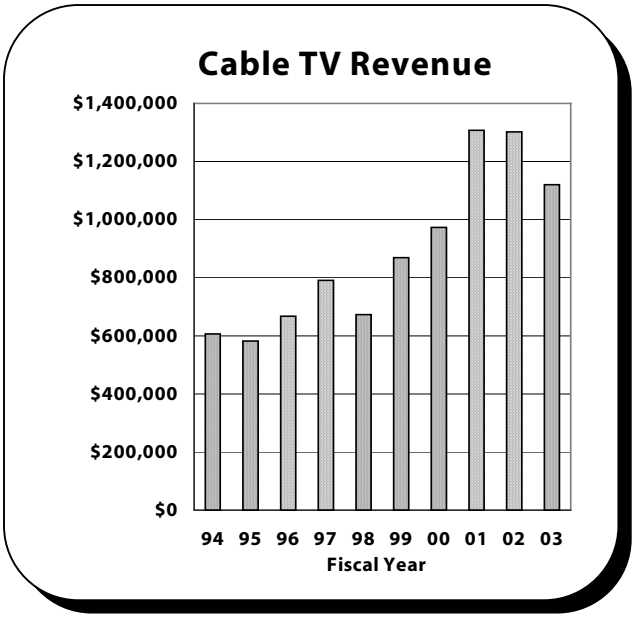
Sterling Heights Television viewers have seen a rise in the total hours of original programming over the past ten years. SHTV's "Powerblock" of government-related programs debuted in 1998. The increased hours of original programming continued in 2001 when the City installed an automatic playback system allowing for early morning, late night and weekend programming. Hours increased slightly in 2002 for the airing of county government meetings.



Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents and "We Want to Know" postcard returned from the community, which average about 1,500 per year. In 1999, a community-wide survey was conducted which resulted in 18,536 responses. In 2002, we began tracking City website visits, which now account for 95% of the total service contacts.



Attendance for the Sterlingfest Art and Jazz Fair has risen steadily since 1994. A rise in attendance occurred after the fair was first enlarged in 1997. Since 2001, attendance has dramatically increased again as the new Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with major headliners, and art and jazzfest areas during the three-day event.



The City has cable franchise agreements with Comcast and Wide Open West (WOW), which provide funding for the City's cable television station. Cable revenue has steadily climbed in most years. In 1997 and 2001, the City received a one-time payment resulting in the large increase. Cable revenues have recently declined as franchise fees are no longer received on cable modems and as some subscribers have switched to satellite systems.

Community Relations

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 & Information Services Department provides accurate information to the public through all means of communication. This is accomplished through two offices: Community Relations and Information Technology. The Community Relations Office is further subdivided into three divisions: Communications, Citizen Contact Center and Sterling Heights Television. Each division has separate and distinct duties and responsibilities.

The Communication Division prepares publications such as the annual Report/City Calendar, quarterly City newsletter, *Sterling Heights News,* monthly *City Hall Bulletin,* bi-monthly employee newsletter, *Take Ten,* press releases, advertisements, brochures, pamphlets, and service directories. It also maintains and updates information on the City's website: www.sterling-heights.net.

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. The City's Print Shop is responsible for printing all City publications.

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 self-addressed "We Want to Know!" card.

The 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. The City Hall Channel airs eight hours of original programming per day. The Library Channel airs 11½ hours of original and syndicated programming per week, produced in conjunction with Library staff.

KEY GOALS

- ***To keep the lines of communication open among the 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.***

The Community Relations Director is the City's liaison to the Economic Development Corporation, which was established to promote economic development in the City and propose policies which produce a better community in which to live, work, and play. In furtherance of this goal, Community Relations has partnered with City Development to administer the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority provides assistance and direction for site remediation thereby decreasing blight, increasing property values, and reducing the number of contaminated sites in our community.■

Did you know?…
…that the popularity of the City's website and its e-government services reached record levels in fiscal year 2003 including 403,371 visitor sessions and 6,000 automated e-mail subscription participants?

Community Relations

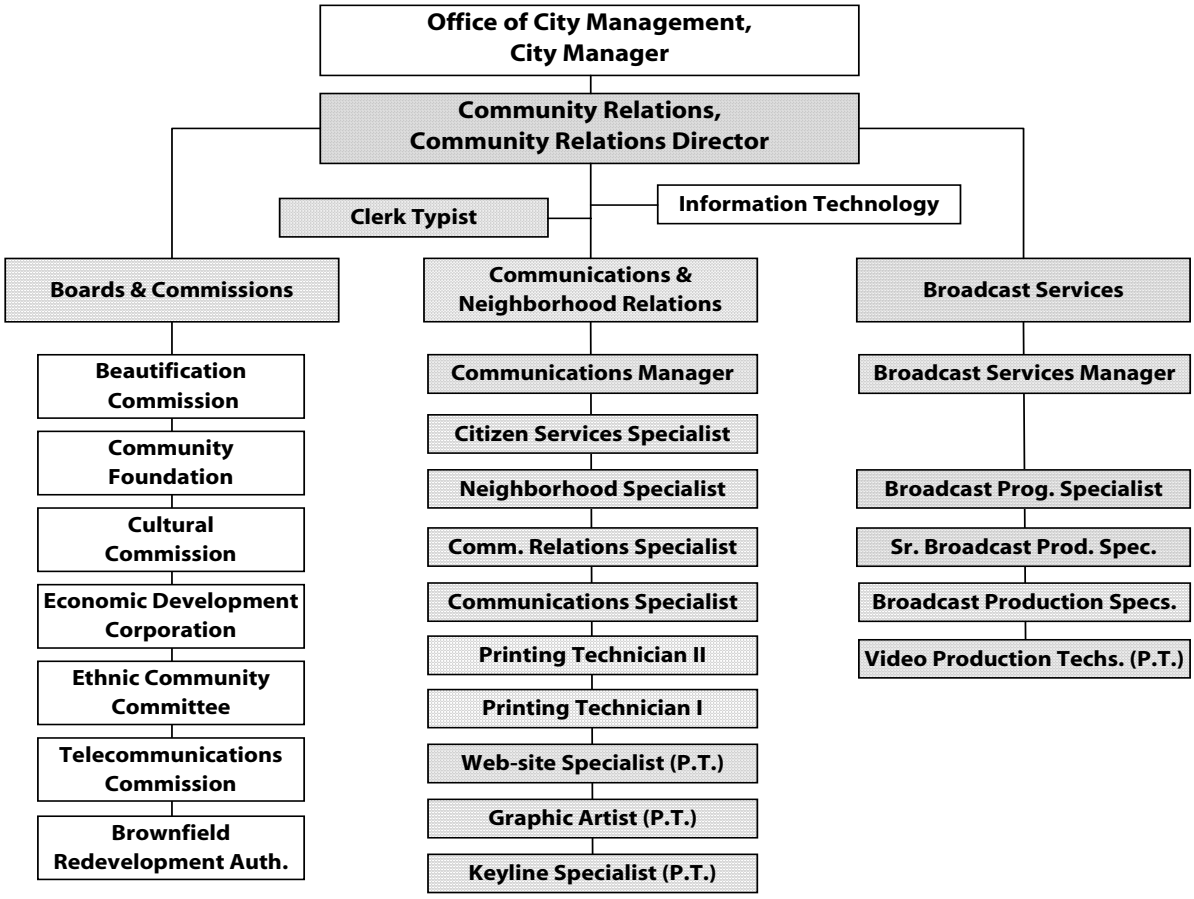
2004/05 PERFORMANCE OBJECTIVES

1. To improve communications during an emergency situation by activating a "crawl" feature on Sterling Heights Television (SHTV) that provides immediate information to our residents in the event of severe weather or other emergency.
2. To continue the "Nice Neighbor" program by highlighting the residents and families that make this community great during City Council meetings.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Customer Service Contacts	26,875	246,802	431,586	457,500	505,020	555,100
	Citizen Action Center Calls	25,500	24,700	24,800	28,500	32,000	32,000
	E-Mail Requests	N/A	702	1,855	2,500	2,450	2,500
	"We Want to Know" Postcards	1,375	1,100	1,560	1,500	570	600
	Sterling Heights Website Visits	N/A	220,300	403,371	425,000	470,000	520,000
	Total Tapings & Programs Aired	582	605	625	590	610	640
	SHTV Hours of Original Programming (Weekly)	77	79	81	78	79	79
	City Council, Board & Commission Meetings Taped	80	98	81	75	87	82
	Press Releases Produced	132	182	169	160	100	100
	Take Ten Issues Produced	5	5	5	6	5	6
	Calendar/City Magazine/Brochures Produced	20	25	21	20	20	20
	Typesetting/Graphic Design Projects	579	424	244	150	100	100
	Electronic Newsletter Recipients	648	1,899	4,415	5,500	6,100	6,300
	Welcome Packets Distributed	1,640	1,390	1,510	1,450	1,250	1,300
	Sterlingfest & Memorial Day Parade Attendance	60,000	60,000	70,000	85,000	85,000	85,000
	Beautification Awards Awarded	84	130	164	100	99	100
	Print Requests Completed	322	475	457	450	462	460
	Stockroom Requests Completed	205	255	245	250	236	240
Efficiency & Effectiveness	% Homes/Bus. Receiving Annual Report/Calendar	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Resolved w/i 48 hrs.	96%	95%	95%	99%	98%	99%
	Cost per Citizen Contact Center Call Received	$3.54	$3.18	$2.68	*	*	*
	Cost to Televise a Public Meeting	$999	$961	$956	*	*	*
	Activity Expenditures as % of General Fund	1.74%	1.66%	1.72%	1.80%	1.77%	1.85%

** Cost is calculated for "Actual" columns only.*

Community Relations



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Community Relations Director	1	1	1
Communications Manager	1	1	1
Broadcast Services Manager	1	1	1
Broadcast Programming Specialist	1	1	1
Citizen Services Specialist	1	1	1
Neighborhood Specialist	1	1	1
Community Relations Specialist	1	1	1
Senior Broadcast Production Specialist	0	1	1
Printing Technician II	1	1	1
Communications Specialist	1	1	1
Broadcast Production Specialist	3	2	2
Printing Technician I	1	1	1
Clerk Typist	1	1	1
Video Production Technician (P.T.)	3	2	2
Graphic Artist (P.T.)	1	1	1
Web-site Specialist (P.T.)	1	1	1
Keyline Specialist (P.T.)	1	1	1
Total	20	19	19

Community Relations

SUMMARY OF BUDGET CHANGES

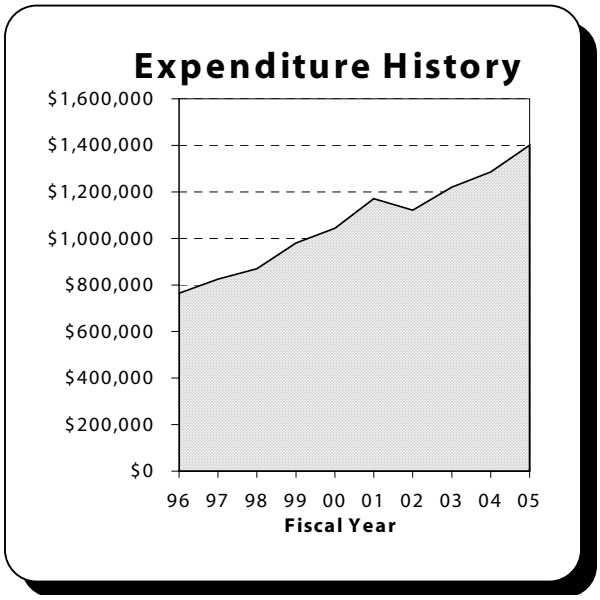
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $68,220 or 6.1%. Wages for full-time employees rose $26,990. Total Overtime decreased $5,000. Hospitalization costs rose $15,090. Funding for retiree medical obligations rose $17,860.

Supplies – Total Supplies decreased $410 or 0.8%. Less postage is required to mail the smaller City Calendar. $220 was saved as fewer publications will be purchased. Funding increased $810 for the cost of SHTV field staff uniforms.

Other Charges – Total Other Charges increased $47,240 or 41.8%. Funding increased $20,000 for Michigan Week and $50,000 for Sterlingfest as both events are now budgeted in this activity instead of in General Expenditures. The City will save an estimated $75,000 on Sterlingfest. The City will also save $5,000 for the employee appreciation banquet due to fewer administrator guests and a reduction in the cost of centerpieces and musicians. $600 was added for a maintenance fee for the new SHTV emergency crawl system. $10,000 was saved in software maintenance fees as the City has decided to utilize existing software for tracking complaints. The budget decreased $11,460 in printing costs due to the smaller-sized City Calendar. Telephone costs decreased $1,000 due to a new Nextel rate plan and the elimination of text messaging capabilities.

Capital – Total Capital of $9,500 for this activity is budgeted in the Information Technology budget. $5,000 is for software upgrades to five desktop publishing computers. $4,500 is to replace three older Mac workstations in the Citizen Action Center that have performance and reliability issues when operating the Windows-based complaint tracking software.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,067,843	$1,122,600	$1,115,930	$1,190,820	$1,190,820
Supplies	49,702	50,000	48,310	49,590	49,590
Other Charges	103,435	113,090	91,160	160,330	160,330
Total	$1,220,980	$1,285,690	$1,255,400	$1,400,740	$1,400,740

Information Technology

MISSION STATEMENT: ***To efficiently and effectively coordinate the analysis, development and support of computer/networking related activities for the City.***

The goals and objectives of the Information Technology Division are approved by the City Manager and established by prioritizing the technology needs of the operating departments of the City.

There are three major areas of responsibility within the Information Technology activity. The New Systems Development section is responsible for development of the Wide Area Network (WAN) and Local Area Networks (LAN's) and implementation of third party application software. This area serves as a liaison between City users and software vendors in the preparation of specifications and evaluation of software products.

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 desktop PC's in conjunction with the development of local area networks.***

The second area is the Maintenance section. This section is responsible for changes and enhancements to current operating and application software as well as various hardware platforms. The responsibility of troubleshooting a myriad of hardware and software problems falls within this area. Currently, hardware support is provided to user departments on Microsoft NT, Macintosh, Hewlett-Packard and AS400 workstations. The emphasis is to standardize desktop personal computers in conjunction with the implementation of the City-wide network. The trend will be to acquire third party packaged software rather than development of applications in-house. A comprehensive training program is under development to ensure Information Technology staff and end-users are properly trained on the new applications.

The third area of Information Technology is Operations. The Operations area provides the reporting service for automated City programs. Hard copy reports are created and distributed. Responsibility for all security and backup of permanent files on the computer system falls within this area. With the development of a city-wide network and additional software applications, end- users will be empowered to generate their own inquiries with report writer software.■

Did you know?…
…that the Office of Information Technology supports over 1,000 different units, including computers, terminals and telephones, in 18 different facilities throughout the City?

Information Technology

2004/05 PERFORMANCE OBJECTIVES

1. To coordinate connectivity of the City's "backbone" to Macomb County's fiber network which will connect all of the schools and courts throughout the County.

2. To upgrade all City workstations from Windows NT to Windows 2000 for a more cohesive work environment.

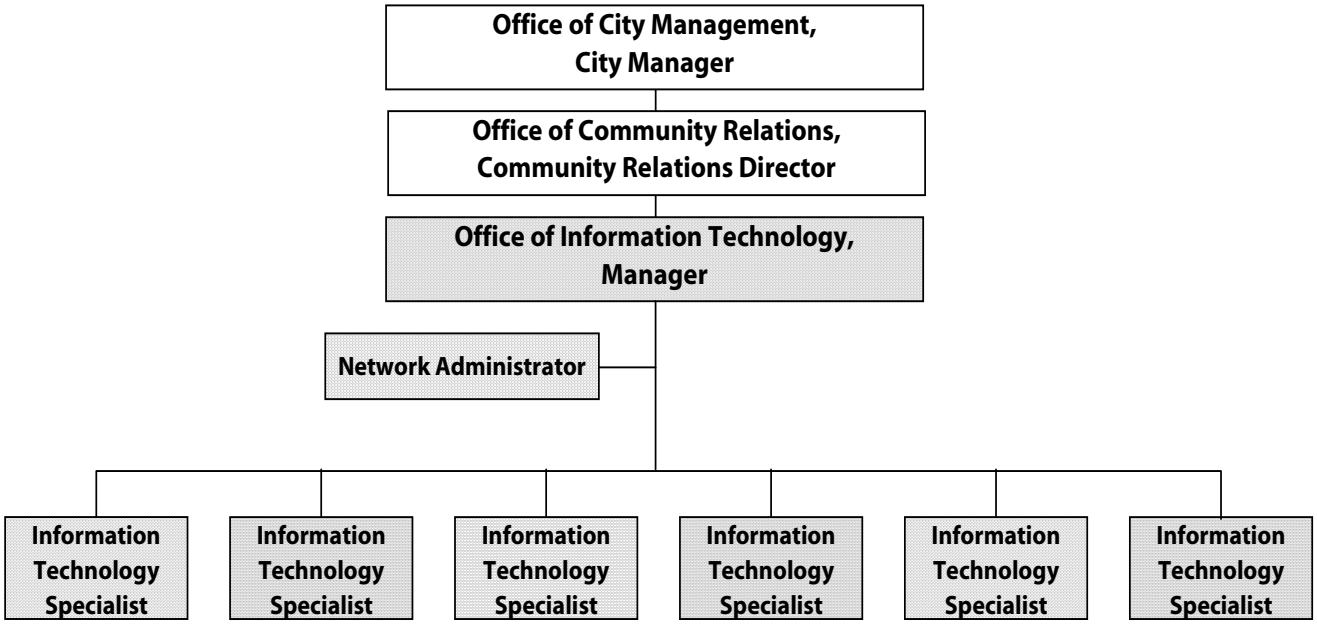
3. To investigate wireless technology solutions for the City while addressing security concerns.

4. To upgrade the City's "backbone" to improve network performance and thus improving staff efficiency.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Hardware Platforms Supported - (NT, MAC, HP, AS400)	4	4	4	4	4	4
	Application Systems Supported - (BS&A, Munis, etc.)	29	23	27	27	27	27
	Software Packages Upgraded	7	6	5	5	5	5
	Hours of Consultant Services Used	928	792	727	667	660	670
	"Help Desk" Calls Received	932	1,000	1,800	1,800	1,780	1,800
	Intelligent Workstations Supported	275	370	460	470	470	470
	Staff Hours Spent Supporting Elections	100	100	30	30	30	45
	Hours Spent on Personal Computer Maintenance	1,000	1,000	1,080	1,050	1,050	1,150
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	80%	80%	90%	85%	85%	85%
	# of Intelligent Workstations per FTE	0.40	0.50	0.60	0.62	0.62	0.62
	Telephone System Problems Resolved Within 1 Day	90%	90%	90%	90%	90%	90%
	Staff Training Dollars Expended	$8,258	$3,777	$1,676	$1,850	$1,850	$2,500
	% of Technology Program Implemented	60%	80%	90%	95%	95%	95%
	% of Time Computer Network Down	2.3%	1.9%	0.9%	1.5%	1.0%	1.0%
	Overtime/Comp Hours Required to Meet Demand	817	530	463	550	440	425
	Average Annual Cost to Support a PC	$472	$367	$335	*	*	*
	Cost to Support User Systems	$369,213	$373,440	$350,107	*	*	*
	Activity Expenditures as % of General Fund	1.21%	1.08%	1.11%	1.20%	1.20%	1.20%

** Cost is calculated for "Actual" columns only.*

Information Technology



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Information Technology Manager	1	1	1
Network Administrator	1	1	1
Information Technology Specialist	6	6	6
Total	8	8	8

Information Technology

SUMMARY OF BUDGET CHANGES

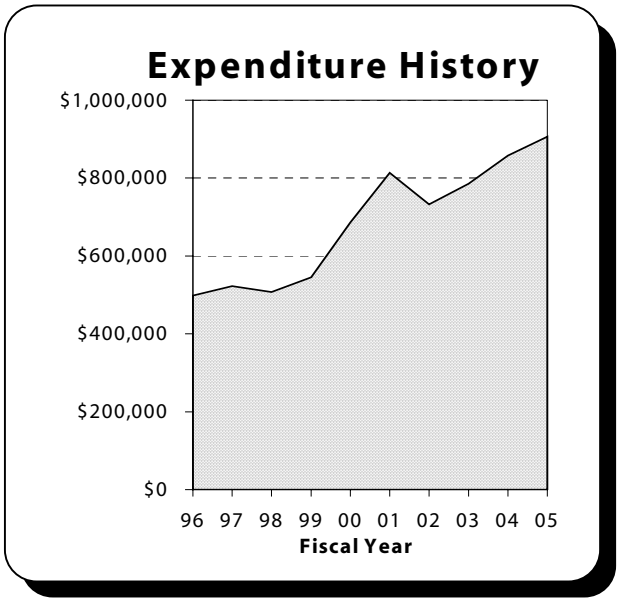
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $46,720 or 7.4%. Wages for full-time employees increased $23,770. Overtime and compensatory time costs fell a total of $5,500, as less overtime is needed as the City has completed several major software system upgrades. Hospitalization costs rose $4,980 due to a rate increase. Funding for retiree medical obligations increased $11,520.

Supplies – Total Supplies decreased $2,010 or 17.2%. Funding for office supplies decreased $1,500 based on recent years' expenditure levels. $490 was eliminated for computer software due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased $4,130 or 1.9%. The contracted service budget increased $46,900 as software maintenance costs will now be budgeted in this account, rather than the equipment maintenance account. In addition, $6,900 was added for annual support costs of a new Oracle database, which is needed to support hand-held enhancements for the building permits application. Computer maintenance costs increased $810 as a result of an increase in computer repairs. Educational funding increased $650 for increased staff development training. Telephone costs decreased $500 due to a new city-wide Nextel telephone plan. The City will save approximately $12,000 with this new rate plan. One membership was eliminated for a savings of $200.

Capital – Total Capital of $51,500 is proposed as part of the Information Technology Plan. $40,500 is for 27 Computers to replace the six year-old units in City Management, Information Technology, and Financial Services. Community Relations is budgeted $9,500 for three Computers and for five Software Upgrades. $1,500 is for a Personal Computer for the Library.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

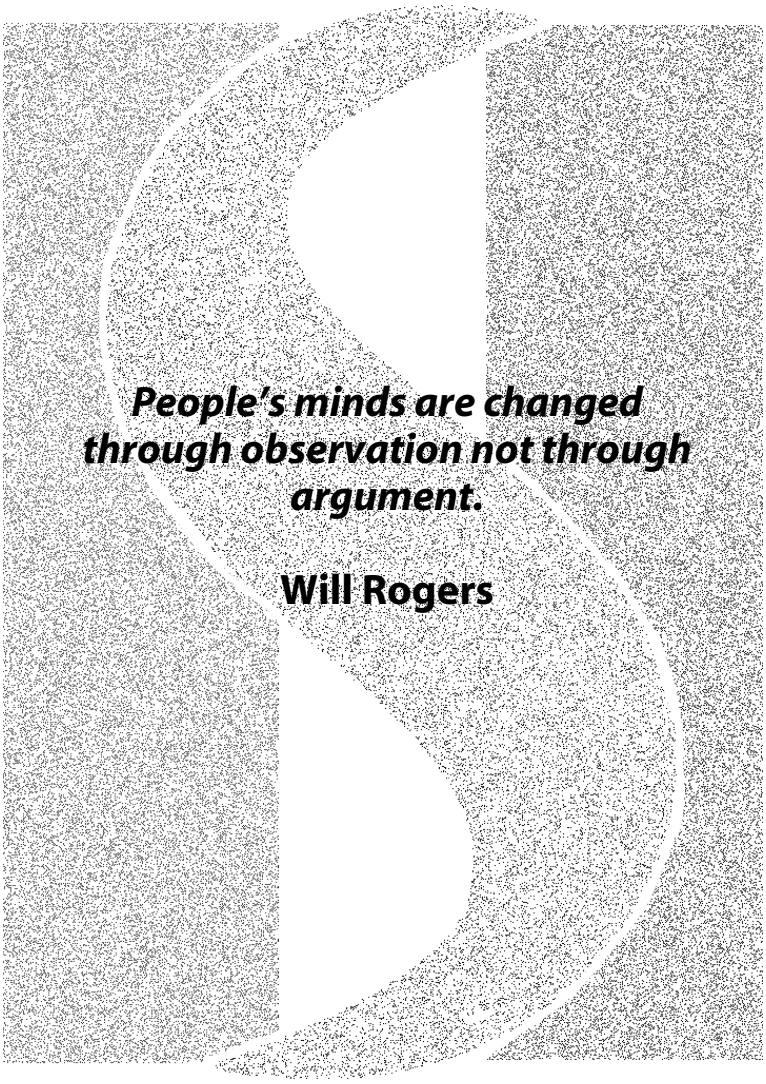
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$584,499	$628,980	$625,760	$675,700	$675,700
Supplies	9,106	11,710	10,090	9,700	9,700
Other Charges	191,955	216,950	215,930	221,080	221,080
Total	$785,560	$857,640	$851,780	$906,480	$906,480


People's minds are changed through observation not through argument.
Will Rogers

41-A District Court

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 Court and Probation offices are located in the Kenneth J. Kosnic Judicial Services Center on the grounds of City Center Commons.

The Judicial Services Center is installed with equipment that is both desirable and necessary for a full service District Court with an increasing caseload. Computers continue to improve staff efficiency while a metal detector provides increased security.

The Court staff consists of three judges and a full-time magistrate who hears small claims cases, signs warrants, sets bonds, etc. A District Court Administrator who oversees the court operations heads the administrative staff. The court is subdivided into six court divisions and one Probation division. The six court divisions include Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and the Violations Bureau.

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 law.***
- ***To assist sentencing decisions through the use of a Probation Division by providing personalized analysis, special reports, and rehabilitation programs.***

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 $3,000 and require no attorney.

The Violations Bureau Division handles all non-court traffic and ordinance violations. These infractions can be resolved without a court appearance by the involved parties.

The Probation Division is responsible for providing services to court 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?…
…that the 41-A District Court has implemented a new procedure of collecting a minimal fee from offenders who require the services of a court appointed attorney and who are capable of paying?

41-A District Court

2004/05 PERFORMANCE OBJECTIVES

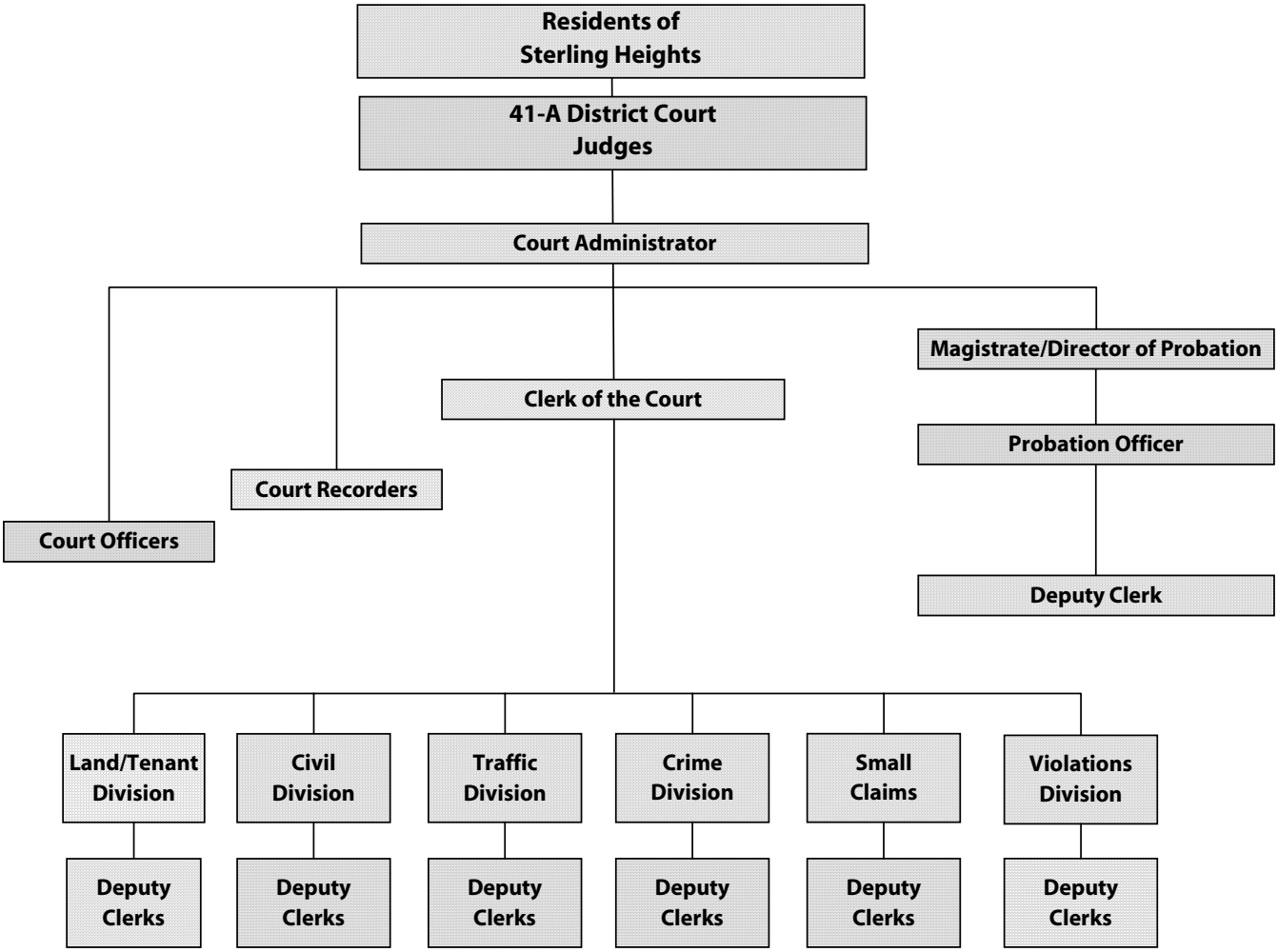
1. To reduce juror reimbursement costs by allowing jurors to call the court to determine if a personal appearance is required.

2. To collect past due fines and costs through an aggressive enforcement program.

3. To enhance the Court's page of the City's website by adding procedures for filing small claims and general civil and landlord/tenant actions.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Total Active Caseload	49,587	43,364	47,219	50,000	47,000	48,000
	Total New Cases	36,091	31,273	36,076	35,000	34,420	35,000
	Traffic Cases	23,084	18,871	22,572	20,000	21,000	21,000
	Parking Cases	2,321	1,988	2,472	2,400	2,000	2,000
	Misdemeanor Cases	5,962	5,231	5,242	6,000	5,000	5,000
	Felony Cases	689	596	678	700	700	700
	General Civil Cases	1,754	2,000	2,300	2,700	2,700	2,950
	Small Claims Cases	639	657	612	700	620	700
	Landlord/Tenant Cases	1,642	1,930	2,200	2,500	2,400	2,650
	Magistrate Dispositions	6,134	5,364	5,842	6,180	6,600	5,600
	Jury/Bench Verdicts	6,293	5,503	5,993	6,340	6,300	6,300
	Guilty/Admissions/Default - By Party	22,240	19,449	21,176	22,420	21,000	22,000
	Dismissals - By Court or Party	7,656	6,695	7,291	7,720	7,000	7,000
	Probation Caseload	630	950	800	1,200	800	800
Efficiency & Effectiveness	% of Imposed Revenue Collected	95%	96%	97%	95%	97%	97%
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	$17.12	$16.94	$17.36	$18.73	$18.37	$19.79
	Cost Per Active Case	$43	$49	$46	$47	$49	$52
	# of Active Cases per FTE	1,340	1,172	1,276	1,389	1,306	1,333
	Activity Expenditures as % of General Fund	3.16%	3.12%	3.06%	3.31%	3.26%	3.30%

41-A District Court



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Judge	3	3	3
Magistrate/Director of Probation	1	1	1
Court Administrator	1	1	1
Clerk of the Court	1	1	1
Probation Officer	1	1	1
Court Recorder	3	3	3
Court Officer	3	3	3
Deputy Clerk	24	23	23
Total	37	36	36

41-A District Court

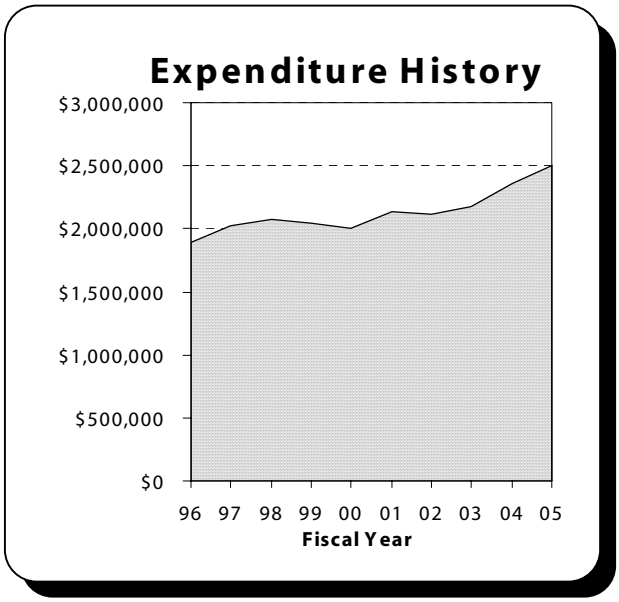
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget increased by $138,840 or 6.5%. Wages for full-time employees increased 3% or $44,200. As a result of a rate increase and employee turnover, hospitalization costs rose $55,710. Funding for retiree medical costs increased $34,470. The budget for compensatory time decreased slightly based on historic actual usage. $4,000 in part-time employee funding was needed in the prior year due to employee turnover. Defined contribution costs rose $4,910 as employees hired last year are in the City's defined contribution plan.

Supplies – Total Supplies decreased $3,590 or 9.0%. Funding for postage decreased $2,800 based on historic actual expenditure levels. $1,690 was eliminated in the operating supply budget due to a reappropriated encumbrance from the prior year. $900 was added to the budget due to an increase in legal publication costs and the need for more frequent legislative updates.

Other Charges – Total Other Charges increased $5,850 or 3.5%. Utility funding increased $6,250 for heating, $1,500 for water, and $500 for telephone costs. $1,500 was added due to an increase in State computer maintenance and annual support costs. Witness fees increased $500 and rental costs decreased $300, both based on historic actual expenditure levels. Funding decreased $4,000 due to an anticipated drop in juror fees, as jurors will now be able to call a court automated telephone hotline to find out if appearance is necessary.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$1,966,376	$2,149,040	$2,095,440	$2,287,880	$2,287,880
Supplies	32,739	40,090	36,190	36,500	36,500
Other Charges	174,702	167,050	179,440	172,900	172,900
Total	$2,173,817	$2,356,180	$2,311,070	$2,497,280	$2,497,280

Act 78 – Civil Service Commission

MISSION STATEMENT: ***To govern the testing for appointment, employment, and promotion of all 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 all 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.

As the City grows older, more retirements will open new positions and the job of the Commission will proceed into the forefront.■

KEY GOALS

- ***To set requirements for Police and Fire applicants that will best serve the interest and well-being of the residents of Sterling Heights.***
- ***To keep Police 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 promotion within the Police and Fire Departments.***

Did you know?…
…that the Act 78 Civil Service Commission provides an opportunity for Police Officer and Firefighter candidates to appeal actions taken during the recruitment process?

Act 78 – Civil Service Commission

2004/05 PERFORMANCE OBJECTIVES

1. To conduct a national recruitment for Police Officer which will establish a new one-year eligibility list.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Minutes of Act 78 Meetings Recorded	4	4	5	4	4	4
	Police Officer Eligibility List Applications	205	0	181	235	235	220
	Fire Fighter Eligibility List Applications	51	95	0	95	115	0
	Written Tests - Police Officer Eligibility List	167	0	151	190	190	180
	Written Tests - Fire Fighter Eligibility List	32	71	0	70	90	0
	Oral Interviews - Police Officer Eligibility List	144	0	145	170	170	160
	Oral Interviews - Fire Fighter Eligibility List	26	49	0	50	62	0
	Physical/Psychological Test - Police/Fire Candidates	2	17	9	7	9	7
	Appointment Notices - Police/Fire New Hires	2	17	9	7	9	7
	Police/Fire Personnel Files Maintained	100	100	140	225	220	112
	Maintained Files (hiring procedures/legal opinions,etc.	70	70	85	105	100	80
Effectiveness	Number of Appeals by Candidates	2	2	4	2	2	2
	Activity Expenditures as % of General Fund	0.04%	0.04%	0.01%	0.04%	0.04%	0.01%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

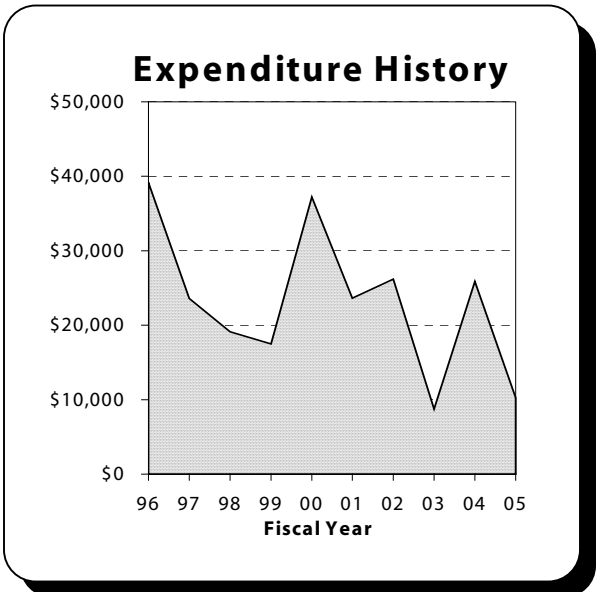
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity. Any overtime costs that are needed for the recruitment activities planned for next fiscal year will be charged to the City Clerk's office.

Supplies – Total Supplies is proposed to remain the same at $400. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased $15,580 or 61.2%. A reduction of $13,810 was made, as only Police Officer testing will be administered in the 2004/05 fiscal year. New Firefighter testing and Police Lieutenant and Captain assessment centers were funded in the current year. These costs are not required next year because there are two-year eligibility lists. While pre-employment physicals and psychological exam fees have increased, fewer exams are projected resulting in a net savings of $1,670. Job advertising costs were reduced $200, as only Police Officer recruitment notices will be published next year. Funding increased $100 for the cost of printing applications and other recruitment material.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	386	400	400	400	400
Other Charges	8,368	25,470	25,570	9,890	9,890
Total	$8,754	$25,870	$25,970	$10,290	$10,290

Beautification Commission

MISSION STATEMENT: ***To promote public interest in the general improvement of the appearance of the City.***

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 beauty of both public and private properties. The Commission reviews these nominations and those worthy of the award receive City-wide recognition.

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.***

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, such as the annual decoration of the municipal grounds gazebo. A Memorial and/or Anniversary Tree Planting program has been implemented for residents to choose a living commemoration of a special person or event in their life. The Beautification Commission 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.■

Did you know?…
…that the Beautification Commission has donated five books on wildflowers and gardening to the Sterling Heights Public Library?

Beautification Commission

SUMMARY OF BUDGET CHANGES

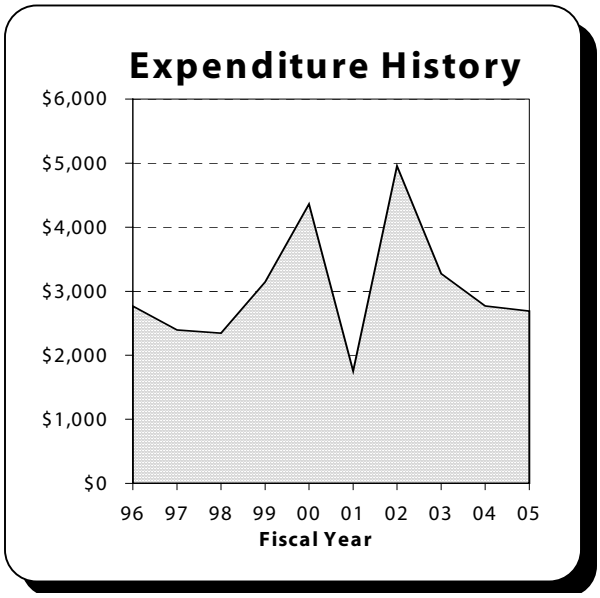
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies decreased $30 or 1.2%. A slight reduction of $30 was made for operating supplies as prior year budgeted funds were not fully spent.

Other Charges – Total Other Charges decreased $50 or 15.6%. Funding for several beautification luncheons and dinners decreased $50 based on prior years' actual expenditure levels and lower attendance.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	2,986	2,450	2,420	2,420	2,420
Other Charges	287	320	270	270	270
Total	$3,273	$2,770	$2,690	$2,690	$2,690

Building Authority

MISSION STATEMENT: ***To oversee the construction and related payments of needed City facilities.***

The Building Authority activity was established pursuant to Public Act 31 of 1948. The Authority consists of three members. The mission of the activity is to manage the affairs of the Authority including financing and building City projects. The Building Authority is available to the City Council as a funding source, if needed.

KEY GOALS

- ***To construct needed facilities at or under budget.***
- ***To construct needed facilities on time or ahead of schedule.***
- ***To make debt service payments accurately and on time.***

In 1969, the Building Authority entered into an irrevocable lease purchase agreement with the City. The City Hall lease expired in 2000 terminating the purchase agreement. The bonding documents associated with the City Center Commons project required a new lease agreement be entered into between the City and the Building Authority for a period of 20 years. This lease agreement provides for rent payments in the amount of the annual debt service requirements.

The Building Authority was activated in 1990 to manage the construction of the Judicial Services Center. Bonds were sold to finance the construction of the Judicial Services Center and will be retired by lease payments from the General Fund to the Building Authority Receiving Fund. A team consisting of a construction management firm, an architect, the Building Authority and staff, managed the project. The project was completed six weeks ahead of schedule and $125,000 under budget.

In 1996, City Council directed the Building Authority to begin acquisition, construction, furnishing and equipping of a new Senior Citizens Activity Center. As with the Judicial Services Center, a team approach was used on this project. The team consisted of City staff, a general contractor, an architect and the Building Authority. The project was completed on schedule and within the budget. The bonds that were issued to finance the project were repaid in full in 2002 using annual debt payments from the Community Development Block Grant (CDBG) Fund.

Most recently, the Building Authority provided oversight for the City Center Commons project. The project included the expansion of the Library and City Hall along with the remodeling of the existing structures and the surrounding campus.

The Building Authority recently participated in the refunding of two bond issues. Conditions in the bond market improved such that the 1990 Judicial Center Limited Tax General Obligation (LTGO) Bonds and the 1993 Judicial Center Refunding Bonds could be refunded at a considerable savings. Given the City's exemplary external bond ratings provided by Moody's (Aa2), Standard & Poor's (AA) and Fitch (AA^+), the City was able to realize a net savings in excess of $70,500 with interest rates between 2.0% to 2.75% over the six year refunding bond period.

During periods of non-construction, the Building Authority members meet once a year to pay debt service, elect officers, and review financial reports. During periods of construction, the members meet a minimum of once a month to oversee the construction project, pay invoices, and make other critical project decisions. Building Authority members receive $15 per meeting to retire debt and $20 per special meeting during a building project.

The Building Authority Receiving Fund (Fund 569) is set up according to bond covenants to retire debt. The operating budget for the Building Authority resides in the General Fund (Fund 101).■

Did you know?…
…that the Building Authority reviewed and approved the refunding of the 1990 Judicial Center and 1993 Judicial Center Refunding bond issues resulting in a $75,000 savings?

Building Authority

SUMMARY OF BUDGET CHANGES

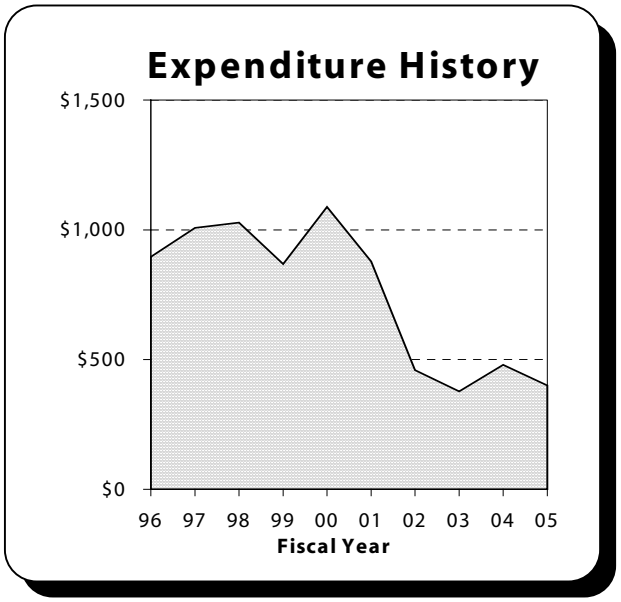
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget decreased by $80 or 61.5%. Last fiscal year, the Building Authority had two additional meetings to authorize the refinancing of a Building Authority bond which saved the City over $75,000 in future interest payments.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges is proposed to remain the same at $350. There are no proposed changes within the Other Charges account.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$48	$130	$130	$50	$50
Supplies	10	0	0	0	0
Other Charges	320	350	350	350	350
Total	$378	$480	$480	$400	$400

Cultural Commission

MISSION STATEMENT: ***To serve in an advisory capacity to the City Council for the development of City-wide cultural programs.***

Programs and projects sponsored by the Cultural Commission are developed in accordance with the goals and objectives set by the City Council and administration.

The Cultural Commission's primary responsibility is to consider, study and recommend City-wide cultural 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 cultural programs and opportunities.

KEY GOALS

- ***To promote and administer programs that benefit the community, i.e., "Sterling Scapes", an outdoor sculpture display.***
- ***To sponsor City events, such as "Sterlingfest", that showcase various forms of the performing and visual arts and encourages family entertainment.***

The "Artist of the Month" program reinforces the attitude expressed by the Commission that culture should be appreciated. Every month a local artist is chosen to professionally display his/her art in a public forum.

"Sterling Spotlight" airs weekly on Sterling Heights TV Network, the City's public access channel. This informative and culturally enriching programming, updated with new events every two weeks, allows residents to view cultural entertainment from home. Past "Spotlight" programming includes area choirs rehearsing and performing, as well as interviews with choir members. Local stage plays are taped and rebroadcast for resident viewing. Square dancing and instruction, including instructors' and participants' interviews, bring to life the culture alive and well in Sterling Heights.

"Sterlingfest" and the accompanying "Sterlingfeast" food festival, held in Dodge Park in August, brings thousands of area residents together. This festive and family-friendly atmosphere is conducive to good times and learning, all wrapped up into one package.

The annual "Memorial Day Ceremony & Parade" honors those men and women who gave their lives for our American freedom. The Cultural Commission sponsors this event as well as Best Float and Band awards for those groups who best show their creativity during the parade event.

The Cultural Commission continues to celebrate its ongoing project, "Sterling Scapes". This program brings together the works of several renowned sculptors and showcases them on the civic center grounds while enhancing the City's appreciation of public sculpture.

The 12 members of the Cultural Commission are appointed by the City Council and serve without compensation. The Community Relations Director serves as the liaison.■

Did you know?…
…that the Cultural Commission has juried the third phase of "SterlingScapes"? The new outdoor sculptures will replace the current ones on the sculpture walk in the Spring of 2004.

Cultural Commission

SUMMARY OF BUDGET CHANGES

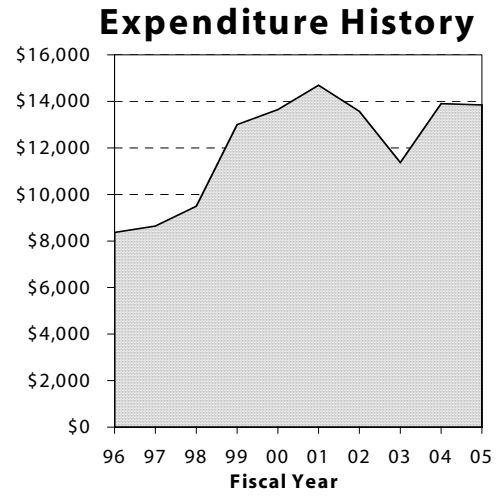
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies decreased $40 or 20.0%. Funding decreased $40, as fewer beautification plaques, trophies, and certificates are required next year.

Other Charges – Total Other Charges decreased $10 or 0.1%. The Detroit Institute of Arts' membership has been eliminated and existing membership costs have increased slightly, resulting in a net savings of $10. The budget for the Art Fair remains at $13,500 and is excluded from the cost of the Sterlingfest budget in Community Relations.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	337	200	160	160	160
Other Charges	11,042	13,700	13,740	13,690	13,690
Total	$11,378	$13,900	$13,900	$13,850	$13,850

General Employees Retirement Board

MISSION STATEMENT: ***To invest plan assets prudently while meeting or exceeding actuarial liabilities. To insure 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 make certain 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.

KEY GOALS

- ***To monitor investments and liabilities to insure 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.***

Assets in the fund as of December 31, 2003 total a market value of $96,688,198 while the City's contribution rate for the 2004/05 fiscal year is 0% of payroll. The fund is now 128.9% funded, which means that valuation assets exceed actuarial accrued liabilities by 28.9%.

The Board has established the following asset allocation guidelines:

Equities:	
Large cap	30%
Small cap	15%
International	15%
Fixed Income	30%
Hedge Fund-of-Funds	5%
Real Estate Investment Trust	5%
Cash	0%

There are currently 180 retirees receiving benefits from the fund and 301 active members of the system who pay from 3% to 5% of gross wages into the system. Retirement benefits vest after five or ten years of service depending on the participant's labor agreement. As of December 31, 2003, 194 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 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 Financial Services Manager serves as the Pension Administrator.■

Did you know?…
…that the Board of Trustees recently added two alternative investment categories (Hedge Fund-of-Funds and Real Estate Investment Trusts) to the asset allocation to improve earnings while reducing the overall investment risk of the portfolio?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

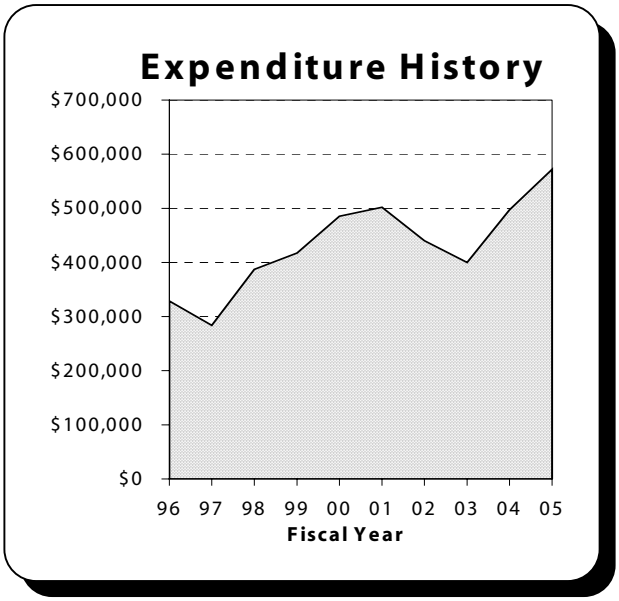
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies decreased $10 or 1.9%. Funding decreased $10 for the purchase of operating supplies as prior year budgeted funds were never fully spent.

Other Charges – Total Other Charges increased $74,670 or 15.0%. Funding increased $75,000 as the money manager fees for the City's pension investments have increased due to a higher market value of the portfolio. Since fees paid to the money managers are variable based on assets under management, total costs have increased with the recent increase in the value of the portfolio. A decrease of $330 was made for legal services provided to the board based on the current year's billings.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	799	530	530	520	520
Other Charges	398,942	496,730	511,430	571,400	571,400
Total	$399,742	$497,260	$511,960	$571,920	$571,920

General Expenditures

MISSION STATEMENT: ***To budget and account for general expenditures which the City has chosen not to assign to specific users within the City due to their subjective 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. An example would be the payment of City Hall utilities. Rather than allocate the utilities' expenditures over the many activities in the City Hall complex, 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.

KEY GOALS

- ***To provide a means of accounting for certain unallocable City-wide 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, weed cutting, and the quarterly City newsletter.***
- ***To provide a means of budgeting and accounting for City-wide liability insurance coverage.***

Additional examples of these types of expenditures include postage for City newsletters 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 audit, and contracted services for potential studies and surveys are included in this activity. City street lighting, all liability and property insurance for the City, refunds on tribunal adjustments and City memberships and dues are other items of interest found under this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, City Council must approve them prior to the adjustment being made. This budgetary center is rarely involved with any formal budget amendment of any kind.■

Did you know?…
…that the City administrators agreed to waive their annual physical exam contract benefit for the 2003/04 fiscal year saving approximately $19,500 in this activity?

General Expenditures

SUMMARY OF BUDGET CHANGES

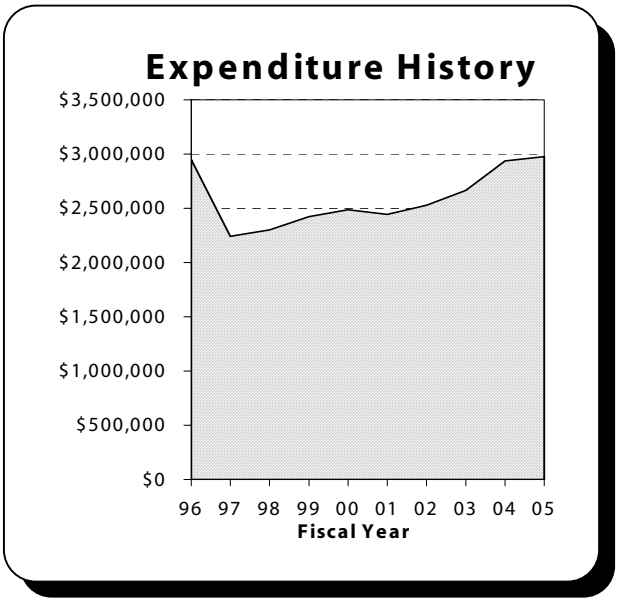
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The Personnel budget increased by $19,470 or 27.7%. The cost of retiree dental increased $15,270 due to an additional number of Police & Fire retirees. Unemployment compensation costs rose $4,100.

Supplies – Total Supplies decreased $21,050 or 23.4%. Funding for postage increased $7,810 for mailing the newly expanded City magazine. $28,860 was eliminated due to the one-time purchase of City directory magnets and mouse pads in the prior year. In addition, supply costs were higher in the prior year due to the emergency blackout purchases.

Other Charges – Total Other Charges increased $33,230 or 1.2%. Funding increased $252,500 for a two-year refund of Ford's possible overpayment of prior years' personal property taxes. Liability insurance increased $33,000 or 3.0%. $25,000 was added for the increased cost of printing the City's magazine. $16,500 was added for physical exams for employee groups after a one-year letter of understanding deleting this item has now expired. Contracted service costs decreased $130,370 due to the one-time cost of updating the Master Land Use and Park Conceptual Plans. The budget decreased $115,000 for Sterlingfest and $25,000 for Michigan Week, as reduced funding for these events is now budgeted in Community Relations. The City will save $7,190 due to the elimination of the City's membership to the National League of Cities (NLC). $6,000 will be saved as the employees' annual Christmas luncheon is not funded.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Contracted service costs declined by $5,000 as the City's membership to the ICMA's Center for Performance Measurements was eliminated. Increased funding of $5,000 was included for the employees' annual Christmas luncheon.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$75,702	$70,230	$86,170	$89,700	$89,700
Supplies	52,786	90,050	145,000	69,000	69,000
Other Charges	2,536,852	2,776,060	2,649,060	2,809,290	2,809,290
Total	$2,665,340	$2,936,340	$2,880,230	$2,967,990	$2,967,990

Historical Commission

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 heritage of this community; 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; to provide opportunities for residents to share and shape their historical legacy.

Through membership in the American Association of State and Local History, the Michigan Historic Preservation Network, 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 tries to keep informed of state and federal legislation, as well as to identify sources of funding such as grants and endowments.

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.***
- ***To promote cooperation and resource sharing with local, state, and national preservation organizations.***

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. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835. The Commission, in partnership with the Friends of the Library, also produced a book on local history entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*.

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 Public Library Director is the staff liaison, relating the activities of the Commission to City Administration.■

Did you know?…
…that three Civil War veterans are buried in Edgerton Cemetery?

Historical Commission

2004/05 PERFORMANCE OBJECTIVES

1. To sponsor two themed exhibits of historic value in the Upton House for public viewing.

2. To collect historic photographs and items for both temporary and permanent displays in the Upton House and Library.

3. To annually sponsor one program on local history or preservation issues.

4. To include a local history article in each of the City's quarterly magazines.

5. To develop an action plan to preserve and maintain Edgerton Cemetery.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Meetings Held	10	8	6	6	4	4
	Local History Exhibits and Displays	1	3	3	2	2	2
	Programs/Lectures on Local History Topics	2	2	1	2	2	2
	Professional Memberships	3	4	4	4	3	3
	Historic Photographs and Memorabilia Collected	56	66	18	20	50	50
	Program/Exhibit Attendance	360	1,700	1,870	1,000	1,500	1,500

Historical Commission

SUMMARY OF BUDGET CHANGES

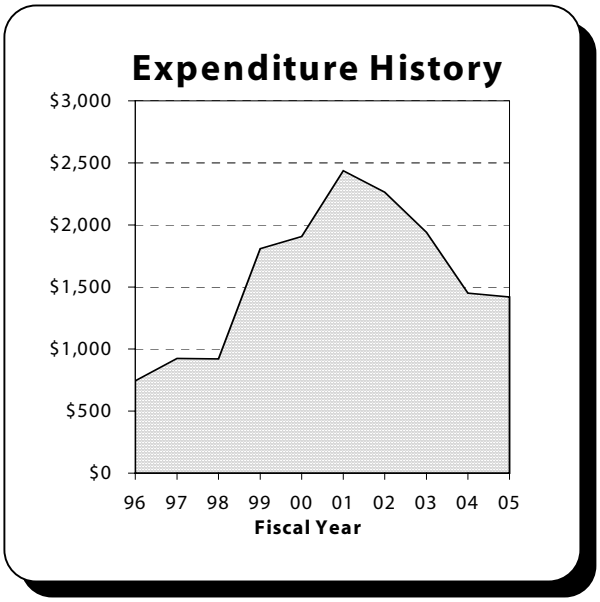
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies increased $200. Funding for operating supplies increased $200 due to the one-time transfer of funds in the prior year for the archiving of donated local historic photos.

Other Charges – Total Other Charges decreased $230 or 16.4%. The budget was reduced by $200 due to the one-time contractual fee to archive donated local historic photos in the prior year. A decrease of $30 was made for miscellaneous expenses as prior year budgeted funds were not fully spent.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

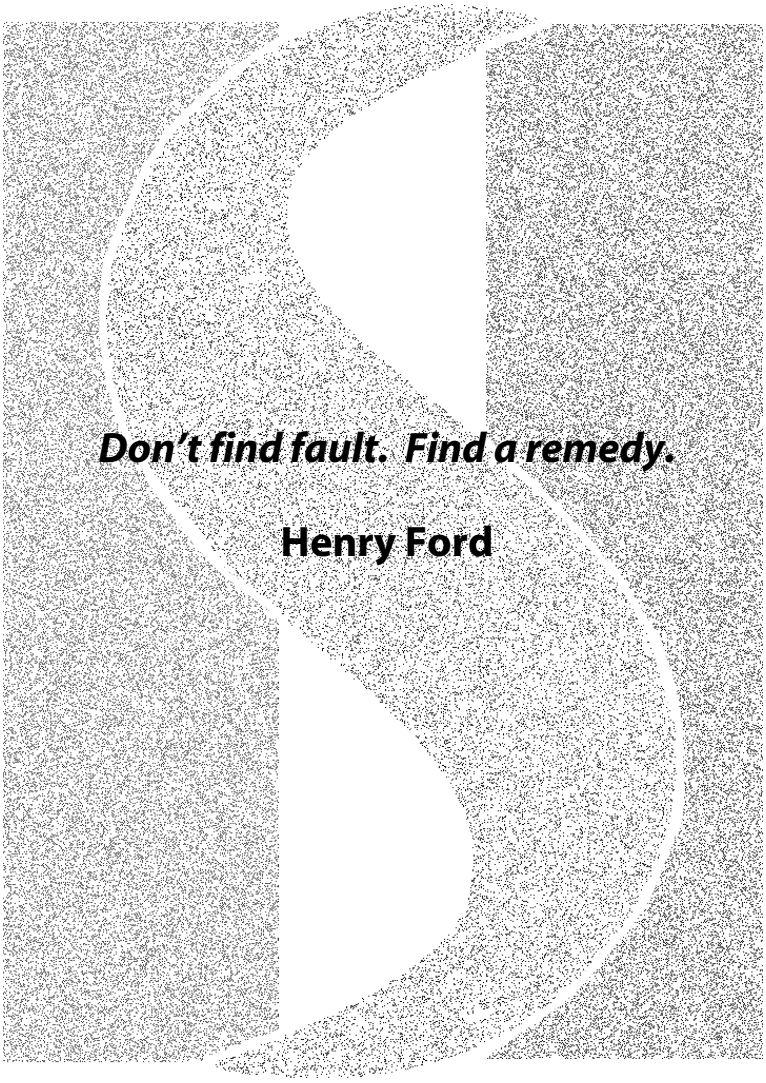
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	837	50	120	250	250
Other Charges	1,104	1,400	1,330	1,170	1,170
Total	$1,941	$1,450	$1,450	$1,420	$1,420


Don't find fault. Find a remedy.
Henry Ford

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.

KEY GOALS

- ***To provide legal services in an efficient, competent and cost effective basis.***
- ***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 advise and counsel regarding developing state and federal legislation, as well as recent court decisions.***

The City Attorney prepares and reviews all ordinances, contracts, bonds, and other written instruments that are submitted to him 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, and fees paid to visiting judges.■

Did you know?…
…that Jeffrey A. Bahorski was appointed as City Attorney effective January 20, 2004?

Legal

2004/05 PERFORMANCE OBJECTIVES

1. To have an attorney available 24 hours a day.
2. To provide the necessary support to diligently prosecute all ordinance violations as determined by the schedule of the 41-A District Court.
3. To provide the necessary support for the handling of all civil litigation involving the City in state and federal courts and administrative agencies.
4. To render legal opinions, to prepare and review contracts and to prepare ordinances within the agreed time limit.
5. To keep the City Council and Administration apprised as to recent developments in municipal law.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	District Court Cases	8,081	7,276	5,433	7,400	7,300	7,400
	Legal Opinions Rendered	11	4	3	10	6	10
	Ordinances and Amendments Prepared	25	37	18	30	30	30
	Commission Meetings Attended	46	67	54	60	60	60
	Council Meetings Attended	28	31	27	30	30	30
	Number of Open Lawsuits	15	12	18	15	15	15
	Number of Closed Lawsuits	15	21	12	15	15	15
	Numbers of Files Opened	83	88	67	115	90	115
	Number of Files Closed	111	105	60	100	100	100
	Legislative Issues Reviewed	107	104	70	100	100	100
	Hours Spent on City Business	9,030	10,675	7,994	9,000	8,000	9,000
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	95%	95%	98%	98%	98%	98%
	Activity Expenditures as % of General Fund	1.05%	1.03%	0.93%	0.98%	0.88%	0.88%

Legal

SUMMARY OF BUDGET CHANGES

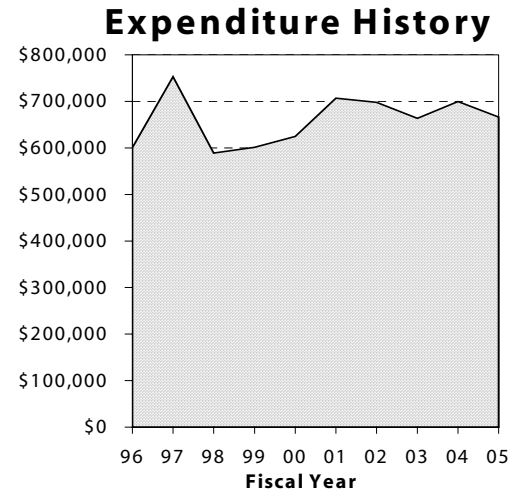
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges decreased $33,690 or 4.8%. A decrease of $35,000 was made in City Attorney legal funding based on the prior years' actual expenditure levels and the continuance of a trend of fewer lawsuits. No hourly rate increase is proposed. $1,190 in membership costs was eliminated, as the City Attorney's office will directly pay the fee to the International Municipal Lawyers Association (IMLA). Funding increased $2,500 for court-appointed attorneys and public defender costs based on recent years' expenditure level trends.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

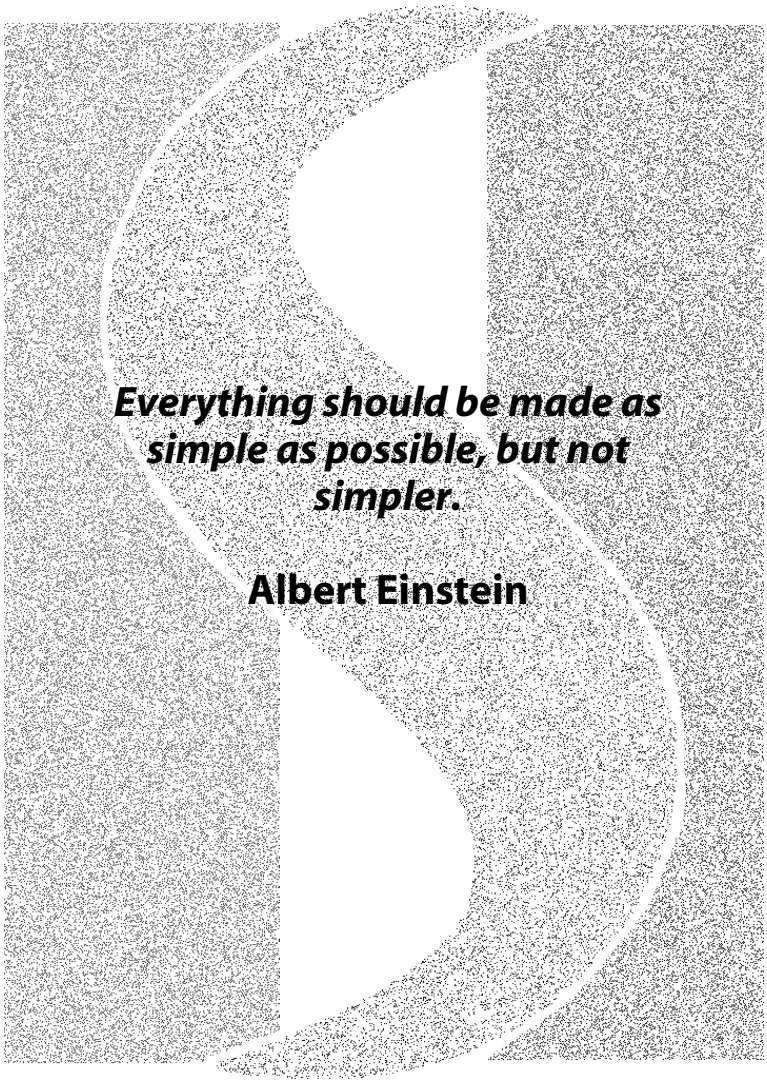
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	663,462	699,690	627,160	666,000	666,000
Total	$663,462	$699,690	$627,160	$666,000	$666,000


Everything should be made as simple as possible, but not simpler.
Albert Einstein

Planning Commission

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. 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 for public structures and improvements.

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 health, safety, and welfare.***
- ***To prepare and implement subdivision regulations related to the subdividing or platting of land.***
- ***To approve a capital improvement program of new or reconditioned public structures and improvements including proposed methods of financing.***
- ***To provide technical review and recommendations on rezonings, site plans, special approval land uses, temporary uses, special development options, and subdivision plats.***

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 their budgeted expenditures is related to the recording services for the meetings; the publishing of notices or minutes; education and training; or other related matters.

The current Master Land Use Plan was developed and adopted by the Planning Commission in July, 1987 with amendments made in February, 1989; January, 1993; and April, 1995. A comprehensive Master Land Use Plan update is scheduled for adoption in late 2004.■

Did you know?…
…that the Planning Commission is currently updating the City's Master Land Use Plan, which will guide land development and use for at least the next ten years?

Planning Commission

SUMMARY OF BUDGET CHANGES

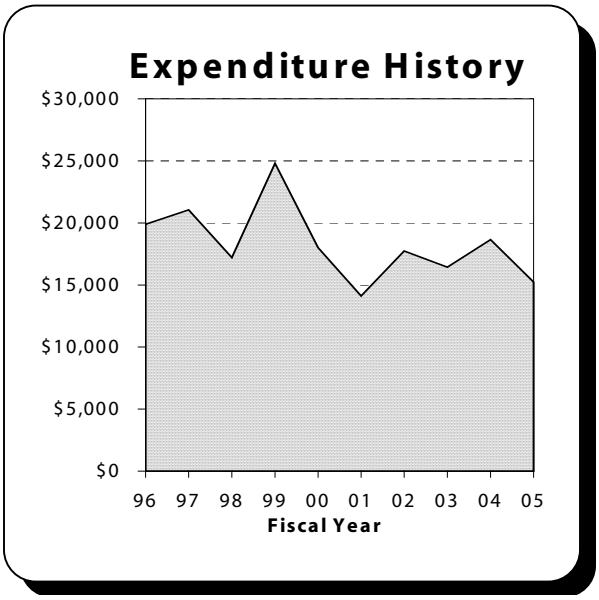
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget decreased by $2,150 or 33.2%. The number of Planning Commission meetings held has been reduced to only one per month resulting in a $2,000 savings to the Wages – Elected & Appointed account. Both FICA and worker's compensation are paid on appointed and elected officials' wages.

Supplies – Total Supplies decreased $450 or 30.8%. Postage and operating supply costs have been reduced by $300 and $150 respectively, as prior year funds were not fully spent.

Other Charges – Total Other Charges decreased $830 or 7.7%. Funding for reporting services to transcribe meeting minutes decreased $730 as a result of fewer monthly meetings. $100 was saved in education and training costs.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$5,846	$6,470	$4,470	$4,320	$4,320
Supplies	623	1,460	710	1,010	1,010
Other Charges	9,967	10,740	9,800	9,910	9,910
Total	$16,437	$18,670	$14,980	$15,240	$15,240

Telecommunications Commission

MISSION STATEMENT: ***To oversee the enforcement of the City's various franchise cable agreements and all aspects of telecommunication technology being utilized within the City of Sterling Heights.***

The Telecommunications Commission plays an important role in the national communications revolution. As witnessed by its name change from the Cable Communications Commission to Telecommunications Commission, this group is keeps informed of changing technology in communications services within the City of Sterling Heights on behalf of all residents.

It acts to promote and encourage adequate, economical, efficient and technologically advanced telecommunications forms including, but not limited to: cable television, cable modems, phone service, and cellular towers in the City.

KEY GOALS

- ***To oversee the transition of technology on behalf of all Sterling Heights cable television subscribers.***
- ***To oversee and define the community programming role of the government and library access channels operated by the Community & Information Services Department.***
- ***To oversee the expanding use of new telecommunications technology as it relates to residential and business use within the City of Sterling Heights.***
- ***To monitor Comcast Cablevision and Wide Open West to ensure compliance with existing franchise agreements.***

The Commission also works to promote and encourage harmony between the cable companies and their subscribers by furnishing cable system services to the residents without unjust discrimination, undue preferences or advantages.

The Commission acts to create and regulate guidelines for the use of government and library access programming.

The Telecommunications Commission, in its role as a regulatory body, does not respond to questions or complaints raised regarding cable services. Its function is not to act as an intermediary between residents and cable television providers; however, the Commission does monitor the activities of cable service as they pertain to ordinance compliance. Any questions, concerns, or complaints are forwarded to the Community & Information Services Department for action or referral to the affected cable provider.

The Telecommunications Commission includes five members appointed by the City Council, who serve without compensation and meet quarterly. The Telecommunications Commission was established (as the Cable Communications Commission) in 1984 and has operated uninterrupted since that time. The name of the commission was changed to the "Telecommunications Commission" in 1996 to better reflect the scope of its responsibility in the midst of the electronic revolution.

The Community Relations Director is the administrative staff liaison ensuring that all activities of the Commission are within the City's requirements including budgetary constraints as well as policy and procedure issues.■

Did you know?…
…that the Telecommunications Commission is reviewing guidelines for the possibility of SHTV seeking sponsors for various cable programs?

Telecommunications Commission

SUMMARY OF BUDGET CHANGES

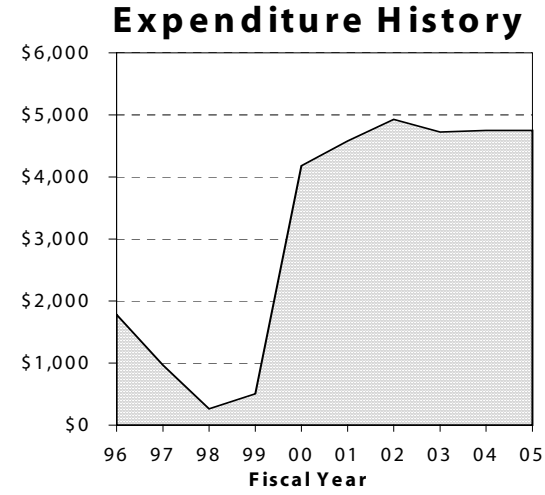
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges is proposed to remain the same at $4,750. There are no proposed changes within the Other Charges accounts. The City continues to pay the monthly $75 cable bill for each of the five members of the Telecommunications Commission, which totals $4,500 annually.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	(16)	0	0	0	0
Other Charges	4,740	4,750	4,750	4,750	4,750
Total	$4,724	$4,750	$4,750	$4,750	$4,750

Transfers Out

MISSION STATEMENT: ***To provide a means of tracing the transfer of monies from one fund to another, to facilitate the accountability of revenues and expenditures.***

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.

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.***

This fiscal year, four transfers are budgeted from the General Fund totaling $2,357,630. They include a transfer to the Capital Projects Fund, the Building Authority Receiving Fund, the Major Road Fund and the Local Road Fund.

The $943,980 Transfer Out to the Capital Projects Fund will be used to help fund the budgeted equipment, vehicles, Information Technology Capital items, and projects. The projects include miscellaneous sidewalk repair, City Hall parking lot repairs, completion of the Regional Bike/Hike Path on the south side of Utica Road between the Edison corridor and the Senior Center, and replacement kitchen cabinets and countertops at Fire Stations #4 and #5.

The $640,650 General Fund transfer to the Building Authority Receiving Fund will be used for the debt payments for the Judicial Services Center and the City Center Commons project.

The $500,000 General Fund transfer to the Major Road Fund is for additional advance funding of future road projects, to help replenish declining reserves and to pay for future debt payments for the 18½ Mile Road Connector project.

The $273,000 General Fund transfer to the Local Road Fund is to help finance the Neighborhood Road Repair & Replacement Program.

The policy on General Fund transfers is to keep such transfers to a minimum. Financial support provided by the General Fund to other City funds may be required when improvements and additions made to General Fund facilities are prohibited, by accounting practices, from being expensed out of the General Fund.■

Did you know?…
…that the monies for the equipment and vehicles for the General Fund office's are transferred out and accounted for in the Capital Projects Fund?

Transfers Out

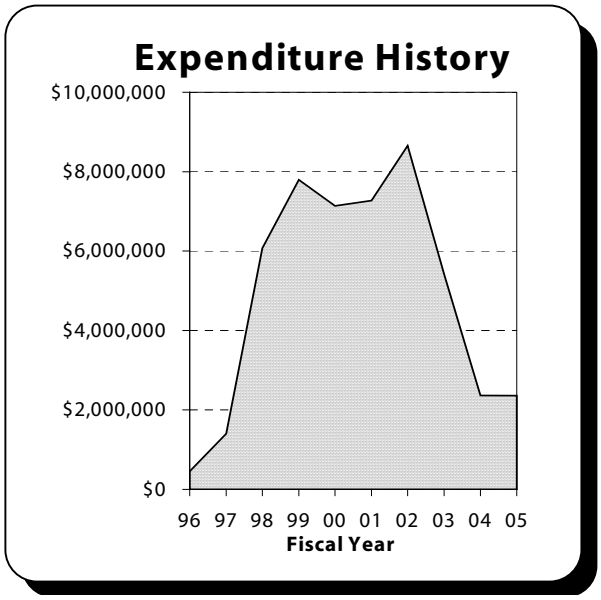
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Other Charges – There is no Other Charges budget for this activity.

Transfers Out – Transfers Out to other City funds totals $2,357,630. Transfers to the Major Road Fund totals $500,000 to help replenish declining reserves, for additional funding of future road projects, and to pay for future debt payments for the 18½ Mile Road connector project. Transfers to the Local Road Fund totals $273,000 to help fund the Neighborhood Road Repair and Replacement Program. Transfers to the Capital Projects Fund totals $943,980 for the funding of equipment, vehicles, information technology capital items, and capital projects. ***A listing of all proposed equipment, vehicles, and projects can be found on the Capital schedules in the Capital Projects section of this budget document.*** Transfers to the Building Authority Receiving Fund totals $640,650. This transfer will fund the principal and interest payments on the Judicial Services Center and the City Center Commons bonds.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	0	0	0
Transfers Out	5,414,890	2,365,670	2,365,670	2,357,630	2,357,630
Total	$5,414,890	$2,365,670	$2,365,670	$2,357,630	$2,357,630

Zoning Board of Appeals

MISSION STATEMENT: ***To hear and act upon appeals on various zoning matters related to the development and use of land in the City and 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 207 of the Public Acts of 1921, 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.

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 it that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.***

The Zoning Board of Appeals enjoys all the powers granted to it by both State law and Ordinance No. 278, which includes some 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 their budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; or 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 is commenced by filing a notice of appeal accompanied by an application fee. The 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?…
…that in its 1926 landmark decision in Euclid v. Ambler Realty Company, the Supreme Court upheld the constitutionality of zoning?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

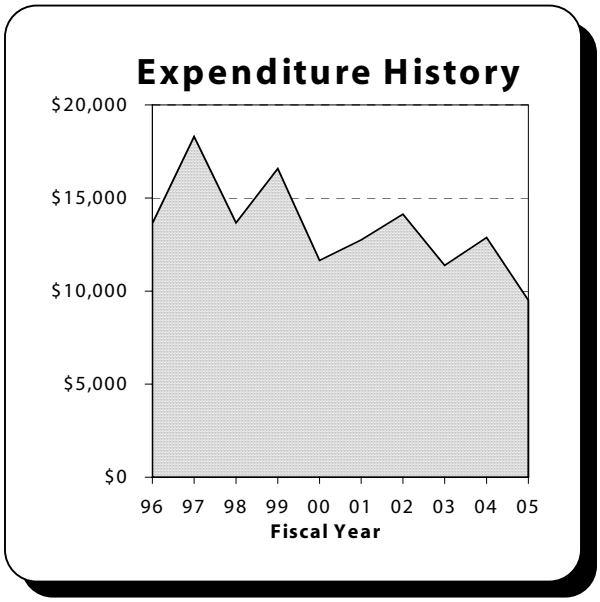
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel Services budget decreased by $1,380 or 33.7% from last year's budget. The number of Zoning Board of Appeals meetings has been reduced to one per month resulting in a $1,280 wage savings. Both FICA and worker's compensation are paid on elected and appointed officials' wages.

Supplies – Totals Supplies decreased $50 or 4.0%. The budget was reduced $50, as fewer audiotapes and meeting minute books are needed.

Other Charges – Total Other Charges decreased $1,930 or 25.7%. Funding for reporting services decreased $2,630 as there are fewer scheduled Zoning Board of Appeals meetings. Educational funding increased $700 to bring the budget back to an expected expenditure level after a necessary one-time budget adjustment in the prior year. A new Commissioner is scheduled to attend a required training workshop in the 2004/05 fiscal year.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

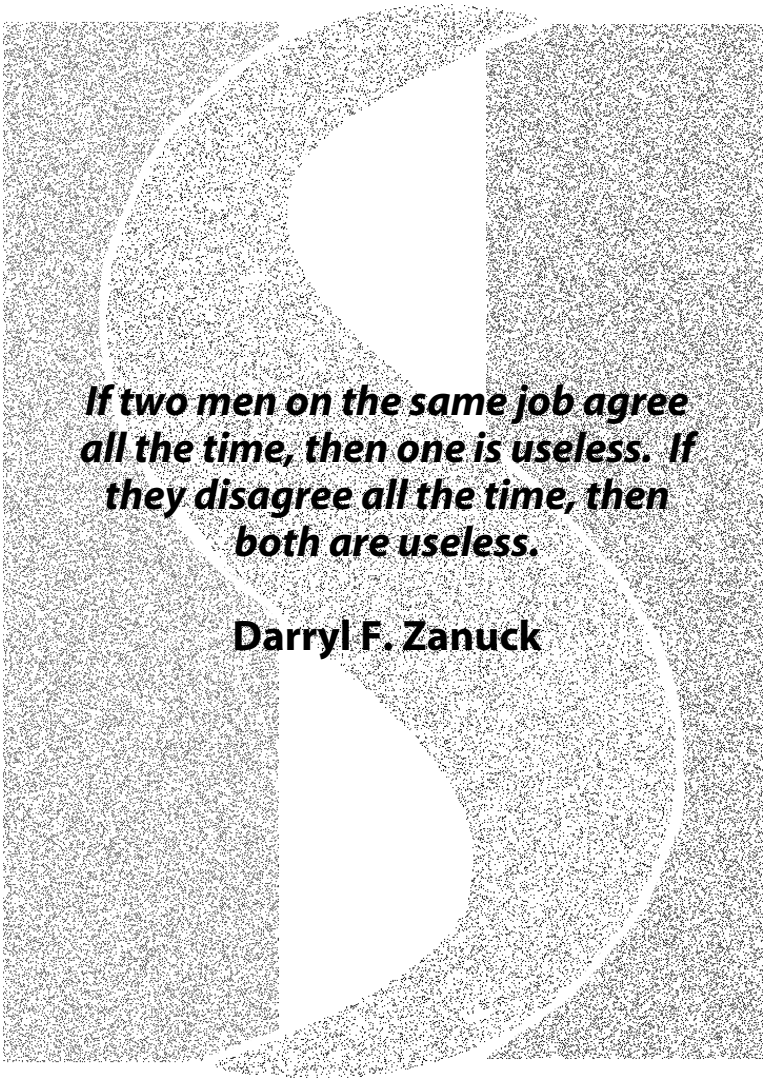
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$3,747	$4,100	$3,450	$2,720	$2,720
Supplies	1,039	1,260	1,260	1,210	1,210
Other Charges	6,599	7,510	4,860	5,580	5,580
Total	$11,385	$12,870	$9,570	$9,510	$9,510


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

Water & Sewer Fund

The Water & Sewer Fund is the city's one Enterprise Fund and accounts for the operation of a combined water supply and sewage disposal system. The Enterprise Fund was established to account for all operations that are financed and operated in a manner similar to private business. The intent of the governing body is to finance the cost of providing services to the general public on a continuing basis through user charges.

Three activities comprise the Water & Sewer Fund services. Water & Sewer Administration, Sewage Collection and Water Distribution are responsible for all services provided through the Enterprise Fund.

Water & Sewer Fund

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. This fund 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 the fund's 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 that the fund will remain financially sound.

Due to a surplus in the Water & Sewer System, the City was able to absorb the rate increases from Detroit until 1992/93 when it became clear that the diminishing returns on investments were an unreliable source of revenue to fully offset the higher costs of doing business.

In 1992/93, the City raised its water and sewage rates to its customers by 7% and 5%, respectively, as a direct result of an increase from Detroit.

In 1994, Detroit's water and sewage rates increased 8.6% and 3.8%, respectively. As a result, City Council approved a 3% water and sewer rate increase.

In the 1995/96 fiscal year, Detroit again increased its rates by 1.2% for water and 3.3% for sewage. These increases were directly passed on to our customers.

In 1996/97, Detroit's rates rose 4.7% for water and 8.0% for sewage. In return, Sterling Heights' rates only increased by 3%.

In 1997/98, Detroit increased its water and sewage rates by 3.7% and 1.4%, respectively. Also, Macomb County increased its administrative rate from 6¢ to 8¢ per mcf. Sterling Heights passed along these same increases to its customers.

In 1998/99, Detroit increased its water and sewage rates by 7.2% and 4.1%, respectively. Macomb County increased its administrative charge from 8¢ to 10¢ per mcf. Sterling Heights passed along only a 3% increase. The third tier sewer rate rose 6.5% to fully cover our sewage cost from Detroit. Also, the City increased the summer discount from a maximum of $15 to $25.

In 1999/00, Detroit raised its water and sewage rates 5.1% and 1.9%, respectively. Sterling Heights passed along only a 3% increase, with the exception of the sewage rate on the third tier, which increased 4.4%.

In 2000/01, Detroit raised its water rate 5.4%. The City passed along only a 4.7% increase. Detroit decreased its sewage rate 6.6%. However, this was offset by a yearly fixed direct charge for treating inflow and infiltration. The City passed along a 4.9% sewage rate increase to its customers.

In 2001/02, Detroit raised its water and sewage rates 10.5% and 0.8%, respectively. The fixed direct charge increased by 48.4%. Detroit also completed the replacement of their sewage meters, resulting in a 6.3% increase in volumes. Sterling Heights passed along an 8.9% water rate increase and a 9.9% sewage rate increase to its customers.

In 2002/03, Detroit raised its water and sewage rates by 14.2%. The City only passed along a 9.9% rate increase to its customers. A slight adjustment occurred in the third pricing tier.

In 2003/04, Detroit increased its water and sewage rates 5.0% and 8.6% respectively. The fixed direct charge decreased slightly due to lower sewage volumes, as Detroit has been dye testing their new meters and adjusting volumes downward. Sterling Heights passed along a 4.9% water rate increase and a 6.9% sewage rate increase to its customers. The City also implemented a single-tier rate structure.

In 2004/05, Detroit increased its water rate 16.5% as a new computerized meter reading system is being used to accurately obtain the maximum day and peak hour usage of water. In addition, the City will be billed a 6.9% one-time water true-up cost for the previous year's new meter data. Detroit also increased its sewage rate 4.4%. As a result, Sterling Heights is passing along an 11.9% water and sewage rate increase to its customers. The fixed direct charge slightly decreased due to the City's declining percentage of total flow compared to other communities in the district.■

Did you know?…
…that a 2003 study concluded that Sterling Heights has the lowest combined residential water and sewer rates in the State for communities greater than 25,000 residents?

WATER & SEWER SYSTEM
OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
REVENUES						
Water & Sewer Service	$15,720,110	$18,452,950	$19,539,200	$18,558,150	$21,009,440	**$21,009,440**
Penalties & Interest	107,610	460,720	110,000	200,000	160,000	**160,000**
Hydrant Rental	157,500	164,070	165,830	165,830	169,900	**169,900**
Building Rental	1,200	1,200	1,200	1,200	1,200	**1,200**
Interfund Service	393,350	285,030	413,000	378,000	387,000	**387,000**
Tap and Meter Revenue	743,200	560,230	689,000	768,000	671,330	**671,330**
Repair and Service	19,960	34,070	17,000	20,000	20,000	**20,000**
Inspection Fees	28,870	26,150	30,000	25,000	28,000	**28,000**
Turn-On Charge	3,730	2,150	2,720	1,000	2,000	**2,000**
Ind./Pollution Surcharge	417,330	521,970	400,000	540,000	550,000	**550,000**
Miscellaneous	4,280	39,880	7,500	31,000	10,000	**10,000**
Interest on Investments	748,340	899,200	750,000	600,000	620,000	**620,000**
Total Revenues	**$18,345,480**	**$21,447,620**	**$22,125,450**	**$21,288,180**	**$23,628,870**	**$23,628,870**
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	$602,650	$614,510	$626,890	$637,260	$690,340	**$690,340**
Supplies	9,070	9,990	9,250	11,800	10,300	**10,300**
Other Charges	5,125,650	5,002,130	1,526,640	1,554,000	1,649,390	**1,649,390**
Capital Outlay	0	0	325,000	223,700	0	**0**
Total Expenses	**5,737,370**	**5,626,630**	**2,487,780**	**2,426,760**	**2,350,030**	**2,350,030**
WATER DISTRIBUTION						
Personnel Services	793,990	861,750	887,760	910,150	987,960	**987,960**
Supplies	276,670	297,250	269,000	300,000	279,000	**279,000**
Other Charges	6,260,720	7,175,730	7,538,350	7,507,610	9,265,350	**9,265,350**
Capital Outlay	0	0	31,900	58,740	18,500	**18,500**
Total Expenses	**7,331,380**	**8,334,730**	**8,727,010**	**8,776,500**	**10,550,810**	**10,550,810**
SEWAGE COLLECTION						
Personnel Services	852,720	908,940	971,780	992,060	1,068,060	**1,068,060**
Supplies	24,570	39,040	28,500	31,500	30,500	**30,500**
Other Charges	9,023,780	8,319,620	10,032,730	10,141,390	10,019,820	**10,019,820**
Capital Outlay	0	0	152,650	445,080	105,500	**105,500**
Total Expenses	**9,901,070**	**9,267,600**	**11,185,660**	**11,610,030**	**11,223,880**	**11,223,880**
Total Operating Expenses	**$22,969,820**	**$23,228,960**	**$22,400,450**	**$22,813,290**	**$24,124,720**	**$24,124,720**

Note: Interest on Investments is restated to include both Water & Sewer Operating & Receiving Funds. Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue, Penalties & Interest on Special Assessments, and Capital and Frontage charges.

Water & Sewer Fund Revenues

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, schools, 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 2004/05 Budget, Charges for Services revenue represents 96.86% of total revenue sources, an increase of $1,635,920.

The 2004/05 Budget recommends an 11.9% increase on water and sewage rates charged to our resident and corporate customers. This increase is primarily due to the City of Detroit's water rate increase, as Detroit's water rates are now calculated using a new computerized meter reading system that accurately obtains the maximum day and peak hour usage of water. In addition, a one-time water true-up cost from the previous year will be billed to the City as a result of the new meter data. The average residential customer will still pay less than $30 per month for water and sewer services despite these rate increases.

In 2003/04, the City changed its rate system from a three-tier rate to a single-tier rate structure. Residents use less water in the lower priced tiers and therefore were paying more than businesses. By changing to a single-tier rate structure, businesses no longer enjoy a cost advantage over residents. It allows for more rate equity and fairness and better promotes water conservation. It also allows the City to better recover its costs from the systems larger users, thereby helping to keep our residential rates low.

The average residential customer will still pay less than $30 per month for water & sewer services.

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 and Rental Income.

In the 2004/05 Budget, Other Revenues represents 3.14% of total revenue sources, a decrease of $132,500 or 15.2% below the 2003/04 Budget. This decrease is mostly due to a decrease in Interest on Investment revenues.

In the 2004/05 Budget, Other Revenues represents 3.14% of total revenue sources, a decrease of $132,500 or 15.2% below the 2003/04 Budget.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2004/05 Budget, expenditures exceed revenues by $495,850. A draw down of funds is planned to pay the City of Detroit for a one-time water true-up cost from the previous year, as a result of new meter data. 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	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	13,702	0.06	23,000	0.10	**23,000**	**0.10**
627531	Administrative Services - Refuse	72,000	0.34	80,000	0.36	**84,000**	**0.36**
629001	Labor Services - Roads	42,365	0.20	90,000	0.41	**80,000**	**0.34**
629002	Labor Services Cross Charges	31,878	0.15	45,000	0.20	**35,000**	**0.15**
633001	Water Tap Fees	217,030	1.01	300,000	1.36	**275,000**	**1.16**
633002	Sewer Tap Fees	17,880	0.08	20,000	0.09	**20,000**	**0.08**
633003	Meter Charges	325,324	1.52	369,000	1.67	**376,330**	**1.59**
633004	Inspection	26,152	0.12	30,000	0.14	**28,000**	**0.12**
633005	Water & Sewer Services	34,065	0.16	17,000	0.08	**20,000**	**0.08**
633006	Hydrant Rental - Fire Department	164,070	0.76	165,830	0.75	**169,900**	**0.72**
633009	Turn-On Charge	2,155	0.01	2,720	0.01	**2,000**	**0.01**
634001	Materials/Supplies Cross Charges	37,771	0.18	60,000	0.27	**55,000**	**0.23**
643000	Water Services	8,293,920	38.67	8,754,800	39.57	**9,447,680**	**39.98**
644000	Collections - Sewer	10,159,027	47.37	10,784,400	48.74	**11,561,760**	**48.93**
645000	Penalties - Water & Sewer	460,723	2.15	110,000	0.50	**160,000**	**0.68**
646000	Industrial & Pollution Surcharge	521,968	2.43	400,000	1.81	**550,000**	**2.33**
	Total Charges for Services	**20,420,030**	**95.21**	**21,251,750**	**96.05**	**22,887,670**	**96.86**
	OTHER REVENUE						
665000	Interest on Investments	899,197	4.19	750,000	3.39	**620,000**	**2.62**
667006	Building Rental - Garage	1,200	0.01	1,200	0.01	**1,200**	**0.01**
669001	Rental - Road Equipment	51,495	0.24	75,000	0.34	**70,000**	**0.30**
669002	Rental/Equipment Cross Charges	35,822	0.17	40,000	0.18	**40,000**	**0.17**
685000	Miscellaneous Revenue	39,879	0.19	7,500	0.03	**10,000**	**0.04**
	Total Other Revenue	**1,027,593**	**4.79**	**873,700**	**3.95**	**741,200**	**3.14**
	Total Water & Sewer Fund	**$21,447,623**	**100.00**	**$22,125,450**	**100.00**	**$23,628,870**	**100.00**

Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

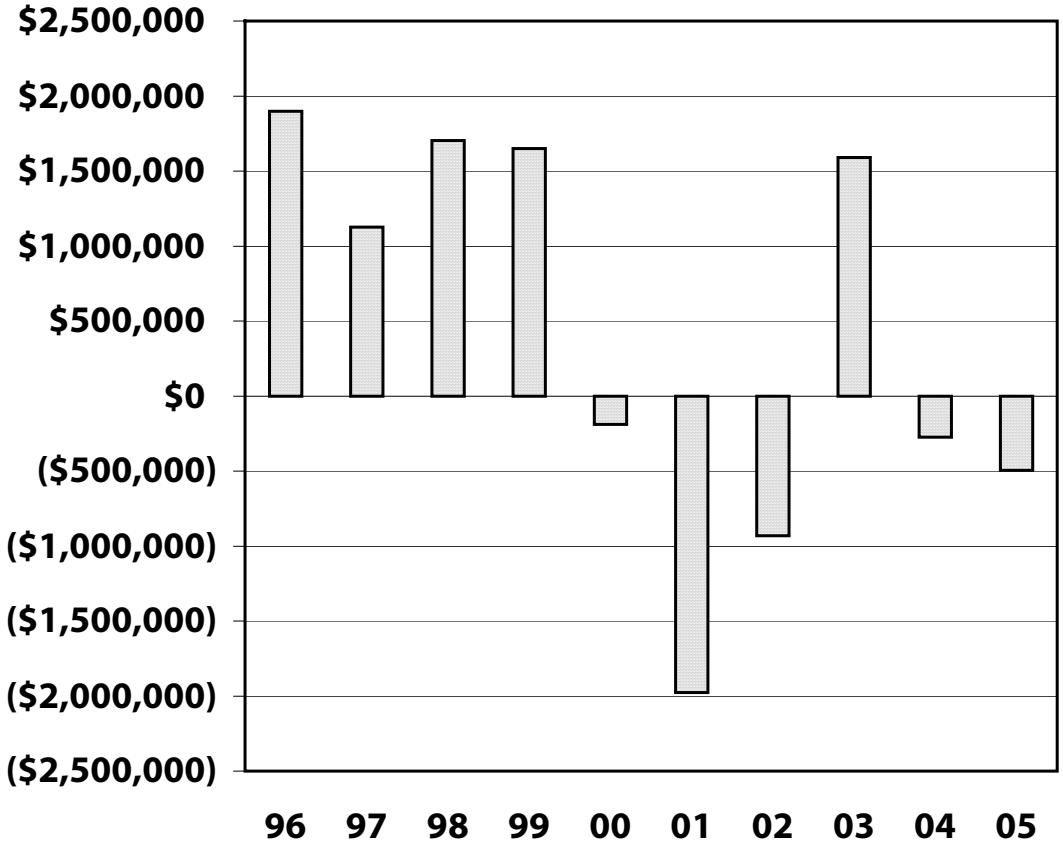
Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	PERSONNEL SERVICES						
704000	Wages & Salaries - Permanent	$1,525,569	6.57	$1,602,800	7.16	**$1,692,290**	**7.01**
704001	Sick Time Buy Back	0	0.00	600	0.00	**600**	**0.00**
705000	Wages-Salaries - Temp/Part-Time	66,184	0.28	46,200	0.21	**46,200**	**0.19**
708000	Overtime	162,139	0.70	102,000	0.46	**135,000**	**0.56**
708001	Compensation Time Buy Back	8,218	0.04	7,500	0.03	**8,500**	**0.04**
709000	Union Contract Reimbursements	9,701	0.04	24,450	0.11	**24,150**	**0.10**
710000	Longevity	57,514	0.25	75,800	0.34	**86,160**	**0.36**
715000	Clothing Allowance	9,236	0.04	8,300	0.04	**9,100**	**0.04**
717000	FICA	136,879	0.59	139,130	0.62	**150,400**	**0.62**
718000	Worker's Compensation	15,467	0.07	13,280	0.06	**14,070**	**0.06**
721000	Hospitalization	259,565	1.12	318,440	1.42	**332,590**	**1.38**
721001	Hospitalization - Retirees	89,400	0.38	93,910	0.42	**192,250**	**0.80**
722000	Dental Insurance	24,770	0.11	28,350	0.13	**25,460**	**0.11**
723000	Life Insurance	4,464	0.02	5,430	0.02	**5,710**	**0.02**
724000	Eye Care Insurance	498	0.00	4,390	0.02	**6,560**	**0.03**
725000	Disability Insurance - Long Term	4,937	0.02	5,370	0.02	**5,760**	**0.02**
725355	Disability Insurance - Short Term	10,655	0.05	10,480	0.05	**11,560**	**0.05**
	Total Personnel Services	**2,385,196**	**10.27**	**2,486,430**	**11.10**	**2,746,360**	**11.38**
	SUPPLIES						
729000	Postage	1,826	0.01	1,250	0.01	**1,800**	**0.01**
730000	Publications	31	0.00	0	0.00	**0**	**0.00**
750000	Fuels & Lubricants	36,085	0.16	31,000	0.14	**35,000**	**0.15**
751000	Operating Supplies	34,924	0.15	26,500	0.12	**27,000**	**0.11**
770000	Water Meters - Assembled	206,601	0.89	155,000	0.69	**170,000**	**0.70**
771000	Fire Hydrant Parts	2,938	0.01	10,000	0.04	**9,000**	**0.04**
772000	Tap-In Materials - Water	57,552	0.25	75,000	0.33	**70,000**	**0.29**
774000	Water Meter Parts	6,319	0.03	8,000	0.04	**7,000**	**0.03**
	Total Supplies	**346,276**	**1.49**	**306,750**	**1.37**	**319,800**	**1.33**
	OTHER CHARGES						
802000	Audit & Accounting Services	12,500	0.05	13,750	0.06	**13,750**	**0.06**
806000	Legal Services - Other	220	0.00	400	0.00	**300**	**0.00**
806001	Legal Services - City Attorney	3,906	0.02	3,300	0.01	**3,500**	**0.01**
807000	Medical Services	1,400	0.01	1,500	0.01	**1,500**	**0.01**
810000	Other Fees	18,678	0.08	19,700	0.09	**20,400**	**0.08**
823000	Hydrant Moves - Contractor	1,680	0.01	3,000	0.01	**2,500**	**0.01**
824000	Water Tap Installation - Contractor	122,862	0.53	175,000	0.78	**140,000**	**0.58**
826000	Other Contracted Services	36,569	0.16	3,000	0.01	**3,000**	**0.01**
827000	Interfund Services	985,242	4.24	1,091,830	4.87	**1,208,160**	**5.01**
832000	Building Maintenance	6,419	0.03	3,000	0.01	**3,000**	**0.01**
833000	Equipment Maintenance	31,003	0.13	46,100	0.21	**41,640**	**0.17**

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
835000	Vehicle Maintenance	125,938	0.54	122,000	0.54	**123,000**	**0.51**
840000	Water Main Repair	125,771	0.54	75,000	0.33	**130,000**	**0.54**
841000	Distribution Line Repair	119,848	0.52	115,000	0.51	**125,000**	**0.52**
842000	Sewer Main Repair	13,025	0.06	20,000	0.09	**15,000**	**0.06**
903000	Printing	1,372	0.01	1,050	0.00	**1,000**	**0.00**
913000	Liability Insurance	214,400	0.92	218,690	0.98	**225,250**	**0.93**
915000	Other Insurance	2,040	0.01	2,080	0.01	**2,140**	**0.01**
921000	Electric	18,036	0.08	12,000	0.05	**26,000**	**0.11**
922000	Telephone	5,747	0.02	4,500	0.02	**6,500**	**0.03**
923000	Gas - Fuel - Oil	8,735	0.04	5,500	0.02	**9,800**	**0.04**
931000	Water Purchased	6,807,546	29.31	7,172,400	32.02	**8,855,050**	**36.71**
932000	Sewage Disposal Services	7,883,837	33.94	9,649,310	43.08	**9,538,350**	**39.54**
934000	Industrial & Pollution Surcharge	258,285	1.11	192,000	0.86	**300,000**	**1.24**
945000	Other Rental	125,747	0.54	133,790	0.60	**126,820**	**0.53**
956000	Local Meetings	860	0.00	250	0.00	**250**	**0.00**
957000	Memberships & Dues	1,185	0.01	970	0.00	**1,000**	**0.00**
959000	Education & Training	4,536	0.02	2,600	0.01	**5,150**	**0.02**
964000	Refunds & Rebates	6,476	0.03	10,000	0.04	**6,500**	**0.03**
968000	Depreciation	3,553,620	15.30	0	0.00	**0**	**0.00**
	Total Other Charges	**20,497,483**	**88.24**	**19,097,720**	**85.26**	**20,934,560**	**86.78**
	CAPITAL OUTLAY						
979150	Financial System - Hardware	0	0.00	29,500	0.13	**0**	**0.00**
982000	Machinery & Equipment	0	0.00	380,350	1.70	**87,000**	**0.36**
984000	Vehicles	0	0.00	99,700	0.45	**37,000**	**0.15**
	Total Capital Outlay	**0**	**0.00**	**509,550**	**2.27**	**124,000**	**0.51**
	Total Water & Sewer Fund	**$23,228,955**	**100.00**	**$22,400,450**	**100.00**	**$24,124,720**	**100.00**

Note: The 2002-2003 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 our 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 costs.

DEPARTMENT AT A GLANCE

Water & Sewer Fund

BUDGET SUMMARY

The Water & Sewer Fund budget increased $1,724,270 or 7.7%. Personnel costs rose $259,930 or 10.5% due to higher wage and fringe benefit costs. Wages for full-time employees rose $89,490. Increased retiree medical obligations resulted in a $98,340 increase. Departmental overtime costs rose $33,000 as a result of increased water main breaks. Supply costs increased $13,050 or 4.3% as a result of higher fuel costs and increased costs of new water meters and detectors. Other Charges increased $1,836,840 or 9.6%. The City of Detroit has increased its water rate by 16.5% resulting in a $1.7 million increase. In addition, a $500,000 or 6.9% one-time water true-up cost from the previous year will be billed to the City. Sewage disposal costs fell slightly due to a decrease in volumes as a result of additional meter testing. These decreases were offset by a 4.4% increase in the sewage disposal fee charged by the City of Detroit. Capital Outlay costs fell $385,550 due to the one-time purchase of several major pieces of equipment last year.

FUNDING LEVEL SUMMARY

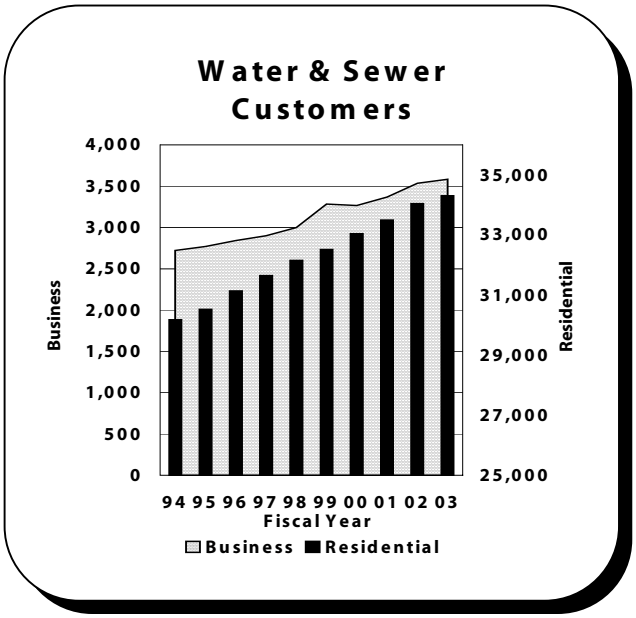
	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget	% Change from 03/04
Water & Sewer Admin.	$5,737,370	$5,626,620	$2,487,780	$2,350,030	-5.5%
Water Distribution	7,331,380	8,334,730	8,727,010	10,550,810	20.9%
Sewage Collection	9,901,070	9,267,610	11,185,660	11,223,880	0.3%
Total Department	$22,969,820	$23,228,960	$22,400,450	$24,124,720	7.7%
Personnel Services	$2,249,360	$2,385,200	$2,486,430	$2,746,360	10.5%
Supplies	310,310	346,280	306,750	319,800	4.3%
Other Charges	20,410,150	20,497,480	19,097,720	20,934,560	9.6%
Capital Outlay	0	0	509,550	124,000	-75.7%
Total Department	$22,969,820	$23,228,960	$22,400,450	$24,124,720	7.7%

PERSONNEL SUMMARY

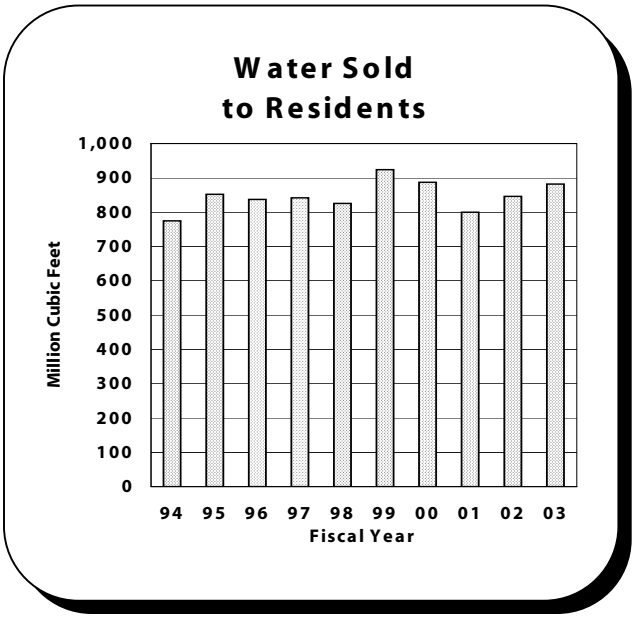
	2001/02		2002/03		2003/04		2004/05	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	9	0	9	0	9	0
Water Distribution	12	2	12	2	12	2	12	2
Sewage Collection	14	4	14	4	14	4	14	4
Total Department	35	6	35	6	35	6	35	6

KEY FUND TRENDS

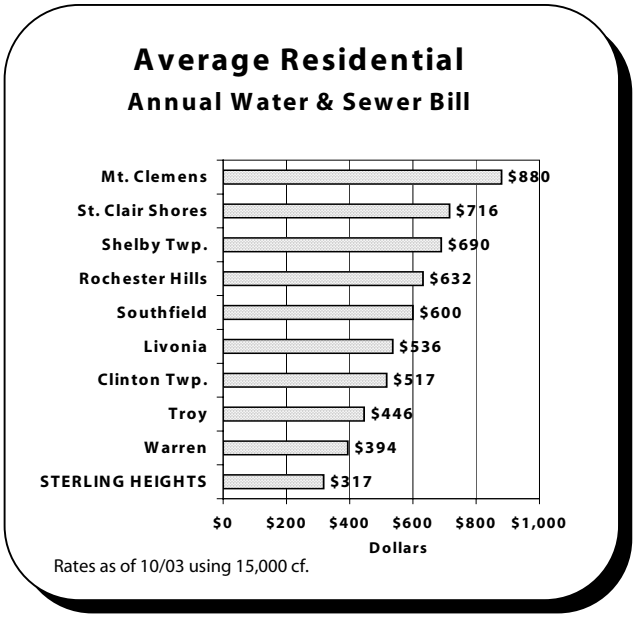
Water & Sewer Fund



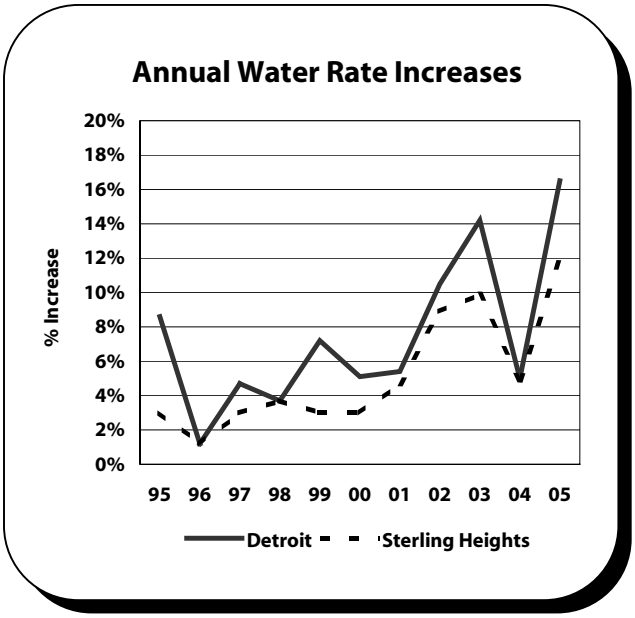
The number of both business and residential Water & Sewer customers has steadily increased over the past ten years due to continued growth and development in the City.



Over the past ten fiscal years, the City has generally sold an increasing amount of water to our residents and business community. The decrease in some years is largely a result of increased rainfall, which lowers the demand for irrigation.



The City purchases its water and sewer services through the City of Detroit. The average resident pays $317, which compares very favorably to all nearby communities. Our residents pay 24% less than the next lowest city (Warren) and nearly three times less than the highest (Mt. Clemens). This past year we changed to a single tier rate structure that benefited many residential users. According to independent studies conducted in 1995, 2000, and 2003, Sterling Heights continues to have the lowest residential water and sewer rate of any city in the State with more than 25,000 residents.



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 7.5% per year over the past 11 years. Sterling Heights has increased its rates by 5.2% per year. We continue to have the lowest mark-up on Detroit's rate of any city.

Water & Sewer Administration

MISSION STATEMENT: ***To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to assure 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 noxious weed cutting program of the Public Works Department.

Staff of the Department of Public Works responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, 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 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, and tree removal and planting.

KEY GOALS

- ***To preserve the investment made in the City's infrastructure through a continual proactive maintenance program.***
- ***To provide continuing 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.***

Our communication system allows our staff to have constant and immediate radio contact with field crews during regular duty hours, transmitting and receiving all radio calls to the base station. The Nextel telephone system also provides for immediate 24 hours, seven days a week communication between administration, supervisors, and staff. Internal calls are evaluated and relayed to the appropriate division.

Residents can also obtain information on services or submit a service request after hours through the Clerk/Dispatch Program. If it is 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 requires 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. A daily log of shift activities, information, and service calls and emergencies is compiled.

The Police Department's emergency dispatchers handle many of the off-duty hour calls in case of an emergency. A tape-recorded message advises callers to contact the Police Department if their call involves an emergency.■

Did you know?…
…that the City of Sterling Heights has the lowest combined water and sewer rates for residential customers in the State of Michigan for communities that have a population greater than 25,000?

Water & Sewer Administration

2004/05 PERFORMANCE OBJECTIVES

1. To conduct an analysis of water only accounts and field-test if necessary to determine if any of these customers are "hooked-up" to the sanitary sewer system.

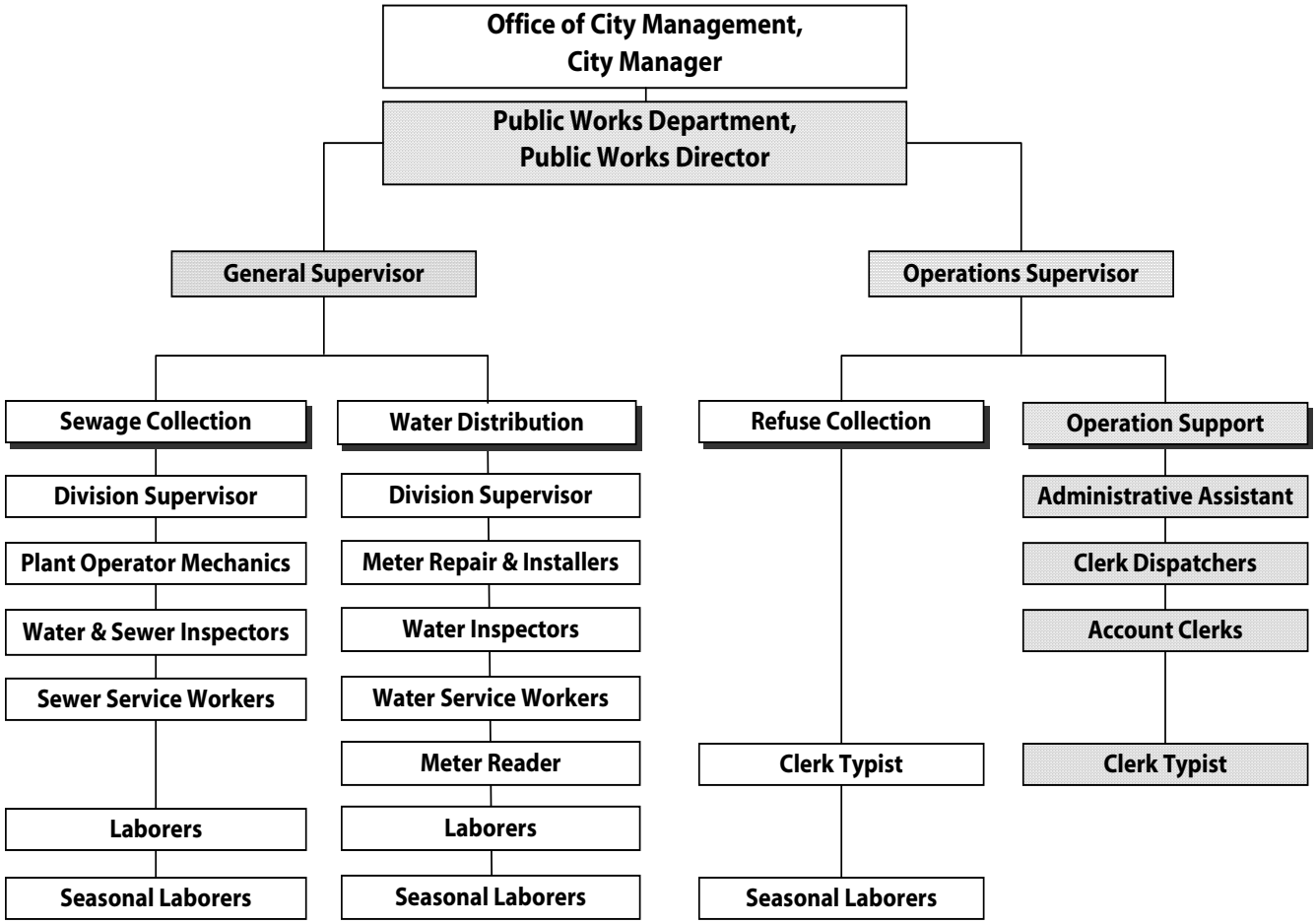
2. To update and prepare the 2004 Sterling Heights Annual Water Quality Report in accordance with EPA and M-DEQ requirements. This report, included in the Sterling Heights magazine, advises customers about the source of their water, results of water quality tests and other information related to safe drinking water.

3. To aggressively enforce our noxious weed cutting program in order to maintain the aesthetics of the City, especially in our residential neighborhoods.

4. To decrease the maximum day and peak hour usage of water by initiating a voluntary odd/even outdoor water use restriction during the summer months and by encouraging residents to water their lawns between the hours of 11:00 p.m. and 4:00 a.m. when water use is down and water pressures are up.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Water & Sewer Customers	36,862	37,583	37,884	38,600	38,100	38,500
	Customer Service Requests/Inquiries Received	32,250	33,800	32,600	31,000	30,200	31,500
	Res./Commercial Sanitary Sewer Tap Connections	413	364	372	350	375	300
	Residential/Commercial Water Taps	425	487	398	450	460	410
	Residential/Commercial Water Meter Installations	590	591	462	510	484	450
	Noxious Weed Cutting Revolutions (317 acres)	5	4	5	4	5	4
	Parcels Cut - Noxious Weed Program	1,820	1,216	1,372	1,400	1,250	1,200
	Backflow Preventer Testing Compliance Letters	330	338	375	400	1,300	450
	Site Plans Reviewed	90	98	91	80	80	70
	Vehicles/Equipment Specifications Prepared	16	18	19	24	18	20
	Materials/Supplies/Services Specifications Prepared	23	20	28	25	22	20
	Activity Budgets Prepared	4	4	4	4	4	4
	Hours of Safety Training	438	320	300	350	300	350
Efficiency & Effectiveness	Ratio of FT Employees to Worker Comp. Claims	89:1	45:1	18:1	87:1	43.5:1	87:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	% of Weed Violations Corrected by Owner	92%	91%	85%	90%	80%	90%
	Meter Reads Per Reader	60,497	61,403	62,461	62,670	62,670	63,670
	Residential Water & Sewer Bill (15,000 cfs)	$245	$268	$299	$317	$317	$357
	Activity Expenditures as % of Enterprise Fund	25.15%	24.98%	24.22%	11.11%	10.64%	9.74%

Water & Sewer Administration



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Public Works Director	1	1	1
Operations Supervisor	1	1	1
General Supervisor	1	1	1
Administrative Assistant	1	1	1
Clerk Dispatcher	2	2	2
Account Clerk	2	2	2
Clerk Typist	1	1	1
Total	9	9	9

Water & Sewer Administration

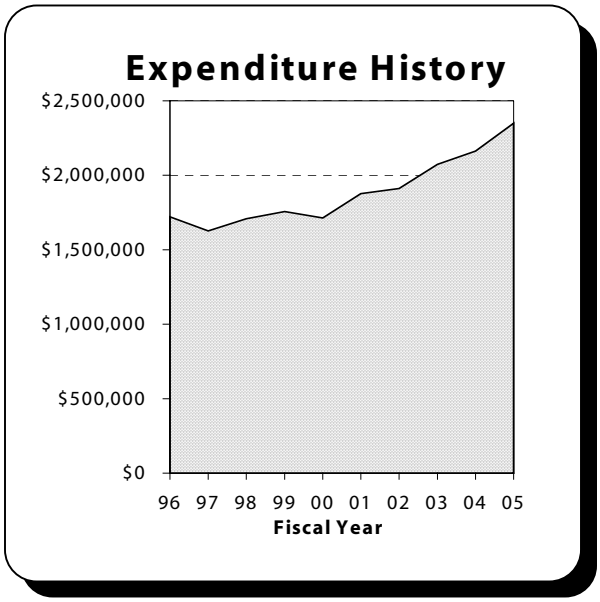
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $63,450 or 10.1%. Wages for full-time employees increased by $20,220. Overtime costs rose $10,000 as a result of increased water main breaks during off hours. The funding for clothing allowance has been transferred to the Water Distribution activity. Increased retiree medical obligations have resulted in a $26,020 increase. The settled DPW Field labor contract has resulted in increased longevity, optical and short-term disability costs.

Supplies – Total Supplies increased $1,050 or 11.4%. Funding for fuel and lubricants increased $1,000. $550 was added for postage costs due to increased mailings. The City will save $500 in operating supply costs.

Other Charges – Total Other Charges increased $122,750 or 8.0%. $116,330 was added for interfund services due to increased costs of the water billing function and higher General Fund cross-charge costs to more accurately reflect the time spent on water and sewer functions. Liability insurance costs rose $6,560 or 3.0%. Utility funding increased $5,300 based on recent years' actual expenditure usage. In addition, several Nextel telephones were added for field staff in the prior year. $2,500 was added for an increase in commercial drivers' license renewal fees and required road test fees for "A" endorsements, as provided in the recently adopted labor contract. Funding also increased for contractual tuition reimbursements. $800 was added for credit card fees, as the City now accepts credit card payments for water bills. $6,970 was eliminated due to lower rental costs for the DPW facility. Refunds and rebates decreased $3,500 due to fewer hydrant permit deposit refunds.



Capital – There is no Capital proposed for this activity.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$614,508	$626,890	$637,260	$690,340	$690,340
Supplies	9,986	9,250	11,800	10,300	10,300
Other Charges	5,002,130	1,526,640	1,554,000	1,649,390	1,649,390
Capital Outlay	0	325,000	223,700	0	0
Total	$5,626,624	$2,487,780	$2,426,760	$2,350,030	$2,350,030

Water Distribution

MISSION STATEMENT: ***To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.***

The Water Distribution division assures 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 in properly functioning order. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 10,000 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 inspects, assists, and supervises a subcontractor in water main break repairs.

KEY GOALS

- ***To provide efficient and economical maintenance and repair of the water distribution system.***
- ***To assure 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.***

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 operator/driver maintenance of vehicles and equipment.

Assistance is provided in the Noxious 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 (34,302) are read quarterly while commercial and industrial water meters (3,582) are read on a monthly basis. 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?…
…that the City has over 554 miles of various sized water mains that deliver clean water to serve the community's residential, commercial, and industrial needs?

Water Distribution

2004/05 PERFORMANCE OBJECTIVES

1. To monitor the testing of approximately 450 backflow preventers at commercial/industrial sites, apartment complexes, churches and schools to assure that they are functioning properly.

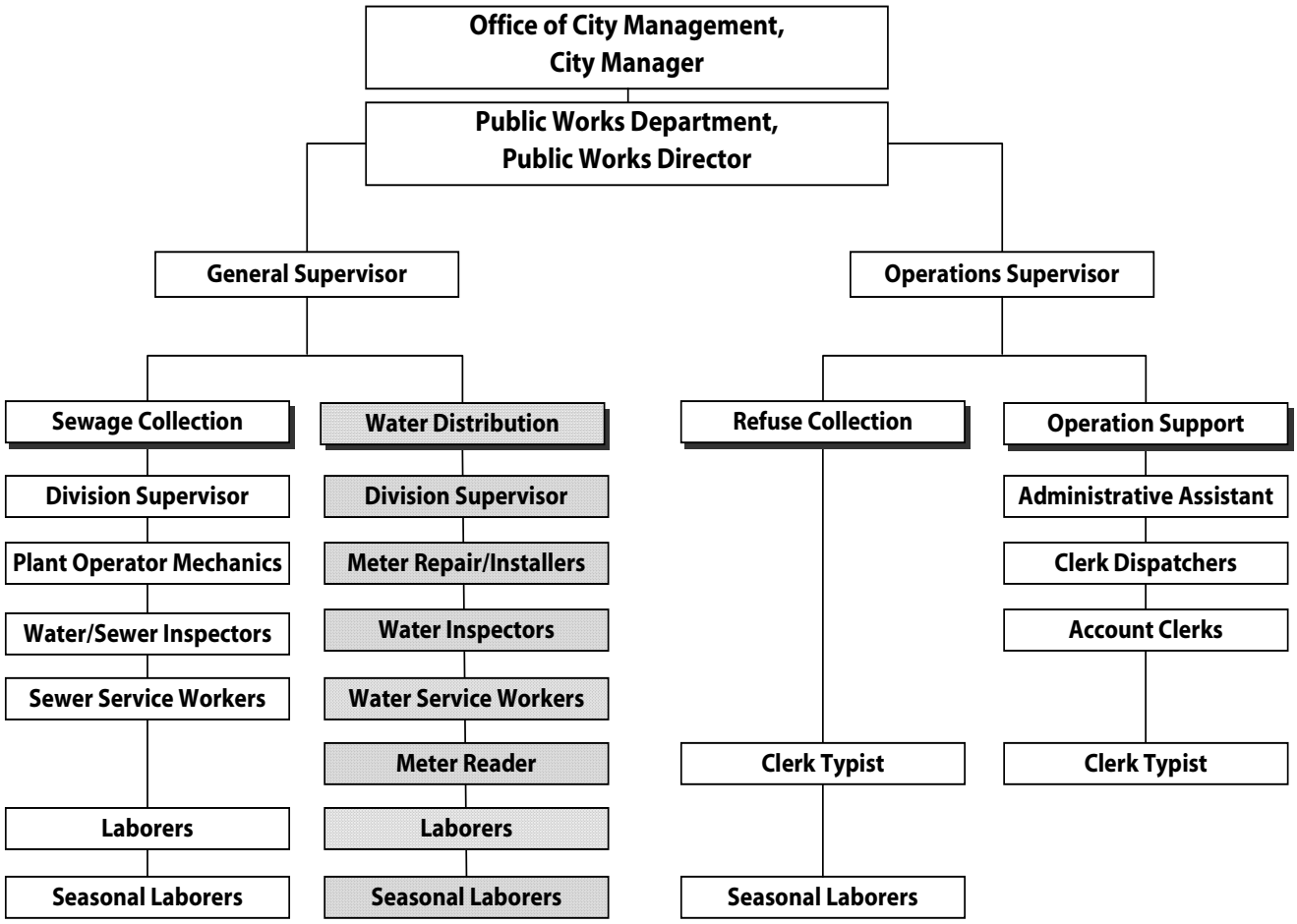
2. To test/repair approximately 250 large water meters 2" and larger at commercial and industrial sites to assure that correct revenues are being realized from high-volume users.

3. To inspect 270 gatewells and valves throughout the year ensuring our ability to isolate the system to fix broken water mains or make repairs.

4. To respond to approximately 10,000 "Miss Dig" requests for the staking of water mains and water services, in order to protect our water system and prevent damage when excavation is performed.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Citizen Inquiries/Complaints Responded To	7,922	8,384	8,479	8,360	8,320	8,400
	Water Meter Reads - Residential & Commercial	181,490	184,210	187,382	188,000	188,000	191,000
	MISS Dig Stake-Outs of Utilities Performed	10,288	9,788	10,111	10,500	10,000	10,000
	Water Meters Installed - Residential/Commercial	458/132	402/189	303/159	400/110	345/139	300/150
	Meters/Remote Boxes Checked/Repaired	1,622	2,177	3,287	2,400	2,000	2,400
	Water Taps Installed - Residential/Commercial	304/121	326/161	312/86	350/100	350/110	300/110
	Cross Connection Inspections/Reinspections	573	545	521	500	400	400
	Compound Meters Tested	260	230	248	260	250	250
	Gatewells Inspected	241	234	296	260	280	270
	Businesses Monitored - Backflow Compliance	330	338	375	400	1,300	450
	Water Samples Tested for Lead/Copper	20	20	20	0	0	20
	Fire Hydrants Replaced	42	12	0	10	23	10
	Fire Hydrants Winterized	6,108	6,563	6,633	6,750	6,800	6,900
	Fire Hydrants Painted	2,320	1,820	1,091	1,200	1,250	1,300
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	98%	98%	99%	98%	99%	98%
	% of MISS Dig Stakeouts Completed w/i 48 hours	98%	98%	98%	99%	98%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4	4.0	4.5	4.0	4.0	4.3
	Miles of Water Main Maintained per FT Employee	44.6	44.9	46.2	45.6	46.5	46.6
	Water Purchased from Detroit (1,000 cubic feet)	847,075	843,530	857,374	860,000	850,000	860,000
	Cost of 1,000 Cubic Feet of Water from Detroit	$6.29	$6.95	$7.94	$8.34	$8.34	$9.72
	Activity Expenditures as % of Enterprise Fund	31.28%	31.92%	35.88%	38.96%	38.47%	43.73%

Water Distribution



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Meter Reader	1	1	1
Laborer	2	2	2
Seasonal Laborer	2	2	2
Total	14	14	14

Water Distribution

SUMMARY OF BUDGET CHANGES

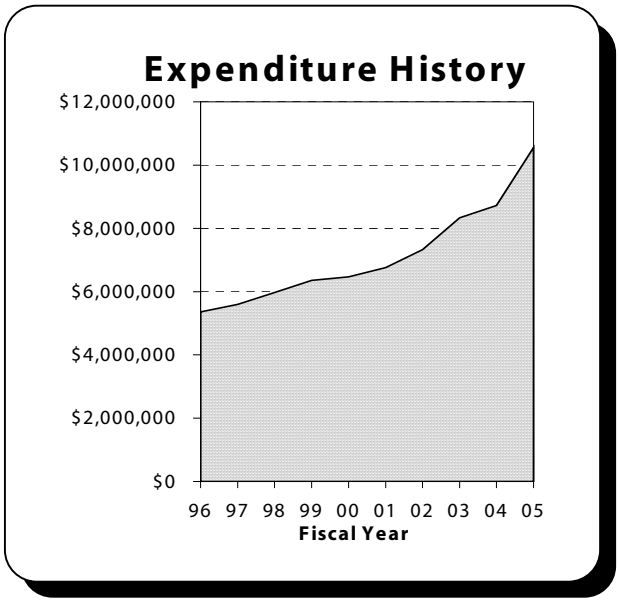
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $100,200 or 11.3%. Wages for full-time employees increased by $28,890. Overtime costs rose $15,000 due to the increased number of water main breaks occurring after business hours. Hospitalization costs rose $9,630 due to a rate increase slightly offset by higher co-pay deductibles. Increasing retiree medical obligations have resulted in a $35,110 increase. Several other personnel accounts increased as a result of the new DPW Field labor contract.

Supplies – Total Supplies increased $10,000 or 3.7%. $15,000 was added for the increased costs of new water meters and detectors. Fuel costs increased $1,000 due to higher gas prices. Less funding is needed for materials used to install new water taps, saving $5,000.

Other Charges – Total Other Charges increased $1,727,000 or 22.9%. The cost of water purchased from the City of Detroit rose $1,682,650. This increase is a result of a 16.5% rate hike as Detroit's water rates are now calculated using data from a new computerized meter reading system that accurately obtains the maximum day and peak hour usage of water. In addition, there is a $496,000 or 6.9% one-time water true-up cost from the previous year as a result of the new meter data, which will be billed to us in 2004/05. Costs for water main repairs increased $55,000 due to increased water main breaks. Electrical and heating costs increased $15,000 for the operation of the new booster station. Contract costs for new water tap installations decreased $35,000.

Capital – $18,500 is proposed for a Mini Van to replace a 100,000 mile vehicle that is used daily by our inspector in the Miss Dig Staking program.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$861,748	$887,760	$910,150	$987,960	$987,960
Supplies	297,247	269,000	300,000	279,000	279,000
Other Charges	7,175,732	7,538,350	7,507,610	9,265,350	9,265,350
Capital Outlay	0	31,900	58,740	18,500	18,500
Total	$8,334,727	$8,727,010	$8,776,500	$10,550,810	$10,550,810

Sewage Collection

MISSION STATEMENT: ***To maintain the sanitary and storm sewer system 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 insure 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 33% 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.

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, responsible sewer connection and utility inspection program.***
- ***To assure safe, well maintained, functioning stormwater retention basins for temporary detention of stormwater 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, 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.

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for maintenance operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. Sand and sediment from the City's retention pond wet wells are cleaned and removed annually. Sewage Collection also performs bank stabilization, erosion, and fence repairs.■

Did you know?…
…that it costs the average homeowner approximately 2¢ to flush their toilet?

Sewage Collection

2004/05 PERFORMANCE OBJECTIVES

1. To inspect all restaurant grease traps throughout the City to assure that the traps are being maintained properly, thus reducing the amount of grease entering the sanitary sewer system.

2. To clean 729,000 feet or 138 miles (one-third) of the sanitary sewer system in an ongoing preventative maintenance cleaning program, while inspecting and flushing known problem areas quarterly and after storms in order to prevent sewer blockages.

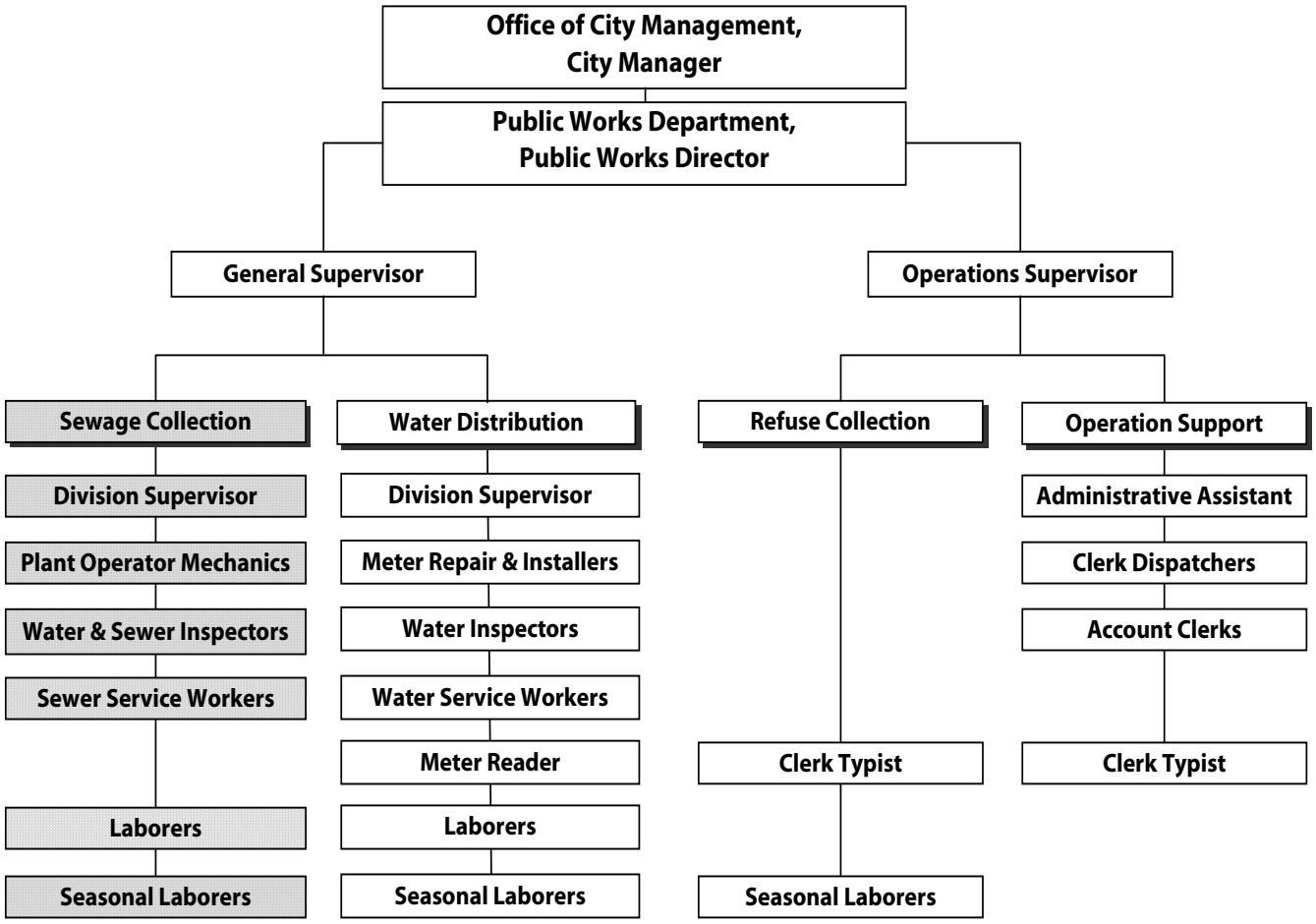
3. To dye test for suspected illegal taps or connections in the sanitary or storm sewer systems.

4. To rebuild or repair 300 damaged utility structures in order to eliminate hazards and lessen infiltration into the sanitary sewer system.

	Performance Indicators	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Budget
Output	Inquiries Received & Resolved	410	440	478	500	530	500
	Sewer Inspections	413	364	372	350	381	350
	Water Inspections	250	300	354	300	340	300
	Certificate of Occupancy Inspections	448	606	682	500	660	500
	Sanitary Sewer Cleaned - Feet	569,431	710,688	671,280	725,000	650,000	729,000
	Utility Structures Restored	264	225	152	300	200	300
	Flags of Sidewalk Replaced	306	208	205	200	200	200
	Sections of Street/Approaches Replaced	129/46	109/45	86/65	90/80	85/57	90/80
	Sod Replaced - Yards	2,650	2,371	2,454	1,500	4,000	2,000
	Detroit Sewage Meter Pit Readings	624	624	260	100	260	260
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	16	16	16	16	16	16
Efficiency & Effectiveness	Sewer Main Blockages	6	8	10	6	6	6
	% 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	29.4	29.6	29.6	30.0	29.6	30.0
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	$7.90	*$7.96	*$9.09	*$9.87	*$9.87	*$10.30
	Macomb County Sewage Direct Charge	$1,386,877	$1,990,176	$1,848,171	$2,054,410	$2,044,620	$1,813,350
	Activity Expenditures as % of Enterprise Fund	43.56%	43.10%	39.90%	49.93%	50.89%	46.52%

** Does not include fixed combined sewer overflow costs.*

Sewage Collection



STAFFING SUMMARY

Position	Approved 2002/03	Approved 2003/04	Approved 2004/05
Division Supervisor	1	1	1
Plant Operator Mechanics	2	2	2
Sewer Worker (Clean)	2	2	2
Water & Sewer Inspector	2	2	2
Sewer Worker (Maintenance)	3	3	3
Laborer	4	4	4
Seasonal Laborer	4	4	4
Total	18	18	18

Sewage Collection

SUMMARY OF BUDGET CHANGES

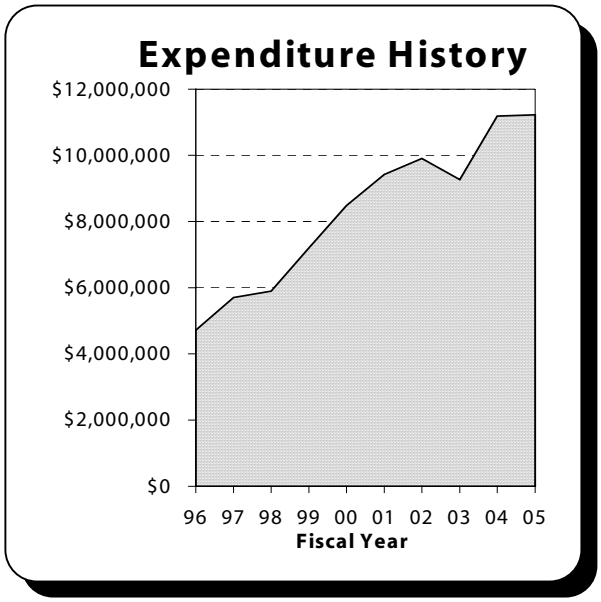
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – The total Personnel budget increased by $96,280 or 9.9%. Wages for full-time employees rose $40,380. Several personnel accounts rose as a result of the settled DPW Field contract. Higher retiree medical obligations have resulted in a $37,210 increase.

Supplies – Total Supplies increased $2,000 or 7.0%. Funding for fuel and lubricants needed for the operation of the division's vehicles and equipment increased $2,000 based on higher gasoline costs in recent years.

Other Charges – Total Other Charges decreased $12,910 or 0.1%. The cost of sewage disposal services decreased $110,960 due to an estimated decrease in sewage volumes as a result of additional meter testing. The fixed direct charge is also lower as a result of the City's declining percentage of total flow compared to other communities in the district. These decreases were offset by a 4.4% increase in the sewage disposal fee charged by the City of Detroit. Funding decreased $5,000 for distribution line repair and $5,000 for sewer main repair, both based on historic actual usage. $108,000 was added due to an increase in the industrial waste control costs charged by the City of Detroit for monitoring and treating non-residential waste flows.

Capital – Total Capital of $105,500 is proposed. $6,000 is for a Submersible Pump to be used for emergency backup in the event of a pump failure. $26,000 is for a Trailer Mounted Air Compressor to replace an air compressor that is over 20 years old. $55,000 is for a Portable Trailer Mounted Generator to be used as an emergency backup power supply for lift stations and City facilities. $18,500 is for a Mini Van to replace an eight year-old 100,000 mile vehicle that is used by a sewer inspector.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$908,941	$971,780	$992,060	$1,068,060	$1,068,060
Supplies	39,043	28,500	31,500	30,500	30,500
Other Charges	8,319,621	10,032,730	10,141,390	10,019,820	10,019,820
Capital Outlay	0	152,650	445,080	105,500	105,500
Total	$9,267,605	$11,185,660	$11,610,030	$11,223,880	$11,223,880

SPECIAL REVENUE FUNDS

Special Revenue Funds are funds which are used to detail transactions in which the funding source is legally restricted to be spent for a specific purpose.

Included in this segment are the Major and Local Roads, Economic Development Corporation, Community Development Block Grant program, the Brownfield Redevelopment Authority, Budget Stabilization Funds, and Land & Water Conservation.

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
MAJOR ROAD FUND						
REVENUES						
Federal Grants	$85,260	$0	$0	$0	$0	**$0**
Gas & Weight Tax	4,834,690	4,937,260	4,925,000	5,000,000	5,050,000	**5,050,000**
Metro Act	0	52,280	275,000	275,000	275,000	**275,000**
Charges for Services	0	480	0	0	0	**0**
Other Revenue	350,790	384,750	790,000	625,000	260,000	**260,000**
Transfer from General Fund	1,884,470	1,231,070	0	0	500,000	**500,000**
Total Revenues	**7,155,210**	**6,605,840**	**5,990,000**	**5,900,000**	**6,085,000**	**6,085,000**
EXPENDITURES						
Administration	92,800	117,090	102,200	98,200	101,700	**101,700**
Major Street Maintenance	1,357,640	1,607,680	1,696,850	1,715,350	1,736,850	**1,736,850**
Major Street Improvements	1,958,040	4,983,910	7,523,380	6,770,060	903,500	**903,500**
Transfer to Local Road Fund	350,000	450,000	200,000	200,000	750,000	**750,000**
Trans. to Road Bond Debt Fund	2,400,000	2,500,000	2,600,000	2,600,000	2,350,000	**2,350,000**
Trans. to Road Bond Const. Fund	0	347,040	0	0	0	**0**
Total Expenditures	**6,158,480**	**10,005,720**	**12,122,430**	**11,383,610**	**5,842,050**	**5,842,050**
Excess of Revenues Over (Under) Expenditures	**996,730**	**(3,399,880)**	**(6,132,430)**	**(5,483,610)**	**242,950**	**242,950**
Beginning Fund Balance	**9,823,820**	**10,820,550**	**7,420,670**	**7,420,670**	**1,937,060**	**1,937,060**
Ending Fund Balance	**$10,820,550**	**$7,420,670**	**$1,288,240**	**$1,937,060**	**$2,180,010**	**$2,180,010**
LOCAL ROAD FUND						
REVENUES						
Federal Grant	$253,110	$0	$127,000	$84,870	$20,000	**$20,000**
Gas & Weight Tax	1,814,960	1,857,070	1,800,000	1,900,000	1,950,000	**1,950,000**
Metro Act	0	19,610	100,000	100,000	100,000	**100,000**
Charges for Services	195,800	58,870	30,000	55,000	60,000	**60,000**
Other Revenue	37,060	32,400	110,250	49,250	103,550	**103,550**
Transfers From General Fund	0	0	250,000	250,000	273,000	**273,000**
Transfers From Major Road Fund	350,000	450,000	200,000	200,000	750,000	**750,000**
Total Revenues	**2,650,930**	**2,417,950**	**2,617,250**	**2,639,120**	**3,256,550**	**3,256,550**
EXPENDITURES						
Administration	99,870	138,880	131,200	128,700	129,700	**129,700**
Local Street Maintenance	1,788,650	2,231,080	2,224,000	2,439,000	2,412,500	**2,412,500**
Local Street Improvements	118,910	12,710	1,377,090	983,600	1,169,000	**1,169,000**
Trans. to Road Bond Debt Fund	78,970	80,350	78,020	78,020	78,860	**78,860**
Total Expenditures	**2,086,400**	**2,463,020**	**3,810,310**	**3,629,320**	**3,790,060**	**3,790,060**
Excess of Revenues Over (Under) Expenditures	**564,530**	**(45,070)**	**(1,193,060)**	**(990,200)**	**(533,510)**	**(533,510)**
Beginning Fund Balance	**1,824,160**	**2,388,690**	**2,343,620**	**2,343,620**	**1,353,420**	**1,353,420**
Ending Fund Balance	**$2,388,690**	**$2,343,620**	**$1,150,560**	**$1,353,420**	**$819,910**	**$819,910**

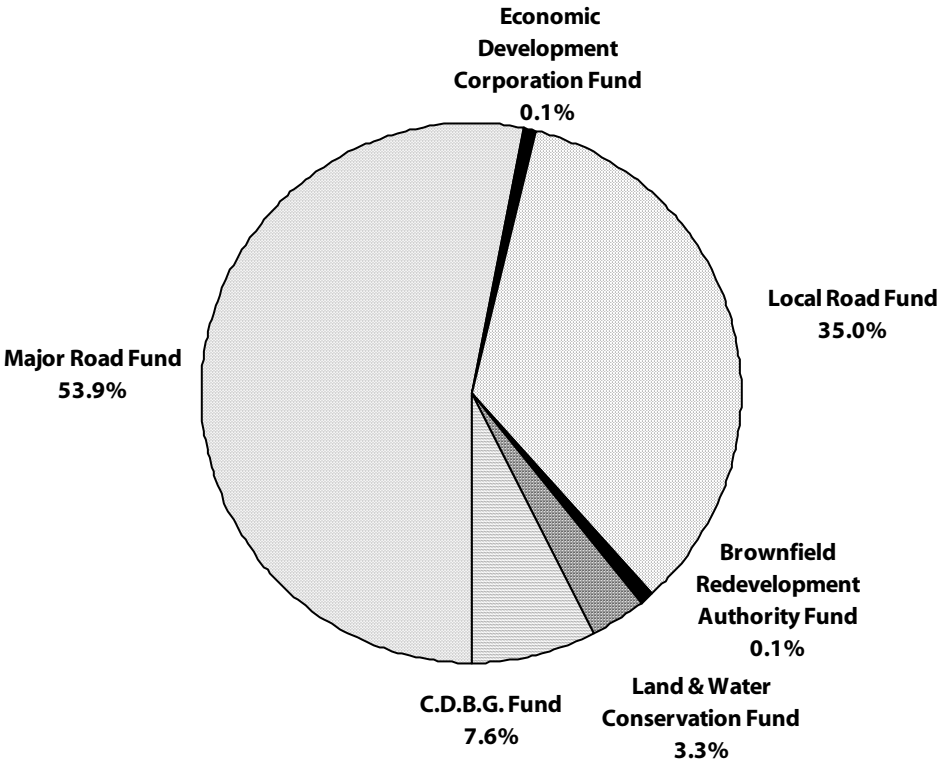
SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	$5,000	$5,000	$0	$0	$0	**$0**
Other Revenue	280	190	200	140	160	**160**
Total Revenues	**5,280**	**5,190**	**200**	**140**	**160**	**160**
EXPENDITURES						
Miscellaneous	6,300	2,710	9,000	4,700	9,000	**9,000**
Total Expenditures	**6,300**	**2,710**	**9,000**	**4,700**	**9,000**	**9,000**
Excess of Revenues Over (Under) Expenditures	**(1,020)**	**2,480**	**(8,800)**	**(4,560)**	**(8,840)**	**(8,840)**
Beginning Fund Balance	**14,200**	**13,180**	**15,660**	**15,660**	**11,100**	**11,100**
Ending Fund Balance	**$13,180**	**$15,660**	**$6,860**	**$11,100**	**$2,260**	**$2,260**
BUDGET STABILIZATION FUND						
REVENUES						
Transfer from General Fund	$0	$0	$0	$0	$0	**$0**
Total Revenues	**0**	**0**	**0**	**0**	**0**	**0**
EXPENDITURES						
Transfer to General Fund	0	0	0	0	0	**0**
Total Expenditures	**0**	**0**	**0**	**0**	**0**	**0**
Excess of Revenues Over (Under) Expenditures	**0**	**0**	**0**	**0**	**0**	**0**
Beginning Fund Balance	**750,000**	**750,000**	**750,000**	**750,000**	**750,000**	**750,000**
Ending Fund Balance	**$750,000**	**$750,000**	**$750,000**	**$750,000**	**$750,000**	**$750,000**
BROWNFIELD REDEVELOPMENT AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$0	$0	$3,180	$3,180	$3,250	**$3,250**
Other Revenue	20	190	100	120	140	**140**
Transfer from General Fund	26,000	15,000	0	0	0	**0**
Total Revenues	**26,020**	**15,190**	**3,280**	**3,300**	**3,390**	**3,390**
EXPENDITURES						
Miscellaneous	18,030	13,060	12,100	5,600	9,250	**9,250**
Total Expenditures	**18,030**	**13,060**	**12,100**	**5,600**	**9,250**	**9,250**
Excess of Revenues Over (Under) Expenditures	**7,990**	**2,130**	**(8,820)**	**(2,300)**	**(5,860)**	**(5,860)**
Beginning Fund Balance	**0**	**7,990**	**10,120**	**10,120**	**7,820**	**7,820**
Ending Fund Balance	**$7,990**	**$10,120**	**$1,300**	**$7,820**	**$1,960**	**$1,960**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	$633,280	$382,750	$1,211,500	$1,117,640	$788,000	**$788,000**
Revenue Direct Loans	61,960	104,130	30,000	100,000	40,000	**40,000**
Other Revenue	0	8,040	0	0	0	**0**
Total Revenues	**695,240**	**494,920**	**1,241,500**	**1,217,640**	**828,000**	**828,000**
EXPENDITURES						
Community Development	186,070	443,360	1,154,390	1,147,090	746,640	**746,640**
Transfer to General Fund	35,000	35,000	87,110	87,110	81,360	**81,360**
Transfer to L&W Cons. Fund	40,000	0	0	0	0	**0**
Trans. to Bldg. Auth. Rec. Fund	434,170	0	0	0	0	**0**
Total Expenditures	**695,240**	**478,360**	**1,241,500**	**1,234,200**	**828,000**	**828,000**
Excess of Revenues Over (Under) Expenditures	**0**	**16,560**	**0**	**(16,560)**	**0**	**0**
Beginning Fund Balance	**0**	**0**	**16,560**	**16,560**	**0**	**0**
Ending Fund Balance	**$0**	**$16,560**	**$16,560**	**$0**	**$0**	**$0**
LAND & WATER CONSERVATION FUND						
REVENUES						
State Grants	$3,650	$181,610	$28,000	$24,000	$4,000	**$4,000**
Other Revenue	1,371,830	232,010	20,000	14,000	10,000	**10,000**
Transfer from General Fund	0	299,000	0	0	0	**0**
Transfer from C.D.B.G. Fund	40,000	0	0	0	0	**0**
Total Revenues	**1,415,480**	**712,620**	**48,000**	**38,000**	**14,000**	**14,000**
EXPENDITURES						
Land Improvements	294,420	727,390	827,360	856,660	362,000	**362,000**
Trans. to Capital Projects Fund	360,000	0	0	0	0	**0**
Total Expenditures	**654,420**	**727,390**	**827,360**	**856,660**	**362,000**	**362,000**
Excess of Revenues Over (Under) Expenditures	**761,060**	**(14,770)**	**(779,360)**	**(818,660)**	**(348,000)**	**(348,000)**
Beginning Fund Balance	**599,220**	**1,360,280**	**1,345,510**	**1,345,510**	**526,850**	**526,850**
Ending Fund Balance	**$1,360,280**	**$1,345,510**	**$566,150**	**$526,850**	**$178,850**	**$178,850**

2004/05 Special Revenue Funds
Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total Special Revenue Funds budget.

TAXES

This revenue source is from tax increment financing (TIF) revenues resulting from Brownfield Redevelopment Projects. To date there is one project that is paying property taxes totaling $3,250 or 0.03% of the 2004/05 Budget.

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 source of revenue in this revenue center is the Highway & Street Grants or more commonly known as Act 51 Funds. These funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2004/05 Budget, State and Local Return revenues represent 80.76% of total revenue sources, a decrease of $269,500 below the 2003/04 Budget. This decrease is primarily due to the one-time reappropriation of federal grant funding for the Oleander Drive paving project and the Regional Bike/Hike Path on Schoenherr Road in the prior fiscal year.

In the 2004/05 Budget, State and Local Return revenues represent 80.76% of total revenue sources, a decrease of $269,500 below the 2003/04 Budget.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds represents Transfers In from other funds. This revenue center will receive transfers from the General Fund and the Major Road Fund.

In 2004/05, revenues generated from Other Financing Sources represent 14.95% of total revenue sources, an increase of $1,073,000 above the 2003/04 Budget. The General Fund transfer to the Major Road Fund is $500,000 and will be used to help fund future road projects, to pay for future debt payments for the 18½ Mile Road Connector project, and to help replenish declining reserves. The General Fund transfer to the Local Road Fund for $273,000 will be used to help fund the Neighborhood Road Repair and Replacement Program. A transfer from the Major Road Fund to the Local Road Fund is $750,000, an increase of $550,000 above the prior year, as more funding is needed in the Local Road Fund.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting. In the 2004/05 Budget, Charges for Services represents 0.59% of total revenue sources, an increase of $30,000 above the 2003/04 Budget.

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, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2004/05, Other Revenues represent 3.67% of total revenue sources, a decrease of $546,700 below the 2003/04 Budget. A decrease in Interest on Investments and Reimbursements revenue was slightly offset by an increase in Special Assessment Revenue in the Local Road Fund.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2004/05 Budget, expenditures exceed revenues by $653,260. A draw down of funds is planned as additional funding is needed primarily for local road maintenance due to the increased removal of emerald ash borer infested trees, higher snow and ice removal costs, and storm drain maintenance costs to reduce the incidence of the West Nile Virus.■

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	$8,643	0.06	$5,120	0.03	**$8,530**	**0.08**
717000	FICA	592	0.00	390	0.00	**660**	**0.01**
	Total Personnel Services	**9,235**	**0.07**	**5,510**	**0.03**	**9,190**	**0.08**
	SUPPLIES						
729000	Postage	447	0.00	350	0.00	**350**	**0.00**
730000	Publications	92	0.00	80	0.00	**100**	**0.00**
751000	Operating Supplies	574	0.00	450	0.00	**600**	**0.01**
785000	Books	10,268	0.08	10,000	0.06	**11,200**	**0.10**
	Total Supplies	**11,381**	**0.08**	**10,880**	**0.06**	**12,250**	**0.11**
	OTHER CHARGES						
802000	Audit & Accounting Services	8,500	0.06	9,400	0.05	**9,400**	**0.09**
804000	Engineering Consultants	1,000	0.01	2,000	0.01	**1,000**	**0.01**
805000	Administrative Services	216,683	1.58	214,000	1.19	**215,000**	**1.98**
806001	Legal Services - City Attorney	17,108	0.12	8,000	0.04	**6,500**	**0.06**
826000	Other Contracted Services	437,728	3.20	663,850	3.68	**329,350**	**3.04**
880000	Community Promotion	2,713	0.02	7,500	0.04	**7,500**	**0.07**
887000	Bridge Maintenance	43,359	0.32	15,000	0.08	**12,500**	**0.12**
887001	Bridge Maintenance - County	152	0.00	1,500	0.01	**1,000**	**0.01**
888000	Surface Maintenance	136,703	1.00	300,000	1.66	**300,000**	**2.77**
888001	Surface Maintenance - County	87	0.00	2,000	0.01	**2,000**	**0.02**
888912	2001 Concrete Replacement Program	13,384	0.10	0	0.00	**0**	**0.00**
888926	2002 Concrete Replacement Program	1,010,714	7.38	1,025,000	5.69	**0**	**0.00**
888927	2001 Joint Sealing Program	119,288	0.87	125,000	0.69	**0**	**0.00**
888936	2003 Concrete Replacement Program	280	0.00	0	0.00	**1,025,000**	**9.46**
888937	2002 Joint Sealing Program	266	0.00	0	0.00	**125,000**	**1.15**
889000	Shoulder Maintenance	4,774	0.03	22,000	0.12	**22,000**	**0.20**
889001	Shoulder Maintenance - County	170	0.00	1,000	0.01	**1,000**	**0.01**
890000	Sweeping & Flushing	243,368	1.78	230,000	1.28	**230,000**	**2.12**
890001	Sweeping & Flushing - County	67,037	0.49	70,000	0.39	**70,000**	**0.65**
890002	Sweeping & Flushing - State	8,503	0.06	13,000	0.07	**13,000**	**0.12**
891000	Grass & Weed Control	107,413	0.78	158,000	0.88	**158,000**	**1.46**
891001	Grass & Weed Control - County	143,277	1.05	180,000	1.00	**180,000**	**1.66**
891002	Grass & Weed Control - State	122,649	0.90	175,000	0.97	**175,000**	**1.61**
892000	Roadside Cleanup	10,776	0.08	13,000	0.07	**13,000**	**0.12**
892001	Roadside Cleanup - County	12,920	0.09	10,000	0.06	**10,000**	**0.09**
892002	Roadside Cleanup - State	1,854	0.01	35,000	0.19	**25,000**	**0.23**
893000	Curb & Gutter Maintenance	162	0.00	3,000	0.02	**3,500**	**0.03**
894000	Storm Drain Maintenance	210,373	1.54	355,000	1.97	**310,000**	**2.86**
894001	Storm Drain Maintenance - County	0	0.00	350	0.00	**350**	**0.00**
895000	Tree & Shrub Maintenance	655,199	4.79	480,000	2.66	**695,000**	**6.41**
895001	Tree & Shrub Maintenance - County	20,523	0.15	10,000	0.06	**20,000**	**0.18**
895002	Tree & Shrub Maintenance - State	8,833	0.06	6,500	0.04	**7,000**	**0.06**
897000	Snow & Ice Removal	628,515	4.59	400,000	2.22	**425,000**	**3.92**
897001	Snow & Ice Removal - County	949	0.01	500	0.00	**1,000**	**0.01**

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
898000	Traffic Signs & Signals	217,445	1.59	200,000	1.11	**220,000**	**2.03**
898001	Traffic Signs & Signals - County	13,250	0.10	15,000	0.08	**15,000**	**0.14**
899000	Pavement Markings	36,534	0.27	75,000	0.42	**90,000**	**0.83**
902000	Publishing	9,323	0.07	5,400	0.03	**3,400**	**0.03**
922000	Telephone	340	0.00	450	0.00	**400**	**0.00**
956000	Local Meetings	9	0.00	200	0.00	**150**	**0.00**
957000	Memberships & Dues	100	0.00	100	0.00	**100**	**0.00**
959000	Education & Training	900	0.01	2,000	0.01	**2,000**	**0.02**
962000	Miscellaneous Expense	0	0.00	2,100	0.01	**3,250**	**0.03**
	Total Other Charges	**4,533,161**	**33.11**	**4,835,850**	**26.83**	**4,727,400**	**43.61**
	CAPITAL OUTLAY						
972000	Land Improvement	5,421	0.04	89,000	0.49	**404,800**	**3.73**
972001	Land Improvement - Rotary Park	50,000	0.37	0	0.00	**0**	**0.00**
972008	Land Imp-Neighbrhd Prks-Play Equip	9,640	0.07	104,910	0.58	**0**	**0.00**
972333	Delia Park Improvements	0	0.00	0	0.00	**24,000**	**0.22**
972334	Sport Courts & Path Resurfacing	34,578	0.25	142,420	0.79	**0**	**0.00**
972669	Moravian Pointe Park Section 36	1,331	0.01	0	0.00	**0**	**0.00**
972795	Dodge Park Improvements	8,592	0.06	0	0.00	**0**	**0.00**
972838	Avis Park Improvements	426,238	3.11	15,760	0.09	**0**	**0.00**
972845	Bike Path - Riverland to Van Dyke	0	0.00	442,000	2.45	**0**	**0.00**
972850	Dodge Park Restroom	0	0.00	40,000	0.22	**0**	**0.00**
972890	Dodge Park Basketball Court	853	0.01	0	0.00	**0**	**0.00**
972934	Nelson Park Soccer Fields	51,526	0.38	0	0.00	**60,000**	**0.55**
972945	Baumgartner Park - Lighting Replace	139,208	1.02	43,270	0.24	**270,000**	**2.49**
975000	Buildings & Improvements	0	0.00	37,000	0.21	**0**	**0.00**
988000	Construction	190,264	1.39	2,682,470	14.88	**1,954,500**	**18.03**
988674	Bike Path - E 16 Mile/N Van Dyke	213	0.00	0	0.00	**0**	**0.00**
988700	Dequindre Rd - 16-18 Mile Road	3,233	0.02	462,880	2.57	**0**	**0.00**
988840	Schoenherr Ped Bridge over Plum Drn	460	0.00	0	0.00	**0**	**0.00**
988852	Utica Road Boulevard	1,456,492	10.64	0	0.00	**0**	**0.00**
988856	Maple Lane Reconstruction	203,399	1.49	1,600,000	8.88	**0**	**0.00**
988863	Dequindre Rd Entrance Ramp - M-59	150	0.00	0	0.00	**0**	**0.00**
988870	Clinton River Rd - Edison to Canal	1,786,863	13.05	426,710	2.37	**0**	**0.00**
988876	1998 Bridge Inv 17 Mile Rd/Conrail	47,687	0.35	0	0.00	**0**	**0.00**
988880	Elmridge Drive Paving & SS	943	0.01	465,000	2.58	**0**	**0.00**
988897	Extension of Lisa Marie Drive	8,187	0.06	0	0.00	**0**	**0.00**
988906	Plumbrook Resurf - Van Dyke/Utica	0	0.00	1,392,000	7.72	**0**	**0.00**
988915	Shadow Creek Drive Extension	2,910	0.02	112,090	0.62	**118,000**	**1.09**
988922	Oleander Paving - CDBG	82	0.00	390,500	2.17	**0**	**0.00**
988928	Metro Pkwy Wide-Dodge Park/Utica	319,253	2.33	1,025,150	5.69	**0**	**0.00**
988941	15 Mile Road Resurfacing	821,214	6.00	140,620	0.78	**0**	**0.00**
988947	17 Mile Rd Bridge over Plumb Drain	151,596	1.11	0	0.00	**0**	**0.00**
988955	Salt Dome	3,755	0.03	404,550	2.24	**0**	**0.00**
988963	15 Mile Joint Repair-Ryan/Dequindre	0	0.00	48,000	0.27	**0**	**0.00**
988967	2003/04 Bridge Maintenance	0	0.00	141,000	0.78	**0**	**0.00**
	Total Capital Outlay	**5,724,088**	**41.81**	**10,205,330**	**56.62**	**2,831,300**	**26.12**

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	TRANSFERS OUT						
999101	Transfer To General Fund	35,000	0.26	87,110	0.48	**81,360**	**0.75**
999203	Transfer To Local Road Fund	450,000	3.29	200,000	1.11	**750,000**	**6.92**
999327	Trans To Rd Bond Debt Retire Fund	2,580,350	18.85	2,678,020	14.86	**2,428,860**	**22.41**
999428	Transfer To Road Bond Constr Fund	347,040	2.53	0	0.00	**0**	**0.00**
	Total Transfers Out	**3,412,390**	**24.93**	**2,965,130**	**16.45**	**3,260,220**	**30.07**
	Total Special Revenue Funds	**$13,690,255**	**100.00**	**$18,022,700**	**100.00**	**$10,840,360**	**100.00**

Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

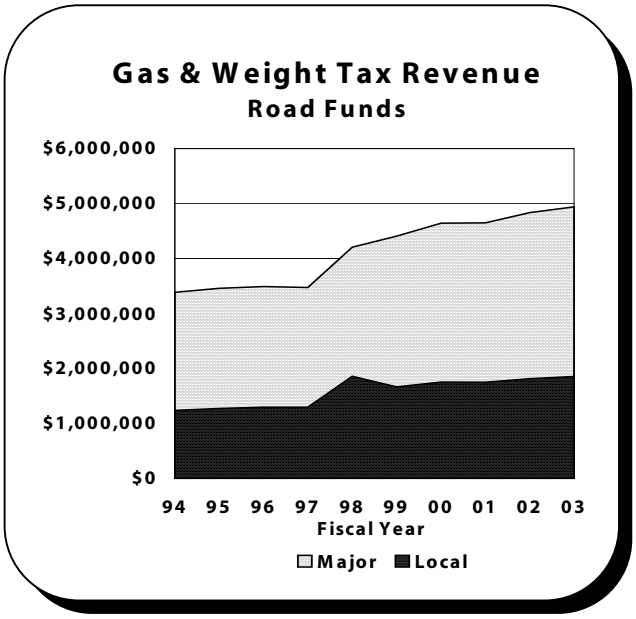
SPECIAL REVENUE FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
420000	Property Taxes - TIF	$0	0.00	$3,180	0.03	**$3,250**	**0.03**
	Total Taxes	**0**	**0.00**	**3,180**	**0.03**	**3,250**	**0.03**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	382,753	3.73	1,338,500	13.52	**808,000**	**7.93**
529003	Revenue Direct Loans	104,132	1.02	30,000	0.30	**40,000**	**0.39**
539002	State Grants	181,615	1.77	28,000	0.28	**4,000**	**0.04**
539348	Metro Act	71,895	0.70	375,000	3.79	**375,000**	**3.68**
546000	Highway & Street Grants	6,794,327	66.28	6,725,000	67.93	**7,000,000**	**68.71**
	Total State & Local Returns	**7,534,722**	**73.50**	**8,496,500**	**85.82**	**8,227,000**	**80.76**
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	1,550,070	15.12	250,000	2.53	**773,000**	**7.59**
699202	Transfer From Major Road Fund	450,000	4.39	200,000	2.02	**750,000**	**7.36**
	Total Other Financing Sources	**2,000,070**	**19.51**	**450,000**	**4.55**	**1,523,000**	**14.95**
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	59,348	0.58	30,000	0.30	**60,000**	**0.59**
	Total Charges for Services	**59,348**	**0.58**	**30,000**	**0.30**	**60,000**	**0.59**
	OTHER REVENUE						
665000	Interest on Investments	281,226	2.74	305,300	3.08	**130,300**	**1.28**
672000	Special Assessment Revenue	0	0.00	50,000	0.51	**58,300**	**0.57**
673000	Sale of Fixed Assets	209,739	2.05	0	0.00	**0**	**0.00**
676000	Reimbursements	158,571	1.55	565,250	5.71	**185,250**	**1.82**
685000	Miscellaneous Revenue	8,043	0.08	0	0.00	**0**	**0.00**
	Total Other Revenue	**657,579**	**6.41**	**920,550**	**9.30**	**373,850**	**3.67**
	Total Special Revenue Funds	**$10,251,719**	**100.00**	**$9,900,230**	**100.00**	**$10,187,100**	**100.00**

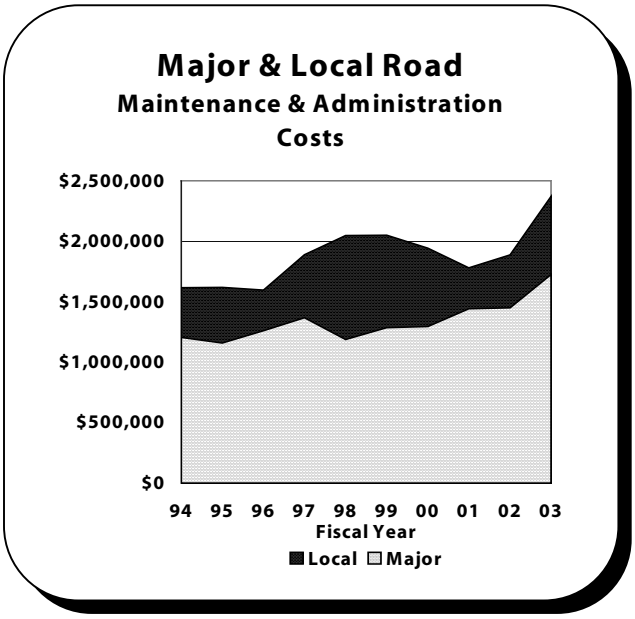
Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

Special Revenue Funds

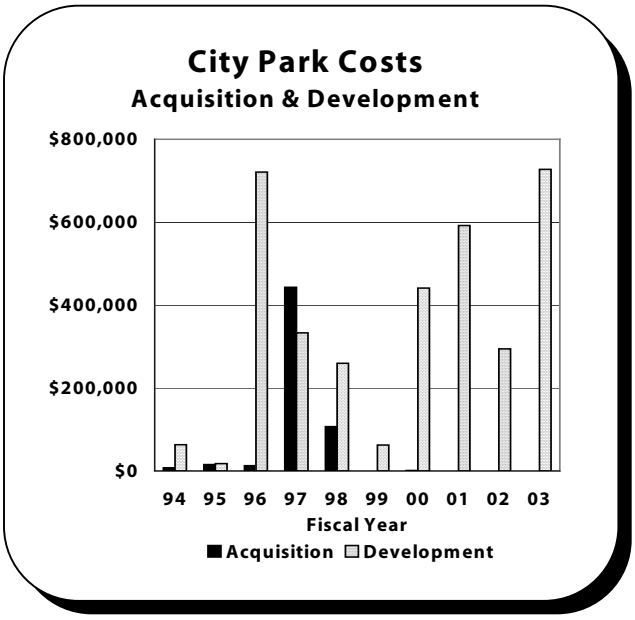


The amount of gas and weight tax revenues the City received remained nearly the same from 1994 to 1997. A four cent per gallon gas tax increase approved by the State in 1997 resulted in additional funding to the City beginning in 1998. The State's gas tax has been increased only once in 20 years.



The cost of both major and local road maintenance and administration has increased over the past ten fiscal years primarily as a result of the increased number of roads which need to be maintained and more recently, for the increased cost of tree removal due to the emerald ash borer and higher snow removal costs.

The City has spent $60.2 million over the past ten years on road construction, averaging about $6.0 million per year. With the completion of Ryan Road in 2000, the City's cost dropped to $3.4 million spent in 2001. Costs rose to $4.9 million in 2002 with the widening of Hayes Road. In 2003 our costs totaled $5.8 million with the resurfacing of Clinton River Road and the Utica Road Boulevard project.



The City continues to spend funds to develop City parks and provide the necessary path systems, restroom, ball field lighting, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve.

Major Road Fund

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, accounts for monies transferred to other funds, and accounts for revenues received from a special assessment tax levy as provided by Act 51 of the Public Acts of 1951, as amended. 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.

The 2004/05 Capital Outlay budget includes funding for two landscaping projects on Schoenherr Road and Metropolitan Parkway. $250,000 is programmed for the preliminary engineering and design costs for a widening project on 19 Mile Road. $350,000 is funded for various intersections, rights-of-way, and traffic signal improvements.

Total Other Charges are budgeted in the amount of $1,838,550, which are primarily used for major road maintenance, snow removal, and grass and weed control.

The remaining expenditure accounts will be utilized for the transfer of resources to other City funds. In fiscal year 2004/05, $750,000 is to be transferred to the Local Road Fund as more funding is needed for local road maintenance and construction and for the removal of emerald ash borer infested trees along City neighborhood streets. $2,350,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of Michigan Transportation Fund bonds.

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know?…
…that there are 60 miles of major roads in the City?

Major Road Fund

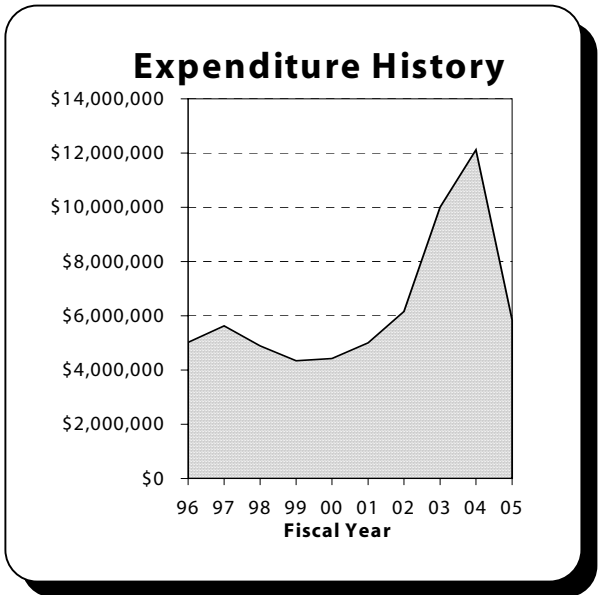
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Other Charges – Total Other Charges increased $39,500 or 2.2%. Tree and shrub maintenance costs increased by $25,500 due to the additional costs of removing emerald ash borer infested trees. Funding for traffic signs and signals increased $20,000 and pavement markings increased $15,000, both based on recent years' expenditure trends. Roadside cleanup costs for State roads and funding for storm drain maintenance each fell $10,000 due to less activity in recent years and because of lower bid prices for maintenance on the M-59 median.

Capital – Total Capital of $903,500 is proposed for this fund. $230,000 is for the landscaping of Schoenherr Road from 14 Mile Road to Metropolitan Parkway. $73,500 is for the landscaping of Metropolitan Parkway from Dodge Park Road to Utica Road. Preliminary engineering and design costs for a widening project on 19 Mile Road is proposed for $250,000. $350,000 is funded for various intersections, rights-of-way, and traffic signal improvements. ***For a complete list of all Major Road projects, refer to the Capital Improvements schedule and map on the following pages.***

Transfers Out – Total Transfers Out increased $300,000 or 10.7%. Transfers Out to the Local Road Fund increased $550,000 as more funding is needed for local road maintenance and construction and for the removal of emerald ash borer infested trees along City neighborhood streets. Transfers Out to the Road Bond Debt Retirement Fund decreased $250,000 due to lower debt payments on existing bonds, the retirement of two bonds, and the savings from the issuance of the 2003 Refunding Bond in the prior year.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.
Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Other Charges	$1,724,771	$1,799,050	$1,813,550	$1,838,550	$1,838,550
Capital Outlay	4,983,908	7,523,380	6,770,060	903,500	903,500
Transfers Out	3,297,040	2,800,000	2,800,000	3,100,000	3,100,000
Total	$10,005,719	$12,122,430	$11,383,610	$5,842,050	$5,842,050

Local Road Fund

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 by special assessing property owners for street improvements as provided by Act 51 of the Public Acts of 1951, as amended, and to account for 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.

In fiscal year 2004/05, a total of $3,790,060 is budgeted for this fund. $315,000 is included for the development of a Pavement Management System to determine current road conditions and project future funding for pavement maintenance and reconstruction. $190,000 is funded for the Lake Forest Drive Connection to allow through traffic by connecting two dead-end roads. $118,000 is budgeted for the concrete paving and storm sewer installation on Shadowcreek Court. $546,000 is programmed for the concrete replacement of Clifton Drive, Firestone Drive, and Breckenridge Drive.

Total Other Charges in this fund total $2,542,200 and are allocated primarily for local road maintenance, snow removal, and tree and shrub maintenance.

Transfers Out to the Road Bond Debt Retirement Fund for $78,860 is budgeted to pay for the Local Road Fund's share of principal and interest payments resulting from prior year Michigan Transportation Fund Bonds.

Specific capital projects in the Local Road Fund are detailed in the Capital Projects section of this document.■

Did you know?…
…that there are 285 miles of local roads in the City?

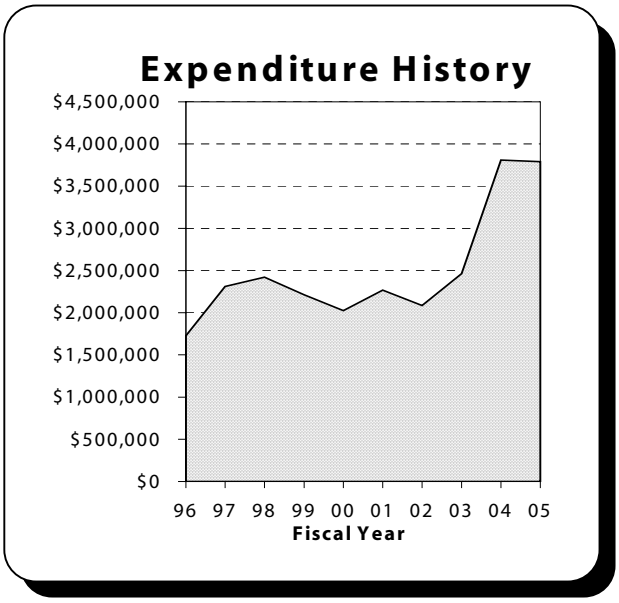
Local Road Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Other Charges – Total Other Charges increased $187,000 or 7.9%. Funding increased $200,000 for the removal of emerald ash borer infested trees along City neighborhood streets. $25,000 was added for higher snow and ice removal costs due to greater activity in recent years. $100,000 is budgeted for the Joint Sealing Program and $750,000 is budgeted for the Concrete Replacement Program, as the City continues to fund these repairs to all streets throughout the City. Storm drain maintenance costs fell $35,000 due in part to the use of longer lasting mosquito briquettes in residential catch basins to reduce the incidence of the West Nile Virus. Funding for contracted services and bridge maintenance costs each decreased $2,500, as prior year funds were not fully spent.

Capital – Total Capital of $1,169,000 is proposed for this fund. $315,000 is for the development of a Pavement Management System for determining the current road condition and to project the future need of pavement maintenance and reconstruction. $190,000 is for the Lake Forest Drive Connection to connect two dead-end roads for Timber Ridge and Forest View Subdivisions to allow through traffic. $546,000 is for local road repairs as part of the voter approved Proposal N in 1996. The General Fund will pay half the cost of these repairs. Proposed repairs include the concrete replacement of Clifton Drive, Firestone Drive, and Breckenridge Drive. $118,000 is for the concrete paving and storm sewer installation on an extension of Shadowcreek Court.



Transfers Out – Transfers Out to the Road Bond Debt Retirement Fund for $78,860 is budgeted to pay for the Local Road Fund's share of principal and interest payments resulting from prior year Michigan Transportation Fund Bonds.

CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.
Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Other Charges	$2,369,960	$2,355,200	$2,567,700	$2,542,200	$2,542,200
Capital Outlay	12,713	1,377,090	983,600	1,169,000	1,169,000
Transfers Out	80,350	78,020	78,020	78,860	78,860
Total	$2,463,023	$3,810,310	$3,629,320	$3,790,060	$3,790,060

Economic Development Corporation Fund

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, 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, reconstructing, improving, maintaining, repairing 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 promotional ads 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 Community Relations Director 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 will include recommendations to the City Council on Brownfield plans. Brownfield Redevelopment will have a positive impact on the community by providing a cleaner and safer environment.■

Did you know?…
…that the Community Relations Department works in conjunction with the City Development Department to assist property owners in the redevelopment of underutilized properties?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

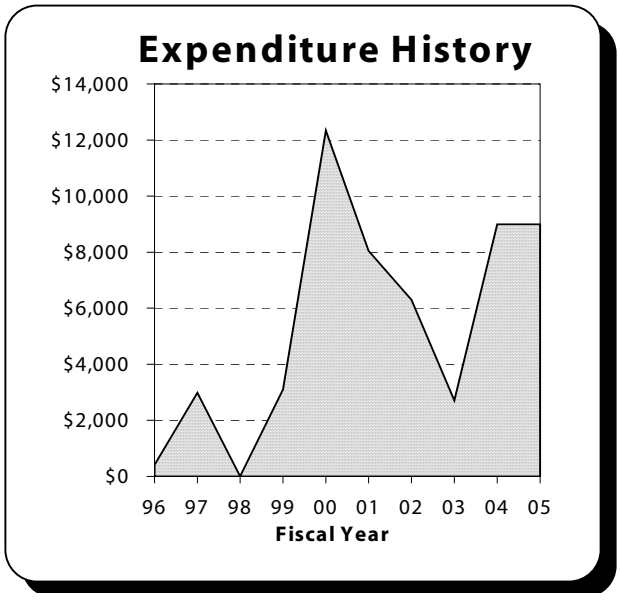
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this fund. The Economic Development Corporation members serve as volunteers without compensation.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at $9,000. There are no proposed changes within the Other Charges accounts. The funding is used to advertise in trade publications to help attract business to the City and promote city-wide economic development and re-development issues.

Capital – There is no Capital budget for this fund.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	2,713	9,000	4,700	9,000	9,000
Total	$2,713	$9,000	$4,700	$9,000	$9,000

Brownfield Redevelopment Authority Fund

The Brownfield Redevelopment Authority Fund is a Special Revenue Fund of the City of Sterling Heights. The Authority was established in 2000 to offer private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties, as well as remediate those properties that may be contaminated.

The Authority offers private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties.

The goals of the Brownfield Redevelopment Authority are to clean up environmentally questionable properties, maximize land use in relation to the appropriate zoning district, reduce the blighting influence of underutilized or obsolete properties, create new job opportunities for residents of Sterling Heights, stimulate new investment in the City by wisely using all of our resources, and control urban sprawl by reusing sites with existing infrastructure.

The City of Sterling Heights, through the Brownfield Redevelopment Authority uses promotional advertising to encourage new investment in existing properties and assists developers in obtaining financial assistance through grant programs, tax credits, and tax increment financing.

The Brownfield Redevelopment Authority encourages new investment in existing properties.

The Brownfield Redevelopment Authority helps the City maintain an up-to-date list of properties it feels are underutilized or are potential redevelopment candidates. The Authority's tasks also include making recommendations to City Council on future Brownfield plans, coordinating environmental inspections of possible Brownfield sites, and providing technical assistance, including zoning and infrastructure information and guidance to those parties that are redeveloping land in the City. Overall, Brownfield Redevelopment will have a positive impact on the Community by providing a cleaner and safer environment.

The City Development Director is the City's liaison to the Brownfield Redevelopment Authority, whose nine members are the same as the Economic Development Corporations' members.■

Did you know?…
…that most Tax Increment Financing (TIF) for Brownfield Redevelopment is now decided by the local unit of government?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

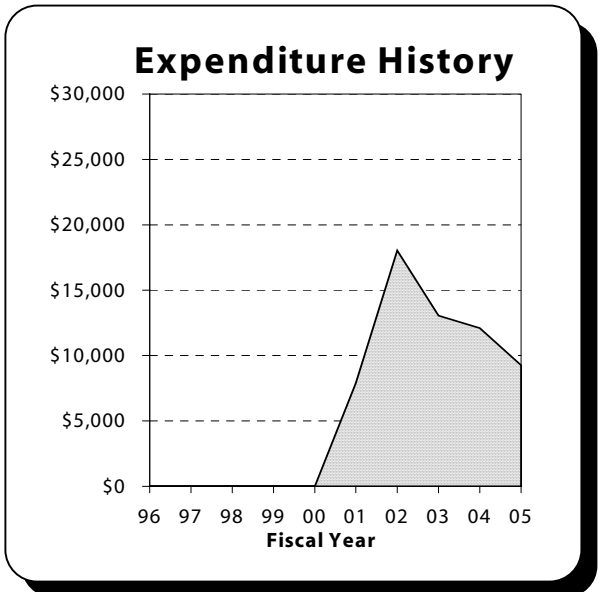
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this fund. The Brownfield Redevelopment Authority members serve as volunteers without compensation.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $2,850 or 23.6%. $2,000 was eliminated as fewer articles and advertisements will be placed in various realty development magazines. Funding decreased $1,000 for environmental inspections of possible Brownfield sites based on amounts actually spent in the prior year. Legal services rendered by the City Attorney decreased $1,000 based on the recent year's estimated expenditure usage. These decreases were slightly offset by an increase of $1,150 to reimburse the developer for project costs related to the Sims Drive project as tax increment financing for this site began in the prior year.

Capital – There is no Capital budget for this fund.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	13,055	12,100	5,600	9,250	9,250
Capital Outlay	0	0	0	0	0
Total	$13,055	$12,100	$5,600	$9,250	$9,250

Community Development Block Grant Fund

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). In addition, a collection is maintained for daycare facilities at four area schools, Gibbing, Rose Kidd, Heritage, and Messmore. Approximately 1,400 children in these daycare facilities, from low and moderate income families, have the opportunity to read and learn through picture books and beginning reader books.

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 a rule of the program is when capital improvements are made to a neighborhood, you may not negatively impact moderate and low-income families. 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, housing rehabilitation, Minor Home Repair Program, Handicapped Recreation Program, the Home Chore Program, and meeting the federally mandated Americans With Disabilities Act requirements.

For fiscal year 2004/05, $396,800 is programmed for improvements to the north side of James C. Nelson Park to include the paving and expansion of the existing gravel parking lot, a new soccer field, a new park entrance sign and the extension of the park path.

A transfer to the General Fund is budgeted for $81,360 for a portion of wages and fringe benefit costs of the CDBG Specialist and to assist in the funding of the Special Recreation Program.■

Did you know?…
…that the 2004/05 fiscal year will be the City's 30th year of participation in the Community Development Block Grant Program?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

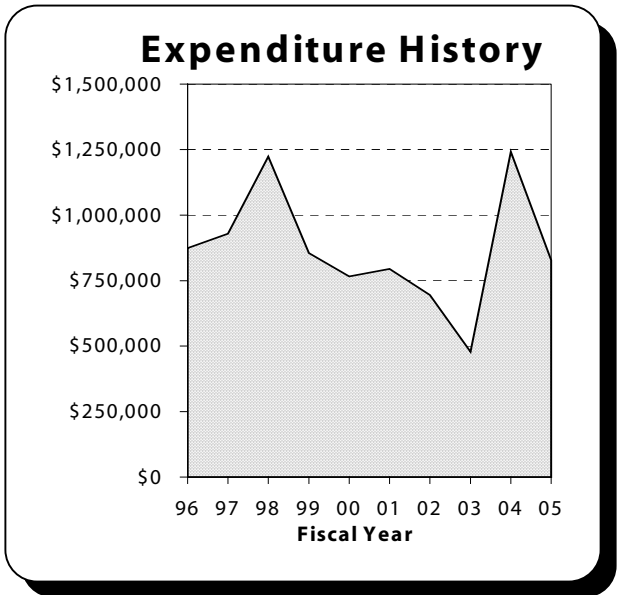
Personnel Services – The total Personnel budget increased by $3,680 or 66.8%. Funds are recommended for additional part-time hours to help during the busy housing rehabilitation season.

Supplies – Total Supplies increased $1,370 or 12.6%. The budget increased $1,200 for the purchase of books on tape and special large print books to service the needs of the homebound senior and handicapped residents.

Other Charges – Total Other Charges decreased $332,100 or 50.3%. The budget for contracted services decreased $332,000 primarily due to a decrease of $260,000 in funding for the Housing Rehabilitation Program. In addition, $66,000 in funding for the Minor Home Repair Program was eliminated, as prior year funds are still available. The budget decreased $6,000 as fewer donations will be made to service organizations.

Capital – Total Capital of $396,800 is proposed for this fund. $396,800 is proposed for improvements to the north side of James C. Nelson Park to include the paving and expansion of the existing gravel parking lot to accommodate visitors to the new soccer field, a new park entrance sign, and the extension of the park path.

Transfers Out – A transfer to the General Fund is proposed for $81,360 to reimburse the City for the partial wages and fringe benefit costs of the CDBG Specialist and to assist in partially funding the City's Special Recreation Program.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$9,235	$5,510	$9,190	$9,190	$9,190
Supplies	11,381	10,880	11,450	12,250	12,250
Other Charges	422,663	660,500	658,750	328,400	328,400
Capital Outlay	82	477,500	467,700	396,800	396,800
Transfers Out	35,000	87,110	87,110	81,360	81,360
Total	$478,360	$1,241,500	$1,234,200	$828,000	$828,000

Land & Water Conservation Fund

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/or acquisition of the park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any park land 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/or acquisition of the park system.

The fiscal year 2004/05 budget totals $362,000 to fund four park improvement projects. $8,000 is programmed for Tree Plantings at L. W. Baumgartner Park (50% is to be financed by grant). The replacement of six portable bleachers at Delia Park is funded for $24,000. $60,000 is included for the development of a soccer field at Nelson Park North and $270,000 is included for the development of two soccer fields at L. W. Baumgartner Park.

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?…
…that the City has purchased almost 4 acres of property at Dodge Park Road and Utica Road for possible future Parks & Recreation development?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

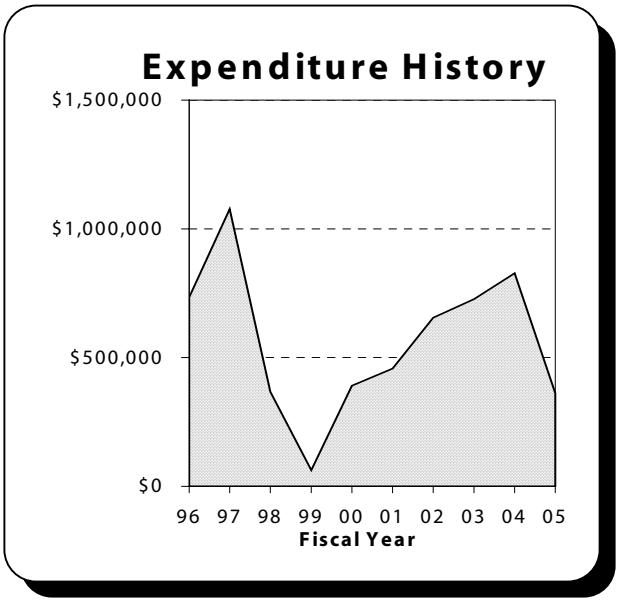
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of $362,000 is proposed for this fund. $8,000 is proposed for Tree Plantings at L.W. Baumgartner Park, of which 50% is to be financed by grant monies. The replacement of six Portable Bleachers at Delia Park is proposed for $24,000. $60,000 is proposed for the development of a soccer field at Nelson Park North, and $270,000 is proposed for the development of two soccer fields at L.W. Baumgartner Park. ***The Capital Improvement section of this document provides a breakout of each project's cost and funding source.***



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	727,388	827,360	856,660	362,000	362,000
Transfers Out	0	0	0	0	0
Total	$727,388	$827,360	$856,660	$362,000	$362,000

Budget Stabilization Fund

The Budget Stabilization Fund is a Special Revenue Fund of the City of Sterling Heights and serves as a rainy day fund to prevent General Fund deficits, revenue shortfalls, reductions in services, or to cover expenses arising from natural disasters.

Each fiscal year, the governing body of the municipality may appropriate all or part of a surplus in the General Fund resulting from an excess of revenue in comparison to expenses, to the fund. However, the amount of money in the fund shall not exceed either 15% of the municipality's most recent General Fund budget, as originally adopted, or 15% of the average of the municipality's five most recent General Fund budgets, as amended, whichever is less. If the money in the fund exceeds that permitted, the excess money is appropriated in the next General Fund budget.

The Budget Stabilization Fund serves as a rainy day fund to prevent future deficits, revenue shortfalls, reductions in services, or to cover expenses arising from natural disasters.

As stated above, the Budget Stabilization Fund may be created and appropriated for many reasons. First, this Fund may be utilized to cover a General Fund deficit, when the municipality's annual audit reveals such a deficit. Next, this Fund can be used to prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses. Or, when preparing the budget for the next fiscal year, if estimated revenue does not appear sufficient to cover estimated expenses, money in this Fund may be appropriated. Finally, this Fund may be used to cover expenses arising because of a natural disaster, including a flood, fire, or tornado.

Upon City Council's review and approval, the Budget Stabilization Fund was established during the final budget amendment in June of 1998. During the 1998/1999 fiscal year there was a residual equity transfer into this fund, and in the 1999/2000 budget, General Fund revenues exceeded expenditures, which allowed for a transfer to the newly established Budget Stabilization Fund. In fiscal year 2000/01 another transfer was made from the General Fund to counter possible future economic downturns or the need for a future tax increase.

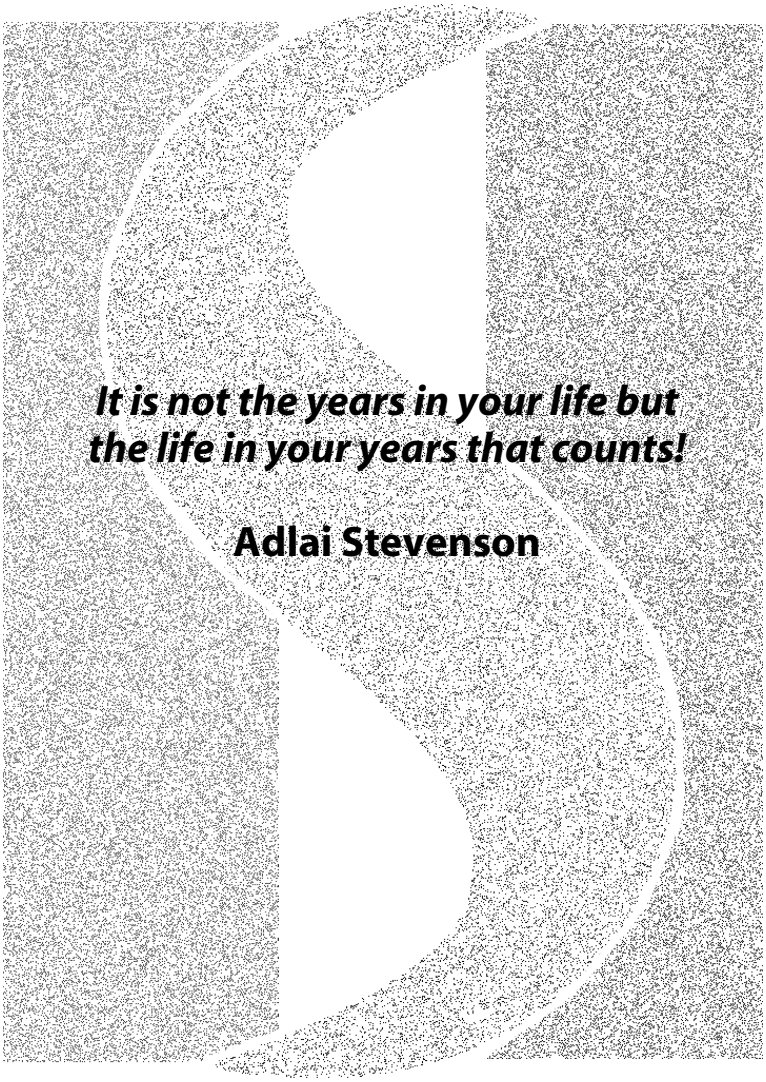
For fiscal year 2004/05, the Fund Balance for this fund will remain at $750,000. Due to revenue shortfalls, there have been no additional contributions made to this fund since the 2000/01 fiscal year. Since it's establishment, there has been no expenditure activity in this fund.■

Did you know?…
…that the Budget Stabilization Fund was established in the 1997/98 fiscal year to lessen the need for future tax increases?

DEBT SERVICE FUNDS

Debt Service Funds are used to account for accumulation of resources and payments of general long-term debt principal and interest. Debt Service Funds are not involved with the long-term debt of proprietary funds, which are responsible for redeeming their own obligations. Debt Service Funds are required when legally mandated and/or if revenues are being accumulated for general obligation long-term debt principal and interest payments maturing in future years.

Debt Service Funds included in this section are the Building Authority Receiving Fund, General Drain Fund, R, S & T Debt Service Fund, and the Road Bond Debt Retirement Fund.


It is not the years in your life but
the life in your years that counts!
Adlai Stevenson

GENERAL OBLIGATION

Section 11.01 of the Sterling Heights City Charter, adopted May 25, 1968, enumerates the general borrowing power of the City. It states that Council, by proper ordinance or resolution, may authorize the borrowing of money, the issuance of bonds of the City, or other evidences of indebtedness, subject to the applicable provisions of State law and the Charter. The City may pledge its full faith credit and resources for the payment of the obligation created.

The City Charter states that the City may borrow money, within provisions stipulated by State law, in anticipation of the payment of special assessments made for the purpose of defraying the cost of any public improvement and can issue revenue or other types of bonds.

Section 11.06 provides limitations on this borrowing authority. The net bonded indebtedness incurred for all public purposes shall not at any time exceed ten (10) percent of the assessed value of all the real and personal property in the City subject to taxation as shown by the last preceding assessment roll of the City. In the case of fire, flood or other calamity requiring an emergency fund for the relief of the inhabitants of the City, or for the repairing or rebuilding of municipal buildings, works, bridges, or streets, the legislative body of the City may borrow money due in not more than five (5) years and in the amount not exceeding three-eighths (3/8) of one percent of the assessed valuation of all the real and personal property in the City, notwithstanding such loan may increase the indebtedness of the City beyond the limitation fixed in this Charter.

To compute the net bonded indebtedness, 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, and bonds issued to refund monies advanced or paid on special assessments for water main extensions, shall not be included. 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 Debt limit for the 2004/05 budget is $472,168,125 and the population estimate is 126,200. The City's outstanding debt as of June 30, 2004 is shown as a ratio of debt to assessed value and debt per capita. These ratios are as follows:

	Debt Outstanding 6/30/04	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	$43,681,540	.93%	$346

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
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The City's Debt Management Program is the product of over 20 years of deliberate decision-making by the leaders of our community. The City of Sterling Heights has made judicious use of its authorities to sell bonds or otherwise incur debt. Our current bond ratings are an AA+ bond rating from Fitch, AA from Standard & Poors, and an Aa2 rating from Moody's. The City's overall debt is low. The City's favorable credit rating and low debt service will permit the City to undertake additional debt in the future for much needed capital improvements.

Debt Management Program

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2004, the principal and interest payments required for fiscal 2004/05, and the funding source is included within this Debt Service section. Total indebtedness as of June 30, 2004 is $59,941,540. Total principal payment in fiscal year 2004/05 is $5,056,540 and the interest payment is $2,345,450.

Some of the City's debt service is financed indirectly through lease with the City's Building Authority. For the General Fund, the payment to the Building Authority for the Judicial Services Center and City Center Commons projects are budgeted in Activity 9660, Transfers Out. Brief descriptions of each of the types of debt incurred by the City are stated below followed by debt summary schedules that specify the long-term obligations.

THE STERLING HEIGHTS BUILDING AUTHORITY

The Building Authority was created for the purpose of acquiring and leasing property to the City. The City is involved in the purchase by lease contract for the City's Judicial Services Center and the new City Center Commons. The debt for a purchase by lease contract for the Civic Center has been retired in fiscal year 1999/2000. When the bond issuance's utilized to construct these buildings are paid off, ownership reverts to the City.

In 1989, the Building Authority recommended and City Council approved the bonding for and constructing of a new Judicial Services Center. The total debt outstanding for the Court as of June 30, 2004 is $2,025,000. Total principal payment for 2004/05 is $315,000 and the interest payment is $42,160.

In 1999/00, a bond in the amount of $3,700,000 was sold for the development of the City Center Commons project. Total outstanding debt as of June 30, 2004 is $3,350,000. Total principal payment is $100,000 and interest is $184,490.

R, S & T DEBT SERVICE FUND

In November 1988, the residents of the City approved the sale of bonds for the construction of Road Improvements, a Fire Station, and Fire Equipment (Public Improvements R, S & T). Total indebtedness for completed projects under Proposal R is $3,975,000. Principal payments for 2004/05 are $950,000 and interest payments are $146,110.

SETTLEMENT BONDS DEBT FUND

In March 2004, the City Council approved a $31 million settlement arising from the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex. To fund the first year's payment of the settlement, the City sold General Obligation Judgment Funding Bonds in the amount of $24,395,000. Principal payment for 2004/05 is $840,000 and interest payments total $872,160. The remainder of the settlement is expected to be funded through insurance claims or, if necessary, through the issuance of a second series of Judgment Funding Bonds in 2005.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. A small portion of these improvements is specially assessed. Indebtedness as of June 30, 2004 is $15,910,000. Principal payments for 2004/05 are $1,660,000 and the interest payments are $624,350.

SPECIAL ASSESSMENTS

Special Assessment bonds were issued in 1996 and 1997 to defray the costs of storm sewers and concrete paving improvements in various special assessment districts of the City. Indebtedness for these bond issues as of June 30, 2004 is $350,000. Total principal payments for 2004/05 are $225,000 and interest payments are $11,810.

CONTRACTUAL OBLIGATIONS TO MACOMB COUNTY

The City is under contract with Macomb County to pay the debt requirements for the construction of Chapter 20 drains. Indebtedness for total contractual obligations to Macomb County is $9,936,540. Principal payments for 2004/05 are $966,540 and the interest payments are $464,370.■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/04	2004/05 Principal	2004/05 Interest	2004/05 Total
BUILDING AUTHORITY RECEIVING FUND					
Building Authority Bonds - Court	Gen. Fund	$2,025,000	$315,000	$42,160	**$357,160**
Building Authority Bonds - City Center Commons	Gen. Fund	3,350,000	100,000	184,490	**284,490**
R, S & T DEBT SERVICE FUND					
1994 Road Improvement Bonds (R)	R,S,T Fund	200,000	200,000	5,400	**205,400**
1997 Road Improvement Bonds (R)	R,S,T Fund	850,000	200,000	37,740	**237,740**
1998 Road Improvement Bonds (R)	R,S,T Fund	1,350,000	300,000	45,000	**345,000**
1999 Road Improvement Bonds (R)	R,S,T Fund	1,575,000	250,000	57,970	**307,970**
SETTLEMENT BONDS DEBT FUND					
2004 Judgment Funding Bonds	Self Ins. Fund	24,395,000	840,000	872,160	**1,712,160**
ROAD BOND DEBT RETIREMENT FUND					
1991 MI Transportation Bonds	Major Rds.	350,000	0	9,630	**9,630**
1996 MI Transportation Bonds	Major Rds.	400,000	200,000	14,600	**214,600**
1999 MI Transportation Bonds	Major Rds.	4,150,000	250,000	175,410	**425,410**
2000 MI Transportation Bonds	Major Rds.	3,900,000	200,000	194,380	**394,380**
2002 MI Transportation Bonds	Major Rds.	4,060,000	890,000	121,460	**1,011,460**
2003 MI Transportation Bonds	Major Rds.	3,050,000	120,000	108,870	**228,870**
Special Assessment Bonds	S/A	350,000	225,000	11,810	**236,810**
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fd.	9,936,540	966,540	464,370	**1,430,910**
Total Debt Service		**$59,941,540**	**$5,056,540**	**$2,345,450**	**$7,401,990**

Note: The 2004/05 principal and interest amounts for the Settlement Bonds Debt Fund differ from the budget, as the budget was based on estimated figures prior to the bonds being sold.

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
BLDG. AUTHORITY RECEIVING FUND						
Judicial Center	$344,630	$384,110	$2,327,500	$2,327,500	$357,160	**$357,160**
City Center Commons	277,980	297,610	290,610	290,610	284,490	**284,490**
Total General Fund Debt Service	**622,610**	**681,720**	**2,618,110**	**2,618,110**	**641,650**	**641,650**
R, S & T DEBT SERVICE FUND						
Road Improvements (R)	2,083,440	1,460,570	1,111,620	1,111,620	1,096,110	**1,096,110**
Total R, S & T Debt Fund	**2,083,440**	**1,460,570**	**1,111,620**	**1,111,620**	**1,096,110**	**1,096,110**
GENERAL DRAIN FUND	1,463,270	1,473,700	1,871,820	1,871,820	1,430,910	**1,430,910**
Total Tax Supported Debt Service	**$4,169,320**	**$3,615,990**	**$5,601,550**	**$5,601,550**	**$3,168,670**	**$3,168,670**

SCHEDULE OF PRINCIPAL & INTEREST
GENERAL FUND AND SELF-INSURANCE FUND SUPPORTED DEBT

Fiscal Year	2000 City Center Bonds	2003 41-A Court Bonds	2004 Judgment Funding Bonds							Total
2004/05	284,483	357,158	1,712,162							2,353,803
2005/06	327,921	336,008	1,867,700							2,531,629
2006/07	320,046	339,908	1,944,300							2,604,254
2007/08	312,077	348,395	2,017,900							2,678,372
2008/09	328,342	395,423	2,100,662							2,824,427
2009/10	318,936	400,431	2,186,169							2,905,536
2010/11	309,529		2,271,394							2,580,923
2011/12	300,013		2,365,028							2,665,041
2012/13	314,701		2,459,950							2,774,651
2013/14	303,601		2,555,647							2,859,248
2014/15	340,876		2,660,075							3,000,951
2015/16	326,563		2,765,788							3,092,351
2016/17	360,751		2,872,997							3,233,748
2017/18	343,501		2,991,903							3,335,404
2018/19	326,251		3,111,431							3,437,682
2019/20	308,813									308,813
Total	**$5,126,404**	**$2,177,323**	**$35,883,106**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$43,186,833**

Note: The 2004/05 principal and interest amounts for the 2004 Judgment Funding Bonds differ from the budget, as the budget was based on estimated figures prior to the bonds being sold.

R, S & T DEBT SERVICE FUND

Fiscal Year	1994 Proposal R Bonds	1997 Proposal R Bonds	1998 Proposal R Bonds	1999 Proposal R Bonds						Total
2004/05	205,400	237,738	345,000	307,975						1,096,113
2005/06		227,838	358,281	347,375						933,494
2006/07		242,156	370,625	360,025						972,806
2007/08		230,738	382,031	371,438						984,207
2008/09				357,175						357,175
Total	**$205,400**	**$938,470**	**$1,455,937**	**$1,743,988**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,343,795**

SCHEDULE OF PRINCIPAL & INTEREST
ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	1991 M.T.F. Bonds	1996 M.T.F. Bonds	1999 M.T.F. Bonds	2000 M.T.F. Bonds	2002 M.T.F. Bonds	2003 M.T.F. Bonds	1996 S/A Bond	1997 S/A Bond				Total
2004/05	9,626	214,600	425,410	394,375	1,011,460	228,874	102,500	134,313				2,521,158
2005/06	354,813	204,900	463,723	383,875	760,260	269,020		128,125				2,564,716
2006/07			451,123	373,375	747,680	486,836						2,059,014
2007/08			438,748	362,875	787,400	461,908						2,050,931
2008/09			524,298	449,750	773,925	521,033						2,269,006
2009/10			507,598	531,875	335,775	498,833						1,874,081
2010/11			588,322	511,875		524,883						1,625,080
2011/12			566,322	589,375		263,039						1,418,736
2012/13			641,547	564,062		249,410						1,455,019
2013/14			613,948	538,437								1,152,385
2014/15				512,812								512,812
Total	**$364,439**	**$419,500**	**$5,221,039**	**$5,212,686**	**$4,416,500**	**$3,503,836**	**$102,500**	**$262,438**	**$0**	**$0**	**$0**	**$19,502,938**

GENERAL DRAIN FUND

Fiscal Year	Diener Drain Enclosure No. 2	Green Drain Enclosure	Seventeen Mile Road Drain	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Sterling Relief Drain			Total
2004/05	199,536	117,625	319,400	117,750	79,900	97,850	265,025	135,000	98,815			1,430,901
2005/06		111,400	308,300	114,325	77,350	95,800	257,250	157,288	96,315			1,218,028
2006/07		105,700	322,500	111,213	75,050	118,050	274,750	154,038	99,765			1,261,066
2007/08			310,125	133,063	72,725	114,600	266,000	150,538	103,009			1,150,060
2008/09			322,750	128,813	70,375	111,075	282,250	171,788	105,860			1,192,911
2009/10			333,750	124,513	67,975	107,513	297,250	167,100	108,219			1,206,320
2010/11			318,350	120,163	65,525	128,950	286,000	162,100	110,070			1,191,158
2011/12			302,675	115,763	63,025	124,150	299,750	182,100	111,428			1,198,891
2012/13			312,000	136,313	60,475	144,250	287,250	176,100	117,243			1,233,631
2013/14				130,688	82,875	137,938	299,750	169,800				821,051
2014/15					78,938	131,500	286,000	163,350				659,788
2015/16								156,750				156,750
2016/17												0
2017/18												0
2018/19												0
Total	**$199,536**	**$334,725**	**$2,849,850**	**$1,232,604**	**$794,213**	**$1,311,676**	**$3,101,275**	**$1,945,952**	**$950,724**	**$0**	**$0**	**$12,720,555**

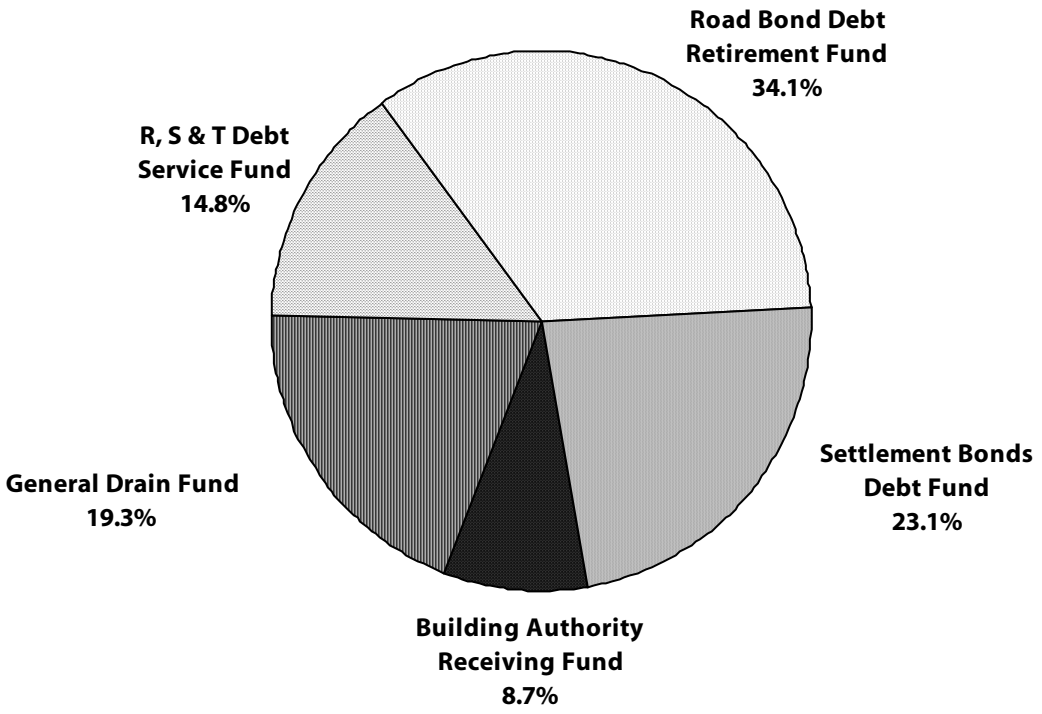
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
R,S & T DEBT SERVICE FUND						
REVENUES						
Property Taxes	$2,077,580	$1,448,770	$1,109,900	$1,109,990	$1,097,100	**$1,097,100**
Interest Income	10,350	3,060	5,000	1,200	1,000	**1,000**
Other Financing Sources	13,000	0	0	0	0	**0**
Total Revenues	**2,100,930**	**1,451,830**	**1,114,900**	**1,111,190**	**1,098,100**	**1,098,100**
EXPENDITURES						
Principal	1,775,000	1,225,000	925,000	925,000	950,000	**950,000**
Interest	308,440	235,570	186,620	186,620	146,110	**146,110**
Other Charges	4,440	1,800	3,280	3,280	1,990	**1,990**
Total Expenditures	**2,087,880**	**1,462,370**	**1,114,900**	**1,114,900**	**1,098,100**	**1,098,100**
Excess of Revenues Over (Under) Expenditures	**13,050**	**(10,540)**	**0**	**(3,710)**	**0**	**0**
Beginning Fund Balance	**3,980**	**17,030**	**6,490**	**6,490**	**2,780**	**2,780**
Ending Fund Balance	**$17,030**	**$6,490**	**$6,490**	**$2,780**	**$2,780**	**$2,780**
BUILDING AUTHORITY RECEIVING FUND						
REVENUES						
Other Revenues	2,110	530	10,500	10,010	500	**500**
Other Financing Sources	1,041,730	675,170	2,683,390	2,683,390	640,650	**640,650**
Total Revenues	**1,043,840**	**675,700**	**2,693,890**	**2,693,400**	**641,150**	**641,150**
EXPENDITURES						
Principal	725,000	375,000	2,330,000	2,330,000	415,000	**415,000**
Interest	331,540	306,720	288,110	288,110	226,650	**226,650**
Other Charges	1,700	1,450	73,680	73,100	500	**500**
Total Expenditures	**1,058,240**	**683,170**	**2,691,790**	**2,691,210**	**642,150**	**642,150**
Excess of Revenues Over (Under) Expenditures	**(14,400)**	**(7,470)**	**2,100**	**2,190**	**(1,000)**	**(1,000)**
Beginning Fund Balance	**22,640**	**8,240**	**770**	**770**	**2,960**	**2,960**
Ending Fund Balance	**$8,240**	**$770**	**$2,870**	**$2,960**	**$1,960**	**$1,960**
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Financing Sources	0	0	0	0	0	**1,715,000**
Total Revenues	**0**	**0**	**0**	**0**	**0**	**1,715,000**
EXPENDITURES						
Principal	0	0	0	0	0	**800,000**
Interest	0	0	0	0	0	**915,000**
Total Expenditures	**0**	**0**	**0**	**0**	**0**	**1,715,000**
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**

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	$127,120	$54,150	$35,000	$38,000	$30,000	**$30,000**
Interest Income	32,200	60,370	67,840	63,840	4,000	**4,000**
Penalties & Interest	10,610	6,340	5,000	4,000	2,000	**2,000**
Bond Proceeds - Refunding Issue	0	4,916,770	3,050,000	3,050,000	0	**0**
Transfers from Major Road Fund	2,400,000	2,500,000	2,600,000	2,600,000	2,350,000	**2,350,000**
Transfers from Local Road Fund	78,970	80,350	78,020	78,020	78,860	**78,860**
Total Revenues	**2,648,900**	**7,617,980**	**5,835,860**	**5,833,860**	**2,464,860**	**2,464,860**
EXPENDITURES						
Principal	1,660,000	6,675,000	4,905,000	4,905,000	1,885,000	**1,885,000**
Interest	1,031,930	1,060,830	837,360	837,360	636,160	**636,160**
Other Charges	4,730	102,660	113,810	113,810	2,030	**2,030**
Total Expenditures	**2,696,660**	**7,838,490**	**5,856,170**	**5,856,170**	**2,523,190**	**2,523,190**
Excess of Revenues Over (Under) Expenditures	**(47,760)**	**(220,510)**	**(20,310)**	**(22,310)**	**(58,330)**	**(58,330)**
Beginning Fund Balance	**530,450**	**482,690**	**262,180**	**262,180**	**239,870**	**239,870**
Ending Fund Balance	**$482,690**	**$262,180**	**$241,870**	**$239,870**	**$181,540**	**$181,540**
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	$1,295,290	$1,435,640	$1,540,490	$1,540,490	$1,427,410	**$1,427,410**
Interest Income	15,850	8,530	8,000	4,000	4,000	**4,000**
Other Financing Sources	147,590	0	327,080	327,080	0	**0**
Total Revenues	**1,458,730**	**1,444,170**	**1,875,570**	**1,871,570**	**1,431,410**	**1,431,410**
EXPENDITURES						
Principal	891,380	916,380	1,356,540	1,356,540	966,540	**966,540**
Interest	571,890	557,320	515,280	515,280	464,370	**464,370**
Other Charges	730	0	710	710	500	**500**
Total Expenditures	**1,464,000**	**1,473,700**	**1,872,530**	**1,872,530**	**1,431,410**	**1,431,410**
Excess of Revenues Over (Under) Expenditures	**(5,270)**	**(29,530)**	**3,040**	**(960)**	**0**	**0**
Beginning Fund Balance	**42,830**	**37,560**	**8,030**	**8,030**	**7,070**	**7,070**
Ending Fund Balance	**$37,560**	**$8,030**	**$11,070**	**$7,070**	**$7,070**	**$7,070**

2004/05 Debt Service Funds
Percent of Total Expenditures



This graph reflects budgeted Debt Service Funds expenditures as a percent of all Debt Service Funds for the 2004/05 fiscal year.

Debt Service Funds Revenues

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 assessed 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 the 2004/05 Budget, General Drain Tax revenue represents 19.49% of total revenue sources, a decrease of $120,080 below the 2003/04 Budget. This is due to a decrease in debt payments on existing drain bond issues. For 2004/05, the millage rate is 0.302 mills, a decrease of 0.035 mills below 2003/04.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund, Major Road Fund, Local Road Fund and Self-Insurance Fund provide revenue to the Debt Service Funds through this revenue center.

In the 2004/05 Budget, revenues generated from Other Financing Sources represent 65.09% of total revenue sources, a decrease of $3,953,980 below the 2003/04 Budget. Most of the decrease is a result of the receipt of bond proceeds from the refinancing of road bonds and Building Authority bonds in the prior fiscal year. Transfers from the Capital Projects Fund decreased due to the prior year one-time use of funds on hand at the County to call two drain bonds. In addition, transfers from the General Fund and the Major Road Fund decreased. These decreases were somewhat offset by a transfer from the Self-Insurance Fund to pay the first year's estimated principal and interest costs of the 2004 Judgment Funding Bonds issue.

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 and Special Assessment Revenue.

In the 2004/05 Budget, Other Revenues represent 0.54% of total revenue sources, a decrease of $86,840 below the 2003/04 Budget. This decrease is due to a decrease in Interest on Investments and the one-time interest received due to the refinancing of road bonds and Building Authority bonds in the prior year.

PUBLIC IMPROVEMENTS TAX

The R, S & T Debt Fund has been established to isolate the revenues and expenditures for the R, S & T Public Improvement Program approved by the voters in 1988. 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 2004/05, the millage rate is 0.232 mills, a decrease of 0.009 mills below 2003/04.

In 2004/05, Public Improvement Tax revenue represents 14.88% of total revenue sources, a decrease of $8,800 below the 2003/04 Budget. This decrease is a result of lower debt payments on the existing Proposal R bonds.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted use of fund balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2004/05 Budget, expenditures exceed revenue sources by $59,330. A draw down of funds is planned for debt payments on special assessments for which revenue was received in prior years.■

DEBT SERVICE FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	TAXES						
404000	City Operating Tax	$1,430,243	12.78	$1,536,990	13.34	**$1,423,910**	**19.37**
415000	Delinquent Personal Property Tax	8,424	0.08	7,500	0.07	**4,500**	**0.06**
445000	Penalties & Interest	10,743	0.10	8,000	0.07	**4,000**	**0.05**
	Total Taxes	**1,449,410**	**12.95**	**1,552,490**	**13.48**	**1,432,410**	**19.49**
	OTHER FINANCING SOURCES						
698100	Bond Proceeds - Refunding	4,916,773	43.94	5,075,000	44.05	**0**	**0.00**
699101	Transfer From General Fund	675,170	6.03	740,470	6.43	**640,650**	**8.72**
699202	Transfer From Major Road Fund	2,500,000	22.34	2,600,000	22.57	**2,350,000**	**31.97**
699203	Transfer From Local Road Fund	80,350	0.72	78,020	0.68	**78,860**	**1.07**
699403	Transfer From Capital Project Fund	0	0.00	245,000	2.13	**0**	**0.00**
699677	Transfer From Self-Insurance Fund	0	0.00	0	0.00	**1,715,000**	**23.33**
	Total Other Financing Sources	**8,172,293**	**73.03**	**8,738,490**	**75.85**	**4,784,510**	**65.09**
	OTHER REVENUE						
665000	Interest on Investments	20,696	0.18	24,000	0.21	**9,500**	**0.13**
665003	Interest - Bonds	51,797	0.46	67,340	0.58	**0**	**0.00**
672000	Special Assessment Revenue	54,144	0.48	35,000	0.30	**30,000**	**0.41**
	Total Other Revenue	**126,637**	**1.13**	**126,340**	**1.10**	**39,500**	**0.54**
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	1,441,193	12.88	1,102,900	9.57	**1,094,100**	**14.88**
418000	Proposal S Debt Levy	142	0.00	0	0.00	**0**	**0.00**
	Total Public Improvements Tax	**1,441,335**	**12.88**	**1,102,900**	**9.57**	**1,094,100**	**14.88**
	Total Debt Service Funds	**$11,189,675**	**100.00**	**$11,520,220**	**100.00**	**$7,350,520**	**100.00**

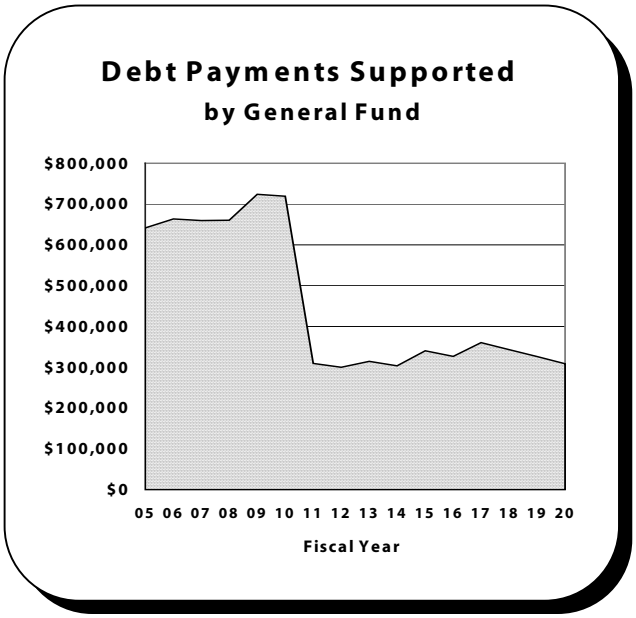
DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	OTHER CHARGES						
810000	Other Fees	105,909	0.92	188,990	1.64	**3,770**	**0.05**
965000	Refunds on Tribunal Adjustments	0	0.00	2,490	0.02	**1,250**	**0.02**
	Total Other Charges	**105,909**	**0.92**	**191,480**	**1.66**	**5,020**	**0.07**
	DEBT SERVICE						
992000	Principal	9,191,382	80.22	9,516,540	82.50	**5,016,540**	**67.70**
993000	Interest	2,160,442	18.86	1,827,370	15.84	**2,388,290**	**32.23**
	Total Debt Service	**11,351,824**	**99.08**	**11,343,910**	**98.34**	**7,404,830**	**99.93**
	Total Debt Service Funds	**$11,457,733**	**100.00**	**$11,535,390**	**100.00**	**$7,409,850**	**100.00**

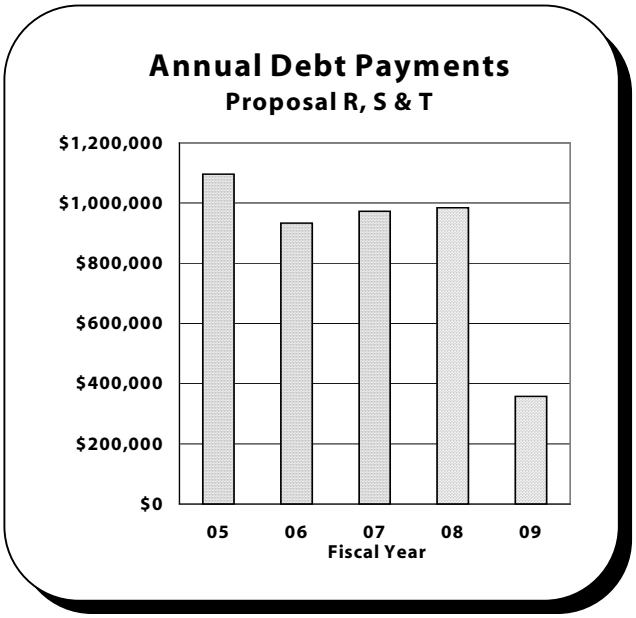
Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

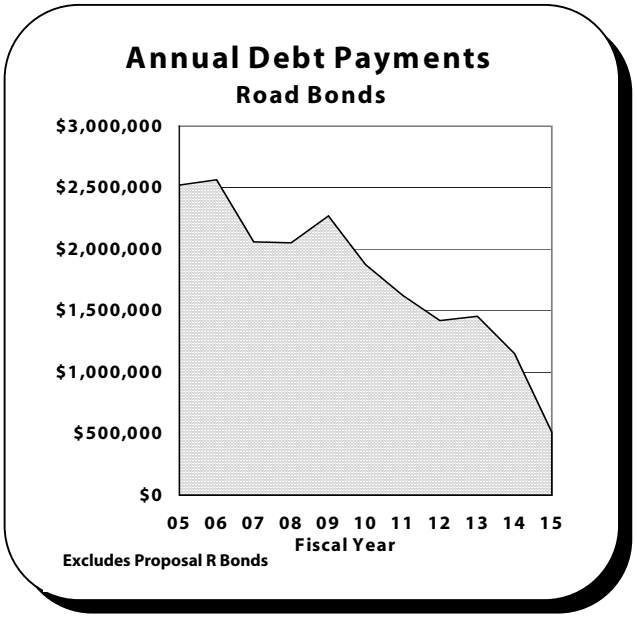
Debt Service Funds



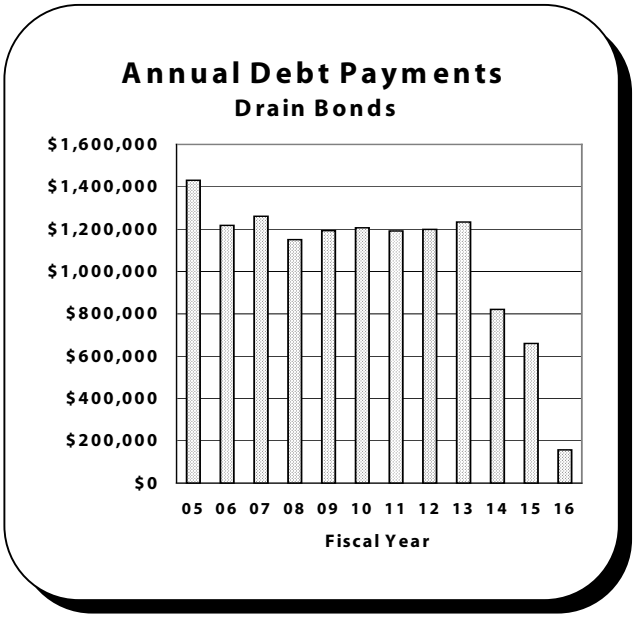
The City's debt cost for the Judicial Services Center and City Center Commons projects will slowly decrease over the next 15 fiscal years. The Senior Center was paid off in the 2001/2002 fiscal year. The Court debt will be paid off in the 2009/2010 fiscal year.



Proposal R, S & T debt decreases through the year 2009. Debt from Proposal S was retired in the 2000/01 fiscal year. Debt from Proposal T was retired in the 1996/97 fiscal year.



Due to increased road construction over the past several years, debt payments continue to be around $2.5 million annually for the next two years until several Michigan Transportation Fund bonds are retired. New debt from the 18½ Mile Connector project, estimated to be $500,000 per year, is not included in this graph as debt has not yet been issued.



Total Drain debt slowly decreases over the next 12 years as the Diener Drain debt is retired in 2005, and the Green Drain debt is fully paid off in 2007.

R, S & T Debt Service Fund

The R, S & T Debt Service Fund was created in 1993/94 to provide a formal mechanism of accounting for revenue, tax millage, and expenditures dedicated and used for the 1988 voter approved public improvements. In years prior to 1993/94, these expenditures and revenues were realized in the General Fund. 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 will be levied to retire the debt incurred and the necessary bond paying agent fees.

Each public improvement 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.

The public improvement for "R" authorized $21 million for 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.

In fiscal year 2004/05, $1,096,110 in principal and interest payments will be paid toward reducing this Fund's Proposal R debt. The 1999 general obligation bond, which sold for $2,700,000 was the final bond to be sold under Proposal R. The final principal and interest payments to retire debt "R" will be made in fiscal year 2008/09.

The public improvement for "S" authorized $3,000,000 for the construction of the City's fifth fire station located in the Northwest quadrant of the City. The new fire 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.

The public improvement for "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.

The debt for "R" was financed through the issue of series general obligation bonds of the City for a period not longer than 15 years. The debt for "S" and "T" was financed through the issue of general obligation bonds of the City for a period of not longer than 10 years.■

Did you know?…
…that general obligation bonds are the oldest and most basic form of municipal financing since cities began to grow in the early 19th century?

R, S & T Debt Service Fund

SUMMARY OF BUDGET CHANGES

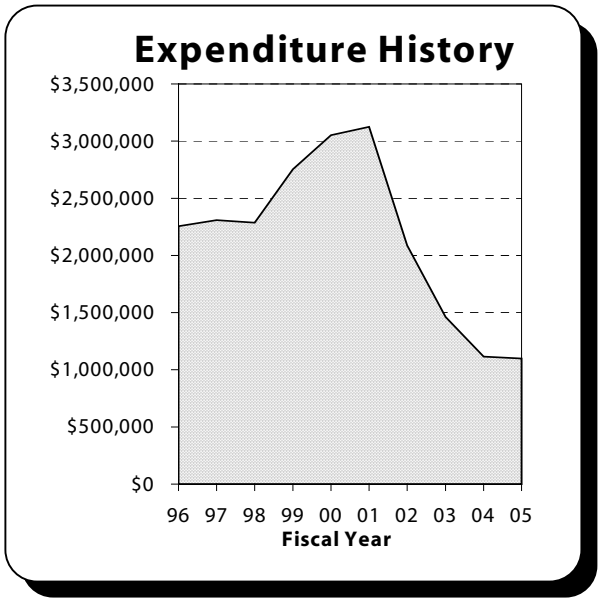
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $1,290 or 39.3%. Funding for refunds on tribunal adjustments decreased $1,030 based on recent years' actual expenditures. Funding decreased $260 due to a decrease in the bond paying agent fee for the 1994 Proposal R bond, which will be paid off in the 2004/05 fiscal year.

Debt Service – Total Debt Service decreased $15,510 or 1.4%. Total principal payments increased $25,000 due to an increase in principal payments on the 1994 Proposal R bond issue. Interest payments however, decreased $40,510, as less interest is owed on all existing Proposal R bond issues. There is no debt for Proposals S & T as the debt was retired in prior years.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	1,800	3,280	3,280	1,990	1,990
Debt Service	1,460,569	1,111,620	1,111,620	1,096,110	1,096,110
Total	$1,462,369	$1,114,900	$1,114,900	$1,098,100	$1,098,100

Road Bond Debt Retirement Fund

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 2004/05, the Major Road Fund transfer represents nearly 95% of total Road Bond Debt Retirement Fund revenues. This is evident of the fact that most of the bonded road construction projects are considered major roads and that Public Act 51 guidelines allow for such transfer payments for major road construction and debt payments.

Other sources of revenue include Special Assessment Revenue, Interest on Investments, Penalties & Interest, Transfer from Local Road Fund, and use of Fund Balance.

This Fund's debt budgeted to be paid in fiscal year 2004/05 totals $2,521,160, which is comprised of existing Michigan Transportation Fund Bonds and Special Assessment Bonds. The debt budgeted for fiscal year 2004/05 also includes interest in the amount of $108,870 and principal of $120,000 for the $3,050,000 2003 Michigan Transportation Fund Refunding Bond as a result of the refinancing of road bonds in the prior fiscal year. In 2003/04, the 1996 and 1998 Michigan Transportation Fund bonds were refunded for an approximate savings of $64,000 in interest payments over the life of the bonds.

The most significant revenue source of this fund is a transfer from the Major Road Fund.

The principal and interest payments for the 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 the City has $19.5 million in outstanding principal and interest payments which will be expensed in this fund until the 2014/15 fiscal year?

Road Bond Debt Retirement Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

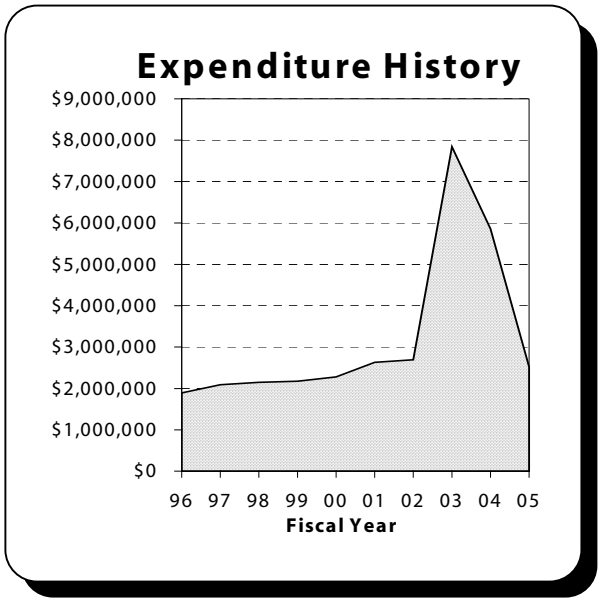
Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $111,780 or 98.2%. Funding decreased $111,780 due to the one-time fees related to the 2003 Michigan Transportation Fund (MTF) Refunding bonds in the prior year. This refunding saved the City over $64,000 in future interest payments. In addition, because the 1989 and 1995 MTF bond issues were retired in the prior year, the bond paying agent fees are no longer needed.

Capital – There is no Capital budget for this fund.

Debt Service – Total Debt Service is proposed to decrease $3,221,200 or 56.1%. Total principal payments decreased $3,020,000 as a result of the 2003 refunding bonds, as well as the retirement of two MTF road bonds in the prior year. Total interest payments decreased $201,200 also due to the refunding and the retirement of MTF road bonds in the prior year, as well as lower interest payments on existing bond issues. No new debt is budgeted next year as the debt payments for the 18 ½ Mile Road Connector and the 17 Mile Road Bridge projects will begin in the 2005/06 fiscal year.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Supplies	$0	$0	$0	$0	$0
Other Charges	102,659	113,810	113,810	2,030	2,030
Debt Service	7,735,828	5,742,360	5,742,360	2,521,160	2,521,160
Total	$7,838,488	$5,856,170	$5,856,170	$2,523,190	$2,523,190

Building Authority Receiving Fund

The Building Authority was originally created in 1967 to oversee the financing and construction of the City Hall Municipal Building. In 1989 the Building Authority approved the financing and construction of a new Judicial Services Center. In 1996 a $1.85 million bond was sold to finance the construction of a new Senior Center, and in 2000, a $3.7 million bond was sold to help finance the expansion and remodeling of the buildings in the City Center Commons. This Fund currently accounts for the leasing of these buildings to the City and for the bond payments related to the financing of the buildings.

Construction of the Judicial Services Center was completed in 1991. This facility was financed with general obligation limited tax bonds issued in 1990. These bonds were partially refinanced in 1993 and all bonds related to the Judicial Services Center were fully refinanced in 2003/04. This debt is scheduled to be retired in fiscal year 2009/10.

The plans for the construction of a new Senior Center building began in 1996/97. This facility was financed with bonds issued in 1996. The debt was retired in fiscal year 2001/02.

The plans for the development of the City Center Commons project began in fiscal year 1998/99. This project was financed with Building Authority general obligation limited tax bonds issued in 2000 and is scheduled to be retired in fiscal year 2019/20.

The fund receives revenue for operations as a result of receiving cash rental payments transferred from the General Fund for the Judicial Services Center and the City Center Commons project.

The City will continue to transfer rental payments for the Judicial Services Center and the City Center Commons project. The transfer necessary for debt repayment for the Judicial Services Center totals $357,160, $315,000 toward principal and $42,160 in interest.

The City Center Commons project principal payment is $100,000 and interest payments amount to $184,490.

Total 2004/05 debt repayment for the Judicial Services Center and the City Center Commons project amount to $641,650.■

Did you know?…
…that general obligation limited tax bonds are secured by the pledge of a specified tax which, in this case, is the transfer of the rental payments from the City's General Fund to the Building Authority?

Building Authority Receiving Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

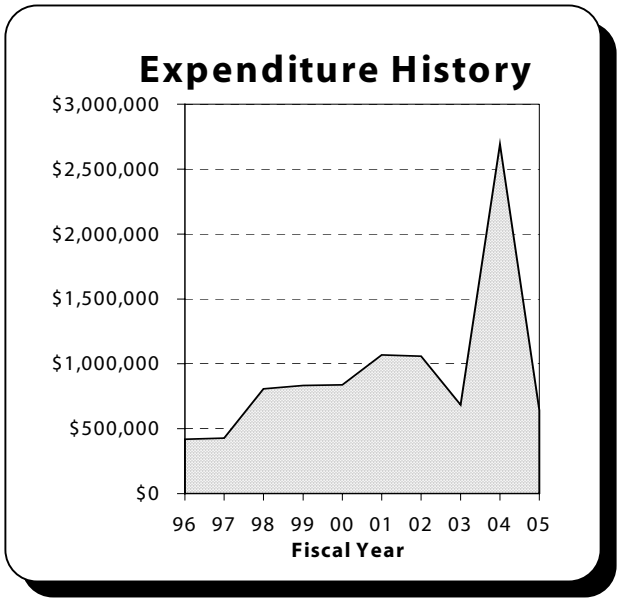
Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $73,180 or 99.3%. Funding decreased $73,180 due to the one-time fees related to the refinancing of the 1990 and 1993 Judicial Center Building Authority bonds and the resulting issuance of the 2003 Building Authority Refunding Bond in the prior year. The City will save over $75,000 as a result of this refinancing.

Capital – There is no Capital budget for this fund.

Debt Service – Total Debt Service decreased $1,976,460 or 75.5%. Total principal payments decreased $1,915,000 as a result of the one-time accounting entries necessary to record the refinancing of two Building Authority bonds in the prior year. Total interest payments decreased $61,460 also due to the refinancing of Building Authority bonds in the prior year, as well as lower interest payments on the 2003 Building Authority Refunding Bond and the City Center Commons bond issues.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.
Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	1,450	73,680	73,100	500	500
Debt Service	681,723	2,618,110	2,618,110	641,650	641,650
Total	$683,173	$2,691,790	$2,691,210	$642,150	$642,150

General Drain Fund

The General Drain Fund is very specific in the way in which it operates within the City of Sterling Heights. The explanation for this fund can be easily summarized by saying that all debt incurred in the construction and maintenance of the City's major drain system is serviced or paid by this fund.

The City's Drain Program is tied to the County Drain Program that is administered by the Macomb County Public Works Commission. All city drains serve the county and some of the larger drains help to also serve a neighboring county. The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

The City is currently paying off debt for the Diener, Green, Ledwedge, Busch, Hawken, Hayes, Plumbrook, 17 Mile Extension and the Sterling Relief Lateral 12B Drains. In 2003/04, the final debt payments for the Burr Drain and the Phiel Drain were made as the City called these bonds one year early.

The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

$1,070,000 is programmed in 2004/05 for the Somerset Relief Drain. Debt payment for this project is scheduled to begin in the 2005/06 fiscal year.

For 2004/05, $1,430,910 is budgeted for the interest and debt payments on all drains within the City.

Revenues to support the budgeted debt payment and Other Charges are generated from a specific millage levied to all owning real or personal property. This millage is an amount calculated to meet the demand of the budgeted expenditures, principal, and interest payments. This millage will fluctuate from year to year as the payments on the bond issues fluctuate.■

Did you know?…
…that the Diener Enclosure No. 2 Drain debt will be paid off in the 2004/05 fiscal year?

General Drain Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

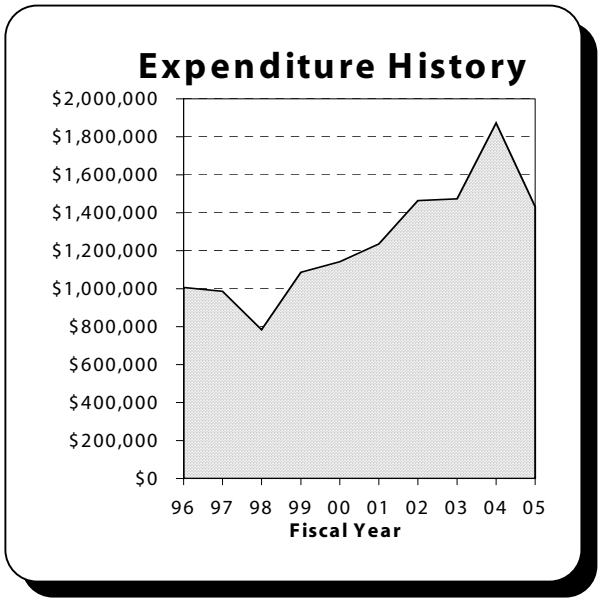
Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $210 or 29.6%. Funding for refunds on tribunal adjustments decreased slightly based on historic actual expenditure levels.

Capital – There is no Capital budget for this fund.

Debt Service – Total Debt Service is proposed to decrease $440,910 or 23.6%. Principal payments are proposed to decrease $390,000 due to the early retirement of the Burr and Phiel Drain bonds, which were paid off in the prior year. The City called these bonds one year early resulting in a $25,500 net savings. The principal decrease was slightly offset by an increase in principal payments on three existing drain bond issues. Total interest payments decreased $50,910 also due to the early retirement of the Burr Drain and Phiel Drain bonds, as well as lower interest payments on several existing bonds. New debt for the 14 Mile Road Somerset Relief Drain is anticipated to begin in the 2005/06 fiscal year.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.
Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	710	710	500	500
Debt Service	1,473,704	1,871,820	1,871,820	1,430,910	1,430,910
Total	$1,473,704	$1,872,530	$1,872,530	$1,431,410	$1,431,410

Settlement Bonds Debt Fund

The Settlement Bonds Debt Fund was created in 2004/05 to account for the payment of principal and interest on the current debt portion of General Obligation Judgment Funding Bonds issued by the City in June 2004. These fixed rate bonds were issued to fund the first year's payment of a litigation settlement in the total amount of $31 million, as set forth in a consent judgment entered in the United States District Court on March 22, 2004. The consent judgment was entered into by the City with various adverse parties to dispose of all claims raised in state and federal court proceedings arising out of the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex and related actions by City agencies and officials. The consent judgment requires both the settlement payments by the City and various remedial actions by certain parties.

The Settlement Bonds Debt Fund was created in 2004/05 to account for the payment of principal and interest on the current debt portion of General Obligation Judgment Funding bonds issued by the City in June 2004.

The portion of the settlement being financed by the bonds includes amounts previously paid by the City from available funds and additional amounts to be paid in June 2004, for a total of $25 million. The remaining balance of $6 million is expected to be funded through payments recovered under insurance claims. The 2004 Judgment Funding Bonds are callable after five years. If the City receives insurance proceeds before then, the funds will be yield-restricted to avoid arbitrage. If an agreement with the City's insurance carriers has not been reached by January 2005, a second series of variable rate judgment funding bonds will be issued in 2005.

The budget for this fund's debt repayment in fiscal year 2004/05 totals $1,715,000, which is comprised of $800,000 toward principal and $915,000 in interest payments. The actual principal and interest amounts differ slightly from the budget, as the budget was based on estimated figures prior to the bonds being sold.

The 2004/05 actual debt repayment for the 2004 Judgment Funding Bonds totals $1,712,160. The total principal payment is $840,000 and the interest payments are $872,160. The final principal and interest payments, to retire the debt from this bond issue, are scheduled to be made in fiscal year 2018/19. Over the 15-year life of the bonds, the total repayment for this debt amounts to $35,883,106.

The Settlement Bonds Debt Fund receives all of its revenue through a transfer from the City's Self-Insurance Fund reserves. ■

Did you know?…
…that the City's first year debt repayment expensed in this fund totals $1,712,160?

Settlement Bonds Debt Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

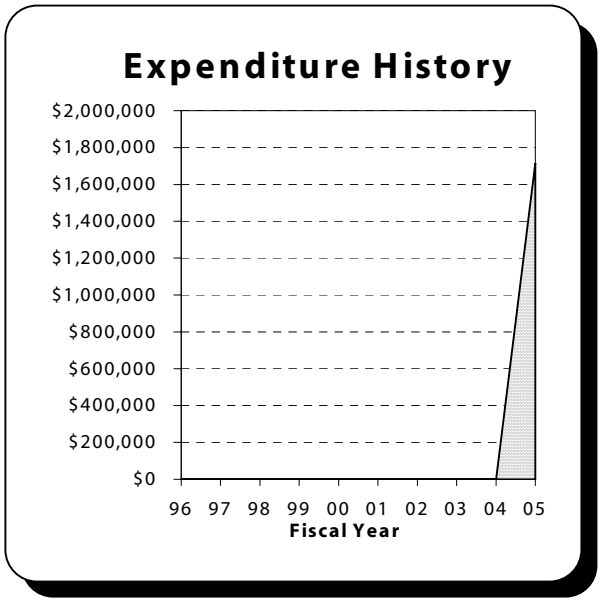
Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – There is no Capital budget for this fund.

Debt Service – There is no Debt Services budget for this fund.



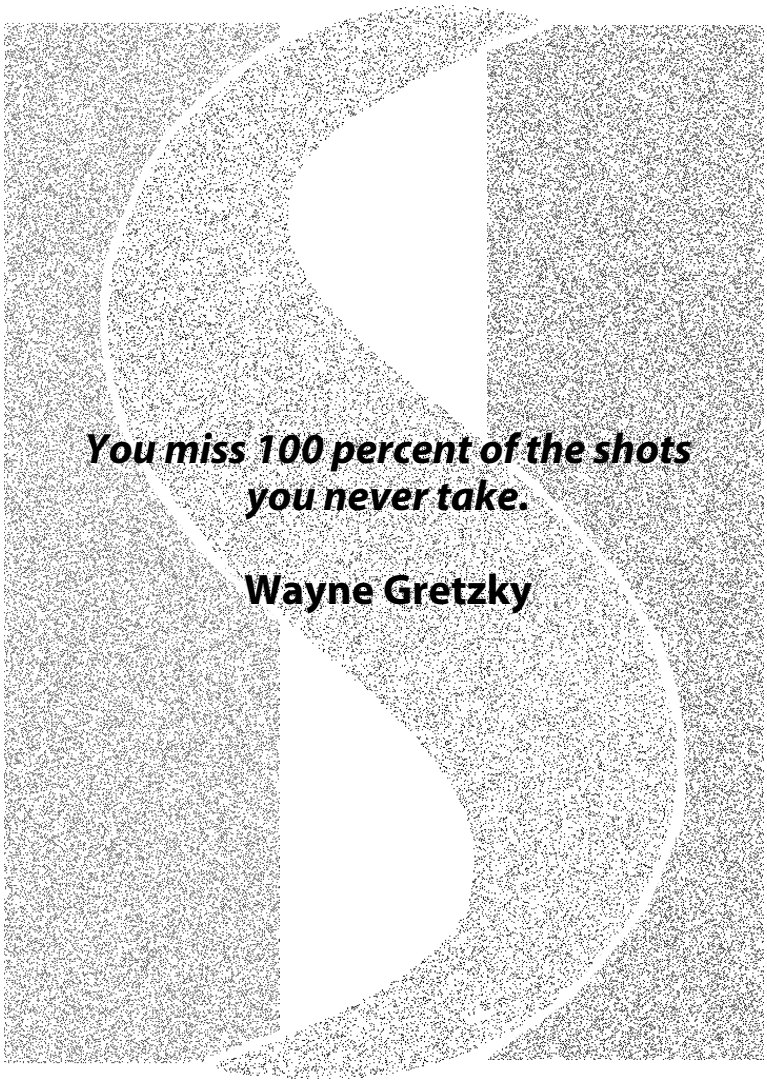
CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Other Charges – Council made no adjustments to Other Charges.

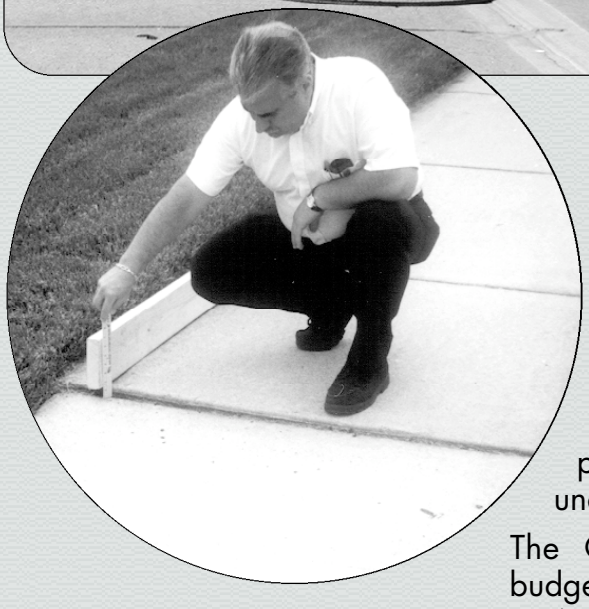
Debt Service – Total Debt Service increased $1,715,000 to pay the estimated first year principal and interest costs of the recently issued 2004 Judgment Funding Bonds. The bonds were sold by the City to fund the first year's payment of a recently approved litigation settlement arising from the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	0	0	0
Debt Service	0	0	0	0	1,715,000
Total	$0	$0	$0	$0	$1,715,000


You miss 100 percent of the shots
you never take.
Wayne Gretzky

Capital Projects



Capital Projects Funds are used to account for resources to be used for the acquisition or construction of major capital facilities that benefit the general public, and for the purchase of capital equipment and vehicles. Two capital projects funds are maintained by the city – 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 the residents. The Capital Budget is incorporated in the annual budget which appropriates funds for specific facilities, equipment and improvements. Summary schedules are provided to enhance the reader's understanding of the Capital Budget.

The Capital Improvements Section of the budget also serves as a cross-reference to the city's Municipal Improvements Program (MIP) – a five year look at pending and proposed capital projects.

CAPITAL PROJECTS FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Capital Projects	2001/02 Actual	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	$1,967,300	$1,602,800	$3,213,170	$3,354,110	$611,000	**$611,000**
Proceeds Long-term Debt	1,725,000	0	1,905,000	885,000	1,070,000	**1,070,000**
Transfer from General Fund	5,404,000	2,709,650	1,375,200	1,375,200	943,980	**943,980**
Tfr. from L&W Conserv. Fund	360,000	0	0	0	0	**0**
Total Revenues	**9,456,300**	**4,312,450**	**6,493,370**	**5,614,310**	**2,624,980**	**2,624,980**
EXPENDITURES						
Capital Equipment	1,091,750	1,092,470	1,446,260	1,525,070	267,980	**267,980**
Capital Vehicles	1,840,250	642,330	1,578,620	1,726,090	381,000	**381,000**
Capital Projects	4,887,850	3,542,150	5,123,450	4,336,090	2,050,000	**2,050,000**
Transfer to General Drain Fund	0	0	245,000	245,000	0	**0**
Total Expenditures	**7,819,850**	**5,276,950**	**8,393,330**	**7,832,250**	**2,698,980**	**2,698,980**
Excess of Revenues Over (Under) Expenditures	**1,636,450**	**(964,500)**	**(1,899,960)**	**(2,217,940)**	**(74,000)**	**(74,000)**
Beginning Fund Balance	**3,705,420**	**5,341,870**	**4,377,370**	**4,377,370**	**2,159,430**	**2,159,430**
Residual Equity Transfer	**0**	**0**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$5,341,870**	**$4,377,370**	**$2,477,410**	**$2,159,430**	**$2,085,430**	**$2,085,430**
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Proceeds Long-term Debt	$0	$0	$7,152,810	$0	$7,880,000	**$7,880,000**
Transfer from General Fund	564,800	480,000	0	0	0	**0**
Transfer from Major Roads Fund	0	347,040	0	0	0	**0**
Other Revenue	48,790	43,780	0	990	0	**0**
Total Revenues	**613,590**	**870,820**	**7,152,810**	**990**	**7,880,000**	**7,880,000**
EXPENDITURES						
Capital Improvements	2,862,120	762,890	7,547,820	396,000	7,880,000	**7,880,000**
Total Expenditures	**2,862,120**	**762,890**	**7,547,820**	**396,000**	**7,880,000**	**7,880,000**
Excess of Revenues Over (Under) Expenditures	**(2,248,530)**	**107,930**	**(395,010)**	**(395,010)**	**0**	**0**
Beginning Fund Balance	**2,535,610**	**287,080**	**395,010**	**395,010**	**0**	**0**
Ending Fund Balance	**$287,080**	**$395,010**	**$0**	**$0**	**$0**	**$0**

Capital Projects Funds Revenues

TAXES

This source of revenue includes penalties and interest on delinquent special assessments for City sidewalks. In 2004/05, $2,000 is budgeted.

STATE & LOCAL RETURNS

This source of revenue is comprised of grants from the Federal, State, and County levels of government. In the 2004/05 Budget, there is no grant revenue budgeted.

FINES & FORFEITURES

Drug forfeiture funds are used to pay for certain Police Department capital purchases. These purchases are not included in the original budget but are amended for, when actual drug forfeiture receipts are known. As a result, there is no drug forfeiture revenue budgeted for the 2004/05 fiscal year.

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 2004/05 Budget, as in past years, Other Financing Sources comprise the vast majority of revenues for the Capital Project Funds.

In the 2004/05 Budget, revenues generated from Other Financing Sources represent 94.18% of total revenue sources, a decrease of $539,030 below the 2003/04 Budget. This decrease is due to a decrease in proceeds from long term debt and a decrease in the transfer from the General Fund, as less funding is needed for capital projects.

Also included in this revenue center are transfers into the Capital Project Funds from other funds. In the 2004/05 Budget, as in past years, Other Financing Sources comprise the vast majority of revenues for the Capital Project Funds.

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, Contributions & Donations, Reimbursements, and Contributions – Drain Improvements.

In the 2004/05 Budget, Other Revenues represent 5.80% of total revenue sources, a decrease of $1,921,190 below the 2003/04 Budget. This decrease is primarily due to the one-time reappropriated funding of contributions for drain improvements in the prior fiscal year and a decrease in Reimbursement revenue.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2004/05 Budget, Use of Fund Balance as a revenue source totals $74,000. This is a decrease of $2,220,970 from the prior year's budgeted Use of Fund Balance. The decrease is a direct result of projects that were completed in the prior fiscal year using funds that were set aside when these projects were originally budgeted.■

CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual Dollars	%	2003-2004 Budget Dollars	%	2004-2005 Budget Dollars	%
	TAXES						
445000	Penalties & Interest	$2,220	0.04	$2,000	0.01	**$2,000**	**0.02**
	Total Taxes	**2,220**	**0.04**	**2,000**	**0.01**	**2,000**	**0.02**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	14,835	0.29	312,890	2.29	**0**	**0.00**
539378	Act 78 Emergency Phone Service	0	0.00	232,330	1.70	**0**	**0.00**
	Total State & Local Returns	**14,835**	**0.29**	**545,220**	**4.00**	**0**	**0.00**
	FINES & FORFEITURES						
658002	Drug Forfeitures	292,095	5.64	135,760	0.99	**0**	**0.00**
	Total Fines & Forfeitures	**292,095**	**5.64**	**135,760**	**0.99**	**0**	**0.00**
	OTHER FINANCING SOURCES						
698000	Proceeds - Long Term Debt	0	0.00	9,057,810	66.38	**8,950,000**	**85.20**
699101	Transfer From General Fund	3,189,650	61.54	1,375,200	10.08	**943,980**	**8.99**
699202	Transfer From Major Road Fund	347,040	6.70	0	0.00	**0**	**0.00**
	Total Other Financing Sources	**3,536,690**	**68.23**	**10,433,010**	**76.45**	**9,893,980**	**94.18**
	OTHER REVENUE						
665000	Interest on Investments	150,809	2.91	130,000	0.95	**75,000**	**0.71**
672000	Special Assessment Revenue	9,802	0.19	50,000	0.37	**15,000**	**0.14**
675000	Contributions & Donations	7,115	0.14	63,010	0.46	**9,000**	**0.09**
676000	Reimbursements	489,253	9.44	600,000	4.40	**500,000**	**4.76**
685000	Miscellaneous Revenue	33,249	0.64	0	0.00	**0**	**0.00**
685015	Miscellaneous Revenue - MCPWC	634,425	12.24	0	0.00	**0**	**0.00**
686000	Contributions-Drain Improvements	12,775	0.25	1,687,180	12.36	**10,000**	**0.10**
	Total Other Revenue	**1,337,428**	**25.80**	**2,530,190**	**18.54**	**609,000**	**5.80**
	Total Capital Projects Funds	**$5,183,268**	**100.00**	**$13,646,180**	**100.00**	**$10,504,980**	**100.00**

Note: The 2002-2003 Actual Column is rounded to the nearest dollar.

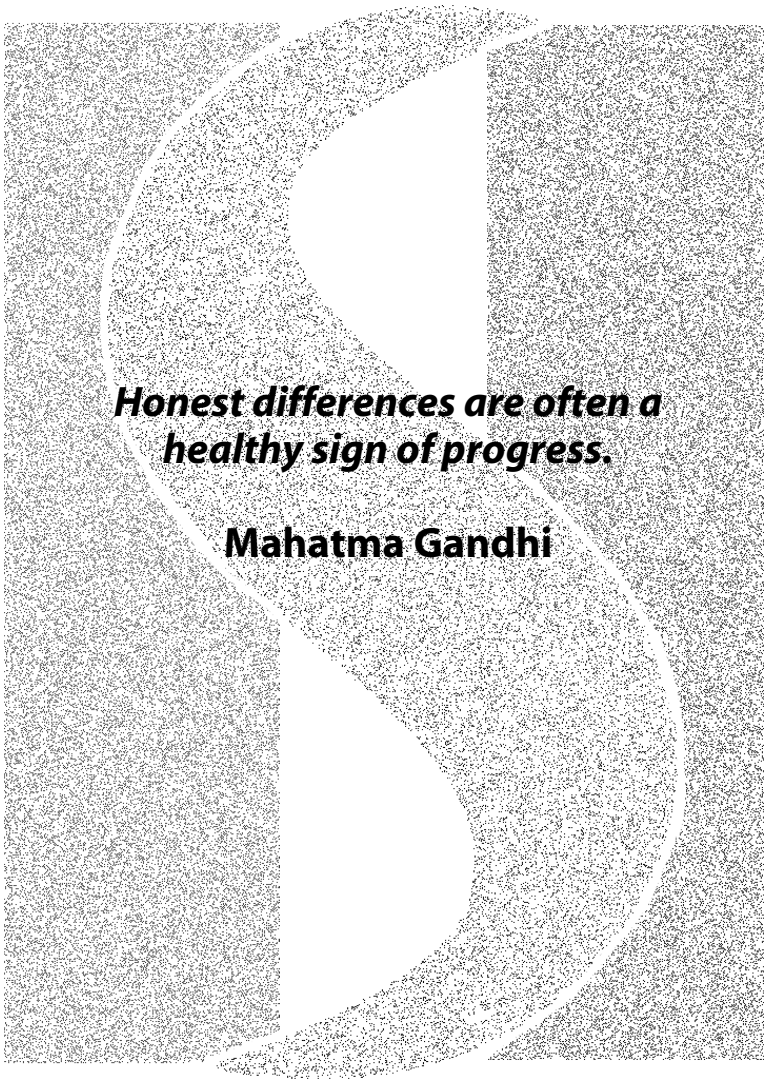
CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CAPITAL OUTLAY						
975000	Building & Improvements	$30,505	0.51	$2,540	0.02	**$0**	**0.00**
975010	Municipal Bldg Modernization	0	0.00	6,500	0.04	**0**	**0.00**
975020	Library Renovations	30,273	0.50	0	0.00	**0**	**0.00**
975070	Sidewalk Installation	819,672	13.57	1,486,590	9.33	**500,000**	**4.73**
975130	Civic Center Concrete Replacement	86,061	1.42	70,000	0.44	**70,000**	**0.66**
975220	Misc. Fire Station Improvements	178,621	2.96	17,730	0.11	**30,000**	**0.28**
975700	Renovations - Community Center	2,300	0.04	0	0.00	**0**	**0.00**
975710	Nature Center Renovations	20,300	0.34	0	0.00	**0**	**0.00**
975820	Sidewalk Gap Completion Program	308,710	5.11	470,360	2.95	**380,000**	**3.59**
975849	City Hall Renovation	9,669	0.16	0	0.00	**0**	**0.00**
975853	Dodge Park Storm Outlet	250,000	4.14	416,700	2.61	**0**	**0.00**
975855	Fire Station #1	267,381	4.43	2,730	0.02	**0**	**0.00**
975935	Nature Center Parking Lot	115,630	1.91	10,370	0.07	**0**	**0.00**
977000	Furniture	1,265	0.02	3,500	0.02	**0**	**0.00**
979000	Computer Equipment	83,195	1.38	50,000	0.31	**40,500**	**0.38**
979002	Computer Equipment-Drug	33,007	0.55	35,250	0.22	**0**	**0.00**
979080	Training - Microsoft Office	4,192	0.07	0	0.00	**0**	**0.00**
979100	Financial System - Software	24,613	0.41	51,390	0.32	**0**	**0.00**
979150	Financial System - Hardware	0	0.00	4,000	0.03	**0**	**0.00**
979200	Sierra System - Software	11,037	0.18	80,000	0.50	**0**	**0.00**
979250	Sierra System - Hardware	0	0.00	104,320	0.65	**0**	**0.00**
979292	Community & Info Services - Equipment	38,849	0.64	0	0.00	**9,500**	**0.09**
979300	Tax & Assessing - Software	58,790	0.97	3,300	0.02	**0**	**0.00**
979305	Police Department - Equipment	2,085	0.03	26,600	0.17	**0**	**0.00**
979310	Police Dispatch - Computer Equipment	20,902	0.35	19,000	0.12	**0**	**0.00**
979330	Police Department - Software	6,899	0.11	0	0.00	**0**	**0.00**
979350	Assessing - Hardware	2,001	0.03	0	0.00	**0**	**0.00**
979450	Vehicle Fleet Maintenance - Hardware	4,855	0.08	0	0.00	**0**	**0.00**
979600	Parks & Recreation - Software	20,285	0.34	41,590	0.26	**0**	**0.00**
979650	Parks & Recreation - Hardware	7,855	0.13	0	0.00	**0**	**0.00**
979700	Library - Computer Equipment	2,533	0.04	6,000	0.04	**1,500**	**0.01**
979800	Fire Department - Software	16,395	0.27	0	0.00	**0**	**0.00**
979850	Fire Department - Hardware	51,238	0.85	121,000	0.76	**0**	**0.00**
981000	Electronic Equipment	127,103	2.10	325,410	2.04	**0**	**0.00**
981002	Electronic Equipment-Drug	70,005	1.16	38,510	0.24	**0**	**0.00**
982000	Machinery & Equipment	306,609	5.08	308,570	1.94	**168,880**	**1.60**
982002	Machinery & Equipment - Drug	179,363	2.97	62,000	0.39	**0**	**0.00**
983000	Fire Equipment	3,887	0.06	115,820	0.73	**47,600**	**0.45**
983001	Fire Equipment Grant	15,513	0.26	50,000	0.31	**0**	**0.00**
984002	Vehicle Acquisition - Drug	38,064	0.63	0	0.00	**0**	**0.00**
984265	Vehicles - Facilities Maintenance	40,043	0.66	35,800	0.22	**29,000**	**0.27**
984315	Vehicles - Police Enforcement	292,702	4.85	292,780	1.84	**258,000**	**2.44**
984339	Vehicles - Fire Extinguishment	190,581	3.16	983,260	6.17	**37,000**	**0.35**
984444	Vehicles - DPW Street Services	8,315	0.14	252,710	1.59	**28,000**	**0.26**
984447	Vehicles - Engineering	23,324	0.39	0	0.00	**0**	**0.00**

CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2002-2003 Actual		2003-2004 Budget		2004-2005 Budget	
		Dollars	%	Dollars	%	Dollars	%
984553	Vehicles - Fleet Maintenance	0	0.00	0	0.00	**29,000**	**0.27**
984770	Vehicles - Parks & Grounds	49,298	0.82	14,070	0.09	**0**	**0.00**
986000	Major Drain Improvements	1,326,673	21.97	1,212,750	7.61	**1,070,000**	**10.11**
986871	Gibson Drain Clean Out	14,215	0.24	427,180	2.68	**0**	**0.00**
986920	Fisher Relief Drain	100	0.00	1,000,000	6.27	**0**	**0.00**
986921	Plumbrook Drain Hydraulic Analysis	37,881	0.63	0	0.00	**0**	**0.00**
986950	Plumbrook Drain Improvements	500	0.01	0	0.00	**0**	**0.00**
988000	Construction	31,321	0.52	0	0.00	**0**	**0.00**
988597	Ryan Road Paving - 18 to Hall Road	61,230	1.01	17,720	0.11	**0**	**0.00**
988603	18 1/2 Mile Rd Bridge Over Plumbrook	0	0.00	130,000	0.82	**0**	**0.00**
988623	Wanda Park Subdivision Phase III	177,697	2.94	0	0.00	**0**	**0.00**
988702	M-59 Delco to Dequindre	90,602	1.50	0	0.00	**0**	**0.00**
988802	Hayes Road - Utica Rd to 17 Mile Rd	315	0.01	0	0.00	**0**	**0.00**
988803	Hayes Road - North of 17 Mile to Canal	10,998	0.18	0	0.00	**0**	**0.00**
988858	18 1/2 Mile Connect Mound to Van Dyke	24,182	0.40	6,343,100	39.79	**6,660,000**	**62.96**
988876	1998 Bridge Inv - 17 Mile Rd/Conrail	0	0.00	942,000	5.91	**1,220,000**	**11.53**
988901	Hayes Road Storm Sewer	12,338	0.20	0	0.00	**0**	**0.00**
988930	Pondview, Peso Ct, Onorio Reconst.	397,863	6.59	115,000	0.72	**0**	**0.00**
	Total Capital Outlay	**6,039,840**	**100.00**	**15,696,150**	**98.46**	**10,578,980**	**100.00**
	TRANSFERS OUT						
999301	Transfer to General Drain Fund	0	0.00	245,000	1.54	**0**	**0.00**
	Total Transfers Out	**0**	**0.00**	**245,000**	**1.54**	**0**	**0.00**
	Total Capital Projects Funds	**$6,039,840**	**100.00**	**$15,941,150**	**100.00**	**$10,578,980**	**100.00**

Note: The 2002-2003 Actual Column is rounded to the nearest dollar.


Honest differences are often a healthy sign of progress.
Mahatma Gandhi

Capital Projects Fund

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. Beginning in 1997/98, capital vehicles and equipment are now expensed through this fund, rather than in the General Fund.

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 and no other. 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 fiscal year 2004/05 totals $2,698,980. Of the total, $2,050,000 is funded for six improvement projects for facilities and infrastructure. $500,000 is included for the Miscellaneous City Sidewalk Repair Program. $250,000 is programmed for the continuation of the Sidewalk Gap Completion Program. $30,000 is budgeted for new kitchen cabinets and countertops at Fire Stations #4 and #5. $70,000 is included for City Hall parking lot repairs. $1,070,000 is budgeted for the 14 Mile Road – Somerset Relief Drain. $130,000 is budgeted for the completion of the Regional Bike/Hike Path on the south side of Utica Road between the Edison Corridor and the Senior Center.

Capital equipment and information technology improvements total $267,980 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total $381,000 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.■

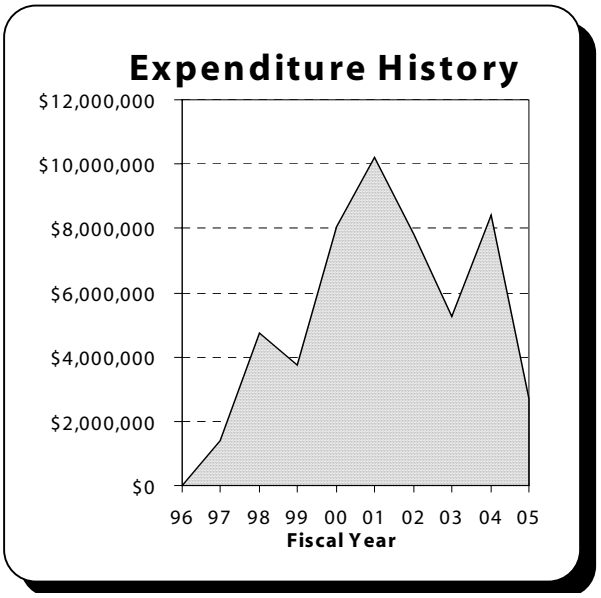
Did you know?…
…that the City has recently, or will soon, refurbish the kitchen cabinets and countertops at all of the Fire Stations?

Capital Projects Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.
Supplies – There is no Supplies budget for this fund.
Other Charges – There is no Other Charges budget for this fund.
Capital – Total Capital of $2,698,980 is proposed for the 2004/05 fiscal year. $216,480 is proposed for capital equipment, $381,000 for capital vehicles, and $51,500 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.*** Six (6) Capital Projects totaling $2,050,000 are proposed. $500,000 is for the Miscellaneous City Sidewalk Repair Program, $70,000 for City Hall parking lot repairs, $30,000 for replacement Kitchen Cabinets and Countertops at Fire Stations #4 and #5, $250,000 for the continuation of the Sidewalk Gap Completion Program, $130,000 for the completion of the Regional Bike/Hike Path on the south side of Utica Road between the Edison corridor and the Senior Center, and $1,070,000 for the 14 Mile Road – Somerset Relief Drain. ***For a list of all Capital Equipment, Vehicles, and Projects, please refer to the schedules on the following pages.***
Transfers Out – Total Transfers Out decreased by $245,000 as last year there was a one-time use of drain funds on hand at the County which were used to call two drain bonds early.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.
Supplies – Council made no adjustments to Supplies.
Other Charges – Council made no adjustments to Other Charges.
Capital – Council made no adjustments to Capital.
Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Capital Outlay	5,276,952	8,148,330	7,587,250	2,698,980	2,698,980
Transfers Out	0	245,000	245,000	0	0
Total	$5,276,952	$8,393,330	$7,832,250	$2,698,980	$2,698,980

Road Bond Construction Fund

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 bonded road construction costs, paving, or storm drain activities financed by special assessments. 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 as described below.

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 and Special Assessment Bonds are sold to finance the cost of the road construction projects within this Fund.

The two projects budgeted for funding out of this Fund in fiscal year 2004/05 total $7,880,000. $6,660,000 is included for the widening of 18½ Mile Road to connect Mound Road and the Van Dyke M-53 Freeway. $1,220,000 is programmed for the 17 Mile Road bridge repair over Conrail.

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?…
…that the widening of 18½ Mile Road will include the construction of a 3-lane round-a-bout at Van Dyke?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

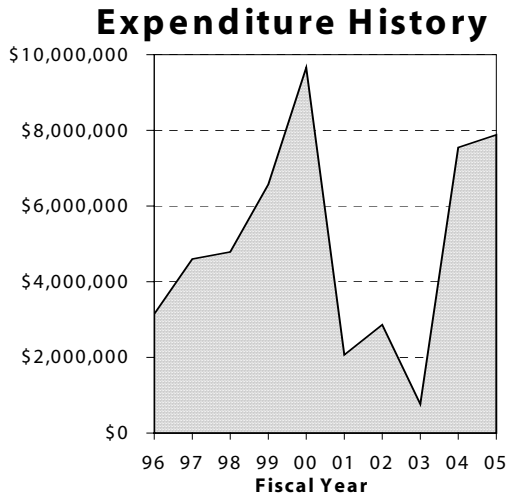
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2003/04 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – $7,880,000 is proposed for two projects in the 2004/05 fiscal year. $6,660,000 is recommended for the widening of 18-1/2 Mile Road to connect Mound Road and the Van Dyke M-53 Freeway. $1,220,000 is proposed for the 17 Mile Road bridge repair over Conrail. The City has applied for critical bridge funding and will seek reimbursement for this project through the County's Transportation Improvement Plan (TIP) which currently has scheduled funding for this project in 2006. It is anticipated that a bond will be sold for these projects during the 2004/05 fiscal year, with debt payments beginning in the 2005/06 fiscal year.



CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Budget	2003/04 Estimate	2004/05 Manager	2004/05 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Capital Outlay	762,887	7,547,820	396,000	7,880,000	7,880,000
Total	$762,887	$7,547,820	$396,000	$7,880,000	$7,880,000

Capital Improvements Program

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. Thirty-six (36) years after its incorporation the City has matured into a community serving approximately 126,200 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 of Sterling Heights. The need for establishing a multi-year municipal improvement program and a planning process has become increasingly evident as the City continued to grow through the 1990's and now 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. City 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. General information has been extracted from all of the original master plans and compiled into a single 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 Annual Budget Document. As mentioned above, the MIP entails a five (5) year overview of capital needs of the City. 2003/04 is the first year of the MIP. The second year (2004/05) of the MIP represents some of the capital projects that are programmed 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 2004/05, the City's total capital funding is $19,496,380. Of the total, $18,723,400 is budgeted for improvements, $303,480 is for equipment, $418,000 is for vehicles, and $51,500 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 Revenues. Vehicles were previously within the General Fund Budget under Motor Vehicles & Equipment but are now budgeted and accounted for in the Capital Projects Fund. Capital equipment is also now budgeted in the Capital Projects Fund. The Water &

Sewer Fund equipment, vehicles, and technology improvements are budgeted within the respective Water & Sewer Activity. The fourth and last set of schedules detail capital improvement costs and future years operating costs, which will be financed out of the City's other funds.

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 2004/05 is $2,050,000.

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. The budgeted expenditures for the Road Bond Construction Fund in fiscal year 2004/05 totals $7,880,000.

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. Gas & Weight tax revenues are generated by the tax on gasoline & vehicle sales. These funds are distributed to each community based on population, miles, and classification of road types. These funds are commonly referred to as Act 51 Funds. Major Road Fund street improvements totaling $903,500 are budgeted for fiscal year 2004/05.

Transportation projects scheduled as part of the 2004/05 budget are categorized as County road improvements, resurfacing projects, various traffic controls & intersection improvements, and right-of-way acquisition.

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 $1,169,000 are budgeted for fiscal year 2004/05.

The Land & Water Conservation Fund is used to reflect all activities related to the acquisition and development of parks. These activities for the most part have been financed through utilization of Land & Water Conservation and Michigan Land Trust Fund grants. These grants have been provided to the City on a matching basis. This year, park projects will be funded with grants and reserves from the sale of excess City property. Projects include tree plantings at L. W. Baumgartner Park, the replacement of six portable bleachers at Delia Park, the development of a soccer field at James C. Nelson Park North, and the development of two soccer fields at L. W. Baumgartner Park. These expenditures total $362,000.

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 of Sterling Heights. In 2004/05, $1,070,000 is programmed for the Somerset Relief drain (14 Mile Road).

The Community Development Block Grant Fund has been used in constructive ways in prior years for the development of the community. In fiscal year 2004/05, $396,800 is budgeted for improvements to the north side of James C. Nelson Park to include the paving and expansion of the existing gravel parking lot, a new soccer field, a new park entrance sign, and the extension of the park path.

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 $770,700 are budgeted. Water main expenditures in the amount of $5,145,200 are programmed. Fire hydrant replacement and the Geographic Information System Pilot Program expenditures are programmed in the amount of $20,000 and $26,200 respectively.■

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2003/04	Qty.	Manager Recomm. Budget 2004/05	Qty.	Council Approved Budget 2004/05
City Administration Department								
City Clerk								
Mailing Machine	982	Machinery & Equipment	1	18,870				
Total			**1**	**18,870**	**0**	**0**		**0**
Emergency Management								
Emergency Management Equipment	982	Mach. & Equip. - Grant	1	89,770				
Total			**1**	**89,770**	**0**	**0**		**0**
Facilities Maintenance								
Emergency Generator - City Hall	982	Machinery & Equipment	1	17,260				
Replacement Generator - Police	982	Machinery & Equipment			1	50,000	1	50,000
Total			**1**	**17,260**	**1**	**50,000**	**1**	**50,000**
Police Department								
Enforcement Services								
In-Car Video System	981	Electronic Equipment	11	63,730				
In-Car Video System	981002	Electronic Equip. - Drug	1	7,080				
911 Telephone System Upgrade	981	Electronic Equipment	1	232,330				
Radar Units	981	Electronic Equipment	9	20,370				
Accident Mapping System	981	Electronic Equipment	1	8,980				
Uninterruptible Power Supply	981002	Electronic Equip. - Drug	1	21,490				
Patrol Rifles	982	Machinery & Equipment			6	9,180	6	9,180
Total			**24**	**353,980**	**6**	**9,180**	**6**	**9,180**
Fire Department								
Fire Administration								
Electronic Training Mannequin	982	Machinery & Equipment			1	9,900	1	9,900
Total			**0**	**0**	**1**	**9,900**	**1**	**9,900**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2003/04	Qty.	Manager Recomm. Budget 2004/05	Qty.	Council Approved Budget 2004/05
Fire Extinguishment								
Self-Contained Breathing Apparatus	983	Fire Equipment	10	35,000	10	35,800	10	35,800
Self-Contained Breathing Apparatus	983	Fire Equipment	10	32,530				
Fire Rescue Chainsaw	983	Fire Equipment	1	1,200				
Elliptical Fitness Cross Trainer	982	Machinery & Equipment	1	5,500				
Thermal Imaging Camera	983	Fire Equipment	1	17,500	1	11,800	1	11,800
Hazmat Equipment	983.001	Fire Equipment - Grant	1	50,000				
Hazmat Equipment	983	Fire Equipment - Grant	1	29,590				
Total			**25**	**171,320**	**11**	**47,600**	**11**	**47,600**
City Development Department								
Engineering								
Total Station Survey Equipment	982	Machinery & Equipment	1	10,590				
Total			**1**	**10,590**	**0**	**0**		**0**
Planning								
Work Station	977	Furniture	1	3,500				
Total			**1**	**3,500**	**0**	**0**		**0**
Public Works Department								
Fleet Maintenance								
Tool Boxes	982	Machinery & Equipment	2	3,680				
Automatic Diagnostic Scan Tool	982	Machinery & Equipment			1	2,300	1	2,300
Total			**2**	**3,680**	**1**	**2,300**	**1**	**2,300**
Parks & Grounds Maintenance								
Front End Loader	982	Machinery & Equipment	1	90,000				
72" Riding Mower	982	Machinery & Equipment	1	18,000	1	20,000	1	20,000
4 x 2 Utility Vehicle w/Blade	982	Machinery & Equipment	1	7,200				
Tri-Mower Tractor	982	Machinery & Equipment			1	75,000	1	75,000
Total			**3**	**115,200**	**2**	**95,000**	**2**	**95,000**

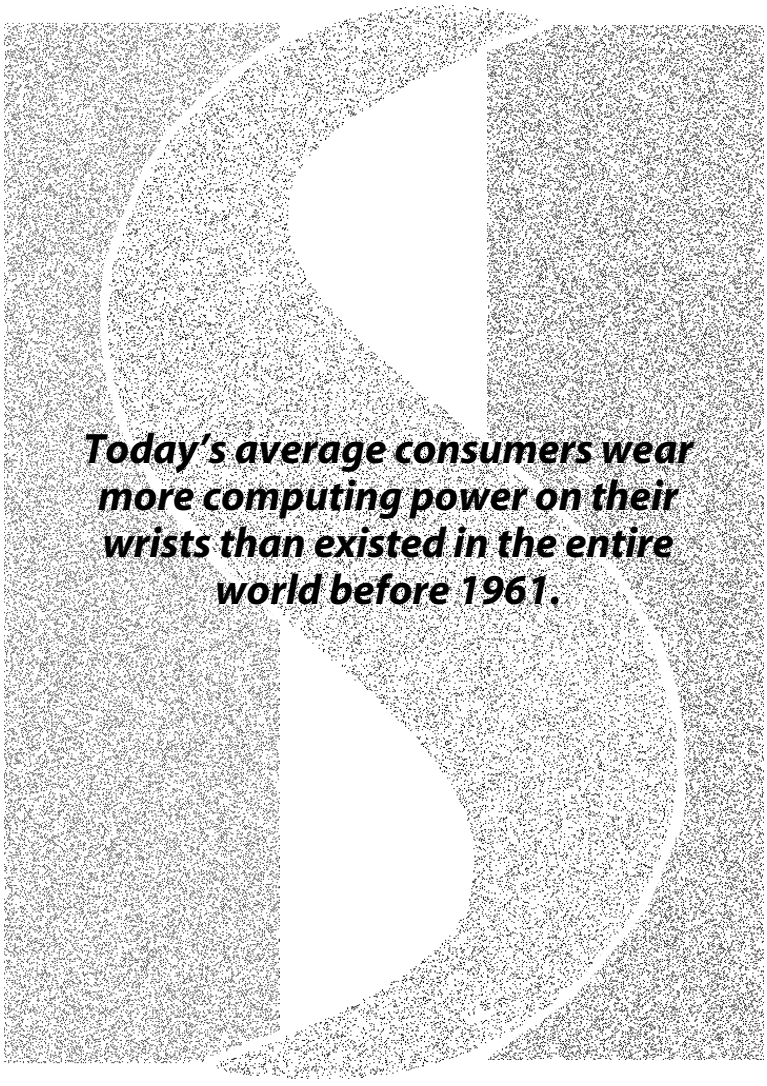
CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2003/04	Qty.	Manager Recomm. Budget 2004/05	Qty.	Council Approved Budget 2004/05
Street Services								
4 Door Crew Cab Dump Chipper	982	Machinery & Equipment	1	47,700				
Concrete Grinder	982	Machinery & Equipment			1	2,500	1	2,500
Total			1	47,700	1	2,500	1	2,500
Total Capital Projects Fund Equipment			60	831,870	23	216,480	23	216,480
Water & Sewer Fund								
Water & Sewer Administration								
DPW Facility Furnace	982	Machinery & Equipment	1	95,000				
Emergency Generator	982	Machinery & Equipment	1	20,500				
Total			2	115,500	0	0		0
Water Distribution								
Portable Gas Generator	982	Machinery & Equipment	1	1,350				
Portable Light Tower Trailer	982	Machinery & Equipment	1	7,600				
Tailgate Mounted Arrow Board	982	Machinery & Equipment	1	3,250				
Total			3	12,200	0	0		0
Sewage Collection								
Sewer Televising Inspection Unit	982	Machinery & Equipment	1	180,000				
Submersible Pump	982	Machinery & Equipment	1	6,000	1	6,000	1	6,000
Backhoe Tractor with Loader	982	Machinery & Equipment	1	60,000				
Telescopic Lift Trailer	982	Machinery & Equipment	1	6,650				
Trailer Mounted Air Compressor	982	Machinery & Equipment			1	26,000	1	26,000
Portable Trailer Mounted Generator	982	Machinery & Equipment			1	55,000	1	55,000
Total			4	252,650	3	87,000	3	87,000
Total Water & Sewer Fund Equipment			9	380,350	3	87,000	3	87,000
Total City Equipment			69	$1,212,220	26	$303,480	26	$303,480

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2003/04	Estimated Budget 2003/04	Manager Recomm. Budget 2004/05	Council Approved Budget 2004/05
Capital Projects Fund *								
Information Technology	979.000	Computer Equipment	2	T1 Line & Router - Fire #5 and DPW	5,000	5,000		
Information Technology	979.000	Computer Equipment	3	Replacement File Server	45,000	41,000		
Information Technology	979.000	Computer Equipment	1	Uninterruptible Power Supply	0	22,000		
IT, City Mgmt., Financial Services	979.000	Computer Equipment	27	Replacement Personal Computers			40,500	40,500
City Administration Department	979.100	Computer Equipment	1	MUNIS Financial Software	45,390	45,390		
City Administration Department	979.100	Computer Equipment	1	MUNIS Document Routing Software	6,000	6,000		
Emergency Management	979.150	Computer Equipment	1	Personal Computer & Software	2,000	1,200		
Facilities Maintenance	979.150	Computer Equipment	1	Personal Computer & Software	2,000	1,200		
City Development Department	979.200	Computer Equipment	1	Sierra Hand-held Software & Oracle Database	80,000	80,000		
City Development Department	979.250	Computer Equipment	19	Hand-held Field Computer	104,320	104,320		
Community Relations	979.292	Computer Equipment	5	Operating Software Upgrade			5,000	5,000
Community Relations	979.292	Computer Equipment	3	Personal Computer & Software			4,500	4,500
Police Department	979.305	Computer Equipment	1	Microfilm Retrieval Scanner	26,600	26,600		
Police Department	979.310	Computer Equipment	4	Clemis Workstation - Backup EOC	19,000	19,000		
Assessing	979.300	Computer Equipment	1	Assessing Sketching Software	3,300	3,300		
Parks & Recreation	979.600	Computer Equipment	1	P & R Scheduling & Registration Software	41,590	0		
Library	979.700	Computer Equipment	3	Personal Computer & Software	6,000	5,000		
Library	979.700	Computer Equipment	1	Personal Computer & Software			1,500	1,500
Fire Department	979.850	Computer Equipment	1	Heavy Duty Laptop Computer	7,000	7,000		
Fire Department	979.850	Computer Equipment	9	Mobile Data Computers - $49,970 Grant	71,390	71,390		
Fire Department	979.850	Computer Equipment	7	Hand-held Computers - $29,830 Grant	42,610	42,610		
Total Capital Projects Fund			**93**		**507,200**	**481,010**	**51,500**	**51,500**
Water & Sewer Fund								
Water & Sewer Administration	979.150	Computer Equipment	5	Water Meter Reader Gun	29,500	23,700		
Total Water & Sewer Fund			**5**		**29,500**	**23,700**	**0**	**0**
Total City Funds			**98**		**$536,700**	**$504,710**	**$51,500**	**$51,500**

All of the Capital Projects Fund computer equipment is budgeted in the Information Technology activity with the exception of the Water & Sewer Fund.


Today's average consumers wear
more computing power on their
wrists than existed in the entire
world before 1961.

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2003/04	Qty.	Manager Recomm. Budget 2004/05	Qty.	Council Approved Budget 2004/05
CAPITAL PROJECTS FUND								
Motor Vehicles & Equipment - 9010								
One Ton Work Van	984265	Facilities Maintenance	1	19,700				
Mid-Size 4-Door Passenger Vehicle	984265	Facilities Maintenance	1	16,100	2	29,000	2	29,000
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Enforcement Services	12	270,000	12	258,000	12	258,000
Miscellaneous Police Vehicle Equipment	984315	Enforcement Services	1	22,780				
Quint Vehicle & Working Platform	984339	Fire Extinguishment	1	584,280				
Fire Engine	984339	Fire Extinguishment	1	352,000				
Hazmat Trailer Truck	984339	Fire Extinguishment	1	46,980				
Full-Size SUV - Battalion Chief	984339	Fire Extinguishment			1	37,000	1	37,000
4 x 2 Pick-up Truck	984770	Parks & Grounds Maintenance	1	14,070				
Tandem Dump Truck w/Plow & Spreader	984444	Street Services	2	215,390				
4 Door One Ton Pick-up with Plow	984444	Street Services	1	29,000				
Dump Box	984444	Street Services	1	8,320				
Pick-up Truck 4x4 with Plow	984444	Street Services			1	28,000	1	28,000
Pick-up Truck 4x4 with Lift Gate	984553	Fleet Maintenance			1	29,000	1	29,000
Total Capital Projects Fund Vehicles			**23**	**1,578,620**	**17**	**381,000**	**17**	**381,000**
WATER & SEWER FUND								
Water Distribution - 5560								
One Ton Work Van	984000	Water Distribution	1	19,700				
Mini Van	984000	Water Distribution			1	18,500	1	18,500
Total			**1**	**19,700**	**1**	**18,500**	**1**	**18,500**
Sewage Collection - 5580								
Flatbed Truck with Dump & Plow	984000	Sewage Collection	1	53,000				
4 x 4 Pick-up Truck with Plow	984000	Sewage Collection	1	27,000				
Mini Van	984000	Sewage Collection			1	18,500	1	18,500
Total			**2**	**80,000**	**1**	**18,500**	**1**	**18,500**
Total Water & Sewer Fund Vehicles			**3**	**99,700**	**2**	**37,000**	**2**	**37,000**
Total City Vehicles			**26**	**$1,678,320**	**19**	**$418,000**	**19**	**$418,000**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2003/04	Estimate 2003/04	Manager Recomm. Budget 2004/05	Council Approved Budget 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Budget Year 2004/05	Future Years 2005/06	Future Years 2006/07	Future Years 2007/08
	CAPITAL PROJECTS FUND												
975000	Badge of Honor, Fireman & Child	2,540											
	Sculpture & Plaques	CPF	2,540	2,540			GF	0	100	100	100	100	100
975010	Treasury Counter and Workstation	6,810											
	Modifications	GF	6,500	6,810			GF	0	0	0	0	0	0
975070	**Miscellaneous City Sidewalk**												
	Repair Program	1,448,500											
	2002: Sections 10, 11, 12, 13, 14	GF/CPF	448,500	448,500			GF	2,000	2,000	0	0	0	0
		GF	125,000	125,000									
	2003: Sections 15, 22, 27	CPF	375,000	375,000			GF	2,000	2,000	0	0	0	0
		GF			125,000	125,000							
	2004: Sections 30, 31, 32	CPF			375,000	375,000	GF	2,000	2,000	2,000	0	0	0
975070	Utica Road Property Acquisitions -	738,090											
	Five Parcels	CPF	538,090	738,090			GF	0	1,000	1,000	1,000	1,000	1,000
975130	Municipal Facility Parking Lot Repairs	140,000											
		GF	70,000	70,000	70,000	70,000	GF	1,000	1,000	500	0	0	0
975220	Metal Coping - Fire Station #5 Roof	9,730											
		CPF	9,730	9,730			GF	250	250	0	0	0	0
975220	Replacement Kitchen Cabinets,	8,000											
	Countertops, Dishwasher - Fire Station #2	GF	8,000	8,000			GF	200	200	0	0	0	0
975220	Replacement Kitchen Cabinets,	30,000											
	Countertops, Fire Stations #4 & #5	GF			30,000	30,000	GF	300	300	300	0	0	0
975820	**Sidewalk Gap Completion Program**	562,860											
	2002: Continuation of Gap Program	CPF	62,860	62,860			GF	0	0	0	0	0	0
	2003: Continuation of Gap Program	CPF	250,000	250,000			GF	0	0	0	0	0	0
	2004: Continuation of Gap Program	CPF			250,000	250,000	GF	0	0	0	0	0	0
975820	Regional Bike/Hike Path Completion -	130,000											
	South side of Utica Road, Edison Corridor to	GF			70,000	70,000	GF	0	0	1,000	1,000	1,000	1,000
	East of Dodge Park Road	CPF			60,000	60,000							
975820	Sidewalk Installation - South side of 16	75,000											
	Mile Rd. between Mound and Van Dyke	GF/CPF	31,500	18,750									
		CPF	126,000	56,250			GF	0	0	0	0	0	0
975853	Dodge Park Entrance Approach off Utica	525,000											
	Road, Dodge Park Parking Lot	CPF	416,700	525,000			GF	0	500	1,000	1,000	1,000	1,000
	Improvements, Lighting, Electronic Signage												
975855	New Central Fire Station #1	2,900,000											
		CPF	2,730	3,500			GF	10,000	10,000	10,000	10,000	10,000	10,000
975935	Nature Center Parking Lot	126,000											
		CPF	10,370	10,370			GF	500	500	500	500	500	500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2003/04	Estimate 2003/04	Manager Recomm. Budget 2004/05	Council Approved Budget 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Budget Year 2004/05	Future Years 2005/06	Future Years 2006/07	Future Years 2007/08
986000	Sterling Relief District -	885,000											
	Metro Parkway and Conrail	DF	192,750	192,750			DF	0	85,000	85,000	85,000	85,000	85,000
986000	14 Mile Road - Somerset Relief Drain	1,070,000											
		DF	1,020,000	0	1,070,000	1,070,000	DF	0	0	0	95,000	95,000	95,000
986871	Gibson Drain Retention Lake Clean Out	427,180											
		CPF	427,180	427,180			GF	0	0	0	0	0	0
986920	Plumbrook District (Fisher Relief Drain)	1,000,000											
	Dodge Park Road from 16 1/2 to 17 Mile	CPF	1,000,000	1,000,000			GF	0	0	0	500	500	500
986921	Plumbrook Drain Dydraulic Analysis -	67,000											
	Mound Road to Red Run Drain	CPF	0	5,760			GF	0	0	0	0	0	0
	Total Capital Projects Fund	**$10,151,710**	**$5,123,450**	**$4,336,090**	**$2,050,000**	**$2,050,000**		**$18,250**	**$104,850**	**$101,400**	**$194,100**	**$194,100**	**$194,100**
	ROAD BOND CONSTRUCTION FUND												
988597	Ryan Road Paving & Drain -	6,350,000											
	18-1/2 Mile Road to Hall Road -	RBCF	17,720	36,000			DF	480,000	480,000	480,000	480,000	480,000	480,000
	(MTFB-00), (DRAIN)						MRF						
988603	18 -1/2 Mile Road Plumbrook Drain	4,000,000											
	(DRAIN)	RBCF	130,000	130,000			DF	360,000	360,000	360,000	360,000	360,000	360,000
							MRF						
988858	18-1/2 Mile Road Connector -	6,660,000											
	Mound Road to Van Dyke (MTFB-04)	RBCF	6,343,100	85,000	6,660,000	6,660,000	MRF	0	0	0	550,000	550,000	550,000
988876	17 Mile Road Bridge Repair	1,220,000											
	Over Conrail (MTFB-04)	RBCF	942,000	30,000	1,220,000	1,220,000	MRF	0	0	0	85,000	85,000	85,000
	Neighborhood Road Repair & Replacement Program	508,000											
988930	Concrete Replacement - Peso Ct., West	RBCF	115,000	115,000			LRF	2,000	0	0	0	0	0
	side of Pondview, Onorio Subdivision												
	Total Road Bond Construction Fund	**$18,738,000**	**$7,547,820**	**$396,000**	**$7,880,000**	**$7,880,000**		**$842,000**	**$840,000**	**$840,000**	**$1,475,000**	**$1,475,000**	**$1,475,000**
	MAJOR ROAD FUND												
	COUNTY ROADS												
988000	Intersection Improvements	100,000											
	(Unspecified)	MRF	100,000	0	100,000	100,000	MRF	0	0	0	0	0	0
988000	Traffic Signals - Miscellaneous Locations	200,000											
		MRF	100,000	77,000	100,000	100,000	MRF	200	200	200	200	200	200
	a) Riverland Drive & Van Dyke			23,000									
988000	Schoenherr Road Landscaping -	230,000											
	14 Mile Road to Metropolitan Parkway	GRANT	176,000	0	184,000	184,000							
		MRF	44,000	0	46,000	46,000	MRF	0	0	0	500	500	500

CAPITAL IMPROVEMENTS

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		Total Cost/ Funding Source	Budget 2003/04	Estimate 2003/04	Manager Recomm. Budget 2004/05	Council Approved Budget 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Budget Year 2004/05	Future Years 2005/06	2006/07	2007/08
988000	18 Mile Road Resurfacing- West of Ryan Road to Dequindre, and Moravian Road - Hayes Road to Schoenherr Road	121,500 MRF	61,720	61,720			MRF	0	0	0	0	0	0
988000	Metropolitan Parkway Blvd. Landscaping - Dodge Park Road to Utica Road	73,500 GRANT MRF	56,000 14,000	0 0	58,800 14,700	58,800 14,700	MRF	0	0	0	500	500	500
988000	Schoenherr Road Resurfacing - Canal Road to M-59	100,000 MRF	100,000	100,000			MRF	0	0	0	0	0	0
988000	14 Mile Road Resurfacing - Dequindre Road to Ryan Road	78,930 MRF	125,750	78,930			MRF	0	0	0	0	0	0
988000	18 Mile Road & Utica Road - Right-of-way Acquisition	150,000 MRF	150,000	150,000			MRF	0	0	0	0	0	0
988700	Dequindre Road - 17 Mile to 18 Mile Road	423,610 MRF	423,610	423,610			MRF	0	0	0	0	0	0
988700	Dequindre Road - 18 Mile Road to M-59 Preliminary Engineering - (2006 Project)	42,500 MRF	39,270	39,270			MRF	0	0	0	0	75,000	75,000
988928	Metropolitan Parkway Widening - Dodge Park to Utica Road	1,344,400 MRF	1,025,150	1,025,150			MRF	0	0	0	0	0	0
	Total County Roads	**$2,864,440**	**$2,415,500**	**$1,978,680**	**$503,500**	**$503,500**		**$200**	**$200**	**$200**	**$1,200**	**$76,200**	**$76,200**
	CITY RESURFACING PROGRAM												
988870	Clinton River Road - Edison Court to Canal Road & Road Alignment	2,355,400 MRF	426,710	426,710			MRF	2,000	2,000	400	400	400	400
988906	Plumbrook Road - Utica Rd. to 17 Mile Rd. Plumbrook Road - 17 Mile Rd. to Van Dyke	1,392,000 MRF MRF	1,142,000 250,000	1,142,000 0			MRF	1,000	1,000	200	200	200	200
988941	15 Mile Road Resurfacing- Maple Lane to Van Dyke	961,830 MRF	140,620	140,620			MRF	1,000	1,000	200	200	200	200
	OTHER IMPROVEMENTS												
988000	19 Mile Road Widening - Dequindre Road to Van Dyke - Survey & Design	3,000,000 MRF	100,000	100,000	250,000	250,000	MRF	0	0	0	0	0	0
988000	Canal Road & Saal Road - Intersection Improvements	65,000 MRF	65,000	65,000			MRF	0	0	200	200	200	200
988000	19 Mile Road & Saal Road - Intersection Improvements	570,000 MRF	570,000	570,000			MRF	0	0	500	500	500	500
988000	19 Mile Road & Michigan Drive Intersection Improvements	20,000 MRF	20,000	20,000			MRF	0	0	100	100	100	100
988856	Maple Lane Widening - North of Volpe to 15 Mile Road, Maple Lane Resurfacing - 14 Mile Road to Volpe	1,500,000 MRF	1,600,000	1,500,000			MRF	1,000	1,000	500	500	500	500

CAPITAL IMPROVEMENTS

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		Total Cost/ Funding Source	Budget 2003/04	Estimate 2003/04	Manager Recomm. Budget 2004/05	Council Approved Budget 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Budget Year 2004/05	Future Years 2005/06	Future Years 2006/07	Future Years 2007/08
988963	15 Mile Road - Ryan Road to Dequindre Road - Concrete Joint Repair	122,500 MRF	48,000	122,500			MRF	0	0	0	0	0	0
	2003/04 Bridge Maintenance Program	200,000											
988967	15 Mile Road Bridge Over Red Run Drain	MRF	57,000	76,000			MRF	0	0	0	0	0	0
	Maple Lane Bridge Over Red Run Drain	MRF	27,000	55,000			MRF	0	0	0	0	0	0
	17 Mile Road Bridge Repair over Plumbrook Drain	MRF	57,000	69,000			MRF	0	0	0	0	0	0
	TRAFFIC CONTROLS & INTERSECTION IMPROVEMENTS MISCELLANEOUS LOCATIONS												
988000	Miscellaneous Locations	200,000 MRF	150,000	7,360	100,000	100,000	MRF	200	200	200	200	200	200
	a) Clinton River & Saal Road			5,360									
	b) 18 Mile Rd. at Ryan Rd. Modernization			6,280									
	c) 15 Mile Road at High School			56,000									
	d) 15 Mile Road & Chrysler Plant			25,000									
	NON-MOTORIZED IMPROVEMENTS												
988000	Miscellaneous Right-Of-Way Acquisition	50,000 MRF	50,000	0	50,000	50,000	MRF	200	200	200	200	200	200
988955	DPW Salt Dome Replacement	404,550 MRF	404,550	404,550			MRF	1,000	100	100	100	100	100
	Total City Major Road	**$10,841,280**	**$5,107,880**	**$4,791,380**	**$400,000**	**$400,000**		**$6,400**	**$5,500**	**$2,600**	**$2,600**	**$2,600**	**$2,600**
	Total Major Road Fund	**$13,705,720**	**$7,523,380**	**$6,770,060**	**$903,500**	**$903,500**		**$6,600**	**$5,700**	**$2,800**	**$3,800**	**$78,800**	**$78,800**
	LOCAL ROAD FUND												
988000	Pavement Management System	315,000 LRF	300,000	0	315,000	315,000	LRF	0	0	0	0	0	0
988000	Lake Forest Drive Connection Paving	190,000 LRF			190,000	190,000	LRF	0	0	0	300	300	300
	Neighborhood Road Repair & Replacement Program												
988000	Concrete Replacement - Grigg, Timmy, Richard O, Cero Drive	500,000 GF/LRF	500,000	500,000			LRF	1,000	1,000	0	0	0	0
988000	Concrete Replacement - Clifton, Firestone, Breckenridge	546,000 GF/LRF			546,000	546,000	LRF	1,000	1,000	1,000	0	0	0
988840	Regional Bike/Hike Trail - Path along south side of Utica Road from Schoenherr to Kleino, and Plumbrook Pedestrian Bridge	536,180 LRF	0	18,500			LRF	500	500	500	500	500	500

CAPITAL IMPROVEMENTS

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		Total Cost/ Funding Source	Budget 2003/04	Estimate 2003/04	Manager Recomm. Budget 2004/05	Council Approved Budget 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Budget Year 2004/05	Future Years 2005/06	Future Years 2006/07	Future Years 2007/08
988880	Elmridge Drive - Concrete Paving, Storm Sewer	465,000 SAD (LRF)	465,000	465,000			LRF	500	500	200	200	200	200
988915	Shadowcreek Court - Concrete Paving, Storm Sewer	118,000 SAD(LRF)	112,090	100	118,000	118,000	LRF	0	0	200	200	200	200
	Total Local Road Fund	**$2,670,180**	**$1,377,090**	**$983,600**	**$1,169,000**	**$1,169,000**		**$3,000**	**$3,000**	**$1,900**	**$1,200**	**$1,200**	**$1,200**
	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
972000	Nelson Park North - Pave and Expand Parking Lot, Sign, Path Construction	396,800 CDBG			396,800	396,800	GF	500	500	500	500	500	500
972008	Replacement Handicapped Accessible Playground Equipment - Nelson Park	50,000 CDBG	50,000	50,000			GF	0	0	0	0	0	0
975000	Upton House Roof & Porch Repair	27,200 CDBG	37,000	27,200			GF	500	500	0	0	0	0
988922	Oleander Drive - Sidewalk, Paving & Storm Sewer	390,500 CDBG	390,500	390,500			LRF	1,000	1,000	100	100	100	100
	Total C.D.B.G. Fund	**$864,500**	**$477,500**	**$467,700**	**$396,800**	**$396,800**		**$2,000**	**$2,000**	**$600**	**$600**	**$600**	**$600**
	LAND & WATER CONSERVATION FUND												
	LAND DEVELOPMENT												
972000	Neighborhood Park Tree Planting - 2003: Magnolia Park 2004: Baumgartner Park	16,000 GF/LWCF GRANT	8,000 8,000	4,000 4,000	4,000 4,000	4,000 4,000	GF	0	0	0	0	0	0
972000	Nature Center Pedestrian Bridge Repair	20,720 LWCF	49,000	20,720			GF	500	300	0	0	0	0
972000	Delia Park - (4) Replacement Scoreboards	24,000 LWCF	24,000	24,000			GF	50	50	50	50	50	50
972008	Replacement of Player Benches, Bleachers - Delia Park	9,910 LWCF	9,910	9,910			GF	0	0	0	0	0	0
972008	Replacement Handicapped Accessible Playground Equipment - Fairfield Park	45,000 LWCF	45,000	45,000			GF	0	0	0	0	0	0
972333	Delia Park - (6) Replacement Portable Bleachers	24,000 LWCF			24,000	24,000	GF	100	100	0	0	0	0
972334	Asphalt Resurfacing - Dodge/North Clinton River Parks	150,000 LWCF/GF	142,420	150,000			GF	1,000	500	500	500	500	500
972838	Avis Drive Park Development	437,000 LWCF	15,760	15,760			GF	0	1,000	1,000	1,000	1,000	1,000
972845	Regional Bike/Hike Trail - Riverland to Van Dyke	500,000 LWCF GRANT	222,000 220,000	280,000 220,000			GF	0	0	1,500	1,500	1,500	1,500

CAPITAL IMPROVEMENTS

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972850	Major City Park Signs - Dodge, Clinton River, Baumgartner	40,000 LWCF	40,000	40,000			GF	0	0	0	0	0	0
972934	Nelson Park North - Soccer Field	60,000 LWCF			60,000	60,000	GF	0	0	1,000	1,000	1,000	1,000
972945	Baumgartner Park - (2) Soccer Fields	270,000 LWCF			270,000	270,000	GF	0	0	2,000	2,000	2,000	2,000
972945	Baseball Field Reconstruction - Baumgartner Park	43,270 GF/LWCF	43,270	43,270			GF	0	500	500	500	500	500
	Total Land & Water Conserv. Fund	**$1,639,900**	**$827,360**	**$856,660**	**$362,000**	**$362,000**		**$1,650**	**$2,450**	**$6,550**	**$6,550**	**$6,550**	**$6,550**

CAPITAL IMPROVEMENTS

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		Total Cost/ Funding Source	Program 2003/04	Estimate 2003/04	Manager Recomm. Program 2004/05	Council Approved Program 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Program Year 2004/05	Future Years 2005/06	Future Years 2006/07	Future Years 2007/08
	WATER & SEWER IMPROVEMENT FUND												
	SANITARY SEWERS												
	Mound Road via Almore	219,000											
		W&S	219,000	219,000			W&S	0	0	500	500	500	500
	18 Mile Road - North Side, Arbor	86,000											
	Crest Drive to Hamilton Drive	W&S	86,000	86,000			W&S	0	0	100	100	100	100
	Utica Road, East of Walnut Lane,	236,250											
	Walnut Lane	W&S	236,250	236,250			W&S	0	0	500	500	500	500
	17 Mile Road, West of Car Wash	174,300											
		W&S	174,300	174,300			W&S	0	0	300	300	300	300
	Saal Road, North of Stadler	110,250											
		W&S	110,250	110,250			W&S	0	0	200	200	200	200
	Moravian Road, East of Schoenherr	52,500											
	South Side	W&S	52,500	52,500			W&S	0	0	100	100	100	100
	Embassy Drive	5,000											
		W&S	5,000	5,000			W&S	0	0	50	50	50	50
	38701 Westchester	22,000											
		W&S	22,000	22,000			W&S	0	0	50	50	50	50
	Utica Road, East of Dodge Park Road	200,000											
		W&S	200,000	200,000			W&S	0	0	400	400	400	400
	Maple Lane - Volpe to 15 Mile Road,	43,500											
	East & West Side	W&S	120,000	43,500			W&S	0	0	100	100	100	100
	Plumbrook Road, West of Dodge Park	175,000											
	Road, South Side	W&S	175,000	175,000			W&S	0	0	300	300	300	300
	38895 & 38721 Dodge Park Road, West	70,000											
	Side, near Walsh Elementary School	W&S	70,000	70,000			W&S	0	0	200	200	200	200
	Lake Forest Drive Connection	69,300											
		W&S			69,300	69,300	W&S	0	0	0	200	200	200
	Shadowcreek Court	84,000											
		W&S	80,000	0	84,000	84,000	W&S	0	0	0	200	200	200
	Maple Lane - 14 Mile Road to Volpe	165,500											
	Road, East Side	W&S	157,500	0	165,500	165,500	W&S	0	0	0	300	300	300
	Plumbrook Road, West of Golf Course,	39,900											
	South Side	W&S	38,000	0	39,900	39,900	W&S	0	0	0	100	100	100
	Moravian Road, South Side	260,000											
	Hayes to East of 15 Mile Road	W&S			260,000	260,000	W&S	0	0	0	500	500	500

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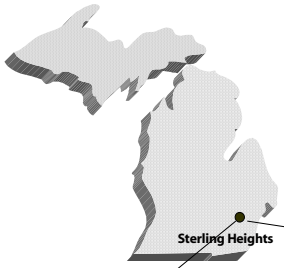
	Hayes Road -	132,000											
	Moravian Road to Bartola Subdivision	W&S			132,000	132,000	W&S	0	0	0	300	300	300
	13930 15 Mile Road	20,000											
		W&S			20,000	20,000	W&S	0	0	0	100	100	100
	Total Sanitary Sewer	**$2,164,500**	**$1,745,800**	**$1,393,800**	**$770,700**	**$770,700**		**$0**	**$0**	**$2,800**	**$4,500**	**$4,500**	**$4,500**
	WATER MAINS												
	17 Mile Road - Plumbrook	255,000											
	to Van Dyke	W&S	255,000	255,000			W&S	0	0	500	500	500	500
	Update Master Water Plan/	38,000											
	Reliability Study	W&S	38,000	38,000			W&S	0	0	100	100	100	100
	Beyer Lane	121,130											
		W&S	160,000	121,130			W&S	0	0	200	200	200	200
	18 Mile Road - Hayes Road to 800 feet	507,150											
	West of Saal Road	W&S	507,150	507,150			W&S	0	0	1,000	1,000	1,000	1,000
	Maple Lane - Volpe Road to	187,000											
	15 Mile Road	W&S	300,000	187,000			W&S	0	0	300	300	300	300
	Lake Forest Drive Connection	40,500											
		W&S	38,500	0	40,500	40,500	W&S	0	0	0	100	100	100
	18-1/2 Mile Road & M-53 Exit - Mound	1,365,000											
	Road to Utica Road	W&S	1,300,000	0	1,365,000	1,365,000	W&S	0	0	0	1,500	1,500	1,500
	Hayes Road - Moravian to Utica Road	342,000											
		W&S	325,500	0	342,000	342,000	W&S	0	0	0	600	600	600
	Shadowcreek Court	25,200											
		W&S	24,000		25,200	25,200	W&S	0	0	0	100	100	100
	14 Mile Road - Maple Lane	747,500											
	to 1,200 feet east of Van Dyke	W&S	711,900	0	747,500	747,500	W&S	0	0	0	1,200	1,200	1,200
	Section 4 along Mound, Catalpa, Merrill	525,000											
	& Arrow; Under Conrail Railroad	W&S	500,000	0	525,000	525,000	W&S	0	0	0	1,000	1,000	1,000
	Dequindre & 14 Mile Road -	2,100,000											
	Sections 30 & 31	W&S			2,100,000	2,100,000	W&S	0	0	0	2,000	2,000	2,000
	Total Water Mains	**$6,253,480**	**$4,160,050**	**$1,108,280**	**$5,145,200**	**$5,145,200**		**$0**	**$0**	**$2,100**	**$8,600**	**$8,600**	**$8,600**
	GENERAL IMPROVEMENTS												
	Geographic Information System Pilot	52,400											
	Program/System Enhancement	W&S	26,200	26,200	26,200	26,200	W&S	0	0	0	0	0	0
	Total General Improvements	**$52,400**	**$26,200**	**$26,200**	**$26,200**	**$26,200**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

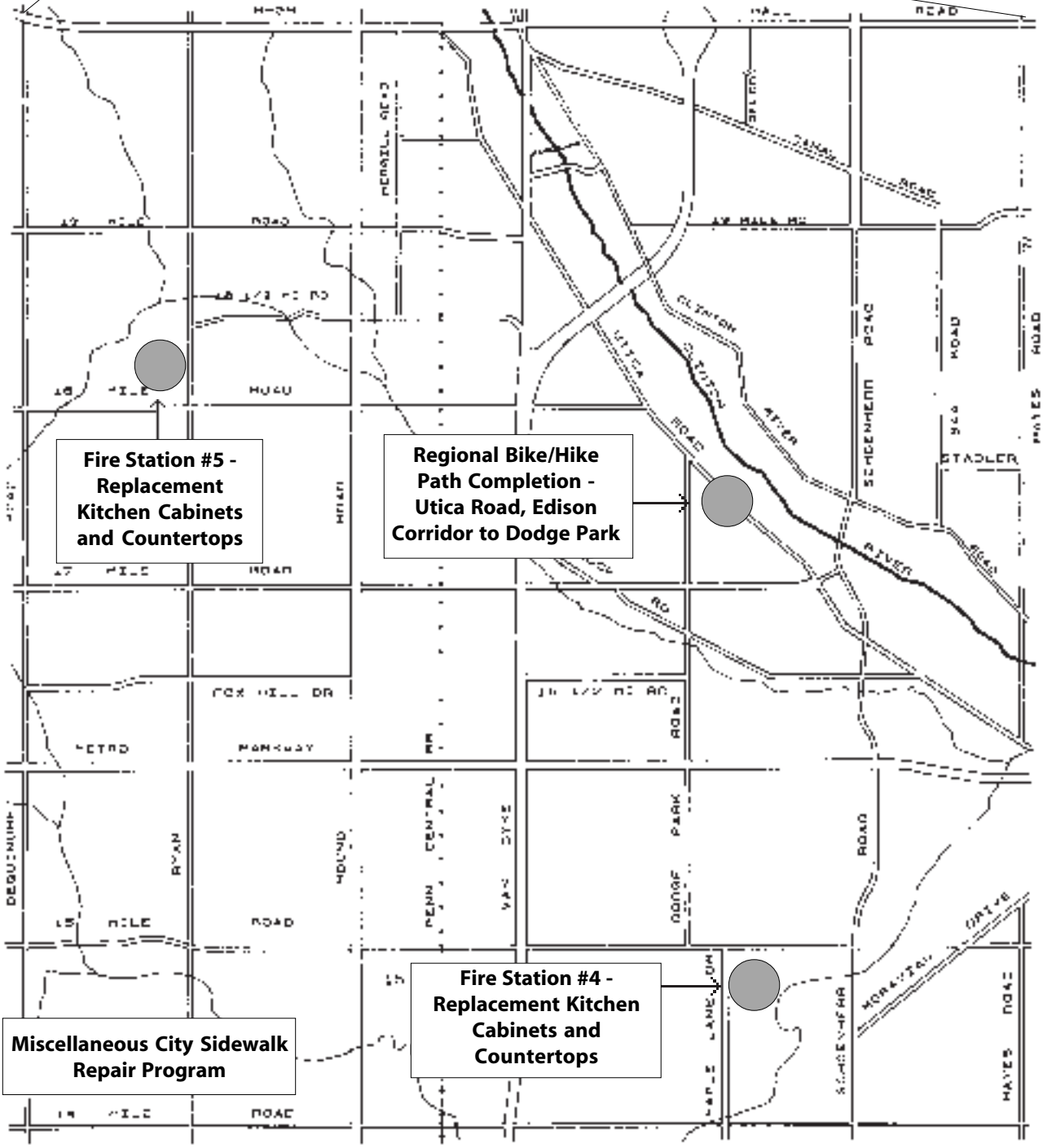
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Program 2003/04	Estimate 2003/04	Manager Recomm. Program 2004/05	Council Approved Program 2004/05	Proposed Method of Financing	Actual Prior Yr. 2002/03	Estimated Current Yr. 2003/04	Program Year 2004/05	Future Years 2005/06	Future Years 2006/07	Future Years 2007/08
	WATER & SEWER												
	REPLACEMENT FUND												
	Fire Hydrant Replacement	54,700											
	Program - 10-30 Hydrants	W&S	54,700	54,700	20,000	20,000	W&S	200	200	200	200	200	200
	Total Water & Sewer Funds	**$8,525,080**	**$5,986,750**	**$2,582,980**	**$5,962,100**	**$5,962,100**		**$200**	**$200**	**$5,100**	**$13,300**	**$13,300**	**$13,300**
	Total City Capital Improvements	**$56,295,090**	**$28,863,350**	**$16,393,090**	**$18,723,400**	**$18,723,400**		**$873,700**	**$958,200**	**$958,350**	**$1,694,550**	**$1,769,550**	**$1,769,550**

2004/05 MUNICIPAL FACILITIES



Sidewalk Gap Completion Program and Municipal Parking Lot Repairs



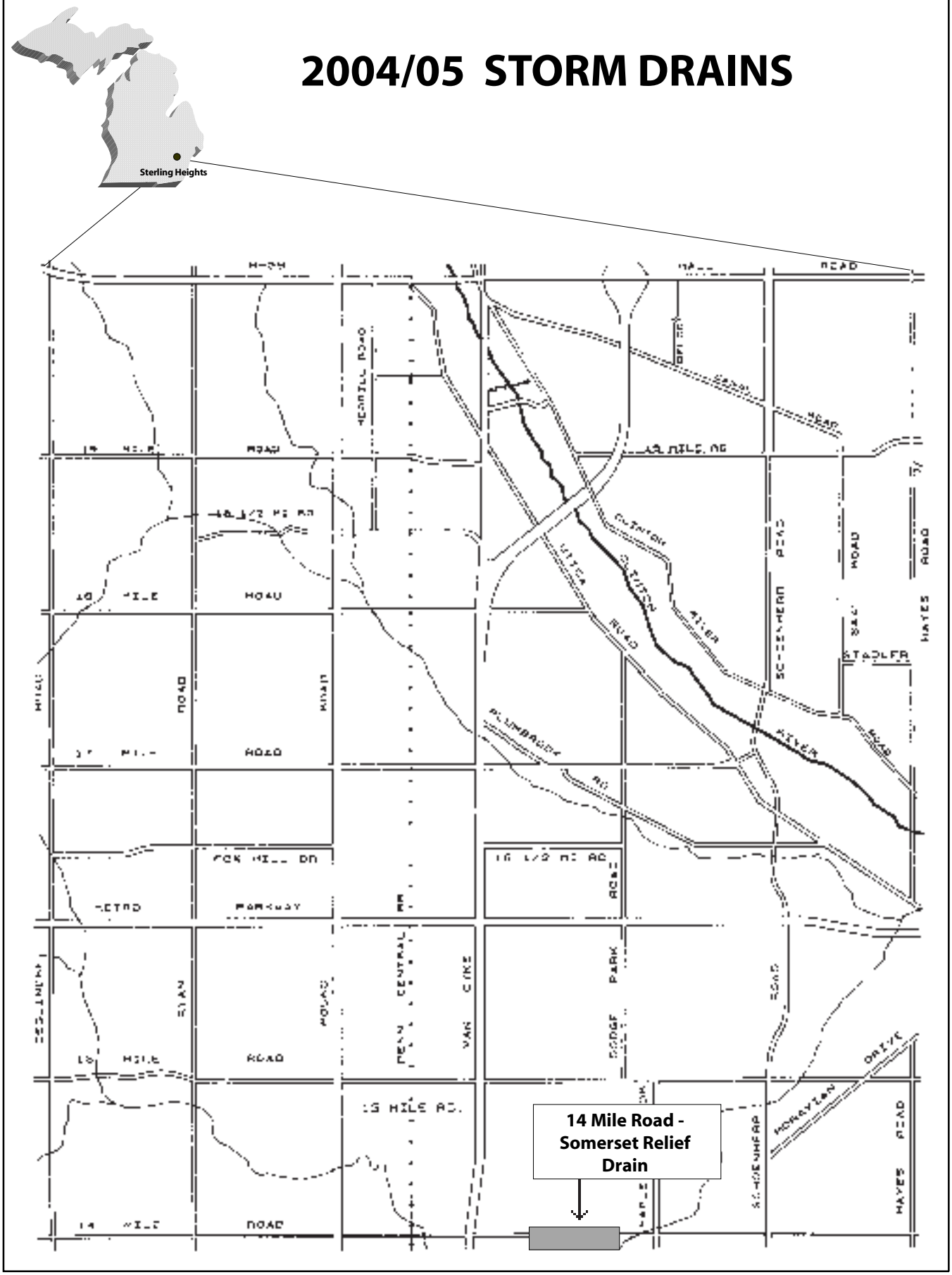
Fire Station #5 - Replacement Kitchen Cabinets and Countertops

Regional Bike/Hike Path Completion - Utica Road, Edison Corridor to Dodge Park

Fire Station #4 - Replacement Kitchen Cabinets and Countertops

Miscellaneous City Sidewalk Repair Program

2004/05 STORM DRAINS



2004/05 MAJOR ROADS

Miscellaneous Traffic Signals & Intersection Improvements

19 Mile Road Engineering Costs - Widening from Dequindre Road to Van Dyke

18-1/2 Mile Road Connector - Mound Road to Van Dyke Freeway

17 Mile Road Bridge Repair over Conrail

Miscellaneous Right-of-Way Acquisitions

2004/05 COUNTY ROAD PLANS

Miscellaneous Traffic Signals (Locations Undetermined at this time)

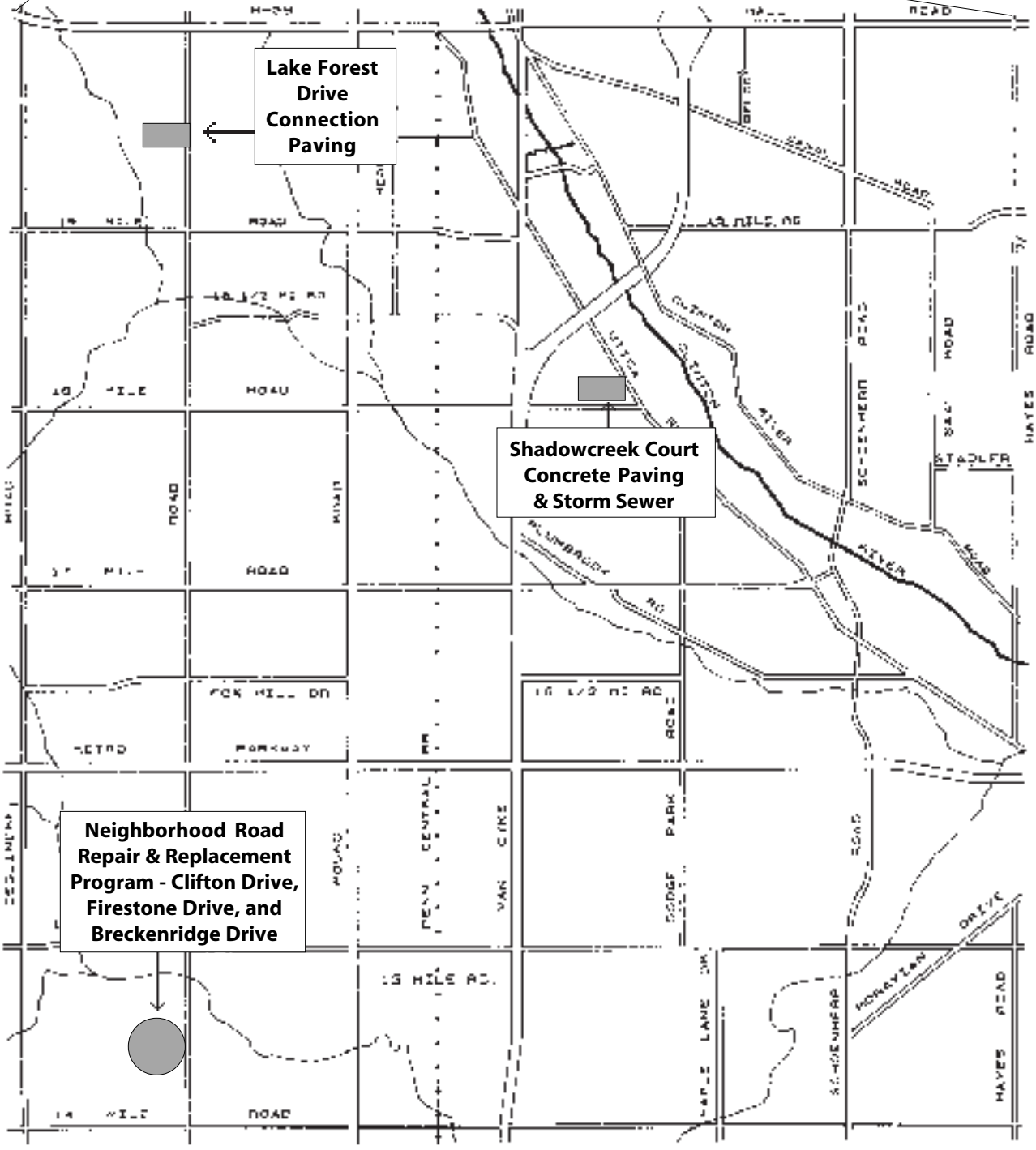
Metropolitan Parkway Landscaping - Dodge Park Road to Utica Road

Schoenherr Road Landscaping - 14 Mile Road to 16 Mile Road

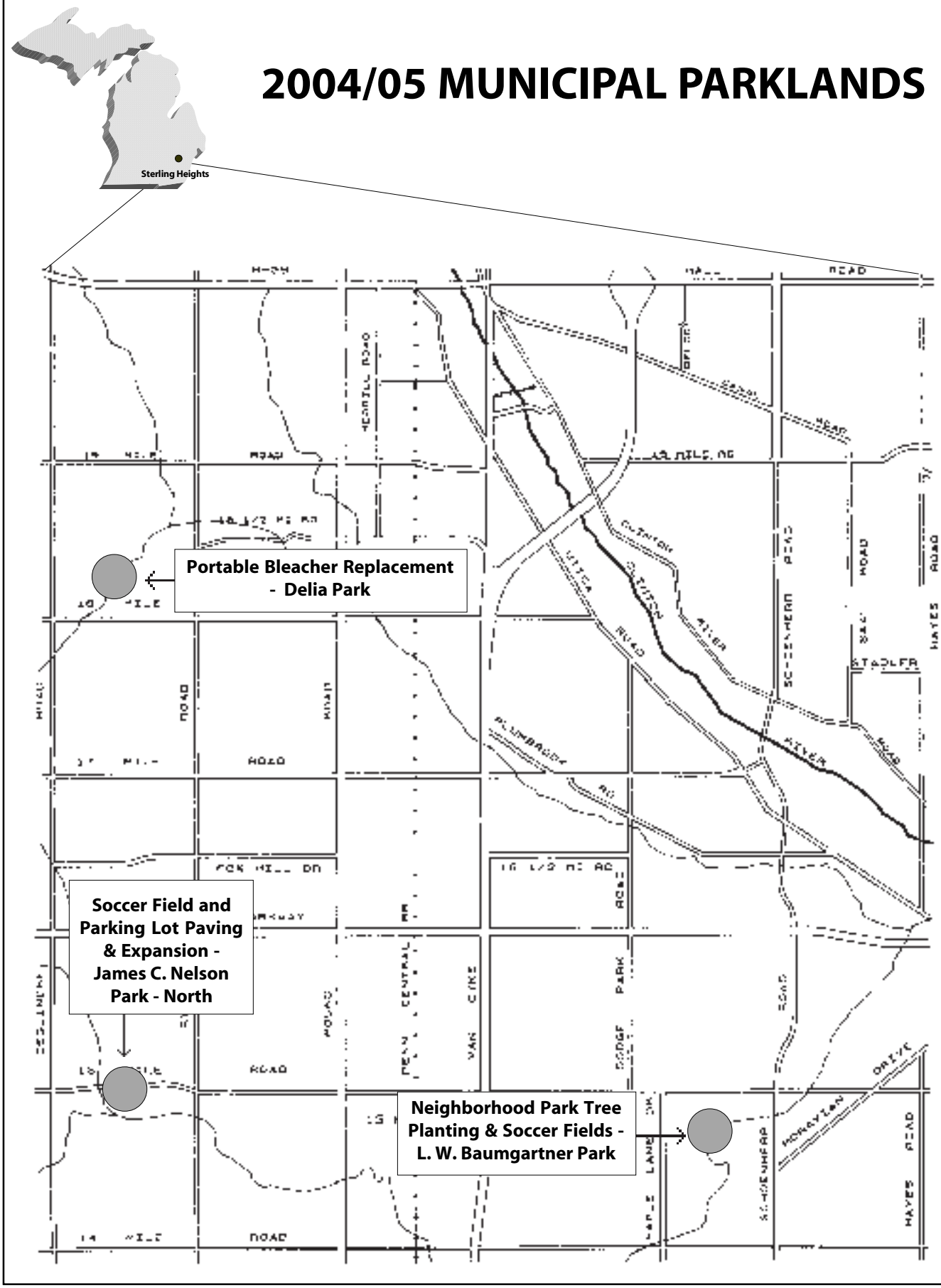
Miscellaneous Intersection Improvements (Locations undetermined at this time)

2004/05 LOCAL ROADS

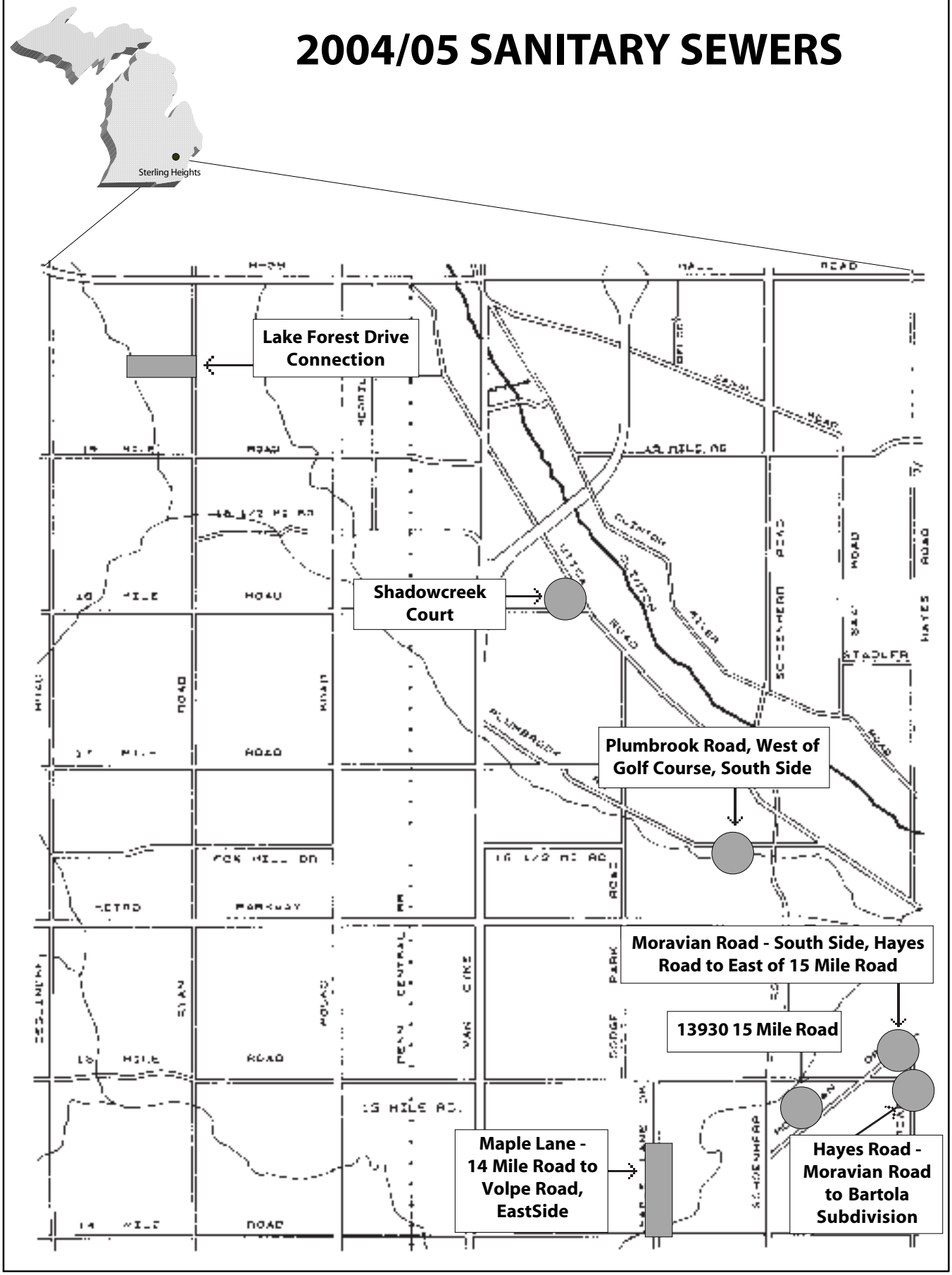
Pavement Management System



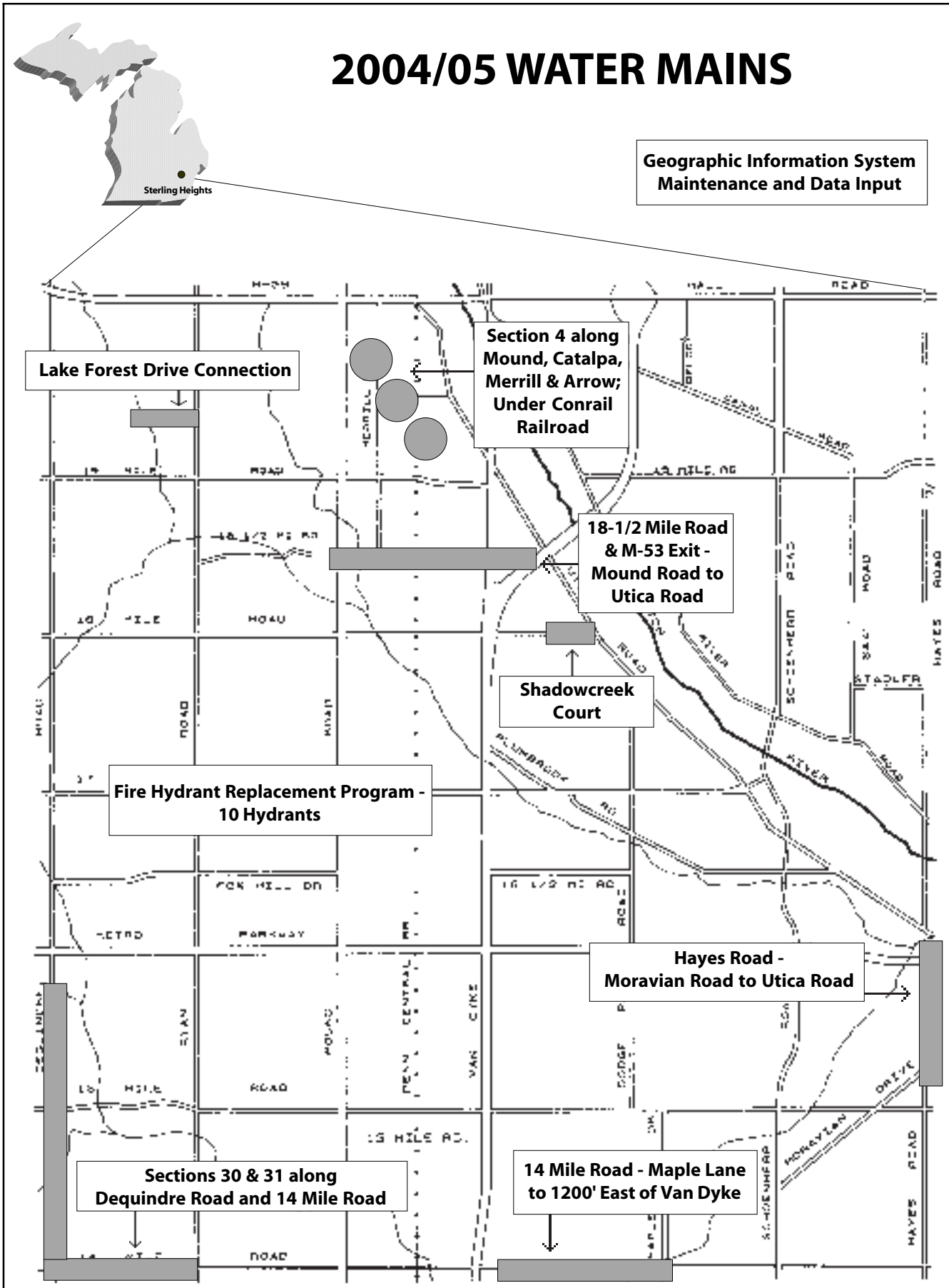
2004/05 MUNICIPAL PARKLANDS



2004/05 SANITARY SEWERS



2004/05 WATER MAINS



GENERAL GOVERNMENT REVENUES BY SOURCE
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

Fiscal Year Ended June 30	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Property Taxes	$31,757,169	$32,614,114	$34,308,096	$36,103,132	$38,377,602	$39,847,195	$41,266,995	$42,155,402	$44,773,685	$46,791,310
Fees & Permits	1,109,339	1,498,481	1,947,437	1,806,845	1,927,254	1,950,414	1,855,159	2,253,273	1,916,542	2,036,864
Federal Sources	1,050,621	1,165,506	1,267,483	1,122,579	1,674,740	1,002,599	1,178,322	1,311,949	1,082,736	738,142
State Sources	14,513,174	15,354,992	16,286,704	16,502,823	18,040,933	18,653,817	19,281,979	20,406,046	20,548,011	20,161,887
Fines & Forfeitures	2,121,356	1,901,462	1,980,313	2,573,676	2,608,848	2,776,653	2,798,853	2,781,114	2,299,389	2,295,661
Charges For Services	5,049,592	4,672,455	5,096,603	5,460,371	5,097,114	5,371,619	5,451,881	5,791,473	5,514,851	5,875,269
Interest Income	886,916	1,585,663	1,903,436	2,016,876	2,226,996	2,396,228	2,894,378	2,962,589	1,735,285	1,607,324
Special Assessments	609,262	333,642	373,703	598,307	437,830	443,641	319,727	164,086	179,973	58,695
Rental Income	938,178	875,815	808,867	965,417	944,852	1,075,936	1,035,063	1,240,272	1,047,761	1,253,148
Cable Revenue	606,176	582,304	667,533	790,999	673,080	868,817	972,802	1,264,214	1,302,183	1,120,768
Other	489,602	392,272	2,614,547	607,990	609,014	873,853	738,693	515,770	1,910,625	750,239
	$59,131,385	**$60,976,706**	**$67,254,722**	**$68,549,015**	**$72,618,263**	**$75,260,772**	**$77,793,852**	**$80,846,188**	**$82,311,041**	**$82,689,307**

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

Fiscal Year Ended June 30	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Government	$6,543,410	$6,428,695	$6,589,589	$6,851,373	$6,938,739	$7,030,523	$7,668,049	$8,368,507	$8,550,972	$8,733,703
Public Safety	24,980,863	25,430,823	26,404,280	27,747,751	27,118,090	26,932,023	28,084,680	30,386,650	30,913,608	33,857,315
41A District Court	1,957,868	1,847,417	1,888,926	2,026,851	2,072,201	2,044,259	1,999,838	2,131,093	2,178,525	2,173,817
Public Works	14,476,404	13,685,067	14,167,945	15,346,854	14,503,055	14,885,110	15,456,764	16,492,407	16,910,029	18,334,751
Recreation & Culture	3,325,708	3,253,128	3,234,981	3,400,334	3,633,902	3,619,970	3,795,871	4,035,209	4,323,476	4,447,809
General Expenditures	2,430,277	2,878,947	2,947,338	2,241,657	2,301,900	2,423,147	2,487,675	2,443,371	2,527,586	2,665,340
Capital Outlay	1,059,021	1,968,645	2,824,310	3,803,124	2,115,625	976,373	1,124,491	1,830,621	2,371,360	5,724,006
Debt Service	5,061,326	5,448,155	5,629,461	5,899,994	6,086,376	6,832,960	7,294,382	8,047,612	7,295,172	6,435,051
Other	10,521	12,062	10,992	25,804	11,542	14,940	17,356	10,930	11,610	105,909
	$59,845,398	**$60,952,939**	**$63,697,822**	**$67,343,742**	**$64,781,430**	**$64,759,305**	**$67,929,106**	**$73,746,400**	**$75,082,338**	**$82,477,701**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	1998/99 Actual	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget
City Council	$116,070	$131,530	$126,290	$128,060	$124,820	$132,790	**$126,890**
City Management	499,250	586,290	604,440	653,610	721,450	759,510	**760,420**
City Clerk	514,250	586,210	612,090	644,200	823,510	904,000	**947,980**
Emergency Management	101,100	89,910	85,310	86,680	122,740	181,110	**149,940**
Facilities Maintenance	961,500	1,006,180	1,133,050	1,122,270	1,225,680	1,285,640	**1,378,890**
Assessing	562,270	584,700	620,870	599,830	681,760	695,520	**818,630**
Financial Services	309,690	971,010	1,084,610	1,040,850	981,620	1,050,050	**1,085,840**
Accounting	579,410	0	0	0	0	0	**0**
Purchasing	231,630	253,610	275,680	262,310	288,440	298,110	**313,860**
Treasury	575,660	553,220	587,820	621,860	665,440	704,530	**677,970**
Act 78 - Civil Service Commission	17,480	37,230	23,620	26,200	8,750	25,870	**10,290**
Building Authority	870	1,090	880	460	380	480	**400**
General Employees Pension Board	417,380	485,480	501,680	440,120	399,740	497,260	**571,920**
Legal	601,370	624,550	707,010	697,660	663,460	699,690	**666,000**
Total City Administration Dept.	**5,487,930**	**5,911,010**	**6,363,350**	**6,324,110**	**6,707,790**	**7,234,560**	**7,509,030**
Parks & Recreation	1,720,090	1,867,590	1,943,030	2,030,270	2,161,920	2,164,690	**2,250,310**
Total Parks & Recreation Dept.	**1,720,090**	**1,867,590**	**1,943,030**	**2,030,270**	**2,161,920**	**2,164,690**	**2,250,310**
Police Administrative Services	1,976,570	4,407,920	2,242,930	2,141,550	2,394,110	2,561,640	**2,747,740**
Police Enforcement Services	11,133,260	10,114,530	10,717,290	12,310,680	14,303,650	15,809,260	**17,054,950**
Police Support Services	(22,530)	0	2,567,410	955,080	1,083,020	2,693,620	**2,908,430**
Police Special Services	4,319,400	3,454,080	3,943,330	3,526,330	4,058,990	1,609,490	**1,782,100**
Total Police Department	**17,406,700**	**17,976,530**	**19,470,960**	**18,933,640**	**21,839,770**	**22,674,010**	**24,493,220**
Fire Administration	715,150	782,720	812,330	852,710	1,084,110	1,027,100	**1,075,710**
Fire Extinguishment	8,087,670	8,624,440	9,346,350	8,565,100	10,045,670	10,646,340	**11,514,800**
Fire Prevention	722,500	705,920	757,010	730,280	887,760	867,910	**968,790**
Total Fire Department	**9,525,320**	**10,113,080**	**10,915,690**	**10,148,090**	**12,017,540**	**12,541,350**	**13,559,300**
City Development Administration	275,150	243,680	219,210	271,720	292,120	304,680	**397,920**
Building	1,023,850	1,165,630	1,223,590	1,185,210	1,267,100	1,421,250	**1,916,580**
Engineering	1,408,750	1,513,080	1,606,180	1,540,590	1,738,620	1,820,670	**1,898,490**
Planning	596,680	619,790	687,060	764,350	871,560	835,880	**336,860**
Ordinance Board of Appeals	3,250	3,770	0	0	0	0	**0**
Planning Commission	24,810	18,020	14,120	17,730	16,440	18,670	**15,240**
Zoning Board of Appeals	16,580	11,650	12,740	14,130	11,380	12,870	**9,510**
Total City Development Dept.	**3,349,070**	**3,575,620**	**3,762,900**	**3,793,730**	**4,197,220**	**4,414,020**	**4,574,600**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	1998/99 Actual	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Budget	2004/05 Budget
Fleet Maintenance	1,651,230	1,810,290	1,984,790	1,789,670	1,767,860	1,938,680	**1,997,870**
Parks & Grounds Maintenance	994,350	1,057,880	1,141,570	1,177,940	1,254,140	1,204,760	**1,215,980**
Public Works Center	370,640	402,910	396,720	428,560	457,530	439,070	**457,590**
Street Services	1,356,950	1,319,530	1,421,320	1,408,460	1,441,110	1,584,190	**1,713,130**
Total Public Works Department	**4,373,170**	**4,590,610**	**4,944,400**	**4,804,630**	**4,920,640**	**5,166,700**	**5,384,570**
Refuse Collection	3,425,930	3,588,880	4,034,120	4,373,220	4,658,800	4,883,640	**5,219,670**
Total Refuse Collection	**3,425,930**	**3,588,880**	**4,034,120**	**4,373,220**	**4,658,800**	**4,883,640**	**5,219,670**
Library	1,898,070	1,926,370	2,089,750	2,167,890	2,283,950	2,341,690	**2,480,360**
Historical Commission	1,810	1,910	2,430	2,260	1,940	1,450	**1,420**
Total Public Library Department	**1,899,880**	**1,928,280**	**2,092,180**	**2,170,150**	**2,285,890**	**2,343,140**	**2,481,780**
Community Relations	980,890	1,044,110	1,171,110	1,121,750	1,220,980	1,285,690	**1,400,740**
Information Technology	545,050	685,810	813,010	732,390	785,560	857,640	**906,480**
Beautification Commission	3,150	4,370	1,760	4,960	3,270	2,770	**2,690**
Cultural Commission	13,000	13,650	14,690	13,580	11,380	13,900	**13,850**
Telecommunications Commission	500	4,180	4,580	4,930	4,730	4,750	**4,750**
Total Comm. & Info. Services Dept.	**1,542,590**	**1,752,120**	**2,005,150**	**1,877,610**	**2,025,920**	**2,164,750**	**2,328,510**
41-A District Court	2,044,260	1,999,840	2,131,090	2,113,290	2,173,820	2,356,180	**2,497,280**
General Expenditures	2,423,150	2,487,670	2,443,370	2,527,590	2,665,340	2,936,340	**2,967,990**
Transfers Out	7,795,930	7,137,670	7,268,040	8,652,420	5,414,890	2,365,670	**2,357,630**
Total General Fund	**$60,994,020**	**$62,928,900**	**$67,374,280**	**$67,748,750**	**$71,069,540**	**$71,245,050**	**$75,623,890**

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES AND OTHER FINANCING USES LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	Reserved Fund Balance	Unreserved Fund Balance	Annual Expenditures & Other Uses	Unreserved Balances as % of Expenditures & Other Uses
1994	528,660	7,164,559	51,531,661	13.90%
1995	562,909	7,431,965	51,063,684	14.55%
1996	601,482	10,660,411	52,461,057	20.32%
1997	1,154,870	11,983,898	55,874,556	21.45%
1998	613,308	14,482,786	59,074,524	24.52%
1999	581,251	16,687,536	60,994,024	27.36%
2000	617,242	14,915,455	62,928,897	23.70%
2001	528,424	15,923,759	67,374,288	23.63%
2002	489,404	17,346,558	70,500,575	24.60%
2003	580,930	17,641,156	71,069,534	24.82%

ASSESSED & ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS AND NEXT PROJECTED YEAR

Fiscal Year Ended June 30	Real Assessed Valuation	Personal Assessed Valuation	Total Valuation	Percent of True Value (1)
1994	2,309,136,600	483,096,600	2,792,233,200	50%
1995	2,346,756,250	555,113,300	2,901,869,550	50%
1996	2,436,317,700	667,898,800	3,104,216,500	50%
1997	2,583,158,160	725,297,100	3,308,455,260	50%
1998	2,799,138,200 (2)	790,037,000	3,589,175,200	50%
1999	3,059,726,360	874,346,800	3,934,073,160	50%
2000	3,330,903,780	949,326,300	4,280,230,080	50%
2001	3,610,275,100	979,571,300	4,589,846,400	50%
2002	3,960,580,800	1,086,927,400	5,047,508,200	50%
2003	4,461,444,160	1,071,358,000	5,532,802,160	50%
2004 (3)	4,754,712,200	1,025,224,600	5,779,936,800	50%

(1) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

(2) A 14-year $9,066,900 rehabilitation IFEC expired, causing a decrease in the IFT Real Assessed Valuation.

(3) The 2004 figures reflect estimated assessed values. The values will only change for MTT, STC and/or Board of Review adjustments. These estimates have been included to facilitate continuing disclosure reporting.

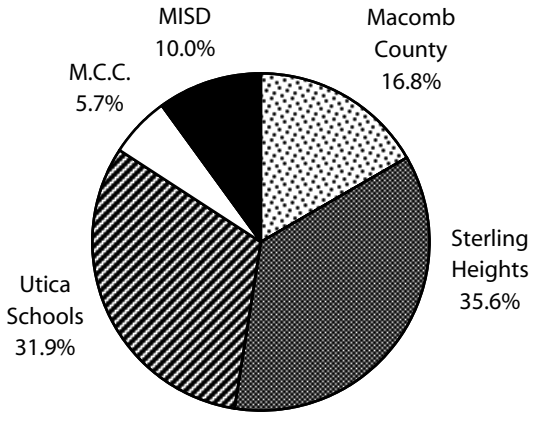
HOMESTEAD PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF TAXABLE VALUATION)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
City of Sterling Heights										
Operating (1)	7.58373	7.90123	8.07170	8.20702	8.60204	8.47965	8.26879	8.08550	8.43430	**8.29230**
Refuse	1.61361	1.22248	1.16988	1.13469	1.03121	1.00665	1.04657	1.07470	1.04670	**1.05870**
Police & Fire Pension	1.35687	1.35279	1.27194	1.34207	0.96462	0.70797	0.56364	0.56070	0.37610	**0.62400**
Public Improvements	0.65867	0.76347	0.76223	0.62920	0.66067	0.73343	0.79958	0.78840	0.48590	**0.32860**
Drain	0.40257	0.37548	0.33970	0.27702	0.21146	0.29230	0.29142	0.21070	0.30700	**0.32640**
Total	**11.61545**	**11.61545**	**11.61545**	**11.59000**	**11.47000**	**11.22000**	**10.97000**	**10.72000**	**10.65000**	**10.63000**
Overlapping Governments										
Macomb County	4.21500	4.21200	4.21100	4.20900	4.20800	4.20800	4.20800	4.20700	4.20700	**4.20580**
Utica Comm. Schools	41.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	**3.50000**
Warren Consol. Schools	34.26840	10.48800	10.41760	10.01060	9.82660	9.77760	9.34560	8.81630	8.89710	**10.96260**
State Education	0.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	**6.00000**
Macomb Comm. College	1.68570	1.72570	1.67570	1.64570	1.65390	1.61340	1.58400	1.51400	1.67070	**1.69250**
M.I.S.D.	2.03670	2.03670	2.03670	2.03670	2.03670	2.03630	2.02100	2.02100	2.00330	**2.98630**
Huron/Clinton Metro Auth.	0.22360	0.22360	0.22360	0.22360	0.22360	0.22350	0.22180	0.22020	0.22020	**0.21700**
S.M.A.R.T.	0.00000	0.00000	0.33000	0.33000	0.33000	0.32990	0.32730	0.32730	0.32730	**0.60000**
Total Utica Schools (2)	**61.27645**	**29.31345**	**29.59245**	**29.53500**	**29.42220**	**29.13110**	**28.83210**	**28.50950**	**28.57850**	**29.83160**
Total Warren Schools (2)	**54.04485**	**36.30145**	**36.51005**	**36.04560**	**35.74880**	**35.40870**	**34.67770**	**33.82580**	**33.97560**	**37.29420**

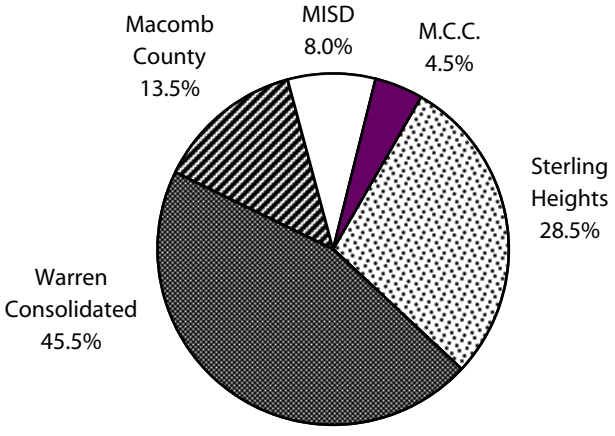
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) A portion of Sterling Heights taxable valuation equals 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2003.

City of Sterling Heights
2002/03 Distribution of Homestead Taxes Paid



Utica Community Schools



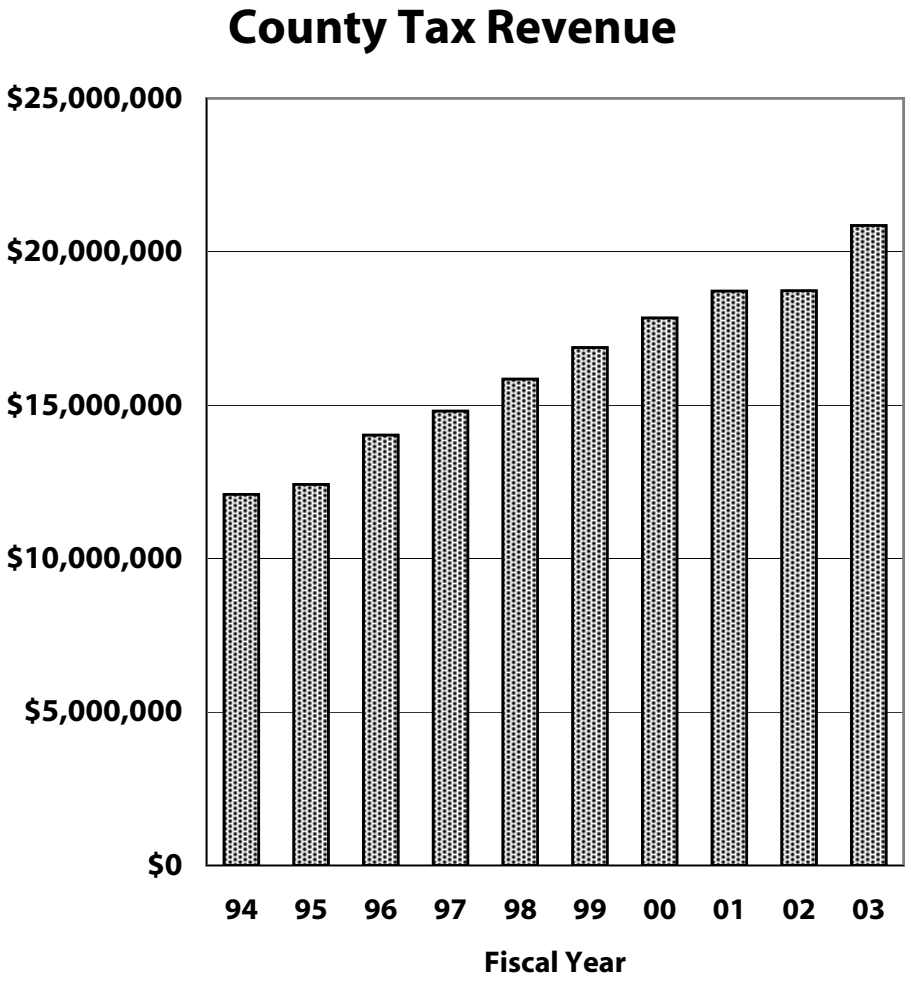
Warren Consolidated Schools

PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	City Tax (1)	City IFT and CFT (1)	Police & Fire Pension (1)	City General Drain (1)	School Tax	County Tax	Total
1994	26,048,298	794,649	3,695,111	1,096,269	52,455,506	**12,093,680**	$96,183,513
1995	26,521,758	1,162,539	3,787,819	1,051,393	15,033,486 (2)	**12,419,782**	$59,976,777
1996	27,833,656	1,609,096	3,743,541	999,806	16,346,202	**14,022,905**	$64,555,206
1997	29,405,284	1,599,627	4,173,215	861,534	17,125,056	**14,809,227**	$67,973,943
1998	32,666,213	1,600,243	3,212,234	704,354	18,188,810	**15,850,326**	$72,222,180
1999	34,600,402	1,674,175	2,513,402	1,037,476	19,579,647	**16,876,862**	$76,281,964
2000	36,128,260	1,865,917	2,117,340	1,094,620	20,570,907	**17,842,990**	$79,620,034
2001	37,180,763	2,043,605	2,212,463	831,413	21,462,391	**18,717,123**	$82,447,758
2002	39,314,588	2,782,394	1,483,332	1,210,766	21,892,045	**18,728,518**	$85,411,643
2003	40,192,097	2,762,391	2,590,822	1,355,091	20,770,576	**20,855,698**	$88,526,675

(1) Does not include penalty or interest on late payment of taxes.

(2) Proposal A reduced the reliance on property taxes in the funding mechanism for school districts across the state.

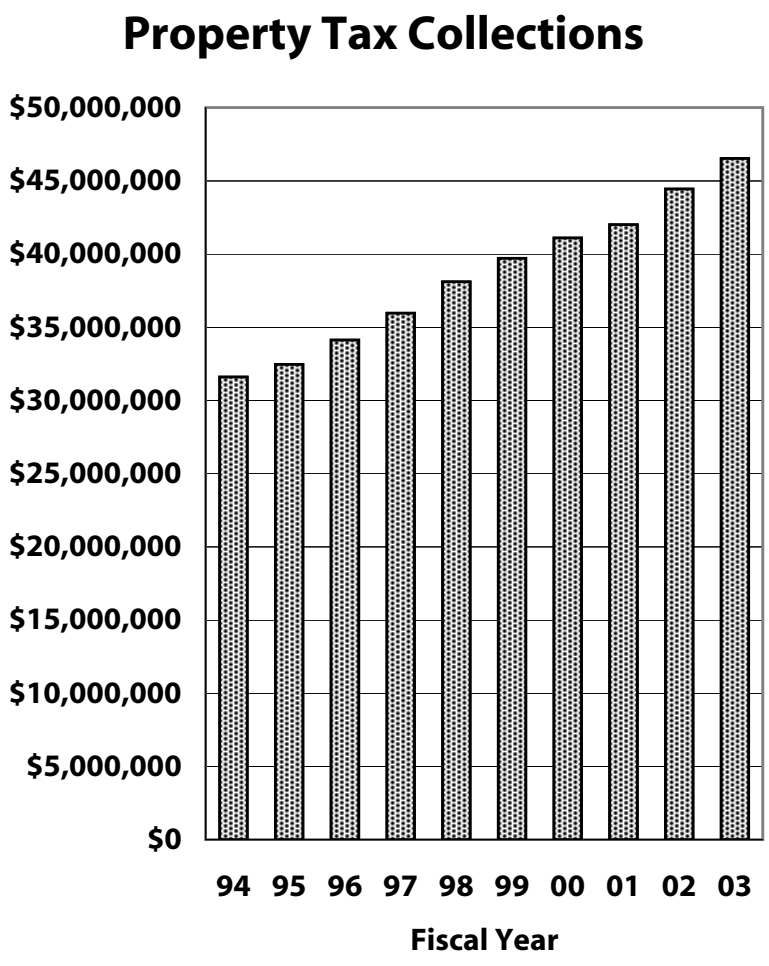


PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Tax Levy (1)	Current Collections	% of Levy Collected	Delinquent Collections	Total Tax Collections	% of Total Collections to Tax Levy
1994	31,634,327	30,981,261	97.94%	629,292	**31,610,553**	99.92%
1995	32,506,128	31,922,255	98.20%	550,983	**32,473,238**	99.90%
1996	34,152,903	33,620,727	98.44%	511,536	**34,132,263**	99.94%
1997	36,028,869	35,529,859	98.61%	436,122	**35,965,981**	99.83%
1998	38,183,037	37,679,804	98.68%	428,812	**38,108,616**	99.81%
1999	39,769,794	39,186,402	98.53%	533,033	**39,719,435**	99.87%
2000	41,262,657	40,512,689	98.18%	594,083	**41,106,772**	99.62%
2001	42,334,773	41,427,546	97.86%	581,589	**42,009,135**	99.23%
2002	44,791,080	43,840,834	97.88%	602,398	**44,443,232**	99.22%
2003	46,900,401	45,827,067	97.71%	710,729	**46,537,796**	99.23%
2004	48,507,829 (2)	-	-	-	**-**	-

(1) Includes operational, refuse, public improvement, and general drain taxes, but does not include penalties and interest on late payment of taxes.

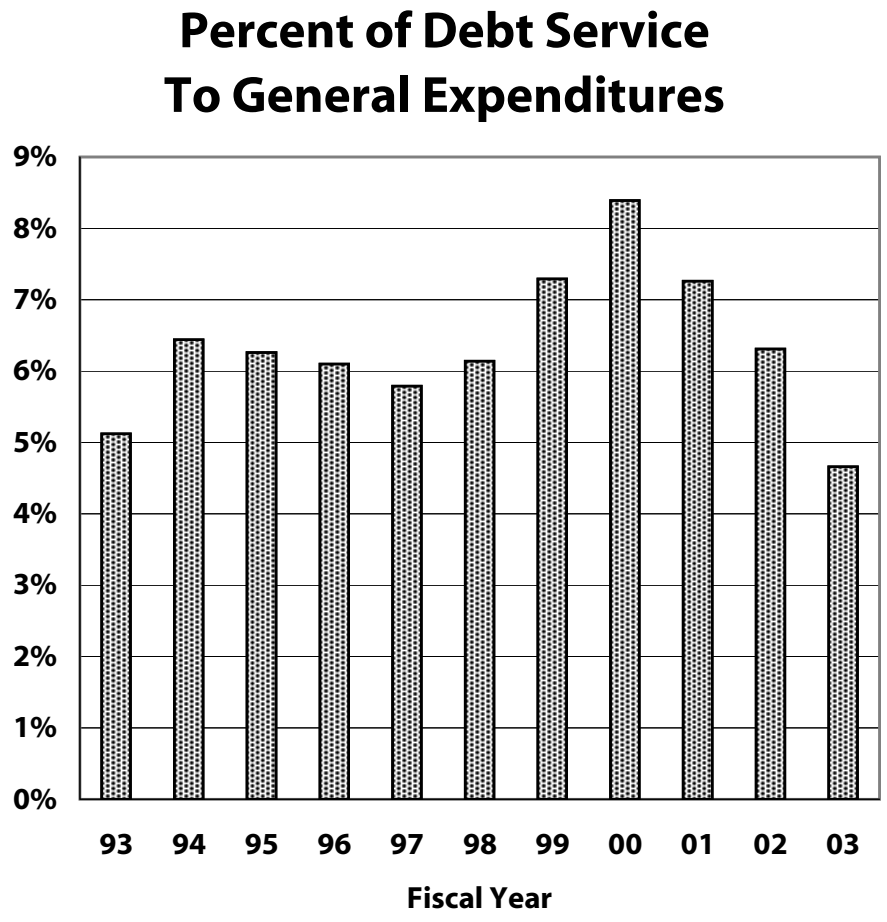
(2) The estimated tax levy is based on the summer tax receivable schedule. This levy will only change due to STC, MTT and/or Board of Review adjustments and is included to facilitate continuing disclosure reporting.



RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Debt Service Requirements			Total General Expenditures (1)	Percent of Debt Service to General Expenditures
	Principal	Interest	Total		
1994	2,252,054	1,601,434	3,853,488	59,845,398	**6.44%**
1995	2,352,054	1,465,192	3,817,246	60,952,939	**6.26%**
1996	2,495,996	1,388,587	3,884,583	63,697,822	**6.10%**
1997	2,670,996	1,231,168	3,902,164	67,343,742	**5.79%**
1998	2,735,996	1,242,220	3,978,216	64,781,430	**6.14%**
1999	3,545,996	1,176,225	4,722,221	64,759,305	**7.29%**
2000	4,149,439	1,547,286	5,696,725	67,929,106	**8.39%**
2001	4,177,439	1,179,784	5,357,223	73,746,400	**7.26%**
2002	3,516,382	1,218,060	4,734,442	75,082,338	**6.31%**
2003	2,716,382	1,129,974	3,846,356	82,477,701	**4.66%**

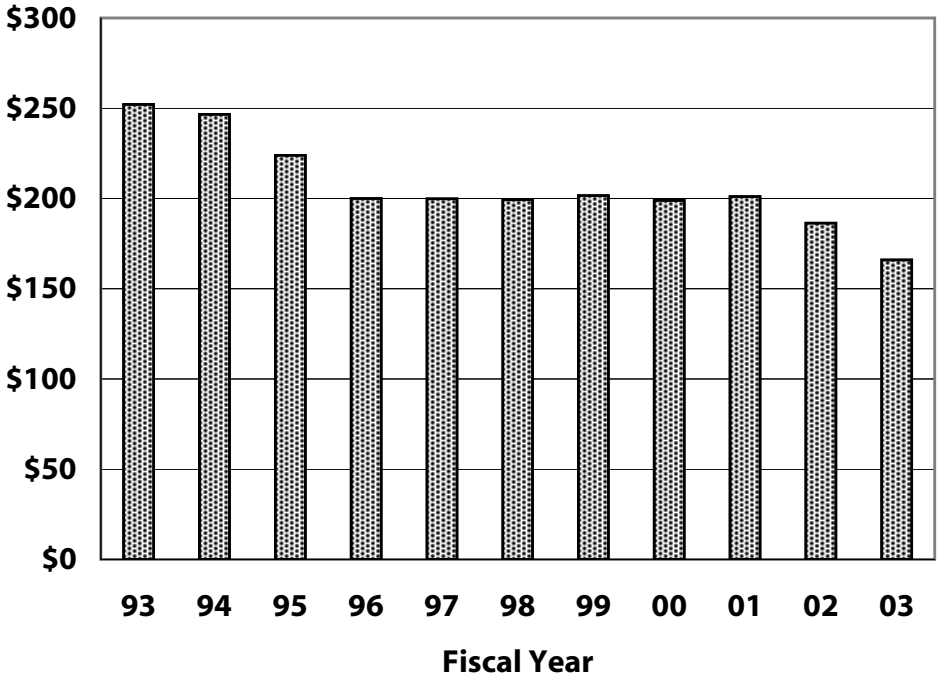
(1) Includes General, Debt Service, and Special Revenue Funds, excluding component units.



RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Assessed Value	Estimated Population	General Bonded Debt Outstanding	% of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
1994	2,792,233,200	120,500	29,727,990	1.06%	**246.71**
1995	2,901,869,550	121,200	27,137,946	.94%	**223.91**
1996	3,104,216,500	121,880	24,380,500	.79%	**200.04**
1997	3,308,455,260	122,380	24,459,854	.74%	**199.87**
1998	3,589,175,200	122,900	24,498,858	.68%	**199.34**
1999	3,934,073,160	123,530	24,902,862	.63%	**201.59**
2000	4,280,230,080	123,700	24,618,423	.58%	**199.02**
2001	4,589,846,400	125,140	25,165,984	.55%	**201.10**
2002	5,047,508,200	125,800	23,449,602	.46%	**186.40**
2003	5,532,802,160	126,470	20,983,220	.38%	**165.91**

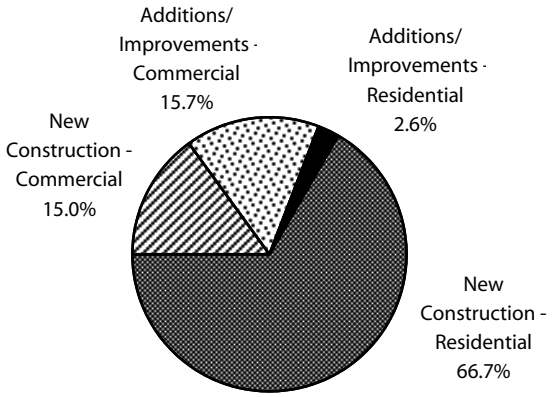
General Obligation Debt Per Capita



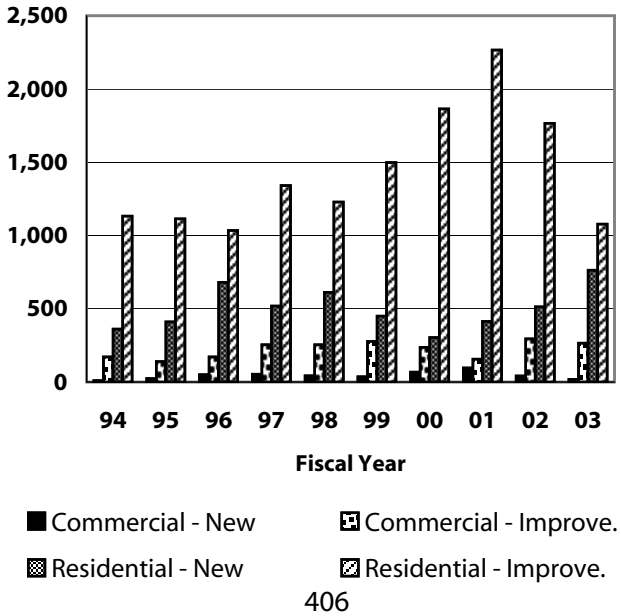
BUILDING PERMITS AT MARKET VALUE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Residential					Commercial				
	New Construction		Additions/Improve.			New Construction		Additions/Improve.		
	No.	Value	No.	Value	Total Residential	No.	Value	No.	Value	Total Commercial
1994	361	36,942,810	1,133	3,506,608	40,449,418	10	5,402,135	172	22,883,451	28,285,586
1995	411	53,121,467	1,114	4,296,829	57,418,296	24	23,608,190	140	19,623,263	43,231,453
1996	680	67,433,435	1,034	3,911,022	71,344,457	50	41,871,378	171	26,378,603	68,249,981
1997	519	52,033,967	1,341	4,680,091	56,714,058	53	42,132,080	255	16,897,874	59,029,954
1998	613	70,925,657	1,229	5,018,127	75,943,784	43	28,833,159	255	21,239,729	50,072,888
1999	450	55,025,833	1,499	5,170,833	60,196,666	36	39,098,478	277	22,097,699	61,196,177
2000	304	38,156,806	1,864	6,261,197	44,418,003	68	31,976,338	237	28,031,281	60,007,619
2001	414	63,789,140	2,266	9,055,033	72,844,173	96	40,493,780	156	20,199,408	60,693,188
2002	513	51,306,550	1,766	2,737,615	54,044,165	42	25,736,795	295	16,143,812	41,880,607
2003	763	76,609,958	1,078	3,017,213	79,627,171	19	17,228,169	265	18,095,804	35,323,973

Market Value of 2003 Building Permits



Building Permits



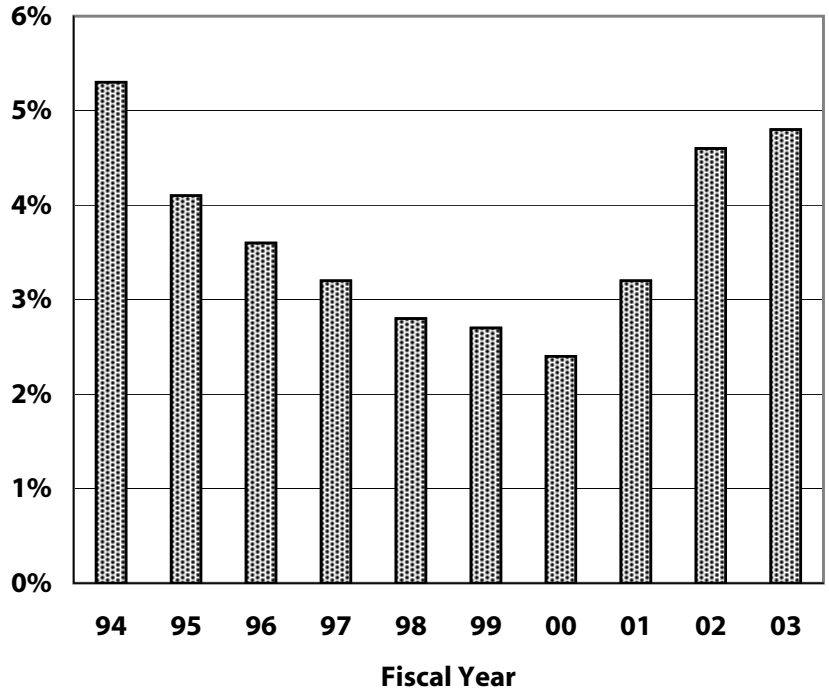
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Number of Households	Effective Buying Income Per Household (1)	Sterling Heights Unemployment Rate
1994	120,500	41,907	50,879	**5.3%**
1995	121,200	42,606	55,759	**4.1%**
1996	121,880	42,278	49,170 (2)	**3.6%**
1997	122,380	43,700	52,312	**3.2%**
1998	122,900	44,237	52,501	**2.8%**
1999	123,530	44,943	53,940	**2.7%**
2000	123,700	45,594	53,977	**2.4%**
2001	125,140	46,072	56,200	**3.2%**
2002	125,800	48,775	49,913	**4.6%**
2003	126,470	49,450	51,035	**4.8%**

(1) Effective buying income for years through 1995 is personal income less personal income taxes and Social Security taxes. Developed by Sales and Marketing Management, New York, N.Y. and published annually.

(2) Effective with the 1996 figures, EBI is defined as money income less personal tax and non-tax payments - a number often referred to as "disposable" or "after-tax" income.

City of Sterling Heights
Unemployment Rate



2004/05 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2002/03 Actual	2003/04 Budget	2003/04 To 12/31	2003/04 Estimate	2004/05 Budget
	Supplies					
729.000	Postage	$459	$600	$219	$600	$600
730.000	Publications	0	400	0	350	400
751.000	Operating Supplies	185	300	117	300	300
758.000	Computer Software	0	900	0	900	900
	Total Supplies	644	2,200	336	2,150	2,200
	Other Charges					
802.000	Audit & Accounting Services	15,789	15,000	6,792	15,000	15,000
806.000	Legal Services	18,354	25,000	2,930	22,000	25,000
807.000	Medical Services	0	1,000	0	0	1,000
826.000	Other Contracted Services	770,059	810,000	396,973	800,000	810,000
903.000	Printing	148	200	0	200	200
922.000	Telephone	361	400	181	370	400
956.000	Local Meetings	19	200	0	100	200
957.000	Memberships & Dues	150	200	150	150	200
959.000	Education & Training	10,271	19,000	9,976	12,500	19,000
	Total Other Charges	815,151	871,000	417,002	850,320	871,000
	Capital Outlay					
979.000	Computer Equipment	0	1,000	0	0	1,000
	Total Capital Outlay	0	1,000	0	0	1,000
	Total Activity	**$815,795**	**$874,200**	**$417,338**	**$852,470**	**$874,200**

NOTE: The "2002/03 ACTUAL" & "2003/04 to 12/31" columns are rounded to the nearest dollar.

Labor Agreements

NAME	CONTRACT EXPIRATION DATE	NUMBER OF BUDGETED EMPLOYEES
Union Employees		
Technical/Office Union, Michigan Association of Public Employees (MAPE)	06/30/07	115
MAP Police Clerical Employees Association	06/30/06	28
POAM Dispatchers Unit	06/30/07	23
DPW Field, Teamsters, Local 214	06/30/07	70
DPW Supervisors, AFSCME, Local 1917	06/30/07	9
Sterling Heights Fire Fighters, Local 1557	06/30/07	101
Michigan Association of Police Officers	06/30/06	131
Sterling Heights Police Command Officers	06/30/07	38
AFSCME Local 1884, Council 25	06/30/06	23
UAW Supervisory Employees Unit 41, Local 412	06/30/06	24
UAW Professional & Technical Employees Unit 40, Local 412 (includes Part-time)	06/30/08	59
Sterling Heights Executive Employees Union – Michigan Association of Public Employees	06/30/08	5
Non-Union Employees		
Ordinance Employees	N/A	1
41-A District Court Judges	N/A	3
41-A District Court Administration	N/A	10

Population [1]

Total Population	124,471
Gender	
Male	60,970
Female	63,501
Age	
Under 5 years	7,729
5 to 9 years	8,326
10 to 14 years	8,758
15 to 19 years	8,153
20 to 24 years	7,595
25 to 34 years	17,786
35 to 44 years	20,087
45 to 54 years	18,621
55 to 59 years	7,462
60 to 64 years	5,316
65 to 74 years	7,266
75 to 84 years	5,398
85 years and older	1,974
Racial Makeup	
White	112,899
African American	1,614
American Indian & Alaska Native	260
Asian	6,123
Native Hawaiian & Other Pacific Islander	45
Other Race	418
Two or more races	3,112

Housing

Median Housing Value	$179,400
Total Housing Units	49,450
Houses	33,330
Condominiums	5,483
Apartments	8,944
Mobile Homes	1,693

Major Employers

Company/Employees	
DaimlerChrysler	6,875
Ford Motor Company	1,250
Visteon	2,800
General Dynamics	1,425
Lakeside Mall	2,500 – 4,000
Utica Community Schools	4,150
Warren Consolidated Schools	2,200
The Detroit News	1,200
MNP Corporation	1,200
Cadillac Products, Inc.	750

Employment Status [1]

Population 16 years & over	97,973
In labor force	66,726
Civilian labor force	66,659
Employed	64,340
Unemployed	2,319
Percent of civilian labor force	3.5
Armed Forces	67
Not in labor force	31,247

Occupation [1]

Employed civilian population 16 yrs. & over	64,340
Management, professional & related occupations	22,844
Service occupations	7,889
Sales & office occupations	19,213
Farming, fishing & forestry occupations	51
Construction, extraction & maintenance occupations	4,927
Production, transportation & material moving occupations	9,416

Industry [1]

Agriculture, forestry, fishing and hunting, & mining	53
Construction	3,226
Manufacturing	16,639
Wholesale trade	2,471
Retail trade	9,105
Transportation and warehousing & utilities	1,583
Information	1,475
Finance, insurance, real estate & rental and leasing	4,091
Professional, scientific, management, administrative & waste management	6,774
Educational, health & social services	9,651
Arts, entertainment, recreation, accommodation & food services	4,777
Other services (except public administration)	2,372
Public administration	2,123

School Enrollment [1]

Population 3 yrs. & over enrolled in school	33,141
Nursery school, preschool	2,024
Kindergarten	1,588
Elementary (grades 1-8)	13,955
High School (grades 9-12)	7,401
College or graduate school	8,173

Streets & Sidewalks

Miles of City Streets:
- Primary 60
- Secondary 285

Estimated Sidewalks in Miles 565
Bridges 11
Street Lights 2,495

Police Protection

Group A offenses [2] 6,897
Group B offenses [3] 2,424
Injury Accidents 766
Property Damage 3,317
Private Property Damage 1,419
Total Traffic Violations 27,012
Civil Infractions 18,450
Parking Violations 2,293
Adult Arrests 2,988
Juvenile Arrests 225
OUIL Arrests 405

Fire Protection

Stations 5
Emergency Alarms Answered 8,966
Medical Emergencies 5,888
Fire Inspections Conducted 3,871
Inspection Violations Issued 3,225
Training Hours Completed 32,839

41-A District Court

Cases Handled:
- Civil 2,300
- Criminal 5,920
- Traffic 25,044
- Landlord & Tenant 2,200
- Small Claims 612

Election Data

Registered Voters 79,100
Voters at Polls 30,309
Absentee Ballots 8,908
Percent Voting 49.58%

Parks & Recreation

Acres 820
Developed Parks 28
Adult Athletics Attendance 14,150
Youth Athletics Attendance 56,035
Instructional Swim Attendance 9,025
Instructional Rec. Attendance 24,330
Nature Program Attendance 27,290
Senior Program Attendance 121,990
Special Event Attendance 68,480
Summer Playground Attendance 19,120
Special Rec. Program Attendance 15,700

Library

Registered Borrowers 53,435
Book Collections 197,472
Other Collections [4] 28,250
Items Circulated 687,070
Reference Transactions 137,941
Program Attendance 23,046
Library Visits 309,531
Interlibrary Loan Requests 86,855
Book Van Deliveries 9,759
Online Computer Users 296,414

Water & Sewer Services

Customers:
Residential 34,302
Commercial/Industrial 3,582
Miles of Water Mains 554
Miles of Sanitary Sewers 415
Fire Hydrants 6,633
Water (in thousand cubic feet):
Purchased from Detroit 885,283
Sold to Resident 881,780
Rates:
1,000 Cubic Feet $22.77
2,000 Cubic Feet $21.28/M
Over 3,000 Cubic Feet $20.57/M
Sewer Only – Per Billing $15.00

[1] Source: U.S. Census Bureau, Census 2000

[2] Murder, criminal sexual conduct, robbery, aggravated assault, burglary, larceny, arson, motor vehicle theft, damage to property, retail fraud, etc.

[3] Disorderly conduct, assault, family trouble, negligent homicide, obstructing justice, OUIL, etc.

[4] Art prints, audio/video cassettes, compact discs, software discs, puppets, and posters.

CITY OF STERLING HEIGHTS
MACOMB COUNTY, MICHIGAN
ORDINANCE NO. 371

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 2004/05; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2004/05; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2004/05.

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, 2004 through June 30, 2005. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2004/05.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
General Ad Valorem Tax	~~$38,989,670~~	38,370,310
Licenses and Permits	2,046,570	
State and Local Returns	11,340,890	
Fines and Forfeitures	2,315,600	
Charges for Services	6,089,620	
Other Revenue	2,508,740	
Cable Revenue	1,100,000	
Use of Fund Balance	~~1,726,940~~	2,346,300
Total General Revenue		66,118,030
Refuse Tax	5,219,670	
Fire & Police Pension Tax	4,204,830	
Total Refuse and Pension Tax		9,424,500
Total Revenues		75,542,530
OTHER FINANCING SOURCES		
Transfers In	81,360	
Total Other Financing Sources		81,360
Total Revenues & Other Financing Sources		**$75,623,890**

and does hereby designate ~~$38,844,670~~ $38,225,310 to be raised by ~~8.1265~~ 8.0957 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 $4,204,830 to be raised by ~~0.8797~~ 0.8905 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 $5,219,670 to be raised by ~~1.0920~~ 1.1055 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 directs the Treasurer to add interest of one-half (1/2) percent per month to all taxes, charges and assessments paid after September 1, and further, upon all city 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	$7,509,030	
Parks & Recreation Department	2,250,310	
Police Department	24,493,220	
Fire Department	13,559,300	
City Development Department	4,574,600	
Public Works Department	5,384,570	
Refuse Collection	5,219,670	
Public Library Department	2,481,780	
Community & Information Services Department		2,328,510
41-A District Court	2,497,280	
General Expenditures	2,967,990	
Total Expenditures		73,266,260
OTHER FINANCING USES		
Transfers Out	2,357,630	
Total Other Financing Uses		2,357,630
Total General Fund		**$75,623,890**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES		
Operating Revenues	$23,628,870	
Use of Net Assets	495,850	
Total Operating Revenues		**$24,124,720**
OPERATING EXPENSES		
Administration	$2,350,030	
Water Distribution	10,550,810	
Sewage Collection	11,223,880	
Total Water & Sewer Operating Fund		**$24,124,720**

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, 2004.

WATER RATES

Consumption Charges Per Billing Period	Rate Per Thousand Cubic Ft.
Per 1,000 cubic feet	$11.39
Meter Charges Per Billing Period	
1 ½"	$4.45
2"	11.54
3"	21.16
4"	27.76
6"	43.93
8"	69.95
10"	91.88
16"	105.00

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	$14.03

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 five percent (5%) 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 fifteen percent (15%) of the total of the unpaid balance and the five percent (5%) 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 bill, which shall be based on a minimum of 1,000 cubic feet of water usage per billing cycle.

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 $25.00 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 $8.34 during the monthly period billed during the month of July, $8.33 during the month of August, and $8.33 during the month of September.

Sec. 2.03

MAJOR ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
State Sources	$5,325,000	
Other Revenue	260,000	
Total Revenues		5,585,000
OTHER FINANCING SOURCES		
Transfer from General Fund	500,000	
Total Other Financing Sources		500,000
Total Revenues & Other Financing Sources		**$6,085,000**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Administration Expenses	$101,700	
Major Street Maintenance	1,736,850	
Major Street Improvements	903,500	
Contribution to Fund Balance	242,950	
Total Expenditures		2,985,000
OTHER FINANCING USES		
Transfer to Local Road Fund	750,000	
Transfer to Road Bond Debt Retirement Fund	2,350,000	
Total Other Financing Uses		3,100,000
Total Major Road Fund		**$6,085,000**

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$533,510	
Federal Grants	20,000	
State Sources	2,050,000	
Charges for Services	60,000	
Other Revenue	103,550	
Total Revenues		2,767,060
OTHER FINANCING SOURCES		
Transfer from Major Road Fund	750,000	
Transfer from General Fund	273,000	
Total Other Financing Sources		1,023,000
Total Revenues & Other Financing Sources		**$3,790,060**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Administration Expenses	$129,700	
Local Street Maintenance	2,412,500	
Local Street Improvements	1,169,000	
Total Expenditures		3,711,200
OTHER FINANCING USES		
Transfer to Road Bond Debt Retirement Fund	78,860	
Total Other Financing Uses		78,860
Total Local Road Fund		**$3,790,060**

Sec. 2.05

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$8,840	
Other Revenue	160	
Total Revenues		9,000
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$9,000**

EXPENDITURES		
Miscellaneous	$9,000	
Total Economic Development Corporation Fund		**$9,000**

Sec. 2.06

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$5,860	
Property Taxes	3,250	
Other Revenue	140	
Total Revenues		9,250
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$9,250**

EXPENDITURES			
Miscellaneous	$9,250		
Total Brownfield Redevelopment Authority Fund			**$9,250**

Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES			
Community Development Block Grant	$828,000		
Total Revenues		**$828,000**	
EXPENDITURES & OTHER FINANCING USES			
EXPENDITURES			
Administrative Expenses	$15,640		
Books	11,200		
Senior Citizens Home Chore Program	35,000		
Single Parent Education Program	24,000		
Housing Rehabilitation Program	240,000		
Contributions to Non-Profit Organizations	24,000		
Capital Improvements	396,800		
Total Expenditures		746,640	
OTHER FINANCING USES			
Transfer to General Fund	81,360		
Total Other Financing Uses		81,360	
Total Community Development Block Grant Fund			**$828,000**

Sec. 2.08

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES			
REVENUES			
Fund Balance	$348,000		
Federal & State Sources	4,000		
Other Revenue	10,000		
Total Revenues		362,000	
OTHER FINANCING SOURCES			
Transfer from General Fund	0		
Total Other Financing Sources		0	
Total Revenues & Other Financing Sources		**$362,000**	
EXPENDITURES			
Land Improvements	$362,000		
Land Acquisitions	0		
Total Land & Water Conservation Fund		**$362,000**	

Sec. 2.09

BUDGET STABILIZATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

OTHER FINANCING SOURCES		
Transfer from General Fund	$0	
Total Revenues & Other Financing Sources		**$0**
EXPENDITURES		
Contribution to Fund Balance	$0	
Total Budget Stabilization Fund		**$0**

Sec. 2.10

R, S & T DEBT SERVICE FUND:

REVENUES		
Delinquents & Penalties	3,000	
Other Revenue	1,000	
Proposal R Levy	1,094,100	
Total Revenues		**$1,098,100**

and does hereby designate $1,094,100 to be raised by ~~0.2289~~ 0.2317 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 R in 1988.

EXPENDITURES		
Proposal R Expenditures	$1,098,100	
Total R, S & T Debt Service Fund		**$1,098,100**

Sec. 2.11

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$58,330	
Other Revenue	4,000	
Special Assessments	30,000	
Penalties & Interest	2,000	
Total Revenues		94,330

OTHER FINANCING SOURCES		
Transfer from Major Road Fund	2,350,000	
Transfer from Local Road Fund	78,860	
Total Other Financing Sources		2,428,860
Total Revenues & Other Financing Sources		**$2,523,190**
EXPENDITURES		
Principal	$1,885,000	
Interest	636,160	
Other Fees	2,030	
Total Road Bond Debt Retirement Fund		**$2,523,190**

Sec. 2.12

BUILDING AUTHORITY RECEIVING FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$1,000	
Other Revenue	500	
Total Revenues		1,500
OTHER FINANCING SOURCES		
Transfer from General Fund	640,650	
Total Other Financing Sources		640,650
Total Revenues & Other Financing Sources		**$642,150**
EXPENDITURES		
Principal	$415,000	
Interest	226,650	
Other Fees	500	
Total Building Authority Receiving Fund		**$642,150**

Sec. 2.13

GENERAL DRAIN FUND:

REVENUES		
Fund Balance	$0	
Required Drain-at-Large Levy	1,423,910	
Delinquents & Penalties	3,500	
Other Revenue	4,000	
Total Revenues		**$1,431,410**

and does hereby designate $1,423,910 to be raised by ~~0.2979~~ 0.3016 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City for the purpose of defraying the several costs of the drains in the General Drain Budget.

EXPENDITURES		
Other Charges	$500	
Principal	966,540	
Interest	464,370	
Total Drain Fund		**$1,431,410**

Sec. 2.14

SETTLEMENT BONDS DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

OTHER FINANCING SOURCES		
Transfer from Self-Insurance Fund	*1,715,000*	
Total Other Financing Sources		*1,715,000*
Total Revenues & Other Financing Sources		***$1,715,000***
EXPENDITURES		
Principal	*$800,000*	
Interest	*915,000*	
Total Settlement Bonds Debt Fund		***$1,715,000***

Sec. ~~2.14~~ 2.15

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$74,000	
Fines & Forfeitures	0	
State & Local Returns	0	
Other Revenue	609,000	
Penalties & Interest	2,000	
Total Revenues		685,000
OTHER FINANCING SOURCES		
Transfer from General Fund	943,980	
Proceeds from Long-term Debt	1,070,000	
Total Other Financing Sources		2,013,980
Total Revenues & Other Financing Sources		**$2,698,980**
EXPENDITURES		
Capital Equipment	$267,980	
Capital Vehicles	381,000	
Capital Projects	2,050,000	
Total Capital Projects Fund		**$2,698,980**

Sec. ~~2.15~~ 2.16

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$0	
Other Revenue	0	
Total Revenues		0
OTHER FINANCING SOURCES		
Proceeds from Long-term Debt	7,880,000	
Total Other Financing Sources		7,880,000
Total Revenues & Other Financing Sources		**$7,880,000**
EXPENDITURES		
Construction	$7,880,000	
Total Road Bond Construction Fund		**$7,880,000**

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, 2004 through June 30, 2005. 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	325.00
Lot Combinations	225.00
Processing Labels	21.00 + 0.02 per label
Resident Field Sheets	1.55
Additional Pages	0.25
Magnetic Tape (with own tape)	53.00
Personal Property Listing	47.00
Apartment Listing (from Planning)	6.70
Apartment Listing (Names/Sidwells/Assessments)	15.00
Shopping Center List	10.00
Street Cross Reference	12.00
Sub. or Section Listing, per Sub. or Section	6.00

Board of Review Minutes (first page) 1.55
Additional Pages 0.25
Assessing Historical Information Tape 53.00
Speculative Building Designation Filing Fee 400.00
Project Extension Application Fee 400.00
Project Cost Revision Application Fee 400.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit 29.00
Fence Permit – Masonry, Separation 44.00
Board of Code Appeals 175.00
Board of Ordinance Appeals 175.00
Overtime Inspections, Each Hour (4 hour minimum) 69.00
Special Inspections, Each Trade (Residential) 40.00
Special Inspections, Each Trade (Commercial) 58.00
Quarterly Inspection Fees under Derelict Building Provision 620.00
Reinspection Fee under Derelict Building Provision (each visit) 45.00
Rehabilitation and Re-Occupancy Fee 170.00
Re-Review Fee for Rehabilitation Plan (each review) 85.00
Derelict Building Registration Fee 32.00
Building Code Publication ..... Cost + 7.00 Administration Fee
Municipal Civil Infraction:
Each Violation 100.00
First Repeat Offense 250.00
Second Repeat Offense 500.00
Third or Subsequent Repeat Offenses 1,000.00

Electrical Work
Application Fee (Non-refundable) 27.00
Permit fee (minimum) 37.00
Electrical Contractor's Registration 18.00
Fire Alarm Contractor's Registration 18.00
Sign Contractor's Registration 18.00
Furnace Wiring 18.00
Circuits: Each (new or extended) 12.00
Fixtures: Each 25 ..... 12.00
Motors, Power, Heating Units, Furnaces, Transformers:
Each ¼ to 10 HP 18.00
Each 11 to 30 HP 23.00
Each 31 to 50 HP 28.00
Each 51 to 60 HP 33.00
Each 61 and over 45.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):
Each 100 ft. (or less) 39.00
Refrigeration Units:
Air Conditioning (residential) 18.00
Interruptible Service 18.00
Air Conditioning (commercial):
Up to 5 Tons 23.00
5 to 40 Tons 39.00
Over 40 Tons 59.00
Electric Ranges, Ovens, Dryers, Water Heaters:
Each unit of type 18.00
Swimming Pools/Hot Tubs (all) 44.00

Service (Lights, Heat, and Power):
- 100 Ampere or less 18.00
- 101 to 500 Ampere 28.00
- 501 to 900 Ampere 39.00
- 900 Ampere or more 49.00

Signs: Sign Circuit 33.00
- Sign Tag Inspection 50.00
- Sign Connection 55.00

General Repair & Alterations (per hour or fraction thereof) 46.00
Generator Connection 39.00
Motion Picture Apparatus 39.00
Special Inspections not specifically covered:
- Festivals 58.00
- Carnivals 58.00
- Circuses 58.00
- Shop Inspection 58.00
- Theatrical Road Show 58.00
- Christmas Tree Lot 58.00

Temporary Wiring:
- Display Area (Sq. Ft.):
- Up to 100,000 sq. ft. 52.00
- Over 100,000 to 200,000 sq. ft. 98.00
- Over 200,000 to 300,000 sq. ft. 114.00
- Over 300,000 to 400,000 sq. ft. 171.00
- Over 400,000 sq. ft. 227.00

Outline Tubing – Connection or Tag Inspection:
- Each 100 feet 58.00

Mobile Home and Trailer Park Inspections (minimum) 40.00
Fire Alarm Inspection (minimum) 56.00
- City Pull Box (Gamewell – each box) 17.00
- Drill and Pull Stations:
  - Each 17.00
- Fire Alarm Signal Device (horn bell):
  - Each device 17.00
- Heat or Smoke Detector:
  - Each detector or less 17.00
- Sub panel annunciator 17.00
- Exit door electrically unlocking system 17.00
- Status Indicator (elevators, dampers, etc.) 14.00

Alterations to existing system 46.00
Reinspection Fee 46.00

Plumbing Work

Application Fee (Non-refundable) 30.00
Permit Fee (minimum) 37.00
Plumber's Registration 1.00
Journeyman Plumber's Registration 0.50
Fixture Inspection: (New and Replacement)
- New Installation (minimum) 37.00
- New Stack or Stack Alteration 9.00
- Air Admittance Valve 9.00
- Roof conductor 9.00
- Sump or interceptor 9.00
- Backflow preventor 9.00
- Pump or Water Lift 9.00
- Hose connection (sillcocks) 9.00
- Water treatment device 9.00
- Water closets 9.00
- Shower traps 9.00

Baths....9.00
Water heater....23.00
Sinks (any description)....9.00
Lavatories....9.00
Laundry trays....9.00
Floor drains....9.00
Ice Maker....9.00
Back Water Valve....9.00
Thermal Expansion Tank....9.00
Bidet....9.00
Dental Chair....9.00
Grease or Oil Interceptor....9.00
Drinking fountains....9.00
Soda fountains/bars....9.00
Waste opening....9.00
Humidifiers....9.00
Food waste grinders....9.00
Dishwashers....9.00
Urinals....9.00
Whirlpools....28.00
Lawn Sprinkler Systems....33.00
All other fixtures not mentioned....9.00

Reinspection Fee....46.00

Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):

Automatic Machines (minimum)....23.00
Each additional....9.00

Building Sewer Connection – sump connection....39.00

Drains:

Storm drains to catch basin for main storm sewer....227.00
Lines less than 4″ in diameter....19.00
Lines less than 6″ in diameter....24.00
Lines less than 8″ in diameter....34.00
Lines less than 10″ in diameter....46.00
Lines less than 12″ in diameter....58.00
Lines less than 14″ in diameter....68.00
Lines less than 16″ in diameter....80.00
Lines less than 18″ in diameter....92.00
Lines exceeding 18″ in diameter (per inch)....7.00

Water Distribution System:

¾″....13.00
1″....24.00
1 ¼″....29.00
1 ½″....40.00
2″....52.00
2 ½″....74.00
3″....85.00
4″....98.00
Exceeding 4″....113.00
Replace piping, no increase in size....29.00

Mechanical Work

Application Fee (Non-refundable)....27.00
Permit Fee (minimum)....37.00
License/Registration....15.00

Gas-Fired Equipment; Oil Burners; New or Replacement –

Burners with input:

up to 75,000....39.00
75,001 to 500,000....45.00

500,001 – 1,000,000 ..... 78.00
1,000,001 – 2,000,000 ..... 89.00
2,000,001 – 3,000,000 ..... 110.00
over 3,000,000 ..... 133.00
Duct Work 39.00
Gas Piping:
Mains up to 2" 33.00
Mains 2 ½" to 4" 45.00
Mains over 4" 56.00
Each Opening off of Main 7.00
Factory Built Chimneys:
Up to 8" 12.00
9" to 12" 23.00
Over 12" 33.00
Pre-Fab Fireplace 45.00
Flue Liner 28.00
Exhaust Fans:
Up to 400 cfm 7.00
401 cfm to 1,000 cfm 12.00
1,001 cfm to 4,000 cfm 23.00
Over 4,000 cfm 33.00
Dryer Vents 12.00
Kitchen Hood and Duct 40.00
Spray Booth Hood and Duct 40.00
Alterations to existing installations 46.00
Reinspection Fee 46.00
Refrigeration Systems –
Self Contained:
2 Tons or Less, each 33.00
Over 2 to 5 Tons, each 39.00
Alterations to each system 46.00
Remote Systems:
5 Tons or Less, each 39.00
Over 5 to 50 Tons, each 56.00
Over 50 Tons, each 89.00
Alterations to each system 46.00
Stand Pipes and Fire Suppression:
Riser pipe up to 4" diameter 34.00
Riser pipe up to 6" diameter 58.00
Riser pipe up to 8" diameter 80.00
Riser pipe 8" or more diameter 171.00
Each suppression opening (each head of the system) 1.00
Alteration to existing system 46.00
Flammable and Bulk Storage Tanks:
Tanks under 500 Gallons 39.00
Tanks under 5,000 Gallons 50.00
Tanks under 20,000 Gallons 66.00
Tanks under 50,000 Gallons 78.00
Tanks under 200,000 Gallons 89.00
Tanks over 200,000 Gallons 166.00

Buildings

Application Fee (Non-refundable) 27.00
Building Permit Fees (all use groups):
Valuation to $1,000 ..... 45.00
Valuation $1,001 to $10,000 ..... 45.00 plus 15.00 per 1,000.00 over 1,000.00
Valuation $10,001 to $100,000 ..... 190.00 plus 6.00 per 1,000.00 over 10,000.00
Valuation $100,001 to $500,000 ..... 780.00 plus 6.00 per 1,000.00 over 100,000.00
Valuation $500,001 and over ..... 3,400.00 plus 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained) 400.00

Multi-Family Bond (5% Retained) 600.00
Commercial Bond (5% Retained) 1,200.00
Industrial Bond (5% Retained) 2,400.00
Mobile Homes 115.00
Plan Review Fee:
- Valuation $0 - $500,000 ..... 0.0040 of valuation but not less than 100.00
- Valuation $500,000 ..... 2,200 plus 0.0015 of valuation over 500,000.00

Plan Review: If Plan Number is on File 85.00
Miscellaneous Plan Review 52.00
Misc. Items (concrete, antennas, awnings, canopies, tents, gazebos, decks, porches, reroofs) 52.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner ..... No Fee
Use Permit (tenant space) 74.00
Fire Repair 170.00
Reinspection Fee 46.00
Demolition:
- Plan review and administration base fee ..... 52.00 + 0.10 per square ft.

Swimming Pools:
- Above Ground 56.00
- Below Ground 110.00

Signs:
- Application Fee (non-refundable) 27.00
- Permanent 113.00
- Temporary 52.00

Contractor Registration Fee 17.00
Residential Basement Finish 165.00
Residential Interior Finish 165.00

Code Enforcement
Nuisance Abatement Administrative Fee 20%
Claimed Signs:
- 16 sq. ft. or less ..... 2.00 each
- 17 – 31 sq. ft. ..... 20.00 each
- 32 sq. ft. and over ..... 100.00 each

Special Code Enforcement Inspection 28.00

Property Maintenance Permit Fees (Residential Homes 10 years or older)
Application Fee ..... No Fee
Plan Review Fee (where necessary) 26.00
Permit Fee (Residential only)
- Sidewalk 26.00
- Driveway 26.00
- Antenna 26.00
- Awning 26.00
- Canopy 26.00
- Chimney 26.00
- Door and Window Replacement 26.00
- Exterior Siding 26.00
- Roof or Re-roof 31.00
- Deck 31.00
- Demolition (Pools, Sheds, Garages, Miscellaneous) 26.00
- Miscellaneous 26.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:
- Types A & B ..... 705.00 + 50.00 per device
  - Renewal Fee ..... 142.00 + 25.00 per device
- Type C 705.00
  - Renewal Fee 142.00

Attorney Services ..... Attorney fees & costs
Auction License 36.00
Business Registry License 33.00
Carnival/Festival License ..... 36.00 + 5.00 each booth, ride, etc.
Cigarette Vending Machine License ..... 48.00 + 5.00 each additional machine
Death and Birth Certificate 14.50
- Additional Copies 4.70

Dog License
- Prior to April 1 (all dogs) 4.60
- April 1 to October 31 (dog) 6.60
- April 1 to October 31 (puppy) 4.60
- November 1 to December 31 (all dogs) 3.60

Going Out of Business License 123.00
House Moving License 36.00
Industrial Development District Filing Fee 750.00
Industrial Facilities Exemption Certificate Filing Fee 1,200.00
Junk Yard License 36.00
Mobile Vending License 141.00
Passport Processing Fee 30.00
Refuse Collection License ..... 72.00 + 5.00 each truck
Snow Removal License 141.00
Solicitor/Peddler License 36.00
Taxi License (annual fee) ..... 70.00 + 10.00 per vehicle
Vendor License 36.00
Massage Parlor License 1,500.00
- Each Masseuse 200.00
- Renewal Fee Massage Parlor License 750.00
- Renewal Fee Each Masseuse 40.00

Precinct Map 5.70
City Street Map 3.60
Zoning Map 4.60
City Budget 38.00
Risk Management Report 21.00
Municipal Improvement Program 21.00
City Financial Audit 21.00
Election Results 6.90
Voter and Business Registry Labels ..... 21.00 + 0.02 per label
Voter and Business Registry Lists (per computer hour) ..... Payroll plus 0.05/page
Magnetic Voter Tape 84.00
- with own tape 52.00

Voter Data Diskette 18.00
Liquor License: Class C 1,500.00
- Tavern 1,500.00
- SDD & SDM 1,500.00
- Entertainment and/or Dance Permit 1,500.00

Hotel/Motel License 1,500.00
- Renewal Fee Hotel/Motel License 750.00

Certifications 3.00

Photo Copies.....1.55
Additional Pages.....0.25
Microfilm Copies (per page).....4.10
Recording Fee (formerly Encroachment Fee).....32.00
Audio Tape Recordings (prepay minimum).....12.00
Fireworks Display Permit.....185.00
Sterlingfest Art Fair Applications.....175.00
"Taste of the Town" Sterlingfest Booth.....500.00
Tape Dubs.....26.00
Gazebo Rental (per event).....26.00
Upton House Rental – Per 2 Hour Rental.....26.00

Sec. 3.04

ENGINEERING OFFICE:

Review Fees:
- Site Plan ..... 310.00 + 52 per acre plus 1.3% of site improvement costs
- Multiple Developments ..... 310.00 + 52 per acre plus 1.3% of site improvement costs
- Cluster Developments ..... 310.00 + 52 per acre plus 1.3% of site improvement costs
- Site Condominiums ..... 310.00 + 52 per acre plus 1.3% of site improvement costs
- Subdivisions ..... 1.3% of estimated site improvement costs

Design Fees:
- Construction plans and specifications - *Class 1 ..... 8.0% of construction costs
  **Class 2 ..... 9.0% of construction costs
- Field engineering and contract administration - *Class 1 ..... 1.0% of construction costs
  **Class 2 ..... 1.2% of construction costs

Non-Telecommunications R.O.W. Permits (December 31, 2003):
- Review Fees – Public Improvements ..... 1.3% of construction cost ($45 minimum)
- Review Fees – Privately Owned Facility ..... $0.05/linear foot ($50 minimum)
- Inspection ..... Payroll plus 175%

Telecommunications ROW Application Fee 500.00
Staking Fees ..... Payroll plus 175%
Inspection Fees:
- Site Plan ..... Payroll plus 175%
- Multiple Development ..... Payroll plus 175%
- Cluster Development ..... Payroll plus 175%
- Site Condominiums ..... Payroll plus 175%
- City Construction Projects ..... Payroll plus 175%
- Subdivisions ..... Payroll plus 175%
- Inspections by Consultants ..... Consultant Fee plus 10%

Easement Vacations ..... Attorney fee + 175.00
Building Number Assignments (per address) 10.00
S.E.S.C. Review Fee for:
- Commercial, Industrial, Multi-Family, Subdivision ..... ¼ of 1% of first $500,000.00 ..... + • of 1% over $500,000.00 (50.00 minimum)
- Single-Family Residential House 50.00
- Underground Private Utility ..... 0.05 linear foot (50.00 minimum)

S.E.S.C. Inspection Fees ..... Payroll plus 175%
S.E.S.C. Inspection by Consultant ..... Consultant Fee plus 10%
Document Copying for:
- 24" x 36" Prints (Xerox 2510 or blueline) .....6.00 each
- 34" x 34" Prints (Xerox 2510 or blueline) .....6.00 each
- Larger than 34" x 34" (Xerox 2510 or blueline) .....6.00 each
- Detail Sheets (Mylar) .....7.00 each
- Topographic Map 36" x 36" (blueline) ..... 31.00 each
- Planimetric Map 36" x 36" (blueline) ..... 14.00 each

Overall Watermain Map (blueline) ..... 6.00 each
Overall Sanitary Sewer Map (blueline) ..... 6.00 each
Overall Storm Sewer Map (blueline) ..... 6.00 each
Master Storm Sewer Plan (book form) ..... 37.00 each
Master Watermain Plan (book form) ..... 27.00 each
Master Sanitary Sewer Plan (book form) ..... 27.00 each
Master Road Plan (book form) 1998 HRC ..... 36.00 each

Municipal Civil Infraction:
First and Subsequent Repeat Offenses 500.00

* 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. 3.05

FIRE DEPARTMENT:

Fire Reports: First Page 7.00
Additional Pages 1.00
Photo Prints: (12, 24, or 36 exposures) ..... Print costs + 15% administrative fee
Digital Photographs:
5" x 7" Color Print 21.00
8" x 10" Color Print 21.00
8" x 10" Contact Sheet 21.00
Compact Disc 11.00
Burning Permit 145.00
Fireworks Sales Permit 515.00
Fireworks Display Permit 185.00
Board of Code Appeals 175.00
Special Events Fee
Temporary Special Amusement Building 195.00
All Other Special Events 130.00
Witnessed Acceptance Test Fee 98.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum) 567.00
Each additional hour 190.00
Reinspection Fee for Witnessed Acceptance Test 98.00
Phase I Site Inspection (1 hour minimum) ..... 45.00 + 24.00 per hour
Special Fire Prevention Inspection 43.00
Special Fire Prevention Reinspection 43.00
Plan Review Fee 70.00

Sec. 3.06

PUBLIC LIBRARY:

Overdue fines (per day):
Books 0.15
Magazines 0.15
Audios 0.15
Compact Discs 0.15
Videocassettes 0.15
Magnifier 1.00
Polaroid Camera 1.00
Engraver 1.00
Material Holders 1.00

Replacement Library Card 3.00
Reader printer (per copy) ..... 0.10 – 0.20
Fiche printer (per copy) 0.15
Laser Printer (per sheet) 0.10
Municipal Civil Infraction:
Each Violation 50.00
First Repeat Offense 100.00
Second and Subsequent Repeat Offenses 200.00

Sec. 3.07

PARKS & RECREATION:

Pavilion Rental:
Weekday (Resident) 45.00
(Non-Resident) 55.00
Weekend (Resident) 65.00
(Non-Resident) 85.00
Nature Center Classes:
School Field Trips (Sterling Heights Schools) ..... No Fee
(Non-Sterling Heights Schools - per class) 25.00
Children's Nature Classes (Resident) 2.00
(Non-Resident) 3.00
Scout Badge Classes (Resident) 3.00
(Non-Resident) 4.00
Parent & Tot Classes:
1 Child Per Family (Resident) 35.00
(Non-Resident) 42.00
2 Children Per Family (Resident) 40.00
(Non-Resident) 50.00
Summer Playground:
Resident 40.00
Non-Resident 60.00
Field Trip Bus Fee (Per Person) 3.00
Instructional Swim Classes:
Resident 45.00
Non-Resident 55.00
Tennis Classes:
Resident 35.00
Non-Resident 42.00
Tennis League:
Resident 10.00
Non-Resident 12.00
Tennis Tournament:
Singles (Adult) 12.00
(Youth) 10.00
Doubles (Adult) 22.00
(Youth) 18.00
Three Mile Run:
Pre-Registered 16 years old and younger (Resident) 10.00
(Non-Resident) 13.00
Pre-Registered 17 years old and older (Resident) 12.00
(Non-Resident) 15.00
Race Day Registration ..... Add $1 fee to above
Golf Tournament:
Adult (Resident) 12.00
(Non-Resident) 15.00

Youth (Resident) 6.00
(Non-Resident) 9.00

Golf League:
Resident 32.00
Non-Resident 39.00

Special Recreation Dances:
Pre-Registered (Resident) 4.00
(Non-Resident) 5.00
Registration at the Door (Resident) 5.00
(Non-Resident) 6.00
Staff Registration 1.00
Prom Dance – Individual (Resident) 15.00
(Non-Resident) 17.00
Prom Dance – Couple (Resident) 24.00
(Non-Resident) 28.00

Special Recreation Playgrounds:
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident) 110.00
(Non-Resident) 120.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident) 190.00
(Non-Resident) 210.00
Mentally Impaired (M.I.) – Individual (Resident) 110.00
(Non-Resident) 120.00
Mentally Impaired (M.I.) – Family (Resident) 190.00
(Non-Resident) 210.00

Special Recreation:
Rec Plus Club (Resident) 20.00
(Non-Resident) 22.00
Physically or Otherwise Health Impaired (P.O.H.I.) Teen Club (Resident) 20.00
(Non-Resident) 22.00
Diner's Club (Resident) 20.00
(Non-Resident) 22.00
Early On Parent & Tot 20.00
Socialization Station (Resident) 22.00
(Non-Resident) 24.00
Crafts (Resident) 6.00
(Non-Resident) 7.00
Creative Cooking (Resident) 5.00
(Non-Resident) 6.00
Sports Night (Resident) 30.00
(Non-Resident) 35.00
Sports Training (Resident) 30.00
(Non-Resident) 35.00
Martial Arts (Resident) 136.00
(Non-Resident) 141.00
Line Dance Exercise (Resident) 34.00
(Non-Resident) 41.00
Children's Line Dance (Resident) 23.00
(Non-Resident) 28.00
Wheelchair Basketball (Resident) 30.00
(Non-Resident) 35.00
Softball – Individual (Resident) 45.00
(Non-Resident) 50.00
Softball – Family (Resident) 80.00
(Non-Resident) 90.00

Fitness Classes:
Resident 35.00
Non-Resident 42.00

Ballroom Dance:
Resident 30.00

Non-Resident 35.00
Coffeehouse Tickets:
Advance Tickets 9.00
Subscription 8.00
At the Door Sales 10.00
Co-Ed Volleyball:
Resident 32.00
Non-Resident 39.00
Men's Gym:
Resident 32.00
Non-Resident 39.00
Golf Lessons – Adult:
Resident 45.00
Non-Resident 55.00
Senior Boys Basketball 400.00
Men's Softball 680.00
Co-ed Softball 430.00
Women's Softball 450.00
Sand Volleyball League 175.00
Treasure Hunters Market:
Resident 17.00
Non-Resident 22.00
Gymnastics:
One-half Hour Class (Resident) 30.00
(Non-Resident) 37.00
One Hour Class (Resident) 40.00
(Non-Resident) 50.00
Dance:
Fall Session (Resident) 39.00
(Non-Resident) 49.00
Winter/Spring Session (Resident) 63.00
(Non-Resident) 73.00
Senior Center Activities:
Birthday Party 8.00
Craft Class 3.00
Dance 20.00
Exercise (Resident) 3.00
(Non-Resident) 4.00
Golf League 10.00
Line Dance (Resident) 4.00
(Non-Resident) 5.00
Movie 1.00
Painting (Resident) 7.00
(Non-Resident) 8.00
Senior News Subscription (per year) 8.00
Softball Player Fee (Resident) 22.00
(Non-Resident) 27.00
Stained Glass Class (Resident) 5.00
(Non-Resident) 6.00
Tai Chi (Resident) 4.00
(Non-Resident) 5.00
Tap Class (Resident) 4.00
(Non-Resident) 5.00
Volleyball Player Fee (Resident) 22.00
(Non-Resident) 27.00
Yoga (Resident) 4.00
(Non-Resident) 5.00
Senior Activity Fee (per day) 0.25

Sec. 3.08

PLANNING:

Special Approval Land Use	415.00
Temporary Use	205.00
Administrative Review	140.00
Variances to Subdivision Regulations	205.00
Right-of-Way Vacations	175.00
Rezoning Petition:	
First Acre	1,250.00
Additional Acre	50.00
Ordinance Text Amendment	1,080.00
Subdivision Plat	1,030.00
Each lot over 100 lots	6.70
Subdivision Open Space and One-Family Cluster Development	560.00
Tree Preservation – Site Plans and Plats	650.00
Tree Preservation – Single Family Lot (less than one acre)	137.00
No Tree Affidavit	52.00
Tree Preservation Administrative Fee	20%
Tree Preservation Inspection Fee	Payroll + 175%
Site Plan Review:	
First Acre	310.00
Additional Acre	52.00
Site Plan Review by Planning Commission:	
First Acre	415.00
Additional Acre	52.00
As Built Revisions	136.00
Master Land Use Report	28.00
Master Land Use Map	2.70
Parks and Recreation Plan	6.20
Subdivision Plat Print (per sheet)	4.10
Zoning Board of Appeals:	
Regular Meeting	310.00
Special Meeting	620.00
Landscape Plan Inspection	20% of site plan fees
Municipal Civil Infraction:	
Each Violation	100.00
First Repeat Offense	250.00
Second or Subsequent Repeat Offenses	500.00

Sec. 3.09

POLICE DEPARTMENT:

Police Reports:		
	First Copy	7.00
	Additional Pages	1.00
Clearance Letter		11.00
Noncriminal Fingerprint Card		15.00
Photos:	8″ x 10″ Color	21.00
	5″ x 7″ Color	21.00
	8″ x 10″ Contact Sheet	21.00
	Compact Disc	11.00
Audio Tapes		31.00
Video Tapes		34.00
Animal Give-up Fee		21.00

Bail Bond Arrest Warrant Fee 10.00
Personal Breathalizer Test (PBT) 10.00

Sec. 3.10

PUBLIC WORKS DEPARTMENT:

Sewer Inspection 72.00
Sewer Tap 775.00
Sewer Capital/Unit:
- Residential 620.00
- Commercial/Industrial (per 1,000 sq. ft.) 310.00

Sewer Frontage (per front ft.) 54.00
Residential and Commercial Water Meters:
- ¾" Remote 290.00
- 1" Remote 330.00
- 1 ½" Remote 560.00
- 2" Compound Remote 1,440.00
- 3" Compound Remote 2,570.00
- 4" Compound Remote 3,400.00
- 6" Compound Remote 5,400.00

Double Check Detector Assembly with Meter:
- 3" 1,440.00
- 4" 1,490.00
- 6" 2,160.00
- 8" 3,900.00
- 10" 5,700.00

Water Tap
- 1" 700.00
- 1 ½" 1,000.00
- 2" 1,200.00
- 3" 2,500.00
- 4" 2,700.00
- 6" 3,100.00
- Additional Charge for 86 ft. wide street:
  - 1" 230.00
  - 1 ½" 280.00
  - 2" 400.00
- Additional Charge for 120 ft. wide street:
  - 1" 490.00
  - 1 ½" 620.00
  - 2" 820.00
- Additional Charge for 204 ft. wide street:
  - 1" 1,170.00
  - 1 ½" 1,470.00
  - 2" 2,120.00

Water Capital/Unit:
- Residential 480.00
- Commercial/Industrial (per 1,000 sq. ft.) 240.00

Water Frontage (per front ft.) 28.00
Water Turn On Fee 36.00
Water Service Abandonment Fee 340.00
Sewer Service Abandonment Fee 72.00
Water Service Re-Use Fee 180.00
Sewer Service Re-Use Fee 72.00
Water Meter Testing Fee 35.00
Water Meter Rescheduling Fee 36.00

Water Meter Removal/Reinstallation for common area irrigation system 135.00
Common Area Irrigation System Permit 270.00
Planting of tree in right-of-way (new dwelling) 155.00
Culvert installation permit 66.00
Ditch enclosure permit 66.00
Monitoring well installation permit 320.00
Sewer connection to discharge treated ground water 320.00
Cutting of noxious weeds ..... Contract costs + 55% administrative fee
Additional refuse collection ..... Contract costs + 15% administrative fee
Municipal Civil Infraction:
Each Violation 50.00
First Repeat Offense 100.00
Second or Subsequent Repeat Offenses 200.00

Sec. 3.11

TREASURY OFFICE:

Bounced Check Fee 26.50
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer) 15%
Late Payment Penalty 5%
O.U.I.L./O.U.I.D. ..... 260.00 + additional reimbursements

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 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, 2004.

BY ORDER OF CITY COUNCIL

ADOPTED:
PUBLISHED:
EFFECTIVE:

Glossary of Key Concepts

A

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.

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

BALANCED BUDGET **–** A budget in which estimated revenues are equal to or greater than estimated expenditures.

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 $1,000 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

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 General Fixed Assets Group of Accounts rather than in the government funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.

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.

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.

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

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.

M.I.S.D. **–** Macomb Intermediate School District.

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

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.

O.U.I.L. – 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.

S.M.A.R.T. – 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 expenses.

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