City of Sterling Heights

Annual Budget 2005/2006

city of Sterling Heights, MI

2005/2006 Annual Budget

{ enhancing your family lifestyle }

2006

Richard J. Notte
Mayor

Joseph V. Romano
Mayor Pro Tem

Richard L. Bracci
Councilman

Deanna Koski
Councilwoman

Steve Rice
Councilman

Maria G. Schmidt
Councilwoman

Barbara A. Ziarko
Councilwoman

city of
STERLING
HEIGHTS

Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget Director

GFOA Budget Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Sterling Heights
Michigan

Special Performance Measures Recognition

For the Fiscal Year Beginning

July 1, 2004

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Sterling Heights, Michigan for its annual budget for the fiscal year beginning July 1, 2004.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

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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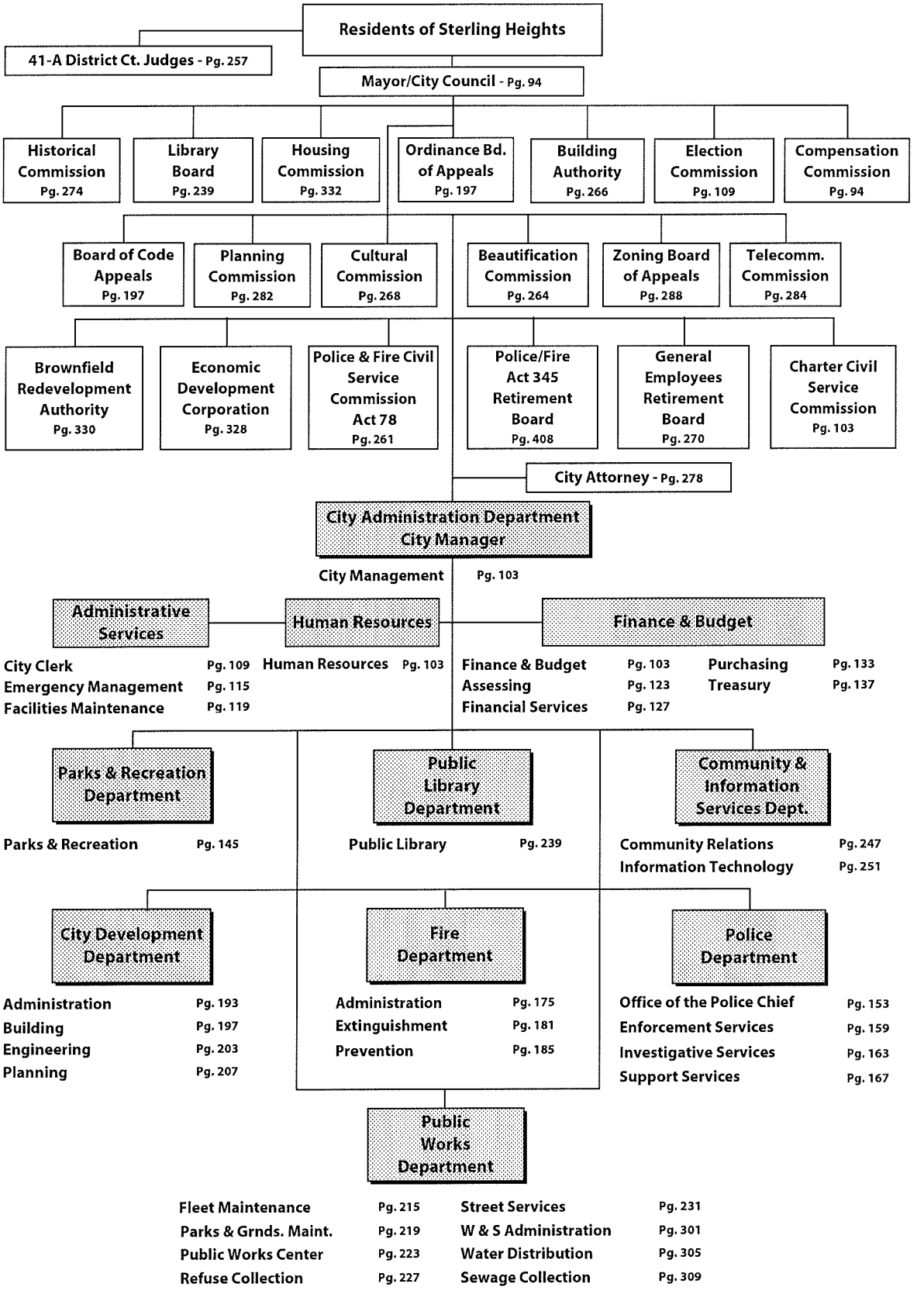
city of STERLING HEIGHTS

City Organization Chart



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

May, 2005

Honorable Mayor and Members of the City Council

Dear Mayor and Councilmembers,

Overview

On behalf of all departments, I am very pleased and honored to present the FY2005/06 Budget. The budget is balanced and addresses City Council's priorities as set forth in the Strategic Planning Session and as stated herein. The budget continues the City Council's commitment to excellence and preserves the City's solid financial position including a modest increase to fund balance. The City's millage rate is proposed to remain at 10.625 mills, its lowest level since 1974.

The total City budget of $126.1 million represents a decrease of $10.6 million or 7.8%. 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 the City's favorable bond ratings have saved over $775,000 in future interest payments.

The General Fund budget represents an increase of only $2.2 million or 2.9% - half the increase of last year. The City has weathered a five-year $3.0 million loss in State revenue sharing payments with no layoffs or service reductions. The City has continued to control its discretionary spending and will save $2.9 million next year through increased efficiencies.

The City has been able to eliminate a projected $3.4 million shortfall. Through expenditure savings and cost recovery measures, the budget will provide funds for enhanced City services, needed capital replacements, and provide monies for future road needs and rising retiree medical obligations, without a tax increase or employee layoffs.

Personnel Costs

The 2005/06 Budget includes funding for 630 full-time positions. For the first time in four years, the budget does not include the elimination of any full-time positions. The City has eliminated 19 vacant positions since 2002, saving $1.2 million annually. As evidenced by the ICMA's Center for Performance Measurement data, the City has one of the lowest ratios of employees per 1,000 residents, which explains why the City's costs are less than 81% of other cities nationally. These statistics illustrate the high productivity level of our employees in order to achieve high performance results.

All labor contracts are currently settled resulting in fixed personnel costs through June 30, 2006. Health insurance costs have increased 15-20% industry-wide over the last few years causing an ongoing affordability concern. A committee with representatives from each department has been established to analyze this ongoing concern, in addition to the related post-retirement health care liability.

The budget includes funding for a number of noteworthy projects:

- Completing the removal of emerald ash borer infected trees along City roads, an architectural plan for future repairs to the City's older fire stations, additional Library books, enhanced maintenance of road medians and rights-of-way, a survey of City residents, and a business-marketing brochure as well as an economic redevelopment plan.
- Twelve replacement Police vehicles, a new Fire Engine, deployment of the Mobile Incident Command Vehicle, delivery of a new Senior Transportation Van, and several Public Works vehicles.
- $8.8 million in Capital Improvement projects including water & sewer mains, increased sidewalk gap and repair funds, repairs and maintenance of several City bridges, and several road improvement projects throughout the City.
- Reinstatement of funding for the Neighborhood Road Replacement Program.

We will also double our funding for concrete replacement and joint sealing repairs on all City streets.

- $358,000 for six recreational park projects including paving of the entrance and parking lot at Delia Park, and the opening of three new soccer fields.

Efficiency Improvements

During the preparation of the 2005/06 budget, each office was asked to highlight cost efficiencies. A few of the more significant efficiency savings are listed below:

- Increased passing score for police officer written test to 85% saving over 225 employee hours as fewer applicants will need to be interviewed
- Implementation of a personal property tax audit that year to date has generated City revenue of $115,000
- Implemented enhanced internal control processes resulting in audit fee savings of $6,000
- Proposed implementation of "TRACView" digital imaging system will greatly reduce the time required to process an accident report request
- Use of excess material from other City projects resulted in savings of $100,000 for the Baumgartner Park soccer field construction project
- Requiring apartment complexes, schools, and mobile home parks to pay for the actual cost of refuse collection services resulting in a revenue enhancement of $330,000. In addition, through competitive bidding, we will save over $800,000 on the new refuse collection contract next year

These are just a few examples of how the City staff has found ways to provide quality programs and services in a more cost effective manner. It is through these efforts that our quality programs will be maintained.

City Goals and Priorities

While the City's main priority over the next fiscal year is to ensure the same level of excellent services, there are a number of priorities resulting in service enhancements. These priorities and the specific projects funded to fulfill them are identified as follows:

1. ***Promote and plan for economic development and redevelopment throughout the City:***
   - Create a City-wide Economic Development Strategic Plan focusing on business recruitment and retention
   - Implement economic redevelopment tools to entice developers to improve or replace older commercial sites
   - Continue support of Economic Development Commission/Brownfield Redevelopment Authority
   - Develop a promotional DVD to entice potential developers and business owners into the community
   - Conduct a statistically valid resident survey to gauge service satisfaction
   - Identify best practices in the areas of economic development
   - Pursue aggressive code enforcement
   - Implement a Corridor Authority to improve the rights-of-way along Van Dyke Avenue and Mound Road

2. ***Provide for technological advancements to improve efficiencies:***
   - Implement an electronic City Council agenda packet
   - Replace computer network backbone for improved efficiency
   - Update five year Information Technology Strategic Plan
   - Implement first phase of the 800 megahertz Public Safety Radio System
   - Implement hand held computers for field personnel to provide a more effective and efficient inspection program

3. ***Provide for enhanced public safety and disaster preparedness:***

- Purchase and place into service a new paramedic fire engine
- Equip and place into full operation an Incident Command Vehicle for emergency response by Police, Fire, and Public Works
- Complete a needs assessment of the three oldest fire stations for upgrades
- Enhance security through the acquisition of additional cameras and monitoring features throughout the City campus
- Enhance the current Citizens' Police and Fire Academies with the addition of Community Emergency Response Training that will teach residents how to respond in the event of an emergency

4. ***Improve the City's infrastructure including street maintenance, construction, and City beautification:***

- Enhance median mowing and improve right-of-way maintenance including litter control
- Repair and replace existing walkways at Samoa, Bagdad, and Gettysburg
- Improve retention area maintenance and fencing
- Continue sidewalk gap completion program
- Complete several road construction projects including:
  1. Landscaping of the 18½ Mile Road Connector
  2. Preliminary design work to widen 19 Mile Road from Dequindre to Van Dyke to three lanes
  3. Improve the intersection of Dobry Drive and Ryan Road
  4. Resurface and widen Plumbrook Road to three lanes
  5. Improve drainage flow of the 15 Mile Road bridge over Big Beaver Drain and Ryan Road and Dodge Park Road bridges over the Plumbrook Drain
  6. Replace the bridge deck on the Van Dyke Bridge over the Clinton River
  7. Various neighborhood road repairs and concrete replacement

5. ***Provide excellent recreational and leisure services:***

- Pave Delia Parking lot
- Install new park sign and improve the tennis court area at Delia Park
- Replace playground equipment at Farmstead Park
- Install new bocce ball courts at the Senior Center
- Deploy a new state of the art Senior Transportation Van
- Create an employee memorial fountain to honor fallen City employees

6. ***Identify cost containment measures and new revenue sources:***

- Provide for increased funding in the retiree health care fund
- Implement ordinance authorizing insurance reimbursement of costs associated with paramedic service
- Maintain existing full-time employee staffing levels
- Implement efficiency improvements as recommended by the various departments

While the next fiscal year will prove to be very busy as indicated by the above, the past year has been a very busy year for the City Council and Administration. The following is a list of the significant accomplishments:

2004/2005 Accomplishments

- Initiated an aggressive program to stimulate redevelopment of various strip mall areas.
- Continued to foster investments in manufacturing resulting in commitments totaling $500,000,000.

- Presented the City's first mixed use ordinance to stimulate redevelopment activity.
- Pursued state legislation to create a Corridor Improvement Authority to enhance the aesthetics along major corridors such as Van Dyke.
- Hired a new City Manager in July
- Sponsored Macomb County's first Homeland Security Expo attracting over 5,000 visitors
- A new generator and an uninterruptible power supply were installed at City Hall and Police station, allowing for continuous electrical service in the event of a blackout
- The City refinanced several bonds, saving taxpayers in excess of $775,000
- An actuarial study of retiree medical costs was conducted which led to the establishment of a labor-management committee to review this emerging issue
- A two-tier water rate structure was developed to help lower water rate increases from the City of Detroit thereby saving residents' money
- Several cost recovery measures were introduced including the summer school tax collection, false alarm ordinance, and the reimbursement of ambulance fees by insurance companies
- Two new irrigated soccer fields were installed at Baumgartner Park which will serve the City's recreation needs for years to come
- Several road construction projects were completed in the Bristol Heights Subdivision
- Additional parkland was achieved by eliminating two retention basins that were no longer needed
- The Master Land Use Plan was updated to guide the City's effort to redevelop and revitalize underutilized and undervalued properties
- The City's website (www.sterling-heights.net) was enhanced to include election results, financial information, community calendar information, construction project details, and property information
- The City's website (www.sterling-heights.net) was named one of the best websites in Michigan by the Troy Chamber of Commerce
- Through a Special Rescue Operations Consortium, several City fire fighters were certified in special rescue operations
- The "After the Fire" program was developed to assist residents whose homes are damaged by fire
- Several park improvements were initiated including the installation of new signs at Dodge, Baumgartner, and North Clinton River Parks and new playground equipment at both Fairfield and Nelson Parks
- The Master Recreation Plan was updated and will assist the City in determining the future recreation and leisure activity desires of the community and is necessary for grant funding
- Several new technology initiatives were undertaken by the Police Department including 911 system upgrades, cell phone tracking capability, and the first phase of an alternate dispatch center
- The Law Enforcement Against Drugs (LEAD) program provided 300 drug testing kits to concerned parents
- The Library implemented several new services including wireless Internet access, Microsoft Office, family time programs, and expansion of the International Language collection
- 5,800 Emerald Ash Borer infected trees were removed
- Property maintenance continued through aggressive enforcement; the high grass and noxious weed cutting program included six rounds of cutting in 2004
- Sterling Heights was the only City in the nation to earn an "Outstanding" designation in all four categories from the Government Finance Officers' Association (GFOA) for its annual budget
- Received recognition from GFOA for the City's annual budget and Comprehensive Annual Financial Report
- Received national recognition from the GFOA for the Annual Report/Calendar
- Maintained outstanding bond ratings which are among the highest in the State – "Aa2" from Moody's, "AA" from Standard & Poor's, and "AA+" from Fitch

- Sterling Heights Television was awarded four Philo Cable Industry awards for various programming initiatives
- Distinguished as Michigan's safest large city and the sixth safest city in the nation with populations greater than 100,000 by *Morgan Quinto Press*
- Received distinction from American Business Journal as being one of the least economically stressed cities in the country

Conclusion

In closing, I would like to acknowledge the outstanding efforts of the Finance & Budget Division staff, Brian Baker, Janice Schoenrath, and Jodi Verduci, for their hard work and efforts during the budget process. The City's Department Directors and their staffs are also to be commended for their team effort during the budget process and continued commitment to service excellence.

I would also like to thank the City Council for their leadership and support in planning the financial operations of the City in a responsible and progressive manner. I look forward to working closely with the City Council and all employees to implement the exemplary programs funded in this budget.

Respectfully submitted,

Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2005/06 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

city of STERLING HEIGHTS

Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget Director

- The total City budget of $126.1 million decreased by $10.6 million or 7.8%. 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 the City's favorable bond ratings have saved over $775,000 in future interest payments.

- The General Fund budget increased by only $2.2 million - half the increase of last year. Overall, the budget increased an inflationary 2.9%. We have weathered a five-year $3.0 million loss in State revenue sharing payments with no layoffs or service reductions. The City has continued to control its discretionary spending and will save $2.9 million next year through increased efficiencies.

- The City has been able to eliminate a projected $3.4 million shortfall. Through expenditure savings and cost recovery measures, the budget will provide funds for enhanced City services, needed capital replacements, and provide monies for future road needs and rising retiree medical obligations, without a tax increase or employee layoffs.

- The City's millage rate is proposed to remain at 10.625 mills, its lowest level since 1974.

- The City has provided property tax relief. Prior to 2004/05, the City had 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 $2,255 more in taxes over this 18-year period.

- Due to the passage of Proposal A, homeowners have seen only a 2.3% adjustment in taxable property assessments despite an average 3.8% increase in property market values.

- The 2005/06 Budget includes funding for 630 full-time positions. For the first time in four years, the budget does not include the elimination of any full-time positions. Although the City has eliminated 19 vacant positions since 2002, saving $1.2 million annually, full-time staffing has still increased by nine positions since 1996.

The budget includes funding for:

- Completing the removal of emerald ash borer infected trees along City roads, increased Police firearms training, an architectural plan for future repairs to the City's older fire stations, additional Library books, enhanced maintenance of road medians and rights-of-way, a survey of City residents, and a business-marketing brochure as well as an economic redevelopment plan.

- Twelve replacement Police vehicles, a new Fire Engine, deployment of the Mobile Incident Command Vehicle, delivery of a new Senior Transportation Van, and several Public Works vehicles.

- $8.8 million in Capital Improvement projects including water & sewer mains, increased sidewalk gap and repair funds, repairs and maintenance of several City bridges, and several local road improvement projects.

- Reinstatement of funding for the Neighborhood Road Replacement Program. We will also continue to double our funding for concrete replacement and joint sealing repairs on all City streets.

- $358,000 for six recreational park projects including paving of the entrance and parking lot at Delia Park, and the opening of three new soccer fields.

- Implementation of a new water rate tier structure that will help to lessen future Detroit rate increases and will allow us to better recover our costs from the system's larger users. The average resident will save money as result of the new water rate structure. ■

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. Each activity's objectives are referenced and linked to the City-wide goals. The Staffing and Organization Chart illustrates the number of budgeted positions and the internal office structure. Finally, the Summary of Budget Changes provides a detailed look at the 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

- Quarterly Budget Report Prepared
- 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

- 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
- Budget Meetings held with all City Departments
- 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.

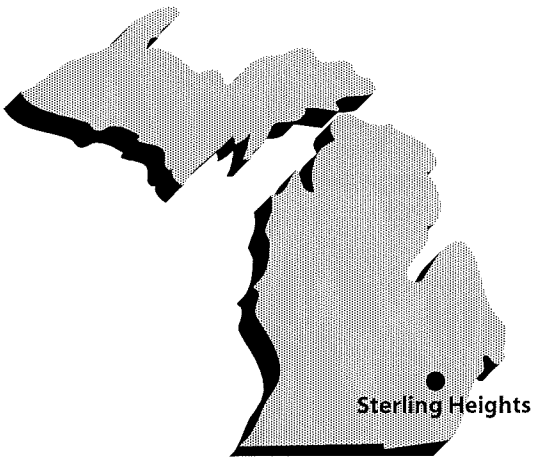
Sterling Heights is a northeast suburb of Detroit. The City is located eight miles west of Lake St. Clair, eighteen miles from Detroit Metropolitan Airport.

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 2005 estimated population of Sterling Heights is 127,000. 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 median family income is $51,739. There are 49,988 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% 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.■

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. **Each City office also prepares performance objectives, which are located in the departmental sections of this document, and are directly tied and referenced to at least one of the City's overall goals and objectives.**

ORGANIZATIONAL OPERATIONS

1. 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.

2. 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.

3. Review department structures to achieve more efficient and effective service levels at a lower cost to Sterling Heights taxpayers.

4. Continue to investigate staffing levels to determine the ideal number of employees required to effectively operate each department. Contain personnel costs without reducing services. Adjust the City work force to meet these needs through attrition, reassignments, and additional job training opportunities.

5. 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.

6. 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.

7. Ensure high performance and morale by expanding employee involvement programs.

ECONOMIC DEVELOPMENT

8. Foster economic development in the existing industrial and commercial areas to expand the tax base while retaining and creating jobs pursuant to the new Master Land Use Plan.

9. Create and maintain strong identifiable City regional centers, which offer alternatives to the traditional downtown by providing clusters of community commercial facilities.

10. Continue to aggressively maintain and improve the City's financial base by emphasizing the importance of economic development and redevelopment.

11. Develop economic development policies, which focus on business retention, neighborhood and housing maintenance, quality industrial and commercial developments, and local employment.

PROPERTY VALUE ISSUES

12. Constantly monitor environmental conditions and land uses, which may adversely affect housing values.

13. Encourage property maintenance and enhancement programs in residential and commercial areas.

14. Emphasize existing programs and develop additional programs and services, which reinforce Sterling Heights as an attractive residential community.

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

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

COMMUNICATIONS & TECHNOLOGY

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

18. Improve efficiencies by investing in technological improvements and automating City systems.

19. 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

20. 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. Achieve the best possible bond rating by providing professional and comprehensive financial services to the City and its residents.

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

TRANSPORTATION ISSUES

22. Complete road improvements as outlined in the Master Road Plan and actively pursue improvement of State and County roads to serve the needs of Sterling Heights residents.

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

NEIGHBORHOOD SAFETY

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

25. Maintain and improve the City's ability to respond to civil, natural and medical emergencies.

RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES

26. Maintain and expand, when economically feasible, recreational, cultural, and leisure opportunities throughout the City to improve the quality of life to our residents.

27. Provide in the City Center a location of governmental, cultural and recreational services accessible to all City residents.■

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 budget is balanced and the City will maintain a balanced budget in which estimated revenues and fund balance reserves are equal to or greater than estimated expenditures.

4. 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.

5. 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.

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

7. 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.

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

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

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

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

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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 operational and capital outlay costs of the activity.

5. The City will follow an aggressive policy of collecting revenues.

6. The City will annually review fees and charges and will design or modify revenue systems to allow charges to increase at a rate that keeps pace with the cost of providing the service.

RESERVE POLICIES

1. The City will strive to maintain 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.

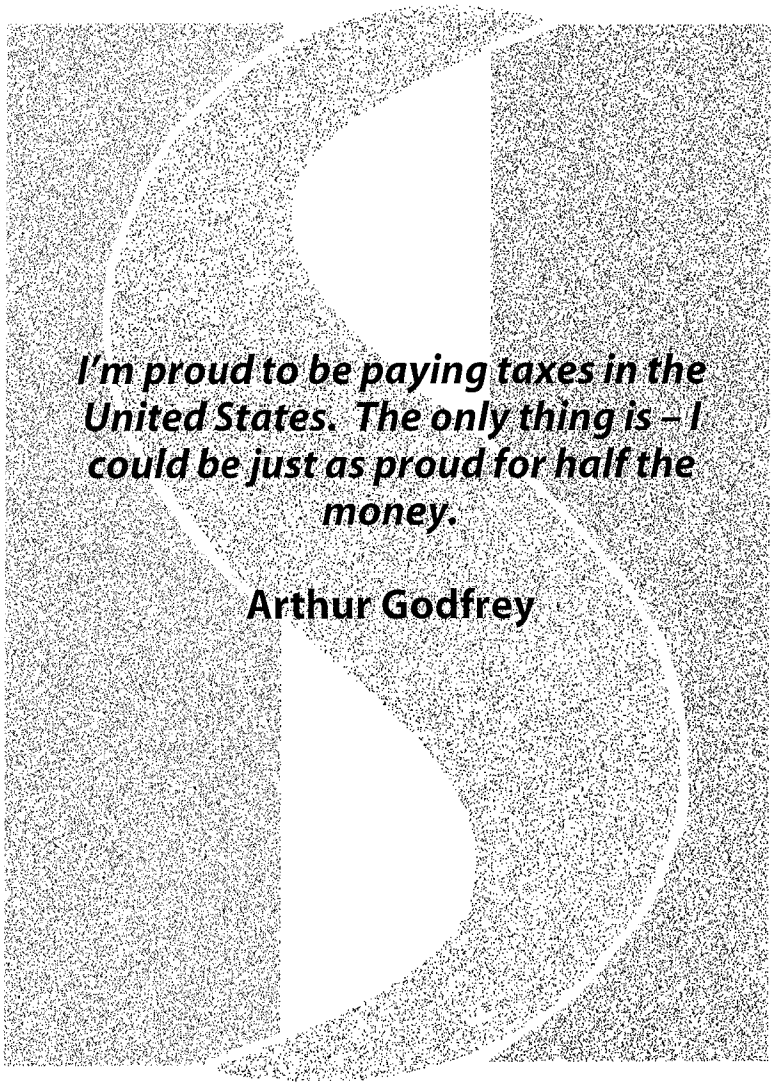
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.

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.■


I'm proud to be paying taxes in the United States. The only thing is – I could be just as proud for half the money.
Arthur Godfrey

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 network 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 in all four categories; GFOA's "Distinguished" budget award for the past 18 years
• Integrate performance measurement and productivity indicators in the budget	• Earned GFOA's "Special Recognition" in three of the past four years for use of performance measures • Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for the past eight years • Participated in ICMA's Center for Performance Measurement – one of only 10 cities nationally to receive an Award of Distinction • Department objectives now linked to City goals
• To avoid practices that balance current expenditures at the expense of future years' revenues	• No short-term borrowing for operations • Low City debt ratios • No new debt planned for 2005/06
• To provide adequate maintenance and orderly replacement of capital facilities and equipment	• Municipal Facilities expenditures $1.7 million • Vehicle expenditures $837,300 • Equipment expenditures $204,400 • Technology improvements $159,250 • Plan for future Fire Station upgrades
• Maintain adequate level of funding for all retirement systems	• General Employees System 124.8% funded • Police & Fire Pension System 120.2% funded • Pre-funding retiree medical past ten years • Recent update to Retiree Medical Actuarial Report and increased funding past two years • Offer Defined Contribution Plan to new employees
• Seek property tax relief	• Maintain the lowest millage rate in 32 years • Millage rate has decreased by 20.6% since 1988, saving average homeowner $2,255 • Largest tax rate decrease among all County taxing entities – past 10 years
• Enhancement of the property tax base	• Community investments (past 2 years): Ford Motor Company $323 million investment DaimlerChrysler $287 million investment Detroit News Plant $174 million investment Visteon Plant $110 million investment

City Policy Benchmarks

Policy Benchmark	Status
Revenue Policy	
• Maintain a diversified and stable taxable revenue base	• City's Taxable Value: Residential 63.3% Commercial & Industrial 36.7% • Residential property market values increased 3.8% while taxable values increased only 2.3% • New long-term cost recovery initiatives
• 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 (2004 Audit)
• 55 days of General Fund operations	• 54.4 days of General Fund operations • No use of reserves for 2005/06 budget
Accounting, Auditing, Financial Reporting Policy	
• Produce comprehensive annual reports in accordance with GAAP	• Certificate of Achievement for Excellence in Financial Reporting Award for 17 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	• 2005 MI Transportation Bond 15 yrs. • 80% of City debt matures and will be repaid within 10 years • Refinanced high interest bonds saving $775,000
• 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	• $8.8 million in total Capital Improvement Projects • $680,000 in neighborhood street repairs • $358,000 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 2003 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	0.8	8.5	2/55	4%
Full-time Employee Turnover Rate	0.8%	5.2%	2/56	4%
Risk Management				
Worker's Compensation Expenditures Per FTE	$220	$1,565	1/6	0%
Worker's Compensation Claims Per 100 FTE's	10	13	8/19	42%
Work Days Lost Due to Injury Per 100 FTE's	59	70	7/11	64%
Purchasing				
Purchasing Office Expenditures Per Resident	$2.30	$3.43	28/61	46%
Purchasing Office FTE's Per 100,000 Residents	2.4	5.1	19/55	35%
Dollar Amount of Purchases Needing Approval by Elected Body	$10,000	$53,770	6/58	10%
Days from Requisition to Purchase Order - Formal Bid	30	49	5/27	19%
Parks & Recreation Department				
Parks & Recreation Costs Per Resident	$27	$28	23/38	61%
Parks & Recreation FTE's Per 100,000 Residents	47	59	20/39	59%
Total Park Acres Per 1,000 Residents	7.7	13.5	28/71	39%
Parks & Recreation Revenue Per Resident	$3	$12	7/49	14%
Developed Park Acres Per 1,000 Residents	6.5	7.3	44/70	63%
Police Department				
Police Operating Expenditures Per Resident	$166	$211	15/52	29%
Sworn Police FTE's Per 1,000 Residents	1.5	2.0	17/49	35%
Civilian Police FTE's Per 1,000 Residents	0.4	0.6	15/48	31%
Percent of Sworn Police FTE's to Total Police FTE's	78%	77%	32/48	67%
911 Police Calls Received Per 100 Residents	27	70	8/47	17%
Police Moving Violation Citations Issued Per 100,000 Residents	11,328	13,927	32/61	52%
Traffic Fatalities Per 100,000 Residents	5.6	6.3	35/68	51%
Injury Producing Traffic Accidents Per 100,000 Residents	609	632	35/63	56%
Part 1 Violent Crimes Reported Per 1,000 Residents	1.7	5.1	9/70	13%
Percent of Part 1 Violent Crimes Cleared	51%	52%	26/54	48%
Part 1 Violent Crimes Cleared Per Sworn FTE	0.6	1.0	6/39	15%
Part 1 Property Crimes Reported Per 1,000 Residents	26	46	12/70	17%
Percent of Part 1 Property Crimes Cleared	19%	18%	36/57	63%
Part 1 Property Crimes Cleared Per Sworn FTE	3.1	4.1	17/40	43%
Cost per Part 1 Crime Cleared	$29,300	$23,225	32/43	74%
Total Arrests Per 1,000 Residents	27	60	15/61	25%
DUI Arrests Per 1,000 Residents	3.2	4.3	32/69	46%
Juvenile Arrests as a % of Total Arrests	13%	17%	20/48	42%
Average Age of Police Vehicles (Years)	2.7	3.2	15/55	27%
Average Annual Miles Driven Per Police Vehicle	32,300	15,320	43/43	100%

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

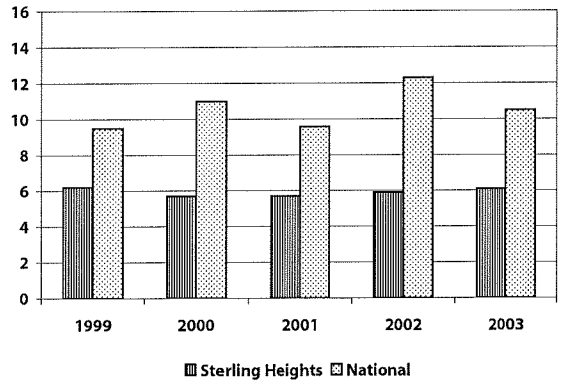
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	$96	$114	9/20	45%
Total Department FTE's Per 1,000 Residents	1.2	1.6	7/21	33%
Fire Incidents Per 100,000 Residents	248	393	6/28	22%
Total EMS Responses Per 1,000 Residents	47	73	8/42	19%
Fire Prevention FTE's Per 100,000 Residents	6.7	5.0	21/28	75%
% of Fire Responses Less Than 5 Minutes (from dispatch)	91%	60%	36/37	97%
Average EMS Response Time (Minutes)	3.6	5.5	2/37	5%
Average Age of Fire Vehicles (Years)	11.0	9.7	38/54	70%
Code Enforcement				
Code Enforcement Operating Expenses Per Resident	$3.5	$5.5	12/37	32%
Code Enforcement Violations Per 1,000 Residents	29	39	32/66	48%
Code Enforcement Violations Per FTE	558	573	19/32	59%
Public Works Department				
Fleet Maintenance Expenditures Per Resident	$11	$14	9/16	56%
Fleet Maintenance FTE's Per 100,000 Residents	12	16	22/46	48%
Annual Refuse Tons Collected Per Account	1.1	1.5	16/38	42%
Refuse Collection Costs Per Ton	$52	$66	12/28	43%
Recycling Costs Per Ton Recycled	$18	$111	1/32	0%
Street Maintenance Expenditures Per Resident	$18	$22	25/51	49%
Street Maintenance Expenditures Per Paved Lane Mile	$2,793	$2,721	33/51	65%
Public Library Department				
Library Expenditures Per Registered Borrower	$42	$47	17/35	49%
Library FTE's Per 1,000 Residents	0.27	0.48	4/26	15%
Annual Library Circulation Per 1,000 Residents	5,488	8,281	15/44	34%
Library Program Attendance Per 1,000 Residents	184	251	17/38	45%
Percent of Population Who Are Registered Library Borrowers	43%	55%	9/37	24%
Library Material Acquisition Costs Per Resident	$2.33	$4.03	5/38	13%
Annual Reference Transactions Per 1,000 Residents	1,102	991	22/34	65%
Average Hours of Library Operations Weekly	63	63	17/34	50%
Facilities Maintenance				
Facilities Maintenance FTE's Per 100,000 Residents	15.8	20.4	22/41	54%
Facilities Maint. Operating & Maint. Costs per Sq. Ft.	$7.2	$4.2	31/34	91%
Information Technology				
Information Technology Expenditures Per Resident	$9	$31	2/10	20%
Information Technology FTE's Per 100,000 Residents	6.3	15.4	5/25	20%
Ratio of Intelligent Workstation to FTE	0.60	0.69	21/52	40%
Citywide				
Total Expenditures Per Resident	$841	$1,691	13/67	19%
Total Full-time Equivalent Employees (FTE's) Per 1,000 Residents	6.1	10.5	11/53	21%
Fringe Benefit Expenditures Per FTE	$14,520	$13,438	31/46	67%
Employee Benefits as a % of Wages	30.4%	31.2%	33/60	55%

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

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

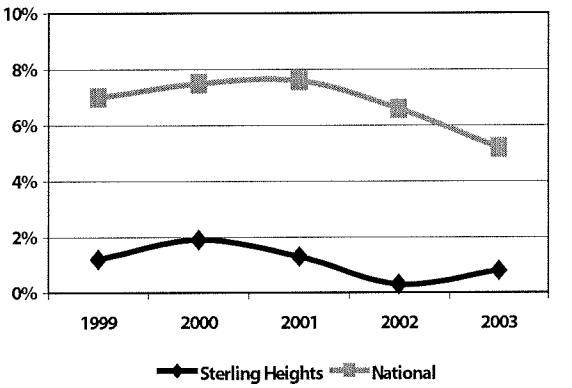
Total Full-time Employees Per 1,000 Residents



2003 National Rank: 11th out of 53 cities
Rank Percentage: 21%

The City continues to have fewer full-time employees per 1,000 residents than the national average. In 2003, the City had 6.1 full-time employees per 1,000 residents versus a national average of 10.5 employees. We rank 11th lowest out of 53 cities.

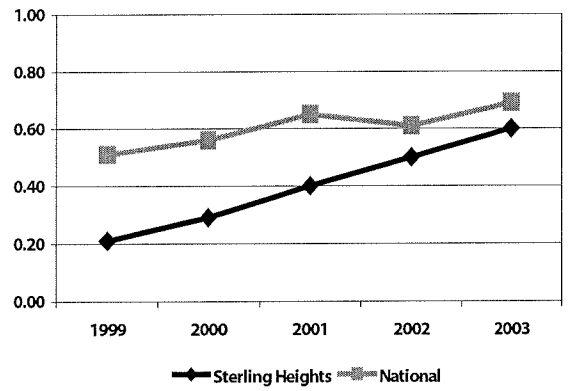
Full-time Employee Turnover Rate



2003 National Rank: 2nd out of 56 cities
Rank Percentage: 4%

The rate at which the employees leave the City's employment (excluding retirements) continues to be well below the national average. In 2003, only 0.8% of employees left the City versus a 5.2% national average.

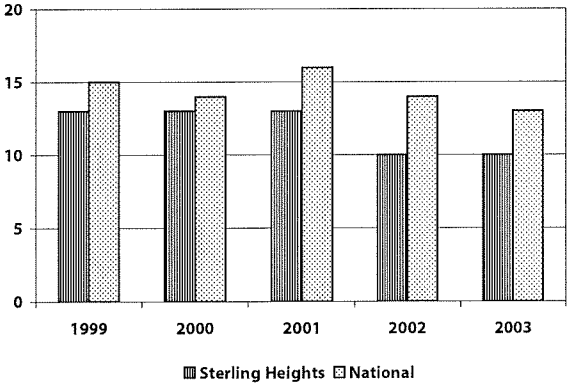
Ratio of Computers to Employees



2003 National Rank: 21st out of 52 cities
Rank Percentage: 40%

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 5 years, we have narrowed the gap between the City's ratio and the national average.

Worker's Compensation Claims Per 100 Employees



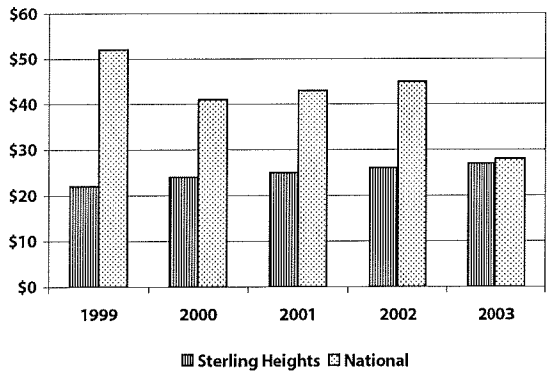
2003 National Rank: 8th out of 19 cities
Rank Percentage: 42%

The City's worker's compensation claims per 100 full-time equivalent employees (FTE's) has decreased over the past 5 years and continues to be below the national average due to our proactive Risk Management program.

ICMA PERFORMANCE MEASUREMENTS

Parks & Recreation Department

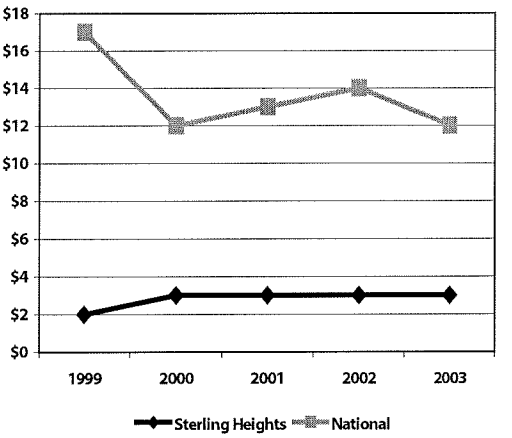
Parks & Recreation Costs Per Resident



2003 National Rank: 23rd out of 38 cities
Rank Percentage: 61%

The City's total Parks & Recreation cost per resident has increased slightly over the past 5 years. In 2003, for the first time, the national average now excludes the cost of municipal golf courses allowing for a more accurate comparison. The City currently ranks 23rd lowest out of 38 cities nationally.

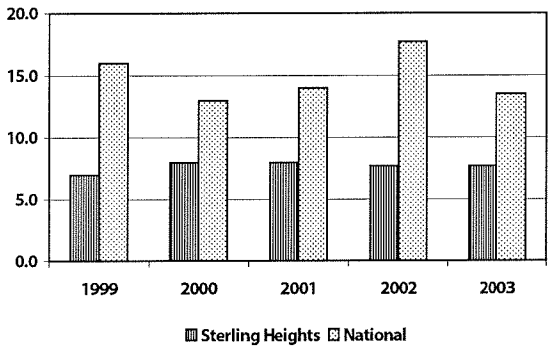
Parks & Recreation Revenue Per Resident



2003 National Rank: 7th out of 49 cities
Rank Percentage: 14%

The revenue generated by the Parks & Recreation Department has been below the national average (excluding golf courses) during the past 5 years.

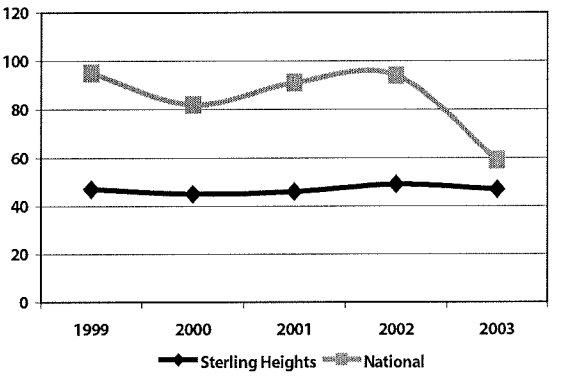
Park Acres Per 1,000 Residents



2003 National Rank: 28th out of 71 cities
Rank Percentage: 39%

The number of park acres in the City has increased slightly over the past 5 years. The City continues to be below the national average in park acres per 1,000 residents, but above average (63%) in developed park acres per resident.

Parks & Recreation Employees Per 100,000 Residents



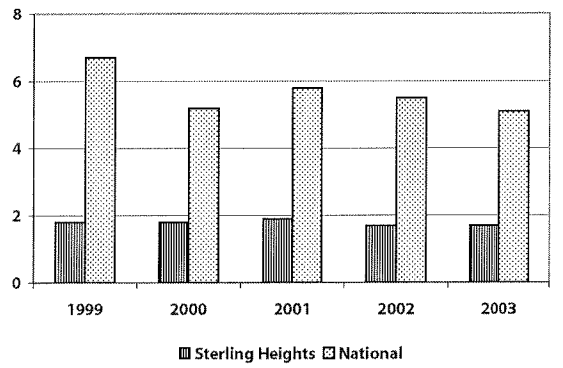
2003 National Rank: 20th out of 39 cities
Rank Percentage: 59%

The City currently has 47 full-time equivalent employees (FTE's) compared to the national average of 59 FTE's. In 2003, for the first time, the national average now excludes the number of municipal golf course FTE's.

ICMA PERFORMANCE MEASUREMENTS

Police Department

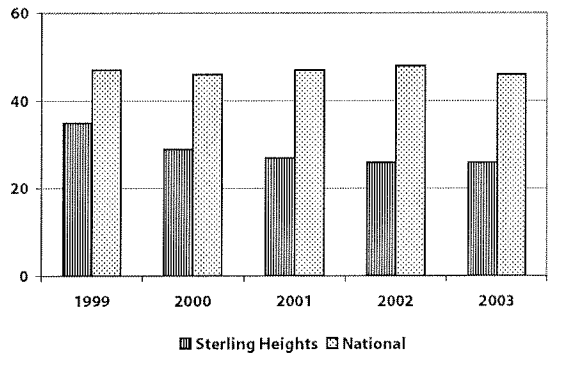
Violent Crimes Per 1,000 Residents



2003 National Rank: 9th out of 70 cities
Rank Percentage: 13%

The City currently ranks 9th lowest out of 70 cities nationally in Violent Crimes per 1,000 residents. Over the past 5 years, the City has continued to be well below the national average.

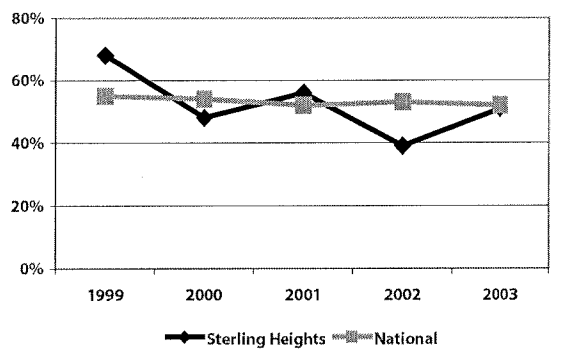
Property Crimes Per 1,000 Residents



2003 National Rank: 12th out of 70 cities
Rank Percentage: 17%

The City is also well below the national average in Property Crimes per 1,000 residents. For each of the past 5 years, the number of property crimes per resident has decreased, while the national average has remained the same. The City currently ranks 12th lowest out of 70 cities nationally.

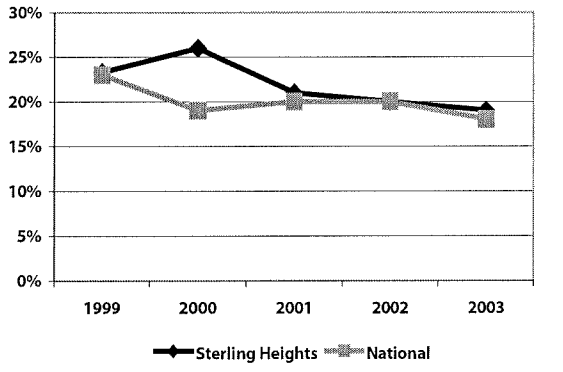
Percent of Violent Crimes Cleared



2003 National Rank: 26th out of 54 cities
Rank Percentage: 48%

The Percent of Violent Crimes Cleared, or solved, increased slightly to near the national average in 2003. In 2003, the City ranked 26th out of 54 cities nationally.

Percent of Property Crimes Cleared



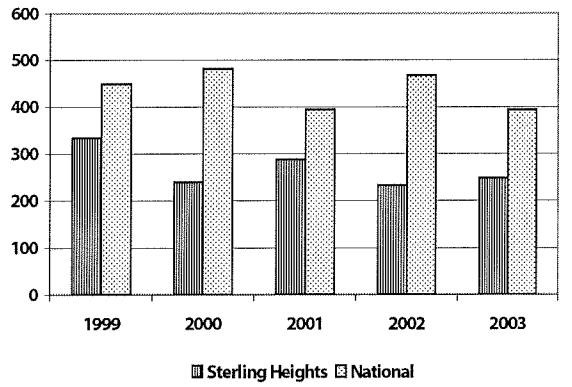
2003 National Rank: 36th out of 57 cities
Rank Percentage: 63%

The Percent of Property Crimes Cleared, or solved, over the past 5 years continues to be at or slightly above the national average. In 2003, the City ranked 36th highest out of 57 cities.

ICMA PERFORMANCE MEASUREMENTS

Fire Department

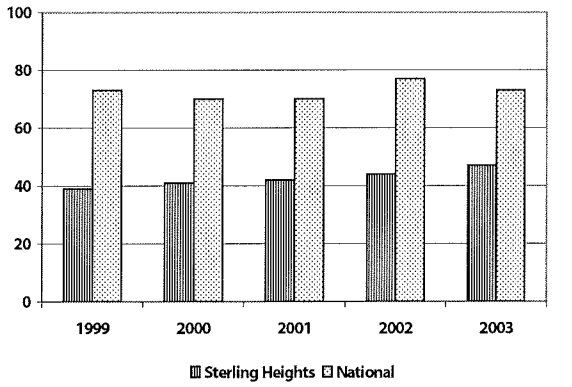
Fire Incidents Per 100,000 Residents



2003 National Rank: 6th out of 28 cities
Rank Percentage: 22%

The number of fire incidents in the City continues to be well below the national average for each of the past 5 years. The City currently ranks 6th lowest out of 28 cities nationally in the number of fire incidents per resident.

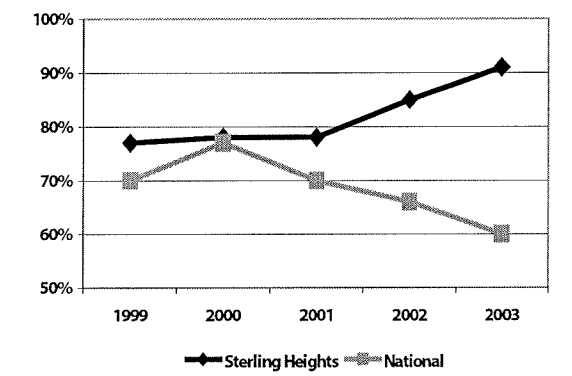
Total EMS Responses Per 1,000 Residents



2003 National Rank: 8th out of 42 cities
Rank Percentage: 19%

The number of EMS responses in the City remains well below the national average for the past 5 years. In 2003, the City ranked 8th lowest out of 42 cities reporting. 81% of cities nationally had a higher number of EMS responses per resident.

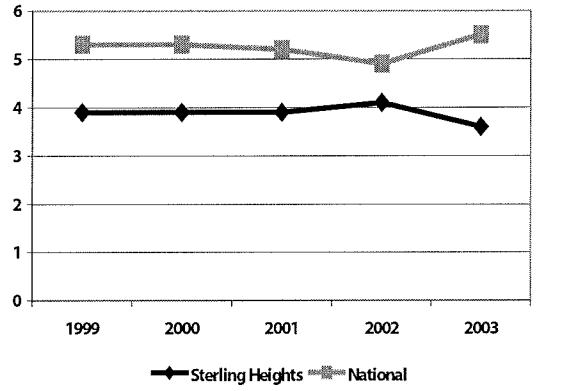
Percent of Fire Responses Less Than 5 Minutes



2003 National Rank: 36th out of 37 cities
Rank Percentage: 97%

For the past 5 years, Sterling Heights has had a higher percent of fire responses that took less than 5 minutes to respond. Currently, 91% of fire incidents are responded to in 5 minutes or less. Only 1 reporting city had a higher percent.

Average EMS Response Time (Minutes)



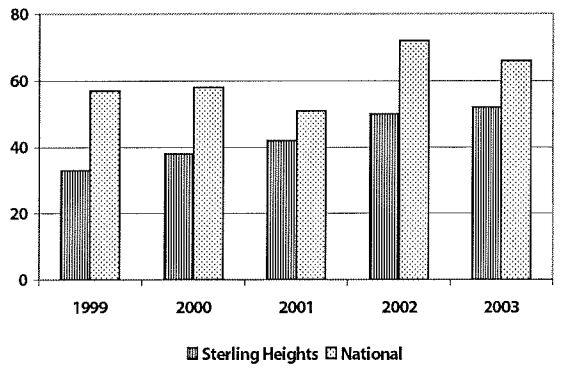
2003 National Rank: 2nd out of 37 cities
Rank Percentage: 5%

The City's average EMS response time is 3.6 minutes, which is well below the national average. We currently rank 2nd lowest out of 37 cities. In other words, only 5% of the cities nationally had a faster average EMS response time.

ICMA PERFORMANCE MEASUREMENTS

Public Works Department

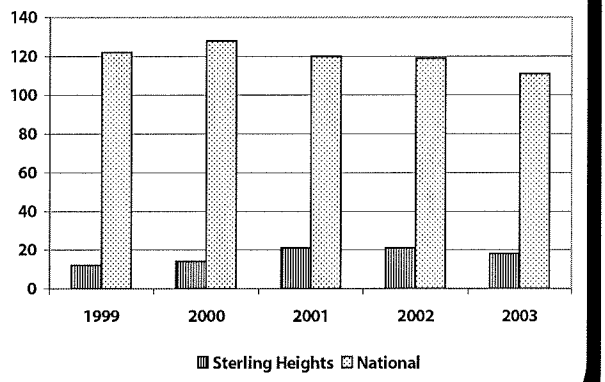
Refuse Collection Costs Per Ton



2003 National Rank: 12th out of 28 cities
Rank Percentage: 43%

Our Refuse Collection Costs per Ton have increased slightly over the past 5 years yet continues to be below the national average. The City contracts out its refuse collection services. Our costs ranked 12th lowest out of 28 cities nationally.

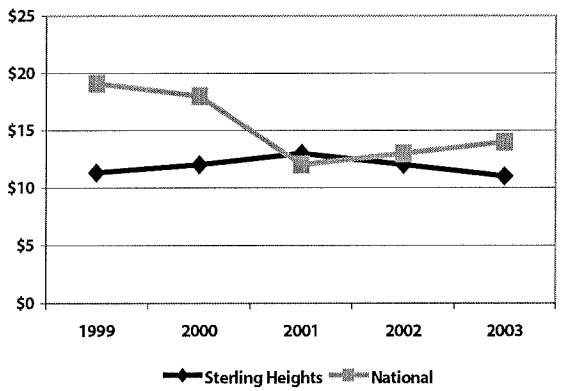
Recycling Costs Per Ton Recycled



2003 National Rank: 1st out of 32 cities
Rank Percentage: 0%

The City's Recycling Costs per Ton Recycled are the lowest out of the 32 cities reporting nationally. The City has 3 voluntary drop-off centers, which allows us to be 6 times lower in costs than the national average.

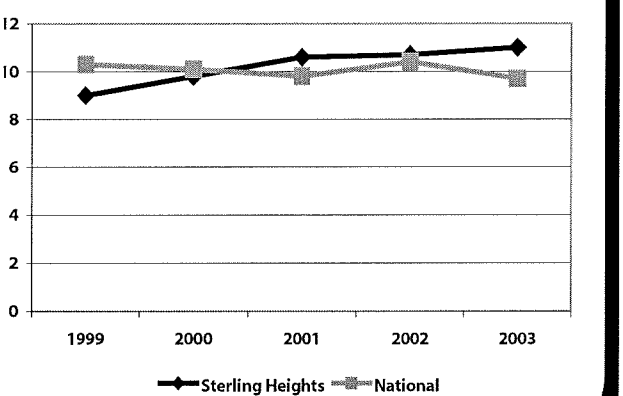
Fleet Maintenance Expenditures Per Resident



2003 National Rank: 9th out of 16 cities
Rank Percentage: 56%

The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 9th out of 16 cities nationally.

Average Age of Fire Vehicles (Years)



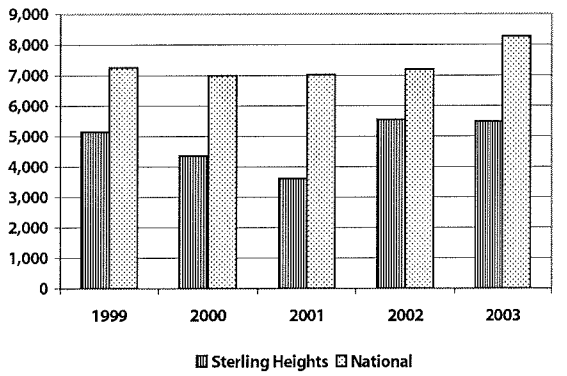
2003 National Rank: 38th out of 54 cities
Rank Percentage: 70%

For 2 of the last 5 fiscal years, the average age of the City's fire vehicles has been less than the national average. Two recently purchased vehicles will help to lower the City's average age.

ICMA PERFORMANCE MEASUREMENTS

Public Library Department

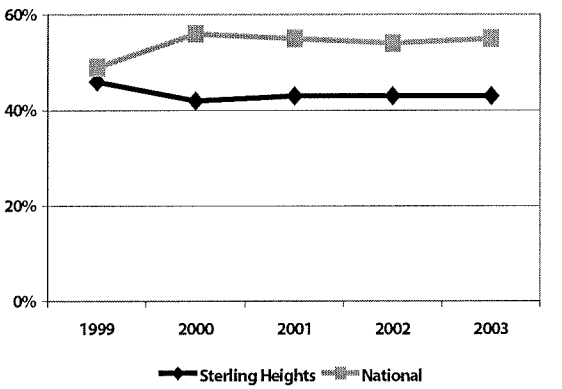
Library Circulation Per 1,000 Residents



2003 National Rank: 15th out of 44 cities
Rank Percentage: 34%

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 and 2003, the circulation increased above 1999 levels.

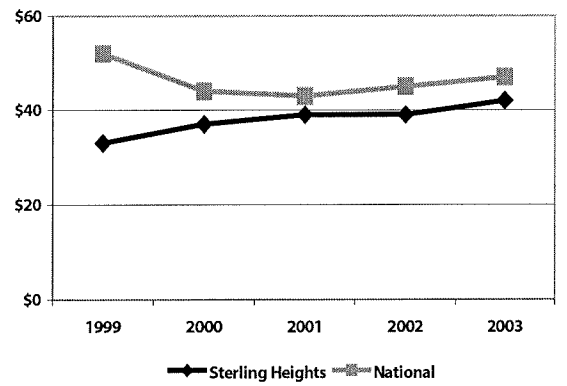
Registered Borrowers As a % of Population



2003 National Rank: 9th out of 37 cities
Rank Percentage: 24%

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.

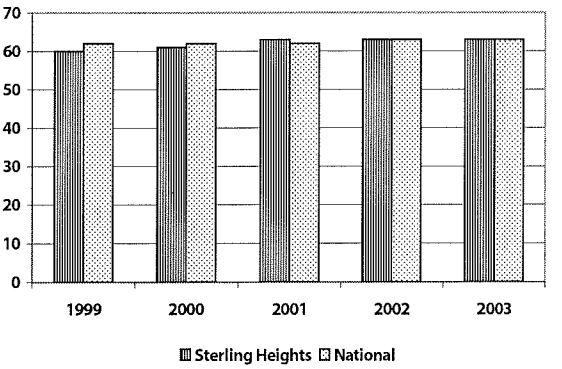
Library Expenditures Per Registered Borrower



2003 National Rank: 17th out of 35 cities
Rank Percentage: 49%

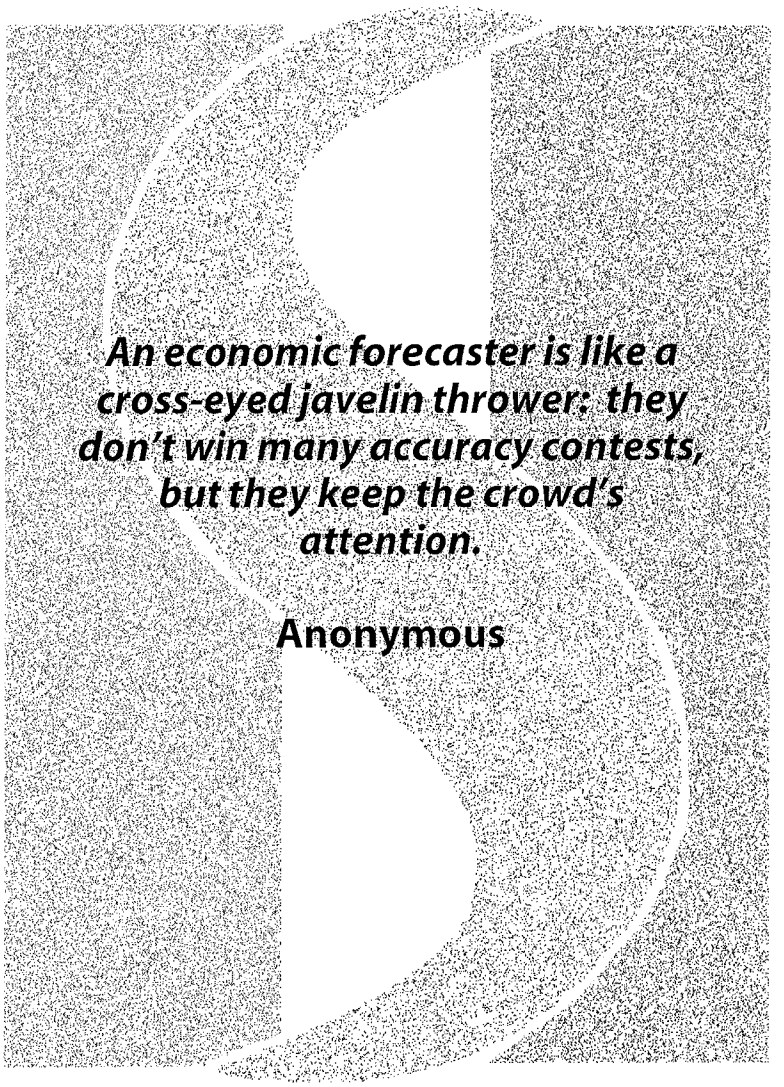
The City's Library Expenditures per Registered Borrower continues to be below the national average. In 2003, the City spent $42 per registered borrower compared to an average of $47 spent nationally. We ranked 17th out of 35 cities nationally.

Average Weekly Hours of Library Operations



2003 National Rank: 17th out of 34 cities
Rank Percentage: 50%

Over the past 5 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.


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

ALL FUNDS SUMMARY

{ enhancing your family lifestyle }

2006

The All Funds Summary provides the reader with a quick overview of the entire financial plan of the city for the upcoming fiscal year. This section includes an Executive Summary which explains the services each city fund provides and the budget 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

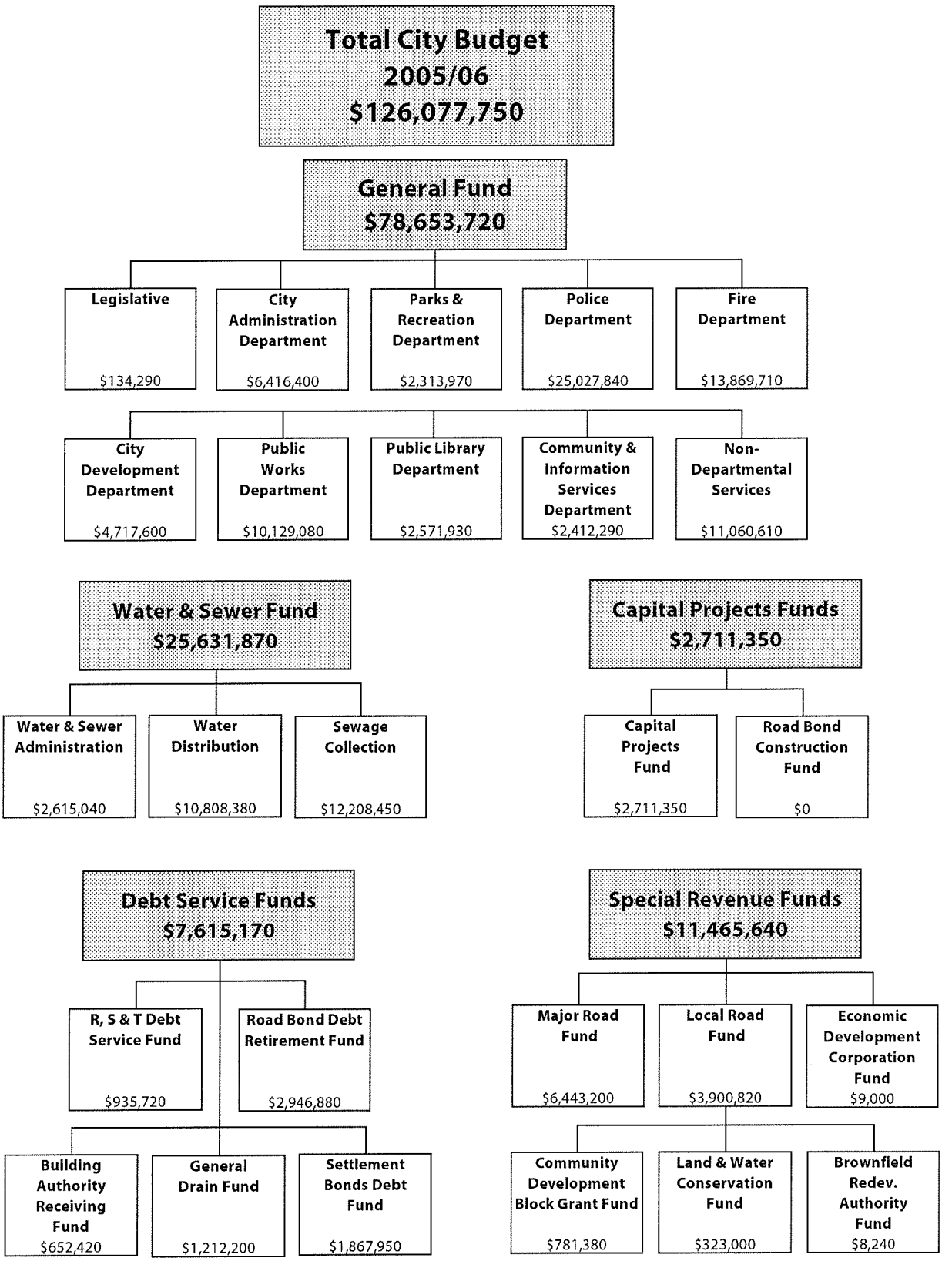


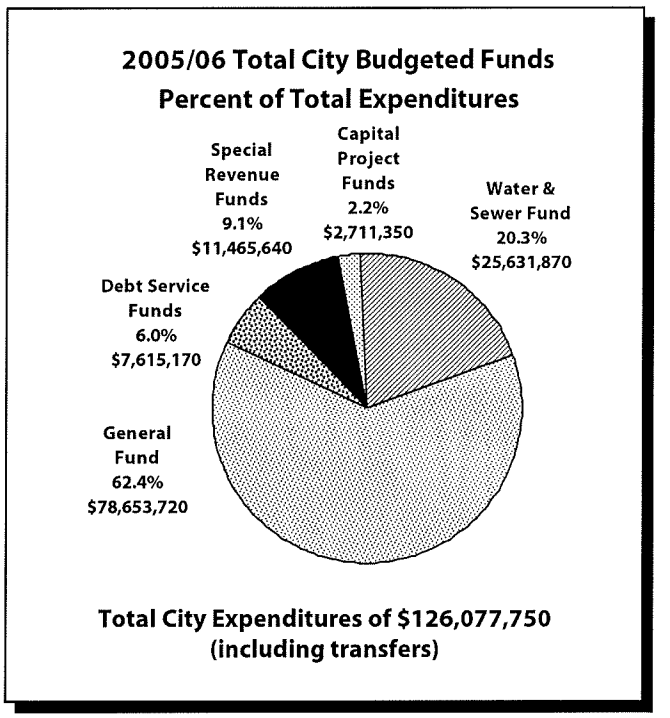
Chart figures correspond to budget tabs and include all transfers.

Executive Summary

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2005/06 Budget for the City of Sterling Heights. It is hoped that it will provide City residents with a quick summary of the plans of the City for the fiscal year. The City Council will hold 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 2005/06 Budget for all City Funds totals $126.1 million. The City establishes a budget for 15 separate funds or accounting divisions. These 15 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the ***General Fund***, which provides $78.7 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 $25.6 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 $11.5 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 2005/06 Budget include:

- $275,000 for the paving of the Delia Park entrance drive and south parking lot.
- $15,000 for repairs to the Delia Park tennis courts and $12,000 for a new Delia Park entrance sign.
- $15,000 for the installation of three outdoor bocce ball courts at the Senior Center.
- $34,960 for replacement handicapped accessible playground equipment at Farmstead Park.
- Funds for the upkeep and maintenance of several new soccer fields at L. W. Baumgartner and Nelson Parks.
- $110,000 to assist low and moderate income families in rehabilitating their homes and to correct code violations.
- A business-marketing brochure to attract business to the City and better promote the City's assets as a desirable place to conduct business.
- Continued funding for the mowing and median maintenance contract on M-59 from Van Dyke to I-94.
- Increased funding for snow removal on all City streets.
- Continued funding for mosquito control in residential street catch basins to combat the spread of the West Nile Virus.
- Funding to complete the removal of emerald ash borer infected trees along City roads and to promote reforestation.

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:

- $680,000 for concrete replacement on local streets including Clifton, Firestone and Breckenridge Drives and Count Court. The City's Neighborhood Road Repair program has been reinstated after having been delayed last year as funds were needed to remove emerald ash borer infected trees.
- $334,210 for the resurfacing and widening of Plumbrook from 17 Mile Road to Van Dyke.
- Continued funding for the design and right-of-way costs for the eventual widening of 19 Mile Road between Van Dyke and Dequindre Road.
- The application of a grant to landscape the 18½ Mile Road roundabout.
- Continued repairs to various City bridges including the necessary bridge deck replacement of the Van Dyke bridge over the Clinton River, and the clean-out of the culverts at the 15 Mile Road, Ryan Road, and Dodge Park Road bridges.
- The addition of a transition lane at the northeast corner of Ryan Road and Dobry Drive to improve traffic flow.
- The in-house development of a long-term engineering pavement management plan to better determine and prioritize the City's road improvement needs.

The ***Capital Project Funds*** total $2.7 million for 2005/06. These funds are used to purchase 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 2005/06 Budget include:

- $550,000 for Neighborhood Sidewalk Repairs and $350,000 for the continuation of the Sidewalk Gap Completion Program.
- $500,000 for the installation of the Schuer Drain and for ongoing maintenance of existing storm drains.
- $100,000 for municipal parking lot repairs.
- $17,500 for repairs to three neighborhood school walkways.
- $129,900 in funding for replacement capital equipment for City departments.
- $157,950 for Information Technology hardware and software improvements.
- $763,300 in capital vehicle replacements.

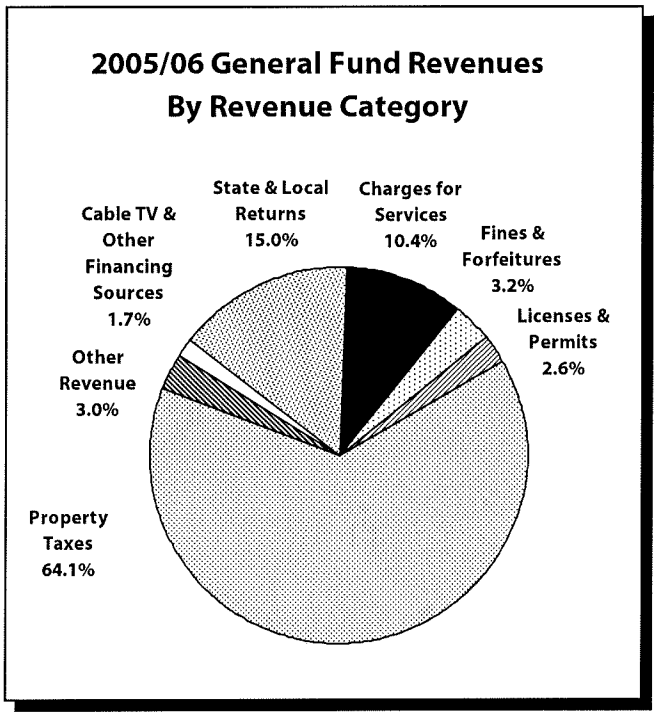
Finally, the ***Debt Service Funds*** total $7.6 million and provide funding for the debt payments on the road construction projects, the Judicial Services Center, the City Center Commons, the City's storm drains, litigation settlements, and the debt resulting from the voter approved Proposal R. The City has saved over $775,000 in future interest payments by refinancing several bonds over the past three years.

GENERAL FUND

The 2005/06 Budget for the General Fund is $78.7 million, an increase of $2.2 million or 2.9% above the 2004/05 Budget.

Revenues by Category

The General Fund derives its revenue from a variety of sources as the following graph illustrates. The largest source is from property taxes. The City's tax rate of 10.625 mills will provide $50.5 million or 64.1% of the total General Fund budget. Taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement debt, and Drain debt. The City's overall millage remains the same as the prior year and continues to be at its



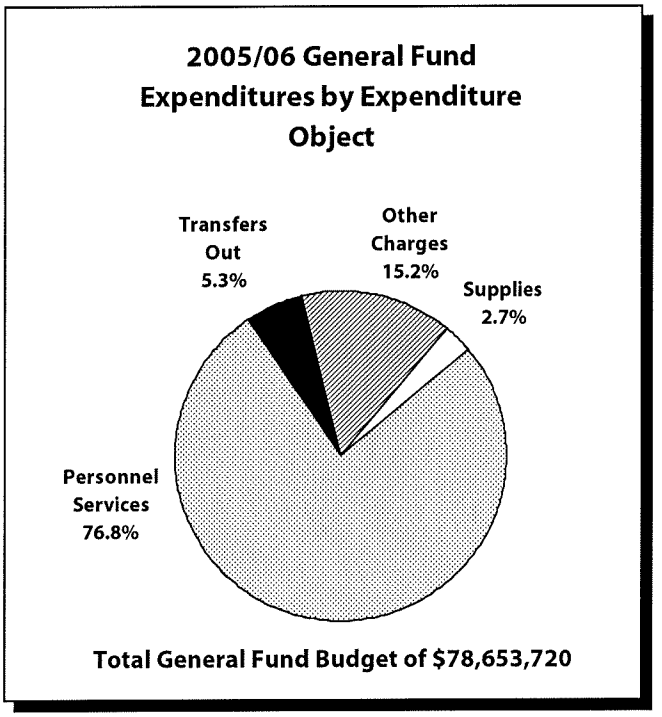
lowest level since 1974. In addition, the City will not levy the 0.10 mills approved by the voters in 1996 for Proposal N. Proposal A has capped property value assessments at a 2.3% inflationary increase next year despite a 3.8% increase in property market values.

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 2.6%, State and Local Returns 15.0%, Fines & Forfeitures 3.2%, Charges for Services 10.4%, Other Revenue 3.0%, Cable TV Revenue 1.6%, and Other Financing Sources 0.1%.

The budget is balanced and no use of fund balance reserves is planned for the 2005/06 fiscal year. In fact, a modest $38,260 will be contributed to reserves, resulting in an estimated $12.9 million or 16.5% of expenditures available in reserves.

Expenditures by Object

The $78.7 million General Fund budget is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel Service costs, which are made up of wages and fringe benefits and comprise 76.8% of the total budget. Supplies, which are made up primarily of operating supplies, parts for the repair and maintenance of City vehicles, and the purchase of Library books, total 2.7% of the budget. Other Charges total 15.2% 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 5.3% of the General Fund budget.



The total $2.2 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	$1,814,800	3.1%
Supplies	52,340	2.5%
Other Charges	(1,412,890)	(10.5%)
Transfers Out	1,769,640	75.1%
Total	**$2,223,890**	**2.9%**

Personnel Services increased $1.8 million or 3.1% over last year's budget. Wages for full-time employees increased by $1,265,590, as all labor groups are budgeted to receive a 3% wage increase. Hospitalization costs rose by $461,620 or 7.7% due to a rate increase for the City's medical costs. Police & Fire Pension costs decreased by $1.2 million or 28.8%. A recent actuarial experience study has recommended, and the pension board has adopted, an increase in the pension system's assumed investment rate of return, resulting in a decrease in the actuarially determined City contribution rate.

The pension savings will allow the City to increase its contributions toward the rapidly growing General and Police & Fire retirees' medical obligations. An actuarial study has recommended increased funding in order to offset large future liabilities. In the 2005/06 fiscal year, $4.3 million has been set aside to fund these obligations, an increase of $680,240 or 18.9% over the previous year. In the past two years, the City has increased its funding by nearly $1.8 million.

The budget includes funding for 630 full-time positions – the same level as last year. For the first time in four years, the budget does not include the elimination of any full-time positions. The City has eliminated 19 vacant full-time positions since 2002, saving $1.2 million annually. Full-time staffing has increased by nine positions since 1996.

The budget includes full-year funding for two part-time security guards for the 41-A District Court, a part-time high school co-op position in the Police Department, and additional seasonal laborer hours in the Public Works Department for enhancing the maintenance of City roads and rights-of-way.

Supplies increased by $52,340 or 2.5%. Most departments have reduced their discretionary spending on Supplies. Rising fuel prices have accounted for most of the increase. $10,870 is budgeted for additional Library books and audiovisual materials.

Other Charges decreased by $1.4 million or 10.5%. Rubbish removal costs decreased by $823,890 or 16.4% due to favorable bids received on the new refuse contract. Contractual services decreased by $649,370 due to one-time grant funded Emergency Management and Personal Property Auditing expenditures. Refunds on tax tribunal adjustments decreased $401,800 due to a one-time refund as a result of Ford's appeal of a possible overpayment of personal property taxes. $435,000 is budgeted for additional liability insurance funding due to recent losses in the Self-Insurance Fund. Savings were realized in auditing fees, equipment maintenance, and telephone and cellular phone bill costs, offset by additional funds for employee training, rising utility costs, and legal fees.

Capital Outlay is budgeted in the Capital Projects Fund. All capital equipment and vehicles used by General Fund departments are expensed in the Capital Projects Fund and funded through a Transfer Out from the General Fund. $129,900 is budgeted to fund seven pieces of capital equipment. $157,950 is budgeted for new computer hardware and software as part of the Information Technology Plan. $763,300 is budgeted for the purchase of 17 replacement vehicles. ***A complete list of all budgeted capital equipment, vehicles, and projects is located in the Capital Projects section of this document.***

General Fund ***Transfers Out*** to other City Funds increased by nearly $1.8 million or 75.1%. The transfer to the Major Road Fund increased by $850,000 to help replenish the Fund's declining reserves and to pay for future road projects. The transfer to the Capital Projects Fund increased by $592,370. The budget includes twice as much funding for vehicle purchases and three times the funding for Information Technology equipment purchases as last year's budget. The transfer to the Local Road Fund increased by $317,000 as the General Fund will pay 100% of the cost for next year's Neighborhood Road Repair program due to declining local road funds as a result of the emerald ash borer.

Expenditures by Budgetary Center

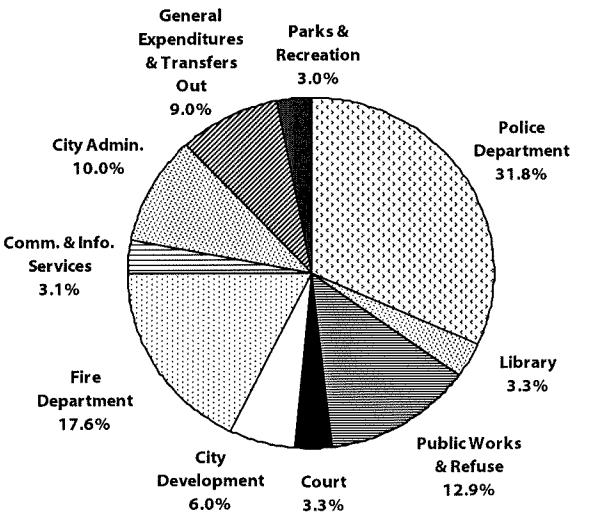
The City's General Fund can be further broken down into the departmental or budgetary center level. These budgetary centers comprise the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, over 62% of the budget is used to fund the three largest City departments – Police, Fire and Public Works.

Within the General Fund, the following changes are included in the 2005/06 Budget:

Legislative

- Funding for the implementation of the E-Agenda Packet Program, which will allow City Council meeting agenda packet information to be accessed electronically.

2005/06 General Fund Expenditures By Budgetary Center



City Administration Department

- Savings in postage, publishing, and printing costs as the City budget and job information are now available online.
- Funding for the cost of three elections including an August primary, November general, and a May school election.
- Savings in election worker costs due to a consolidation of precincts, and election equipment maintenance savings.
- The management of Homeland Security grant funds and the deployment of the mobile incident command vehicle.
- The replacement of a minivan used by the Emergency Services Manager.
- The transfer of City Hall utility costs to the Facilities Maintenance budget from the General Expenditures activity in order to better control costs.
- Funding for the remaining second year cost of the Personal Property Auditing Services contract.
- A $1 per hour wage increase for the Assessing Board of Review members.
- A savings in audit fees as City staff will continue to perform additional audit preparation work allowing the auditors to reduce the number of days needed on-site to complete the annual audit.
- Savings in overtime costs in the Finance & Budget division offices due to increased efficiencies.
- Funding for a Finance employee to attend the MUNIS software user's conference.
- Implementation of the false alarm notification and billing system and the collection of school summer taxes.
- Replacement of six year old computers in the Treasury and Purchasing Offices.

Parks & Recreation Department

- $358,000 toward six recreational projects including paving the entrance drive and parking lot at Delia Park, new bocce ball courts at the Senior Center, repairs to the tennis courts at Delia Park, and playground equipment at Farmstead Park.
- The opening of new soccer fields at L. W. Baumgartner and Nelson Parks.
- New portable scoreboards for the indoor basketball programs.
- A replacement pickup truck for park operations and the delivery of a new SMART senior transportation van.
- The completion of the final segment of the bike trail through the City.
- Additional staff training.
- A revised fee schedule for parks and recreation classes and programs.

Police Department

- Eleven replacement patrol and traffic safety vehicles and a sport utility vehicle for the Evidence Technicians.
- The deployment of the mobile incident command vehicle.
- Increased firearms training.
- A new accident report digital imaging system that will save clerical processing time.
- A part-time high school co-op position that will reduce department overtime costs.
- The completion of the emergency backup dispatch center.
- The creation of a memorial to honor fallen City employees and renovations to the existing water fountain.
- The installation of additional in-car video cameras, new police vehicle light bars, and in-car mobile data computers and modems.
- Savings as a result of implementing a new substitute crossing guard attendance policy.
- Implementation of the new False Alarm Ordinance.

Fire Department

- The purchase of a new fire engine so that the department's oldest front-line engine will be a 1998.
- Continued funding for the Fire Open House and Civilian Fire Academy.
- New carpeting and parking lot repairs at Fire Station #5.
- Funds for an architectural needs assessment for future renovations to the City's older fire stations.
- A new computer projector for fire training and the development of a fire mapping computer program for use in fire vehicles.
- Increased overtime funds due to minimum manning.
- Additional medical testing costs for required physical and respiratory examinations.
- The full implementation of laptop computers for Fire Prevention personnel and mobile data computers in all fire vehicles.
- Implementation of the ALS cost recovery program.

City Development Department

- The full implementation of laptop computers for field personnel to provide more efficient inspection and personal property maintenance services.
- The installation of a new scanner and printer in Engineering.
- Reduced funding for clothing/uniform purchases for field staff.
- A reduction in Engineering overtime costs.
- Replacement of six year old computers for City Development, Building, and Planning administrative and clerical staff.

Public Works Department

- Additional hours for seasonal laborers in Parks & Grounds Maintenance, Refuse, and Street Services to better maintain the City's rights-of-way and to service the three drop-off recycling centers.
- Capital equipment including two riding lawn mowers, a tri-mower tractor, a dual axle trailer, a band saw, a tree chipper truck, and a pickup truck with plow.
- Savings due to the new refuse contract effective May 1, 2005 and new refuse collection fees from apartments, mobile home parks, and school districts.
- Funding to complete the removal of trees infected with the emerald ash borer, the planting of additional neighborhood trees, and the continuation of the West Nile Virus reduction program with the use of longer lasting mosquito briquettes in City parks and street catch basins.
- A new exhaust removal system for the Public Works garage, repairs to three neighborhood school walkways and the replacement of pumps at a neighborhood storm water detention pond.
- The deployment of a trailer mounted emergency generator to power City buildings.
- Higher water irrigation costs for several newly developed soccer fields and the Utica Road median.
- Funding for a new annual State mandated storm water permit fee.
- Additional funds for the spraying of roadside weeds.

Public Library Department

- $10,000 in additional funds for Library book and audiovisual material purchases.
- 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 color laser printer for residents to have the option of printing color documents.
- A new Library membership and increased employee training.
- Savings due to the implementation of an automated overdue notification system.
- Funds for the purchase of new computer filtering software.

Community & Information Services Department

- $25,000 to fund a statistically valid survey of 5,000 residents to obtain input regarding City services.
- Continued funding for Sterlingfest.
- The installation of new cable television equipment funded by Comcast.
- The elimination of two Nextel telephones in Community Relations and the continued citywide savings from a new cellular telephone rate plan which allows the City to pool its unused minutes.
- Replacement of six year old computers in Community Relations and a vital network hardware switch for Information Technology.
- Additional funding for Internet and anti-spyware security software.
- An update to the City's five-year Information Technology plan.
- Funding for an employee to attend the Land Management software user's conference.
- The transfer of costs for the employee holiday luncheon to Community Relations.

Non-Departmental Services

- Full year funding for two part-time Court security guards, funds to re-cover 35 seats in the lobby of the 41-A District Court, and attendance at a national judicial conference.
- The installation of a historical sign for Edgerton Cemetery.
- Significant savings due to a change in the oral board process for new Police Officers.
- Additional liability insurance funding.
- General Employee Pension savings as a result of switching International Money Managers.

- Continued savings in the Planning Commission and the Zoning Board of Appeals budgets as meetings were 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 sewage 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 will increase the water rate it charges the City of Sterling Heights effective July 1, 2005. The Detroit water rate will increase by 7.7% from $9.72 to $10.47 per thousand cubic feet. Detroit has been charging more due to higher maximum day and peak hour usage factors. Sewage disposal fees from Detroit increased by $851,870 or 8.9% as we are now being charged for the 15 Mile sewer repair. In addition, the sewer rate will increase from $10.30 to $10.31 per thousand cubic feet.

As a result of these Detroit increases, a 7.7% water and an 8.9% sewer rate increase will be passed on to our customers in order for the Water & Sewer system to break-even next year. One way to lessen higher water costs from Detroit in the future is for us to begin charging a slightly higher water rate for above average water consumption.

We are also changing our water rate system from a single-tier rate structure to an inclining two-tier rate structure. The first tier water rate will increase by only 4.0%, while the second tier rate will increase by 11.3%. This new rate plan will lessen the water rate increase that has to be passed on to the average City resident from 7.7% down to 6.5%. As a result, the average resident will save money with this new rate structure. This plan will encourage water conservation and allow us to better recover our costs from the system's larger users, thereby helping to maintain our low rates for all customers. The average residential customer will pay $32 per month for water & sewer services.

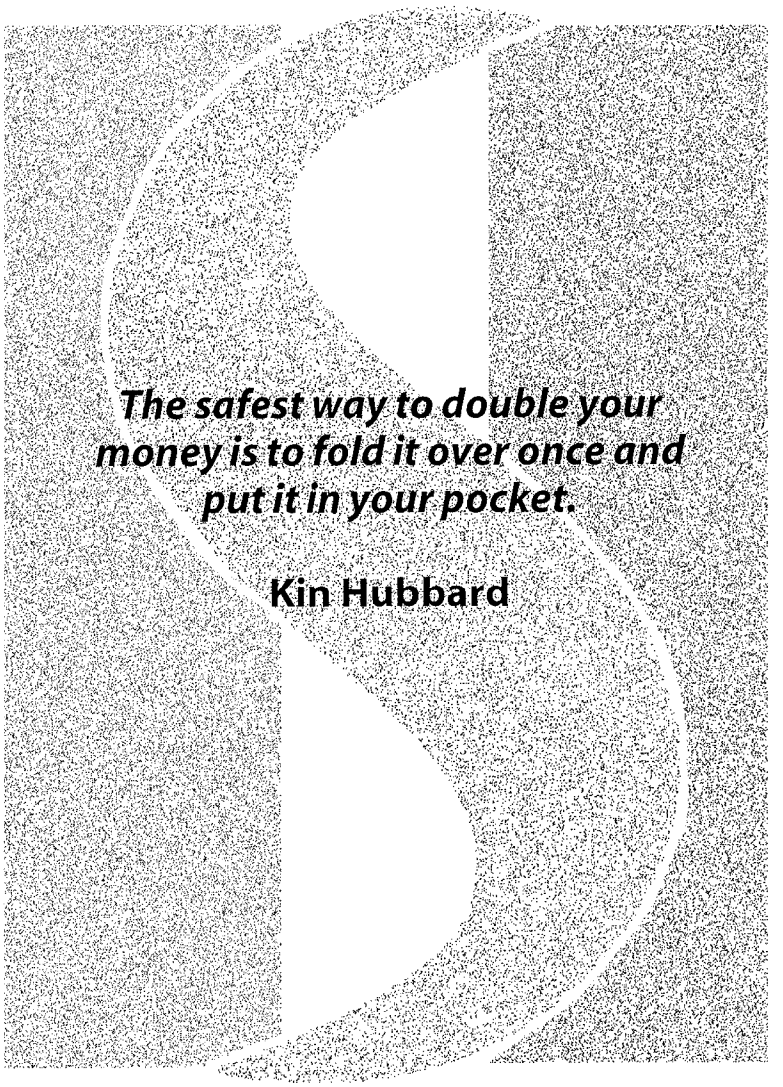
The City will continue its maximum summer discount of $25, which was increased in 1998. According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on 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 $255,030 due to wage and fringe benefit increases for existing employees. Supplies rose only $4,500. Capital Outlay costs decreased by $328,790.

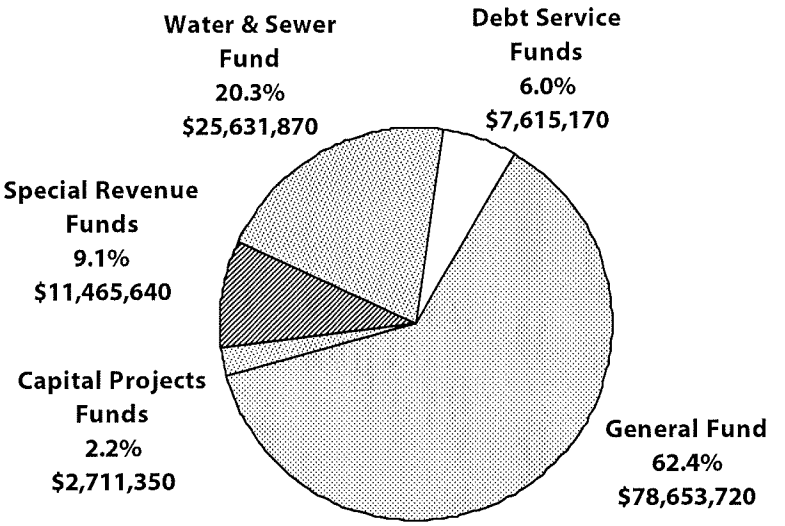
The 2005/06 Budget includes:

- $74,500 in necessary capital equipment including a lift trailer, and a truck mounted handi-ram.

- $74,000 is budgeted for three replacement Water & Sewer vehicles.■


The safest way to double your money is to fold it over once and put it in your pocket.
Kin Hubbard

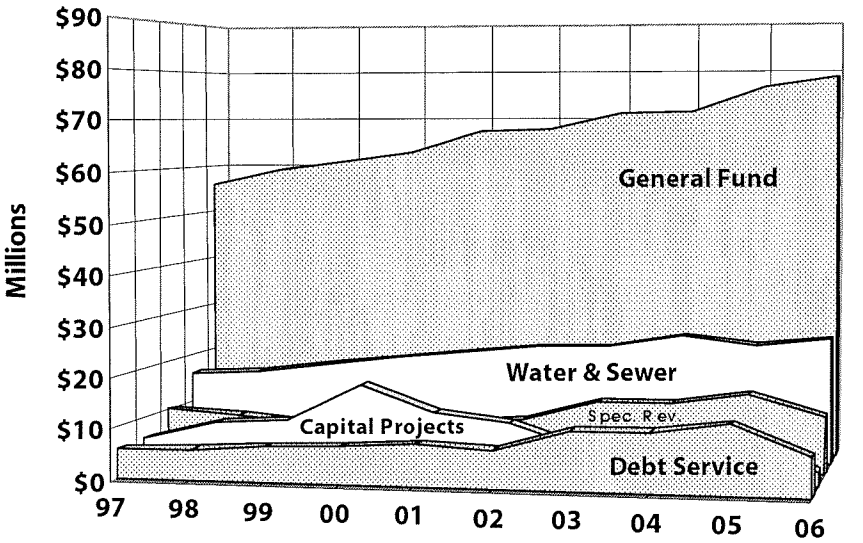
2005/06 Total City Budgeted Funds Percent of Total Expenditures



Total City Expenditures of $126,077,750 (including transfers)

This graph illustrates total fund expenditures as a percent of all City Funds for the 2005/06 fiscal year.

Total City Budgeted Funds Expenditure History



This graph illustrates the expenditure history of all City budgeted funds, excluding one-time extraordinary items in the General Fund.

2005/06 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	$50,390,440	$0	$3,230	$2,133,320	$2,500	**$52,529,490**
Water & Sewer Service	0	22,887,970	0	0	0	**22,887,970**
State Revenue Sharing	10,950,000	0	0	0	0	**10,950,000**
Interfund Transfers In	97,830	0	2,940,000	5,362,540	1,536,350	**9,936,720**
Highway & Street Grants	0	0	7,500,000	0	0	**7,500,000**
Charges for Services	7,407,830	1,920,700	150,000	0	0	**9,478,530**
Interest On Investments	750,000	620,000	115,340	14,000	70,000	**1,569,340**
Federal, State & Local Grants	871,900	0	1,690,780	0	0	**2,562,680**
Court & Police Fines and Forf.	2,459,600	0	0	0	0	**2,459,600**
Proceeds - Long Term Debt	0	0	0	0	0	**0**
Miscellaneous Revenue	739,980	61,200	258,300	15,000	839,500	**1,913,980**
Licenses & Permits	2,013,400	0	0	0	0	**2,013,400**
Labor Services Roads	800,000	75,000	0	0	0	**875,000**
Cable Revenue	1,250,000	0	0	0	0	**1,250,000**
Rental - Road Equipment	900,000	67,000	0	0	0	**967,000**
Other Fines & Forfeitures	60,500	0	0	0	0	**60,500**
Sale of Fixed Assets	500	0	180,000	0	0	**180,500**
Total Revenues	**78,691,980**	**25,631,870**	**12,837,650**	**7,524,860**	**2,448,350**	**127,134,710**
EXPENDITURES BY OBJECT						
Personnel Services	60,394,250	3,001,390	12,920	0	0	**63,408,560**
Other Charges	7,692,310	20,814,550	5,507,230	9,310	0	**34,023,400**
Capital Improvement Projects	0	0	1,984,990	0	1,660,200	**3,645,190**
Interfund Transfers Out	4,127,270	0	3,949,450	0	0	**8,076,720**
Principal Payments	0	0	0	5,010,000	0	**5,010,000**
Refuse Collection	4,202,690	0	0	0	0	**4,202,690**
Interest Payments	0	0	0	2,595,860	0	**2,595,860**
Supplies	2,149,000	325,100	11,050	0	0	**2,485,150**
Capital Equipment	0	75,800	0	0	287,850	**363,650**
Capital Vehicles	0	74,000	0	0	763,300	**837,300**
Interfund Services	88,200	1,341,030	0	0	0	**1,429,230**
Total Expenditures	**78,653,720**	**25,631,870**	**11,465,640**	**7,615,170**	**2,711,350**	**126,077,750**
Excess of Revenues Over (Under) Expenditures	38,260	*	1,372,010	(90,310)	(263,000)	**1,056,960**
Beginning Fund Balance	12,902,170	*	5,193,360	225,810	2,265,620	**20,586,960**
Ending Fund Balance	**$12,940,430**	*	**$6,565,370**	**$135,500**	**$2,002,620**	**$21,643,920**

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

	2003/04 Actual	2004/05 Estimate	2005/06 Budget
REVENUES BY SOURCE			
City Property Taxes	$48,506,240	$50,608,050	**$52,529,490**
Water & Sewer Service	17,966,080	19,878,230	**22,887,970**
State Revenue Sharing	11,405,280	11,000,000	**10,950,000**
Interfund Transfers In	6,462,170	8,366,680	**9,936,720**
Highway & Street Grants	7,310,470	7,400,000	**7,500,000**
Charges for Services	7,639,100	7,818,100	**9,478,530**
Proceeds - Long-term Debt	5,960,000	10,961,370	**0**
Interest On Investments	862,360	1,500,320	**1,569,340**
Federal, State & Local Grants	3,090,190	3,726,810	**2,562,680**
Court & Police Fines & Forfeitures	3,009,620	3,094,510	**2,459,600**
Licenses & Permits	2,318,120	2,019,300	**2,013,400**
Labor Services Roads	848,170	980,000	**875,000**
Cable Revenue	1,224,780	1,200,000	**1,250,000**
Rental - Road Equipment	1,010,490	1,065,000	**967,000**
Other Fines & Forfeitures	60,200	60,000	**60,500**
Sale of Fixed Assets	500	1,002,000	**180,500**
Miscellaneous Revenue	3,598,650	2,728,990	**1,913,980**
Total Revenues	**121,272,420**	**133,409,360**	**127,134,710**
EXPENDITURES BY OBJECT			
Personnel Services	57,651,970	61,702,040	**63,408,560**
Other Charges	34,058,950	34,521,180	**34,023,400**
Capital Improvement Projects	9,481,440	12,469,980	**3,645,190**
Interfund Transfers Out	6,462,170	6,651,690	**8,076,720**
Principal Payments	9,516,540	10,381,540	**5,010,000**
Refuse Collection	4,450,670	4,850,000	**4,202,690**
Interest Payments	1,827,200	2,728,660	**2,595,860**
Supplies	2,537,710	2,457,170	**2,485,150**
Capital Equipment	1,231,070	2,027,300	**363,650**
Capital Vehicles	1,318,200	1,231,900	**837,300**
Interfund Services	1,171,830	1,292,160	**1,429,230**
Total Expenditures	**129,707,750**	**140,313,620**	**126,077,750**
Extraordinary Items			
Settlement & Bond Costs	(25,368,270)	(6,000,000)	**0**
Proceeds & Bond Premiums	25,370,730	0	**0**
Excess of Revenues Over (Under) Expenditures *	(3,236,250)	(11,350,870)	**1,056,960**
Beginning Fund Balance	35,174,080	31,937,830	**20,586,960**
Ending Fund Balance	**$31,937,830**	**$20,586,960**	**$21,643,920**

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

REVENUE COMPARISON
CITY BUDGETED FUNDS

Fund No.	Fund Name	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget	% Change from 04/05
	GENERAL FUND						
1010	General Fund	$71,455,660	$73,032,990	$74,445,800	$75,690,500	**$78,691,980**	5.7%
	WATER & SEWER FUND						
5720	Water & Sewer Fund - Operations	21,447,620	20,601,440	23,628,870	22,593,830	**25,631,870**	8.5%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	6,605,840	5,932,120	6,085,000	6,372,000	**7,596,400**	24.8%
2030	Local Road Fund	2,417,950	2,702,180	4,137,920	4,311,370	**4,033,300**	-2.5%
2440	Land & Water Conservation Fund	712,620	16,790	1,074,220	1,061,910	**423,000**	-60.6%
2550	Economic Develop. Corp. Fund	5,190	140	160	180	**200**	25.0%
2560	Brownfield Redevelopment Fund	15,190	2,560	3,390	3,300	**3,370**	-0.6%
2780	Comm. Develop. Block Grant Fund	494,930	1,061,830	878,000	1,044,360	**781,380**	-11.0%
	Total Special Revenue Funds	**10,251,720**	**9,715,620**	**12,178,690**	**12,793,120**	**12,837,650**	**5.4%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,444,170	1,867,340	3,757,140	3,769,240	**1,204,200**	-67.9%
3050	R, S & T Debt Service Fund	1,451,830	1,110,690	1,098,100	1,105,050	**934,720**	-14.9%
3160	Settlement Bonds Debt Fund	0	0	1,715,000	1,720,960	**1,863,000**	8.6%
3270	Road Bond Debt Retirement Fund	7,617,980	5,833,410	2,464,860	6,077,820	**2,871,520**	16.5%
3690	Building Authority Receiving Fund	675,700	2,693,480	641,150	641,150	**651,420**	1.6%
	Total Debt Service Funds	**11,189,680**	**11,504,920**	**9,676,250**	**13,314,220**	**7,524,860**	**-22.2%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	4,312,450	5,434,320	3,871,500	3,517,950	**2,448,350**	-36.8%
4280	Road Bond Construction Fund	870,820	983,130	5,343,360	5,499,740	**0**	-100.0%
	Total Capital Project Funds	**5,183,270**	**6,417,450**	**9,214,860**	**9,017,690**	**2,448,350**	**-73.4%**
	Total Revenue	**119,527,950**	**121,272,420**	**129,144,470**	**133,409,360**	**127,134,710**	**-1.6%**
	Duplicating Transfers	**(8,827,280)**	**(6,462,170)**	**(8,364,220)**	**(8,366,680)**	**(9,936,720)**	18.8%
	Extraordinary Items	**0**	**25,370,730**	**0**	**0**	**0**	0.0%
	Total All Funds	**$110,700,670**	**$140,180,980**	**$120,780,250**	**$125,042,680**	**$117,197,990**	**-3.0%**

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

EXPENDITURE COMPARISON
CITY BUDGETED FUNDS

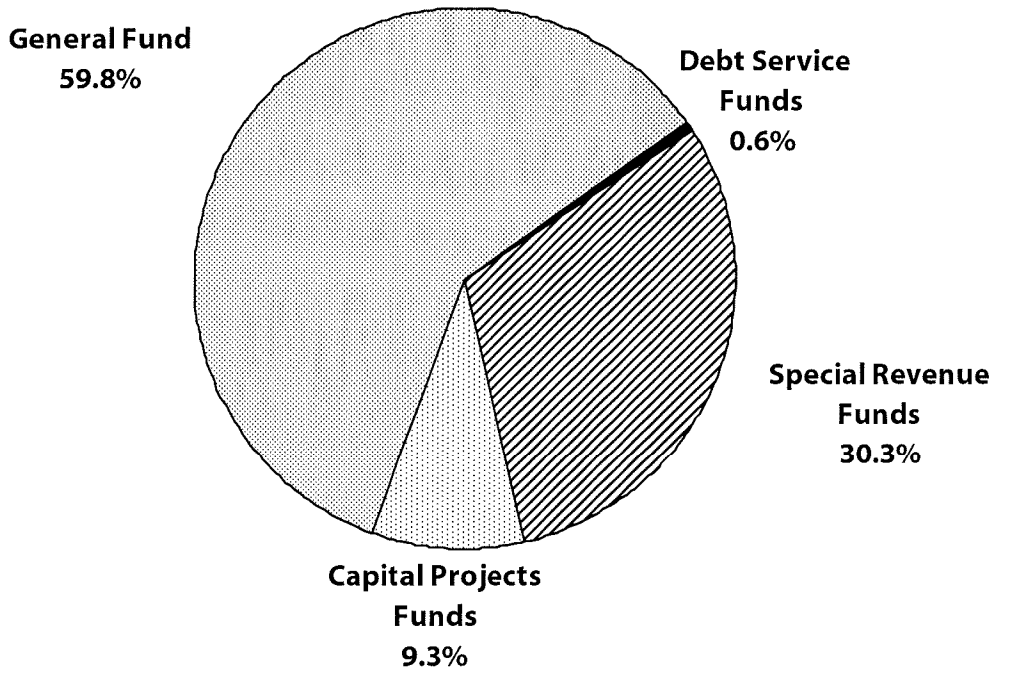
Fund No.	Fund Name	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget	% Change from 04/05
	GENERAL FUND						
1010	General Fund	$71,069,540	$71,606,010	$76,429,830	$76,439,850	**$78,653,720**	2.9%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	23,228,960	25,798,060	24,479,310	24,147,220	**25,631,870**	4.7%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	10,005,720	9,322,730	7,893,190	8,080,550	**6,443,200**	-18.4%
2030	Local Road Fund	2,463,020	2,779,510	5,636,430	5,833,620	**3,900,820**	-30.8%
2440	Land & Water Conservation Fund	727,390	275,040	946,750	793,000	**323,000**	-65.9%
2550	Economic Development Corp. Fund	2,710	0	9,000	4,700	**9,000**	0.0%
2560	Brownfield Redevelopment Fund	13,060	460	9,250	5,160	**8,240**	-10.9%
2780	Comm. Develop. Block Grant Fund	478,360	1,060,780	878,000	1,061,980	**781,380**	-11.0%
	Total Special Revenue Funds	**13,690,260**	**13,438,520**	**15,372,620**	**15,779,010**	**11,465,640**	**-25.4%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,473,700	1,872,880	3,749,350	3,750,050	**1,212,200**	-67.7%
3050	R, S & T Debt Service Fund	1,462,370	1,114,450	1,098,100	1,099,700	**935,720**	-14.8%
3160	Settlement Bonds Debt Fund	0	0	1,715,000	1,712,420	**1,867,950**	8.9%
3270	Road Bond Debt Retirement Fund	7,838,490	5,855,130	2,523,190	6,132,550	**2,946,880**	16.8%
3690	Building Authority Receiving Fund	683,170	2,691,470	642,150	642,150	**652,420**	1.6%
	Total Debt Service Funds	**11,457,730**	**11,533,930**	**9,727,790**	**13,336,870**	**7,615,170**	**-21.7%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	5,276,950	6,009,520	5,270,270	5,208,880	**2,711,350**	-48.6%
4280	Road Bond Construction Fund	762,890	1,321,710	5,399,790	5,401,790	**0**	-100.0%
	Total Capital Project Funds	**6,039,840**	**7,331,230**	**10,670,060**	**10,610,670**	**2,711,350**	**-74.6%**
	Total Expenditures	**125,486,330**	**129,707,750**	**136,679,610**	**140,313,620**	**126,077,750**	**-7.8%**
	Duplicating Transfers	**(8,827,280)**	**(6,462,170)**	**(6,649,220)**	**(6,651,690)**	**(8,076,720)**	21.5%
	Extraordinary Items	**0**	**25,368,270**	**0**	**6,000,000**	**0**	0.0%
	Total All Funds	**$116,659,050**	**$148,613,850**	**$130,030,390**	**$139,661,930**	**$118,001,030**	**-9.3%**

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

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget	% Change from 04/05
	GENERAL FUND						
1010	General Fund	$18,222,080	$19,651,520	$17,667,490	$12,902,170	**$12,940,430**	-26.8%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	750,000	750,000	750,000	750,000	**750,000**	0.0%
2020	Major Road Fund	7,420,670	4,030,060	2,221,870	2,321,510	**3,474,710**	56.4%
2030	Local Road Fund	2,343,620	2,266,290	767,780	744,040	**876,520**	14.2%
2440	Land & Water Conservation Fund	1,345,510	1,087,260	1,214,730	1,356,170	**1,456,170**	19.9%
2550	Economic Development Corp. Fund	15,660	15,800	6,960	11,280	**2,480**	-64.4%
2560	Brownfield Redevelopment Fund	10,120	12,220	6,360	10,360	**5,490**	-13.7%
2780	Comm. Development Block Grant Fund	16,570	17,620	17,620	0	**0**	-100.0%
	Total Special Revenue Funds	**11,902,150**	**8,179,250**	**4,985,320**	**5,193,360**	**6,565,370**	**31.7%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	8,030	2,490	10,280	21,680	**13,680**	33.1%
3050	R, S & T Debt Service Fund	6,490	2,730	2,730	8,080	**7,080**	159.3%
3160	Settlement Bonds Debt Fund	0	0	0	8,540	**3,590**	100.0%
3270	Road Bond Debt Retirement Fund	262,180	240,460	182,130	185,730	**110,370**	-39.4%
3690	Building Authority Receiving Fund	770	2,780	1,780	1,780	**780**	-56.2%
	Total Debt Service Funds	**277,470**	**248,460**	**196,920**	**225,810**	**135,500**	**-31.2%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	4,377,370	3,802,170	2,403,400	2,111,240	**1,848,240**	-23.1%
4280	Road Bond Construction Fund	395,010	56,430	0	154,380	**154,380**	100.0%
	Total Capital Project Funds	**4,772,380**	**3,858,600**	**2,403,400**	**2,265,620**	**2,002,620**	**-16.7%**
	Unappropriated Total - All Funds	**$35,174,080**	**$31,937,830**	**$25,253,130**	**$20,586,960**	**$21,643,920**	**-14.3%**

City Government Funds
Percent of Total Reserves
2005/06 Fiscal Year



Total Government Fund Reserves of $21,643,920

This graph illustrates total fund balance reserves for each of the City's Government Funds for the 2005/06 fiscal year.

YEAR-END
NET ASSET COMPARISON
NON-BUDGETARY FUNDS

Fund No.	Fund Name	2001/02 Actual	2002/03 Actual	2003/04 Actual
	PROPRIETARY FUNDS			
	ENTERPRISE FUND			
5740	Water & Sewer Improvement Fund	$31,233,728	$33,441,941	$32,502,417
	INTERNAL SERVICE FUND			
6770	Self-Insurance Fund	6,232,582	5,918,622	5,536,352
	Total Proprietary Funds	**37,466,310**	**39,360,563**	**38,038,769**
	FIDUCIARY FUNDS			
	TRUST FUNDS			
7010	Retiree Medical Benefits Fund	7,190,871	7,156,608	7,362,650
7370	General Employees Retirement System	90,202,563	88,947,257	99,623,148
7380	Police & Fire Retirement System	166,026,845	163,750,721	177,621,481
	Total Fiduciary Funds	**263,420,279**	**259,854,586**	**284,607,279**
	Total All Non-Budgetary Funds	**$300,886,589**	**$299,215,149**	**$322,646,048**

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

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

The Funds listed on this informational page do not require a budget. However, many of their revenues and expenditures are directly budgeted in other City Funds. For example, the Self-Insurance Fund, Retiree Medical Benefits Fund, and the General Employees and Police & Fire Retirement Systems derive most of their revenue from budgeted cross-charges in the General Fund and/or Water & Sewer Operating Fund. $3.6 million of Self-Insurance Fund net assets are budgeted as a transfer to the Settlement Bond Debt Fund to pay debt. The Trust Funds are managed based on valid actuarial methods and assumptions approved by their fiduciary boards and by approved labor contracts. The Trust Funds' net assets, however, have not been netted against long-term actuarial determined liabilities, which dramatically lessens available funds. Trust Fund net assets are restricted for future benefit payments only. The Water & Sewer Improvement Fund is used to record water & sewer main improvements as adopted by the City Council and found in the City's Capital Improvement Plan. The net assets shown for the Water & Sewer Improvement Fund exclude investments in capital assets and are available for completion of the City's water & sewer main system and for future infrastructure replacement needs as the City matures.

General Fund

{ enhancing your family lifestyle }

2006

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, Public Works, City Development, Public Library, Community and Information Services, and the 41-A District Court.

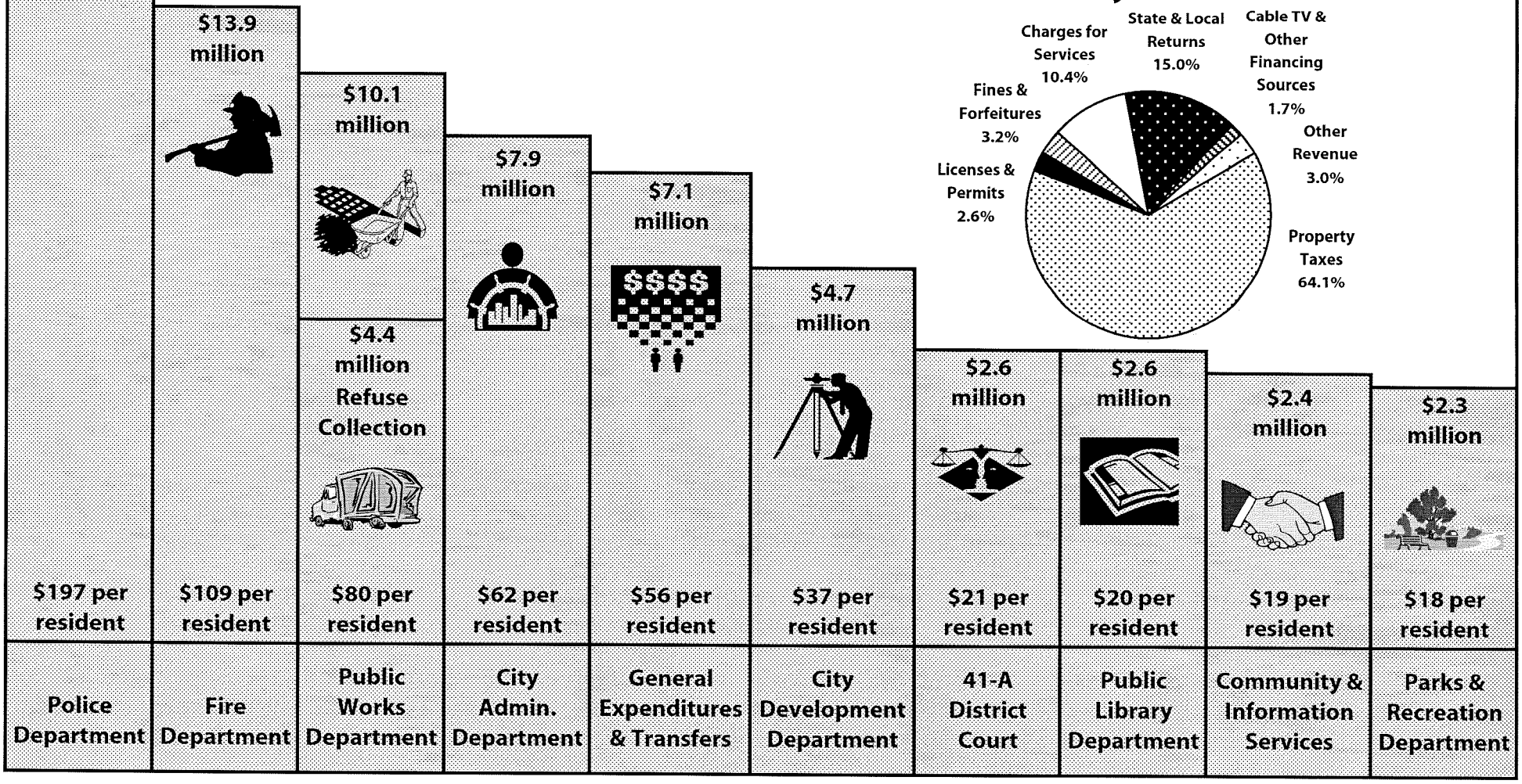
Local property taxes and state shared revenues are the primary sources of revenue to fund these services.

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

How the City Allocates Its Money

2005/06 General Fund Budget: $78.7 million $619 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, over 62% of the dollars spent are for Police & Fire protection and Public Works services including Refuse Collection. The City's General Fund Budget of $78.7 million equates to $619 spent per resident.



Where The City Gets Its Revenue

{ enhancing your family lifestyle }

2006

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 the community intends 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 $1,233. Excluding businesses, the average homeowner pays $829 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 42,633 residential & business parcels)*	**$1,233**
Average Residential City Property Tax *(based on market value of $200,000, taxable value of $78,000)*	**$829**

The City of Sterling Heights spends an average of $1,903 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	$587	31%	$256
Fire Department	$325	17%	$142
Public Works & Refuse	$238	12%	$103
City Administration Department	$185	10%	$81
General Expenditures & Transfers	$166	9%	$72
City Development Department	$111	6%	$48
41-A District Court	$69	4%	$30
Public Library Department	$60	3%	$26
Comm. & Information Services	$57	3%	$25
Parks & Recreation	$54	3%	$24
Debt Service	$50	3%	$22
Total Per Parcel	**$1,903**	**100%**	**$829**

Because the average amount of residential property tax that the City receives is only $829, 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	2001/02	2002/03	2003/04	2004/05	2005/06*
Tax Rate Shown in Mills					
Utica Community Schools (UCS)	9.500	9.500	8.500	9.500	**9.500**
Macomb County	4.206	4.206	4.206	4.206	**4.206**
Macomb Community College (MCC)	1.671	1.693	1.586	1.500	**1.500**
Macomb Intermediate School District (MISD)	2.003	2.986	2.973	2.962	**2.962**
Huron Clinton Metro Authority (HCMA)	0.219	0.217	0.216	0.215	**0.215**
S.M.A.R.T.	0.324	0.600	0.597	0.595	**0.595**
Property Tax Administration Fee	0.095	0.098	0.068	0.068	**0.190**
STERLING HEIGHTS CITY GOVERNMENT	10.650	10.630	10.625	10.625	**10.625**
Total Millage Rates	**$28.667**	**$29.929**	**$28.771**	**$29.670**	**$29.793**
Avg. Residential Taxable Property Value	$71,160	$73,440	$74,540	$76,250	**$78,000**
Average Tax Rates Shown in Dollars					
Utica Community Schools	$676	$698	$634	$724	**$741**
Macomb County Government	299	309	314	321	**328**
Macomb Community College	119	124	118	114	**117**
Macomb Intermediate School District	143	219	222	226	**231**
Huron Clinton Metro Authority	16	16	16	16	**17**
S.M.A.R.T.	23	44	45	45	**46**
Property Tax Administration Fee	7	7	5	5	**15**
STERLING HEIGHTS CITY GOVERNMENT	758	781	792	810	**829**
Total Dollars	**$2,040**	**$2,198**	**$2,145**	**$2,262**	**$2,324**

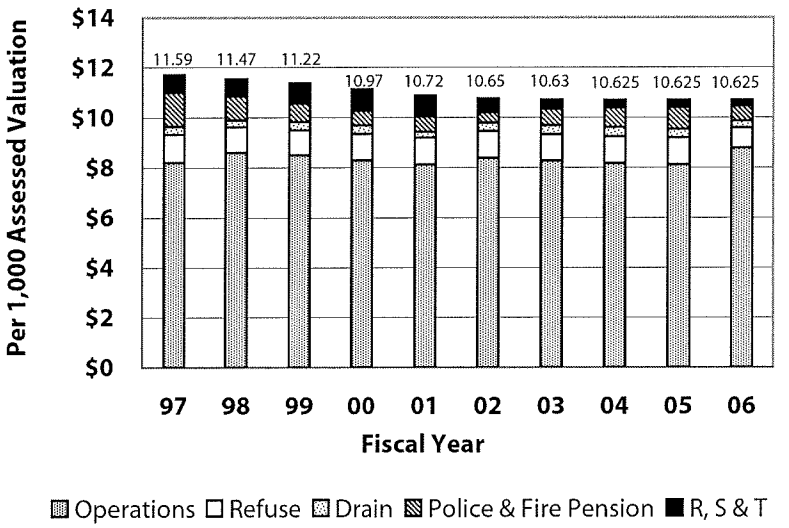
(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2001/02	2002/03	2003/04	2004/05	2005/06*
Tax Rate Shown in Mills					
Warren Consolidated Schools (WCS)	16.147	16.963	15.681	16.043	**16.043**
Macomb County	4.206	4.206	4.206	4.206	**4.206**
Macomb Community College (MCC)	1.671	1.693	1.586	1.500	**1.500**
Macomb Intermediate School District (MISD)	2.003	2.986	2.973	2.962	**2.962**
Huron Clinton Metro Authority (HCMA)	0.219	0.217	0.216	0.215	**0.215**
S.M.A.R.T.	0.324	0.600	0.597	0.595	**0.595**
Property Tax Administration Fee	0.060	0.050	0.050	0.050	**0.255**
STERLING HEIGHTS CITY GOVERNMENT	10.650	10.630	10.625	10.625	**10.625**
Total Millage Rates	**$35.279**	**$37.344**	**$35.934**	**$36.196**	**$36.401**
Avg. Residential Taxable Property Value	$71,160	$73,440	$74,540	$76,250	**$78,000**
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	$1,149	$1,246	$1,169	$1,223	**$1,251**
Macomb County Government	299	309	314	321	**328**
Macomb Community College	119	124	118	114	**117**
Macomb Intermediate School District	143	219	222	226	**231**
Huron Clinton Metro Authority	16	16	16	16	**17**
S.M.A.R.T.	23	44	45	45	**46**
Property Tax Administration Fee	4	4	4	4	**20**
STERLING HEIGHTS CITY GOVERNMENT	758	781	792	810	**829**
Total Dollars	**$2,510**	**$2,743**	**$2,679**	**$2,760**	**$2,839**

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

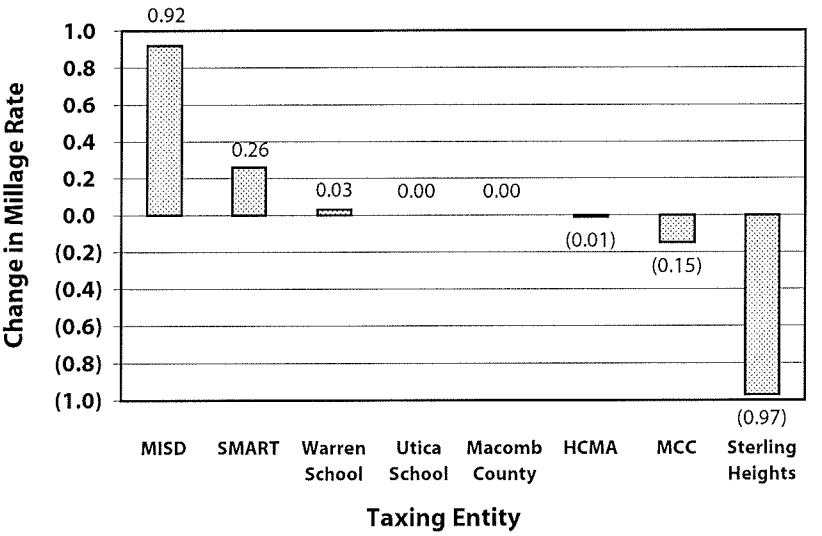
Totals may not foot due to rounding.

City of Sterling Heights
Millage Rates



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

Change in Millage Rates
by Taxing Entity
1997 - 2006

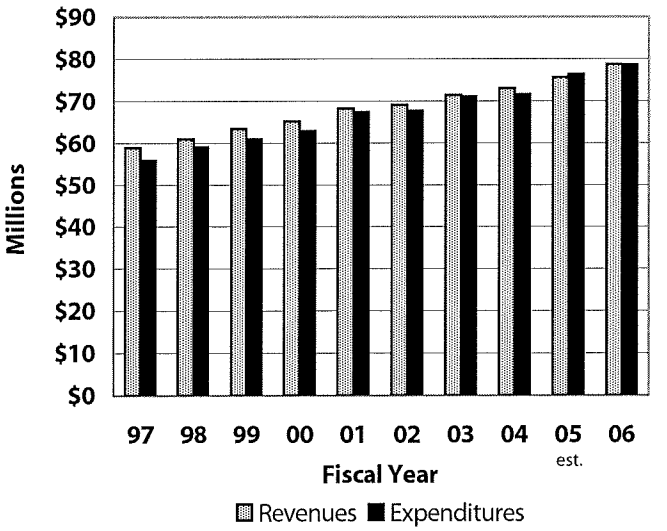


This graph shows the change in property tax rates over the past ten years for each of the government taxing entities to which City residents pay taxes.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

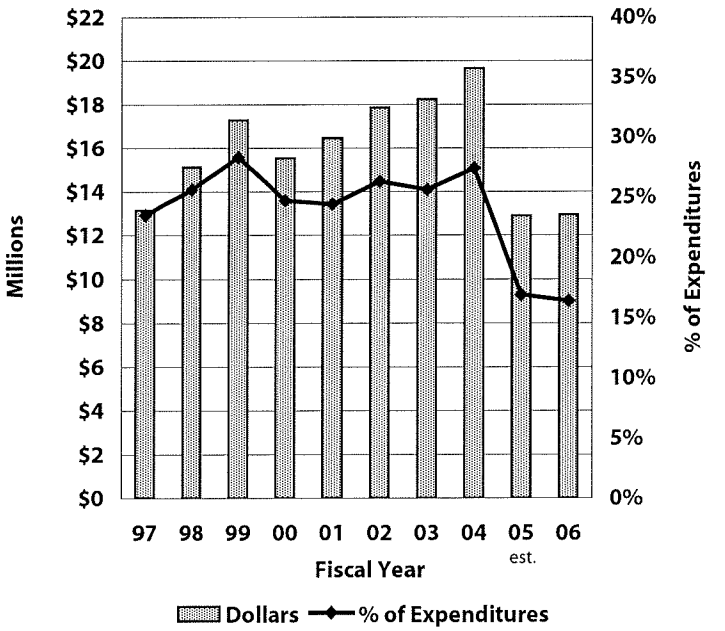
Budgetary Centers	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
REVENUES						
City Operating Taxes	$36,518,390	$37,447,880	$38,526,030	$38,611,000	$43,564,030	**$43,305,830**
Licenses & Permits	2,036,860	2,318,120	2,046,570	2,019,300	2,013,400	**2,013,400**
State and Local Returns	13,365,310	12,510,560	12,294,730	12,252,620	11,571,900	**11,821,900**
Fines & Forfeitures	2,295,660	2,703,160	2,371,750	2,776,600	2,520,100	**2,520,100**
Charges For Services	5,874,790	6,334,720	6,089,620	6,643,700	8,207,830	**8,207,830**
Other Revenue	2,820,370	1,999,410	2,511,240	2,656,090	2,390,480	**2,390,480**
Cable Revenue	1,120,770	1,224,780	1,100,000	1,200,000	1,250,000	**1,250,000**
Refuse Tax	4,640,530	4,861,660	5,219,670	5,245,000	4,091,020	**4,091,020**
Fire & Police Pension Tax	2,747,980	3,545,590	4,204,830	4,204,830	2,993,590	**2,993,590**
Total Revenues	**71,420,660**	**72,945,880**	**74,364,440**	**75,609,140**	**78,602,350**	**78,594,150**
Other Financing Sources						
Transfers In	35,000	87,110	81,360	81,360	97,830	**97,830**
Total Revenues & Sources	**$71,455,660**	**$73,032,990**	**$74,445,800**	**$75,690,500**	**$78,700,180**	**$78,691,980**
EXPENDITURES						
City Administration Department	$6,707,790	$6,956,790	$8,148,760	$7,995,000	$7,896,990	**$7,896,990**
Parks & Recreation Department	2,161,920	2,165,260	2,252,300	2,232,600	2,313,970	**2,313,970**
Police Department	21,839,770	23,076,020	24,603,160	24,703,680	25,027,840	**25,027,840**
Fire Department	12,017,540	12,703,530	13,567,410	13,715,760	13,869,710	**13,869,710**
City Development Department	4,197,220	4,368,400	4,574,600	4,496,030	4,741,220	**4,741,220**
Public Works Department	4,920,640	5,235,490	5,391,940	5,579,970	5,708,060	**5,708,060**
Refuse Collection	4,658,800	4,659,240	5,220,750	5,066,740	4,421,020	**4,421,020**
Public Library Department	2,285,890	2,387,780	2,484,680	2,478,720	2,573,350	**2,573,350**
Community & Info. Services Dept.	2,025,920	2,134,230	2,328,510	2,291,170	2,419,980	**2,419,980**
41-A District Court	2,173,820	2,342,220	2,509,280	2,489,080	2,612,710	**2,612,710**
General Expenditures	2,665,340	2,825,010	2,990,810	3,031,000	2,941,600	**2,941,600**
Total Expenditures	**65,654,650**	**68,853,970**	**74,072,200**	**74,079,750**	**74,526,450**	**74,526,450**
Other Financing Uses						
Transfers Out	5,414,890	2,752,040	2,357,630	2,360,100	4,139,280	**4,127,270**
Total Expenditures & Uses	**$71,069,540**	**$71,606,010**	**$76,429,830**	**$76,439,850**	**$78,665,730**	**$78,653,720**
Extraordinary Items						
Settlement & Bond Costs	0	(25,368,270)	0	(6,000,000)	0	**0**
Proceeds & Bond Premiums	0	25,370,730	0	0	0	**0**
Excess of Revenues Over (Under) Expenditures	**386,120**	**1,429,440**	**(1,984,030)**	**(6,749,350)**	**34,450**	**38,260**
Beginning Fund Balance	**17,835,960**	**18,222,080**	**19,651,520**	**19,651,520**	**12,902,170**	**12,902,170**
Ending Fund Balance	**$18,222,080**	**$19,651,520**	**$17,667,490**	**$12,902,170**	**$12,936,620**	**$12,940,430**

General Fund
Revenues vs. Expenditures



The data presented plots revenues vs. expenditures in the General Fund. This graph excludes one-time extraordinary items.

General Fund
Fund Balance



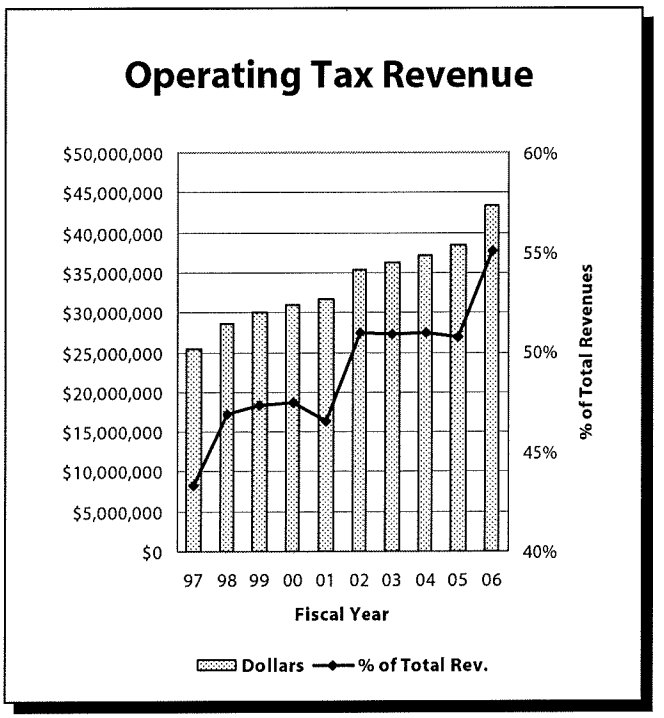
This graph illustrates the cumulative result of excess General Fund revenues over expenditures and total fund balance as a percent of General Fund expenditures. This graph includes the effect of the one-time $6.0 million extraordinary item in 2005.

CITY OPERATING TAXES

The City's major source of revenue is generated by property taxes. 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. If either of these variables increase or decrease, a relative change to the City tax revenue will be experienced.

The City has five individual tax levies – the largest is the Operating Tax. Over the past decade, Operating Tax revenue growth has varied from year to year. In most fiscal years, revenues increased less than 5% based on growth in the assessed value and a fluctuating Operations millage rate. In recent years, due to declining State Revenues, Operating Tax revenue makes up a larger share of the City's total General Fund revenues.

In the 2005/06 Budget, Operating City tax revenue represents 55.0% of total revenue sources, an increase of $4.7 million or 12.2% over the amount estimated to be collected in 2005. The increase is a result of a higher operating tax rate needed to balance the City's budget, and an increase in the City's taxable property values. The City's Taxable Valuation (TV) has increased by 4.3% due to new construction and only a 2.3% valuation adjustment on existing property.



The Operations tax levy for the 2005/06 fiscal year is 8.7550 mills per $1,000 Taxable Value, an increase of 0.6593 mills. The City's total tax rate remains the same at 10.625 mills and continues to be at its lowest level in 32 years. The operating millage rate continues to be below the 12.0 millage rate limit established by City Charter and below the 10.8395 Headlee maximum allowable levy.

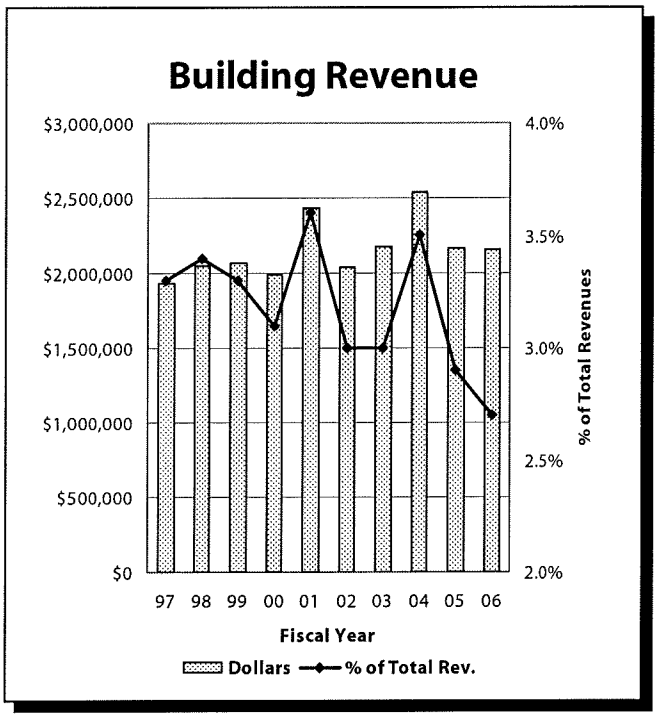
LICENSES AND PERMITS

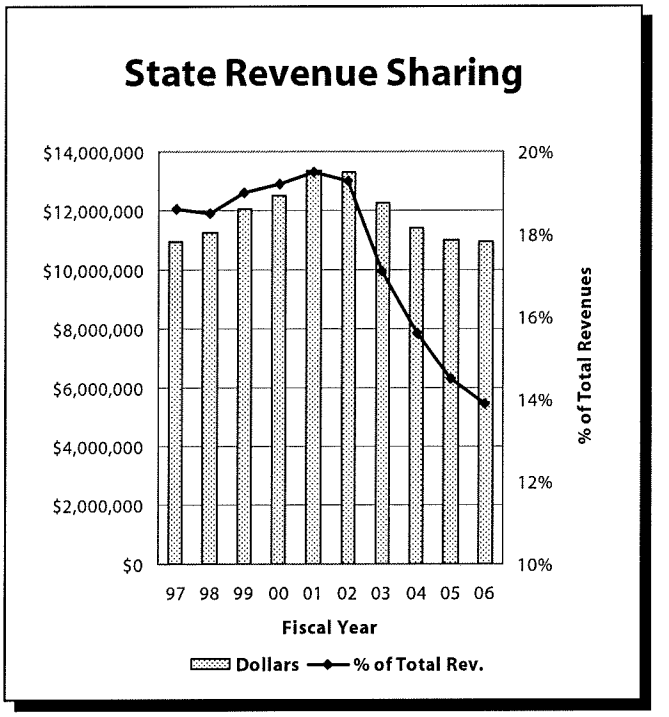
The revenue source of Licenses and Permits represents fees charged by City offices to individuals and businesses that allow for the building of new structures as well as improvements made to existing structures. New structures that require permits include garages, sheds, decks, porches, and buildings. 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. However, Building revenues over the past ten years have decreased as a percent of total City revenues and now stand at their lowest level since 1997.

In the 2005/06 Budget, License and Permit revenues represent 2.6% of total revenue sources, a decrease of $5,900 or 0.3% below what we estimate receiving in 2005. The modest decrease in this revenue is due to a slowing of growth in building related activity in the City, and fewer large developments. There has been no adjustment to the existing building fee schedule for 2006.

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 largest revenue source 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, government type, and taxable values per capita.

Between 1997 and 2001, State Revenue Sharing funds increased 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. As a percent of total City revenues, State Revenue Sharing has fallen from a high of nearly 20% to only 13.9% for 2006.

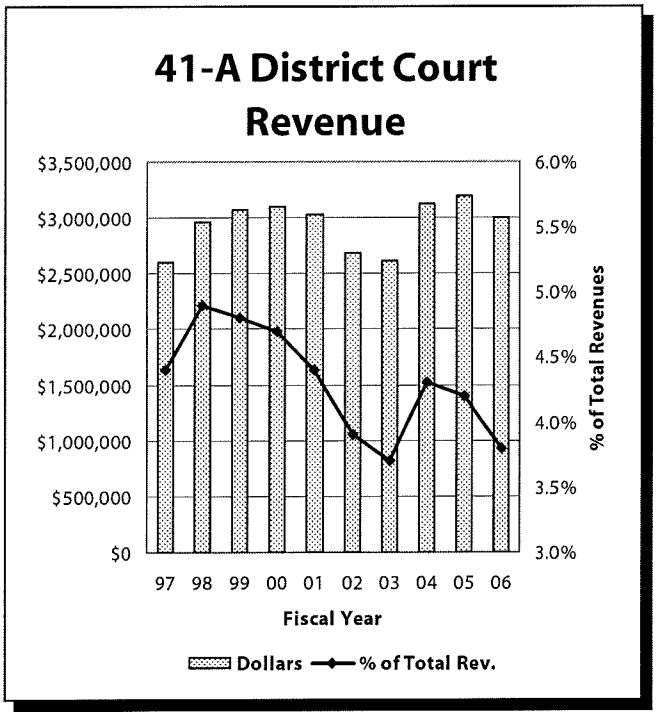
In the 2005/06 Budget, total State & Local Return revenues represent 15.0% of total revenue sources, a decrease of $430,720 or 3.5% below what we estimate receiving in 2005. The decrease is due to a decline in budgeted Emergency Management and Personal Property Tax Audit grants and a $50,000 estimated drop in State Revenue Sharing funds.

FINES & FORFEITURES

Fines & Forfeiture revenues are comprised of payments made by individuals, businesses 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 declining in 2002 and 2003, but increasing recently to levels experienced in the late 1990's. The 41-A District Court updated its fine schedule in 2004. Court revenues have generally declined as a percent of total City revenues after reaching a high of 4.9% in 1998.

In the 2005/06 Budget, Fines & Forfeiture revenues represent 3.2% of total revenue sources, a decrease of $256,500 or 9.2% below what we estimate receiving in 2005. 41-A District Court revenues are



projected to decrease by $192,400 or 6.0% next fiscal year. In addition, the budget for Drug Forfeiture revenues has decreased by $80,000 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 2005/06 Budget, there are no planned General Fund purchases to be financed using long-term debt. The amount budgeted for 2005/06 is a $97,830 transfer from the Community Development Block Grant Fund. $25,000 is to partially reimburse the General Fund for the Special Recreation Handicapped program expenditures in the Parks & Recreation Department. $72,830 is for reimbursement of the CDBG administrative costs.

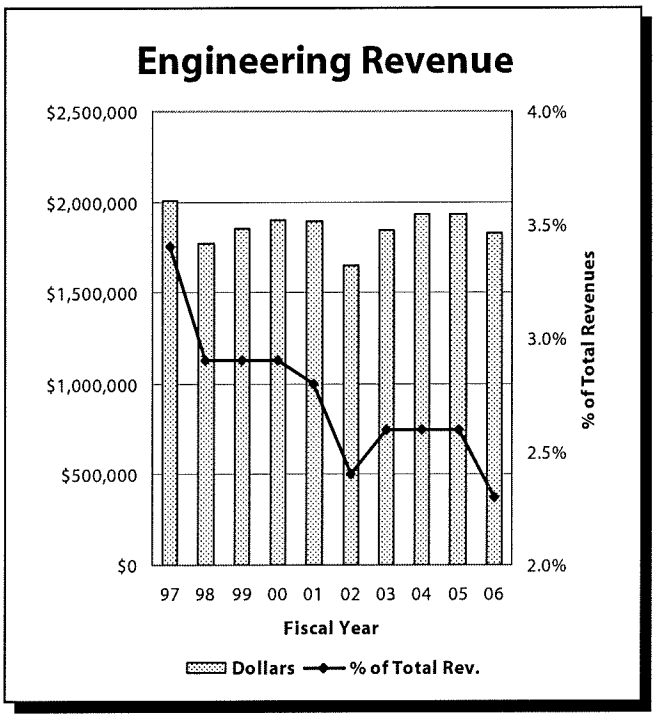
In the 2005/06 Budget, total revenues generated from Other Financing Sources represent 0.1% of total General Fund revenue sources.

CHARGES FOR SERVICES

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

Engineering revenues make up the largest source of Charges for Services revenues. Trends show that Engineering revenues have ranged between $1.6 million and $2.0 million per year for the past ten years. However, as a percent of total General Fund revenues, engineering revenues have steadily decreased from a high of 3.4% in 1997 to a low of 2.3% in 2006.

In the 2005/06 Budget, Charges for Services revenues represent 10.4% of total revenue sources, an increase of $1.6 million or 23.5% above what we estimate receiving in 2005. While Engineering revenues decreased by $110,000, several new



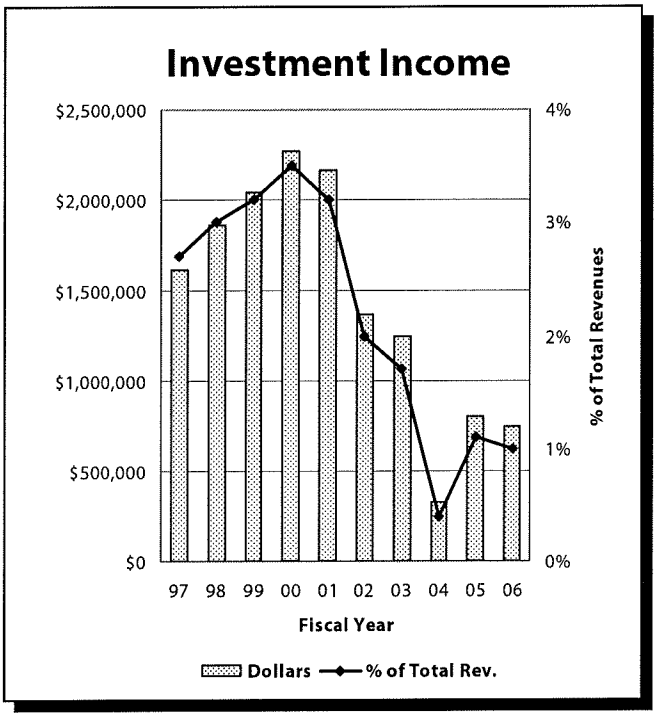
revenue sources will come on line next year. The City will begin collecting school summer taxes resulting in $1 million in new property tax administration fees. $330,000 is budgeted for refuse collection fees from apartments, mobile home parks and school districts if they choose to receive the refuse service. Advanced life support recovery fees paid by insurance companies should result in an additional $250,000. We also expect to recover $150,000 in false police and fire alarm fees.

OTHER REVENUE

Other Revenue includes revenues that cannot be easily classified in another revenue center. Included in this revenue center is Interest on Investments, Rental Income from different sources, Special Assessment revenue, Police Auction revenues, Reimbursements, and OUIL cost recovery fees.

Investment Income rose from 1997 to 2000 as the City's General Fund reserves grew and interest rates remained firm. Since 2000, Interest Income revenues have fallen due to declining interest rates. In 2004, revenues declined due to a one-time $250,000 accounting correction of a prior year entry and as several high paying investments were called. Investment Income had accounted for 3.5% of revenue sources, but has now dropped to around 1% of total General Fund revenues.

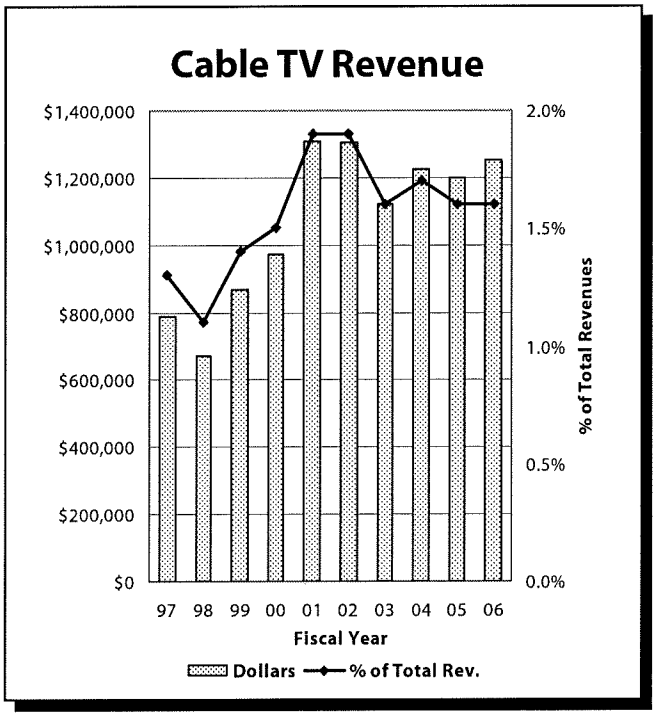
In the 2005/06 Budget, Other Revenues represent 3.0% of total revenue sources, a decrease of $265,610 or 10.0% below what we estimate receiving in 2005. Interest on Investments revenue is estimated to decrease by $50,000 due to declining reserves in 2005. Reimbursement revenue is anticipated to decrease by $85,000 due to the one-time receipt of funds from Detroit to reimburse the City for costs associated with responding to the 15 Mile sinkhole emergency. In addition, road equipment cross-charge revenues have decreased slightly.



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



from 1997 to 2002, 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 are no longer allowed to collect franchise fees on cable modem charges to customers.

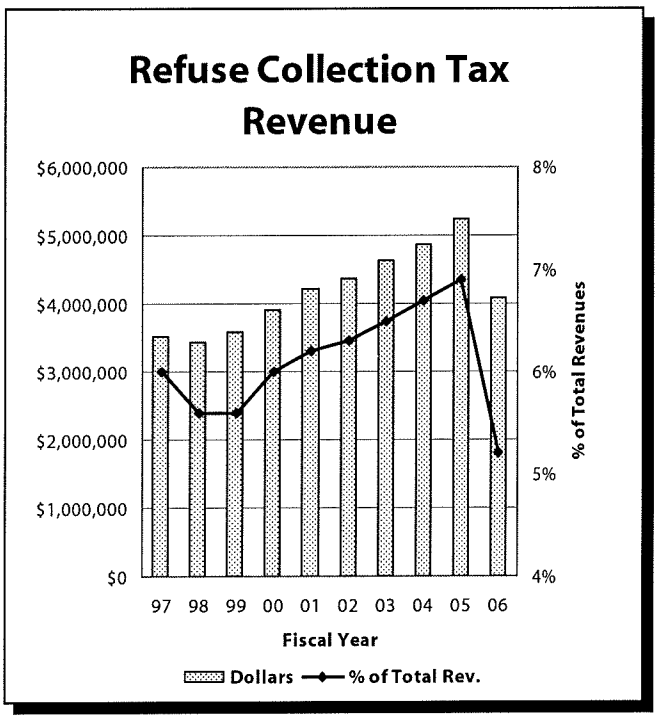
In the 2005/06 Budget, Cable TV Revenues represent 1.6% of total revenue sources, an increase of $50,000 or 4.2% above what we estimate receiving in 2005.

REFUSE TAX

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

Revenues generated by the refuse collection levy are used to pay for the collection, removal, and recycling of all garbage in the City. The refuse collection millage rate is adjusted annually to cover the projected cost of the Refuse activity, less any refuse collection fees paid by apartments, mobile home parks and school districts.

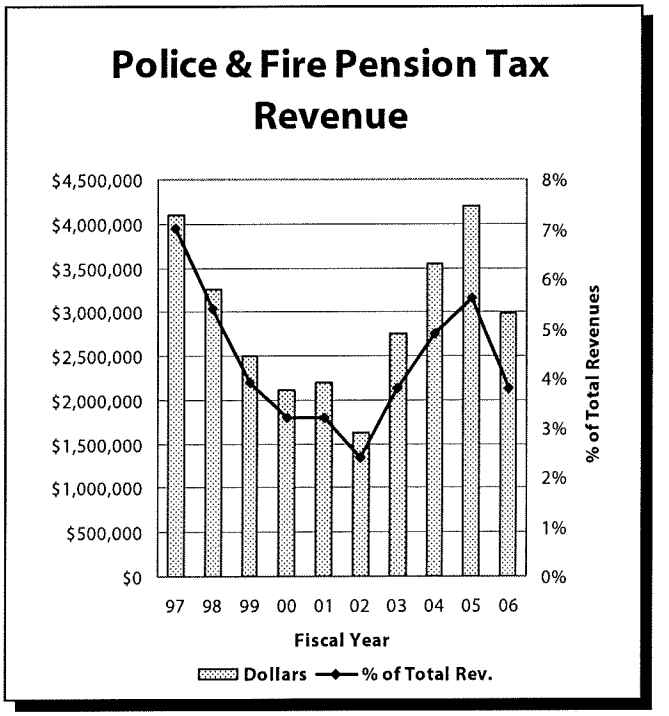
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. Refuse costs rose from 1998 through 2005. In February 2005, the City Council awarded a new five-year refuse contract that was significantly lower than the previous five-year contract. As a result of the cost savings, the Refuse millage rate for the 2005/06 fiscal year has dropped by 0.2748 mills, from 1.1055 mills to 0.8307 mills. This savings has helped the City to balance its budget without having to increase the total millage rate.



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 City's taxable property valuation, an ad-valorem tax levy is calculated. The Police & Fire Tax millage rate is adjusted annually to cover the pension expenditures for which this revenue is restricted.

The revenue decreased from 1997 to 2002 due to

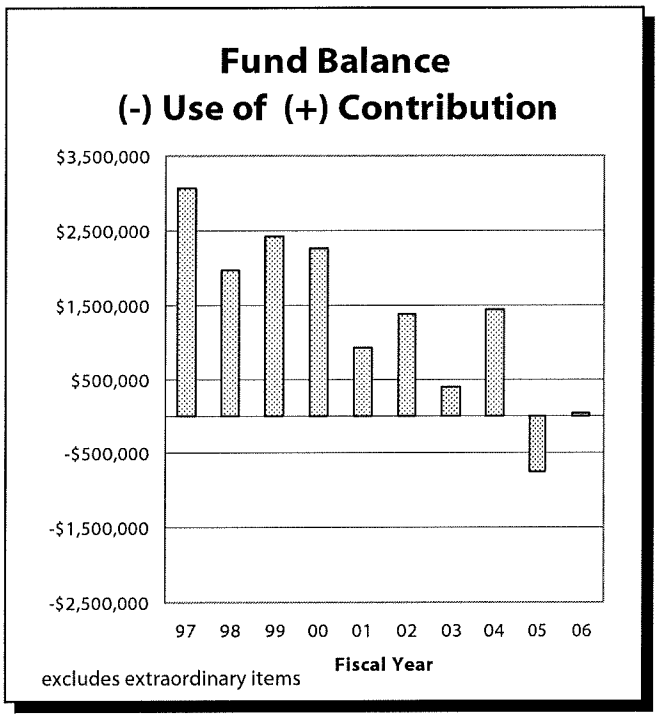


lower required employer pension contributions based on changes in the actuarial assumptions, lower wage increases, employee turnover, and higher market returns on pension plan assets. From 2002 through 2005, our costs rose due to an under-performing stock market. A pension actuarial experience study conducted in late 2004 recommended that the pension board change the assumed investment rate of return from 7.5% to 8.0%, resulting in a decrease in the actuarially determined City contribution rate. As a result, the required pension tax levy has decreased in 2006.

In the 2005/06 Budget, Police & Fire Pension Tax represents 3.8% of total revenue sources, a decrease of $1.2 million or 28.8%. The Police & Fire Pension Tax levy for the 2005/06 fiscal year is 0.6079 mills per $1,000 Taxable Value, a decrease of 0.2826 mills. This savings has helped the City to balance its budget without having to increase the total millage rate.

USE OF FUND BALANCE

A budgeted Use of or Contribution to 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. If revenues exceed expenditures, then a Contribution to Fund Balance exists.



Since 1997, the City contributed to Fund Balance reserves for eight consecutive years. It is estimated that the City will use $750,000 of fund balance reserves for operations in the 2004/05 fiscal year excluding one-time extraordinary items. We will use reserves to make the final Hillside settlement payment until we are reimbursed by insurance proceeds. In the 2005/06 Budget, a $38,260 contribution to fund balance reserves is anticipated.

OTHER CITY TAXES

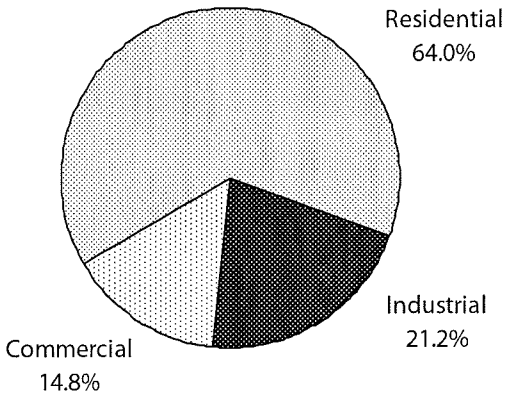
There are also two debt property tax millages levied by the City that are not received in the City's General Fund. They are recorded in the Debt Service Funds.

The Drain millage of 0.2425 is 0.0591 mills less than what was levied in 2004/05. 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 0.1889 mills has decreased by 0.0428 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. Proposal R debt payments will continue through the 2009 fiscal year.

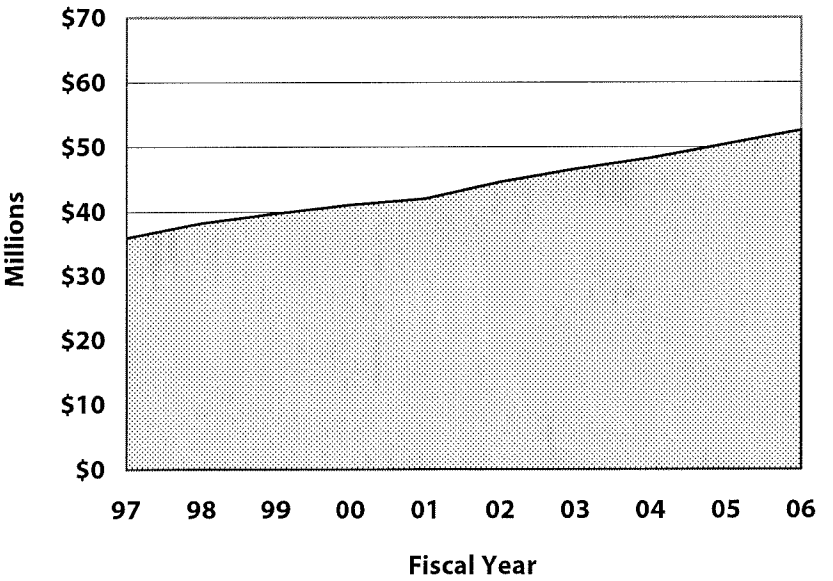
The City is again not levying a millage rate for the 1996 voter approved $2.4 million Proposal N neighborhood street repair program. The City's General Fund will pay for the cost of these improvements without an additional new tax levy.■

City of Sterling Heights
Share of Taxes



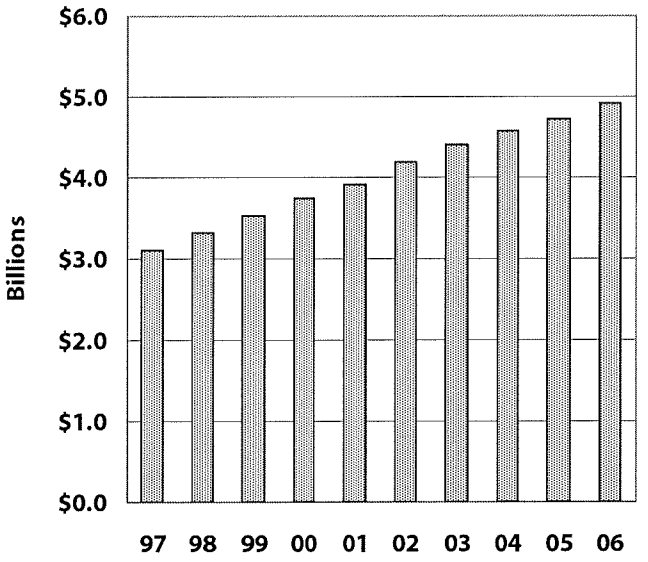
This graph illustrates the assessed value of property in the City as a percent by customer class.

Property Tax Revenues
Total City



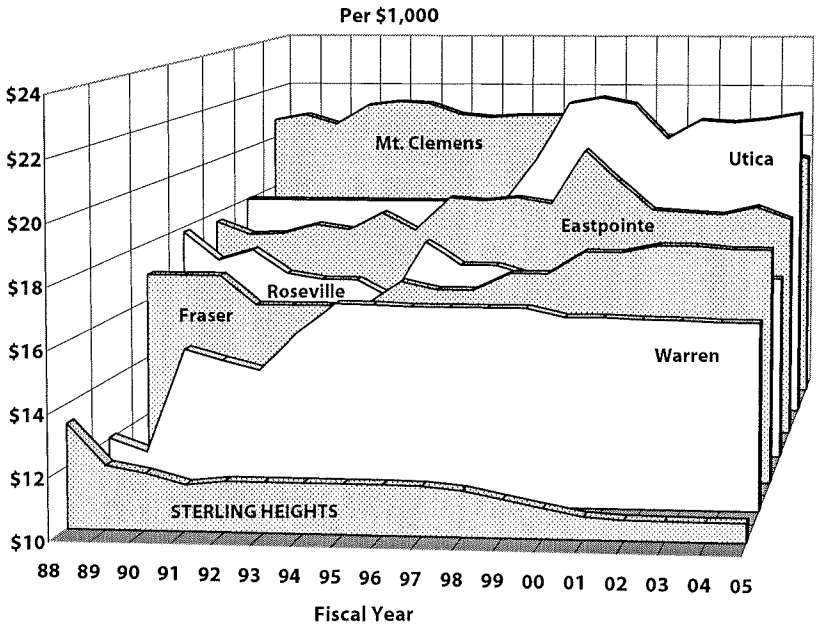
This graph shows revenues collected for City Operations, Refuse, Police & Fire Pension, Proposal R, S & T, and General Drains.

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 18 years.

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	CITY OPERATING TAXES						
404000	City Operating Tax	$37,254,710	37.86	$38,381,030	51.56	**$43,115,830**	**54.79**
415000	Delinquent Personal Property Tax	125,081	0.13	80,000	0.11	**110,000**	**0.14**
445000	Penalties & Interest	68,087	0.07	65,000	0.09	**80,000**	**0.10**
	Total Taxes	**37,447,878**	**38.06**	**38,526,030**	**51.75**	**43,305,830**	**55.03**
	LICENSES & PERMITS						
451000	Business Operating License	7,323	0.01	7,500	0.01	**8,000**	**0.01**
452000	Mobile / Temporary Vendor	5,182	0.01	5,000	0.01	**5,400**	**0.01**
453000	Liquor License	75,888	0.08	67,500	0.09	**75,000**	**0.10**
454000	Vending/Amusement Device Fee	13,630	0.01	17,500	0.02	**15,000**	**0.02**
460000	Refrigeration Registration & Permits	56	0.00	0	0.00	**0**	**0.00**
461000	Electrical Registration & Permits	396,285	0.40	325,000	0.44	**325,000**	**0.41**
462000	Heating Registration & Permits	338,143	0.34	330,000	0.44	**320,000**	**0.41**
463000	Plumbing Registration & Permits	276,129	0.28	300,000	0.40	**290,000**	**0.37**
464000	Sign Registration & Permits	33,505	0.03	30,000	0.04	**35,000**	**0.04**
470000	Building Registration & Permits	1,117,159	1.14	925,000	1.24	**900,000**	**1.14**
471000	Fence Permits	15,723	0.02	8,000	0.01	**8,000**	**0.01**
476000	Miscellaneous Permits	0	0.00	70	0.00	**0**	**0.00**
477000	Fire Suppression Permits	20,408	0.02	13,000	0.02	**13,000**	**0.02**
478000	Animal Permits	18,689	0.02	18,000	0.02	**19,000**	**0.02**
	Total Licenses & Permits	**2,318,120**	**2.36**	**2,046,570**	**2.75**	**2,013,400**	**2.56**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	144,406	0.15	192,940	0.26	**25,000**	**0.03**
529005	Library Grant - LSCA Title 1	367	0.00	0	0.00	**0**	**0.00**
539002	State Grants	6,783	0.01	341,820	0.46	**50,970**	**0.06**
539302	Criminal Justice Training	18,585	0.02	35,000	0.05	**35,000**	**0.04**
539332	Dispatcher Training	7,114	0.01	6,000	0.01	**6,000**	**0.01**
539378	Act 78 Emergency Telephone Service	1,983	0.00	0	0.00	**0**	**0.00**
543426	Emergency Services Assistance	35,490	0.04	36,000	0.05	**36,000**	**0.05**
544000	Drunk Driving Case Flow Assistance	18,389	0.02	20,000	0.03	**16,000**	**0.02**
545000	Drug Case Information Management	758	0.00	800	0.00	**800**	**0.00**
567001	State Aid - Library	108,433	0.11	90,000	0.12	**108,190**	**0.14**
569001	Judges Salary Stand Payments	137,172	0.14	137,170	0.18	**137,170**	**0.17**
574000	State Revenue Sharing	11,405,282	11.59	11,000,000	14.78	**10,950,000**	**13.92**
581001	Municipal Credit Transportation	408,544	0.42	230,000	0.31	**244,770**	**0.31**
583000	Macomb Auto Theft Squad - Grant	77,233	0.08	70,000	0.09	**72,000**	**0.09**
585000	Drug Enforce. Admin - Federal	9,400	0.01	10,000	0.01	**12,000**	**0.02**
587001	County Contrib. - Library Penal Fines	130,618	0.13	125,000	0.17	**128,000**	**0.16**
	Total State & Local Returns	**12,510,557**	**12.71**	**12,294,730**	**16.52**	**11,821,900**	**15.02**
	FINES & FORFEITURES						
656001	Statute Costs	90,526	0.09	0	0.00	**0**	**0.00**
656003	Contempt Court Fines	54,989	0.06	54,000	0.07	**55,000**	**0.07**
656004	Ordinance Fines & Costs	2,010,238	2.04	1,825,000	2.45	**2,000,000**	**2.54**
656005	Municipal Civil Infractions	4,050	0.00	4,000	0.01	**4,000**	**0.01**
657001	Library Fines	56,152	0.06	57,000	0.08	**56,500**	**0.07**

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual		2004-2005 Budget		2005-2006 Budget	
		Dollars	%	Dollars	%	Dollars	%
658001	Bond Forfeitures	131,266	0.13	125,000	0.17	130,000	0.17
658002	Drug Forfeitures	98,450	0.10	56,150	0.08	29,000	0.04
659001	Driver Reinstatement Fee	46,779	0.05	50,000	0.07	40,000	0.05
659002	Default Judgment Fee	205,341	0.21	195,000	0.26	200,000	0.25
659003	Crime Victim Rights Admin. Fee	5,296	0.01	5,500	0.01	5,500	0.01
659004	Forensic Administration Fee	45	0.00	50	0.00	50	0.00
659005	DNA Assessment Fee	25	0.00	50	0.00	50	0.00
	Total Fines & Forfeitures	**2,703,157**	**2.75**	**2,371,750**	**3.19**	**2,520,100**	**3.20**
	OTHER FINANCING SOURCES						
699278	Transfer From CDBG	87,110	0.09	81,360	0.11	97,830	0.12
	Total Other Financing Sources	**87,110**	**0.09**	**81,360**	**0.11**	**97,830**	**0.12**
	CHARGES FOR SERVICES						
603000	Court Filing Fee	116,946	0.12	90,000	0.12	100,000	0.13
603001	Jury Demand Fee	1,768	0.00	2,000	0.00	2,000	0.00
604000	Probation Oversight	201,567	0.20	210,000	0.28	200,000	0.25
605000	Garnishments - Filing Fee	56,766	0.06	50,000	0.07	60,000	0.08
606000	Split/Combination Fee	8,726	0.01	11,000	0.01	10,000	0.01
607000	Fire Permits, Fees, & Inspections	30,024	0.03	30,000	0.04	35,000	0.04
608000	Encroachment/Deviation Fees	1,859	0.00	2,200	0.00	3,000	0.00
609000	Mobile Home Tax	10,194	0.01	10,000	0.01	10,000	0.01
610000	Vital Statistics	27,762	0.03	25,000	0.03	30,000	0.04
611000	Attorney Fee Reimbursement	12,504	0.01	8,000	0.01	12,000	0.02
612000	Alcohol Assessment Fee	30,885	0.03	30,000	0.04	31,000	0.04
626000	Services - PTAF	374,920	0.38	381,000	0.51	1,430,000	1.82
627000	Water & Sewer Activity	838,720	0.85	916,350	1.23	958,590	1.22
627275	HAP Administrative Fee	11,490	0.01	13,300	0.02	11,600	0.01
627444	Administrative Services - Roads	214,741	0.22	215,000	0.29	227,000	0.29
627556	Admin Services-Water Distribution	204,510	0.21	240,810	0.32	328,380	0.42
627574	Admin Services-W&S Improv. Fund	31,619	0.03	25,000	0.03	29,500	0.04
627677	Administrative Services-Self Insurance	190,424	0.19	203,640	0.27	206,010	0.26
627732	Administrative Services-P&F Pension	4,788	0.00	5,200	0.01	5,350	0.01
628001	Voter Lists	644	0.00	1,500	0.00	600	0.00
629001	Labor Services - Roads	789,488	0.80	750,000	1.01	800,000	1.02
629002	Labor Services - Cross Charges	18,277	0.02	15,000	0.02	20,000	0.03
629003	Labor Services - Fleet Maintenance	66,206	0.07	75,000	0.10	75,000	0.10
631001	Police Service/Schools	20,672	0.02	25,000	0.03	24,000	0.03
632001	Inspection Services-Projects-Other	679,296	0.69	525,000	0.71	550,000	0.70
632002	Inspection Services-City Projects	408,894	0.42	500,000	0.67	460,000	0.58
632003	Engineering Review Fee	178,617	0.18	180,000	0.24	170,000	0.22
632004	Engineering & Design - Project	583,209	0.59	475,000	0.64	575,000	0.73
632005	Building Number Assignments	6,709	0.01	5,000	0.01	4,000	0.01
632006	SESC Review Fee	48,526	0.05	38,000	0.05	35,000	0.04
632007	SESC Inspection Fee	11,232	0.01	10,000	0.01	12,000	0.02
632008	Easement Vacation	1,345	0.00	520	0.00	1,500	0.00
632009	ROW Permit Fees	17,143	0.02	17,000	0.02	17,000	0.02

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

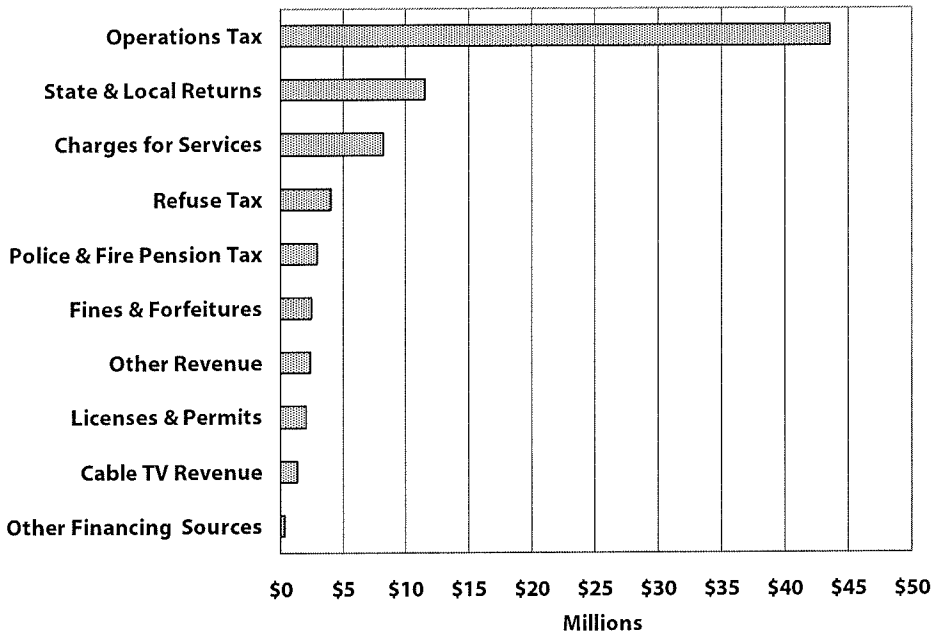
Account Number	Account Name	2003-2004 Actual		2004-2005 Budget		2005-2006 Budget	
		Dollars	%	Dollars	%	Dollars	%
634001	Materials/Supplies - Cross Charges	0	0.00	100	0.00	0	0.00
634003	Supplies & Gasoline Revenue	42,341	0.04	32,000	0.04	45,000	0.06
634004	Parts-Vehicle Maintenance	58,635	0.06	50,000	0.07	50,000	0.06
635535	Refuse Collection Fees	0	0.00	0	0.00	330,000	0.42
636000	Plan Review Fee	67,918	0.07	65,000	0.09	68,000	0.09
636001	Building Department Plan Review	329,519	0.33	250,000	0.34	250,000	0.32
637001	Copies & Forms	15,883	0.02	20,000	0.03	16,000	0.02
637002	Maps	2,490	0.00	2,500	0.00	2,500	0.00
637003	Police Reports	67,621	0.07	68,000	0.09	69,000	0.09
637004	Advanced Life Support (ALS) Fees	0	0.00	0	0.00	250,000	0.32
637005	Fire Reports	792	0.00	800	0.00	800	0.00
637006	PBT User Fee	1,358	0.00	6,000	0.01	4,500	0.01
637007	False Alarm Fees	0	0.00	0	0.00	150,000	0.19
638000	Application Fees	13,615	0.01	8,000	0.01	12,000	0.02
639001	Parks & Recreation Fees	403,596	0.41	390,000	0.52	410,000	0.52
639253	Treasury Transfer & Late Fees	6,697	0.01	0	0.00	5,000	0.01
640001	5% Cash Deposit	7,620	0.01	7,000	0.01	7,500	0.01
640002	Weed Cutting	100,318	0.10	85,000	0.11	85,000	0.11
640003	Board of Zoning Appeals Fees	9,900	0.01	14,000	0.02	10,000	0.01
640005	Ordinance Board of Appeals Fees	5,950	0.01	5,700	0.01	9,000	0.01
	Total Charges for Services	**6,334,724**	**6.44**	**6,089,620**	**8.18**	**8,207,830**	**10.43**
	OTHER REVENUE						
656006	Interpreter Fees	9,449	0.01	5,000	0.01	10,000	0.01
665000	Interest on Investments	331,325	0.34	1,000,000	1.34	750,000	0.95
665010	Contra - Interest on Investment	(5,741)	-0.01	0	0.00	0	0.00
667002	Rental Income - Utica Road	48,600	0.05	51,000	0.07	54,060	0.07
667003	Rental Income - DPS	128,520	0.13	121,320	0.16	126,900	0.16
667005	Rental - DPW - Impound Lot	30,750	0.03	30,000	0.04	33,000	0.04
667007	Rental - Universal Ambulance	2,880	0.00	2,880	0.00	2,880	0.00
667009	Rental - Towers	121,000	0.12	121,000	0.16	130,000	0.17
669001	Rental - Road Equipment	941,613	0.96	825,000	1.11	900,000	1.14
669002	Rental - Equipment - Cross Charges	25,433	0.03	20,000	0.03	25,000	0.03
672000	Special Assessment Revenue	9,371	0.01	2,140	0.00	2,140	0.00
673000	Sale of Fixed Assets	500	0.00	500	0.00	500	0.00
675000	Contributions & Donations	8,936	0.01	12,500	0.02	10,000	0.01
675001	Donations - Parks & Recreation	3,592	0.00	5,000	0.01	5,000	0.01
675002	Donations - Fire Department	0	0.00	100	0.00	0	0.00
675003	Art Fair Revenue	18,660	0.02	20,000	0.03	0	0.00
675290	Dare Donations - Police	10,000	0.01	10,000	0.01	10,000	0.01
676000	Reimbursements	29,852	0.03	85,000	0.11	90,000	0.11
676001	Reimbursements - Legal	33,593	0.03	15,000	0.02	25,000	0.03
679000	Police Auction	111,858	0.11	75,000	0.10	90,000	0.11
685000	Miscellaneous Revenue	52,055	0.05	30,000	0.04	45,000	0.06
685792	Miscellaneous Revenue - Library	5,643	0.01	4,800	0.01	6,000	0.01
687000	Refunds & Rebates	4,288	0.00	0	0.00	0	0.00
690000	O.U.I.L. Recovery	57,920	0.06	60,000	0.08	60,000	0.08

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
690002	Warrant Arrest Processing Fee	4,820	0.00	5,000	0.01	**5,000**	**0.01**
695000	Insurance Recovery	14,490	0.01	10,000	0.01	**10,000**	**0.01**
	Total Other Revenue	**1,999,407**	**2.03**	**2,511,240**	**3.37**	**2,390,480**	**3.04**
680000	Cable TV Revenue	1,224,778	1.24	1,100,000	1.48	**1,250,000**	**1.59**
450000	City Refuse Tax	4,861,662	4.94	5,219,670	7.01	**4,091,020**	**5.20**
460000	P&F Pension Tax	3,545,592	3.60	4,204,830	5.65	**2,993,590**	**3.80**
	Total Revenue & Sources	**73,032,985**	**74.22**	**74,445,800**	**100.00**	**78,691,980**	**100.00**
	EXTRAORDINARY ITEMS						
698000	Proceeds - Long Term Debt	24,395,000	24.79	0	0.00	**0**	**0.00**
698001	Bond Premiums	975,734	0.99	0	0.00	**0**	**0.00**
	Total Extraordinary Items	**25,370,734**	**25.78**	**0**	**0.00**	**0**	**0.00**
	Total General Fund Revenue	**$98,403,719**	**100.00**	**$74,445,800**	**100.00**	**$78,691,980**	**100.00**

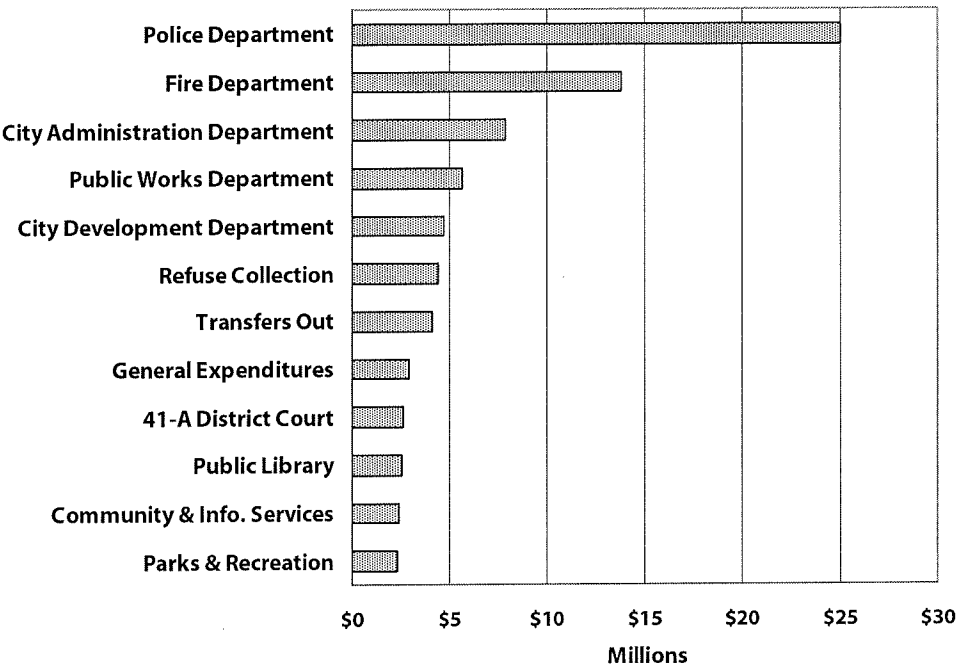
Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted in 2005/06 for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted in 2005/06 for each budgetary center.

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
LEGISLATIVE					
1. City Council	1010	$120,680	$126,890	**$134,290**	5.8%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	730,470	760,420	**802,400**	5.5%
2. City Clerk	2160	807,950	960,830	**954,950**	-0.6%
3. Emergency Management	2130	190,070	249,880	**110,780**	-55.7%
4. Facilities Maintenance	2650	1,303,160	1,378,890	**1,564,210**	13.4%
5. Assessing	2090	717,560	1,334,920	**813,050**	-39.1%
6. Financial Services	2010	1,025,590	1,085,840	**1,132,600**	4.3%
7. Purchasing	2330	297,190	313,860	**323,960**	3.2%
8. Treasury	2530	646,070	677,970	**714,450**	5.4%
9. Act 78 - Civil Service Commission	2200	26,190	12,440	**27,060**	117.5%
10. Building Authority	2610	510	400	**400**	0.0%
11. General Employees Pension Board	2390	514,610	580,420	**638,840**	10.1%
12. Legal	2100	576,740	666,000	**680,000**	2.1%
Total City Administration Department		**6,956,790**	**8,148,760**	**7,896,990**	**-3.1%**
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	2,165,260	2,252,300	**2,313,970**	2.7%
Total Parks & Recreation Department		**2,165,260**	**2,252,300**	**2,313,970**	**2.7%**
POLICE DEPARTMENT					
1. Office of the Police Chief	3050	2,484,860	4,070,260	**4,253,510**	4.5%
2. Police Enforcement Services	3150	16,051,110	14,597,740	**14,477,610**	-0.8%
3. Police Investigative Services	3100	1,783,260	3,026,730	**3,242,750**	7.1%
4. Police Support Services	3260	2,756,790	2,908,430	**3,053,970**	5.0%
Total Police Department		**23,076,020**	**24,603,160**	**25,027,840**	**1.7%**
FIRE DEPARTMENT					
1. Fire Administration	3370	1,053,610	1,075,710	**1,103,300**	2.6%
2. Fire Extinguishment	3390	10,759,740	11,522,910	**11,786,750**	2.3%
3. Fire Prevention	3410	890,180	968,790	**979,660**	1.1%
Total Fire Department		**12,703,530**	**13,567,410**	**13,869,710**	**2.2%**
CITY DEVELOPMENT DEPARTMENT					
1. City Development Administration	4160	334,110	397,920	**423,640**	6.5%
2. Building	4120	1,396,070	1,916,580	**2,005,110**	4.6%
3. Engineering	4470	1,793,290	1,898,490	**1,938,460**	2.1%
4. Planning	4020	822,880	336,860	**350,390**	4.0%
5. Planning Commission	4030	12,930	15,240	**14,320**	-6.0%
6. Zoning Board of Appeals	4130	9,120	9,510	**9,300**	-2.2%
Total City Development Department		**4,368,400**	**4,574,600**	**4,741,220**	**3.6%**

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
PUBLIC WORKS DEPARTMENT					
1. Fleet Maintenance	5530	1,880,350	2,001,980	**2,095,930**	4.7%
2. Parks & Ground Maintenance	7700	1,256,910	1,219,240	**1,290,540**	5.8%
3. Public Works Center	4420	458,060	457,590	**481,290**	5.2%
4. Street Services	4440	1,640,170	1,713,130	**1,840,300**	7.4%
Total Public Works Department		**5,235,490**	**5,391,940**	**5,708,060**	**5.9%**
REFUSE COLLECTION					
1. Refuse Collection	5350	4,659,240	5,220,750	**4,421,020**	-15.3%
Total Refuse Collection		**4,659,240**	**5,220,750**	**4,421,020**	**-15.3%**
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,386,450	2,483,260	**2,571,930**	3.6%
2. Historical Commission	8030	1,330	1,420	**1,420**	0.0%
Total Public Library Department		**2,387,780**	**2,484,680**	**2,573,350**	**3.6%**
COMMUNITY & INFORMATION SERVICES DEPARTMENT					
1. Community Relations	2920	1,244,000	1,400,740	**1,473,930**	5.2%
2. Information Technology	2580	868,970	906,480	**938,360**	3.5%
3. Beautification Commission	8060	3,130	2,690	**2,640**	-1.9%
4. Cultural Commission	7930	14,100	13,850	**350**	-97.5%
5. Telecommunications Commission	2910	4,030	4,750	**4,700**	-1.1%
Total Community & Information Services Dept.		**2,134,230**	**2,328,510**	**2,419,980**	**3.9%**
41-A DISTRICT COURT	1360	2,342,220	2,509,280	**2,612,710**	4.1%
GENERAL EXPENDITURES	8950	2,825,010	2,990,810	**2,941,600**	-1.6%
TRANSFERS OUT	9660	2,752,040	2,357,630	**4,127,270**	75.1%
Total Expenditures & Uses		**71,606,010**	**76,429,830**	**78,653,720**	**2.9%**
EXTRAORDINARY ITEMS	8950	25,368,270	0	**0**	0.0%
Total General Fund Expenditures		**$96,974,280**	**$76,429,830**	**$78,653,720**	**2.9%**

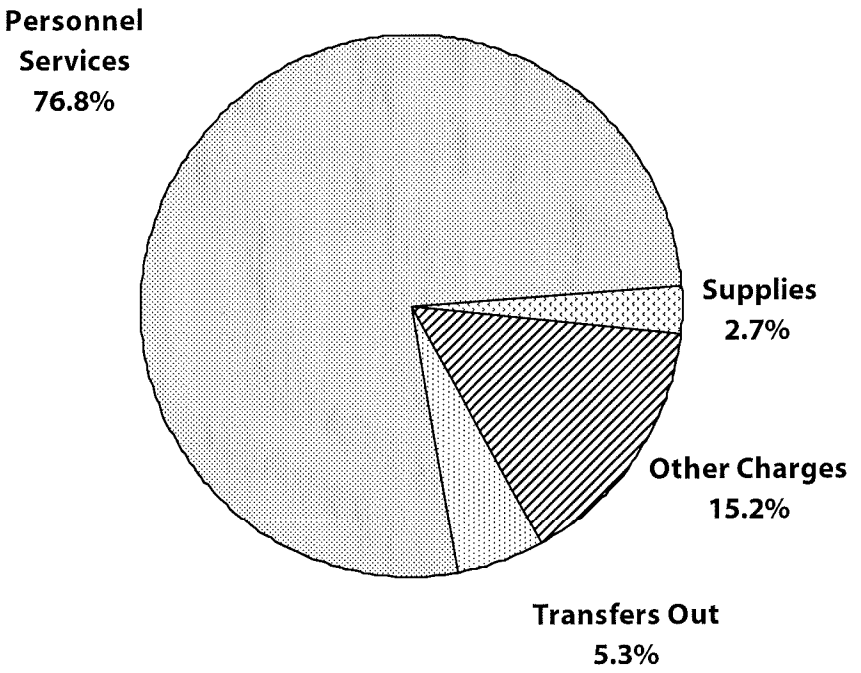
GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY OBJECT

Budgetary Center	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget
CITY ADMINISTRATION DEPARTMENT					
Personnel Services	$4,369,770	$4,902,964	$4,998,323	$5,374,120	**$5,587,470**
Supplies	241,583	205,568	301,700	215,690	**236,240**
Other Charges	1,712,763	1,599,259	1,656,771	2,558,950	**2,073,280**
Total	**6,324,116**	**6,707,791**	**6,956,794**	**8,148,760**	**7,896,990**
PARKS & RECREATION DEPARTMENT					
Personnel Services	1,465,413	1,585,998	1,638,123	1,710,220	**1,824,060**
Supplies	146,999	137,403	116,588	141,440	**128,600**
Other Charges	417,860	438,518	410,545	400,640	**361,310**
Total	**2,030,272**	**2,161,919**	**2,165,256**	**2,252,300**	**2,313,970**
POLICE DEPARTMENT					
Personnel Services	18,111,017	20,936,660	22,226,902	23,761,970	**24,232,790**
Supplies	154,802	205,569	149,041	166,780	**159,700**
Other Charges	667,817	697,540	700,081	674,410	**635,350**
Total	**18,933,636**	**21,839,769**	**23,076,024**	**24,603,160**	**25,027,840**
FIRE DEPARTMENT					
Personnel Services	9,493,357	11,367,529	12,066,629	12,914,520	**13,228,300**
Supplies	175,152	173,823	172,555	178,460	**171,100**
Other Charges	479,582	476,191	464,348	474,430	**470,310**
Total	**10,148,091**	**12,017,543**	**12,703,532**	**13,567,410**	**13,869,710**
CITY DEVELOPMENT DEPARTMENT					
Personnel Services	3,654,628	4,059,767	4,211,800	4,438,480	**4,615,370**
Supplies	33,714	34,855	31,341	30,890	**28,120**
Other Charges	105,390	102,594	125,256	105,230	**97,730**
Total	**3,793,732**	**4,197,216**	**4,368,397**	**4,574,600**	**4,741,220**
PUBLIC WORKS DEPARTMENT					
Personnel Services	3,422,672	3,575,164	3,885,527	4,057,700	**4,282,230**
Supplies	970,796	924,921	937,585	953,920	**1,009,730**
Other Charges	411,164	420,560	412,375	380,320	**416,100**
Total	**4,804,632**	**4,920,645**	**5,235,487**	**5,391,940**	**5,708,060**
REFUSE					
Personnel Services	83,543	100,509	123,747	105,760	**127,730**
Supplies	0	60	271	310	**300**
Other Charges	4,289,674	4,558,232	4,535,221	5,114,680	**4,292,990**
Total	**4,373,217**	**4,658,801**	**4,659,239**	**5,220,750**	**4,421,020**

GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY OBJECT

Budgetary Center	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget
PUBLIC LIBRARY DEPARTMENT					
Personnel Services	1,632,858	1,739,388	1,848,854	1,960,580	**2,033,000**
Supplies	270,063	264,191	249,454	242,480	**253,810**
Other Charges	267,228	282,311	289,471	281,620	**286,540**
Total	**2,170,149**	**2,285,890**	**2,387,779**	**2,484,680**	**2,573,350**
COMM. & INFO. SERVICES DEPARTMENT					
Personnel Services	1,486,961	1,652,342	1,756,105	1,866,520	**1,966,350**
Supplies	70,878	62,115	61,569	61,190	**60,600**
Other Charges	319,771	311,458	316,558	400,800	**393,030**
Total	**1,877,610**	**2,025,915**	**2,134,232**	**2,328,510**	**2,419,980**
41-A DISTRICT COURT					
Personnel Services	1,921,238	1,966,376	2,123,844	2,299,880	**2,393,200**
Supplies	36,932	32,739	39,170	36,500	**36,500**
Other Charges	155,117	174,702	179,206	172,900	**183,010**
Total	**2,113,287**	**2,173,817**	**2,342,220**	**2,509,280**	**2,612,710**
GENERAL EXPENDITURES					
Personnel Services	58,794	75,702	85,928	89,700	**103,750**
Supplies	51,684	52,786	147,867	69,000	**64,300**
Other Charges	2,417,109	2,536,852	2,591,215	2,832,110	**2,773,550**
Total	**2,527,587**	**2,665,340**	**2,825,010**	**2,990,810**	**2,941,600**
TRANSFERS OUT					
Transfers Out	8,652,420	5,414,890	2,752,040	2,357,630	**4,127,270**
TOTAL EXPENDITURES BY OBJECT					
Personnel Services	45,700,251	51,962,399	54,965,782	58,579,450	**60,394,250**
Supplies	2,152,603	2,094,030	2,207,141	2,096,660	**2,149,000**
Other Charges	11,243,475	11,598,217	11,681,047	13,396,090	**11,983,200**
Transfers Out	8,652,420	5,414,890	2,752,040	2,357,630	**4,127,270**
Total Expenditures & Uses	**67,748,749**	**71,069,536**	**71,606,010**	**76,429,830**	**78,653,720**
Extraordinary Items	0	0	25,368,271	$0	**$0**
Total General Fund	**$67,748,749**	**$71,069,536**	**$96,974,281**	**$76,429,830**	**$78,653,720**

2005/06 General Fund Expenditures by Expenditure Object



Total General Fund Budget of $78,653,720

This graph illustrates expenditures by object as a percent of the General Fund. Personnel Services, for example, comprises 76.8% of the total General Fund expenditures for 2005/06.

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	$115,706	0.12	$115,280	0.15	**$120,450**	**0.15**
704000	Wages & Salaries-Permanent	31,522,436	32.51	32,734,700	42.83	**34,000,290**	**43.23**
704001	Sick Time Buy Back	310,276	0.32	184,700	0.24	**275,350**	**0.35**
704721	Health Insurance Allowance	51,625	0.05	52,000	0.07	**50,000**	**0.06**
705000	Wages-Salaries - Temp/Part Time	1,262,261	1.30	1,238,320	1.62	**1,318,110**	**1.68**
706000	Wages-Salaries - Occasional	38,900	0.04	121,600	0.16	**88,810**	**0.11**
708000	Overtime	2,768,554	2.85	2,545,260	3.33	**2,744,590**	**3.49**
708001	Compensatory Time Buy Back	1,531,892	1.58	1,495,320	1.96	**1,491,260**	**1.90**
708795	Overtime - F.L.S.A.	28,166	0.03	50,000	0.07	**35,000**	**0.04**
709000	Union Contract Reimbursement	284,707	0.29	279,400	0.37	**267,950**	**0.34**
710000	Longevity	1,208,990	1.25	1,270,800	1.66	**1,380,510**	**1.76**
711000	Holiday Pay	875,593	0.90	915,120	1.20	**948,700**	**1.21**
713500	Car Allowance	2,124	0.00	2,800	0.00	**1,800**	**0.00**
714000	Food Allowance	107,500	0.11	108,000	0.14	**108,000**	**0.14**
715000	Clothing Allowance	368,535	0.38	356,450	0.47	**357,450**	**0.45**
717000	FICA	1,612,456	1.66	1,682,350	2.20	**1,753,970**	**2.23**
718000	Worker's Compensation	300,183	0.31	300,010	0.39	**313,700**	**0.40**
719000	Unemployment Compensation	23,336	0.02	21,000	0.03	**23,900**	**0.03**
720000	Pension - General Employees Retire.	3,646	0.00	0	0.00	**0**	**0.00**
720001	Pension - Police and Fire Retirement	3,545,592	3.66	4,204,830	5.50	**2,993,590**	**3.81**
720002	Defined Contribution - Employer	230,994	0.24	251,820	0.33	**268,500**	**0.34**
721000	Hospitalization	5,217,974	5.38	5,991,440	7.84	**6,453,060**	**8.20**
721001	Hospitalization - Retirees	2,516,250	2.59	3,601,970	4.71	**4,282,210**	**5.44**
722000	Dental Insurance	511,209	0.53	492,010	0.64	**548,950**	**0.70**
722002	Retiree Dental Insurance	58,527	0.06	64,500	0.08	**75,500**	**0.10**
723000	Life Insurance	95,248	0.10	99,810	0.13	**101,770**	**0.13**
724000	Eye Care Insurance	80,926	0.08	94,440	0.12	**74,550**	**0.09**
725000	Disability Insurance - Long Term	107,229	0.11	112,600	0.15	**116,510**	**0.15**
725355	Disability Insurance - Short Term	184,947	0.19	192,920	0.25	**199,770**	**0.25**
	Total Personnel Services	**54,965,782**	**56.68**	**58,579,450**	**76.64**	**60,394,250**	**76.78**
	SUPPLIES						
729000	Postage	258,005	0.27	262,560	0.34	**262,420**	**0.33**
730000	Publications	40,230	0.04	40,980	0.05	**37,940**	**0.05**
741000	Ammunition	8,870	0.01	9,320	0.01	**10,000**	**0.01**
741302	Ammunition - Act 302 Grant	0	0.00	4,000	0.01	**5,000**	**0.01**
742000	Dog Care Supplies	1,910	0.00	1,500	0.00	**1,500**	**0.00**
743000	Prisoners Board	7,105	0.01	7,500	0.01	**7,500**	**0.01**
750000	Fuels & Lubricants	347,235	0.36	315,000	0.41	**380,000**	**0.48**
750001	Fuel & Lube Inventory	9,227	0.01	10,000	0.01	**10,000**	**0.01**
751000	Operating Supplies	650,402	0.67	571,350	0.75	**575,090**	**0.73**
751001	Operating Supplies - Federal Funds	83,961	0.09	0	0.00	**0**	**0.00**
751290	Supplies - D.A.R.E.	14,492	0.01	14,500	0.02	**14,500**	**0.02**
758000	Computer Software	1,332	0.00	1,300	0.00	**1,300**	**0.00**
759000	Parts & Sublet Services	472,809	0.49	532,610	0.70	**520,000**	**0.66**
760000	Playground & Athletic Supplies	6,071	0.01	5,420	0.01	**5,000**	**0.01**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

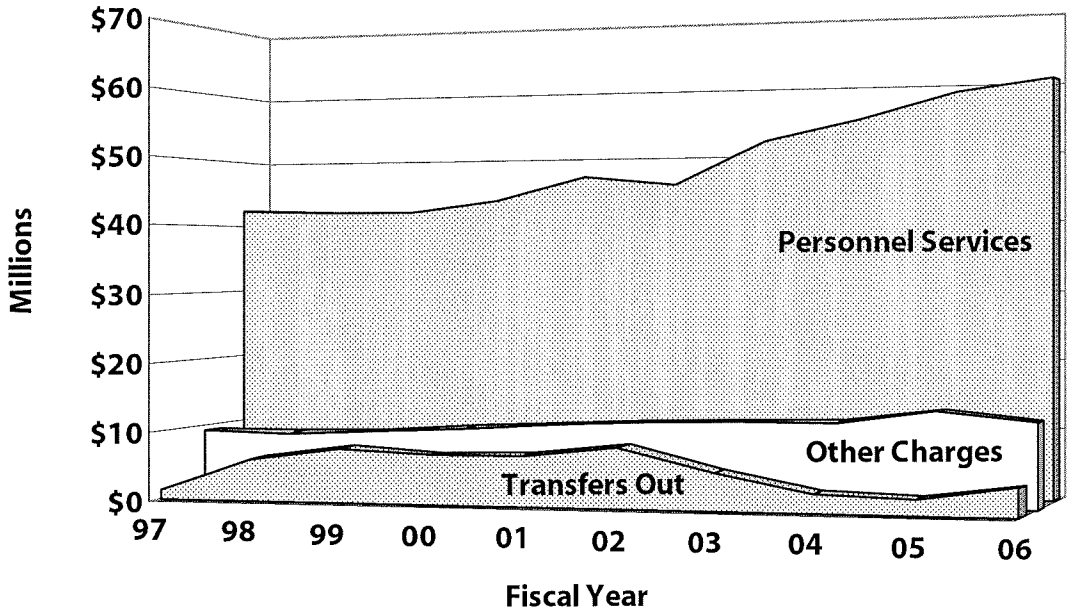
Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
761000	Program Activity Supplies	40,140	0.04	45,740	0.06	**45,000**	**0.06**
762000	Seniors Program Supplies	45,404	0.05	62,000	0.08	**50,000**	**0.06**
769000	Audio Visual Media	17,485	0.02	26,500	0.03	**32,000**	**0.04**
783000	Seeding & Planting Supplies	12,213	0.01	9,750	0.01	**9,750**	**0.01**
785000	Books	190,250	0.20	176,630	0.23	**182,000**	**0.23**
	Total Supplies	**2,207,141**	**2.28**	**2,096,660**	**2.74**	**2,149,000**	**2.73**
	OTHER CHARGES						
802000	Audit & Accounting Services	70,440	0.07	71,850	0.09	**65,850**	**0.08**
803000	Computer Consultant Services	67,215	0.07	77,600	0.10	**73,840**	**0.09**
806000	Legal Services - Other	47,022	0.05	54,670	0.07	**48,670**	**0.06**
806001	Legal Services - City Attorney	548,447	0.57	634,000	0.83	**652,000**	**0.83**
807000	Medical Services	28,700	0.03	38,540	0.05	**36,610**	**0.05**
808000	Reporting Services	18,888	0.02	20,550	0.03	**19,400**	**0.02**
810000	Other Fees	21,507	0.02	17,210	0.02	**32,380**	**0.04**
820000	Tree/Weed Cutting	39,246	0.04	55,000	0.07	**50,000**	**0.06**
821000	Spraying Services	31,840	0.03	34,000	0.04	**34,000**	**0.04**
822000	Rubbish Removal	4,450,667	4.59	5,026,580	6.58	**4,202,690**	**5.34**
825000	Animal Collection	26,582	0.03	15,000	0.02	**18,000**	**0.02**
826000	Other Contracted Services	1,214,792	1.25	1,918,990	2.51	**1,269,620**	**1.61**
827000	Interfund Services	80,000	0.08	84,000	0.11	**88,200**	**0.11**
828000	Auction Expenditures	55,074	0.06	50,000	0.07	**52,000**	**0.07**
829000	Hazardous Waste Disposal	2,132	0.00	2,500	0.00	**2,200**	**0.00**
830000	Recruiting Costs	9,392	0.01	0	0.00	**0**	**0.00**
832000	Building Maintenance	200,931	0.21	167,000	0.22	**167,000**	**0.21**
833000	Equipment Maintenance	349,436	0.36	349,370	0.46	**302,030**	**0.38**
833001	Personal Computer Maintenance	16,267	0.02	10,000	0.01	**12,000**	**0.02**
836000	Radio Maintenance	23,677	0.02	18,700	0.02	**20,700**	**0.03**
837000	Retention Pond Maintenance	58,406	0.06	59,840	0.08	**59,000**	**0.08**
838000	Parks & Grounds Maintenance	46,463	0.05	41,500	0.05	**41,500**	**0.05**
902000	Publishing	29,286	0.03	30,650	0.04	**28,980**	**0.04**
903000	Printing	192,680	0.20	215,240	0.28	**209,090**	**0.27**
913000	Liability Insurance	1,082,175	1.12	1,119,000	1.46	**1,550,530**	**1.97**
915000	Other Insurance	17,260	0.02	17,800	0.02	**18,330**	**0.02**
921000	Electric	477,860	0.49	439,000	0.57	**504,000**	**0.64**
922000	Telephone	309,336	0.32	300,750	0.39	**272,060**	**0.35**
922002	Telephone - Drug Forfeiture	33,111	0.03	9,300	0.01	**29,000**	**0.04**
923000	Gas - Fuel - Oil	192,054	0.20	171,250	0.22	**200,500**	**0.25**
924000	Street Lighting	743,373	0.77	734,300	0.96	**821,460**	**1.04**
925000	Water	74,611	0.08	72,500	0.09	**81,400**	**0.10**
942302	Building Rental - Act 302	6,955	0.01	6,000	0.01	**5,000**	**0.01**
944000	Hydrant Rental	165,830	0.17	169,900	0.22	**171,000**	**0.22**
945000	Other Rental	287,779	0.30	313,180	0.41	**317,740**	**0.40**
949000	Interpreter Fees	15,333	0.02	12,000	0.02	**15,000**	**0.02**
950000	Witness Fees	7,835	0.01	5,000	0.01	**6,000**	**0.01**
951000	Juror Fees	7,887	0.01	7,500	0.01	**7,000**	**0.01**
954000	Mileage	2,414	0.00	1,810	0.00	**2,010**	**0.00**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

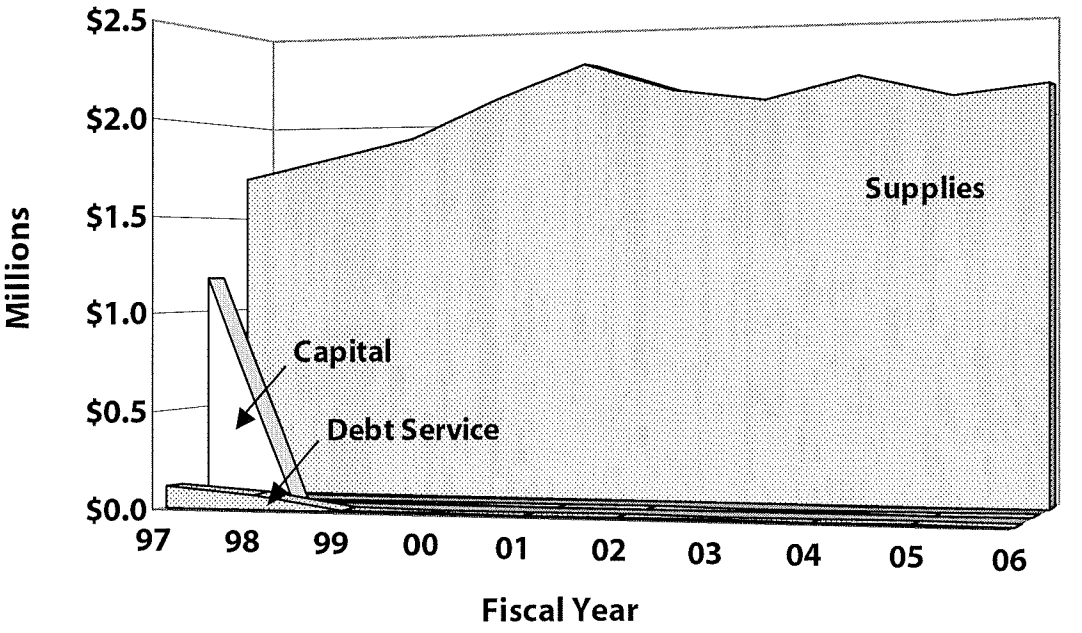
Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
956000	Local Meetings	26,605	0.03	17,550	0.02	17,600	0.02
956001	Michigan Week Expenses	19,829	0.02	20,000	0.03	19,000	0.02
956002	Special Events	142,704	0.15	66,500	0.09	45,000	0.06
957000	Memberships & Dues	118,478	0.12	101,580	0.13	102,400	0.13
959000	Education & Training	166,858	0.17	170,220	0.22	182,270	0.23
959001	Grant - Education & Training	5,471	0.01	64,940	0.08	0	0.00
959302	Education & Training Act 302	11,630	0.01	25,000	0.03	25,000	0.03
959332	Education & Training Act 32	7,114	0.01	6,000	0.01	6,000	0.01
960000	Donation Expense Non-Capital	4,182	0.00	4,900	0.01	2,000	0.00
961000	Athletic Entry Fees	1,547	0.00	1,840	0.00	1,120	0.00
962000	Miscellaneous Expense	15,490	0.02	13,630	0.02	37,820	0.05
962001	Misc Exp - Cash - Short/Over	24	0.00	0	0.00	0	0.00
962002	Misc. Expense - Drug Forfeiture	65,339	0.07	46,850	0.06	0	0.00
962529	Miscellaneous - Grants	0	0.00	50,000	0.07	25,000	0.03
965000	Refunds on Tribunal Adjustments	42,873	0.04	435,000	0.57	33,200	0.04
	Total Other Charges	**11,681,047**	**12.05**	**13,396,090**	**17.53**	**11,983,200**	**15.24**
	TRANSFERS OUT						
999202	Transfer to Major Roads Fund	0	0.00	500,000	0.65	1,350,000	1.72
999203	Transfer to Local Roads Fund	250,000	0.26	273,000	0.36	590,000	0.75
999301	Transfer to General Drain	82,080	0.08	0	0.00	0	0.00
999305	Transfer to RS&T Debt Fund	5,000	0.01	0	0.00	0	0.00
999369	Transfer to Bldg. Auth. Rec. Fund	658,390	0.68	640,650	0.84	650,920	0.83
999403	Transfer to Capital Projects Fund	1,375,200	1.42	943,980	1.24	1,536,350	1.95
999428	Transfer to Road Bond Const. Fund	381,370	0.39	0	0.00	0	0.00
	Total Transfers Out	**2,752,040**	**2.84**	**2,357,630**	**3.08**	**4,127,270**	**5.25**
	Total Expenditures & Uses	**71,606,010**	**73.84**	**76,429,830**	**100.00**	**78,653,720**	**100.00**
	EXTRAORDINARY ITEMS						
998000	Settlement Costs	25,000,000	25.78	0	0.00	0	0.00
998010	Bond Issuance Costs	368,271	0.38	0	0.00	0	0.00
	Total Extraordinary Items	**25,368,271**	**26.16**	**0**	**0.00**	**0**	**0.00**
	Total General Fund	**$96,974,281**	**100.00**	**$76,429,830**	**100.00**	**$78,653,720**	**100.00**

Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

General Fund Expenditure Object History

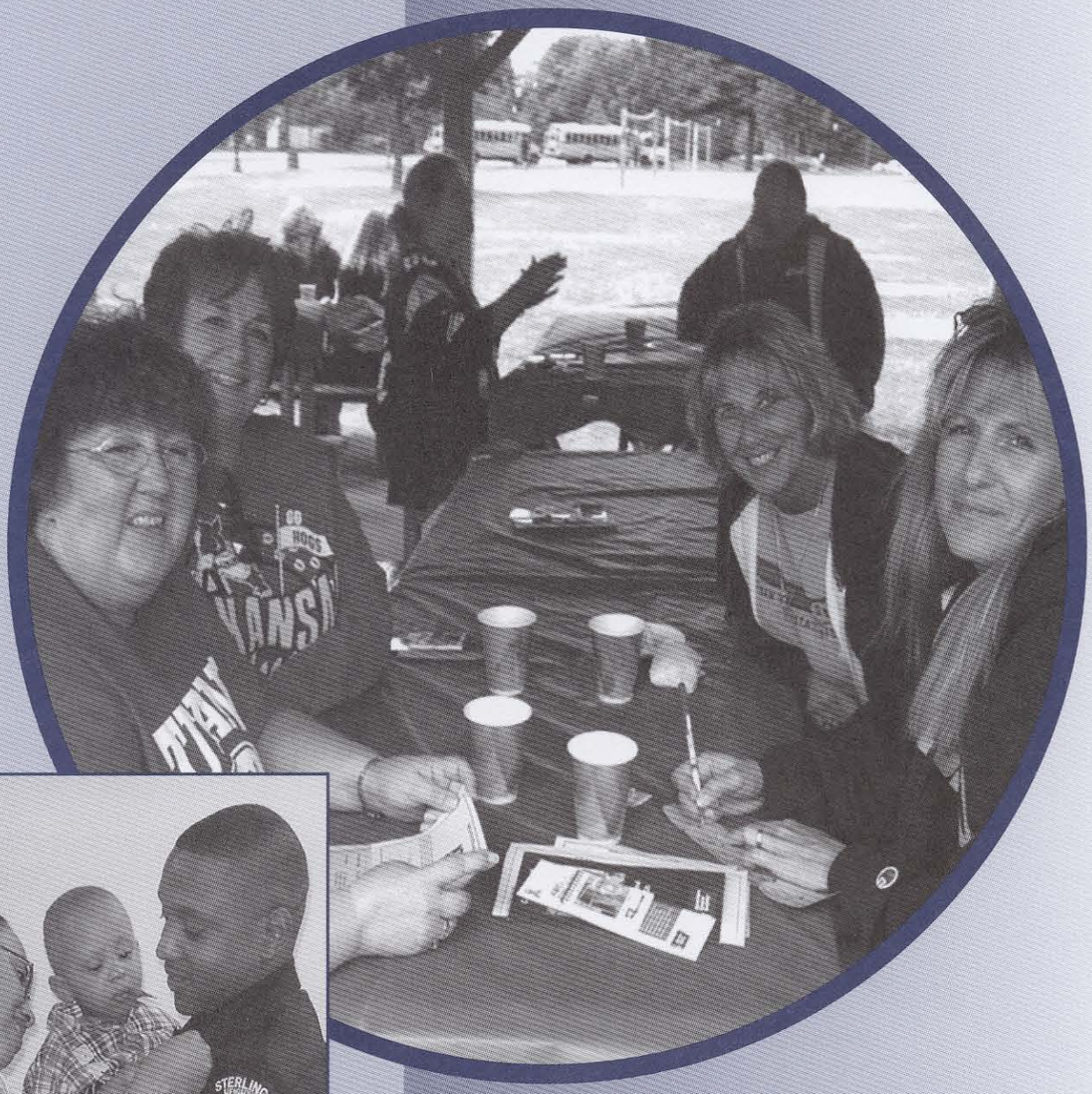


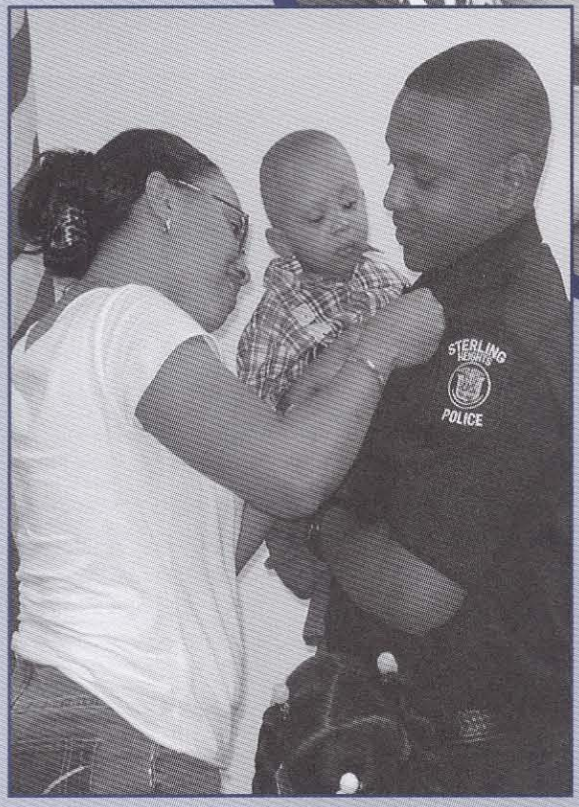
This graph illustrates the expenditure object history for the General Fund.



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

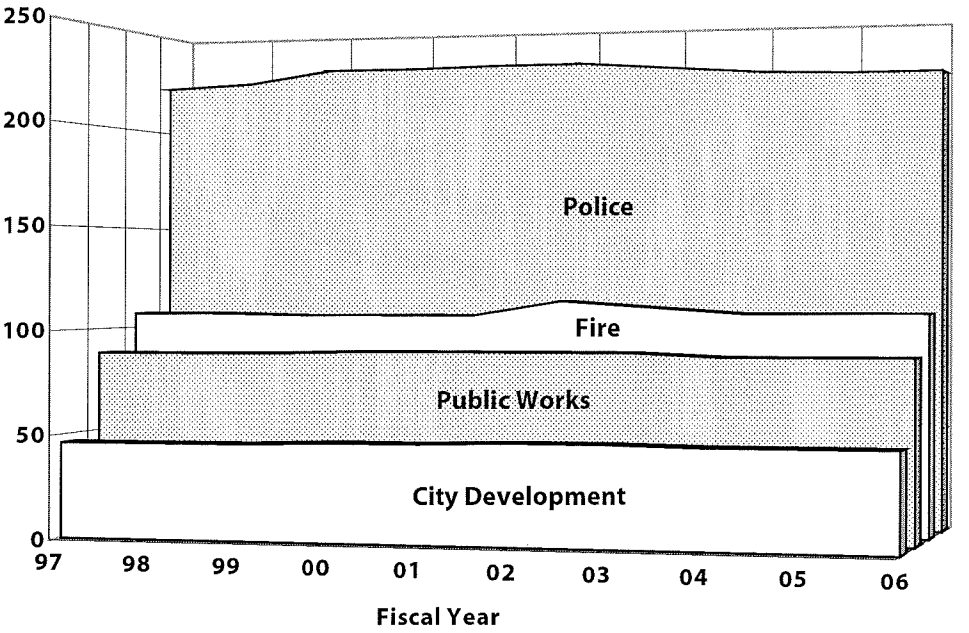
Personnel Summary



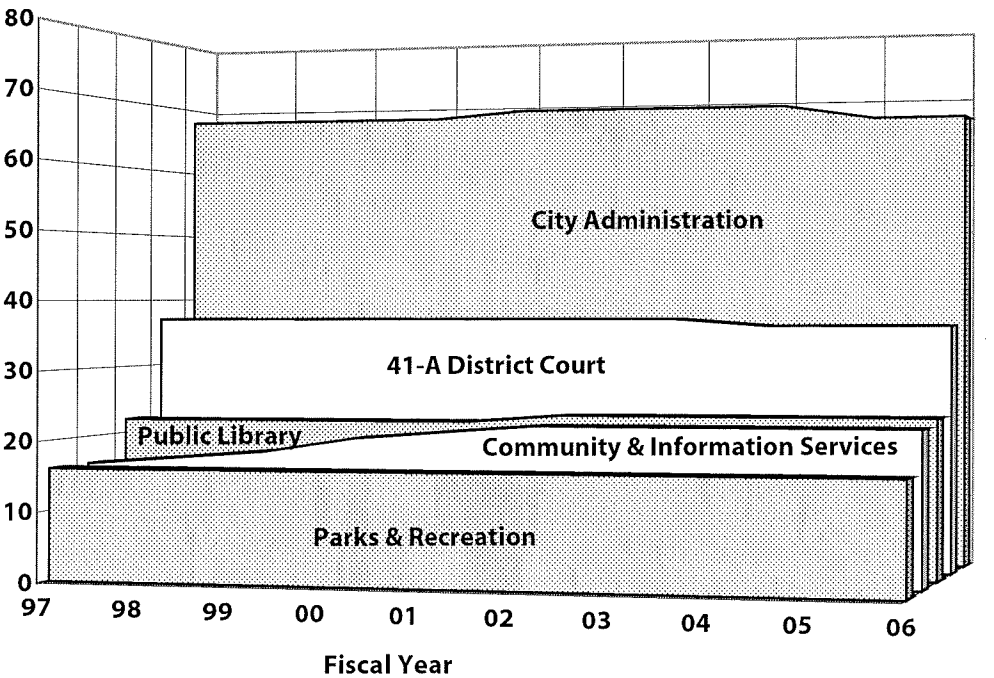


The Personnel Summary segment of the budget document represents a historical summary of all personnel related information. This information includes graphs depicting the number of full-time personnel employed by the city as well as the total fringe benefit costs. Also presented is a breakdown of the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

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04 Full Time	Budget 2003/04 Part Time	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
133,900	City Manager	1		1		1	
76,012 - 94,703	Finance & Budget Director	1		1		1	
76,012 - 94,703	Human Resources Director	1		1		1	
51,423 - 57,331	Budget Management Coordinator	1		1		1	
42,785 - 47,465	Management Services Specialist	1		1		1	
38,861 - 45,060	Management Assistant	1		1		1	
	Total	**6**	**0**	**6**	**0**	**6**	**0**
	CITY CLERK						
81,625 - 100,208	City Clerk/Assistant City Manager	1		1		1	
67,787 - 84,043	Risk Manager	1		1		1	
38,861 - 45,060	Management Assistant	1		1		1	
37,549 - 43,537	Elections Assistant	1		1		1	
34,013 - 39,458	Risk Management Assistant	1		1		1	
34,013 - 39,458	Senior Clerk	1		1		1	
25,392 - 36,459	Clerk Typist	4		3		3	
	Total	**10**	**0**	**9**	**0**	**9**	**0**
	EMERGENCY MANAGEMENT						
61,399 - 68,115	Emergency Management Coordinator	1		1		1	
	Total	**1**	**0**	**1**	**0**	**1**	**0**
	FACILITIES MAINTENANCE						
71,175 - 88,243	Facilities Maintenance Manager	1		1		1	
48,664 - 53,981	Facilities Maintenance Coordinator	1		1		1	
40,183 - 46,267	Facilities Maintenance Mechanic	2		2		2	
27,085 - 44,185	Custodian	14		14		14	
25,392 - 36,459	Clerk Typist	1		1		1	
	Total	**19**	**0**	**19**	**0**	**19**	**0**
	ASSESSING						
71,175 - 88,243	City Assessor	1		1		1	
57,138 - 64,650	Appraiser III	2		1		1	
50,497 - 57,138	Appraiser II	2		2		2	
44,183 - 49,990	Appraiser I	1		2		2	
40,322 - 46,759	Appraiser Aide	1		1		1	
25,392 - 36,459	Clerk Typist	1		1		1	
8,200	Co-op (P.T.)		1		1		1
	Total	**8**	**1**	**8**	**1**	**8**	**1**

PERSONNEL SUMMARY

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04 Full Time	Budget 2003/04 Part Time	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time
	FINANCIAL SERVICES						
71,175 - 88,243	Financial Services Manager	1		1		1	
71,175 - 88,243	Controller	1		1		1	
51,423 - 57,331	Accountant	3		3		3	
37,549 - 43,537	Senior Account Clerk	3		3		3	
31,437 - 39,458	Account Clerk	4		4		4	
	Total	**12**	**0**	**12**	**0**	**12**	**0**
	PURCHASING						
67,787 - 84,043	Purchasing Manager	1		1		1	
44,717 - 48,885	Purchasing Specialist	1		1		1	
37,549 - 43,537	Administrative Assistant	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**
	TREASURY						
71,175 - 88,243	City Treasurer	1		1		1	
51,423 - 57,331	Accountant	1		1		1	
37,549 - 43,537	Senior Account Clerk	2		2		2	
37,549 - 43,537	Administrative Assistant	1		1		1	
31,437 - 39,458	Account Clerk	5		4		4	
	Total	**10**	**0**	**9**	**0**	**9**	**0**
	Total City Administration Department	**69**	**1**	**67**	**1**	**67**	**1**
	PARKS & RECREATION DEPARTMENT						
76,012 - 94,703	Parks & Recreation Director	1		1		1	
50,040 - 56,060	Recreation Coordinator	8		8		8	
39,992 - 44,362	Recreation Specialist	1		1		1	
37,549 - 43,537	Administrative Assistant	1		1		1	
34,013 - 39,458	Program & Services Assistant	2		2		2	
34,013 - 39,458	Senior Clerk	1		1		1	
29,333 - 36,459	Bus Driver	1		1		1	
25,392 - 36,459	Clerk Typist	1		1		1	
	Total Parks & Recreation Department	**16**	**0**	**16**	**0**	**16**	**0**
	POLICE DEPARTMENT						
	OFFICE OF THE POLICE CHIEF						
82,592 - 100,896	Chief of Police	1		1		1	
88,974 - 91,110	Captain	1		1		1	
82,420 - 84,785	Lieutenant	1		2		2	
73,476 - 77,118	Sergeant	2		4		4	
39,436 - 64,391	Police Officer	8		16		16	
32,631 - 44,920	Secretary to Chief	1		1		1	
31,630 - 43,919	Administrative Secretary	2		3		3	
22,452 - 38,317	Technical Secretary	2		2		2	
22,452 - 38,317	Property Clerk	1		1		1	
	Total	**19**	**0**	**31**	**0**	**31**	**0**

PERSONNEL SUMMARY

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04		Budget 2004/05		Budget 2005/06	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	POLICE ENFORCEMENT SERVICES						
88,974 - 91,110	Captain	1		1		1	
82,420 - 84,785	Lieutenant	5		4		4	
73,476 - 77,118	Sergeant	21		18		18	
39,436 - 64,391	Police Officer	114		97		97	
31,630 - 43,919	Administrative Secretary	4		3		3	
22,452 - 38,317	Technical Secretary	5		1		1	
180,000	Crossing Guards (P.T.)		33		33		33
	Total	**150**	**33**	**124**	**33**	**124**	**33**
	POLICE INVESTIGATIVE SERVICES						
88,974 - 91,110	Captain	1		1		1	
82,420 - 84,785	Lieutenant	2		1		1	
73,476 - 77,118	Sergeant	1		3		3	
39,436 - 64,391	Police Officer	9		18		18	
31,630 - 43,919	Administrative Secretary	1		1		1	
22,452 - 38,317	Technical Secretary	0		4		4	
	Total	**14**	**0**	**28**	**0**	**28**	**0**
	POLICE SUPPORT SERVICES						
88,974 - 91,110	Captain	1		1		1	
82,420 - 84,785	Lieutenant	0		1		1	
73,476 - 77,118	Sergeant	2		1		1	
47,875 - 49,722	Emergency Dispatcher - Shift Leader	4		4		4	
35,426 - 46,257	Emergency Dispatcher	19		19		19	
31,630 - 43,919	Administrative Secretary	1		1		1	
31,630 - 43,919	Evidence Clerk	1		1		1	
38,679 - 42,904	Laboratory Technician	1		1		1	
36,060 - 40,603	Animal Control Officer	3		3		3	
28,405 - 39,742	Data Analyst	1		1		1	
28,405 - 39,742	Terminal Agency Coordinator	1		1		1	
22,452 - 38,317	Technical Secretary	9		8		8	
8,100	Co-op (P.T.)		0		0		1
	Total	**43**	**0**	**42**	**0**	**42**	**1**
	Total Police Department	**226**	**33**	**225**	**33**	**225**	**34**
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
81,049 - 99,498	Fire Chief	1		1		1	
87,430 - 91,871	Chief of Operations	1		1		1	
80,229 - 84,296	Chief of Training	1		1		1	
78,744 - 81,199	EMS Coordinator	1		1		1	
74,994 - 77,332	Fire Instructor	1		1		1	
38,861 - 45,060	Management Assistant	1		1		1	
37,549 - 43,537	Administrative Assistant	3		3		3	
25,392 - 36,459	Clerk Typist	1		1		1	
	Total	**10**	**0**	**10**	**0**	**10**	**0**

PERSONNEL SUMMARY

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04 Full Time	Budget 2003/04 Part Time	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time
	FIRE EXTINGUISHMENT						
78,658 - 82,645	Battalion Chief	3		3		3	
75,773 - 79,605	Captain-Advanced Life Support	4		4		4	
72,165 - 75,813	Captain	1		1		1	
68,828 - 73,041	Lieutenant-Advanced Life Support	9		10		10	
65,554 - 69,558	Lieutenant	7		6		6	
66,227	Sergeant - Advanced Life Support	2		2		2	
64,972	Sergeant - Fire Engine Operator	6		7		7	
	Sergeant	1		0		0	
39,981 - 63,991	Fire Fighter-Advanced Life Support	30		29		29	
39,221 - 62,776	Fire Fighter-Fire Engine Operator	15		14		14	
38,080 - 60,948	Fire Fighter	12		14		14	
	Total	**90**	**0**	**90**	**0**	**90**	**0**
	FIRE PREVENTION						
80,229 - 84,296	Fire Marshal	1		1		1	
74,994 - 77,332	Fire Inspector	6		6		6	
	Total	**7**	**0**	**7**	**0**	**7**	**0**
	Total Fire Department	**107**	**0**	**107**	**0**	**107**	**0**
	CITY DEVELOPMENT DEPARTMENT						
	CITY DEVELOPMENT ADMINISTRATION						
81,049 - 99,498	City Development Director/Asst. City Manager	1		1		1	
67,787 - 84,043	Public Services Manager	1		1		1	
41,946 - 47,229	CDBG Specialist	0		1		1	
34,013 - 39,458	Senior Clerk	1		1		1	
	Total	**3**	**0**	**4**	**0**	**4**	**0**
	BUILDING						
76,012 - 94,241	Building Official	1		1		1	
64,771 - 68,051	Building Plan Review Coordinator	1		1		1	
64,771 - 68,051	Code Enforcement Coordinator	0		1		1	
55,892 - 61,690	Commercial Property Compliance Officer	1		1		1	
55,892 - 61,690	Building Inspector	3		3		3	
55,892 - 61,690	Plumbing Inspector	2		2		2	
55,892 - 61,690	Electrical Inspector	2		2		2	
55,892 - 61,690	Mechanical Inspector	2		2		2	
52,834 - 59,775	Code Enforcement Officer	0		3		3	
52,834 - 59,775	Property Maintenance Code Officer	0		1		1	
38,861 - 45,060	Management Assistant	0		1		1	
	Administrative Assistant	1		0		0	
34,013 - 39,458	Senior Clerk	1		1		1	
25,392 - 36,459	Clerk Typist	3		3		3	
8,200	Co-op (P.T.)		1		1		1
	Total	**17**	**1**	**22**	**1**	**22**	**1**

PERSONNEL SUMMARY

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04 Full Time	Budget 2003/04 Part Time	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time
	ENGINEERING						
76,012 - 94,241	City Engineer	1		1		1	
71,175 - 88,243	Engineering Services Manager	1		1		1	
71,175 - 88,243	Construction Manager	1		1		1	
73,487 - 85,232	Civil Engineer III	1		1		1	
60,112 - 69,708	Civil Engineer II	2		2		2	
60,112 - 69,708	CAD/GIS Coordinator	1		1		1	
41,792 - 59,455	Engineering Aide	8		8		8	
37,549 - 43,537	Administrative Assistant	1		1		1	
34,013 - 39,458	Senior Clerk	1		1		1	
12,380	G.I.S. Intern (P.T.)		1		1		1
7,810	Co-op (P.T.)		1		1		1
	Total	**17**	**2**	**17**	**2**	**17**	**2**
	PLANNING						
76,012 - 94,241	City Planner	1		1		1	
	Planning & Zoning Manager	1		0		0	
	Code Enforcement Officer	3		0		0	
	Property Maintenance Code Officer	1		0		0	
52,566 - 58,316	Planning Coordinator	1		1		1	
	CDBG Specialist	1		0		0	
37,549 - 43,537	Administrative Assistant	1		1		1	
34,013 - 39,458	Senior Clerk	1		1		1	
	Total	**10**	**0**	**4**	**0**	**4**	**0**
	Total City Development Department	**47**	**3**	**47**	**3**	**47**	**3**
	PUBLIC WORKS DEPARTMENT						
	FLEET MAINTENANCE						
52,515 - 66,562	Division Supervisor	1		1		1	
40,327 - 52,201	Mechanic	11		11		11	
37,876 - 47,554	Storekeeper	2		2		2	
17,680	Seasonal Laborer (P.T.)		1		1		1
	Total	**14**	**1**	**14**	**1**	**14**	**1**
	PARKS & GROUNDS MAINTENANCE						
52,515 - 66,562	Division Supervisor	1		1		1	
37,876 - 47,544	Parks & Grounds Maintenance Worker	6		6		6	
27,081 - 46,180	Laborer	6		6		6	
10,890 - 11,550	Seasonal Laborer (P.T.)		8		8		8
	Total	**13**	**8**	**13**	**8**	**13**	**8**
	PUBLIC WORKS CENTER						
74,564 - 92,447	Environmental Services Manager	1		1		1	
55,070 - 69,813	General Supervisor	1		1		1	
27,085 - 38,889	Custodian	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**

PERSONNEL SUMMARY

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04		Budget 2004/05		Budget 2005/06	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	REFUSE COLLECTION						
25,392 - 36,459	Clerk Typist	1		1		1	
20,570 - 21,780	Seasonal Laborer (P.T.)		3		3		3
	Total	**1**	**3**	**1**	**3**	**1**	**3**
	STREET SERVICES						
52,515 - 66,562	Division Supervisor	2		2		2	
42,205 - 52,201	Equipment Operator A	1		1		1	
39,686 - 49,533	Equipment Operator B	7		7		7	
39,686 - 49,533	Traffic Sign Worker	2		2		2	
39,686 - 49,533	Street Services Inspector	1		1		1	
37,876 - 47,544	Equipment Operator C	6		6		6	
27,081 - 46,180	Laborer	2		2		2	
20,060 - 20,650	Seasonal Laborer (P.T.)		2		2		2
	Total	**21**	**2**	**21**	**2**	**21**	**2**
	Total Public Works Department	**52**	**14**	**52**	**14**	**52**	**14**
	PUBLIC LIBRARY DEPARTMENT						
76,012 - 94,703	Public Library Director	1		1		1	
51,423 - 57,899	Library Service Area Coordinator	3		3		3	
48,946 - 55,380	Library Programming Specialist	1		1		1	
48,046 - 53,560	Librarian	7		7		7	
44,183 - 49,990	Circulation Supervisor	1		1		1	
38,861 - 45,060	Management Assistant	1		1		1	
37,549 - 43,537	Library Assistant II	3		3		3	
34,873 - 40,441	Library Assistant I	3		3		3	
31,437 - 36,459	Library Clerk	3		3		3	
18,270 - 27,420	Librarian (P.T.)		8		8		8
6,420 - 13,790	Library Page (P.T.)		9		9		9
12,740	Library Clerk (P.T.)		1		1		1
	Total Public Library Department	**23**	**18**	**23**	**18**	**23**	**18**
	41-A DISTRICT COURT						
47,095	Judge	3		3		3	
94,246	Magistrate/Director of Probation	1		1		1	
83,865	Court Administrator	1		1		1	
70,133	Clerk of the Court	1		1		1	
61,532	Probation Officer	1		1		1	
50,625	Court Recorder	3		3		3	
47,097	Court Officer	3		3		3	
28,821 - 37,193	Deputy Clerk	23		23		23	
11,830	Security Guards (P.T.)		0		2		2
	Total 41-A District Court	**36**	**0**	**36**	**2**	**36**	**2**

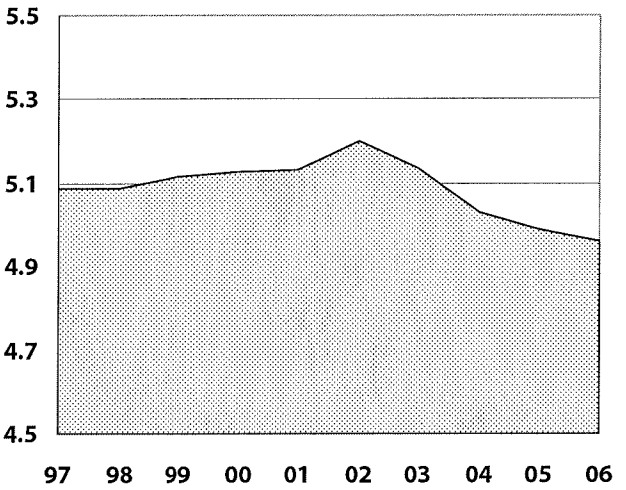
PERSONNEL SUMMARY

2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04 Full Time	Budget 2003/04 Part Time	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time
	COMMUNITY & INFORMATION SERVICES DEPARTMENT						
	COMMUNITY RELATIONS						
83,139 - 101,558	Community Relations Director	1		1		1	
67,787 - 84,043	Communications Manager	1		1		1	
67,787 - 84,043	Broadcast Services Manager	1		1		1	
45,901 - 51,429	Broadcast Programming Specialist	1		1		1	
41,946 - 46,766	Neighborhood Specialist	1		1		1	
41,946 - 46,766	Communication Specialist	1		1		1	
41,946 - 46,766	Senior Broadcast Production Specialist	1		1		1	
41,946 - 46,534	Citizen Services Specialist	1		1		1	
41,946 - 46,534	Community Relations Specialist	1		1		1	
38,689 - 44,873	Printing Technician II	1		1		1	
37,980 - 42,135	Broadcast Production Specialist	2		2		2	
35,725 - 41,423	Printing Technician I	1		1		1	
25,392 - 36,459	Clerk Typist	1		1		1	
23,676 - 24,152	Video Production Technician (P.T.)		2		2		2
13,000	Graphic Artist (P.T.)		1		1		1
12,000	Website Specialist (P.T.)		1		1		1
4,290	Keyline Specialist (P.T.)		1		1		1
	Total	**14**	**5**	**14**	**5**	**14**	**5**
	INFORMATION TECHNOLOGY						
76,012 - 94,241	Information Technology Manager	1		1		1	
67,787 - 84,043	Network Administrator	1		1		1	
48,108 - 53,369	Information Technology Specialist	6		6		6	
	Total	**8**	**0**	**8**	**0**	**8**	**0**
	Total Comm. & Information Services Dept.	**22**	**5**	**22**	**5**	**22**	**5**
	Total General Fund	**598**	**74**	**595**	**76**	**595**	**77**
	WATER & SEWER FUND						
	WATER & SEWER ADMINISTRATION						
81,080 - 101,017	Public Works Director	1		1		1	
59,475 - 75,429	Operations Supervisor	1		1		1	
55,070 - 69,813	General Supervisor	1		1		1	
37,549 - 43,537	Administrative Assistant	1		1		1	
31,437 - 39,458	Account Clerk	2		2		2	
25,072 - 37,664	Clerk Dispatcher	2		2		2	
25,392 - 36,459	Clerk Typist	1		1		1	
	Total	**9**	**0**	**9**	**0**	**9**	**0**

PERSONNEL SUMMARY

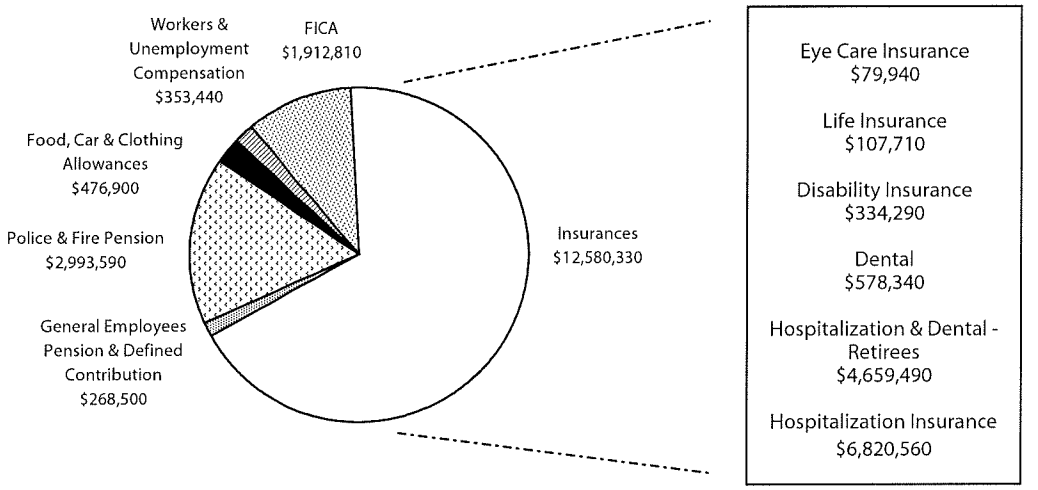
2005/06 Budgeted Pay Ranges	ACTIVITY	Budget 2003/04		Budget 2004/05		Budget 2005/06	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	WATER DISTRIBUTION						
52,515 - 66,562	Division Supervisor	1		1		1	
39,686 - 49,533	Water Inspector	2		2		2	
39,686 - 49,533	Water Service Worker	4		4		4	
37,876 - 47,544	Meter Repair/Installer	2		2		2	
37,444 - 47,041	Meter Reader	1		1		1	
27,081 - 46,180	Laborer	2		2		2	
11,220	Seasonal Laborer (P.T.)		2		2		2
	Total	**12**	**2**	**12**	**2**	**12**	**2**
	SEWAGE COLLECTION						
52,515 - 66,562	Division Supervisor	1		1		1	
40,327 - 50,146	Plant Operator/Mechanic	2		2		2	
39,686 - 49,533	Sewer Service Worker (Clean)	2		2		2	
39,686 - 49,533	Water/Sewage Inspector	2		2		2	
37,876 - 48,480	Sewer Service Worker (Maint)	3		3		3	
27,081 - 46,180	Laborer	4		4		4	
8,840	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	**633**	**80**	**630**	**82**	**630**	**83**

Full-time Employees per 1,000 Population



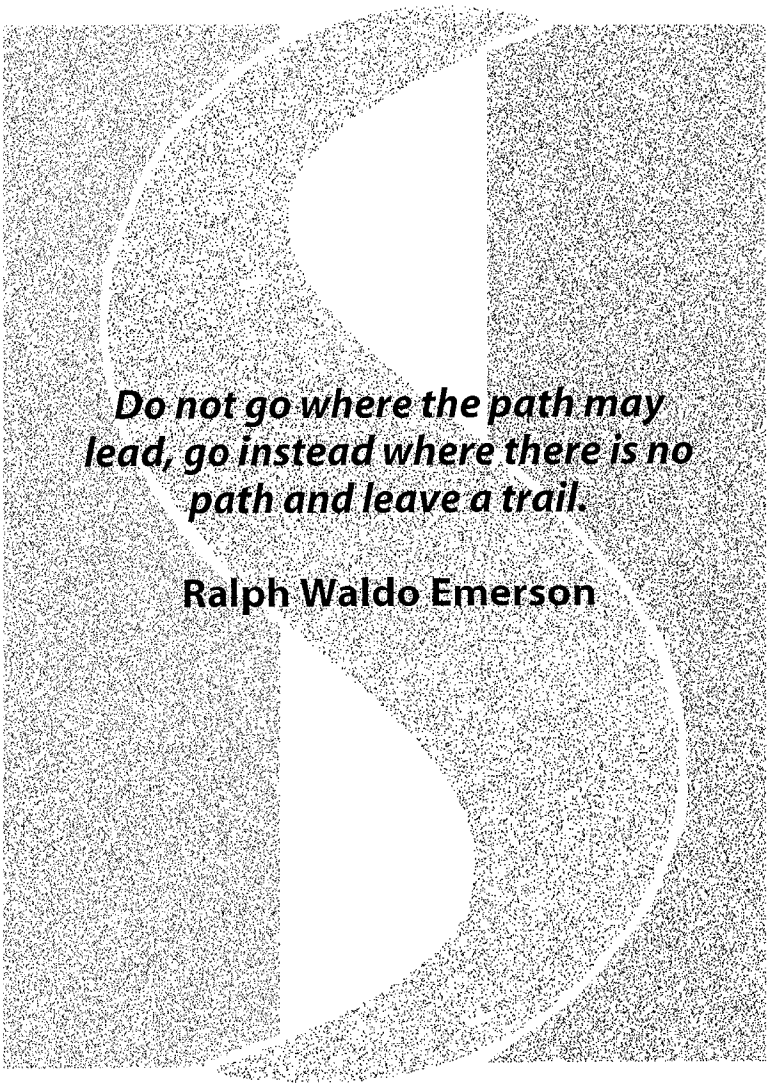
This graph illustrates the number of City employees per 1,000 residents.

Total City Fringe Benefits Fiscal Year 2005/06



Total City Fringe Benefits for 2005/06 is $18,585,570

Includes the General Fund & Water & Sewer Fund


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

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

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

One of the main duties of the City Council is to establish policies. Priorities include the adoption of goals and objectives, the establishment of priorities for public services, and the approval of programs throughout the City. 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.

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

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. ■

KEY GOALS

- ***To provide policy direction to the City Administration in the implementation and evaluation of various City programs.***
- ***To ensure the City's long-term financial stability by seeking alternative revenue sources.***
- ***To preserve and improve the City's infrastructure and economic base.***
- ***To enhance communications between the residents and 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.***

Did you know?...
...that the City Council continually pursues high quality standards for the City, which is reflected in a rating by* Crain's Detroit Business *listing Sterling Heights among the "hot spots" for residential development in southeast Michigan?

City Council

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	6	8	10	9	9	9
	Public Hearings Held	26	19	31	30	30	30
	Council Connection Segments Taped	14	14	7	14	0	7
	Ordinances and Amendments Adopted	23	20	16	25	25	25
	Agenda Items Reviewed and Acted Upon	445	392	431	425	431	445
	Education and Training Sessions Attended	15	10	4	10	8	10
Effectiveness	City Council Member Attendance at Council Meetings	98%	97%	97%	100%	98%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	98%	100%
	% Difference from Proposed to Adopted Budget (G.F.)	0.58%	0.44%	0.03%	0.00%	0.00%	0.00%
	Annual % Reduction in Millage Rate	-0.65%	-0.19%	-0.05%	0.00%	0.00%	-0.02%
	Total Millage % Reduction Since 1988	-20.4%	-20.5%	-20.6%	-20.6%	-20.6%	-20.6%
	Activity Expenditures as % of General Fund	0.19%	0.18%	0.17%	0.17%	0.16%	0.17%

City Council

SUMMARY OF BUDGET CHANGES

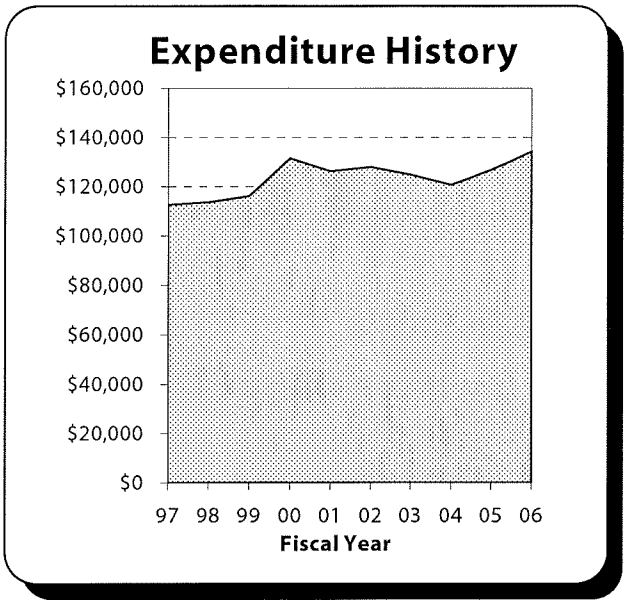
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $5,020 or 4.5% over last year's budget. The budget provides for wages recommended by the Local Officer's Compensation Commission. The budget includes funding for wage increases effective July 1, 2005 and January 1, 2006 for both the Mayor and City Council members.

Supplies – Total Supplies increased $800 or 31.8%. $800 was added to the budget, as an increase in supplies may be needed due to the upcoming election.

Other Charges – Total Other Charges increased $1,580 or 11.6%. Funding increased $4,200 for cable modem access fees due to a new E-Agenda Packet Program that will allow City Council members to receive their council meeting agenda packets electronically on the City's website, ultimately making the process more efficient and less costly than with the current paper agenda packets. As a result, the City will save $1,440 in telephone costs as Council fax lines will no longer be needed. Educational funding decreased $1,180 based on a more realistic estimate of attendees and lower overnight lodging costs for next year's Michigan Municipal League's Annual Convention.

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.

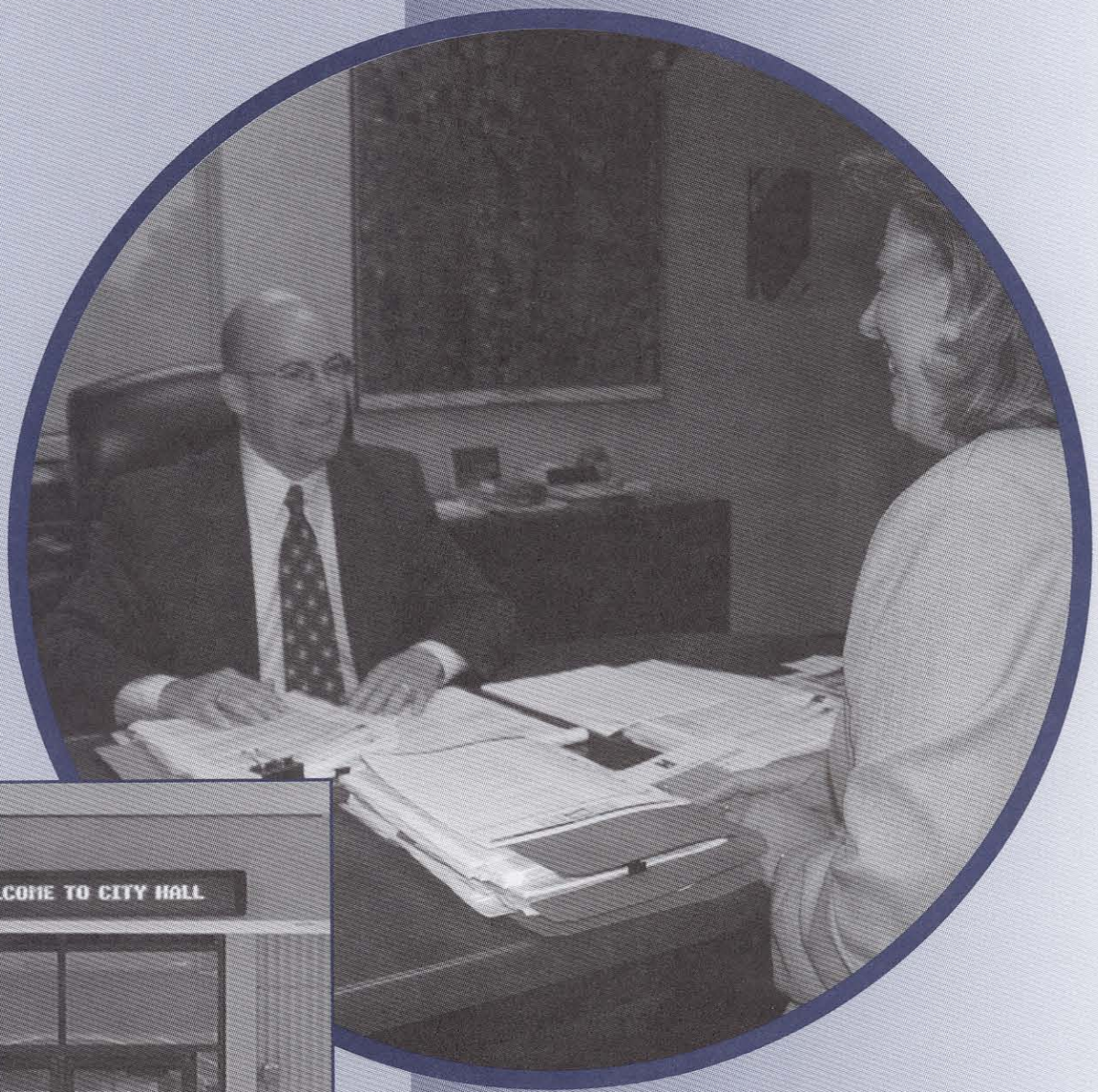
Other Charges – Council made no adjustments to Other Charges.

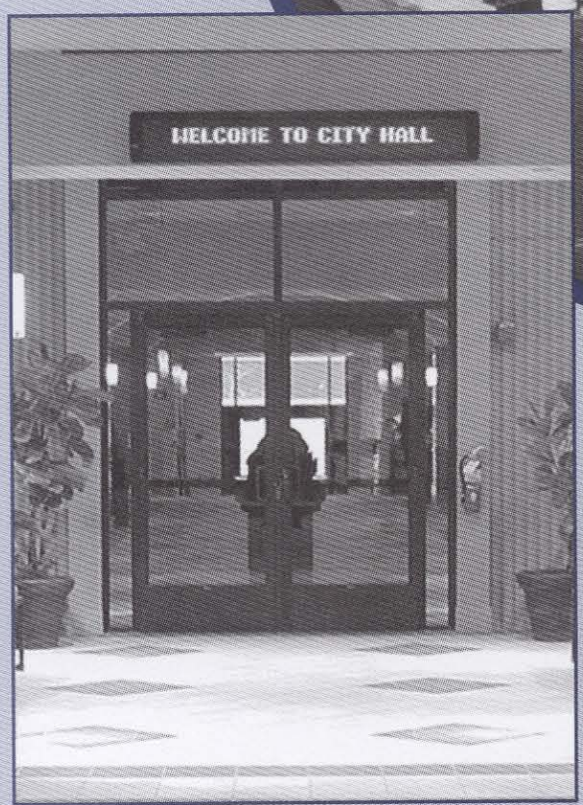
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$110,343	$110,750	$110,750	$115,770	$115,770
Supplies	3,288	2,520	2,020	3,320	3,320
Other Charges	7,044	13,620	10,320	15,200	15,200
Total	$120,675	$126,890	$123,090	$134,290	$134,290

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 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 and capital budgets
- Responsible for expenditure cost control & revenue monitoring
- Prepares Water & Sewer rate analysis
- Performs City rates & fees studies
- Manages the City's Performance Measurement Program
- 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
- Issues all water and sewer bills to residential, industrial and commercial customers and maintains related account balances
- Conducts internal audits

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

- Ensures 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
- Serves as liaison to Building Authority

DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

The City Administration budget decreased by $346,210 or 5.1%. Personnel costs rose $208,330 or 4.0% due to higher wage, hospitalization and retiree health care obligations. The City will save $32,790 as fewer Election Workers are needed next year as a result of consolidating voting precincts and as last year's Presidential election required heavier staffing at the polls. Supplies increased $19,750 or 9.3% primarily for ballots for two City elections. Other Charges declined by $574,290 or 44.6% due to one-time Emergency Management and Assessing grant-funded expenditures and election equipment maintenance savings. In addition, City Hall electric and heating bills will now be budgeted in Facilities Maintenance instead of in General Expenditures. The capital budget includes funding for replacement personal computers for Treasury and Purchasing, a replacement Mini Van assigned to the Emergency Manager, and the implementation of the new E-Agenda Packet program.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
City Management	$721,450	$730,470	$760,420	$802,400	5.5%
City Clerk	823,510	807,950	960,830	954,950	-0.6%
Emergency Management	122,740	190,070	249,880	110,780	-55.7%
Facilities Maintenance	1,225,680	1,303,160	1,378,890	1,564,210	13.4%
Assessing	681,760	717,560	1,334,920	813,050	-39.1%
Financial Services	981,620	1,025,590	1,085,840	1,132,600	4.3%
Purchasing	288,440	297,190	313,860	323,960	3.2%
Treasury	665,440	646,070	677,970	714,450	5.4%
Total Department	$5,510,640	$5,718,060	$6,762,610	$6,416,400	-5.1%
Personnel Services	$4,795,080	$4,887,810	$5,263,320	$5,471,650	4.0%
Supplies	199,730	297,390	212,250	232,000	9.3%
Other Charges	515,830	532,860	1,287,040	712,750	-44.6%
Total Department	$5,510,640	$5,718,060	$6,762,610	$6,416,400	-5.1%

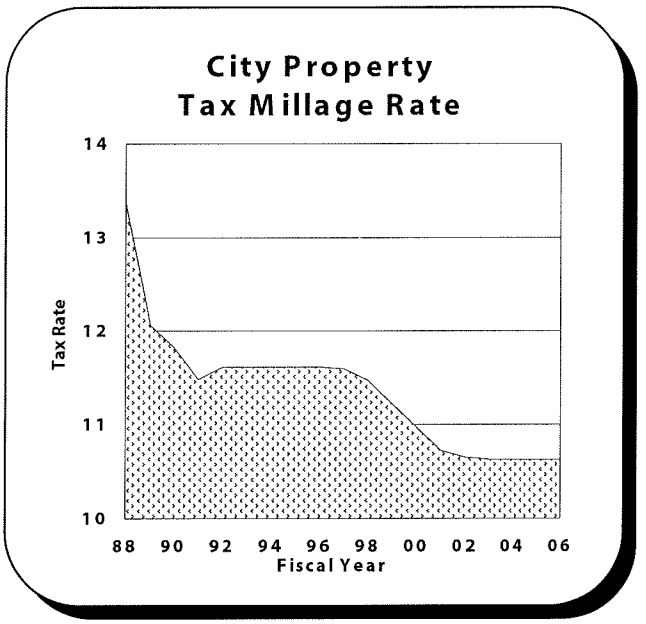
PERSONNEL SUMMARY

	2002/03		2003/04		2004/05		2005/06	
	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	10	0	10	0	9	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	12	1	12	0	12	0	12	0
Purchasing	3	0	3	0	3	0	3	0
Treasury	10	0	10	0	9	0	9	0
Total Department	69	2	69	1	67	1	67	1

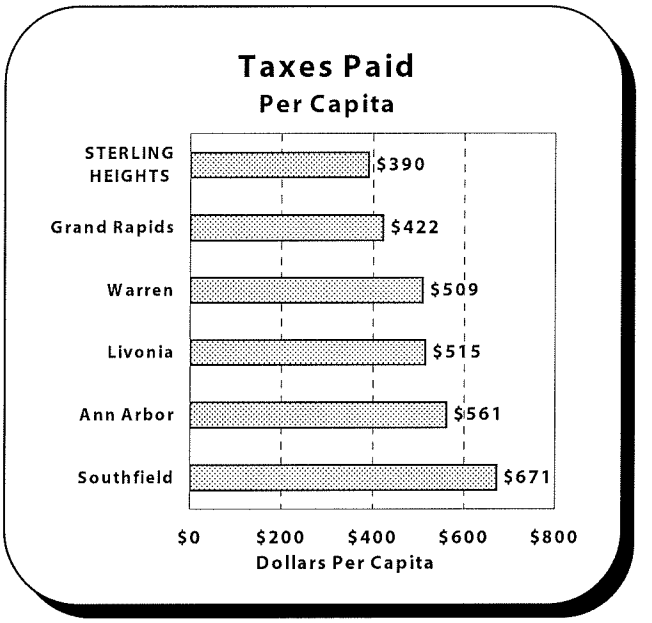
Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

City Administration Department

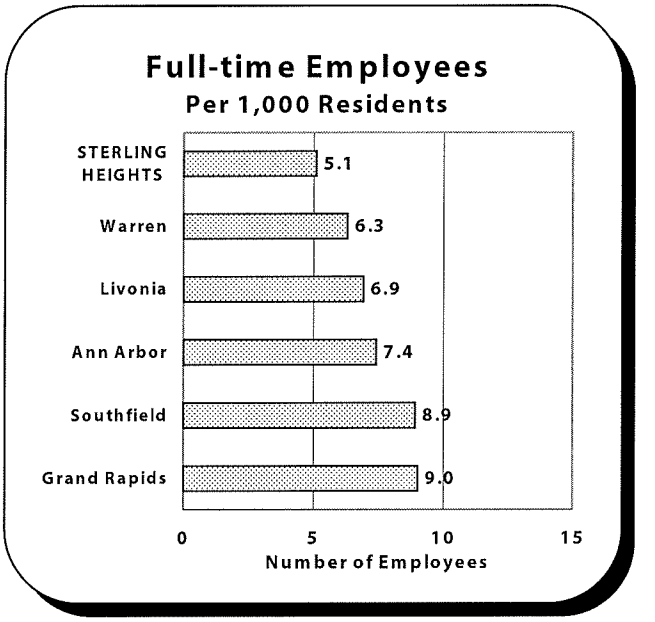


The City's property tax rate has fallen from 13.38 mills in 1988 to 10.625 mills in 2006 – a decrease of 20.6%. The tax rate remains at its lowest level since 1974. Homeowner taxable values grew only 2.3% this year despite an average 3.8% increase in property market values.



Sterling Heights has the lowest tax bill per resident in comparison to five comparable Michigan benchmark communities. Based on 2004 tax revenues and the 2000 census population data, Sterling Heights residents pay only $390. While Grand Rapids has a lower property tax rate, all residents pay a 1.3% city income tax. Sterling Heights has no city income tax. In fact, Sterling Heights is the second largest city in the State without an income tax. Warren residents pay 31% more than Sterling Heights residents. Southfield residents pay $671 or 72% more.

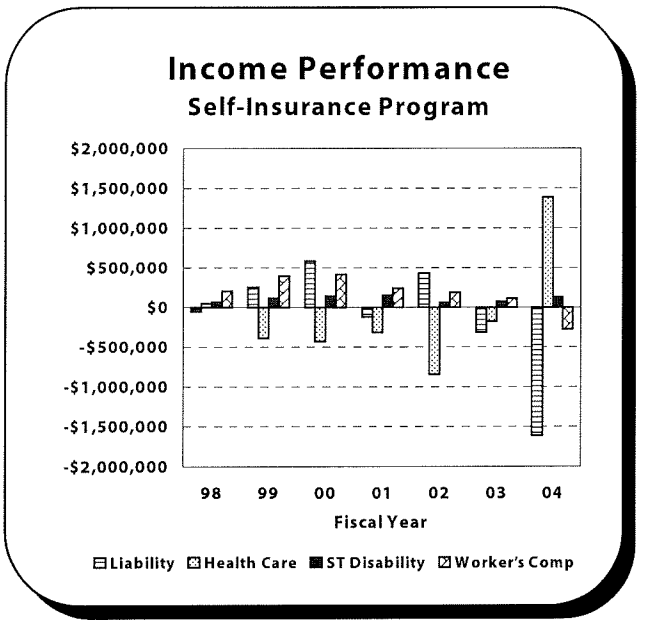
The City's full-time staffing is nearly at the same level as seven years ago. Nineteen vacant full-time positions have been eliminated in the past four years saving over $1.2 million. The City has increased its staffing by 7 positions since 1997. Two in the Police Department, four in Community Relations, two in Information Technology, and one in the Library and in City Development. One position has been eliminated in City Administration, Public Works, and the 41-A District Court.



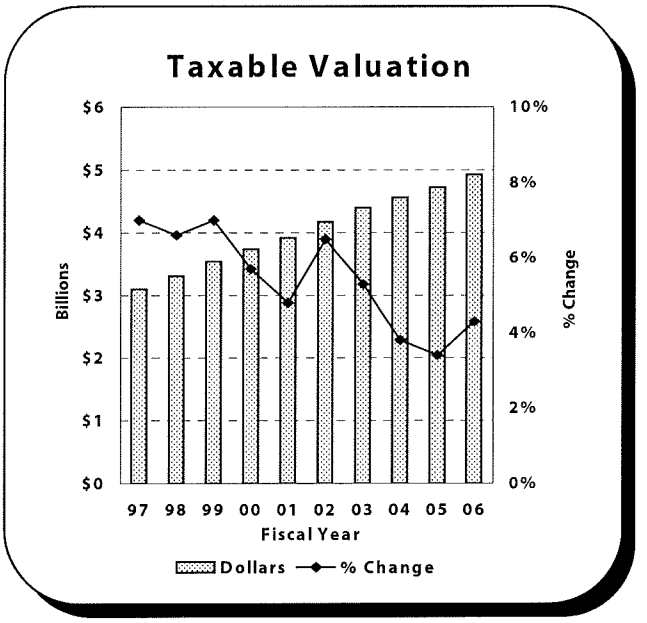
Based on current staffing data and the 2000 census, Sterling Heights has 5.1 full-time employees per 1,000 residents. This rate is lower than any of our benchmark communities and is nearly half the rate of Grand Rapids or Southfield. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a study of over 130 cities, 79% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

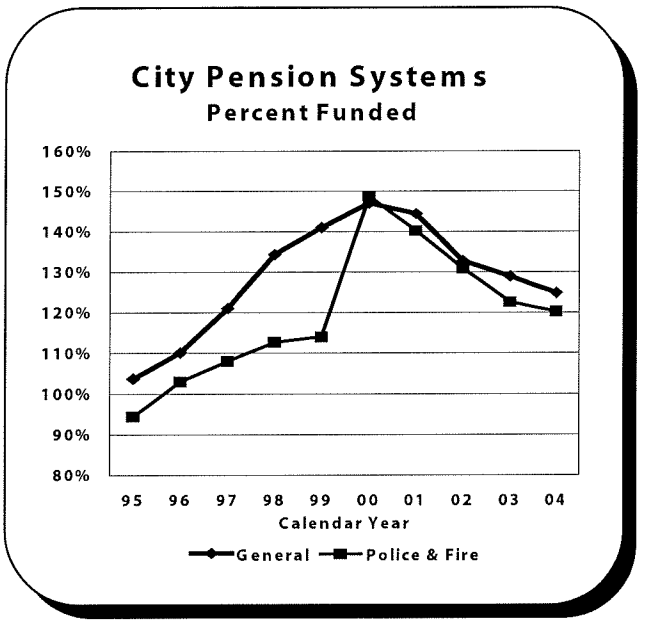
City Administration Department (continued)



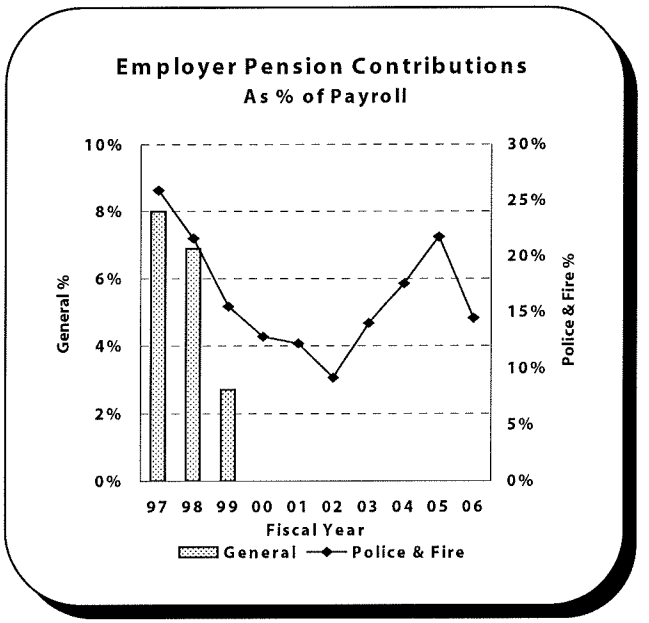
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for recent losses in the Health Care and Liability programs, most years have shown a positive net income for most programs.



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, most taxable value assessments are now less than 40% of market values.



For 2004, Sterling Heights' General Employees Pension System is 125% funded – meaning that the City has more than enough funds available to pay for all current pension obligations. For the nineth consecutive year, the Police & Fire Pension System is also more than 100% funded, totaling 120% 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 three years, however, the required contribution to the Police & Fire Pension System increased largely due to an under-performing stock market. In 2006, the Police & Fire contribution rate declined based on an actuarial experience study, which recommended a higher assumed investment rate of return.

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, and the management of the City's performance measurement program. 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 the only city in the nation to achieve an "Outstanding" designation in all four categories by the Government Finance Officers Association (GFOA) for the 2004/05 budget document?

City Management

2005/06 INTENTION STATEMENTS *(City Management)*

1. To establish strategic objectives with the City Council and accomplish the tasks resulting from that process. *(City Goal 3)*

2. To enhance ongoing efforts to strengthen the City's economic base by encouraging business-friendly practices including equitable taxation, rapid development review, and the continuation of outstanding municipal services. *(City Goal 8, 10, 11)*

3. To work closely with the Michigan Municipal League regarding revenue sharing reductions and other related financial issues to mitigate the continued economic impacts to local governments resulting from State and federal legislative action. *(City Goal 20, 22)*

4. To provide mentoring and new training opportunities for the development of existing staff. *(City Goal 3, 4, 17)*

5. To work closely with the Public Works, City Development and Community Relations Directors to establish a City-wide reforestation program as a result of the emerald ash borer. *(City Goal 12, 13, 14, 15)*

6. To reestablish the "City Management Reports" program on SHTV to promote open government and improve communications with residents. *(City Goal 27)*

7. To identify cost containment measures, seek new revenue sources, and research options for health care savings in an attempt to maintain the City's excellent financial status. *(City Goal 4, 20)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Administrative Policy and Procedure Orders Processed	8	5	9	10	10	10
	Agenda Statements Reviewed	445	392	431	425	431	445
	Special Reports Researched & Written	17	18	10	15	15	15
	Special Projects Researched & Developed	17	15	6	15	15	15
	Policy Resolutions Presented to Council	12	10	6	10	10	10
	Legislative Issues Monitored	12	9	8	10	10	10
	Focus Group Meetings Facilitated	10	8	4	6	6	6
	Intergovernmental Relation Contacts	84	84	70	85	80	85
	New Programs & Policies Developed	8	7	3	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	-0.65%	-0.19%	-0.05%	0.00%	0.00%	-0.02%
	Total Millage % Reduction Since 1988	-20.4%	-20.5%	-20.6%	-20.6%	-20.6%	-20.6%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	0.96%	1.02%	1.02%	0.99%	0.99%	1.02%

City Management

2005/06 PERFORMANCE OBJECTIVES *(Finance & Budget)*

1. To cost out potential labor contract changes including any health care savings. *(City Goal 4, 5)*

2. To read the book "Price of Government" and determine if its new approach to budgeting for outcomes and prioritizing services can be incorporated in the City. *(City Goal 1, 3, 20)*

3. To investigate service sharing ideas implemented by other communities that would have a positive impact on the community and result in better services at a lower cost. *(City Goal 2, 20)*

4. To conduct an operational, performance, and job audit on one City office to review and analyze its performance and efficiency trends. *(City Goal 3, 4, 5)*

5. To conduct a review of water & sewer minimum bills, investigate the use of alternate billing options, and review the benefit of quarterly rather than monthly bills for businesses. *(City Goal 5, 20)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	City Budgeted Funds Monitored (Millions)	$118.3	$125.5	$155.1	$136.7	$146.3	$126.1
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	47	60	55	50	50	50
	Management & Labor Cost Studies Conducted	13	10	8	7	9	10
	Years Member of ICMA Center for Perf. Measures	3	4	5	5	5	5
	City Council Agenda Statements Reviewed	278	263	271	260	270	270
	Semi-Annual Budget Reports Prepared	3	2	2	2	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	205	280	245	240	255	260
	Telephone Call Accounting - Months Monitored	9	8	10	9	10	10
	Employee Internet Usage - Months Monitored	11	11	10	11	10	10
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
	Operational Performance Audits Conducted	1	0	0	1	1	1
Efficiency & Effectiveness	Accuracy Forecasting Expenditures - General Fund	99.4%	99.7%	99.9%	100.0%	100.0%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.6%	99.8%	99.8%	100.0%	101.7%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	15	16	17	18	18	19
	Budget Award - "Outstanding" Categories Earned	1	1	0	1	4	4
	Years Received G.F.O.A. PAFR Award	5	6	7	8	8	9
	Savings from Reviewing Travel Requests	$1,216	$2,476	$1,737	$1,000	$3,000	$2,500
	Years Received ICMA Certificate of Distinction	0	1	2	2	2	2
	Average Cost to Review a Travel Request	$5.50	$6.10	$6.12	*	*	*

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

City Management

2005/06 PERFORMANCE OBJECTIVES *(Human Resources)*

1. To develop a comprehensive negotiation strategy for each of the four collective bargaining agreements scheduled to expire in June, 2006. *(City Goal 4)*

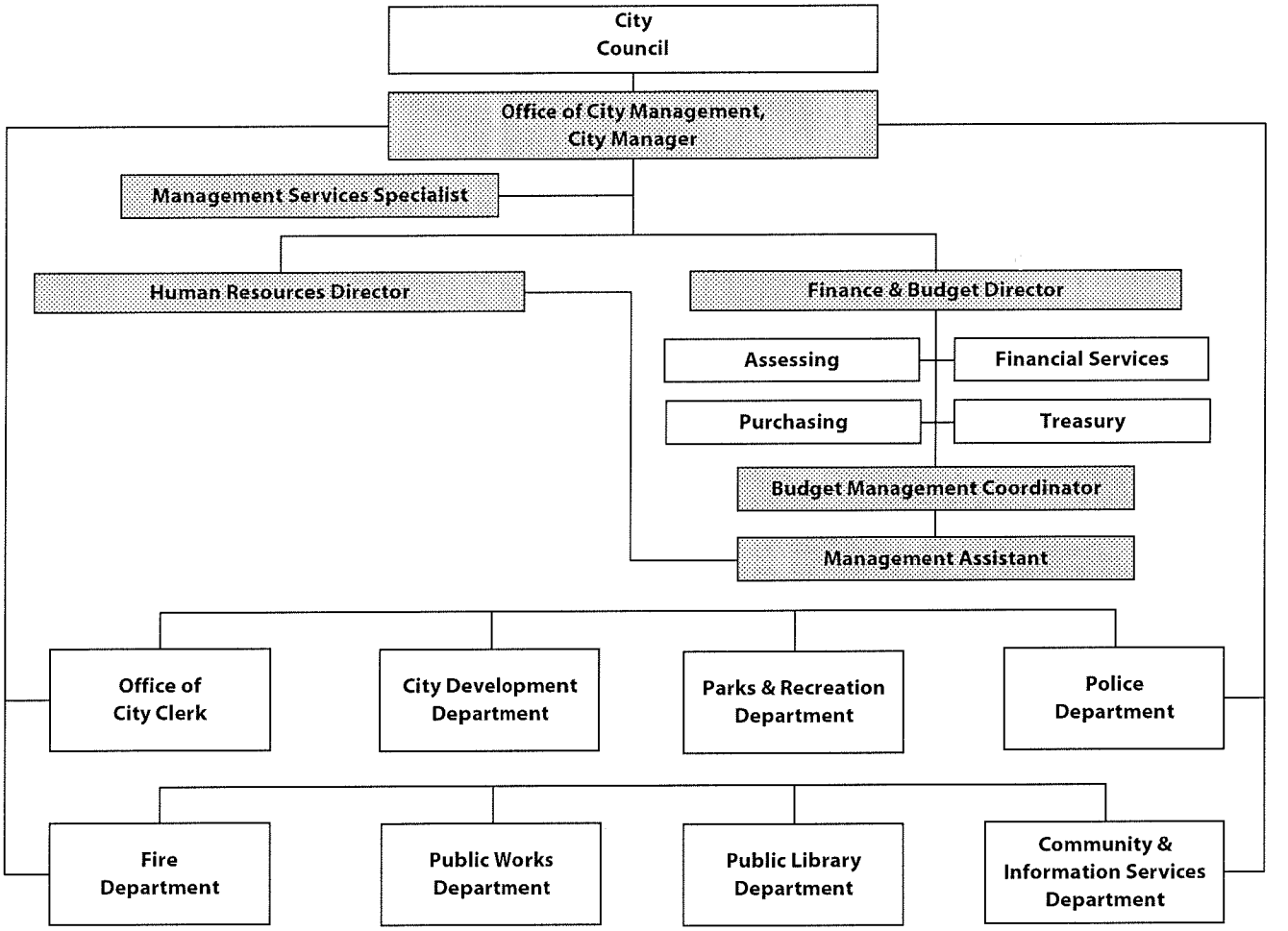
2. To create and deliver a comprehensive New Employee Training Program applicable to all new employees of the City. *(City Goal 7)*

3. To coordinate and assist departments in providing customer service training to all employees. *(City Goal 4, 7, 14)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Promotional Job Postings	37	19	22	30	10	20
	Open Competitive Job Postings	11	5	6	15	5	12
	Applications Reviewed & Processed	421	778	626	800	600	600
	Applications Received Through Internet/Website	N/A	413	449	650	400	400
	Employees Hired (Full-time/Part-time)	21/31	20/50	27/42	20/40	10/45	15/45
	Reclassification Requests Reviewed/Analyzed	5	3	2	4	5	3
	Police/Fire Promotional Tests	2	4	3	3	2	2
	Labor Contracts Settled	5	2	2	0	0	4
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	35	35	35	35	35	35
	# Labor Grievances Per 100 Full-time Employees	2.0	3.0	3.0	2.0	2.0	2.0
	Avg. # Work Days to Complete Internal Recruitment	17	17	15	15	15	15
	% of Grievances Resolved Before Arbitration	80%	85%	95%	90%	100%	90%
	% of Grievances Responded to within Deadlines	100%	100%	100%	100%	100%	100%
	Total FTE's Per 1,000 Residents	5.9	6.1	5.8	5.6	5.6	5.6
	Full-time Employee Turnover Rate (Excl. Retirements)	0.3%	0.8%	0.1%	0.5%	0.5%	0.5%
	% Minorities in Work Force	1.4%	1.4%	1.5%	1.4%	1.4%	1.5%
	Discrimination Complaints Filed	0	0	0	0	1**	0
	# of Employees Not Completing Probation	5	0	0	0	2	0
	Human Resource FTE's Per 100,000 Residents	0.85	0.85	0.81	0.84	0.81	0.84
	Cost to Recruit and Hire a Full-time General Employee	$1,808	$1,898	$1,378	*	*	*

* *Cost is calculated for "Actual" columns only.*
** *Case was dismissed.*

City Management



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

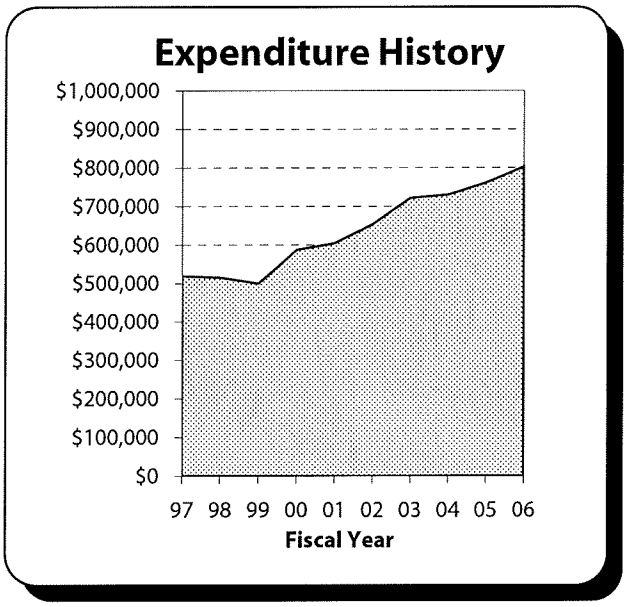
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $40,820 or 5.7%. All employees are budgeted to receive a 3% wage increase. An additional $7,350 is budgeted to fund growing retiree medical obligations. Hospitalization costs rose 6.3%, while dental insurance costs increased 11.2% as a result of rate increases.

Supplies – Total Supplies decreased $400 or 9.5%. Postage costs fell $300 as information such as the City's budget and on-line job applications are now available on the City's website. Funding for written publications decreased $100 due to the increasing availability of on-line resources.

Other Charges – Total Other Charges increased $1,560 or 3.7%. The training budget increased primarily for the City Manager's attendance at the Senior Executive Instititute in lieu of the annual ICMA conference. Publishing costs decreased by $1,000 due to increased online recruitment and less need for paid advertising. Telephone costs decreased $1,000 due to the new citywide Nextel telephone rate plan. In addition, the City's SBC contractual telephone rates decreased. Funding for printing was reduced $500 as fewer budget documents and job application forms need to be printed. $500 was saved due to the one-time funding of a Job Fair booth rental fees held in the prior year and a decrease in copy machine usage fees.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$668,582	$714,420	$716,570	$755,240	$755,240
Supplies	4,172	4,200	3,800	3,800	3,800
Other Charges	57,716	41,800	37,150	43,360	43,360
Total	$730,470	$760,420	$757,520	$802,400	$802,400

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 protecting 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 is now responsible for administering school elections due to recent election consolidation legislation?

City Clerk

2005/06 PERFORMANCE OBJECTIVES *(City Clerk)*

1. To review and update all written procedures regarding the various activities of the office in anticipation of future retirements. *(City Goal 3, 4)*
2. To research and submit a capital budget request for optical imaging software that will reduce the amount of paper storage required to be maintained by the office. *(City Goal 17, 18)*
3. To create and maintain a database of death certificate information to increase the accessibility of this information. *(City Goal 17, 18)*
4. To review, maintain (through scanning, microfilming, or relocating to longer term storage), or purge the records stored in the vault in order to provide accessibility to needed records and provide additional storage capacity. *(City Goal 3)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Council Agenda Statements Processed	445	392	431	425	431	445
	Council Actions Correspondence Mailed	834	792	986	940	950	955
	Voter Registrations/Changes Processed	18,875	20,878	21,498	25,840	26,809	21,490
	Election Correspondence/Scheduling	578	641	670	640	931	640
	Absentee Voter Applications Mailed	34,030	1,031	37,258	37,000	37,503	36,300
	Absentee Voter Ballots Prepared	14,046	16,502	7,932	29,000	29,504	21,810
	Freedom of Information Requests Processed	367	376	366	400	375	370
	Documents Recorded	301	256	245	300	351	310
	Business Registry: New/Closed/Information Changed	3,018	2,783	3,043	3,040	2,912	2,950
	Class C Liquor Licenses Approved (New/Transferred)	1/7	1/1	1/12	1/6	1/6	1/6
	Licenses Issued - (dog, vendors, etc.)	4,635	4,827	4,991	4,860	4,998	5,010
	Pieces of Outgoing Mail Processed	166,792	174,303	184,722	174,400	174,651	174,730
	Birth & Death Certificates Processed	482	458	499	515	519	525
	Board/Commission Applications Processed	223	213	207	230	238	240
	Number of Registered Voters (November)	79,426	79,100	79,221	79,305	83,461	83,670
Efficiency	% of Residents Applying for City Boards	0.18%	0.17%	0.17%	0.19%	0.18%	0.19%
	% of Registered Voters Voting (November)	20%	50%	22%	70%	71%	21%
	% of License Applications Reviewed within 48 Hours	95%	100%	100%	100%	100%	100%
	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Election Cost Per Registered Voter	$2.95	$2.99	$2.93	*	*	*
	Activity Expenditures as % of General Fund	0.95%	1.16%	1.13%	1.26%	1.27%	1.21%

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

City Clerk

2005/06 PERFORMANCE OBJECTIVES *(Risk Management)*

1. To investigate and communicate to management and labor the alternatives to the current health insurance offered to employees through an employee health care committee. *(City Goal 3, 4, 7)*

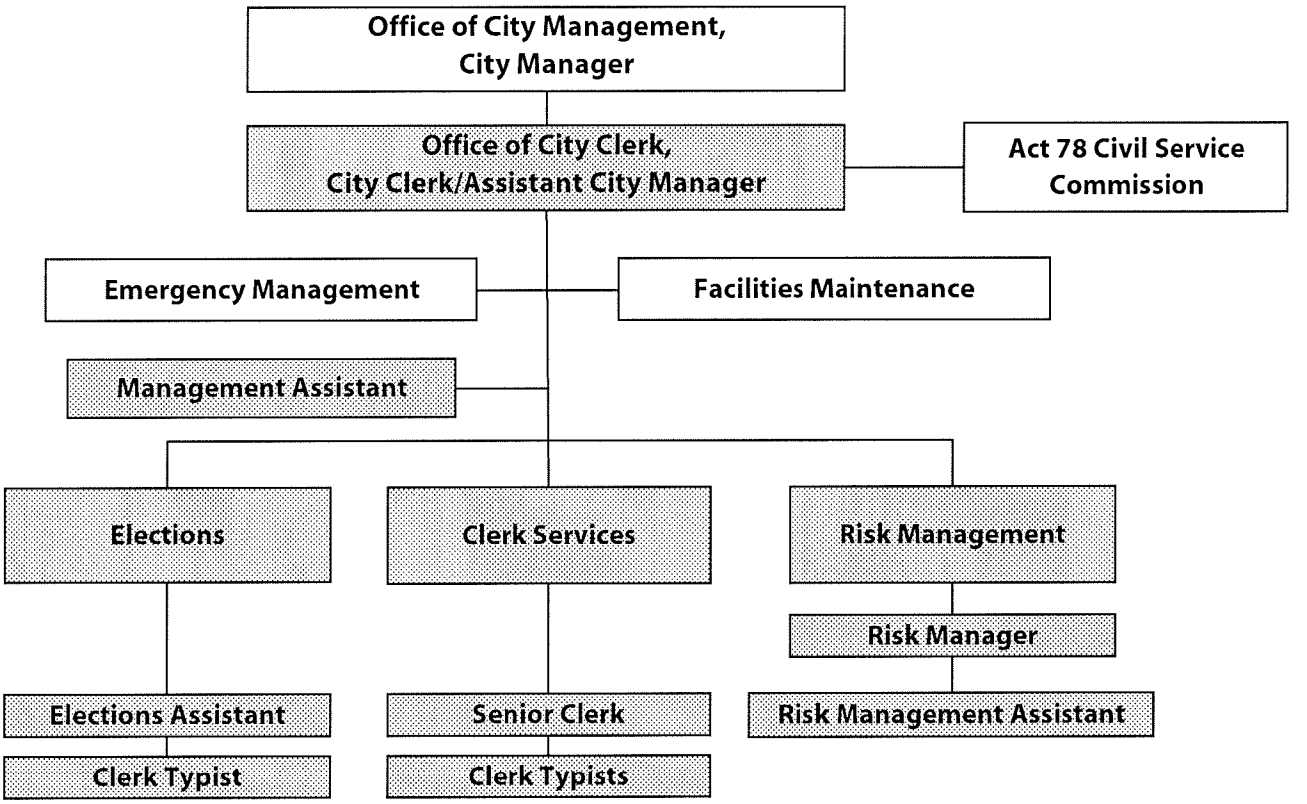
2. To implement a hearing conservation program for Public Works personnel in compliance with OSHA and MiOSHA standards. *(City Goal 3)*

3. To conduct a driver's training program for civilian employees to reduce at-fault traffic accidents and reduce liability costs. *(City Goal 3)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Liability/Property Claims	144	207	194	200	190	200
	Liability/Property Incident Reports	95	108	120	100	110	100
	Worker's Compensation Incident Reports	39	44	35	45	36	40
	Short-Term Disability Claims Handled	41	31	23	35	42	35
	Open Long-Term Disability Claims	6	4	3	3	3	3
	Life Insurance Claims	1	4	2	2	3	2
	Open Lawsuits - Monthly Average	24	19	29	22	21	21
	Lawsuits Closed	15	16	6	14	12	10
	Litigation Costs for Claims	$494,115	$606,446	$856,002	$500,000	$750,000	$600,000
	New Workers Compensation Claims	70	80	89	80	95	85
Efficiency & Effectiveness	# Workers Comp Claims Per 100 FTE	9.5	10.5	12.2	11.4	11.1	12.0
	% Workers Comp Claims Paying Compensation	11.0%	12.5%	13.4%	12.0%	9.0%	12.0%
	# of Accidents Per 100,000 Miles Driven	1.20	3.30	2.38	2.00	1.75	2.00
	Accident Cost Per 100,000 Miles Driven	$1,100	$1,516	$2,076	$2,500	$2,750	$2,500
	Prop. Insurance Premiums as % of Insured Value	0.15%	0.13%	0.13%	0.18%	0.18%	0.18%
	W/C Prem. Or Self-Insurance Cost Per $100 Payroll	$0.48	$0.69	$1.53	$0.75	$1.50	$0.60
	W/C Lost Work Days Due to Injury Per 100 FTE	28	59	182	50	75	60
	Cost of Risk Management Administrative Function	$210,391	$217,766	$219,806	*	*	*

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

City Clerk



STAFFING SUMMARY

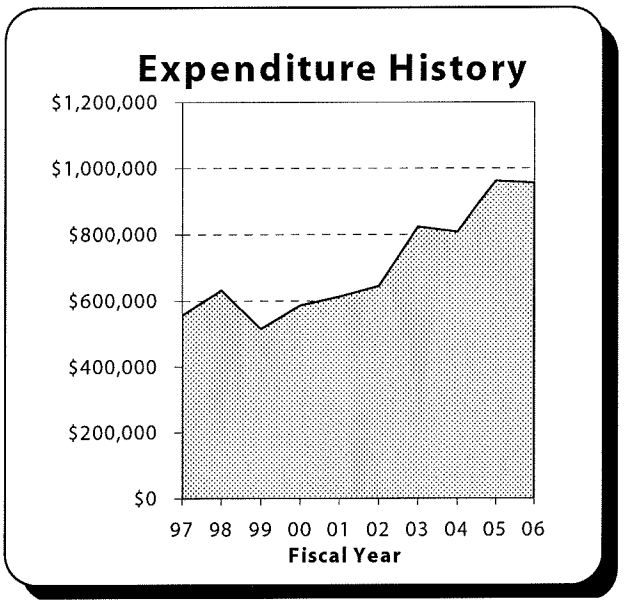
Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
City Clerk/Assistant City Manager	1	1	1
Risk Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Risk Management Assistant	1	1	1
Senior Clerk	1	1	1
Clerk Typist	4	3	3
Total	10	9	9

City Clerk

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $13,060 or 1.6%. The City is saving $32,790 in Election Worker costs next year as a result of consolidating precincts at polling locations and as last year's Presidential election required heavier staffing at the polls. The City has budgeted for three elections next year including an August City Primary, November City General election and a May School election. Wages for full-time employees rose $15,360 as all employees are budgeted to receive a 3% wage increase. Hospitalization costs rose $19,830 due to a rate increase as well as an employee who is now electing to discontinue receiving the health insurance allowance.
Supplies – Total Supplies increased $14,800 or 27.6% for Optical Scan voting ballots for two City elections. For non-City elections, such as those held last year, the County Clerk is responsible for supplying the ballots.
Other Charges – Total Other Charges decreased $33,740 or 35.1%. Equipment maintenance costs fell $29,700 due to a reappropriated encumbrance and the elimination of the Accuvote machine maintenance agreement. The City is converting to a new State funded voting system, which includes a 2-year annual maintenance agreement. A decrease of $3,760 was made as the test decks for City elections are created in-house. Telephone costs decreased $500 due to a citywide SBC contractual telephone rate decrease. City Code and Ordinance updating services decreased $500. $100 was added for providing meals to the Absentee Counting Board, as more workers are needed due to the increased number of absentee ballots. Funding for training increased $630 as State conferences for the City Clerk and Risk Manager have been budgeted.
Capital – $32,650 is proposed for the E-Agenda Packet Program including laptop computers, digital imaging software, and printers.

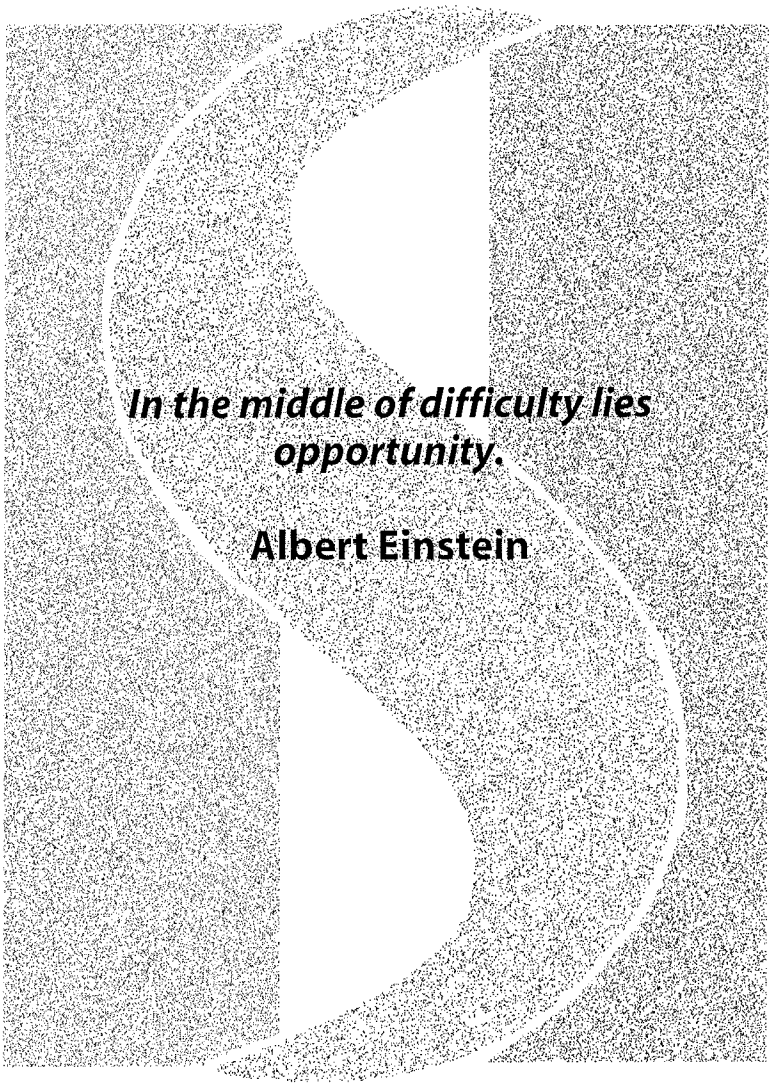


CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$706,904	$810,980	$832,690	$824,040	$824,040
Supplies	53,050	53,650	45,950	68,450	68,450
Other Charges	47,995	96,200	95,580	62,460	62,460
Total	$807,949	$960,830	$974,220	$954,950	$954,950


In the middle of difficulty lies opportunity.
Albert Einstein

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 services. 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, Finance & Budget Director, 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 related to significant events within the City.

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.***

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. The Municipal Security Council provides assistance to many other volunteer groups including Neighborhood Watch, Reserve Medical Corps, and the Community Emergency Response Team. 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 2005/06 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 respond and recover 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 the City is prepared for these hazards.■

Did you know?...
...that the Office of Emergency Management is coordinating over $1.5 million in Homeland Security Grant Funds for providing emergency services with equipment, planning, and emergency training exercise opportunities?

Emergency Management

2005/06 PERFORMANCE OBJECTIVES

1. To conduct a full-scale chemical, biological, radiological, nuclear or explosive emergency exercise using equipment and training received through the 2005 Homeland Security Grant. *(City Goal 21, 24, 25)*

2. To conduct four tabletop emergency management exercises utilizing funds received through the 2005 Homeland Security Grant. *(City Goal 21, 24, 25)*

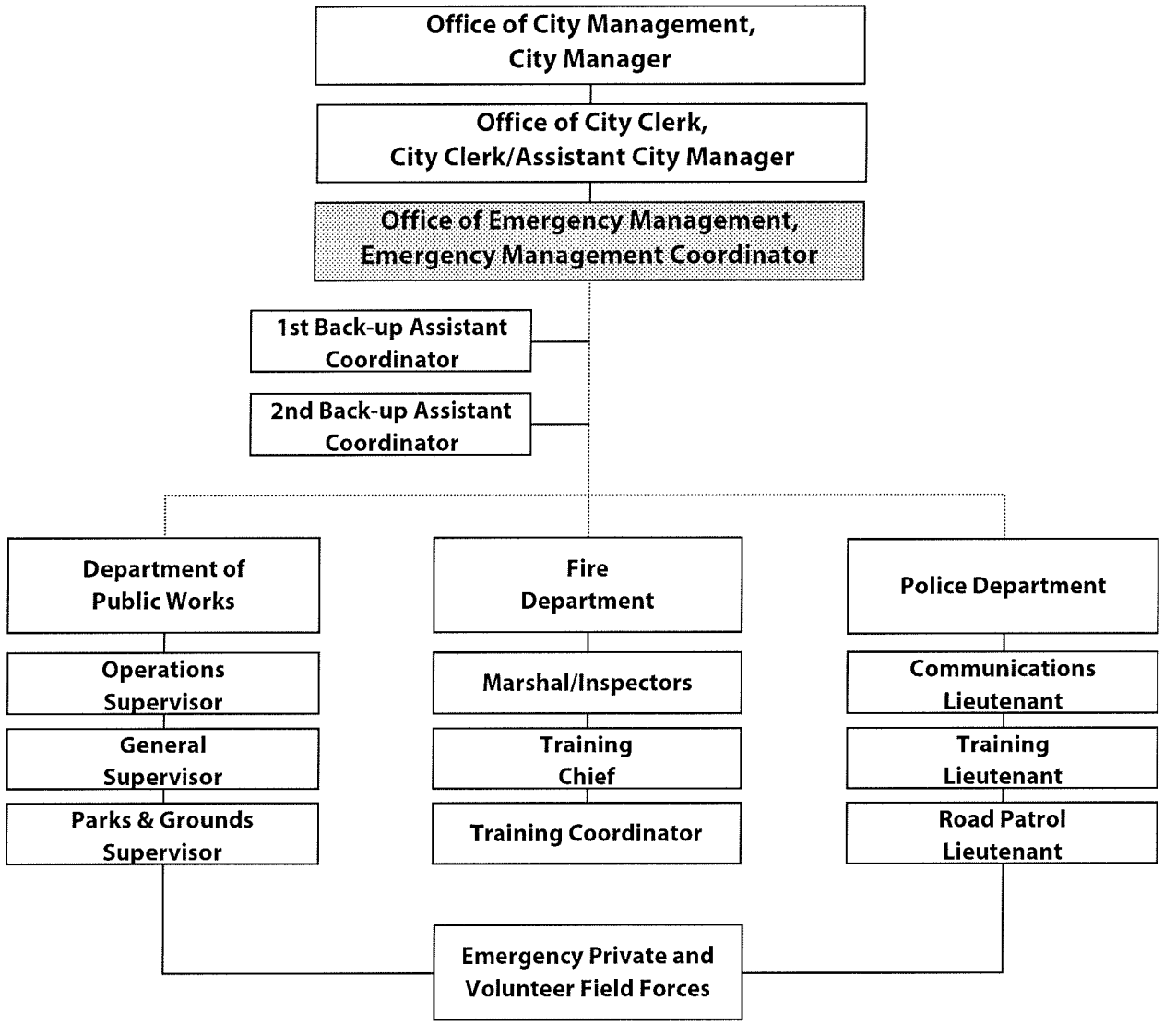
3. To expand the Municipal Security Council to include 200 volunteers from the Medical Reserve Corps, Volunteers in Police Service, Neighborhood Watch, and Community Emergency Response Team. *(City Goal 19, 24, 25)*

4. To develop and implement a Continuity in Government plan within each City department providing managers with an effective and efficient system for responding to emergency occurrences. *(City Goal 4, 19, 25)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Emergency Responses/EOC Activations	5	8	6	6	5	5
	Training Exercises/Participants	11/210	4/175	2/75	2/40	3/40	2/20
	Testing & Maintenance of Warning Systems (Hours)	35	45	35	20	20	20
	Public Presentations	35	22	15	15	0	5
	Family Protection Workbooks Distributed	4,000	53,000	300	500	1,000	1,500
	Hours Spent at Disaster Planning Meetings	45	43	70	65	44	40
	New Grants Applied For/Grants Received	2/2	5/5	5/5	4/4	2/2	5/5
	# of Grant Files Closed	N/A	2	3	4	4	3
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	98%	98%	98%	98%	98%
	% of Time Spent Administering Grants	N/A	80%	95%	90%	90%	90%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Emergencies Responded to w/i 1 Hour	99%	99%	99%	99%	100%	100%
	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	$477	$298	$398	*	*	*
	Average Cost to Conduct a Training Exercise	$550	$418	$477	*	*	*
	Activity Expenditures as % of General Fund	0.13%	0.17%	0.27%	0.33%	0.33%	0.14%

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

Emergency Management



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Emergency Management Coordinator	1	1	1
Total	1	1	1

Emergency Management

SUMMARY OF BUDGET CHANGES

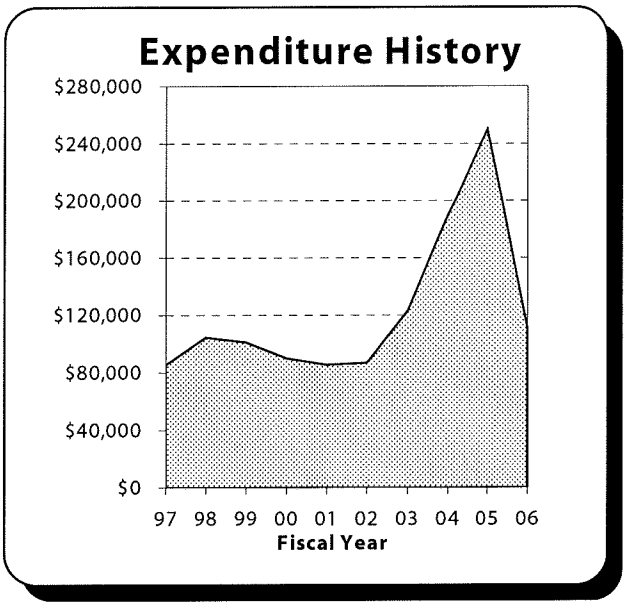
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $4,050 or 4.2% over last year's budget. Wages increased by $1,990 or 3.0%. The City is recommending increased funding for retiree health care obligations, resulting in a $930 increase to this activity for next year. Dental insurance costs rose 13% due to a rate increase.

Supplies – Total Supplies decreased $50 or 6.6%. The decrease was due to a necessary one-time purchase in the previous year to replace an adding machine.

Other Charges – Total Other Charges decreased $143,100 or 93.1%. The prior year budget included $78,000 in grants for the one-time purchase of Emergency Preparedness workbooks, the development of a *Continuity of Government Guide*, and consulting services for the development of emergency management plans for select locations in the City. $64,940 was budgeted last year for the one-time grant funding of anti-terrorism training for City personnel.

Capital – Total Capital of $18,500 is proposed for this activity and is budgeted in the Capital Projects Fund. $18,500 is recommended for a Mini Van to replace a 1997 vehicle assigned to the Emergency Manager that lacks dependability and has over 100,000 miles. A Mini Van is recommended to house the multitude of emergency management equipment that is transported on a daily basis.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$94,635	$95,460	$95,750	$99,510	$99,510
Supplies	84,267	760	850	710	710
Other Charges	11,172	153,660	153,500	10,560	10,560
Total	$190,074	$249,880	$250,100	$110,780	$110,780

Facilities Maintenance

MISSION STATEMENT: ***To maintain 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 Facilities Maintenance staff's primary goal is to maintain 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.

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.***

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. ■

Did you know?...
...that the Sterling Heights Police Department now has an emergency generator large enough to operate the entire building during an extended power outage?

Facilities Maintenance

2005/06 PERFORMANCE OBJECTIVES

1. To establish the Senior Activity Center as an emergency shelter by equipping the building with emergency electrical power and an adequate supply of drinking water. *(City Goal 1, 6, 25)*

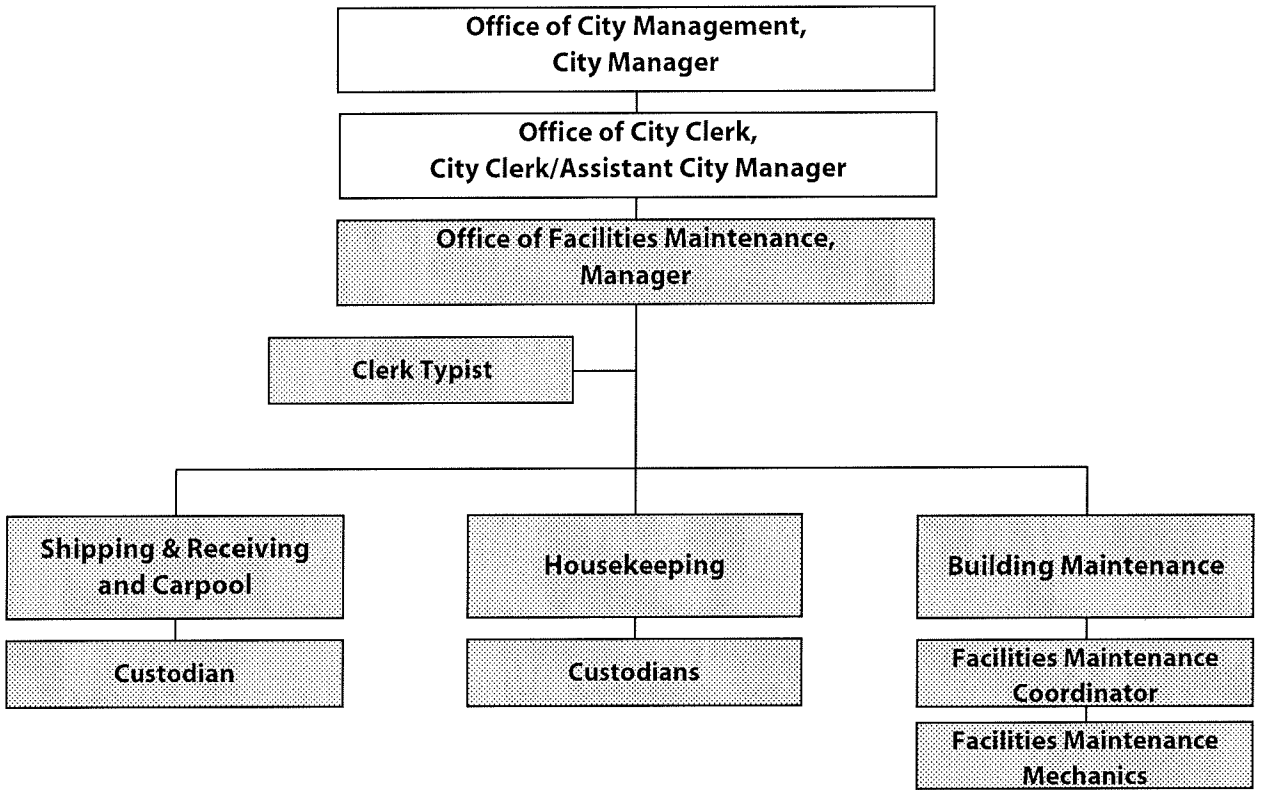
2. To increase the security level of the Police building by expanding the current card access system throughout the entire building. *(City Goal 1, 3, 6, 17)*

3. To ensure that health and safety standards and cost efficiency measures are being met in each of the City's facilities by evaluating the cleaning and maintenance schedule of each building and making adjustments where necessary. *(City Goal 1, 3, 4, 6, 17)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	City Facilities Supported - Square Feet	274,064	280,776	280,776	280,776	280,776	280,776
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	213,164	213,164	213,164	213,164	213,164	213,164
	Renovations/Projects Supervised/Coordinated	$309,921	$265,906	$49,306	$30,000	$27,930	$99,100
	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	7,540	7,500	7,550	7,600	7,500	7,500
	Post Office Deliveries & Pick-Ups	420	420	420	430	435	435
	UPS Shipments Prepared	49	65	60	65	60	60
	Deliveries to City Council Members	85	85	85	85	90	90
	Car Pool Vehicles Supervised	38	39	39	39	39	39
	Voting Machines Assembled & Delivered	195	180	180	180	180	180
Efficiency & Effectiveness	% of Emg. Call-Ins Responded to w/i 30 minutes	95%	98%	98%	98%	98%	98%
	% of Service Requests Met Within 15 Days	70%	80%	80%	85%	80%	85%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	117.9	131.7	132.5	136.6	136.6	136.0
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	29.9	23.0	22.3	21.8	21.5	21.5
	Overtime/Comp Hours Worked	1,800	1,825	1,750	1,800	1,790	1,800
	Housekeeping Cost Per Square Foot	$3.74	$4.15	$4.73	*	*	*
	Cost to Complete Maintenance Service Requests	$448,212	$451,933	$410,602	*	*	*
	Activity Expenditures as % of General Fund	1.66%	1.72%	1.82%	1.80%	1.77%	1.99%

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

Facilities Maintenance



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Coordinator	1	1	1
Facilities Maintenance Mechanic	2	2	2
Custodian	14	14	14
Clerk Typist	1	1	1
Total	19	19	19

Facilities Maintenance

SUMMARY OF BUDGET CHANGES

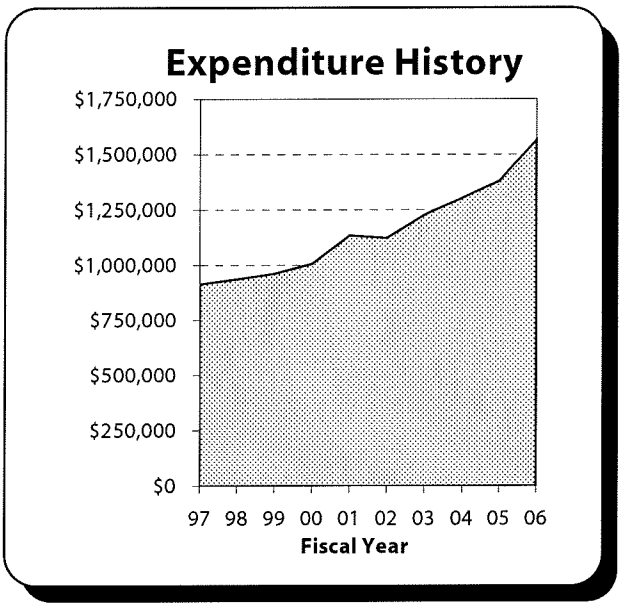
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $57,720 or 4.9%. Wages rose $23,170. Hospitalization costs rose $16,410 due to a rate increase next year. An additional $10,250 is proposed for funding the City's rising retiree health care obligations.

Supplies – Total Supplies increased $3,700 or 9.9%. $3,700 was transferred from the General Expenditures activity as the purchase of coffee and other beverages for City Hall functions will now be charged to the Facilities Maintenance activity so that these purchases can be better managed.

Other Charges – Total Other Charges increased $123,900 or 73.9%. Both the electric bills ($80,000) and heating costs ($40,000) for City Hall will now be expensed in this activity instead of in General Expenditures. $2,700 was also transferred from General Expenditures for the purchase of refreshments for City Council, Board and Commission meetings, and other special events. The assigning of these funds to a specific office will provide a better means of monitoring and controlling future costs. $2,000 is needed to fund higher equipment maintenance costs. Funding for telephone costs decreased $300 due to lower SBC contractual telephone rates and a greater savings realized from the recently implemented citywide Nextel telephone plan. $500 will be saved in rental costs as prior year 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,063,123	$1,173,730	$1,141,160	$1,231,450	$1,231,450
Supplies	40,944	37,510	40,010	41,210	41,210
Other Charges	199,097	167,650	168,220	291,550	291,550
Total	$1,303,164	$1,378,890	$1,349,390	$1,564,210	$1,564,210

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

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

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

This activity continues to introduce new technology, update existing programs, and develop cost-saving practices to allow for the efficient operation of equipment and personnel. To achieve this goal, extensive research in all phases of residential, commercial, industrial, and personal property must be conducted. These include: 1) gathering 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 ensure that recipients of Industrial Facilities Tax Exemptions comply with all program requirements.***
- ***To meet and/or exceed all State Tax Commission and Macomb County Equalization Department requirements.***

Did you know?...
...that $1.2 billion has been invested in the City over the past seven years under the existing Industrial Facilities Tax Abatement Program?

Assessing

2005/06 PERFORMANCE OBJECTIVES

1. To administer the second year of the City-wide personal property auditing program to promote local compliance with current State personal property reporting guidelines. *(City Goal 3)*

2. To continue with the implementation of computerized drawings of existing commercial buildings for more efficient workflow. *(City Goal 17, 18)*

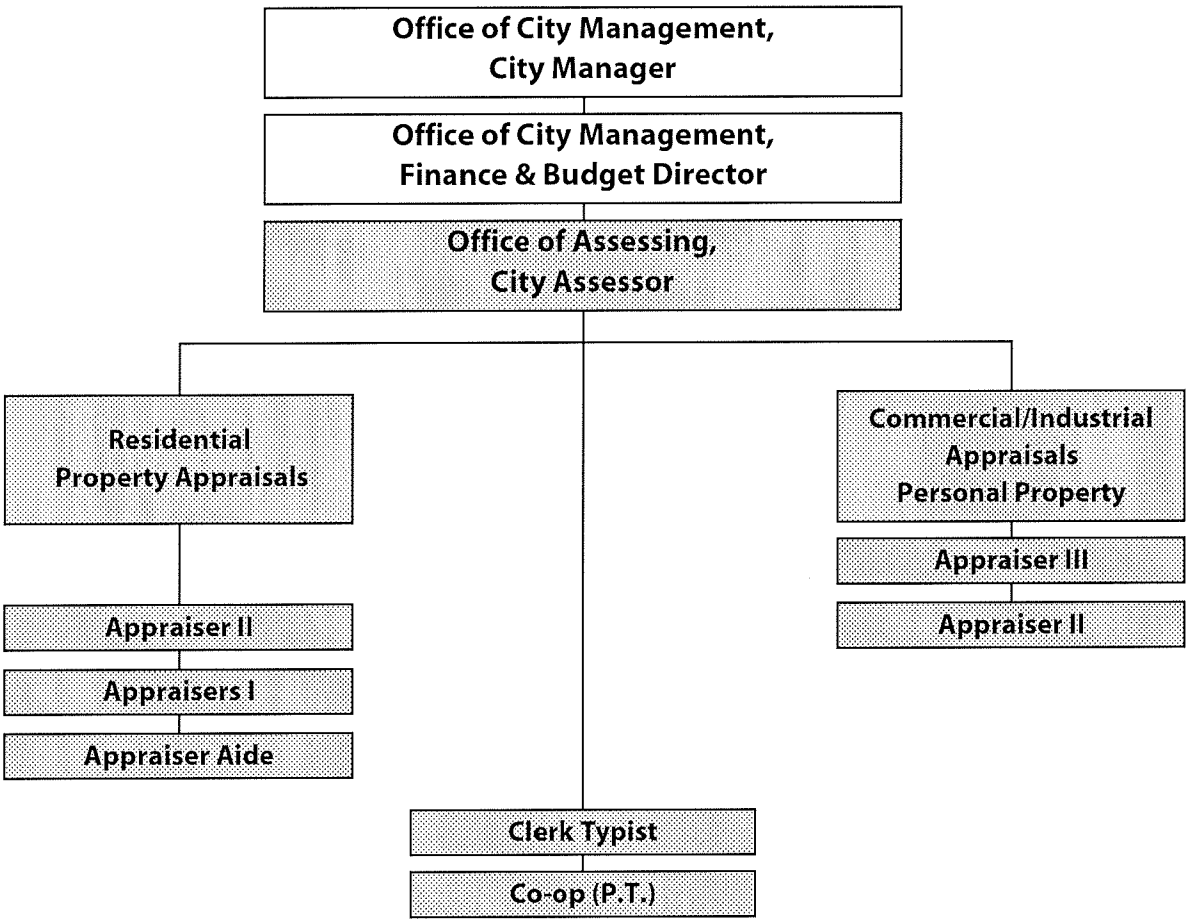
3. With the assistance of the Information Technology Office, to take exterior digital photographs of all commercial and residential buildings in the City and have them accessible through the City's website (www.sterling-heights.net). *(City Goal 4, 18)*

4. To develop a mechanism to better discover large corporate transfers of ownership to ensure the affected property assessments are uncapped. *(City Goal 3)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Assessment Notices Processed	42,402	43,881	45,020	45,500	45,800	46,800
	Residential Property Appraisals (including Partials)	227	373	967	900	1,050	1,000
	Commercial/Industrial Property Appraisals - Real	29	11	13	20	45	35
	Reappraisals of Residential Property	329	50	0	0	0	0
	Full Tax Tribunal Applications - Comm/Ind/Personal	10	12	6	10	29	15
	Board of Review Appeals	572	558	546	500	485	500
	Personal Property Audits	28	12	92	500	300	400
	Property Splits/Combinations Processed	49	42	34	30	35	35
	Resident Tax & Assessing Online Searches	5,074	101,407	143,102	135,000	145,000	148,000
	Deeds & Property Owner Updates	2,348	4,325	5,315	5,000	2,700	3,000
	Property Transfer Affidavits Processed	3,525	2,968	3,569	3,800	3,800	4,000
	Homestead Exemption Affidavits Processed	4,647	4,325	4,831	5,200	5,000	5,200
	Industrial Facility Exemption Certifications Approved	4	7	12	7	7	7
	Total Investment resulting from IFEC's (millions)	$9	$154	$459	$60	$782	$18
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)	5.9%	4.9%	4.6%	5.0%	4.5%	5.0%
	Sales Ratio	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
	% Site Plans Reviewed within 2 days	90%	90%	90%	95%	95%	95%
	% Property Splits/Comb. Processed w/i 3 days	90%	90%	90%	95%	90%	95%
	Equalization Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Average Cost to Appraise a Residential Parcel	$6.16	$5.11	$2.30	*	*	*
	Activity Expenditures as % of General Fund	0.89%	0.96%	1.00%	1.75%	1.58%	1.03%

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

Assessing



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
City Assessor	1	1	1
Appraiser III	2	1	1
Appraiser II	2	2	2
Appraiser I	1	2	2
Appraiser Aide	1	1	1
Clerk Typist	1	1	1
Co-op (P.T.)	1	1	1
Total	9	9	9

Assessing

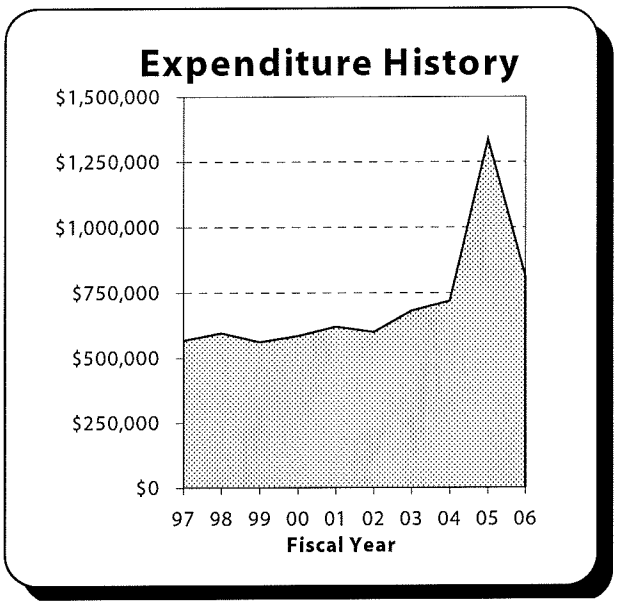
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $7,560 or 1.1%. Wages for full-time employees declined by $11,490 due to staff turnover in the previous year. Hospitalization Insurance costs rose $13,250 as a result of a rate increase and a change in an employee's dependent coverage. An additional $4,010 is proposed to fund retiree health insurance costs. A $1.00 per hour wage increase is recommended for the Board of Review members. This is the first wage increase in four years and will bring their level of pay up slightly to that of surrounding communities.

Supplies – Total Supplies decreased $790 or 4.0% as funding was reduced due to the one-time purchase of digital cameras in the prior year.

Other Charges – Total Other Charges decreased $528,640 or 82.5%. The budget decreased $527,550 as funding in the prior year budget included the cost of the first two years of the Personal Property Auditing contract. Next year's budget includes only a portion of the second year's contract costs. The third year of the program is not budgeted and is pending the notification of State grant funds. $700 will be saved as property folders will not need to be printed next year. Funding decreased $700 due to a citywide SBC contractual telephone rate decrease. Annual membership fees increased $70 as three employees will renew their personal property examiner certificates next year. Several memberships to the Macomb Assessor's Organization were eliminated.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$664,392	$674,550	$643,260	$682,110	$682,110
Supplies	19,138	19,740	19,120	18,950	18,950
Other Charges	34,033	640,630	548,230	111,990	111,990
Total	$717,563	$1,334,920	$1,210,610	$813,050	$813,050

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. This office prepares the Comprehensive Annual Financial Report and compliance reports for State and Federal agencies.

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 ensure 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 ensure 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 has saved over $775,000 in interest costs by refinancing ten bond issues and paying off two bond issues early?

Financial Services

2005/06 PERFORMANCE OBJECTIVES *(Accounting)*

1. To implement and apply GASB Statement 44 as required by the Governmental Accounting Standards Board to the Comprehensive Annual Financial Report that will provide economic condition reporting of statistical information including physical, economic, and social characteristics of the City. *(City Goal 20)*

2. To assist departments in identifying and streamlining outdated manual procedures by utilizing untapped functions in the MUNIS software modules. *(City Goal 3, 6, 17, 18)*

3. To conduct an audit of health care benefits of current and retired employees by reviewing eligibility requirements along with obtaining updated personnel records such as birth certificates, marriage licenses and dependent's tax status. *(City Goal 4)*

4. To research the feasibility of utilizing electronic record retention applications including availability within current financial software, document imaging, or other means of electronic file processing. *(City Goal 3, 6, 17, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Bank Statements Reconciled	385	300	300	300	300	300
	Travel Business Reports Reconciled/Processed	205	280	245	240	255	260
	Correcting Journal Entries Prepared	223	90	50	90	65	80
	Accounts Payable Invoices Processed	22,698	19,434	18,913	20,000	19,500	19,500
	Accounts Payable Checks Issued	12,378	10,120	9,544	10,500	9,800	9,800
	Payroll Checks & Deposit Notices Generated	22,360	21,543	21,302	21,800	21,800	21,800
	G.F.O.A. CAFR Reviews	2	2	3	2	2	2
	Total Retirees/Beneficiaries Receiving Medical Benefits	310	331	349	364	365	375
	Federal Grants Tracked	14	17	23	20	21	20
	Capital Assets Processed	199	257	282	250	250	250
	Audit Workpapers Prepared	135	140	167	170	188	190
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	13.5	8.4	8.0	10.0	9.0	9.0
	% of A/P Invoices Processed within 30 days	94.0%	97.0%	98.5%	99.0%	99.3%	99.3%
	% of A/P Checks Issued Without Error	97.0%	99.5%	99.8%	99.8%	99.8%	99.8%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
	Avg. # of Employees Receiving Compensation/Benefits	798	803	809	800	800	800
	Financial Statement Correcting Entries by Auditors	6	2	0	1	2	1
	Financial Administration of Federal Grant Expenditures	$883,005	$757,391	$1,575,976	$1,500,000	$1,500,000	$1,500,000
	Cost for an Independent Auditor to Perform Audit	$92,065	$135,400	$93,590	$95,000	$91,900	$89,000
	Years Received G.F.O.A. CAFR Award	14	15	16	17	17	18
	Cost to Process an Accounts Payable Invoice	$7.03	$7.92	$8.12	*	*	*
	Cost of Payroll Service Per Employee	$248	$255	$266	*	*	*

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

Financial Services

2005/06 PERFORMANCE OBJECTIVES *(Financial Services)*

1. To assist the Assessing Office in developing a mechanism for tracking changes of commercial ownership using the utility billing system. *(City Goal 1, 2, 3, 18, 20)*

2. To work with MUNIS software developers to enhance the budget payment module within the utility billing system to allow for quarterly budget plan payments. *(City Goal 2, 3, 17)*

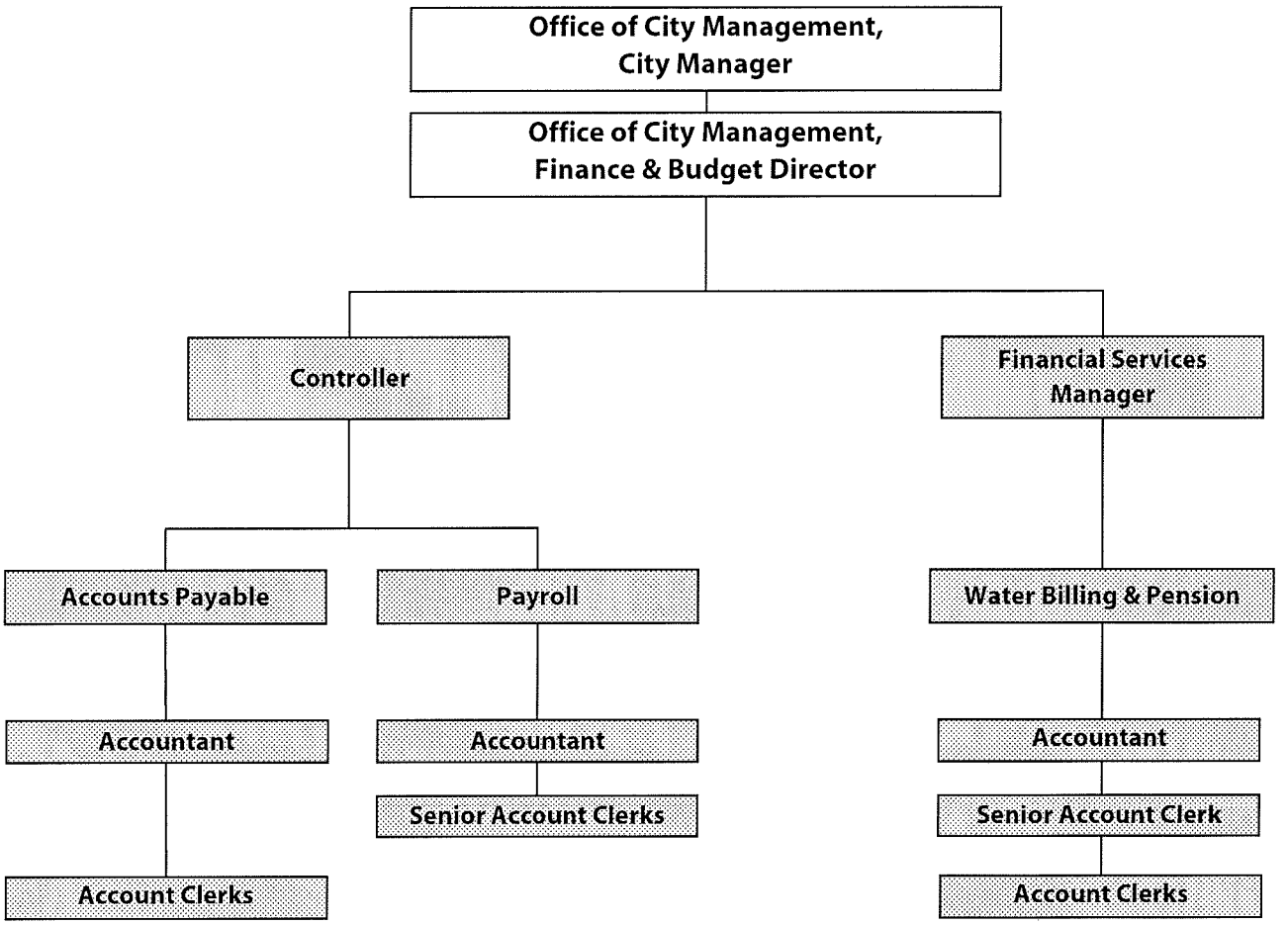
3. To perform an internal review of the causes of minimum manpower usage by the Fire Department in an attempt to lower overtime costs. *(City Goal 1, 3, 5)*

4. To assist the General Employees Retirement System Board of Trustees in an analysis of active versus passive investment options (costs versus performance basis). *(City Goal 1, 3, 5)*

5. To transition to the new version of MUNIS software and help provide training to the appropriate City staff. *(City Goal 1, 5, 6, 17)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Water and Sewer Bills Issued	176,737	179,498	182,123	183,000	183,170	183,470
	Final Water Bills Prepared	2,215	1,752	1,593	1,890	1,768	1,775
	Water & Sewer Customer Bill Online Searches	N/A	N/A	9,839	9,900	9,600	10,080
	Service Orders Processed by Utility Billing	N/A	N/A	2,784	2,700	2,660	2,795
	Water Bill Adjustments	N/A	N/A	1,476	1,170	1,710	1,510
	Internal Control Reviews Conducted	0	2	4	2	2	2
	Annual % Change in GERS Market Value - Fiscal Year	-5.3%	-1.4%	12.0%	8.0%	7.6%	8.0%
	3-Year Avg. Return on GERS Investments - Fiscal Year	4.2%	1.4%	4.5%	8.0%	6.9%	8.0%
	Defined Contribution Active GERS Employees	42	48	56	60	64	70
	Defined Benefit Active GERS Employees	320	304	299	295	294	280
	GERS Retirements Processed	24	18	12	14	12	24
	GERS Retirees/Beneficiaries Receiving Benefits	163	171	182	194	192	210
	Pension Calculations Prepared (P&F and GERS)	67	55	56	50	34	68
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	144.4%	132.7%	128.9%	126.0%	124.8%	125.0%
	GERS Asset Allocation - Equities (Goal 60%)	53.9%	56.2%	62.8%	60.0%	63.4%	60.0%
	GERS Asset Allocation - Fixed Income (Goal 30%)	46.1%	43.8%	27.8%	30.0%	26.4%	30.0%
	GERS Asset Alloc. - Hedge Fund-of-Fund (Goal 5%)	N/A	N/A	4.6%	5.0%	4.4%	5.0%
	GERS Asset Allocation - Real Estate (Goal 5%)	N/A	N/A	4.8%	5.0%	5.8%	5.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.51	1:0.56	1:0.61	1:0.65	1:0.65	1:0.76
	% of Water & Sewer Bills Adjusted	N/A	N/A	0.81%	0.65%	0.93%	0.82%
	Activity Expenditures as % of General Fund	1.54%	1.38%	1.43%	1.42%	1.40%	1.44%

Financial Services



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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
Total	12	12	12

Financial Services

SUMMARY OF BUDGET CHANGES

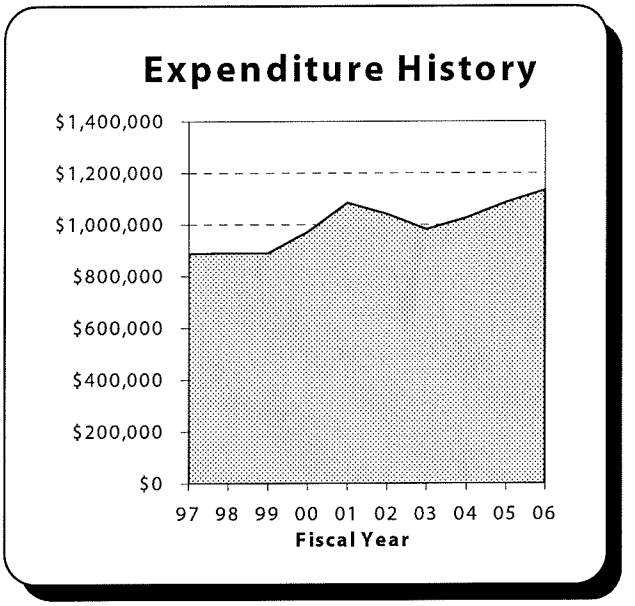
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $45,970 or 5.0%. Wages for full-time employees increased $26,020. Overtime costs fell by $2,000 as a result of increased efficiencies in the office. An additional $9,020 is required to fund retiree health insurance obligations. Longevity costs rose $4,050 due to the increased years of service of several employees.

Supplies – Total Supplies increased $770 or 1.4%. Postage funding increased $920 due to a greater number of water bills to be mailed next year. One publication will be eliminated saving $100.

Other Charges – Total Other Charges increased $20 or 0.02%. Funding for educational training increased $900 for the one-time funding of an employee to attend the Munis User's Conference. Additional funding was also included for educational CPA licensing credits. This increase was partially offset by a savings on the MGFOA Conference, as overnight lodging will not be necessary next year. The budget increased $500 due to higher DataMail costs to print water bills. $360 was added due to an increase in the MUNIS licensing and software support and maintenance fees. Telephone costs decreased $1,250 due to a revised allocation of City telephone expenditures and lower citywide SBC contractual telephone rates. Printing costs were reduced $400 as fewer audit reports will be printed as the report is now available on the City's website.

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.

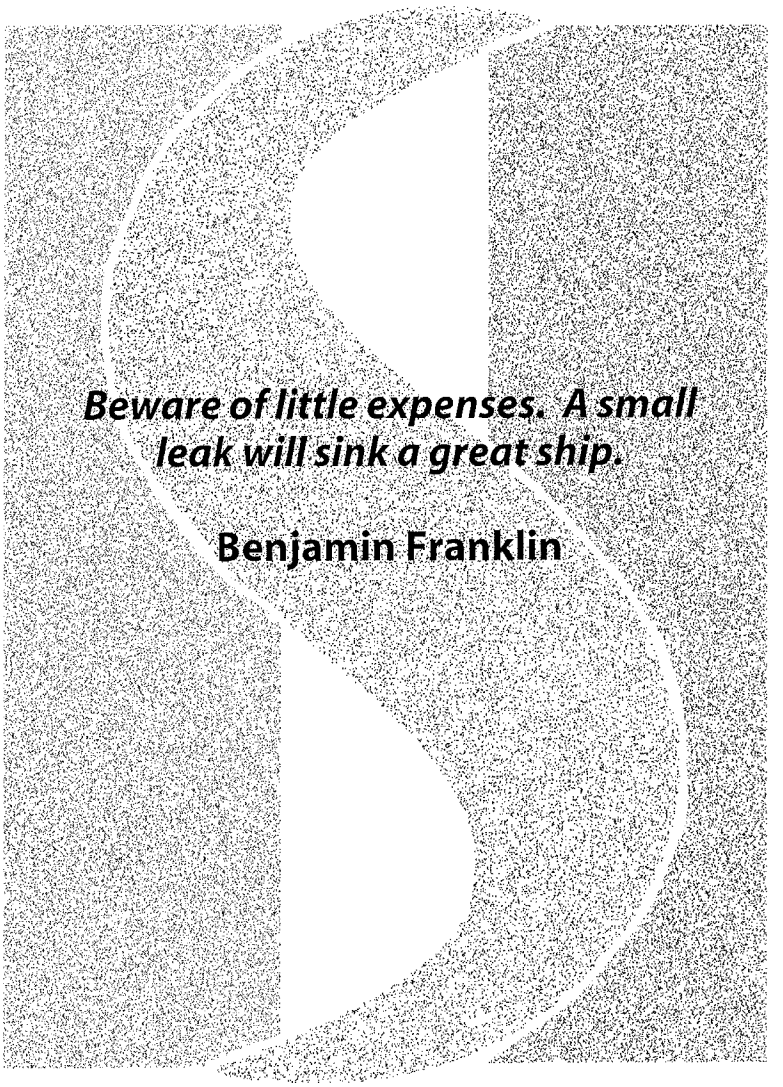
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$867,124	$922,600	$916,250	$968,570	$968,570
Supplies	57,282	56,080	56,220	56,850	56,850
Other Charges	101,188	107,160	101,370	107,180	107,180
Total	$1,025,594	$1,085,840	$1,073,840	$1,132,600	$1,132,600


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

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, Requests 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 for 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 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 the Office of Purchasing now has the ability to dispose of surplus City equipment through an online auction at www.govbids.com?

Purchasing

2005/06 PERFORMANCE OBJECTIVES

1. To review alternative vendors for City cellular telephones and to competitively bid out the Nextel phone contract. *(City Goal 3)*

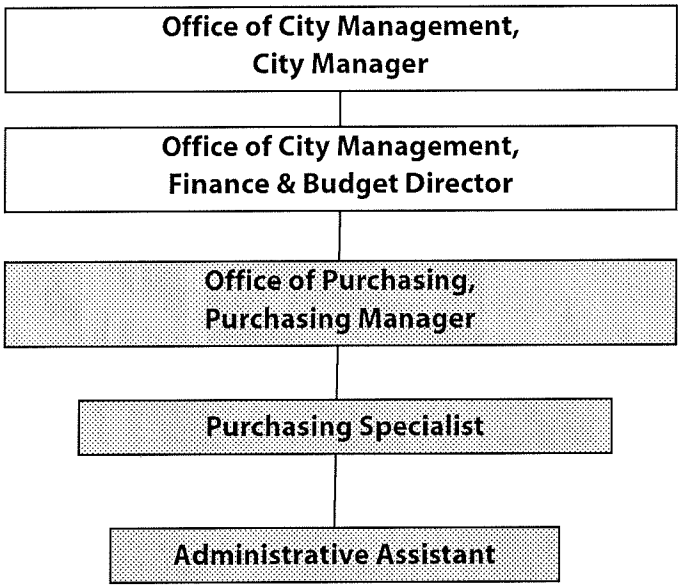
2. To review and improve MUNIS software purchase order capabilities in an effort to eliminate the need for departments to reenter purchase order information at the beginning of each fiscal year. *(City Goal 2, 3, 17)*

3. To work toward the ability to receive the electronic submission of bids by vendors. *(City Goal 3, 17, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Purchase Orders Processed	1,339	1,299	1,324	1,400	1,200	1,200
	Bid Solicitation Occurrences	74	73	67	75	72	70
	Bid Responses Reviewed	452	483	494	425	472	480
	Written Quotation Solicitation Occurrences	44	34	20	30	18	20
	Written Quotation Responses Reviewed	193	184	97	120	140	120
	Vehicles Administratively Processed for Auction	334	337	319	300	284	300
	Hours Worked on Requests for Proposals (RFP's)	37.5	112.5	63.0	90.0	80.0	80.0
	Number of Purchasing Card Transactions	149	1,857	1,930	2,000	2,020	2,020
	Purchasing Card Transaction Volume	$19,443	$275,696	$297,492	$300,000	$301,400	$302,000
	Equipment Repairs Scheduled	70	76	86	100	78	80
	Hours of Job Training Received	57	54	40	45	30	40
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	85%	90%	90%	85%	85%	85%
	% of P.O.'s Issued Under $500	16%	20%	32%	25%	25%	25%
	% of Bids Issued w/i 30 days of Specifications	80%	85%	85%	85%	85%	85%
	Avg. Days to Process a P. O. (informal pricing)	8	7	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	$93,286	$66,576	$112,358	$75,500	$102,000	$90,500
	Cost to Issue a Purchase Order	$64	$70	$65	*	*	*
	Average Cost to Go Out to Bid	$1,329	$1,437	$1,502	*	*	*
	Average % Savings Through Bid Process	N/A	20%	25%	25%	35%	35%
	Activity Expenditures as % of General Fund	0.39%	0.41%	0.42%	0.41%	0.40%	0.41%

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

Purchasing



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

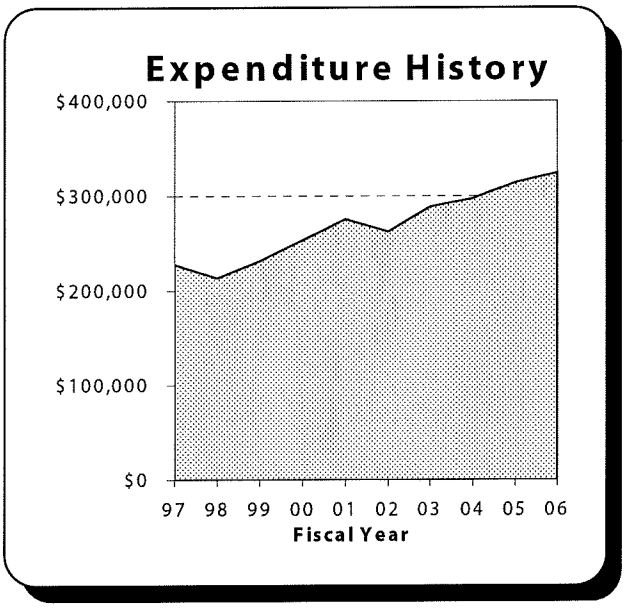
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $10,370 or 3.9%. Wages rose by $5,210 or 3.0%. Hospitalization costs increased $2,480 as a result of a rate increase for next year. Higher retiree medical obligations resulted in a $2,330 increase. Overtime and Compensatory Time combined decreased $2,200 due to continued efficiencies in the office. Most of the remaining fringe benefit accounts increased slightly as a result of the overall wage increase.

Supplies – Total Supplies decreased $440 or 15.8%. Postage costs decreased $440 as an increased number of vendor bid notices and requests for quotations are now distributed electronically rather than mailed out.

Other Charges – Total Other Charges increased $170 or 0.4%. $720 was added to the budget due to the increased number of City records to be microfilmed. This increase was offset by a decrease of $400, due to lower SBC contractual telephone rates and a revised allocation of City telephone expenditures. Annual membership fees decreased by $100 and printing costs declined by $50, both based on recent years' actual expenditure usage.

Capital – This office is scheduled to receive three new personal computers to replace existing six year old computers. 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$248,112	$268,610	$264,530	$278,980	$278,980
Supplies	2,386	2,790	2,350	2,350	2,350
Other Charges	46,690	42,460	42,570	42,630	42,630
Total	$297,188	$313,860	$309,450	$323,960	$323,960

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.

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.

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 & 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.***

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 with the implementation of a lock box for property tax payments, approximately 70% of all payments are now routed through the lock box for increased efficiencies including quicker deposit and the online ability to determine payment status?

Treasury

2005/06 PERFORMANCE OBJECTIVES

1. To implement the EnablePoint software in order to handle the billing and collection of the new False Alarm Ordinance. *(City Goal 6, 17, 18, 20)*

2. To successfully transition, internally and externally, to the collection of summer school property taxes effective with the 2005 summer tax program and to include an informational insert mailing with the tax bill. *(City Goal 1, 18, 20)*

3. To update the investment report to include additional historic performance benchmark information. *(City Goal 3, 5)*

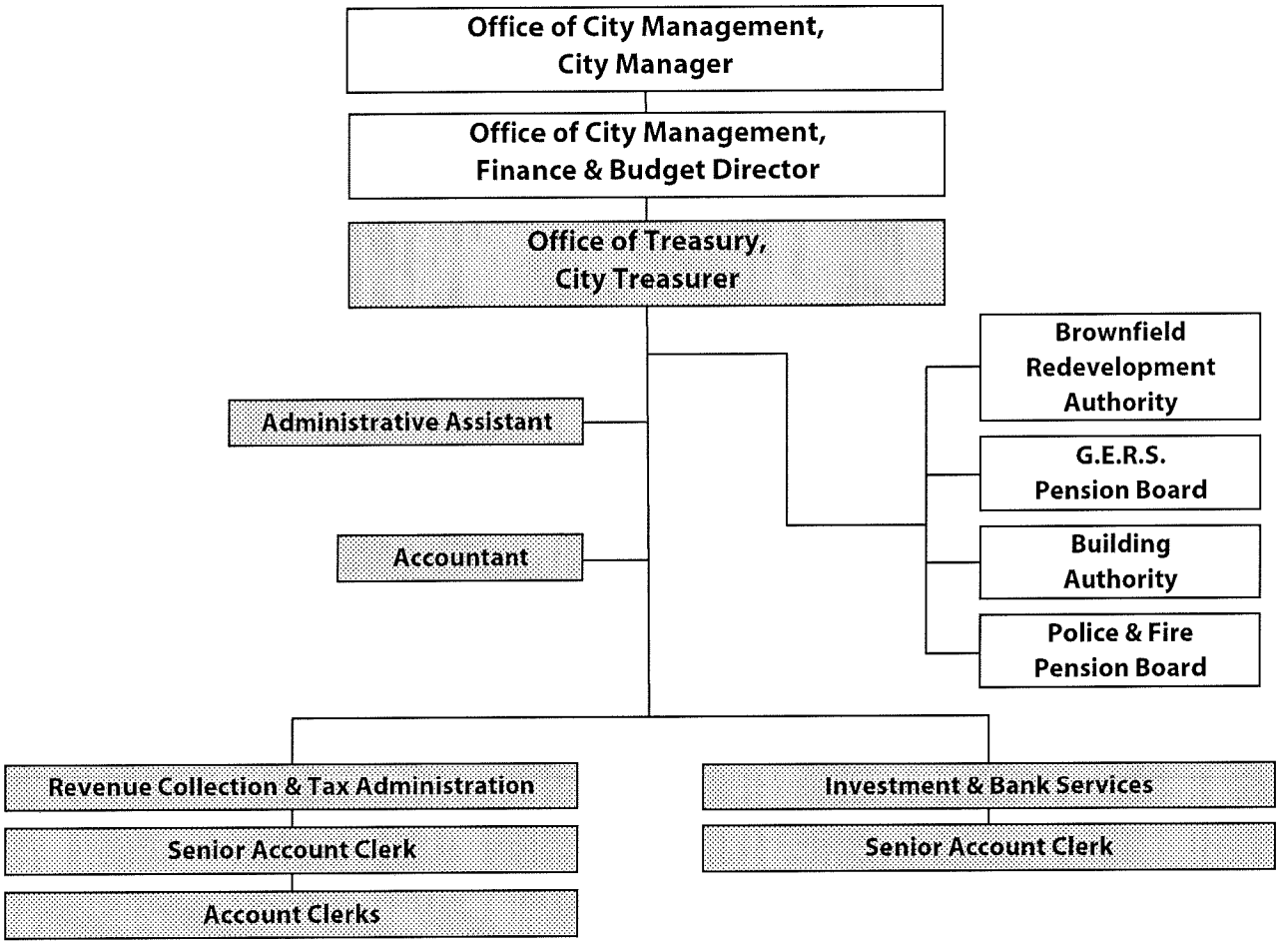
4. To modify the printing of the MUNIS customer receipt to include more detail and useful information such as item or service purchased. *(City Goal 1, 3, 19)*

5. To assist the Financial Services Office in identifying and eliminating redundant manual efforts between offices by utilizing MUNIS to process non-sufficient fund checks. *(City Goal 2, 3, 17, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Tax Bill Payments Processed - Manually	59,029	58,025	42,233	18,500	18,500	18,500
	Tax Bill Payments Paid - Electronically	25,458	27,461	26,019	26,000	28,605	28,600
	Tax Bill Payments Processed - Lock Box	N/A	N/A	18,817	41,500	38,895	38,900
	Special Assessment Parcels Billed	538	262	300	300	251	200
	Invoices Billed	3,368	4,009	2,476	3,300	3,704	4,200
	Investments Bought/Sold - Number of Transactions	138	168	301	300	338	300
	Tax Adjustments Processed	1,084	1,016	1,155	1,100	1,531	1,500
	Resident Tax & Assessing Online Searches	5,074	101,407	143,102	135,000	145,000	148,000
	Cash Receipts Processed by Treasury Personnel	52,006	76,061	66,371	70,000	64,300	64,900
	City-wide Credit Card Transactions	1,862	3,964	7,092	7,500	7,800	8,000
	Dollar Value of All Credit Card Transactions	$281,113	$660,517	$864,523	$914,000	$1,300,000	$1,500,000
	# of Online/IVR Credit Card Tax Payments	N/A	64	161	180	180	190
Efficiency & Effectiveness	% of Real City Property Tax Levy Collected	97%	97%	97%	97%	97%	97%
	% of Personal City Property Tax Levy Collected	96%	95%	96%	97%	97%	97%
	Average Rate of Return on Investments	3.11%	2.50%	1.51%	2.00%	2.20%	3.00%
	Average 6 Month T-Bill Rate	2.25%	1.31%	1.11%	1.20%	1.50%	2.00%
	City's Return as a % of 6 Month T-Bill	1.38%	1.91%	1.36%	1.67%	1.47%	1.50%
	% of Portfolio Invested in Active Market	58.4%	78.3%	77.1%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	$2.7	$2.6	$0.9	$1.8	$1.5	$1.6
	Police & Fire Pension System - % Funded	140.2%	130.8%	122.5%	125.0%	120.2%	120.0%
	Ratio of Active P&F Employees to P&F Retirees	1:0.72	1:0.73	1:0.79	1:0.81	1:0.82	1:0.85
	Average Cost to Process a Billing Invoice	$5.51	$5.25	$5.32	*	*	*
	Activity Expenditures as % of General Fund	0.92%	0.94%	0.90%	0.89%	0.88%	0.91%

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

Treasury



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
City Treasurer	1	1	1
Accountant	1	1	1
Senior Account Clerk	2	2	2
Administrative Assistant	1	1	1
Account Clerk	5	4	4
Total	10	9	9

Treasury

SUMMARY OF BUDGET CHANGES

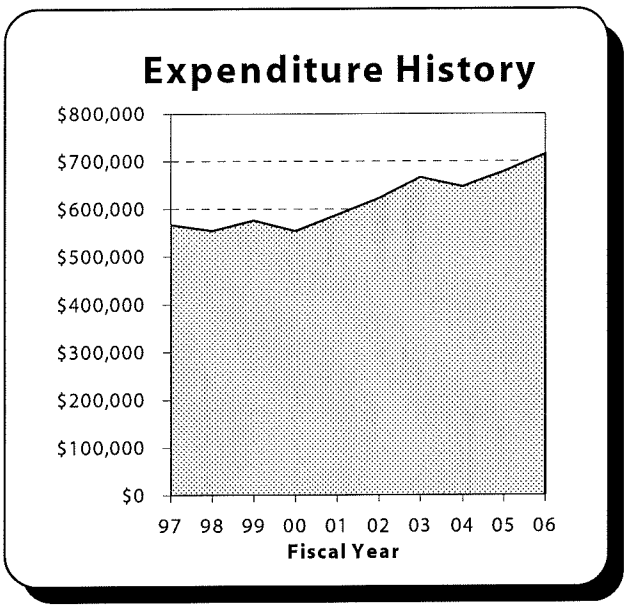
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $28,780 or 4.8%. Wages for full-time employees increased $17,780. Overtime and Compensatory Time decreased a combined $4,000 as a result of implementing the banking services lock box last year and other office efficiencies. Hospitalization Insurance costs rose $3,950, while Dental costs rose $860 or 11.1% due to a rate increase. An additional $5,770 is budgeted to fund growing retiree health liabilities.

Supplies – Total Supplies increased $2,160 or 5.8%. Postage costs increased $2,080 for increased mailings relating to the implementation of the False Alarm Ordinance and a greater number of property tax bills.

Other Charges – Total Other Charges increased $5,540 or 14.8%. Credit card fees increased $6,500 based on the increasing number of resident payments processed. $400 was added to the budget for the Treasurer to attend Michigan Municipal Treasurer's Association training. The office will save $1,300 in telephone costs due to lower citywide SBC contractual telephone rates and a revised allocation of City telephone expenditures. Printing costs decreased $100 based on lower historic actual expenditure levels.

Capital – This office is scheduled to receive 13 new personal computers to replace the existing six year old units. This funding is in the Information Technology capital budget. Two of the units are computer cash registers and two are for use by customers near the Treasury counter.



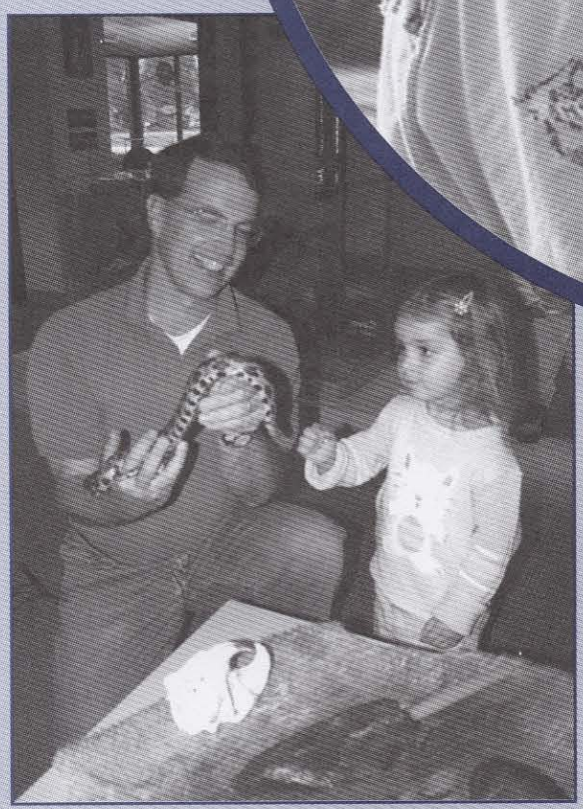
CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$574,945	$602,970	$593,820	$631,750	$631,750
Supplies	36,149	37,520	37,600	39,680	39,680
Other Charges	34,972	37,480	42,580	43,020	43,020
Total	$646,066	$677,970	$674,000	$714,450	$714,450

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

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 by $61,670 or 2.7%. Personnel costs rose $113,840 or 6.7%. Wages for full-time employees increased $25,850. Funding for part-time wages increased by $48,400 as several positions formerly paid as contractual employees must now be paid as part-time employees per IRS guidelines. Higher medical insurance rates resulted in a $12,810 increase, while an additional $11,640 is budgeted for higher retiree medical costs. Supply costs declined by $12,840 or 9.1% due to a leveling of expenditure increases now that the Senior Center has been opened for several years, as well as other efficiency cost savings. Other Charges fell by $39,330 or 9.8% due to the reclassification of several contractual positions to part-time employee status. In addition, the department's utility costs increased by $9,250. The capital budget includes funding for bocce ball courts at the Senior Center, new basketball scoreboards, a replacement pickup truck, and several improvements to Delia Park.

FUNDING LEVEL SUMMARY

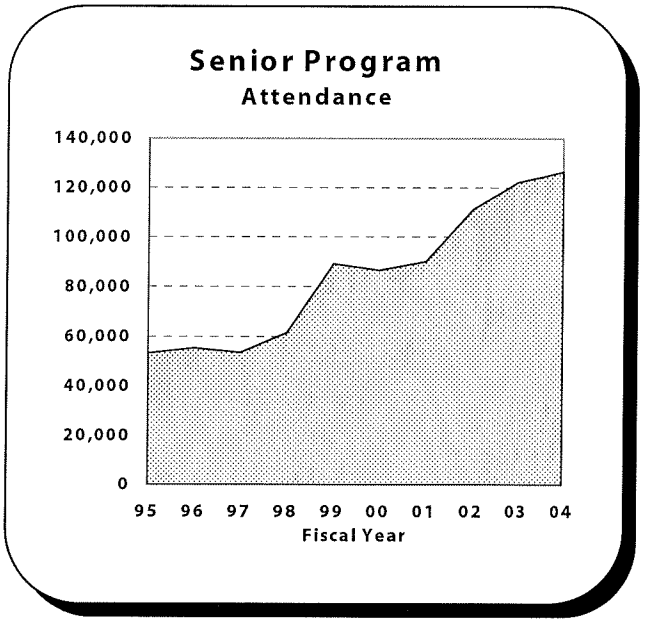
	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Parks & Recreation	$2,161,920	$2,165,260	$2,252,300	$2,313,970	2.7%
Total Department	$2,161,920	$2,165,260	$2,252,300	$2,313,970	2.7%
Personnel Services	$1,586,000	$1,638,120	$1,710,220	$1,824,060	6.7%
Supplies	137,400	116,590	141,440	128,600	-9.1%
Other Charges	438,520	410,550	400,640	361,310	-9.8%
Total Department	$2,161,920	$2,165,260	$2,252,300	$2,313,970	2.7%

PERSONNEL SUMMARY

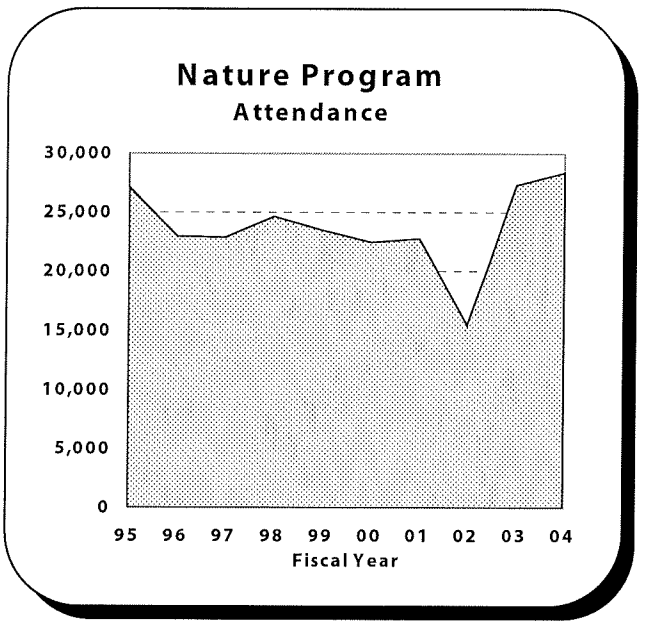
	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	16	0	16	0	16	0	16	0
Total Department	16	0	16	0	16	0	16	0

KEY DEPARTMENTAL TRENDS

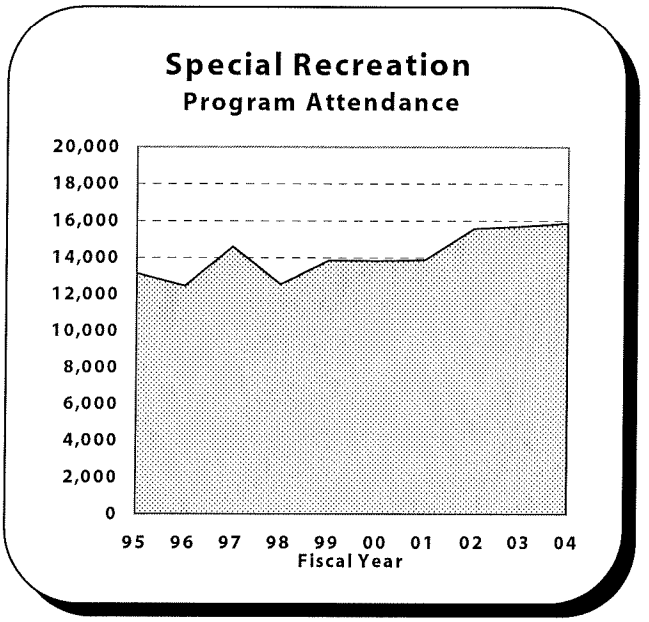
Parks & Recreation Department



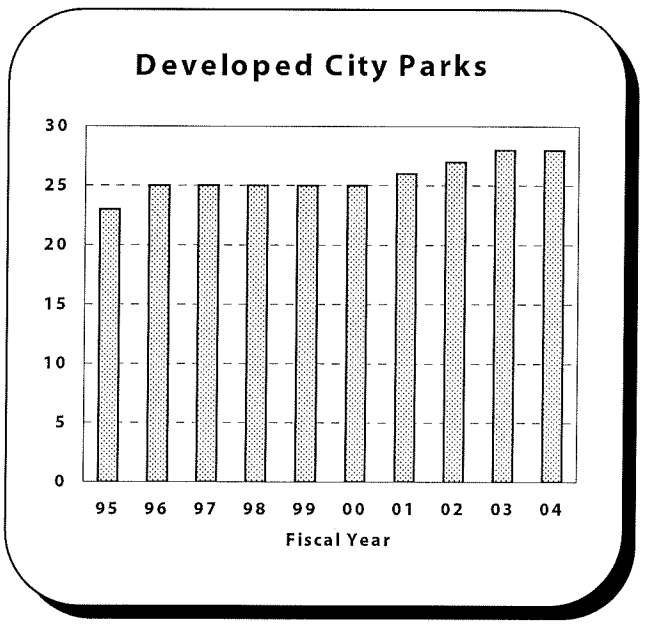
With the opening of the new Senior Citizen Center in October of 1997, senior program attendance has increased over the past 7 years by 136%, from 53,431 to 126,280 participants. Demand was so high that additional parking spaces had to be added to the Senior Center parking lot. The number of senior and special recreation transportation riders has doubled since 1997.



Attendance at the City's Nature Center had decreased slightly since reaching a high in 1995 of nearly 27,000 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 and now is at a ten-year high of 28,350 visitors.



For the past three years, nearly 16,000 mentally or physically disabled individuals annually participated in the City's Special Recreation programs and activities.



The number of City parks has increased by 22% from 23 in 1995 to 28 in 2004. In the past four years Rotary, Moravian, and Avis Drive Parks have been developed increasing the amount of city land devoted to recreational purposes to 820 acres. In 2004, the city replaced playground equipment at Fairfield and Nelson Parks, installed new baseball scoreboards at Delia Park, resurfaced the asphalt paths at Dodge and Clinton River Parks, and reconstructed the baseball field at Baumgartner Park. In 2005, we will complete the last section of the bike trail through the City and new soccer fields at Nelson and Baumgartner Parks.

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's Master Parks & Recreation Plan has recently been updated so that the City continues to retain its eligibility to apply for Michigan Department of Natural Resources grants for the next five years?

Parks & Recreation

2005/06 PERFORMANCE OBJECTIVES

1. To develop plans for the expansion of the Senior Activity Center including the addition of a gymnasium and expansion of the existing parking lot. *(City Goal 26, 27)*

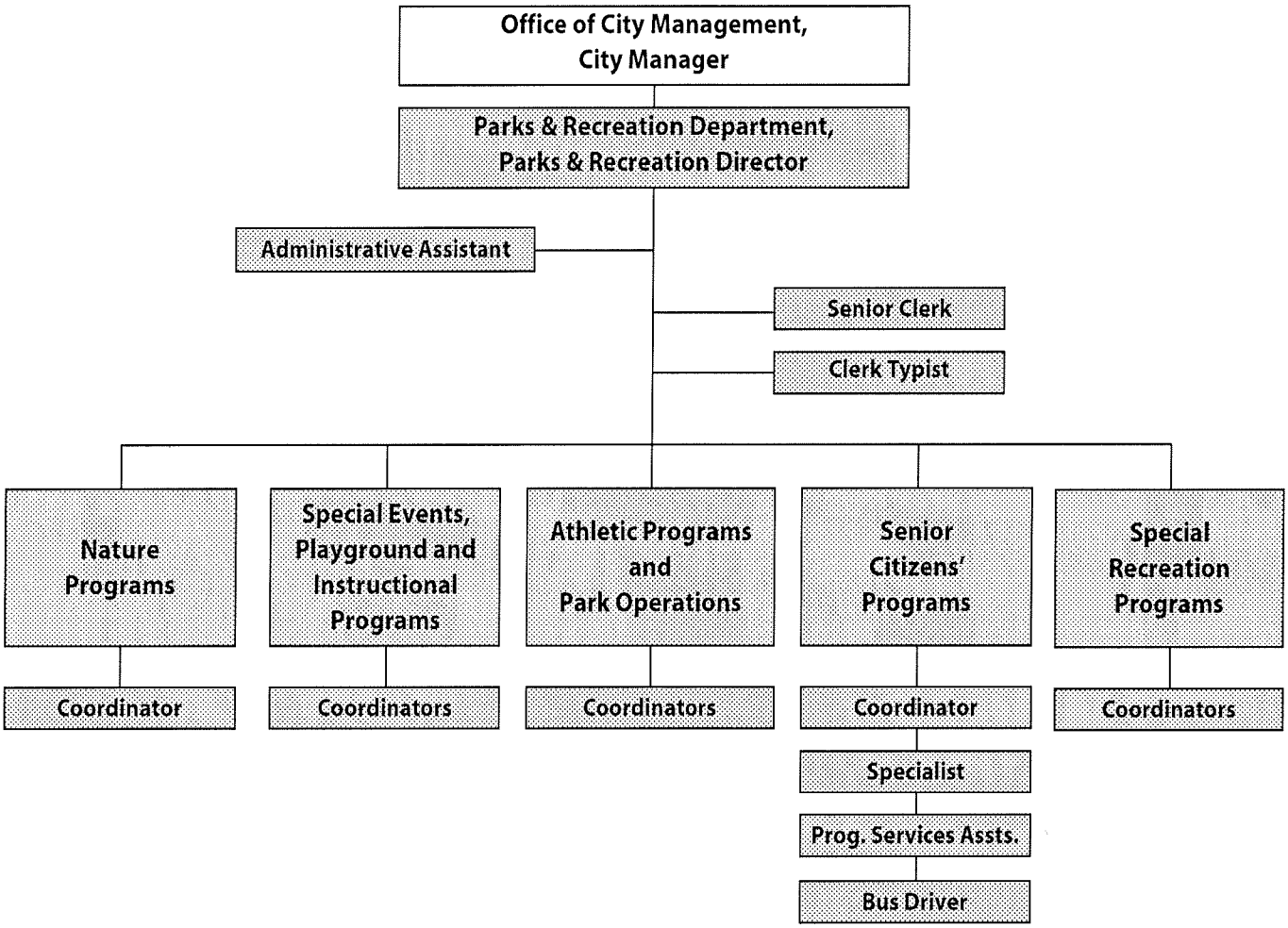
2. To create a Parks & Recreation Advisory Board responsible for guiding the City in the development of parks and facilities with the assistance of the Major Parks and Facilities Conceptual Development Plan. *(City Goal 19, 26)*

3. To develop a program of ensuring that the City's parks and accompanying facilities are properly and adequately maintained thereby providing safe and enjoyable activity areas for City residents. *(City Goal 26, 27)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Instructional & Aquatics Class Attendance	34,901	33,355	33,925	33,500	33,550	33,600
	Special Event Participants	68,534	68,480	68,500	68,800	68,600	68,700
	Special Recreation Program Attendance	15,585	15,700	15,870	15,700	15,800	15,800
	Adult & Youth Athletic Program Attendance	64,447	70,185	70,060	70,500	70,100	70,150
	Nature Program Participants	15,457	27,290	28,350	28,400	28,375	28,400
	Teen Only Program Attendance	512	655	700	750	750	750
	Number of Internet Registrations	0	62	952	975	975	990
	Summer Playground Registrations	1,462	1,045	788	1,200	792	800
	Park Playground Equipment Replaced	4	0	2	3	3	1
	Senior Activities Attendance	111,123	121,990	126,280	122,000	124,500	124,600
	Community Center Special Activity Use Attendance	14,104	35,010	21,400	14,700	21,300	21,400
	Senior Home Chore & Repair Jobs	2,173	1,930	1,467	2,200	1,475	1,480
	Senior & Special Recreation Transportation Riders	21,918	23,824	24,611	24,600	24,580	24,600
Efficiency & Effectiveness	P & R Revenue Earned per Capita	$2.85	$2.92	$3.21	$3.09	$3.33	$3.23
	% of Refunds Due to Dissatisfaction	1.4%	1.2%	1.1%	1.1%	1.1%	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	84.4%	85.4%	85.4%	85.4%	85.4%	85.4%
	Full-time Equivalent Staff per 100,000 Population	49	47	43	44	44	44
	Nature Center Cost per Visitor	$8.69	$6.81	$6.53	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	$12.27	$11.36	$10.70	*	*	*
	Department Cost per Capita	$16.27	$17.27	$17.21	$17.85	$17.69	$18.22
	Activity Expenditures as % of General Fund	3.00%	3.04%	3.02%	2.95%	2.92%	2.94%

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

Parks & Recreation



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

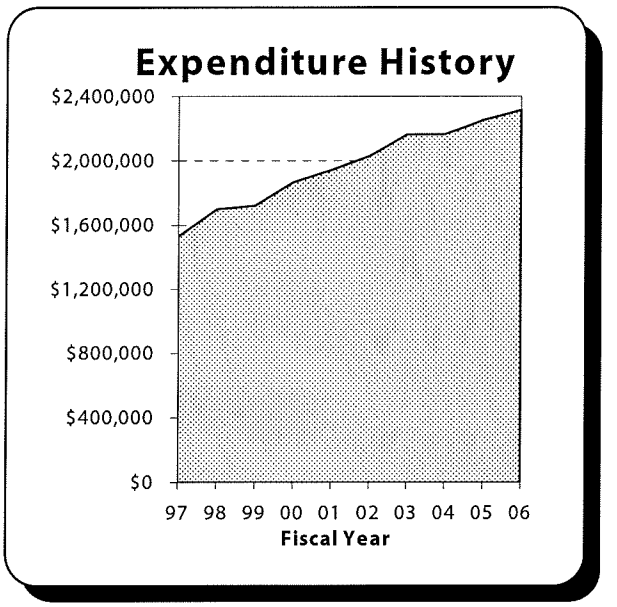
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $113,840 or 6.7%. Wages for full-time employees rose $25,850. Wages for part-time employees increased $48,400. The increase in part-time wages is a result of an internal study conducted by the Finance Department. Several positions formerly paid as contractual employees (hall guards, special events staff, etc.) must now be paid as part-time employees per IRS guidelines. Hospitalization cost rose $12,810. Additional retiree health care obligations resulted in a $11,640 funding increase.

Supplies – Total Supplies decreased $12,840 or 9.1% as Parks & Recreation has been celebrating senior birthdays six times a year and has realized other efficiency savings.

Other Charges – Total Other Charges decreased $39,330 or 9.8%. Contracted services declined $55,400 as certain contractual employees are now included in the personnel budget. Telephone costs decreased $3,500 due to lower SBC contractual telephone rates and a greater savings realized from the new citywide Nextel telephone plan. $8,250 was added for the increased rental costs of school pools and buses. The budget increased $7,250 for higher heating costs. Electric costs increased $2,000. $1,790 was added for the Director's attendance at a national conference and for three additional employees to attend a local State conference.

Capital – Total Capital of $20,800 is proposed. $3,000 is for two replacement Portable Electronic Scoreboards to be used for City youth and adult basketball programs at various junior high schools. $17,800 is for a Pickup Truck to replace a 1996 vehicle with 125,000 miles that is used for park supervision and moving equipment and supplies.



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.

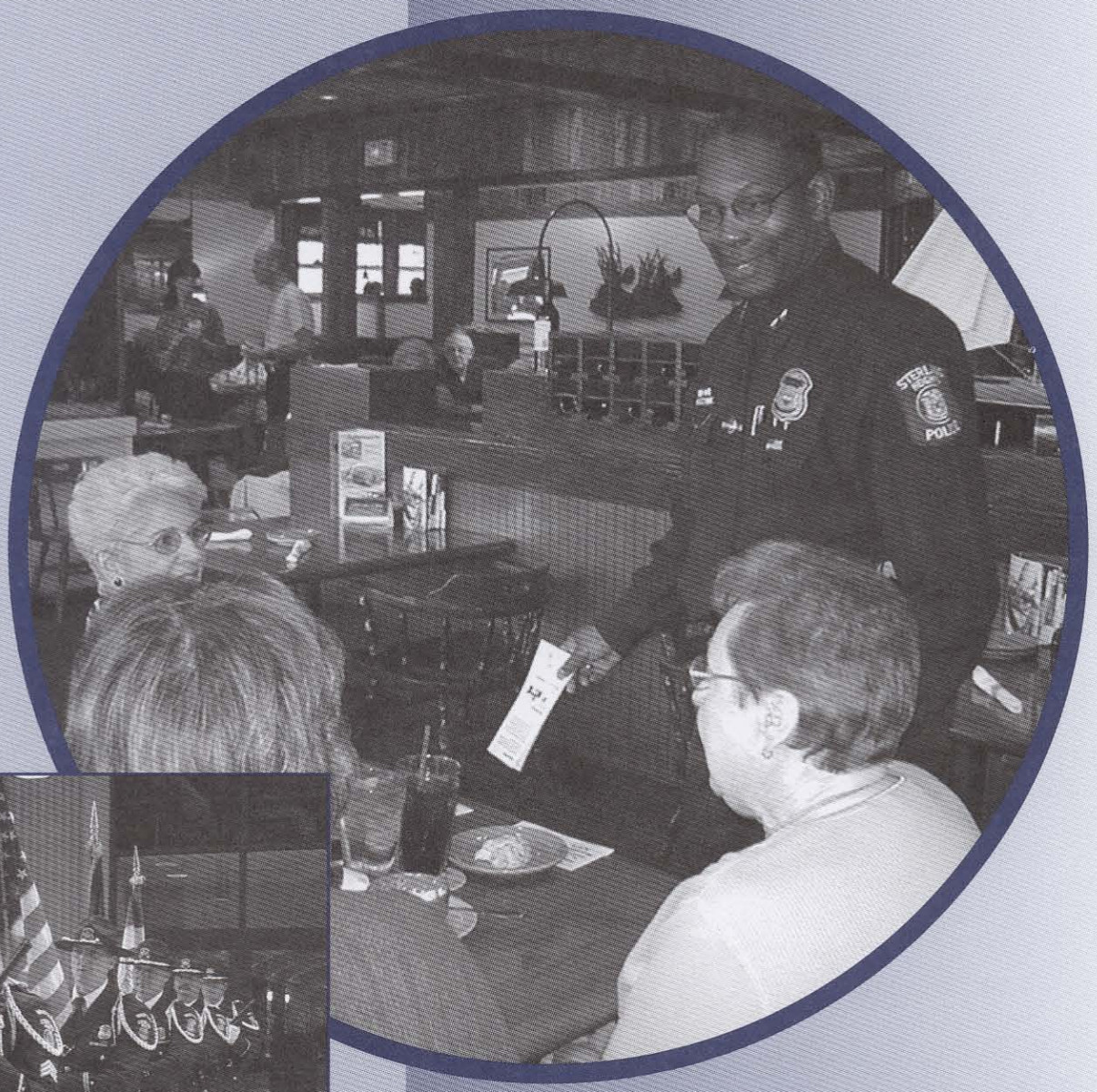
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,638,123	$1,710,220	$1,727,750	$1,824,060	$1,824,060
Supplies	116,588	141,440	124,700	128,600	128,600
Other Charges	410,545	400,640	380,150	361,310	361,310
Total	$2,165,256	$2,252,300	$2,232,600	$2,313,970	$2,313,970

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department

Office of the Police Chief

Office of the Chief

- Administration of department's divisions
- Provides public information and responses to citizen complaints
- ***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 various task forces ***Training*** – coordinates training, monitors changes in law, responds to lawsuits
- ***Special Investigations*** – conducts background investigations
- Investigates allegations of misconduct by department members
- Regulates the sale of alcoholic beverages

Special Services

- Coordinates all Police administrative and personnel activities as they relate to City business
- Monitors and processes all expenditures, including payroll
- Oversees budgeting and auditing for the department
- Coordinates departmental responses to litigation
- ***Community Services*** – provides crime prevention and public safety information including the D.A.R.E. program

Enforcement Services

- ***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

Investigative Services

- ***Criminal Investigations Bureau*** – handles cases involving adults and juveniles, case law, conducts follow-up
- Investigates check fraud, serves warrants and performs technical polygraph examinations

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
- ***Communications 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 $424,680 or 1.7%. Rising personnel costs accounted for the increase. Personnel costs rose $470,820 or 2.0%. Wages increased by $559,810. A part-time High School Co-op position is recommended to assist the clerical staff. Hospitalization insurance costs rose by $194,030 or 8.6%. The budget includes an additional $308,010 to partially fund the Department's growing retiree medical obligations. Required employer contributions to the Police & Fire pension system fell by $756,230 or 29.1% due to a recent actuarial experience study. Supplies decreased by $7,080 or 4.2% due to the one-time funding for new police manuals in the prior year. Other Charges fell by $39,060 or 5.8% due to one-time grants, lower drug forfeiture purchases, and savings on mobile computer maintenances fees, offset partially by rising utility costs. A staffing reorganization in the middle of the last year has resulted in varying budget percentage changes among the divisions next year. The capital budget includes funding for 11 replacement traffic and patrol vehicles and an evidence technician vehicle.

FUNDING LEVEL SUMMARY

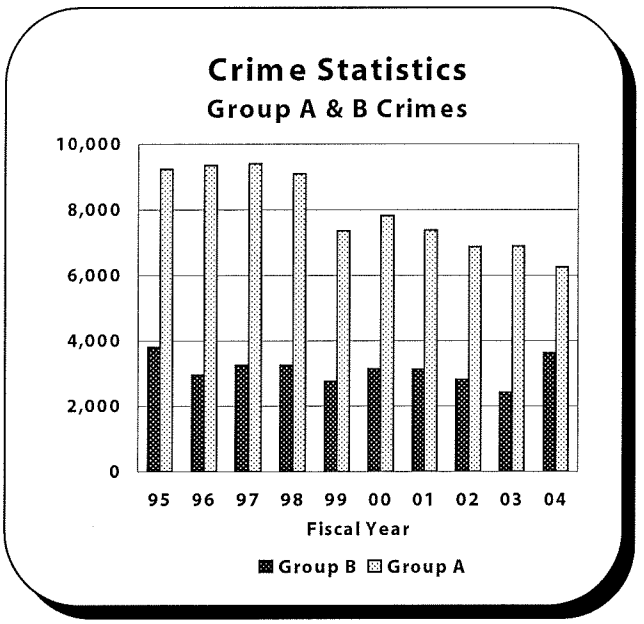
	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Office of the Police Chief	$2,394,110	$2,484,860	$4,070,260	$4,253,510	4.5%
Police Enforcement Services	14,303,650	16,051,110	14,597,740	14,477,610	-0.8%
Police Investigative Services	4,058,990	1,783,260	3,026,730	3,242,750	7.1%
Police Support Services	1,083,020	2,756,790	2,908,430	3,053,970	5.0%
Total Department	$21,839,770	$23,076,020	$24,603,160	$25,027,840	1.7%
Personnel Services	$20,936,660	$22,226,900	$23,761,970	$24,232,790	2.0%
Supplies	205,570	149,040	166,780	159,700	-4.2%
Other Charges	697,540	700,080	674,410	635,350	-5.8%
Total Department	$21,839,770	$23,076,020	$24,603,160	$25,027,840	1.7%

PERSONNEL SUMMARY

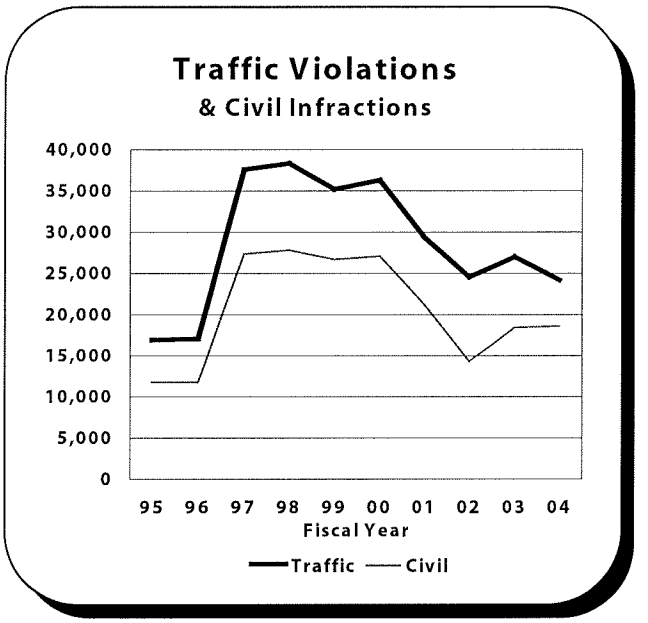
	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Office of the Police Chief	19	0	19	0	31	0	31	0
Police Enforcement Services	151	33	150	33	124	33	124	33
Police Investigative Services	40	0	14	0	28	0	28	0
Police Support Services	19	1	43	0	42	0	42	1
Total Department	229	34	226	33	225	33	225	34

KEY DEPARTMENTAL TRENDS

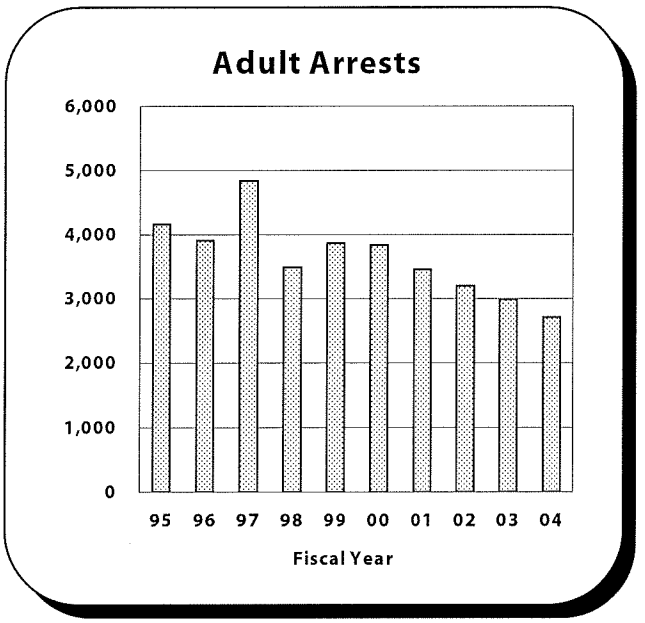
Police Department



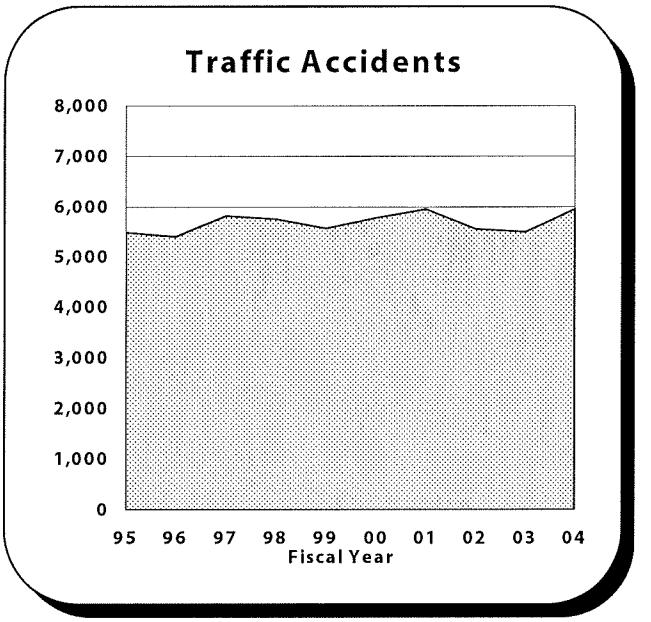
The City's crime rates have decreased over the past ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.



The total number of traffic violations has increased by 43% since 1995. 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 37%, while civil infractions have decreased by 33%.



Adult arrests in Sterling Heights have averaged between 2,700 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 2004, adult arrests fell to the lowest level in ten years.



The total number of accidents over the past ten years has increased slightly despite the high growth in traffic volumes. The growth in the city and in the surrounding northern communities has added to the traffic volume, especially during the work time commute. In 2004, vehicular accident reports increased by 8% and are now at the second highest level in the past ten years. The number of injury traffic accidents increased by 15.4% in 2004.

Office of the Police Chief

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.

Working under the Office of the Chief is the Special Projects Coordinator, Crime Suppression Unit, Training Bureau, and Special Investigations Bureau. The Special Projects section handles various projects of significant importance to the overall operation of the Police Department including technological changes and advances that improve the Police Department's service to the community.

KEY GOALS

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

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. Officers are also assigned to specialized units throughout Macomb County and the metropolitan Detroit area including the Macomb Auto Theft Squad (M.A.T.S.) and Drug Enforcement Administration (D.E.A.). The Crime Analysis Officer analyzes reports and other information sources 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.

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

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

The Special Services Captain and his staff prepare the annual budget, monitor and process all expenditures, oversee audits and are responsible for the Department's inventory. This Division also administers personnel matters, processes the Department's payroll, prepares the Department's response to litigation, and handles forfeiture proceedings.

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

Did you know?...
...that nearly 300 car seat safety inspections were conducted by certified officers in the Special Services Division?

Office of the Police Chief

2005/06 PERFORMANCE OBJECTIVES *(Office of the Police Chief)*

1. To reduce the average time spent on employment and liquor license background investigations by 20% by updating and reorganizing the background information packet and utilizing new information gathering and verification options available through CLEMIS and LexisNexis. *(City Goal 1, 3, 17)*

2. To develop a training program in tactical decision making to help eliminate many of the errors made in the field by teaching all personnel how to control their judgment and decision making under crisis conditions. *(City Goal 7, 17)*

3. To reduce underage alcohol consumption in the City by increasing the number of underage decoy buys at licensed liquor establishments and providing written information to these establishments to help them educate their employees and impress upon them the importance of verifying birthdates through picture identification. *(City Goal 1, 14, 24)*

4. To reduce automobile thefts by 10% by establishing a task force of officers from the City's Crime Suppression Unit and the Macomb County Auto Theft Squad which will concentrate its efforts on the car dealerships and apartment complexes located in the City. *(City Goal 1, 2, 24)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Employment Background Investigations	135	80	45	40	44	45
	Internal Affairs Investigations	20	31	24	50	22	25
	Liquor License Background Investigations	37	32	37	45	38	40
	Other Special Investigations Bureau Investigations	150	213	282	250	268	275
	Liquor & Tobacco Inspections/Observations	322	285	193	275	183	210
	Liquor License Violations	51	23	6	25	23	25
	Training Seminars Attended - Department-wide	583	629	348	500	434	450
	Auto Theft Investigative Cases	120	170	151	170	200	180
	Narcotic/Vice Investigative Cases	285	344	347	400	390	410
	Arrest Warrants Obtained	246	236	179	200	210	220
	Search Warrants Obtained/Executed	75	77	57	65	70	80
	Criminal Surveillances	433	460	377	400	430	440
	Hours of Radio Communication Coordination	195	305	50	100	220	350
Efficiency & Effectiveness	Employment Background Investigations - % Hired	30%	35%	22%	25%	21%	22%
	# of Sustained Complaints per 100 Officers	0.8	0.6	0.0	1.0	0.5	1.0
	Investigative Crime Cases per Police Investigator	51	64	62	71	74	74
	Car Theft Ratio Per 1,000 Population	1.0	1.4	1.2	1.3	1.6	1.4
	Average Cost of an Administrative Investigation	$752	$739	$689	*	*	*
	Average Liquor License or Tobacco Inspection Cost	$77	$82	$89	*	*	*
	Department Cost per Capita	$152	$174	$183	$195	$196	$197
	Division Expenditures as % of General Fund	3.16%	3.37%	3.47%	5.33%	5.21%	5.41%

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

Office of the Police Chief

2005/06 PERFORMANCE OBJECTIVES *(Special Services Division)*

1. To increase the number of public safety programs presented to elementary and middle schools by actively contacting the schools and advising them of the available programs and scheduling dates and times to present the program. *(City Goal 1, 14, 24)*

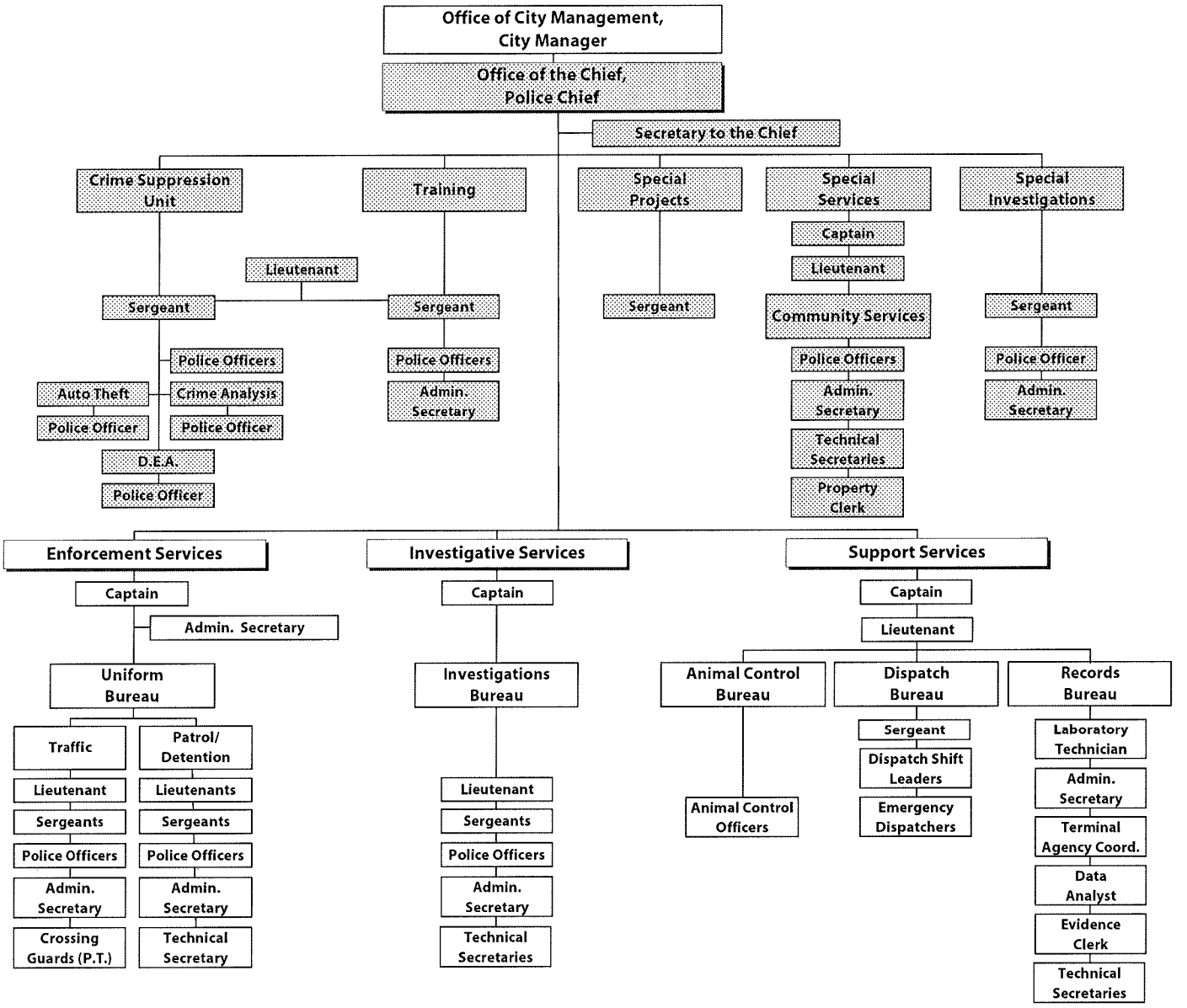
2. To increase security and safety presentations by 10% by providing property type crime victims with information regarding the various crime prevention programs offered by the Special Services Division. *(City Goal 1, 14, 24)*

3. To increase car seat inspections by 10% by attending additional public forums allowing the officers trained in this area to reach and instruct more residents regarding car seat safety. *(City Goal 1, 14)*

4. To enhance the overall operation of the various volunteer groups associated with the Police Department by applying for grant funds to purchase additional training and equipment for these groups. *(City Goal 1, 14, 21, 24, 25)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Public Education Programs Presented	375	569	786	950	1,020	1,125
	Car Seat Inspections Conducted	72	78	216	280	300	330
	Security/Safety Presentations	233	376	425	470	500	550
	Neighborhood Watch Programs	N/A	N/A	15	45	50	60
	Elementary and Middle School Programs	70	115	130	155	170	185
	Hours of D.A.R.E. Instruction	1,400	1,351	1,371	1,500	1,700	2,000
	General Orders Issued or Amended	37	15	9	10	12	15
	Federal Forfeiture Cases Processed	8	3	7	12	17	15
	State Forfeiture Cases Processed	128	96	86	90	90	90
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	3.5:1	6.0:1	4.6:1	7.0:1	5.5:1	7.0:1
	% of D.A.R.E. Students Completing Program	99%	99%	99%	99%	99%	99%

Office of the Police Chief



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	2	2
Sergeant	2	4	4
Police Officer	8	16	16
Secretary to the Chief	1	1	1
Administrative Secretary	2	3	3
Technical Secretary	2	2	2
Property Clerk	1	1	1
Total	19	31	31

Office of the Police Chief

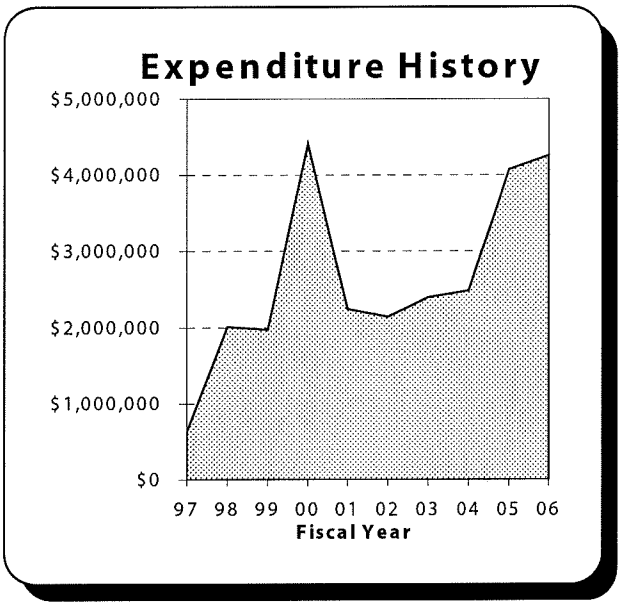
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $189,140 or 5.7%. Full-time wages rose $71,100 as all employees are budgeted to receive a 3% wage increase. Hospitalization Insurance costs rose $151,210 due to a rate increase, as well as an internal reorganization, which occurred in the prior year. The amount needed to partially fund the City's growing retiree medical obligations rose $43,560. Required contributions to Police & Fire Pension system decreased by $113,890.

Supplies – Total Supplies decreased $7,080 or 4.3%. Operating supplies declined by $6,160 due to a reappropriated encumbrance and a less anticipated need for supplies. Funding for publications decreased $3,100 due to the increasing availability of on-line resources and the one-time funding for new police manuals in the prior year. $1,680 was added for ammunition due to increased firearms training.

Other Charges – Total Other Charges increased $1,190 or 0.2%. Electric costs increased $27,000 as the anticipated alternative supplier price savings in the prior year has been delayed. $13,000 is now budgeted for drug forfeiture funded telephone costs for the Crime Suppression unit. Heating costs increased $4,000 due to higher natural gas rates. $20,950 was saved as the Mobile Computer Terminals (MCT's) support maintenance fee is no longer needed as this fee is covered by the City's membership to CLEMIS. $25,000 was reduced for the one-time grant to fund the establishment of a Community Emergency Response Team (CERT). The remaining $25,000 of this grant is budgeted next year to complete the development and training of the CERT team volunteers. $1,000 will be saved as a less costly firearms training location will be used.



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.

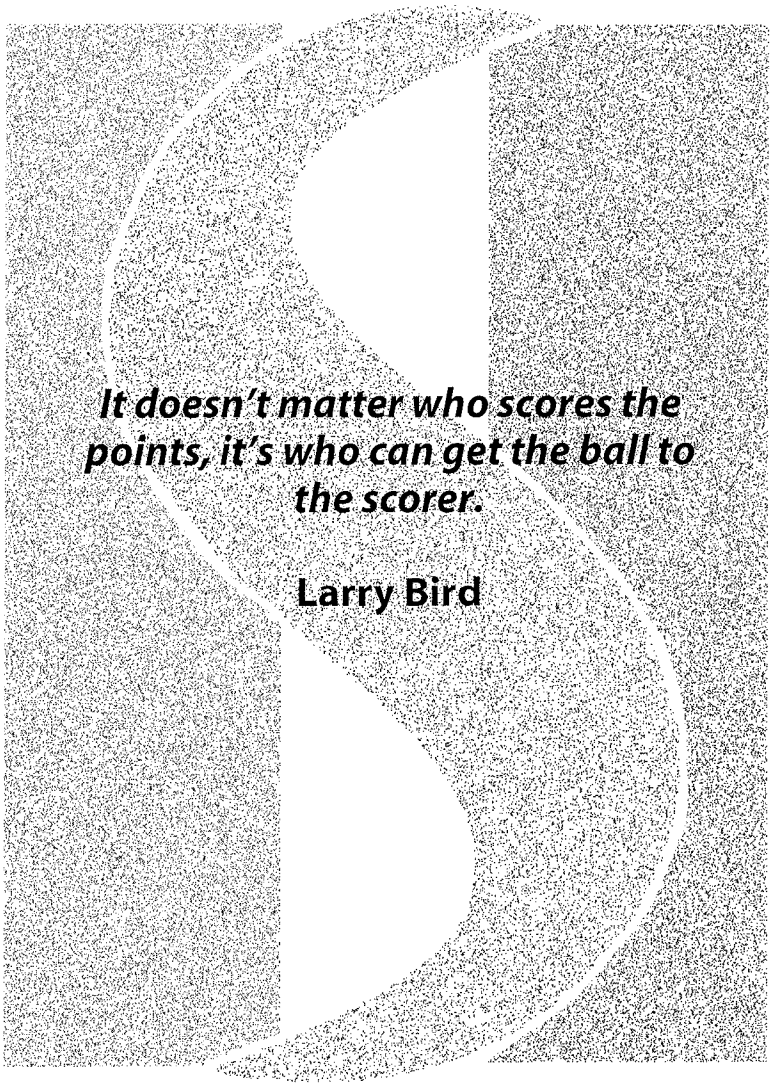
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,741,883	$3,290,620	$3,229,330	$3,479,760	$3,479,760
Supplies	148,598	166,780	160,120	159,700	159,700
Other Charges	594,380	612,860	594,850	614,050	614,050
Total	$2,484,861	$4,070,260	$3,984,300	$4,253,510	$4,253,510


It doesn't matter who scores the points, it's who can get the ball to the scorer.
Larry Bird

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.***

The Enforcement Services Division is divided into two Bureaus: Patrol and Traffic Safety. 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 the initial investigation of all reported incidents of crime. The Evidence Technicians from within this Bureau locate and collect forensic evidence in support of criminal cases. Other responsibilities are the maintenance of peace, ensuring order at public gatherings, enforcement of State and City laws and ordinances, and mediation of disputes.

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.

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

The Traffic Safety Bureau investigates motor vehicle collisions, assists the injured, and impounds disabled vehicles at accident scenes. Once this is accomplished, they properly document the incident through a Michigan State Accident Report provided by the Department of State Police. Further, this Bureau is the primary traffic enforcement agency for the myriad of state and local traffic codes. Additionally, the Bureau staffs a well-recognized traffic education and school safety program. An officer is assigned school safety to children in grades K-6; this officer educates children on traffic safety, bicycle safety, and safety with strangers. The officer is assisted by robot "Safety Sam". Safety Sam is a remote controlled police vehicle that speaks a variety of safety messages.

This Bureau trains and maintains a cadre of 33 part-time adult school crossing guards. These crossing guards ensure direct street safety for elementary students in grades K-6.■

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 implementing effective traffic safety strategies and providing traffic and pedestrian safety education.***

Did you know?...
...that the Traffic Safety Bureau utilizes a laser measuring device in fatal and serious injury accidents? This device increases accuracy and substantially shortens the time needed for road closures.

Police Enforcement Services

2005/06 PERFORMANCE OBJECTIVES

1. To implement a multi-faceted strategy to increase traffic enforcement production by 10% by concentrating on high accident areas and those locations where residents have expressed a concern. Additional police officers will become radar certified to assist in this effort. *(City Goal 1, 7, 24)*

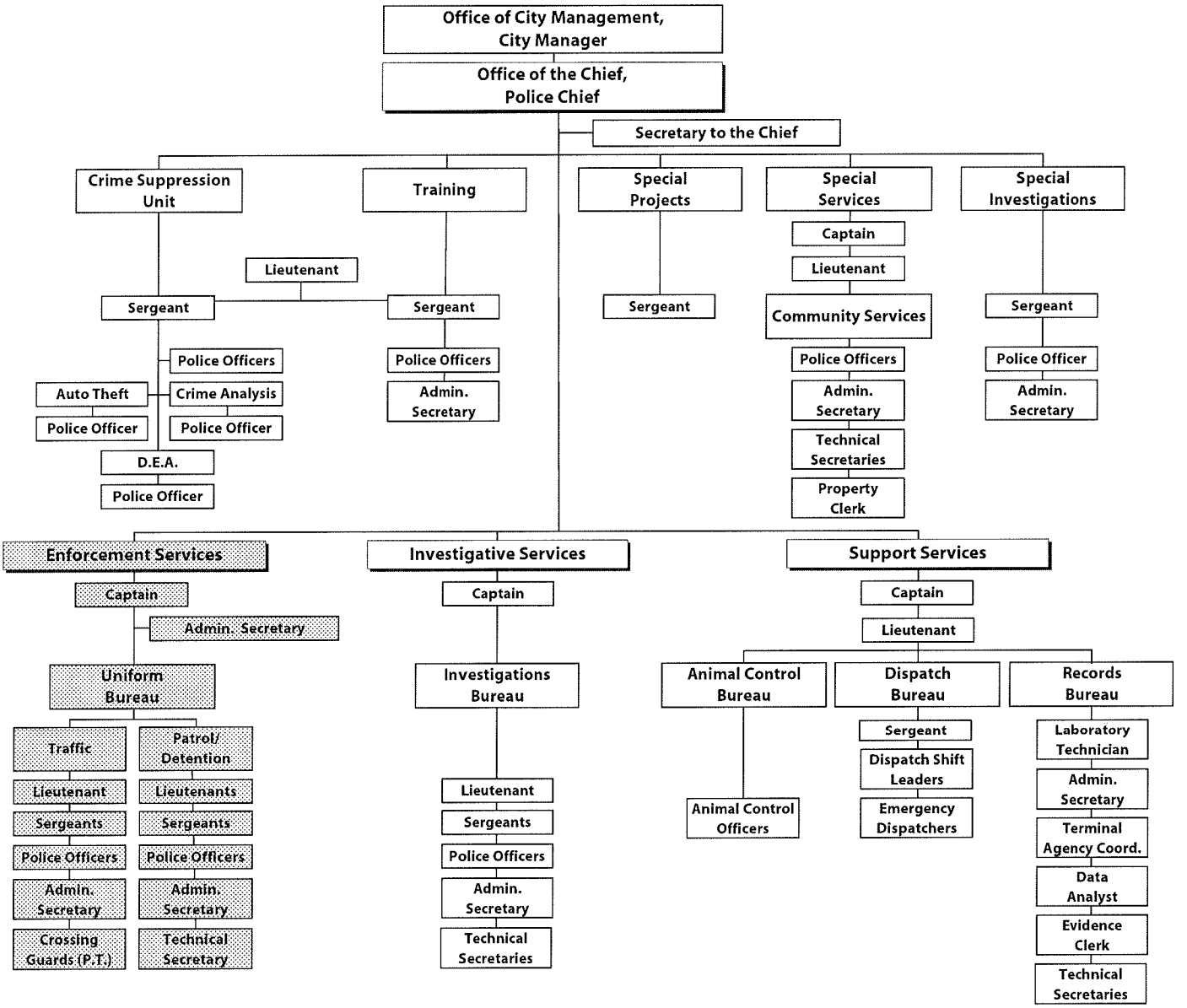
2. To reduce the number of malicious destruction of property and larceny from automobiles in residential neighborhoods by 10% by establishing a directed patrol unit to specifically target these types of crimes. *(City Goal 1, 24)*

3. To reduce overtime expenditures by 10% without compromising present services by amending the current call-in procedures and adjusting training schedules. *(City Goal 1, 3, 4)*

4. To improve the availability and accessibility of training programs by developing and instituting a computer based law enforcement training curriculum. Computers will be installed and made available for all officers to access 24 hours a day, 7 days a week. *(City Goal 1, 6, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Police Incident Reports Completed	50,136	51,902	52,285	52,270	50,915	52,000
	Group A Crime Reports	6,873	6,897	6,260	6,420	6,425	6,400
	Group B Crime Reports	2,808	2,424	3,623	3,750	3,600	3,600
	Vehicular Accident Reports	3,948	4,114	4,129	4,100	4,200	4,200
	All Other Reports	36,507	38,481	38,273	38,000	36,690	37,800
	Adults/Juveniles Arrested	3,198/318	2,988/225	2,707/246	2,800/200	2,491/225	2,690/250
	Traffic Violations Issued	24,543	27,012	24,208	25,000	25,222	27,700
	Residential Traffic Enforcement Violations	3,351	3,712	3,778	3,700	3,845	4,230
	SMART Radar Trailer Deployments	78	137	248	295	284	300
	School Safety Program - Students Instructed	6,195	6,580	7,435	7,900	7,994	8,530
	K-9 Unit Deployments	259	297	245	290	276	290
	OUIL Arrests	521	405	412	400	388	410
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	55.1	55.1	49.8	50.9	50.9	50.4
	Group B Crimes Per 1,000 Population	22.5	19.4	28.8	29.7	28.5	28.3
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Uniform Bureau Officer	404	419	436	436	431	433
	# of Injury Traffic Accidents per 100,000 Population	598	609	703	615	629	640
	# of Traffic Fatalities Per 100,000 Population	4.8	5.6	4.8	4.0	4.8	4.7
	% of Total Sworn Personnel in Traffic & Patrol	69%	68%	68%	68%	68%	68%
	OUIL Arrests Per 1,000 Residents	4.2	3.2	3.3	3.2	3.0	3.1
	Division Expenditures as % of General Fund	18.17%	20.13%	22.42%	19.10%	19.72%	18.41%

Police Enforcement Services



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Captain	1	1	1
Lieutenant	5	4	4
Sergeant	21	18	18
Police Officer	114	97	97
Administrative Secretary	4	3	3
Technical Secretary	5	1	1
Crossing Guard (P.T.)	33	33	33
Total	183	157	157

Police Enforcement Services

SUMMARY OF BUDGET CHANGES

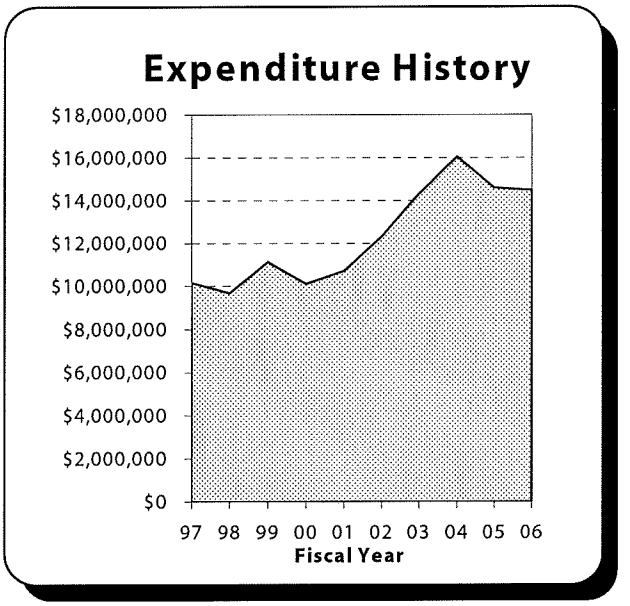
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget decreased $118,130 or 0.8%. Full-time wages rose $297,650 as all employees are budgeted to receive a 3% wage increase. The City implemented a stricter call-in procedure for school crossing guards in the current year. This will result in a savings of $35,000 next year as fewer substitute crossing guards will be used. Police & Fire Pension costs declined $527,970 as a result of a recent actuarial experience study. Retiree medical funding rose $180,260 to help offset the City's rapidly growing retiree medical liabilities.

Supplies – All Supplies for the Police Department are budgeted in the Office of the Police Chief.

Other Charges – All Other Charges for the Police Department are budgeted in the Office of the Police Chief, except miscellaneous expenses. These costs decreased $2,000 or 40.0% as some funding was transferred to the Police Investigative Services division, due to a department reorganization during the previous year.

Capital – Total Capital of $257,000 is proposed for this activity and is budgeted in the Capital Projects Fund. $231,000 is recommended to replace 11 high mileage patrol and traffic vehicles. $26,000 is proposed for an SUV Tahoe to be utilized by the Evidence Technicians to transport equipment used at crime scenes. It will replace the current Tahoe that will have over 100,000 miles.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$16,045,513	$14,592,740	$15,068,050	$14,474,610	$14,474,610
Supplies	0	0	0	0	0
Other Charges	5,604	5,000	3,000	3,000	3,000
Total	$16,051,117	$14,597,740	$15,071,050	$14,477,610	$14,477,610

Police Investigative Services

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

The primary responsibility of the Investigative Services Division is the investigation and prosecution of criminal activity occurring within the City. Investigative Services consists of two bureaus: Detective & Youth Bureaus. The Detective & Youth Bureaus consist of three squads of detectives.

The two adult squads investigate criminal activity involving persons 17 years of age or older. This includes the processing of arrest warrants, the investigation of check and fraud complaints, as well as general criminal complaints.

The Youth Bureau examines all law violations involving persons 16 years of age and younger, and works closely with the students, teachers and administrators of the secondary schools. This squad is also responsible for the investigation and subsequent prosecution of all cases involving child abuse and neglect.

Specialized areas within the Investigative Services Division consist of the Computer Crimes Section, which conducts forensic analysis of computer evidence and the Polygraph Section, which conducts tests for deception in investigative interviews.

The investigators assigned to this Division continually pursue training in all aspects of criminal investigations, including interviewing, legal update, violent crimes and the utilization of computers as investigative aids. This training is necessary to maintain and enhance the skills of the investigators.

Victim assistance and citizen satisfaction are key objectives to our approach toward lessening the effects of crime on our citizenry. Detectives work in close partnership with several social response agencies, such as Turning Point and the Macomb County Victims Assistance Unit.■

KEY GOALS

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

Did you know?...
...that the City's Polygraph Unit conducted 73 examinations and the Computer Forensics Unit investigated 163 cases last fiscal year?

Police Investigative Services

2005/06 PERFORMANCE OBJECTIVES

1. To increase school safety planning initiatives in conjunction with local school districts by conducting school safety and threat assessments in each of the high schools. *(City Goal 1, 14, 19, 24, 25)*

2. To develop a formalized intelligence capability by establishing protocols for intelligence gathering on ongoing criminal enterprises in Sterling Heights. *(City Goal 1, 14)*

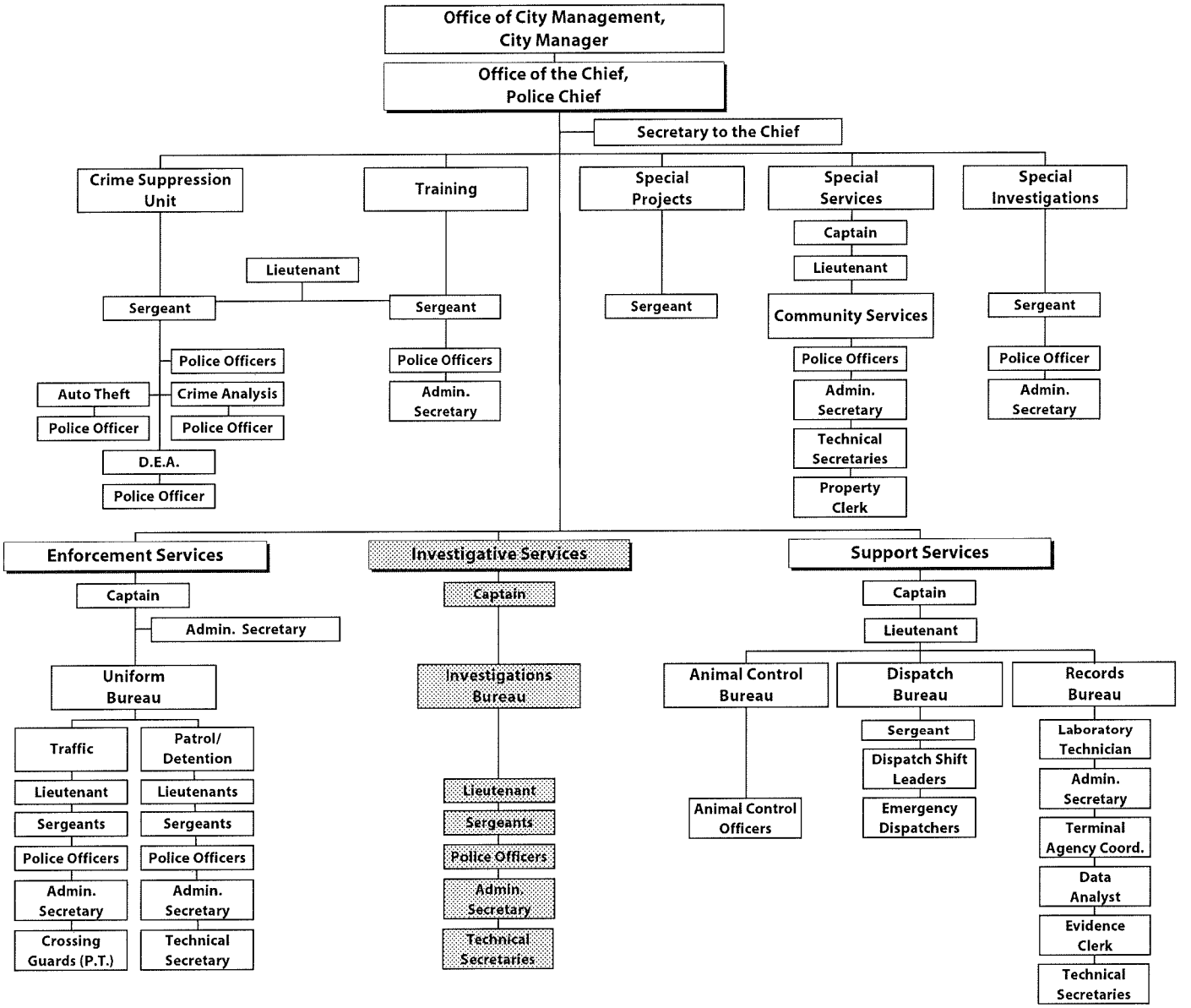
3. To train key personnel on cell phone tracking technology which will greatly assist in the investigation of active criminal cases. *(City Goal 1, 14, 17, 18)*

4. To establish a standard performance evaluation program to include a mentoring system for employee development as well as a training plan for all officers to achieve their career objectives. *(City Goal 5, 7)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Investigative Cases Assigned	3,920	4,972	5,118	4,670	4,800	4,920
	Adult Investigative Cases	2,592	3,683	3,779	3,330	3,513	3,600
	Juvenile Investigative Cases	1,010	958	982	1,000	1,028	1,000
	In-Custody Cases	318	331	357	340	259	320
	Total Interviews Conducted	20,527	19,524	20,486	21,400	22,100	20,700
	Suspect Interviews	4,514	4,456	4,593	4,800	4,690	4,580
	Witness & Informant Interviews	9,223	8,800	9,207	9,600	10,500	9,500
	Victim Interviews	6,790	6,268	6,686	7,000	6,910	6,620
	Arrest Warrants Obtained	1,377	1,146	1,374	1,600	1,411	1,310
	Search Warrants Obtained/Executed	70	104	88	90	216	100
	Polygraph Examinations Conducted	69	70	73	80	58	70
Efficiency & Effectiveness	% of Petitions Obtained vs. Requested	98%	98%	98%	98%	98%	98%
	% of Arrest Warrants Obtained vs. Requested	89%	89%	89%	90%	88%	90%
	Investigative Cases per Police Investigator	170	216	223	203	209	214
	% of Part 1 Violent Crimes Cleared	39.2%	50.7%	49.5%	51.0%	54.0%	51.4%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.5	0.6	0.6	0.6	0.7	0.6
	Juvenile Arrests Violent Crimes - % of Total Arrests	17%	10%	16%	10%	13%	13%
	% of Part 1 Property Crimes Cleared	19.9%	18.7%	14.0%	19.0%	13.0%	15.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.6	3.1	2.5	3.5	2.2	2.6
	Juvenile Arrests Property Crimes - % of Total Arrests	31%	24%	16%	20%	14%	18%
	Average Cost to Conduct a Polygraph Examination	$240	$249	$255	*	*	*
	Average Cost to Investigate a Case	$600	$566	$562	*	*	*
	Division Expenditures as % of General Fund	5.21%	5.71%	2.49%	3.96%	3.56%	4.12%

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

Police Investigative Services



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Captain	1	1	1
Lieutenant	2	1	1
Sergeant	1	3	3
Police Officer	9	18	18
Administrative Secretary	1	1	1
Technical Secretary	0	4	4
Total	14	28	28

Police Investigative Services

SUMMARY OF BUDGET CHANGES

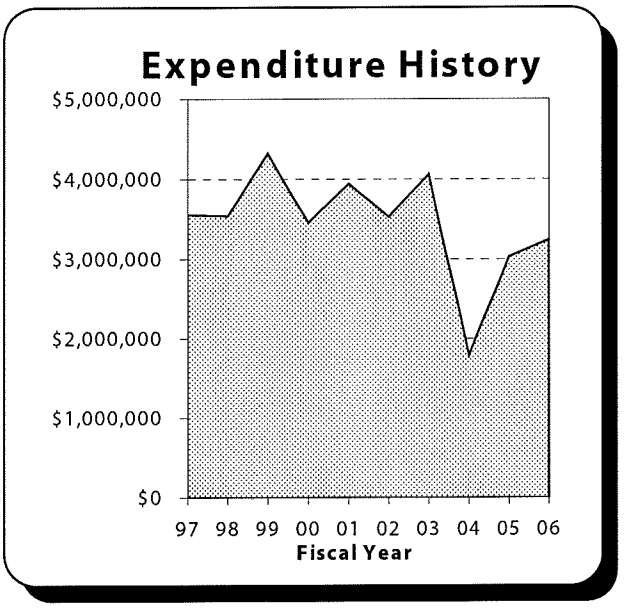
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $254,170 or 8.6%. Due to a mid-year reorganization in the prior year, several Personnel accounts have been adjusted to reflect the new employee alignment on a full-year funding basis. Wages for full-time employees rose $110,520 as all employees are budgeted to receive a 3% wage increase. Hospitalization Insurance costs rose $90,870. Funding for retiree medical obligations rose $52,590 to help offset the City's rapidly growing retiree medical liabilities. A recent Police & Fire Pension actuarial experience study has resulted in a $97,260 decrease in required City contributions next year.

Supplies – All Supplies for the Police Department are budgeted in the Office of the Police Chief.

Other Charges – Total Other Charges decreased $38,150 or 67.9%. The decrease is due to the policy of amending the budget for certain drug forfeiture expenditures during the year when there is a better idea of how much drug forfeiture expenditures and revenues will be realized. $16,000 for undercover telephone usage is budgeted as drug forfeiture funding for this expenditure can be predicted and budgeted prior to the start of the fiscal year. $2,000 in miscellaneous expenses was transferred to this division from Police Enforcement Services for such items as phone record retrieval costs and interpreter fees.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,682,731	$2,970,580	$2,608,550	$3,224,750	$3,224,750
Supplies	443	0	0	0	0
Other Charges	100,084	56,150	109,000	18,000	18,000
Total	$1,783,258	$3,026,730	$2,717,550	$3,242,750	$3,242,750

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

The Communications 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.■

KEY GOALS

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

Did you know?...
...that the Police Evidence Technicians, along with the Police Laboratory Technician, photographed and processed over 70,000 images last year?

Police Support Services

2005/06 PERFORMANCE OBJECTIVES

1. To develop an alternate communications center which will provide a fully operational back-up in the event of an emergency at the primary dispatch center. *(City Goal 1, 6, 17, 25)*

2. To begin the three year process of achieving accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) by presenting 30% of the Police Department's General Orders to the Policy Review Board for approval in compliance with CALEA guidelines. *(City Goal 1, 3, 7)*

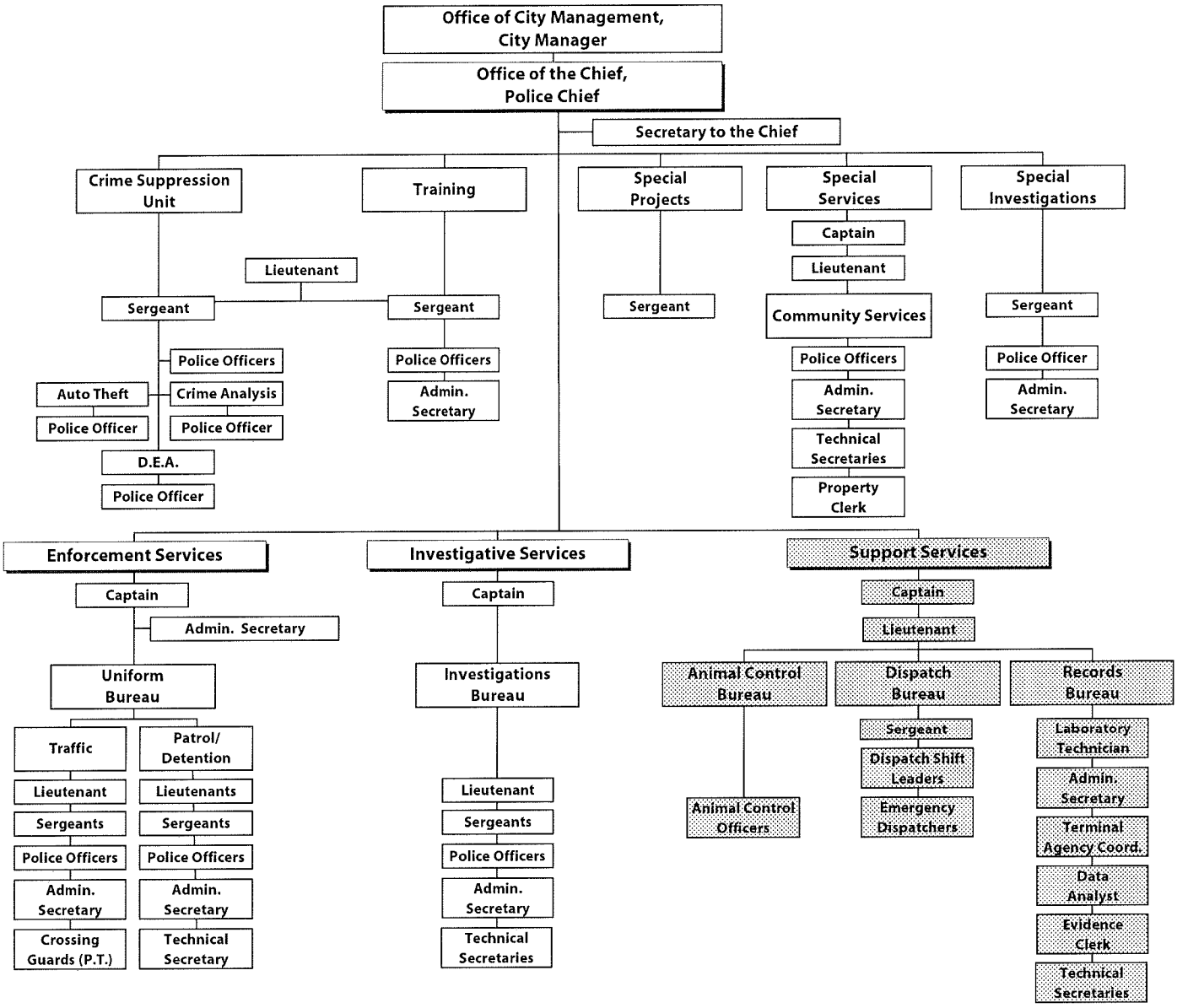
3. To improve staff efficiency and effectiveness and reduce operational costs by utilizing 100% digital technology in capturing and processing photographic images. *(City Goal 6, 17, 18)*

4. To implement "TRACView", a digital imaging system that will digitize and automate the distribution of accident reports requested by insurance companies thereby reducing costs and improving efficiencies. *(City Goal 6, 17, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Incidents Processed into Computer	50,136	51,902	52,285	52,270	50,915	52,000
	Police Reports Provided on Request	7,398	7,243	7,270	7,500	7,000	7,300
	Total Calls to 911	25,567	33,684	36,246	35,000	37,000	37,000
	Gun Permits Obtained	1,827	1,496	1,474	1,500	1,500	1,500
	Responses by Animal Control	2,590	3,034	3,399	3,200	3,600	3,600
	Freedom of Information Act Requests	505	414	460	400	525	525
	Criminal Warrants Processed	3,285	3,227	2,921	3,100	2,800	2,900
	Arrests Processed	3,516	3,213	2,953	3,000	2,716	2,940
	Pieces of Evidence Collected	3,261	2,616	2,684	2,600	3,100	3,100
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	53	50	52	45	51	50
	Average Cost of an Animal Control Response	$68.38	$62.11	$59.59	*	*	*
	Average Cost of a FOIA Request	$12	$12	$38	*	*	*
	Dispatch Operations Cost Per Call Dispatched	$31.24	$31.37	$30.86	*	*	*
	Division Expenditures as % of General Fund	1.41%	1.52%	3.85%	3.81%	3.83%	3.88%

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

Police Support Services



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Captain	1	1	1
Lieutenant	0	1	1
Sergeant	2	1	1
Emergency Dispatcher - Shift Leader	4	4	4
Emergency Dispatcher	19	19	19
Administrative Secretary	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	9	8	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.)	0	0	1
Total	43	42	43

Police Support Services

SUMMARY OF BUDGET CHANGES

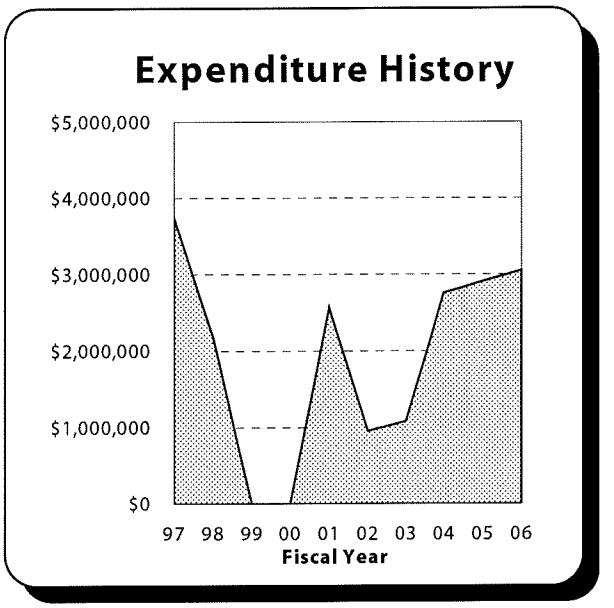
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $145,640 or 5.0% over last year's budget. Funding for full-time employee wages rose $80,540 as all employees are budgeted to receive a 3% wage increase next year. A part-time high school co-op position is recommended for next year to assist the clerical staff with a microfilming backlog, shredding of critical documents as required by law, and the pulling and re-filing of incident reports. The division is currently using overtime to cover these duties. This position is recommended to be filled with an offsetting savings in overtime costs. In addition, a new digital imaging system for accident reports will save clerical staff time. Hospitalization costs for current employees rose $16,470 due to a rate increase for next year. Retiree medical funding costs rose $31,600, which is needed to fund the City's growing retiree medical liabilities. Based on a recent actuarial experience study, the City's contribution to the Police & Fire Pension system will decline by $17,110 next year.

Supplies – All Supplies for the Police Department are budgeted in the Office of the Police Chief.

Other Charges – All Other Charges for the Police Department are budgeted in the Office of the Police Chief, except miscellaneous expenses, which decreased by $100 as prior year 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.

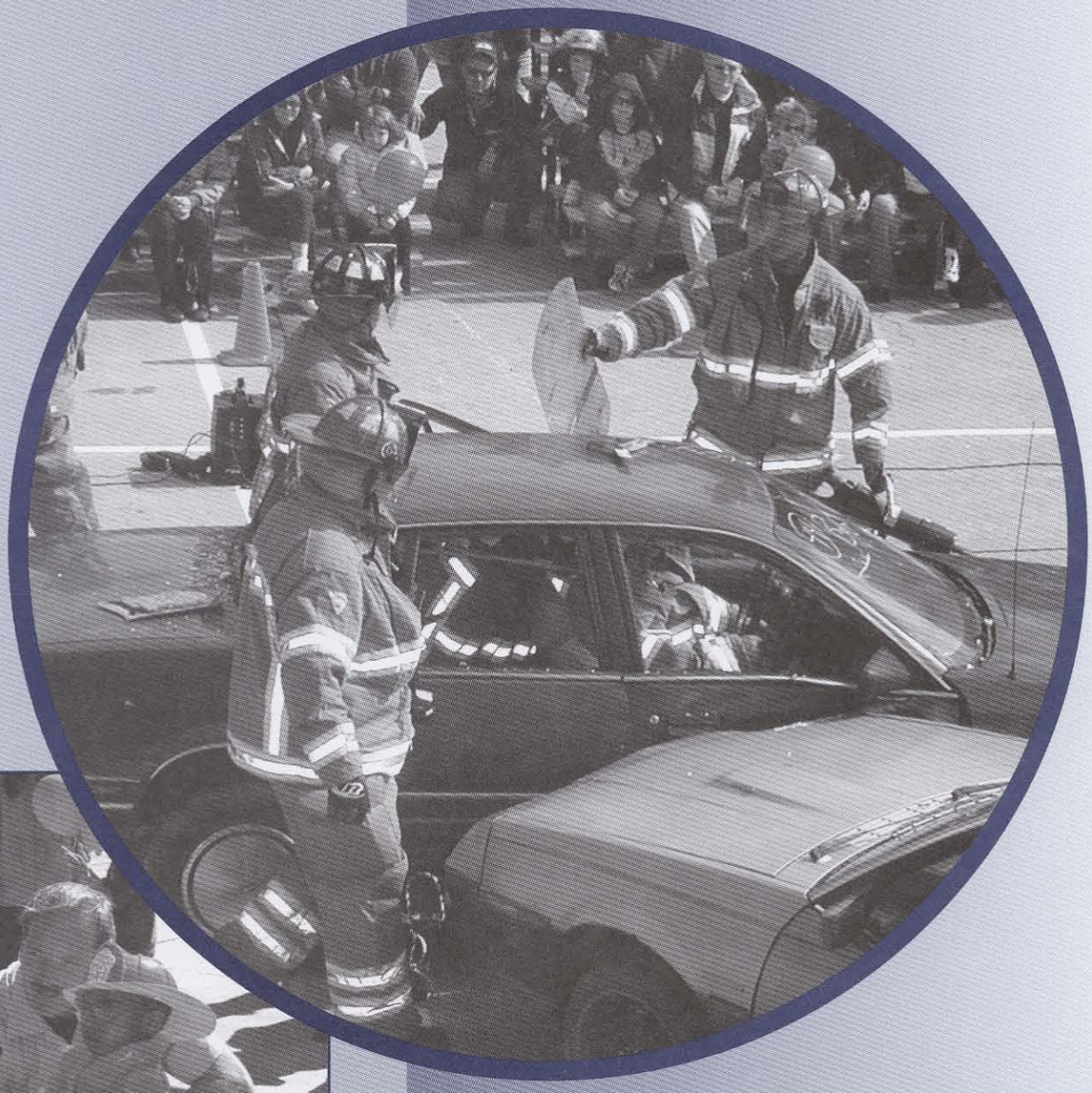
Other Charges – Council made no adjustments to Other Charges.

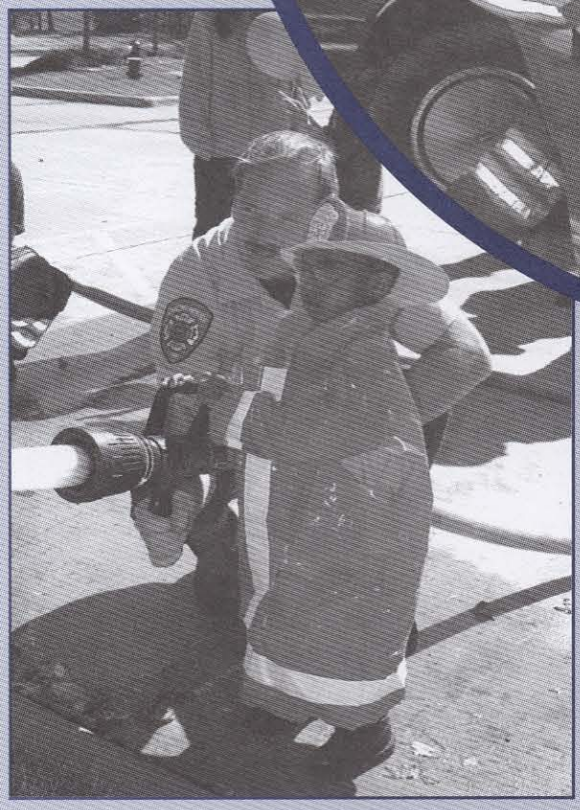
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$2,756,774	$2,908,030	$2,930,380	$3,053,670	$3,053,670
Supplies	0	0	0	0	0
Other Charges	13	400	400	300	300
Total	$2,756,787	$2,908,430	$2,930,780	$3,053,970	$3,053,970

Fire Department





FUNCTIONAL ORGANIZATION CHART

Fire Department

Fire Administration

Administration Division

- Administration of department
- Plans and develops all fire programs
- Maintains knowledge of latest Fire Department management techniques
- Responsible for resource management
- Coordinates Safety Committee
- Serves as liaison to Fire Prevention Board of Appeals
- Coordinates all special assignments and duties

Training Division

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

Fire Extinguishment Division

- Saves lives and property from fire destruction
- Provides advanced and basic emergency medical technician care
- Responds to hazardous material incidents, gas leaks, wires down, cave-ins, floods, vehicle accidents, etc.
- Responsible for pre-fire survey information
- Inspects and maintains fire apparatus

Fire Prevention Division

- Performs inspections of existing and new buildings
- Reviews building and site plans
- Performs fire investigations and complaint inspections
- Facilitates sprinkler system and fire alarm acceptance tests
- Performs inspections for the Michigan Department of Consumer and Industrial Services
- Enforces all fire codes and ordinances
- Coordinates public education training programs
- Maintains records of hazardous materials

DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget increased by $302,300 or 2.2%. Rising personnel costs accounted for the entire increase. Personnel costs rose $313,780 or 2.4% due to rising employee wage and fringe benefit costs. Wages increased by $240,040. Hospitalization insurance costs rose by $99,930 or 8.2%, while Dental insurance costs rose by 11.1%. The budget includes an additional $182,610 to partially fund the Department's growing retiree medical obligations. Required employer contributions to the Police & Fire pension system fell by $455,010 or 28.4% due to a recent actuarial experienced study. The Fire Open House and Civilian Fire Academy are both funded. The Supplies budget decreased by $7,360 or 4.1% as a result of a prior year reappropriated encumbrance, offset by an increase in training supply costs. Other Charges fell by $4,120 or 0.9% as a temporary contractual employee was needed last year due to an employee disability. This decrease was partially offset by the rising cost of utilities and required employee medical service testing. Funds are included in the capital budget for a fire engine, computer projector, new carpeting and parking lot repairs at Station #5, and an architectural plan for future renovations to the City's older Fire stations.

FUNDING LEVEL SUMMARY

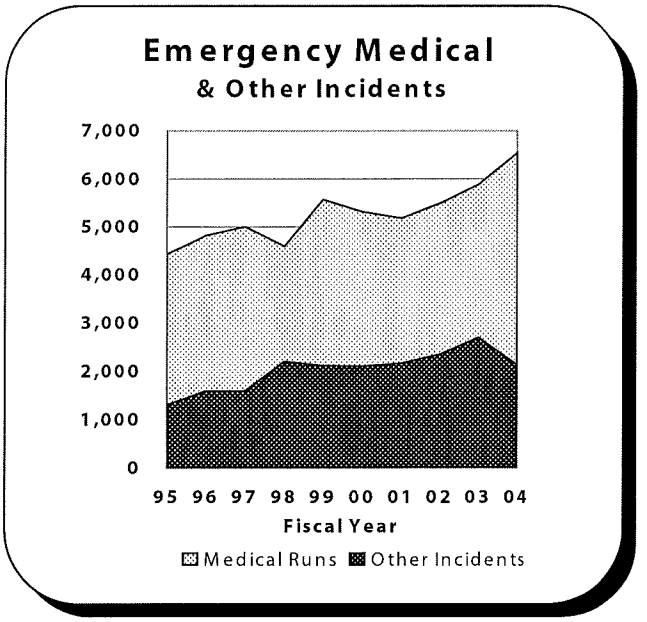
	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Fire Administration	$1,084,110	$1,053,610	$1,075,710	$1,103,300	2.6%
Fire Extinguishment	10,045,670	10,759,740	11,522,910	11,786,750	2.3%
Fire Prevention	887,760	890,180	968,790	979,660	1.1%
Total Department	$12,017,540	$12,703,530	$13,567,410	$13,869,710	2.2%
Personnel Services	$11,367,530	$12,066,630	$12,914,520	$13,228,300	2.4%
Supplies	173,820	172,550	178,460	171,100	-4.1%
Other Charges	476,190	464,350	474,430	470,310	-0.9%
Total Department	$12,017,540	$12,703,530	$13,567,410	$13,869,710	2.2%

PERSONNEL SUMMARY

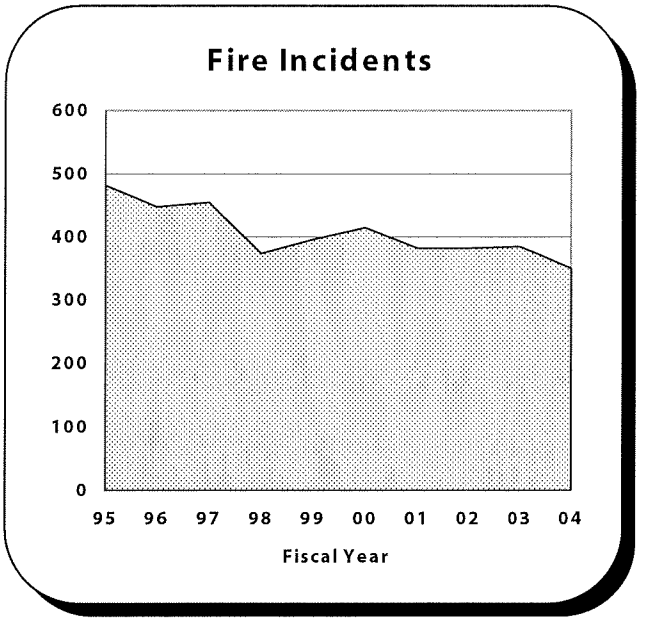
	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	1	10	0	10	0	10	0
Fire Extinguishment	93	0	90	0	90	0	90	0
Fire Prevention	7	0	7	0	7	0	7	0
Total Department	110	1	107	0	107	0	107	0

KEY DEPARTMENTAL TRENDS

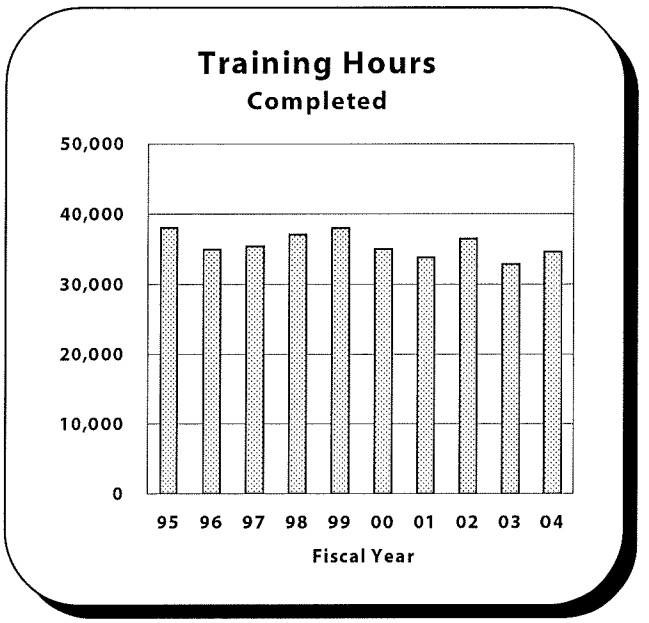
Fire Department



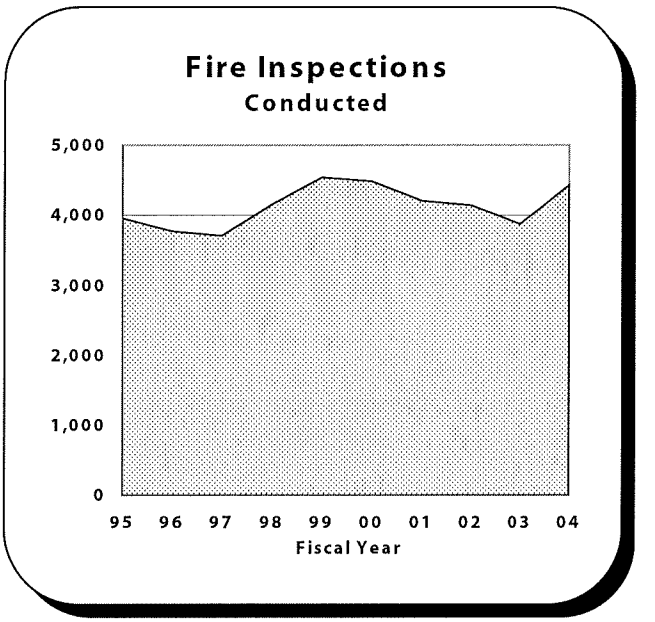
There has been an overall increase in the number of emergency medical runs and other incidents occurring in Sterling Heights over the past ten years. Since 1995, medical runs have increased by 48% and other incidents have increased by 63%. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 81% of cities nationally had a higher number of EMS responses per resident. Only 5% of cities had a faster average EMS response time.



Since 1995, the number of fires in the city has declined, reaching a low of 350 in 2004. The value of structural loss due to fire totaled only $1.3 million in 2004, which is below national, state, and county averages. The value of non-residential fire loss was only $158,000. The city currently averages less than one fire incident every fifth day at each of the city's five fire stations. 78% of cities nationally had higher fire incidents per resident based on a 2003 ICMA survey. Only 3% had faster average fire response times.



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, the seven member Fire Prevention staff conducts over 4,000 inspections.

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 that 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 24 members of the Fire Hazmat Team have teamed up with six trained Police Technicians and five trained DPW members as an initiative to develop a city-wide response capability to hazmat and terrorism incidents?

Fire Administration

2005/06 PERFORMANCE OBJECTIVES *(Administration)*

1. To ensure that all Fire Department operations are in compliance with the National Incident Management System (NIMS), which enables responders at all levels to work together more effectively and efficiently to manage domestic incidents regardless of the cause, size or complexity, including catastrophic acts of terrorism and disasters. *(City Goal 2, 24, 25)*

2. To research the advantages of recommending a room and board ordinance for all unlicensed/unregistered boarding houses in the City. *(City Goal 20)*

3. To complete a needs analysis for the upgrade and renovation of the City's three oldest fire stations with assistance from an outside consultant. *(City Goal 6, 13, 14)*

4. To implement, through either City ordinance or an addendum to the Fire Code, a staff training requirement for assisted living senior residential housing complexes to provide basic medical first response and assist their residents as necessary thereby reducing the number of "lift assist" runs to these facilities by emergency personnel. *(City Goal 24)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Incident Reports Reviewed for Quality	8,390	9,117	9,215	9,550	9,566	9,980
	Employee Evaluations Conducted/Tracked	124	138	130	140	140	140
	APPO's and Standard Operating Guidelines Reviewed	176	76	70	50	50	50
	FOI Requests Processed	51	48	57	50	50	50
	Staff/Battalion Meetings Conducted	15	18	12	21	18	18
	Presentations to Civic Groups/Organizations	14	22	20	24	16	20
	Employee/Civilian Citations Processed	8	10	4	10	8	8
	Fire-Related Periodical/Journals Reviewed	400	480	480	480	480	480
	Safety Recommendations Implemented	26	21	12	24	36	30
Efficiency & Effectiveness	% of Incident Reports Reviewed for Quality	100%	100%	100%	100%	100%	100%
	% Employee Evaluations Conducted on Time	98%	100%	100%	100%	100%	100%
	% of Service Complaints Responded to w/i 48 Hours	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Processed within 72 Hours	100%	100%	100%	100%	100%	100%
	% of Safety Suggestions Acted Upon within 90 Days	100%	100%	100%	100%	100%	100%
	Property Loss Per Capita	$12.83	$19.97	$10.33	$7.92	$7.92	$7.87
	Department Cost Per Capita	$81	$96	$101	$108	$109	$109
	Division Expenditures as % of General Fund	1.26%	1.53%	1.47%	1.41%	1.42%	1.40%

Fire Administration

2005/06 PERFORMANCE OBJECTIVES *(Training)*

1. To develop and implement a three-part Commercial Structure Fire Rescue Training Series to improve response safety to these types of incidents. *(City Goal 24)*

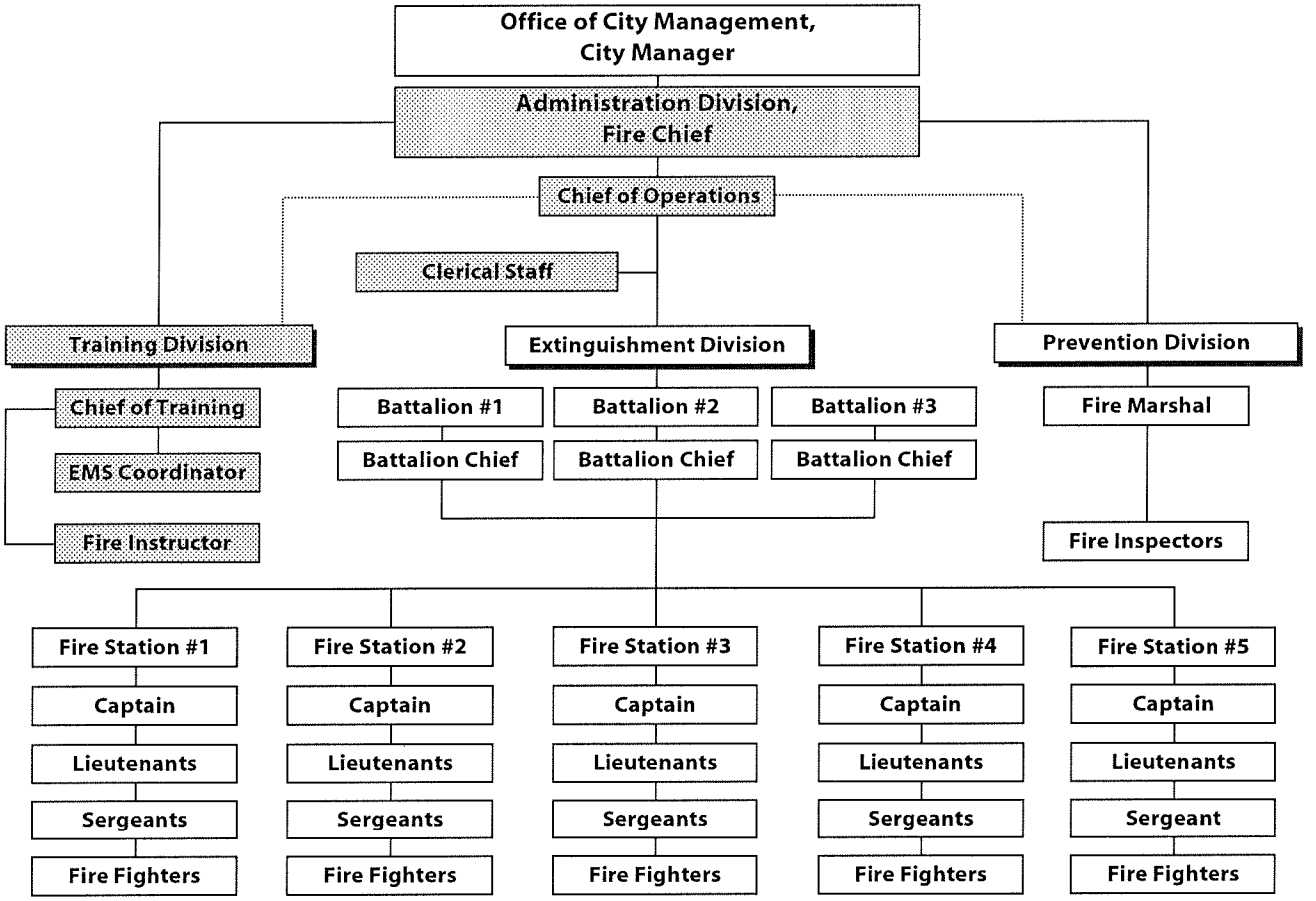
2. To develop and implement an EMS Continuing Education Credit (CEU) Academy program to meet the future increasing requirements of advanced emergency medical technician (AEMT) re-licensure. *(City Goal 4, 24)*

3. To attain the "Technician Level" for all Fire Extinguishment personnel in the area of extrication as defined in the National Fire Protection Association's (NFPA) Standard 1670. *(City Goal 4, 24)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Formal Training Hours Coordinated	36,491	32,839	34,583	39,750	33,900	36,050
	Hours of Fire Officer Training	821	520	637	800	530	750
	Hours of EMS Training	4,835	2,780	5,608	4,500	4,100	4,500
	Hours of Fire Suppression Training	13,550	10,331	9,959	13,500	9,900	11,000
	Hours of Hazardous Material Training	1,358	2,860	1,851	2,700	2,600	3,000
	Hours of Professional Development Training	36	1,019	1,083	1,800	2,500	2,500
	Hours of Physical Fitness Training	9,057	8,790	8,782	8,850	9,300	9,300
	Hours of All Other Training	6,834	6,539	6,663	7,600	4,970	5,000
	Residents Receiving Public Education	74,394	75,353	76,914	77,000	70,000	77,000
	Residents Receiving CPR Instruction	686	1,182	1,251	800	800	1,100
	License/Certification Applications Processed	46/41	52/52	47/76	50/48	50/60	50/50
	Procedures Developed and Updated	40	95	52	65	55	65
Efficiency & Effectiveness	Days of Work Lost Due to Injury	8	137	67	7	30	14
	Sworn Pers. to Workers Comp/Disability Indemnity	108:0	105:0	102:0	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	338	313	339	390	332	350
	Training Division Cost per Fire Fighter	$3,102	$3,283	$3,319	*	*	*

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

Fire Administration



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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
Total	10	10	10

Fire Administration

SUMMARY OF BUDGET CHANGES

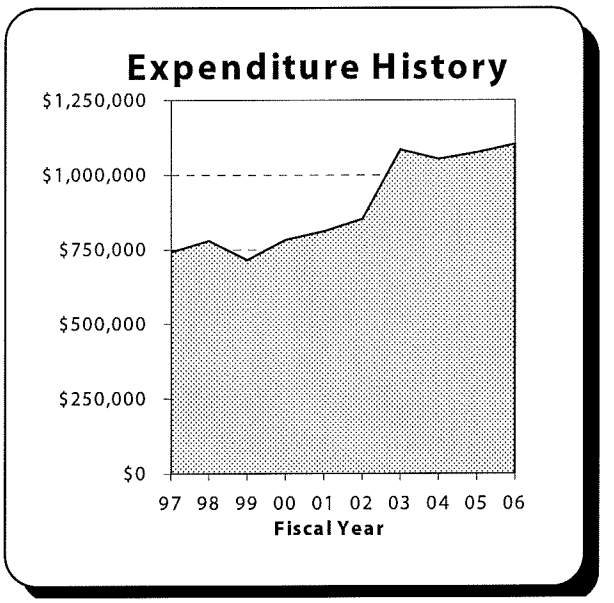
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $30,360 or 3.1%. Full-time wages increased by $27,720. Higher retiree medical liabilities resulted in a $12,270 increase. Lower Police & Fire Pension costs resulted in a $20,440 savings. $9,300 is budgeted in overtime and operating supply costs for next year's Fire Open House. The City saved $4,800 in the prior year as fewer employees were needed to work the event. The Civilian Fire Academy continues to be funded.

Supplies – Total Supplies increased $380 or 1.2%. $380 was added to the budget due to an increase in training supply costs.

Other Charges – Total Other Charges decreased $3,150 or 5.0%. $6,050 was budgeted last year for temporary help while an employee was on disability leave. A decrease of $600 was made as fewer printed forms will be needed. Funding increased $3,500 due to higher medical services costs including required physical and respiratory examinations.

Capital – Total Capital of $1,800 is proposed for this activity and is budgeted in the Capital Projects Fund. $1,800 is recommended for an LCD Projector to be used for fire training and education programs. It will replace an old projector that has become unreliable and incompatible with the newer laptop computers.



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

Personnel Services – Council made no adjustments to Personnel Services.

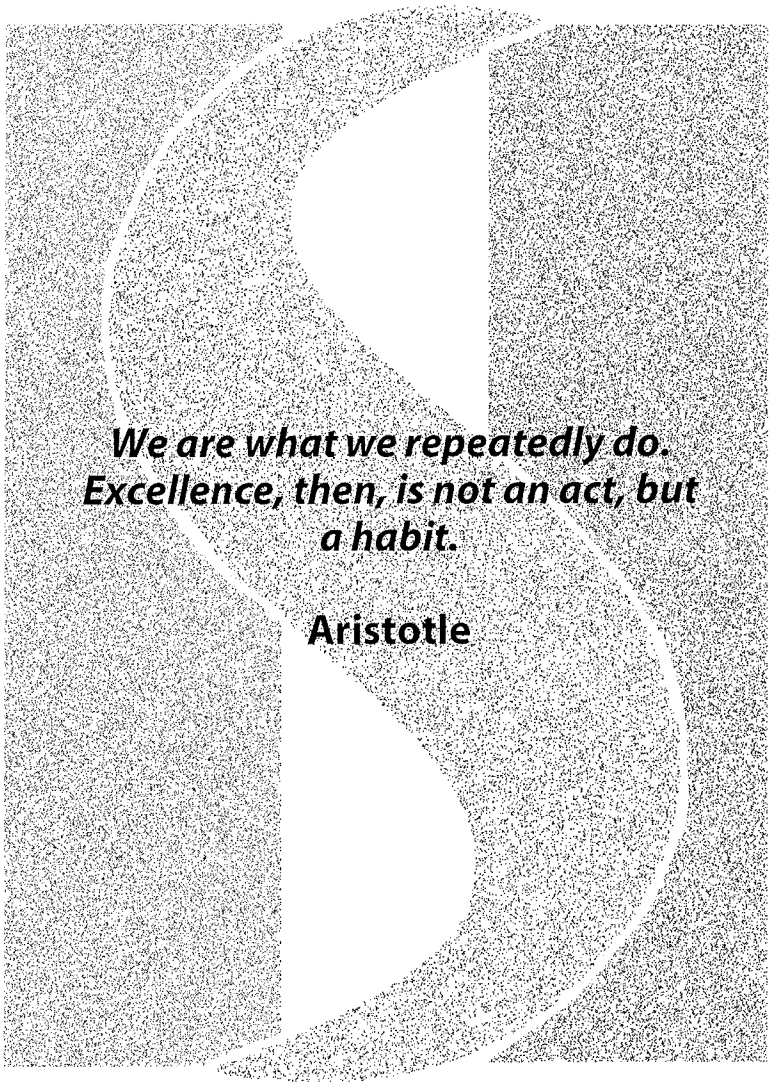
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$962,581	$980,130	$984,510	$1,010,490	$1,010,490
Supplies	32,426	32,720	32,420	33,100	33,100
Other Charges	58,608	62,860	66,410	59,710	59,710
Total	$1,053,615	$1,075,710	$1,083,340	$1,103,300	$1,103,300


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

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.

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.

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.***

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 Sterling Heights Fire Department is one of 15 Regional Response Teams in the State that can be called upon to help mitigate any large-scale hazardous materials or weapons of mass destruction incident?

Fire Extinguishment

2005/06 PERFORMANCE OBJECTIVES

1. To apply for grant funds for the purchase and implementation of a City-wide traffic control system which would allow responding fire apparatus to control the traffic control devices at targeted intersections thereby increasing public and fire fighter safety. *(City Goal 21, 24, 25)*

2. To implement the initial phase of the mobile data computers initiative, including software installation and implementation of the mapping program, allowing each of the fire apparatus to directly interface with the City's emergency dispatch center. *(City Goal 17, 18, 24, 25)*

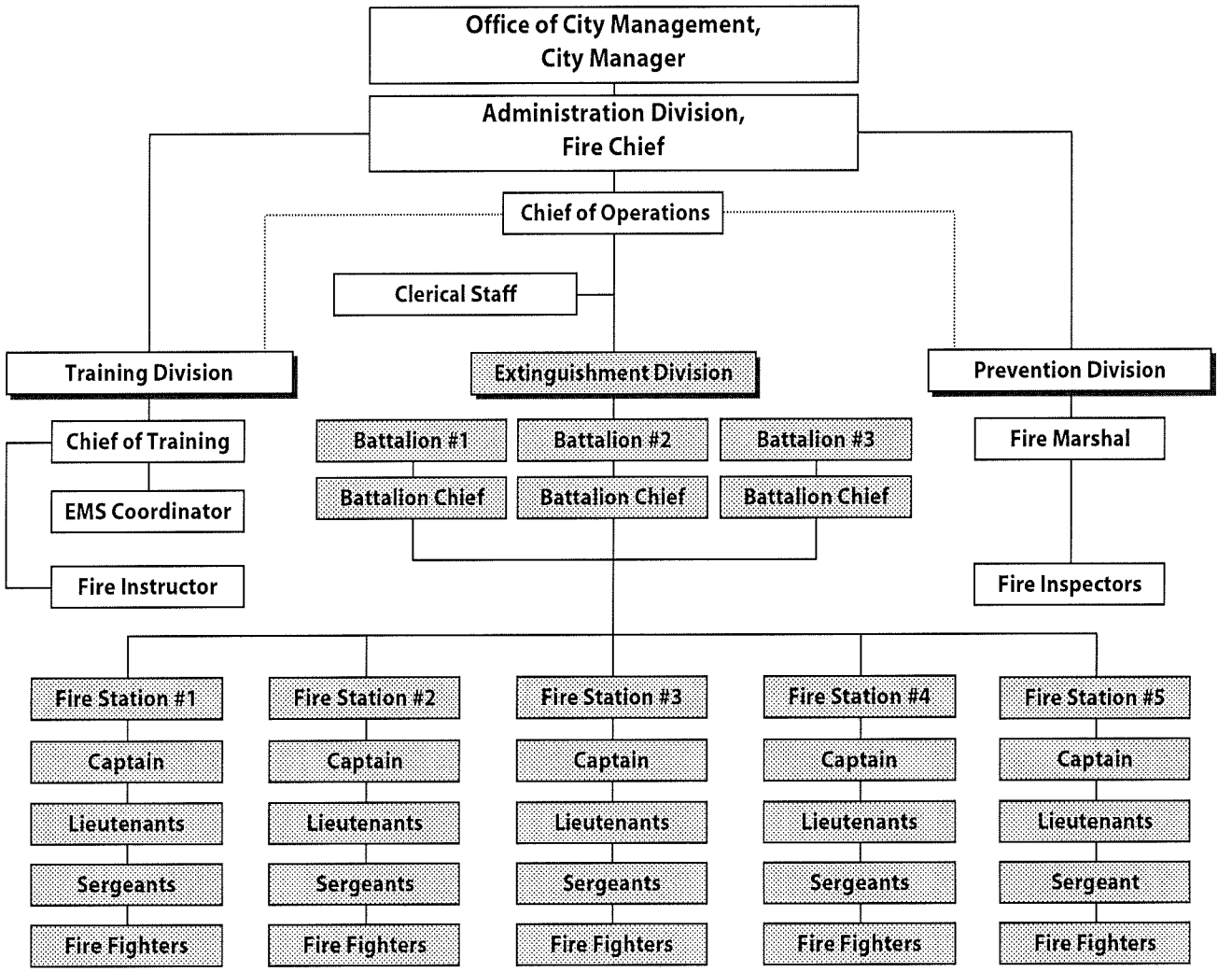
3. To initiate a "pre-plan" for weapons of mass destruction and other mass casualty incidents at Lakeside Mall. The plan will include mall employees and emergency responders from surrounding communities. *(City Goal 2, 24, 25)*

4. To work in conjunction with the Financial Services Office in performing an internal review of the causes of minimum manpower usage in an attempt to lower overtime costs. *(City Goal 1, 3, 5)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Fire Department Incidents	8,390	9,117	9,215	9,550	9,566	9,980
	EMS-Related Incidents	5,496	5,888	6,551	6,590	6,794	7,040
	Hazardous Material Incidents	160	149	184	160	144	140
	Fire Incidents	382	385	350	400	322	300
	All Other Incidents	2,352	2,695	2,130	2,400	2,306	2,500
	ALS Patients	2,565	2,813	3,104	3,070	3,062	3,030
	BLS (Priority 3) Patients	2,676	2,930	3,110	3,230	3,286	3,500
	All Other EMS Patients	98	116	123	120	170	215
	Students Receiving Fire Safety Education	23,200	22,353	20,045	21,000	22,000	20,500
	Hours Spent on Vehicle/Station Maintenance	16,407	21,097	15,968	17,600	16,943	17,960
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.3/1.1	1.3/1.1	1.1/1.1	1.2/1.1	1.2/.89	1.2/.88
	Fire Fighter Injuries/Deaths	31/0	47/0	26/0	0/0	20/0	0/0
	Civilian Fire Related Injuries/Deaths	9/0	12/0	7/2	0/0	14/2	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	85%/89%	91%/83%	88%/86%	87%/87%	86%/87%	85%/86%
	Average EMS Response Time - Minutes	4.1	3.6	3.8	3.8	3.9	3.9
	Value of Structure Loss Due to Fire (Millions)	$1.6	$2.5	$1.3	$1.0	$1.0	$1.0
	Average Cost of an EMS Incident	$237	$222	$215	*	*	*
	Average Cost of a Fire Extinguishment Incident	$1,906	$1,894	$2,226	*	*	*
	Division Expenditures as % of General Fund	12.64%	14.13%	15.03%	15.08%	15.24%	14.99%

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

Fire Extinguishment



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Battalion Chief	3	3	3
Captain - ALS	4	4	4
Captain	1	1	1
Lieutenant - ALS	9	10	10
Lieutenant	7	6	6
Sergeant - ALS	2	2	2
Sergeant - FEO	6	7	7
Sergeant	1	0	0
Fire Fighter - ALS	30	29	29
Fire Fighter - FEO	15	14	14
Fire Fighter	12	14	14
Total	90	90	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

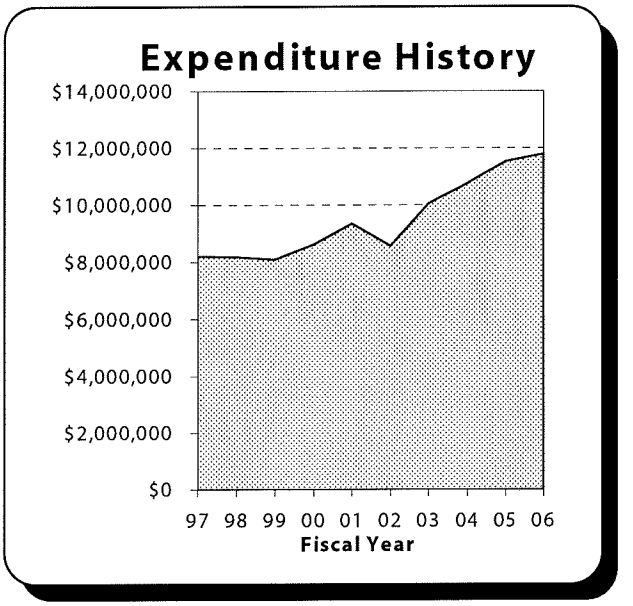
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $272,550 or 2.5%. Wages increased by $192,450. Overtime costs rose $150,000 or 16.2% due to wage increases and increased minimum manning usage. Hospitalization costs rose $92,910 or 9.1%. Retiree medical insurance costs rose $157,200. Based on a recent actuarial experience study, the City will save $397,350 in Police & Fire Pension costs next year.

Supplies – Total Supplies decreased $7,740 or 5.3% as funding for operating supplies was reduced due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges decreased $970 or 0.2%. Telephone costs decreased $5,000 due to lower SBC contractual telephone rates and a greater savings realized from the new citywide Nextel telephone plan. Water usage decreased $500 and contracted service costs decreased $200, both based on historic actual expenditure usage. Heating costs rose $4,000 based on the current year's estimated expenditure usage and higher natural gas rates. Fire hydrant rental costs went up $1,100 as the number of hydrants in the City has increased.

Capital – Total Capital of $390,000 is proposed and is budgeted in the Capital Projects Fund. $390,000 is recommended for a new front-line Fire Engine to serve as a main vehicle that carries personnel and critical equipment used at the scene of an emergency. This new engine will allow a 1988 reserve fire engine to be deadlined and will allow a 1992 front-line fire engine to be placed into reserve status. As a result of this replacement, the City's oldest front-line fire engine will be a 1998.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$10,213,871	$10,965,600	$11,114,930	$11,238,150	$11,238,150
Supplies	140,128	145,740	130,000	138,000	138,000
Other Charges	405,740	411,570	408,300	410,600	410,600
Total	$10,759,739	$11,522,910	$11,653,230	$11,786,750	$11,786,750

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 on the files that are maintained throughout the year. This Division maintains files on all buildings located in the City.

The Fire Prevention Division is the lead division on all fire code enforcement and related issues and the coordination of efforts between the Fire Department and other City departments responsible for code and ordinance enforcement.■

Did you know?...
...that the City's Fire Prevention division has developed a Resident Assistance Program (R.A.P.) that assists residents in getting back to normal as quickly as possible after a tragic loss from a house fire?

Fire Prevention

2005/06 PERFORMANCE OBJECTIVES

1. To fully implement the hand-held computers for field inspectors that will integrate with the existing system, thus providing more effective services to the City's business owners. *(City Goal 17, 18)*

2. To incorporate two-dimensional building plans into fire inspection files of all Fire Fighter Right-to-Know and Act 302 sites through the use of digital photography. *(City Goal 17, 18, 25)*

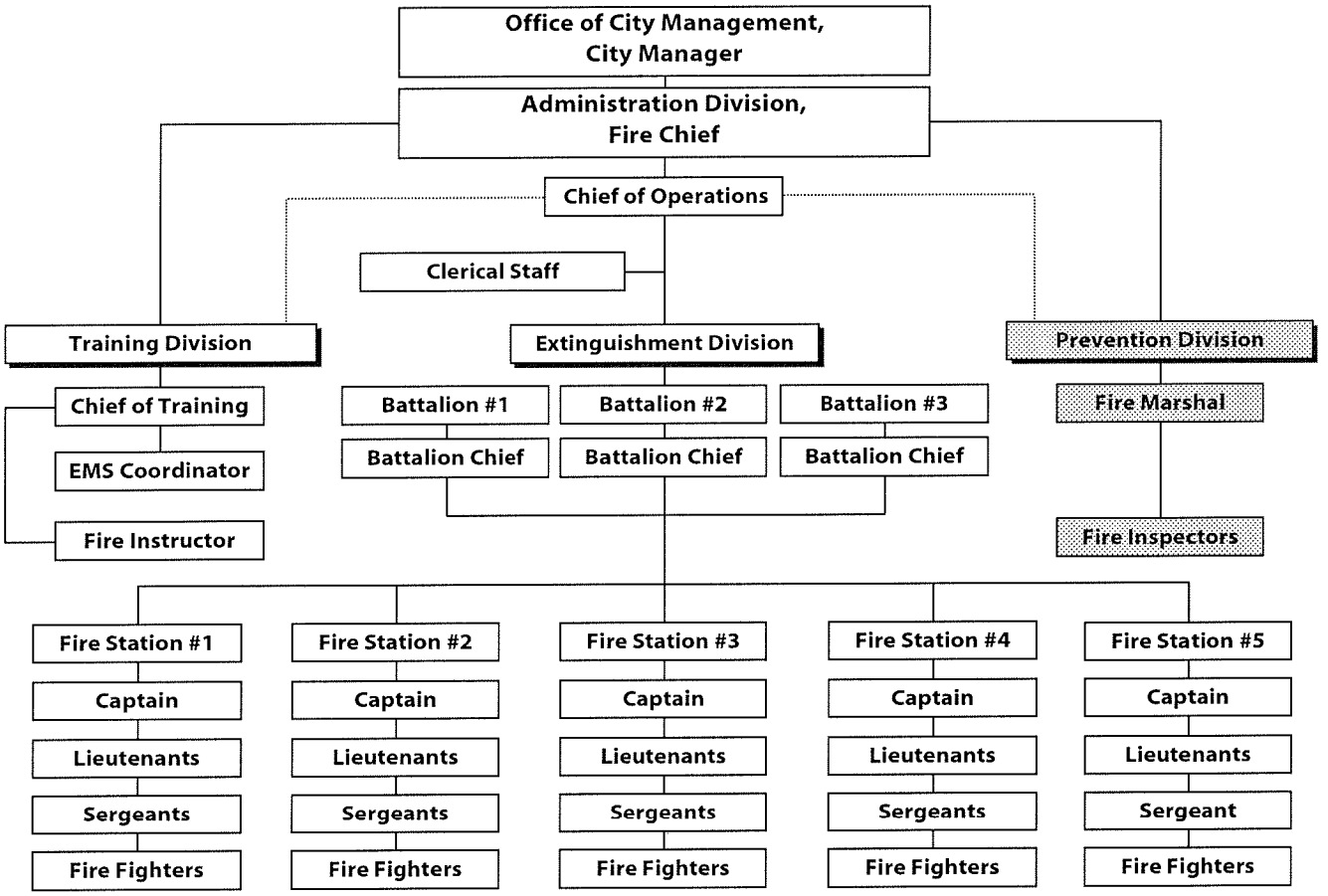
3. To conduct an evaluation of the Juvenile Fire Setter Program and make any improvements that may be needed or recommended based on the evaluation's findings. *(City Goal 3, 19)*

4. To increase the number of U.L. certified fire alarm systems by 100% thereby improving public and fire fighter safety. *(City Goal 24)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Inspections Conducted	4,139	3,871	4,427	4,175	4,205	4,135
	Annual Building Fire Inspections	920	590	1,009	750	790	800
	Special Code or Final Occupancy Inspections	480	428	386	550	485	550
	Liquor Lic., Amusement, & Site Inspections	1,069	1,180	1,233	1,200	1,235	1,210
	Witnessed Acceptance Tests Inspections	188	149	211	200	225	175
	Reinspections of Violations	1,431	1,401	1,471	1,350	1,330	1,250
	Citizen Assistance Inspections	51	123	117	125	140	150
	Violations Discovered and Issued	3,239	3,225	4,451	3,000	4,200	3,500
	Investigations (Fire and Other)	115	118	158	100	150	130
	Plan Reviews (sites, buildings, alarms)	555	670	745	650	950	750
	Public Education Hours (Preparation & Presentation)	485	445	339	400	275	375
Efficiency & Effectiveness	% Bus. Receiving Violations during Annual Inspections	85%	92%	95%	90%	93%	91%
	Value of Non-Residential Fire Loss	$1,035,000	$130,000	$157,710	$500,000	$350,000	$500,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	98%	98%	98%
	% of Inspectable Occupancies Experiencing Fires	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Inspections Conducted Per Inspector/Marshal	591	553	632	596	601	591
	% of Site Plans Reviewed within 20 Days	99%	99%	99%	99%	99%	100%
	Average Annual Fire Inspection Cost	$299	$324	$345	*	*	*
	Average Plan Review Cost	$151	$145	$140	*	*	*
	Division Expenditures as % of General Fund	1.08%	1.25%	1.24%	1.27%	1.28%	1.25%

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

Fire Prevention



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Fire Marshal	1	1	1
Fire Inspector	6	6	6
Total	7	7	7

Fire Prevention

SUMMARY OF BUDGET CHANGES

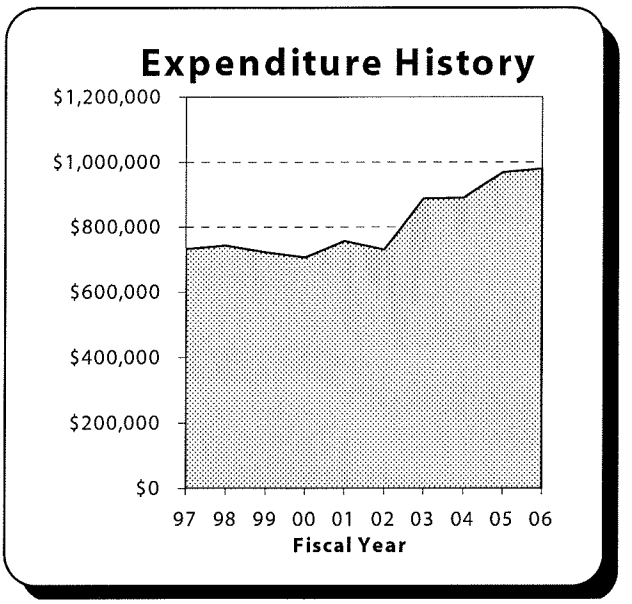
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $10,870 or 1.1% over last year's budget. Wages increased by $19,870. Overtime and Compensatory Time costs rose a combined $5,000. Hospitalization costs rose $3,510 as a result of a rate increase for next year. Additional retiree medical funding is required, resulting in a $13,140 increase. Pension costs declined $37,220 as a result of a recent actuarial experience study. The experience study recommended that the pension board change the assumed investment rate of return from 7.5% to 8.0% resulting in a decrease in the actuarially determined City contribution rate.

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.

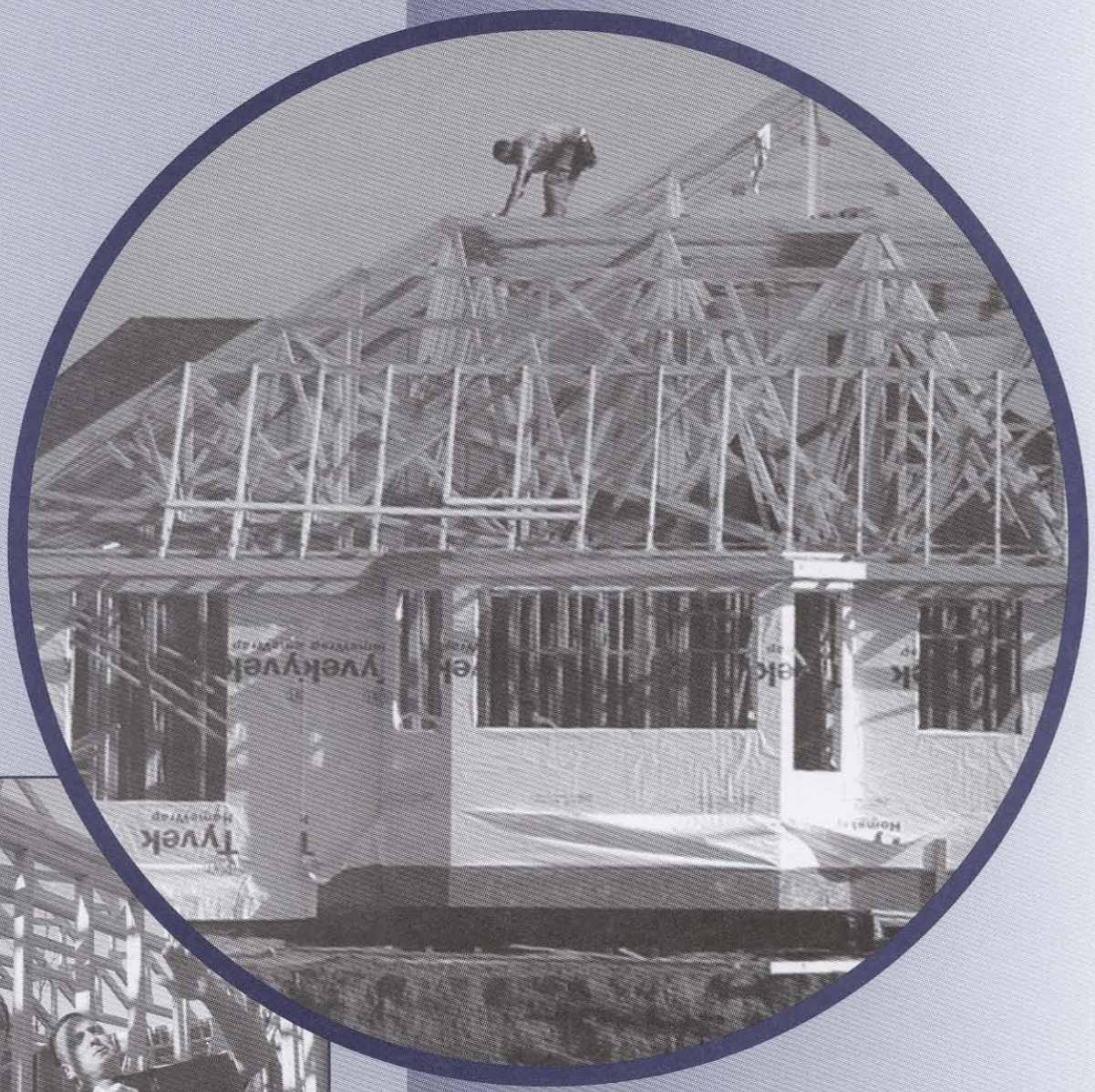
Other Charges – Council made no adjustments to Other Charges.

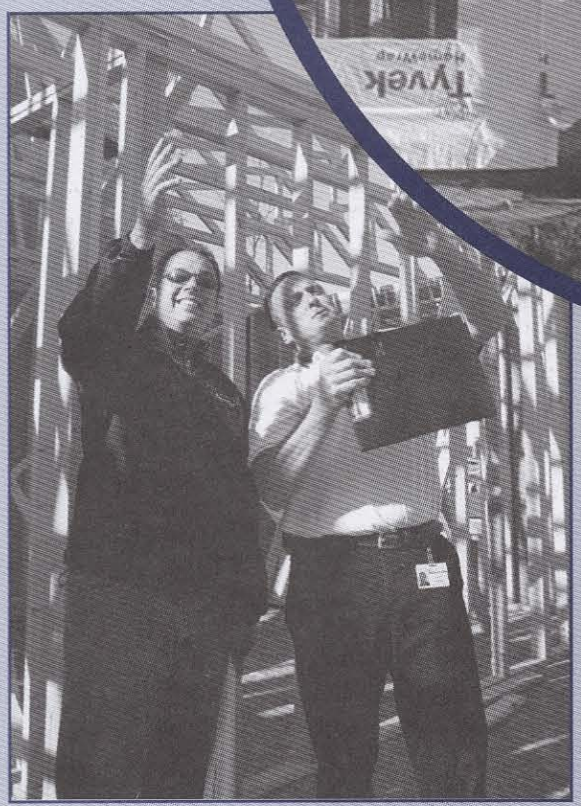
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$890,177	$968,790	$979,190	$979,660	$979,660
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	$890,177	$968,790	$979,190	$979,660	$979,660

City Development Department





FUNCTIONAL ORGANIZATION CHART

City Development Department

Office of City Development Administration

- Administration of department
- Proposes policies and procedures
- Coordinates and supervises capital projects
- Handles right-of-way and easement acquisition
- Coordinates City-wide street lighting
- Administers the Community Development Block Grant (CDBG) program
- Coordinates traffic engineering services
- Serves as liaison to county, state and federal agencies
- Applies for and administers grants for capital improvements
- Coordinates water meter connection and use monitoring
- Serves as 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
- Performs plumbing inspections
- Performs electrical inspections
- Performs mechanical inspections
- Performs building inspections
- Serves as liaison to Board of Ordinance Appeals and 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
- Prepares and supervises construction projects
- Reviews all public improvement plans

Office of Planning

- Prepares the Master Land Use Plan
- Amends ordinances to effect 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
- Serves as 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 $167,750 or 3.7%. Higher personnel costs accounted for the increase. Personnel costs rose $177,130 or 4.0% due to higher wages and fringe benefit increases for all employees. The same number of full time staffing is budgeted for next year. Wages increased by $120,010 as all employees are budgeted to receive a 3% wage increase. Hospitalization insurance costs rose by $42,780 or 8.7%. The budget includes an additional $39,060 to partially fund the Department's growing retiree medical obligations. Overtime costs fell by $44,900 or 16.5% as fewer Engineering inspection hours are required and due to improved office efficiencies. Supplies declined by $2,570 or 9.1% due primarily to a reduction in the number of City logo shirts needed to be purchased for field personnel. Other Charges decreased by $6,810 or 7.6% due to cellular telephone cost savings. The capital budget includes funding for 15 replacement personal computers for City Development, Building, and Planning administrative and clerical staff.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
City Dev. Administration	$292,120	$334,110	$397,920	$423,640	6.5%
Building	1,267,100	1,396,070	1,916,580	2,005,110	4.6%
Engineering	1,738,620	1,793,290	1,898,490	1,938,460	2.1%
Planning	871,560	822,880	336,860	350,390	4.0%
Total Department	$4,169,400	$4,346,350	$4,549,850	$4,717,600	3.7%
Personnel Services	$4,050,180	$4,204,630	$4,431,440	$4,608,570	4.0%
Supplies	33,190	29,370	28,360	25,790	-9.1%
Other Charges	86,030	112,350	90,050	83,240	-7.6%
Total Department	$4,169,400	$4,346,350	$4,549,850	$4,717,600	3.7%

PERSONNEL SUMMARY

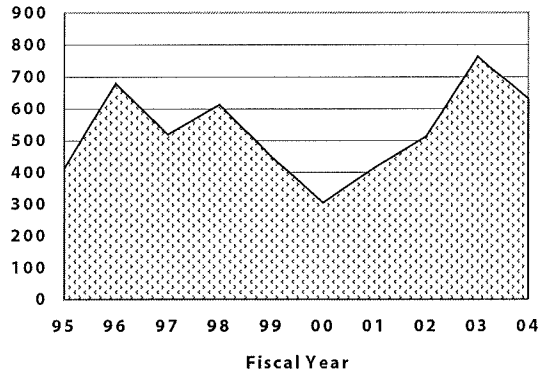
	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Dev. Administration	3	0	3	0	4	0	4	0
Building	17	1	17	1	22	1	22	1
Engineering	17	2	17	2	17	2	17	2
Planning	11	0	10	0	4	0	4	0
Total Department	48	3	47	3	47	3	47	3

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

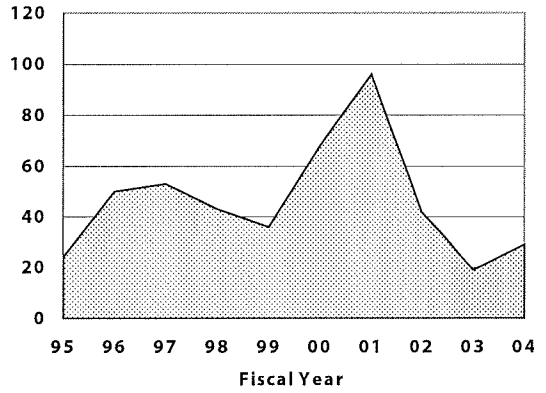
City Development Department

Residential Building Permits
New Construction



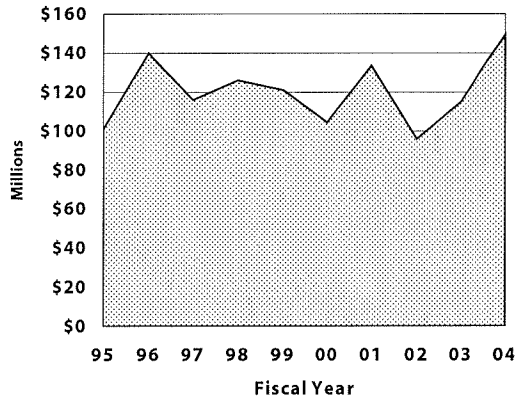
From 1996 to 2000, the number of residential building permits dropped to a low of 304. For the past four years, the number has increased, reaching a high of 763 in 2003 due in part to the increasing number of condominium units and cluster developments. 631 permits for new residential construction were issued in 2004.

Commercial Building Permits
New Construction



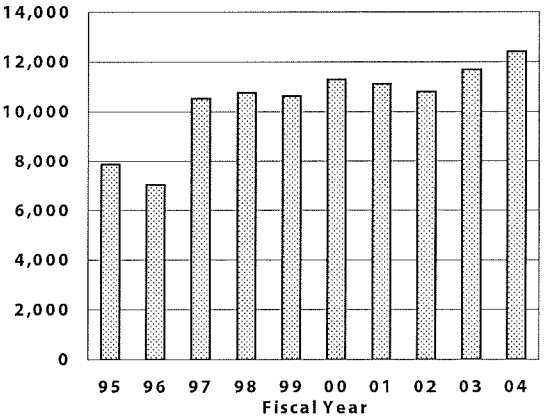
The number of new commercial building permits rose during the late 1990's after a 1994 moratorium on new commercial development. The number reached a high in 2001 when 96 permits were issued. For the past several years, the number has fallen to its lowest level since 1994. In 2004, 29 new commercial building permits were issued, an increase over the 19 issued in 2003.

Building Permits at Market Value



The dollars invested in new building construction and improvements increased from $101 million in 1995 to $149 million in 2004. From 1996 to 2002, the overall market value of building permits declined. In 2002, investment declined by $38 million to reach a ten 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. In 2004, though residential permits declined, the city experienced a strong rebound in the value of permits for additions and improvements to commercial facilities.

Code Enforcement Inspections



The number of code enforcement inspections performed has increased by 76% over the past eight years since a third Code Enforcement Officer and a Neighborhood Property Maintenance Code Officer were hired. In 2004, there were 12,408 inspections made, 2,757 inspections per officer or nearly 11 inspections per officer per day. 90% of inspections were performed within 48 hours of complaint. A total of 3,667 violations were issued in 2004 – an 82% increase over a three-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 requests for service 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 and Housing Commission.

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 administrative 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 Development Department was instrumental in developing the first Macomb County roundabouts at the intersections of Utica and Dodge Park Roads and 18½ Mile Road & Van Dyke Avenue?

City Development Administration

2005/06 PERFORMANCE OBJECTIVES

1. To develop a comprehensive Economic Development Plan, including policies for business recruitment and retention, to help stimulate growth and redevelopment in the community. *(City Goal 8, 10, 11)*

2. To implement a commercial reforestation program in response to the emerald ash borer problem. *(City Goal 13, 14)*

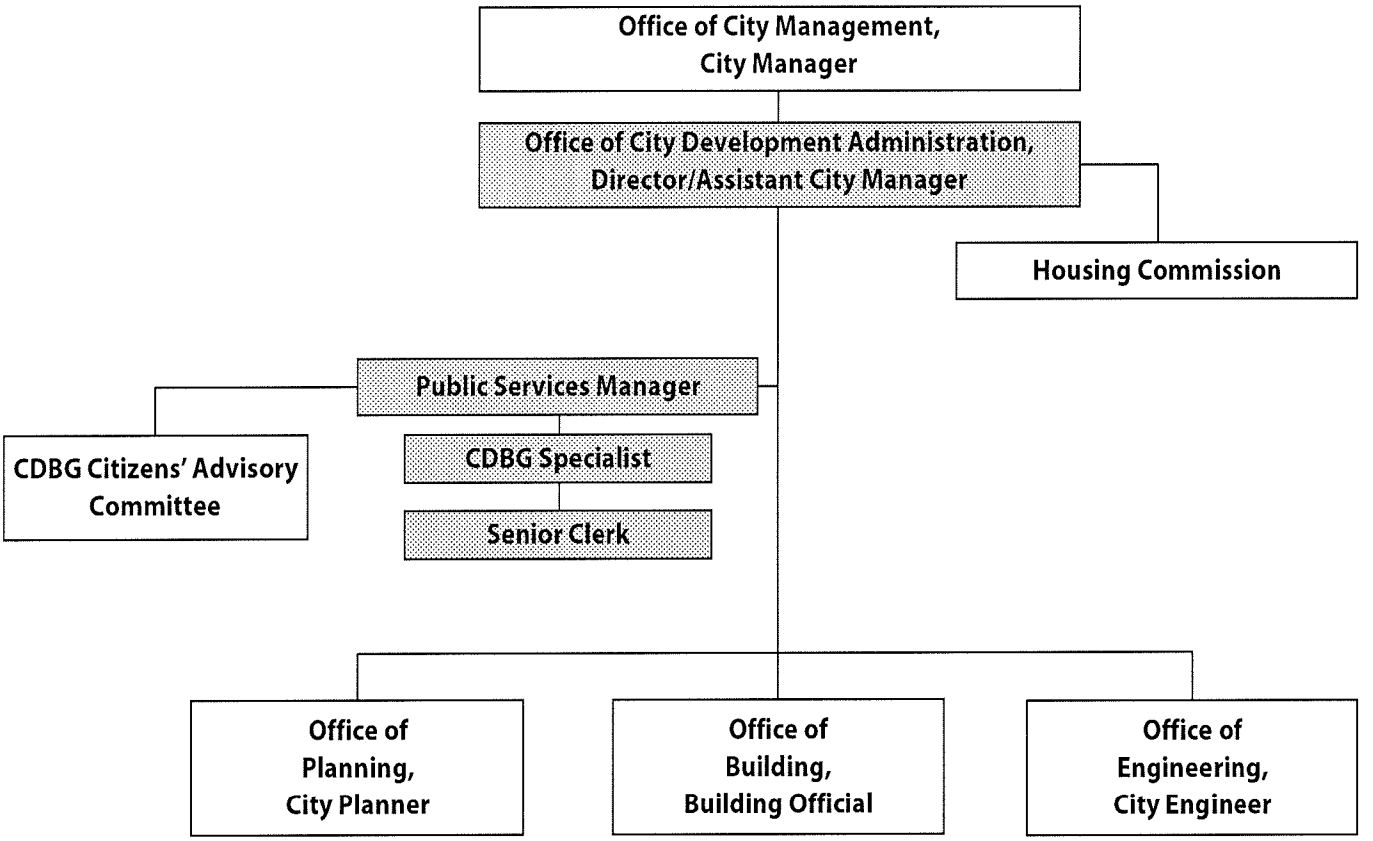
3. To consider and establish a Van Dyke Corridor Authority. *(City Goal 9, 10, 11)*

4. In conjunction with the recently adopted Master Land Use Plan, to implement and market a Planned Unit Development (PUD) ordinance to ensure high quality industrial and commercial developments. *(City Goal 8, 10, 15)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Building Permits & Site Plans Reviewed	485	460	450	470	470	450
	Use Permits Reviewed	205	220	225	200	100	100
	W & S Connection Permits Issued (Existing Homes)	40	41	40	35	30	30
	Special Projects Administered	4	6	7	7	7	7
	Neighborhood Condition Observations	15	25	31	25	30	25
	Developer Contacts Initiated	6	20	27	10	40	40
	Commercial Vacant Properties Marketed	57	62	60	50	60	50
	Brownfield Applications Processed/Approved	1/1	2/2	0/0	1/1	1/1	1/1
	Value of Brownfield Properties Approved (Millions)	$6.0	$30.0	$0.0	$1.0	$1.0	$1.0
	New Grants Applied For/Grants Received	4/2	1/1	3/3	2/2	2/2	2/2
	Council Meetings Attended	26	17	25	10	26	25
	Housing Commission Meetings Attended	7	9	9	12	12	12
	Rights-of-Way/Easements Acquired	14	33	15	35	30	90
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%	100%	100%	100%	100%	100%
	% of ROW's Acquired Without Condemnation	90%	76%	80%	90%	90%	80%
	% of Easements Acquired Without Condemnation	100%	100%	90%	90%	90%	80%
	% of Grants Successfully Awarded	50%	100%	100%	100%	100%	100%
	% of Substandard Housing Rehab. Contracts Completed	100%	60%	38%	95%	90%	95%
	Avg. Cost to Prepare/Process a Grant Application	$1,441	$1,490	$1,207	*	*	*
	Avg. Cost to Review a Use Permit Application	$68	$65	$66	*	*	*
	Activity Expenditures as % of General Fund	0.40%	0.41%	0.47%	0.52%	0.52%	0.54%

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

City Development Administration



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
City Development Dir./Asst. City Manager	1	1	1
Public Services Manager	1	1	1
CDBG Specialist	0	1	1
Senior Clerk	1	1	1
Total	3	4	4

City Development Administration

SUMMARY OF BUDGET CHANGES

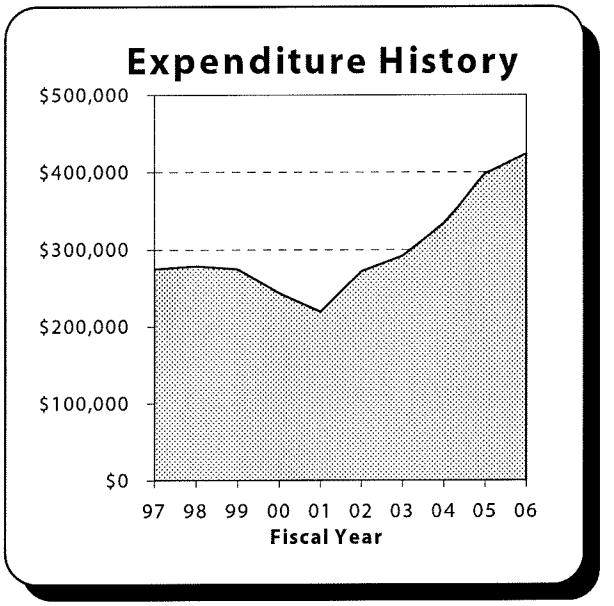
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $26,520 or 6.8%. Wages increased $9,450 as all employees are budgeted to receive a 3% contractual wage increase next year. Funding for Compensatory Time increased $5,610 due to attendance at additional night meetings. Longevity costs rose $2,490 as an employee has become eligible for longevity pay. Car allowance costs declined $1,000 as a motor pool vehicle has been assigned to the City Development Director in lieu of a cash allowance. Hospitalization insurance costs rose $2,250 due to a rate increase for next year. In addition, the City will be setting aside additional funds to pay for our rapidly growing retiree health care obligations which resulted in a $4,300 increase in this office.

Supplies – Total Supplies decreased $600 or 14.1%. The decrease is primarily due to a reduction in City logo shirts to be purchased for Department field personnel, as fewer replacement shirts will be needed. In addition, funding for postage decreased $100 based on recent years' expenditure levels.

Other Charges – Total Other Charges decreased $200 or 6.5%. Telephone costs fell $200 due to a greater savings realized from the new citywide Nextel telephone plan, and lower SBC contractual telephone rates.

Capital – This office is scheduled to receive four new personal computers to replace the existing six year old computers. This funding is budgeted 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$329,166	$390,570	$390,990	$417,090	$417,090
Supplies	1,656	4,250	3,650	3,650	3,650
Other Charges	3,290	3,100	2,810	2,900	2,900
Total	$334,112	$397,920	$397,450	$423,640	$423,640

MISSION STATEMENT: ***To maintain 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 abatement.

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 informed 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 become 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 Office of Building Services recently established a Code Enforcement Task Force to stimulate communication and coordinate plans of action between various City departments?

Building

2005/06 PERFORMANCE OBJECTIVES *(Building)*

1. To implement wireless pen tablet computers for field building inspections that will integrate with the current Land Management System, thus providing for more efficient services to resident and contractors relating to inspections. *(City Goal 17)*

2. To create an inspection checklist to ensure consistent and uniform building inspections. *(City Goal 3)*

3. To update the homeowner brochures with the most current code requirements and related information to assist residents with minor home improvement projects. *(City Goal 1)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Permits Issued	9,259	8,658	8,910	9,200	9,000	9,100
	Building Permits Issued	2,432	2,389	2,354	2,400	2,400	2,500
	Mechanical Permits Issued	2,872	2,717	2,608	2,900	2,700	2,700
	Plumbing Permits Issued	1,869	1,811	1,825	1,900	2,000	2,000
	Electrical Permits Issued	2,086	1,741	2,123	2,000	1,900	1,900
	Total Inspections Performed	41,845	37,760	34,774	40,300	37,400	38,200
	Building Inspections	16,338	16,506	13,250	16,700	15,000	15,500
	Mechanical Inspections	9,975	8,130	9,089	9,300	8,900	9,000
	Plumbing Inspections	8,888	7,522	7,257	7,800	7,900	8,000
	Electrical Inspections	6,644	5,602	5,178	6,500	5,600	5,700
	Ordinance Complaint Tickets Issued	63	47	32	60	25	35
	Board of Code Appeals Applications	6	13	4	15	12	15
	Board of Ordinance Appeals Hearings	29	43	36	60	40	50
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	5	3	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%	94%	94%	95%
	% of Residential Plans Reviewed w/i 10 days	93%	93%	93%	94%	94%	95%
	Average No. of Inspections per Budgeted Inspector	4,185	3,776	3,477	4,030	3,740	3,820
	Market Value of Building Permits (Millions)	$95.9	$114.9	$149.4	$110.0	$113.0	$112.0
	Permits Issued via City's Website	26	120	38	100	20	40
	Activity Expenditures as % of General Fund	1.75%	1.78%	1.95%	2.51%	2.48%	2.55%

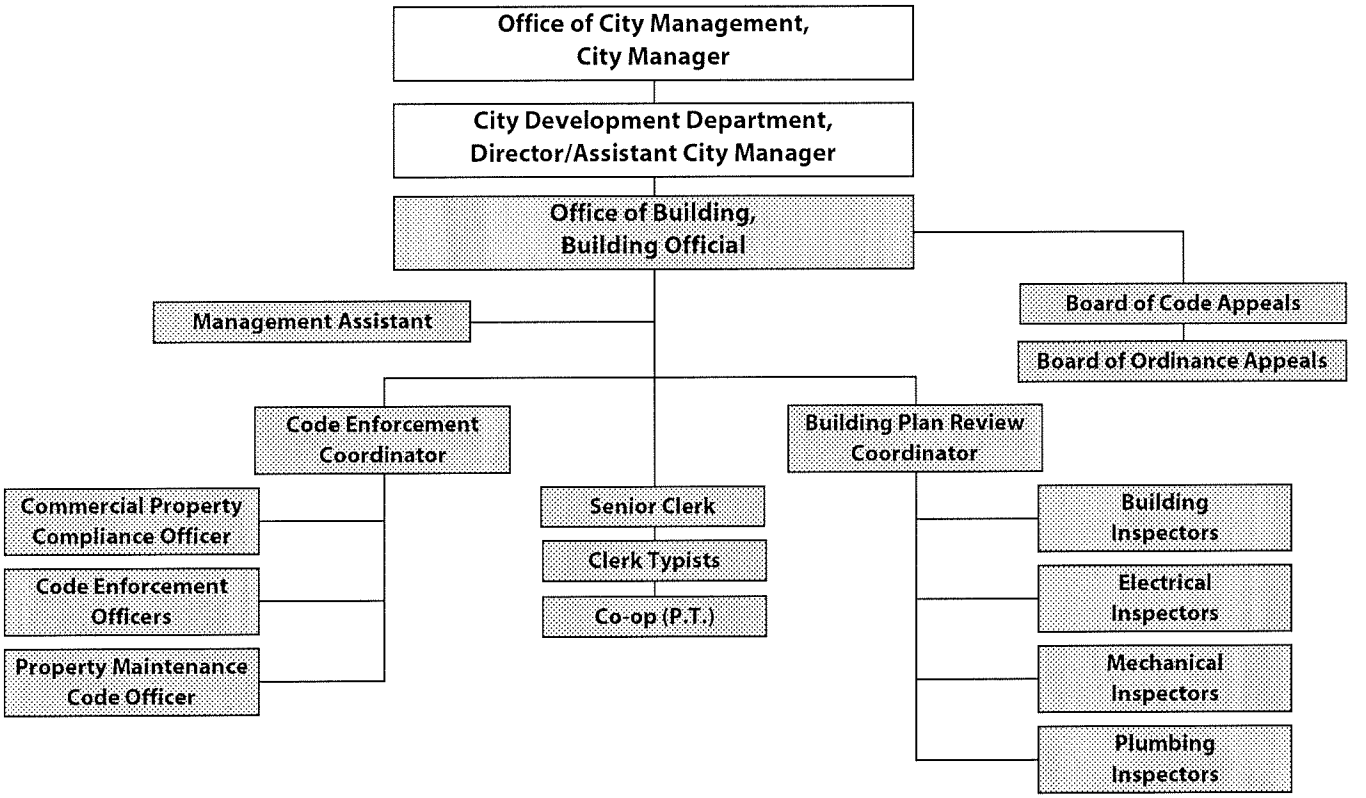
2005/06 PERFORMANCE OBJECTIVES *(Code Enforcement)*

1. To implement wireless pen tablet computers for field code inspections that will integrate with the current Land Management System, thus providing more efficient and effective services by the property maintenance inspectors. *(City Goal 17)*
2. To pursue aggressive code enforcement action against critically blighted commercial strip centers in an effort to encourage redevelopment and revitalization of these centers. *(City Goal 8, 11, 13)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Inspections Performed	10,802	11,689	12,408	12,500	11,000	12,500
	Total Code Enforcement Cases	2,853	3,570	3,667	3,770	3,824	3,800
	Public Nuisance Cases	899	1,413	1,253	1,300	1,142	1,200
	Illegal Sign Cases	474	547	301	470	446	400
	Trash & Debris Cases	388	480	403	450	406	450
	Junk Vehicle Cases	297	284	289	300	380	350
	Property Maintenance Cases	605	638	840	900	728	800
	Miscellaneous Cases	190	208	581	350	722	600
	Ordinance Board Cases Prepared - Nuisances	64	127	137	200	180	200
	Civil Infraction & Misdemeanor Tickets Issued	30	16	18	40	15	20
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	87%	90%	90%	90%	90%	92%
	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	2,701	2,922	2,757	2,778	2,444	2,778
	Code Enforcement Cases Per Code Inspector	713	893	815	838	850	844
	Code Enforcement Cases Per 1,000 Residents	22.9	28.5	29.1	29.9	30.3	29.9
	Average Cost to Perform a Code Inspection	$21.48	$20.97	$20.09	*	*	*

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

Building



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Building Official	1	1	1
Building Plan Review Coordinator	1	1	1
Code Enforcement Coordinator	0	1	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	3	3
Property Maintenance Code Officer	0	1	1
Management Assistant	0	1	1
Administrative Assistant	1	0	0
Senior Clerk	1	1	1
Clerk Typist	3	3	3
Co-op (P.T.)	1	1	1
Total	18	23	23

Building

SUMMARY OF BUDGET CHANGES

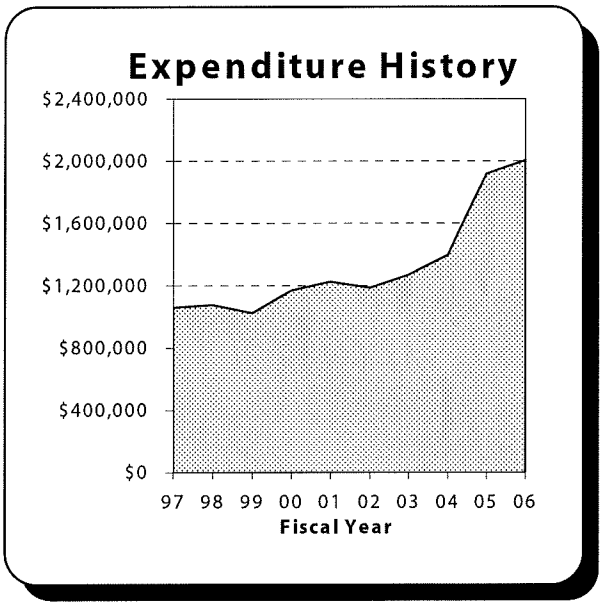
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $92,910 or 5.0%. Wages for full-time employees increased $60,060. Part-time wages decreased $13,360 as funding was required for a part-time inspector in the prior year due to employee turnover. Hospitalization costs rose $19,460 as a result of a rate increase. Additional retiree medical costs has resulted in a $17,240 increase.

Supplies – Total Supplies increased $30 or 0.3%. The budget for operating supplies increased slightly based on historic actual expenditure levels.

Other Charges – Total Other Charges decreased $4,410 or 6.9%. Telephone costs decreased $3,500 due to a greater savings realized from the new citywide Nextel telephone plan, as well as lower citywide SBC contractual telephone rates. $500 will be saved as fewer forms and informational brochures need to be printed. Funding for credit card fees decreased $200 based on lower customer online payments.

Capital – This office is scheduled to receive seven new personal computers to replace the existing six year-old computers used by the administrative staff. This funding is budgeted 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.

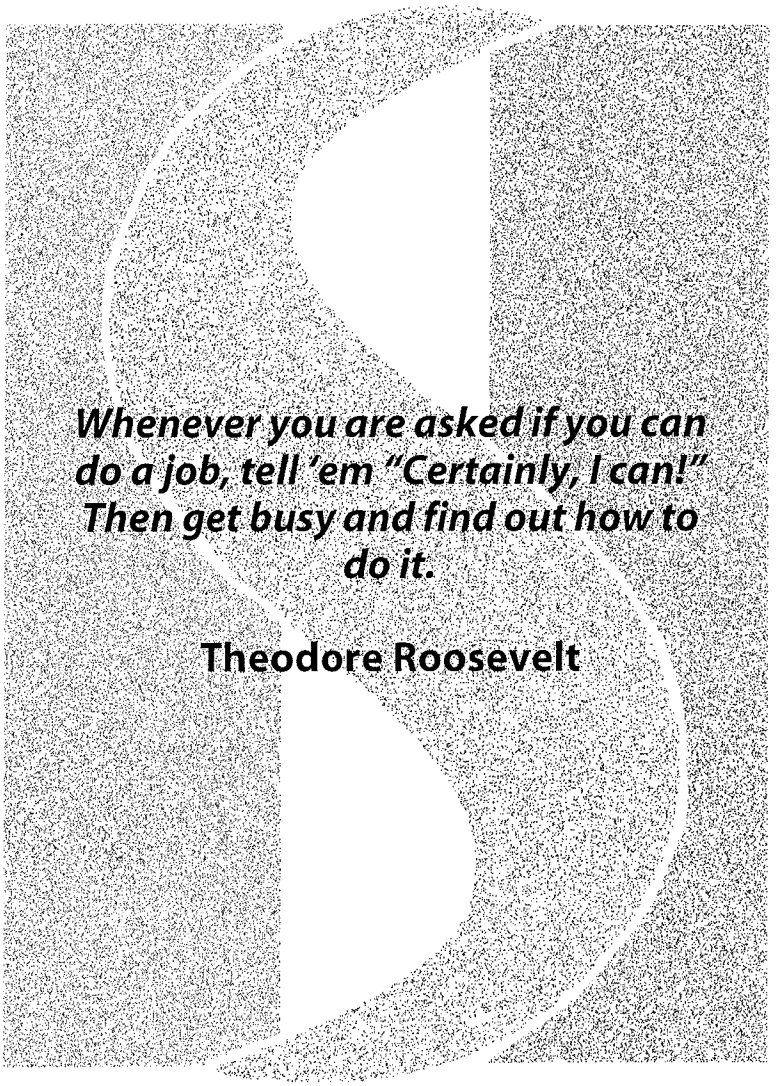
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,303,439	$1,843,940	$1,830,870	$1,936,850	$1,936,850
Supplies	13,390	9,110	8,970	9,140	9,140
Other Charges	79,239	63,530	58,550	59,120	59,120
Total	$1,396,068	$1,916,580	$1,898,390	$2,005,110	$2,005,110


Whenever you are asked if you can do a job, tell 'em "Certainly, I can!" Then get busy and find out how to do it.
Theodore Roosevelt

MISSION STATEMENT: ***To 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.

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.***

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.

The engineering design, administration, and inspection of City projects, City awarded contracts, and subdivision sites generates revenues in excess of $1.8 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 City saved $100,000 on two new soccer fields at L. W. Baumgartner Park due to efforts by Office of Engineering personnel in negotiating and coordinating the use of excess material from the Maple Lane project as well as other construction projects in the surrounding area?

Engineering

2005/06 PERFORMANCE OBJECTIVES

1. To prepare plans and specifications and administer contracts for the water main system improvements as recommended in the Water Reliability Study. *(City Goal 6, 12)*

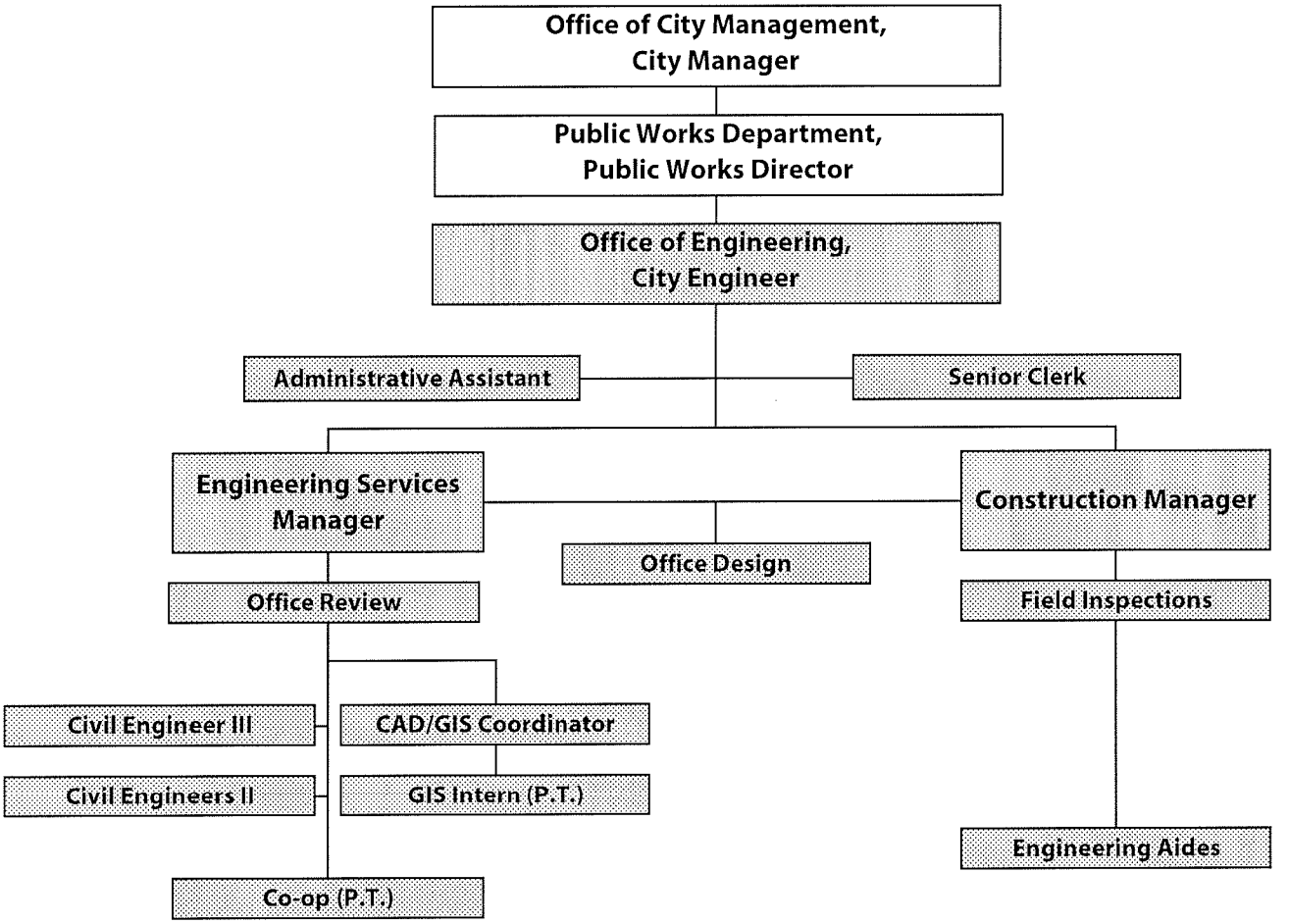
2. To prepare a long range local road needs analysis based on the developing pavement management system. *(City Goal 12, 15, 22, 23)*

3. To update the City's construction details and specifications to reflect changes in current construction materials and methods. *(City Goal 23)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Site Plans Approved	59	54	70	65	65	60
	Subdivision Plans Approved	1	1	1	1	2	1
	Property Splits Reviewed	52	42	38	35	30	35
	Plot Plan/Grading Plans Approved	60	52	65	50	48	50
	Utility Company Permits Issued	67	68	144	75	73	75
	SESC Permits Issued	121	96	162	120	115	115
	Value of Const. Contracts Awarded & Supervised	$8.1M	$7.8M	$9.8M	$6.0M	$6.5M	$6.4M
	Personnel Contacts with Business - Counter	4,086	4,590	4,415	4,500	4,200	4,200
	Personnel Contacts with Business - Phone	13,834	12,645	13,795	15,000	13,000	13,000
	Service Complaints Processed	1,404	3,762	555	1,500	900	900
	Inspection Revenues Generated	$919,072	$1,030,691	$1,088,190	$1,025,000	$1,090,000	$1,010,000
	SESC Inspection Revenues Generated	$10,667	$13,002	$11,232	$10,000	$12,000	$12,000
	Construction Project Design Revenues	$482,901	$563,090	$583,209	$475,000	$600,000	$575,000
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 7 weeks	68%	76%	72%	80%	85%	85%
	% of Utility Company Permits Reviewed w/i 15 days	79%	74%	85%	80%	85%	85%
	% of Plot or Grading Plans Reviewed w/i 10 days	73%	85%	77%	90%	90%	90%
	% of Capital Projects Completed w/i 5% of Bid Costs	100%	80%	85%	90%	80%	90%
	Engineering Inspection Cost Per Hour	$83.90	$85.10	$84.53	*	*	*
	Activity Expenditures as % of General Fund	2.27%	2.45%	2.50%	2.48%	2.41%	2.46%

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

Engineering



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

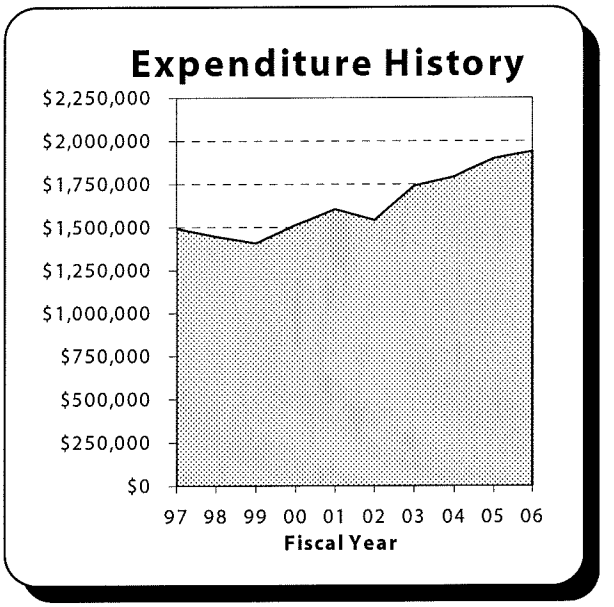
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $42,920 or 2.3%. Wages for full-time employees increased by $43,230 as all employees are budgeted to receive a 3% wage increase. In addition, recent hires are scheduled to receive contractual wage step increases. Overtime costs fell by $40,000 based on trends experienced in the current and prior fiscal year. Hospitalization costs rose $19,670 or 10.3% due to a rate increase. The amount budgeted to help fund rising retiree medical liabilities rose $14,220. Costs were saved in the prior year as the office will implement an in-house pavement management system.

Supplies – Total Supplies decreased $150 or 1.3%. Funding for postage decreased $100 due to a fewer number of mailings. Publication costs decreased $50, as prior year funds were never spent.

Other Charges – Total Other Charges decreased $2,800 or 14.2%. Telephone costs decreased $2,500 as a result of greater savings realized from the new citywide Nextel telephone plan, as well as lower SBC contractual telephone rates. Fewer copy machine rental and usage fees has resulted in a $300 savings.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,765,327	$1,867,230	$1,815,790	$1,910,150	$1,910,150
Supplies	11,238	11,550	11,350	11,400	11,400
Other Charges	16,726	19,710	16,810	16,910	16,910
Total	$1,793,291	$1,898,490	$1,843,950	$1,938,460	$1,938,460

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.

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.***

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.■

Did you know?...
...that nearly 400 acres of privately owned land have been forever preserved as natural open space areas since adoption of the Special Development Options Ordinance in 1990?

Planning

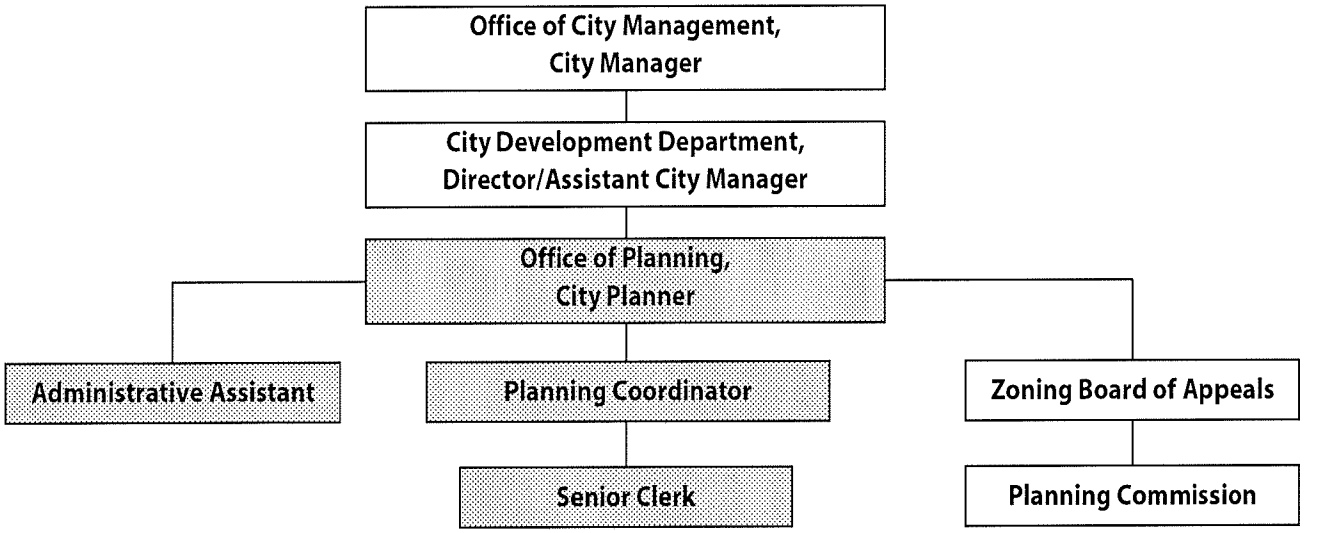
2005/06 PERFORMANCE OBJECTIVES

1. To implement recommendations from the recently adopted Master Land Use Plan focusing on the redevelopment of commercial sites and the need for a well-balanced housing stock. *(City Goal 8 - 16)*
2. To update various sections of the Zoning Ordinance to foster creativity in new development proposals and the efficient use of land to provide opportunities for existing businesses to expand. *(City Goal 8, 9, 11)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Site Plans Reviewed	71	60	60	60	60	60
	Property Splits Reviewed	52	42	38	35	30	35
	Rezoning Petitions Processed	14	10	13	15	15	15
	Subdivision Plats Reviewed	1	1	1	1	0	1
	Special Approval Land Uses Processed	13	14	14	15	12	12
	Special Development Options Requested	2	1	3	3	1	3
	Administrative Temporary Uses Reviewed	88	139	115	100	90	85
	Planning Commission Meetings Attended	24	21	18	12	12	12
	Temporary Uses, Variances, & Vacations Reviewed	9	3	3	3	1	2
	Zoning Board of Appeals Cases Prepared	60	74	58	50	50	50
	Zoning Board of Appeals Meetings Held	22	20	16	12	12	12
	Citizens Advisory Commission Meetings Attended	7	7	7	7	6	6
	City Council Meetings Attended	21	17	16	15	20	20
	Council Agenda Items Prepared	30	19	26	18	33	30
	Section 8 Inspections Made	45	41	42	41	41	40
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	77%	67%	90%	90%	90%	90%
	Average Cost to Review a Site Plan	$1,448	$1,578	$1,580	*	*	*
	Activity Expenditures as % of General Fund	1.13%	1.23%	1.15%	0.44%	0.44%	0.45%

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

Planning



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
City Planner	1	1	1
Planning & Zoning Manager	1	0	0
Planning Coordinator	1	1	1
Code Enforcement Officer	3	0	0
Property Maintenance Code Officer	1	0	0
CDBG Specialist	1	0	0
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
Total	10	4	4

Planning

SUMMARY OF BUDGET CHANGES

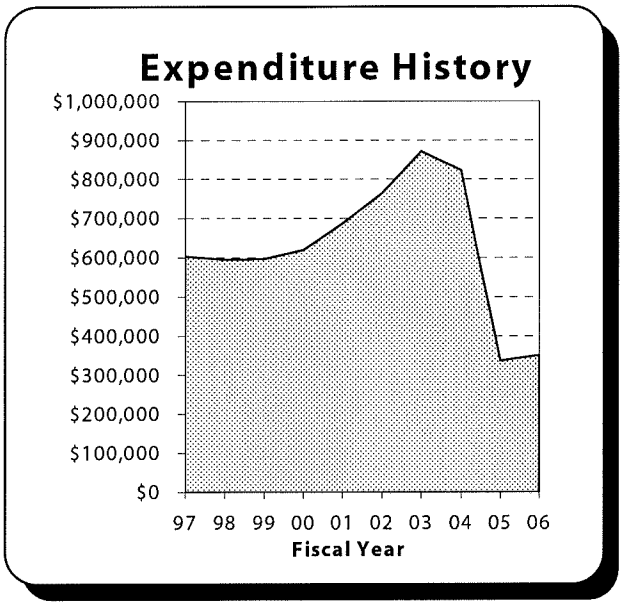
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget increased by $14,780 or 4.5% over last year's budget. Roughly half of the total increase is a result of a 3% wage increase for all employees next year. Longevity costs rose $2,450 due to increased years of service for several employees. Hospitalization Insurance costs rose $1,400 due to a rate increase next year. An additional $3,300 is proposed to be set aside to fund our rapidly growing retiree medical liabilities. Dental insurance costs rose $330 or 11.5%.

Supplies – Total Supplies decreased $1,850 or 53.6%. The decrease is primarily due to a better idea of this office's projected expenditure usage since Code Enforcement was transferred to the Building office last year. Funding for operating supplies decreased $1,000 and postage costs decreased $800, both based on the current year's projected expenditure usage. Funding for written publications decreased $50 as prior year funds were never spent.

Other Charges – Total Other Charges increased $600 or 16.2%. Telephone costs increased $400 due to the addition of one Nextel telephone. Funding for educational conferences increased $300 due to the increased costs to attend the annual Michigan Society of Planning Conference on Mackinac Island next year.

Capital – This office is scheduled to receive four new personal computers to replace the existing computers that are now six years old. This funding is budgeted 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.

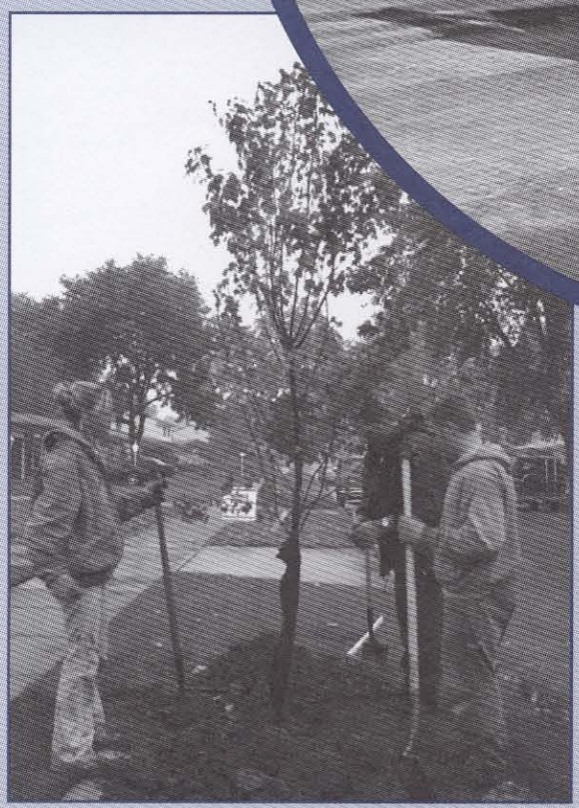
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$806,699	$329,700	$329,920	$344,480	$344,480
Supplies	3,091	3,450	1,600	1,600	1,600
Other Charges	13,094	3,710	3,310	4,310	4,310
Total	$822,884	$336,860	$334,830	$350,390	$350,390

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 holiday decorations on municipal buildings and selected Fire stations

Public Works Center

- Prepares the General Fund portion of the annual 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 Facility

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 $316,120 or 5.9%. Personnel costs rose $224,530 or 5.5%. Full-time employee wages increased $90,670. Funding for retiree medical obligations increased $38,380. Additional seasonal labor hours are proposed for $44,380. These funds will allow the department to better maintain city parks and athletic fields, plant neighborhood trees, and increase road litter pickups and the mowing and trimming of rights-of-way. The Supplies budget increased $55,810 or 5.9% due mainly to higher fuel prices. Other Charges increased by $35,780 or 9.4%. Water costs rose $16,600 in large part due to recently installed irrigation at the Baumgartner Park soccer fields and along the Utica Road median and Dodge Park Road right-of-way. Utility costs rose a combined $13,000. $7,000 is for a new State storm water discharge fee. The capital budget includes $223,200 in equipment and vehicles for enhanced road maintenance and snow plowing and a new exhaust removal system for the Public Works garage.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Fleet Maintenance	$1,767,860	$1,880,350	$2,001,980	$2,095,930	4.7%
Parks & Grounds Maint.	1,254,140	1,256,910	1,219,240	1,290,540	5.8%
Public Works Center	457,530	458,060	457,590	481,290	5.2%
Street Services	1,441,110	1,640,170	1,713,130	1,840,300	7.4%
Total Department	$4,920,640	$5,235,490	$5,391,940	$5,708,060	5.9%
Personnel Services	$3,575,160	$3,885,530	$4,057,700	$4,282,230	5.5%
Supplies	924,920	937,580	953,920	1,009,730	5.9%
Other Charges	420,560	412,380	380,320	416,100	9.4%
Total Department	$4,920,640	$5,235,490	$5,391,940	$5,708,060	5.9%

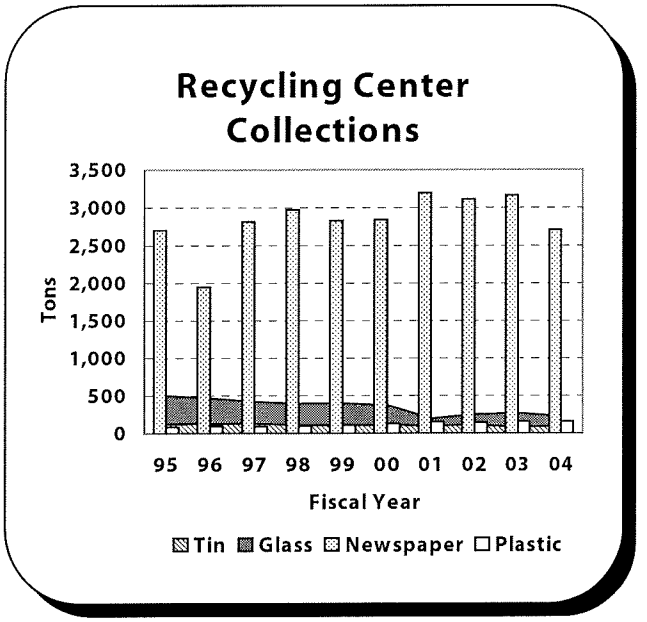
PERSONNEL SUMMARY

	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fleet Maintenance	15	1	14	1	14	1	14	1
Parks & Grounds Maint.	14	8	13	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	11	51	11	51	11	51	11

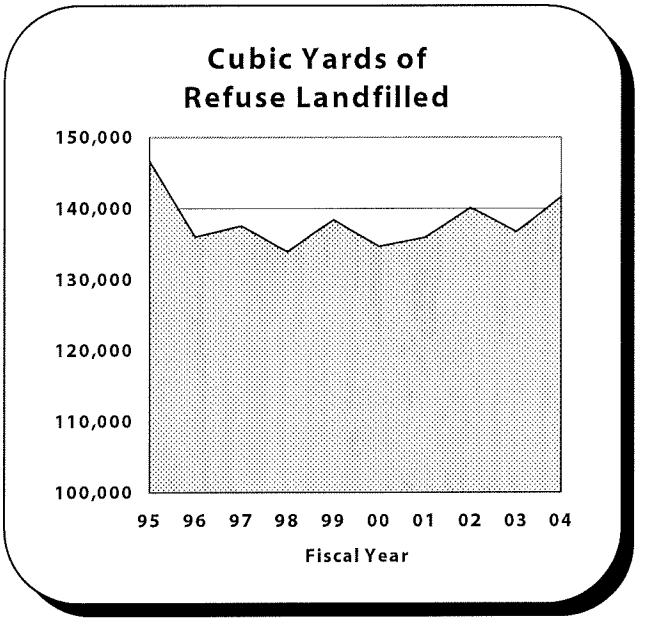
Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

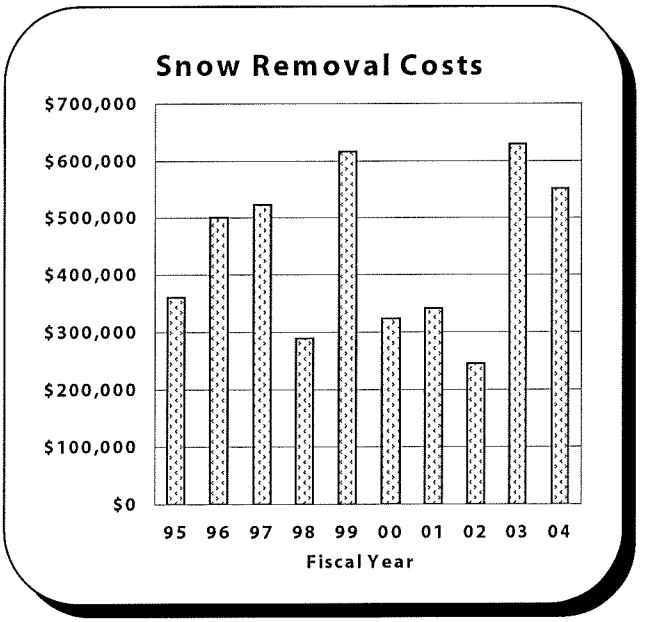
Public Works Department



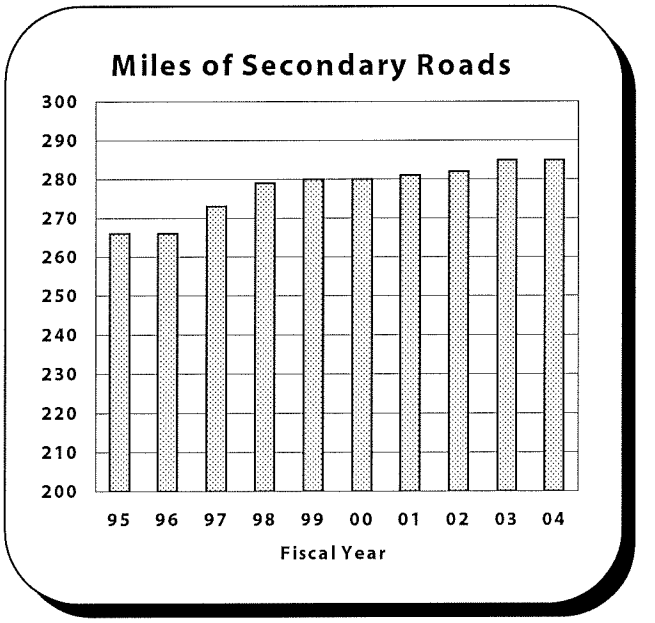
The volume of recycling center collections has increased over the past ten years at the City's three drop-off recycling centers. The growth in recycling and the composting of yard waste have allowed the City to reduce the amount of refuse landfilled since 1990 by 34%. The average homeowner currently pays only $65 per year for trash pickup compared to nearly $250 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 mid 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, properly 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 vehicles in the field to minimize down time. Fleet Maintenance performs welding, cutting, fabrication, repair of park gates, play apparatus, bike racks, bleachers, retention pond gates, pumping stations, and many other repair projects. This Division repairs heating-cooling and exhaust systems, bridges, and guardrails. This involves the planning and designing of modifications performed on various pieces of equipment.

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 by identifying quantity, location, and price.■

Did you know?...
...that the Fleet Maintenance Division not only services vehicles and equipment but is frequently requested to make repairs to playgrounds, bridges, guardrails, fences and the City's sewer system?

Fleet Maintenance

2005/06 PERFORMANCE OBJECTIVES

1. To investigate the use of synthetic lubricants which may extend the recommended interval between vehicle preventative maintenance cycles. *(City Goal 3)*

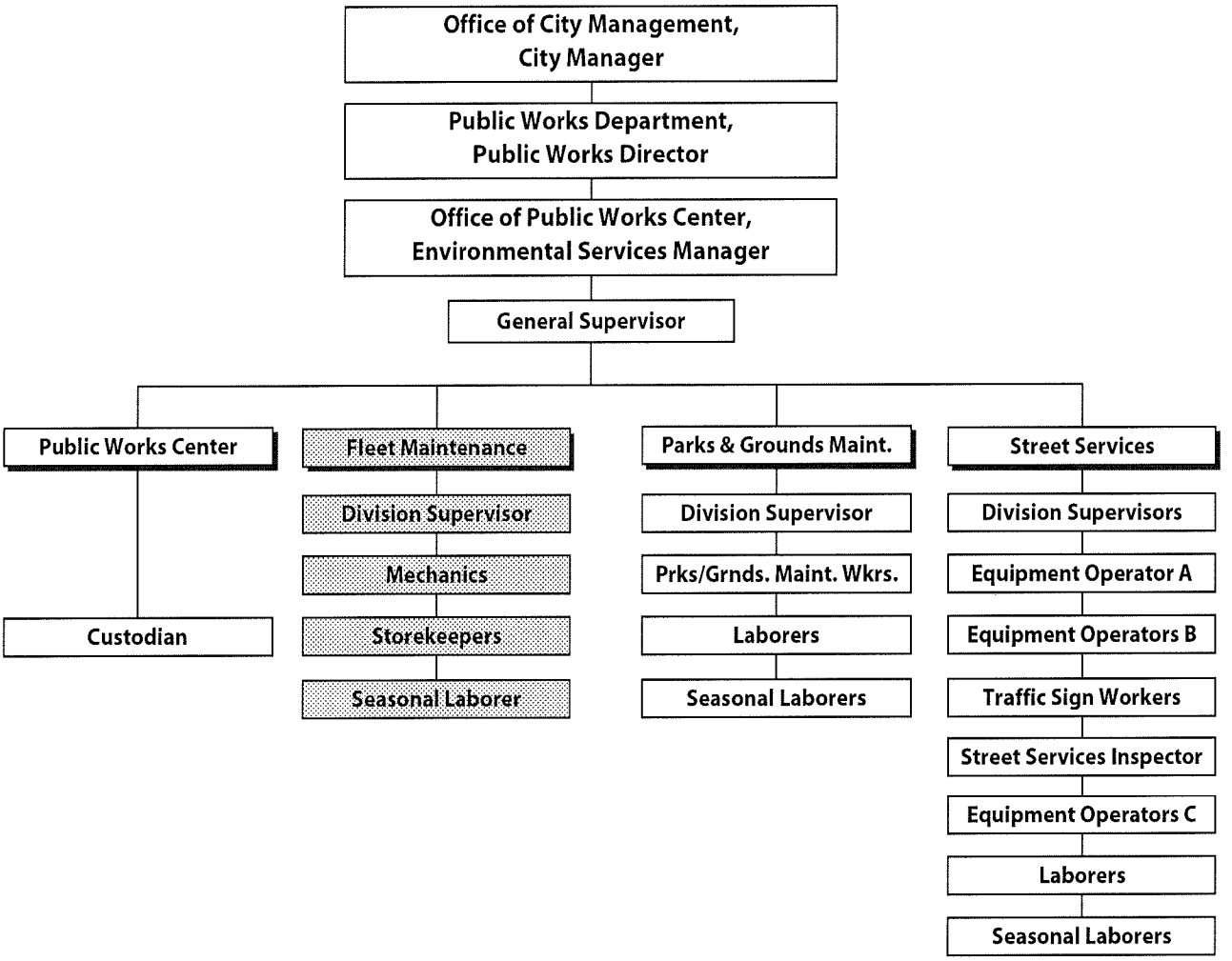
2. To enhance the City's ability to track vehicle repairs and parts inventory by implementing upgrades to the existing "Faster" software system. *(City Goal 17, 18)*

3. To convert all tow vehicles, including pick-up trucks, flat beds, and dump trucks, to a standard trailer lighting configuration, providing continuity and the ability to transport all types of equipment. *(City Goal 3)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Full Service Preventive Maintenances Performed	924	776	724	950	800	800
	Preseason Maintenance - Trucks with Plows	34	34	36	38	37	37
	Preseason Maintenance - Tractors/Flail Mowers	11/11	11/11	11/11	12/12	12/12	12/12
	Preseason Maintenance - Snow Plows	34	34	36	38	37	37
	Preseason Maintenance - Salt Spreaders	16	18	20	21	21	21
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	43	44	45	47	47	49
	Fire Trucks Prepared & Pump Tested	9	9	9	10	10	10
	Vehicle Tires Replaced	624	666	732	700	748	750
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	88%	86%	87%	90%	89%	90%
	Avg. Time to Perform Maintenance on a Car (Mins.)	48	48	48	48	48	48
	Average Age of Police Vehicles (Years)	2.5	2.8	2.6	2.5	2.5	2.4
	Average Age of Fire Vehicles (Years)	10.7	11.0	10.8	10.2	10.2	9.0
	% of Snow Removal Vehicles & Equipment Available	97%	95%	96%	98%	97%	98%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	98%	89%	90%	100%	96%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	90%	92%	95%	97%	94%	97%
	% of Actual Inventory to Inventory Ledger	95%	96%	99%	97%	97%	99%
	Cost of a Passenger Car Oil Change	$17.84	$19.01	$19.82	*	*	*
	Preventive Maintenance Cost of a Passenger Car	$49.11	$52.34	$57.34	*	*	*
	Activity Expenditures as % of General Fund	2.64%	2.49%	2.63%	2.62%	2.72%	2.66%

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

Fleet Maintenance



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Division Supervisor	1	1	1
Mechanic	11	11	11
Storekeeper	2	2	2
Seasonal Laborer	1	1	1
Total	15	15	15

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

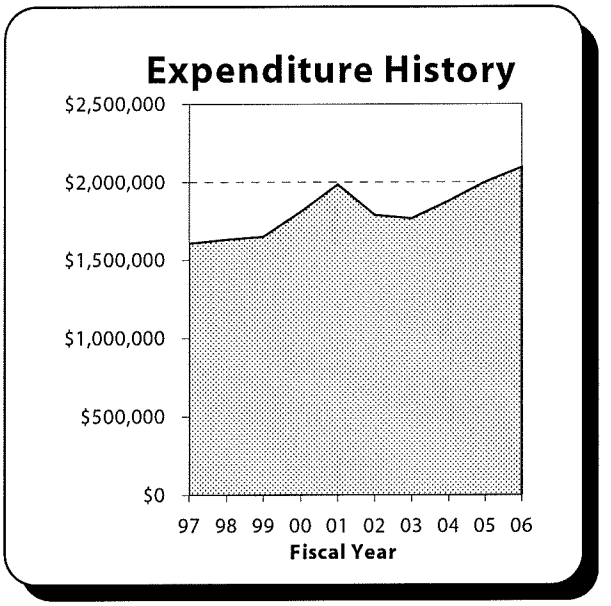
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $41,560 or 3.8%. Wages for full-time employees increased by $26,410. Hospitalization costs rose $5,260 as a result of a rate increase. Dental costs rose $900 or 7.4%. Increased funding for retiree medical obligations resulted in a $9,640 increase. Optical insurance costs decreased $810 based on a rate decrease for next year.

Supplies – Total Supplies increased $50,890 or 5.7%. Fuels costs increased $65,000 based on higher fuel prices and increased fuel consumption. Operating supply costs decreased $1,430 due to a prior year reappropriated encumbrance. Funding for vehicle repair parts and services decreased $12,610 based on historic actual usage and a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased $1,500 or 11.5%. $2,000 was added to the budget due to the increased cost of mobile radio maintenance and repairs. Funding for the disposal of hazardous waste materials decreased $300 based on historic actual expenditure levels. The Educational budget decreased $200, as prior year funds were never fully spent.

Capital – Total Capital of $4,300 is proposed for this activity and is budgeted in the Capital Projects Fund. $4,300 is recommended for a Band Saw to replace a saw that is 32 years old that no longer makes accurate cuts. It is used on a daily basis to repair equipment, vehicles, and fire hydrants.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$995,635	$1,087,690	$1,079,310	$1,129,250	$1,129,250
Supplies	869,482	901,290	982,230	952,180	952,180
Other Charges	15,230	13,000	14,500	14,500	14,500
Total	$1,880,347	$2,001,980	$2,076,040	$2,095,930	$2,095,930

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.

Parks & Grounds' goal is to plant on average a total of 500 trees in the street rights-of-way with two plantings typically scheduled to be performed, one in the spring and one in the fall. However, in fiscal year 2005/06, an estimated 1,500 trees will be planted due to the ongoing removal of emerald ash borer infested trees. 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 over 50 ball diamonds, lighting systems, benches and bleachers.■

KEY GOALS

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

Did you know?...
...that Parks and Grounds Maintenance maintains over 818 acres of parkland, 11 municipal building sites, and over 50 athletic fields with less than one full-time employee per two square miles?

Parks & Grounds Maintenance

2005/06 PERFORMANCE OBJECTIVES

1. To compile an inventory of conditions related to school pedestrian pathways and fencing that adjoin residential properties in order to establish a priority list of needed repairs and/or replacements to be completed on an as-needed basis. *(City Goal 13, 14, 15, 24)*

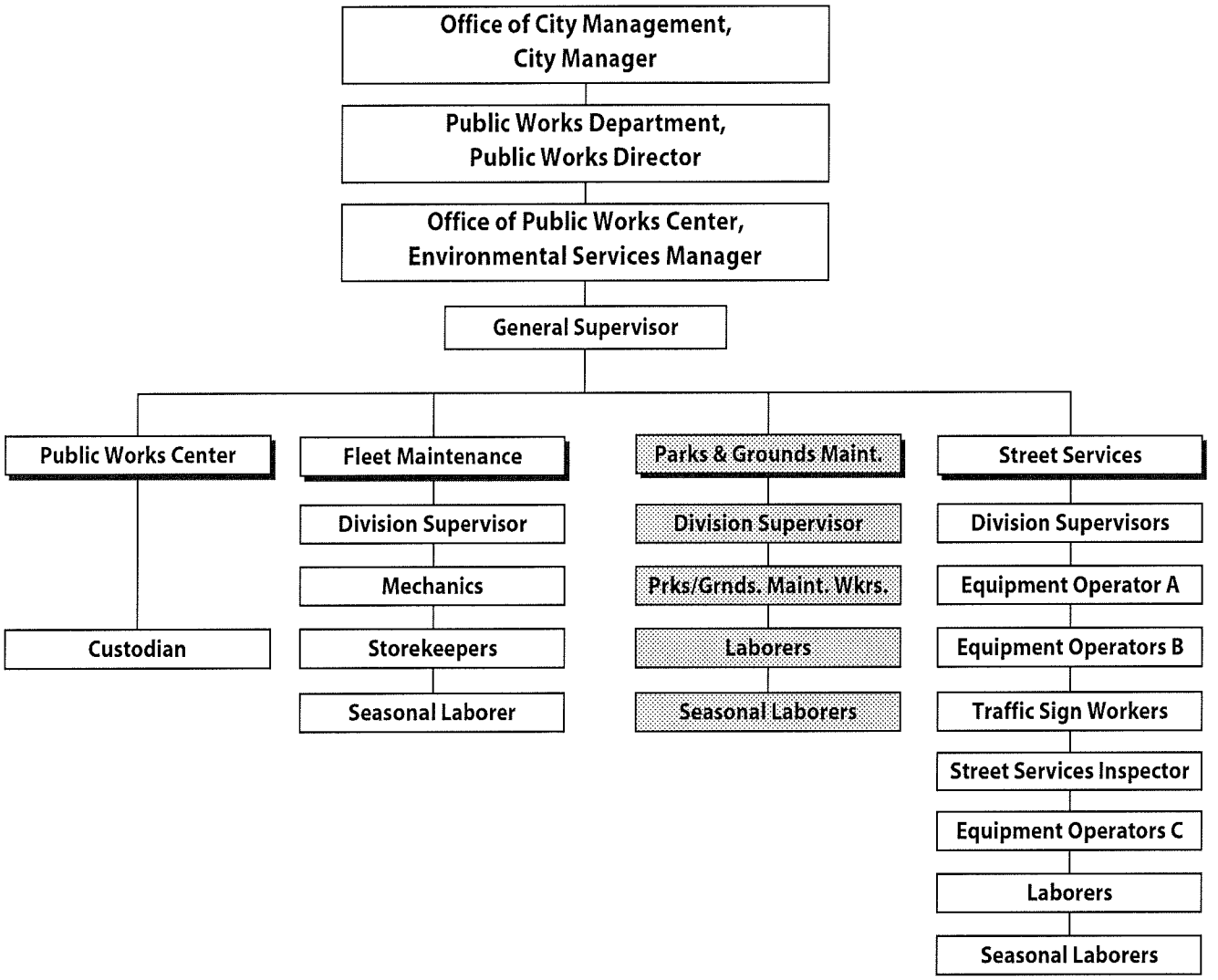
2. To remove the damaged post and cable parking restraints in the Delia Park tennis court area and replace them with a safer and more aesthetically pleasing system. *(City Goal 15)*

3. To conduct a cost comparison analysis of the repair, replacement, or removal of the parking lot asphalt curbing at Farmstead Park. *(City Goal 15)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Street Trees Planted	369	372	528	500	1,000	1,500
	Street Trees Trimmed (Subcontracted)	4,950	3,820	3,624	5,000	50	4,000
	Street Trees Trimmed (In-House)	1,175	2,211	400	1,500	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	1,865	1,250	1,040	1,000	1,000	1,000
	Soccer/Football Fields Relined	250	250	250	250	250	250
	Snow/Ice Control Call-Ins	11	10	7	15	15	15
	Times Sprayed for Mosquitos (Major Parks)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	360	210	178	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%	5%	20%
	Cost to Mow an Acre of Parkland	$40.33	$41.61	$41.72	*	*	*
	Activity Expenditures as % of General Fund	1.74%	1.76%	1.76%	1.60%	1.64%	1.64%

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

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Division Supervisor	1	1	1
Parks & Grounds Maintenance Worker	6	6	6
Laborer	6	6	6
Seasonal Laborer	8	8	8
Total	21	21	21

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

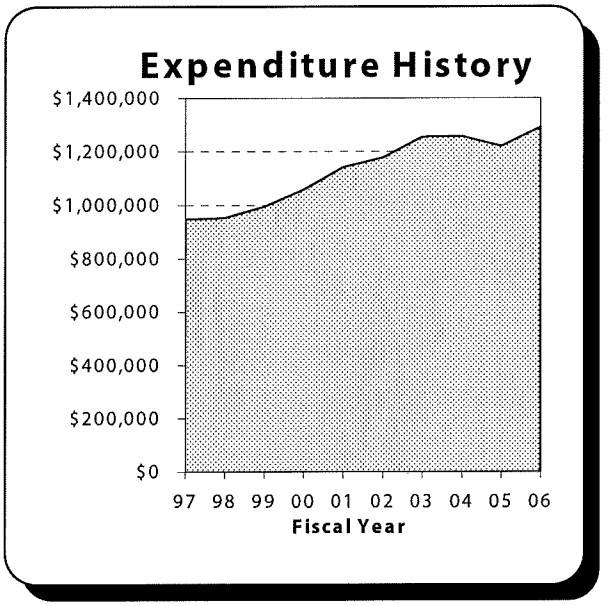
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $52,310 or 5.4%. Wages for full-time employees rose $15,560. An additional employee has elected to receive the health insurance allowance resulting in a $6,940 savings in hospitalization insurance. An additional 2,800 part-time seasonal hours are funded next year for $25,500. This will allow the department to continue to adequately maintain City parks and athletic fields and will allow for additional neighborhood street tree plantings.

Supplies – Total Supplies increased $1,020 or 2.9%. $1,490 was added for the increased cost of tools and materials needed to maintain the City's parks. Playground and athletic supply costs decreased $420 due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased $17,970 or 8.3%. Water costs rose $15,600 as funding for water sprinkler usage at City Hall was transferred to this activity from General Expenditures. In addition, we have installed irrigation at new soccer fields and along the Utica Road median and Dodge Park right-of-way. Electric costs increased $3,000 due to a rate increase and as the anticipated price savings in the prior year was never realized due to a delay in the alternate electric supplier program.

Capital – Total Capital of $48,000 is proposed for this activity. $20,000 is to replace a 1991 72" Riding Mower utilized in cutting the City's parks and athletic fields. $28,000 is for a 4x4 Pick-up Truck used for removing illegal signs, snow plowing, and transporting seasonal laborers and their equipment. This truck will replace a 1998 vehicle with over 100,000 miles.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$990,387	$968,030	$1,017,230	$1,020,340	$1,020,340
Supplies	40,125	34,980	29,980	36,000	36,000
Other Charges	226,400	216,230	209,830	234,200	234,200
Total	$1,256,912	$1,219,240	$1,257,040	$1,290,540	$1,290,540

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 ensure the efficient and effective delivery of the best in public services in the areas of street 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 ensure 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. An annual physical inventory is conducted 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 since the discovery of the emerald ash borer and the removal of infested ash trees, the City has planted over 60% more street trees than in recent years?

Public Works Center

2005/06 PERFORMANCE OBJECTIVES

1. To inspect and remove emerald ash borer infested trees in a timely manner while keeping current with the latest research on control/eradication of the pest and applying for State or Federal funding that may become available for the removal/replacement of the affected trees. *(City Goal 12, 21)*

2. To develop a comprehensive City-wide reforestation program as a result of the extensive removal of the affected emerald ash trees. *(City Goal 14)*

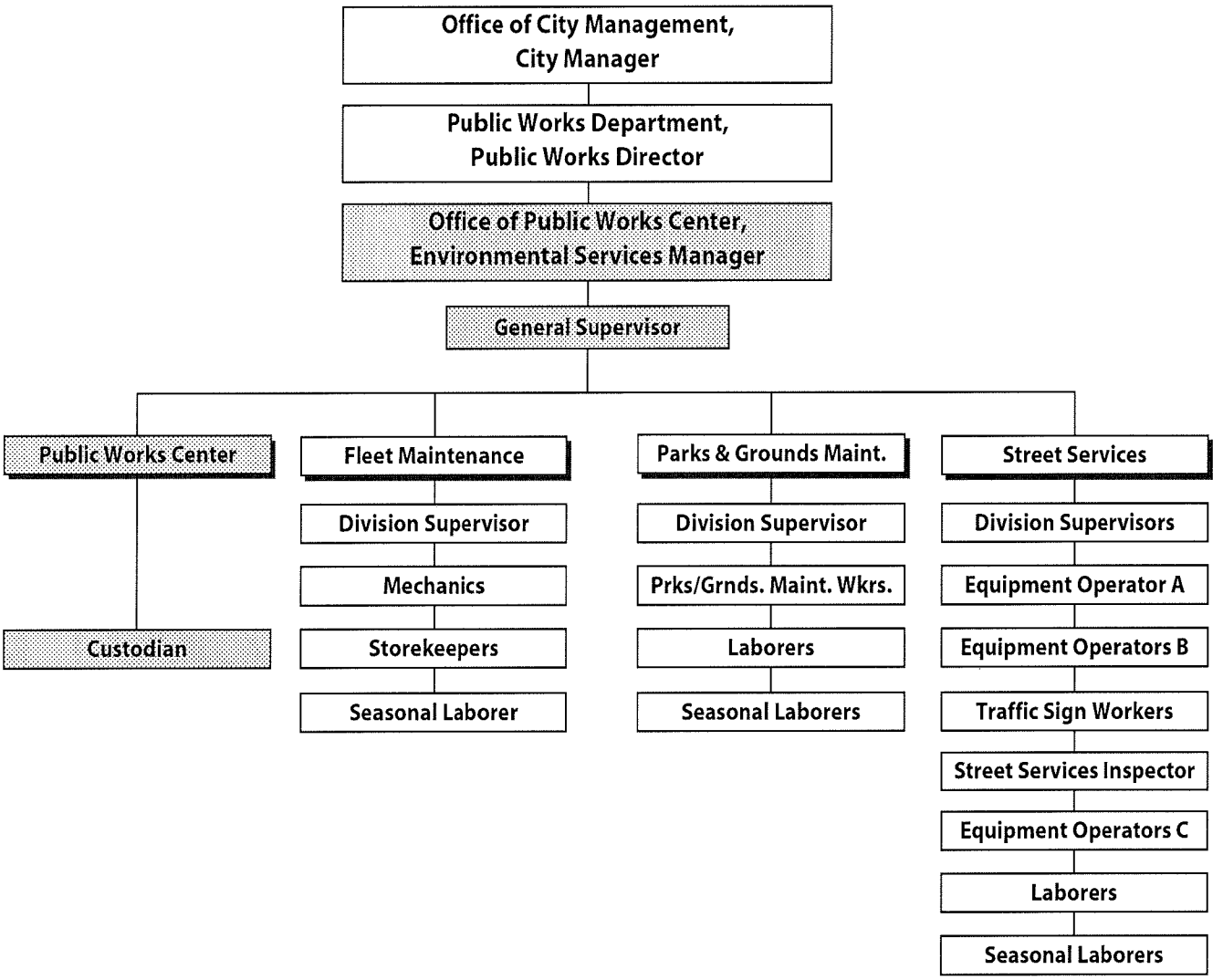
3. To further enhance the M-59 median turf with aeration, four applications of fertilizer and herbicide, and weekly to bi-weekly mowing and litter pickups. *(City Goal 2, 14)*

4. To improve the appearance of the County roads in our community including Metropolitan Parkway, and Schoenherr north of Metropolitan Parkway, by increasing the frequency of mowing around the rights-of-way, investigating the use of herbicides around road barriers and sign posts, as well as additional litter pickup. *(City Goal 2, 14)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Safety Inspections Conducted on Hoists	9	10	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	21	14	28	16	15	18
	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	1,811	2,150	2,240	2,500	2,600	2,600
	Culvert Permits Issued & Inspected	1	3	3	4	3	4
	Signs Installed for Adopt-A-Park or Road	10	20	4	11	8	12
	Refuse Pick-Ups Made from Adopt-A-Park or Road	16	32	42	30	56	50
	Outfalls Sampled for Stormwater Discharge	22	56	45	50	50	50
	Landscape Median Mowing - Revolutions	26	29	29	26	28	27
	Number of Parts Issued by General Stores	31,764	31,960	30,815	32,000	29,600	30,000
Efficiency	% of Outfalls Sampled w/no Water Discharge	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.63%	0.64%	0.64%	0.60%	0.61%	0.61%

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

Public Works Center



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

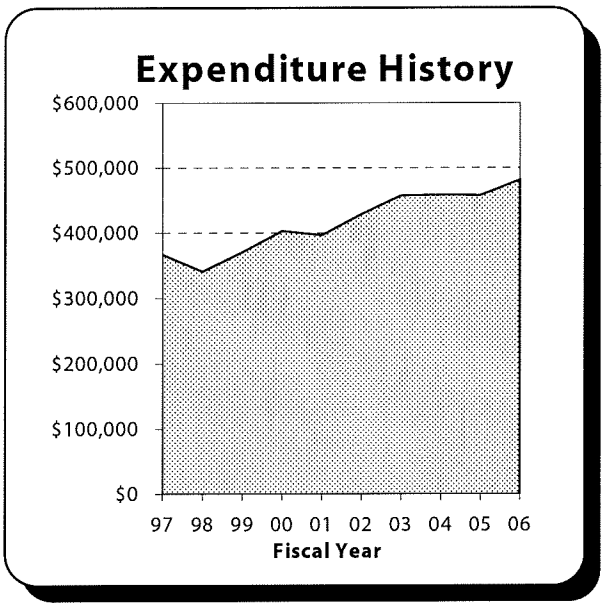
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $13,600 or 4.5%. Wages for full-time employees increased 3% or $6,040. Hospitalization Insurance costs rose $1,330, while Dental Insurance costs increased $230 or 11.0%. Overtime costs rose $2,000 as a result of an increased number of water and sewer main repairs in which the General Supervisor responds. Funding for retiree medical obligations increased by $2,990.

Supplies – Total Supplies increased $400 or 4.6% as additional general stores tools need to be purchased.

Other Charges – Total Other Charges increased $9,700 or 6.5%. $5,000 was added to the budget due to increased fuel prices. Electric costs increased $5,000 due to higher electric rates. In addition, the anticipated price savings in the prior year was not realized due to a delay in the alternate electric supplier program. Water costs rose by $1,000 due to higher rates and increased usage. The City will save $1,000 in telephone costs due to greater savings from the new citywide Nextel telephone plan, and lower SBC contractual telephone rates. Funding for equipment maintenance decreased $300 due to the prior year one-time purchase of parts needed for a door repair at the Public Works facility. The department will continue its in-house, mandated storm water public education program.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$281,652	$299,710	$303,040	$313,310	$313,310
Supplies	13,217	8,650	10,050	9,050	9,050
Other Charges	163,192	149,230	151,420	158,930	158,930
Total	$458,061	$457,590	$464,510	$481,290	$481,290

Refuse Collection

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

Refuse Collection provides prompt, reliable, and efficient refuse collection by a private contractor weekly from residential homes, 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 residents with 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 correspondence 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.

KEY GOALS

- ***To ensure 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 maintain and supervise the City's three recycling centers.***
- ***To continually review the status of the various solid waste management legislation.***

The clerical support staff receives approximately 10,000 refuse collection information and requests for service calls annually. 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.

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 relating to tree planting, tree removal (including street trees that are infested with the emerald ash borer), trimming, and information requests.■

Did you know?...
...that in 2004, City residents dropped off 2,700 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 45,900 trees?

Refuse Collection

2005/06 PERFORMANCE OBJECTIVES

1. To provide a smooth transition into the new refuse collection contract by developing and coordinating any public education that is necessary to properly inform residents and local hardware and lawn and garden stores regarding the change in yard waste collection as the City is no longer able to collect yard waste in clear plastic bags. *(City Goal 1)*

2. To coordinate with apartment complexes, mobile home parks, and the two school districts to determine if they are going to continue to utilize City-provided refuse collection services provided that they pay the City the actual cost of the service provided by the contract, plus an administrative fee (not required for schools), minus refuse tax paid. *(City Goal 1, 3)*

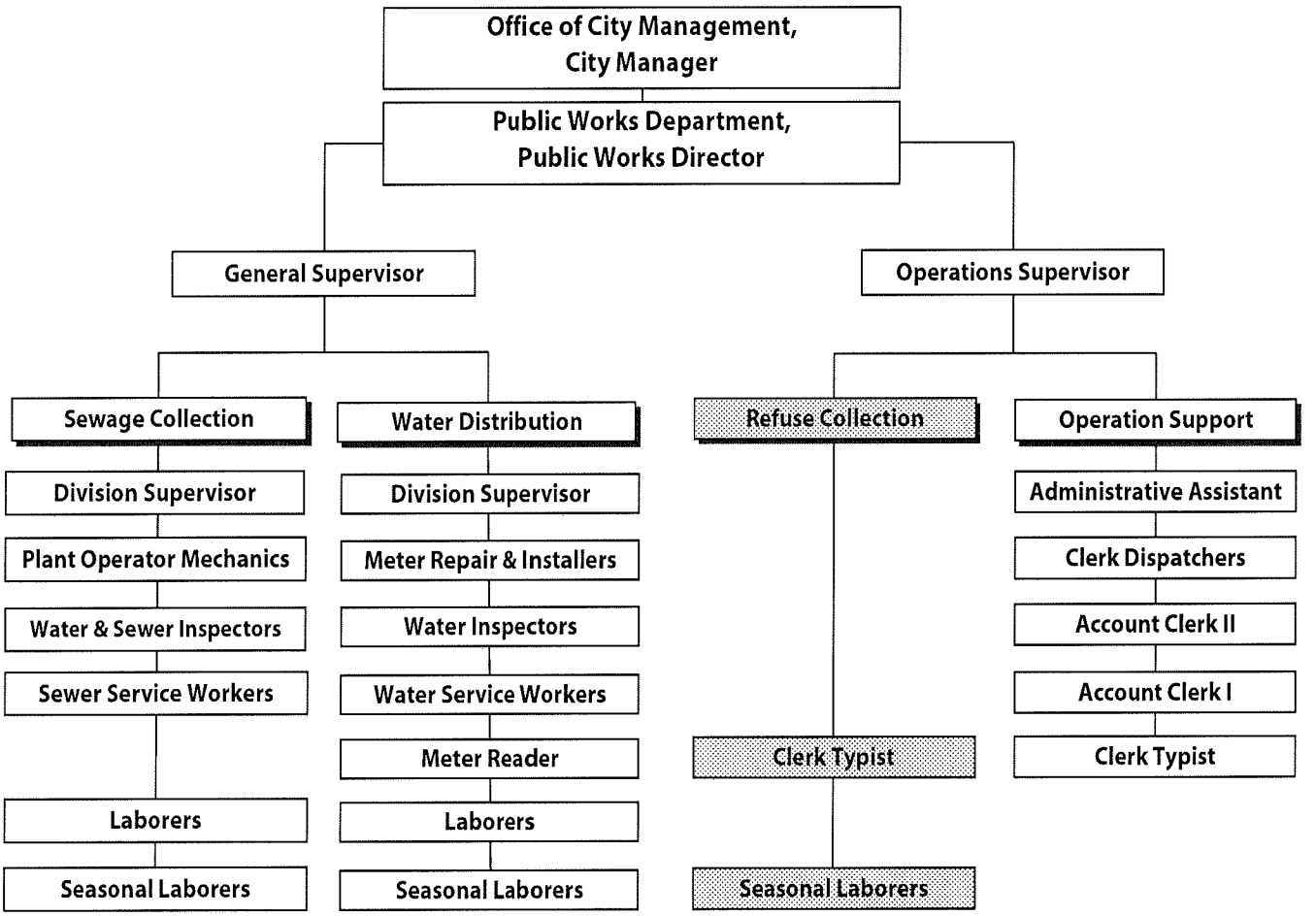
3. To ensure quality refuse collection service and contract compliance by aggressively monitoring the refuse collection contractor and issuing violations for various performance problems resulting in the assessment of fees or charges against the contractor. *(City Goal 1, 13, 14)*

4. To aggressively tag and inform residents who have placed their refuse out too early for collection or have placed it out improperly. *(City Goal 13, 14)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Curbside Refuse Collection Points (Per Week)	38,322	38,757	40,001	40,700	40,700	41,500
	Cubic Yards of Refuse Landfilled	140,073	136,776	141,575	145,000	145,200	147,000
	Cubic Yards Recycled at Drop-Off Centers	14,058	14,232	13,912	15,000	14,000	14,500
	Tons of Yard Waste Composted/Diverted	13,913	13,511	13,540	13,000	15,500	14,000
	Christmas Trees Chipped and Composted	5,743	4,284	2,833	4,300	3,800	3,800
	Tons of Scrap Metal Recycled	399	396	395	400	440	400
	Gallons of Used Oil Recycled	47,900	42,400	36,850	43,000	37,700	38,000
Efficiency & Effectiveness	% Refuse Collection Stops Making Complaints	0.08%	0.10%	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	34.0%	36.0%	34.0%	33.0%	33.0%	32.0%
	Refuse Collection Costs per Capita	$35.06	$37.21	$37.04	$41.37	$40.15	$34.81
	Refuse Collection Millage Rate	1.05	1.06	1.07	1.11	1.11	0.83
	Annual Refuse Cost for $200,000 Home ($78,000 TV)	$81.64	$82.58	$83.43	$86.23	$86.23	$64.79
	Total Cost to Operate Three Recycling Centers	$74,994	$65,314	$58,029	$75,000	$70,000	$70,000
	Recycling Costs Per Ton Recycled	$21.04	$18.21	$18.68	$22.00	$23.33	$23.50
	Cost to Collect/Dispose of Refuse (1 cubic yard)	$31.22	$34.06	$32.91	$36.01	$34.89	$30.07
	Activity Expenditures as % of General Fund	6.46%	6.56%	6.51%	6.83%	6.63%	5.62%

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

Refuse Collection



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
Total	4	4	4

Refuse Collection

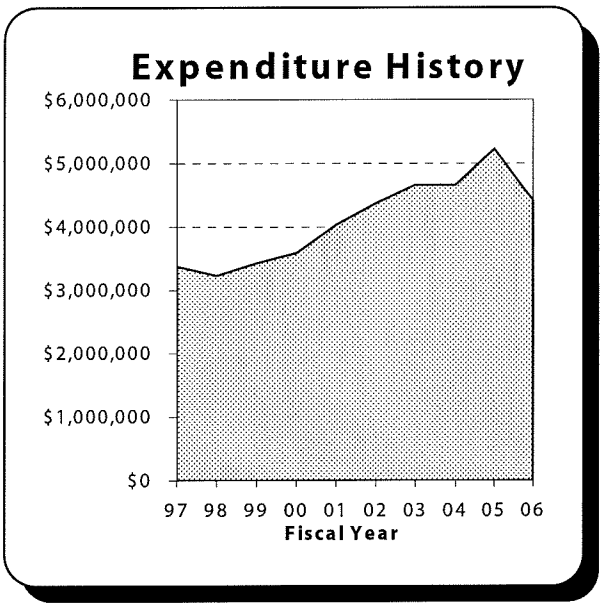
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $21,970 or 20.8%. Wages for full-time employees increased by $1,060 or 3%. Most of the overall increase is a result of additional funding for 2,080 part-time seasonal laborer hours at a cost of $19,150. Funding is needed for part-time personnel to cost effectively maintain and service the recycling drop-off centers as well as respond to service requests from our residents regarding refuse collection and the cutting of noxious weeds on residential properties.

Supplies – Total Supplies decreased $10 or 3.2% as prior year funds were not fully spent.

Other Charges – Total Other Charges decreased $821,690 or 16.1%. Rubbish removal costs decreased $823,890 due to favorable bids received on the new refuse contract. In addition, the City will discontinue mechanical dumpster collections as a city-provided service to apartment complexes and schools, and discontinue curbside collection at mobile home parks. These services were eliminated due to the City's low percentage of cost that is recouped from the refuse taxes that are paid on these properties. These properties may choose to continue the service by paying the City the actual cost of the collection service and an administrative fee, less what they already pay in refuse taxes. The fees are included as General Fund revenues. City Attorney legal funding decreased $2,000 as the new refuse contract has now been approved. $4,200 was added for interfund service costs due to higher refuse personnel costs for those employees budgeted 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$123,747	$105,760	$126,240	$127,730	$127,730
Supplies	271	310	400	300	300
Other Charges	4,535,221	5,114,680	4,940,100	4,292,990	4,292,990
Total	$4,659,239	$5,220,750	$5,066,740	$4,421,020	$4,421,020

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 City's streets. Street Services provides a safe and clean road surface for vehicular traffic, adequate visual direction and a safe, maintained, and unobstructed roadside environment on more than 345 miles of City roads.

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

Street sweeping of all paved road surfaces occurs at least five times per year on 391 miles of major, local, and county roads. This activity is responsible for road patching and shoulder grading to maintain safe roads.

The Supplementary Roadside Maintenance 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.■

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.***

Did you know?...
...that the Street Services division designed, fabricated and installed fire hydrant position signs along the upper and lower M-59/Dobry Service Drive creating a reference point to quickly locate hydrants?

Street Services

2005/06 PERFORMANCE OBJECTIVES

1. To implement and maintain a guardrail assessment program which will establish criteria for the inspection of guardrails, including structural soundness, repair needs, and general maintenance. *(City Goal 14, 15)*

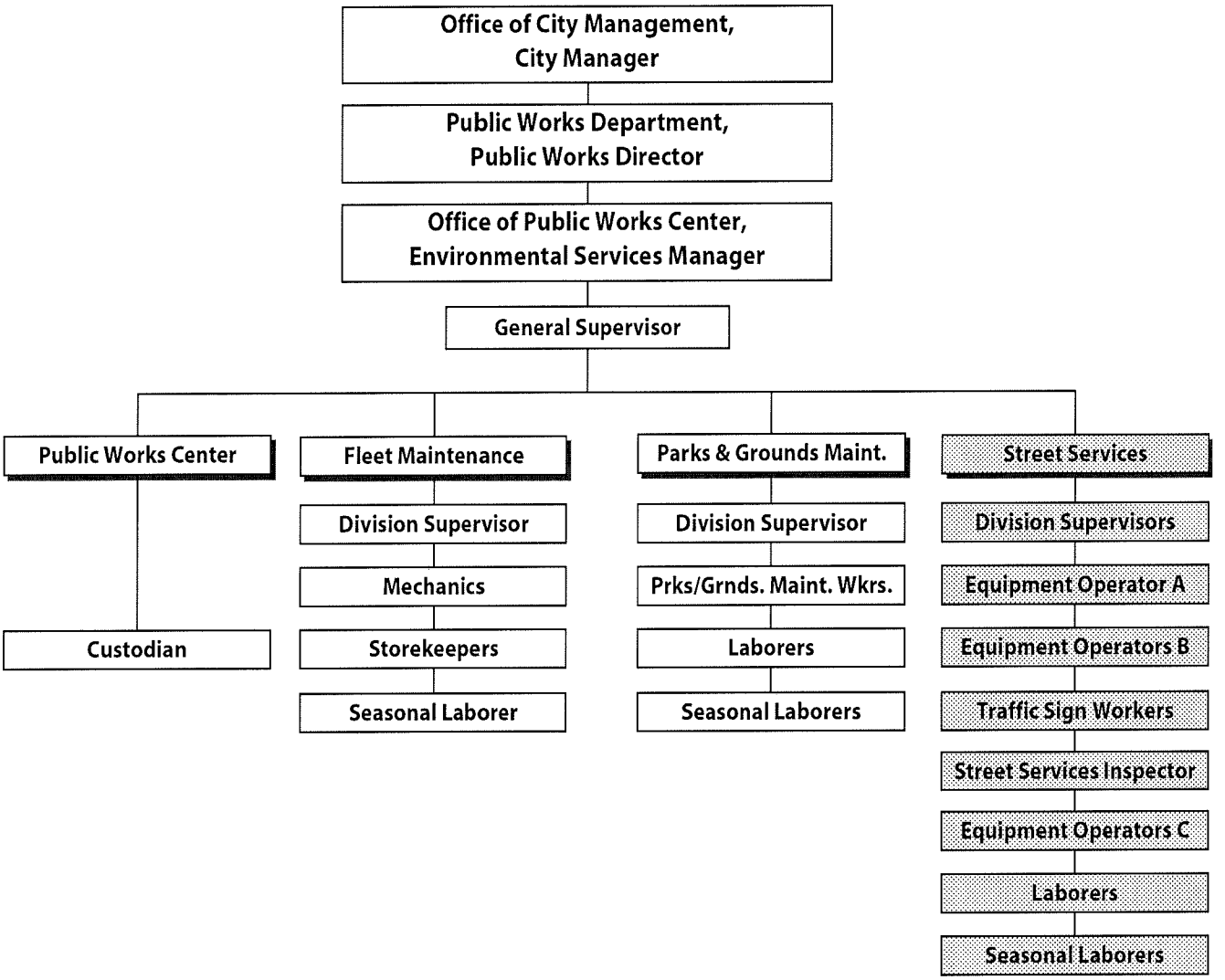
2. To increase retention basin mowing to eight times per year allowing for the free flow of stormwater into and out of the retention ponds improving their overall appearance. *(City Goal 14)*

3. To install trail marking signs throughout the Clinton River Park trail system which will assist emergency personnel in locating injured parties in the event of an emergency. *(City Goal 13, 14)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Miles of Roads in City (Major & Local)	342	345	345	347	347	347
	After Hours Snow Removal Occurrences	22	35	34	25	36	32
	Miles of Snow Fence Installation or Removal	1.24	1.06	1.59	1.24	1.24	1.24
	Pothole Patching - Tons of Patch Used	473	440	441	400	350	400
	Sidewalk Patching - Number of Locations	2,528	345	1,484	1,000	500	500
	Street Sweeping - Rotation (390 miles)	5	5	4	5	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	2	3	7	3	8	8
	Right-of-Way Mowing - Revolution (357 miles)	9	8	9	8	10	10
	Storm Catch Basin Cleaning-Number of Locations	1,068	670	241	800	1,000	800
	Number of Street Trees Removed In-House	151	494	692	700	500	700
	Number of Street Trees Removed by Contractor	27	140	728	9,000	9,000	5,000
	Homeowner Tree Inquiries/Inspection Responses	1,012	3,105	5,160	4,500	5,000	5,000
	Residential Tree/Branch Chipping Requests Filled	2,915	5,441	3,857	5,000	4,600	5,000
	Traffic Sign Repairs or Replacements	4,642	3,706	5,296	3,000	4,000	4,000
	Gravel Roads - Lane Miles Graded	39	21	26	35	28	35
	Dust Control - Gallons Calcium Chloride Applied	39,590	29,466	36,232	30,000	22,000	30,000
Efficiency & Effectiveness	% of Tree Chipping Requests Completed w/i 1 week	99%	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	$1,180	$1,099	$575	$1,000	$1,250	$1,000
	Street Services Cost Per Capita	$11.29	$11.51	$13.04	$13.57	$14.12	$14.49
	Average Cost to Sweep a Lane Mile of Major Road	$494	$499	$484	*	*	*
	Activity Expenditures as % of General Fund	2.08%	2.03%	2.29%	2.24%	2.33%	2.34%

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

Street Services



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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	1	1	1
Equipment Operator C	6	6	6
Laborer	2	2	2
Seasonal Laborer	2	2	2
Total	23	23	23

Street Services

SUMMARY OF BUDGET CHANGES

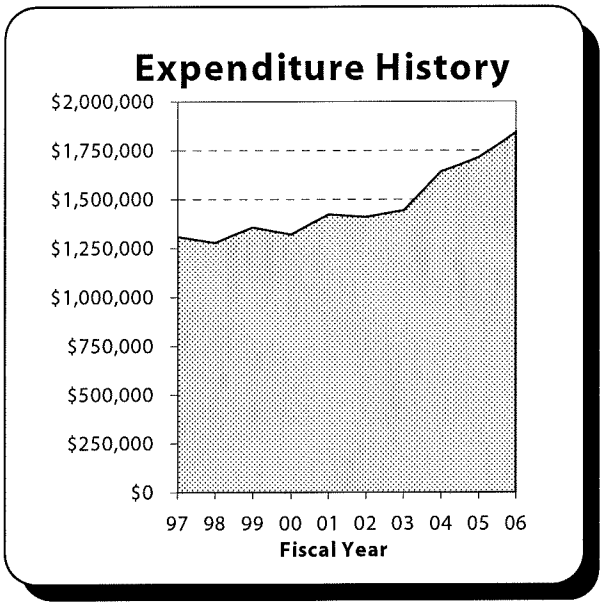
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $117,060 or 6.9%. Wages for full-time employees increased by $42,660. An additional 2,080 part-time seasonal laborer hours is proposed costing $18,880. These funds will allow the department to enhance the level of road maintenance services including additional litter pick-ups, weed trimmings, and right-of-way mowings throughout the City. Overtime costs rose $20,000 based on higher service demands. Hospitalization costs rose $15,060, while $17,350 is recommended for additional funding of retiree medical obligations.

Supplies – Total Supplies increased $3,500 or 38.9% as additional materials are needed for the removal of emerald ash trees and for increased spraying of roadside weeds.

Other Charges – Total Other Charges increased $6,610. $7,000 was added to the budget for a new annual permit fee required by the State for the monitoring of storm water discharge outflows. Printing costs decreased $200 as additional work order forms were needed in the previous year.

Capital – Total Capital of $154,600 is proposed. $20,000 is for an additional 72" Riding Mower to enhance roadside mowing and snow plowing at City facilities. $2,600 is for a Dual Axle Trailer that is needed to transport various equipment used for road maintenance duties. $80,000 is for a Tri-Mower Tractor to replace a 1980 tractor used for mowing detention basins and rights-of-way. $52,000 is for a Chipper Truck to be used for daily tree trimming and branch chipping operations and will replace a 1990 vehicle with excessive breakdowns and downtime.



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.

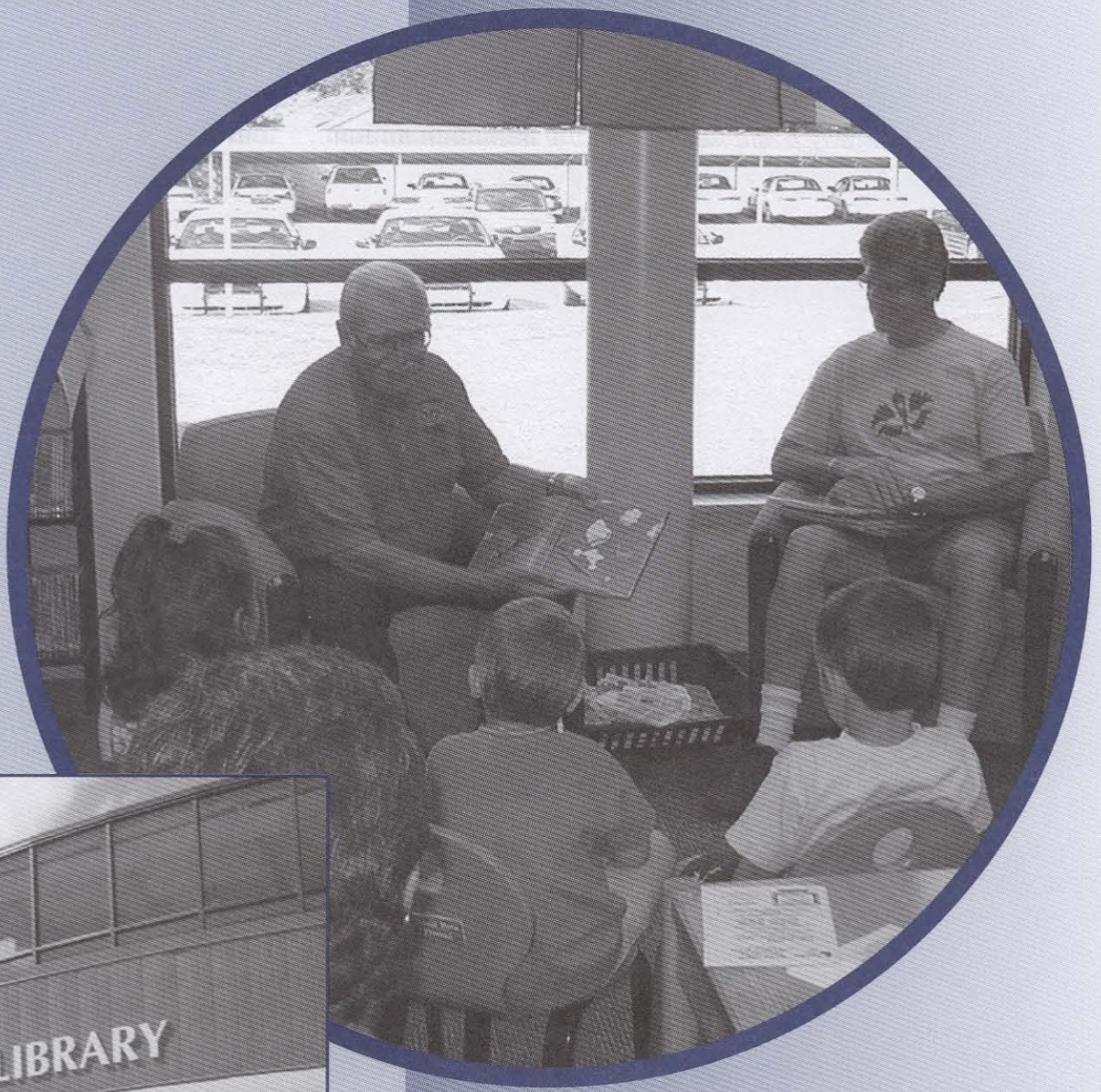
Other Charges – Council made no adjustments to Other Charges.

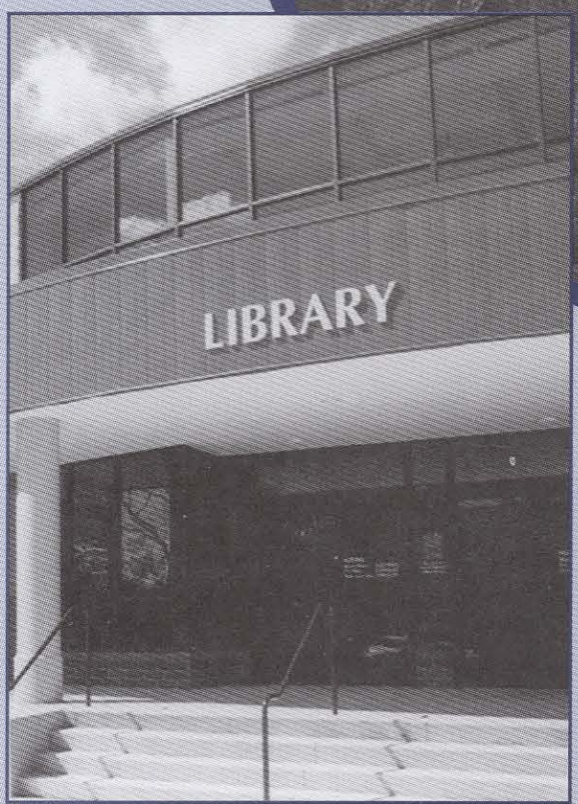
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,617,853	$1,702,270	$1,764,710	$1,819,330	$1,819,330
Supplies	14,760	9,000	9,000	12,500	12,500
Other Charges	7,553	1,860	8,670	8,470	8,470
Total	$1,640,166	$1,713,130	$1,782,380	$1,840,300	$1,840,300

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 service to senior citizen residences & the homebound
- Periodical and newspaper maintenance
- Readers' Advisory Services
- Online database selection
- Coordinates Internet access and instruction
- Online 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 and coordinates publicity, public relations activities, and adult technical training and programming
- Conducts library tours for adults
- Compiles and 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 online catalogs and equipment
- Ongoing collection inventory and 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 $88,670 or 3.6%. Personnel costs rose $72,420 or 3.7%. Wage increases for full-time employees account for more than half of the total personnel cost increase. Higher medical insurance rates resulted in an $8,490 increase, while an additional $15,400 is budgeted for higher retiree medical costs. 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. Supplies increased by $11,330 or 4.7% as additional funds are proposed to increase our book and audiovisual material collections. Other Charges rose by $4,920 or 1.8% due to higher utility costs, a new computer filtering software, and additional employee training. The capital budget includes funding for a color laser printer, which will provide residents with the option of printing color documents.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Public Library	$2,283,950	$2,386,450	$2,483,260	$2,571,930	3.6%
Total Department	$2,283,950	$2,386,450	$2,483,260	$2,571,930	3.6%
Personnel Services	$1,739,390	$1,848,850	$1,960,580	$2,033,000	3.7%
Supplies	263,350	249,400	242,230	253,560	4.7%
Other Charges	281,210	288,200	280,450	285,370	1.8%
Total Department	$2,283,950	$2,386,450	$2,483,260	$2,571,930	3.6%

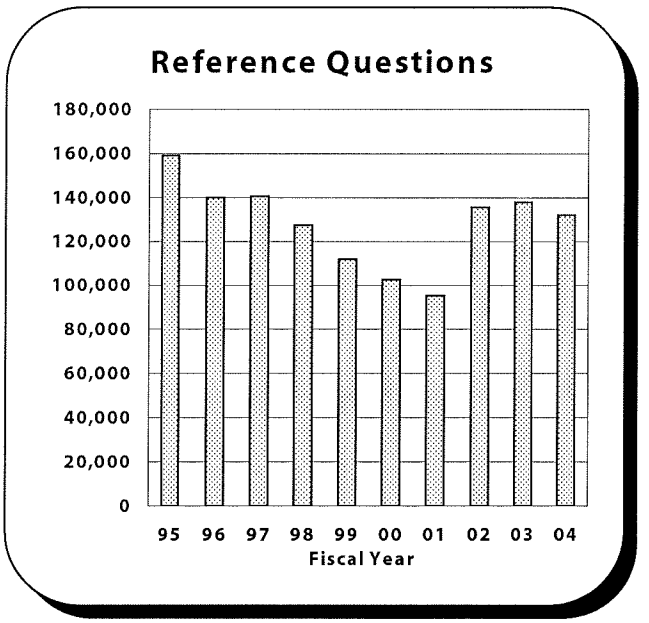
PERSONNEL SUMMARY

	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	23	19	23	18	23	18	23	18
Total Department	23	19	23	18	23	18	23	18

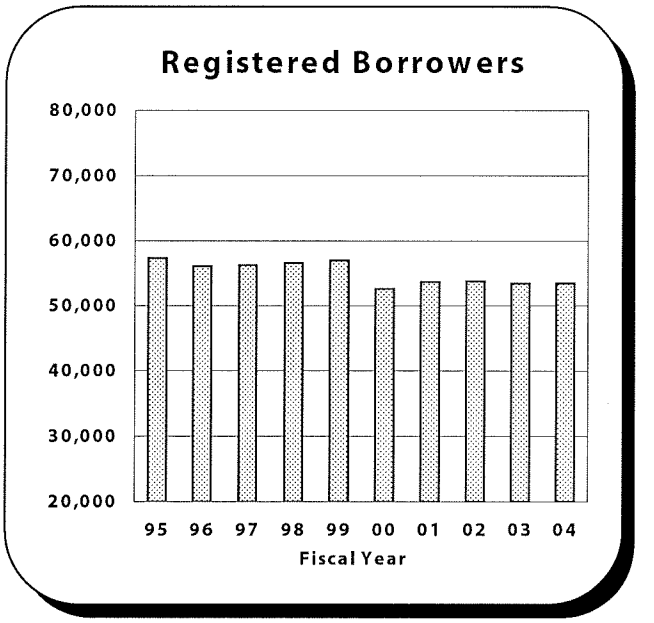
Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

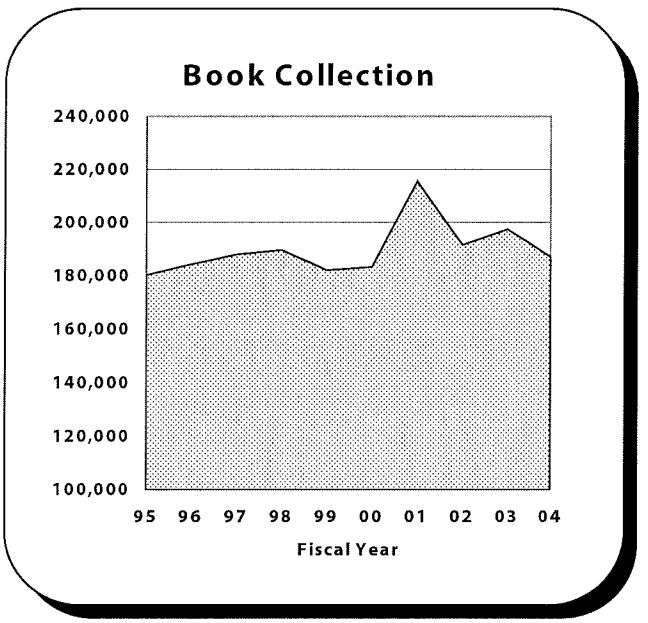
Public Library Department



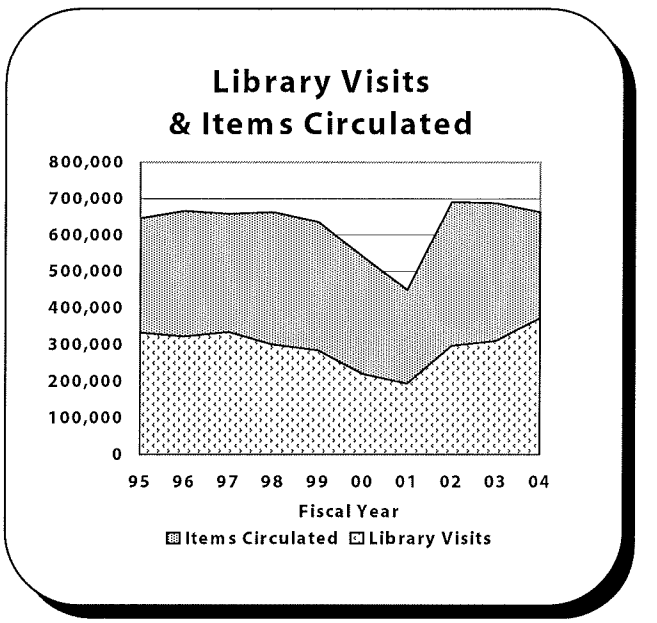
The number of questions at the City Library's Reference Desk has decreased slightly after reaching a high in 1995. Since being closed for several months in 2000 and 2001, the number of reference questions has increased.



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, 2002, and 2004, the collection decreased slightly as outdated books were removed. In 2001, additional funds were spent to add to the book collection. There are currently 186,992 books on hand or an average of 1.5 books per resident. Recently, additional resources have been spent on audiovisual materials and on increasing our technology and database capacity, resulting in a dramatic increase in online computer usage. In 2002, we installed a new customer self-checkout system that records 20,000 checkouts annually. Attendance at Library programs has increased over 50% 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 between two and three months of each fiscal year. Since 2001, the numbers have increased to levels above the pre-renovation numbers. Items circulated decreased slightly in 2004, though attendance reached a ten-year high. In 2004, over 371,000 visits were recorded or an average of 116 visits per hour open. Over 662,000 items were circulated or an average of 1.8 items per visit.

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

The Sterling Heights Public Library offers a full range of services for all community residents. Activities such as preschool story times, adult 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 online 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 public workstations, 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.

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.***

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.

The Library has an international language collection of popular fiction and magazines in 21 languages, and a unique collection of English as a second language materials designed to improve English language skills. The Library also broadcasts international story times on the Library's cable channel. 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 12½ 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 is the only library in Macomb County to provide weekly van delivery of materials to the homebound, senior citizen sites, and daycare facilities?

Library

2005/06 PERFORMANCE OBJECTIVES

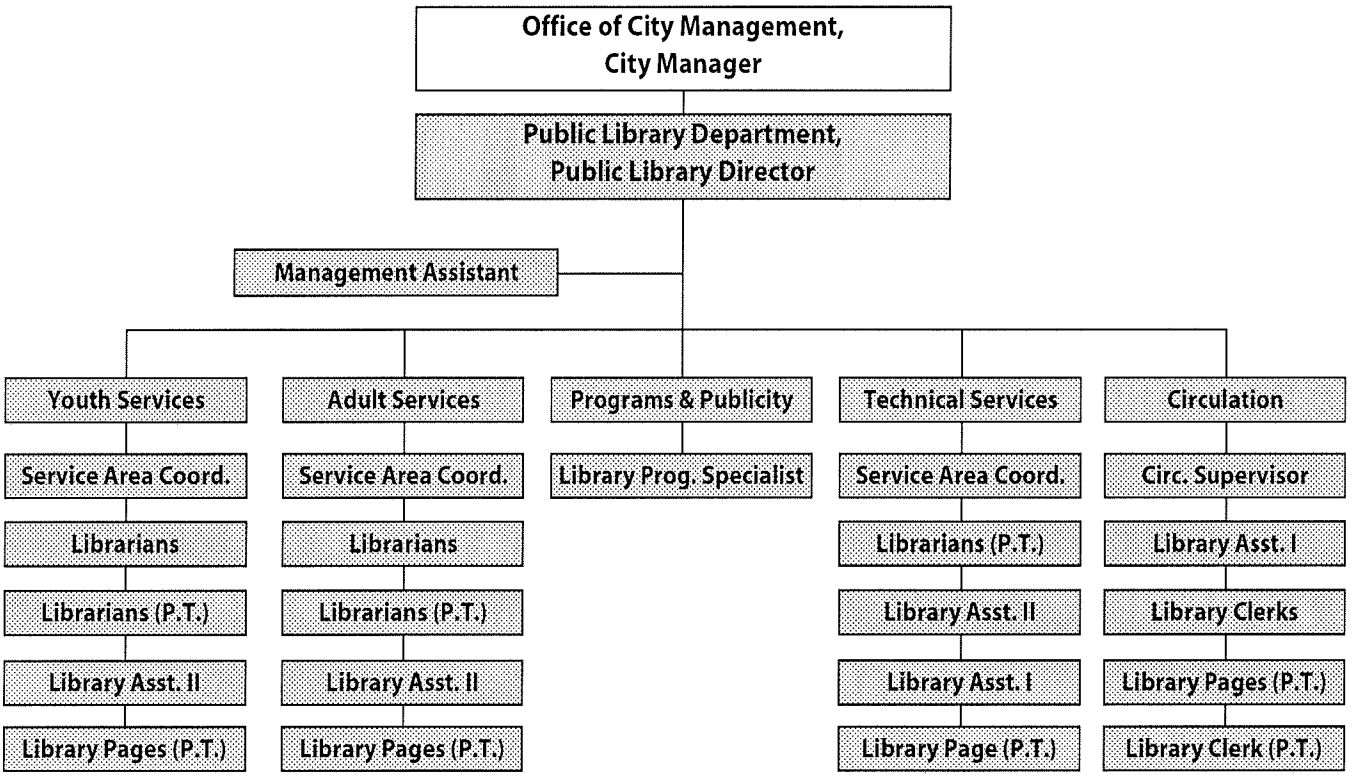
1. To use the Library's Intranet to develop two self-paced training modules on the use of on-line reference capabilities which will improve staff efficiency and effectiveness. *(City Goal 7, 17)*

2. To emphasize the Library as a community center by seeking grants and donations to provide weekly family oriented programs that meet the diverse needs of our community. *(City Goal 9, 19, 26)*

3. To improve statistical analysis of library usage for planning services and staffing levels by partnering with the Suburban Library Cooperative in the installation and implementation of "Director's Station" software. *(City Goal 3, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Library Registered Borrowers	53,822	53,435	53,476	55,000	56,000	57,000
	Annual Library Attendance	296,249	309,531	371,398	330,000	373,000	375,000
	Self Check-out Circulations	1,905	19,954	20,660	21,000	21,000	22,000
	Items Circulated	690,262	687,070	662,579	695,000	680,000	690,000
	Reference & General Information Requests	135,514	137,941	132,104	139,000	136,000	137,000
	Items Processed for Loan to Other Libraries	45,832	70,782	75,931	73,000	80,000	83,000
	Items Processed for Receipt from Other Libraries	58,953	86,855	88,657	90,000	92,000	95,000
	Outreach Loans by Library Van	9,126	9,759	12,623	11,000	12,000	12,000
	Hours of Library Operations Weekly	63	63	63	63	63	63
	Hours of Library Cable Programming	2,896	3,050	3,125	3,100	3,125	3,125
	Materials Added to Collection	24,234	19,264	17,832	18,000	19,000	19,500
	Program Attendance	24,004	23,046	22,034	25,000	23,000	24,000
	Online & Electronic Database Usage	187,950	296,414	357,869	303,000	360,000	365,000
	In-Library Use of Materials	208,369	190,771	159,897	185,000	152,000	153,000
Efficiency & Effectiveness	% of Reference Questions Completed	97%	97%	96%	95%	95%	95%
	% of Hold Material Requests Filled within 30 days	75%	70%	76%	75%	76%	76%
	% of Material Reshelved within 24 hours	91%	86%	84%	85%	83%	83%
	Registered Borrowers as a % of Population	43%	43%	43%	44%	44%	45%
	Circulation of Materials per 1,000 Population	5,533	5,488	5,267	5,507	5,388	5,433
	Library Material Acquisition Costs Per Resident	$1.94	$1.90	$1.79	$1.76	$1.76	$1.84
	Library Cost Per Capita	$17.38	$18.24	$18.97	$19.68	$19.63	$20.25
	Full-time Equivalent Staff Per 1,000 Population	0.26	0.27	0.25	0.25	0.25	0.25
	Total Cost Per Library Registered Borrower	$40.28	$42.74	$44.63	$45.15	$44.24	$45.12
	Activity Expenditures as % of General Fund	3.20%	3.21%	3.33%	3.25%	3.24%	3.27%

Library



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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.)	9	9	9
Library Clerk (P.T.)	1	1	1
Total	41	41	41

Library

SUMMARY OF BUDGET CHANGES

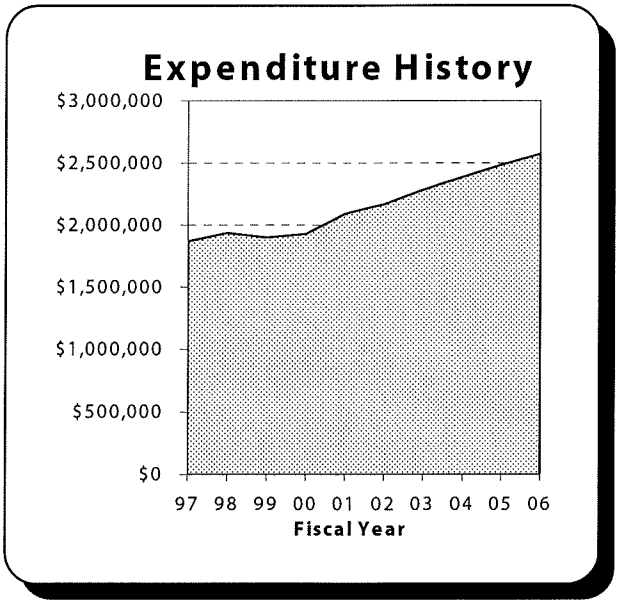
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $72,420 or 3.7%. Wages for full-time employees increased $36,700. Hospitalization costs rose $8,490 and dental costs rose $1,520, both based on rate increases for next year. Funding for retiree medical rose $15,400. Funding for part-time wages rose only $860 due to a more accurate number of part-time hours actually worked during the year.

Supplies – Total Supplies increased $11,330 or 4.7%. Book funding increased $5,370 (3.0%) and audiovisual materials funding increased $5,500 (21.0%) as additional circulation materials will be purchased next year. The City will save $800 in postage costs as fewer mailings will be necessary due to the recent implementation of an automated overdue notification system. $900 was added for additional material processing supplies and anti-theft devices.

Other Charges – Total Other Charges increased $4,920 or 1.8%. Electric costs increased $7,000 due to higher electric rates. $1,500 was added for a membership to the Michigan Library Association (MLA), and $1,200 was added for three employees to attend the MLA's in-state conference. The rental of new filtering software on all public access computers will cost $1,400. The City will save $1,700 in telephone costs due to lower citywide SBC contractual telephone rates. $1,680 was eliminated for the one-time funding of computer re-cabling in the prior year, offset by an increase in educational on-line database costs.

Capital – Total Capital of $2,000 is proposed for this office and is budgeted in the Information Technology Capital Budget. $2,000 is for a Color Laser Printer to be networked to the Library's 35 public access computers providing residents with the option of printing color documents.



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.

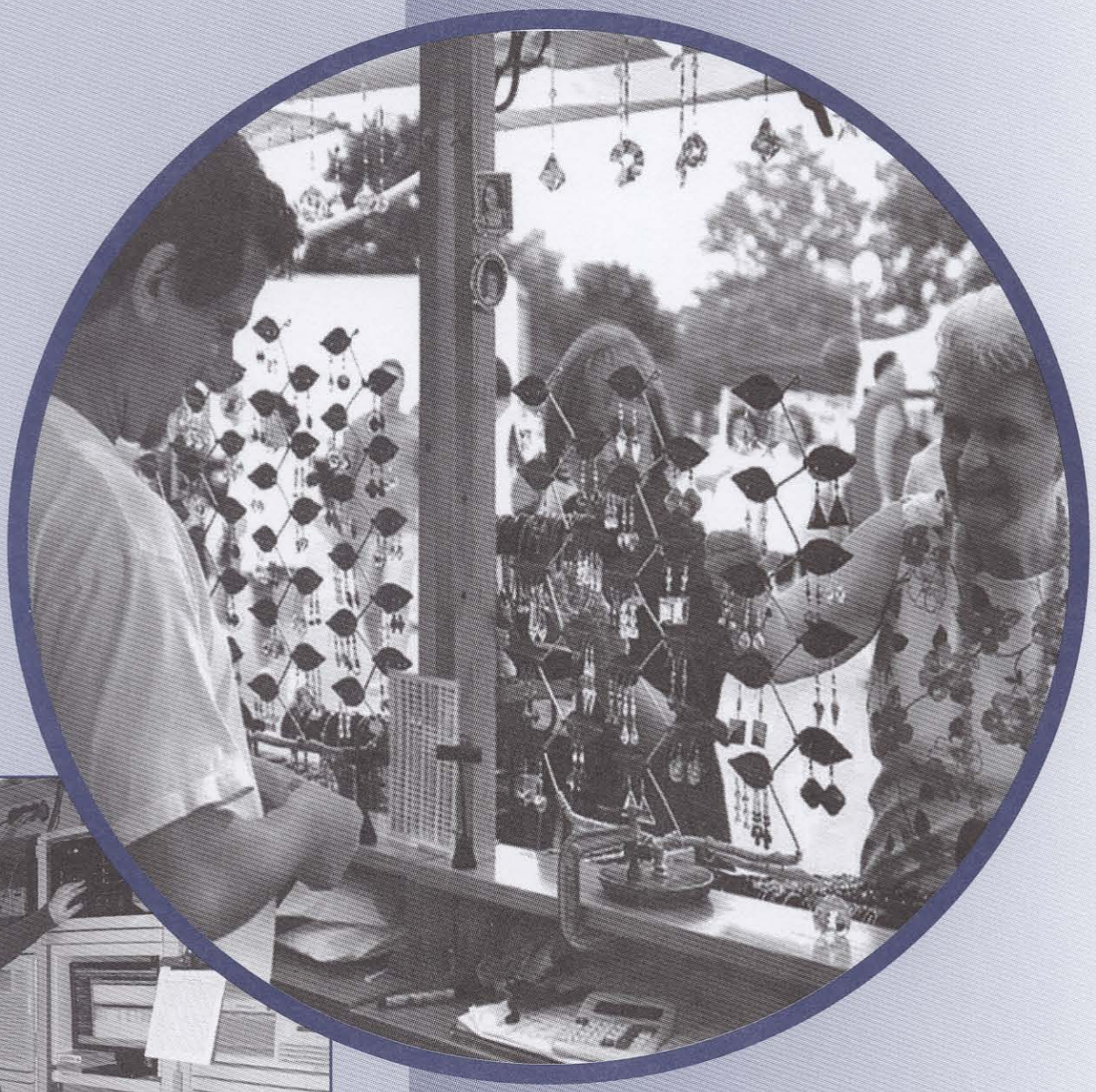
Other Charges – Council made no adjustments to Other Charges.

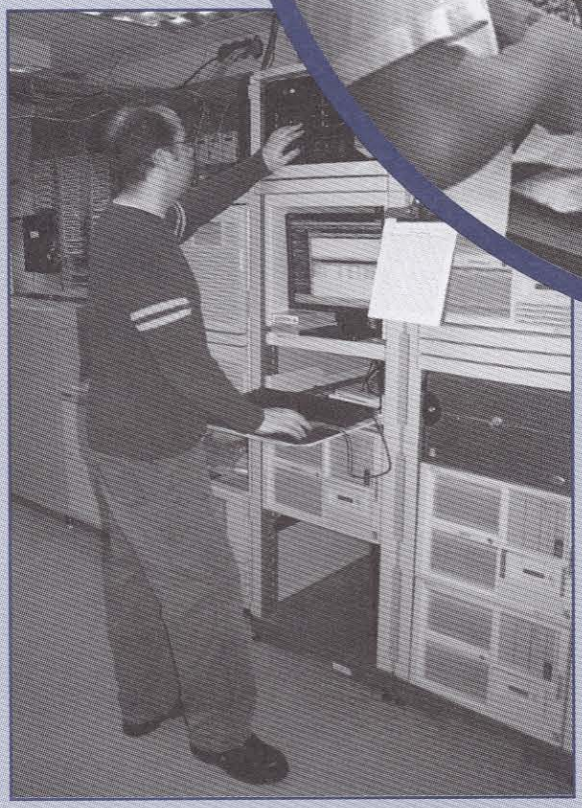
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,848,854	$1,960,580	$1,945,640	$2,033,000	$2,033,000
Supplies	249,395	242,230	245,830	253,560	253,560
Other Charges	288,204	280,450	285,850	285,370	285,370
Total	$2,386,453	$2,483,260	$2,477,320	$2,571,930	$2,571,930

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 Sterlingfest
- Provides assistance to potential 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
- Serves as liaison to Beautification, Telecommunications, and Cultural Commissions, Ethnic Community Committee, Community Foundation, 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 (SHTV)
- Produces and directs several television series
- Provides standby videotaping service to Emergency Operations Center, Police, Fire and Public Works Departments
- Provides video production service for informational programs and in-house training for all City departments
- Researches, writes, tapes and edits all material for original SHTV programs
- Broadcasts City Council, ZBA, Planning, BOCA, 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 $105,070 or 4.6%. Personnel costs rose $99,830 due to higher wage and fringe benefit costs. Wages for full-time employees rose $55,330, while hospitalization costs increased $14,690 or 8.6%. An additional $18,750 is needed to fund growing retiree health care obligations. Supplies decreased by $470 or 0.8% as City meetings will be recorded on DVD rather than videocassette. Publication costs also declined slightly as the office will begin sharing a subscription from another department. Other Charges rose $5,710 or 1.5%. $25,000 is budgeted for a survey of 5,000 residents to obtain their input regarding City services. Savings were realized in lower software maintenance fees and lower telephone costs. Sterlingfest net expenditures, formerly recognized in the Cultural Commission's budget, will now be budgeted in this department. There are additional funds budgeted for enhanced Internet and anti-spyware security software for the City's computer network. The capital budget includes funding for nine replacement personal computers for Community Relations and vital replacement hardware for the City's computer network.

FUNDING LEVEL SUMMARY

	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Community Relations	$1,220,980	$1,244,000	$1,400,740	$1,473,930	5.2%
Information Technology	785,560	868,970	906,480	938,360	3.5%
Total Department	$2,006,540	$2,112,970	$2,307,220	$2,412,290	4.6%
Personnel Services	$1,652,340	$1,756,100	$1,866,520	$1,966,350	5.3%
Supplies	58,810	58,490	58,660	58,190	-0.8%
Other Charges	295,390	298,380	382,040	387,750	1.5%
Total Department	$2,006,540	$2,112,970	$2,307,220	$2,412,290	4.6%

PERSONNEL SUMMARY

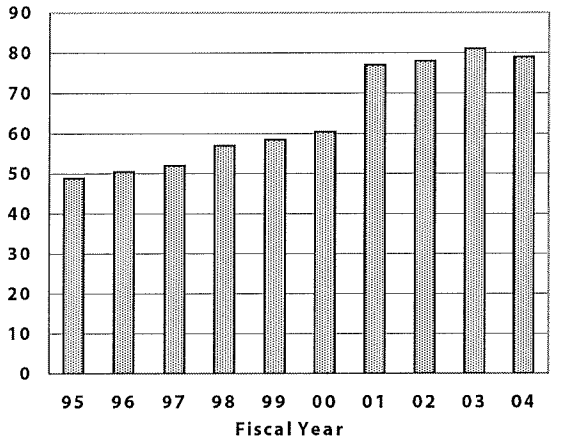
	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	6	14	5	14	5	14	5
Information Technology	8	0	8	0	8	0	8	0
Total Department	22	6	22	5	22	5	22	5

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

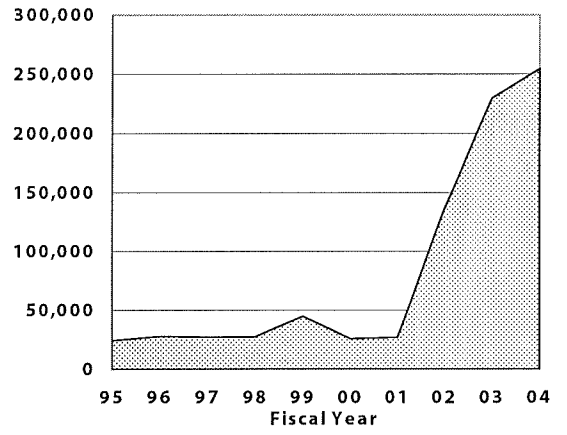
Community & Information Services Department

SHTV - Weekly
Hours of Original Programming



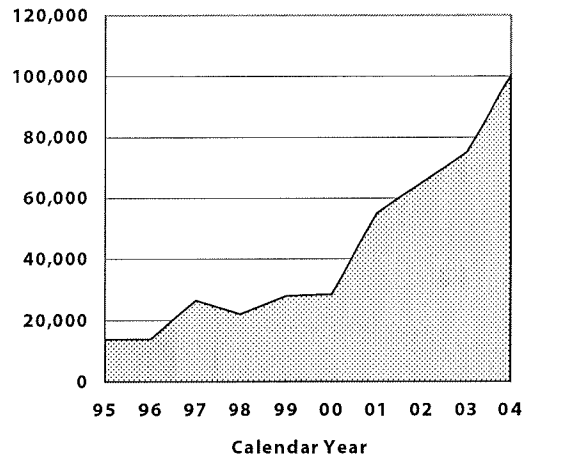
Sterling Heights Television viewers have seen a rise in the total hours of original programming over the past 10 years. SHTV's "PowerBlock" of government-related programs debuted in 1998 causing an increase in programming. The increased hours of programming continued in 2001 when the city installed an automatic playback system allowing for early morning, late night and weekend programming. Hours increased slightly in 2002 for the airing of county government meetings.

Customer Service Contacts



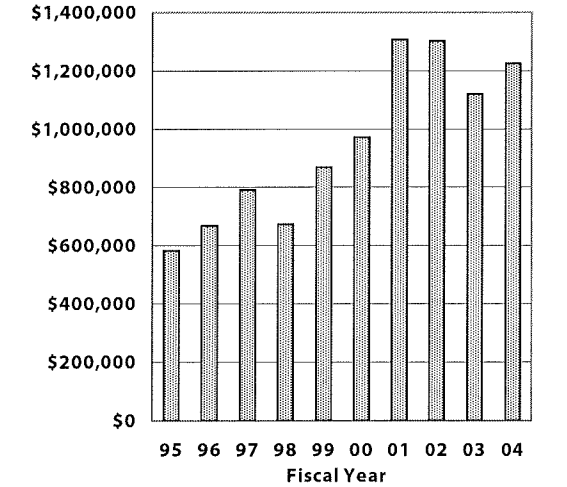
Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents and "We Want to Know" postcard returned from the community, which average about 1,000 per year. In 1999, a community-wide survey was conducted which resulted in 18,536 responses. In 2002, we began tracking City website visits, which now account for 90% of the total service contacts.

Sterlingfest Attendance



Attendance for the Sterlingfest Art and Jazz Fair has risen steadily since 1995. 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 jazz areas during the three-day event. A dip in attendance occurred in 1998 due to poor weather.

Cable TV Revenue



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. This division also maintains and updates information on the City's website at 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 12½ hours of original and syndicated programming per week, produced in conjunction with Library staff.

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.■

KEY GOALS

- ***To keep the lines of communication open among residents, businesses and municipal government.***
- ***To promote City government services and events through various media in order to inform the public of what is available to them.***
- ***To listen to the needs and concerns of the community and process its desires to the City Council and administration.***
- ***To maintain a cost effective in-house printing center.***
- ***To promote and showcase City meetings, events, programs and services in a televised manner so that residents stay informed.***
- ***To preserve and enhance the City's physical and economic development.***

Did you know?...
...that by initiation and regulation of the Sterling Heights Telecommunications Commission, Sterling Heights Television (SHTV) posts notices for garage sales, community events, and lost pets?

Community Relations

2005/06 PERFORMANCE OBJECTIVES

1. To develop promotional materials encouraging the reinvestment and redevelopment of both residential and commercial properties thereby maintaining the City's excellent quality of life. *(City Goal 10, 13, 14)*

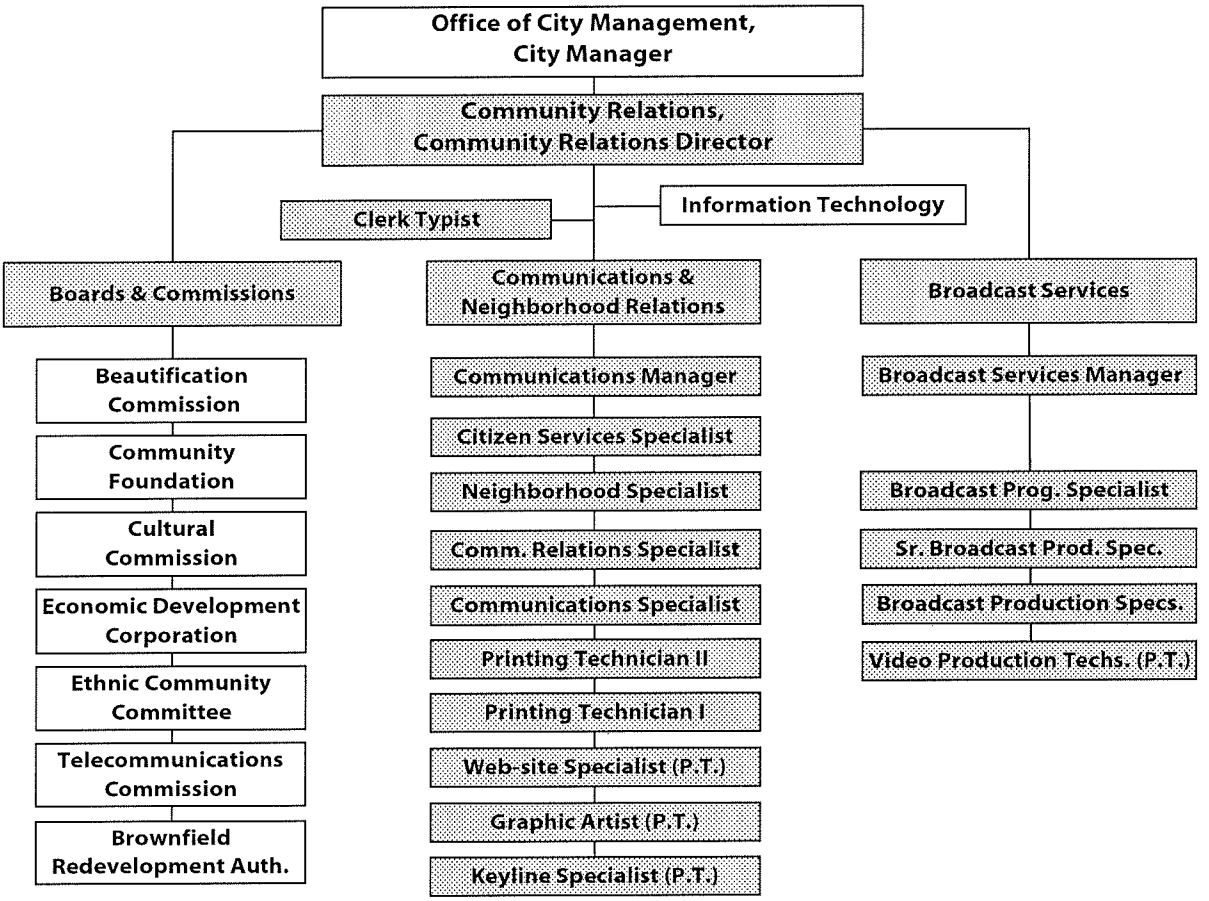
2. To develop and distribute a resident satisfaction survey as a tool for evaluating and improving existing City services while establishing priorities for the future. *(City Goal 3, 19)*

3. To develop a promotional reforestation campaign to encourage residents and business owners to replace street trees which have died as a result of the Emerald Ash Borer. *(City Goal 13, 14, 15)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Customer Service Contacts	136,652	229,901	254,518	285,100	266,907	281,400
	Citizen Action Center Calls	24,700	24,800	23,462	32,000	28,176	29,000
	E-Mail Requests	702	1,855	2,016	2,500	1,734	1,800
	"We Want to Know" Postcards	1,100	1,560	828	600	706	600
	Sterling Heights Website Visits	110,150	201,686	228,212	250,000	236,291	250,000
	Total Tapings & Programs Aired	605	625	630	640	652	660
	SHTV Hours of Original Programming (Weekly)	79	81	79	79	80	80
	City Council, Board & Commission Meetings Taped	98	81	85	82	83	82
	Press Releases Produced	182	169	165	100	183	160
	Take Ten Issues Produced	5	5	5	6	6	6
	Calendar/City Magazine/Brochures Produced	25	21	15	20	20	20
	Typesetting/Graphic Design Projects	424	244	125	100	100	100
	Electronic Newsletter Recipients	1,899	4,415	6,461	7,000	6,910	7,500
	Welcome Packets Distributed	1,390	1,510	1,137	1,300	1,200	1,200
	Sterlingfest & Memorial Day Parade Attendance	60,000	70,000	80,000	85,000	105,000	105,000
	Beautification Awards Presented	130	164	98	100	155	100
	Print Requests Completed	475	457	335	460	450	460
	Stockroom Requests Completed	255	245	244	240	236	240
Efficiency	% Homes/Bus. Receiving Annual Report/Calendar	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Resolved w/i 48 hrs.	95%	95%	98%	99%	99%	99%
	Cost per Citizen Contact Center Call Received	$3.18	$2.68	$2.75	*	*	*
	Cost to Televise a Public Meeting	$961	$956	$957	*	*	*
	Activity Expenditures as % of General Fund	1.66%	1.72%	1.74%	1.83%	1.81%	1.87%

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

Community Relations



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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	1	1	1
Printing Technician II	1	1	1
Communications Specialist	1	1	1
Broadcast Production Specialist	2	2	2
Printing Technician I	1	1	1
Clerk Typist	1	1	1
Video Production Technician (P.T.)	2	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	19	19	19

Community Relations

SUMMARY OF BUDGET CHANGES

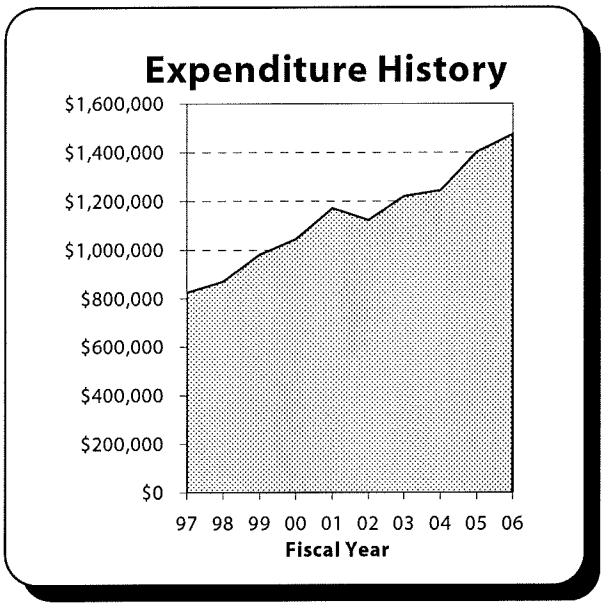
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $58,570 or 4.9%. Wages for full-time employees rose $34,520. Part-time employee wages decreased $4,170 based on staff turnover in the prior year as well as a more accurate number of actual part-time hours worked. Hospitalization costs rose $7,560 or 6.2%. Funding for retiree medical rose $11,600.

Supplies – Total Supplies decreased $970 or 2.0%. $820 will be saved as DVD's will be used to record meetings rather than videocassette tapes. $150 will be saved as the office can share another department's Wall Street Journal and Consumer Reports.

Other Charges – Total Other Charges increased $15,590 or 9.7%. $25,000 is included for the City to conduct a survey of 5,000 residents to obtain input regarding City services. $7,300 was added as the employees' annual Christmas luncheon is now budgeted in this activity. $220 was added for the rental of a scaffold to be used for recording sporting events. These increases were offset by a decrease of $8,000, as Cultural Commission Art Fair revenues have been netted against the Commission's costs and transferred to this activity for better reporting of Sterlingfest costs. Telephone costs decreased $3,800 due to the elimination of two Nextel telephones and lower citywide SBC and Nextel rates. The City has saved funds as more City artwork is being done in-house rather than contracted out. The City's cost for the Business Exchange Luncheon decreased $1,000 as the City and the Chamber will now be splitting the proceeds of this event.

Capital – This office is scheduled to receive nine new personal computers to replace existing six year old units. 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,118,092	$1,190,820	$1,180,100	$1,249,390	$1,249,390
Supplies	48,134	48,960	47,240	47,990	47,990
Other Charges	77,780	160,960	159,400	176,550	176,550
Total	$1,244,006	$1,400,740	$1,386,740	$1,473,930	$1,473,930

Information Technology

MISSION STATEMENT: ***To efficiently and effectively coordinate the analysis, development and support of application and operating software, computer hardware, voice and data networking, as well as voice communication 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 the development of the Wide Area Network (WAN) and Local Area Networks (LAN's), and the 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 to develop 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 Information Technology successfully blocked over 1 million spam messages from entering the email boxes of Sterling Heights employees during the last year?

Information Technology

2005/06 PERFORMANCE OBJECTIVES

1. To upgrade the City's network switch ensuring that City staff can continue to efficiently and effectively perform their jobs. *(City Goal 3, 17, 18)*

2. To implement the Accela remote entry module for the City inspectors allowing staff to collect and record data in the field and download that information to the main server. *(City Goal 17, 18)*

3. To implement the new Genero version of MUNIS software ensuring compliance with the City's current Microsoft system. *(City Goal 17, 18)*

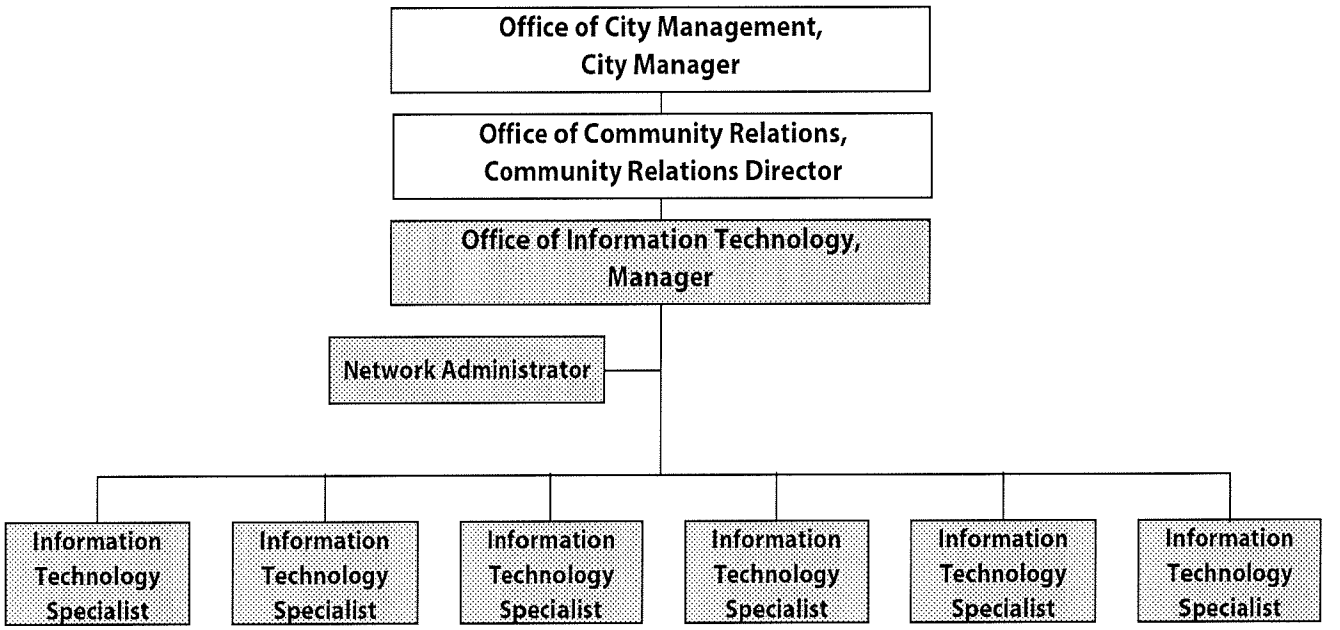
4. To fully implement an e-packet solution which will include an electronic City Council agenda packet and posting of the packet on the City's website (www.sterling-heights.net). *(City Goal 17, 18, 19)*

5. To finalize the update to the City's five-year Information Technology Plan. *(City Goal 17, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Hardware Platforms Supported - (W2K, MAC, HP, AS400)	4	4	4	4	4	4
	Application Systems Supported - (BS&A, Munis, etc.)	23	27	27	27	28	29
	Software Packages Upgraded	6	5	5	5	5	5
	Hours of Consultant Services Used	792	727	700	670	670	670
	"Help Desk" Calls Received	1,000	1,800	2,500	3,000	2,950	3,000
	Intelligent Workstations Supported	370	460	490	500	500	510
	Staff Hours Spent Supporting Elections	100	30	45	45	45	30
	Hours Spent on Personal Computer Maintenance	1,000	1,080	1,200	1,150	1,150	1,200
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	80%	90%	89%	85%	85%	85%
	# of Intelligent Workstations per FTE	0.50	0.60	0.67	0.67	0.67	0.68
	Telephone System Problems Resolved Within 1 Day	90%	90%	91%	90%	90%	90%
	Staff Training Dollars Expended	$3,777	$1,676	$1,729	$2,500	$2,000	$4,000
	% of 5-year Technology Program Implemented	80%	90%	95%	95%	95%	95%
	% of Time Computer Network Down	1.9%	0.9%	0.9%	1.0%	1.0%	1.0%
	Overtime/Comp Hours Required to Meet Demand	530	463	434	425	425	430
	Average Annual Cost to Support a PC	$367	$335	$311	*	*	*
	Cost to Support User Systems	$373,440	$350,107	$327,278	*	*	*
	Activity Expenditures as % of General Fund	1.08%	1.11%	1.21%	1.19%	1.17%	1.19%

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

Information Technology



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

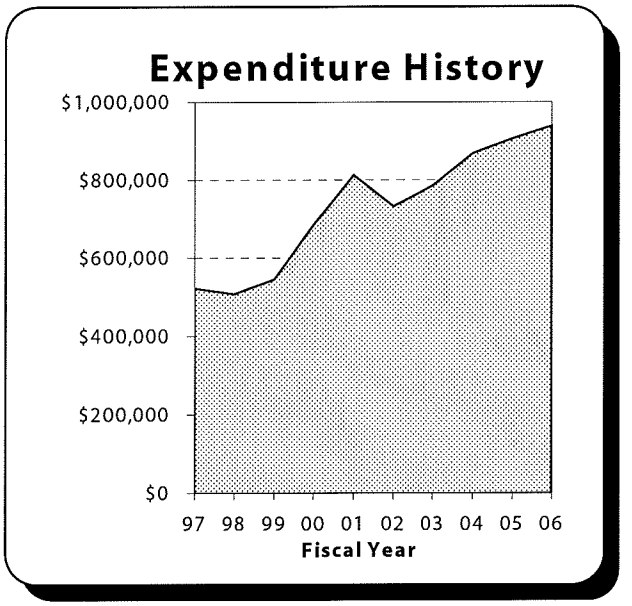
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $41,260 or 6.1%. Wages for full-time employees rose $20,810. Longevity payments increased $2,700 based on increased number of years of service for employees. Hospitalization costs rose $7,130 or 14.6% due to a rate increase as well as a change in an employee's dependent coverage. Funding for retiree medical obligations rose $7,150.

Supplies – Total Supplies increased $500 or 5.2% as the Operating Supply budget increased based on recent years' expenditure levels.

Other Charges – Total Other Charges decreased $9,880 or 4.5%. The contracted services budget decreased $11,360 based on the current year's estimated expenditure usage, offset slightly by higher funding for Internet and anti-Spyware security software and for existing software support fees. Telephone costs decreased $2,000 due to lower SBC contractual telephone rates and a greater savings realized from the new citywide Nextel telephone plan. $1,500 was added for a staff member to attend the Accela User Conference. Computer maintenance costs increased $2,000 as a result of an increase in computer and printer repairs.

Capital – Total Capital of $157,950 is proposed. $56,500 is for 40 replacement Computers for the offices of Purchasing, Treasury, Community Relations, City Development, Building, and Planning. $65,000 is for a Computer Network Switch to replace the current hardware that has reached the end of its lifespan and for which no parts or support are available. $32,650 is for seven Laptop Computers, Printers, and Digital Imaging Software to implement the new E-agenda packets. A Color Laser Printer for the Library is proposed for $2,000. $1,800 is for a Computer Projector for the Fire Department.



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.

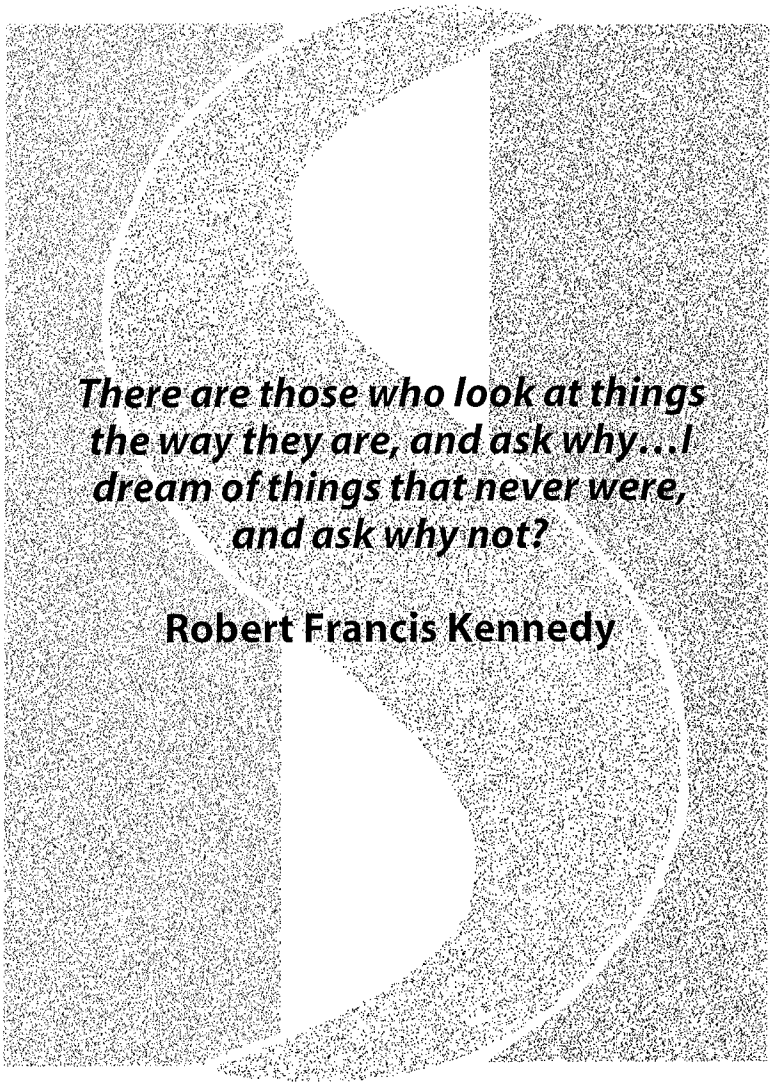
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$638,012	$675,700	$681,620	$716,960	$716,960
Supplies	10,352	9,700	10,100	10,200	10,200
Other Charges	220,603	221,080	205,070	211,200	211,200
Total	$868,967	$906,480	$896,790	$938,360	$938,360

Non-Departmental Services


There are those who look at things
the way they are, and ask why...I
dream of things that never were,
and ask why not?
Robert Francis Kennedy

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 Kenneth J. Kosnic 41-A District Court and Probation offices are located in the Judicial Services Center on the grounds of City Center Commons.

The Judicial Services Center 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. The District Court Administrator oversees the court operations and supervises 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 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 as part of the State Court Administrative Office's Judicial Network Project, the 41-A District Court received 12 computer terminals in 2004, which will ultimately allow all courts in the State to have access to and electronic transmission of information?

41-A District Court

2005/06 PERFORMANCE OBJECTIVES

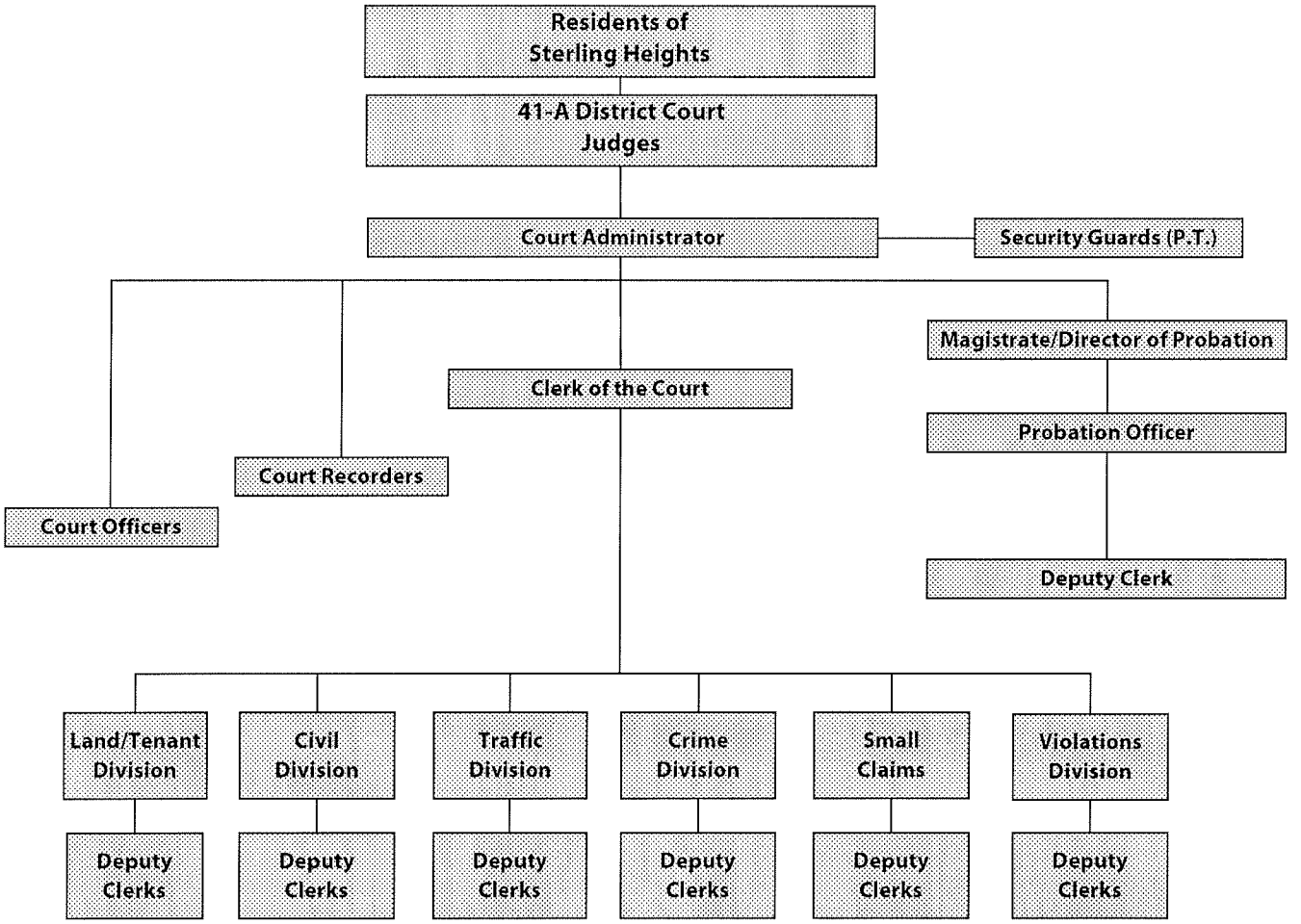
1. Through the assistance of Homeland Security grant funds, to increase the security level of employees and visitors to the Court by installing security cameras and monitors throughout the building. *(City Goal 21, 24)*

2. To investigate the installation and implementation of a computerized software program to pursue the collection of outstanding fines and costs. *(City Goal 17, 18)*

3. To research the ability to provide on-line credit card payment capability for the payment of traffic related fees and fines. *(City Goal 17, 18)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Total Active Caseload	43,364	47,219	45,896	48,000	45,000	45,000
	Total New Cases	31,273	36,076	37,467	35,000	33,800	35,300
	Traffic Cases	18,871	22,572	24,594	21,000	22,000	23,000
	Parking Cases	1,988	2,472	2,688	2,000	1,800	2,000
	Misdemeanor Cases	5,231	5,242	4,133	5,000	4,000	4,000
	Felony Cases	596	678	649	700	700	700
	General Civil Cases	2,000	2,300	2,508	2,950	2,500	2,600
	Small Claims Cases	657	612	610	700	600	600
	Landlord/Tenant Cases	1,930	2,200	2,285	2,650	2,200	2,400
	Magistrate Dispositions	5,364	5,842	8,322	5,600	7,200	6,600
	Jury/Bench Verdicts	5,503	5,993	7,104	6,300	7,200	7,000
	Guilty/Admissions/Default - By Party	19,449	21,176	20,696	22,000	20,000	20,000
	Dismissals - By Court or Party	6,695	7,291	7,673	7,000	6,600	7,000
	Probation Caseload	950	800	951	800	800	800
Efficiency & Effectiveness	% of Imposed Revenue Collected	96%	97%	98%	97%	98%	98%
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	$16.94	$17.36	$18.62	$19.88	$19.72	$20.57
	Cost Per Active Case	$49	$46	$51	$52	$55	$58
	# of Active Cases per FTE	1,172	1,276	1,275	1,333	1,250	1,250
	Activity Expenditures as % of General Fund	3.12%	3.06%	3.27%	3.28%	3.26%	3.32%

41-A District Court



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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	23	23	23
Security Guard (P.T.)	0	2	2
Total	36	38	38

41-A District Court

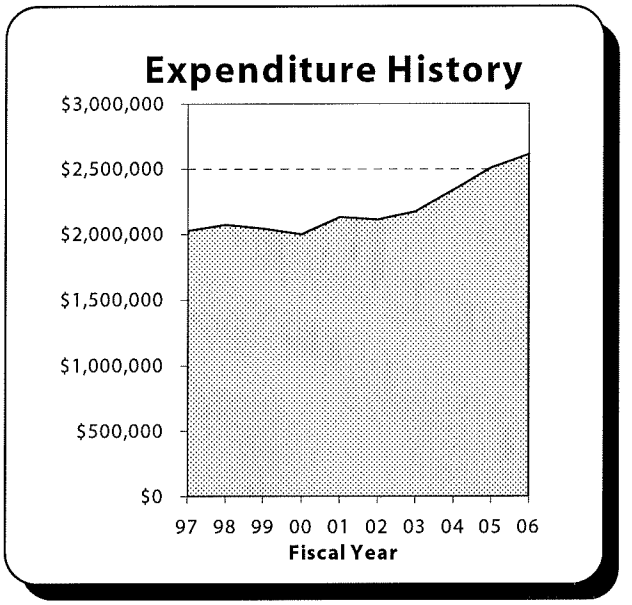
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services - The total Personnel budget increased by $93,320 or 4.1%. Wages for full-time employees increased $38,970, as all employees are budgeted to receive a 3% wage increase. Full-year funding is budgeted for the 2 new part-time Security Guards, resulting in a $12,580 increase. Defined contribution costs rose $5,370 as employees hired last year are in the City's defined contribution plan. Funding for retiree medical costs increased $19,460. Hospitalization costs rose $7,750.

Supplies - Total Supplies is proposed to remain the same at $36,500.

Other Charges - Total Other Charges increased $10,110 or 5.9%. Electric costs rose $6,000 primarily based on higher rates as the prior year's anticipated price savings was not realized due to a delay in the alternate electric supplier program. Interpreter and witness fees increased $3,000 and $1,000 respectively, based on historic expenditure trends. Funding for credit card fees increased $2,000 due to a higher number of transactions processed. The budget increased $1,500 based on higher State computer maintenance and annual support costs. $1,500 was included for one Judge to attend a national conference. Savings will result from seminars held via the Internet. $880 was added due to higher membership fees. $3,470 was saved as liability insurance costs have been reduced. Telephone costs fell by $2,000. Funding for replacement court reporting services decreased $500 and copier rental costs decreased $300, both based on historic 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$2,123,844	$2,299,880	$2,272,830	$2,393,200	$2,393,200
Supplies	39,170	36,500	36,500	36,500	36,500
Other Charges	179,206	172,900	179,750	183,010	183,010
Total	$2,342,220	$2,509,280	$2,489,080	$2,612,710	$2,612,710

Act 78 – Civil Service Commission

MISSION STATEMENT: ***To govern the testing for appointment, employment, and promotion of Police and Fire personnel.***

The Act 78 Civil Service Commission is a General Fund activity and is budgeted and accounted in a manner similar to other General Fund activities. The plan of Civil Service as established by Act No. 78 of the Public Acts of 1935, as amended, is incorporated in the Charter of the City and can be changed only by a formal amendment to the City Charter.

The City Clerk acts as ex officio liaison to the Commission and provides the necessary administrative and clerical support.

The Commission governs all aspects of the testing procedures for Police and Fire personnel. From the physical and agility aptitude exams to the written, oral, physiological, and psychological examinations, the Commission has a hands-on interface with the selection of examiners, criteria for examination, and selection of final evaluators. This important role of the Act 78 Civil Service Commission ensures the best candidates are selected for employment. The three members of the Commission serve without compensation during their term.

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 requires post-offer, pre-employment physical and psychological examinations to ensure Police Officer and Firefighter new hires are fit for duty?

Act 78 – Civil Service Commission

2005/06 PERFORMANCE OBJECTIVES

1. To conduct a national recruitment for Police Officer which will establish a new one-year eligibility list. *(City Goal 4)*

2. To conduct a national recruitment for Firefighter which will establish a new two-year eligibility list. *(City Goal 4)*

3. To conduct an Assessment Center for the promotional position of Police Lieutenant which will establish a new two-year eligibility list. *(City Goal 4)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Minutes of Act 78 Meetings Recorded	4	5	5	4	8	4
	Police Officer Eligibility List Applications	0	181	211	220	220	225
	Fire Fighter Eligibility List Applications	95	0	90	0	0	95
	Written Tests - Police Officer Eligibility List	0	151	172	180	180	180
	Written Tests - Fire Fighter Eligibility List	71	0	76	0	0	80
	Oral Interviews - Police Officer Eligibility List	0	145	141	160	50	50
	Oral Interviews - Fire Fighter Eligibility List	49	0	62	0	0	60
	Physical/Psychological Test - Police/Fire Candidates	17	9	11	7	8	7
	Appointment Notices - Police/Fire New Hires	17	9	11	7	8	7
	Police/Fire Personnel Files Maintained	100	140	115	112	114	115
	Maintained Files (hiring procedures/legal opinions,etc.)	70	85	85	80	81	80
Effectiveness	Number of Appeals by Candidates	2	4	4	2	3	2
	Activity Expenditures as % of General Fund	0.04%	0.01%	0.04%	0.02%	0.01%	0.03%

Act 78 – Civil Service Commission

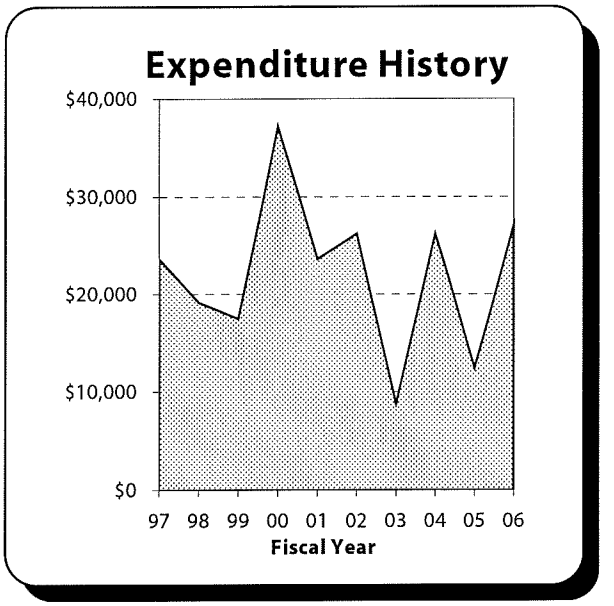
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 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. The Commission has changed the new Police Officer requirement process so that only those with an 85% or above written exam will advance to the oral board interview. This change will reduce the oral board process from 3 weeks to 1 week, resulting in a savings of nearly $10,000 which represents the time spent by a Police Captain, Police Lieutenant and Human Resources Director who serve on the oral exam board.

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 increased $14,620 or 121.4%. Funding increased $16,300 as both new Police Officer and Fire Fighter written exams will be administered in the 2005/06 fiscal year. In the prior year, only Police Officer's written exams were conducted. The budget also includes funding for the cost of an assessment center for Police Lieutenant, which is conducted every two years, and a physical agility test for new Fire Fighters. Fewer pre-employment physical and psychological exams are projected resulting in a savings of $2,000. Job advertising costs increased $220 as both Police Officer and Fire Fighter recruitment notices will be published next year. Funding increased $100 for the printing of employment applications.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	566	400	400	400	400
Other Charges	25,624	12,040	10,580	26,660	26,660
Total	$26,190	$12,440	$10,980	$27,060	$27,060

Beautification Commission

MISSION STATEMENT: ***To promote public interest in the general improvement of the City's appearance.***

Residents and owners of all property within the City of Sterling Heights are encouraged to accept basic responsibilities in preserving and enhancing the beauty of public and private properties. An annual awards program assists the Beautification Commission in promoting its mission throughout the City. Nominations are submitted annually for properties in Sterling Heights that exemplify the enhancement of beauty of both public and private properties. The Commission reviews these nominations and those that are 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 will increase community awareness of the importance of trees by producing public service announcements on Sterling Heights Television?

Beautification Commission

SUMMARY OF BUDGET CHANGES

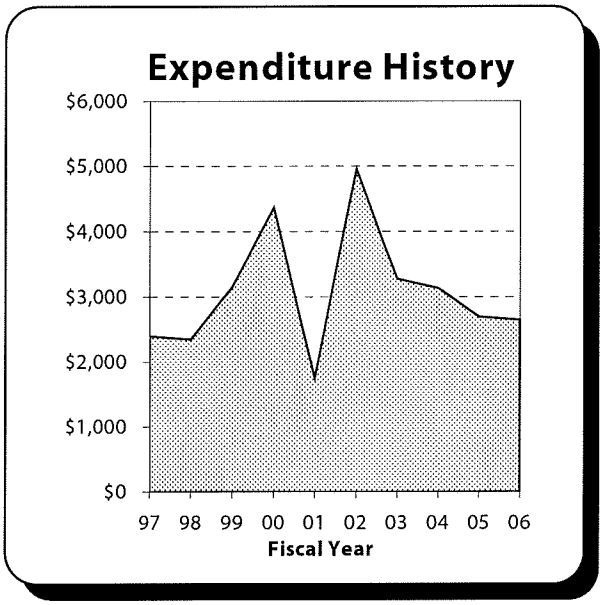
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies decreased $120 or 5.1%. Funding decreased $120, as fewer beautification plaques, certificates, and award program supplies are required next year.

Other Charges – Total Other Charges increased $70 or 21.9%. Funding for the Beautification awards dinner increased $50 based on recent years' actual expenditure levels. $20 was added as existing membership costs have increased slightly.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	2,726	2,370	2,250	2,250	2,250
Other Charges	402	320	390	390	390
Total	$3,128	$2,690	$2,640	$2,640	$2,640

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.

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.

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.***

The Building Authority was again activated in 1990 to manage the construction of the Judicial Services Center. Bonds were sold to finance the construction and will be retired by lease payments from the General Fund to the Building Authority Receiving Fund. 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. The project was completed on schedule and within 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 is set up according to bond covenants to retire debt. The operating budget for the Building Authority resides in the General Fund.■

Did you know?...
...that the debt from the two outstanding Building Authority bonds totals $6.7 million?

Building Authority

SUMMARY OF BUDGET CHANGES

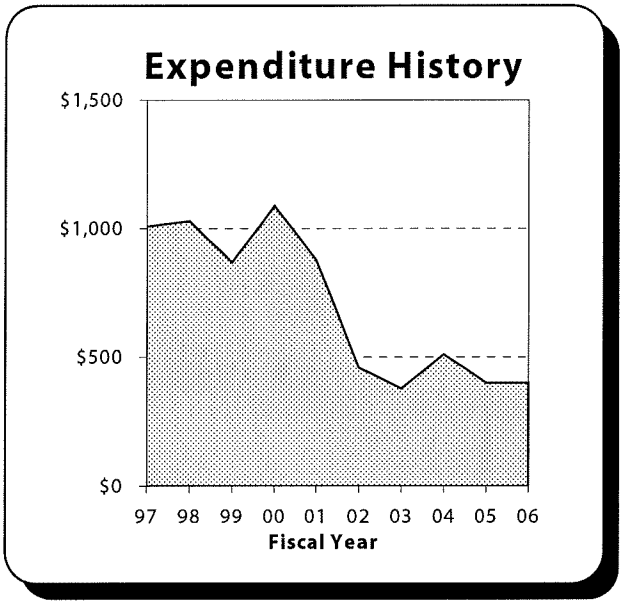
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget remained the same as the prior year. Funding is budgeted for one meeting so that the three members of the Building Authority can approve the annual debt payment.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$162	$50	$30	$50	$50
Supplies	0	0	0	0	0
Other Charges	350	350	350	350	350
Total	$512	$400	$380	$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 Television, 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.

The "Sterlingfest Art & Jazz Festival" 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 display 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 will present three awards at the Sterlingfest Art & Jazz Festival including one "Cultural Commission Choice Award" and two honorable mentions?

Cultural Commission

SUMMARY OF BUDGET CHANGES

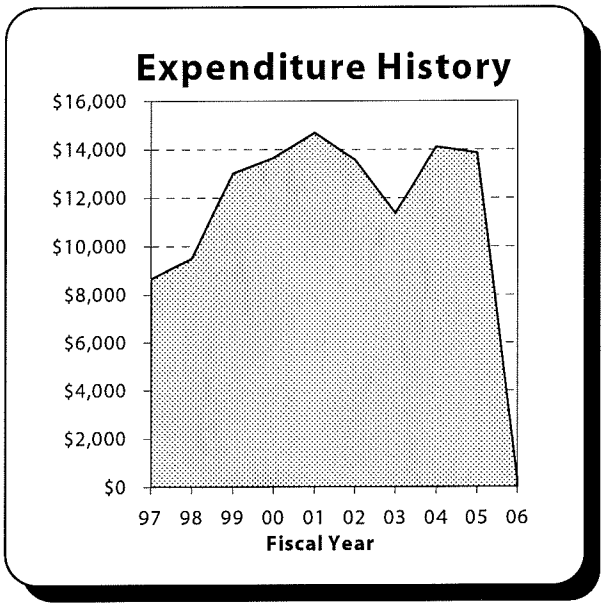
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services - There is no Personnel Services budget for this activity.

Supplies - Total Supplies is proposed to remain the same at $160. There are no proposed changes within the Supplies account. $160 is budgeted for plaques, trophies and award certificates.

Other Charges - Total Other Charges decreased $13,500 or 98.6% as the Cultural Commission's net costs associated with Sterlingfest will now be reflected in the Community Relation's budget. This change will make it easier for the Community Relations staff to track total Sterlingfest 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	357	160	160	160	160
Other Charges	13,740	13,690	190	190	190
Total	$14,097	$13,850	$350	$350	$350

General Employees Retirement Board

MISSION STATEMENT: ***To invest plan assets prudently while meeting or exceeding actuarial liabilities, while insuring timely and proper distribution of benefits to which plan participants are entitled.***

The General Employees Retirement Board activity was established with the authority to administer, manage, and operate the retirement system following the provisions established by the retirement ordinance referenced in the City Charter and Code of Ordinances. The mission of the General Employees Retirement Board is to 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 ensure proper matching while making necessary adjustments to maintain proper balance and long-term funding levels.***
- ***To develop and follow procedures whereby plan participants receive the benefits to which they are entitled by contract and/or ordinance.***
- ***To provide adequate communication to members of the retirement system so that they know how their funds are managed and what to expect at retirement.***

Assets in the fund as of December 31, 2004 total a market value of $106,559,377 while the City's contribution rate for the 2005/06 fiscal year is 0% of payroll. The fund is now 124.8% funded, which means that valuation assets exceed actuarial accrued liabilities by 24.8%.

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 184 retirees receiving benefits from the fund and 294 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, 2004, 185 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 General Employees Retirement System Board of Trustees conducts a quarterly performance review of all money managers to assure that residents, employees and retirees are receiving quality services within the established guidelines of the pension system?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

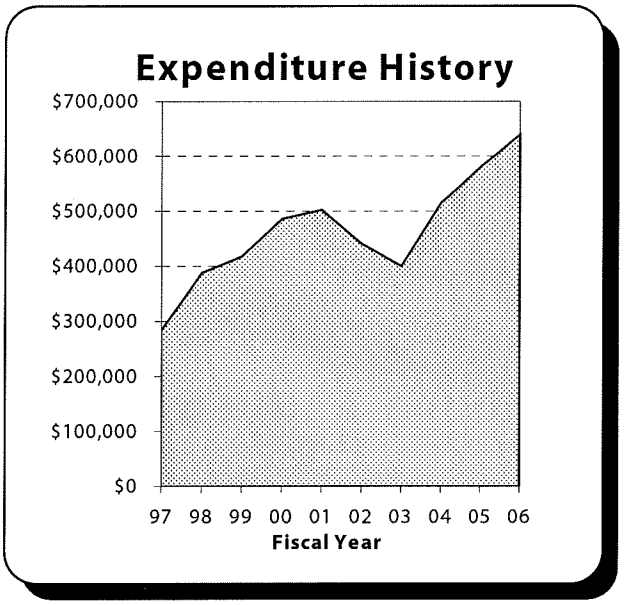
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies is proposed to remain the same at $520. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges increased $58,420 or 10.1%. Funding increased $58,420 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. However, this increase was somewhat offset by fee savings as a result of the Board's decision to change its International equities money manager.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	456	520	520	520	520
Other Charges	514,151	579,900	579,900	638,320	638,320
Total	$514,607	$580,420	$580,420	$638,840	$638,840

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. Rather than allocate the expense over the many activities in the City, it is much simpler and more auditable to charge it to an activity specifically set up for this type of expenditure – the General Expenditures activity.

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.***

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 average monthly electrical cost for operating street lights in Sterling Heights is $65,000?

General Expenditures

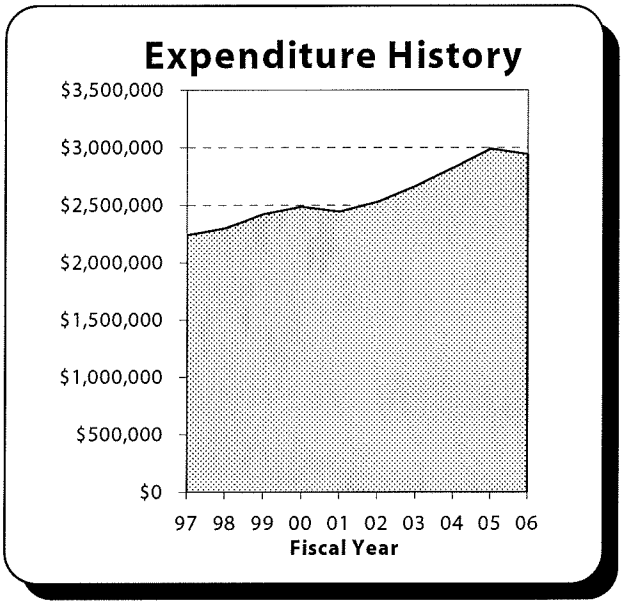
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The Personnel budget increased by $14,050 or 15.7%. Retiree dental costs increased $11,000 due to additional Police & Fire retirees, as well as a rate increase. Unemployment costs rose $2,900.

Supplies – Total Supplies decreased $4,700 or 6.8%. $3,700 was transferred to Facilities Maintenance for the purchase of coffee and other beverages for City Hall functions. $1,000 will be saved in postage costs for mailing the City Magazines.

Other Charges – Total Other Charges decreased $58,560 or 2.1%. Funding decreased $401,800 due to a one-time large tribunal refund last year. City Hall electric ($65,000) and heating costs ($31,000) will now be expensed in Facilities Maintenance. $2,700 for refreshments for City Council, Commission and other special event meetings will also be expensed in Facilities Maintenance. $8,500 was transferred to Public Works for City Hall water sprinkling costs. $7,300 was transferred to Community Relations for the employees' annual Christmas luncheon. The assigning of these funds to specific offices will provide a better means of monitoring and controlling future costs. Contracted service costs decreased $37,820 as updates to the Master Land Use and Park Conceptual Plans were completed in the prior year. The City will save $6,000 in audit fees as more work is being done in-house. A City Hall telephone line was eliminated as a result of a prior year traffic study saving $5,000. $3,450 was saved as physical exams for one employee group is only offered every other year. These decreases were largely offset by an increase of $435,000 for liability insurance costs, primarily to help offset the recent liability losses in the Self-Insurance Fund. Street lighting costs rose $87,160.



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

	2003/04 Actual *	2004/05 Budget	2004/05 Estimate *	2005/06 Manager	2005/06 Approved
Personnel Services	$85,928	$89,700	$92,150	$103,750	$103,750
Supplies	147,867	69,000	64,500	64,300	64,300
Other Charges	2,591,215	2,832,110	2,874,350	2,773,550	2,773,550
Total	$2,825,010	$2,990,810	$3,031,000	$2,941,600	$2,941,600

* excludes extraordinary items

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 keeps informed of state and federal legislation, as well as identifies 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 the Historical Commission recognizes Edgerton Cemetery as the oldest site in Sterling Heights, with the first burial dated 1839?

Historical Commission

2005/06 PERFORMANCE OBJECTIVES

1. To identify the gravesites at Edgerton Cemetery to define their significance to the City's history. *(City Goal 19)*

2. To install a bronze marker in Edgerton Cemetery identifying its historic significance. *(City Goal 19)*

3. To sponsor two themed exhibits of historic value in the Upton House for public viewing. *(City Goal 9)*

4. To sponsor one program on local history or preservation issues which will foster an even greater understanding and appreciation of our City's proud heritage. *(City Goal 9)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Meetings Held	8	6	4	4	4	4
	Local History Exhibits and Displays	3	3	3	2	2	2
	Programs/Lectures on Local History Topics	2	1	1	2	1	1
	Professional Memberships	4	4	4	3	3	3
	Historic Photographs and Memorabilia Collected	66	18	52	50	30	20
	Program/Exhibit Attendance	1,700	1,870	1,556	1,500	1,300	1,400

Historical Commission

SUMMARY OF BUDGET CHANGES

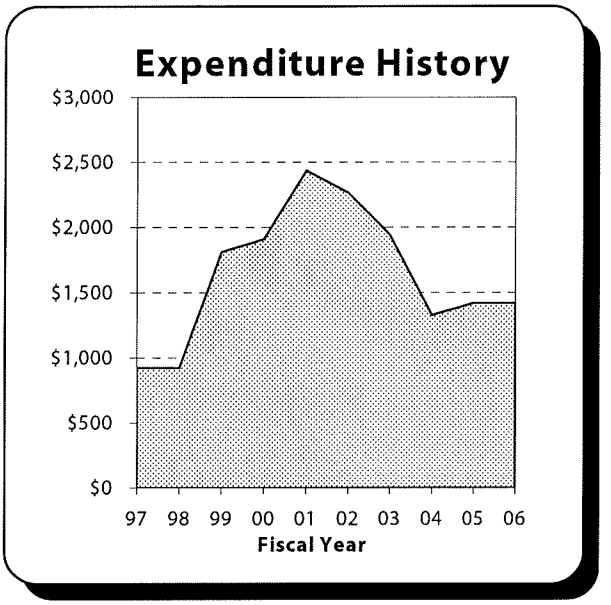
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies is proposed to remain the same at $250. There are no proposed changes within the Supplies accounts. A new sign for Edgerton Cemetery paid for through a donation, will be expensed in the 2004/05 fiscal year budget.

Other Charges – Total Other Charges is proposed to remain the same at $1,170. There are no proposed changes within the Other Charges accounts.

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.

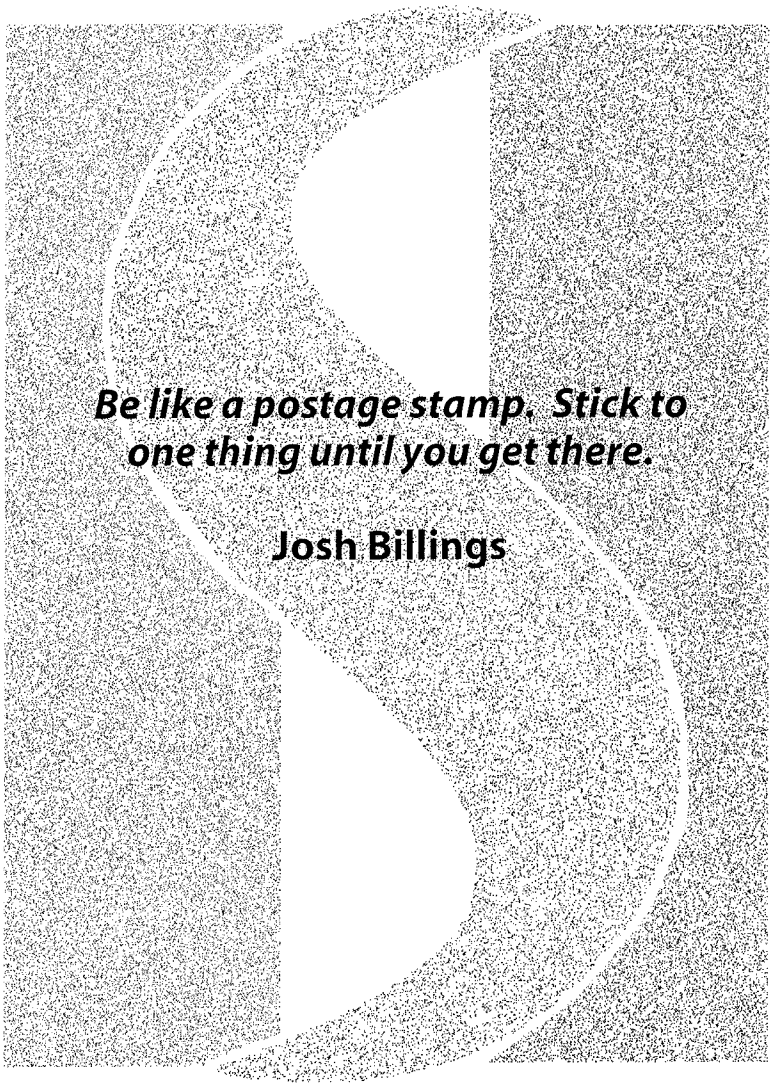
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	59	250	250	250	250
Other Charges	1,268	1,170	1,150	1,170	1,170
Total	$1,327	$1,420	$1,400	$1,420	$1,420


Be like a postage stamp. Stick to one thing until you get there.
Josh Billings

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 manner.***
- ***To identify key legal priorities of the City.***
- ***To assist the City Council and other Boards and Commissions regarding legal issues that may arise at meetings.***
- ***To establish legal procedures, guidelines and standards in support of the City Council and City Administration's missions and goals.***
- ***To 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

2005/06 PERFORMANCE OBJECTIVES

1. To provide legal support and guidance to all City offices and departments participating in new initiatives to enhance property maintenance and facilitate commercial redevelopment. *(City Goal 11, 13, 15)*

2. In recognition of the current financial conditions facing all municipalities, to discharge all duties of the City Attorney in a timely, efficient and effective manner. *(City Goal 1, 3)*

3. To aggressively defend against and minimize exposure to all liability claims made against the City by working with all offices and departments to decrease the risk of litigation through planning and early intervention. *(City Goal 20)*

4. To diligently prosecute all ordinance violations to ensure that the interests of public safety are served and offenders pay all assessed fines and costs. *(City Goal 20)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	District Court Cases	7,276	5,433	5,632	7,400	7,450	7,500
	Legal Opinions Rendered	4	3	5	10	7	10
	Ordinances and Amendments Prepared	37	18	21	30	30	35
	Commission Meetings Attended	67	54	44	60	55	60
	Council Meetings Attended	31	27	31	30	28	30
	Number of Open Lawsuits	12	18	11	15	17	20
	Number of Closed Lawsuits	21	12	20	15	17	20
	Numbers of Files Opened	88	67	73	115	115	125
	Number of Files Closed	105	60	75	100	75	100
	Legislative Issues Reviewed	104	70	74	100	100	100
	Hours Spent on City Business	10,675	7,994	6,031	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%	98%	99%	98%	98%	100%
	Activity Expenditures as % of General Fund	1.03%	0.93%	0.81%	0.87%	0.89%	0.86%

Legal

SUMMARY OF BUDGET CHANGES

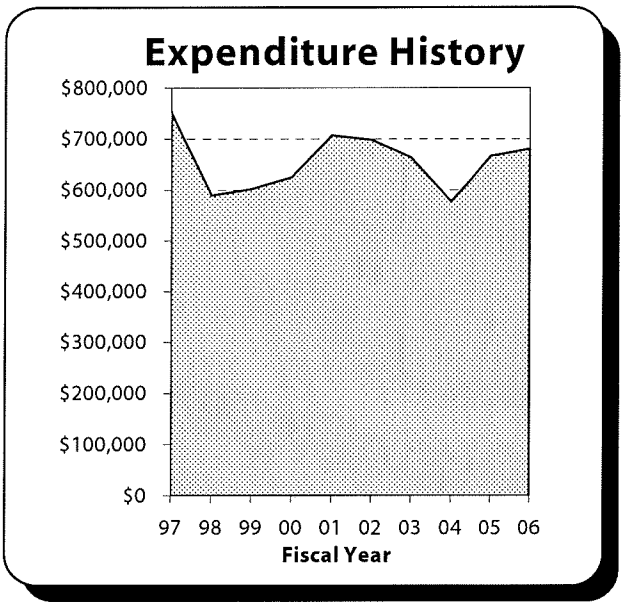
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

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 increased $14,000 or 2.1%. An increase of $20,000 was made in City Attorney legal funding based on the current year's estimated expenditure usage. No hourly rate increase is proposed. Legal costs are beginning to return to levels experienced prior to 2004. Funding decreased $6,000 for court-appointed attorneys, visiting judges, and public defender costs 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.

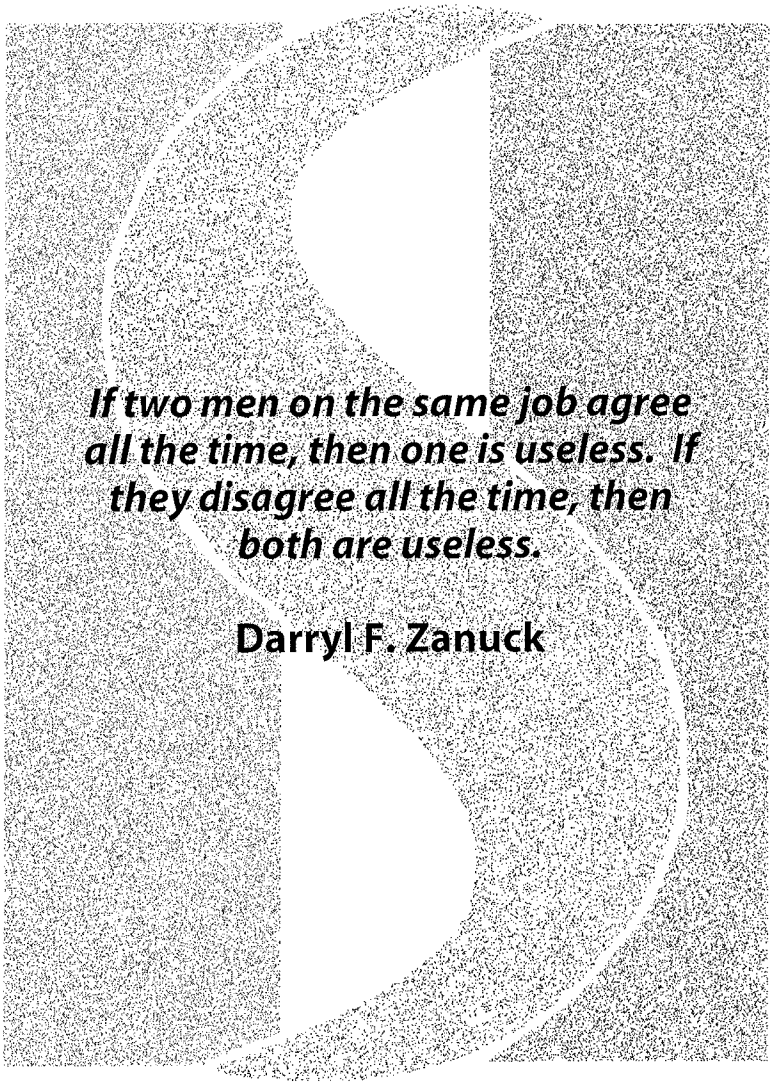
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	576,739	666,000	681,000	680,000	680,000
Total	$576,739	$666,000	$681,000	$680,000	$680,000


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

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.

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.

KEY GOALS

- ***To prepare and maintain the City's Master Land Use Plan.***
- ***To prepare and implement zoning regulations affecting the use of land to protect the public's health, safety, and welfare.***
- ***To prepare and implement subdivision regulations related to the subdividing or platting of land.***
- ***To 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.***

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 are 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. In addition, a comprehensive Master Land Use Plan update was adopted in 2005.■

Did you know?...
...that the Master Land Use Plan, recently completed by the Planning Commission, is intended to guide the City's development for the next 10 to 20 years?

Planning Commission

SUMMARY OF BUDGET CHANGES

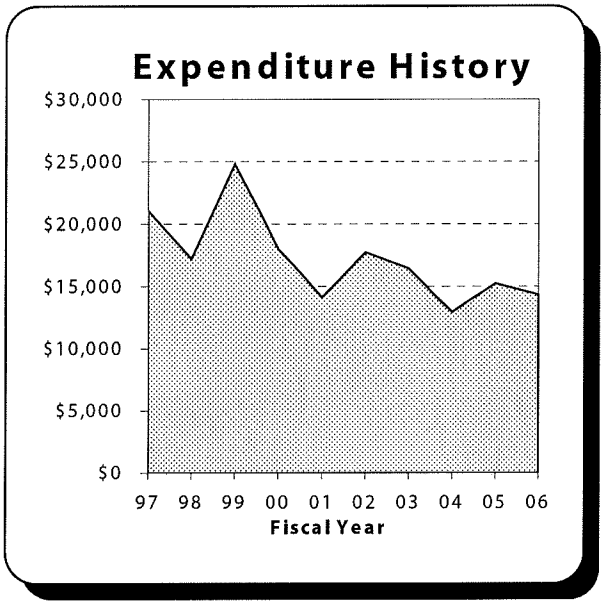
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget decreased by $230 or 5.3%. The budget for the wages paid to Planning Commissioners can be reduced slightly as the number of Planning Commission meetings held has been reduced to only 1 per month. Both FICA and Worker's Compensation are paid on elected officials wages. As a result, both of these accounts showed a slight reduction from the prior year.

Supplies – Total Supplies decreased $100 or 7.6%. Operating supply costs have been reduced by $100, as prior year funds were not fully spent.

Other Charges – Total Other Charges decreased $590 or 6.2%. Funding for reporting services to transcribe meeting minutes decreased $500 as fewer monthly meetings are being held. $500 was saved in publishing costs based on recent years' expenditure levels. $410 was added to the budget as one new Commissioner is expected to attend a required training workshop that will be held on Mackinac Island next 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$3,844	$4,320	$3,770	$4,090	$4,090
Supplies	952	1,320	1,220	1,220	1,220
Other Charges	8,136	9,600	7,900	9,010	9,010
Total	$12,932	$15,240	$12,890	$14,320	$14,320

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. The Telecommunications Commission keeps informed of changing technology in communication services within the City of Sterling Heights on behalf of all residents.

It acts to promote and encourage adequate, economical, efficient and technologically advanced telecommunication forms including, but not limited to: cable television, cable modems, phone service, and cellular towers in the City.

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 discrimination, undue preferences or advantages.

The Commission creates and regulates 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.■

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.***

Did you know?...
...that the Telecommunications Commission is reviewing guidelines for the possibility of seeking sponsors for various SHTV cable programs?

Telecommunications Commission

SUMMARY OF BUDGET CHANGES

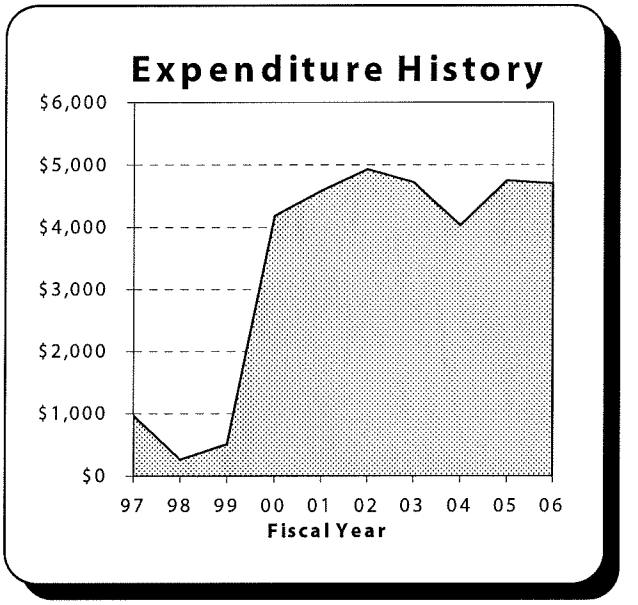
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

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 $50 or 1.1%. $50 was eliminated for reporting services based on recent years' expenditure levels. 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	4,034	4,750	4,650	4,700	4,700
Total	$4,034	$4,750	$4,650	$4,700	$4,700

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.

This fiscal year, four transfers are budgeted from the General Fund totaling $4,127,270. They include a transfer to the Capital Projects Fund, the Building Authority Receiving Fund, the Major Road Fund and the Local Road Fund.

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.***

The $1,536,350 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, municipal parking lot repairs, replacement carpeting at Fire Station #5, seat recovering at the 41-A District Court, a replacement exhaust removal system at the Public Works garage, an architectural needs assessment at Fire Stations #2, #3, and #4, the continuation of the Sidewalk Gap Completion Program, pump station repairs at the Laurel Meadows storm sewer detention pond, school walkway repairs near Samoa, Bagdad, and Gettysburg Drive, the creation of a City Employee Memorial and modifications to the existing fountain.

The $650,920 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 $1,350,000 General Fund transfer to the Major Road Fund is for additional advance funding of future road projects and to help replenish declining fund reserves.

The $590,000 General Fund transfer to the Local Road Fund is to finance the Neighborhood Road Repair & Replacement Program. The Local Road Fund does not have the funds available for its 50% match due to the funds spent on emerald ash borer tree removal costs.

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 equipment and vehicles for the General Fund office's are transferred out and accounted for in the Capital Projects Fund?

Transfers Out

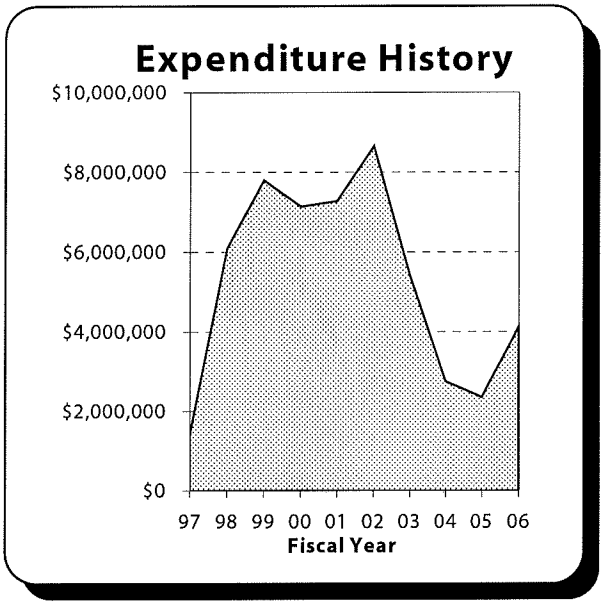
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 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 $4,139,280. Transfers to the Major Road Fund totals $1,350,000 to help replenish declining fund reserves and for the additional funding of future road projects. Transfers to the Local Road Fund totals $590,000 for 100% share of the cost for the Neighborhood Road Repair and Replacement Program. The Local Road Fund does not have the funds available for its 50% match due to the funds spent on emerald ash borer tree removal costs. Transfers to the Capital Projects Fund totals $1,536,350 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 $662,930. 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 – Transfers Out to the Building Authority Receiving Fund decreased $12,010 to reflect the savings from the recent refinancing of the 2000 Building Authority Bonds.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	0	0	0
Transfers Out	2,752,040	2,357,630	2,360,100	4,139,280	4,127,270
Total	$2,752,040	$2,357,630	$2,360,100	$4,139,280	$4,127,270

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 to provide ordinance interpretation.***

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 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.

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.■

KEY GOALS

- ***To review and act upon use and dimensional variances to the City's Zoning Ordinance.***
- ***To hear appeals in regard to special land uses and planned unit developments.***
- ***To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.***
- ***To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.***

Did you know?...
...that the Zoning Board of Appeals heard 58 cases last fiscal year that sought relief from the literal provisions of the City's Zoning Ordinance?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

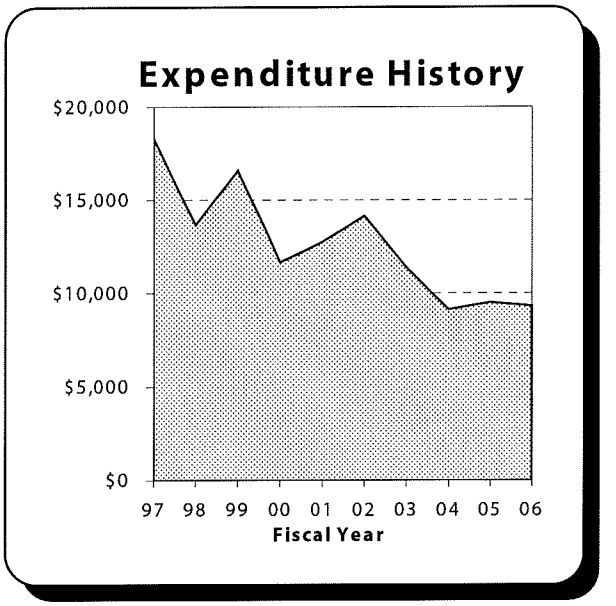
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel Services budget decreased by $10 or 0.4% from last year's budget. The budget continues to reflect a savings as a result of reducing the Zoning Board of Appeals meetings to once per month, which began in the prior fiscal year.

Supplies – Total Supplies decreased $100 or 8.3%. Funding decreased $50, as fewer audiotapes and meeting minute books are needed. Postage has been reduced by $50 based on recent years' expenditure levels.

Other Charges – Total Other Charges decreased $100 or 1.8%. Funding for reporting services decreased $100 due to fewer scheduled Zoning Board of Appeals meetings. $10 was added due to an inflationary cost increase for the rental of the Criss Cross Business and Person Search service, which has recently replaced the Bresser's Cross Index Directory. $10 was saved in membership fees as prior year 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.

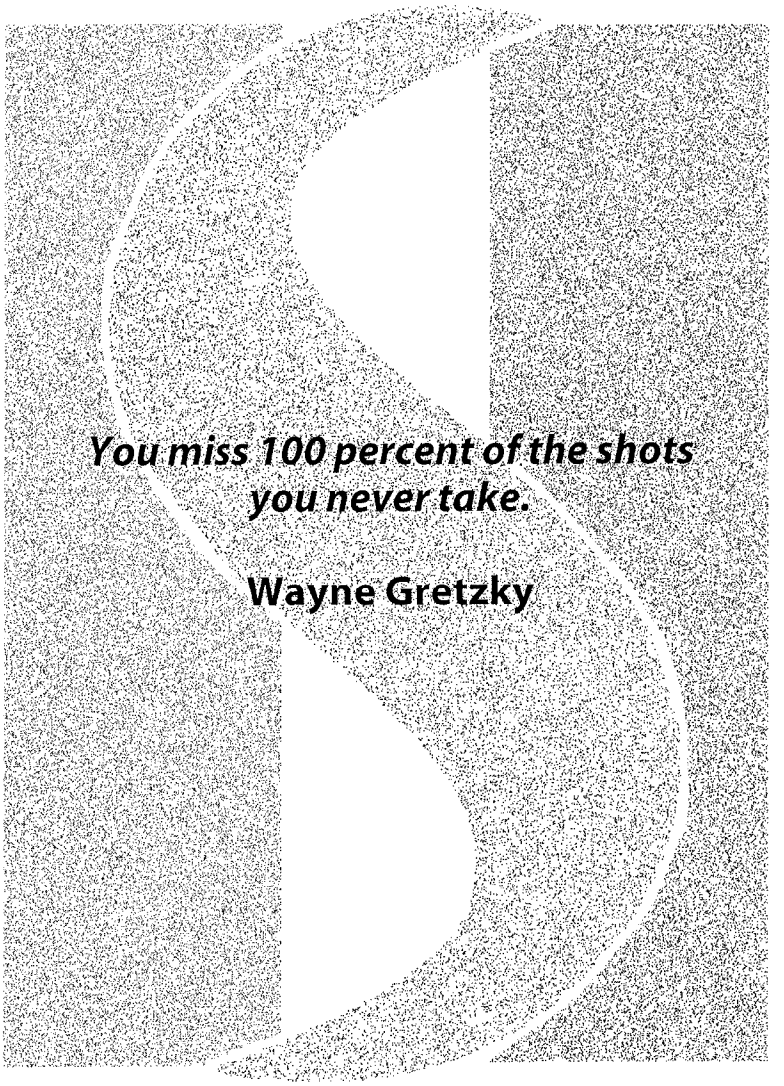
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

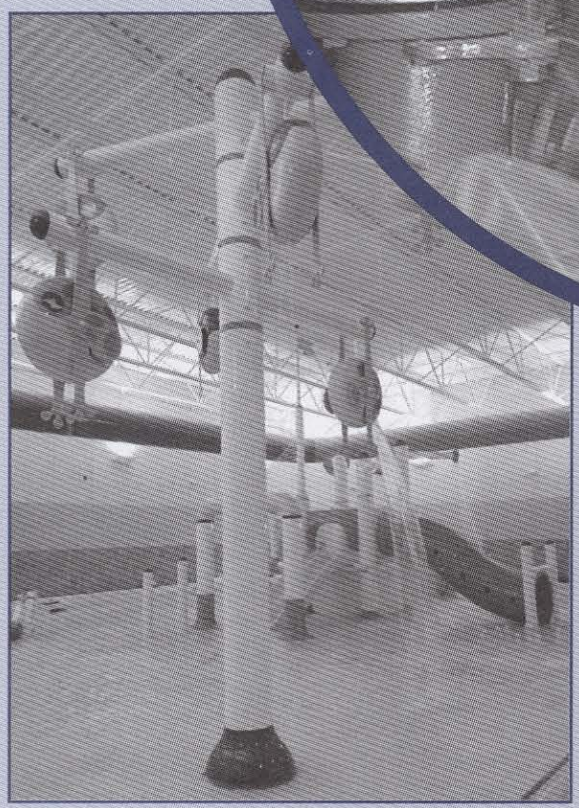
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$3,327	$2,720	$2,710	$2,710	$2,710
Supplies	1,015	1,210	960	1,110	1,110
Other Charges	4,772	5,580	4,850	5,480	5,480
Total	$9,114	$9,510	$8,520	$9,300	$9,300


You miss 100 percent of the shots
you never take.
Wayne Gretzky

WATER & SEWER FUND



The Water & Sewer Fund is an Enterprise Fund responsible for operation of the city's combined water supply and sewage disposal system. The fund is used to finance the cost of providing services to residents through user fees. Activities that make up the Water & Sewer Fund include Water & Sewer Administration, Water Distribution, and Sewage Collection.

Water & Sewer Fund

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. It is used to provide water and sewer services to residential, industrial, and commercial customers. It is self-supporting and is designed to meet its obligations free of taxation. An annual independent audit is prepared on 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 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, it became necessary for the City to raise its water and sewage rates to its customers as a direct result of the increases from Detroit.

Historically, Sterling Heights has not passed on the full City of Detroit water and sewage rate increases. Over the past 12 years, Detroit has increased its rates by an average of 7.5% per year, while Sterling Heights has increased its rates by only 5.4% per year. In addition, the City has made several adjustments to its water and sewage rate structure as a direct result of changes in the way the City is billed for water and sewage disposal costs.

For example, in 1998/99, Macomb County increased its administrative charge from $.08 to $.10 per mcf. Detroit also increased its water and sewage rates by 7.2% and 4.1%, respectively. Sterling Heights passed along only a 3% increase, but the third tier sewage rate rose 6.5% to fully cover our sewage cost from Detroit. The City also increased the summer discount from a maximum of $15 to $25.

In 2000/01, Detroit decreased its sewage rate 6.6%. The decrease, however, was offset by a yearly fixed direct charge for treating inflow and infiltration. As a result, the City passed along a 4.9% sewage rate increase to its customers.

In 2001/02, Detroit increased the fixed direct charge by 48.4% and raised its water and sewage rates 10.5% and 0.8%, respectively. 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 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 dye tested their new meters and adjusted 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 implemented a new computerized meter reading system to accurately obtain the maximum day and peak hour usage of water. As a result, Detroit increased its water rate 16.5%. In addition, the City was 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%. Sterling Heights passed along an 11.9% water and sewage rate increase to its customers.

In 2005/06, Detroit raised its water rate 7.7% due to the City's higher actual maximum day and peak hour usage. Sewage disposal fees from Detroit increased a total of 8.9%, as we are now being charged for the 15 Mile Road sewer repair. In addition, Detroit's sewage rate increased slightly from $10.30 to $10.31 per thousand cubic feet. As a result, Sterling Heights is passing along a 7.7% water rate increase and an 8.9% sewage rate increase to its customers. The City is also changing its water rate system from a single tier to an inclining two-tier rate structure. This new water rate plan will lessen higher future water costs from Detroit by allowing us to charge a slightly higher water rate for above average water consumption. This should help to lessen the City's maximum day and peak hour usage factors. As a result, the water rate increase passed on to the average resident will decrease from 7.7% down to 6.5%.■

Did you know?...
...that the City has changed its water rate structure from a single tier to an inclining two-tier rate to lessen future water rate increases from Detroit and to save the average resident money?

WATER & SEWER SYSTEM
OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
REVENUES						
Water & Sewer Service	$18,452,950	$17,966,080	$21,009,440	$19,878,230	$22,887,970	**$22,887,970**
Penalties & Interest	460,720	205,410	160,000	205,000	205,000	**205,000**
Hydrant Rental	164,070	165,830	169,900	169,900	171,000	**171,000**
Building Rental	1,200	1,200	1,200	1,200	1,200	**1,200**
Interfund Service	285,030	358,520	387,000	369,000	375,200	**375,200**
Tap and Meter Revenue	560,230	818,930	671,330	694,000	720,000	**720,000**
Repair and Service	34,070	20,830	20,000	40,000	25,000	**25,000**
Inspection Fees	26,150	22,990	28,000	25,000	25,000	**25,000**
Turn-On Charge	2,150	1,190	2,000	1,500	1,500	**1,500**
Ind./Pollution Surcharge	521,970	606,690	550,000	550,000	575,000	**575,000**
Miscellaneous	39,880	63,080	10,000	160,000	25,000	**25,000**
Interest on Investments	899,200	370,690	620,000	500,000	620,000	**620,000**
Total Revenues	**$21,447,620**	**$20,601,440**	**$23,628,870**	**$22,593,830**	**$25,631,870**	**$25,631,870**
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	$614,510	$649,000	$690,340	$696,960	$744,320	**$744,320**
Supplies	9,990	12,150	11,100	13,600	13,100	**13,100**
Other Charges	5,002,130	5,652,820	1,648,590	1,651,550	1,835,120	**1,835,120**
Capital Outlay	0	0	108,840	106,930	22,500	**22,500**
Total Expenses	**5,626,630**	**6,313,970**	**2,458,870**	**2,469,040**	**2,615,040**	**2,615,040**
WATER DISTRIBUTION						
Personnel Services	861,750	988,010	987,960	1,014,950	1,070,010	**1,070,010**
Supplies	297,250	274,940	279,000	274,000	277,000	**277,000**
Other Charges	7,175,730	7,288,550	9,265,350	8,767,350	9,408,570	**9,408,570**
Capital Outlay	0	0	40,630	40,630	52,800	**52,800**
Total Expenses	**8,334,730**	**8,551,500**	**10,572,940**	**10,096,930**	**10,808,380**	**10,808,380**
SEWAGE COLLECTION						
Personnel Services	908,940	1,038,350	1,068,060	1,182,600	1,187,060	**1,187,060**
Supplies	39,040	31,840	30,500	35,000	35,000	**35,000**
Other Charges	8,319,620	9,862,400	10,019,820	10,034,530	10,911,890	**10,911,890**
Capital Outlay	0	0	329,120	329,120	74,500	**74,500**
Total Expenses	**9,267,600**	**10,932,590**	**11,447,500**	**11,581,250**	**12,208,450**	**12,208,450**
Total Operating Expenses	**$23,228,960**	**$25,798,060**	**$24,479,310**	**$24,147,220**	**$25,631,870**	**$25,631,870**

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 2005/06 Budget, Charges for Services revenue represents 97.08% of total revenue sources, an increase of $1,996,000.

The 2005/06 Budget recommends a 7.7% increase on water rates and an 8.9% increase on sewage rates charged to our resident and corporate customers. These increases are due to the City of Detroit's water rate increase and an increase in the annual sewer fixed direct charge, as we are now being charged for the cost of the 15 Mile Road sewer repair.

The City is changing its water rate system from a single tier rate structure to an inclining two-tier rate structure. In order to lessen higher future water costs from Detroit, the City will charge a slightly higher water rate for above average water consumption. The first tier water rate will increase by only 4.0%, while the second tier rate will increase by 11.3%. This new rate plan will lessen the water rate increase that has to be passed on to the average city resident from 7.7% down to 6.5%. The average residential customer will pay $32 per month for water and sewer services and will save money as a result of the new rate structure. This plan will better encourage water conservation and allow us to better recover our costs from the systems larger users, thereby helping to maintain our low rates for all customers.

The average residential customer will pay $32 per month for water & sewer services and will save money as a result of the new rate structure.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Rental Income, and Miscellaneous Revenue.

In the 2005/06 Budget, Other Revenues represents 2.92% of total revenue sources, an increase of $7,000 above the 2004/05 Budget. This increase is mostly due to an increase in Miscellaneous Revenue.

In the 2005/06 Budget, Other Revenues represents 2.92% of total revenue sources, an increase of $7,000 above the 2004/05 Budget.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2005/06 Budget, there is no use of net assets, as revenues equal expenses. 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	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	20,204	0.10	23,000	0.10	**20,000**	**0.08**
627531	Administrative Services - Refuse	80,000	0.39	84,000	0.36	**88,200**	**0.34**
629001	Labor Services - Roads	58,675	0.28	80,000	0.34	**75,000**	**0.29**
629002	Labor Services Cross Charges	32,805	0.16	35,000	0.15	**35,000**	**0.14**
633001	Water Tap Fees	320,235	1.55	275,000	1.16	**300,000**	**1.17**
633002	Sewer Tap Fees	19,680	0.10	20,000	0.08	**20,000**	**0.08**
633003	Meter Charges	479,020	2.33	376,330	1.59	**400,000**	**1.56**
633004	Inspection	22,985	0.11	28,000	0.12	**25,000**	**0.10**
633005	Water & Sewer Services	20,835	0.10	20,000	0.08	**25,000**	**0.10**
633006	Hydrant Rental - Fire Department	165,830	0.80	169,900	0.72	**171,000**	**0.67**
633009	Turn-On Charge	1,190	0.01	2,000	0.01	**1,500**	**0.01**
634001	Materials/Supplies Cross Charges	63,667	0.31	55,000	0.23	**55,000**	**0.21**
643000	Water Services	8,106,894	39.35	9,447,680	39.98	**10,236,510**	**39.94**
644000	Collections - Sewer	9,859,187	47.86	11,561,760	48.93	**12,651,460**	**49.36**
645000	Penalties - Water & Sewer	205,408	1.00	160,000	0.68	**205,000**	**0.80**
646000	Industrial & Pollution Surcharge	606,691	2.94	550,000	2.33	**575,000**	**2.24**
	Total Charges for Services	**20,063,306**	**97.39**	**22,887,670**	**96.86**	**24,883,670**	**97.08**
	OTHER REVENUE						
665000	Interest on Investments	370,688	1.80	620,000	2.62	**620,000**	**2.42**
667006	Building Rental - Garage	1,200	0.01	1,200	0.01	**1,200**	**0.00**
669001	Rental - Road Equipment	68,875	0.33	70,000	0.30	**67,000**	**0.26**
669002	Rental/Equipment Cross Charges	34,298	0.17	40,000	0.17	**35,000**	**0.14**
685000	Miscellaneous Revenue	63,077	0.31	10,000	0.04	**25,000**	**0.10**
	Total Other Revenue	**538,138**	**2.61**	**741,200**	**3.14**	**748,200**	**2.92**
	Total Water & Sewer Fund	**$20,601,444**	**100.00**	**$23,628,870**	**100.00**	**$25,631,870**	**100.00**

Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

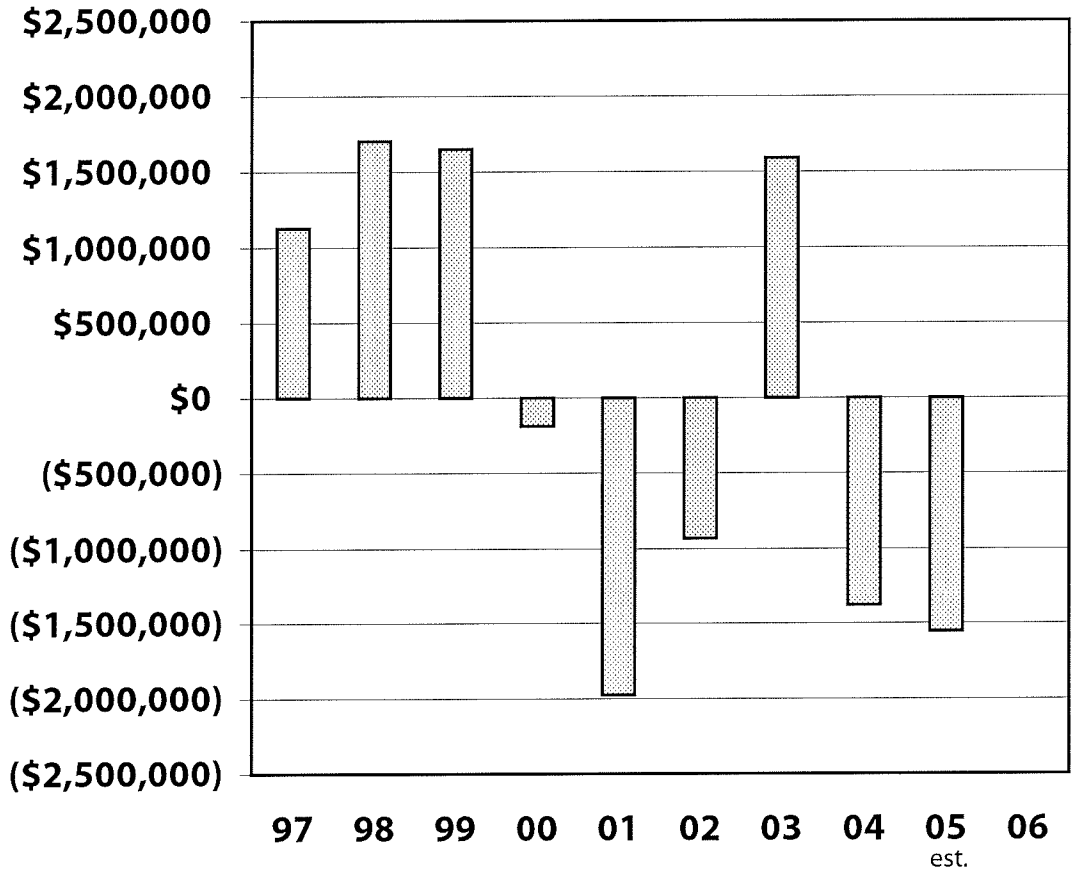
Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	PERSONNEL SERVICES						
704000	Wages & Salaries - Permanent	$1,696,907	6.58	$1,692,290	6.91	**$1,759,600**	**6.86**
704001	Sick Time Buy Back	379	0.00	600	0.00	**700**	**0.00**
705000	Wages-Salaries - Temp/Part-Time	54,962	0.21	46,200	0.19	**57,800**	**0.23**
708000	Overtime	172,883	0.67	135,000	0.55	**155,000**	**0.60**
708001	Compensation Time Buy Back	8,240	0.03	8,500	0.03	**10,000**	**0.04**
709000	Union Contract Reimbursements	38,124	0.15	24,150	0.10	**20,250**	**0.08**
710000	Longevity	87,196	0.34	86,160	0.35	**86,620**	**0.34**
715000	Clothing Allowance	9,975	0.04	9,100	0.04	**9,650**	**0.04**
717000	FICA	150,727	0.58	150,400	0.61	**157,920**	**0.62**
718000	Worker's Compensation	16,646	0.06	14,070	0.06	**15,840**	**0.06**
721000	Hospitalization	294,308	1.14	332,590	1.36	**367,500**	**1.43**
721001	Hospitalization - Retirees	93,910	0.36	192,250	0.79	**301,780**	**1.18**
722000	Dental Insurance	26,756	0.10	25,460	0.10	**29,390**	**0.11**
723000	Life Insurance	4,956	0.02	5,710	0.02	**5,940**	**0.02**
724000	Eye Care Insurance	3,325	0.01	6,560	0.03	**5,390**	**0.02**
725000	Disability Insurance - Long Term	5,289	0.02	5,760	0.02	**5,990**	**0.02**
725355	Disability Insurance - Short Term	10,776	0.04	11,560	0.05	**12,020**	**0.05**
	Total Personnel Services	**2,675,359**	**10.37**	**2,746,360**	**11.22**	**3,001,390**	**11.71**
	SUPPLIES						
729000	Postage	1,521	0.01	2,600	0.01	**2,600**	**0.01**
750000	Fuels & Lubricants	42,341	0.16	35,000	0.14	**44,000**	**0.17**
751000	Operating Supplies	24,989	0.10	27,000	0.11	**26,500**	**0.10**
770000	Water Meters - Assembled	182,113	0.71	170,000	0.69	**170,000**	**0.66**
771000	Fire Hydrant Parts	9,390	0.04	9,000	0.04	**9,000**	**0.04**
772000	Tap-In Materials - Water	56,926	0.22	70,000	0.29	**68,000**	**0.27**
774000	Water Meter Parts	1,650	0.01	7,000	0.03	**5,000**	**0.02**
	Total Supplies	**318,930**	**1.24**	**320,600**	**1.31**	**325,100**	**1.27**
	OTHER CHARGES						
802000	Audit & Accounting Services	13,750	0.05	13,750	0.06	**13,750**	**0.05**
806000	Legal Services - Other	119	0.00	300	0.00	**200**	**0.00**
806001	Legal Services - City Attorney	1,016	0.00	3,500	0.01	**2,100**	**0.01**
807000	Medical Services	1,687	0.01	1,500	0.01	**1,500**	**0.01**
810000	Other Fees	20,576	0.08	20,400	0.08	**23,000**	**0.09**
823000	Hydrant Moves - Contractor	840	0.00	2,500	0.01	**2,000**	**0.01**
824000	Water Tap Installation - Contractor	110,844	0.43	140,000	0.57	**125,000**	**0.49**
826000	Other Contracted Services	9,707	0.04	3,000	0.01	**3,000**	**0.01**
827000	Interfund Services	1,091,830	4.23	1,208,160	4.94	**1,341,030**	**5.23**
832000	Building Maintenance	25,782	0.10	3,000	0.01	**3,000**	**0.01**
833000	Equipment Maintenance	53,316	0.21	42,440	0.17	**57,260**	**0.22**
835000	Vehicle Maintenance	141,678	0.55	123,000	0.50	**130,000**	**0.51**

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
840000	Water Main Repair	123,463	0.48	130,000	0.53	**125,000**	**0.49**
841000	Distribution Line Repair	145,730	0.56	125,000	0.51	**130,000**	**0.51**
842000	Sewer Main Repair	34,338	0.13	15,000	0.06	**30,000**	**0.12**
903000	Printing	981	0.00	1,300	0.01	**1,000**	**0.00**
913000	Liability Insurance	218,690	0.85	225,250	0.92	**270,000**	**1.05**
915000	Other Insurance	2,080	0.01	2,140	0.01	**2,200**	**0.01**
921000	Electric	26,212	0.10	26,000	0.11	**30,700**	**0.12**
922000	Telephone	6,673	0.03	6,500	0.03	**6,000**	**0.02**
923000	Gas - Fuel - Oil	9,474	0.04	9,800	0.04	**10,500**	**0.04**
931000	Water Purchased	6,908,843	26.78	8,855,050	36.17	**9,004,200**	**35.13**
932000	Sewage Disposal Services	9,291,526	36.02	9,538,350	38.96	**10,390,220**	**40.54**
934000	Industrial & Pollution Surcharge	333,668	1.29	300,000	1.23	**310,000**	**1.21**
945000	Other Rental	131,714	0.51	126,820	0.52	**132,400**	**0.52**
956000	Local Meetings	155	0.00	250	0.00	**220**	**0.00**
957000	Memberships & Dues	1,171	0.00	1,000	0.00	**1,050**	**0.00**
959000	Education & Training	3,028	0.01	3,250	0.01	**3,750**	**0.01**
964000	Refunds & Rebates	7,359	0.03	6,500	0.03	**6,500**	**0.03**
968000	Depreciation	4,087,521	15.84	0	0.00	**0**	**0.00**
	Total Other Charges	**22,803,771**	**88.39**	**20,933,760**	**85.52**	**22,155,580**	**86.44**
	CAPITAL OUTLAY						
979000	Computer Equipment	0	0.00	0	0.00	**1,300**	**0.01**
982000	Machinery & Equipment	0	0.00	374,600	1.53	**74,500**	**0.29**
984000	Vehicles	0	0.00	103,990	0.42	**74,000**	**0.29**
	Total Capital Outlay	**0**	**0.00**	**478,590**	**1.96**	**149,800**	**0.58**
	Total Water & Sewer Fund	**$25,798,060**	**100.00**	**$24,479,310**	**100.00**	**$25,631,870**	**100.00**

Note: The 2003-2004 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 by $1,152,560 or 4.7%. Personnel costs rose $255,030 or 9.3% due to higher wage and fringe benefit costs. Wages for full-time employees rose $67,310. Hospitalization insurance costs increased by $34,910 or 10.5%. Increased retiree medical obligations resulted in a $109,530 increase. Additional seasonal laborer hours are recommended for enhanced weed control around detention basins. Supply costs rose by $4,500 or 1.4% due to higher fuel costs. Other Charges increased $1,221,820 or 5.8%. The City of Detroit has increased our water rates by $645,000 or 7.7%. This increase was partially offset as last year's budget included a $496,000 Detroit water true-up fee from the 2003/04 fiscal year. Beginning in 2004/05, Detroit is now billing this fee as part of its water rates. Sewage disposal fees increased $851,870 or 8.9% as Detroit has now begun charging the Macomb Sewage District for the 15 Mile Sewer Interceptor repair costs. The City's share of the repairs for next year totals $1,043,700. Our share of other fixed costs from Detroit decreased by $203,410. Capital Outlay costs fell by $328,790 due to the one-time purchase of several major pieces of equipment last year.

FUNDING LEVEL SUMMARY

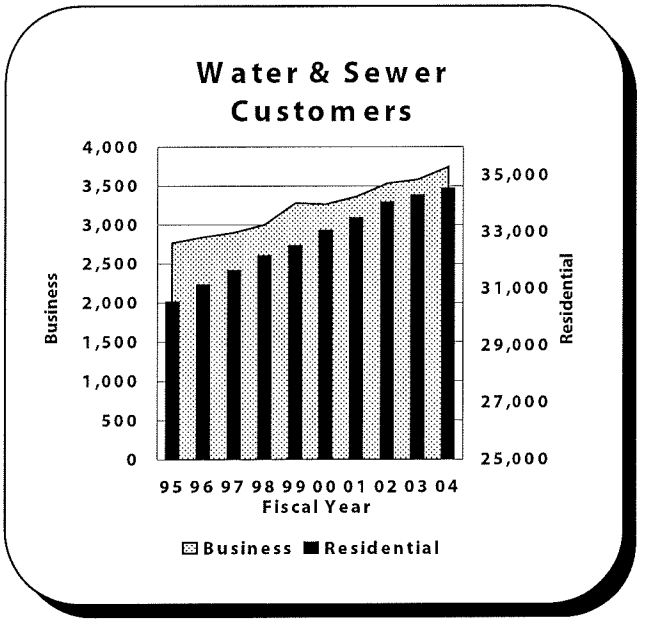
	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget	% Change from 04/05
Water & Sewer Admin.	$5,626,620	$6,313,970	$2,458,870	$2,615,040	6.4%
Water Distribution	8,334,730	8,551,500	10,572,940	10,808,380	2.2%
Sewage Collection	9,267,610	10,932,590	11,447,500	12,208,450	6.6%
Total Department	$23,228,960	$25,798,060	$24,479,310	$25,631,870	4.7%
Personnel Services	$2,385,200	$2,675,360	$2,746,360	$3,001,390	9.3%
Supplies	346,280	318,930	320,600	325,100	1.4%
Other Charges	20,497,480	22,803,770	20,933,760	22,155,580	5.8%
Capital Outlay	0	0	478,590	149,800	-68.7%
Total Department	$23,228,960	$25,798,060	$24,479,310	$25,631,870	4.7%

PERSONNEL SUMMARY

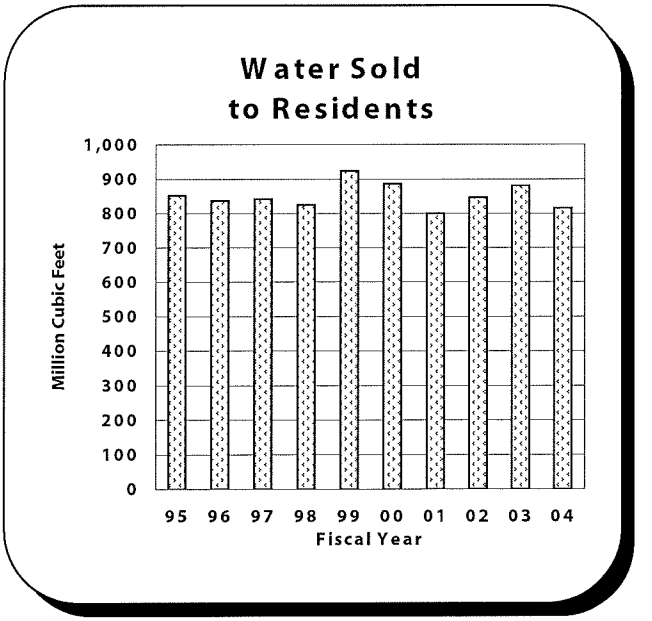
	2002/03		2003/04		2004/05		2005/06	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	9	0	9	0	9	0
Water Distribution	12	2	12	2	12	2	12	2
Sewage Collection	14	4	14	4	14	4	14	4
Total Department	35	6	35	6	35	6	35	6

KEY FUND TRENDS

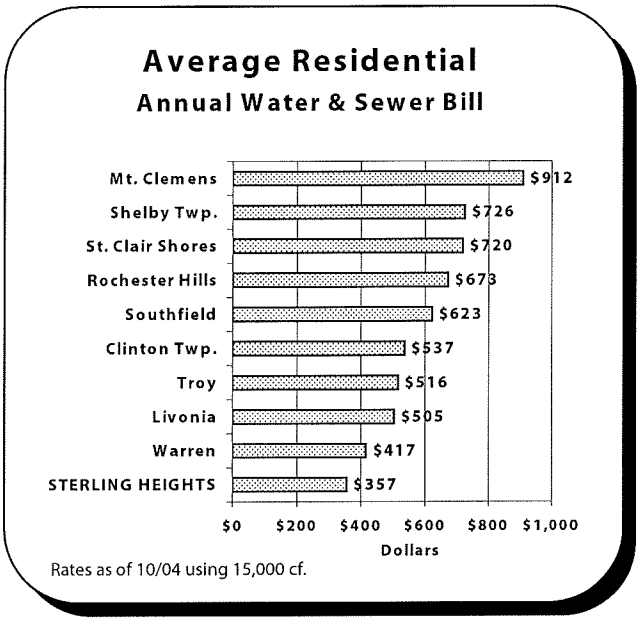
Water & Sewer Fund



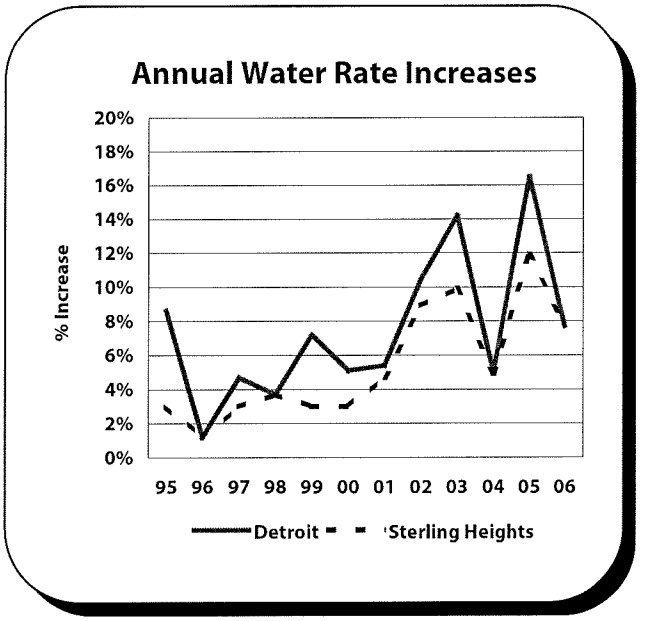
The number of both business and residential Water & Sewer customers has steadily increased over the past ten years due to continued growth and development in the City.



Over the past ten fiscal years, the City has sold a fluctuating 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 $357 annually for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 17% less than the next lowest city (Warren) and over 2.5 times less than the highest (Mt. Clemens). 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 12 years. Sterling Heights has increased its rates by only 5.4% 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 ensure the efficient and effective delivery of the best in public services to the community.***

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the 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 require personnel to report to work on other than regular duty hours. Radio contact is maintained with field crews, messages are received and relayed, and specific field operations are recorded. A daily log of shift activities, information, 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

2005/06 PERFORMANCE OBJECTIVES

1. To conduct further analyses of water only accounts and field test if necessary to determine if any of these customers are connected to the City's sanitary sewer system. *(City Goal 3, 12)*

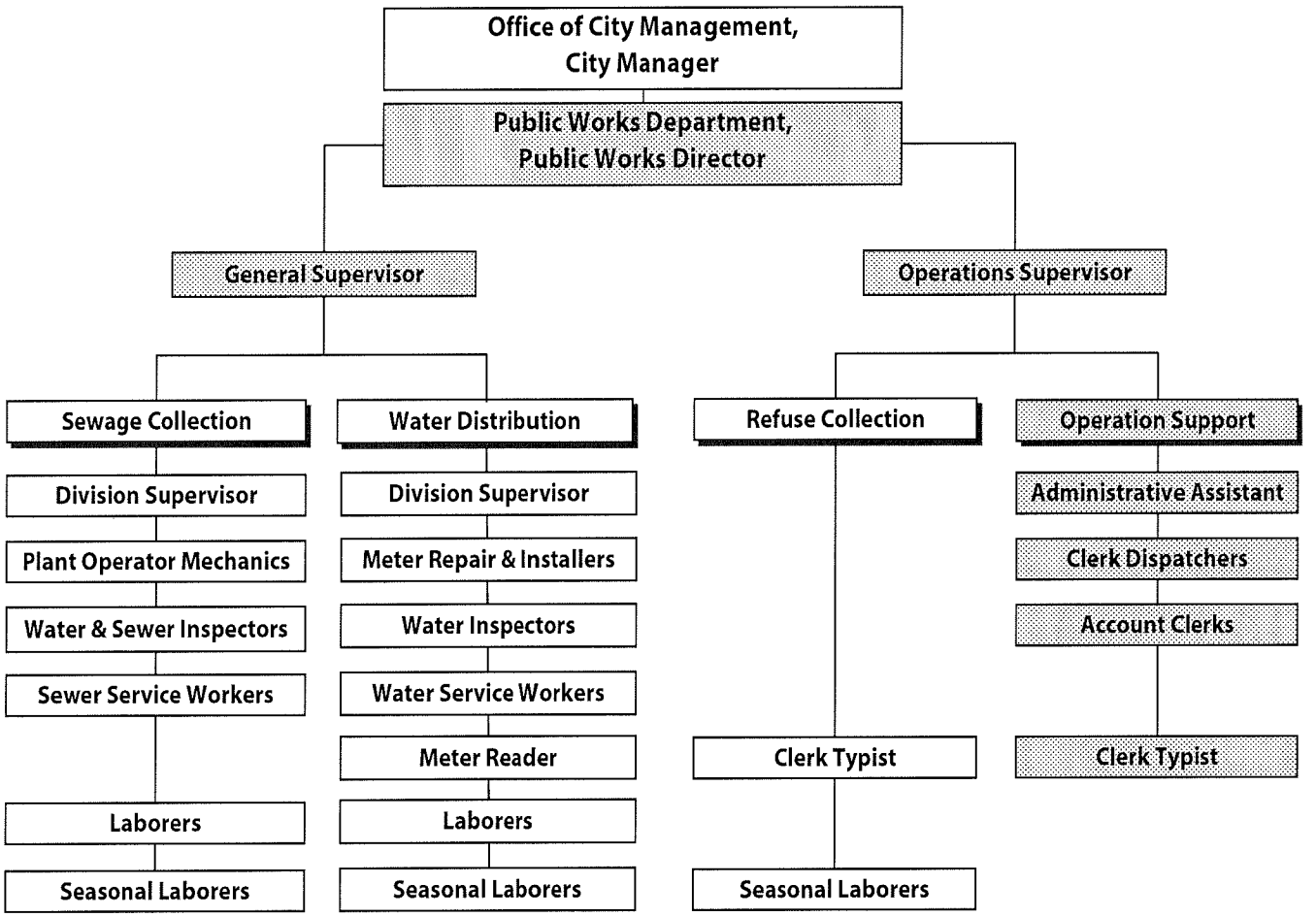
2. To prepare the 2005 Sterling Heights Annual Water Quality Report in accordance with EPA and M-DEQ requirements. This report, included in the Sterling Heights magazine, advises customers about the source of their water, results of water quality tests and other information related to safe drinking water. *(City Goal 12, 14)*

3. To aggressively enforce the City's noxious weed ordinance in order to maintain the aesthetics of the City, especially in our residential neighborhoods. *(City Goal 12, 13, 14)*

4. To mail notices to 400 commercial/industrial establishments advising them that their backflow preventers must be tested in accordance with the Michigan Department of Health's Division of Water Supply requirements. *(City Goal 12)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Water & Sewer Customers	37,583	37,884	38,270	38,500	38,600	39,100
	Customer Service Requests/Inquiries Received	33,800	32,600	31,200	31,500	38,500	32,000
	Res./Commercial Sanitary Sewer Tap Connections	364	372	367	350	308	300
	Residential/Commercial Water Taps	487	398	362	410	400	375
	Residential/Commercial Water Meter Installations	591	462	362	450	430	375
	Noxious Weed Cutting Revolutions (317 acres)	4	5	5	5	6	6
	Parcels Cut - Noxious Weed Program	1,216	1,372	1,149	1,200	1,260	1,200
	Backflow Preventer Testing Compliance Letters	338	375	363	450	440	400
	Site Plans Reviewed	98	91	88	70	80	70
	Vehicles/Equipment Specifications Prepared	18	19	15	20	16	14
	Materials/Supplies/Services Specifications Prepared	20	28	21	20	30	20
	Activity Budgets Prepared	4	4	4	4	4	4
	Hours of Safety Training	320	300	280	350	300	320
Efficiency & Effectiveness	Ratio of FT Employees to Worker Comp. Claims	45:1	18:1	29:1	87:1	87:1	87:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	% of Weed Violations Corrected by Owner	91%	85%	89%	90%	84%	90%
	Meter Reads Per Reader	61,403	62,461	63,580	63,670	64,000	64,070
	Residential Water & Sewer Bill (15,000 cfs)	$268	$299	$317	$357	$357	$385
	Activity Expenditures as % of Enterprise Fund	9.98%	10.54%	10.26%	10.05%	10.23%	10.20%

Water & Sewer Administration



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

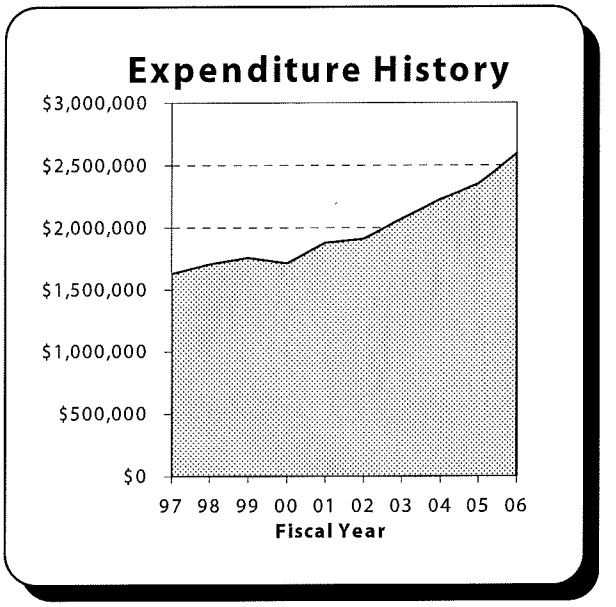
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $53,980 or 7.8%. Wages for full-time employees rose by $17,920. Overtime costs rose $5,000 due to increased water main breaks during off hours. Hospitalization Insurance costs decreased $2,970 due to a change in dependent status. Increased retiree medical obligations have resulted in a $29,460 increase.

Supplies – Total Supplies increased $2,000 or 18.0% due to higher fuel prices.

Other Charges – Total Other Charges increased $186,530 or 11.3%. Interfund service costs rose $132,870 due to the increased General Fund costs of water billing, pension administration, and other department cross-charges reflecting the time and costs spent on all water and sewer related functions. Liability insurance costs increased $44,750 to help offset the recent liability losses in the Self-Insurance Fund. Credit card fees rose $2,500 due to an increase in the number of credit card water bill payments. Higher costs for vehicle repair parts have resulted in a $2,000 increase. $500 was added as the Director will attend the International American Water Works Association Conference in lieu of a State conference. $1,500 was saved due to an anticipated decrease in the need for legal services.

Capital – Total Capital of $22,500 is proposed. $22,500 is for a 4x4 Utility Vehicle to be used by the Public Works Director in daily operations and in snow emergencies. This vehicle will replace a 1998 vehicle with over 125,000 miles.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$648,998	$690,340	$696,960	$744,320	$744,320
Supplies	12,152	11,100	13,600	13,100	13,100
Other Charges	5,652,822	1,648,590	1,651,550	1,835,120	1,835,120
Capital Outlay	0	108,840	106,930	22,500	22,500
Total	$6,313,972	$2,458,870	$2,469,040	$2,615,040	$2,615,040

Water Distribution

MISSION STATEMENT: ***To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.***

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 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 supervises and assists a subcontractor in water main break repairs.

An inventory is maintained of all materials used in the operation of the Water Distribution program. The upkeep of the divisional garage area, storage area, and meter shop, as well as the operator/driver maintenance of vehicles and equipment is performed.

Assistance is provided in the 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 (34,500) are read quarterly while commercial and industrial water meters (3,625) 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.■

KEY GOALS

- ***To provide efficient and economical maintenance and repair of the water distribution system.***
- ***To ensure accurate and continuous reading of residential, commercial and industrial water meters.***
- ***To maintain all fire hydrants in a properly functioning condition to support fire fighting throughout the City.***
- ***To inspect commercial/industrial establishments for cross connections and proper backflow prevention in order to protect the water system from contamination.***
- ***To review construction plans for future development of the water system and inspect new connections for proper installation.***

Did you know?...
...that Water Distribution personnel maintain over 6,900 fire hydrants throughout the City? Each hydrant is checked, repaired if necessary, and winterized every year. Each hydrant is also painted at least once every five years.

Water Distribution

2005/06 PERFORMANCE OBJECTIVES

1. To conduct a cost/benefit study of converting the City's 3,600 commercial water accounts from the current remote handheld meter reading system to either a fixed network radio meter reading system or mobile drive-by radio meter reading system. *(City Goal 17, 18)*

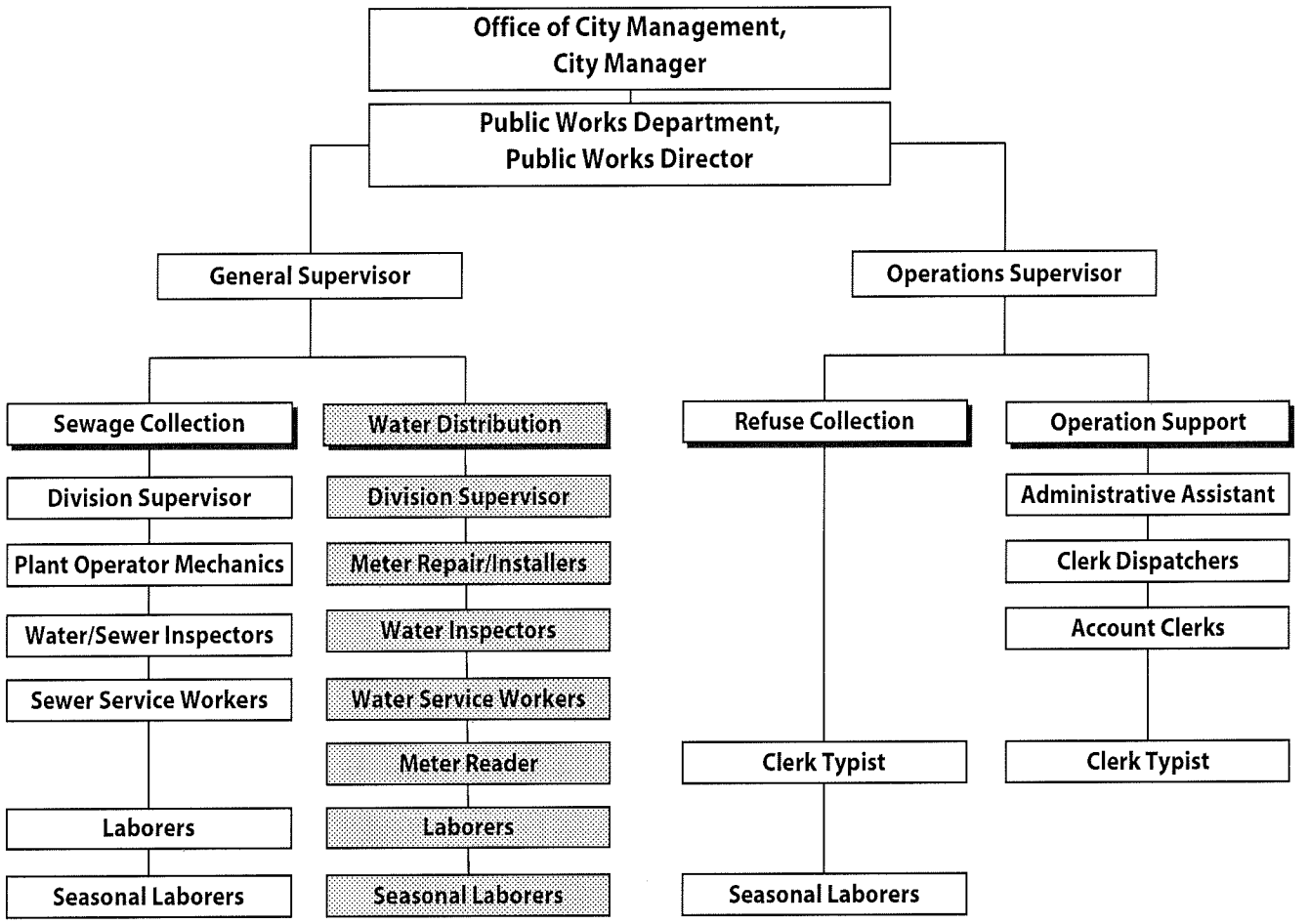
2. To monitor the testing of approximately 400 backflow preventers at commercial/industrial sites, apartment complexes, churches, and schools to ensure that they are functioning properly. *(City Goal 11, 12)*

3. 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. *(City Goal 11, 12)*

4. To test/repair approximately 250 large water meters, 2" and larger, at commercial and industrial sites to ensure that correct revenues are being realized from high volume users. *(City Goal 11, 12)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Citizen Inquiries/Service Requests Responded To	8,384	8,479	8,321	8,400	8,500	8,500
	Water Meter Reads - Residential & Commercial	184,210	187,382	190,740	191,000	192,000	192,200
	Miss Dig Stakeouts of Utilities Performed	9,788	10,111	9,648	10,000	11,000	10,000
	Water Meters Installed - Residential/Commercial	402/189	303/159	260/102	300/150	280/150	250/125
	Meters/Remote Boxes Checked/Repaired	2,177	3,287	2,520	2,400	2,300	2,500
	Water Taps Installed - Residential/Commercial	326/161	312/86	279/83	300/110	270/130	250/125
	Cross Connection Inspections/Reinspections	545	521	497	400	470	500
	Compound Meters Tested	230	248	226	250	260	250
	Gatewells Inspected	234	296	302	270	280	300
	Businesses Monitored - Backflow Compliance	338	375	363	450	440	400
	Water Samples Tested for Lead/Copper	20	20	0	20	20	20
	Fire Hydrants Replaced	12	0	22	10	5	5
	Fire Hydrants Winterized	6,563	6,633	6,796	6,900	7,000	7,050
	Fire Hydrants Painted	1,820	1,091	860	1,300	800	1,000
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	98%	99%	99%	98%	99%	98%
	% of Miss Dig Stakeouts Completed w/i 48 hours	98%	98%	98%	99%	99%	98%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.0	4.5	4.6	4.3	4.7	4.6
	Miles of Water Main Maintained per FT Employee	44.9	46.2	46.5	46.6	46.6	46.7
	Water Purchased from Detroit (1,000 cubic feet)	843,530	857,374	828,398	860,000	810,000	860,000
	Cost of 1,000 Cubic Feet of Water from Detroit	$6.95	$7.94	$8.34	$9.72	$9.72	$10.47
	Activity Expenditures as % of Enterprise Fund	38.30%	42.36%	39.39%	43.19%	41.81%	42.17%

Water Distribution



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
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

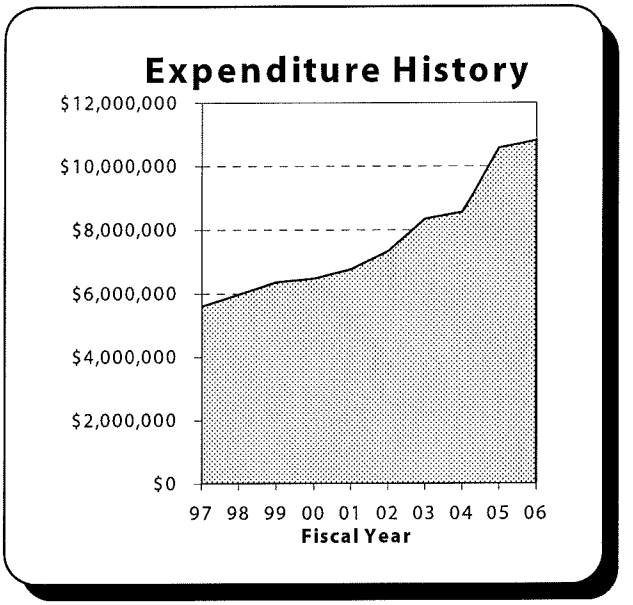
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $82,050 or 8.3%. Wages for full-time employees increased by $17,500. $5,280 is recommended for an additional 560 part-time seasonal laborer hours. This increase will allow the City to cost effectively continue to paint and cut weeds around fire hydrants, and to make quicker repairs to stop boxes. Increased retiree medical obligations have resulted in a $38,480 increase. Overtime costs rose $10,000 due to the increased number of water main breaks.

Supplies – Total Supplies decreased $2,000 or 0.7%. $2,000 less is needed for materials used to install new water taps. Water meter parts decreased $2,000 based on recent years' expenditure levels. $2,000 is budgeted for higher fuel prices.

Other Charges – Total Other Charges increased $143,220 or 1.6%. The cost of water purchased from Detroit increased $149,150 due to a 7.7% Detroit rate increase. Last year's budget included a one-time $496,000 water true up cost from the 2003/04 fiscal year. $15,000 was added for increased compound meter testing and repairs. Electrical costs rose $5,000 due to higher rates and a better assessment of the actual cost of operating the new booster station. Contract costs for new water tap installations decreased $15,000.

Capital – Total Capital of $52,800 is proposed. $18,500 is for a Mini Van to replace a 1998 90,000-mile vehicle that is used to carry special equipment for reading water meters in confined areas. $33,000 is for a Cube Utility Truck to replace a 1998 100,000-mile vehicle used by a water service worker when maintaining and repairing the water distribution system. $1,300 is for a Personal Computer to replace a six year-old computer.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$988,010	$987,960	$1,014,950	$1,070,010	$1,070,010
Supplies	274,942	279,000	274,000	277,000	277,000
Other Charges	7,288,550	9,265,350	8,767,350	9,408,570	9,408,570
Capital Outlay	0	40,630	40,630	52,800	52,800
Total	$8,551,502	$10,572,940	$10,096,930	$10,808,380	$10,808,380

Sewage Collection

MISSION STATEMENT: ***To maintain the sanitary and storm sewer systems to ensure that they are properly functioning in accordance with designed capacities.***

The Sewage Collection Division is responsible for maintaining designed sewerage flows through maintenance of the City-owned sanitary and storm sewer systems to ensure proper functioning.

Staff conducts thorough and responsible sewer and utility inspections. Crews of this Division continually repair and restore damaged utility structures, sewer lines, and replace the concrete required by these repairs. Included among the duties of this Division is the maintenance of retention ponds to assure proper functioning for the temporary retention of storm water drainage.

A three-year preventative maintenance program cleans 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 ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.***
- ***To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.***

Sanitary, 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. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know?...
...that the Sewer Maintenance division cleans 422 miles of sanitary sewer over a three year period, about 140 miles per year, as part of an ongoing preventative maintenance program to prevent sewer blockages and assure properly functioning sanitary sewers?

Sewage Collection

2005/06 PERFORMANCE OBJECTIVES

1. To inspect all restaurant grease traps throughout the City to ensure that the traps are being maintained properly, thus reducing the amount of grease entering the sanitary sewer system. *(City Goal 12)*

2. To clean 725,000 feet or 140 miles (one-third) of the sanitary sewer system in an ongoing preventative maintenance program, while inspecting and flushing known problem areas quarterly and after storms in order to prevent sewer blockages. *(City Goal 12)*

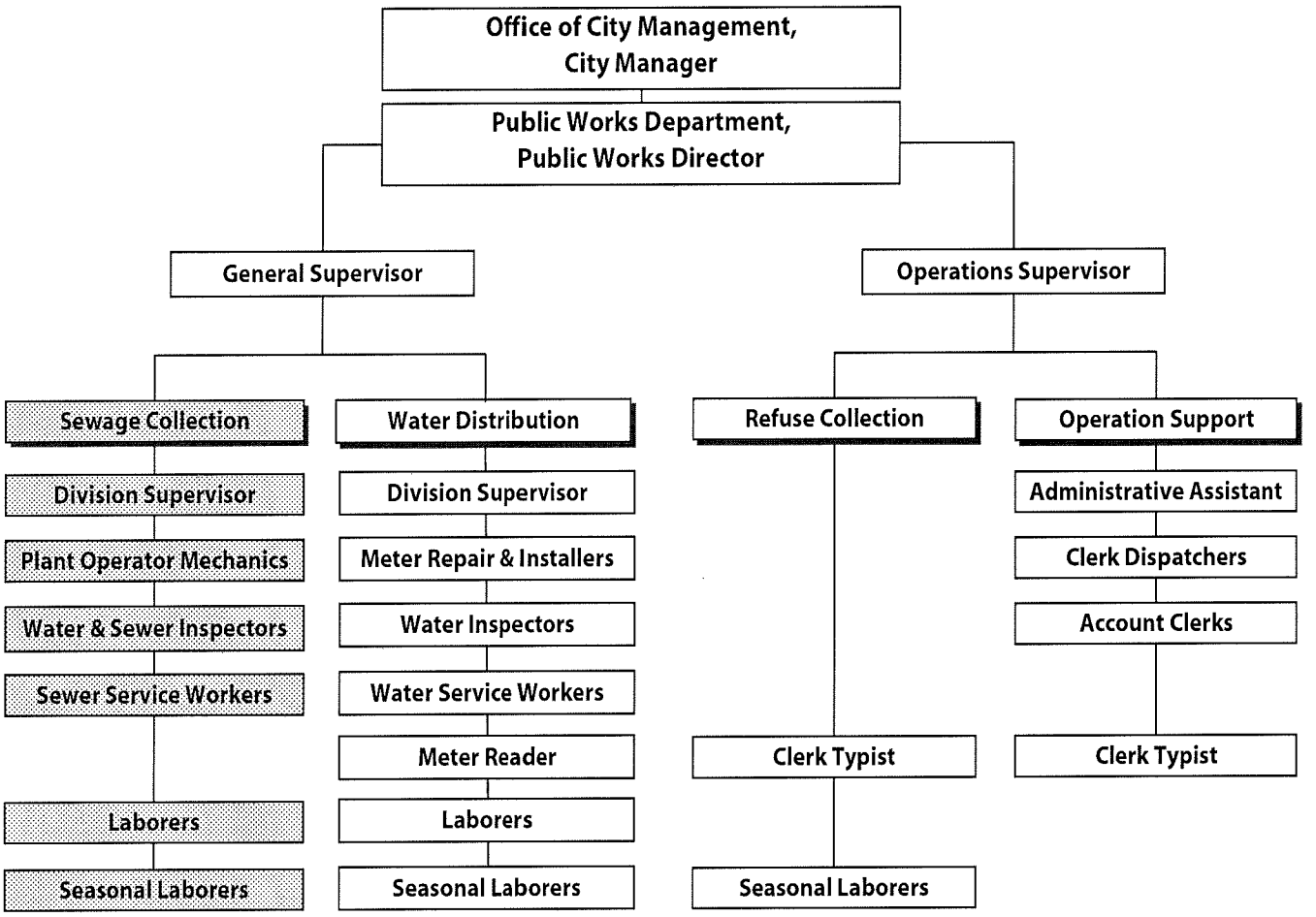
3. To implement a noxious weed spraying program along retention pond fence lines in an attempt to limit the number of times the fence lines need to be cut or mowed. *(City Goal 6, 12)*

4. To rebuild or repair 300 damaged utility structures to eliminate hazards and lessen infiltration into the sanitary sewer system. *(City Goal 12)*

	Performance Indicators	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Budget
Output	Sewer Inquiries Received & Resolved	440	478	576	500	688	600
	Sewer Inspections	364	372	367	350	308	300
	Water Inspections	300	354	325	300	280	250
	Certificate of Occupancy Inspections	606	682	913	500	788	500
	Sanitary Sewer Cleaned - Feet	710,688	671,280	553,300	729,000	628,000	725,000
	Utility Structures Restored	225	152	232	300	250	300
	Flags of Sidewalk Replaced	208	205	261	200	200	200
	Sections of Street/Approaches Replaced	109/45	86/65	102/66	90/80	85/50	90/80
	Sod Replaced - Yards	2,371	2,454	2,745	2,000	1,800	2,000
	Detroit Sewage Meter Pit Readings	624	260	260	260	260	260
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	16	16	16	16	16	15
Efficiency & Effectiveness	Sewer Main Blockages	8	10	11	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	29.6	29.6	30.1	31.0	31.0	31.0
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	*$7.96	*$9.09	*$9.87	*$10.30	*$10.30	*$10.31
	Macomb County Sewage Direct Charge	$1,990,176	$1,848,171	$1,833,774	$1,743,350	$1,788,130	$2,583,640
	Activity Expenditures as % of Enterprise Fund	51.72%	47.10%	50.36%	46.76%	47.96%	47.63%

** Does not include fixed combined sewer overflow costs.*

Sewage Collection



STAFFING SUMMARY

Position	Approved 2003/04	Approved 2004/05	Approved 2005/06
Division Supervisor	1	1	1
Plant Operator Mechanic	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

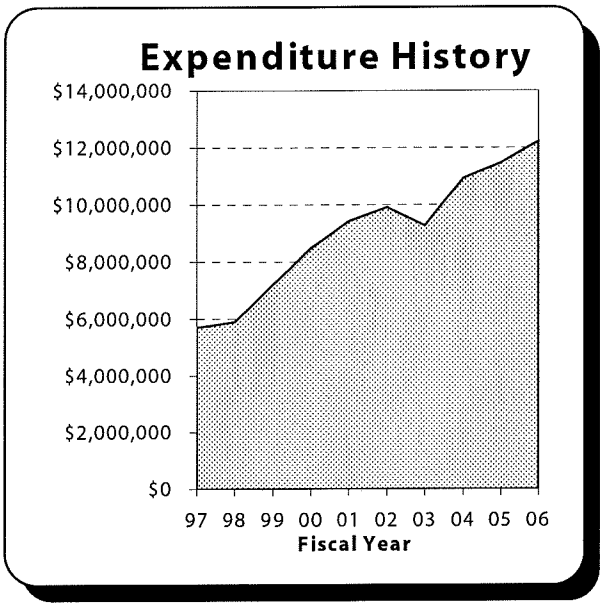
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – The total Personnel budget increased by $119,000 or 11.1%. Wages for full-time employees rose $31,890. An additional 640 part-time seasonal laborer hours costing $6,020 is recommended in order to cost effectively maintain the sanitary sewer and storm sewer systems, as well as enhance the aesthetics of retention basins through increased weed control along fencelines and the painting of pump stations and fences. Hospitalization costs rose $30,670. Higher retiree medical obligations have resulted in a $41,590 increase.

Supplies – Total Supplies increased $4,500 or 14.8% due to increased fuel prices.

Other Charges – Total Other Charges increased $892,070 or 8.9%. The cost of sewage disposal services from Detroit increased $851,870. Fixed sewage costs increased $840,290. Detroit is charging us $1,043,700 for the City's share of the 15 Mile Sewer repair costs. Other fixed costs for operations, maintenance and debt service decreased $203,410. The sewer rate from Detroit also increased from $10.30 to $10.31 per mcf. Sewage volumes are estimated to increase by 2.7%. In addition, a $212,120 one-time look back credit is anticipated by the District. Distribution line repairs increased $10,000 due to the higher cost of materials and supplies. Sewer main repair costs increased $15,000 due to increased sewer lead failures as the system is aging. Vehicle maintenance and repair costs increased by $5,000.

Capital – Total Capital of $74,500 is proposed. $66,000 is for a replacement Truck-Mounted Handi Ram that is used for breaking and removing concrete. $8,500 is for a Telescopic Lift Trailer to replace an unsafe trailer that is used to transport a concrete cement saw. Both pieces of equipment are used in the City's Manhole Rehabilitation 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.

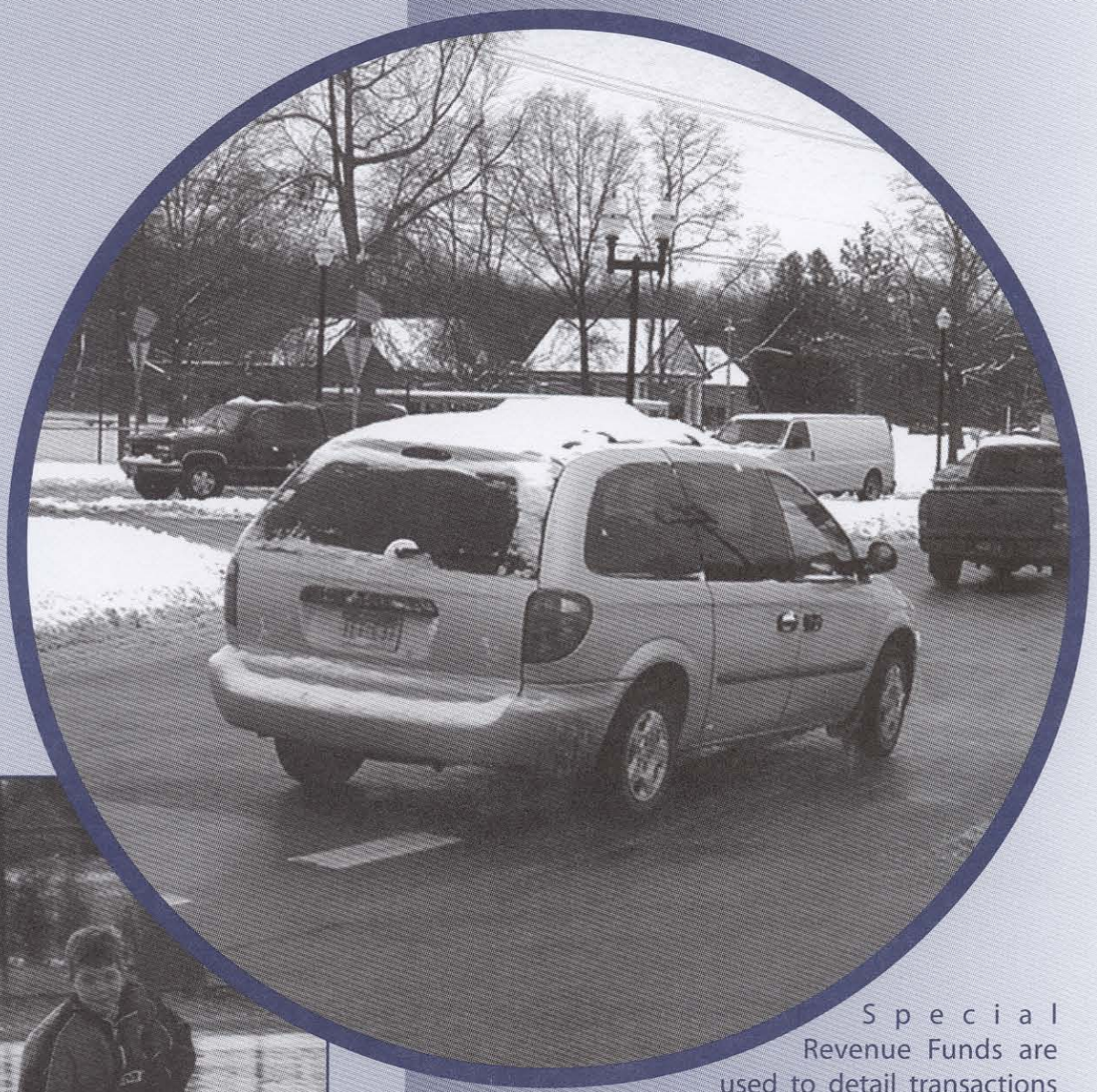
Other Charges – Council made no adjustments to Other Charges.

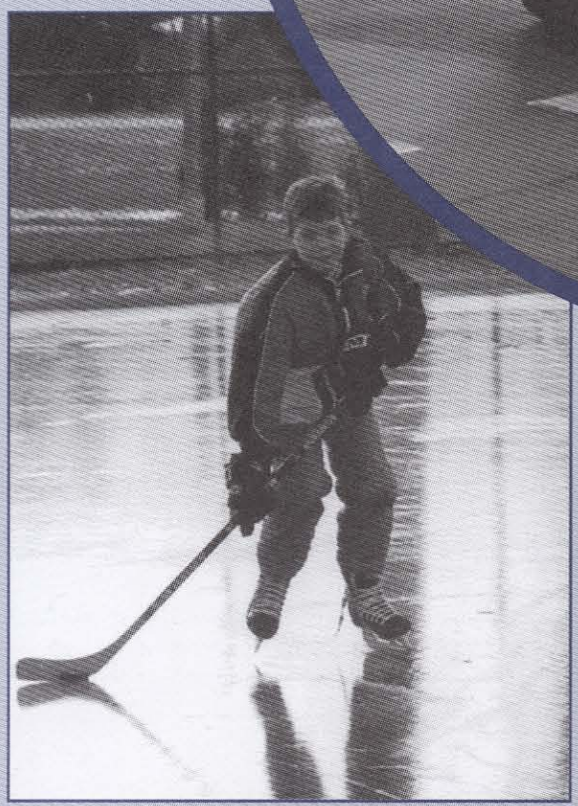
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$1,038,352	$1,068,060	$1,182,600	$1,187,060	$1,187,060
Supplies	31,836	30,500	35,000	35,000	35,000
Other Charges	9,862,401	10,019,820	10,034,530	10,911,890	10,911,890
Capital Outlay	0	329,120	329,120	74,500	74,500
Total	$10,932,589	$11,447,500	$11,581,250	$12,208,450	$12,208,450

Special Revenue Funds





Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this segment are Major and Local Roads, Economic Development Corporation, Community Development Block Grant program, Brownfield Redevelopment Authority, Land & Water Conservation Fund, and Budget Stabilization Funds.

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
MAJOR ROAD FUND						
REVENUES						
Federal Grants	$0	$0	$0	$0	$346,400	**$346,400**
Gas & Weight Tax	4,937,260	5,308,590	5,050,000	5,350,000	5,400,000	**5,400,000**
Metro Act	52,280	226,910	275,000	240,000	240,000	**240,000**
Charges for Services	480	(150)	0	0	0	**0**
Other Revenue	384,750	396,770	260,000	282,000	260,000	**260,000**
Transfer from General Fund	1,231,070	0	500,000	500,000	1,350,000	**1,350,000**
Total Revenues	**6,605,840**	**5,932,120**	**6,085,000**	**6,372,000**	**7,596,400**	**7,596,400**
EXPENDITURES						
Administration	117,090	102,460	101,700	96,700	103,700	**103,700**
Major Street Maintenance	1,607,680	1,679,200	1,736,850	1,837,500	1,901,500	**1,901,500**
Major Street Improvements	4,983,910	4,241,070	2,954,640	3,046,350	613,000	**613,000**
Transfer to Local Road Fund	450,000	200,000	750,000	750,000	1,000,000	**1,000,000**
Tfr. to Road Bond Debt Fund	2,500,000	2,600,000	2,350,000	2,350,000	2,825,000	**2,825,000**
Tfr. to Road Bond Const. Fund	347,040	500,000	0	0	0	**0**
Total Expenditures	**10,005,720**	**9,322,730**	**7,893,190**	**8,080,550**	**6,443,200**	**6,443,200**
Excess of Revenues Over (Under) Expenditures	**(3,399,880)**	**(3,390,610)**	**(1,808,190)**	**(1,708,550)**	**1,153,200**	**1,153,200**
Beginning Fund Balance	**10,820,550**	**7,420,670**	**4,030,060**	**4,030,060**	**2,321,510**	**2,321,510**
Ending Fund Balance	**$7,420,670**	**$4,030,060**	**$2,221,870**	**$2,321,510**	**$3,474,710**	**$3,474,710**
LOCAL ROAD FUND						
REVENUES						
Federal Grant	$0	$62,800	$20,000	$20,000	$20,000	**$20,000**
Gas & Weight Tax	1,857,070	2,001,880	1,950,000	2,050,000	2,100,000	**2,100,000**
Metro Act	19,610	85,560	100,000	90,000	90,000	**90,000**
Charges for Services	58,870	55,460	60,000	200,000	150,000	**150,000**
Other Revenue	32,400	46,480	103,550	47,000	83,300	**83,300**
Transfer from General Fund	0	250,000	273,000	273,000	590,000	**590,000**
Transfer from Major Road Fund	450,000	200,000	750,000	750,000	1,000,000	**1,000,000**
Tfr. from Rd. Bond Const. Fund	0	0	881,370	881,370	0	**0**
Total Revenues	**2,417,950**	**2,702,180**	**4,137,920**	**4,311,370**	**4,033,300**	**4,033,300**
EXPENDITURES						
Administration	138,880	131,600	129,700	137,520	139,700	**139,700**
Local Street Maintenance	2,231,080	2,548,000	4,054,870	4,233,600	3,144,500	**3,144,500**
Local Street Improvements	12,710	21,890	1,373,000	1,383,640	590,000	**590,000**
Tfr. to Road Bond Debt Fund	80,350	78,020	78,860	78,860	26,620	**26,620**
Total Expenditures	**2,463,020**	**2,779,510**	**5,636,430**	**5,833,620**	**3,900,820**	**3,900,820**
Excess of Revenues Over (Under) Expenditures	**(45,070)**	**(77,330)**	**(1,498,510)**	**(1,522,250)**	**132,480**	**132,480**
Beginning Fund Balance	**2,388,690**	**2,343,620**	**2,266,290**	**2,266,290**	**744,040**	**744,040**
Ending Fund Balance	**$2,343,620**	**$2,266,290**	**$767,780**	**$744,040**	**$876,520**	**$876,520**

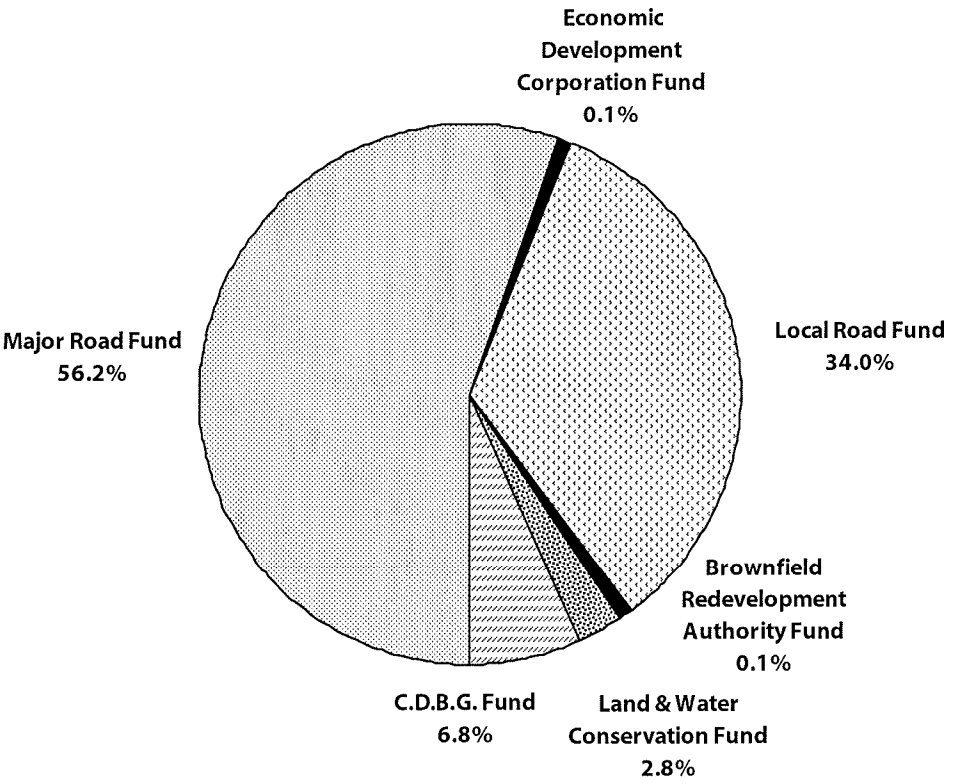
SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	$5,000	$0	$0	$0	$0	**$0**
Other Revenue	190	140	160	180	200	**200**
Total Revenues	**5,190**	**140**	**160**	**180**	**200**	**200**
EXPENDITURES						
Miscellaneous	2,710	0	9,000	4,700	9,000	**9,000**
Total Expenditures	**2,710**	**0**	**9,000**	**4,700**	**9,000**	**9,000**
Excess of Revenues Over (Under) Expenditures	**2,480**	**140**	**(8,840)**	**(4,520)**	**(8,800)**	**(8,800)**
Beginning Fund Balance	**13,180**	**15,660**	**15,800**	**15,800**	**11,280**	**11,280**
Ending Fund Balance	**$15,660**	**$15,800**	**$6,960**	**$11,280**	**$2,480**	**$2,480**
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	$2,450	$3,250	$3,160	$3,230	**$3,230**
Other Revenue	190	110	140	140	140	**140**
Transfer from General Fund	15,000	0	0	0	0	**0**
Total Revenues	**15,190**	**2,560**	**3,390**	**3,300**	**3,370**	**3,370**
EXPENDITURES						
Miscellaneous	13,060	460	9,250	5,160	8,240	**8,240**
Total Expenditures	**13,060**	**460**	**9,250**	**5,160**	**8,240**	**8,240**
Excess of Revenues Over (Under) Expenditures	**2,130**	**2,100**	**(5,860)**	**(1,860)**	**(4,870)**	**(4,870)**
Beginning Fund Balance	**7,990**	**10,120**	**12,220**	**12,220**	**10,360**	**10,360**
Ending Fund Balance	**$10,120**	**$12,220**	**$6,360**	**$10,360**	**$5,490**	**$5,490**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	$382,750	$967,570	$838,000	$954,360	$781,380	**$781,380**
Revenue Direct Loans	104,130	94,260	40,000	90,000	0	**0**
Other Revenue	8,050	0	0	0	0	**0**
Total Revenues	**494,930**	**1,061,830**	**878,000**	**1,044,360**	**781,380**	**781,380**
EXPENDITURES						
Community Development	443,360	973,670	796,640	980,620	683,550	**683,550**
Transfer to General Fund	35,000	87,110	81,360	81,360	97,830	**97,830**
Total Expenditures	**478,360**	**1,060,780**	**878,000**	**1,061,980**	**781,380**	**781,380**
Excess of Revenues Over (Under) Expenditures	**16,570**	**1,050**	**0**	**(17,620)**	**0**	**0**
Beginning Fund Balance	**0**	**16,570**	**17,620**	**17,620**	**0**	**0**
Ending Fund Balance	**$16,570**	**$17,620**	**$17,620**	**$0**	**$0**	**$0**
LAND & WATER CONSERVATION FUND						
REVENUES						
Federal Grants	$0	$4,000	$4,000	$3,000	$3,000	**$3,000**
State Grants	181,610	0	20,000	20,000	210,000	**210,000**
Other Revenue	232,010	12,790	1,050,220	1,038,910	210,000	**210,000**
Transfer from General Fund	299,000	0	0	0	0	**0**
Total Revenues	**712,620**	**16,790**	**1,074,220**	**1,061,910**	**423,000**	**423,000**
EXPENDITURES						
Land Improvements	727,390	275,040	946,750	793,000	323,000	**323,000**
Total Expenditures	**727,390**	**275,040**	**946,750**	**793,000**	**323,000**	**323,000**
Excess of Revenues Over (Under) Expenditures	**(14,770)**	**(258,250)**	**127,470**	**268,910**	**100,000**	**100,000**
Beginning Fund Balance	**1,360,280**	**1,345,510**	**1,087,260**	**1,087,260**	**1,356,170**	**1,356,170**
Ending Fund Balance	**$1,345,510**	**$1,087,260**	**$1,214,730**	**$1,356,170**	**$1,456,170**	**$1,456,170**

2005/06 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.

Special Revenue Funds Revenues

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 $3,230 or 0.03% of the 2005/06 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 2005/06 Budget, State and Local Return revenues represent 71.59% of total revenue sources, an increase of $893,780 above the 2004/05 Budget. This increase is primarily due to an increase in Act 51 funding. In addition, Federal and State Grant funding also increased.

In the 2005/06 Budget, State and Local Return revenues represent 71.59% of total revenue sources, an increase of $893,780 above the 2004/05 Budget.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. This revenue center will receive transfers from the General Fund and the Major Road Fund.

In 2005/06, revenues generated from Other Financing Sources represent 22.90% of total revenue sources, an increase of $535,630 above the 2004/05 Budget. The General Fund transfer to the Major Road Fund is $1,350,000 and will be used to help replenish declining fund reserves and for the additional funding of future road projects. The General Fund transfer to the Local Road Fund for $590,000 will be used to fully fund the Neighborhood Road Repair and Replacement Program. A transfer from the Major Road Fund to the Local Road Fund is $1,000,000, an increase of $250,000 above the prior year, as more funding is needed for local road maintenance.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting. In the 2005/06 Budget, Charges for Services represents 1.17% of total revenue sources, an increase of $90,000 above the 2004/05 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, Sale of Fixed Assets, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2005/06, Other Revenues represent 4.31% of total revenue sources, a decrease of $860,430 below the 2004/05 Budget. This decrease is primarily due to the one-time receipt of revenue from the sale of three city-owned properties in the prior year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2005/06 Budget, revenues exceed expenditures by $1,372,010 allowing for a contribution to Fund Balance reserves, mainly in the Major Road Fund.■

SPECIAL REVENUE FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	TAXES						
420000	Property Taxes - TIF	$2,450	0.03	$3,250	0.03	**$3,230**	**0.03**
	Total Taxes	**2,450**	**0.03**	**3,250**	**0.03**	**3,230**	**0.03**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	1,034,376	10.65	862,000	7.08	**1,150,780**	**8.96**
529003	Revenue Direct Loans	94,262	0.97	40,000	0.33	**0**	**0.00**
539002	State Grants	0	0.00	20,000	0.16	**210,000**	**1.64**
539348	Metro Act	312,469	3.22	375,000	3.08	**330,000**	**2.57**
546000	Highway & Street Grants	7,310,471	75.24	7,000,000	57.48	**7,500,000**	**58.42**
	Total State & Local Returns	**8,751,578**	**90.08**	**8,297,000**	**68.13**	**9,190,780**	**71.59**
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	250,000	2.57	773,000	6.35	**1,940,000**	**15.11**
699202	Transfer from Major Road Fund	200,000	2.06	750,000	6.16	**1,000,000**	**7.79**
699428	Tfr. from Road Bond Const. Fund	0	0.00	881,370	7.24	**0**	**0.00**
	Total Other Financing Sources	**450,000**	**4.63**	**2,404,370**	**19.74**	**2,940,000**	**22.90**
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	55,313	0.57	60,000	0.49	**150,000**	**1.17**
	Total Charges for Services	**55,313**	**0.57**	**60,000**	**0.49**	**150,000**	**1.17**
	OTHER REVENUE						
665000	Interest on Investments	94,664	0.97	130,300	1.07	**115,340**	**0.90**
672000	Special Assessment Revenue	0	0.00	58,300	0.48	**58,300**	**0.45**
673000	Sale of Fixed Assets	0	0.00	1,040,220	8.54	**180,000**	**1.40**
676000	Reimbursements	355,726	3.66	185,250	1.52	**200,000**	**1.56**
685000	Miscellaneous Revenue	5,884	0.06	0	0.00	**0**	**0.00**
	Total Other Revenue	**456,274**	**4.70**	**1,414,070**	**11.61**	**553,640**	**4.31**
	Total Special Revenue Funds	**$9,715,615**	**100.00**	**$12,178,690**	**100.00**	**$12,837,650**	**100.00**

Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	$10,023	0.07	$8,530	0.06	**$12,000**	**0.10**
717000	FICA	801	0.01	660	0.00	**920**	**0.01**
	Total Personnel Services	**10,824**	**0.08**	**9,190**	**0.06**	**12,920**	**0.11**
	SUPPLIES						
729000	Postage	373	0.00	350	0.00	**350**	**0.00**
730000	Publications	79	0.00	100	0.00	**100**	**0.00**
751000	Operating Supplies	1,169	0.01	600	0.00	**600**	**0.01**
785000	Books	10,016	0.07	11,200	0.07	**10,000**	**0.09**
	Total Supplies	**11,637**	**0.09**	**12,250**	**0.08**	**11,050**	**0.10**
	OTHER CHARGES						
802000	Audit & Accounting Services	9,400	0.07	9,400	0.06	**9,400**	**0.08**
804000	Engineering Consultants	0	0.00	1,000	0.01	**1,000**	**0.01**
805000	Administrative Services	217,046	1.62	215,000	1.40	**227,000**	**1.98**
806001	Legal Services - City Attorney	8,073	0.06	6,500	0.04	**8,500**	**0.07**
826000	Other Contracted Services	543,470	4.04	329,350	2.14	**198,740**	**1.73**
880000	Community Promotion	0	0.00	7,500	0.05	**7,500**	**0.07**
887000	Bridge Maintenance	(27,346)	-0.20	12,500	0.08	**12,500**	**0.11**
887001	Bridge Maintenance - County	0	0.00	1,000	0.01	**1,000**	**0.01**
888000	Surface Maintenance	222,006	1.65	300,000	1.95	**300,000**	**2.62**
888001	Surface Maintenance - County	1,429	0.01	2,000	0.01	**2,000**	**0.02**
888908	2000 Joint Sealing Program	2,245	0.02	0	0.00	**0**	**0.00**
888926	2002 Concrete Replacement Program	16,881	0.13	0	0.00	**0**	**0.00**
888936	2003 Concrete Replacement Program	983,836	7.32	1,025,000	6.67	**0**	**0.00**
888937	2002 Joint Sealing Program	124,369	0.93	125,000	0.81	**0**	**0.00**
888987	2003 Joint Sealing Program	317	0.00	0	0.00	**125,000**	**1.09**
888989	2004 Concrete Replacement Program	310	0.00	0	0.00	**1,025,000**	**8.94**
889000	Shoulder Maintenance	43,753	0.33	22,000	0.14	**22,000**	**0.19**
889001	Shoulder Maintenance - County	0	0.00	1,000	0.01	**1,000**	**0.01**
890000	Sweeping & Flushing	236,704	1.76	230,000	1.50	**230,000**	**2.01**
890001	Sweeping & Flushing - County	60,503	0.45	70,000	0.46	**70,000**	**0.61**
890002	Sweeping & Flushing - State	13,463	0.10	13,000	0.08	**13,000**	**0.11**
891000	Grass & Weed Control	141,174	1.05	158,000	1.03	**165,000**	**1.44**
891001	Grass & Weed Control - County	249,726	1.86	180,000	1.17	**180,000**	**1.57**
891002	Grass & Weed Control - State	154,222	1.15	175,000	1.14	**175,000**	**1.53**
892000	Roadside Cleanup	15,546	0.12	13,000	0.08	**18,000**	**0.16**
892001	Roadside Cleanup - County	4,415	0.03	10,000	0.07	**15,000**	**0.13**
892002	Roadside Cleanup - State	5,601	0.04	25,000	0.16	**10,000**	**0.09**
893000	Curb & Gutter Maintenance	3,446	0.03	3,500	0.02	**3,500**	**0.03**
894000	Storm Drain Maintenance	293,135	2.18	310,000	2.02	**310,000**	**2.70**
894001	Storm Drain Maintenance - County	0	0.00	350	0.00	**3,000**	**0.03**
895000	Tree & Shrub Maintenance	773,093	5.75	2,337,370	15.20	**1,460,000**	**12.73**
895001	Tree & Shrub Maintenance - County	19,448	0.14	20,000	0.13	**20,000**	**0.17**
895002	Tree & Shrub Maintenance - State	6,713	0.05	7,000	0.05	**7,000**	**0.06**

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
897000	Snow & Ice Removal	551,429	4.10	425,000	2.76	550,000	4.80
897001	Snow & Ice Removal - County	3,846	0.03	1,000	0.01	3,000	0.03
898000	Traffic Signs & Signals	251,323	1.87	220,000	1.43	220,000	1.92
898001	Traffic Signs & Signals - County	12,501	0.09	15,000	0.10	15,000	0.13
899000	Pavement Markings	63,107	0.47	90,000	0.59	90,000	0.78
902000	Publishing	310	0.00	3,400	0.02	2,400	0.02
922000	Telephone	379	0.00	400	0.00	250	0.00
956000	Local Meetings	49	0.00	150	0.00	100	0.00
957000	Memberships & Dues	95	0.00	100	0.00	100	0.00
959000	Education & Training	413	0.00	2,000	0.01	3,000	0.03
962000	Miscellaneous Expense	0	0.00	3,250	0.02	3,240	0.03
	Total Other Charges	**5,006,430**	**37.25**	**6,369,770**	**41.44**	**5,507,230**	**48.03**
	CAPITAL OUTLAY						
972000	Land Improvement	50,023	0.37	404,800	2.63	6,000	0.05
972008	Land Imp-Neighbrhd Prks-Play Equip	3,560	0.03	90,670	0.59	34,960	0.30
972333	Delia Park Improvements	0	0.00	24,000	0.16	275,000	2.40
972334	Sport Courts & Path Resurfacing	141,138	1.05	0	0.00	30,000	0.26
972838	Avis Park Improvements	6,167	0.05	9,590	0.06	0	0.00
972845	Bike Path - Riverland to Van Dyke	7,208	0.05	500,000	3.25	0	0.00
972850	Dodge Park Restroom	1,420	0.01	0	0.00	0	0.00
972934	Nelson Park Soccer Fields	0	0.00	60,000	0.39	0	0.00
972945	Baumgartner Park - Lighting Replace	56,522	0.42	0	0.00	0	0.00
972985	Baumgartner Park - Soccer Fields	9,000	0.07	270,000	1.76	0	0.00
975000	Buildings & Improvements	24,528	0.18	0	0.00	0	0.00
975850	Park Signage	0	0.00	34,490	0.22	12,000	0.10
988000	Construction	329,609	2.45	1,898,680	12.35	1,527,030	13.32
988700	Dequindre Rd - 16-18 Mile Road	731	0.01	438,740	2.85	0	0.00
988840	Schoenherr Ped Bridge over Plum Drn	19,200	0.14	0	0.00	0	0.00
988856	Maple Lane Reconstruction	1,536,267	11.43	63,730	0.41	0	0.00
988870	Clinton River Rd - Edison to Canal	444,165	3.31	0	0.00	0	0.00
988876	1998 Bridge Inv 17 Mile Rd/Conrail	23,685	0.18	0	0.00	0	0.00
988880	Elmridge Drive Paving & SS	1,220	0.01	465,000	3.02	0	0.00
988906	Plumbrook Resurf - Van Dyke/Utica	1,104,577	8.22	37,420	0.24	0	0.00
988915	Shadow Creek Drive Extension	1,463	0.01	118,000	0.77	0	0.00
988922	Oleander Paving - CDBG	381,970	2.84	0	0.00	0	0.00
988928	Metro Pkwy Wide-Dodge Park/Utica	47,441	0.35	30,000	0.20	0	0.00
988941	15 Mile Road Resurfacing	3,054	0.02	137,570	0.89	0	0.00
988947	17 Mile Rd Bridge over Plumb Drain	(5,864)	-0.04	0	0.00	0	0.00
988955	Salt Dome	422,286	3.14	0	0.00	0	0.00
988963	15 Mile Joint Repair-Ryan/Dequindre	133,400	0.99	0	0.00	0	0.00
988965	Section 31 Bristol Heights	0	0.00	790,000	5.14	0	0.00
988967	2003/04 Bridge Maintenance	200,224	1.49	0	0.00	0	0.00
988986	19 Mile Rd Reconst-Mound/Dequindre	1,500	0.01	348,500	2.27	100,000	0.87
	Total Capital Outlay	**4,944,494**	**36.79**	**5,721,190**	**37.22**	**1,984,990**	**17.31**

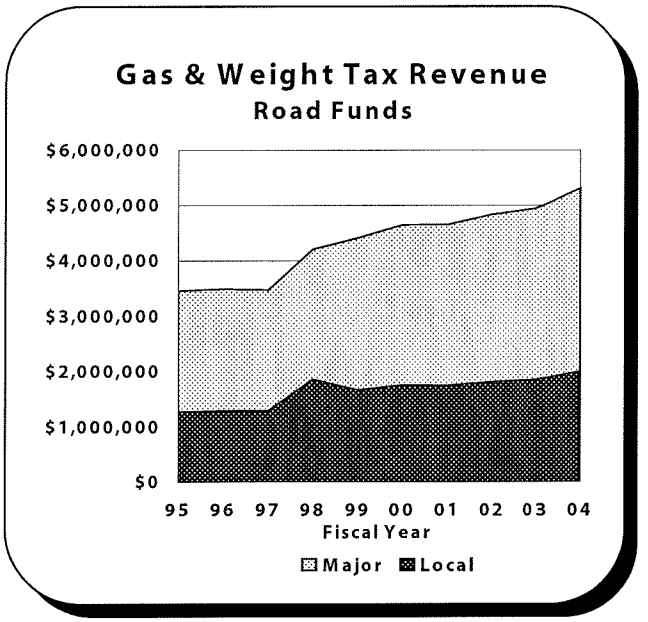
SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	TRANSFERS OUT						
999101	Transfer to General Fund	87,110	0.65	81,360	0.53	**97,830**	**0.85**
999203	Transfer to Local Road Fund	200,000	1.49	750,000	4.88	**1,000,000**	**8.72**
999327	Tfr to Road Bond Debt Retire Fund	2,678,020	19.93	2,428,860	15.80	**2,851,620**	**24.87**
999428	Transfer to Road Bond Constr Fund	500,000	3.72	0	0.00	**0**	**0.00**
	Total Transfers Out	**3,465,130**	**25.79**	**3,260,220**	**21.21**	**3,949,450**	**34.45**
	Total Special Revenue Funds	**$13,438,515**	**100.00**	**$15,372,620**	**100.00**	**$11,465,640**	**100.00**

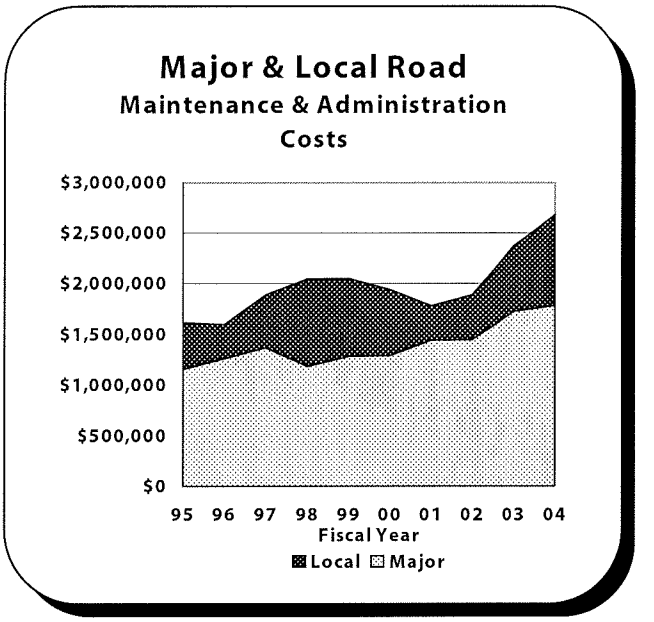
Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

Special Revenue Funds

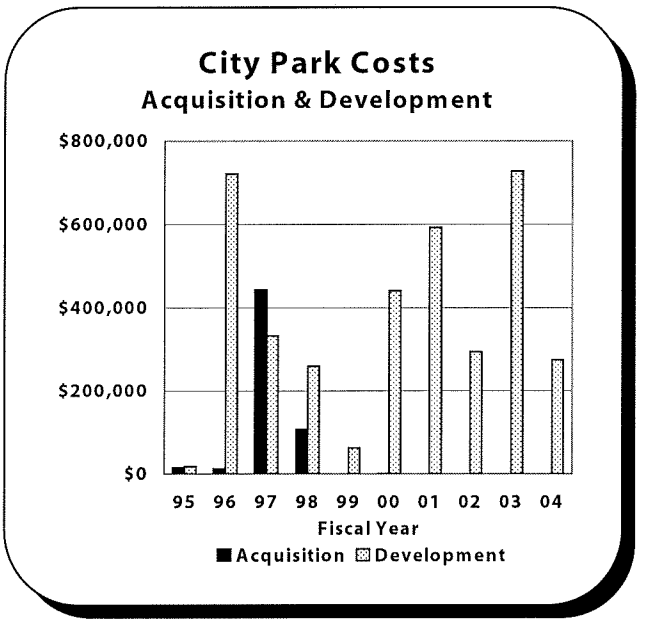


The amount of gas and weight tax revenues the City received remained nearly the same from 1995 to 1997. A four cent per gallon gas tax increase approved by the State in 1997 resulted in additional funding to the City beginning in 1998. The State's gas tax has increased once in the past 21 years.



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 ten years on road construction, averaging $6.0 million per year. With the completion of Ryan Road in 2000, the City's cost dropped to $3.4 million 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. We spent $6 million in 2004 including improvements to Plumbrook, Maple Lane, Oleander, and 18½ Mile Road.



The City continues to spend funds to develop City parks and provide the necessary path systems, restroom, ball field lighting, soccer fields, 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 and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

The 2005/06 Capital Outlay budget includes funding of $30,000 for the deck replacement of the Van Dyke bridge over the Clinton River. Also included is $70,000 for the clean out of the culverts at 15 Mile Road, Ryan Road, and Dodge Park Road bridges. Preliminary engineering and right-of-way acquisition costs for a widening project on 19 Mile Road is included for $100,000. $20,000 is budgeted for the landscaping of the 18½ Mile Road roundabout. $43,000 is funded for intersection improvements at Dobry Drive and Ryan Road. $350,000 is funded for various intersections, rights-of-way, and traffic signal improvements.

Total Other Charges are budgeted in the amount of $2,005,200, which is 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 2005/06, $1,000,000 is to be transferred to the Local Road Fund as more funding is needed for local road maintenance and construction and for the ongoing removal of emerald ash borer infested trees along City neighborhood streets. $2,825,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of prior years' 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

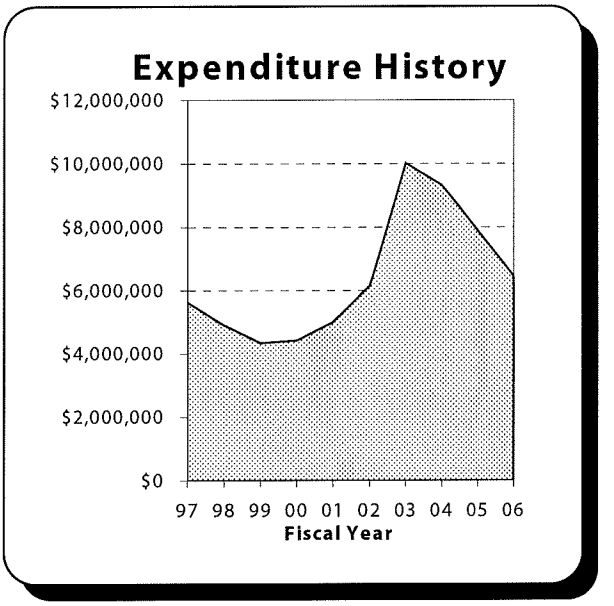
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Other Charges – Total Other Charges increased $166,650 or 9.1%. Tree and shrub maintenance costs increased $115,000 due to the additional costs of removing emerald ash borer infested trees along major City roads. Snow and ice removal costs increased $52,000 due to greater snow falls in recent years.

Capital – Total Capital of $613,000 is proposed for this fund. $30,000 is for the deck replacement of the Van Dyke Bridge over the Clinton River. $70,000 is for clean-out of the culverts at 15 Mile Road, Ryan Road, and Dodge Park Road bridges. $20,000 is for the landscaping of the 18½ Mile Road roundabout. Preliminary engineering and right-of-way acquisition costs for the eventual widening of 19 Mile Road is proposed for $100,000. $43,000 is for intersection improvements at Dobry Drive and Ryan Road. $350,000 is funded for other 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 $725,000 or 23.4%. Transfers Out to the Local Road Fund increased $250,000 as more funding is needed for local road maintenance and for the ongoing removal of emerald ash borer infested trees along City neighborhood streets. Transfers Out to the Road Bond Debt Retirement Fund increased $475,000 based on higher debt payments primarily due to the issuance of the $5.3 million MTF road bond, which will be issued in the Spring of 2005.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Other Charges	$1,781,657	$1,838,550	$1,934,200	$2,005,200	$2,005,200
Capital Outlay	4,241,075	2,954,640	3,046,350	613,000	613,000
Transfers Out	3,300,000	3,100,000	3,100,000	3,825,000	3,825,000
Total	$9,322,732	$7,893,190	$8,080,550	$6,443,200	$6,443,200

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 2005/06, a total of $3,900,820 is budgeted for this fund. $590,000 is included for the concrete replacement of Clifton Drive, Firestone Drive, and Breckenridge Drive. The General Fund will pay for 100% of the cost of these repairs due to the lack of Local Road funds caused by the ongoing removal of emerald ash borer infested trees along local neighborhood streets.

Total Other Charges in this fund total $3,284,200 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 $26,620 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

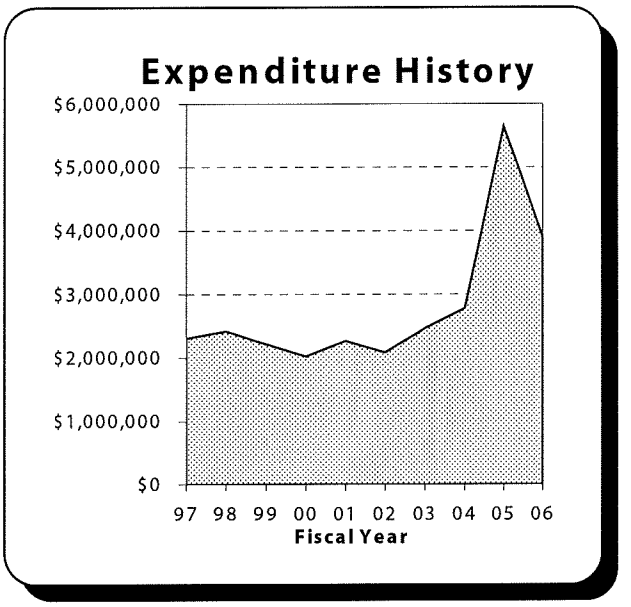
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Other Charges – Total Other Charges decreased $900,370 or 21.5%. Funding decreased $992,370 as the City was aggressive during the prior year at removing the majority of emerald ash borer infested trees along local neighborhood streets. The budget still reflects some additional funding for the completion of this project next fiscal year. Funding increased $7,000 for grass and weed control costs and $75,000 for higher snow and ice removal costs, both due to higher costs and greater demand in recent years. $100,000 is budgeted for the Joint Sealing Program and $750,000 is budgeted for the sectional concrete replacement program, as the City continues to fund these repairs to all streets throughout the City.

Capital – Total Capital of $590,000 is proposed for this fund. $590,000 is budgeted for local road repairs. In the prior year, this repair program was put on hold due to the lack of funds caused by the emerald ash borer. The General Fund will pay for 100% of the cost of these repairs, which include the concrete replacement of Clifton Drive, Firestone Drive, and Breckenridge Drive.

Transfers Out – Transfers Out to the Road Bond Debt Retirement Fund for $26,620 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Other Charges	$2,679,596	$4,184,570	$4,371,120	$3,284,200	$3,284,200
Capital Outlay	21,882	1,373,000	1,383,640	590,000	590,000
Transfers Out	78,020	78,860	78,860	26,620	26,620
Total	$2,779,498	$5,636,430	$5,833,620	$3,900,820	$3,900,820

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, and to assist and retain local industries and commercial enterprise in order to strengthen and revitalize the economy of the City. The Economic Development Corporation also provides the means for encouragement and assistance of industrial and research enterprises, and provides needed services or facilities to the City by constructing, acquiring through gift or purchase, 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, marketing brochures, and television advertising, the Economic Development Corporation seeks to identify industries and research enterprises that may be considering expansion or relocation to the Detroit Metropolitan area. City Administration assists interested parties in locating properties, securing financing and obtaining information about the City of Sterling Heights. The 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 include making recommendations to the City Council on Brownfield plans. Brownfield Redevelopment has a positive impact on the community by providing a cleaner and safer environment.■

Did you know?...
...that the Economic Development Corporation (EDC) Fund will develop a marketing brochure with a DVD insert based on the results from the business and marketing survey conducted in 2004/05?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

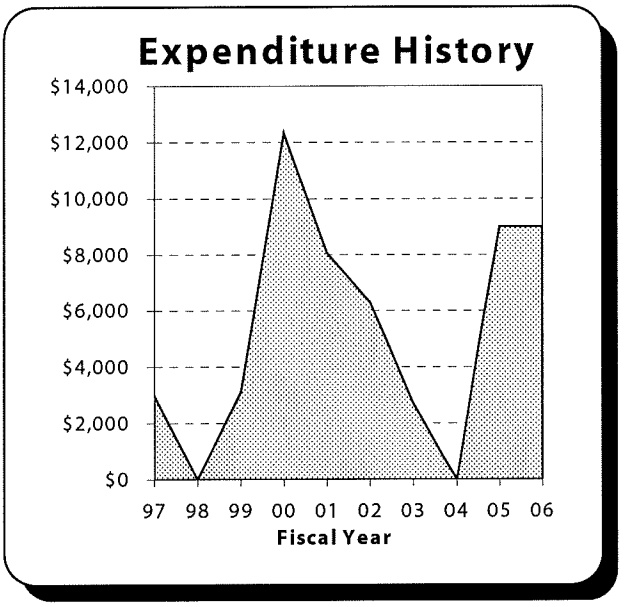
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

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. Funding will be used to process and distribute a business-marketing brochure and DVD, which will demonstrate the City's lifestyle and economic vitality of the community in order to attract business to the City and promote citywide economic development and re-development. This marketing brochure will be produced based on the results from the business survey completed and funded 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	0	9,000	4,700	9,000	9,000
Total	$0	$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 Brownfield Redevelopment still offers local units of government the best opportunity to negotiate the quality of projects?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

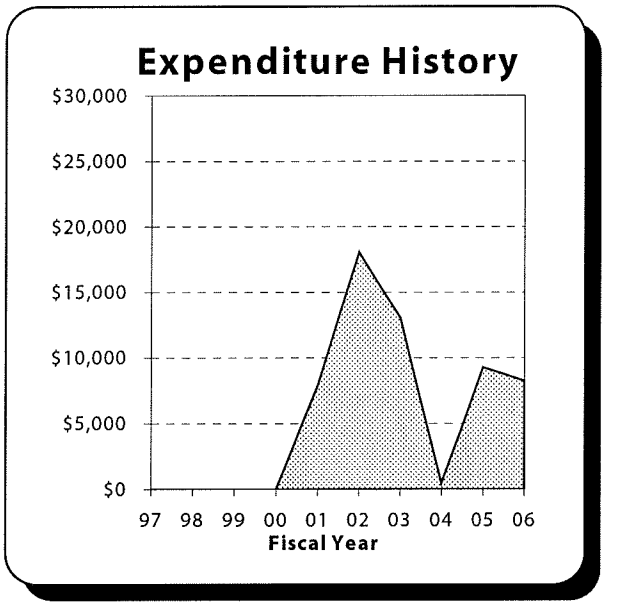
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

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 $1,010 or 10.9%. The publishing budget was reduced slightly based on a more realistic estimate of the number of articles and advertisements which will be placed in various realty development magazines. The reimbursement of eligible project costs to the developer of the Sims Drive project continues to be funded.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	463	9,250	5,160	8,240	8,240
Capital Outlay	0	0	0	0	0
Total	$463	$9,250	$5,160	$8,240	$8,240

city of STERLING HEIGHTS 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 2005/06, $334,210 is programmed for the resurfacing, installation of concrete curb and gutter, and widening of Plumbrook Road from 17 Mile Road to Van Dyke. $34,960 is budgeted for the replacement of handicapped accessible playground equipment at Farmstead Park. $89,820 is budgeted for the reconstruction of Count Court to include the removal and replacement of the existing concrete pavement and drive approaches.

A transfer to the General Fund is budgeted for $97,830 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 26 homes were rehabilitated in the 2004/05 program year using Community Development Block Grand funds?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

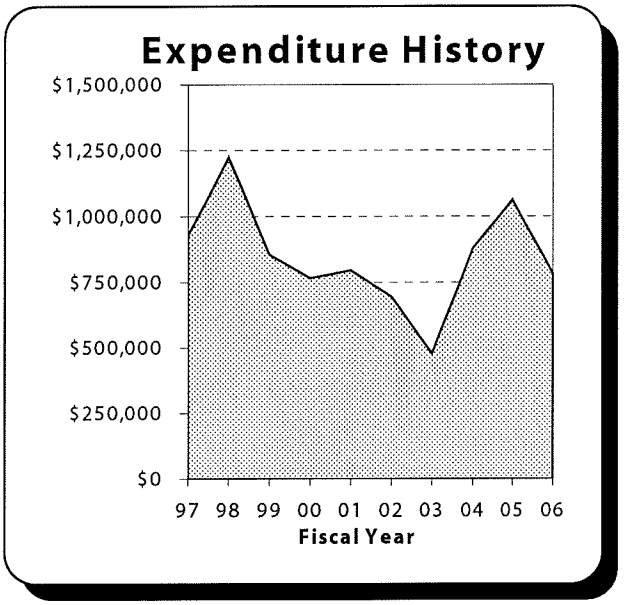
Personnel Services - The total Personnel budget increased by $3,730 or 40.6%. Funds are recommended for additional part-time hours to help during the busy housing rehabilitation season and to assist the full-time CDBG Specialist.

Supplies - Total Supplies decreased $1,200 or 9.8% as fewer Library books can be purchased for low income residents due to a decrease in grant funding next year.

Other Charges - Total Other Charges decreased $127,810 or 38.9%. Contracted services decreased $130,610 primarily due to a $129,820 decrease in funding for the Housing Rehabilitation Program. In addition, $10,000 less funding is budgeted for the Home Chore Program as recommended by the Citizen's Advisory Committee (CAC). Donations to several existing service organizations increased slightly and $5,500 was added for two new organizations - Care House and Macomb Family Services.

Capital - Total Capital of $458,990 is proposed for this fund. $334,210 is proposed for the resurfacing, installation of concrete curb and gutter, and widening of Plumbrook Road from 17 Mile Road to Van Dyke. $34,960 is for the replacement of handicapped accessible Playground Equipment at Farmstead Park. $89,820 is for the reconstruction of Count Court to include the removal and replacement of the existing concrete pavement and drive approaches.

Transfers Out - A transfer to the General Fund for $97,830 is budgeted to reimburse the City for a greater share of the wages and fringe benefit costs of the CDBG Specialist, and to partially fund ($25,000) 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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$10,824	$9,190	$13,110	$12,920	$12,920
Supplies	11,637	12,250	12,250	11,050	11,050
Other Charges	544,714	328,400	505,050	200,590	200,590
Capital Outlay	406,498	446,800	450,210	458,990	458,990
Transfers Out	87,110	81,360	81,360	97,830	97,830
Total	$1,060,783	$878,000	$1,061,980	$781,380	$781,380

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 acquisition of land for the City's park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any 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 acquisition of land for the City's park system.

The fiscal year 2005/06 budget totals $323,000 to fund five park improvement projects. $6,000 is programmed for tree plantings at Delia Park (50% is to be financed by grant). $275,000 is included for the asphalt paving of the entrance drive and south parking lot at Delia Park. The construction of three outdoor bocce ball courts at the Senior Center is funded for $15,000. $15,000 is budgeted for the surface repair of the five tennis courts at Delia Park, and $12,000 is included for the replacement of the park sign at the entrance of Delia 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 monies from the prior year sale of three City-owned properties are not budgeted to be spent, and have been placed into reserves for future use as to be determined by the City Council?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

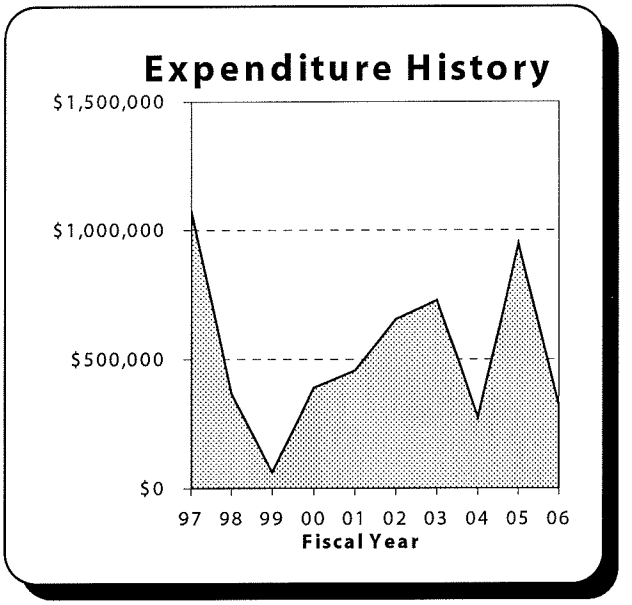
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

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 $323,000 is proposed for this fund. $6,000 is proposed for tree plantings at Delia Park, of which 50% is to be financed by grant monies. $275,000 is proposed for the asphalt paving of the entrance drive and south parking lot at Delia Park. The construction of three outdoor bocce ball courts at the Senior Center is proposed for $15,000. $15,000 is proposed for the surface repair of the five tennis courts at Delia Park, and $12,000 is proposed for the replacement of the park sign at the entrance of Delia Park. ***The Capital Improvement section of this document provides a breakout of each project's cost and funding source.*** The budget does not propose to expend any of the funds from the recent $1.0 million sale of three City-owned properties.



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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	275,038	946,750	793,000	323,000	323,000
Transfers Out	0	0	0	0	0
Total	$275,038	$946,750	$793,000	$323,000	$323,000

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.

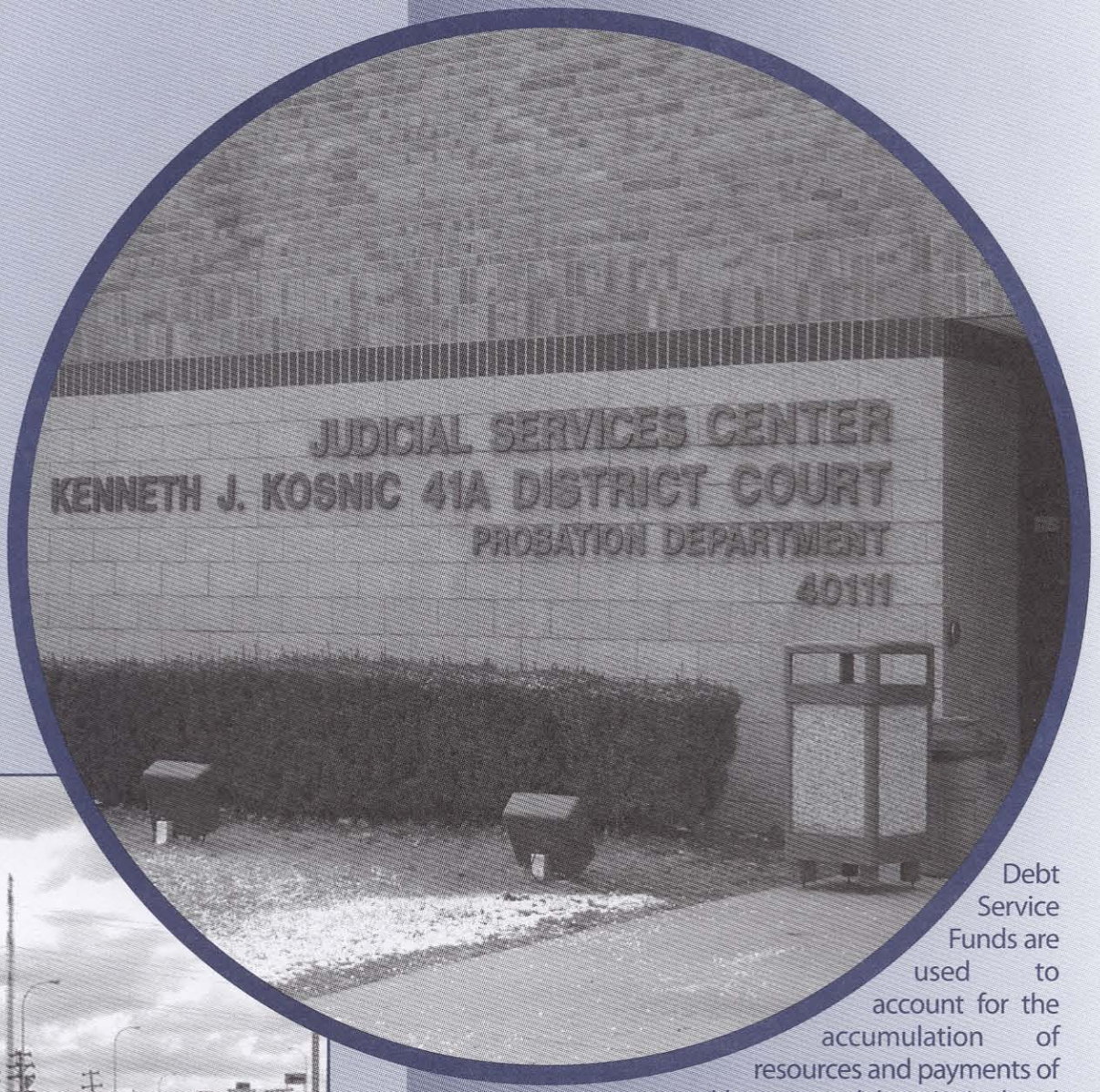
As stated above, the Budget Stabilization Fund may be created and appropriated for many reasons. First, this Fund may be utilized to cover a General Fund deficit, when the municipality's annual audit reveals such a deficit. Next, this Fund can be used to prevent a reduction in the level of public services 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.

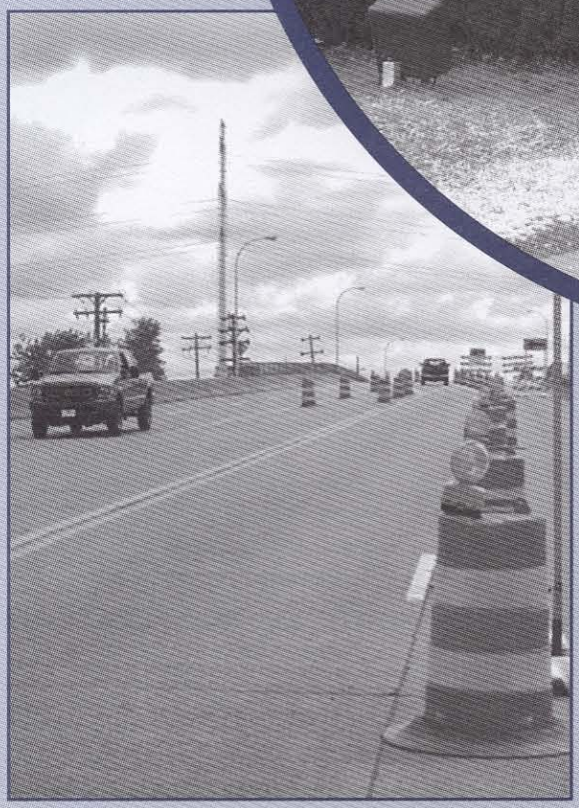
Upon City Council's review and approval, the Budget Stabilization Fund was established during the final budget amendment in June of 1998. During the 1998/1999 fiscal year there was a residual equity transfer into this fund, and in the 1999/2000 budget, General Fund revenues exceeded expenditures, which 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 2005/06, 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.■

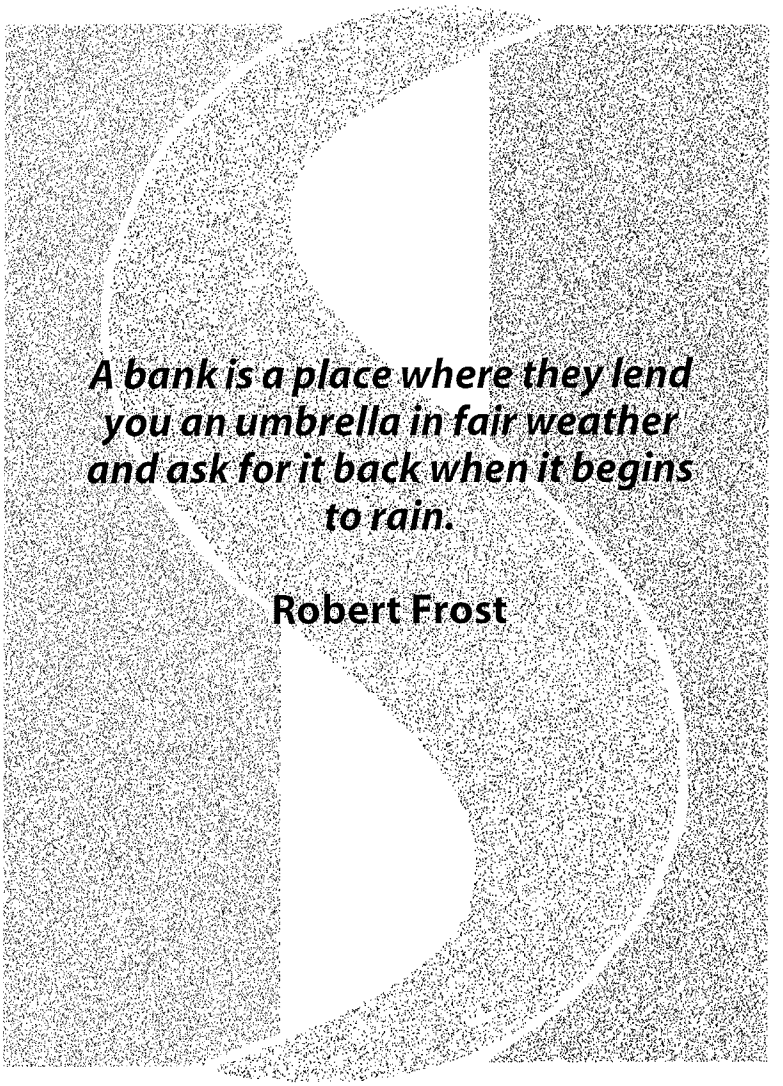
Did you know?...
...that the Budget Stabilization Fund was established in the 1997/98 fiscal year to lessen the need for future tax increases?

Debt Service Funds





Debt Service Funds are used to account for the accumulation of resources and payments of general long-term debt principal and interest. Debt Service Funds are required when legally mandated and/or revenues are being accumulated for general obligation long-term debt and interest payments maturing in future years. Debt Service Funds include the Building Authority Receiving Fund, General Drain Fund, R, S & T Debt Service Fund, Road Bond Debt Retirement Fund, and Settlement Bond Debt Fund.


A bank is a place where they lend you an umbrella in fair weather and ask for it back when it begins to rain.
Robert Frost

Debt Management Program

GENERAL OBLIGATION

Section 11.01 of the Sterling Heights City Charter 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, 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 defraying any public improvement costs 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 exceed ten (10) percent of the assessed value of all real and personal property in the City subject to taxation as shown by the last preceding assessment roll. 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, infrastructure, bridges, or streets, the City's legislative body 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 property in the City, notwithstanding such loan may increase the indebtedness 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, Michigan Transportation Fund (MTF) road bonds issued for road construction projects, 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 City's 2004 State Equalized Valuation plus the assessed value of abated property was $5,997,740,400. The City's debt limit therefore was $599,774,040 or 10% of the total valuation. The City's population estimate is 127,000. The outstanding Net Direct Bonded Debt for the City as of June 30, 2005 is shown below as a ratio of debt to state equalized value and debt per capita.

	Debt Outstanding 6/30/05	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	$40,795,000	0.68%	$321

Total Debt Maturity within 10 Years = 79.2%

BOND RATINGS

Standard & Poors	Moody's Investor Service	Fitch
AAA	Aaa	AAA
AA+	Aa1	**AA+**
→ **AA**	→ **Aa2**	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
BB+	Ba1	BB+
BB	Ba2	BB
BB-	Ba3	BB-
B+	B1	B+
B	B2	B
B-	B3	B-
CCC+	Caa1	CCC+
CCC	Caa2	CCC
CCC-	Caa3	CCC-
	Ca	CC
	C	C
		DDD
		DD
		D

The City's Debt Management Program is the product of over 30 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 results from a favorable debt position, as well as a history of conservative budgeting, increasing reserve levels, and financial flexibility based on a relatively large operating tax rate margin. The City's tax base has continued to grow, reflecting ongoing residential and commercial development. The City anticipates maintaining its favorable debt position, due primarily to growth in taxable values, a modest

debt burden and a rapid debt amortization. 79.2% of the City's total debt, including principal and interest, is scheduled to be repaid within ten years. A favorable credit rating and low debt service will permit the City to undertake additional debt in the future for capital improvements.

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2005, the principal and interest payments required for fiscal 2005/06, and the funding source is included within this Debt Service section. Total indebtedness as of June 30, 2005 is $60,600,000. Total principal payment in fiscal year 2005/06 is $5,010,000 and the interest payment is $2,595,860.

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.

BUILDING AUTHORITY

The Building Authority was created for the purpose of acquiring and leasing City property. The City has entered a lease contract for the Judicial Services Center and the City Center Commons.

In 1989, the Building Authority recommended and City Council approved the bonding for a new Judicial Services Center. The debt outstanding for the Court as of June 30, 2005 is $1,710,000. Total principal payment for 2005/06 is $300,000 and the interest payment is $36,010.

In 1999/00, a bond in the amount of $3,700,000 was sold for the development of the City Center Commons project. The debt was refunded in 2004/05, saving the City $118,500 in future interest payments. Total outstanding debt as of June 30, 2005 is $3,445,000. Total principal payment is $175,000 and interest is $140,630.

R, S & T DEBT SERVICE FUND

In November 1988, the City's residents approved the sale of bonds for the construction of Road Improvements, a Fire Station, and Fire Equipment (Public Improvements R, S & T). Indebtedness for completed projects under Proposal R is $3,025,000. Principal payments for 2005/06 are $825,000 and interest payments are $108,490.

SETTLEMENT BONDS DEBT FUND

In March 2004, the City Council approved a $31 million settlement due to 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 totaling $24,395,000. Principal payment for 2005/06 is $730,000 and interest payments total $1,137,700. The remainder of the settlement was funded by reserves and is expected to be reimbursed through insurance claims or, if necessary, through the issuance of a second series of Judgment Funding Bonds.

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, 2005 is $19,680,000. Principal payments for 2005/06 are $2,025,000 and the interest payments are $791,430.

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, 2005 is $125,000. Total principal payments for 2005/06 are $125,000 and interest payments are $3,130.

MACOMB COUNTY DRAINS

The City is under contract with Macomb County to pay the debt for Chapter 20 drains. Indebtedness to Macomb County is $9,060,000. Principal payments for 2005/06 are $830,000 and the interest payments are $378,470.■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/05	2005/06 Principal	2005/06 Interest	Total
BUILDING AUTHORITY RECEIVING FUND					
Building Authority Bonds - Court	Gen. Fund	$1,710,000	$300,000	$36,010	**$336,010**
Building Authority Bonds - City Center Commons	Gen. Fund	3,445,000	175,000	140,630	**315,630**
R, S & T DEBT SERVICE FUND					
1997 Road Improvement Bonds (R)	R,S,T Fund	650,000	200,000	27,840	**227,840**
1998 Road Improvement Bonds (R)	R,S,T Fund	1,050,000	325,000	33,280	**358,280**
1999 Road Improvement Bonds (R)	R,S,T Fund	1,325,000	300,000	47,370	**347,370**
SETTLEMENT BONDS DEBT FUND					
2004 Judgment Funding Bonds	Self Ins. Fund	23,555,000	730,000	1,137,700	**1,867,700**
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	9,060,000	830,000	378,470	**1,208,470**
Total Direct Debt Service		**40,795,000**	**2,860,000**	**1,801,300**	**4,661,300**
ROAD BOND DEBT RETIREMENT FUND					
1991 MI Transportation Bonds	Major Rds.	350,000	350,000	4,810	**354,810**
1996 MI Transportation Bonds	Major Rds.	200,000	200,000	4,900	**204,900**
1999 MI Transportation Bonds	Major Rds.	3,900,000	300,000	163,720	**463,720**
2000 MI Transportation Bonds	Major Rds.	600,000	200,000	26,250	**226,250**
2002 MI Transportation Bonds	Major Rds.	3,170,000	670,000	90,260	**760,260**
2003 MI Transportation Bonds	Major Rds.	2,930,000	190,000	79,020	**269,020**
2005 MI Transportation Refunding Bonds	Major Rds.	3,230,000	15,000	130,970	**145,970**
2005 MI Transportation Bonds	Major Rds.	5,300,000	100,000	291,500	**391,500**
Special Assessment Bonds	S/A	125,000	125,000	3,130	**128,130**
Total Road Bond Debt Service		**19,805,000**	**2,150,000**	**794,560**	**2,944,560**
Total Debt Service		**$60,600,000**	**$5,010,000**	**$2,595,860**	**$7,605,860**

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
BLDG. AUTHORITY RECEIVING FUND						
Judicial Center	$384,110	$2,327,500	$357,160	$357,160	$336,010	**$336,010**
City Center Commons	297,610	290,600	284,490	284,490	327,920	**315,630**
Total General Fund Debt Service	**681,720**	**2,618,100**	**641,650**	**641,650**	**663,930**	**651,640**
R, S & T DEBT SERVICE FUND						
Road Improvements (R)	1,460,570	1,111,620	1,096,110	1,096,110	933,490	**933,490**
Total R, S & T Debt Fund	**1,460,570**	**1,111,620**	**1,096,110**	**1,096,110**	**933,490**	**933,490**
GENERAL DRAIN FUND	1,473,700	1,871,670	3,648,120	3,645,050	1,208,470	**1,208,470**
Total Tax Supported Debt Service	**$3,615,990**	**$5,601,390**	**$5,385,880**	**$5,382,810**	**$2,805,890**	**$2,793,600**

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	2005 City Center Refunding Bonds			Total
2005/06	179,281	336,008	1,867,700	136,353			2,519,342
2006/07	171,406	339,908	1,944,300	144,300			2,599,914
2007/08	163,438	348,395	2,017,900	143,488			2,673,221
2008/09	179,703	395,423	2,100,662	142,613			2,818,401
2009/10		400,431	2,186,169	313,425			2,900,025
2010/11			2,271,394	296,112			2,567,506
2011/12			2,365,028	298,650			2,663,678
2012/13			2,459,950	305,450			2,765,400
2013/14			2,555,647	296,850			2,852,497
2014/15			2,660,075	312,450			2,972,525
2015/16			2,765,788	322,150			3,087,938
2016/17			2,872,997	355,850			3,228,847
2017/18			2,991,903	337,250			3,329,153
2018/19			3,111,431	322,250			3,433,681
2019/20				302,375			302,375
Total	$693,828	$1,820,165	$34,170,944	$4,029,566	$0	$0	$40,714,503

R, S & T DEBT SERVICE FUND

Fiscal Year	1997 Proposal R Bonds	1998 Proposal R Bonds	1999 Proposal R Bonds				Total
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	$700,732	$1,110,937	$1,436,013	$0	$0	$0	$3,247,682

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	2005 M.T.F. Refunding	2005 M.T.F. Bonds	1997 S/A Bond	Total
2005/06	354,813	204,900	463,725	226,250	760,260	269,020	145,967	391,500	128,125	2,944,560
2006/07			451,123	215,750	747,680	486,836	145,275	386,000		2,432,664
2007/08			438,748	205,250	787,400	461,908	144,525	405,500		2,443,331
2008/09			524,298		773,925	521,033	439,275	398,625		2,657,156
2009/10			507,598		335,775	498,833	523,100	516,750		2,382,056
2010/11			588,322			524,883	503,500	553,000		2,169,705
2011/12			566,322			263,039	580,000	586,500		1,995,861
2012/13			641,547			249,410	554,700	592,250		2,037,907
2013/14			613,948				529,600	596,625		1,740,173
2014/15							499,800	624,625		1,124,425
2015/16								624,875		624,875
2016/17								623,750		623,750
2017/18								621,250		621,250
2018/19								667,375		667,375
2019/20								659,375		659,375
Total	$354,813	$204,900	$4,795,631	$647,250	$3,405,040	$3,274,962	$4,065,742	$8,248,000	$128,125	$25,124,463

GENERAL DRAIN FUND

Fiscal Year	Green Drain Enclosure	Seventeen Mile Road Drain	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Sterling Relief Drain		Total
2005/06	111,400	299,218	114,325	77,350	95,325	257,250	157,288	96,315		1,208,471
2006/07	105,700	312,318	111,213	75,050	118,050	274,750	154,038	99,765		1,250,884
2007/08		299,818	133,063	72,725	114,600	266,000	150,538	103,009		1,139,753
2008/09		312,468	128,813	70,375	111,075	282,250	171,788	105,860		1,182,629
2009/10		324,518	124,513	67,975	107,513	297,250	167,100	108,219		1,197,088
2010/11		310,255	120,163	65,525	128,950	286,000	162,100	110,070		1,183,063
2011/12		290,595	115,763	63,025	124,150	299,750	182,100	111,428		1,186,811
2012/13		300,875	136,313	60,475	144,250	287,250	176,100	117,243		1,222,506
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
Total	$217,100	$2,450,065	$1,114,854	$714,313	$1,213,351	$2,836,250	$1,810,952	$851,909	$0	$11,208,794

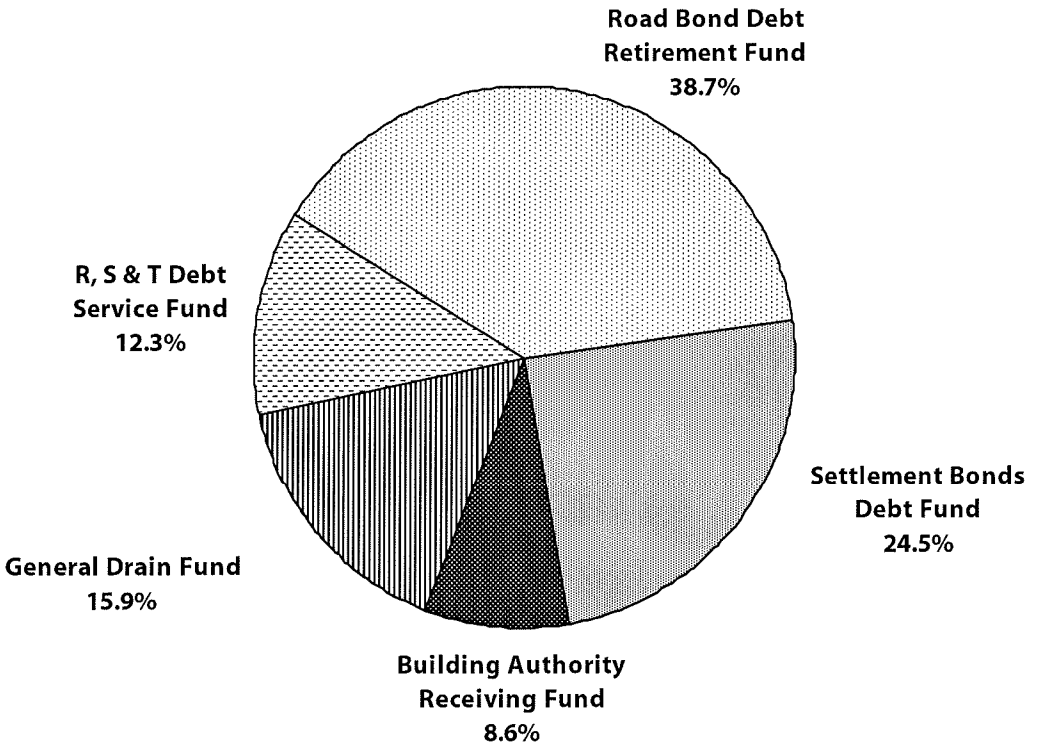
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
R,S & T DEBT SERVICE FUND						
REVENUES						
Property Taxes	$1,448,770	$1,104,360	$1,097,100	$1,103,050	$933,220	**$933,220**
Interest Income	3,060	1,330	1,000	2,000	1,500	**1,500**
Other Financing Sources	0	5,000	0	0	0	**0**
Total Revenues	**1,451,830**	**1,110,690**	**1,098,100**	**1,105,050**	**934,720**	**934,720**
EXPENDITURES						
Principal	1,225,000	925,000	950,000	950,000	825,000	**825,000**
Interest	235,570	186,620	146,110	146,110	108,490	**108,490**
Other Charges	1,800	2,830	1,990	3,590	2,230	**2,230**
Total Expenditures	**1,462,370**	**1,114,450**	**1,098,100**	**1,099,700**	**935,720**	**935,720**
Excess of Revenues Over (Under) Expenditures	**(10,540)**	**(3,760)**	**0**	**5,350**	**(1,000)**	**(1,000)**
Beginning Fund Balance	**17,030**	**6,490**	**2,730**	**2,730**	**8,080**	**8,080**
Ending Fund Balance	**$6,490**	**$2,730**	**$2,730**	**$8,080**	**$7,080**	**$7,080**
BUILDING AUTHORITY RECEIVING FUND						
REVENUES						
Other Revenues	530	10,090	500	500	500	**500**
Bond Proceeds - Refunding Issue	0	2,025,000	0	0	0	**0**
Transfer from General Fund	675,170	658,390	640,650	640,650	662,930	**650,920**
Total Revenues	**675,700**	**2,693,480**	**641,150**	**641,150**	**663,430**	**651,420**
EXPENDITURES						
Principal	375,000	2,330,000	415,000	415,000	450,000	**475,000**
Interest	306,720	288,100	226,650	226,650	213,930	**176,640**
Other Charges	1,450	73,370	500	500	500	**780**
Total Expenditures	**683,170**	**2,691,470**	**642,150**	**642,150**	**664,430**	**652,420**
Excess of Revenues Over (Under) Expenditures	**(7,470)**	**2,010**	**(1,000)**	**(1,000)**	**(1,000)**	**(1,000)**
Beginning Fund Balance	**8,240**	**770**	**2,780**	**2,780**	**1,780**	**1,780**
Ending Fund Balance	**$770**	**$2,780**	**$1,780**	**$1,780**	**$780**	**$780**
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Revenues	0	0	0	3,500	3,000	**3,000**
Other Financing Sources	0	0	1,715,000	1,717,460	1,860,000	**1,860,000**
Total Revenues	**0**	**0**	**1,715,000**	**1,720,960**	**1,863,000**	**1,863,000**
EXPENDITURES						
Principal	0	0	800,000	840,000	730,000	**730,000**
Interest	0	0	915,000	872,170	1,137,700	**1,137,700**
Other Charges	0	0	0	250	250	**250**
Total Expenditures	**0**	**0**	**1,715,000**	**1,712,420**	**1,867,950**	**1,867,950**
Excess of Revenues Over (Under) Expenditures	**0**	**0**	**0**	**8,540**	**(4,950)**	**(4,950)**
Beginning Fund Balance	**0**	**0**	**0**	**0**	**8,540**	**8,540**
Ending Fund Balance	**$0**	**$0**	**$0**	**$8,540**	**$3,590**	**$3,590**

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	$54,150	$39,920	$30,000	$30,000	$15,000	**$15,000**
Interest Income	60,370	62,250	4,000	275,000	4,000	**4,000**
Penalties & Interest	6,340	3,220	2,000	2,000	900	**900**
Bond Proceeds - Refunding Issue	4,916,770	3,050,000	0	3,230,000	0	**0**
Bond Premiums	0	0	0	111,960	0	**0**
Transfer from Major Roads Fund	2,500,000	2,600,000	2,350,000	2,350,000	2,825,000	**2,825,000**
Transfer from Local Roads Fund	80,350	78,020	78,860	78,860	26,620	**26,620**
Total Revenues	**7,617,980**	**5,833,410**	**2,464,860**	**6,077,820**	**2,871,520**	**2,871,520**
EXPENDITURES						
Principal	6,675,000	4,905,000	1,885,000	4,985,000	2,150,000	**2,150,000**
Interest	1,060,830	837,350	636,160	1,030,220	794,560	**794,560**
Other Charges	102,660	112,780	2,030	117,330	2,320	**2,320**
Total Expenditures	**7,838,490**	**5,855,130**	**2,523,190**	**6,132,550**	**2,946,880**	**2,946,880**
Excess of Revenues Over (Under) Expenditures	**(220,510)**	**(21,720)**	**(58,330)**	**(54,730)**	**(75,360)**	**(75,360)**
Beginning Fund Balance	**482,690**	**262,180**	**240,460**	**240,460**	**185,730**	**185,730**
Ending Fund Balance	**$262,180**	**$240,460**	**$182,130**	**$185,730**	**$110,370**	**$110,370**
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	$1,435,640	$1,536,010	$1,427,410	$1,436,510	$1,199,200	**$1,199,200**
Interest Income	8,530	4,250	10,320	13,320	5,000	**5,000**
Bond Proceeds - Refunding Issue	0	0	2,315,000	2,315,000	0	**0**
Bond Premiums	0	0	4,410	4,410	0	**0**
Transfer from General Fund	0	82,080	0	0	0	**0**
Tfr. from Capital Projects Fund	0	245,000	0	0	0	**0**
Total Revenues	**1,444,170**	**1,867,340**	**3,757,140**	**3,769,240**	**1,204,200**	**1,204,200**
EXPENDITURES						
Principal	916,380	1,356,540	3,191,540	3,191,540	830,000	**830,000**
Interest	557,320	515,130	456,580	453,510	378,470	**378,470**
Other Charges	0	1,210	101,230	105,000	3,730	**3,730**
Total Expenditures	**1,473,700**	**1,872,880**	**3,749,350**	**3,750,050**	**1,212,200**	**1,212,200**
Excess of Revenues Over (Under) Expenditures	**(29,530)**	**(5,540)**	**7,790**	**19,190**	**(8,000)**	**(8,000)**
Beginning Fund Balance	**37,560**	**8,030**	**2,490**	**2,490**	**21,680**	**21,680**
Ending Fund Balance	**$8,030**	**$2,490**	**$10,280**	**$21,680**	**$13,680**	**$13,680**

2005/06 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 2005/06 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 2005/06 Budget, General Drain Tax revenue represents 15.99% of total revenue sources, a decrease of $229,310 below the 2004/05 Budget. This is due to a decrease in debt payments on existing drain bond issues. For 2005/06, the millage rate is 0.2425 mills, a decrease of 0.0591 mills below 2004/05.

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 2005/06 Budget, revenues generated from Other Financing Sources represent 71.26% of total revenue sources, a decrease of $1,741,380 below the 2004/05 Budget. Most of the decrease is a result of the one-time receipt of bond proceeds from the refinancing of a road bond in the prior fiscal year. In addition, transfers from the Local Road Fund decreased due to lower debt payments on existing road bonds. These decreases were somewhat offset by an increase in transfers from the General Fund, the Major Road Fund, and the Self-Insurance Fund.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments and Special Assessment Revenue.

In the 2005/06 Budget, Other Revenues represent 0.39% of total revenue sources, a decrease of $16,820 below the 2004/05 Budget. This decrease is due to a decrease in Special Assessment Revenue and the one-time interest received due to the refinancing of a road bond 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 2005/06, the millage rate is 0.1889 mills, a decrease of 0.0428 mills below 2004/05.

In 2005/06, Public Improvement Tax revenue represents 12.36% of total revenue sources, a decrease of $163,880 below the 2004/05 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 2005/06 Budget, expenditures exceed revenue sources by $90,310. 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	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	TAXES						
404000	City Operating Tax	$1,529,659	13.30	$1,423,910	14.72	**$1,194,200**	**15.87**
415000	Delinquent Personal Property Tax	8,600	0.07	4,500	0.05	**5,000**	**0.07**
445000	Penalties & Interest	6,955	0.06	4,000	0.04	**3,900**	**0.05**
	Total Taxes	**1,545,214**	**13.43**	**1,432,410**	**14.80**	**1,203,100**	**15.99**
	OTHER FINANCING SOURCES						
698100	Bond Proceeds - Refunding	5,075,000	44.11	2,315,000	23.92	**0**	**0.00**
698150	Bond Premiums	0	0.00	4,410	0.05	**0**	**0.00**
699101	Transfer From General Fund	745,470	6.48	640,650	6.62	**650,920**	**8.65**
699202	Transfer From Major Road Fund	2,600,000	22.60	2,350,000	24.29	**2,825,000**	**37.54**
699203	Transfer From Local Road Fund	78,020	0.68	78,860	0.81	**26,620**	**0.35**
699403	Transfer From Capital Project Fund	245,000	2.13	0	0.00	**0**	**0.00**
699677	Transfer From Self-Insurance Fund	0	0.00	1,715,000	17.72	**1,860,000**	**24.72**
	Total Other Financing Sources	**8,743,490**	**76.00**	**7,103,920**	**73.42**	**5,362,540**	**71.26**
	OTHER REVENUE						
665000	Interest on Investments	10,570	0.09	9,500	0.10	**14,000**	**0.19**
665003	Interest - Bonds	67,347	0.59	6,320	0.07	**0**	**0.00**
672000	Special Assessment Revenue	39,916	0.35	30,000	0.31	**15,000**	**0.20**
	Total Other Revenue	**117,833**	**1.02**	**45,820**	**0.47**	**29,000**	**0.39**
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	1,098,371	9.55	1,094,100	11.31	**930,220**	**12.36**
418000	Proposal S Debt Levy	18	0.00	0	0.00	**0**	**0.00**
	Total Public Improvements Tax	**1,098,389**	**9.55**	**1,094,100**	**11.31**	**930,220**	**12.36**
	Total Debt Service Funds	**$11,504,926**	**100.00**	**$9,676,250**	**100.00**	**$7,524,860**	**100.00**

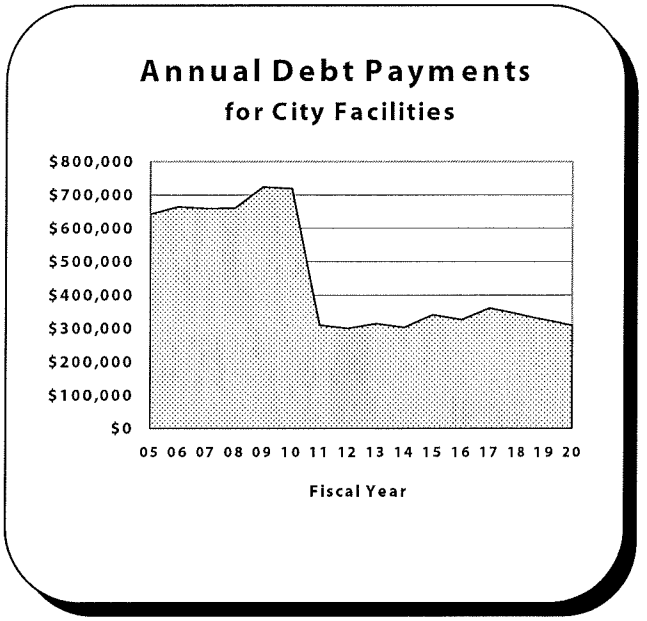
DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	OTHER CHARGES						
810000	Other Fees	187,649	1.63	104,500	1.07	**7,060**	**0.09**
965000	Refunds on Tribunal Adjustments	2,548	0.02	1,250	0.01	**2,250**	**0.03**
	Total Other Charges	**190,197**	**1.65**	**105,750**	**1.09**	**9,310**	**0.12**
	DEBT SERVICE						
992000	Principal	9,516,539	82.51	7,241,540	74.44	**5,010,000**	**65.79**
993000	Interest	1,827,203	15.84	2,380,500	24.47	**2,595,860**	**34.09**
	Total Debt Service	**11,343,742**	**98.35**	**9,622,040**	**98.91**	**7,605,860**	**99.88**
	Total Debt Service Funds	**$11,533,939**	**100.00**	**$9,727,790**	**100.00**	**$7,615,170**	**100.00**

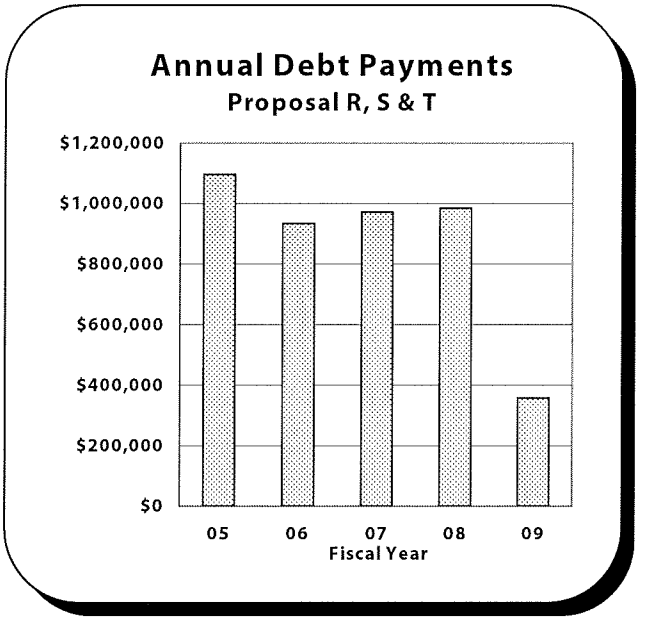
Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

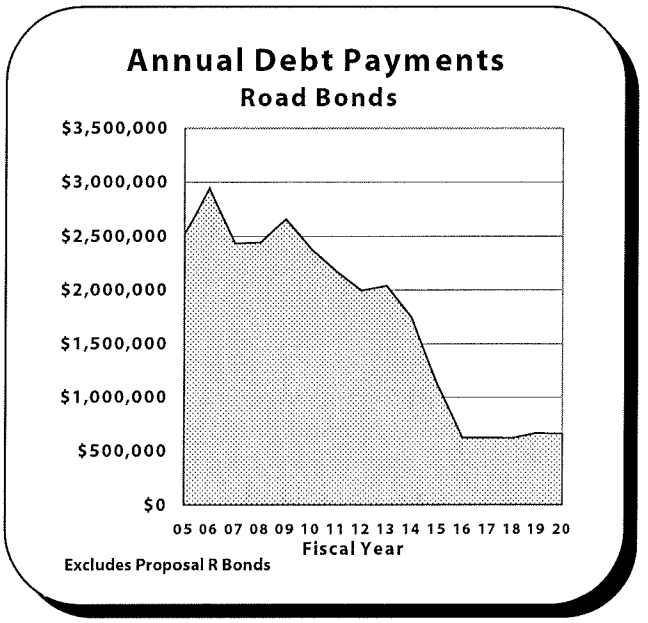
Debt Service Funds



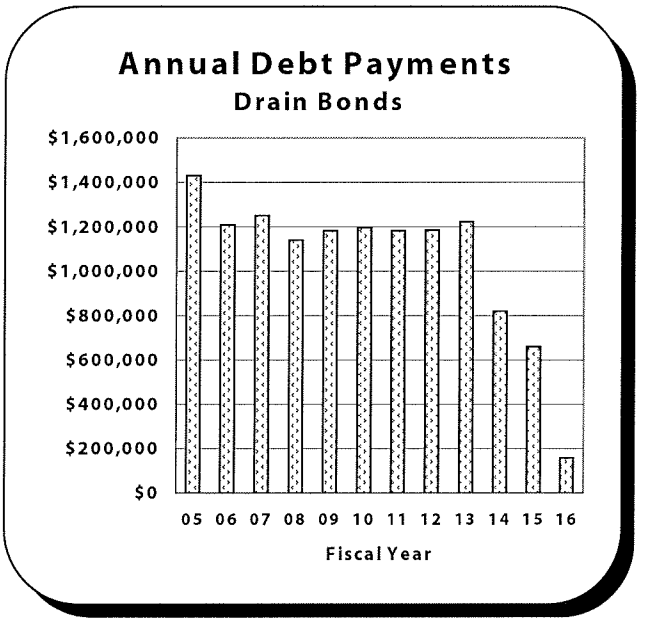
The City's debt cost for the Kenneth Kosnic Judicial Services Center and the City Center Commons project will slowly decrease over the next 15 fiscal years. The Senior Center was paid off in the 2002 fiscal year. The Court debt will be paid off in the 2010 fiscal year.



Proposal R, S & T debt decreases through the year 2009. Debt from Proposal S was retired in the 2001 fiscal year. Debt from Proposal T was retired in the 1997 fiscal year.



Due to increased road construction over the past several years, debt payments continue to be between $2.5 million - $3.0 million annually for the next five years until several Michigan Transportation Fund bonds are retired. Debt payments increase slightly in 2006 as debt from the 18½ Mile Connector and 17 Mile Bridge Repair projects comes online. Debt payments decline through 2020 as existing road bonds are retired.



Total Drain debt slowly decreases over the next 12 years as the Diener Drain debt is retired in 2005, the Green Drain debt is fully paid off in 2007, and the Sterling Relief and 17 Mile Drain debt is completed in 2013.

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 2005/06, $933,490 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 the final payment on the 1994 Proposal R Bond was made during the 2004/05 fiscal year?

R, S & T Debt Service Fund

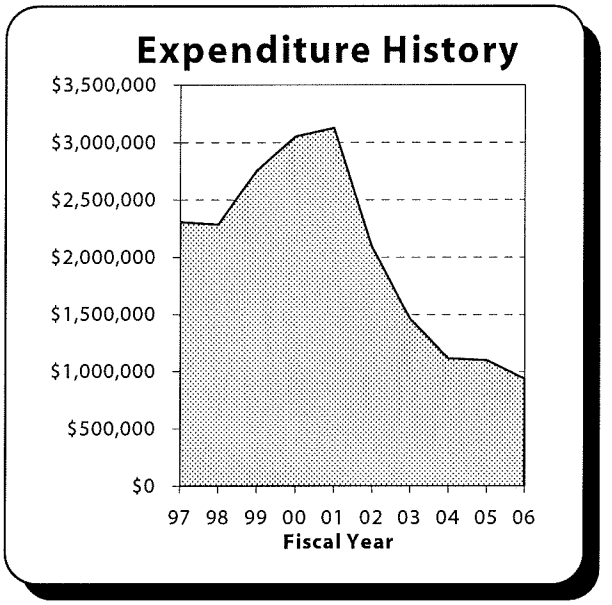
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges increased $240 or 12.1%. Funding for refunds on tribunal adjustments increased $500 based on recent years' actual expenditures. Bond paying agent fees decreased $260 as the 1994 Proposal R Bond was paid off in the prior fiscal year.

Debt Service – Total Debt Service decreased $162,620 or 14.8%. Principal payments decreased $125,000 due to the retirement of the 1994 Proposal R Bond in the prior year. The decrease was offset by an increase in principal payments on two of the three existing Proposal R bonds. Interest payments decreased $37,620 also due to the retirement of the 1994 Proposal R Bond as well as lower interest payments on all of the existing Proposal R bonds. 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.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	2,832	1,990	3,590	2,230	2,230
Debt Service	1,111,619	1,096,110	1,096,110	933,490	933,490
Total	$1,114,451	$1,098,100	$1,099,700	$935,720	$935,720

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 2005/06, the Major Road Fund transfer represents nearly 98% 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 2005/06 totals $2,944,560, which is comprised of Michigan Transportation Fund (MTF) Bonds and Special Assessment Bonds. The debt budgeted for fiscal year 2005/06 includes interest in the amount of $291,500 and principal of $100,000 based on the issuance of the $5.3 million 2005 MTF Bond for the 18½ Mile Road Connector and the 17 Mile Road Bridge repair projects. The debt budgeted for 2005/06 also includes interest in the amount of $130,970 and principal of $15,000 for the $3.2 million 2005 MTF Refunding Bond, which was sold to refinance a 2000 MTF Road Bond. The City will save an estimated $105,500 in future interest payments due to the refinancing.

The most significant revenue source of this fund is through 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 2000 Michigan Transportation Fund (MTF) bond issue was refunded in 2004/05 at a savings of approximately $105,500?

Road Bond Debt Retirement Fund

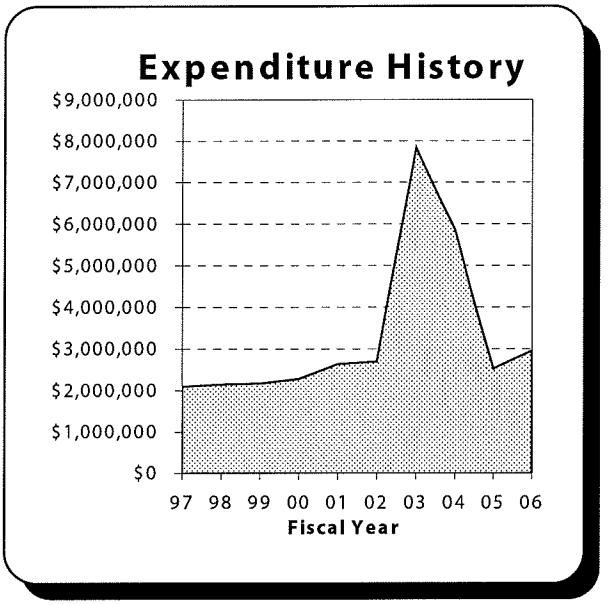
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased $290 or 14.3%. Bond paying agent fees increased $290 due to the issuance of the $5.3 million 2005 Michigan Transportation Fund (MTF) bonds and the $3.2 million 2005 MTF Refunding bonds in the Spring of 2005. The City will save an estimated $105,500 in future interest payments as a result of the refunding. The increase in fees was offset by a decrease in bond paying agent fees on existing MTF bonds and the retirement of the 1996 Special Assessment bond in the prior year.

Debt Service – Total Debt Service is proposed to increase $423,400 or 16.8%. Total principal payments increased $265,000 as a result of the new 2005 MTF Bond for the 18½ Mile Connector and 17 Mile Bridge projects and the 2005 MTF refunding bond. The principal payments on several existing MTF bond issues also increased. This increase was offset by a decrease in the principal payment on the existing 2002 MTF bonds and the retirement of the 1996 Special Assessment bond in the prior year. Total interest payments increased $158,400 also due to the new 2005 MTF bond issue. The increase was offset by lower interest payments on all existing bonds as well as the retirement of the 1996 Special Assessment bond in the prior 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.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Supplies	$0	$0	$0	$0	$0
Other Charges	112,781	2,030	117,330	2,320	2,320
Debt Service	5,742,354	2,521,160	6,015,220	2,944,560	2,944,560
Total	$5,855,135	$2,523,190	$6,132,550	$2,946,880	$2,946,880

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 City constructed a new Senior Center building, which was financed in 1996. This facility was financed with bonds paid for with Community Development Block Grant funds. 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. This debt is scheduled to be retired in fiscal year 2019/20.

The Building Authority Receiving 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 $336,010, $300,000 toward principal and $36,010 in interest.

The transfer necessary for debt repayment for the City Center Commons project totals $315,630. Principal payments total $175,000 and interest payments amount to $140,630.

Total 2005/06 debt repayment for the Judicial Services Center and the City Center Commons project amounts to $651,640.■

Did you know?...
...that three members of the Building Authority meet annually to review and approve all debt payments from this fund?

Building Authority Receiving Fund

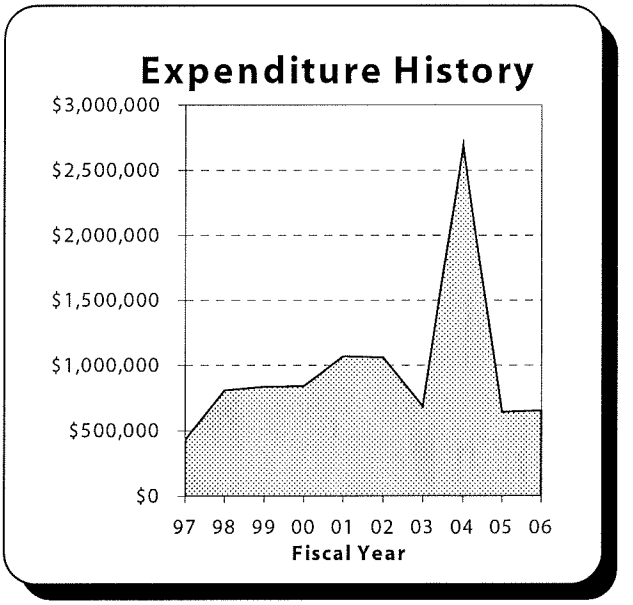
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at $500. There are no proposed changes within the Other Charges account.

Debt Service – Total Debt Service increased $22,280 or 3.5%. Total principal payments increased $35,000 due to an increase in principal payment on the 2000 City Center Commons bond issue. The increase was partially offset by a decrease in principal payment on the 2003 Judicial Center Refunding Bond. Total interest payments decreased $12,720 due to lower interest payments on both existing Building Authority bond issues.



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

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Total Other Charges increased $280 for bond paying agent fees due to the recent issuance of the $2.82 million 2005 Building Authority Refunding bonds. The City will save $118,500 in future interest payments as a result of the refunding.

Debt Service – Total Debt Service decreased $12,290. Total principal payments increased $25,000, while total interest payments decreased $37,290, both due to the recent refunding of Building Authority Bonds.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	73,368	500	500	500	780
Debt Service	2,618,102	641,650	641,650	663,930	651,640
Total	$2,691,470	$642,150	$642,150	$664,430	$652,420

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. Most 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 Busch, Green, Hawken, Hayes, Plumbrook, 17 Mile Road, Central Fire Station, and the Sterling Relief Lateral 12B Drains. In 2004/05, the final debt payment for the Diener Drain was made. The City also refinanced the 17 Mile Road Drain bond, saving over $88,000 in future interest payments.

The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

For 2005/06, $1,208,470 is budgeted for the interest and debt payments on all drains within the City.

Revenues to support the budgeted debt payments and Other Charges are generated from a specific millage levied to all real and personal property. This millage is an amount calculated to meet the demand of the budgeted expenditures for principal, interest, and paying agent fees. This millage will fluctuate from year to year as the debt payments on the bond issues fluctuate.■

Did you know?...
...that the City will save $88,200 as a result of refinancing the 17 Mile Road Drain Bond during the 2004/05 fiscal year?

General Drain Fund

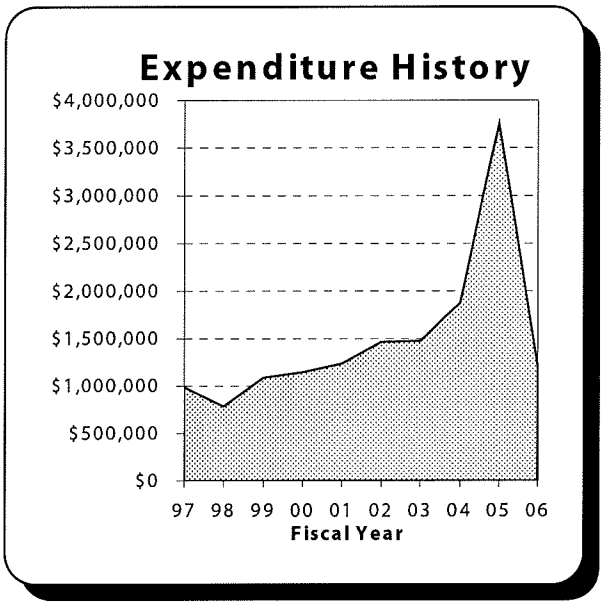
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services - There is no Personnel Services budget for this fund.

Other Charges - Total Other Charges decreased $97,500 or 96.3%. Funding decreased $100,730 due to the one-time fees related to the refunding of the 2004 17 Mile Road Drain bond in the prior year. This refunding saved the City over $88,000 in future interest payments. $2,730 was added for the bond paying agent fees, which were previously budgeted in the interest account. Funding for refunds on tribunal adjustments increased slightly based on historic actual expenditure levels.

Debt Service - Total Debt Service is proposed to decrease $2,439,650 or 66.9%. Principal payments are proposed to decrease $2,361,540 due to the one-time accounting entry to record the refunding of the 17 Mile Road Drain bond. In addition, the Diener Drain bond was retired in the prior year. The principal decrease was slightly offset by an increase in principal payments on two existing drain bonds. Total interest payments decreased $78,110 also due to the refunding of the 17 Mile Road Drain bond, the retirement of the Diener Drain bond, lower interest payments on several existing bonds, and the transfer of costs for the bond paying agent fees to the Other Charges account.



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.

Debt Service - Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	1,216	101,230	105,000	3,730	3,730
Debt Service	1,871,667	3,648,120	3,645,050	1,208,470	1,208,470
Total	$1,872,883	$3,749,350	$3,750,050	$1,212,200	$1,212,200

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 that were paid in June 2004, for a total of $25 million. In January 2005, the City used cash on hand to pay the remaining balance of $6 million, which is expected to be 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 is not reached, a second series of variable rate judgment funding bonds may be issued to reimburse the $6 million payment already made in compliance with the settlement agreement.

The budget for this fund's debt repayment in fiscal year 2005/06 totals $1,867,700, which is comprised of $730,000 toward principal and $1,137,700 in interest payments. The final principal and interest payments, to retire the debt from this bond issue, are scheduled to be made in fiscal year 2018/19.

The Settlement Bonds Debt Fund has received its revenue through a transfer from the City's Self-Insurance Fund reserves. ■

Did you know?...
...that the City's debt repayment in this fund for 2005/06 totals $1,867,700?

Settlement Bonds Debt Fund

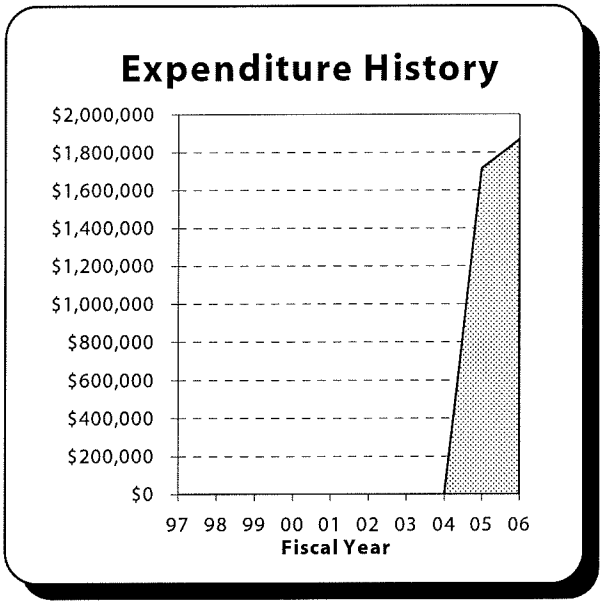
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges increased $250 as the bond paying agent fees related to the recently issued 2004 Settlement bonds are now budgeted.

Debt Service – Total Debt Service increased $152,700 or 8.9%. Total principal payments on the 2004 Settlement bond issue decreased $70,000 and interest payments increased $222,700. The City sold the bonds in June 2004, after the 2004/05 budget was completed, in order to fund a settlement arising from the City's revocation of a special land use permit. For the second year, the City's Self-Insurance Fund will transfer monies to this fund to pay the required annual debt payments.



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

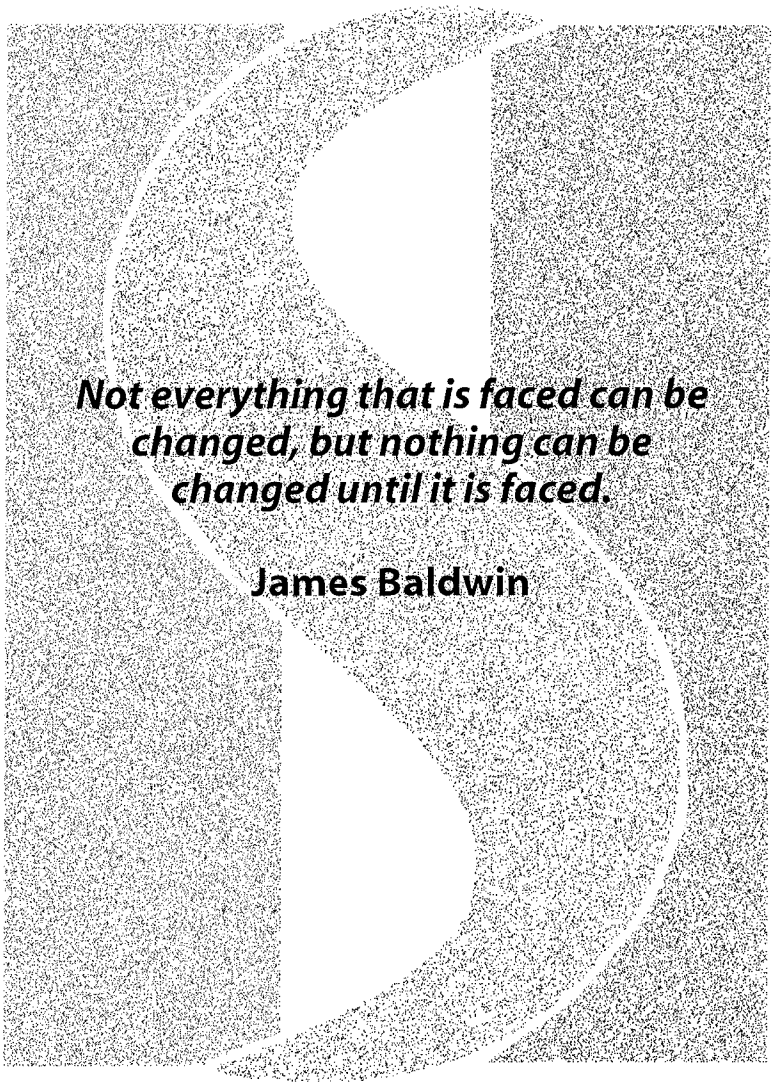
Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

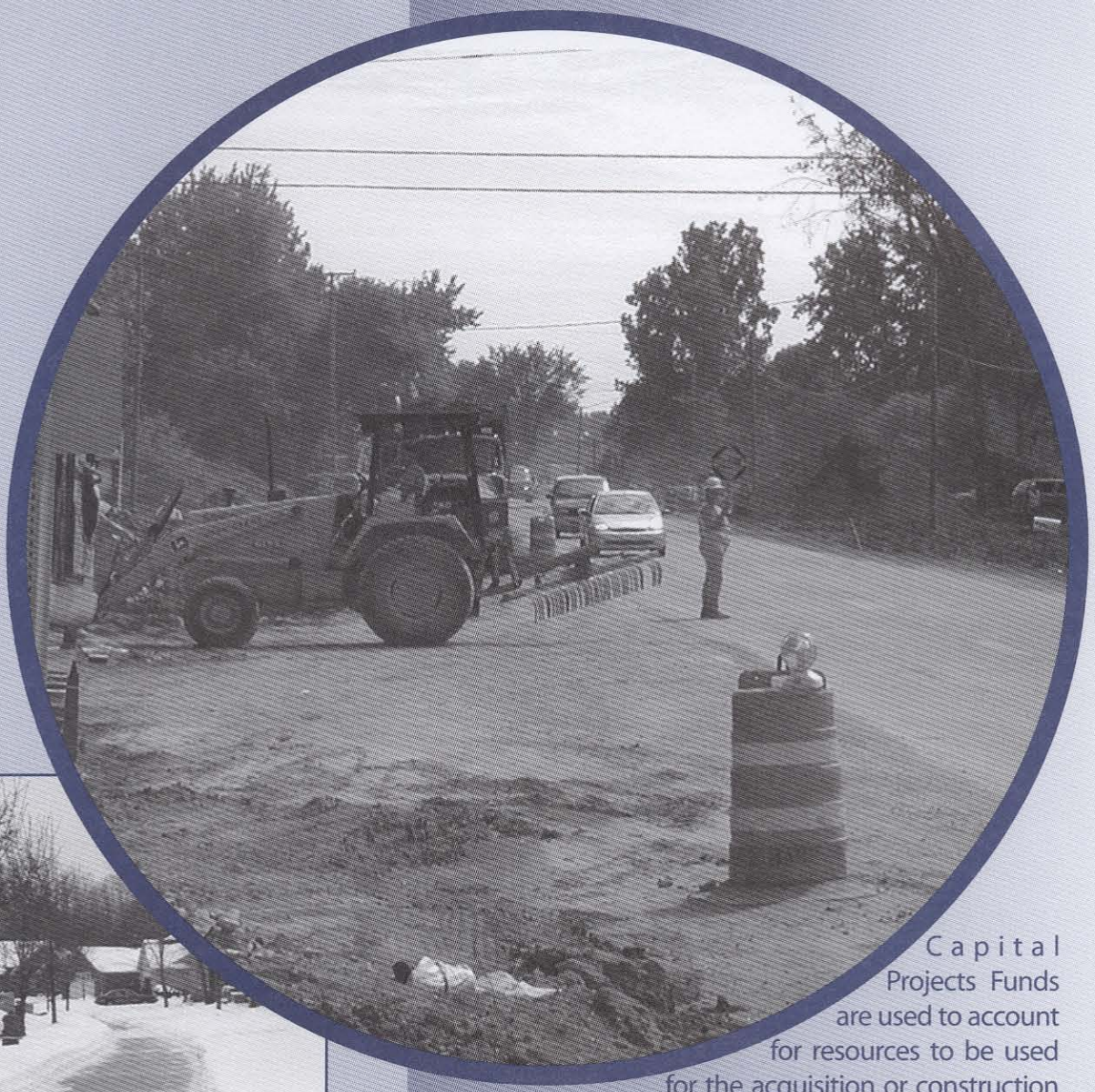
Debt Service – Council made no adjustments to Debt Service.

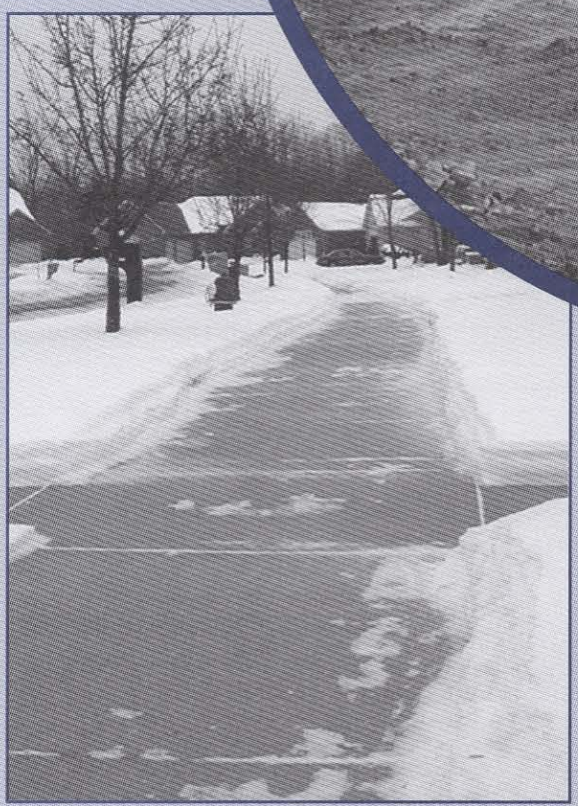
FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	250	250	250
Debt Service	0	1,715,000	1,712,170	1,867,700	1,867,700
Total	$0	$1,715,000	$1,712,420	$1,867,950	$1,867,950


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

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 residents.

CAPITAL PROJECTS FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Capital Projects	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	$1,602,800	$3,174,120	$1,857,520	$2,573,970	$912,000	**$912,000**
Proceeds Long-term Debt	0	885,000	1,070,000	0	0	**0**
Transfer from General Fund	2,709,650	1,375,200	943,980	943,980	1,536,350	**1,536,350**
Total Revenues	**4,312,450**	**5,434,320**	**3,871,500**	**3,517,950**	**2,448,350**	**2,448,350**
EXPENDITURES						
Capital Equipment	1,092,470	1,231,080	1,211,540	1,654,610	287,850	**287,850**
Capital Vehicles	642,330	1,318,200	992,520	1,127,910	763,300	**763,300**
Capital Projects	3,542,150	3,215,240	2,916,210	2,276,360	1,660,200	**1,660,200**
Transfer to General Drain Fund	0	245,000	0	0	0	**0**
Tfr. to Road Bond Const. Fund	0	0	150,000	150,000	0	**0**
Total Expenditures	**5,276,950**	**6,009,520**	**5,270,270**	**5,208,880**	**2,711,350**	**2,711,350**
Excess of Revenues Over (Under) Expenditures	**(964,500)**	**(575,200)**	**(1,398,770)**	**(1,690,930)**	**(263,000)**	**(263,000)**
Beginning Fund Balance	**5,341,870**	**4,377,370**	**3,802,170**	**3,802,170**	**2,111,240**	**2,111,240**
Residual Equity Transfer	**0**	**0**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$4,377,370**	**$3,802,170**	**$2,403,400**	**$2,111,240**	**$1,848,240**	**$1,848,240**
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Proceeds Long-term Debt	$0	$0	$5,148,620	$5,300,000	$0	**$0**
Transfer from General Fund	480,000	381,370	0	0	0	**0**
Transfer from Major Roads Fund	347,040	500,000	0	0	0	**0**
Tfr. from Capital Projects Fund	0	0	150,000	150,000	0	**0**
Other Revenue	43,780	101,760	44,740	49,740	0	**0**
Total Revenues	**870,820**	**983,130**	**5,343,360**	**5,499,740**	**0**	**0**
EXPENDITURES						
Capital Improvements	762,890	1,321,710	4,518,420	4,520,420	0	**0**
Transfer to Local Roads Fund	0	0	881,370	881,370	0	**0**
Total Expenditures	**762,890**	**1,321,710**	**5,399,790**	**5,401,790**	**0**	**0**
Excess of Revenues Over (Under) Expenditures	**107,930**	**(338,580)**	**(56,430)**	**97,950**	**0**	**0**
Beginning Fund Balance	**287,080**	**395,010**	**56,430**	**56,430**	**154,380**	**154,380**
Ending Fund Balance	**$395,010**	**$56,430**	**$0**	**$154,380**	**$154,380**	**$154,380**

Capital Projects Funds Revenues

TAXES

This source of revenue includes penalties and interest on delinquent special assessments for City sidewalks. In 2005/06, $2,500 is budgeted.

STATE & LOCAL RETURNS

This source of revenue is comprised of grants from the Federal, State, and County levels of government. In the 2005/06 Budget, there is no grant revenue budgeted. The budget will be amended when Homeland Security grant funding is known.

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 2005/06 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 2005/06 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In the 2005/06 Budget, revenues generated from Other Financing Sources represent 62.75% of total revenue sources, a decrease of $5,776,250 below the 2004/05 Budget. This decrease is primarily due to a decrease in proceeds from long-term debt as two road construction projects were financed by the sale of bonds in the prior year. In the 2005/06 Budget, there are no capital projects programmed to be funded by bond sale proceeds.

In the 2005/06 Budget, as in past years, Other Financing Sources comprise the 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, Miscellaneous Revenue, and Contributions – Drain Improvements.

In the 2005/06 Budget, Other Revenues represent 37.15% of total revenue sources, a decrease of $94,240 below the 2004/05 Budget. This decrease is primarily due to the one-time reappropriated funding of contributions for drain improvements in the prior fiscal year offset by an increase in Special Assessment 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 2005/06 Budget, Use of Fund Balance as a revenue source totals $263,000. This is a decrease of $1,192,200 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	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	TAXES						
445000	Penalties & Interest	$5,053	0.08	$2,000	0.02	**$2,500**	**0.10**
	Total Taxes	**5,053**	**0.08**	**2,000**	**0.02**	**2,500**	**0.10**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	317,056	4.94	890,150	9.66	**0**	**0.00**
529001	Federal Grant - Interest	2,846	0.04	0	0.00	**0**	**0.00**
529005	Library Grant - LSCA Title 1	1,133	0.02	0	0.00	**0**	**0.00**
539378	Act 78 Emergency Phone Service	222,773	3.47	0	0.00	**0**	**0.00**
	Total State & Local Returns	**543,808**	**8.47**	**890,150**	**9.66**	**0**	**0.00**
	FINES & FORFEITURES						
658002	Drug Forfeitures	366,668	5.71	6,370	0.07	**0**	**0.00**
	Total Fines & Forfeitures	**366,668**	**5.71**	**6,370**	**0.07**	**0**	**0.00**
	OTHER FINANCING SOURCES						
698000	Proceeds - Long Term Debt	885,000	13.79	6,218,620	67.48	**0**	**0.00**
699101	Transfer From General Fund	1,756,570	27.37	943,980	10.24	**1,536,350**	**62.75**
699202	Transfer From Major Road Fund	500,000	7.79	0	0.00	**0**	**0.00**
699403	Transfer From Capital Projects Fund	0	0.00	150,000	1.63	**0**	**0.00**
	Total Other Financing Sources	**3,141,570**	**48.95**	**7,312,600**	**79.36**	**1,536,350**	**62.75**
	OTHER REVENUE						
665000	Interest on Investments	60,853	0.95	75,000	0.81	**70,000**	**2.86**
672000	Special Assessment Revenue	323,630	5.04	15,000	0.16	**70,500**	**2.88**
675000	Contributions & Donations	54,507	0.85	9,000	0.10	**9,000**	**0.37**
676000	Reimbursements	145,696	2.27	500,000	5.43	**550,000**	**22.46**
685000	Miscellaneous Revenue	100,000	1.56	44,740	0.49	**0**	**0.00**
685015	Miscellaneous Revenue - MCPWC	1,627,150	25.36	350,000	3.80	**200,000**	**8.17**
686000	Contributions-Drain Improvements	48,515	0.76	10,000	0.11	**10,000**	**0.41**
	Total Other Revenue	**2,360,351**	**36.78**	**1,003,740**	**10.89**	**909,500**	**37.15**
	Total Capital Projects Funds	**$6,417,450**	**100.00**	**$9,214,860**	**100.00**	**$2,448,350**	**100.00**

Note: The 2003-2004 Actual Column is rounded to the nearest dollar.

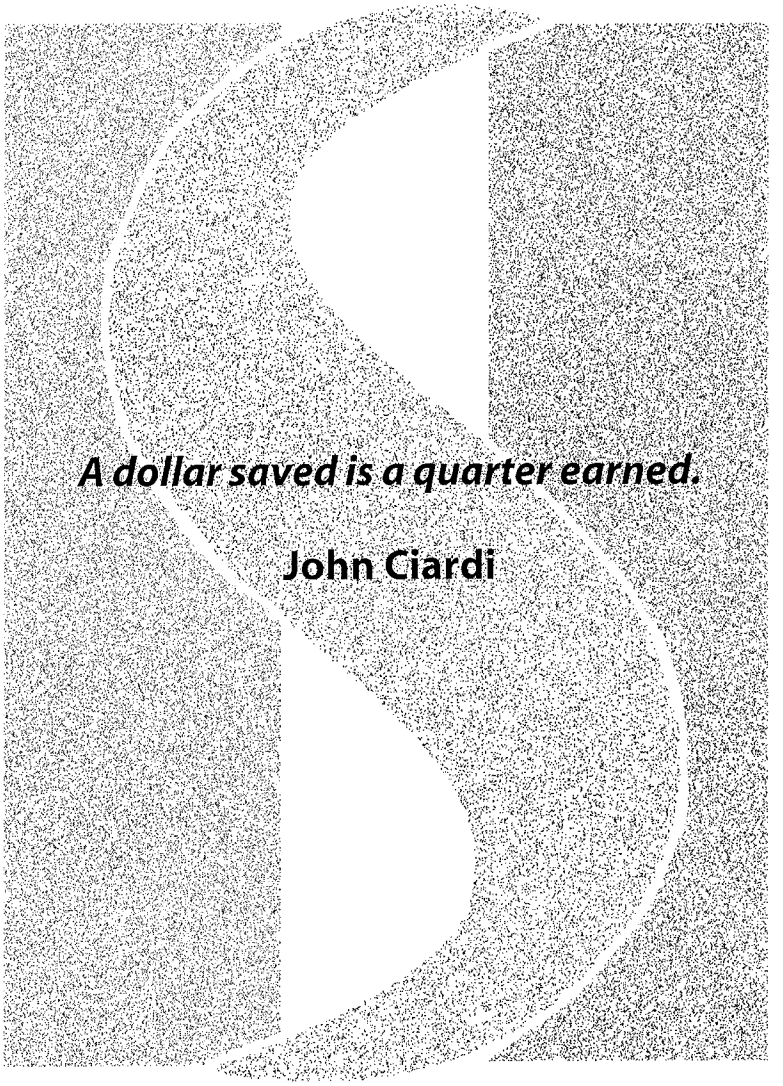
CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
	CAPITAL OUTLAY						
975000	Building & Improvements	$2,540	0.03	$0	0.00	**$4,500**	**0.17**
975010	Municipal Building Modernization	9,411	0.13	0	0.00	**39,100**	**1.44**
975070	Sidewalk Installation	1,123,777	15.33	795,730	7.46	**550,000**	**20.29**
975130	Civic Center Concrete Replacement	67,003	0.91	70,000	0.66	**100,000**	**3.69**
975140	Miscellaneous DPW Improvements	0	0.00	0	0.00	**43,600**	**1.61**
975220	Misc. Fire Station Improvements	17,968	0.25	30,000	0.28	**55,500**	**2.05**
975203	911 Communications	(4,451)	-0.06	0	0.00	**0**	**0.00**
975820	Sidewalk Gap Completion Program	201,750	2.75	455,000	4.26	**350,000**	**12.91**
975832	Library/Cultural Center Addition	(37,203)	-0.51	0	0.00	**0**	**0.00**
975848	City Hall Addition	(11,630)	-0.16	0	0.00	**0**	**0.00**
975853	Dodge Park Storm Outlet	306,543	4.18	110,160	1.03	**0**	**0.00**
975855	Fire Station #1	(6,869)	-0.09	0	0.00	**0**	**0.00**
975935	Nature Center Parking Lot	6,493	0.09	0	0.00	**0**	**0.00**
977000	Furniture	2,064	0.03	390	0.00	**0**	**0.00**
979000	Computer Equipment	64,004	0.87	40,500	0.38	**154,150**	**5.69**
979002	Computer Equipment-Drug	78,161	1.07	1,420	0.01	**0**	**0.00**
979100	Financial System - Software	27,784	0.38	0	0.00	**0**	**0.00**
979150	Financial System - Hardware	2,404	0.03	0	0.00	**0**	**0.00**
979200	Sierra System - Software	665	0.01	80,000	0.75	**0**	**0.00**
979250	Sierra System - Hardware	0	0.00	90,100	0.84	**0**	**0.00**
979292	Community & Info Services - Equipment	0	0.00	9,500	0.09	**0**	**0.00**
979300	Tax & Assessing - Software	3,415	0.05	0	0.00	**0**	**0.00**
979305	Police Department - Equipment	18,303	0.25	0	0.00	**0**	**0.00**
979310	Police Dispatch - Computer Equipment	11,107	0.15	990	0.01	**0**	**0.00**
979700	Library - Computer Equipment	5,002	0.07	1,500	0.01	**2,000**	**0.07**
979850	Fire Department - Hardware	111,637	1.52	0	0.00	**1,800**	**0.07**
981000	Electronic Equipment	426,730	5.82	0	0.00	**0**	**0.00**
981002	Electronic Equipment-Drug	54,003	0.74	4,950	0.05	**0**	**0.00**
982000	Machinery & Equipment	221,154	3.02	786,230	7.37	**129,900**	**4.79**
982002	Machinery & Equipment - Drug	82,376	1.12	0	0.00	**0**	**0.00**
983000	Fire Equipment	80,049	1.09	47,600	0.45	**0**	**0.00**
983001	Fire Equipment Grant	42,217	0.58	148,360	1.39	**0**	**0.00**
984002	Vehicle Acquisition - Drug	152,130	2.08	0	0.00	**0**	**0.00**
984213	Vehicles - Emergency Management	0	0.00	220,000	2.06	**18,500**	**0.68**
984265	Vehicles - Facilities Maintenance	0	0.00	43,220	0.41	**0**	**0.00**
984315	Vehicles - Police Enforcement	292,780	3.99	258,000	2.42	**257,000**	**9.48**
984339	Vehicles - Fire Extinguishment	720,802	9.83	301,650	2.83	**390,000**	**14.38**
984444	Vehicles - DPW Street Services	138,421	1.89	140,650	1.32	**52,000**	**1.92**
984553	Vehicles - Fleet Maintenance	0	0.00	29,000	0.27	**0**	**0.00**
984752	Vehicles - Parks & Recreation	0	0.00	0	0.00	**17,800**	**0.66**
984770	Vehicles - Parks & Grounds	14,067	0.19	0	0.00	**28,000**	**1.03**
986000	Major Drain Improvements	194,322	2.65	200,000	1.87	**500,000**	**18.44**
986871	Gibson Drain Clean Out	334,497	4.56	92,680	0.87	**0**	**0.00**
986879	Sterling Relief Drain	102,790	1.40	89,960	0.84	**0**	**0.00**
986920	Fisher Relief Drain	877,223	11.97	0	0.00	**0**	**0.00**

CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2003-2004 Actual Dollars	%	2004-2005 Budget Dollars	%	2005-2006 Budget Dollars	%
986921	Plumbrook Drain Hydraulic Analysis	9,318	0.13	2,680	0.03	0	0.00
986960	Somerset Relief Drain	1,400	0.02	1,070,000	10.03	0	0.00
988000	Construction	20,725	0.28	0	0.00	17,500	0.65
988597	Ryan Road Paving - 18 to Hall Road	65,903	0.90	17,820	0.17	0	0.00
988603	18-1/2 Mile Rd Bridge Over Plumbrook	9,549	0.13	150,000	1.41	0	0.00
988858	18-1/2 Mile Connect Mound to Van Dyke	1,031,993	14.08	3,474,100	32.56	0	0.00
988876	1998 Bridge Inv - 17 Mile Rd/Conrail	54,518	0.74	875,500	8.21	0	0.00
988901	Hayes Road Storm Sewer	(367)	-0.01	0	0.00	0	0.00
988930	Pondview, Peso Ct, Onorio Reconst.	159,747	2.18	1,000	0.01	0	0.00
	Total Capital Outlay	**7,086,225**	**96.66**	**9,638,690**	**90.33**	**2,711,350**	**100.00**
	TRANSFERS OUT						
999203	Transfer to Local Road Fund	0	0.00	881,370	8.26	0	0.00
999301	Transfer to General Drain Fund	245,000	3.34	0	0.00	0	0.00
999428	Transfer to Rd. Bond Construction Fund	0	0.00	150,000	1.41	0	0.00
	Total Transfers Out	**245,000**	**3.34**	**1,031,370**	**9.67**	**0**	**0.00**
	Total Capital Projects Funds	**$7,331,225**	**100.00**	**$10,670,060**	**100.00**	**$2,711,350**	**100.00**

Note: The 2003-2004 Actual Column is rounded to the nearest dollar.


A dollar saved is a quarter earned.
John Ciardi

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.

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 2005/06 totals $2,711,350. Of the total, $1,660,200 is funded for 12 improvement projects for facilities and infrastructure. $550,000 is included for the Miscellaneous City Sidewalk Repair Program. $350,000 is programmed for the continuation of the Sidewalk Gap Completion Program. $9,500 is budgeted for an architectural needs assessment at Fire Stations #2, #3 and #4. $100,000 is included for municipal parking lot repairs. $4,500 is budgeted for seat recovering at the 41-A District Court. $39,100 is appropriated for the creation of a City Employee Memorial and modifications to the existing fountain. $16,300 is budgeted for a replacement exhaust removal system at the Public Works garage. $27,300 is included for pump station repairs at the Laurel Meadows storm sewer detention pond. $46,000 is funded for replacement carpeting at Fire Station #5. $17,500 is programmed for school walkway repairs near Samoa, Bagdad, and Gettysburg Drive. $300,000 is included for the Schuer Drain on Metropolitan Parkway, and $200,000 for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total $287,850 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total $763,300 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 will fund an architectural needs assessment to review possible future renovations to Fire Stations #2, #3, and #4?

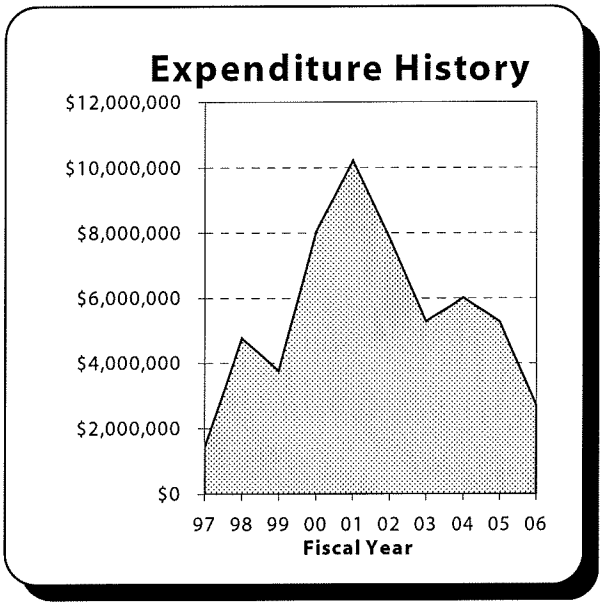
Capital Projects Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of $2,711,350 is proposed for next fiscal year. $129,900 is for capital equipment, $763,300 for capital vehicles, and $157,950 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.*** In addition, twelve (12) Capital Projects totaling $1,660,200 are proposed. $550,000 is for the City Sidewalk Repair Program, $100,000 for municipal parking lot repairs, $4,500 for Seat Recovering at the 41-A District Court, $39,100 for the creation of a City Employee Memorial and modifications to the existing Fountain, $16,300 for a replacement Exhaust Extracation System at the Public Works garage, $27,300 for Pump Station repairs at the Laurel Meadows storm sewer detention pond, $46,000 for replacement Carpeting at Fire Station #5, $9,500 for an Architectural Needs Assessment at Fire Stations #2, #3, and #4, $350,000 for the continuation of the Sidewalk Gap Completion Program, $17,500 for School Walkway repairs near Samoa, Bagdad, and Gettysburg Drive, $300,000 for the Schuer Drain on Metropolitan Parkway, and $200,000 for the ongoing maintenance of storm drains in the City. ***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 $150,000 due to a one-time use of funds on hand at the County last year for the 18½ Mile Road Plumbrook Drain project in the Road Bond Construction Fund.

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

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	5,764,513	5,120,270	5,058,880	2,711,350	2,711,350
Transfers Out	245,000	150,000	150,000	0	0
Total	$6,009,513	$5,270,270	$5,208,880	$2,711,350	$2,711,350

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 road construction costs, paving, or storm drain activities financed by special assessments or long-term bonds. Other transactions, which are accounted for in this Fund, are associated road construction costs such as engineering costs, legal fees, advertising costs for bids, and rights-of-way acquisition costs.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects 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.

For fiscal year 2005/06, there are no capital projects budgeted for this fund. Two major projects were budgeted and completed in fiscal year 2004/05 including the widening of 18½ Mile Road to connect Mound Road and the Van Dyke M-53 Freeway and 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 City has recently completed two major projects in the Road Bond Construction Fund including the 18½ Mile Road Connector and the 17 Mile Road Bridge Repair, and there are no projects budgeted in this Fund for the 2005/06 fiscal year?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

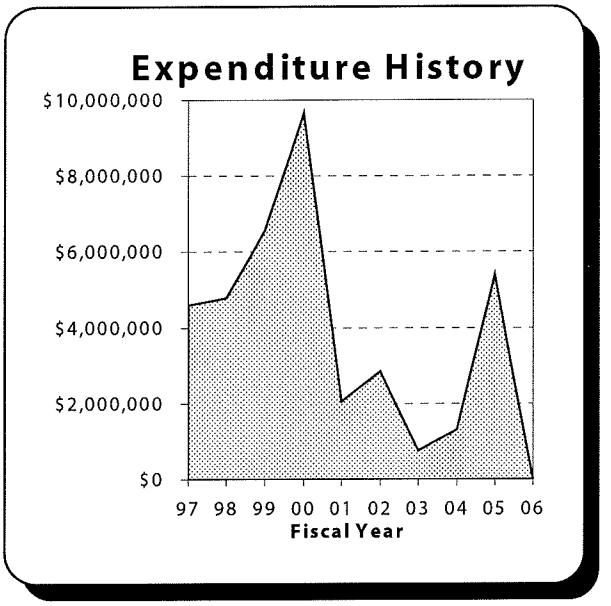
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2004/05 BUDGET

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 as no projects are planned for the 2005/06 fiscal year. Two major projects were budgeted in this fund and completed in the 2004/05 fiscal year including the 18½ Mile Road Connector and the 17 Mile Road Bridge Repair projects.

Transfers Out – Total Transfers Out decreased $881,370 as there are no Transfers Out proposed for the 2005/06 fiscal year. A transfer to the Local Road Fund was made in the prior year to help fund the cost associated with removing emerald ash borer infected trees on neighborhood City streets.



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.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Budget	2004/05 Estimate	2005/06 Manager	2005/06 Approved
Supplies	$0	$0	$0	$0	$0
Capital Outlay	1,321,710	4,518,420	4,520,420	0	0
Transfers Out	0	881,370	881,370	0	0
Total	$1,321,710	$5,399,790	$5,401,790	$0	$0

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-seven (37) years after its incorporation the City has matured into a community serving approximately 127,000 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 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 Budget Document. As mentioned above, the MIP entails a five (5) year overview of capital needs of the City. 2004/05 is the first year of the MIP. The second year (2005/06) 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 2005/06, the City's total capital funding is $9,959,340. Of the total, $8,758,390 is budgeted for improvements, $204,400 is for equipment, $837,300 is for vehicles, and $159,250 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 2005/06 is $1,660,200.

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. For fiscal year 2005/06, there are no budgeted expenditures for the Road Bond Construction Fund.

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 $613,000 are budgeted for fiscal year 2005/06.

Transportation projects scheduled as part of the 2005/06 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 $590,000 are budgeted for fiscal year 2005/06.

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 and the sale of excess City property. The grants have been provided to the City on a matching basis with the General Fund typically providing the match. This year, park projects will be funded with reserves leftover from the previous sale of excess City property. Projects include tree plantings at Delia Park, the replacement of the park sign at the entrance of Delia Park, the construction of three outdoor bocce ball courts at the Senior Center, the asphalt paving of the entrance drive and south parking lot at Delia Park, and the surface repair of five tennis courts also at Delia Park. These expenditures total $323,000.

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 2005/06, there are no new drains programmed to be constructed with bond sale proceeds.

The Community Development Block Grant Fund has been used in constructive ways in prior years for the development of the community. In fiscal year 2005/06, $458,990 is budgeted for the reconstruction of Plumbrook Road from 17 Mile Road to Van Dyke, the replacement of handicapped accessible playground equipment at Farmstead Park, and the removal and replacement of the existing concrete pavement and drive approaches on Count Court.

The primary funding sources for Water & Sewer Fund improvements and replacement projects are fees charged for connections into the existing system and funding from special assessments. Sanitary sewer projects totaling $1,150,000 are programmed. Water main expenditures in the amount of $3,812,000 are programmed. $125,000 is budgeted for water main replacement at the Riverland Shopping Center and the Fire Hydrant Replacement Program. The Geographic Information System Pilot Program is funded in the amount of $26,200.■

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2004/05	Qty.	Manager Recomm. Budget 2005/06	Qty.	Council Approved Budget 2005/06
City Administration Department								
Emergency Management								
Emergency Management Equipment	982	Mach. & Equip. - Grant	1	58,660				
Homeland Security Equipment	982	Mach. & Equip. - Grant	1	463,130				
Total			**2**	**521,790**	**0**	**0**	**0**	**0**
Facilities Maintenance								
Electrical for Emergency Generator - City Hall	982	Machinery & Equipment	1	5,520				
Electrical for Replacement Generator - Police	982	Machinery & Equipment	1	68,630				
Total			**2**	**74,150**	**0**	**0**	**0**	**0**
Parks & Recreation Department								
Parks & Recreation								
Portable Basketball Scoreboards	982	Machinery & Equipment			2	3,000	2	3,000
Total			**0**	**0**	**2**	**3,000**	**2**	**3,000**
Police Department								
Enforcement Services								
Video Camera & Accessories	981002	Electronic Equip. - Drug	1	3,220				
Patrol Rifles	982	Machinery & Equipment	6	9,180				
Total			**7**	**12,400**	**0**	**0**	**0**	**0**
Investigative Services								
Computer Printer	979002	Computer Equip. - Drug	1	1,420				
Undercover Surveillance Equipment	981102	Electronic Equip. - Drug	1	1,730				
Total			**2**	**3,150**	**0**	**0**	**0**	**0**
Fire Department								
Fire Administration								
Electronic Training Mannequin	982	Machinery & Equipment	1	9,900				
Total			**1**	**9,900**	**0**	**0**	**0**	**0**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2004/05	Qty.	Manager Recomm. Budget 2005/06	Qty.	Council Approved Budget 2005/06
Fire Extinguishment								
Self-Contained Breathing Apparatus	983	Fire Equipment	10	35,800				
Thermal Imaging Camera	983	Fire Equipment	1	11,800				
Hazmat Equipment	983.001	Fire Equipment - Grant	1	47,910				
Hazmat Decontamination Trailer	983.001	Fire Equipment - Grant	1	100,450				
Total			**13**	**195,960**	**0**	**0**	**0**	**0**
City Development Department								
Planning								
Work Station Cabinet	977	Furniture	1	390				
Total			**1**	**390**	**0**	**0**	**0**	**0**
Public Works Department								
Fleet Maintenance								
Automatic Diagnostic Scan Tool	982	Machinery & Equipment	1	2,300				
Band Saw	982	Machinery & Equipment			1	4,300	1	4,300
Total			**1**	**2,300**	**1**	**4,300**	**1**	**4,300**
Parks & Grounds Maintenance								
Front End Loader	982	Machinery & Equipment	1	69,810				
Tri-Mower Tractor	982	Machinery & Equipment	1	75,000				
72" Riding Mower	982	Machinery & Equipment	1	20,000	1	20,000	1	20,000
Total			**3**	**164,810**	**1**	**20,000**	**1**	**20,000**
Street Services								
Concrete Grinder	982	Machinery & Equipment	1	2,500				
72" Riding Mower	982	Machinery & Equipment			1	20,000	1	20,000
Dual Axle Trailer	982	Machinery & Equipment			1	2,600	1	2,600
Tri-Mower Tractor	982	Machinery & Equipment			1	80,000	1	80,000
Total			**1**	**2,500**	**3**	**102,600**	**3**	**102,600**

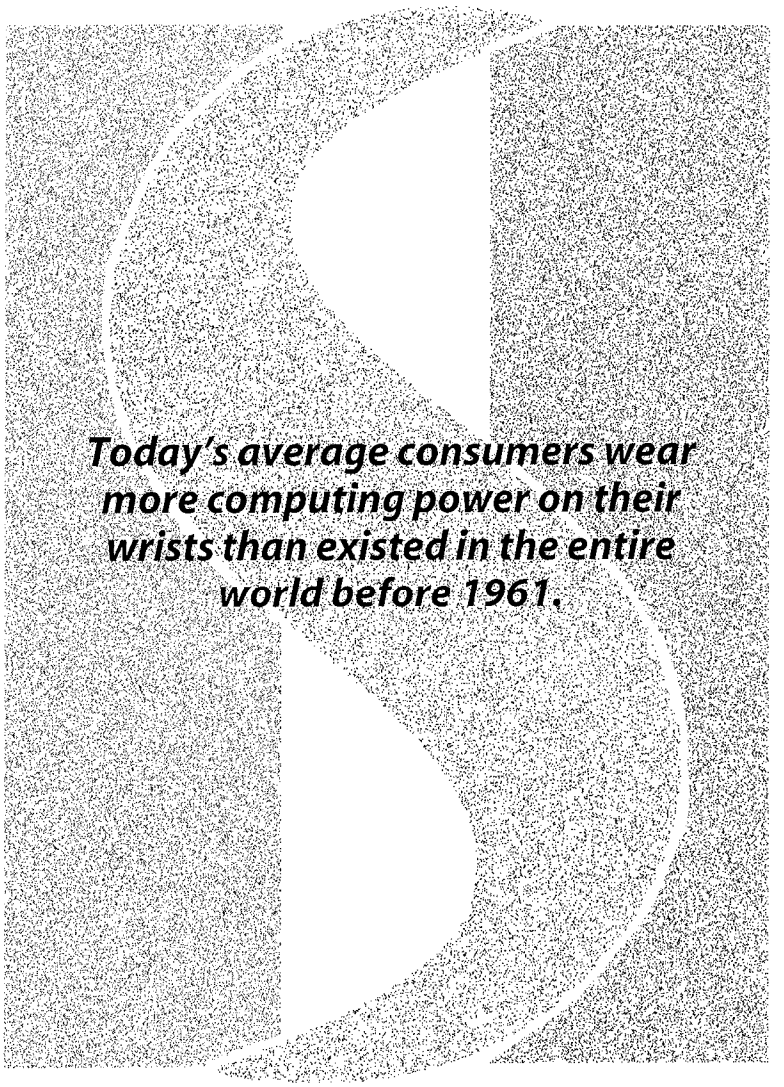
CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2004/05	Qty.	Manager Recomm. Budget 2005/06	Qty.	Council Approved Budget 2005/06
General Expenditures								
Emergency Operations Center Cabling	982	Machinery & Equipment	1	1,600				
Total			1	1,600	0	0	0	0
Total Capital Projects Fund Equipment			34	988,950	7	129,900	7	129,900
Water & Sewer Fund								
Water & Sewer Administration								
DPW Facility Furnace	982	Machinery & Equipment	1	108,840				
Total			1	108,840	0	0	0	0
Water Distribution								
Portable Light Tower Trailer	982	Machinery & Equipment	1	7,760				
Total			1	7,760	0	0	0	0
Sewage Collection								
Sewer Televising Inspection Unit	982	Machinery & Equipment	1	121,800				
Backhoe Tractor with Loader	982	Machinery & Equipment	1	49,200				
Trailer Mounted Air Compressor	982	Machinery & Equipment	1	26,000				
Portable Trailer Mounted Generator	982	Machinery & Equipment	1	55,000				
Submersible Pump	982	Machinery & Equipment	1	6,000				
Telescopic Lift Trailer	982	Machinery & Equipment			1	8,500	1	8,500
Truck Mounted Handi-Ram	982	Machinery & Equipment			1	66,000	1	66,000
Total			5	258,000	2	74,500	2	74,500
Total Water & Sewer Fund Equipment			7	374,600	2	74,500	2	74,500
Total City Equipment			41	$1,363,550	9	$204,400	9	$204,400

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2004/05	Estimated Budget 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06
Capital Projects Fund *								
IT, City Mgmt., Financial Services	979.000	Computer Equipment	27	Replacement Personal Computers	40,500	40,500		
Information Technology	979.000	Computer Equipment	1	Replacement Network Switch			65,000	65,000
Treasury, Purchasing, Development, CR	979.000	Computer Equipment	40	Replacement Personal Computers			56,500	56,500
City Clerk	979.000	Computer Equipment	7	E-Agenda Packet Hardware/Software			32,650	32,650
Financial Services	979.100	Computer Equipment	1	MUNIS Financial Software		4,500		
Treasury	979.100	Computer Equipment	1	EnablePoint - False Alarm Software		7,500		
City Development Department	979.200	Computer Equipment	1	Sierra Hand-held Software	80,000	82,780		
City Development Department	979.250	Computer Equipment	19	Hand-held Field Computer	90,100	90,100		
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	979.310	Computer Equipment	1	Clemis Workstation - Backup Dispatch Center	990	1,420		
Library	979.700	Computer Equipment	1	Personal Computer & Software	1,500	1,230		
Library	979.700	Computer Equipment	1	Color Laser Printer			2,000	2,000
Fire Department	979.850	Computer Equipment	1	Computer Projector			1,800	1,800
Total Capital Projects Fund			**109**		**222,590**	**237,530**	**157,950**	**157,950**
Water & Sewer Fund								
Water Distribution	979.000	Computer Equipment	1	Replacement Personal Computer			1,300	1,300
Total Water & Sewer Fund			**1**		**0**	**0**	**1,300**	**1,300**
Total City Funds			**110**		**$222,590**	**$237,530**	**$159,250**	**$159,250**

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 2004/05	Qty.	Manager Recomm. Budget 2005/06	Qty.	Council Approved Budget 2005/06
CAPITAL PROJECTS FUND								
Motor Vehicles & Equipment - 9010								
Emergency Command Vehicle	984213	Emergency Management	1	220,000				
Mini Van	984213	Emergency Management			1	18,500	1	18,500
One Ton Work Van	984265	Facilities Maintenance	1	14,220				
Mid-Size 4-Door Passenger Vehicle	984265	Facilities Maintenance	2	29,000				
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Enforcement Services	11	232,000	11	231,000	11	231,000
SUV Tahoe - Evidence Technician	984315	Enforcement Services	1	26,000	1	26,000	1	26,000
Fire Engine (remaining payment)	984339	Fire Extinguishment	1	264,650				
Full-Size SUV - Battalion Chief	984339	Fire Extinguishment	1	37,000				
Fire Engine	984339	Fire Extinguishment			1	390,000	1	390,000
Tandem Dump Truck w/Plow & Spreader	984444	Street Services	1	112,650				
Pick-up Truck 4x4 with Plow	984444	Street Services	1	28,000				
Chipper Truck	984444	Street Services			1	52,000	1	52,000
Pick-up Truck 4x4 with Lift Gate	984553	Fleet Maintenance	1	29,000				
Pick-up Truck 4x4 with Plow	984770	Parks & Grounds Maintenance			1	28,000	1	28,000
3/4 Ton Pick-up Truck	984752	Parks & Recreation			1	17,800	1	17,800
Total Capital Projects Fund Vehicles			**21**	**992,520**	**17**	**763,300**	**17**	**763,300**
WATER & SEWER FUND								
Water & Sewer Admin - 5520								
4x4 Utility Vehicle	984000	Water & Sewer Administration			1	22,500	1	22,500
Total					**1**	**22,500**	**1**	**22,500**
Water Distribution - 5560								
One Ton Work Van	984000	Water Distribution	1	14,370				
Mini Van	984000	Water Distribution	1	18,500	1	18,500	1	18,500
Cube Utility Truck	984000	Water Distribution			1	33,000	1	33,000
Total			**2**	**32,870**	**2**	**51,500**	**2**	**51,500**
Sewage Collection - 5580								
Flatbed Truck with Dump & Plow	984000	Sewage Collection	1	52,620				
Mini Van	984000	Sewage Collection	1	18,500				
Total			**2**	**71,120**	**0**	**0**	**0**	**0**
Total Water & Sewer Fund Vehicles			**4**	**103,990**	**3**	**74,000**	**3**	**74,000**
Total City Vehicles			**25**	**$1,096,510**	**20**	**837,300**	**20**	**837,300**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2004/05	Estimate 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Budget Year 2005/06	Future Years 2006/07	Future Years 2007/08	Future Years 2008/09
	CAPITAL PROJECTS FUND												
975000	Seat Recovering - 41-A District Court	4,500 GF			4,500	4,500	GF	0	0	0	0	0	0
975010	City Employee Memorial & Fountain Renovation	39,100 GF			39,100	39,100	GF	500	500	0	0	0	0
975070	**Miscellaneous City Sidewalk Repair Program**	1,345,730											
	2004: Sections 15, 22, 27	GF/CPF	295,730	295,730			GF	2,000	2,000	0	0	0	0
		GF	125,000	125,000									
	2005: Sections 30, 31, 32	SAD (CPF)	375,000	375,000			GF	2,000	2,000	0	0	0	0
		GF			125,000	125,000							
	2006: Sections 19, 20, 29	SAD (CPF)			425,000	425,000	GF	2,000	2,000	2,000	0	0	0
975130	Municipal Facility Parking Lot Repairs including Fire Station #5	170,000 GF	70,000	70,000	100,000	100,000	GF	1,000	1,000	500	0	0	0
975140	Exhaust Extracation System - Public Works	16,300 GF			16,300	16,300	GF	0	0	200	200	200	200
975140	Pump Station Repairs - Laurel Meadows	27,300 GF			27,300	27,300	GF	0	0	0	0	0	0
975220	Replacement Kitchen Cabinets, Countertops, Fire Stations #4 & #5	27,930 GF	30,000	27,930			GF	300	300	0	0	0	0
975220	Replacement Carpeting - Fire Station #5	46,000 GF			46,000	46,000	GF	100	100	100	0	0	0
975220	Architectural Needs Assessment - Fire Stations #2, #3, & #4	9,500 GF			9,500	9,500	GF	0	0	0	0	0	0
975820	**Sidewalk Gap Completion Program**	537,000											
		CPF	35,000	35,000									
	2004: Gap Program & Appraisals	SAD (CPF)	215,000	152,000			GF	0	0	0	0	0	0
		GF			100,000	100,000							
	2005: Gap Program & ROW	SAD (CPF)			250,000	250,000	GF	0	0	0	0	0	0
975820	Regional Bike/Hike Path Completion - South side of Utica Road, Edison Corridor to East of Dodge Park Road	65,000 GF	70,000	45,000									
		SAD (CPF)	60,000	20,000			GF	0	500	1,000	1,000	1,000	1,000
975820	Sidewalk Installation - South side of 16 Mile Rd. between Mound and Van Dyke	75,000 GF/CPF	18,750	18,750									
		SAD (CPF)	56,250	56,250			GF	0	0	0	0	0	0
975853	Dodge Park Entrance Approach off Utica Road, Dodge Park Parking Lot Improvements, Lighting, Electronic Signage	416,700 CPF	110,160	110,160			GF	0	1,000	1,000	1,000	1,000	1,000
986000	Drain Maintenance - County	200,000 CPF	200,000	200,000	200,000	200,000	GF	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	Budget 2004/05	Estimate 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Budget Year 2005/06	Future Years 2006/07	2007/08	2008/09
986000	Schuer Drain on Metropolitan Parkway	300,000 SAD (CPF)			300,000	300,000	GF	0	0	0	500	500	500
986871	Gibson Drain Retention Lake Clean Out	527,180 CPF	92,680	192,680			GF	0	0	0	0	0	0
986879	Sterling Relief District - Metro Parkway and Conrail	885,000 DF	89,960	89,960			DF	85,000	85,000	85,000	85,000	85,000	85,000
986921	Plumbrook Drain Hydraulic Analysis - Mound Road to Red Run Drain	67,000 CPF	2,680	2,680			GF	0	0	0	0	0	0
986960	14 Mile Road - Somerset Relief Drain - Easements	1,070,000 CPF	1,070,000	100,000			GF	0	0	0	0	0	0
988000	Villa Fontana & Monticello Subdivision Drainage Modifications	360,000 CPF/GF SAD (CPF)	0 0	72,000 288,000			GF	0	0	0	0	0	0
988000	School Walkway Repairs - Samoa, Bagdad, Gettysburg	17,500 GF			17,500	17,500	GF	500	500	0	0	0	0
	Total Capital Projects Fund	**$6,206,740**	**$2,916,210**	**$2,276,140**	**$1,660,200**	**$1,660,200**		**$93,400**	**$94,900**	**$89,800**	**$87,700**	**$87,700**	**$87,700**
	ROAD BOND CONSTRUCTION FUND												
988597	Ryan Road Paving & Drain - 18-1/2 Mile Road to Hall Road - (MTFB-00), (DRAIN)	6,350,000 RBCF	17,820	17,820			DF/MRF	480,000	480,000	480,000	480,000	480,000	480,000
988603	18-1/2 Mile Road Plumbrook Drain Channel Excavation (DRAIN)	4,000,000 RBCF	150,000	150,000			DF/MRF	350,000	350,000	350,000	350,000	350,000	350,000
988858	18-1/2 Mile Road Connector - Mound Road to Van Dyke (MTFB-05)	4,560,000 RBCF	3,474,100	3,474,100			MRF	0	0	500,000	500,000	500,000	500,000
988876	17 Mile Road Bridge Repair Over Conrail (MTFB-05)	930,000 RBCF	875,500	875,500			MRF	0	0	90,000	90,000	90,000	90,000
	Neighborhood Road Repair & Replacement Program												
988930	Concrete Replacement - Peso Ct., West side of Pondview, Onorio Subdivision	508,000 RBCF	1,000	3,000			LRF	1,000	0	0	0	0	0
	Total Road Bond Construction Fund	**$16,348,000**	**$4,518,420**	**$4,520,420**	**$0**	**$0**		**$831,000**	**$830,000**	**$1,420,000**	**$1,420,000**	**$1,420,000**	**$1,420,000**
	MAJOR ROAD FUND												
	COUNTY ROADS												
988000	Intersection Improvements (Unspecified)	150,000 MRF	100,000	50,000	100,000	100,000	MRF	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	Budget 2004/05	Estimate 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Budget Year 2005/06	Future Years 2006/07	Future Years 2007/08	Future Years 2008/09
988000	Traffic Signals - Miscellaneous Locations	200,000											
		MRF	100,000	46,110	100,000	100,000	MRF	200	200	200	200	200	200
	a) Riverland Drive & Van Dyke			17,890									
	b) 19 Mile Road & Gainsley			36,000									
988000	Schoenherr Road Landscaping -	160,000											
	14 Mile Road to Metropolitan Parkway	GRANT	184,000	110,000									
		MRF	46,000	50,000			MRF	0	0	500	500	500	500
988000	18 Mile Road Resurfacing- West of Ryan												
	Road to Dequindre, and Moravian Road -	121,500											
	Hayes Road to Schoenherr Road	MRF	61,720	30,000			MRF	0	0	0	0	0	0
988000	Metropolitan Parkway Blvd. Landscaping -	52,500											
	Dodge Park Road to Utica Road	GRANT	58,800	36,400									
		MRF	14,700	16,100			MRF	0	0	500	500	500	500
988000	Schoenherr Road Resurfacing -	274,880											
	Canal Road to M-59	MRF	265,460	265,460			MRF	0	0	0	0	0	0
988000	18 Mile Road & Utica Road - Intersection	500,000											
	Right-of-way Acquisition	MRF	150,000	500,000			MRF	0	0	0	0	0	0
988000	Bridge Deck Replacement -	30,000											
	Van Dyke Bridge over the Clinton River	MRF			30,000	30,000	MRF	0	0	0	0	0	0
988700	Dequindre Road - 17 Mile to 18 Mile Road	417,490											
		MRF	417,490	417,490			MRF	0	0	0	0	0	0
988700	Dequindre Road - 18 Mile Road to M-59	42,500											
	Preliminary Engineering - (2010 Project)	MRF	21,250	21,250			MRF	0	0	0	0	0	0
988928	Metropolitan Parkway Widening -	820,000											
	Dodge Park to Utica Road	MRF	30,000	30,000			MRF	0	0	0	0	0	0
	Total County Roads	**$2,768,870**	**$1,449,420**	**$1,626,700**	**$230,000**	**$230,000**		**$200**	**$200**	**$1,200**	**$1,200**	**$1,200**	**$1,200**
	CITY RESURFACING PROGRAM												
988906	Plumbrook Road - Utica Rd. to 17 Mile Rd.	1,392,000											
		MRF	37,420	37,420			MRF	1,000	1,000	200	200	200	200
988941	15 Mile Road Resurfacing- Maple Lane to	961,830											
	Van Dyke	MRF	137,570	40,000			MRF	1,000	1,000	200	200	200	200
	OTHER IMPROVEMENTS												
988000	Utica Road Reconstruction -	123,000											
	19 1/2 Mile to M-59	MRF	113,000	123,000			MRF	500	500	100	100	100	100
988000	**Intersection Improvements -**	655,000											
	19 Mile Road & Saal Road	MRF	455,000	455,000			MRF	0	0	1,000	1,000	1,000	1,000
	Canal Road & Saal Road	GRANT	200,000	200,000									
	19 Mile Road & Michigan Drive												

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2004/05	Estimate 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Budget Year 2005/06	Future Years 2006/07	Future Years 2007/08	Future Years 2008/09
988000	**2005 Bridge Maintenance Program -**												
	Culvert Cleanout - 15 Mile over Big Beaver	70,000											
	Drain, Ryan Road over Plumbrook Drain,	MRF			70,000	70,000	MRF	0	0	0	0	0	0
	Dodge Park Road over Plumbrook Drain												
988000	18 1/2 Mile Roundabout Landscaping	20,000											
		GRANT			14,000	14,000							
		MRF			6,000	6,000	MRF	0	0	0	500	500	500
988000	Intersection Improvements -	43,000											
	Dobry Drive & Ryan Road	MRF			43,000	43,000	MRF	0	0	0	100	100	100
988856	Maple Lane Widening - North of Volpe to												
	15 Mile Road, Maple Lane Resurfacing -	1,600,000											
	14 Mile Road to Volpe	MRF	63,730	63,730			MRF	1,000	1,000	500	500	500	500
988986	19 Mile Road Widening - Mound Road	3,000,000											
	to Ryan - Survey, Design & ROW	MRF	348,500	348,500	100,000	100,000	MRF	0	0	0	0	0	0
	TRAFFIC CONTROLS & INTERSECTION IMPROVEMENTS MISCELLANEOUS LOCATIONS												
988000	Miscellaneous Locations	202,000											
		MRF	100,000		25,000	25,000	MRF	200	200	200	200	200	200
	a) Clinton River Road & Riverland Drive			32,000									
	b) 19 Mile Road & Clinton River Road			32,000									
	c) 15 Mile Road & Chrysler Plant			25,000									
	d) Canal & Goldberg			13,000									
	e) 17 Mile Road & Dodge Park Road				50,000	50,000							
	f) 17 Mile Road & Ford Motor Company				25,000	25,000							
	NON-MOTORIZED IMPROVEMENTS												
988000	Miscellaneous Right-Of-Way	100,000											
	Acquisition	MRF	50,000	50,000	50,000	50,000	MRF	200	200	200	200	200	200
	Total City Major Road	**$8,166,830**	**$1,505,220**	**$1,419,650**	**$383,000**	**$383,000**		**$3,900**	**$3,900**	**$2,400**	**$3,000**	**$3,000**	**$3,000**
	Total Major Road Fund	**$10,935,700**	**$2,954,640**	**$3,046,350**	**$613,000**	**$613,000**		**$4,100**	**$4,100**	**$3,600**	**$4,200**	**$4,200**	**$4,200**
	LOCAL ROAD FUND												
	Neighborhood Road Repair & Replacement Program												
988965	Concrete Replacement - Grigg, Timmy,	800,640											
	Richard O, Cero, Hein, LaManna Drive	GF	395,000	395,000									
		LRF	395,000	405,640			LRF	1,000	1,000	0	0	0	0
988000	Concrete Replacement - Clifton, Firestone,	590,000											
	Breckenridge Drive	GF			590,000	590,000	LRF	1,000	1,000	500	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2004/05	Estimate 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Budget Year 2005/06	Future Years 2006/07	2007/08	2008/09
988880	Elmridge Drive - Concrete Paving, Storm Sewer	465,000 SAD (LRF)	465,000	465,000			LRF	500	500	300	300	300	300
988915	Shadowcreek Court - Concrete Paving, Storm Sewer	118,000 SAD(LRF)	118,000	118,000			LRF	0	0	200	200	200	200
	Total Local Road Fund	**$1,973,640**	**$1,373,000**	**$1,383,640**	**$590,000**	**$590,000**		**$2,500**	**$2,500**	**$1,000**	**$500**	**$500**	**$500**
	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	0	0	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
972008	Replacement Handicapped Accessible Playground Equipment - Farmstead Park	34,960 CDBG			34,960	34,960	GF	0	0	0	0	0	0
988000	Plumbrook Road Reconstruction - 17 Mile Road to Van Dyke	334,210 CDBG			334,210	334,210	MRF	1,000	1,000	500	0	0	0
988000	Count Court Reconstruction	89,820 CDBG			89,820	89,820	LRF	500	500	200	0	0	0
	Total C.D.B.G. Fund	**$905,790**	**$446,800**	**$446,800**	**$458,990**	**$458,990**		**$1,500**	**$1,500**	**$1,200**	**$500**	**$500**	**$500**
	LAND & WATER CONSERVATION FUND												
	LAND DEVELOPMENT												
972000	Neighborhood Park Tree Planting -	8,000											
	2005: Baumgartner Park	LWCF	4,000	3,000	3,000	3,000							
	2006: Delia Park	GRANT	4,000	3,000	3,000	3,000	GF	0	0	0	0	0	0
972008	Replacement of Player Benches - Delia Park	8,670 LWCF	8,670	8,670			GF	0	0	0	0	0	0
972008	Replacement Handicapped Accessible Playground Equipment - Fairfield Park	32,000 LWCF	32,000	32,000			GF	0	0	0	0	0	0
972333	Delia Park - (6) Replacement Portable Bleachers	24,000 LWCF	24,000	17,250			GF	0	0	0	0	0	0
972333	Asphalt Paving - Entrance and South Parking Lot - Delia Park	275,000 LWCF			275,000	275,000	GF	1,000	1,000	500	200	200	200
972334	Bocce Ball Courts - Senior Center	15,000 LWCF			15,000	15,000	GF	0	0	0	100	100	100
972334	Tennis Court Repair - Delia Park	15,000 LWCF			15,000	15,000	GF	0	0	0	0	0	0
972838	Avis Drive Park Development	437,000 LWCF	9,590	9,590			GF	1,000	1,000	1,000	1,000	1,000	1,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2004/05	Estimate 2004/05	Manager Recomm. Budget 2005/06	Council Approved Budget 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Budget Year 2005/06	Future Years 2006/07	2007/08	2008/09
972845	Regional Bike/Hike Trail - Riverland to Van Dyke	500,000											
		LWCF	280,000	280,000									
		GRANT	220,000	220,000			GF	0	0	1,500	1,500	1,500	1,500
972934	Nelson Park North - Soccer Field	60,000											
		LWCF	60,000	60,000			GF	0	0	1,000	1,000	1,000	1,000
972985	Baumgartner Park - (2) Soccer Fields	125,000											
		LWCF	270,000	125,000			GF	0	0	1,500	1,500	1,500	1,500
975850	Major City Park Signs - Dodge, Clinton River, Baumgartner	34,490											
		LWCF	34,490	34,490			GF	0	0	0	0	0	0
975850	Replacement Park Sign - Delia Park	12,000											
		LWCF			12,000	12,000	GF	0	0	0	0	0	0
	Total Land & Water Conserv. Fund	**$1,546,160**	**$946,750**	**$793,000**	**$323,000**	**$323,000**		**$2,000**	**$2,000**	**$5,500**	**$5,300**	**$5,300**	**$5,300**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Program 2004/05	Estimate 2004/05	Manager Recomm. Program 2005/06	Council Approved Program 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Program Year 2005/06	Future Years 2006/07	Future Years 2007/08	Future Years 2008/09
	WATER & SEWER IMPROVEMENT FUND												
	SANITARY SEWERS												
	18 Mile Road - North Side, Arbor Crest Drive to Hamilton Drive	120,000 W&S	86,000	120,000			W&S	0	0	100	100	100	100
	Utica Road, East of Walnut Lane, Walnut Lane	336,250 W&S	236,250	336,250			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 South Side	52,500 W&S	52,500	52,500			W&S	0	0	100	100	100	100
	Lake Forest Drive Connection	69,300 W&S	69,300	0			W&S	0	0	0	0	0	0
	Shadowcreek Court	52,000 W&S	84,000	52,000			W&S	0	0	200	200	200	200
	Maple Lane - 14 Mile Road to Volpe Road, East Side	175,000 W&S	165,500	0	175,000	175,000	W&S	0	0	0	300	300	300
	Plumbrook Road, West of Golf Course, South Side	39,900 W&S	39,900	39,900			W&S	0	0	100	100	100	100
	Moravian Road, South Side Hayes to East of 15 Mile Road	273,000 W&S	260,000	0	273,000	273,000	W&S	0	0	0	500	500	500
	Hayes Road - Moravian Road to Bartola Subdivision	140,000 W&S	132,000	0	140,000	140,000	W&S	0	0	0	300	300	300
	34473 Coachwood Drive - Lead Repair	17,000 W&S			17,000	17,000	W&S	0	0	0	0	0	0
	Utica Road, North Side - Valiant to Edison Corridor (including ROW)	280,000 W&S			280,000	280,000	W&S	0	0	0	500	500	500
	Lakeside Circle - Sewer Repair	25,000 W&S			25,000	25,000	W&S	0	0	0	0	0	0
	33909 Red Run Road	30,000 W&S			30,000	30,000	W&S	0	0	0	100	100	100
	North Side of 16 1/2 Mile Road - Private Drive	175,000 W&S			175,000	175,000	W&S	0	0	0	300	300	300
	41315 and 41289 Schoenherr Road	35,000 W&S			35,000	35,000	W&S	0	0	0	100	100	100
	Total Sanitary Sewer	**$2,104,500**	**$1,410,000**	**$885,200**	**$1,150,000**	**$1,150,000**		**$0**	**$0**	**$1,500**	**$3,600**	**$3,600**	**$3,600**

CAPITAL IMPROVEMENTS

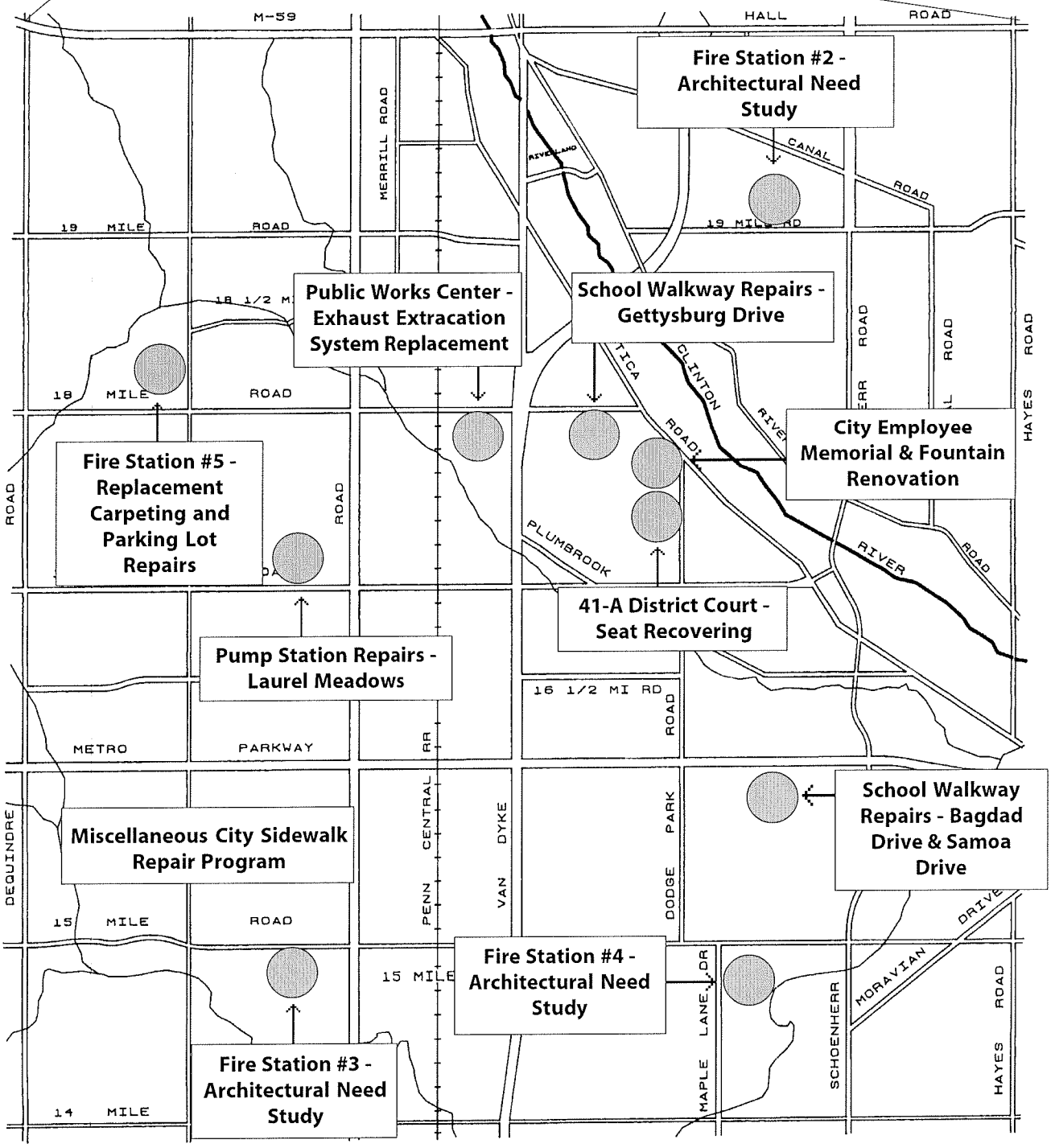
Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Program 2004/05	Estimate 2004/05	Manager Recomm. Program 2005/06	Council Approved Program 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Program Year 2005/06	Future Years 2006/07	2007/08	2008/09
	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
	Beyer Lane	115,000											
		W&S	121,130	115,000			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
	Lake Forest Drive Connection	40,500											
		W&S	40,500	0			W&S	0	0	0	0	0	0
	18-1/2 Mile Road & M-53 Exit - Mound	1,328,140											
	Road to Utica Road	W&S	1,365,000	1,328,140			W&S	0	0	1,500	1,500	1,500	1,500
	Hayes Road - Moravian to Utica Road	342,000											
		W&S	342,000	342,000			W&S	0	0	600	600	600	600
	Shadowcreek Court	25,200											
		W&S	25,200	25,200			W&S	0	0	100	100	100	100
	14 Mile Road - Maple Lane	785,000											
	to 1,200 feet east of Van Dyke	W&S	747,500	0			W&S	0	0	0	0	0	0
	Section 4 along Mound, Catalpa, Merrill	525,000											
	& Arrow; Under Conrail Railroad	W&S	525,000	525,000			W&S	0	0	1,000	1,000	1,000	1,000
	Dequindre & 14 Mile Road -	2,100,000											
	Sections 30 & 31	W&S	2,100,000	0	2,100,000	2,100,000	W&S	0	0	0	2,000	2,000	2,000
	Schoenherr Road - Hillsdale to the north	22,000											
		W&S			22,000	22,000	W&S	0	0	0	100	100	100
	Mound Road - 17 Mile to 18 1/2 Mile Road	1,600,000											
		W&S			1,600,000	1,600,000	W&S	0	0	0	1,700	1,700	1,700
	North Side of 16 1/2 Mile Road - Private	90,000											
	Drive	W&S			90,000	90,000	W&S	0	0	0	150	150	150
	Total Water Mains	**$7,734,990**	**$6,028,480**	**$3,097,490**	**$3,812,000**	**$3,812,000**		**$0**	**$0**	**$4,900**	**$8,850**	**$8,850**	**$8,850**
	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**
	WATER & SEWER REPLACEMENT FUND												
	Fire Hydrant Replacement	35,000											
	Program - 10-30 Hydrants per year	W&S	20,000	20,000	15,000	15,000	W&S	200	200	200	200	200	200

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Program 2004/05	Estimate 2004/05	Manager Recomm. Program 2005/06	Council Approved Program 2005/06	Proposed Method of Financing	Estimated Prior Yr. 2003/04	Estimated Current Yr. 2004/05	Program Year 2005/06	Future Years 2006/07	Future Years 2007/08	Future Years 2008/09
	Riverland Shopping Center Water Main Replacement	110,000 W&S			110,000	110,000	W&S	0	0	0	0	0	0
	Total Replacement Fund	$145,000	$20,000	$20,000	$125,000	$125,000		$200	$200	$200	$200	$200	$200
	Total Water & Sewer Funds	$10,036,890	$7,484,680	$4,028,890	$5,113,200	$5,113,200		$200	$200	$6,600	$12,650	$12,650	$12,650
	Total City Capital Improvements	$47,952,920	$20,640,500	$16,495,240	$8,758,390	$8,758,390		$934,700	$935,200	$1,527,700	$1,530,850	$1,530,850	$1,530,850

2005/06 MUNICIPAL FACILITIES

Sidewalk Gap Completion Program and Municipal Parking Lot Repairs



2005/06 STORM DRAINS

Storm Drain Maintenance - County

Schuer Drain - Metropolitan Parkway West of Conrail

2005/06 MAJOR ROADS

Miscellaneous Traffic Signals & Intersection Improvements

Intersection Improvement - Dobry Drive & Ryan Road

19 Mile Road Engineering & ROW Costs - Dequindre Road to Van Dyke

Bridge Maintenance - Culvert Clean-Out - Ryan Road over Plumbrook Drain

18-1/2 Mile & Van Dyke Traffic Circle - Landscaping

Plumbrook Resurfacing - 17 Mile Road to Van Dyke

Bridge Maintenance - Culvert Clean-Out - Dodge Park Road over Plumbrook Drain

Bridge Maintenance - Culvert Clean-Out - 15 Mile Road over Big Beaver Drain

Miscellaneous Right-of-Way Acquisitions

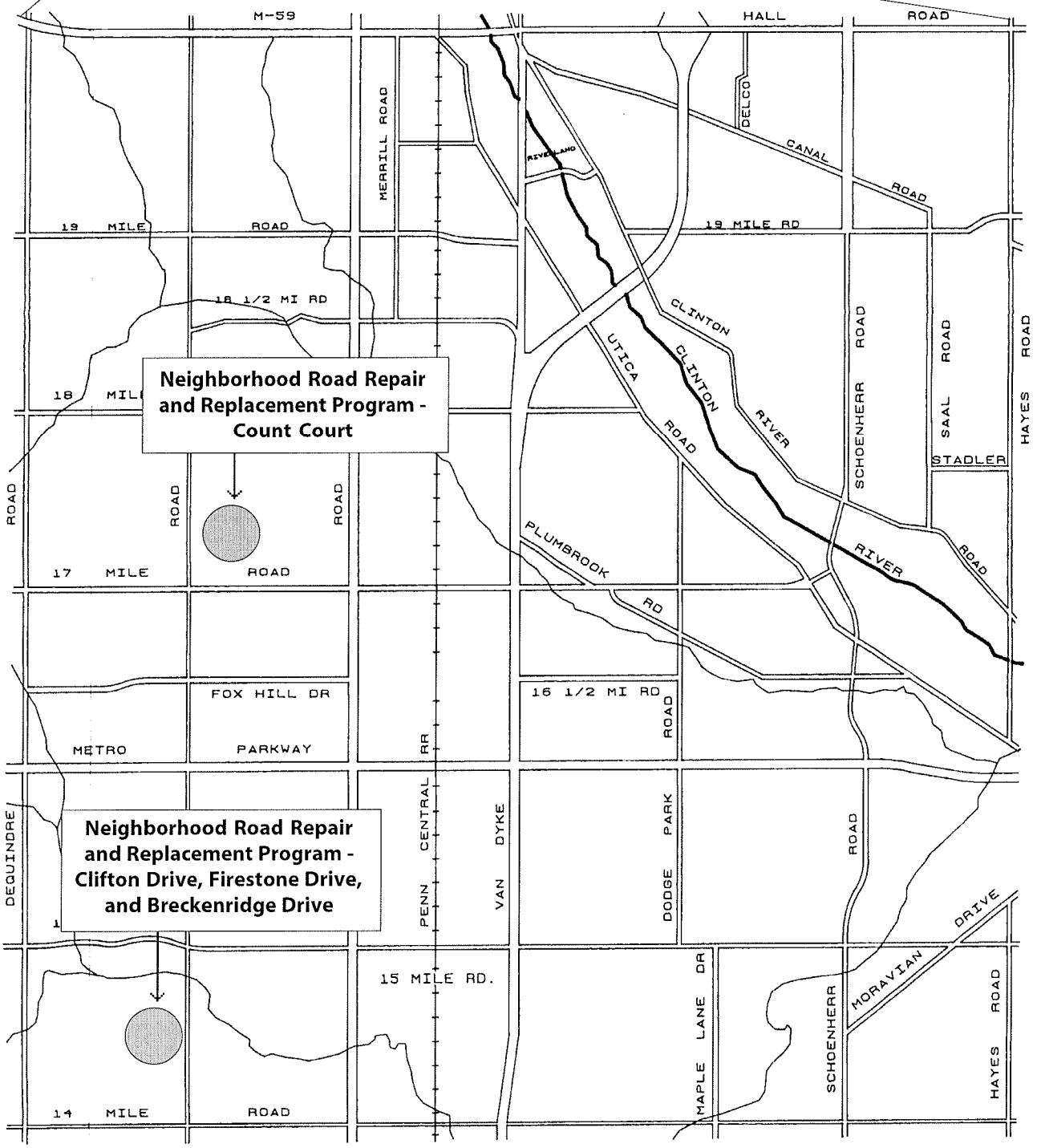
2005/06 COUNTY ROAD PLANS

Miscellaneous Traffic Signals (Locations Undetermined at this time)

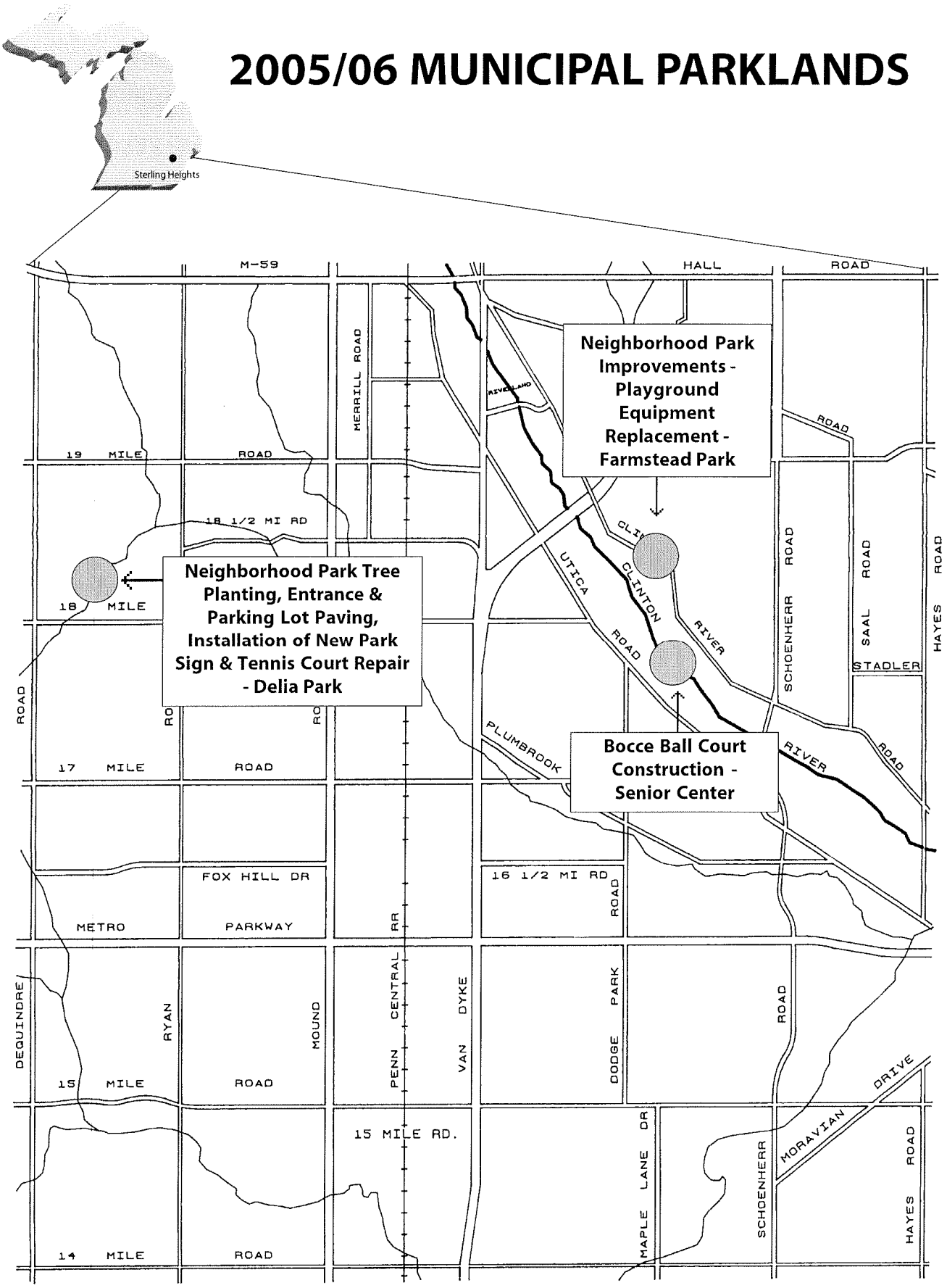
Bridge Deck Replacement - Van Dyke Bridge over the Clinton River

Miscellaneous Intersection Improvements (Locations undetermined at this time)

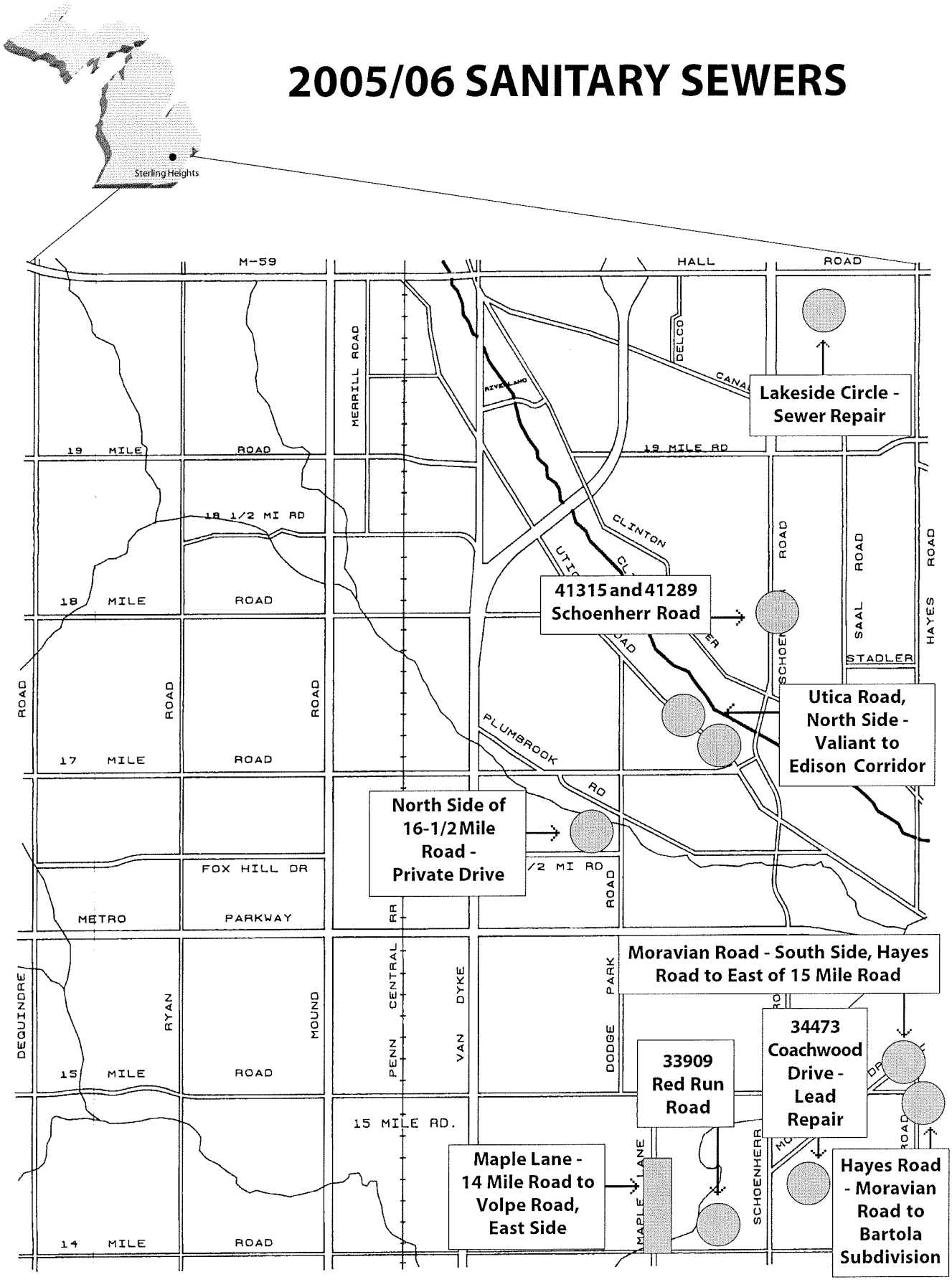
2005/06 LOCAL ROADS



2005/06 MUNICIPAL PARKLANDS

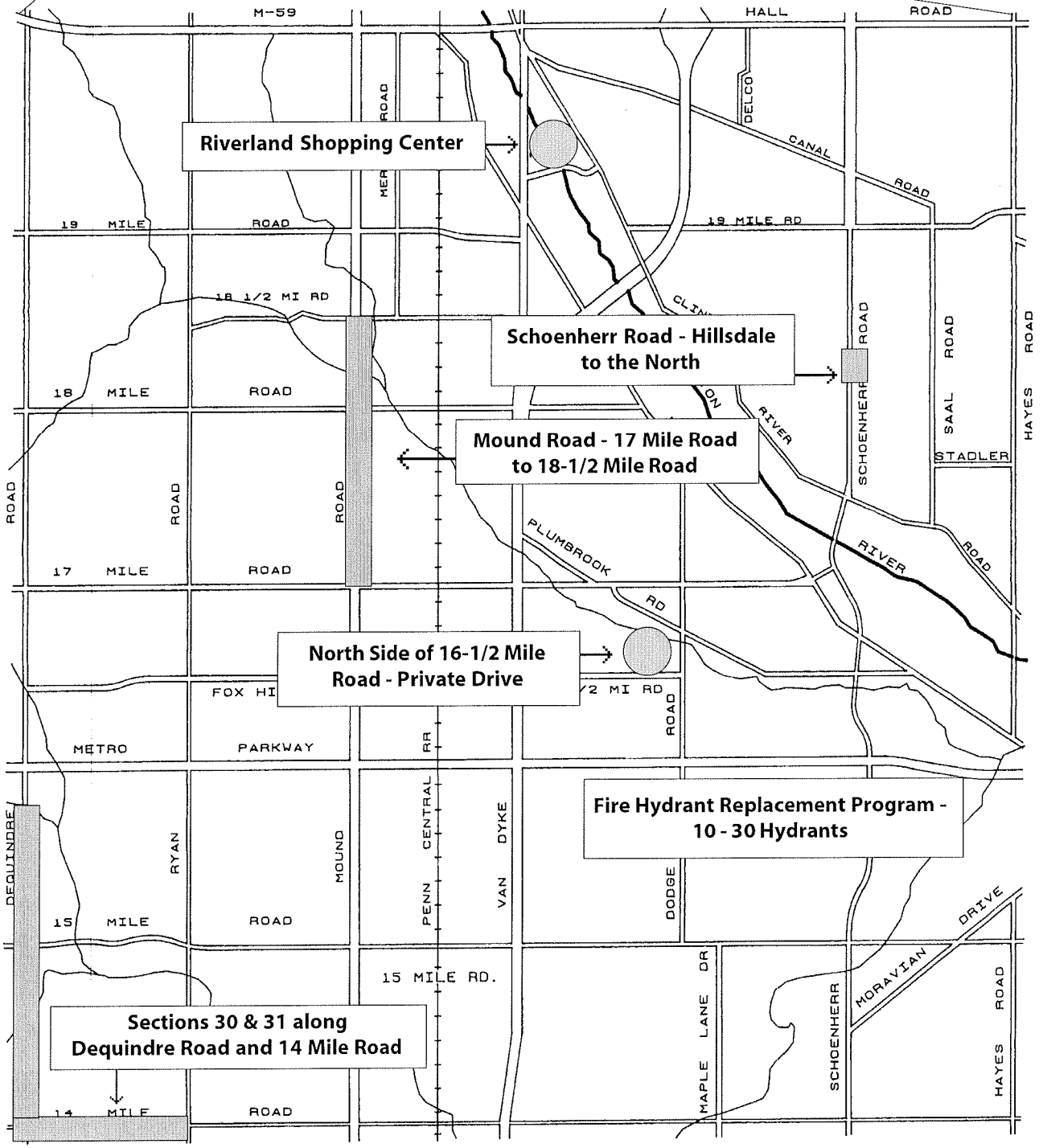


2005/06 SANITARY SEWERS



2005/06 WATER MAINS

Geographic Information System Maintenance and Data Input



GENERAL GOVERNMENT REVENUES BY SOURCE
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

Fiscal Year Ended June 30	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Property Taxes	$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	$48,495,510
Fees & Permits	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	2,318,120
Federal Sources	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	1,308,902
State Sources	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	19,953,235
Fines & Forfeitures	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	2,703,156
Charges For Services	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	6,334,722
Interest Income	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	501,142
Special Assessments	333,642	373,703	598,307	437,830	443,641	319,727	164,086	179,973	58,695	49,287
Rental Income	875,815	808,867	965,417	944,852	1,075,936	1,035,063	1,240,272	1,047,761	1,253,148	1,298,796
Cable Revenue	582,304	667,533	790,999	673,080	868,817	972,802	1,264,214	1,302,183	1,120,768	1,224,778
Other	392,272	2,614,547	607,990	609,014	873,853	738,693	515,770	1,910,625	750,239	782,723
	$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	$84,970,371

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

Fiscal Year Ended June 30	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
City Administration	$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	$9,091,026
Public Safety	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	35,779,556
41A District Court	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	2,342,220
Public Works	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	18,280,775
Recreation & Culture	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	4,553,035
General Expenditures	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	3,193,281
Capital Outlay	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	5,955,412
Debt Service	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	6,263,884
Other	12,062	10,992	25,804	11,542	14,940	17,356	10,930	11,610	105,909	195,055
	$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	$85,654,244

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget
City Council	$131,530	$126,290	$128,060	$124,820	$120,680	$126,890	**$134,290**
City Management	586,290	604,440	653,610	721,450	730,470	760,420	**802,400**
City Clerk	586,210	612,090	644,200	823,510	807,950	960,830	**954,950**
Emergency Management	89,910	85,310	86,680	122,740	190,070	249,880	**110,780**
Facilities Maintenance	1,006,180	1,133,050	1,122,270	1,225,680	1,303,160	1,378,890	**1,564,210**
Assessing	584,700	620,870	599,830	681,760	717,560	1,334,920	**813,050**
Financial Services	971,010	1,084,610	1,040,850	981,620	1,025,590	1,085,840	**1,132,600**
Purchasing	253,610	275,680	262,310	288,440	297,190	313,860	**323,960**
Treasury	553,220	587,820	621,860	665,440	646,070	677,970	**714,450**
Act 78 - Civil Service Commission	37,230	23,620	26,200	8,750	26,190	12,440	**27,060**
Building Authority	1,090	880	460	380	510	400	**400**
General Employees Pension Board	485,480	501,680	440,120	399,740	514,610	580,420	**638,840**
Legal	624,550	707,010	697,660	663,460	576,740	666,000	**680,000**
Total City Administration Dept.	**5,911,010**	**6,363,350**	**6,324,110**	**6,707,790**	**6,956,790**	**8,148,760**	**7,896,990**
Parks & Recreation	1,867,590	1,943,030	2,030,270	2,161,920	2,165,260	2,252,300	**2,313,970**
Total Parks & Recreation Dept.	**1,867,590**	**1,943,030**	**2,030,270**	**2,161,920**	**2,165,260**	**2,252,300**	**2,313,970**
Office of the Police Chief	4,407,920	2,242,930	2,141,550	2,394,110	2,484,860	4,070,260	**4,253,510**
Police Enforcement Services	10,114,530	10,717,290	12,310,680	14,303,650	16,051,110	14,597,740	**14,477,610**
Police Special Services	3,454,080	3,943,330	3,526,330	4,058,990	1,783,260	3,026,730	**3,242,750**
Police Support Services	0	2,567,410	955,080	1,083,020	2,756,790	2,908,430	**3,053,970**
Total Police Department	**17,976,530**	**19,470,960**	**18,933,640**	**21,839,770**	**23,076,020**	**24,603,160**	**25,027,840**
Fire Administration	782,720	812,330	852,710	1,084,110	1,053,610	1,075,710	**1,103,300**
Fire Extinguishment	8,624,440	9,346,350	8,565,100	10,045,670	10,759,740	11,522,910	**11,786,750**
Fire Prevention	705,920	757,010	730,280	887,760	890,180	968,790	**979,660**
Total Fire Department	**10,113,080**	**10,915,690**	**10,148,090**	**12,017,540**	**12,703,530**	**13,567,410**	**13,869,710**
City Development Administration	243,680	219,210	271,720	292,120	334,110	397,920	**423,640**
Building	1,165,630	1,223,590	1,185,210	1,267,100	1,396,070	1,916,580	**2,005,110**
Engineering	1,513,080	1,606,180	1,540,590	1,738,620	1,793,290	1,898,490	**1,938,460**
Planning	619,790	687,060	764,350	871,560	822,880	336,860	**350,390**
Ordinance Board of Appeals	3,770	0	0	0	0	0	**0**
Planning Commission	18,020	14,120	17,730	16,440	12,930	15,240	**14,320**
Zoning Board of Appeals	11,650	12,740	14,130	11,380	9,120	9,510	**9,300**
Total City Development Dept.	**3,575,620**	**3,762,900**	**3,793,730**	**4,197,220**	**4,368,400**	**4,574,600**	**4,741,220**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	1999/00 Actual	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2005/06 Budget
Fleet Maintenance	1,810,290	1,984,790	1,789,670	1,767,860	1,880,350	2,001,980	2,095,930
Parks & Grounds Maintenance	1,057,880	1,141,570	1,177,940	1,254,140	1,256,910	1,219,240	1,290,540
Public Works Center	402,910	396,720	428,560	457,530	458,060	457,590	481,290
Street Services	1,319,530	1,421,320	1,408,460	1,441,110	1,640,170	1,713,130	1,840,300
Total Public Works Department	**4,590,610**	**4,944,400**	**4,804,630**	**4,920,640**	**5,235,490**	**5,391,940**	**5,708,060**
Refuse Collection	3,588,880	4,034,120	4,373,220	4,658,800	4,659,240	5,220,750	4,421,020
Total Refuse Collection	**3,588,880**	**4,034,120**	**4,373,220**	**4,658,800**	**4,659,240**	**5,220,750**	**4,421,020**
Library	1,926,370	2,089,750	2,167,890	2,283,950	2,386,450	2,483,260	2,571,930
Historical Commission	1,910	2,430	2,260	1,940	1,330	1,420	1,420
Total Public Library Department	**1,928,280**	**2,092,180**	**2,170,150**	**2,285,890**	**2,387,780**	**2,484,680**	**2,573,350**
Community Relations	1,044,110	1,171,110	1,121,750	1,220,980	1,244,000	1,400,740	1,473,930
Information Technology	685,810	813,010	732,390	785,560	868,970	906,480	938,360
Beautification Commission	4,370	1,760	4,960	3,270	3,130	2,690	2,640
Cultural Commission	13,650	14,690	13,580	11,380	14,100	13,850	350
Telecommunications Commission	4,180	4,580	4,930	4,730	4,030	4,750	4,700
Total Comm. & Info. Services Dept.	**1,752,120**	**2,005,150**	**1,877,610**	**2,025,920**	**2,134,230**	**2,328,510**	**2,419,980**
41-A District Court	1,999,840	2,131,090	2,113,290	2,173,820	2,342,220	2,509,280	2,612,710
General Expenditures	2,487,670	2,443,370	2,527,590	2,665,340	2,825,010	2,990,810	2,941,600
Transfers Out	7,137,670	7,268,040	8,652,420	5,414,890	2,752,040	2,357,630	4,127,270
Total Expenditures & Uses	**$62,928,900**	**$67,374,280**	**$67,748,750**	**$71,069,540**	**$71,606,010**	**$76,429,830**	**$78,653,720**
Extraordinary Items	0	0	0	0	25,368,270	0	0
Total General Fund Expenditures	**$62,928,900**	**$67,374,280**	**$67,748,750**	**$71,069,540**	**$96,974,280**	**$76,429,830**	**$78,653,720**

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
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%
2004	593,593	19,057,927	71,974,280	26.48%

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)
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	4,754,712,200	1,025,224,600	5,779,936,800	50%
2005 (3)	5,007,328,500	968,119,700	5,975,448,200	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 2005 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.

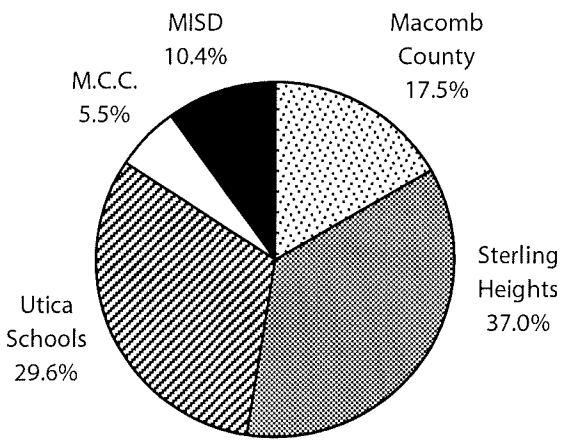
HOMESTEAD PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF TAXABLE VALUATION)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
City of Sterling Heights										
Operating (1)	7.90123	8.07170	8.20702	8.60204	8.47965	8.26879	8.08550	8.43430	8.29230	**8.19630**
Refuse	1.22248	1.16988	1.13469	1.03121	1.00665	1.04657	1.07470	1.04670	1.05870	**1.06960**
Police & Fire Pension	1.35279	1.27194	1.34207	0.96462	0.70797	0.56364	0.56070	0.37610	0.62400	**0.78090**
Public Improvements	0.76347	0.76223	0.62920	0.66067	0.73343	0.79958	0.78840	0.48590	0.32860	**0.24160**
Drain	0.37548	0.33970	0.27702	0.21146	0.29230	0.29142	0.21070	0.30700	0.32640	**0.33660**
Total	**11.61545**	**11.61545**	**11.59000**	**11.47000**	**11.22000**	**10.97000**	**10.72000**	**10.65000**	**10.63000**	**10.62500**
Overlapping Governments										
Macomb County	4.21200	4.21100	4.20900	4.20800	4.20800	4.20800	4.20700	4.20700	4.20580	**4.20580**
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	**3.50000**
Warren Consol. Schools	10.48800	10.41760	10.01060	9.82660	9.77760	9.34560	8.81630	8.89710	10.96260	**10.68060**
State Education	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	**5.00000**
Macomb Comm. College	1.72570	1.67570	1.64570	1.65390	1.61340	1.58400	1.51400	1.67070	1.69250	**1.58590**
M.I.S.D.	2.03670	2.03670	2.03670	2.03670	2.03630	2.02100	2.02100	2.00330	2.98630	**2.97290**
Huron/Clinton Metro Auth.	0.22360	0.22360	0.22360	0.22360	0.22350	0.22180	0.22020	0.22020	0.21700	**0.21610**
S.M.A.R.T.	0.00000	0.33000	0.33000	0.33000	0.32990	0.32730	0.32730	0.32730	0.60000	**0.59730**
Total Utica Schools (2)	**29.31345**	**29.59245**	**29.53500**	**29.42220**	**29.13110**	**28.83210**	**28.50950**	**28.57850**	**29.83160**	**28.70300**
Total Warren Schools (2)	**36.30145**	**36.51005**	**36.04560**	**35.74880**	**35.40870**	**34.67770**	**33.82580**	**33.97560**	**37.29420**	**35.88360**

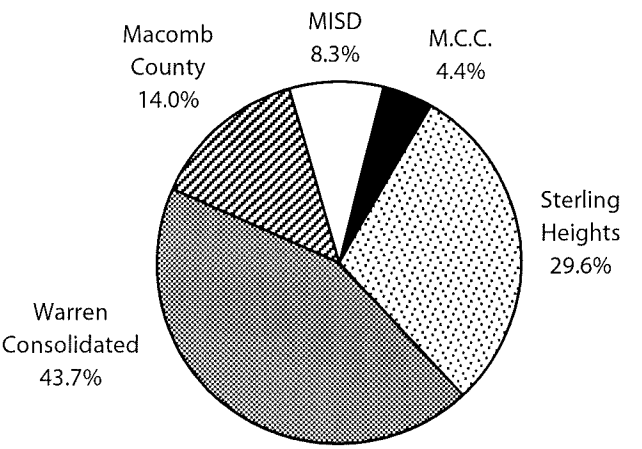
(1) City general operating tax rate charter limit equals 12.0 mills.

(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, 2004.

City of Sterling Heights
2003/04 Distribution of Homestead Taxes Paid



Utica Community Schools



Warren Consolidated Schools

PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS

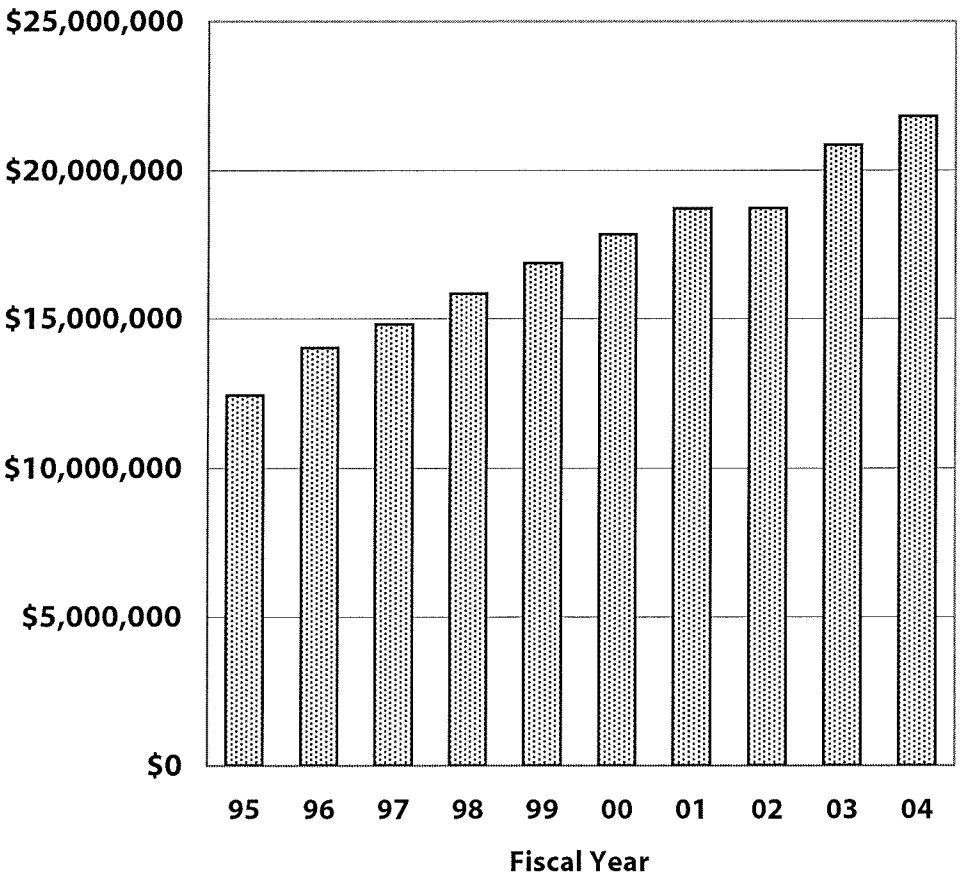
Fiscal Year Ended June 30	City Tax (1)	City IFT and CFT (1)	Police & Fire Pension (1)	City General Drain (1)	School Tax	County Tax	Total
1995	26,521,758	1,162,539	3,787,819	1,051,393	15,033,486 (2)	**12,419,782**	$59,976,777
1996	27,833,656	1,609,096	3,743,541	999,806	16,346,202	**14,022,905**	$64,555,206
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
2004	41,321,493	2,383,562	3,393,764	1,462,723	13,697,830 (3)	**21,814,009**	$84,073,381

(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.

(3) School Tax was not collected by the City during the 2003 tax program. The State Education Tax was reduced one time from six mills to five mills and was collected entirely during the summer season by the Macomb Intermediate School District.

County Tax Revenue

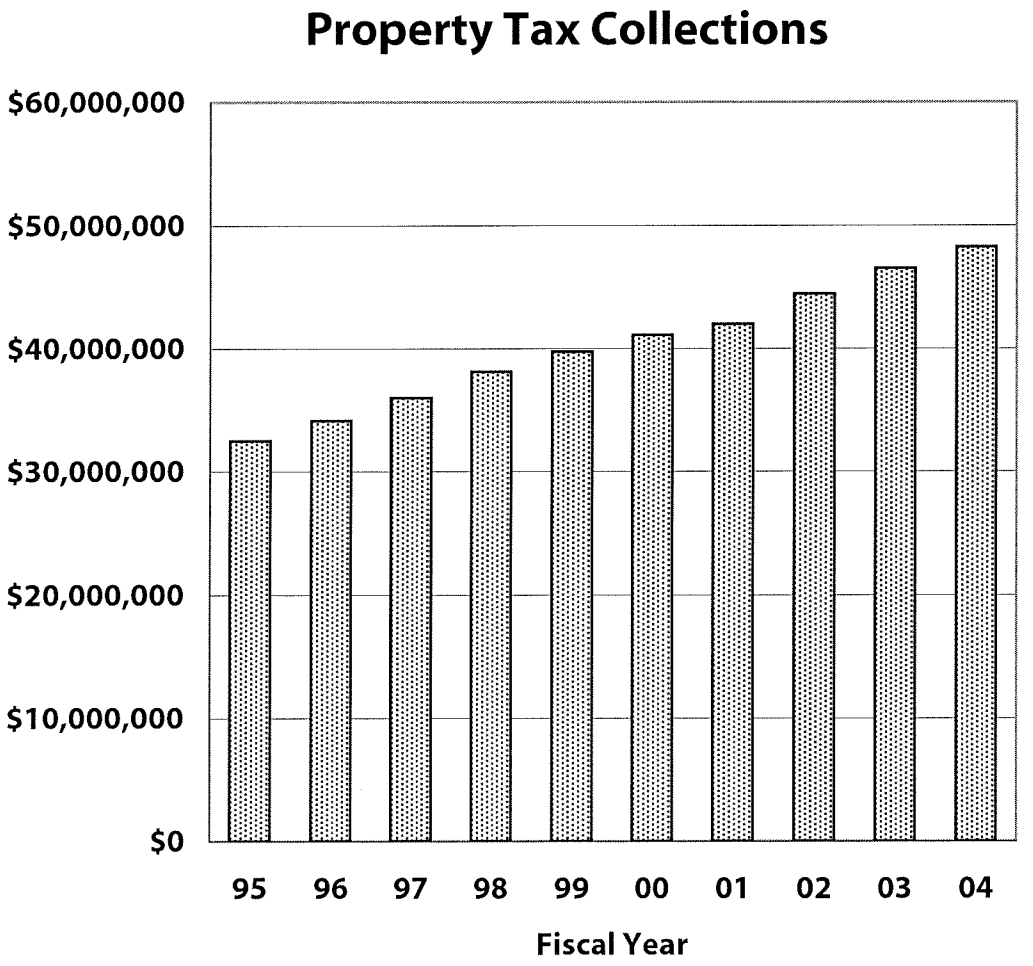


PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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
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	48,561,542	47,590,646	98.00%	680,399	**48,271,045**	99.40%
2005	50,166,920 (2)	-	-	-	-	-

(1) Includes operational, refuse, public improvement, and general drain taxes, but does not include penalties and interest on late payment of taxes.

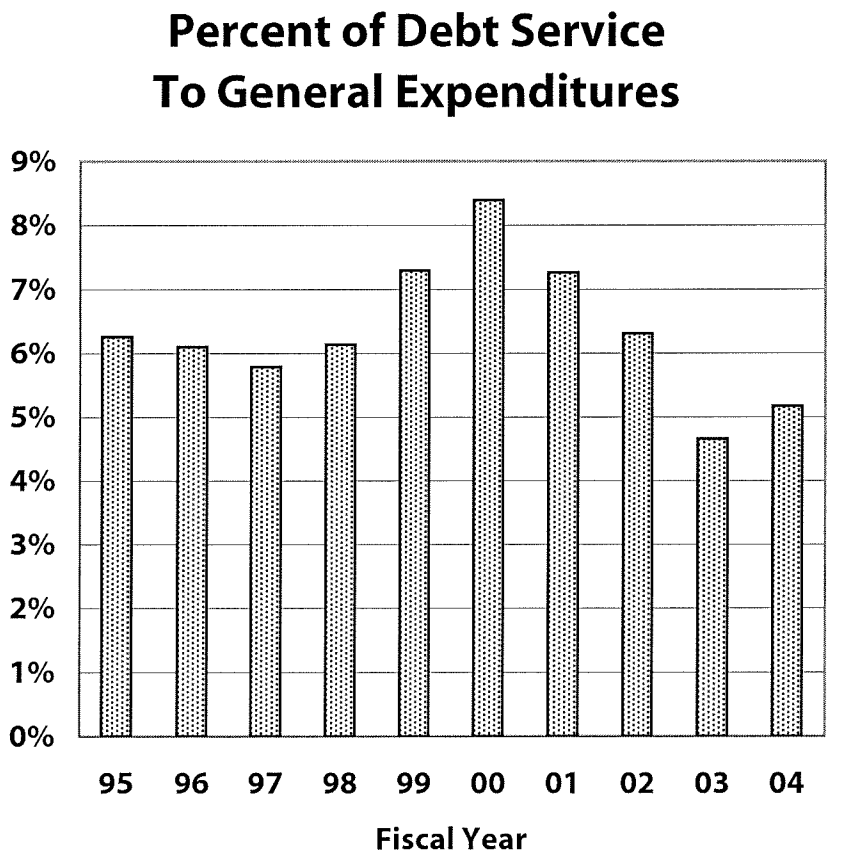
(2) The estimated tax levy is based on the summer tax receivable schedule. This levy will only change due to STC, MTT and/or Board of Review adjustments and is included to facilitate continuing disclosure reporting.



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		
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%
2004	3,274,450	1,125,456	4,399,906	85,654,244	5.17%

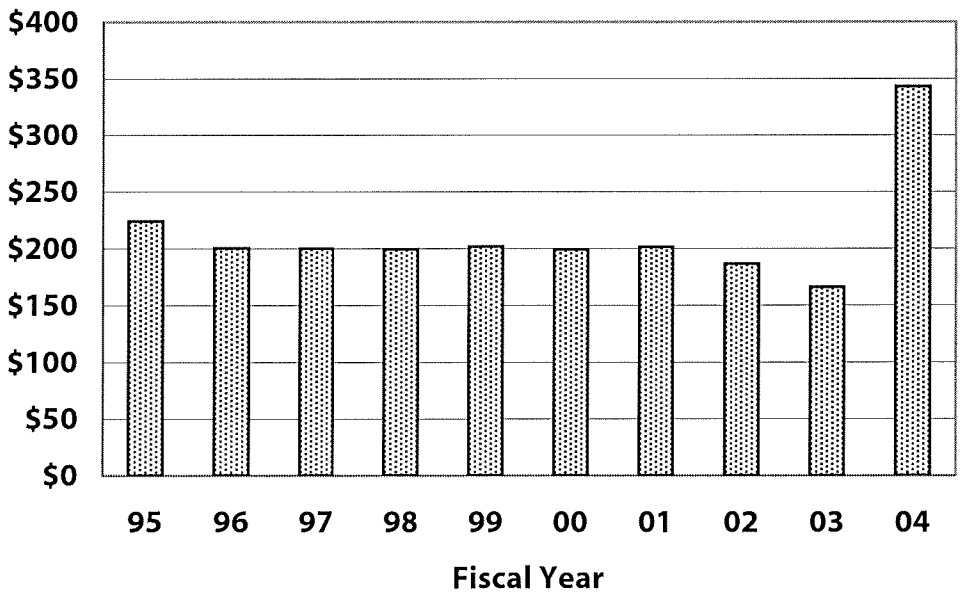
(1) Includes General, Debt Service, and Special Revenue Funds, excluding component units.



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
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**
2004	5,779,936,800	127,270	43,681,539	.76%	**343.22**

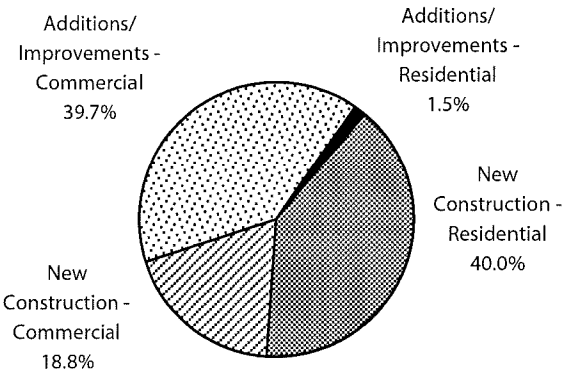
General Obligation Debt Per Capita



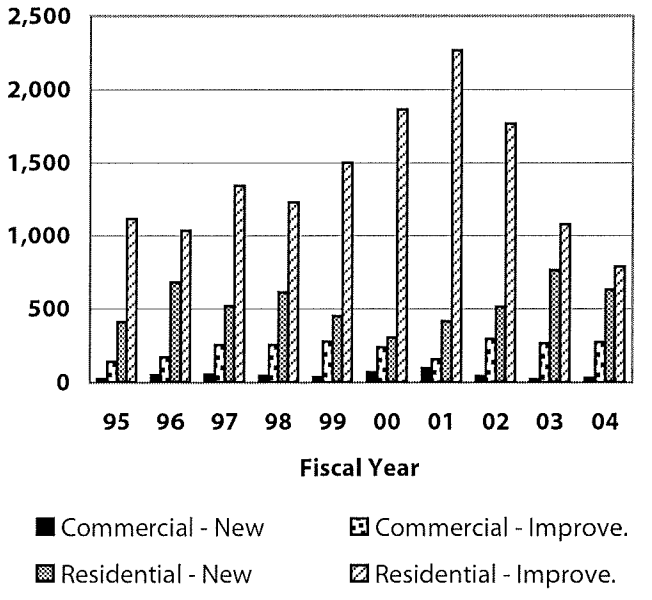
BUILDING PERMITS AT MARKET VALUE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Residential					Commercial				
	New Construction		Additions/Improve.		Total Residential	New Construction		Additions/Improve.		Total Commercial
	No.	Value	No.	Value		No.	Value	No.	Value	
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
2004	631	59,756,113	787	2,218,100	61,974,213	29	28,123,162	272	59,264,545	87,387,707

Market Value of 2004 Building Permits



Building Permits



DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

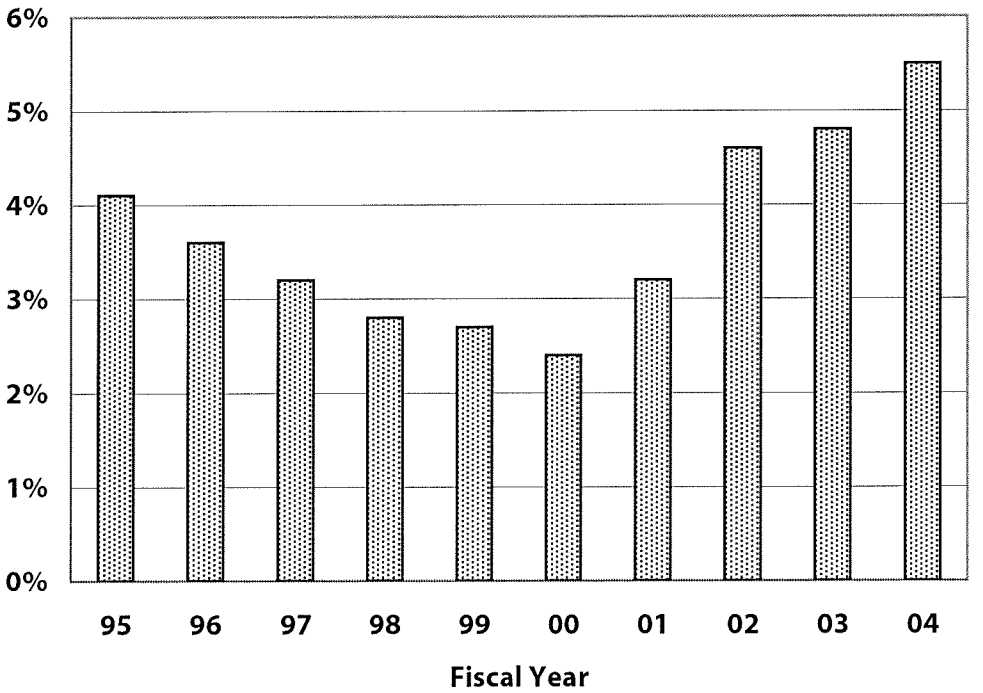
Fiscal Year Ended June 30	Estimated Population	Number of Households	Effective Buying Income Per Household (1)	Median Family Income	Sterling Heights Unemployment Rate
1995	121,200	42,606	55,759	-	**4.1%**
1996	121,880	42,278	49,170 (2)	-	**3.6%**
1997	122,380	43,700	52,312	-	**3.2%**
1998	122,900	44,237	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%**
2004 (3)	127,270	49,988	-	51,739	**5.5%**

(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.

(3) Effective with the 2004 figures, we are no longer able to obtain information for EBI as developed by Sales and Marketing Management, New York, NY. The information for "Number of Households" and "Median Family Income" were obtained from the 2004 SEMCOG Community Profile and the U.S. Bureau of the Census, respectively.

City of Sterling Heights
Unemployment Rate



2005/06 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2003/04 Actual	2004/05 Budget	2004/05 To 12/31	2004/05 Estimate	2005/06 Budget
	Supplies					
729.000	Postage	$281	$600	$354	$600	$600
730.000	Publications	319	400	0	350	400
751.000	Operating Supplies	259	300	112	300	300
758.000	Computer Software	0	900	0	500	900
	Total Supplies	859	2,200	466	1,750	2,200
	Other Charges					
802.000	Audit & Accounting Services	13,273	15,000	12,792	21,000	15,000
806.000	Legal Services	9,026	25,000	7,473	14,500	15,000
807.000	Medical Services	0	1,000	0	0	1,000
826.000	Other Contracted Services	829,921	810,000	481,521	963,000	963,000
903.000	Printing	0	200	0	200	200
922.000	Telephone	364	400	173	350	400
956.000	Local Meetings	46	200	17	100	200
957.000	Memberships & Dues	150	200	150	150	200
959.000	Education & Training	10,889	19,000	4,143	10,900	19,000
	Total Other Charges	863,669	871,000	506,269	1,010,200	1,014,000
	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	**$864,528**	**$874,200**	**$506,735**	**$1,011,950**	**$1,017,200**

NOTE: The "2003/04 Actual" & "2004/05 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	$186,600
Total Housing Units	50,341
Houses	33,574
Condominiums	6,000
Apartments	9,074
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 2,475

Police Protection

Group A offenses [2] 6,260
Group B offenses [3] 3,623
Injury Accidents 884
Property Damage 3,637
Private Property Damage 1,426
Total Traffic Violations 24,208
Civil Infractions 18,605
Parking Violations 1,696
Adult Arrests 2,707
Juvenile Arrests 246
OUIL Arrests 412

Fire Protection

Stations 5
Emergency Alarms Answered 9,215
Medical Emergencies 6,551
Fire Inspections Conducted 4,427
Inspection Violations Issued 4,451
Training Hours Completed 34,583

41-A District Court

Cases Handled:
- Civil 2,508
- Criminal 4,782
- Traffic 27,282
- Landlord & Tenant 2,285
- Small Claims 610

Election Data

Registered Voters 79,221
Voters at Polls 10,445
Absentee Ballots 7,113
Percent Voting 22.16%

Parks & Recreation

Acres 820
Developed Parks 28
Adult Athletics Attendance 13,980
Youth Athletics Attendance 56,080
Instructional Swim Attendance 9,640
Instructional Rec. Attendance 24,285
Nature Program Attendance 28,350
Senior Program Attendance 126,280
Special Event Attendance 68,500
Summer Playground Attendance 15,600
Special Rec. Program Attendance 15,870

Library

Registered Borrowers 53,476
Book Collections 186,992
Other Collections [4] 24,622
Items Circulated 662,579
Reference Transactions 132,104
Program Attendance 22,034
Library Visits 371,398
Interlibrary Loan Requests 88,657
Book Van Deliveries 12,623
Online Computer Users 357,869

Water & Sewer Services

Customers:
Residential 34,529
Commercial/Industrial 3,741
Miles of Water Mains 558
Miles of Sanitary Sewers 422
Fire Hydrants 6,796
Water (in thousand cubic feet):
Purchased from Detroit 828,398
Sold to Resident 815,645
Rates:
1,000 Cubic Feet (water and sewer) $22.72
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. 377

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 2005/06; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2005/06; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2005/06.

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, 2005 through June 30, 2006. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2005/06.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES			
General Ad Valorem Tax	~~$43,564,030~~	$43,305,830	
Licenses and Permits	2,013,400		
State and Local Returns	~~11,571,900~~	11,821,900	
Fines and Forfeitures	2,520,100		
Charges for Services	8,207,830		
Other Revenue	2,390,480		
Cable Revenue	1,250,000		
Total General Revenue		~~71,517,740~~	71,509,540
Refuse Tax	4,091,020		
Fire & Police Pension Tax	2,993,590		
Total Refuse and Pension Tax		7,084,610	
Total Revenues		~~78,602,350~~	78,594,150
OTHER FINANCING SOURCES			
Transfers In	97,830		
Total Other Financing Sources		97,830	
Total Revenues & Other Financing Sources		**~~$78,700,180~~**	**$78,691,980**

and does hereby designate ~~$43,374,030~~ 43,115,830 to be raised by ~~8.7642~~ 8.7550 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 $2,993,590 to be raised by ~~0.6049~~ 0.6079 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for fire and police pension purposes, as authorized by MCL 38.551, et. seq.,

and does hereby designate $4,091,020 to be raised by ~~0.8266~~ 0.8307 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 a collection fee of one-half (1/2) percent per month to all taxes, charges and assessments paid after September 1, and further, upon all 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	$7,896,990		
Parks & Recreation Department	2,313,970		
Police Department	25,027,840		
Fire Department	13,869,710		
City Development Department	4,741,220		
Public Works Department	5,708,060		
Refuse Collection	4,421,020		
Public Library Department	2,573,350		
Community & Information Services Department	2,419,980		
41-A District Court	2,612,710		
General Expenditures	2,941,600		
Contribution to Fund Balance	~~34,450~~	38,260	
Total Expenditures		~~74,560,900~~	74,564,710
OTHER FINANCING USES			
Transfers Out	~~4,139,280~~	4,127,270	
Total Other Financing Uses		~~4,139,280~~	4,127,270
Total General Fund		**~~$78,700,180~~**	**~~$78,691,980~~**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES			
Operating Revenues	$25,631,870		
Total Operating Revenues		**$25,631,870**	
OPERATING EXPENSES			
Administration	$2,615,040		
Water Distribution	10,808,380		
Sewage Collection	12,208,450		
Total Water & Sewer Operating Fund		**$25,631,870**	

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, 2005.

WATER RATES

Consumption Charges Per Billing Period	Rate Per Thousand Cubic Ft.
First 3,000 cubic feet or less	$11.85
All over 3,000 cubic feet	12.68

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	$15.28

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		
Federal Grants	$346,400	
State Sources	5,640,000	
Other Revenue	260,000	
Total Revenues		6,246,400
OTHER FINANCING SOURCES		
Transfer from General Fund	1,350,000	
Total Other Financing Sources		1,350,000
Total Revenues & Other Financing Sources		**$7,596,400**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Administration Expenses	$103,700	
Major Street Maintenance	1,901,500	
Major Street Improvements	613,000	
Contribution to Fund Balance	1,153,200	
Total Expenditures		3,771,400
OTHER FINANCING USES		
Transfer to Local Road Fund	1,000,000	
Transfer to Road Bond Debt Retirement Fund	2,825,000	
Total Other Financing Uses		3,825,000
Total Major Road Fund		**$7,596,400**

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Federal Grants	$20,000	
State Sources	2,190,000	
Charges for Services	150,000	
Other Revenue	83,300	
Total Revenues		2,443,300
OTHER FINANCING SOURCES		
Transfer from Major Road Fund	1,000,000	
Transfer from General Fund	590,000	
Total Other Financing Sources		1,590,000
Total Revenues & Other Financing Sources		**$4,033,300**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Administration Expenses	$139,700	
Local Street Maintenance	3,144,500	
Local Street Improvements	590,000	
Contribution to Fund Balance	132,480	
Total Expenditures		4,006,680
OTHER FINANCING USES		
Transfer to Road Bond Debt Retirement Fund	26,620	
Total Other Financing Uses		26,620
Total Local Road Fund		**$4,033,300**

Sec. 2.05

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$8,800	
Other Revenue	200	
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	$4,870	
Property Taxes	3,230	
Other Revenue	140	
Total Revenues		8,240
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$8,240**

EXPENDITURES		
Miscellaneous	$8,240	
Total Brownfield Redevelopment Authority Fund		**$8,240**

Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES		
Community Development Block Grant	$781,380	
Total Revenues		**$781,380**
EXPENDITURES & OTHER FINANCING USES		
EXPENDITURES		
Administrative Expenses	$22,170	
Books	10,000	
Senior Citizens Home Chore Program	25,000	
Single Parent Education Program	25,210	
Housing Rehabilitation Program	110,180	
Contributions to Non-Profit Organizations	32,000	
Capital Improvements	458,990	
Total Expenditures		683,550
OTHER FINANCING USES		
Transfer to General Fund	97,830	
Total Other Financing Uses		97,830
Total Community Development Block Grant Fund		**$781,380**

Sec. 2.08

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES		
REVENUES		
Federal & State Sources	$213,000	
Other Revenue	210,000	
Total Revenues		423,000
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$423,000**
EXPENDITURES		
Land Improvements	$323,000	
Contribution to Fund Balance	100,000	
Total Land & Water Conservation Fund		**$423,000**

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		
Fund Balance	$1,000	
Delinquents & Penalties	3,000	
Other Revenue	1,500	
Proposal R Levy	930,220	
Total Revenues		**$935,720**

and does hereby designate $930,220 to be raised by ~~0.1880~~ 0.1889 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	$935,720	
Total R, S & T Debt Service Fund		**$935,720**

Sec. 2.11

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$75,360	
Other Revenue	4,000	
Special Assessments	15,000	
Penalties & Interest	900	
Total Revenues		95,260

OTHER FINANCING SOURCES			
Transfer from Major Road Fund	2,825,000		
Transfer from Local Road Fund	26,620		
Total Other Financing Sources		2,851,620	
Total Revenues & Other Financing Sources		**$2,946,880**	
EXPENDITURES			
Principal	$2,150,000		
Interest	794,560		
Other Fees	2,320		
Total Road Bond Debt Retirement Fund		**$2,946,880**	

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	~~662,930~~	650,920	
Total Other Financing Sources		~~662,930~~	650,920
Total Revenues & Other Financing Sources		**~~$664,430~~**	**$652,420**
EXPENDITURES			
Principal	~~$450,000~~	475,000	
Interest	~~213,930~~	176,640	
Other Fees	~~500~~	780	
Total Building Authority Receiving Fund		**~~$664,430~~**	**$652,420**

Sec. 2.13

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES			
Fund Balance	$8,000		
Required Drain-at-Large Levy	1,194,200		
Delinquents & Penalties	5,000		
Other Revenue	5,000		
Total Revenues		1,212,200	
OTHER FINANCING SOURCES			
Bond Proceeds – Refunding	0		
Total Other Financing Sources		0	
Total Revenues & Other Financing Sources		**$1,212,200**	

and does hereby designate $1,194,200 to be raised by ~~0.2413~~ 0.2425 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	$3,730	
Principal	830,000	
Interest	378,470	
Total Drain Fund		**$1,212,200**

Sec. 2.14

SETTLEMENT BONDS DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$4,950	
Other Revenue	3,000	
Total Revenue		7,950
OTHER FINANCING SOURCES		
Transfer from Self-Insurance Fund	$1,860,000	
Total Other Financing Sources		1,860,000
Total Revenues & Other Financing Sources		**$1,867,950**
EXPENDITURES		
Other Charges	$250	
Principal	730,000	
Interest	1,137,700	
Total Settlement Bonds Debt Fund		**$1,867,950**

Sec. 2.15

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$263,000	
Other Revenue	909,500	
Penalties & Interest	2,500	
Total Revenues		1,175,000
OTHER FINANCING SOURCES		
Transfer from General Fund	1,536,350	
Total Other Financing Sources		1,536,350
Total Revenues & Other Financing Sources		**$2,711,350**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Capital Equipment	$287,850	
Capital Vehicles	763,300	
Capital Projects	1,660,200	
Total Expenditures		2,711,350
OTHER FINANCING USES		
Transfer to Road Bond Construction Fund	0	
Total Other Financing Uses		0
Total Capital Projects Fund		**$2,711,350**

Sec. 2.16

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Other Revenue	$0	
Total Revenues		0
OTHER FINANCING SOURCES		
Transfer from Capital Projects Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$0**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Construction	$0	
Total Expenditures		0
OTHER FINANCING USES		
Transfer to Local Road Fund	0	
Total Other Financing Uses		0
Total Road Bond Construction Fund		**$0**

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, 2005 through June 30, 2006. 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	400.00
Lot Combinations	300.00
Processing Labels (per page)	0.90
Resident Field Sheet Fee	1.00
Apartment Listing (Names/Sidwells/Assessments)	25.00
Shopping Center List	25.00
Section or Subdivision Listing (per page)	0.60
Assessing, Board of Review, & Sales Information (first page)	1.60
Additional Pages	0.25
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	100.00
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

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:
Types A & B ..... 730.00 + 50.00 per device
Renewal Fee ..... 147.00 + 25.00 per device
Type C 730.00
Renewal Fee 147.00
Attorney Services ..... Attorney fees & costs

Auction License	37.00
Business Registry License	34.00
Carnival/Festival License	37.00 + 5.00 each booth, ride, etc.
Cigarette Vending Machine License	50.00 + 5.00 each additional machine
Death and Birth Certificate	16.00
Additional Copies	6.00
Dog License	
Prior to April 1 (all dogs)	5.00
April 1 to October 31 (dog)	7.00
April 1 to October 31 (puppy)	5.00
November 1 to December 31 (all dogs)	4.00
Going Out of Business License	128.00
House Moving License	37.00
Industrial Development District Filing Fee	850.00
Industrial Facilities Exemption Certificate Filing Fee	1,250.00
Junk Yard License	37.00
Mobile Vending License	146.00
Passport Processing Fee	30.00
Refuse Collection License	75.00 + 5.00 each truck
Snow Removal License	146.00
Solicitor/Peddler License	37.00
Taxi License (annual fee)	73.00 + 10.00 per vehicle
Vendor License	37.00
Massage Parlor License	1,560.00
Each Masseuse	208.00
Renewal Fee Massage Parlor License	780.00
Renewal Fee Each Masseuse	42.00
Precinct Map	5.90
City Street Map	3.70
Zoning Map	4.80
City Budget	40.00
Risk Management Report	22.00
Municipal Improvement Program	22.00
City Financial Audit	22.00
Election Results	7.20
Voter and Business Registry Labels (per page)	0.90
Voter and Business Registry Lists (per computer hour)	Payroll plus 0.05/page
Magnetic Voter Tape	87.00
with own tape	54.00
Voter Data Diskette	19.00
Liquor License: Class C	1,560.00
Tavern	1,560.00
SDD & SDM	1,560.00
Entertainment and/or Dance Permit	1,560.00
Hotel/Motel License	1,560.00
Renewal Fee Hotel/Motel License	780.00
Certifications	3.10
Photo Copies	1.60
Additional Pages	0.25
Microfilm Copies (per page)	4.20
Recording Fee (formerly Encroachment Fee)	33.00
Audio Tape Recordings (prepay minimum)	13.00
Fireworks Display Permit	190.00
Sterlingfest Art Fair Applications	175.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors	500.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs	700.00
Tape Dubs ..	26.00
Gazebo Rental (per event)	27.00
Upton House Rental – Per 2 Hour Rental	27.00

Sec. 3.04

ENGINEERING OFFICE:

Review Fees:
- Site Plan ..... 322.00 + 54 per acre plus 1.3% of site improvement costs
- Multiple Developments ..... 322.00 + 54 per acre plus 1.3% of site improvement costs
- Cluster Developments ..... 322.00 + 54 per acre plus 1.3% of site improvement costs
- Site Condominiums ..... 322.00 + 54 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

R.O.W. Permits:
- 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 +180.00

Easement Encroachments 200.00

Building Number Assignments (per address) 11.00

S.E.S.C. Review Fee for:
- Commercial, Industrial, Multi-Family, Subdivision ..... ¼ of 1% of first $500,000.00 ..... +⅛ 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) ..... 32.00 each
- Planimetric Map 36" x 36" (blueline) ..... 15.00 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) ..... 38.00 each
- Master Watermain Plan (book form) ..... 28.00 each
- Master Sanitary Sewer Plan (book form) ..... 2800 each
- Master Road Plan (book form) 1998 HRC ..... 37.00 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 22.00
8" x 10" Color Print 22.00
8" x 10" Contact Sheet 22.00
Compact Disc 11.00
Burning Permit 150.00
Fireworks Sales Permit 535.00
Fireworks Display Permit 190.00
Board of Code Appeals 180.00
Special Events Fee
Temporary Special Amusement Building 200.00
All Other Special Events 135.00
Witnessed Acceptance Test Fee 102.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum) 590.00
Each additional hour 198.00
Reinspection Fee for Witnessed Acceptance Test 102.00
Phase I Site Inspection (1 hour minimum) ..... 47.00 + 25.00 per hour
Special Fire Prevention Inspection 45.00
Special Fire Prevention Reinspection 45.00
Plan Review Fee 73.00
False Alarm Fees: (within a 12 month period)
First Response ..... No Fee
Second Response 100.00
Third Response 250.00
Fourth and Subsequent Responses Response 500.00

Sec. 3.06

PUBLIC LIBRARY:

Overdue fines (per day):
Hardcover Books (maximum $7.50) 0.15
Paperback Books (maximum $3.00) 0.15
Magazines (maximum $3.00) 0.15
Audios (maximum $7.50) 0.15
Compact Discs (maximum $7.50) 0.15
Videocassettes (maximum $7.50) 0.15
Computer CD Software (maximum $7.50) 0.15
DVD's (maximum $7.50) 0.15
Magnifier 1.00
Polaroid Camera 1.00
Engraver 1.00
Material Holder 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) 47.00
(Non-Resident) 57.00
Weekend (Resident) 68.00
(Non-Resident) 88.00
Nature Center Classes:
School Field Trips (Sterling Heights Schools) ..... No fee
(Non-Sterling Heights Schools - per class) 26.00
Children's Nature Classes (Resident) 3.00
(Non-Resident) 4.00
Scout Badge Classes (Resident) 4.00
(Non-Resident) 5.00
Parent & Tot Classes:
1 Child Per Family (Resident) 37.00
(Non-Resident) 44.00
2 Children Per Family (Resident) 42.00
(Non-Resident) 52.00
Summer Playground:
Resident 45.00
Non-Resident 65.00
Field Trip Bus Fee (Per Person) 4.00
Instructional Swim Classes:
Resident 48.00
Non-Resident 58.00
Tennis Classes:
Resident 37.00
Non-Resident 44.00
Tennis League:
Resident 12.00
Non-Resident 14.00
Tennis Tournament:
Singles (Adult) 13.00
(Youth) 11.00
Doubles (Adult) 23.00
(Youth) 19.00
Three Mile Run:
Pre-Registered 16 years old and younger (Resident) 11.00
(Non-Resident) 14.00
Pre-Registered 17 years old and older (Resident) 13.00
(Non-Resident) 16.00
Race Day Registration ..... Add $1 fee to above
Golf Tournament:
Adult (Resident) 13.00
(Non-Resident) 16.00
Youth (Resident) 7.00
(Non-Resident) 10.00

Golf League:

Resident 34.00
Non-Resident 41.00

Special Recreation Dances:
Pre-Registered (Resident) 5.00
(Non-Resident) 6.00
Registration at the Door (Resident) 6.00
(Non-Resident) 7.00
Staff Registration 1.00
Prom Dance – Individual (Resident) 16.00
(Non-Resident) 18.00
Prom Dance – Couple (Resident) 25.00
(Non-Resident) 29.00

Special Recreation Playgrounds:
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident) 120.00
(Non-Resident) 130.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident) 200.00
(Non-Resident) 220.00
Mentally Impaired (M.I.) – Individual (Resident) 120.00
(Non-Resident) 130.00
Mentally Impaired (M.I.) – Family (Resident) 200.00
(Non-Resident) 220.00

Special Recreation:
Rec Plus Club (Resident) 22.00
(Non-Resident) 24.00
Physically or Otherwise Health Impaired (P.O.H.I.) Teen Club (Resident) 22.00
(Non-Resident) 24.00
Diner's Club (Resident) 22.00
(Non-Resident) 24.00
Early On Parent & Tot 22.00
Socialization Station (Resident) 23.00
(Non-Resident) 25.00
Crafts (Resident) 7.00
(Non-Resident) 8.00
Creative Cooking (Resident) 6.00
(Non-Resident) 7.00
Sports Night (Resident) 32.00
(Non-Resident) 37.00
Sports Training (Resident) 32.00
(Non-Resident) 37.00
Martial Arts (Resident) 140.00
(Non-Resident) 145.00
Line Dance Exercise (Resident) 36.00
(Non-Resident) 43.00
Children's Line Dance (Resident) 24.00
(Non-Resident) 29.00
Wheelchair Basketball (Resident) 32.00
(Non-Resident) 37.00
Softball – Individual (Resident) 47.00
(Non-Resident) 52.00
Softball – Family (Resident) 82.00
(Non-Resident) 92.00

Fitness Classes:
Resident 37.00
Non-Resident 44.00

Ballroom Dance:
Resident 33.00
Non-Resident 38.00

Coffeehouse Tickets:

Advance Tickets 10.00
Subscription 9.00
At the Door Sales 11.00

Co-Ed Volleyball:
Resident 34.00
Non-Resident 41.00

Men's Gym:
Resident 34.00
Non-Resident 41.00

Golf Lessons – Adult:
Resident 47.00
Non-Resident 57.00

Senior Boys Basketball 425.00
Men's Softball 700.00
Co-ed Softball 450.00
Women's Softball 475.00
Sand Volleyball League 185.00

Treasure Hunters Market:
Resident 19.00
Non-Resident 24.00

Gymnastics:
One-half Hour Class (Resident) 32.00
(Non-Resident) 39.00
One Hour Class (Resident) 43.00
(Non-Resident) 53.00

Dance:
Fall Session (Resident) 40.00
(Non-Resident) 50.00
Winter/Spring Session (Resident) 65.00
(Non-Resident) 75.00

Senior Center Activities:
Birthday Party 9.00
Dance 22.00
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) 8.00
(Non-Resident) 9.00
Senior News Subscription (per year) 9.00
Softball Player Fee (Resident) 24.00
(Non-Resident) 29.00
Stained Glass Class (Resident) 5.00
(Non-Resident) 6.00
Tai Chi (Resident) 4.00
(Non-Resident) 5.00
Tap Class (Resident) 5.00
(Non-Resident) 6.00
Volleyball Player Fee (Resident) 24.00
(Non-Resident) 29.00
Yoga (Resident) 5.00
(Non-Resident) 6.00
Senior Activity Fee (per day) 0.25

Sec. 3.08

PLANNING:

Special Approval Land Use	430.00
Temporary Use	210.00
Administrative Review	146.00
Variances to Subdivision Regulations	213.00
Right-of-Way Vacations	182.00
Rezoning Petition:	
First Acre	1,350.00
Additional Acre	52.00
Ordinance Text Amendment	1,120.00
Subdivision Plat	1,070.00
Each lot over 100 lots	7.00
Subdivision Open Space and One-Family Cluster Development	580.00
Tree Preservation – Site Plans and Plats	675.00
Tree Preservation – Single Family Lot (less than one acre)	142.00
No Tree Affidavit	54.00
Tree Preservation Administrative Fee	20%
Tree Preservation Inspection Fee	Payroll + 175%
Site Plan Review:	
First Acre	322.00
Additional Acre	54.00
Site Plan Review by Planning Commission:	
First Acre	430.00
Additional Acre	54.00
As Built Revisions	141.00
Master Land Use Report	29.00
Master Land Use Map	2.80
Parks and Recreation Plan	6.40
Subdivision Plat Print (per sheet)	4.20
Zoning Board of Appeals:	
Regular Meeting	320.00
Special Meeting	640.00
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		16.00
Photos:	8" x 10" Color	22.00
	5" x 7" Color	22.00
	8" x 10" Contact Sheet	22.00
	Compact Disc	11.00
Audio Tape Duplication Fee		32.00
Video Tape, DVD, CD Duplication Fee		35.00

Animal Give-up Fee 22.00
Bail Bond Arrest Warrant Fee 10.00
Personal Breathalizer Test (PBT) 10.00
False Alarm Fees: (within a 12 month period)
- First Response ..... No fee
- Second Response ..... No fee
- Third Response (Residential) 25.00
- Third Response (Non-Residential) 75.00
- Fourth Response (Residential) 50.00
- Fourth Response (Non-Residential) 150.00
- Fifth and Subsequent Responses (Residential) 100.00
- Fifth and Subsequent Responses (Non-Residential) 300.00

Sec. 3.10

PUBLIC WORKS DEPARTMENT:

Sewer Inspection 75.00
Sewer Tap 850.00
Sewer Capital/Unit:
- Residential 640.00
- Commercial/Industrial (per 1,000 sq. ft.) 320.00

Sewer Frontage (per front ft.) 56.00
Residential and Commercial Water Meters:
- ¾" Remote 300.00
- 1" Remote 340.00
- 1 ½" Remote 580.00
- 2" Compound Remote 1,500.00
- 3" Compound Remote 2,670.00
- 4" Compound Remote 3,540.00
- 6" Compound Remote 5,620.00

Double Check Detector Assembly with Meter:
- 3" 1,500.00
- 4" 1,550.00
- 6" 2,250.00
- 8" 4,060.00
- 10" 5,930.00

Water Tap
- 1" 800.00
- 1 ½" 1,100.00
- 2" 1,300.00
- 3" 2,600.00
- 4" 2,800.00
- 6" 3,200.00
- Additional Charge for 86 ft. wide street:
  - 1" 240.00
  - 1 ½" 290.00
  - 2" 415.00
- Additional Charge for 120 ft. wide street:
  - 1" 510.00
  - 1 ½" 645.00
  - 2" 850.00
- Additional Charge for 204 ft. wide street:
  - 1" 1,220.00
  - 1 ½" 1,530.00
  - 2" 2,205.00

Water Capital/Unit:
- Residential 500.00
- Commercial/Industrial (per 1,000 sq. ft.) 250.00

Water Frontage (per front ft.) 29.00
Water Turn On Fee 37.00
Water Service Abandonment Fee 350.00
Sewer Service Abandonment Fee 75.00
Water Service Re-Use Fee 190.00
Sewer Service Re-Use Fee 75.00
Water Meter Testing Fee 36.00
Water Meter Rescheduling Fee 37.00
Water Meter Removal/Reinstallation for common area irrigation system 140.00
Common Area Irrigation System Permit 280.00
Planting of tree in right-of-way 160.00
Culvert installation permit 69.00
Ditch enclosure permit 69.00
Monitoring well installation permit 330.00
Sewer connection to discharge treated ground water 330.00
Cutting of noxious weeds ..... Contract costs + 55% administrative fee
Additional refuse collection ..... Contract costs + 15% administrative fee
Refuse Collection Fees (Schools) ..... Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes) ..... Contract costs + administrative fee – refuse taxes paid
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 30.00
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
Property Tax Administration Fee (P.T.A.F.) 1%

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.

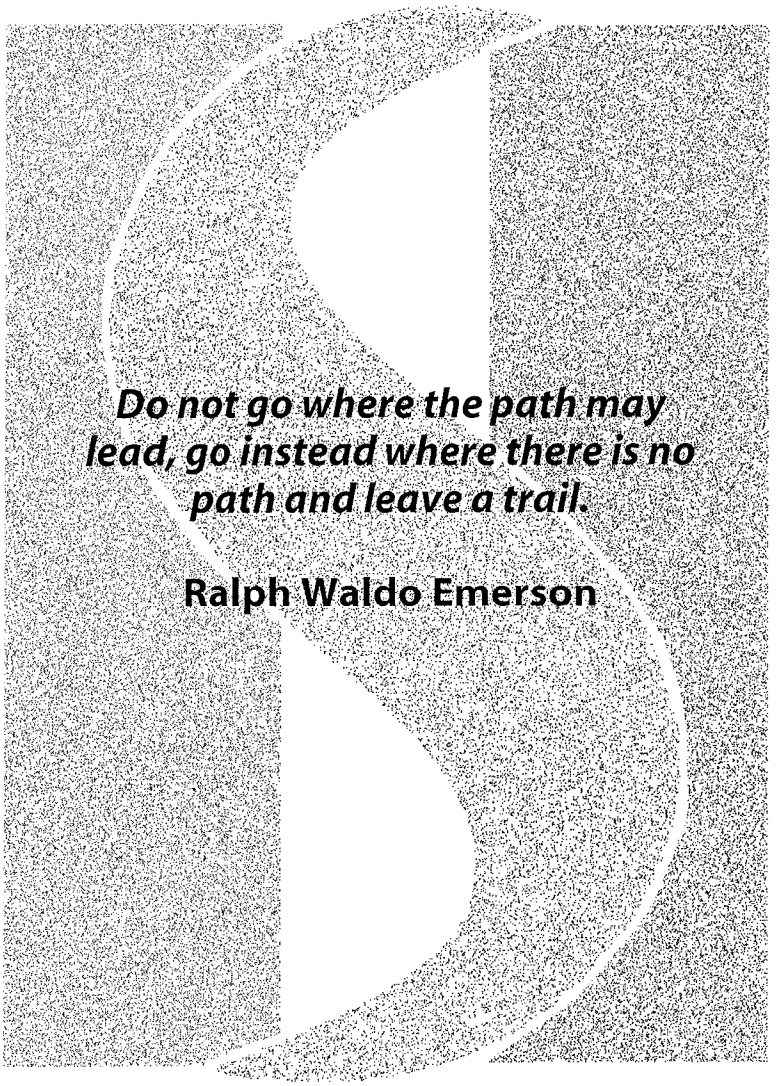
ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2005.

BY ORDER OF CITY COUNCIL

ADOPTED:
PUBLISHED:
EFFECTIVE:


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

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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