Executive Staff

Mark D. Vanderpool	City Manager
Walter C. Blessed	City Clerk/Assistant City Manager
Michael Bartholomew	City Development Director/Assistant City Manager
Michael Crimmins	Broadcast Services Manager
Matthew Schmidt	City Assessor
Jeffrey A. Bahorski	City Attorney
Salvatore Conigliaro	City Engineer
Donald A. Mende	City Planner
James P. Buhlinger	City Treasurer
Steve Guitar	Community Relations Director
Leslie Reinhart	Controller
Lukas Bonner	Economic Development Manager
Nicole Miller	Emergency Manager
Brent S. Bashaw	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
David Vinson	Police Chief
Tammy L. Turgeon	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, representing Peace, while a religious symbol, the palm branch, curves upward on the left. A triskelion, representing Progress radiates above the symbolic City Hall and residents. At the base of the seal is an unrolled scroll with the words, "To Strive on Behalf of All", representing the government's commitment to its residents.■

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

city of STERLING HEIGHTS

Table of Contents

City Organizational Chart 4
City Manager's Budget Message 5
Fact Sheet 9
Reader's Guide 11
Budget Calendar 14
Community Profile 15
City Goals & Objectives 16
Budget Policies 18
City Policy Benchmarks 22
ICMA Performance Measurements 24

Section I – All Funds Summary

Financial Organization Chart 34
Executive Summary 35
All Funds Financial Summary 44

Section II – General Fund

How the City Allocates Its Money 52

Trends and Summaries

Summary of Taxes 55
G.F. Revenue, Exp., Fund Balance 57
Revenue Definitions & Assumptions 59
G.F. Revenues by Account 67
G.F. Expenditures by Budgetary Center 72
G.F. Expenditures by Category 74
G.F. Expenditures by Account 77

Personnel Summary

Trends 82
Listing by Department 83

Legislative

City Council 92

City Administration Department

City Management 101
City Clerk 107
Facilities Maintenance 113
Assessing 117
Financial Services 121
Purchasing 127
Treasury 131

Parks & Recreation Department

Parks & Recreation 139

Police Department

Police Administration 147
Police Investigations 153
Police Operations 159
Police Support Services 163

Fire Department

Fire Administration 171
Fire Extinguishment 177
Fire Prevention 181
Emergency Management 185

City Development Department

Building 193
Economic Development 199
Planning 203
Public Services 207

Public Works Department

Engineering 215
Fleet Maintenance 219
Parks & Grounds Maintenance 223
Public Works Center 227
Refuse Collection 231
Street Services 235

Public Library Department

Library 243

Community & Information Services Department

Community Relations 251
Information Technology 255

Non-Departmental Services

41-A District Court 261
Act 78 Civil Service Commission 265
Beautification Commission 268
Building Authority 270
Cultural Commission 272
General Employees Retirement Board 274

Table of Contents

General Expenditures 276
Historical Commission 278
Legal 282
Planning Commission 286
Telecommunications Commission 288
Transfers Out 290
Zoning Board of Appeals 292

Section III – Water & Sewer Fund

Water & Sewer Fund Statement 296
Revenues & Expenses Schedule 297
Revenues & Expenses by Account 299
Water & Sewer Administration 307
Water Distribution 311
Sewage Collection 315

Section IV – Special Revenue Funds

Revenues, Expend. & Fund Balance 320
Revenues & Expenditures by Account 325
Major Road Fund 330
Local Road Fund 332
Economic Development Corp. Fund 334
Brownfield Redevelopment Auth. Fund 336
Community Dev. Block Grant Fund 338
Corridor Improvement Auth. Fund 340
Land & Water Conservation Fund 342
Public Safety Forfeiture Fund 344
Budget Stabilization Fund 346

Section V – Debt Service Funds

Debt Management Program 349
Revenues, Expenditures & Fund Balance 354
Revenues & Expenditures by Account 358
R, S & T Debt Service Fund 360
Road Bond Debt Retirement Fund 362
Limited Tax General Obligation Fund 364
General Drain Fund 366
Settlement Bonds Debt Fund 368

Section VI – Capital Projects

Revenues, Expenditures & Fund Balance 372
Revenues & Expenditures by Account 374
Capital Projects Fund 376
Road Bond Construction Fund 378

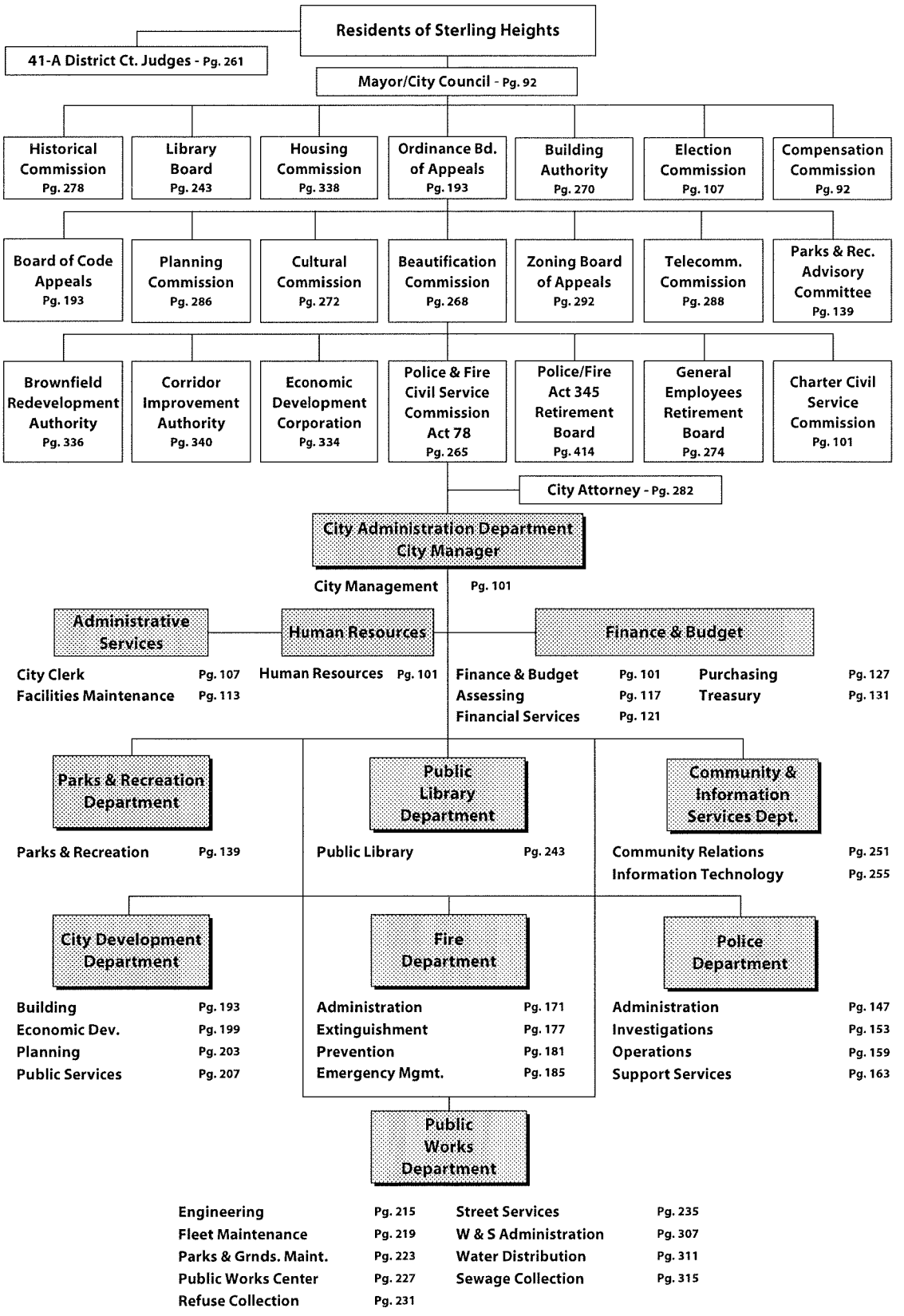
Capital Improvements Program 380
Capital Equipment 382
Information Technology Capital Program 385
Capital Vehicles 386
Capital Projects 387
Storm Drain Improvements 387
Road Bond Construction Fund 388
Major Road Fund 388
Local Road Fund 390
Community Dev. Block Grant Fund 391
Corridor Improvement Auth. Fund 391
Land & Water Conservation Fund 391
Sanitary Sewers 392
Water Mains 393
Capital Improvement Maps 394

Section VII – Supplemental Information

Financial & Demographic Data 403
Appropriations Ord. & Fee Schedule 418
Glossary 446
Index 451

city of STERLING HEIGHTS

City Organization Chart



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

May, 2007

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 FY2007/08 Budget. The total budget equates to $149.5 million and represents a decrease of $4.2 million or 2.7% over the prior year. The proposed budget enables the City to continue its high level of superior services while maintaining its investment in the City's infrastructure and its low millage rate. The budget maintains the City's excellent bond ratings by keeping debt levels low and adding slightly to reserves. The City's millage rate continues to be one of the lowest in the State and is 2.66 mills lower than in 1988.

Most importantly, 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.

The 2007/08 Budget includes funding for 630 full-time positions, an increase of one position from the prior year. A vacant Police Captain position has been replaced with two Police Officers assigned to the road to provide proactive street level services to the City's residents. The City has eliminated 19 vacant positions since 2002, saving $1.3 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.

I. General Fund

The General Fund budget equates to $86.2 million which represents an increase of $3.1 million or 3.8% over the prior year. This increase is due to inflationary wage and benefit costs, of which most can be attributed to an increase in funding for rapidly growing retiree medical liabilities. **Without the retiree medical cost increase, the General Fund would be increasing by only 0.2%.** The City has obtained significant health care concessions over the past year to minimize medical liabilities.

By controlling discretionary spending, the budget withstands a cumulative six-year $16.5 million loss of state revenue sharing without employee layoffs or service reductions. Through expenditure savings and continued cost recovery measures, the budget provides funding for enhanced City services, collective bargaining agreement adjustments, necessary capital improvements, and enhanced economic development efforts.

II. Non-General Fund (Non-Departmental Services)

The remaining portion of the budget consists of funds that are not considered part of the City's general operating departmental budget. In most cases, the funds have separate or dedicated revenue sources beyond the general operating millage. Examples of these funds include Water & Sewer and the Capital Projects Funds.

The Non-General Fund portion of the budget equates to $63.3 million, which represents a decrease of $7.3 million from the prior year. This decrease is mainly attributable to paying off debt last year.

The City will further lower its markup on Detroit's water rate to only 12.5%, compared to the average 125% markup of the 126-member communities. The City will also offer a budget billing option to lessen the impact of high summer water consumption. Even with the Detroit Water & Sewer increase, the City continues to maintain the lowest water and sewer rates for residential customers of any city in the State with a population greater than 25,000.

The budget includes funding for a number of noteworthy projects:

- $21.4 million in Capital Improvement projects including the voter approved renovations to three Fire Stations (Proposal F) along with

numerous roadway, park and other infrastructure improvements.

- Twenty-one replacement Police vehicles, a new Fire Engine, five Public Works vehicles to enhance snow plowing and sewer cleaning operations, a new communications radio tower with a microwave dish for reliable connection to the new 800 MHz Public Safety Radio System, and additional Fire equipment.
- Expansion of the Community Emergency Response Team (CERT), additional police and fire training, online databases to assist the City's economic development efforts, additional funding to assist low income families in rehabilitating their homes and making minor repairs, and funds for the daily operation of the Senior Active Life Center.
- Technology improvements including 118 replacement computers for Police, Parks & Recreation, Library, and Emergency Management, new file servers for Information Technology, high quality networked copiers for Library users, customer service tracking software for Community Relations, and an automated commercial water reading system.

City Goals and Priorities

While the City's main priority over the next fiscal year is to ensure the same high 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 to ensure that property values remain strong:***
    - Implement a Special Assessment District for the Lakeside Shopping Center area to enhance the ambiance and to preserve Lakeside Center as a premier shopping destination
    - Aggressively market the Corridor Improvement Authority district and utilize the economic redevelopment tools provided by the Authority including streetscape and façade improvements, and various development incentives
    - Work with the Michigan Municipal League (MML) and the Southeast Michigan Council of Governments (SEMCOG) to advance State legislation that is financially beneficial to Sterling Heights and vigorously oppose legislation that compromises the City's revenues or tax base
    - Develop new guidelines for the Commercial Facilities Tax Exemption Program as an added incentive to encourage commercial development and redevelopment in the community
2. ***Provide for technological advancements to improve efficiencies:***
    - Develop an online training program for police officers featuring knowledge and skills testing
    - Implement customer service tracking software to track requests and provide quicker responses to general inquiries
    - Research document management information systems for possible future acquisition
    - Fully develop an employee Intranet that will host the latest employee news and information resources
    - Implement the second phase of the 800 MHz Public Safety Radio System
3. ***Provide for enhanced public safety and disaster preparedness:***
    - Reduce crime and high civil infraction areas through directed enforcement activities
    - Create a Command Field Training Officer program in anticipation of several retirements among police command personnel
    - Reduce traffic accidents by 10% through implementation of a Strategic Traffic Enforcement Program (S.T.E.P.)
    - Implement "Kids Safe Return" and other Internet safety presentations for elementary and middle school students

- Implement 16 life safety initiatives as part of the nationally recognized "Everyone Goes Home" fire fighter safety program

4. ***Enhance safety and aesthetics of the City's rights-of-way:***
   - Obtain grant funding for the landscaping of the 18½ Mile Road Connector
   - Install a new City welcome sign on Metropolitan Parkway at Dequindre
   - Continue Sidewalk Gap Completion and Neighborhood Sidewalk Repair Programs
   - Seek grant funding for additional trees to screen fence lines

5. ***Provide excellent recreational and leisure services:***
   - Develop new programs and activities for the Senior Active Life Center addition
   - Expand teen programming at both the Library and Parks & Recreation
   - Improve and enhance the availability of library resources through MelCat, a statewide online catalog
   - Continue the popular Sterlingfest concert series with national headliners: *"Restless Heart"* and *"Dennis DeYoung and the Music of Styx"*

6. ***Identify cost containment measures and new revenue sources:***
   - Provide for increased funding in the retiree health care fund
   - Seek joint use opportunities with schools, private sector, and other communities
   - Develop a program to encourage employees to submit "cost savings" ideas and implement where feasible

While there are a number of exciting and ambitious projects planned for the next fiscal year as outlined, the past year has been a productive year for the City Council and Administration. The following is a list of the significant accomplishments that were achieved:

2006/2007 Accomplishments

- Launched a Business Retention/Attraction program to retain the City's 3,000 existing businesses and attract new businesses from around the world. Significant investments and reinvestments include:

  Comcast - $5 million investment with 200 additional jobs

  Faurecia (a French manufacturer) - opened a new Sterling Heights facility creating 400 new jobs

  Ford Motor Company - $104 million investment at the Ford Transmission Plant

  Fodale - constructing a new facility creating more than 100 new jobs

  AGS - reopening its Sterling Heights facility creating 242 jobs

  DaimlerChrysler - $39 million investment in its Sterling Stamping Plant

- Established Michigan's first Corridor Improvement Authority to revitalize the commercial section of Van Dyke between 18½ Mile and Canal Roads
- Completed the first phase of the Public Safety 800 MHz Radio System
- Completed a 14,000 square foot addition to the Senior Active Life Center including a gymnasium, walking track, and locker room
- Negotiated collective bargaining agreements with labor groups resulting in an eventual $20 million reduction in retiree health care obligations and $1 million in medical care savings annually
- Successfully recruited national restaurants, retail and entertainment facilities including:

  Abuelo's (first location in Michigan)
  Bonefish Grill
  Cheeseburger in Paradise
  Chipotle
  Pei Wei (first location in Michigan)
  H & M Clothing Store
  WalMart
  Target
  MJR Theater
  Cold Stone Creamery

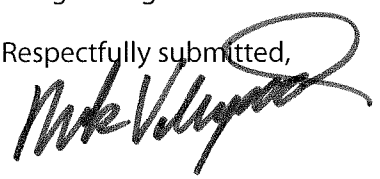
- Conducted a thorough review of the 2006 Residential Survey results and developed action plans to improve programs and services
- Implemented high speed fiber optic lines to increase data connection speed between City Hall, the fire stations, and Public Works facility
- Completed several road improvement projects including: widening/landscaping of 19 Mile from Mound to Ryan Roads, widening of 19 Mile from Schoenherr to Saal Road, resurfacing of Red Run, Moravian, and Dobry Drives
- Continued the Neighborhood Sidewalk Repair and Gap Completion Programs
- Renewed participation in the ICMA's Center for Performance Measurements
- Sponsored the largest ever Sterlingfest with concerts by *"John Waite"* and *"Survivor"*
- Implemented Proposal N and completed several neighborhood road repair and replacement projects as a result
- Joined the nationally recognized, "Child is Missing" program for assistance in searching for children, elderly or disabled individuals
- Received voter approval for renovations to three fire stations under Proposal F
- Completed several major park improvements at Delia, Nelson, and Family Parks and installed an additional soccer field at Baumgartner Park
- Successfully recovered multi-million dollar claims from two insurance carriers as anticipated throughout the litigation process
- Cited as an excellent or good place to live and raise a family according to results of the 2006 Residential Survey
- Ranked as among the best cities in the nation to live according to *Money Magazine's* "Top 100 Best Places to Live for 2006"
- Ranked as the safest city in Michigan with a population greater than 100,000 and the 6th safest in the United States
- Earned an "Outstanding" designation in three categories from the Government Finance Officers' Association (GFOA) for the annual budget

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 Mayor and City Council for your leadership and support in planning the financial operations of the City in a responsible and progressive manner during the most adverse financial conditions ever experienced by the State. Thanks to the Sterling Heights Team, the City has persevered and thrived in many cases. With the programs contained in the budget, I am confident that next year will bring even greater success.

Respectfully submitted,



Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2007/08 Budget At A Glance ...

Richard J. Notte
Mayor

Deanna Koski
Mayor Pro Tem

Richard L. Bracci
Councilman

Yvonne D. Kniaz
Councilwoman

Joseph V. Romano
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 City budget of $149.5 million decreased by $4.2 million or 2.7%. The decrease is largely attributable to the early retirement of debt last year using insurance recovery funds. The prior year budget also included several large projects such as the widening of 19 Mile Road, the Senior Active Life Center, and the Public Safety Radio System.

- The budget maintains a high level of superior services and continues the investment in the City's infrastructure. The City's excellent bond ratings are maintained by keeping debt levels very low and adding slightly to reserves. The budget funds critical services and increases funding for retiree medical liabilities, while at the same time, maintains the same low tax rate. In fact, the tax rate is lower than all but one of the 77 full service communities within 20 miles of the City.

- The General Fund budget increased by $3.1 million or an inflationary 3.8%. If the additional cost to fund retiree medical liabilities were excluded, costs would have risen by only 0.2%. Over the past four years we have been able to gradually increase funding of retiree medical liabilities to the full amount recommended by the 2003 actuarial report.

- By controlling discretionary spending, the City has continued to weather a six-year $16.5 million cumulative loss of State revenue sharing payments with no layoffs or service reductions. Through expenditure savings, the budget provides funds for enhanced City services, needed capital replacements, and enhanced economic development efforts, while avoiding employee layoffs.

- The budget includes funding for 630 full-time positions - an increase of one position. A vacant Police Captain position has been eliminated and replaced with two Police Officers assigned to the road. Although the City has eliminated 19 vacant positions since 2002, saving $1.3 million annually, full-time staffing has still increased by nine positions since 1996. The ratio of employees to residents is at a 30 year low.

- The City continues to provide property tax relief. The millage rate has decreased by 2.66 mills or by 19.8% since 1988. Had the City continued to levy the 2.66 mills, the average resident would have paid $2,693 more in taxes over this 20-year period.

The budget includes funding for:

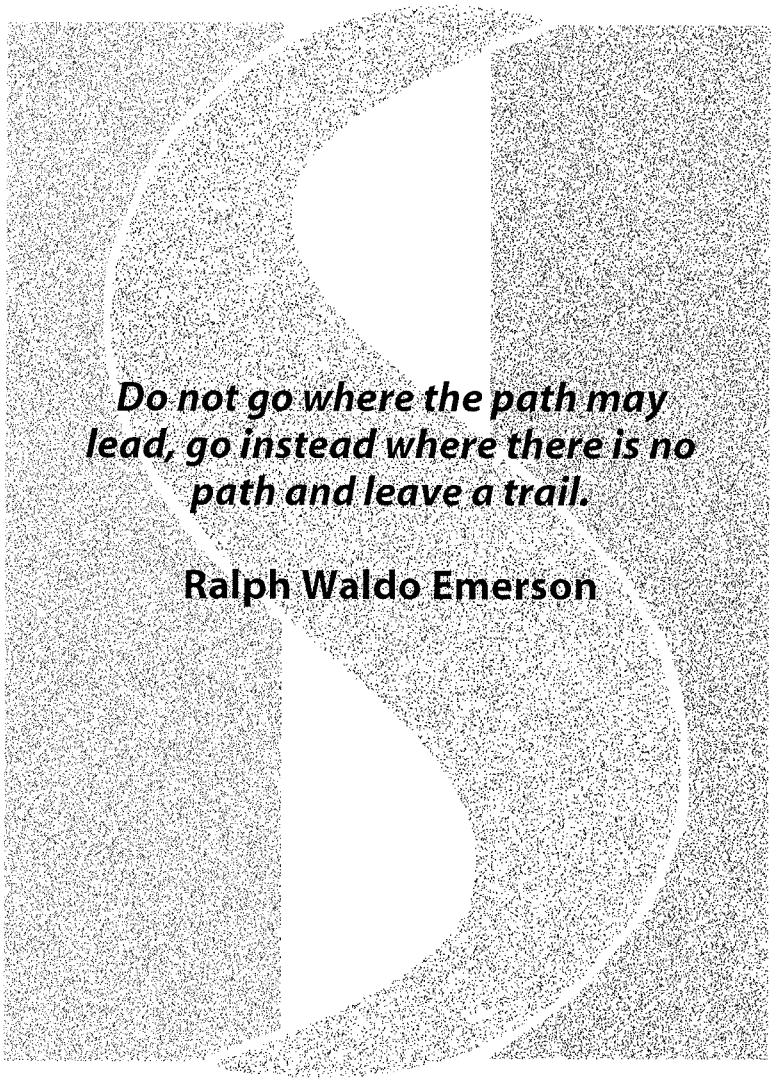
- $21.4 million in Capital Improvement projects including the voter approved renovations to three Fire Stations (Proposal F), improvements to the North Van Dyke corridor, special assessment improvements to the Lakeside Shopping district, and improvements to City infrastructure without additional debt including several major and local road projects, water & sewer mains, sidewalk gap and repairs, continuation of the Neighborhood Road Repair Program, and replacement of ball diamond fencing at Delia Park.

- Twenty-one replacement Police vehicles, a new Fire Engine, five Public Works vehicles to enhance snow plowing and sewer cleaning operations, a new Police radio tower with a microwave dish for reliable connection to the new 800 MHz radio system, and additional Fire equipment.

- The Community Emergency Response Team (CERT), additional police and fire training, online databases to assist the City's economic development efforts, additional funding to assist low-income families in rehabilitating their homes and making minor repairs, and funds for the daily operation of the Senior Active Life Center.

- Technology improvements including 118 replacement computers for Police, Parks & Recreation, Library and Emergency Management, new file servers for Information Technology, high quality networked copiers for Library users, customer service tracking software for Community Relations, and an automated commercial water reading system.

- Maintaining the lowest combined water & sewer rate for residential customers of any city in the State with a population over 25,000. The City will be able to further lower its markup on Detroit's water rate to only 12.5%, compared to the average 125% markup of the 126 surrounding communities. The City will also offer a budget billing option to lessen the impact of high summer consumption. ■


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

INTRODUCTION

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

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

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

Each activity (office) in a department contains a:

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

The Service & Mission Statement highlights the types of services each activity provides and annual Key Goals they strive for each year. The Performance Objectives give specific objectives that the activity hopes to achieve in the current year, while the Performance Indicators provide a listing of key measurements of the activity's service, efforts and accomplishments. Each 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.

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

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

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

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

A: *The Office of City Management produces a separate line-item budget booklet, which details each office's expenditure accounts. These line-items are not included in the City budget document 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 distributed 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

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

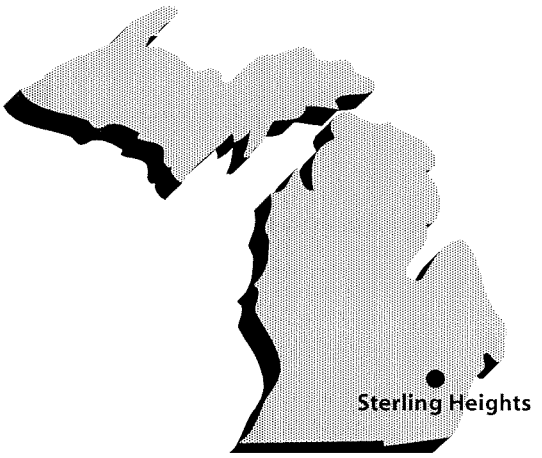
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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

Geographically, Sterling Heights is the third largest city in the state, occupying 36.8 square miles. Although much of its land is developed, approximately 5% remains vacant and available for development. The 2007 estimated population of Sterling Heights is 128,000. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 51,577 households in the City and a 35-year old median age. The City's effective buying income per household is $49,890, as last reported. 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. Sterling Heights offers a wide variety of restaurants, movie theaters, churches, and retail shops. Currently, the City 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 baseball diamond complexes to children's tot lots, to miles of developed walking, jogging, and bicycle riding pathways. The Clinton River flows in a southeast direction through the northeast section of the City.

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

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

Sterling Heights has received many awards from various professional associations and municipal service organizations for its 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. The budget will first determine how much money is available, it will then allocate the resources among the highest priority results based on analyses, which determine which programs can best achieve the desired results, and it will use a performance measurement process to annually evaluate the results.

2. Emphasis will be increased on those personnel and management areas of long-term importance: employee relations, work simpler but more effectively, implementation of new technologies, long-term work force planning, and management incentives.

3. Expanding an existing service program or adding a new service program will only be considered when a new revenue source, 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.

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

5. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.

6. The City will monitor departmental expenditures on a monthly basis to ensure conformity to budgets and decide on actions to bring the budget into balance, if necessary.

7. The City will integrate performance measurement and productivity indicators within the budget.

8. The City will attempt to avoid layoffs in all actions to balance the budget. Any personnel reductions will be scheduled to come from attrition and where necessary, through bumping actions. Any reductions in positions will be proportionately distributed among various levels of employees.

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

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

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

12. The City will develop and maintain accounting and budgetary control systems to adequately

safeguard the assets held in public trust.

13. The Operating and Capital Budgets will 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.

14. The City will finance essential City services, which have a City-wide benefit from revenue sources, which are generated from a broad base, i.e., property taxes, State revenue sharing, assessments, and fees.

15. The impact on the use of property tax financing will be minimized by seeking alternative financing for City services including user fees and upgrading and/or enhancement of the property tax base.

16. Financing formulas and user fee rate structures will be reassessed to accurately charge the cost of service provided to the benefiting property owners and customers while considering the needs of low-income residents.

17. Federal and State legislation will be supported that provides property tax relief and direct aid to cities. Any legislation which forces local service mandates without matching Federal, State, or regional funding will be opposed.

18. In conjunction with the Municipal Improvement Plan (MIP), the City will prepare a three-year projection of operating revenues and expenditures for all major funds. The projection shall be monitored on an ongoing basis and major changes shall beincorporated into the document as they occur.

REVENUE POLICIES

1. The City will attempt to maintain a diversified and stable revenue base to shelter it from short or long-term fluctuations in any one revenue source.

2. Annual City revenues will be projected by an objective and thorough analytical process.

3. The City will maintain sound appraisal procedures and practices to reflect current property values.

4. The City will establish user charges and set fees for services for its 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 monthly information concerning cash position and investment performance.

5. The City's Investment Officer will quarterly report the portfolio holdings by type, the average maturity, earnings and any other information necessary to allow the City Council and Investment Committee to confirm compliance with the adopted investment policy.

DEBT POLICIES

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. All bonds will be amortized over a period not to exceed the expected useful life of the project.

2. The City will attempt to keep the average maturity of general obligation and all types of revenue bonds at or below 20 years.

3. When possible, the City will use special assessment, revenue, tax increment, or other self-supporting bonds. These bonds may be backed by the limited full faith and credit of the City to achieve a lower interest cost.

4. The City will not incur long-term debt to support current operations.

5. The City will maintain a sound relationship with all bond-rating agencies and will keep them informed about our current capital projects.

6. The City will only use water and/or sewer revenue bonds to finance capital improvements and projects for enterprise activities.

7. The City will annually review all outstanding debt for potential refunding. Outstanding debt will be refunded only when a net savings greater than 1.5% can be achieved.

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

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The fiscal integrity of the City's operating debt service and capital improvement budgets will be maintained in order to provide services, construct and maintain public facilities, streets, and utilities.

2. The City shall make all capital improvements in accordance with an adopted capital acquisition program.

3. The City will annually update its multi-year capital improvements plan including proposed funding sources.

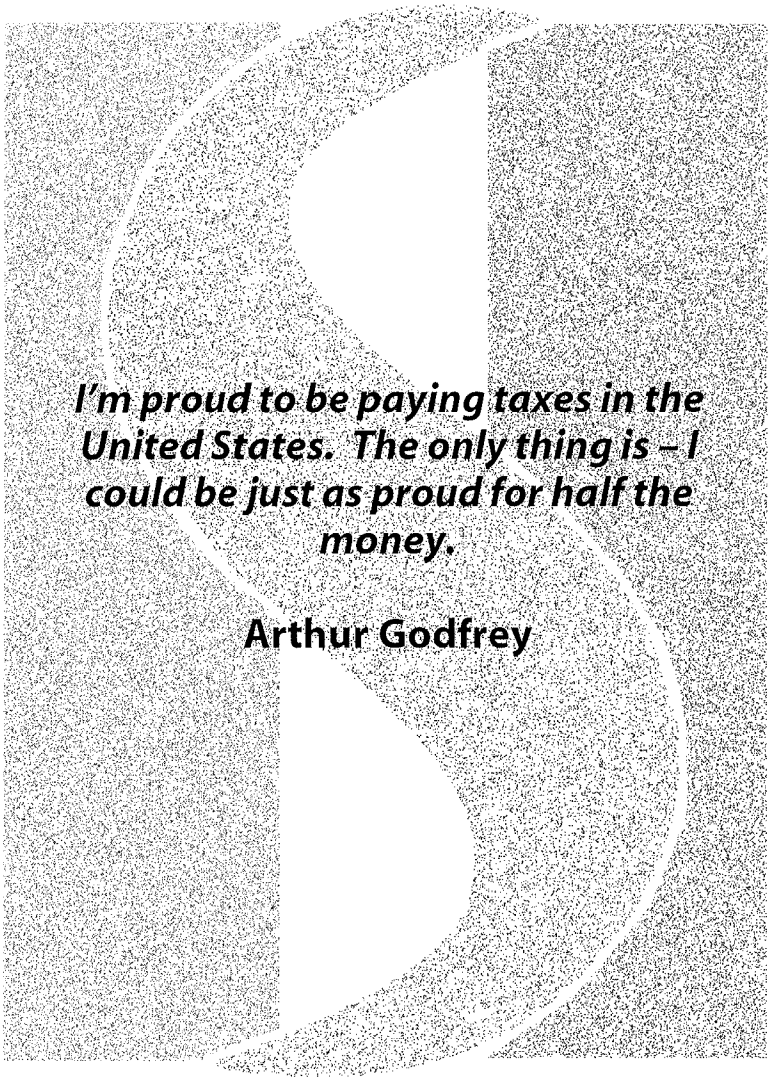
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.

5. The City will attempt to maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

6. The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the adopted capital improvement plan, City priorities, and for which operating and maintenance costs have been included in the operating budget.

7. Capital investments will foster Sterling Heights' goal of preserving its infrastructure.

8. The City will minimize long-term interest expense when financing capital improvements by maintaining an ongoing systematic bonding program, which spreads the costs of the improvements to the benefiting residents.■


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, the replacement of personal computers, file servers, an automated customer service inquiry tracking system, a new communications antenna tower with microwave dish, and a new automatic commercial water meter reading system.
• 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 20 years
• Integrate performance measurement and productivity indicators in the budget	• Earned GFOA's "Special Recognition" award in four of the past six years for use of performance measurements • Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for the past ten years • Participation in ICMA's Center for Performance Measurement – one of 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 • Continued very low City debt ratios • Implemented Proposal N without additional debt
• To provide adequate maintenance and orderly replacement of capital facilities and equipment	• Municipal Facilities expenditures $6.7 million • Vehicle expenditures $1.1 million • Equipment expenditures $1.3 million • Technology improvements $182,300
• Maintain adequate level of funding for all retirement systems	• General Employees System 124.2% funded • Police & Fire Pension System 130.7% funded • Pre-funding retiree medical past 12 years • Recent updates to Retiree Medical Actuarial Report; increased funding past four years to 21.9% of payroll • Offer Defined Contribution Plan to new employees
• Seek property tax relief	• Millage rate has decreased by 2.66 mills or 19.8% since 1988, saving average homeowner $2,693 • Largest tax rate decrease among all County taxing entities – past 10 years • Tax rate lower than all but one of the 77 full service communities within 20 miles of City
• Enhancement of the property tax base	• Major community investments (past 4 years): Ford Motor Company $427 million investment DaimlerChrysler $287 million investment Detroit News Plant $174 million investment ACH/Visteon Plant $110 million investment • Corridor Improvement Authority • Principal Shopping District

city of STERLING HEIGHTS

City Policy Benchmarks

Policy Benchmark	Status
Revenue Policy	
• Maintain a diversified and stable taxable revenue base	• City's Taxable Value: Residential 64.3% Commercial & Industrial 35.7% • Residential property market values increased 2.6% while taxable values increased 3.7%
• 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 • Continued lowest water & sewer rates in State
Reserve Policy	
• 15% Unreserved/Undesignated General Fund Balance	• 15.8% unreserved fund balance (2006 Audit)
• 55 days of General Fund operations	• 57 days of General Fund operations • No use of reserves for 2007/08 budget
Accounting, Auditing, Financial Reporting Policy	
• Produce comprehensive annual reports in accordance with GAAP	• Certificate of Achievement for Excellence in Financial Reporting Award for 19 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	• 2007 Michigan Transportation Bond 15 yrs. • Senior Active Life Center Bond 6 yrs. • 90.9% 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	• Highest ratings in State for similar sized community • Moody's rating Aa2 • Fitch's rating AA+ • Standard & Poors' rating AA
Capital Improvement Policy	
• Make all capital improvements in accordance with an adopted capital acquisition program	• $21.4 million in total Capital Improvement Projects • $1.9 million in neighborhood street repairs • Renovations to three Fire Stations (Proposal F) • Fire Engine in 2007/08 budget
• 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 participated in the ICMA's Center for Performance Measurement from 1999 – 2003 and then rejoined in 2006. 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 latest 2003 fiscal year results showing how Sterling Heights compares to other cities and counties across the country in various performance measurement categories. We are awaiting the 2006 data from the ICMA.

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

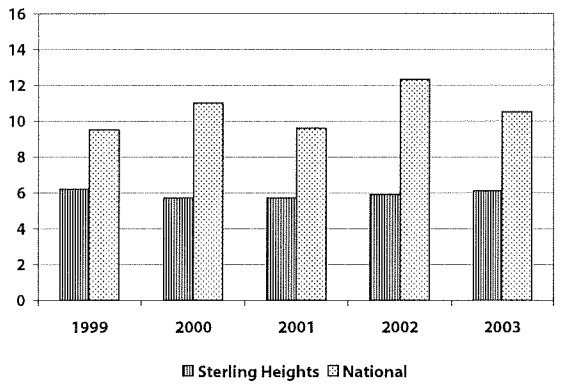
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	$96	$114	9/20	45%
Total Department FTE's Per 1,000 Residents	1.2	1.6	7/21	33%
Fire Incidents Per 100,000 Residents	248	393	6/28	22%
Total EMS Responses Per 1,000 Residents	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

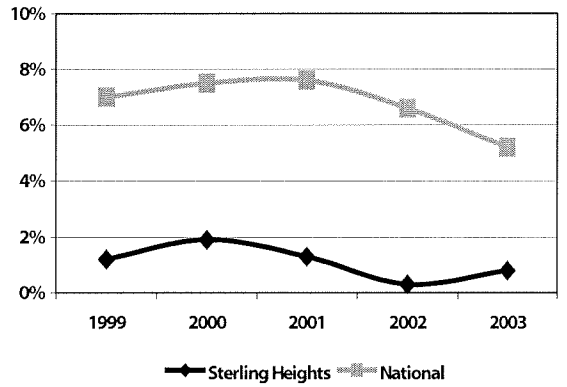
Total Full-time Employees Per 1,000 Residents



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.

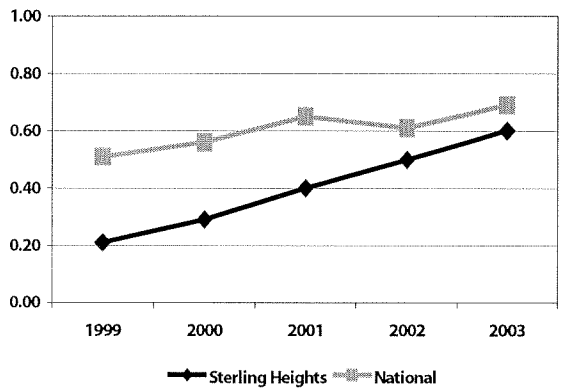
Full-time Employee Turnover Rate



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.

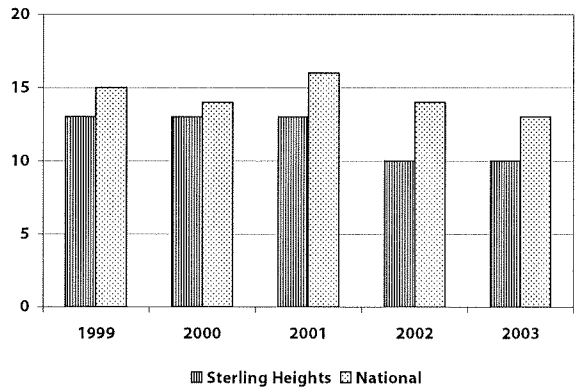
Ratio of Computers to Employees



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



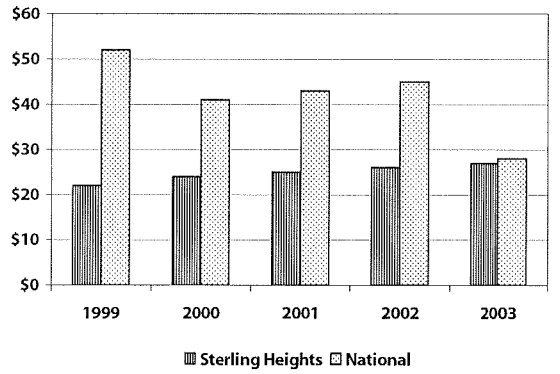
2003 National Rank: 8th out of 19 cities
Rank Percentage: 42%

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

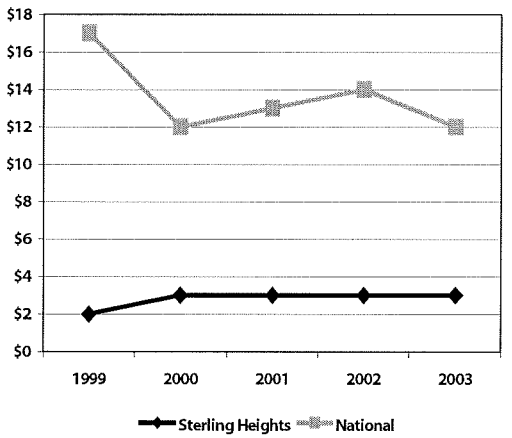
Parks & Recreation Costs Per Resident



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.

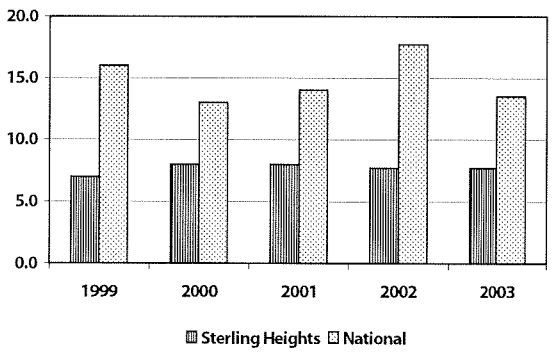
Parks & Recreation Revenue Per Resident



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.

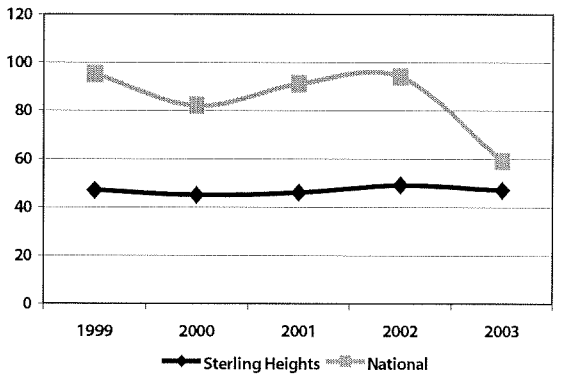
Park Acres Per 1,000 Residents



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

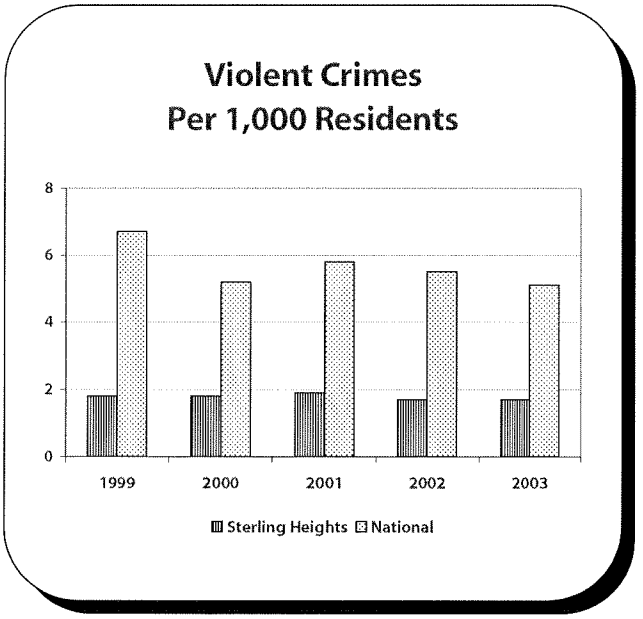


2003 National Rank: 20th out of 39 cities
Rank Percentage: 59%

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.

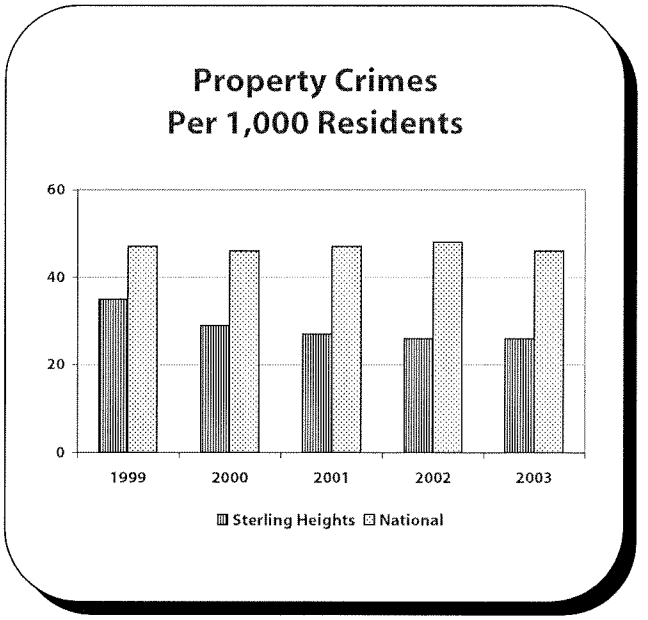
ICMA PERFORMANCE MEASUREMENTS

Police Department



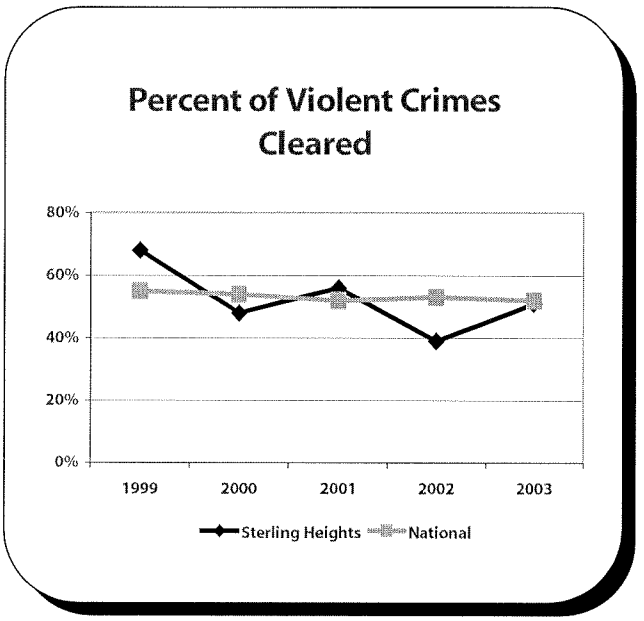
2003 National Rank: 9th out of 70 cities
Rank Percentage: 13%

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.



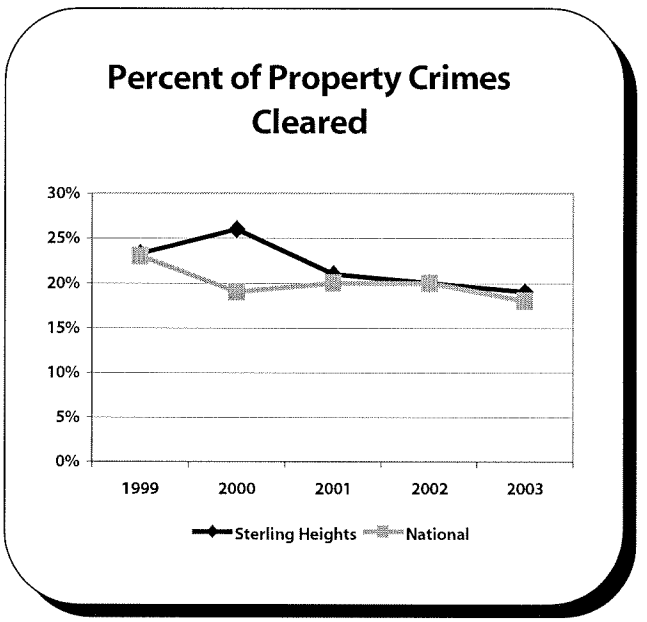
2003 National Rank: 12th out of 70 cities
Rank Percentage: 17%

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.



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.



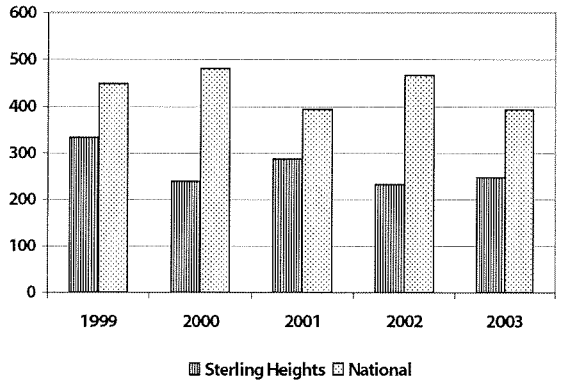
2003 National Rank: 36th out of 57 cities
Rank Percentage: 63%

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

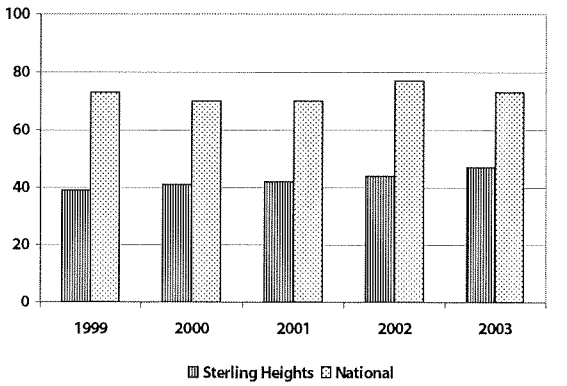
Fire Incidents Per 100,000 Residents



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.

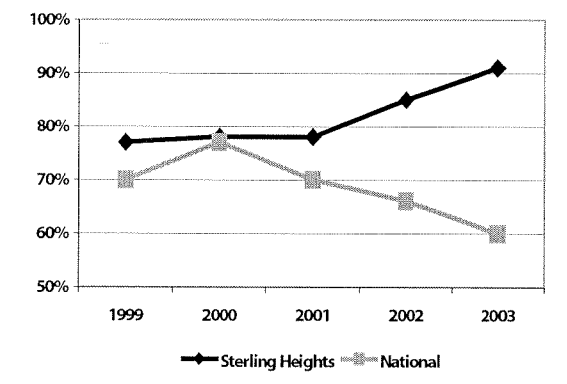
Total EMS Responses Per 1,000 Residents



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.

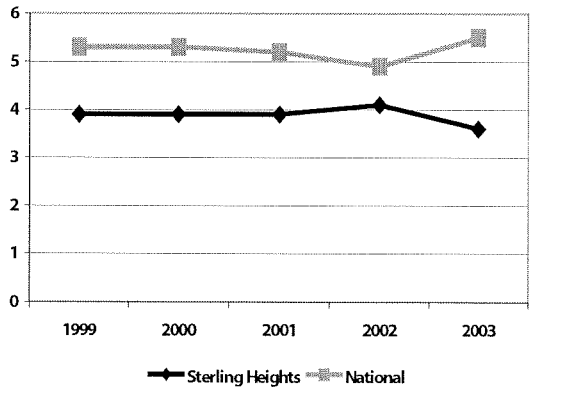
Percent of Fire Responses Less Than 5 Minutes



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)



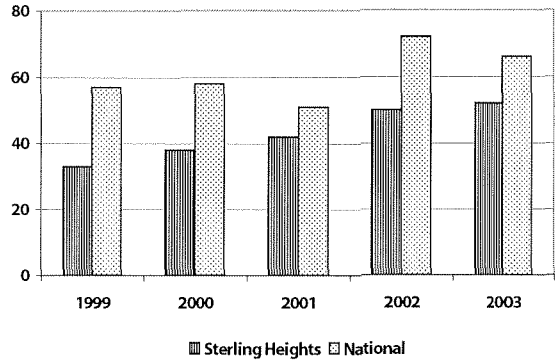
2003 National Rank: 2nd out of 37 cities
Rank Percentage: 5%

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

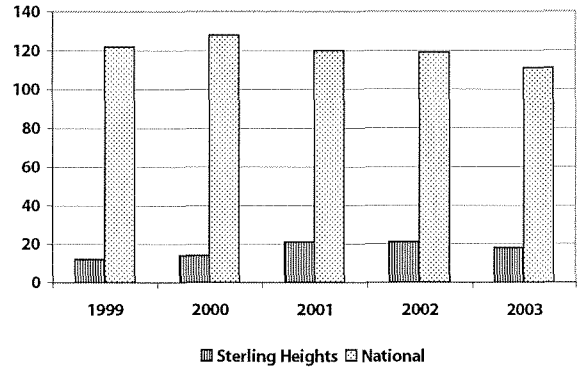
Refuse Collection Costs Per Ton



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.

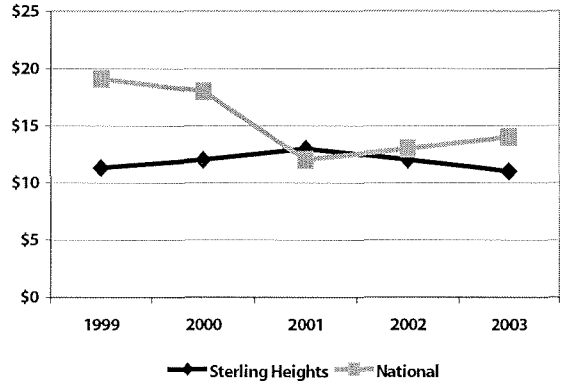
Recycling Costs Per Ton Recycled



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.

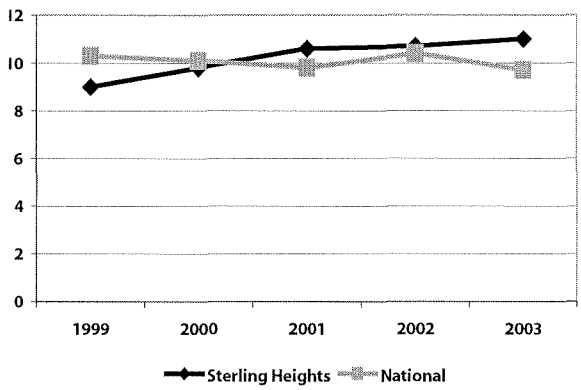
Fleet Maintenance Expenditures Per Resident



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)



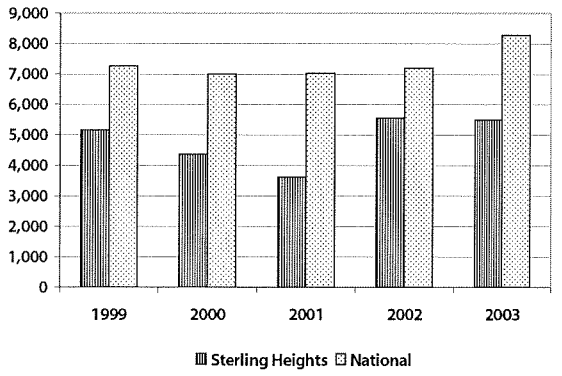
2003 National Rank: 38th out of 54 cities
Rank Percentage: 70%

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

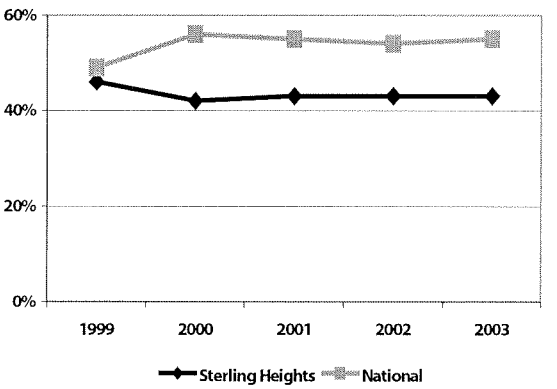
Library Circulation Per 1,000 Residents



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.

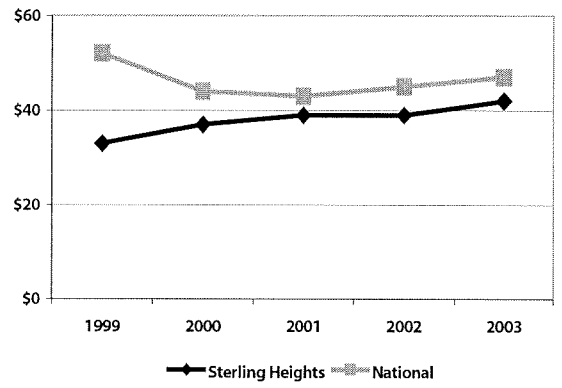
Registered Borrowers As a % of Population



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.

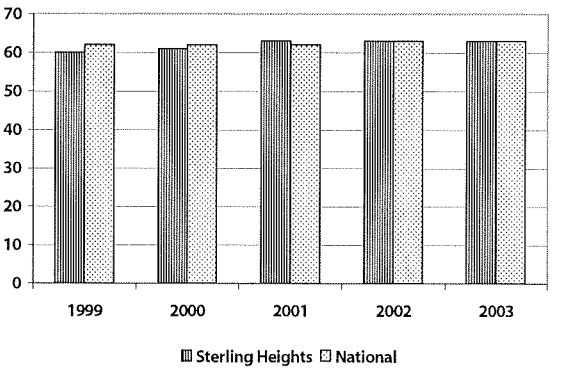
Library Expenditures Per Registered Borrower



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

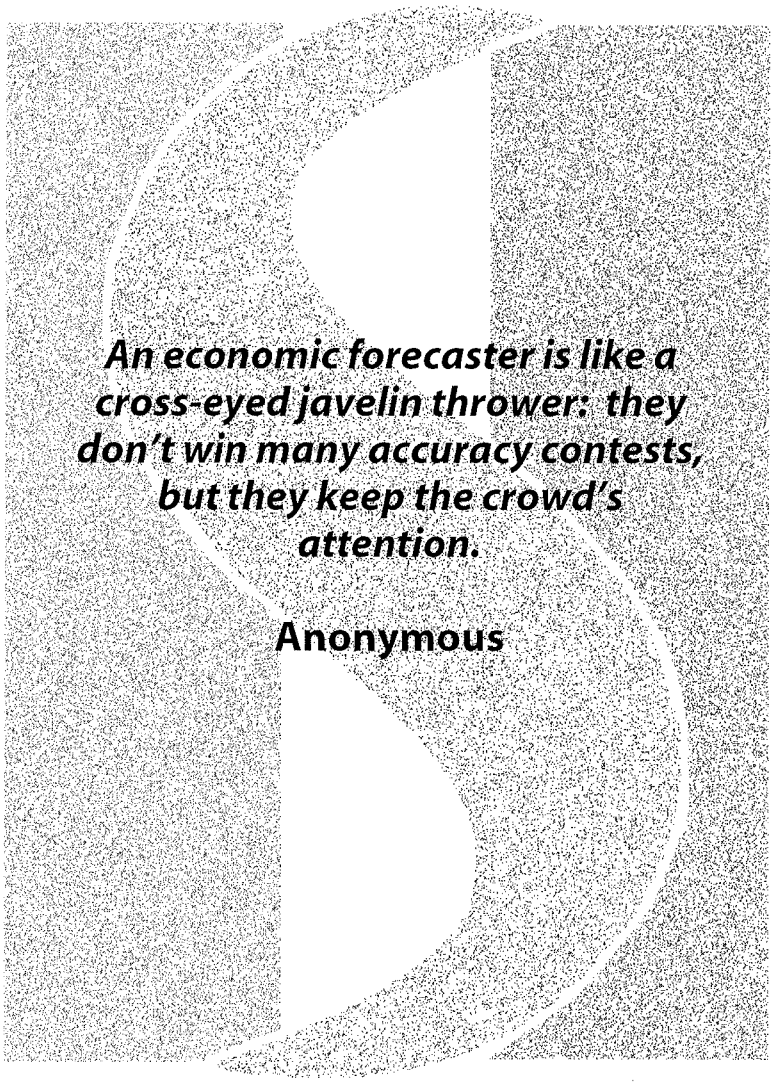
The City's Library Expenditures per Registered Borrower continues to be below the national average. In 2003, the City spent $42 per registered borrower compared to an average of $47 spent nationally. We ranked 17th out of 35 cities nationally.

Average Weekly Hours of Library Operations



2003 National Rank: 17thout 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

07
08

All Funds Summary

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

Financial Organization Chart

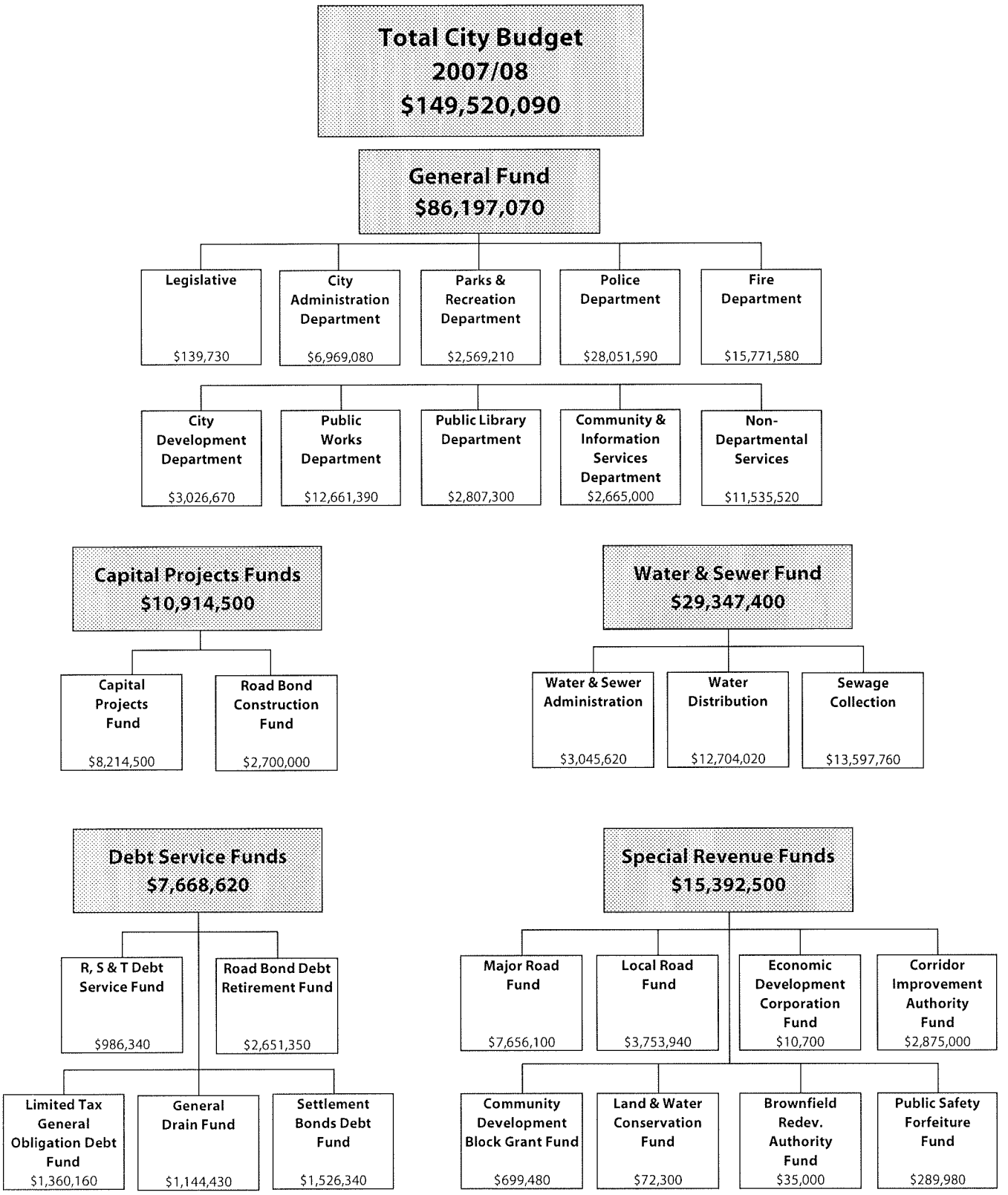


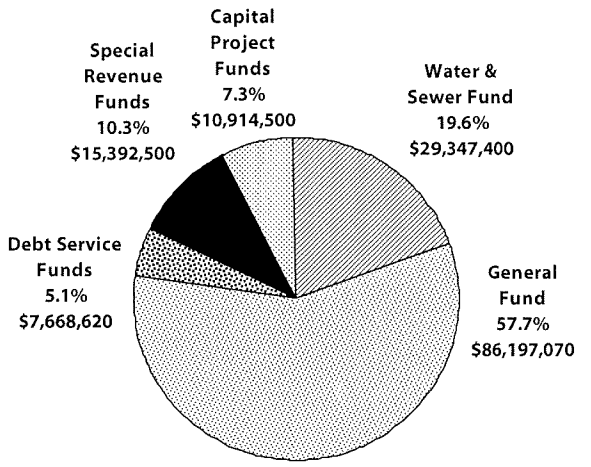
Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2007/08 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 held several budget hearings throughout the months of April and May in order to review the budget document.

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

2007/08 Total City Budgeted Funds
Percent of Total Expenditures



Total City Expenditures of $149,520,090 (including transfers)

TOTAL CITY FUNDS

The 2007/08 Budget for all City Funds totals $149.5 million. The City establishes a budget for 18 separate funds or accounting divisions. These 18 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the ***General Fund***, which provides $86.2 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 $29.3 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 $15.4 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, funding for economic development, brownfield redevelopment, the corridor improvement authority and for the federally subsidized Community Development Block Grant program. Several notable items in the Special Revenue Funds 2007/08 Budget include:

- $66,300 to complete the replacement of fencing at all the Delia Park ball diamonds.
- An additional $41,570 of funding to assist low and moderate-income families in rehabilitating their homes and to correct code violations and $30,000 for minor home repairs.
- $349,810 in CDBG funding for the first year debt payments on the new Senior Citizen Active Life Center Addition.
- Funding for online databases to assist the City's economic development efforts.
- Funding for improvements to the North Van Dyke corridor using new tax increment financing legislation recently approved by the State.
- Continued funding for the mowing and median maintenance contract on M-59 from Van Dyke to I-94.
- Continued funding for mosquito control in residential street catch basins to combat the spread of the West Nile Virus.

The City will continue to fund the Neighborhood Road Repair and Replacement Program by levying the 0.10 mills approved by the voters in 1996 as part of Proposal N. Continued cuts to revenue sharing, declining State gas tax revenues, and the cost of removing emerald ash borer infected trees, have resulted in the need to continue this operational millage. The City will save money by continuing to utilize the new asphalt capping technique

developed by Engineering and using the "pay as you go" approach – thereby avoiding bond issuance and interest financing costs. This levy will raise most of the $575,000 needed next year to fund the improvements to Algonquin, Evergreen, Heidi and Juniper Drives. The City will also continue its increased funding for joint sealing and sectional concrete replacement on all streets within the City.

Other road improvement projects include:

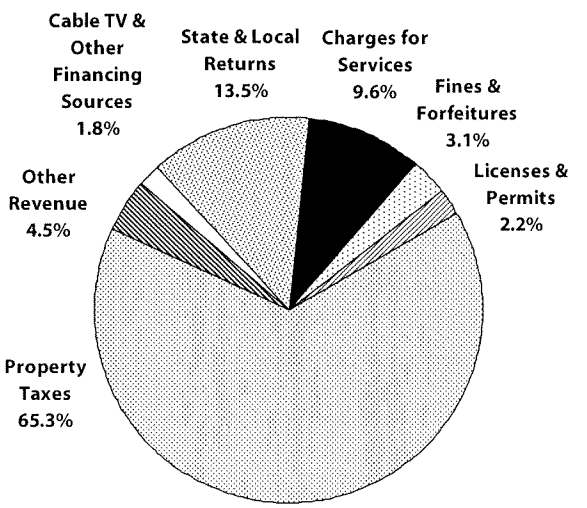
- $380,000 for the resurfacing of Foxhill Drive.
- $50,000 for Improvements to the Plumbrook and Utica Road intersection and $608,000 for the 19 Mile and Van Dyke intersection.
- Funding for the design of the eventual widening of 19 Mile Road between Ryan and Dequindre Roads.
- $210,000 for the alignment of the 18 Mile and Utica Road intersection and $200,000 for the design and right of way acquisition for the eventual widening of 18 Mile between Mound and Van Dyke.
- The application of a grant to landscape the 18½ Mile Road roundabout.
- The paving of Gardner Street, Dawn Drive, and the construction of Lisa Marie Drive using special assessment funds.
- $2,875,000 for improvements to the North Van Dyke corridor using grant funding and new tax increment financing legislation recently approved by the State.
- $2,700,000 in special assessment improvements to the Lakeside Shopping Center district.

The ***Capital Project Funds*** total $10.9 million for 2007/08. These funds are used for the purchase of 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 2007/08 Budget include:

- $550,000 for Neighborhood Sidewalk Repairs and $350,000 for the continuation of the Sidewalk Gap Completion Program.
- $4,950,000 to finance the renovations to three older City Fire Stations approved by the voters in 2006 as part of Proposal F.
- $555,000 for the installation of the Schuer Drain, a Gibson Drain bank erosion prevention project, and routine ongoing maintenance of existing storm drains.
- $100,000 for the repairs to the City Hall parking lot.
- $10,000 for repairs to two neighborhood school walkways.
- The installation of a City Entrance Sign on Metropolitan Parkway and Dequindre Road.
- $487,700 for replacement capital equipment for City departments including a new radio tower and a microwave dish for the new public safety 800 MHz radio system.
- $182,300 for Information Technology hardware and software improvements.
- $850,500 in capital vehicle replacements including a new Fire Engine.

Finally, the ***Debt Service Funds*** total $7.7 million and provide funding for the debt payments on the road construction projects, the 41-A District Court, the City Center Commons, the public safety radio system, the Senior Life Center Addition, storm drains, litigation settlements, and the debt resulting from the voter approved Proposal R. Debt payments from the voter approved Proposal F in 2006 is not scheduled to begin until the 2008/09 fiscal year. The City has saved over $775,000 in future interest payments by refinancing several bonds over the past five years.

2007/08 General Fund Revenues By Revenue Category



GENERAL FUND

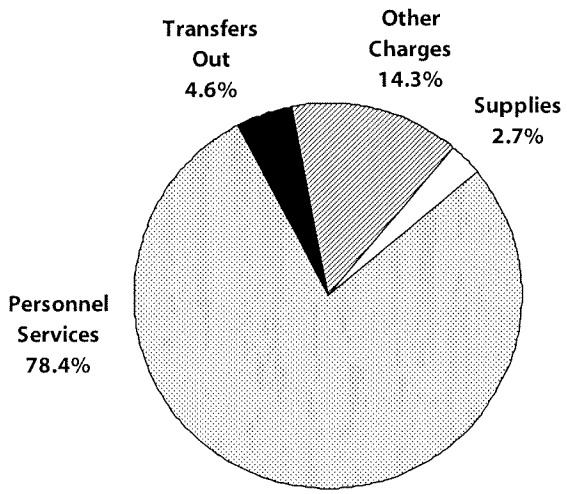
The 2007/08 Budget for the General Fund is $86.2 million, an increase of $3.1 million or 3.8% above the 2006/07 Budget.

Revenues by Category

The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City's tax rate of 10.725 mills will provide $56.2 million or 65.3% 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 operations millage rate includes the 0.10 mills to pay for Proposal N neighborhood road improvements. The City's tax rate has fallen by 19.8% since 1988. Proposal A has capped property value assessments at a 3.7% inflationary increase next year.

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 2.2%, State and Local Returns 13.5%, Fines & Forfeitures 3.1%, Charges for Services 9.6%, Other Revenue 4.5%, Cable TV Revenue 1.7%, and Other Financing Sources 0.1%.

2007/08 General Fund Expenditures by Category



Total General Fund Budget of $86,197,070

The budget is balanced and no use of fund balance reserves is planned for the 2007/08 fiscal year. In fact, a modest $32,600 will be contributed to reserves, resulting in an estimated $15.3 million or 17.8% of expenditures available in reserves.

Expenditures by Category

The $86.2 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 78.4% 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 14.3% 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 4.6% of the General Fund budget.

The total $3.1 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	$3,669,490	5.7%
Supplies	59,990	2.6%
Other Charges	(258,420)	(2.1%)
Transfers Out	(328,070)	(7.6%)
Total	**$3,142,990**	**3.8%**

Personnel Services increased $3.7 million or 5.7% over last year's budget. Wages for full-time employees increased by $1,248,790, as most labor groups are budgeted to receive a 3% wage increase. Hospitalization costs rose by only $43,400 or 0.7% due largely to medical savings recently negotiated with several labor groups. Dental insurance costs fell by $31,440 or 5.4% due to a rate decrease. Police & Fire Pension costs decreased by $938,540 or 35.5% due to the continued effects of an actuarially assumed higher investment rate of return and positive market returns which again has resulted in a decrease in the actuarially determined City contribution rate.

The City will again 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 2007/08 fiscal year, $9.6 million has been set aside to fund these obligations, an increase of $2.9 million or 44.6% over the previous year. In the past four years, the City has increased its funding by $7 million and now totals nearly 22% of City payroll.

The budget includes funding for 630 full-time positions – a net increase of one position over last year. A vacant Police Captain position has been eliminated and replaced with two additional Police Officer positions. It is anticipated that a new State grant may help fund a portion of the cost of the additional sworn officer. A vacant part-time position in Community Relations has been eliminated due to a recent promotion. The City has eliminated 19 vacant full-time positions since 2002, saving $1.3 million annually. Full-time staffing, however, has increased by nine positions since 1996.

Supplies increased by $59,990 or 2.6%. Most departments have reduced their discretionary spending on Supplies. Postage costs increased $14,230 or 5.2% due to an expected postal rate hike. Rising fuel prices have accounted for a $50,000 increase.

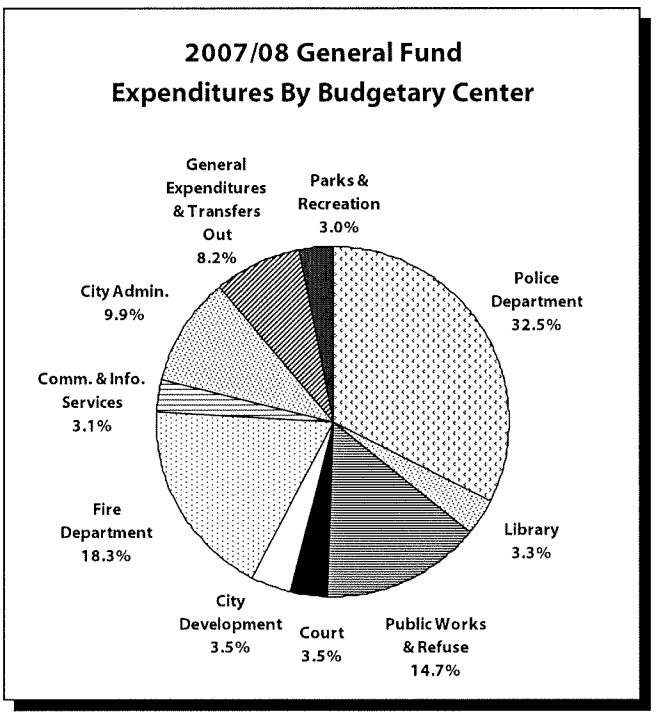
Other Charges decreased by $258,420 or 2.1%. Due to recent insurance recoveries, less liability insurance cross charge funding is needed in the Self-Insurance Fund resulting in a $650,000 savings. Contractual services decreased by $47,650 largely due to one-time recruitment costs for the Police Chief last year. Refunds on tax tribunal adjustments increased $255,000 due to a higher expected number of property tax appeals. Rubbish removal costs increased by $140,850 or 3.5% due to contractual price increases. In addition, more apartment complexes, schools, and mobile home parks have elected to contract with their own service provider instead of participating in the City's refuse cost recovery program. Electric and heating costs rose by $57,850 and $20,500, respectively, based on rate increases. Savings were realized in animal collection fees, auction expenses, and radio and equipment maintenance costs, offset by additional funds for employee training, fiber optic lease charges, and nuisance abatement costs.

Capital Outlay is budgeted in the Capital Projects Fund. All capital equipment and vehicles used by General Fund departments, with the exception of drug forfeiture purchases, are expensed in the Capital Projects Fund and funded through a Transfer Out from the General Fund. $487,700 is budgeted to fund capital equipment, most of which is for a new radio tower for the Public Safety Radio System. $182,300 is budgeted for new computer hardware and software as part of the Information Technology Plan. $850,500 is budgeted for the purchase of 20 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 decreased by $328,070 or 7.6%. Transfers to the Major Road Fund can be reduced by $300,000. The Major Road Fund will be receiving a federal reimbursement grant from the 19 Mile Road widening project that can be used to fund the costs of next year's road projects.

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 65% of the budget is used to fund the three largest City departments – Police, Fire and Public Works.

Within the General Fund, the following changes are included in the 2007/08 Budget:

City Administration Department

- Lower recruitment costs as last year's budget included the one-time costs for a Police Chief search.
- Funding for the cost of four elections including an August primary, November general, presidential primary and a May school election.
- The replacement of one motor pool vehicle.
- Lower appraisal service costs due to the Ford tax appeal in the prior year.
- Funding for an online comparable assessing database service to assist in defending property tax appeals.
- Continued funding for two Finance employees to attend the MUNIS software user's conference.
- Implementation of a budget billing option for residential Water & Sewer customers.
- Increased funding for the microfilming of City records.

Parks & Recreation Department

- $72,300 toward additional tree plantings at Dodge Park and replacement ball diamond fencing at Delia Park.
- $70,000 for the daily programming and operation of the new Senior Active Life Center Addition.
- Continued programming and maintenance of new soccer fields at L. W. Baumgartner and Nelson Parks.
- The replacement of an 11 year-old pick-up truck for park operations.
- Replacement of 29 five year-old computers for the Parks & Recreation building and Senior and Nature Centers.

Police Department

- The elimination of a vacant Police Captain position and the hiring of two additional Police Officer positions.
- Increased debt funding for the 5-year bond used to finance the $1.6 million Public Safety 800 MHz Radio System.
- Twelve replacement patrol and traffic safety vehicles, replacement Evidence Technician and Animal Control vehicles, a new radio tower with microwave dish, and 87 replacement personal computers for office staff.
- The use of drug forfeiture proceeds to replace seven detective vehicles, an automated weapons cleaning system, a surveillance camera, training room presentation equipment, a night vision device, and two laptop computers.
- Additional funding for Police training including State funded dispatcher training and firearm and patrol rifle training.

Fire Department

- The renovation and upgrades to Fire Stations #2, #3, and #4 as part of the voter approved Proposal F.
- $420,000 for a new Fire Engine to replace a 1992 engine that is failing.
- A replacement EKG and cardiac defibrillator, technology upgrades to two backup defibrillator units, five new self-contained breathing apparatus units, and two Fire investigation digital cameras.
- Additional firefighter and paramedic training.
- Funding for high-speed fiber optic lines to improve the computer data connection speed between all Fire Stations and City Hall.
- Continued funding for the Fire Open House and Civilian Fire Academy.
- Funding for the continuation of the Community Emergency Response Team (CERT), increased Emergency Manager training, and the budgeting of operational costs for the Incident Command Vehicle in the Emergency Management budget.
- A replacement computer for the Emergency Manager.

City Development Department

- Funding for nuisance abatement contract costs offset by equipment maintenance savings on the land management computer system.
- Funds for the City Development Director to attend the Senior Executive Institute.

Public Works Department

- Continued 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.
- Funding for the application of goose repellent to the City's athletic fields.
- Capital equipment including a brake lathe, a riding lawn mower, a dual-axle trailer, a cube van for maintaining City parks, and two pickup trucks with plows.
- Continued funding for 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.
- The repairs to two neighborhood school walkways and the replacement of pumps at a neighborhood storm water detention pond.
- Higher water irrigation costs for several newly developed soccer fields and the Utica Road median.

Public Library Department

- The installation of new Library copiers to be networked to the 32 public computers which will improve service to residents with higher quality copies and reduce waste from unnecessary printings. The new system will save the cost of laser printer cartridges and provide a more efficient way to collect print charges through the use of prepaid vending machine cards.
- Continued increased funding of $10,000 for additional 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 Sunday hours during the school year.
- A replacement laptop computer for public Internet classes and technology presentations.
- Higher utility costs to operate the Library due to operating rate increases.

Community & Information Services Department

- Funding for a Customer Service and Inquiry Tracking software package.
- Increased funding for Sterlingfest and the Employee Awards Banquet.
- The elimination of the vacant Keyline Specialist position due to a recent promotion.
- Funding for high-speed fiber optic lines to improve the computer data connection speed between all remote city buildings and City Hall.
- The replacement of three file servers, the conversion of three databases to the Windows platform, and a replacement color printer and copier.
- Continued funding for the MUNIS users conference.

Non-Departmental Services

- $60,000 for the replacement of carpeting at the 41-A District Court and $13,400 for higher State computer support fees.
- Funding for the assessment center costs for Police Lieutenants and Police Captains.
- Anticipated savings due to a change in the pre-hire requirements for Firefighter applicants.
- Higher money manager fees for the General Employee Pension system as a result of the higher value of assets managed.
- The continued City memberships to the Southeast Michigan Council of Governments (SEMCOG) and the Clinton River Watershed Council.
- Increased funding for publishing costs for the Zoning Board of Appeals, as all meeting agendas must now be published in the official City newspaper due to a recent change in State planning laws.

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, 2007. The Detroit water rate will increase by 8.8% from $11.08 to $12.05 per thousand cubic feet. Sewer fees have risen by 7.8% due to a sewer rate

hike of 1.3% and a 25.2% increase in fixed charges.

As a result of these Detroit increases, a 7.9% water and a 6.9% sewer rate increase will be passed on to our customers in order for the Water & Sewer system to break-even next year. The average residential customer will pay $36.66 per month for water & sewer services.

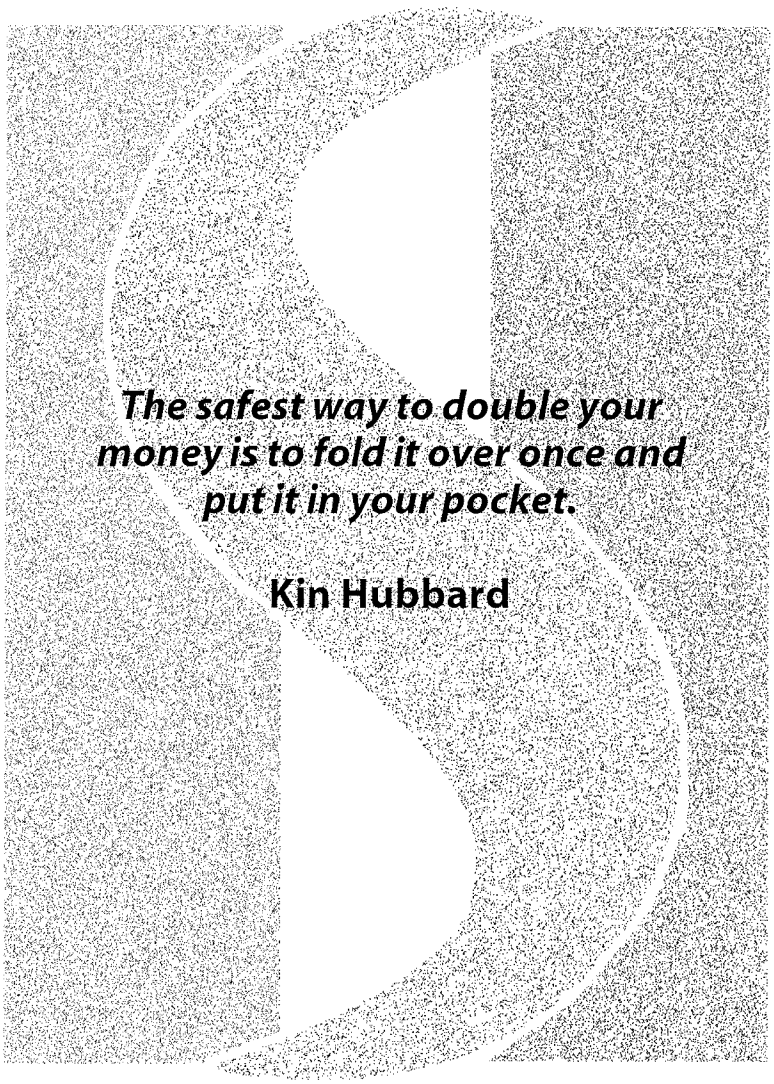
The City will continue its maximum summer discount of $25, which was increased in 1998. According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on Detroit's water rate is also one of the lowest and has decreased to a low of only 12.5%.

The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose $129,110 or 4.0% due to wage and fringe benefit increases for existing employees and increased funding for retiree medical liabilities. Supplies decreased by $42,590 as fewer water meters are anticipated to be purchased. Capital Outlay costs increased by $332,750.

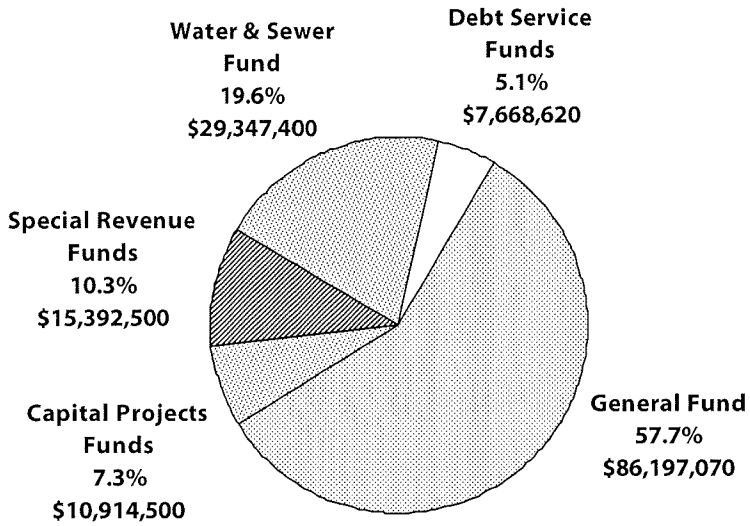
The 2007/08 Budget includes:

- $647,750 in necessary capital equipment including a new automated meter reading system for the commercial accounts which are now read manually each month, a portable welder, a truck mounted traffic safety device, and an asphalt hot box.

- $239,700 is budgeted for two replacement Water & Sewer vehicles including a Sewer Cleaner.■


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

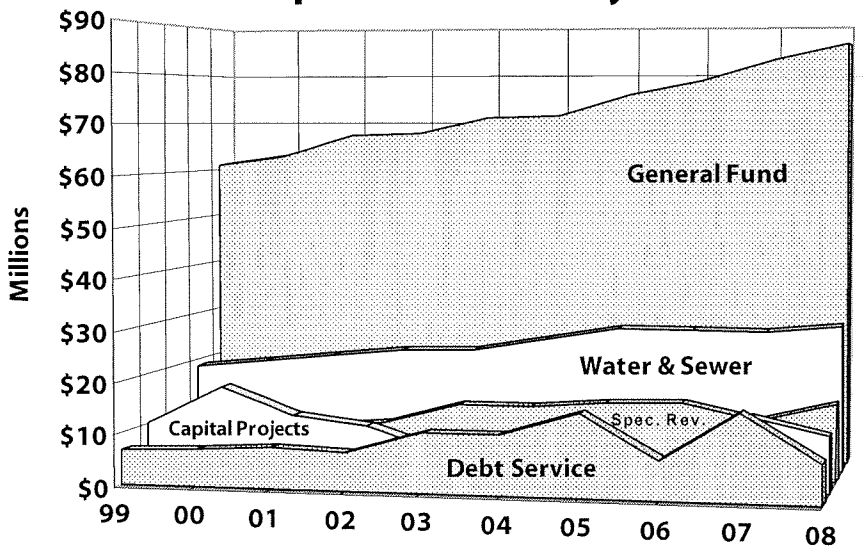
2007/08 Total City Budgeted Funds
Percent of Total Expenditures



Total City Expenditures of $149,520,090 (including transfers)

This graph illustrates total fund expenditures as a percent of all City Funds for the 2007/08 fiscal year.

Total City Budgeted Funds
Expenditure History



Fiscal Year

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

2007/08 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	$56,327,840	$0	$51,120	$2,064,970	$3,000	**$58,446,930**
Water & Sewer Service	0	26,030,970	0	0	0	**26,030,970**
State Revenue Sharing	10,717,000	0	0	0	0	**10,717,000**
Interfund Transfers In	97,410	0	2,449,800	5,457,100	1,534,500	**9,538,810**
Proceeds - Long Term Debt	0	0	1,000,000	0	7,700,000	**8,700,000**
Miscellaneous Revenue	7,393,020	101,200	342,800	0	757,320	**8,594,340**
Highway & Street Grants	0	0	7,020,000	0	0	**7,020,000**
Federal, State & Local Grants	907,300	0	5,355,370	0	117,000	**6,379,670**
Interest On Investments	1,900,000	1,140,000	136,550	76,000	100,000	**3,352,550**
Charges for Services	969,900	1,928,240	50,000	0	0	**2,948,140**
Court & Police Fines and Forf.	2,651,500	0	0	0	0	**2,651,500**
Licenses & Permits	1,884,700	0	0	0	0	**1,884,700**
Cable Revenue	1,420,000	0	0	0	0	**1,420,000**
Rental - Road Equipment	1,000,000	70,000	0	0	0	**1,070,000**
Labor Services Roads	900,000	80,000	0	0	0	**980,000**
Sale of Fixed Assets	500	0	145,000	0	0	**145,500**
Other Fines & Forfeitures	60,500	0	0	0	0	**60,500**
Total Revenues	**86,229,670**	**29,350,410**	**16,550,640**	**7,598,070**	**10,211,820**	**149,940,610**
EXPENDITURES BY OBJECT						
Personnel Services	67,586,610	3,335,850	9,680	0	0	**70,932,140**
Other Charges	8,015,350	23,191,880	634,860	9,750	0	**31,851,840**
Capital Improvement Projects	0	0	7,123,340	0	9,394,000	**16,517,340**
Interfund Transfers Out	3,990,050	0	4,047,420	0	0	**8,037,470**
Principal Payments	0	0	0	5,685,000	0	**5,685,000**
Refuse Collection	4,167,050	0	0	0	0	**4,167,050**
Other Services	0	0	3,377,500	0	0	**3,377,500**
Supplies	2,340,770	289,000	18,900	0	0	**2,648,670**
Interest Payments	0	0	0	1,973,870	0	**1,973,870**
Interfund Services	97,240	1,643,220	0	0	0	**1,740,460**
Capital Equipment	0	647,750	41,300	0	670,000	**1,359,050**
Capital Vehicles	0	239,700	139,500	0	850,500	**1,229,700**
Total Expenditures	**86,197,070**	**29,347,400**	**15,392,500**	**7,668,620**	**10,914,500**	**149,520,090**
Excess of Revenues Over (Under) Expenditures	32,600	*	1,158,140	(70,550)	(702,680)	**417,510**
Beginning Fund Balance	15,271,170	*	4,936,400	125,540	1,601,690	**21,934,800**
Ending Fund Balance	**$15,303,770**	*	**$6,094,540**	**$54,990**	**$899,010**	**$22,352,310**

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

	2005/06 Actual	2006/07 Estimate	2007/08 Budget
REVENUES BY SOURCE			
City Property Taxes	$52,580,320	$55,682,040	**$58,446,930**
Water & Sewer Service	22,908,170	22,458,010	**26,030,970**
State Revenue Sharing	10,999,290	10,935,280	**10,717,000**
Interfund Transfers In	9,931,680	18,439,720	**9,538,810**
Charges for Services	8,606,750	9,184,080	**9,371,260**
Proceeds - Long-term Debt	0	8,050,000	**8,700,000**
Highway & Street Grants	6,977,880	7,020,000	**7,020,000**
Federal, State & Local Grants	4,921,330	4,030,170	**6,379,670**
Interest On Investments	2,514,990	3,245,970	**3,352,550**
Court & Police Fines & Forfeitures	2,831,910	2,472,000	**2,651,500**
Miscellaneous Revenue	2,189,160	1,886,710	**2,171,220**
Licenses & Permits	1,986,330	1,900,900	**1,884,700**
Cable Revenue	1,371,830	1,420,000	**1,420,000**
Rental - Road Equipment	1,041,250	947,000	**1,070,000**
Labor Services Roads	1,081,830	930,000	**980,000**
Sale of Fixed Assets	551,830	500	**145,500**
Other Fines & Forfeitures	58,830	61,000	**60,500**
Total Revenues	**130,553,380**	**148,663,380**	**149,940,610**
EXPENDITURES BY OBJECT			
Personnel Services	63,080,400	66,755,750	**70,932,140**
Other Charges	32,695,240	29,943,450	**31,851,840**
Capital Improvement Projects	7,197,130	12,991,640	**16,517,340**
Interfund Transfers Out	8,071,680	8,662,400	**8,037,470**
Principal Payments	5,030,000	14,000,000	**5,685,000**
Refuse Collection	3,808,250	3,900,000	**4,167,050**
Other Services	4,447,340	3,088,000	**3,377,500**
Supplies	2,624,300	2,603,640	**2,648,670**
Interest Payments	2,479,380	2,336,760	**1,973,870**
Interfund Services	1,434,970	1,689,360	**1,740,460**
Capital Equipment	1,835,130	2,931,270	**1,359,050**
Capital Vehicles	669,760	1,448,890	**1,229,700**
Total Expenditures	**133,373,580**	**150,351,160**	**149,520,090**
Excess of Revenues Over (Under) Expenditures *	(421,210)	(1,262,050)	**417,510**
Beginning Fund Balance	23,618,060	23,196,850	**21,934,800**
Ending Fund Balance	**$23,196,850**	**$21,934,800**	**$22,352,310**

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

REVENUE COMPARISON
CITY BUDGETED FUNDS

Fund No.	Fund Name	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget	% Change from 06/07
	GENERAL FUND						
1010	General Fund	$76,084,380	$80,036,050	$83,085,680	$82,849,080	**$86,229,670**	3.8%
	WATER & SEWER FUND						
5720	Water & Sewer Fund - Operations	22,907,890	25,625,430	27,877,620	25,637,070	**29,350,410**	5.3%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	6,164,660	7,144,740	6,854,240	6,875,300	**8,914,190**	30.1%
2030	Local Road Fund	4,197,520	3,673,200	3,725,000	3,718,080	**3,736,500**	0.3%
2440	Land & Water Conservation Fund	537,570	618,190	449,090	330,090	**264,300**	-41.1%
2550	Economic Develop. Corp. Fund	280	460	8,300	8,400	**8,850**	6.6%
2560	Brownfield Redevelopment Fund	4,110	3,690	33,770	32,930	**34,120**	1.0%
2770	Public Safety Forfeiture Fund	0	906,000	223,330	454,350	**0**	-100.0%
2780	Comm. Develop. Block Grant Fund	953,250	684,130	1,172,710	1,325,390	**699,480**	-40.4%
8510	Corridor Improvement Auth. Fund	0	0	0	40,000	**2,893,200**	100.0%
	Total Special Revenue Funds	**11,857,390**	**13,030,410**	**12,466,440**	**12,784,540**	**16,550,640**	**32.8%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	3,788,120	1,226,130	1,230,530	1,241,530	**1,119,430**	-9.0%
3050	R, S & T Debt Service Fund	1,101,710	940,360	975,040	977,240	**980,340**	0.5%
3160	Settlement Bonds Debt Fund	1,723,550	1,876,200	11,111,320	11,114,320	**1,520,340**	-86.3%
3270	Road Bond Debt Retirement Fund	5,759,310	2,871,110	2,210,000	2,222,000	**2,620,200**	18.6%
3690	Ltd. Tax Gen. Obligation Debt Fund	3,529,820	652,800	961,000	654,500	**1,357,760**	41.3%
	Total Debt Service Funds	**15,902,510**	**7,566,600**	**16,487,890**	**16,209,590**	**7,598,070**	**-53.9%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	2,992,340	3,837,730	6,198,200	6,447,520	**7,511,820**	21.2%
4280	Road Bond Construction Fund	5,465,540	457,160	4,615,000	4,735,580	**2,700,000**	-41.5%
	Total Capital Project Funds	**8,457,880**	**4,294,890**	**10,813,200**	**11,183,100**	**10,211,820**	**-5.6%**
	Total Revenue	**135,210,050**	**130,553,380**	**150,730,830**	**148,663,380**	**149,940,610**	**-0.5%**
	Duplicating Transfers	**(8,354,680)**	**(9,931,680)**	**(18,707,220)**	**(18,439,720)**	**(9,538,810)**	-49.0%
	Total All Funds	**$126,855,370**	**$120,621,700**	**$132,023,610**	**$130,223,660**	**$140,401,800**	**6.3%**

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

EXPENDITURE COMPARISON
CITY BUDGETED FUNDS

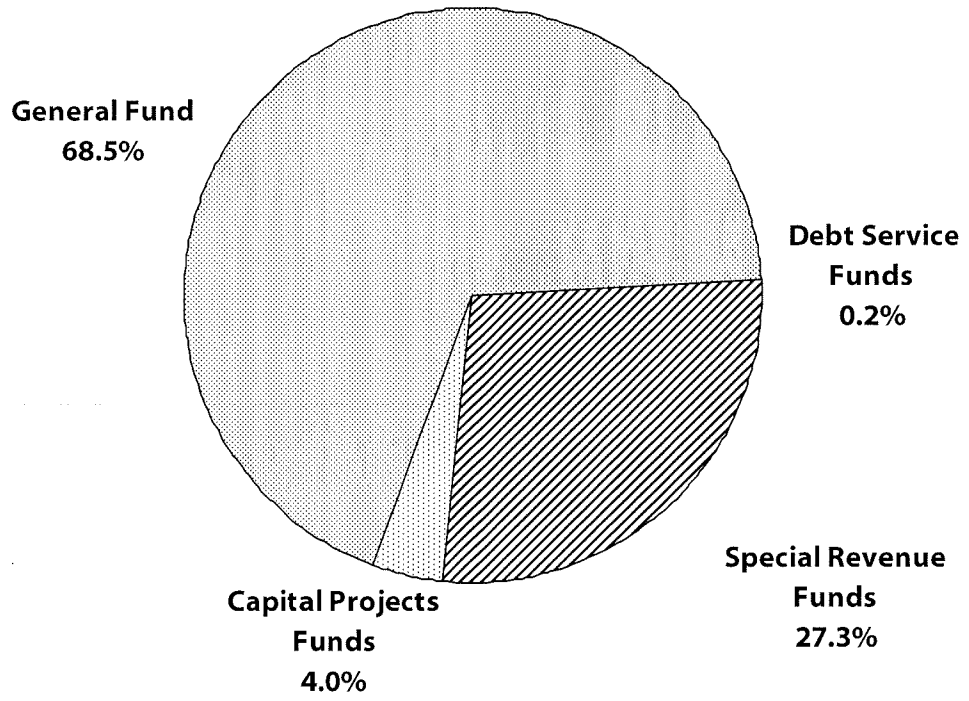
Fund No.	Fund Name	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget	% Change from 06/07
	GENERAL FUND						
1010	General Fund	$75,734,860	$78,986,850	$83,054,080	$82,628,150	**$86,197,070**	3.8%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	28,132,230	28,024,420	27,974,660	26,062,800	**29,347,400**	4.9%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	7,652,290	8,080,690	6,571,030	6,150,620	**7,656,100**	16.5%
2030	Local Road Fund	5,691,760	3,897,530	3,445,870	3,438,640	**3,753,940**	8.9%
2440	Land & Water Conservation Fund	305,690	1,556,110	117,630	121,390	**72,300**	-38.5%
2550	Economic Development Corp. Fund	30	10,200	10,700	10,700	**10,700**	0.0%
2560	Brownfield Redevelopment Fund	3,740	580	47,610	46,110	**35,000**	-26.5%
2770	Public Safety Forfeiture Fund	0	567,600	299,430	361,120	**289,980**	-3.2%
2780	Comm. Develop. Block Grant Fund	953,250	701,750	1,172,710	1,325,390	**699,480**	-40.4%
8510	Corridor Improvement Auth. Fund	0	0	0	40,000	**2,875,000**	100.0%
	Total Special Revenue Funds	**14,606,760**	**14,814,460**	**11,664,980**	**11,493,970**	**15,392,500**	**32.0%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	3,750,710	1,212,860	1,255,530	1,256,380	**1,144,430**	-8.8%
3050	R, S & T Debt Service Fund	1,099,120	935,720	975,040	975,790	**986,340**	1.2%
3160	Settlement Bonds Debt Fund	1,712,410	1,867,950	11,121,870	11,121,770	**1,526,340**	-86.3%
3270	Road Bond Debt Retirement Fund	5,824,340	2,850,290	2,358,170	2,358,170	**2,651,350**	12.4%
3690	Ltd. Tax Gen. Obligation Debt Fund	3,527,400	652,370	964,060	656,340	**1,360,160**	41.1%
	Total Debt Service Funds	**15,913,980**	**7,519,190**	**16,674,670**	**16,368,450**	**7,668,620**	**-54.0%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	3,592,350	3,497,910	9,201,100	8,690,210	**8,214,500**	-10.7%
4280	Road Bond Construction Fund	4,773,980	530,750	5,161,350	5,107,580	**2,700,000**	-47.7%
	Total Capital Project Funds	**8,366,330**	**4,028,660**	**14,362,450**	**13,797,790**	**10,914,500**	**-24.0%**
	Total Expenditures	**142,754,160**	**133,373,580**	**153,730,840**	**150,351,160**	**149,520,090**	**-2.7%**
	Duplicating Transfers	**(6,639,680)**	**(8,071,680)**	**(8,929,900)**	**(8,662,400)**	**(8,037,470)**	-10.0%
	Extraordinary Items	**6,000,000**	**0**	**0**	**0**	**0**	0.0%
	Total All Funds	**$142,114,480**	**$125,301,900**	**$144,800,940**	**$141,688,760**	**$141,482,620**	**-2.3%**

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

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget	% Change from 06/07
	GENERAL FUND						
1010	General Fund	$14,001,040	$15,050,240	$15,081,840	$15,271,170	**$15,303,770**	1.5%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	750,000	750,000	750,000	750,000	**750,000**	0.0%
2020	Major Road Fund	2,542,430	1,606,480	1,889,690	2,331,160	**3,589,250**	89.9%
2030	Local Road Fund	772,050	547,720	826,850	827,160	**809,720**	-2.1%
2440	Land & Water Conservation Fund	1,319,140	381,220	712,680	589,920	**781,920**	9.7%
2550	Economic Development Corp. Fund	16,050	6,310	3,910	4,010	**2,160**	-44.8%
2560	Brownfield Redevelopment Fund	12,590	15,700	1,860	2,520	**1,640**	-11.8%
2770	Public Safety Forfeiture Fund	0	338,400	262,300	431,630	**141,650**	-46.0%
2780	Comm. Development Block Grant Fund	17,620	0	0	0	**0**	0.0%
8510	Corridor Improvement Auth. Fund	0	0	0	0	**18,200**	100.0%
	Total Special Revenue Funds	**5,429,880**	**3,645,830**	**4,447,290**	**4,936,400**	**6,094,540**	**37.0%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	39,900	53,170	28,170	38,320	**13,320**	-52.7%
3050	R, S & T Debt Service Fund	5,320	9,960	9,960	11,410	**5,410**	-45.7%
3160	Settlement Bonds Debt Fund	11,140	19,390	8,840	11,940	**5,940**	-32.8%
3270	Road Bond Debt Retirement Fund	175,430	196,250	48,080	60,080	**28,930**	-39.8%
3690	Limited Tax Gen. Obligation Debt Fund	5,200	5,630	2,570	3,790	**1,390**	-45.9%
	Total Debt Service Funds	**236,990**	**284,400**	**97,620**	**125,540**	**54,990**	**-43.7%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	3,202,160	3,541,980	539,080	1,299,290	**596,610**	10.7%
4280	Road Bond Construction Fund	747,990	674,400	128,050	302,400	**302,400**	136.2%
	Total Capital Project Funds	**3,950,150**	**4,216,380**	**667,130**	**1,601,690**	**899,010**	**34.8%**
	Unappropriated Total - All Funds	**$23,618,060**	**$23,196,850**	**$20,293,880**	**$21,934,800**	**$22,352,310**	**10.1%**

City Government Funds
Percent of Total Reserves
2007/08 Fiscal Year



Total Government Fund Reserves of $22,352,310

This graph illustrates total fund balance reserves for each of the City's Government Funds for the 2007/08 fiscal year.

YEAR-END
NET ASSET COMPARISON
NON-BUDGETARY FUNDS

Fund No.	Fund Name	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual
	PROPRIETARY FUNDS					
	ENTERPRISE FUND					
5740	Water & Sewer Improvement Fund	$31,233,728	$33,441,941	$32,502,417	$32,636,709	$35,316,776
	INTERNAL SERVICE FUND					
6770	Self-Insurance Fund	6,232,582	5,918,622	5,536,352	3,778,841	22,463,966
	Total Proprietary Funds	**37,466,310**	**39,360,563**	**38,038,769**	**36,415,550**	**57,780,742**
	FIDUCIARY FUNDS					
	TRUST FUNDS					
7010	Retiree Medical Benefits Fund	7,190,871	7,156,608	8,067,889	8,685,864	10,075,077
7370	General Employees Retirement System	90,202,563	88,947,257	99,623,148	107,762,377	115,605,964
7380	Police & Fire Retirement System	166,026,845	163,750,721	177,621,481	192,699,311	194,849,253
	Total Fiduciary Funds	**263,420,279**	**259,854,586**	**285,312,518**	**309,147,552**	**320,530,294**
	Total All Non-Budgetary Funds	**$300,886,589**	**$299,215,149**	**$323,351,287**	**$345,563,102**	**$378,311,036**

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 Water & Sewer Operating Fund. 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 net assets in the Retiree Medical Benefits Fund exclude the provision for uninsured liabilities in order to reflect the amount of funds available to pay benefits as calculated in the retiree health actuarial study. The Water & Sewer Improvement Fund is used to record water & sewer main improvements as adopted by the City Council and found in the City's Capital Improvement Plan. The net assets shown for the Water & Sewer Improvement Fund exclude investments in capital assets and are available for completion of the City's water & sewer main system and for future infrastructure replacement needs as the City matures.

07
08

General Fund

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

The services provided include City Administration, Parks and Recreation, Police, Fire, 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 used to fund these services.

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

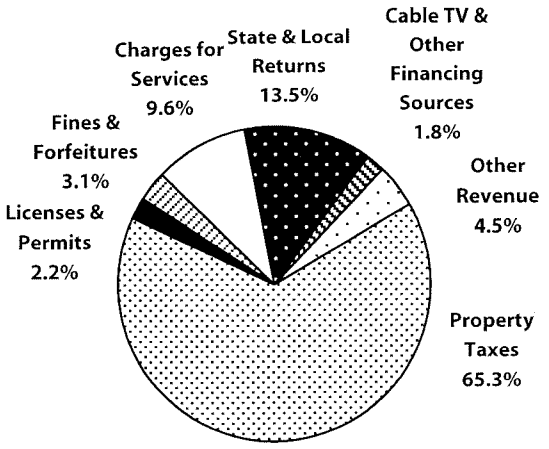
How the City Allocates Its Money

2007/08 General Fund Budget: $86.2 million $673 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 65% of the dollars spent are for Police & Fire protection and Public Works services including Refuse Collection. The City's General Fund Budget of $86.2 million equates to $673 spent per resident.

$28.0 million	$15.8 million	$12.7 million	$8.6 million	$7.0 million	$3.0 million	$3.0 million	$2.8 million	$2.7 million	$2.6 million
		$4.4 million Refuse Collection							
$219 per resident	$123 per resident	$99 per resident	$67 per resident	$55 per resident	$24 per resident	$23 per resident	$22 per resident	$21 per resident	$20 per resident
Police Department	Fire Department	Public Works Department	City Admin. Department	General Expenditures & Transfers	City Development Department	41-A District Court	Public Library Department	Community & Information Services	Parks & Recreation Department

Where The City Gets Its Revenue



07
08

Trends & Summaries

The Trends & Summaries section presents a brief 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 schedules numerically depict the relationship between revenues and expenditures. Historical data are presented by budgetary center, activity, and account.

Property Tax Benefit Statement

Have you ever wondered how 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 $1,344. Excluding businesses, the average homeowner pays $907 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 43,296 residential & business parcels)*	**$1,344**
Average Residential City Property Tax *(based on market value of $205,000, taxable value of $84,600)*	**$907**

The City of Sterling Heights spends an average of $2,039 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	$648	32%	$288
Fire Department	$364	18%	$162
Public Works & Refuse	$292	14%	$130
City Administration Department	$198	10%	$88
General Expenditures & Transfers	$155	8%	$69
41-A District Court	$78	4%	$35
City Development Department	$70	3%	$31
Public Library Department	$65	3%	$29
Comm. & Information Services	$62	3%	$28
Parks & Recreation	$59	3%	$26
Debt Service	$48	2%	$21
Total Per Parcel	**$2,039**	**100%**	**$907**

Because the average amount of residential property tax that the City receives is only $907, 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	2003/04	2004/05	2005/06	2006/07	2007/08*
Tax Rate Shown in Mills					
Utica Community Schools (UCS)	8.500	9.500	9.500	9.500	**9.500**
Macomb County	4.206	4.206	4.206	4.206	**4.206**
Macomb Community College (MCC)	1.586	1.500	1.421	1.421	**1.421**
Macomb Intermediate School District (MISD)	2.973	2.962	2.943	2.943	**2.943**
Huron Clinton Metro Authority (HCMA)	0.216	0.215	0.215	0.215	**0.215**
S.M.A.R.T.	0.597	0.595	0.591	0.590	**0.590**
Property Tax Administration Fee	0.068	0.068	0.189	0.189	**0.189**
STERLING HEIGHTS CITY GOVERNMENT	10.625	10.625	10.625	10.725	**10.725**
Total Millage Rates	**$28.771**	**$29.670**	**$29.690**	**$29.788**	**$29.788**
Avg. Residential Taxable Property Value	$75,450	$77,190	$78,970	$81,580	**$84,600**
Average Tax Rates Shown in Dollars					
Utica Community Schools	$641	$733	$750	$775	**$804**
Macomb County Government	317	325	332	343	**356**
Macomb Community College	120	116	112	116	**120**
Macomb Intermediate School District	224	229	232	240	**249**
Huron Clinton Metro Authority	16	17	17	18	**18**
S.M.A.R.T.	45	46	47	48	**50**
Property Tax Administration Fee	5	5	15	15	**16**
STERLING HEIGHTS CITY GOVERNMENT	802	820	839	875	**907**
Total Dollars	**$2,171**	**$2,290**	**$2,345**	**$2,430**	**$2,520**

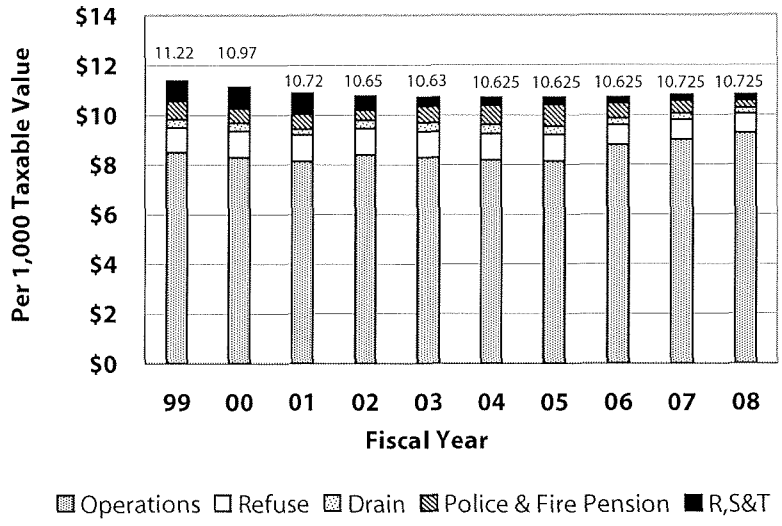
(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2003/04	2004/05	2005/06	2006/07	2007/08*
Tax Rate Shown in Mills					
Warren Consolidated Schools (WCS)	15.681	16.043	15.993	15.829	**15.829**
Macomb County	4.206	4.206	4.206	4.206	**4.206**
Macomb Community College (MCC)	1.586	1.500	1.421	1.421	**1.421**
Macomb Intermediate School District (MISD)	2.973	2.962	2.943	2.943	**2.943**
Huron Clinton Metro Authority (HCMA)	0.216	0.215	0.215	0.215	**0.215**
S.M.A.R.T.	0.597	0.595	0.591	0.590	**0.590**
Property Tax Administration Fee	0.050	0.050	0.254	0.252	**0.252**
STERLING HEIGHTS CITY GOVERNMENT	10.625	10.625	10.625	10.725	**10.725**
Total Millage Rates	**$35.934**	**$36.196**	**$36.247**	**$36.181**	**$36.181**
Avg. Residential Taxable Property Value	$75,450	$77,190	$78,970	$81,580	**$84,600**
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	$1,183	$1,238	$1,263	$1,291	**$1,339**
Macomb County Government	317	325	332	343	**356**
Macomb Community College	120	116	112	116	**120**
Macomb Intermediate School District	224	229	232	240	**249**
Huron Clinton Metro Authority	16	17	17	18	**18**
S.M.A.R.T.	45	46	47	48	**50**
Property Tax Administration Fee	4	4	20	21	**21**
STERLING HEIGHTS CITY GOVERNMENT	802	820	839	875	**907**
Total Dollars	**$2,711**	**$2,794**	**$2,862**	**$2,952**	**$3,061**

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

Totals may not foot due to rounding.

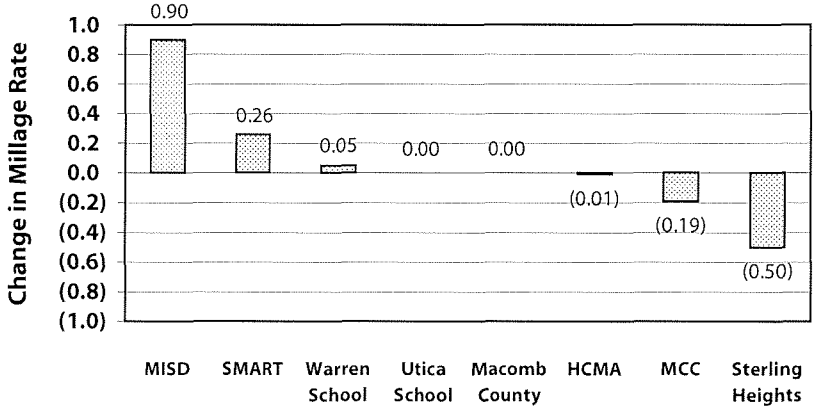
City of Sterling Heights Millage Rates



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

Change in Millage Rates by Taxing Entity

1999 - 2008

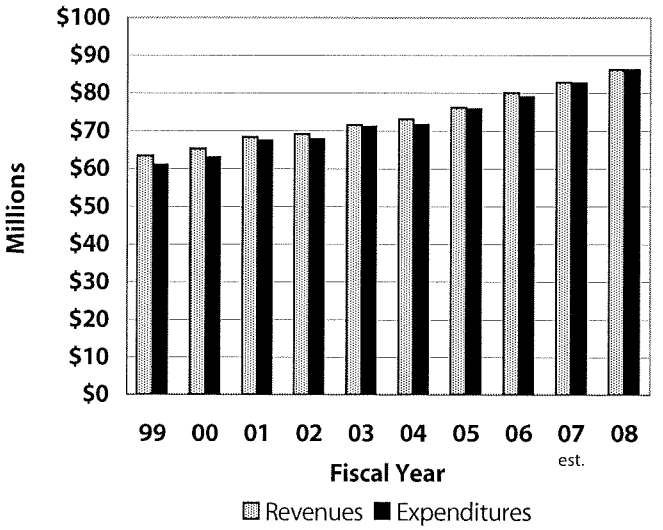


This graph shows the change in property tax rates over the past ten years for each of the government taxing entities to which City residents pay taxes.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

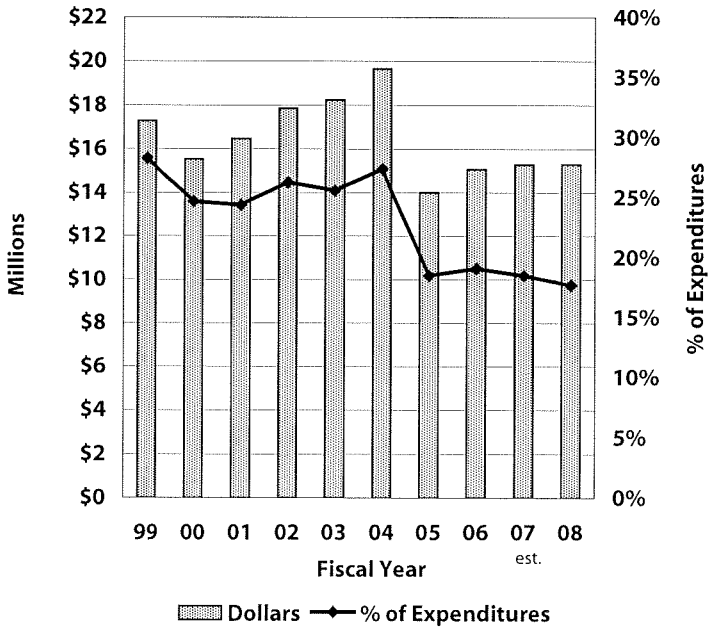
Budgetary Centers	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
REVENUES						
City Operating Taxes	$38,420,000	$43,370,300	$46,592,670	$46,602,670	$50,247,330	**$50,247,330**
Licenses & Permits	2,012,360	1,986,330	2,291,600	1,900,900	1,884,700	**1,884,700**
State and Local Returns	12,446,370	12,232,890	11,835,680	11,819,900	11,624,300	**11,624,300**
Fines & Forfeitures	2,801,030	2,875,170	2,765,850	2,533,000	2,712,000	**2,712,000**
Charges For Services	6,695,040	7,792,760	8,284,600	8,118,220	8,293,020	**8,293,020**
Other Revenue	2,899,950	3,249,980	3,046,630	3,505,740	3,870,400	**3,870,400**
Cable Revenue	1,319,940	1,371,830	1,320,000	1,420,000	1,420,000	**1,420,000**
Refuse Tax	5,203,500	4,070,410	4,210,420	4,210,420	4,372,600	**4,372,600**
Fire & Police Pension Tax	4,204,830	2,993,590	2,646,450	2,646,450	1,707,910	**1,707,910**
Total Revenues	**76,003,020**	**79,943,260**	**82,993,900**	**82,757,300**	**86,132,260**	**86,132,260**
Other Financing Sources						
Transfers In	81,360	92,790	91,780	91,780	97,520	**97,410**
Total Revenues & Sources	**$76,084,380**	**$80,036,050**	**$83,085,680**	**$82,849,080**	**$86,229,780**	**$86,229,670**
EXPENDITURES						
City Administration Department	$7,573,270	$7,779,740	$8,215,870	$8,119,920	$8,582,980	**$8,582,980**
Parks & Recreation Department	2,195,030	2,314,150	2,398,890	2,379,760	2,569,210	**2,569,210**
Police Department	24,700,520	25,077,390	26,590,230	26,642,630	28,051,590	**28,051,590**
Fire Department	13,838,180	14,097,340	15,000,930	14,913,280	15,765,960	**15,771,580**
City Development Department	2,645,790	2,737,440	2,878,530	2,848,160	3,046,560	**3,046,560**
Public Works Department	7,706,680	7,734,170	7,843,780	7,787,870	8,258,790	**8,258,790**
Refuse Collection	4,853,150	4,028,320	4,253,420	4,126,860	4,402,600	**4,402,600**
Public Library Department	2,474,080	2,554,280	2,697,070	2,709,970	2,808,660	**2,808,660**
Community & Info. Services Dept.	2,276,640	2,330,020	2,527,500	2,467,770	2,667,990	**2,667,990**
41-A District Court	2,472,160	2,660,590	2,861,380	2,869,500	3,008,790	**3,008,790**
General Expenditures	2,639,270	3,546,140	3,468,360	3,711,810	3,038,270	**3,038,270**
Total Expenditures	**73,374,770**	**74,859,580**	**78,735,960**	**78,577,530**	**82,201,400**	**82,207,020**
Other Financing Uses						
Transfers Out	2,360,090	4,127,270	4,318,120	4,050,620	4,001,300	**3,990,050**
Total Expenditures & Uses	**$75,734,860**	**$78,986,850**	**$83,054,080**	**$82,628,150**	**$86,202,700**	**$86,197,070**
Extraordinary Items						
Settlement & Bond Costs	(6,000,000)	0	0	0	0	**0**
Excess of Revenues Over (Under) Expenditures	**(5,650,480)**	**1,049,200**	**31,600**	**220,930**	**27,080**	**32,600**
Beginning Fund Balance	**19,651,520**	**14,001,040**	**15,050,240**	**15,050,240**	**15,271,170**	**15,271,170**
Ending Fund Balance	**$14,001,040**	**$15,050,240**	**$15,081,840**	**$15,271,170**	**$15,298,250**	**$15,303,770**

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



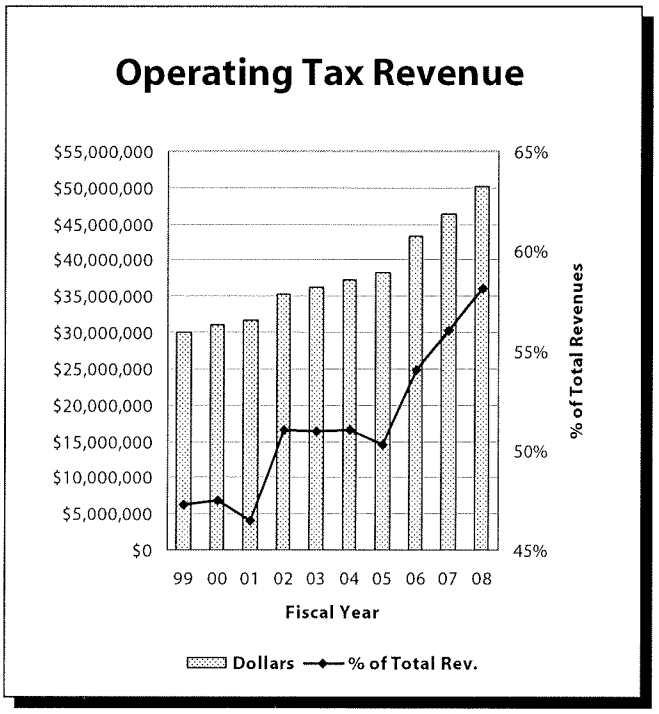
This graph illustrates the cumulative result of excess General Fund revenues over expenditures and total fund balance as a percent of General Fund expenditures. This graph includes the effect of the one-time $6.0 million extraordinary item in 2005.

CITY OPERATING TAX

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 ten years, 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 revenues have made up a larger share of the City's total General Fund revenues.

In the 2007/08 Budget, Operating City tax revenue represents 58.1% of total revenue sources, an increase of $3.6 million or 7.9% over the amount estimated to be collected in 2007. 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) increased by 4.6% due to new construction and a 3.7% valuation adjustment on existing property.



The Operations tax levy for the 2007/08 fiscal year is 9.2256 mills per $1,000 Taxable Value, an increase of 0.2480 mills. The City is continuing to levy the 0.10 mills needed to fund improvements to neighborhood roads that the voters approved in 1996 as part of Proposal N. The City's total tax rate remains at 10.725 mills. The City's total tax rate has declined by 19.8% since 1988 and remains one of the lowest of any city in the area. 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

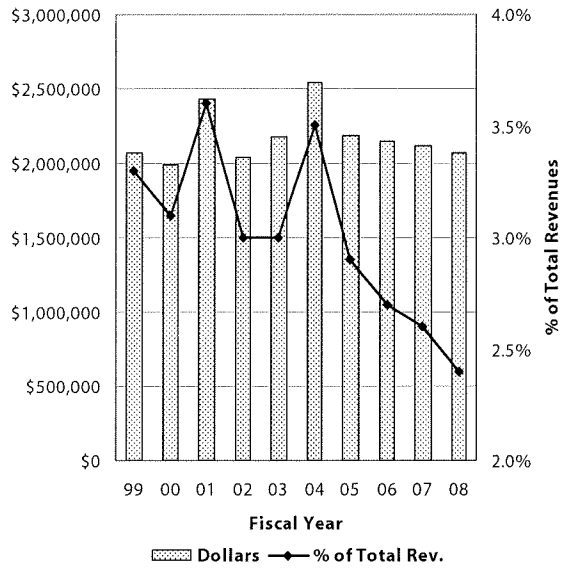
The revenue source of Licenses and Permits represents fees charged by City offices to individuals and businesses that allow for the building of new structures as well as improvements made to existing structures. New structures that require permits include garages, sheds, decks, porches, and buildings. 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. Building fees have risen slightly, while overall construction activity has generally lessened. However, revenues over the past 10 years have decreased as a percent of total City revenues and now stand at its lowest level in ten years.

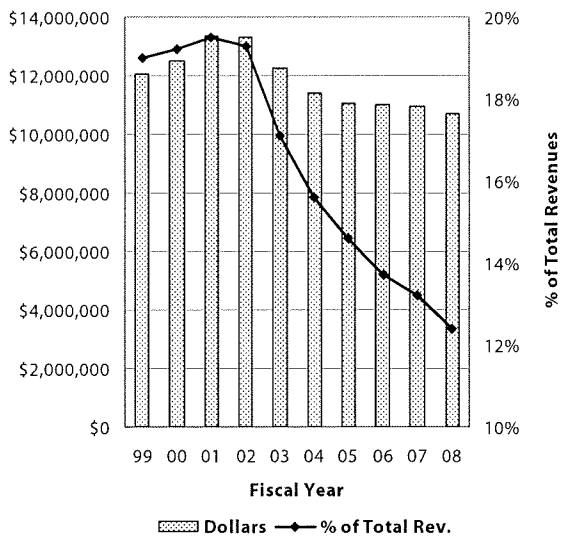
In the 2007/08 Budget, License and Permit revenues represent 2.2% of total revenue sources, a decrease of $16,200 or 0.9% below what we estimate receiving in 2007.

General Fund Revenues

Building Revenue



State Revenue Sharing



STATE AND LOCAL RETURNS

Another major source of revenue to the City is State & Local returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major 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 1999 and 2001, State revenue sharing funding 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 12.4% today.

In the 2007/08 Budget, total State & Local Return revenues represent 13.5% of total revenue sources, a decrease of $195,600 or 1.7% below what we estimate receiving in 2007. The decrease is due to a further expected decline in State revenue sharing funding.

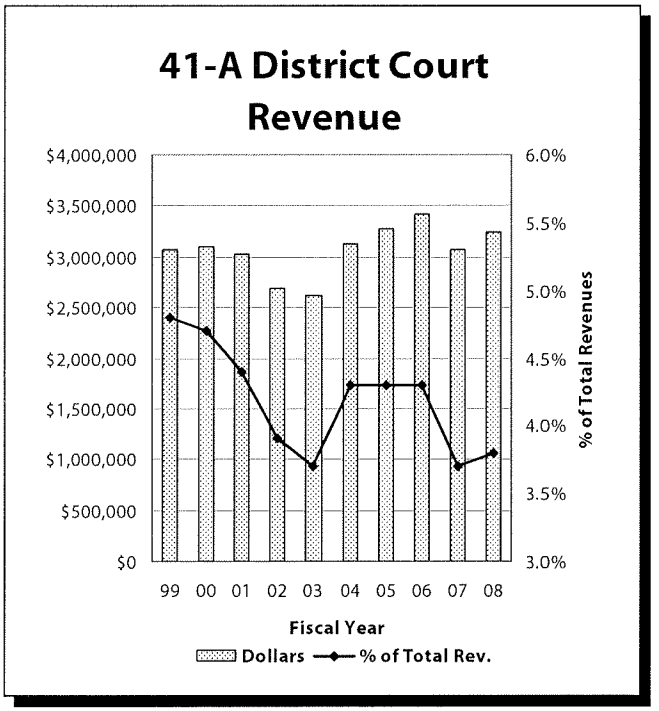
FINES & FORFEITURES

Fines and 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, rebounding in 2004 through 2006, with a slight drop off in 2007. Court revenues have generally declined as a percent of total City revenues after reaching a high of 4.8% in 1999.

In the 2007/08 Budget, Fines & Forfeiture revenues represent 3.1% of total revenue sources, an increase of $179,000 or 7.1% higher than what we estimate receiving in 2007. 41-A District Court revenues are projected to increase by $172,500 or 5.6% due to increased traffic enforcement next fiscal year. Drug Forfeiture revenues are no longer realized in the General Fund as a Public Safety Forfeiture Fund has

General Fund Revenues



recently been created to record the drug forfeiture receipts and expenditures.

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 2007/08 Budget, there are no planned General Fund purchases to be financed using long-term debt. The amount budgeted for 2007/08 is a $97,410 transfer from the Community Development Block Grant Fund. $24,890 is to partially reimburse the General Fund for the Special Recreation Handicapped program expenditures in the Parks & Recreation Department. $72,520 is for the reimbursement of CDBG administrative costs funded by a City department in the General Fund.

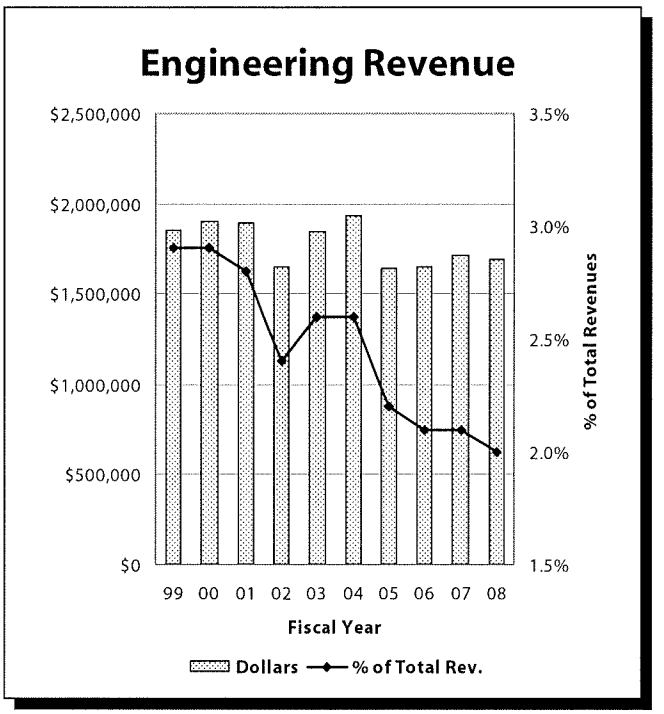
In the 2007/08 Budget, total revenues generated from Other Financing Sources represent 0.1% of total General Fund revenue sources.

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, 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 $1.9 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 2.9% in 1999 to a low of 2.0% in 2008.

In the 2007/08 Budget, Charges for Services revenues represent 9.6% of total revenue sources, an increase of $174,800 or 2.2% above what we estimate receiving in 2007. Engineering revenues have decreased by $27,000 and budgeted advanced life support recovery fees of $187,620 will not be realized. We do however, expect to receive



additional property tax administration fees, cross charge revenue from the Water & Sewer Fund, and higher Parks & Recreation revenues resulting from the programming and attendance fees from the new Senior gymnasium addition.

OTHER REVENUE

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

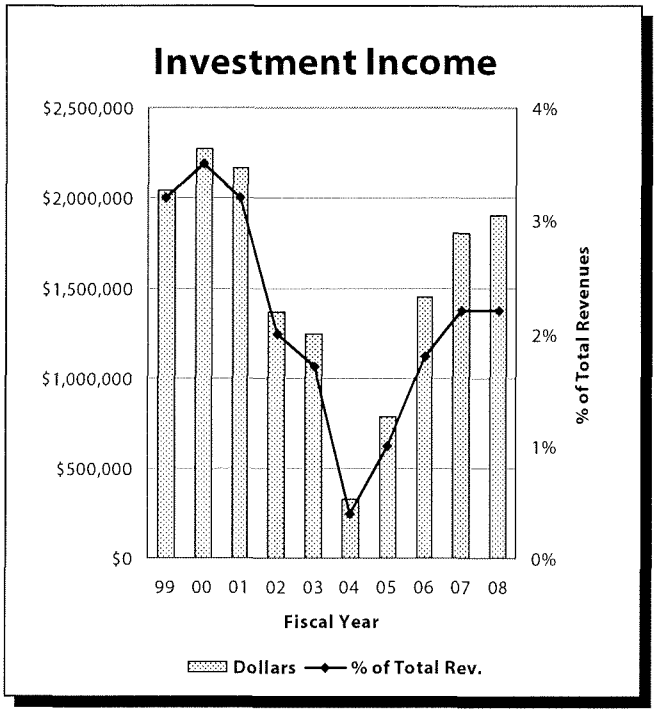
Investment Income rose in the late 1990's as the City's General Fund reserves grew and interest rates remained firm. From 2000 to 2004, Interest Income revenues fell due to declining interest rates. In 2004, revenues also declined due to a one-time $250,000 accounting correction of a prior year entry and as several high paying investments were called. Investment Income, which accounted for 3.5% of revenue sources at its peak and 0.4% at its lowest point, has now increased slightly to 2.2% of total General Fund revenues.

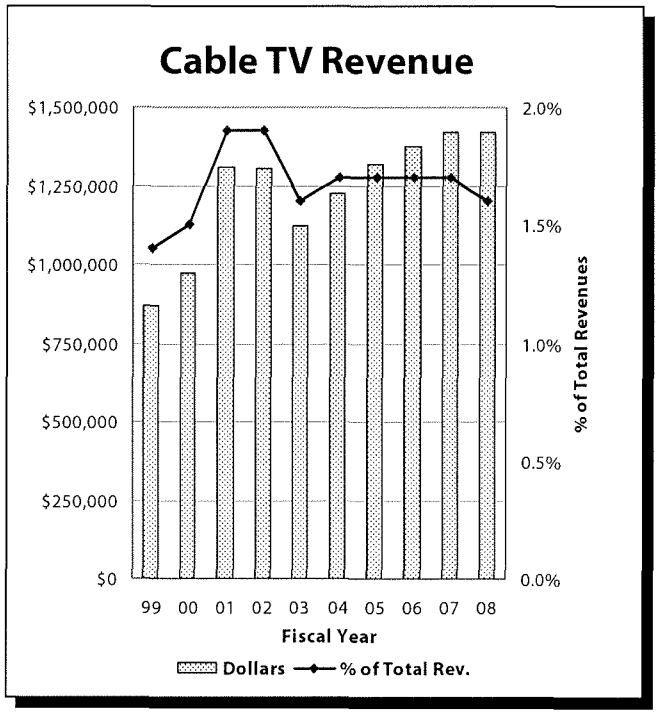
In the 2007/08 Budget, Other Revenues represent 4.5% of total revenue sources, an increase of $364,660 or 10.4% above what we estimate receiving in 2007. Interest on Investments revenue is estimated to rise by $100,000 due to increasing reserves in 2007 and higher interest rates. In addition, the City will receive increased cross charge revenue from the City's road funds and additional reimbursement revenues.

CABLE TV REVENUE

Cable Television Revenues are received from Comcast, AT&T, and Wide Open West (WOW) as franchise fees between these companies and either the City or the State of Michigan.

Cable Revenue has climbed steadily, except for years when the City received one-time only payments as set in the City's former franchise agreements. Beginning in 2003, due to a court ruling, cities were no longer allowed to collect franchise fees on cable modem charges to customers. In the 2007/08 Budget, Cable TV Revenues represent 1.6% of total revenue sources, the same amount as we estimate receiving in 2007 due to the uncertain effects of a new State franchising law.





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.

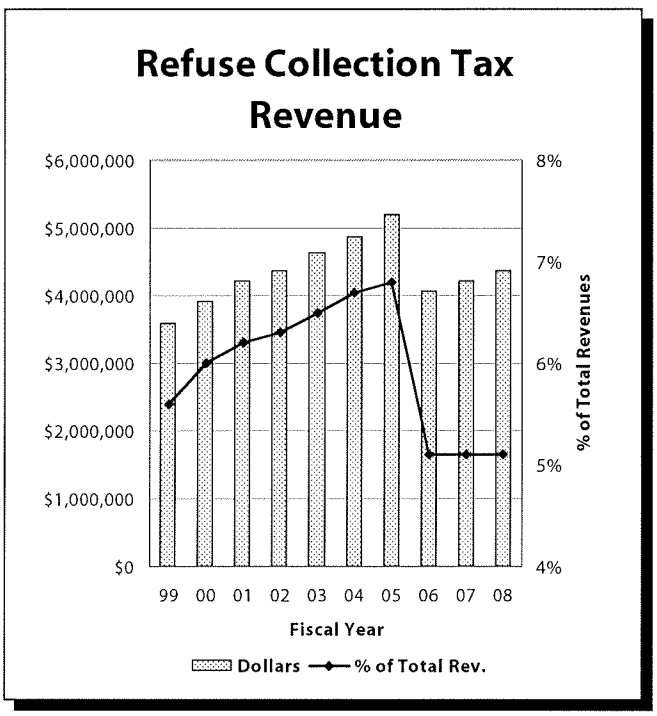
Revenues generated by the refuse collection levy are used to pay for the collection, removal, and recycling of all garbage in the City. The refuse collection millage rate is adjusted annually to cover the projected cost of the Refuse activity, less any refuse collection fees paid by apartments, mobile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

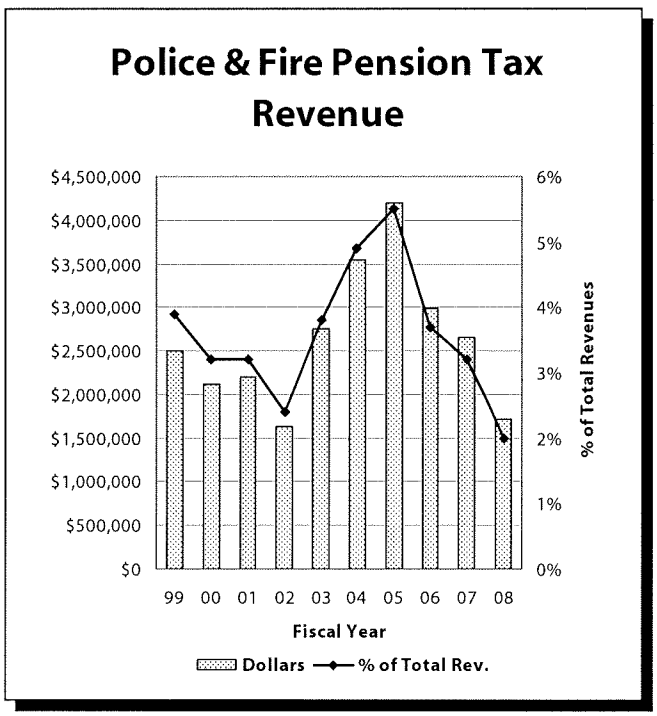
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. Refuse costs rose from 1999 through 2005. In February 2005, the City Council awarded a new five-year refuse contract that was significantly lower than the previous five-year contract. As a result of the cost savings, the Refuse millage rate has decreased. For the 2007/08 fiscal year, the millage rate dropped by 0.0085 mills, from 0.8142 mills to 0.8057 mills. These savings over the past three years have helped the City to balance its budget.

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 1999 to 2002 as a result of lower required employer pension contributions due to 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





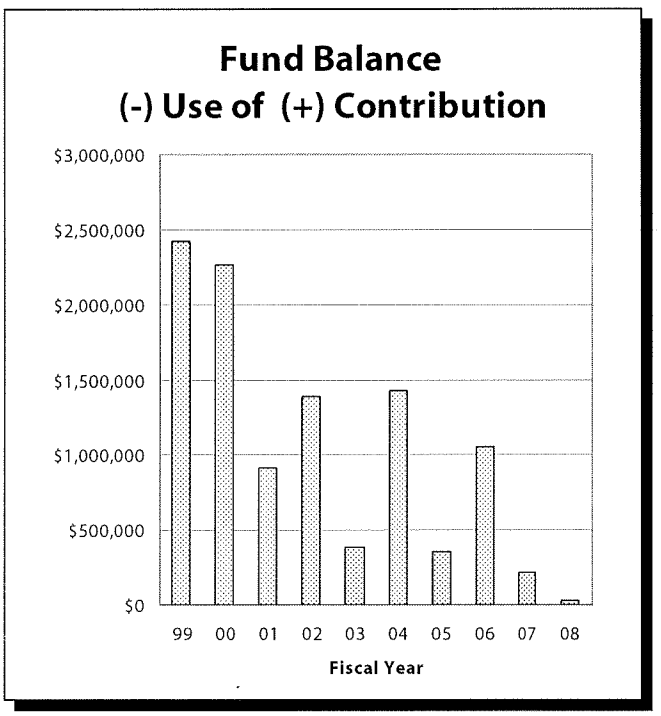
determined City contribution rate. As a result, the required pension tax levy has decreased from 2006 through 2008.

In the 2007/08 Budget, Police & Fire Pension Tax represents 2.0% of total revenue sources, a decrease of $938,540 or 35.5%. The Police & Fire Pension Tax levy for the 2007/08 fiscal year is 0.3147 mills per $1,000 Taxable Value, a decrease of 0.1971 mills. This savings has also helped the City continue to maintain a balanced budget.

USE OF FUND BALANCE

A budgeted Use of, or Contribution to, Fund Balance exists when there is an inequality between budgeted revenues and expenditures 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 1999, the City has contributed to Fund Balance reserves for ten consecutive years, excluding the one time use of reserves in 2005 for the final Hillside settlement payment. In the 2007/08 Budget, a $32,600 contribution to fund balance reserves is anticipated.



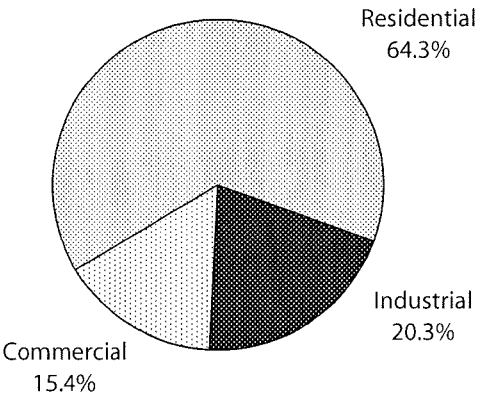
OTHER CITY TAXES

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 0.1998 is 0.0341 mills less than what was levied in 2006/07. The millage is used to repay principal and interest on bonds sold to finance drain construction. The drain millage rate decreased slightly as a result of slightly lower debt payments and higher City taxable values.

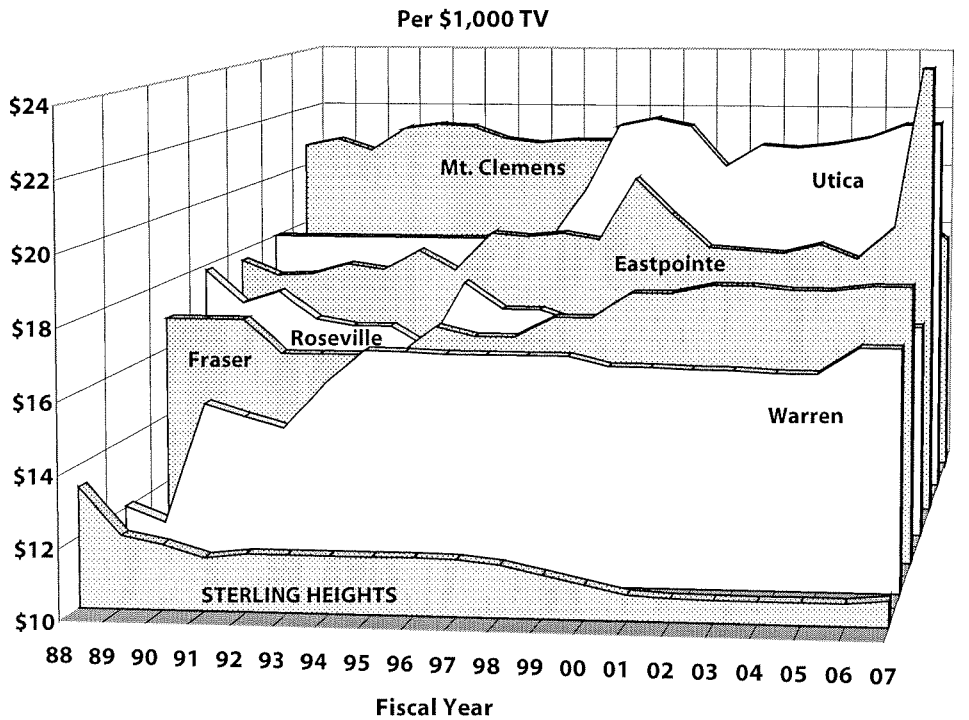
The R, S & T millage rate of 0.1792 mills has decreased by 0.0083 mills. This levy is used to repay debt payments on certain prior City road construction projects. No Proposal T millage is needed as all outstanding debt was retired in the 1996/97 fiscal year. In addition, Proposal S debt was paid off in the 2001/02 fiscal year. Proposal R debt payments will continue through the 2009 fiscal year. Proposal F debt, approved by City voters in 2006 for renovations and upgrades to three City Fire Stations, is scheduled to come on-line in the 2008/09 fiscal year.■

City of Sterling Heights
Share of Taxes



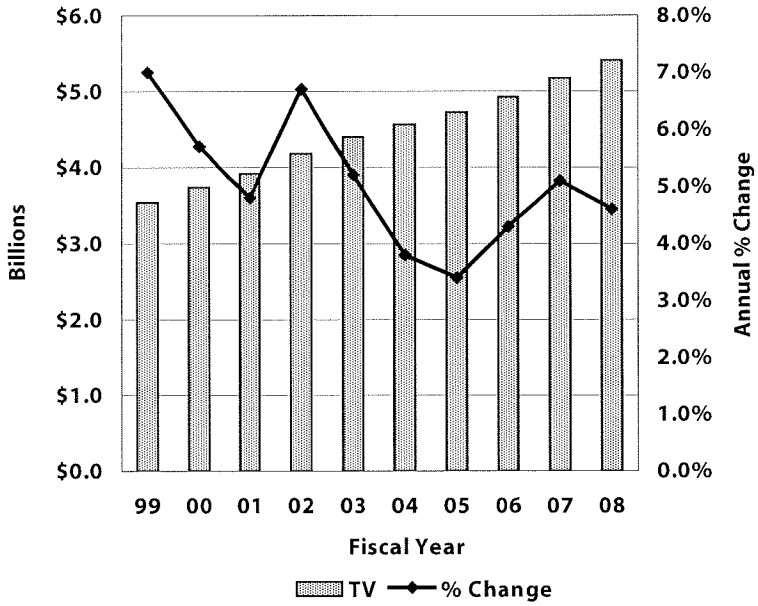
This graph illustrates the assessed value of property in the City as a percent by customer class.

Comparable Tax Rates of
Surrounding Macomb County Cities



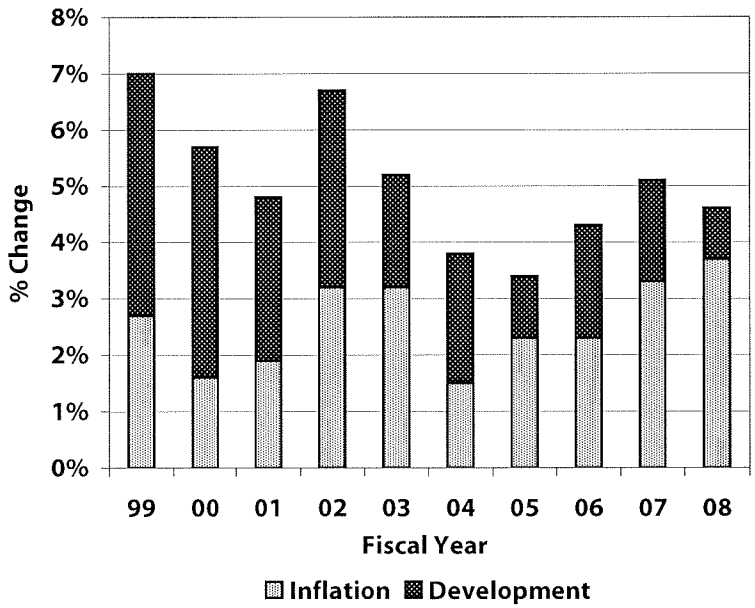
This graph illustrates the taxes levied by Macomb County cities for the past 20 years.

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.

Annual % Change in Taxable Value Due to Inflation vs. New Development



This graph illustrates the annual percent change in the taxable value of City property due to inflation as established by Proposal A and due to new growth and development in the City.

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	CITY OPERATING TAXES						
404000	City Operating Tax	$43,218,096	54.00	$46,422,670	55.87	**$50,067,330**	**58.06**
415000	Delinquent Personal Property Tax	57,607	0.07	100,000	0.12	**90,000**	**0.10**
445000	Penalties & Interest	94,601	0.12	70,000	0.08	**90,000**	**0.10**
	Total Taxes	**43,370,304**	**54.19**	**46,592,670**	**56.08**	**50,247,330**	**58.27**
	LICENSES & PERMITS						
451000	Business Operating License	8,674	0.01	13,900	0.02	**14,500**	**0.02**
452000	Mobile / Temporary Vendor	6,372	0.01	5,500	0.01	**5,700**	**0.01**
453000	Liquor License	69,197	0.09	90,200	0.11	**75,000**	**0.09**
454000	Vending/Amusement Device Fee	19,920	0.02	14,000	0.02	**20,000**	**0.02**
460000	Refrigeration Registration & Permits	73	0.00	0	0.00	**0**	**0.00**
461000	Electrical Registration & Permits	370,571	0.46	375,000	0.45	**320,000**	**0.37**
462000	Heating Registration & Permits	309,059	0.39	340,000	0.41	**225,000**	**0.26**
463000	Plumbing Registration & Permits	206,715	0.26	260,000	0.31	**175,000**	**0.20**
464000	Sign Registration & Permits	49,197	0.06	50,000	0.06	**52,000**	**0.06**
470000	Building Registration & Permits	900,534	1.13	1,100,000	1.32	**950,000**	**1.10**
471000	Fence Permits	8,218	0.01	8,500	0.01	**7,500**	**0.01**
477000	Fire Suppression Permits	18,220	0.02	15,000	0.02	**20,000**	**0.02**
478000	Animal Permits	19,582	0.02	19,500	0.02	**20,000**	**0.02**
	Total Licenses & Permits	**1,986,332**	**2.48**	**2,291,600**	**2.56**	**1,884,700**	**2.77**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	262,590	0.33	0	0.00	**0**	**0.00**
539002	State Grants	88,762	0.11	0	0.00	**37,500**	**0.04**
539302	Criminal Justice Training	52,977	0.07	35,000	0.04	**40,000**	**0.05**
539332	Dispatcher Training	43,672	0.05	8,000	0.01	**10,000**	**0.01**
543426	Emergency Services Assistance	32,552	0.04	36,000	0.04	**36,000**	**0.04**
544000	Drunk Driving Case Flow Assistance	12,747	0.02	16,000	0.02	**13,000**	**0.02**
545000	Drug Case Information Management	0	0.00	800	0.00	**0**	**0.00**
567001	State Aid - Library	89,909	0.11	108,540	0.13	**98,780**	**0.11**
569001	Judges Salary Stand Payments	137,622	0.17	137,170	0.17	**137,170**	**0.16**
574000	State Revenue Sharing	10,999,284	13.74	11,000,000	13.24	**10,717,000**	**12.43**
581001	Municipal Credit Transportation	247,675	0.31	252,170	0.30	**265,000**	**0.31**
583000	Macomb Auto Theft Squad - Grant	80,446	0.10	88,000	0.11	**84,350**	**0.10**
585000	Drug Enforce. Admin - Federal	17,464	0.02	14,000	0.02	**15,500**	**0.02**
587001	County Contrib. - Library Penal Fines	167,186	0.21	140,000	0.17	**170,000**	**0.20**
	Total State & Local Returns	**12,232,886**	**15.28**	**11,835,680**	**14.25**	**11,624,300**	**13.48**
	FINES & FORFEITURES						
656003	Contempt Court Fines	54,869	0.07	60,000	0.07	**50,000**	**0.06**
656004	Ordinance Fines & Costs	2,399,936	3.00	2,275,000	2.74	**2,250,000**	**2.61**
656005	Municipal Civil Infractions	4,885	0.01	4,000	0.00	**3,500**	**0.00**
657001	Library Fines	53,944	0.07	56,500	0.07	**57,000**	**0.07**
658001	Bond Forfeitures	127,510	0.16	130,000	0.16	**120,000**	**0.14**
658002	Police Forfeitures	1,000	0.00	0	0.00	**0**	**0.00**
659001	Driver Reinstatement Fee	33,410	0.04	35,000	0.04	**40,000**	**0.05**
659002	Default Judgment Fee	192,921	0.24	200,000	0.24	**185,000**	**0.21**
659003	Crime Victim Rights Admin. Fee	6,676	0.01	5,300	0.01	**6,500**	**0.01**

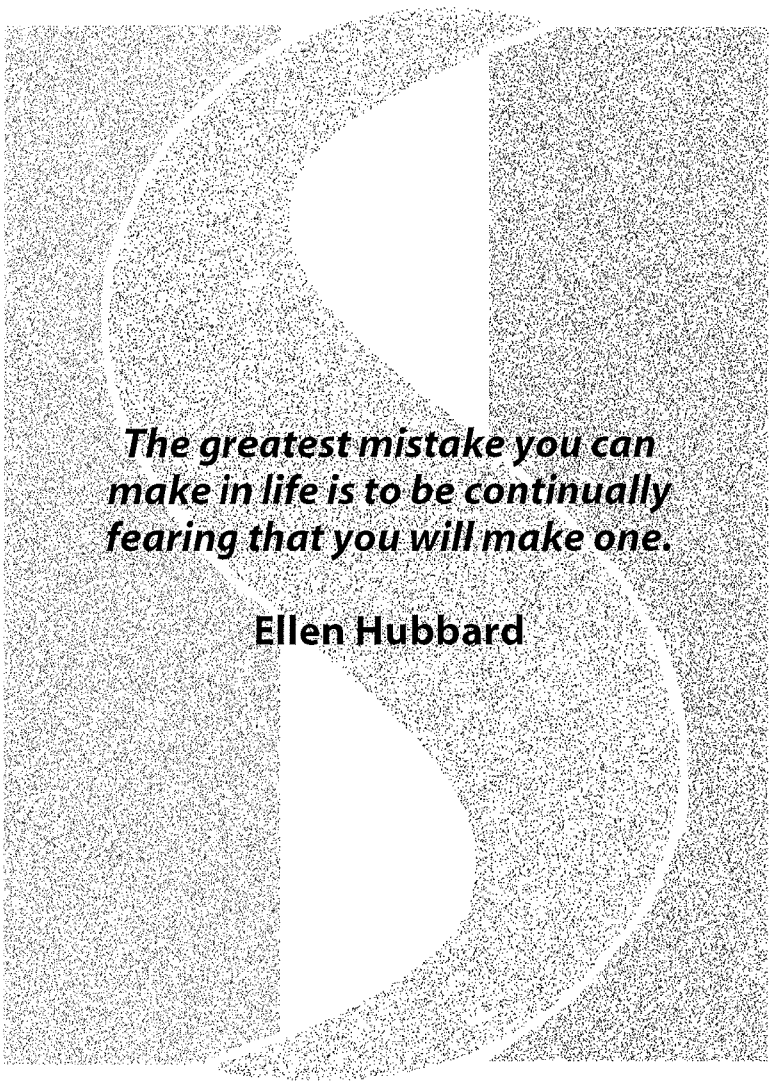
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
659004	Forensic Administration Fee	15	0.00	50	0.00	0	0.00
	Total Fines & Forfeitures	**2,875,166**	**3.59**	**2,765,850**	**3.33**	**2,712,000**	**3.15**
	OTHER FINANCING SOURCES						
699278	Transfer From CDBG	92,793	0.12	91,780	0.11	**97,410**	**0.11**
	Total Other Financing Sources	**92,793**	**0.12**	**91,780**	**0.11**	**97,410**	**0.11**
	CHARGES FOR SERVICES						
603000	Court Filing Fee	138,683	0.17	135,000	0.16	**140,000**	**0.16**
603001	Jury Demand Fee	1,908	0.00	2,000	0.00	**1,500**	**0.00**
604000	Probation Oversight	170,158	0.21	160,000	0.19	**160,000**	**0.19**
605000	Garnishments - Filing Fee	73,140	0.09	70,000	0.08	**73,000**	**0.08**
606000	Split/Combination Fee	12,025	0.02	13,000	0.02	**11,000**	**0.01**
607000	Fire Permits, Fees, & Inspections	35,668	0.04	42,000	0.05	**48,000**	**0.06**
608000	Encroachment/Deviation Fees	2,922	0.00	2,500	0.00	**3,000**	**0.00**
609000	Mobile Home Tax	11,223	0.01	10,500	0.01	**11,000**	**0.01**
610000	Vital Statistics	39,050	0.05	40,000	0.05	**41,000**	**0.05**
611000	Attorney Fee Reimbursement	20,446	0.03	15,000	0.02	**20,000**	**0.02**
612000	Alcohol Assessment Fee	30,745	0.04	31,000	0.04	**30,000**	**0.03**
626000	Services - PTAF	1,340,718	1.68	1,433,430	1.73	**1,470,000**	**1.70**
627000	Water & Sewer Activity	958,590	1.20	1,187,310	1.43	**1,211,520**	**1.40**
627275	HAP Administrative Fee	12,030	0.02	11,530	0.01	**0**	**0.00**
627444	Administrative Services - Roads	240,727	0.30	242,000	0.29	**240,000**	**0.28**
627556	Admin Services-Water Distribution	328,380	0.41	343,200	0.41	**362,100**	**0.42**
627574	Admin Services-W&S Improv. Fund	20,783	0.03	34,000	0.04	**35,100**	**0.04**
627677	Administrative Services-Self Insurance	206,010	0.26	218,100	0.26	**245,900**	**0.29**
627732	Administrative Services-P&F Pension	5,510	0.01	5,510	0.01	**6,000**	**0.01**
628001	Voter Lists	804	0.00	600	0.00	**600**	**0.00**
629001	Labor Services - Roads	999,322	1.25	900,000	1.08	**900,000**	**1.04**
629002	Labor Services - Cross Charges	25,597	0.03	20,000	0.02	**25,000**	**0.03**
629003	Labor Services - Fleet Maintenance	72,423	0.09	85,000	0.10	**80,000**	**0.09**
631001	Police Service/Schools	85,726	0.11	97,000	0.12	**90,000**	**0.10**
632001	Inspection Services-Projects-Other	677,405	0.85	500,000	0.60	**450,000**	**0.52**
632002	Inspection Services-City Projects	256,278	0.32	460,000	0.55	**500,000**	**0.58**
632003	Engineering Review Fee	335,432	0.42	170,000	0.20	**150,000**	**0.17**
632004	Engineering & Design - Project	307,350	0.38	520,000	0.63	**525,000**	**0.61**
632005	Building Number Assignments	6,468	0.01	3,500	0.00	**3,000**	**0.00**
632006	SESC Review Fee	40,980	0.05	25,000	0.03	**30,000**	**0.03**
632007	SESC Inspection Fee	11,126	0.01	10,000	0.01	**10,000**	**0.01**
632008	Easement Vacation	2,320	0.00	2,500	0.00	**2,500**	**0.00**
632009	ROW Permit Fees	12,964	0.02	17,000	0.02	**15,000**	**0.02**
634003	Supplies & Gasoline Revenue	69,360	0.09	60,000	0.07	**60,000**	**0.07**
634004	Parts-Vehicle Maintenance	50,795	0.06	50,000	0.06	**50,000**	**0.06**
635535	Refuse Collection Fees	42,251	0.05	43,000	0.05	**30,000**	**0.03**
636000	Plan Review Fee	90,455	0.11	80,000	0.10	**90,000**	**0.10**
636001	Building Department Plan Review	272,200	0.34	300,000	0.36	**300,000**	**0.35**
637001	Copies & Forms	23,540	0.03	20,000	0.02	**24,000**	**0.03**
637002	Maps	1,581	0.00	2,400	0.00	**1,500**	**0.00**

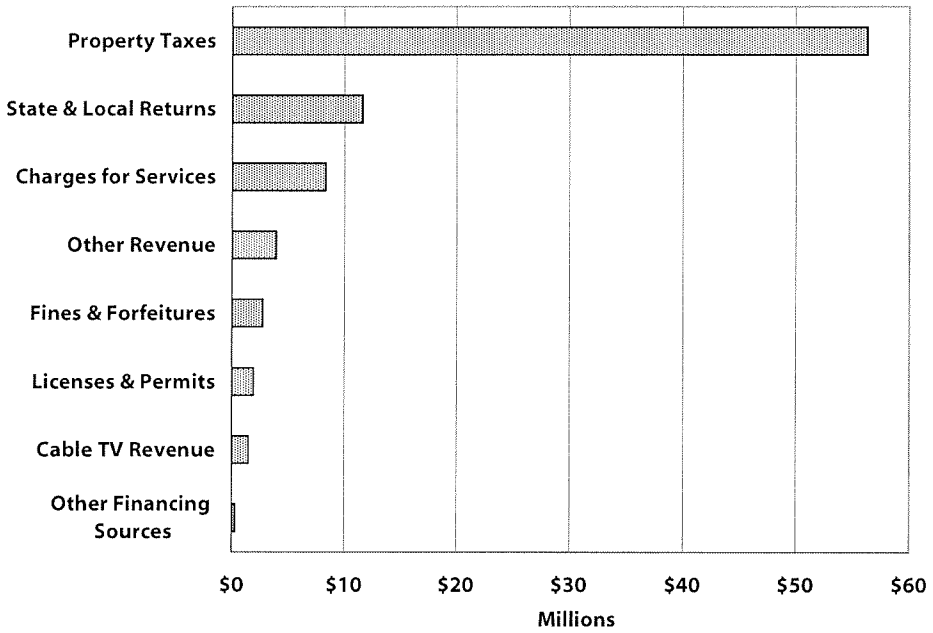
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
637003	Police Reports	81,116	0.10	78,000	0.09	**80,000**	**0.09**
637004	Advanced Life Support (ALS) Fees	0	0.00	187,620	0.23	**0**	**0.00**
637005	Fire Reports	837	0.00	900	0.00	**1,000**	**0.00**
637006	PBT User Fee	6,083	0.01	7,500	0.01	**5,000**	**0.01**
637007	False Alarm Fees	56,261	0.07	40,000	0.05	**60,000**	**0.07**
638000	Application Fees	19,350	0.02	24,000	0.03	**20,000**	**0.02**
639001	Parks & Recreation Fees	452,218	0.57	450,000	0.54	**536,300**	**0.62**
639253	Treasury Transfer & Late Fees	15,020	0.02	11,000	0.01	**20,000**	**0.02**
640001	5% Cash Deposit	5,150	0.01	7,000	0.01	**5,000**	**0.01**
640002	Weed Cutting	102,048	0.13	100,000	0.12	**95,000**	**0.11**
640003	Board of Zoning Appeals Fees	10,560	0.01	8,500	0.01	**10,000**	**0.01**
640005	Ordinance Board of Appeals Fees	11,025	0.01	8,000	0.01	**15,000**	**0.02**
	Total Charges for Services	**7,792,761**	**9.74**	**8,284,600**	**9.97**	**8,293,020**	**9.62**
	OTHER REVENUE						
656006	Interpreter Fees	17,230	0.02	12,000	0.01	**15,000**	**0.02**
665000	Interest on Investments	1,449,177	1.81	1,300,000	1.56	**1,900,000**	**2.20**
665010	Contra - Interest on Investment	(8,230)	-0.01	0	0.00	**0**	**0.00**
667002	Rental Income - Utica Road	59,800	0.07	62,520	0.08	**69,600**	**0.08**
667003	Rental Income - DPS	132,132	0.17	130,590	0.16	**136,320**	**0.16**
667005	Rental - DPW - Impound Lot	33,000	0.04	33,000	0.04	**36,000**	**0.04**
667007	Rental - Universal Ambulance	2,880	0.00	2,880	0.00	**2,880**	**0.00**
667009	Rental - Towers	130,000	0.16	141,200	0.17	**170,000**	**0.20**
669001	Rental - Road Equipment	970,741	1.21	1,000,000	1.20	**1,000,000**	**1.16**
669002	Rental - Equipment - Cross Charges	28,484	0.04	26,000	0.03	**30,000**	**0.03**
672000	Special Assessment Revenue	2,141	0.00	2,140	0.00	**0**	**0.00**
673000	Sale of Fixed Assets	1,759	0.00	500	0.00	**500**	**0.00**
675000	Contributions & Donations	16,785	0.02	12,000	0.01	**15,000**	**0.02**
675001	Donations - Parks & Recreation	6,254	0.01	5,000	0.01	**6,000**	**0.01**
675290	Dare Donations - Police	9,750	0.01	10,000	0.01	**8,000**	**0.01**
676000	Reimbursements	145,294	0.18	74,300	0.09	**248,500**	**0.29**
676001	Reimbursements - Legal	2,041	0.00	15,000	0.02	**12,000**	**0.01**
676002	Reimbursements - Computer Crime	0	0.00	0	0.00	**2,500**	**0.00**
679000	Police Auction	54,100	0.07	90,000	0.11	**50,000**	**0.06**
679292	Community Relations Retail Sales	132	0.00	0	0.00	**100**	**0.00**
679792	Library Book Sales	5,948	0.01	1,500	0.00	**500**	**0.00**
685000	Miscellaneous Revenue	108,664	0.14	50,000	0.06	**80,000**	**0.09**
685792	Miscellaneous Revenue - Library	9,655	0.01	8,000	0.01	**13,000**	**0.02**
690000	O.U.I.L. Recovery	58,401	0.07	55,000	0.07	**55,000**	**0.06**
690002	Warrant Arrest Processing Fee	5,402	0.01	5,000	0.01	**4,500**	**0.01**
695000	Insurance Recovery	8,436	0.01	10,000	0.01	**15,000**	**0.02**
	Total Other Revenue	**3,249,976**	**4.06**	**3,046,630**	**3.67**	**3,870,400**	**4.49**
680000	Cable TV Revenue	1,371,831	1.71	1,320,000	1.59	**1,420,000**	**1.65**
405000	City Refuse Tax	4,070,410	5.09	4,210,420	5.07	**4,372,600**	**5.07**
406000	P&F Pension Tax	2,993,592	3.74	2,646,450	3.19	**1,707,910**	**1.98**
	Total General Fund Revenue	**$80,036,051**	**100.00**	**$83,085,680**	**100.00**	**$86,229,670**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

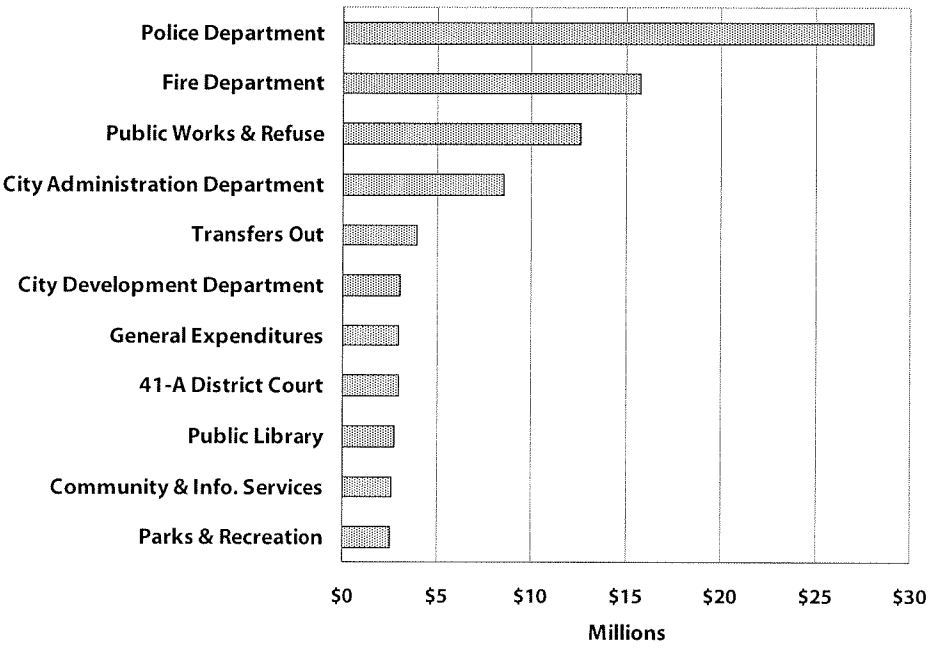

The greatest mistake you can make in life is to be continually fearing that you will make one.
Ellen Hubbard

General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted in 2007/08 for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted in 2007/08 for each budgetary center.

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
LEGISLATIVE					
1. City Council	1010	$131,940	$140,180	**$139,730**	-0.3%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	820,710	891,530	**897,990**	0.7%
2. City Clerk	2160	868,230	978,900	**1,081,580**	10.5%
3. Facilities Maintenance	2650	1,526,330	1,631,290	**1,686,600**	3.4%
4. Assessing	2090	886,120	821,400	**848,390**	3.3%
5. Financial Services	2010	1,128,160	1,211,180	**1,285,410**	6.1%
6. Purchasing	2330	326,680	342,040	**356,950**	4.4%
7. Treasury	2530	713,610	766,670	**812,160**	5.9%
8. Act 78 - Civil Service Commission	2200	35,490	18,720	**39,730**	112.2%
9. Building Authority	2610	400	400	**400**	0.0%
10. General Employees Pension Board	2390	635,270	688,560	**704,040**	2.2%
11. Legal	2100	706,800	725,000	**730,000**	0.7%
Total City Administration Department		**7,779,740**	**8,215,870**	**8,582,980**	**4.5%**
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	2,314,150	2,398,890	**2,569,210**	7.1%
Total Parks & Recreation Department		**2,314,150**	**2,398,890**	**2,569,210**	**7.1%**
POLICE DEPARTMENT					
1. Police Administration	3050	4,050,940	2,928,300	**2,826,320**	-3.5%
2. Police Investigations	3100	3,337,330	4,931,070	**5,259,850**	6.7%
3. Police Operations	3150	14,662,390	15,488,080	**16,508,950**	6.6%
4. Police Support Services	3260	3,026,730	3,242,780	**3,456,470**	6.6%
Total Police Department		**25,077,390**	**26,590,230**	**28,051,590**	**5.5%**
FIRE DEPARTMENT					
1. Fire Administration	3370	1,152,080	1,168,480	**1,231,400**	5.4%
2. Fire Extinguishment	3390	11,811,670	12,674,530	**13,305,840**	5.0%
3. Fire Prevention	3410	1,007,800	1,043,770	**1,097,100**	5.1%
4. Emergency Management	2130	125,790	114,150	**137,240**	20.2%
Total Fire Department		**14,097,340**	**15,000,930**	**15,771,580**	**5.1%**
CITY DEVELOPMENT DEPARTMENT					
1. Building	4120	1,929,030	2,092,740	**2,214,940**	5.8%
2. Economic Development	4150	52,540	133,540	**151,410**	13.4%
3. Planning	4020	347,030	358,150	**376,040**	5.0%
4. Public Services	4160	392,520	273,260	**284,280**	4.0%
5. Planning Commission	4030	9,260	12,170	**10,810**	-11.2%
6. Zoning Board of Appeals	4130	7,060	8,670	**9,080**	4.7%
Total City Development Department		**2,737,440**	**2,878,530**	**3,046,560**	**5.8%**

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
PUBLIC WORKS DEPARTMENT					
1. Engineering	4470	1,843,940	1,811,620	**1,889,460**	4.3%
2. Fleet Maintenance	5530	2,331,180	2,296,380	**2,418,480**	5.3%
3. Parks & Ground Maintenance	7700	1,317,990	1,333,340	**1,421,370**	6.6%
4. Public Works Center	4420	513,650	527,910	**570,610**	8.1%
5. Street Services	4440	1,727,410	1,874,530	**1,958,870**	4.5%
Total Public Works Department		**7,734,170**	**7,843,780**	**8,258,790**	**5.3%**
REFUSE COLLECTION					
1. Refuse Collection	5350	4,028,320	4,253,420	**4,402,600**	3.5%
Total Refuse Collection		**4,028,320**	**4,253,420**	**4,402,600**	**3.5%**
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,552,980	2,695,710	**2,807,300**	4.1%
2. Historical Commission	8030	1,300	1,360	**1,360**	0.0%
Total Public Library Department		**2,554,280**	**2,697,070**	**2,808,660**	**4.1%**
COMMUNITY & INFORMATION SERVICES DEPARTMENT					
1. Community Relations	2920	1,408,370	1,490,020	**1,596,140**	7.1%
2. Information Technology	2580	906,720	1,029,990	**1,068,860**	3.8%
3. Beautification Commission	8060	2,680	2,490	**2,490**	0.0%
4. Cultural Commission	7930	7,470	350	**350**	0.0%
5. Telecommunications Commission	2910	4,780	4,650	**150**	-96.8%
Total Community & Information Services Dept.		**2,330,020**	**2,527,500**	**2,667,990**	**5.6%**
41-A DISTRICT COURT	1360	2,660,590	2,861,380	**3,008,790**	5.2%
GENERAL EXPENDITURES	8950	3,546,140	3,468,360	**3,038,270**	-12.4%
TRANSFERS OUT	9660	4,127,270	4,318,120	**3,990,050**	-7.6%
Total General Fund Expenditures		**$78,986,850**	**$83,054,080**	**$86,197,070**	**3.8%**

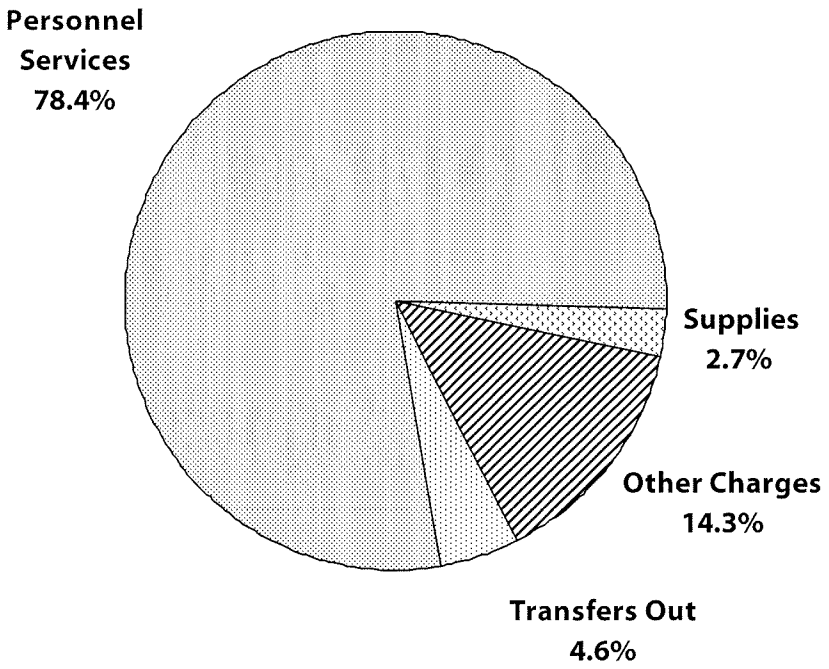
GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY

Budgetary Center	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget
CITY ADMINISTRATION DEPARTMENT					
Personnel Services	$4,903,687	$5,199,632	$5,397,626	$5,842,150	**$6,199,520**
Supplies	217,433	210,838	224,620	210,560	**239,130**
Other Charges	1,645,599	2,162,803	2,157,493	2,163,160	**2,144,330**
Total	**6,766,719**	**7,573,273**	**7,779,739**	**8,215,870**	**8,582,980**
PARKS & RECREATION DEPARTMENT					
Personnel Services	1,638,123	1,704,559	1,832,074	1,917,350	**2,062,580**
Supplies	116,588	111,881	103,817	123,100	**113,250**
Other Charges	410,545	378,590	378,259	358,440	**393,380**
Total	**2,165,256**	**2,195,030**	**2,314,150**	**2,398,890**	**2,569,210**
POLICE DEPARTMENT					
Personnel Services	22,226,902	23,860,760	24,337,500	25,851,950	**27,354,690**
Supplies	149,041	140,089	134,473	159,980	**156,100**
Other Charges	700,081	699,667	605,417	578,300	**540,800**
Total	**23,076,024**	**24,700,516**	**25,077,390**	**26,590,230**	**28,051,590**
FIRE DEPARTMENT					
Personnel Services	12,161,265	13,117,240	13,406,902	14,319,000	**15,090,570**
Supplies	256,822	153,532	152,984	195,200	**180,060**
Other Charges	475,520	567,407	537,456	486,730	**500,950**
Total	**12,893,607**	**13,838,179**	**14,097,342**	**15,000,930**	**15,771,580**
CITY DEVELOPMENT DEPARTMENT					
Personnel Services	2,446,474	2,551,992	2,616,308	2,754,410	**2,919,980**
Supplies	20,103	16,552	17,300	21,230	**18,640**
Other Charges	108,530	77,249	103,829	102,890	**107,940**
Total	**2,575,107**	**2,645,793**	**2,737,437**	**2,878,530**	**3,046,560**
PUBLIC WORKS DEPARTMENT					
Personnel Services	5,650,854	6,096,996	5,947,730	6,220,800	**6,573,030**
Supplies	948,822	1,197,536	1,278,191	1,146,650	**1,202,780**
Other Charges	429,101	412,145	508,246	476,330	**482,980**
Total	**7,028,777**	**7,706,677**	**7,734,167**	**7,843,780**	**8,258,790**
REFUSE					
Personnel Services	123,747	128,415	131,360	132,210	**136,760**
Supplies	271	430	465	450	**450**
Other Charges	4,535,221	4,724,304	3,896,493	4,120,760	**4,265,390**
Total	**4,659,239**	**4,853,149**	**4,028,318**	**4,253,420**	**4,402,600**

GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY

Budgetary Center	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget
PUBLIC LIBRARY DEPARTMENT					
Personnel Services	1,848,854	1,943,176	1,999,417	2,145,580	**2,238,770**
Supplies	249,454	245,290	254,899	259,340	**256,370**
Other Charges	289,471	285,617	299,961	292,150	**313,520**
Total	**2,387,779**	**2,474,083**	**2,554,277**	**2,697,070**	**2,808,660**
COMM. & INFO. SERVICES DEPARTMENT					
Personnel Services	1,756,105	1,854,484	1,906,940	2,083,640	**2,234,630**
Supplies	61,569	60,801	58,566	58,260	**60,490**
Other Charges	316,558	361,352	364,516	385,600	**372,870**
Total	**2,134,232**	**2,276,637**	**2,330,022**	**2,527,500**	**2,667,990**
41-A DISTRICT COURT					
Personnel Services	2,123,844	2,252,319	2,410,362	2,627,330	**2,755,080**
Supplies	39,170	35,708	44,566	38,500	**42,000**
Other Charges	179,206	184,128	205,660	195,550	**211,710**
Total	**2,342,220**	**2,472,155**	**2,660,588**	**2,861,380**	**3,008,790**
GENERAL EXPENDITURES					
Personnel Services	85,928	91,185	84,560	22,700	**21,000**
Supplies	147,867	69,521	67,075	67,510	**71,500**
Other Charges	2,591,215	2,478,568	3,394,510	3,378,150	**2,945,770**
Total	**2,825,010**	**2,639,274**	**3,546,145**	**3,468,360**	**3,038,270**
TRANSFERS OUT					
Transfers Out	2,752,040	2,360,094	4,127,270	4,318,120	**3,990,050**
TOTAL EXPENDITURES BY CATEGORY					
Personnel Services	54,965,783	58,800,758	60,070,779	63,917,120	**67,586,610**
Supplies	2,207,140	2,242,178	2,336,956	2,280,780	**2,340,770**
Other Charges	11,681,047	12,331,830	12,451,840	12,538,060	**12,279,640**
Transfers Out	2,752,040	2,360,094	4,127,270	4,318,120	**3,990,050**
Total Expenditures & Uses	**71,606,010**	**75,734,860**	**78,986,845**	**83,054,080**	**86,197,070**
Extraordinary Items	25,368,271	6,000,000	0	0	**0**
Total General Fund	**$96,974,281**	**$81,734,860**	**$78,986,845**	**$83,054,080**	**$86,197,070**

2007/08 General Fund Expenditures by Expenditure Category



Total General Fund Budget of $86,197,070

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 78.4% of the total General Fund expenditures for 2007/08.

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	$122,248	0.15	$127,300	0.15	**$128,560**	**0.15**
704000	Wages & Salaries-Permanent	33,554,242	42.48	34,869,300	41.98	**36,118,090**	**41.90**
704001	Sick Time Buy Back	316,564	0.40	300,400	0.36	**299,250**	**0.35**
704721	Health Insurance Allowance	46,750	0.06	51,000	0.06	**59,500**	**0.07**
705000	Wages-Salaries - Temp/Part Time	1,346,282	1.70	1,399,330	1.68	**1,438,460**	**1.67**
706000	Wages-Salaries - Occasional	51,308	0.06	109,800	0.13	**119,900**	**0.14**
708000	Overtime	2,980,041	3.77	2,930,950	3.53	**3,019,850**	**3.50**
708001	Compensatory Time Buy Back	1,547,279	1.96	1,504,550	1.81	**1,531,180**	**1.78**
708795	Overtime - F.L.S.A.	93,444	0.12	95,000	0.11	**90,000**	**0.10**
709000	Union Contract Reimbursement	262,840	0.33	265,700	0.32	**340,400**	**0.39**
710000	Longevity	1,331,294	1.69	1,434,040	1.73	**1,444,900**	**1.68**
711000	Holiday Pay	941,297	1.19	982,760	1.18	**1,011,880**	**1.17**
713500	Car Allowance	1,667	0.00	2,000	0.00	**2,000**	**0.00**
714000	Food Allowance	106,400	0.13	108,000	0.13	**108,000**	**0.13**
715000	Clothing Allowance	356,733	0.45	356,950	0.43	**397,150**	**0.46**
717000	FICA	1,733,528	2.19	1,790,590	2.16	**1,868,290**	**2.17**
718000	Worker's Compensation	314,074	0.40	316,170	0.38	**323,290**	**0.38**
719000	Unemployment Compensation	7,196	0.01	18,350	0.02	**21,000**	**0.02**
720001	Pension - Police and Fire Retirement	2,993,593	3.79	2,646,450	3.19	**1,707,910**	**1.98**
720002	Defined Contribution - Employer	261,573	0.33	294,120	0.35	**292,000**	**0.34**
721000	Hospitalization	6,329,687	8.01	6,634,310	7.99	**6,677,710**	**7.75**
721001	Hospitalization - Retirees	4,282,210	5.42	6,610,500	7.96	**9,557,270**	**11.09**
721003	Retiree Health Savings - City	0	0.00	0	0.00	**11,000**	**0.01**
722000	Dental Insurance	539,555	0.68	585,340	0.70	**553,900**	**0.64**
722002	Retiree Dental Insurance	73,108	0.09	0	0.00	**0**	**0.00**
723000	Life Insurance	100,193	0.13	102,840	0.12	**116,160**	**0.13**
724000	Eye Care Insurance	70,835	0.09	56,930	0.07	**43,470**	**0.05**
725000	Disability Insurance - Long Term	111,855	0.14	119,550	0.14	**93,580**	**0.11**
725355	Disability Insurance - Short Term	194,983	0.25	204,890	0.25	**211,910**	**0.25**
	Total Personnel Services	**60,070,779**	**76.05**	**63,917,120**	**76.96**	**67,586,610**	**78.41**
	SUPPLIES						
729000	Postage	269,588	0.34	271,490	0.33	**285,720**	**0.33**
730000	Publications	38,576	0.05	41,020	0.05	**39,890**	**0.05**
741000	Ammunition	10,000	0.01	10,000	0.01	**15,000**	**0.02**
741302	Ammunition - Act 302 Grant	1,701	0.00	5,000	0.01	**5,000**	**0.01**
742000	Dog Care Supplies	2,206	0.00	1,800	0.00	**2,000**	**0.00**
743000	Prisoners Board	7,361	0.01	7,500	0.01	**7,500**	**0.01**
750000	Fuels & Lubricants	606,996	0.77	500,000	0.60	**550,000**	**0.64**
750001	Fuel & Lube Inventory	16,765	0.02	15,000	0.02	**18,000**	**0.02**
751000	Operating Supplies	526,563	0.67	571,790	0.69	**558,140**	**0.65**
751290	Supplies - D.A.R.E.	14,565	0.02	14,500	0.02	**14,500**	**0.02**
758000	Computer Software	228	0.00	1,300	0.00	**1,300**	**0.00**
759000	Parts & Sublet Services	528,948	0.67	519,790	0.63	**520,000**	**0.60**
760000	Playground & Athletic Supplies	4,231	0.01	6,000	0.01	**6,000**	**0.01**
761000	Program Activity Supplies	44,082	0.06	49,100	0.06	**49,270**	**0.06**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

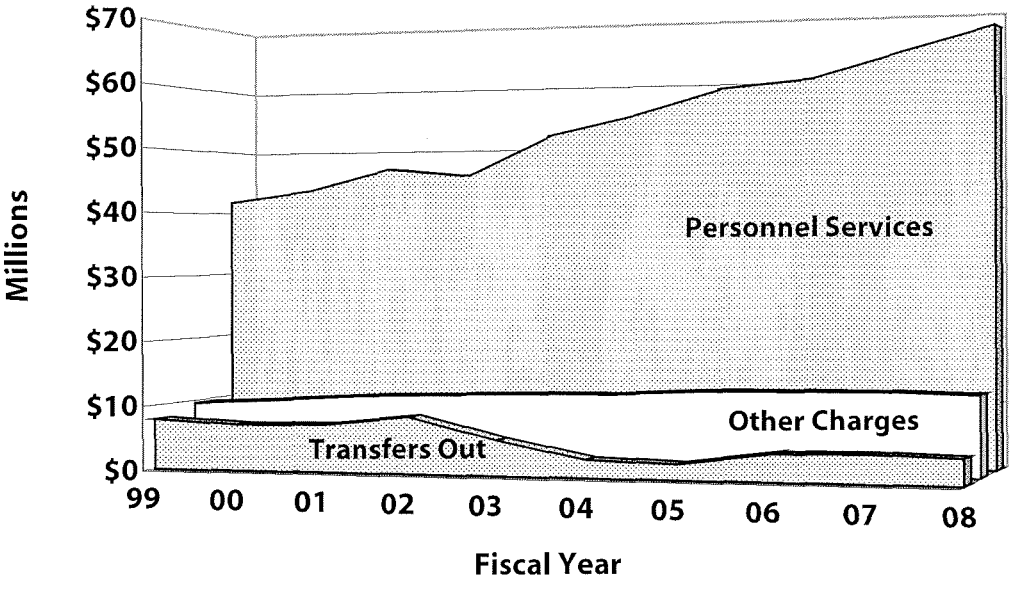
Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
762000	Seniors Program Supplies	33,915	0.04	40,000	0.05	**38,000**	**0.04**
769000	Audio Visual Media	31,949	0.04	32,000	0.04	**33,000**	**0.04**
783000	Seeding & Planting Supplies	17,108	0.02	9,750	0.01	**11,750**	**0.01**
785000	Books	182,174	0.23	184,740	0.22	**185,700**	**0.22**
	Total Supplies	**2,336,956**	**2.96**	**2,280,780**	**2.75**	**2,340,770**	**2.72**
	OTHER CHARGES						
802000	Audit & Accounting Services	63,750	0.08	63,750	0.08	**66,150**	**0.08**
803000	Computer Consultant Services	63,025	0.08	82,900	0.10	**82,270**	**0.10**
806000	Legal Services - Other	34,189	0.04	50,500	0.06	**39,000**	**0.05**
806001	Legal Services - City Attorney	680,052	0.86	691,850	0.83	**701,000**	**0.81**
807000	Medical Services	38,784	0.05	37,140	0.04	**29,050**	**0.03**
808000	Reporting Services	16,723	0.02	18,050	0.02	**16,750**	**0.02**
810000	Other Fees	33,337	0.04	32,530	0.04	**32,930**	**0.04**
820000	Tree/Weed Cutting	52,483	0.07	50,000	0.06	**50,000**	**0.06**
821000	Spraying Services	37,220	0.05	34,000	0.04	**36,000**	**0.04**
822000	Rubbish Removal	3,808,254	4.82	4,026,200	4.85	**4,167,050**	**4.83**
825000	Animal Collection	19,943	0.03	18,000	0.02	**13,000**	**0.02**
826000	Other Contracted Services	1,394,723	1.77	1,315,150	1.58	**1,267,500**	**1.47**
826412	Nuisance Abatements	45,643	0.06	0	0.00	**25,000**	**0.03**
827000	Interfund Services	88,200	0.11	92,610	0.11	**97,240**	**0.11**
828000	Auction Expenditures	26,791	0.03	52,000	0.06	**2,000**	**0.00**
829000	Hazardous Waste Disposal	1,241	0.00	1,500	0.00	**1,500**	**0.00**
832000	Building Maintenance	165,651	0.21	173,090	0.21	**165,000**	**0.19**
833000	Equipment Maintenance	258,727	0.33	328,370	0.40	**316,240**	**0.37**
833001	Personal Computer Maintenance	9,439	0.01	11,000	0.01	**11,000**	**0.01**
836000	Radio Maintenance	16,789	0.02	21,700	0.03	**13,700**	**0.02**
837000	Retention Pond Maintenance	84,430	0.11	59,000	0.07	**59,000**	**0.07**
838000	Parks & Grounds Maintenance	72,498	0.09	45,880	0.06	**45,000**	**0.05**
902000	Publishing	24,527	0.03	27,380	0.03	**28,100**	**0.03**
903000	Printing	211,159	0.27	203,760	0.25	**210,910**	**0.24**
913000	Liability Insurance	1,550,175	1.96	2,050,530	2.47	**1,400,530**	**1.62**
915000	Other Insurance	18,330	0.02	18,870	0.02	**19,140**	**0.02**
921000	Electric	535,855	0.68	501,000	0.60	**558,850**	**0.65**
922000	Telephone	271,088	0.34	255,720	0.31	**254,990**	**0.30**
922001	Fiber Optic Lease Charges	0	0.00	36,050	0.04	**48,000**	**0.06**
923000	Gas - Fuel - Oil	275,078	0.35	278,000	0.33	**298,500**	**0.35**
924000	Street Lighting	839,799	1.06	876,890	1.06	**851,700**	**0.99**
925000	Water	85,637	0.11	98,200	0.12	**104,000**	**0.12**
942302	Building Rental - Act 302	22,090	0.03	7,500	0.01	**13,000**	**0.02**
944000	Hydrant Rental	171,000	0.22	174,750	0.21	**177,500**	**0.21**
945000	Other Rental	290,590	0.37	310,720	0.37	**309,990**	**0.36**
949000	Interpreter Fees	21,353	0.03	15,000	0.02	**15,000**	**0.02**
950000	Witness Fees	6,147	0.01	5,600	0.01	**5,600**	**0.01**
951000	Juror Fees	9,094	0.01	8,000	0.01	**8,000**	**0.01**
954000	Mileage	1,952	0.00	2,010	0.00	**2,020**	**0.00**
956000	Local Meetings	20,590	0.03	19,460	0.02	**20,330**	**0.02**

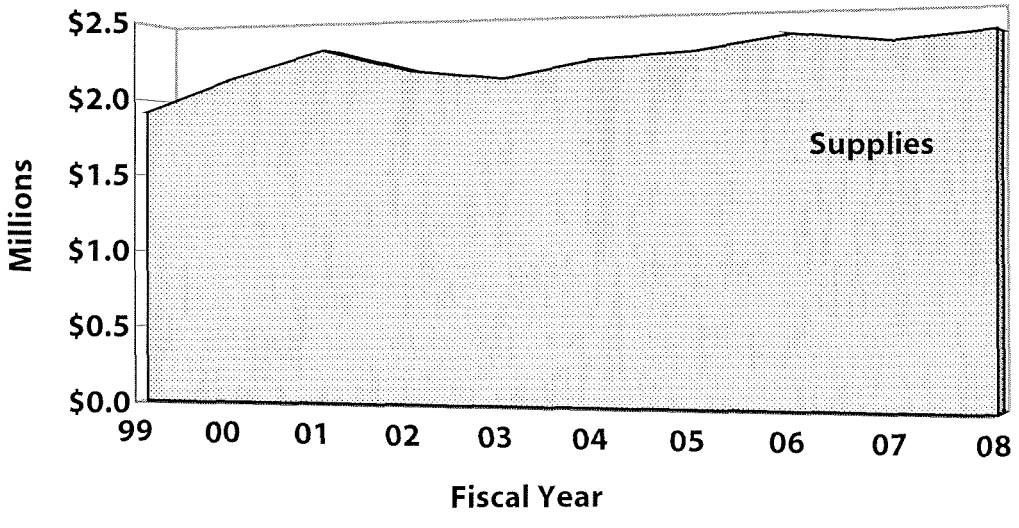
GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
956001	Michigan Week Expenses	21,504	0.03	19,000	0.02	**21,500**	**0.02**
956002	Special Events	39,364	0.05	13,500	0.02	**22,500**	**0.03**
957000	Memberships & Dues	89,290	0.11	130,570	0.16	**126,740**	**0.15**
959000	Education & Training	171,510	0.22	192,450	0.23	**199,340**	**0.23**
959001	Grant - Education & Training	52,815	0.07	0	0.00	**0**	**0.00**
959302	Education & Training Act 302	13,470	0.02	22,500	0.03	**22,000**	**0.03**
959332	Education & Training Act 32	34,802	0.04	6,000	0.01	**10,000**	**0.01**
960000	Donation Expense Non-Capital	9,618	0.01	3,660	0.00	**2,500**	**0.00**
961000	Athletic Entry Fees	605	0.00	1,000	0.00	**1,000**	**0.00**
962000	Miscellaneous Expense	29,779	0.04	9,720	0.01	**11,520**	**0.01**
962001	Misc Exp - Cash - Short/Over	(235)	0.00	0	0.00	**0**	**0.00**
962002	Misc. Expense - Drug Forfeiture	1,000	0.00	0	0.00	**0**	**0.00**
962529	Miscellaneous - Grants	9,479	0.01	0	0.00	**0**	**0.00**
965000	Refunds on Tribunal Adjustments	612,483	0.78	45,000	0.05	**300,000**	**0.35**
	Total Other Charges	**12,451,840**	**15.76**	**12,538,060**	**15.09**	**12,279,640**	**14.25**
	TRANSFERS OUT						
999202	Transfer to Major Road Fund	1,350,000	1.71	1,100,000	1.32	**800,000**	**0.93**
999203	Transfer to Local Road Fund	590,000	0.75	575,000	0.69	**575,000**	**0.67**
999244	Transfer to L&W Conservation Fund	0	0.00	74,400	0.09	**66,300**	**0.08**
999255	Transfer to EDC Fund	0	0.00	8,000	0.01	**8,500**	**0.01**
999369	Transfer to LTGO Debt Fund	650,920	0.82	960,000	1.16	**1,005,750**	**1.17**
999403	Transfer to Capital Projects Fund	1,536,350	1.95	1,600,720	1.93	**1,534,500**	**1.78**
	Total Transfers Out	**4,127,270**	**5.23**	**4,318,120**	**5.20**	**3,990,050**	**4.63**
	Total General Fund	**$78,986,845**	**100.00**	**$83,054,080**	**100.00**	**$86,197,070**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

General Fund Expenditure Object History





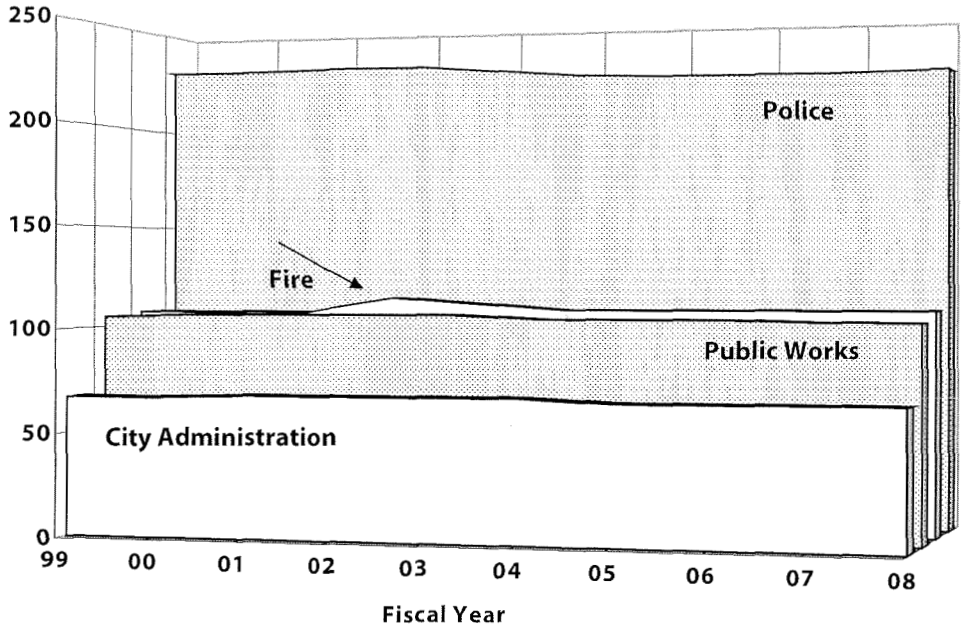
These graphs illustrate the expenditure category history for the General Fund.

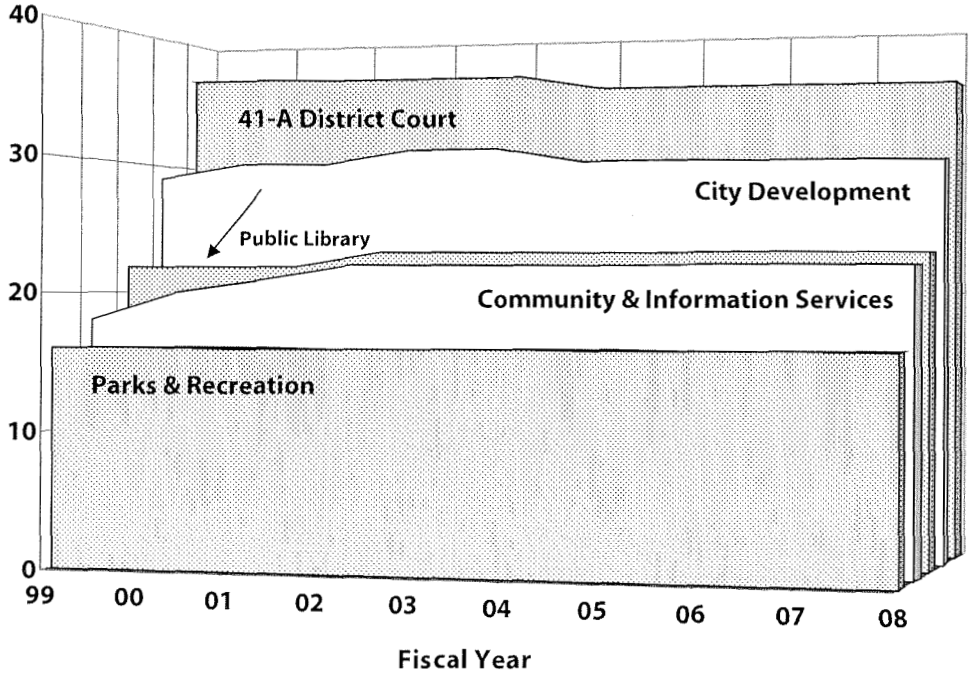
07
08

Personnel Summary

The Personnel Summary portion of the city budget represents a historical summary of all personnel related information. This information includes graphs showing the number of full-time personnel employed by the city, along with fringe benefit 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





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

PERSONNEL SUMMARY

2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
142,055	City Manager	1		1		1	
85,013 - 105,401	Finance & Budget Director	1		1		1	
85,013 - 105,401	Human Resources Director	1		1		1	
54,555 - 60,822	Budget Management Coordinator	1		1		1	
45,390 - 50,354	Management Services Specialist	1		1		1	
41,228 - 47,804	Management Assistant	1		1		1	
	Total	**6**	**0**	**6**	**0**	**6**	**0**
	CITY CLERK						
86,596 - 106,310	City Clerk/Assistant City Manager	1		1		1	
75,445 - 93,537	Risk Manager	1		1		1	
41,228 - 47,804	Management Assistant	1		1		1	
39,836 - 46,189	Elections Assistant	1		1		1	
36,084 - 41,860	Risk Management Assistant	1		1		1	
36,084 - 41,860	Senior Clerk	1		2		2	
26,939 - 38,680	Clerk Typist	3		2		2	
	Total	**9**	**0**	**9**	**0**	**9**	**0**
	FACILITIES MAINTENANCE						
79,216 - 98,213	Facilities Maintenance Manager	1		1		1	
51,628 - 57,267	Facilities Maintenance Coordinator	1		1		1	
42,631 - 49,083	Facilities Maintenance Mechanic	2		2		2	
28,735 - 46,874	Custodian	14		14		14	
36,084 - 41,860	Senior Clerk	1		1		1	
	Total	**19**	**0**	**19**	**0**	**19**	**0**
	ASSESSING						
79,216 - 98,213	City Assessor	1		1		1	
60,617 - 68,587	Appraiser III	3		3		3	
46,874 - 53,034	Appraiser I	2		2		2	
42,777 - 49,606	Appraiser Aide	1		1		1	
26,939 - 38,680	Clerk Typist	1		1		1	
7,600	Co-op (P.T.)		1		1		1
	Total	**8**	**1**	**8**	**1**	**8**	**1**
	FINANCIAL SERVICES						
79,216 - 98,213	Controller	1		1		1	
79,216 - 98,213	Financial Services Manager	1		1		1	
54,555 - 60,822	Accountant	3		3		3	
39,836 - 46,189	Senior Account Clerk	3		3		3	
33,352 - 41,860	Account Clerk	4		4		4	
	Total	**12**	**0**	**12**	**0**	**12**	**0**
	PURCHASING						
75,445 - 93,537	Purchasing Manager	1		1		1	
46,059 - 51,862	Purchasing Specialist	1		1		1	
39,836 - 46,189	Administrative Assistant	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**

PERSONNEL SUMMARY

2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	TREASURY						
79,216 - 98,213	City Treasurer	1		1		1	
54,555 - 60,822	Accountant	1		1		1	
39,836 - 46,189	Senior Account Clerk	2		2		2	
39,836 - 46,189	Administrative Assistant	1		1		1	
33,352 - 41,860	Account Clerk	4		4		4	
	Total	**9**	**0**	**9**	**0**	**9**	**0**
	Total City Administration Department	**66**	**1**	**66**	**1**	**66**	**1**
	PARKS & RECREATION DEPARTMENT						
85,013 - 105,401	Parks & Recreation Director	1		1		1	
53,088 - 59,473	Recreation Coordinator	8		8		8	
42,428 - 47,065	Recreation Specialist	1		1		1	
39,836 - 46,189	Administrative Assistant	1		1		1	
36,084 - 41,860	Program & Services Assistant	2		2		2	
36,084 - 41,860	Senior Clerk	1		1		1	
31,120 - 38,680	Bus Driver	1		1		1	
26,939 - 38,680	Clerk Typist	1		1		1	
	Total Parks & Recreation Department	**16**	**0**	**16**	**0**	**16**	**0**
	POLICE DEPARTMENT						
	POLICE ADMINISTRATION						
87,622 - 107,040	Chief of Police	1		1		1	
94,852 - 97,101	Captain	1		1		1	
87,863 - 90,358	Lieutenant	2		2		2	
78,328 - 82,183	Sergeant	4		3		2	
43,908 - 68,611	Police Officer	16		5		5	
34,719 - 47,819	Secretary to Chief	1		1		1	
33,721 - 46,819	Administrative Secretary	3		3		2	
23,936 - 40,848	Technical Secretary	2		2		2	
23,936 - 40,848	Property Clerk	1		1		1	
	Total	**31**	**0**	**19**	**0**	**17**	**0**
	POLICE INVESTIGATIONS						
	Captain	1		1		0	
87,863 - 90,358	Lieutenant	1		1		2	
78,328 - 82,183	Sergeant	3		4		4	
43,908 - 68,611	Police Officer	18		29		29	
33,721 - 46,819	Administrative Secretary	1		1		2	
23,936 - 40,848	Technical Secretary	4		4		4	
	Total	**28**	**0**	**40**	**0**	**41**	**0**
	POLICE OPERATIONS						
94,852 - 97,101	Captain	1		1		1	
87,863 - 90,358	Lieutenant	4		4		4	
78,328 - 82,183	Sergeant	18		18		18	
43,908 - 68,611	Police Officer	97		97		99	
33,721 - 46,819	Administrative Secretary	3		3		3	
23,936 - 40,848	Technical Secretary	1		1		1	
180,000	Crossing Guards (P.T.)		33		33		33
	Total	**124**	**33**	**124**	**33**	**126**	**33**

PERSONNEL SUMMARY

2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	POLICE SUPPORT SERVICES						
94,852 - 97,101	Captain	1		1		1	
	Lieutenant	1		1		0	
78,328 - 82,183	Sergeant	1		1		2	
50,791 - 52,750	Emergency Dispatcher - Shift Leader	4		4		4	
37,583 - 49,073	Emergency Dispatcher	19		19		19	
33,721 - 46,819	Administrative Secretary	1		1		1	
33,721 - 46,819	Evidence Clerk	1		1		1	
41,036 - 45,516	Laboratory Technician	1		1		1	
38,257 - 43,076	Animal Control Officer	3		3		3	
30,281 - 42,367	Data Analyst	1		1		1	
30,281 - 42,367	Terminal Agency Coordinator	1		1		1	
23,936 - 40,848	Technical Secretary	8		8		8	
7,980	Co-op (P.T.)		1		1		1
	Total	**42**	**1**	**42**	**1**	**42**	**1**
	Total Police Department	**225**	**34**	**225**	**34**	**226**	**34**
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
85,985 - 105,557	Fire Chief	1		1		1	
92,755 - 97,466	Chief of Operations	1		1		1	
85,115 - 89,429	Chief of Training	1		1		1	
83,541 - 86,143	EMS Coordinator	1		1		1	
79,562 - 82,041	Fire Instructor	1		1		1	
41,228 - 47,804	Management Assistant	1		1		1	
39,836 - 46,189	Administrative Assistant	3		3		3	
26,939 - 38,680	Clerk Typist	1		1		1	
	Total	**10**	**0**	**10**	**0**	**10**	**0**
	FIRE EXTINGUISHMENT						
83,449 - 87,677	Battalion Chief	3		3		3	
80,388 - 84,450	Captain-Advanced Life Support	4		3		3	
76,559 - 80,429	Captain	1		2		2	
73,018 - 77,488	Lieutenant-Advanced Life Support	9		10		10	
69,547 - 73,795	Lieutenant	7		6		6	
70,260	Sergeant - Advanced Life Support	3		4		4	
68,927	Sergeant - Fire Engine Operator	6		5		5	
42,416 - 67,887	Fire Fighter-Advanced Life Support	29		28		28	
41,609 - 66,600	Fire Fighter-Fire Engine Operator	15		16		16	
40,398 - 64,660	Fire Fighter	13		13		13	
	Total	**90**	**0**	**90**	**0**	**90**	**0**
	FIRE PREVENTION						
85,115 - 89,429	Fire Marshal	1		1		1	
79,562 - 82,041	Fire Inspector	6		6		6	
	Total	**7**	**0**	**7**	**0**	**7**	**0**
	EMERGENCY MANAGEMENT						
61,147 - 75,811	Emergency Management Coordinator	1		1		1	
	Total	**1**	**0**	**1**	**0**	**1**	**0**
	Total Fire Department	**108**	**0**	**108**	**0**	**108**	**0**

PERSONNEL SUMMARY

2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY DEVELOPMENT DEPARTMENT						
	BUILDING						
85,596 - 106,310	City Development Director/Asst. City Manager	0		1		1	
	Building Official	1		0		0	
68,714 - 72,194	Building Plan Review Coordinator	1		1		1	
68,714 - 72,194	Code Enforcement Coordinator	1		1		1	
59,297 - 65,447	Building Inspector	3		3		3	
59,297 - 65,447	Plumbing Inspector	2		2		2	
59,297 - 65,447	Electrical Inspector	2		2		2	
59,297 - 65,447	Mechanical Inspector	2		2		2	
52,548 - 59,451	Code Enforcement Officer	5		5		5	
41,228 - 47,804	Management Assistant	1		1		1	
36,084 - 41,860	Senior Clerk	2		2		2	
26,939 - 38,680	Clerk Typist	2		2		2	
8,380	Co-op (P.T.)		1		1		1
	Total	**22**	**1**	**22**	**1**	**22**	**1**
	ECONOMIC DEVELOPMENT						
75,445 - 93,537	Economic Development Manager	0		1		1	
	Total	**0**	**0**	**1**	**0**	**1**	**0**
	PLANNING						
84,601 - 104,890	City Planner	1		1		1	
57,768 - 61,867	Planning Coordinator	1		1		1	
39,836 - 46,189	Administrative Assistant	1		1		1	
26,939 - 38,680	Clerk Typist	1		1		1	
	Total	**4**	**0**	**4**	**0**	**4**	**0**
	PUBLIC SERVICES						
	City Development Director	1		0		0	
75,445 - 93,537	Public Services Manager	1		1		1	
44,500 - 50,105	CDBG Specialist	1		1		1	
36,084 - 41,860	Senior Clerk	1		1		1	
8,300	CDBG Intern (P.T.)		1		1		1
	Total	**4**	**1**	**3**	**1**	**3**	**1**
	Total City Development Department	**30**	**2**	**30**	**2**	**30**	**2**
	PUBLIC WORKS DEPARTMENT						
	ENGINEERING						
84,601 - 104,890	City Engineer	1		1		1	
79,216 - 98,213	Engineering Services Manager	1		1		1	
77,964 - 90,423	Civil Engineer III	1		1		1	
	Civil Engineer II	1		0		0	
63,774 - 73,953	CAD/GIS Coordinator	1		1		1	
68,714 - 72,194	Chief Engineering Inspector	1		1		1	
44,337 - 63,076	Engineering Aide	7		7		7	
52,164 - 60,487	Civil Engineer I	2		2		2	
39,836 - 46,189	Administrative Assistant	1		1		1	
36,084 - 41,860	Senior Clerk	1		1		1	
10,250	G.I.S. Intern (P.T.)		1		1		1
7,250	Co-op (P.T.)		1		2		2
	Total	**17**	**2**	**16**	**3**	**16**	**3**

PERSONNEL SUMMARY

2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	FLEET MAINTENANCE						
55,712 - 70,616	Division Supervisor	1		1		1	
42,783 - 55,382	Mechanic	11		11		11	
40,183 - 50,440	Storekeeper	2		2		2	
17,060	Seasonal Laborer (P.T.)		1		1		1
	Total	**14**	**1**	**14**	**1**	**14**	**1**
	PARKS & GROUNDS MAINTENANCE						
55,712 - 70,616	Division Supervisor	1		1		1	
40,183 - 50,440	Parks & Grounds Maintenance Worker	6		6		6	
28,731 - 48,992	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						
82,989 - 102,891	Environmental Services Manager	1		1		1	
58,423 - 74,064	General Supervisor	1		1		1	
28,735 - 46,874	Custodian	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**
	REFUSE COLLECTION						
26,939 - 38,680	Clerk Typist	1		1		1	
21,180 - 21,780	Seasonal Laborer (P.T.)		3		3		3
	Total	**1**	**3**	**1**	**3**	**1**	**3**
	STREET SERVICES						
55,712 - 70,616	Division Supervisor	2		2		2	
44,776 - 55,382	Equipment Operator A	1		1		1	
42,103 - 52,549	Equipment Operator B	7		7		7	
42,103 - 52,549	Traffic Sign Worker	2		2		2	
42,103 - 52,549	Street Services Inspector	1		1		1	
40,183 - 50,440	Equipment Operator C	6		6		6	
28,731 - 48,992	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	**69**	**16**	**68**	**17**	**68**	**17**
	PUBLIC LIBRARY DEPARTMENT						
85,013 - 105,401	Public Library Director	1		1		1	
54,555 - 61,425	Library Service Area Coordinator	3		3		3	
51,928 - 58,753	Library Programming Specialist	1		1		1	
50,971 - 56,823	Librarian	7		7		7	
46,874 - 53,034	Circulation Supervisor	1		1		1	
41,228 - 47,804	Management Assistant	1		1		1	
39,836 - 46,189	Library Assistant II	3		4		4	
36,999 - 42,903	Library Assistant I	3		2		2	
33,352 - 38,680	Library Clerk	3		3		3	
18,780 - 22,570	Librarian (P.T.)		8		8		8
5,920 - 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**

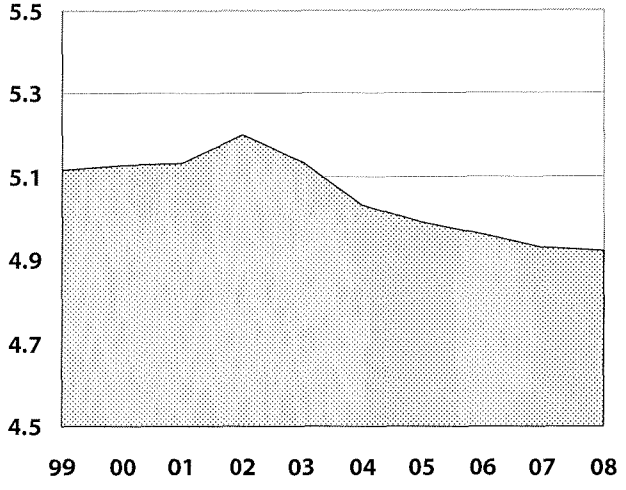
PERSONNEL SUMMARY

2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	COMMUNITY & INFORMATION SERVICES DEPARTMENT						
	COMMUNITY RELATIONS						
85,985 - 105,557	Community Relations Director	1		1		1	
75,445 - 93,537	Communications Manager	1		1		1	
75,445 - 93,537	Broadcast Services Manager	1		1		1	
48,695 - 54,561	Broadcast Programming Specialist	1		1		1	
44,500 - 49,613	Neighborhood Specialist	1		1		1	
44,500 - 49,613	Communication Specialist	1		1		1	
44,500 - 49,613	Senior Broadcast Production Specialist	1		1		1	
44,500 - 49,368	Citizen Services Specialist	1		1		1	
44,500 - 49,368	Community Relations Specialist	1		1		1	
41,045 - 47,605	Printing Technician II	1		1		1	
40,292 - 44,701	Broadcast Production Specialist	2		2		2	
37,902 - 43,945	Printing Technician I	1		1		1	
26,939 - 38,680	Clerk Typist	1		1		1	
26,350	Video Production Technician (P.T.)		2		2		2
12,480	Website Specialist (P.T.)		1		1		1
12,000	Graphic Artist (P.T.)		1		1		1
	Keyline Specialist (P.T.)		1		1		0
	Total	**14**	**5**	**14**	**5**	**14**	**4**
	INFORMATION TECHNOLOGY						
84,601 - 104,890	Information Technology Manager	1		1		1	
75,445 - 93,537	Network Administrator	1		1		1	
51,037 - 56,620	Information Technology Specialist	6		6		6	
	Total	**8**	**0**	**8**	**0**	**8**	**0**
	Total Comm. & Information Services Dept.	**22**	**5**	**22**	**5**	**22**	**4**
	41-A DISTRICT COURT						
45,724	Judge	3		3		3	
99,987	Magistrate/Director of Probation	1		1		1	
88,972	Court Administrator	1		1		1	
74,405	Clerk of the Court	1		1		1	
65,280	Probation Officer	1		1		1	
53,708	Court Recorder	3		3		3	
49,966	Court Officer	3		3		3	
30,725 - 39,650	Deputy Clerk	23		23		23	
12,285	Security Guards (P.T.)		2		4		4
	Total 41-A District Court	**36**	**2**	**36**	**4**	**36**	**4**
	Total General Fund	**595**	**78**	**594**	**81**	**595**	**80**
	WATER & SEWER FUND						
	WATER & SEWER ADMINISTRATION						
86,018 - 107,169	Public Works Director	1		1		1	
63,098 - 80,023	Operations Supervisor	1		1		1	
58,423 - 74,064	General Supervisor	1		1		1	
39,836 - 46,189	Administrative Assistant	1		1		1	
33,352 - 41,860	Account Clerk	2		2		2	
26,599 - 39,958	Clerk Dispatcher	2		2		2	
26,939 - 38,680	Clerk Typist	1		1		1	
	Total	**9**	**0**	**9**	**0**	**9**	**0**

PERSONNEL SUMMARY

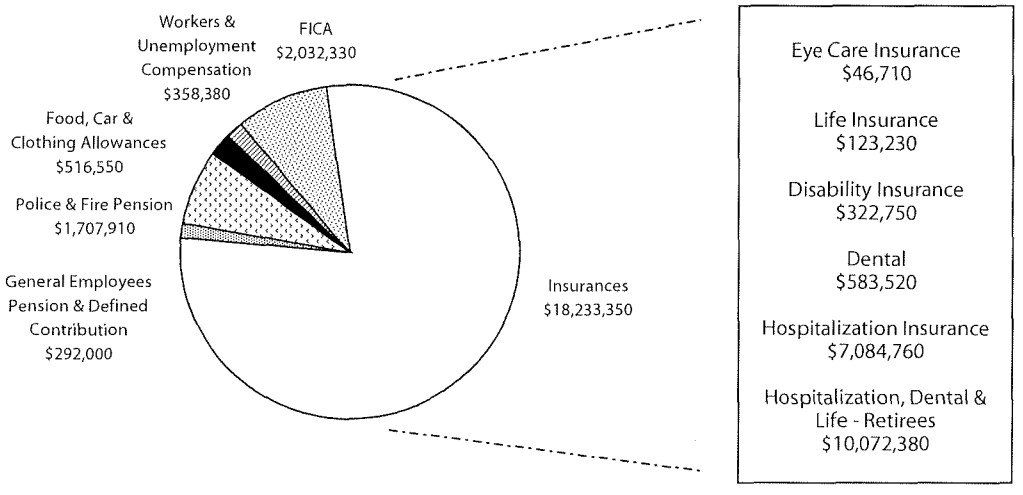
2007/08 Budgeted Pay Ranges	ACTIVITY	Budget 2005/06		Budget 2006/07		Budget 2007/08	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	WATER DISTRIBUTION						
55,712 - 70,616	Division Supervisor	1		1		1	
42,103 - 52,549	Water Inspector	2		2		2	
42,103 - 52,549	Water Service Worker	4		4		4	
40,183 - 50,440	Meter Repair/Installer	2		2		2	
	Meter Reader	1		1		0	
28,731 - 48,992	Laborer	2		2		3	
10,725 - 11,375	Seasonal Laborer (P.T.)		2		2		2
	Total	**12**	**2**	**12**	**2**	**12**	**2**
	SEWAGE COLLECTION						
55,712 - 70,616	Division Supervisor	1		1		1	
42,783 - 53,200	Plant Operator/Mechanic	2		2		2	
42,103 - 52,549	Sewer Service Worker (Clean)	2		2		2	
42,103 - 52,549	Water/Sewage Inspector	2		2		2	
40,183 - 51,432	Sewer Service Worker (Maint)	3		3		3	
28,731 - 48,992	Laborer	4		4		4	
8,580 - 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	**630**	**84**	**629**	**87**	**630**	**86**

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 2007/08



Total City Fringe Benefits for 2007/08 is $23,140,520

Includes the General Fund & Water & Sewer Fund

07
08

Legislative

The Sterling Heights City Council (L-R)
Councilman ***Joseph V. Romano***
Councilwoman ***Maria G. Schmidt***
Councilwoman ***Yvonne D. Kniaz***
Mayor ***Richard J. Notte***
Mayor Pro Tem ***Deanna Koski***
Councilwoman ***Barbara A. Ziarko***
Councilman ***Richard L. Bracci***

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 administrative operations. The City Council also appoints, directs and evaluates the City Attorney.

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

The City Council acts, indirectly, in a supervisory role as part of its duties and responsibilities. Direction is given to City Administration through the City Council regarding the implementation and evaluation of various programs. Residents' concerns are forwarded to City Administration by the City Council. The 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, commissions and committees, provides public leadership, and communicates with constituents about various issues. Public leadership is provided by the City Council through verbal and written communications with constituents. The wishes of the constituents are brought forth and addressed at the City Council meetings. Ultimately, the City Council is responsible for the arbitration of conflicting interests that arise during the course of City business.

KEY GOALS

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

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

Did you know?...
...that the City of Sterling Heights was rated 37th nationwide and 3rd statewide in* Money Magazine's *"Top 100 Best Places to Live for 2006"?

City Council

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	10	7	4	6	6	6
	Public Hearings Held	31	33	32	30	30	30
	Ordinances and Amendments Adopted	16	23	21	25	25	25
	Agenda Items Reviewed and Acted Upon	431	419	432	445	429	435
	Education and Training Sessions Attended	4	4	6	10	8	10
	"Nice Neighbor" Awards Presented	28	32	21	25	18	24
Effectiveness	City Council Member Attendance at Council Meetings	97%	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.)	-0.03%	0.00%	-0.02%	0.03%	0.03%	-0.01%
	Total Millage % Reduction Since 1988	-20.6%	-20.6%	-20.6%	-19.8%	-19.8%	-19.8%
	Activity Expenditures as % of General Fund	0.17%	0.16%	0.17%	0.17%	0.17%	0.16%

City Council

SUMMARY OF BUDGET CHANGES

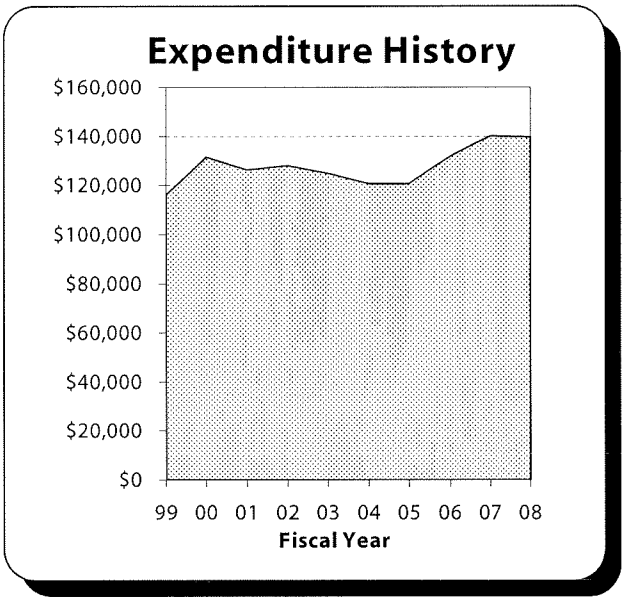
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $1,810 or 1.5% over last year's budget. The adjustment is for the full year funding of a 3% wage increase on January 1, 2007. In February, 2007 the Local Officer's Compensation Commission did not recommend a wage adjustment for next fiscal year.

Supplies – Total Supplies increased $950 or 41.3%. $1,000 was added to the budget, as an increase in supplies for possible new members may be needed due to the upcoming election. Postage costs decreased $50, as prior year funds were not fully spent.

Other Charges – Total Other Charges decreased $3,210 or 21.3%. Telephone costs decreased $1,900 due to a reduction in Nextel telephone rates, as the City continues to actively manage all Nextel telephones and service plan options. Educational funding decreased $1,500 based on recent actual expenditure levels and a more realistic number of attendees. $120 was saved, as Internet connection fees for the E-Agenda Packet Program were slightly less than anticipated. $300 was added to the budget due to increased publishing of advertisements in local newspapers and high school yearbooks and programs. $10 was added due to a slight increase in the rental cost of the Bresser's Cross Index Directory.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

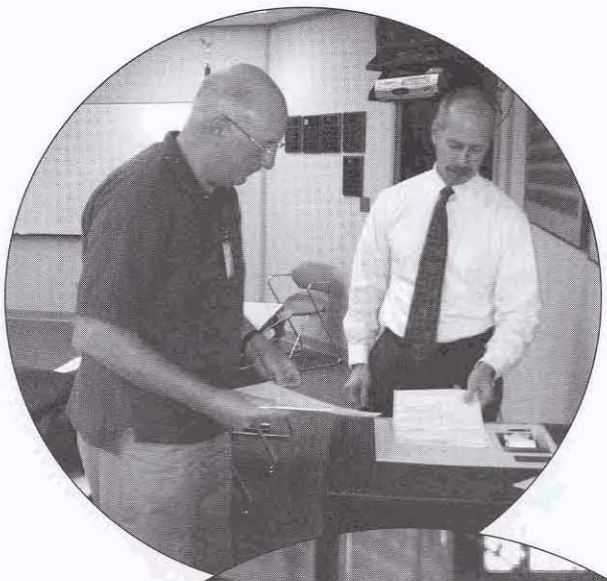
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$118,703	$122,820	$122,820	$124,630	$124,630
Supplies	2,774	2,300	2,200	3,250	3,250
Other Charges	10,465	15,060	11,440	11,850	11,850
Total	$131,942	$140,180	$136,460	$139,730	$139,730

07
08

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 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 increased by $326,070 or 4.9%. Personnel costs rose $355,560 or 6.2%. Half of the personnel cost increase, or $176,370, is budgeted to fund retiree health care liabilities. Supplies increased $27,370 or 13.2%, as the City is responsible for the ballot costs of next year's two City elections. Higher costs are also expected due to a postage rate increase for mailing tax, water bills and absentee ballots, and the cost of holding a Presidential primary. Other Charges declined by $56,860 or 7.9% as last year's budget included funding for the one-time cost of the Police Chief search and the cost to defend a tax appeal. These savings were offset slightly by higher election costs next year. The capital budget includes funding to replace a deadlined passenger vehicle in the City's motor pool.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
City Management	$779,370	$820,710	$891,530	$897,990	0.7%
City Clerk	940,690	868,230	978,900	1,081,580	10.5%
Facilities Maintenance	1,341,170	1,526,330	1,631,290	1,686,600	3.4%
Assessing	1,087,380	886,120	821,400	848,390	3.3%
Financial Services	1,075,920	1,128,160	1,211,180	1,285,410	6.1%
Purchasing	316,250	326,680	342,040	356,950	4.4%
Treasury	666,630	713,610	766,670	812,160	5.9%
Total Department	$6,207,410	$6,269,840	$6,643,010	$6,969,080	4.9%
Personnel Services	$5,088,870	$5,278,870	$5,719,280	$6,074,840	6.2%
Supplies	208,640	220,880	207,460	234,830	13.2%
Other Charges	909,900	770,090	716,270	659,410	-7.9%
Total Department	$6,207,410	$6,269,840	$6,643,010	$6,969,080	4.9%

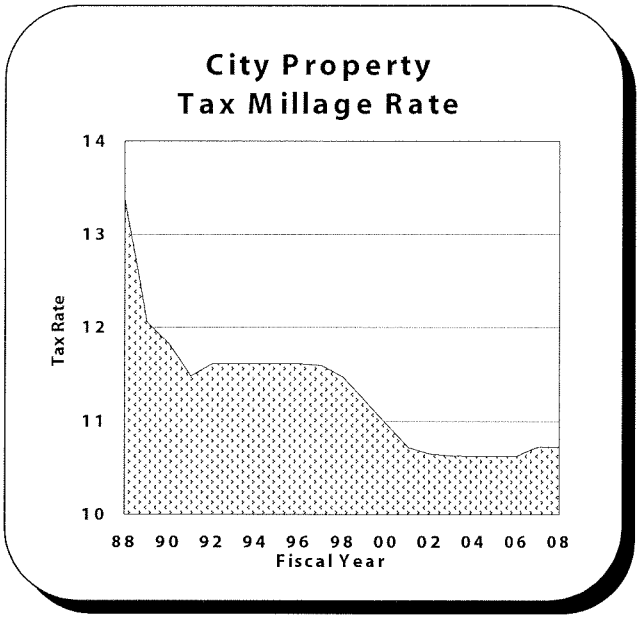
PERSONNEL SUMMARY

	2004/05		2005/06		2006/07		2007/08	
	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	9	0	9	0	9	0	9	0
Facilities Maintenance	19	0	19	0	19	0	19	0
Assessing	8	1	8	1	8	1	8	1
Financial Services	12	0	12	0	12	0	12	0
Purchasing	3	0	3	0	3	0	3	0
Treasury	9	0	9	0	9	0	9	0
Total Department	66	1	66	1	66	1	66	1

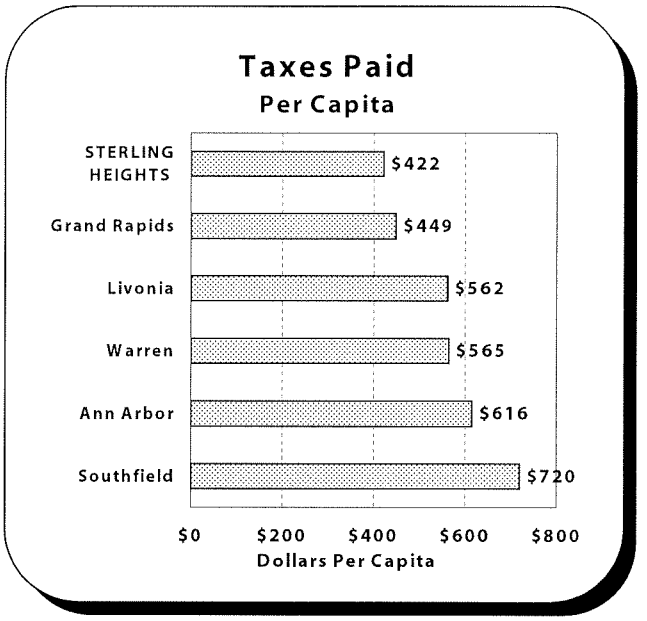
Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

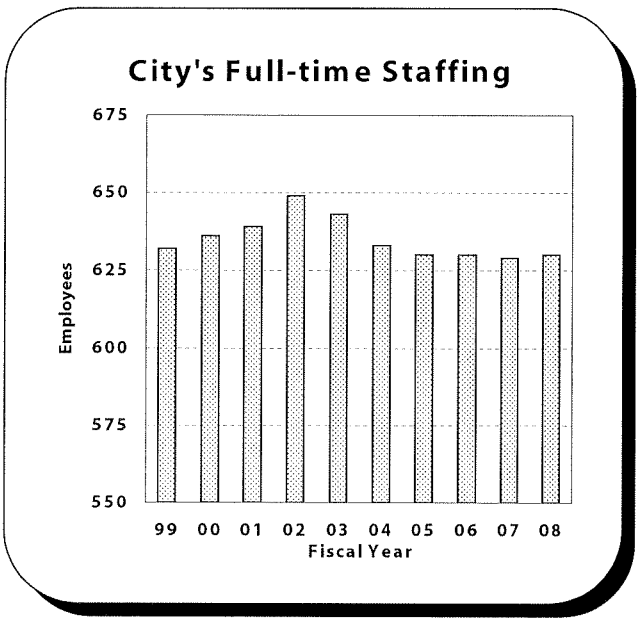
City Administration Department



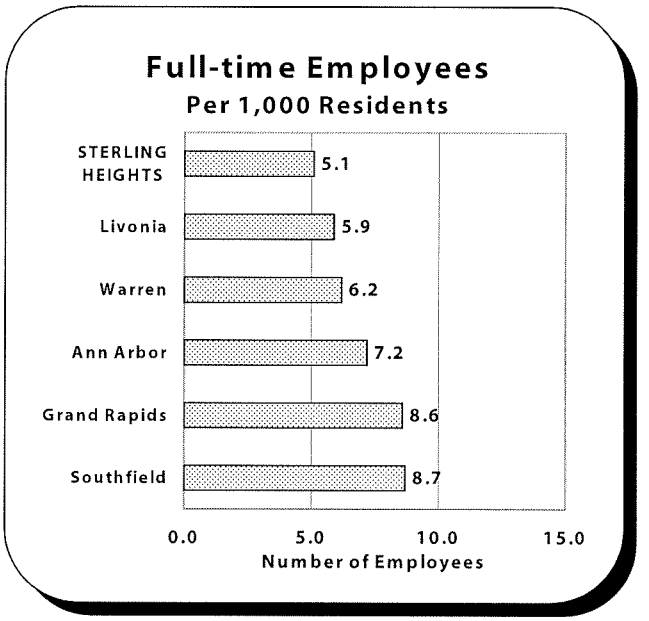
The City's property tax rate has fallen from 13.38 mills in 1988 to 10.725 mills in 2008 – a decrease of 19.8%. Taxable values, which grow at the rate of inflation, are near only 80% of State equalized values. In other words due to Proposal A, taxable values are now near 40% of market values.



Sterling Heights has the lowest tax bill per resident in comparison to five comparable Michigan benchmark communities. Based on 2006 tax revenues and the 2000 census population data, Sterling Heights residents pay only $422. 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 34% more than Sterling Heights residents. Southfield residents pay $720 or 71% more.



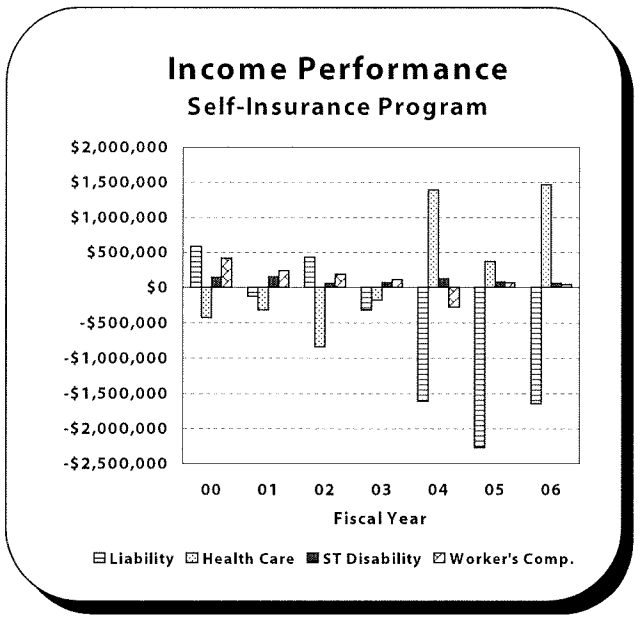
The City's full-time staffing is nearly at the same level as ten years ago. Nineteen vacant full-time positions have been eliminated in the past six years saving over $1.3 million. The City has, however, increased its staffing by nine positions since 1996. Six in the Police Department, four in Community Relations, two in Information Technology and City Development, and one in the Library. One position has been eliminated in the 41-A District Court, two in City Administration, and three in Public Works.



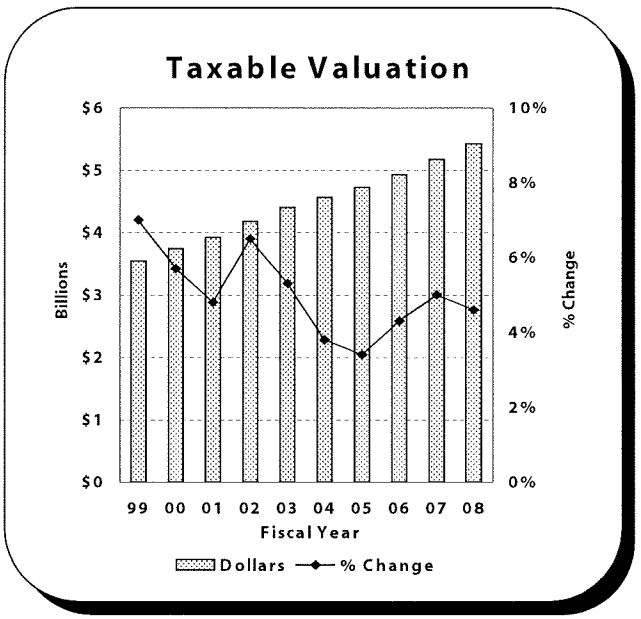
Based on current staffing data and the 2000 census, Sterling Heights has 5.1 full-time employees per 1,000 residents. This rate is lower than any of our benchmark communities and is nearly half the rate of Grand Rapids or Southfield. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a 2003 study of over 130 cities, 79% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

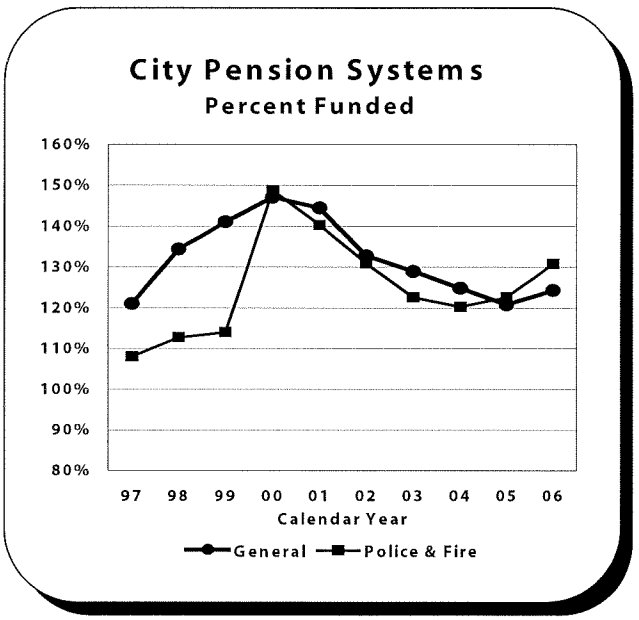
City Administration Department (continued)



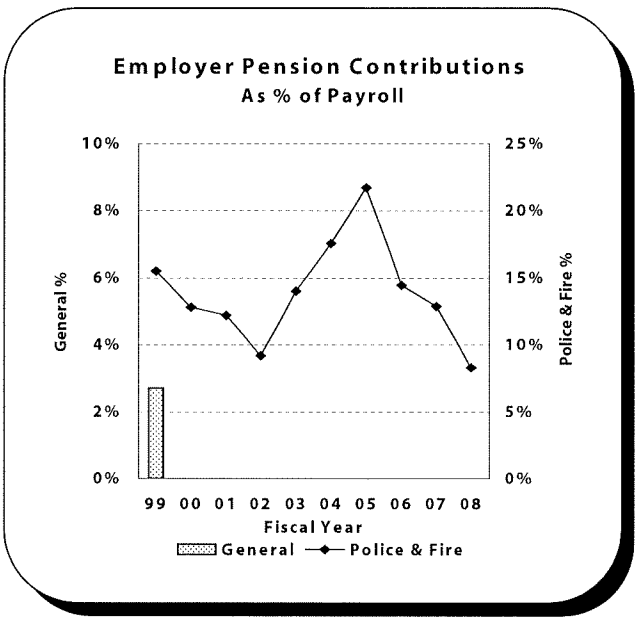
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for recent losses in the Liability program, most years have shown a positive net income for most programs.



For the past ten years, the City's assessed valuation has grown an average of between 3% 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 near 40% of market values.



For 2006, Sterling Heights' General Employees Pension System is 124.2% funded – meaning that the City has more than enough funds available to pay for all current pension obligations. For the tenth consecutive year, the Police & Fire Pension System is also more than 100% funded, totaling 130.7% of obligations. Both pension systems have increased their funding over the past ten years, despite decreases in prior 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 from 2002-2005, however, the required contribution to the Police & Fire Pension System increased largely due to an under-performing stock market. From 2006 through 2008, 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 including Assessing, Financial Services, Purchasing and Treasury. 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 (MIP), 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.

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.***

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 98% 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.■

Did you know?...
...that the City's tax rate is lower than all but one of the 77 communities located within 20 miles of the City that provide a full range of services to its residents?

2007/08 INTENTION STATEMENTS *(City Management)*

1. To ensure that the fire station renovation project proceeds within the established timeline and budgetary parameters as approved by the voters during the November, 2006 election. *(City Goal 15, 25)*

2. To work with the Human Resources Director to develop a comprehensive succession plan in light of the numerous employee retirements anticipated within the next few years. *(City Goal 3, 4)*

3. To research and analyze the potential of service sharing including joint use opportunities with other communities which will reduce costs and potentially result in additional revenue sharing funds from the State. *(City Goal 1, 2)*

4. To develop an alternate strategy for the renovation and/or reconstruction of the Sterling Heights Police Station including an action plan outlining the specific building improvements to be made within the next two years. *(City Goal 15, 25)*

5. To clearly define and implement the Lakeside Principal Shopping District plan, in conjunction with the City Development Department, to ensure the future viability of the area. *(City Goal 8, 9, 10, 11)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Administrative Policy and Procedure Orders Processed	9	4	4	10	4	6
	Agenda Statements Reviewed	431	419	432	445	429	435
	Special Reports Researched & Written	10	20	20	15	15	15
	Special Projects Researched & Developed	6	20	20	15	15	15
	Policy Resolutions Presented to Council	6	8	8	10	10	10
	Legislative Issues Monitored	8	8	8	10	10	15
	Focus Group Meetings Facilitated	4	5	6	6	6	6
	Intergovernmental Relation Contacts	70	120	130	85	87	85
	New Programs & Policies Developed	3	9	9	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.	25min.	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	Total Millage % Reduction Since 1988	-20.6%	-20.6%	-20.6%	-19.8%	-19.8%	-19.8%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.02%	1.03%	1.04%	1.07%	1.08%	1.04%

City Management

2007/08 PERFORMANCE OBJECTIVES *(Finance & Budget)*

1. To develop a program encouraging employees to submit "cost savings" ideas and to analyze and review them with department managers for possible implementation. *(City Goal 3, 7, 17, 20)*

2. To prepare and conduct an employee satisfaction survey of internal City support offices to determine where possible service improvements can be made. *(City Goal 5, 7)*

3. To perform labor contract cost analyses for six expiring labor contracts. *(City Goal 3, 4)*

4. To conduct a survey and prepare a report of financial and performance benchmarks between the City and nine comparable Michigan cities. *(City Goal 3, 4, 5)*

5. To visit and inspect all capital items being requested to be replaced as part of the capital budget process and the Municipal Improvement Plan. *(City Goal 3, 6)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	City Budgeted Funds Monitored (Millions)	$155.1	$148.8	$133.4	$153.7	$150.4	$149.5
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	55	43	39	45	45	45
	Management & Labor Cost Studies Conducted	8	9	9	10	10	10
	Years Member of ICMA Center for Perf. Measurement	5	5	5	6	6	7
	City Council Agenda Statements Reviewed	271	305	312	300	308	300
	Semi-Annual Budget Reports Prepared	2	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	245	283	247	270	270	260
	Telephone Call Accounting - Months Monitored	10	10	8	10	5	5
	Employee Internet Usage - Months Monitored	10	10	10	10	6	6
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
	Funding for Retiree Medical Liabilities (% of Payroll)	6.75%	9.25%	10.70%	15.90%	15.90%	21.90%
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
	Accuracy Forecasting Expenditures - General Fund	99.9%	99.3%	100.5%	100.0%	99.5%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.8%	100.1%	100.0%	100.0%	99.7%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	17	18	19	20	20	21
	Budget Award - "Outstanding" Categories Earned	0	4	1	2	3	3
	Years Received G.F.O.A. PAFR Award	7	8	9	10	10	11
	Savings from Reviewing Travel Requests	$1,737	$6,234	$8,942	$2,500	$2,800	$2,500
	Years Received ICMA Certificate of Distinction	2	2	2	3	2	3
	Average Cost to Review a Travel Request	$6.12	$6.17	$6.72	*	*	*

City Management

2007/08 PERFORMANCE OBJECTIVES *(Human Resources)*

1. To develop a "Benefits-at-a-Glance" sheet for each of the City's 12 bargaining units to assist in completing the new employee orientation process. *(City Goal 3)*

2. To develop a comprehensive negotiation strategy for the two collective bargaining agreements set to expire in June, 2008. *(City Goal 4)*

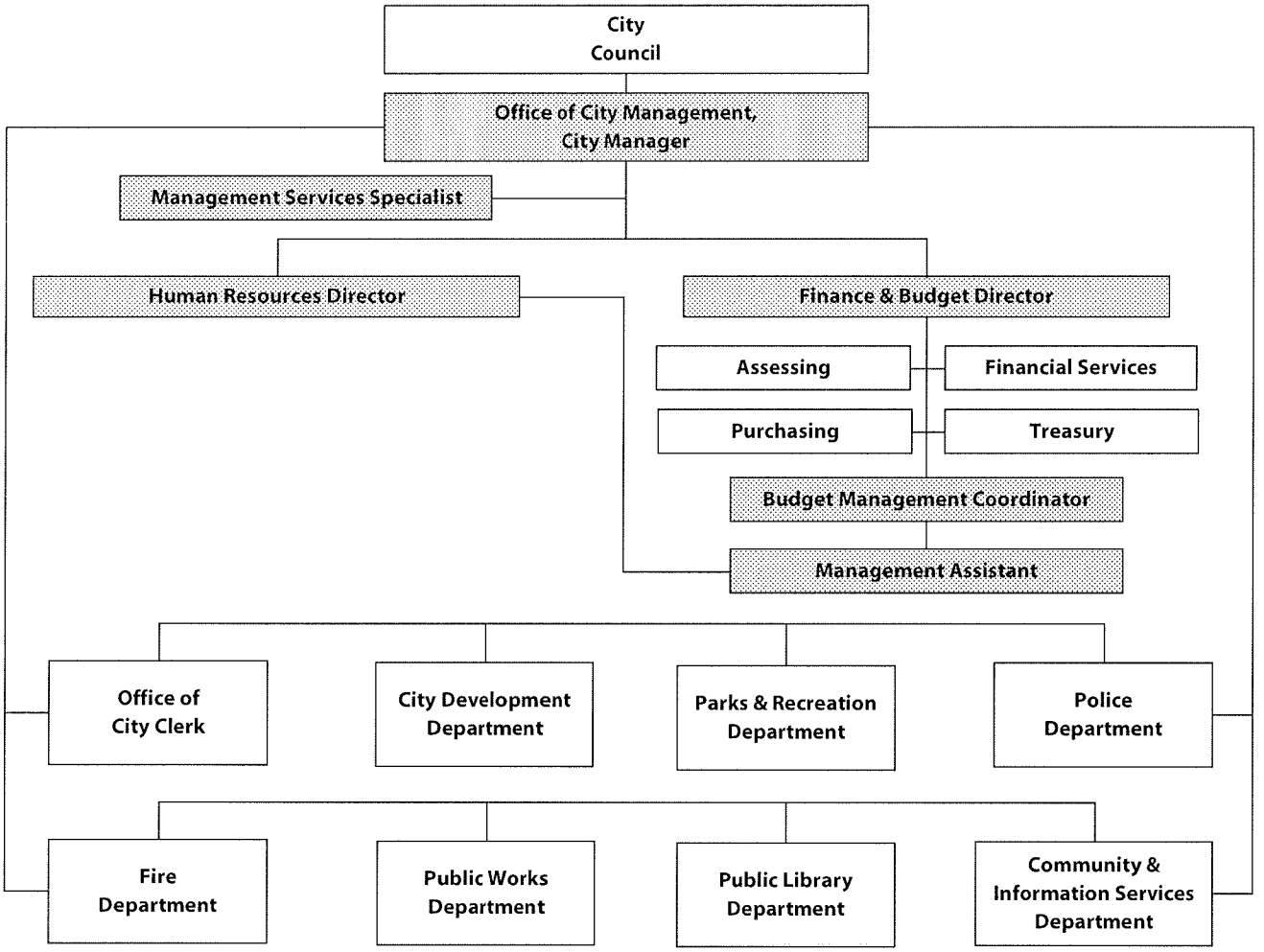
3. To reevaluate and standardize the City's current job reclassification process to maintain equitable relationships among comparable positions. *(City Goal 3, 4)*

4. To ensure that all departments are implementing the newly developed employee performance evaluation program. *(City Goal 3)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Promotional Job Postings	22	11	28	25	30	25
	Open Competitive Job Postings	6	4	13	10	10	10
	Applications Reviewed & Processed	626	504	1,247	800	900	900
	Applications Received Through Internet/Website	449	445	1,130	600	600	700
	Employees Hired (Full-time/Part-time)	27/42	13/41	24/36	15/45	15/45	15/45
	Reclassification Requests Reviewed/Analyzed	2	6	9	5	8	5
	Police/Fire Promotional Tests	3	3	2	1	2	0
	Labor Contracts Settled	2	0	0	5	5	6
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	35	35	35	35	35	35
	# Labor Grievances Per 100 Full-time Employees	3.0	2.0	2.0	2.0	2.5	2.0
	Avg. # Work Days to Complete Internal Recruitment	15	17	18	15	18	18
	% of Grievances Resolved Before Arbitration	95%	91%	90%	90%	90%	90%
	% of Grievances Responded to within Deadlines	100%	100%	100%	100%	100%	100%
	Total FTE's Per 1,000 Residents	5.8	5.6	5.7	5.6	5.6	5.6
	Full-time Employee Turnover Rate (Excl. Retirements)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	% Minorities in Work Force	1.5%	1.6%	1.5%	1.5%	1.5%	1.5%
	Discrimination Complaints Filed	0	0	0	0	0	0
	# of Employees Not Completing Probation	0	1	1	0	2	1
	Human Resource FTE's Per 100,000 Residents	1.00	0.97	1.00	0.99	1.00	1.00
	Cost to Recruit and Hire a Full-time General Employee	$1,378	$1,865	$1,534	*	*	*

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

City Management



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

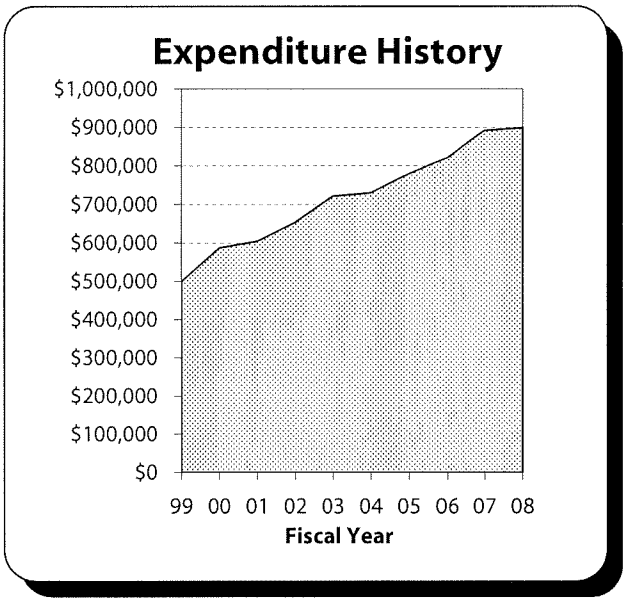
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $36,280 or 4.5%. All employees are budgeted to receive between a 2.8% and 3% wage increase. An additional $27,350 is budgeted to fund retiree medical liabilities. Health insurance costs declined $12,100 due to recent labor contract savings as well as an employee electing to receive the health insurance allowance in lieu of medical coverage.

Supplies – Total Supplies decreased $50 or 1.3% as funding for written publications can be reduced due to the increasing availability of online resources.

Other Charges – Total Other Charges decreased $29,770 or 35.7%. The budget decreased $28,700 due to the one-time funding of professional consulting services and assessment center costs related to the search and recruitment of a new Police Chief in the prior year. The decrease was slightly offset due to the higher costs associated with negotiating six labor contracts next year. The training budget decreased $800 primarily due to the elimination of the Labor Arbitration Institute next year. Telephone costs declined $750 based on a recent reduction in Nextel telephone rates, as the City continues to actively manage all Nextel telephones and service plan options. $300 was added for the City Manager's increased attendance at meetings with other government officials and for enhanced economic development efforts. The cost of existing memberships also 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$764,078	$804,410	$805,580	$840,690	$840,690
Supplies	4,130	3,800	3,800	3,750	3,750
Other Charges	52,501	83,320	83,200	53,550	53,550
Total	$820,709	$891,530	$892,580	$897,990	$897,990

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

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

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

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

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

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

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

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.■

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.***

Did you know?...
...that the City provides medical coverage to over 2,400 employees, retirees and dependents?

City Clerk

2007/08 PERFORMANCE OBJECTIVES *(City Clerk)*

1. To track documents submitted to the Register of Deeds through a software application. *(City Goal 17, 18)*

2. To research and develop application procedures for organizations seeking designation as a local non-profit for the purpose of obtaining a charitable gaming license. *(City Goal 3)*

3. To evaluate various document imaging software systems and submit a capital budget request for new software in the following year's budget. *(City Goal 3, 17, 18)*

4. To research and analyze the potential increased accessibility of City Clerk's services on the City's website to include license applications, ordinances and other related information. *(City Goal 3, 6, 17, 18)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Council Agenda Statements Processed	431	419	432	445	429	435
	Council Actions Correspondence Mailed	986	1,041	832	990	975	985
	New Voter Registrations/Changes Processed	21,498	25,254	28,311	22,350	23,644	25,030
	Elections Conducted	2	2	2	3	3	4
	Election Correspondence/Scheduling	670	900	869	900	862	1,010
	Absentee Voter Applications Mailed	37,258	38,960	60,265	40,410	43,600	84,490
	Absentee Voter Ballots Prepared	7,932	28,984	15,023	27,635	27,732	31,600
	Freedom of Information Requests Processed	366	302	299	330	301	300
	Documents Recorded	245	281	350	330	256	275
	Business Registry: New/Closed/Information Changed	3,043	2,938	3,199	3,060	2,982	3,015
	Class C Liquor Licenses Approved (New/Transferred)	1/12	1/6	0/3	1/5	0/4	1/4
	Licenses Issued - (dog, vendors, etc.)	4,991	4,897	4,962	4,940	4,892	4,900
	Pieces of Outgoing Mail Processed	184,722	188,302	186,036	186,010	187,031	187,040
	Birth & Death Certificates Processed	499	558	589	590	574	580
	Board/Commission Applications Processed	207	288	280	240	245	250
	Number of Registered Voters (November)	79,221	83,461	83,910	84,210	83,911	83,930
Efficiency	% of Residents Applying for City Boards	0.17%	0.23%	0.21%	0.19%	0.19%	0.21%
	% of Registered Voters Voting (November)	22%	72%	18%	51%	55%	18%
	% of License Applications Reviewed within 48 Hours	100%	100%	100%	100%	100%	100%
	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Election Cost Per Registered Voter	$2.93	$3.13	$3.03	*	*	*
	Activity Expenditures as % of General Fund	1.13%	1.24%	1.10%	1.18%	1.19%	1.25%

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

2007/08 PERFORMANCE OBJECTIVES *(Risk Management)*

1. To conduct a comprehensive review and analysis of the new Pharmacy Benefit Management (PBM) Services Agreement and evaluate the service and effectiveness of the current PBM, and to consider conducting a RFP for these services, if necessary. *(City Goal 3, 4, 20)*

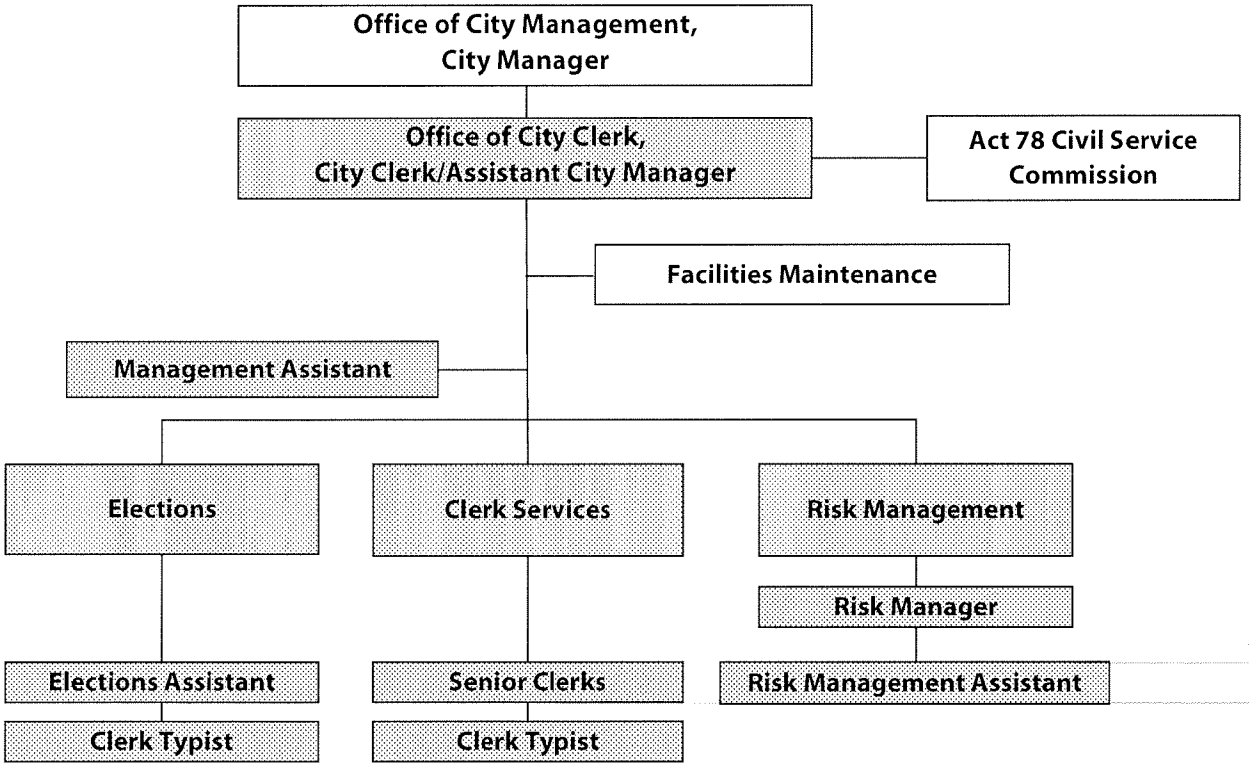
2. To implement a Highway Safety Program to protect employees working within the road right-of-way. This program will include development of a City-wide policy, training, and the required use of safety vests and warning signs. *(City Goal 3, 20)*

3. To upgrade the current driver license review program to "Direct Access" via the Michigan Secretary of State for database management and real-time driver records for pre-employment purposes. *(City Goal 3, 18, 20)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Liability/Property Claims	194	181	135	190	190	180
	Liability/Property Incident Reports	120	125	79	100	100	100
	Worker's Compensation Incident Reports	35	40	22	35	35	35
	Short-Term Disability Claims Handled	23	39	33	35	30	35
	Open Long-Term Disability Claims	3	3	4	3	4	4
	Life Insurance Claims	2	5	4	5	3	4
	Open Lawsuits - Monthly Average	29	17	14	17	16	16
	Lawsuits Closed	6	16	8	6	8	8
	Litigation Costs for Claims	$856,002	$1,042,213	$1,278,361	$800,000	$800,000	$600,000
	New Workers Compensation Claims	89	84	74	85	100	85
Efficiency & Effectiveness	# Workers Comp Claims Per 100 FTE	12.2	11.4	10.2	12.0	13.8	12.0
	% Workers Comp Claims Paying Compensation	13.4%	8.3%	5.4%	12.0%	7.0%	10.0%
	# of Accidents Per 100,000 Miles Driven	2.38	3.05	2.17	2.00	4.00	3.00
	Accident Cost Per 100,000 Miles Driven	$2,076	$2,935	$1,925	$2,500	$4,500	$3,000
	Prop. Insurance Premiums as % of Insured Value	0.13%	0.14%	0.14%	0.14%	0.14%	0.14%
	W/C Prem. Or Self-Insurance Cost Per $100 Payroll	$1.53	$0.81	$0.73	$0.60	$0.70	$0.65
	W/C Lost Work Days Due to Injury Per 100 FTE	182	51	92	60	110	80
	Cost of Risk Management Administrative Function	$219,806	$222,470	$226,674	*	*	*

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

City Clerk



STAFFING SUMMARY

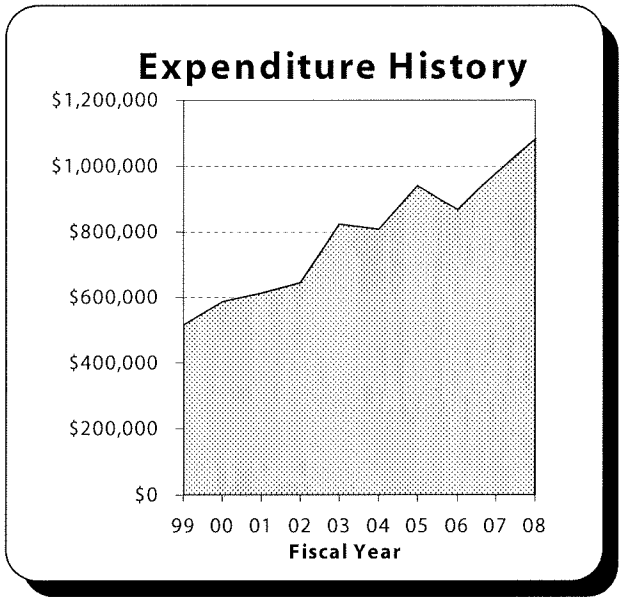
Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Clerk/Assistant City Manager	1	1	1
Risk Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Risk Management Assistant	1	1	1
Senior Clerk	1	2	2
Clerk Typist	3	2	2
Total	9	9	9

City Clerk

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The Personnel budget increased by $69,680 or 8.0%. Election worker costs rose as an additional election is scheduled next year for the Presidential primary. Wages rose $19,010. An additional $24,400 is budgeted to fund retiree health care liabilities. Health insurance costs rose $15,290 due to a 7.5% rate increase and one employee electing to discontinue receiving the health insurance allowance.
Supplies – Total Supplies increased $20,870 or 51.7%. Funding increased $13,770 to purchase voting ballots for two City elections. For non-City elections, such as those held last year, the County Clerk supplies the ballots. Funding is also included for the purchase of additional election supplies. $7,100 was added due to an expected postal rate increase and for the cost of mailing absentee ballots for four elections.
Other Charges – Total Other Charges increased $12,130 or 18.7%. $7,500 was added for the printing of additional absentee voter applications, as well as Precinct and City maps, which are printed in alternate years. Funding increased $4,370 for the programming of memory cards for an additional election and for the disability accessible voting machines, which was paid by the State last year. Building rental costs increased $870 and $190 was added to provide meals to the Absentee Counting Board due to the additional election next year. $200 was added for educational conferences, as the Michigan Association of Municipal Clerk's annual conference was held locally last year. Funding for reporting services and publishing costs both decreased $500 based on historic actual expenditure levels.



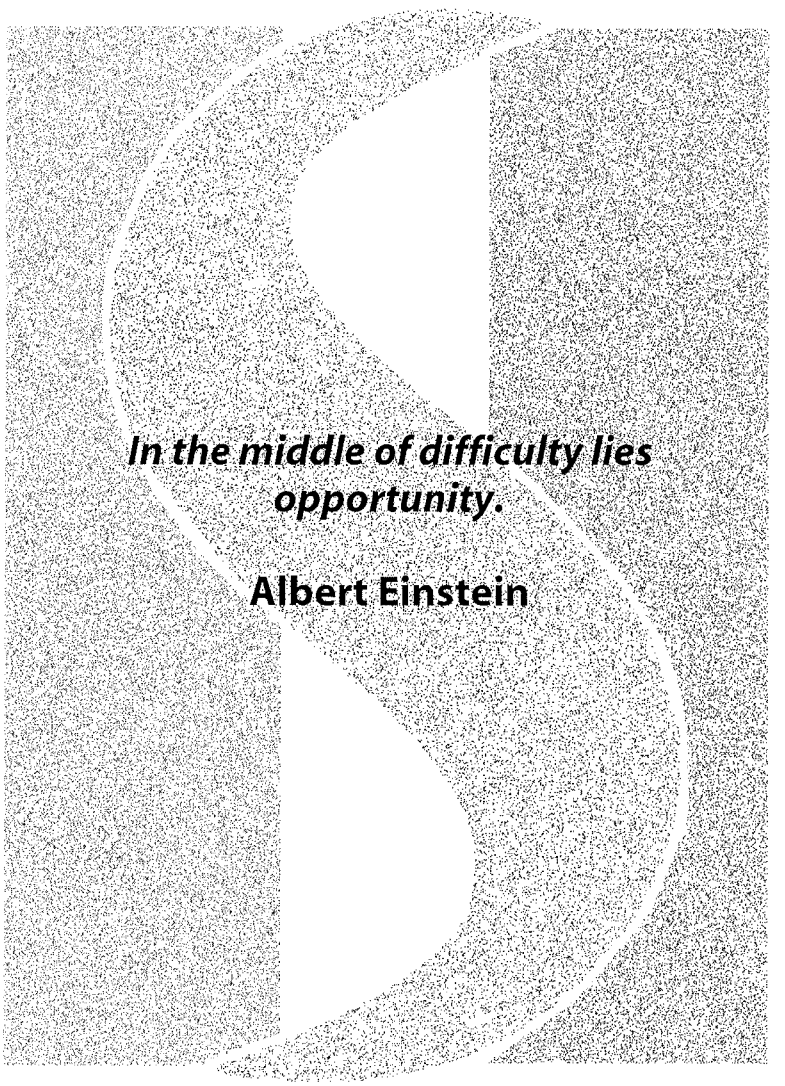
Capital – There is no Capital proposed for this activity.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$761,058	$873,690	$874,440	$943,370	$943,370
Supplies	51,860	40,330	44,100	61,200	61,200
Other Charges	55,313	64,880	66,090	77,010	77,010
Total	$868,231	$978,900	$984,630	$1,081,580	$1,081,580


In the middle of difficulty lies opportunity.
Albert Einstein

Facilities Maintenance

MISSION STATEMENT: ***To maintain all 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 all 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 State and Federal regulations. The maintenance staff is the "nuts and bolts" component of a wide range of projects that have been constructed and completed in-house.

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

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

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

KEY GOALS

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

Did you know?...
...that the City installed an emergency generator at Fire Station #5 that will allow Fire Administration and the Emergency Operations Center (EOC) to remain functional during a major power failure?

Facilities Maintenance

2007/08 PERFORMANCE OBJECTIVES

1. To develop and implement a new preventative maintenance schedule to include the heating and cooling equipment that has been added to the Senior Center and Fire Stations. *(City Goal 1, 3, 6)*

2. To update all the Material Safety Data Manuals to insure that the City is following Right-to-Know guidelines. *(City Goal 1, 3, 6)*

3. To organize and clean the Clinton River Storage Facility, in conjunction with other City departments, to provide easier access to stored documents. *(City Goal 1, 3, 6)*

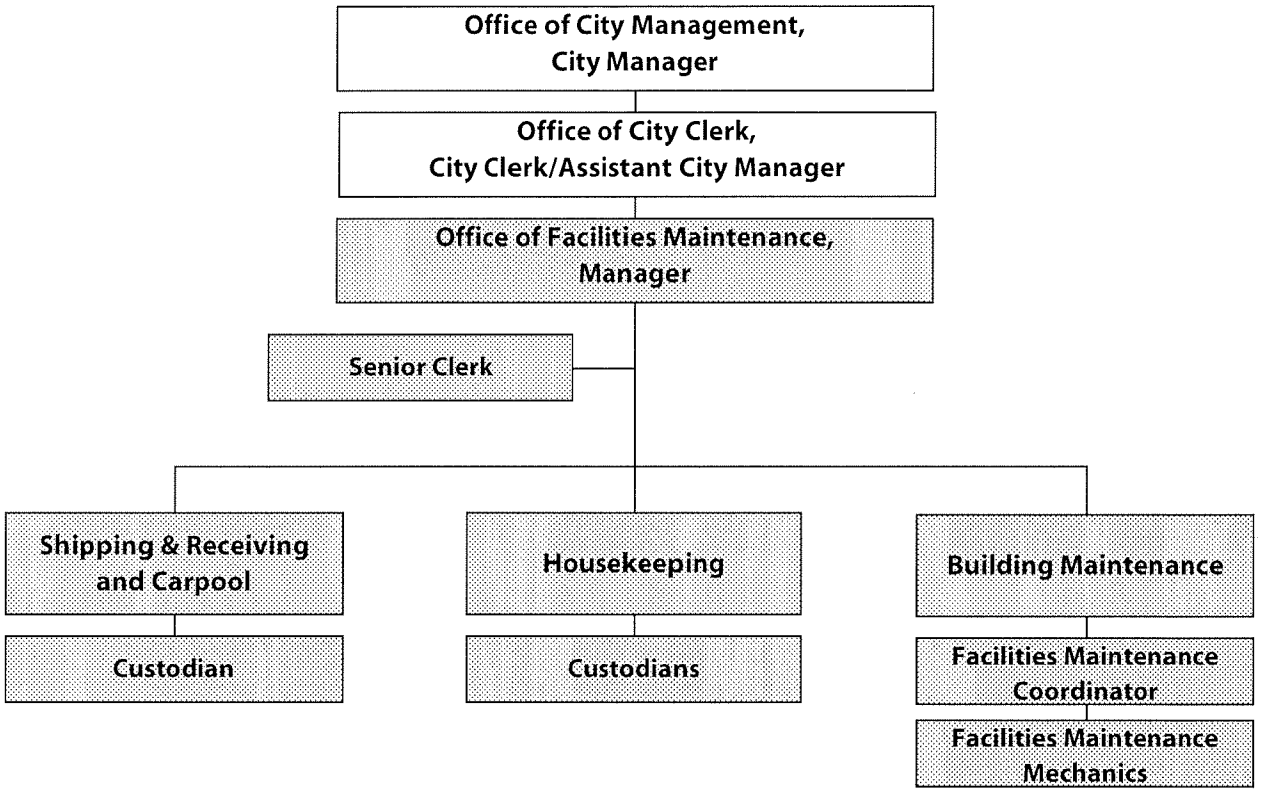
4. To review and evaluate any inefficient heating and cooling equipment in the older City buildings to determine if new equipment is needed. *(City Goal 1, 3, 6)*

5. To conduct an annual comprehensive review of all City facilities including electrical, plumbing, heating/cooling, structural, and roof inspections, in order to identify and develop work maintenance plans. *(City Goal 6)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	City Facilities Supported - Square Feet	280,776	280,776	280,776	280,776	294,911	294,911
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	213,164	213,164	213,164	213,164	227,299	227,299
	Renovations/Projects Supervised/Coordinated	$49,306	$29,200	$67,206	$72,970	$83,170	$60,000
	Interior Preventive Maintenance Cycles	4	4	4	4	4	4
	Exterior Preventive Maintenance Cycles	2	2	2	2	2	2
	Maintenance/Custodial Service Requests Processed	7,550	7,600	7,650	7,500	7,580	7,600
	Post Office Deliveries & Pick-Ups	420	430	435	445	450	445
	UPS Shipments Prepared	60	55	60	65	60	60
	Deliveries to City Council Members	85	94	60	45	45	45
	Car Pool Vehicles Supervised	39	39	42	43	43	43
	Voting Machines Assembled & Delivered	180	180	180	180	180	180
Efficiency & Effectiveness	% of Emg. Call-Ins Responded to w/i 30 minutes	98%	98%	98%	98%	98%	98%
	% of Service Requests Met Within 15 Days	80%	80%	80%	85%	85%	85%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	132.5	130.1	132.2	132.0	131.8	130.0
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	22.3	22.6	22.9	22.2	22.0	21.0
	Overtime/Comp Hours Worked	770	780	950	840	900	870
	Housekeeping Cost Per Square Foot	$4.73	$4.85	$4.83	*	*	*
	Cost to Complete Maintenance Service Requests	$410,602	$424,097	$425,406	*	*	*
	Activity Expenditures as % of General Fund	1.82%	1.77%	1.93%	1.96%	1.88%	1.96%

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

Facilities Maintenance



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Coordinator	1	1	1
Facilities Maintenance Mechanic	2	2	2
Custodian	14	14	14
Senior Clerk	1	1	1
Total	19	19	19

Facilities Maintenance

SUMMARY OF BUDGET CHANGES

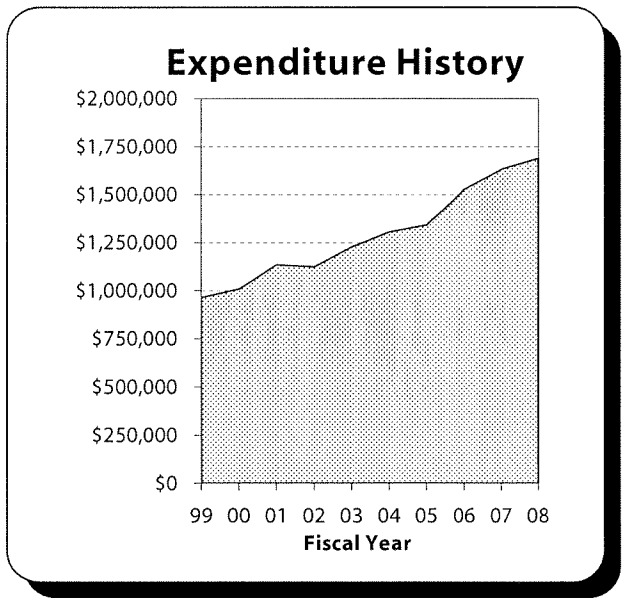
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $62,030 or 4.8%. Wages rose $46,500. Eleven of the 19 full-time employees have less than 5 years of service and as a result are still receiving wage step increases. Part-time wages of $15,000 are no longer needed as this office is now fully staffed. Staff turnover in the prior year has also resulted in lower health and dental insurance costs. An additional $38,440 is budgeted to fund the City's retiree health care obligations.

Supplies – Total Supplies increased $3,800 or 9.2% primarily due to higher historic usage and expected costs to maintain the new Senior Active Life Center.

Other Charges – Total Other Charges decreased $10,520 or 3.4%. Heating costs decreased $8,000 as the continuation of the energy conservation program implemented last year on nights and weekends in City Hall has helped to reduce rising utility costs. Building maintenance costs decreased $1,030 due to a prior year reappropriated encumbrance, offset by higher maintenance costs for the new HVAC equipment at the Senior Active Life Center and the new generator at Fire Station #5. The City will save $1,000 in telephone costs due a recent reduction in Nextel telephone rates. Electric costs decreased $1,000 as the budget can be reduced slightly and brought more in line with prior year actual expenditures.

Capital – Total Capital of $14,500 is proposed for this activity and is budgeted in the Capital Projects Fund.



$14,500 is recommended for a passenger vehicle to replace a deadlined vehicle in the City's motor pool.

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

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

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,184,996	$1,282,120	$1,216,140	$1,344,150	$1,344,150
Supplies	47,106	41,210	45,010	45,010	45,010
Other Charges	294,228	307,960	294,480	297,440	297,440
Total	$1,526,330	$1,631,290	$1,555,630	$1,686,600	$1,686,600

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 sales data on vacant property and homes, 2) compiling rental and lease information for apartments, 3) assembling commercial and industrial information, and 4) auditing personal property accounts. This research process must be done annually to maintain equitable valuations in all classes of property.

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

Assessing information is now 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 continues to keep informed of all new regulations. The Assessing Office is monitored closely by higher taxing authorities (e.g. Macomb County Equalization Department and State Tax Commission) to make sure all necessary guidelines are followed. It is a difficult task 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 over the past four years, industrial companies have committed to investing over $1.2 billion in Sterling Heights under the Industrial Facilities Tax Abatement Program?

Assessing

2007/08 PERFORMANCE OBJECTIVES

1. To continue with the four year program to take exterior digital photographs of all the residential and commercial buildings in the City and have them accessible through the City's website - www.sterling-heights.net. *(City Goal 17, 18)*

2. To continue to implement the reappraisal program, which includes all industrial buildings located in the City. *(City Goal 4, 20)*

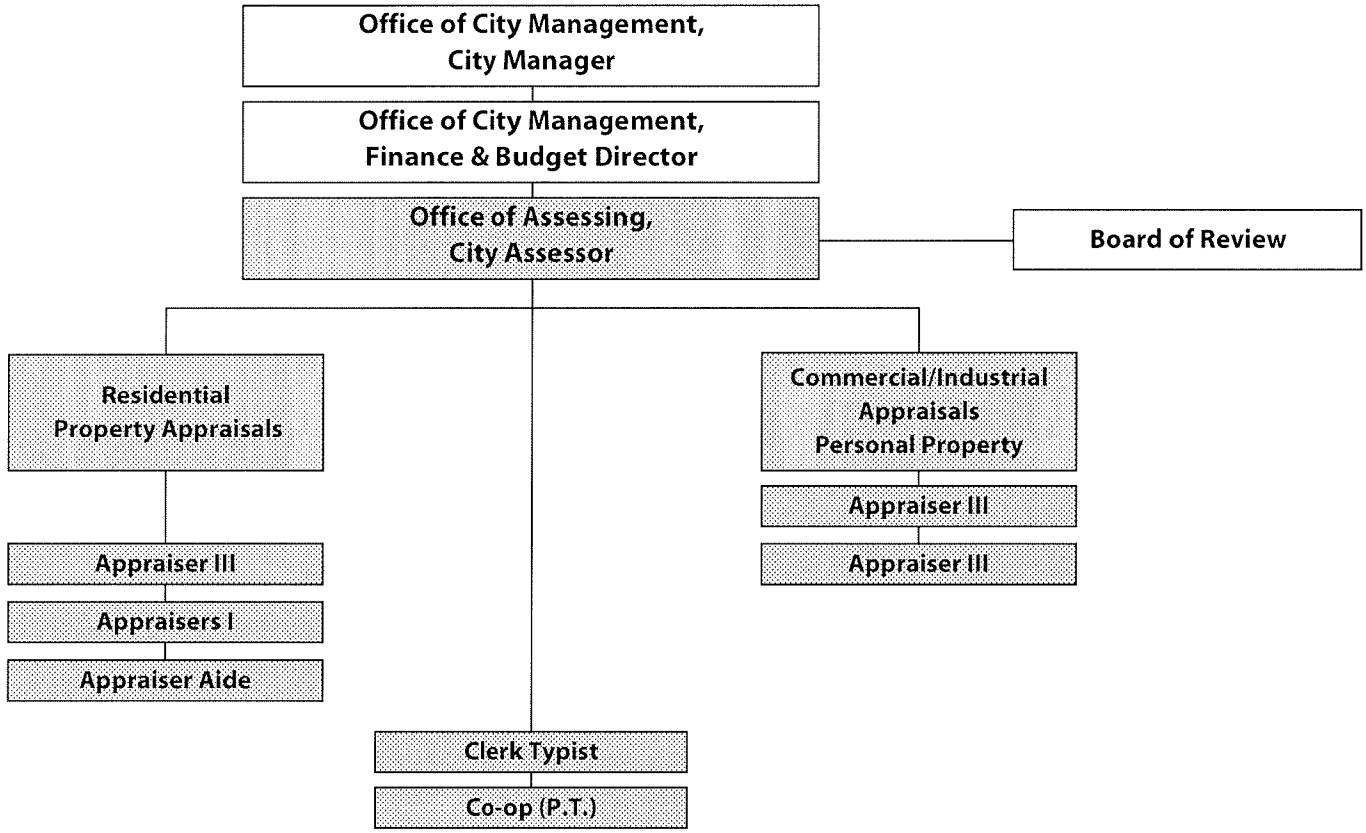
3. To increase the number of audits performed by the City's staff on personal property accounts valued at less than $100,000. *(City Goal 1, 20)*

4. To coordinate with the City's Economic Development Manager and develop new guidelines for the Commercial Facilities Tax Exemption Program recently authorized by State law. *(City Goal 10, 14)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Assessment Notices Processed	45,020	45,671	46,061	47,000	46,600	46,900
	Residential Property Appraisals (including Partials)	967	207	437	400	200	250
	Commercial/Industrial Property Appraisals - Real	13	25	15	25	35	30
	Full Tax Tribunal Applications - Comm/Ind/Personal	6	29	41	30	62	50
	Board of Review Appeals	546	621	703	600	600	675
	Personal Property Audits (Contracted & In-House)	92	519	147	80	80	100
	Property Splits/Combinations Processed	38	34	34	35	20	25
	Resident Tax & Assessing Online Retrievals	143,102	216,555	272,121	240,000	280,000	282,000
	Deeds & Property Owner Updates	5,315	3,133	6,140	5,000	3,800	4,000
	Property Transfer Affidavits Processed	3,569	3,542	3,099	4,000	3,200	3,400
	Homestead Exemption Affidavits Processed	4,831	4,498	3,621	4,320	3,500	3,700
	Industrial Facility Exemption Certifications Approved	12	9	11	10	8	10
	Total Investment resulting from IFEC's (millions)	$459	$553	$36	$25	$170	$150
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)	4.6%	4.5%	4.3%	4.8%	4.1%	3.9%
	Sales Ratio	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
	% Site Plans Reviewed within 2 days	90%	90%	90%	95%	95%	95%
	% Property Splits/Comb. Processed w/i 3 days	90%	90%	90%	95%	95%	95%
	Equalization Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Average Cost to Appraise a Residential Parcel	$2.30	$2.41	$2.44	*	*	*
	Activity Expenditures as % of General Fund	1.00%	1.44%	1.12%	0.99%	0.99%	0.98%

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

Assessing



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Assessor	1	1	1
Appraiser III	3	3	3
Appraiser I	2	2	2
Appraiser Aide	1	1	1
Clerk Typist	1	1	1
Co-op (P.T.)	1	1	1
Total	9	9	9

Assessing

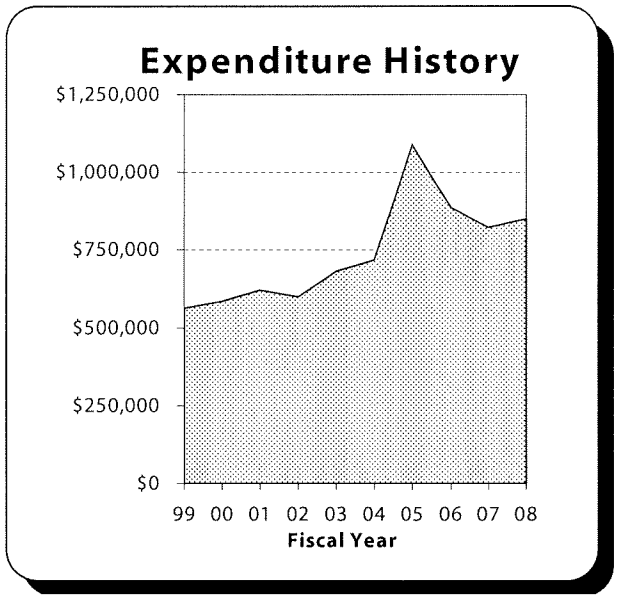
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $60,990 or 8.2%. Wages for full-time employees rose $29,170. Five out of the eight full-time employees are budgeted to receive wage step increases as they are not at their top wage step. Funding for retiree health insurance liabilities rose $25,270. Board of Review wages rose $700 as a result of the increased number of meetings and a wage increase from $12.50 to $13.50 per hour.

Supplies – Total Supplies decreased $220 or 1.1%. The postage budget decreased $400 based on recent years' expenditure levels. $130 was added for the purchase of additional operating supplies, including a laser distance meter. Publication costs rose $50 due to an increase in the cost of the Marshall & Swift manual.

Other Charges – Total Other Charges decreased $33,780 or 56.0% primarily due to the one-time funding of professional appraisal services needed to assist the City in defending the Ford tax appeal in the prior year. The decrease was partially offset by the $4,800 cost of the CoStar Comparable Professional Service contract. This service will allow the City Assessor to access regional market value information for comparable properties to aid in settling tax appeals and thereby reducing future refunds at the Michigan Tax Tribunal. Printing costs decreased $1,620 due to the one-time prior year purchase of updated aerial and property line maps and lower charges to print and sort assessment notices.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$689,078	$741,240	$743,200	$802,230	$802,230
Supplies	18,177	19,870	18,290	19,650	19,650
Other Charges	178,868	60,290	58,740	26,510	26,510
Total	$886,123	$821,400	$820,230	$848,390	$848,390

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, payroll, accounts payable 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 (CAFR) 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 14 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 on a semi-annual basis.

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 is available to all residents.***

Did you know?...
...that Financial Services annually processes nearly a quarter of a million accounts payable invoices, payroll checks and water bills?

Financial Services

2007/08 PERFORMANCE OBJECTIVES *(Accounting)*

1. To coordinate the review and documentation of current internal control processes in preparation for changing auditing standards. *(City Goal 3)*
2. To determine the cost effectiveness of continued internal administration of Section 125 flexible spending accounts. *(City Goal 1, 3)*
3. To implement the new governmental accounting standards in the audited financial statements. *(City Goal 3)*
4. To consolidate the water and sewer funds in order to achieve increased efficiency of the accounting records and the annual audit. *(City Goal 3, 5)*
5. To determine the feasibility of electronic notification of payroll deposits for employees. *(City Goal 3, 17)*
6. To eliminate redundant accounting processes performed by other departments. *(City Goal 3, 17)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Bank Statements Reconciled	300	300	299	324	330	336
	Travel Business Reports Reconciled/Processed	245	283	247	270	270	260
	Correcting Journal Entries Prepared	50	40	53	80	80	80
	Accounts Payable Invoices Processed	18,913	17,992	17,219	18,000	17,400	18,000
	Accounts Payable Checks Issued	9,544	8,884	8,896	9,000	8,800	8,800
	Payroll Checks & Deposit Notices Generated	21,302	22,350	21,507	22,000	21,500	22,000
	G.F.O.A. CAFR Reviews	3	2	4	2	2	2
	Total Retirees/Beneficiaries Receiving Medical Benefits	349	359	382	380	404	424
	Federal Grants Tracked	23	24	30	15	20	20
	Capital Assets Processed	282	394	286	250	250	250
	Audit Workpapers Prepared	167	175	182	175	175	175
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	8.0	9.0	9.0	9.0	9.0	9.0
	% of A/P Invoices Processed within 30 days	98.5%	99.0%	99.0%	99.3%	99.3%	99.3%
	% of A/P Checks Issued Without Error	99.8%	99.8%	98.9%	99.8%	99.8%	99.8%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
	Employees/Retirees Receiving Compensation/Benefits	809	810	828	810	828	828
	Financial Statement Correcting Entries by Auditors	1	1	1	1	1	1
	Financial Administration of Federal Grant Expenditures	$1,575,976	$2,062,355	$3,030,744	$1,200,000	$1,800,000	$1,500,000
	Cost for an Independent Auditor to Perform Audit	$93,590	$91,710	$86,900	$86,900	$88,300	$89,950
	Years Received G.F.O.A. CAFR Award	16	17	18	19	19	20
	Cost to Process an Accounts Payable Invoice	$8.12	$9.00	$9.85	*	*	*
	Cost of Payroll Service Per Employee	$266	$268	$273	*	*	*

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

Financial Services

2007/08 PERFORMANCE OBJECTIVES *(Financial Services)*

1. To assist the City Controller in consolidating the number of water related funds to achieve an increase in efficiency of the accounting records and the annual audit. *(City Goal 1, 3, 5, 17)*

2. To assist in the implementation of new governmental accounting standards (GASB Statements 45 through 49). *(City Goal 1, 5, 20)*

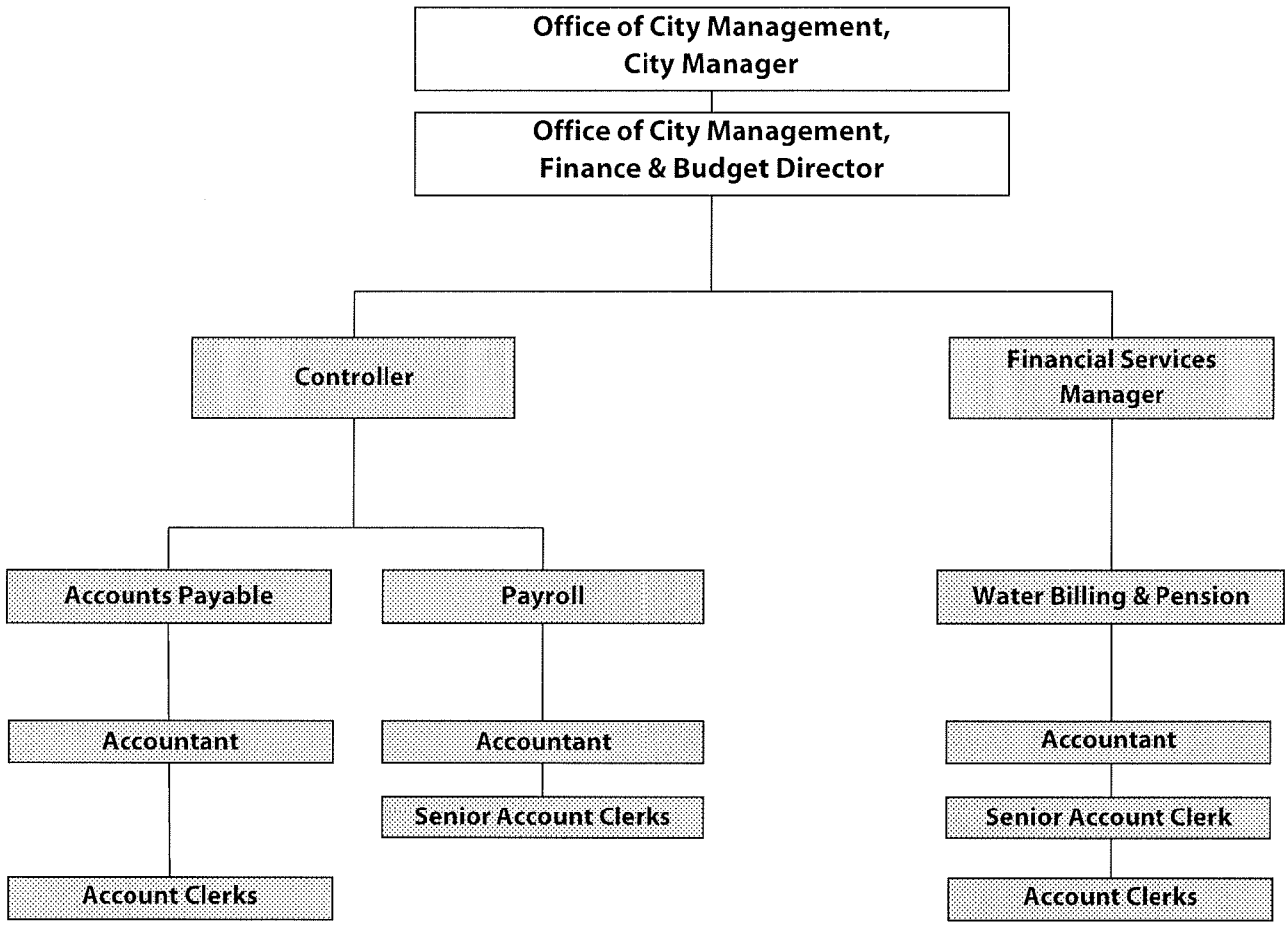
3. To coordinate the issuance of a Request for Proposal (RFP) for custodial and banking services by the General Employees Retirement System's Board of Trustees. *(City Goal 1, 19, 20)*

4. To review and identify any potentially new internal control weaknesses with various City directors and office managers. *(City Goal 1, 3, 5, 7)*

5. To implement and promote a quarterly budget billing option that will allow residents to smooth their water and sewer bills over a one-year period, thereby reducing the impact of high summer consumption. *(City Goal 1, 6, 20)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Water and Sewer Bills Issued	182,123	184,792	188,129	190,000	189,200	190,000
	Final Water Bills Prepared	1,593	1,582	1,387	1,750	1,300	1,430
	Water & Sewer Customer Bill Online Retrievals	9,839	10,902	18,364	18,500	20,600	22,700
	Service Orders Processed by Utility Billing	2,784	2,781	3,233	3,700	3,350	3,400
	Water Bill Adjustments	1,476	1,921	1,654	1,600	1,450	1,500
	Internal Control Reviews Conducted	4	3	3	2	3	2
	Annual % Change in GERS Market Value - Fiscal Year	12.0%	9.6%	7.0%	8.0%	8.2%	8.0%
	3-Year Avg. Return on GERS Investments - Fiscal Year	4.5%	9.5%	12.0%	8.0%	11.0%	8.0%
	Defined Contribution Active Employees	56	62	63	70	84	98
	Defined Benefit Active GERS Employees	299	293	281	272	273	259
	GERS Retirements Processed	12	4	18	12	20	24
	GERS Retirees/Beneficiaries Receiving Benefits	182	182	201	210	210	230
	Pension Calculations Prepared (P&F and GERS)	56	28	54	34	60	60
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	128.9%	124.8%	120.7%	120.0%	124.2%	120.0%
	GERS Asset Allocation - Equities (Goal 64%)	62.8%	65.2%	63.7%	60.0%	68.3%	64.0%
	GERS Asset Allocation - Fixed Income (Goal 32%)	27.8%	24.9%	26.7%	30.0%	26.5%	32.0%
	GERS Asset Alloc. - Hedge Fund-of-Fund (Goal 0%)	4.6%	4.4%	4.6%	5.0%	0.0%	0.0%
	GERS Asset Allocation - Real Estate (Goal 4%)	4.8%	5.5%	5.0%	5.0%	5.2%	4.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.61	1:0.62	1:0.72	1:0.74	1:0.77	1:0.88
	% of Water & Sewer Bills Adjusted	0.81%	1.04%	0.88%	0.85%	0.77%	0.75%
	Activity Expenditures as % of General Fund	1.43%	1.42%	1.43%	1.46%	1.46%	1.49%

Financial Services



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Controller	1	1	1
Financial Services Manager	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

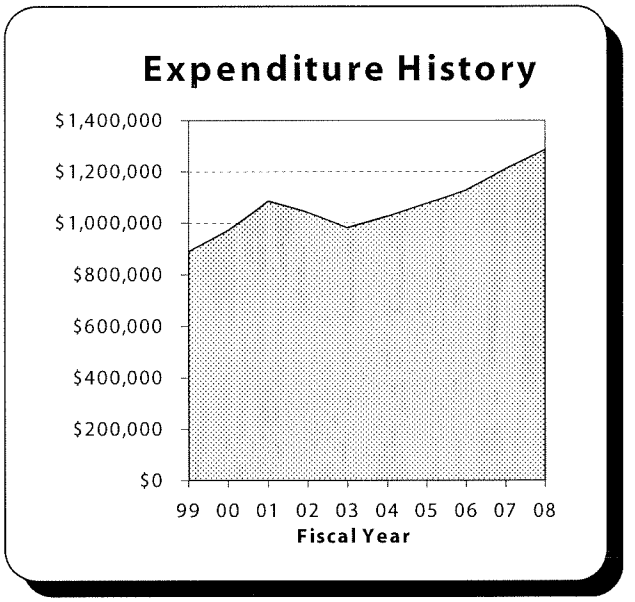
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $68,730 or 6.6%. Wages for full-time employees increased $23,260. Overtime and compensatory time costs decreased $4,000 as a result of increased efficiencies in the office. Hospitalization costs rose $10,120 or 7.3%. An additional $31,610 is budgeted to fund retiree health care liabilities.

Supplies – Total Supplies increased $1,720 or 2.9%. Postage funding increased $1,750 based on an anticipated postal rate increase and a greater number of water bills to be mailed next year. The office will save $100 as certain professional publications are purchased on a two-year subscription basis.

Other Charges – Total Other Charges increased $3,780 or 3.4%. Equipment maintenance costs increased $3,670 due to an increase in the MUNIS licensing, software support and maintenance fees. Telephone costs rose $450 based on the current year's estimated expenditure usage. Funding for educational conferences increased $200 due to the higher costs to attend the annual MUNIS User's Conference in Boston next year. This increase was partially offset by a savings in overnight lodging costs for next year's MGFOA Conference. The cost of existing memberships increased $110. Contracted services decreased by $500 as less microfilming is needed due to the scanning of additional documents through the Munis computer system.

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.

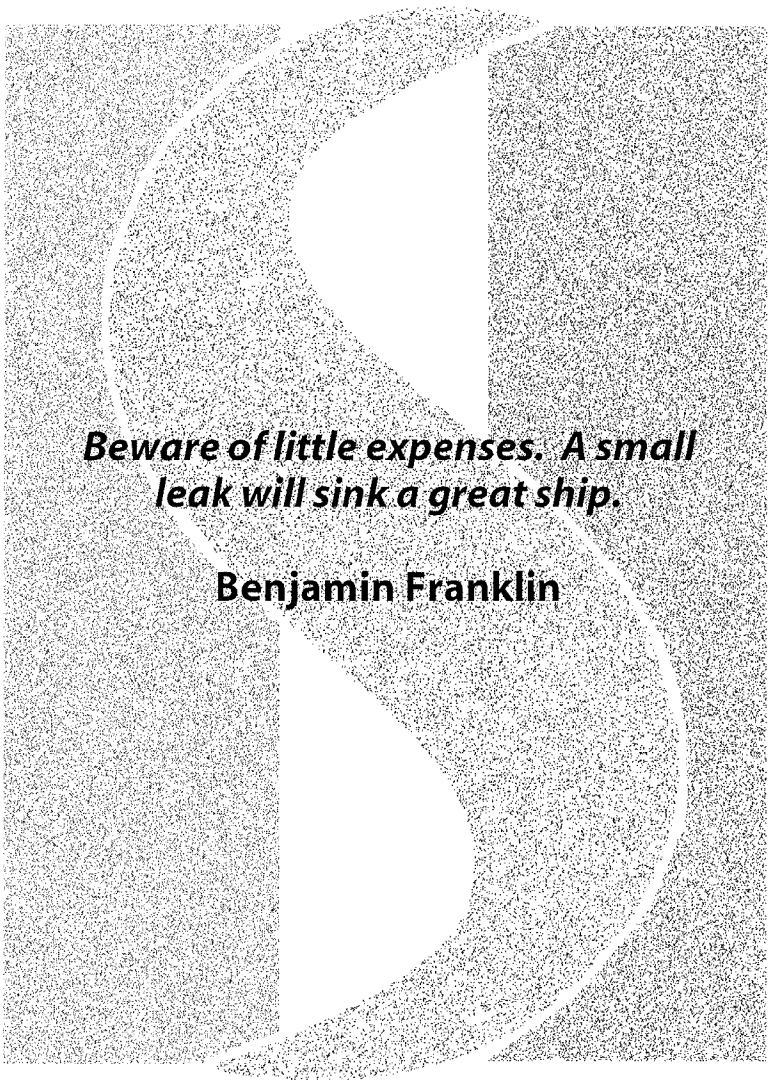
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$964,170	$1,038,320	$1,035,750	$1,107,050	$1,107,050
Supplies	58,752	60,200	60,070	61,920	61,920
Other Charges	105,232	112,660	112,500	116,440	116,440
Total	$1,128,154	$1,211,180	$1,208,320	$1,285,410	$1,285,410


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 purchase requisitions are screened for compliance.

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

The issues involving ethical standards of purchasing are continually 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 personnel on the use of on-line requisitioning, use of purchasing cards, Internet purchases of office supplies, and coordinating all office, cable television, and Print Shop equipment maintenance. Determination is made for equipment replacement, service contracts, and/or vendor performance. The Purchasing Office also provides microfilming services for most City departments.■

KEY GOALS

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

Did you know?...
...that the City participates in a number of cooperative bids with not only the State of Michigan and Oakland and Macomb Counties, but individual municipalities in addition to the bids and quotes we conduct on our own each year?

Purchasing

2007/08 PERFORMANCE OBJECTIVES

1. To work with the MUNIS software company on enhancements to the purchasing module including fiscal year-end procedures as well as general operational improvements. *(City Goal 18)*

2. To create and implement an informational color brochure on "How to do Business with the City". The brochure will be distributed to vendors and residents explaining the City's procedure for bids, quotes, proposals and surplus auction services. *(City Goal 3)*

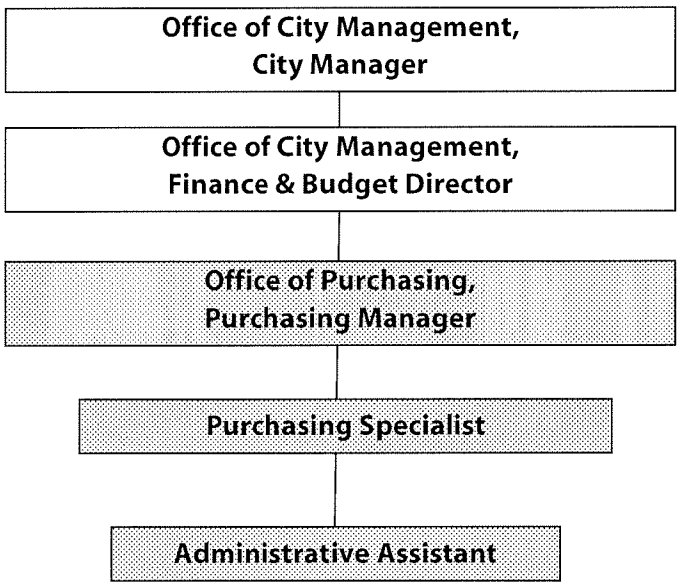
3. To research the cost and benefit of using compact discs as the duplicate copy of the City's microfilmed records, which would allow computer access to archived files. *(City Goal 17, 18)*

4. To update the City's Purchasing Ordinance to reflect recent E-procurement advancements. *(City Goal 3)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Purchase Orders Processed	1,324	1,199	1,073	1,200	1,100	1,100
	Bid Solicitation Occurrences	67	73	59	73	65	70
	Bid Responses Reviewed	494	505	386	425	390	420
	Written Quotation Solicitation Occurrences	20	18	18	20	20	25
	Written Quotation Responses Reviewed	97	114	112	100	100	125
	Vehicles Administratively Processed for Auction	319	321	178	0	0	0
	Hours Worked on Requests for Proposals (RFP's)	78	181	159	200	210	175
	Number of Purchasing Card Transactions	1,930	1,936	1,891	1,900	2,000	2,000
	Purchasing Card Transaction Volume	$297,492	$284,081	$273,587	$300,000	$300,000	$300,000
	Equipment Repairs Scheduled	86	69	65	65	65	70
	Hours of Job Training Received	40	35	33	40	47	64
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	90%	90%	88%	85%	92%	92%
	% of P.O.'s Issued Under $500	32%	35%	22%	25%	21%	20%
	% of Bids Issued w/i 30 days of Specifications	85%	85%	85%	85%	85%	85%
	Avg. Days to Process a P. O. (informal pricing)	7	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	$112,358	$120,235	$55,859	$90,500	$50,500	$50,500
	Cost to Issue a Purchase Order	$65	$72	$79	*	*	*
	Average Cost to Go Out to Bid	$1,502	$1,549	$1,409	*	*	*
	Average % Savings Through Bid Process	25%	25%	25%	35%	35%	35%
	Activity Expenditures as % of General Fund	0.42%	0.42%	0.41%	0.41%	0.41%	0.41%

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

Purchasing



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

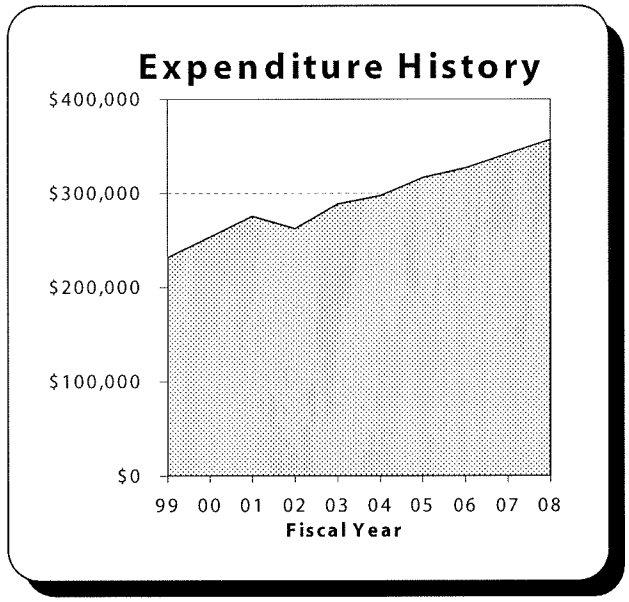
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $15,640 or 5.3%. Higher retiree medical obligations resulted in a $9,660 increase. All employees are budgeted to receive between a 2.8% and 3% wage increase next year. Compensatory time costs fell by $1,000. Due to recent contract changes, defined contribution costs fell by $6,060, while health insurance costs rose by only 2.2%.

Supplies – Total Supplies decreased $550 or 25.0%. Postage costs decreased $500 as the mailing of abandoned vehicle auction notices is no longer necessary and a greater number of vendor bid notices and requests for proposals are being distributed electronically.

Other Charges – Total Other Charges decreased $180 or 0.4%. $5,000 was added to the budget due to the increased number of City records which need to be microfilmed. $120 was added for the increased costs of training and attendance at regional Purchasing meetings. $4,400 was saved, as fewer City-wide equipment repairs have been needed in recent years. Membership costs will decrease by $400 as a one-time registration fee for the Excellence in Procurement award was funded in the prior year. Publishing costs decreased $400 and rental costs decreased $100, as both can be brought more in line with prior year 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$277,675	$294,060	$292,250	$309,700	$309,700
Supplies	1,938	2,200	1,330	1,650	1,650
Other Charges	47,069	45,780	45,630	45,600	45,600
Total	$326,682	$342,040	$339,210	$356,950	$356,950

Treasury

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

Established by the City Charter, the mission and functions of 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 both 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 have undergone significant improvements.

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

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

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

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.***

Did you know?...
...that in addition to Treasury, Parks & Recreation and 41-A District Court, payments made at the Library will soon be able to be made using VISA, MasterCard and Discover?

Treasury

2007/08 PERFORMANCE OBJECTIVES

1. To streamline Treasury's procedures with the County for collecting delinquent personal property taxes while remaining focused on business retention. *(City Goal 2, 8, 20)*

2. To strengthen internal controls over cash payments in the event of a natural disaster involving City Hall. *(City Goal 3, 25)*

3. To issue a Request for Proposals (RFP) for a merchant service provider to process credit card transactions. *(City Goal 6, 18)*

4. To investigate placing delinquent summer tax notices on the winter tax bill. *(City Goal 2, 3)*

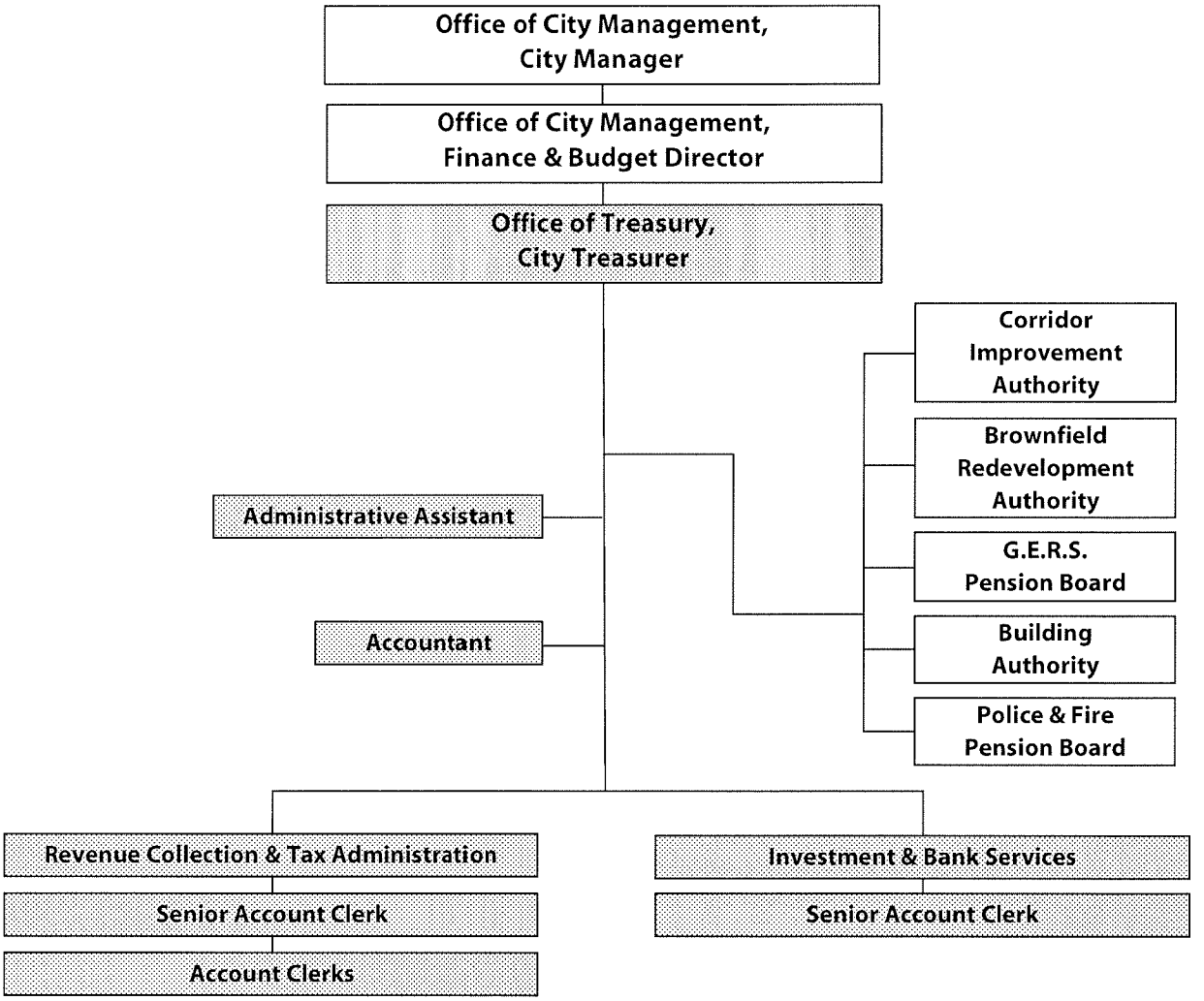
5. To consider the addition of a 6% annual penalty to liens as a result of non-payment of monies owed to the City. *(City Goal 3, 20)*

6. To research the possibility of shifting the small remaining winter tax to the summer tax bill to reduce collection costs. *(City Goal 3, 20)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Tax Bill Payments Processed - Manually (incl. partials)	42,233	18,555	23,969	18,500	23,034	19,000
	Tax Bill Payments Processed - Electronically	26,019	28,604	28,952	29,500	29,768	29,700
	Tax Bill Payments Processed - Lock Box	18,817	38,486	37,033	37,500	36,575	37,000
	Special Assessment Parcels Billed	300	251	185	110	97	100
	Invoices Billed	2,476	3,626	4,912	5,400	4,075	4,000
	Investments Bought/Sold - Number of Transactions	301	299	329	300	300	300
	Tax Adjustments Processed	1,155	1,652	1,245	1,200	977	1,000
	Resident Tax & Assessing Online Retrievals	143,102	216,555	272,121	240,000	280,000	282,000
	Cash Receipts Processed by Treasury Personnel	66,371	68,795	71,875	78,600	69,236	71,000
	City-wide Credit Card Transactions	7,092	9,572	12,688	10,500	13,650	14,500
	Dollar Value of All Credit Card Transactions	$864,523	$1,337,809	$2,054,716	$1,750,000	$2,200,000	$2,500,000
	# of Online/IVR Credit Card Tax Payments	161	199	301	300	306	310
	Summer Tax Deferments	181	208	247	350	366	400
Efficiency & Effectiveness	% of Real & Personal City Property Tax Levy Collected	97%	97%	97%	97%	97%	97%
	Average Rate of Return on Investments	1.51%	2.34%	4.69%	4.75%	5.25%	5.25%
	Average 6 Month T-Bill Rate	1.11%	1.80%	4.40%	3.65%	4.90%	4.90%
	City's Return as a % of 6 Month T-Bill	1.36%	1.30%	1.07%	1.30%	1.07%	1.07%
	% of Portfolio Invested in Active Market	77.1%	78.5%	81.7%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	$0.9	$1.4	$2.5	$2.4	$3.2	$3.4
	Police & Fire Pension System - % Funded	122.5%	120.2%	122.5%	120.0%	130.7%	125.0%
	Ratio of Active P&F Employees to P&F Retirees	1:0.79	1:0.82	1:0.84	1:0.87	1:0.87	1:0.91
	Average Cost to Process a Billing Invoice	$5.32	$5.03	$4.97	*	*	*
	Activity Expenditures as % of General Fund	0.90%	0.88%	0.90%	0.92%	0.91%	0.94%

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

Treasury



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Treasurer	1	1	1
Accountant	1	1	1
Senior Account Clerk	2	2	2
Administrative Assistant	1	1	1
Account Clerk	4	4	4
Total	9	9	9

Treasury

SUMMARY OF BUDGET CHANGES

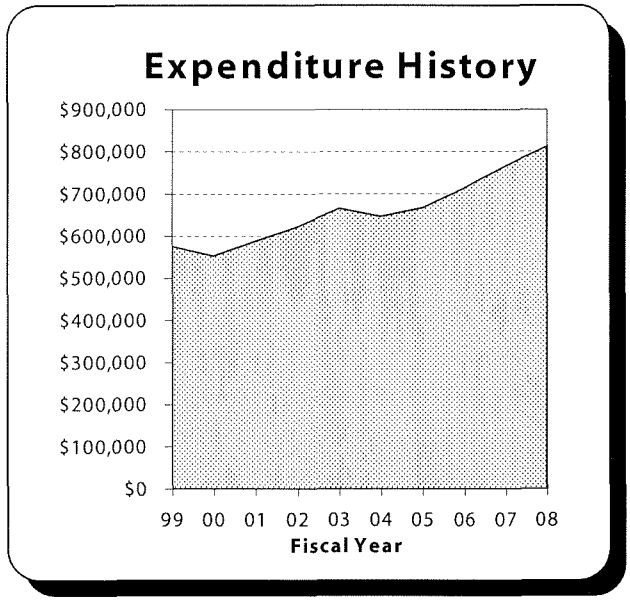
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $42,210 or 6.2%. Wages for full-time employees increased only $5,400 or 1.2% due to staff turnover in the prior year. Hospitalization costs rose $19,670 due to a rate increase, as well as one employee is now electing to receive health coverage in lieu of the health insurance allowance. An additional $19,640 is budgeted to fund retiree health insurance liabilities.

Supplies – Total Supplies increased $1,800 or 4.5%. Postage costs increased $1,700 due to an expected postal rate increase. Funding for the IDC rating subscription increased by $100.

Other Charges – Total Other Charges increased $1,480 or 3.6%. Rental costs increased 1,200 due to an increase in the annual lease payment for the investment tracking and reporting software program. $470 was added to the budget due to an increase in existing BS&A and false alarm billing software support fees. Funding increased $300 as a greater number of checks and notices of deposit need to be printed. Credit card fees decreased $500 as the budget can be brought more in line with actual costs experienced over the past several years. Funding for telephone costs decreased $100 due to a revised allocation of City telephone expenditures.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$637,816	$685,440	$675,270	$727,650	$727,650
Supplies	38,919	39,850	39,950	41,650	41,650
Other Charges	36,879	41,380	40,660	42,860	42,860
Total	$713,614	$766,670	$755,880	$812,160	$812,160

07
08

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 and directs the Parks & Recreation Advisory Committee
- Coordinates park and facility planning and development
- Oversees program development throughout the 13 department functions

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 special interest classes
- Offers youth recreational and performing arts classes
- Offers year-round swim instructional classes for all ages and skill levels
- Offers adult and youth athletic classes and camps

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

- Inspects park facilities
- Provides park supervision
- Manages activities conducted at the Senior Center
- Augments staff at City events
- Recommends maintenance needs to Department of Public Works
- Oversees skating rink
- Participates in park and facility development

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
- Coordinates programs in the Senior Center gymnasium

Special Events

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

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
- Provides the opportunity for State and National competition

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 $170,320 or 7.1%. Personnel costs rose by $145,230 or 7.6%. Wages rose by $53,370 due to additional part-time staff for the Senior Active Life Center, as well as a slight increase for existing part-time employees due a change in the State's minimum wage. An additional $44,220 is budgeted for higher retiree medical costs. Supply costs declined by $9,850 or 8.0% as funding for program supplies can be brought more in line with actual expenditure trends experienced the last several years. Other Charges increased by $34,940 or 9.7% mainly for the cost of daily programming and operations of the new senior recreation center. The capital budget includes funding for replacement ball diamond fencing at Delia Park, a replacement pick-up truck utilized in park operations, and twenty-nine replacement personal computers for the Parks & Recreation building, Nature Center and Senior Center.

FUNDING LEVEL SUMMARY

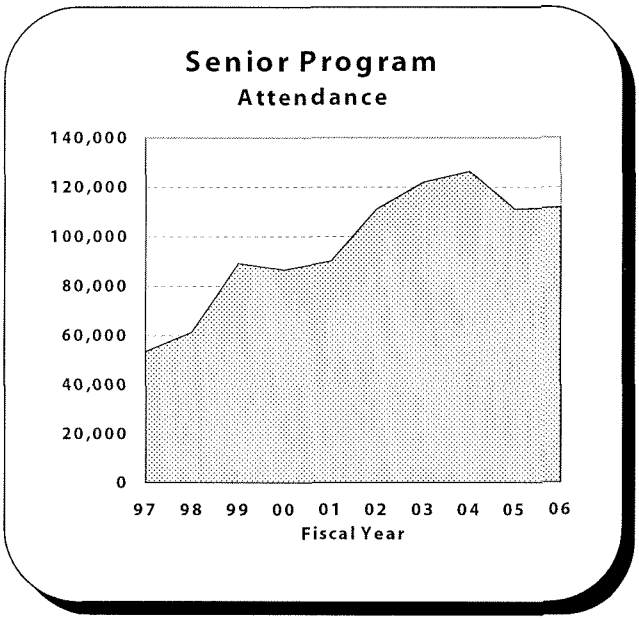
	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Parks & Recreation	$2,195,030	$2,314,150	$2,398,890	$2,569,210	7.1%
Total Department	$2,195,030	$2,314,150	$2,398,890	$2,569,210	7.1%
Personnel Services	$1,704,560	$1,832,070	$1,917,350	$2,062,580	7.6%
Supplies	111,880	103,820	123,100	113,250	-8.0%
Other Charges	378,590	378,260	358,440	393,380	9.7%
Total Department	$2,195,030	$2,314,150	$2,398,890	$2,569,210	7.1%

PERSONNEL SUMMARY

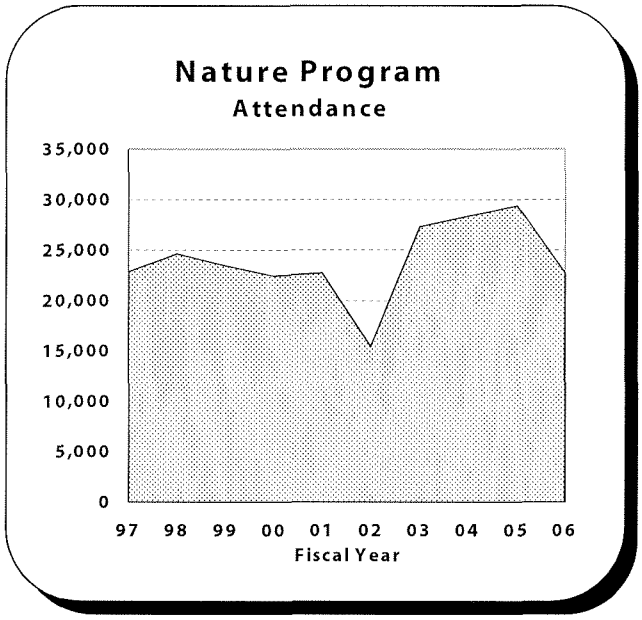
	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	16	0	16	0	16	0	16	0
Total Department	16	0	16	0	16	0	16	0

KEY DEPARTMENTAL TRENDS

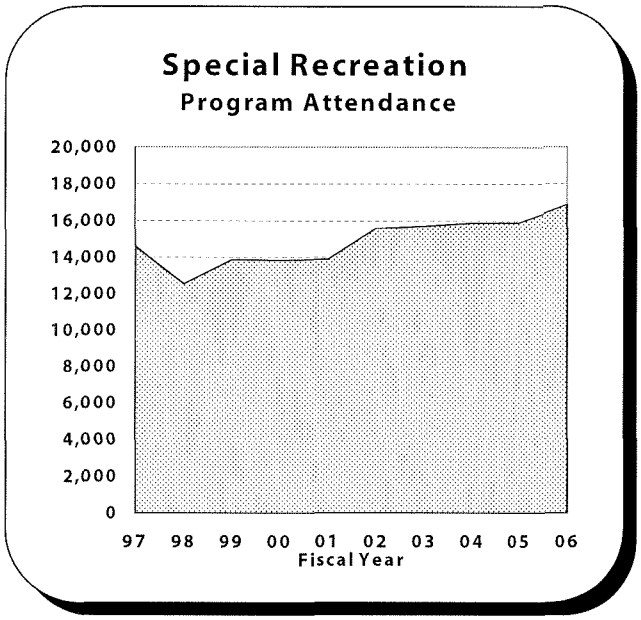
Parks & Recreation Department



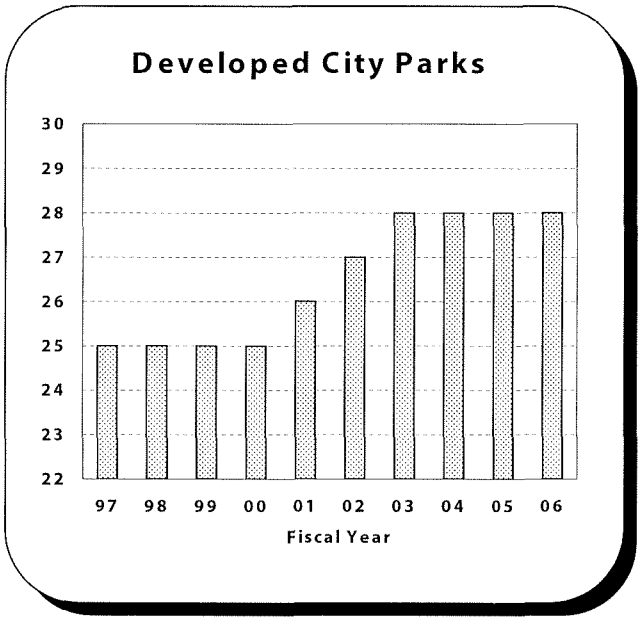
Senior program attendance has increased over the past ten years by 109%, from 53,431 to 111,610 participants. In 2007, a 14,000 sq. ft. gymnasium addition to the Senior Center, paid with federal Community Development Block Grant dollars, will open. The number of senior and special recreation transportation riders has nearly doubled since 1997.



The City's Nature Center was closed for a portion of 2002 as the City constructed a 2,250 square foot addition. When construction was finished, attendance rebounded to reach a ten-year high of 29,360 visitors in 2005. Attendance decreased to 22,750 in 2006.



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



The number of parks has increased by 12% over the past 10 years from 25 in 1997 to 28 in 2006. In the past six years Rotary, Moravian, and Avis Drive Parks have been developed increasing the amount of land devoted to recreational purposes to 820 acres. In 2006, we completed the bike hike trail from Riverland Drive to Van Dyke, paved the Delia Park entrance and south parking lot, repaired the Delia Park tennis courts, installed three outdoor bocce ball courts at the Senior Center, and replaced the Imus Park sign. In 2007, we purchased new bleachers and replaced ball diamond fencing at Delia Park.

Parks & Recreation

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

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

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

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

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

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

Teens can participate in most programs offered including 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, film/lecture series and more.

Park Operations monitors 659 acres of major parks and 167 acres of neighborhood parks including two major athletic parks, one major passive/picnic park, 21 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, and medical services.

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 as per the Major Parks and Facilities Conceptual Development Plan.***
- ***To provide positive play opportunities to the youth and teens of our community through wholesome and well-rounded programs and recreational venues.***
- ***To closely monitor our parks and facilities to ensure a safe and clean environment for the resident users.***
- ***To work with City administration and other City departments to help achieve the City's goals.***

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.

The Parks & Recreation Director is the liaison to the Parks & Recreation Development Advisory Committee. This seven-member committee, established in 2005, studies, advises, and makes recommendations to City Council regarding the development of parks and facilities using the Major Parks and Facilities Conceptual Development Plan.■

Did you know?...
...that the City's Nature Center attracts 23,000 drop-in visitors and program participants a year with its exceptional displays, interactive programs, and friendly, knowledgeable staff?

Parks & Recreation

2007/08 PERFORMANCE OBJECTIVES

1. To evaluate the physical condition and future usefulness of the City's nine Magic squares and to determine to what extent the facilities are to be improved or eliminated. *(City Goal 13, 26)*

2. To develop new and innovative programs for the Senior Activity Center Gymnasium. *(City Goal 14, 26)*

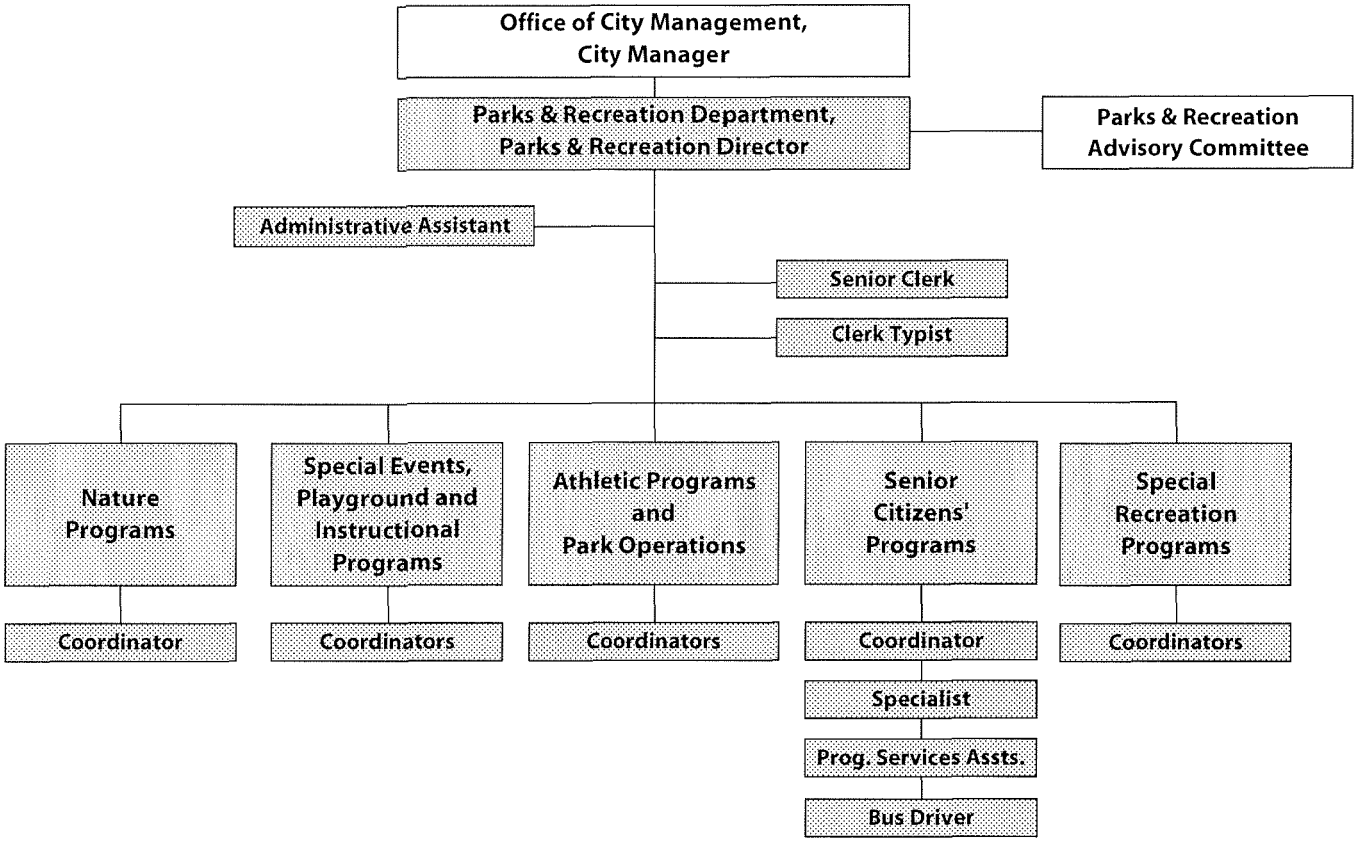
3. To expand and develop new teen programming by utilizing schools, the Recreation Center and other resources. *(City Goal 2, 26)*

4. To inspect all park facilities with the Public Works Department to identify and review work maintenance priorities and schedules. *(City Goal 6, 26)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Instructional & Aquatics Class Attendance	33,925	34,560	36,970	35,000	33,000	33,000
	Special Event Participants	68,500	71,930	72,725	72,000	73,000	74,000
	Special Recreation Program Attendance	15,870	15,895	16,870	16,000	16,200	16,400
	Adult & Youth Athletic Program Attendance	70,060	69,150	68,960	70,000	70,000	72,000
	Nature Program Participants	28,350	29,360	22,750	23,000	22,800	22,800
	Teen Only Program Attendance	700	853	820	820	820	820
	Number of Internet Registrations	952	1,961	2,513	2,600	2,600	2,700
	Summer Playground Registrations	788	748	723	1,200	1,000	1,000
	Park Playground Equipment Replaced	2	2	1	1	1	0
	Senior Center Activities Attendance	126,280	111,020	111,610	112,000	112,000	132,000
	Community Center Special Activity Use Attendance	21,400	22,580	25,370	23,000	24,000	25,000
	Senior Home Chore & Repair Jobs	1,467	1,776	1,490	1,500	1,500	1,500
	Senior & Special Recreation Transportation Riders	24,611	18,948	18,400	20,000	19,000	20,000
Efficiency & Effectiveness	P & R Revenue Earned per Capita	$3.21	$3.36	$3.56	$3.53	$3.65	$4.19
	% of Refunds Due to Dissatisfaction	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%
	Developed Park Acres per 1,000 Residents	6.5	6.5	6.5	6.5	6.5	6.5
	% of Park Acres Developed	85.4%	85.4%	85.4%	85.4%	85.4%	85.4%
	Full-time Equivalent Staff per 100,000 Population	43	44	44	44	44	44
	Nature Center Cost per Visitor	$6.53	$6.29	$7.43	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	$10.70	$14.32	$14.55	*	*	*
	Department Cost per Capita	$17.21	$17.39	$18.22	$18.81	$18.66	$20.07
	Activity Expenditures as % of General Fund	3.02%	2.90%	2.93%	2.89%	2.88%	2.98%

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

Parks & Recreation



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

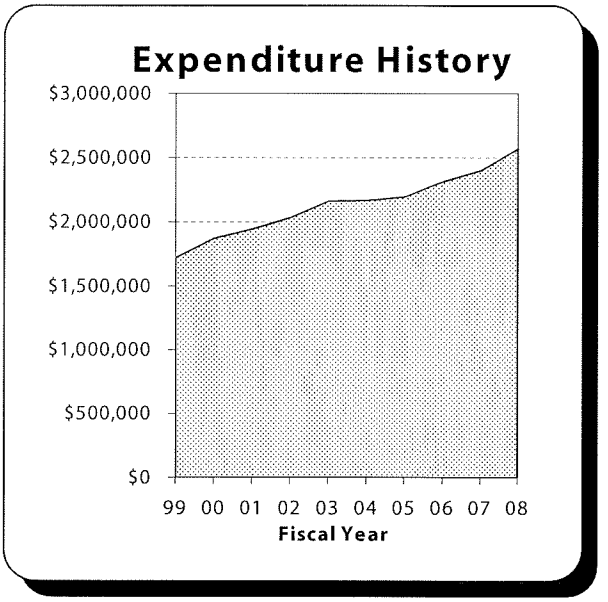
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $145,230 or 7.6%. Wages for full-time employees rose $33,380. Part-time wages increased $53,370 due to additional part-time staff for the Senior Active Life Center as well as a slight increase for existing employees due to a change in the State's minimum wage. Health insurance costs rose $1,770 as an additional employee has elected to receive the health insurance allowance in lieu of medical coverage. An additional $44,220 is budgeted to fund retiree health insurance liabilities.

Supplies – Total Supplies decreased $9,850 or 8.0%. The budget for program supplies decreased $9,450 and postage fell by $400 as funding can be brought more in line with recent expenditure levels. Supplies for the new senior gym were purchased with the building construction funds.

Other Charges – Total Other Charges increased $34,940 or 9.7%. The majority of the increase is due to the daily programming and operational costs of the new Senior gym. Electric and telephone costs for existing facilities also increased. $1,000 was added as more program flyers and team schedules will be printed. Credit card fees increased $800 based on a higher number of registration payments processed. $200 was added for one additional staff member to attend the Michigan Recreation and Park Conference. Rental costs decreased $4,320 based on prior year actual expenditures.

Capital – Total Capital of $117,100 is proposed. $16,000 is for a ½ Ton Pick-Up Truck to replace a 105,000-mile vehicle used for park supervision and moving equipment. The Department is scheduled to receive 29 personal computers totaling $34,800 to replace the existing five-year old units. $66,300 is for the replacement of ball diamond fencing at Delia Park.



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.

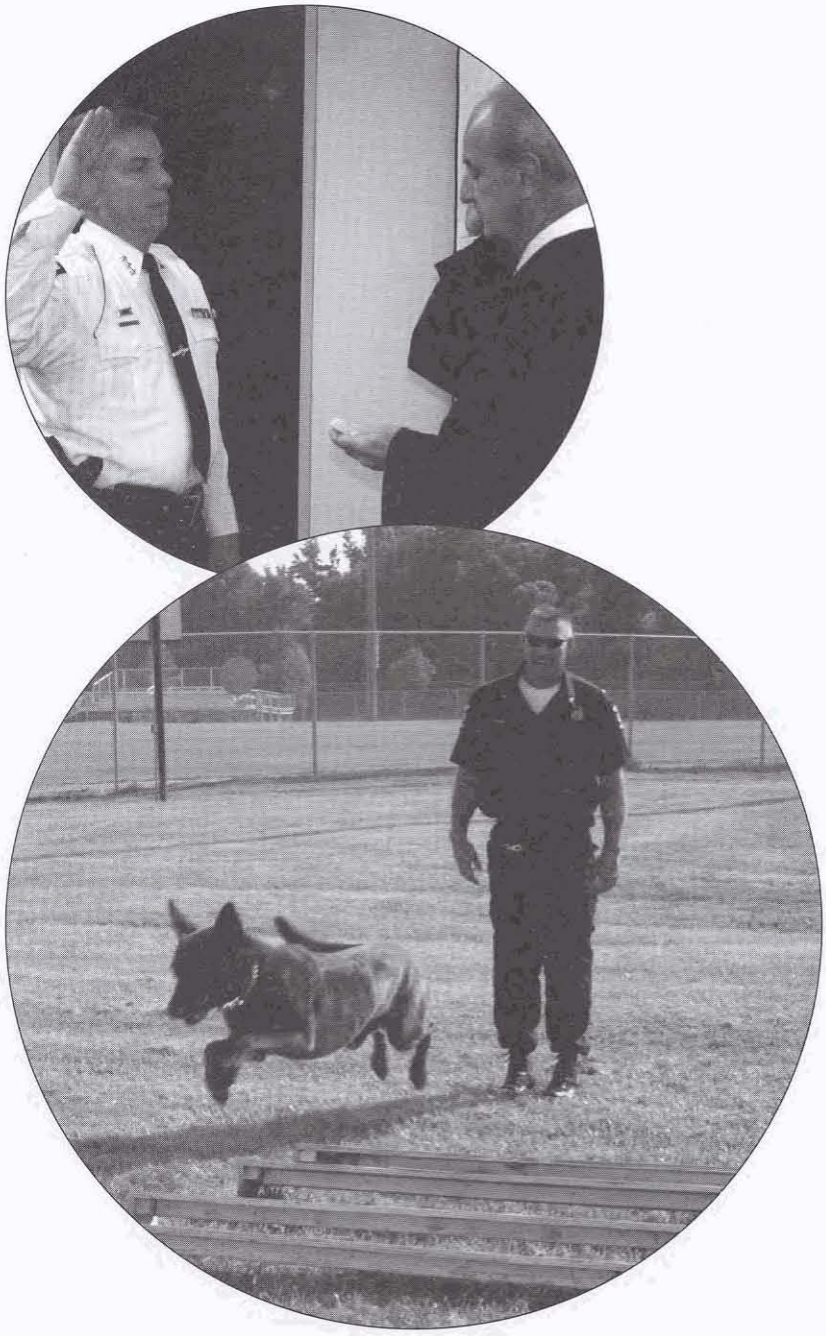
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,832,074	$1,917,350	$1,916,390	$2,062,580	$2,062,580
Supplies	103,817	123,100	107,300	113,250	113,250
Other Charges	378,259	358,440	356,070	393,380	393,380
Total	$2,314,150	$2,398,890	$2,379,760	$2,569,210	$2,569,210

07
08

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department

Police Administration

- Administration of department's divisions
- Provides public information and responses to citizen complaints
- Investigates allegations of misconduct by department members
- Regulates the sale of alcoholic beverages
- Coordinates departmental responses to litigation
- 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
- ***Community Services Bureau*** – provides crime prevention and public safety information including the D.A.R.E. program
- ***Training Bureau*** – coordinates training, monitors changes in law, responds to lawsuits
- ***Special Investigations Bureau*** – conducts background investigations

Police Investigations

- ***Detective and Youth Bureaus*** – handle cases involving adults and juveniles, case law, conducts follow-up
- Investigates check fraud, serves warrants and performs technical polygraph examinations
- ***Crime Suppression Unit*** – enforces all controlled substance violations, gambling, prostitution and other vice crimes
- Conducts surveillances, apprehends people committing criminal acts

Police Operations

- ***Traffic Safety Bureau*** – investigates vehicle accidents, assists the injured, enforces traffic codes
- Coordinates all Crossing Guard activity with Warren Consolidated and Utica Community Schools
- ***Patrol Bureau*** – 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

Police 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 Unit*** – 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 Police Department budget increased by nearly $1.5 million or 5.5%. Rising personnel costs accounted for the entire increase. Personnel costs rose 5.8%. Wages increased by $561,210. Actuarially determined employer contributions to the pension system fell by $571,120. The budget includes an additional $1.4 million to fund the department's retiree medical obligations. Health insurance costs fell by $110,000 or 4.3% due to recent labor contract changes. Two new Police Officers, assigned to the road in Police Operations, are proposed to replace a vacant Police Captain's position. Both Supplies and Other Charges decreased due to increased operating efficiencies in the department. Additional training funds are budgeted for department personnel. The capital budget includes funding for 87 replacement personal computers, twenty-one replacement vehicles, and a new radio tower and microwave dish for the new 800 MHz Public Safety Radio System.

FUNDING LEVEL SUMMARY

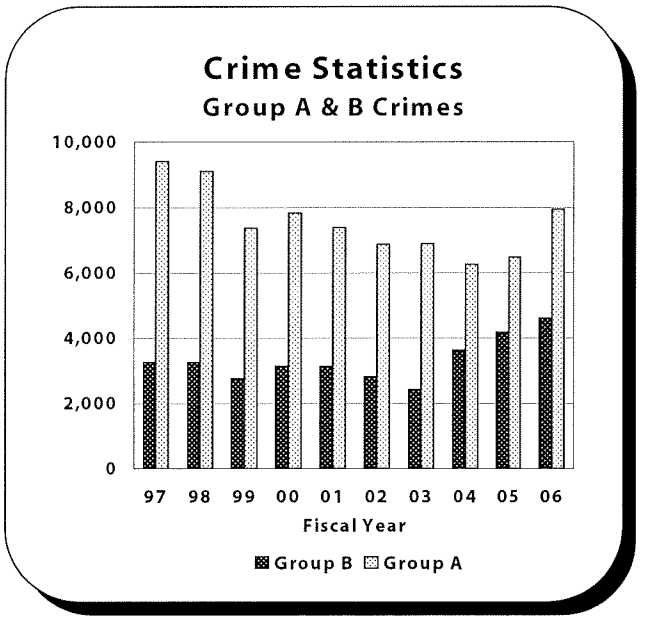
	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Police Administration	$3,940,350	$4,050,940	$2,928,300	$2,826,320	-3.5%
Police Investigations	2,694,650	3,337,330	4,931,070	5,259,850	6.7%
Police Operations	15,168,690	14,662,390	15,488,080	16,508,950	6.6%
Police Support Services	2,896,830	3,026,730	3,242,780	3,456,470	6.6%
Total Department	$24,700,520	$25,077,390	$26,590,230	$28,051,590	5.5%
Personnel Services	$23,860,760	$24,337,500	$25,851,950	$27,354,690	5.8%
Supplies	140,090	134,470	159,980	156,100	-2.4%
Other Charges	699,670	605,420	578,300	540,800	-6.5%
Total Department	$24,700,520	$25,077,390	$26,590,230	$28,051,590	5.5%

PERSONNEL SUMMARY

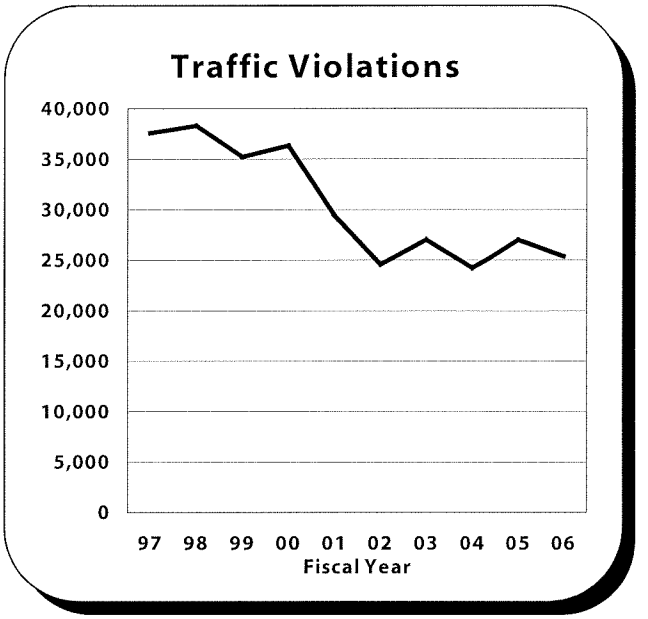
	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	31	0	31	0	19	0	17	0
Police Investigations	28	0	28	0	40	0	41	0
Police Operations	124	33	124	33	124	33	126	33
Police Support Services	42	0	42	1	42	1	42	1
Total Department	225	33	225	34	225	34	226	34

KEY DEPARTMENTAL TRENDS

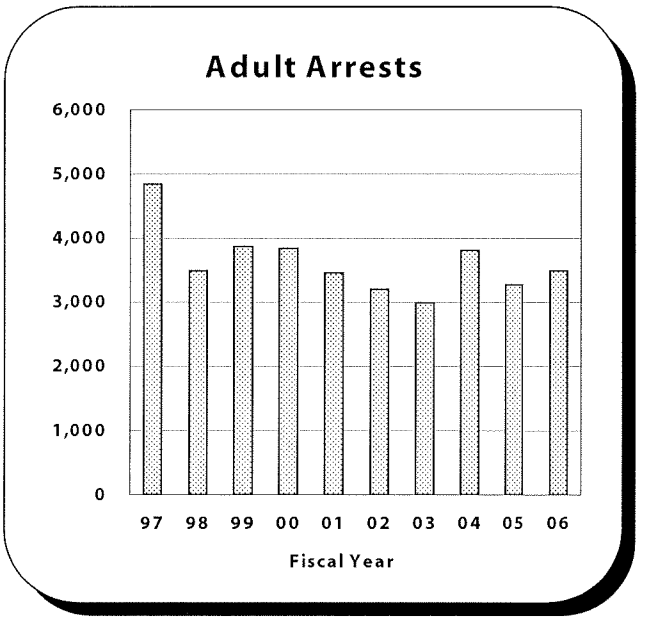
Police Department



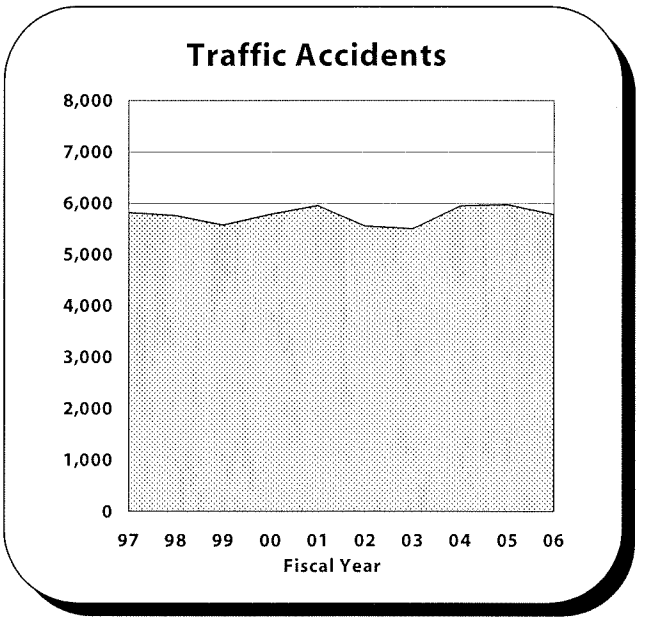
The City's crime rates have generally decreased over the past ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.



From 1997 to 2001, a selective enforcement unit targeted traffic locations to lower speeds on our highways and residential streets. When these officers were reassigned to other duties, the number of traffic violations decreased. However, due to other department efforts, the number of traffic violations today is still 49% higher than in the year before the selective enforcement unit was started.



This graph reflects the number of incidents where an arrest occurred for 1997 through 2003. Beginning in 2004, the City's new computer system is now able to record the total number of arrests in the City and can pick-up multiple arrests that may occur in a single incident.



The total number of accidents over the past ten years has decreased 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 2006, accident reports fell by 3.2%. The number of injury traffic accidents per 100,000 residents decreased by 7.3% in 2006, while the number of traffic fatalities per 100,000 residents increased from 2.4 to 4.7.

Police Administration

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

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

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

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

Police Administration is divided into two bureaus: Community Services and Training.

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.

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 Administrative 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 and processes the Department's payroll.■

KEY GOALS

- ***To provide leadership, coordination and support to the Department's four divisions.***
- ***To conduct thorough investigations on prospective City employees, liquor license applicants, and any internal allegations of serious misconduct.***
- ***To provide staff training in various areas of law enforcement to reduce liability and improve services.***
- ***To provide public education in areas of crime prevention, personal safety, child protection, and drug abuse.***
- ***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.***

Did you know?...
...that Police Officers in the Community Services Bureau presented over 750 public education programs last year?

Police Administration

2007/08 PERFORMANCE OBJECTIVES *(Administration)*

1. To increase security and safety presentations by providing residents with information kits for "self" residential/commercial security surveys, and providing crime victims with crime prevention information. *(City Goal 2, 14, 24)*

2. To enhance our elementary and middle school public safety programs through implementation of the "Kids Safe Return" and additional Internet safety presentations. *(City Goal 14, 17, 24, 25)*

3. To implement an online training program for police officers to be utilized during the overlap shifts. This training will also feature skills testing to reinforce the officers' knowledge of the material. *(City Goal 17, 25)*

4. With the assistance of Sterling Heights Television (SHTV), to create monthly training videos to be viewed at roll call addressing a wide range of public safety training topics. *(City Goal 2, 17, 25)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Public Education Programs Presented	786	787	772	1,160	1,185	1,255
	Car Seat Inspections Conducted	216	232	200	220	100	125
	Security/Safety Presentations	425	386	387	700	970	1,000
	Neighborhood Watch Programs	15	28	35	40	25	30
	Elementary and Middle School Programs	130	141	150	200	90	100
	Hours of D.A.R.E. Instruction	1,371	1,403	1,259	1,100	1,510	1,600
	General Orders Issued or Amended	9	6	5	10	14	15
	School Safety Program - Students Instructed	7,435	7,727	5,025	5,000	5,000	5,000
	Training Seminars Attended - Department-wide	348	395	353	400	336	400
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	4.6:1	4.3:1	4.7:1	6.0:1	3.8:1	4.5:1
	% of D.A.R.E. Students Completing Program	99%	99%	99%	99%	99%	99%

Police Administration

2007/08 PERFORMANCE OBJECTIVES *(Special Investigations)*

1. To create a three-fold media training guide that will be helpful during actual media encounters in the field. *(City Goal 15, 25)*

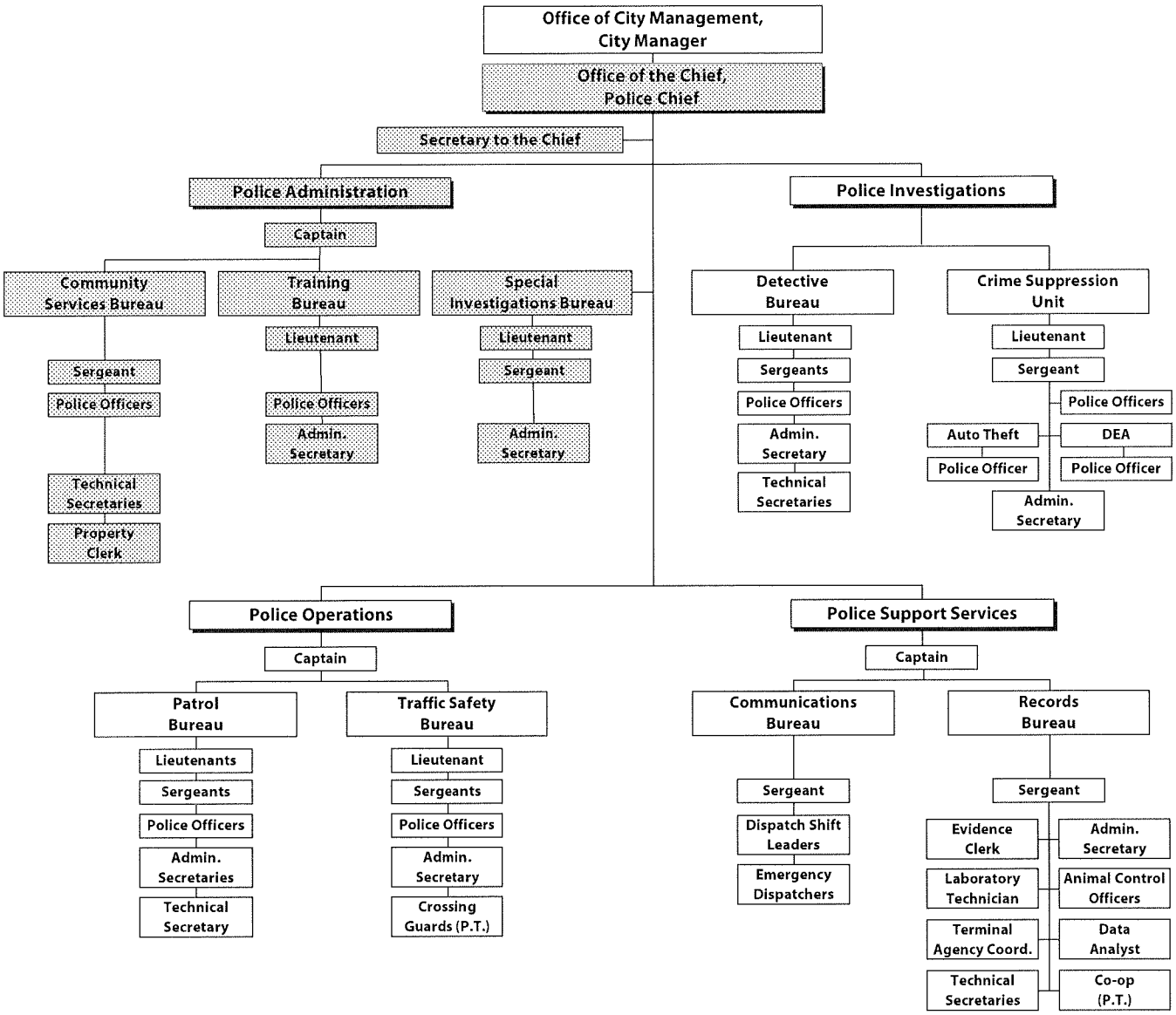
2. To create an online tracking system, which will assist the Special Investigations Bureau in monitoring citizen complaints against police officers. *(City Goal 17, 25)*

3. To re-design the background package for police officer and fire fighter applicants in order to provide for a more efficient and effective investigation process. *(City Goal 1)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Employment Background Investigations	45	29	35	36	30	30
	Internal Affairs Investigations	24	17	12	12	22	22
	Liquor License Background Investigations	37	29	13	24	16	24
	Other Special Investigations Bureau Investigations	282	372	269	275	306	306
	Liquor & Tobacco Inspections/Observations	193	183	173	210	178	200
	Liquor License Violations	6	21	5	25	6	20
Efficiency & Effectiveness	Employment Background Investigations - % Hired	22%	30%	14%	33%	33%	33%
	# of Sustained Complaints per 100 Officers	0.0	0.0	0.0	1.0	1.0	0.0
	Average Cost of an Administrative Investigation	$689	$667	$701	*	*	*
	Average Liquor License or Tobacco Inspection Cost	$89	$90	$93	*	*	*
	Department Cost per Capita	$183	$196	$197	$209	$209	$219
	Division Expenditures as % of General Fund	3.47%	5.20%	5.13%	3.53%	4.59%	3.28%

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

Police Administration



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Chief	1	1	1
Captain	1	1	1
Lieutenant	2	2	2
Sergeant	4	3	2
Police Officer	16	5	5
Secretary to the Chief	1	1	1
Administrative Secretary	3	3	2
Technical Secretary	2	2	2
Property Clerk	1	1	1
Total	31	19	17

Police Administration

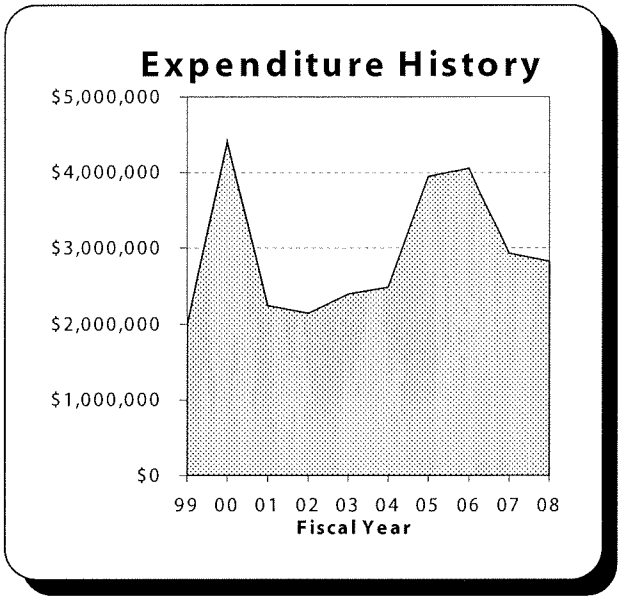
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget decreased by $61,100 or 2.8%. One Sergeant has been transferred to Police Support Services and an Administrative Secretary has been transferred to Police Investigations due to a reorganization.

Supplies – Total Supplies decreased $3,880 or 2.4%. Operating supplies decreased $9,930 due to a reappropriated encumbrance and to bring the budget more in line with recent expenditure trends. Ammunition funding rose $5,000 due to increased firearm and patrol rifle training.

Other Charges – Total Other Charges decreased $37,000 or 6.4%. The budget was reduced by $50,000, as the towing company now conducts its own auctions for impounded and abandoned vehicles. The City will save $5,000, as an Animal Control Officer will perform humane euthanasia of sick and injured wildlife instead of contracting this service through the county. The budget decreased $3,000, as fewer radio repairs will be needed due to the new 800 MHz Radio System. $2,000 will be saved, as fewer printed forms are needed. Funding was reduced $1,000 as the CLEMIS modem access fees for the Incident Command Vehicle are now budgeted in Emergency Management. Heating costs rose $7,000 and electric costs rose $5,000, both due to higher rates. $6,500 was added for additional State-funded dispatcher training as well as an increase for various Police Officer training courses. Building rental costs increased $5,500 due to additional firearms training.



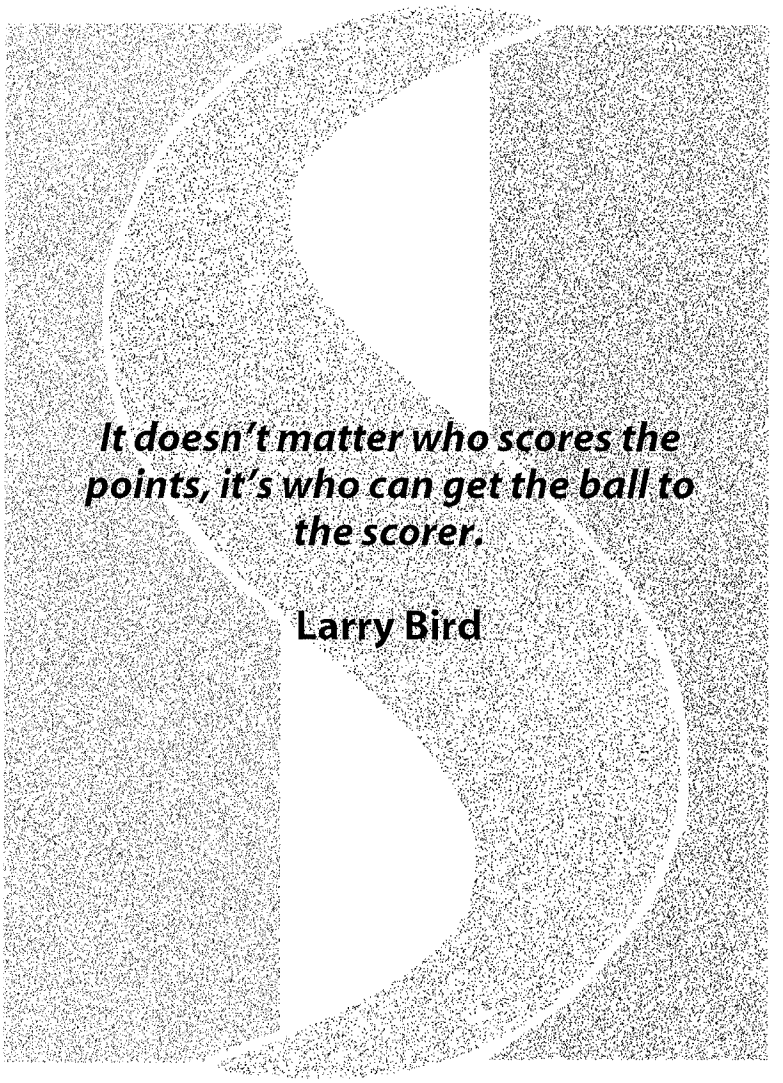
Capital – The Police Department is scheduled to receive 87 new personal computers to replace the existing five-year-old units.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$3,315,261	$2,193,720	$3,097,490	$2,132,620	$2,132,620
Supplies	134,473	159,980	150,500	156,100	156,100
Other Charges	601,209	574,600	543,400	537,600	537,600
Total	$4,050,943	$2,928,300	$3,791,390	$2,826,320	$2,826,320


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

Police Investigations

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.

The Investigations Bureau consists 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.

The Crime Suppression Unit is a group of detectives that enforces all controlled substance violations, gambling, prostitution and other vice crimes. Additionally, this unit coordinates with federal and regional task forces to address organized crime issues, conduct surveillances, apprehend people actively committing criminal acts and arrest people with outstanding criminal warrants. This Unit is also responsible for the task force officers assigned to the Macomb Auto Theft Squad (M.A.T.S.), the U.S. Marshals Task Force, Drug Enforcement Administration (D.E.A.) and the FBI Balkan Organized Task Force. This Unit also handles forfeiture proceedings.

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 tools. This training is necessary to maintain and enhance the skills of the investigators.

KEY GOALS

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

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.■

Did you know?...
...that the Police Investigations Division has its own Certified Forensic Computer Examiner who is one of only 12 in the State of Michigan?

Police Investigations

2007/08 PERFORMANCE OBJECTIVES

1. To standardize investigative practices throughout the Division by developing and issuing an operational procedures manual to all detectives. *(City Goal 3)*
2. To select and assign a liaison, from existing personnel, to participate in the Michigan State Police Southeast Michigan Fusion Center (Intelligence Sharing Center). *(City Goal 25)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Detective Bureau Cases Assigned	5,118	4,172	3,883	4,030	4,000	4,300
	Adult Investigative Cases	3,779	2,728	2,520	2,600	2,700	2,870
	Juvenile Investigative Cases	982	938	1,047	1,100	1,000	1,100
	In-Custody Cases	357	506	316	330	300	330
	Total Crime Suppression Unit Cases Assigned	498	482	488	495	490	505
	Auto Theft Investigative Cases	151	169	159	160	160	170
	Narcotic/Vice Investigative Cases	347	313	329	335	330	335
	Total Interviews Conducted	20,486	18,512	17,167	17,700	18,200	18,575
	Suspect Interviews	4,593	4,614	4,548	4,600	4,600	4,700
	Witness & Informant Interviews	9,207	7,549	6,894	7,200	7,600	7,710
	Victim Interviews	6,686	6,349	5,725	5,900	6,000	6,165
	Arrest Warrants Obtained	1,553	1,138	1,257	1,500	1,400	1,450
	Search Warrants Obtained/Executed	145	202	246	180	195	200
	Polygraph Examinations Conducted	73	68	55	60	55	60
	Criminal Surveillances	377	597	615	480	350	400
	Federal Forfeiture Cases Processed	7	26	15	15	34	40
	State Forfeiture Cases Processed	86	79	62	70	46	60
	School Resource Officer - # of Hours at Schools	400	400	1,000	1,450	1,450	1,450
	# of Students Served by School Resource Officer	1,500	1,500	1,600	1,650	1,650	1,650

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

Police Investigations

2007/08 PERFORMANCE OBJECTIVES

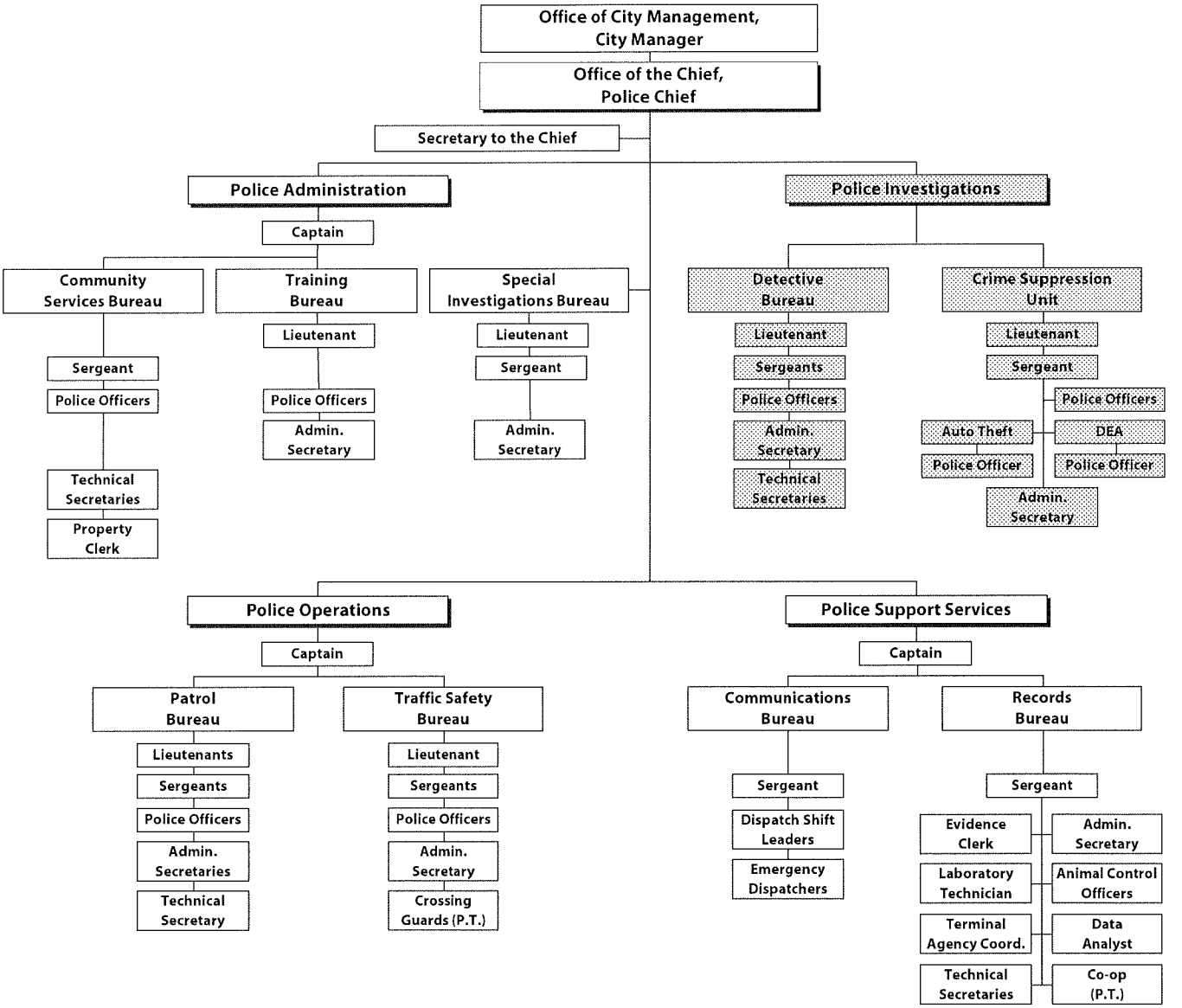
3. To expand the Department's computer crimes investigative capabilities by cross-training personnel within the Investigations Division. *(City Goal 4)*

4. To research, develop, and implement a plan to reduce auto theft to a level below two incidents per 1,000 residents. *(City Goal 24)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Efficiency & Effectiveness	% of Petitions Obtained vs. Requested	98%	97%	96%	98%	97%	97%
	% of Arrest Warrants Obtained vs. Requested	89%	92%	93%	90%	95%	95%
	Detective Bureau Cases per Investigator	223	181	185	192	190	205
	Crime Suppression Unit Cases per Investigator	62	60	70	71	70	72
	% of Part 1 Violent Crimes Cleared	49.5%	49.0%	53.5%	50.0%	54.0%	50.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.6	0.6	0.7	0.6	0.6	0.6
	Juvenile Arrests Violent Crimes - % of Total Arrests	14%	7%	7%	11%	14%	12%
	% of Part 1 Property Crimes Cleared	18.0%	19.5%	19.7%	18.0%	18.0%	18.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.0	3.8	4.0	3.0	3.3	3.0
	Juvenile Arrests Property Crimes - % of Total Arrests	13%	13%	17%	15%	19%	17%
	Car Theft Ratio Per 1,000 Population	1.2	1.3	1.3	1.3	2.9	1.5
	Average Cost to Conduct a Polygraph Examination	$255	$262	$287	*	*	*
	Average Cost to Investigate a Case	$562	$543	$532	*	*	*
	Division Expenditures as % of General Fund	2.49%	3.56%	4.23%	5.94%	4.82%	6.10%

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

Police Investigations



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Captain	1	1	0
Lieutenant	1	1	2
Sergeant	3	4	4
Police Officer	18	29	29
Administrative Secretary	1	1	2
Technical Secretary	4	4	4
Total	28	40	41

Police Investigations

SUMMARY OF BUDGET CHANGES

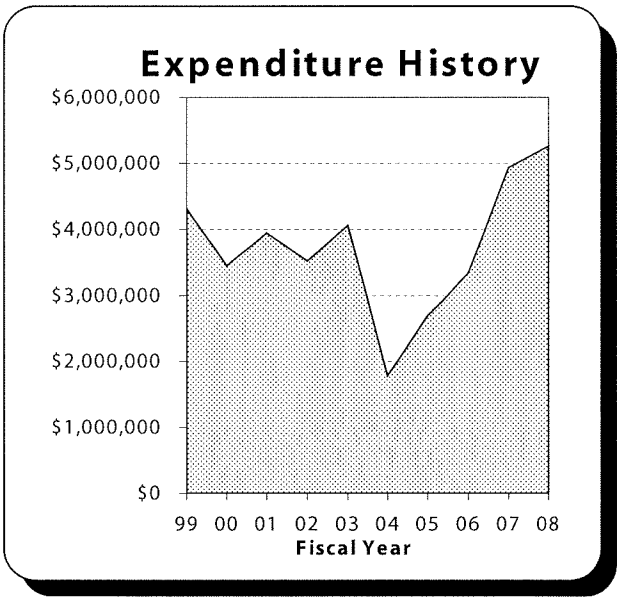
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $328,780 or 6.7%. A Lieutenant position from Police Support Services and an Administrative Secretary position from Police Administration have been transferred into this activity as a result of a reorganization. Due to a recent promotion, a vacant Captain position is recommended to be replaced by two Police Officer positions in Police Operations. Wage and fringe benefit costs for the remaining positions increased. All employees are budgeted to receive a 3% wage increase. An additional $287,140 is budgeted for retiree health care liabilities. Police & Fire Pension costs fell by $123,190 based on a recent actuarial study. The Crime Suppression Unit, which was budgeted in this division last fiscal year, was expensed in the Police Administration division.

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

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

Capital – $180,800 is budgeted in the Public Safety Forfeiture Fund for new equipment and vehicles utilizing drug forfeiture funds.



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

Personnel Services – Council made no adjustments to Personnel Services.

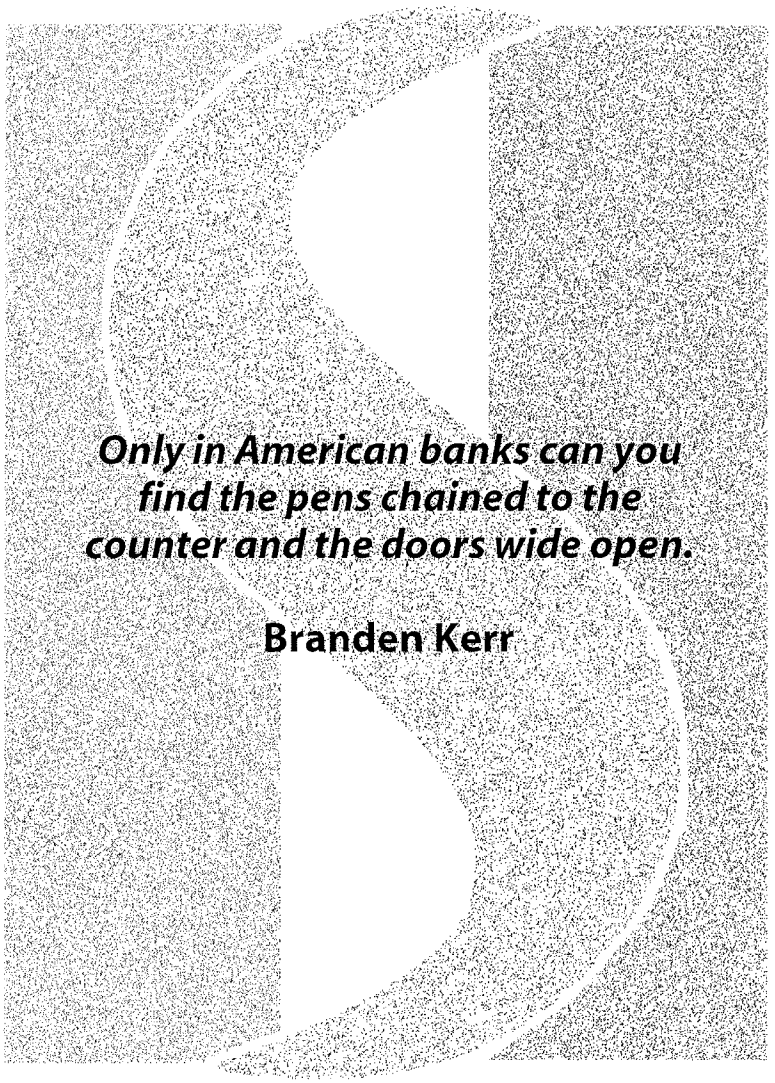
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$3,335,135	$4,930,070	$3,980,990	$5,258,850	$5,258,850
Supplies	0	0	0	0	0
Other Charges	2,197	1,000	1,000	1,000	1,000
Total	$3,337,332	$4,931,070	$3,981,990	$5,259,850	$5,259,850


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

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

The Opoerations 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 Patrol Bureau is responsible for the suppression of all criminal wrongdoing. Patrol personnel are the first responders to most emergency situations. They conduct the initial investigation of all reported incidents of crime. The Evidence Technicians from within this Bureau locate and collect forensic evidence in support of criminal cases. Other responsibilities 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.

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 information.***

Did you know?...
...that the City's K-9 Unit is responsible for seizures of over $120,000 and the confiscation of more than 500 pounds of illegal substances?

Police Operations

2007/08 PERFORMANCE OBJECTIVES

1. To identify and reduce high crime and high civil infraction areas by 5% by developing a strategy where officers, during shift overlap, direct enforcement activities to specific areas of the community and by incorporating a weekly progress reporting system to track progress and provide feedback. *(City Goal 3, 14)*

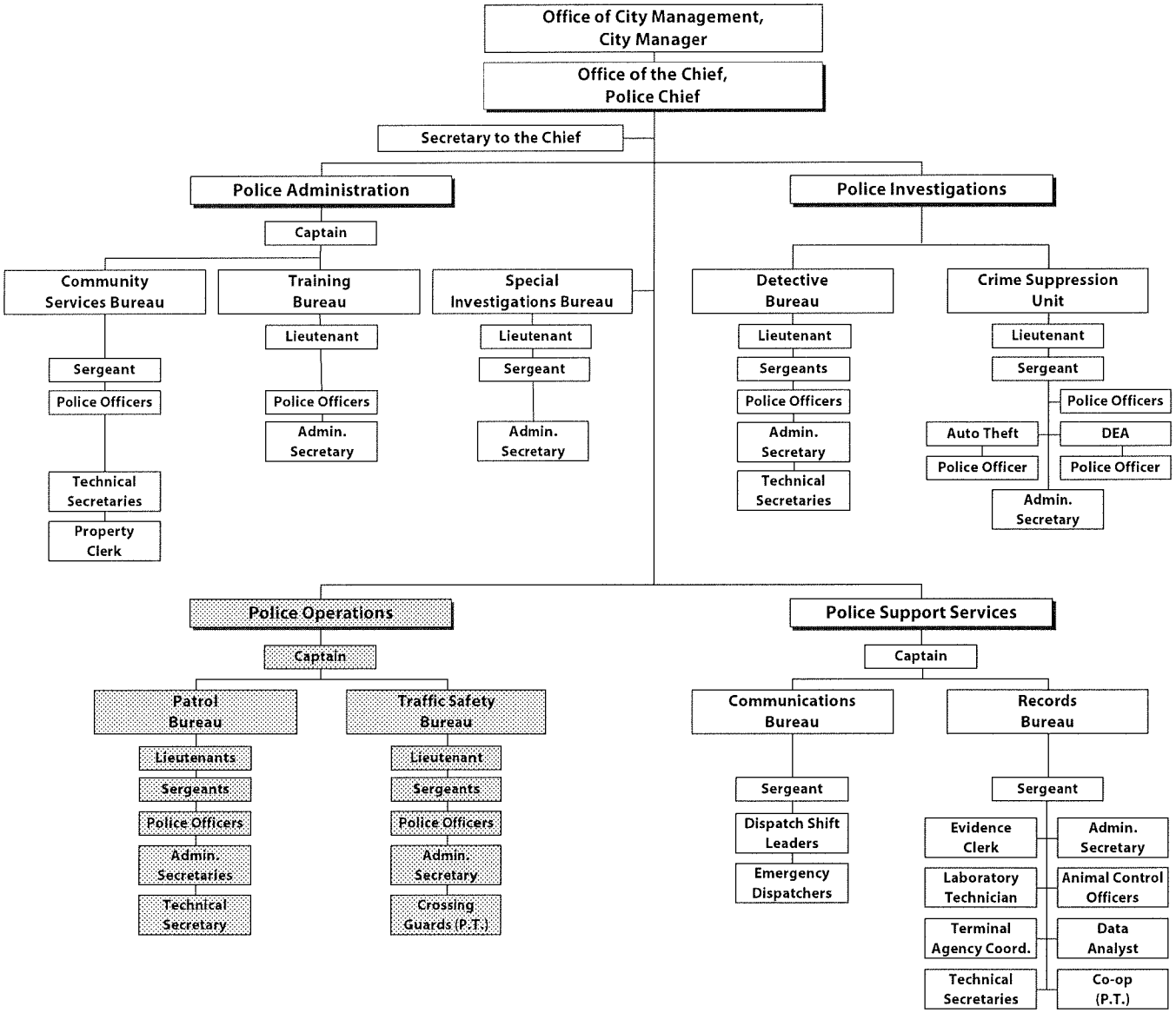
2. To create a Command Field Training Officer (F.T.O.) program in anticipation of large scale turnover in command personnel resulting from retirements. *(City Goal 7, 25)*

3. To develop a traffic accident reduction initiative to reduce accidents by 10% at the three highest accident areas by increasing the S.T.E.P. program and utilizing the shift overlap of the Patrol Bureau. *(City Goal 3, 14)*

4. To develop a program with 100% accountability for tracking of all in-car DVD's including to and from the quartermaster room. *(City Goal 17, 18)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Police Incident Reports Completed	52,285	51,324	50,872	50,000	52,020	52,000
	Group A Crime Reports	6,260	6,474	7,926	7,500	8,392	8,400
	Group B Crime Reports	3,623	4,170	4,609	4,000	4,563	4,600
	Vehicular Accident Reports	4,129	4,529	4,525	4,500	4,330	4,000
	All Other Reports	38,273	36,151	33,812	34,000	34,735	35,000
	Adults/Juveniles Arrested	3,809/263	3,267/190	3,486/243	3,500/230	3,230/280	3,400/300
	Traffic Violations Issued	24,208	26,972	25,379	27,700	25,293	26,000
	Residential Traffic Enforcement Violations	3,778	4,014	3,737	4,200	3,510	4,000
	SMART Radar Trailer Deployments	248	327	342	375	351	375
	K-9 Unit Deployments	245	248	239	250	201	210
	OUIL Arrests	412	361	377	400	328	350
	S.W.A.T. Call-outs	10	9	6	10	5	8
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	49.8	51.3	62.4	58.8	65.8	65.6
	Group B Crimes Per 1,000 Population	28.8	33.0	36.3	31.4	35.8	35.9
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Sworn Division Personnel	436	428	424	417	434	426
	# of Injury Traffic Accidents per 100,000 Pop.	703	683	638	750	801	750
	# of Traffic Fatalities Per 100,000 Population	4.8	2.4	4.7	3.5	5.0	3.5
	% of Total Sworn Personnel in Traffic & Patrol	68%	70%	69%	69%	69%	69%
	OUIL Arrests Per 1,000 Residents	3.3	2.9	3.0	3.1	2.6	2.7
	Division Expenditures as % of General Fund	22.42%	20.03%	18.56%	18.65%	18.89%	19.15%

Police Operations



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Captain	1	1	1
Lieutenant	4	4	4
Sergeant	18	18	18
Police Officer	97	97	99
Administrative Secretary	3	3	3
Technical Secretary	1	1	1
Crossing Guard (P.T.)	33	33	33
Total	157	157	159

Police Operations

SUMMARY OF BUDGET CHANGES

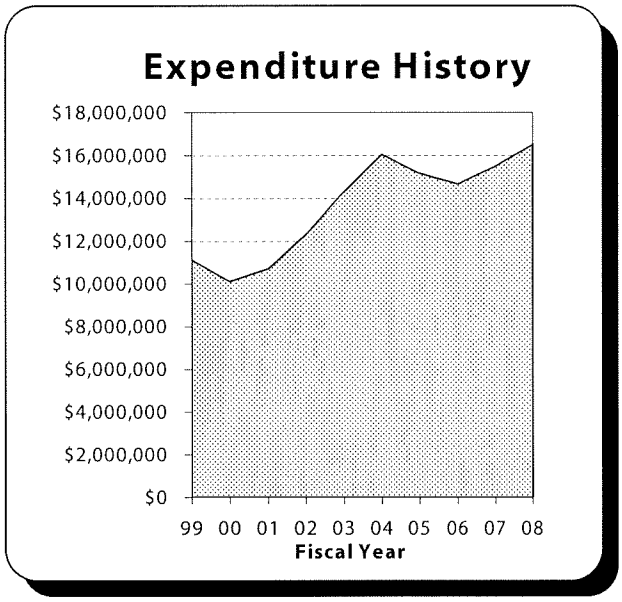
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased $1,021,370 or 6.6%. Two additional Police Officer positions are recommended as a result of eliminating a vacant Captain position in Police Investigations. It is anticipated that new State grant funding may pay for a portion of the cost of the one additional sworn officer. Full-time wages rose $406,280 as all employees are budgeted to receive a 3% wage increase. Retiree medical funding rose $942,890 to help offset the City's rapidly growing liabilities. Police & Fire Pension costs fell by $387,120 based on the results of a recent actuarial study. Employee medical insurance costs fell by $74,880 as a result of recent changes to employee labor contracts.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. These costs decreased $500 or 20.0% based on recent years' actual expenditure levels.

Capital – Total Capital of $278,000 is proposed for this division and is budgeted in the Capital Projects Fund. $252,000 is recommended to replace 12 high mileage patrol and traffic vehicles. $26,000 is proposed for a replacement SUV Tahoe that is utilized by the Evidence Technicians to transport equipment used at crime scenes. It will replace a current Tahoe that will have over 90,000 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$14,660,535	$15,485,580	$15,605,090	$16,506,950	$16,506,950
Supplies	0	0	0	0	0
Other Charges	1,855	2,500	2,000	2,000	2,000
Total	$14,662,390	$15,488,080	$15,607,090	$16,508,950	$16,508,950

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 the Records and Communications Bureaus and the Animal Control Unit.

The Records Bureau serves as the information center for businesses, attorneys and the public. The Records Bureau collects, maintains, and distributes reports of crimes, incidents, vehicular accidents and other matters of interest to the public and those needed for police operations. Records personnel respond to all police-related document requests filed under the Freedom of Information Act. They receive, process and monitor 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 CLEMIS 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 processes all applications for the purchase of handguns and concealed weapon permits.

The Computer Services function of the Records Bureau provides for the capture and retrieval of information designated by statute and/or the needs of the Department. Due to continuing computerization within the Department, the Bureau 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 photographs and serves as a resource to the Department's Evidence Technicians.

The Communications Bureau is responsible for processing all public requests for service via the 911 emergency 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 Unit 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 Sterling Heights Police Department Animal Control Unit has a 98% return rate for dogs that are found stray within the City?

Police Support Services

2007/08 PERFORMANCE OBJECTIVES

1. To construct a communications tower adjacent to the Police Department capable of holding a microwave dish for the new 800 MHz Public Safety Radio System. *(City Goal 17, 25)*

2. To update the electrical infrastructure of the Communications Center to accommodate the increasing demand in computer technology. *(City Goal 17, 18, 25)*

3. To review, update and re-issue 25 General Orders ensuring they are in accordance with current laws and standards. *(City Goal 3, 5)*

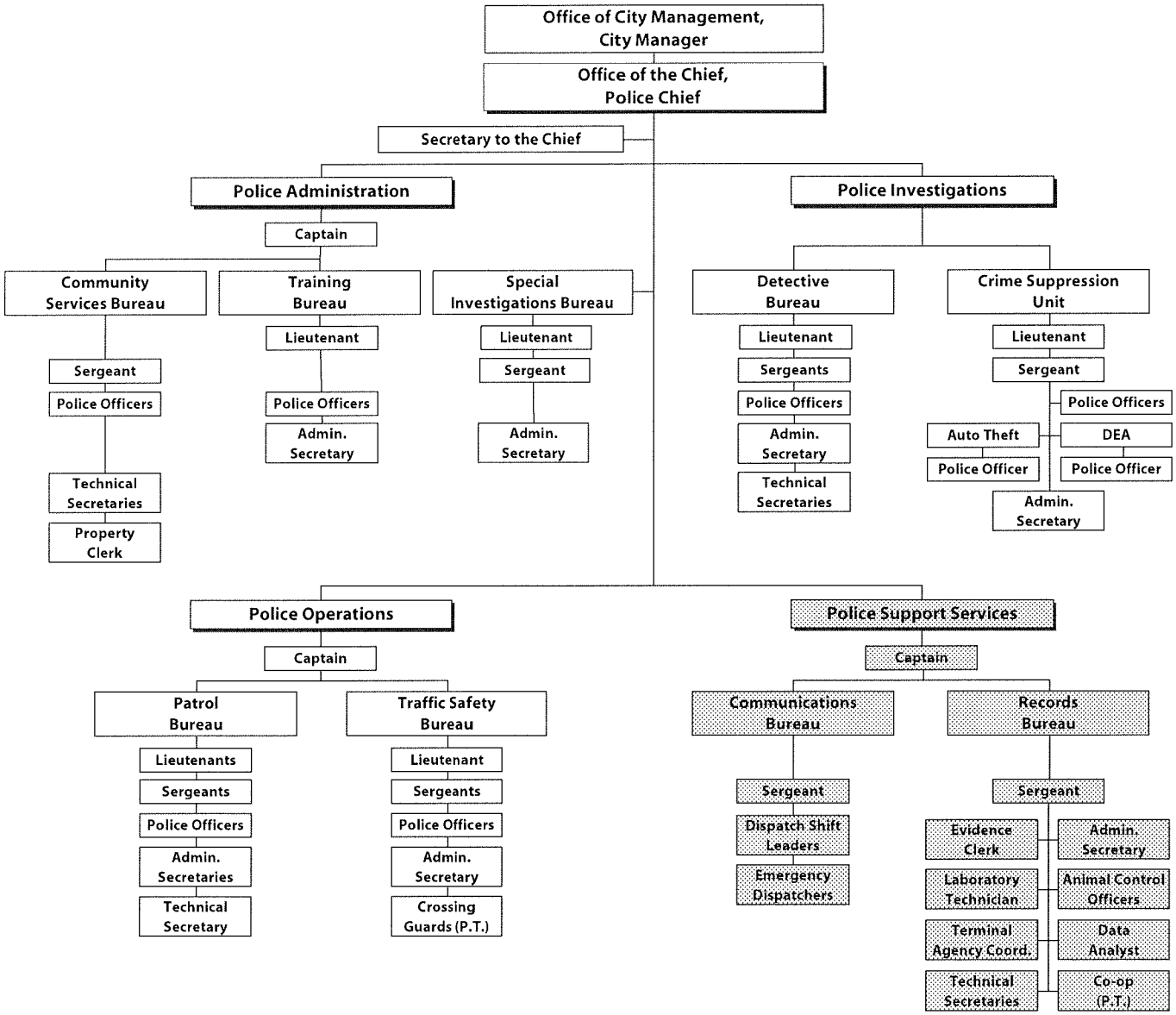
4. To reduce by 15% the amount of property stored in the property room through the use of the Evidence Manager Computer System. *(City Goal 3, 5)*

5. To continue to develop a viable plan for either renovating the existing police station or building a new police facility. *(City Goal 7, 15)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Incidents Processed into Computer	52,285	51,324	50,872	50,000	52,020	52,000
	Police Reports Provided on Request	7,270	7,144	7,069	6,800	6,800	6,520
	Total Calls to 911 (Includes Cellular Calls)	36,246	44,544	41,599	43,500	45,000	44,710
	Gun Permits Obtained	1,474	1,477	1,687	1,500	1,800	1,700
	Responses by Animal Control	3,399	4,018	3,896	3,700	4,200	4,000
	Freedom of Information Act Requests	460	562	612	600	700	660
	Criminal Warrants Processed	2,921	2,716	3,307	2,900	3,300	3,220
	Arrests Processed	4,072	3,457	3,729	3,730	3,510	3,700
	Pieces of Evidence Collected	2,684	2,930	2,892	2,500	3,200	3,120
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	52	34	45	40	35	32
	Average Cost of an Animal Control Response	$59.59	$54.50	$54.63	*	*	*
	Average Cost of a FOIA Request	$38	$23	$30	*	*	*
	Dispatch Operations Cost Per Call Dispatched	$30.86	$32.58	$34.04	*	*	*
	Division Expenditures as % of General Fund	3.85%	3.82%	3.83%	3.90%	3.95%	4.01%

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

Police Support Services



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Captain	1	1	1
Lieutenant	1	1	0
Sergeant	1	1	2
Emergency Dispatcher - Shift Leader	4	4	4
Emergency Dispatcher	19	19	19
Administrative Secretary	1	1	1
Evidence Clerk	1	1	1
Laboratory Technician	1	1	1
Animal Control Officer	3	3	3
Data Analyst	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	8	8	8
Co-op (P.T.)	1	1	1
Total	43	43	43

Police Support Services

SUMMARY OF BUDGET CHANGES

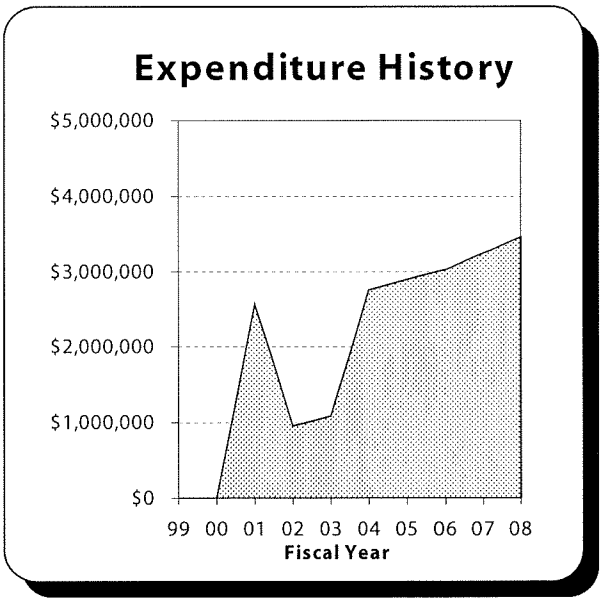
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $213,690 or 6.6% over last year's budget. A Lieutenant has been transferred to Police Investigations, while a Sergeant has been transferred to this division from Police Administration. Funding for full-time employee wages rose $71,050 as all employees are budgeted to receive a 3% wage increase. Retiree medical funding costs rose $112,850, which is needed to fund the City's retiree medical liabilities. The City's required contribution to the Police & Fire Pension System will decline by $13,390. Health insurance costs rose $19,910 or 5.5% as fewer than half of the employees in this division have updated labor contracts reflecting the recent health care cost-sharing savings.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding will remain the same at $200.

Capital – Total Capital of $430,000 is proposed and is budgeted in the Capital Projects Fund. $400,000 is recommended for a Radio Tower with Microwave Dish to ensure reliable connectivity to the new 800 MHz Public Safety Radio System. This radio tower will replace the current tower that is unable to support any additional equipment. State funding received from 911 cellular telephone surcharges over the next several years will be used to fund the tower. $30,000 is for an Animal Control Van with Equipment to replace a 110,000-mile vehicle that is utilized in daily operations.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$3,026,569	$3,242,580	$3,261,960	$3,456,270	$3,456,270
Supplies	0	0	0	0	0
Other Charges	158	200	200	200	200
Total	$3,026,727	$3,242,780	$3,262,160	$3,456,470	$3,456,470

07
08

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

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

DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget increased by $770,650 or 5.1%. Rising personnel costs accounted for the entire increase. Wages increased by $162,550. Actuarially determined employer contributions to the pension system fell by $367,420. The budget includes an additional $811,220 to fund the department's retiree medical obligations. The Fire Open House, Civilian Fire Academy, and Community Emergency Response Team (CERT) are all funded. The Supplies budget decreased by $15,140 or 7.8% due to a prior year reappropriated encumbrance. Other Charges increased by $14,220 or 2.9% due to additional firefighter and emergency management training, higher utility costs, and expenses for the Incident Command Vehicle. Funds are included in the capital budget for the voter-approved renovations to three older Fire Stations (Proposal F), a new Fire Engine to replace a 1992 reserve engine that is failing, updated medical and rescue equipment, new digital cameras for fire investigations, and a new personal computer for the Emergency Manager.

FUNDING LEVEL SUMMARY

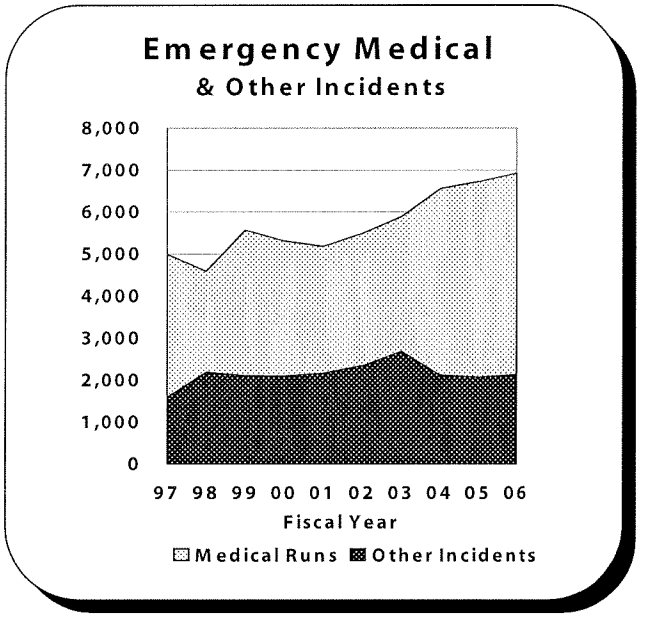
	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Fire Administration	$1,081,970	$1,152,080	$1,168,480	$1,231,400	5.4%
Fire Extinguishment	11,494,370	11,811,670	12,674,530	13,305,840	5.0%
Fire Prevention	1,069,310	1,007,800	1,043,770	1,097,100	5.1%
Emergency Management	192,530	125,790	114,150	137,240	20.2%
Total Department	$13,838,180	$14,097,340	$15,000,930	$15,771,580	5.1%
Personnel Services	$13,117,240	$13,406,900	$14,319,000	$15,090,570	5.4%
Supplies	153,530	152,980	195,200	180,060	-7.8%
Other Charges	567,410	537,460	486,730	500,950	2.9%
Total Department	$13,838,180	$14,097,340	$15,000,930	$15,771,580	5.1%

PERSONNEL SUMMARY

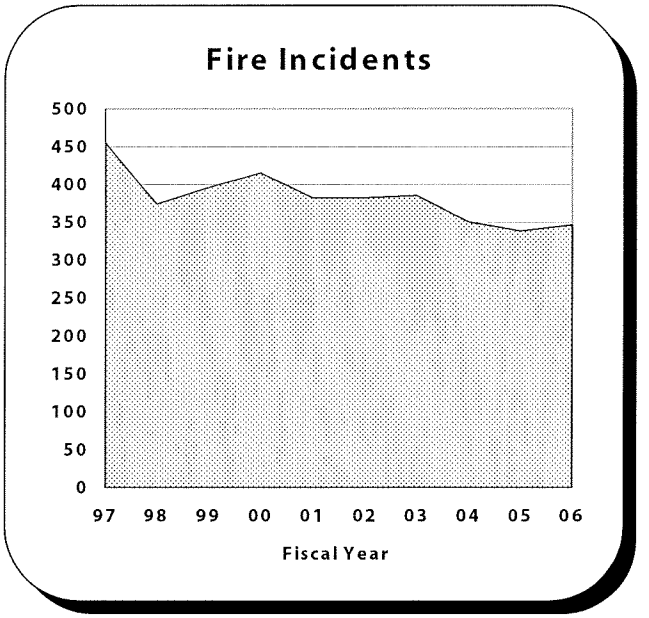
	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	0	10	0	10	0	10	0
Fire Extinguishment	90	0	90	0	90	0	90	0
Fire Prevention	7	0	7	0	7	0	7	0
Emergency Management	1	0	1	0	1	0	1	0
Total Department	108	0	108	0	108	0	108	0

KEY DEPARTMENTAL TRENDS

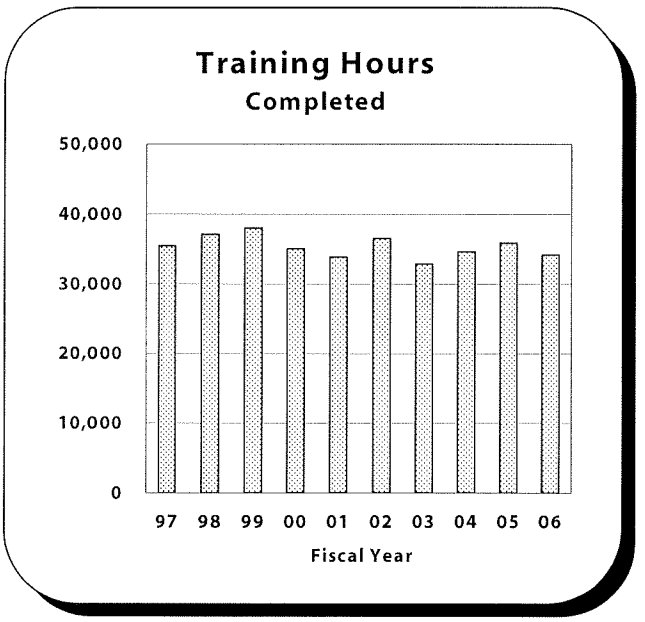
Fire Department



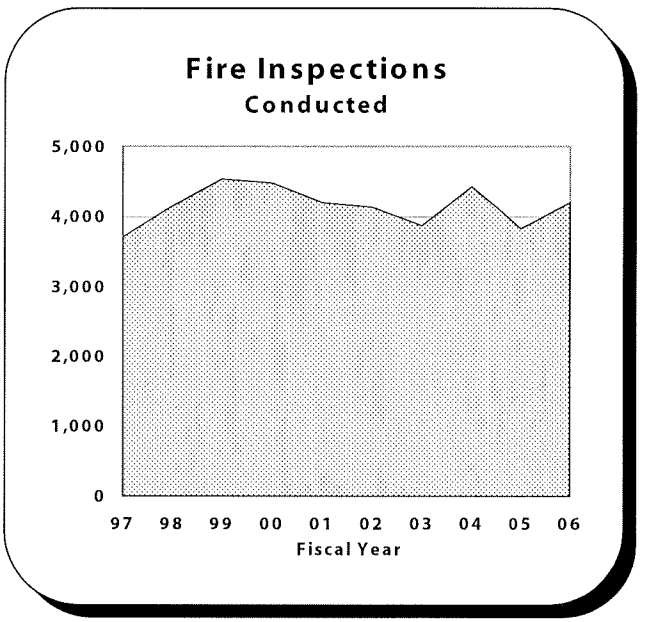
There has been an overall increase in the number of emergency medical runs and other incidents occurring in Sterling Heights over the past ten years. Since 1997, medical runs have increased by 39% and other incidents have increased by 34%. The City's medical rescue services continue to receive high marks 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 1997, the number of fires in the City has declined, reaching a low of 338 in 2005. The value of non-residential fire losses totaled less than $220,000, which is below national, state, and county averages. The City currently averages less than one fire incident every 5th day at each of the City's five fire stations. 78% of cities nationally had higher fire incidents per resident. Only 3% had faster average fire response times. Over the past several years, the City has made numerous fire vehicle purchases that have improved the condition of the fire fleet.



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 around 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.

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. Administrative 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 performs word processing and mail distribution functions.■

KEY GOALS

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

Did you know?...
...that the Sterling Heights Fire Department has one of the fastest average response times for all emergencies, compared to other cities nationally?

Fire Administration

2007/08 PERFORMANCE OBJECTIVES *(Administration)*

1. To require all uniformed personnel to review the entire Standard Operating Guideline (SOG) manual for accuracy, regulatory compliance, and current organizational structure. *(City Goal 3, 7, 25)*

2. To oversee the Fire Stations Upgrade project to ensure that it is completed on time and within budget. *(City Goal 6)*

3. To train and equip the Fire Department with Macomb County's interoperable 800 MHz radio system. *(City Goal 17, 18, 25)*

4. To warrant that all divisions in the Fire Department are National Incident Management System (NIMS) and Incident Command System (ICS) compliant to satisfy all Federal regulations. *(City Goal 24, 25)*

5. To develop a redundancy for the Fire Department's customized fire and medical data reporting computer system. *(City Goal 17, 18)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Incident Reports Reviewed for Quality	9,215	9,292	9,573	9,425	9,925	10,175
	Employee Evaluations Conducted/Tracked	130	132	130	140	140	140
	APPO's and Standard Operating Guidelines Reviewed	70	60	62	60	60	410
	FOI Requests Processed	57	64	62	50	60	60
	Staff/Battalion Meetings Conducted	12	14	11	16	14	18
	Presentations to Civic Groups/Organizations	20	16	12	20	18	20
	Employee/Civilian Citations Processed	4	12	12	12	14	12
	Fire-Related Periodical/Journals Reviewed	480	480	480	480	480	480
	Safety Recommendations Implemented	12	16	18	24	22	20
Efficiency & Effectiveness	% of Incident Reports Reviewed for Quality	100%	100%	100%	100%	100%	100%
	% Employee Evaluations Conducted on Time	100%	100%	100%	100%	100%	100%
	% of Service Complaints Responded to w/i 48 Hours	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Processed within 72 Hours	100%	100%	100%	100%	100%	100%
	% of Safety Suggestions Acted Upon within 90 Days	100%	100%	100%	100%	100%	100%
	Department Cost Per Capita	$102	$110	$111	$118	$117	$123
	Division Expenditures as % of General Fund	1.47%	1.43%	1.46%	1.41%	1.49%	1.43%

Fire Administration

2007/08 PERFORMANCE OBJECTIVES *(Training)*

1. To implement 16 life-safety initiatives as part of the nationally recognized "Everyone Goes Home" fire fighter safety program. *(City Goal 24, 25)*

2. To provide training on emergency response safety, through the development and implementation of a 3-part "Fireground Mayday Training Series", to all the members of the Extinguishment Division. *(City Goal 24, 25)*

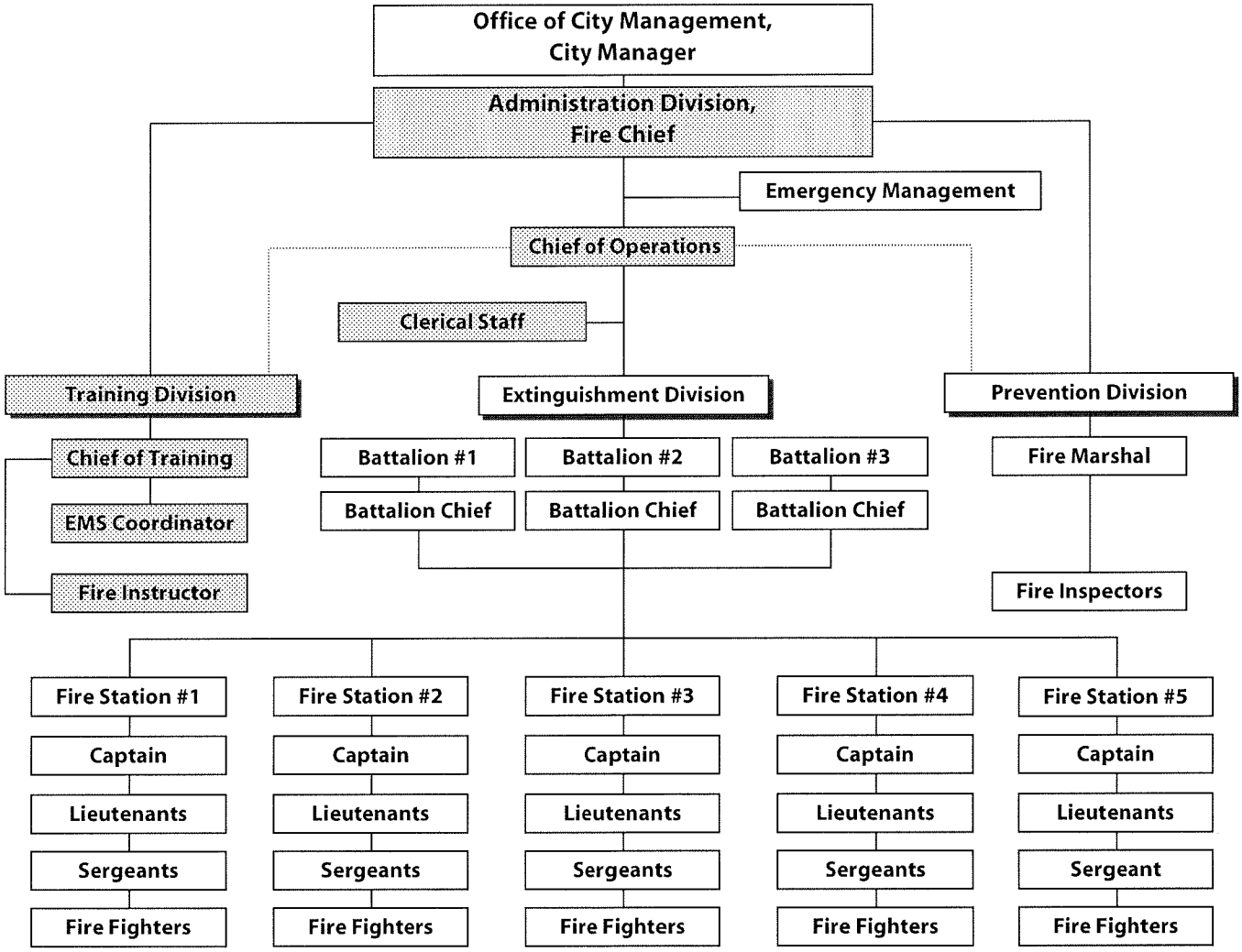
3. To achieve Vehicle and Machinery Rescue Certification for Fire Extinguishment personnel, meeting the requirements of the National Fire Protection Association (NFPA) Standards 1670 and 1006. *(City Goal 24,25)*

4. To ensure all members meet National Incident Management System (NIMS) compliance by obtaining certification for all Fire Department personnel in both IS-300 and IS-400. *(City Goal 24, 25)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Formal Training Hours Coordinated	34,583	35,809	34,124	36,000	36,000	36,600
	Hours of Fire Officer Training	637	441	384	600	600	600
	Hours of EMS Training	5,608	3,872	3,741	4,700	4,700	4,800
	Hours of Fire Suppression Training	9,959	10,638	9,397	11,000	11,000	11,000
	Hours of Hazardous Material Training	1,851	2,567	1,439	2,500	2,500	2,500
	Hours of Professional Development Training	1,083	2,730	2,562	2,700	2,700	2,700
	Hours of Physical Fitness Training	8,782	9,391	9,607	9,500	9,500	9,500
	Hours of All Other Training	6,663	6,170	6,994	5,000	5,000	5,500
	Residents Receiving Formal Public Education	7,850	7,893	9,607	9,000	9,000	9,000
	Residents Receiving CPR Instruction	1,251	1,050	944	1,100	1,000	1,000
	License/Certification Applications Processed	47/76	51/69	48/67	50/60	51/52	50/60
	Procedures Developed and Updated	52	58	54	55	56	60
Efficiency & Effectiveness	Days of Work Lost Due to Injury	67	23	90	40	60	40
	Sworn Pers. to Workers Comp/Disability Indemnity	102:0	102:0	102:0	102:1	102:2	102:1
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	339	351	335	360	353	360
	Training Division Cost per Fire Fighter	$3,319	$3,388	$3,406	*	*	*

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

Fire Administration



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

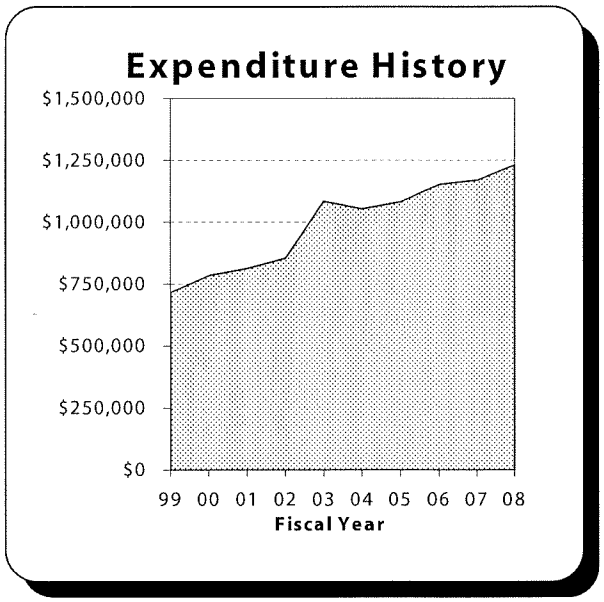
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget rose by $65,570 or 6.1%. Full-time wages increased by $18,850 as all employees are budgeted to receive a 3% wage increase. Higher retiree medical liabilities resulted in a $48,360 increase. Hospitalization costs rose $10,760. Pension costs fell by $15,210.

Supplies – Total Supplies increased $200 or 0.6%. $500 was added for operating supplies due to an inflationary cost increase, partially offset by a decrease in film costs as two new digital cameras are budgeted to replace the Department's existing 35mm cameras. Postage costs rose $100 due to an expected postal rate increase. Funding decreased $400 for publications to bring the budget more in line with amounts historically spent.

Other Charges – Total Other Charges decreased $2,850 or 4.4%. The budget decreased $5,000 due to the prior year one-time funding of computer consultant services needed to incorporate new medical reporting requirements into the Fire Department's existing reporting software. The contracted services budget declined by $500 as Direct Satellite TV for the Incident Command Vehicle is now funded in the Emergency Management activity. Equipment maintenance costs decreased $490 due to the one-time cost of relocating a telephone line in the prior year. $2,000 was added to the budget for additional firefighter and paramedic training. Funding increased $1,000 due to the higher cost of employee hazmat, physical and respiratory examinations. Existing membership costs rose by $80.



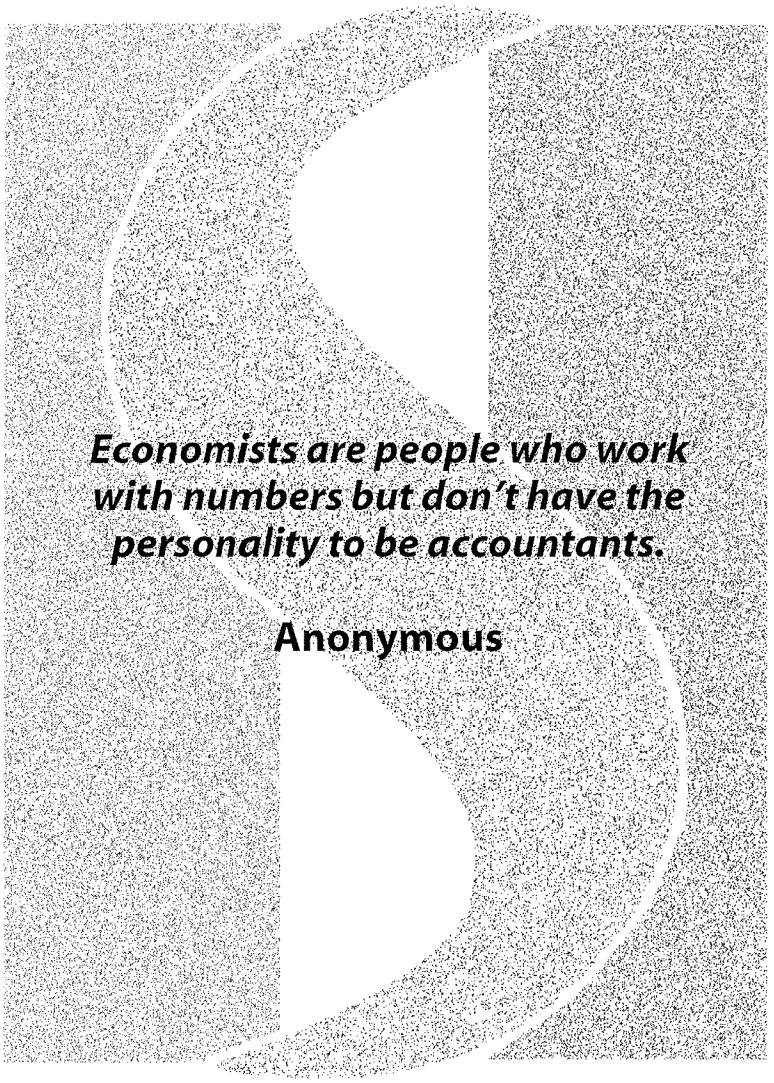
Capital – $4,950,000 is proposed for renovations to Fire Stations #2, #3 and #4, as the City's residents approved Proposal F in 2006.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,015,887	$1,072,370	$1,139,940	$1,137,940	$1,137,940
Supplies	31,701	31,400	30,400	31,600	31,600
Other Charges	104,493	64,710	63,460	61,860	61,860
Total	$1,152,081	$1,168,480	$1,233,800	$1,231,400	$1,231,400


Economists are people who work with numbers but don't have the personality to be accountants.
Anonymous

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.

The Division's three battalions 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, firefighters receive the continuing education required to maintain their various levels of licensure and certification.

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 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 Fire Extinguishment personnel provide fire safety information to approximately 18,000 children annually through such programs as Little Hoser, Firesetter, Hunt for Home Hazards, tours and demonstrations and the Fire Department Open House?

Fire Extinguishment

2007/08 PERFORMANCE OBJECTIVES

1. To install mobile data computers in all fire apparatus providing real time mapping and data gathering for hazardous materials 302 sites and fire fighter right-to-know sites. *(City Goal 17, 18, 25)*

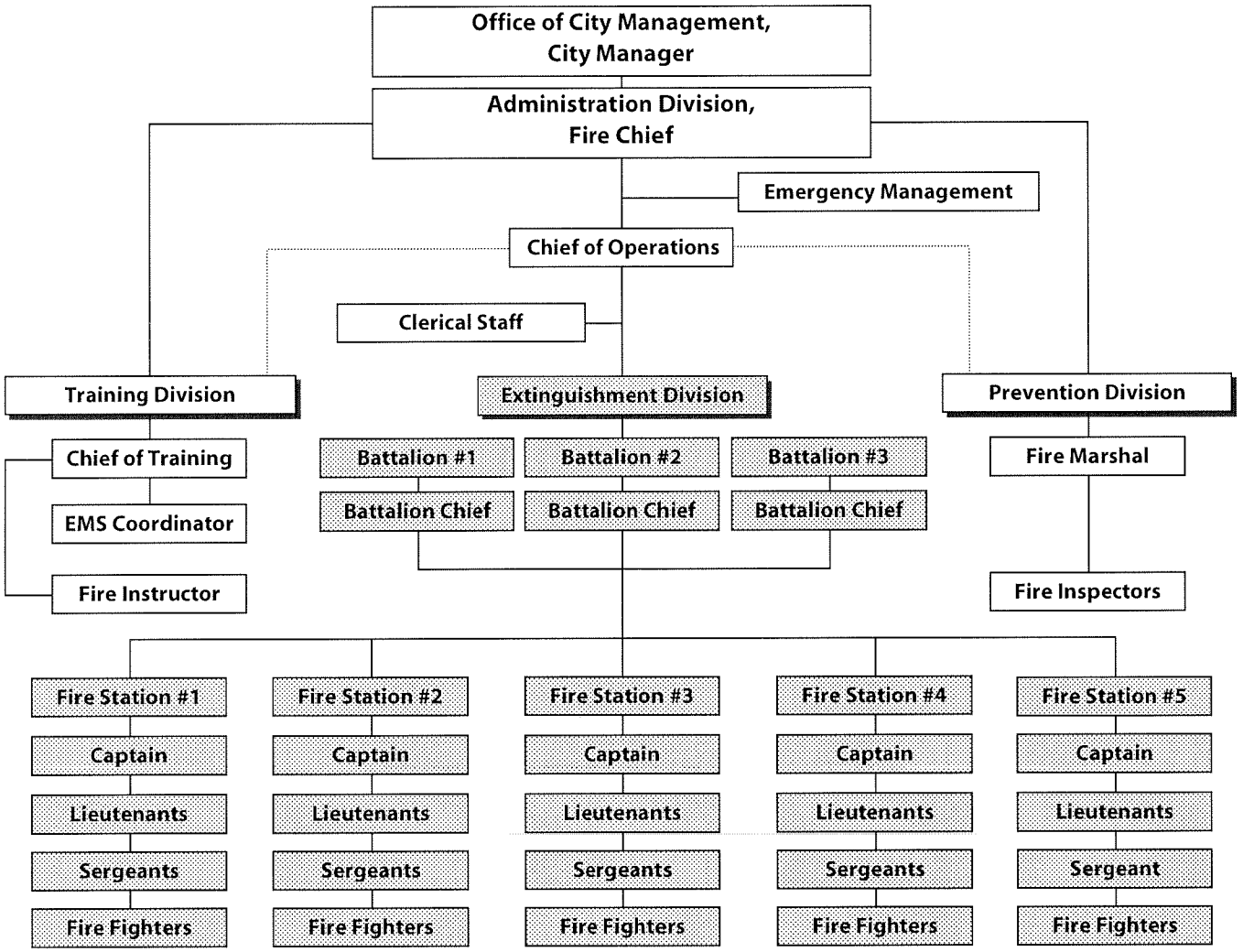
2. To restructure the Fire Department's equipment maintenance program by ensuring manufacturer's standards are upheld and by expediting needed repairs, reducing equipment down time. *(City Goal 3, 25)*

3. To restructure the Hazardous Materials Response Team to include a "Technical Response Team" for incidents involving trench rescue and building collapse. *(City Goal 3, 24, 25)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Fire Department Incidents	9,215	9,292	9,573	9,425	9,925	10,175
	EMS-Related Incidents	6,551	6,719	6,927	6,700	7,100	7,300
	Hazardous Material Incidents	184	158	160	175	175	175
	Fire Incidents	350	338	346	350	350	400
	All Other Incidents	2,130	2,077	2,140	2,200	2,300	2,300
	ALS Patients	3,104	3,129	3,015	3,100	3,175	3,200
	BLS (Priority 3) Patients	3,110	2,755	2,474	2,700	2,700	2,800
	All Other EMS Patients	123	108	128	750	750	775
	Students Receiving Fire Safety Education	20,045	22,434	15,509	18,000	18,000	17,000
	Hours Spent on Vehicle/Station Maintenance	15,968	13,170	13,183	17,000	17,000	17,000
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.1/1.1	1.1/1.0	1.0/0.9	1.0/0.8	1.0/0.8	1.0/0.8
	Fire Fighter Injuries/Deaths	26/0	20/0	13/0	0/0	13/0	0/0
	Civilian Fire Related Injuries/Deaths	7/2	23/2	22/2	0/0	20/2	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	88%/86%	95%/96%	90%/86%	95%/96%	95%/96%	95%/96%
	Average EMS Response Time - Minutes	3.8	3.6	4.2	3.9	3.9	4.0
	Average Cost of an EMS Incident	$215	$209	$205	*	*	*
	Average Cost of a Fire Extinguishment Incident	$2,226	$2,319	$2,349	*	*	*
	Division Expenditures as % of General Fund	15.03%	15.18%	14.95%	15.26%	15.19%	15.44%

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

Fire Extinguishment



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Battalion Chief	3	3	3
Captain - ALS	4	3	3
Captain	1	2	2
Lieutenant - ALS	9	10	10
Lieutenant	7	6	6
Sergeant - ALS	3	4	4
Sergeant - FEO	6	5	5
Fire Fighter - ALS	29	28	28
Fire Fighter - FEO	15	16	16
Fire Fighter	13	13	13
Total	90	90	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

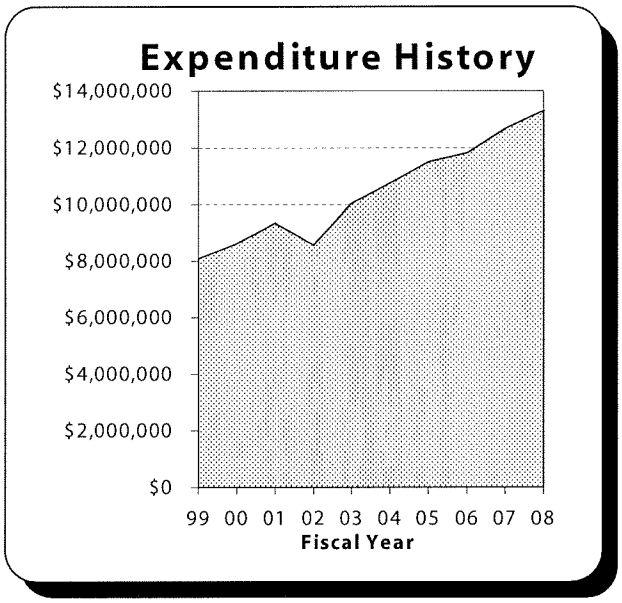
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $643,060 or 5.3%. Wages rose by $125,530 as all employees are budgeted to receive a 3% wage increase next year. Retiree medical insurance obligations rose $700,150. Health insurance costs rose $83,000 or 7.4% due to a rate increase next year. Pension costs fell by $323,660.

Supplies – Total Supplies decreased $23,160 or 14.2% due to a prior year reappropriated encumbrance, offset by a slight inflationary cost increase for operating supplies.

Other Charges – Total Other Charges increased $11,410 or 2.7%. Electric costs increased $8,000 to bring the budget more in line with recent expenditure trends. Telephone costs increased $3,130 based on the current year's estimated expenditures, offset by a decrease as funding for the Department's new fiber optic data network connection lines are now budgeted in the Information Technology activity. Fire hydrant rental costs went up $2,750 as the number of hydrants in the City has increased. $1,660 was added due to higher equipment maintenance costs, partially offset by a prior year reappropriated encumbrance. A reduction of $2,500 was made, as fewer radio repairs are needed.

Capital – Total Capital of $466,000 is proposed. $19,000 is for an EKG Monitor/Cardiac Defibrillator to replace an older unit that is extremely worn and obsolete. $21,000 is for five replacement Self-Contained Breathing Apparatus Units. $6,000 is for the technology upgrades to two backup cardiac defibrillators to comply with the American Heart Association's standards. $420,000 is for a new Fire Engine to replace a 1992 reserve engine that is failing.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$11,267,274	$12,095,610	$11,989,920	$12,738,670	$12,738,670
Supplies	120,843	163,160	130,000	140,000	140,000
Other Charges	423,549	415,760	431,170	427,170	427,170
Total	$11,811,666	$12,674,530	$12,551,090	$13,305,840	$13,305,840

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

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.

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 the City's brave fire fighters in the event of fires in these buildings.***

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 100% of the City's Fire Inspectors are nationally certified in the science of Fire Investigation?

Fire Prevention

2007/08 PERFORMANCE OBJECTIVES

1. To integrate plan reviews into the 4D Inspection Program allowing Fire Inspectors and administrative support personnel more efficient access to the project status. *(City Goal 17, 18, 25)*

2. To fully integrate the Right-to-Know and 302 sites into the 4D Inspection Program, allowing staff to track the sites more efficiently. *(City Goal 17, 18, 25)*

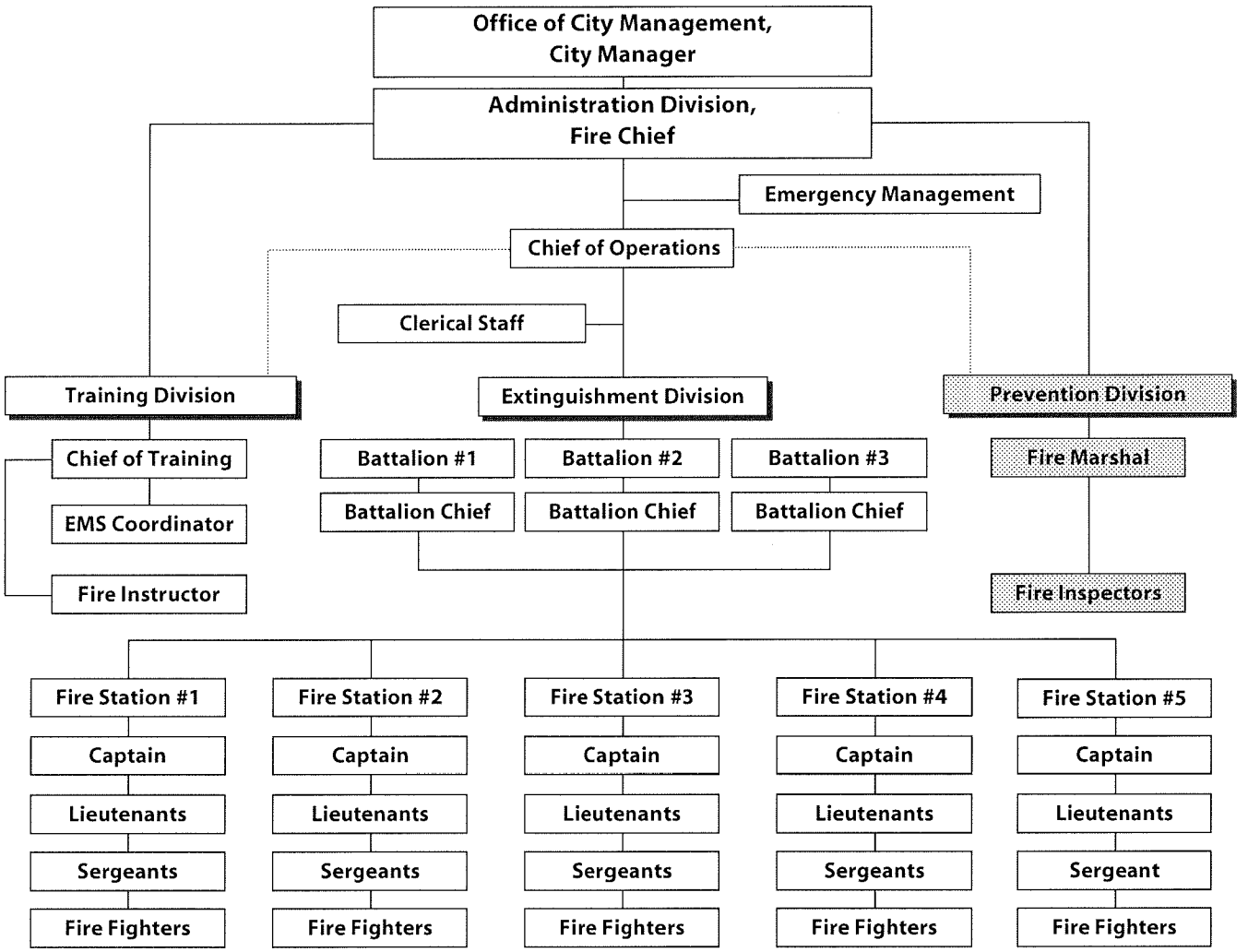
3. To implement a quality review of the Business Inspection Program protecting the integrity of the program and allowing the Fire Inspectors more time to devote to higher hazard occupancies. *(City Goals 24, 25)*

4. To inventory and organize all Fire Prevention files and eliminate all unnecessary forms and other outdated documents providing for much needed filing space. *(City Goal 3)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Inspections Conducted	4,427	3,832	4,204	4,205	4,375	4,200
	Annual Building Fire Inspections	1,009	590	1,000	880	1,050	1,000
	Special Code or Final Occupancy Inspections	386	490	458	550	550	500
	Liquor Lic., Amusement, & Site Inspections	1,233	1,069	620	800	800	800
	Witnessed Acceptance Tests Inspections	211	237	226	200	200	200
	Reinspections of Violations	1,471	1,280	1,700	1,600	1,600	1,700
	Citizen Assistance Inspections	117	166	200	175	175	200
	Violations Discovered and Issued	4,451	3,697	6,020	3,900	6,500	6,000
	Investigations (Fire and Other)	158	165	170	175	175	175
	Plan Reviews (sites, buildings, alarms)	745	994	850	900	800	850
Efficiency & Effectiveness	% Bus. Receiving Violations during Annual Inspections	95%	91%	96%	92%	94%	93%
	Value of Non-Residential Fire Loss	$157,710	$572,700	$219,703	$100,000	$100,000	$100,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	98%	98%	98%
	% of Inspectable Occupancies Experiencing Fires	0.50%	0.60%	0.70%	0.50%	0.10%	0.50%
	Inspections Conducted Per Inspector/Marshal	632	547	600	601	625	600
	% of Site Plans Reviewed within 20 Days	99%	100%	100%	100%	100%	100%
	Average Fire Inspection Cost	$345	$348	$353	*	*	*
	Average Plan Review Cost	$140	$147	$153	*	*	*
	Division Expenditures as % of General Fund	1.24%	1.41%	1.28%	1.26%	1.25%	1.27%

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

Fire Prevention



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Fire Marshal	1	1	1
Fire Inspector	6	6	6
Total	7	7	7

Fire Prevention

SUMMARY OF BUDGET CHANGES

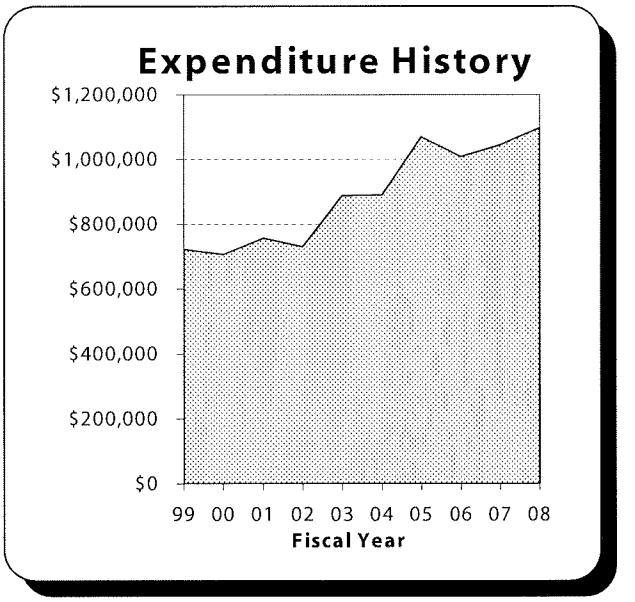
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $53,330 or 5.1% over last year's budget. Wages increased by $11,940. Health insurance costs rose $7,170 or 7.7% due to a rate increase for next fiscal year. An additional $59,810 is budgeted to fund retiree medical insurance obligations. Pension costs fell by $28,550 based on the results of the latest actuarial study.

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

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

Capital – Total Capital of $4,000 is proposed for this division and is budgeted in the Capital Projects Fund. $4,000 is recommended for two Digital Cameras to replace the two 35mm cameras that are used for fire and arson investigations. Since the Police Department now uses all digital format equipment to process pictures, it will not have to repair its old film developing equipment.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,007,797	$1,043,770	$1,031,700	$1,097,100	$1,097,100
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	$1,007,797	$1,043,770	$1,031,700	$1,097,100	$1,097,100

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 the 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.

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

The Municipal Citizen Corps Council is comprised of members representing the private sector, schools, military, federal and state agencies, and volunteers from the community. The Municipal Citizen Corps Council provides assistance to many other volunteer groups including Neighborhood Watch, Reserve Medical Corps, and the Community Emergency Response Team. These teams are available to assist during times of emergencies providing additional resources to the Emergency Manager when needed.

Federal pass through grants will continue into 2007/08 on a regional basis, to 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 are 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.■

KEY GOALS

- ***To mitigate incidents which may cause injury, or loss of life.***
- ***To prepare the 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 government, and residential and business communities back to normal operation following an emergency situation.***

Did you know?...
...that the main hazard for Sterling Heights is severe weather with the number one hazard being thunderstorms?

Emergency Management

2007/08 PERFORMANCE OBJECTIVES

1. To recruit an additional 100 members to the Sterling Heights Community Emergency Response Team (CERT) program to further the CERT's mission of providing individuals with the skills necessary to assist their families and neighbors following a large scale emergency event; promoting emergency preparedness to every individual within the City; and assisting the first responder at both routine and non-routine emergency incidents. *(City Goal 24, 25)*

2. To develop and provide a Weapons of Mass Destruction Training Exercise to further the City's readiness and ability to respond to a terrorist event. *(City Goal 24, 25)*

3. To coordinate the development of the City's Emergency Action to conform to National Incident Management System (NIMS) guidelines. *(City Goal 24, 25)*

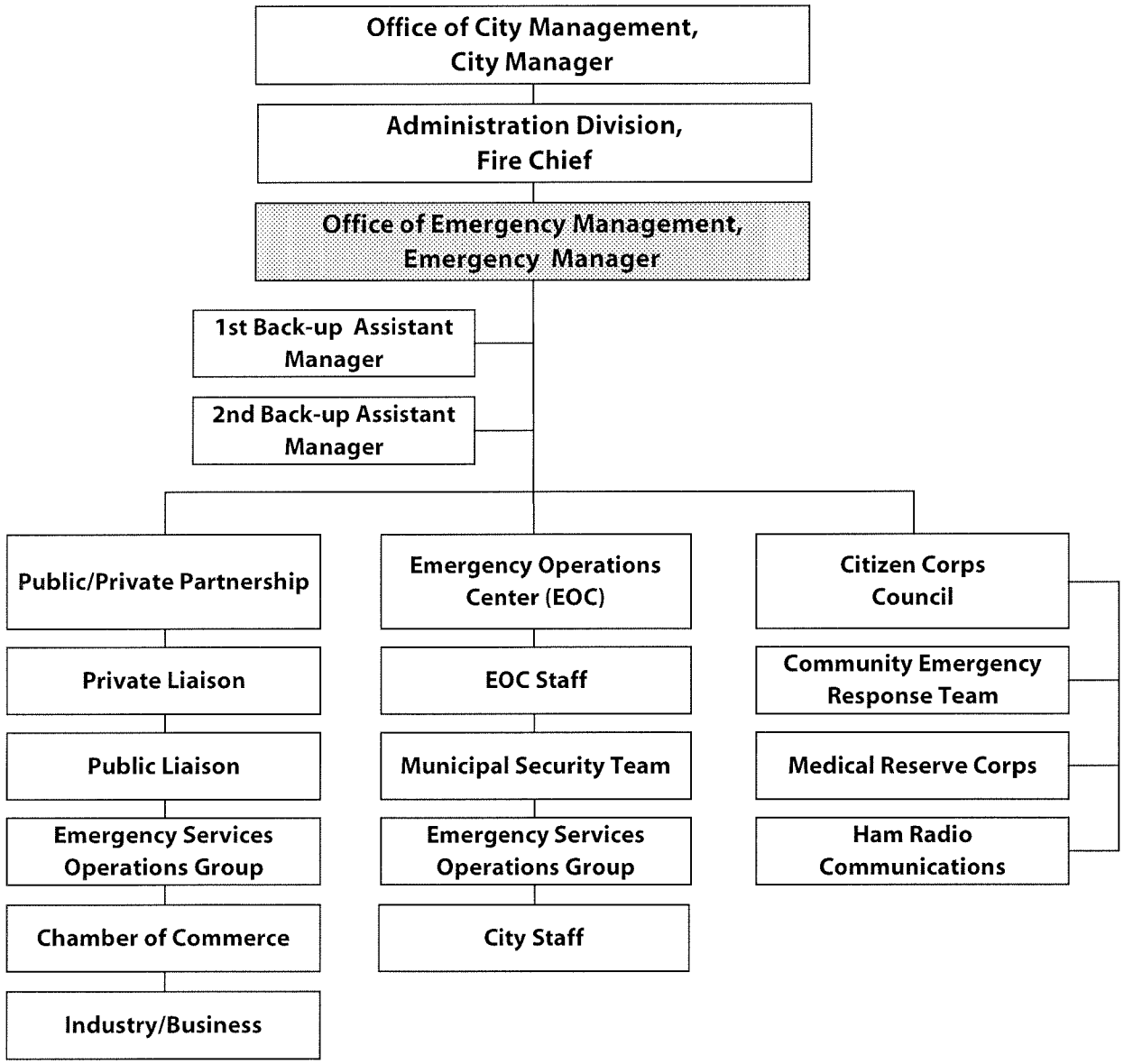
4. To strengthen the City's position within the Urban Area Security Initiative (UASI) Region of Southeast Michigan by serving on UASI and State advisory committees. *(City Goal 24, 25)*

5. To work with the Police and Fire Departments to establish a Citizen Corps Council that encompasses various public safety volunteers. *(City Goal 24, 25)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Emergency Responses/EOC Activations	6	6	2	6	3	6
	Training Exercises/Participants	2/75	3/50	3/75	6/100	3/100	3/100
	Testing & Maintenance of Warning Systems (Hours)	35	18	19	20	20	20
	Public Presentations	15	6	20	10	20	30
	Family Protection Workbooks Distributed	300	500	1,000	5,000	5,000	5,000
	Hours Spent at Disaster Planning Meetings	70	55	65	70	150	150
	New Grants Applied For/Grants Received	5/5	4/4	2/2	1/1	1/1	1/1
	# of Grant Files Closed	3	3	3	1	1	1
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	98%	99%	98%	99%	99%
	% of Time Spent Coordinating/Administering Grants	50%	50%	25%	10%	5%	5%
	% of Time Spent Developing Training & Exercises	10%	10%	10%	15%	20%	20%
	% of Time Spent Developing Emergency Plans	15%	15%	50%	75%	75%	75%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Emergencies Responded to w/i 1 Hour	99%	98%	99%	100%	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	$398	$404	$463	*	*	*
	Average Cost to Conduct a Training Exercise	$477	$485	$514	*	*	*
	Activity Expenditures as % of General Fund	0.27%	0.25%	0.16%	0.14%	0.12%	0.16%

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

Emergency Management



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Emergency Manager	1	1	1
Total	1	1	1

Emergency Management

SUMMARY OF BUDGET CHANGES

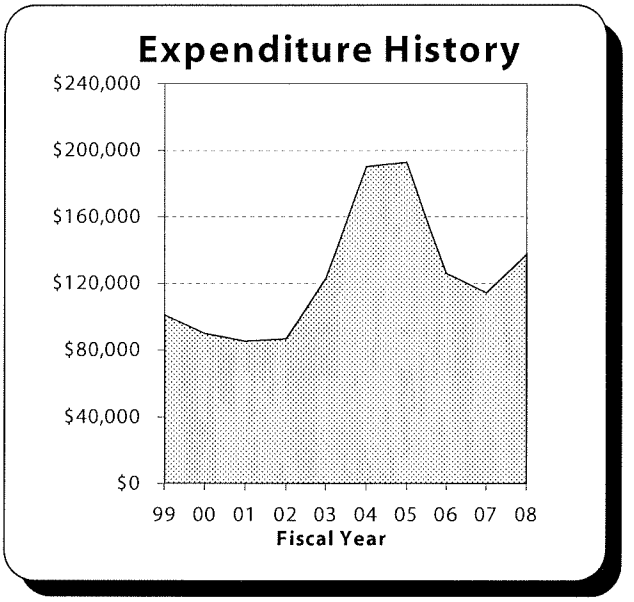
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $9,610 or 9.0%. Wages increased by a net $3,460 due to staff turnover in the prior year and a wage step increase for the new employee. Longevity costs declined $4,210. The new employee is eligible for a defined contribution pension resulting in a $5,150 increase. Health insurance costs rose $1,680 due to a change in the number of eligible dependents. An additional $2,900 is funded for retiree health care liabilities.

Supplies – Total Supplies increased $2,200 primarily due to the funding needed for the Community Emergency Response Team (CERT), until fundraising efforts are established or future grant money becomes available. The operating supply budget increased $160 to include funding for a backup battery needed for the Emergency Management satellite telephone.

Other Charges – Total Other Charges increased $5,660 or 90.4%. The budget increased $3,800 as funding for all expenses associated with the Incident Command Vehicle are now budgeted in Emergency Management. Assigning of these funds to one office will provide a better means of monitoring and controlling future costs. $2,400 was added for the Manager to attend Professional Emergency Manager (PEM) certification training and courses required for the City's compliance with the National Incident Management System (NIMS).

Capital – Emergency Management is scheduled to receive a new computer to replace an existing five-year old unit. 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 – Total Supplies increased $5,620 to fund a slight increase in training for the Community Emergency Response Team (CERT).

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$115,943	$107,250	$86,750	$116,860	$116,860
Supplies	439	640	380	2,840	8,460
Other Charges	9,413	6,260	9,560	11,920	11,920
Total	$125,795	$114,150	$96,690	$131,620	$137,240

07
08

City Development Department

FUNCTIONAL ORGANIZATION CHART

City Development Department

Office of Building

- Management of City Development Department
- 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 Economic Development

- Initiates personal contact with new business prospects
- Maintains active business retention and expansion program for existing businesses
- Processes/Approves Brownfield Redevelopment plans
- Provides referrals and other assistance to small businesses
- Manages City-owned real estate assets
- Tracks and monitors economic development activities receiving City financial support
- Maintains external relationships with the business community and real estate development practitioners
- Serves as liaison to Economic Development Corporation, Corridor Improvement Authority, Brownfield Redevelopment Authority, and the business community

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

Office of Public Services

- 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

DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department's budget increased by $168,980 or 5.9%. Personnel costs accounted for the vast majority of the overall increase, as costs rose by $166,340 or 6.1%. Over half of the personnel cost increase, or $92,960, is attributed to higher funding for retiree medical obligations. Wages rose by $79,830. Health insurance costs fell by $14,350, due in part to recent labor contract changes. Supplies fell by $2,610 due to the one time purchase of updated inspector codebooks last year. Other Charges increased by $5,250 or 5.8% for nuisance abatement costs and additional staff training, offset slightly by lower software maintenance fees and the one-time cost of inspector certifications in the prior year.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Building	$1,904,890	$1,929,030	$2,092,740	$2,214,940	5.8%
Economic Development	0	52,540	133,540	151,410	13.4%
Planning	339,640	347,030	358,150	376,040	5.0%
Public Services	384,870	392,520	273,260	284,280	4.0%
Total Department	$2,629,400	$2,721,120	$2,857,690	$3,026,670	5.9%
Personnel Services	$2,546,440	$2,611,140	$2,747,930	$2,914,270	6.1%
Supplies	14,980	15,530	19,040	16,430	-13.7%
Other Charges	67,980	94,450	90,720	95,970	5.8%
Total Department	$2,629,400	$2,721,120	$2,857,690	$3,026,670	5.9%

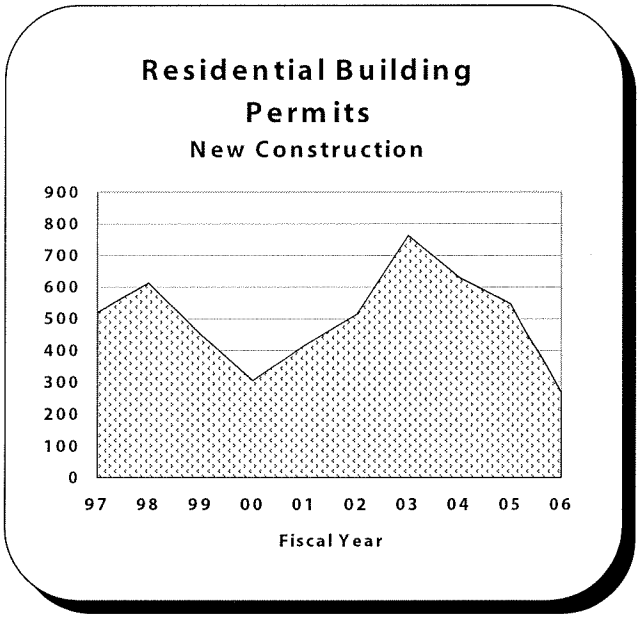
PERSONNEL SUMMARY

	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building	22	1	22	1	22	1	22	1
Economic Development	0	0	0	0	1	0	1	0
Planning	4	0	4	0	4	0	4	0
Public Services	4	1	4	1	3	1	3	1
Total Department	30	2	30	2	30	2	30	2

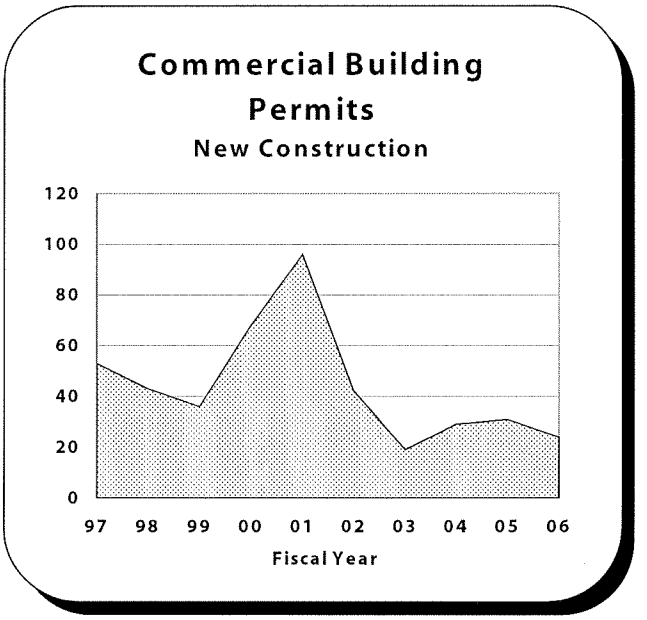
Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

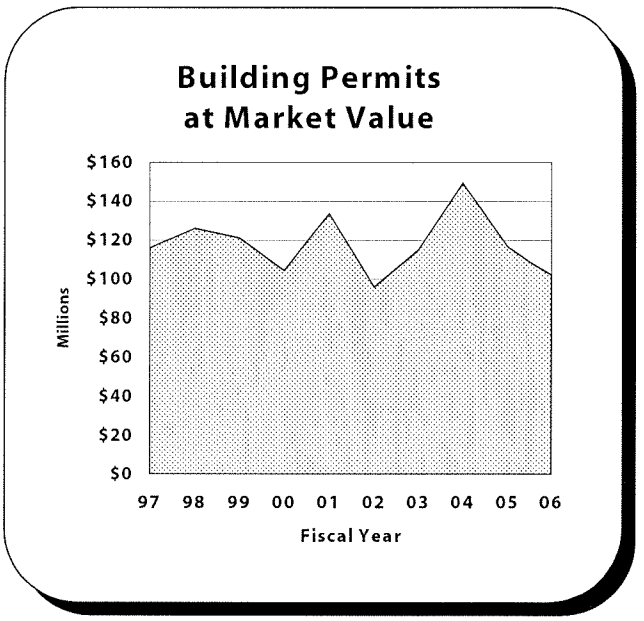
City Development Department



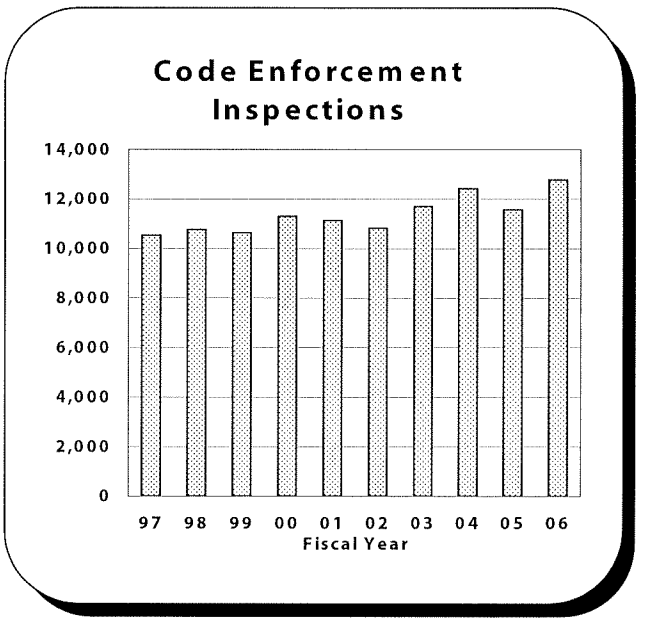
From 1998 to 2000, the number of residential building permits dropped to 304. Over the next three years, the number increased, reaching a high of 763 in 2003 due in part to the increasing number of condominium units and cluster developments. Since 2003, the number has again declined and is now at a ten year low of 269 permits.



The number of new commercial building permits rose and reached a high in 2001 when 96 permits were issued. For the past several years, the number has fallen to its lowest level in ten years. In 2006, 24 new commercial building permits were issued, a decrease from the 31 issued in 2005.



The dollars invested in new building construction and improvements over the past ten years have ranged from a low of $96 million to a high of $149 million. With the exception of two years, the general trend has been a slight reduction in the market value of residential permits, while the value of commercial permits has remained relatively constant. When adjusted for real estate inflation, there has been a general lessening of new growth in the City over the past ten years, as the amount of vacant land available for new subdivisions has declined.



The number of code enforcement inspections performed has increased by 21% over ten years. The City has made an effort to strengthen and maintain its property values by eliminating blighting influences. In 2006, there were 12,782 code enforcement inspections made, 2,130 inspections per officer or more than 8 inspections per officer per day. 93% of inspections were performed within 48 hours of complaint. A total of 3,495 violations were issued in 2006, a 74% increase over a five-year period.

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, 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 provides users better access to all information contained in the database. The established plan review process provides for the efficient administration of the permitting process.

Additionally, Building strives to preserve residential and commercial property values through strict enforcement of property maintenance standards. Those properties that are not brought into voluntary compliance with these standards become a subject of a public hearing for nuisance abatement.

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.***

The inspectors employed within the Building activity are trained professionals who are monitored not only by the City, 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.■

Did you know?...
...that the Office of Building periodically holds builder and developer task force meetings to provide updates to the Michigan Construction Codes?

Building

2007/08 PERFORMANCE OBJECTIVES *(Building)*

1. To establish a multi-jurisdictional interpretation committee that will provide uniform interpretation of the Michigan Construction Code to better assist builders and developers in expediting the plan review process. *(City Goal 3, 14, 16)*

2. To update the plan review and inspection checklist forms to comply with the anticipated adoption of the 2006 Michigan Construction Codes. *(City Goal 3, 14, 16)*

3. To conduct homeowner symposiums to clarify zoning ordinance and building code requirements for homeowners wishing to conduct home improvement projects. *(City Goal 14, 16)*

4. To create user-friendly instructions and checklists for small business use permits and small residential home improvement projects and to possibly develop a streamlined one-stop permit process. *(City Goal 3, 14, 16)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Permits Issued	8,910	7,445	7,898	8,500	6,800	7,600
	Building Permits Issued	2,354	2,249	2,962	2,500	2,850	2,600
	Mechanical Permits Issued	2,608	1,893	2,058	2,500	1,670	1,700
	Plumbing Permits Issued	1,825	1,838	1,242	1,700	1,020	1,500
	Electrical Permits Issued	2,123	1,465	1,636	1,800	1,260	1,800
	Total Inspections Performed	34,774	35,156	30,071	35,000	28,898	31,900
	Building Inspections	13,250	13,468	11,129	14,300	12,100	14,000
	Mechanical Inspections	9,089	8,435	7,737	7,900	5,860	6,500
	Plumbing Inspections	7,257	8,124	6,835	7,500	5,300	6,000
	Electrical Inspections	5,178	5,129	4,370	5,300	5,638	5,400
	Ordinance Complaint Tickets Issued	32	23	24	50	36	50
	Board of Code Appeals Applications	4	8	5	12	8	12
	Board of Ordinance Appeals Hearings	36	32	16	35	20	30
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	3	3	3	3	3	3
	% of Inspections Performed on Schedule	94%	94%	95%	95%	95%	95%
	% of Commercial Plans Reviewed w/i 20 days	93%	94%	95%	95%	95%	95%
	% of Residential Plans Reviewed w/i 10 days	93%	94%	95%	95%	95%	95%
	Average No. of Inspections per Budgeted Inspector	3,477	3,516	3,165	3,680	3,042	3,358
	Market Value of Building Permits (Millions)	$149.4	$116.6	$102.2	$118.0	$128.0	$125.0
	Permits Issued via City's Website	38	12	57	60	40	50
	Activity Expenditures as % of General Fund	1.95%	2.52%	2.44%	2.52%	2.52%	2.57%

2007/08 PERFORMANCE OBJECTIVES *(Code Enforcement)*

1. To implement a commercial and industrial reforestation plan to ensure that these properties are in compliance with City approved landscape plans. *(City Goal 13)*

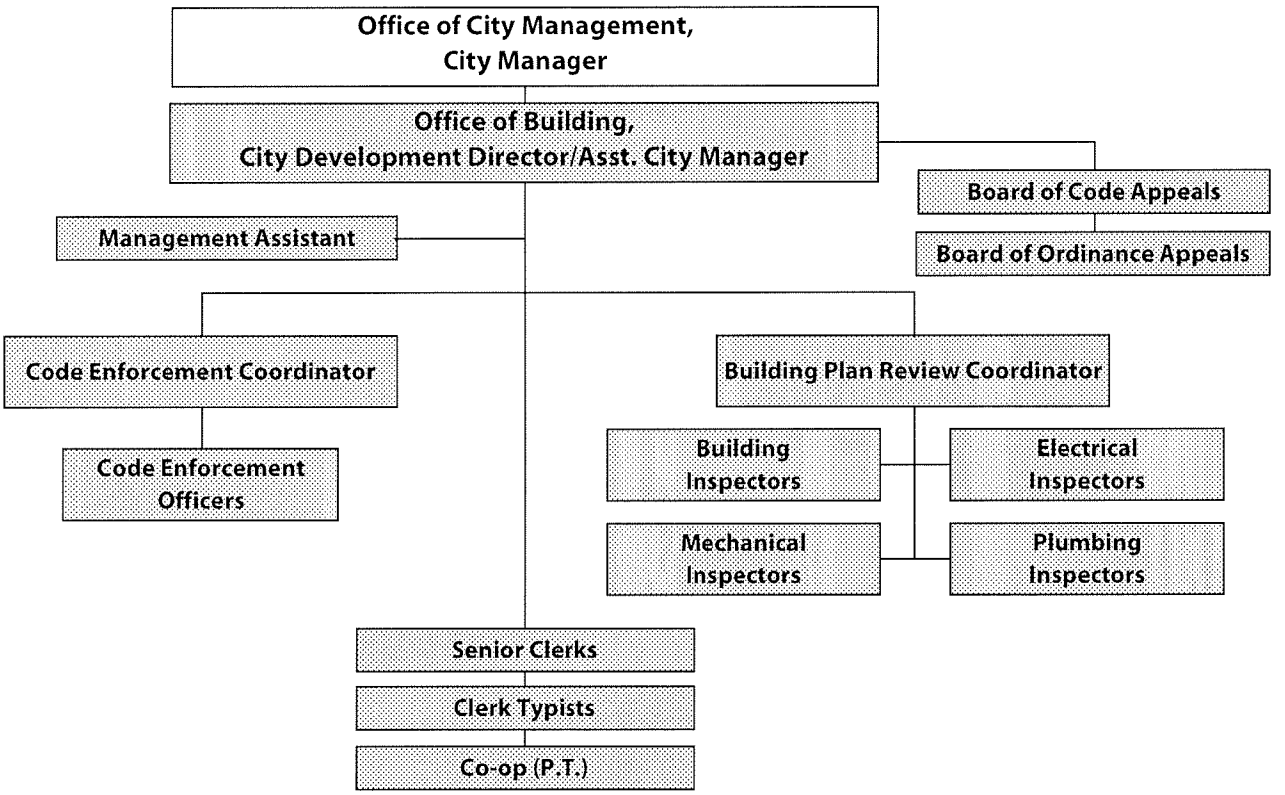
2. To evaluate the condition of fences along major mile roads and require improvements where necessary. *(City Goal 13)*

3. To target specific areas of the City that require additional code enforcement efforts in accordance with the City's overall goal of encouraging property maintenance and improvement programs in residential and commercial areas. *(City Goal 12, 13, 14, 15)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Inspections Performed	12,408	11,560	12,782	12,500	12,400	13,000
	Total Code Enforcement Cases	3,667	3,647	3,495	3,500	3,287	3,500
	Public Nuisance Cases	1,253	789	365	200	170	200
	Illegal Sign Cases	301	355	287	350	250	300
	Trash & Debris Cases	403	525	401	400	356	400
	Junk Vehicle Cases	289	308	319	300	265	300
	Property Maintenance Cases	840	1,103	1,253	1,300	1,086	1,300
	Miscellaneous Cases	581	567	870	950	1,160	1,000
	Ordinance Board Cases Prepared - Nuisances	137	165	225	300	286	300
	Civil Infraction & Misdemeanor Tickets Issued	18	11	42	20	20	25
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	90%	91%	93%	94%	95%	95%
	Avg. Working Days Between Violation & Correction	11	10	10	10	10	10
	% of Violations Corrected Prior to City Action	95%	94%	90%	95%	95%	95%
	Inspections Performed Per Code Inspector	2,757	1,926	2,130	2,083	2,067	2,167
	Code Enforcement Cases Per Code Inspector	815	608	583	583	548	583
	Code Enforcement Cases Per 1,000 Residents	29.1	28.9	27.5	27.5	25.8	27.3
	Average Cost to Perform a Code Inspection	$20.09	$20.68	$20.48	*	*	*

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

Building



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Development Director/Asst. City Manager	0	1	1
Building Official	1	0	0
Building Plan Review Coordinator	1	1	1
Code Enforcement Coordinator	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	5	5	5
Management Assistant	1	1	1
Senior Clerk	2	2	2
Clerk Typist	2	2	2
Co-op (P.T.)	1	1	1
Total	23	23	23

Building

SUMMARY OF BUDGET CHANGES

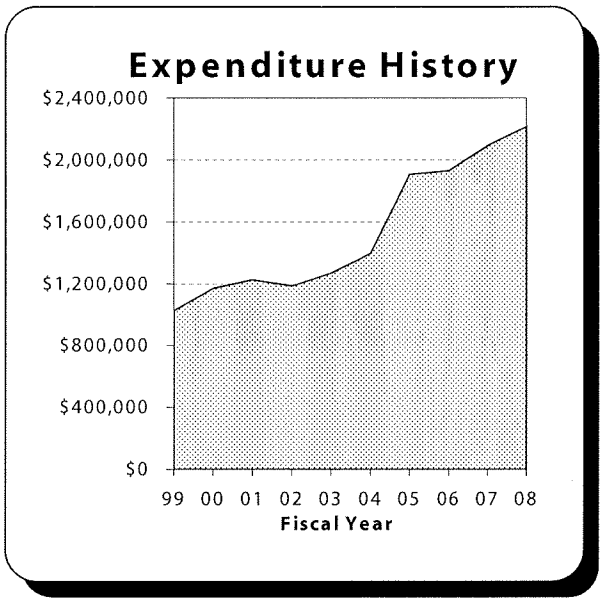
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $118,630 or 5.9%. Wages for full-time employees rose $49,760 or 3.9% as several new employees have wage step increases. An additional $62,030 is budgeted to fund retiree health insurance liabilities. Health care costs rose only $1,180 or 0.5% as an additional employee has elected to forego health coverage in order to receive the health insurance allowance. Existing building staff will complete the City's commercial landscape plan inspections.

Supplies – Total Supplies decreased $2,370 or 16.8%. Publication costs decreased $2,570 due to the one-time purchase of Michigan Code books for field personnel in the prior year. Postage costs increased $200 due to an expected postal rate increase.

Other Charges – Total Other Charges increased $5,940 or 7.4%. $25,000 is budgeted for nuisance abatement contract costs, which remain as costs to the City until the property owner pays the invoice for cleanup services or the lien resulting from an unpaid invoice is satisfied. $5,400 was added as the City Development Director will attend the Senior Executive Institute next year. A reduction of $21,740 was made as the annual maintenance contracts for the wireless pen tablets and Land Management "Workflow" software are no longer needed. Membership costs decreased $930 due to the one-time funding of Inspector certifications in the prior year, offset slightly by an increase in existing membership 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.

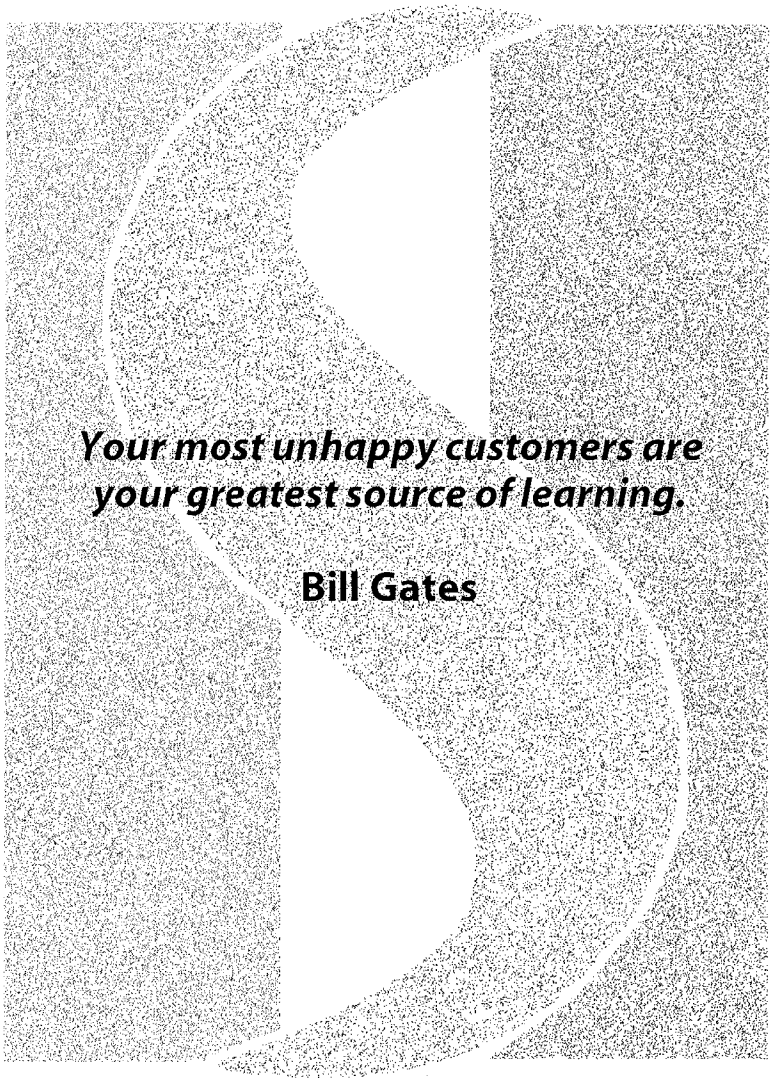
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,830,522	$1,998,290	$1,935,280	$2,116,920	$2,116,920
Supplies	10,997	14,100	14,100	11,730	11,730
Other Charges	87,515	80,350	133,110	86,290	86,290
Total	$1,929,034	$2,092,740	$2,082,490	$2,214,940	$2,214,940


Your most unhappy customers are your greatest source of learning.
Bill Gates

Economic Development

MISSION STATEMENT: ***To develop a progressive and proactive economic development program designed to sustain and expand the City's economic and employment base and help retain the City's ranking as one of the nation's premier communities to live, work, play and prosper.***

The Economic Development Office is responsible for all Economic Development functions of the municipal corporation. The primary responsibility of this office is to create and implement a sustainable development strategy that will help increase the City's tax base and keep the community viable and attractive to residents, vistors and businesses.

Specific aspects of this office may be categorized into four related but distinct areas: Business Retention and Expansion, Business Attraction, Community Revitalization, and Economic Development Outreach.

Business Retention and Expansion – Through the Economic Development Office, Sterling Heights maintains an active business retention and expansion program that encourages the retention and expansion of existing businesses providing quality jobs, a diverse workforce and expanded tax base.

Business Attraction – This program fosters an economic development climate that attracts and encourages the recruitment of businesses to Sterling Heights that will provide quality jobs, diversify the workforce and expand the tax base.

Community Revitalization – This program is responsible for undertaking projects, which promotes retail businesses, redevelops the City's commercial corridors, promotes stable residential neighborhoods and maintains the City as an attractive location for working, living and entertaining. The Master Land Use Plan supports and promotes this program.

Economic Development Outreach – Maintaining external relationships with elected officials, business community and real estate development practitioners is a critical function for this office. Public presentations and interaction with a broad segment of the population are equally important. This office offers a professional image that demonstrates responsiveness, integrity and a comprehensive balance of the public benefit and the interests of the City.

Fiscal oversight and management of all economic development projects is handled in a responsible manner. Proposing and implementing economic development programs and functions that address the overall goals of the City Council and City Administration are also primary objectives of this office.■

KEY GOALS

- ***To maintain the City's economic base by fostering the growth and expansion of existing businesses.***
- ***To broaden the City's tax base by attracting new development and business to the community to help expand general fund dollars necessary for the City to maintain its high level of services.***
- ***To further enchance Sterling Heights' reputation as an outstanding community in which to locate and operate a business.***
- ***To provide staff support to the City's Brownfield Redevelopment Authority and the Economic Development Corporation.***

Did you know?...
...that through the efforts of the Economic Development office, Plumbrook Technology Park received the only "Certified Business Park" designation in Macomb County by the Michigan Economic Developers Association ?

Economic Development

2007/08 PERFORMANCE OBJECTIVES

1. To implement a special assessment district for the Lakeside Shopping Center area to enhance the ambiance and to preserve Lakeside as a premier shopping destination. *(City Goal 8, 9, 10, 11)*

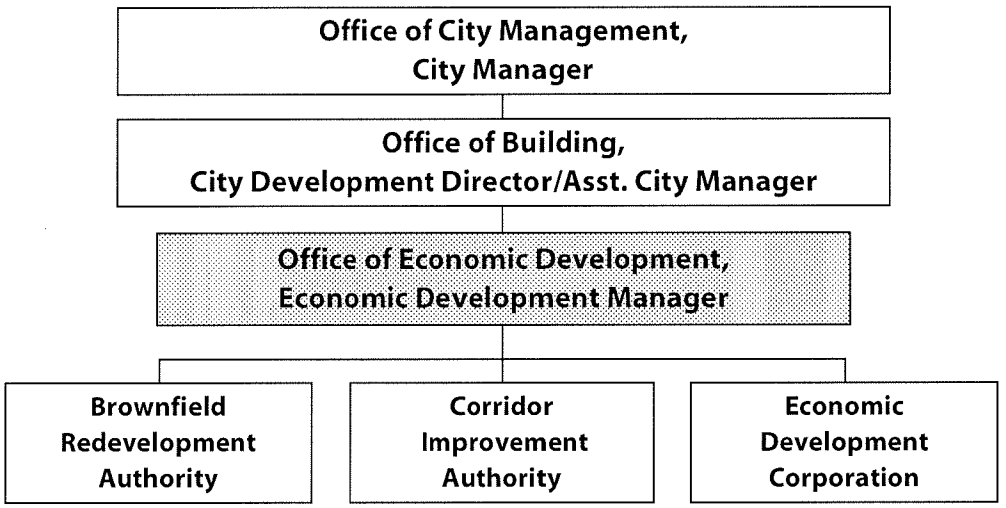
2. To aggressively market the Corridor Improvement Authority district and begin to utilize the tools provided through the Authority. *(City Goal 8, 9, 10, 11)*

3. To facilitate the redevelopment of known brownfield properties through the aggressive marketing of the City's brownfield redevelopment tools, and apply for applicable state loans and grants. *(City Goal 10, 21)*

4. To market the City to investors, developers, and other real estate professionals in order to attract new business and increase the tax base and provide job opportunities. *(City Goal 8, 10, 11)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Brownfield Sites Marketed for Redevelopment	N/A	N/A	3	2	6	6
	Redevelopment Projects on Major Corridors	N/A	N/A	0	4	0	1
	Retention Calls to Existing Businesses	N/A	N/A	26	52	73	52
	Tax Abatements Initiated	N/A	N/A	3	6	5	5
	Developer Contacts Initiated	N/A	N/A	21	30	66	30
	Brownfield Applications Processed/Approved	0/0	0/0	0/0	2/2	0/0	2/2
	Development Opportunities Forum Attendees	N/A	N/A	N/A	20	N/A	20
Efficiency & Effectiveness	Value of New Major Comm. Corridor Projects (Millions)	N/A	N/A	$0.0	$10.0	$0.0	$5.0
	Value of Grant Dollars Procured (Millions)	N/A	N/A	$0.0	$0.5	$0.0	$0.5
	Private Sector Jobs Created in City	N/A	N/A	N/A	50	160	50
	Jobs Created/Retained via Business Retention Program	N/A	N/A	N/A	25	40	25
	Value of Brownfield Investment Approved (Millions)	$0.0	$0.0	$0.0	$1.0	$0.0	$1.0
	Activity Expenditures as % of General Fund	0.00%	0.00%	0.07%	0.16%	0.17%	0.18%

Economic Development



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Economic Development Manager	0	1	1
Total	0	1	1

Economic Development

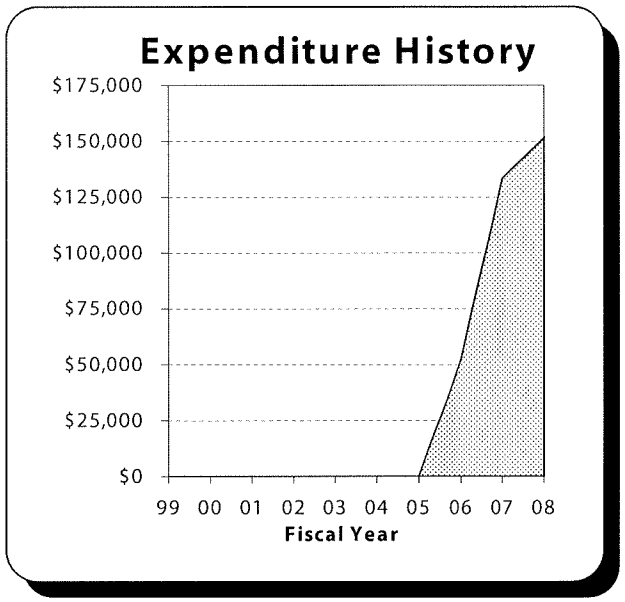
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased $18,390 or 14.5% over last year's budget. The overall increase is attributable to higher wage and fringe benefit costs for the Economic Development Manager position, which is not presently at the top of the wage scale. An additional $4,650 is budgeted to fund increasing retiree medical liabilities. Health insurance costs declined $910 or 6.5% as a result of a recently settled labor contract, which lowered City health care premiums.

Supplies – Total Supplies increased $100 or 5.7%. The increase is primarily due to a better idea of this office's actual expenditure usage as the Economic Development office was newly established last fiscal year. Funding for postage increased $300 based on the current year's projected expenditure level and an anticipated postal rate increase. The operating supply budget decreased $200 as the prior year budget included funding for start-up supplies for the new office.

Other Charges – Total Other Charges decreased $620 or 12.9%. $580 was saved, as fewer educational conferences are budgeted. $1,720 is budgeted for economic development certification training and a State economic development association conference. The budget for local meeting costs can be reduced by $150 to be brought more in line with the current year's projected expenditure usage. Telephone costs increased $100 to include funding for one office telephone, which was previously expensed in the Public Services activity.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$50,549	$127,000	$130,100	$145,390	$145,390
Supplies	576	1,750	1,950	1,850	1,850
Other Charges	1,413	4,790	4,590	4,170	4,170
Total	$52,538	$133,540	$136,640	$151,410	$151,410

MISSION STATEMENT: ***To act as the principal technical source of assistance to the Planning Commission and Zoning Board of Appeals in carrying out their duties in accordance with State enabling legislation.***

It is the responsibility of the Office of Planning to coordinate site plan reviews, and interpret and enforce the Zoning and other general ordinances of the City. This is done in accordance with its duty of providing administrative and technical assistance to both the Planning Commission and Zoning Board of Appeals (ZBA).

The City Planner serves as the administrative liaison to the Planning Commission. The Commission is required, by State enabling legislation, to prepare and adopt a Master Land Use Plan as set forth in the Municipal Planning Act, Public Act 285 of 1932, as amended. Planning provides the technical and professional assistance necessary for the creation of the plan, including any successive amendments.

As master land use plans generally entail a long range planning projection of between 15 to 20 years, continual review and maintenance is required by both the Planning Commission and Office of Planning. The Master Land Use Plan guides the physical development of the City as it relates to uses of land, public and quasi-public facilities, transportation systems, and utilities.

Planning is also responsible for the interpretation and enforcement of the Zoning, Tree Preservation, and other ordinances. Certain annual inspections such as review of liquor license establishments are also conducted by this office.

This activity reviews plans for compliance with community standards that have been implemented in the Code of Ordinances. Development plans for industrial, commercial, and residential units are reviewed for height limitations, building setback, site density, parking accommodations, and floodplain violations.

The ZBA has specific powers and duties as provided in Act 207 of the Public Acts of 1921, as amended. The ZBA is a quasi-judicial body, and serves as the only body at the municipal level to hear appeals on various zoning matters. These duties include ordinance interpretations, appeals of administrative decisions, modification, and variance of ordinance requirements, and use variances. The City Planner also serves as liaison to this Board.■

KEY GOALS

- ***To provide technical support to the Planning Commission to prepare and adopt a Master Land Use Plan.***
- ***To provide technical support to the Planning Commission to prepare and adopt Zoning and Subdivision Regulation Ordinances.***
- ***To provide technical review and assistance on all phases of planning responsibilities.***
- ***To protect public safety, health, welfare, and property values by administering regulations, zoning ordinances, and other general codes.***
- ***To provide referral and supportive services to residents, businesses, developers, and builders.***

Did you know?...
...that nearly 420 acres of privately owned land has been forever preserved as natural open space areas since adoption of the Special Development Option ordinance in 1990?

Planning

2007/08 PERFORMANCE OBJECTIVES

1. To monitor and expand where necessary, the housing types throughout neighborhoods that are compatible with the existing character of the City while also providing new and innovative housing choices. *(City Goal 16)*

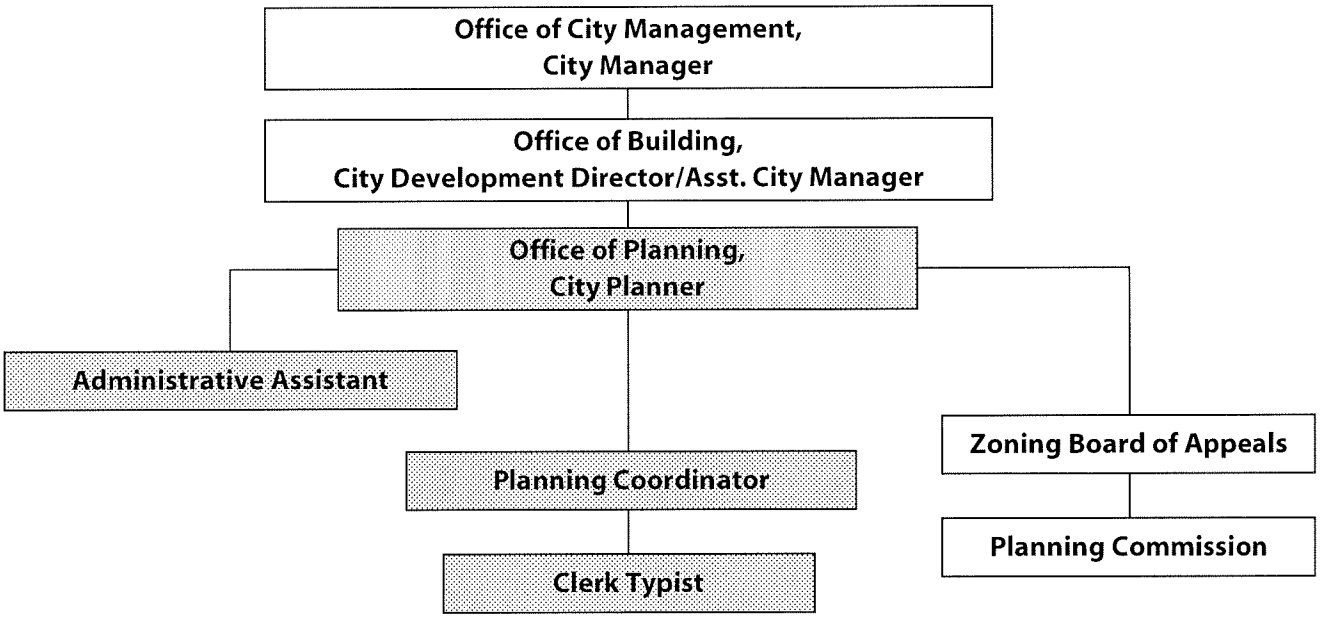
2. To promote and assist developers and property owners in implementing new standards associated with streetscape designs and landscaping for new and re-developments. *(City Goal 15)*

3. To assist the Planning Commission in updating the City's Zoning Ordinance including the evaluation of parking, setback, density and land use requirements to foster a more efficient use of land, which will create opportunities for new or existing businesses to expand while minimizing environmental impacts and preserving the City's overall quality of life. *(City Goal 8)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Site Plans Reviewed	60	66	84	70	50	55
	Property Splits Reviewed	38	34	35	35	20	25
	Rezoning Petitions Processed	13	17	13	14	10	10
	Subdivision Plats Reviewed	1	0	0	1	1	0
	Special Approval Land Uses Processed	14	3	16	10	8	8
	Special Development Options Requested	3	3	3	3	1	2
	Administrative Temporary Uses Reviewed	115	85	73	85	70	70
	Planning Commission Meetings Attended	18	12	12	12	11	12
	Temporary Uses, Variances, & Vacations Reviewed	3	1	1	2	0	1
	Zoning Board of Appeals Cases Prepared	58	47	48	40	38	40
	Zoning Board of Appeals Meetings Held	16	12	12	12	12	12
	City Council Meetings Attended	16	23	24	22	15	18
	Council Agenda Items Prepared	26	29	29	35	20	25
	Section 8 Inspections Made	42	43	42	42	42	0
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	90%	88%	90%	90%	93%	90%
	Average Cost to Review a Site Plan	$1,580	$1,338	$1,456	*	*	*
	Activity Expenditures as % of General Fund	1.15%	0.45%	0.44%	0.43%	0.42%	0.44%

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

Planning



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Planner	1	1	1
Planning Coordinator	1	1	1
Administrative Assistant	1	1	1
Clerk Typist	1	1	1
Total	4	4	4

Planning

SUMMARY OF BUDGET CHANGES

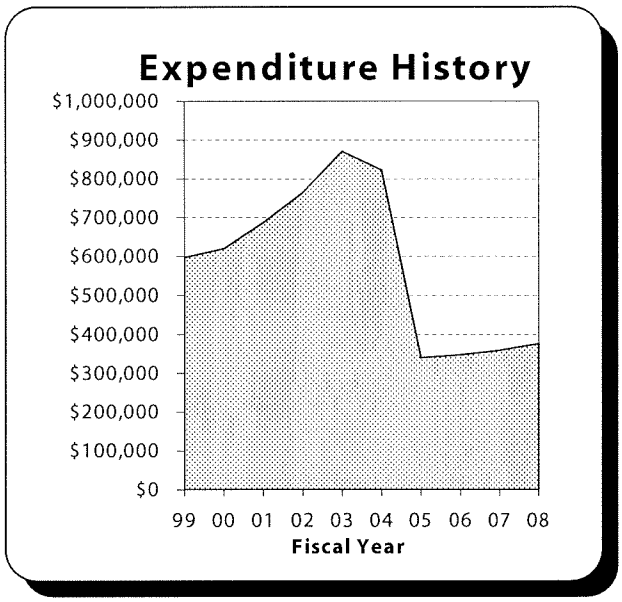
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $18,010 or 5.1% over last year's budget. Wages rose $12,110. An additional employee has elected to receive the health insurance allowance in lieu of health care benefits. As a result of this and a recent labor contract change, hospitalization costs declined $14,570. An additional $17,500 has been budgeted to fund increasing retiree health care liabilities.

Supplies – Total Supplies decreased $40 or 2.3% as the postage budget has been brought more in line with recent actual expenditure levels.

Other Charges – Total Other Charges decreased $80 or 2.2%. Funding for printing decreased $200 as prior year budgeted funds were never fully spent. Telephone costs increased $100 based on the current year's projected expenditure usage. $20 was added due to a slight increase in existing membership 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$342,389	$352,730	$339,270	$370,740	$370,740
Supplies	1,431	1,740	1,500	1,700	1,700
Other Charges	3,206	3,680	3,080	3,600	3,600
Total	$347,026	$358,150	$343,850	$376,040	$376,040

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.***

The Office of Public Services 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.

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, federal and private sources are pursued and closely monitored for park development, roads, tree planting, roadway median landscaping, pedestrian bridges, right-of-way landscaping, bike path construction, and Emerald Ash Borer Tree Replacement. Public Services provides information to residents regarding water and sanitary sewer connection fees, street lighting, and traffic signs and signals. This office prepares ordinance variance agreements and coordinates activities and decisions involving the City and other agencies such as the Road Commission of Macomb County and the City of Detroit; for example, multi-jurisdictional contracts are often required with road construction projects. Other activities include the disposal of excess City property, the overseeing of office expenditures, the review of site plans and building plans for appropriate water and sewer connections, the issuance of culvert permits, common area irrigation permits, and monitoring well permits, as well as coordination of traffic engineering studies.

The City's Community Development Block Grant (CDBG) program, which is the annual federal government program that provides grants for community development activities, and the Section 8 Housing Choice Voucher Program, which provides housing and housing programs for low-income families, are both programs administered thru Public Services.

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 Manager also provides professional, technical and administrative assistance to the Transportation Advisory Committee and serves as Executive Director of the Housing Commission and President of the Schoenherr Towers Resident Advisory Board.■

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.***

Did you know?...
...that the new 18½ Mile roundabout is an attractive alternate route for those seeking to avoid Mound Road and 18 Mile Road congestion?

Public Services

2007/08 PERFORMANCE OBJECTIVES

1. To select an architect and complete construction plans for the renovations to Fire Stations #2, #3 & #4, which were approved under Proposal F. *(City Goal 13, 15)*

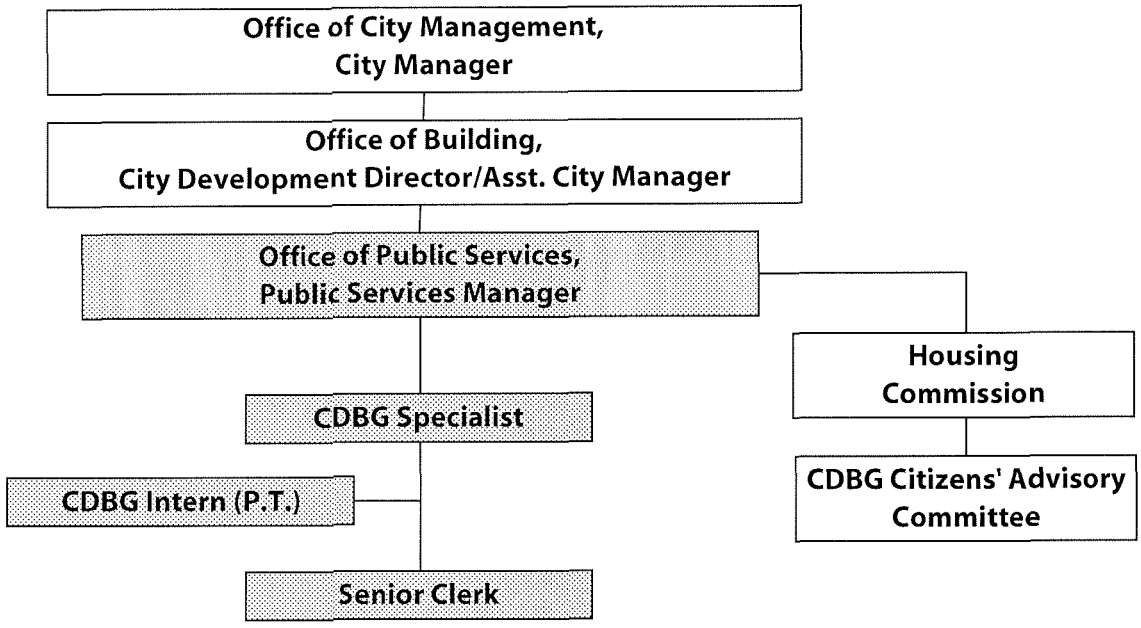
2. To work with the Housing Commission to complete interior improvements to the lobby of Schoenherr Towers. *(City Goal 13, 14, 15, 16)*

3. To obtain federal grant funding for Phase I of the landscaping and streetscape improvements proposed for the North Van Dyke Corridor through the Corridor Improvement Authority. *(City Goals 8, 9, 13, 14, 15)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Building Permits & Site Plans Reviewed	450	420	400	400	350	350
	Use Permits Reviewed	225	80	30	50	30	20
	W & S Connection Permits Issued (Existing Homes)	40	32	26	30	30	25
	Special Projects Administered	7	7	7	5	8	8
	New Grants Applied For/Grants Received	3/3	5/5	3/3	3/3	3/3	3/3
	Council Meetings Attended	25	30	15	10	10	10
	Housing Commission Meetings Attended	9	12	15	12	15	15
	Rights-of-Way/Easements Acquired	15	15	61	45	45	60
	Citizens Advisory Commission Meetings Attended	7	6	6	6	6	6
	Number of Streetlights in City	2,475	2,472	2,508	2,510	2,510	2,513
	Number of Streetlight Bills Reviewed & Approved	12	12	12	12	12	12
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	100%	100%	100%	100%	100%	100%
	% of ROW's Acquired Without Condemnation	80%	90%	97%	90%	95%	95%
	% of Easements Acquired Without Condemnation	90%	90%	97%	100%	95%	95%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Substandard Housing Rehab. Contracts Completed	38%	45%	85%	95%	95%	95%
	Avg. Cost to Prepare/Process a Grant Application	$1,207	$1,011	$1,108	*	*	*
	Avg. Cost to Review a Use Permit Application	$66	$69	$75	*	*	*
	Activity Expenditures as % of General Fund	0.47%	0.51%	0.50%	0.33%	0.32%	0.33%

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

Public Services



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Development Director	1	0	0
Public Services Manager	1	1	1
CDBG Specialist	1	1	1
Senior Clerk	1	1	1
CDBG Intern (P.T.)	1	1	1
Total	5	4	4

SUMMARY OF BUDGET CHANGES

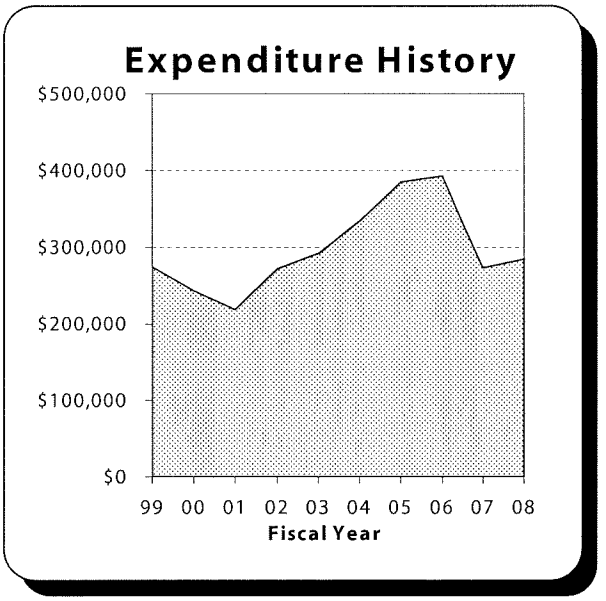
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget increased by $11,310 or 4.2%. Wages rose $6,320. Defined Contribution costs fell $6,060 as a result of a recent change in a labor contract. An additional $8,780 is budgeted to fund increasing retiree health insurance obligations. Current employee health insurance costs fell slightly as a result of a recent change in a labor contract resulting in increased employee deductibles and co-pays which lowered City premium costs.

Supplies – Total Supplies decreased $300 or 20.7%. Funding for operating supplies decreased $300 to bring the budget more in line with the current year's estimated expenditures, which are tracking lower as a result of the department reorganization in the prior year.

Other Charges – Total Other Charges increased $10 or 0.5% due to a slight increase in the American Public Works Association annual membership fee.

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

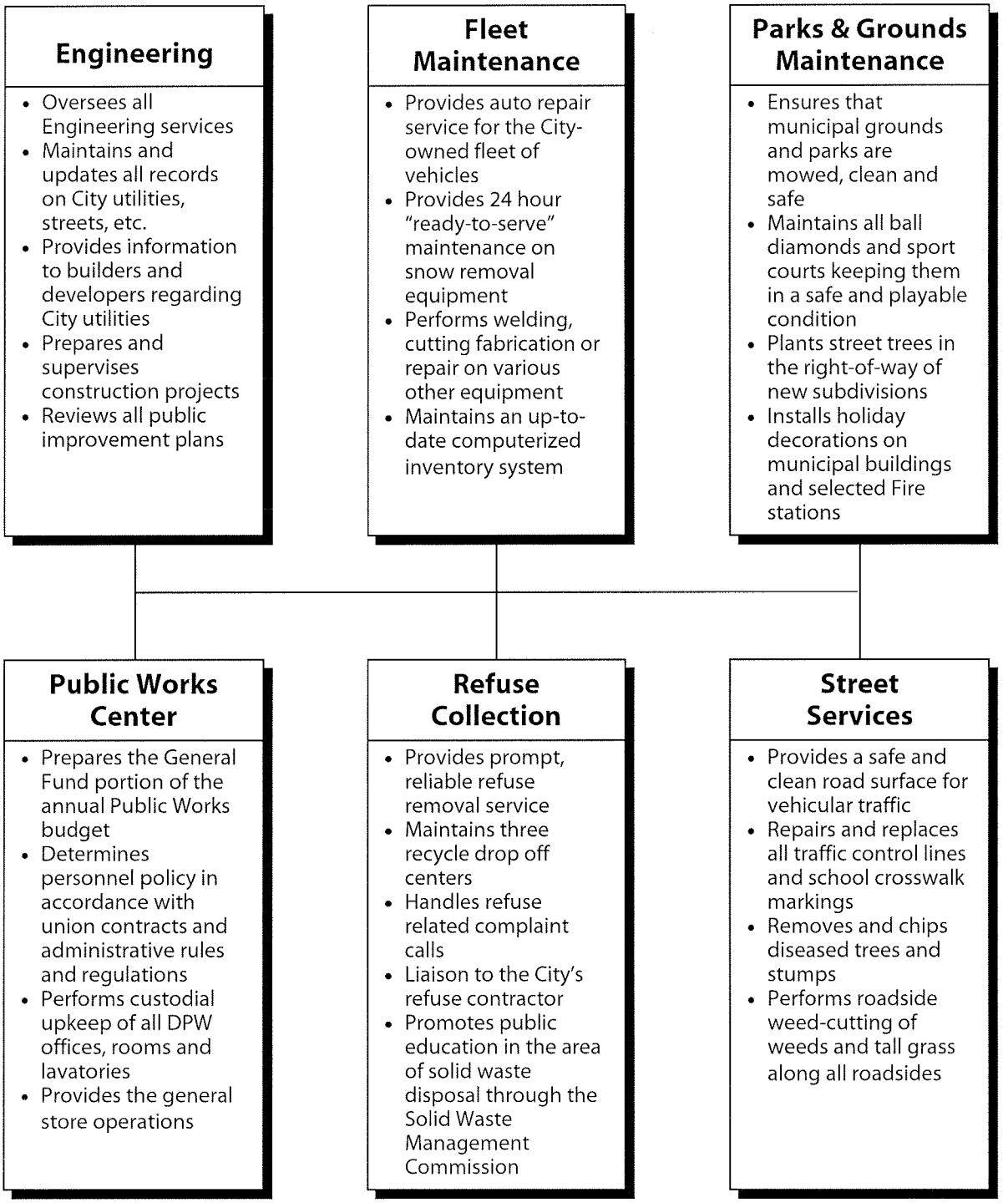
	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$387,679	$269,910	$264,860	$281,220	$281,220
Supplies	2,523	1,450	970	1,150	1,150
Other Charges	2,317	1,900	2,010	1,910	1,910
Total	$392,519	$273,260	$267,840	$284,280	$284,280

07
08

Public Works Department

FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works Department budget increased by $415,010 or 5.3%. Personnel costs rose by $352,230 or 5.7%. Funding for retiree medical obligations increased by $190,030 and full-time wage costs increased by $146,600. The Supplies budget increased by $56,130 or 4.9% due largely to higher fuel costs. Other Charges rose by $6,650 or 1.4% due to higher utility costs, offset by savings in telephone, radio maintenance and the contract to mow municipal sites. The capital budget includes $92,000 in funding for equipment and vehicles for enhanced snow plowing and park operations and $199,000 for repairs to a storm sewer detention pond, two school walkways, and municipal parking lots.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Engineering	$1,829,900	$1,843,940	$1,811,620	$1,889,460	4.3%
Fleet Maintenance	2,231,510	2,331,180	2,296,380	2,418,480	5.3%
Parks & Grounds Maint.	1,287,290	1,317,990	1,333,340	1,421,370	6.6%
Public Works Center	507,670	513,650	527,910	570,610	8.1%
Street Services	1,850,310	1,727,410	1,874,530	1,958,870	4.5%
Total Department	$7,706,680	$7,734,170	$7,843,780	$8,258,790	5.3%
Personnel Services	$6,097,000	$5,947,730	$6,220,800	$6,573,030	5.7%
Supplies	1,197,540	1,278,190	1,146,650	1,202,780	4.9%
Other Charges	412,140	508,250	476,330	482,980	1.4%
Total Department	$7,706,680	$7,734,170	$7,843,780	$8,258,790	5.3%

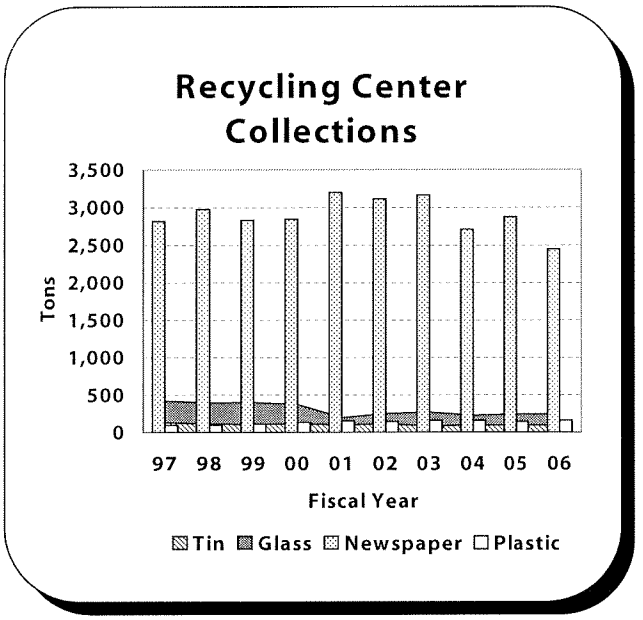
PERSONNEL SUMMARY

	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Engineering	17	2	17	2	16	3	16	3
Fleet Maintenance	14	1	14	1	14	1	14	1
Parks & Grounds Maint.	13	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	68	13	68	13	67	14	67	14

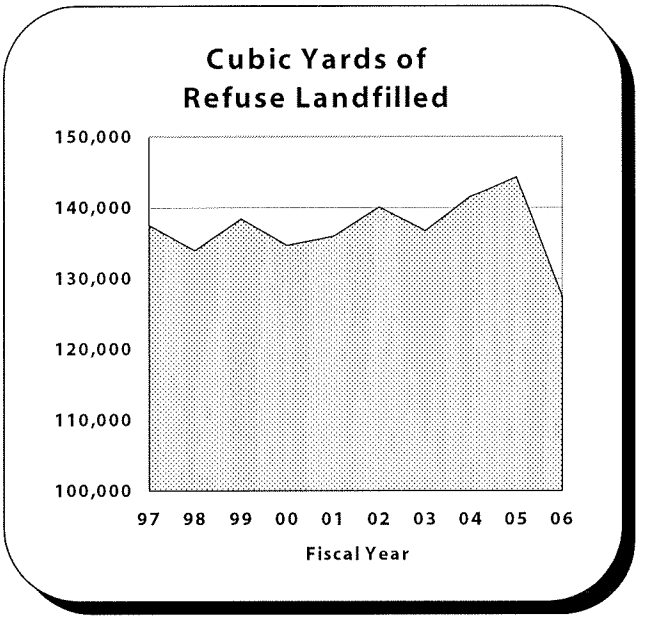
Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

Public Works Department

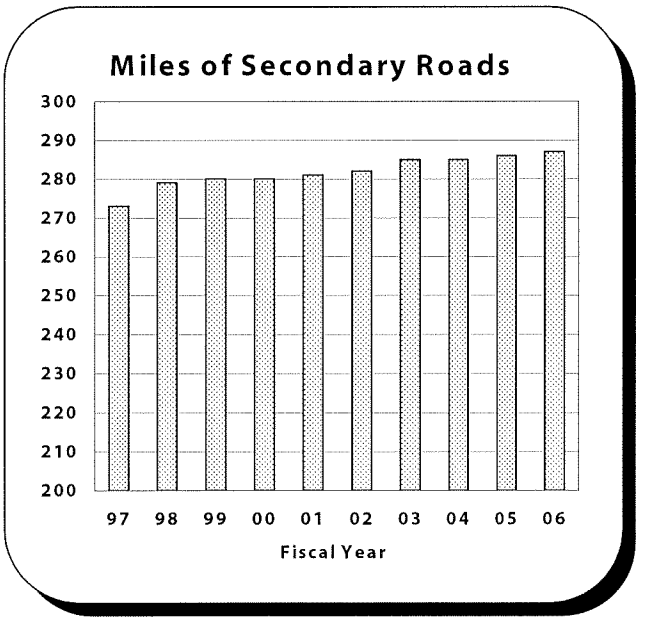


The volume of recycling center collections has increased over the past ten years at the City's three drop-off recycling centers. The growth in recycling and the composting of yard waste have allowed the City to reduce the refuse landfilled by 43% over 15 years. The average homeowner in the City pays less than $70 per year for trash pickup compared to nearly $250 in nearby townships. No city in the 2003 national study had a lower recycling cost per ton recycled.



Despite the separate collection of yard waste, which is now composted, and additional Recycling Center collections, the cubic yards of refuse landfilled in the City has generally increased due to overall population growth. In 2006, however the amount of refuse landfilled declined to only 127,520 cubic yards, as fewer apartment complexes and mobile home parks elected to receive City service.

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 five of the ten years due to warmer winters or reduced snow falls. Due to heavy snowfall in 2005, costs totaled $896,000 – 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.

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 Public Works Department of the City Administration organizational structure. Major responsibilities include the supervision and performance of all engineering services of the City. Engineering is responsible for the development of master plans and programs for public improvements, supervision, and inspection of all improvements constructed by or for the City.

Engineering maintains and updates, on a regular basis, all records of City utilities, streets, properties including parks, zoning changes, rights-of-way and addresses. Updating of Engineering records is necessary when changes are made or become available through other City departments.

Information is provided to prospective developers, builders, and consulting engineers on the availability, size, and location of all City utilities. Information is also provided to residents and other interested parties on scheduled or future public improvements.

Engineering reviews all planned public improvements. The review of these plans generates revenue to the City's General Fund.

The engineering design, administration, and inspection of City projects, City awarded contracts, and subdivision sites generates revenues of nearly $1.7 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.■

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.***

Did you know?...
...that the City collaborated with FEMA on the latest revision of floodplain maps which resulted in the removal of 88 parcels from the 100-year floodplain designated area?

Engineering

2007/08 PERFORMANCE OBJECTIVES

1. To improve the Geographic Information System (GIS) by allowing remote access of the Engineering office's utility, address, and various other maps to all City departments and the general public. *(City Goal 17)*

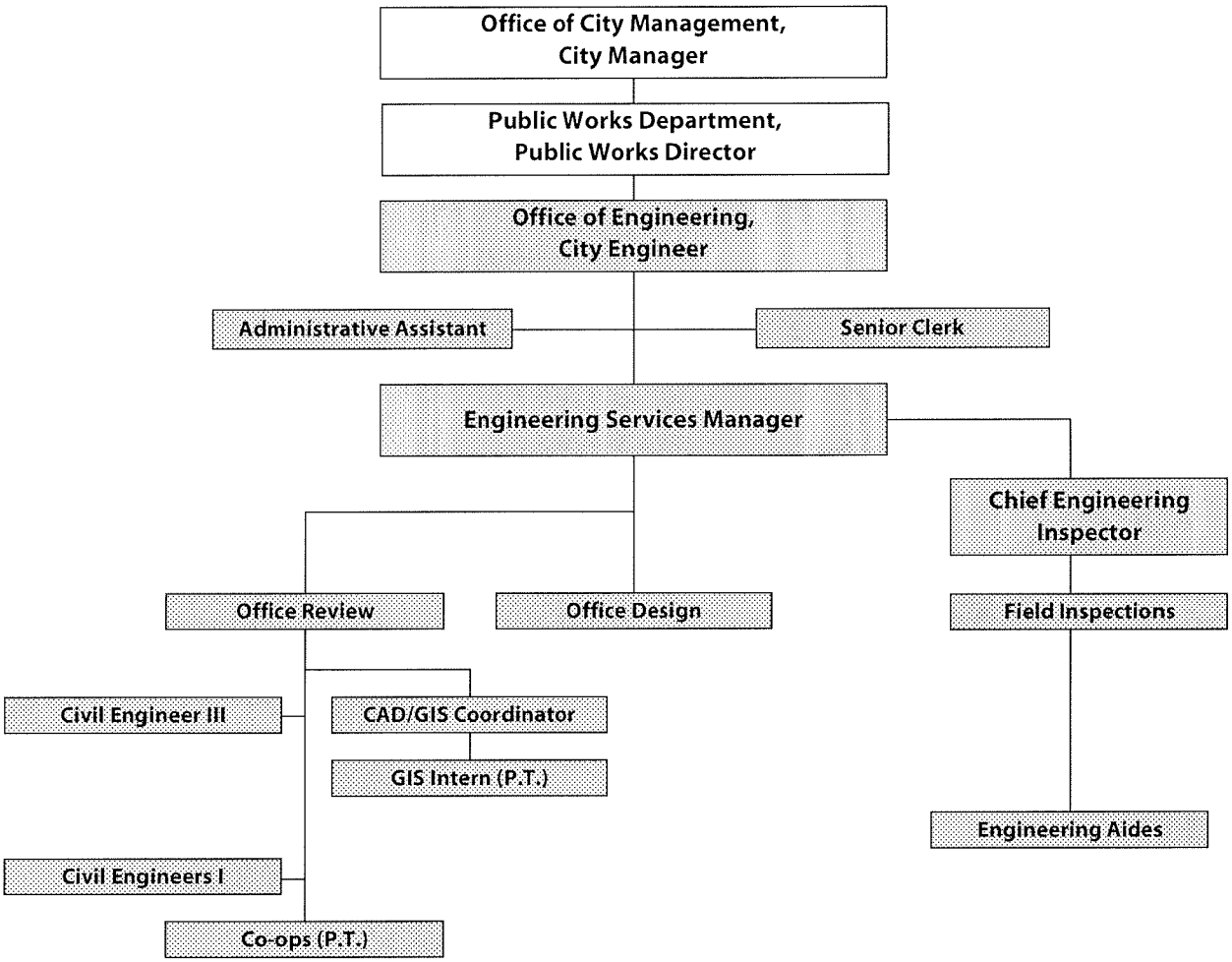
2. To create an inventory of all existing public and private retention ponds in the City to determine the maintenance needs and abandonment possibilities. *(City Goal 6)*

3. To create plans and specifications and administer contracts for various capital improvement projects including the Dequindre and 14 Mile Road water main project. *(City Goal 6, 22)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Site Plans Approved	70	67	78	70	65	65
	Subdivision Plans Approved	1	1	0	1	0	1
	Property Splits Reviewed	38	34	50	35	25	30
	Plot Plan/Grading Plans Approved	65	71	27	50	30	30
	Utility Company Permits Issued	144	121	54	100	70	60
	SESC Permits Issued	162	130	56	110	65	60
	Value of Const. Contracts Awarded & Supervised	$9.8M	$5.5M	$9.3M	$6.6M	$7.4M	$6.8M
	Personnel Contacts with Business - Counter	4,415	3,740	3,144	4,000	2,200	2,500
	Personnel Contacts with Business - Phone	13,795	10,898	9,516	12,000	8,000	7,000
	Miles of Sidewalks In City	565	566	605	610	610	620
	Service Requests Processed	555	717	555	800	800	800
	Inspection Revenues Generated	$1,088,190	$904,199	$933,683	$960,000	$975,000	$950,000
	SESC Inspection Revenues Generated	$11,232	$11,085	$11,126	$10,000	$10,500	$10,000
	Construction Project Design Revenues	$583,209	$520,072	$307,350	$520,000	$550,000	$525,000
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	72%	71%	73%	90%	80%	90%
	% of Utility Company Permits Reviewed w/i 15 days	85%	88%	85%	85%	85%	85%
	% of Plot or Grading Plans Reviewed w/i 10 days	77%	73%	75%	90%	90%	90%
	% of Capital Projects Completed w/i 5% of Bid Costs	85%	80%	85%	90%	87%	90%
	Engineering Inspection Hrs. Required to Meet Demand	12,873	10,751	10,150	11,900	10,500	10,500
	Engineering Inspection Cost Per Hour	$84.53	$84.10	$91.99	*	*	*
	Activity Expenditures as % of General Fund	2.50%	2.42%	2.33%	2.18%	2.15%	2.19%

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

Engineering



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
City Engineer	1	1	1
Engineering Services Manager	1	1	1
Civil Engineer III	1	1	1
Civil Engineer II	1	0	0
CAD/GIS Coordinator	1	1	1
Chief Engineering Inspector	1	1	1
Engineering Aide	7	7	7
Civil Engineer I	2	2	2
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
G.I.S. Intern (P.T.)	1	1	1
Co-op (P.T.)	1	2	2
Total	19	19	19

Engineering

SUMMARY OF BUDGET CHANGES

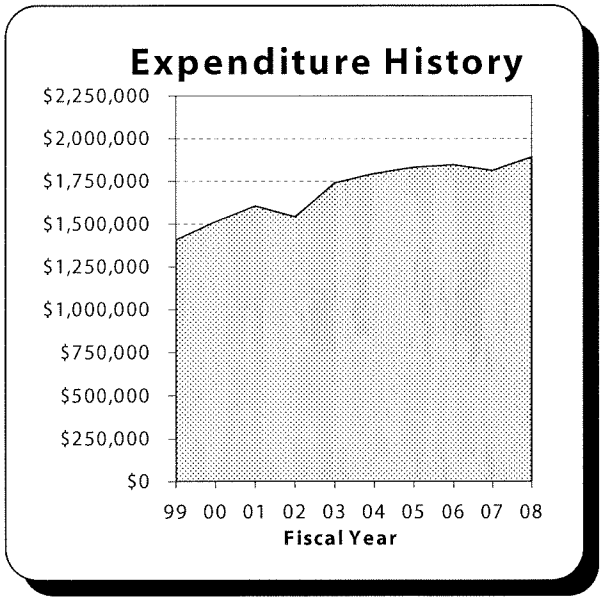
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $80,750 or 4.5%. Full-time wages rose $32,780. Health insurance costs fell by $2,320 or 1.3% based on staff turnover in the prior year and a new labor contract for two employees. Defined contribution costs also fell by $7,690 due to a recent contract change. An additional $55,630 is budgeted to help fund rising retiree medical liabilities.

Supplies – Total Supplies decreased $100 or 0.8%. Funding for operating supplies decreased $400 due to a prior year reappropriated encumbrance. Postage costs rose $300 due to an expected postal rate increase.

Other Charges – Total Other Charges decreased $2,810 or 18.3%. The decrease is primarily due to a reduction in telephone costs based on lower Nextel rates, as the City continues to actively manage all Nextel telephones and service plan options. The training budget increased $100 as existing conference costs have increased slightly. $50 was added to the budget due to increased attendance by staff members at local meetings. Support fees for the Engineering Survey and Site Design software increased $30. $10 was added due to a slight increase in the American Public Works Association (APWA) membership fee.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,819,570	$1,784,340	$1,753,100	$1,865,090	$1,865,090
Supplies	10,176	11,900	12,000	11,800	11,800
Other Charges	14,200	15,380	12,210	12,570	12,570
Total	$1,843,946	$1,811,620	$1,777,310	$1,889,460	$1,889,460

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 657 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.

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.■

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.***

Did you know?...
...that the Fleet Maintenance division performs over 700 preventative maintenances annually in order to provide a safe and reliable fleet of City vehicles?

Fleet Maintenance

2007/08 PERFORMANCE OBJECTIVES

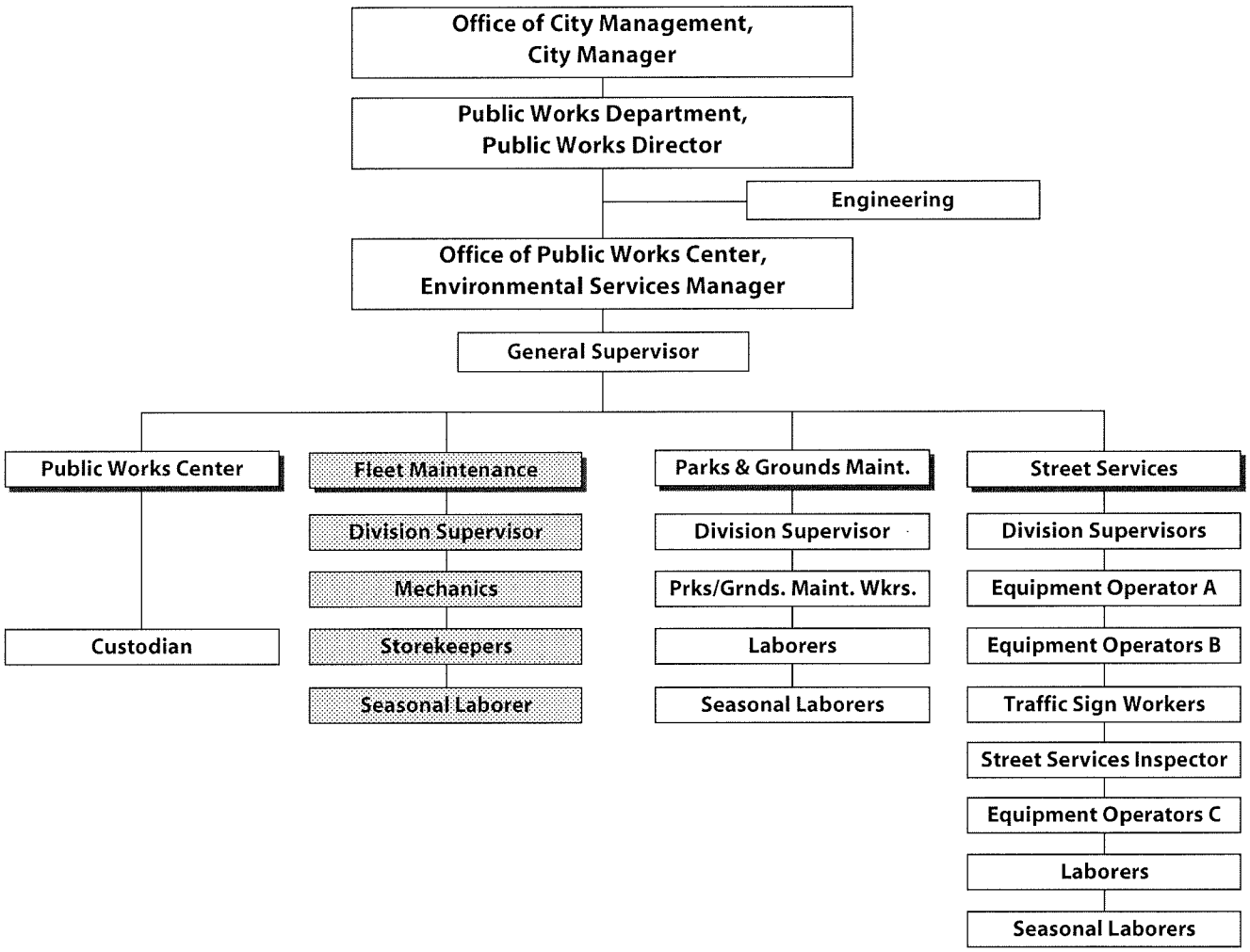
1. To install 120 mobile radios in Public Works vehicles, as a result of the conversion to the new 800 MHz radio system. *(City Goal 3)*

2. To investigate the use of a synthetic transmission fluid that can be purchased in bulk to reduce general fleet maintenance operation costs. *(City Goal 3)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Full Service Preventive Maintenances Performed	724	777	732	750	725	750
	Preseason Maintenance - Trucks with Plows	36	37	38	38	38	39
	Preseason Maintenance - Tractors/Flail Mowers	11/11	12/12	12/12	12/12	12/12	12/12
	Preseason Maintenance - Snow Plows	36	37	38	38	38	39
	Preseason Maintenance - Salt Spreaders	20	21	21	21	21	22
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	45	49	49	49	49	49
	Fire Trucks Prepared & Pump Tested	9	10	10	10	10	10
	Vehicle Tires Replaced	732	692	682	700	673	700
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	87%	89%	89%	90%	88%	90%
	Avg. Time to Perform Maintenance on a Car (Mins.)	48	48	48	48	48	48
	Average Age of Police Vehicles (Years)	2.6	2.5	2.4	2.5	2.5	2.4
	Average Age of Fire Vehicles (Years)	10.8	10.2	9.0	9.5	9.5	9.0
	% of Snow Removal Vehicles & Equipment Available	96%	97%	96%	99%	98%	99%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	90%	96%	98%	100%	99%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	95%	94%	96%	97%	97%	97%
	% of Actual Inventory to Inventory Ledger	99%	99%	98%	99%	98%	99%
	Cost of a Passenger Car Oil Change	$19.82	$18.27	$19.64	*	*	*
	Preventive Maintenance Cost of a Passenger Car	$57.34	$54.47	$56.63	*	*	*
	Activity Expenditures as % of General Fund	2.63%	2.95%	2.95%	2.76%	2.85%	2.81%

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

Fleet Maintenance



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

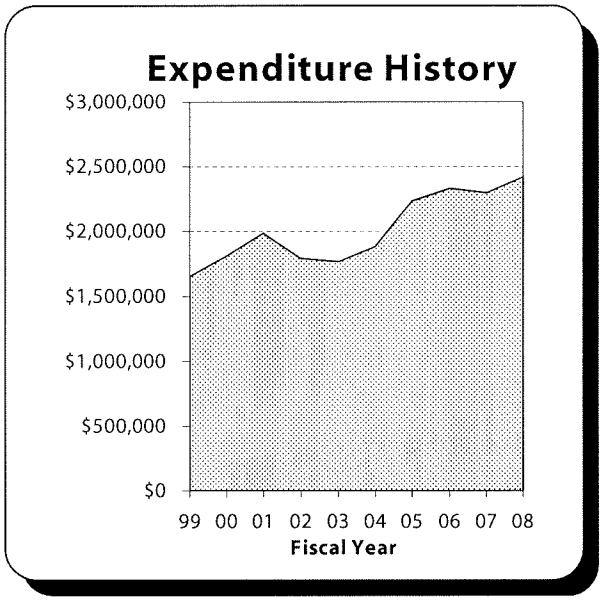
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget rose by $71,580 or 5.9%. Wages for full-time employees increased by $25,440 as all employees are budgeted to receive a 3% wage increase. Hospitalization insurance costs rose $10,790 as a result of a rate increase. An additional $36,200 is budgeted to fund growing retiree medical liabilities.

Supplies – Total Supplies increased $53,020 or 4.9%. Fuel costs increased $53,000 to bring the budget more in line with recent cost trends. $210 was added to the budget due to the increased cost of repair parts and services for the maintenance of all City vehicles. Funding for postage decreased $190 due to a prior year one-time shipping expense for Police patrol car video system units.

Other Charges – Total Other Charges decreased $2,500 or 18.4%. Funding for radio maintenance decreased $2,500, as fewer repairs are likely to be needed on the City's new 800MHz radio system.

Capital – Total Capital of $6,000 is proposed for this activity and is budgeted in the Capital Projects Fund. $6,000 is recommended for an On Vehicle Brake Lathe to be utilized by City mechanics for resurfacing brake rotors without having to remove the rotors from the vehicle. This device will reduce the amount of time required for front brake service.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,128,351	$1,207,610	$1,192,690	$1,279,190	$1,279,190
Supplies	1,187,488	1,075,210	1,153,430	1,128,230	1,128,230
Other Charges	15,337	13,560	11,660	11,060	11,060
Total	$2,331,176	$2,296,380	$2,357,780	$2,418,480	$2,418,480

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 an average 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 2006/07, an estimated 1,500 trees were 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?...
...the the Parks & Grounds Maintenance division lines 24 soccer, 66 baseball & softball, and 5 football fields annually, using over 1,100 gallons of white marking paint and over 25,000 pounds of marking chalk? All fields are relined and restriped 1,250 times annually.

Parks & Grounds Maintenance

2007/08 PERFORMANCE OBJECTIVES

1. To thin and remove underbrush and dead or fallen trees on Lakeside Island, utilizing in-house personnel along with a private tree contracting service. *(City Goal 26)*

2. To recondition the north picnic shelter in Dodge Park by removing and replacing the existing worn roofing materials, installing new shingles and painting the wood framing structure. *(City Goal 26)*

3. To make needed repairs to the restroom and concession building at Baumgartner Park including the repair and replacement of roofing shingles and painting the interior and exterior of the building. *(City Goal 13)*

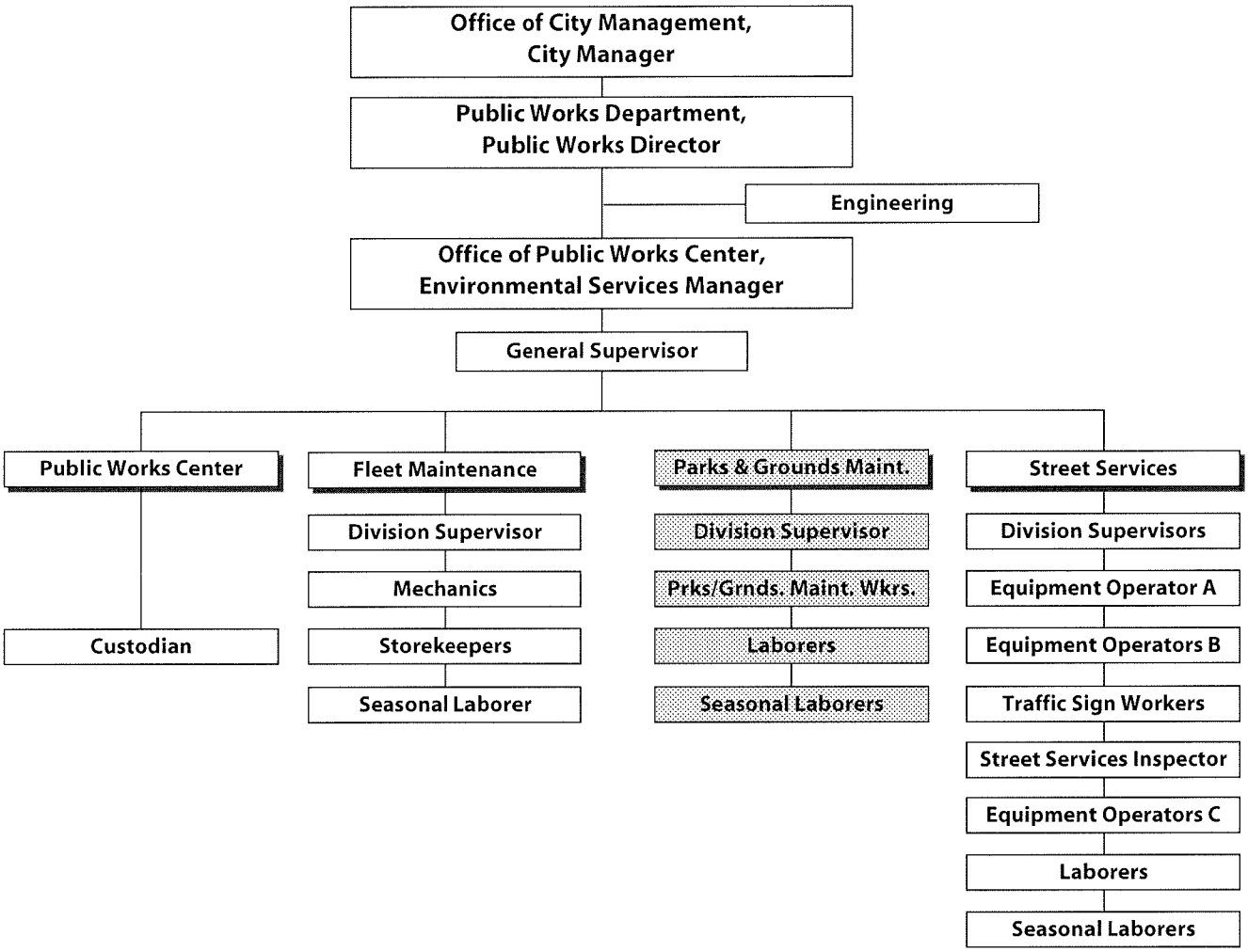
4. To improve the Delia Park south restroom and concession building by painting the exterior trim, doors, and other building fixtures. *(City Goal 13)*

5. To inspect all park facilities with the Parks & Recreation Department to identify and review work maintenance priorities and schedules. *(City Goal 6, 26)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Street Trees Planted	528	1,200	582	1,000	1,000	1,000
	Street Trees Trimmed (Subcontracted)	3,624	0	1,540	4,000	6,500	5,500
	Street Trees Trimmed (In-House)	400	0	550	1,500	1,500	1,500
	Cuttings/Trimming - 28 Parks (559 of the 820 Acres)	19	19	19	19	19	19
	Cuttings/Trimming - 9 Municipal Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maintenances Performed	1,040	1,100	1,000	1,000	1,000	1,000
	Soccer/Football Fields Relined	250	250	250	250	250	250
	Snow/Ice Control Call-Ins	7	14	19	15	10	15
	Times Sprayed for Mosquitos (Major Parks)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	178	88	92	120	65	80
	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 City Easement Trees Routinely Maintained	20%	0%	20%	20%	20%	20%
	Cost to Mow an Acre of Parkland	$41.72	$41.92	$42.11	*	*	*
	Activity Expenditures as % of General Fund	1.76%	1.70%	1.67%	1.61%	1.63%	1.65%

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

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

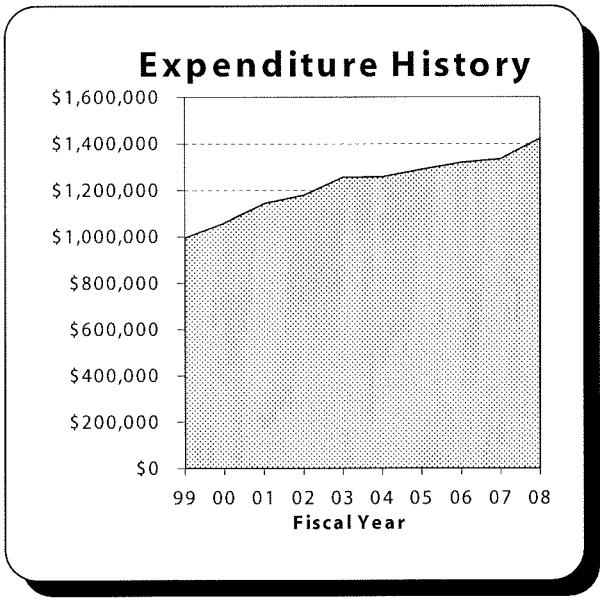
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $83,580 or 8.0%. Full-time wages rose $39,600. Health insurance costs rose $7,410 as a result of a rate increase. An additional $33,180 is budgeted to fund the City's retiree medical liabilities.

Supplies – Total Supplies increased $3,000 or 8.1%. The budget for seeding and planting supplies increased by $2,000 to be brought in line with recent expenditure levels. $1,000 was added for the increased cost of tools and materials needed to maintain the City's parks.

Other Charges – Total Other Charges increased $1,450 or 0.6%. Electric costs increased $3,000 due to higher electric rates. Water costs rose $3,000 due to higher rates and increased irrigation at City parks. Funding rose $2,000 due to the increased cost of mosquito and herbicide spraying at City parks and municipal sites. $4,300 was saved due to lower contract costs for the mowing of City municipal grounds, offset slightly by an increase in funding for an additional application of goose repellent to the City's athletic fields. Telephone costs decreased $1,200 as the funding for the new fiber optic computer data network connection line is reflected in the Information Technology budget.

Capital – Total Capital of $170,500 is proposed. $15,000 is to replace a 1998 Riding Mower utilized in cutting the City's parks and athletic fields. $3,500 is for a replacement Dual Axle Trailer used for transporting riding mowers to City parks. $33,000 is to replace a Cube Van that lacks dependability and is used in the daily maintenance of City parks and buildings. $30,000 is to replace a 1999 Crew Cab Pickup Truck with Plow used for snow removal and transporting grass crews and equipment. $89,000 is for Pump Station repairs at the Fairfield storm sewer detention pond.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$978,002	$1,043,250	$1,035,430	$1,126,830	$1,126,830
Supplies	52,174	37,000	39,000	40,000	40,000
Other Charges	287,816	253,090	273,430	254,540	254,540
Total	$1,317,992	$1,333,340	$1,347,860	$1,421,370	$1,421,370

Public Works Center

MISSION STATEMENT: ***To provide the resources necessary to coordinate, plan and direct the operations of the Department of Public Works 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 Department of Public Works (DPW). 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.

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 (EPA) 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 Facility.

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.■

KEY GOALS

- ***To identify service priorities and establish procedures that effectively utilizes 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 DPW divisions and other City departments.***
- ***To ensure a safe work environment, schedule training, and improve safety awareness.***
- ***To maintain a positive, competitive, service-oriented public image.***

Did you know?...
...that the Public Works Center, through its General Stores, annually orders, receives and distributes over 28,000 items and maintains an inventory of more than 2,560 industrial products?

Public Works Center

2007/08 PERFORMANCE OBJECTIVES

1. To upgrade the turf and planting beds on the M-59 median with four applications of fertilizer/herbicide and weekly to bi-weekly mowing and litter pickup. *(City Goal 14)*

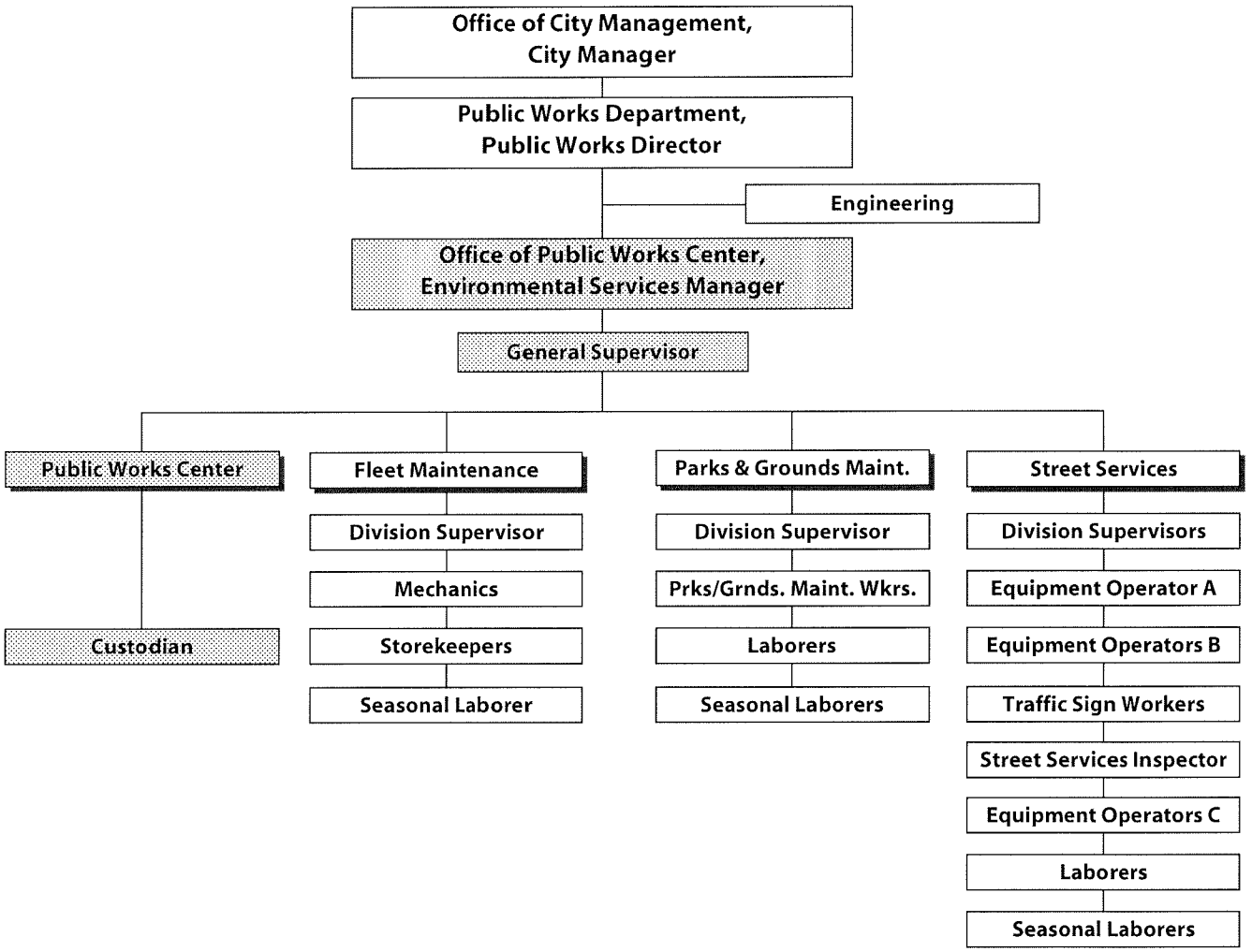
2. To enhance the appearance of the county roads within our community by increased mowing of the rights-of-way and investigating and instituting different equipment that would result in a cleaner cut, and additional litter pickups. *(City Goal 14)*

3. To develop a more in-depth Surface Water Management Plan for our National Pollutant Discharge Elimination System (NPDES) requirement with the assistance of the City's engineering consultant. *(City Goal 15)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Safety Inspections Conducted on Hoists	10	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	28	15	21	18	16	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	2,240	2,840	2,845	2,600	2,800	2,600
	Culvert Permits Issued & Inspected	3	1	4	4	4	4
	Signs Installed for Adopt-A-Road	4	2	2	12	10	10
	Refuse Pick-Ups Made from Adopt-A-Road	42	37	47	50	20	25
	Outfalls Sampled for Stormwater Discharge	45	0	52	50	50	50
	Landscape Median Mowing - Revolutions	29	25	26	27	27	27
	Number of Parts Issued by General Stores	30,815	26,815	30,093	30,000	28,000	30,000
Efficiency	% of Outfalls Sampled w/no Water Discharge	100%	N/A	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.64%	0.67%	0.65%	0.64%	0.64%	0.66%

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

Public Works Center



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Environmental Services Manager	1	1	1
General Supervisor	1	1	1
Custodian	1	1	1
Total	3	3	3

Public Works Center

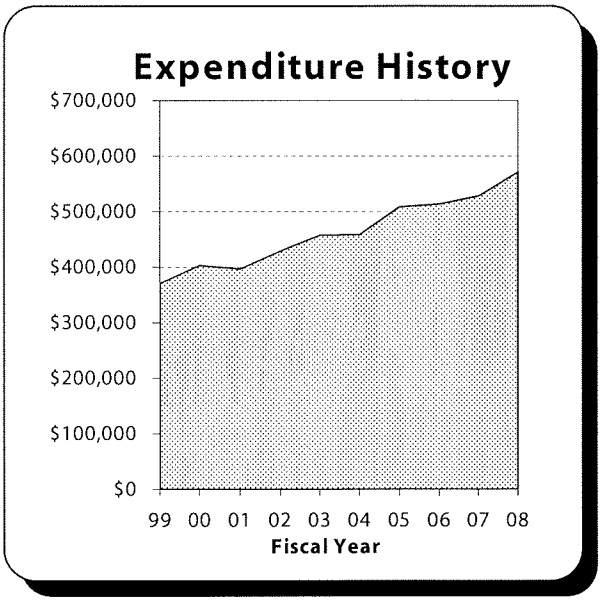
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $32,190 or 9.7%. Wages for full-time employees increased by $11,420. Due in part to staff turnover in the prior year, as well as a rate increase, health insurance costs rose $7,370. A newly transferred employee is in the defined contribution plan resulting in a $2,890 increase. An additional $11,230 is budgeted to help fund the City's growing retiree medical obligations.

Supplies – Total Supplies is proposed to remain the same at $10,050. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges increased $10,510 or 5.6%. Heating costs rose $12,000 and electric costs increased $7,000, both due to higher rates. $100 was added for the Environmental Services Manger to attend the Michigan Forestry and Park Association one-day conference. Funding increased $70 as existing membership fees increased slightly and a membership to the Northeast Superintendents Association was added for a new supervisor. Funding was reduced $7,060 due to a decrease in building maintenance costs and as a result of a prior year reappropriated encumbrance. $1,390 was saved as Nextel telephone rates have decreased and funding for the new fiber optic data network connection line between the Public Works Center and City Hall is now funded in the Information Technology activity. Pager rental fees decreased $160 due to a prior year reappropriated encumbrance and the elimination of one pager.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$320,646	$331,740	$317,220	$363,930	$363,930
Supplies	11,636	10,050	10,050	10,050	10,050
Other Charges	181,366	186,120	198,800	196,630	196,630
Total	$513,648	$527,910	$526,070	$570,610	$570,610

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, condominiums, commercial pick ups at curbside, and City dumpster pick ups.

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

A separate collection of yard waste is made from early April through 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 is maintained in this activity.

The D.P.W. Operations Supervisor serves as the City's liaison with the refuse contractor to ensure the contractor is performing in accordance with the contract and City ordinance. The handling and resolution of more difficult complaints and the provision of information and reports is accomplished through this area.

The clerical support staff receives approximately 5,000 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.

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 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 Tall Grass/Weed Cutting Program 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 the 2006/07 fiscal year, the average homeowner in the City paid only $63.51 for refuse collection services including soft yard waste pick up?

Refuse Collection

2007/08 PERFORMANCE OBJECTIVES

1. To manage the Cost Recovery Program and provide dumpster collection service to the 13 apartment complexes that participate in the program, if they continue to pay the City in advance for the full cost of service plus the administrative fee. *(City Goal 1, 3)*

2. 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)*

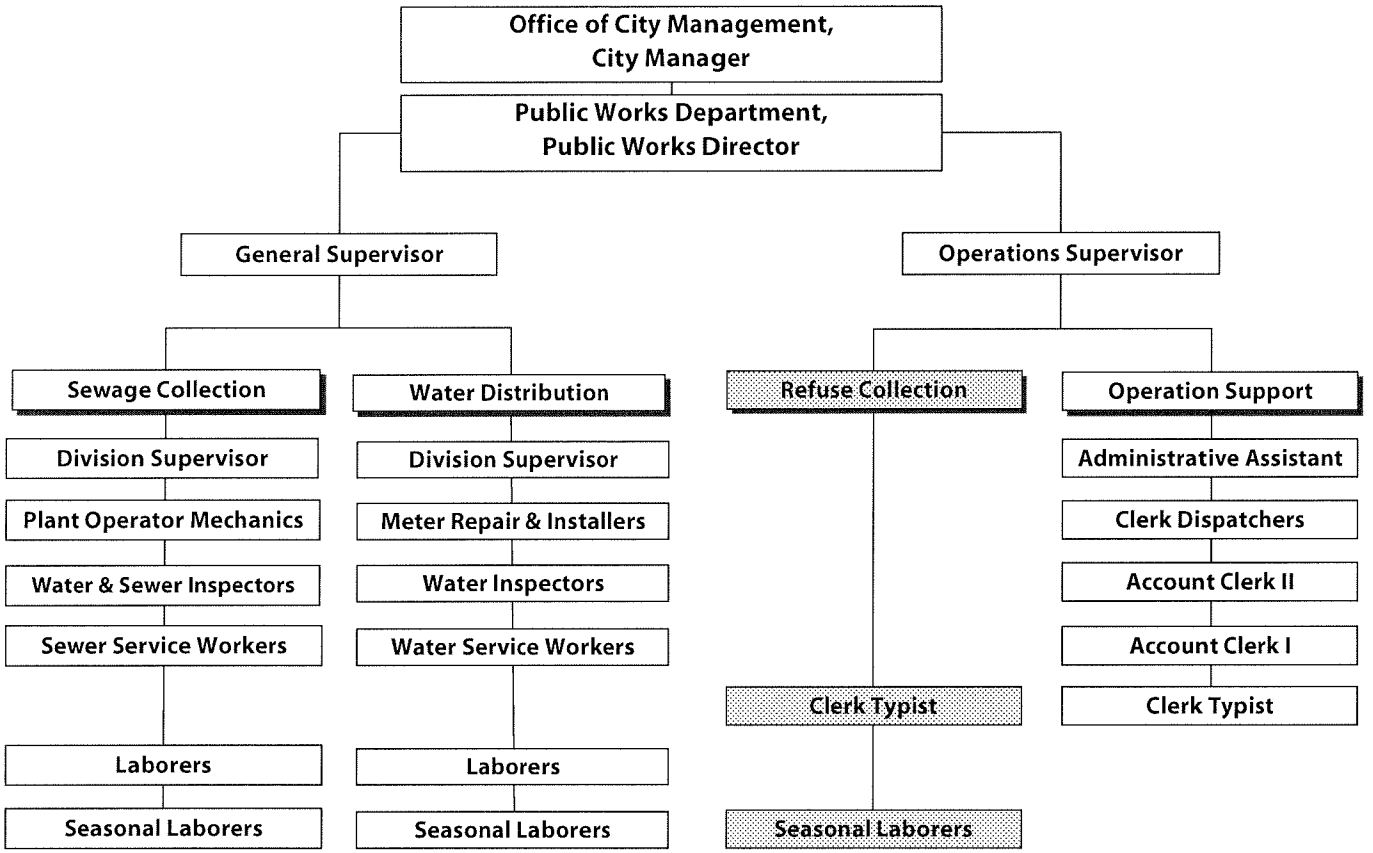
3. To aggressively tag and inform residents who have placed their refuse out too early for collection or have placed it out improperly. *(City Goal 13, 14)*

4. To work with the Community & Information Services Department in the implementation of a new customer service tracking system, in an attempt to resolve and reduce recurring refuse and yard waste collection problems. *(City Goal 3, 5, 18)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Curbside Refuse Collection Points (Per Week)	40,001	38,844	39,210	40,000	39,800	40,500
	Cubic Yards of Refuse Landfilled	141,575	144,305	127,520	133,000	129,000	130,000
	Cubic Yards Recycled at Drop-Off Centers	13,912	13,984	13,520	14,500	12,500	12,500
	Tons of Yard Waste Composted/Diverted	13,540	13,443	10,895	12,000	13,000	13,200
	Christmas Trees Chipped and Composted	2,833	2,850	2,406	2,500	2,400	2,300
	Tons of Scrap Metal Recycled	395	455	300	400	250	250
	Gallons of Used Oil Recycled	36,850	33,500	34,600	36,000	35,000	34,500
Efficiency & Effectiveness	% Refuse Collection Stops Making Complaints	0.10%	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%	32.9%	42.7%	39.0%	42.0%	41.0%
	Refuse Collection Costs per Capita	$37.04	$38.46	$31.72	$33.36	$32.37	$34.40
	Refuse Collection Millage Rate	1.07	1.11	0.83	0.81	0.81	0.81
	Annual Refuse Cost for $200,000 Home ($78,000 TV)	$83.43	$86.23	$64.79	$63.51	$63.51	$62.84
	Total Cost to Operate Three Recycling Centers	$58,029	$68,756	$80,060	$74,000	$82,000	$80,000
	Recycling Costs Per Ton Recycled	$18.68	$20.16	$26.54	$24.00	$33.00	$30.00
	Cost to Collect/Dispose of Refuse (1 cubic yard)	$32.91	$33.63	$31.59	$31.98	$31.99	$33.87
	Activity Expenditures as % of General Fund	6.51%	6.41%	5.10%	5.12%	4.99%	5.11%

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

Refuse Collection



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
Total	4	4	4

Refuse Collection

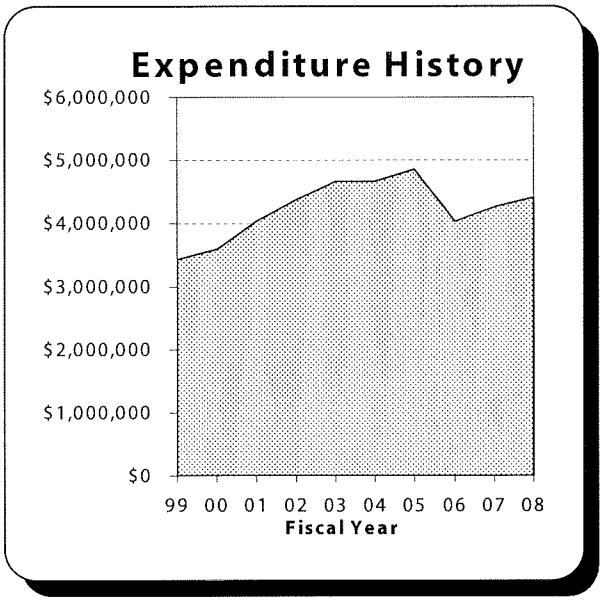
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $4,550 or 3.4%. Wages for full-time employees increased by $1,130 or 3.0%. Hospitalization costs rose $1,060 or 7.5% due to a rate increase for next fiscal year. Funding for retiree medical insurance costs increased by $1,700.

Supplies – Total Supplies is proposed to remain the same at $450. There are no proposed changes within the Supplies account.

Other Charges – Total Other Charges increased $144,630 or 3.5%. Rubbish removal costs increased $140,850 based on contractual price increases as well as an increase in the number of homes and condominiums to be serviced. However, the total number of curbside stops and dumpsters collected has decreased due to the continuation of the City's cost recovery program, which has eliminated mechanical dumpster collection at apartment complexes and schools and 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 continue to receive 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 City's overall cost increase is less as most of the customers are electing to contract for their own collection. Consequently, the anticipated refuse collection revenues have also declined. $4,630 was added for interfund service costs due to higher refuse personnel costs for those employees budgeted in the Water & Sewer Fund. Legal costs fell by $850.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$131,360	$132,210	$132,700	$136,760	$136,760
Supplies	465	450	450	450	450
Other Charges	3,896,492	4,120,760	3,993,710	4,265,390	4,265,390
Total	$4,028,317	$4,253,420	$4,126,860	$4,402,600	$4,402,600

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

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.***

Drainage ditches are cleaned and the culverts are maintained to ensure adequate capacity for storm runoff.

During a declared Snow Emergency, the Snow and Ice Control Program ensures an organized procedure for snow removal of all City roads within 36 hours after snowfall ceases. This objective is achieved on 60 miles of major roads and 285 miles of local roads.■

Did you know?...
...that the Street Services division personnel have a combined 322 years, or an average of 16 years, of Public Works job knowledge and experience?

Street Services

2007/08 PERFORMANCE OBJECTIVES

1. To increase the longevity of crosswalks and stop bars through the use of new marking tape. *(City Goal 3)*

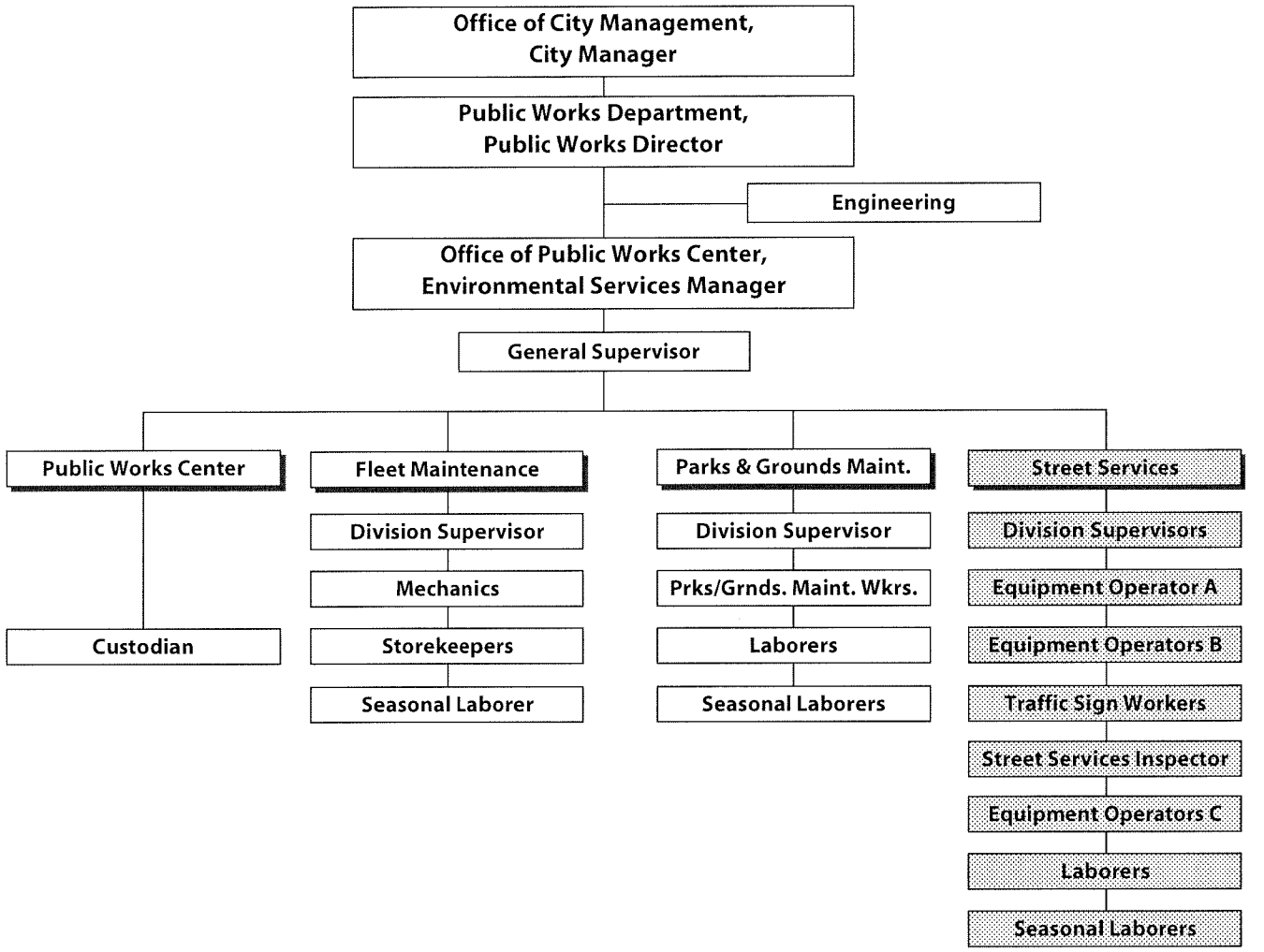
2. To provide a continuing employee education program with emphasis on chainsaw safety and tree removal as a result of significant personnel turnover in the past two years. *(City Goal 3)*

3. To increase productivity within the Sign Shop with the introduction of the new Roland Computer and software package allowing greater presence of traffic sign workers on the road for traffic sign inventory. *(City Goal 3)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Miles of Roads in City (Major & Local)	345	345	347	347	347	347
	Miles of Sidewalks in City	565	566	605	610	610	620
	After Hours Snow Removal Occurrences	34	41	35	35	30	35
	Miles of Snow Fence Installation or Removal	1.59	1.16	5.00	5.00	5.00	5.00
	Pothole Patching - Tons of Patch Used	441	549	346	400	400	400
	Sidewalk Patching - Number of Locations	1,484	343	267	350	720	350
	Street Sweeping - Rotation (390 miles)	4	4	4	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	7	15	14	12	14	12
	Right-of-Way Mowing - Revolution (357 miles)	9	9	10	10	10	10
	Storm Catch Basin Cleaning-Number of Locations	241	580	762	800	800	800
	Number of Street Trees Removed In-House	692	227	463	700	600	700
	Number of Street Trees Removed by Contractor	728	8,249	838	125	300	125
	Homeowner Tree Inquiries/Inspection Responses	5,160	4,968	5,072	5,000	4,500	4,500
	Residential Tree/Branch Chipping Requests Filled	3,857	3,202	5,681	5,000	5,000	5,000
	Number of Streetlights in City	2,475	2,472	2,508	2,510	2,510	2,513
	Traffic Sign Repairs or Replacements	5,296	5,486	4,364	4,000	4,200	4,200
	Gravel Roads - Lane Miles Graded	26	29	32	32	32	32
	Dust Control - Gallons Calcium Chloride Applied	36,232	15,962	38,196	30,000	40,000	40,000
Efficiency & Effectiveness	% of Tree Chipping Requests Completed w/i 1 week	99%	99%	99%	95%	95%	95%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	$575	$1,780	$1,859	$1,000	$1,000	$1,000
	Street Services Cost Per Capita	$13.04	$14.66	$13.60	$14.70	$13.95	$15.30
	Average Cost to Sweep a Lane Mile of Major Road	$484	$482	$478	*	*	*
	Activity Expenditures as % of General Fund	2.29%	2.44%	2.19%	2.26%	2.15%	2.27%

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

Street Services



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

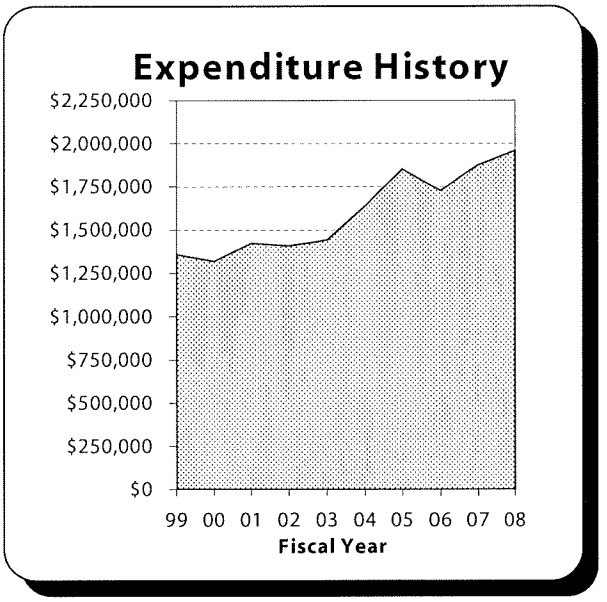
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $84,130 or 4.5%. Wages for full-time employees increased $37,360 due to a budgeted 3% wage increase, as well as wage step increases for six employees who are not currently at the top wage step. As a result of employee turnover in the prior year, Longevity costs fell $7,980. Health insurance costs rose $5,910 due to a rate increase. An additional $53,790 is budgeted to fund growing retiree medical liabilities.

Supplies – Total Supplies increased $210 or 1.7% due to the higher cost and greater need for signage and traffic control supplies.

Other Charges – Total Other Charges is proposed to remain the same at $8,180. There are no proposed changes within the Other Charges accounts.

Capital – Total Capital of $39,000 is proposed for this activity and is budgeted in the Capital Projects Fund. $29,000 is to replace a 1996 Pickup Truck with Plow with over 115,000 miles which is utilized in daily operations and snow emergencies. $10,000 is for School Walkway Repairs near Poinciana and North Central Drives.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,701,161	$1,853,860	$1,758,180	$1,937,990	$1,937,990
Supplies	16,718	12,490	12,490	12,700	12,700
Other Charges	9,527	8,180	8,180	8,180	8,180
Total	$1,727,406	$1,874,530	$1,778,850	$1,958,870	$1,958,870

07
08

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; assesses long-range needs
- 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
- Sirsi Voice Automation (SVA) telephone notification
- Collects overdue fines and fees for lost materials
- Coordinates with collection agency for resolution of delinquent accounts
- Coordinates material delivery

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 and public relations activities
- Creates and maintains library's Internet site
- Conducts technical training for patrons and staff
- Coordinates adult programming and volunteer activities
- Compiles and maintains statistical records
- Conducts library tours for adults
- Coordinates memorial/gift book and exhibit case programs
- Plans and schedules cable channel programs

Technical Services

- Acquisition and processing 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 $111,590 or 4.1%. Personnel costs rose by $93,190 or 4.3%. Due to employee retirements in the prior year, wages rose by only $19,170. An additional $64,260 is budgeted to fund retiree medical liabilities. Supplies decreased by $2,470 or 1.0% as fewer printer cartridges will be needed as the 32 public computers will now be networked for printing to new, higher quality copy machines. Additional funds are also budgeted for magazines and audiovisual materials. Other Charges increased by $20,870 or 7.2% due to higher utility and online database costs, as well as the rental costs of the new copiers. The capital budget includes funding for a new laptop computer for public technology presentations.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Public Library	$2,471,890	$2,552,980	$2,695,710	$2,807,300	4.1%
Total Department	$2,471,890	$2,552,980	$2,695,710	$2,807,300	4.1%
Personnel Services	$1,943,180	$1,999,420	$2,145,580	$2,238,770	4.3%
Supplies	244,270	254,630	258,600	256,130	-1.0%
Other Charges	284,440	298,930	291,530	312,400	7.2%
Total Department	$2,471,890	$2,552,980	$2,695,710	$2,807,300	4.1%

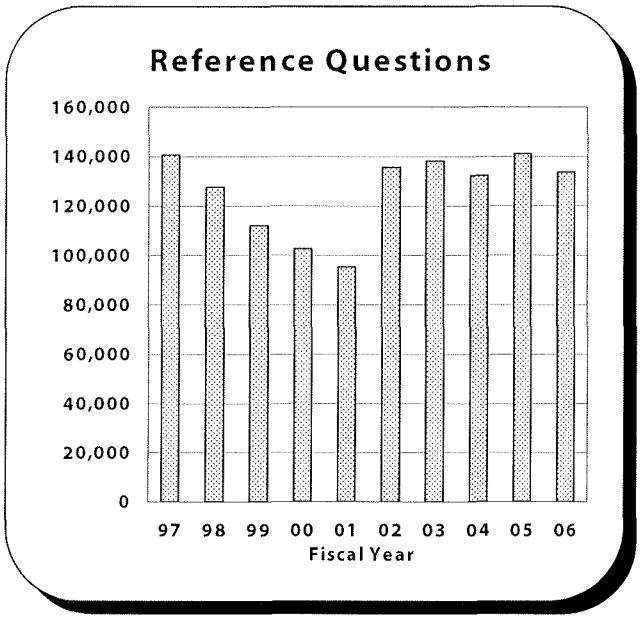
PERSONNEL SUMMARY

	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	23	18	23	18	23	18	23	18
Total Department	23	18	23	18	23	18	23	18

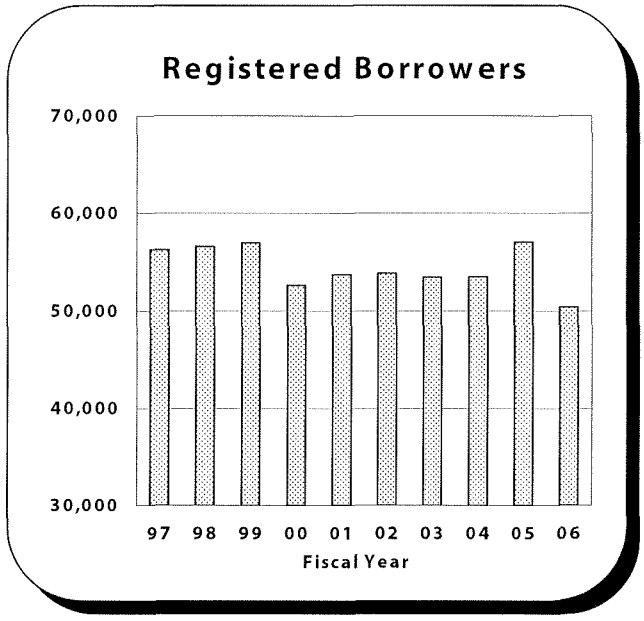
Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

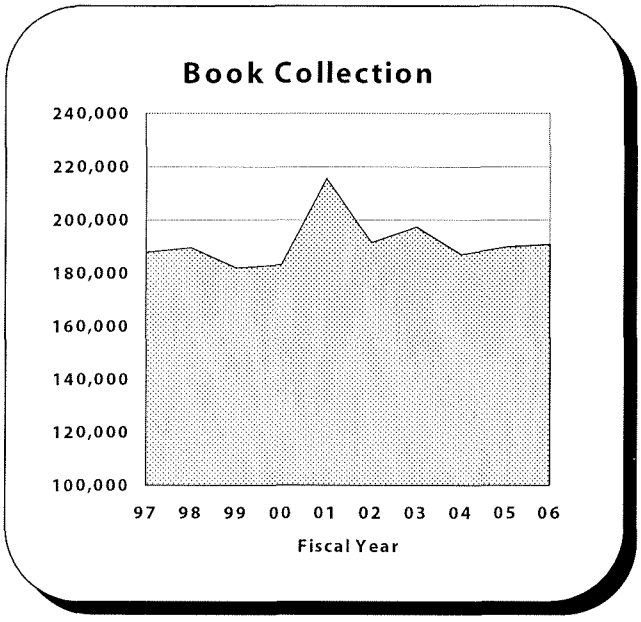
Public Library Department



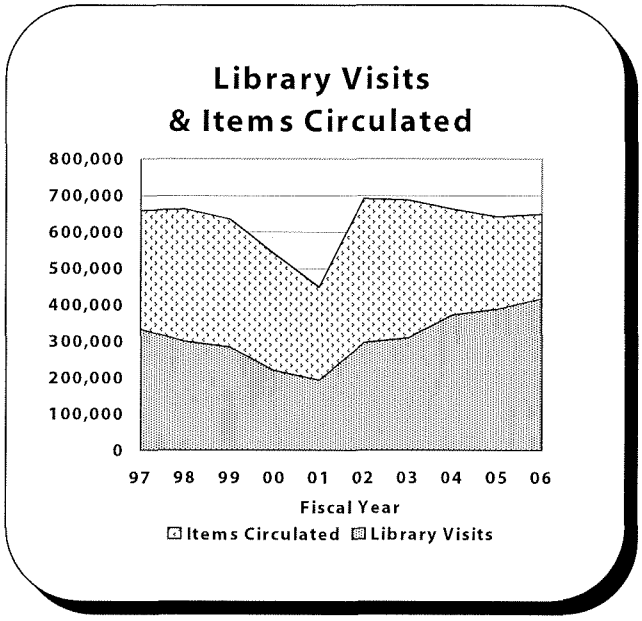
The number of questions at the City Library's Reference Desk has increased after reaching a low in 2001 as the Library was closed for several months due to a renovation and expansion project.



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 190,791 books on hand or an average of 1.5 books per resident. Recently, additional resources have been spent increasing our technology and database capacity at the Library resulting in a dramatic increase in online computer usage. Attendance at Library programs has increased by more than 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 have moderated over the past four years, while attendance has continued to increase. In 2006, 418,000 visits were recorded or an average of 130 visits per hour open. 649,000 items were circulated or an average of 1.6 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, electronic resources 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 in 2007, the library will participate in the MeLCat statewide catalog and delivery system, allowing Sterling Heights residents to borrow materials from hundreds of public, school and academic libraries throughout Michigan. Other library services include a self check-out station, full-text online magazine and newspaper databases, Internet access at public workstations, area newspapers on microfilm, 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 introduction to the vast resources of the Internet introducing access to thousands of full-text electronic books and downloadable audiobooks via the Michigan e-Library (MeL), MLC Digital Library/Overdrive, and Net Library. Technology training sessions are regularly offered to enable residents to make optimal use of the Library's computerized resources. A 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 22 languages, and a unique collection of English as a second language materials designed to improve English language skills.

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.***

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 Library offers residents a unique collection of popular fiction and nonfiction electronic books and downloadable audiobooks?

Library

2007/08 PERFORMANCE OBJECTIVES

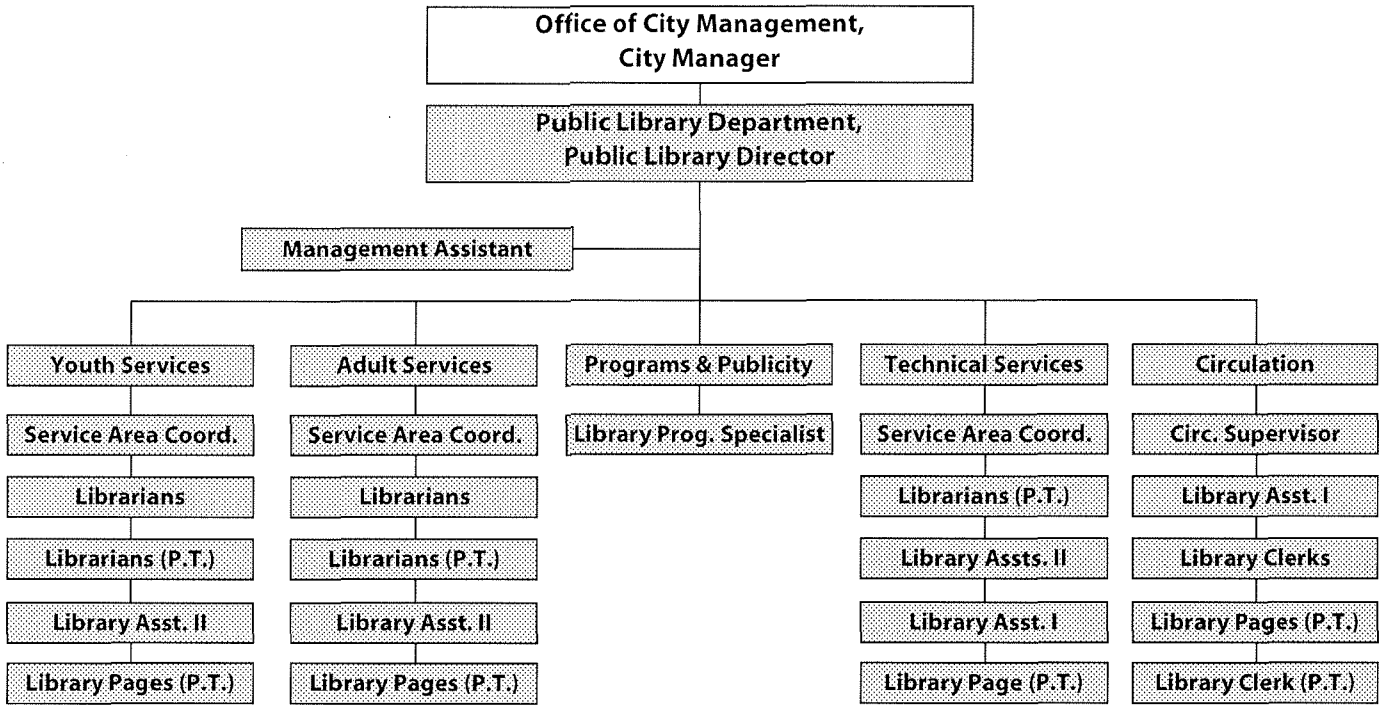
1. To improve and enhance the availability of library resources to our residents by participating in MelCat, a statewide online catalog, resource sharing, and delivery system with over 120 participating public, academic, and school library systems. *(City Goal 2, 26)*

2. To integrate technology and reduce waste by networking all public computers to the new copy machines, to network staff computers to the office copier, and to provide faxing service from the staff computers. *(City Goal 18, 26)*

3. To seek grants, community partnerships, and other sources of revenue to improve core library services. *(City Goal 21, 26)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Library Registered Borrowers	53,476	57,050	50,390	53,000	50,500	51,000
	Annual Library Attendance	371,398	388,706	417,601	397,000	405,000	414,000
	Total Collection of Library Materials	222,722	213,759	214,567	229,500	229,500	230,000
	Items Circulated	662,579	641,730	648,967	695,000	655,000	660,000
	Program Attendance	22,034	22,780	21,275	24,000	23,000	23,500
	Reference & General Information Requests	132,104	141,056	133,617	138,000	134,000	135,000
	Hours of Library Operations Weekly	63	63	63	63	63	63
	Materials Added to Collection (including e-books)	17,832	21,703	20,110	21,000	30,000	30,000
	In-Library Use of Materials	159,897	139,897	140,033	144,000	141,000	142,000
	Items Processed for Loan to Other Libraries	75,931	89,405	100,260	95,000	102,000	105,000
	Items Processed for Receipt from Other Libraries	88,657	99,078	109,995	105,000	106,000	107,000
	Self Check-out Circulations	20,660	15,476	16,279	20,000	17,000	17,000
	Online & Electronic Database Usage	357,869	441,111	456,752	460,000	465,000	474,000
	Outreach Loans by Library Van	12,623	12,844	12,820	12,000	12,000	12,000
	Hours of Library Cable Programming	3,125	3,125	2,829	3,125	3,400	3,600
Efficiency & Effectiveness	Registered Borrowers as a % of Population	43%	45%	40%	42%	40%	40%
	Library Materials per Capita	1.73	1.76	1.67	1.80	1.80	1.80
	Circulation of Materials per 1,000 Population	5,267	5,085	5,110	5,451	5,137	5,156
	% of Hold Material Requests Filled within 30 days	76%	76%	78%	75%	76%	76%
	% of Material Reshelved within 24 hours	84%	80%	77%	80%	77%	77%
	Full-time Equivalent Staff Per 1,000 Population	0.25	0.25	0.25	0.25	0.25	0.25
	Library Material Acquisition Costs Per Resident	$1.79	$1.78	$1.84	$1.85	$1.86	$1.87
	Library Cost Per Capita	$18.97	$19.59	$20.10	$21.14	$21.24	$21.93
	Total Cost Per Library Registered Borrower	$44.63	$43.33	$50.66	$50.86	$53.64	$55.05
	Activity Expenditures as % of General Fund	3.33%	3.26%	3.23%	3.25%	3.28%	3.26%

Library



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Public Library Director	1	1	1
Library Service Area Coordinator	3	3	3
Library Programming Specialist	1	1	1
Librarian	7	7	7
Circulation Supervisor	1	1	1
Management Assistant	1	1	1
Library Assistant II	3	4	4
Library Assistant I	3	2	2
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

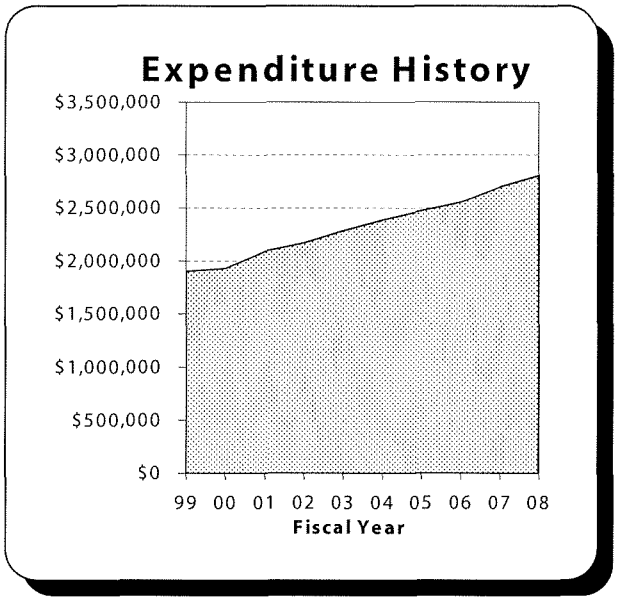
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $93,190 or 4.3%. Wages for full-time employees increased $19,170 or 1.6% due to employee retirements. As a result of the employee turnover, Longevity costs fell $11,800 while Defined Contribution costs rose $10,330. An additional $64,260 is budgeted to fund retiree medical liabilities.

Supplies – Total Supplies decreased $2,470 or 1.0%. Funding for operating supplies decreased $5,000 primarily due to a savings in printer cartridges, as the Library's computers will now be networked with the copy machines. $1,070 was added due to a price increase in current magazine and newspaper subscriptions. $1,000 is included for the purchase of additional books on tape and instructional videos.

Other Charges – Total Other Charges increased $20,870 or 7.2%. $11,660 was added for the rental and usage costs of four new copiers, which will be networked to all of the Library's computers. The network will result in a long-term savings to the City as staff printers will be eliminated, fewer toner cartridges will be needed, and the sale of pre-paid vending machine cards will replace the "honor system" method currently used to collect revenue. Heating costs rose $6,000 and electric costs rose $5,000, both due to higher rates. $2,790 was added due to an increase in online database costs. Due to a reduction in the Library Cooperative membership fee, which is tied to lower State aid, costs fell $4,730.

Capital – The Library is scheduled to receive one replacement laptop computer that is used for public Internet classes and technology presentations.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,999,417	$2,145,580	$2,152,580	$2,238,770	$2,238,770
Supplies	254,628	258,600	257,800	256,130	256,130
Other Charges	298,931	291,530	298,230	312,400	312,400
Total	$2,552,976	$2,695,710	$2,708,610	$2,807,300	$2,807,300

07
08

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
- 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 and Community Foundation
- 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, Zoning Board of Appeals, Planning, Ordinance Board of Appeals, 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 by $144,990 or 5.8%. Personnel costs rose $150,990 or 7.2% due to higher wage and fringe benefit costs. An additional $64,350 is needed to fund retiree health care obligations. Due to a recent promotion, funding for a vacant part-time Keyline Specialist position is no longer needed. Supplies increased by $2,240 or 4.0% due to higher postage and computer paper costs. Other Charges fell by $8,240 as a result of expensing the Web Specialist position through payroll rather than as a contractual service, and one-time Information Technology software and training costs in the prior year, partially offset by higher Sterlingfest entertainment costs. The capital budget includes funding for an automated customer service tracking system, three replacement file servers, a color laser printer and copier, and the upgrade of three databases to the windows format.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Community Relations	$1,386,740	$1,408,370	$1,490,020	$1,596,140	7.1%
Information Technology	883,050	906,720	1,029,990	1,068,860	3.8%
Total Department	$2,269,790	$2,315,090	$2,520,010	$2,665,000	5.8%
Personnel Services	$1,854,480	$1,906,940	$2,083,640	$2,234,630	7.2%
Supplies	58,740	56,050	55,950	58,190	4.0%
Other Charges	356,570	352,100	380,420	372,180	-2.2%
Total Department	$2,269,790	$2,315,090	$2,520,010	$2,665,000	5.8%

PERSONNEL SUMMARY

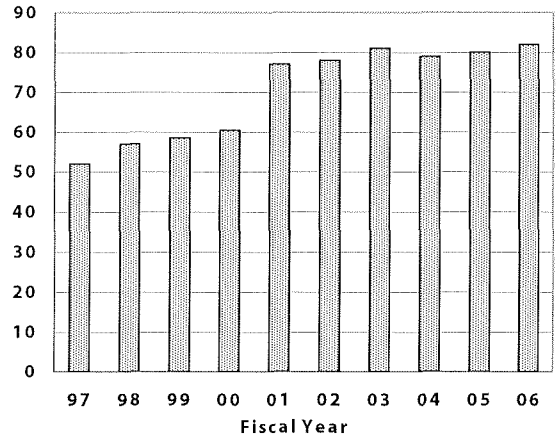
	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	5	14	5	14	5	14	4
Information Technology	8	0	8	0	8	0	8	0
Total Department	22	5	22	5	22	5	22	4

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

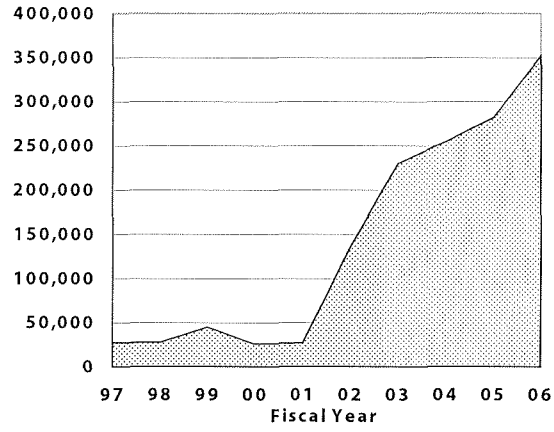
Community & Information Services Department

SHTV - Weekly
Hours of Original Programming



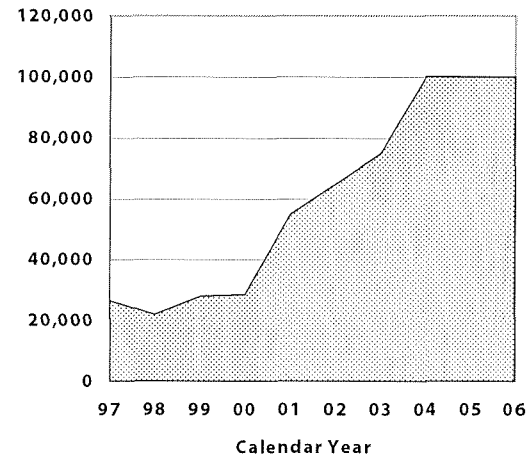
Sterling Heights Television viewers have seen a rise in the total hours of original programming over the past 10 years. SHTV's "PowerBlock" of government-related programs debuted in 1998 causing an increase in programming. The increased hours of programming continued in 2001 when the City installed an 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



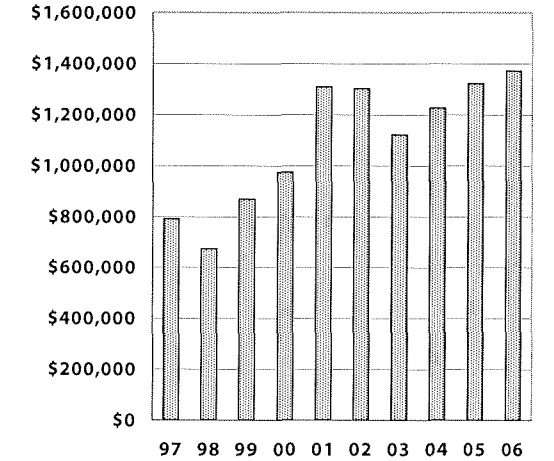
Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents and "We Want to Know" postcard returned from the community, which average about 1,000 per year. In 1999, a community-wide survey was conducted which resulted in 18,536 responses.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

Sterlingfest Attendance



Attendance for the Sterlingfest Art and Jazz Fair has risen steadily since 1997. Since 2001, attendance has dramatically increased as the new Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with major headliners, and art and jazzfest areas during the three-day event. A dip in attendance occurred in 1998 due to poor weather.

Cable TV Revenue



The City receives cable franchise revenues from Comcast, AT&T, 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 revenue increases have recently lessened, 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 Magazine, quarterly 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.

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.***

The Community Relations Director assists the Economic Development Manager with the activities of 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 Economic Development to administer the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority provides assistance and direction for site remediation thereby decreasing blight, increasing property values, and reducing the number of contaminated sites in our community.■

Did you know?...
...that during the 2006 calendar year, the City's official website (www.sterling-heights.net), welcomed nearly 300,000 visitors who collectively viewed 1,532,035 Sterling Heights Web pages?

Community Relations

2007/08 PERFORMANCE OBJECTIVES

1. To enhance internal communications for employees by updating an Intranet information resource that will host employee news, employee directory information, APPO's and internal forms. *(City Goal 7, 17, 18)*

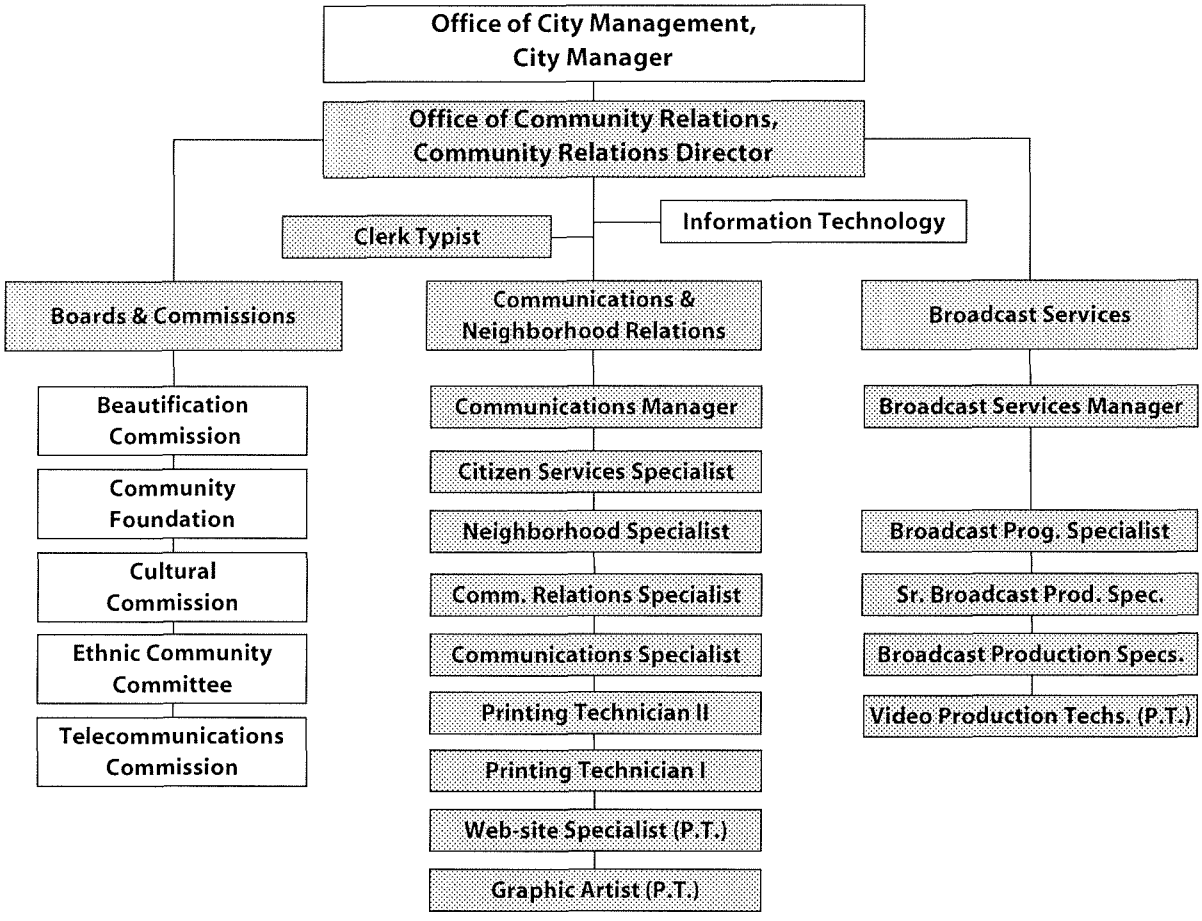
2. To establish a customer service system that will allow tracking of a request, provide alerts on time constraints, track problem areas and issue auto responses to general inquiries. *(City Goal 17, 18)*

3. To work closely with the Economic Development Manager on marketing plans for the new Corridor Improvement Authority, the Lakeside Shopping District and other redevelopment improvements. *(City Goal 8, 9, 10, 13, 15)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Customer Service Contacts	254,518	281,721	351,580	349,900	331,580	332,000
	Citizen Action Center Calls/Walk-ins	23,462	30,948	24,036	27,000	27,391	28,000
	E-Mail Requests	2,016	1,924	2,341	2,100	1,800	2,000
	"We Want to Know" Postcards	828	611	802	800	1,100	1,000
	Sterling Heights Website Visits	228,212	248,238	324,401	320,000	301,289	301,000
	Total Tapings & Programs Aired	630	653	672	672	672	680
	SHTV Hours of Original Programming (Weekly)	79	80	82	82	82	82
	City Council, Board & Commission Meetings Taped	85	80	82	82	82	82
	Press Releases Produced	165	162	156	160	160	165
	Take Ten Issues Produced	5	5	4	6	2	6
	Calendar/City Magazine/Brochures Produced	15	21	23	20	18	15
	Typesetting/Graphic Design Projects	125	112	182	100	105	100
	Electronic Newsletter Recipients	6,461	8,495	11,853	13,500	18,280	22,500
	Welcome Packets Distributed	501	495	332	500	222	250
	Sterlingfest & Memorial Day Parade Attendance	80,000	105,000	105,000	105,000	105,000	105,000
	Beautification Awards Presented	98	120	116	110	110	100
	Print Requests Completed	335	354	360	330	345	350
	Stockroom Requests Completed	244	261	271	240	255	250
Efficiency	% Homes/Bus. Receiving Annual Report/Calendar	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Resolved w/i 48 hrs.	98%	98%	98%	98%	98%	98%
	Cost per Citizen Contact Center Call Received	$2.75	$2.30	$2.76	*	*	*
	Cost to Televise a Public Meeting	$957	$1,003	$996	*	*	*
	Activity Expenditures as % of General Fund	1.74%	1.83%	1.78%	1.79%	1.78%	1.85%

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

Community Relations



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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
Web-site Specialist (P.T.)	1	1	1
Graphic Artist (P.T.)	1	1	1
Keyline Specialist (P.T.)	1	1	0
Total	19	19	18

Community Relations

SUMMARY OF BUDGET CHANGES

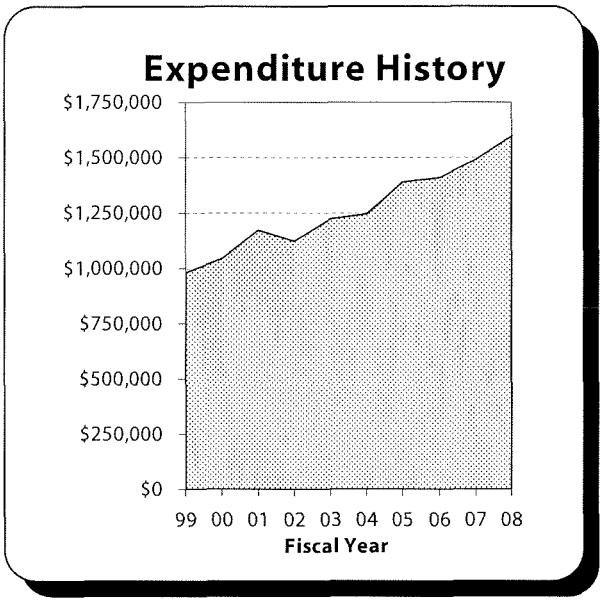
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $99,490 or 7.5%. Wages for full-time employees rose $25,330. Part-time wages rose $14,220 due to wage increases for cable staff and because the Website Specialist will now be expensed through payroll rather than as a contractual service. The vacant Keyline Specialist position is no longer needed. Health insurance costs rose 8.6% or $13,530. An additional $39,490 is budgeted to fund retiree medical liabilities.

Supplies – Total Supplies increased $1,340 or 2.9%. Postage increased $1,000 due to an expected rate increase. $340 was added for promotional items to mark the City's 40th anniversary.

Other Charges – Total Other Charges increased $5,290 or 4.5%. Funding for special events increased $9,000 primarily due to higher entertainment costs for the Sterlingfest event. Revenue from increased donations will be used to help offset some of the higher costs. Funding for Michigan Week increased $2,500 to bring the budget more in line with actual trends experienced over the past few years. $2,000 was added for the higher cost of printing City calendars and brochures. $410 is included for a new 5-year membership to the National Association of Government Communicators in lieu of two prior year memberships. Contracted services declined $7,100 as funding for the Web Specialist is now included in the personnel budget.

Capital – Total Capital of $13,200 is proposed for an automated Customer Service and Inquiry Tracking System to be used by the Community Relations, City Development, and Public Works Departments.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,198,148	$1,325,870	$1,299,180	$1,425,360	$1,425,360
Supplies	43,934	46,750	46,750	48,090	48,090
Other Charges	166,290	117,400	123,100	122,690	122,690
Total	$1,408,372	$1,490,020	$1,469,030	$1,596,140	$1,596,140

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.

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.■

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.***

Did you know?...
...that by the end of the 2006/07 fiscal year, Information Technology will have fiber connectivity to every City facility?

Information Technology

2007/08 PERFORMANCE OBJECTIVES

1. To complete the annual computer workstation replacement project. This year replacements will be made in Emergency Management, Parks and Recreation, Nature Center, Senior Center and the Police Department. *(City Goal 18)*

2. To work closely with the redesign committee to ensure a smooth transition for voice and data at Fire Stations #2, #3 and #4. *(City Goal 17)*

3. To successfully migrate the BS&A, Fleet Maintenance and Recware applications to new replacement servers. *(City Goal 17, 18)*

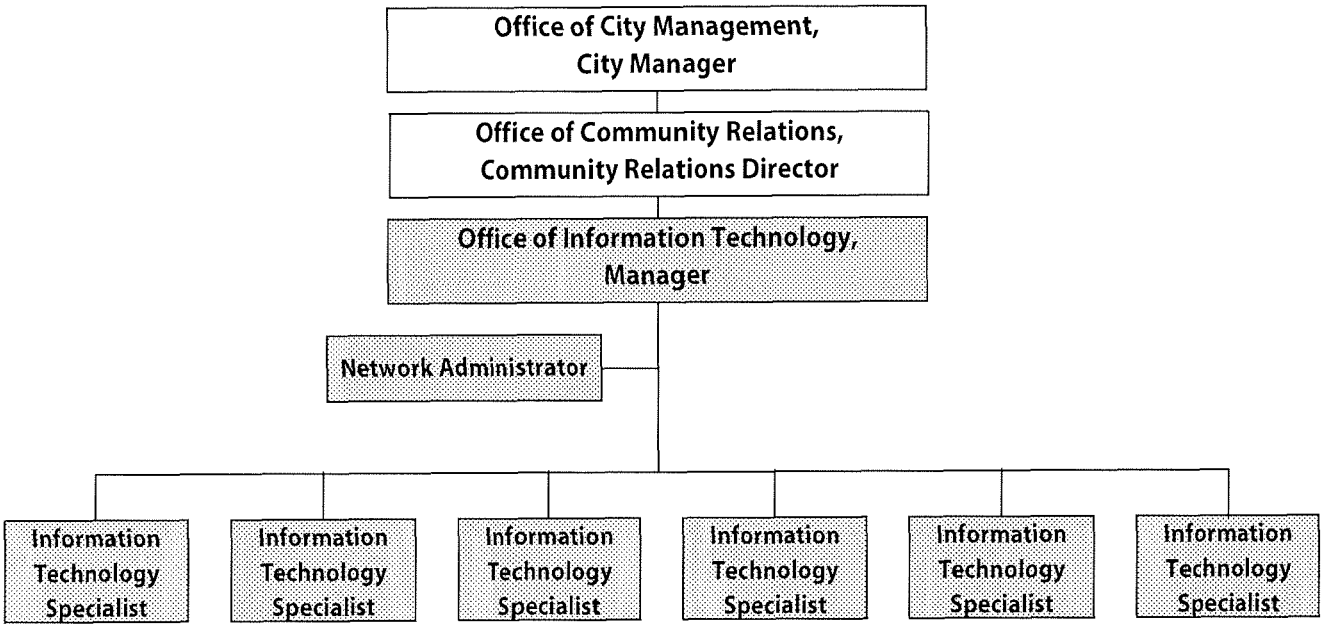
4. To install and implement the access points at each of the five fire stations, which will be used to interpret and map the location of emergency 911 calls that are electronically dispatched. *(City Goal 17, 18)*

5. To work with the City Clerk to identify and recommend a document management information system. *(City Goal 6, 17, 18)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Hardware Platforms Supported - (W2K, MAC, HP, AS400)	4	4	4	4	4	4
	Application Systems Supported - (BS&A, Munis, etc.)	27	29	29	29	29	29
	Software Packages Upgraded	5	5	5	5	5	5
	Hours of Consultant Services Used	700	670	640	670	650	670
	"Help Desk" Calls Received	2,500	2,700	2,750	2,800	2,800	2,800
	Intelligent Workstations Supported	490	500	505	510	586	590
	Staff Hours Spent Supporting Elections	45	45	30	30	30	30
	Hours Spent on Personal Computer Maintenance	1,200	1,200	1,200	1,200	1,200	1,200
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	89%	89%	89%	87%	90%	90%
	# of Intelligent Workstations per FTE	0.67	0.67	0.70	0.70	0.80	0.81
	Telephone System Problems Resolved Within 1 Day	91%	90%	93%	95%	95%	95%
	Staff Training Dollars Expended	$1,729	$2,366	$3,852	$8,780	$4,500	$2,700
	% of Revolving 5-year Technology Plan Implemented	95%	95%	95%	20%	20%	40%
	% of Time Computer Network Down	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
	Overtime/Comp Hours Required to Meet Demand	434	350	325	400	400	400
	Average Annual Cost to Support a PC	$311	$305	$286	*	*	*
	Cost to Support User Systems	$327,278	$325,789	$327,561	*	*	*
	Activity Expenditures as % of General Fund	1.21%	1.17%	1.15%	1.24%	1.20%	1.24%

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

Information Technology



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

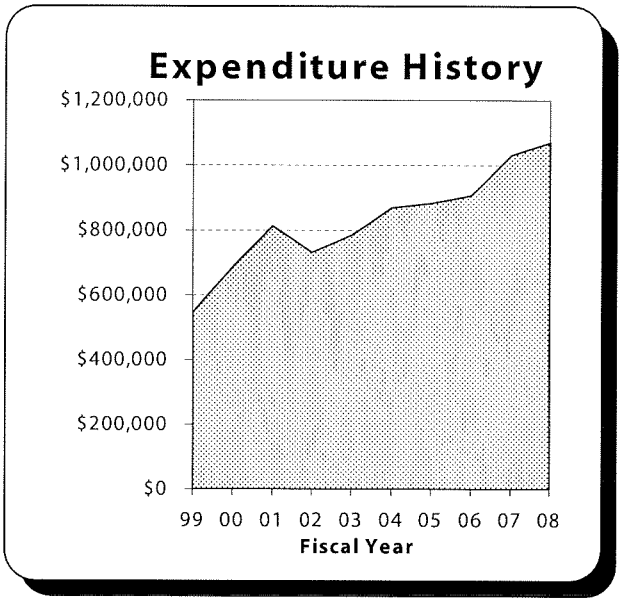
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $51,500 or 6.8%. Wages for full-time employees rose $17,620. Medical costs rose $4,400 due to a rate increase. An additional $24,860 is budgeted to fund retiree medical insurance liabilities.

Supplies – Total Supplies increased $900 or 9.8% primarily due to the increased cost of computer paper.

Other Charges – Total Other Charges decreased $13,530 or 5.1%. The contracted services budget decreased $15,000 based on lower historic actual expenditure levels and the prior year one-time funding of additional Internet blocking software. The training budget decreased $6,080 primarily due to the one-time funding of Exchange Server training and a staff member's attendance at the Accela User's Conference in the prior year. Equipment maintenance costs decreased $4,000 as the budget can be reduced and brought more in line with prior year actual expenditures. $300 was saved as a result of recent reductions in Nextel telephone rates. These decreases were partially offset by an increase of $11,950 for the full-year funding for the new fiber optic network at several remote City buildings.

Capital – Total Capital of $182,300 is proposed. $141,600 is for the replacement of 118 computers for the Police Department, Parks & Recreation, Senior Center, Nature Center, Public Library, and Emergency Management. $30,000 is for three replacement File Servers. $4,700 is to convert three of the City's existing databases from Macintosh to the Windows format. $6,000 is for a replacement color Laser Printer with scanner and copier for use by all City departments.



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.

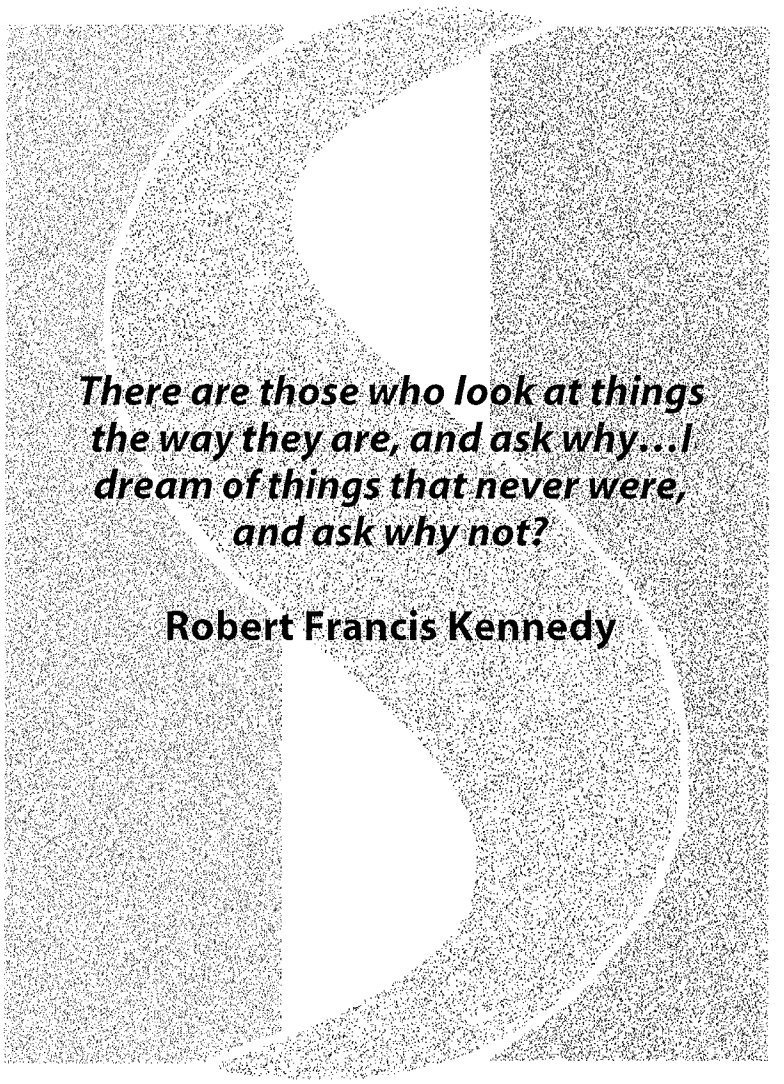
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$708,792	$757,770	$760,630	$809,270	$809,270
Supplies	12,120	9,200	9,140	10,100	10,100
Other Charges	185,806	263,020	221,610	249,490	249,490
Total	$906,718	$1,029,990	$991,380	$1,068,860	$1,068,860

07
08

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.

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.

KEY GOALS

- ***To provide a safe and secure environment for the people involved in all dispute resolutions within our jurisdiction.***
- ***To provide an unbiased climate for resolving disputes in the areas of Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and non-court traffic and ordinance violations.***
- ***To assist sentencing decisions through the use of a Probation Division by providing personalized analysis, special reports, and rehabilitation programs.***

The Probation Division is responsible for providing services to judges and probationary clients. The Probation Officer provides special reports and analyses to the judges for assistance on sentencing decisions. The Court's "Alternatives to Incarceration Program" is one example of how the community may benefit from cost savings and community service work when this option is appropriate. The services provided to probationary clients include securing employment, school, or training and referrals to rehabilitation programs to assist those with drug, alcohol, or emotional problems.■

Did you know?...
...that marriages, which were previously scheduled only on Fridays, are now performed on Tuesdays, Wednesdays, Thursdays and Fridays?

41-A District Court

2007/08 PERFORMANCE OBJECTIVES

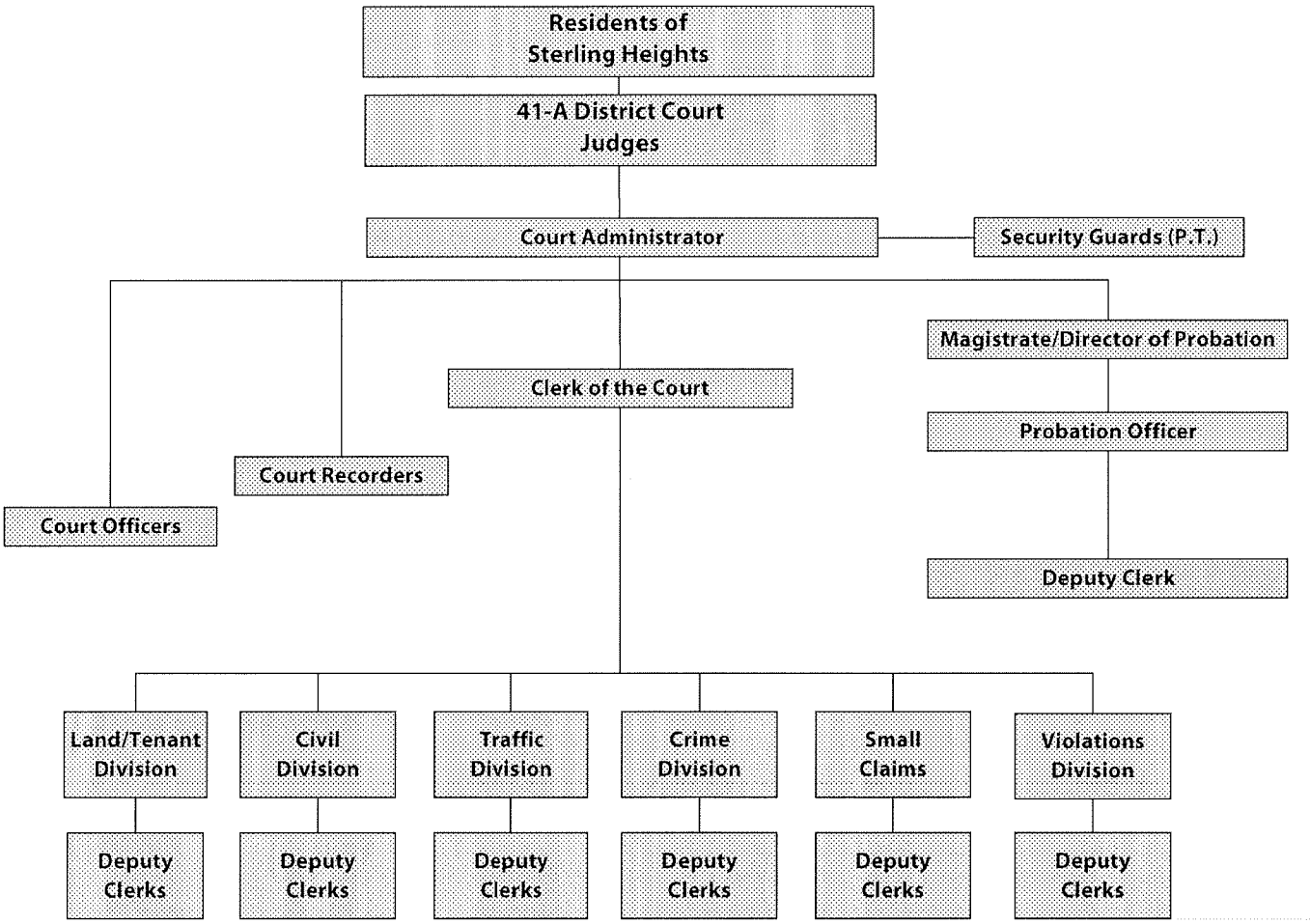
1. To research the possibility of conducting court proceedings at an area high school, thus providing an opportunity for students to be exposed to the judicial system as a learning tool. *(City Goal 1, 7)*

2. To further develop the Court's website, which may include video clips to enhance and expand information on the jury system. *(City Goal 1, 7)*

3. To update and increase the Court's emergency plans and security procedures including providing Automatic External Defibrillator (AED) training to security personnel. *(City Goal 1, 7)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Total Active Caseload	45,896	42,848	43,323	41,000	41,500	42,000
	Total New Cases	37,467	34,757	34,043	32,500	34,225	36,000
	Traffic Cases	24,594	23,485	22,385	21,000	22,000	24,000
	Parking Cases	2,688	1,853	1,871	2,000	2,200	2,200
	Misdemeanor Cases	4,133	3,333	3,497	3,200	3,700	3,500
	Felony Cases	649	661	714	700	725	700
	General Civil Cases	2,508	2,709	2,862	2,700	2,800	2,800
	Small Claims Cases	610	513	488	600	500	500
	Landlord/Tenant Cases	2,285	2,203	2,226	2,300	2,300	2,300
	Magistrate Dispositions	8,322	7,829	8,500	8,500	8,200	8,300
	Jury/Bench Verdicts	7,104	7,035	9,794	9,000	7,500	8,000
	Guilty/Admissions/Default - By Party	20,696	19,489	20,074	19,000	19,000	20,000
	Dismissals - By Court or Party	7,673	6,529	7,525	6,000	6,100	6,100
	Probation Caseload	951	825	850	800	800	800
Efficiency & Effectiveness	% of Imposed Revenue Collected	98%	99%	97%	99%	90%	95%
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	$18.62	$19.59	$20.95	$22.44	$22.51	$23.51
	Cost Per Active Case	$51	$58	$61	$70	$69	$72
	# of Active Cases per FT Employee	1,275	1,190	1,203	1,140	1,150	1,170
	Activity Expenditures as % of General Fund	3.27%	3.26%	3.37%	3.45%	3.47%	3.49%

41-A District Court



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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.)	2	4	4
Total	38	40	40

41-A District Court

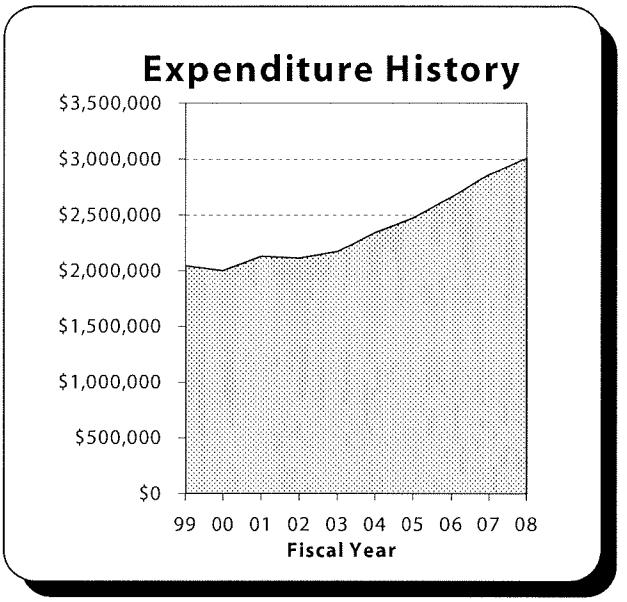
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $127,750 or 4.9%. Wages for full-time employees increased $43,280 as all employees are budgeted to receive a 3% wage increase. Due to a recently settled Court Clerical contract, deferred compensation and optical reimbursement costs have risen by $13,900. Health insurance costs declined $17,580 as a result of the new labor contract. Funding for retiree medical costs increased $72,790 to fund the City's outstanding liabilities.

Supplies – Total Supplies increased $3,500 or 9.1%. Postage costs increased $2,000 for increased mailings of court notices and an expected postal rate increase. Funding for operating supplies increased $1,000 to purchase two replacement printers. Legal publication costs rose $500.

Other Charges – Total Other Charges increased $16,160 or 8.3%. The budget increased $13,400 based on higher State computer maintenance and annual support costs as caseload is now a factor used to determine this fee. Electric costs rose $5,000 due to higher electric rates. Telephone costs increased $1,200. The training budget increased $250 for Court Officers and Recorders to attend an educational training session next year. Heating costs declined $3,000 based on historic expenditure trends. $670 was saved as the City has negotiated a lower rental cost for the Pitney Bowes mail machine. Printing costs decreased $500, as fewer judicial forms are needed.



Capital – $60,000 is budgeted in the Capital Projects Fund for replacement carpeting throughout the Court building.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$2,410,362	$2,627,330	$2,633,340	$2,755,080	$2,755,080
Supplies	44,566	38,500	42,000	42,000	42,000
Other Charges	205,660	195,550	194,160	211,710	211,710
Total	$2,660,588	$2,861,380	$2,869,500	$3,008,790	$3,008,790

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 Officer and Firefighter applicants that will best serve the interest and well-being of the residents of Sterling Heights.***
- ***To keep Police Officer and Firefighter eligibility lists current by initiating the application process in a timely fashion.***
- ***To monitor the testing process for new hires and personnel who have applied for promotion within the Police and Fire Departments.***

Did you know?...
...that the Act 78 Civil Service Commission administers a competitive Assessment Center for internal applicants seeking promotion to Police Lieutenant and Police Captain?

Act 78 – Civil Service Commission

2007/08 PERFORMANCE OBJECTIVES

1. To conduct Police Officer recruitment to establish a new one-year eligibility list. *(City Goal 4)*
2. To conduct Fire Fighter recruitment to establish a new two-year eligibility list. *(City Goal 4)*
3. To conduct an Assessment Center to establish a new two-year Police Lieutenant eligibility list. *(City Goal 4)*
4. To conduct an Assessment Center to establish a new two-year Police Captain eligibility list. *(City Goal 4)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Minutes of Act 78 Meetings Recorded	5	6	5	2	6	5
	Police Officer Eligibility List Applications	211	257	120	195	130	135
	Fire Fighter Eligibility List Applications	90	0	69	0	0	68
	Written Tests - Police Officer Eligibility List	172	139	97	156	110	115
	Written Tests - Fire Fighter Eligibility List	76	0	0	0	31	45
	Oral Interviews - Police Officer Eligibility List	141	57	27	138	32	38
	Oral Interviews - Fire Fighter Eligibility List	62	0	0	0	25	28
	Physical/Psychological Test - Police/Fire Candidates	11	7	7	16	13	10
	Appointment Notices - Police/Fire New Hires	11	7	5	16	12	9
	Police/Fire Personnel Files Maintained	115	105	112	116	120	122
	Maintained Files (hiring procedures/legal opinions,etc.)	85	80	112	81	85	87
Effectiveness	Number of Appeals by Candidates	4	5	9	2	9	8
	Activity Expenditures as % of General Fund	0.04%	0.02%	0.04%	0.02%	0.02%	0.05%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

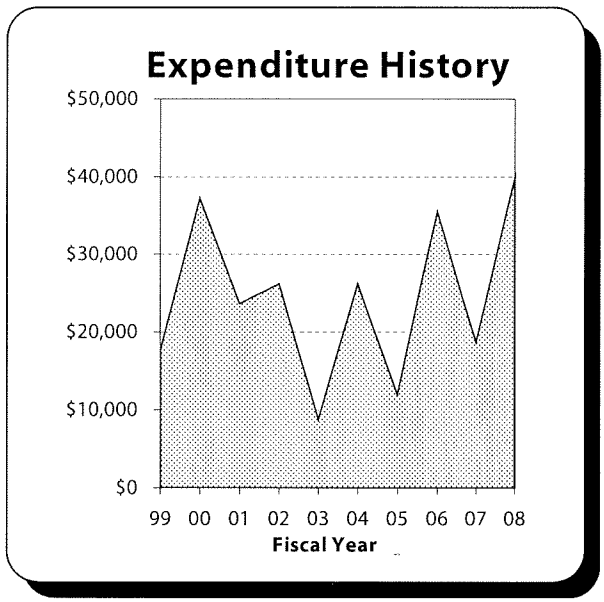
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this activity. Any overtime costs that are needed for the recruitment activities planned for next fiscal year will be charged to the City Clerk's office.

Supplies – Total Supplies increased $250 or 83.3%. Postage costs increased $250 due to an expected postal rate increase and the additional mailings required for the recruitment of both Police Officers and Fire Fighters next year.

Other Charges – Total Other Charges increased $20,760 or 112.7%. Funding increased $26,050 for the cost of an assessment center for Police Lieutenant and Police Captain. The increase was slightly offset as Fire Fighter applicants will now be responsible to pay for their own physical agility test prior to applying for a position, saving the City approximately $2,100. Job advertising costs increased $1,100 as both Police Officer and Fire Fighter recruitment notices will be published next year. Fewer pre-employment physical and psychological exams will be needed as there will be fewer anticipated new hires compared to last year, resulting in a savings of $6,390.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	549	300	300	550	550
Other Charges	34,940	18,420	15,780	39,180	39,180
Total	$35,489	$18,720	$16,080	$39,730	$39,730

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.

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.■

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.***

Did you know?...
...that the City of Sterling Heights has been named a "Tree City" each year since 1985?

Beautification Commission

SUMMARY OF BUDGET CHANGES

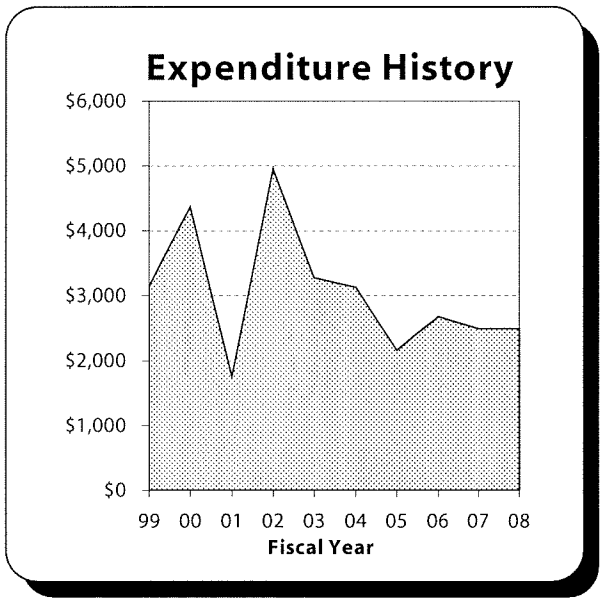
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies is proposed to remain the same at $2,150. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges is proposed to remain the same at $340. 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	2,424	2,150	2,050	2,150	2,150
Other Charges	257	340	340	340	340
Total	$2,681	$2,490	$2,390	$2,490	$2,490

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.

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.

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.***

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 Building Authority serves in an advisory capacity to the City Council and during times of non-construction, the Building Authority approves principal and interest debt service payments?

Building Authority

SUMMARY OF BUDGET CHANGES

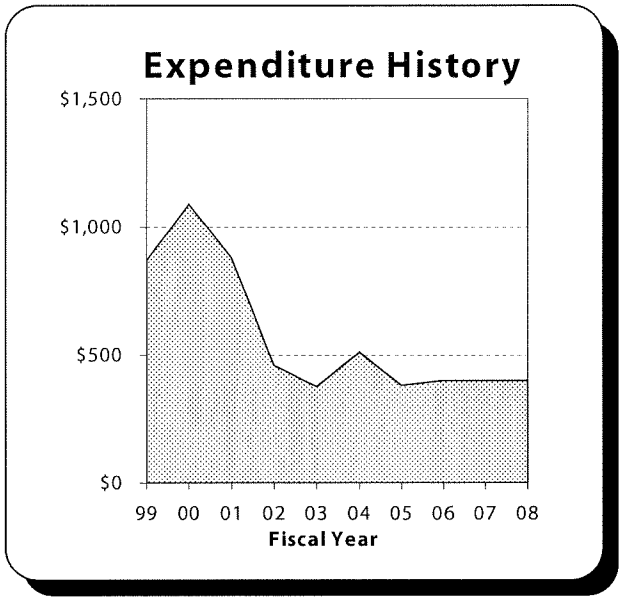
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$51	$50	$50	$50	$50
Supplies	0	0	0	0	0
Other Charges	350	350	350	350	350
Total	$401	$400	$400	$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.

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.

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 the appreciation of the performing, visual and culinary arts.

The annual "Memorial Day Ceremony & Parade" honors those men and women who gave their lives for our American freedom. The 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.■

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.***

Did you know?...
...that the plans are already underway for a city-wide celebration of the 40th anniversary of the incorporation of the City of Sterling Heights (July 1, 2008)?

Cultural Commission

SUMMARY OF BUDGET CHANGES

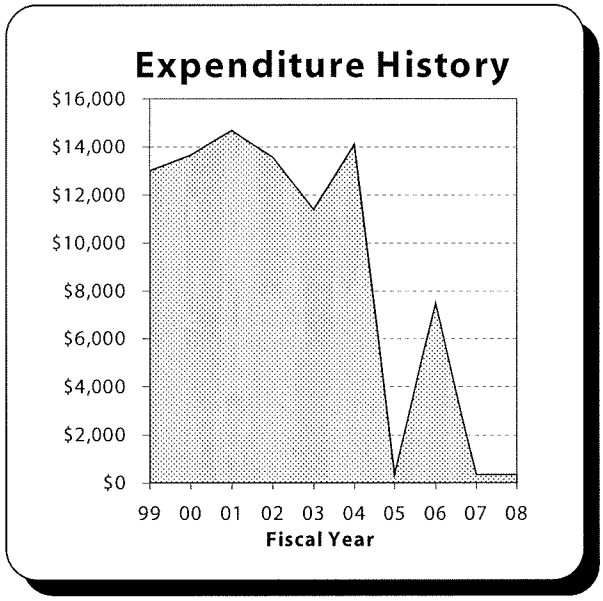
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies decreased $10 or 6.3% as the budget for plaques, certificates, and award program supplies can be reduced slightly and brought more in line with prior year actual expenditures.

Other Charges – Total Other Charges increased $10 or 5.3% 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	80	160	150	150	150
Other Charges	7,396	190	200	200	200
Total	$7,476	$350	$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.

Assets in the fund as of December 31, 2006 total a market value of $123,178,229 while the City's contribution rate for the 2007/08 fiscal year is 0% of payroll. The fund is now 124.2% funded, which means that valuation assets exceed actuarial accrued liabilities by 24.2%.

The Board has established the following asset allocation guidelines:

Equities:	
Large cap	35%
Small cap	15%
International	15%
Fixed Income	30%
Real Estate Investment Trust	5%
Cash	0%

There are currently 200 retirees receiving benefits from the fund and 280 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, 2006, 175 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.■

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.***

Did you know?...
...that the investment performance of the General Employees Retirement System portfolio over the last three and five year periods outperformed 97% and 95%, respectively, of other public funds?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

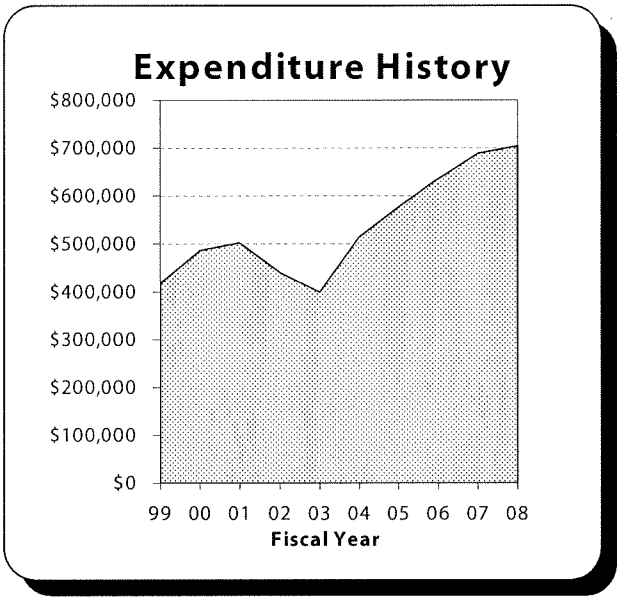
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies is proposed to remain the same at $500. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges increased $15,480 or 2.2%. Funding increased $21,430 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. $500 was added to the training budget for the Board's Trustees to attend various MAPERS one-day seminars next year, and for the increased attendance and higher costs of the annual spring and fall MAPERS conferences. $50 was added due to a slight increase in existing membership fees. These increases were partially offset by a decrease of $6,500 for legal services provided to the Board based on the current year's billings.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	416	500	480	500	500
Other Charges	634,853	688,060	680,020	703,540	703,540
Total	$635,269	$688,560	$680,500	$704,040	$704,040

General Expenditures

MISSION STATEMENT: ***To budget and account for general expenditures not assigned 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.

Examples of these types of expenditures include postage for City publications and miscellaneous bulk mailings, and operating supplies for the copiers used throughout the City.

Other Charges, such as audit and accounting services for the annual year-end financial report, and contracted services for potential studies and 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 in this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, approval must be received from City Council before the adjustment is made. This budgetary center rarely requires any formal budget amendment.■

KEY GOALS

- ***To provide a means of accounting for certain unallocable 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 magazine.***
- ***To provide a means of budgeting and accounting for City-wide liability insurance coverage.***

Did you know?...
...that the General Expenditures activity accounts for all property tax refunds required by the Michigan Tax Tribunal?

General Expenditures

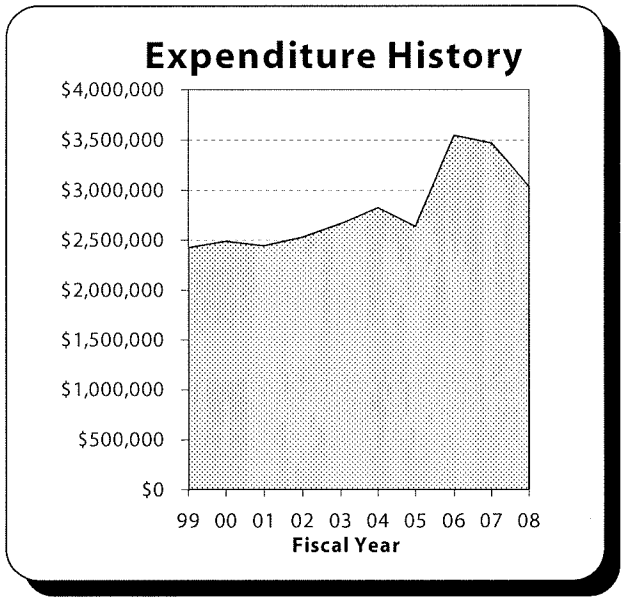
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The Personnel budget decreased by $1,700 or 7.5%. Unemployment compensation costs are estimated to increase by $2,650 based on historic claims paid. The funding for retiree life insurance will no longer be expensed in this activity. Instead, it will be funded through the Department's budget, in the same manner that retiree health insurance costs are budgeted.

Supplies – Total Supplies increased $3,990 or 5.9%. $3,000 was added due to the increased cost and usage of copy paper. Postage costs increased $990 due to an expected postal rate increase.

Other Charges – Total Other Charges decreased $432,380 or 12.8%. Liability Insurance costs decreased $650,000 as the City is able to reduce its funding to the Self-Insurance Fund due to recent insurance recoveries. $25,190 was saved as the budget for street lighting costs can be reduced and brought more in line with prior year actual expenditures. Contracted service costs decreased $10,000 due to the prior year one-time funding for the development of a Master Lighting and Streetscape Plan, partially offset by an increase based on recent expenditure trends. $4,020 was saved due to lower monthly maintenance costs for the City's large copy machines. These decreases were partially offset by an increase of $255,000 for refunds on tribunal adjustments, as a higher number of tax appeals are anticipated due to the State's economy. $2,100 was added due to increased audit costs. Funding for employee tuition reimbursements increased $1,000 based on the 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$84,561	$22,700	$24,900	$21,000	$21,000
Supplies	67,076	67,510	70,510	71,500	71,500
Other Charges	3,394,510	3,378,150	3,616,400	2,945,770	2,945,770
Total	$3,546,147	$3,468,360	$3,711,810	$3,038,270	$3,038,270

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 community's heritage; to identify local preservation concerns; to attend workshops and seminars relating to preservation management; to study public policies designed to protect and preserve local history; to provide opportunities for residents to share and shape their historical legacy.

Through membership in the American Association of State and Local History, the National Council on Public History, and the Historical Society of Michigan, the Commission works to expand its perceptions and knowledge of current practices in the field of local history. It keeps informed of state and federal legislation, as well as identifies sources of funding such as grants and endowments.

The Historical Commission has the responsibility to identify structures and sites of historic significance; to study the value of their preservation, and to make recommendations for future use. The Residential Date Plaque Award Program, established in 1992, has recognized 33 homes of historic value in Sterling Heights as identified by age and architectural significance.

To encourage an appreciation of local history, the Sterling Heights Historical Commission is also responsible for the development of the Sterling Historical Collection in the Upton House. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835.

The Commission is also a participant in the Veterans History Project created by the United States Congress in 2000 as part of the American Folklife Center at the Library of Congress. As such, the Commission collects and archives the personal recollections of United States wartime veterans from Sterling Heights to honor their service and share their stories with current and future generations.

Finally, the Commission, in partnership with the Friends of the Library, produced a book on local history entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*. In addition, in partnership with the Public Library, the Commission authored *Sterling Township: 1875 – 1968*, a pictorial history.

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.***

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 is a partner with the American Folklife Center at the Library of Congress to collect and archive the personal recollections of United States wartime veterans?

Historical Commission

2007/08 PERFORMANCE OBJECTIVES

1. To complete an inventory of gravesites at Sterling Grove Cemetery. *(City Goal 27)*

2. To complete seven taped interviews of Sterling Heights veterans for the Veteran's History Project and process documentation for the American Folklife Center at the Library of Congress. *(City Goal 27)*

3. To sponsor two themed exhibits of historic value in the Upton House and one program on local history or preservation issues. *(City Goal 27)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Meetings Held	4	4	4	4	4	4
	Local History Exhibits and Displays	3	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	3	1	1	1	1
	Professional Memberships	4	4	3	3	3	3
	Historic Photographs and Memorabilia Collected	52	23	74	20	10	5
	Program/Exhibit Attendance	1,556	1,487	1,408	1,400	1,300	1,200

Historical Commission

SUMMARY OF BUDGET CHANGES

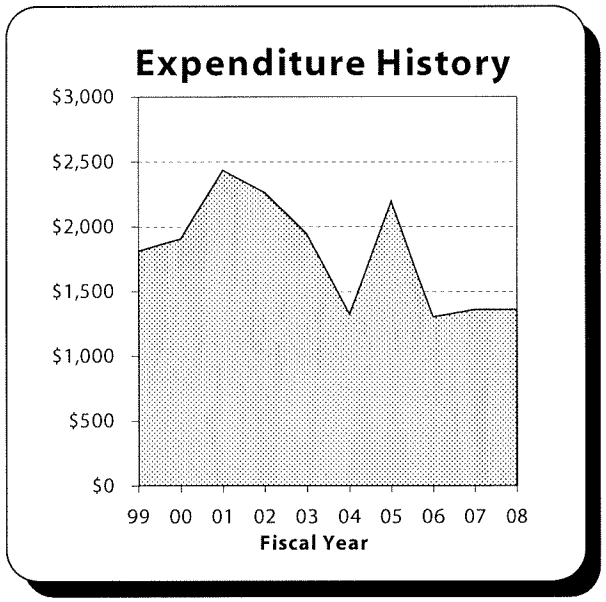
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies decreased $500 or 67.6%. The budget was reduced by $500 as a one-time necessary adjustment was made in the prior year to purchase historical landmark replacement signs for the Clinton/Kalamazoo Canal.

Other Charges – Total Other Charges increased $500 or 80.6%. Funding for contracted services increased $500 due to a one-time necessary adjustment of funds in the prior 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.

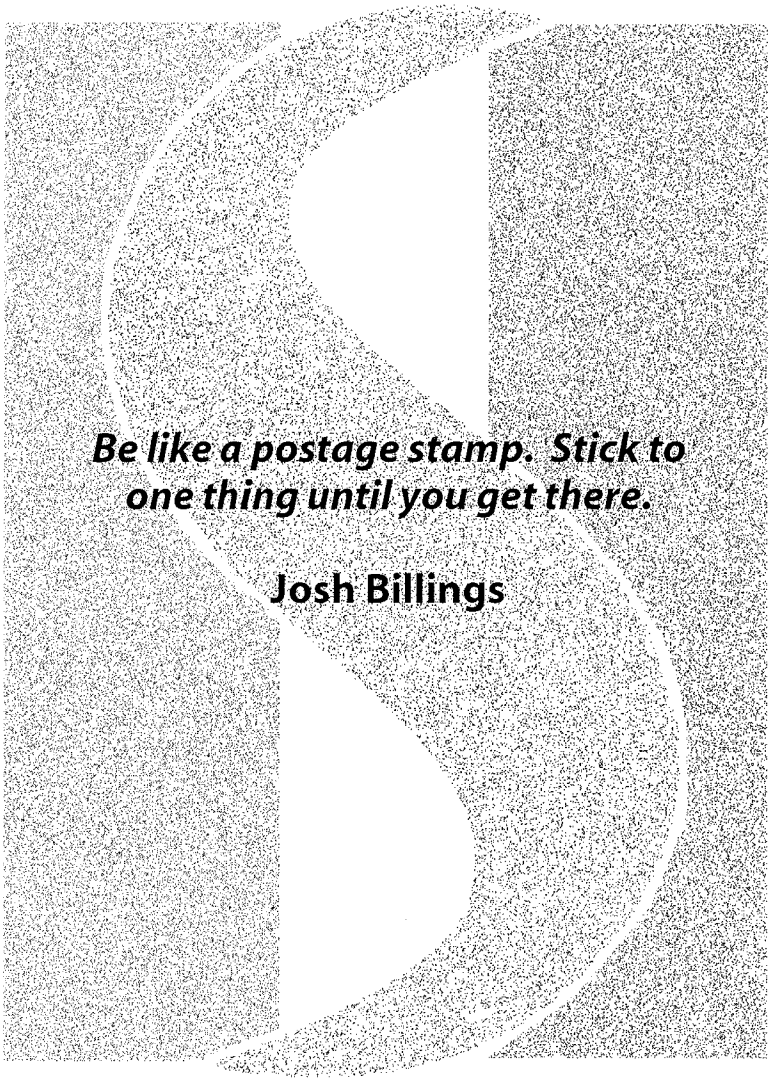
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	271	740	740	240	240
Other Charges	1,031	620	620	1,120	1,120
Total	$1,302	$1,360	$1,360	$1,360	$1,360


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.

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.■

KEY GOALS

- ***To provide legal services in an efficient, competent and cost effective manner.***
- ***To identify key legal priorities of the City.***
- ***To assist the City Council and other Boards and Commissions regarding legal issues that may arise at meetings.***
- ***To establish legal procedures, guidelines and standards in support of the City Council and City Administration's missions and goals.***
- ***To provide advice and counsel regarding developing state and federal legislation, as well as recent court decisions.***

Did you know?...
...that Jeffrey A. Bahorski was appointed as City Attorney effective January 20, 2004?

Legal

2007/08 PERFORMANCE OBJECTIVES

1. To continue to provide legal support services and guidance in new economic redevelopment initiatives, such as the Lakeside Shopping District. *(City Goal 9, 10, 11)*

2. To research and assist in the implementation of creative solutions to the multifaceted legal issues challenging the City Administration in such critical areas as property maintenance, economic development, labor relations, public safety and land use. *(City Goal 1, 10, 24)*

3. To continue the established practice of aggressively defending against and minimizing the 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 1, 24)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	District Court Cases	5,632	7,781	8,132	7,600	5,300	6,500
	Legal Opinions Rendered	5	3	10	10	8	10
	Ordinances and Amendments Prepared	21	31	25	35	30	30
	Commission Meetings Attended	44	50	51	50	40	40
	Council Meetings Attended	31	27	27	30	26	27
	Number of Open Lawsuits	11	14	14	30	20	15
	Number of Closed Lawsuits	20	25	27	20	20	20
	Numbers of Files Opened	73	101	105	130	130	125
	Number of Files Closed	75	108	86	75	110	75
	Legislative Issues Reviewed	74	80	95	100	100	100
	Hours Spent on City Business	6,031	6,276	7,428	8,000	6,250	6,500
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	99%	99%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.81%	0.87%	0.89%	0.87%	0.88%	0.85%

Legal

SUMMARY OF BUDGET CHANGES

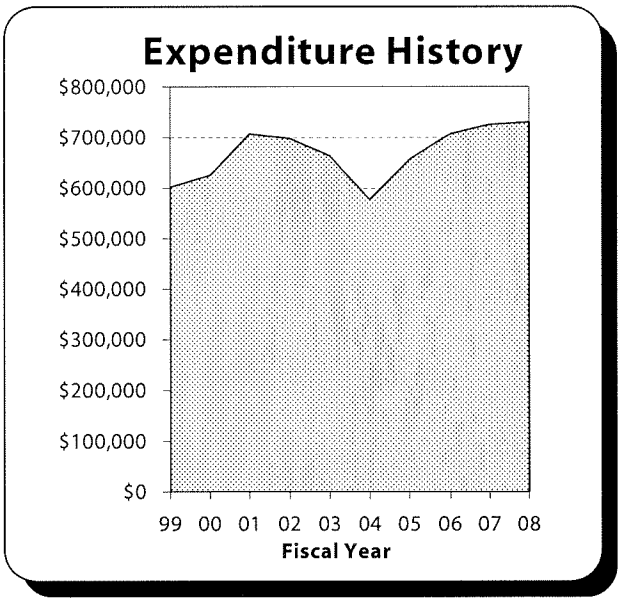
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

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 $5,000 or 0.7%. $10,000 was added to the budget for City Attorney legal funding based on the current year's estimated expenditure usage. No hourly rate increase is proposed. Funding decreased $5,000 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.

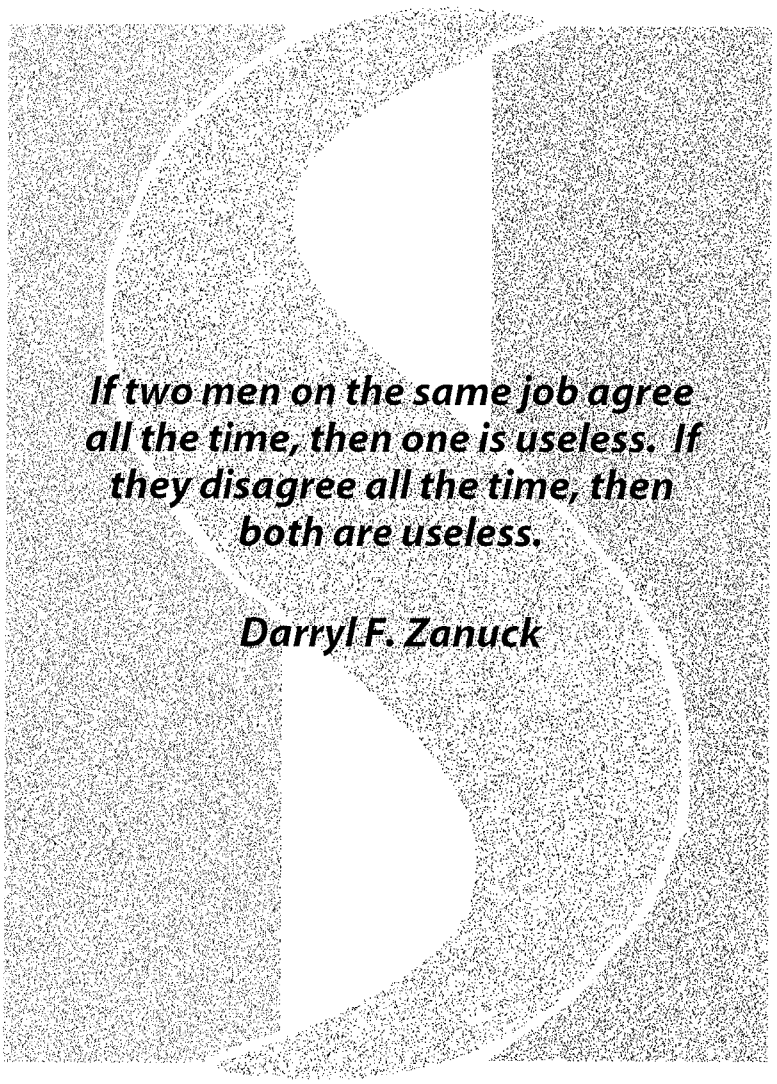
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	706,795	725,000	730,000	730,000	730,000
Total	$706,795	$725,000	$730,000	$730,000	$730,000


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.

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.

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 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 Planning Commission annually reviews and updates the City's zoning ordinance in response to emerging trends, problems or opportunities, as well as for compliance with State law?

Planning Commission

SUMMARY OF BUDGET CHANGES

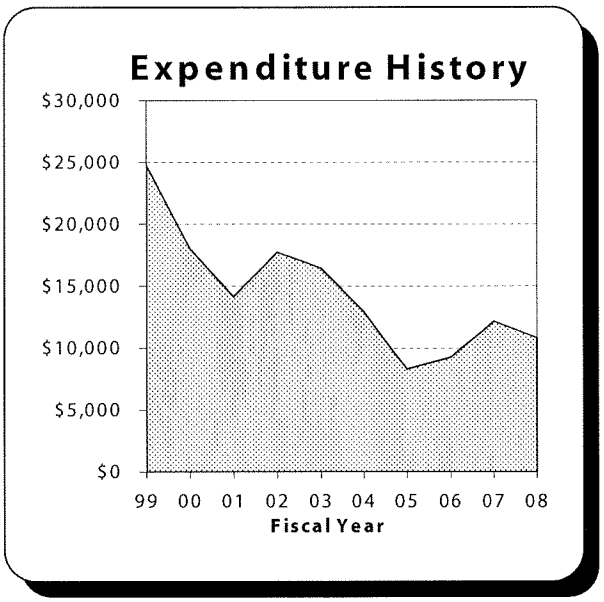
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget decreased by $480 or 12.7%. The budget for the wages paid to the Planning Commissioners can be reduced slightly as the number of Planning Commission meetings held has been decreasing over the past several years.

Supplies – Total Supplies increased $70 or 5.7%. Postage costs rose $30 due to an anticipated postal rate increase. Funding for publications and operating supply costs each rose $20 due to inflationary cost increases.

Other Charges – Total Other Charges decreased $950 or 13.2%. $1,500 was saved as fewer newspaper ads are anticipated to be published. $250 was saved due to fewer printing needs for special studies and reports. $500 was added to the budget for reporting services based on an hourly rate adjustment for the recording secretary to attend monthly meetings and transcribe meeting minutes. $280 was added for training, as the Michigan Society of Planning's annual conference was held locally last year, and overnight lodging was not required. Funding is included for one new Commissioner to attend a required training workshop next year. Existing membership costs increased by $20.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$2,747	$3,770	$3,010	$3,290	$3,290
Supplies	1,033	1,230	1,230	1,300	1,300
Other Charges	5,485	7,170	5,260	6,220	6,220
Total	$9,265	$12,170	$9,500	$10,810	$10,810

Telecommunications Commission

MISSION STATEMENT: ***To regulate guidelines for the use of government and library access programming.***

The Telecommunications Commission was originally established (as the Cable Communications Commission) in 1984. The name of the Commission was subsequently changed to the "Telecommunications Commission" in 1996 to better reflect the scope of its initial responsibilities, which included overseeing the City's franchise agreements with cable companies operating in the City and monitoring the activities of cable service as they pertained to ordinance compliance.

However, effective January 1, 2007, Public Act 480 of 2006 eliminated local cable control and turned over all regulatory power to the Michigan Public Service Commission thereby eliminating the Commission's original mission of monitoring local franchise activities.

The Telecommunication Commission continues to act in its role of overseeing the guidelines for Sterling Heights Television's (SHTV's) government and library access programming. Currently, SHTV airs approximately 60 hours of original programming weekly on the government channel and 12½ hours of original and syndicated programming per week on the Library channel.

The Commission is made up of five members appointed by City Council, who serve without compensation and meet as needed.

The Commission is currently reviewing guidelines for the possibility of SHTV seeking sponsors for various cable programs. These sponsorships will help to ensure the City's goal of promoting and showcasing City events, programs, and services in a televised manner so that residents continue to stay informed.

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 and define the community programming role of the government and library access channels operated by Community Relations.***

Did you know?...
...that the adoption of Public Act 480 of 2006 shifts cable-franchising authority from the local community to the Michigan Public Service Commission?

Telecommunications Commission

SUMMARY OF BUDGET CHANGES

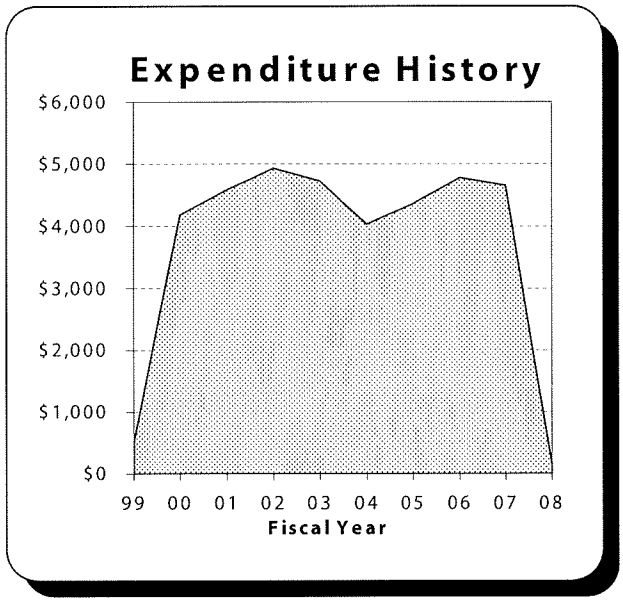
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

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 by $4,500 or 96.8%. A recent bill passed by the State of Michigan transfers the regulation of cable franchises from the local community to the Michigan Public Service Commission. As a result, the Telecommunications Commission has lost its regulatory power and will no longer be responsible for cable television regulation. $150 is budgeted for reporting services as the Commissioners will continue to regulate guidelines for the use of government and library access programming, and will hold meetings on an "as needed" basis.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	9	0	0	0	0
Other Charges	4,767	4,650	4,620	150	150
Total	$4,776	$4,650	$4,620	$150	$150

Transfers Out

MISSION STATEMENT: ***To facilitate the accountability of revenues and expenditures by providing a means of tracing the transfer of monies from one fund to another.***

The Transfers Out activity in the General Fund is used to account for the outgoing transfers of funds to support other City funds. The expenditure in this activity is offset in its entirety by a revenue source in the fund receiving the transfer.

This fiscal year, six transfers are budgeted from the General Fund totaling $3,990,050. They include a transfer to the Capital Projects Fund, the Economic Development Corporation Fund, the Land & Water Conservation Fund, the Limited Tax General Obligation Debt Service Fund, the Major Road Fund and the Local Road Fund.

The $1,534,500 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 the 41-A District Court, pump station repairs at the Fairfield storm sewer detention pond, the continuation of the Sidewalk Gap Completion Program, school walkway repairs near Poinciana and North Central Drives, and a new City entrance sign at Metropolitan Parkway and Dequindre Road.

The $1,005,750 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments for the Judicial Services Center and the City Center Commons bonds, as well as the first year's debt payments on the new Public Safety Radio System bonds.

The $800,000 General Fund transfer to the Major Road Fund is to help replenish declining fund reserves, to fund future road projects, and to compensate for engineering revenues realized in the General Fund from road projects administered by the City's Engineering Office.

The $575,000 General Fund transfer to the Local Road Fund is to finance the Neighborhood Road Repair & Replacement Program. The City is continuing to levy a 0.10 millage approved by the voters in 1996 for Proposal N as the Local Road Fund does not have sufficient funds available due to the costs of removing emerald ash borer infested trees in recent years.

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 $66,300 Transfer Out to the Land & Water Conservation Fund is to finance the replacement of baseball diamond fencing at Delia Park.

The $8,500 Transfer Out to the Economic Development Corporation Fund is to help replenish declining fund reserves, and to fund future marketing and research tools that will help attract and assist businesses looking to locate in the City, and continue to promote citywide economic development and redevelopment issues.

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 offices are transferred out and accounted for in the Capital Projects Fund?

Transfers Out

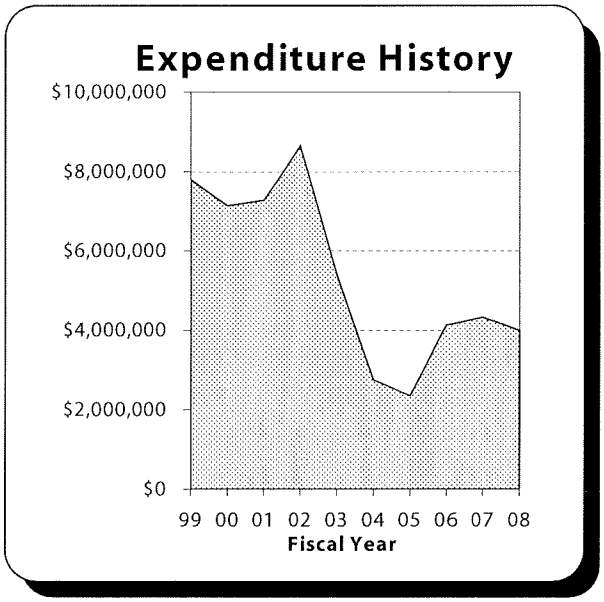
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 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 $4,001,300. Transfers to the Major Road Fund totals $800,000 to help replenish declining fund reserves, for funding future road projects, and to compensate for engineering revenues realized in the General Fund from road projects administered by the City's Engineering Office. Transfers to the Local Road Fund totals $575,000, as the City is continuing to levy the 0.10 millage approved by the voters in 1996 for Proposal N in order to continue the City's Neighborhood Road Repair and Replacement Program. Transfers to the Land & Water Conservation Fund totals $66,300 to fund the replacement of baseball diamond fencing at Delia Park. Transfers to the Economic Development Corporation Fund totals $8,500. $1,017,000 is recommended to be transferred to the Limited Tax General Obligation Debt Service Fund for the principal and interest payments on the Judicial Services Center and the City Center Commons bonds and for the first year debt payments of $365,250 on the new Public Safety Radio System Bonds. Transfers to the Capital Projects Fund totals $1,534,500 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.***



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 Limited Tax General Obligation Fund decreased $11,250 to reflect a savings from a lower interest rate on the recently sold LTGO Improvement bonds for the City's Public Safety Radio System.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	0	0	0
Transfers Out	4,127,270	4,318,120	4,050,620	4,001,300	3,990,050
Total	$4,127,270	$4,318,120	$4,050,620	$4,001,300	$3,990,050

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 certain specific powers. Ordinance and map interpretations, modification of height, wall, buffering, screening and landscape requirements, modification of vehicle parking stalls, loading area and placement regulations, and the granting of use variances are specific examples of power granted to this Board.

The members of the Board are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; 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 over 40 cases where property owners requested variances from various provisions of the zoning ordinance due to hardship or practical difficulty?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

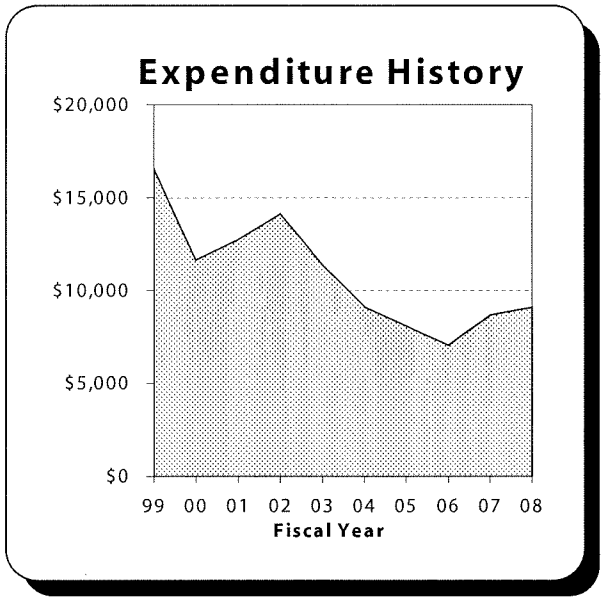
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel Services budget decreased by $290 or 10.7%. The budget for the wages paid to the Board members can be reduced slightly, as the number of meetings held has been decreasing for the past several years.

Supplies – Total Supplies decreased $50 or 5.2% as fewer audiotapes and meeting minute books are needed.

Other Charges – Total Other Charges increased $750 or 15.0%. The budget increased $1,750 for publishing costs due to changes in State Planning laws, which now require all meeting agendas to be advertised in the official City newspaper. $300 was added for educational conferences as the Michigan Society of Planning's annual conference was held locally last year, and overnight lodging was not required. Funding for reporting services was reduced by $1,300, as less time is required to transcribe meeting minutes due to fewer monthly meetings. The decrease was slightly offset by an hourly rate adjustment for the recording secretary.

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.

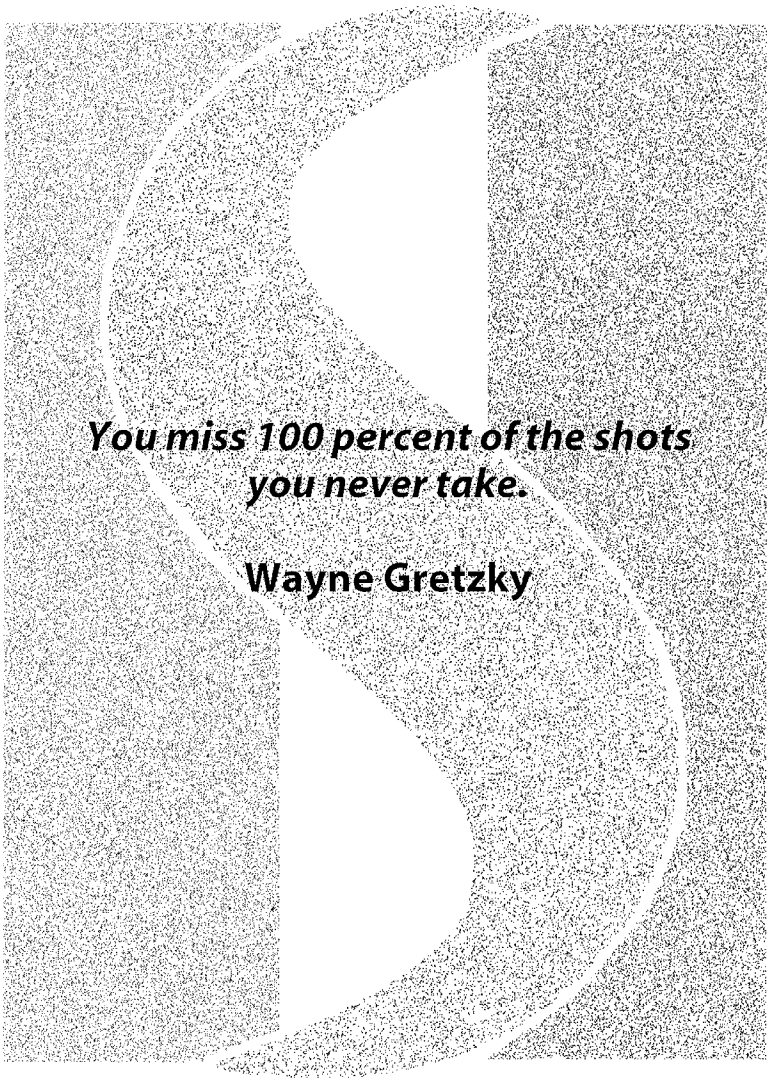
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$2,423	$2,710	$2,420	$2,420	$2,420
Supplies	741	960	960	910	910
Other Charges	3,892	5,000	4,460	5,750	5,750
Total	$7,056	$8,670	$7,840	$9,080	$9,080


You miss 100 percent of the shots
you never take.
Wayne Gretzky

07
08

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 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 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 14 years, Detroit has increased its rates by an average of 7.5% per year, while Sterling Heights has increased its rates by only 5.5% per year. In addition, the City has made several adjustments to its rate structure as a direct result of changes in the way the City is billed for water and sewage disposal costs.

For example, in 1998/99, 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. 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, sewage disposal fees from Detroit increased a total of 8.9%, to include charges for the 15 Mile sewer repair and a slight sewage rate increase. Detroit also raised its water rate 7.7%. Sterling Heights passed along these same rate increases to its customers. The City also changed from a single-tier to an inclining two-tier water rate structure to help reduce maximum day and peak hour usage and lessen future water cost increases from Detroit.

In 2006/07, Detroit increased its water rate 5.8%. Sewage disposal fees from Detroit increased a total of 7.2%. Sterling Heights was able to pass along only a 3.9% water rate increase and a 6.9% sewer rate increase to its customers due to greater interest income revenue and expenditure savings in this fund.

For 2007/08, the Detroit water rate is increasing by 8.8%. Sewage disposal fees from Detroit have risen 7.8% due to an increase in fixed charges resulting from the repairs to the 15 Mile Road sinkhole. In addition, Detroit's sewage rate increased from $10.80 to $10.94 per thousand cubic feet. As a result of these Detroit increases, a 7.9% water and a 6.9% sewer rate increase will be passed on to the City's customers.■

Did you know?...
...that the City's markup on Detroit's water rate is only 12.5%, compared to the average 125% markup of the 126 surrounding communities?

WATER & SEWER SYSTEM
OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
REVENUES						
Water & Sewer Service	$20,477,350	$22,908,170	$24,717,560	$22,458,010	$26,030,970	**$26,030,970**
Penalties & Interest	234,480	195,170	300,000	250,000	300,000	**300,000**
Hydrant Rental	169,900	171,000	174,750	174,750	177,500	**177,500**
Building Rental	1,200	1,200	1,200	1,200	1,200	**1,200**
Interfund Service	263,630	396,820	367,610	405,610	397,240	**397,240**
Tap and Meter Revenue	695,360	488,160	715,000	611,000	636,000	**636,000**
Repair and Service	35,670	144,470	30,000	30,000	30,000	**30,000**
Inspection Fees	24,370	17,400	25,000	14,000	15,000	**15,000**
Turn-On Charge	2,080	3,190	1,500	2,500	2,500	**2,500**
Ind./Pollution Surcharge	480,160	518,560	550,000	570,000	550,000	**550,000**
Miscellaneous	148,560	72,900	65,000	70,000	70,000	**70,000**
Interest on Investments	375,130	708,390	930,000	1,050,000	1,140,000	**1,140,000**
Total Revenues	**$22,907,890**	**$25,625,430**	**$27,877,620**	**$25,637,070**	**$29,350,410**	**$29,350,410**
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	$718,590	$769,240	$821,340	$812,260	$882,450	**$882,450**
Supplies	14,740	13,730	14,600	12,600	13,000	**13,000**
Other Charges	6,026,700	6,479,320	2,168,530	2,165,950	2,148,420	**2,148,420**
Capital Outlay	0	0	251,350	217,540	1,750	**1,750**
Total Expenses	**6,760,030**	**7,262,290**	**3,255,820**	**3,208,350**	**3,045,620**	**3,045,620**
WATER DISTRIBUTION						
Personnel Services	1,045,060	1,057,760	1,147,020	1,118,190	1,173,040	**1,173,040**
Supplies	226,480	197,710	273,000	213,000	228,000	**228,000**
Other Charges	9,312,830	8,734,230	10,028,370	9,009,270	10,637,280	**10,637,280**
Capital Outlay	0	0	163,150	163,150	665,700	**665,700**
Total Expenses	**10,584,370**	**9,989,700**	**11,611,540**	**10,503,610**	**12,704,020**	**12,704,020**
SEWAGE COLLECTION						
Personnel Services	1,183,610	1,167,300	1,238,380	1,204,450	1,280,360	**1,280,360**
Supplies	44,100	55,040	43,990	49,500	48,000	**48,000**
Other Charges	9,560,120	9,550,090	11,684,730	10,958,150	12,049,400	**12,049,400**
Capital Outlay	0	0	140,200	138,740	220,000	**220,000**
Total Expenses	**10,787,830**	**10,772,430**	**13,107,300**	**12,350,840**	**13,597,760**	**13,597,760**
Total Operating Expenses	**$28,132,230**	**$28,024,420**	**$27,974,660**	**$26,062,800**	**$29,347,400**	**$29,347,400**

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, 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 2007/08 Budget, Charges for Services revenue represents 95.53% of total revenue sources, an increase of $1,252,790.

The 2007/08 Budget recommends a 7.9% increase on water rates and a 6.9% increase on sewage rates charged to our resident and corporate customers. These increases are a result of the City of Detroit's water and sewage rate increases and an increase in the annual sewer fixed direct charge, resulting from the 15 Mile Road sewer repair.

In 2005/06, the City changed 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 began charging a slightly higher water rate for above average water consumption. This new rate plan lowers the water rate increase that has to be passed on to the average city resident. The average residential customer will pay $36.66 per month for water and sewer services and will save money as a result of the recently implemented rate structure. This plan helps to encourage water conservation and allows 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 $36.66 per month for water & sewer services and will save money as a result of the recently implemented 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 2007/08 Budget, Other Revenues represents 4.47% of total revenue sources, an increase of $220,000 above the 2006/07 Budget. This increase is mostly due to an increase in Interest on Investment revenues.

In the 2007/08 Budget, Other Revenues represents 4.47% of total revenue sources, an increase of $220,000 above the 2006/07 Budget.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2007/08 Budget, there is no use of net assets, as revenues slightly exceed expenses by $3,010. 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	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	21,235	0.08	20,000	0.07	**20,000**	**0.07**
627531	Administrative Services - Refuse	88,200	0.34	92,610	0.33	**97,240**	**0.33**
629001	Labor Services - Roads	82,509	0.32	70,000	0.25	**80,000**	**0.27**
629002	Labor Services Cross Charges	54,221	0.21	35,000	0.13	**45,000**	**0.15**
633001	Water Tap Fees	153,200	0.60	275,000	0.99	**200,000**	**0.68**
633002	Sewer Tap Fees	9,050	0.04	15,000	0.05	**11,000**	**0.04**
633003	Meter Charges	325,915	1.27	425,000	1.52	**425,000**	**1.45**
633004	Inspection	17,399	0.07	25,000	0.09	**15,000**	**0.05**
633005	Water & Sewer Services	144,470	0.56	30,000	0.11	**30,000**	**0.10**
633006	Hydrant Rental - Fire Department	171,000	0.67	174,750	0.63	**177,500**	**0.60**
633009	Turn-On Charge	3,187	0.01	1,500	0.01	**2,500**	**0.01**
634001	Materials/Supplies Cross Charges	52,527	0.20	55,000	0.20	**55,000**	**0.19**
643000	Water Services	10,313,916	40.25	10,873,760	39.01	**11,509,570**	**39.21**
644000	Collections - Sewer	12,594,251	49.15	13,843,800	49.66	**14,521,400**	**49.48**
645000	Penalties - Water & Sewer	195,174	0.76	300,000	1.08	**300,000**	**1.02**
646000	Industrial & Pollution Surcharge	518,559	2.02	550,000	1.97	**550,000**	**1.87**
	Total Charges for Services	**24,744,813**	**96.56**	**26,786,420**	**96.09**	**28,039,210**	**95.53**
	OTHER REVENUE						
665000	Interest on Investments	708,385	2.76	930,000	3.34	**1,140,000**	**3.88**
667006	Building Rental - Garage	1,200	0.00	1,200	0.00	**1,200**	**0.00**
669001	Rental - Road Equipment	70,507	0.28	65,000	0.23	**70,000**	**0.24**
669002	Rental/Equipment Cross Charges	27,622	0.11	30,000	0.11	**30,000**	**0.10**
685000	Miscellaneous Revenue	72,903	0.28	65,000	0.23	**70,000**	**0.24**
	Total Other Revenue	**880,617**	**3.44**	**1,091,200**	**3.91**	**1,311,200**	**4.47**
	Total Water & Sewer Fund	**$25,625,430**	**100.00**	**$27,877,620**	**100.00**	**$29,350,410**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

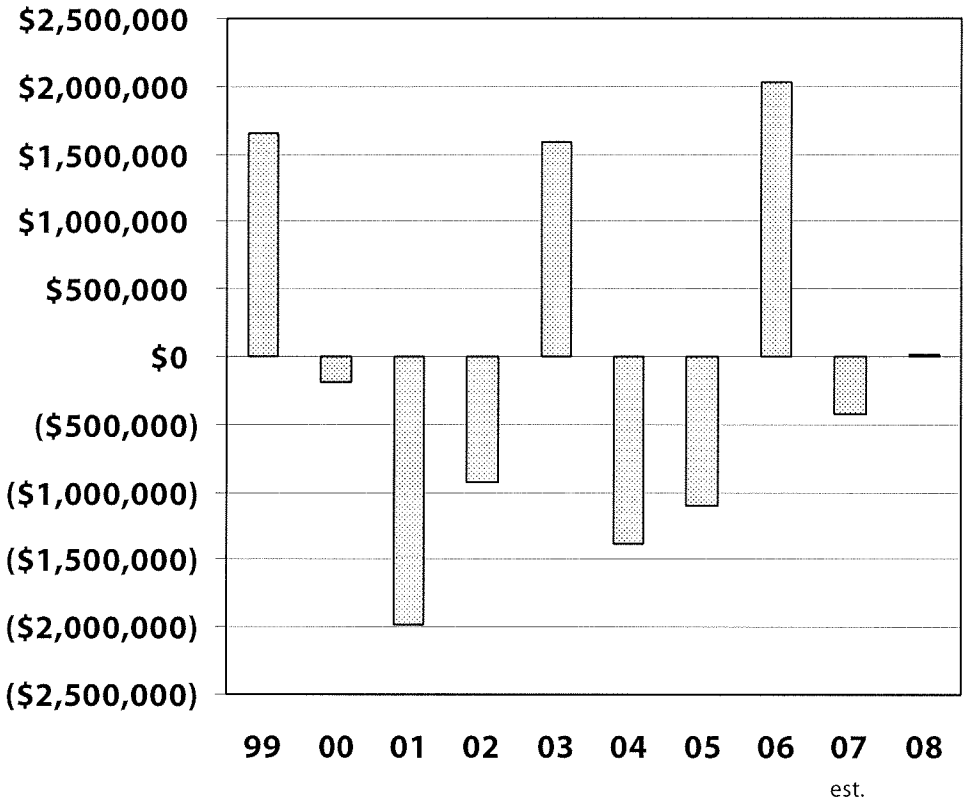
Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	PERSONNEL SERVICES						
704000	Wages & Salaries - Permanent	$1,755,871	6.27	$1,806,820	6.46	**$1,823,390**	**6.21**
704001	Sick Time Buy Back	3,473	0.01	700	0.00	**2,100**	**0.01**
704721	Health Insurance Allowance	1,125	0.00	0	0.00	**0**	**0.00**
705000	Wages-Salaries - Temp/Part-Time	50,669	0.18	57,800	0.21	**56,680**	**0.19**
708000	Overtime	170,873	0.61	180,000	0.64	**180,000**	**0.61**
708001	Compensation Time Buy Back	11,874	0.04	12,000	0.04	**12,000**	**0.04**
709000	Union Contract Reimbursements	23,316	0.08	21,350	0.08	**22,850**	**0.08**
710000	Longevity	86,636	0.31	90,060	0.32	**82,950**	**0.28**
715000	Clothing Allowance	9,281	0.03	9,550	0.03	**9,400**	**0.03**
717000	FICA	157,251	0.56	163,610	0.58	**164,040**	**0.56**
718000	Worker's Compensation	13,508	0.05	14,330	0.05	**14,090**	**0.05**
721000	Hospitalization	351,182	1.25	373,110	1.33	**407,050**	**1.39**
721001	Hospitalization - Retirees	301,780	1.08	417,910	1.49	**504,110**	**1.72**
722000	Dental Insurance	28,828	0.10	30,890	0.11	**29,620**	**0.10**
723000	Life Insurance	5,676	0.02	5,990	0.02	**7,070**	**0.02**
724000	Eye Care Insurance	5,225	0.02	4,140	0.01	**3,240**	**0.01**
725000	Disability Insurance - Long Term	5,815	0.02	6,150	0.02	**4,730**	**0.02**
725355	Disability Insurance - Short Term	11,910	0.04	12,330	0.04	**12,530**	**0.04**
	Total Personnel Services	**2,994,293**	**10.68**	**3,206,740**	**11.46**	**3,335,850**	**11.37**
	SUPPLIES						
729000	Postage	1,609	0.01	2,600	0.01	**2,000**	**0.01**
750000	Fuels & Lubricants	69,360	0.25	63,500	0.23	**64,500**	**0.22**
751000	Operating Supplies	38,634	0.14	28,490	0.10	**29,500**	**0.10**
770000	Water Meters - Assembled	101,433	0.36	165,000	0.59	**140,000**	**0.48**
771000	Fire Hydrant Parts	15,325	0.05	10,000	0.04	**10,000**	**0.03**
772000	Tap-In Materials - Water	36,936	0.13	60,000	0.21	**40,000**	**0.14**
774000	Water Meter Parts	3,191	0.01	2,000	0.01	**3,000**	**0.01**
	Total Supplies	**266,488**	**0.95**	**331,590**	**1.19**	**289,000**	**0.98**
	OTHER CHARGES						
802000	Audit & Accounting Services	13,750	0.05	13,750	0.05	**14,000**	**0.05**
806000	Legal Services - Other	227	0.00	200	0.00	**200**	**0.00**
806001	Legal Services - City Attorney	6,434	0.02	3,000	0.01	**3,000**	**0.01**
807000	Medical Services	1,816	0.01	1,500	0.01	**1,500**	**0.01**
810000	Other Fees	31,959	0.11	36,100	0.13	**39,000**	**0.13**
823000	Hydrant Moves - Contractor	0	0.00	1,000	0.00	**500**	**0.00**
824000	Water Tap Installation - Contractor	77,614	0.28	103,400	0.37	**80,000**	**0.27**
826000	Other Contracted Services	2,839	0.01	13,900	0.05	**44,000**	**0.15**
827000	Interfund Services	1,346,770	4.81	1,593,030	5.69	**1,643,220**	**5.60**
832000	Building Maintenance	2,780	0.01	3,000	0.01	**3,000**	**0.01**
833000	Equipment Maintenance	36,990	0.13	58,410	0.21	**59,490**	**0.20**
835000	Vehicle Maintenance	142,625	0.51	142,500	0.51	**135,000**	**0.46**

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
840000	Water Main Repair	82,639	0.29	115,000	0.41	**105,000**	**0.36**
841000	Distribution Line Repair	169,096	0.60	140,000	0.50	**165,000**	**0.56**
842000	Sewer Main Repair	32,739	0.12	29,000	0.10	**30,000**	**0.10**
903000	Printing	816	0.00	1,000	0.00	**1,000**	**0.00**
913000	Liability Insurance	270,000	0.96	325,000	1.16	**250,000**	**0.85**
915000	Other Insurance	2,200	0.01	2,270	0.01	**2,340**	**0.01**
921000	Electric	25,704	0.09	27,600	0.10	**27,600**	**0.09**
922000	Telephone	5,574	0.02	6,000	0.02	**5,000**	**0.02**
923000	Gas - Fuel - Oil	16,303	0.06	14,000	0.05	**17,000**	**0.06**
931000	Water Purchased	8,417,552	30.04	9,639,600	34.46	**10,242,500**	**34.90**
932000	Sewage Disposal Services	9,029,210	32.22	11,147,850	39.85	**11,501,210**	**39.19**
934000	Industrial & Pollution Surcharge	276,763	0.99	310,000	1.11	**310,000**	**1.06**
945000	Other Rental	135,694	0.48	136,090	0.49	**141,850**	**0.48**
956000	Local Meetings	679	0.00	320	0.00	**270**	**0.00**
957000	Memberships & Dues	1,147	0.00	1,060	0.00	**1,090**	**0.00**
959000	Education & Training	3,080	0.01	9,050	0.03	**4,330**	**0.01**
964000	Refunds & Rebates	9,505	0.03	8,000	0.03	**8,000**	**0.03**
968000	Depreciation	4,621,134	16.49	0	0.00	**0**	**0.00**
	Total Other Charges	**24,763,639**	**88.37**	**23,881,630**	**85.37**	**24,835,100**	**84.63**
	CAPITAL OUTLAY						
975000	Buildings & Improvements	0	0.00	25,000	0.09	**0**	**0.00**
979000	Computer Equipment	0	0.00	16,250	0.06	**0**	**0.00**
981000	Electronic Equipment	0	0.00	154,100	0.55	**0**	**0.00**
982000	Machinery & Equipment	0	0.00	112,200	0.40	**647,750**	**2.21**
984000	Vehicles	0	0.00	247,150	0.88	**239,700**	**0.82**
	Total Capital Outlay	**0**	**0.00**	**554,700**	**1.98**	**887,450**	**3.02**
	Total Water & Sewer Fund	**$28,024,420**	**100.00**	**$27,974,660**	**100.00**	**$29,347,400**	**100.00**

Note: The 2005-2006 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.

FUNCTIONAL ORGANIZATION CHART

Water & Sewer Fund
(Public Works Department)

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

Water & Sewer Fund

BUDGET SUMMARY

The Water & Sewer Fund budget increased by nearly $1.4 million or 4.9%. Personnel costs rose $129,110 or 4.0% due to higher wage and fringe benefit costs. Wages for full time employees rose only $16,570 due to employee retirements in the prior year. Funding for retiree medical liabilities increased by $86,200. Supply costs decreased by $42,590 or 12.8% as fewer water taps and meter purchases are anticipated. Other Charges increased by $953,470 or 4.0%. An 8.8% rate increase from the City of Detroit, offset by slightly lower estimated water usage, has increased our water costs by $602,900. Sewage disposal costs have risen by a net $353,360 due to higher fixed charges from Detroit and a 1.3% Detroit rate increase, offset by a one-time look back credit and slightly lower estimated sewage treatment volumes. Capital Outlay costs increased by $332,750 primarily for an automated commercial water meter reading system and a sewer cleaner, offset by the purchase of radio equipment in the prior year.

FUNDING LEVEL SUMMARY

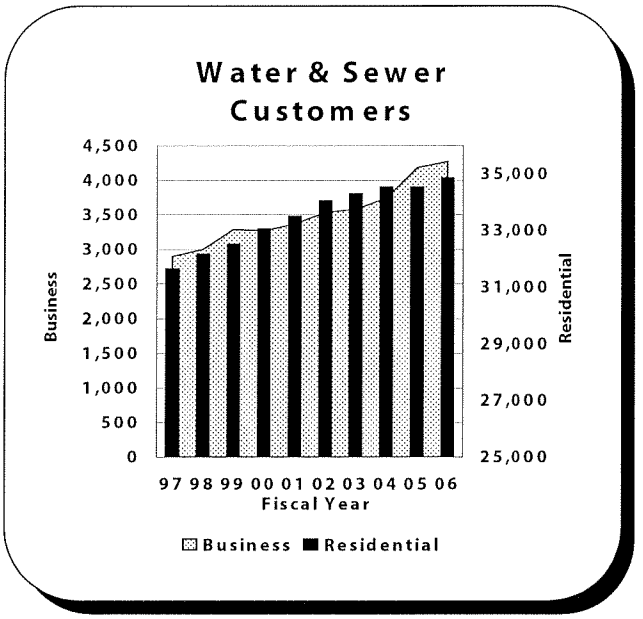
	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget	% Change from 06/07
Water & Sewer Admin.	$6,760,030	$7,262,290	$3,255,820	$3,045,620	-6.5%
Water Distribution	10,584,370	9,989,700	11,611,540	12,704,020	9.4%
Sewage Collection	10,787,830	10,772,430	13,107,300	13,597,760	3.7%
Total Department	$28,132,230	$28,024,420	$27,974,660	$29,347,400	4.9%
Personnel Services	$2,947,270	$2,994,290	$3,206,740	$3,335,850	4.0%
Supplies	285,310	266,490	331,590	289,000	-12.8%
Other Charges	24,899,650	24,763,640	23,881,630	24,835,100	4.0%
Capital Outlay	0	0	554,700	887,450	60.0%
Total Department	$28,132,230	$28,024,420	$27,974,660	$29,347,400	4.9%

PERSONNEL SUMMARY

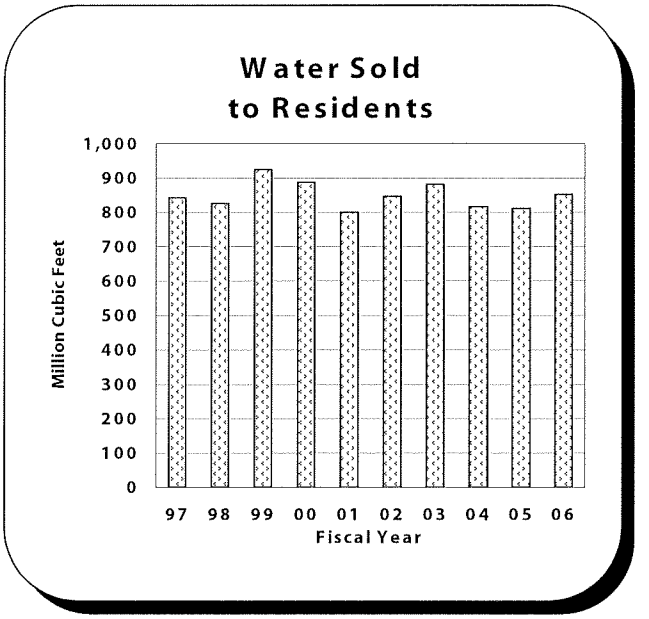
	2004/05		2005/06		2006/07		2007/08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	9	0	9	0	9	0
Water Distribution	12	2	12	2	12	2	12	2
Sewage Collection	14	4	14	4	14	4	14	4
Total Department	35	6	35	6	35	6	35	6

KEY FUND TRENDS

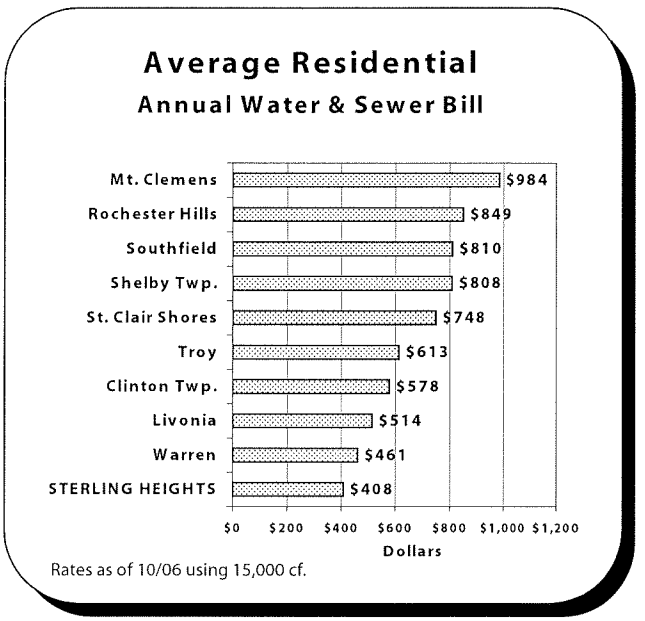
Water & Sewer Fund



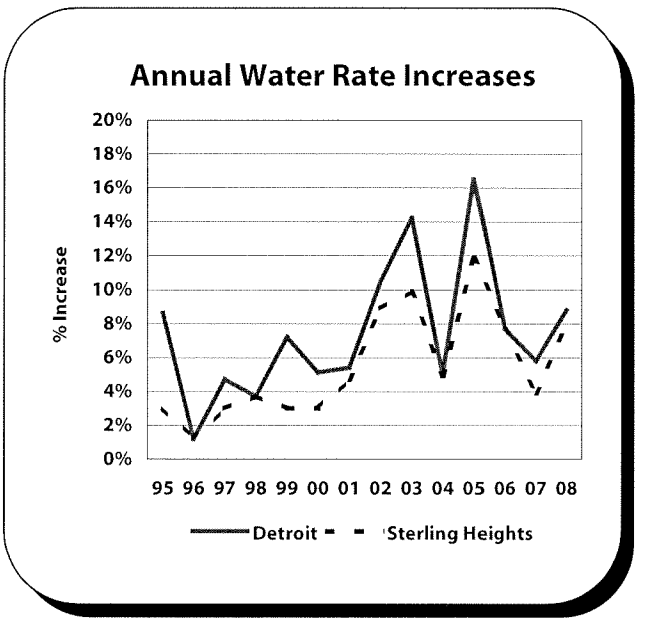
The number of both business and residential Water & Sewer customers has steadily increased over the past ten years due to continued growth and development in the City.



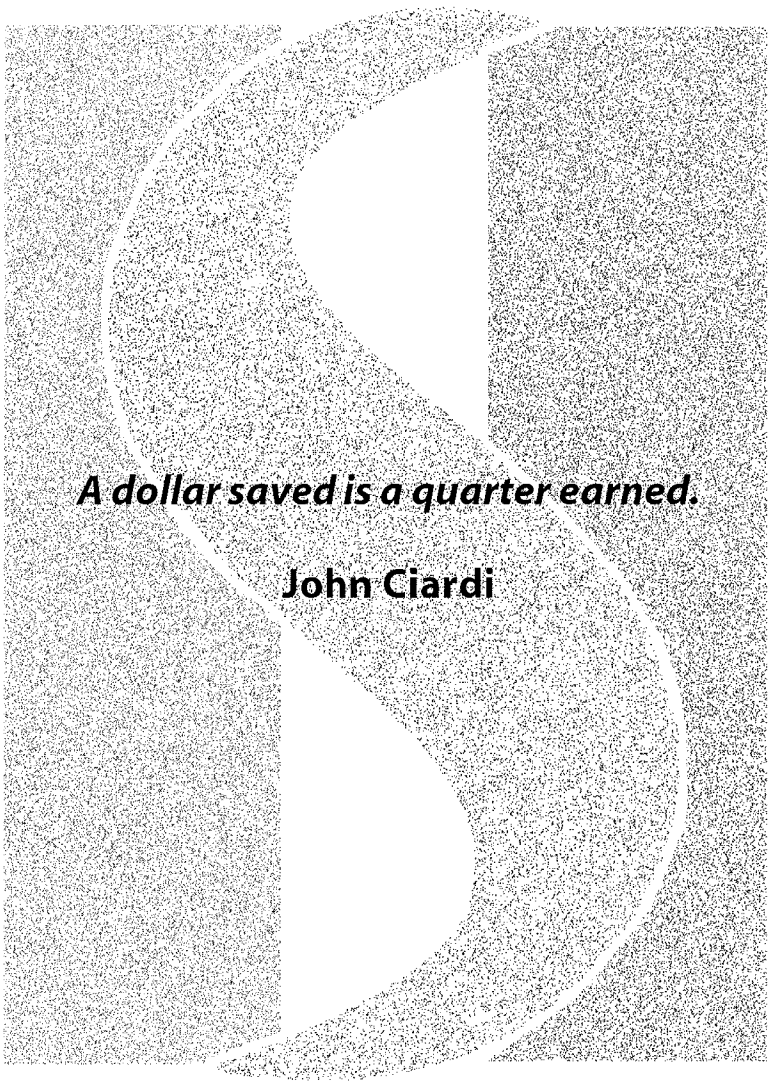
Over the past ten fiscal years, the City has sold a fluctuating amount of water to our residents and business community. The decrease in some years is largely a result of increased rainfall, which lowers the demand for irrigation.



The City purchases its water and sewer services through the City of Detroit. The average resident pays $408 annually or $34 per month for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 13% less than the next lowest city (Warren) and almost 2.5 times less than the highest (Mt. Clemens). We recently changed to an inclining two-tier rate structure that benefited many residential users. According to independent studies conducted in 1995, 2000, and 2003, Sterling Heights continues to have the lowest residential water and sewer rate of any city in the state with more than 25,000 residents.



Historically, Sterling Heights has not passed on the full City of Detroit water and sewer rate increases to our customers. For example, in 1995 Detroit increased its rates to us by 8.6%, we passed on only a 3% increase. In 1999, Detroit increased our rates 7.2%, we passed on only 3%. In 2003, Detroit increased our rates by 14.2%, we passed on only 9.9%. Detroit has increased its rates by an average of 7.5% per year over the past 14 years. Sterling Heights has increased its rates by only 5.5% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.


A dollar saved is a quarter earned.
John Ciardi

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, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also 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.

Staff has constant and immediate radio contact with field crews during regular duty hours, by transmitting and receiving all radio calls to the base station. The 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.■

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.***

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

2007/08 PERFORMANCE OBJECTIVES

1. To promote voluntary odd/even water use restrictions during the months of June, July and August in order to spread out the use of water and reduce the maximum day usage of water; thereby helping to contain future water rate increases. *(City Goal 17)*

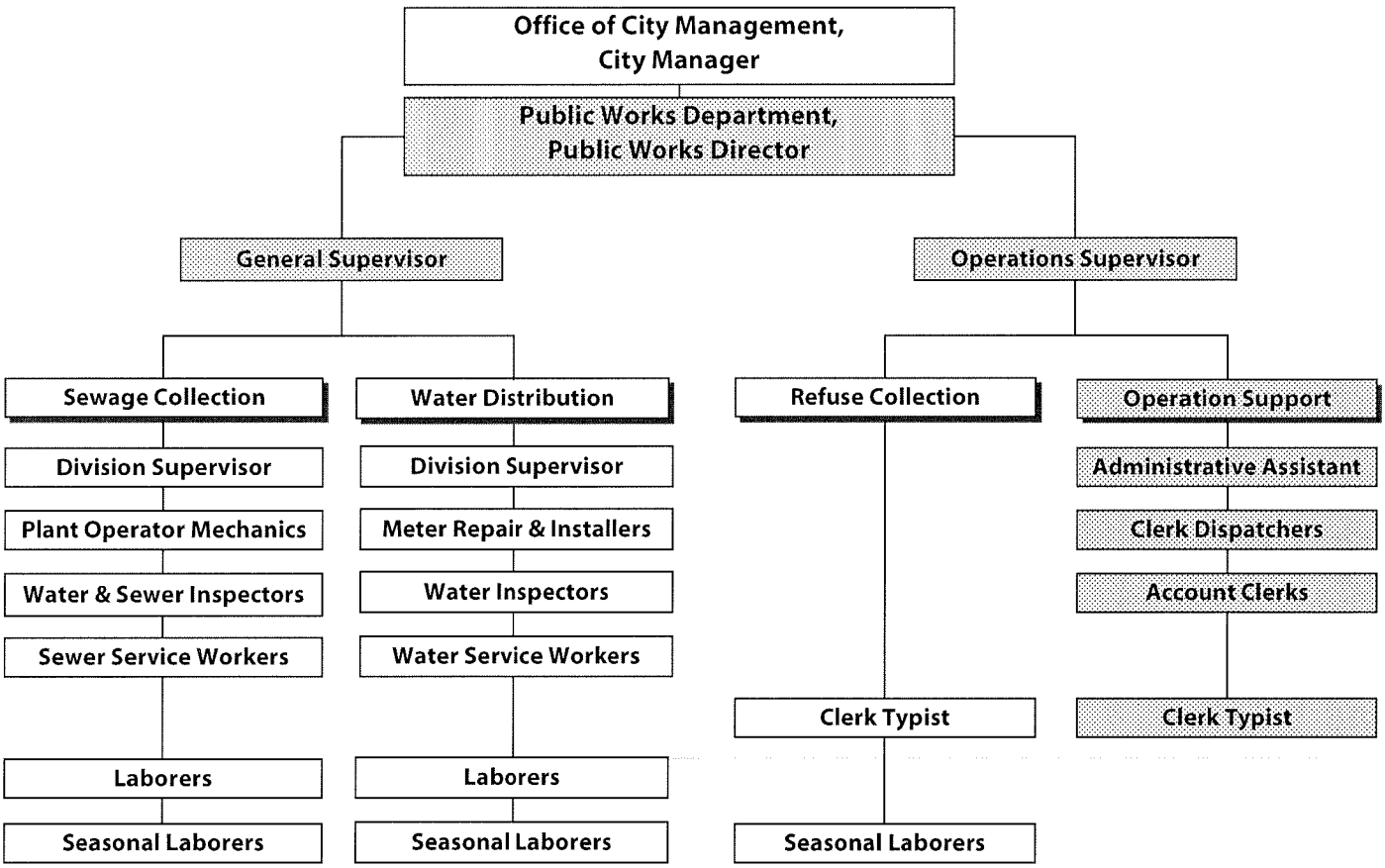
2. To aggressively enforce the City's tall grass/weed ordinance in order to maintain the aesthetics of the City, especially in our residential neighborhoods. *(City Goal 12, 13, 14)*

3. 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)*

4. To work with the Community & Information Services Department in the implementation of a new customer service tracking software program, which will allow the DPW to electronically monitor customer service requests that pertain to all DPW related operations. *(City Goal 3, 5, 18)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Water & Sewer Customers	38,270	38,720	39,122	39,400	39,300	39,600
	Customer Service Requests/Inquiries Received	31,200	32,500	31,750	32,500	30,500	30,000
	Res./Commercial Sanitary Sewer Tap Connections	367	250	265	300	240	260
	Residential/Commercial Water Taps	362	298	295	300	240	260
	Residential/Commercial Water Meter Installations	362	311	290	300	220	240
	Tall Grass/Weed Cutting Revolutions (317 acres)	5	6	6	6	5	6
	Parcels Cut - Tall Grass/Weed Program	1,149	1,356	1,382	1,400	1,040	1,200
	Backflow Preventer Testing Compliance Letters	363	242	519	400	400	400
	Site Plans Reviewed	88	90	117	70	60	70
	Vehicles/Equipment Specifications Prepared	15	16	14	14	15	9
	Materials/Supplies/Services Specifications Prepared	21	18	17	20	16	18
	Activity Budgets Prepared	4	4	4	4	4	4
	Hours of Safety Training	280	497	290	350	320	300
Efficiency & Effectiveness	Ratio of FT Employees to Worker Comp. Claims	35:1	104:1	104:1	103:1	34:1	52:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	% of Weed Violations Corrected by Owner	89%	86%	88%	90%	81%	90%
	Meter Reads Per Reader	63,580	64,297	64,383	64,430	64,440	64,500
	Residential Water & Sewer Bill (15,000 cfs)	$317	$357	$385	$408	$408	$440
	Activity Expenditures as % of Enterprise Fund	10.26%	10.04%	11.29%	11.64%	12.31%	10.38%

Water & Sewer Administration



STAFFING SUMMARY

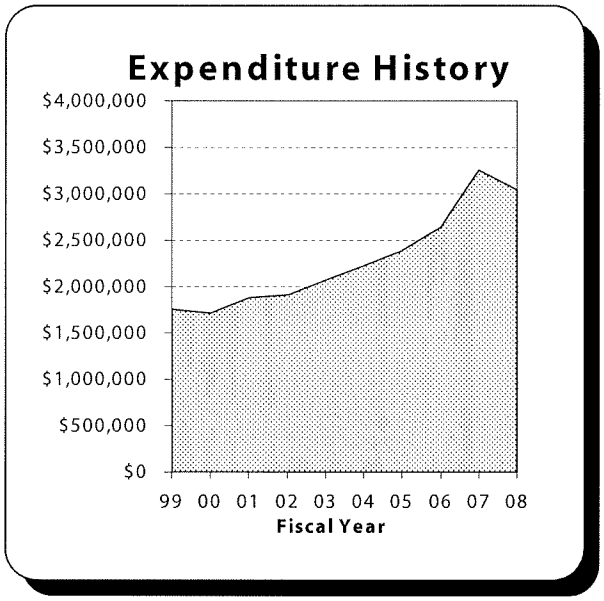
Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
Public Works Director	1	1	1
Operations Supervisor	1	1	1
General Supervisor	1	1	1
Administrative Assistant	1	1	1
Clerk Dispatcher	2	2	2
Account Clerk	2	2	2
Clerk Typist	1	1	1
Total	9	9	9

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $61,110 or 7.4%. Wages for full-time employees increased by $17,350 as all employees are budgeted to receive a 3% wage increase. Health insurance costs rose $12,620 due to a rate increase and as a result of employee turnover. Increased retiree medical obligations have resulted in a $27,470 increase.
Supplies – Total Supplies decreased $1,600 or 11.0%. Funding for fuel and lubricants decreased $1,000 based on the current year's estimated expenditure usage. Postage costs decreased $600 based on historic trends.
Other Charges – Total Other Charges decreased $20,110 or 0.9%. Liability insurance costs decreased $75,000 as the City is able to reduce its funding to the Self-Insurance Fund due to recent insurance recoveries. Funding for educational conferences decreased $5,000 due to the prior year one-time funding of the Director's attendance at the Senior Executive Institute. $1,000 was saved as Nextel telephone rates have decreased and funding for the new fiber optic data network connection line between the Public Works Center and City Hall is now funded in Information Technology. Interfund service costs rose $50,190 due to the higher General Fund administrative costs for time spent on all water and sewer related functions. The DPW facility rental costs increased $5,730. $2,500 was added due to higher costs for vehicle repairs. Funding for equipment maintenance rose $1,080 due to an increase in the MUNIS Utility software support and maintenance fees. Credit card fees rose $1,000, as there are a greater number of credit card water bill payments.



Capital – Total Capital of $1,750 is proposed for a portable Mig Welder to be used for underground water and sewer system and vehicle and equipment repairs.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$769,238	$821,340	$812,260	$882,450	$882,450
Supplies	13,735	14,600	12,600	13,000	13,000
Other Charges	6,479,317	2,168,530	2,165,950	2,148,420	2,148,420
Capital Outlay	0	251,350	217,540	1,750	1,750
Total	$7,262,290	$3,255,820	$3,208,350	$3,045,620	$3,045,620

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 Tall Grass/Weed Cutting Program through inspection of lots or acreage cut by the subcontractor. This Division prepares all necessary paperwork, work orders, and reports; assists in responding to complaints; and participates in the snow emergency program when required.

Residential water meters (35,000) are read quarterly while commercial and industrial water meters (4,000) 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 the City has over 569 miles of water mains that deliver clean water to serve the community's needs for residential, commercial and industrial uses?

Water Distribution

2007/08 PERFORMANCE OBJECTIVES

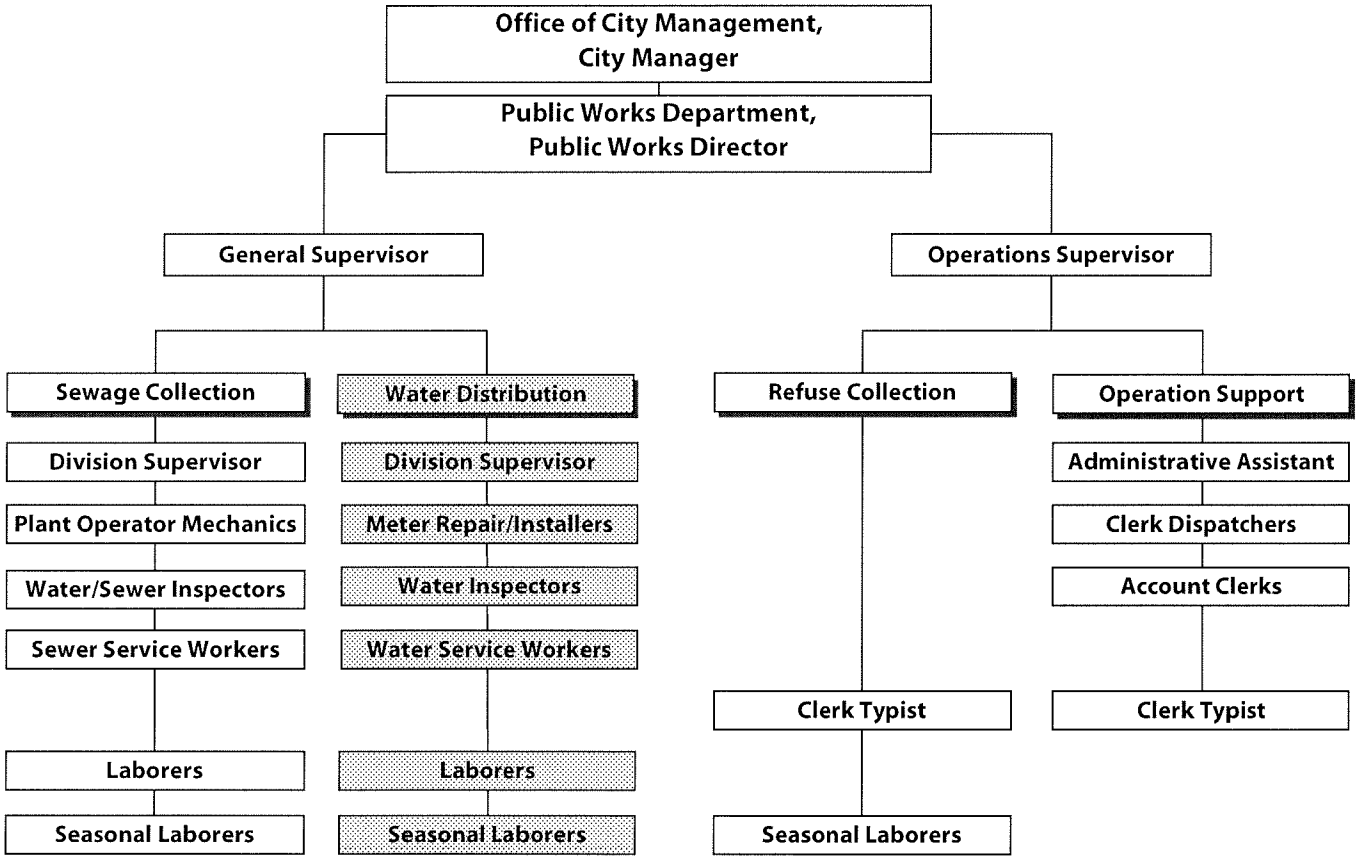
1. To prepare specifications to seek proposals to convert the City's 4,000 commercial water accounts from the current remote handheld meter-reading system to a fixed network automated radio meter-reading system. *(City 6, 17, 18)*

2. To respond to approximately 9,500 "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 1, 12)*

3. To implement a bi-monthly monitoring program of the water distribution system, which includes sampling at 16 locations, laboratory testing of samples and submitting an initial Distribution System Evaluation Report to the EPA in order to comply with new Federal Safe Water Drinking Regulations. *(City Goal 1, 12)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Miles of Water Mains in City	558	563	569	573	573	575
	Citizen Inquiries/Service Requests Responded To	8,321	8,420	8,464	8,500	8,400	8,500
	Water Meter Reads - Residential & Commercial	190,740	192,890	193,150	193,300	193,300	193,450
	Miss Dig Stakeouts of Utilities Performed	9,648	9,490	9,400	9,500	9,600	9,500
	Water Meters Installed - Residential/Commercial	260/102	216/95	140/150	220/80	160/60	180/60
	Meters/Remote Boxes Checked/Repaired	2,520	2,965	2,780	2,800	2,900	2,900
	Water Taps Installed - Residential/Commercial	279/83	209/89	135/160	220/80	180/60	190/70
	Cross Connection Inspections/Reinspections	497	463	450	500	480	500
	Compound Meters Tested	226	299	255	280	260	280
	Gatewells Inspected	302	407	365	300	270	300
	Businesses Monitored - Backflow Compliance	363	242	519	400	400	400
	Water Samples Tested for Lead/Copper	0	20	0	0	0	0
	Fire Hydrants Replaced	22	4	5	7	10	8
	Fire Hydrants Winterized	6,796	6,932	7,015	7,100	7,100	7,120
	Fire Hydrants Painted	860	1,290	1,500	1,000	1,900	1,500
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	99%	100%	99%	98%	99%	99%
	% of Miss Dig Stakeouts Completed w/i 48 hours	98%	99%	99%	98%	98%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.6	4.7	4.6	4.5	4.4	4.5
	Miles of Water Main Maintained per FT Employee	46.5	46.9	47.4	47.8	47.8	47.9
	Water Purchased from Detroit (1,000 cubic feet)	828,398	867,931	803,969	870,000	780,000	850,000
	Cost of 1,000 Cubic Feet of Water from Detroit	$8.34	$9.72	$10.47	$11.08	$11.08	$12.05
	Activity Expenditures as % of Enterprise Fund	39.39%	44.55%	42.68%	41.51%	40.30%	43.29%

Water Distribution



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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	0
Laborer	2	2	3
Seasonal Laborer	2	2	2
Total	14	14	14

Water Distribution

SUMMARY OF BUDGET CHANGES

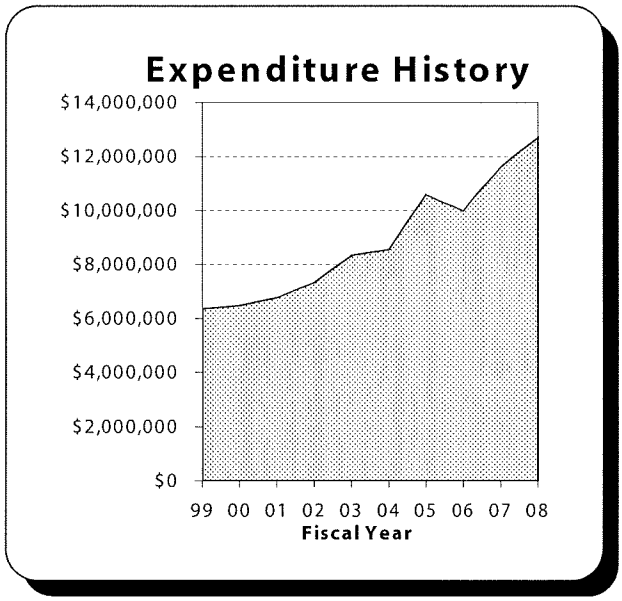
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $26,020 or 2.3%. Wages for full-time employees fell by $4,290 due to employee retirements. Health insurance costs rose $8,740 due to a rate increase. Higher retiree medical liabilities have resulted in a $27,600 increase. Per union contract, a vacant Meter Reader position is to be replaced with a Laborer position.

Supplies – Total Supplies decreased $45,000 or 16.5%. The City will save $25,000 as fewer water meters are anticipated to be purchased. Less funding is needed for materials to install new water taps, saving $20,000.

Other Charges – Total Other Charges increased $608,910 or 6.1%. The cost of water purchased from Detroit increased $602,900 due to an 8.8% Detroit rate increase, offset by slightly lower projected water consumption. $31,000 was added for an engineering consulting company to assist the City with meeting new federal mandates, requiring bi-monthly testing of the City's water system. Contract costs for new water tap installations decreased $23,400, and water main repair costs decreased $10,000, both based on recent actual expenditure levels.

Capital – Total Capital of $665,700 is proposed. $600,000 is for a Fixed Network Automatic Meter Reading System to be installed at all commercial and industrial sites which require a monthly billing read. $26,000 is for a Truck Mounted Traffic Safety Device used to protect maintenance crews while working near traffic. $20,000 is for an Asphalt Hot Box used to warm asphalt patching materials. $19,700 is for an Extended Van to replace a 130,000-mile van used by a water service worker.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,057,751	$1,147,020	$1,118,190	$1,173,040	$1,173,040
Supplies	197,714	273,000	213,000	228,000	228,000
Other Charges	8,734,234	10,028,370	9,009,270	10,637,280	10,637,280
Capital Outlay	0	163,150	163,150	665,700	665,700
Total	$9,989,699	$11,611,540	$10,503,610	$12,704,020	$12,704,020

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.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

KEY GOALS

- ***To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.***
- ***To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.***
- ***To provide an efficient, competent and responsible sewer connection and utility inspection program.***
- ***To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.***
- ***To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.***

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know?...
...that it costs the average homeowner approximately 2¢ to flush their toilet?

Sewage Collection

2007/08 PERFORMANCE OBJECTIVES

1. To identify areas within the City which have experienced localized flooding due to root intrusions into the storm sewer system. Once these areas are identified, the sewers will be televised to determine if an interior pipelining program is needed to prevent future root infiltration. *(City Goal 6)*

2. To clean 740,000 feet or 138 miles, about one-third of the sanitary sewer system, in an ongoing preventative maintenance cleaning program, while inspecting and flushing known problem areas quarterly and after storms in order to prevent sewer blockages and assure properly-functioning sanitary sewers. *(City Goal 12)*

3. To dye test for suspected illegal taps or connections in the sanitary or storm sewer systems. *(City Goal 12)*

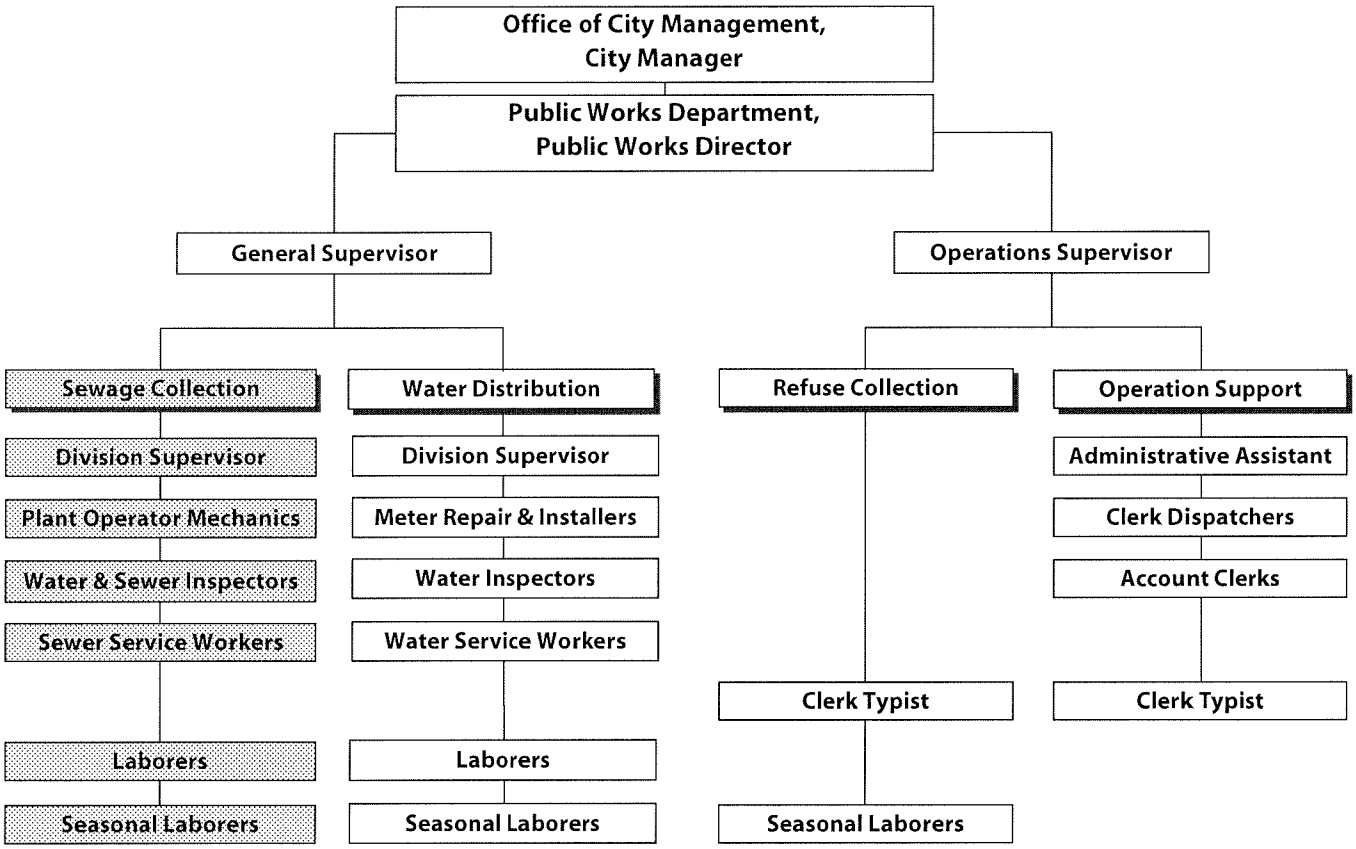
4. To rebuild or repair 200 damaged utility structures in order to eliminate hazards pertaining to same (trips, falls, etc.), as well as lessening infiltration into the sanitary sewer system. *(City Goal 12)*

5. To require that employees complete daily work orders to insure that division staff is being held accountable and utilized more effectively and efficiently. *(City Goal 3, 4)*

	Performance Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Budget
Output	Miles of Sanitary Sewers in City	422	424	428	430	430	432
	Sewer Inquiries Received & Resolved	576	548	1,050	700	1,000	1000
	Sewer Inspections	367	250	265	300	240	260
	Water Inspections	325	215	203	250	150	200
	Certificate of Occupancy Inspections	913	862	776	750	575	600
	Sanitary Sewer Cleaned - Feet	553,300	628,000	824,900	725,000	815,000	740,000
	Utility Structures Restored	232	175	200	250	200	200
	Flags of Sidewalk Replaced	261	138	64	200	125	125
	Sections of Street/Approaches Replaced	102/66	72/42	95/53	80/60	110/35	100/50
	Sod Replaced - Yards	2,745	2,618	1,944	2,000	2,000	2,000
	Detroit Sewage Meter Pit Readings	260	260	260	260	260	260
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	16	16	16	15	15	15
Efficiency & Effectiveness	Sewer Main Blockages	11	11	11	10	10	10
	% 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	30.1	30.3	30.6	30.7	30.7	30.9
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	*$9.87	*$10.30	*$10.32	*$10.80	*$10.80	*$10.94
	Macomb County Sewage Direct Charge	$1,833,774	$1,656,478	$2,398,391	$3,047,850	$2,914,800	$3,815,010
	Activity Expenditures as % of Enterprise Fund	50.36%	45.41%	46.03%	46.85%	47.39%	46.33%

** Does not include fixed combined sewer overflow costs.*

Sewage Collection



STAFFING SUMMARY

Position	Approved 2005/06	Approved 2006/07	Approved 2007/08
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

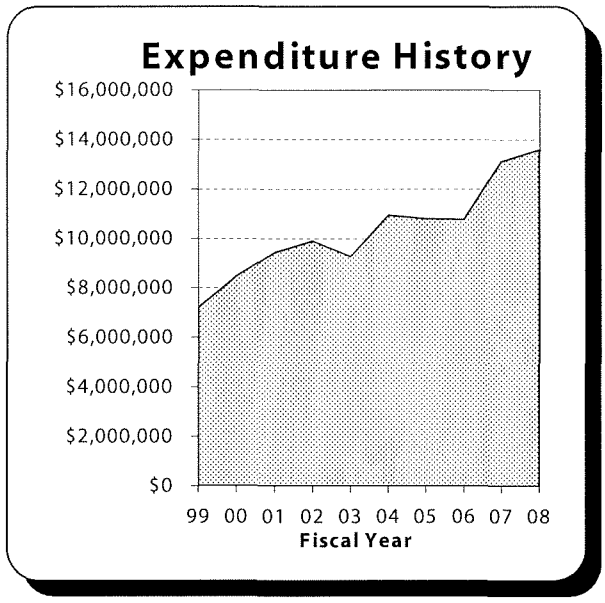
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – The total Personnel budget increased by $41,980 or 3.4%. Wages for full-time employees rose only $3,510 or 0.5% due to employee turnover. As a result of this turnover, Longevity costs fell by $3,570. Health insurance costs rose 7.8% or $12,580 due to a rate increase next fiscal year. Higher retiree medical liabilities have resulted in a $31,130 increase.

Supplies – Total Supplies increased $4,010 or 9.1%. Fuel costs increased $3,000 to be brought more in line with prior year actual expenditures. $1,010 was added for the increased costs of lumber and concrete finishing tools.

Other Charges – Total Other Charges increased $364,670 or 3.1%. The cost of sewage disposal services from Detroit increased $353,360. The sewer rate from Detroit increased by 1.3% from $10.80 to $10.94 per mcf. Fixed sewage costs increased $767,160 or 25.2%. Sewage volumes are estimated to decrease by 2.7%. In addition, a $300,000 one-time look back credit is anticipated. Distribution line repair costs rose $20,000 due to the higher cost of materials and supplies to maintain the sewer system. $1,000 was added due to the increased cost of contractual services utilized when more extensive sewer main repairs are necessary. $280 was added for the Division Supervisor to attend a Basic Electricity training course required to maintain system operator certification. Vehicle maintenance and repair costs decreased by $10,000.

Capital – $220,000 is proposed for a Vac All Sewer Cleaner to replace a 1991 vehicle that is used daily for cleaning sanitary sewers and catch basins on City streets. The present vehicle is in need of major repairs and replacement parts are no longer available.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$1,167,305	$1,238,380	$1,204,450	$1,280,360	$1,280,360
Supplies	55,039	43,990	49,500	48,000	48,000
Other Charges	9,550,090	11,684,730	10,958,150	12,049,400	12,049,400
Capital Outlay	0	140,200	138,740	220,000	220,000
Total	$10,772,434	$13,107,300	$12,350,840	$13,597,760	$13,597,760

07
08

Special Revenue Funds

Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this section are Major and Local Roads, Economic Development Corporation, Community Development Block Grant Program, Brownfield Redevelopment Authority, Corridor Improvement Authority, Land & Water Conservation Fund, Public Safety Forfeiture Fund, and Budget Stabilization Funds.

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
MAJOR ROAD FUND						
REVENUES						
Federal Grants	$19,500	$200,000	$134,240	$134,000	$2,467,890	**$2,467,890**
Gas & Weight Tax	5,124,980	5,063,170	5,100,000	5,100,000	5,100,000	**5,100,000**
Metro Act	250,390	226,100	250,000	225,000	225,000	**225,000**
Charges for Services	0	2,360	0	0	0	**0**
Other Revenue	269,790	303,110	270,000	316,300	321,300	**321,300**
Transfer from General Fund	500,000	1,350,000	1,100,000	1,100,000	800,000	**800,000**
Total Revenues	**6,164,660**	**7,144,740**	**6,854,240**	**6,875,300**	**8,914,190**	**8,914,190**
EXPENDITURES						
Administration	172,430	118,680	108,700	91,200	111,400	**111,400**
Major Street Maintenance	2,005,180	1,885,790	1,739,500	1,605,500	1,703,500	**1,703,500**
Major Street Improvements	2,374,680	2,251,220	1,522,830	1,253,920	2,241,000	**2,241,000**
Transfer to Local Road Fund	750,000	1,000,000	1,000,000	1,000,000	1,000,000	**1,000,000**
Tfr. to Road Bond Debt Fund	2,350,000	2,825,000	2,200,000	2,200,000	2,650,000	**2,600,200**
Total Expenditures	**7,652,290**	**8,080,690**	**6,571,030**	**6,150,620**	**7,705,900**	**7,656,100**
Excess of Revenues Over (Under) Expenditures	**(1,487,630)**	**(935,950)**	**283,210**	**724,680**	**1,208,290**	**1,258,090**
Beginning Fund Balance	**4,030,060**	**2,542,430**	**1,606,480**	**1,606,480**	**2,331,160**	**2,331,160**
Ending Fund Balance	**$2,542,430**	**$1,606,480**	**$1,889,690**	**$2,331,160**	**$3,539,450**	**$3,589,250**
LOCAL ROAD FUND						
REVENUES						
Gas & Weight Tax	$1,935,680	$1,914,710	$1,900,000	$1,920,000	$1,920,000	**$1,920,000**
Metro Act	94,570	84,820	95,000	85,000	85,000	**85,000**
Charges for Services	196,970	56,820	80,000	45,000	50,000	**50,000**
Other Revenue	65,930	26,850	75,000	93,080	95,000	**95,000**
Miscellaneous Revenue	0	0	0	0	11,500	**11,500**
Transfer from General Fund	273,000	590,000	575,000	575,000	575,000	**575,000**
Transfer from Major Road Fund	750,000	1,000,000	1,000,000	1,000,000	1,000,000	**1,000,000**
Tfr. from Rd. Bond Const. Fund	881,370	0	0	0	0	**0**
Total Revenues	**4,197,520**	**3,673,200**	**3,725,000**	**3,718,080**	**3,736,500**	**3,736,500**
EXPENDITURES						
Administration	180,650	136,900	149,700	134,700	144,900	**144,900**
Local Street Maintenance	4,319,220	2,561,550	1,591,280	1,482,500	1,674,000	**1,674,000**
Local Street Improvements	1,113,030	1,172,460	1,704,890	1,821,440	1,935,040	**1,935,040**
Tfr. to Road Bond Debt Fund	78,860	26,620	0	0	0	**0**
Total Expenditures	**5,691,760**	**3,897,530**	**3,445,870**	**3,438,640**	**3,753,940**	**3,753,940**
Excess of Revenues Over (Under) Expenditures	**(1,494,240)**	**(224,330)**	**279,130**	**279,440**	**(17,440)**	**(17,440)**
Beginning Fund Balance	**2,266,290**	**772,050**	**547,720**	**547,720**	**827,160**	**827,160**
Ending Fund Balance	**$772,050**	**$547,720**	**$826,850**	**$827,160**	**$809,720**	**$809,720**

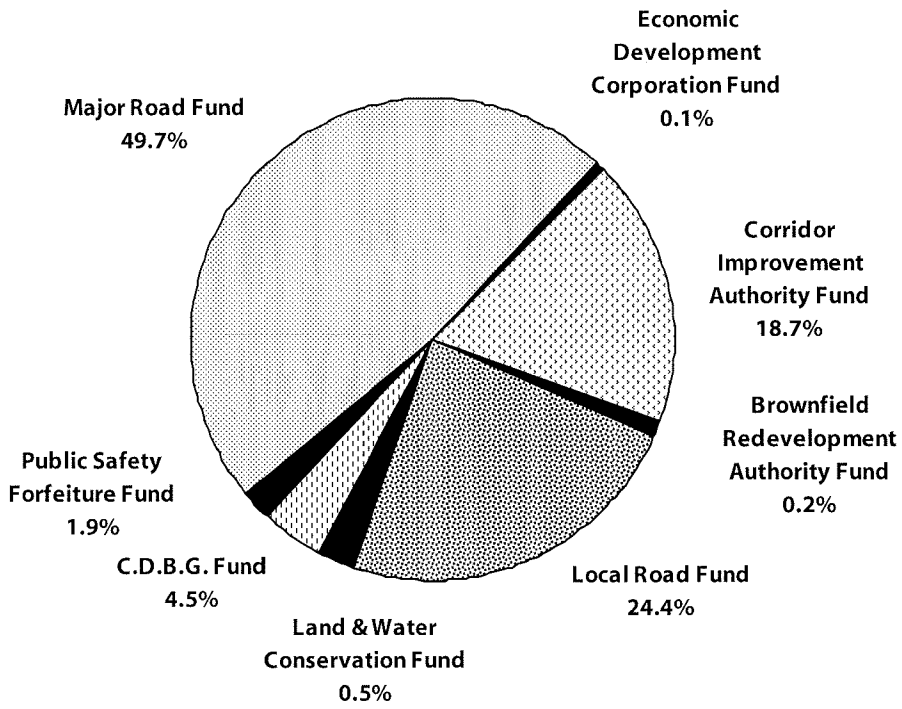
SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	$0	$0	$8,000	$8,000	$8,500	**$8,500**
Other Revenue	280	460	300	400	350	**350**
Total Revenues	**280**	**460**	**8,300**	**8,400**	**8,850**	**8,850**
EXPENDITURES						
Miscellaneous	30	10,200	10,700	10,700	10,700	**10,700**
Total Expenditures	**30**	**10,200**	**10,700**	**10,700**	**10,700**	**10,700**
Excess of Revenues Over (Under) Expenditures	**250**	**(9,740)**	**(2,400)**	**(2,300)**	**(1,850)**	**(1,850)**
Beginning Fund Balance	**15,800**	**16,050**	**6,310**	**6,310**	**4,010**	**4,010**
Ending Fund Balance	**$16,050**	**$6,310**	**$3,910**	**$4,010**	**$2,160**	**$2,160**
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$3,860	$3,130	$33,170	$32,230	$33,420	**$33,420**
Other Revenue	250	560	600	700	700	**700**
Total Revenues	**4,110**	**3,690**	**33,770**	**32,930**	**34,120**	**34,120**
EXPENDITURES						
Miscellaneous	3,740	580	47,610	46,110	35,000	**35,000**
Total Expenditures	**3,740**	**580**	**47,610**	**46,110**	**35,000**	**35,000**
Excess of Revenues Over (Under) Expenditures	**370**	**3,110**	**(13,840)**	**(13,180)**	**(880)**	**(880)**
Beginning Fund Balance	**12,220**	**12,590**	**15,700**	**15,700**	**2,520**	**2,520**
Ending Fund Balance	**$12,590**	**$15,700**	**$1,860**	**$2,520**	**$1,640**	**$1,640**
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	$827,600	$596,910	$1,172,710	$1,295,390	$702,700	**$699,480**
Revenue Direct Loans	125,650	87,220	0	30,000	0	**0**
Total Revenues	**953,250**	**684,130**	**1,172,710**	**1,325,390**	**702,700**	**699,480**
EXPENDITURES						
Community Development	871,890	608,960	1,080,930	1,233,610	255,370	**252,260**
Transfer to General Fund	81,360	92,790	91,780	91,780	97,520	**97,410**
Transfer to LTGO Debt Fund	0	0	0	0	349,810	**349,810**
Total Expenditures	**953,250**	**701,750**	**1,172,710**	**1,325,390**	**702,700**	**699,480**
Excess of Revenues Over (Under) Expenditures	**0**	**(17,620)**	**0**	**0**	**0**	**0**
Beginning Fund Balance	**17,620**	**17,620**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$17,620**	**$0**	**$0**	**$0**	**$0**	**$0**
BUDGET STABILIZATION FUND						
Total Revenues	$0	$0	$0	$0	$0	**$0**
Total 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**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$0	$0	$0	$0	$17,700	**$17,700**
Federal Grants	0	0	0	0	1,875,000	**1,875,000**
Other Revenue	0	0	0	0	500	**500**
Proceeds - Long Term Debt	0	0	0	0	1,000,000	**1,000,000**
Transfer from General Fund	0	0	0	40,000	0	**0**
Total Revenues	**0**	**0**	**0**	**40,000**	**2,893,200**	**2,893,200**
EXPENDITURES						
Other Charges	0	0	0	40,000	0	**0**
Capital Improvements	0	0	0	0	2,875,000	**2,875,000**
Total Expenditures	**0**	**0**	**0**	**40,000**	**2,875,000**	**2,875,000**
Excess of Revenues Over (Under) Expenditures	**0**	**0**	**0**	**0**	**18,200**	**18,200**
Beginning Fund Balance	**0**	**0**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$0**	**$0**	**$0**	**$0**	**$18,200**	**$18,200**
LAND & WATER FUND						
REVENUES						
Federal & State Grants	$20,000	$20,300	$205,690	$205,690	$3,000	**$3,000**
Other Revenue	517,570	597,890	169,000	50,000	195,000	**195,000**
Transfer from General Fund	0	0	74,400	74,400	66,300	**66,300**
Total Revenues	**537,570**	**618,190**	**449,090**	**330,090**	**264,300**	**264,300**
EXPENDITURES						
Land Acquisitions	0	471,590	20,150	21,240	0	**0**
Land Improvements	305,690	1,084,520	97,480	100,150	72,300	**72,300**
Total Expenditures	**305,690**	**1,556,110**	**117,630**	**121,390**	**72,300**	**72,300**
Excess of Revenues Over (Under) Expenditures	**231,880**	**(937,920)**	**331,460**	**208,700**	**192,000**	**192,000**
Beginning Fund Balance	**1,087,260**	**1,319,140**	**381,220**	**381,220**	**589,920**	**589,920**
Ending Fund Balance	**$1,319,140**	**$381,220**	**$712,680**	**$589,920**	**$781,920**	**$781,920**
PUBLIC SAFETY FORFEITURE FUND						
REVENUES						
Federal Forfeitures & Income	$0	$471,100	$102,350	$242,500	$0	**$0**
State Forfeitures & Income	0	414,210	89,010	175,760	0	**0**
Gambling Forfeitures	0	0	25,720	25,720	0	**0**
Other Revenue	0	20,690	6,250	10,370	0	**0**
Total Revenues	**0**	**906,000**	**223,330**	**454,350**	**0**	**0**
EXPENDITURES						
Federal Forfeiture Expenditures	0	298,510	199,470	199,990	131,800	**131,800**
State Forfeiture Expenditures	0	269,090	99,150	160,320	158,180	**158,180**
Gambling Forf. Expenditures	0	0	810	810	0	**0**
Total Expenditures	**0**	**567,600**	**299,430**	**361,120**	**289,980**	**289,980**
Excess of Revenues Over (Under) Expenditures	**0**	**338,400**	**(76,100)**	**93,230**	**(289,980)**	**(289,980)**
Beginning Fund Balance	**0**	**0**	**338,400**	**338,400**	**431,630**	**431,630**
Ending Fund Balance	**$0**	**$338,400**	**$262,300**	**$431,630**	**$141,650**	**$141,650**

2007/08 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 the Brownfield Redevelopment and Corridor Improvement Authorities. A total of $51,120 is anticipated next fiscal year.

STATE & LOCAL RETURNS

The major source of revenue to the Special Revenue Funds is State & Local Returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major 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 2007/08 Budget, State and Local Return revenues represent 74.77% of total revenue sources, an increase of $3,300,650 above the 2006/07 Budget. The increase is primarily due to an increase in Federal Grant funding. Revenue from Act 51 funds also increased slightly.

In the 2007/08 Budget, State and Local Return revenues represent 74.77% of total revenue sources, an increase of $3,300,650 above the 2006/07 Budget.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Long Term Debt Proceeds and Transfers In from other funds. This revenue center will receive transfers from the General Fund and the Major Road Fund.

In 2007/08, revenues generated from Other Financing Sources represent 20.84% of total revenue sources, an increase of $692,400 above the 2006/07 Budget. This increase is the result of a $1 million Corridor Improvement bond, offset by a decrease in Transfers Out from the General Fund. The General Fund transfer to the Major Road Fund for $800,000 will be used to help replenish declining fund reserves, to fund future road projects, and to compensate for engineering revenues realized in the General Fund from road projects administered by Engineering. The General Fund transfer to the Local Road Fund totals $575,000 as the City is continuing to levy a 0.10 millage approved by the voters in 1996 for Proposal N in order to continue the City's Neighborhood Road Repair and Replacement Program. The General Fund transfer to the Land & Water Conservation Fund for $66,300 will be used for the replacement of baseball diamond fencing at Delia Park. The transfer from the General Fund to the Economic Development Corporation Fund totals $8,500. A transfer from the Major Road Fund to the Local Road Fund remains the same at $1,000,000.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting. In the 2007/08 Budget, Charges for Services represents 0.30% of total revenue sources, a decrease of $30,000 below the 2006/07 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, Miscellaneous Revenue, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2007/08, Other Revenues represent 3.77% of total revenue sources, an increase of $103,200 above the 2006/07 Budget. This increase is primarily due to an increase in Reimbursement revenue and higher Interest on Investments.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2007/08 Budget, revenues exceed expenditures by $1,158,140 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	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	TAXES						
420000	Property Taxes - TIF	$3,132	0.02	$33,170	0.27	**$51,120**	**0.31**
	Total Taxes	**3,132**	**0.02**	**33,170**	**0.27**	**51,120**	**0.31**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	796,907	6.12	1,312,950	10.53	**5,045,370**	**30.48**
529003	Revenue Direct Loans	87,227	0.67	0	0.00	**0**	**0.00**
529100	Federal Forfeiture Grants	470,996	3.61	102,350	0.82	**0**	**0.00**
529101	Federal Forfeiture Program Income	100	0.00	0	0.00	**0**	**0.00**
539002	State Grants	20,306	0.16	199,690	1.60	**0**	**0.00**
539200	State Forfeiture Grants	393,943	3.02	88,330	0.71	**0**	**0.00**
539201	State Forfeiture Program Income	20,269	0.16	680	0.01	**0**	**0.00**
539300	Gambling Forfeitures	0	0.00	25,720	0.21	**0**	**0.00**
539348	Metro Act	310,931	2.39	345,000	2.77	**310,000**	**1.87**
546000	Highway & Street Grants	6,977,875	53.55	7,000,000	56.15	**7,020,000**	**42.42**
	Total State & Local Returns	**9,078,554**	**69.68**	**9,074,720**	**72.79**	**12,375,370**	**74.77**
	OTHER FINANCING SOURCES						
698000	Proceeds - Long Term Debt	0	0.00	0	0.00	**1,000,000**	**6.04**
699101	Transfer from General Fund	1,940,000	14.89	1,757,400	14.10	**1,449,800**	**8.76**
699202	Transfer from Major Road Fund	1,000,000	7.67	1,000,000	8.02	**1,000,000**	**6.04**
	Total Other Financing Sources	**2,940,000**	**22.56**	**2,757,400**	**22.12**	**3,449,800**	**20.84**
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	59,173	0.45	80,000	0.64	**50,000**	**0.30**
	Total Charges for Services	**59,173**	**0.45**	**80,000**	**0.64**	**50,000**	**0.30**
	OTHER REVENUE						
665000	Interest on Investments	107,219	0.82	110,900	0.89	**136,550**	**0.83**
665100	Interest Income - Federal Forfeiture	12,441	0.10	3,100	0.02	**0**	**0.00**
665200	Interest Income - State Forfeiture	8,249	0.06	2,720	0.02	**0**	**0.00**
665300	Int. Income - Gambling Forfeiture	0	0.00	430	0.00	**0**	**0.00**
672000	Special Assessment Revenue	0	0.00	60,000	0.48	**60,000**	**0.36**
673000	Sale of Fixed Assets	550,075	4.22	144,000	1.16	**145,000**	**0.88**
675000	Contributions & Donations	5,000	0.04	0	0.00	**0**	**0.00**
676000	Reimbursements	260,077	2.00	200,000	1.60	**265,000**	**1.60**
685000	Miscellaneous Revenue	6,485	0.05	0	0.00	**17,800**	**0.11**
	Total Other Revenue	**949,546**	**7.29**	**521,150**	**4.18**	**624,350**	**3.77**
	Total Special Revenue Funds	**$13,030,405**	**100.00**	**$12,466,440**	**100.00**	**$16,550,640**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	$14,237	0.10	$6,890	0.06	**$8,990**	**0.06**
717000	FICA	1,087	0.01	530	0.00	**690**	**0.00**
	Total Personnel Services	**15,324**	**0.10**	**7,420**	**0.06**	**9,680**	**0.06**
	SUPPLIES						
729000	Postage	310	0.00	350	0.00	**350**	**0.00**
730000	Publications	1,222	0.01	600	0.01	**0**	**0.00**
751000	Operating Supplies	9,326	0.06	6,960	0.06	**8,600**	**0.06**
785000	Books	9,999	0.07	10,000	0.09	**9,950**	**0.06**
	Total Supplies	**20,857**	**0.14**	**17,910**	**0.15**	**18,900**	**0.12**
	OTHER CHARGES						
802000	Audit & Accounting Services	9,400	0.06	9,400	0.08	**9,800**	**0.06**
804000	Engineering Consultants	0	0.00	1,000	0.01	**500**	**0.00**
805000	Administrative Services	241,796	1.63	242,000	2.07	**240,000**	**1.56**
806000	Legal Services - Other	2,870	0.02	6,000	0.05	**10,000**	**0.06**
806001	Legal Services - City Attorney	838	0.01	6,950	0.06	**7,000**	**0.05**
826000	Other Contracted Services	368,840	2.49	171,930	1.47	**249,460**	**1.62**
880000	Community Promotion	10,201	0.07	10,000	0.09	**1,770**	**0.01**
902000	Publishing	485	0.00	2,400	0.02	**1,150**	**0.01**
922000	Telephone	24,011	0.16	29,000	0.25	**22,500**	**0.15**
956000	Local Meetings	0	0.00	100	0.00	**100**	**0.00**
957000	Memberships & Dues	95	0.00	1,700	0.01	**2,500**	**0.02**
959000	Education & Training	5,370	0.04	7,660	0.07	**4,080**	**0.03**
962000	Miscellaneous Expense	338	0.00	42,670	0.37	**36,000**	**0.23**
962200	Miscellaneous Expense - Investigations	48,936	0.33	55,000	0.47	**50,000**	**0.32**
	Total Other Charges	**713,180**	**4.81**	**585,810**	**5.02**	**634,860**	**4.12**
	OTHER SERVICES						
887000	Bridge Maintenance	1,277	0.01	12,500	0.11	**12,500**	**0.08**
887001	Bridge Maintenance - County	0	0.00	1,000	0.01	**1,000**	**0.01**
888000	Surface Maintenance	295,558	2.00	300,000	2.57	**300,000**	**1.95**
888001	Surface Maintenance - County	2,874	0.02	3,000	0.03	**3,000**	**0.02**
888109	2004 Joint Sealing Program	99,542	0.67	25,000	0.21	**125,000**	**0.81**
888113	2005 Concrete Replacement Program	1,001,381	6.76	0	0.00	**0**	**0.00**
888989	2004 Concrete Replacement Program	16,166	0.11	0	0.00	**0**	**0.00**
889000	Shoulder Maintenance	53,509	0.36	22,000	0.19	**32,000**	**0.21**
889001	Shoulder Maintenance - County	0	0.00	1,000	0.01	**1,000**	**0.01**
890000	Sweeping & Flushing	266,908	1.80	250,000	2.14	**250,000**	**1.62**
890001	Sweeping & Flushing - County	83,326	0.56	80,000	0.69	**80,000**	**0.52**
890002	Sweeping & Flushing - State	20,861	0.14	15,000	0.13	**15,000**	**0.10**
891000	Grass & Weed Control	180,236	1.22	168,000	1.44	**178,000**	**1.16**
891001	Grass & Weed Control - County	210,590	1.42	180,000	1.54	**200,000**	**1.30**
891002	Grass & Weed Control - State	128,649	0.87	175,000	1.50	**150,000**	**0.97**
892000	Roadside Cleanup	22,747	0.15	18,000	0.15	**23,500**	**0.15**

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual		2006-2007 Budget		2007-2008 Budget	
		Dollars	%	Dollars	%	Dollars	%
892001	Roadside Cleanup - County	14,028	0.09	15,000	0.13	**15,000**	**0.10**
892002	Roadside Cleanup - State	6,700	0.05	10,000	0.09	**10,000**	**0.06**
893000	Curb & Gutter Maintenance	8,413	0.06	6,500	0.06	**9,000**	**0.06**
894000	Storm Drain Maintenance	339,106	2.29	310,000	2.66	**350,000**	**2.27**
894001	Storm Drain Maintenance - County	0	0.00	3,000	0.03	**2,500**	**0.02**
895000	Tree & Shrub Maintenance	742,723	5.01	600,780	5.15	**525,000**	**3.41**
895001	Tree & Shrub Maintenance - County	31,193	0.21	20,000	0.17	**20,000**	**0.13**
895002	Tree & Shrub Maintenance - State	13,115	0.09	7,000	0.06	**7,000**	**0.05**
897000	Snow & Ice Removal	511,810	3.45	750,000	6.43	**700,000**	**4.55**
897001	Snow & Ice Removal - County	43	0.00	3,000	0.03	**3,000**	**0.02**
898000	Traffic Signs & Signals	301,156	2.03	250,000	2.14	**265,000**	**1.72**
898001	Traffic Signs & Signals - County	16,609	0.11	15,000	0.13	**15,000**	**0.10**
899000	Pavement Markings	78,823	0.53	90,000	0.77	**85,000**	**0.55**
	Total Other Services	**4,447,343**	**30.02**	**3,330,780**	**28.56**	**3,377,500**	**21.94**
	CAPITAL OUTLAY						
971000	Land Acquisition	471,593	3.18	19,600	0.17	**0**	**0.00**
971002	Land Acquisition - Nature Preserve	0	0.00	550	0.00	**0**	**0.00**
972000	Land Improvement	0	0.00	24,600	0.21	**6,000**	**0.04**
972008	Land Imp-Neighbrhd Prks-Play Equip	111,787	0.75	74,340	0.64	**0**	**0.00**
972333	Delia Park Improvements	282,686	1.91	61,800	0.53	**66,300**	**0.43**
972334	Sport Courts & Path Resurfacing	25,430	0.17	0	0.00	**0**	**0.00**
972845	Bike Path - Riverland to Van Dyke	738,972	4.99	11,030	0.09	**0**	**0.00**
972934	Nelson Park Soccer Fields	9,820	0.07	50	0.00	**0**	**0.00**
972985	Baumgartner Park - Soccer Fields	16,112	0.11	0	0.00	**0**	**0.00**
975000	Buildings & Improvements	4,770	0.03	0	0.00	**0**	**0.00**
975850	Park Signage	11,500	0.08	0	0.00	**0**	**0.00**
979000	Computer Equipment	48,421	0.33	52,120	0.45	**3,000**	**0.02**
981000	Electronic Equipment	156,055	1.05	2,650	0.02	**10,850**	**0.07**
982000	Machinery & Equipment	92,812	0.63	119,150	1.02	**27,450**	**0.18**
984000	Vehicles	135,554	0.92	0	0.00	**139,500**	**0.91**
985000	Weapons & Protective Gear	7,191	0.05	8,000	0.07	**0**	**0.00**
988000	Construction	94,180	0.64	414,000	3.55	**5,476,000**	**35.58**
988101	18 Mile Relocation at Utica Road	516,157	3.48	200,000	1.71	**210,000**	**1.36**
988107	Sterling Manor Sub/Lane Taper	628,354	4.24	16,400	0.14	**0**	**0.00**
988108	Plumbrook - 17 Mile Rd to Van Dyke	639	0.00	473,570	4.06	**0**	**0.00**
988114	2006 Local Road Asphalt Paving	5,315	0.04	779,220	6.68	**0**	**0.00**
988116	Senior Citizen Active Life Center	135,006	0.91	434,000	3.72	**0**	**0.00**
988118	Schoenherr Landscape 14-16 Mile Rd	1,156	0.01	89,970	0.77	**0**	**0.00**
988120	2006 Concrete Replacement Program	343,962	2.32	1,025,000	8.79	**1,025,000**	**6.66**
988135	2005 Bridge Maintenance Program	0	0.00	70,000	0.60	**0**	**0.00**
988143	Lin Drive Pavement Reconstruction	1,190	0.01	150,000	1.29	**0**	**0.00**
988674	Bike Path - Metropolitan Parkway	38	0.00	0	0.00	**0**	**0.00**
988700	Dequindre Rd - 16-18 Mile Road	12,481	0.08	8,770	0.08	**15,000**	**0.10**
988852	Utica Road Boulevard	116,351	0.79	14,670	0.13	**0**	**0.00**
988856	Maple Lane Reconstruction	574	0.00	0	0.00	**0**	**0.00**

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

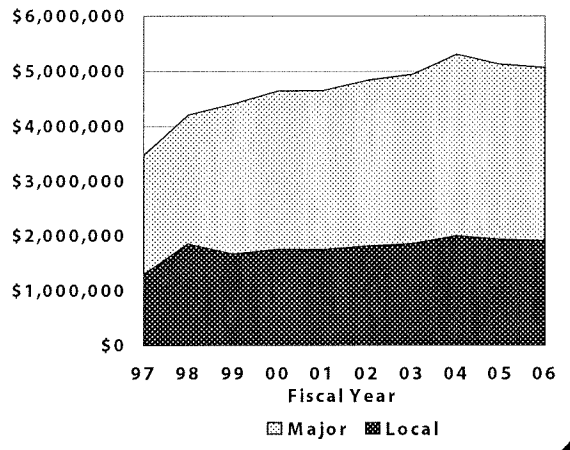
Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
988880	Elmridge Drive Paving & SS	259,460	1.75	8,040	0.07	**0**	**0.00**
988897	Lisa Marie Drive Extension Sec. 6	0	0.00	1,230	0.01	**225,040**	**1.46**
988906	Plumbrook Resurf - Van Dyke/Utica	69,882	0.47	0	0.00	**0**	**0.00**
988915	Shadow Creek Drive Extension	1,675	0.01	0	0.00	**0**	**0.00**
988928	Metro Parkway - Dodge to Utica	0	0.00	280	0.00	**0**	**0.00**
988943	19 Mile/Canal/Saal Improvement	859,296	5.80	34,240	0.29	**0**	**0.00**
988947	17 Mile Rd Bridge over Plumbrook	503	0.00	0	0.00	**0**	**0.00**
988965	Section 31 Bristol Heights	9,389	0.06	0	0.00	**0**	**0.00**
988971	Count Court Pavement Replacement	1,325	0.01	62,100	0.53	**0**	**0.00**
988982	Metropolitan Parkway Landscaping	1,108	0.01	75,900	0.65	**0**	**0.00**
988986	19 Mile Rd Reconst-Mound/Dequindre	502,603	3.39	200,000	1.71	**100,000**	**0.65**
	Total Capital Outlay	**5,673,347**	**38.30**	**4,431,280**	**37.99**	**7,304,140**	**47.45**
	TRANSFERS OUT						
999101	Transfer to General Fund	92,793	0.63	91,780	0.79	**97,410**	**0.63**
999203	Transfer to Local Road Fund	1,000,000	6.75	1,000,000	8.57	**1,000,000**	**6.50**
999327	Tfr to Road Bond Debt Retire Fund	2,851,620	19.25	2,200,000	18.86	**2,600,200**	**16.89**
999369	Tfr to LTGO Debt Fund	0	0.00	0	0.00	**349,810**	**2.27**
	Total Transfers Out	**3,944,413**	**26.63**	**3,291,780**	**28.22**	**4,047,420**	**26.29**
	Total Special Revenue Funds	**$14,814,464**	**100.00**	**$11,664,980**	**100.00**	**$15,392,500**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

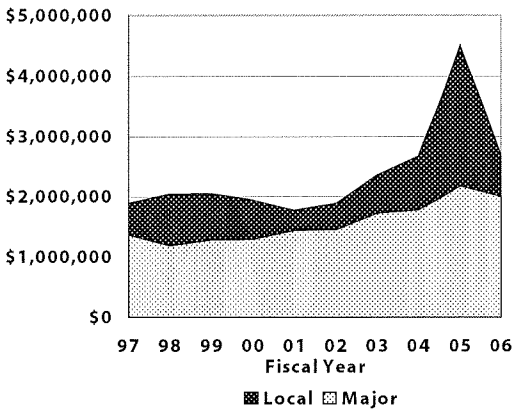
Special Revenue Funds

Gas & Weight Tax Revenue
Road Funds



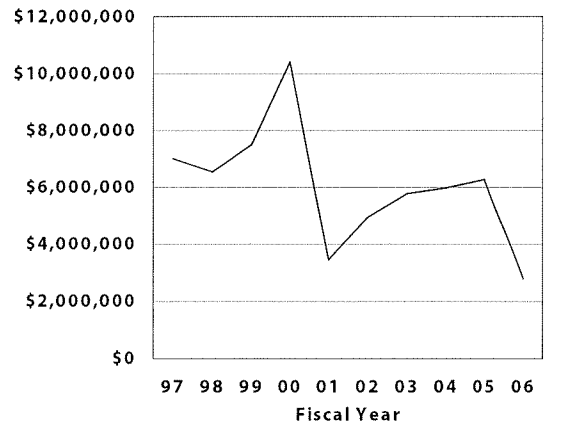
A four-cent per gallon gas tax increase approved by the State in 1997 resulted in additional funding to the City beginning in 1998. Gas tax receipts have fallen recently due to higher gas prices, which have lessened gas consumption and the corresponding tax revenue. The State's gas tax has increased once in the past 22 years.

Major & Local Road
Maintenance & Administration Costs



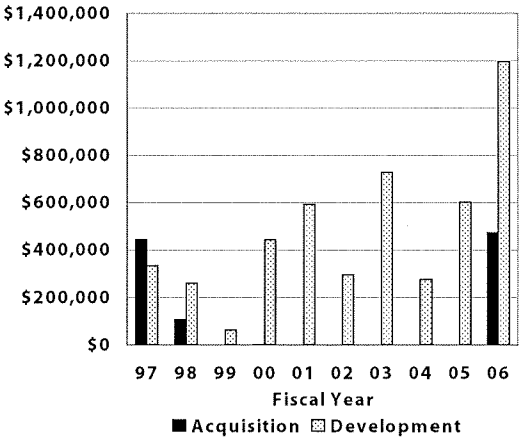
The cost of both major and local road maintenance and administration has increased over the past ten fiscal years primarily as a result of the increased number of roads which need to be maintained and more recently, for the increased cost of removing street trees due to the emerald ash borer and higher snow removal costs.

Major Road Construction Costs
Total City



The City has spent $61 million over ten years on road construction. With the completion of Ryan Road in 2000, costs dropped to $3.4 million in 2001. In 2003, costs totaled $5.8 million with the resurfacing of Clinton River Road and the Utica Road Boulevard project. We spent $6 million in 2004 for improvements to Plumbrook, Maple Lane, Oleander, and 18½ Mile Road. $6.3 million was spent in 2005 on the 18½ Mile Road connector, repairs to the 17 Mile Road bridge, and widening Dequindre Road. Costs fell in 2006 as most of these major projects were completed.

City Park Costs
Acquisition & Development



The City continues to spend funds to develop City parks and provide the necessary path systems, restroom, ball field lighting, soccer fields, parking lot paving, park signage, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve and for future development plans.

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 2007/08 Capital Outlay budget includes funding of $200,000 for the design and right-of-way costs for the widening of 18 Mile Road from Mound Road to Van Dyke, $15,000 for Dequindre Road from 18 Mile Road to M-59, and $100,000 for 19 Mile Road from Ryan to Dequindre Road. Also included is $21,000 for the landscaping of the 18½ Mile Road roundabout. $32,000 is budgeted for the deck replacement of the Van Dyke Bridge over the Clinton River. The resurfacing of Foxhill Drive from Mound Road to Carpathia Boulevard is included for $380,000. $275,000 is budgeted for the continuation of the Concrete Replacement Program. The intersection alignment of 18 Mile Road and Utica Road is funded for $210,000. Intersection improvements are budgeted at Plumbrook and Utica Road for $50,000 and at 19 Mile Road and Van Dyke for $608,000. $350,000 is funded for other various intersections, rights-of-way, and traffic signal improvements.

Total Other Services are budgeted in the amount of $1,703,500, which is primarily used for major road maintenance, snow removal, and grass and weed control.

$111,400 is included for Other Charges, which is funded primarily for the cost of administrative time spent on Major Road Fund projects.

The remaining expenditure accounts will be utilized for the transfer of resources to other City funds. In fiscal year 2007/08, $1,000,000 is to be transferred to the Local Road Fund as more funding is needed for local road maintenance and construction. $2,600,200 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of Michigan Transportation Fund bonds.

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know?...
...that there are 60 miles of major roads in the City?

Major Road Fund

SUMMARY OF BUDGET CHANGES

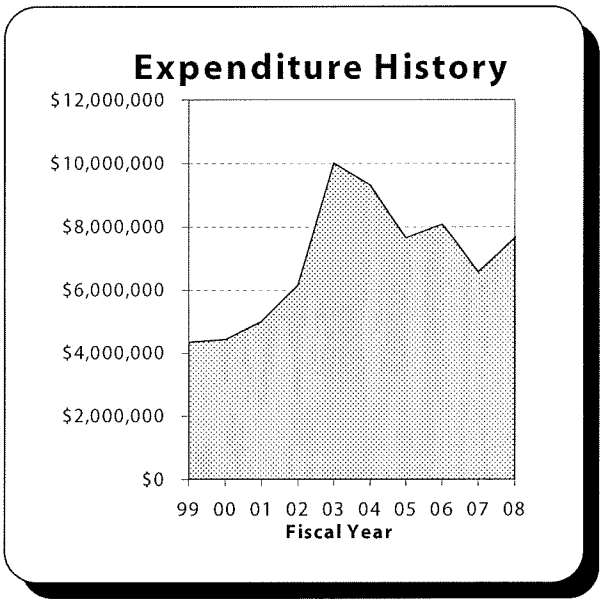
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Other Charges – Total Other Charges increased $2,700 or 2.5%. $3,000 was added due to higher General Fund administrative costs for time spent on Major Road Fund projects. $200 was added due to increased audit costs. City Attorney legal funding decreased $500.

Other Services – Total Other Services decreased $36,000 or 2.1%. Tree maintenance costs decreased $55,000 and storm drain maintenance costs decreased $10,500 based on the current year's projected expenditure usage. Funding increased $10,000 for shoulder maintenance and $10,000 for traffic signs and signals, both due to higher costs and greater activity.

Capital – Total Capital of $2,241,000 is proposed. $200,000 is for the design and right-of-way costs for the widening of 18 Mile Road from Mound to Van Dyke, $15,000 is for Dequindre from 18 Mile to M-59 and $100,000 is for 19 Mile from Ryan to Dequindre. $21,000 is for the landscaping of the 18 ½ Mile Road roundabout. $32,000 is for the deck replacement of the Van Dyke Bridge. $380,000 is for the resurfacing of Foxhill Drive from Mound to Carpathia. $275,000 is for the continuation of the concrete replacement program. $210,000 is for the intersection alignment of 18 Mile and Utica Road. Intersection improvements are funded at Plumbrook and Utica Road for $50,000 and at 19 Mile and Van Dyke for $608,000. $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 maps on the following pages.***

Transfers Out – Transfers Out to the Road Bond Debt Retirement Fund rose $450,000 based on higher debt payments for the $4.65 million MTF road bond to be sold in the Spring of 2007.



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

Other Charges – Council made no adjustments to Other Charges.

Other Services – Council made no adjustments to Other Services.

Capital – Council made no adjustments to Capital.

Transfers Out – Transfers Out to the Road Bond Debt Retirement Fund decreased $49,800 to reflect a savings from a lower interest rate on the recent sale of MTF bonds for City road improvements.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Other Charges	$118,682	$108,700	$91,200	$111,400	$111,400
Other Services	1,885,792	1,739,500	1,605,500	1,703,500	1,703,500
Capital Outlay	2,251,215	1,522,830	1,253,920	2,241,000	2,241,000
Tranfers Out	3,825,000	3,200,000	3,200,000	3,650,000	3,600,200
Total	$8,080,689	$6,571,030	$6,150,620	$7,705,900	$7,656,100

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 for the transfers into this Fund from other City funds.

This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51 of the Public Acts of 1951, as amended.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow & ice control on all streets classified as local roads within the City.

In fiscal year 2007/08, a total of $3,753,940 is budgeted for this fund. $575,000 is included for local road repairs, which include the asphalt resurfacing of Algonquin, Evergreen, Heidi, and Juniper Drives. These neighborhood road repair projects are primarily funded by the Proposal N millage. $325,000 is budgeted for the specially assessed asphalt paving of Gardner Street from Ryan Road to Hampton Park. $60,000 is included for the paving of Dawn Drive from Van Dyke to Utica Road. The concrete paving and storm sewer installation on Lisa Marie Drive is funded for $225,040. The continuation of the sectional Concrete Replacement Program is also included for $750,000.

Total Other Services in this fund total $1,674,000 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

$144,900 is budgeted for Other Charges, which is used primarily to fund the cross-charged administrative time spent on Local Road Fund projects.

For fiscal year 2007/08, there are no Transfers Out proposed for this fund. The road bond debt from past Local Road projects was retired in the 2005/06 fiscal year.

Specific capital projects in the Local Road Fund are detailed in the Capital Projects section of this document.■

Did you know?...
...that there are 287 miles of local roads in the City?

Local Road Fund

SUMMARY OF BUDGET CHANGES

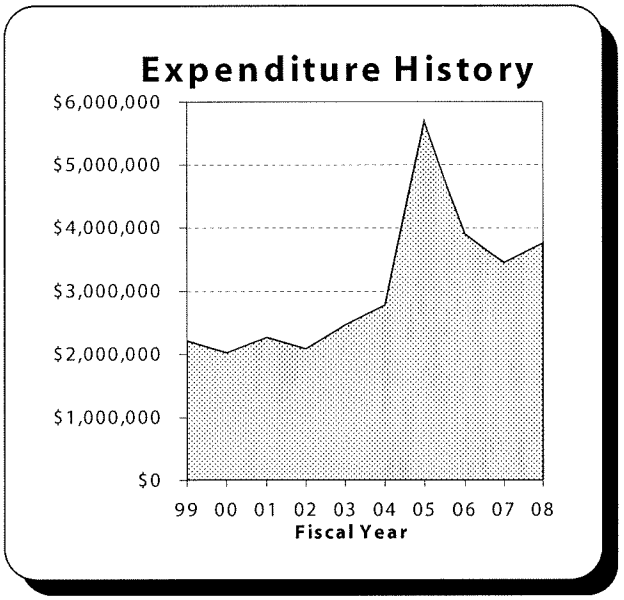
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Other Charges – Total Other Charges decreased $4,800 or 3.2% primarily due to a decrease in General fund administrative costs for time spent on Local Road Fund projects.

Other Services – Total Other Services increased $82,720 or 5.2%. The budget increased $100,000 to continue funding the Joint Sealing Program, as these funds were reallocated during the prior year to help fund the Neighborhood Resurfacing Program. Funding increased $50,000 for storm drain maintenance and $5,000 for traffic signs and signals, both due to higher costs and greater demand. Snow and ice removal costs fell $50,000 due to recent fewer snowfalls. Funding for tree maintenance decreased $20,780 to reflect more recent actual expenditure trends.

Capital – Total Capital of $1,935,040 is proposed. $575,000 is budgeted for local road repairs, which include the resurfacing of Algonquin, Evergreen, Heidi, and Juniper Drives. These neighborhood road repair projects are primarily funded by the Proposal N millage. $325,000 is for the specially assessed asphalt paving of Gardner Street from Ryan Road to Hampton Park and $60,000 for the paving of Dawn Drive from Van Dyke to Utica Road. $225,040 is for the concrete paving and storm sewer installation on Lisa Marie Drive. $750,000 is for the continuation of the Concrete Replacement Program, as the City continues to fund these sectional repairs to all streets throughout the City.

Transfers Out – There are no Transfers Out proposed for this fund as the debt from past Local road projects was retired in the 2005/06 fiscal year.



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

Other Charges – Council made no adjustments to Other Charges.
Other Services – Council made no adjustments to Other Services.
Capital – Council made no adjustments to Capital.
Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Other Charges	$136,902	$149,700	$134,700	$144,900	$144,900
Other Services	2,561,552	1,591,280	1,482,500	1,674,000	1,674,000
Capital Outlay	1,172,457	1,704,890	1,821,440	1,935,040	1,935,040
Transfers Out	26,620	0	0	0	0
Total	$3,897,531	$3,445,870	$3,438,640	$3,753,940	$3,753,940

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 Economic Development Manager is the City's liaison to the Economic Development Corporation.

The Economic Development Corporation has been given the additional responsibility of the Brownfield Redevelopment Authority. Their tasks include making recommendations to the City Council on Brownfield plans. Brownfield Redevelopment has a positive impact on the community by providing a cleaner and safer environment.■

Did you know?...
...that the Michigan Economic Developers Association (MEDA) recently awarded the City of Sterling Heights* "Best Print Marketing Materials" *honors for its economic development brochure?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

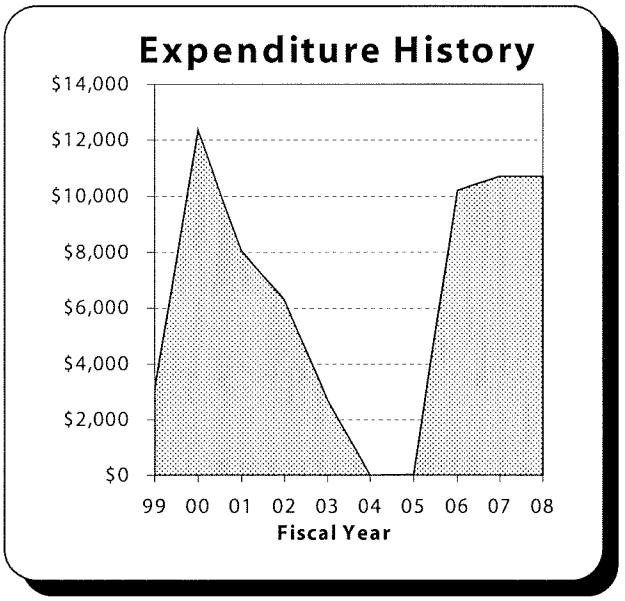
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

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 $10,700. Funding of $6,930 is budgeted for the cost of the CoStar Property Management Service. This service will allow the Economic Development Manager to access sale and lease information on all commercial and industrial properties to better assist businesses looking to locate in Sterling Heights. The budget includes funding for the annual cost of the Dunn & Bradstreet online database service and to print and distribute an Economic Development newsletter to new and existing businesses in the City. Funding is also included for the printing of updated business marketing brochures and legal costs associated with the Lakeside Principal Shopping District Improvement Project.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	10,201	10,700	10,700	10,700	10,700
Total	$10,201	$10,700	$10,700	$10,700	$10,700

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's tasks 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 Economic Development Manager 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 the City has applied to the U.S. Environmental Protection Agency Revolving Loan Fund to assist in the redevelopment of contaminated sites?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

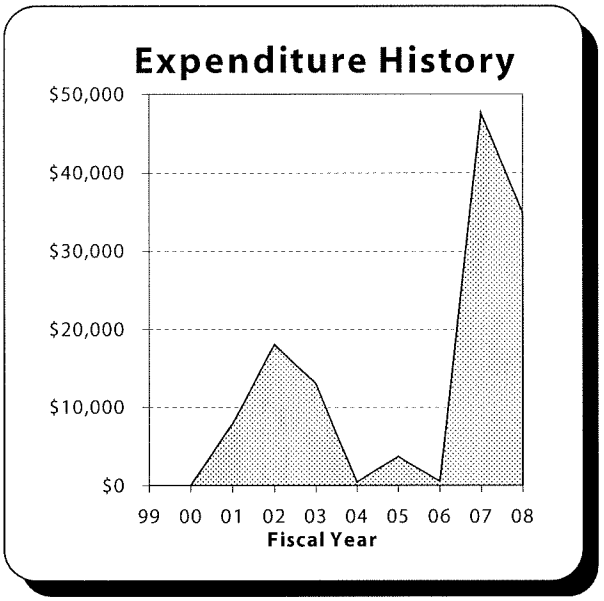
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

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 $12,610 or 26.5% primarily due to a reduction in the reimbursement of eligible project costs to the developer of the Sims Drive project. The prior year's reimbursement included tax increment revenues generated from past years that had not previously been reimbursed. The publishing budget was reduced by $1,500 as fewer articles and advertisements will be placed in various realty development magazines. Legal costs have fallen by $500. Funding for engineering consultant services decreased $500 based on recent year's actual expenditure levels.

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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	575	47,610	46,110	35,000	35,000
Capital Outlay	0	0	0	0	0
Total	$575	$47,610	$46,110	$35,000	$35,000

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, improvements to Nelson Park, 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 2007/08, there are no capital projects budgeted for this fund. All capital funds will be used for the debt on the Senior Active Life Center addition. Block Grant funds were budgeted toward the construction of the $2.2 million Senior gymnasium in the prior year. The proceeds from a bond sale in the spring of 2007 will be used to fund the remaining $1.75 million construction costs.

A transfer to the Limited Tax General Obligation Debt Fund is budgeted for $349,810 for the first year debt payment on the Senior Active Life Center bond. $97,410 is budgeted to be transferred to the General Fund to reimburse the City for the wages and fringe benefit costs of the CDBG Specialist and to assist in the funding of the City's Special Recreation Program.■

Did you know?...
...that since 1995 the City has been able to provide CDBG funding to the Macomb Community College's Single Parent/Displaced Homemaker program, which helps residents access the education and training needed to compete for jobs?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

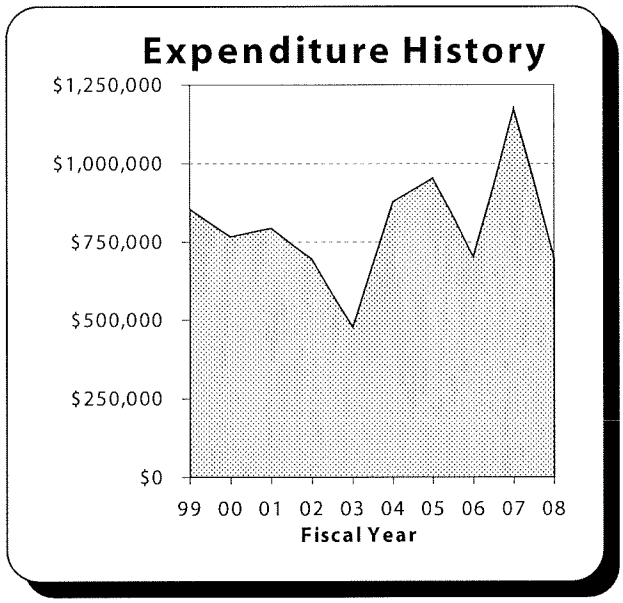
Personnel Services – The total Personnel budget increased by $1,510 or 20.4%. Additional part-time hours will be needed next year to assist the full-time CDBG Specialist.

Supplies – Total Supplies is proposed to remain the same at $10,950.

Other Charges – Total Other Charges increased $76,940 or 48.5%. Housing Rehabilitation funding rose by $45,000. $30,000 is budgeted for the Minor Home Repair Program, now that prior year funds have been exhausted. Donations to several existing service organizations increased slightly including $2,300 more for MCREST and an additional $700 for the Single Parent Education Program at Macomb Community College. $2,850 was added for a new organization – Macomb County Community Services Agency. No funding is budgeted for the Macomb Family Services organization.

Capital – There is no Capital proposed for this fund as all capital funds will be used for the debt on the Senior gymnasium.

Transfers Out – Transfers Out to other City funds totals $447,330. A transfer to the General Fund for $97,520 is budgeted to reimburse the City for the wages and fringe benefit costs of the CDBG Specialist, and to partially fund the City's Special Recreation Program. $349,810 is recommended to be transferred to the Limited Tax General Obligation (LTGO) Fund for the first year debt payments on the new Senior Active Life Center bond.



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

Personnel Services – Total Personnel Services increased $750 based on a revised calculation of part-time personnel costs.

Supplies – Total Supplies decreased $50 based on a lower approved final CDBG funding level.

Other Charges – Total Other Charges decreased $3,810 based on a lower final funding level.

Capital – Council made no adjustments to Capital.

Transfers Out – Transfers Out to the General Fund to partially fund the City's Special Recreation Program decreased slightly by $110 as a result of a lower final funding level.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$15,324	$7,420	$10,230	$8,930	$9,680
Supplies	10,881	10,950	10,800	10,950	10,900
Other Charges	334,000	158,550	307,550	235,490	231,680
Capital Outlay	248,757	904,010	905,030	0	0
Transfers Out	92,793	91,780	91,780	447,330	447,220
Total	$701,755	$1,172,710	$1,325,390	$702,700	$699,480

Corridor Improvement Authority Fund

The Corridor Improvement Authority (CIA) Fund is a Special Revenue Fund of the City of Sterling Heights. Established in 2006, the Authority allows the City to identify commercial districts in the City and utilize tax incrementing financing to make public improvements and offer development incentives in order to increase economic vitality within these districts.

The CIA currently includes one District located in the north central portion of Sterling Heights. The District consists of properties bordering Van Dyke Avenue between 18½ Mile Road to the north City limit and along Utica Road between Van Dyke Avenue and Triangle Drive.

The Primary Goals for the District are (1) to enhance the public spaces within the District; (2) to delineate the District by developing a consistent beautification and landscape style along its rights-of-way; (3) to provide a unified building style through the development and redevelopment of properties within the District; and (4) to spur economic growth and increase property values within the District's borders.

As a necessary prerequisite to achieve these goals, both a Development Plan and a Tax Increment Finance Plan have been prepared. The Development Plan outlines the improvements proposed within the District, while the Tax Increment Finance Plan identifies the funding mechanism that will be utilized to finance the proposed improvements.

The Streetscape Design Guidelines prepared for the District include select specifications for paving, decorative lighting, site furnishings, and landscaping. These amenities are intended to be constructed within the Van Dyke Avenue and Utica Road rights-of-way as well as on private property as part of future development and redevelopment within the District.

The Development Plan also includes potential façade improvements with selected styles and material specifications, access management improvements, property acquisition, floodplain/wetland mitigation, park space improvements, general infrastructure improvements, and a business recruitment and retention program. The CIA Master Plan provides for approximately $20 million worth of improvements in the District over a 20-year period.

The Economic Development Manager serves as the City's liaison to the Corridor Improvement Authority Board.

In fiscal year 2007/08, $2,875,000 is budgeted for Phase I of the North Van Dyke Streetscape Project from the Van Dyke traffic circle to south of M-59. Grant funding and the proceeds from a bond sale will be used to fund the project cost. The captured tax increment revenues from the Corridor Improvement Authority District will be used to repay the debt service on the bond over a 20-year period.■

Did you know?...
...that the City of Sterling Heights is the first city in the State of Michigan to adopt a Corridor Improvement Authority District?

Corridor Improvement Authority Fund

SUMMARY OF BUDGET CHANGES

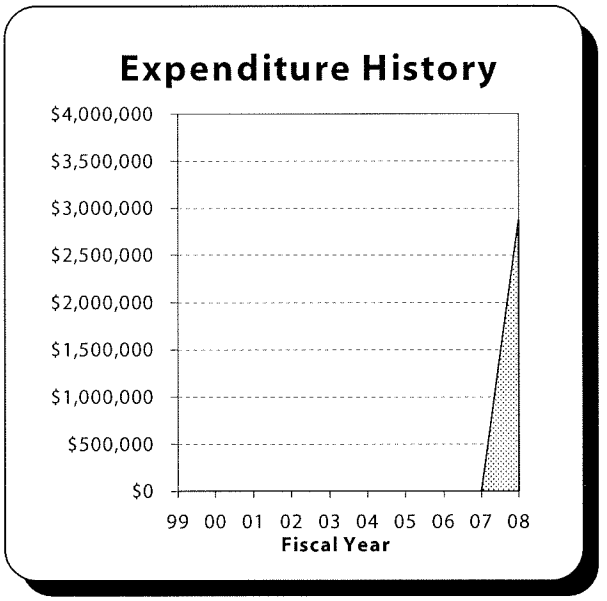
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of $2,875,000 is proposed for this fund. $2,875,000 is budgeted for Phase I of the North Van Dyke Streetscape Project from the Van Dyke traffic circle to south of M-59. The improvements will include the installation of decorative street lighting, signage, traffic control devices, landscaping and brick pavers along roads and crosswalks. The City will apply for a grant to finance $1.875 million of the project's cost. Proceeds from a bond sale will be used to fund the remaining $1 million project cost. The captured tax increment revenues from the Corridor Improvement Authority district will be used to repay the debt service on the bond over a 20-year period.

Transfers Out – There are no Transfers Out proposed for this fund.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Other Charges	$0	$0	$40,000	$0	$0
Capital Outlay	0	0	0	2,875,000	2,875,000
Transfers Out	0	0	0	0	0
Total	$0	$0	$40,000	$2,875,000	$2,875,000

Land & Water Conservation Fund

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any parkland or park system. The balance is normally transferred to the Debt Service Fund if and when a bond issue is involved. Money for the operation of the Fund is usually supplied by the sale of General Obligation Bonds, State or Federal grants, a special voted tax, proceeds from the sale of excess City property and/or other restricted contributions.

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

The fiscal year 2007/08 budget totals $72,300 to fund two park improvement projects. $66,300 is included for the replacement of fencing along the baseball fields at Delia Park. $6,000 is programmed for tree plantings at Dodge Park (50% is to be financed by grant).

For a complete list of all park improvement projects, please refer to the Capital Improvement schedule in the Capital Improvement section of this document.■

Did you know?...
...that the monies from the prior 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

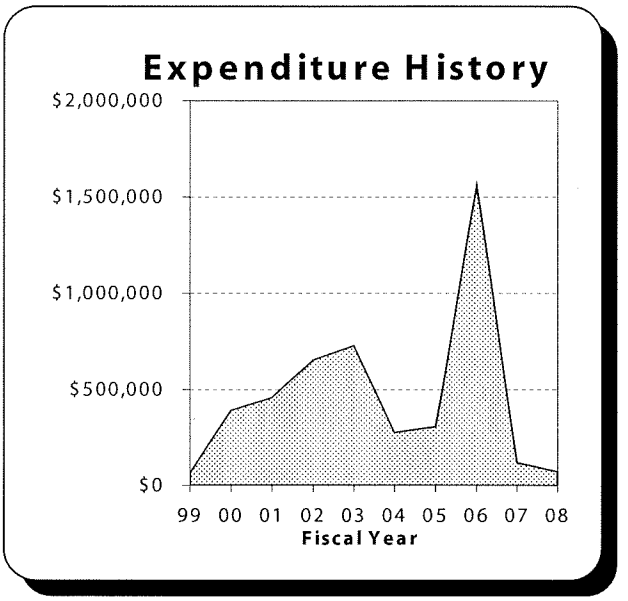
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

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 $72,300 is proposed for this fund. $66,300 is proposed for the replacement of fencing along the baseball fields at Delia Park. $6,000 is proposed for tree plantings at Dodge Park, of which 50% is to be financed by grant monies. ***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 funds from the prior sale of 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	1,556,113	117,630	121,390	72,300	72,300
Transfers Out	0	0	0	0	0
Total	$1,556,113	$117,630	$121,390	$72,300	$72,300

Public Safety Forfeiture Fund

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper Federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the Federal Government issues a check to the City's Police Department for our equitable share of money or property that was seized during a Federal investigation in which a Sterling Heights police officer took part. The City currently has one police officer assigned to a Drug Enforcement Administration (D.E.A.) task force. Therefore, the Department is entitled to a percentage, relative to this Officer's involvement in an investigation.

The Federal guidelines allow for the proceeds to be used to enhance overall law enforcement efforts, whereas the State limits their use to narcotics law enforcement efforts only. Some examples of Federal Forfeiture permitted uses include the purchase of new equipment, improvements to police facilities, law enforcement training, and the funding of drug education programs such as D.A.R.E.

Gambling Forfeiture revenue is generated from seized money or property that is directly related to illegal gambling activities. Seized property is later sold at auction and the proceeds from the auctioned items, along with any forfeited cash, are used to enhance the future enforcement of gambling statutes.

Persons involved in serious Operating While Intoxicated (O.W.I.) arrests or those with a prior O.W.I. conviction are subject to having their vehicles seized. Upon arrest, an offender's vehicle is impounded and either a settlement is paid or the vehicle is forfeited. Forfeited vehicles are then sold at auction and the proceeds are used to enhance traffic enforcement and education.

In fiscal year 2007/08, a total of $289,980 is budgeted for this fund. $131,800 is included for Federal Forfeiture related expenditures and $158,180 is allocated for State Forfeiture permitted uses. There are no funds budgeted for Gambling or O.W.I. Forfeiture related expenditures next year. Following State guidelines, the budget for this fund is based on existing year-to-date revenue and does not take into consideration the revenue from future anticipated receipts.

For additional information regarding the City's use of Federal and State forfeiture revenue, refer to the Summary of Budget Changes on the following page. A complete list of budgeted capital outlay for this fund can be found in the Capital Projects section of this document. ■

Did you know?...
...that the City's entire fleet of undercover detective vehicles has been purchased with proceeds from the Public Safety Forfeiture Fund?

Public Safety Forfeiture Fund

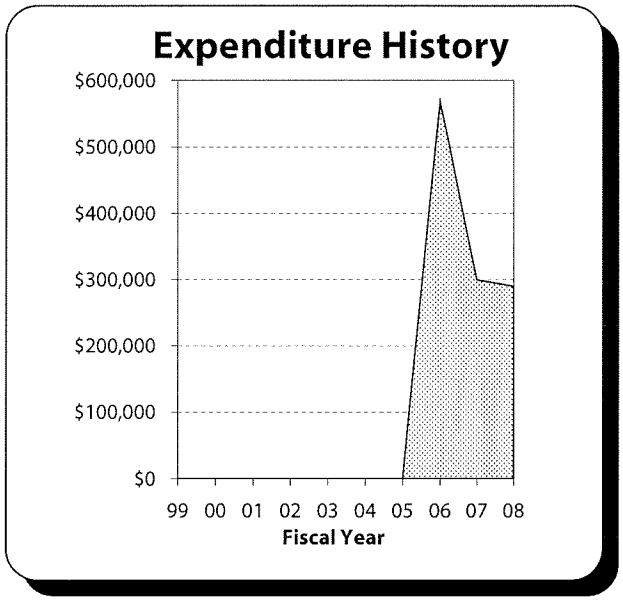
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Supplies – Total Supplies increased $1,040 or 14.9%. $1,640 was added for the increased cost of operating supplies that are needed for the narcotics enforcement officers. $600 will be saved in publication costs.

Other Charges – Total Other Charges decreased $9,370 or 8.5%. Wireless telephone costs decreased $6,500 as the budget can be brought more in line with the current year's estimated expenditure usage. Contracted service costs decreased $3,530 primarily due to the one-time cost of a Police station building needs assessment in the prior year. The training budget decreased $2,580 due to the prior year one-time travel costs related to an interstate narcotics investigation. In addition, one less sworn staff member is budgeted to attend the FBI National Training Academy. Funding for undercover investigative costs decreased $1,560 based on historic expenditure trends. $4,000 was added to the budget for legal services based on the current year's billings.

Capital – Total Capital of $180,800 is proposed. $3,000 is for two laptop computers to enable the detectives to immediately input data while conducting background investigations and to allow the detective assigned to the Macomb Auto Theft Squad to connect to both the City and County's reporting systems from either location. $10,850 is for a Multi-Media Presentation System to be used in the training room. A Weapon Cleaning System is funded for $10,400. $10,350 is for 15 Simunition Conversion Kits used to convert existing patrol rifles into effective training weapons. $3,200 is for a Digital Surveillance Camera to replace the current 35mm camera, which will enable immediate viewing of images for suspect identification. $3,500 is for a Night Vision Instrument used to apprehend suspects in the dark. $139,500 is funded to replace seven high mileage Detective vehicles.



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.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Supplies	$9,976	$6,960	$6,360	$8,000	$8,000
Other Charges	112,821	110,550	81,960	101,180	101,180
Capital Outlay	444,803	181,920	272,800	180,800	180,800
Total	$567,600	$299,430	$361,120	$289,980	$289,980

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 this 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 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. Next, this Fund may be utilized to cover a General Fund deficit, when the municipality's annual audit reveals such a deficit. 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.

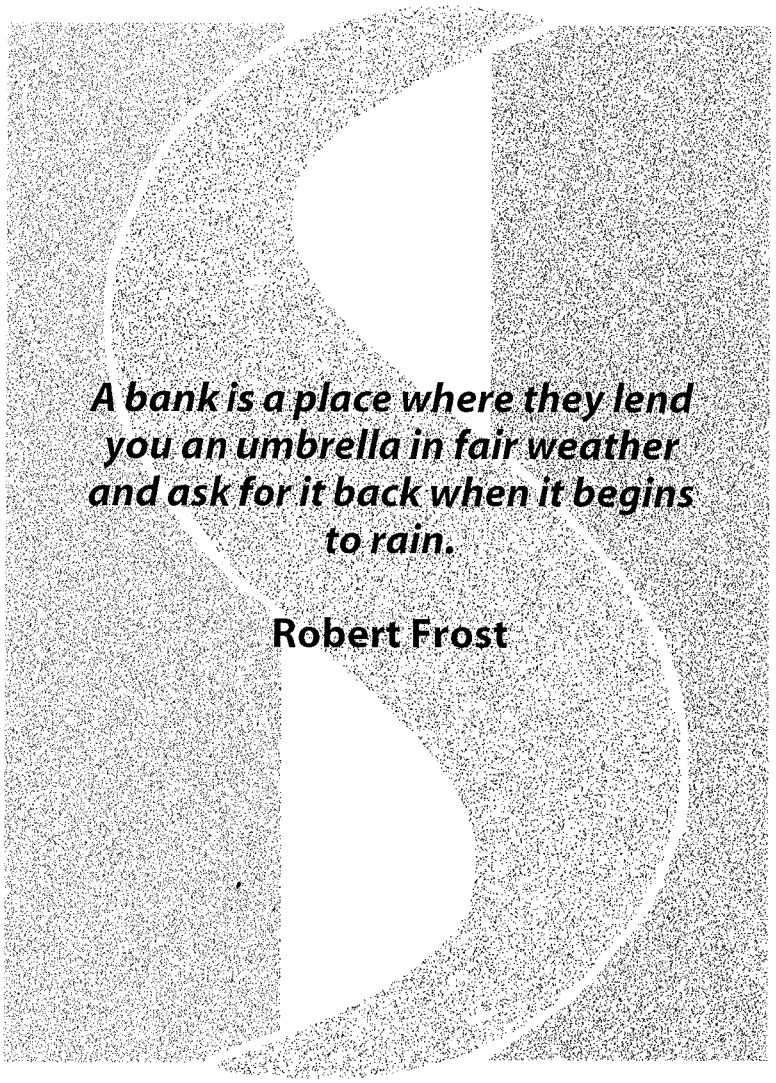
For fiscal year 2007/08, the Fund Balance for this fund will remain at $750,000. Due to revenue shortfalls, there have been no additional contributions made to this fund since the 2000/01 fiscal year. Since it's establishment, there has been no expenditure activity in this fund.■

Did you know?...
...that the Budget Stabilization Fund helps the City achieve and maintain high bond ratings?

07
08

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. Debt Service Funds include the Limited Tax General Obligation (LTGO) Debt 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

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 2007 State Equalized Valuation plus the assessed value of abated property is $6,671,179,100. The City's debt limit therefore is $667,117,910 or 10% of the total valuation. The City's population estimate is 128,000. The outstanding Net Direct Bonded Debt for the City as of June 30, 2007 is shown below as a ratio of debt to state equalized value and debt per capita.

	Debt Outstanding 6/30/07	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	$28,915,000	0.43%	$226

Total Debt Maturity within 10 Years = 90.9%

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 has made judicious use of its authorities to sell bonds or otherwise incur debt. Our current bond ratings are an AA+ 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 anticipates maintaining its favorable debt position, due primarily to growth in taxable values, a modest debt burden and a rapid debt amortization. 90.9% of the City's total debt 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, 2007, the principal and interest payments required for fiscal 2007/08, and the funding source is included within this Debt Service section. Total indebtedness as of June 30, 2007 is $49,575,000. Total principal payment is $5,685,000 and the interest payment is $1,973,870.

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.

LIMITED TAX GENERAL OBLIGATION DEBT FUND

Some of the City's debt service is financed indirectly through lease with the City's Building Authority, which 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. The General Fund payment to the Building Authority for these projects is budgeted in Activity 9660, Transfers Out.

The bonding for a new Judicial Services Center was recommended by the Building Authority and approved by City Council in 1989. The debt outstanding as of June 30, 2007 is $1,100,000. Total principal payment for 2007/08 is $325,000 and the interest payment is $23,390.

In 1999/00, a $3.7 million bond was sold for the development of the City Center Commons. The debt was refunded in 2004/05, saving $118,500 in future interest payments. Total outstanding debt as of June 30, 2007 is $3,095,000. Total principal payment is $175,000 and interest is $131,930.

In the spring of 2007, a $3.25 million Improvement Bond will be issued for the new Senior Active Life Center and the new public safety 800 MHz Radio System. For fiscal year 2007/08, $354,000 is budgeted in the Transfers Out activity for the first year's debt payment on the Radio System bonds. The principal payment is $300,000 and the interest is $54,000. $349,810 is budgeted for the debt payments on the Senior Active Life Center utilizing CDBG funds. Total principal payment is $275,000 and interest is $74,810.

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 $1,300,000. Principal payments for 2007/08 are $950,000 and interest payments are $34,210.

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 payment of the settlement, the City sold General Obligation Judgment Funding Bonds. The remainder of the settlement was funded by reserves. The City is expected to be reimbursed through insurance claims.

In fiscal year 2006/07, insurance proceeds were used to partially refund the outstanding Settlement Bond debt. The debt outstanding as of June 30, 2007 is $12.845 million. For 2007/08, the principal payment on the remaining debt is $930,000 and interest payments total $596,090. The City's Self-Insurance Fund will transfer monies to this fund to pay the required annual debt payments until the City receives the final insurance proceeds.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness as of June 30, 2007 is $20,610,000. Principal payments for 2007/08 are $1,900,000 and the interest payments are $749,690.

MACOMB COUNTY DRAINS

The City is under contract with Macomb County to pay the debt for Chapter 20 drains. Indebtedness to Macomb County is $7,325,000. Principal payments for 2007/08 are $830,000 and the interest payments are $309,750.■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/07	2007/08 Principal	2007/08 Interest	2007/08 Total
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Building Authority Bonds - Court	Gen. Fund	$1,100,000	$325,000	$23,390	**$348,390**
Bldg. Auth./LTGO Bonds - City Center Commons	Gen. Fund	3,095,000	175,000	131,930	**306,930**
LTGO Bonds - Radio System Equipment	Gen. Fund	1,500,000	300,000	54,000	**354,000**
LTGO Bonds - Senior Active Life Center	CDBG Fund	1,750,000	275,000	74,810	**349,810**
R, S & T DEBT SERVICE FUND					
1997 Road Improvement Bonds (R)	R,S,T Fund	225,000	225,000	5,740	**230,740**
1998 Road Improvement Bonds (R)	R,S,T Fund	375,000	375,000	7,030	**382,030**
1999 Road Improvement Bonds (R)	R,S,T Fund	700,000	350,000	21,440	**371,440**
SETTLEMENT BONDS DEBT FUND					
2004 Litigation Settlement Bonds	Self Ins. Fund	12,845,000	930,000	596,090	**1,526,090**
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	7,325,000	830,000	309,750	**1,139,750**
Total Direct Debt Service		**28,915,000**	**3,785,000**	**1,224,180**	**5,009,180**
ROAD BOND DEBT RETIREMENT FUND					
1999 MI Transportation Bonds	Major Rds.	3,300,000	300,000	138,750	**438,750**
2000 MI Transportation Bonds	Major Rds.	200,000	200,000	5,250	**205,250**
2002 MI Transportation Bonds	Major Rds.	1,820,000	740,000	47,400	**787,400**
2003 MI Transportation Bonds	Major Rds.	2,325,000	400,000	61,910	**461,910**
2005 MI Transportation Refunding Bonds	Major Rds.	3,215,000	35,000	118,120	**153,120**
2005 MI Transportation Bonds	Major Rds.	5,100,000	125,000	198,060	**323,060**
2007 MI Transportation Bonds	Major Rds.	4,650,000	100,000	180,200	**280,200**
Total Road Bond Debt Service		**20,610,000**	**1,900,000**	**749,690**	**2,649,690**
Total Debt Service		**$49,525,000**	**$5,685,000**	**$1,973,870**	**$7,658,870**

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
Judicial Center	$357,160	$336,010	$339,910	$339,910	$348,390	**$348,390**
City Center Commons	3,067,740	315,630	315,700	315,700	306,930	**306,930**
Radio System Equipment	0	0	307,500	0	365,250	**354,000**
Senior Active Life Center	0	0	0	0	349,810	**349,810**
Total General Fund Debt Service	**3,424,900**	**651,640**	**963,110**	**655,610**	**1,370,380**	**1,359,130**
R, S & T DEBT SERVICE FUND						
Road Improvements (R)	1,096,110	933,500	972,810	972,810	984,210	**984,210**
Total R, S & T Debt Fund	**1,096,110**	**933,500**	**972,810**	**972,810**	**984,210**	**984,210**
GENERAL DRAIN FUND	3,645,050	1,208,470	1,250,880	1,250,880	1,139,750	**1,139,750**
Total Tax Supported Debt Service	**$8,166,060**	**$2,793,610**	**$3,186,800**	**$2,879,300**	**$3,494,340**	**$3,483,090**

SCHEDULE OF PRINCIPAL & INTEREST
GENERAL FUND, CDBG, AND SELF-INSURANCE FUND SUPPORTED DEBT

Fiscal Year	2000 City Center Bonds	2003 41-A Court Bonds	2004 Litigation Settlement Bonds	2005 City Center Refunding Bonds	2007 Radio System Equipment Bonds	2007 Senior Active Live Center Bonds	Total
2007/08	163,438	348,395	1,526,088	143,488	354,000	349,813	2,885,222
2008/09	179,703	395,423	1,608,850	142,613	342,000	337,438	3,006,027
2009/10		400,431	1,694,356	313,425	330,000	349,500	3,087,712
2010/11			1,779,581	296,112	318,000	336,000	2,729,693
2011/12			1,873,216	298,650	306,000	346,938	2,824,804
2012/13			1,968,138	305,450		332,313	2,605,901
2013/14			2,063,834	296,850			2,360,684
2014/15			2,168,263	312,450			2,480,713
2015/16			1,427,356	322,150			1,749,506
2016/17				355,850			355,850
2017/18				337,250			337,250
2018/19				322,250			322,250
2019/20				302,375			302,375
Total	$343,141	$1,144,249	$16,109,682	$3,748,913	$1,650,000	$2,052,002	$25,047,987

R, S & T DEBT SERVICE FUND

Fiscal Year	1997 Proposal R Bonds	1998 Proposal R Bonds	1999 Proposal R Bonds				Total
2007/08	230,738	382,031	371,438				984,207
2008/09			357,175				357,175
Total	$230,738	$382,031	$728,613				$1,341,382

SCHEDULE OF PRINCIPAL & INTEREST
ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	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	2007 M.T.F. Bonds		Total
2007/08	438,748	205,250	787,400	461,908	153,119	323,063	280,200		2,649,688
2008/09	524,298		773,925	521,033	441,775	319,313	276,200		2,856,544
2009/10	507,598		335,775	498,833	523,563	439,938	321,200		2,626,907
2010/11	588,322			524,883	508,688	481,188	364,200		2,467,281
2011/12	566,322			263,039	567,625	520,688	356,200		2,273,874
2012/13	641,547			249,410	550,125	533,438	348,200		2,322,720
2013/14	613,948				530,938	545,313	438,200		2,128,399
2014/15					510,313	579,313	426,650		1,516,276
2015/16						586,313	415,475		1,001,788
2016/17						592,313	502,250		1,094,563
2017/18						597,313	486,950		1,084,263
2018/19						651,313	569,500		1,220,813
2019/20						651,563	549,875		1,201,438
2020/21							530,000		530,000
2021/22							510,000		510,000
Total	$3,880,783	$205,250	$1,897,100	$2,519,106	$3,786,146	$6,821,069	$6,375,100		$25,484,554

GENERAL DRAIN FUND

Fiscal Year	Seventeen Mile Road Drain	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Sterling Relief Drain		Total
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	$1,838,529	$889,316	$561,913	$999,976	$2,304,250	$1,499,626	$655,829		$8,749,439

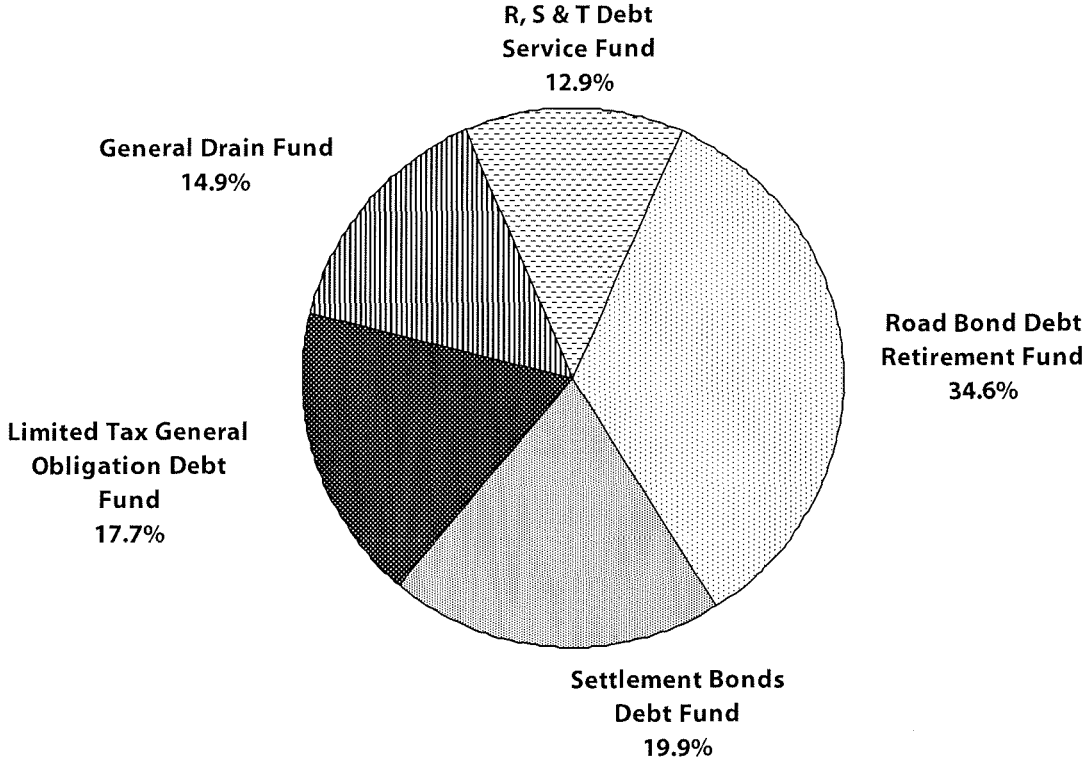
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
R,S & T DEBT SERVICE FUND						
REVENUES						
Property Taxes	$1,099,350	$937,050	$972,540	$972,740	$975,540	**$975,540**
Interest Income	2,360	3,310	2,500	4,500	4,800	**4,800**
Total Revenues	**1,101,710**	**940,360**	**975,040**	**977,240**	**980,340**	**980,340**
EXPENDITURES						
Principal	950,000	825,000	900,000	900,000	950,000	**950,000**
Interest	146,110	108,500	72,810	72,810	34,210	**34,210**
Other Charges	3,010	2,220	2,230	2,980	2,130	**2,130**
Total Expenditures	**1,099,120**	**935,720**	**975,040**	**975,790**	**986,340**	**986,340**
Excess of Revenues Over (Under) Expenditures	**2,590**	**4,640**	**0**	**1,450**	**(6,000)**	**(6,000)**
Beginning Fund Balance	**2,730**	**5,320**	**9,960**	**9,960**	**11,410**	**11,410**
Ending Fund Balance	**$5,320**	**$9,960**	**$9,960**	**$11,410**	**$5,410**	**$5,410**
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Other Revenues	$70	$1,880	$1,000	$2,000	$2,200	**$2,200**
Bond Premiums	69,100	0	0	0	0	**0**
Bond Proceeds - Refunding Issue	2,820,000	0	0	0	0	**0**
Transfer from General Fund	640,650	650,920	960,000	652,500	1,017,000	**1,005,750**
Transfer from CDBG Fund	0	0	0	0	349,810	**349,810**
Total Revenues	**3,529,820**	**652,800**	**961,000**	**654,500**	**1,369,010**	**1,357,760**
EXPENDITURES						
Principal	3,040,000	475,000	755,000	485,000	1,075,000	**1,075,000**
Interest	384,900	176,640	208,110	170,610	295,380	**284,130**
Other Charges	102,500	730	950	730	1,030	**1,030**
Total Expenditures	**3,527,400**	**652,370**	**964,060**	**656,340**	**1,371,410**	**1,360,160**
Excess of Revenues Over (Under) Expenditures	**2,420**	**430**	**(3,060)**	**(1,840)**	**(2,400)**	**(2,400)**
Beginning Fund Balance	**2,780**	**5,200**	**5,630**	**5,630**	**3,790**	**3,790**
Ending Fund Balance	**$5,200**	**$5,630**	**$2,570**	**$3,790**	**$1,390**	**$1,390**
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Revenues	$6,090	$16,200	$14,000	$17,000	$19,000	**$19,000**
Transfer from General Fund	2,460	0	0	0	0	**0**
Transfer from Self-Insurance Fund	1,715,000	1,860,000	9,777,320	9,777,320	1,501,340	**1,501,340**
Tfr. from Capital Projects Fund	0	0	1,320,000	1,320,000	0	**0**
Total Revenues	**1,723,550**	**1,876,200**	**11,111,320**	**11,114,320**	**1,520,340**	**1,520,340**
EXPENDITURES						
Principal	840,000	730,000	9,980,000	9,980,000	930,000	**930,000**
Interest	872,160	1,137,700	1,120,790	1,120,790	596,090	**596,090**
Other Charges	250	250	21,080	20,980	250	**250**
Total Expenditures	**1,712,410**	**1,867,950**	**11,121,870**	**11,121,770**	**1,526,340**	**1,526,340**
Excess of Revenues Over (Under) Expenditures	**11,140**	**8,250**	**(10,550)**	**(7,450)**	**(6,000)**	**(6,000)**
Beginning Fund Balance	**0**	**11,140**	**19,390**	**19,390**	**11,940**	**11,940**
Ending Fund Balance	**$11,140**	**$19,390**	**$8,840**	**$11,940**	**$5,940**	**$5,940**

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	$16,750	$0	$0	$0	$0	**$0**
Interest Income	9,420	19,460	10,000	22,000	20,000	**20,000**
Penalties & Interest	1,030	30	0	0	0	**0**
Bond Proceeds - Refunding Issue	3,285,000	0	0	0	0	**0**
Bond Premiums	18,250	0	0	0	0	**0**
Transfer from Major Roads Fund	2,350,000	2,825,000	2,200,000	2,200,000	2,650,000	**2,600,200**
Transfer from Local Roads Fund	78,860	26,620	0	0	0	**0**
Total Revenues	**5,759,310**	**2,871,110**	**2,210,000**	**2,222,000**	**2,670,000**	**2,620,200**
EXPENDITURES						
Principal	4,985,000	2,170,000	1,730,000	1,730,000	1,900,000	**1,900,000**
Interest	741,190	678,070	626,670	626,670	799,490	**749,690**
Other Charges	98,150	2,220	1,500	1,500	1,660	**1,660**
Total Expenditures	**5,824,340**	**2,850,290**	**2,358,170**	**2,358,170**	**2,701,150**	**2,651,350**
Excess of Revenues Over (Under) Expenditures	**(65,030)**	**20,820**	**(148,170)**	**(136,170)**	**(31,150)**	**(31,150)**
Beginning Fund Balance	**240,460**	**175,430**	**196,250**	**196,250**	**60,080**	**60,080**
Ending Fund Balance	**$175,430**	**$196,250**	**$48,080**	**$60,080**	**$28,930**	**$28,930**
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	$1,429,950	$1,202,640	$1,214,530	$1,214,530	$1,089,430	**$1,089,430**
Interest Income	18,760	23,490	16,000	27,000	30,000	**30,000**
Bond Proceeds - Refunding Issue	2,315,000	0	0	0	0	**0**
Bond Premiums	4,410	0	0	0	0	**0**
Tfr. from Capital Projects Fund	20,000	0	0	0	0	**0**
Total Revenues	**3,788,120**	**1,226,130**	**1,230,530**	**1,241,530**	**1,119,430**	**1,119,430**
EXPENDITURES						
Principal	3,191,540	830,000	905,000	905,000	830,000	**830,000**
Interest	453,510	378,470	345,880	345,880	309,750	**309,750**
Other Charges	105,660	4,390	4,650	5,500	4,680	**4,680**
Total Expenditures	**3,750,710**	**1,212,860**	**1,255,530**	**1,256,380**	**1,144,430**	**1,144,430**
Excess of Revenues Over (Under) Expenditures	**37,410**	**13,270**	**(25,000)**	**(14,850)**	**(25,000)**	**(25,000)**
Beginning Fund Balance	**2,490**	**39,900**	**53,170**	**53,170**	**38,320**	**38,320**
Ending Fund Balance	**$39,900**	**$53,170**	**$28,170**	**$38,320**	**$13,320**	**$13,320**

2007/08 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 2007/08 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 taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In the 2007/08 Budget, General Drain Tax revenue represents 14.38% of total revenue sources, a decrease of $124,900 below the 2006/07 Budget. This is due to a decrease in debt payments on existing drain bond issues. For 2007/08, the millage rate is 0.1998 mills, a decrease of 0.0341 mills below 2006/07.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund, Major Road Fund, Community Development Block Grant Fund and Self-Insurance Fund provide revenue to the Debt Service Funds through this revenue center.

In the 2007/08 Budget, revenues generated from Other Financing Sources represent 71.82% of total revenue sources, a decrease of $8,800,220 below the 2006/07 Budget. This decrease is primarily due to a decrease in transfers from the Self-Insurance Fund to the Settlement Bond Debt Fund as a result of using insurance recovery monies to pay off a portion of the settlement debt last year. In addition, the transfer from the Capital Projects Fund is no longer needed.

OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments. In the 2007/08 Budget, Other Revenues represent 1.00% of total revenue sources, an increase of $32,500 above the 2006/07 Budget.

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 2007/08, the millage rate is 0.1792 mills, a decrease of 0.0083 mills below 2006/07.

In 2007/08, Public Improvement Tax revenue represents 12.80% of total revenue sources, an increase of $2,800 above the 2006/07 Budget. This increase is a result of higher 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 2007/08 Budget, expenditures exceed revenue sources by $70,550. A draw down of funds is planned for debt payments for which revenue was received in prior years.■

DEBT SERVICE FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	TAXES						
404000	City Operating Tax	$1,198,611	15.84	$1,209,530	7.34	**$1,084,430**	**14.27**
415000	Delinquent Personal Property Tax	3,355	0.04	5,000	0.03	**5,000**	**0.07**
445000	Penalties & Interest	3,850	0.05	3,000	0.02	**3,200**	**0.04**
	Total Taxes	**1,205,816**	**15.94**	**1,217,530**	**7.38**	**1,092,630**	**14.38**
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	650,920	8.60	960,000	5.82	**1,005,750**	**13.24**
699202	Transfer From Major Road Fund	2,825,000	37.34	2,200,000	13.34	**2,600,200**	**34.22**
699203	Transfer From Local Road Fund	26,620	0.35	0	0.00	**0**	**0.00**
699278	Transfer From CDBG Fund	0	0.00	0	0.00	**349,810**	**4.60**
699403	Transfer From Capital Project Fund	0	0.00	1,320,000	8.01	**0**	**0.00**
699677	Transfer From Self-Insurance Fund	1,860,000	24.58	9,777,320	59.30	**1,501,340**	**19.76**
	Total Other Financing Sources	**5,362,540**	**70.87**	**14,257,320**	**86.48**	**5,457,100**	**71.82**
	OTHER REVENUE						
665000	Interest on Investments	64,334	0.85	43,500	0.26	**76,000**	**1.00**
	Total Other Revenue	**64,334**	**0.85**	**43,500**	**0.26**	**76,000**	**1.00**
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	933,907	12.34	969,540	5.88	**972,340**	**12.80**
418000	Proposal S Debt Levy	5	0.00	0	0.00	**0**	**0.00**
	Total Public Improvements Tax	**933,912**	**12.34**	**969,540**	**5.88**	**972,340**	**12.80**
	Total Debt Service Funds	**$7,566,602**	**100.00**	**$16,487,890**	**100.00**	**$7,598,070**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

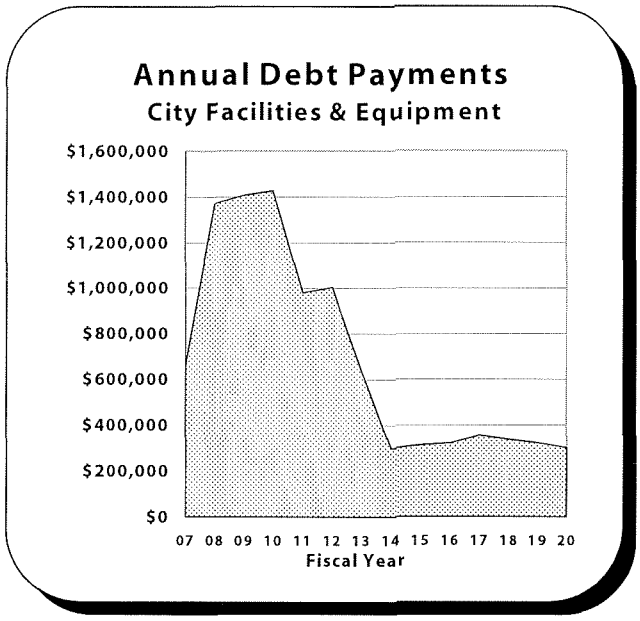
DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	OTHER CHARGES						
810000	Other Fees	$6,969	0.09	$28,160	0.17	**$6,550**	**0.09**
965000	Refunds on Tribunal Adjustments	2,841	0.04	2,250	0.01	**3,200**	**0.04**
	Total Other Charges	**9,810**	**0.13**	**30,410**	**0.18**	**9,750**	**0.13**
	DEBT SERVICE						
992000	Principal	5,030,000	66.90	14,270,000	85.58	**5,685,000**	**74.13**
993000	Interest	2,479,375	32.97	2,374,260	14.24	**1,973,870**	**25.74**
	Total Debt Service	**7,509,375**	**99.87**	**16,644,260**	**99.82**	**7,658,870**	**99.87**
	Total Debt Service Funds	**$7,519,185**	**100.00**	**$16,674,670**	**100.00**	**$7,668,620**	**100.00**

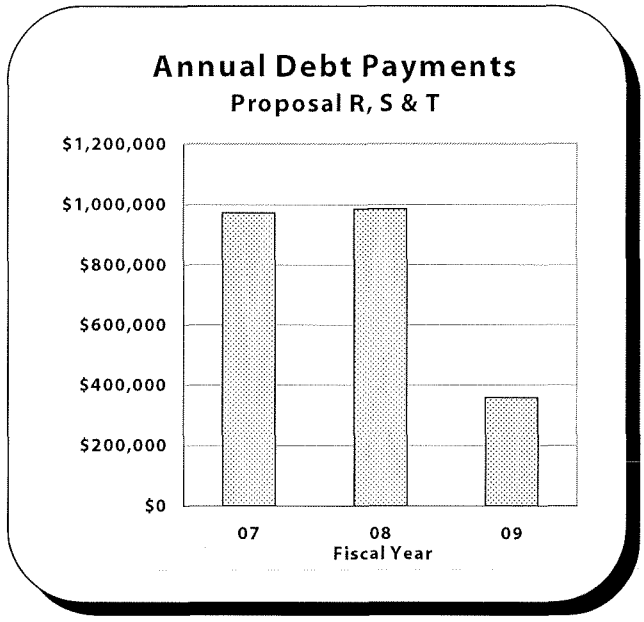
Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

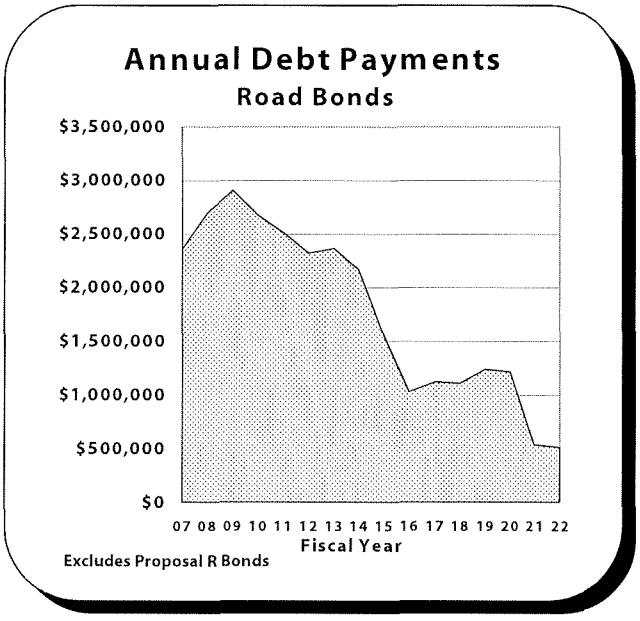
Debt Service Funds



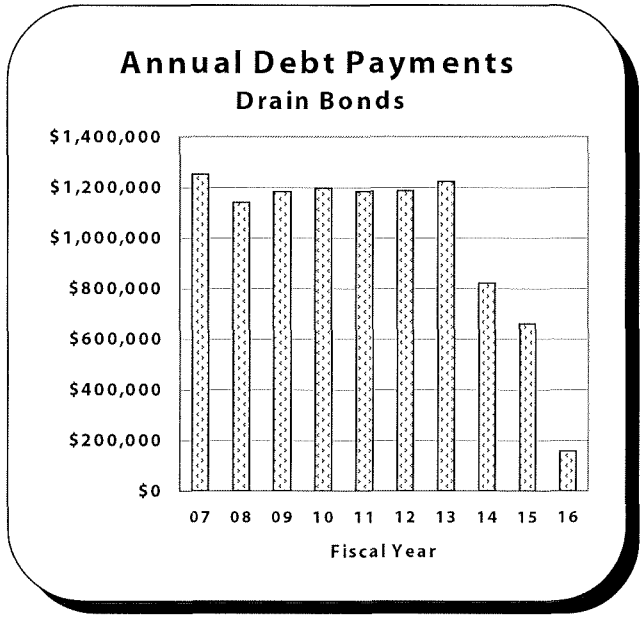
With the sale of bonds for the Senior Center Gymnasium Addition and the 800 MHz Public Safety Radio System, debt payments will increase over the next three fiscal years. As these short-term bonds are paid off, and the debt from the 41-A District Court is retired in 2010, total debt will fall through 2020.



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. Debt for Proposal F is scheduled to begin in the 2008/09 fiscal year.



With the sale of a $4.65 million Michigan Transportation Fund bond in 2007, our debt payments will increase in 2008 and 2009 and then begin to fall through 2020 as existing road bonds are retired.



Total Drain debt slowly decreases over the next 10 years as 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 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 2007/08, $984,210 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 eight bonds totaling $21 million were issued over a nine-year period to fully fund the voter approved Proposal R?

R, S & T Debt Service Fund

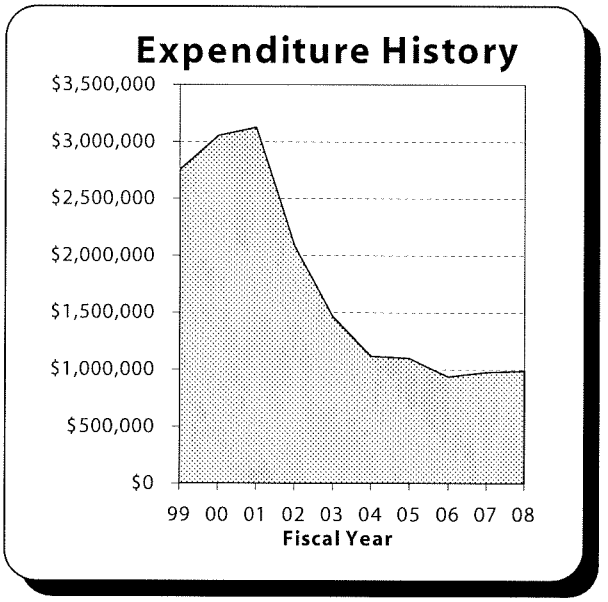
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges decreased $100 or 4.5%. Funding decreased $350 due to a decrease in the bond paying agent fees for the 1997 and 1998 Proposal R bonds, which will both be paid off in the 2007/08 fiscal year. Refunds on tribunal adjustments increased $250 based on recent years' actual expenditures.

Debt Service – Total Debt Service increased $11,400 or 1.2%. Principal payments increased $50,000 due to an increase in scheduled principal payments on two existing Proposal R bonds. Interest payments however, decreased $38,600 as less debt is now outstanding. 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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	2,224	2,230	2,980	2,130	2,130
Debt Service	933,494	972,810	972,810	984,210	984,210
Total	$935,718	$975,040	$975,790	$986,340	$986,340

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 2007/08, the Major Road Fund transfer represents nearly 100% 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 Interest on Investments and the use of Fund Balance.

This Fund's debt budgeted to be paid in fiscal year 2007/08 totals $2,649,690, which is comprised of $1,900,000 toward principal and $749,690 in interest payments on outstanding Michigan Transportation Fund (MTF) Bonds. 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 in the City. The final principal and interest payments to retire the Special Assessment bonds were made in the 2005/06 fiscal year. A $4.65 million MTF bond is scheduled to be sold in the spring of 2007 to finance the 19 Mile Road, Dobry Drive, and Moravian Drive projects. The debt for these projects is budgeted and will begin in the 2007/08 fiscal year.

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 a new $4.65 million 2007 Michigan Transportation Fund (MTF) bond will be issued in the spring of 2007 to finance the Dobry Drive, Moravian Drive, and 19 Mile Road construction projects?

Road Bond Debt Retirement Fund

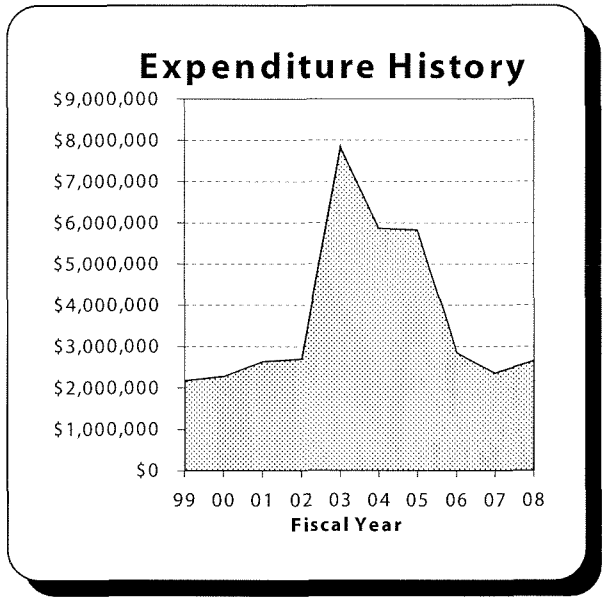
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased $160 or 10.7% as bond paying agent fees increased due to the issuance of the $4.65 million 2007 Michigan Transportation Fund (MTF) bonds in the Spring of 2007. The increase was offset by a decrease in bond paying agent fees on the 2000 MTF bond, which will be fully paid off in the 2007/08 fiscal year.

Debt Service – Total Debt Service increased $342,820 or 14.5%. Total principal payments increased $170,000 as a result of the new 2007 MTF Bond for the 19 Mile Road, Dobry Drive, and Moravian Drive projects. The principal payments on several existing MTF bond issues also increased. The increase was partially offset by a decline in the principal payment on the existing 2003 MTF Refunding bonds. Total interest payments increased $172,820 also due to the new 2007 MTF bond issue. The increase was offset slightly by lower interest payments on all existing MTF bonds.



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 – Total Debt Service decreased by $49,800. Interest payments decreased $49,800 due to a lower interest rate on the recently sold 2007 MTF bond.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Supplies	$0	$0	$0	$0	$0
Other Charges	2,218	1,500	1,500	1,660	1,660
Debt Service	2,848,070	2,356,670	2,356,670	2,699,490	2,649,690
Total	$2,850,288	$2,358,170	$2,358,170	$2,701,150	$2,651,350

Limited Tax General Obligation 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 limited tax general obligation 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 limited tax general obligation bonds issued in 2000. This debt was refunded in 2004/05, and is scheduled to be retired in fiscal year 2019/20.

The Limited Tax General Obligation Fund receives revenue for operations as a result of receiving cash rental payments transferred from the General Fund for the 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 $348,390, $325,000 toward principal and $23,390 in interest.

The transfer necessary for debt repayment for the City Center Commons project totals $306,930. Principal payments total $175,000 and interest payments amount to $131,930.

In the spring of 2007, $3.25 million of Limited Tax General Obligation Improvement bonds will be issued to help finance the new Senior Active Life Center and the new public safety 800 MHz radio system. The debt for the radio system is scheduled to be retired in fiscal year 2011/12, while the debt for the senior gymnasium will be retired in 2012/13. A transfer from the General Fund is budgeted for the first year debt payments on the new radio system. Principal payments total $300,000 and interest payments amount to $54,000. Community Development Block Grant funds will be utilized for the debt payments on the Senior Active Life Center. For 2007/08, principal payments total $275,000 and interest payments amount to $74,810.

Total 2007/08 debt repayment for this fund amounts to $1,359,130.■

Did you know?...
...that the new Senior Active Life Center addition and the new public safety 800 MHz radio system will both be financed with limited tax general obligation bonds, which are scheduled to be issued in the spring of 2007?

Limited Tax General Obligation Fund

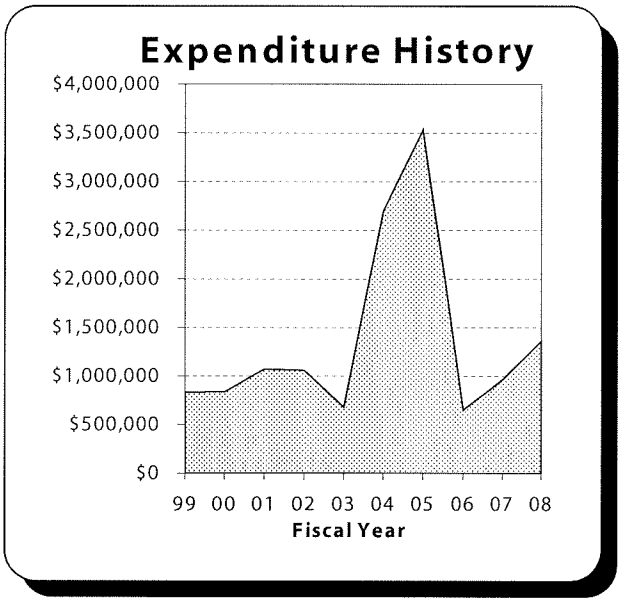
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges increased $80 or 8.4%. Bond paying agent fees increased $80 due to the issuance of the $3.25 million Limited Tax General Obligation (LTGO) Improvement bonds in the spring of 2007 for the new Senior Active Life Center and the new public safety 800 MHz radio system.

Debt Service – Total Debt Service increased $407,270 or 42.3%. Total principal payments increased $320,000 as a result of the new 2007 LTGO Improvement bonds as well as an increase in principal payment on the 2003 Judicial Center Refund Bond. The increase was partially offset as the first year debt on a Radio System Equipment Note was budgeted in the prior year, but the debt will not begin until next fiscal year. Total interest payments increased $87,270 also due to the new 2007 LTGO bond issue. The increase was also offset due to the anticipated sale and funding of the Radio System Equipment Note in the prior year. In addition, the interest payments on all existing bond issues decreased. In total, $349,810 is budgeted for debt payments on the Senior Active Life Center utilizing CDBG funds, and $365,250 is budgeted for the 800 MHz radio system using General Fund monies.



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 – Total Debt Service decreased by $11,250. Interest payments decreased $11,250 due to a lower interest rate on the recently sold LTGO Improvement bonds for the new public safety 800 MHz radio system.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	725	950	730	1,030	1,030
Debt Service	651,641	963,110	655,610	1,370,380	1,359,130
Total	$652,366	$964,060	$656,340	$1,371,410	$1,360,160

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, Hawken, Hayes, Plumbrook, 17 Mile Road, Central Fire Station, and the Sterling Relief Lateral 12B Drains. In 2006/07, the final debt payment for the Green Drain Enclosure was made.

The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

For 2007/08, $1,139,750 is budgeted for the interest and principal 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 drain bonds are issued by the Macomb County Drain Commission, on behalf of the City, when financing for a drain project is required?

General Drain Fund

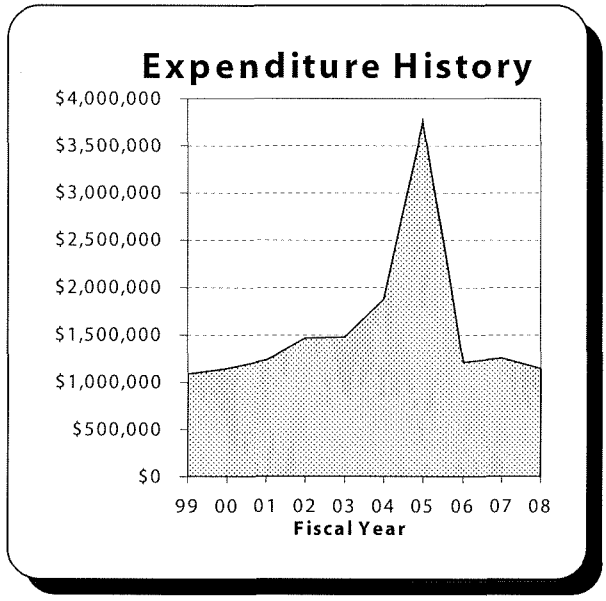
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges increased $30 or 0.6%. Funding for refunds on tribunal adjustments increased $700 based on recent years' expenditure levels. The increase was offset by a decrease in bond paying agent fees due to the retirement of the 1992 Green Drain Enclosure bond, which was paid off in the prior year.

Debt Service – Total Debt Service is proposed to decrease $111,130 or 8.9%. Total principal payments decreased $75,000 due to the retirement of the Green Drain Enclosure bond in the prior year, as well as a decrease in the scheduled principal payment on an existing General Drain bond issue. This decrease was partially offset by an increase in principal payments on two existing Drain bonds. Total interest payments decreased $36,130 due to the retirement of the Green Drain bond and lower interest payments on all existing drain bonds. No new drain project debt is scheduled for next fiscal year.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	4,392	4,650	5,500	4,680	4,680
Debt Service	1,208,470	1,250,880	1,250,880	1,139,750	1,139,750
Total	$1,212,862	$1,255,530	$1,256,380	$1,144,430	$1,144,430

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 debt portion of General Obligation Judgment Funding Bonds issued by the City in June 2004. These fixed rate bonds were issued to fund the 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 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. The City is expected to be reimbursed through insurance claims.

In fiscal year 2006/07, insurance proceeds were used to partially refund the outstanding Settlement Bond debt. As of June 30, 2007, the debt outstanding is $12,845,000. For 2007/08, the budget for this fund's debt repayment totals $1,526,090, which is comprised of $930,000 toward principal and $596,090 in interest payments. The final payment to retire the debt from this bond issue is scheduled to be made in fiscal year 2015/16.

The Settlement Bonds Debt Fund will receive its revenue through a transfer of reserves from the City's Self-Insurance Fund until the City receives the final insurance proceeds.■

Did you know?...
...that in fiscal year 2006/07, the City used insurance proceeds to advance defease $9.15 million of the outstanding principal on the debt portion of the General Obligation Judgment Funding Bonds issued in June, 2004?

Settlement Bonds Debt Fund

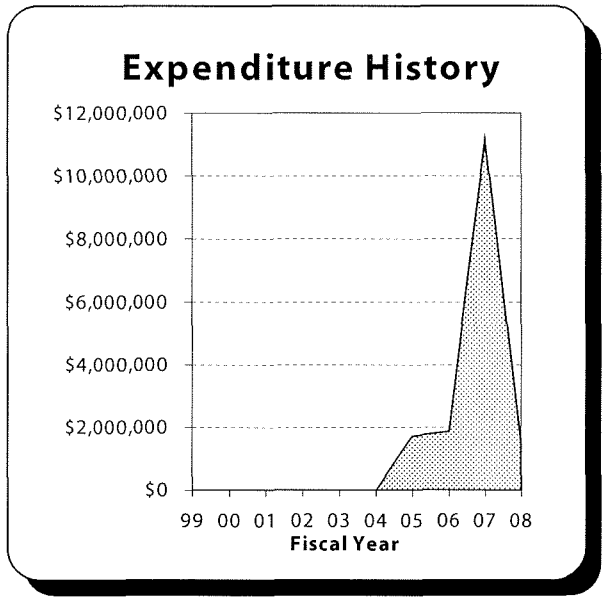
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges decreased $20,830 or 98.8%. Funding decreased $20,830 as insurance proceeds were used to pay the one-time bond refunding costs for the partial refunding of outstanding settlement debt in the prior year.

Debt Service – Total Debt Service decreased $9,574,700 or 86.3%. Total principal payments decreased $9,050,000 as a result of using insurance proceeds to partially refund the Settlement Bonds in the prior year. This savings was partially offset by an increase in the principal payment on the remaining Settlement Bond debt. Total interest payments decreased $524,700 also due to the partial refunding, as well as lower interest payments on the remaining outstanding debt. The City's Self-Insurance Fund will transfer monies to this fund to pay the required annual debt payments next year until the City receives the final insurance proceeds.



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

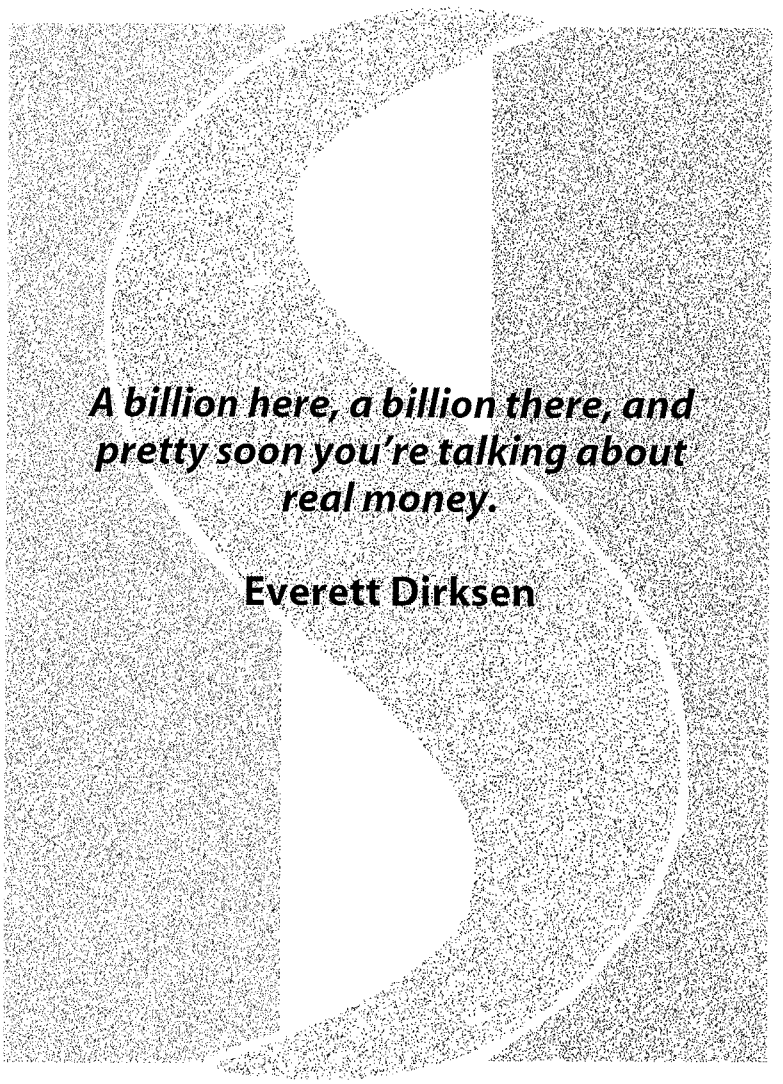
Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	250	21,080	20,980	250	250
Debt Service	1,867,700	11,100,790	11,100,790	1,526,090	1,526,090
Total	$1,867,950	$11,121,870	$11,121,770	$1,526,340	$1,526,340


A billion here, a billion there, and pretty soon you're talking about real money.
Everett Dirksen

07
08

Capital Projects

Capital Projects Funds are used to account for resources to be used for the acquisition or construction of major capital facilities, and for the purchase of capital equipment and vehicles. The city maintains two capital projects funds, the Capital Projects Fund and the Road Bond Construction Fund. The city's Capital Improvement Program is a multi-year planning instrument used to coordinate the financing and timing of improvements in a way that maximizes the return to residents.

CAPITAL PROJECTS FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Capital Projects	2004/05 Actual	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	$2,048,360	$2,301,380	$1,296,080	$1,446,800	$977,320	**$977,320**
Proceeds Long-term Debt	0	0	3,301,400	3,400,000	5,000,000	**5,000,000**
Transfer from General Fund	943,980	1,536,350	1,600,720	1,600,720	1,534,500	**1,534,500**
Total Revenues	**2,992,340**	**3,837,730**	**6,198,200**	**6,447,520**	**7,511,820**	**7,511,820**
EXPENDITURES						
Capital Equipment	1,201,620	1,530,650	2,468,710	2,447,660	670,000	**670,000**
Capital Vehicles	933,600	534,200	1,159,360	1,156,120	850,500	**850,500**
Capital Projects	1,319,130	1,433,060	4,253,030	3,766,430	6,694,000	**6,694,000**
Transfer to General Drain Fund	20,000	0	0	0	0	**0**
Tfr. to Road Bond Const. Fund	118,000	0	0	0	0	**0**
Tfr. to Settlement Bonds Debt Fund	0	0	1,320,000	1,320,000	0	**0**
Total Expenditures	**3,592,350**	**3,497,910**	**9,201,100**	**8,690,210**	**8,214,500**	**8,214,500**
Excess of Revenues Over (Under) Expenditures	**(600,010)**	**339,820**	**(3,002,900)**	**(2,242,690)**	**(702,680)**	**(702,680)**
Beginning Fund Balance	**3,802,170**	**3,202,160**	**3,541,980**	**3,541,980**	**1,299,290**	**1,299,290**
Residual Equity Transfer	**0**	**0**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$3,202,160**	**$3,541,980**	**$539,080**	**$1,299,290**	**$596,610**	**$596,610**
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Federal Grants	$0	$401,380	$0	$0	$0	**$0**
Proceeds Long-term Debt	5,300,000	0	4,600,000	4,650,000	2,700,000	**2,700,000**
Transfer from Capital Projects Fund	118,000	0	0	0	0	**0**
Miscellaneous Revenue	0	0	0	51,580	0	**0**
Other Revenue	47,540	55,780	15,000	34,000	0	**0**
Total Revenues	**5,465,540**	**457,160**	**4,615,000**	**4,735,580**	**2,700,000**	**2,700,000**
EXPENDITURES						
Capital Improvements	3,892,610	530,750	5,161,350	5,107,580	2,700,000	**2,700,000**
Transfer to Local Roads Fund	881,370	0	0	0	0	**0**
Total Expenditures	**4,773,980**	**530,750**	**5,161,350**	**5,107,580**	**2,700,000**	**2,700,000**
Excess of Revenues Over (Under) Expenditures	**691,560**	**(73,590)**	**(546,350)**	**(372,000)**	**0**	**0**
Beginning Fund Balance	**56,430**	**747,990**	**674,400**	**674,400**	**302,400**	**302,400**
Ending Fund Balance	**$747,990**	**$674,400**	**$128,050**	**$302,400**	**$302,400**	**$302,400**

Capital Projects Funds Revenues

TAXES

This source of revenue includes penalties and interest on delinquent special assessments for City sidewalks. In 2007/08, $3,000 is budgeted.

STATE & LOCAL RETURNS

This source of revenue is primarily comprised of grants from the Federal, State, and County levels of government. In the 2007/08 Budget, revenues generated from State & Local Returns represent only 1.15% of total revenue sources, as there is no grant revenue budgeted. The budget will be amended if Homeland Security grant funding is received.

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 2007/08 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In the 2007/08 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In the 2007/08 Budget, revenues generated from Other Financing Sources represent 90.43% of total revenue sources, a decrease of $267,620 below the 2006/07 Budget. This decrease is primarily due to a decrease in proceeds from long-term debt as four road construction projects, the Senior Active Life Center Addition, and the new Public Safety 800 MHz Radio System were all financed by the sale of bonds during the 2006/07 fiscal year. In 2007/08, bonds will be sold to finance the Proposal F voter approved renovations to three older City Fire Stations and the special assessment improvements to the Lakeside Shopping Center district. In addition, the transfer from the General Fund decreased, as less funding is needed for capital projects.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Reimbursements, Miscellaneous Revenue, and Contributions – Drain Improvements.

In the 2007/08 Budget, Other Revenues represent 8.40% of total revenue sources, an increase of $149,270 above the 2006/07 Budget. This increase is due to an increase in Reimbursements, Interest on Investments, and contributions for drain improvements.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2007/08 Budget, Use of Fund Balance as a revenue source totals $702,680. This is a decrease of $2,846,570 below 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. In addition, a one-time transfer of funds to the Settlement Bond Debt Fund was needed in the prior year to help pay the required annual debt payments.■

CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	TAXES						
445000	Penalties & Interest	$3,152	0.08	$2,500	0.02	**$3,000**	**0.02**
	Total Taxes	**3,152**	**0.08**	**2,500**	**0.02**	**3,000**	**0.02**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	1,517,871	35.34	389,490	3.60	**0**	**0.00**
539378	Act 78 Emergency Phone Service	69,177	1.61	211,040	1.95	**117,000**	**1.15**
	Total State & Local Returns	**1,587,048**	**36.95**	**600,530**	**5.55**	**117,000**	**1.15**
	FINES & FORFEITURES						
658002	Drug Forfeitures	15,577	0.36	0	0.00	**0**	**0.00**
	Total Fines & Forfeitures	**15,577**	**0.36**	**0**	**0.00**	**0**	**0.00**
	OTHER FINANCING SOURCES						
698000	Proceeds - Long Term Debt	0	0.00	7,901,400	73.07	**7,700,000**	**75.40**
699101	Transfer From General Fund	1,536,350	35.77	1,600,720	14.80	**1,534,500**	**15.03**
	Total Other Financing Sources	**1,536,350**	**35.77**	**9,502,120**	**87.88**	**9,234,500**	**90.43**
	OTHER REVENUE						
665000	Interest on Investments	173,415	4.04	60,000	0.55	**100,000**	**0.98**
672000	Special Assessment Revenue	25,877	0.60	8,050	0.07	**7,320**	**0.07**
675000	Contributions & Donations	46,441	1.08	0	0.00	**0**	**0.00**
676000	Reimbursements	589,410	13.72	440,000	4.07	**540,000**	**5.29**
685000	Miscellaneous Revenue	32,000	0.75	0	0.00	**0**	**0.00**
685015	Miscellaneous Revenue - MCPWC	279,516	6.51	200,000	1.85	**200,000**	**1.96**
686000	Contributions-Drain Improvements	6,100	0.14	0	0.00	**10,000**	**0.10**
	Total Other Revenue	**1,152,759**	**26.84**	**708,050**	**6.55**	**857,320**	**8.40**
	Total Capital Projects Funds	**$4,294,886**	**100.00**	**$10,813,200**	**100.00**	**$10,211,820**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2005-2006 Actual Dollars	%	2006-2007 Budget Dollars	%	2007-2008 Budget Dollars	%
	CAPITAL OUTLAY						
975000	Building & Improvements	$9,042	0.22	$60,000	0.42	**$60,000**	**0.55**
975010	Municipal Building Modernization	55,714	1.38	20,000	0.14	**30,000**	**0.27**
975070	Sidewalk Installation	10,199	0.25	0	0.00	**550,000**	**5.04**
975130	Civic Center Concrete Replacement	97,808	2.43	135,000	0.94	**100,000**	**0.92**
975140	Miscellaneous DPW Improvements	0	0.00	53,190	0.37	**89,000**	**0.82**
975220	Misc. Fire Station Improvements	36,928	0.92	12,970	0.09	**4,950,000**	**45.35**
975820	Sidewalk Gap Completion Program	117,768	2.92	350,000	2.44	**350,000**	**3.21**
975855	Fire Station #1	375	0.01	0	0.00	**0**	**0.00**
979000	Computer Equipment	143,810	3.57	291,110	2.03	**19,200**	**0.18**
979100	Financial System - Software	0	0.00	0	0.00	**4,700**	**0.04**
979150	Financial System - Hardware	0	0.00	0	0.00	**30,000**	**0.27**
979200	Sierra System - Software	39,269	0.97	0	0.00	**0**	**0.00**
979305	Police Department - Equipment	0	0.00	0	0.00	**104,400**	**0.96**
979650	Parks & Recreation - Hardware	0	0.00	0	0.00	**34,800**	**0.32**
979700	Library - Computer Equipment	1,511	0.04	0	0.00	**1,200**	**0.01**
979850	Fire Department - Hardware	1,791	0.04	0	0.00	**1,200**	**0.01**
981000	Electronic Equipment	126,760	3.15	1,711,620	11.92	**429,000**	**3.93**
982000	Machinery & Equipment	1,097,640	27.25	434,330	3.02	**24,500**	**0.22**
982002	Machinery & Equipment - Drug	15,576	0.39	0	0.00	**0**	**0.00**
983000	Fire Equipment	3,842	0.10	31,650	0.22	**21,000**	**0.19**
983001	Fire Equipment Grant	100,450	2.49	0	0.00	**0**	**0.00**
984213	Vehicles - Emergency Management	176,384	4.38	0	0.00	**0**	**0.00**
984265	Vehicles - Facilities Maintenance	603	0.01	38,320	0.27	**14,500**	**0.13**
984315	Vehicles - Police Operations	259,061	6.43	249,250	1.74	**278,000**	**2.55**
984326	Vehicles - Police Support Services	0	0.00	0	0.00	**30,000**	**0.27**
984337	Vehicles - Fire Administration	0	0.00	43,000	0.30	**0**	**0.00**
984339	Vehicles - Fire Extinguishment	0	0.00	398,040	2.77	**420,000**	**3.85**
984444	Vehicles - DPW Street Services	53,775	1.33	403,000	2.81	**29,000**	**0.27**
984553	Vehicles - Fleet Maintenance	27,125	0.67	0	0.00	**0**	**0.00**
984752	Vehicles - Parks & Recreation	17,255	0.43	0	0.00	**16,000**	**0.15**
984770	Vehicles - Parks & Grounds	0	0.00	27,750	0.19	**63,000**	**0.58**
986000	Major Drain Improvements	283,046	7.03	555,000	3.86	**555,000**	**5.08**
988000	Construction	43,893	1.09	485,000	3.38	**2,710,000**	**24.83**
988103	2005/06 Sidewalk Gap Program	2,600	0.06	385,000	2.68	**0**	**0.00**
988116	Senior Citizen Active Life Center	0	0.00	1,800,000	12.53	**0**	**0.00**
988119	2006 Sidewalk Replacement Program	52,331	1.30	796,870	5.55	**0**	**0.00**
988130	19 Mile Rd Imprvmt - Schoenherr to Saal	0	0.00	620,000	4.32	**0**	**0.00**
988858	18-1/2 Mile Connect Mound to Van Dyke	273,808	6.80	135,450	0.94	**0**	**0.00**
988876	1998 Bridge Inv - 17 Mile Rd/Conrail	256,948	6.38	700	0.00	**0**	**0.00**
988956	Dobry Resurfacing - Dequindre to Ryan	0	0.00	520,000	3.62	**0**	**0.00**
988986	19 Mile Reconst-Mound to Dequindre	0	0.00	3,485,200	24.27	**0**	**0.00**
988995	2005 Sidewalk Replacement	673,373	16.71	0	0.00	**0**	**0.00**
988996	Villa Fontana Monticello Drain	49,979	1.24	0	0.00	**0**	**0.00**
	Total Capital Outlay	**4,028,664**	**100.00**	**13,042,450**	**90.81**	**10,914,500**	**100.00**
	TRANSFERS OUT						
999316	Transfer to Settlement Bonds Debt Fund	0	0.00	1,320,000	9.19	**0**	**0.00**
	Total Capital Projects Fund	**$4,028,664**	**100.00**	**$14,362,450**	**100.00**	**$10,914,500**	**100.00**

Note: The 2005-2006 Actual Column is rounded to the nearest dollar.

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 2007/08 totals $8,214,500. Of the total, $6,694,000 is funded for 11 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. $100,000 is budgeted for municipal parking lot repairs. $60,000 is included for Replacement Carpeting at the 41-A District Court. $4,950,000 is budgeted for the renovations to Fire Stations #2, #3, and #4. $89,000 is appropriated for Pump Station repairs at the Fairfield storm sewer detention pond. $10,000 is budgeted for School Walkway repairs near Poinciana and North Central Drives. $30,000 is included for a City Entrance Sign at Metropolitan Parkway and Dequindre Road. $330,000 is budgeted for the Schuer Drain on Metropolitan Parkway. $75,000 is included to prevent further erosion to the banks of the Gibson Drain, east of Dequindre Road, and $150,000 is funded for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total $670,000 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total $850,500 and are detailed in the General Fund activity in which the vehicle will be utilized.

For a complete list of all equipment, vehicles and projects, please refer to the Capital schedules on the following pages.■

Did you know?...
...that the renovation and upgrades to Fire Stations #2, #3 and #4, as part of the voter approved Proposal F, are scheduled to begin in the 2007/08 fiscal year?

Capital Projects Fund

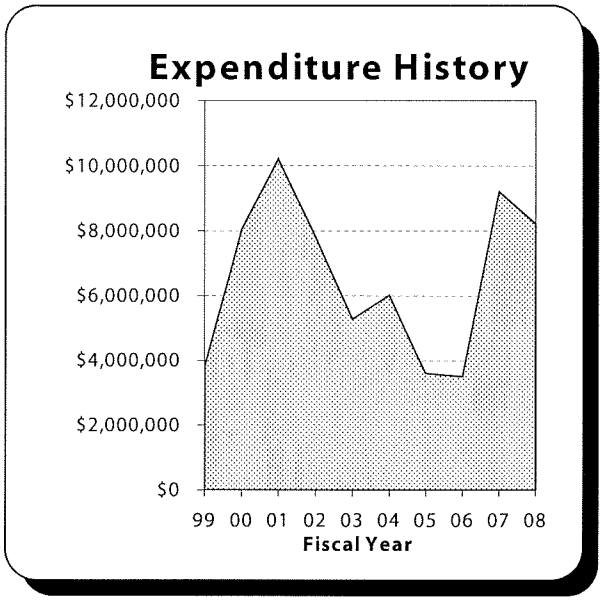
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of $8,214,500 is proposed for next fiscal year. $487,700 is for capital equipment, $850,500 for capital vehicles, and $182,300 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, eleven (11) Capital Projects totaling $6,694,000 are proposed. $550,000 is for the City Sidewalk Repair Program, $100,000 for municipal parking lot repairs, $60,000 for replacement carpeting at the 41A District Court, $4,950,000 for the renovations to Fire Stations #2, #3, and #4, $89,000 for Pump Station repairs at the Fairfield storm sewer detention pond, $350,000 for the continuation of the Sidewalk Gap Completion Program, $10,000 for School Walkway repairs near Poinciana and North Central Drive, $30,000 for a City Entrance Sign at Metropolitan Parkway and Dequindre Road, $330,000 for the Schuer Drain on Metropolitan Parkway, $75,000 for the restoration of the Gibson Drain bank, and $150,000 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 $1,320,000. A one-time transfer to the Settlement Bond Debt Fund was made in the prior year to help pay the required annual debt payments.



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

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	3,497,911	7,881,100	7,370,210	8,214,500	8,214,500
Transfers Out	0	1,320,000	1,320,000	0	0
Total	$3,497,911	$9,201,100	$8,690,210	$8,214,500	$8,214,500

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.

One project is budgeted in this fund for the 2007/08 fiscal year. $2,700,000 is funded for the special assessment improvements to the Lakeside Shopping Center Area, which will include road repairs, landscaping, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center.

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 will issue Special Assessment Bonds to finance the costs of the Lakeside Shopping Center Area Improvement Project that is scheduled for the 2007/08 fiscal year?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

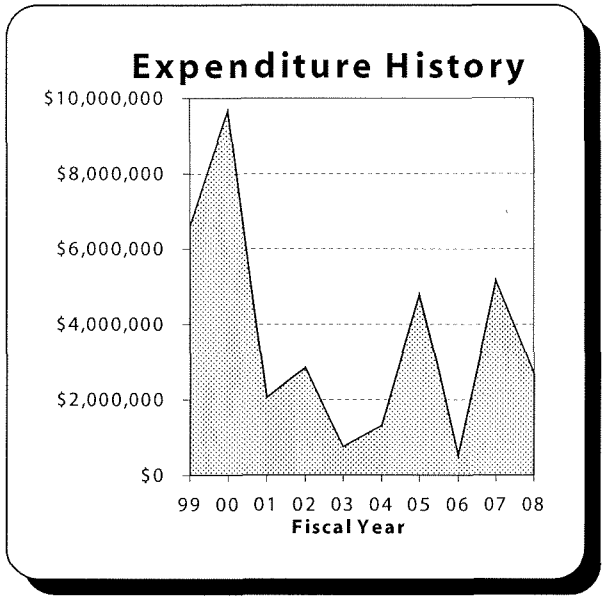
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2006/07 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – $2,700,000 is proposed for one project in the 2007/08 fiscal year. $2,700,000 is budgeted for the Lakeside Shopping Center Area Improvements, which will include road repairs, landscape improvements, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center. A proposed assessment of property owners in the district will finance the special assessment bonds required to fund this project.

Transfers Out – There are no Transfers Out proposed for the 2007/08 fiscal year.



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

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Budget	2006/07 Estimate	2007/08 Manager	2007/08 Approved
Supplies	$0	$0	$0	$0	$0
Capital Outlay	530,757	5,161,350	5,107,580	2,700,000	2,700,000
Transfers Out	0	0	0	0	0
Total	$530,757	$5,161,350	$5,107,580	$2,700,000	$2,700,000

Capital Improvements Program

Since Sterling Heights was incorporated as a city on July 1, 1968, it has proudly followed its motto "To Strive on Behalf of All". Its 36.8 square miles makes Sterling Heights the third largest city in Michigan geographically. Thirty-nine (39) years after its incorporation the City has matured into a community serving approximately 128,000 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. 2006/07 is the first year of the MIP. The second year (2007/08) of the MIP represents the capital projects that are funded in this budget document. Therefore, a direct link can be seen between the two documents, as there should be in a strategic planning environment.

In fiscal year 2007/08, the City's total capital funding is $23,957,330. Of the total, $21,388,580 is budgeted for improvements, $1,296,250 is for equipment, $1,090,200 is for vehicles, and $182,300 is for the Information Technology Capital Program.

The following schedules detail specific projects to be undertaken by major category. The first three sets of schedules presented in the Capital Improvement Program detail the equipment, technology improvements, and vehicles that are budgeted. These categories of capital are usually funded utilizing General Fund Tax Revenue. Capital equipment and vehicles are budgeted in the Capital Projects Fund with the exception of drug forfeiture purchases, which are budgeted and expensed in the Public Safety Forfeiture Fund. The Water & Sewer Fund equipment, vehicles, and technology improvements are budgeted within the

respective Water & Sewer division. The fourth and last set of schedules detail capital improvement costs, future years operating costs, including debt costs for each project and the proposed method of funding these costs.

The Capital Projects Fund is also used to account for the development of capital facilities other than those financed by the Enterprise Fund. The budget for facility improvements in the Capital Projects Fund for fiscal year 2007/08 is $6,694,000.

The Road Bond Construction Fund is used to account for transactions relating to road construction, paving, or storm drain activities financed by special assessments. Road construction projects financed wholly or in part by bond issues are also accounted for in this fund. The budgeted expenditures for the Road Bond Construction Fund in fiscal year 2007/08 totals $2,700,000.

Gas & Weight tax revenue received in the Major Road Fund is used for construction, maintenance and other operations pertaining to all streets classified as "major" within the City. Gas & Weight tax revenues are generated by the tax on gasoline & vehicle sales. These funds are distributed to each community based on population, miles, and classification of road types. These funds are commonly referred to as Act 51 Funds. Major Road Fund street improvements totaling $2,241,000 are budgeted for fiscal year 2007/08.

Transportation projects scheduled as part of the 2007/08 budget are categorized as County road improvements, resurfacing projects, various traffic controls & intersection improvements, and right-of-way acquisition.

The Local Road Fund provides for the construction, maintenance, traffic services, and snow & ice control for streets classified as "local" within the City. Local Road Fund street improvements totaling $1,935,040 are budgeted for fiscal year 2007/08.

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 grants and transfers from the General Fund. The funds from the City's most recent sale of City-owned properties are once again not budgeted to be spent, and will remain in reserves for future use. Projects for 2007/08 include tree plantings at Dodge Park and the replacement of ball diamond fencing at Delia Park. These expenditures total $72,300.

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 2007/08, 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 2007/08, there is no capital budgeted as capital funds will be used for the debt on the new Senior gymnasium.

The Corridor Improvement Authority Fund is used to account for public improvements that are made utilizing tax increment financing. In 2007/08, $2,875,000 is budgeted for Phase I of the North Van Dyke Streetscape Project from the Van Dyke traffic circle to south of M-59.

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 $2,364,440 are programmed. Water main expenditures in the amount of $2,465,600 are programmed. $15,000 is budgeted for 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 2006/07	Qty.	Manager Recomm. Budget 2007/08	Qty.	Council Approved Budget 2007/08
Police Department								
Police Operations								
Mobile Data Computers	981	Electronic Equipment	35	174,220				
Police DVD In-Car Camera - Grant	982	Machinery & Equip. - Grant	2	10,300				
Total			**37**	**184,520**	**0**	**0**	**0**	**0**
Police Support Services								
800 MHz Public Safety Radio System - Equipment Note	981	Electronic Equipment	1	1,501,400				
Radio Tower with Microwave Dish - E911 Funds	981	Electronic Equipment			1	400,000	1	400,000
Total			**1**	**1,501,400**	**1**	**400,000**	**1**	**400,000**
Fire Department								
Fire Extinguishment								
EKG Monitor/Cardiac Defibrillator	981	Electronic Equipment	2	36,000	1	19,000	1	19,000
Self-Contained Breathing Apparatus	983	Fire Equipment	5	20,000	5	21,000	5	21,000
Thermal Imaging Camera	983	Fire Equipment	1	11,650				
Cardiac Defibrillator Upgrade	981	Electronic Equipment			2	6,000	2	6,000
Total			**8**	**67,650**	**8**	**46,000**	**8**	**46,000**
Fire Prevention								
Digital Camera	981	Electronic Equipment			2	4,000	2	4,000
Total			**0**	**0**	**2**	**4,000**	**2**	**4,000**
Emergency Management								
Homeland Security Equipment - Grant	982	Machinery & Equip. - Grant	1	312,970				
Light Tower, Message Board - Grant	982	Machinery & Equip. - Grant	1	47,740				
Total			**2**	**360,710**	**0**	**0**	**0**	**0**
Public Works Department								
Fleet Maintenance								
On Vehicle Brake Lathe	982	Machinery & Equipment			1	6,000	1	6,000
Total			**0**	**0**	**1**	**6,000**	**1**	**6,000**
Parks & Grounds Maintenance								
72" Riding Mower	982	Machinery & Equipment	1	15,000	1	15,000	1	15,000
Dual Axle Trailer	982	Machinery & Equipment	1	3,000	1	3,500	1	3,500
Total			**2**	**18,000**	**2**	**18,500**	**2**	**18,500**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2006/07	Qty.	Manager Recomm. Budget 2007/08	Qty.	Council Approved Budget 2007/08
Street Services								
Gerber Sign Shop System	982	Machinery & Equipment	1	34,000				
Total			**1**	**34,000**	**0**	**0**	**0**	**0**
Community & Info. Services								
Community Relations								
Customer Service/Complaint Tracking System	979	Computer Equipment			1	13,200	1	13,200
Total			**0**	**0**	**1**	**13,200**	**1**	**13,200**
Non-Departmental Services								
41-A District Court								
Postage Mailing Machine	982	Machinery & Equipment	1	11,320				
Total			**1**	**11,320**	**0**	**0**	**0**	**0**
Total Capital Projects Fund Equipment			**52**	**2,177,600**	**15**	**487,700**	**15**	**487,700**
Water & Sewer Fund								
Water & Sewer Administration								
800 MHz Public Safety Radio System	981	Electronic Equipment	1	154,100				
External Repairs & Painting - DPW Facility	975	Building Improvements	1	25,000				
Portable Mig Welder	982	Machinery & Equipment			1	1,750	1	1,750
Total			**2**	**179,100**	**1**	**1,750**	**1**	**1,750**
Water Distribution								
Asphalt Hot Box	982	Machinery & Equipment			1	20,000	1	20,000
Truck Mounted Traffic Safety Device	982	Machinery & Equipment			1	26,000	1	26,000
Fixed Network Automatic Meter Reading System	982	Machinery & Equipment			1	600,000	1	600,000
Total			**0**	**0**	**3**	**646,000**	**3**	**646,000**
Sewage Collection								
8" Submersible Pump	982	Machinery & Equipment	1	7,500				
Cement Saw	982	Machinery & Equipment	1	17,000				
6" Trash Pump	982	Machinery & Equipment	1	21,700				
Truck Mounted Handi-Ram	982	Machinery & Equipment	1	66,000				
Total			**4**	**112,200**	**0**	**0**	**0**	**0**
Total Water & Sewer Fund Equipment			**6**	**291,300**	**4**	**647,750**	**4**	**647,750**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2006/07	Qty.	Manager Recomm. Budget 2007/08	Qty.	Council Approved Budget 2007/08
PUBLIC SAFETY FORFEITURE FUND								
Federal Forfeitures								
CLEMIS Data Conversion	979	Computer Equipment	1	3,200				
Software	979	Computer Equipment	1	820				
Laptop Computers	979	Computer Equipment	9	20,000	2	3,000	2	3,000
Automatic Vehicle Locator Monitors	979	Computer Equipment	2	6,000				
Dispatch Desktop Computers	979	Computer Equipment	20	20,000				
Dispatcher Headset	981	Electronic Equipment	1	400				
DVD In-car Police Video System	982	Machinery & Equipment	5	27,940				
Intensive Use Chairs - Dispatch	982	Machinery & Equipment	7	8,000				
Uninteruptible Power Connection	982	Machinery & Equipment	1	15,000				
Radar Units	982	Machinery & Equipment	12	26,450				
Microfilm Machine	982	Machinery & Equipment	1	2,370				
Rifle Scopes	982	Machinery & Equipment	4	2,700				
Light Bars	982	Machinery & Equipment	15	26,670				
Multi-Media Presentation System	981	Electrical Equipment			1	10,850	1	10,850
Weapon Cleaning System	982	Machinery & Equipment			1	10,400	1	10,400
Simunition Conversion Kits	982	Machinery & Equipment			15	10,350	15	10,350
Digital Surveillance Camera	982	Machinery & Equipment			1	3,200	1	3,200
Night Vision Instrument	982	Machinery & Equipment			1	3,500	1	3,500
Investigative Vehicles	984	Vehicles			3	60,000	3	60,000
Total			**79**	**159,550**	**24**	**101,300**	**24**	**101,300**
State Forfeitures								
Laptop Computer, Software & Memory	979	Computer Equipment	1	2,100				
Navigation Systems	981	Electrical Equipment	5	2,250				
Laser Binoculars & Mounting Platforms	982	Machinery & Equipment	7	4,980				
Ammunition & Weapon Lights	982	Machinery & Equipment	6	4,230				
High Risk Raid Entry Protective Vests	985	Weapons & Gear	8	8,000				
Investigative Vehicles	984	Vehicles			4	79,500	4	79,500
Total			**27**	**21,560**	**4**	**79,500**	**4**	**79,500**
Gambling Forfeitures								
Body Armor Vests	982	Machinery & Equipment	2	810				
Total			**2**	**810**	**0**	**0**	**0**	**0**
Total Public Safety Forfeiture Fund Equipment			**108**	**181,920**	**28**	**180,800**	**28**	**180,800**
Total City Equipment			**166**	**$2,650,820**	**47**	**$1,316,250**	**47**	**$1,316,250**

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2006/07	Estimated Budget 2006/07	Manager Recomm. Budget 2007/08	Council Approved Budget 2007/08
Capital Projects Fund *								
Financial Services	979.000	Computer Equipment	1	Laser Printer	1,500	1,200		
Information Technology	979.000	Computer Equipment	1	PBX Telephone Software Upgrade	100,000	95,000		
Information Technology	979.000	Computer Equipment	1	Fiberoptic Network - Remote Buildings	47,720	47,720		
Information Technology	979.000	Computer Equipment	1	Web-based E-mail System	40,000	56,840		
Information Technology	979.000	Computer Equipment	1	Replacement Network Switch	5,640	5,640		
DPW, Engineering, Assessing, Clerk	979.000	Computer Equipment	53	Replacement Personal Computers	66,250	51,770		
41-A District Court	979.000	Computer Equipment	1	AS400 Computer & Software Replacement	30,000	31,310		
Information Technology	979.000	Computer Equipment	1	Color Printer/Copier/Scanner			6,000	6,000
Information Technology	979.100	Computer Equipment	3	Database Conversion Upgrades			4,700	4,700
Information Technology	979.150	Computer Equipment	3	Replacement File Servers			30,000	30,000
Police Department	979.305	Computer Equipment	87	Replacement Personal Computers			104,400	104,400
Parks & Rec./Senior/Nature Center	979.650	Computer Equipment	29	Replacement Personal Computers			34,800	34,800
Public Library	979.700	Computer Equipment	1	Replacement Laptop Computer			1,200	1,200
Emergency Management	979.850	Computer Equipment	1	Replacement Personal Computer			1,200	1,200
Total Capital Projects Fund			**184**		**291,110**	**289,480**	**182,300**	**182,300**
Water & Sewer Fund								
Water & Sewer Administration	979.000	Computer Equipment	13	Replacement Personal Computers	16,250	14,020		
Total Water & Sewer Fund			**13**		**16,250**	**14,020**	**0**	**0**
Total City Funds			**197**		**$307,360**	**$303,500**	**$182,300**	**$182,300**

All of the Capital Projects Fund computer equipment is budgeted in the Information Technology activity.

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2006/07	Qty.	Manager Recomm. Budget 2007/08	Qty.	Council Approved Budget 2007/08
CAPITAL PROJECTS FUND								
Motor Vehicles & Equipment - 9010								
Full-Size Passenger Vehicle	984265	Facilities Maintenance	1	23,820				
Mid-Size 4 Door Passenger Vehicle	984265	Facilities Maintenance	1	14,500	1	14,500	1	14,500
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	12	249,250	12	252,000	12	252,000
SUV Tahoe - Evidence Technician	984315	Police Operations			1	26,000	1	26,000
Animal Control Van & Equipment	984326	Police Support Services			1	30,000	1	30,000
4 x 4 Utility Vehicle	984337	Fire Administration	1	21,000				
4 x 4 Pick-up Truck	984337	Fire Training	1	22,000				
Fire Engine	984339	Fire Extinguishment	1	398,040	1	420,000	1	420,000
Platform Sign Truck	984444	Street Services	1	125,000				
Street Sweeper	984444	Street Services	1	155,000				
Single Axle Dump Truck with Plow	984444	Street Services	1	123,000				
Pick-up Truck 4 x 4 with Plow	984444	Street Services			1	29,000	1	29,000
Pick-up Truck 4x4 with Plow	984770	Parks & Grounds Maintenance	1	27,750				
Cube Van	984770	Parks & Grounds Maintenance			1	33,000	1	33,000
4 x 4 Crew Cab ¾ Ton Pick-up Truck w/Plow	984770	Parks & Grounds Maintenance			1	30,000	1	30,000
½ Ton Pick-up Truck	984752	Parks & Recreation			1	16,000	1	16,000
Total Capital Projects Fund Vehicles			**21**	**1,159,360**	**20**	**850,500**	**20**	**850,500**
WATER & SEWER FUND								
Water & Sewer Admin - 5520								
Pick-up Truck 4x4 with Plow	984000	Water & Sewer Administration	2	56,000				
Total			**2**	**56,000**	**0**	**0**	**0**	**0**
Water Distribution - 5560								
Tandem Axle Dump Truck with Plow	984000	Water Distribution	1	132,000				
Cube Van	984000	Water Distribution	1	31,150				
One Ton Extended Van	984000	Water Distribution			1	19,700	1	19,700
Total			**2**	**163,150**	**1**	**19,700**	**1**	**19,700**
Sewage Collection - 5580								
Pick-up Truck 4x4 with Plow	984000	Sewage Collection	1	28,000				
Vac All Sewer Cleaner	984000	Sewage Collection			1	220,000	1	220,000
Total			**1**	**28,000**	**1**	**220,000**	**1**	**220,000**
Total Water & Sewer Fund Vehicles			**5**	**247,150**	**2**	**239,700**	**2**	**239,700**
Total City Vehicles			**26**	**1,406,510**	**22**	**1,090,200**	**22**	**1,090,200**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2006/07	Estimate 2006/07	Manager Recomm. Budget 2007/08	Council Approved Budget 2007/08	Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Budget Year 2007/08	Future Years 2008/09	2009/10	2010/11
	CAPITAL PROJECTS FUND												
975000	Primary Electrical Switch	47,000											
		GF	60,000	47,000			GF	0	0	0	0	0	0
975000	Police Detention Facility - Sewer Repair	23,200											
		CPF	0	23,200			GF	1,000	1,000	0	0	0	0
975000	Replacement Carpeting - 41A District Ct.	60,000											
		GF			60,000	60,000	GF	100	100	0	0	0	0
975010	City Entrance Signs	70,000											
	14 Mile Road & Van Dyke	GF/CPF	20,000	40,000									
	Metropolitan Parkway & Dequindre	GF			30,000	30,000	GF	0	0	100	100	100	100
975130	Municipal Facility Parking Lot Repairs -	235,000											
	2007: Baumgartner Park	GF	135,000	135,000									
	2008: City Hall Parking Lot	GF			100,000	100,000	GF	1,000	1,000	500	500	500	500
975140	Exhaust Extrication System - Public Works	25,890											
		CPF	25,890	25,890			GF	0	0	200	200	200	200
975140	Pump Station Repairs - Laurel Meadows	27,300											
		CPF	27,300	27,300			GF	0	0	0	0	0	0
975140	Pump Station Repairs - Fairfield	89,000											
		GF			89,000	89,000	GF	0	0	0	0	0	0
975220	Replacement Carpeting - Fire Station #5	35,450											
		CPF	12,970	12,970			GF	100	0	0	0	0	0
975220	Fire Station Renovations -	5,000,000											
	Fire Stations #2, #3, #4 (Prop. F-08)	CPF	0	50,000	4,950,000	4,950,000	GF/Prop F	0	0	0	400,000	425,000	450,000
	Sidewalk Gap Completion Program	795,000											
975820	2004: Gap Program & ROW	CPF	0	60,000			GF	0	0	0	0	0	0
		CPF	100,000	100,000									
988103	2006: Gap Program & ROW	SAD (CPF)	285,000	285,000			GF	0	0	0	0	0	0
		GF/CPF	100,000	0	100,000	100,000							
975820	2007: Gap Program & ROW	SAD (CPF)	250,000	0	250,000	250,000	GF	0	0	0	0	0	0
986000	Drain Maintenance - County	300,000											
		CPF	150,000	150,000	150,000	150,000	GF	0	0	0	0	0	0
986000	Schuer Drain on Metropolitan Parkway	330,000											
		SAD (CPF)	315,000	0	330,000	330,000	GF	0	0	0	1,000	1,000	1,000
986000	Gibson Drain Bank Erosion Restoration	90,000											
		COUNTY	40,000	0	40,000	40,000							
		CPF	50,000	15,000	35,000	35,000	GF	0	0	0	0	0	0
988000	School Walkway Repairs -	25,000											
	2007: Canterbury, Hamilton East	GF	15,000	15,000									
	2008: Poinciana, North Central	GF			10,000	10,000	GF	500	500	500	0	0	0
988000	Master Retention Pond and Storm Sewer	100,000											
	Plan Update	GF/CPF	70,000	100,000			GF	0	0	0	0	0	0
988116	Senior Active Life Center Addition -	2,200,000											
	Construction (LTGO-07)	CPF	1,800,000	1,800,000			GF	0	0	70,000	72,000	74,000	76,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES: Total Cost/ Funding Source	Budget 2006/07	Estimate 2006/07	Manager Recomm. Budget 2007/08	Council Approved Budget 2007/08	Estimated Annual Operating Costs (Including Debt Repayment): Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Budget Year 2007/08	Future Years 2008/09	2009/10	2010/11
	Miscellaneous City Sidewalk Repair Program	1,430,000											
		GF/CPF	180,000	180,000									
988119	2006: Sections 20, 29	SAD (CPF)	616,870	700,000			GF	2,000	2,000	0	0	0	0
		GF			125,000	125,000							
975070	2007: Section 19	SAD (CPF)			425,000	425,000	GF	2,000	2,000	2,000	0	0	0
	Total Capital Projects Fund	**$10,882,840**	**$4,253,030**	**$3,766,360**	**$6,694,000**	**$6,694,000**		**$6,700**	**$6,600**	**$73,300**	**$473,800**	**$500,800**	**$527,800**
	ROAD BOND CONSTRUCTION FUND												
988000	Lakeside Shopping Center Special Assessment Improvements (SAD-08)	2,700,000 SAD (RBCF)			2,700,000	2,700,000	MRF	0	0	0	0	0	0
988000	Red Run/Moravian Drive Resurfacing - 14 Mile to Schoenherr Road (MTFB-07)	400,000 RBCF	400,000	400,000			MRF	1,000	1,000	40,000	40,000	40,000	45,000
988130	19 Mile Road Widening - 5 lanes Schoenherr to West of Saal (MTFB-07)	463,400 RBCF	620,000	463,400			MRF	0	0	50,000	50,000	50,000	55,000
988858	18-1/2 Mile Road Connector - Mound Road to Van Dyke (MTFB-05)	4,560,000 RBCF	135,450	135,450			MRF	50,000	50,000	50,000	50,000	50,000	50,000
988876	17 Mile Road Bridge Repair Over Conrail (MTFB-05)	930,000 RBCF	700	700			MRF	90,000	90,000	90,000	90,000	90,000	90,000
988956	Dobry Drive Resurfacing - Ryan Road to Dequindre Road (MTFB-07)	533,140 RBCF	520,000	533,140			MRF	1,000	1,000	60,000	60,000	60,000	60,000
988986	19 Mile Road Boulevard Widening - Mound Road to Ryan Road (MTFB-07)	3,574,890											
		Fed.-08 - Con.	2,320,000	2,447,890									
		RBCF-Con.	580,000	612,000			MRF	0	0	180,000	180,000	180,000	200,000
		RBCF-Eng.	200,000	300,000									
	19 Mile Road Landscaping - Mound Road to Ryan Road (MTFB-07)	GRANT	256,800	0									
		RBCF	128,400	215,000			MRF	0	0	2,000	2,000	2,000	2,000
	Total Road Bond Construction Fund	**$13,161,430**	**$5,161,350**	**$5,107,580**	**$2,700,000**	**$2,700,000**		**$142,000**	**$142,000**	**$472,000**	**$472,000**	**$472,000**	**$502,000**
	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
988000	Traffic Signals	150,000											
	a) Miscellaneous Locations	MRF	100,000	50,000	70,000	70,000	MRF	500	500	500	500	500	500
	b) Schoenherr & Southcove				30,000	30,000							
988000	Bridge Deck Replacement - Van Dyke Bridge over the Clinton River	32,000 MRF	30,000	0	32,000	32,000	MRF	0	0	0	0	0	0
988000	18 Mile Road Widening - Mound Road to Van Dyke - Design & ROW	200,000 MRF			200,000	200,000	MRF	0	0	0	0	0	0
988000	Schoenherr Road Pavement Improvements Utica Road to Clinton River Road	105,000 MRF	0	105,000			MRF	500	500	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2006/07	Estimate 2006/07	Manager Recomm. Budget 2007/08	Council Approved Budget 2007/08	Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Budget Year 2007/08	Future Years 2008/09	Future Years 2009/10	Future Years 2010/11
988101	18 Mile Road & Utica Road -	210,000											
	Intersection Alignment	MRF	200,000	0	210,000	210,000	MRF	0	0	0	0	0	0
988118	Schoenherr Road Landscaping -	89,970											
	14 Mile Road to Metropolitan Parkway	GRANT	62,000	62,000									
		MRF	27,970	27,970			MRF	0	0	1,000	1,000	1,000	1,000
988700	Dequindre Road - 18 Mile Road to M-59	83,730											
	Prelim. Engineering & ROW	MRF	8,770	35,000	15,000	15,000	MRF	0	0	0	0	0	0
988852	Utica Road Boulevard	2,100,000											
		MRF	14,670	14,670			MRF	5,000	5,000	5,000	5,000	5,000	5,000
988928	Metropolitan Parkway Widening -	820,000											
	Dodge Park Road to Utica Road	MRF	280	280			MRF	5,000	5,000	5,000	5,000	5,000	5,000
988982	Metropolitan Parkway Blvd. Landscaping -	75,900											
	Dodge Park Road to Utica Road	GRANT	52,000	52,000									
		MRF	23,900	23,900			MRF	0	0	1,000	1,000	1,000	1,000
	Total County Roads	**$4,016,600**	**$619,590**	**$420,820**	**$657,000**	**$657,000**		**$11,000**	**$11,000**	**$12,500**	**$12,500**	**$12,500**	**$12,500**
	CITY RESURFACING PROGRAM												
988000	Foxhill Drive Resurfacing -	380,000											
	Mound Road to Carpathia	MRF			380,000	380,000	MRF	1,500	1,500	0	0	0	0
988108	Plumbrook Road Reconstruction -	140,000											
	17 Mile Road to Van Dyke Road	MRF	140,000	140,000			MRF	2,000	1,000	0	0	0	0
	OTHER IMPROVEMENTS												
988000	18 1/2 Mile Roundabout Landscaping	21,000											
		GRANT	14,700	0	14,700	14,700							
		MRF	6,300	0	6,300	6,300	MRF	0	0	0	500	500	500
988000	Plumbrook Road & Utica Road -	50,000											
	Center Turn Lane Intersection	GRANT			35,000	35,000							
	Improvements	MRF			15,000	15,000	MRF	0	0	0	200	200	200
988000	19 Mile Road & Van Dyke -	608,000											
	Intersection Improvements	GRANT			405,000	405,000							
		MRF			203,000	203,000	MRF	0	0	0	500	500	500
988120	Miscellaneous City-wide Concrete	550,000											
	Replacement Program	MRF	275,000	275,000	275,000	275,000	MRF	0	0	0	0	0	0
988135	**2006 Bridge Maintenance Program -**												
	Culvert Cleanout - 15 Mile over Big Beaver												
	Drain, Ryan Road over Plumbrook Drain,	70,000											
	Dodge Park Road over Plumbrook Drain	MRF	70,000	70,000			MRF	0	0	0	0	0	0
988943	**Intersection Improvements -**												
	19 Mile Road & Saal Road,	825,000											
	Canal Road & Saal Road, and	MRF	34,240	35,100			MRF	0	2,000	2,000	2,000	2,000	2,000
	19 Mile Road & Michigan Drive												
	Traffic Signal Improvements												

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES: Total Cost/ Funding Source	Budget 2006/07	Estimate 2006/07	Manager Recomm. Budget 2007/08	Council Approved Budget 2007/08	Estimated Annual Operating Costs (Including Debt Repayment): Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Budget Year 2007/08	Future Years 2008/09	Future Years 2009/10	Future Years 2010/11
988986	19 Mile Road Widening -	300,000											
	Ryan to Dequindre Road - Design	MRF	200,000	200,000	100,000	100,000	MRF	0	0	0	0	0	0
	TRAFFIC CONTROLS												
		213,000											
988000	Miscellaneous Locations	MRF	70,000	70,000			MRF	500	500	500	500	500	500
	a) 15 Mile Road & Chrysler Plant		30,000	30,000									
	b) Canal & Goldberg - School Crossing		13,000	13,000									
	c) 17 Mile Road & Dodge Park Road				100,000	100,000							
	NON-MOTORIZED IMPROVEMENTS												
988000	Miscellaneous Right-Of-Way	50,000											
	Acquisition	MRF	50,000	0	50,000	50,000	MRF	0	0	0	0	0	0
	Total City Major Road	**$3,207,000**	**$903,240**	**$833,100**	**$1,584,000**	**$1,584,000**		**$4,000**	**$5,000**	**$2,500**	**$3,700**	**$3,700**	**$3,700**
	Total Major Road Fund	**$7,223,600**	**$1,522,830**	**$1,253,920**	**$2,241,000**	**$2,241,000**		**$15,000**	**$16,000**	**$15,000**	**$16,200**	**$16,200**	**$16,200**
	LOCAL ROAD FUND												
	Neighborhood Road Repair & Replacement Program												
988000	Algonquin, Evergreen, Heidi, Juniper -	575,000											
	Asphalt Resurfacing	GF/Prop N			575,000	575,000	LRF	1,000	1,000	0	0	0	0
988000	Gardner Street Asphalt Paving -	325,000											
	Ryan Road to Hampton Park	LRF			50,000	50,000							
		SAD (LRF)			275,000	275,000	LRF	1,000	1,000	0	0	0	0
988000	Dawn Drive Asphalt Paving -	60,000											
	Van Dyke to Utica Road	LRF			10,000	10,000							
		SAD (LRF)			50,000	50,000	LRF	500	500	0	0	0	0
988107	Clifton, Firestone, Breckenridge Drive -	590,000											
	Concrete Replacement	LRF	16,400	16,400			LRF	1,000	0	0	0	0	0
988114	Gloucester, Heidi, Highlite, Sheri, Tericrest -	900,000											
	Asphalt Resurfacing	GF/Prop N	500,000	500,000									
		LRF	279,220	400,000			LRF	1,000	0	0	0	0	0
988120	Miscellaneous City-wide Concrete	1,500,000											
	Replacement Program	LRF	750,000	750,000	750,000	750,000	LRF	0	0	0	0	0	0
988143	Lin Drive - Concrete Replacement	145,000											
		GF/Prop N	75,000	75,000									
		LRF	75,000	70,000			LRF	500	0	0	0	0	0
988880	Elmridge Drive - Concrete Paving,	536,000											
	Storm Sewer	SAD (LRF)	8,040	8,040			LRF	0	0	0	0	0	0
988897	Lisa Marie Drive - Concrete Paving, Storm	225,040											
	Sewer	LRF	1,230	2,000	119,920	119,920							
		SAD (LRF)	0	0	105,120	105,120	LRF	0	0	0	500	500	500
	Total Local Road Fund	**$4,856,040**	**$1,704,890**	**$1,821,440**	**$1,935,040**	**$1,935,040**		**$5,000**	**$2,500**	**$0**	**$500**	**$500**	**$500**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2006/07	Estimate 2006/07	Manager Recomm. Budget 2007/08	Council Approved Budget 2007/08	Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Budget Year 2007/08	Future Years 2008/09	2009/10	2010/11
	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
972008	Nelson Park North - Pave and Expand Parking Lot, Sign, Path Construction, Playground Equipment	361,800 CDBG	4,340	5,020			GF	300	300	300	300	300	300
972008	Replacement Handicapped Accessible Playground Equipment - Farmstead Park	70,000 CDBG	70,000	70,000			GF	0	0	0	0	0	0
988108	Plumbrook Road Reconstruction - 17 Mile Road to Van Dyke	334,210 CDBG	333,570	333,570			MRF	1,000	0	0	0	0	0
988116	Senior Active Life Center Addition - Architectural Plans	122,000 CDBG	34,000	34,000			GF	0	0	0	0	0	0
988116	Senior Active Life Center Addition - Construction	2,200,000 CDBG	400,000	400,000			CDBG	0	0	350,000	350,000	350,000	350,000
988971	Count Court Reconstruction	64,440 CDBG	62,100	62,440			LRF	500	0	0	0	0	0
	Total C.D.B.G. Fund	**$3,152,450**	**$904,010**	**$905,030**	**$0**	**$0**		**$1,800**	**$300**	**$350,300**	**$350,300**	**$350,300**	**$350,300**
	CORRIDOR IMPROVEMENT AUTHORITY FUND												
988000	North Van Dyke CIA Improvements - Traffic Circle to City Limits Streetscape Project - (Phase I) (LTGO-08)	2,875,000 GRANT CIA-Con. CIA - Eng.			1,875,000 625,000 375,000	1,875,000 625,000 375,000	CIA	0	0	0	50,000	50,000	65,000
	Total Corridor Imp. Authority Fund	**$2,875,000**	**$0**	**$0**	**$2,875,000**	**$2,875,000**		**$0**	**$0**	**$0**	**$50,000**	**$50,000**	**$65,000**
	LAND & WATER CONSERVATION FUND												
	LAND ACQUISITION												
971000	City Property Building Demolition - Utica Road and Dodge Park Road	20,680 LWCF	19,600	20,680			GF	0	500	500	500	500	500
971002	City Property Acquisition - Nature Preserve	560 LWCF	550	560			GF	0	0	0	0	0	0
	LAND DEVELOPMENT												
972000	Neighborhood Park Tree Planting - 2006: Baumgartner Park, 2007: Delia Park 2008: Dodge Park	18,000 LWCF GRANT	6,000 6,000	6,000 6,000	3,000 3,000	3,000 3,000	GF	0	0	0	0	0	0
972000	(6) Portable Bleachers - Delia Park	12,800 GF	12,600	12,800			GF	0	0	0	0	0	0
972333	Ball Diamond Replacement Fencing - Delia Park - (Phase I & II)	130,570 GF/CPF	61,800	64,270	66,300	66,300	GF	0	0	0	0	0	0
972845	Regional Bike/Hike Trail - Riverland to Van Dyke	775,000 LWCF	11,030	11,030			GF	3,000	3,000	3,000	3,000	3,000	3,000
972934	Soccer Field - Nelson Park North	17,920 LWCF	50	50			GF	1,500	1,500	1,500	1,500	1,500	1,500
	Total Land & Water Conserv. Fund	**$975,530**	**$117,630**	**$121,390**	**$72,300**	**$72,300**		**$4,500**	**$5,000**	**$5,000**	**$5,000**	**$5,000**	**$5,000**

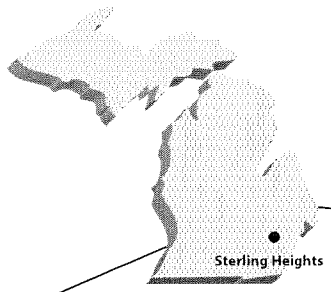
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Program 2006/07	Estimate 2006/07	Manager Recomm. Program 2007/08	Council Approved Program 2007/08	Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Program Year 2007/08	Future Years 2008/09	2009/10	2010/11
	WATER & SEWER IMPROVEMENT FUND SANITARY SEWERS												
	Utica Road, East of Walnut Lane, Walnut Lane	370,000 W&S	353,000	0	370,000	370,000	W&S	0	0	0	500	500	500
	Moravian Road, East of Schoenherr South Side	75,000 W&S	75,000	75,000			W&S	0	0	100	100	100	100
	17 Mile Road, West of Car Wash	174,300 W&S	174,300	174,300			W&S	0	0	300	300	300	300
	Maple Lane - 14 Mile Road to Volpe Road, East Side	195,000 W&S	184,000	0	195,000	195,000	W&S	0	0	0	300	300	300
	Moravian Road, South Side Hayes to East of 15 Mile Road	285,000 W&S	273,000	0	285,000	285,000	W&S	0	0	0	400	400	400
	Hayes Road - Moravian Road to Bartola Subdivision	145,000 W&S	140,000	0	145,000	145,000	W&S	0	0	0	300	300	300
	34473 Coachwood Drive - Lead Repair	25,000 W&S	25,000	25,000			W&S	0	0	100	100	100	100
	33909 - 33685 Red Run Road	87,000 W&S	87,000	87,000			W&S	0	0	100	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	300	300	300	300
	Utica Road - Hamilton East Drive to Irval, East Side (including ROW)	420,000 W&S	400,000	0	420,000	420,000	W&S	0	0	0	600	600	600
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	210,000 W&S	200,000	0	210,000	210,000	W&S	0	0	0	300	300	300
	Sanitary Sewer Repairs: Sheffield Medical Plaza Kidley Drive	40,000 W&S W&S	15,000	15,000	25,000	25,000	W&S	500	500	0	0	0	0
	Clinton River Road - South of Canal	30,000 W&S			30,000	30,000	W&S	0	0	0	100	100	100
	Lisa Marie Drive	69,440 SAD W&S			33,120 36,320	33,120 36,320	W&S	0	0	0	100	100	100
	Wilshire Court	116,000 W&S			116,000	116,000	W&S	0	0	0	200	200	200
	Canal Road near Clinton River Road Sewer Repair	100,000 W&S			100,000	100,000	W&S	0	0	0	200	200	200
	Dodge Park Road - Utica Road to Metropolitan Parkway - ROW	150,000 W&S			150,000	150,000	W&S	0	0	0	300	300	300
	Schoenherr Road, Eastside - Butler to the North	80,000 W&S			80,000	80,000	W&S	0	0	0	200	200	200
	Saal Road - North of Longview	169,000 W&S			169,000	169,000	W&S	0	0	0	300	300	300
	Total Sanitary Sewer	**$2,915,740**	**$2,101,300**	**$551,300**	**$2,364,440**	**$2,364,440**		**$500**	**$500**	**$900**	**$4,700**	**$4,700**	**$4,700**

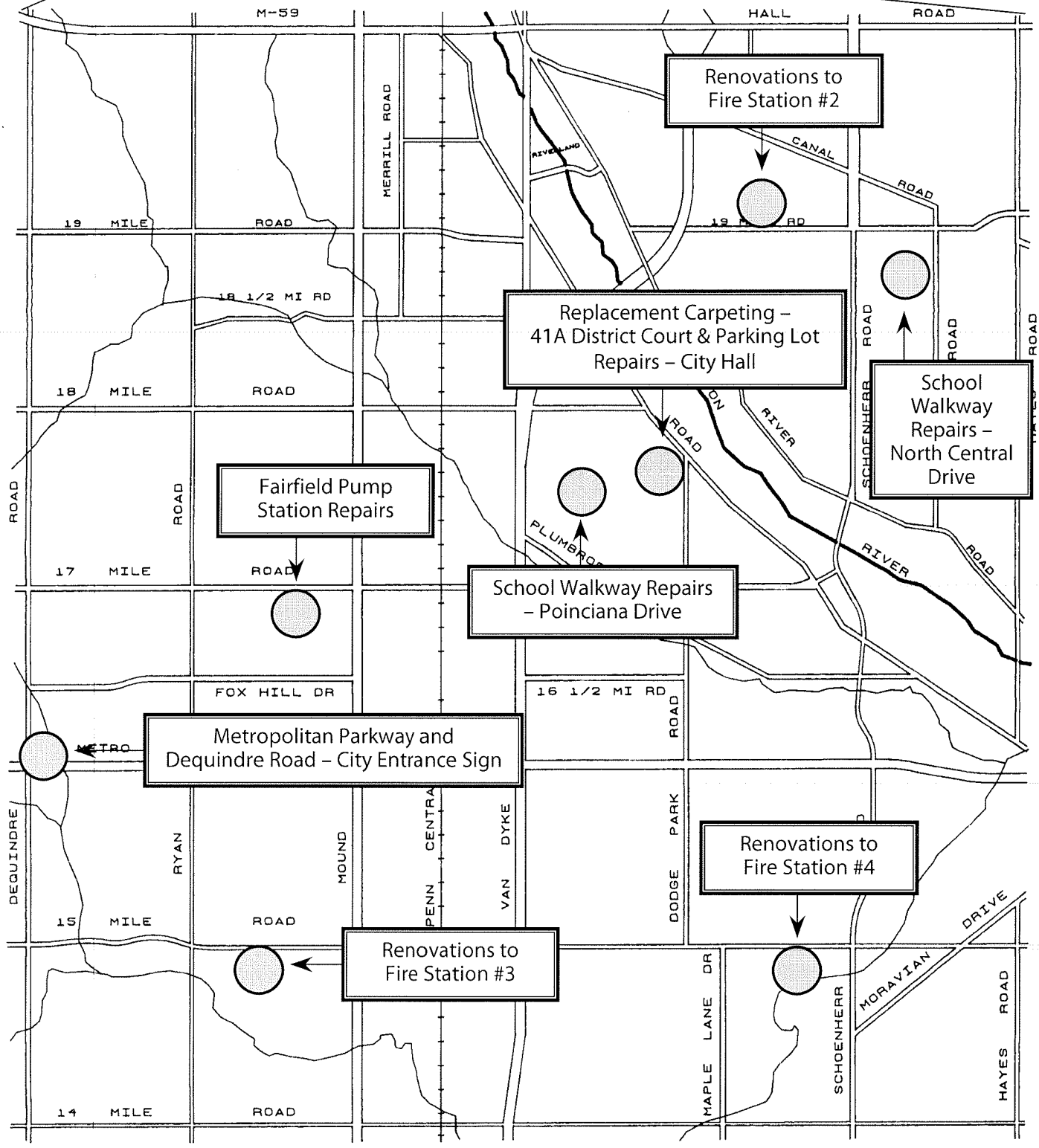
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Program 2006/07	Estimate 2006/07	Manager Recomm. Program 2007/08	Council Approved Program 2007/08	Proposed Method of Financing	Estimated Prior Yr. 2005/06	Estimated Current Yr. 2006/07	Program Year 2007/08	Future Years 2008/09	Future Years 2009/10	Future Years 2010/11
	WATER MAINS												
	17 Mile Road - Plumbrook to Van Dyke	268,000											
		W&S	268,000	268,000			W&S	0	0	400	400	400	400
	Section 4 along Mound, Catalpa, Merrill	551,000											
	& Arrow; Under Conrail Railroad	W&S	551,000	551,000			W&S	0	0	600	600	600	600
	Dequindre & 14 Mile Road -	2,300,000											
	Sections 30 & 31	W&S	2,200,000	0	2,300,000	2,300,000	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	100	100	100	100
	Mound Road - 17 Mile to 18 1/2 Mile Road	1,680,000											
		W&S	1,680,000	1,680,000			W&S	0	0	1,800	1,800	1,800	1,800
	North Side of 16 1/2 Mile Road - Private	90,000											
	Drive	W&S	90,000	90,000			W&S	0	0	200	200	200	200
	Lisa Marie Drive	35,600											
		SAD			13,660	13,660							
		W&S			21,940	21,940	W&S	0	0	0	100	100	100
	17 Mile Road - Dodge Park Road to	130,000											
	Theresa Court	W&S			130,000	130,000	W&S	0	0	0	300	300	300
	Total Water Mains	**5,076,600**	**4,811,000**	**2,611,000**	**2,465,600**	**2,465,600**		**$0**	**$0**	**$3,100**	**$5,500**	**$5,500**	**$5,500**
	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	30,000											
	Program - 10-30 Hydrants per year	W&S	15,000	15,000	15,000	15,000	W&S	300	300	300	300	300	300
	Riverland Shopping Center - Water Main	115,000											
	Replacement	W&S	115,000	115,000			W&S	0	0	0	0	0	0
	17 Mile Road & Van Dyke - Water Main	78,000											
	Replacement	W&S	78,000	78,000			W&S	0	0	0	0	0	0
	Total Replacement Fund	**$223,000**	**$208,000**	**$208,000**	**$15,000**	**$15,000**		**$300**	**$300**	**$300**	**$300**	**$300**	**$300**
	Total Water & Sewer Funds	**$8,267,740**	**$7,146,500**	**$3,396,500**	**$4,871,240**	**$4,871,240**		**$800**	**$800**	**$4,300**	**$10,500**	**$10,500**	**$10,500**
	Total City Capital Improvements	**$51,394,630**	**$20,810,240**	**$16,372,220**	**$21,388,580**	**$21,388,580**		**$175,800**	**$173,200**	**$919,900**	**$1,378,300**	**$1,405,300**	**$1,477,300**

2007/08 MUNICIPAL FACILITIES

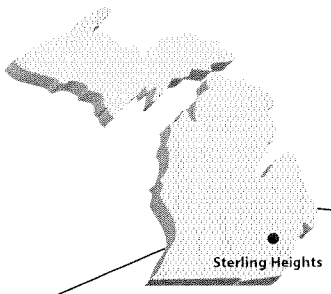


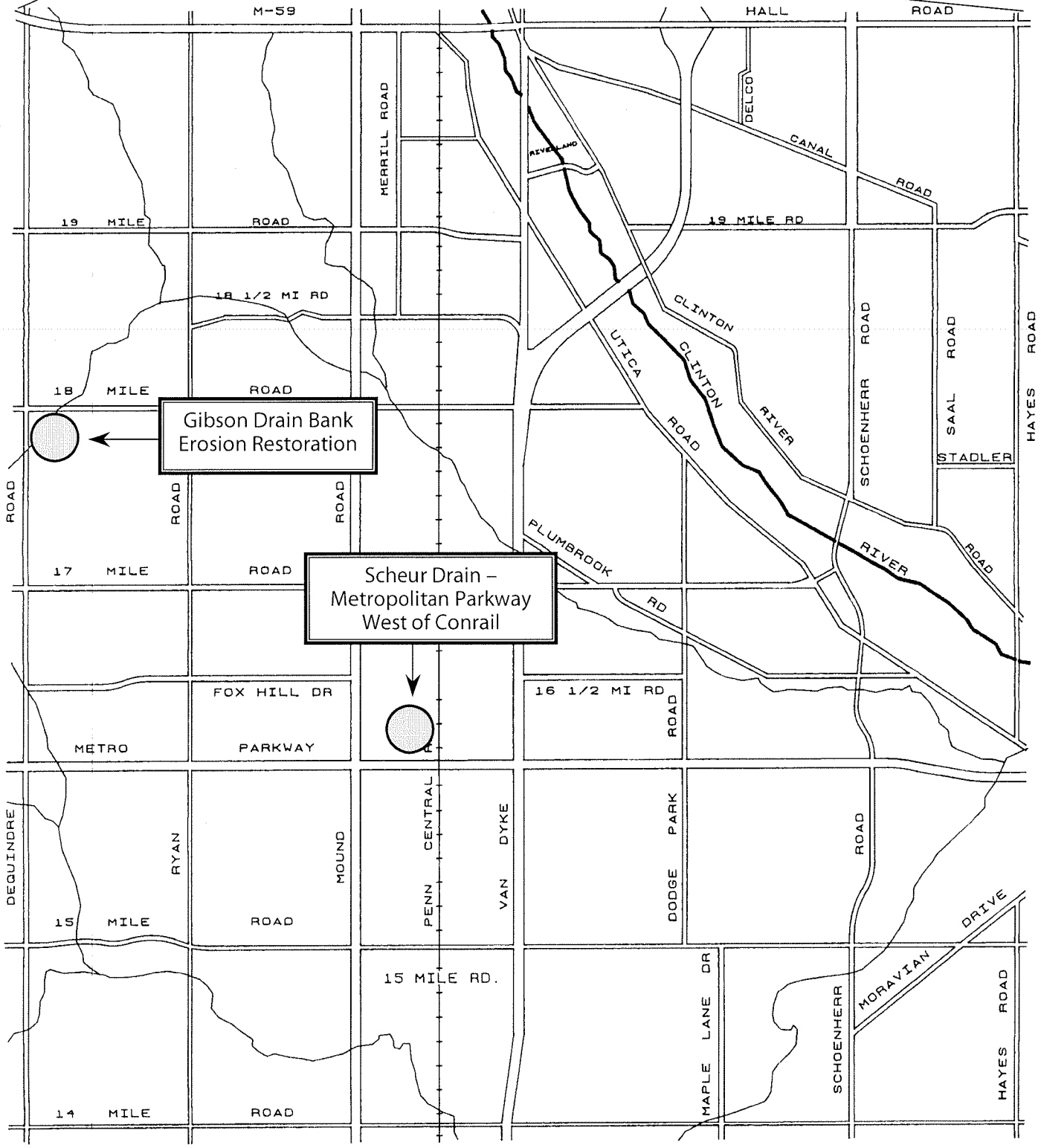
Miscellaneous City Sidewalk Repair & Gap Completion Programs



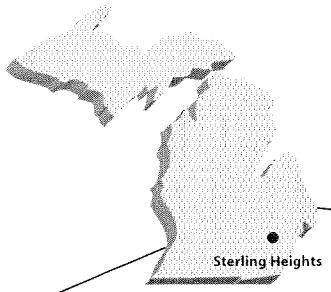
2007/08 STORM DRAINS

Storm Drain Maintenance – County

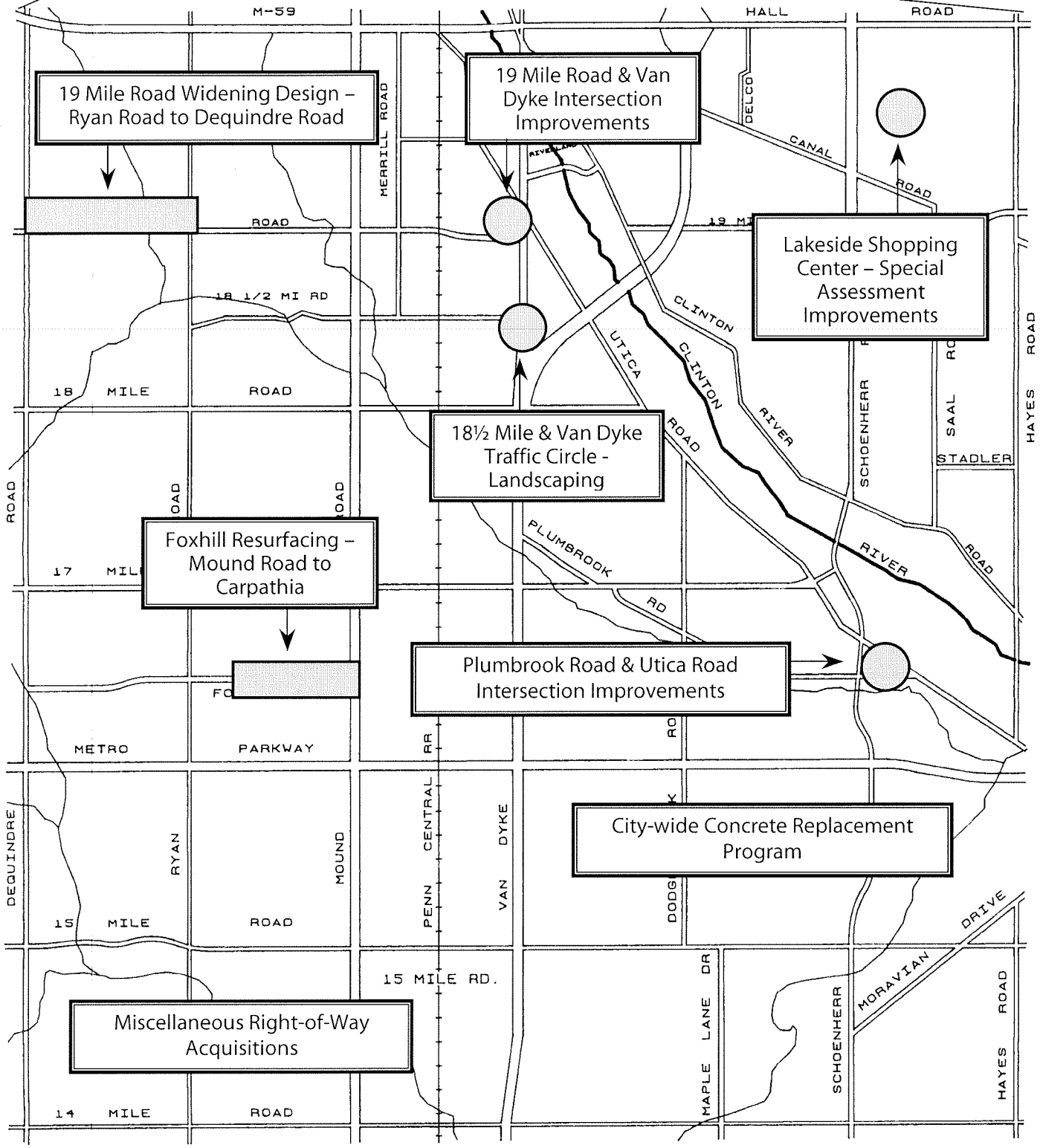




2007/08 MAJOR ROADS



Miscellaneous Traffic Signals & Intersection Improvements



19 Mile Road Widening Design – Ryan Road to Dequindre Road

19 Mile Road & Van Dyke Intersection Improvements

Lakeside Shopping Center – Special Assessment Improvements

18½ Mile & Van Dyke Traffic Circle - Landscaping

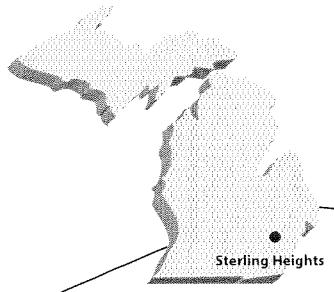
Foxhill Resurfacing – Mound Road to Carpathia

Plumbrook Road & Utica Road Intersection Improvements

City-wide Concrete Replacement Program

Miscellaneous Right-of-Way Acquisitions

2007/08 COUNTY & STATE ROAD PLANS



Miscellaneous Traffic Signals

North Van Dyke CIA Streetscape Improvements – Phase I

Bridge Deck Replacement – Van Dyke Bridge over the Clinton River

Dequindre Road – 18 Mile Road to M-59 – Right-of-Way

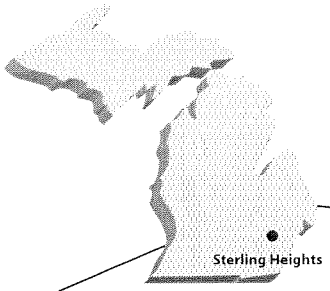
18 Mile Road & Utica Road Intersection Alignment

18 Mile Road Widening – Mound Road to Van Dyke – Design & Right-of-Way Purchase

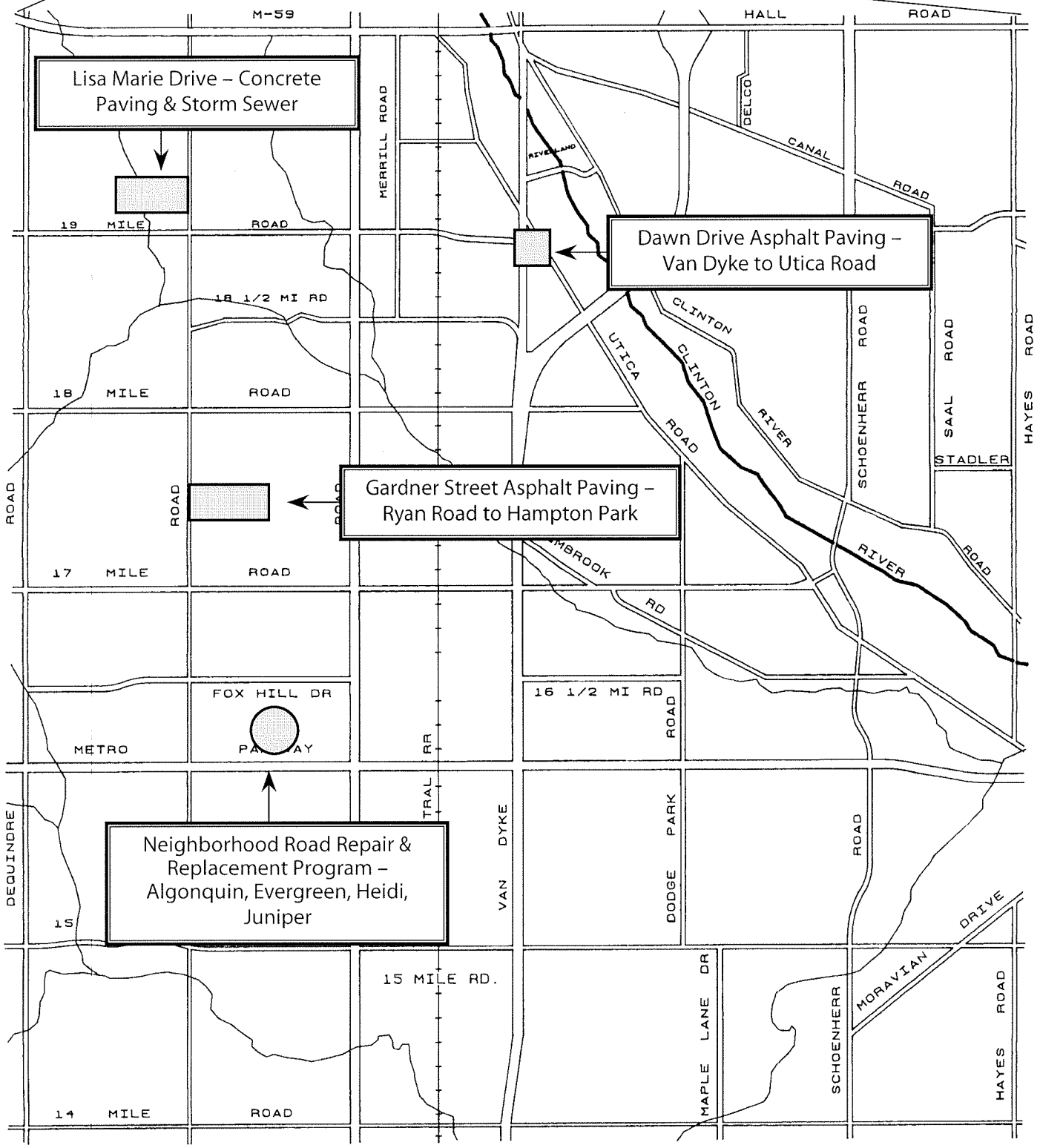
Miscellaneous Intersection Improvements

M-59
HALL ROAD
19 MILE RD
18 1/2 MI RD
18 MILE ROAD
16 1/2 MI RD
15 MILE ROAD
15 MILE RD.
14 MILE ROAD
FOX HILL DR
METRO PARKWAY
CLINTON RIVER ROAD
UTICA ROAD
SCHOENHERR ROAD
SAAL ROAD
STADLER
HAYES ROAD
DEQUINDRE
RYAN
MOUND
PENN CENTRAL RR
VAN DYKE
DODGE PARK
MAPLE LANE DR
MORAVIAN DRIVE

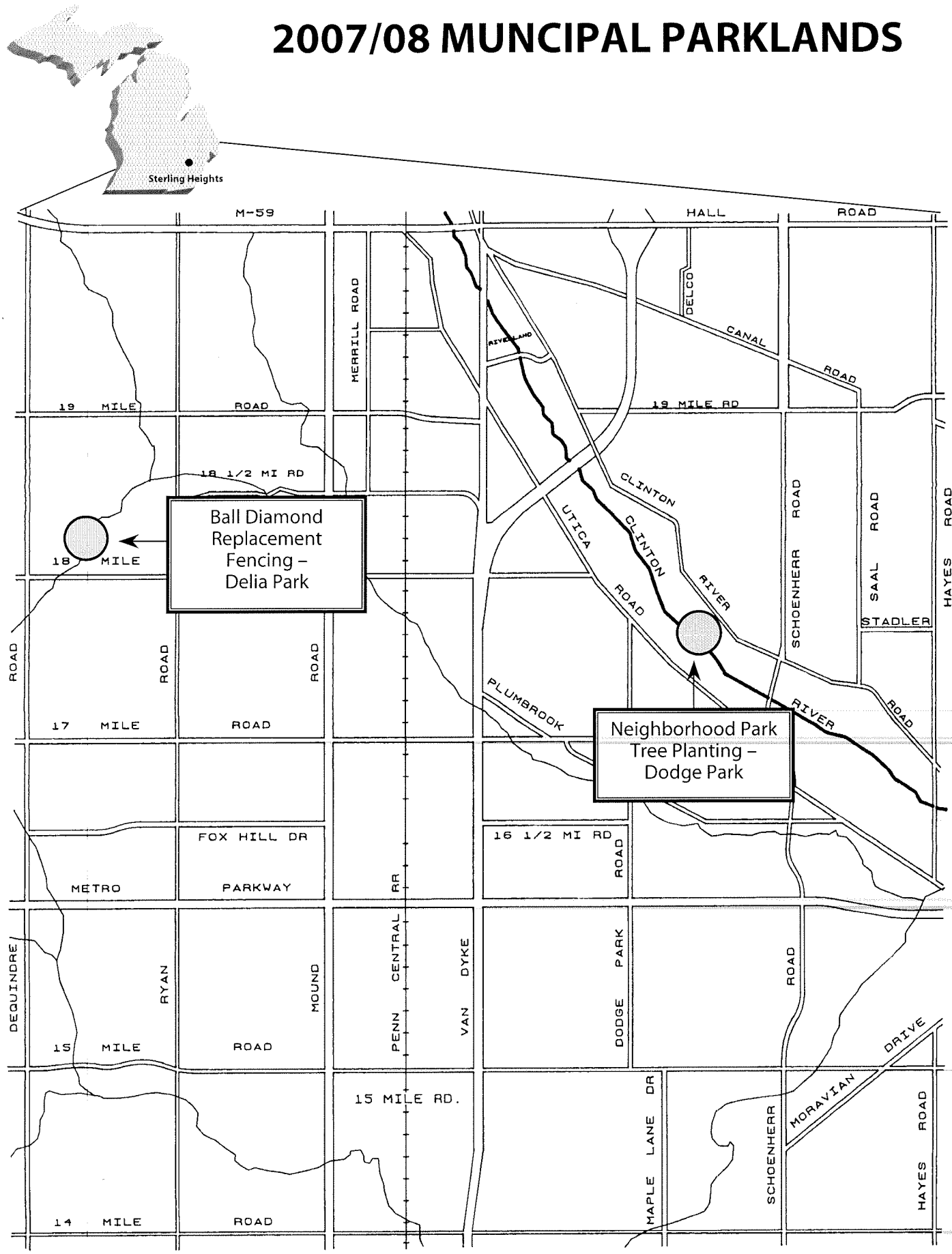
2007/08 LOCAL ROADS



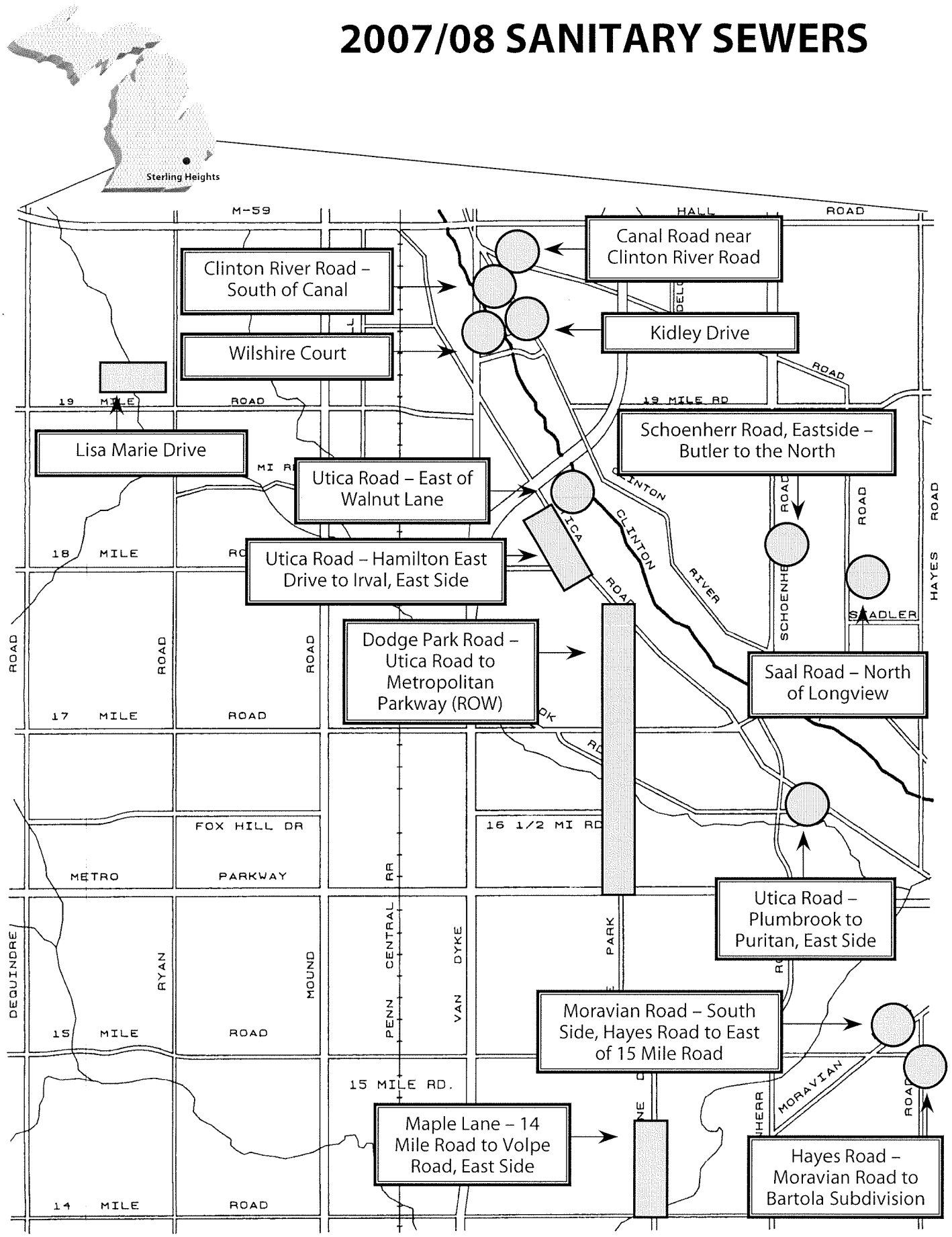
City-wide Concrete Replacement Program



2007/08 MUNCIPAL PARKLANDS

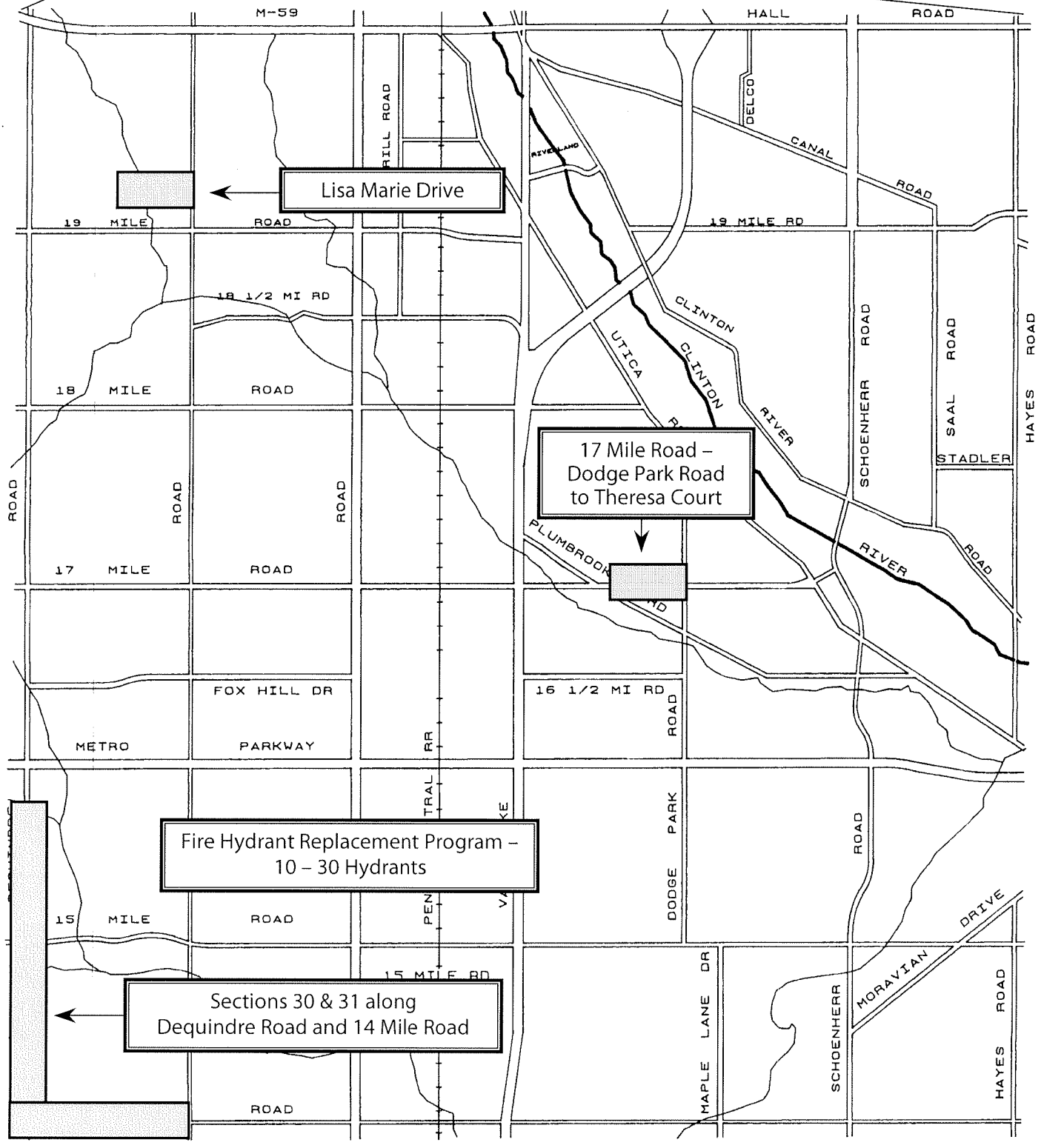


2007/08 SANITARY SEWERS



2007/08 WATER MAINS

Geographic Information System
Maintenance and Data Input

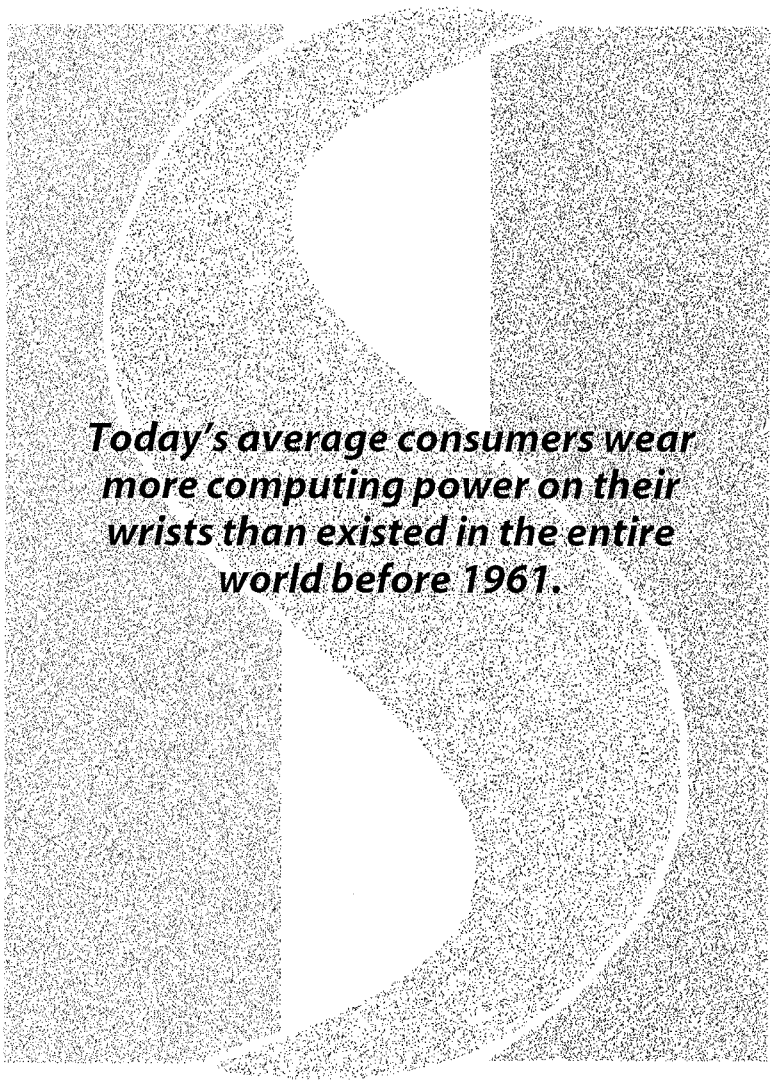


Lisa Marie Drive

17 Mile Road –
Dodge Park Road
to Theresa Court

Fire Hydrant Replacement Program –
10 – 30 Hydrants

Sections 30 & 31 along
Dequindre Road and 14 Mile Road


Today's average consumers wear
more computing power on their
wrists than existed in the entire
world before 1961.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	1997	1998	1999	2000	2001	2002 (1)	2003	2004	2005	2006
Revenues										
Property Taxes	$36,103,132	$38,377,602	$39,847,195	$41,266,995	$42,155,402	$44,773,685	$46,791,310	$48,495,510	$50,357,630	$52,574,000
Fees & Permits	1,806,845	1,927,254	1,950,414	1,855,159	2,253,273	1,916,542	2,036,864	2,318,120	2,012,360	1,986,333
Federal Sources	1,122,709	1,749,186	1,016,601	1,178,322	1,657,762	1,280,774	752,977	1,629,936	2,069,321	3,198,148
State & Local Sources	16,504,292	18,040,933	18,653,817	19,281,979	20,293,929	20,676,922	20,161,887	20,176,008	19,607,043	19,721,028
Fines & Forfeitures	2,573,676	2,608,848	2,776,653	2,798,853	2,781,114	2,299,389	2,587,756	3,069,824	2,995,613	2,890,745
Charges For Services	5,460,371	5,097,114	5,371,619	5,451,881	5,791,473	5,514,851	5,875,269	6,334,722	6,695,039	7,795,120
Interest Income	2,158,734	2,394,710	2,692,819	3,424,163	3,509,122	1,921,851	1,760,354	567,049	977,664	1,788,092
Special Assessments	598,307	437,830	443,641	319,727	164,086	179,973	68,497	372,917	73,776	28,017
Rental Income	965,417	944,852	1,075,936	1,035,063	1,240,272	1,047,761	1,253,148	1,298,796	1,566,845	1,357,037
Cable Revenue	790,999	673,080	868,817	972,802	1,264,214	1,302,183	1,120,768	1,224,778	1,319,937	1,371,831
Other	876,643	1,944,402	1,231,428	1,388,993	1,110,088	2,074,758	1,927,055	2,758,591	1,980,022	1,731,700
Total Revenues	***68,961,125***	***74,195,811***	***75,928,940***	***78,973,937***	***82,220,735***	***82,988,689***	***84,335,885***	***88,246,251***	***89,655,250***	***94,442,051***
Expenditures										
General Government	6,851,373	6,938,739	7,030,523	7,663,131	8,368,507	8,550,972	8,733,703	9,091,026	10,042,438	10,109,764
41A District Court	2,026,851	2,072,201	2,044,259	1,999,838	2,131,093	2,178,525	2,173,817	2,342,220	2,472,160	2,660,587
Public Safety	27,747,751	27,118,090	26,932,023	28,089,598	30,386,650	30,913,608	33,857,315	35,779,556	38,346,169	39,440,275
Public Works	15,346,854	14,503,055	14,885,110	15,456,764	16,492,407	16,910,029	18,334,751	18,280,775	21,418,948	18,545,503
Recreation & Culture	3,400,334	3,633,902	3,619,970	3,795,871	4,035,209	4,323,476	4,447,809	4,553,035	4,669,116	4,868,429
General Expenditures	2,267,461	2,313,442	2,438,087	2,505,031	2,454,301	2,539,196	2,771,249	3,388,336	2,651,054	3,555,955
Capital Outlay	9,841,856	11,658,975	12,500,787	18,815,645	14,107,920	13,053,333	11,763,846	13,041,634	12,476,405	10,576,821
Debt Service - Principal	3,980,745	4,106,116	4,857,770	5,299,440	5,667,440	5,051,381	4,466,382	4,436,681	5,056,539	5,030,000
Debt Service - Interest	1,919,249	1,980,260	1,975,190	1,994,942	2,380,172	2,243,791	1,968,669	1,827,203	2,334,584	2,479,375
Total Expenditures	***73,382,474***	***74,324,780***	***76,283,719***	***85,620,260***	***86,023,699***	***85,764,311***	***88,517,541***	***92,740,466***	***99,467,413***	***97,266,709***
Other Financing Sources										
Long-term Financing	4,688,543	4,811,775	9,120,500	7,859,080	4,421,872	1,725,000	4,916,772	30,355,000	13,720,000	0
Proceeds-Sale of Fixed Assets	0	0	0	0	0	1,338,442	0	0	476,081	550,074
Bond Premium	0	0	0	0	0	0	0	975,374	91,759	0
Payments to Escrow Agents	0	0	0	0	0	0	(4,916,772)	(5,075,000)	(8,511,067)	0
Transfers In	4,392,340	9,329,011	10,546,430	10,050,315	10,389,950	12,319,565	8,807,280	6,462,170	8,354,684	9,931,683
Transfers Out	(4,393,340)	(9,329,011)	(10,546,430)	(10,050,315)	(10,389,950)	(12,319,565)	(8,807,280)	(6,462,170)	(6,639,684)	(8,071,683)
Total Other Fin. Sources	***4,687,543***	***4,811,775***	***9,120,500***	***7,859,080***	***4,421,872***	***3,063,442***	***0***	***26,255,374***	***7,491,773***	***2,410,074***
Net Change in Fund Balance Before Extraordinary Items	266,194	4,682,806	8,765,721	1,212,757	618,908	287,820	(4,181,656)	21,761,159	(2,320,390)	(414,584)
Extraordinary Items	0	0	0	0	0	0	0	(25,000,000)	(6,000,000)	0
Net Change in Fund Balance	***$266,194***	***$4,682,806***	***$8,765,721***	***$1,212,757***	***$618,908***	***$287,820***	***($4,181,656)***	***($3,238,841)***	***($8,320,390)***	***($414,584)***

(1) Information presented prior to the implementation of GASB No. 34 has been combined to reflect such activity.

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget
City Council	$128,060	$124,820	$120,680	$120,720	$131,940	$140,180	**$139,730**
City Management	653,610	721,450	730,470	779,370	820,710	891,530	**897,990**
City Clerk	644,200	823,510	807,950	940,690	868,230	978,900	**1,081,580**
Facilities Maintenance	1,122,270	1,225,680	1,303,160	1,341,170	1,526,330	1,631,290	**1,686,600**
Assessing	599,830	681,760	717,560	1,087,380	886,120	821,400	**848,390**
Financial Services	1,040,850	981,620	1,025,590	1,075,920	1,128,160	1,211,180	**1,285,410**
Purchasing	262,310	288,440	297,190	316,250	326,680	342,040	**356,950**
Treasury	621,860	665,440	646,070	666,630	713,610	766,670	**812,160**
Act 78 - Civil Service Commission	26,200	8,750	26,190	11,930	35,490	18,720	**39,730**
Building Authority	460	380	510	380	400	400	**400**
General Employees Pension Board	440,120	399,740	514,610	576,680	635,270	688,560	**704,040**
Legal	697,660	663,460	576,740	656,150	706,800	725,000	**730,000**
Total City Administration Dept.	**6,237,430**	**6,585,050**	**6,766,720**	**7,573,270**	**7,779,740**	**8,215,870**	**8,582,980**
Parks & Recreation	2,030,270	2,161,920	2,165,260	2,195,030	2,314,150	2,398,890	**2,569,210**
Total Parks & Recreation Dept.	**2,030,270**	**2,161,920**	**2,165,260**	**2,195,030**	**2,314,150**	**2,398,890**	**2,569,210**
Police Administration	2,141,550	2,394,110	2,484,860	3,940,350	4,050,940	2,928,300	**2,826,320**
Police Investigations	3,526,330	4,058,990	1,783,260	2,694,650	3,337,330	4,931,070	**5,259,850**
Police Operations	12,310,680	14,303,650	16,051,110	15,168,690	14,662,390	15,488,080	**16,508,950**
Police Support Services	955,080	1,083,020	2,756,790	2,896,830	3,026,730	3,242,780	**3,456,470**
Total Police Department	**18,933,640**	**21,839,770**	**23,076,020**	**24,700,520**	**25,077,390**	**26,590,230**	**28,051,590**
Fire Administration	852,710	1,084,110	1,053,610	1,081,970	1,152,080	1,168,480	**1,231,400**
Fire Extinguishment	8,565,100	10,045,670	10,759,740	11,494,370	11,811,670	12,674,530	**13,305,840**
Fire Prevention	730,280	887,760	890,180	1,069,310	1,007,800	1,043,770	**1,097,100**
Emergency Management	86,680	122,740	190,070	192,530	125,790	114,150	**137,240**
Total Fire Department	**10,234,770**	**12,140,280**	**12,893,600**	**13,838,180**	**14,097,340**	**15,000,930**	**15,771,580**
Building	1,185,210	1,267,100	1,396,070	1,904,890	1,929,030	2,092,740	**2,214,940**
Economic Development	0	0	0	0	52,540	133,540	**151,410**
Planning	764,350	871,560	822,880	339,640	347,030	358,150	**376,040**
Public Services	271,720	292,120	334,110	384,870	392,520	273,260	**284,280**
Planning Commission	17,730	16,440	12,930	8,280	9,260	12,170	**10,810**
Zoning Board of Appeals	14,130	11,380	9,120	8,110	7,060	8,670	**9,080**
Total City Development Dept.	**2,253,140**	**2,458,600**	**2,575,110**	**2,645,790**	**2,737,440**	**2,878,530**	**3,046,560**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Budget	2007/08 Budget
Engineering	1,540,590	1,738,620	1,793,290	1,829,900	1,843,940	1,811,620	**1,889,460**
Fleet Maintenance	1,789,670	1,767,860	1,880,350	2,231,510	2,331,180	2,296,380	**2,418,480**
Parks & Grounds Maintenance	1,177,940	1,254,140	1,256,910	1,287,290	1,317,990	1,333,340	**1,421,370**
Public Works Center	428,560	457,530	458,060	507,670	513,650	527,910	**570,610**
Street Services	1,408,460	1,441,110	1,640,170	1,850,310	1,727,410	1,874,530	**1,958,870**
Total Public Works Department	**6,345,220**	**6,659,260**	**7,028,780**	**7,706,680**	**7,734,170**	**7,843,780**	**8,258,790**
Refuse Collection	4,373,220	4,658,800	4,659,240	4,853,150	4,028,320	4,253,420	**4,402,600**
Total Refuse Collection	**4,373,220**	**4,658,800**	**4,659,240**	**4,853,150**	**4,028,320**	**4,253,420**	**4,402,600**
Library	2,167,890	2,283,950	2,386,450	2,471,890	2,552,980	2,695,710	**2,807,300**
Historical Commission	2,260	1,940	1,330	2,190	1,300	1,360	**1,360**
Total Public Library Department	**2,170,150**	**2,285,890**	**2,387,780**	**2,474,080**	**2,554,280**	**2,697,070**	**2,808,660**
Community Relations	1,121,750	1,220,980	1,244,000	1,386,740	1,408,370	1,490,020	**1,596,140**
Information Technology	732,390	785,560	868,970	883,050	906,720	1,029,990	**1,068,860**
Beautification Commission	4,960	3,270	3,130	2,160	2,680	2,490	**2,490**
Cultural Commission	13,580	11,380	14,100	330	7,470	350	**350**
Telecommunications Commission	4,930	4,730	4,030	4,360	4,780	4,650	**150**
Total Comm. & Info. Services Dept.	**1,877,610**	**2,025,920**	**2,134,230**	**2,276,640**	**2,330,020**	**2,527,500**	**2,667,990**
41-A District Court	2,113,290	2,173,820	2,342,220	2,472,160	2,660,590	2,861,380	**3,008,790**
General Expenditures	2,527,590	2,665,340	2,825,010	2,639,270	3,546,140	3,468,360	**3,038,270**
Transfers Out	8,652,420	5,414,890	2,752,040	2,360,090	4,127,270	4,318,120	**3,990,050**
Total Expenditures & Uses	**67,748,750**	**71,069,540**	**71,606,010**	**75,734,860**	**78,986,850**	**83,054,080**	**86,197,070**
Extraordinary Items	0	0	25,368,270	6,000,000	0	0	**0**
Total General Fund Expenditures	**$67,748,750**	**$71,069,540**	**$96,974,280**	**$81,734,860**	**$78,986,850**	**$83,054,080**	**$86,197,070**

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES AND OTHER FINANCING USES LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Reserved Fund Balance	Unreserved Fund Balance	Annual Expenditures & Other Uses	Unreserved Balances as % of Expenditures & Other Uses
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%
2005	655,400	13,345,638	75,734,862	17.62%
2006	662,581	14,387,663	78,986,850	18.22%

ASSESSED & ESTIMATED ACTUAL VALUATION OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS AND NEXT PROJECTED YEAR

Fiscal Year Ended June 30	Real Assessed Valuation (2)	Personal Assessed Valuation (2)	Total Valuation	Percent of True Value (3)
1997	2,525,077,351	725,297,100	3,250,374,451	50%
1998	2,671,587,302	790,037,000	3,461,624,302	50%
1999	2,826,351,500	874,346,800	3,700,698,300	50%
2000	2,974,814,700	949,326,300	3,924,141,000	50%
2001	3,145,249,054	979,571,300	4,124,820,354	50%
2002	3,356,956,900	1,086,927,400	4,443,884,300	50%
2003	3,587,248,700	1,071,358,000	4,658,606,700	50%
2004	3,764,758,000	1,025,224,600	4,789,982,600	50%
2005	3,970,808,500	968,119,700	4,938,928,200	50%
2006	4,195,815,400	949,766,100	5,145,581,500	50%
2007 (1)	4,451,151,600	944,127,850	5,395,279,450	50%

(1) The most recent year figures presented represent estimated final taxable 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.

(2) All taxable values reflect the year in which tax revenue streams were generated. For example, the 1996 TVs (stated above in the 1997 row) were used to generate tax revenue for the year ended June 30, 1997.

(3) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

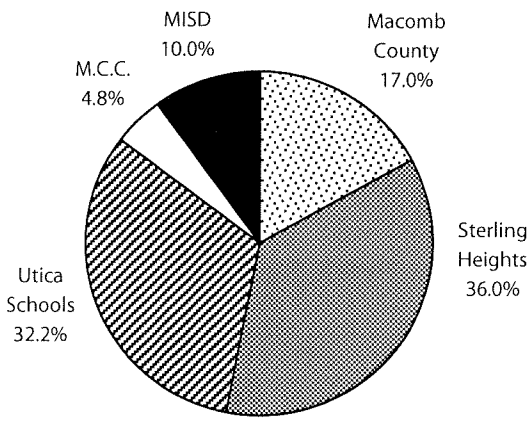
HOMESTEAD PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF TAXABLE VALUATION)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
City of Sterling Heights										
Operating (1)	8.20702	8.60204	8.47965	8.26879	8.08550	8.43430	8.29230	8.19630	8.09570	**8.76420**
Refuse	1.13469	1.03121	1.00665	1.04657	1.07470	1.04670	1.05870	1.06960	1.10550	**0.82660**
Police & Fire Pension	1.34207	0.96462	0.70797	0.56364	0.56070	0.37610	0.62400	0.78090	0.89050	**0.60490**
Public Improvements	0.62920	0.66067	0.73343	0.79958	0.78840	0.48590	0.32860	0.24160	0.23170	**0.18800**
Drain	0.27702	0.21146	0.29230	0.29142	0.21070	0.30700	0.32640	0.33660	0.30160	**0.24130**
Total	**11.59000**	**11.47000**	**11.22000**	**10.97000**	**10.72000**	**10.65000**	**10.63000**	**10.62500**	**10.62500**	**10.62500**
Overlapping Governments										
Macomb County	4.20900	4.20800	4.20800	4.20800	4.20700	4.20600	4.20580	4.20580	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	10.01060	9.82660	9.77760	9.34560	8.81630	8.89710	10.96260	10.68060	10.04260	**9.99300**
State Education	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	5.00000	6.00000	**6.00000**
Macomb Comm. College	1.64570	1.65390	1.61340	1.58400	1.51400	1.67070	1.69250	1.58590	1.50020	**1.42120**
M.I.S.D.	2.03670	2.03670	2.03630	2.02100	2.02100	2.00330	2.98630	2.97290	2.96150	**2.94300**
Huron/Clinton Metro Auth.	0.22360	0.22360	0.22350	0.22180	0.22020	0.22020	0.21700	0.21610	0.21540	**0.21460**
S.M.A.R.T.	0.33000	0.33000	0.32990	0.32730	0.32730	0.32730	0.60000	0.59730	0.59490	**0.59120**
Total Utica Schools (2)	**29.53500**	**29.42220**	**29.13110**	**28.83210**	**28.50950**	**28.57750**	**29.83160**	**28.70300**	**29.60280**	**29.50080**
Total Warren Schools (2)	**36.04560**	**35.74880**	**35.40870**	**34.67770**	**33.82580**	**33.97460**	**37.29420**	**35.88360**	**36.14540**	**35.99380**

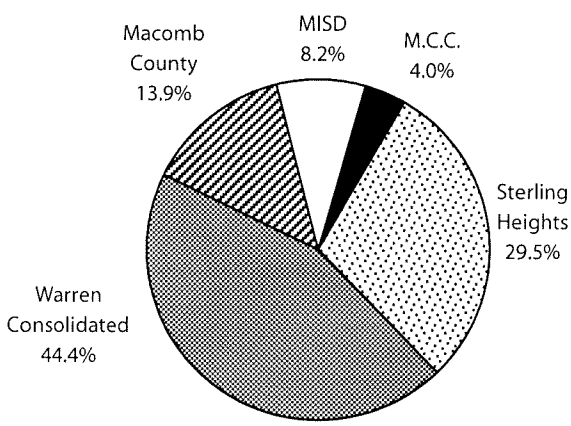
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2006.

City of Sterling Heights
2005/06 Distribution of Homestead Taxes Paid



Utica Community Schools

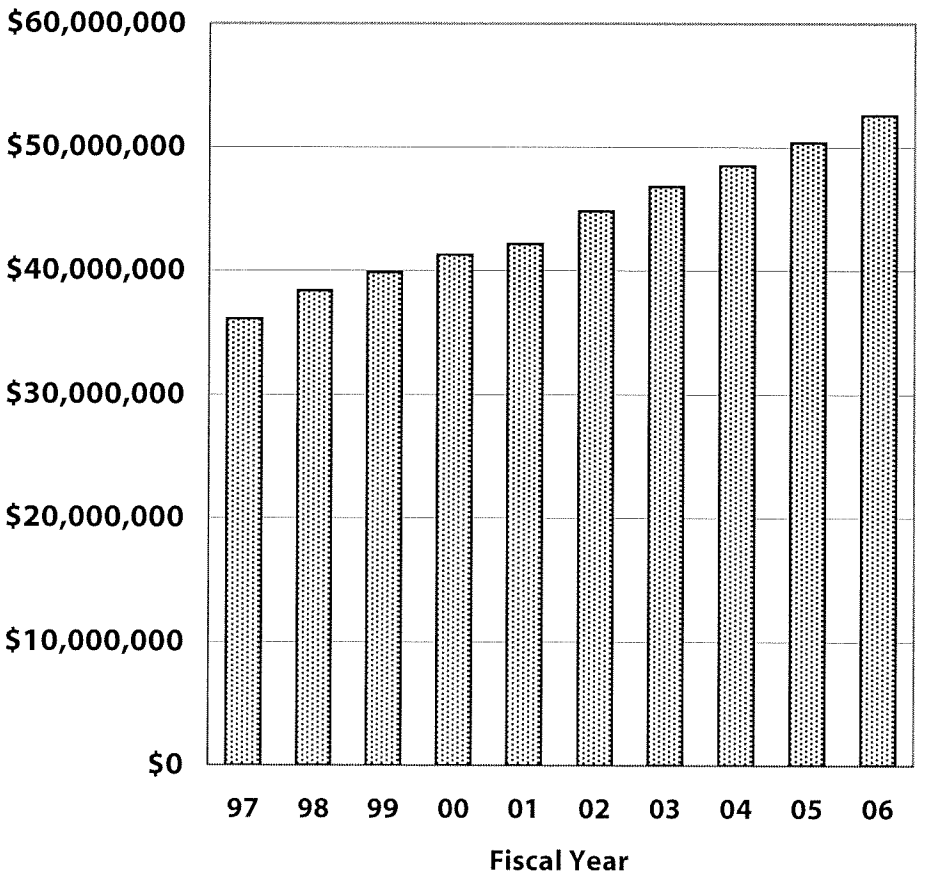


Warren Consolidated Schools

GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes				Debt Service Funds Property Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Total	General Drain	RS&T Debt Service	Total	
1997	25,563,473	3,534,367	4,180,320	33,278,160	863,481	1,961,491	2,824,972	**36,103,132**
1998	28,788,728	3,451,184	3,228,325	35,468,237	706,307	2,203,057	2,909,364	**38,377,601**
1999	30,117,888	3,575,404	2,514,557	36,207,849	1,036,993	2,602,354	3,639,347	**39,847,196**
2000	31,106,672	3,937,131	2,120,379	37,164,182	1,096,095	3,006,718	4,102,813	**41,266,995**
2001	31,836,229	4,231,574	2,207,727	38,275,530	818,785	3,061,087	3,879,872	**42,155,402**
2002	35,424,907	4,396,245	1,579,658	41,400,810	1,295,294	2,077,581	3,372,875	**44,773,685**
2003	36,500,172	4,660,074	2,746,657	43,906,903	1,435,644	1,448,763	2,884,407	**46,791,310**
2004	37,409,166	4,881,818	3,564,147	45,855,131	1,536,014	1,104,365	2,640,379	**48,495,510**
2005	38,420,002	5,203,504	4,204,831	47,828,337	1,429,947	1,099,346	2,529,293	**50,357,630**
2006	43,370,304	4,070,410	2,993,592	50,434,306	1,202,642	937,052	2,139,694	**52,574,000**

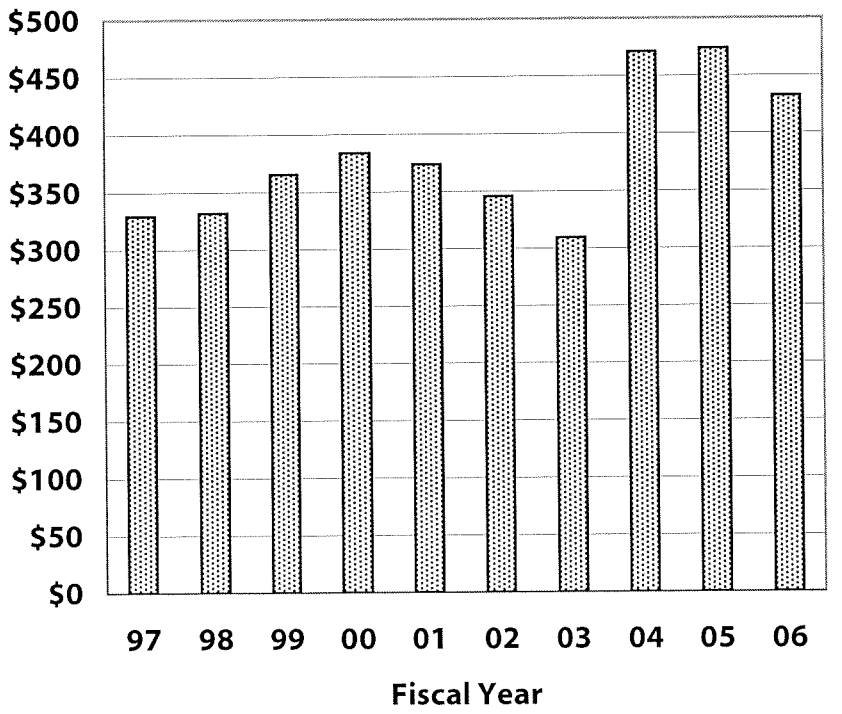
Property Tax Revenue



RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities	Primary Government Outstanding Debt Total	Percentage of Personal Income	Pop.	Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds	Special Assessment Bonds				
1997	17,792,430	13,150,000	1,840,000	7,329,854	177,600	40,112,284	N/A	122,380	**327.77**
1998	17,961,770	14,450,000	1,490,000	6,883,858	-	40,785,628	N/A	122,900	**331.86**
1999	17,510,000	18,885,000	1,340,000	7,392,862	-	45,127,862	N/A	123,530	**365.32**
2000	18,090,000	21,960,000	1,175,000	6,528,423	-	47,753,423	1.54%	124,471	**383.65**
2001	14,680,000	20,635,000	975,000	10,485,984	-	46,775,984	1.50%	125,140	**373.79**
2002	12,180,000	19,175,000	775,000	11,319,602	-	43,449,602	1.38%	125,800	**345.39**
2003	9,125,000	18,995,000	575,000	10,403,220	-	39,098,220	1.24%	126,470	**309.15**
2004	33,745,000	15,910,000	350,000	9,936,539	-	59,941,539	1.89%	127,270	**470.98**
2005	31,735,000	19,735,000	125,000	9,060,000	-	60,655,000	1.91%	128,026	**473.77**
2006	29,705,000	17,690,000	-	8,230,000	-	55,625,000	1.74%	128,692	**432.23**

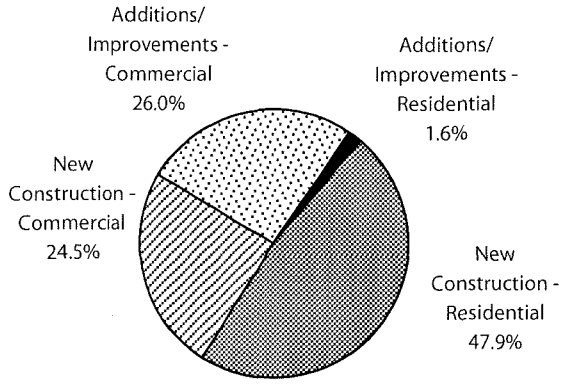
Outstanding Debt Per Capita



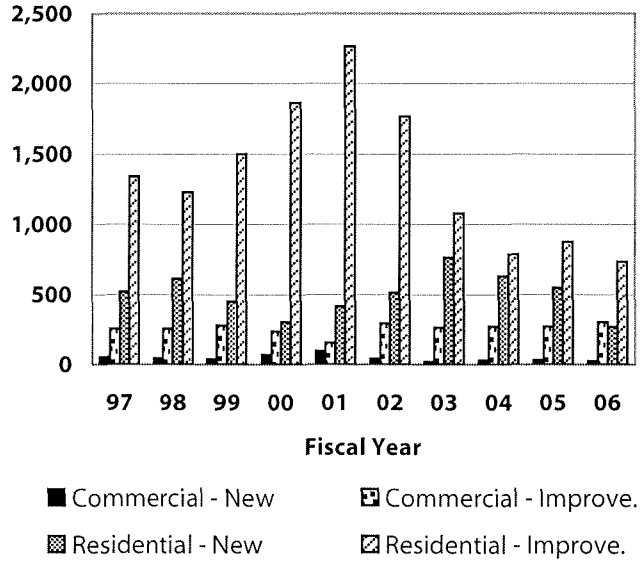
BUILDING PERMITS AT MARKET VALUE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Residential					Commercial				
	New Construction		Additions/Improve.		Total Residential	New Construction		Additions/Improve.		Total Commercial
	No.	Value	No.	Value		No.	Value	No.	Value	
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
2005	546	54,325,044	876	1,830,299	56,155,343	31	34,143,253	271	26,257,489	60,400,742
2006	269	48,957,415	734	1,601,036	50,558,451	24	25,096,450	302	26,567,543	51,663,993

Market Value of 2006 Building Permits



Building Permits



DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST SIX FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Median Age (2)	Age 25 or Older (2)		Per Capita Income (2)	Income In Thousands	Number of Households (3)	Effective Buying Income Per Household (4)	Sterling Heights Unemployment Rate (5)
			High School Graduate or Higher	Bachelor's Degree or Higher					
2001	125,140 (1)	N/A	N/A	N/A	N/A	3,123,244	46,072	56,200	4.1%
2002	125,800 (1)	N/A	N/A	N/A	N/A	3,139,716	48,775	49,913	4.8%
2003	126,470 (1)	N/A	N/A	N/A	N/A	3,156,438	48,990	51,035	5.3%
2004	127,270 (1)	N/A	N/A	N/A	N/A	3,176,405	49,260	48,933	5.4%
2005	128,026 (1)	N/A	N/A	N/A	N/A	3,195,273	49,405	49,890	5.6%
2006	128,692 (1)	N/A	N/A	N/A	N/A	3,211,895	49,871	N/A	6.3%

Sources:

(1) City of Sterling Heights

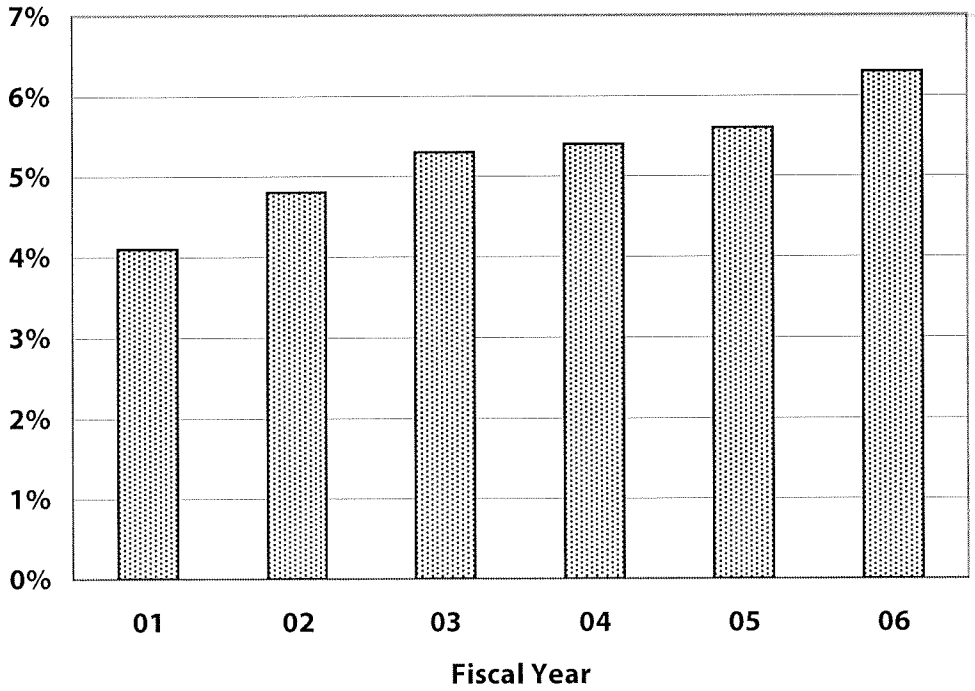
(2) United States Census Bureau - 2000 Census (last reported)

(3) Southeast Michigan Council of Governments (SEMCOG)

(4) Effective buying income is defined as money income less personal tax and non-tax payments - a number often referred to as "disposable" or "after tax" income. Data obtained from Sales & Marketing Management, New York, NY. Data for the current year was not available at time of printing.

(5) Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information

City of Sterling Heights
Unemployment Rate



city of STERLING HEIGHTS

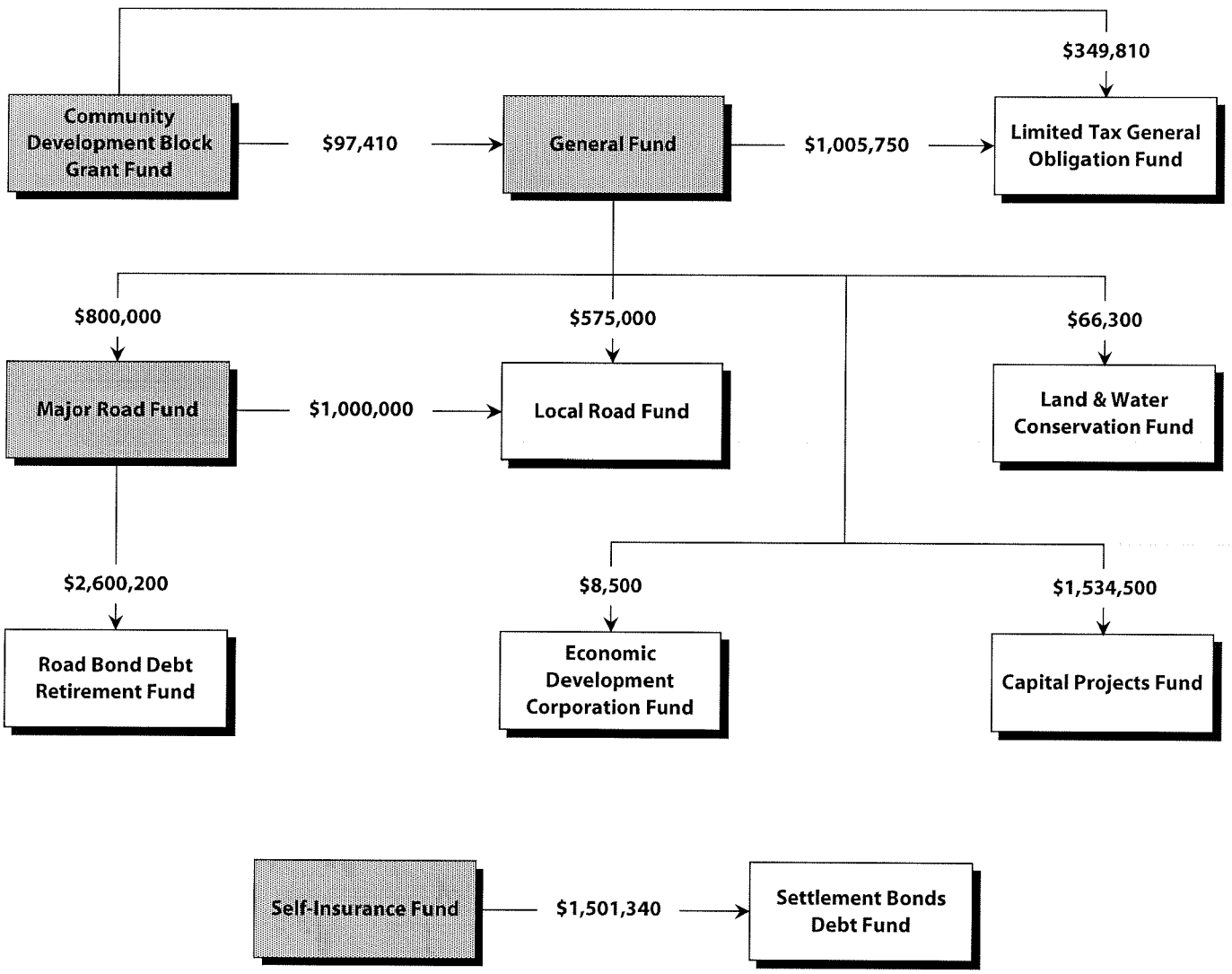
State & Federal Revenue Sources

Account	Description	2007/08 Budget
General Fund		
574000	State Revenue Sharing	$10,717,000
581001	SMART funding for senior citizen and special recreation transportation services	265,000
587001	Library funding from State assessed penal fines	170,000
569001	State funding to reimburse City for Judges salaries	137,170
567001	State Aid for Library services	98,780
583000	State funding for portion of cost of Police Officer assigned to Macomb Auto Theft Squad	84,350
539302	State funding for Police training	40,000
539002	Possible State funding for new Police Officer position (TBD)	37,500
543426	State funding for portion of cost of Emergency Manager position	36,000
585000	Reimbursement of Police OT resulting from federal task force operations	15,500
544000	State revenue assistance for drunk driving 41-A District Court cases	13,000
539332	State funding for Dispatcher training	10,000
	Total General Fund	**11,624,300**
Major Road Fund		
546000	State Gas & Weight Tax	5,100,000
529000	Federal reimbursement for 19 Mile Road widening from Mound Road to Ryan Road	2,447,890
529000	Grant funding to replace emerald ash borer infested trees	20,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	225,000
	Total Major Road Fund	**7,792,890**
Local Road Fund		
546000	State Gas & Weight Tax	1,920,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	85,000
	Total Local Road Fund	**2,005,000**
Community Development Block Grant Fund		
529000	Federal funding for CDBG programs	**699,480**
Corridor Improvement Authority Fund		
529000	Federal ISTEA grant for corridor improvement authority projects	**1,875,000**
Land & Water Conservation Fund		
529000	Detroit Edison federal tree planting grant	**3,000**
Capital Projects Fund		
539378	State funding from cell phone surcharges for enhancing police communication centers	**117,000**
	Total State & Federal Revenue	**$24,116,670**

NOTE: The 2007/08 budget figures include funding from Federal, State, and Local Grants, Highway and Street Grants, and State Revenue Sharing.

2007/08 Interfund Transfers

The following flowchart illustrates the transfer of monies between all City funds. The shaded boxes contain the funds that will transfer out dollars. The arrows indicate the direction of the transfers. Under the governmental accounting system, a Transfer Out is classified as an expenditure, while a Transfer In is classified as revenue.



2007/08 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2005/06 Actual	2006/07 Budget	2006/07 To 12/31	2006/07 Estimate	2007/08 Budget
	Supplies					
729.000	Postage	$684	$450	$0	$420	$450
730.000	Publications	422	350	99	350	350
751.000	Operating Supplies	126	300	103	300	300
758.000	Computer Software	93	500	0	500	500
	Total Supplies	1,325	1,600	202	1,570	1,600
	Other Charges					
802.000	Audit & Accounting Services	19,496	14,000	7,993	14,600	15,000
806.000	Legal Services	11,363	10,000	2,124	6,300	7,000
807.000	Medical Services	0	1,000	0	0	1,000
826.000	Other Contracted Services	1,031,965	1,038,800	567,677	1,135,350	1,150,000
903.000	Printing	155	200	0	200	200
922.000	Telephone	348	350	179	360	360
956.000	Local Meetings	25	200	0	100	200
957.000	Memberships & Dues	150	150	150	200	200
959.000	Education & Training	7,711	19,000	4,392	10,900	19,000
	Total Other Charges	1,071,213	1,083,700	582,515	1,168,010	1,192,960
	Capital Outlay					
979.000	Computer Equipment	0	1,000	0	1,000	1,000
	Total Capital Outlay	0	1,000	0	1,000	1,000
	Total Activity	**$1,072,538**	**$1,086,300**	**$582,717**	**$1,170,580**	**$1,195,560**

NOTE: The "2005/06 Actual" & "2006/07 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	114
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	06/30/11	133
Sterling Heights Police Command Officers	06/30/07	37
AFSCME Local 1884, Council 25	06/30/11	23
UAW Supervisory Employees Unit 41, Local 412	06/30/12	22
UAW Professional & Technical Employees Unit 40, Local 412 (includes Part-time)	06/30/08	58
Sterling Heights Executive Employees Union – Michigan Association of Public Employees	06/30/08	6
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	$197,600
Total Housing Units	51,577
Houses	34,081
Condominiums	6,573
Apartments	9,230
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	287
Estimated Sidewalks in Miles	605
Bridges	11
Street Lights	2,508

Police Protection

Group A offenses [2]	7,926
Group B offenses [3]	4,609
Injury Accidents	810
Property Damage	3,663
Private Property Damage	1,304
Total Traffic Violations	25,379
Civil Infractions	23,819
Parking Violations	1,730
Adult Arrests	2,560
Juvenile Arrests	239
OUIL Arrests	375

Fire Protection

Stations	5
Emergency Alarms Answered	9,573
Medical Emergencies	6,927
Fire Inspections Conducted	4,204
Inspection Violations Issued	6,020
Training Hours Completed	34,124

41-A District Court

Cases Handled:	
Civil	2,862
Criminal	4,211
Traffic	24,256
Landlord & Tenant	2,226
Small Claims	488

Election Data

Registered Voters	83,910
Voters at Polls	7,654
Absentee Ballots	7,605
Percent Voting	18.18%

Parks & Recreation

Acres	820
Developed Parks	28
Adult Athletics Attendance	19,480
Youth Athletics Attendance	49,480
Instructional Swim Attendance	8,896
Instructional Rec. Attendance	28,070
Nature Program Attendance	22,748
Senior Program Attendance	111,610
Special Event Attendance	72,725
Summer Playground Attendance	9,992
Special Rec. Program Attendance	16,870

Library

Registered Borrowers	50,390
Book Collections	190,791
Other Collections [4]	23,776
Items Circulated	648,967
Reference Transactions	133,617
Program Attendance	21,275
Library Visits	417,601
Interlibrary Loan Requests	109,995
Book Van Deliveries	12,820
Online Computer Users	456,752

Water & Sewer Services

Customers:	
Residential	34,850
Commercial/Industrial	4,272
Miles of Water Mains	569
Miles of Sanitary Sewers	428
Fire Hydrants	7,015
Water (in thousand cubic feet):	
Purchased from Detroit	803,969
Sold to Resident	852,661
Rates:	
1,000 Cubic Feet (water and sewer)	$27.13
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. 390

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 2007/08; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2007/08; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2007/08.

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, 2007 through June 30, 2008. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2007/08.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES			
General Ad Valorem Tax	$50,247,330		
Licenses and Permits	1,884,700		
State and Local Returns	11,624,300		
Fines and Forfeitures	2,712,000		
Charges for Services	8,293,020		
Other Revenue	3,870,400		
Cable Revenue	1,420,000		
Total General Revenue		80,051,750	
Refuse Tax	4,372,600		
Fire & Police Pension Tax	1,707,910		
Total Refuse and Pension Tax		6,080,510	
Total Revenues		86,132,260	
OTHER FINANCING SOURCES			
Transfers In	~~97,520~~	97,410	
Total Other Financing Sources		~~97,520~~	97,410
Total Revenues & Other Financing Sources		**~~$86,229,780~~**	**$86,229,670**

and does hereby designate $50,067,330 to be raised by 9.2256 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 $1,707,910 to be raised by 0.3147 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 $4,372,600 to be raised by 0.8057 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	$8,582,980		
Parks & Recreation Department	2,569,210		
Police Department	28,051,590		
Fire Department	~~15,765,960~~	15,771,580	
City Development Department	3,046,560		
Public Works Department	8,258,790		
Refuse Collection	4,402,600		
Public Library Department	2,808,660		
Community & Information Services Department	2,667,990		
41-A District Court	3,008,790		
General Expenditures	3,038,270		
Contribution to Fund Balance	~~27,080~~	32,600	
Total Expenditures		~~82,228,480~~	82,239,620
OTHER FINANCING USES			
Transfers Out	~~4,001,300~~	3,990,050	
Total Other Financing Uses		~~4,001,300~~	3,990,050
Total General Fund		**~~$86,229,780~~**	**$86,229,670**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES			
Operating Revenues	$29,350,410		
Total Operating Revenues		**$29,350,410**	
OPERATING EXPENSES			
Administration	$3,045,620		
Water Distribution	12,704,020		
Sewage Collection	13,597,760		
Contribution to Retained Earnings	3,010		
Total Water & Sewer Operating Fund		**$29,350,410**	

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, 2007.

WATER RATES

Consumption Charges Per Billing Period	Rate Per Thousand Cubic Ft.
First 3,000 cubic feet or less	$13.28
All over 3,000 cubic feet	14.21
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	$17.46

BILLING

Bills for water and sewer service shall be rendered periodically as set forth in this article. The billing period for single-family residential customers is quarterly, all other customers are billed monthly. All bills shall be due and payable twenty (20) days from the date thereon. A penalty of six percent (6%) of the amount of the unpaid portion of each current bill shall be added to each bill not paid on or before the due date. An additional penalty of seventeen percent (17%) of the total of the unpaid balance and the six percent (6%) penalty shall be added at the time the delinquent bill is entered upon the tax roll, pursuant to section 35-6 (a) of the Sterling Heights City Code. The City shall establish a minimum water and sewer bill, which shall be based on 1,000 cubic feet of water usage per billing cycle. There will be a $30.00 charge per bill for sewer only customers.

For all single-family residential customers of both water and sewer services from the City, the charges billed during the months of September, October, and November shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than $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	$2,467,890	
State Sources	5,325,000	
Other Revenue	321,300	
Total Revenues		8,114,190

OTHER FINANCING SOURCES			
Transfer from General Fund	800,000		
Total Other Financing Sources		800,000	
Total Revenues & Other Financing Sources		**$8,914,190**	
EXPENDITURES & OTHER FINANCING USES			
EXPENDITURES			
Administration Expenses	$111,400		
Major Street Maintenance	1,703,500		
Major Street Improvements	2,241,000		
Contribution to Fund Balance	~~1,208,290~~	1,258,090	
Total Expenditures		~~5,264,190~~	5,313,990
OTHER FINANCING USES			
Transfer to Local Road Fund	1,000,000		
Transfer to Road Bond Debt Retirement Fund	~~2,650,000~~	2,600,200	
Total Other Financing Uses		~~3,650,000~~	3,600,200
Total Major Road Fund		**$8,914,190**	

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES			
REVENUES			
Fund Balance	$17,440		
Federal Grants	0		
State Sources	2,005,000		
Charges for Services	50,000		
Other Revenue	95,000		
Miscellaneous Revenue	11,500		
Total Revenues		2,178,940	
OTHER FINANCING SOURCES			
Transfer from Major Road Fund	1,000,000		
Transfer from General Fund	575,000		
Total Other Financing Sources		1,575,000	
Total Revenues & Other Financing Sources		**$3,753,940**	
EXPENDITURES & OTHER FINANCING USES			
EXPENDITURES			
Administration Expenses	$144,900		
Local Street Maintenance	1,674,000		
Local Street Improvements	1,935,040		
Total Expenditures		3,753,940	
OTHER FINANCING USES			
Transfer to Road Bond Debt Retirement Fund	0		
Total Other Financing Uses		0	
Total Local Road Fund		**$3,753,940**	

Sec. 2.05

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$1,850	
Other Revenue	350	
Total Revenues		2,200
OTHER FINANCING SOURCES		
Transfer from General Fund	8,500	
Total Other Financing Sources		8,500
Total Revenues & Other Financing Sources		**$10,700**
EXPENDITURES		
Miscellaneous	$10,700	
Total Economic Development Corporation Fund		**$10,700**

Sec. 2.06

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$880	
Property Taxes	33,420	
Other Revenue	700	
Total Revenues		35,000
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$35,000**
EXPENDITURES		
Miscellaneous	$35,000	
Total Brownfield Redevelopment Authority Fund		**$35,000**

Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES			
Community Development Block Grant	~~$702,700~~	699,480	
Total Revenues		**~~$702,700~~**	**$699,480**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES			
Administrative Expenses	~~$14,800~~	15,480	
Books	~~10,000~~	9,950	
Senior Citizens Home Chore Program	~~25,000~~	24,890	
Single Parent Education Program	~~25,900~~	25,090	
Minor Home Repair	30,000		
Housing Rehabilitation Program	~~127,320~~	123,890	
Contributions to Non-Profit Organizations	~~22,350~~	22,960	
Capital Improvements	0		
Total Expenditures		~~255,370~~	252,260
OTHER FINANCING USES			
Transfer to General Fund	~~97,520~~	97,410	
Transfer to Limited Tax Debt Fund	349,810		
Total Other Financing Uses		~~447,330~~	447,220
Total Community Development Block Grant Fund		**~~$702,700~~**	**$699,480**

Sec. 2.08

CORRIDOR IMPROVEMENT AUTHORITY FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Property Taxes	$17,700	
Federal Grants	1,875,000	
Other Revenue	500	
Total Revenues		1,893,200
OTHER FINANCING SOURCES		
Proceeds from Long-Term Debt	1,000,000	
Total Other Financing Sources		1,000,000
Total Revenues & Other Financing Sources		**$2,893,200**
EXPENDITURES		
Capital Improvements	$2,875,000	
Contribution to Fund Balance	18,200	
Total Corridor Improvement Authority Fund		**$2,893,200**

Sec. 2.09

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Federal & State Sources	$3,000	
Other Revenue	195,000	
Total Revenues		198,000
OTHER FINANCING SOURCES		
Transfer from General Fund	66,300	
Total Other Financing Sources		66,300
Total Revenues & Other Financing Sources		**$264,300**

EXPENDITURES		
Land Improvements	$72,300	
Contribution to Fund Balance	192,000	
Total Land & Water Conservation Fund		**$264,300**

Sec. 2.10

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES		
Fund Balance	$289,980	
Federal Forfeitures	0	
State Forfeitures	0	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Interest Income	0	
Total Revenues		**$289,980**
EXPENDITURES		
Federal Forfeitures	$131,800	
State Forfeitures	158,180	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Total Public Safety Forfeiture Fund		**$289,980**

Sec. 2.11

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. 2.12

R, S & T DEBT SERVICE FUND:

REVENUES		
Fund Balance	$6,000	
Delinquents & Penalties	3,200	
Other Revenue	4,800	
Proposal R Levy	972,340	
Total Revenues		**$986,340**

and does hereby designate $972,340 to be raised by 0.1792 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	$986,340		
Total R, S & T Debt Service Fund		**$986,340**	

Sec. 2.13

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES			
REVENUES			
Fund Balance	$31,150		
Other Revenue	20,000		
Total Revenues		51,150	
OTHER FINANCING SOURCES			
Transfer from Major Road Fund	~~2,650,000~~	2,600,200	
Total Other Financing Sources		~~2,650,000~~	2,600,200
Total Revenues & Other Financing Sources		**~~$2,701,150~~**	**$2,651,350**
EXPENDITURES			
Principal	$1,900,000		
Interest	~~799,490~~	749,690	
Other Fees	1,660		
Total Road Bond Debt Retirement Fund		**~~$2,701,150~~**	**$2,651,350**

Sec. 2.14

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES			
REVENUES			
Fund Balance	$2,400		
Other Revenue	2,200		
Total Revenues		4,600	
OTHER FINANCING SOURCES			
Transfer from General Fund	~~1,017,000~~	1,005,750	
Transfer from Comm. Dev. Block Grant Fund	349,810		
Total Other Financing Sources		~~1,366,810~~	1,355,560
Total Revenues & Other Financing Sources		**~~$1,371,410~~**	**$1,360,160**
EXPENDITURES			
Principal	$1,075,000		
Interest	~~295,380~~	284,130	
Other Fees	1,030		
Total Limited Tax General Obligation Debt Fund		**~~$1,371,410~~**	**$1,360,160**

Sec. 2.15

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$25,000	
Required Drain-at-Large Levy	1,084,430	
Delinquents & Penalties	5,000	
Other Revenue	30,000	
Total Revenues		1,144,430
OTHER FINANCING SOURCES		
Bond Proceeds – Refunding	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$1,144,430**

and does hereby designate $1,084,430 to be raised by 0.1998 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	$4,680	
Principal	830,000	
Interest	309,750	
Total Drain Fund		**$1,144,430**

Sec. 2.16

SETTLEMENT BONDS DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$6,000	
Other Revenue	19,000	
Total Revenue		25,000
OTHER FINANCING SOURCES		
Transfer from Self-Insurance Fund	1,501,340	
Total Other Financing Sources		1,501,340
Total Revenues & Other Financing Sources		**$1,526,340**
EXPENDITURES		
Other Charges	$250	
Principal	930,000	
Interest	596,090	
Total Settlement Bonds Debt Fund		**$1,526,340**

Sec. 2.17

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$702,680	
Other Revenue	974,320	
Penalties & Interest	3,000	
Total Revenues		1,680,000
OTHER FINANCING SOURCES		
Transfer from General Fund	1,534,500	
Proceeds from Long-Term Debt	5,000,000	
Total Other Financing Sources		6,534,500
Total Revenues & Other Financing Sources		**$8,214,500**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Capital Equipment	$670,000	
Capital Vehicles	850,500	
Capital Projects	6,694,000	
Total Expenditures		8,214,500
OTHER FINANCING USES		
Transfer to Settlement Bonds Debt Fund	0	
Total Other Financing Uses		0
Total Capital Projects Fund		**$8,214,500**

Sec. 2.18

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Other Revenue	$0	
Total Revenues		0
OTHER FINANCING SOURCES		
Proceeds from Long-Term Debt	2,700,000	
Total Other Financing Sources		2,700,000
Total Revenues & Other Financing Sources		**$2,700,000**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Construction	$2,700,000	
Total Expenditures		2,700,000
OTHER FINANCING USES		
Transfer to Local Road Fund	0	
Total Other Financing Uses		0
Total Road Bond Construction Fund		**$2,700,000**

ARTICLE III

The City Council adopts the following fee schedule for public records and services provided by the City of Sterling Heights for the fiscal year July 1, 2007 through June 30, 2008. 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	435.00
Lot Combinations	335.00
Processing Labels (per page)	1.00
Resident Field Sheet Fee	1.00
Apartment Listing (Names/Sidwells/Assessments)	40.00
Shopping Center List	40.00
Section or Subdivision Listing (per page)	0.70
Assessing, Board of Review, & Sales Information (first page)	1.60
Additional Pages	0.30
Plat Map	100.00
Custom Assessment Information Report	30.00
Speculative Building Designation Filing Fee	435.00
Project Extension Application Fee	435.00
Project Cost Revision Application Fee	435.00
Tax Hardship Income Limits:	
1 Person	19,550.00
2 Person	22,350.00
3 Person	25,150.00
4 Person	27,950.00
5 Person	30,200.00
6 Person	32,400.00
7 Person	34,650.00
8 Person	36,900.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit	30.00
Fence Permit – Masonry, Separation	46.00
Board of Code Appeals	185.00
Board of Ordinance Appeals	185.00
Overtime Inspections, Each Hour (4 hour minimum)	72.00
Special Inspections, Each Trade (Residential)	42.00
Special Inspections, Each Trade (Commercial)	61.00
Quarterly Inspection Fees under Derelict Building Provision	650.00
Reinspection Fee under Derelict Building Provision (each visit)	47.00
Rehabilitation and Re-Occupancy Fee	178.00
Re-Review Fee for Rehabilitation Plan (each review)	89.00
Derelict Building Registration Fee	105.00
Building Code Publication	Cost + 8.00 Administration fee

Municipal Civil Infraction:
- Each Violation 150.00
- First Repeat Offense 375.00
- Second Repeat Offense 750.00
- Third or Subsequent Repeat Offenses 1,500.00

Electrical Work

Application Fee (Non-refundable) 28.00
Permit fee (minimum) 39.00
Electrical Contractor's Registration 19.00
Fire Alarm Contractor's Registration 19.00
Sign Contractor's Registration 19.00
Furnace Wiring 19.00
Circuits: Each (new or extended) 13.00
Fixtures: Each 25 ..... 13.00
Motors, Power, Heating Units, Furnaces, Transformers:
- Each ¼ to 10 HP 19.00
- Each 11 to 30 HP 24.00
- Each 31 to 50 HP 29.00
- Each 51 to 60 HP 35.00
- Each 61 and over 47.00

Feeders (Conduit, Wireways, Bus Ducts, Cables):
- Each 100 ft. (or less) 41.00

Refrigeration Units:
- Air Conditioning (residential) 19.00
- Interruptible Service 19.00
- Air Conditioning (commercial):
- Up to 5 Tons 24.00
- 5 to 40 Tons 41.00
- Over 40 Tons 62.00

Electric Ranges, Ovens, Dryers, Water Heaters:
- Each unit of type 19.00

Swimming Pools/Hot Tubs (all) 46.00
Service (Lights, Heat, and Power):
- 100 Ampere or less 19.00
- 101 to 500 Ampere 29.00
- 501 to 900 Ampere 41.00
- 900 Ampere or more 51.00

Signs: Sign Circuit 35.00
- Sign Tag Inspection 53.00
- Sign Connection 58.00

General Repair & Alterations (per hour or fraction thereof) 48.00
Generator Connection 41.00
Motion Picture Apparatus 41.00
Special Inspections not specifically covered:
- Festivals 61.00
- Carnivals 61.00
- Circuses 61.00
- Shop Inspection 61.00
- Theatrical Road Show 61.00
- Christmas Tree Lot 61.00

Temporary Wiring:
- Display Area (Sq. Ft.):
- Up to 100,000 sq. ft. 55.00
- Over 100,000 to 200,000 sq. ft 103.00
- Over 200,000 to 300,000 sq. ft 120.00
- Over 300,000 to 400,000 sq. ft 180.00
- Over 400,000 sq. ft. 238.00

Outline Tubing – Connection or Tag Inspection:
- Each 100 feet 61.00

Mobile Home and Trailer Park Inspections (minimum) 42.00

Fire Alarm Inspection (minimum) 59.00
- City Pull Box (Gamewell – each box) 18.00
- Drill and Pull Stations:
  - Each 18.00
- Fire Alarm Signal Device (horn bell):
  - Each device 18.00
- Heat or Smoke Detector:
  - Each detector or less 18.00
- Sub panel annunciator 18.00
- Exit door electrically unlocking system 18.00
- Status Indicator (elevators, dampers, etc.) 15.00

Alterations to existing system 48.00
Reinspection Fee 48.00

Plumbing Work

Application Fee (Non-refundable) 32.00
Permit Fee (minimum) 39.00
Plumber's Registration 1.00
Journeyman Plumber's Registration 0.50
Fixture Inspection: (New and Replacement)
- New Installation (minimum) 39.00
- New Stack or Stack Alteration 10.00
- Air Admittance Valve 10.00
- Roof conductor 10.00
- Sump or interceptor 10.00
- Backflow preventor 10.00
- Pump or Water Lift 10.00
- Hose connection (sillcocks) 10.00
- Water treatment device 10.00
- Water closets 10.00
- Shower traps 10.00
- Baths 10.00
- Water heater 24.00
- Sinks (any description) 10.00
- Lavatories 10.00
- Laundry trays 10.00
- Floor drains 10.00
- Ice Maker 10.00
- Back Water Valve 10.00
- Thermal Expansion Tank 10.00
- Bidet 10.00
- Dental Chair 10.00
- Grease or Oil Interceptor 10.00
- Drinking fountains 10.00
- Soda fountains/bars 10.00
- Waste opening 10.00
- Humidifiers 10.00
- Food waste grinders 10.00
- Dishwashers 10.00
- Urinals 10.00
- Whirlpools 29.00
- Lawn Sprinkler Systems 35.00
- All other fixtures not mentioned 10.00

Reinspection Fee 48.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):
- Automatic Machines (minimum) 24.00
- Each additional 10.00

Building Sewer Connection – sump connection 41.00
Drains:
- Storm drains to catch basin for main storm sewer 238.00

Lines less than 4" in diameter 20.00
Lines less than 6" in diameter 25.00
Lines less than 8" in diameter 36.00
Lines less than 10" in diameter 48.00
Lines less than 12" in diameter 61.00
Lines less than 14" in diameter 71.00
Lines less than 16" in diameter 84.00
Lines less than 18" in diameter 97.00
Lines exceeding 18" in diameter (per inch) 8.00

Water Distribution System:

¾" 14.00
1" 25.00
1 ¼" 30.00
1 ½" 42.00
2" 55.00
2 ½" 78.00
3" 89.00
4" 103.00
Exceeding 4" 119.00
Replace piping, no increase in size 30.00

Mechanical Work

Application Fee (Non-refundable) 28.00
Permit Fee (minimum) 39.00
License/Registration 16.00
Gas-Fired Equipment; Oil Burners; New or Replacement –
Burners with input:
up to 75,000 ..... 41.00
75,001 to 500,000 ..... 47.00
500,001 – 1,000,000 ..... 82.00
1,000,001 – 2,000,000 ..... 93.00
2,000,001 – 3,000,000 ..... 116.00
over 3,000,000 ..... 140.00
Duct Work 41.00
Gas Piping:
Mains up to 2" 35.00
Mains 2 ½" to 4" 47.00
Mains over 4" 59.00
Each Opening off of Main 8.00
Factory Built Chimneys:
Up to 8" 13.00
9" to 12" 24.00
Over 12" 35.00
Pre-Fab Fireplace 47.00
Flue Liner 29.00
Exhaust Fans:
Up to 400 cfm 8.00
401 cfm to 1,000 cfm 13.00
1,001 cfm to 4,000 cfm 24.00
Over 4,000 cfm 35.00
Dryer Vents 13.00
Kitchen Hood and Duct 42.00
Spray Booth Hood and Duct 42.00
Alterations to existing installations 48.00
Reinspection Fee 48.00
Refrigeration Systems –
Self Contained:
2 Tons or Less, each 35.00
Over 2 to 5 Tons, each 41.00
Alterations to each system 48.00

Remote Systems:
5 Tons or Less, each 41.00
Over 5 to 50 Tons, each 59.00
Over 50 Tons, each 93.00
Alterations to each system 48.00
Stand Pipes and Fire Suppression:
Riser pipe up to 4" diameter 36.00
Riser pipe up to 6" diameter 61.00
Riser pipe up to 8" diameter 84.00
Riser pipe 8" or more diameter 180.00
Each suppression opening (each head of the system) 2.00
Alteration to existing system 48.00
Flammable and Bulk Storage Tanks:
Tanks under 500 Gallons 41.00
Tanks under 5,000 Gallons 53.00
Tanks under 20,000 Gallons 69.00
Tanks under 50,000 Gallons 82.00
Tanks under 200,000 Gallons 93.00
Tanks over 200,000 Gallons 174.00

Buildings

Application Fee (Non-refundable) 28.00
Building Permit Fees (all use groups):
Valuation to $1,000 ..... 47.00
Valuation $1,001 to $10,000 ..... 47.00 + 15.00 per 1,000.00 over 1,000.00
Valuation $10,001 to $100,000 ..... 200.00 + 6.00 per 1,000.00 over 10,000.00
Valuation $100,001 to $500,000 ..... 820.00 + 6.00 per 1,000.00 over 100,000.00
Valuation $500,001 and over ..... 3,570.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained) 420.00
Multi-Family Bond (5% Retained) 630.00
Commercial Bond (5% Retained) 1,260.00
Industrial Bond (5% Retained) 2,520.00
Mobile Homes 121.00
Plan Review Fee:
Valuation $0 - $500,000 ..... 0.0040 of valuation but not less than 100.00
Valuation over $500,000 ..... 2,200 + 0.0015 of valuation over 500,000.00
Plan Review: If Plan Number is on File 89.00
Miscellaneous Plan Review 55.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs) 55.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner ..... No Fee
Use Permit (tenant space) 78.00
Fire Repair 179.00
Reinspection Fee 48.00
Demolition:
Plan review and administration base fee ..... 55.00 + 0.10 per square ft.
Swimming Pools:
Above Ground 59.00
Below Ground 116.00
Signs:
Application Fee (non-refundable) 28.00
Permanent 119.00
Temporary 55.00
Contractor Registration Fee 18.00
Residential Basement Finish 173.00
Residential Interior Finish 173.00

Code Enforcement

Nuisance Abatement Administrative Fee 25%
Nuisance Abatement Agreement Execution Fee ..... Attorney Fee + 25%
Sidewalk Snow Removal Fee ..... Cost + 25% + 29.00

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 29.00

Municipal Civil Infraction (Residential Parking and Signs):
- Each Violation 100.00
- First Repeat Offense 250.00
- Second and Subsequent Repeat Offenses 500.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:
- Types A & B ..... 785.00 + 50.00 per device
  - Renewal Fee ..... 159.00 + 25.00 per device
- Type C 785.00
  - Renewal Fee 159.00

Attorney Services ..... Attorney fees & costs
Auction License 40.00
Business Registry License 37.00
Carnival/Festival License ..... 62.00 + 5.00 each booth, ride, etc.
Cigarette Vending Machine License ..... 54.00 + 5.00 each additional machine
Death and Birth Certificate 17.50
- Additional Copies 6.75

Dog License
- Prior to April 1 (all dogs) 5.35
- April 1 to October 31 (dog) 7.40
- April 1 to October 31 (puppy) 5.40
- November 1 to December 31 (all dogs) 4.30

Replacement Dog Tag 1.65
Going Out of Business License 136.00
House Moving License 62.00
Industrial Development District Filing Fee 1,000.00
Industrial Facilities Exemption Certificate Filing Fee 1,550.00
Industrial Facilities Exemption Certificate Transfer Fee 1,000.00
Junk Yard License 62.00
Mobile Vending License 155.00
Passport Processing Fee 30.00
Refuse Collection License ..... 81.00 + 5.00 each truck
Snow Removal License 158.00
Solicitor/Peddler License 103.00
Taxi License (annual fee) ..... 79.00 + 10.00 per vehicle
Temporary Use Vendor License 40.00
Wrecker Driver License (Towing Contractor) 100.00
- Renewal Fee Wrecker Driver License (Towing Contractor) 50.00

Massage Establishment License 536.00
- Each Massologist 225.00
- Renewal Fee Massage Establishment License 268.00
- Renewal Fee Each Massologist 45.00

Precinct Map 6.40
City Street Map 4.00
Zoning Map 5.15
City Budget 43.00
Risk Management Report 24.00
Municipal Improvement Program 24.00
City Financial Audit 24.00
Collective Bargaining Agreement 5.00
Election Results 7.80

Voter and Business Registry Labels (per page) 1.00
Voter and Business Registry Lists (per computer hour) ..... Payroll + 0.05/page
Magnetic Voter Tape 94.00
with own tape 59.00
Voter Data Diskette 21.00
Liquor License: Class C 1,690.00
Tavern 1,690.00
SDD & SDM 1,690.00
Entertainment and/or Dance Permit 1,690.00
Extended Hours Permit 1,690.00
Shareholder Partial Transfer 845.00
Temporary Liquor License Application Fee 26.00
Hotel/Motel License 1,690.00
Renewal Fee Hotel/Motel License 845.00
Certifications 4.10
Photo Copies 1.60
Additional Pages 0.30
Microfilm Copies (per page) 4.50
Recording Fee (formerly Encroachment Fee) 40.00
Notary Fee 4.10
Audio Tape Recordings (prepay minimum) 14.00
Fireworks Display Permit 575.00
Close Proximity Pyrotechnic Display Permit 575.00
Sterlingfest Art Fair Applications 200.00
Corner Booth Additional Charge 25.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable) 15.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors 525.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs 1,050.00
Tape Dubs 28.00
Gazebo Rental (per event):
Resident 50.00
Non-Resident 75.00
Gazebo Rental for Photographs Only (per 1 hour rental):
Resident 25.00
Non-Resident 35.00
Upton House Rental – (per 4 hour rental):
Resident 50.00
Non-Resident 75.00
Sports Programming Sponsorship Fees:
One Quarter (Football) 77.00
One Half (Football/Basketball/Soccer) 103.00
One Inning (Baseball/Softball) 26.00
Entire Game 155.00
General Programming Sponsorship Fees:
Half-hour Program 77.00
One-hour Program 129.00
Environmental Recovery Fee ..... Cost + 25% Administrative Fee
Municipal Civil Infraction:
Each Violation 150.00
First Repeat Offense 375.00
Second Repeat Offense 750.00
Third and Subsequent Repeat Offenses 1,500.00

Sec. 3.04

ECONOMIC DEVELOPMENT OFFICE:

Brownfield Application Fee ..... 330.00 + Attorney Fee + 25%

Sec. 3.05

ENGINEERING OFFICE:

Review Fees:
- Site Plan ..... 348.00+59 per acre + 1.3% of site improvement costs
- Multiple Developments ..... 348.00+59 per acre + 1.3% of site improvement costs
- Cluster Developments ..... 348.00+59 per acre + 1.3% of site improvement costs
- Site Condominiums ..... 348.00+59 per acre + 1.3% of site improvement costs
- Subdivisions ..... 1.3% of estimated site improvement costs

Plan Revision Review Fee 75.00

Design Fees:
- Construction plans and specifications - *Class 1 ..... 7.0% of construction costs
- **Class 2 ..... 8.7% of construction costs
- Field engineering and contract administration - *Class 1 ..... 2.4% of construction costs
- **Class 2 ..... 2.7% of construction costs

Engineering Bid Packet Fee 25.00

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 +180%

Telecommunications ROW Application Fee 540.00

Staking Fees ..... Payroll + 180%

Inspection Fees:
- Site Plan ..... Payroll +180%
- Multiple Development ..... Payroll +180%
- Cluster Development ..... Payroll +180%
- Site Condominiums ..... Payroll +180%
- City Construction Projects ..... Payroll +180%
- Subdivisions ..... Payroll +180%
- Inspections by Consultants ..... Consultant Fee +25%

Private Development Engineering Consultant Fee ..... Consultant Fee +25%

Sidewalk Repair and Gap Programs ..... Cost +20%

Easement Vacations ..... Attorney fee + 195.00

Easement Encroachments 220.00

Building Number Assignments (per address) 15.00

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 57.00
- Underground Private Utility ..... 0.05 linear foot (50.00 minimum)

S.E.S.C. Inspection Fees ..... Payroll + 180%

S.E.S.C. Inspection by Consultant ..... Consultant fee +25%

S.E.S.C. Permit Renewal Fee ($50 min.) ..... 10% of Permit Fee

Document Copying for:
- 24" x 36" Prints (Xerox 2510 or blueline) ..... 6.50 each
- 34" x 34" Prints (Xerox 2510 or blueline) ..... 6.50 each
- Larger than 34" x 34" (Xerox 2510 or blueline) ..... 6.50 each
- Detail Sheets (Mylar) ..... 7.50 each
- Topographic Map 36" x 36" (blueline) ..... 34.00 each
- Planimetric Map 36" x 36" (blueline) ..... 17.00 each
- Overall Watermain Map (blueline) ..... 6.50 each
- Overall Sanitary Sewer Map (blueline) ..... 6.50 each
- Overall Storm Sewer Map (blueline) ..... 6.50 each
- Master Storm Sewer Plan (book form) ..... 40.00 each
- Master Watermain Plan (book form) ..... 30.00 each
- Master Sanitary Sewer Plan (book form) ..... 30.00 each
- Master Road Plan (book form) 1998 HRC ..... 40.00 each

Municipal Civil Infraction for Various Soil Erosion and Sedimentation Control Regulations:
- First and Subsequent Repeat Offenses 750.00

Municipal Civil Infraction for Unabated Knowing Violations of City Code Chapter 17:

Each Violation	5,000.00
First Repeat Offense	7,500.00
Second and Subsequent Repeat Offenses	10,000.00

Municipal Civil Infraction for Unabated Knowing Violations After a Notice of Determination:

Each Violation	10,000.00
First Repeat Offense	15,000.00
Second and Subsequent Repeat Offenses	20,000.00

* Class 1 projects include drain enclosures, channel improvements, sanitary sewer, water main, and pavement overlay.

** Class 2 projects include new road construction or reconstruction, bridges, pumping stations, etc.

Sec. 3.06

FIRE DEPARTMENT:

Fire Reports: First Page	7.50
Additional Pages	1.25
Photo Prints: (12, 24, or 36 exposures)	Print costs + 25% administrative fee
Digital Photographs:	
5" x 7" Color Print	24.00
8" x 10" Color Print	24.00
8" x 10" Contact Sheet	24.00
Compact Disc	12.00
Burning Permit	160.00
Fireworks Sales Permit	575.00
Fireworks Display Permit	575.00
Close Proximity Pyrotechnic Display Permit	575.00
Board of Code Appeals	195.00
Special Events Fee	
Temporary Special Amusement Building	215.00
All Other Special Events	145.00
Witnessed Acceptance Test Fee	139.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	639.00
Each additional hour	214.00
Reinspection Fee for Witnessed Acceptance Test	139.00
Phase I Site Inspection (1 hour minimum)	50.00+27 per hour
Special Fire Prevention Inspection	48.00
Special Fire Prevention Reinspection	48.00
Plan Review Fee	79.00
Heart Saver (CPR) Program Fee	38.00
False Alarm Fees: (within a 12 month period)	
First Response	No Fee
Second Response	110.00
Third Response	265.00
Fourth and Subsequent Responses	540.00
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense	100.00

Sec. 3.07

PARKS & RECREATION:

Pavilion Rental:
- Weekday (Resident) 52.00
- (Non-Resident) 67.00
- Weekend (Resident) 72.00
- (Non-Resident) 97.00

Nature Center Classes:
- School Field Trips (Sterling Heights Schools) ..... No fee
- (Non-Sterling Heights Schools per class) 28.00
- Children's Nature Classes (Resident) 4.00
- (Non-Resident) 5.00
- Scout Badge Classes (Resident) 5.00
- (Non-Resident) 6.00

Parent & Tot Classes:
- 1 Child Per Family (Resident) 40.00
- (Non-Resident) 47.00
- 2 Children Per Family (Resident) 45.00
- (Non-Resident) 55.00

Summer Playground:
- Resident 48.00
- Non-Resident 68.00
- Field Trip Bus Fee (Per Person) 5.00

Instructional Swim Classes:
- Resident 50.00
- Non-Resident 60.00

Tennis Classes:
- Resident 45.00
- Non-Resident 55.00

Tennis League:
- Resident 14.00
- Non-Resident 16.00

Tennis Tournament:
- Singles (Adult) 15.00
- (Youth) 13.00
- Doubles (Adult) 25.00
- (Youth) 21.00

Three Mile Run:
- Pre-Registered 16 years old and younger (Resident) 13.00
- (Non-Resident) 16.00
- Pre-Registered 17 years old and older (Resident) 15.00
- (Non-Resident) 18.00
- Race Day Registration ..... Add $1 fee to above

Golf Tournament:
- Adult (Resident) 15.00
- (Non-Resident) 18.00
- Youth (Resident) 9.50
- (Non-Resident) 12.50

Golf League:
- Resident 37.00
- Non-Resident 44.00

Special Recreation Dances:
- Pre-Registered (Resident) 6.00
- (Non-Resident) 7.00
- Registration at the Door (Resident) 7.00
- (Non-Resident) 8.00
- Staff Registration 1.00
- Prom Dance – Individual (Resident) 15.00
- (Non-Resident) 17.00

Special Recreation Playgrounds:

Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident)	128.00
(Non-Resident)	138.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident)	216.00
(Non-Resident)	236.00
Mentally Impaired (M.I.) – Individual (Resident)	128.00
(Non-Resident)	138.00
Mentally Impaired (M.I.) – Family (Resident)	216.00
(Non-Resident)	236.00

Special Recreation:

Rec + Club (Resident)	24.00
(Non-Resident)	27.00
Physically or Otherwise Health Impaired (P.O.H.I.) Teen Club (Resident)	24.00
(Non-Resident)	27.00
Diner's Club (Resident)	24.00
(Non-Resident)	27.00
Early On Parent & Tot	24.00
Socialization Station (Resident)	25.00
(Non-Resident)	27.00
Crafts (Resident)	8.00
(Non-Resident)	9.00
Creative Cooking (Resident)	7.00
(Non-Resident)	8.00
Sports Night (Resident)	35.00
(Non-Resident)	40.00
Sports Training (Resident)	35.00
(Non-Resident)	40.00
Martial Arts (Resident)	142.00
(Non-Resident)	147.00
Line Dance Exercise (Resident)	37.00
(Non-Resident)	44.00
Children's Line Dance (Resident)	25.00
(Non-Resident)	30.00
Wheelchair Basketball (Resident)	35.00
(Non-Resident)	40.00
Softball – Individual (Resident)	50.00
(Non-Resident)	56.00
Softball – Family (Resident)	86.00
(Non-Resident)	96.00

Fitness Classes:

Resident	40.00
Non-Resident	47.00

Ballroom Dance:

Resident	36.00
Non-Resident	41.00

Coffeehouse Tickets:

Advance Tickets	11.00
Subscription	10.00
At the Door Sales	12.00

Co-Ed Volleyball:

Resident	37.00
Non-Resident	44.00

Men's Gym:

Resident	37.00
Non-Resident	44.00

Golf Lessons – Adult:

Resident	51.00
Non-Resident	61.00

Senior Boys Basketball 475.00

Men's Softball 720.00
Co-ed Softball 480.00
Women's Softball 480.00
Sand Volleyball League 185.00
Treasure Hunters Market:
Resident 20.00
Non-Resident 25.00
Kite Building Clinic 2.00
Gymnastics:
One-half Hour Class (Resident) 35.00
(Non-Resident) 42.00
One Hour Class (Resident) 46.00
(Non-Resident) 56.00
Dance:
Fall Session (Resident) 43.00
(Non-Resident) 53.00
Winter/Spring Session (Resident) 69.00
(Non-Resident) 79.00
Senior Center Activities:
Birthday Party 9.00
Dance 22.00
Exercise (Resident) 3.00
(Non-Resident) 4.00
Golf League 11.00
Line Dance (Resident) 4.00
(Non-Resident) 5.00
Movie 1.50
Painting (Resident) 8.00
(Non-Resident) 9.00
Senior News Subscription (per year) 10.00
Softball Player Fee (Resident) 26.00
(Non-Resident) 31.00
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) 26.00
(Non-Resident) 31.00
Yoga (Resident) 6.00
(Non-Resident) 7.00
Senior Activity Fee - per day (Resident) 0.25
(Non-Resident) 0.50
Senior Center Gymnasium Activities:
Men's Drop-in Basketball Program (Resident) 50.00
(Non-Resident) 60.00
Track Usage Fee 2.00
Parks and Recreation Plan 6.90

Sec. 3.08

PLANNING:

Special Approval Land Use 465.00
Temporary Use 310.00
Administrative Review 210.00
Variances to Subdivision Regulations 340.00
Right-of-Way Vacations 515.00

Rezoning Petition:
- First Acre 1,460.00
- Additional Acre 57.00

Ordinance Text Amendment 1,460.00
Subdivision Plat 1,150.00
- Each lot over 100 lots 7.50

Subdivision Open Space and One-Family Cluster Development 630.00
Tree Preservation – Site Plans and Plats 725.00
Tree Preservation – Single Family Lot (less than one acre) 153.00
Tree Preservation Administrative Fee ..... 25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection) ..... Payroll + 175%
No Tree Affidavit 103.00
Site Plan Review:
- First Acre 348.00
- Additional Acre 59.00

Site Plan Review by Planning Commission:
- First Acre 466.00
- Additional Acre 59.00

As Built Revisions 206.00
Master Land Use Report 31.00
Master Land Use Map 10.30
Subdivision Plat Print (per sheet) 10.30
Zoning Board of Appeals:
- Regular Meeting 340.00
- Special Meeting 690.00

Zoning Compliance Letter 51.00
Landscape Plan Inspection ..... 25% of site plan fees
Municipal Civil Infraction:
- Each Violation 150.00
- First Repeat Offense 375.00
- Second Repeat Offense 750.00
- Third or Subsequent Repeat Offenses 1,500.00

Sec. 3.09

POLICE DEPARTMENT:

Police Reports:
- First Page 8.00
- Additional Pages 2.00

Clearance Letter 12.00
Noncriminal Fingerprint Card 18.00
Photos:
- 8" x 10" Color 24.00
- 5" x 7" Color 24.00
- 8" x 10" Contact Sheet 24.00
- Compact Disc 12.00

Administrative Towing Fees: (Charged to Towing Company)
- Inspection of VIN 16.00
- Reports on TR-52 Tracking 21.00
- Administration and Presence at Auction 412.00

Audio Tape Duplication Fee 35.00
Video Tape, DVD, CD Duplication Fee 38.00
Animal Give-up Fee 24.00
Animal Trap Rental Fee (per 5 days) 10.00
Bail Bond Arrest Warrant Fee 10.00
Personal Breathalizer Test (PBT) 11.00
Park Alcohol Permit Fee 26.00
Vehicle Inspection Fee 27.00

False Alarm Fees: (within a 12 month period)

First Response	No fee
Second Response	No fee
Third Response (Residential)	27.00
Third Response (Non-Residential)	81.00
Fourth Response (Residential)	55.00
Fourth Response (Non-Residential)	163.00
Fifth and Subsequent Responses (Residential)	108.00
Fifth and Subsequent Responses (Non-Residential)	324.00

Municipal Civil Infraction (including Animal Control Regulations):

Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00

Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:

Each Violation	75.00
First Repeat Offense	100.00
Second and Subsequent Repeat Offenses	125.00

Municipal Civil Infraction for Youth Curfew Violations:

Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses	100.00

Municipal Civil Infraction for Violation of Bicycle Regulations (City Parks):

Each Violation	10.00
First Repeat Offense	25.00
Second and Subsequent Repeat Offenses	50.00

Sec. 3.10

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	75.00
First Repeat Offense	150.00
Second or Subsequent Repeat Offenses	300.00

Sec. 3.11

PUBLIC SERVICES OFFICE:

Permit Revision Review Fee	82.00
Public Services Agreement Execution Fee	25.00
Recording Fee	40.00
Water & Sewer Debt Service Agreement Finance Charge	30%

Sec. 3.12

PUBLIC WORKS DEPARTMENT:

Sewer Inspection	82.00
Sewer Tap	920.00
Sewer Capital/Unit:	
Residential	690.00
Commercial/Industrial (per 1,000 sq. ft.)	345.00
Sewer Frontage (per front ft.)	58.00
Sewage Disposal Service Only (per billing)	30.00
Residential and Commercial Water Meters:	
¾" Remote	330.00
1" Remote	370.00
1 ½" Remote	630.00
2" Compound Remote	1,630.00
3" Compound Remote	2,880.00
4" Compound Remote	3,800.00
6" Compound Remote	6,000.00
Double Check Detector Assembly with Meter:	
3"	1,600.00
4"	1,680.00
6"	2,430.00
8"	4,390.00
10"	6,400.00
Water Inspection	82.00
Water Tap	
1"	870.00
1 ½"	1,180.00
2"	1,400.00
3"	2,800.00
4"	3,030.00
6"	3,460.00
Additional Charge for 86 ft. wide street:	
1"	260.00
1 ½"	310.00
2"	440.00
Additional Charge for 120 ft. wide street:	
1"	560.00
1 ½"	700.00
2"	920.00
Additional Charge for 204 ft. wide street:	
1"	1,320.00
1 ½"	1,660.00
2"	2,380.00
Water Capital/Unit:	
Residential	540.00
Commercial/Industrial (per 1,000 sq. ft.)	270.00
Water Frontage (per front ft.)	31.00
Water Turn On Fee	41.00
Water Service Abandonment Fee	380.00

Sewer Service Abandonment Fee 82.00
Water Service Re-Use Fee 206.00
Sewer Service Re-Use Fee 82.00
Water Meter Testing Fee 40.00
Water Meter Rescheduling Fee 41.00
Final Water Meter Read 26.00
Final Water & Sewer Bill Preparation Fee 10.00
Citizen Water Service Request – after hours 50.00
Water Meter Removal/Reinstallation for common area irrigation system 155.00
Landlord/Tenant Affidavit Filing Fee 100.00
Fire Hydrant Rental – Payable by City 25.00
Private Use of Fire Hydrant:
One Hydrant ..... 100.00 per month + 250.00 water usage deposit
More Than One Hydrant ..... 200.00 per month + 500.00 water usage deposit
Bypass Inspection Fee ..... Back bill + 100.00
Common Area Irrigation System Permit 310.00
Planting of tree in right-of-way 170.00
Culvert installation permit 74.00
Ditch enclosure permit 74.00
Monitoring well installation permit 360.00
Sewer connection to discharge treated ground water 360.00
Cutting of noxious weeds ..... Contract costs + 60% administrative fee + 25.00
Additional refuse collection ..... Contract costs + 25% administrative fee
Refuse Collection Fees (Schools) ..... Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes) ..... Contract costs
..... + administrative fee – refuse taxes paid
Debris Removal Fee ..... Contract Costs + 25% administrative fee
Municipal Civil Infraction:
Each Violation 150.00
First Repeat Offense 375.00
Second Repeat Offense 750.00
Third and Subsequent Repeat Offenses 1,500.00
Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:
Each Violation 75.00
First Repeat Offense 150.00
Second and Subsequent Repeat Offenses 300.00

Sec. 3.13

TREASURY OFFICE:

Bounced Check Fee 30.00
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer) 17%
Late Payment Penalty 6%
Penalty Assessment on Delinquent Taxes 3%
Annual Lien Penalty ..... 6% + lien filing costs
O.U.I.L./O.U.I.D ..... 280.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.) 1%
Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:
Each Violation 150.00
First Repeat Offense 375.00
Second Repeat Offense 750.00
Third and Subsequent Repeat Offenses 1,500.00

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is herby authorized to establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

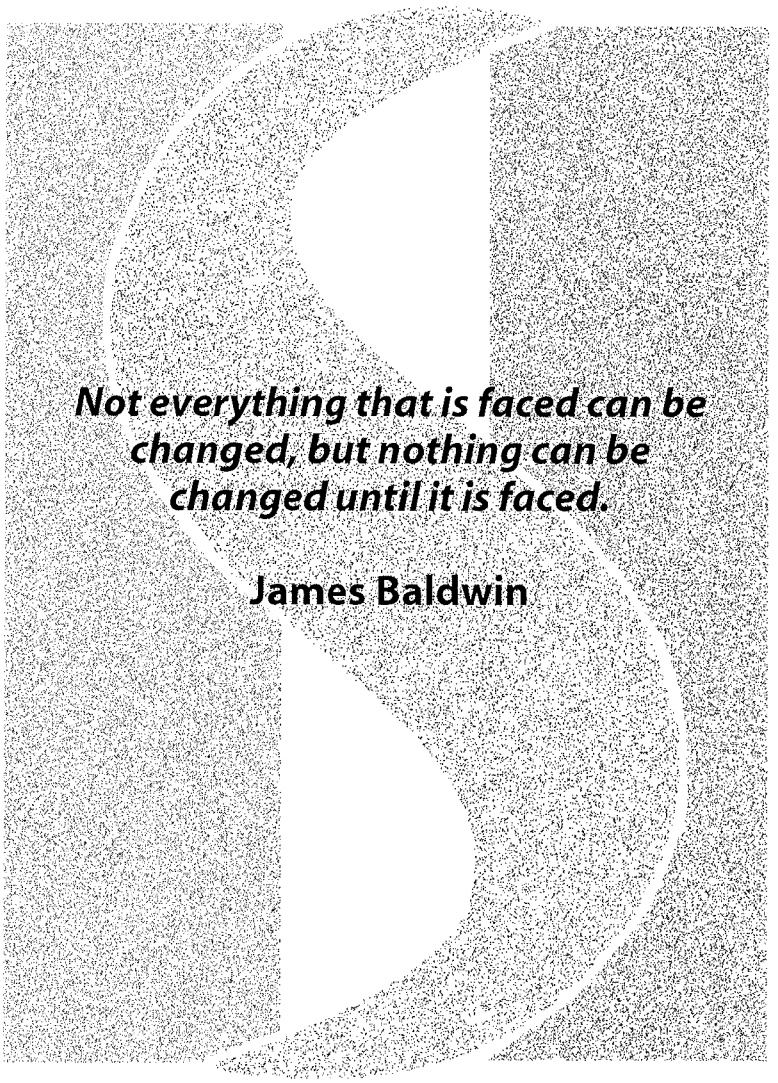
ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2007.

BY ORDER OF CITY COUNCIL

ADOPTED:
PUBLISHED:
EFFECTIVE:


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

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 and use of reserves 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.

A

Act 78 – Civil Service Commission 265
All Funds Financial Summary 44
Appropriations Ordinance 418
Assessing 117

B

Beautification Commission 268
Brownfield Redevelopment Fund 336
Budget Stabilization Fund 346
Building 193
Building Authority 270
Budget Calendar 14
Budget Message 5
Budget Policies 18

C

Capital Equipment 382
Capital Improvement Maps 394
Capital Projects Fund 376
Capital Projects Fund Improvements 387
Capital Projects Funds Revenues 373
Capital Vehicles 386
City Clerk 107
City Council 92
City Goals & Objectives 16
City Management 101
Comm. Develop. Block Grant Fund 338
Community Profile 15
Community Relations 251
Corridor Improvement Auth. Fund 340
Cultural Commission 272

D

Debt Management Program 349
Debt Service Funds Revenues 357
Departments At a Glance
- City Administration Department 98
- City Development 191
- Community & Information Services 249
- Fire 169
- Parks & Recreation 137
- Police 145
- Public Library 241
- Public Works 213
- Water & Sewer Fund 304

E

Economic Development 199
Economic Development Corp. Fund 334
Emergency Management 185
Engineering 215
Executive Summary 35

F

Facilities Maintenance 113
Fact Sheet 9
Fee Schedule 428
Financial Services 121
Financial Organization Chart 34
Fire Administration 171
Fire Extinguishment 177
Fire Prevention 181
Fleet Maintenance 219
41-A District Court 261

G

General Drain Fund 366
General Employees Retirement Board 274
General Expenditures 276
General Fund Revenues 59
Glossary 446

H

Historical Commission 278
How The City Allocates Its Money 52

I

ICMA Center for Performance Measures 24
Information Technology 255
Information Tech. Capital Program 385

L

Land & Water Capital Improvements 391
Land & Water Conservation Fund 342
Legal 282
Limited Tax General Obligation Fund 364
Local Road Fund 332
Local Road Improvements 390

M

Macomb County Comparable Tax Rates 65
Major Road Fund 330
Major Road Fund Improvements 388
Millage Rates 55

O

Ordinance Board of Appeals 193
Organizational Chart 4

P

Parks & Grounds Maintenance 223
Parks & Recreation 139
Personnel by Departments 83
Planning 203
Planning Commission 286
Police Administration 147
Police Investigations 153
Police Operations 159
Police Support Services 163
Property Tax Benefit Statement 54
Public Library 243
Public Safety Forfeiture Fund 344
Public Services 207
Public Works Center 227
Purchasing 127

R

R, S & T Debt Service Fund 360
Readers' Guide 11
Refuse Collection 231
Risk Management 107
Road Bond Construction Fund 378
Road Bond Debt Retirement Fund 362
Road Bond Improvements 388

S

Sanitary Sewer Main Improvements 392
Settlement Bonds Debt Fund 368
Sewage Collection 315
Solid Waste Management Commission 231
Special Revenue Funds Revenues 324
Storm Drain Improvements 387
Street Services 235

T

Table of Contents 2
Telecommunications Commission 288
Transfers Out 290
Treasury 131

W

Water & Sewer Administration 307
Water & Sewer Fund Revenues 298
Water & Sewer Rates 420
Water Distribution 311
Water Main Improvements 393

Z

Zoning Board of Appeals 292