Executive Staff

Mark D. Vanderpool	City Manager
Walter C. Blessed	City Clerk/Assistant City Manager
Michael Crimmins	Broadcast Services Manager
Michael Bartholomew	Building Official
Matthew Schmidt	City Assessor
Jeffrey A. Bahorski	City Attorney
Salvatore Conigliaro	City Engineer
Donald A. Mende	City Planner
James P. Buhlinger	City Treasurer
Leslie Reinhart	Controller
Lukas Bonner	Economic Development Manager
Vacant	Emergency Services Manager
Gregory McCaffery	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
Steve Guitar	Community Relations Director
Steven Deon	Network Administrator
Susan C. Kebbe	Parks & Recreation Director
Vacant	Police Chief
Carol L. Lingeman	Public Library Director
Denice Gerstenberg	Public Services Manager
Guy A. Kebbe	Public Works Director
Janice L. Sierzenga	Purchasing Manager
Mark Carufel	Risk Manager

City Seal

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

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

city of STERLING HEIGHTS

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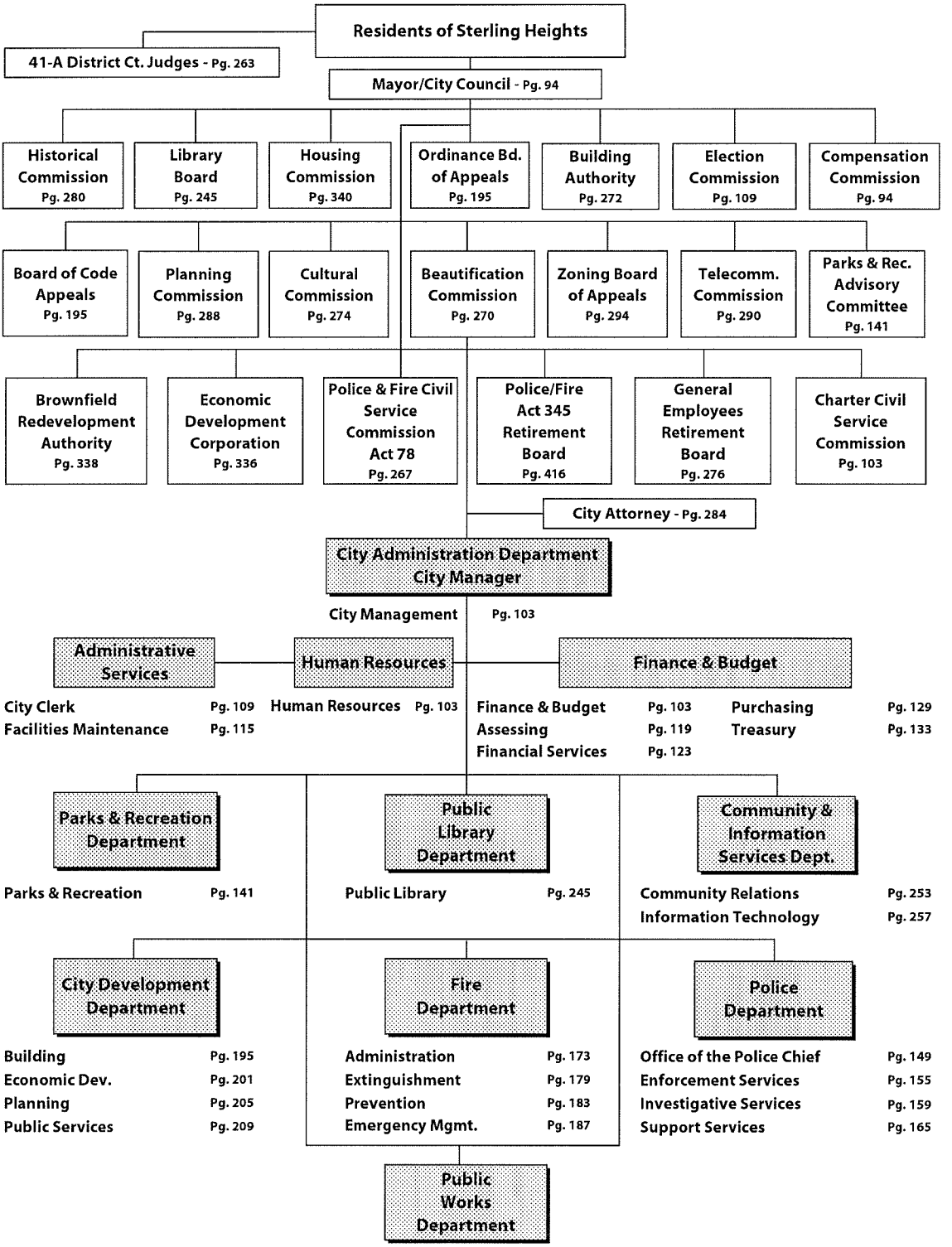
city of STERLING HEIGHTS

City Organization Chart



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

May, 2006

Honorable Mayor
Members of the City Council

Dear Mayor and Councilmembers,

Overview

On behalf of all departments, I am very pleased and honored to present the FY2006/07 Budget. The budget equating to $141.4 million enables the City to continue its high level of superior services while maintaining its investment in the City's infrastructure. The budget maintains the City's excellent bond ratings by keeping debt levels low and adding slightly to reserves.

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 2006/07 Budget includes funding for 629 full-time positions, a reduction of one vacant position from the prior year. The City has eliminated 20 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.

The budget includes funding for modest salary increases for the four labor groups whose agreements are scheduled to expire on June 30, 2006. Representatives from both labor and management continue to analyze the ongoing concern of rapidly rising medical costs in an effort to develop cost containment measures.

I. General Fund

The General Fund budget equates to $82,961,450 which represents an increase of $3.7 million or 4.7% over the prior year. Over 96% of this increase is due to higher employee wage and fringe benefits costs, of which most can be attributed to an increase in funding for rapidly growing retiree medical liabilities. **Without the aforementioned personnel cost increases, the General Fund would be increasing by only 0.2% or $169,780.**

By controlling discretionary spending, the budget withstands a cumulative six-year $11.2 million loss of state revenue sharing without employee layoffs or service reductions. Through expenditure savings and continued cost recovery measures, the budget will provide funds for enhanced city services, collective bargaining agreement adjustments, necessary capital improvements, and enhanced economic development efforts without employee layoffs.

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 Project Funds.

The Non-General Fund portion of the budget equates to $58,426,850, which represents an increase of $4.6 million over the prior year. This increase is mainly attributable to several new road improvement projects, the Senior Active Life Center addition, and the implementation of the new 800 MHz Public Safety Radio System. Most of these projects have dedicated revenue sources including Proposal N in the case of local roads.

In order to continue the City's Neighborhood Road Repair and Replacement Program, the budget includes the additional 0.10 mills approved by the voters in 1996 as part of Proposal N. These funds are needed due to reductions in state revenue sharing, declining gas receipts, and the devastation caused by the emerald ash borer. This additional funding source will also meet our residents' desires for improved neighborhood roads as cited in the recent 2006 Residential Survey. The slight millage adjustment will result in a modest tax increase of 67¢ per month for the

average homeowner. Even so, the City's millage rate continues to be one of the lowest in the State as illustrated on page 10 and is 2.66 mills lower than the rate in 1988.

The budget includes continuation of 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 a 3.9% water rate increase to our residents to help offset the 5.8% increase the City will receive from the City of Detroit. As shown on page 10, this lower rate increase will further reduce the City's markup on Detroit's water rate to only 13.4% as opposed to the average markup of 125% from the other 126 communities that receive water from the City of Detroit.

The budget includes funding for a number of noteworthy projects:

- $16.9 million in Capital Improvement projects including the widening of 19 Mile Road, the resurfacing of several major roads, construction of a 14,000 square foot Senior Active Life Center, water and sewer main improvements, sidewalk gap and repair funds, and continuation of the City's Neighborhood Road Repair and Replacement Program
- 800 MHz Public Safety Radio System to be used by the Police, Fire and Public Works Departments, 11 replacement police vehicles, two fire vehicles, seven public works vehicles to enhance snow plowing operations, and increased funding for snow removal and street sweeping on all City streets
- Technology improvements including police in-car cameras and laptop computers for detectives, replacement desktop computers, a web-based email system, new fire EKG equipment, a thermal imaging camera, and funding for high-speed fiber optic lines to increase data connection speed between City Hall, the fire stations, and Public Works facility.
- Five recreational park projects including new ball diamond fencing and portable bleachers at Delia Park and the resurfacing of the parking lot at Baumgartner Park

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:***

   - Implement a Corridor Improvement Authority to improve the rights-of-way along north Van Dyke including the establishment of an Authority Board and creating the Tax Increment Financing (TIF) Development Plan
   - Define and implement a Principal Shopping District for the Lakeside Center area
   - Target specific areas of the City that require additional code enforcement efforts in accordance with the City's overall goal of encouraging property maintenance in both residential and commercial areas
   - Prepare a city-wide street landscape design in accordance with the Zoning Ordinance and the newly adopted Master Land Use Plan
   - Through the use of the Master Land Use Plan, guide property owners and developers in their efforts to strengthen or redevelop commercial centers
   - Develop the City's first Master Lighting & Streetscape Plan to enhance pedestrian, bicycle, and vehicular travel
   - Update the City's Stormwater and Retention Pond Master Plan to help guide the City's efforts in regulating land development, drainage planning, and the eventual upgrade of the City's stormwater system

2. ***Provide for technological advancements to improve efficiencies:***

- Implement a web-based email system
- Implement high-speed fiber optic lines to increase data connection speed between City Hall, the fire stations, and Public Works facility
- Enhance telephone communications through an upgraded software system
- Continue to replace employee desktop computers as part of the Five-Year Technology Improvement Plan
- Develop a new database program for board and commission applications for easier review by City Council
- Develop an employee Intranet that will host the latest employee news and information resources
- Implement the first phase of the 800 MHz Public Safety Radio System

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

- Prepare and submit ballot language to be considered by the voters in November 2006 for a new police station and upgrades to the City's three oldest fire stations
- Develop an improved citizen inquiry process for the Police Department
- Implement a multi-faceted strategy for increased traffic enforcement
- Conduct a multi-discipline weapons of mass destruction training exercise involving the Police, Fire, Public Works, and City Administration Departments

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

- Implement a comprehensive local road pavement preservation process to decrease pavement deterioration, improve pavement quality, and extend local road maintenance dollars
- Obtain grant funding for the landscaping of the 18½ Mile Road Connector
- Improve retention area maintenance and fencing
- Continue Sidewalk Gap Completion Program
- Complete several road construction projects including:

  19 Mile Road from Ryan to Mound Roads including a landscaped boulevard

  19 Mile Road from Schoenherr Road to west of Saal Road

  Continuation of the Neighborhood Road Repair and Replacement Program

  Improvements to the appearance of county roads within the City by increasing the frequency of right-of-way mowings

  Enhancements to the M-59 median turf and planting beds with increased fertilization and litter pick-up

  Continuation of a city-wide reforestation program to replace emerald ash borer infected trees

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

- Complete a thorough review of the 2006 Residential Survey results and develop action plans to improve various programs and services
- Construct a 14,000 square foot addition to the Senior Active Life Center including a gymnasium, walking track, locker rooms, and additional parking spaces
- Assist the Parks and Recreation Development Advisory Committee in providing recommendations to the City Council regarding the development of parks and facilities utilizing the newly updated Major Parks and Recreation Facilities Plans, including the proposed Family Life Center
- Develop plans for the potential re-use of the Police facility as a community center for increased library, parks & recreation, and community activities

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

   - Provide for increased funding in the retiree health care fund
   - Reduce existing full-time employee staffing levels by one vacant position through attrition
   - Implement efficiency improvements as recommended by the various departments

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

2005/2006 Accomplishments

- Developed a new Economic Development Brochure and promotional DVD as part of the City's renewed Business Recruitment and Retention Program
- Hired the City's first full-time Economic Development Manager to enhance the City's existing economic development and redevelopment efforts
- Conducted a resident satisfaction survey of 3,000 randomly selected residents in which an overwhelming response rate of over 50% was achieved
- Aggressively sought and received state legislative approval to create a Corridor Improvement Authority to enhance the aesthetics along major corridors such as Van Dyke Avenue
- Actively pursued redevelopment opportunities throughout the City including commercial strip centers and industrial facilities such as the 15 Mile and Dodge Park center, 17 Mile and Van Dyke, 14 Mile and Van Dyke, former Sixpence restaurant, and numerous other sites along Van Dyke and the industrial corridor
- Fully implemented the False Alarm Billing Program to reduce false alarms due to system malfunctions resulting in unnecessary emergency responses
- Recognized by the Michigan Business and Professional Association (MBPA) as one of "Metro Detroit's 101 Best and Brightest Communities to Work For"
- Enhanced the City's Snow Emergency Ordinance to provide increased enforcement authority requiring owners to remove vehicles from the street during a declared emergency
- Approved an agreement with Warren Consolidated Schools to provide for a full-time school resource officer at Sterling Heights High School at no cost to the City
- Implemented an electronic City Council agenda packet whereby residents are able to access the complete agenda packet from their home computers
- Assisted in Hurricane Katrina relief efforts in Louisiana and at home while evacuees were provided temporary housing at local hotels
- Placed into service an Incident Command Vehicle for emergency response by the Police, Fire, and Public Works Departments as well as a new paramedic fire engine and two new senior transportation vans
- Completed a needs assessment of the City's three oldest fire stations and, based on the results, will be placing this on the ballot in November 2006
- Completed improvements to Delia Park including paving the parking lot, installing a new park sign, and improving the tennis court
- Installed a bocce ball court at the Senior Center
- Replaced numerous pieces of park equipment at Farmstead Park
- Installed a metal detector and hired part-time security guards to enhance security at the 41-A District Court
- Implemented a new water rate tier structure that lessens future City of Detroit rate increases and allows the City to better recover its costs from the system's large users
- Sponsored the largest ever Sterlingfest with a concert by the 70's and 80's supergroup, *Foreigner*
- Conducted a business/industry survey to ensure that the City is adequately addressing local business needs

- Installed emergency markers along the Clinton River Path System to assist emergency personnel in quickly locating those in need of assistance
- Completed the final phase of the hike/bike path system through the City of Sterling Heights from Riverland Drive to Van Dyke Avenue
- Created an employee memorial fountain between City Hall and the Police building to honor fallen City of Sterling Heights employees
- Published a local history book, *Sterling Township 1875-1968*, that contains more than 150 historic photographs from the Library's archives
- Adopted the updated Master Parks and Facilities Conceptual Development Plans to help guide the City's future parks and facilities development
- Created the City of Sterling Heights Emergency Preparedness Partnership consisting of representatives from the City's Emergency Services Operations Group, private sector, and the Chamber of Commerce. This group will increase communications and cooperation between the public and private sectors in response to emergencies
- Established a new Emergency Operations Center (EOC) and alternate emergency dispatch center
- Ranked as the safest city in Michigan with a population greater than 100,000
- Earned an "Outstanding" designation from the Government Finance Officers' Association (GFOA) for the annual budget
- Recognized by the GFOA for the City's annual budget, comprehensive annual financial report, and annual report/calendar

Conclusion

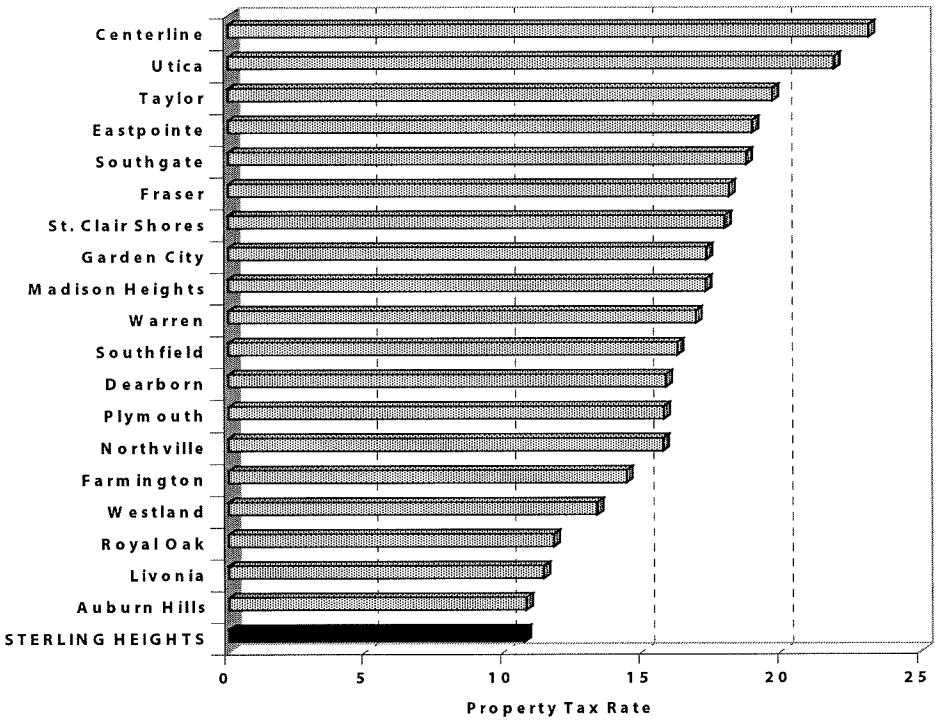
In closing, I would like to acknowledge the outstanding efforts of the Finance & Budget Division staff: Brian Baker, Janice Schoenrath, and Jodi Verduci, for their hard work and efforts during the budget process. The City's department directors and their staffs are also to be commended for their team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

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

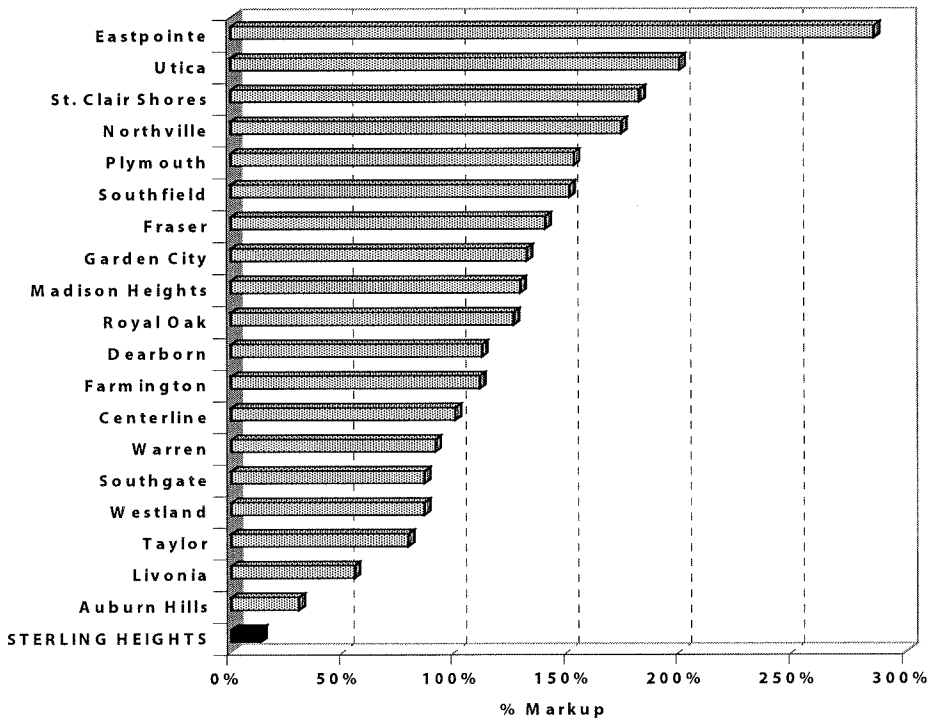
Respectfully submitted,

Mark D. Vanderpool
City Manager

Tax Rate of Nearby Cities



Markup on Detroit's Water Rate



City of Sterling Heights Fact Sheet

2006/07 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 $141.4 million increased by $8.3 million or 6.3%. The increase is attributable to several new road improvement projects, the Senior Active Life Center addition, and the 800 MHz Public Safety Radio System – most of these costs will be funded with Federal grants.

- The budget maintains our high level of superior services and continues the investment in the City's infrastructure. The budget maintains our excellent bond ratings by keeping our debt levels very low and adding slightly to reserves. It funds critical services and increases our funding for rapidly growing retiree medical liabilities, while at the same time, keeps our tax rate at one of the lowest in the State.

- The General Fund budget increased by $3.7 million or 4.7%. Over 96% of the increase is due to higher employee wage and fringe benefit costs. If the additional cost to fund retiree medical liabilities were excluded, costs would have risen by only 1.8% - nearly half the rate of inflation.

- By controlling discretionary spending, we have continued to weather a six-year $11.2 million cumulative loss of State revenue sharing payments with no layoffs or service reductions. The City has been able to eliminate a projected $1.7 million shortfall next year. Through expenditure savings and continued cost recovery measures, 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 629 full-time positions – a reduction of one vacant full-time position. Although the City has eliminated 20 vacant positions since 2002, saving $1.3 million annually, full-time staffing has still increased by eight positions since 1996. Our ratio of employees to residents is at a 30 year low.

- The City continues to provide property tax relief. Our 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 $2,421 more in taxes over this 19- year period.

- In order to continue with the Neighborhood Road Repair Program, the budget includes the additional 0.10 mills approved by the voters in 1996 as part of Proposal N. Continued cuts to revenue sharing, declining gas tax receipts, and the $2.5 million spent on removing emerald ash borer infected trees, have resulted in the need to begin levying this voter approved levy. Proposal N will increase our total millage by less than 1%, costing the average homeowner only $0.67 per month. The City's millage rate will continue to be below 45 nearby cities.

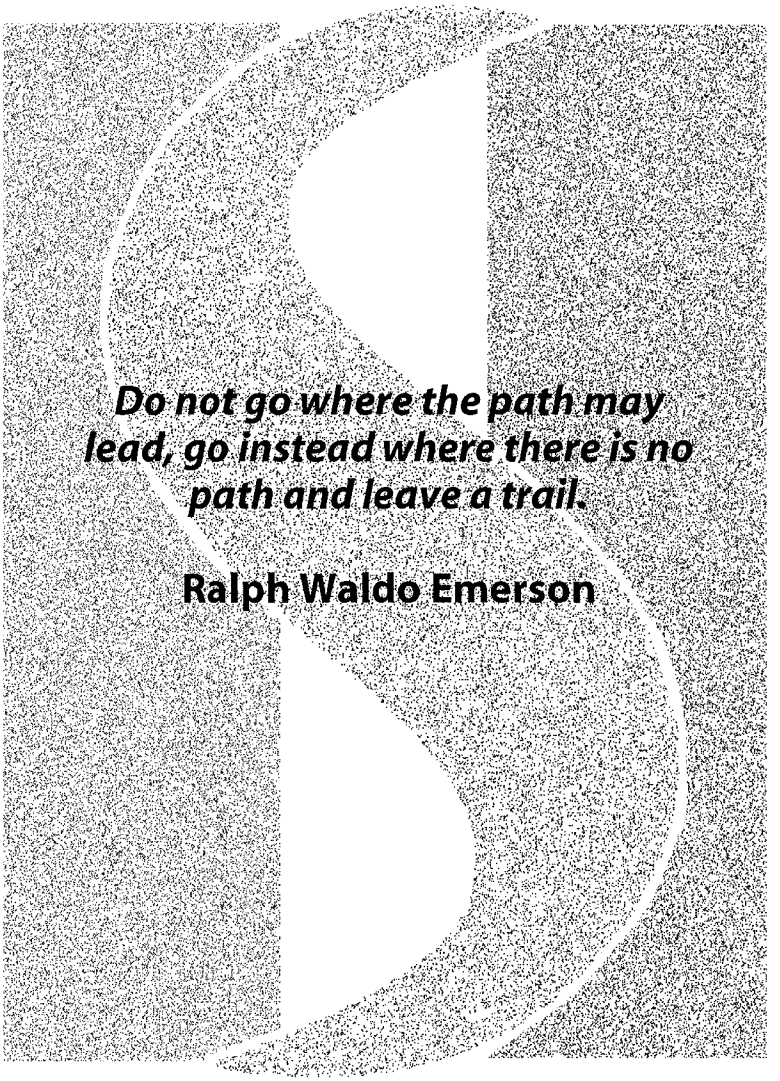
The budget includes funding for:

- $16.9 million in Capital Improvement projects including the widening of 19 Mile Road with a landscaped boulevard, the resurfacing of several major roads, construction of a 14,000 square foot Senior Active Life Center, water & sewer mains, sidewalk gap and repair funds, and the continuation of our Neighborhood Road Repair Program.

- A 800 MHz Public Safety Radio System to be used by the Police, Fire and Public Works Departments, eleven replacement Police vehicles, two Fire vehicles, seven Public Works vehicles to enhance our snow plowing operations, and increased funding for snow removal and street sweeping on all City streets.

- Technology improvements including police in-car cameras, detective laptop computers, replacement employee desktop computers, a web-based email system, new Fire EKG equipment, a fire thermal imaging camera, and high speed fiber optic lines to improve data connection speed between City Hall, the Fire Stations and the Public Works Facility.

- Maintaining the lowest combined water & sewer rate for residential customers of any city in the State with a population over 25,000. Only a 3.9% water rate increase is recommended to offset a 5.8% Detroit increase – this will further lower our markup on Detroit's water rate to only 13.4%, compared to the average 125% markup of the 126 surrounding communities. The 3.9% water rate adjustment is the lowest increase in the past seven years.■


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 purple 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.

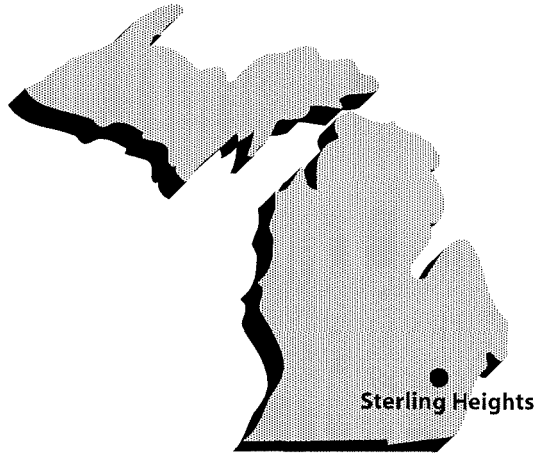
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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 2006 estimated population of Sterling Heights is 127,500. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. Currently, there are approximately 50,836 households in the City and a 35-year old median age. The median family income is $52,450. 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, Daimler-Chrysler 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. Emphasis will be increased on those personnel and management areas of long-term importance: employee relations, work simpler but more effectively, implementation of new technologies, long-term work force planning, and management incentives.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REVENUE POLICIES

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

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

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

4. The City will establish user charges and set fees for services for its enterprise funds at a level that fully supports both the operational and capital outlay costs of the activity.

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

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

RESERVE POLICIES

1. The City will strive to maintain an undesignated-unreserved General Fund balance at 15% or in an amount equal to 1.8 months of General Fund expenditures.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

1. An independent audit will be performed annually.

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

INVESTMENT POLICIES

1. The City will conduct a cash-flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled to insure maximum investment capabilities.

2. When permitted by law, the City will pool cash from several different funds for investment purposes to maximize potential earnings.

3. The City will analyze market conditions and potential investments to maximize its yield, while maintaining the integrity, diversification, and safety of the principal.

4. The City's accounting system will provide regular information concerning cash position and investment performance.

DEBT POLICIES

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues, and where the issuance of long-term debt is required, it will pay back the bonds within a period not to exceed the expected useful life of the project.

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

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

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

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

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

CAPITAL IMPROVEMENT BUDGET POLICIES

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

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

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

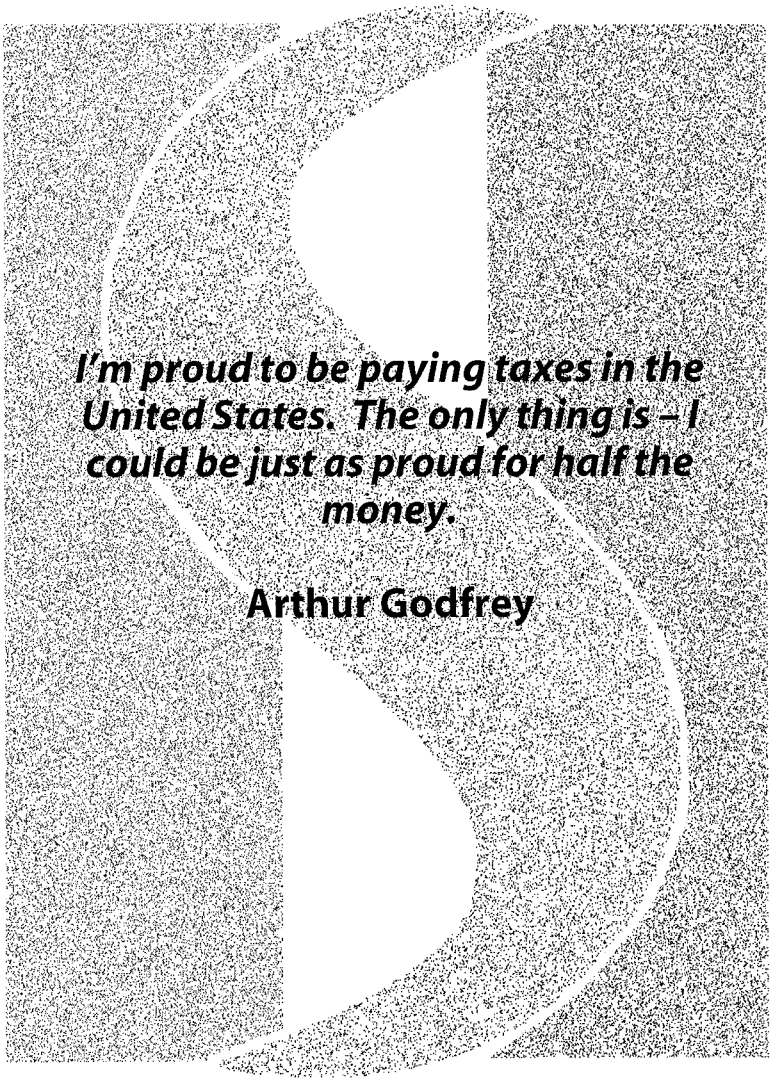
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.

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

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

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

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


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

City Policy Benchmarks

Policy Benchmark	Status
Financial Policy	
• Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements	• Funding for the continuation of the Information Technology Plan, the replacement of personal computers, a new web-based email system, high speed fiber optic lines to remote City buildings, and a telephone system software upgrade
• 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 last year; GFOA's "Distinguished" budget award for the past 19 years
• Integrate performance measurement and productivity indicators in the budget	• Earned GFOA's "Special Recognition" in three of the past five years for use of performance measures • Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for the past nine years • Participation in ICMA's Center for Performance Measurement – one of only 10 cities nationally to receive an Award of Distinction • Department objectives now linked to City goals
• To avoid practices that balance current expenditures at the expense of future years' revenues	• No short-term borrowing for operations • Continued very low City debt ratios • Implementing Proposal N without additional debt
• To provide adequate maintenance and orderly replacement of capital facilities and equipment	• Municipal Facilities expenditures $4.0 million • Vehicle expenditures $923,000 • Equipment expenditures $2.0 million • Technology improvements $254,000 • Plan for future Fire Station upgrades and new Police Station
• Maintain adequate level of funding for all retirement systems	• General Employees System 120.7% funded • Police & Fire Pension System 122.5% funded • Pre-funding retiree medical past 11 years • Recent update to Retiree Medical Actuarial Report and increased funding past three years • 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 $2,421 • Largest tax rate decrease among all County taxing entities – past 10 years • Lowest tax rate of 45 nearby communities
• Enhancement of the property tax base	• Community investments (past 3 years): Ford Motor Company $323 million investment DaimlerChrysler $287 million investment Detroit News Plant $174 million investment 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 3.5% while taxable values increased only 3.3% • Recent long-term cost recovery initiatives
• Maintain sound appraisal procedures and practices to reflect accurate property values	• Equalization Factor = 1
• Review fees and charges to assure the cost of providing the service is appropriately charged	• Annual review of rates and fees adjusted for inflation • Personal Property Tax Audits to ensure fairness • Higher non-resident fees • Lowest water & sewer rates in State
Reserve Policy	
• 15% Unreserved/Undesignated General Fund Balance	• 15.0% unreserved fund balance (2005 Audit)
• 55 days of General Fund operations	• 55 days of General Fund operations • No use of reserves for 2006/07 budget
Accounting, Auditing, Financial Reporting Policy	
• Produce comprehensive annual reports in accordance with GAAP	• Certificate of Achievement for Excellence in Financial Reporting Award for 18 years • One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
Investment Policy	
• Analyze market conditions to maximize yields while maintaining the integrity and safety of principal	• Maximized Interest on Investment earnings • Retiree Health Care Fund Investments maximized
Debt Policy	
• Keep average maturity of general obligation bonds at or below 20 years	• 2005 MI Transportation Bond 15 yrs. • 83% 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 (recent upgrade) AA+ • Standard & Poors' rating (recent upgrade) AA
Capital Improvement Policy	
• Make all capital improvements in accordance with an adopted capital acquisition program	• $16.9 million in total Capital Improvement Projects • $650,000 in neighborhood street repairs • $221,400 in recreational development projects, plus $2.2 million for the Senior Active Life Center Addition
• Continue to implement a multi-year plan for capital improvements	• Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

The City has participated in the ICMA's Center for Performance Measurement from 1999 - 2003. The Center was created to help cities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents. Below is a listing of the 2003 fiscal year results showing how Sterling Heights compares to other cities and counties across the country in various performance measurement categories.

Category	Sterling Heights	National Average	National Rank	Rank Percent *
City Administration				
Human Resources FTE's Per 100,000 Residents	0.8	8.5	2/55	4%
Full-time Employee Turnover Rate	0.8%	5.2%	2/56	4%
Risk Management				
Worker's Compensation Expenditures Per FTE	$220	$1,565	1/6	0%
Worker's Compensation Claims Per 100 FTE's	10	13	8/19	42%
Work Days Lost Due to Injury Per 100 FTE's	59	70	7/11	64%
Purchasing				
Purchasing Office Expenditures Per Resident	$2.30	$3.43	28/61	46%
Purchasing Office FTE's Per 100,000 Residents	2.4	5.1	19/55	35%
Dollar Amount of Purchases Needing Approval by Elected Body	$10,000	$53,770	6/58	10%
Days from Requisition to Purchase Order - Formal Bid	30	49	5/27	19%
Parks & Recreation Department				
Parks & Recreation Costs Per Resident	$27	$28	23/38	61%
Parks & Recreation FTE's Per 100,000 Residents	47	59	20/39	59%
Total Park Acres Per 1,000 Residents	7.7	13.5	28/71	39%
Parks & Recreation Revenue Per Resident	$3	$12	7/49	14%
Developed Park Acres Per 1,000 Residents	6.5	7.3	44/70	63%
Police Department				
Police Operating Expenditures Per Resident	$166	$211	15/52	29%
Sworn Police FTE's Per 1,000 Residents	1.5	2.0	17/49	35%
Civilian Police FTE's Per 1,000 Residents	0.4	0.6	15/48	31%
Percent of Sworn Police FTE's to Total Police FTE's	78%	77%	32/48	67%
911 Police Calls Received Per 100 Residents	27	70	8/47	17%
Police Moving Violation Citations Issued Per 100,000 Residents	11,328	13,927	32/61	52%
Traffic Fatalities Per 100,000 Residents	5.6	6.3	35/68	51%
Injury Producing Traffic Accidents Per 100,000 Residents	609	632	35/63	56%
Part 1 Violent Crimes Reported Per 1,000 Residents	1.7	5.1	9/70	13%
Percent of Part 1 Violent Crimes Cleared	51%	52%	26/54	48%
Part 1 Violent Crimes Cleared Per Sworn FTE	0.6	1.0	6/39	15%
Part 1 Property Crimes Reported Per 1,000 Residents	26	46	12/70	17%
Percent of Part 1 Property Crimes Cleared	19%	18%	36/57	63%
Part 1 Property Crimes Cleared Per Sworn FTE	3.1	4.1	17/40	43%
Cost per Part 1 Crime Cleared	$29,300	$23,225	32/43	74%
Total Arrests Per 1,000 Residents	27	60	15/61	25%
DUI Arrests Per 1,000 Residents	3.2	4.3	32/69	46%
Juvenile Arrests as a % of Total Arrests	13%	17%	20/48	42%
Average Age of Police Vehicles (Years)	2.7	3.2	15/55	27%
Average Annual Miles Driven Per Police Vehicle	32,300	15,320	43/43	100%

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

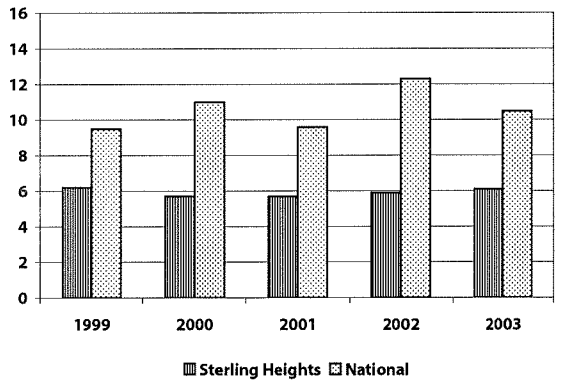
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	$96	$114	9/20	45%
Total Department FTE's Per 1,000 Residents	1.2	1.6	7/21	33%
Fire Incidents Per 100,000 Residents	248	393	6/28	22%
Total EMS Responses Per 1,000 Residents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

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

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

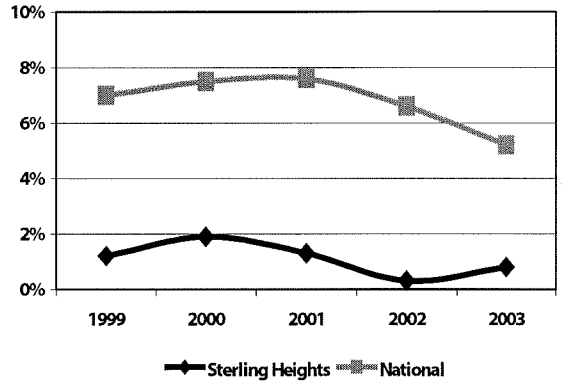
Total Full-time Employees Per 1,000 Residents



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

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

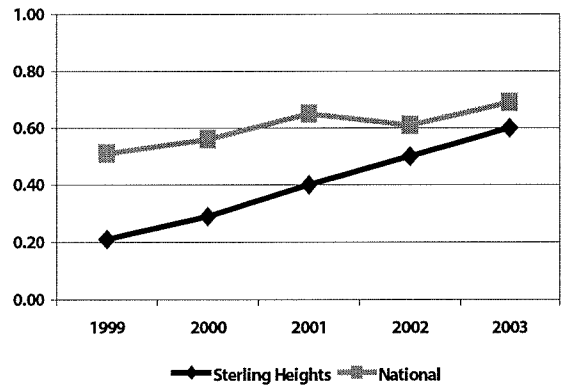
Full-time Employee Turnover Rate



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

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

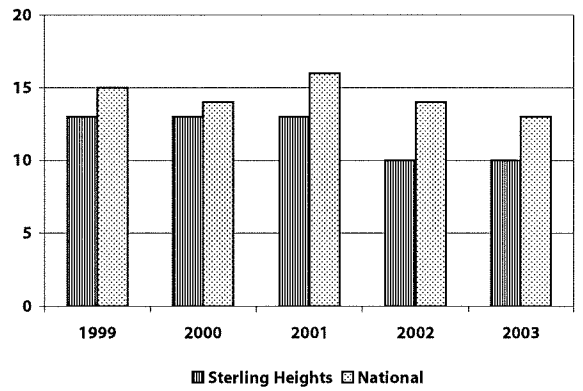
Ratio of Computers to Employees



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

The City has more than doubled its ratio of computers to full-time employees as a result of implementing our Information Technology plan. Over the past 5 years, we have narrowed the gap between the City's ratio and the national average.

Worker's Compensation Claims Per 100 Employees



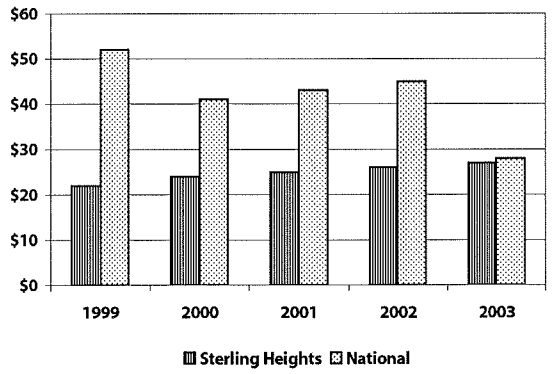
2003 National Rank: 8th out of 19 cities
Rank Percentage: 42%

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

ICMA PERFORMANCE MEASUREMENTS

Parks & Recreation Department

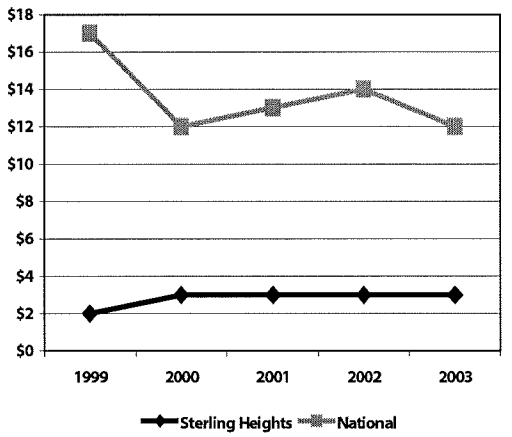
Parks & Recreation Costs Per Resident



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

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

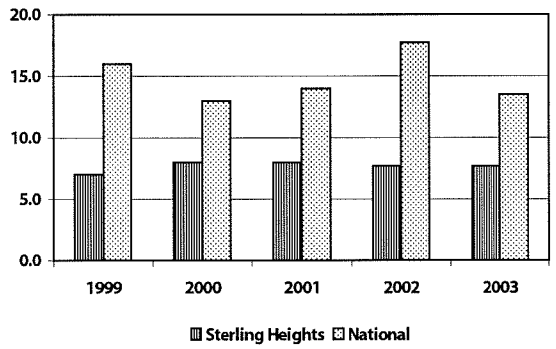
Parks & Recreation Revenue Per Resident



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

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

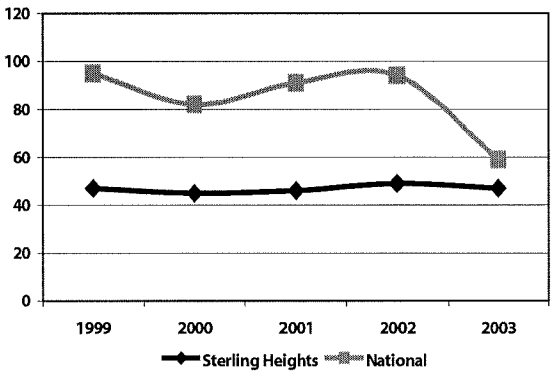
Park Acres Per 1,000 Residents



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

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

Parks & Recreation Employees Per 100,000 Residents



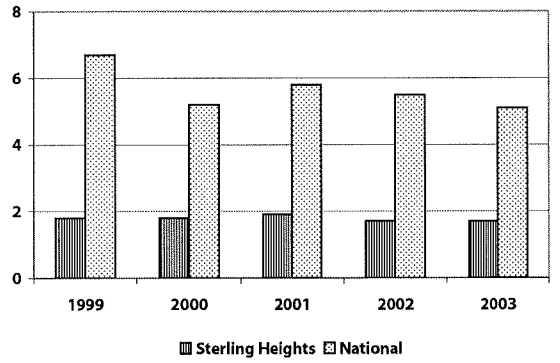
2003 National Rank: 20th out of 39 cities
Rank Percentage: 59%

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

ICMA PERFORMANCE MEASUREMENTS

Police Department

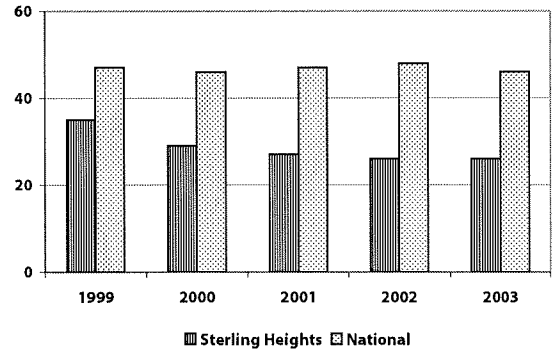
Violent Crimes Per 1,000 Residents



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

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

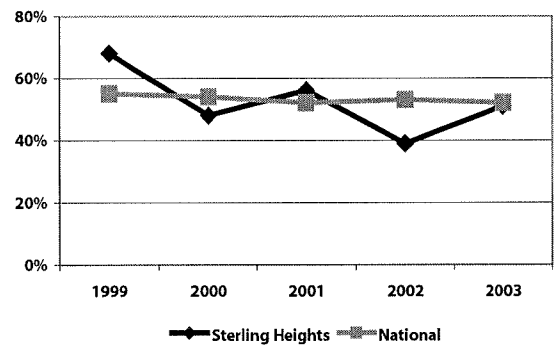
Property Crimes Per 1,000 Residents



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

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

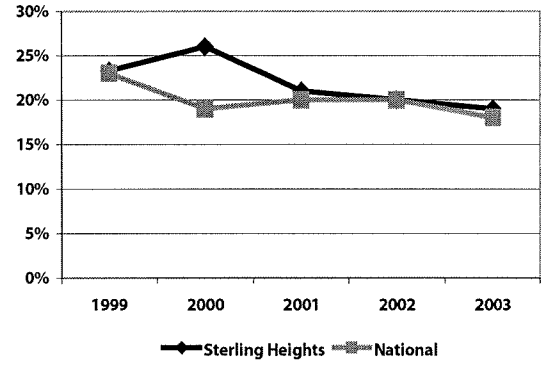
Percent of Violent Crimes Cleared



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

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

Percent of Property Crimes Cleared



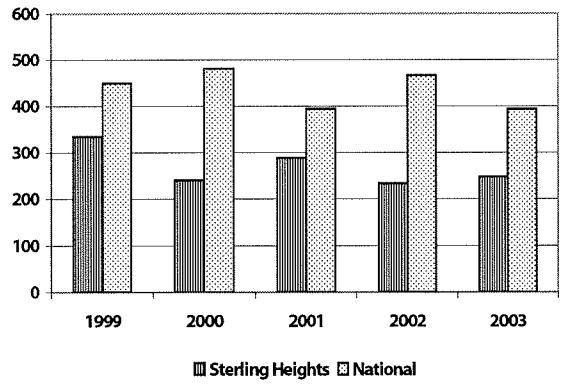
2003 National Rank: 36th out of 57 cities
Rank Percentage: 63%

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

ICMA PERFORMANCE MEASUREMENTS

Fire Department

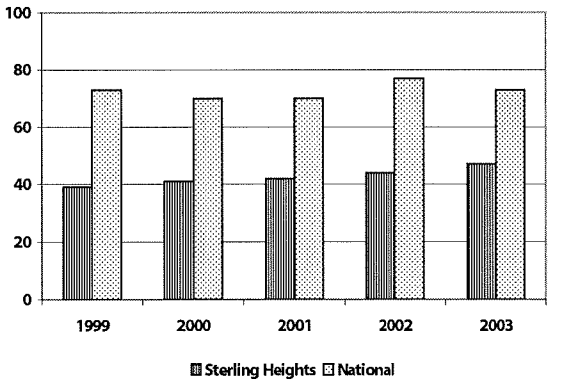
Fire Incidents Per 100,000 Residents



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

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

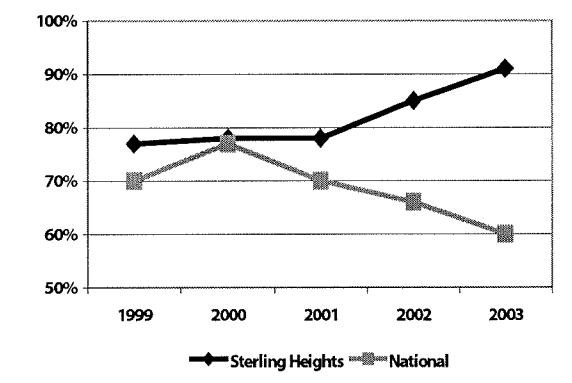
Total EMS Responses Per 1,000 Residents



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

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

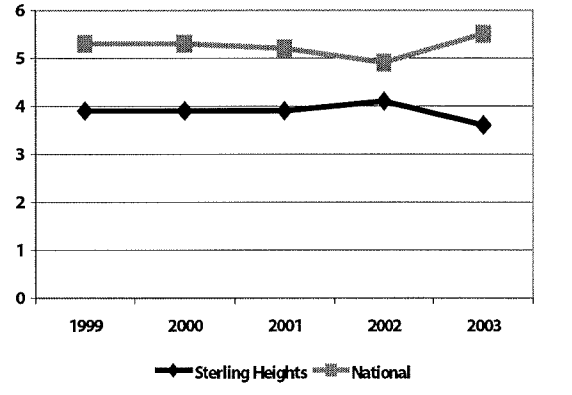
Percent of Fire Responses Less Than 5 Minutes



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

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

Average EMS Response Time (Minutes)



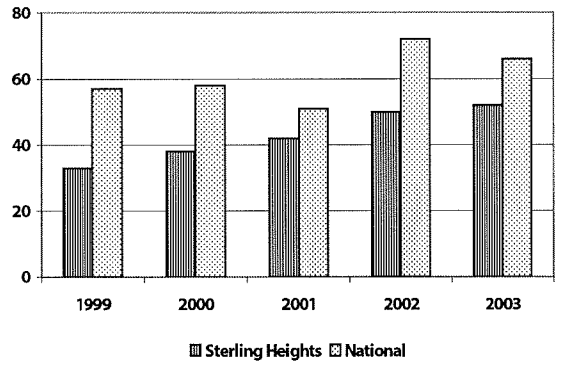
2003 National Rank: 2nd out of 37 cities
Rank Percentage: 5%

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

ICMA PERFORMANCE MEASUREMENTS

Public Works Department

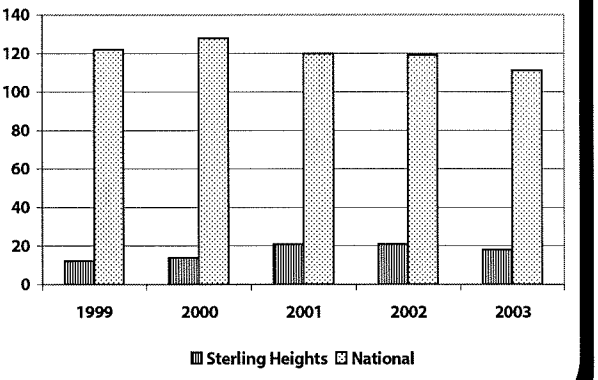
Refuse Collection Costs Per Ton



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

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

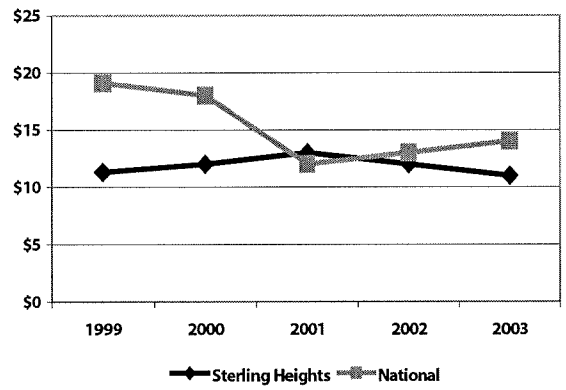
Recycling Costs Per Ton Recycled



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

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

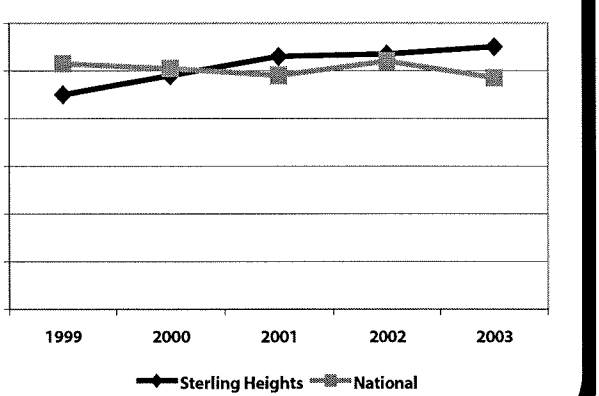
Fleet Maintenance Expenditures Per Resident



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

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

Average Age of Fire Vehicles (Years)



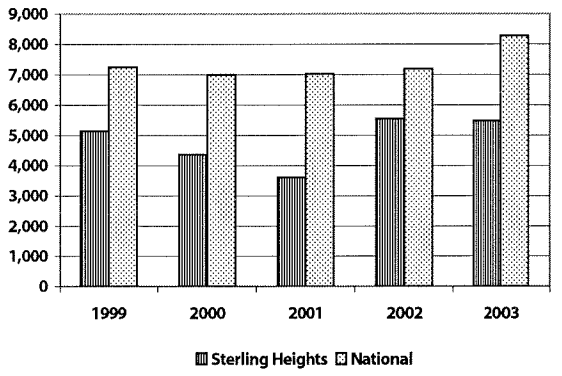
2003 National Rank: 38th out of 54 cities
Rank Percentage: 70%

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

ICMA PERFORMANCE MEASUREMENTS

Public Library Department

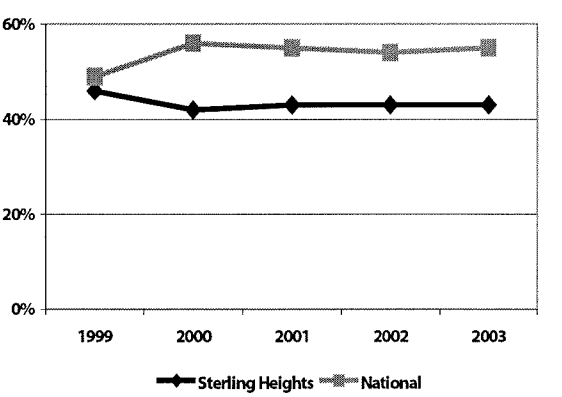
Library Circulation Per 1,000 Residents



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

From 2000 to 2001, the Library's circulation decreased sharply as the Library was closed for 2-3 months during each fiscal year due to renovations. In 2002 and 2003, the circulation increased above 1999 levels.

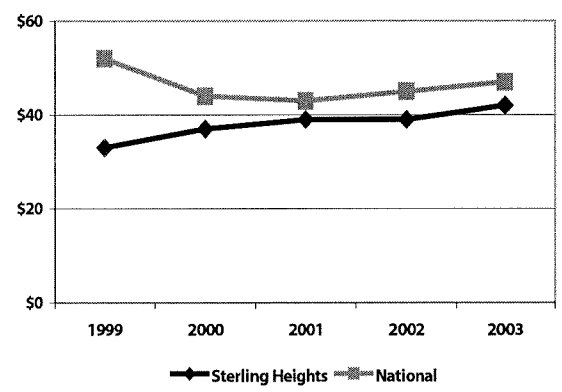
Registered Borrowers As a % of Population



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

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

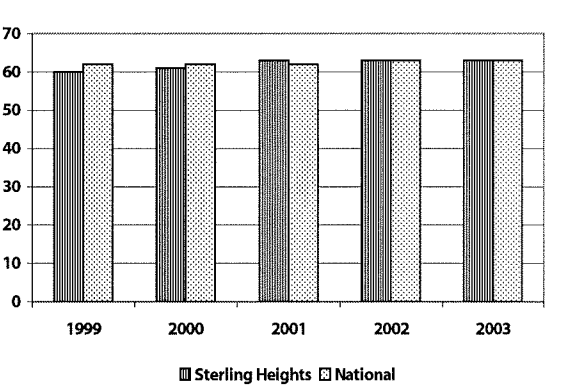
Library Expenditures Per Registered Borrower



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

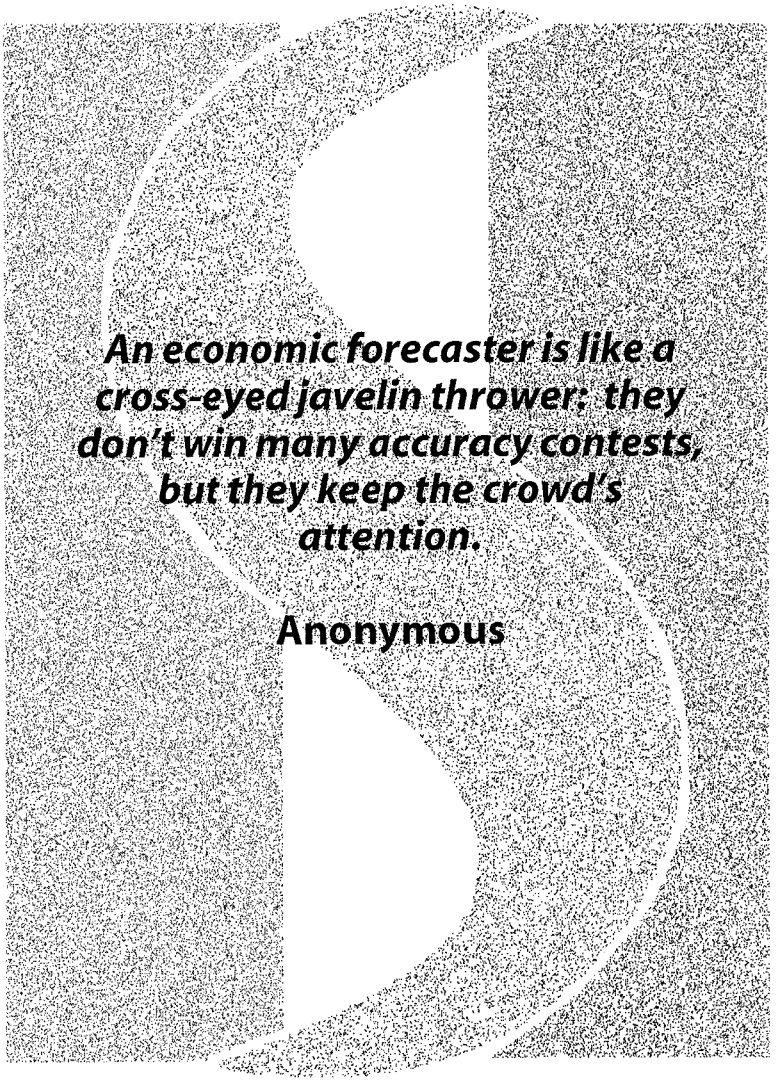
The City's Library Expenditures per Registered Borrower continues to be below the national average. In 2003, the City spent $42 per registered borrower compared to an average of $47 spent nationally. We ranked 17th out of 35 cities nationally.

Average Weekly Hours of Library Operations



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

Over the past 5 years, the City has increased the number of hours that the Library has been open. In 2001, the City opened the Library a half-hour earlier each day. Several years ago, the Library added Sunday hours during the school year.


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

All Funds Summary

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.

the Next Generation – Our Future

Financial Organization Chart

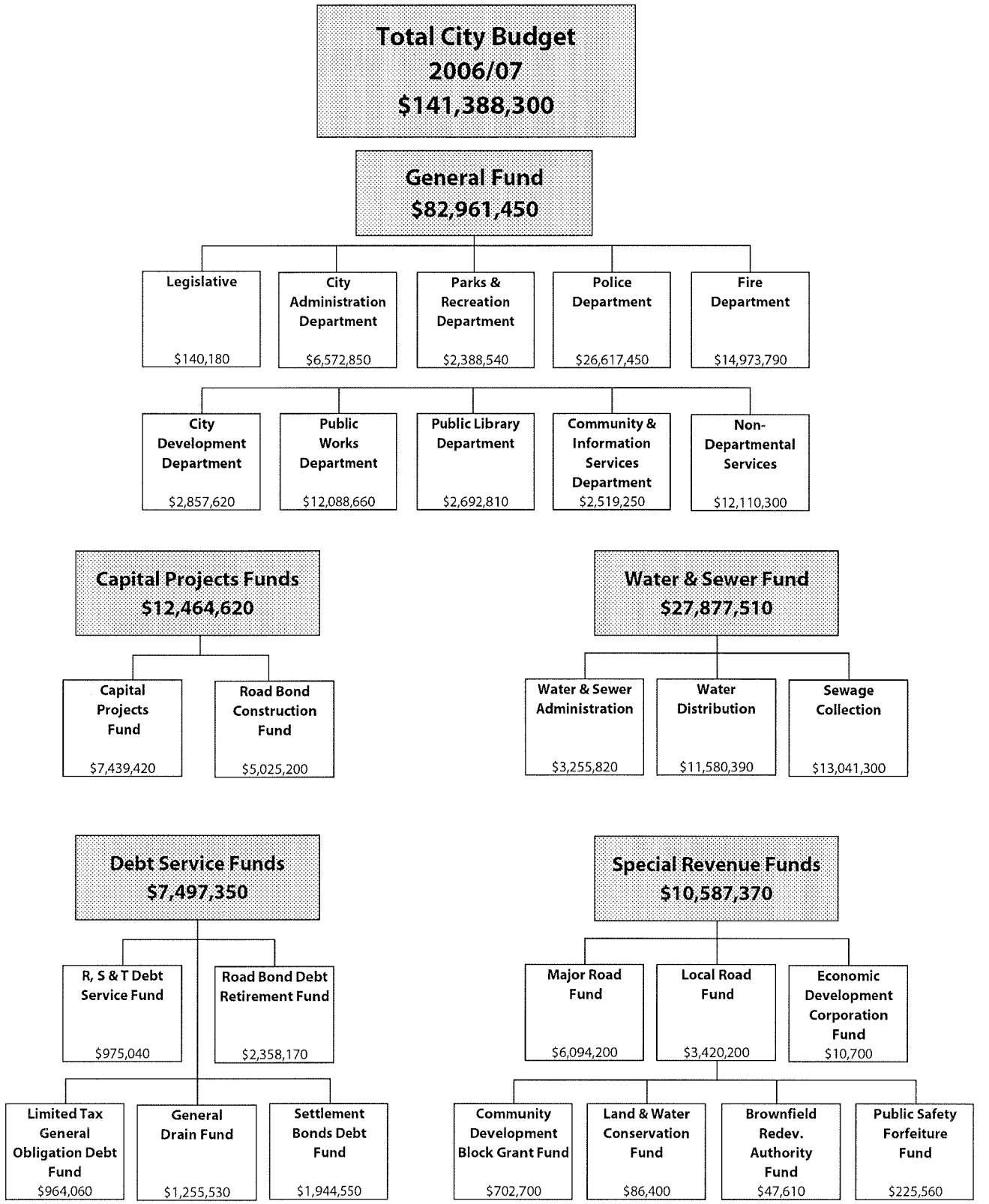


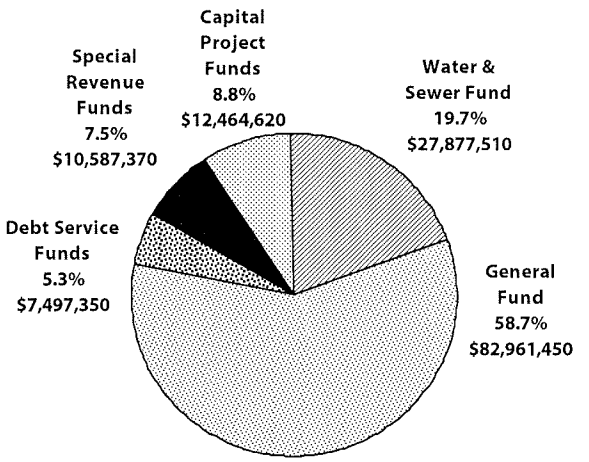
Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2006/07 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.

2006/07 Total City Budgeted Funds
Percent of Total Expenditures



Total City Expenditures of $141,388,300 (including transfers)

TOTAL CITY FUNDS

The 2006/07 Budget for all City Funds totals $141.4 million. The City establishes a budget for 17 separate funds or accounting divisions. These 17 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the ***General Fund***, which provides $83.0 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 $27.9 million in funding for the water distribution and sewage disposal services purchased from the City of Detroit. Both the General and Water & Sewer Funds will be discussed in depth later in this Executive Summary.

The ***Special Revenue Funds*** provide a total of $10.6 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, funding for economic development, brownfield redevelopment, and for the federally subsidized Community Development Block Grant program. Several notable items in the Special Revenue Funds 2006/07 Budget include:

- $61,800 for replacement fencing at two Delia Park ball diamonds.
- $12,600 for replacement portable bleachers at Delia Park.
- $82,300 to assist low and moderate-income families in rehabilitating their homes and to correct code violations.
- $34,000 in CDBG funding for architectural plans and $400,000 for the construction costs of the Senior Citizen Active Life Center Addition.
- Increased funding for advertising in business trade publications to promote the City's economic development efforts.
- Continued funding for the mowing and median maintenance contract on M-59 from Van Dyke to I-94.
- Increased funding for snow removal and street sweeping on all City streets.
- Continued funding for mosquito control in residential street catch basins to combat the spread of the West Nile Virus.
- Funding to complete the removal of emerald ash borer infected trees along City roads and to promote reforestation.

In order to continue the City's Neighborhood Road Repair and Replacement Program, the City must begin levying an additional 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 begin levying this operational millage for the first time. The City will save money by implementing a new asphalt capping technique and use a "pay as you go" approach – thereby avoiding bond issuance and interest financing costs. This new levy will raise most of the $575,000 needed next year to fund the improvements to Gloucester, Heidi, Highlite, Tericrest, Sheri, and Lin Drives. The City will also continue its increased funding for joint sealing and concrete replacement on all streets within the City.

Other road improvement projects include:

- $3.5 million for the widening, landscaping and creation of a 4-lane boulevard on 19 Mile Road from Mound to Ryan Road.
- $620,000 for the widening of 19 Mile from Schoenherr to west of Saal Road.
- $520,000 for the resurfacing of Dobry Drive from Ryan to Dequindre Road and $400,000 for the resurfacing of Red Run and Moravian Drives.
- Funding for the design of the eventual widening of 19 Mile Road between Ryan and Dequindre Road.
- $200,000 for the alignment of the 18 Mile and Utica Road intersection.
- The application of a grant to landscape the 18½ Mile Road roundabout.

The ***Capital Project Funds*** total $12.5 million for 2006/07. 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 2006/07 Budget include:

- $550,000 for Neighborhood Sidewalk Repairs and $350,000 for the continuation of the Sidewalk Gap Completion Program.
- $1.8 million to finance the cost of the Senior Citizen Active Life Center Addition.
- $515,000 for the installation of the Schuer Drain, a Gibson Drain bank erosion prevention project, and routine ongoing maintenance of existing storm drains.
- $135,000 for the resurfacing of the Baumgartner Park parking lot.
- $15,000 for repairs to two neighborhood school walkways.
- Improvements to the City Entrance Welcome Sign on 14 Mile and Van Dyke.
- $70,000 to update the City's Master Retention and Storm Water Plan.
- $1.6 million for replacement capital equipment for City departments including $1.5 million for a new public safety 800 MHz radio system.
- $237,750 for Information Technology hardware and software improvements.
- $707,000 in capital vehicle replacements.

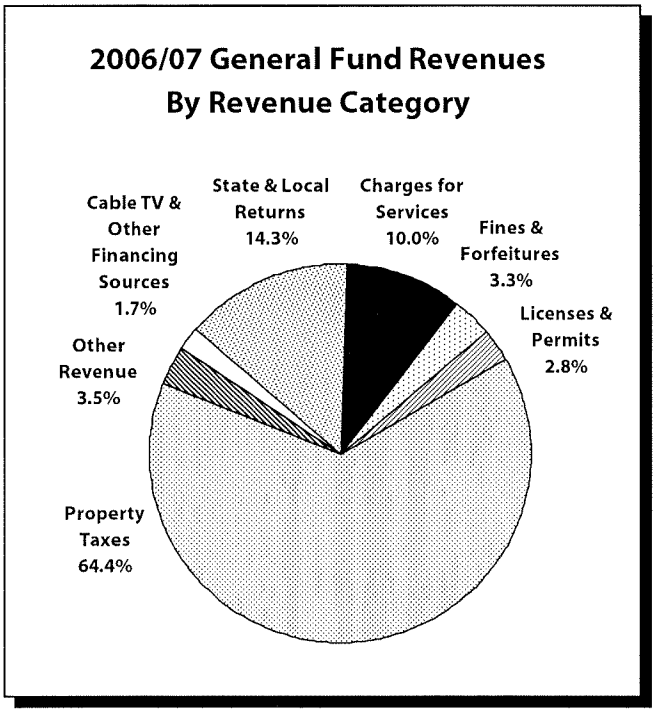
Finally, the ***Debt Service Funds*** total $7.5 million and provide funding for the debt payments on the road construction projects, the Judicial Services Center, the City Center Commons, the City's storm drains, litigation settlements, and the debt resulting from the voter approved Proposal R. The City has saved over $775,000 in future interest payments by refinancing several bonds over the past four years.

GENERAL FUND

The 2006/07 Budget for the General Fund is $83.0 million, an increase of $3.7 million or 4.7% above the 2005/06 Budget.

Revenues by Category

The General Fund derives its revenue from a variety of sources as the following graph illustrates. The

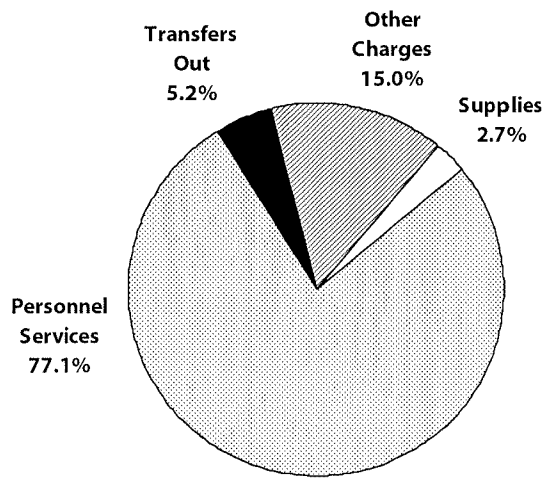


largest source is from property taxes. The City's tax rate of 10.725 mills will provide $53.3 million or 64.4% of the total General Fund budget. Taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement debt, and Drain debt. The City's millage rate increased by 0.10 mills to pay for Proposal N neighborhood road improvements. The City has been able to pay for these improvements in the past without the need to levy the additional millage approved by the voters in 1996. Despite this increase, the City's tax rate has fallen by 19.8% since 1988. Proposal A has capped property value assessments at a 3.3% inflationary increase next year despite a 3.5% increase in property market values.

To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 2.8%, State and Local Returns 14.3%, Fines & Forfeitures 3.3%, Charges for Services 10.0%, Other Revenue 3.5%, Cable TV Revenue 1.6%, and Other Financing Sources 0.1%.

The budget is balanced and no use of fund balance reserves is planned for the 2006/07 fiscal year. In fact, a modest $24,230 will be contributed to reserves, resulting in an estimated $14.9 million or 17.9% of expenditures available in reserves.

2006/07 General Fund Expenditures by Category



Total General Fund Budget of $82,961,450

Expenditures by Category

The $83.0 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 77.1% of the total budget. Supplies, which are made up primarily of operating supplies, parts for the repair and maintenance of City vehicles, and the purchase of Library books, total 2.7% of the budget. Other Charges total 15.0% of the budget and are primarily used to provide for the refuse collection contract, liability insurance, utility bills, and legal costs. Transfers to other City funds total 5.2% of the General Fund budget.

The total $3.7 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	$3,576,740	5.9%
Supplies	81,130	3.8%
Other Charges	(102,200)	(0.8%)
Transfers Out	190,850	4.6%
Total	**$3,746,520**	**4.7%**

Personnel Services increased $3.6 million or 5.9% over last year's budget. Wages for full-time employees increased by $961,580, as all labor groups are budgeted to receive a 3% wage increase. Hospitalization costs rose by $185,750 or 2.9%, while Dental insurance costs rose by $36,390 or 6.6% due to a rate increase for the City's medical costs. Police & Fire Pension costs decreased by $347,140 or 11.6% due to the continued effects of an actuarially assumed higher investment rate of return which again has resulted in a decrease in the actuarially determined City contribution rate.

The City will again have to increase its contributions toward the rapidly growing General and Police & Fire retirees' medical obligations. An actuarial study has recommended increased funding in order to offset large future liabilities. In the 2006/07 fiscal year, $6.6 million has been set aside to fund these obligations, an increase of $2.3 million or 54.4% over the previous year. In the past three years, the City has increased its funding by $4.1 million.

The budget includes funding for 629 full-time positions – one fewer than last year. A vacant Civil Engineer position has been eliminated. The City has eliminated 20 vacant full-time positions since 2002, saving $1.3 million annually. Full-time staffing however has increased by eight positions since 1996. The budget includes full-year funding for two additional part-time security guards for the 41-A District Court, and a part-time high school co-op position in Engineering.

Supplies increased by $81,830 or 3.8%. Most departments have reduced their discretionary spending on Supplies. Postage costs increased $10,870 or 4.2% due to a postal rate hike. Rising fuel prices have accounted for a $125,000 increase.

Other Charges decreased by $102,200 or 0.8%. Rubbish removal costs decreased by $176,490 or 4.2% as most 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. Contractual services decreased by $145,110 due to one-time grant funded Emergency Management and Personal Property Auditing expenditures. Refunds on tax tribunal adjustments decreased $392,740 due to a one-time refund as a result of Ford's appeal of an overpayment of personal property taxes. $500,000 is budgeted for additional liability insurance funding due to recent losses in the Self-Insurance Fund. Heating costs rose by $77,500 or 38.6%, while City Attorney legal costs rose by $40,000 or 6.1% as a result of the first hourly rate increase in six years. Savings were realized in auditing fees, publishing, printing and electrical costs, offset by additional funds for employee training, fiber optic lease charges, City-wide memberships, and street lighting 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. $1,632,370 is budgeted to fund capital equipment, most of which is for the new Public Safety Radio System. $237,750 is budgeted for new computer hardware and software as part of the Information Technology Plan. $707,000 is budgeted for the purchase of 18 replacement vehicles. ***A complete list of all budgeted capital equipment, vehicles, and projects is located in the Capital Projects section of this document.***

General Fund ***Transfers Out*** to other City Funds increased by $190,850 or 4.6%. Transfers increased in order to fund the 5-year equipment note debt on the Public Safety 800 MHz radio system offset by a lower transfer to the Major Road Fund as the cost of most new projects next year will be financed with grant and bond proceeds.

Expenditures by Budgetary Center

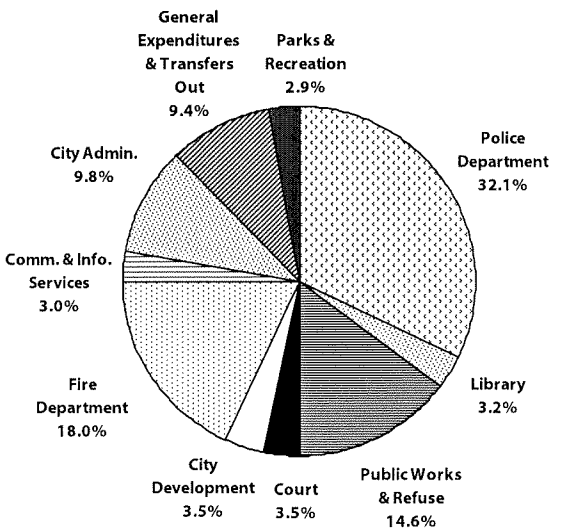
The City's General Fund can be further broken down into the departmental or budgetary center level. These budgetary centers comprise the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, nearly 65% of the budget is used to fund the three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

Within the General Fund, the following changes are included in the 2006/07 Budget:

Legislative

- Continued savings and efficiencies resulting from the implementation of the E-Agenda Packet Program.

2006/07 General Fund Expenditures By Budgetary Center



City Administration Department

- Renewed participation in the ICMA's Center for Performance Measurements.
- Funding for the cost of three elections including an August primary, November general, and a May school election.
- Postage savings resulting from mailing out absentee ballot postcard applications.
- Replacement of five year-old computers in the City Clerk, Facilities Maintenance, and Assessing Offices.
- Increased funding for building heating costs as well as the implementation of an energy conservation program on nights and weekends.
- The replacement of two motor pool vehicles.
- The replacement of the primary electrical switch for the City Center campus.
- The elimination of City matching funds for the Personal Property Auditing Services program as the State has taken over the cost of the program.
- A savings in audit fees as City staff will continue to perform additional audit preparation work allowing the auditors to reduce the number of days needed on-site to complete the annual audit.
- The purchase of updated aerial and property line maps for the Assessing office.
- Continued funding for two Finance employees to attend the MUNIS software user's conference.
- A Laser Printer for the Financial Services office.
- Increased funding for the microfilming of City records.

Parks & Recreation Department

- $221,400 toward five recreational projects including additional tree plantings at Baumgartner and Delia Parks, the resurfacing of the Baumgartner parking lot, and replacement ball diamond fencing and portable bleachers at Delia Park.
- The construction of a 14,000 square foot Senior Active Life Center Addition to the Senior Center using federal CDBG funds.
- The programming and maintenance of new soccer fields at L. W. Baumgartner and Nelson Parks.
- The completion of the final segment of the bike trail through the City.
- Increased funding for youth baseball and flag football game officials.

Police Department

- $1.5 million in funding for a new Public Safety 800 MHz Radio System to be used by the Police, Fire and Public Works departments.
- Eleven replacement patrol and traffic safety vehicles.
- The deployment of the fully operational mobile incident command vehicle.
- The completion of the emergency backup dispatch center.
- The use of drug forfeiture proceeds for the installation of additional in-car video cameras, replacement dispatch computers, dispatch center high use chairs, and laptop computers for the detective bureau.

Fire Department

- $1.5 million in funding for a new Public Safety 800 MHz Radio System to be used by the Police, Fire and Public Works departments.
- Replacement vehicles for the Fire Chief and for Fire Training.
- Two replacement EKG and cardiac defibrillators, a new thermal imaging camera, and five self-contained breathing apparatus units.
- Funds to update the department's computer system for new State mandated medical reporting requirements.
- Continued funding for the Fire Open House and Civilian Fire Academy.
- The opening of an Emergency Operations Center and the installation of a back-up generator at Fire Station #5.
- Additional overtime funds due to increased minimum manning and contractual personal and sick time hours.
- Funding for high-speed fiber optic lines to improve the computer data connection speed between all Fire Stations and City Hall.
- Implementation of the ALS cost recovery program.
- Television subscription service costs for the new mobile incident command vehicle.

City Development Department

- The purchase of updated codebooks and the required three-year re-certification of all building inspectors.
- Funds for the Code Enforcement Officers to attend monthly MACEO meetings.

- The placing of all Code Enforcement Officers on the same work schedule as the rest of the Building office.
- The full year funding of the new Economic Development Manager position and the elimination of the vacant City Development Director position due to a departmental reorganization saving $30,000.
- Online access to the Macomb County Register of Deeds that will result in the need to conduct and pay for fewer title searches.
- Funds for a Master Lighting and Streetscape Plan.

Public Works Department

- The elimination of a vacant Civil Engineer position and the filling of the vacant Construction Manager with a Chief Inspector position saving $105,000.
- Full year funding for an additional high school co-op position in Engineering.
- A reduction in Engineering overtime costs.
- 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.
- $1.5 million in funding for a new Public Safety 800 MHz Radio System to be used by the Police, Fire and Public Works departments.
- Replacement of five year-old computers in the Engineering and Public Works divisions.
- Capital equipment including a riding lawn mower, a dual-axle trailer, a sign making machine, a platform sign truck, a street sweeper, and a single-axle dump truck with plow.
- Continued funding to complete the removal of trees infected with the emerald ash borer, the planting of additional neighborhood trees, and the continuation of the West Nile Virus reduction program with the use of longer lasting mosquito briquettes in City parks and street catch basins.
- The repairs to two neighborhood school walkways, the replacement of pumps at a neighborhood storm water detention pond, and an update to the Master Retention Basin and Storm Water Plan.
- Higher water irrigation costs for several newly developed soccer fields and the Utica Road median.

Public Library Department

- 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.
- Two replacement personal computers for office staff.
- The elimination of one rental staff computer to absorb the increase in Library Cooperative costs.
- Savings due to the implementation of an automated overdue notification system.
- Higher utility costs to operate the Library due to operating rate increases.
- The deployment of the newly retrofitted book van.

Community & Information Services Department

- Savings due to the one-time budget of $25,000 last year to fund a statistically valid survey of 5,000 residents to obtain input regarding City services.
- Lower postage costs for mailing out new resident welcome packets.
- Continued funding for Sterlingfest, as additional revenues will offset anticipated expenditures.
- Additional funding for Internet blocking security software.
- Funding for high-speed fiber optic lines to improve the computer data connection speed between all remote city buildings and City Hall.
- An upgrade to the City's telephone software and a new citywide web based email system.
- Continued funding for the Land Management software user's conference and the MUNIS users conference and funding for two employees to attend exchange server training.

Non-Departmental Services

- Full year funding for two additional part-time Court security guards, and attendance at a national judicial conference.
- The purchase of a new District Court mailing machine and a replacement Court computer system.

- Anticipated savings due to a change in the pre-hire requirements for Police Officer and Firefighter applicants.
- Additional liability insurance funding.
- Higher money manager fees for the General Employee Pension system as a result of the higher value of assets managed.
- The renewed City membership to the Southeast Michigan Council of Governments (SEMCOG) and the Clinton River Watershed Council.

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, 2006. The Detroit water rate will increase by 5.8% from $10.47 to $11.08 per thousand cubic feet. Sewer costs have risen by 7.3%. Sewage disposal fees from Detroit increased by $464,210 or 18.0% due to increased costs for the 15 Mile sewer repair. In addition, the sewer rate will increase by 4.8% from $10.31 to $10.80 per thousand cubic feet.

As a result of these Detroit increases, a 3.9% 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 $34 per month for water & sewer services.

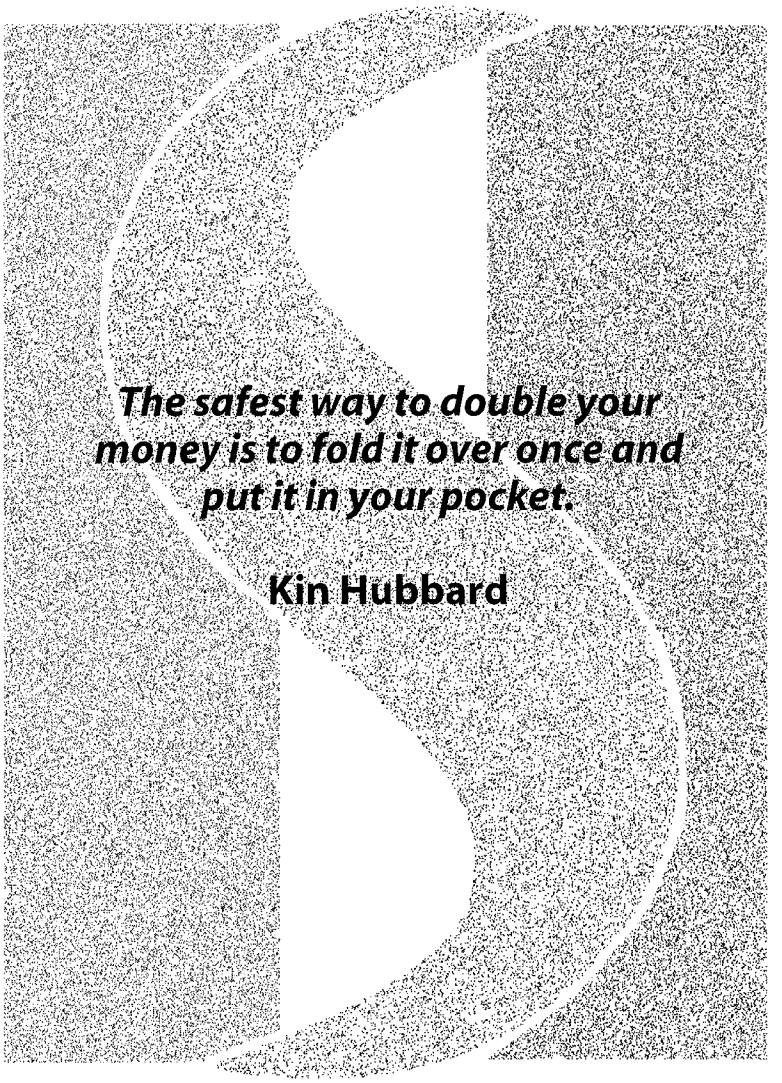
The City will continue its maximum summer discount of $25, which was increased in 1998. According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000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

The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose $205,350 due to wage and fringe benefit increases for existing employees and increased funding for retiree medical liabilities. Supplies rose only $6,500 due mainly to higher fuel costs. Capital Outlay costs increased by $175,050.

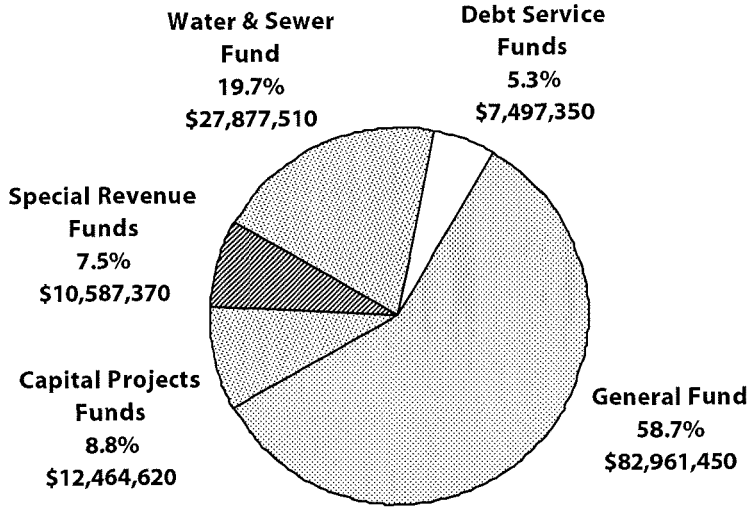
The 2006/07 Budget includes:

- $241,550 in necessary capital equipment including the cost of new Water & Sewer Fund 800 MHz radios, external repairs to the DPW Facility, thirteen replacement personal computers for division staff, a replacement cement saw, and additional pumps.

- $216,000 is budgeted for four replacement Water & Sewer vehicles.■


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

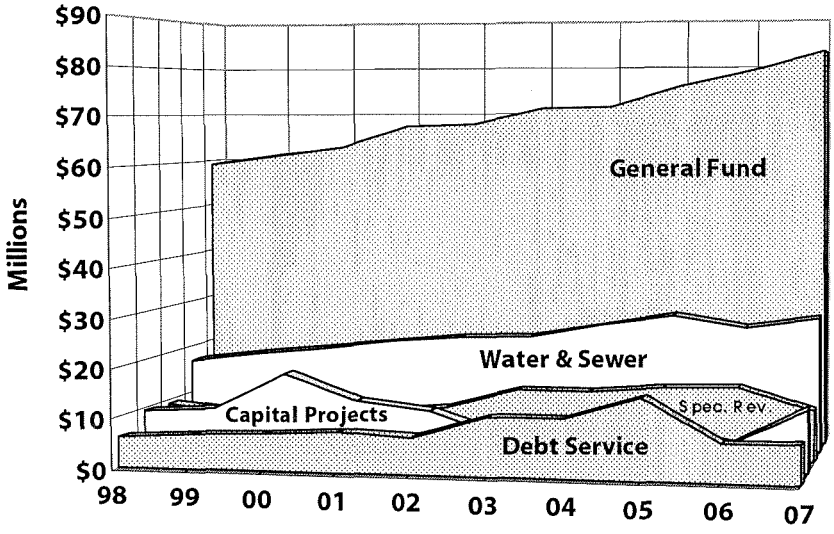
2006/07 Total City Budgeted Funds
Percent of Total Expenditures



Total City Expenditures of $141,388,300 (including transfers)

This graph illustrates total fund expenditures as a percent of all City Funds for the 2006/07 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.

2006/07 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	$53,449,540	$0	$33,170	$2,187,070	$2,500	**$55,672,280**
Water & Sewer Service	0	24,717,560	0	0	0	**24,717,560**
State Revenue Sharing	11,000,000	0	0	0	0	**11,000,000**
Interfund Transfers In	91,780	0	2,757,400	5,080,000	1,600,720	**9,529,900**
Highway & Street Grants	0	0	7,000,000	0	0	**7,000,000**
Charges for Services	7,384,600	1,998,860	80,000	0	0	**9,463,460**
Interest On Investments	1,200,000	930,000	110,900	43,500	60,000	**2,344,400**
Federal, State & Local Grants	835,680	0	1,226,940	0	116,790	**2,179,410**
Court & Police Fines and Forf.	2,705,350	0	0	0	0	**2,705,350**
Proceeds - Long Term Debt	0	0	0	0	7,901,400	**7,901,400**
Miscellaneous Revenue	746,130	96,200	260,000	0	608,050	**1,710,380**
Licenses & Permits	2,291,600	0	0	0	0	**2,291,600**
Labor Services Roads	900,000	70,000	0	0	0	**970,000**
Cable Revenue	1,320,000	0	0	0	0	**1,320,000**
Rental - Road Equipment	1,000,000	65,000	0	0	0	**1,065,000**
Other Fines & Forfeitures	60,500	0	0	0	0	**60,500**
Sale of Fixed Assets	500	0	180,000	0	0	**180,500**
Total Revenues	**82,985,680**	**27,877,620**	**11,648,410**	**7,310,570**	**10,289,460**	**140,111,740**
EXPENDITURES BY OBJECT						
Personnel Services	63,935,620	3,206,740	7,420	0	0	**67,149,780**
Other Charges	8,346,580	22,288,590	582,320	9,580	0	**31,227,070**
Other Services	0	0	3,610,000	0	0	**3,610,000**
Capital Improvement Projects	0	25,000	2,966,400	0	8,567,500	**11,558,900**
Interfund Transfers Out	4,318,120	0	3,291,780	0	1,320,000	**8,929,900**
Principal Payments	0	0	0	5,120,000	0	**5,120,000**
Refuse Collection	4,026,200	0	0	0	0	**4,026,200**
Interest Payments	0	0	0	2,367,770	0	**2,367,770**
Supplies	2,242,320	331,600	12,550	0	0	**2,586,470**
Capital Equipment	0	216,550	116,900	0	1,870,120	**2,203,570**
Capital Vehicles	0	216,000	0	0	707,000	**923,000**
Interfund Services	92,610	1,593,030	0	0	0	**1,685,640**
Total Expenditures	**82,961,450**	**27,877,510**	**10,587,370**	**7,497,350**	**12,464,620**	**141,388,300**
Excess of Revenues Over (Under) Expenditures	24,230	*	1,061,040	(186,780)	(2,175,160)	**(1,276,670)**
Beginning Fund Balance	14,844,920	*	3,725,800	274,500	3,177,450	**22,022,670**
Ending Fund Balance	**$14,869,150**	*	**$4,786,840**	**$87,720**	**$1,002,290**	**$20,746,000**

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

	2004/05 Actual	2005/06 Estimate	2006/07 Budget
REVENUES BY SOURCE			
City Property Taxes	$50,365,520	$52,564,850	**$55,672,280**
Water & Sewer Service	20,477,350	23,387,920	**24,717,560**
State Revenue Sharing	11,072,350	11,042,660	**11,000,000**
Interfund Transfers In	8,354,680	9,928,890	**9,529,900**
Highway & Street Grants	7,060,660	6,975,000	**7,000,000**
Charges for Services	7,503,890	8,902,880	**9,463,460**
Proceeds - Long-term Debt	13,811,760	0	**7,901,400**
Interest On Investments	1,342,970	2,302,900	**2,344,400**
Federal, State & Local Grants	3,543,350	5,557,260	**2,179,410**
Court & Police Fines & Forfeitures	2,937,280	2,720,350	**2,705,350**
Licenses & Permits	2,012,360	2,105,070	**2,291,600**
Labor Services Roads	1,234,930	1,000,000	**970,000**
Cable Revenue	1,319,940	1,300,000	**1,320,000**
Rental - Road Equipment	1,237,270	1,075,000	**1,065,000**
Other Fines & Forfeitures	58,330	60,000	**60,500**
Sale of Fixed Assets	480,630	560,500	**180,500**
Miscellaneous Revenue	2,396,780	1,973,630	**1,710,380**
Total Revenues	**135,210,050**	**131,456,910**	**140,111,740**
EXPENDITURES BY OBJECT			
Personnel Services	61,762,030	63,090,740	**67,149,780**
Other Charges	32,519,430	28,793,280	**31,227,070**
Other Services	6,324,400	5,018,900	**3,610,000**
Capital Improvement Projects	9,304,670	7,770,970	**11,558,900**
Interfund Transfers Out	6,639,680	8,068,890	**8,929,900**
Principal Payments	13,006,540	5,030,000	**5,120,000**
Refuse Collection	4,632,460	3,850,000	**4,026,200**
Interest Payments	2,597,880	2,479,370	**2,367,770**
Supplies	2,539,700	2,765,270	**2,586,470**
Capital Equipment	1,201,610	2,139,030	**2,203,570**
Capital Vehicles	933,600	1,122,930	**923,000**
Interfund Services	1,292,160	1,434,700	**1,685,640**
Total Expenditures	**142,754,160**	**131,564,080**	**141,388,300**
Extraordinary Items			
Settlement & Bond Costs	(6,000,000)	0	**0**
Proceeds & Bond Premiums	0	0	**0**
Excess of Revenues Over (Under) Expenditures *	(8,319,770)	(1,595,390)	**(1,276,670)**
Beginning Fund Balance	31,937,830	23,618,060	**22,022,670**
Ending Fund Balance	**$23,618,060**	**$22,022,670**	**$20,746,000**

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

REVENUE COMPARISON
CITY BUDGETED FUNDS

Fund No.	Fund Name	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget	% Change from 05/06
	GENERAL FUND						
1010	General Fund	$73,032,990	$76,084,380	$78,930,050	$79,476,560	**$82,985,680**	5.1%
	WATER & SEWER FUND						
5720	Water & Sewer Fund - Operations	20,601,440	22,907,890	25,631,870	26,443,820	**27,877,620**	8.8%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	5,932,120	6,164,660	7,596,400	7,170,000	**6,883,240**	-9.4%
2030	Local Road Fund	2,702,180	4,197,520	4,013,300	3,688,900	**3,725,000**	-7.2%
2440	Land & Water Conservation Fund	16,790	537,570	991,000	805,000	**295,400**	-70.2%
2550	Economic Develop. Corp. Fund	140	280	200	450	**8,300**	4050.0%
2560	Brownfield Redevelopment Fund	2,560	4,110	3,370	3,580	**33,770**	902.1%
2770	Public Safety Forfeiture Fund	0	0	711,120	780,950	**0**	-100.0%
2780	Comm. Develop. Block Grant Fund	1,061,830	953,250	1,032,510	1,113,730	**702,700**	-31.9%
	Total Special Revenue Funds	**9,715,620**	**11,857,390**	**14,347,900**	**13,562,610**	**11,648,410**	**-18.8%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,867,340	3,788,120	1,204,200	1,215,200	**1,230,530**	2.2%
3050	R, S & T Debt Service Fund	1,110,690	1,101,710	934,720	936,220	**975,040**	4.3%
3160	Settlement Bonds Debt Fund	0	1,723,550	1,863,000	1,873,500	**1,934,000**	3.8%
3270	Road Bond Debt Retirement Fund	5,833,410	5,759,310	2,871,520	2,879,620	**2,210,000**	-23.0%
3690	Ltd. Tax Gen. Obligation Debt Fund	2,693,480	3,529,820	651,420	652,420	**961,000**	47.5%
	Total Debt Service Funds	**11,504,920**	**15,902,510**	**7,524,860**	**7,556,960**	**7,310,570**	**-2.8%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	5,434,320	2,992,340	3,727,250	3,888,830	**5,674,460**	52.2%
4280	Road Bond Construction Fund	983,130	5,465,540	652,000	528,130	**4,615,000**	607.8%
	Total Capital Project Funds	**6,417,450**	**8,457,880**	**4,379,250**	**4,416,960**	**10,289,460**	**135.0%**
	Total Revenue	**121,272,420**	**135,210,050**	**130,813,930**	**131,456,910**	**140,111,740**	**7.1%**
	Duplicating Transfers	**(6,462,170)**	**(8,354,680)**	**(9,936,720)**	**(9,928,890)**	**(9,529,900)**	-4.1%
	Extraordinary Items	**25,370,730**	**0**	**0**	**0**	**0**	0.0%
	Total All Funds	**$140,180,980**	**$126,855,370**	**$120,877,210**	**$121,528,020**	**$130,581,840**	**8.0%**

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

EXPENDITURE COMPARISON
CITY BUDGETED FUNDS

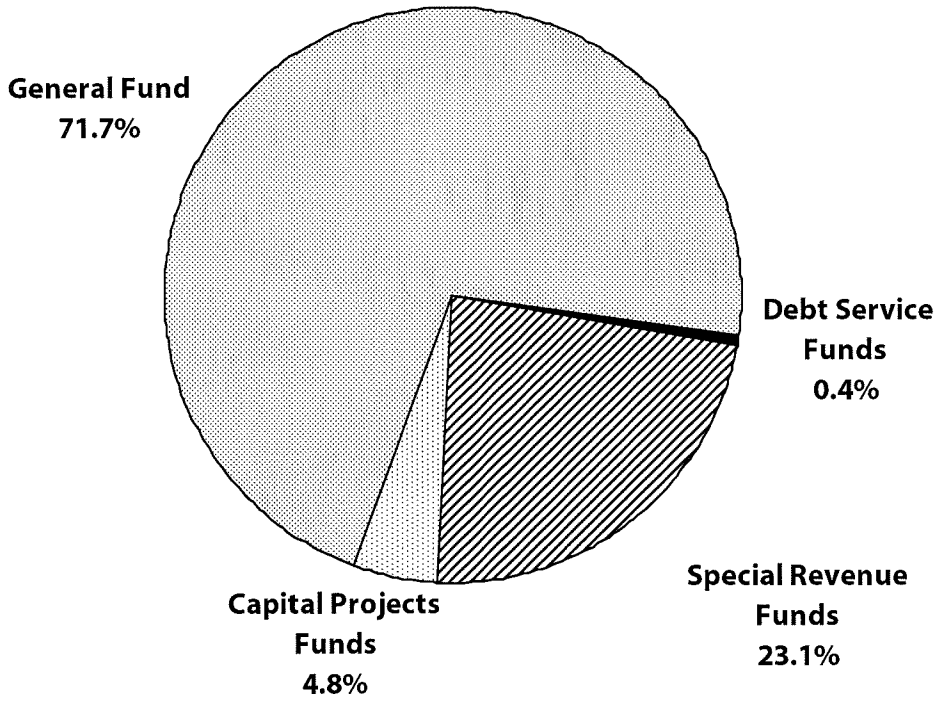
Fund No.	Fund Name	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget	% Change from 05/06
	GENERAL FUND						
1010	General Fund	$71,606,010	$75,734,860	$79,214,930	$78,632,680	**$82,961,450**	4.7%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	25,798,060	28,132,230	25,764,570	24,955,600	**27,877,510**	8.2%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	**0**	0.0%
2020	Major Road Fund	9,322,730	7,652,290	8,448,500	8,487,860	**6,094,200**	-27.9%
2030	Local Road Fund	2,779,510	5,691,760	4,273,470	4,011,150	**3,420,200**	-20.0%
2440	Land & Water Conservation Fund	275,040	305,690	1,006,640	1,068,240	**86,400**	-91.4%
2550	Economic Development Corp. Fund	0	30	12,500	11,700	**10,700**	-14.4%
2560	Brownfield Redevelopment Fund	460	3,740	8,240	1,000	**47,610**	477.8%
2770	Public Safety Forfeiture Fund	0	0	256,780	555,390	**225,560**	-12.2%
2780	Comm. Develop. Block Grant Fund	1,060,780	953,250	1,032,510	1,131,350	**702,700**	-31.9%
	Total Special Revenue Funds	**13,438,520**	**14,606,760**	**15,038,640**	**15,266,690**	**10,587,370**	**-29.6%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,872,880	3,750,710	1,212,200	1,213,120	**1,255,530**	3.6%
3050	R, S & T Debt Service Fund	1,114,450	1,099,120	935,720	935,720	**975,040**	4.2%
3160	Settlement Bonds Debt Fund	0	1,712,410	1,867,950	1,867,950	**1,944,550**	4.1%
3270	Road Bond Debt Retirement Fund	5,855,130	5,824,340	2,850,340	2,850,290	**2,358,170**	-17.3%
3690	Ltd. Tax Gen. Obligation Debt Fund	2,691,470	3,527,400	652,420	652,370	**964,060**	47.8%
	Total Debt Service Funds	**11,533,930**	**15,913,980**	**7,518,630**	**7,519,450**	**7,497,350**	**-0.3%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	6,009,520	3,592,350	4,882,640	4,584,320	**7,439,420**	52.4%
4280	Road Bond Construction Fund	1,321,710	4,773,980	605,340	605,340	**5,025,200**	730.1%
	Total Capital Project Funds	**7,331,230**	**8,366,330**	**5,487,980**	**5,189,660**	**12,464,620**	**127.1%**
	Total Expenditures	**129,707,750**	**142,754,160**	**133,024,750**	**131,564,080**	**141,388,300**	**6.3%**
	Duplicating Transfers	**(6,462,170)**	**(6,639,680)**	**(8,076,720)**	**(8,068,890)**	**(8,929,900)**	10.6%
	Extraordinary Items	**25,368,270**	**6,000,000**	**0**	**0**	**0**	0.0%
	Total All Funds	**$148,613,850**	**$142,114,480**	**$124,948,030**	**$123,495,190**	**$132,458,400**	**6.0%**

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

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget	% Change from 05/06
	GENERAL FUND						
1010	General Fund	$19,651,520	$14,001,040	$13,716,160	$14,844,920	**$14,869,150**	8.4%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	750,000	750,000	750,000	750,000	**750,000**	0.0%
2020	Major Road Fund	4,030,060	2,542,430	1,690,330	1,224,570	**2,013,610**	19.1%
2030	Local Road Fund	2,266,290	772,050	511,880	449,800	**754,600**	47.4%
2440	Land & Water Conservation Fund	1,087,260	1,319,140	1,303,500	1,055,900	**1,264,900**	-3.0%
2550	Economic Development Corp. Fund	15,800	16,050	3,750	4,800	**2,400**	-36.0%
2560	Brownfield Redevelopment Fund	12,220	12,590	7,720	15,170	**1,330**	-82.8%
2770	Public Safety Forfeiture Fund	0	0	454,340	225,560	**0**	-100.0%
2780	Comm. Development Block Grant Fund	17,620	17,620	17,620	0	**0**	-100.0%
	Total Special Revenue Funds	**8,179,250**	**5,429,880**	**4,739,140**	**3,725,800**	**4,786,840**	**1.0%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	2,490	39,900	31,900	41,980	**16,980**	-46.8%
3050	R, S & T Debt Service Fund	2,730	5,320	4,320	5,820	**5,820**	34.7%
3160	Settlement Bonds Debt Fund	0	11,140	6,190	16,690	**6,140**	-0.8%
3270	Road Bond Debt Retirement Fund	240,460	175,430	196,610	204,760	**56,590**	-71.2%
3690	Limited Tax Gen. Obligation Debt Fund	2,780	5,200	4,200	5,250	**2,190**	-47.9%
	Total Debt Service Funds	**248,460**	**236,990**	**243,220**	**274,500**	**87,720**	**-63.9%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	3,802,170	3,202,160	2,046,770	2,506,670	**741,710**	-63.8%
4280	Road Bond Construction Fund	56,430	747,990	794,650	670,780	**260,580**	-67.2%
	Total Capital Project Funds	**3,858,600**	**3,950,150**	**2,841,420**	**3,177,450**	**1,002,290**	**-64.7%**
	Unappropriated Total - All Funds	**$31,937,830**	**$23,618,060**	**$21,539,940**	**$22,022,670**	**$20,746,000**	**-3.7%**

City Government Funds
Percent of Total Reserves
2006/07 Fiscal Year



Total Government Fund Reserves of $20,746,000

This graph illustrates total fund balance reserves for each of the City's Government Funds for the 2006/07 fiscal year.

YEAR-END
NET ASSET COMPARISON
NON-BUDGETARY FUNDS

Fund No.	Fund Name	2002/03 Actual	2003/04 Actual	2004/05 Actual
	PROPRIETARY FUNDS			
	ENTERPRISE FUND			
5740	Water & Sewer Improvement Fund	$33,441,941	$32,502,417	$32,636,709
	INTERNAL SERVICE FUND			
6770	Self-Insurance Fund	5,918,622	5,536,352	3,778,841
	Total Proprietary Funds	**39,360,563**	**38,038,769**	**36,415,550**
	FIDUCIARY FUNDS			
	TRUST FUNDS			
7010	Retiree Medical Benefits Fund	7,156,608	7,362,650	7,761,218
7370	General Employees Retirement System	88,947,257	99,623,148	107,762,377
7380	Police & Fire Retirement System	163,750,721	177,621,481	192,699,311
	Total Fiduciary Funds	**259,854,586**	**284,607,279**	**308,222,906**
	Total All Non-Budgetary Funds	**$299,215,149**	**$322,646,048**	**$344,638,456**

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

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

The Funds listed on this informational page do not require a budget. However, many of their revenues and expenditures are directly budgeted in other City Funds. For example, the Self-Insurance Fund, Retiree Medical Benefits Fund, and the General Employees and Police & Fire Retirement Systems derive most of their revenue from budgeted cross-charges in the General Fund and/or Water & Sewer Operating Fund. $2.5 million of Self-Insurance Fund net assets are budgeted as a transfer to the Settlement Bond Debt Fund to pay debt. The Trust Funds are managed based on valid actuarial methods and assumptions approved by their fiduciary boards and by approved labor contracts. The Trust Funds' net assets, however, have not been netted against long-term actuarial determined liabilities, which dramatically lessens available funds. Trust Fund net assets are restricted for future benefit payments only. The Water & Sewer Improvement Fund is used to record water & sewer main improvements as adopted by the City Council and found in the City's Capital Improvement Plan. The net assets shown for the Water & Sewer Improvement Fund exclude investments in capital assets and are available for completion of the City's water & sewer main system and for future infrastructure replacement needs as the City matures.

General Fund

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

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

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

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

the Next Generation – Our Future

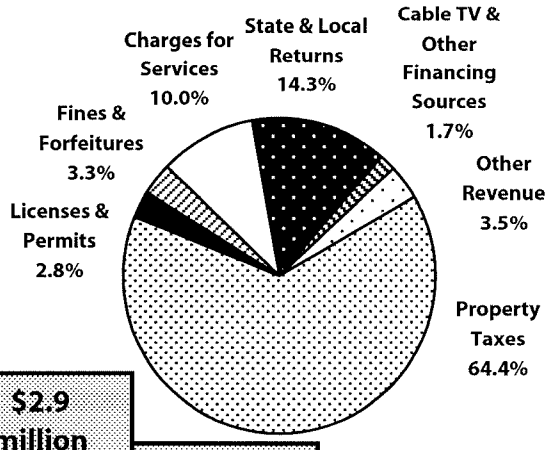
How the City Allocates Its Money

2006/07 General Fund Budget: $83.0 million $650 per resident

The financial information presented here is intended to provide City residents with general information about how the City's revenue is utilized. Detailed information can be found in the City's award winning budget document. As you will note, nearly 65% of the dollars spent are for Police & Fire protection and Public Works services including Refuse Collection. The City's General Fund Budget of $83.0 million equates to $650 spent per resident.

$26.6 million	$15.0 million	$12.1 million	$4.3 million Refuse Collection	$8.1 million	$7.8 million	$2.9 million	$2.9 million	$2.7 million	$2.5 million	$2.4 million
$209 per resident	$117 per resident	$95 per resident		$64 per resident	$61 per resident	$22 per resident	$22 per resident	$21 per resident	$20 per resident	$19 per resident
Police Department	Fire Department	Public Works Department		City Admin. Department	General Expenditures & Transfers	City Development Department	41-A District Court	Public Library Department	Community & Information Services	Parks & Recreation Department

Where The City Gets Its Revenue



Trends & Summaries

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

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

the Next Generation – Our Future

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 $1,290. Excluding businesses, the average homeowner pays $864 per year in City taxes. The purpose of this Benefit Statement is to show what the average homeowner is receiving for their tax dollar.

Average City Property Tax Per Parcel: *(based on 42,987 residential & business parcels)*	**$1,290**
Average Residential City Property Tax *(based on market value of $207,000, taxable value of $80,600)*	**$864**

The City of Sterling Heights spends an average of $1,980 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	$619	31%	$270
Fire Department	$348	18%	$152
Public Works & Refuse	$281	14%	$123
City Administration Department	$189	10%	$83
General Expenditures & Transfers	$173	9%	$75
41-A District Court	$74	4%	$33
City Development Department	$67	3%	$29
Public Library Department	$63	3%	$27
Comm. & Information Services	$59	3%	$26
Parks & Recreation	$56	3%	$24
Debt Service	$51	2%	$22
Total Per Parcel	**$1,980**	**100%**	**$864**

Because the average amount of residential property tax that the City receives is only $864, 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	2002/03	2003/04	2004/05	2005/06	2006/07*
Tax Rate Shown in Mills					
Utica Community Schools (UCS)	9.500	8.500	9.500	9.500	**9.500**
Macomb County	4.206	4.206	4.206	4.206	**4.206**
Macomb Community College (MCC)	1.693	1.586	1.500	1.421	**1.421**
Macomb Intermediate School District (MISD)	2.986	2.973	2.962	2.943	**2.943**
Huron Clinton Metro Authority (HCMA)	0.217	0.216	0.215	0.215	**0.215**
S.M.A.R.T.	0.600	0.597	0.595	0.591	**0.591**
Property Tax Administration Fee	0.098	0.068	0.068	0.189	**0.189**
STERLING HEIGHTS CITY GOVERNMENT	10.630	10.625	10.625	10.625	**10.725**
Total Millage Rates	**$29.929**	**$28.771**	**$29.670**	**$29.690**	**$29.790**
Avg. Residential Taxable Property Value	$73,440	$74,540	$76,250	$78,000	**$80,600**
Average Tax Rates Shown in Dollars					
Utica Community Schools	$698	$634	$724	$741	**$766**
Macomb County Government	309	314	321	328	**339**
Macomb Community College	124	118	114	111	**115**
Macomb Intermediate School District	219	222	226	230	**237**
Huron Clinton Metro Authority	16	16	16	17	**17**
S.M.A.R.T.	44	45	45	46	**48**
Property Tax Administration Fee	7	5	5	15	**15**
STERLING HEIGHTS CITY GOVERNMENT	781	792	810	829	**864**
Total Dollars	**$2,198**	**$2,145**	**$2,262**	**$2,316**	**$2,401**

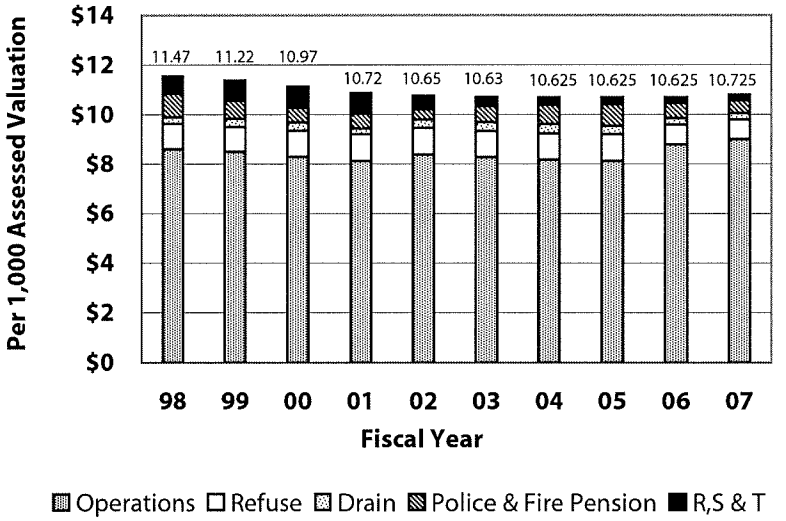
(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2002/03	2003/04	2004/05	2005/06	2006/07*
Tax Rate Shown in Mills					
Warren Consolidated Schools (WCS)	16.963	15.681	16.043	15.993	**15.993**
Macomb County	4.206	4.206	4.206	4.206	**4.206**
Macomb Community College (MCC)	1.693	1.586	1.500	1.421	**1.421**
Macomb Intermediate School District (MISD)	2.986	2.973	2.962	2.943	**2.943**
Huron Clinton Metro Authority (HCMA)	0.217	0.216	0.215	0.215	**0.215**
S.M.A.R.T.	0.600	0.597	0.595	0.591	**0.591**
Property Tax Administration Fee	0.050	0.050	0.050	0.254	**0.254**
STERLING HEIGHTS CITY GOVERNMENT	10.630	10.625	10.625	10.625	**10.725**
Total Millage Rates	**$37.344**	**$35.934**	**$36.196**	**$36.247**	**$36.347**
Avg. Residential Taxable Property Value	$73,440	$74,540	$76,250	$78,000	**$80,600**
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	$1,246	$1,169	$1,223	$1,247	**$1,289**
Macomb County Government	309	314	321	328	**339**
Macomb Community College	124	118	114	111	**115**
Macomb Intermediate School District	219	222	226	230	**237**
Huron Clinton Metro Authority	16	16	16	17	**17**
S.M.A.R.T.	44	45	45	46	**48**
Property Tax Administration Fee	4	4	4	20	**20**
STERLING HEIGHTS CITY GOVERNMENT	781	792	810	829	**864**
Total Dollars	**$2,743**	**$2,679**	**$2,760**	**$2,827**	**$2,930**

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

Totals may not foot due to rounding.

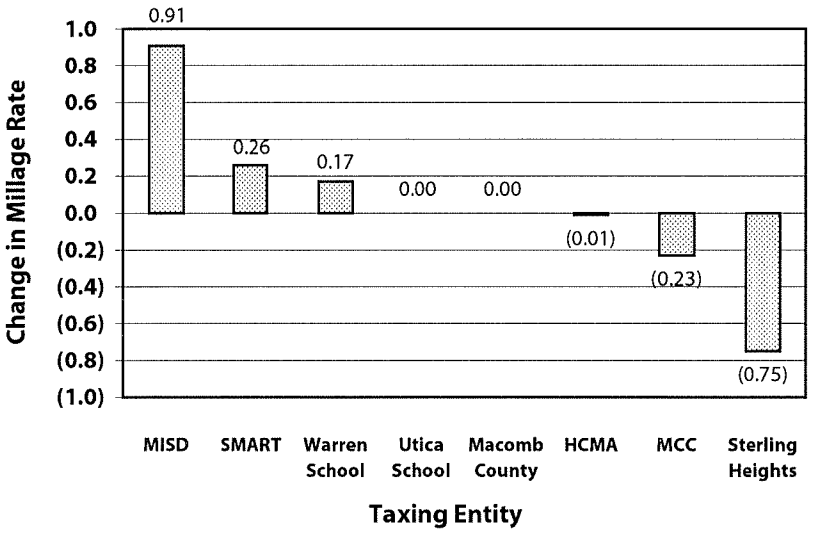
City of Sterling Heights Millage Rates



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

Change in Millage Rates by Taxing Entity

1998 - 2007

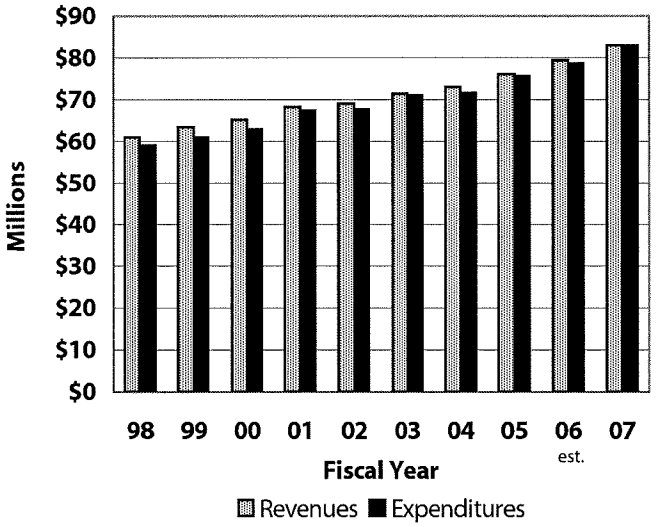


This graph shows the change in property tax rates over the past ten years for each of the government taxing entities to which City residents pay taxes.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

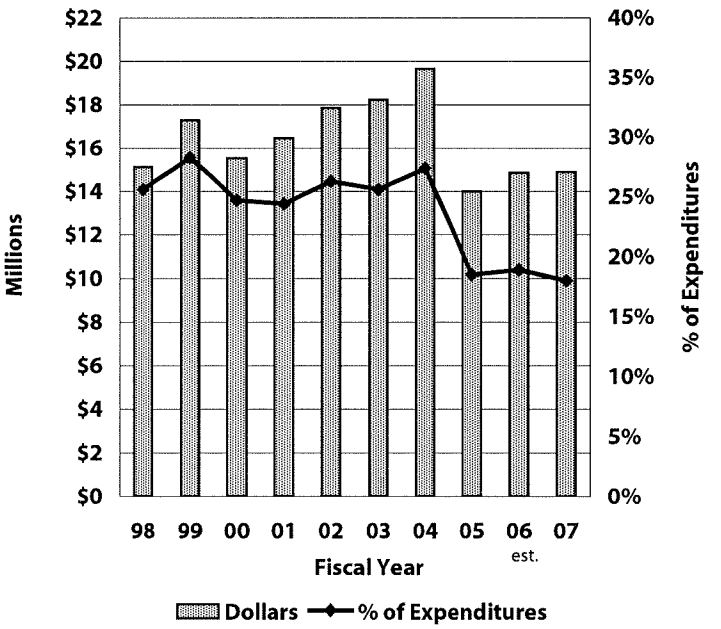
Budgetary Centers	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
REVENUES						
City Operating Taxes	$37,447,880	$38,420,000	$43,354,690	$43,342,690	$46,592,670	**$46,592,670**
Licenses & Permits	2,318,120	2,012,360	2,013,400	2,105,070	2,291,600	**2,291,600**
State and Local Returns	12,510,560	12,446,370	11,920,270	12,047,360	11,835,680	**11,835,680**
Fines & Forfeitures	2,703,160	2,801,030	2,491,100	2,780,350	2,765,850	**2,765,850**
Charges For Services	6,334,720	6,695,040	8,276,170	7,833,180	8,284,600	**8,284,600**
Other Revenue	1,999,410	2,899,950	2,441,980	2,893,300	2,946,630	**2,946,630**
Cable Revenue	1,224,780	1,319,940	1,250,000	1,300,000	1,320,000	**1,320,000**
Refuse Tax	4,861,660	5,203,500	4,091,020	4,091,020	4,210,420	**4,210,420**
Fire & Police Pension Tax	3,545,590	4,204,830	2,993,590	2,993,590	2,646,450	**2,646,450**
Total Revenues	**72,945,880**	**76,003,020**	**78,832,220**	**79,386,560**	**82,893,900**	**82,893,900**
Other Financing Sources						
Transfers In	87,110	81,360	97,830	90,000	91,780	**91,780**
Total Revenues & Sources	**$73,032,990**	**$76,084,380**	**$78,930,050**	**$79,476,560**	**$82,985,680**	**$82,985,680**
EXPENDITURES						
City Administration Department	$6,766,720	$7,573,270	$7,856,460	$7,757,920	$8,145,710	**$8,145,710**
Parks & Recreation Department	2,165,260	2,195,030	2,317,180	2,280,260	2,388,540	**2,388,540**
Police Department	23,076,020	24,700,520	25,015,430	25,005,650	26,617,450	**26,617,450**
Fire Department	12,893,600	13,838,180	14,007,580	14,006,550	14,973,790	**14,973,790**
City Development Department	2,575,110	2,645,790	2,803,410	2,743,380	2,878,530	**2,878,530**
Public Works Department	7,028,780	7,706,680	7,687,700	7,683,570	7,835,240	**7,835,240**
Refuse Collection	4,659,240	4,853,150	4,421,020	4,068,330	4,253,420	**4,253,420**
Public Library Department	2,387,780	2,474,080	2,579,410	2,568,600	2,694,170	**2,694,170**
Community & Info. Services Dept.	2,134,230	2,276,640	2,440,620	2,400,270	2,526,740	**2,526,740**
41-A District Court	2,342,220	2,472,160	2,612,710	2,631,920	2,861,380	**2,861,380**
General Expenditures	2,825,010	2,639,270	3,346,140	3,358,960	3,444,610	**3,468,360**
Total Expenditures	**68,853,970**	**73,374,770**	**75,087,660**	**74,505,410**	**78,619,580**	**78,643,330**
Other Financing Uses						
Transfers Out	2,752,040	2,360,090	4,127,270	4,127,270	4,318,120	**4,318,120**
Total Expenditures & Uses	**$71,606,010**	**$75,734,860**	**$79,214,930**	**$78,632,680**	**$82,937,700**	**$82,961,450**
Extraordinary Items						
Settlement & Bond Costs	(25,368,270)	(6,000,000)	0	0	0	**0**
Proceeds & Bond Premiums	25,370,730	0	0	0	0	**0**
Excess of Revenues Over (Under) Expenditures	**1,429,440**	**(5,650,480)**	**(284,880)**	**843,880**	**47,980**	**24,230**
Beginning Fund Balance	**18,222,080**	**19,651,520**	**14,001,040**	**14,001,040**	**14,844,920**	**14,844,920**
Ending Fund Balance	**$19,651,520**	**$14,001,040**	**$13,716,160**	**$14,844,920**	**$14,892,900**	**$14,869,150**

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



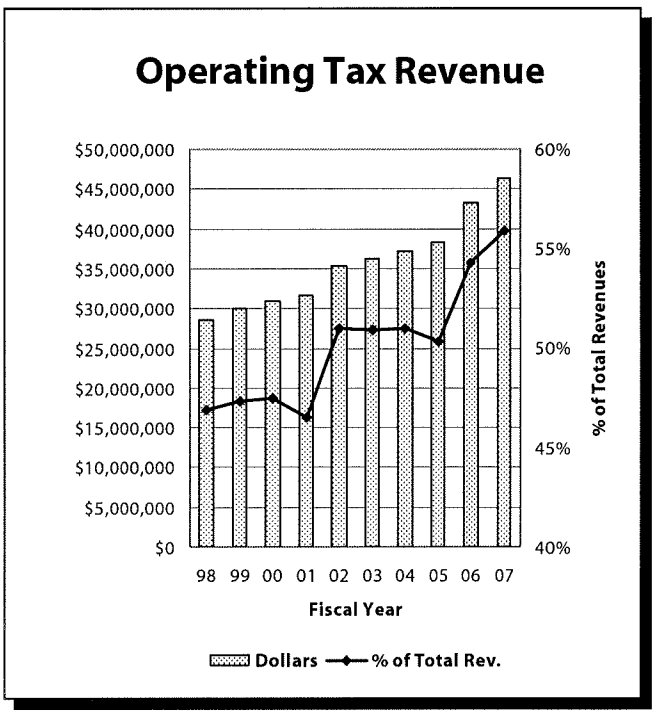
This graph illustrates the cumulative result of excess General Fund revenues over expenditures and total fund balance as a percent of General Fund expenditures. This graph includes the effect of the one-time $6.0 million extraordinary item in 2005.

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 2006/07 Budget, Operating City tax revenue represents 55.9% of total revenue sources, an increase of $3.3 million or 7.5% over the amount estimated to be collected in 2006. The increase is a result of a higher operating tax rate needed to balance the City's budget, an additional 0.10 mills for neighborhood roads, and an increase in the City's taxable property values. The City's Taxable Valuation (TV) has increased by 5.0% due to new construction and a 3.3% valuation adjustment on existing property.



The Operations tax levy for the 2006/07 fiscal year is 8.9776 mills per $1,000 Taxable Value, an increase of 0.2226 mills. A 0.10 mill increase is needed in order to fund improvements to neighborhood roads that the voters approved in 1996 as part of Proposal N. As a result, the City's total tax rate has increased by 0.10 mills to 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.

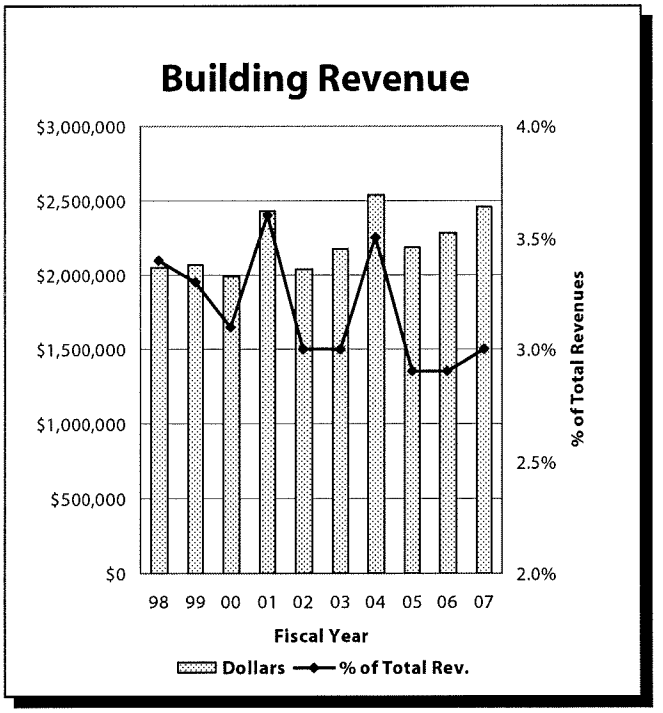
LICENSES AND PERMITS

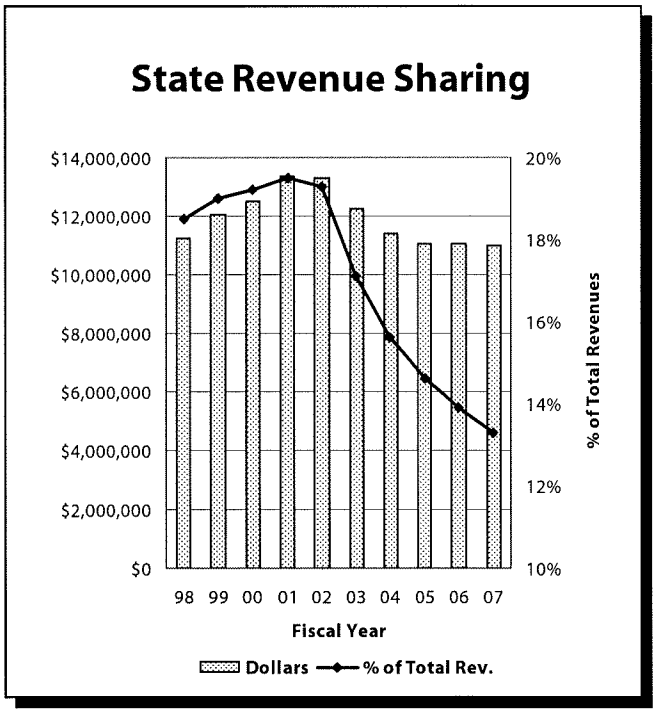
The revenue source of Licenses and Permits represents fees charged by City offices to individuals and businesses that allow for the building of new structures as well as improvements made to existing structures. New structures that require permits include garages, sheds, decks, porches, and buildings. 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. However, Building revenues over the past 10 years have decreased as a percent of total City revenues and now stand near its lowest level since 1998.

In the 2006/07 Budget, License and Permit revenues represent 2.8% of total revenue sources, an increase of $186,530 or 8.9% above what we estimate receiving in 2006. The increase in this

General Fund Revenues





revenue is due to an inflationary adjustment to the existing building fee schedule and an update to the market valuations upon which building permit fees are calculated.

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 1998 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 stand now at only 13.3% of revenues.

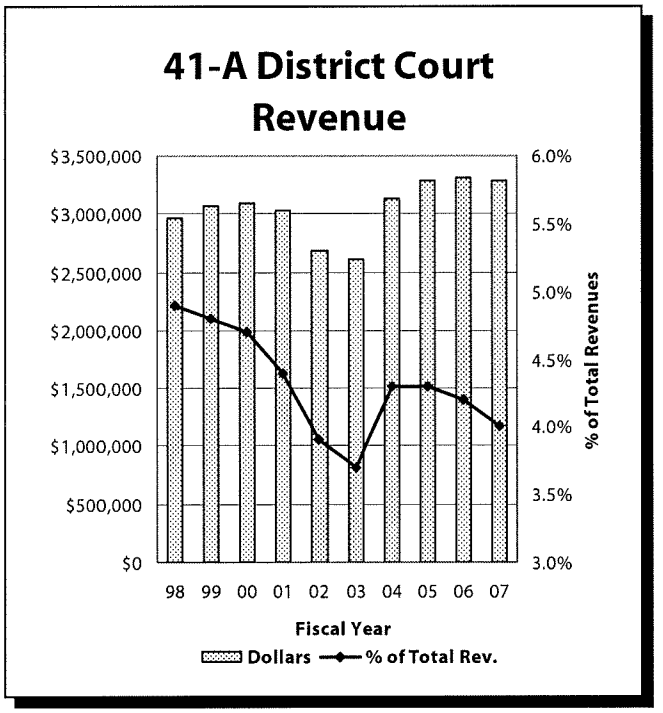
In the 2006/07 Budget, total State & Local Return revenues represent 14.3% of total revenue sources, a decrease of $211,680 or 1.8% below what we estimate receiving in 2006. The decrease is due to a decline in budgeted Emergency Management and State Personal Property Tax Audit grants.

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, but increasing recently to levels experienced in the late 1990's as the 41-A District Court updated its fine schedule in 2004 and 2006. Court revenues have generally declined as a percent of total City revenues after reaching a high of 4.9% in 1998.

General Fund Revenues



In the 2006/07 Budget, Fines & Forfeiture revenues represent 3.3% of total revenue sources, a decrease of $14,500 or 0.5% below what we estimate receiving in 2006. 41-A District Court revenues are projected to decrease by $27,000 or 0.8% next fiscal year. In addition, Drug Forfeiture revenues are no longer realized in the General Fund as a new Public Safety Forfeiture Fund has 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 2006/07 Budget, there are no planned General Fund purchases to be financed using long-term debt. The amount budgeted for 2006/07 is a $91,780 transfer from the Community Development Block Grant Fund. $25,000 is to partially reimburse the General Fund for the Special Recreation Handicapped program expenditures in the Parks & Recreation Department. $66,780 is for reimbursement of CDBG administrative costs.

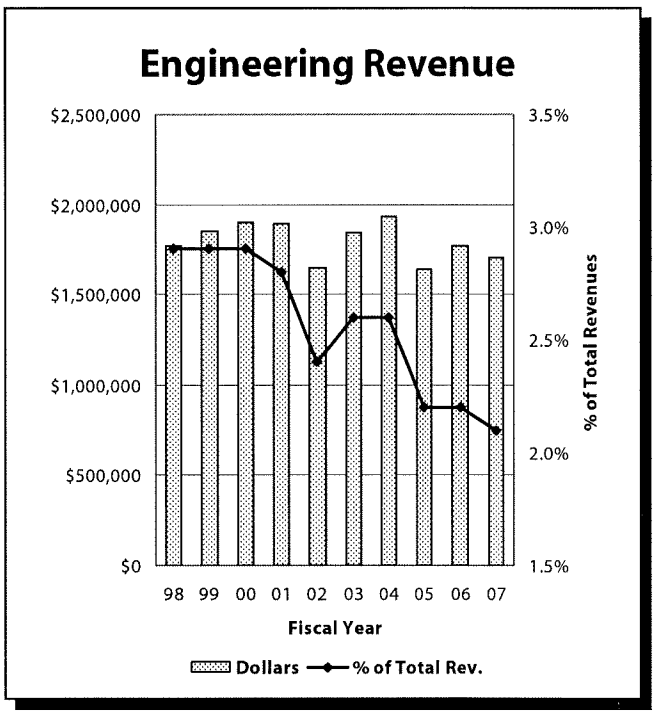
In the 2006/07 Budget, total revenues generated from Other Financing Sources represent 0.1% of total General Fund revenue sources.

CHARGES FOR SERVICES

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

Engineering revenues make up the largest source of Charges for Services revenues. Trends show that Engineering revenues have ranged between $1.6 million and $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 1998 to a low of 2.1% in 2007.

In the 2006/07 Budget, Charges for Services



revenues represent 10.0% of total revenue sources, an increase of $451,420 or 5.8% above what we estimate receiving in 2006. While Engineering revenues decreased by $59,700, advanced life support recovery fees paid by insurance companies should result in an additional $187,620. We also expect to receive additional property tax administration fees and cross charge revenue from the Water & Sewer Fund.

OTHER REVENUE

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

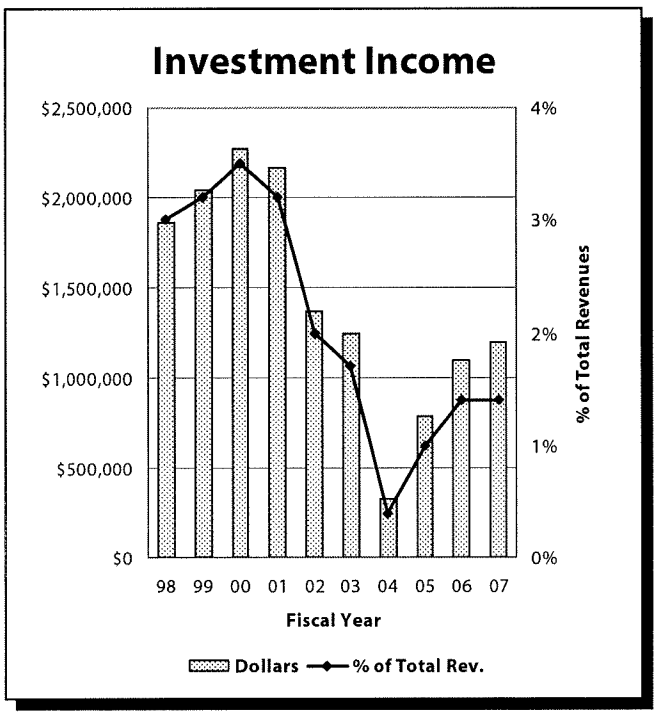
Investment Income rose from 1998 to 2000 as the City's General Fund reserves grew and interest rates remained firm. From 2000 to 2004, Interest Income revenues fell due to declining interest rates. In 2004, revenues also declined due to a one-time $250,000 accounting correction of a prior year entry and as several high paying investments were called. Investment Income had accounted for 3.5% of revenue sources, but has now dropped to 1.4% of total General Fund revenues.

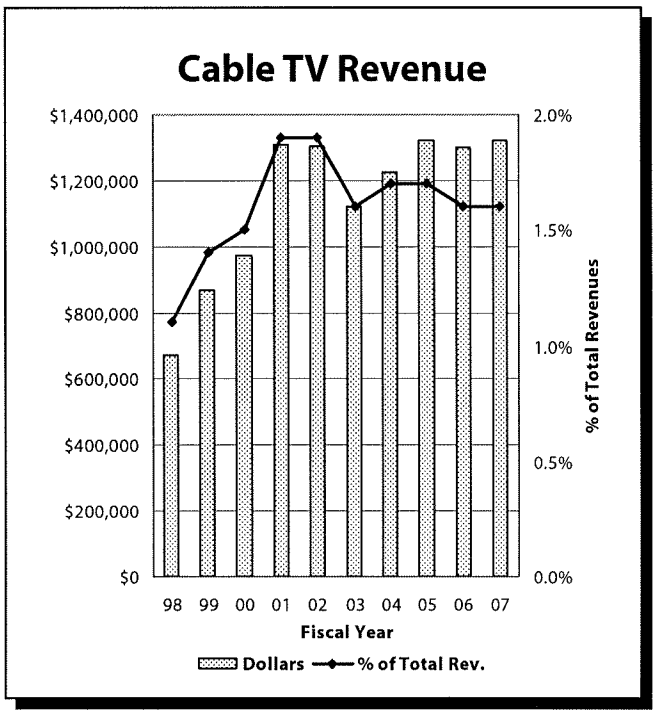
In the 2006/07 Budget, Other Revenues represent 3.5% of total revenue sources, an increase of $53,330 or 1.8% above what we estimate receiving in 2006. Interest on Investments revenue is estimated to rise by $100,000 due to increasing reserves in 2006 and higher interest rates.

CABLE TV REVENUE

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

Cable Revenue has climbed steadily most years from 1998 to 2002, except for years when the City received one-time only payments as set in the franchise agreements. Beginning in 2003, due to a court ruling, cities were no longer allowed to collect franchise fees on cable modem charges to customers. In the 2006/07 Budget, Cable TV Revenues represent 1.6% of total revenue sources,





an increase of $20,000 or 1.5% above what we estimate receiving in 2006.

REFUSE TAX

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

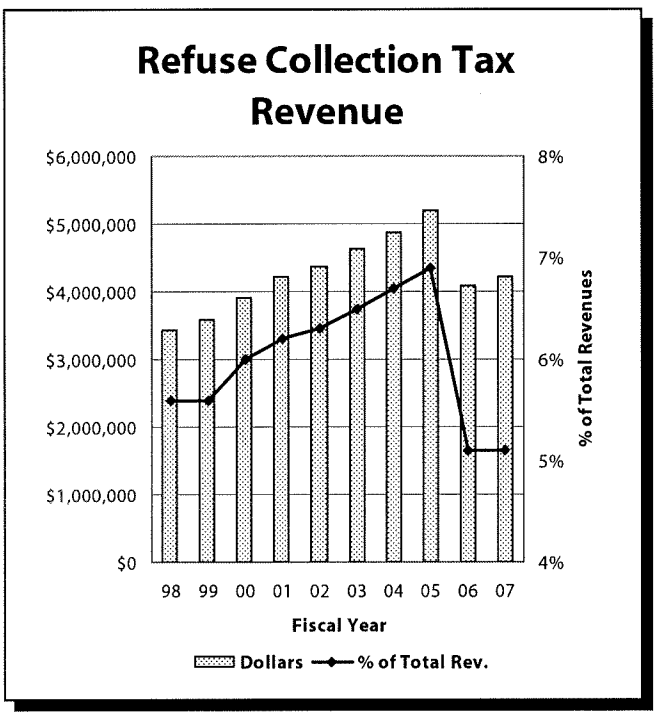
Revenues generated by the refuse collection levy are used to pay for the collection, removal, and recycling of all garbage in the City. The refuse collection millage rate is adjusted annually to cover the projected cost of the Refuse activity, less any refuse collection fees paid by apartments, mobile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

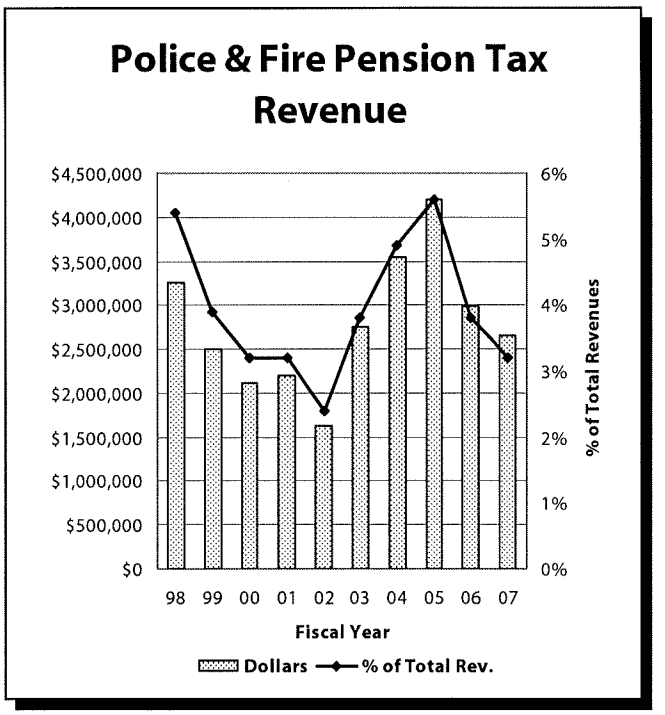
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. Refuse costs rose from 1998 through 2005. In February 2005, the City Council awarded a new five-year refuse contract that was significantly lower than the previous five-year contract. As a result of the cost savings, the Refuse millage rate has decreased. For the 2006/07 fiscal year, the millage rate dropped by 0.0165 mills, from 0.8307 mills to 0.8142 mills. These savings over the past two 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 1998 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





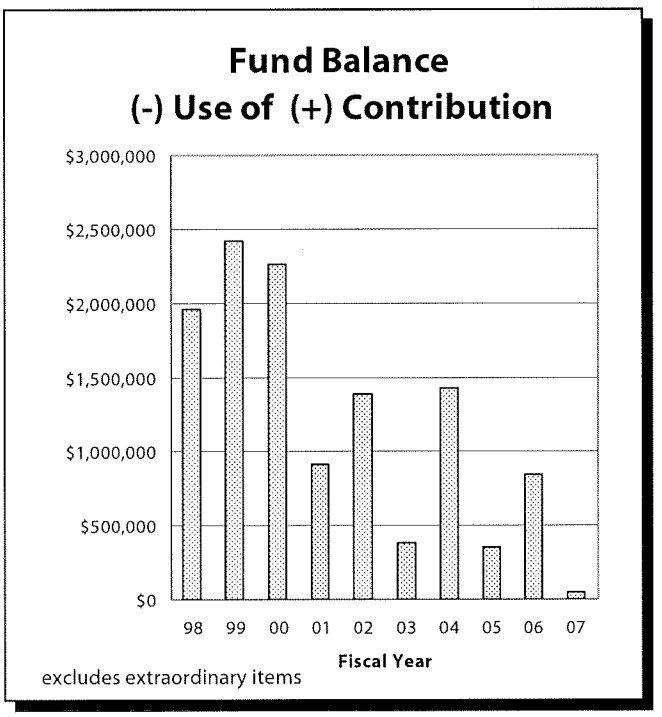
assumed investment rate of return from 7.5% to 8.0%, resulting in a decrease in the actuarially determined City contribution rate. As a result, the required pension tax levy has decreased in both 2006 and 2007.

In the 2006/07 Budget, Police & Fire Pension Tax represents 3.2% of total revenue sources, a decrease of $347,140 or 11.6%. The Police & Fire Pension Tax levy for the 2006/07 fiscal year is 0.5118 mills per $1,000 Taxable Value, a decrease of 0.0961 mills. This savings has also helped the City to balance its 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 1998, 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 2006/07 Budget, a $24,230 contribution to fund balance reserves is anticipated.



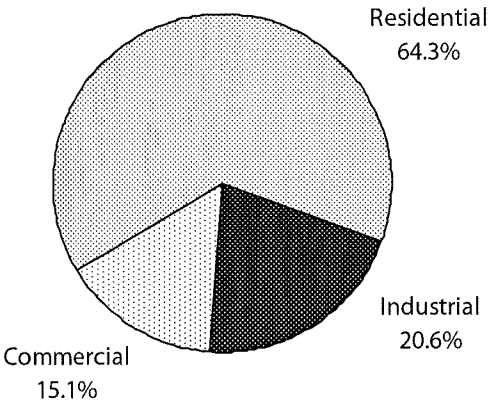
OTHER CITY TAXES

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 0.2339 is 0.0086 mills less than what was levied in 2005/06. 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 higher debt payments, offset by higher taxable values.

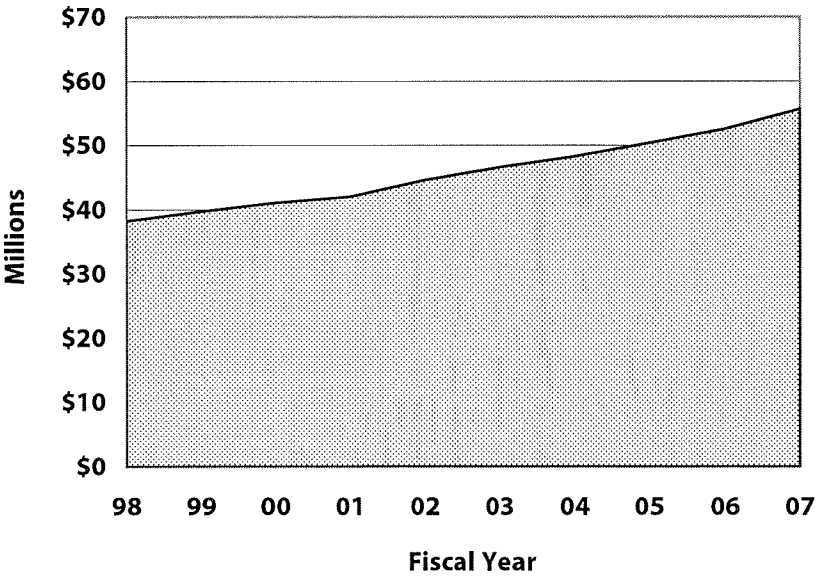
The R, S & T millage rate of 0.1875 mills has decreased by 0.0014 mills. This levy is used to repay debt payments on City road construction projects. No Proposal T millage is needed as all outstanding debt was retired in the 1996/97 fiscal year. In addition, Proposal S debt was paid off in the 2001/02 fiscal year. Proposal R debt payments will continue through the 2009 fiscal year. ■

City of Sterling Heights
Share of Taxes



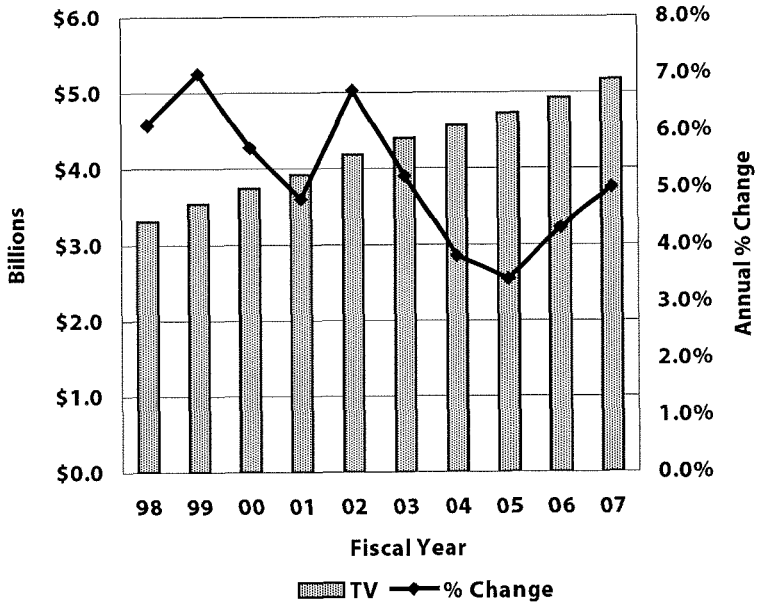
This graph illustrates the assessed value of property in the City as a percent by customer class.

Property Tax Revenues
Total City



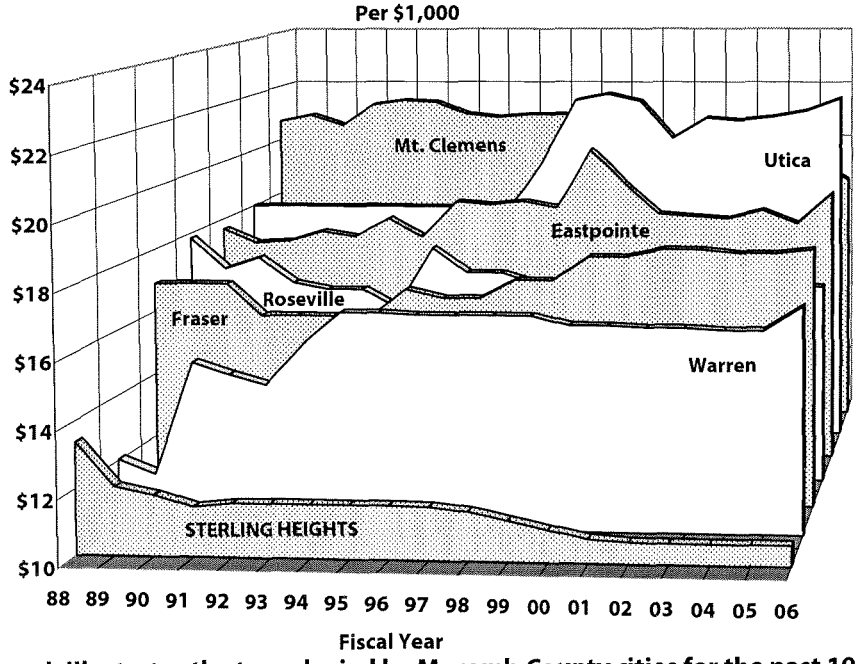
This graph shows revenues collected for City Operations, Refuse, Police & Fire Pension, Proposal R, S & T, and General Drains.

Property Value Assessments
(Taxable Value - TV)



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

Comparable Tax Rates of Surrounding Macomb County Cities



This graph illustrates the taxes levied by Macomb County cities for the past 19 years.

GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	CITY OPERATING TAXES						
404000	City Operating Tax	$38,262,260	50.29	$43,164,690	54.69	**$46,422,670**	**55.94**
415000	Delinquent Personal Property Tax	92,948	0.12	110,000	0.14	**100,000**	**0.12**
445000	Penalties & Interest	64,794	0.09	80,000	0.10	**70,000**	**0.08**
	Total Taxes	**38,420,002**	**50.50**	**43,354,690**	**54.93**	**46,592,670**	**56.15**
	LICENSES & PERMITS						
451000	Business Operating License	11,035	0.01	8,000	0.01	**13,900**	**0.02**
452000	Mobile / Temporary Vendor	4,329	0.01	5,400	0.01	**5,500**	**0.01**
453000	Liquor License	79,621	0.10	75,000	0.10	**90,200**	**0.11**
454000	Vending/Amusement Device Fee	13,684	0.02	15,000	0.02	**14,000**	**0.02**
461000	Electrical Registration & Permits	330,214	0.43	325,000	0.41	**375,000**	**0.45**
462000	Heating Registration & Permits	272,608	0.36	320,000	0.41	**340,000**	**0.41**
463000	Plumbing Registration & Permits	273,433	0.36	290,000	0.37	**260,000**	**0.31**
464000	Sign Registration & Permits	52,606	0.07	35,000	0.04	**50,000**	**0.06**
470000	Building Registration & Permits	935,743	1.23	900,000	1.14	**1,100,000**	**1.33**
471000	Fence Permits	8,210	0.01	8,000	0.01	**8,500**	**0.01**
477000	Fire Suppression Permits	12,395	0.02	13,000	0.02	**15,000**	**0.02**
478000	Animal Permits	18,482	0.02	19,000	0.02	**19,500**	**0.02**
	Total Licenses & Permits	**2,012,360**	**2.64**	**2,013,400**	**2.56**	**2,291,600**	**2.77**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	294,228	0.39	59,780	0.08	**0**	**0.00**
539002	State Grants	220,390	0.29	114,560	0.15	**35,000**	**0.04**
539302	Criminal Justice Training	28,261	0.04	35,000	0.04	**0**	**0.00**
539332	Dispatcher Training	8,376	0.01	6,000	0.01	**8,000**	**0.01**
543426	Emergency Services Assistance	36,402	0.05	36,000	0.05	**36,000**	**0.04**
544000	Drunk Driving Case Flow Assistance	31,884	0.04	16,000	0.02	**16,000**	**0.02**
545000	Drug Case Information Management	0	0.00	800	0.00	**800**	**0.00**
567001	State Aid - Library	108,429	0.14	108,190	0.14	**108,540**	**0.13**
569001	Judges Salary Stand Payments	136,722	0.18	137,170	0.17	**137,170**	**0.17**
574000	State Revenue Sharing	11,072,350	14.55	10,950,000	13.87	**11,000,000**	**13.26**
581001	Municipal Credit Transportation	243,031	0.32	244,770	0.31	**252,170**	**0.30**
583000	Macomb Auto Theft Squad - Grant	67,320	0.09	72,000	0.09	**88,000**	**0.11**
585000	Drug Enforce. Admin - Federal	15,976	0.02	12,000	0.02	**14,000**	**0.02**
587001	County Contrib. - Library Penal Fines	182,996	0.24	128,000	0.16	**140,000**	**0.17**
	Total State & Local Returns	**12,446,365**	**16.36**	**11,920,270**	**15.10**	**11,835,680**	**14.26**
	FINES & FORFEITURES						
656003	Contempt Court Fines	58,766	0.08	55,000	0.07	**60,000**	**0.07**
656004	Ordinance Fines & Costs	2,235,687	2.94	2,000,000	2.53	**2,275,000**	**2.74**
656005	Municipal Civil Infractions	1,800	0.00	4,000	0.01	**4,000**	**0.00**
657001	Library Fines	56,531	0.07	56,500	0.07	**56,500**	**0.07**
658001	Bond Forfeitures	127,755	0.17	130,000	0.16	**130,000**	**0.16**
658002	Drug Forfeitures	85,538	0.11	0	0.00	**0**	**0.00**
659001	Driver Reinstatement Fee	38,025	0.05	40,000	0.05	**35,000**	**0.04**
659002	Default Judgment Fee	191,641	0.25	200,000	0.25	**200,000**	**0.24**
659003	Crime Victim Rights Admin. Fee	5,248	0.01	5,500	0.01	**5,300**	**0.01**
659004	Forensic Administration Fee	43	0.00	50	0.00	**50**	**0.00**

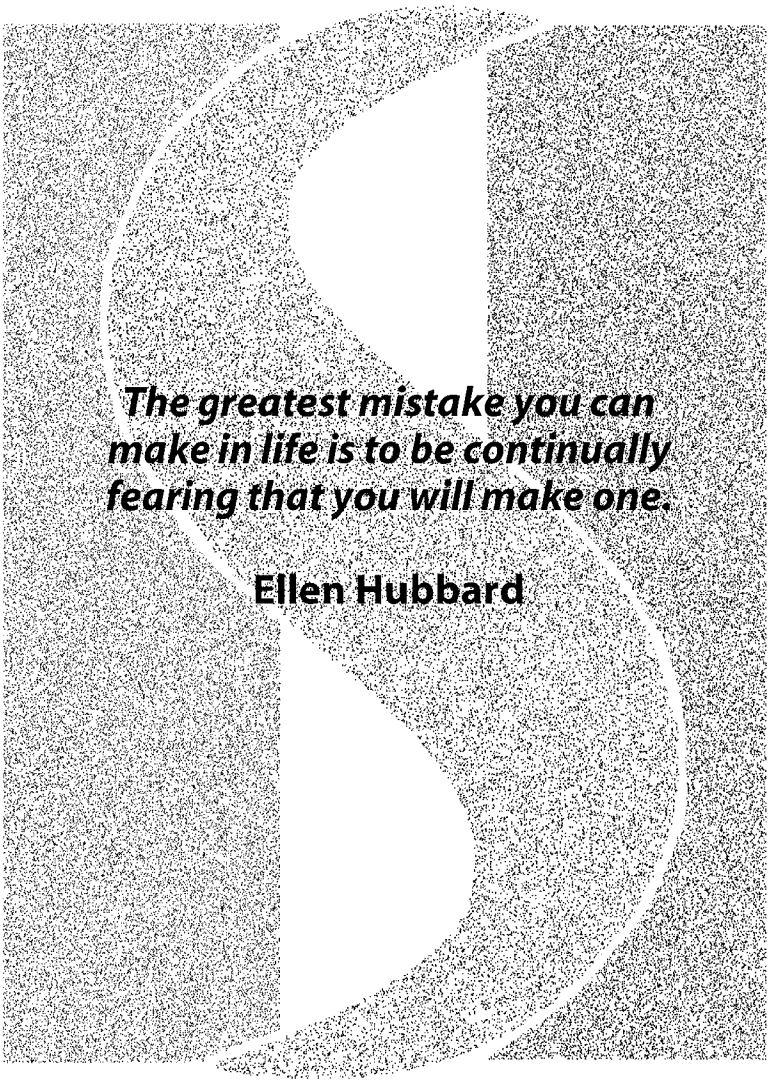
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
659005	DNA Assessment Fee	0	0.00	50	0.00	**0**	**0.00**
	Total Fines & Forfeitures	**2,801,034**	**3.68**	**2,491,100**	**3.16**	**2,765,850**	**3.33**
	OTHER FINANCING SOURCES						
699278	Transfer From CDBG	81,360	0.11	97,830	0.12	**91,780**	**0.11**
	Total Other Financing Sources	**81,360**	**0.11**	**97,830**	**0.12**	**91,780**	**0.11**
	CHARGES FOR SERVICES						
603000	Court Filing Fee	137,948	0.18	100,000	0.13	**135,000**	**0.16**
603001	Jury Demand Fee	1,868	0.00	2,000	0.00	**2,000**	**0.00**
604000	Probation Oversight	189,243	0.25	200,000	0.25	**160,000**	**0.19**
605000	Garnishments - Filing Fee	63,360	0.08	60,000	0.08	**70,000**	**0.08**
606000	Split/Combination Fee	9,500	0.01	10,000	0.01	**13,000**	**0.02**
607000	Fire Permits, Fees, & Inspections	39,340	0.05	35,000	0.04	**42,000**	**0.05**
608000	Encroachment/Deviation Fees	1,760	0.00	3,000	0.00	**2,500**	**0.00**
609000	Mobile Home Tax	11,348	0.01	10,000	0.01	**10,500**	**0.01**
610000	Vital Statistics	34,303	0.05	30,000	0.04	**40,000**	**0.05**
611000	Attorney Fee Reimbursement	13,914	0.02	12,000	0.02	**15,000**	**0.02**
612000	Alcohol Assessment Fee	30,820	0.04	31,000	0.04	**31,000**	**0.04**
626000	Services - PTAF	386,014	0.51	1,430,000	1.81	**1,433,430**	**1.73**
627000	Water & Sewer Activity	916,350	1.20	958,590	1.21	**1,187,310**	**1.43**
627275	HAP Administrative Fee	11,304	0.01	11,600	0.01	**11,530**	**0.01**
627444	Administrative Services - Roads	290,110	0.38	227,000	0.29	**242,000**	**0.29**
627556	Admin Services-Water Distribution	240,810	0.32	328,380	0.42	**343,200**	**0.41**
627574	Admin Services-W&S Improv. Fund	26,049	0.03	29,500	0.04	**34,000**	**0.04**
627677	Administrative Services-Self Insurance	203,640	0.27	206,010	0.26	**218,100**	**0.26**
627732	Administrative Services-P&F Pension	5,221	0.01	5,350	0.01	**5,510**	**0.01**
628001	Voter Lists	608	0.00	600	0.00	**600**	**0.00**
629001	Labor Services - Roads	1,192,893	1.57	800,000	1.01	**900,000**	**1.08**
629002	Labor Services - Cross Charges	25,363	0.03	20,000	0.03	**20,000**	**0.02**
629003	Labor Services - Fleet Maintenance	71,600	0.09	75,000	0.10	**85,000**	**0.10**
631001	Police Service/Schools	25,173	0.03	92,340	0.12	**97,000**	**0.12**
632001	Inspection Services-Projects-Other	587,573	0.77	550,000	0.70	**500,000**	**0.60**
632002	Inspection Services-City Projects	316,626	0.42	460,000	0.58	**460,000**	**0.55**
632003	Engineering Review Fee	153,863	0.20	170,000	0.22	**170,000**	**0.20**
632004	Engineering & Design - Project	520,072	0.68	575,000	0.73	**520,000**	**0.63**
632005	Building Number Assignments	3,521	0.00	4,000	0.01	**3,500**	**0.00**
632006	SESC Review Fee	29,873	0.04	35,000	0.04	**25,000**	**0.03**
632007	SESC Inspection Fee	11,085	0.01	12,000	0.02	**10,000**	**0.01**
632008	Easement Vacation	2,346	0.00	1,500	0.00	**2,500**	**0.00**
632009	ROW Permit Fees	12,202	0.02	17,000	0.02	**17,000**	**0.02**
634003	Supplies & Gasoline Revenue	54,261	0.07	45,000	0.06	**60,000**	**0.07**
634004	Parts-Vehicle Maintenance	39,376	0.05	50,000	0.06	**50,000**	**0.06**
635535	Refuse Collection Fees	5,444	0.01	330,000	0.42	**43,000**	**0.05**
636000	Plan Review Fee	73,261	0.10	68,000	0.09	**80,000**	**0.10**
636001	Building Department Plan Review	282,565	0.37	250,000	0.32	**300,000**	**0.36**
637001	Copies & Forms	22,274	0.03	16,000	0.02	**20,000**	**0.02**
637002	Maps	2,382	0.00	2,500	0.00	**2,400**	**0.00**

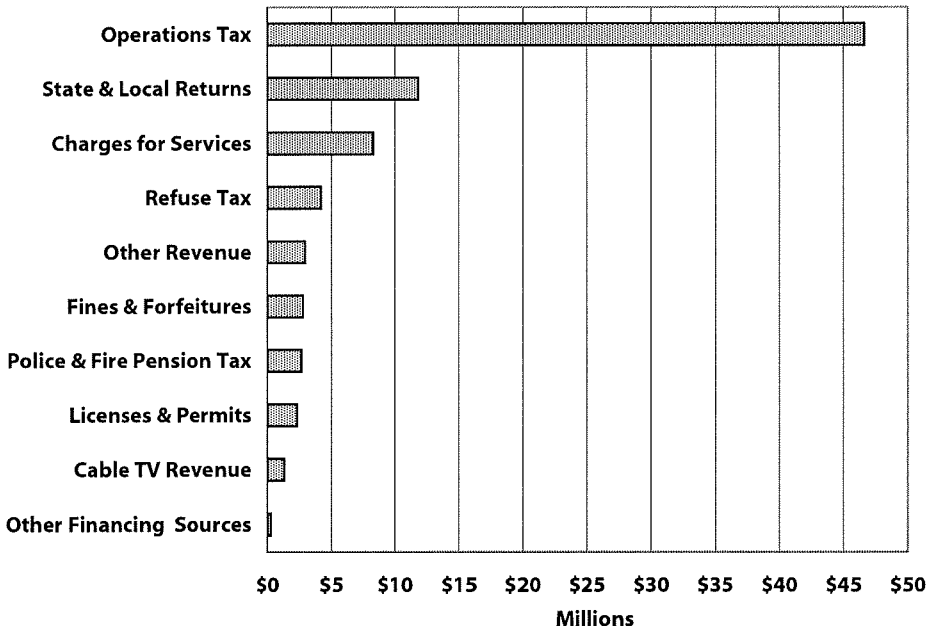
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
637003	Police Reports	77,374	0.10	69,000	0.09	**78,000**	**0.09**
637004	Advanced Life Support (ALS) Fees	0	0.00	250,000	0.32	**187,620**	**0.23**
637005	Fire Reports	932	0.00	800	0.00	**900**	**0.00**
637006	PBT User Fee	4,740	0.01	4,500	0.01	**7,500**	**0.01**
637007	False Alarm Fees	225	0.00	150,000	0.19	**40,000**	**0.05**
638000	Application Fees	21,100	0.03	12,000	0.02	**24,000**	**0.03**
639001	Parks & Recreation Fees	424,123	0.56	410,000	0.52	**450,000**	**0.54**
639253	Treasury Transfer & Late Fees	9,892	0.01	5,000	0.01	**11,000**	**0.01**
640001	5% Cash Deposit	7,350	0.01	7,500	0.01	**7,000**	**0.01**
640002	Weed Cutting	81,301	0.11	85,000	0.11	**100,000**	**0.12**
640003	Board of Zoning Appeals Fees	10,335	0.01	10,000	0.01	**8,500**	**0.01**
640005	Ordinance Board of Appeals Fees	12,407	0.02	9,000	0.01	**8,000**	**0.01**
	Total Charges for Services	**6,695,042**	**8.80**	**8,276,170**	**10.49**	**8,284,600**	**9.98**
	OTHER REVENUE						
656006	Interpreter Fees	14,653	0.02	10,000	0.01	**12,000**	**0.01**
665000	Interest on Investments	787,724	1.04	750,000	0.95	**1,200,000**	**1.45**
665010	Contra - Interest on Investment	(13,371)	-0.02	0	0.00	**0**	**0.00**
667002	Rental Income - Utica Road	51,000	0.07	54,060	0.07	**62,520**	**0.08**
667003	Rental Income - DPS	121,320	0.16	126,900	0.16	**130,590**	**0.16**
667005	Rental - DPW - Impound Lot	33,000	0.04	33,000	0.04	**33,000**	**0.04**
667007	Rental - Universal Ambulance	3,120	0.00	2,880	0.00	**2,880**	**0.00**
667009	Rental - Towers	124,000	0.16	130,000	0.16	**141,200**	**0.17**
669001	Rental - Road Equipment	1,200,193	1.58	900,000	1.14	**1,000,000**	**1.21**
669002	Rental - Equipment - Cross Charges	34,212	0.04	25,000	0.03	**26,000**	**0.03**
672000	Special Assessment Revenue	2,141	0.00	2,140	0.00	**2,140**	**0.00**
673000	Sale of Fixed Assets	4,550	0.01	500	0.00	**500**	**0.00**
675000	Contributions & Donations	26,476	0.03	12,000	0.02	**12,000**	**0.01**
675001	Donations - Parks & Recreation	5,438	0.01	5,000	0.01	**5,000**	**0.01**
675003	Art Fair Revenue	100	0.00	0	0.00	**0**	**0.00**
675290	Dare Donations - Police	10,050	0.01	10,000	0.01	**10,000**	**0.01**
676000	Reimbursements	226,094	0.30	139,500	0.18	**74,300**	**0.09**
676001	Reimbursements - Legal	16,544	0.02	25,000	0.03	**15,000**	**0.02**
679000	Police Auction	115,685	0.15	90,000	0.11	**90,000**	**0.11**
679792	Library Book Sales	0	0.00	0	0.00	**1,500**	**0.00**
685000	Miscellaneous Revenue	52,254	0.07	45,000	0.06	**50,000**	**0.06**
685792	Miscellaneous Revenue - Library	6,927	0.01	6,000	0.01	**8,000**	**0.01**
687000	Refunds & Rebates	3,221	0.00	0	0.00	**0**	**0.00**
690000	O.U.I.L. Recovery	62,688	0.08	60,000	0.08	**55,000**	**0.07**
690002	Warrant Arrest Processing Fee	4,429	0.01	5,000	0.01	**5,000**	**0.01**
695000	Insurance Recovery	7,500	0.01	10,000	0.01	**10,000**	**0.01**
	Total Other Revenue	**2,899,948**	**3.81**	**2,441,980**	**3.09**	**2,946,630**	**3.55**
680000	Cable TV Revenue	1,319,937	1.73	1,250,000	1.58	**1,320,000**	**1.59**
405000	City Refuse Tax	5,203,504	6.84	4,091,020	5.18	**4,210,420**	**5.07**
406000	P&F Pension Tax	4,204,831	5.53	2,993,590	3.79	**2,646,450**	**3.19**
	Total General Fund Revenue	**$76,084,383**	**100.00**	**$78,930,050**	**100.00**	**$82,985,680**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

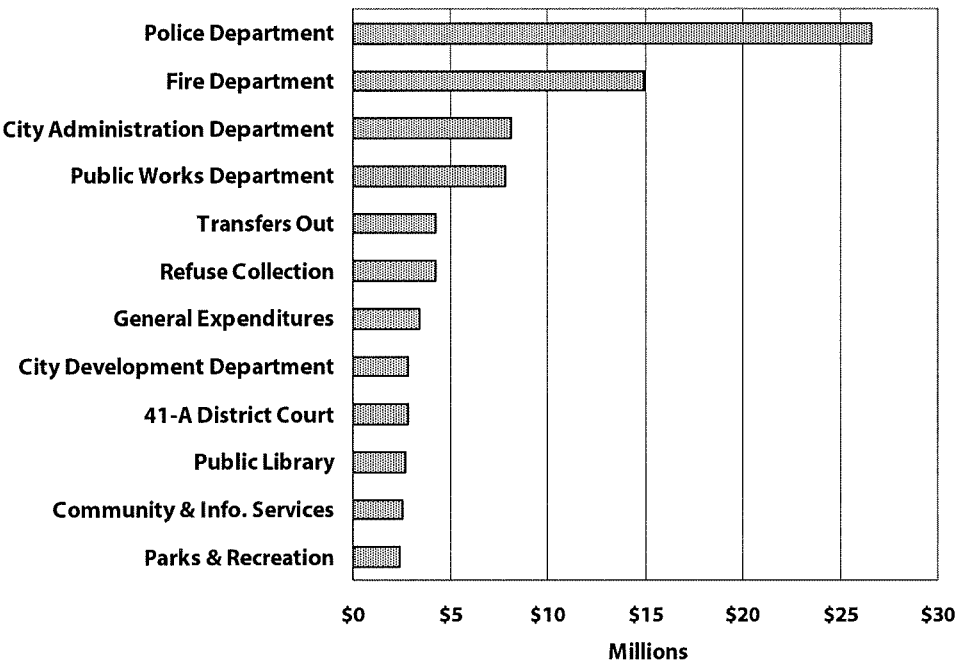

The greatest mistake you can make in life is to be continually fearing that you will make one.
Ellen Hubbard

General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted in 2006/07 for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted in 2006/07 for each budgetary center.

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
LEGISLATIVE					
1. City Council	1010	$120,720	$134,290	**$140,180**	4.4%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	779,370	802,400	**862,030**	7.4%
2. City Clerk	2160	940,690	903,540	**978,770**	8.3%
3. Facilities Maintenance	2650	1,341,170	1,571,360	**1,627,260**	3.6%
4. Assessing	2090	1,087,380	925,500	**784,900**	-15.2%
5. Financial Services	2010	1,075,920	1,132,600	**1,211,180**	6.9%
6. Purchasing	2330	316,250	323,960	**342,040**	5.6%
7. Treasury	2530	666,630	715,750	**766,670**	7.1%
8. Act 78 - Civil Service Commission	2200	11,930	27,820	**18,720**	-32.7%
9. Building Authority	2610	380	400	**400**	0.0%
10. General Employees Pension Board	2390	576,680	638,840	**688,560**	7.8%
11. Legal	2100	656,150	680,000	**725,000**	6.6%
Total City Administration Department		**7,573,270**	**7,856,460**	**8,145,710**	**3.7%**
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	2,195,030	2,317,180	**2,388,540**	3.1%
Total Parks & Recreation Department		**2,195,030**	**2,317,180**	**2,388,540**	**3.1%**
POLICE DEPARTMENT					
1. Office of the Police Chief	3050	3,940,350	4,257,100	**2,955,520**	-30.6%
2. Police Enforcement Services	3150	15,168,690	14,477,610	**15,488,080**	7.0%
3. Police Investigative Services	3100	2,694,650	3,226,750	**4,931,070**	52.8%
4. Police Support Services	3260	2,896,830	3,053,970	**3,242,780**	6.2%
Total Police Department		**24,700,520**	**25,015,430**	**26,617,450**	**6.4%**
FIRE DEPARTMENT					
1. Fire Administration	3370	1,081,970	1,103,300	**1,168,480**	5.9%
2. Fire Extinguishment	3390	11,494,370	11,813,840	**12,647,390**	7.1%
3. Fire Prevention	3410	1,069,310	979,660	**1,043,770**	6.5%
4. Emergency Management	2130	192,530	110,780	**114,150**	3.0%
Total Fire Department		**13,838,180**	**14,007,580**	**14,973,790**	**6.9%**
CITY DEVELOPMENT DEPARTMENT					
1. Building	4120	1,904,890	2,005,110	**2,092,740**	4.4%
2. Economic Development	4150	0	0	**133,540**	100.0%
3. Planning	4020	339,640	350,390	**358,080**	2.2%
4. Public Services	4160	384,870	423,640	**273,260**	-35.5%
5. Planning Commission	4030	8,280	14,970	**12,240**	-18.2%
6. Zoning Board of Appeals	4130	8,110	9,300	**8,670**	-6.8%
Total City Development Department		**2,645,790**	**2,803,410**	**2,878,530**	**2.7%**

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
PUBLIC WORKS DEPARTMENT					
1. Engineering	4470	1,829,900	1,938,460	**1,811,220**	-6.6%
2. Fleet Maintenance	5530	2,231,510	2,096,110	**2,296,380**	9.6%
3. Parks & Ground Maintenance	7700	1,287,290	1,331,540	**1,328,960**	-0.2%
4. Public Works Center	4420	507,670	481,290	**524,150**	8.9%
5. Street Services	4440	1,850,310	1,840,300	**1,874,530**	1.9%
Total Public Works Department		**7,706,680**	**7,687,700**	**7,835,240**	**1.9%**
REFUSE COLLECTION					
1. Refuse Collection	5350	4,853,150	4,421,020	**4,253,420**	-3.8%
Total Refuse Collection		**4,853,150**	**4,421,020**	**4,253,420**	**-3.8%**
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,471,890	2,577,990	**2,692,810**	4.5%
2. Historical Commission	8030	2,190	1,420	**1,360**	-4.2%
Total Public Library Department		**2,474,080**	**2,579,410**	**2,694,170**	**4.4%**
COMMUNITY & INFORMATION SERVICES DEPARTMENT					
1. Community Relations	2920	1,386,740	1,473,930	**1,489,260**	1.0%
2. Information Technology	2580	883,050	959,000	**1,029,990**	7.4%
3. Beautification Commission	8060	2,160	2,640	**2,490**	-5.7%
4. Cultural Commission	7930	330	350	**350**	0.0%
5. Telecommunications Commission	2910	4,360	4,700	**4,650**	-1.1%
Total Community & Information Services Dept.		**2,276,640**	**2,440,620**	**2,526,740**	**3.5%**
41-A DISTRICT COURT	1360	2,472,160	2,612,710	**2,861,380**	9.5%
GENERAL EXPENDITURES	8950	2,639,270	3,346,140	**3,468,360**	3.7%
TRANSFERS OUT	9660	2,360,090	4,127,270	**4,318,120**	4.6%
Total Expenditures & Uses		**75,734,860**	**79,214,930**	**82,961,450**	**4.7%**
EXTRAORDINARY ITEMS	8950	6,000,000	0	**0**	0.0%
Total General Fund Expenditures		**$81,734,860**	**$79,214,930**	**$82,961,450**	**4.7%**

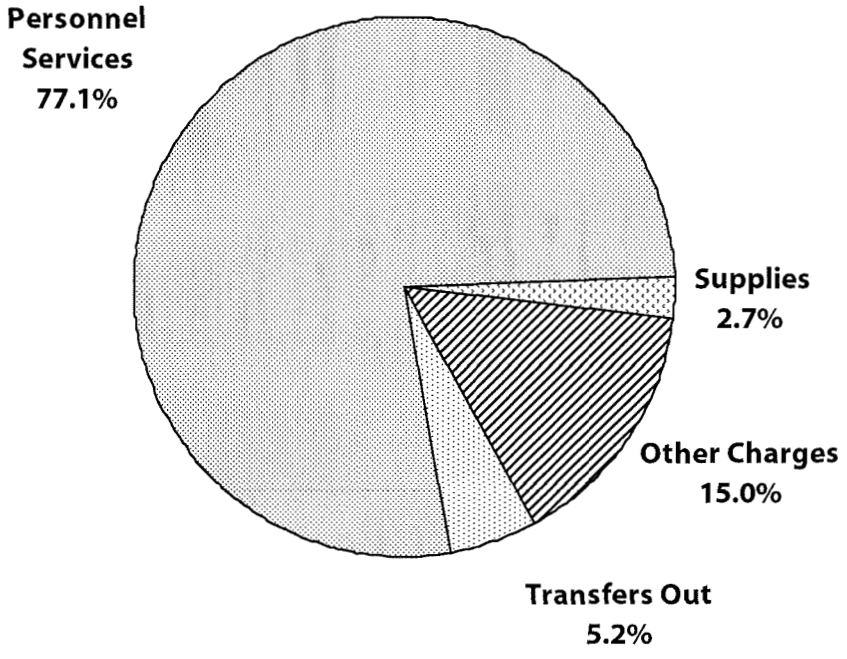
GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY

Budgetary Center	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget
CITY ADMINISTRATION DEPARTMENT					
Personnel Services	$4,816,995	$4,903,687	$5,199,632	$5,452,590	**$5,842,150**
Supplies	191,865	217,433	210,838	222,010	**210,430**
Other Charges	1,576,187	1,645,599	2,162,803	2,181,860	**2,093,130**
Total	**6,585,047**	**6,766,719**	**7,573,273**	**7,856,460**	**8,145,710**
PARKS & RECREATION DEPARTMENT					
Personnel Services	1,585,998	1,638,123	1,704,559	1,824,060	**1,906,350**
Supplies	137,403	116,588	111,881	130,980	**118,000**
Other Charges	438,518	410,545	378,590	362,140	**364,190**
Total	**2,161,919**	**2,165,256**	**2,195,030**	**2,317,180**	**2,388,540**
POLICE DEPARTMENT					
Personnel Services	20,936,660	22,226,902	23,860,760	24,232,790	**25,881,450**
Supplies	205,569	149,041	140,089	161,510	**158,050**
Other Charges	697,540	700,081	699,667	621,130	**577,950**
Total	**21,839,769**	**23,076,024**	**24,700,516**	**25,015,430**	**26,617,450**
FIRE DEPARTMENT					
Personnel Services	11,453,498	12,161,265	13,117,240	13,327,810	**14,319,000**
Supplies	187,526	256,822	153,532	193,700	**170,540**
Other Charges	499,263	475,520	567,407	486,070	**484,250**
Total	**12,140,287**	**12,893,607**	**13,838,179**	**14,007,580**	**14,973,790**
CITY DEVELOPMENT DEPARTMENT					
Personnel Services	2,355,213	2,446,474	2,551,992	2,705,220	**2,754,410**
Supplies	19,847	20,103	16,552	16,720	**21,220**
Other Charges	83,539	108,530	77,249	81,470	**102,900**
Total	**2,458,599**	**2,575,107**	**2,645,793**	**2,803,410**	**2,878,530**
PUBLIC WORKS DEPARTMENT					
Personnel Services	5,279,717	5,650,854	6,096,996	6,192,380	**6,220,800**
Supplies	939,930	948,822	1,197,536	1,020,600	**1,146,270**
Other Charges	439,615	429,101	412,145	474,720	**468,170**
Total	**6,659,262**	**7,028,777**	**7,706,677**	**7,687,700**	**7,835,240**
REFUSE					
Personnel Services	100,509	123,747	128,415	127,730	**132,210**
Supplies	60	271	430	300	**300**
Other Charges	4,558,232	4,535,221	4,724,304	4,292,990	**4,120,910**
Total	**4,658,801**	**4,659,239**	**4,853,149**	**4,421,020**	**4,253,420**

GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY

Budgetary Center	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget
PUBLIC LIBRARY DEPARTMENT					
Personnel Services	1,739,388	1,848,854	1,943,176	2,033,000	**2,145,580**
Supplies	264,191	249,454	245,290	253,920	**253,100**
Other Charges	282,311	289,471	285,617	292,490	**295,490**
Total	**2,285,890**	**2,387,779**	**2,474,083**	**2,579,410**	**2,694,170**
COMM. & INFO. SERVICES DEPARTMENT					
Personnel Services	1,652,342	1,756,105	1,854,484	1,966,350	**2,083,640**
Supplies	62,115	61,569	60,801	60,650	**58,400**
Other Charges	311,458	316,558	361,352	413,620	**384,700**
Total	**2,025,915**	**2,134,232**	**2,276,637**	**2,440,620**	**2,526,740**
41-A DISTRICT COURT					
Personnel Services	1,966,376	2,123,844	2,252,319	2,393,200	**2,627,330**
Supplies	32,739	39,170	35,708	36,500	**38,500**
Other Charges	174,702	179,206	184,128	183,010	**195,550**
Total	**2,173,817**	**2,342,220**	**2,472,155**	**2,612,710**	**2,861,380**
GENERAL EXPENDITURES					
Personnel Services	75,702	85,928	91,185	103,750	**22,700**
Supplies	52,786	147,867	69,521	64,300	**67,510**
Other Charges	2,536,852	2,591,215	2,478,568	3,178,090	**3,378,150**
Total	**2,665,340**	**2,825,010**	**2,639,274**	**3,346,140**	**3,468,360**
TRANSFERS OUT					
Transfers Out	5,414,890	2,752,040	2,360,094	4,127,270	**4,318,120**
TOTAL EXPENDITURES BY CATEGORY					
Personnel Services	51,962,398	54,965,783	58,800,758	60,358,880	**63,935,620**
Supplies	2,094,031	2,207,140	2,242,178	2,161,190	**2,242,320**
Other Charges	11,598,217	11,681,047	12,331,830	12,567,590	**12,465,390**
Transfers Out	5,414,890	2,752,040	2,360,094	4,127,270	**4,318,120**
Total Expenditures & Uses	**71,069,536**	**71,606,010**	**75,734,860**	**79,214,930**	**82,961,450**
Extraordinary Items	0	25,368,271	6,000,000	0	**0**
Total General Fund	**$71,069,536**	**$96,974,281**	**$81,734,860**	**$79,214,930**	**$82,961,450**

2006/07 General Fund Expenditures by Expenditure Category



Total General Fund Budget of $82,961,450

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 77.1% of the total General Fund expenditures for 2006/07.

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	$115,071	0.14	$120,450	0.15	**$127,300**	**0.15**
704000	Wages & Salaries-Permanent	32,550,451	39.82	33,970,290	42.88	**34,931,870**	**42.11**
704001	Sick Time Buy Back	309,091	0.38	275,350	0.35	**300,400**	**0.36**
704721	Health Insurance Allowance	48,917	0.06	51,500	0.07	**48,000**	**0.06**
705000	Wages-Salaries - Temp/Part Time	1,289,430	1.58	1,343,750	1.70	**1,366,260**	**1.65**
706000	Wages-Salaries - Occasional	117,776	0.14	59,210	0.07	**113,800**	**0.14**
708000	Overtime	2,857,002	3.50	2,685,140	3.39	**2,917,950**	**3.52**
708001	Compensatory Time Buy Back	1,560,529	1.91	1,491,260	1.88	**1,502,550**	**1.81**
708795	Overtime - F.L.S.A.	33,038	0.04	93,450	0.12	**95,000**	**0.11**
709000	Union Contract Reimbursement	262,348	0.32	267,950	0.34	**265,700**	**0.32**
710000	Longevity	1,257,448	1.54	1,380,510	1.74	**1,434,040**	**1.73**
711000	Holiday Pay	909,558	1.11	948,700	1.20	**982,760**	**1.18**
713500	Car Allowance	1,500	0.00	1,800	0.00	**2,000**	**0.00**
714000	Food Allowance	107,500	0.13	108,000	0.14	**108,000**	**0.13**
715000	Clothing Allowance	362,184	0.44	357,450	0.45	**356,950**	**0.43**
717000	FICA	1,679,407	2.05	1,753,560	2.21	**1,790,590**	**2.16**
718000	Worker's Compensation	303,195	0.37	313,700	0.40	**316,170**	**0.38**
719000	Unemployment Compensation	24,084	0.03	23,900	0.03	**18,350**	**0.02**
720001	Pension - Police and Fire Retirement	4,204,830	5.14	2,993,590	3.78	**2,646,450**	**3.19**
720002	Defined Contribution - Employer	247,883	0.30	268,500	0.34	**294,120**	**0.35**
721000	Hospitalization	5,915,505	7.24	6,451,560	8.14	**6,637,310**	**8.00**
721001	Hospitalization - Retirees	3,601,970	4.41	4,282,210	5.41	**6,610,500**	**7.97**
722000	Dental Insurance	495,878	0.61	548,950	0.69	**585,340**	**0.71**
722002	Retiree Dental Insurance	63,034	0.08	75,500	0.10	**0**	**0.00**
723000	Life Insurance	98,239	0.12	101,770	0.13	**102,840**	**0.12**
724000	Eye Care Insurance	84,841	0.10	74,550	0.09	**56,930**	**0.07**
725000	Disability Insurance - Long Term	110,912	0.14	116,510	0.15	**119,550**	**0.14**
725355	Disability Insurance - Short Term	189,137	0.23	199,770	0.25	**204,890**	**0.25**
	Total Personnel Services	**58,800,758**	**71.94**	**60,358,880**	**76.20**	**63,935,620**	**77.07**
	SUPPLIES						
729000	Postage	259,289	0.32	260,920	0.33	**271,790**	**0.33**
730000	Publications	37,222	0.05	37,920	0.05	**41,010**	**0.05**
741000	Ammunition	9,000	0.01	10,000	0.01	**10,000**	**0.01**
741302	Ammunition - Act 302 Grant	1,973	0.00	5,000	0.01	**5,000**	**0.01**
742000	Dog Care Supplies	2,101	0.00	1,500	0.00	**1,800**	**0.00**
743000	Prisoners Board	7,481	0.01	7,500	0.01	**7,500**	**0.01**
750000	Fuels & Lubricants	473,614	0.58	380,000	0.48	**500,000**	**0.60**
750001	Fuel & Lube Inventory	16,602	0.02	10,000	0.01	**15,000**	**0.02**
751000	Operating Supplies	519,240	0.64	585,260	0.74	**540,670**	**0.65**
751290	Supplies - D.A.R.E.	14,500	0.02	14,500	0.02	**14,500**	**0.02**
758000	Computer Software	1,591	0.00	1,350	0.00	**1,300**	**0.00**
759000	Parts & Sublet Services	594,800	0.73	520,000	0.66	**520,000**	**0.63**
760000	Playground & Athletic Supplies	6,959	0.01	6,000	0.01	**6,000**	**0.01**
761000	Program Activity Supplies	37,956	0.05	47,780	0.06	**40,000**	**0.05**
762000	Seniors Program Supplies	41,916	0.05	49,600	0.06	**44,000**	**0.05**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

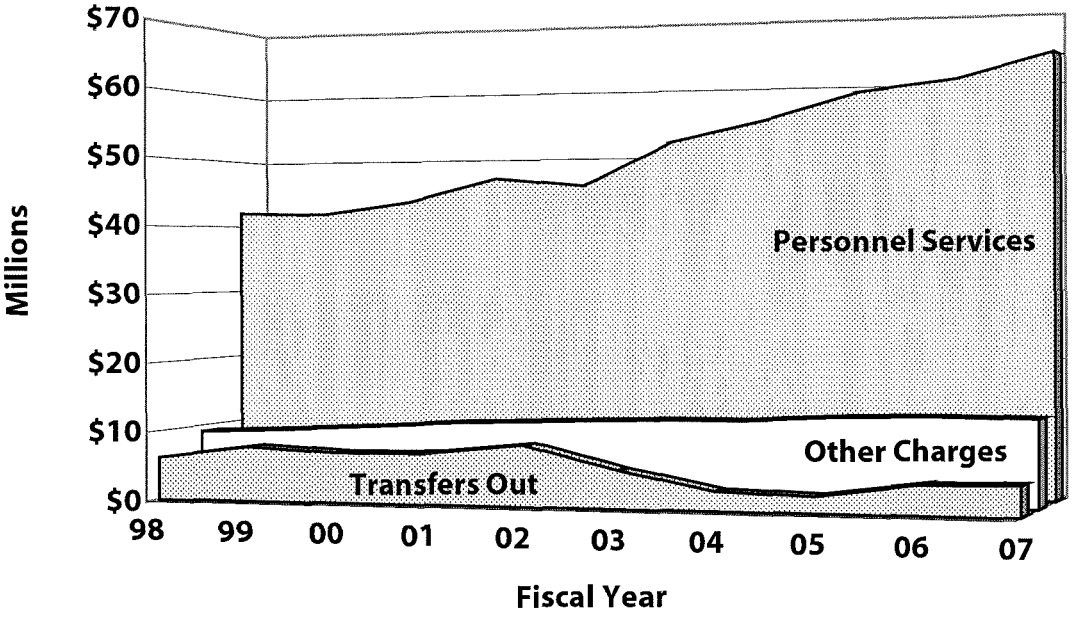
Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
769000	Audio Visual Media	26,532	0.03	32,000	0.04	**32,000**	**0.04**
783000	Seeding & Planting Supplies	11,903	0.01	9,750	0.01	**9,750**	**0.01**
785000	Books	179,499	0.22	182,110	0.23	**182,000**	**0.22**
	Total Supplies	**2,242,178**	**2.74**	**2,161,190**	**2.73**	**2,242,320**	**2.70**
	OTHER CHARGES						
802000	Audit & Accounting Services	68,560	0.08	65,850	0.08	**63,750**	**0.08**
803000	Computer Consultant Services	78,806	0.10	68,940	0.09	**82,900**	**0.10**
806000	Legal Services - Other	49,462	0.06	48,670	0.06	**50,500**	**0.06**
806001	Legal Services - City Attorney	627,402	0.77	652,000	0.82	**692,000**	**0.83**
807000	Medical Services	38,981	0.05	36,610	0.05	**37,090**	**0.04**
808000	Reporting Services	17,007	0.02	19,400	0.02	**18,050**	**0.02**
810000	Other Fees	30,315	0.04	32,380	0.04	**32,530**	**0.04**
820000	Tree/Weed Cutting	48,647	0.06	50,000	0.06	**50,000**	**0.06**
821000	Spraying Services	36,944	0.05	34,000	0.04	**34,000**	**0.04**
822000	Rubbish Removal	4,632,458	5.67	4,202,690	5.31	**4,026,200**	**4.85**
825000	Animal Collection	16,916	0.02	18,000	0.02	**18,000**	**0.02**
826000	Other Contracted Services	1,624,651	1.99	1,402,870	1.77	**1,257,760**	**1.52**
826412	Nuisance Abatements	3,503	0.00	0	0.00	**0**	**0.00**
827000	Interfund Services	84,000	0.10	88,200	0.11	**92,610**	**0.11**
828000	Auction Expenditures	63,930	0.08	52,000	0.07	**52,000**	**0.06**
829000	Hazardous Waste Disposal	982	0.00	2,200	0.00	**1,500**	**0.00**
832000	Building Maintenance	161,020	0.20	174,150	0.22	**167,000**	**0.20**
833000	Equipment Maintenance	287,201	0.35	312,640	0.39	**326,180**	**0.39**
833001	Personal Computer Maintenance	12,591	0.02	12,000	0.02	**11,000**	**0.01**
836000	Radio Maintenance	23,339	0.03	20,700	0.03	**17,700**	**0.02**
837000	Retention Pond Maintenance	47,380	0.06	59,000	0.07	**59,000**	**0.07**
838000	Parks & Grounds Maintenance	32,340	0.04	81,500	0.10	**41,500**	**0.05**
902000	Publishing	25,402	0.03	28,980	0.04	**26,880**	**0.03**
903000	Printing	202,161	0.25	213,050	0.27	**203,760**	**0.25**
913000	Liability Insurance	1,115,887	1.37	1,550,530	1.96	**2,050,530**	**2.47**
915000	Other Insurance	17,800	0.02	18,330	0.02	**18,870**	**0.02**
921000	Electric	487,212	0.60	504,000	0.64	**501,000**	**0.60**
922000	Telephone	269,867	0.33	271,710	0.34	**254,320**	**0.31**
922001	Fiber Optic Lease Charges	0	0.00	0	0.00	**36,050**	**0.04**
922002	Telephone - Drug Forfeiture	23,897	0.03	0	0.00	**0**	**0.00**
923000	Gas - Fuel - Oil	221,251	0.27	200,500	0.25	**278,000**	**0.34**
924000	Street Lighting	808,303	0.99	821,460	1.04	**876,890**	**1.06**
925000	Water	85,431	0.10	81,400	0.10	**96,700**	**0.12**
942302	Building Rental - Act 302	5,910	0.01	5,000	0.01	**5,000**	**0.01**
944000	Hydrant Rental	169,896	0.21	171,000	0.22	**174,750**	**0.21**
945000	Other Rental	299,365	0.37	318,890	0.40	**318,120**	**0.38**
949000	Interpreter Fees	18,702	0.02	15,000	0.02	**15,000**	**0.02**
950000	Witness Fees	5,164	0.01	5,900	0.01	**5,600**	**0.01**
951000	Juror Fees	7,739	0.01	7,000	0.01	**8,000**	**0.01**
954000	Mileage	2,078	0.00	2,010	0.00	**2,010**	**0.00**
956000	Local Meetings	20,629	0.03	17,670	0.02	**18,010**	**0.02**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

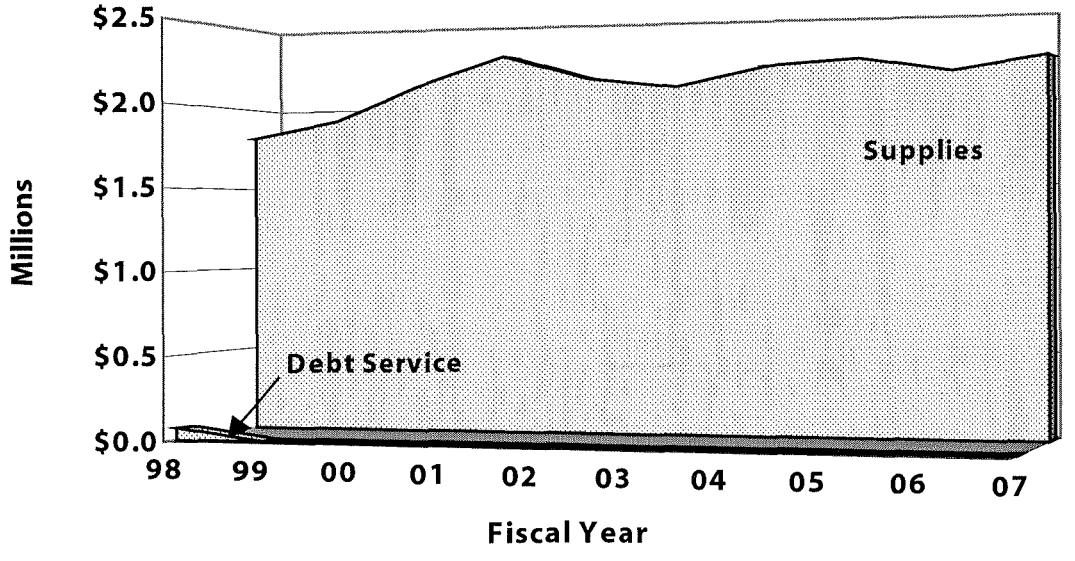
Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
956001	Michigan Week Expenses	22,126	0.03	19,000	0.02	**19,000**	**0.02**
956002	Special Events	65,310	0.08	45,000	0.06	**13,500**	**0.02**
957000	Memberships & Dues	96,518	0.12	102,830	0.13	**130,260**	**0.16**
959000	Education & Training	147,716	0.18	183,070	0.23	**191,650**	**0.23**
959001	Grant - Education & Training	12,752	0.02	0	0.00	**0**	**0.00**
959302	Education & Training Act 302	20,378	0.02	25,000	0.03	**25,000**	**0.03**
959332	Education & Training Act 32	3,166	0.00	6,000	0.01	**6,000**	**0.01**
960000	Donation Expense Non-Capital	5,347	0.01	4,000	0.01	**3,500**	**0.00**
961000	Athletic Entry Fees	780	0.00	1,120	0.00	**1,000**	**0.00**
962000	Miscellaneous Expense	5,855	0.01	37,820	0.05	**9,720**	**0.01**
962001	Misc Exp - Cash - Short/Over	32	0.00	0	0.00	**0**	**0.00**
962002	Misc. Expense - Drug Forfeiture	125,230	0.15	0	0.00	**0**	**0.00**
962529	Miscellaneous - Grants	10,218	0.01	39,780	0.05	**0**	**0.00**
965000	Refunds on Tribunal Adjustments	43,273	0.05	437,740	0.55	**45,000**	**0.05**
	Total Other Charges	**12,331,830**	**15.09**	**12,567,590**	**15.87**	**12,465,390**	**15.03**
	TRANSFERS OUT						
999202	Transfer to Major Roads Fund	500,000	0.61	1,350,000	1.70	**1,100,000**	**1.33**
999203	Transfer to Local Roads Fund	273,000	0.33	590,000	0.74	**575,000**	**0.69**
999244	Transfer to L&W Conservation Fund	0	0.00	0	0.00	**74,400**	**0.09**
999255	Transfer to EDC Fund	0	0.00	0	0.00	**8,000**	**0.01**
999316	Transfer to Settlement Debt Fund	2,464	0.00	0	0.00	**0**	**0.00**
999369	Transfer to LTGO Debt Fund	640,650	0.78	650,920	0.82	**960,000**	**1.16**
999403	Transfer to Capital Projects Fund	943,980	1.15	1,536,350	1.94	**1,600,720**	**1.93**
	Total Transfers Out	**2,360,094**	**2.89**	**4,127,270**	**5.21**	**4,318,120**	**5.20**
	Total Expenditures & Uses	**75,734,860**	**92.66**	**79,214,930**	**100.00**	**82,961,450**	**100.00**
	EXTRAORDINARY ITEMS						
998000	Settlement Costs	6,000,000	7.34	0	0.00	**0**	**0.00**
998010	Bond Issuance Costs	0	0.00	0	0.00	**0**	**0.00**
	Total Extraordinary Items	**6,000,000**	**7.34**	**0**	**0.00**	**0**	**0.00**
	Total General Fund	**$81,734,860**	**100.00**	**$79,214,930**	**100.00**	**$82,961,450**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

General Fund Expenditure Object History



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



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

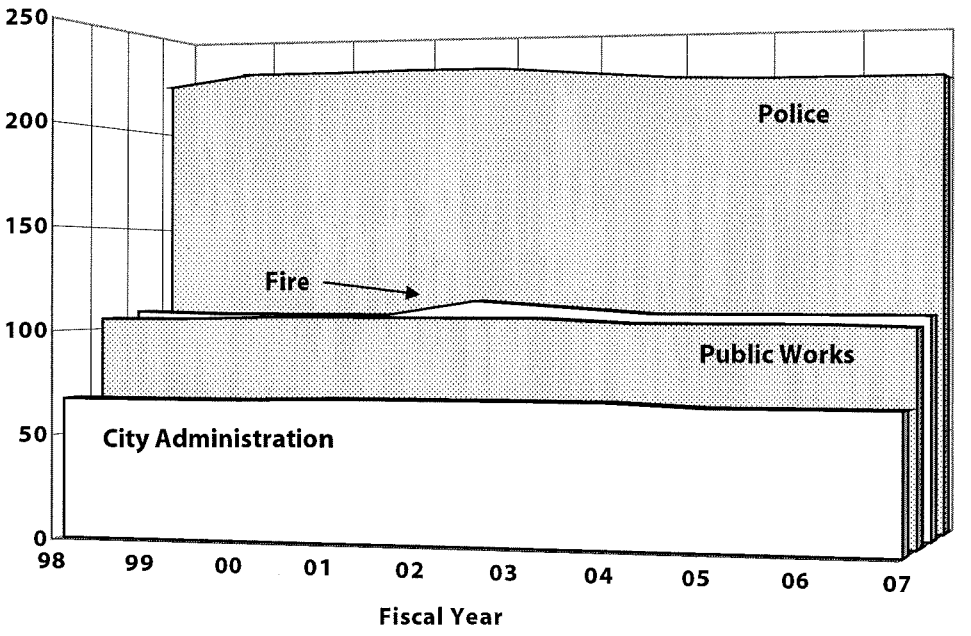
06
07

Personnel Summary

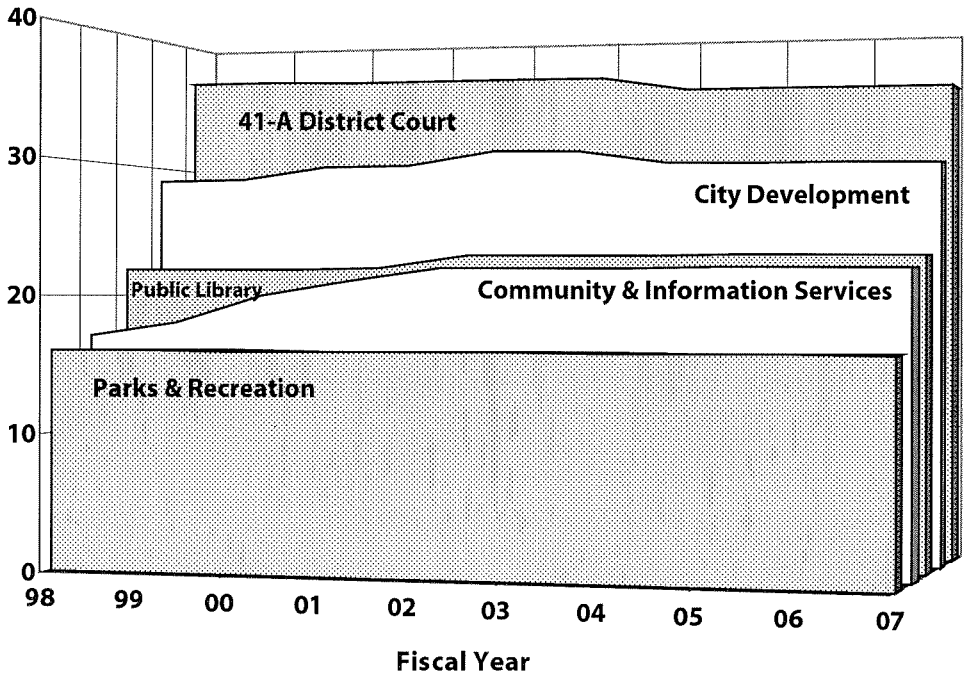
the Next Generation – Our Future

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

Full-time Personnel History by Department



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



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

PERSONNEL SUMMARY

2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05		Budget 2005/06		Budget 2006/07	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
137,917	City Manager	1		1		1	
78,292 - 97,544	Finance & Budget Director	1		1		1	
78,292 - 97,544	Human Resources Director	1		1		1	
52,965 - 59,051	Budget Management Coordinator	1		1		1	
44,069 - 48,889	Management Services Specialist	1		1		1	
40,027 - 46,411	Management Assistant	1		1		1	
	Total	**6**	**0**	**6**	**0**	**6**	**0**
	CITY CLERK						
84,073 - 103,213	City Clerk/Assistant City Manager	1		1		1	
69,821 - 86,564	Risk Manager	1		1		1	
40,027 - 46,411	Management Assistant	1		1		1	
38,676 - 44,844	Elections Assistant	1		1		1	
35,033 - 40,641	Risk Management Assistant	1		1		1	
35,033 - 40,641	Senior Clerk	1		1		1	
26,155 - 37,553	Clerk Typist	3		3		3	
	Total	**9**	**0**	**9**	**0**	**9**	**0**
	FACILITIES MAINTENANCE						
73,310 - 90,890	Facilities Maintenance Manager	1		1		1	
50,124 - 55,600	Facilities Maintenance Coordinator	1		1		1	
41,389 - 47,654	Facilities Maintenance Mechanic	2		2		2	
27,899 - 45,510	Custodian	14		14		14	
35,033 - 40,641	Senior Clerk	0		1		1	
	Clerk Typist	1		0		0	
	Total	**19**	**0**	**19**	**0**	**19**	**0**
	ASSESSING						
73,310 - 90,890	City Assessor	1		1		1	
58,852 - 66,590	Appraiser III	1		3		3	
	Appraiser II	2		0		0	
45,509 - 51,489	Appraiser I	2		2		2	
41,531 - 48,161	Appraiser Aide	1		1		1	
26,155 - 37,553	Clerk Typist	1		1		1	
7,980	Co-op (P.T.)		1		1		1
	Total	**8**	**1**	**8**	**1**	**8**	**1**
	FINANCIAL SERVICES						
73,310 - 90,890	Financial Services Manager	1		1		1	
73,310 - 90,890	Controller	1		1		1	
52,965 - 59,051	Accountant	3		3		3	
38,676 - 44,844	Senior Account Clerk	3		3		3	
32,381 - 40,641	Account Clerk	4		4		4	
	Total	**12**	**0**	**12**	**0**	**12**	**0**

PERSONNEL SUMMARY

2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time	Budget 2006/07 Full Time	Budget 2006/07 Part Time
	PURCHASING						
69,821 - 86,564	Purchasing Manager	1		1		1	
46,059 - 50,352	Purchasing Specialist	1		1		1	
38,676 - 44,844	Administrative Assistant	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**
	TREASURY						
73,310 - 90,890	City Treasurer	1		1		1	
52,965 - 59,051	Accountant	1		1		1	
38,676 - 44,844	Senior Account Clerk	2		2		2	
38,676 - 44,844	Administrative Assistant	1		1		1	
32,381 - 40,641	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						
78,292 - 97,544	Parks & Recreation Director	1		1		1	
51,542 - 57,741	Recreation Coordinator	8		8		8	
41,191 - 45,694	Recreation Specialist	1		1		1	
38,676 - 44,844	Administrative Assistant	1		1		1	
35,033 - 40,641	Program & Services Assistant	2		2		2	
35,033 - 40,641	Senior Clerk	1		1		1	
30,213 - 37,553	Bus Driver	1		1		1	
26,155 - 37,553	Clerk Typist	1		1		1	
	Total Parks & Recreation Department	**16**	**0**	**16**	**0**	**16**	**0**
	POLICE DEPARTMENT						
	OFFICE OF THE POLICE CHIEF						
85,069 - 103,923	Chief of Police	1		1		1	
91,643 - 93,843	Captain	1		1		1	
84,893 - 87,329	Lieutenant	2		2		2	
75,680 - 79,432	Sergeant	4		4		3	
40,619 - 66,323	Police Officer	16		16		5	
33,610 - 46,268	Secretary to Chief	1		1		1	
32,579 - 45,237	Administrative Secretary	3		3		3	
23,126 - 39,467	Technical Secretary	2		2		2	
23,126 - 39,467	Property Clerk	1		1		1	
	Total	**31**	**0**	**31**	**0**	**19**	**0**
	POLICE ENFORCEMENT SERVICES						
91,643 - 93,843	Captain	1		1		1	
84,893 - 87,329	Lieutenant	4		4		4	
75,680 - 79,432	Sergeant	18		18		18	
40,619 - 66,323	Police Officer	97		97		97	
32,579 - 45,237	Administrative Secretary	3		3		3	
23,126 - 39,467	Technical Secretary	1		1		1	
180,000	Crossing Guards (P.T.)		33		33		33
	Total	**124**	**33**	**124**	**33**	**124**	**33**

PERSONNEL SUMMARY

2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time	Budget 2006/07 Full Time	Budget 2006/07 Part Time
	POLICE INVESTIGATIVE SERVICES						
91,643 - 93,843	Captain	1		1		1	
84,893 - 87,329	Lieutenant	1		1		1	
75,680 - 79,432	Sergeant	3		3		4	
40,619 - 66,363	Police Officer	18		18		29	
32,579 - 45,237	Administrative Secretary	1		1		1	
23,126 - 39,467	Technical Secretary	4		4		4	
	Total	**28**	**0**	**28**	**0**	**40**	**0**
	POLICE SUPPORT SERVICES						
91,643 - 93,843	Captain	1		1		1	
84,893 - 87,329	Lieutenant	1		1		1	
75,680 - 79,432	Sergeant	1		1		1	
49,312 - 51,213	Emergency Dispatcher - Shift Leader	4		4		4	
36,489 - 47,644	Emergency Dispatcher	19		19		19	
32,579 - 45,237	Administrative Secretary	1		1		1	
32,579 - 45,237	Evidence Clerk	1		1		1	
39,840 - 44,191	Laboratory Technician	1		1		1	
37,142 - 41,882	Animal Control Officer	3		3		3	
29,257 - 40,934	Data Analyst	1		1		1	
29,257 - 40,934	Terminal Agency Coordinator	1		1		1	
23,126 - 39,467	Technical Secretary	8		8		8	
7,980	Co-op (P.T.)		0		1		1
	Total	**42**	**0**	**42**	**1**	**42**	**1**
	Total Police Department	**225**	**33**	**225**	**34**	**225**	**34**
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
83,480 - 102,483	Fire Chief	1		1		1	
90,053 - 94,627	Chief of Operations	1		1		1	
82,636 - 86,825	Chief of Training	1		1		1	
81,107 - 83,634	EMS Coordinator	1		1		1	
77,244 - 79,651	Fire Instructor	1		1		1	
40,027 - 46,411	Management Assistant	1		1		1	
38,676 - 44,844	Administrative Assistant	3		3		3	
26,155 - 37,553	Clerk Typist	1		1		1	
	Total	**10**	**0**	**10**	**0**	**10**	**0**
	FIRE EXTINGUISHMENT						
81,017 - 85,123	Battalion Chief	3		3		3	
78,044 - 81,993	Captain-Advanced Life Support	4		4		4	
74,328 - 78,088	Captain	1		1		1	
70,892 - 75,231	Lieutenant-Advanced Life Support	10		9		9	
67,520 - 71,646	Lieutenant	6		7		7	
68,213	Sergeant - Advanced Life Support	2		3		3	
66,920	Sergeant - Fire Engine Operator	7		6		6	
41,181 - 65,910	Fire Fighter-Advanced Life Support	29		29		29	
40,398 - 64,660	Fire Fighter-Fire Engine Operator	14		15		15	
39,221 - 62,776	Fire Fighter	14		13		13	
	Total	**90**	**0**	**90**	**0**	**90**	**0**

PERSONNEL SUMMARY

2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time	Budget 2006/07 Full Time	Budget 2006/07 Part Time
	FIRE PREVENTION						
77,893 - 81,841	Fire Marshal	1		1		1	
72,810 - 75,079	Fire Inspector	6		6		6	
	Total	**7**	**0**	**7**	**0**	**7**	**0**
	EMERGENCY MANAGEMENT						
63,242 - 70,159	Emergency Services Manager	1		1		1	
	Total	**1**	**0**	**1**	**0**	**1**	**0**
	Total Fire Department	**108**	**0**	**108**	**0**	**108**	**0**
	CITY DEVELOPMENT DEPARTMENT						
	BUILDING						
78,292 - 97,068	Building Official	1		1		1	
66,713 - 70,092	Building Plan Review Coordinator	1		1		1	
66,713 - 70,092	Code Enforcement Coordinator	1		1		1	
	Commercial Property Compliance Officer	1		0		0	
57,569 - 63,540	Building Inspector	3		3		3	
57,569 - 63,540	Plumbing Inspector	2		2		2	
57,569 - 63,540	Electrical Inspector	2		2		2	
57,569 - 63,540	Mechanical Inspector	2		2		2	
51,017 - 57,720	Code Enforcement Officer	3		5		5	
	Property Maintenance Code Officer	1		0		0	
40,027 - 46,411	Management Assistant	1		1		1	
35,033 - 40,641	Senior Clerk	1		2		2	
26,155 - 37,553	Clerk Typist	3		2		2	
8,380	Co-op (P.T.)		1		1		1
	Total	**22**	**1**	**22**	**1**	**22**	**1**
	ECONOMIC DEVELOPMENT						
69,821 - 86,564	Economic Development Manager	0		0		1	
	Total	**0**	**0**	**0**	**0**	**1**	**0**
	PLANNING						
78,292 - 97,068	City Planner	1		1		1	
54,143 - 60,065	Planning Coordinator	1		1		1	
38,676 - 44,844	Administrative Assistant	1		1		1	
	Senior Clerk	1		0		0	
26,155 - 37,553	Clerk Typist	0		1		1	
	Total	**4**	**0**	**4**	**0**	**4**	**0**
	PUBLIC SERVICES						
	City Development Director	1		1		0	
69,821 - 86,564	Public Services Manager	1		1		1	
43,204 - 48,646	CDBG Specialist	1		1		1	
35,033 - 40,641	Senior Clerk	1		1		1	
6,890	CDBG Intern (P.T.)		1		1		1
	Total	**4**	**1**	**4**	**1**	**3**	**1**
	Total City Development Department	**30**	**2**	**30**	**2**	**30**	**2**

PERSONNEL SUMMARY

2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05		Budget 2005/06		Budget 2006/07	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	PUBLIC WORKS DEPARTMENT						
	ENGINEERING						
78,292 - 97,068	City Engineer	1		1		1	
73,310 - 90,890	Engineering Services Manager	1		1		1	
	Construction Manager	1		0		0	
75,693 - 87,789	Civil Engineer III	1		1		1	
61,916 - 71,799	Civil Engineer II	2		1		1	
61,916 - 71,799	CAD/GIS Coordinator	1		1		1	
66,713 - 70,092	Chief Engineering Inspector	0		1		1	
43,046 - 61,239	Engineering Aide	8		7		7	
50,645 - 58,726	Civil Engineer I	0		2		1	
38,876 - 44,844	Administrative Assistant	1		1		1	
35,033 - 40,641	Senior Clerk	1		1		1	
11,270	G.I.S. Intern (P.T.)		1		1		1
7,980	Co-op (P.T.)		1		1		2
	Total	**17**	**2**	**17**	**2**	**16**	**3**
	FLEET MAINTENANCE						
54,090 - 68,558	Division Supervisor	1		1		1	
41,537 - 53,768	Mechanic	11		11		11	
39,012 - 48,971	Storekeeper	2		2		2	
18,200	Seasonal Laborer (P.T.)		1		1		1
	Total	**14**	**1**	**14**	**1**	**14**	**1**
	PARKS & GROUNDS MAINTENANCE						
54,090 - 68,558	Division Supervisor	1		1		1	
39,012 - 48,971	Parks & Grounds Maintenance Worker	6		6		6	
27,894 - 47,565	Laborer	6		6		6	
10,890 - 11,220	Seasonal Laborer (P.T.)		8		8		8
	Total	**13**	**8**	**13**	**8**	**13**	**8**
	PUBLIC WORKS CENTER						
76,801 - 95,220	Environmental Services Manager	1		1		1	
56,721 - 71,907	General Supervisor	1		1		1	
27,899 - 40,056	Custodian	1		1		1	
	Total	**3**	**0**	**3**	**0**	**3**	**0**
	REFUSE COLLECTION						
26,155 - 37,553	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						
54,090 - 68,558	Division Supervisor	2		2		2	
43,472 - 53,768	Equipment Operator A	1		1		1	
40,876 - 51,018	Equipment Operator B	7		7		7	
40,876 - 51,018	Traffic Sign Worker	2		2		2	
40,876 - 51,018	Street Services Inspector	1		1		1	
39,012 - 48,971	Equipment Operator C	6		6		6	

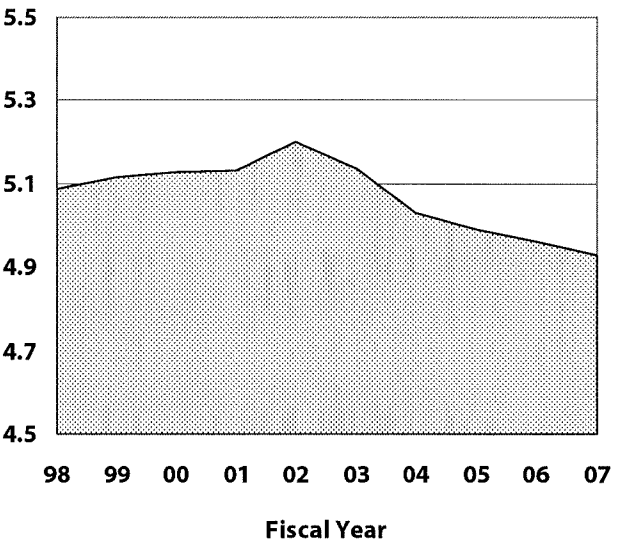
PERSONNEL SUMMARY

2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time	Budget 2006/07 Full Time	Budget 2006/07 Part Time
27,894 - 47,565	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**	**69**	**16**	**68**	**17**
	PUBLIC LIBRARY DEPARTMENT						
78,292 - 97,544	Public Library Director	1		1		1	
52,965 - 59,636	Library Service Area Coordinator	3		3		3	
50,415 - 57,041	Library Programming Specialist	1		1		1	
49,487 - 55,167	Librarian	7		7		7	
45,509 - 51,489	Circulation Supervisor	1		1		1	
40,027 - 46,411	Management Assistant	1		1		1	
38,676 - 44,844	Library Assistant II	3		3		3	
35,920 - 41,653	Library Assistant I	3		3		3	
32,381 - 37,553	Library Clerk	3		3		3	
18,818 - 28,243	Librarian (P.T.)		8		8		8
5,580 - 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**
	COMMUNITY & INFORMATION SERVICES DEPARTMENT						
	COMMUNITY RELATIONS						
83,480 - 102,483	Community Relations Director	1		1		1	
69,821 - 86,564	Communications Manager	1		1		1	
69,821 - 86,564	Broadcast Services Manager	1		1		1	
47,277 - 52,971	Broadcast Programming Specialist	1		1		1	
43,204 - 48,168	Neighborhood Specialist	1		1		1	
43,204 - 48,168	Communication Specialist	1		1		1	
43,204 - 48,168	Senior Broadcast Production Specialist	1		1		1	
43,204 - 47,931	Citizen Services Specialist	1		1		1	
43,204 - 47,931	Community Relations Specialist	1		1		1	
39,850 - 46,218	Printing Technician II	1		1		1	
39,118 - 43,399	Broadcast Production Specialist	2		2		2	
36,798 - 42,666	Printing Technician I	1		1		1	
26,155 - 37,553	Clerk Typist	1		1		1	
24,386 - 24,877	Video Production Technician (P.T.)		2		2		2
12,000	Graphic Artist (P.T.)		1		1		1
10,000	Website Specialist (P.T.)		1		1		1
4,290	Keyline Specialist (P.T.)		1		1		1
	Total	**14**	**5**	**14**	**5**	**14**	**5**
	INFORMATION TECHNOLOGY						
78,292 - 97,068	Information Technology Manager	1		1		1	
69,821 - 86,564	Network Administrator	1		1		1	
49,551 - 54,970	Information Technology Specialist	6		6		6	
	Total	**8**	**0**	**8**	**0**	**8**	**0**
	Total Comm. & Information Services Dept.	**22**	**5**	**22**	**5**	**22**	**5**

PERSONNEL SUMMARY

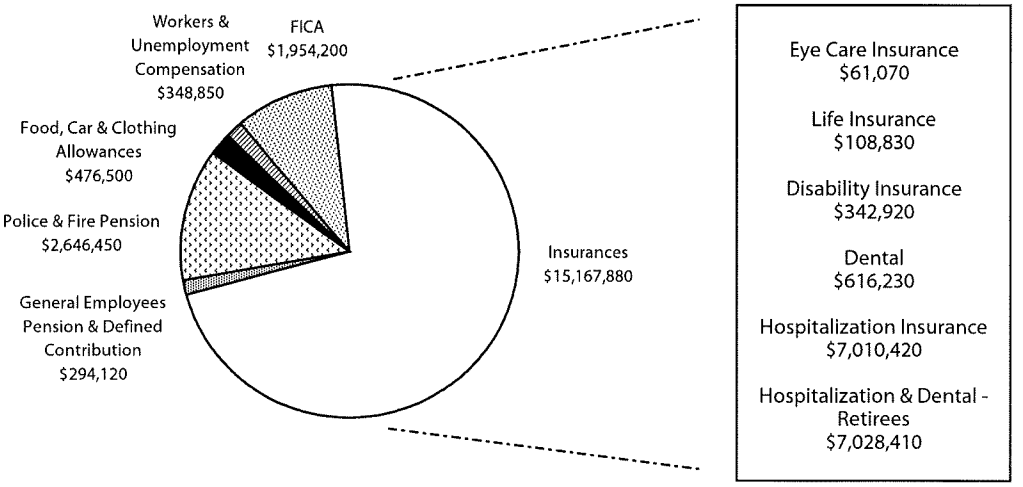
2006/07 Budgeted Pay Ranges	ACTIVITY	Budget 2004/05 Full Time	Budget 2004/05 Part Time	Budget 2005/06 Full Time	Budget 2005/06 Part Time	Budget 2006/07 Full Time	Budget 2006/07 Part Time
	41-A DISTRICT COURT						
45,724	Judge	3		3		3	
97,073	Magistrate/Director of Probation	1		1		1	
86,381	Court Administrator	1		1		1	
72,237	Clerk of the Court	1		1		1	
63,378	Probation Officer	1		1		1	
52,144	Court Recorder	3		3		3	
48,510	Court Officer	3		3		3	
29,686 - 38,309	Deputy Clerk	23		23		23	
12,185	Security Guards (P.T.)		2		2		4
	Total 41-A District Court	**36**	**2**	**36**	**2**	**36**	**4**
	Total General Fund	**595**	**77**	**595**	**78**	**594**	**81**
	WATER & SEWER FUND						
	WATER & SEWER ADMINISTRATION						
83,512 - 104,048	Public Works Director	1		1		1	
61,260 - 77,692	Operations Supervisor	1		1		1	
56,721 - 71,907	General Supervisor	1		1		1	
38,676 - 44,844	Administrative Assistant	1		1		1	
32,381 - 40,641	Account Clerk	2		2		2	
25,825 - 38,794	Clerk Dispatcher	2		2		2	
26,155 - 37,553	Clerk Typist	1		1		1	
	Total	**9**	**0**	**9**	**0**	**9**	**0**
	WATER DISTRIBUTION						
54,090 - 68,558	Division Supervisor	1		1		1	
40,876 - 51,018	Water Inspector	2		2		2	
40,876 - 51,018	Water Service Worker	4		4		4	
39,012 - 48,971	Meter Repair/Installer	2		2		2	
38,567 - 48,451	Meter Reader	1		1		1	
27,894 - 47,565	Laborer	2		2		2	
11,220	Seasonal Laborer (P.T.)		2		2		2
	Total	**12**	**2**	**12**	**2**	**12**	**2**
	SEWAGE COLLECTION						
54,090 - 68,558	Division Supervisor	1		1		1	
41,537 - 51,650	Plant Operator/Mechanic	2		2		2	
40,876 - 51,018	Sewer Service Worker (Clean)	2		2		2	
40,876 - 51,018	Water/Sewage Inspector	2		2		2	
39,012 - 49,934	Sewer Service Worker (Maint)	3		3		3	
27,894 - 47,565	Laborer	4		4		4	
8,840	Seasonal Laborer (P.T.)		4		4		4
	Total	**14**	**4**	**14**	**4**	**14**	**4**
	Total Water & Sewer Fund	**35**	**6**	**35**	**6**	**35**	**6**
	Total All Funds	**630**	**83**	**630**	**84**	**629**	**87**

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 2006/07



Total City Fringe Benefits for 2006/07 is $20,888,000

Includes the General Fund & Water & Sewer Fund

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***

the Next Generation – Our Future

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. Policy establishment also includes the approval and amendment of the operating and capital budgets, approval of expenditures and payments, and grant applications. The City Council also ratifies contracts, zoning ordinances and changes, and resolves appeals.

The City Council acts, indirectly, in a supervisory role as part of its duties and responsibilities. Direction is given to the Administration through the City Council with reference to the implementation and evaluation of various programs. The Council forwards resident's concerns to the City administration. The City Council also provides direction to the City Attorney and evaluates his performance.

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

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

KEY GOALS

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

Did you know?...
...that City Council has actively pursued and continues to support State legislation that encourages the enhancement of major corridors in the City such as Van Dyke Avenue?

City Council

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	8	10	7	9	9	9
	Public Hearings Held	19	31	33	30	30	30
	Council Connection Segments Taped	14	7	0	7	0	7
	Ordinances and Amendments Adopted	20	16	23	25	25	25
	Agenda Items Reviewed and Acted Upon	392	431	419	445	450	445
	Education and Training Sessions Attended	10	4	4	10	9	10
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.)	0.44%	0.03%	0.00%	-0.02%	-0.02%	0.03%
	Annual % Change in Millage Rate	-0.19%	-0.05%	0.00%	0.00%	0.00%	0.94%
	Total Millage % Reduction Since 1988	-20.5%	-20.6%	-20.6%	-20.6%	-20.6%	-19.8%
	Activity Expenditures as % of General Fund	0.18%	0.17%	0.16%	0.17%	0.17%	0.17%

City Council

SUMMARY OF BUDGET CHANGES

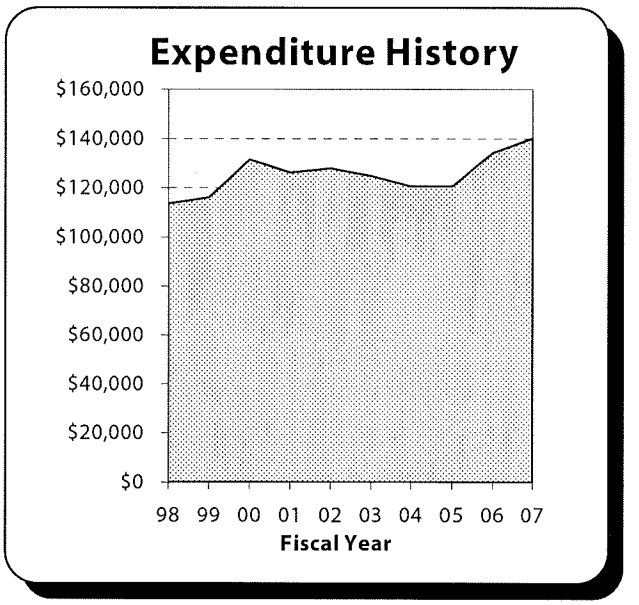
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget increased by $7,050 or 6.1% over last year's budget. The budget provides for wages recommended by the Local Officer's Compensation Commission in February, 2005.

Supplies – Total Supplies decreased $1,500 or 39.5%. $1,800 was saved in operating supplies, as less funding for new Council members is needed, as next year is not an election year. Postage costs increased $300 for the mailing of City Council mail collected at City Hall. Hand delivery of this information is no longer cost efficient due to the recent implementation of electronic City Council packets.

Other Charges – Total Other Charges increased $340 or 2.3%. Telephone costs increased $1,140 as all City Council members are now on the same Nextel telephone plan. $20 was added due to a slight increase in the rental cost of the Bresser's Cross Index Directory. These increases were offset by a decrease of $1,080, as Council's Internet service fees for the recently implemented E-Agenda Packet Program were less than anticipated. Printing costs decreased $100 as next year is a non-election year and less funding is required.

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.

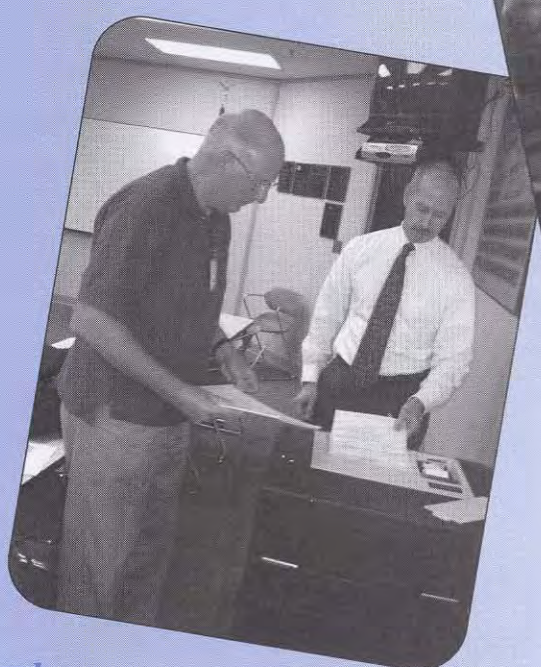
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$110,736	$115,770	$115,770	$122,820	$122,820
Supplies	1,269	3,800	2,470	2,300	2,300
Other Charges	8,719	14,720	11,740	15,060	15,060
Total	$120,724	$134,290	$129,980	$140,180	$140,180

City Administration Department



the Next Generation – Our Future

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 $197,740 or 3.1%. Personnel costs rose $382,510 or 7.2%. An additional $157,800 is budgeted to fund increasing retiree health care obligations. Election worker costs increased $54,590 due to an additional election next year. Supplies decreased nearly $10,000 or 4.6% as the County is responsible for the ballot costs of next year's three non-City elections. These savings were partially offset by increased postage costs for mailing water & sewer bills and absentee ballots. Other Charges declined by $174,810 or 21.3% due to the one-time grant expenditures for the Assessing personal property auditing program. Additional funds are budgeted for rising City Hall heating costs, the City's renewed participation in the ICMA Center for Performance Measurements, and higher software support costs. The capital budget includes funding for replacement personal computers for City Clerk, Facilities Maintenance and Assessing, a laser printer for payroll and an electrical switch for the City Center Campus.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
City Management	$730,470	$779,370	$802,400	$862,030	7.4%
City Clerk	807,950	940,690	903,540	978,770	8.3%
Facilities Maintenance	1,303,160	1,341,170	1,571,360	1,627,260	3.6%
Assessing	717,560	1,087,380	925,500	784,900	-15.2%
Financial Services	1,025,590	1,075,920	1,132,600	1,211,180	6.9%
Purchasing	297,190	316,250	323,960	342,040	5.6%
Treasury	646,070	666,630	715,750	766,670	7.1%
Total Department	$5,527,990	$6,207,410	$6,375,110	$6,572,850	3.1%
Personnel Services	$4,793,180	$5,088,870	$5,336,770	$5,719,280	7.2%
Supplies	213,120	208,640	217,290	207,330	-4.6%
Other Charges	521,690	909,900	821,050	646,240	-21.3%
Total Department	$5,527,990	$6,207,410	$6,375,110	$6,572,850	3.1%

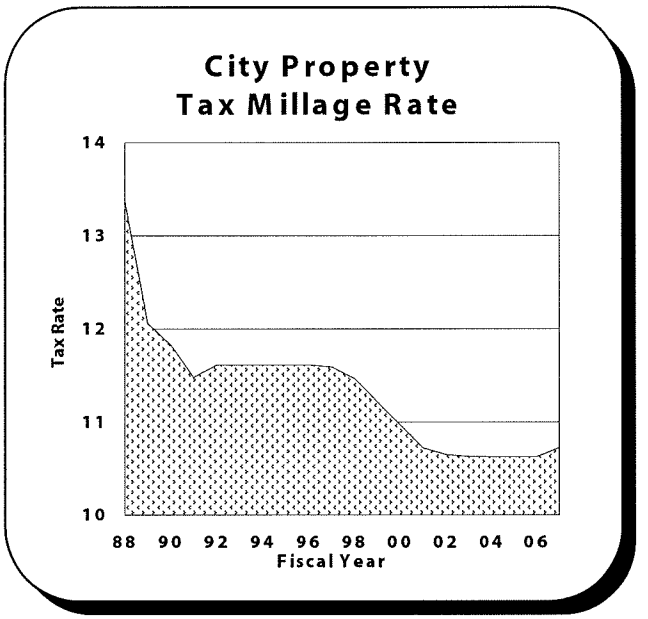
PERSONNEL SUMMARY

	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	6	0	6	0	6	0	6	0
City Clerk	10	0	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	10	0	9	0	9	0	9	0
Total Department	68	1	66	1	66	1	66	1

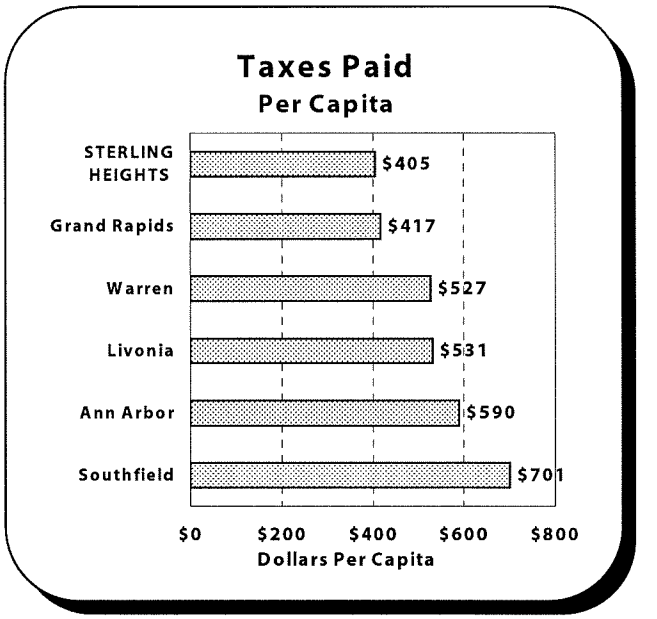
Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

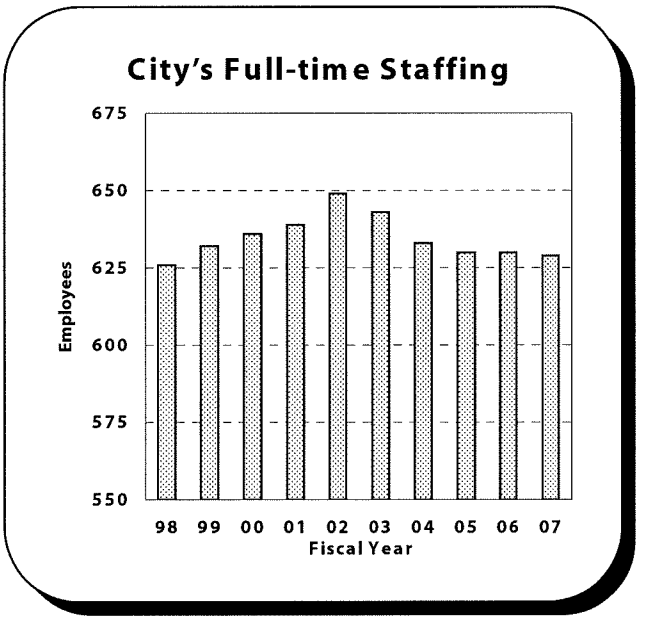
City Administration Department



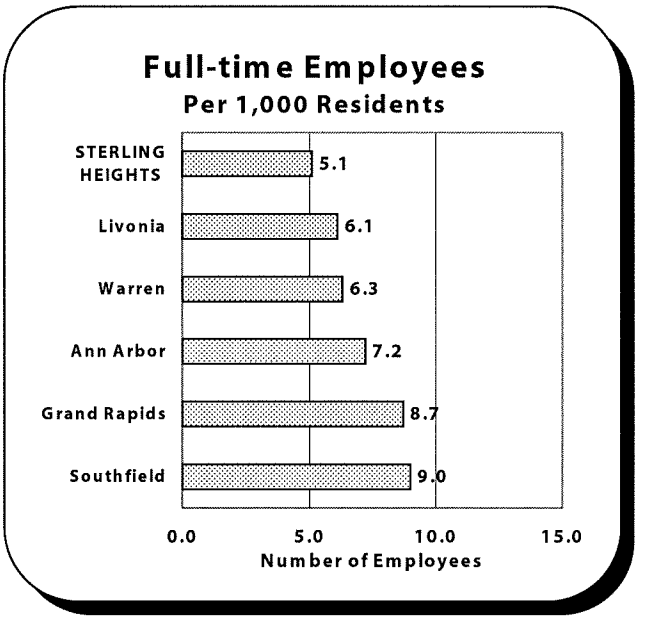
The City's property tax rate has fallen from 13.38 mills in 1988 to 10.725 mills in 2007 – a decrease of 19.8%. Taxable values, which grow at the rate of inflation, are now less than 80% of State equalized values. Homeowner taxable values grew only 3.3% this year despite an average 3.5% increase in property market values.



Sterling Heights has the lowest tax bill per resident in comparison to five comparable Michigan benchmark communities. Based on 2005 tax revenues and the 2000 census population data, Sterling Heights residents pay only $405. 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 30% more than Sterling Heights residents. Southfield residents pay $701 or 73% more.



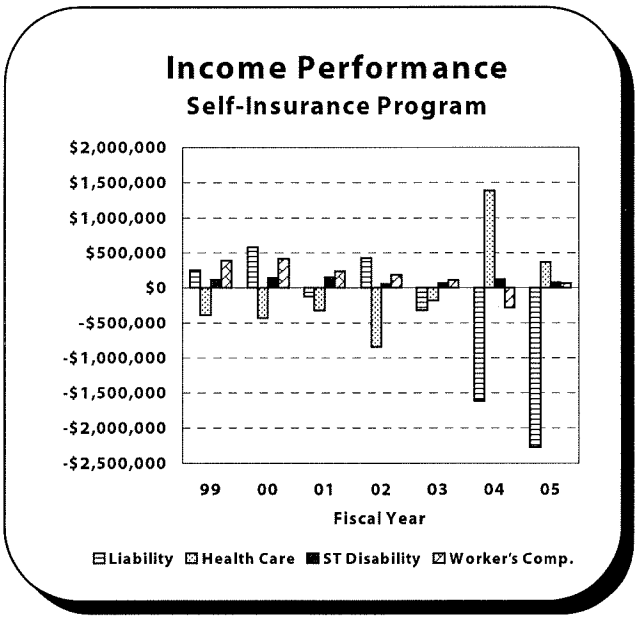
The City's full-time staffing is nearly at the same level as nine years ago. Twenty vacant full-time positions have been eliminated in the past five years saving over $1.3 million. The City has increased its staffing by eight positions since 1996. Five in the Police Department, four in Community Relations, 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.



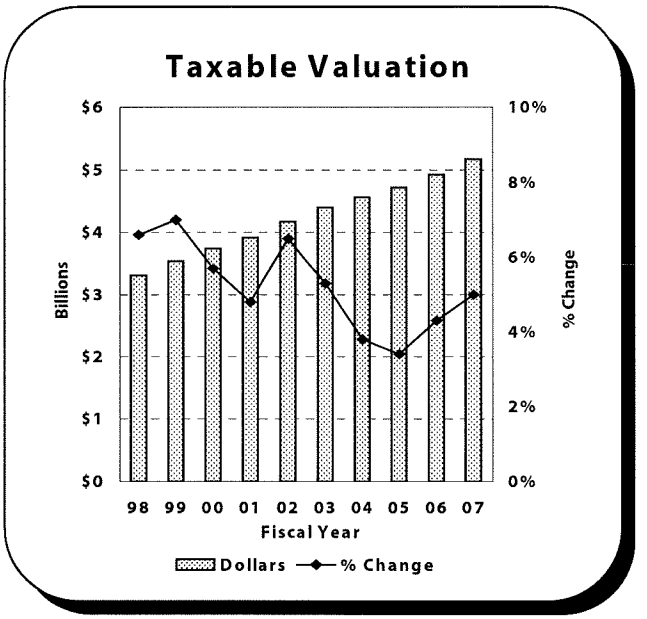
Based on current staffing data and the 2000 census, Sterling Heights has 5.1 full-time employees per 1,000 residents. This rate is lower than any of our benchmark communities and is nearly half the rate of Grand Rapids or Southfield. Despite having the third largest population, Sterling Heights has the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

KEY DEPARTMENTAL TRENDS

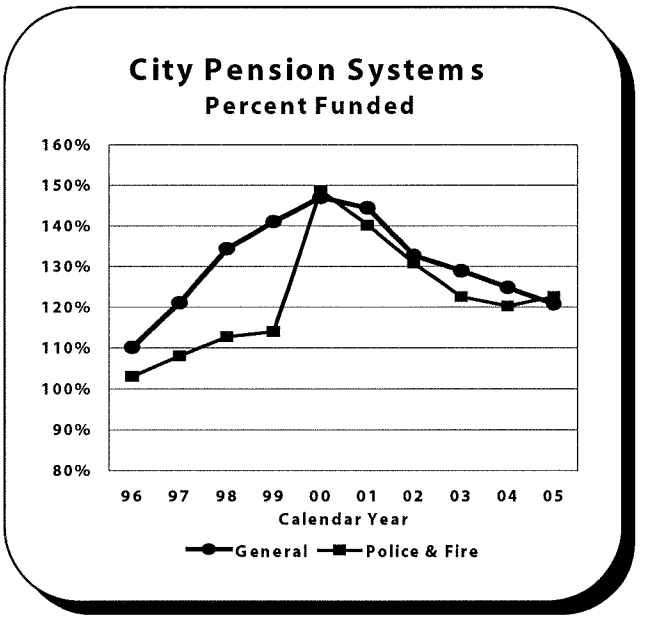
City Administration Department (continued)



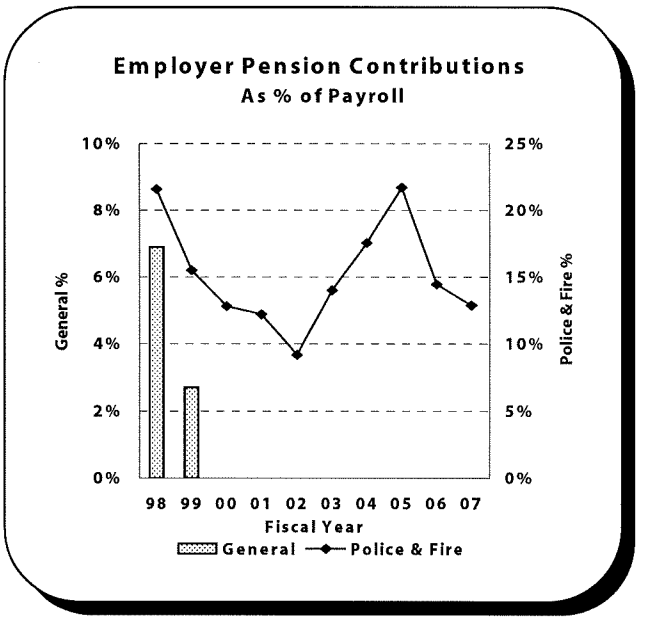
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for recent losses in the Liability program, most years have shown a positive net income for most programs.



For the past ten years, the City's assessed valuation has grown an average of between 4% and 7% annually. In 2005, assessed valuation grew only 3.4% - the lowest level in 10 years. The City's assessed valuation is less than 50% of market value due to Proposal A. In fact, most taxable value assessments are now less than 40% of market values.



For 2005, Sterling Heights' General Employees Pension System is 120.7% 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 122.5% of obligations. Both pension systems have increased their funding over the past ten years, despite decreases in recent years due to declines in the stock market.



The City's overall contribution to the pension systems, as a percent of payroll, has generally declined over the past ten years due to lower employee wage increases, employee turnover, and a higher return on pension investments. For three years from 2002-2005, however, the required contribution to the Police & Fire Pension System increased largely due to an under-performing stock market. In 2006 and 2007, 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, the Popular Annual Financial Report (PAFR), water and sewer rate studies, capital status reports, financial & demographic trend reviews, department audits, and revenue studies are also prepared.

The Human Resources function administers programs including employee education and development, labor and employee relations, human resource planning, and equal opportunity reporting.

This office is responsible for developing a Human Resource Plan to determine staffing levels for full-time, part-time, seasonal employees, and contractual services. Labor negotiations and grievance processing are conducted with 12 different bargaining units representing nearly 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.■

KEY GOALS

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

Did you know?...
...that the City created its first Economic Development Manager position in 2006 to help stimulate growth and redevelopment in the community through aggressive business retention and recruitment programs?

City Management

2006/07 INTENTION STATEMENTS *(City Management)*

1. To work with the Community Relations Department to ensure the community is well informed of the ballot questions concerning public facilities. *(City Goal 6, 19, 25, 26, 27)*

2. To ensure that the Corridor Improvement Authority for North Van Dyke proceeds within the timeline submitted to City Council during the Strategic Planning Session which includes establishing the Authority Board and creating the Tax Increment Financing (TIF) Development Plan. *(City Goal 8, 9, 10, 11, 13, 14)*

3. To continue working with Lakeside Center officials, the Chamber of Commerce and businesses to better define and implement the Lakeside Principal Shopping District plan. *(City Goal 8, 9, 10, 11, 13, 14)*

4. To complete a thorough review of the Resident Satisfaction Survey results and to develop action plans for areas that require further attention. *(City Goal 12, 14, 19, 26)*

5. To work closely with the new Economic Development Manager to ensure that the economic development objectives set forth by City Council are being met. *(City Goal 8, 10, 11, 15)*

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

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

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Administrative Policy and Procedure Orders Processed	5	9	4	10	5	10
	Agenda Statements Reviewed	392	431	419	445	450	445
	Special Reports Researched & Written	18	10	20	15	15	15
	Special Projects Researched & Developed	15	6	20	15	15	15
	Policy Resolutions Presented to Council	10	6	8	10	10	10
	Legislative Issues Monitored	9	8	8	10	10	10
	Focus Group Meetings Facilitated	8	4	5	6	6	6
	Intergovernmental Relation Contacts	84	70	120	85	82	85
	New Programs & Policies Developed	7	3	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.	25 min.	25 min.	25 min.	25 min.
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Agenda Items Given to Council within 28 days	100%	100%	100%	100%	100%	100%
	% of Meetings Attended within 7 Days of Request	100%	100%	100%	100%	100%	100%
Efficiency	Annual % Change in Millage Rate	-0.19%	-0.05%	0.00%	0.00%	0.00%	0.94%
	Total Millage % Reduction Since 1988	-20.5%	-20.6%	-20.6%	-20.6%	-20.6%	-19.8%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.02%	1.02%	1.03%	1.01%	1.03%	1.04%

City Management

2006/07 PERFORMANCE OBJECTIVES *(Finance & Budget)*

1. To develop tax increment financing and special assessment plans for the Corridor Improvement Authority, Principal Shopping District, and other potential new economic development initiatives. *(City Goal 8, 10)*

2. To rejoin the ICMA Center for Performance Measurement, gather performance data and prepare an easy to read report comparing our City's performance to cities across the country in order to further improve City services. *(City Goal 3, 5, 20)*

3. To implement and train on the new MUNIS Crystal Report writer software, which will replace the current MUNIS IQ software. This change will require over 30 financial reports to be rewritten and customized. *(City Goal 17, 18)*

4. To analyze and evaluate the potential water rate reduction to residents that could be achieved with a mandatory odd-even day water restriction and to cost out a potential increase in the summer discount offered to customers. *(City Goal 5, 20)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	City Budgeted Funds Monitored (Millions)	$125.5	$155.1	$148.8	$133.0	$131.6	$141.4
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	60	55	43	50	40	45
	Management & Labor Cost Studies Conducted	10	8	9	10	10	10
	Years Member of ICMA Center for Perf. Measurement	4	5	5	5	5	6
	City Council Agenda Statements Reviewed	263	271	305	270	300	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	280	245	283	260	270	270
	Telephone Call Accounting - Months Monitored	8	10	10	10	9	10
	Employee Internet Usage - Months Monitored	11	10	10	10	10	10
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
	Operational Performance Audits Conducted	0	0	0	1	0	1
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	99.7%	99.9%	99.3%	100.0%	99.3%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.8%	99.8%	100.1%	100.0%	100.7%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	16	17	18	19	19	20
	Budget Award - "Outstanding" Categories Earned	1	0	4	4	1	2
	Years Received G.F.O.A. PAFR Award	6	7	8	9	9	10
	Savings from Reviewing Travel Requests	$2,476	$1,737	$6,234	$2,500	$10,000	$2,500
	Years Received ICMA Certificate of Distinction	1	2	2	2	2	3
	Average Cost to Review a Travel Request	$6.10	$6.12	$6.17	*	*	*

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

2006/07 PERFORMANCE OBJECTIVES *(Human Resources)*

1. To develop a comprehensive negotiation strategy for each of the five collective bargaining agreements scheduled to expire in June, 2007. *(City Goal 4)*

2. To develop and implement a comprehensive succession plan as a result of the pending retirements of several key City personnel. *(City Goal 3, 4)*

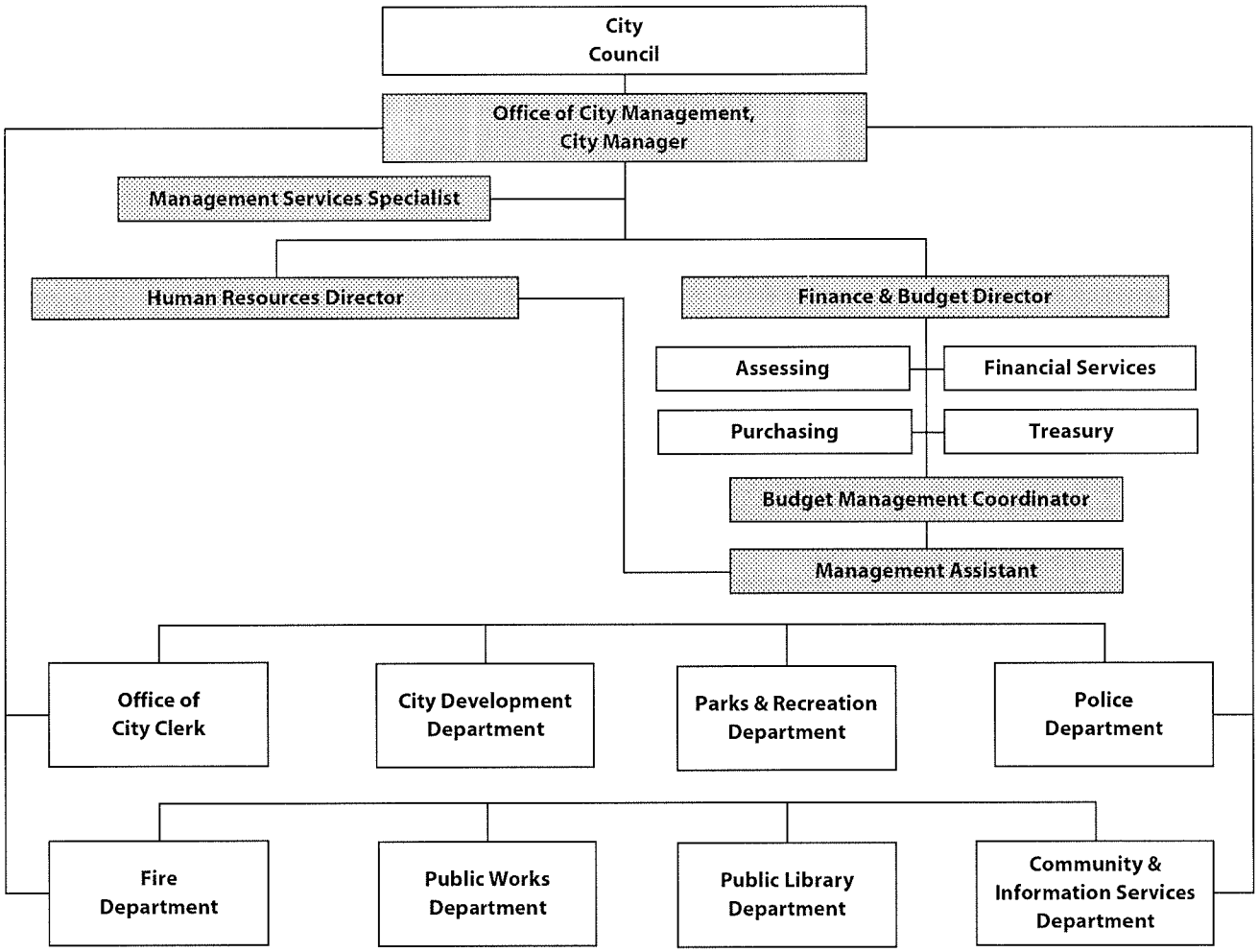
3. To improve the Human Resources Division's portion of the City's website by adding downloadable employee forms including insurance information, collective bargaining agreements, and on-line enrollment forms. *(City Goal 3, 6, 17)*

4. To develop and implement a City-wide performance evaluation system. *(City Goal 3)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Promotional Job Postings	19	22	11	20	30	25
	Open Competitive Job Postings	5	6	4	12	20	10
	Applications Reviewed & Processed	778	626	445	700	900	800
	Applications Received Through Internet/Website	413	449	504	500	700	600
	Employees Hired (Full-time/Part-time)	20/50	27/42	13/41	15/45	20/45	15/45
	Reclassification Requests Reviewed/Analyzed	3	2	6	3	10	5
	Police/Fire Promotional Tests	4	3	3	2	1	1
	Labor Contracts Settled	2	2	0	4	4	5
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	35	35	35	35	35	35
	# Labor Grievances Per 100 Full-time Employees	3.0	3.0	2.0	2.0	2.0	2.0
	Avg. # Work Days to Complete Internal Recruitment	17	15	17	15	15	15
	% of Grievances Resolved Before Arbitration	85%	95%	91%	90%	90%	90%
	% of Grievances Responded to within Deadlines	100%	100%	100%	100%	100%	100%
	Total FTE's Per 1,000 Residents	6.1	5.8	5.6	5.6	5.6	5.6
	Full-time Employee Turnover Rate (Excl. Retirements)	0.8%	0.1%	0.1%	0.5%	0.1%	0.1%
	% Minorities in Work Force	1.4%	1.5%	1.6%	1.5%	1.5%	1.5%
	Discrimination Complaints Filed	0	0	0	0	0	0
	# of Employees Not Completing Probation	0	0	1	0	1	0
	Human Resource FTE's Per 100,000 Residents	0.85	0.81	0.83	0.84	0.84	0.84
	Cost to Recruit and Hire a Full-time General Employee	$1,898	$1,378	$1,865	*	*	*

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

City Management



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

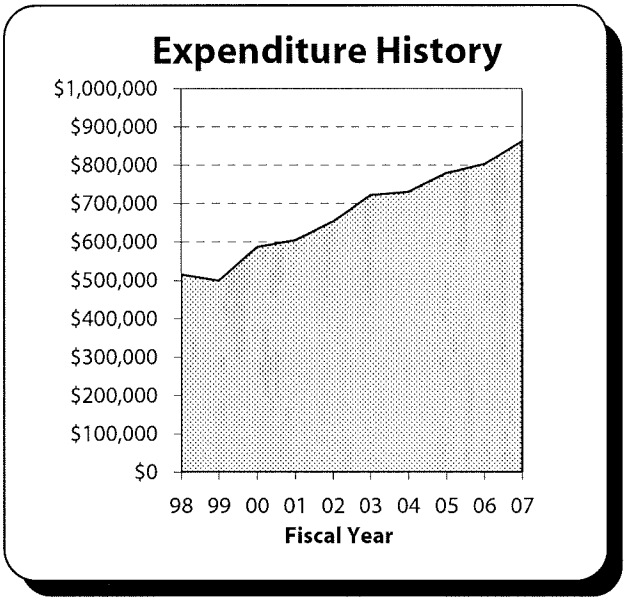
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget increased by $49,170 or 6.5%. All employees are budgeted to receive a 3% wage increase. An additional $23,260 is budgeted to fund growing retiree medical liabilities. Health insurance costs rose $3,190, while dental insurance costs increased 7.7%, both as a result of a rate increase next year.

Supplies – Total Supplies is proposed to remain the same at $3,800. Postage costs increased $100 due to a postal rate increase. Funding for written publications decreased $100 due to the increasing availability of on-line resources.

Other Charges – Total Other Charges increased $10,460 or 24.1%. Funding increased $6,000 due to higher contracted service costs for administering the Police Sergeant annual promotional exam, and as more candidates are anticipated. $5,250 is proposed for the City to re-join the ICMA Center for Performance Measurements. The cost of existing memberships also increased slightly. $150 was added due to increased copy machine usage fees. The training budget decreased $2,220 primarily due to the one-time funding of the City Manager's attendance at the Senior Executive Institute in lieu of the ICMA annual conference 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$721,865	$755,240	$757,660	$804,410	$804,410
Supplies	3,831	3,800	4,100	3,800	3,800
Other Charges	53,669	43,360	48,910	53,820	53,820
Total	$779,365	$802,400	$810,670	$862,030	$862,030

City Clerk

MISSION STATEMENT: ***To serve the public, City departments, and 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 Clerk's Office is receiving new voting equipment with a value of $285,000 to be paid for by a federal grant through the "Help America Vote Act"?

City Clerk

2006/07 PERFORMANCE OBJECTIVES *(City Clerk)*

1. To train election inspectors in the use of new specialized voting machines for use by disabled voters in accordance with the Help America Vote Act. *(City Goal 17, 18)*

2. To fully implement the new Massage Ordinance by following up with affected businesses to ensure training and licensing compliance. *(City Goal 12)*

3. To develop a new database program for Board and Commission applications for easier review by the City Council. *(City Goal 17, 18)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Council Agenda Statements Processed	392	431	419	445	450	445
	Council Actions Correspondence Mailed	792	986	1,041	955	990	990
	New Voter Registrations/Changes Processed	20,878	21,498	25,254	21,490	26,428	22,350
	Election Correspondence/Scheduling	641	670	900	640	641	900
	Absentee Voter Applications Mailed	1,031	37,258	38,960	36,300	60,615	40,410
	Absentee Voter Ballots Prepared	16,502	7,932	28,984	21,810	15,392	27,635
	Freedom of Information Requests Processed	376	366	302	370	325	330
	Documents Recorded	256	245	281	310	320	330
	Business Registry: New/Closed/Information Changed	2,783	3,043	2,938	2,950	3,048	3,060
	Class C Liquor Licenses Approved (New/Transferred)	1/1	1/12	1/6	1/6	0/6	1/5
	Licenses Issued - (dog, vendors, etc.)	4,827	4,991	4,897	5,010	4,927	4,940
	Pieces of Outgoing Mail Processed	174,303	184,722	188,302	182,440	185,312	186,010
	Birth & Death Certificates Processed	458	499	558	525	575	590
	Board/Commission Applications Processed	213	207	288	240	287	240
	Number of Registered Voters (November)	79,100	79,221	83,461	83,670	83,910	84,210
Efficiency	% of Residents Applying for City Boards	0.17%	0.17%	0.23%	0.19%	0.23%	0.19%
	% of Registered Voters Voting (November)	50%	22%	72%	21%	17%	51%
	% 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	$2.99	$2.93	$3.13	*	*	*
	Activity Expenditures as % of General Fund	1.16%	1.13%	1.24%	1.14%	1.11%	1.18%

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

City Clerk

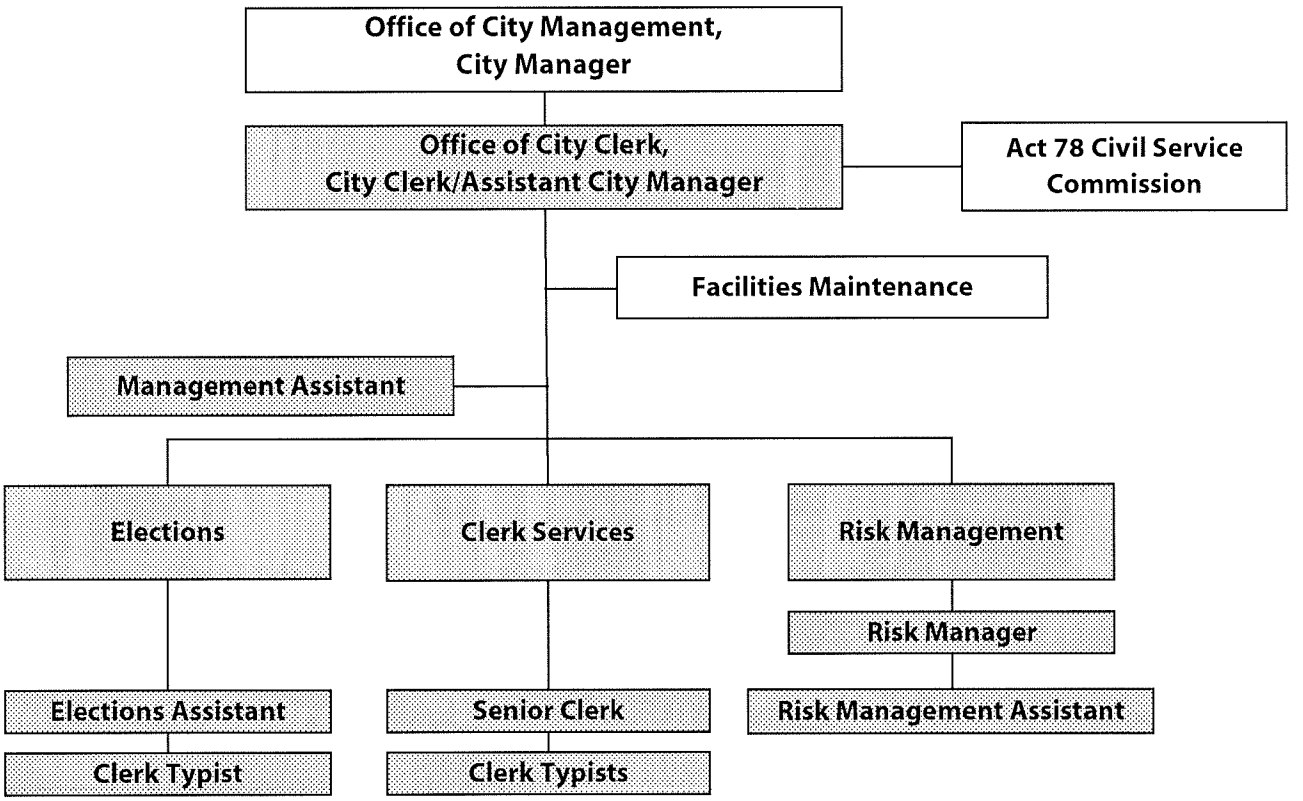
2006/07 PERFORMANCE OBJECTIVES *(Risk Management)*

1. To conduct a retrospective audit of the drug benefit program for employees and retirees and examine alternative service providers as part of the City's overall goal of investigating and communicating to management and labor the alternatives to the current medical coverage offered to employees. *(City Goal 3, 20)*
2. To train DPW employees to handle "Mailbox Damaged by Snowplow" claims to improve customer service and efficiency in administering these claims. *(City Goal 3, 20)*
3. To create and implement a loss reduction incentive program as the first step in developing a departmental and possible employee deductible program for property and vehicle losses. *(City Goal 3, 20)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06B udget	2005/06 Estimate	2006/07 Budget
Output	Liability/Property Claims	207	194	181	200	170	190
	Liability/Property Incident Reports	108	120	125	100	100	100
	Worker's Compensation Incident Reports	44	35	40	40	30	35
	Short-Term Disability Claims Handled	31	23	39	35	46	35
	Open Long-Term Disability Claims	4	3	3	3	3	3
	Life Insurance Claims	4	2	5	2	5	5
	Open Lawsuits - Monthly Average	19	29	17	21	15	17
	Lawsuits Closed	16	6	16	10	6	6
	Litigation Costs for Claims	$606,446	$856,002	$1,042,213	$1,400,000	$1,400,000	$800,000
	New Workers Compensation Claims	80	89	84	85	75	85
Efficiency & Effectiveness	# Workers Comp Claims Per 100 FTE	10.5	12.2	11.4	12.0	10.6	12.0
	% Workers Comp Claims Paying Compensation	12.5%	13.4%	8.3%	12.0%	12.0%	12.0%
	# of Accidents Per 100,000 Miles Driven	3.30	2.38	3.05	2.00	2.00	2.00
	Accident Cost Per 100,000 Miles Driven	$1,516	$2,076	$2,935	$2,500	$2,500	$2,500
	Prop. Insurance Premiums as % of Insured Value	0.13%	0.13%	0.14%	0.18%	0.14%	0.14%
	W/C Prem. Or Self-Insurance Cost Per $100 Payroll	$0.69	$1.53	$0.81	$0.60	$0.60	$0.60
	W/C Lost Work Days Due to Injury Per 100 FTE	59	182	51	60	60	60
	Cost of Risk Management Administrative Function	$217,766	$219,806	$222,470	*	*	*

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

City Clerk



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
City Clerk/Assistant City Manager	1	1	1
Risk Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Risk Management Assistant	1	1	1
Senior Clerk	1	1	1
Clerk Typist	3	3	3
Total	9	9	9

City Clerk

SUMMARY OF BUDGET CHANGES

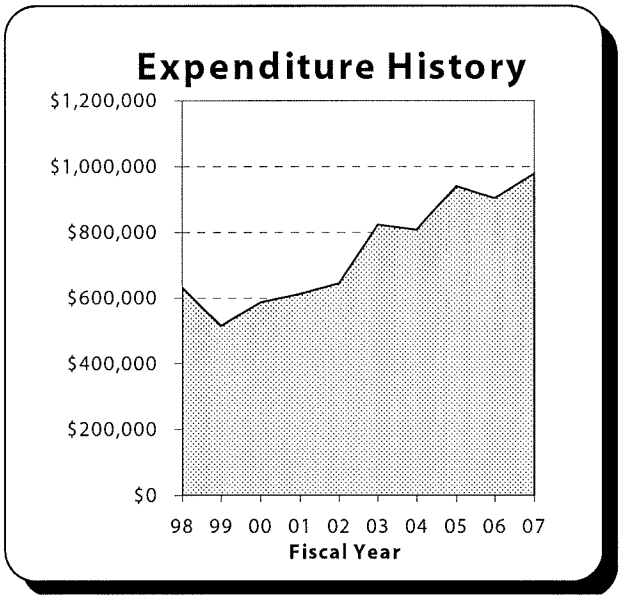
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $85,020 or 10.8%. Election worker costs increased $54,590 due to an additional election next year. In addition, the City saved money last year by consolidating precincts for the school and city elections however, this is not allowed for next year's State and Federal elections. Wages for full-time employees rose $14,050 due to a 3% budgeted wage increase. An additional $21,310 is budgeted to fund increasing retiree health care liabilities.

Supplies – Total Supplies decreased $14,250 or 26.2%. The City will save $16,200, as there will be no election ballot costs next year. The County is responsible for the ballot costs of non-City elections. $2,000 was added due to a postal rate increase and for the cost of mailing absentee ballots for three elections. This increase was partially offset by a savings as the absentee ballot applications will be mailed as postcards rather than full-sized letters.

Other Charges – Total Other Charges increased $4,460 or 7.4%. $8,960 was added as voter machine programming is contracted out for non-City elections. Funding is also included for the programming of additional memory cards, as the consolidation of precincts for non-City elections is not allowed. Printing costs decreased $3,010 due to a prior year reappropriated encumbrance. Rental costs decreased $820, while Publishing costs fell $500, both based on historic actual expenditure levels. $230 will be saved, as the Michigan Association of Municipal Clerks Annual Conference will be held locally next year.

Capital – This office is scheduled to receive 11 new personal computers to replace the existing computers that are now five years old. This funding is budgeted in the Information Technology capital budget.



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

Personnel Services – Council made no adjustments to Personnel Services.

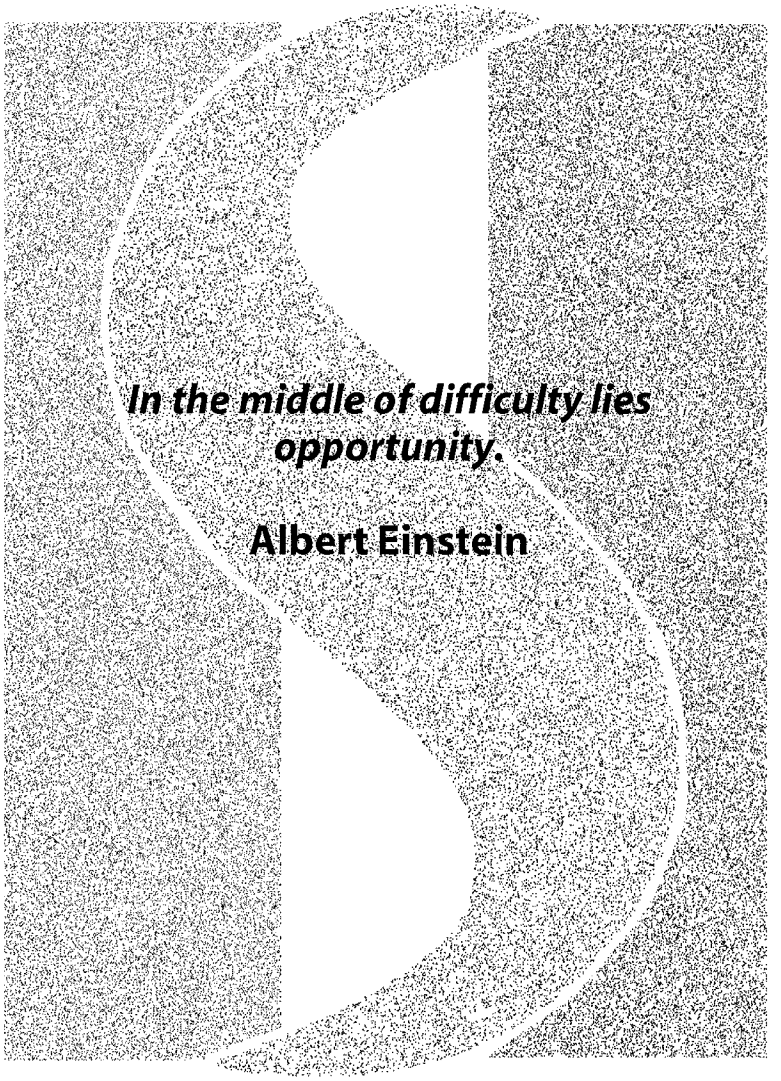
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$825,585	$788,670	$768,950	$873,690	$873,690
Supplies	39,319	54,450	42,800	40,200	40,200
Other Charges	75,781	60,420	61,490	64,880	64,880
Total	$940,685	$903,540	$873,240	$978,770	$978,770


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 electrical configuration of the City's Senior Center has recently been upgraded so that it can receive power from a new mobile trailer mounted generator allowing the Senior Center to serve as an emergency shelter?

Facilities Maintenance

2006/07 PERFORMANCE OBJECTIVES

1. To coordinate with the general contractors on a smooth transition of moving equipment into the expanded Senior Activity Center and to develop a new cleaning and preventive maintenance schedule and train on the new heating and cooling equipment. *(City Goal 1, 3, 6)*

2. To evaluate the City's present records management system, seeking new ways to minimize the amount of records that need to be physically stored. *(City Goal 1, 3, 6)*

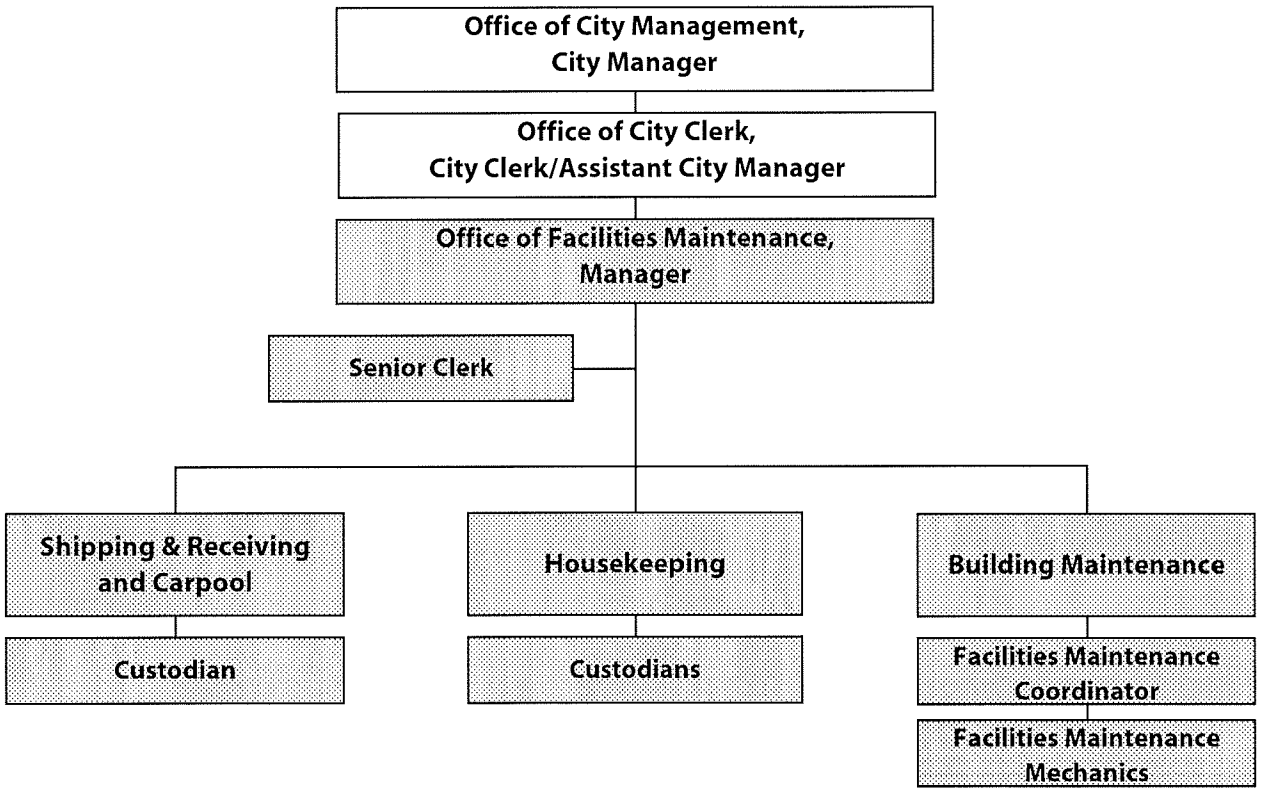
3. To analyze a fleet lease program for the City's motor pool for possible better fuel economy and reduced repair costs. *(City Goal 1, 3, 6)*

4. To transfer the present Building Entry Card Access program to a new system with greater capacity and memory, which will allow for additional buildings and monthly testing of all panic alarms. *(City Goal 1, 3, 6)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	City Facilities Supported - Square Feet	280,776	280,776	280,776	280,776	280,776	280,776
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	213,164	213,164	213,164	213,164	213,164	213,164
	Renovations/Projects Supervised/Coordinated	$265,906	$49,306	$29,200	$103,500	$108,250	$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	7,500	7,550	7,600	7,500	7,550	7,500
	Post Office Deliveries & Pick-Ups	420	420	430	435	445	445
	UPS Shipments Prepared	65	60	55	60	65	65
	Deliveries to City Council Members	85	85	94	90	60	45
	Car Pool Vehicles Supervised	39	39	39	39	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.	131.7	132.5	130.1	131.4	131.4	132.0
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	23.0	22.3	22.6	22.6	22.2	22.2
	Overtime/Comp Hours Worked	1,825	1,750	1,800	1,800	1,800	1,800
	Housekeeping Cost Per Square Foot	$4.15	$4.73	$4.85	*	*	*
	Cost to Complete Maintenance Service Requests	$451,933	$410,602	$424,097	*	*	*
	Activity Expenditures as % of General Fund	1.72%	1.82%	1.77%	1.98%	1.97%	1.96%

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

Facilities Maintenance



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Coordinator	1	1	1
Facilities Maintenance Mechanic	2	2	2
Custodian	14	14	14
Senior Clerk	0	1	1
Clerk Typist	1	0	0
Total	19	19	19

Facilities Maintenance

SUMMARY OF BUDGET CHANGES

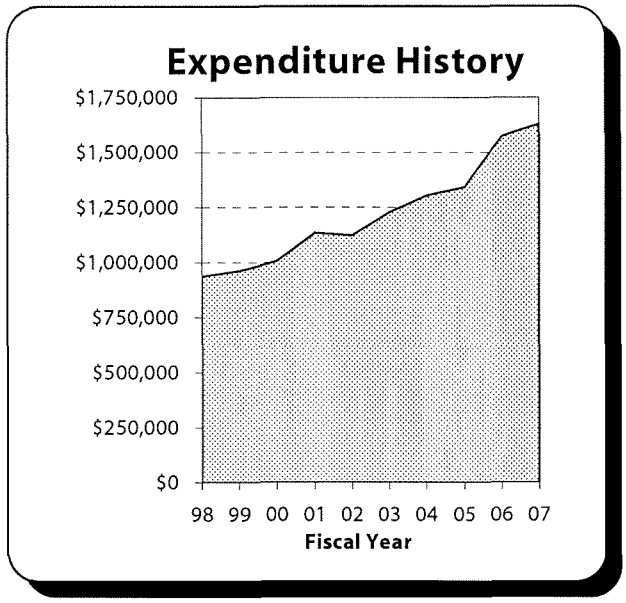
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $50,670 or 4.1%. Wages rose $16,650 or only 2.1% due to employee turnover, which resulted in new employees starting at lower wage steps. An additional $33,700 is budgeted for funding the City's rising retiree health care obligations.

Supplies – Total Supplies is proposed to remain the same at $41,210. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges increased $5,230 or 1.8%. Heating costs increased $15,000 due to higher natural gas rates. The office will implement an energy conservation program in City Hall on nights and weekends to help reduce the City's rising utility costs. Funding for building maintenance costs decreased $7,150 due to a prior year reappropriated encumbrance. Equipment maintenance costs decreased $2,000 based on lower historic actual expenditure levels. $700 will be saved in local meeting expenses as prior year budgeted funds were never fully spent.

Capital – Total Capital of $24,500 is proposed for this activity and is budgeted in the Capital Projects Fund. $24,500 is recommended for two replacement pool vehicles. In addition, this office is scheduled to receive three new personal computers to replace the existing five-year old units. This funding is in the Information Technology capital budget.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,133,058	$1,231,450	$1,213,100	$1,282,120	$1,282,120
Supplies	50,091	41,210	41,210	41,210	41,210
Other Charges	158,025	298,700	297,030	303,930	303,930
Total	$1,341,174	$1,571,360	$1,551,340	$1,627,260	$1,627,260

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.

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.***

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

Did you know?...
...that business property assessments account for 36% of the City's annual property tax revenue?

Assessing

2006/07 PERFORMANCE OBJECTIVES

1. To continue to take exterior digital photographs of all commercial and residential buildings in the City and have them accessible through the City's website (www.sterling-heights.net). *(City Goal 4, 10, 17, 18)*

2. To develop and implement an appraisal program of the industrial buildings located throughout the City. *(City Goal 4, 7, 20)*

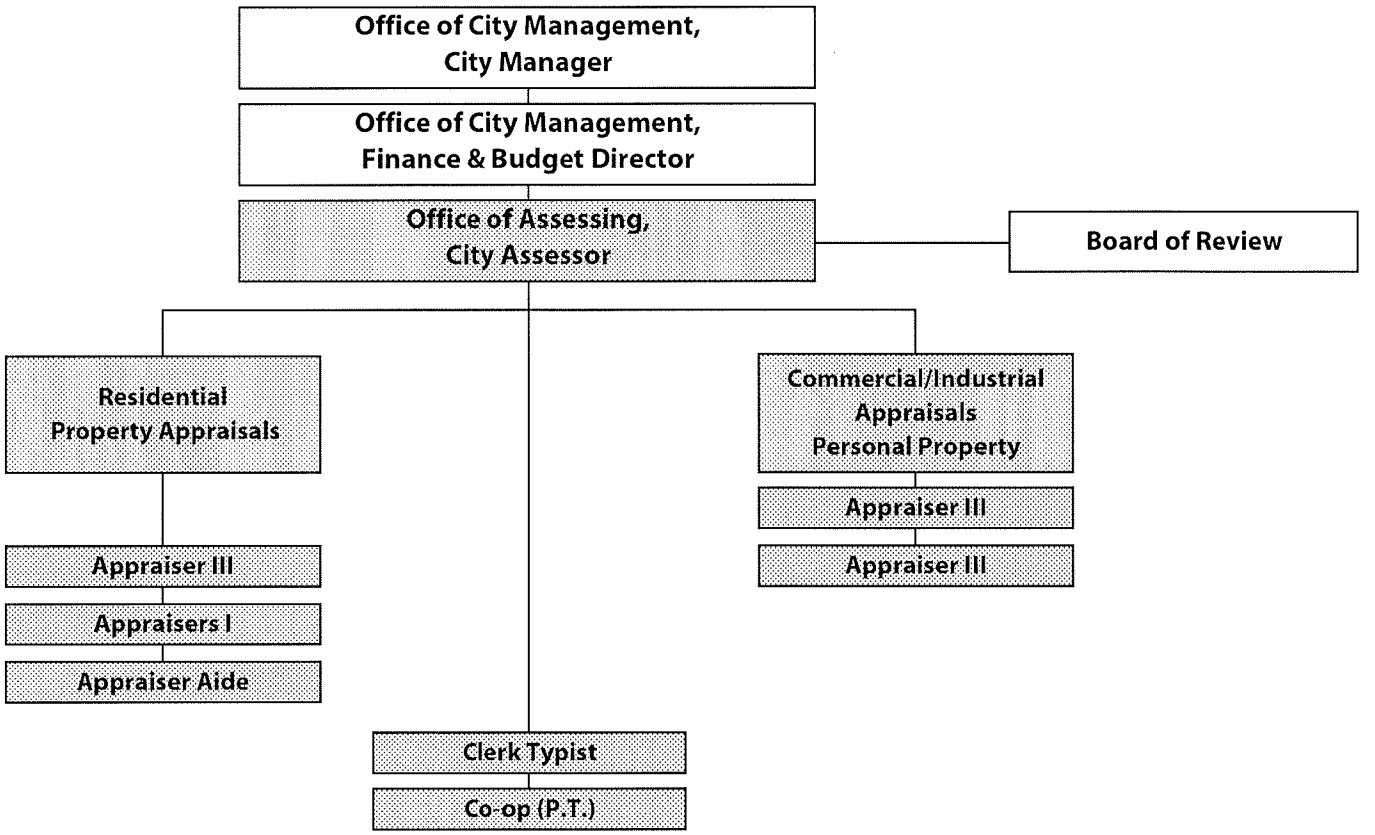
3. To increase the number of personal property audits performed by the City's staff on accounts valued less than $100,000. *(City Goal 1, 20)*

4. To improve the method by which large corporate transfers of ownership are discovered and confirmed to ensure the affected property assessments are properly uncapped. *(City Goal 3, 10, 20)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Assessment Notices Processed	43,881	45,020	45,671	46,800	46,200	47,000
	Residential Property Appraisals (including Partials)	373	967	207	1,000	650	700
	Commercial/Industrial Property Appraisals - Real	11	13	25	35	20	25
	Reappraisals of Residential Property	50	0	0	0	0	0
	Full Tax Tribunal Applications - Comm/Ind/Personal	12	6	29	15	34	30
	Board of Review Appeals	558	546	621	500	654	600
	Personal Property Audits (Contracted & In-House)	12	92	519	400	175	80
	Property Splits/Combinations Processed	42	38	34	35	38	35
	Resident Tax & Assessing Online Retrievals	101,407	143,102	216,555	220,000	230,000	240,000
	Deeds & Property Owner Updates	4,325	5,315	3,133	3,000	6,200	5,000
	Property Transfer Affidavits Processed	2,968	3,569	3,542	4,000	4,000	4,000
	Homestead Exemption Affidavits Processed	4,325	4,831	4,498	5,200	4,200	4,500
	Industrial Facility Exemption Certifications Approved	7	12	9	7	14	10
	Total Investment resulting from IFEC's (millions)	$154	$459	$553	$18	$35	$25
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)	4.9%	4.6%	4.5%	5.0%	4.6%	4.8%
	Sales Ratio	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
	% Site Plans Reviewed within 2 days	90%	90%	90%	95%	95%	95%
	% Property Splits/Comb. Processed w/i 3 days	90%	90%	90%	95%	95%	95%
	Equalization Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Average Cost to Appraise a Residential Parcel	$5.11	$2.30	$2.41	*	*	*
	Activity Expenditures as % of General Fund	0.96%	1.00%	1.44%	1.17%	1.12%	0.95%

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

Assessing



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
City Assessor	1	1	1
Appraiser III	1	3	3
Appraiser II	2	0	0
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

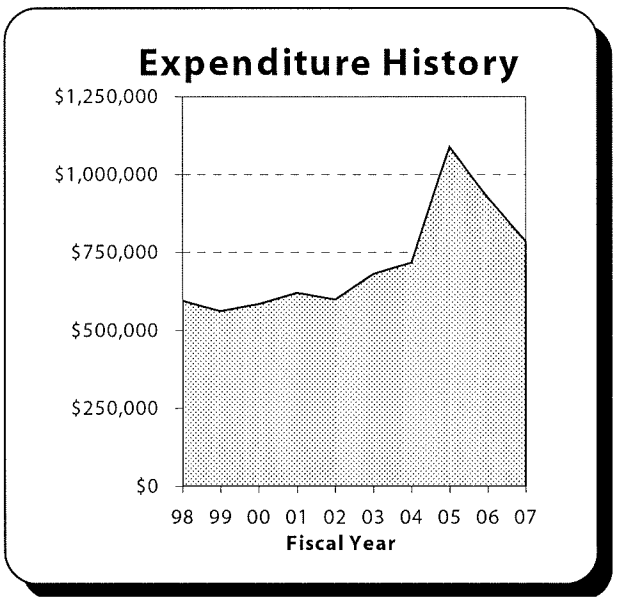
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The total Personnel budget increased by $59,130 or 8.7%. Wages for full-time employees rose $29,290 due to a 3% budgeted wage increase as well as the reclassification of two employees in the prior year. Funding for rising retiree health insurance liabilities rose $22,130. The remaining personnel accounts rose primarily due to medical and dental insurance rate increases for next year.

Supplies - Total Supplies increased $920 or 4.9%. Postage costs rose $950 due to a postal rate increase and a greater number of personal property tax statement mailings. Funding was reduced $100 due to the one-time purchase of a digital camera in the prior year, partially offset by an increase in the cost of City logo shirts to be purchased for field personnel.

Other Charges - Total Other Charges decreased $200,650 or 89.4% primarily due to the prior year funding for the Personal Property Auditing grant program, which has now ended. The State will now take over operation of the program. Telephone costs decreased $700 as access to assessing information through the City's website has reduced the number of calls received. $1,040 was added for repairs to the office's rolling filing system used to store property folders, and for the increased cost of annual software support and maintenance fees. Printing costs rose $1,080 primarily to fund the one-time purchase of recently updated aerial and property line maps which will replace the existing 15-year old set. Copy machine usage fees increased by $380.

Capital - This office is scheduled to receive 11 new personal computers to replace the existing 5-year old units. This funding is in the Information Technology capital budget.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$633,377	$682,110	$686,080	$741,240	$741,240
Supplies	19,236	18,950	18,980	19,870	19,870
Other Charges	434,773	224,440	178,480	23,790	23,790
Total	$1,087,386	$925,500	$883,540	$784,900	$784,900

Financial Services

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

The Financial Services activity is directly responsible for all financial records, bond sale activity, water and sewer billing and pension activity functions.

Financial Services develops and maintains tracking systems for funds, projects, grants, capital assets and other financial needs. This office prepares the Comprehensive Annual Financial Report (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 12 separate employee unions, 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 City residents can use a credit card to pay their water & sewer bills on-line at no additional cost through the City's website www.sterling-heights.net?

Financial Services

2006/07 PERFORMANCE OBJECTIVES *(Accounting)*

1. To investigate and implement charging an administrative fee to recover costs of grant administration. *(City Goal 3)*

2. To determine our ability to electronically upload purchase card details from the financial institution to the general ledger system and implement accordingly. *(City Goal 3)*

3. To gather general ledger journal entry detail from various departments in order to establish a centralized record retention system. *(City Goal 3)*

4. To minimize "paper records" by utilizing electronic record retention applications currently available in accounting software programs and other means of electronic file processing. *(City Goal 3)*

5. To review current collective bargaining agreements to determine possible payroll and employee benefit savings opportunities. *(City Goal 3)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Bank Statements Reconciled	300	300	300	300	300	300
	Travel Business Reports Reconciled/Processed	280	245	283	260	270	270
	Correcting Journal Entries Prepared	90	50	40	80	80	80
	Accounts Payable Invoices Processed	19,434	18,913	17,992	19,500	18,000	18,000
	Accounts Payable Checks Issued	10,120	9,544	8,884	9,800	9,000	9,000
	Payroll Checks & Deposit Notices Generated	21,543	21,302	22,350	21,800	22,000	22,000
	G.F.O.A. CAFR Reviews	2	3	2	2	2	2
	Total Retirees/Beneficiaries Receiving Medical Benefits	331	349	359	375	375	380
	Federal Grants Tracked	17	23	24	20	20	15
	Capital Assets Processed	257	282	394	250	300	250
	Audit Workpapers Prepared	140	167	175	190	175	175
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	8.4	8.0	9.0	9.0	8.0	9.0
	% of A/P Invoices Processed within 30 days	97.0%	98.5%	99.0%	99.3%	99.3%	99.3%
	% of A/P Checks Issued Without Error	99.5%	99.8%	99.8%	99.8%	99.8%	99.8%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
	Avg. # of Employees Receiving Compensation/Benefits	803	809	810	800	810	810
	Financial Statement Correcting Entries by Auditors	0	1	1	1	1	1
	Financial Administration of Federal Grant Expenditures	$757,391	$1,575,976	$2,062,355	$1,500,000	$1,725,000	$1,200,000
	Cost for an Independent Auditor to Perform Audit	$135,400	$93,590	$91,710	$89,000	$86,900	$86,900
	Years Received G.F.O.A. CAFR Award	15	16	17	18	18	19
	Cost to Process an Accounts Payable Invoice	$7.92	$8.12	$9.00	*	*	*
	Cost of Payroll Service Per Employee	$255	$266	$268	*	*	*

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

Financial Services

2006/07 PERFORMANCE OBJECTIVES *(Financial Services)*

1. To assist the City Treasurer in enhancing the tracking and management of the City's investment portfolio in order to further maximize our return within investment policy guidelines. *(City Goal 1, 3, 5, 17, 20)*

2. To identify and implement improvements to the City's escrow account system to better serve developers and builders and ensure proper and timely recognition of City revenues. *(City Goal 1, 5, 7, 8)*

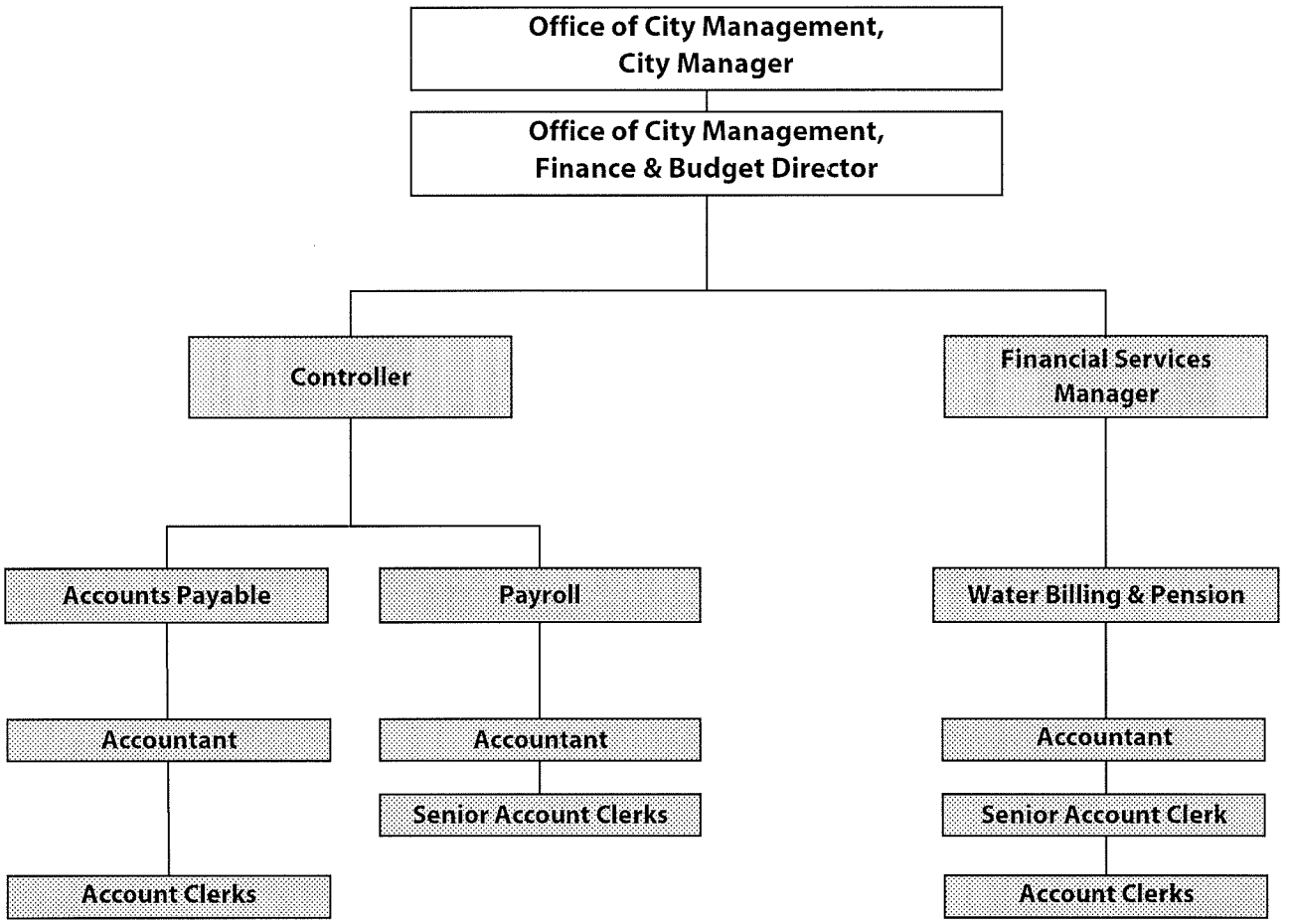
3. To conduct an internal control audit of the Police Department's evidence/property room to ensure compliance with department guidelines. *(City Goal 1, 3, 5, 7)*

4. To research and analyze various retiree health care options including VEBA trusts, and health and medical savings accounts relative to tax and liability advantages. *(City Goal 1, 7, 17, 20)*

5. To assist in the implementation of GASB 43 concerning the recognition of post employment retiree health care benefits. *(City Goal 1, 5, 20)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Water and Sewer Bills Issued	179,498	182,123	184,792	185,470	186,300	186,700
	Final Water Bills Prepared	1,752	1,593	1,582	1,775	1,735	1,750
	Water & Sewer Customer Bill Online Retrievals	N/A	9,839	10,902	10,080	17,100	17,500
	Service Orders Processed by Utility Billing	N/A	2,784	2,781	2,795	3,650	3,700
	Water Bill Adjustments	N/A	1,476	1,921	1,510	1,550	1,600
	Internal Control Reviews Conducted	2	4	3	2	2	2
	Annual % Change in GERS Market Value - Fiscal Year	-1.4%	12.0%	9.6%	8.0%	8.0%	8.0%
	3-Year Avg. Return on GERS Investments - Fiscal Year	1.4%	4.5%	9.5%	8.0%	8.0%	8.0%
	Defined Contribution Active Employees	48	56	62	70	64	70
	Defined Benefit Active GERS Employees	304	299	293	280	280	272
	GERS Retirements Processed	18	12	4	24	22	12
	GERS Retirees/Beneficiaries Receiving Benefits	171	182	182	210	204	210
	Pension Calculations Prepared (P&F and GERS)	55	56	28	68	54	34
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	132.7%	128.9%	124.8%	125.0%	120.7%	120.0%
	GERS Asset Allocation - Equities (Goal 60%)	56.2%	62.8%	65.2%	60.0%	63.4%	60.0%
	GERS Asset Allocation - Fixed Income (Goal 30%)	43.8%	27.8%	24.9%	30.0%	27.6%	30.0%
	GERS Asset Alloc. - Hedge Fund-of-Fund (Goal 5%)	N/A	4.6%	4.4%	5.0%	4.4%	5.0%
	GERS Asset Allocation - Real Estate (Goal 5%)	N/A	4.8%	5.5%	5.0%	4.6%	5.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.56	1:0.61	1:0.62	1:0.76	1:0.73	1:0.74
	% of Water & Sewer Bills Adjusted	N/A	0.81%	1.04%	0.82%	0.83%	0.85%
	Activity Expenditures as % of General Fund	1.38%	1.43%	1.42%	1.43%	1.45%	1.46%

Financial Services



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Financial Services Manager	1	1	1
Controller	1	1	1
Accountant	3	3	3
Senior Account Clerk	3	3	3
Account Clerk	4	4	4
Total	12	12	12

Financial Services

SUMMARY OF BUDGET CHANGES

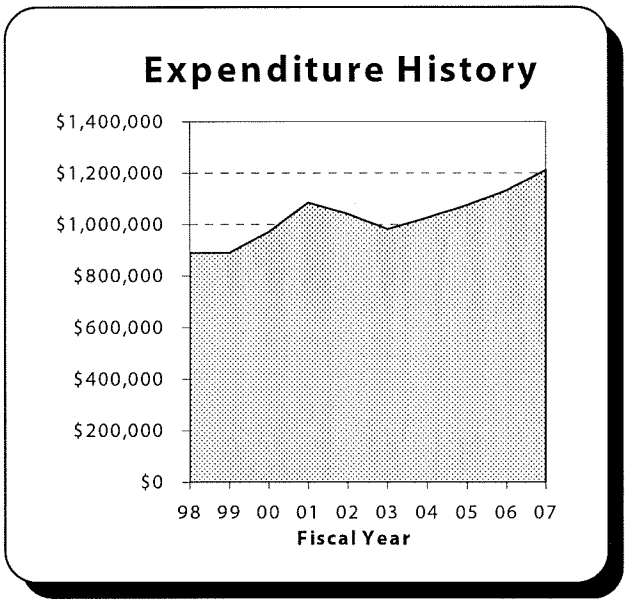
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The total Personnel budget increased by $69,750 or 7.2%. Wages for full-time employees increased $21,610. Overtime costs fell by $2,000 as a result of increased efficiencies in the office. One employee has elected to discontinue receiving the health insurance allowance. As a result of this change, and a medical insurance rate increase, hospitalization costs rose $12,990 or 10.4%. An additional $29,430 is budgeted to fund rapidly rising retiree health care liabilities.

Supplies - Total Supplies increased $3,350 or 5.9%. Postage costs rose $3,550 due to a postal rate increase and a greater number of water bills to be mailed next year. $200 will be saved in Publication costs due to the increasing availability of on-line resources.

Other Charges - Total Other Charges increased $5,480 or 5.1%. The equipment maintenance budget increased $5,630 mainly due to an increase in the MUNIS software support and maintenance fees. $400 was added for educational conferences, as overnight lodging for the MGFOA Conference was not required last year. This increase was partially offset by a savings, as the MUNIS User's Conference will be held at a less costly location next year. The City will save $350 in telephone costs as a continued result of the recent reduction in citywide SBC contractual rates.

Capital - Total Capital of $1,500 is proposed for this activity and is budgeted in the Information Technology capital budget. $1,500 is for a Laser Printer that will be used in Payroll for large print jobs, which will help to free up the existing printers that are shared by the office.

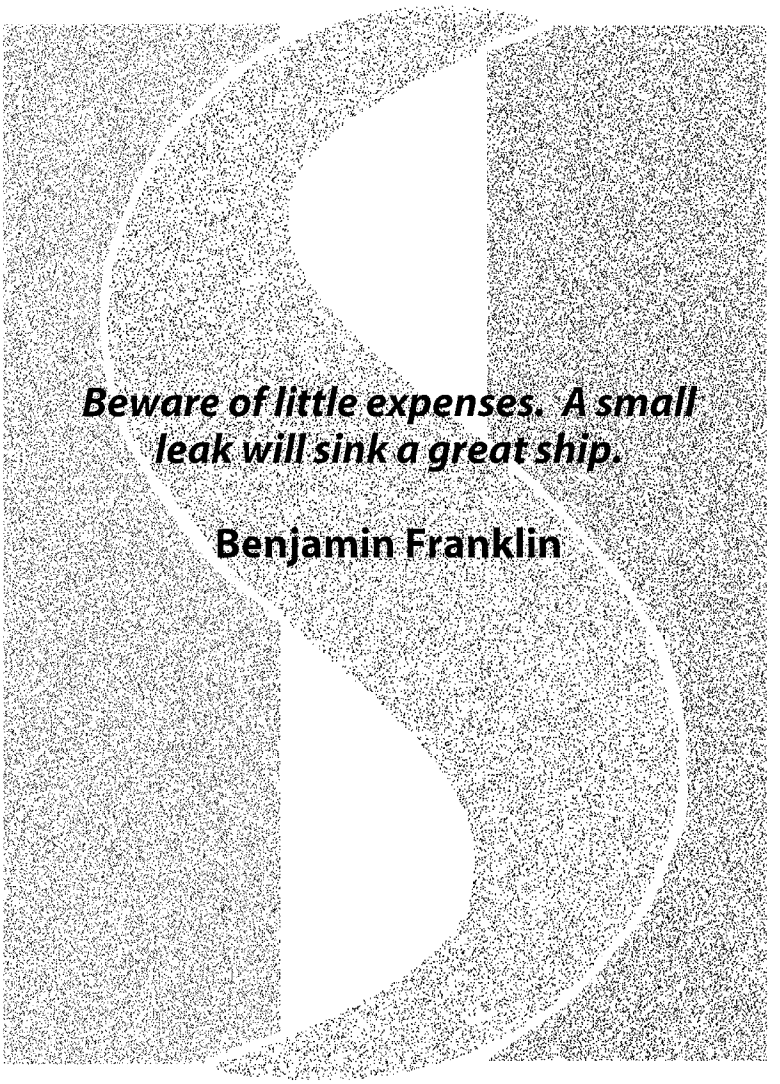


CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$919,165	$968,570	$971,680	$1,038,320	$1,038,320
Supplies	56,775	56,850	57,950	60,200	60,200
Other Charges	99,980	107,180	106,630	112,660	112,660
Total	$1,075,920	$1,132,600	$1,136,260	$1,211,180	$1,211,180


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

Purchasing

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

The mission of the Office of Purchasing is to procure goods and services at the lowest competitive price and to maintain quality standards in those purchases while acting in the City's best interest. The procurement of goods and services is an integral part of the quality control procedures currently being applied to all levels of the administration. Several policies and procedures are in place to ensure that all requisitions enroute to Purchasing are screened for compliance along the way.

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

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

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

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

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

KEY GOALS

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

Did you know?...
...that the Office of Purchasing receives a percentage rebate from office supplies purchased through a national cooperative bid which last year amounted to over $3,200?

Purchasing

2006/07 PERFORMANCE OBJECTIVES

1. To simplify the Office Depot supply list used by City departments to purchase popular supplies that offer the highest percentage discount; and to educate departments on other in-store services that could increase the rebate that goes back to the City. *(City Goal 3, 5)*

2. To research the cost and benefits and to prepare guidelines to sell surplus City supplies and equipment through additional on-line auction sites. *(City Goal 17)*

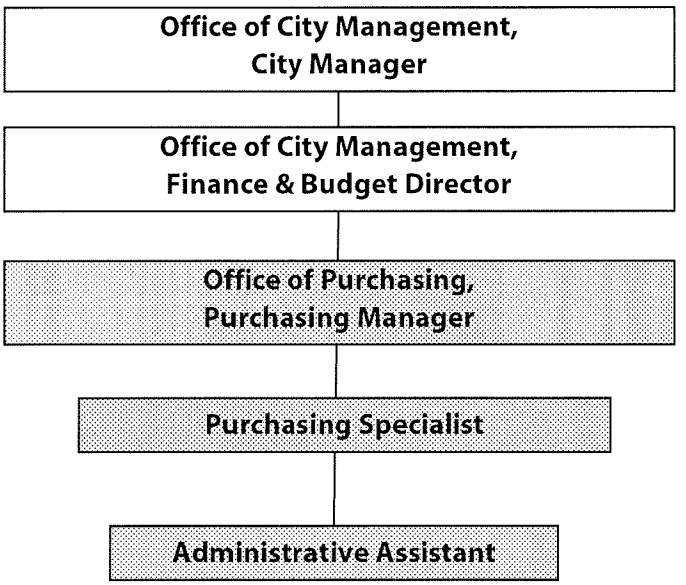
3. To utilize on-line enhancements of the Michigan Intergovernmental Trade Network (MITN) system to include all Community Development Block Grant (CDBG) purchases which will provide vendors with additional bid information, less paperwork and an easier method to conduct business. *(City Goal 17, 18)*

4. To prepare and distribute a formal procurement customer survey to internal City departments in order to improve services. *(City Goal 3, 7)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Purchase Orders Processed	1,299	1,324	1,199	1,200	1,200	1,200
	Bid Solicitation Occurrences	73	67	73	70	70	73
	Bid Responses Reviewed	483	494	505	480	410	425
	Written Quotation Solicitation Occurrences	34	20	18	20	14	20
	Written Quotation Responses Reviewed	184	97	114	120	80	100
	Vehicles Administratively Processed for Auction	337	319	321	300	300	0
	Hours Worked on Requests for Proposals (RFP's)	132.5	78.0	181.0	120.0	240.0	200.0
	Number of Purchasing Card Transactions	1,857	1,930	1,936	2,020	1,900	1,900
	Purchasing Card Transaction Volume	$275,696	$297,492	$284,081	$302,000	$300,000	$300,000
	Equipment Repairs Scheduled	76	86	69	80	60	65
	Hours of Job Training Received	54	40	35	40	40	40
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	90%	90%	90%	85%	85%	85%
	% of P.O.'s Issued Under $500	20%	32%	35%	25%	25%	25%
	% 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	$66,576	$112,358	$120,235	$90,500	$90,500	$90,500
	Cost to Issue a Purchase Order	$70	$65	$72	*	*	*
	Average Cost to Go Out to Bid	$1,437	$1,502	$1,549	*	*	*
	Average % Savings Through Bid Process	20%	25%	25%	35%	35%	35%
	Activity Expenditures as % of General Fund	0.41%	0.42%	0.42%	0.41%	0.41%	0.41%

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

Purchasing



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

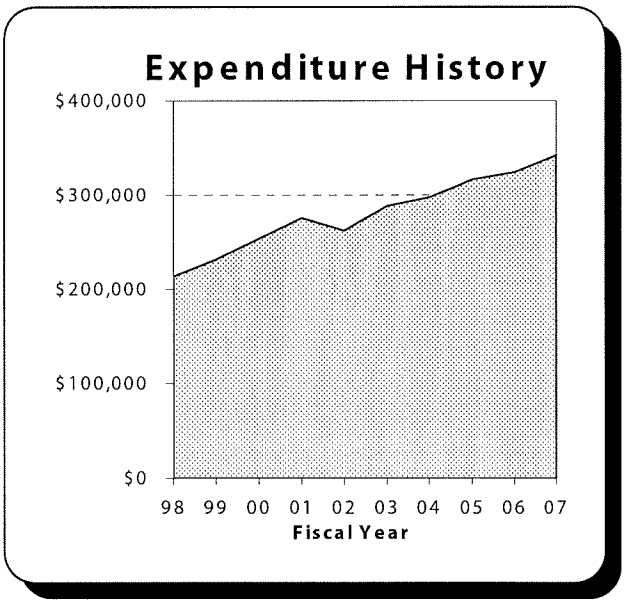
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $15,080 or 5.4%. Wages rose by $6,350 as all employees are budgeted to receive a 3% wage increase next year. Higher retiree medical obligations resulted in an $8,340 increase.

Supplies – Total Supplies decreased $150 or 6.4%. The City will save $200 as fewer facsimile and printer toner cartridges are needed. Publication costs decreased $50, as prior year funds were not fully spent. Postage costs increased $100 due to a postal rate increase.

Other Charges – Total Other Charges increased $3,150 or 7.4%. $3,000 was added to the budget due to the increased number of City records which will be microfilmed. Funding increased $2,960 for the annual rental and usage fees for an office copier that has replaced the existing facsimile machine and printer. Membership costs will increase by $240, as funding is included for a one-time registration fee for the Excellence in Procurement award. $2,800 was saved, as fewer equipment repairs have been needed in recent years. Publishing costs decreased $200 and telephone costs decreased $50, both based on the current year's estimated expenditure usage.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$263,347	$278,980	$277,690	$294,060	$294,060
Supplies	2,255	2,350	2,130	2,200	2,200
Other Charges	50,648	42,630	40,170	45,780	45,780
Total	$316,250	$323,960	$319,990	$342,040	$342,040

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

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

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

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

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

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

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

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 each October, Treasury mails approximately 2,800 notices to those taxpayers that have an outstanding amount owed on their summer tax bills providing them the opportunity to pay the outstanding balance before the County charges penalties?

Treasury

2006/07 PERFORMANCE OBJECTIVES

1. To develop a succession plan to include cross-training of all personnel in anticipation of planned retirements. *(City Goal 3, 4)*

2. To work with BS&A and Google to provide sponsored links on the City's "Internet Services" site which will result in possible additional revenues to the City. *(City Goal 17, 20)*

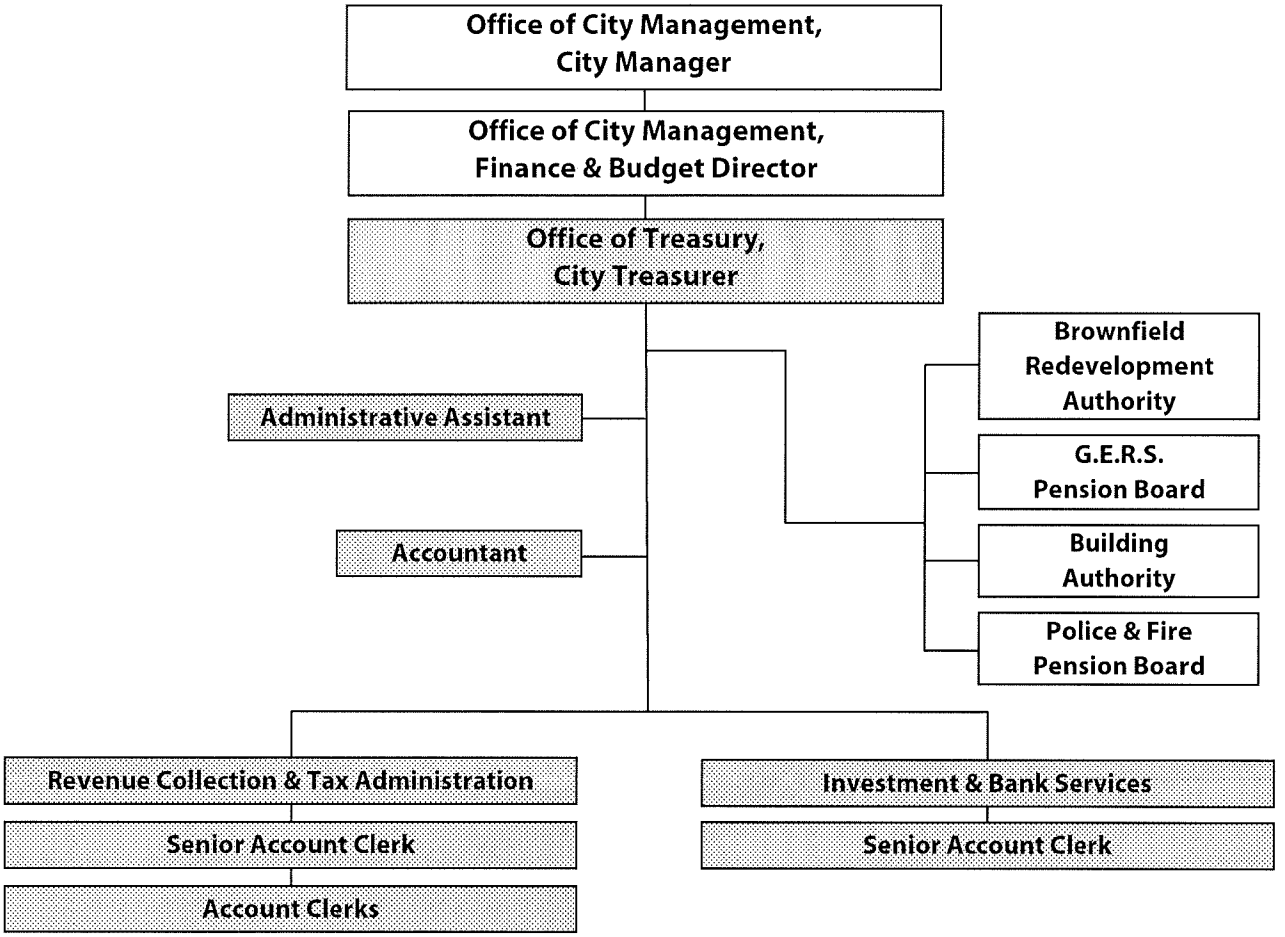
3. To research alternative investment software packages and implement accordingly. *(City Goal 6, 18)*

4. To review and update the City's Investment Policy and present to the City Council for consideration. *(City Goal 5, 6)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Tax Bill Payments Processed - Manually	58,025	42,233	18,555	18,500	18,500	18,500
	Tax Bill Payments Paid - Electronically	27,461	26,019	28,604	28,600	29,048	29,500
	Tax Bill Payments Processed - Lock Box	N/A	18,817	38,486	38,900	37,545	37,500
	Special Assessment Parcels Billed	262	300	251	200	184	110
	Invoices Billed	4,009	2,476	3,626	4,200	5,455	5,400
	Investments Bought/Sold - Number of Transactions	168	301	299	300	326	300
	Tax Adjustments Processed	1,016	1,155	1,652	1,500	1,184	1,200
	Resident Tax & Assessing Online Retrievals	101,407	143,102	216,555	220,000	230,000	240,000
	Cash Receipts Processed by Treasury Personnel	76,061	66,371	68,795	64,900	78,608	78,600
	City-wide Credit Card Transactions	3,964	7,092	9,572	8,000	10,000	10,500
	Dollar Value of All Credit Card Transactions	$660,517	$864,523	$1,337,809	$1,500,000	$1,600,000	$1,750,000
	# of Online/IVR Credit Card Tax Payments	64	161	199	190	280	300
Efficiency & Effectiveness	% of Real City Property Tax Levy Collected	97%	97%	97%	97%	97%	97%
	% of Personal City Property Tax Levy Collected	95%	96%	97%	97%	97%	97%
	Average Rate of Return on Investments	2.50%	1.51%	2.34%	3.00%	4.50%	4.75%
	Average 6 Month T-Bill Rate	1.31%	1.11%	1.80%	2.00%	3.45%	3.65%
	City's Return as a % of 6 Month T-Bill	1.91%	1.36%	1.30%	1.50%	1.30%	1.30%
	% of Portfolio Invested in Active Market	78.3%	77.1%	78.5%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	$2.6	$0.9	$1.4	$1.6	$2.3	$2.3
	Police & Fire Pension System - % Funded	130.8%	122.5%	120.2%	120.0%	122.5%	120.0%
	Ratio of Active P&F Employees to P&F Retirees	1:0.73	1:0.79	1:0.82	1:0.85	1:0.86	1:0.87
	Average Cost to Process a Billing Invoice	$5.25	$5.32	$5.03	*	*	*
	Activity Expenditures as % of General Fund	0.94%	0.90%	0.88%	0.90%	0.90%	0.92%

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

Treasury



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

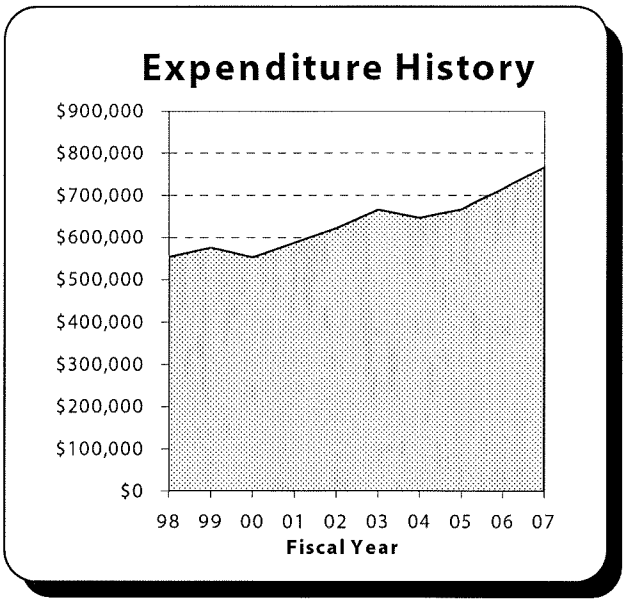
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $53,690 or 8.5%. Wages for full-time employees increased $17,840. Hospitalization costs rose $14,730 due to a rate increase, as well as an employee who is now electing to discontinue receiving the health insurance allowance. An additional $19,630 is budgeted to fund growing retiree health insurance liabilities.

Supplies – Total Supplies increased $170 or 0.4%. Postage costs increased slightly by $300 due to a recent postal rate increase. Funding for written publications decreased $130, as the office will now save money by accessing the Wall Street Journal on-line.

Other Charges – Total Other Charges decreased $2,940 or 6.6%. The budget for credit card fees decreased by $2,000 as increased usage has not been as great as anticipated. $600 will be saved as fewer checks and notices of deposit need to be printed. Funding for contracted services decreased $1,300 due to a prior year reappropriated encumbrance. This office will save $500 in telephone costs, as a continued result of the recent reduction in Nextel and SBC contractual rates. Rental costs and publishing costs decreased $300 and $170 respectively, as the budget can be brought in line with actual trends experienced over the past several years. $1,930 was added to the budget due to an increase in existing BS&A and false alarm software support 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$592,467	$631,750	$629,350	$685,440	$685,440
Supplies	37,130	39,680	39,550	39,850	39,850
Other Charges	37,028	44,320	39,500	41,380	41,380
Total	$666,625	$715,750	$708,400	$766,670	$766,670

06
07

Parks & Recreation Department

the Next Generation – Our Future

FUNCTIONAL ORGANIZATION CHART

Parks & Recreation Department

Office of Parks & Recreation

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

Athletic Programs

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

Instructional Classes and Aquatics

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

Nature Interpretive Programs

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

Park Operations

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

Senior Citizen Programs

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

Special Events

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

Summer Playground Program

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

Athletic Special Events

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

Special Recreation Programs

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

DEPARTMENT AT A GLANCE

Parks & Recreation Department

BUDGET SUMMARY

The total Parks & Recreation Department's budget increased by $71,360 or 3.1%. Personnel costs rose $82,290 or 4.5%. Employee hospitalization costs rose $22,530, while an additional $36,520 is budgeted for higher retiree medical costs. Supply costs declined by $12,980 or 9.9% as funding for program supplies can be brought more in line with actual expenditure trends experienced the last several years. Other Charges increased by $2,050 or 0.6% due to higher utility, facility rental, and youth baseball and flag football game official costs. The capital budget includes funding for new ball diamond fencing and portable bleachers at Delia Park, the resurfacing of the parking lot at Baumgartner Park, and the construction of the Senior Active Life Center addition to the present Senior Citizen Center using CDBG federal funds.

FUNDING LEVEL SUMMARY

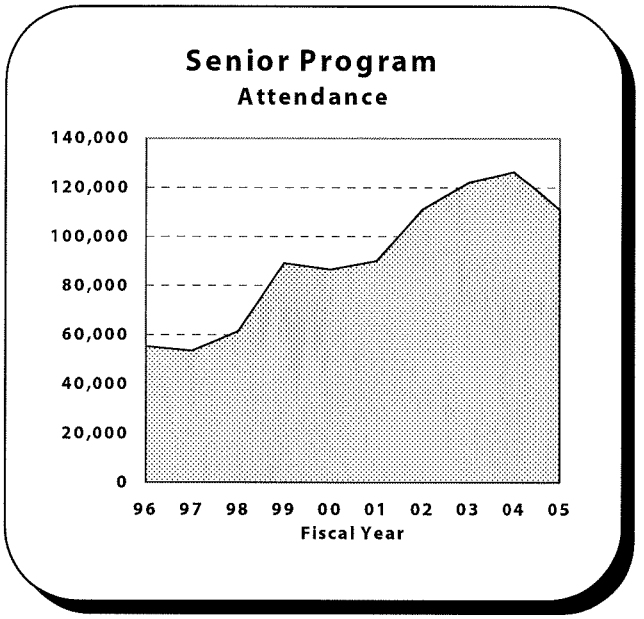
	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Parks & Recreation	$2,165,260	$2,195,030	$2,317,180	$2,388,540	3.1%
Total Department	$2,165,260	$2,195,030	$2,317,180	$2,388,540	3.1%
Personnel Services	$1,638,120	$1,704,560	$1,824,060	$1,906,350	4.5%
Supplies	116,590	111,880	130,980	118,000	-9.9%
Other Charges	410,550	378,590	362,140	364,190	0.6%
Total Department	$2,165,260	$2,195,030	$2,317,180	$2,388,540	3.1%

PERSONNEL SUMMARY

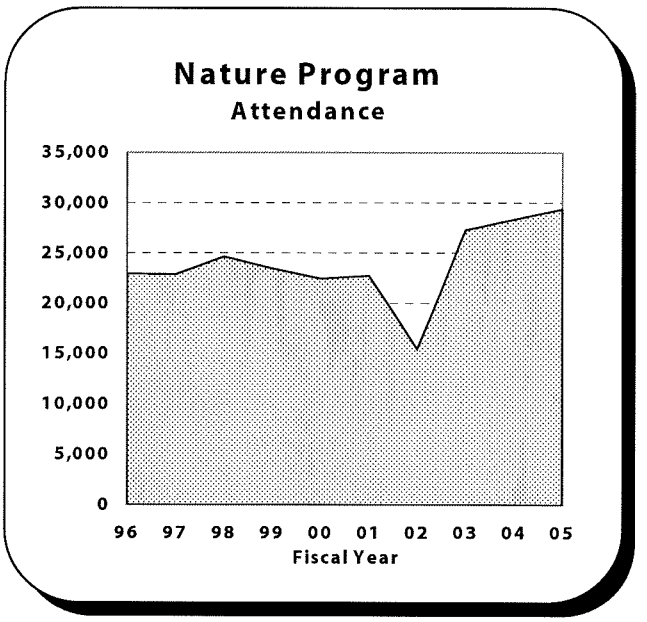
	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	16	0	16	0	16	0	16	0
Total Department	16	0	16	0	16	0	16	0

KEY DEPARTMENTAL TRENDS

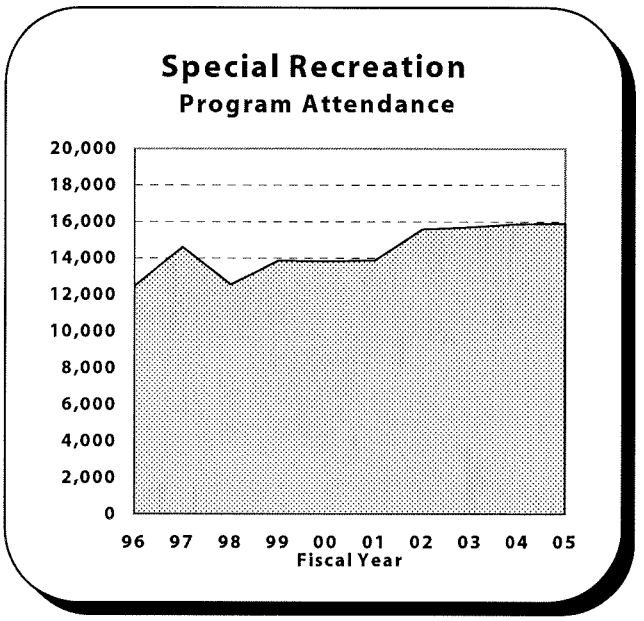
Parks & Recreation Department



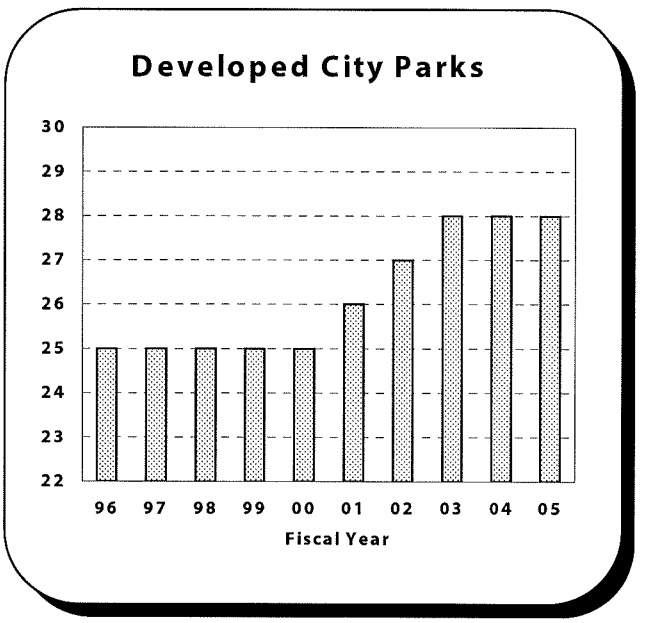
With the opening of the new Senior Citizen Center in October of 1997, senior program attendance has increased over the past eight years by 108%, from 53,431 to 111,020 participants. The City has hired an architect to design a gymnasium addition to the Senior Center to be paid for with federal dollars. 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 and is now at a ten-year high of 29,360 visitors.



For the past four 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 1996 to 28 in 2005. In the past five years Rotary, Moravian, and Avis Drive Parks have been developed increasing the amount of land devoted to recreational purposes to 820 acres. In 2005, we replaced playground equipment at Fairfield Park, developed Nelson Park North, installed four new park signs, and developed soccer fields at Baumgartner and Nelson Parks. In 2006, we will complete the bike hike trail from Riverland Drive to Van Dyke, pave the Delia Park entrance and south parking lot, repair Delia Park tennis courts and install three outdoor bocce ball courts at the Senior Center.

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

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

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

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

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

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

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

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

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

Did you know?...
...that the Parks & Recreation Department completed the re-development of Nelson Park including the paving of the park entrance, parking lot and pedestrian path, additional parking, new park sign, soccer field, and new playground equipment?

Parks & Recreation

2006/07 PERFORMANCE OBJECTIVES

1. To work closely in the planning of the new Senior Center gymnasium addition, assist in the construction phase of the building and ensure the continuation of regular programming with the least amount of disruption throughout the construction period. *(City Goal 14, 26)*

2. To develop new and innovative program ideas for the gymnasium addition and plan for additional fee-based programming in the existing Senior Center. *(City Goal 14, 26)*

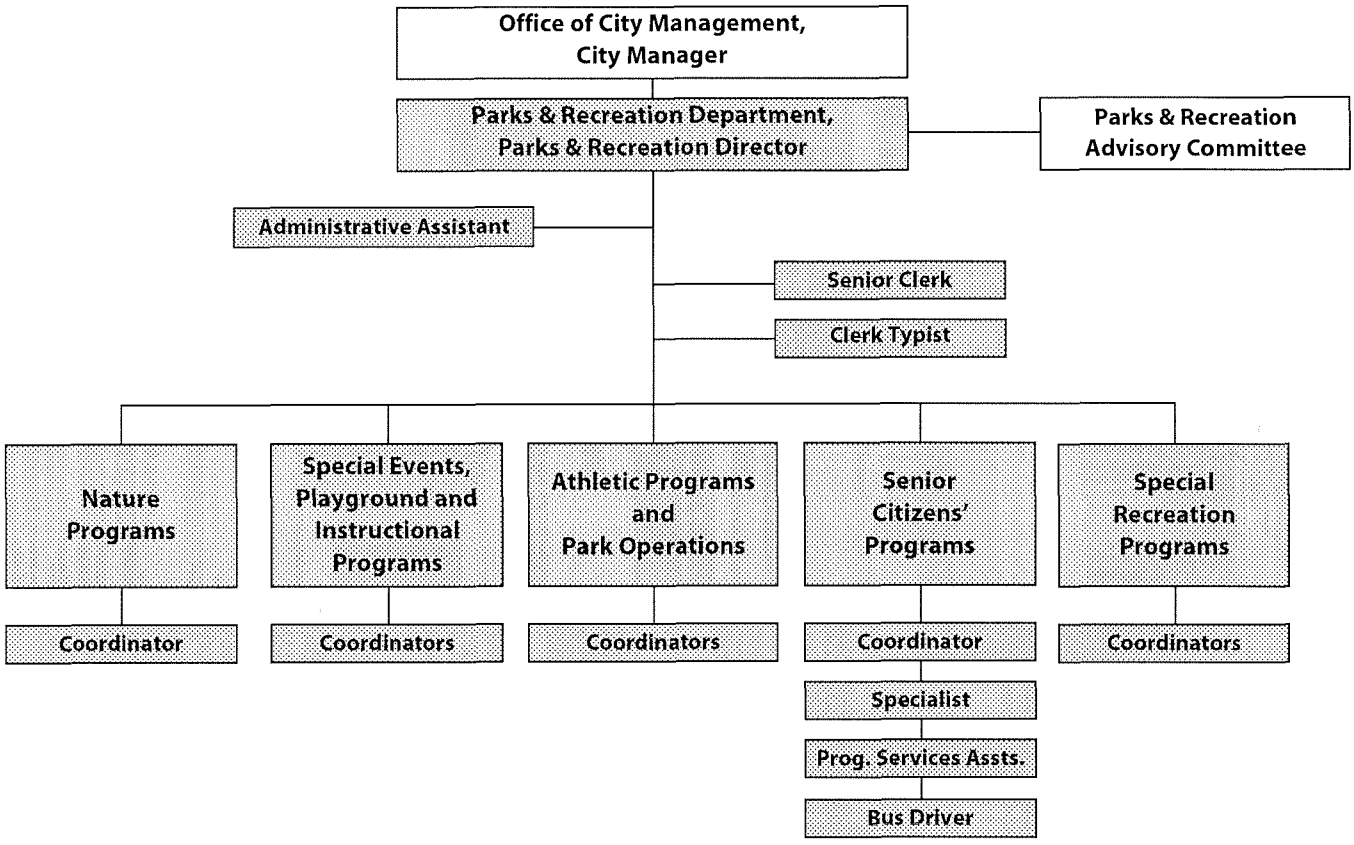
3. To develop interesting and engaging nature presentations for the kiosk computer located in the Nature Center exhibit room. *(City Goal 19, 26)*

4. To improve communication between the Youth Basketball Club, the schools, and the City by better utilizing cable television and the Internet for game cancellations, schedule changes and general information. *(City Goal 17, 19, 26)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Instructional & Aquatics Class Attendance	33,355	33,925	34,560	33,600	34,600	34,600
	Special Event Participants	68,480	68,500	71,930	68,700	72,000	72,000
	Special Recreation Program Attendance	15,700	15,870	15,895	15,800	15,850	15,850
	Adult & Youth Athletic Program Attendance	70,185	70,060	69,150	70,150	72,000	72,000
	Nature Program Participants	27,290	28,350	29,360	28,400	28,000	28,000
	Teen Only Program Attendance	655	700	853	750	815	820
	Number of Internet Registrations	62	952	1,961	2,500	2,450	2,700
	Summer Playground Registrations	1,045	788	748	1,000	1,200	1,200
	Park Playground Equipment Replaced	0	2	2	2	2	0
	Senior Activities Attendance	121,990	126,280	111,020	124,600	115,000	118,000
	Community Center Special Activity Use Attendance	35,010	21,400	22,580	21,400	21,000	21,000
	Senior Home Chore & Repair Jobs	1,930	1,467	1,776	1,480	1,750	1,500
	Senior & Special Recreation Transportation Riders	23,824	24,611	18,948	24,600	19,250	22,000
Efficiency & Effectiveness	P & R Revenue Earned per Capita	$2.92	$3.21	$3.36	$3.23	$3.46	$3.53
	% of Refunds Due to Dissatisfaction	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%
	Developed Park Acres per 1,000 Residents	6.5	6.5	6.5	6.5	6.5	6.5
	% of Park Acres Developed	85.4%	85.4%	85.4%	85.4%	85.4%	85.4%
	Full-time Equivalent Staff per 100,000 Population	47	43	44	44	44	44
	Nature Center Cost per Visitor	$6.81	$6.53	$6.29	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	$11.36	$10.70	$14.32	*	*	*
	Department Cost per Capita	$17.27	$17.21	$17.39	$18.25	$17.95	$18.73
	Activity Expenditures as % of General Fund	3.04%	3.02%	2.90%	2.93%	2.90%	2.88%

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

Parks & Recreation



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

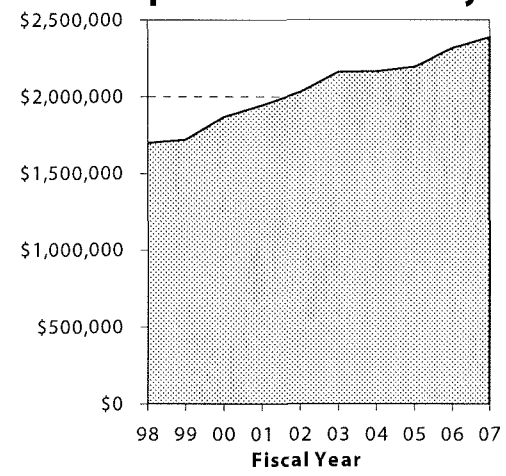
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $82,290 or 4.5%. Wages for full-time employees rose $14,680 or only 1.8% due to employee turnover in the prior year. Wages for part-time employees increased $12,100. Hospitalization costs rose $22,530 due to a rate increase and as an employee is now electing to discontinue receiving the health insurance allowance. Additional retiree health care obligations resulted in a $36,520 funding increase.

Supplies – Total Supplies decreased $12,980 or 9.9%, as funding for program supplies can be brought more in line with actual expenditures.

Other Charges – Total Other Charges increased $2,050 or 0.6%. Heating costs rose $6,000 due to higher natural gas rates. $2,000 was added for the increased rental costs of program facilities and higher copier usage fees. Water costs rose $1,300 due to increased rates and higher usage. Credit card fees increased $700 based on a higher number of registration payments processed. $500 was added as more program flyers and handout brochures will be printed. Contracted services declined $4,500 based on the current year's estimated expenditure levels. This decrease was offset by an additional $1,500 to fund additional youth baseball and flag football game officials. A decrease of $3,410 was made as a continued result of recent reductions in Nextel and SBC contractual telephone rates and the elimination of an ISDN line, as a faster fiber optic computer data network connection will now be used to connect remote City buildings with City Hall.



Capital – Total Capital of $74,400 is proposed in the Land & Water Conservation Fund for replacement ball diamond fencing and portable bleachers 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.

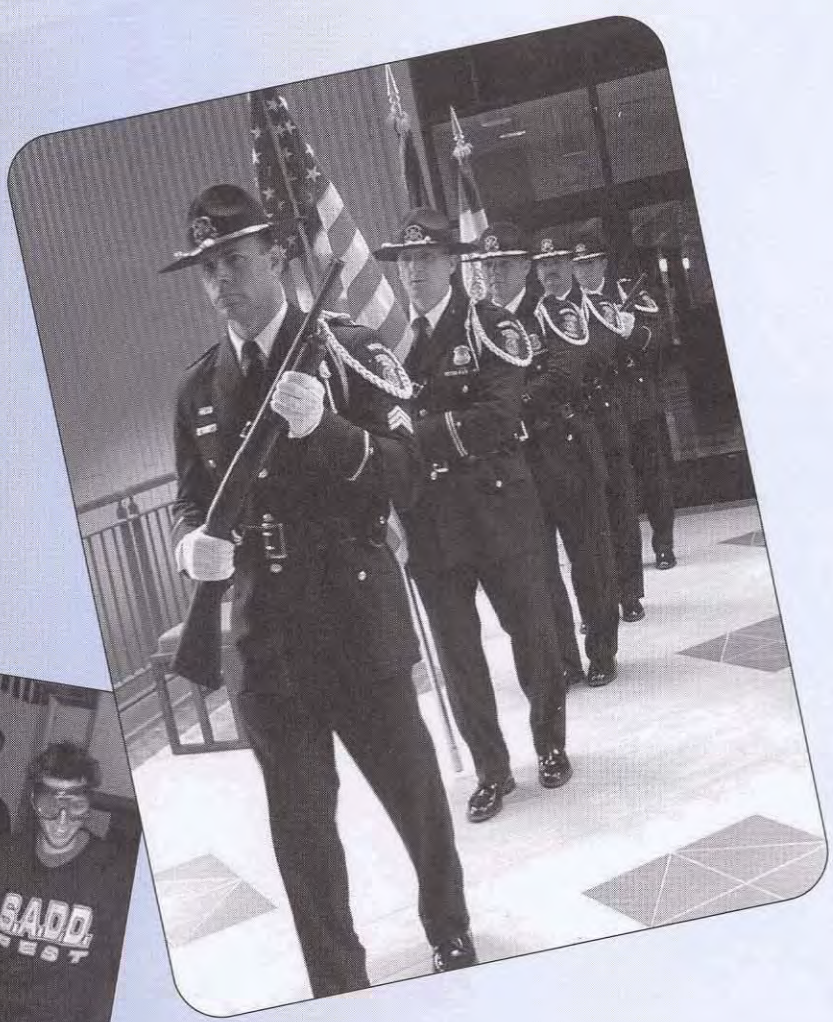
Other Charges – Council made no adjustments to Other Charges.

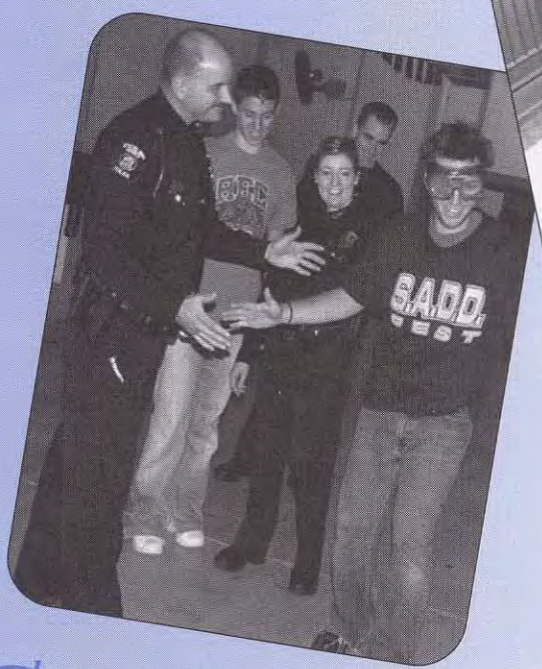
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,704,559	$1,824,060	$1,813,300	$1,906,350	$1,906,350
Supplies	111,881	130,980	114,100	118,000	118,000
Other Charges	378,590	362,140	352,860	364,190	364,190
Total	$2,195,030	$2,317,180	$2,280,260	$2,388,540	$2,388,540

POLICE DEPARTMENT





the Next Generation – Our Future

FUNCTIONAL ORGANIZATION CHART

Police Department

Office of the Police Chief

Office of the Chief

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

Special Services

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

Enforcement Services

- ***Traffic Safety*** – investigates vehicle accidents, assists the injured, enforces traffic codes
- Coordinates all Crossing Guard activity with Warren Consolidated and Utica Community Schools
- ***Patrol*** – suppresses criminal wrong-doing, first response to emergencies, enforces State and City laws, maintains the peace, collects evidence and maintains canine program
- ***Detention*** – responsible for the processing, housing and release of prisoners

Investigative Services

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

Support Services

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

DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police Department budget increased by $1.6 million or 6.4%. Rising personnel costs accounted for the entire increase. Personnel costs rose 6.8%. Wages increased by $526,680 as all employees are budgeted to receive a 3% wage increase. Hospitalization insurance costs rose by $102,510. The budget includes an additional $1,056,080 to partially fund the Department's growing retiree medical obligations. Required employer contributions to the Police & Fire pension system fell by $220,410. The twelve members of the Crime Suppression Unit have been transferred from the Office of the Chief to the Investigative Services division next year. Supplies decreased by $3,460 or 2.1% due a prior year reappropriated encumbrance. Other Charges fell by $43,180 or 7.0% as last year's budget included a one-time Community Emergency Response Team (CERT) training grant. The capital budget includes funding for the new 800 MHz Public Safety Radio System, eleven replacement traffic and patrol vehicles, and $116,900 in drug forfeiture capital purchases.

FUNDING LEVEL SUMMARY

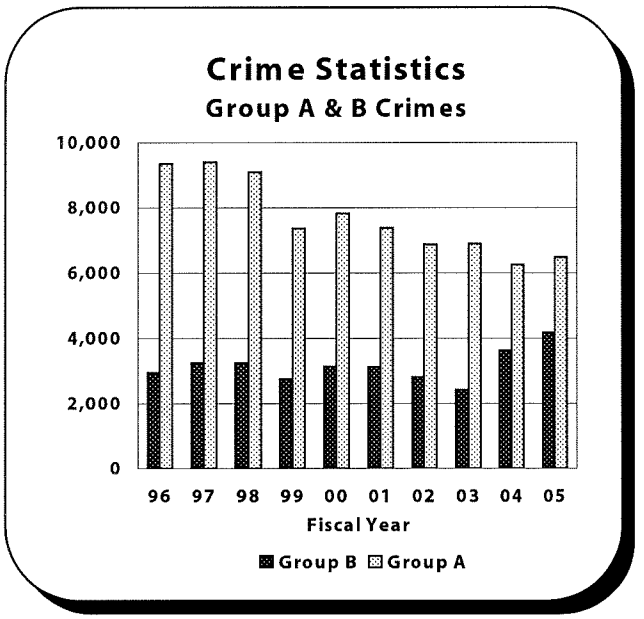
	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Office of the Police Chief	$2,484,860	$3,940,350	$4,257,100	$2,955,520	-30.6%
Police Enforcement Services	16,051,110	15,168,690	14,477,610	15,488,080	7.0%
Police Investigative Services	1,783,260	2,694,650	3,226,750	4,931,070	52.8%
Police Support Services	2,756,790	2,896,830	3,053,970	3,242,780	6.2%
Total Department	$23,076,020	$24,700,520	$25,015,430	$26,617,450	6.4%
Personnel Services	$22,226,900	$23,860,760	$24,232,790	$25,881,450	6.8%
Supplies	149,040	140,090	161,510	158,050	-2.1%
Other Charges	700,080	699,670	621,130	577,950	-7.0%
Total Department	$23,076,020	$24,700,520	$25,015,430	$26,617,450	6.4%

PERSONNEL SUMMARY

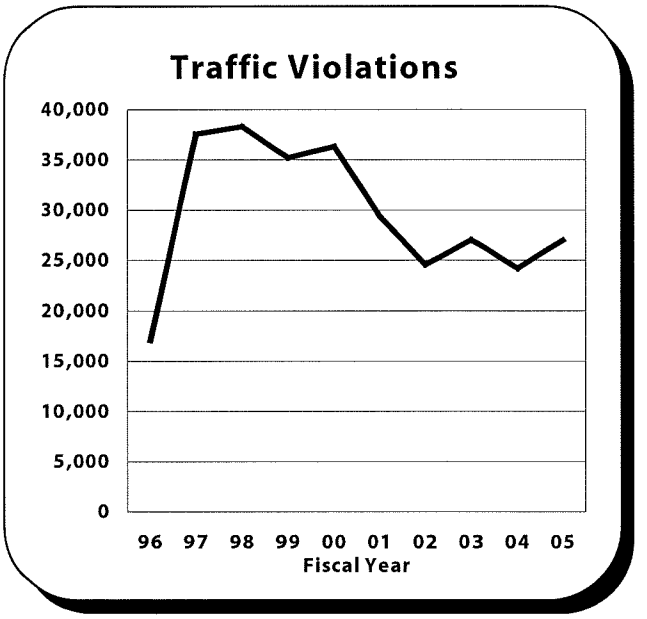
	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Office of the Police Chief	19	0	31	0	31	0	19	0
Police Enforcement Services	150	33	124	33	124	33	124	33
Police Investigative Services	14	0	28	0	28	0	40	0
Police Support Services	43	0	42	0	42	1	42	1
Total Department	226	33	225	33	225	34	225	34

KEY DEPARTMENTAL TRENDS

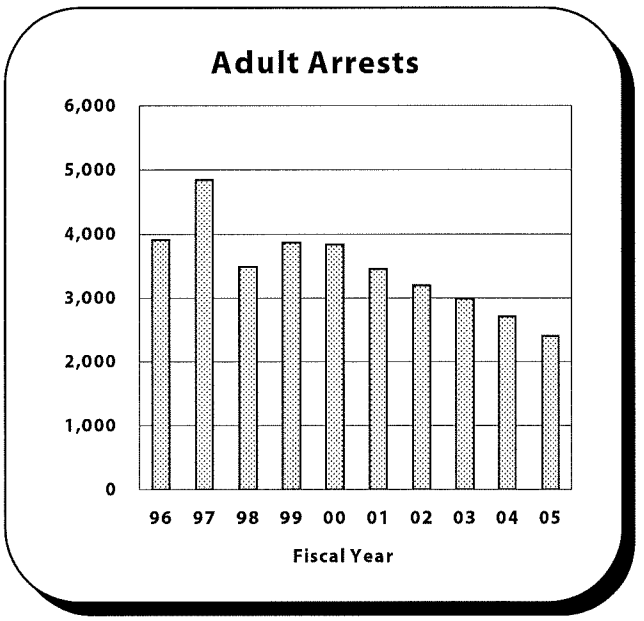
Police Department



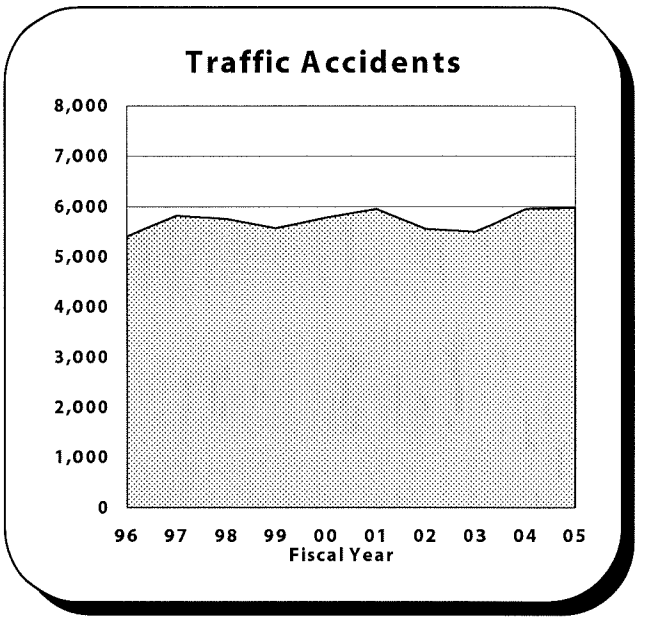
The City's crime rates have decreased over the past ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.



The total number of traffic violations has increased by 58% since 1996, though it is down after reaching a high of 38,000 in 1998. In 2005, the department initiated a multi-faced strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents have expressed a concern. Additional officers also became radar certified to assist in this effort.



Adult arrests in Sterling Heights have averaged between 2,400 and 4,800 annually. The leading five causes of arrest are License Violations, Shoplifting, Bench Warrants, OUIL/OUID, and Assault & Battery. In 1998, arrests decreased as a result of a change in reflecting warrant arrest data. In 2005, adult arrests fell to the lowest level in ten years.



The total number of accidents over the past ten years has increased only 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 2005, vehicular accident reports increased less than 1%, but are now at their highest level in the past ten years. The number of injury traffic accidents decreased by 2.5% in 2005, while the number of traffic fatalities per 100,00 population decreased dramatically, down from 4.8 to only 2.4.

Office of the Police Chief

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

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

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

The Office of the Chief is divided into several distinct functions including: Training, Special Investigations, Special Services, and Community Services.

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

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

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

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

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 the Training Unit is preparing to train all officers in Crisis Intervention which will prepare them in dealing with a person who is not acting normal due to a crisis that they are suffering? The employees will know the signs to look for, how to talk to the person, what words to choose, and who to contact to get them the help they need.

Office of the Police Chief

2006/07 PERFORMANCE OBJECTIVES *(Office of the Police Chief)*

1. To create a multi-accessible citizen complaint procedure in which a citizen may register a complaint with the Special Investigations Bureau through various means including in person, by telephone and on-line. *(City Goal 1, 3, 4, 14)*

2. To provide for an efficient method for the prompt receipt, investigation, and disposition of complaints regarding the conduct of police personnel. This will include increased accessibility in filing a complaint as well as developing an informational brochure outlining the procedure to be followed. *(City Goal 1, 3, 14)*

3. To develop and administer a Strategies and Tactics (STOPS) training program that will better prepare police officers to lessen the risks when involved in a highly volatile situation. *(City Goal 1, 7)*

4. To develop a highly structured training scenario to better prepare officers in the event of a major catastrophe or emergency situation. *(City Goal 1, 2, 7, 25)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Employment Background Investigations	80	45	29	45	36	36
	Internal Affairs Investigations	31	24	17	25	12	12
	Liquor License Background Investigations	32	37	29	40	24	24
	Other Special Investigations Bureau Investigations	213	282	372	275	196	275
	Liquor & Tobacco Inspections/Observations	285	193	183	210	188	210
	Liquor License Violations	23	6	21	25	6	25
	Training Seminars Attended - Department-wide	629	348	395	450	377	400
Efficiency & Effectiveness	Employment Background Investigations - % Hired	35%	22%	30%	22%	30%	33%
	# of Sustained Complaints per 100 Officers	0.6	0.0	0.0	1.0	0.0	1.0
	Average Cost of an Administrative Investigation	$739	$689	$667	*	*	*
	Average Liquor License or Tobacco Inspection Cost	$82	$89	$90	*	*	*
	Department Cost per Capita	$174	$183	$196	$197	$197	$209
	Division Expenditures as % of General Fund	3.37%	3.47%	5.20%	5.37%	5.27%	3.56%

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

Office of the Police Chief

2006/07 PERFORMANCE OBJECTIVES *(Special Services Division)*

1. To develop a strategy to increase department revenues by 3% while decreasing expenditures by 3%. *(City Goal 1, 2, 3, 5, 17, 18, 20, 21)*

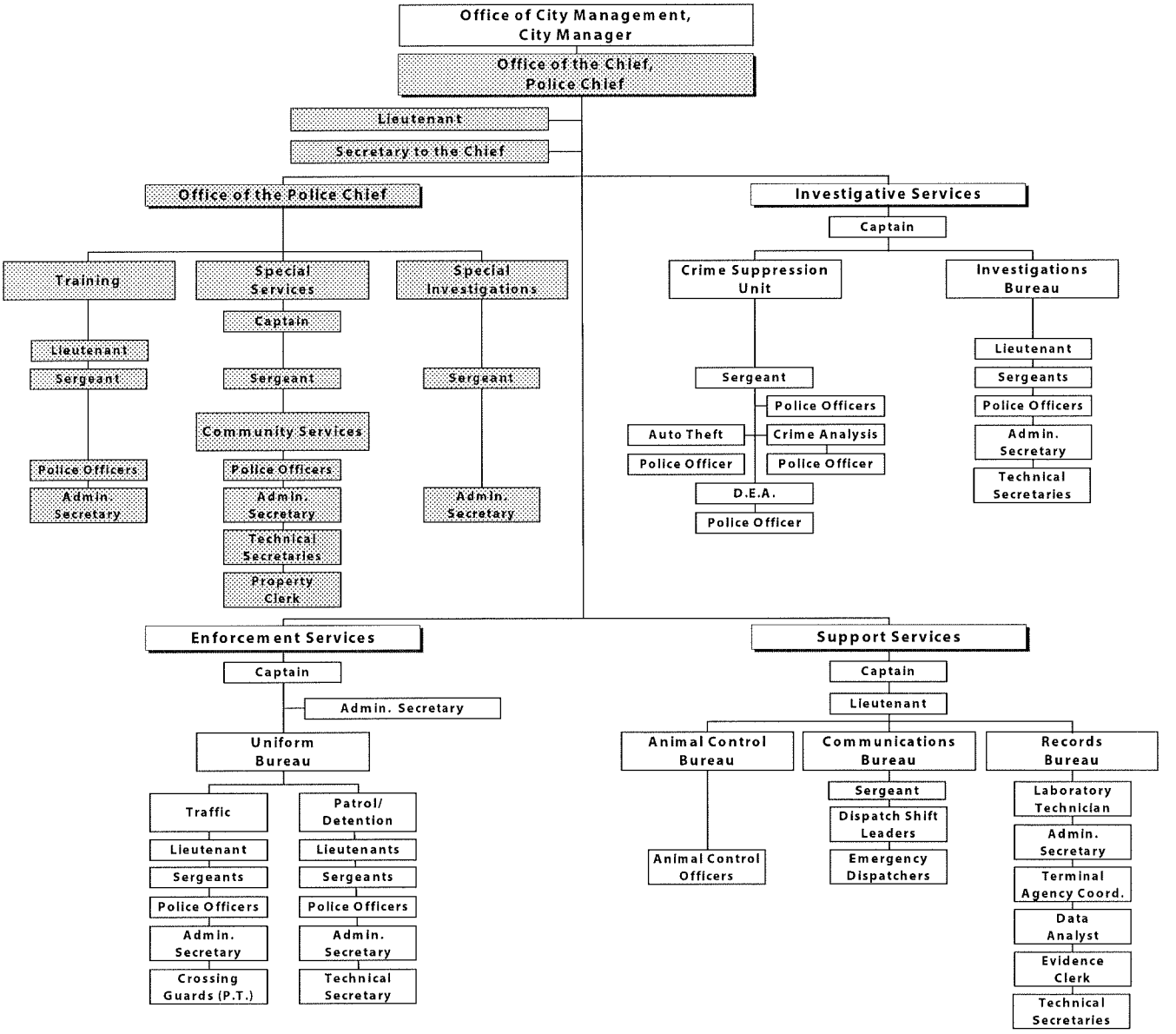
2. To research, develop and implement a plan for inclusion of best practices for payroll/overtime accounting procedures. *(City Goal 5, 17, 20)*

3. To conduct a cost/benefit analysis of current City auction practices versus utilizing private companies or on-line sources to auction off excess property. *(City Goal 1, 2, 3, 17, 20)*

4. To continue development and coordination of the City's Community Emergency Response Team (CERT) Program, to include research for new grant funding. *(City Goal 19, 21, 24, 25)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Public Education Programs Presented	569	786	887	1,125	1,240	1,345
	Car Seat Inspections Conducted	78	216	232	330	200	220
	Security/Safety Presentations	376	425	386	550	700	700
	Neighborhood Watch Programs	N/A	15	28	60	37	40
	Elementary and Middle School Programs	115	130	141	185	120	200
	Hours of D.A.R.E. Instruction	1,351	1,371	1,403	1,350	1,300	1,100
	General Orders Issued or Amended	15	9	6	15	12	10
	Federal Forfeiture Cases Processed	3	7	26	15	10	15
	State Forfeiture Cases Processed	96	86	79	90	50	70
	School Safety Program - Students Instructed	6,580	7,435	7,727	8,530	5,000	5,000
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	6.0:1	4.6:1	4.3:1	7.0:1	5.0:1	6.0:1
	% of D.A.R.E. Students Completing Program	99%	99%	99%	99%	99%	99%

Office of the Police Chief



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Chief	1	1	1
Captain	1	1	1
Lieutenant	2	2	2
Sergeant	4	4	3
Police Officer	16	16	5
Secretary to the Chief	1	1	1
Administrative Secretary	3	3	3
Technical Secretary	2	2	2
Property Clerk	1	1	1
Total	31	31	19

Office of the Police Chief

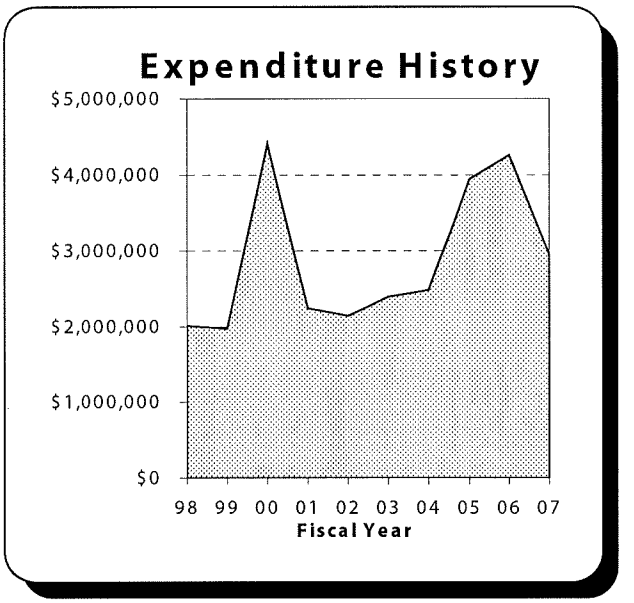
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The total Personnel budget decreased by $1,256,540 or 36.1%. One Sergeant and 11 Police Officer positions making up the Crime Suppression Unit have been transferred to the Police Investigative Services Division next year due to a department reorganization.

Supplies - Total Supplies decreased $3,460 or 2.1%. Operating supplies declined by $4,810 due to a prior year reappropriated encumbrance and to bring the budget more in line with previous years' actual expenditures. Postage costs rose $950 due to a postal rate increase. Dog care supplies rose $300 and Publications increased by $100, both based on rising costs.

Other Charges - Total Other Charges decreased $41,580 or 6.8%. The prior year budget included $39,780 of one-time funding for a Community Emergency Response Team (CERT) training grant. Contracted service costs decreased $4,000 based on the prior year's actual expenditure usage. The City will save $3,550, as it is less costly and quicker to fix broken Mobile Computer Terminals in-house rather than sending them out for repairs. $3,000 will be saved as fewer radio repairs will be needed due to a new 800 MHz Radio Communication System. The department will no longer have to publish vehicle auctions, saving $500. Printing costs decreased $500, as fewer accident report forms are needed. Due to the availability of on-line resources, $1,000 was saved as fewer copies of the Bresser's Cross Index Directory are needed. Heating costs rose $10,000 due to higher natural gas rates. Water costs increased $1,500 due to higher rates and increased usage.



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.

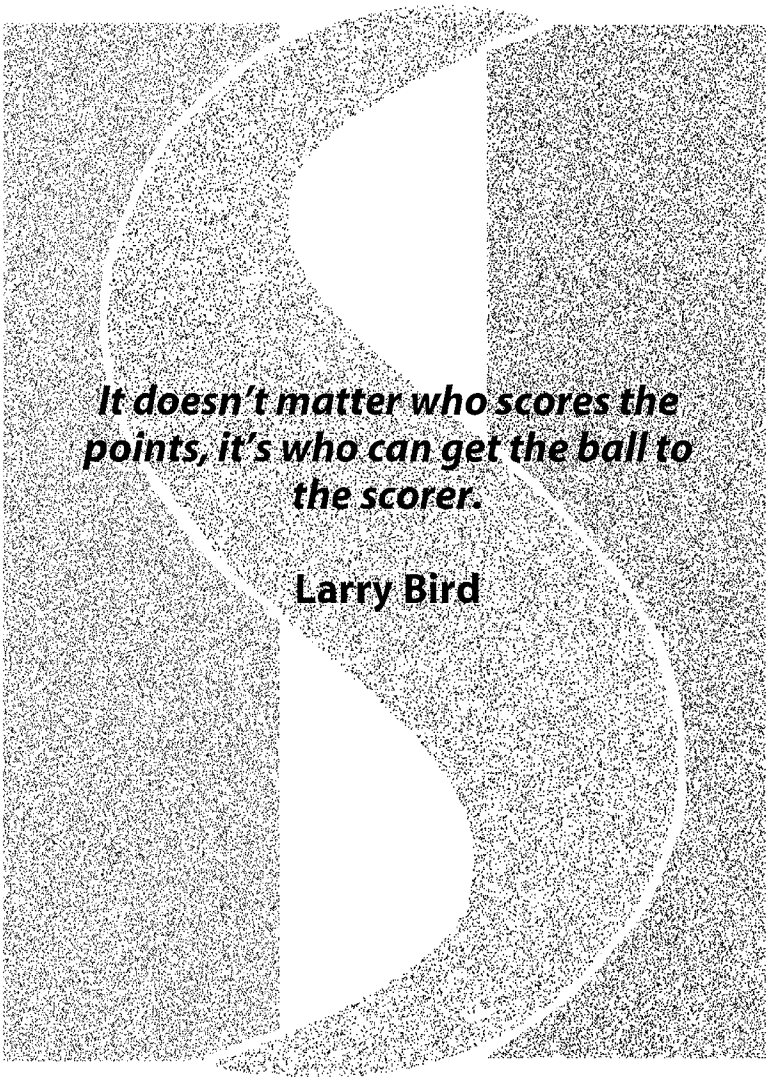
Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$3,252,089	$3,479,760	$3,364,020	$2,223,220	$2,223,220
Supplies	140,089	161,510	154,590	158,050	158,050
Other Charges	548,173	615,830	625,190	574,250	574,250
Total	$3,940,351	$4,257,100	$4,143,800	$2,955,520	$2,955,520


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

Police Enforcement Services

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

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

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

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

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

The Traffic Safety Bureau investigates motor vehicle collisions, assists the injured, and impounds disabled vehicles at accident scenes. Once this is accomplished, they properly document the incident through a Michigan State Accident Report provided by the Department of State Police. Further, this Bureau is the primary traffic enforcement agency for the myriad of state and local traffic codes.

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 Enforcement Services Division has two Speed Monitoring Awareness Radar Trailers which have been deployed over 300 times in the last year to assist in determining high, low, and average speeds on any street in Sterling Heights and educate the public as to speed conditions?

Police Enforcement Services

2006/07 PERFORMANCE OBJECTIVES

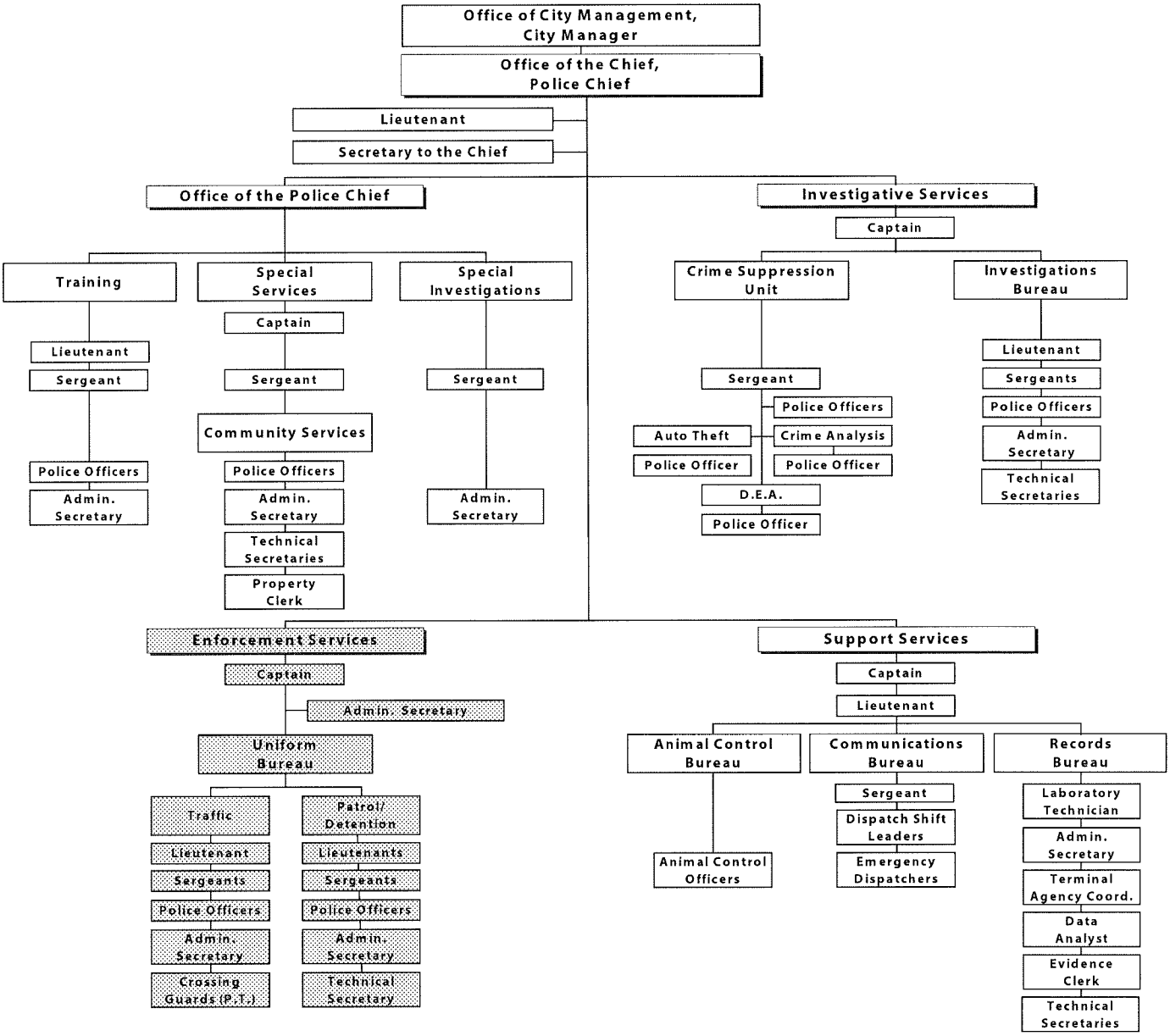
1. To implement a multi-faceted strategy to increase traffic enforcement production by 10% by targeting high traffic areas and those locations where residents have expressed a concern. *(City Goal 1, 7, 24)*

2. To research, develop and implement a weekly training program during the two-hour shift overlap to reduce overtime costs and improve efficiencies. *(City Goal 3, 4, 7, 24)*

3. To develop and implement a comprehensive performance evaluation program for all officers within the Enforcement Services Division. *(City Goal 1, 7)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Police Incident Reports Completed	51,902	52,285	51,324	52,000	50,742	50,000
	Group A Crime Reports	6,897	6,260	6,474	6,400	7,113	6,500
	Group B Crime Reports	2,424	3,623	4,170	3,600	4,411	4,000
	Vehicular Accident Reports	4,114	4,129	4,529	4,200	4,514	4,500
	All Other Reports	38,481	38,273	36,151	37,800	34,704	35,000
	Adults/Juveniles Arrested	2,988/225	2,707/246	2,406/183	2,690/250	2,390/146	2,500/175
	Traffic Violations Issued	27,012	24,208	26,972	27,700	26,492	27,700
	Residential Traffic Enforcement Violations	3,712	3,778	4,014	4,230	3,946	4,200
	SMART Radar Trailer Deployments	137	248	327	300	350	375
	K-9 Unit Deployments	297	245	248	290	226	250
	OUIL Arrests	405	412	361	410	352	400
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	55.1	49.8	51.3	50.4	56.0	51.0
	Group B Crimes Per 1,000 Population	19.4	28.8	33.0	28.3	34.7	31.4
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Uniform Bureau Officer	419	436	428	433	423	417
	# of Injury Traffic Accidents per 100,000 Population	609	703	683	640	845	750
	# of Traffic Fatalities Per 100,000 Population	5.6	4.8	2.4	4.7	1.5	3.5
	% of Total Sworn Personnel in Traffic & Patrol	68%	68%	70%	68%	69%	69%
	OUIL Arrests Per 1,000 Residents	3.2	3.3	2.9	3.2	2.8	3.1
	Division Expenditures as % of General Fund	20.13%	22.42%	20.03%	18.28%	18.58%	18.67%

Police Enforcement Services



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Captain	1	1	1
Lieutenant	4	4	4
Sergeant	18	18	18
Police Officer	97	97	97
Administrative Secretary	3	3	3
Technical Secretary	1	1	1
Crossing Guard (P.T.)	33	33	33
Total	157	157	157

Police Enforcement Services

SUMMARY OF BUDGET CHANGES

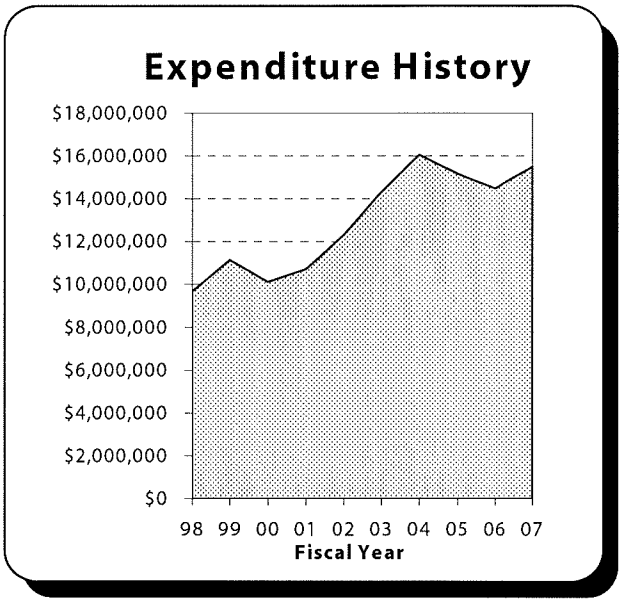
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The total Personnel budget increased $1,010,970 or 7.0%. Full-time wages rose $314,700 as all employees are budgeted to receive a 3% wage increase. Retiree medical funding rose $656,620 to help offset the City's rapidly growing liabilities. Police & Fire Pension costs declined $148,920 based on the results of a recent actuarial study. Employee medical insurance costs rose $54,250 based on a rate increase next year. Dental insurance costs rose 7.9%.

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

Other Charges - All Other Charges for the Police Department are budgeted in the Office of the Police Chief, except miscellaneous expenses. These costs decreased $500 or 16.7% based on recent years' actual expenditure levels.

Capital - Total Capital of $236,500 is proposed for this activity and is budgeted in the Capital Projects Fund. $236,500 is recommended to replace 11 high mileage patrol and traffic vehicles.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$15,166,441	$14,474,610	$14,606,090	$15,485,580	$15,485,580
Supplies	0	0	0	0	0
Other Charges	2,247	3,000	2,500	2,500	2,500
Total	$15,168,688	$14,477,610	$14,608,590	$15,488,080	$15,488,080

Police Investigative Services

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

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

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 and Drug Enforcement Administration (D.E.A.).

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

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

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

KEY GOALS

- ***To quickly respond to complainants/victims.***
- ***To 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.***

Did you know?...
...that the Investigative Services Division investigated over 4,000 cases last year?

Police Investigative Services

2006/07 PERFORMANCE OBJECTIVES

1. To oversee the implementation of a multi-jurisdictional task force for gathering intelligence sharing and effecting arrests for organized crime/drug-related criminal activity. *(City Goal 12, 24)*
2. To research and develop a revised Detective Bureau shift schedule that incorporates both day and night shift coverage. *(City Goal 24)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Investigations Bureau Cases Assigned	4,972	5,118	4,172	4,920	4,325	4,830
	Adult Investigative Cases	3,683	3,779	2,728	3,600	3,000	3,400
	Juvenile Investigative Cases	958	982	938	1,000	1,000	1,100
	In-Custody Cases	331	357	506	320	325	330
	Total Crime Suppression Bureau Cases Assigned	514	498	482	590	475	495
	Auto Theft Investigative Cases	170	151	169	180	150	160
	Narcotic/Vice Investigative Cases	344	347	313	410	325	335
	Total Interviews Conducted	19,524	20,486	18,512	20,700	17,500	18,300
	Suspect Interviews	4,456	4,593	4,614	4,580	4,500	4,600
	Witness & Informant Interviews	8,800	9,207	7,549	9,500	7,000	7,500
	Victim Interviews	6,268	6,686	6,349	6,620	6,000	6,200
	Arrest Warrants Obtained	1,382	1,553	1,138	1,530	1,400	1,500
	Search Warrants Obtained/Executed	181	145	202	180	150	180
	Polygraph Examinations Conducted	70	73	68	70	50	60
	Criminal Surveillances	460	377	597	440	425	480
	School Resource Officer - # of Hours at Schools	400	400	400	400	1,400	1,450
	# of Students Served by School Resource Officer	1,500	1,500	1,500	1,500	1,600	1,650

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

Police Investigative Services

2006/07 PERFORMANCE OBJECTIVES

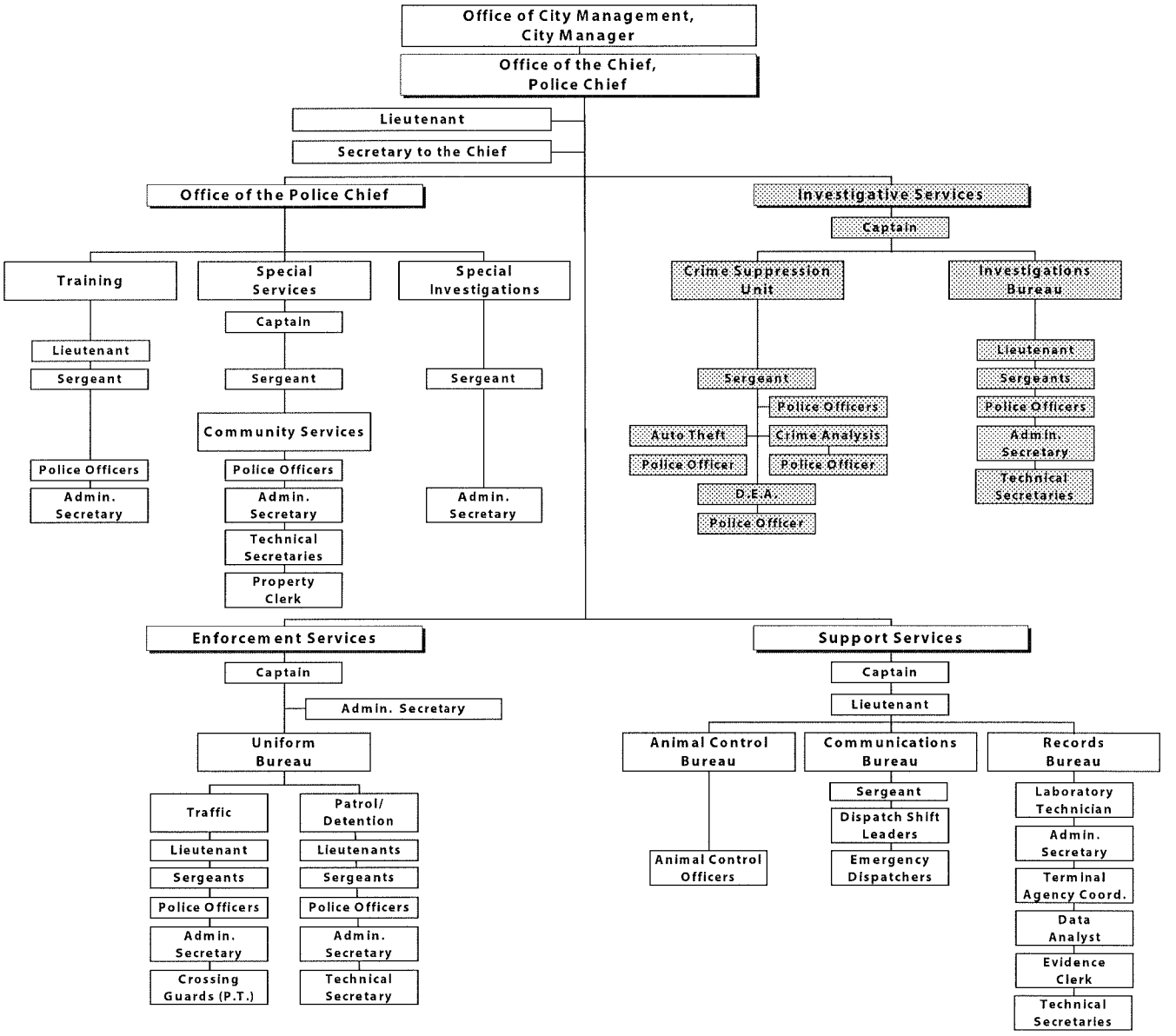
3. To research, develop and implement an action plan or method of operation to improve the exchange of information between Investigations and Enforcement. *(City Goal 18, 25)*

4. To improve case management by instituting an improved case tracking system which will include standardized reporting procedures for detectives and establish benchmarks for reports to be filed in an open investigation. *(City Goal 3, 18)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Efficiency & Effectiveness	% of Petitions Obtained vs. Requested	98%	98%	97%	98%	97%	98%
	% of Arrest Warrants Obtained vs. Requested	89%	89%	92%	90%	91%	90%
	Investigations Bureau Cases per Investigator	216	223	181	214	188	210
	Crime Suppression Bureau Cases per Investigator	64	62	60	74	59	62
	% of Part 1 Violent Crimes Cleared	50.7%	49.5%	49.0%	51.4%	50.7%	50.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.6	0.6	0.6	0.6	0.7	0.6
	Juvenile Arrests Violent Crimes - % of Total Arrests	10%	16%	8%	13%	7%	11%
	% of Part 1 Property Crimes Cleared	18.7%	14.0%	11.0%	15.0%	12.2%	14.5%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.1	2.5	2.1	2.6	2.1	2.6
	Juvenile Arrests Property Crimes - % of Total Arrests	24%	16%	16%	18%	14%	18%
	Car Theft Ratio Per 1,000 Population	1.4	1.2	1.3	1.4	1.2	1.3
	Average Cost to Conduct a Polygraph Examination	$249	$255	$262	*	*	*
	Average Cost to Investigate a Case	$566	$562	$543	*	*	*
	Division Expenditures as % of General Fund	5.71%	2.49%	3.56%	4.07%	4.10%	5.95%

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

Police Investigative Services



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	3	3	4
Police Officer	18	18	29
Administrative Secretary	1	1	1
Technical Secretary	4	4	4
Total	28	28	40

Police Investigative Services

SUMMARY OF BUDGET CHANGES

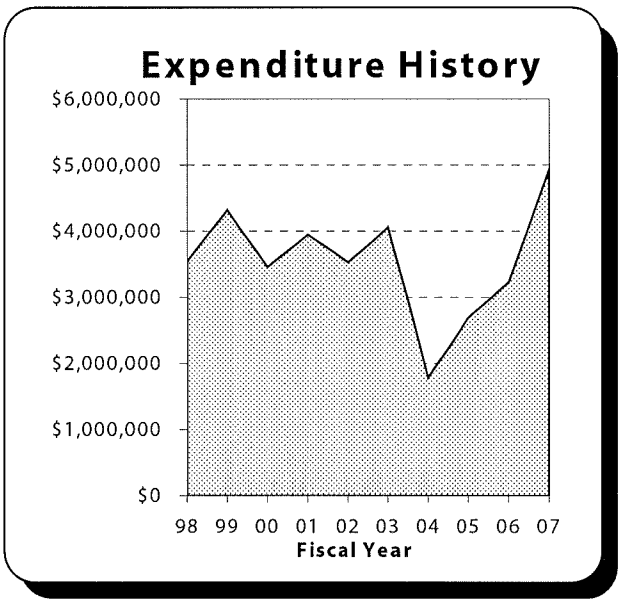
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget increased by $1,705,320 or 52.9%. Most of the increase is a result of transferring one Sergeant and 11 Police Officer positions, which comprise the Crime Suppression Unit, from the Office of the Police Chief to this division. In addition, the wage and fringe benefit costs for the remaining 28 positions increased. All employees are budgeted to receive a 3% wage increase next fiscal year.

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

Other Charges – All Other Charges for the Police Department are budgeted in the Office of the Police Chief, except miscellaneous expenses, which decreased $1,000 to be brought in line with recent years' actual expenditures. All drug forfeiture related expenditures previously recorded in this activity are now budgeted in the newly established Public Safety Forfeiture Fund.

Capital – A total of $116,900 in Capital is proposed for this division in the Public Safety Forfeiture Fund. See the Public Safety Forfeiture Fund for further budget detail.



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

Personnel Services – Council made no adjustments to Personnel Services.

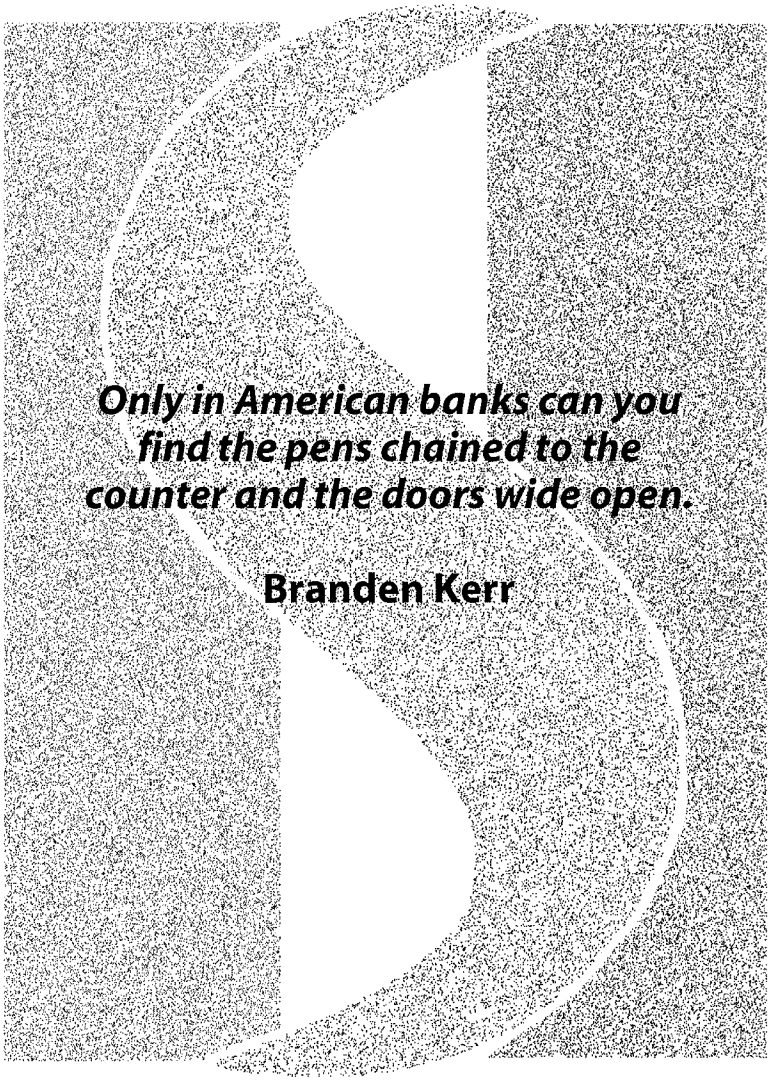
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$2,545,516	$3,224,750	$3,222,230	$4,930,070	$4,930,070
Supplies	0	0	0	0	0
Other Charges	149,128	2,000	1,000	1,000	1,000
Total	$2,694,644	$3,226,750	$3,223,230	$4,931,070	$4,931,070


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

Police Support Services

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

The Support Services Division is one of four divisions within the Police Department. The Division commander is a Captain who reports directly to the Chief of Police. It is made up of Records, Communications and the Animal Control Bureaus.

The Records Bureau serves as the information center for businesses, attorneys and the public. The Records Bureau collects, maintains, and distributes reports of crimes, incidents, vehicular crashes and other matters of interest to the public and those needed for police operations, as required by law. Records personnel respond to all police-related document requests filed under the Freedom of Information Act. They receive, process and monitor a large file of active warrants for both criminal and civil matters, as well as, file jackets pertaining to arrested persons. Records personnel input source documents into the Department's computer system and generate reports as required by the State of Michigan, the F.B.I. and other Police Department personnel.

The Records Bureau also maintains the inventory of all recovered or confiscated property, items of evidence, impounded motor vehicles and property in conjunction with other City departments. Records personnel 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 stated needs of the Department. Due to continuing computerization within the Department, the Computer Services unit acts as an in-house resource providing support in the utilization of computers. The Photo Lab Technician is responsible for processing all photographic evidence. Additionally, this area assists other City departments in processing photographs and serves as a technical resource to the Department's Evidence Technicians.

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

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

KEY GOALS

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

Did you know?...
...that the Police Department's Support Services Division annually processes over 500 requests for reports and documents under the Freedom of Information Act?

Police Support Services

2006/07 PERFORMANCE OBJECTIVES

1. To develop an alternate strategy to reduce travel costs and administrative expenses associated with the housing of stray domestic animals. *(City Goal 2, 3, 17)*

2. To develop and report best practices for the outsourcing of traffic accident reports. *(City Goal 3, 6, 17, 20)*

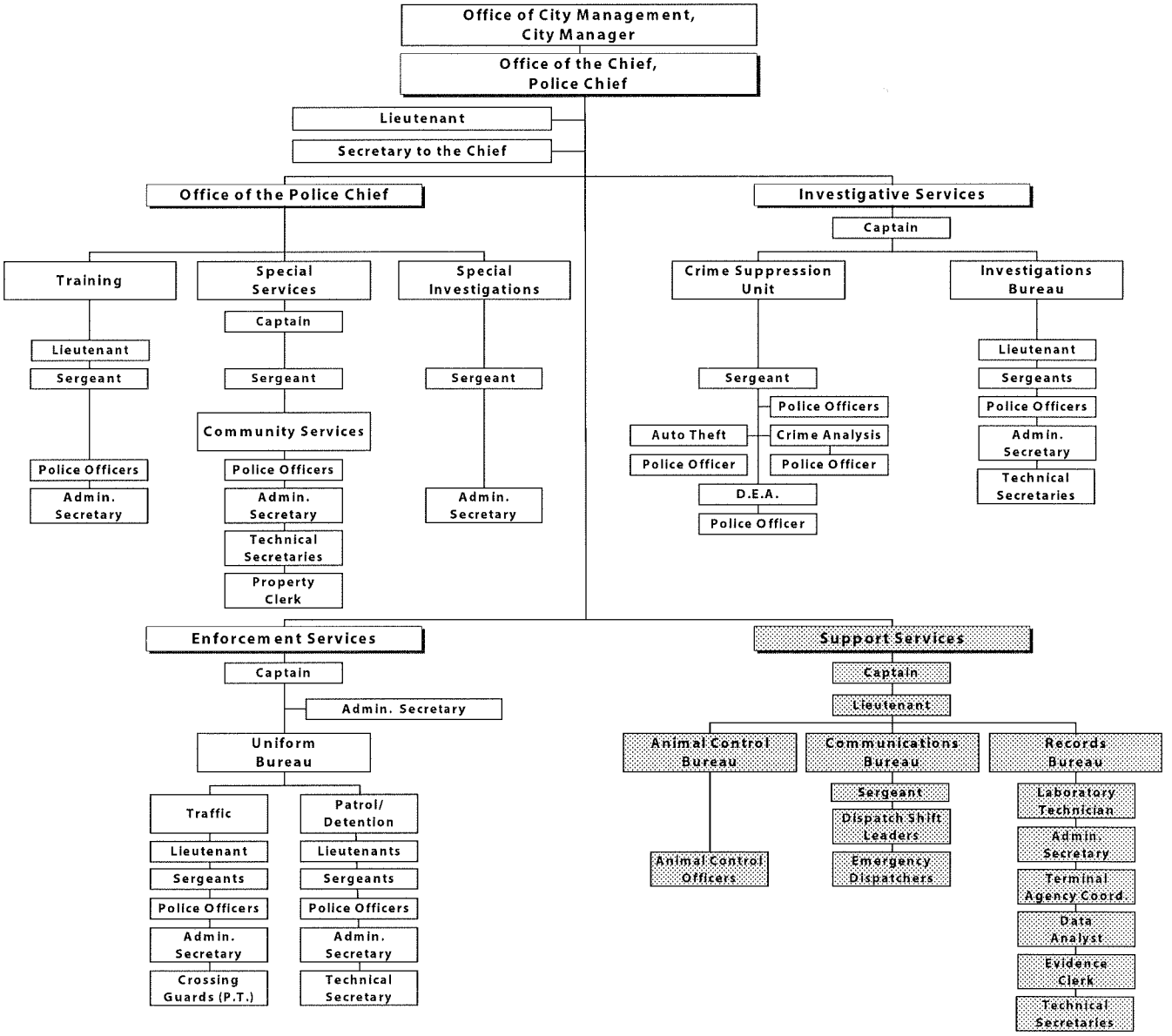
3. To develop and implement an action plan for the 800 MHz Radio System conversion. *(City Goal 17, 24, 25)*

4. To develop and implement best practices for Web LEIN Administration. *(City Goal 3, 17, 18)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Incidents Processed into Computer	51,902	52,285	51,324	52,000	50,742	50,000
	Police Reports Provided on Request	7,243	7,270	7,144	7,300	6,622	6,800
	Total Calls to 911 (Includes Cellular Calls)	33,684	36,246	44,544	43,000	43,035	43,500
	Gun Permits Obtained	1,496	1,474	1,477	1,500	1,422	1,500
	Responses by Animal Control	3,034	3,399	4,018	3,600	3,674	3,700
	Freedom of Information Act Requests	414	460	562	525	527	600
	Criminal Warrants Processed	3,227	2,921	2,716	2,900	2,822	2,900
	Arrests Processed	3,213	2,953	2,589	2,940	2,536	2,675
	Pieces of Evidence Collected	2,616	2,684	2,930	3,100	2,382	2,500
	Hours of Radio Communication Coordination	305	50	325	350	360	400
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	50	52	34	35	34	34
	Average Cost of an Animal Control Response	$62.11	$59.59	$54.50	*	*	*
	Average Cost of a FOIA Request	$12	$38	$23	*	*	*
	Dispatch Operations Cost Per Call Dispatched	$31.37	$30.86	$32.58	*	*	*
	Division Expenditures as % of General Fund	1.52%	3.85%	3.82%	3.86%	3.85%	3.91%

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

Police Support Services



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	1	1	1
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.)	0	1	1
Total	42	43	43

Police Support Services

SUMMARY OF BUDGET CHANGES

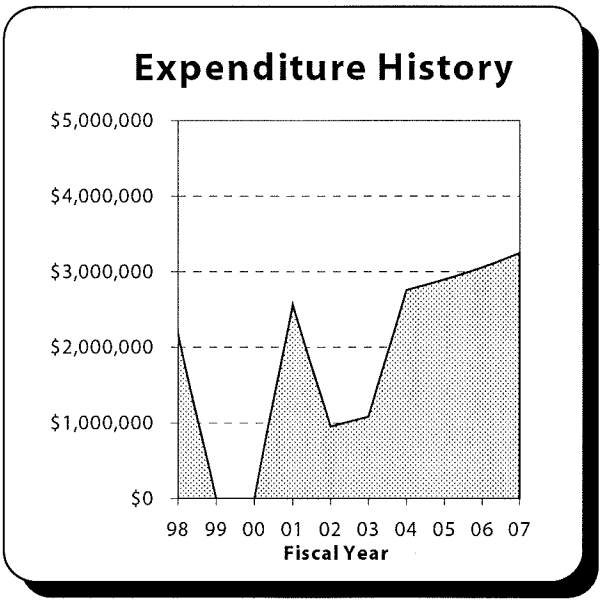
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget increased by $188,910 or 6.2% over last year's budget. Funding for full-time employee wages rose $71,080 as all employees are budgeted to receive a 3% wage increase next year. Retiree medical funding costs rose $102,950, which is needed to fund the City's growing retiree medical liabilities. Based on a recent actuarial study, the City's required contribution to the Police & Fire Pension System will decline by $5,810 next year.

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

Other Charges – All Other Charges for the Police Department are budgeted in the Office of the Police Chief, except miscellaneous expenses, which decreased $100, as prior year budgeted funds were not fully spent.

Capital – Total Capital of $1,501,400 is proposed for this activity and is budgeted in the Capital Projects Fund. $1,501,400 is recommended for an 800 MHz Public Safety Radio System to replace the current system and provide a more reliable source of communication among all public service departments. It will also allow the Police and Fire Departments the ability to communicate with surrounding agencies and within buildings, which is not possible with the current radio system. The budget includes funding for replacement dispatch base radios, and mobile and portable radios with chargers for the Police, Fire, and Public Works Departments. The proceeds from the sale of a $1.5 million equipment note will be used to fund these costs. Partial funding for the Department of Public Works' share of the cost ($154,100) is budgeted in the Water & Sewer 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.

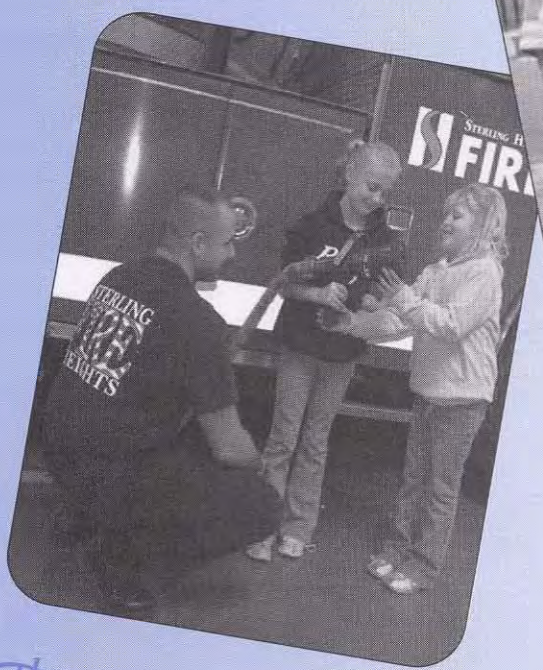
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$2,896,714	$3,053,670	$3,029,830	$3,242,580	$3,242,580
Supplies	0	0	0	0	0
Other Charges	118	300	200	200	200
Total	$2,896,832	$3,053,970	$3,030,030	$3,242,780	$3,242,780

Fire Department



the Next Generation – Our Future

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 $966,210 or 6.9%. Rising personnel costs accounted for the entire increase. Wages increased by $233,980. The budget includes an additional $620,720 to partially fund the Department's growing retiree medical obligations. Required employer contributions to the Police & Fire pension system fell by $126,730. The Fire Open House and Civilian Fire Academy are both funded. The Supplies budget decreased by $23,160 or 12.0% due to a prior year reappropriated encumbrance. Other Charges fell by $1,820 or 0.4% as the City received the final RAMsafe software update in the prior year. Telephone costs fell due to the elimination of slower data connection lines. These savings were partially offset by the rising cost of utilities, the cost of implementing new State mandated medical reporting requirements, and a satellite subscription service for the Incident Command Van. Funds are included in the capital budget for the 800 MHz Radio System, two replacement vehicles, two EKG monitors and defibrillators, a new thermal imaging camera, and five breathing apparatus.

FUNDING LEVEL SUMMARY

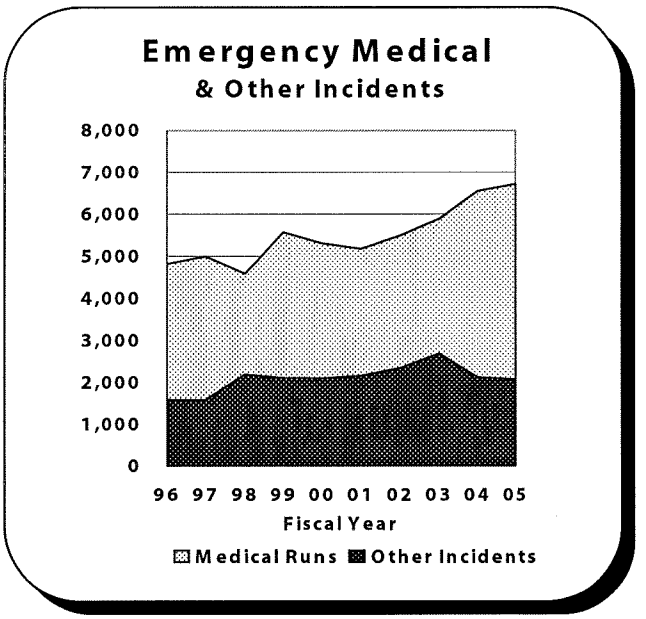
	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Fire Administration	$1,053,610	$1,081,970	$1,103,300	$1,168,480	5.9%
Fire Extinguishment	10,759,740	11,494,370	11,813,840	12,647,390	7.1%
Fire Prevention	890,180	1,069,310	979,660	1,043,770	6.5%
Emergency Management	190,070	192,530	110,780	114,150	3.0%
Total Department	$12,893,600	$13,838,180	$14,007,580	$14,973,790	6.9%
Personnel Services	$12,161,260	$13,117,240	$13,327,810	$14,319,000	7.4%
Supplies	256,820	153,530	193,700	170,540	-12.0%
Other Charges	475,520	567,410	486,070	484,250	-0.4%
Total Department	$12,893,600	$13,838,180	$14,007,580	$14,973,790	6.9%

PERSONNEL SUMMARY

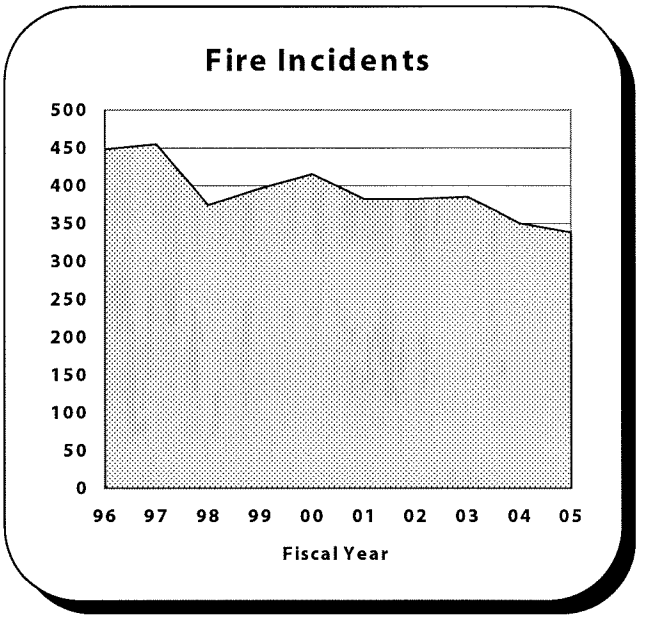
	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	0	10	0	10	0	10	0
Fire Extinguishment	90	0	90	0	90	0	90	0
Fire Prevention	7	0	7	0	7	0	7	0
Emergency Management	1	0	1	0	1	0	1	0
Total Department	108	0	108	0	108	0	108	0

KEY DEPARTMENTAL TRENDS

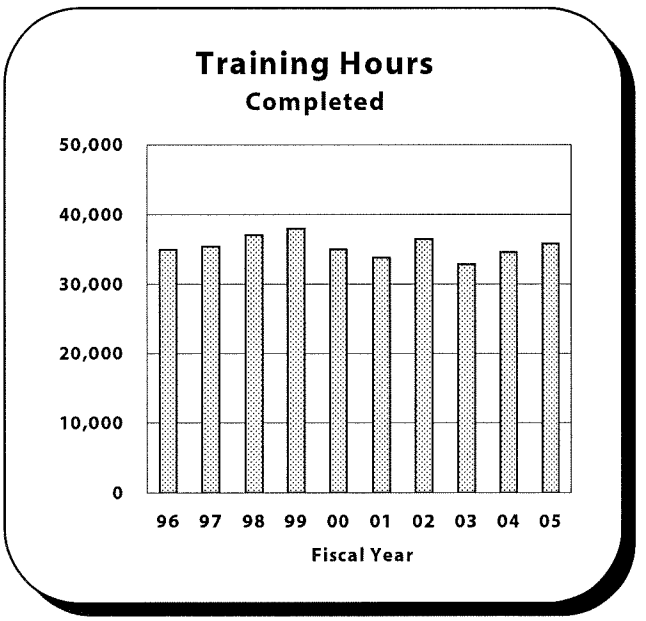
Fire Department



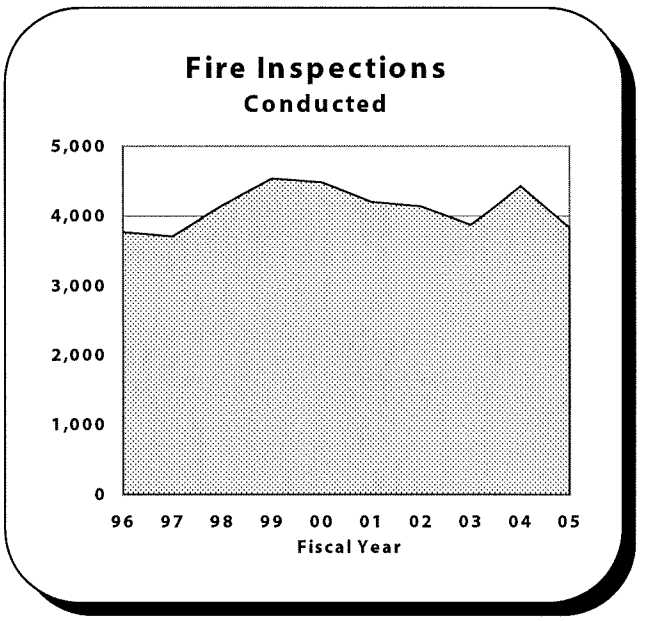
There has been an overall increase in the number of emergency medical runs and other incidents occurring in Sterling Heights over the past ten years. Since 1996, medical runs have increased by 39% and other incidents have increased by 30%. The City's medical rescue services continue to receive high marks 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 1996, 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 $600,000, which is below national, state, and county averages. The city currently averages less than one fire incident every five days at each of the city's five fire stations. 78% of cities nationally had higher fire incidents per resident based on a 2003 ICMA survey. Only 3% had faster average fire response times.



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



The number of fire inspections has generally decreased during periods of employee turnover and the resulting increased training for new employees in the Fire Prevention Division. Fire inspections have generally increased when employee turnover has subsided. In a typical year, the seven member Fire Prevention staff conducts 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. Clerical support for the entire Department operates in Fire Administration. The support staff maintains all records, files, and employee time records, coordinates public relations and educational activities, and other word processing and mail distribution functions.■

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 six Fire Department members placed 1st in the Regional Alliance for Firefighter Training (R.A.F.T.) annual vehicle extrication competition in Dearborn, MI competing against 13 other teams throughout Michigan?

Fire Administration

2006/07 PERFORMANCE OBJECTIVES *(Administration)*

1. To introduce a cost recovery ordinance for all risk hazards that the Fire Department responds to, inspects, and investigates, where appropriate response and investigation costs can be recouped by the City. (City Goal 3, 20)

2. To research the viability of developing a local Special Operations Consortium that would organize as an extension of the Michigan Urban Search and Rescue (MUSAR) response system. *(City Goal 2, 25)*

3. To implement the State of Michigan mandated reporting requirements of the National Emergency Medical Informational System (NEMIS). *(City Goal 25)*

4. To work through the Regional Alliance for Firefighter Training (RAFT) to seek compliance between all local Regional Training Centers (RTC) to conduct a validated Candidate Physical Ability Test (CPAT) that would be recognized by the City as another minimum requirement for all Firefighter candidates. *(City Goal 3, 25)*

5. To research the feasibility of providing fire-based ambulance transport service wherein service levels would be increased through improved ALS ambulance response times and better continuity of patient care, while creating a sustaining revenue stream. *(City Goal 20, 25)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Incident Reports Reviewed for Quality	9,117	9,215	9,292	9,340	9,600	9,425
	Employee Evaluations Conducted/Tracked	138	130	132	140	140	140
	APPO's and Standard Operating Guidelines Reviewed	76	70	60	50	50	60
	FOI Requests Processed	48	57	64	50	50	50
	Staff/Battalion Meetings Conducted	18	12	14	18	18	16
	Presentations to Civic Groups/Organizations	22	20	16	20	20	20
	Employee/Civilian Citations Processed	10	4	12	8	9	12
	Fire-Related Periodical/Journals Reviewed	480	480	480	480	480	480
	Safety Recommendations Implemented	21	12	16	30	20	24
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	$97	$102	$110	$110	$110	$117
	Division Expenditures as % of General Fund	1.53%	1.47%	1.43%	1.39%	1.41%	1.41%

Fire Administration

2006/07 PERFORMANCE OBJECTIVES *(Training)*

1. To conduct a multi-discipline weapons of mass destruction training exercise involving Police, Fire, Public Works, and City Administration in compliance with the National Incident Management System (NIMS) requirements. *(City Goal 24, 25)*

2. To increase knowledge and training of emergency operations and improve response safety through development and delivery of a three-part Rapid Intervention Fire Rescue Training Series. *(City Goal 25)*

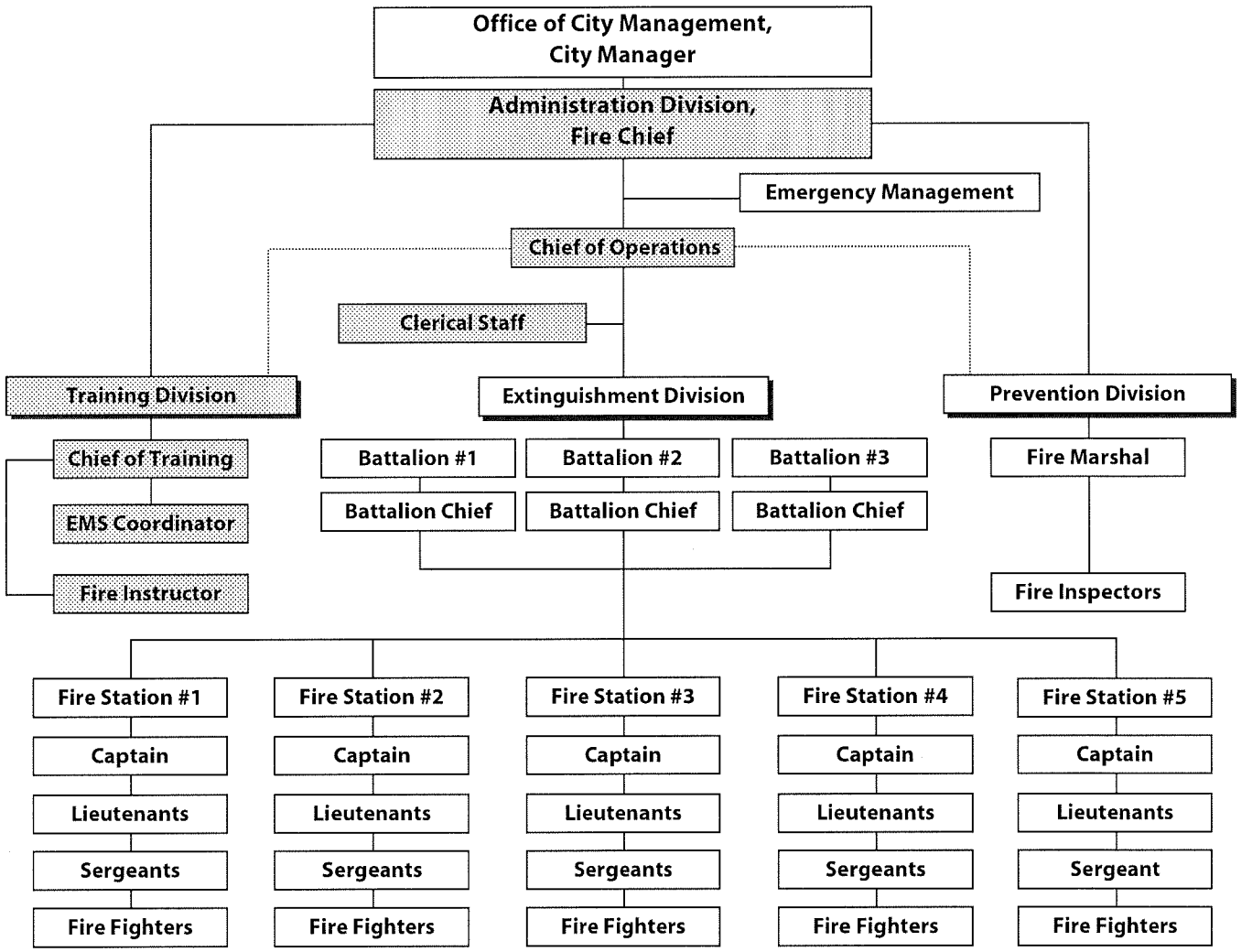
3. To integrate, through software enhancement, the National Emergency Medical Information System (NEMIS) reporting requirements within the Fire Department's existing NFIRS database system. *(City Goal 18)*

4. To achieve Trench Rescue training certification for all Fire Extinguishment personnel to the Operational level of response, in compliance with National Fire Protection Associations (NFPA) Standard 1670 and the Michigan Urban Search and Rescue (MUSAR) requirements. *(City Goal 25)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Formal Training Hours Coordinated	32,839	34,583	35,809	36,050	35,990	36,000
	Hours of Fire Officer Training	520	637	441	750	540	600
	Hours of EMS Training	2,780	5,608	3,872	4,500	4,800	4,700
	Hours of Fire Suppression Training	10,331	9,959	10,638	11,000	11,150	11,000
	Hours of Hazardous Material Training	2,860	1,851	2,567	3,000	2,400	2,500
	Hours of Professional Development Training	1,019	1,083	2,730	2,500	2,900	2,700
	Hours of Physical Fitness Training	8,790	8,782	9,391	9,300	9,300	9,500
	Hours of All Other Training	6,539	6,663	6,170	5,000	4,900	5,000
	Residents Receiving Formal Public Education	7,786	7,850	7,893	8,000	7,800	8,000
	Residents Receiving CPR Instruction	1,182	1,251	1,050	1,100	1,100	1,100
	License/Certification Applications Processed	52/52	47/76	51/69	50/50	50/50	50/60
	Procedures Developed and Updated	95	52	58	65	45	55
Efficiency & Effectiveness	Days of Work Lost Due to Injury	137	67	23	14	80	40
	Sworn Pers. to Workers Comp/Disability Indemnity	105:0	102:0	102:0	102:1	102:1	102:1
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	313	339	351	350	353	360
	Training Division Cost per Fire Fighter	$3,283	$3,319	$3,388	*	*	*

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

Fire Administration



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

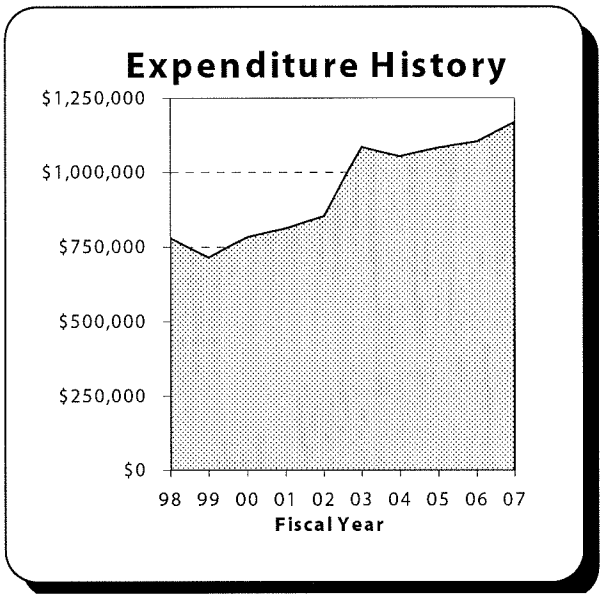
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget rose by $61,880 or 6.1%. Full-time wages increased by $20,260. Higher retiree medical liabilities resulted in a $42,300 increase. Lower Police & Fire Pension costs resulted in a $6,440 savings.

Supplies – Total Supplies is proposed to decrease $1,200 or 3.6%. Funding decreased $1,000 for operating supply costs and $200 for publications to bring the budget more in line with amounts historically spent.

Other Charges – Total Other Charges increased $4,500 or 7.5%. $5,000 was added to the budget for the one-time funding for computer consultant services needed to incorporate the National Emergency Medical Information System's (NEMIS) new State mandated medical reporting requirements into the Fire Department's existing reporting software. Funding for medical services decreased $500 based on lower historic and anticipated usage.

Capital – Total Capital of $43,000 is proposed for this activity and is budgeted in the Capital Projects Fund. $21,000 is for a 4x4 Utility Vehicle to replace the Fire Chief's 1999 SUV that is used to respond to emergencies and perform various other duties during the course of business. $22,000 is for a Passenger Van that is used to transport fire personnel and fire equipment to emergency scenes, training exercises, and out-of-town training classes. This Van will replace a vehicle that has already been deadlined.



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

Personnel Services – Council made no adjustments to Personnel Services.

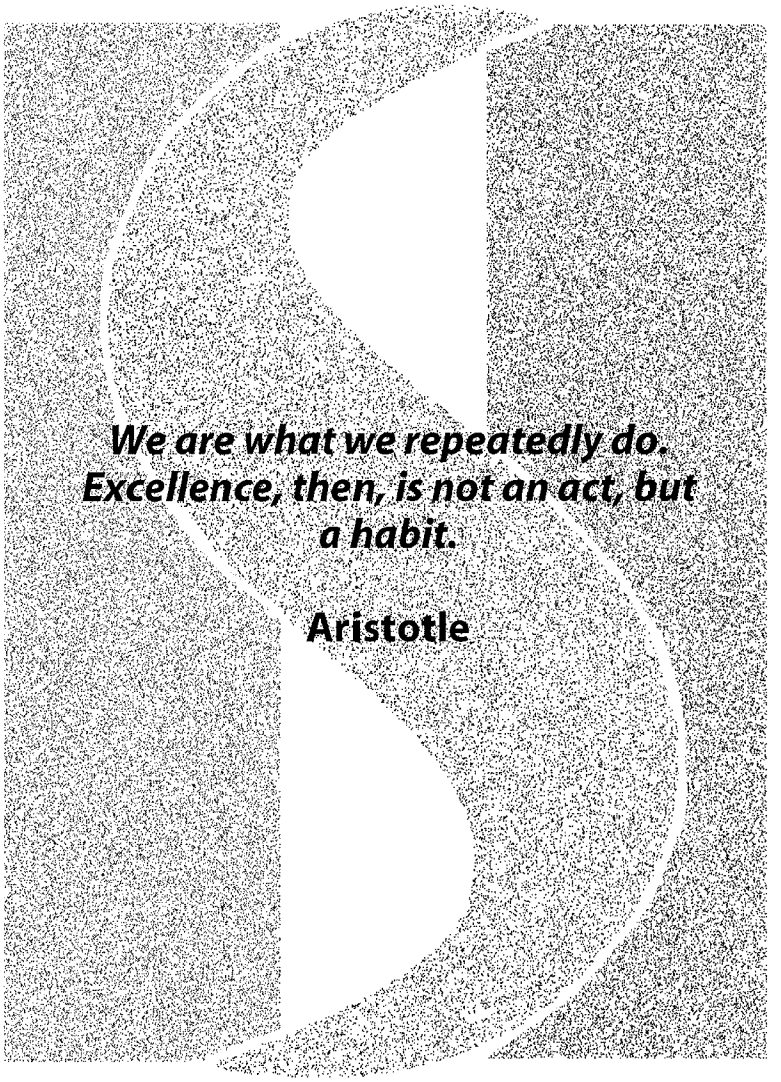
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$985,077	$1,010,490	$1,015,160	$1,072,370	$1,072,370
Supplies	29,505	33,100	33,680	31,900	31,900
Other Charges	67,390	59,710	57,760	64,210	64,210
Total	$1,081,972	$1,103,300	$1,106,600	$1,168,480	$1,168,480


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

Fire Extinguishment

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

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

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

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 in 1986, the Sterling Heights Fire Department was the first in the State to begin operating under the National Fire Academy's Incident Command System (I.C.S.) which is now the incident management system utilized by most fire department's throughout the United States?

Fire Extinguishment

2006/07 PERFORMANCE OBJECTIVES

1. To seek grant funding for three traffic warning devices to be placed in front of three of the City's fire stations. These devices will warn traffic of an impending emergency response. *(City Goal 1, 24, 25)*

2. To implement the second phase of the mobile data computer initiative allowing each of the fire apparatus in the bays to directly interface with the City's dispatch center. *(City Goal 1, 6, 17, 18, 24, 25)*

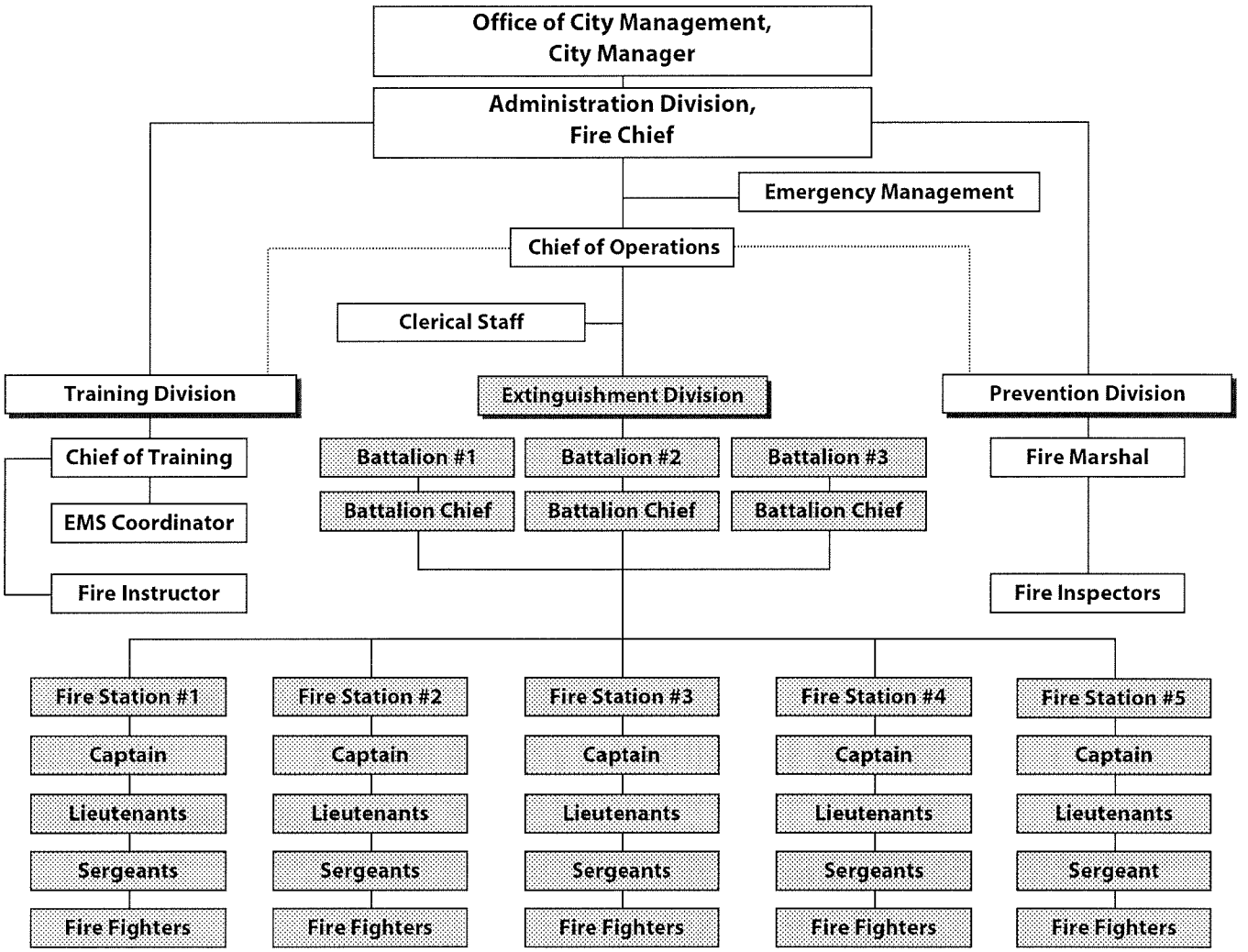
3. To store hazardous materials containment booms along two sites on the Clinton River. *(City Goal 1, 6, 12, 24, 25)*

4. To successfully transition from the aged Ultra High Frequency (UHF) radio band for Fire Departmental Communications to the County-wide "interoperable" 800 MHz system. *(City Goal 6, 17, 18, 24, 25)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Fire Department Incidents	9,117	9,215	9,292	9,340	9,600	9,425
	EMS-Related Incidents	5,888	6,551	6,719	6,700	6,770	6,700
	Hazardous Material Incidents	149	184	158	140	200	175
	Fire Incidents	385	350	338	300	350	350
	All Other Incidents	2,695	2,130	2,077	2,200	2,280	2,200
	ALS Patients	2,813	3,104	3,129	3,030	3,065	3,100
	BLS (Priority 3) Patients	2,930	3,110	2,755	3,500	2,300	2,700
	All Other EMS Patients	116	123	108	215	1,200	750
	Students Receiving Fire Safety Education	22,353	20,045	22,434	20,500	18,000	18,000
	Hours Spent on Vehicle/Station Maintenance	21,097	15,968	13,170	17,960	17,000	17,000
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.3/1.1	1.1/1.1	1.1/1.0	1.2/.88	.99/.83	1.0/.80
	Fire Fighter Injuries/Deaths	47/0	26/0	20/0	0/0	10/0	0/0
	Civilian Fire Related Injuries/Deaths	12/0	7/2	23/2	0/0	20/1	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	91%/83%	88%/86%	95%/96%	95%/96%	95%/96%	95%/96%
	Average EMS Response Time - Minutes	3.6	3.8	3.6	3.9	3.9	3.9
	Average Cost of an EMS Incident	$222	$215	$209	*	*	*
	Average Cost of a Fire Extinguishment Incident	$1,894	$2,226	$2,319	*	*	*
	Division Expenditures as % of General Fund	14.13%	15.03%	15.18%	14.91%	14.98%	15.25%

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

Fire Extinguishment



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Battalion Chief	3	3	3
Captain - ALS	4	4	4
Captain	1	1	1
Lieutenant - ALS	10	9	9
Lieutenant	6	7	7
Sergeant - ALS	2	3	3
Sergeant - FEO	7	6	6
Fire Fighter - ALS	29	29	29
Fire Fighter - FEO	14	15	15
Fire Fighter	14	13	13
Total	90	90	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

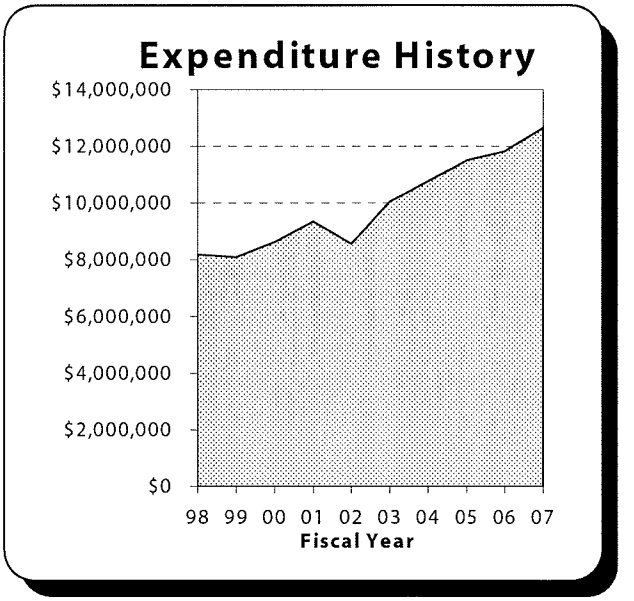
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $857,460 or 7.6%. Wages rose by $194,130 as all employees are budgeted to receive a 3% wage increase next year. Overtime costs rose $161,000 due to wage increases and increased minimum manning usage. Sick and personal time buyback costs rose $30,000 due to an increase in contractual sick and personal leave days. Retiree medical insurance costs rose $529,980, while Police & Fire Pension costs declined by $109,130.

Supplies – Total Supplies decreased $21,960 or 13.7% as funding for operating supplies was reduced due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges decreased $1,950 or 0.5%. Electric costs decreased $8,000 based on the current year's projected expenditure level. Telephone costs decreased $7,570 due to the elimination of the Department's ISDN and T1 data connection lines, as a faster fiber optic data network will now be used to connect remote City buildings with City Hall. Funding for the new data network fiber optic lines is budgeted in the Information Technology activity. The Equipment Maintenance budget declined by $5,130 due to a prior year reappropriated encumbrance. Heating costs rose $16,000 due to higher natural gas rates. Fire hydrant rental costs went up $3,750 as the number of hydrants in the City has increased.

Capital – Total Capital of $67,650 is proposed for this activity and is budgeted in the Capital Projects Fund. $36,000 is recommended for two EKG Monitors/Cardiac Defibrillators to replace two older units that are extremely worn and obsolete. $11,650 is proposed to replace a seven year-old Thermal Imaging Camera. $20,000 is for five replacement Self-Contained Breathing Apparatus 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$10,966,013	$11,238,150	$11,236,730	$12,095,610	$12,095,610
Supplies	123,059	159,960	138,000	138,000	138,000
Other Charges	405,295	415,730	406,100	413,780	413,780
Total	$11,494,367	$11,813,840	$11,780,830	$12,647,390	$12,647,390

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 our 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 the Fire Prevention Division is in the process of switching to mobile computers in the field, allowing for quicker access to information regarding businesses in our community?

Fire Prevention

2006/07 PERFORMANCE OBJECTIVES

1. To enhance professionalism and ensure proficiency in the use of codes and standards by certifying all Fire Prevention personnel as Fire Inspector II's through the International Fire Code (IFC). *(City Goal 3, 24)*

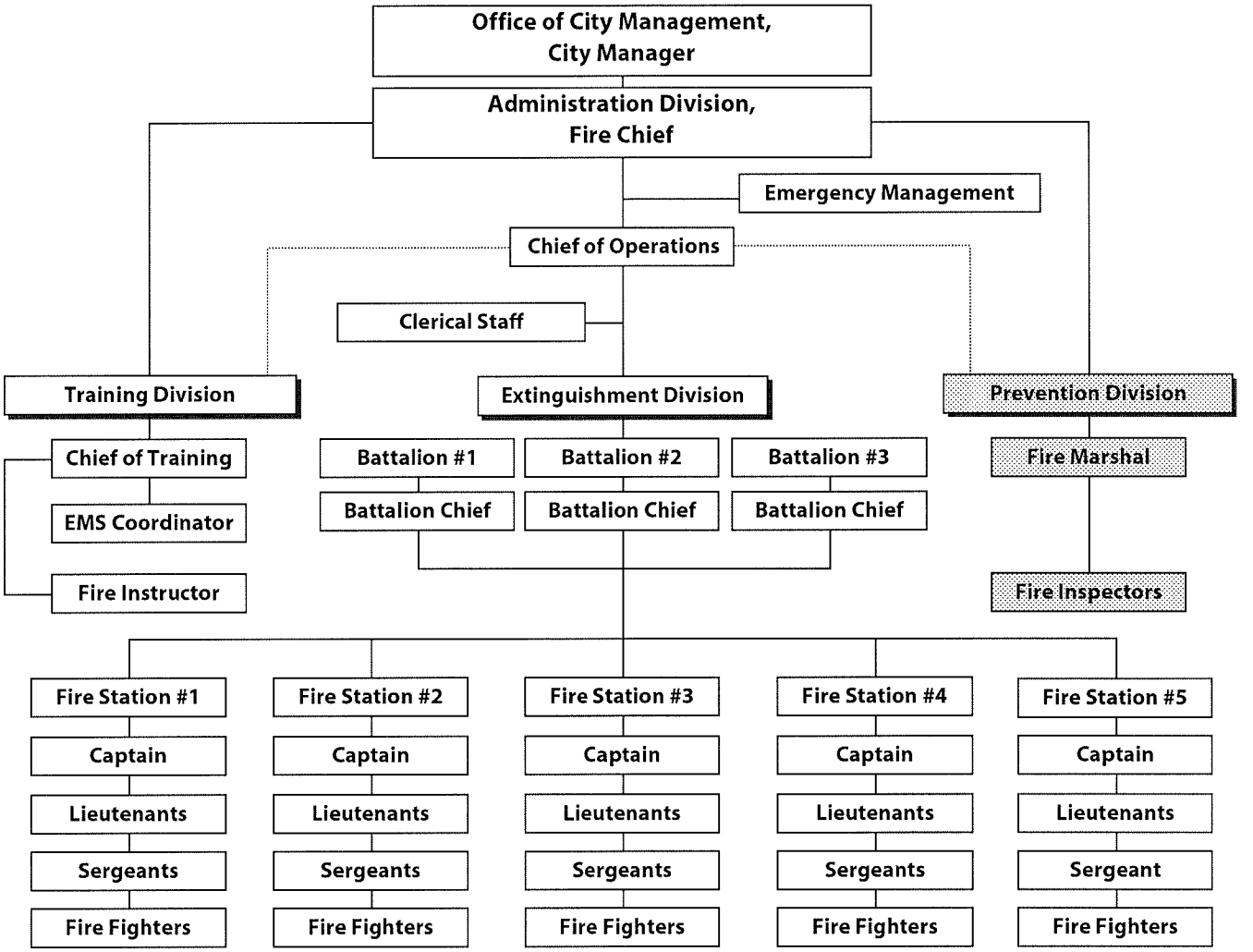
2. To increase arson prosecution and community safety by certifying all fire inspectors as either NAFI or IAAI Fire and Explosion Investigators. *(City Goal 3, 24)*

3. To provide inspectors with the ability to digitally capture images for documenting fire and building investigations and inspections. These photos will not only be of better quality, they can also be attached to an electronic file for permanent documentation. *(City Goal 17, 18)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Inspections Conducted	3,871	4,427	3,832	4,135	4,032	4,205
	Annual Building Fire Inspections	590	1,009	590	800	824	880
	Special Code or Final Occupancy Inspections	428	386	490	550	486	550
	Liquor Lic., Amusement, & Site Inspections	1,180	1,233	1,069	1,210	732	800
	Witnessed Acceptance Tests Inspections	149	211	237	175	233	200
	Reinspections of Violations	1,401	1,471	1,280	1,250	1,569	1,600
	Citizen Assistance Inspections	123	117	166	150	188	175
	Violations Discovered and Issued	3,225	4,451	3,697	3,500	3,992	3,900
	Investigations (Fire and Other)	118	158	165	130	187	175
	Plan Reviews (sites, buildings, alarms)	670	745	994	750	926	900
	Public Education Hours (Preparation & Presentation)	445	339	236	375	214	225
Efficiency & Effectiveness	% Bus. Receiving Violations during Annual Inspections	92%	95%	91%	91%	92%	92%
	Value of Non-Residential Fire Loss	$130,000	$157,710	$572,700	$500,000	$89,762	$100,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	98%	98%	98%
	% of Inspectable Occupancies Experiencing Fires	0.50%	0.50%	0.60%	0.50%	0.43%	0.50%
	Inspections Conducted Per Inspector/Marshal	553	632	547	591	576	601
	% of Site Plans Reviewed within 20 Days	99%	99%	100%	100%	100%	100%
	Average Fire Inspection Cost	$324	$345	$348	*	*	*
	Average Plan Review Cost	$145	$140	$147	*	*	*
	Division Expenditures as % of General Fund	1.25%	1.24%	1.41%	1.24%	1.28%	1.26%

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

Fire Prevention



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Fire Marshal	1	1	1
Fire Inspector	6	6	6
Total	7	7	7

Fire Prevention

SUMMARY OF BUDGET CHANGES

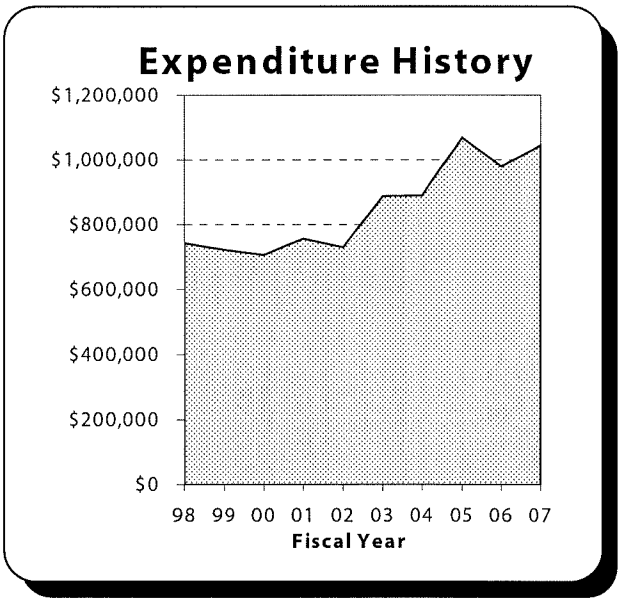
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget increased by $64,110 or 6.5% over last year's budget. Wages increased by 3% or $17,550. Overtime and Compensatory Time costs rose a combined $4,000. Additional retiree medical funding is required, resulting in a $45,150 increase. Pension costs declined $11,160 as a result of a recent actuarial study. Hospitalization costs rose $2,960, while dental insurance costs rose 7.7%.

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

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

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,069,312	$979,660	$1,004,640	$1,043,770	$1,043,770
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	$1,069,312	$979,660	$1,004,640	$1,043,770	$1,043,770

Emergency Management

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

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

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

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

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

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

Federal pass through grants will continue into 2006/07 and will provide needed funding for emergency service related training. Grants provide the additional funding many local jurisdictions cannot provide because of decreases in outside funding sources. Emergency services in Sterling Heights will be well equipped and trained to respond and recover from chemical, biological, radiological, nuclear and explosive events. In this ever changing and challenging time, every jurisdiction requires the appropriate personnel and equipment that will protect the majority of the population and property when disaster strikes. It is critical that the City is prepared for these hazards.■

KEY GOALS

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

Did you know?...
...that the Office of Emergency Management coordinates over 135 volunteers including 100 Community Emergency Response Team (C.E.R.T.) members, 25 Medical Reserve Corps members, and ten Ham Radio volunteers which the City may call upon in the event of an emergeny?

Emergency Management

2006/07 PERFORMANCE OBJECTIVES

1. To provide direction to the 125 volunteers in both the Community Emergency Response Team (CERT) and Medical Reserve Corps by developing program objectives and training opportunities. *(City Goal 24, 25)*

2. To develop a public-private partnership consisting of representatives from the City, local businesses, and industries, to build a strong foundation of people to call upon in the event of an emergency. *(City Goal 25)*

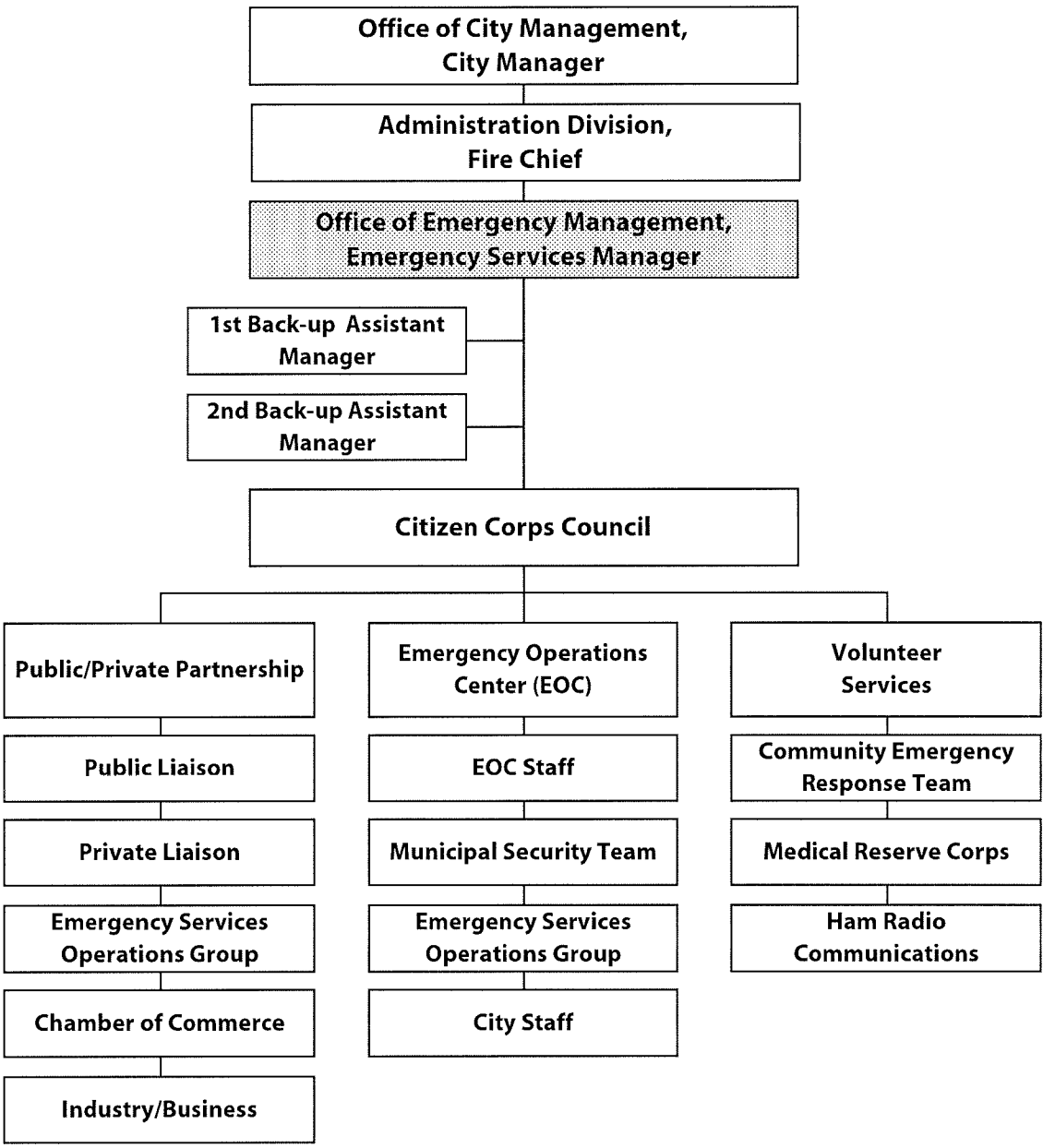
3. To develop standard operating procedures for the new Emergency Operations Center (EOC) located at Fire Station 5. *(City Goal 25)*

4. To strengthen the City's position within the new regional districts of southeast Michigan be serving as President of the Michigan Emergency Management Association (MEMA). *(City Goal 21)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Emergency Responses/EOC Activations	8	6	6	5	4	6
	Training Exercises/Participants	4/175	2/75	3/50	2/20	4/60	6/100
	Testing & Maintenance of Warning Systems (Hours)	45	35	18	20	21	20
	Public Presentations	22	15	6	5	7	10
	Family Protection Workbooks Distributed	53,000	300	500	1,500	3,000	5,000
	Hours Spent at Disaster Planning Meetings	43	70	55	40	65	70
	New Grants Applied For/Grants Received	5/5	5/5	4/4	5/5	5/5	1/1
	# of Grant Files Closed	2	3	3	3	5	1
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	98%	98%	98%	97%	98%
	% of Time Spent Coordinating/Administering Grants	50%	50%	50%	50%	50%	10%
	% of Time Spent Distributing Grant Equipment	25%	25%	25%	25%	20%	0%
	% of Time Spent Developing Emergency Plans	15%	15%	15%	15%	10%	90%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Emergencies Responded to w/i 1 Hour	99%	99%	98%	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	$298	$398	$404	*	*	*
	Average Cost to Conduct a Training Exercise	$418	$477	$485	*	*	*
	Activity Expenditures as % of General Fund	0.17%	0.27%	0.25%	0.14%	0.15%	0.14%

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

Emergency Management



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Emergency Services Manager	1	1	1
Total	1	1	1

Emergency Management

SUMMARY OF BUDGET CHANGES

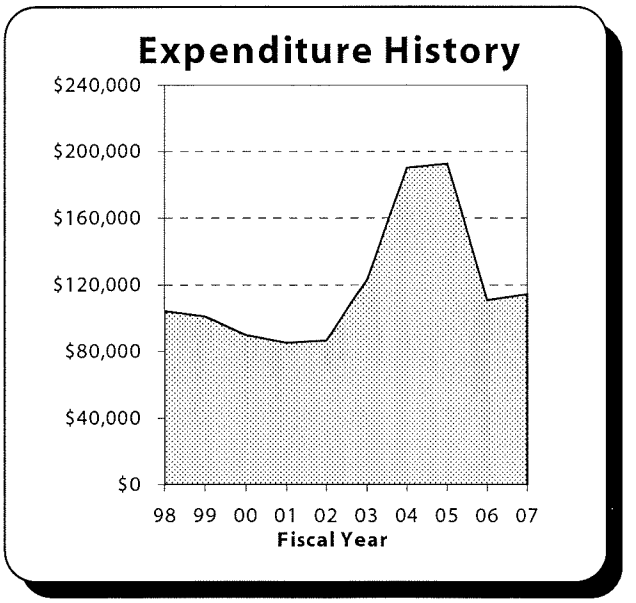
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $7,740 or 7.8% over last year's budget. Wages increased by $2,040 or 3.0%. The City is recommending increased funding for retiree health care liabilities, resulting in a $3,290 increase to this activity for next year. Longevity costs rose $1,810 due to a recent bargaining unit change for the Emergency Manager position. Dental insurance costs rose 6.9% due to a rate increase for next year.

Supplies – Total Supplies is proposed to remain the same at $640. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased $4,370 or 41.1%. The budget decreased $4,920, as the RAMsafe software maintenance is no longer needed since the City has received the final version update in the prior year. Telephone costs increased $650 based on recent expenditure levels and to fund an annual satellite television subscription service for the Emergency Command Van. Funding for educational conferences decreased $80 due to a one-time necessary adjustment in the prior year. Membership costs rose 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.

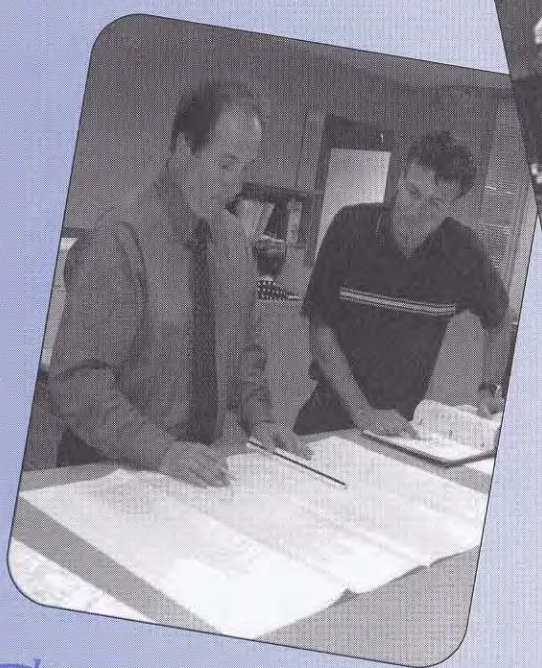
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$96,837	$99,510	$102,230	$107,250	$107,250
Supplies	968	640	1,450	640	640
Other Charges	94,723	10,630	10,800	6,260	6,260
Total	$192,528	$110,780	$114,480	$114,150	$114,150

City Development Department



the Next Generation – Our Future

FUNCTIONAL ORGANIZATION CHART

City Development Department

Office of Building

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

Office of 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, 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 $78,480 or 2.8%. Personnel costs rose only $49,510 or 1.8% primarily due to employee turnover in the prior year. The same number of full time staffing is budgeted. The budget includes an additional $68,580 to partially fund the Department's growing retiree medical obligations. The budget also includes full-year funding for the new Economic Development office. Supplies increased by $4,650 due to higher postage costs and the one-time purchase of updated inspector codebooks. Other Charges increased by $24,320 for the maintenance of hand-held inspection devices, the required three-year re-certification of all building inspectors, and increased training for Code Enforcement Officers. This department will coordinate the Master Lighting and Streetscape Plan that is budgeted in the General Expenditures activity.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Building	$1,396,070	$1,904,890	$2,005,110	$2,092,740	4.4%
Economic Development	0	0	0	133,540	100.0%
Planning	822,880	339,640	350,390	358,080	2.2%
Public Services	334,110	384,870	423,640	273,260	-35.5%
Total Department	$2,553,060	$2,629,400	$2,779,140	$2,857,620	2.8%
Personnel Services	$2,439,300	$2,546,440	$2,698,420	$2,747,930	1.8%
Supplies	18,140	14,980	14,390	19,040	32.3%
Other Charges	95,620	67,980	66,330	90,650	36.7%
Total Department	$2,553,060	$2,629,400	$2,779,140	$2,857,620	2.8%

PERSONNEL SUMMARY

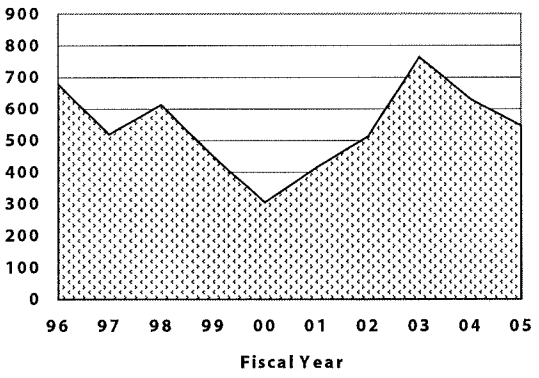
	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building	17	1	22	1	22	1	22	1
Economic Development	0	0	0	0	0	0	1	0
Planning	10	0	4	0	4	0	4	0
Public Services	3	1	4	1	4	1	3	1
Total Department	30	2	30	2	30	2	30	2

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

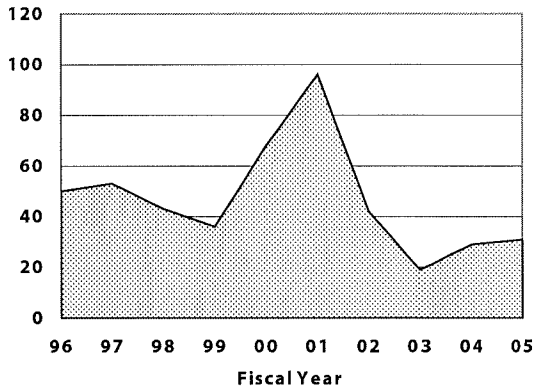
City Development Department

Residential Building Permits
New Construction



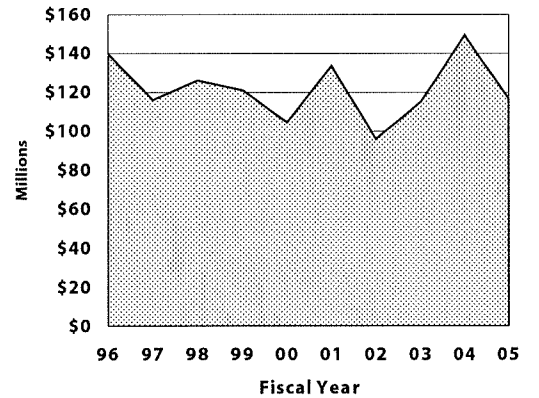
From 1996 to 2000, the number of residential building permits dropped to a low of 304. Over the next four years, the number increased, reaching a high of 763 in 2003 due in part to the increasing number of condominium units and cluster developments. 546 permits for new residential construction were issued in 2005, down from the 631 issued in 2004.

Commercial Building Permits
New Construction



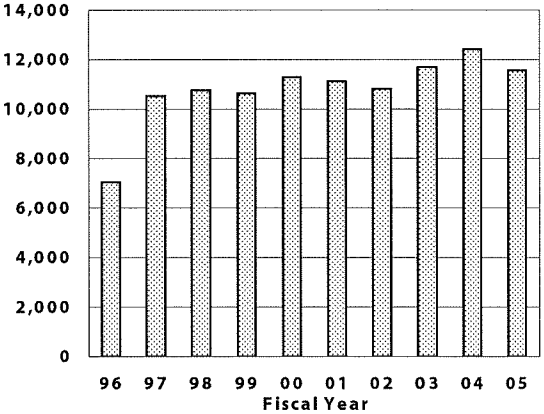
The number of new commercial building permits rose during the late 1990's after a 1994 moratorium on new commercial development. The number reached a high in 2001 when 96 permits were issued. For the past several years, the number has fallen to its lowest level since 1994. In 2005, 31 new commercial building permits were issued, an increase over the 19 issued in 2003.

Building Permits at Market Value



The dollars invested in new building construction and improvements over the past ten years have ranged from a low of $95 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.

Code Enforcement Inspections



The number of code enforcement inspections performed has increased by 64% over the past nine years since a third Code Enforcement Officer and a Neighborhood Property Maintenance Code Officer were hired. In 2005, there were 11,560 inspections made, 2,569 inspections per officer or nearly 10 inspections per officer per day. 91% of inspections were performed within 48 hours of complaint. A total of 3,647 violations were issued in 2005 – an 82% increase over a four-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. A new plan review process is in place to provide for a more efficient procedure.

Additionally, Building strives to preserve the 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 local municipality, but also by the State. They participate in continuing education to stay informed on all new construction techniques. The inspectors are supported by a highly competent clerical staff who assists customers visiting the Building Office. Their knowledge and experience ensure that a trip to the Building Office is a pleasurable one.

The Building Official is the staff liaison to the Ordinance Board of Appeals. The mission of the Ordinance Board of Appeals is to consider appeals and requests for variances from City ordinances as authorized by the City Council. The decisions of the Board are based on findings of fact set forth in the record and are supported by competent and material evidence. These decisions become final ten working days after the decision is rendered.■

Did you know?...
...that the Office of Building Services is one of the top rated departments in the State with an Insurance Services Office (ISO) rating of 3?

Building

2006/07 PERFORMANCE OBJECTIVES *(Building)*

1. To implement the new State construction codes which incorporate the 2006 edition of the International Code Council family of codes providing for the latest regulations governing the safeguarding of life and property from all types of construction hazards. *(City Goal 11)*

2. To provide training to all inspectors to assist them with the enforcement of the new construction standards and the applicability of these requirements to design, plan review and inspection. *(City Goal 4, 11)*

3. To adopt the 2006 edition of the International Property Maintenance Code with applicable local amendments including the latest requirements for continued use and maintenance of plumbing, mechanical, electrical and fire protection systems in existing residential and non-residential structures. *(City Goal 13)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Permits Issued	8,658	8,910	7,445	9,100	8,500	8,500
	Building Permits Issued	2,389	2,354	2,249	2,500	2,500	2,500
	Mechanical Permits Issued	2,717	2,608	1,893	2,700	2,500	2,500
	Plumbing Permits Issued	1,811	1,825	1,838	2,000	1,700	1,700
	Electrical Permits Issued	1,741	2,123	1,465	1,900	1,800	1,800
	Total Inspections Performed	37,760	34,774	35,156	38,200	35,000	35,000
	Building Inspections	16,506	13,250	13,468	15,500	14,100	14,300
	Mechanical Inspections	8,130	9,089	8,435	9,000	7,900	7,900
	Plumbing Inspections	7,522	7,257	8,124	8,000	7,500	7,500
	Electrical Inspections	5,602	5,178	5,129	5,700	5,500	5,300
	Ordinance Complaint Tickets Issued	47	32	23	35	50	50
	Board of Code Appeals Applications	13	4	8	15	10	12
	Board of Ordinance Appeals Hearings	43	36	32	50	45	60
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	3	3	3	3	3	3
	% of Inspections Performed on Schedule	94%	94%	94%	95%	95%	95%
	% of Commercial Plans Reviewed w/i 20 days	93%	93%	94%	95%	95%	95%
	% of Residential Plans Reviewed w/i 10 days	93%	93%	94%	95%	95%	95%
	Average No. of Inspections per Budgeted Inspector	3,776	3,477	3,516	3,820	3,680	3,680
	Market Value of Building Permits (Millions)	$114.9	$149.4	$103.0	$112.0	$115.0	$118.0
	Permits Issued via City's Website	120	38	12	40	60	60
	Activity Expenditures as % of General Fund	1.78%	1.95%	2.52%	2.53%	2.46%	2.52%

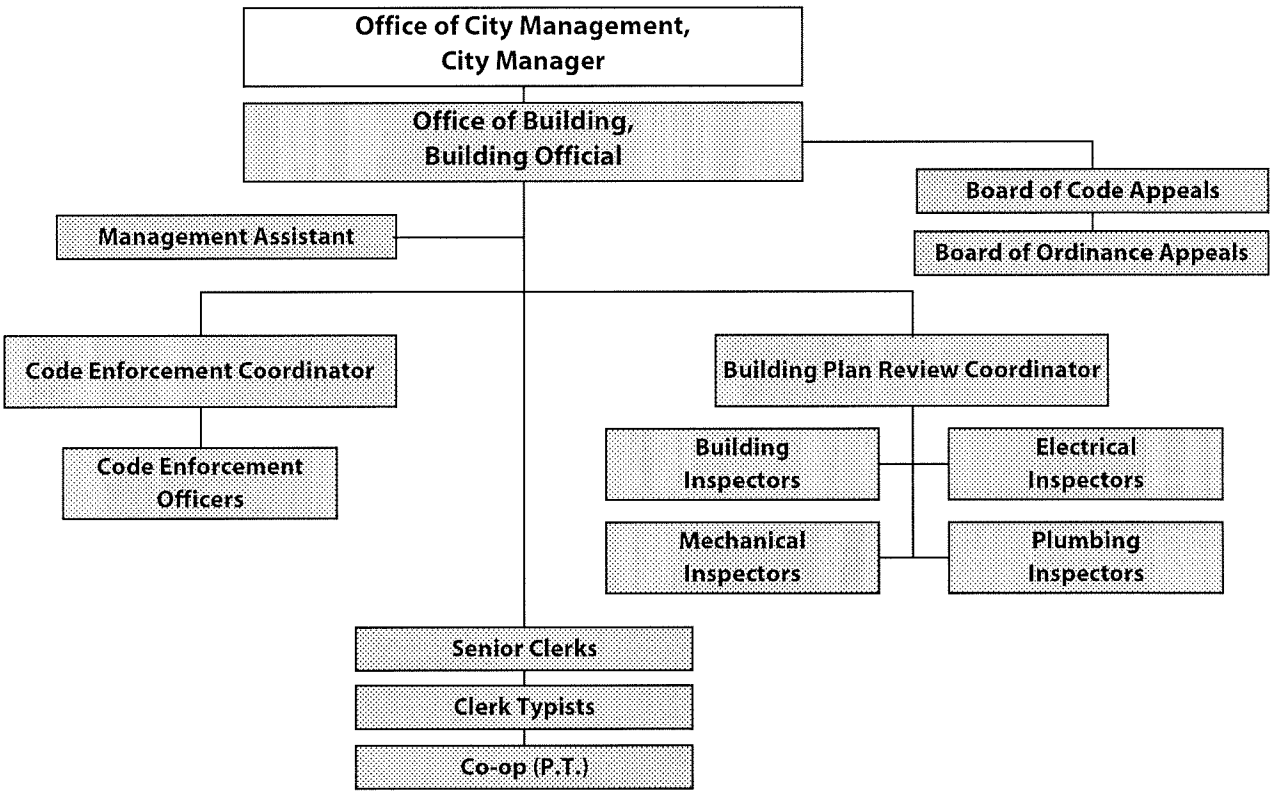
2006/07 PERFORMANCE OBJECTIVES *(Code Enforcement)*

1. 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)*
2. To increase public awareness as to the importance of code compliance and its impact on economic development through newsletters, brochures and televised programs on SHTV. *(City Goal 11, 13)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Inspections Performed	11,689	12,408	11,560	12,500	12,300	12,500
	Total Code Enforcement Cases	3,570	3,667	3,647	3,800	3,230	3,500
	Public Nuisance Cases	1,413	1,253	789	1,200	150	200
	Illegal Sign Cases	547	301	355	400	300	350
	Trash & Debris Cases	480	403	525	450	300	400
	Junk Vehicle Cases	284	289	308	350	250	300
	Property Maintenance Cases	638	840	1,103	800	1,300	1,300
	Miscellaneous Cases	208	581	567	600	930	950
	Ordinance Board Cases Prepared - Nuisances	127	137	165	200	340	300
	Civil Infraction & Misdemeanor Tickets Issued	16	18	11	20	24	20
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	90%	90%	91%	92%	93%	94%
	Avg. Working Days Between Violation & Correction	11	11	10	10	10	10
	% of Violations Corrected Prior to City Action	95%	95%	94%	95%	95%	95%
	Inspections Performed Per Code Inspector	2,922	2,757	2,569	2,778	2,733	2,778
	Code Enforcement Cases Per Code Inspector	893	815	810	844	718	778
	Code Enforcement Cases Per 1,000 Residents	28.5	29.1	28.9	29.9	25.4	27.5
	Average Cost to Perform a Code Inspection	$20.97	$20.09	$20.68	*	*	*

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

Building



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Building Official	1	1	1
Building Plan Review Coordinator	1	1	1
Code Enforcement Coordinator	1	1	1
Commercial Property Compliance Officer	1	0	0
Building Inspector	3	3	3
Electrical Inspector	2	2	2
Mechanical Inspector	2	2	2
Plumbing Inspector	2	2	2
Code Enforcement Officer	3	5	5
Property Maintenance Code Officer	1	0	0
Management Assistant	1	1	1
Senior Clerk	1	2	2
Clerk Typist	3	2	2
Co-op (P.T.)	1	1	1
Total	23	23	23

Building

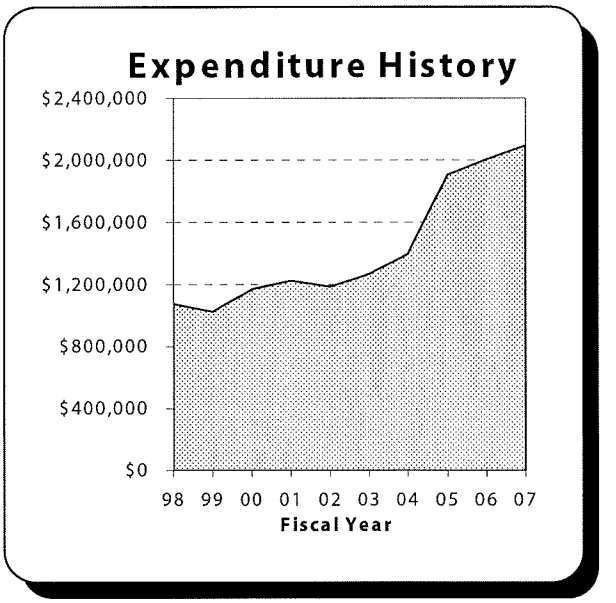
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $61,440 or 3.2%. Wages for full-time employees rose only 2.2% or $27,940. Staff turnover in the prior year and placing the Code Enforcement Officers on a 37.5 hour work week as all the other Building employees has lowered the overall wage increase. Wages for temporary staffing decreased $29,820 due to the one-time use of part-time personnel due to staff turnover in the prior year. Overtime and Compensatory Time costs decreased by $6,000 due to increased office efficiencies. Hospitalization costs rose $11,400. Higher retiree medical costs has resulted in a $49,620 increase.

Supplies – Total Supplies increased $4,960 or 54.3%. Postage costs increased $1,460 due to a postal rate increase. Funding for publications increased $2,400 due to the one-time purchase of new 2006 Michigan Code books for all inspectors. The operating supplies budget increased $1,100, primarily for the purchase of City logo shirts for field personnel, as these were previously budgeted in the Public Services office.

Other Charges – Total Other Charges increased $21,230 or 35.9%. The annual maintenance fees of the wireless pen tablets cost $20,990, as the first year's costs were included in last year's purchase price. Funding increased $990 for Inspector re-certification, which is required every three years. Local meeting costs rose $500, as the Code Enforcement Officers will attend monthly MACEO meetings. $1,000 will be saved in telephone costs as a continued result of recent reductions in Nextel and SBC contractual telephone rates. The Bresser's Cross Index Directory is no longer needed due to the availability of on-line resources, saving $200.



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.

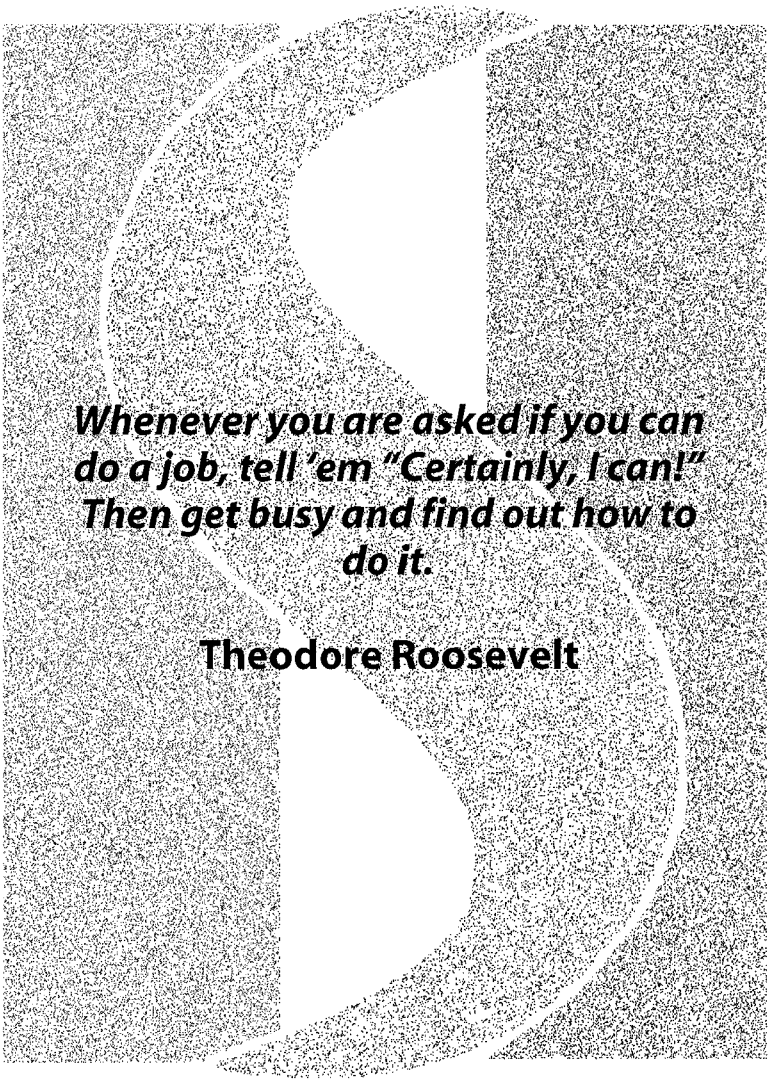
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,830,808	$1,936,850	$1,868,810	$1,998,290	$1,998,290
Supplies	10,725	9,140	11,200	14,100	14,100
Other Charges	63,356	59,120	57,370	80,350	80,350
Total	$1,904,889	$2,005,110	$1,937,380	$2,092,740	$2,092,740


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

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 outcomes 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* "Crain's Detroit Business"** ***recently named the City as one of the "hot spots" for residential development in southeast Michigan?

Economic Development

2006/07 PERFORMANCE OBJECTIVES

1. To create the City's first Economic Development Strategic Plan including specific strategies for business retention and attraction, Brownfield Redevelopment and Corridor Revitalization. *(City Goal 8, 9, 10, 11)*

2. To develop a business retention program that will target the City's numerous industries and major employers and will assist them in retaining jobs and creating new jobs through the expansion and investment in existing facilities. *(City Goal 8, 11)*

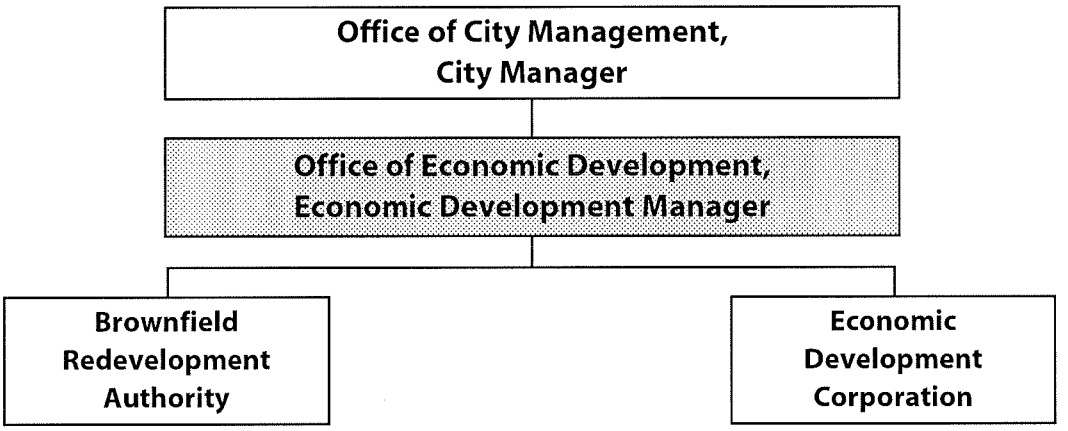
3. To identify redevelopment opportunities along the City's main commercial corridors. The City's new master land use plan will play a key role in marketing these opportunities. *(City Goal 8, 9, 10, 11)*

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

5. To host the first Sterling Heights Development Opportunities Forum in conjunction with the Chamber of Commerce and other members of the City Development Department. The forum will target real estate professionals in the areas of commercial, industrial, and residential development and market development opportunities in the City. *(City Goal 8, 10, 11)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Brownfield Sites Marketed for Redevelopment	N/A	N/A	N/A	2	2	2
	Redevelopment Projects on Major Corridors	N/A	N/A	N/A	2	2	4
	Retention Calls to Existing Businesses	N/A	N/A	N/A	26	26	52
	Tax Abatements Initiated	N/A	N/A	N/A	3	3	6
	Developer Contacts Initiated	N/A	N/A	N/A	15	15	30
	Publication of Economic Development Newsletter	N/A	N/A	N/A	2	2	4
	Brownfield Applications Processed/Approved	2/2	0/0	0/0	1/1	1/1	2/2
	Participation in Econ. Development Panel Discussions	N/A	N/A	N/A	1	1	1
	Development Opportunities Forum Attendees	N/A	N/A	N/A	N/A	N/A	20
Efficiency & Effectiveness	Value of New Major Comm. Corridor Projects (Millions)	N/A	N/A	N/A	$0.0	$0.0	$10.0
	Value of Grant Dollars Procured (Millions)	N/A	N/A	N/A	$0.0	$0.0	$0.5
	% of Online Inquiries Resulting in Development	N/A	N/A	N/A	5%	5%	10%
	Private Sector Jobs Created in City	N/A	N/A	N/A	25	25	50
	Jobs Created/Retained via Business Retention Program	N/A	N/A	N/A	10	10	25
	Value of Brownfield Properties Approved (Millions)	$30.0	$0.0	$0.0	$1.0	$0.0	$1.0
	Activity Expenditures as % of General Fund	0.00%	0.00%	0.00%	0.00%	0.06%	0.16%

Economic Development



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Economic Development Manager	0	0	1
Total	0	0	1

Economic Development

SUMMARY OF BUDGET CHANGES

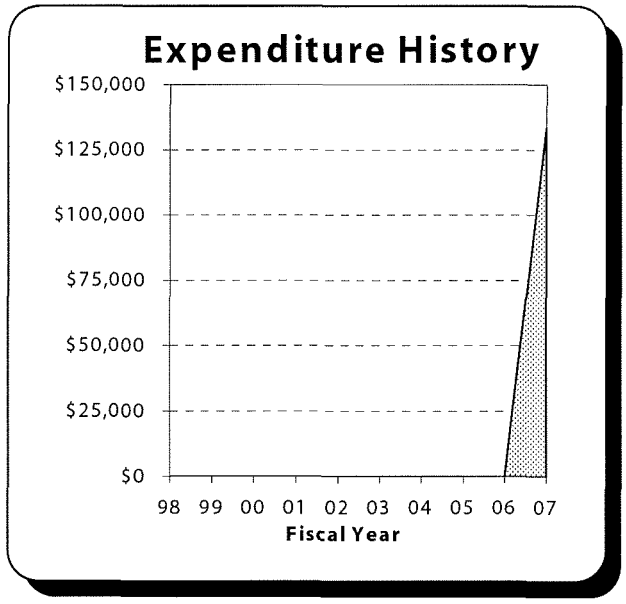
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget proposed for next fiscal year is $127,000 including wages and fringe benefits. The City created and filled the new position of Economic Development Manager mid-way through the prior fiscal year. The cost of this position is approximately $30,000 below the cost of the recently vacated City Development Director position.

Supplies – Total Supplies of $1,750 is budgeted for this office and includes funding for postage costs, publications, and operating supplies needed for the operation of the new Economic Development office.

Other Charges – Total Other Charges of $4,790 is budgeted for this office. Funding includes $890 for membership fees to related Economic Development and Brownfield associations. $2,300 is included for the Manager's attendance at a national Economic Development conference and two State conferences. $600 is budgeted for Nextel telephone and office telephone costs. $500 is for the printing of a quarterly Economic Development Newsletter and other needed office forms and materials. $500 is included for economic development association monthly meeting costs.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$44,870	$127,000	$127,000
Supplies	0	0	900	1,750	1,750
Other Charges	0	0	3,040	4,790	4,790
Total	$0	$0	$48,810	$133,540	$133,540

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 the Office of Planning has prepared at least five new zoning ordinance amendments, which implement various sections of the newly adopted Master Land Use Plan?

Planning

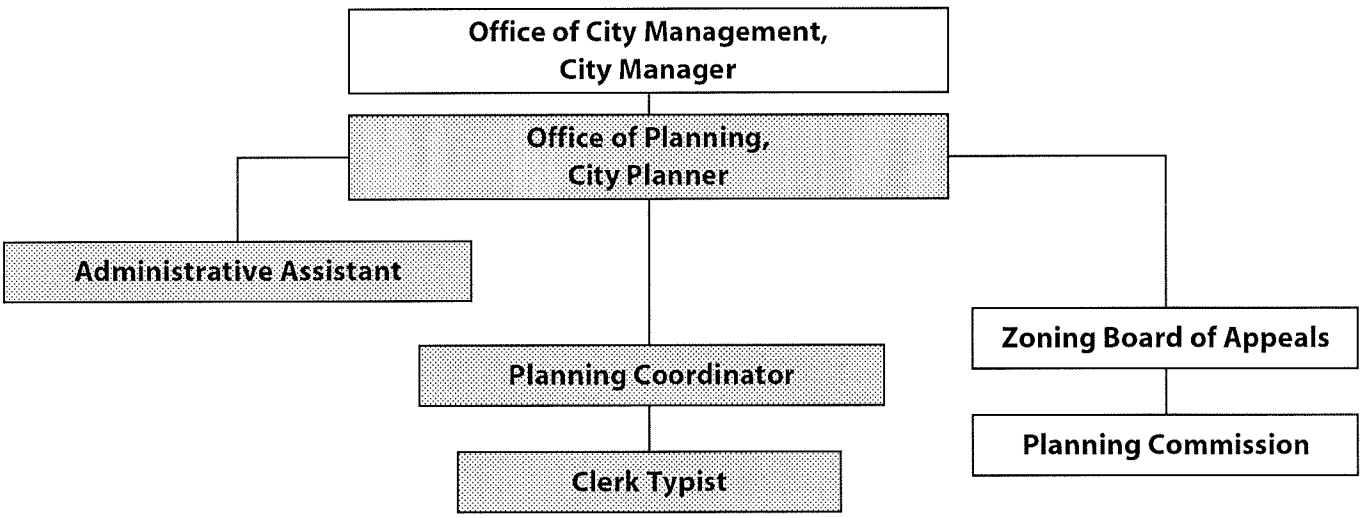
2006/07 PERFORMANCE OBJECTIVES

1. To assist in the preparation of a City-wide street landscape design in conformance with the Zoning Ordinance's site plan review and landscaping standards. *(City Goal 13, 15, 22)*
2. To guide property owners and developers in their efforts to strengthen or redevelop commercial centers by citing examples illustrated in the newly adopted Master Land Use Plan. *(City Goal 10, 11)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Site Plans Reviewed	60	60	66	60	80	70
	Property Splits Reviewed	42	38	34	35	38	35
	Rezoning Petitions Processed	10	13	17	15	12	14
	Subdivision Plats Reviewed	1	1	0	1	1	1
	Special Approval Land Uses Processed	14	14	3	12	12	10
	Special Development Options Requested	1	3	3	3	4	3
	Administrative Temporary Uses Reviewed	139	115	85	85	80	85
	Planning Commission Meetings Attended	21	18	12	12	11	12
	Temporary Uses, Variances, & Vacations Reviewed	3	3	1	2	1	2
	Zoning Board of Appeals Cases Prepared	74	58	47	50	40	40
	Zoning Board of Appeals Meetings Held	20	16	12	12	12	12
	City Council Meetings Attended	17	16	23	20	23	22
	Council Agenda Items Prepared	19	26	29	30	40	35
	Section 8 Inspections Made	41	42	43	40	45	42
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	67%	90%	88%	90%	89%	90%
	Average Cost to Review a Site Plan	$1,578	$1,580	$1,338	*	*	*
	Activity Expenditures as % of General Fund	1.23%	1.15%	0.45%	0.44%	0.44%	0.43%

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

Planning



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
City Planner	1	1	1
Planning Coordinator	1	1	1
Administrative Assistant	1	1	1
Senior Clerk	1	0	0
Clerk Typist	0	1	1
Total	4	4	4

Planning

SUMMARY OF BUDGET CHANGES

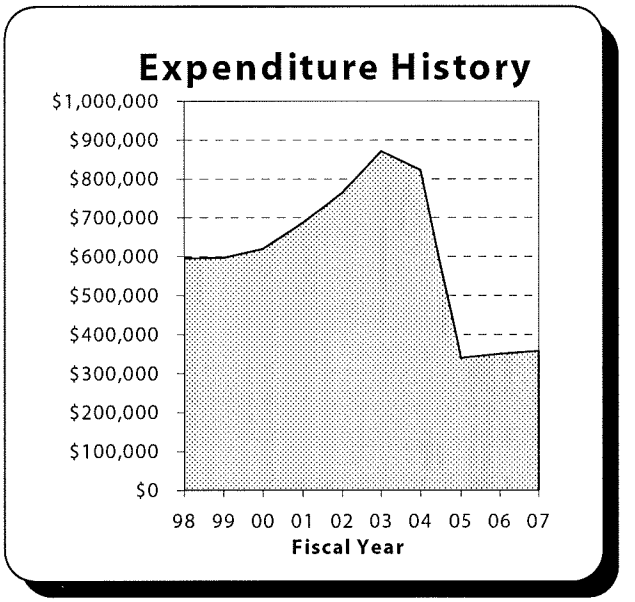
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget increased by $8,250 or 2.4% over last year's budget. The overall increase is attributable to increased funding for retiree medical liabilities, which resulted in a $9,260 increase. Staff turnover in the prior year and replacing a higher paid Senior Clerk position with a Clerk Typist has resulted in a net $10,000 savings. Despite the position change, hospitalization insurance costs rose $3,460 or 11.6% as a result of a change in employee dependent status and a rate increase for next year.

Supplies – Total Supplies increased $140 or 8.8%. Postage costs rose $140 due to a recent postal rate increase.

Other Charges – Total Other Charges decreased $700 or 16.2%. The budgets for printing and telephone costs can be reduced to be brought in line with recent 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$335,235	$344,480	$339,820	$352,730	$352,730
Supplies	1,759	1,600	1,700	1,740	1,740
Other Charges	2,646	4,310	3,600	3,610	3,610
Total	$339,640	$350,390	$345,120	$358,080	$358,080

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 readily 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 City's portion of the regional bike path was completed in 2005 and residents can now travel on the path from Metropolitan Beach in Harrison Township through Clinton Township and Sterling Heights, into the City of Utica?

2006/07 PERFORMANCE OBJECTIVES

1. To develop the City's first Master Lighting & Streetscape Plan to enhance pedestrian, bicycle, and vehicular travel for the residents and businesses of the City. *(City Goal 9, 13, 15)*

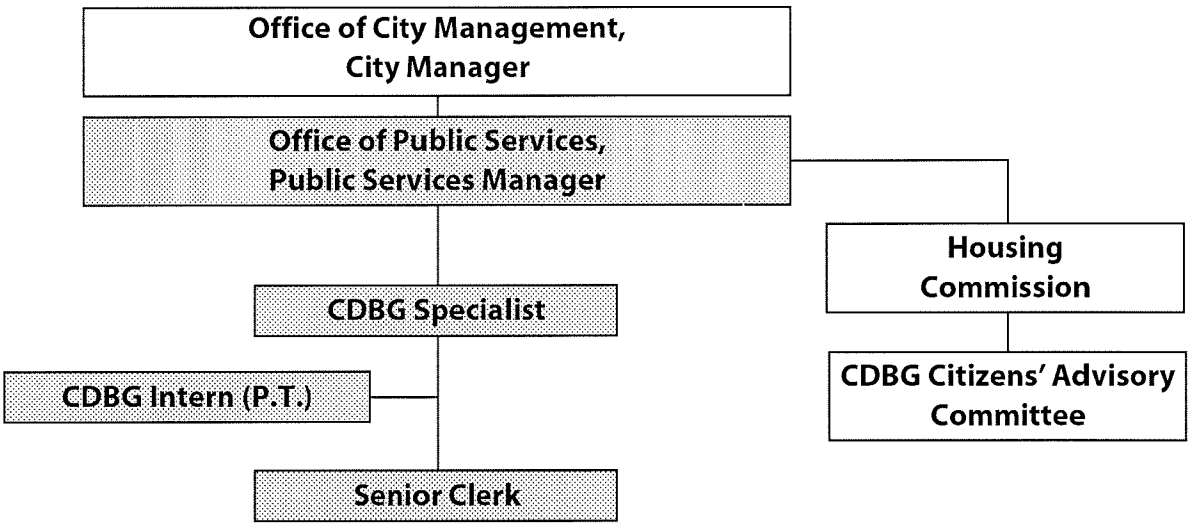
2. To obtain grant funding for the landscaping of the 18 ½ Mile Road Roundabout. *(City Goal 15, 21, 22, 23)*

3. To assist in the planning and construction of a 14,000 square foot addition to the existing Senior Activity Center. The addition will include a gymnasium, walking track, locker rooms, and additional parking spaces. *(City Goal 14, 15, 26, 27)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Building Permits & Site Plans Reviewed	460	450	420	450	400	400
	Use Permits Reviewed	220	225	80	100	75	50
	W & S Connection Permits Issued (Existing Homes)	41	40	32	30	30	30
	Special Projects Administered	6	7	7	7	7	5
	New Grants Applied For/Grants Received	1/1	3/3	5/5	2/2	2/2	3/3
	Council Meetings Attended	17	25	30	25	10	10
	Housing Commission Meetings Attended	9	9	12	12	11	12
	Rights-of-Way/Easements Acquired	33	15	15	90	45	45
	Citizens Advisory Commission Meetings Attended	7	7	6	6	6	6
	Number of Street Lighting 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	76%	80%	90%	80%	90%	90%
	% of Easements Acquired Without Condemnation	100%	90%	90%	80%	100%	100%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Substandard Housing Rehab. Contracts Completed	60%	38%	45%	95%	95%	95%
	Avg. Cost to Prepare/Process a Grant Application	$1,490	$1,207	$1,011	*	*	*
	Avg. Cost to Review a Use Permit Application	$65	$66	$69	*	*	*
	Activity Expenditures as % of General Fund	0.41%	0.47%	0.51%	0.53%	0.50%	0.33%

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

Public Services



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
City Development Director	1	1	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	5	4

Public Services

SUMMARY OF BUDGET CHANGES

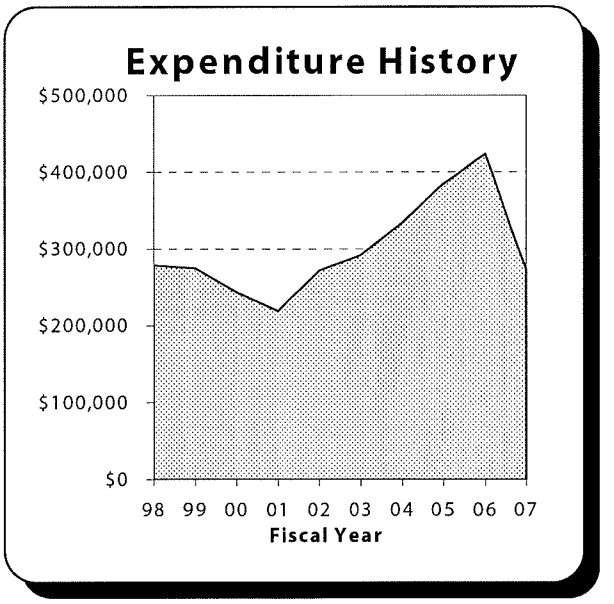
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget decreased by $147,180 or 35.3%. The decrease is a result of a recent department reorganization, which resulted in the elimination of the now vacant City Development Director position. In addition, an employee has elected to receive the health insurance allowance thereby resulting in an additional savings in hospitalization insurance costs.

Supplies – Total Supplies decreased $2,200 or 60.3%. The operating supply budget decreased primarily due to the transfer of funds for field personnel's City logo shirts, as these costs will now be budgeted in each individual City Development office.

Other Charges – Total Other Charges decreased $1,000 or 34.5%. Telephone costs decreased $600 as one Nextel telephone and one office telephone line have been eliminated due to the recent department reorganization. Local meeting costs decreased $50, as prior year funds were never fully spent. The City will save $750 as a membership to the International City/County Management Association (ICMA) was eliminated. $400 was added to the budget for on-line access to the Macomb County Register of Deeds, which will result in the need to conduct and pay for 25% fewer title searches. This office will coordinate the Master Lighting and Streetscape Plan, which is budgeted in the General Expenditures activity.

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.

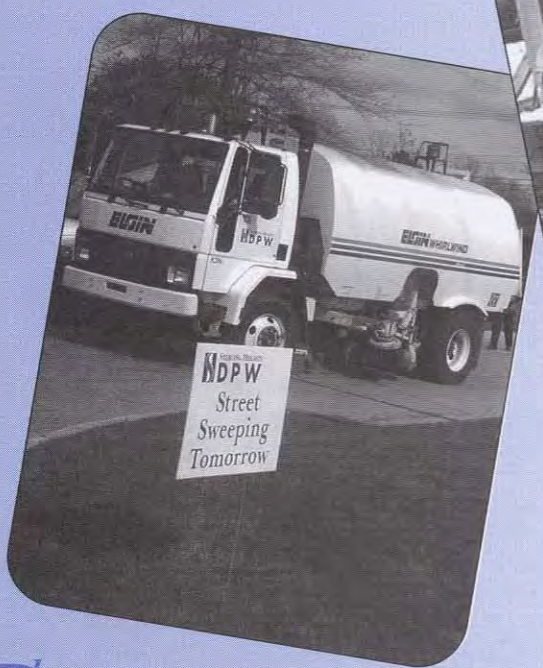
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$380,394	$417,090	$389,490	$269,910	$269,910
Supplies	2,497	3,650	2,450	1,450	1,450
Other Charges	1,982	2,900	2,010	1,900	1,900
Total	$384,873	$423,640	$393,950	$273,260	$273,260

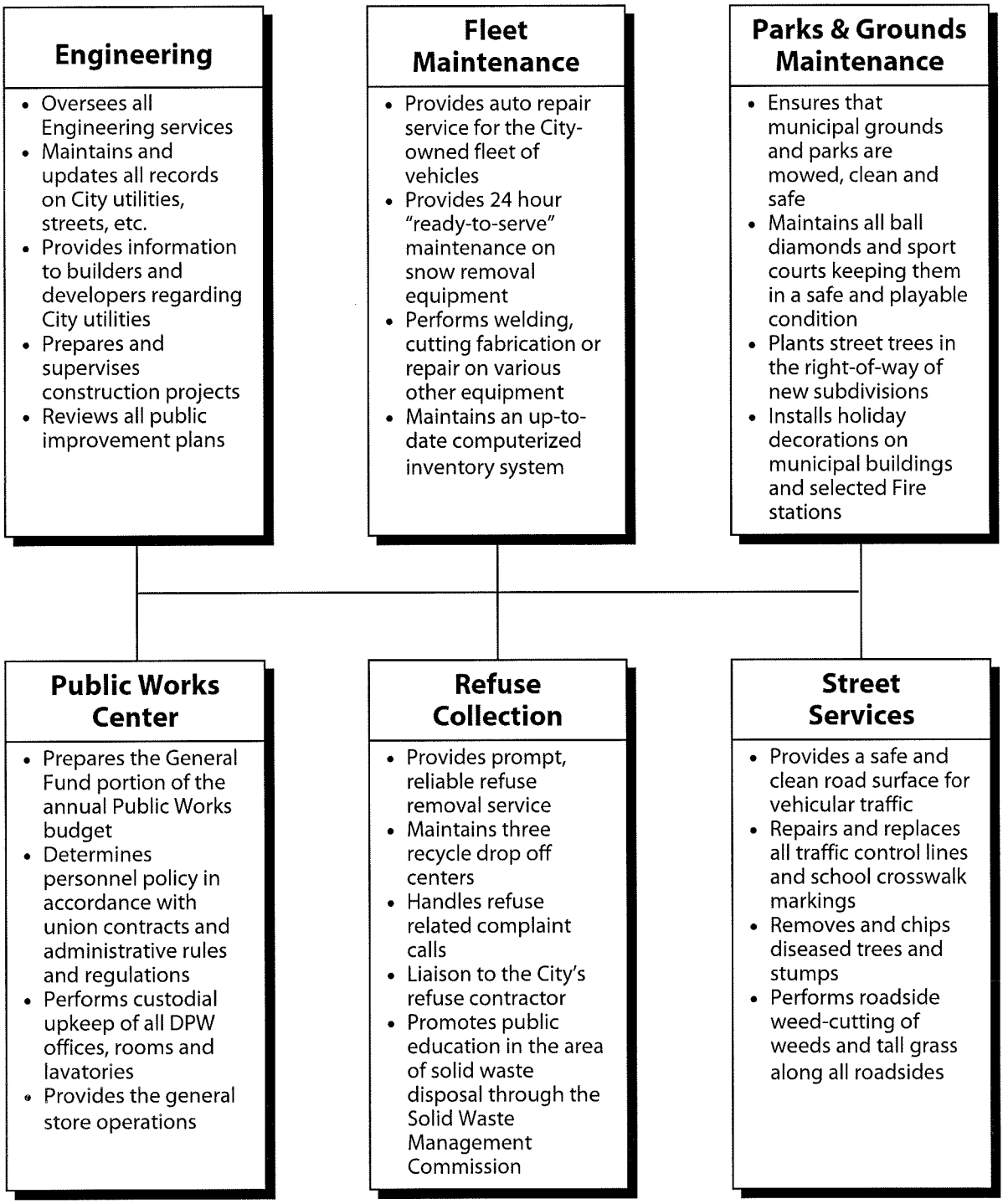
PUBLIC WORKS DEPARTMENT



the Next Generation – Our Future

FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works Department budget increased by $147,540 or 1.9%. Personnel costs rose only $28,420 or 0.5% due to employee retirements in the prior year, the elimination of a vacant Engineering position, and the downgrading of a vacant manager position. A part-time Engineering Co-op position has been added. Funding for retiree medical obligations increased by $153,000. The Supplies budget increased by $125,670 or 12.3% due to higher fuel prices. Other Charges decreased by $6,550 or 1.4% due to the receipt of an emerald ash borer grant used to replant City park trees last year. This reduction was partially offset by funding for the application of goose repellent to the City's athletic fields, and higher utility costs to heat the Public Works Facility and irrigate new soccer fields and landscaped boulevards. The capital budget includes funding for the new 800 MHz radio system, replacement Engineering and Public Works computers, and $455,000 in equipment and vehicles for enhanced park, road maintenance, and snow plowing operations.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Engineering	$1,793,290	$1,829,900	$1,938,460	$1,811,220	-6.6%
Fleet Maintenance	1,880,350	2,231,510	2,096,110	2,296,380	9.6%
Parks & Grounds Maint.	1,256,910	1,287,290	1,331,540	1,328,960	-0.2%
Public Works Center	458,060	507,670	481,290	524,150	8.9%
Street Services	1,640,170	1,850,310	1,840,300	1,874,530	1.9%
Total Department	$7,028,780	$7,706,680	$7,687,700	$7,835,240	1.9%
Personnel Services	$5,650,850	$6,097,000	$6,192,380	$6,220,800	0.5%
Supplies	948,820	1,197,540	1,020,600	1,146,270	12.3%
Other Charges	429,110	412,140	474,720	468,170	-1.4%
Total Department	$7,028,780	$7,706,680	$7,687,700	$7,835,240	1.9%

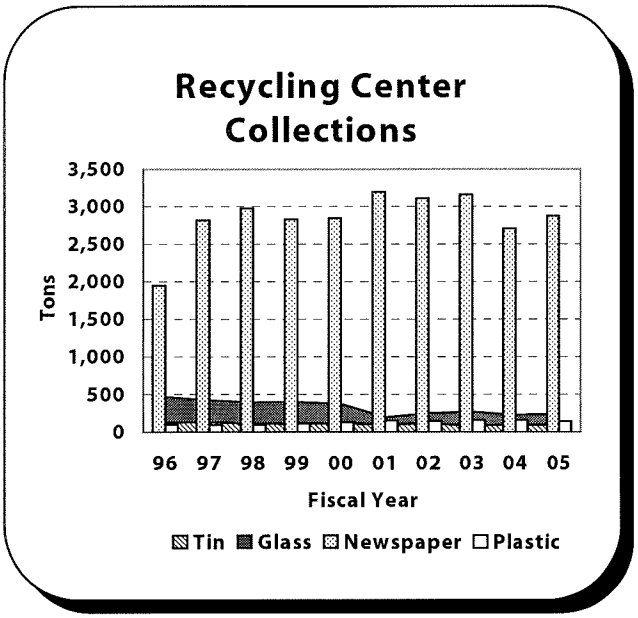
PERSONNEL SUMMARY

	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Engineering	17	2	17	2	17	2	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	68	13	67	14

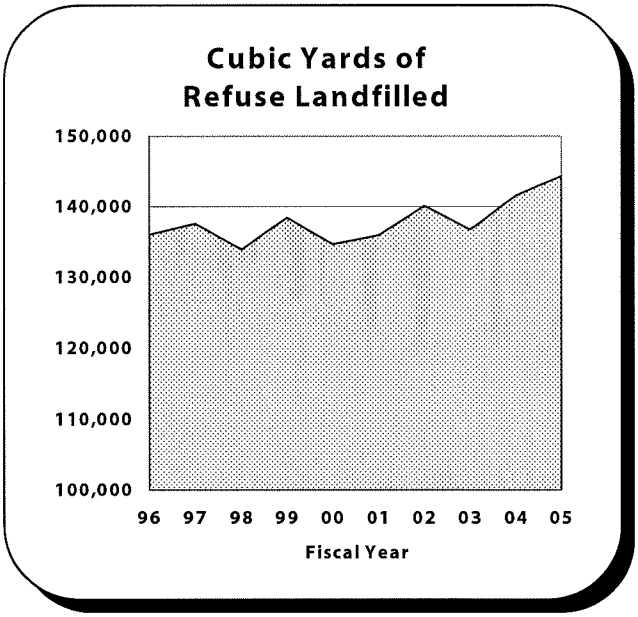
Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

Public Works Department

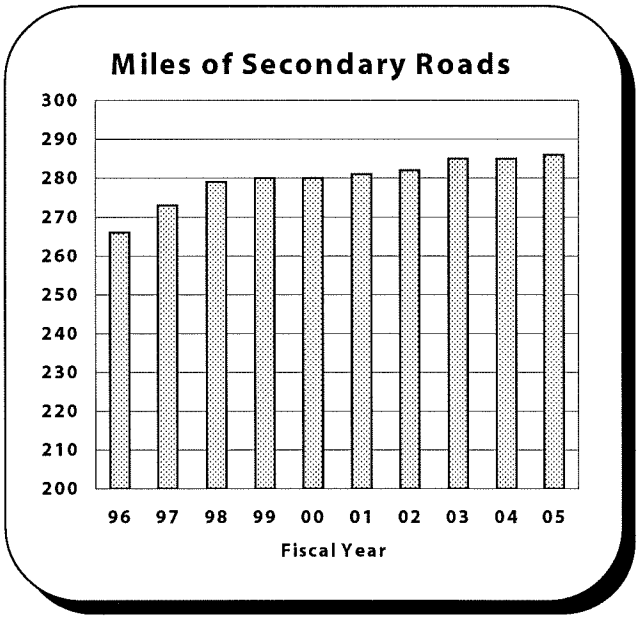


The volume of recycling center collections has increased over the past ten years at the City's three drop-off recycling centers. The growth in recycling and the composting of yard waste have allowed the City to reduce the refuse landfilled by 33% over 15 years. The average homeowner in the City pays only $65 per year for trash pickup compared to nearly $250 in nearby townships. No city in the recent national study had a lower recycling cost per ton recycled.



Despite the separate collection of soft yard waste, which is now composted, and additional Recycling Center collections, the cubic yards of refuse landfilled in the City has still increased due to overall population growth.

The City's snow and ice removal costs have generally been increasing over the past ten years due to growth in the City and an increased number of City streets. Expenditures decreased in four of the ten years due to warmer winters or reduced snow falls. Due to heavy snowfall in 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 in excess of $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 was able to expand Arlingdale Park by 35%, at no cost to the City, through an agreement with a private company that filled a former storm water retention pond, and graded and seeded the area?

Engineering

2006/07 PERFORMANCE OBJECTIVES

1. To update the City's Stormwater and Retention Pond Master Plan, which will help guide the City's efforts in regulating land development, drainage planning, and the eventual upgrade of the City's stormwater system. *(City Goal 8, 12)*

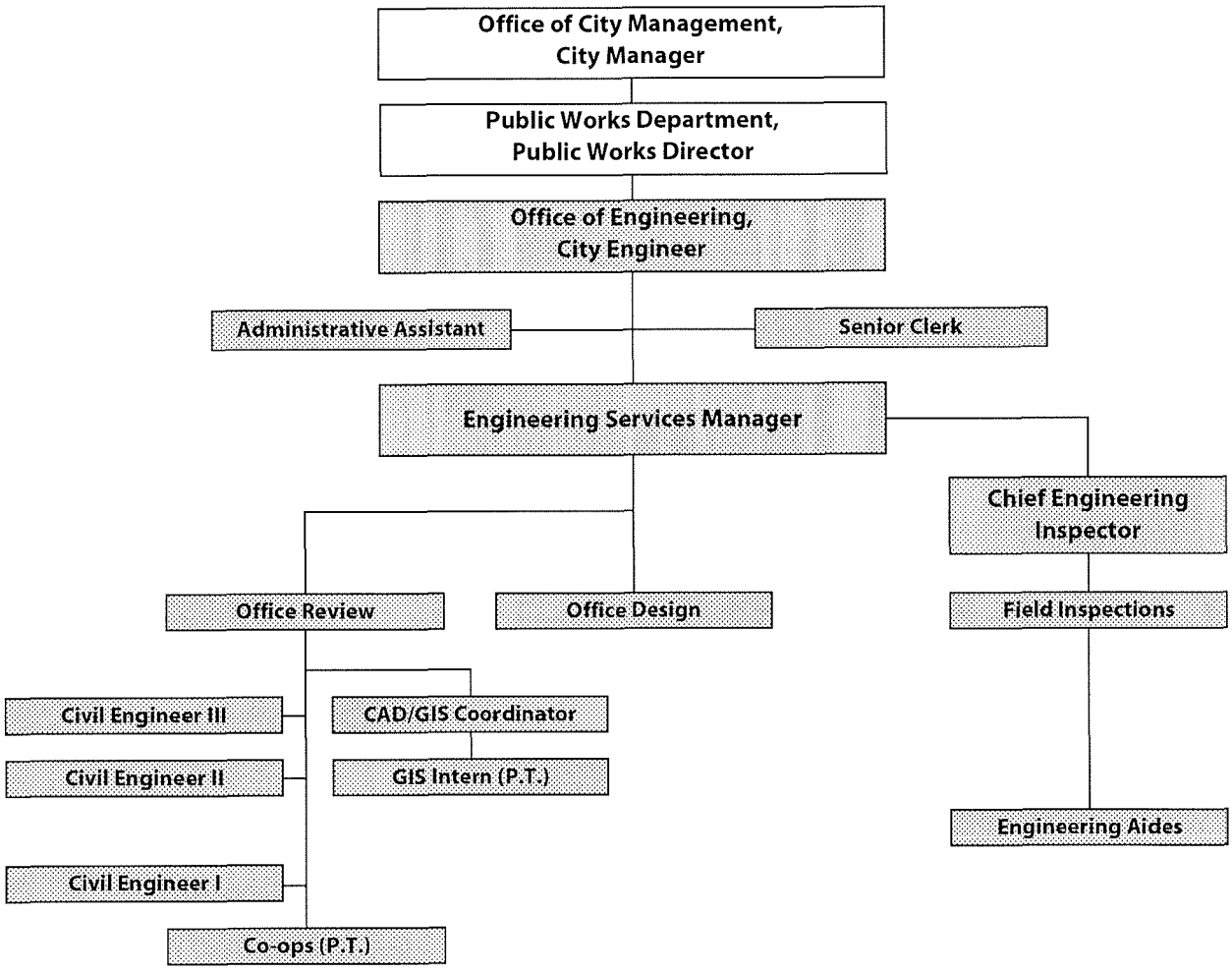
2. To implement a comprehensive local road pavement preservation program that expands the scope of our preventive and remedial maintenance techniques by use of asphalt paving methods to decrease pavement deterioration, improved pavement quality and to extend local road maintenance dollars. *(City Goal 14, 20)*

3. To prepare plans and specifications and administer contracts for the following road improvement projects: 19 Mile Road from Ryan to Mound Roads, 19 Mile Road from Schoenherr to west of Saal Road, and the local road resurfacing program. *(City Goal 22, 23)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Site Plans Approved	54	70	67	60	80	70
	Subdivision Plans Approved	1	1	1	1	1	1
	Property Splits Reviewed	42	38	34	35	35	35
	Plot Plan/Grading Plans Approved	52	65	71	50	50	50
	Utility Company Permits Issued	68	144	121	75	120	100
	SESC Permits Issued	96	162	130	115	140	110
	Value of Const. Contracts Awarded & Supervised	$7.8M	$9.8M	$5.5M	$6.4M	$6.1M	$6.6M
	Personnel Contacts with Business - Counter	4,590	4,415	3,740	4,200	3,900	4,000
	Personnel Contacts with Business - Phone	12,645	13,795	10,898	13,000	12,000	12,000
	Service Requests Processed	3,762	555	717	900	800	800
	Inspection Revenues Generated	$1,030,691	$1,088,190	$904,199	$1,010,000	$1,030,000	$960,000
	SESC Inspection Revenues Generated	$13,002	$11,232	$11,085	$12,000	$13,200	$10,000
	Construction Project Design Revenues	$563,090	$583,209	$520,072	$575,000	$420,000	$520,000
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	76%	72%	71%	85%	85%	90%
	% of Utility Company Permits Reviewed w/i 15 days	74%	85%	88%	85%	94%	85%
	% of Plot or Grading Plans Reviewed w/i 10 days	85%	77%	73%	90%	86%	90%
	% of Capital Projects Completed w/i 5% of Bid Costs	80%	85%	80%	90%	90%	90%
	Engineering Inspection Hrs. Required to Meet Demand	12,112	12,873	10,751	11,900	11,900	11,900
	Engineering Inspection Cost Per Hour	$85.10	$84.53	$84.10	*	*	*
	Activity Expenditures as % of General Fund	2.45%	2.50%	2.42%	2.45%	2.40%	2.18%

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

Engineering



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
City Engineer	1	1	1
Engineering Services Manager	1	1	1
Construction Manager	1	0	0
Civil Engineer III	1	1	1
Civil Engineer II	2	1	1
CAD/GIS Coordinator	1	1	1
Chief Engineering Inspector	0	1	1
Engineering Aide	8	7	7
Civil Engineer I	0	2	1
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
G.I.S. Intern (P.T.)	1	1	1
Co-op (P.T.)	1	1	2
Total	19	19	19

Engineering

SUMMARY OF BUDGET CHANGES

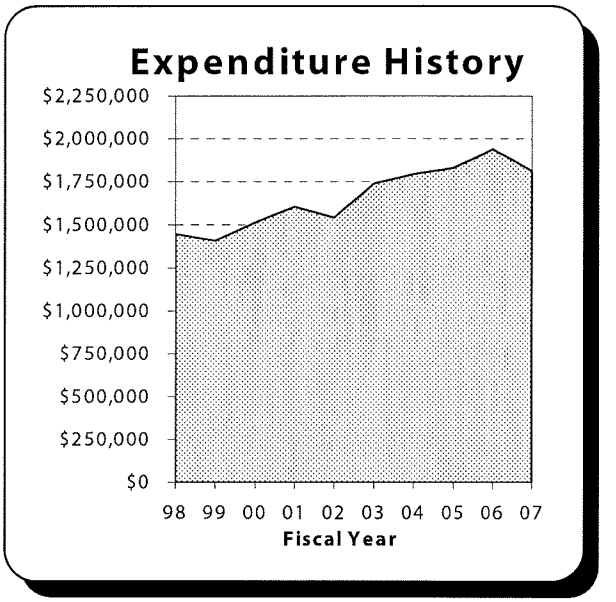
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The total Personnel budget decreased by $125,810 or 6.6%. A vacant Civil Engineer I position is recommended to be eliminated, saving approximately $83,000. In addition, the vacant Construction Manager position was filled with a Chief Inspector position saving $22,000. Overtime and Compensatory Time costs decreased a combined $15,000 based on trends experienced in the current and prior fiscal year. Part-time wages rose $7,040 as an additional High School Co-op position was added in the prior year to help the office expedite the processing of plans and provide quicker response time to residents requests. An additional $36,680 is budgeted to help fund rising retiree medical liabilities.

Supplies - Total Supplies increased $100 or 0.9%. Postage costs rose $400 due to a postal rate increase. The Operating Supply budget can be reduced by $300 to bring it more in line with historic actual costs.

Other Charges - Total Other Charges decreased $1,530 or 9.1%. The decrease is primarily due to a savings in telephone costs as a continued result of recent reductions in Nextel and SBC contractual telephone rates.

Capital - This office is scheduled to receive 12 new personal computers for the office staff to replace the existing five-year old computers. This funding is budgeted in the Information Technology capital budget.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,804,512	$1,910,150	$1,859,670	$1,784,340	$1,784,340
Supplies	11,460	11,400	11,200	11,500	11,500
Other Charges	13,926	16,910	15,400	15,380	15,380
Total	$1,829,898	$1,938,460	$1,886,270	$1,811,220	$1,811,220

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 annually uses more than 11,000 parts in servicing the City's fleet of 657 vehicles and individual pieces of equipment?

Fleet Maintenance

2006/07 PERFORMANCE OBJECTIVES

1. To conduct a cost and feasibility study of becoming a diesel emission-testing center rather than contracting out for the service. *(City Goal 3, 4)*

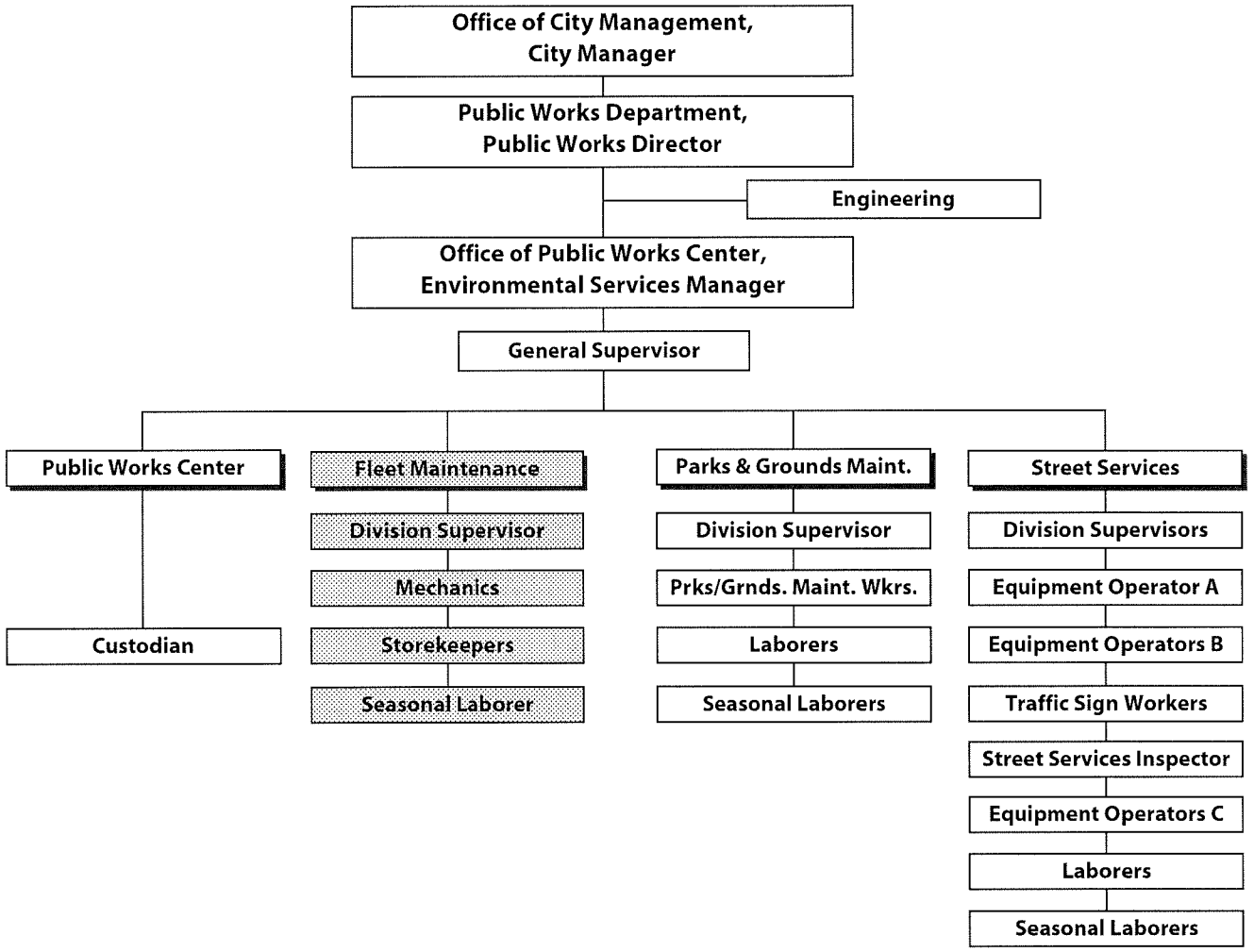
2. To conduct a cost/benefit analysis regarding the training of technicians to perform the repair of specialized equipment such as DVD recorders and radar units in the City's fleet of vehicles as compared to contracting out the service. *(City Goal 3, 4)*

3. To conduct a review, investigation and cost benefit analysis regarding the use of bio-diesel fuel as an alternative fuel for the City fleet, as opposed to the use of fuel derived from crude oil. *(City Goal 3, 6)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Full Service Preventive Maintenances Performed	776	724	777	800	692	750
	Preseason Maintenance - Trucks with Plows	34	36	37	37	37	38
	Preseason Maintenance - Tractors/Flail Mowers	11/11	11/11	12/12	12/12	12/12	12/12
	Preseason Maintenance - Snow Plows	34	36	37	37	37	38
	Preseason Maintenance - Salt Spreaders	18	20	21	21	21	21
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	44	45	49	49	49	49
	Fire Trucks Prepared & Pump Tested	9	9	10	10	10	10
	Vehicle Tires Replaced	666	732	692	750	697	700
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	86%	87%	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)	2.8	2.6	2.5	2.4	2.4	2.5
	Average Age of Fire Vehicles (Years)	11.0	10.8	10.2	9.0	9.0	9.5
	% of Snow Removal Vehicles & Equipment Available	95%	96%	97%	98%	97%	99%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	89%	90%	96%	100%	97%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	92%	95%	94%	97%	93%	97%
	% of Actual Inventory to Inventory Ledger	96%	99%	99%	99%	99%	99%
	Cost of a Passenger Car Oil Change	$19.01	$19.82	$18.27	*	*	*
	Preventive Maintenance Cost of a Passenger Car	$52.34	$57.34	$54.47	*	*	*
	Activity Expenditures as % of General Fund	2.49%	2.63%	2.95%	2.65%	2.82%	2.77%

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

Fleet Maintenance



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

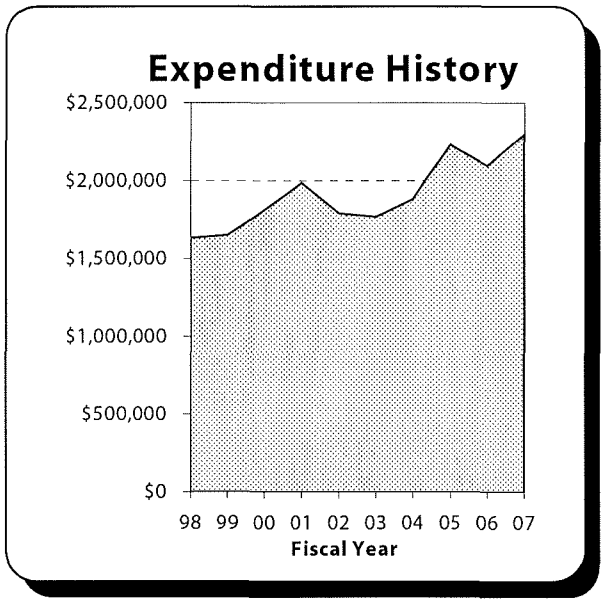
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget rose by $78,360 or 6.9%. Wages for full-time employees increased by $26,310. Hospitalization insurance costs rose $6,820 as a result of a rate increase. Dental costs rose $1,000 or 7.6%. Increased funding for retiree medical obligations resulted in a $33,660 increase. Based on higher service demands, the Overtime budget increased by $5,000.

Supplies – Total Supplies increased $122,860 or 12.9%. Fuel costs increased $125,000 based on higher fuel prices and increased fuel consumption, offset slightly by the purchase of lower priced mid-grade fuel. Operating supply costs decreased $2,180 based on historic actual usage and a prior year reappropriated encumbrance.

Other Charges – Total Other Charges decreased $950 or 6.6%. Funding for the disposal of hazardous waste materials decreased $700 as the budget can be brought more in line with historic actual expenditure levels. The educational budget decreased $200, as prior year funds were never fully spent. Local meeting expenses declined by $50.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,093,547	$1,129,250	$1,131,750	$1,207,610	$1,207,610
Supplies	1,123,431	952,360	1,075,210	1,075,220	1,075,220
Other Charges	14,530	14,500	13,450	13,550	13,550
Total	$2,231,508	$2,096,110	$2,220,410	$2,296,380	$2,296,380

Parks & Grounds Maintenance

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

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

The beauty of our City is enhanced by the planting of street trees and preserving the health of our existing urban forest while preventing losses to human life and/or property through proper maintenance.

This activity provides seasonal programs of maintaining baseball, football, and soccer fields; tennis, volleyball and basketball courts; and ice rinks in a safe, playable condition at City parks and school sites.

To ensure that all parks and recreational facilities and properties are properly maintained, the following activities are undertaken: maintenance of the magic squares and earthen rinks including flooding all ice rinks when weather permits, and provision of requested assistance for the various Parks & Recreation activities which occur throughout the year.

To ensure that all municipal grounds and parks are well maintained, the following activities are undertaken: grass cutting, trimming, and turf maintenance, and fertilizer/herbicide application at 13 municipal sites. When conditions warrant, snow and ice are removed to bare pavement at 11 municipal sites, 41 school walkways, five bridge sidewalks and at the developed park sites. Exterior holiday decorations are installed on all municipal buildings and selected fire stations. This activity also maintains the Parks & Grounds garage. The funds for retention pond maintenance cross charges, such as inspection, weed and grass cutting, and pump facility repairs, are included in this program.

Parks & Grounds' goal is to plant on average a total of 500 trees in the street rights-of-way with two plantings typically scheduled to be performed, one in the spring and one in the fall. However, in fiscal year 2006/07, an estimated 1,500 trees will be planted due to the ongoing removal of emerald ash borer infested trees. City street trees are trimmed from January to late March. About five sections of the City are trimmed each year. This activity is also responsible for issuing violations of the tree and shrub ordinance.

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

KEY GOALS

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

Did you know?...
...that the Parks and Grounds Maintenance division removes snow and ice from walkways and parking lots at 11 municipal building sites, 27 City parks, and 41 pedestrian school walkways?

Parks & Grounds Maintenance

2006/07 PERFORMANCE OBJECTIVES

1. To determine the feasibility and costs associated with subcontracting snow and ice removal at the City's five fire stations as compared to providing the services in-house. *(City Goal 1)*

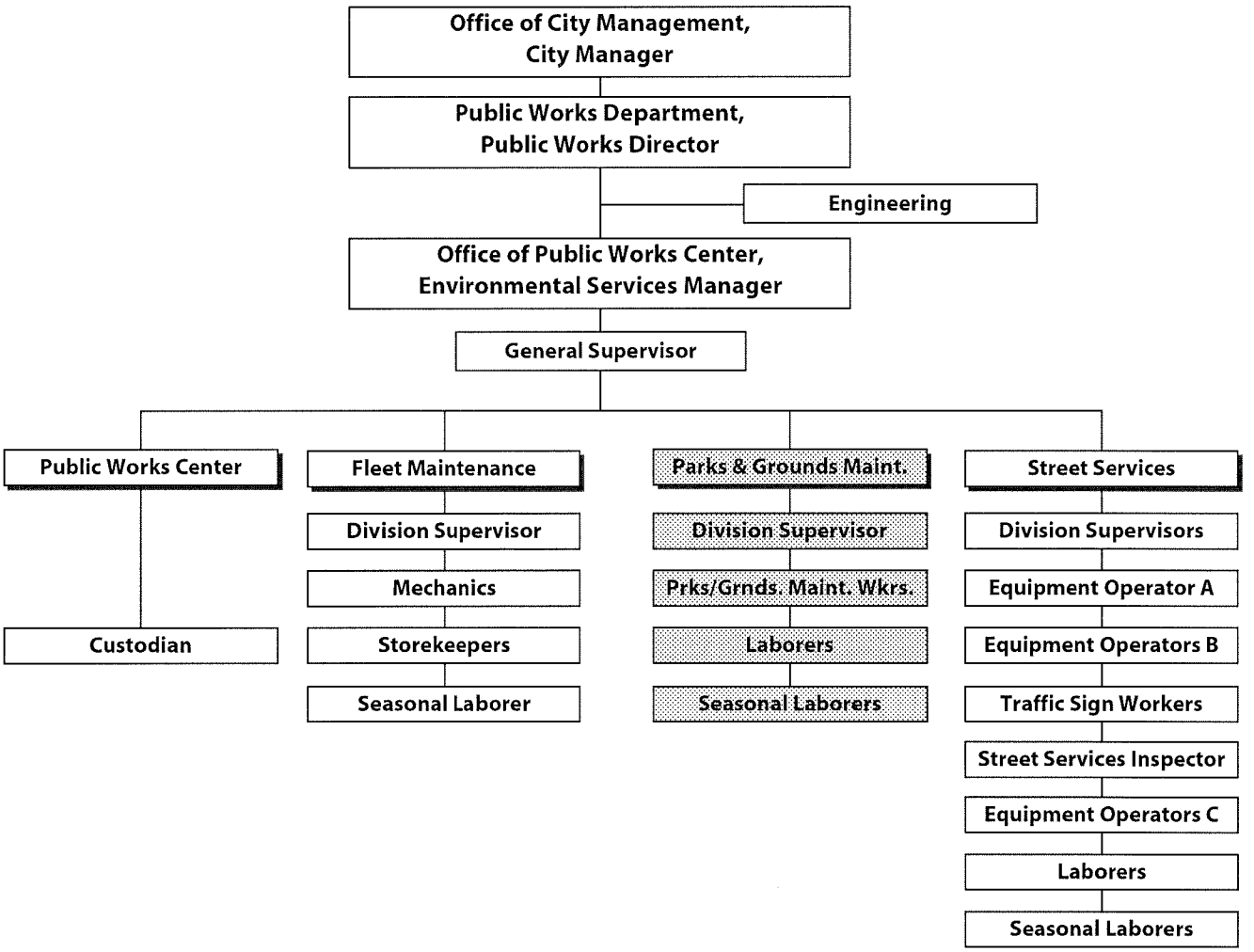
2. To determine the best possible solution to the goose problem at Joseph Delia and L. W. Baumgartner Parks and implement accordingly. *(City Goal 3)*

3. To remove the existing entrance gates at Clinton River North, Leroy H. Imus, L. W. Baumgartner, and Farmstead Parks and replace them with post and chain gates as found at Joseph J. Delia and James C. Nelson Parks. *(City Goal 15)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Street Trees Planted	372	528	1,200	1,500	1,000	1,000
	Street Trees Trimmed (Subcontracted)	3,820	3,624	0	4,000	5,300	4,000
	Street Trees Trimmed (In-House)	2,211	400	0	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	1,250	1,040	1,100	1,000	1,000	1,000
	Soccer/Football Fields Relined	250	250	250	250	250	250
	Snow/Ice Control Call-Ins	10	7	14	15	15	15
	Times Sprayed for Mosquitos (Major Parks)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	210	178	88	120	120	120
	Cleaning of Restroom Facilities	880	880	880	880	880	880
	Trash Collection Days-Parks & Municipal Sites	200	200	200	200	200	200
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equipment	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of Total City Easement Trees Trimmed	20%	20%	0%	20%	25%	20%
	Cost to Mow an Acre of Parkland	$41.61	$41.72	$41.92	*	*	*
	Activity Expenditures as % of General Fund	1.76%	1.76%	1.70%	1.68%	1.65%	1.60%

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

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

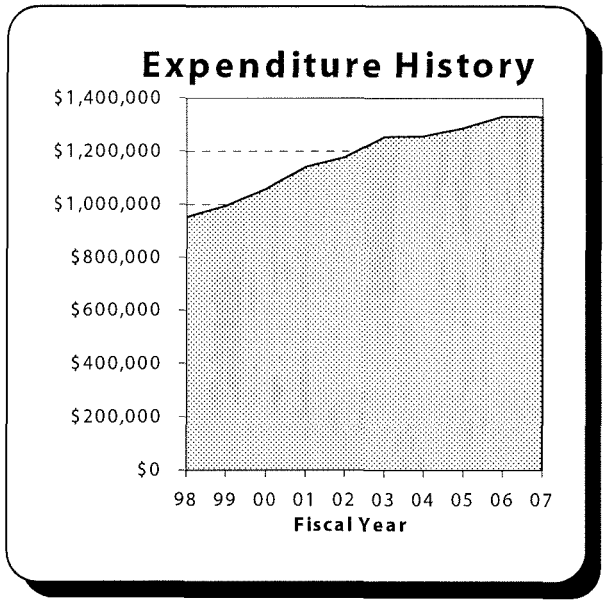
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $22,910 or 2.2%. Due to staff retirements in the prior year, several new employees have started at lower wage steps. As a result, wages declined by $9,340, while Longevity costs fell $4,980. Staff turnover has also resulted in one fewer employee electing to receive the health insurance allowance. As a result of this and a rate increase, hospitalization insurance costs rose $11,030. An additional $24,570 is budgeted to fund the City's rapidly rising retiree medical liabilities.

Supplies – Total Supplies is proposed to remain the same at $37,000.

Other Charges – Total Other Charges decreased $25,490 or 9.3%. In the prior year, an Emerald Ash Borer Tree Planting grant was used to replace ash borer infected trees in City parks. Next year, the funding is budgeted in the Major Road Fund for the removal of infected trees along major City roads. Telephone costs decreased $400, as a faster fiber optic data network connection will replace the current connection between the Parks & Grounds Building and City Hall. Water costs rose by $11,000 due to increased rates and irrigation at new soccer fields and along the Utica Road median. Contracted service costs increased $4,000 as additional funding was added for the application of goose repellent to the City's athletic fields.

Capital – Total Capital of $18,000 is proposed for this activity. $15,000 is to replace a 72" Riding Mower utilized in cutting the City's parks and athletic fields.



$3,000 is to replace a 20-year old Trailer used primarily for transporting riding mowers to City parks.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,044,809	$1,020,340	$980,710	$1,043,250	$1,043,250
Supplies	39,637	37,000	37,000	37,000	37,000
Other Charges	202,847	274,200	282,710	248,710	248,710
Total	$1,287,293	$1,331,540	$1,300,420	$1,328,960	$1,328,960

Public Works Center

MISSION STATEMENT: ***To provide the resources necessary to coordinate, plan and direct the operations of the D.P.W. in the delivery of the best in public services in the areas of Street Services, Parks & Grounds Maintenance, and Fleet Maintenance.***

The Public Works Center activity includes the administrative personnel whose responsibility it is to plan, direct, and coordinate the General Fund portion of the Public Works Department. This activity performs all administrative functions necessary to ensure the efficient and effective delivery of the best in public services in the areas of street maintenance, parks and grounds maintenance, and fleet maintenance. The Environmental Services Manager prepares and submits the annual General Fund activity budgets for approval, determines personnel policy in accordance with union contracts and administrative rules and regulations, and facilitates the City's NPDES permit requirements.

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 Center.

The Custodial Services function involves the general housekeeping required at the Public Works Facility. This includes the custodial upkeep of all administrative offices, main office area, conference room, multi-purpose room, locker rooms and lavatories. Delivery and pickup of interdepartmental mail and correspondence from the municipal building and fire stations lies within this program.■

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 D.P.W. divisions and City departments.***
- ***To ensure a safe work environment, schedule training, and improve safety awareness.***
- ***To maintain a positive, competitive, service-oriented public image.***

Did you know?...
...that the Public Works Center division has contracted for the replanting of 172 trees on major road medians and rights-of-way, utilizing Emerald Ash Borer grant funding?

Public Works Center

2006/07 PERFORMANCE OBJECTIVES

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

2. To improve the appearance of the County roads within our community by increasing the frequency of mowing in the rights-of-way and investigating and instituting different equipment that would result in a cleaner cut. *(City Goal 14)*

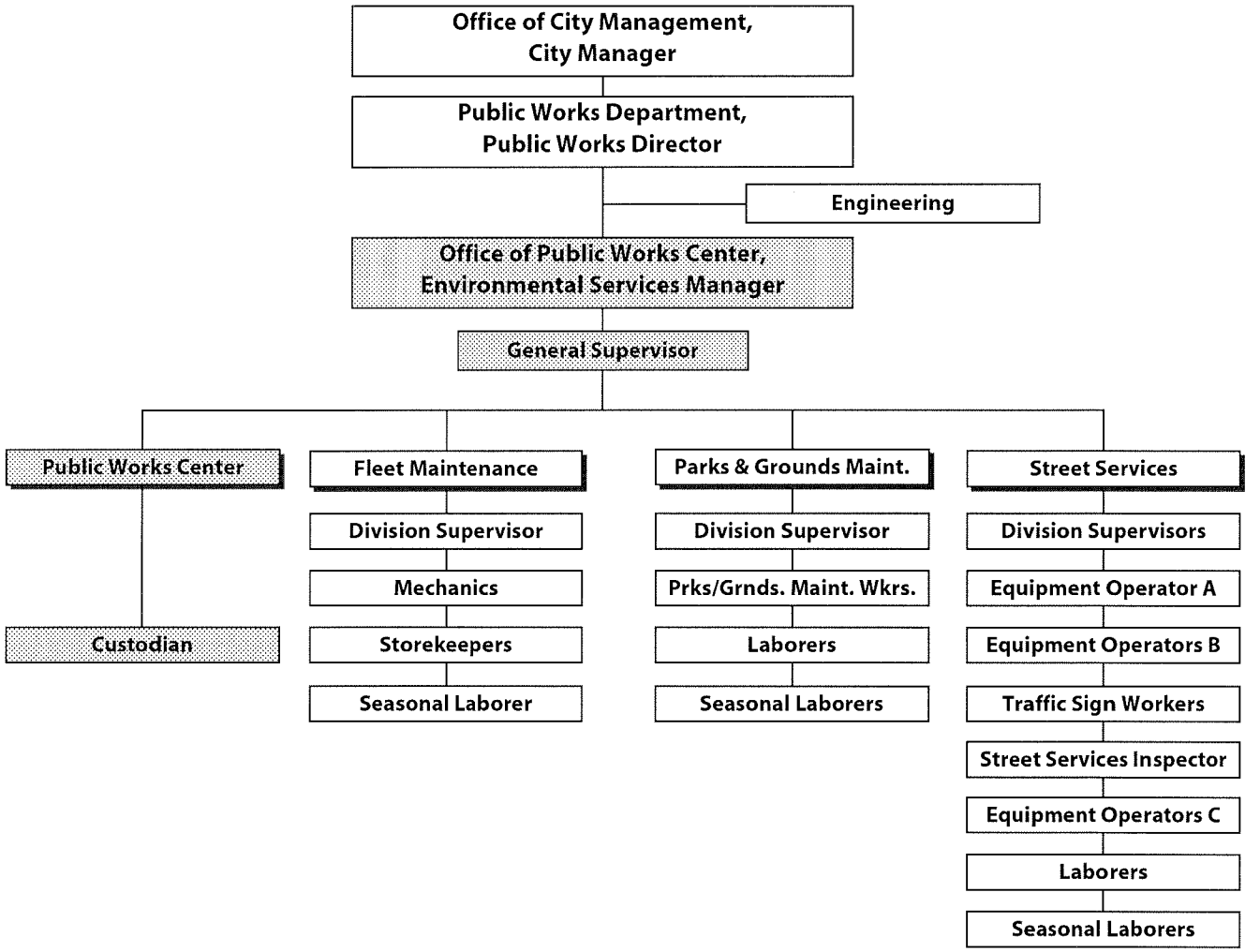
3. To implement a guardrail and sign post herbicide-spraying program to allow the seasonal work force to be used in other maintenance areas. *(City Goal 14)*

4. To oversee the NPDES Stormwater Discharge Permit by providing public education, dry weather field screening, investigate illegal dumping and searching of illicit connections etc. to the City's storm sewer system, and provide the necessary reports to MDEQ. *(City Goal 15)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 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	14	28	15	18	18	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	2,150	2,240	2,840	2,600	2,600	2,600
	Culvert Permits Issued & Inspected	3	3	1	4	3	4
	Signs Installed for Adopt-A-Park or Road	20	4	2	12	10	12
	Refuse Pick-Ups Made from Adopt-A-Park or Road	32	42	37	50	50	50
	Outfalls Sampled for Stormwater Discharge	56	45	0	50	50	50
	Landscape Median Mowing - Revolutions	29	29	25	27	29	27
	Number of Parts Issued by General Stores	31,960	30,815	26,815	30,000	29,600	30,000
Efficiency	% of Outfalls Sampled w/no Water Discharge	100%	100%	N/A	100%	100%	100%
	Activity Expenditures as % of General Fund	0.64%	0.64%	0.67%	0.61%	0.63%	0.63%

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

Public Works Center



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

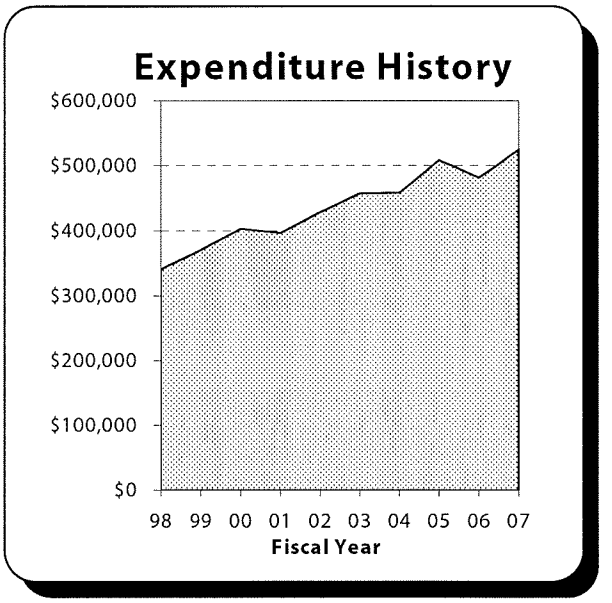
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $18,430 or 5.9%. Wages for full-time employees increased 3% or $6,220. Hospitalization Insurance costs rose $3,970, while Dental Insurance costs increased $410. Overtime and Compensatory Time buyback declined a combined $1,400. An additional $9,560 is budgeted to help fund the City's growing retiree medical liabilities.

Supplies – Total Supplies increased $1,210 or 13.7% as additional tools and custodial supplies need to be purchased.

Other Charges – Total Other Charges increased $23,220 or 14.6%. $21,000 was added to the budget due to higher natural gas rates. Water costs rose by $500 due to higher rates and increased usage. $4,000 was added for radio connection fees for the new 800 MHz radio communication system. The City will save $2,000 in electric costs based on the current year's expenditure usage. Telephone costs decreased $500 as a continued result of recent reductions in Nextel and SBC contractual telephone rates. $100 was eliminated for educational conferences, as prior year funds were never spent. A slight savings was also realized in pager rental fees and local meeting costs.

Capital – The Public Works Department is scheduled to receive 27 replacement personal computers, of which 14 are funded in the Information Technology capital budget and 13 are funded in the Water & Sewer Fund.



These computers will replace existing units that are now 5-years old.

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

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

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$322,277	$313,310	$312,800	$331,740	$331,740
Supplies	12,310	8,840	10,050	10,050	10,050
Other Charges	173,078	159,140	173,840	182,360	182,360
Total	$507,665	$481,290	$496,690	$524,150	$524,150

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 10,000 refuse collection information and requests for service calls annually. The support staff verifies the contractor's monthly invoices, prepares requests for payment, prepares monthly reports detailing all stops, and maintains all refuse related files and types all related correspondence.

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 Noxious Weed Cutting and Parks & Grounds Maintenance programs especially relating to tree planting, tree removal (including street trees that are infested with the emerald ash borer), trimming, and information requests.■

Did you know?...
...that in the 2005/06 fiscal year, the average homeowner in the City paid less than $65 for refuse collection services including soft yard waste pick up?

Refuse Collection

2006/07 PERFORMANCE OBJECTIVES

1. To provide dumpster collection service to 16 apartment complexes through a cost recovery program in which they pay the City in advance for the full cost of the service plus an 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)*

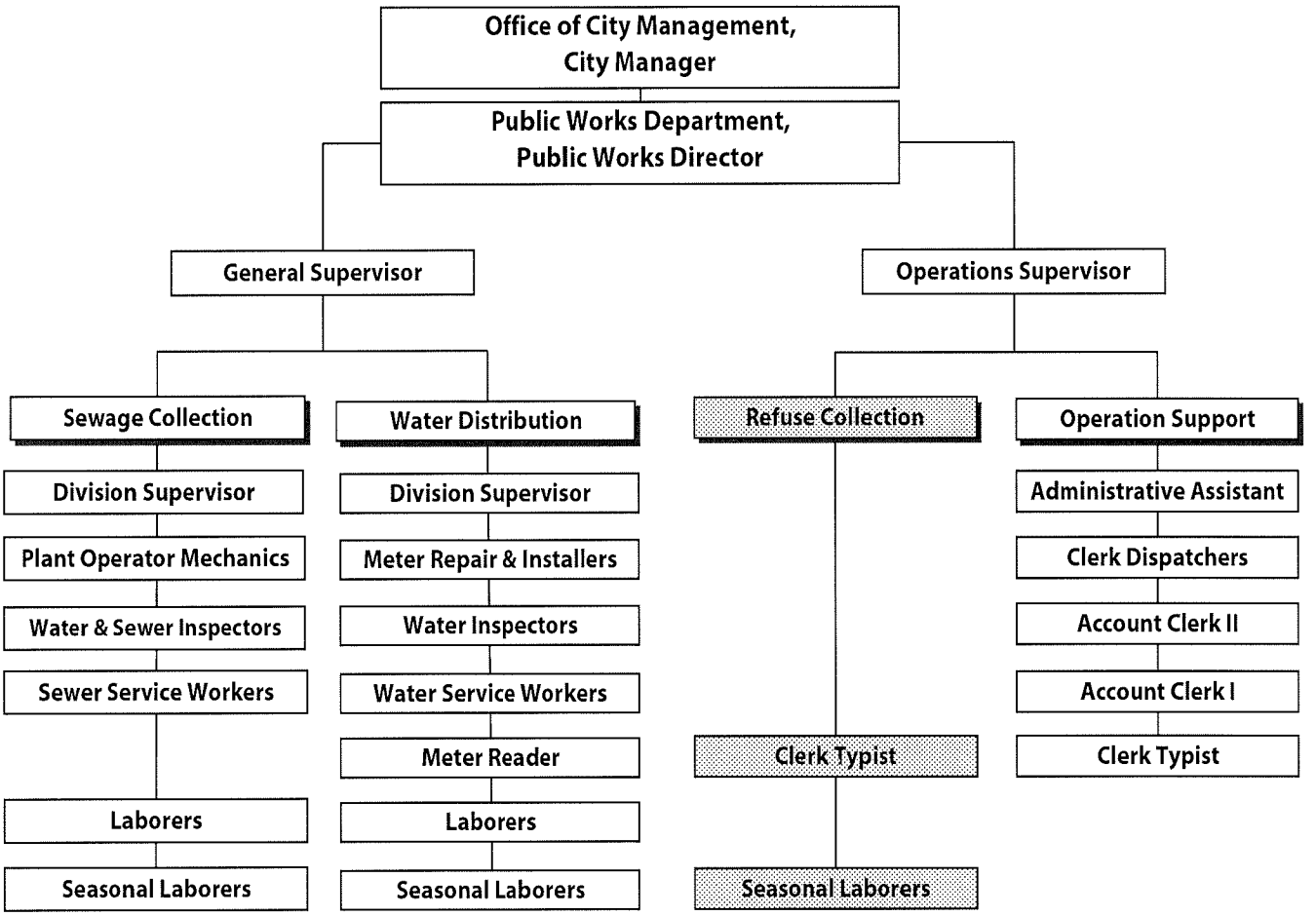
3. To aggressively tag and inform residents who have placed their refuse out too early for collection or have placed it out improperly. *(City Goal 13, 14)*

4. To conduct a survey to compare the annual refuse collection cost per home with other surrounding communities. *(City Goal 5, 14)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Curbside Refuse Collection Points (Per Week)	38,757	40,001	38,844	39,500	39,000	40,000
	Cubic Yards of Refuse Landfilled	136,776	141,575	144,305	147,000	131,000	133,000
	Cubic Yards Recycled at Drop-Off Centers	14,232	13,912	13,984	14,500	14,400	14,500
	Tons of Yard Waste Composted/Diverted	13,511	13,540	13,443	14,000	11,500	12,000
	Christmas Trees Chipped and Composted	4,284	2,833	2,850	3,800	2,500	2,500
	Tons of Scrap Metal Recycled	396	395	455	400	385	400
	Gallons of Used Oil Recycled	42,400	36,850	33,500	38,000	34,500	36,000
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	36.0%	34.0%	32.9%	32.0%	39.0%	39.0%
	Refuse Collection Costs per Capita	$37.21	$37.04	$38.46	$34.81	$32.03	$33.36
	Refuse Collection Millage Rate	1.06	1.07	1.11	0.83	0.83	0.81
	Annual Refuse Cost for $200,000 Home ($78,000 TV)	$82.58	$83.43	$86.23	$64.79	$64.79	$63.51
	Total Cost to Operate Three Recycling Centers	$65,314	$58,029	$68,756	$70,000	$72,000	$74,000
	Recycling Costs Per Ton Recycled	$18.21	$18.68	$20.16	$23.50	$22.61	$24.00
	Cost to Collect/Dispose of Refuse (1 cubic yard)	$34.06	$32.91	$33.63	$30.07	$31.06	$31.98
	Activity Expenditures as % of General Fund	6.56%	6.51%	6.41%	5.58%	5.17%	5.13%

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

Refuse Collection



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
Total	4	4	4

Refuse Collection

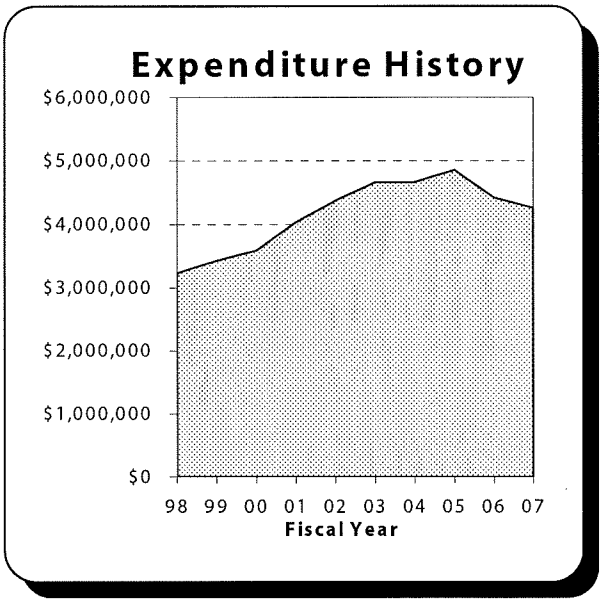
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $4,480 or 3.5%. Wages for full-time employees increased by $1,090 or 3%. The funding for part-time seasonal laborers increased $1,210 or 1.9%. Hospitalization costs rose 2.9%, while Dental insurance costs rose 7.4%. Funding for retiree medical insurance costs increased by $1,570.

Supplies – Total Supplies is proposed to remain the same at $300. There are no proposed changes within the Supplies account.

Other Charges – Total Other Charges decreased $172,080 or 4.0%. Rubbish removal costs decreased $176,490 due to the recent implementation 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 can choose to continue the service by paying the City the actual cost of the collection service and an administrative fee, less what they already pay in refuse taxes. However, because most of the customers elected to contract for their own collection, the City's costs have declined. Consequently, the anticipated refuse collection fee revenues have also declined. $4,410 was added for interfund service costs due to higher refuse personnel costs for those employees budgeted in the Water & Sewer Fund.



Capital – There is no Capital proposed for this activity.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$128,415	$127,730	$127,730	$132,210	$132,210
Supplies	430	300	300	300	300
Other Charges	4,724,304	4,292,990	3,940,300	4,120,910	4,120,910
Total	$4,853,149	$4,421,020	$4,068,330	$4,253,420	$4,253,420

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

Three specific programs set up within this Public Works activity detail the mission of the Street Services activity. Roads and Streets Maintenance, Supplementary Roadside Maintenance, and Snow and Ice Control programs provide excellent care to the City's streets. Street Services provides a safe and clean road surface for vehicular traffic, adequate visual direction and a safe, maintained, and unobstructed roadside environment on more than 345 miles of City roads.

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

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

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

Support activities include the installation of new street signs, maintenance and repair of existing signs, and the installation of informational signs for the municipal sites and 28 developed parks. Another support activity of Street Services is the detection, removal, and chipping of diseased trees and stumps. Tree branches are removed and chipped from approximately 3,500 locations.

Catch basin cleaning is another important function. Catch basins are routinely cleaned allowing for the rapid disposal of storm water runoff and drainage.

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 27 different groups have adopted City roads, making a commitment to clean the roadside four times between April and October?

Street Services

2006/07 PERFORMANCE OBJECTIVES

1. To improve upon our snow emergency response by installing written instruction for the operation of plows and salt spreaders in all of the division's snow removal vehicles to assist newer employees as well as employees of other divisions that don't normally drive the equipment. *(City Goal 3)*

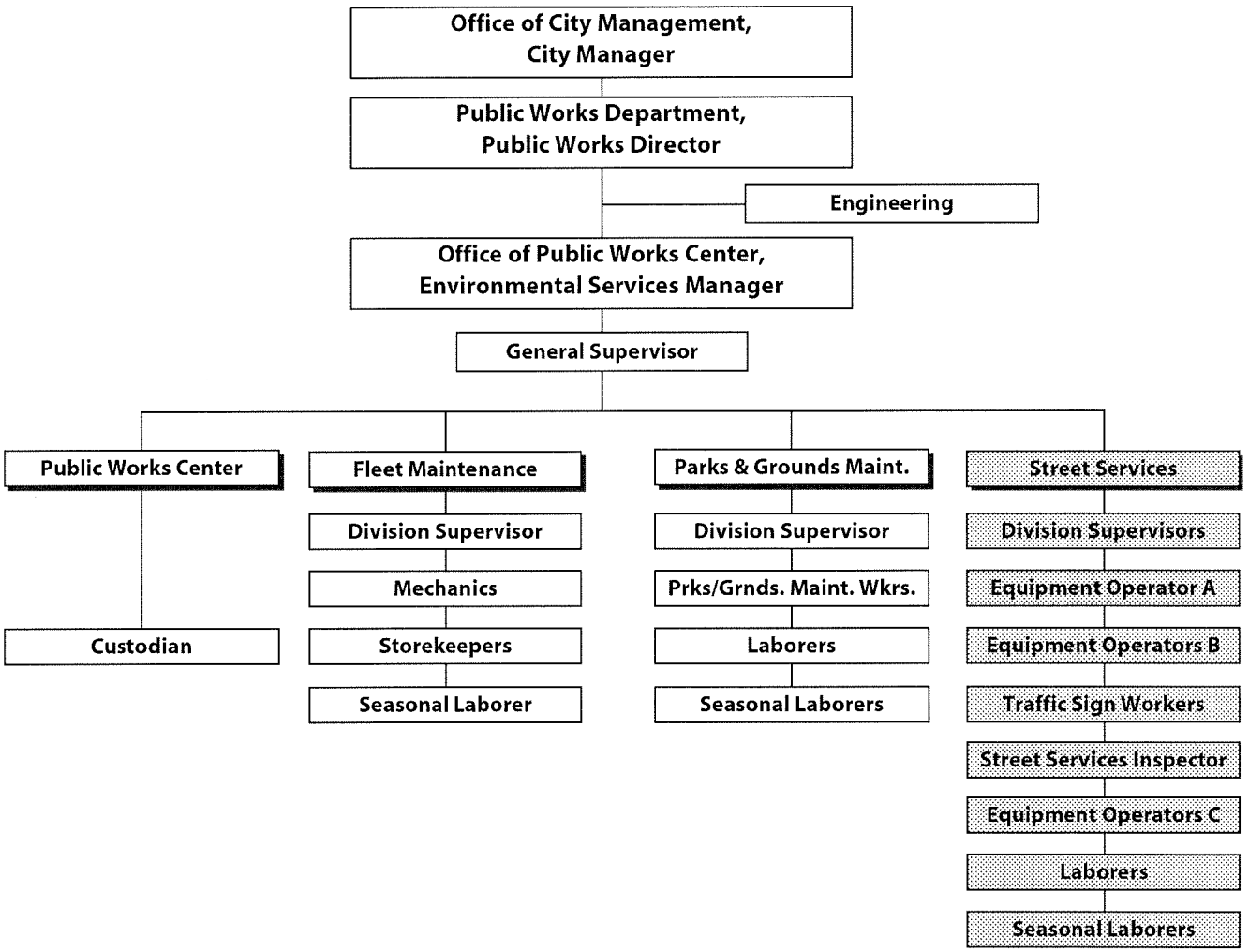
2. To cross-train employees from all DPW divisions on the operation of all vehicles and equipment utilized in the Street Services Division. *(City Goal 3)*

3. To ensure that all employees receive the necessary training to obtain an "A" endorsement on their CDL license which will ensure that all employees can perform any duties requiring an "A" endorsement. This will also ensure that employees will be eligible to fill the several anticipated position openings within the division when senior employees retire. *(City Goal 3, 4)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Miles of Roads in City (Major & Local)	345	345	345	347	346	347
	After Hours Snow Removal Occurrences	35	34	41	32	38	35
	Miles of Snow Fence Installation or Removal	1.06	1.59	1.16	1.24	5.80	5.00
	Pothole Patching - Tons of Patch Used	440	441	549	400	440	400
	Sidewalk Patching - Number of Locations	345	1,484	343	500	200	350
	Street Sweeping - Rotation (390 miles)	5	4	4	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	3	7	15	8	15	12
	Right-of-Way Mowing - Revolution (357 miles)	8	9	9	10	10	10
	Storm Catch Basin Cleaning-Number of Locations	670	241	580	800	772	800
	Number of Street Trees Removed In-House	494	692	227	700	1,007	700
	Number of Street Trees Removed by Contractor	140	728	8,249	1,000	975	125
	Homeowner Tree Inquiries/Inspection Responses	3,105	5,160	4,968	5,000	4,700	5,000
	Residential Tree/Branch Chipping Requests Filled	5,441	3,857	3,202	5,000	3,500	5,000
	Traffic Sign Repairs or Replacements	3,706	5,296	5,486	4,000	3,600	4,000
	Gravel Roads - Lane Miles Graded	21	26	29	35	30	32
	Dust Control - Gallons Calcium Chloride Applied	29,466	36,232	15,962	25,000	30,000	30,000
Efficiency & Effectiveness	% of Tree Chipping Requests Completed w/i 1 week	99%	99%	99%	95%	99%	95%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	$1,099	$575	$1,780	$1,000	$1,000	$1,000
	Street Services Cost Per Capita	$11.51	$13.04	$14.66	$14.49	$14.01	$14.70
	Average Cost to Sweep a Lane Mile of Major Road	$499	$484	$482	*	*	*
	Activity Expenditures as % of General Fund	2.03%	2.29%	2.44%	2.32%	2.26%	2.26%

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

Street Services



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

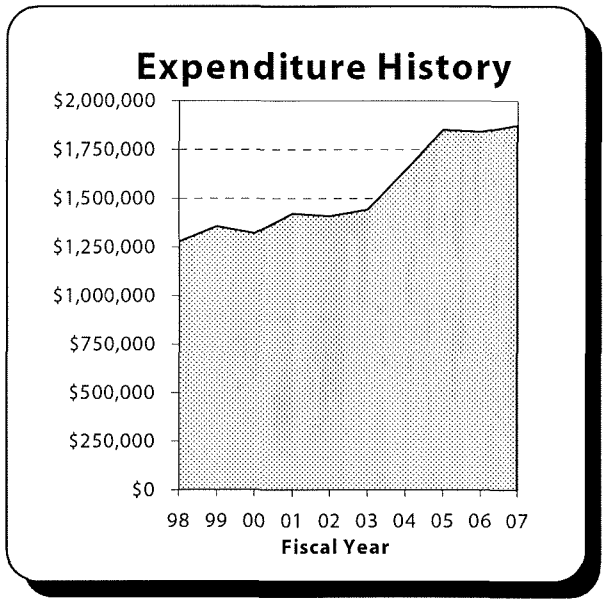
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $34,530 or 1.9%. Wages for full-time employees increased only $4,370 due to staff turnover in the prior year. Three employees have elected to receive the health insurance allowance, which has contributed to a $25,320 savings in hospitalization insurance costs. The budget for Overtime costs has increased $10,000 based on higher service demands. Most of the increase in personnel costs is a result of an additional $48,530 in funding for retiree medical insurance liabilities.

Supplies – Total Supplies increased $1,500 or 13.6% due to the higher cost of sign and traffic control supplies.

Other Charges – Total Other Charges decreased $1,800 or 18.1%. Funding for training decreased based on lower historic actual expenditure levels and the one-time funding of aerial lift training in the prior year. This training is required once every three years for employees to maintain certification.

Capital – Total Capital of $437,000 is proposed for this division. $34,000 is for a replacement Gerber Sign Shop System that is used to design, fabricate, and construct signs, decals, and banners and will replace a ten year-old unit that has become outdated. $125,000 is for a Platform Sign Truck that is used to install, remove, and repair signs and sign posts and will replace a 1996 vehicle with excessive breakdowns and downtime. $155,000 is to replace a 1997 Street Sweeper that is used for the daily sweeping of all City residential streets and major roads. $123,000 is for a Single Axle Dump Truck with Plow to be used for snow and tree removal, road patching, and other various road maintenance duties. This truck will replace a vehicle that is 16-years old.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,831,851	$1,819,330	$1,758,800	$1,853,860	$1,853,860
Supplies	10,698	11,000	11,000	12,500	12,500
Other Charges	7,765	9,970	9,980	8,170	8,170
Total	$1,850,314	$1,840,300	$1,779,780	$1,874,530	$1,874,530

06
07

PUBLIC LIBRARY DEPARTMENT

the Next Generation – Our Future

FUNCTIONAL ORGANIZATION CHART

Public Library Department

Library Administration

- Prepares and administers library's budget
- Recommends and implements policies
- Coordinates and evaluates activities of staff
- Formulates and develops service programs and priorities
- Coordinates and administers grants
- Directs the operations of the library
- Provides administrative support for activities of Friends
- Guides and directs activities of the Library Board of Trustees
- Guides and directs activities of the Historical Commission
- Represents and promotes the library to the community
- Serves as liaison to the Suburban Library Cooperative

Adult Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Outreach service to senior citizen residences & the homebound
- Periodical and newspaper maintenance
- Readers' Advisory Services
- Online database selection
- Coordinates Internet access and instruction
- Online database searching and instruction
- Young Adult Services

Circulation Services

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

Youth Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Youth programming and seasonal activities
- Outreach service to daycare centers/preschools
- Shelves materials for user access
- Readers' Advisory Services
- Youth Volunteer Activities
- School tours and site visits
- Creates exhibits, displays, and information packets

Library Programming & Community Services

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

Technical Services

- Acquisition of materials
- Cataloging and classification
- Bindery of materials
- Administration of SIRSI and Internet Systems
- Processes and routes donations
- Maintains online catalogs and equipment
- Ongoing collection inventory and statistical analysis
- Processes items and donations for Upton House Historical Collection
- Installs and maintains software for homework and reference center workstations

DEPARTMENT AT A GLANCE

Public Library Department

BUDGET SUMMARY

The Public Library Department's budget increased by $114,820 or 4.5%. Personnel costs rose $112,580 or 5.5%. Wages for full-time employees rose by $38,400. Higher medical insurance rates resulted in an $8,800 increase, while an additional $51,440 is budgeted for higher retiree medical costs. Funding is again budgeted to open the Library at 9:30 a.m., and for the continued staffing of Sunday hours during the school year. Supplies decreased by $810 or 0.3% as a new automated hold notification system saved postage costs. The City will once again budget the $10,000 additional funding added last year for increased book and audiovisual material purchases. The CDBG budget once again includes $10,000 for the purchase of special library books to be delivered to the homebound and senior residences on the City's newly retrofitted Book Van. Other Charges increased by $3,050 or 1.0% due to higher utility costs, offset by savings in staff computer rental costs. The capital budget includes funding for two replacement staff computers.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Public Library	$2,386,450	$2,471,890	$2,577,990	$2,692,810	4.5%
Total Department	$2,386,450	$2,471,890	$2,577,990	$2,692,810	4.5%
Personnel Services	$1,848,850	$1,943,180	$2,033,000	$2,145,580	5.5%
Supplies	249,400	244,270	253,670	252,860	-0.3%
Other Charges	288,200	284,440	291,320	294,370	1.0%
Total Department	$2,386,450	$2,471,890	$2,577,990	$2,692,810	4.5%

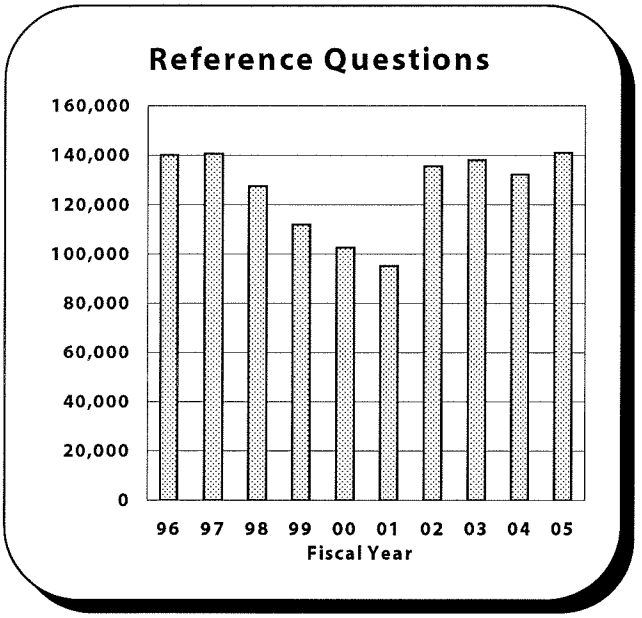
PERSONNEL SUMMARY

	2003/04		2004/05		2005/06		2006/07	
	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

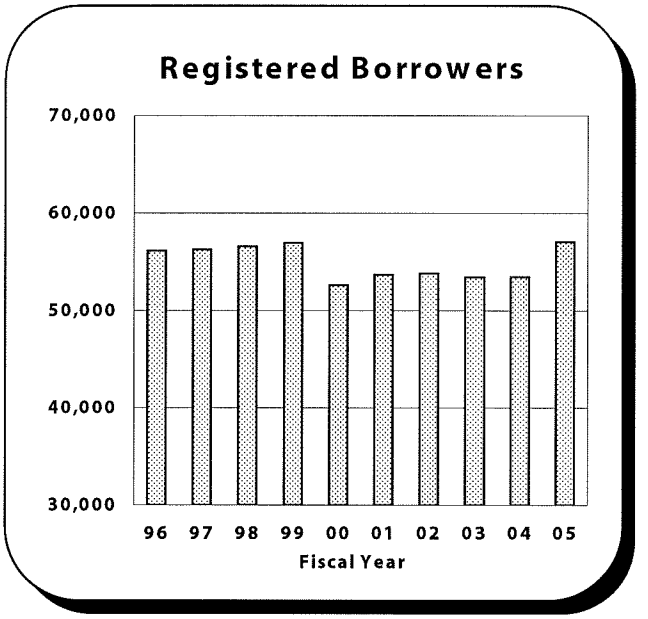
Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

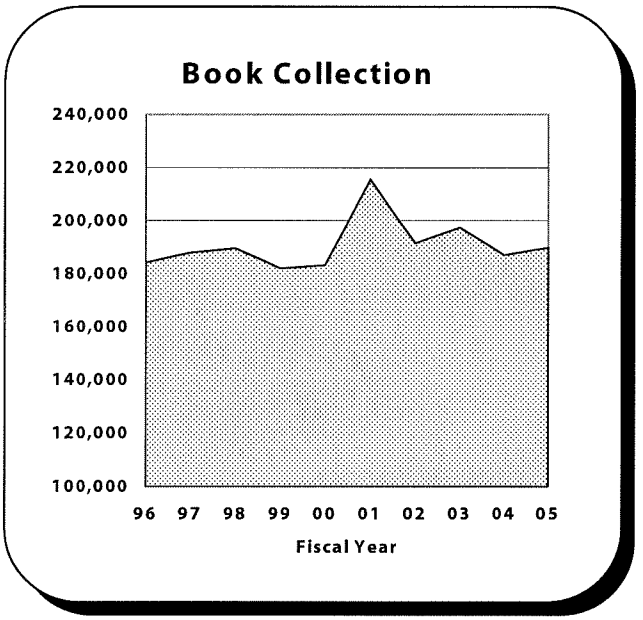
Public Library Department



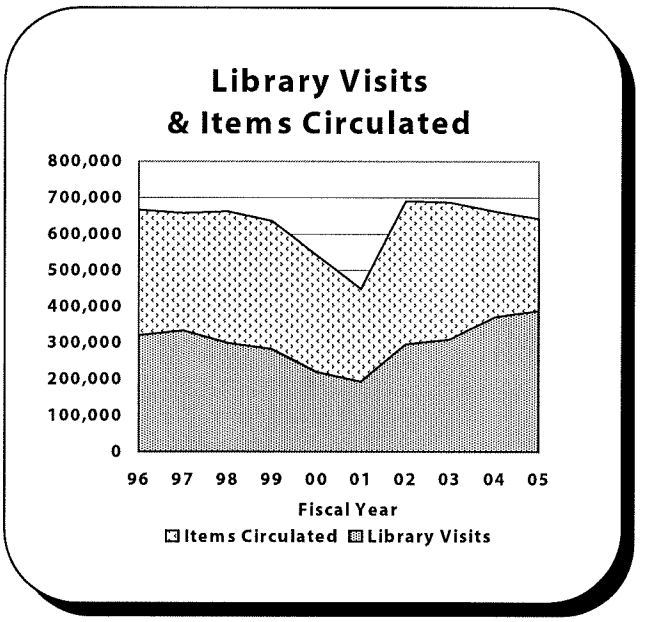
The number of questions at the City Library's Reference Desk has increased after reaching a low in 2001 as the Library was closed for several months due to a renovation and expansion project.



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 189,822 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. In 2002, we installed a new customer self-checkout system that records 20,000 checkouts annually. Attendance at Library programs has increased over 50% since the new library programming center was opened in 2001.



In 2000 and 2001, the number of people visiting the Library and the number of items circulated both decreased sharply as the library was closed for renovation between two and three months of each fiscal year. Since 2001, the numbers have increased to levels above the pre-renovation numbers. Items circulated decreased slightly over the past three years, while attendance has continued to increase. In 2005, 389,000 visits were recorded or an average of 121 visits per hour open. 642,000 items were circulated or an average of 1.7 items per visit.

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

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

Computerized information retrieval is offered with online catalogs of 20 libraries in the Suburban Library Cooperative. The Digital Media Archives section of the online catalog includes hundreds of digital photographs of Sterling Township farms and families from the 1860's. Additionally, the Michigan Library Exchange (MiLE) expands our residents' borrowing privileges to over 160 academic, public, museum, and hospital libraries in southeastern Michigan. Other library services include a self check-out station, full-text online magazine and newspaper databases, Internet access at public workstations, Michigan Occupational Information System (MOIS), area newspapers on microfilm, 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 via the Michigan e-Library (MeL) and Net Library. Technology training sessions are regularly offered to enable residents to make optimal use of the Library's computerized resources. A book van delivers a wide selection of materials including large print books directly to the homebound, nursing homes, and senior citizen housing units. The van also delivers book deposit collections to day care centers and nursery schools.

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. For patrons with visual disabilities, the Library provides magnifiers, large print books, and books on tape and compact disc.

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.***

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 provides wireless Internet access, online registration to library programs and events, offers a variety of online resources easily accessible from home computers via the Library's website www.shpl.net, and is the only library in Macomb County to provide weekly van delivery of materials to the homebound, senior citizen sites, and day care facilities?

Library

2006/07 PERFORMANCE OBJECTIVES

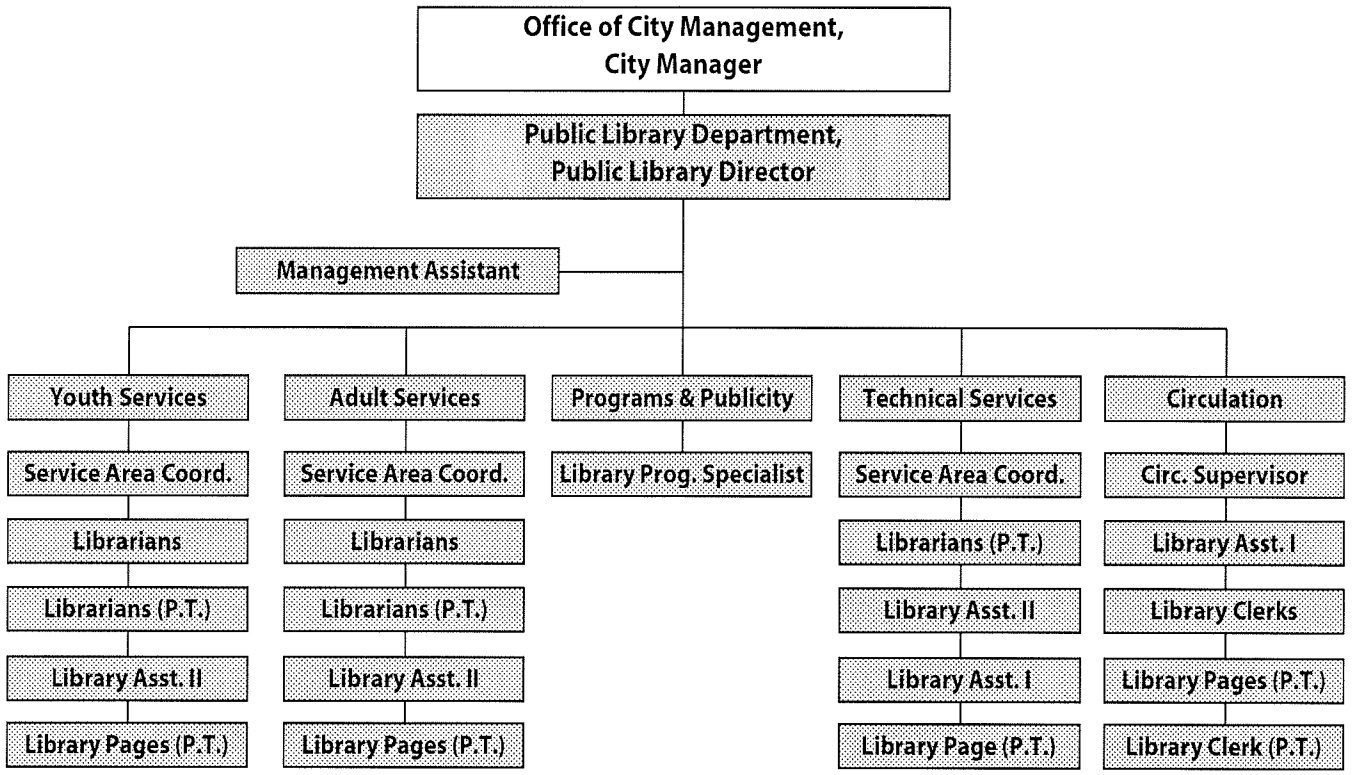
1. To seek grants or alternative sources of funding to provide a core collection of downloadable audio books. *(City Goal 26)*

2. To enhance access to the Library's collections and services with new signs and a modular map funded by the Friends of the Library. *(City Goal 26, 27)*

3. To complete the "Enhanced Level" quality services standards established by the State of Michigan for library services, collections, and technology. *(City Goal 26)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Library Registered Borrowers	53,435	53,476	57,050	57,000	53,000	55,000
	Annual Library Attendance	309,531	371,398	388,706	375,000	396,000	397,000
	Self Check-out Circulations	19,954	20,660	15,476	22,000	18,000	20,000
	Items Circulated	687,070	662,579	641,730	690,000	690,000	695,000
	Reference & General Information Requests	137,941	132,104	141,056	137,000	137,000	138,000
	Items Processed for Loan to Other Libraries	70,782	75,931	89,405	83,000	94,000	95,000
	Items Processed for Receipt from Other Libraries	86,855	88,657	99,078	95,000	103,000	105,000
	Outreach Loans by Library Van	9,759	12,623	12,844	12,000	12,000	12,000
	Hours of Library Operations Weekly	63	63	63	63	63	63
	Hours of Library Cable Programming	3,050	3,125	3,125	3,125	3,125	3,125
	Materials Added to Collection	19,264	17,832	21,703	19,500	20,000	21,000
	Program Attendance	23,046	22,034	22,780	24,000	23,000	24,000
	Online & Electronic Database Usage	296,414	357,869	441,111	365,000	450,000	460,000
	In-Library Use of Materials	190,771	159,897	139,897	153,000	144,000	144,000
Efficiency & Effectiveness	% of Reference Questions Completed	97%	96%	96%	95%	95%	95%
	% of Hold Material Requests Filled within 30 days	70%	76%	76%	76%	76%	75%
	% of Material Reshelved within 24 hours	86%	84%	80%	83%	80%	80%
	Registered Borrowers as a % of Population	43%	43%	45%	45%	42%	43%
	Circulation of Materials per 1,000 Population	5,488	5,267	5,085	5,433	5,433	5,451
	Library Material Acquisition Costs Per Resident	$1.90	$1.79	$1.78	$1.84	$1.84	$1.83
	Library Cost Per Capita	$18.24	$18.97	$19.59	$20.30	$20.21	$21.12
	Full-time Equivalent Staff Per 1,000 Population	0.27	0.25	0.25	0.25	0.25	0.25
	Total Cost Per Library Registered Borrower	$42.74	$44.63	$43.33	$45.23	$48.44	$48.96
	Activity Expenditures as % of General Fund	3.21%	3.33%	3.26%	3.25%	3.26%	3.25%

Library



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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	3	3
Library Assistant I	3	3	3
Library Clerk	3	3	3
Librarian (P.T.)	8	8	8
Library Page (P.T.)	9	9	9
Library Clerk (P.T.)	1	1	1
Total	41	41	41

Library

SUMMARY OF BUDGET CHANGES

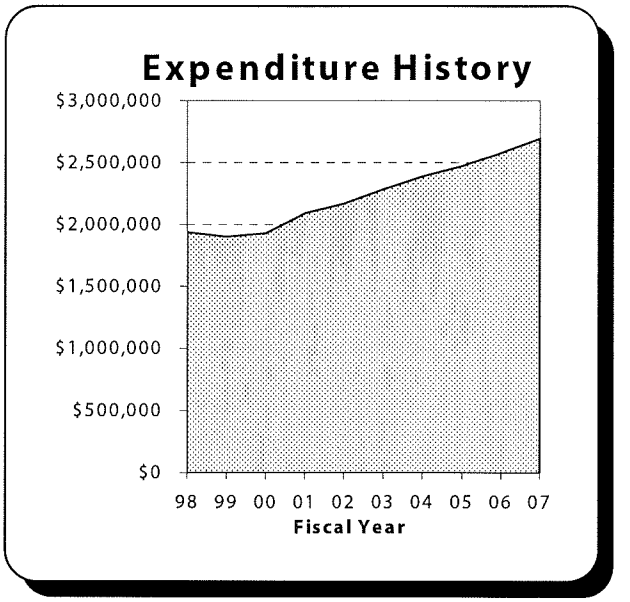
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The total Personnel budget increased by $112,580 or 5.5%. Wages for full-time employees increased $38,400, as all employees are budgeted to receive a 3% wage increase. Part-time employee wages rose $6,800. Hospitalization costs rose $8,800, while Dental Insurance costs rose $1,370 or 7.7%. Funding for retiree medical insurance increased $51,440.

Supplies - Total Supplies decreased $810 or 0.3%. The City will save $700 in postage costs, as fewer mailings are necessary due to the recent implementation of an automated hold notification system.

Other Charges - Total Other Charges increased $3,050 or 1.0%. Heating costs rose $4,500 due to higher natural gas rates, while Electric costs increased $3,000 due to higher electric rates. The City will save $2,340 in rental costs as one staff computer was eliminated to absorb the anticipated Cooperative rate increase and the higher cost of on-line subscriptions. Funding decreased $500 due to a one-time donation from Target in the prior year, offset by the purchase of additional Sterling Township books and other Library materials funded by the profits from the book sales. Contracted service costs decreased $510 due to a prior year reappropriated encumbrance, offset by an increase in educational on-line database costs.

Capital - The Library is scheduled to receive two new personal staff computers to replace existing computers that are now five years old. This funding is budgeted in the Information Technology capital budget.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

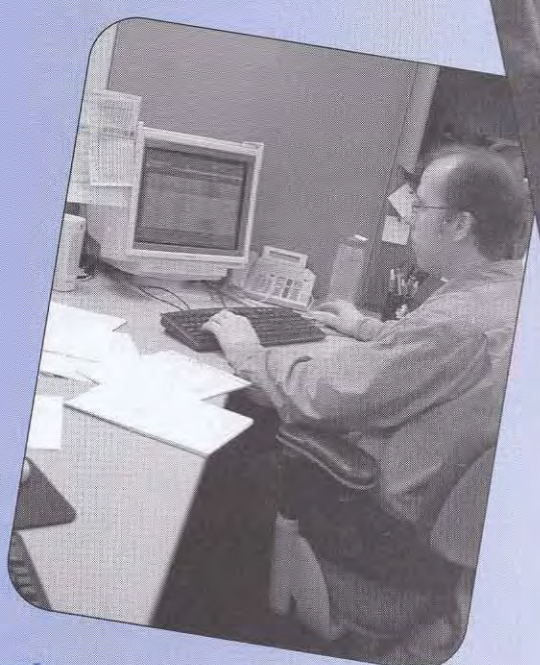
Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,943,176	$2,033,000	$2,013,960	$2,145,580	$2,145,580
Supplies	244,271	253,670	252,970	252,860	252,860
Other Charges	284,440	291,320	300,310	294,370	294,370
Total	$2,471,887	$2,577,990	$2,567,240	$2,692,810	$2,692,810

06
07

Community & Information Services Department



the Next Generation – Our Future

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 $86,320 or 3.5%. Personnel costs rose $117,290 due to higher wage and fringe benefit costs. Wages for full-time employees rose $29,700, while hospitalization costs increased $28,380. An additional $56,530 is needed to fund our growing retiree health care obligations. Supplies decreased by $2,150 or 3.7% due to the implementation of a new process for sending out new resident welcome packets. Other Charges declined by $28,820 or 7.1%. Last year, $25,000 was budgeted for a residential survey to obtain valuable input regarding City services. Higher projected Sterlingfest revenues will help to offset some of the cost of this event. $36,050 is budgeted for fiber optic lines that will improve data transmission speed at remote City buildings. Increased exchange server training for $4,780 is also budgeted. The capital budget includes funding for a software update to the City Hall telephone system, and a new web-based email system.

FUNDING LEVEL SUMMARY

	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Community Relations	$1,244,000	$1,386,740	$1,473,930	$1,489,260	1.0%
Information Technology	868,970	883,050	959,000	1,029,990	7.4%
Total Department	$2,112,970	$2,269,790	$2,432,930	$2,519,250	3.5%
Personnel Services	$1,756,100	$1,854,480	$1,966,350	$2,083,640	6.0%
Supplies	58,490	58,740	58,240	56,090	-3.7%
Other Charges	298,380	356,570	408,340	379,520	-7.1%
Total Department	$2,112,970	$2,269,790	$2,432,930	$2,519,250	3.5%

PERSONNEL SUMMARY

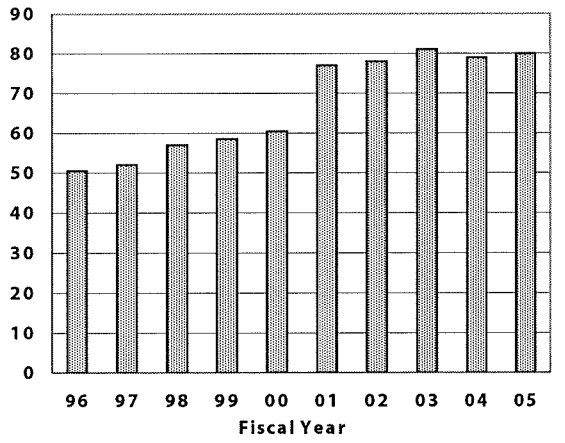
	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	5	14	5	14	5	14	5
Information Technology	8	0	8	0	8	0	8	0
Total Department	22	5	22	5	22	5	22	5

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

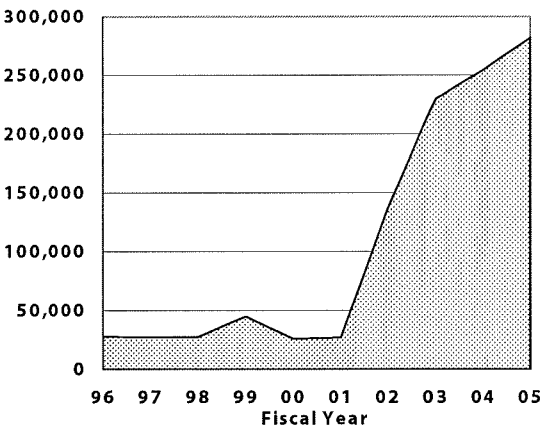
Community & Information Services Department

SHTV - Weekly
Hours of Original Programming



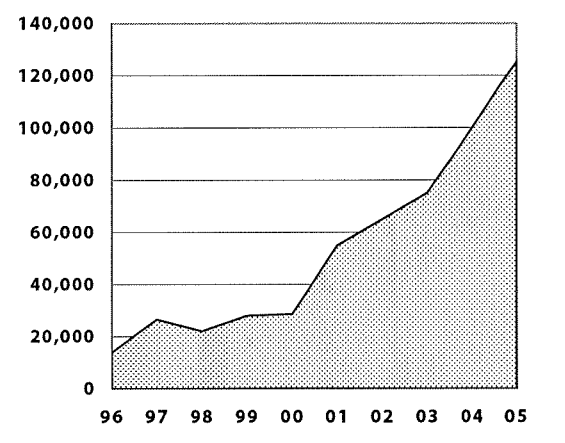
Sterling Heights Television viewers have seen a rise in the total hours of original programming over the past 10 years. SHTV's "PowerBlock" of government-related programs debuted in 1998 causing an increase in programming. The increased hours of programming continued in 2001 when the city installed an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

Customer Service Contacts



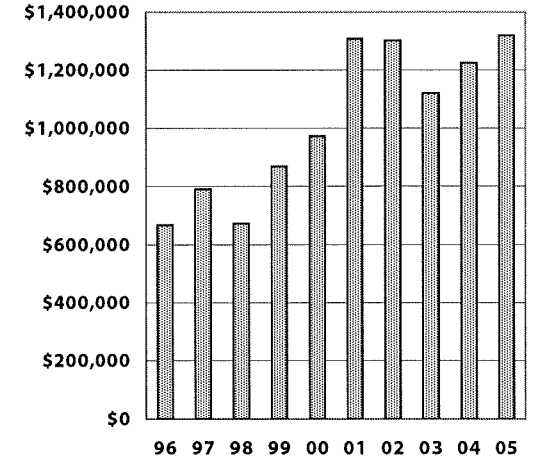
Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents and "We Want to Know" postcard returned from the community, which average about 1,000 per year. In 1999, a community-wide survey was conducted which resulted in 18,536 responses.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

Sterlingfest Attendance



Attendance for the Sterlingfest Art and Jazz Fair has risen steadily since 1996. A rise in attendance occurred after the fair was first enlarged in 1997. Since 2001, attendance has dramatically increased again as the new Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with major headliners, and art and jazz areas during the three-day event. A dip in attendance occurred in 1998 due to poor weather.

Cable TV Revenue



The City has cable franchise agreements with Comcast and Wide Open West (WOW), which provide funding for the City's cable television station. Cable revenue has steadily climbed in most years. In 1997 and 2001, the City received a one-time payment resulting in the large increase. Cable revenues have recently declined as franchise fees are no longer received on cable modems and as some subscribers have switched to satellite systems.

Community Relations

MISSION STATEMENT: ***To coordinate and prepare all communication efforts for the City of Sterling Heights in accordance with the goals, objectives, and policies adopted by the City Council and City Manager.***

Under the leadership of the Community Relations Director, the Community & Information Services Department provides accurate information to the public through all means of communication. This is accomplished through two offices: Community Relations and Information Technology. The Community Relations Office is further subdivided into three divisions: Communications, Citizen Contact Center and Sterling Heights Television. Each division has separate and distinct duties and responsibilities.

The Communication Division prepares publications such as the annual Report/City Calendar, quarterly City Magazine, bi-monthly employee newsletter, *Take Ten,* press releases, advertisements, brochures, pamphlets, and service directories. This division also maintains and updates information on the City's website at www.sterling-heights.net.

Community Relations serves as the public information contact in the event of Emergency Operation Center activation. It is responsible for emergency press releases, speeches, press conferences, and coordination of a rumor control hotline. The City's Print Shop is responsible for printing all City publications.

One of the City's most unique programs is the "Citizen Contact Center." A Citizen Services Specialist is available for residents to contact regarding any concern or need for City information. These referrals are documented and followed up with a telephone call. Residents are also welcome to voice their input on the City's website or self-addressed "We Want to Know!" card.

The Sterling Heights Television Division is responsible for the City Hall and Library public access channels. Each station offers residents an alternative to keep informed of the workings of Sterling Heights government. The City Hall Channel airs eight hours of original programming per day. The Library Channel airs 12½ hours of original and syndicated programming per week, produced in conjunction with Library staff.

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 2005 calendar year, the City's official website,* www.sterling-heights.net, *welcomed over 300,000 visitors, who collectively viewed nearly 1.7 million Sterling Heights web pages?

Community Relations

2006/07 PERFORMANCE OBJECTIVES

1. To enhance internal communications for employees by developing, populating and updating an Intranet information resource. The Intranet will host the latest employee news, employee directory information, APPO's, and will provide access to a variety of forms, etc. *(City Goal 1, 7, 17, 18)*

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

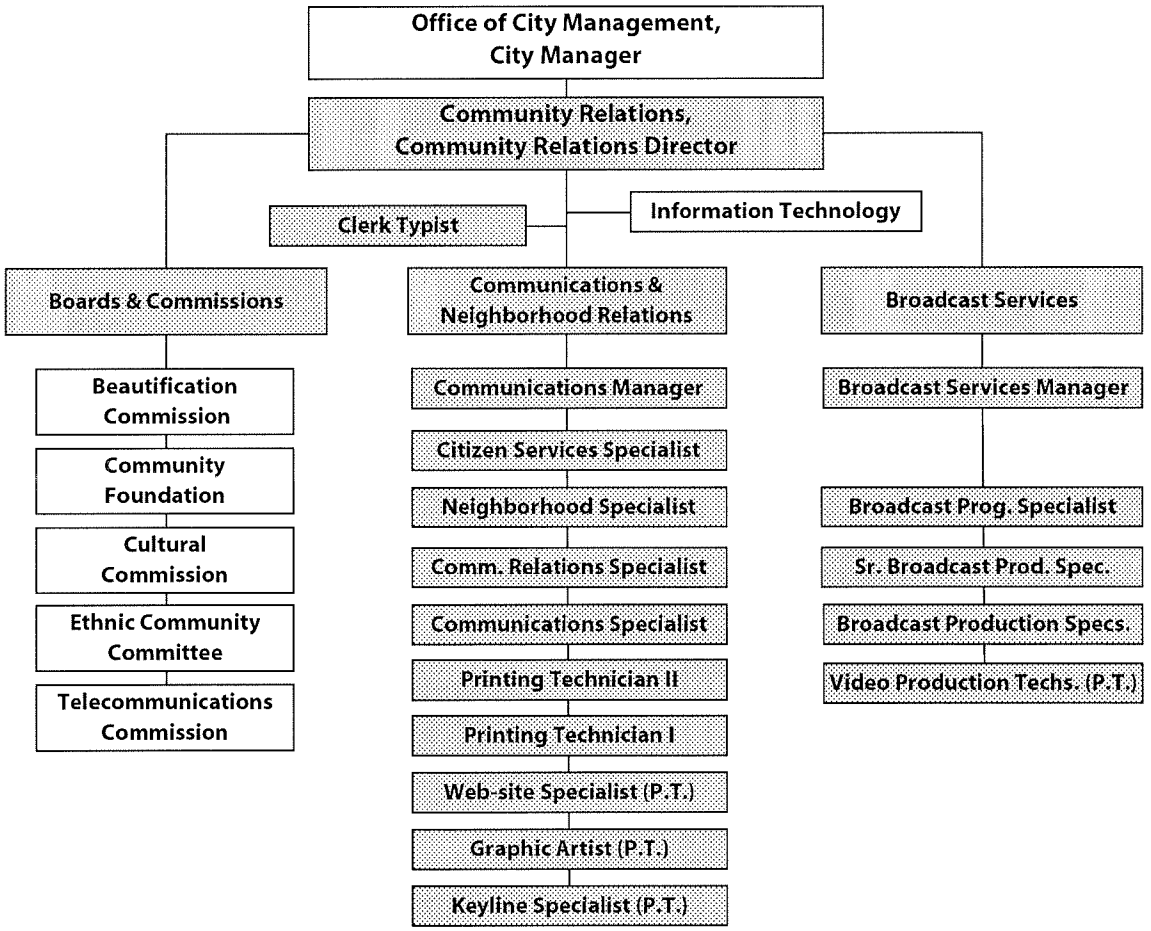
3. To augment the City's established *We Want to Know!* and e-mail programs to provide administration with statistically-valid quarterly reports on trends and issues raised by residents through the department's various feedback programs. *(City Goal 5, 19)*

4. To analyze final results and written comments recorded on the 2006 Residential Survey and develop recommended suggestions to improve various programs and services. *(City Goal 19)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Customer Service Contacts	229,901	254,518	281,721	281,400	333,550	349,900
	Citizen Action Center Calls	24,800	23,462	30,948	25,000	28,436	27,000
	E-Mail Requests	1,855	2,016	1,924	1,800	2,358	2,100
	"We Want to Know" Postcards	1,560	828	611	600	818	800
	Sterling Heights Website Visits	201,686	228,212	248,238	250,000	301,938	320,000
	Total Tapings & Programs Aired	625	630	653	660	668	672
	SHTV Hours of Original Programming (Weekly)	81	79	80	80	81	82
	City Council, Board & Commission Meetings Taped	81	85	80	82	82	82
	Press Releases Produced	169	165	162	160	160	160
	Take Ten Issues Produced	5	5	5	6	5	6
	Calendar/City Magazine/Brochures Produced	21	15	21	20	18	20
	Typesetting/Graphic Design Projects	244	125	112	100	105	100
	Electronic Newsletter Recipients	4,415	6,461	8,495	9,500	11,227	13,500
	Welcome Packets Distributed	1,510	501	495	700	997	700
	Sterlingfest & Memorial Day Parade Attendance	70,000	80,000	105,000	105,000	105,000	105,000
	Beautification Awards Presented	164	98	120	100	126	110
	Print Requests Completed	457	335	354	460	326	330
	Stockroom Requests Completed	245	244	261	240	238	240
Efficiency	% Homes/Bus. Receiving Annual Report/Calendar	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Resolved w/i 48 hrs.	95%	98%	98%	99%	98%	98%
	Cost per Citizen Contact Center Call Received	$2.68	$2.75	$2.30	*	*	*
	Cost to Televise a Public Meeting	$956	$957	$1,003	*	*	*
	Activity Expenditures as % of General Fund	1.72%	1.74%	1.83%	1.86%	1.83%	1.80%

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

Community Relations



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Community Relations Director	1	1	1
Communications Manager	1	1	1
Broadcast Services Manager	1	1	1
Broadcast Programming Specialist	1	1	1
Citizen Services Specialist	1	1	1
Neighborhood Specialist	1	1	1
Community Relations Specialist	1	1	1
Senior Broadcast Production Specialist	1	1	1
Printing Technician II	1	1	1
Communications Specialist	1	1	1
Broadcast Production Specialist	2	2	2
Printing Technician I	1	1	1
Clerk Typist	1	1	1
Video Production Technician (P.T.)	2	2	2
Graphic Artist (P.T.)	1	1	1
Web-site Specialist (P.T.)	1	1	1
Keyline Specialist (P.T.)	1	1	1
Total	19	19	19

Community Relations

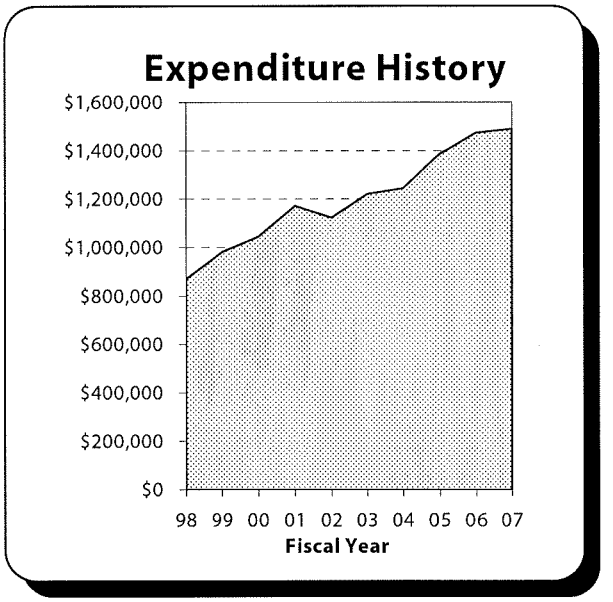
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $76,480 or 6.1%. Wages for full-time employees rose $14,370 or only 1.9% due to staff turnover in the prior year. One employee has elected to discontinue receiving the health insurance allowance. As a result of this change and a rate increase, Hospitalization costs rose $26,700. Increased funding for retiree medical insurance liabilities, which increased by $34,210, accounted for almost half of the total personnel cost increase for this office.

Supplies – Total Supplies decreased $2,050 or 4.3%. The City will save $2,000 in postage by implementing a new process for sending out new resident welcome packets.

Other Charges – Total Other Charges decreased $59,100 or 33.5%. Funding for Sterlingfest decreased $31,500 primarily due to a decrease in the recent year's actual expenditure levels and the effect of additional revenue that is anticipated from a proposed new parking fee. Additional revenue is also anticipated from a proposed increase to the food vendor and restaurateur fees and a new Art Fair vendor jury fee. These new revenues will be used to help offset some of the costs associated with hosting the Sterlingfest event. $25,000 was eliminated due to the one-time funding of a resident survey in the prior year. Telephone costs decreased $700 as a continued result of recent reductions in Nextel and SBC contractual telephone rates. $400 was added for the new Community Relations Director to attend an educational conference. The budget for contractual services can be decreased by $2,150 to be brought in line with recent 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,174,207	$1,249,390	$1,224,500	$1,325,870	$1,325,870
Supplies	48,174	48,040	49,040	45,990	45,990
Other Charges	164,364	176,500	168,160	117,400	117,400
Total	$1,386,745	$1,473,930	$1,441,700	$1,489,260	$1,489,260

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 through the Information Technology network firewall, the City successfully blocked 27,801 unsafe attachments from entering the employee email boxes last year?

Information Technology

2006/07 PERFORMANCE OBJECTIVES

1. To complete the upgrade to the City's network infrastructure by increasing the bandwidth enabling City staff the ability to continue to efficiently and effectively execute their job duties. *(City Goal 17, 18)*

2. To implement high-speed fiber connectivity to City facilities outside of the main City Center Campus. *(City Goal 17, 18)*

3. To implement a web-based e-mail application that will enable all City staff to access e-mail from any workstation that has Internet capabilities. *(City Goal 17, 18)*

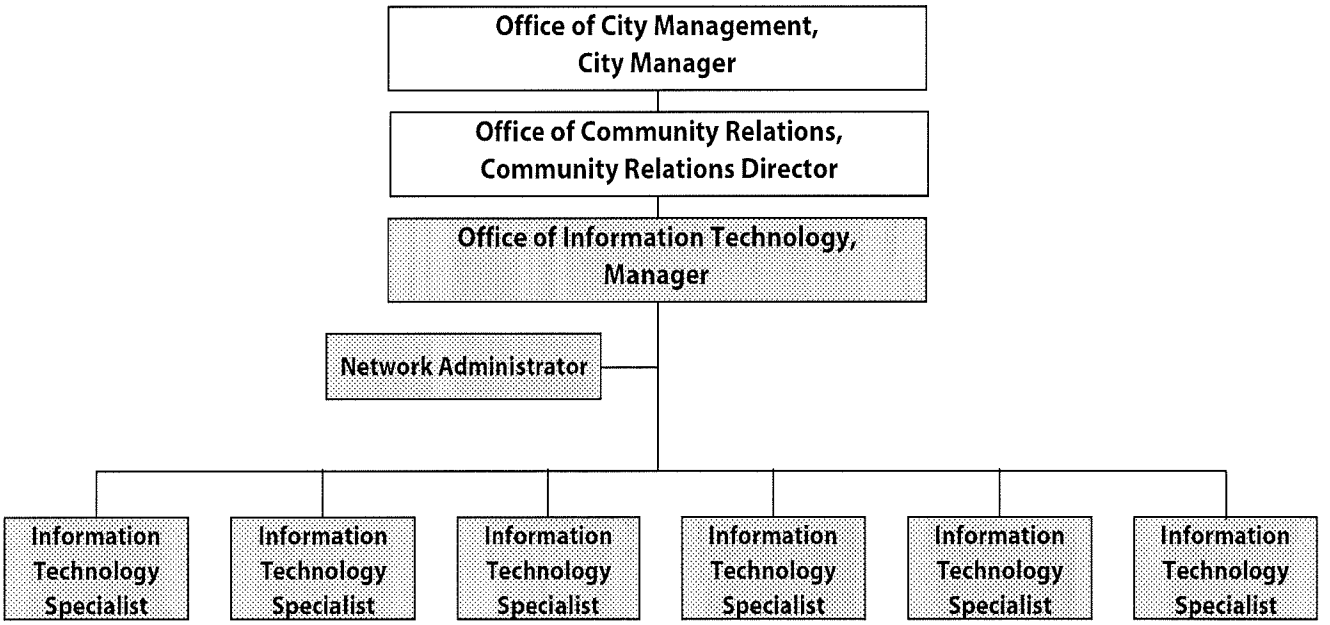
4. To upgrade the existing PBX operating system to ensure continued support and also to position the City to be VoIP ready. *(City Goal 17, 18)*

5. To enhance internal communications for employees by developing, populating and updating an Intranet information resource. The Intranet will host the latest employee news, employee directory information, APPO's, and will provide access to a variety of forms, etc. *(City Goal 1, 7, 17, 18)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Hardware Platforms Supported - (W2K, MAC, HP, AS400)	4	4	4	4	4	4
	Application Systems Supported - (BS&A, Munis, etc.)	27	27	29	29	29	29
	Software Packages Upgraded	5	5	5	5	5	5
	Hours of Consultant Services Used	727	700	670	670	670	670
	"Help Desk" Calls Received	1,800	2,500	2,700	3,000	2,850	2,800
	Intelligent Workstations Supported	460	490	500	510	510	510
	Staff Hours Spent Supporting Elections	30	45	45	30	30	30
	Hours Spent on Personal Computer Maintenance	1,080	1,200	1,200	1,200	1,200	1,200
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	90%	89%	89%	85%	85%	87%
	# of Intelligent Workstations per FTE	0.60	0.67	0.67	0.68	0.68	0.68
	Telephone System Problems Resolved Within 1 Day	90%	91%	90%	90%	95%	95%
	Staff Training Dollars Expended	$1,676	$1,729	$2,366	$4,000	$4,000	$8,780
	% of 5-year Technology Program Implemented	90%	95%	95%	95%	95%	20%
	% of Time Computer Network Down	0.9%	0.9%	0.9%	1.0%	0.9%	0.9%
	Overtime/Comp Hours Required to Meet Demand	463	434	350	400	400	400
	Average Annual Cost to Support a PC	$335	$311	$305	*	*	*
	Cost to Support User Systems	$350,107	$327,278	$325,789	*	*	*
	Activity Expenditures as % of General Fund	1.11%	1.21%	1.17%	1.21%	1.21%	1.24%

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

Information Technology



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

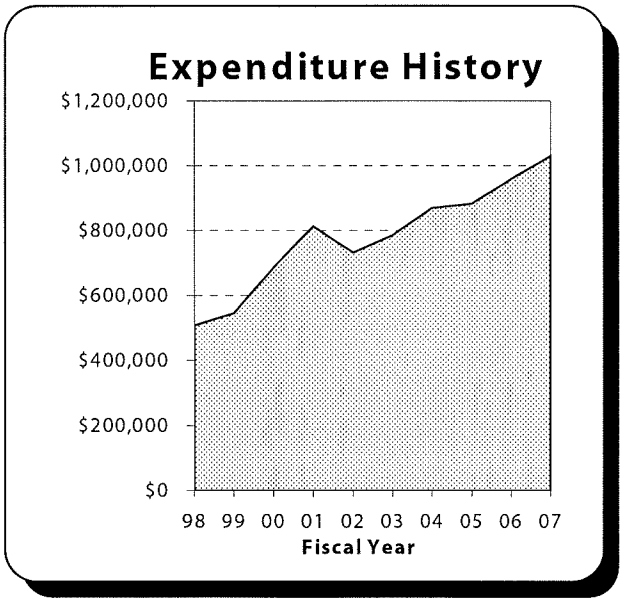
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $40,810 or 5.7%. Wages for full-time employees rose by 3% or $15,330. Hospitalization costs rose $1,680, while Dental Insurance costs rose 7.7%. Funding for retiree medical liabilities rose $22,320.

Supplies – Total Supplies decreased $100 or 1.0% as the postage budget can be brought in line with prior year expenditures.

Other Charges – Total Other Charges increased $30,280 or 13.1%. $36,050 was added for the annual lease fees for a new fiber optic network system which will replace the existing network and improve data transmission speed at several remote City buildings. $2,000 was added for the annual maintenance agreements for the City's main servers and computer network switch. Educational funding increased $4,780 for two staff members to attend Exchange Server training needed to support the new web-based e-mail system and for the increased cost of the Accela User's Conference. The contracted services budget decreased $11,180 due to a reappropriated encumbrance, partially offset by the cost of additional Internet blocking software.

Capital – Total Capital of $237,750 is proposed. $66,250 is for the replacement of 53 Computers for the offices of Facilities Maintenance, City Clerk, Assessing, Engineering, Public Works, and the Library. $100,000 is for a PBX Telephone System Software Upgrade. A Laser Printer is proposed for Financial Services for $1,500. $40,000 is for a Web-Based E-mail System. $30,000 is for a replacement AS400 Computer with updated Software for the 41-A District Court, which the State has mandated we replace.



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.

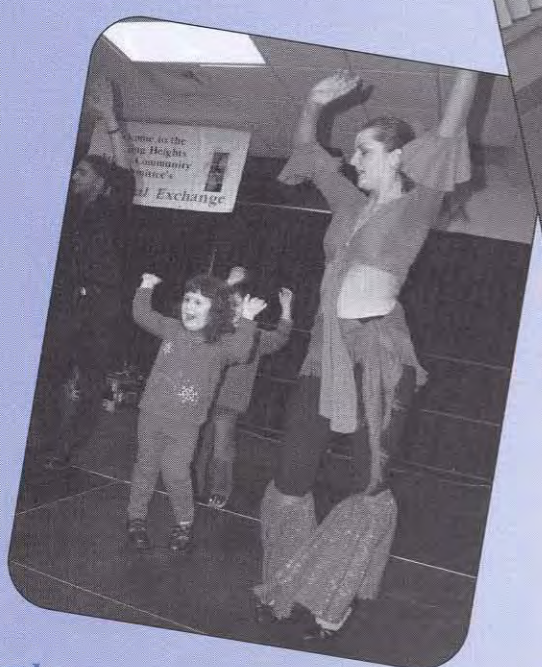
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

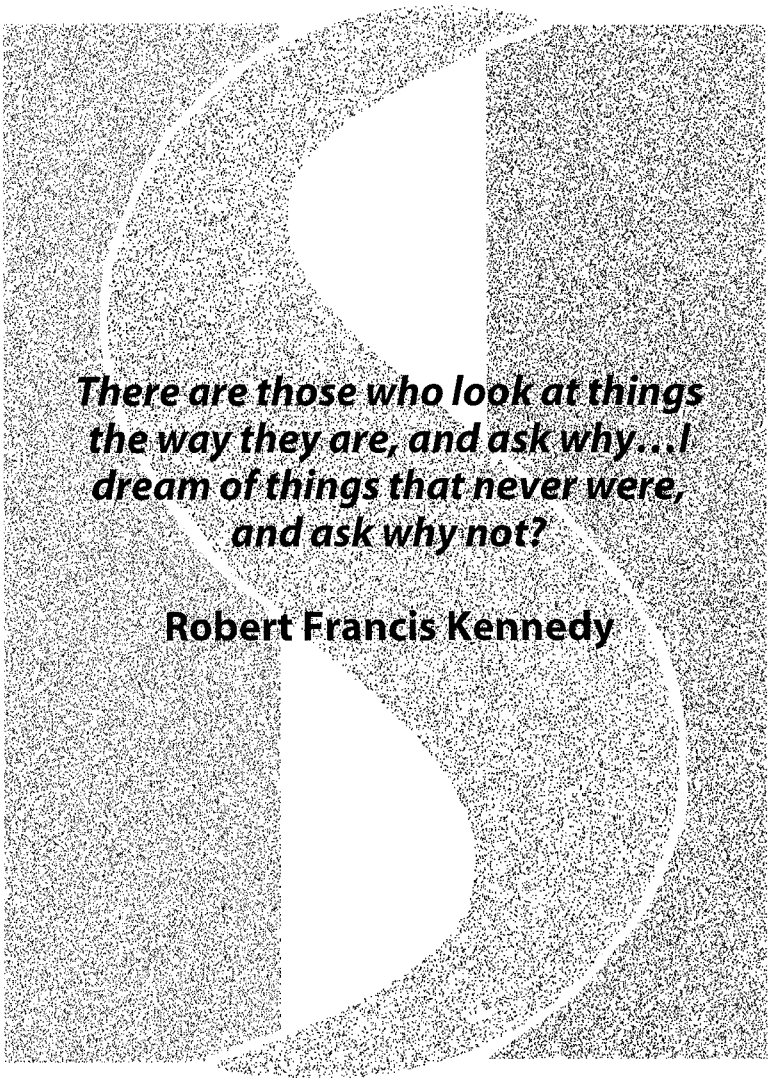
	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$680,278	$716,960	$715,850	$757,770	$757,770
Supplies	10,567	10,200	10,100	10,100	10,100
Other Charges	192,202	231,840	225,180	262,120	262,120
Total	$883,047	$959,000	$951,130	$1,029,990	$1,029,990

06
07

Non-Departmental Services



the Next Generation – Our Future


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 law.***
- ***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 the 41-A District Court security guards have confiscated more than 50 knives at the court entrance since October 1, 2005?

41-A District Court

2006/07 PERFORMANCE OBJECTIVES

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

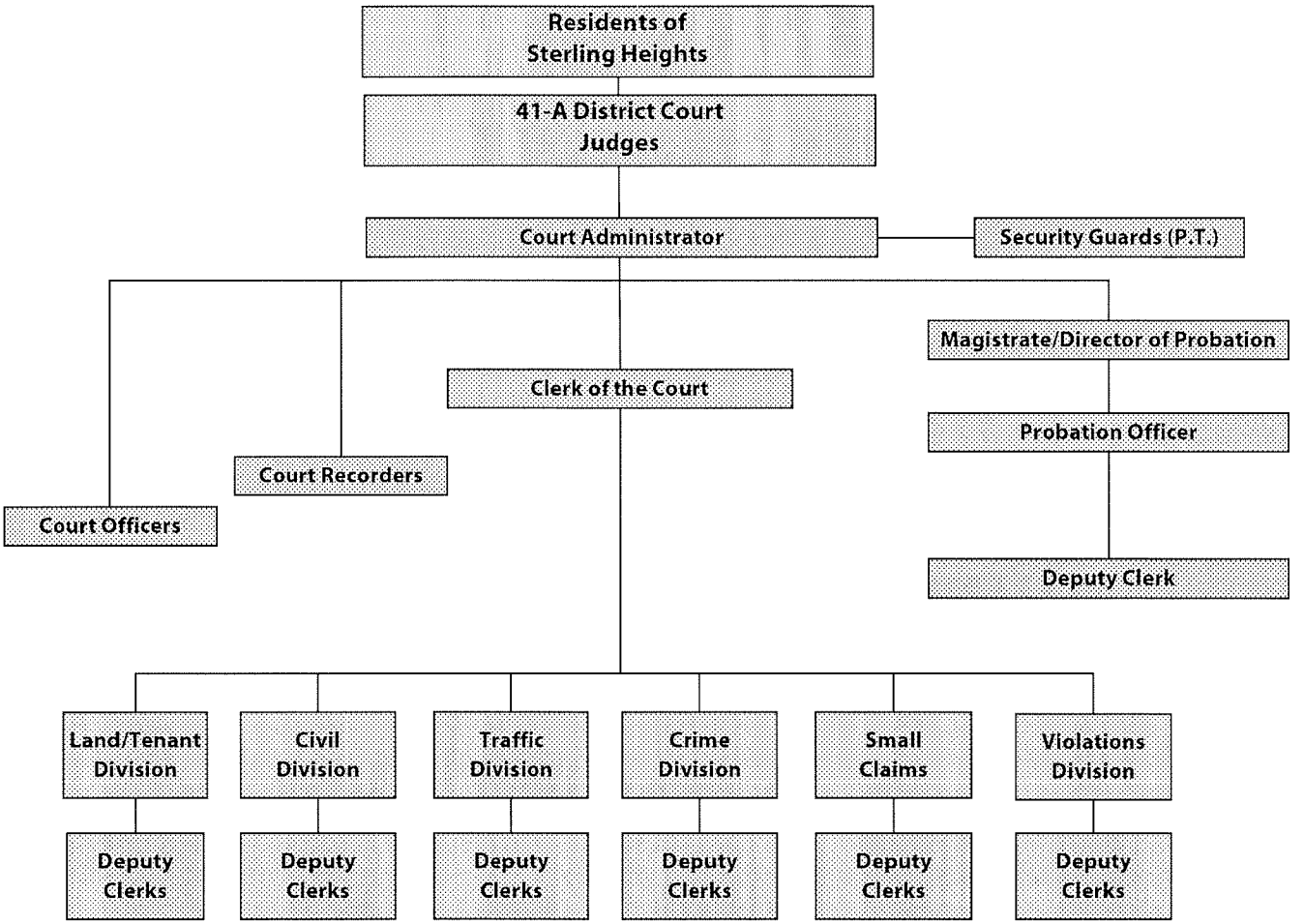
2. To consolidate the number of forms used by the Criminal Division to improve workflow and increase efficiency in case processing. *(City Goal 3, 18)*

3. To expand the information found on the Court's portion of the City's website to include information pertaining to jury duty and witness appearances. *(City Goal 6, 17)*

4. To implement a collection procedure to recover outstanding receivables on civil infraction cases. *(City Goal 3, 18)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Total Active Caseload	47,219	45,896	42,848	45,000	41,000	41,000
	Total New Cases	36,076	37,467	34,757	35,300	32,830	32,500
	Traffic Cases	22,572	24,594	23,485	23,000	21,000	21,000
	Parking Cases	2,472	2,688	1,853	2,000	2,200	2,000
	Misdemeanor Cases	5,242	4,133	3,333	4,000	3,300	3,200
	Felony Cases	678	649	661	700	725	700
	General Civil Cases	2,300	2,508	2,709	2,600	2,730	2,700
	Small Claims Cases	612	610	513	600	575	600
	Landlord/Tenant Cases	2,200	2,285	2,203	2,400	2,300	2,300
	Magistrate Dispositions	5,842	8,322	7,829	6,600	10,500	8,500
	Jury/Bench Verdicts	5,993	7,104	7,035	7,000	9,000	7,500
	Guilty/Admissions/Default - By Party	21,176	20,696	19,489	20,000	19,000	19,000
	Dismissals - By Court or Party	7,291	7,673	6,529	7,000	7,700	6,000
	Probation Caseload	800	951	825	800	800	800
Efficiency & Effectiveness	% of Imposed Revenue Collected	97%	98%	99%	98%	99%	99%
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	$17.36	$18.62	$19.59	$20.57	$20.72	$22.44
	Cost Per Active Case	$46	$51	$58	$58	$64	$70
	# of Active Cases per FTE	1,276	1,275	1,190	1,250	1,140	1,100
	Activity Expenditures as % of General Fund	3.06%	3.27%	3.26%	3.30%	3.35%	3.45%

41-A District Court



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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	2	4
Total	38	38	40

41-A District Court

SUMMARY OF BUDGET CHANGES

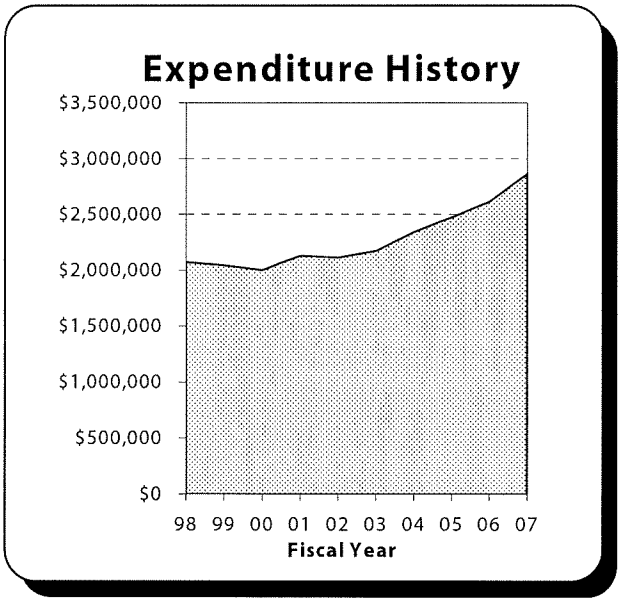
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $234,130 or 9.8%. Wages for full-time employees increased $54,800 as all employees are budgeted to receive a 3% wage increase. Two additional part-time Security Guards are recommended to fully staff the entrance doors of the Court. As a result, part-time wages rose $25,080. One employee has elected to discontinue receiving the health insurance allowance. As a result of this change and a rate increase, Hospitalization costs rose $15,700. Funding for retiree medical costs increased $126,050 to partially offset the City's rapidly rising liabilities.

Supplies – Total Supplies increased $2,000 or 5.5%. Postage costs rose $2,000 due to increased mailings and a postal rate hike. Legal publication costs increased by $1,000. Funding for operating supplies declined $1,000 based on historic expenditure trends.

Other Charges – Total Other Charges increased $12,540 or 6.9%. Heating costs rose $5,000. Electric costs rose $4,000 based on the current year's estimated expenditure level. $1,500 was added due to higher water rates and increased water usage. Greater use of credit cards to pay court fines has led to a $1,500 increase in credit card fees. Juror fees increased $1,000 based on historic expenditure levels. Training costs rose $500 for a Judge to attend a national conference. Telephone costs decreased $1,000 as a continued result of recent SBC rate reductions.

Capital – Total Capital of $41,320 is proposed. $11,320 is for a digital Pitney Bowes Mail Machine, which the U.S. Postal Service mandates we must purchase to replace our old machine. $30,000 is for an AS400 Computer, Printer, and Software to replace the current system that has reached the end of its lifespan and which the State has mandated we replace.



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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$2,252,319	$2,393,200	$2,394,460	$2,627,330	$2,627,330
Supplies	35,708	36,500	37,700	38,500	38,500
Other Charges	184,128	183,010	199,760	195,550	195,550
Total	$2,472,155	$2,612,710	$2,631,920	$2,861,380	$2,861,380

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 requires that an entry level Firefighter applicant must be a certified Firefighter and have a paramedic license?

Act 78 – Civil Service Commission

2006/07 PERFORMANCE OBJECTIVES

1. To conduct a national recruitment for Police Officer which will establish a new one year eligibility list. *(City Goal 4)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Minutes of Act 78 Meetings Recorded	5	5	6	4	4	2
	Police Officer Eligibility List Applications	181	211	257	225	200	195
	Fire Fighter Eligibility List Applications	0	90	0	95	95	0
	Written Tests - Police Officer Eligibility List	151	172	139	180	160	156
	Written Tests - Fire Fighter Eligibility List	0	76	0	80	80	0
	Oral Interviews - Police Officer Eligibility List	145	141	57	50	141	138
	Oral Interviews - Fire Fighter Eligibility List	0	62	0	60	64	0
	Physical/Psychological Test - Police/Fire Candidates	9	11	7	7	6	16
	Appointment Notices - Police/Fire New Hires	9	11	7	7	4	16
	Police/Fire Personnel Files Maintained	140	115	105	115	114	116
	Maintained Files (hiring procedures/legal opinions,etc.)	85	85	80	80	79	81
Effectiveness	Number of Appeals by Candidates	4	4	5	2	4	2
	Activity Expenditures as % of General Fund	0.01%	0.04%	0.02%	0.04%	0.05%	0.02%

Act 78 – Civil Service Commission

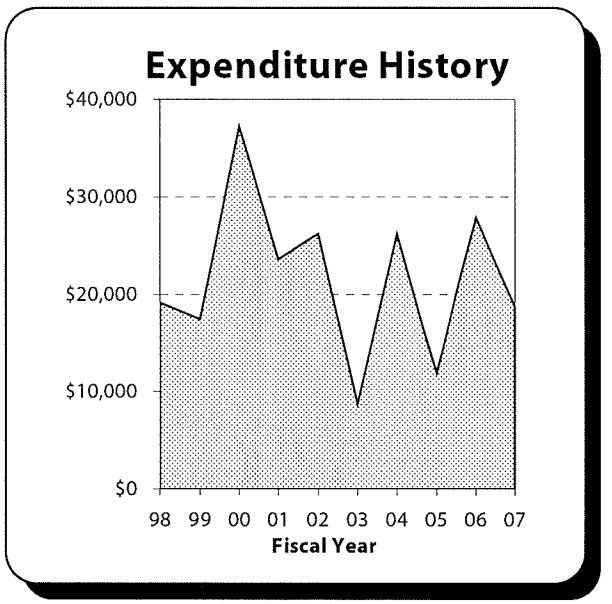
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 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 decreased $100 or 25.0%. Postage costs decreased $100 as there is less recruitment activity planned.

Other Charges – Total Other Charges decreased $9,000 or 32.8%. A reduction of $18,060 was made, as only Police Officer written testing has to be administered in the 2006/07 fiscal year. Police Officer and Firefighter written and agility testing, and a Police Lieutenant Assessment Center were all funded in the prior year. Job advertising costs decreased $200, as only Police Officer recruitment notices will need to be published next year. Printing costs decreased $70, as fewer employment applications will be needed. $9,330 was added to the budget as more pre-employment physical and psychological exams are projected due to anticipated retirements. The Commission is proposing to change the requirement for Police Officer applicants so that they must now be a certified Police Officer to apply for the position or they must have graduated from a certified Police Academy before hire. This will save the City the $3,000 cost of sending a new hire to the Police Academy and will save the 3 months of overtime paid to present officers until the new hire has completed the academy. These savings are found in the Police Department budget.



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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	556	400	400	300	300
Other Charges	11,373	27,420	40,290	18,420	18,420
Total	$11,929	$27,820	$40,690	$18,720	$18,720

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 Beautification Commission has produced a series of public service announcements (PSA) promoting the beautification of Sterling Heights and many of the Commission's programs and services? These PSA's can be seen on Sterling Heights television and downloaded for viewing on the City's website **www.sterling-heights.net?**

Beautification Commission

SUMMARY OF BUDGET CHANGES

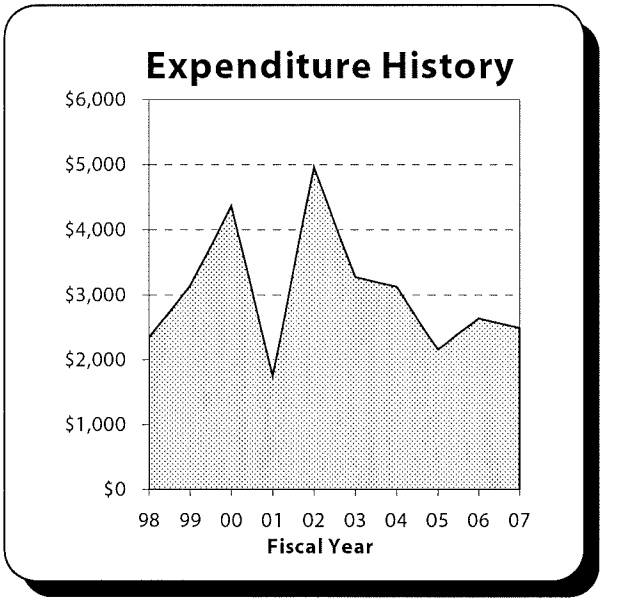
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - There is no Personnel Services budget for this activity.

Supplies - Total Supplies decreased $100 or 4.4% as the budget for beautification 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 decreased $50 or 12.8%. A decrease of $50 was made for local meeting expenses as prior year budgeted funds were not fully spent.

Capital - There is no Capital proposed for this activity.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	1,978	2,250	2,150	2,150	2,150
Other Charges	186	390	340	340	340
Total	$2,164	$2,640	$2,490	$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 debt from two outstanding Building Authority bonds totals $5.9 million?

Building Authority

SUMMARY OF BUDGET CHANGES

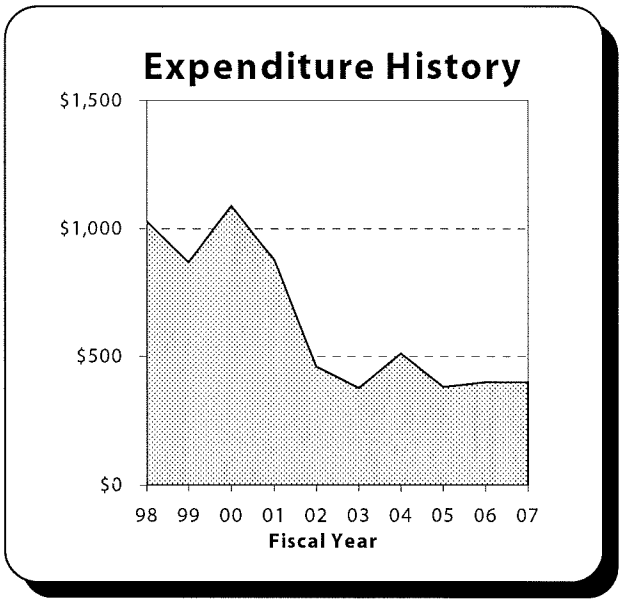
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$32	$50	$50	$50	$50
Supplies	0	0	0	0	0
Other Charges	350	350	350	350	350
Total	$382	$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 Cultural Commission will unveil its fourth exhibition of outdoor public sculptures in the summer of 2006, which will display new works of art throughout the City Center campus for a period of two years?

Cultural Commission

SUMMARY OF BUDGET CHANGES

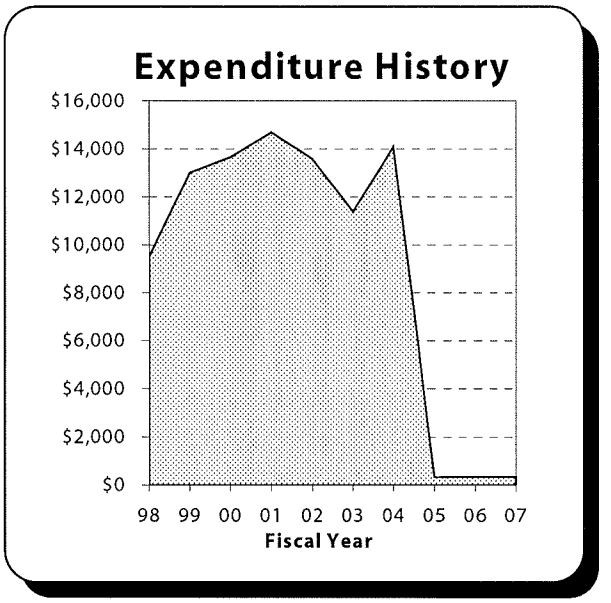
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – Total Supplies is proposed to remain the same at $160. There are no proposed changes within the Supplies account. $160 is budgeted for plaques, trophies and award certificates.

Other Charges – Total Other Charges is proposed to remain the same at $190. There are no proposed changes within the Other Charges account. $190 is budgeted for the cost of existing memberships.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	82	160	160	160	160
Other Charges	245	190	190	190	190
Total	$327	$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, 2005 total a market value of $113,308,299 while the City's contribution rate for the 2006/07 fiscal year is 0% of payroll. The fund is now 120.7% funded, which means that valuation assets exceed actuarial accrued liabilities by 20.7%.

The Board has established the following asset allocation guidelines:

Equities:	
Large cap	30%
Small cap	15%
International	15%
Fixed Income	30%
Hedge Fund-of-Funds	5%
Real Estate Investment Trust	5%
Cash	0%

There are currently 204 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, 2005, 178 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 there has been no actuarially required employer contribution to the General Employees Retirement System from 1999 to 2005?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

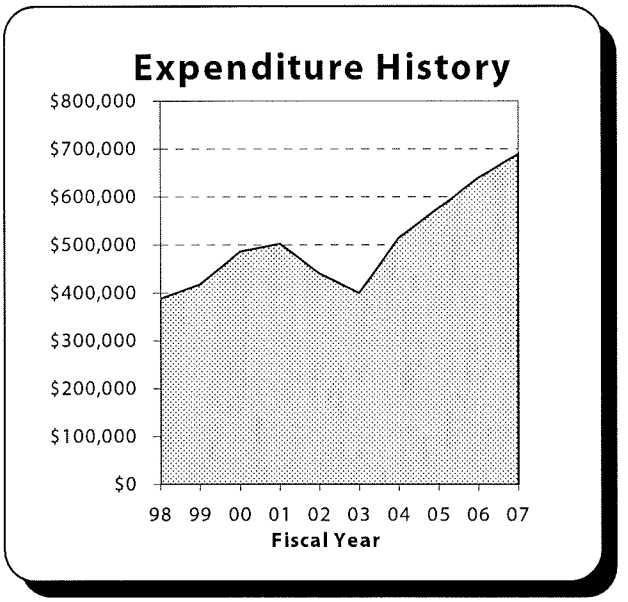
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - There is no Personnel Services budget for this activity.

Supplies - Total Supplies decreased $20 or 3.9% as the Postage budget has been brought more in line with recent actual expenditure levels.

Other Charges - Total Other Charges increased $49,740 or 7.8%. Funding increased $52,870 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. The increase was slightly offset by a decrease of $3,170 in legal services provided to the board based on the current year's billings as a result of increased work being done in-house by the pension administration office and more efficiently run board meetings.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	377	520	400	500	500
Other Charges	576,305	638,320	638,010	688,060	688,060
Total	$576,682	$638,840	$638,410	$688,560	$688,560

General Expenditures

MISSION STATEMENT: ***To budget and account for general expenditures which the City has chosen not to assign to specific users within the City due to their subjective nature.***

The General Expenditures activity of the General Fund is used to budget and account for all general expenditures that are incurred throughout the fiscal year. This activity is a budgetary center within the General Fund. Expenditures are charged to this activity because of the inability to properly reflect the expenditures in any other activity. This situation exists when an expenditure is incurred by the City in which benefit is realized by more than one activity. Rather than allocate the expense over the many activities in the City, it is much simpler and more auditable to charge it to an activity specifically set up for this type of expenditure – the General Expenditures activity.

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 audit, and contracted services for potential studies and surveys are included in this activity. City street lighting, all liability and property insurance for the City, refunds on tribunal adjustments and City memberships and dues are other items of interest found under this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, City Council must approve them prior to the adjustment being made. This budgetary center is rarely involved with any formal budget amendment of any kind.■

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 cost of the City's annual audit has decreased every year for the last three fiscal years?

General Expenditures

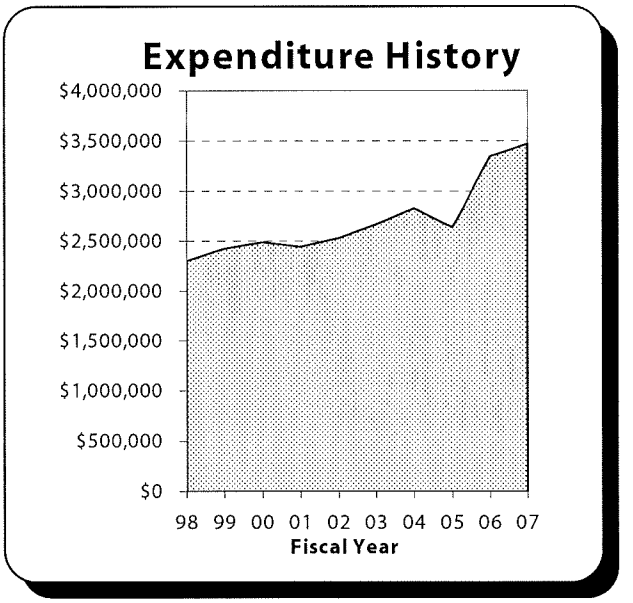
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - The Personnel budget decreased by $81,050 or 78.1%. Unemployment compensation costs are estimated to decrease by $5,550 based on actual claims paid. The funding for retiree dental insurance for Police & Fire retirees will no longer be expensed in this activity. Instead, it will be budgeted in the Police and Fire Departments, in the same fashion that retiree health insurance costs are funded.

Supplies - Total Supplies increased $3,210 or 5.0%. $2,700 was added due to the increased usage and cost of copy paper. Postage costs increased $510 due to a postal rate increase.

Other Charges - Total Other Charges increased $176,310 or 5.6%. Liability Insurance costs rose $500,000, primarily to help offset the recent liability losses in the Self-Insurance Fund. Street lighting costs increased by $55,430. $30,000 is included to fund the development of a Master Lighting and Streetscape Plan for the installation of lighting and landscaping within the City's rights-of-way. Funding for employee tuition reimbursements increased $5,000. Funding decreased $392,740 due to a one-time property tax refund last year. The City will save $2,100 in audit fees as more work is being done in-house. $8,050 was saved, as physical exams for only one employee group is budgeted. The budget decreased $7,000 due to a lower bid cost for the printing of the City Magazine. In addition, the costs of miscellaneous print jobs are now being expensed directly in the respective offices. Michigan Municipal League (MML) membership fees declined by $3,000 as the fees are tied to lower State revenue sharing receipts.



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 - Increased funding of $23,750 was included for the City's membership in SEMCOG and the Clinton River Watershed Council.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual *	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$91,185	$103,750	$98,050	$22,700	$22,700
Supplies	69,521	64,300	67,000	67,510	67,510
Other Charges	2,478,568	3,178,090	3,193,910	3,354,400	3,378,150
Total	$2,639,274	$3,346,140	$3,358,960	$3,444,610	$3,468,360

* excludes extraordinary items

Historical Commission

MISSION STATEMENT: ***To foster an understanding and appreciation of local history and to identify the heritage of our City.***

The Historical Commission strives to promote an awareness of the heritage of this community; to identify local preservation concerns; to attend workshops and seminars relating to preservation management; to study public policies designed to protect and preserve local history; to provide opportunities for residents to share and shape their historical legacy.

Through membership in the American Association of State and Local History, the Michigan Historic Preservation Network, and the Historical Society of Michigan, the Commission works to expand its perceptions and knowledge of current practices in the field of local history. It keeps informed of state and federal legislation, as well as identifies sources of funding such as grants and endowments.

The Historical Commission has the responsibility to identify structures and sites of historic significance; to study the value of their preservation, and to make recommendations for future use. The Residential Date Plaque Award Program, established in 1992, has recognized 33 homes of historic value in Sterling Heights as identified by age and architectural significance.

To encourage an appreciation of local history, the Sterling Heights Historical Commission is also responsible for the development of the Sterling Historical Collection in the Upton House. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835.

The Commission, in partnership with the Friends of the Library, 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.

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.

KEY GOALS

- ***To increase public knowledge about local history and historic preservation.***
- ***To collect and archive historic photographs.***
- ***To collect, maintain, and promote a Sterling Historical Collection in the Upton House.***
- ***To promote cooperation and resource sharing with local, state, and national preservation organizations.***

The 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 co-authored "Sterling Township: 1875 – 1968", a pictorial history of our community?

Historical Commission

2006/07 PERFORMANCE OBJECTIVES

1. To participate in the *National Veteran's History Project* by collecting letters, memoirs, and photographs from Sterling Heights' veterans. *(City Goal 27)*

2. To complete an inventory of gravesites at Edgerton Cemetery. *(City Goal 19)*

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	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Meetings Held	6	4	4	4	4	4
	Local History Exhibits and Displays	3	3	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	3	1	1	1
	Professional Memberships	4	4	4	3	3	3
	Historic Photographs and Memorabilia Collected	18	52	23	20	25	20
	Program/Exhibit Attendance	1,870	1,556	1,487	1,400	1,398	1,400

Historical Commission

SUMMARY OF BUDGET CHANGES

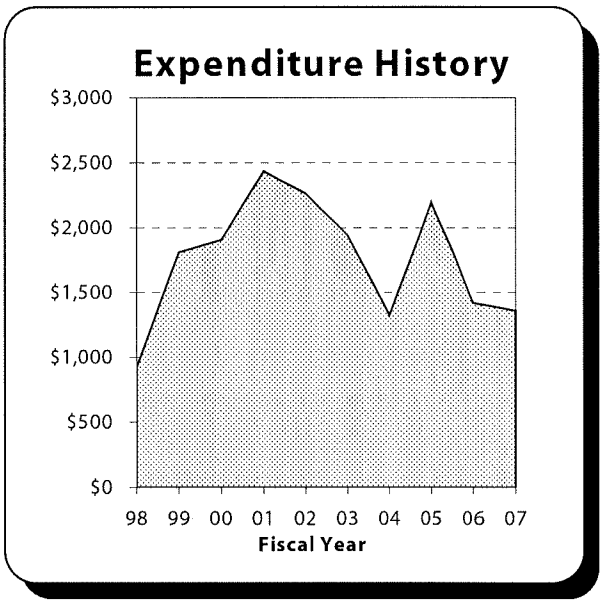
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - There is no Personnel Services budget for this activity.

Supplies - Total Supplies decreased $10 or 4.0%. Postage has been reduced by $10 based on recent years' actual expenditure levels.

Other Charges - Total Other Charges decreased $50 or 4.3%. Funding for educational conferences decreased $50 as prior year funds were never spent.

Capital - There is no Capital proposed for this activity.



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

Personnel Services - Council made no adjustments to Personnel Services.

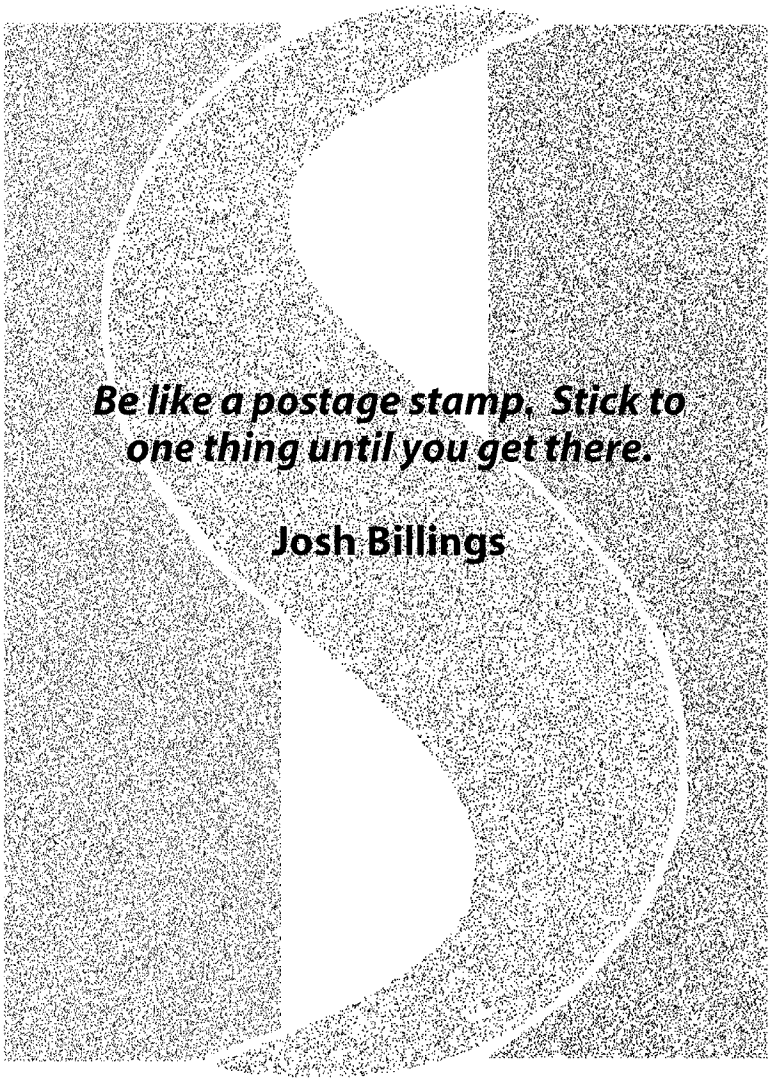
Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	1,019	250	240	240	240
Other Charges	1,177	1,170	1,120	1,120	1,120
Total	$2,196	$1,420	$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 advise 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

2006/07 PERFORMANCE OBJECTIVES

1. To provide innovative support and guidance to all City offices and departments participating in new initiatives to establish a Corridor Improvement Authority and Principal Shopping District within the City as part of a coordinated effort to enhance commercial redevelopment. *(City Goal 9, 10, 11)*

2. To assist City Administration in realizing the long-term vision of the City Council for improvements to municipal facilities and infrastructure benefiting the next generation of City residents. *(City Goal 1, 22, 26, 27)*

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 assist City Administration in combating blighting factors in all forms as a primary means to maintain quality residential, commercial and industrial areas within the City. *(City Goal 12, 13, 16)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	District Court Cases	5,433	5,632	7,781	7,500	7,600	7,600
	Legal Opinions Rendered	3	5	3	10	6	10
	Ordinances and Amendments Prepared	18	21	31	35	35	35
	Commission Meetings Attended	54	44	50	60	50	50
	Council Meetings Attended	27	31	27	30	30	30
	Number of Open Lawsuits	18	11	14	20	20	30
	Number of Closed Lawsuits	12	20	25	20	20	20
	Numbers of Files Opened	67	73	101	125	130	130
	Number of Files Closed	60	75	108	100	60	75
	Legislative Issues Reviewed	70	74	80	100	100	100
	Hours Spent on City Business	7,994	6,031	6,276	9,000	7,600	8,000
Efficiency & Effectiveness	% Opinions Replied to on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Resolutions Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Contracts Drafted on Agreed Schedule	98%	99%	99%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.93%	0.81%	0.87%	0.86%	0.85%	0.87%

Legal

SUMMARY OF BUDGET CHANGES

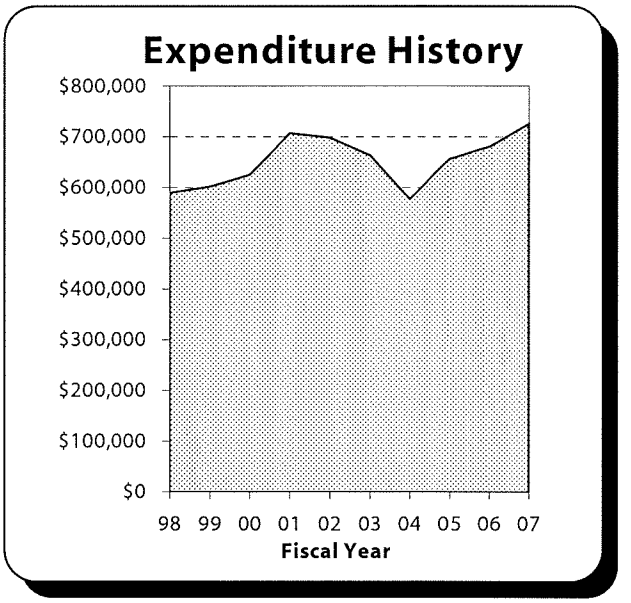
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

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 $45,000 or 6.6%. $40,000 was added to the budget for City Attorney legal funding based on the hourly rate adjustment approved by the City Council in January, 2006 which is to be effective July 1, 2006. This was the first rate increase in six years. Funding increased $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.

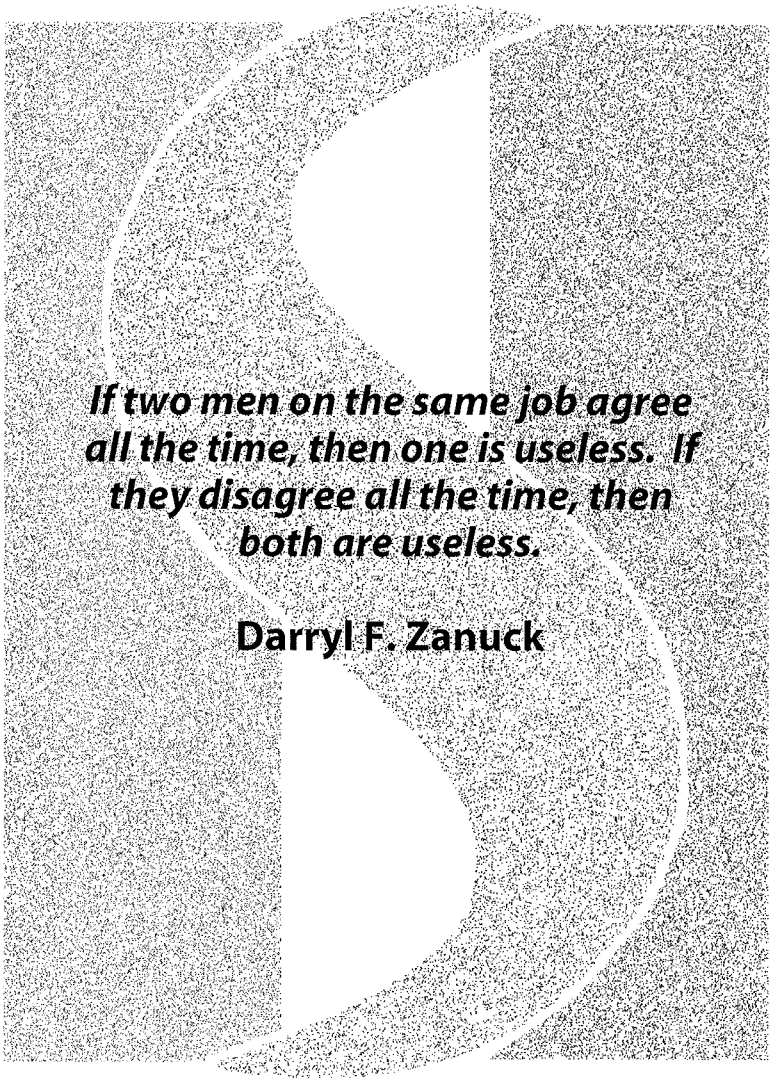
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	656,153	680,000	665,000	725,000	725,000
Total	$656,153	$680,000	$665,000	$725,000	$725,000


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 recently completed a comprehensive update to the City's Master Land Use Plan, guiding development for the next 20 years?

Planning Commission

SUMMARY OF BUDGET CHANGES

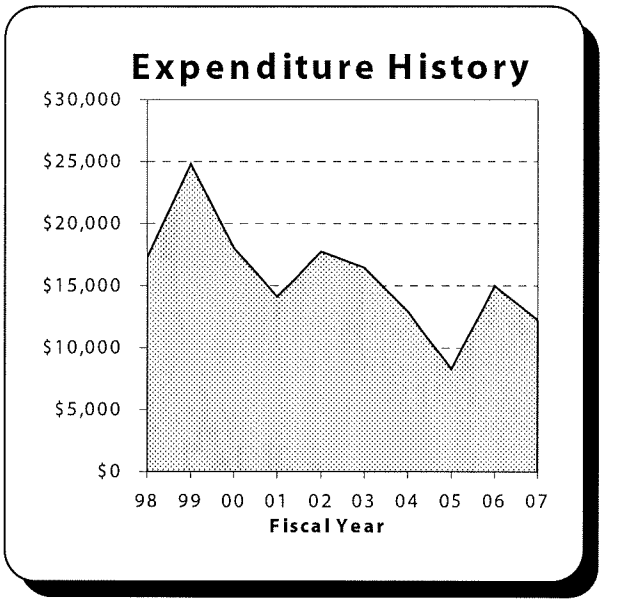
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget decreased by $320 or 7.8%. 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 is proposed to remain the same at $1,220. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased $2,410 or 25.0%. Funding for reporting services decreased $1,000, as less time is required to transcribe minutes due to fewer monthly meetings. Funding decreased $500, as fewer newspaper ads are anticipated to be published next fiscal year. Printing costs have been reduced by $650 due to a prior year reappropriated encumbrance. The City will save $200 as the Michigan Society of Planning's annual conference will be held locally next year and overnight lodging will not be required. $50 was saved in local meeting costs, as prior year budgeted funds were not required.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$3,133	$4,090	$3,230	$3,770	$3,770
Supplies	1,087	1,220	1,220	1,220	1,220
Other Charges	4,065	9,660	5,450	7,250	7,250
Total	$8,285	$14,970	$9,900	$12,240	$12,240

Telecommunications Commission

MISSION STATEMENT: ***To oversee the enforcement of the City's various franchise cable agreements and all aspects of telecommunication technology being utilized within the City of Sterling Heights.***

The Telecommunications Commission plays an important role in the national communications revolution. The Telecommunications Commission keeps informed of changing technology in communication services within the City of Sterling Heights on behalf of all residents.

It acts to promote and encourage adequate, economical, efficient and technologically advanced telecommunication forms including, but not limited to: cable television, cable modems, phone service, and cellular towers in the City.

The Commission also works to promote and encourage harmony between the cable companies and their subscribers by furnishing cable system services to the residents without discrimination, undue preferences or advantages.

The Commission creates and regulates guidelines for the use of government and library access programming.

The Telecommunications Commission, in its role as a regulatory body, does not respond to questions or complaints raised regarding cable services. Its function is not to act as an intermediary between residents and cable television providers; however, the Commission does monitor the activities of cable service as they pertain to ordinance compliance. Any questions, concerns, or complaints are forwarded to the Community Relations office for action or referral to the affected cable provider. The Telecommunications Commission includes five members appointed by the City Council, who serve without compensation and meet quarterly. The Telecommunications Commission was established (as the Cable Communications Commission) in 1984 and has operated uninterrupted since that time. The name of the commission was changed to the "Telecommunications Commission" in 1996 to better reflect the scope of its responsibility in the midst of the electronic revolution.

KEY GOALS

- ***To oversee the transition of technology on behalf of all Sterling Heights cable television subscribers.***
- ***To oversee and define the community programming role of the government and library access channels operated by Community Relations.***
- ***To oversee the expanding use of new telecommunications technology as it relates to residential and business use within the City of Sterling Heights.***
- ***To monitor Comcast Cablevision and Wide Open West to ensure compliance with existing franchise agreements.***

The Community Relations Director is the administrative staff liaison ensuring that all activities of the Commission are within the City's requirements including budgetary constraints as well as policy and procedure issues.■

Did you know?...
...that the Telecommunications Commission has approved a motion to send revisions of the telecommunication ordinance to the City Council for approval to mirror new guidelines and laws enacted by the State of Michigan's Metro Act?

Telecommunications Commission

SUMMARY OF BUDGET CHANGES

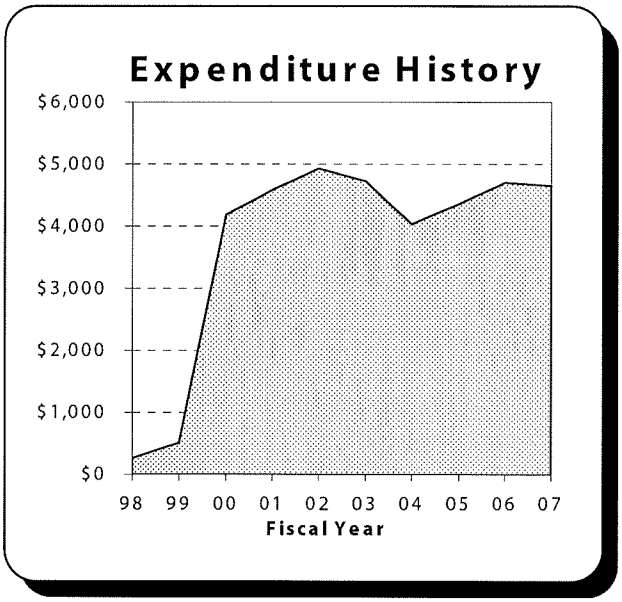
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – There is no Personnel Services budget for this activity.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges decreased $50 or 1.1%. $50 was eliminated for reporting services based on recent years' expenditure levels. The City continues to pay the monthly $75 cable bill for each of the five members of the Telecommunications Commission, which totals $4,500 annually.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	4,355	4,700	4,600	4,650	4,650
Total	$4,355	$4,700	$4,600	$4,650	$4,650

Transfers Out

MISSION STATEMENT: ***To provide a means of tracing the transfer of monies from one fund to another, to facilitate the accountability of revenues and expenditures.***

The Transfers Out activity in the General Fund is used to account for the outgoing transfers of funds to support other City funds. The expenditure in this activity is offset in its entirety by a revenue source in the fund receiving the transfer.

This fiscal year, six transfers are budgeted from the General Fund totaling $4,318,120. They include a transfer to the Capital Projects Fund, the Economic Development Fund, the Land & Water Conservation Fund, the Limited Tax General Obligation Debt Service Fund, the Major Road Fund and the Local Road Fund.

The $1,600,720 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, parking lot resurfacing at Baumgartner Park, a primary electrical switch that supplies power to several City facilities, the continuation of the Sidewalk Gap Completion Program, school walkway repairs near Canterbury and Hamilton East Drives, aesthetic improvements to the City entrance sign at 14 Mile Road and Van Dyke, and updates to the City's Master Retention Basin and Storm Sewer Plan.

The $960,000 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 equipment note.

The $1,100,000 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 planning 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 $74,400 Transfer Out to the Land & Water Conservation Fund is to finance the replacement of baseball diamond fencing and portable bleachers at Delia Park.

The $8,000 Transfer Out to the Economic Development Corporation Fund is to help replenish declining fund reserves, and to fund future marketing and promotional advertising that will help attract business to 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

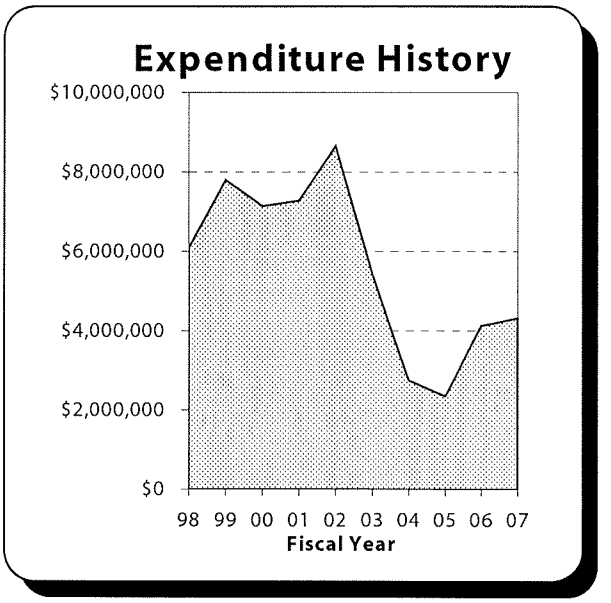
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 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 $4,318,120. Transfers to the Major Road Fund totals $1,100,000 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 planning 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. Transfers to the Land & Water Conservation Fund totals $74,400 to fund the replacement of baseball diamond fencing and portable bleachers at Delia Park. Transfers to the Economic Development Corporation Fund totals $8,000. $960,000 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 $307,500 on the new Public Safety Radio System equipment note. Transfers to the Capital Projects Fund totals $1,600,720 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 – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	0	0	0
Transfers Out	2,360,094	4,127,270	4,127,270	4,318,120	4,318,120
Total	$2,360,094	$4,127,270	$4,127,270	$4,318,120	$4,318,120

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, in its 1926 landmark decision in Euclid v. Ambler Realty Co., the United States Supreme Court upheld the constitutionality of zoning?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

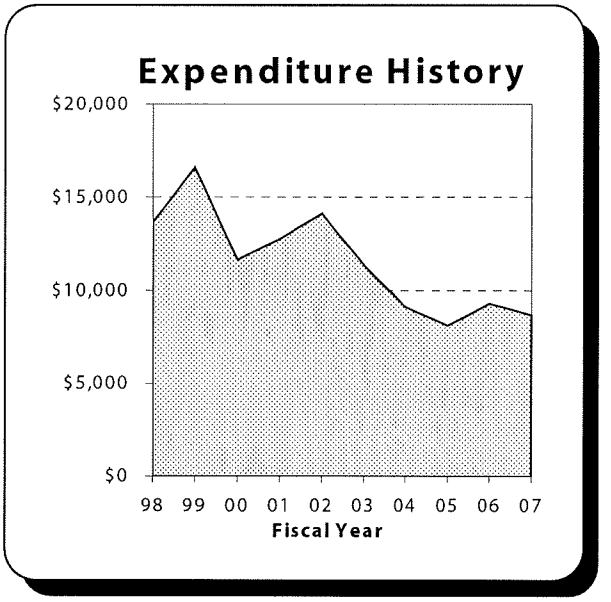
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel Services budget remains unchanged from the prior year budget. The seven Zoning Board of Appeals members are paid $30 per meeting.

Supplies – Total Supplies decreased $150 or 13.5%. Funding decreased $50, as fewer audiotapes and meeting minute books are needed. The Postage budget has been reduced by $100 based on recent years' expenditure levels.

Other Charges – Total Other Charges decreased $480 or 8.8%. Funding of $220 for the Bresser's Cross Index Directory is no longer needed, as staff is now accessing on-line resources. The City will save $200, as the Michigan Society of Planning's annual conference will be held locally next year and overnight lodging will not be necessary. Publishing and membership costs each decreased $30, as prior year budgeted funds were never fully spent.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

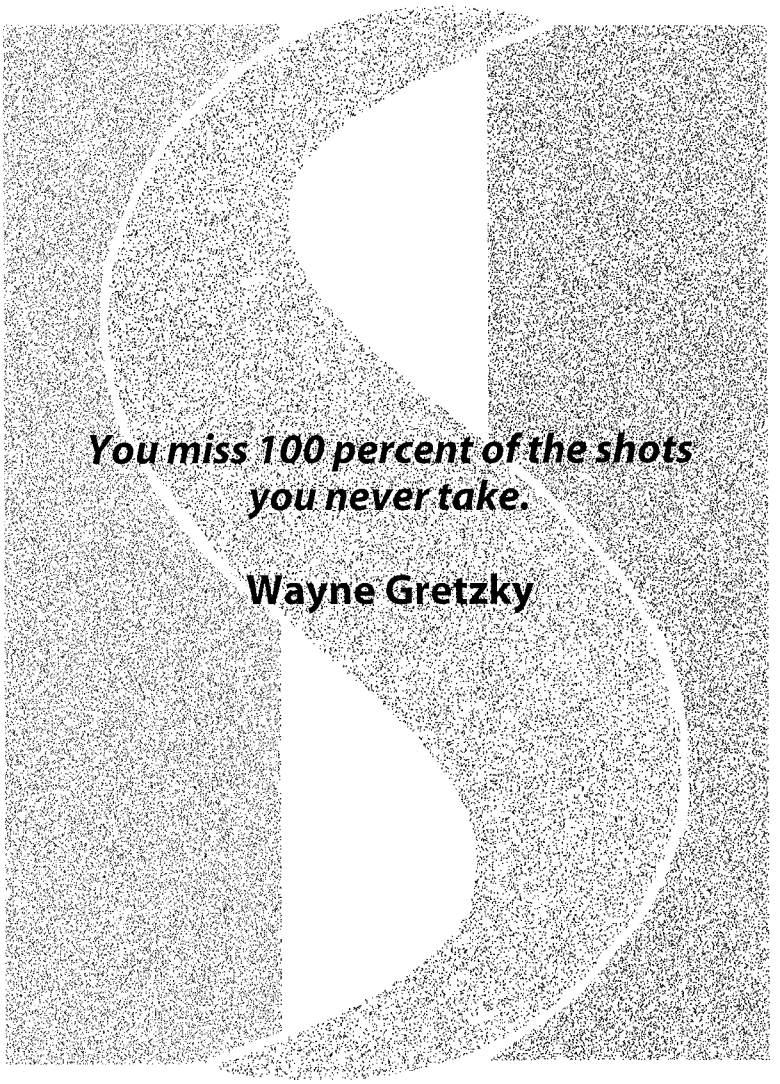
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

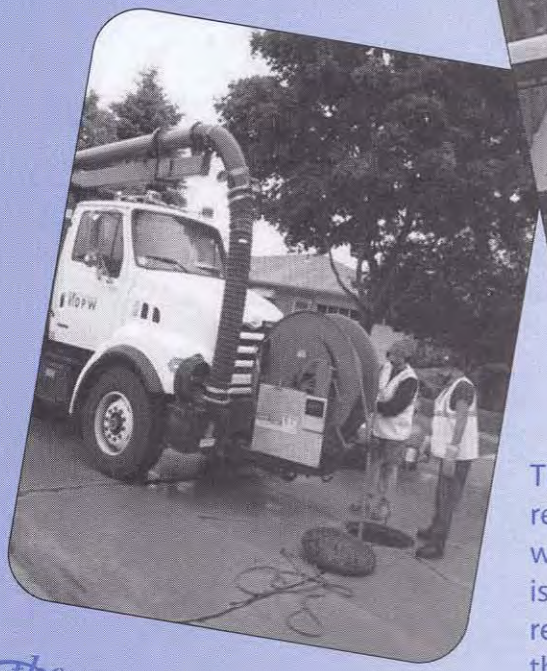
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$2,423	$2,710	$2,710	$2,710	$2,710
Supplies	485	1,110	860	960	960
Other Charges	5,200	5,480	4,650	5,000	5,000
Total	$8,108	$9,300	$8,220	$8,670	$8,670


You miss 100 percent of the shots
you never take.
Wayne Gretzky

Water & Sewer Fund



the Next Generation – Our Future

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 12 years, Detroit has increased its rates by an average of 7.5% per year, while Sterling Heights has increased its rates by only 5.4% per year. In addition, the City has made several adjustments to its 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% due to higher fixed charges resulting from the repairs to the 15 Mile Road sinkhole. In addition, Detroit's sewage rate increased from $10.31 to $10.80 per thousand cubic feet. Sterling Heights is passing along only a 3.9% water rate increase and a 6.9% sewer rate increase it its customers. The City is able to pass on only a portion of the Detroit rate increase due to increased interest income revenue and expenditure savings in this fund.■

Did you know?...
...that the City's markup on Detroit's water rate is only 13.4%, compared to the average 125% markup of the 126 surrounding communities?

WATER & SEWER SYSTEM
OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
REVENUES						
Water & Sewer Service	$17,966,080	$20,477,350	$22,887,970	$23,387,920	$24,717,560	**$24,717,560**
Penalties & Interest	205,410	234,480	205,000	250,000	300,000	**300,000**
Hydrant Rental	165,830	169,900	171,000	171,000	174,750	**174,750**
Building Rental	1,200	1,200	1,200	1,200	1,200	**1,200**
Interfund Service	358,520	263,630	375,200	368,200	367,610	**367,610**
Tap and Meter Revenue	818,930	695,360	720,000	665,000	715,000	**715,000**
Repair and Service	20,830	35,670	25,000	85,000	30,000	**30,000**
Inspection Fees	22,990	24,370	25,000	24,000	25,000	**25,000**
Turn-On Charge	1,190	2,080	1,500	1,500	1,500	**1,500**
Ind./Pollution Surcharge	606,690	480,160	575,000	525,000	550,000	**550,000**
Miscellaneous	63,080	148,560	25,000	35,000	65,000	**65,000**
Interest on Investments	370,690	375,130	620,000	930,000	930,000	**930,000**
Total Revenues	**$20,601,440**	**$22,907,890**	**$25,631,870**	**$26,443,820**	**$27,877,620**	**$27,877,620**
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	$649,000	$718,590	$744,320	$761,430	$821,340	**$821,340**
Supplies	12,150	14,740	13,100	14,450	14,600	**14,600**
Other Charges	5,652,820	6,026,700	1,835,120	1,855,780	2,168,530	**2,168,530**
Capital Outlay	0	0	22,500	20,800	251,350	**251,350**
Total Expenses	**6,313,970**	**6,760,030**	**2,615,040**	**2,652,460**	**3,255,820**	**3,255,820**
WATER DISTRIBUTION						
Personnel Services	988,010	1,045,060	1,070,010	1,066,840	1,147,020	**1,147,020**
Supplies	274,940	226,480	277,000	457,000	273,000	**273,000**
Other Charges	7,288,550	9,312,830	9,408,570	9,569,270	10,028,370	**10,028,370**
Capital Outlay	0	0	52,800	52,750	132,000	**132,000**
Total Expenses	**8,551,500**	**10,584,370**	**10,808,380**	**11,145,860**	**11,580,390**	**11,580,390**
SEWAGE COLLECTION						
Personnel Services	1,038,350	1,183,610	1,187,060	1,167,780	1,238,380	**1,238,380**
Supplies	31,840	44,100	35,000	46,000	44,000	**44,000**
Other Charges	9,862,400	9,560,120	10,911,890	9,736,300	11,684,720	**11,684,720**
Capital Outlay	0	0	207,200	207,200	74,200	**74,200**
Total Expenses	**10,932,590**	**10,787,830**	**12,341,150**	**11,157,280**	**13,041,300**	**13,041,300**
Total Operating Expenses	**$25,798,060**	**$28,132,230**	**$25,764,570**	**$24,955,600**	**$27,877,510**	**$27,877,510**

Note: Interest on Investments is restated to include both Water & Sewer Operating & Receiving Funds. Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue, Penalties & Interest on Special Assessments, and Capital and Frontage charges.

Water & Sewer Fund Revenues

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, schools, businesses, and other City funds. These monies are used to reimburse the Water & Sewer Fund for services provided to other entities, funds, or departments. The primary revenue accounts within this revenue center include Water Services and Sewage Collections.

In the 2006/07 Budget, Charges for Services revenue represents 96.09% of total revenue sources, an increase of $1,902,750.

The 2006/07 Budget recommends a slight 3.9% 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, due to increased costs for 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 $34 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 $34 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 2006/07 Budget, Other Revenues represents 3.91% of total revenue sources, an increase of $343,000 above the 2005/06 Budget. This increase is mostly due to an increase in Interest on Investment revenues.

In the 2006/07 Budget, Other Revenues represents 3.91% of total revenue sources, an increase of $343,000 above the 2005/06 Budget.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2006/07 Budget, there is no use of net assets, as revenues slightly exceed expenses by only $110. 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	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	12,076	0.05	20,000	0.08	**20,000**	**0.07**
627531	Administrative Services - Refuse	84,000	0.37	88,200	0.34	**92,610**	**0.33**
629001	Labor Services - Roads	42,032	0.18	75,000	0.29	**70,000**	**0.25**
629002	Labor Services Cross Charges	30,557	0.13	35,000	0.14	**35,000**	**0.13**
633001	Water Tap Fees	242,699	1.06	300,000	1.17	**275,000**	**0.99**
633002	Sewer Tap Fees	12,205	0.05	20,000	0.08	**15,000**	**0.05**
633003	Meter Charges	440,458	1.92	400,000	1.56	**425,000**	**1.52**
633004	Inspection	24,368	0.11	25,000	0.10	**25,000**	**0.09**
633005	Water & Sewer Services	35,670	0.16	25,000	0.10	**30,000**	**0.11**
633006	Hydrant Rental - Fire Department	169,896	0.74	171,000	0.67	**174,750**	**0.63**
633009	Turn-On Charge	2,083	0.01	1,500	0.01	**1,500**	**0.01**
634001	Materials/Supplies Cross Charges	36,118	0.16	55,000	0.21	**55,000**	**0.20**
643000	Water Services	9,099,350	39.72	10,236,510	39.94	**10,873,760**	**39.01**
644000	Collections - Sewer	11,378,001	49.67	12,651,460	49.36	**13,843,800**	**49.66**
645000	Penalties - Water & Sewer	234,482	1.02	205,000	0.80	**300,000**	**1.08**
646000	Industrial & Pollution Surcharge	480,162	2.10	575,000	2.24	**550,000**	**1.97**
	Total Charges for Services	**22,324,157**	**97.45**	**24,883,670**	**97.08**	**26,786,420**	**96.09**
	OTHER REVENUE						
665000	Interest on Investments	375,130	1.64	620,000	2.42	**930,000**	**3.34**
667006	Building Rental - Garage	1,200	0.01	1,200	0.00	**1,200**	**0.00**
669001	Rental - Road Equipment	37,073	0.16	67,000	0.26	**65,000**	**0.23**
669002	Rental/Equipment Cross Charges	21,771	0.10	35,000	0.14	**30,000**	**0.11**
685000	Miscellaneous Revenue	148,555	0.65	25,000	0.10	**65,000**	**0.23**
	Total Other Revenue	**583,729**	**2.55**	**748,200**	**2.92**	**1,091,200**	**3.91**
	Total Water & Sewer Fund	**$22,907,886**	**100.00**	**$25,631,870**	**100.00**	**$27,877,620**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

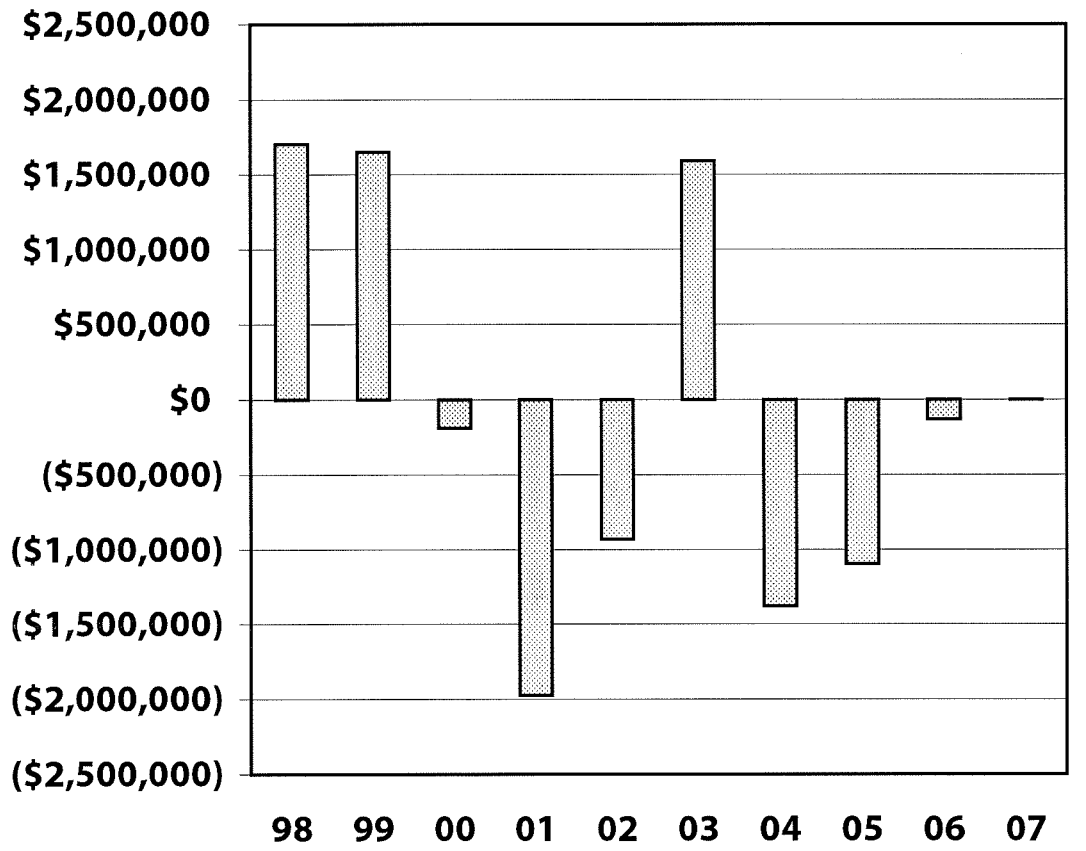
Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	PERSONNEL SERVICES						
704000	Wages & Salaries - Permanent	$1,721,830	6.12	$1,759,600	6.83	**$1,806,820**	**6.48**
704001	Sick Time Buy Back	3,115	0.01	700	0.00	**700**	**0.00**
704721	Health Insurance Allowance	0	0.00	1,130	0.00	**0**	**0.00**
705000	Wages-Salaries - Temp/Part-Time	58,324	0.21	57,800	0.22	**57,800**	**0.21**
708000	Overtime	275,890	0.98	155,000	0.60	**180,000**	**0.65**
708001	Compensation Time Buy Back	14,863	0.05	10,000	0.04	**12,000**	**0.04**
709000	Union Contract Reimbursements	22,028	0.08	20,250	0.08	**21,350**	**0.08**
710000	Longevity	86,382	0.31	86,620	0.34	**90,060**	**0.32**
715000	Clothing Allowance	9,289	0.03	9,650	0.04	**9,550**	**0.03**
717000	FICA	157,520	0.56	157,920	0.61	**163,610**	**0.59**
718000	Worker's Compensation	16,380	0.06	15,840	0.06	**14,330**	**0.05**
721000	Hospitalization	335,021	1.19	366,370	1.42	**373,110**	**1.34**
721001	Hospitalization - Retirees	192,250	0.68	301,780	1.17	**417,910**	**1.50**
722000	Dental Insurance	25,878	0.09	29,390	0.11	**30,890**	**0.11**
723000	Life Insurance	5,381	0.02	5,940	0.02	**5,990**	**0.02**
724000	Eye Care Insurance	6,046	0.02	5,390	0.02	**4,140**	**0.01**
725000	Disability Insurance - Long Term	5,676	0.02	5,990	0.02	**6,150**	**0.02**
725355	Disability Insurance - Short Term	11,391	0.04	12,020	0.05	**12,330**	**0.04**
	Total Personnel Services	**2,947,264**	**10.48**	**3,001,390**	**11.65**	**3,206,740**	**11.50**
	SUPPLIES						
729000	Postage	3,806	0.01	2,600	0.01	**2,600**	**0.01**
750000	Fuels & Lubricants	54,262	0.19	44,000	0.17	**63,500**	**0.23**
751000	Operating Supplies	37,394	0.13	26,500	0.10	**28,500**	**0.10**
770000	Water Meters - Assembled	133,310	0.47	170,000	0.66	**165,000**	**0.59**
771000	Fire Hydrant Parts	10,198	0.04	9,000	0.03	**10,000**	**0.04**
772000	Tap-In Materials - Water	45,348	0.16	68,000	0.26	**60,000**	**0.22**
774000	Water Meter Parts	997	0.00	5,000	0.02	**2,000**	**0.01**
	Total Supplies	**285,315**	**1.01**	**325,100**	**1.26**	**331,600**	**1.19**
	OTHER CHARGES						
802000	Audit & Accounting Services	13,750	0.05	13,750	0.05	**13,750**	**0.05**
806000	Legal Services - Other	326	0.00	200	0.00	**200**	**0.00**
806001	Legal Services - City Attorney	1,548	0.01	2,100	0.01	**3,000**	**0.01**
807000	Medical Services	2,094	0.01	1,500	0.01	**1,500**	**0.01**
810000	Other Fees	23,530	0.08	23,000	0.09	**34,500**	**0.12**
823000	Hydrant Moves - Contractor	0	0.00	2,000	0.01	**1,000**	**0.00**
824000	Water Tap Installation - Contractor	101,391	0.36	125,000	0.49	**110,000**	**0.39**
826000	Other Contracted Services	2,872	0.01	3,000	0.01	**6,400**	**0.02**
827000	Interfund Services	1,208,160	4.29	1,341,030	5.20	**1,593,030**	**5.71**
832000	Building Maintenance	1,280	0.00	3,000	0.01	**3,000**	**0.01**
833000	Equipment Maintenance	91,667	0.33	58,260	0.23	**58,410**	**0.21**
835000	Vehicle Maintenance	127,666	0.45	130,000	0.50	**150,000**	**0.54**

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
840000	Water Main Repair	104,894	0.37	125,000	0.49	**115,000**	**0.41**
841000	Distribution Line Repair	135,188	0.48	130,000	0.50	**135,000**	**0.48**
842000	Sewer Main Repair	34,243	0.12	29,000	0.11	**29,000**	**0.10**
903000	Printing	1,762	0.01	1,000	0.00	**1,000**	**0.00**
913000	Liability Insurance	225,250	0.80	270,000	1.05	**325,000**	**1.17**
915000	Other Insurance	2,140	0.01	2,200	0.01	**2,270**	**0.01**
921000	Electric	23,652	0.08	30,700	0.12	**27,600**	**0.10**
922000	Telephone	5,272	0.02	6,000	0.02	**6,000**	**0.02**
923000	Gas - Fuel - Oil	12,518	0.04	10,500	0.04	**14,000**	**0.05**
931000	Water Purchased	8,932,150	31.75	9,004,200	34.95	**9,639,600**	**34.58**
932000	Sewage Disposal Services	9,083,261	32.29	10,390,220	40.33	**11,147,850**	**39.99**
934000	Industrial & Pollution Surcharge	253,900	0.90	310,000	1.20	**310,000**	**1.11**
945000	Other Rental	124,985	0.44	132,400	0.51	**136,090**	**0.49**
956000	Local Meetings	322	0.00	320	0.00	**320**	**0.00**
957000	Memberships & Dues	1,100	0.00	1,050	0.00	**1,050**	**0.00**
959000	Education & Training	1,639	0.01	3,650	0.01	**9,050**	**0.03**
964000	Refunds & Rebates	8,627	0.03	6,500	0.03	**8,000**	**0.03**
968000	Depreciation	4,374,463	15.55	0	0.00	**0**	**0.00**
	Total Other Charges	**24,899,650**	**88.51**	**22,155,580**	**85.99**	**23,881,620**	**85.67**
	CAPITAL OUTLAY						
975000	Buildings & Improvements	0	0.00	0	0.00	**25,000**	**0.09**
979000	Computer Equipment	0	0.00	1,300	0.01	**16,250**	**0.06**
981000	Electronic Equipment	0	0.00	0	0.00	**154,100**	**0.55**
982000	Machinery & Equipment	0	0.00	207,200	0.80	**46,200**	**0.17**
984000	Vehicles	0	0.00	74,000	0.29	**216,000**	**0.77**
	Total Capital Outlay	**0**	**0.00**	**282,500**	**1.10**	**457,550**	**1.64**
	Total Water & Sewer Fund	**$28,132,229**	**100.00**	**$25,764,570**	**100.00**	**$27,877,510**	**100.00**

Note: The 2004-2005 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 $2.1 million or 8.2%. Personnel costs rose $205,350 or 6.8% due to higher wage and fringe benefit costs. Wages for full-time employees rose $47,220. Increased retiree medical obligations resulted in an $116,130 increase. Supply costs rose by 6,500 or 2.0% due to higher fuel costs. Other Charges increased $1,726,040 or 7.8%. Slightly higher anticipated water usage and a 5.8% rate increase from the City of Detroit have increased our water costs by $635,400 or 7.1%. Sewage disposal costs have risen by $757,630 or 7.3% due to higher fixed charges from Detroit resulting from the repairs to the 15 Mile Sinkhole and a 4.8% Detroit rate increase. Interfund service costs rose $252,000. Capital Outlay costs increased by $175,050 primarily to purchase radio equipment for the Water & Sewer divisions to utilize the new 800 MHz radio system.

FUNDING LEVEL SUMMARY

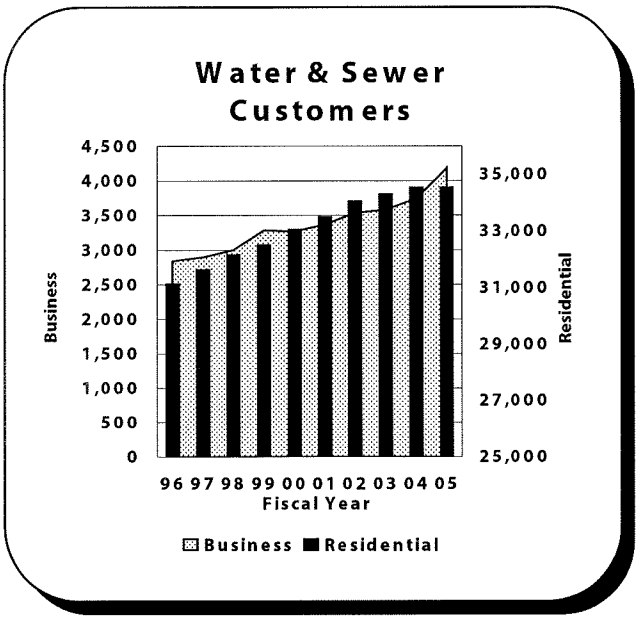
	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget	% Change from 05/06
Water & Sewer Admin.	$6,313,970	$6,760,030	$2,615,040	$3,255,820	24.5%
Water Distribution	8,551,500	10,584,370	10,808,380	11,580,390	7.1%
Sewage Collection	10,932,590	10,787,830	12,341,150	13,041,300	5.7%
Total Department	$25,798,060	$28,132,230	$25,764,570	$27,877,510	8.2%
Personnel Services	$2,675,360	$2,947,270	$3,001,390	$3,206,740	6.8%
Supplies	318,930	285,310	325,100	331,600	2.0%
Other Charges	22,803,770	24,899,650	22,155,580	23,881,620	7.8%
Capital Outlay	0	0	282,500	457,550	62.0%
Total Department	$25,798,060	$28,132,230	$25,764,570	$27,877,510	8.2%

PERSONNEL SUMMARY

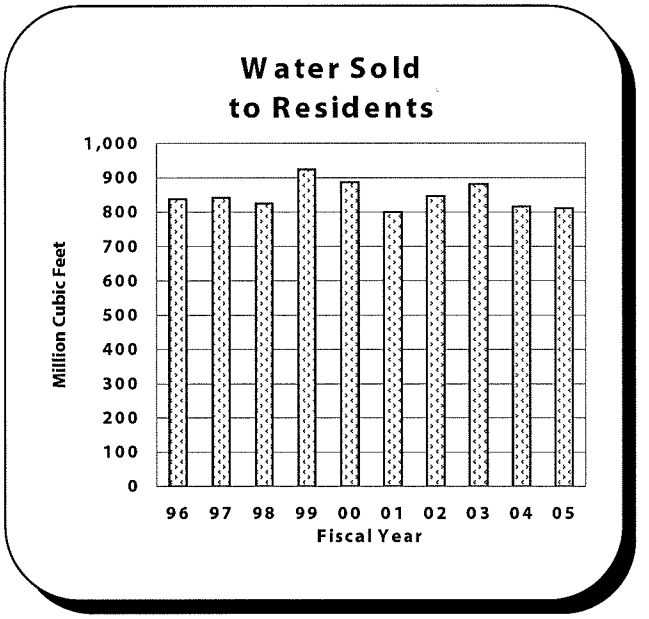
	2003/04		2004/05		2005/06		2006/07	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	9	0	9	0	9	0
Water Distribution	12	2	12	2	12	2	12	2
Sewage Collection	14	4	14	4	14	4	14	4
Total Department	35	6	35	6	35	6	35	6

KEY FUND TRENDS

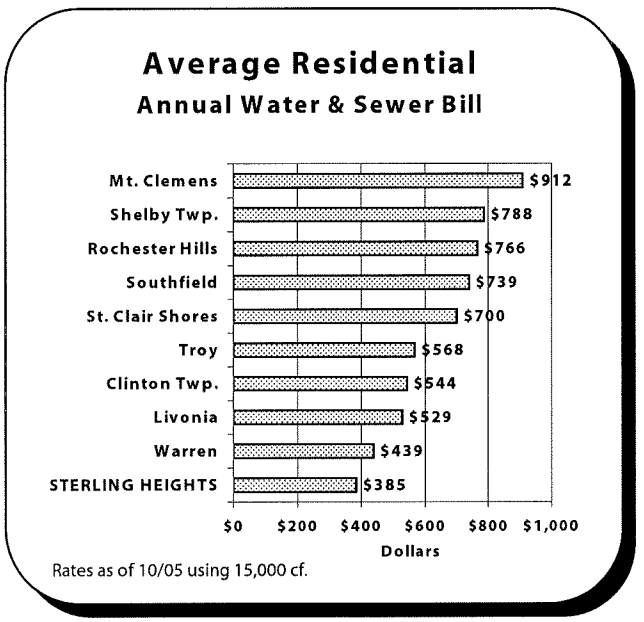
Water & Sewer Fund



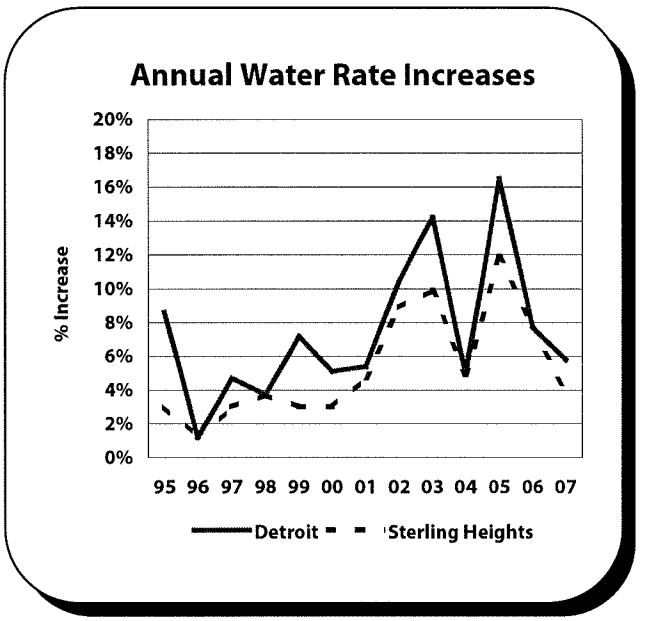
The number of both business and residential Water & Sewer customers has steadily increased over the past ten years due to continued growth and development in the City.



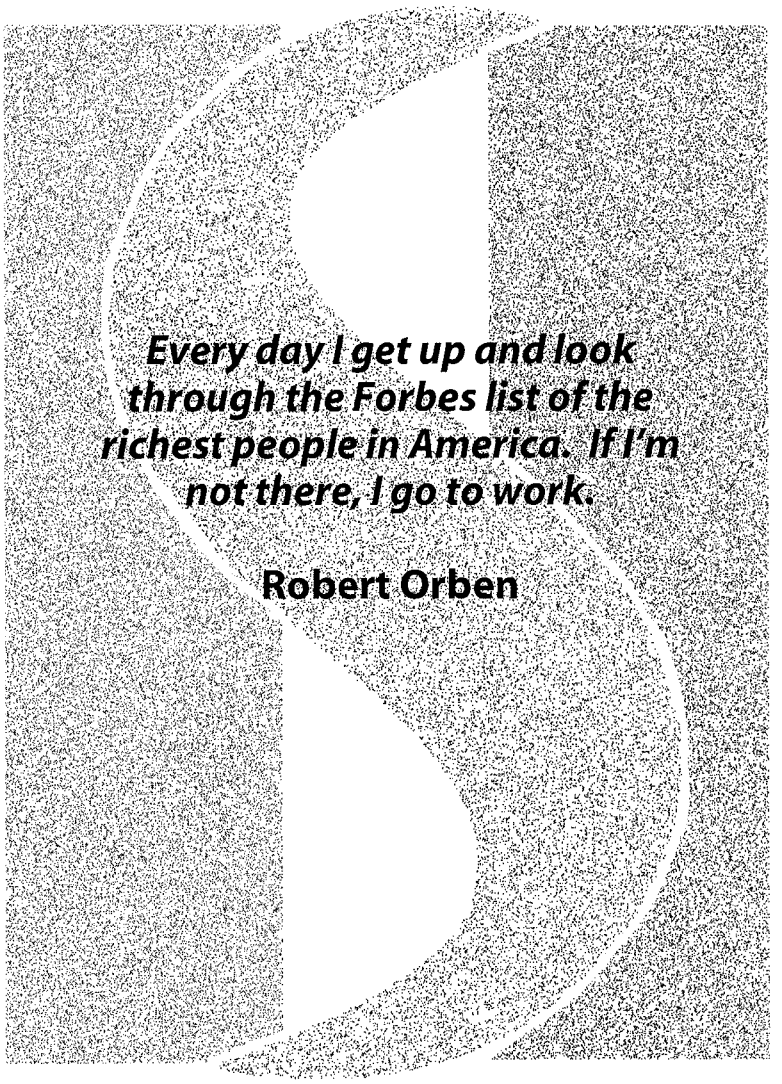
Over the past ten fiscal years, the City has sold a fluctuating amount of water to our residents and business community. The decrease in some years is largely a result of increased rainfall, which lowers the demand for irrigation.



The City purchases its water and sewer services through the City of Detroit. The average resident pays $385 annually or $32 per month for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 14% 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 7.4% per year over the past 13 years. Sterling Heights has increased its rates by only 5.3% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.


Every day I get up and look through the Forbes list of the richest people in America. If I'm not there, I go to work.
Robert Orben

Water & Sewer Administration

MISSION STATEMENT: ***To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.***

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the noxious weed cutting program of the Public Works Department.

Staff of the Department of Public Works responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also in the most cost efficient manner. Reports, correspondence, and responses to residents and users concerning activities of the various divisions are provided through this activity. Specifications are developed, analyzed and prepared for the timely bidding of capital equipment, vehicles, materials, supplies, and subcontracted services.

This Division provides clerical support to the Public Works operation including preparation of specialized reports and correspondence, assistance in budget preparation, and response to resident inquiries and service requests over the telephone, via e-mail and at the counter. Staff schedules water and sewer inspections, Miss Dig stake-outs for City water and sewer lines, and tree removal and planting.

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 with a population greater than 25,000?

Water & Sewer Administration

2006/07 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)*

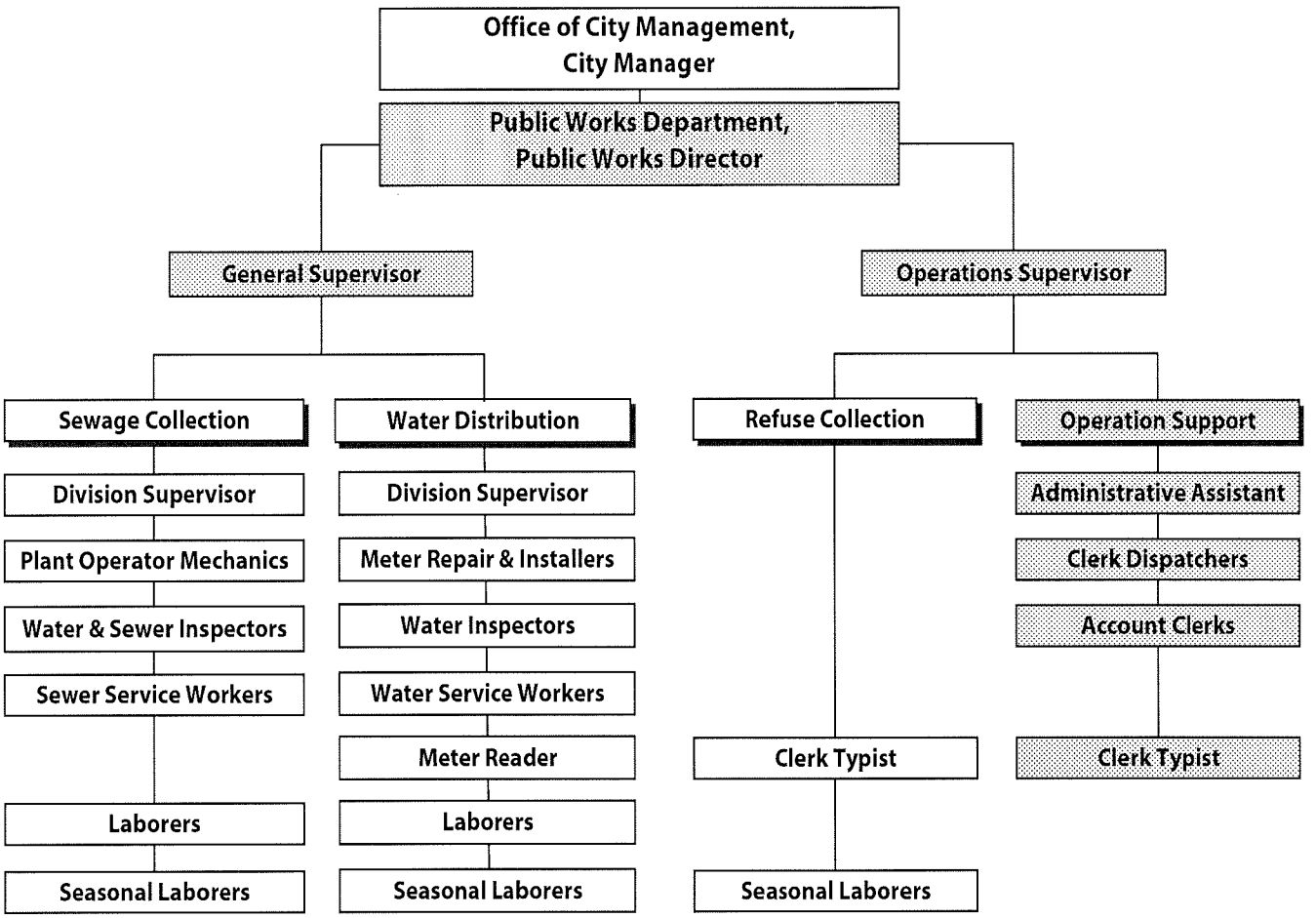
2. To prepare the 2006 Sterling Heights Annual Water Quality Report in accordance with EPA and M-DEQ requirements. This report, included in the Sterling Heights magazine, advises customers about the source of their water, results of water quality tests and other information related to safe drinking water. *(City Goal 12, 14)*

3. To aggressively enforce the City's noxious weed ordinance in order to maintain the aesthetics of the City, especially in our residential neighborhoods. *(City Goal 12, 13, 14)*

4. To mail notices to 400 commercial/industrial establishments advising them that their backflow preventers must be tested in accordance with the Michigan Department of Health's Division of Water Supply requirements. *(City Goal 12)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Water & Sewer Customers	37,884	38,270	38,720	39,100	38,900	39,400
	Customer Service Requests/Inquiries Received	32,600	31,200	32,500	32,000	33,000	32,500
	Res./Commercial Sanitary Sewer Tap Connections	372	367	250	300	280	300
	Residential/Commercial Water Taps	398	362	298	375	300	300
	Residential/Commercial Water Meter Installations	462	362	311	375	300	300
	Noxious Weed Cutting Revolutions (317 acres)	5	5	6	6	6	6
	Parcels Cut - Noxious Weed Program	1,372	1,149	1,356	1,200	1,450	1,400
	Backflow Preventer Testing Compliance Letters	375	363	242	400	330	400
	Site Plans Reviewed	91	88	90	70	80	70
	Vehicles/Equipment Specifications Prepared	19	15	16	14	15	14
	Materials/Supplies/Services Specifications Prepared	28	21	18	20	16	20
	Activity Budgets Prepared	4	4	4	4	4	4
	Hours of Safety Training	300	280	497	320	350	350
Efficiency & Effectiveness	Ratio of FT Employees to Worker Comp. Claims	18:1	29:1	87:1	104:1	104:1	103:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	% of Weed Violations Corrected by Owner	85%	89%	86%	90%	85%	90%
	Meter Reads Per Reader	62,461	63,580	64,297	64,070	64,370	64,430
	Residential Water & Sewer Bill (15,000 cfs)	$299	$317	$357	$385	$385	$408
	Activity Expenditures as % of Enterprise Fund	10.54%	10.26%	10.04%	10.15%	10.63%	11.68%

Water & Sewer Administration



STAFFING SUMMARY

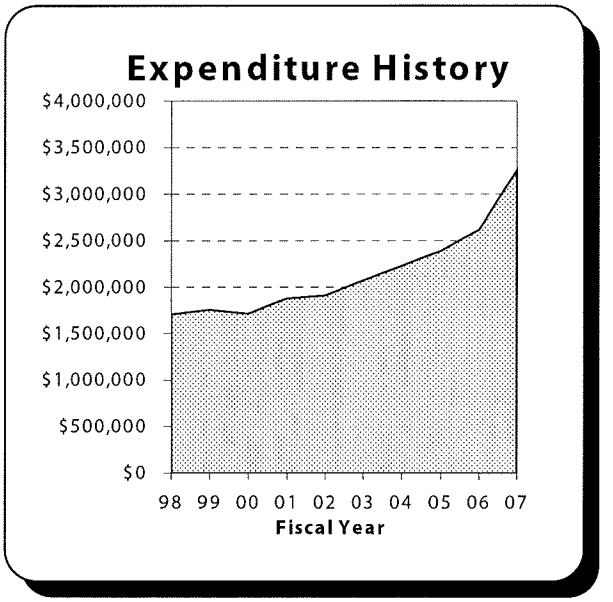
Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Public Works Director	1	1	1
Operations Supervisor	1	1	1
General Supervisor	1	1	1
Administrative Assistant	1	1	1
Clerk Dispatcher	2	2	2
Account Clerk	2	2	2
Clerk Typist	1	1	1
Total	9	9	9

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $77,020 or 10.3%. Wages for full-time employees increased by $22,970 as all employees are scheduled to receive a 3% wage increase. Overtime costs rose $5,000 due to increased water main breaks during off hours. Hospitalization Insurance costs rose $8,510 due to a rate increase, as well as a change in an employee's dependent status. Increased retiree medical obligations have resulted in a $33,420 increase.
Supplies – Total Supplies increased $1,500 or 11.5% due to higher fuel prices to operate the division's equipment.
Other Charges – Total Other Charges increased $333,410 or 18.2%. Interfund service costs rose $252,000 due to the increased General Fund costs of water billing, pension administration, and other department cross-charges reflecting the time and costs spent on all water and sewer related functions. Liability insurance costs increased $55,000 to help offset the recent liability losses in the Self-Insurance Fund. Credit card fees rose $8,000, as there are a greater number of credit card water bill payments. Funding for educational conferences increased $5,500 primarily due to the Director's attendance at the Senior Executive Institute. Heating costs rose $3,500 due to higher natural gas rates. $3,400 was added for State radio connection charges for the new 800 MHz radio system.
Capital – Total Capital of $251,350 is proposed. $154,100 is for the new 800 MHz Radio System that will provide a more reliable source of communication among all public service departments. $25,000 is for the necessary external repairs and painting of the DPW facility. $56,000 is for two replacement 4x4 Pick-Up Trucks with Plows to be utilized in daily operations and snow emergencies. $16,250 is for 13 replacement personal computers.



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

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

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$718,588	$744,320	$761,430	$821,340	$821,340
Supplies	14,737	13,100	14,450	14,600	14,600
Other Charges	6,026,698	1,835,120	1,855,780	2,168,530	2,168,530
Capital Outlay	0	22,500	20,800	251,350	251,350
Total	$6,760,023	$2,615,040	$2,652,460	$3,255,820	$3,255,820

Water Distribution

MISSION STATEMENT: ***To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.***

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 10,000 service request calls are responded to annually.

Inspections and reinspections are conducted at approximately 600 commercial and industrial establishments. Citations are issued to those in violation of City ordinance and/or State rules and regulations. Residents' water shut-off boxes are checked and repaired if necessary. City-owned gatewells, valves, and meter pits are inspected for repairs, cleaning, and electrical functioning. This Division also inspects and repairs water services, damaged water shut-offs, leaking curb stop boxes as well as supervises and assists a subcontractor in water main break repairs.

An inventory is maintained of all materials used in the operation of the Water Distribution program. The upkeep of the divisional garage area, storage area, and meter shop, as well as the operator/driver maintenance of vehicles and equipment is performed.

Assistance is provided in the Noxious Weed Cutting Program through inspection of lots or acreage cut by the subcontractor. This Division prepares all necessary paperwork, work orders, and reports; assists in responding to complaints; and participates in the snow emergency program when required.

Residential water meters (34,600) are read quarterly while commercial and industrial water meters (3,775) 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 in the 2005/06 fiscal year City residents paid only 3¢ for 10 gallons of water including the sewage disposal fee?

Water Distribution

2006/07 PERFORMANCE OBJECTIVES

1. To continue to review our water meter reading system to determine the cost effectiveness of converting the City's 3,700 commercial water accounts from the current remote handheld meter reading system to either a fixed network radio meter reading system or mobile drive-by meter reading system. *(City Goal 6, 17, 18)*

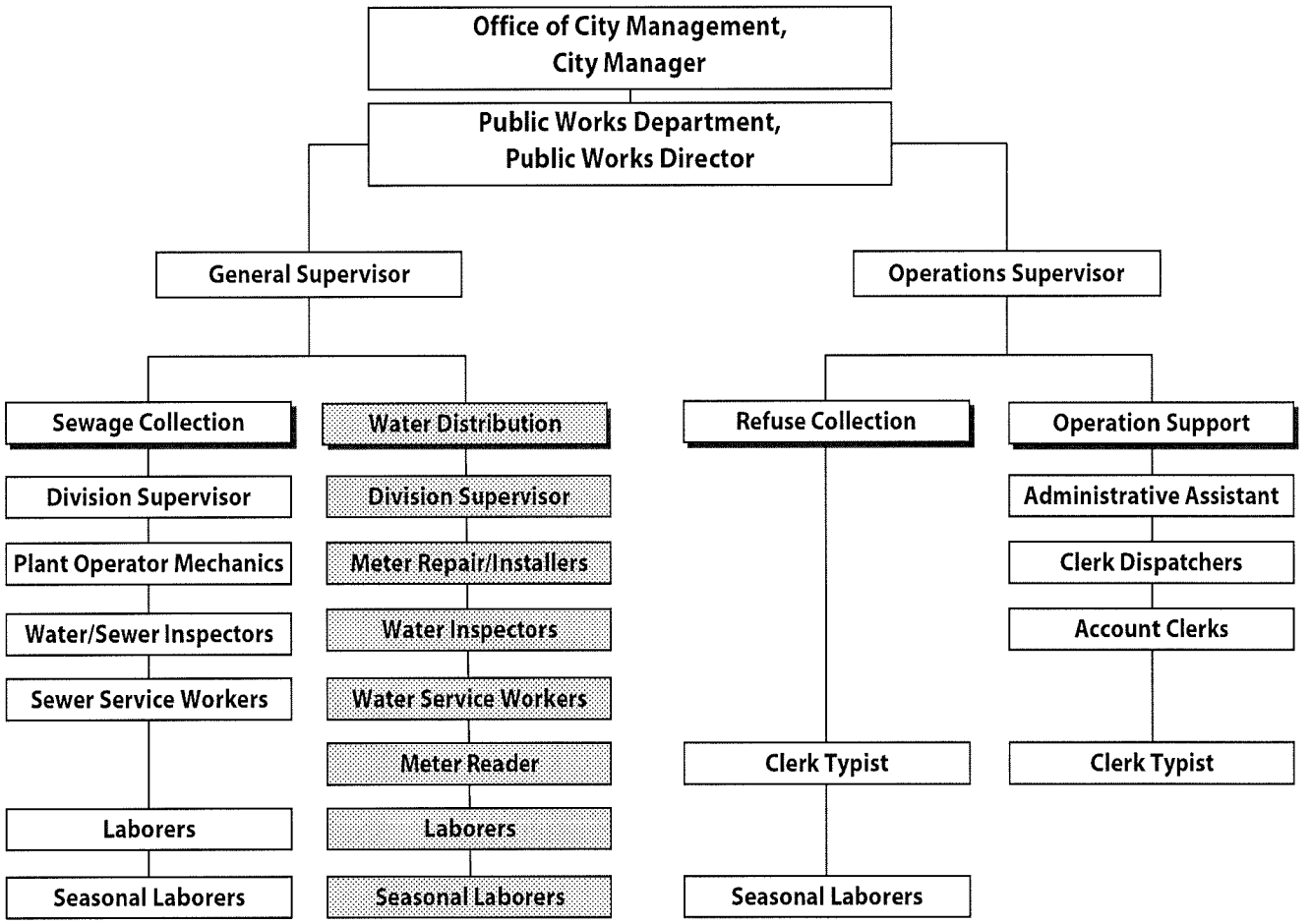
2. To monitor the testing of approximately 400 backflow preventers performed by private contractors at commercial/industrial sites, apartment complexes, churches and schools to ensure that they are functioning properly. *(City Goal 1, 12)*

3. To utilize a subcontractor to test/repair approximately 280 large water meters, 2" and larger, at commercial and industrial sites to assure that correct revenues are being realized from high-volume users. *(City Goal 1)*

4. To perform a gatewell and valve inspection program of 300 valves which will improve our ability to isolate and fix broken water mains or make repairs. *(City Goal 1, 3)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Citizen Inquiries/Service Requests Responded To	8,479	8,321	8,420	8,500	8,525	8,500
	Water Meter Reads - Residential & Commercial	187,382	190,740	192,890	192,200	193,100	193,300
	Miss Dig Stakeouts of Utilities Performed	10,111	9,648	9,490	10,000	9,400	9,500
	Water Meters Installed - Residential/Commercial	303/159	260/102	216/95	250/125	210/90	220/80
	Meters/Remote Boxes Checked/Repaired	3,287	2,520	2,965	2,500	2,700	2,800
	Water Taps Installed - Residential/Commercial	312/86	279/83	209/89	250/125	210/90	220/80
	Cross Connection Inspections/Reinspections	521	497	463	500	450	500
	Compound Meters Tested	248	226	299	250	300	280
	Gatewells Inspected	296	302	407	300	325	300
	Businesses Monitored - Backflow Compliance	375	363	242	400	330	400
	Water Samples Tested for Lead/Copper	20	0	20	20	20	0
	Fire Hydrants Replaced	0	22	4	5	6	7
	Fire Hydrants Winterized	6,633	6,796	6,932	7,050	7,050	7,100
	Fire Hydrants Painted	1,091	860	1,290	1,000	900	1,000
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	99%	99%	100%	98%	99%	98%
	% of Miss Dig Stakeouts Completed w/i 48 hours	98%	98%	99%	98%	99%	98%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.5	4.6	4.7	4.6	4.5	4.5
	Miles of Water Main Maintained per FT Employee	46.2	46.5	46.6	46.7	46.7	46.7
	Water Purchased from Detroit (1,000 cubic feet)	857,374	828,398	867,931	860,000	880,000	870,000
	Cost of 1,000 Cubic Feet of Water from Detroit	$7.94	$8.34	$9.72	$10.47	$10.47	$11.08
	Activity Expenditures as % of Enterprise Fund	42.36%	39.39%	44.55%	41.95%	44.66%	41.54%

Water Distribution



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Meter Reader	1	1	1
Laborer	2	2	2
Seasonal Laborer	2	2	2
Total	14	14	14

Water Distribution

SUMMARY OF BUDGET CHANGES

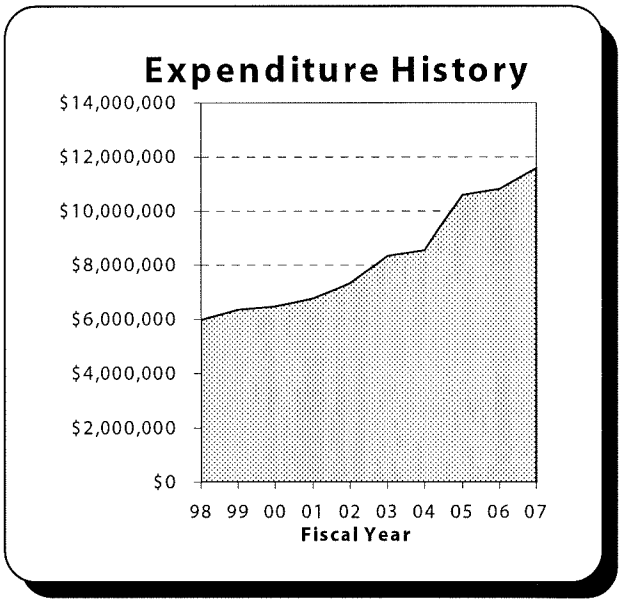
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $77,010 or 7.2%. Wages for full-time employees increased by $17,820 or 3%. Overtime costs rose $10,000 due to the increased number of water main breaks. Hospitalization costs rose $6,300 due to a rate increase next year. Increased retiree medical liabilities has resulted in a $41,180 increase.

Supplies – Total Supplies decreased $4,000 or 1.4%. The City will save $8,000, as less materials are needed to install new water taps. Fewer water meters are anticipated to be purchased, saving $5,000. Funding for water meter parts decreased $3,000 based on recent years' actual expenditures. Fuel costs increased $10,000 due to higher gas prices.

Other Charges – Total Other Charges increased $619,800 or 6.6%. The cost of water purchased from Detroit increased $635,400 due to a 5.8% Detroit water rate increase and slightly higher projected water consumption. $10,000 was added to the budget due to an increase in the hourly rate cross-charged for mechanics who work on water and sewer equipment. The State Health Department fees increased $3,500. Contract costs for new water tap installations decreased $15,000, and electric costs decreased $3,000, both based on recent years' actual expenditure levels.

Capital – Total Capital of $132,000 is proposed to replace a 1992 Tandem Axle Dump Truck with Plow which is used primarily for maintaining and repairing water mains and sewers, as well as in snow plowing 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,045,063	$1,070,010	$1,066,840	$1,147,020	$1,147,020
Supplies	226,477	277,000	457,000	273,000	273,000
Other Charges	9,312,835	9,408,570	9,569,270	10,028,370	10,028,370
Capital Outlay	0	52,800	52,750	132,000	132,000
Total	$10,584,375	$10,808,380	$11,145,860	$11,580,390	$11,580,390

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, 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 maintenance operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know?...
...that the Sewer Maintenance division cleans approximately 420 miles of sanitary sewer over a three year period, about 140 miles per year, as part of an ongoing preventative maintenance program to prevent sewer blockages and assure properly functioning sanitary sewers?

Sewage Collection

2006/07 PERFORMANCE OBJECTIVES

1. To implement a program to televise all sanitary sewer crossings underneath major drains or tributaries inspecting for infiltration into the sanitary sewer system. *(City Goal 6, 12)*

2. To clean 725,000 feet or 137 miles (one-third) of the sanitary sewer system in an ongoing preventative maintenance cleaning program, while inspecting and flushing known problem areas quarterly and after storms in order to prevent sewer blockages. *(City Goal 12)*

3. To dye test for suspected illegal taps or connections in the sanitary or storm sewer systems. *(City Goal 12)*

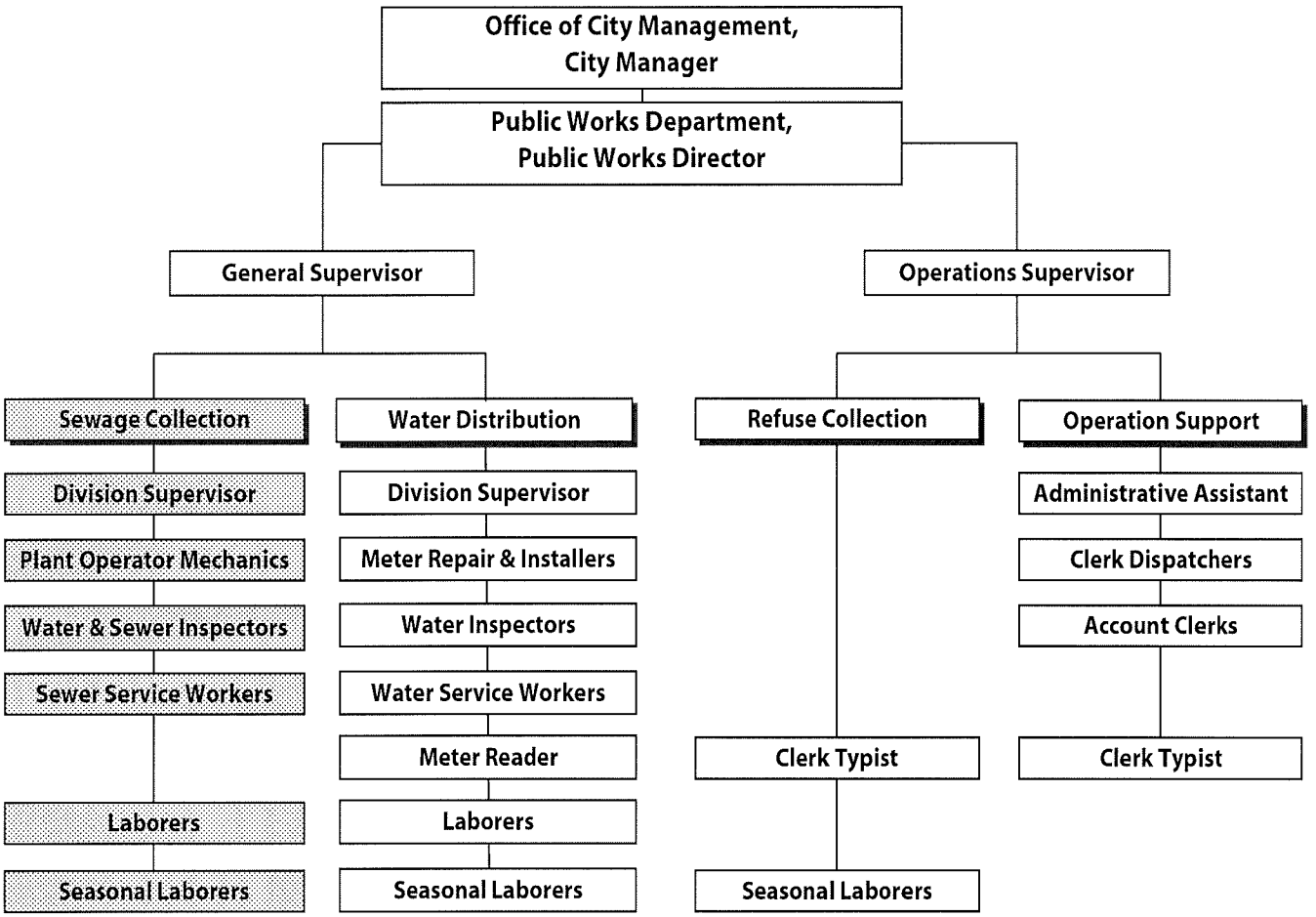
4. To rebuild or repair 250 damaged utility structures in order to eliminate hazards and lessen infiltration into the sanitary sewer system. *(City Goal 12)*

5. To evaluate retention pond wet wells and prioritize them for replacement in order to ensure their proper operation for the effective storage and pumping of storm water. *(City Goal 12)*

	Performance Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Budget
Output	Sewer Inquiries Received & Resolved	478	576	548	600	700	700
	Sewer Inspections	372	367	250	300	280	300
	Water Inspections	354	325	215	250	230	250
	Certificate of Occupancy Inspections	682	913	862	500	1,050	750
	Sanitary Sewer Cleaned - Feet	671,280	553,300	628,000	725,000	600,000	725,000
	Utility Structures Restored	152	232	175	300	200	250
	Flags of Sidewalk Replaced	205	261	138	200	125	200
	Sections of Street/Approaches Replaced	86/65	102/66	72/42	90/80	82/55	80/60
	Sod Replaced - Yards	2,454	2,745	2,618	2,000	2,500	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	10	11	11	6	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 FTE	29.6	30.1	31.0	31.0	31.0	31.0
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	*$9.09	*$9.87	*$10.30	*$10.31	*$10.32	*$10.80
	Macomb County Sewage Direct Charge	$1,848,171	$1,833,774	$1,656,478	$2,583,640	$2,325,630	$3,047,850
	Activity Expenditures as % of Enterprise Fund	47.10%	50.36%	45.41%	47.90%	44.71%	46.78%

** Does not include fixed combined sewer overflow costs.*

Sewage Collection



STAFFING SUMMARY

Position	Approved 2004/05	Approved 2005/06	Approved 2006/07
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

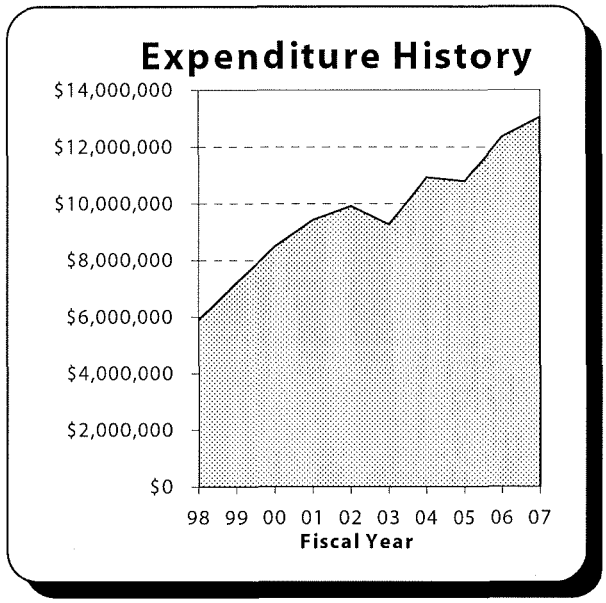
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – The total Personnel budget increased by $51,320 or 4.3%. Wages for full-time employees rose only $6,430 or 0.9% due to employee turnover in the prior year. Overtime costs rose $10,000 based on increased demand for maintaining the sanitary sewer system. Hospitalization and Dental Insurance costs declined as a result of several new employees with fewer dependents. Higher retiree medical liabilities have resulted in a $41,530 increase.

Supplies – Total Supplies increased $9,000 or 25.7%. Funding increased $8,000 due to increased fuel prices. $1,000 was added for the increased costs of lumber and concrete finishing tools.

Other Charges – Total Other Charges increased $772,830 or 7.1%. The cost of sewage disposal services from Detroit increased $757,630 or 7.3%. Fixed sewage costs increased $464,210 or 18.0% primarily as Detroit is passing on higher costs of the 15 Mile Sewer repair. The sewer rate from Detroit also increased by 4.8% from $10.31 to $10.80 per mcf. In addition, the District does not expect to receive a look-back credit next year. $10,000 was added to the budget due to an increase in the cross-charge rate for General Fund mechanics who work on water and sewer vehicles. Distribution line repair costs rose $5,000 due to the higher cost of materials.

Capital – Total Capital of $74,200 is proposed. $7,500 is for an 8" Submersible Pump to be used as emergency backup in the event of a pump failure. $17,000 is for a Cement Saw to replace an 11-year old saw. $21,700 is for a 6" Trash Pump to replace a 50-year old pump used for flooding conditions, for which replacement parts are no longer available. $28,000 is for a 4x4 Pick-Up Truck with Plow to replace a 118,000-mile vehicle used by maintenance crews for snow plowing and to transport pumps, cement mixers, and various other 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$1,183,615	$1,187,060	$1,167,780	$1,238,380	$1,238,380
Supplies	44,099	35,000	46,000	44,000	44,000
Other Charges	9,560,117	10,911,890	9,736,300	11,684,720	11,684,720
Capital Outlay	0	207,200	207,200	74,200	74,200
Total	$10,787,831	$12,341,150	$11,157,280	$13,041,300	$13,041,300

Special Revenue Funds

the Next Generation – Our Future

Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this segment are Major and Local Roads, Economic Development Corporation, Community Development Block Grant program, Brownfield Redevelopment Authority, Land & Water Conservation Fund, Public Safety Forfeiture Fund, and Budget Stabilization Funds.

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
MAJOR ROAD FUND						
REVENUES						
Federal Grants	$0	$19,500	$346,400	$200,000	$163,240	**$163,240**
Gas & Weight Tax	5,308,590	5,124,980	5,400,000	5,100,000	5,100,000	**5,100,000**
Metro Act	226,910	250,390	240,000	250,000	250,000	**250,000**
Charges for Services	(150)	0	0	0	0	**0**
Other Revenue	396,770	269,790	260,000	270,000	270,000	**270,000**
Transfer from General Fund	0	500,000	1,350,000	1,350,000	1,100,000	**1,100,000**
Total Revenues	**5,932,120**	**6,164,660**	**7,596,400**	**7,170,000**	**6,883,240**	**6,883,240**
EXPENDITURES						
Administration	102,460	172,430	103,700	110,700	108,700	**108,700**
Major Street Maintenance	1,679,200	2,005,180	1,901,500	2,041,400	1,739,500	**1,739,500**
Major Street Improvements	4,241,070	2,374,680	2,618,300	2,510,760	1,046,000	**1,046,000**
Transfer to Local Road Fund	200,000	750,000	1,000,000	1,000,000	1,000,000	**1,000,000**
Tfr. to Road Bond Debt Fund	2,600,000	2,350,000	2,825,000	2,825,000	2,200,000	**2,200,000**
Tfr. to Road Bond Const. Fund	500,000	0	0	0	0	**0**
Total Expenditures	**9,322,730**	**7,652,290**	**8,448,500**	**8,487,860**	**6,094,200**	**6,094,200**
Excess of Revenues Over (Under) Expenditures	**(3,390,610)**	**(1,487,630)**	**(852,100)**	**(1,317,860)**	**789,040**	**789,040**
Beginning Fund Balance	**7,420,670**	**4,030,060**	**2,542,430**	**2,542,430**	**1,224,570**	**1,224,570**
Ending Fund Balance	**$4,030,060**	**$2,542,430**	**$1,690,330**	**$1,224,570**	**$2,013,610**	**$2,013,610**
LOCAL ROAD FUND						
REVENUES						
Federal Grant	$62,800	$0	$0	$0	$0	**$0**
Gas & Weight Tax	2,001,880	1,935,680	2,100,000	1,875,000	1,900,000	**1,900,000**
Metro Act	85,560	94,570	90,000	95,000	95,000	**95,000**
Charges for Services	55,460	196,970	150,000	80,000	80,000	**80,000**
Other Revenue	46,480	65,930	83,300	48,900	75,000	**75,000**
Transfer from General Fund	250,000	273,000	590,000	590,000	575,000	**575,000**
Transfer from Major Road Fund	200,000	750,000	1,000,000	1,000,000	1,000,000	**1,000,000**
Tfr. from Rd. Bond Const. Fund	0	881,370	0	0	0	**0**
Total Revenues	**2,702,180**	**4,197,520**	**4,013,300**	**3,688,900**	**3,725,000**	**3,725,000**
EXPENDITURES						
Administration	131,600	180,650	139,700	154,700	149,700	**149,700**
Local Street Maintenance	2,548,000	4,319,220	3,144,500	2,977,500	1,870,500	**1,870,500**
Local Street Improvements	21,890	1,113,030	962,650	852,330	1,400,000	**1,400,000**
Tfr. to Road Bond Debt Fund	78,020	78,860	26,620	26,620	0	**0**
Total Expenditures	**2,779,510**	**5,691,760**	**4,273,470**	**4,011,150**	**3,420,200**	**3,420,200**
Excess of Revenues Over (Under) Expenditures	**(77,330)**	**(1,494,240)**	**(260,170)**	**(322,250)**	**304,800**	**304,800**
Beginning Fund Balance	**2,343,620**	**2,266,290**	**772,050**	**772,050**	**449,800**	**449,800**
Ending Fund Balance	**$2,266,290**	**$772,050**	**$511,880**	**$449,800**	**$754,600**	**$754,600**

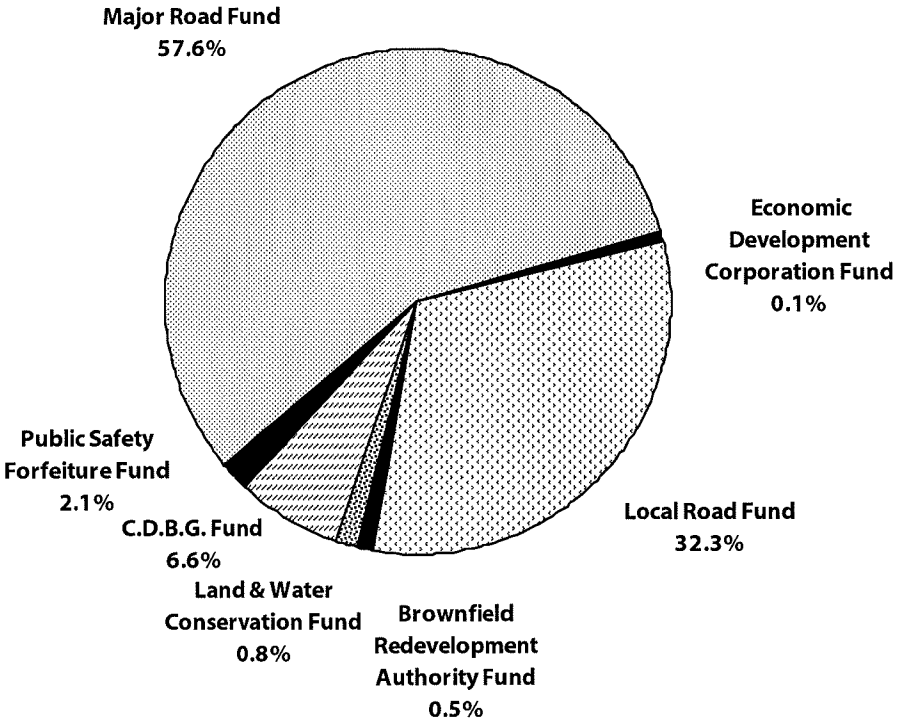
SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	$0	$0	$0	$0	$8,000	**$8,000**
Other Revenue	140	280	200	450	300	**300**
Total Revenues	**140**	**280**	**200**	**450**	**8,300**	**8,300**
EXPENDITURES						
Miscellaneous	0	30	12,500	11,700	10,700	**10,700**
Total Expenditures	**0**	**30**	**12,500**	**11,700**	**10,700**	**10,700**
Excess of Revenues Over (Under) Expenditures	**140**	**250**	**(12,300)**	**(11,250)**	**(2,400)**	**(2,400)**
Beginning Fund Balance	**15,660**	**15,800**	**16,050**	**16,050**	**4,800**	**4,800**
Ending Fund Balance	**$15,800**	**$16,050**	**$3,750**	**$4,800**	**$2,400**	**$2,400**
BROWNFIELD REDEVELOPMENT AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$2,450	$3,860	$3,230	$3,130	$33,170	**$33,170**
Other Revenue	110	250	140	450	600	**600**
Total Revenues	**2,560**	**4,110**	**3,370**	**3,580**	**33,770**	**33,770**
EXPENDITURES						
Miscellaneous	460	3,740	8,240	1,000	47,610	**47,610**
Total Expenditures	**460**	**3,740**	**8,240**	**1,000**	**47,610**	**47,610**
Excess of Revenues Over (Under) Expenditures	**2,100**	**370**	**(4,870)**	**2,580**	**(13,840)**	**(13,840)**
Beginning Fund Balance	**10,120**	**12,220**	**12,590**	**12,590**	**15,170**	**15,170**
Ending Fund Balance	**$12,220**	**$12,590**	**$7,720**	**$15,170**	**$1,330**	**$1,330**
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	$967,570	$827,600	$932,510	$1,013,730	$702,700	**$702,700**
Revenue Direct Loans	94,260	125,650	100,000	100,000	0	**0**
Total Revenues	**1,061,830**	**953,250**	**1,032,510**	**1,113,730**	**702,700**	**702,700**
EXPENDITURES						
Community Development	973,670	871,890	934,680	1,041,350	610,920	**610,920**
Transfer to General Fund	87,110	81,360	97,830	90,000	91,780	**91,780**
Total Expenditures	**1,060,780**	**953,250**	**1,032,510**	**1,131,350**	**702,700**	**702,700**
Excess of Revenues Over (Under) Expenditures	**1,050**	**0**	**0**	**(17,620)**	**0**	**0**
Beginning Fund Balance	**16,570**	**17,620**	**17,620**	**17,620**	**0**	**0**
Ending Fund Balance	**$17,620**	**$17,620**	**$17,620**	**$0**	**$0**	**$0**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
LAND & WATER CONSERVATION FUND						
REVENUES						
Federal Grants	$4,000	$0	$6,000	$0	$6,000	**$6,000**
State Grants	0	20,000	210,000	210,000	10,000	**10,000**
Other Revenue	12,790	517,570	775,000	595,000	205,000	**205,000**
Transfer from General Fund	0	0	0	0	74,400	**74,400**
Total Revenues	**16,790**	**537,570**	**991,000**	**805,000**	**295,400**	**295,400**
EXPENDITURES						
Land Improvements	275,040	305,690	1,006,640	1,068,240	86,400	**86,400**
Total Expenditures	**275,040**	**305,690**	**1,006,640**	**1,068,240**	**86,400**	**86,400**
Excess of Revenues Over (Under) Expenditures	**(258,250)**	**231,880**	**(15,640)**	**(263,240)**	**209,000**	**209,000**
Beginning Fund Balance	**1,345,510**	**1,087,260**	**1,319,140**	**1,319,140**	**1,055,900**	**1,055,900**
Ending Fund Balance	**$1,087,260**	**$1,319,140**	**$1,303,500**	**$1,055,900**	**$1,264,900**	**$1,264,900**
PUBLIC SAFETY FORFEITURE FUND						
REVENUES						
Federal Forfeiture Grants	$0	$0	$387,250	$413,790	$0	**$0**
State Forfeiture Grants	0	0	316,380	337,660	0	**0**
State Forf. Program Income	0	0	0	19,450	0	**0**
Other Revenue	0	0	7,490	10,050	0	**0**
Total Revenues	**0**	**0**	**711,120**	**780,950**	**0**	**0**
EXPENDITURES						
Federal Forfeiture Expenditures	0	0	108,160	232,120	143,060	**143,060**
State Forfeiture Expenditures	0	0	148,620	323,270	82,500	**82,500**
Total Expenditures	**0**	**0**	**256,780**	**555,390**	**225,560**	**225,560**
Excess of Revenues Over (Under) Expenditures	**0**	**0**	**454,340**	**225,560**	**(225,560)**	**(225,560)**
Beginning Fund Balance	**0**	**0**	**0**	**0**	**225,560**	**225,560**
Ending Fund Balance	**$0**	**$0**	**$454,340**	**$225,560**	**$0**	**$0**
BUDGET STABILIZATION FUND						
REVENUES						
Transfer from General Fund	$0	$0	$0	$0	$0	**$0**
Total Revenues	**0**	**0**	**0**	**0**	**0**	**0**
EXPENDITURES						
Transfer to General Fund	0	0	0	0	0	**0**
Total Expenditures	**0**	**0**	**0**	**0**	**0**	**0**
Excess of Revenues Over (Under) Expenditures	**0**	**0**	**0**	**0**	**0**	**0**
Beginning Fund Balance	**750,000**	**750,000**	**750,000**	**750,000**	**750,000**	**750,000**
Ending Fund Balance	**$750,000**	**$750,000**	**$750,000**	**$750,000**	**$750,000**	**$750,000**

2006/07 Special Revenue Funds Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total Special Revenue Funds budget.

Special Revenue Funds Revenues

TAXES

This revenue source is from tax increment financing (TIF) revenues resulting from Brownfield Redevelopment Projects. To date there is one project that is paying property taxes totaling $33,170 or 0.28% of the 2006/07 Budget.

STATE & LOCAL RETURNS

The major source of revenue to the Special Revenue Funds is State & Local Returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major source of revenue in this revenue center is the Highway & Street Grants or more commonly known as Act 51 Funds. These funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2006/07 Budget, State and Local Return revenues represent 70.63% of total revenue sources, a decrease of $1,901,600 below the 2005/06 Budget. This decrease is primarily due to a decrease in Act 51 funds and the policy of amending the budget for drug forfeiture revenues during the year when there is a better idea of how much will be realized. Federal and State Grant funding also decreased.

In the 2006/07 Budget, State and Local Return revenues represent 70.63% of total revenue sources, a decrease of $1,901,600 below the 2005/06 Budget.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. This revenue center will receive transfers from the General Fund and the Major Road Fund.

In 2006/07, revenues generated from Other Financing Sources represent 23.67% of total revenue sources, a decrease of $182,600 below the 2005/06 Budget. The General Fund transfer to the Major Road Fund for $1,100,000 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 planning 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 74,400 will be used for the replacement of baseball diamond fencing and portable bleachers at Delia Park. The transfer from the General Fund to the Economic Development Corporation Fund totals $8,000. A transfer from the Major Road Fund to the Local Road Fund remains the same at $1,000,000, as more funding is needed for local road maintenance and construction.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting. In the 2006/07 Budget, Charges for Services represents 0.69% of total revenue sources, a decrease of $70,000 below the 2005/06 Budget.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Sale of Fixed Assets, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2006/07, Other Revenues represent 4.73% of total revenue sources, a decrease of $575,230 below the 2005/06 Budget. This decrease is primarily due to the one-time receipt of revenue from the sale of city-owned properties in the prior year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2006/07 Budget, revenues exceed expenditures by $1,061,040 allowing for a contribution to Fund Balance reserves, mainly in the Major Road and Local Road Funds.■

SPECIAL REVENUE FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	TAXES						
420000	Property Taxes - TIF	$3,862	0.03	$3,230	0.02	**$33,170**	**0.28**
	Total Taxes	**3,862**	**0.03**	**3,230**	**0.02**	**33,170**	**0.28**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	847,100	7.14	1,284,910	8.96	**871,940**	**7.49**
529003	Revenue Direct Loans	125,649	1.06	100,000	0.70	**0**	**0.00**
529100	Federal Forfeiture Grants	0	0.00	387,250	2.70	**0**	**0.00**
539002	State Grants	20,000	0.17	210,000	1.46	**10,000**	**0.09**
539200	State Forfeiture Grants	0	0.00	316,380	2.21	**0**	**0.00**
539348	Metro Act	344,964	2.91	330,000	2.30	**345,000**	**2.96**
546000	Highway & Street Grants	7,060,656	59.55	7,500,000	52.27	**7,000,000**	**60.09**
	Total State & Local Returns	**8,398,369**	**70.83**	**10,128,540**	**70.59**	**8,226,940**	**70.63**
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	773,000	6.52	1,940,000	13.52	**1,757,400**	**15.09**
699202	Transfer from Major Road Fund	750,000	6.33	1,000,000	6.97	**1,000,000**	**8.58**
699428	Tfr. from Road Bond Const. Fund	881,370	7.43	0	0.00	**0**	**0.00**
	Total Other Financing Sources	**2,404,370**	**20.28**	**2,940,000**	**20.49**	**2,757,400**	**23.67**
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	196,971	1.66	150,000	1.05	**80,000**	**0.69**
	Total Charges for Services	**196,971**	**1.66**	**150,000**	**1.05**	**80,000**	**0.69**
	OTHER REVENUE						
665000	Interest on Investments	100,346	0.85	115,340	0.80	**110,900**	**0.95**
665100	Interest Income - Federal Forfeiture	0	0.00	4,570	0.03	**0**	**0.00**
665200	Interest Income - State Forfeiture	0	0.00	2,920	0.02	**0**	**0.00**
672000	Special Assessment Revenue	0	0.00	58,300	0.41	**60,000**	**0.52**
673000	Sale of Fixed Assets	476,081	4.02	740,000	5.16	**180,000**	**1.55**
675000	Contributions & Donations	5,000	0.04	5,000	0.03	**0**	**0.00**
676000	Reimbursements	256,796	2.17	200,000	1.39	**200,000**	**1.72**
685000	Miscellaneous Revenue	15,599	0.13	0	0.00	**0**	**0.00**
	Total Other Revenue	**853,822**	**7.20**	**1,126,130**	**7.85**	**550,900**	**4.73**
	Total Special Revenue Funds	**$11,857,394**	**100.00**	**$14,347,900**	**100.00**	**$11,648,410**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	$13,033	0.09	$12,000	0.08	**$6,890**	**0.07**
717000	FICA	974	0.01	920	0.01	**530**	**0.01**
	Total Personnel Services	**14,007**	**0.10**	**12,920**	**0.09**	**7,420**	**0.07**
	SUPPLIES						
729000	Postage	429	0.00	350	0.00	**350**	**0.00**
730000	Publications	0	0.00	620	0.00	**600**	**0.01**
751000	Operating Supplies	574	0.00	2,780	0.02	**1,600**	**0.02**
785000	Books	11,194	0.08	10,000	0.07	**10,000**	**0.09**
	Total Supplies	**12,197**	**0.08**	**13,750**	**0.09**	**12,550**	**0.12**
	OTHER CHARGES						
802000	Audit & Accounting Services	9,400	0.06	9,400	0.06	**9,400**	**0.09**
804000	Engineering Consultants	0	0.00	1,000	0.01	**1,000**	**0.01**
805000	Administrative Services	285,009	1.95	227,000	1.51	**242,000**	**2.29**
806000	Legal Services - Other	0	0.00	2,870	0.02	**6,000**	**0.06**
806001	Legal Services - City Attorney	7,679	0.05	8,500	0.06	**6,450**	**0.06**
826000	Other Contracted Services	599,210	4.10	228,190	1.52	**170,200**	**1.61**
880000	Community Promotion	0	0.00	11,000	0.07	**10,000**	**0.09**
902000	Publishing	391	0.00	2,400	0.02	**2,400**	**0.02**
922000	Telephone	126	0.00	10,960	0.07	**29,000**	**0.27**
956000	Local Meetings	6	0.00	100	0.00	**100**	**0.00**
957000	Memberships & Dues	85	0.00	100	0.00	**1,700**	**0.02**
959000	Education & Training	350	0.00	3,000	0.02	**6,460**	**0.06**
962000	Miscellaneous Expense	750	0.01	16,260	0.11	**42,610**	**0.40**
962200	Miscellaneous Expense - Investigations	0	0.00	6,000	0.04	**55,000**	**0.52**
	Total Other Charges	**903,006**	**6.18**	**526,780**	**3.50**	**582,320**	**5.50**
	OTHER SERVICES						
887000	Bridge Maintenance	11,441	0.08	12,500	0.08	**12,500**	**0.12**
887001	Bridge Maintenance - County	0	0.00	1,000	0.01	**1,000**	**0.01**
888000	Surface Maintenance	268,912	1.84	300,000	1.99	**300,000**	**2.83**
888001	Surface Maintenance - County	2,059	0.01	2,000	0.01	**3,000**	**0.03**
888109	2004 Joint Sealing Program	10,055	0.07	0	0.00	**125,000**	**1.18**
888113	2005 Concrete Replacement Program	347	0.00	0	0.00	**0**	**0.00**
888937	2002 Joint Sealing Program	103,967	0.71	0	0.00	**0**	**0.00**
888987	2003 Joint Sealing Program	30,397	0.21	125,000	0.83	**0**	**0.00**
888989	2004 Concrete Replacement Program	1,024,972	7.02	1,025,000	6.82	**0**	**0.00**
889000	Shoulder Maintenance	29,570	0.20	22,000	0.15	**22,000**	**0.21**
889001	Shoulder Maintenance - County	0	0.00	1,000	0.01	**1,000**	**0.01**
890000	Sweeping & Flushing	269,606	1.85	230,000	1.53	**250,000**	**2.36**
890001	Sweeping & Flushing - County	77,746	0.53	70,000	0.47	**80,000**	**0.76**
890002	Sweeping & Flushing - State	11,919	0.08	13,000	0.09	**15,000**	**0.14**
891000	Grass & Weed Control	158,545	1.09	165,000	1.10	**168,000**	**1.59**
891001	Grass & Weed Control - County	199,474	1.37	180,000	1.20	**180,000**	**1.70**

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
891002	Grass & Weed Control - State	151,052	1.03	175,000	1.16	175,000	1.65
892000	Roadside Cleanup	26,846	0.18	18,000	0.12	18,000	0.17
892001	Roadside Cleanup - County	19,541	0.13	15,000	0.10	15,000	0.14
892002	Roadside Cleanup - State	3,002	0.02	10,000	0.07	10,000	0.09
893000	Curb & Gutter Maintenance	2,211	0.02	3,500	0.02	6,500	0.06
894000	Storm Drain Maintenance	205,220	1.40	310,000	2.06	310,000	2.93
894001	Storm Drain Maintenance - County	2,496	0.02	3,000	0.02	3,000	0.03
895000	Tree & Shrub Maintenance	2,451,887	16.79	1,460,000	9.71	780,000	7.37
895001	Tree & Shrub Maintenance - County	15,779	0.11	20,000	0.13	20,000	0.19
895002	Tree & Shrub Maintenance - State	0	0.00	7,000	0.05	7,000	0.07
897000	Snow & Ice Removal	896,143	6.14	550,000	3.66	750,000	7.08
897001	Snow & Ice Removal - County	3,146	0.02	3,000	0.02	3,000	0.03
898000	Traffic Signs & Signals	287,531	1.97	220,000	1.46	250,000	2.36
898001	Traffic Signs & Signals - County	14,751	0.10	15,000	0.10	15,000	0.14
899000	Pavement Markings	45,784	0.31	90,000	0.60	90,000	0.85
	Total Other Services	**6,324,399**	**43.30**	**5,046,000**	**33.55**	**3,610,000**	**34.10**
	CAPITAL OUTLAY						
972000	Land Improvement	0	0.00	12,000	0.08	24,600	0.23
972008	Land Imp-Neighbrhd Prks-Play Equip	336,347	2.30	186,090	1.24	0	0.00
972333	Delia Park Improvements	45,277	0.31	291,970	1.94	61,800	0.58
972334	Sport Courts & Path Resurfacing	0	0.00	30,000	0.20	0	0.00
972838	Avis Park Improvements	1,480	0.01	0	0.00	0	0.00
972845	Bike Path - Riverland to Van Dyke	55,746	0.38	644,250	4.28	0	0.00
972850	Dodge Park Restroom	(58)	0.00	0	0.00	0	0.00
972934	Nelson Park Soccer Fields	8,100	0.06	7,400	0.05	0	0.00
972985	Baumgartner Park - Soccer Fields	108,482	0.74	9,520	0.06	0	0.00
975000	Buildings & Improvements	0	0.00	2,520	0.02	0	0.00
975850	Park Signage	45,994	0.31	11,500	0.08	0	0.00
979000	Computer Equipment	0	0.00	46,610	0.31	46,000	0.43
981000	Electronic Equipment	0	0.00	67,190	0.45	39,900	0.38
982000	Machinery & Equipment	0	0.00	32,300	0.21	23,000	0.22
985000	Weapons & Protective Gear	0	0.00	55,410	0.37	8,000	0.08
988000	Construction	1,335,345	9.14	1,135,220	7.55	2,046,000	19.32
988101	18 Mile Relocation at Utica Road	0	0.00	500,370	3.33	200,000	1.89
988107	Sterling Manor Sub/Lane Taper	452	0.00	644,760	4.29	0	0.00
988116	Senior Citizen Active Life Center	0	0.00	88,000	0.59	434,000	4.10
988674	Bike Path - Metropolitan Parkway	782	0.01	0	0.00	0	0.00
988700	Dequindre Rd - 16-18 Mile Road	400,850	2.74	21,250	0.14	0	0.00
988840	Schoenherr Ped Bridge over Plum Drn	173	0.00	0	0.00	0	0.00
988852	Utica Road Boulevard	435,879	2.98	62,590	0.42	0	0.00
988856	Maple Lane Reconstruction	38,215	0.26	0	0.00	0	0.00
988870	Clinton River Rd - Edison to Canal	(8,373)	-0.06	0	0.00	0	0.00
988880	Elmridge Drive Paving & SS	288,782	1.98	247,500	1.65	0	0.00
988906	Plumbrook Resurf - Van Dyke/Utica	4,855	0.03	32,570	0.22	0	0.00
988915	Shadow Creek Drive Extension	3,769	0.03	114,230	0.76	0	0.00

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

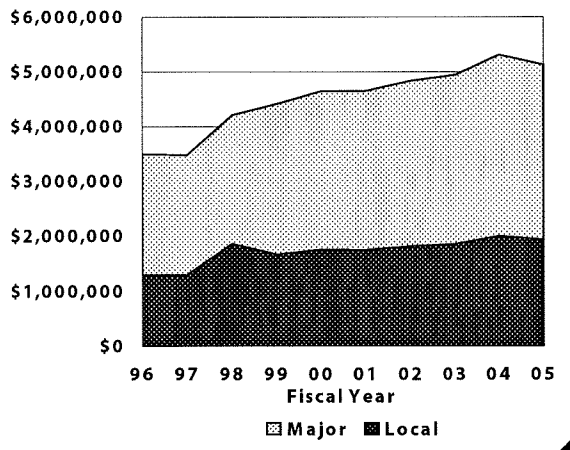
Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
988922	Oleander Paving - CDBG	3,855	0.03	0	0.00	**0**	**0.00**
988928	Metro Pkwy Wide-Dodge Park/Utica	53,630	0.37	0	0.00	**0**	**0.00**
988941	15 Mile Road Resurfacing	14,547	0.10	0	0.00	**0**	**0.00**
988943	19 Mile/Canal/Saal Improvement	51,434	0.35	765,570	5.09	**0**	**0.00**
988947	17 Mile Rd Bridge over Plumbrook	0	0.00	70,000	0.47	**0**	**0.00**
988965	Section 31 Bristol Heights	819,076	5.61	10,920	0.07	**0**	**0.00**
988986	19 Mile Rd Reconst-Mound/Dequindre	48,297	0.33	400,000	2.66	**200,000**	**1.89**
	Total Capital Outlay	**4,092,936**	**28.02**	**5,489,740**	**36.50**	**3,083,300**	**29.12**
	TRANSFERS OUT						
999101	Transfer to General Fund	81,360	0.56	97,830	0.65	**91,780**	**0.87**
999203	Transfer to Local Road Fund	750,000	5.13	1,000,000	6.65	**1,000,000**	**9.45**
999327	Tfr to Road Bond Debt Retire Fund	2,428,860	16.63	2,851,620	18.96	**2,200,000**	**20.78**
	Total Transfers Out	**3,260,220**	**22.32**	**3,949,450**	**26.26**	**3,291,780**	**31.09**
	Total Special Revenue Funds	**$14,606,765**	**100.00**	**$15,038,640**	**100.00**	**$10,587,370**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

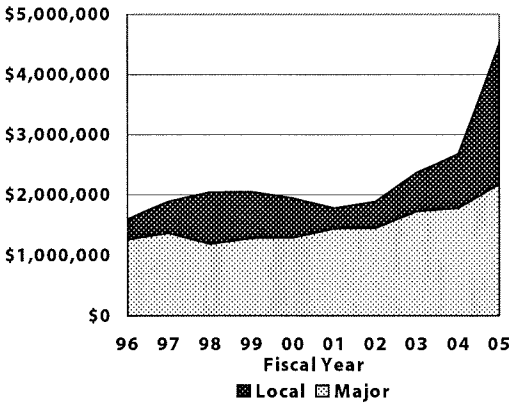
Special Revenue Funds

Gas & Weight Tax Revenue
Road Funds



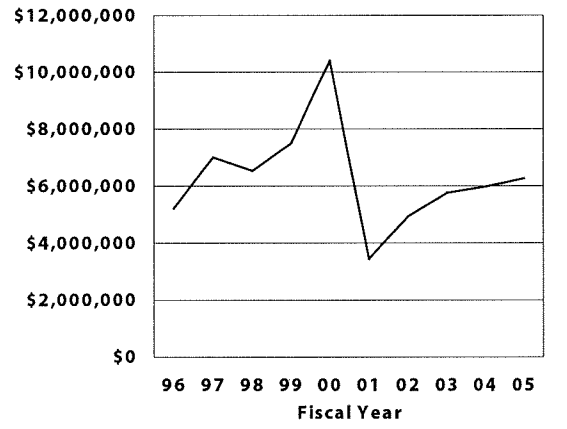
A four-cent per gallon gas tax increase approved by the State in 1997 resulted in additional funding to the City beginning in 1998. Gas tax receipts have fallen recently due to higher gas prices, which have lessened gas consumption and the corresponding tax revenue. The State's gas tax has increased once in the past 22 years.

Major & Local Road
Maintenance & Administration Costs



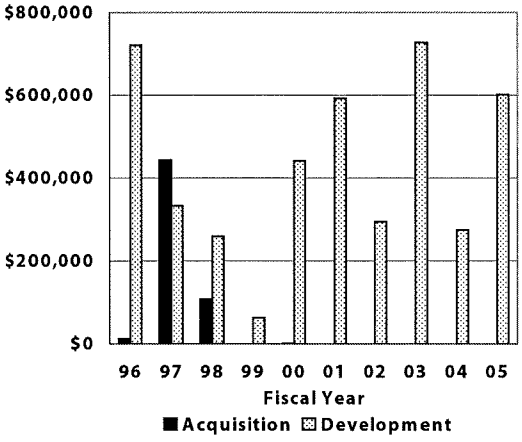
The cost of both major and local road maintenance and administration has increased over the past ten fiscal years primarily as a result of the increased number of roads which need to be maintained and more recently, for the increased cost of removing street trees due to the emerald ash borer and higher snow removal costs.

Major Road Construction Costs
Total City



The City has spent $63 million over ten years on road construction, averaging $6.3 million per year. With the completion of Ryan Road in 2000, the City's cost dropped to $3.4 million in 2001. In 2003, our costs totaled $5.8 million with the resurfacing of Clinton River Road and the Utica Road Boulevard project. We spent $6 million in 2004 including improvements to Plumbrook, Maple Lane, Oleander, and 18½ Mile Road. $6.3 million was spent in 2005 on the 18½ Mile Road connector, repairs to the 17 Mile Road bridge, and widening Dequindre Road from 17 Mile to 18 Mile Road.

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.

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 2006/07 Capital Outlay budget includes funding of $200,000 for the intersection alignment of 18 Mile and Utica Roads. Also included is $21,000 for the landscaping of the 18-½ Mile Road roundabout. The design cost for the widening of 19 Mile Road from Ryan Road to Dequindre Road is included for $200,000. $275,000 is budgeted for the continuation of the Concrete Replacement Program. $350,000 is funded for various intersections, rights-of-way, and traffic signal improvements.

Total Other Services are budgeted in the amount of $1,739,500, which is primarily used for major road maintenance, snow removal, and grass and weed control.

$108,700 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 2006/07, $1,000,000 is to be transferred to the Local Road Fund as more funding is needed for local road maintenance and construction. $2,200,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of prior years' Michigan Transportation Fund bonds.

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know?...
...that there are 60 miles of major roads in the City?

Major Road Fund

SUMMARY OF BUDGET CHANGES

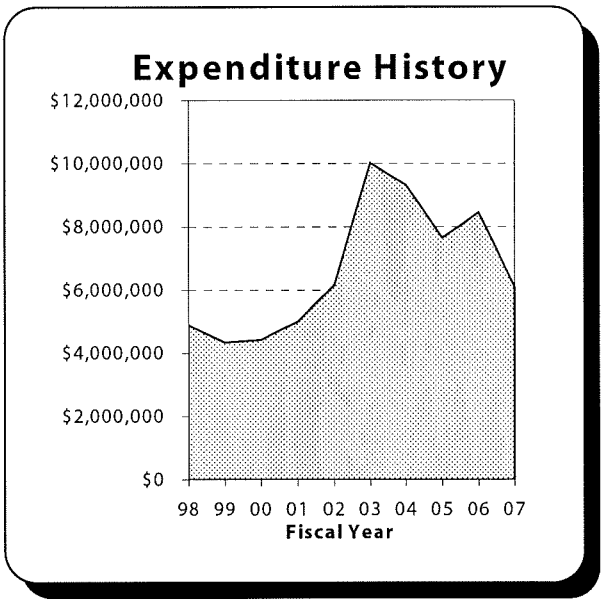
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Other Charges – Total Other Charges increased $5,000 or 4.8% due to an increase in administrative time spent on Major Road Fund projects.

Other Services – Total Other Services decreased $162,000 or 8.5%. $275,000 for the Concrete Replacement Program will now be classified as capital for accounting purposes. Snow and ice removal costs increased $50,000. Funding increased $20,000 for traffic signs and signals and $22,000 for road sweeping, both due to higher costs and greater service demands. Tree and shrub maintenance costs increased $20,000 due to the additional costs of removing emerald ash borer infested trees along major City roads.

Capital – Total Capital of $1,046,000 is proposed for this fund. $200,000 is for the intersection alignment of 18 Mile and Utica Roads. $21,000 is for the landscaping of the 18 ½ Mile Road roundabout. The design cost for the widening of 19 Mile Road from Ryan Road to Dequindre Road is proposed for $200,000. $275,000 is for the continuation of the Concrete Replacement Program. $350,000 is funded for other various intersections, rights-of-way, and traffic signal improvements. ***For a complete list of all Major Road projects, refer to the Capital Improvements schedule and map on the following pages.***

Transfers Out – Total Transfers Out decreased $625,000 or 16.3%. Transfers Out to the Road Bond Debt Retirement Fund decreased $625,000 based on lower debt payments due to the retirement of two MTF Bonds in the prior 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Other Charges	$172,431	$103,700	$110,700	$108,700	$108,700
Other Services	2,005,180	1,901,500	2,041,400	1,739,500	1,739,500
Capital Outlay	2,374,680	2,618,300	2,510,760	1,046,000	1,046,000
Tranfers Out	3,100,000	3,825,000	3,825,000	3,200,000	3,200,000
Total	$7,652,291	$8,448,500	$8,487,860	$6,094,200	$6,094,200

Local Road Fund

The Local Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. These taxes are earmarked, by law and the State Constitution for street and highway purposes that are described in detail by the Michigan Department of Transportation.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow and ice control on all streets classified as local roads within the City. This Fund also accounts for the money raised by special assessing property owners for street improvements as provided by Act 51 of the Public Acts of 1951, as amended, and to account for transfers into this Fund from other City funds.

This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51 of the Public Acts of 1951, as amended.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow & ice control on all streets classified as local roads within the City.

In fiscal year 2006/07, a total of $3,420,200 is budgeted for this fund. $500,000 is included for local road repairs, which include the asphalt resurfacing of Gloucester, Heidi, Highlite, and Tericrest Drives. $150,000 is funded for the concrete replacement of Lin Drive. Both of these neighborhood road repair projects are primarily funded by the Proposal N 0.10 millage. The continuation of the sectional Concrete Replacement Program is also included for $750,000.

Total Other Services in this fund total $1,870,500 and are allocated primarily for local road maintenance, snow removal, and tree and shrub maintenance.

$149,700 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 2006/07, there are no Transfers Out proposed for this fund as the road bond debt from past Local Road projects was retired in the prior 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 286 miles of local roads in the City?

Local Road Fund

SUMMARY OF BUDGET CHANGES

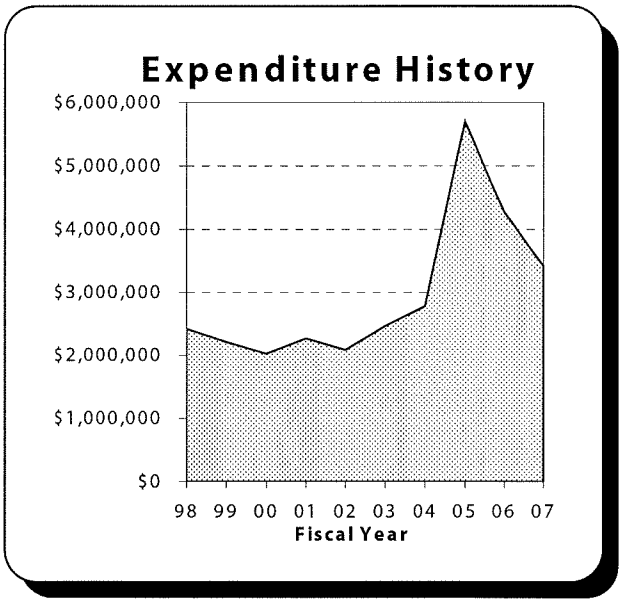
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Other Charges – Total Other Charges increased $10,000 or 7.2% due to an increase in cross-charged administrative time spent on Local Road Fund projects.

Other Services – Total Other Services decreased $1,274,000 or 40.5%. Funding decreased $700,000, as the City was aggressive over the past two years at removing the majority of emerald ash borer infested trees along local neighborhood streets. $750,000 for the Concrete Replacement Program was relocated to capital for accounting purposes. Snow and ice removal costs increased $150,000. Funding increased $10,000 for traffic signs and signals and $10,000 for street sweeping, both due to higher costs and greater service demands. Funding for grass and weed control increased $3,000 to reflect more recent actual expenditure trends. $3,000 was added for curb and gutter maintenance due to higher costs in recent years.

Capital – Total Capital of $1,400,000 is proposed. $500,000 is budgeted for local road repairs, which include the asphalt resurfacing of Gloucester, Heidi, Highlite, and Tericrest Drives. $150,000 is for the concrete replacement of Lin Drive. Both of these neighborhood road repair projects are primarily funded by the Proposal N 0.10 millage. $750,000 is for the continuation of the sectional Concrete Replacement Program, as the City continues to fund these 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 prior 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Other Charges	$180,648	$139,700	$154,700	$149,700	$149,700
Other Services	4,319,218	3,144,500	2,977,500	1,870,500	1,870,500
Capital Outlay	1,113,034	962,650	852,330	1,400,000	1,400,000
Transfers Out	78,860	26,620	26,620	0	0
Total	$5,691,760	$4,273,470	$4,011,150	$3,420,200	$3,420,200

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 Economic Development Corporation (EDC) Fund has developed a marketing brochure with a DVD insert based on the results from the business and marketing survey conducted in 2004/05?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

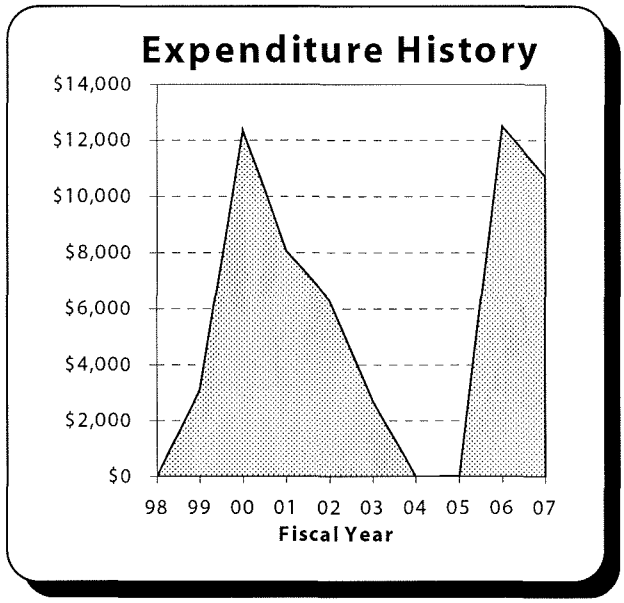
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

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 decrease $1,800 or 14.4%. Funding for community promotions decreased $1,000 due to a reappropriated encumbrance for the purchase of business recruitment and retainment marketing brochures and DVD's in the prior year. Increased funding for advertising in trade publications to help attract business to the City and promote citywide economic development and re-development issues partially offset this decrease. The budget decreased $500 for contracted services and $300 for City Attorney legal services, both based on historic 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	27	12,500	11,700	10,700	10,700
Total	$27	$12,500	$11,700	$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 helps the City maintain an up-to-date list of properties it feels are underutilized or are potential redevelopment candidates. The Authority's tasks also include making recommendations to City Council on future Brownfield plans, coordinating environmental inspections of possible Brownfield sites, and providing technical assistance, including zoning and infrastructure information and guidance to those parties that are redeveloping land in the City. Overall, Brownfield Redevelopment will have a positive impact on the Community by providing a cleaner and safer environment.

The 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 Brownfield Redevelopment still offers local units of government the best opportunity to negotiate the quality of projects?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

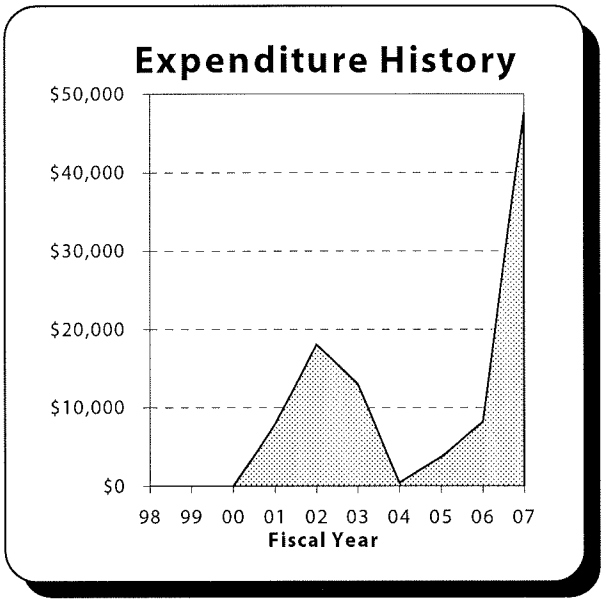
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

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 increased $39,370 as the reimbursement of eligible project costs to the developer of the Sims Drive project is funded now that the property has been developed.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	3,742	8,240	1,000	47,610	47,610
Capital Outlay	0	0	0	0	0
Total	$3,742	$8,240	$1,000	$47,610	$47,610

city of STERLING HEIGHTS Community Development Block Grant Fund

The Community Development Block Grant Fund serves many facets of the Sterling Heights community. In 1974, the Congress of the United States initiated the C.D.B.G. program. This program was designed to replace existing categorical programs identified with city development or redevelopment, namely: Urban Renewal and Neighborhood Development Programs, Model Cities Program, Neighborhood Facilities Programs, Open Space Acquisition, and Rehabilitation Loans.

One of the primary functions of the Community Development Act is to allow local communities the opportunity to structure the program to their own specific needs. This concept was unique at the time and offered local communities far greater flexibility than was present in the categorical programs.

Monies under this program may be spent on activities which are directed to fulfilling specific objectives: elimination of slums and blight, elimination of conditions which are detrimental to health, safety, and public welfare through code enforcement, conservation and expansion of the nation's housing stock in order to provide a decent home for all persons, expansion and improvement of community services principally for persons of low and moderate income, provide a more rational use of land, develop and improve neighborhoods, restore and preserve properties with historical value, and economically develop activities which aid in the revitalization of the community.

Block Grant funds also provide library books for low and moderate-income seniors at senior housing units. These book collections include large-print and "talking books" (books on tape). In addition, a collection is maintained for daycare facilities at four area schools, Gibbing, Rose Kidd, Heritage, and Messmore. Approximately 1,400 children in these daycare facilities, from low and moderate-income families, have the opportunity to read and learn through picture books and beginning reader books.

The City of Sterling Heights uses Block Grant funds to defer 100% of the special assessments that would be levied against a property within the neighborhood where these improvements occur. Households meeting the low and moderate income criteria may qualify for a total relief of the special assessments because a rule of the program is when capital improvements are made to a neighborhood, you may not negatively impact moderate and low-income families. The Housing Commission administers this program on behalf of the City Council.

Examples of activities undertaken in past years include the Upton House purchase and renovation, housing rehabilitation, Minor Home Repair Program, Handicapped Recreation Program, the Home Chore Program, and meeting the federally mandated Americans With Disabilities Act requirements.

For fiscal year 2006/07, $400,000 is budgeted toward the construction of the $2.2 million Senior Active Life Center addition. The proceeds from a bond sale will be used to fund the remaining $1.8 million construction cost, which is budgeted in the Capital Projects Fund. The debt on this project will be funded with future CDBG funds. $34,000 is programmed for the remaining cost of the architectural plans for the Senior Active Life Center addition.

A transfer to the General Fund is budgeted for $91,780 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 during the 2005/06 program year, CDBG funds were used for the construction of Plumbrook Road and Count Court?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

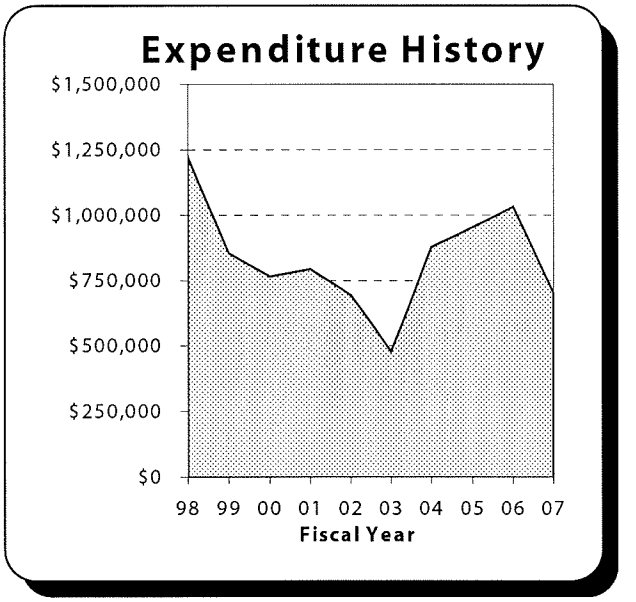
Personnel Services - The total Personnel budget decreased by $5,500 or 42.6%. Fewer part-time hours will be needed next year to assist the full-time CDBG Specialist.

Supplies - Total Supplies decreased $100 or 0.9% due to the elimination of funding for a publication.

Other Charges - Total Other Charges decreased $54,040 or 25.4%. Contracted services decreased $52,040 primarily due to a reduction in funding for the Housing Rehabilitation Program, which included a one-time additional use of program income in the prior year. In addition, no funding is budgeted for the Amelia Agnes service organization. A decrease of $1,750 was made in City Attorney legal funding based on the current year's estimated expenditure usage. $250 was saved, as telephone costs are no longer a Department of Housing and Urban Development (HUD) approved expense. Telephone costs for the CDBG Specialist are now expensed as part of the citywide allocated telephone charges.

Capital - Total Capital of $434,000 is proposed for this fund. $400,000 is budgeted toward the construction of the $2.2 million Senior Active Life Center addition. Proceeds from a bond sale will be used to fund the remaining $1.8 million construction cost, which is budgeted in the Capital Projects Fund. The debt on this project will be funded with future CDBG funds. $34,000 is included for the remaining cost of the architectural plans for the Senior Active Life Center addition.

Transfers Out - A transfer to the General Fund for $91,780 is budgeted to reimburse the City for the wages and fringe benefit costs of the CDBG Specialist, and to contribute $25,000 toward the City's Special Recreation Program.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

Transfers Out - Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$14,007	$12,920	$12,920	$7,420	$7,420
Supplies	12,197	11,050	10,780	10,950	10,950
Other Charges	546,156	212,590	319,530	158,550	158,550
Capital Outlay	299,529	698,120	698,120	434,000	434,000
Transfers Out	81,360	97,830	90,000	91,780	91,780
Total	$953,249	$1,032,510	$1,131,350	$702,700	$702,700

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 2006/07 budget totals $86,400 to fund three park improvement projects. $61,800 is included for the replacement of fencing and backstops around two baseball diamonds at Delia Park. $12,000 is programmed for tree plantings at Baumgartner Park and Delia Park (50% is to be financed by grant). The replacement of six portable bleachers at Delia Park is budgeted for $12,600.

For a complete list of all park improvement projects, please refer to the Capital Improvement schedule in the Capital Improvement section of this document.■

Did you know?...
...that monies from the recent 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

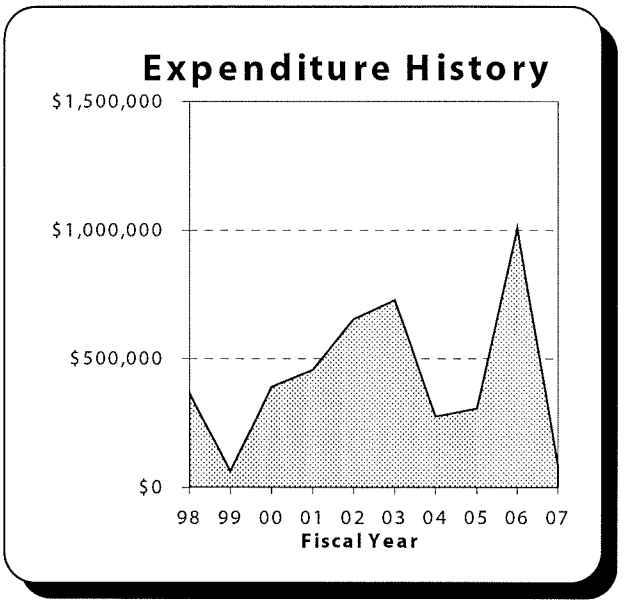
SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

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 $86,400 is proposed for this fund. $61,800 is proposed for the replacement of fencing and backstops around two baseball diamonds at Delia Park. $12,000 is proposed for tree plantings at Baumgartner Park and Delia Park, of which 50% is to be financed by grant monies. The replacement of six portable bleachers at Delia Park is proposed for $12,600. ***The Capital Improvement section of this document provides a breakout of each project's cost and funding source.*** The budget does not propose to expend any of the funds from the recent $1.0 million sale of three City-owned properties.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	305,695	1,006,640	1,068,240	86,400	86,400
Transfers Out	0	0	0	0	0
Total	$305,695	$1,006,640	$1,068,240	$86,400	$86,400

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 the Public Safety Forfeiture 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 two main divisions in the Public Safety Forfeiture Fund: State Narcotics Forfeiture and Federal Narcotics Forfeiture.

There are two main divisions in the Public Safety Forfeiture Fund: State Narcotics Forfeiture and Federal Narcotics Forfeiture.

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 the committal of criminal activity.

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 Sterling Heights Police Department for our equitable share of whatever money or property 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 Statute granting this authority is known as the Comprehensive Crime Control Act of 1984.

Guidelines also exist for the expenditure of Federal Forfeiture proceeds, however they are somewhat broader than those of State Forfeiture guidelines. 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.

In fiscal year 2006/07, a total of $225,560 is budgeted for this fund. $143,060 is included for Federal Forfeiture related expenditures and $82,500 is allocated for State Forfeiture permitted uses. 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 primary purpose of the Drug Forfeiture Law is to help deter crime by depriving criminals of profits and proceeds from illegal activities and to use the proceeds for the enhancement of law enforcement efforts?

Public Safety Forfeiture Fund

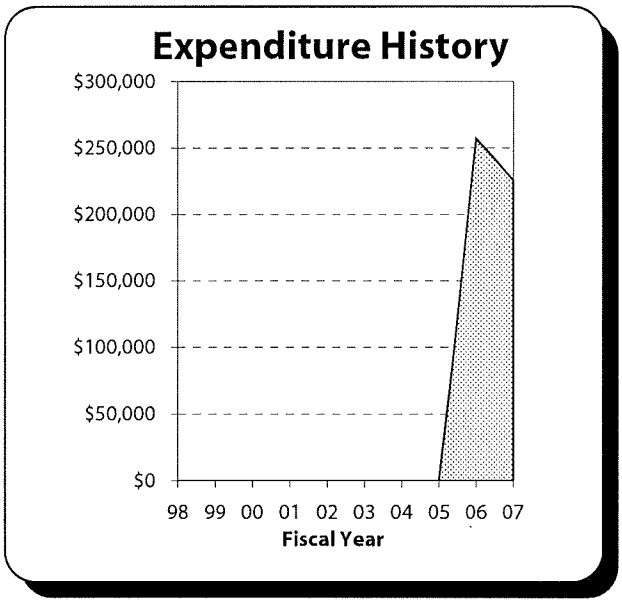
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Supplies – Total Supplies of $1,600 is proposed. Funding includes $600 for the purchase of written law enforcement publications and $1,000 for operating supplies that are needed for the narcotics enforcement officers.

Other Charges – Total Other Charges of $107,060 is proposed. The budget includes $29,000 for wireless telephone costs and $6,000 for legal services. $55,000 is funded for undercover investigative costs. $12,000 is included for contracted service costs such as the annual service fee for Lexis-Nexis, which provides the department with instant access to public records, and also for the annual mobile computer terminal Quick Voice software maintenance and support fee. A membership to an on-line police information network is funded for $1,600. $3,460 is budgeted for a sworn staff member to attend the FBI National Training Academy.

Capital Outlay – Total Capital of $116,900 is proposed. $20,000 is for nine laptop computers to enable the detectives to access data while at the scene of an investigation. $6,000 is for two Automatic Vehicle Locator Monitors. $20,000 is for twenty replacement Desktop Computers for the Dispatch workstations. $39,900 is for seven In-Car DVD Video Systems to replace 9-year old VCR units with excessive breakdowns. Seven Intensive Use Chairs for the Police Communications Center are funded for $8,000. $15,000 is for an Uninterruptible Power Connection to protect Dispatch computer servers, camera monitors and radio equipment during a power failure. Eight High Risk Raid Entry Protective Vests are funded for $8,000.



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 Outlay – Council made no adjustments to Capital Outlay.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Supplies	$0	$2,700	$2,780	$1,600	$1,600
Other Charges	0	50,050	119,540	107,060	107,060
Capital Outlay	0	204,030	433,070	116,900	116,900
Total	$0	$256,780	$555,390	$225,560	$225,560

Budget Stabilization Fund

The Budget Stabilization Fund is a Special Revenue Fund of the City of Sterling Heights and serves as a rainy day fund to prevent General Fund deficits, revenue shortfalls, reductions in services, or to cover expenses arising from natural disasters.

Each fiscal year, the governing body of the municipality may appropriate all or part of a surplus in the General Fund resulting from an excess of revenue in comparison to expenses, to the fund. However, the amount of money in the fund shall not exceed either 15% of the municipality's most recent General Fund budget, as originally adopted, or 15% of the average of the municipality's five most recent General Fund budgets, as amended, whichever is less. If the money in the fund exceeds that permitted, the excess money is appropriated in the next General Fund budget.

The Budget Stabilization Fund serves as a rainy day fund to prevent future deficits, revenue shortfalls, reductions in services, or to cover expenses arising from natural disasters.

As stated above, the Budget Stabilization Fund may be created and appropriated for many reasons. First, this Fund 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.

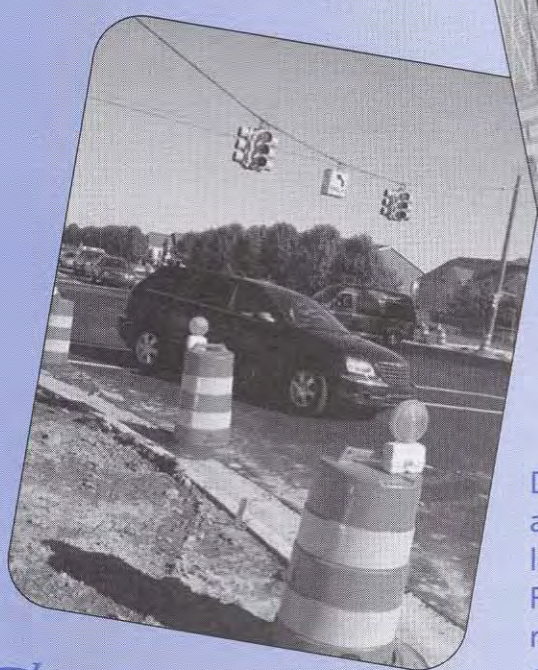
Upon City Council's review and approval, the Budget Stabilization Fund was established during the final budget amendment in June of 1998. During the 1998/1999 fiscal year there was a residual equity transfer into this fund, and in the 1999/2000 budget, General Fund revenues exceeded expenditures, which 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 2006/07, 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?

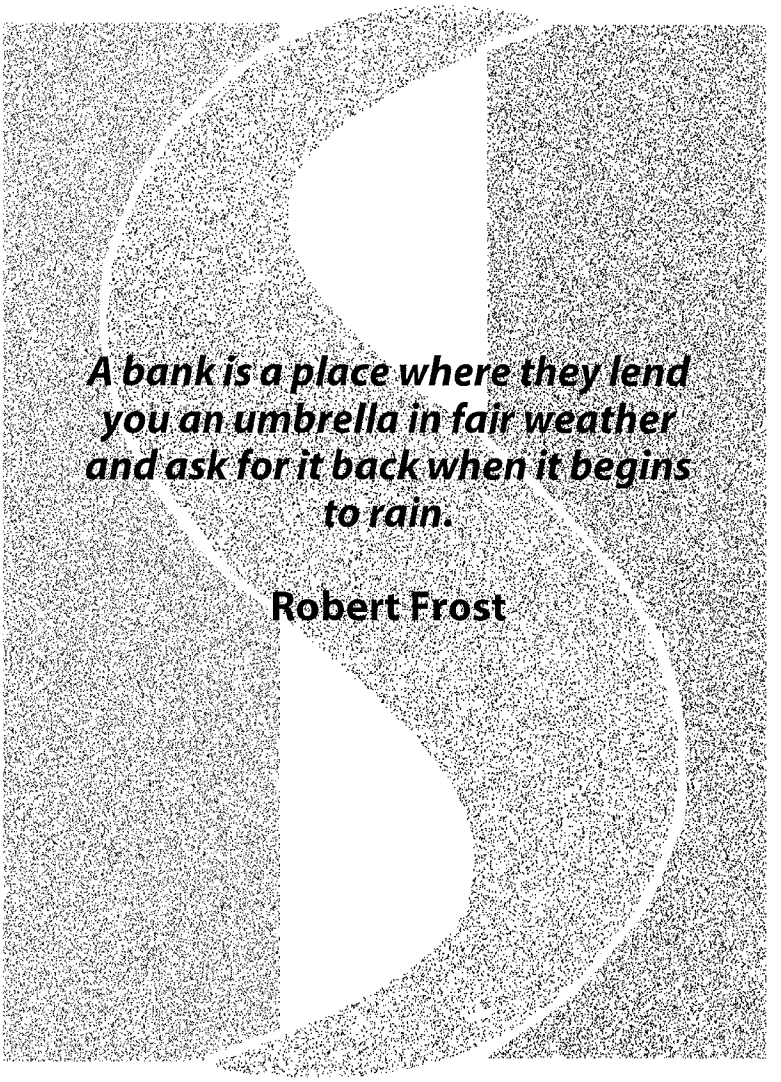
06
07

Debt Service Funds



the Next Generation – Our Future

Debt Service Funds are used to account for the accumulation of resources and payments of general long-term debt principal and interest. Debt Service Funds are required when legally mandated and/or revenues are being accumulated for general obligation long-term debt and interest payments maturing in future years. Debt Service Funds include the 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 2006 State Equalized Valuation plus the assessed value of abated property is $6,454,060,950. The City's debt limit therefore is $645,406,095 or 10% of the total valuation. The City's population estimate is 127,500. The outstanding Net Direct Bonded Debt for the City as of June 30, 2006 is shown below as a ratio of debt to state equalized value and debt per capita.

	Debt Outstanding 6/30/06	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	$37,935,000	0.59%	$298

Total Debt Maturity within 10 Years = 82.6%

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. 82.6% 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, 2006, the principal and interest payments required for fiscal 2006/07, and the funding source is included within this Debt Service section. Total indebtedness as of June 30, 2006 is $52,355,000. Total principal payment is $5,120,000 and the interest payment is $2,367,770.

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, 2006 is $1,410,000. Total principal payment for 2006/07 is $310,000 and the interest payment is $29,910.

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, 2006 is $3,270,000. Total principal payment is $175,000 and interest is $140,700.

In the fall of 2006, a $1.5 million equipment note will be issued for the purchase of a new public safety 800 MHz Radio System. Funding for the first year's debt payment is budgeted in the Transfers Out activity. The total principal payment for 2006/07 is $270,000 and the interest payment is $37,500.

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 $2,200,000. Principal payments for 2006/07 are $900,000 and interest payments are $72,810.

SETTLEMENT BONDS DEBT FUND

In March 2004, the City Council approved a $31 million settlement due to the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex. To fund the first year's payment of the settlement, the City sold General Obligation Judgment Funding Bonds totaling $24,395,000. Principal payment for 2006/07 is $830,000 and interest payments total $1,114,300. The remainder of the settlement was funded by reserves and is expected to be reimbursed through insurance claims or, if necessary, through the issuance of a second series of Judgment Funding Bonds.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness as of June 30, 2006 is $17,690,000. Principal payments for 2006/07 are $1,730,000 and the interest payments are $626,670.

MACOMB COUNTY DRAINS

The City is under contract with Macomb County to pay the debt for Chapter 20 drains. Indebtedness to Macomb County is $8,230,000. Principal payments for 2006/07 are $905,000 and the interest payments are $345,880.■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/06	2006/07 Principal	2006/07 Interest	2006/07 Total
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Building Authority Bonds - Court	Gen. Fund	$1,410,000	$310,000	$29,910	**$339,910**
Bldg. Auth./LTGO Bonds - City Center Commons	Gen. Fund	3,270,000	175,000	140,700	**315,700**
Radio System Equipment	Gen. Fund	0	270,000	37,500	**307,500**
R, S & T DEBT SERVICE FUND					
1997 Road Improvement Bonds (R)	R,S,T Fund	450,000	225,000	17,160	**242,160**
1998 Road Improvement Bonds (R)	R,S,T Fund	725,000	350,000	20,620	**370,620**
1999 Road Improvement Bonds (R)	R,S,T Fund	1,025,000	325,000	35,030	**360,030**
SETTLEMENT BONDS DEBT FUND	Cap. Proj. Fund				
2004 Judgment Funding Bonds	Self Ins. Fund	22,825,000	830,000	1,114,300	**1,944,300**
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	8,230,000	905,000	345,880	**1,250,880**
Total Direct Debt Service		**37,935,000**	**3,390,000**	**1,741,100**	**5,131,100**
ROAD BOND DEBT RETIREMENT FUND					
1999 MI Transportation Bonds	Major Rds.	3,600,000	300,000	151,130	**451,130**
2000 MI Transportation Bonds	Major Rds.	400,000	200,000	15,750	**215,750**
2002 MI Transportation Bonds	Major Rds.	2,500,000	680,000	67,680	**747,680**
2003 MI Transportation Bonds	Major Rds.	2,740,000	415,000	71,840	**486,840**
2005 MI Transportation Refunding Bonds	Major Rds.	3,250,000	35,000	119,210	**154,210**
2005 MI Transportation Bonds	Major Rds.	5,200,000	100,000	201,060	**301,060**
Total Road Bond Debt Service		**17,690,000**	**1,730,000**	**626,670**	**2,356,670**
Total Debt Service		**$55,625,000**	**$5,120,000**	**$2,367,770**	**$7,487,770**

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
Judicial Center	$2,327,500	$357,160	$336,010	$336,010	$339,910	**$339,910**
City Center Commons	290,600	3,067,740	315,630	315,630	315,700	**315,700**
Radio System Equipment	0	0	0	0	307,500	**307,500**
Total General Fund Debt Service	**2,618,100**	**3,424,900**	**651,640**	**651,640**	**963,110**	**963,110**
R, S & T DEBT SERVICE FUND						
Road Improvements (R)	1,111,620	1,096,110	933,490	933,490	972,810	**972,810**
Total R, S & T Debt Fund	**1,111,620**	**1,096,110**	**933,490**	**933,490**	**972,810**	**972,810**
GENERAL DRAIN FUND	1,871,670	3,645,050	1,208,470	1,208,470	1,250,880	**1,250,880**
Total Tax Supported Debt Service	**$5,601,390**	**$8,166,060**	**$2,793,600**	**$2,793,600**	**$3,186,800**	**$3,186,800**

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 Judgment Funding Bonds	2005 City Center Refunding Bonds	2006 Radio System Equipment Note		Total
2006/07	171,406	339,908	1,944,300	144,300	307,500		2,907,414
2007/08	163,438	348,395	2,017,900	143,488	346,500		3,019,721
2008/09	179,703	395,423	2,100,662	142,613	347,250		3,165,651
2009/10		400,431	2,186,169	313,425	347,250		3,247,275
2010/11			2,271,394	296,112	346,500		2,914,006
2011/12			2,365,028	298,650			2,663,678
2012/13			2,459,950	305,450			2,765,400
2013/14			2,555,647	296,850			2,852,497
2014/15			2,660,075	312,450			2,972,525
2015/16			2,765,788	322,150			3,087,938
2016/17			2,872,997	355,850			3,228,847
2017/18			2,991,903	337,250			3,329,153
2018/19			3,111,431	322,250			3,433,681
2019/20				302,375			302,375
Total	**$514,547**	**$1,484,157**	**$32,303,244**	**$3,893,213**	**$1,695,000**		**$39,890,161**

R, S & T DEBT SERVICE FUND

Fiscal Year	1997 Proposal R Bonds	1998 Proposal R Bonds	1999 Proposal R Bonds				Total
2006/07	242,156	370,625	360,025				972,806
2007/08	230,738	382,031	371,438				984,207
2008/09			357,175				357,175
Total	**$472,894**	**$752,656**	**$1,088,638**				**$2,314,188**

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				Total
2006/07	451,125	215,750	747,680	486,836	154,213	301,063				2,356,667
2007/08	438,748	205,250	787,400	461,908	153,119	323,063				2,369,488
2008/09	524,298		773,925	521,033	441,775	319,313				2,580,344
2009/10	507,598		335,775	498,833	523,563	439,938				2,305,707
2010/11	588,322			524,883	508,688	481,188				2,103,081
2011/12	566,322			263,039	567,625	520,688				1,917,674
2012/13	641,547			249,410	550,125	533,438				1,974,520
2013/14	613,948				530,938	545,313				1,690,199
2014/15					510,313	579,313				1,089,626
2015/16						586,313				586,313
2016/17						592,313				592,313
2017/18						597,313				597,313
2018/19						651,313				651,313
2019/20						651,563				651,563
Total	$4,331,908	$421,000	$2,644,780	$3,005,942	$3,940,359	$7,122,132				$21,466,121

GENERAL DRAIN FUND

Fiscal Year	Green Drain Enclosure	Seventeen Mile Road Drain	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Sterling Relief Drain		Total
2006/07	105,700	312,318	111,213	75,050	118,050	274,750	154,038	99,765		1,250,884
2007/08		299,818	133,063	72,725	114,600	266,000	150,538	103,009		1,139,753
2008/09		312,468	128,813	70,375	111,075	282,250	171,788	105,860		1,182,629
2009/10		324,518	124,513	67,975	107,513	297,250	167,100	108,219		1,197,088
2010/11		310,255	120,163	65,525	128,950	286,000	162,100	110,070		1,183,063
2011/12		290,595	115,763	63,025	124,150	299,750	182,100	111,428		1,186,811
2012/13		300,875	136,313	60,475	144,250	287,250	176,100	117,243		1,222,506
2013/14			130,688	82,875	137,938	299,750	169,800			821,051
2014/15				78,938	131,500	286,000	163,350			659,788
2015/16							156,750			156,750
Total	$105,700	$2,150,847	$1,000,529	$636,963	$1,118,026	$2,579,000	$1,653,664	$755,594		$10,000,323

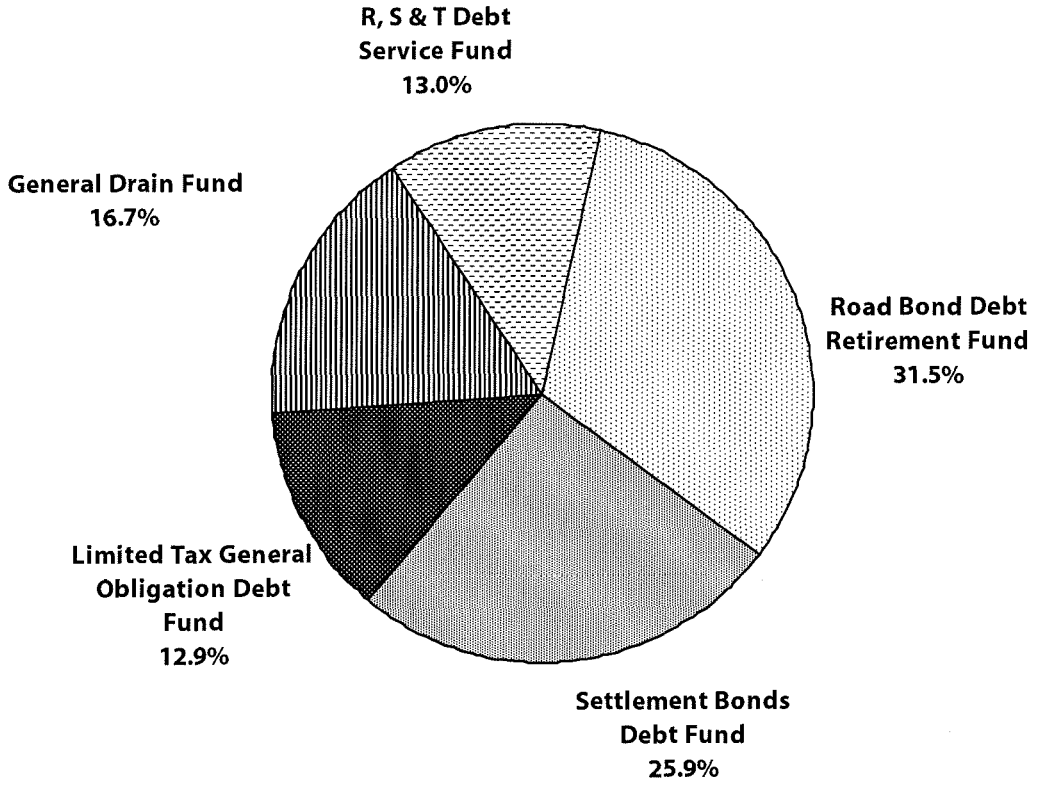
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
R,S & T DEBT SERVICE FUND						
REVENUES						
Property Taxes	$1,104,360	$1,099,350	$933,220	$933,220	$972,540	**$972,540**
Interest Income	1,330	2,360	1,500	3,000	2,500	**2,500**
Other Financing Sources	5,000	0	0	0	0	**0**
Total Revenues	**1,110,690**	**1,101,710**	**934,720**	**936,220**	**975,040**	**975,040**
EXPENDITURES						
Principal	925,000	950,000	825,000	825,000	900,000	**900,000**
Interest	186,620	146,110	108,490	108,490	72,810	**72,810**
Other Charges	2,830	3,010	2,230	2,230	2,230	**2,230**
Total Expenditures	**1,114,450**	**1,099,120**	**935,720**	**935,720**	**975,040**	**975,040**
Excess of Revenues Over (Under) Expenditures	**(3,760)**	**2,590**	**(1,000)**	**500**	**0**	**0**
Beginning Fund Balance	**6,490**	**2,730**	**5,320**	**5,320**	**5,820**	**5,820**
Ending Fund Balance	**$2,730**	**$5,320**	**$4,320**	**$5,820**	**$5,820**	**$5,820**
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Other Revenues	$10,090	$70	$500	$1,500	$1,000	**$1,000**
Bond Premiums	0	69,100	0	0	0	**0**
Bond Proceeds - Refunding Issue	2,025,000	2,820,000	0	0	0	**0**
Transfer from General Fund	658,390	640,650	650,920	650,920	960,000	**960,000**
Total Revenues	**2,693,480**	**3,529,820**	**651,420**	**652,420**	**961,000**	**961,000**
EXPENDITURES						
Principal	2,330,000	3,040,000	475,000	475,000	755,000	**755,000**
Interest	288,100	384,900	176,640	176,640	208,110	**208,110**
Other Charges	73,370	102,500	780	730	950	**950**
Total Expenditures	**2,691,470**	**3,527,400**	**652,420**	**652,370**	**964,060**	**964,060**
Excess of Revenues Over (Under) Expenditures	**2,010**	**2,420**	**(1,000)**	**50**	**(3,060)**	**(3,060)**
Beginning Fund Balance	**770**	**2,780**	**5,200**	**5,200**	**5,250**	**5,250**
Ending Fund Balance	**$2,780**	**$5,200**	**$4,200**	**$5,250**	**$2,190**	**$2,190**
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Revenues	$0	$6,090	$3,000	$13,500	$14,000	**$14,000**
Transfer from General Fund	0	2,460	0	0	0	**0**
Transfer from Self-Insurance Fund	0	1,715,000	1,860,000	1,860,000	600,000	**600,000**
Tfr. from Capital Projects Fund	0	0	0	0	1,320,000	**1,320,000**
Total Revenues	**0**	**1,723,550**	**1,863,000**	**1,873,500**	**1,934,000**	**1,934,000**
EXPENDITURES						
Principal	0	840,000	730,000	730,000	830,000	**830,000**
Interest	0	872,160	1,137,700	1,137,700	1,114,300	**1,114,300**
Other Charges	0	250	250	250	250	**250**
Total Expenditures	**0**	**1,712,410**	**1,867,950**	**1,867,950**	**1,944,550**	**1,944,550**
Excess of Revenues Over (Under) Expenditures	**0**	**11,140**	**(4,950)**	**5,550**	**(10,550)**	**(10,550)**
Beginning Fund Balance	**0**	**0**	**11,140**	**11,140**	**16,690**	**16,690**
Ending Fund Balance	**$0**	**$11,140**	**$6,190**	**$16,690**	**$6,140**	**$6,140**

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	$39,920	$16,750	$15,000	$15,000	$0	**$0**
Interest Income	62,250	9,420	4,000	13,000	10,000	**10,000**
Penalties & Interest	3,220	1,030	900	0	0	**0**
Bond Proceeds - Refunding Issue	3,050,000	3,285,000	0	0	0	**0**
Bond Premiums	0	18,250	0	0	0	**0**
Transfer from Major Roads Fund	2,600,000	2,350,000	2,825,000	2,825,000	2,200,000	**2,200,000**
Transfer from Local Roads Fund	78,020	78,860	26,620	26,620	0	**0**
Total Revenues	**5,833,410**	**5,759,310**	**2,871,520**	**2,879,620**	**2,210,000**	**2,210,000**
EXPENDITURES						
Principal	4,905,000	4,985,000	2,170,000	2,170,000	1,730,000	**1,730,000**
Interest	837,350	741,190	678,070	678,070	626,670	**626,670**
Other Charges	112,780	98,150	2,270	2,220	1,500	**1,500**
Total Expenditures	**5,855,130**	**5,824,340**	**2,850,340**	**2,850,290**	**2,358,170**	**2,358,170**
Excess of Revenues Over (Under) Expenditures	**(21,720)**	**(65,030)**	**21,180**	**29,330**	**(148,170)**	**(148,170)**
Beginning Fund Balance	**262,180**	**240,460**	**175,430**	**175,430**	**204,760**	**204,760**
Ending Fund Balance	**$240,460**	**$175,430**	**$196,610**	**$204,760**	**$56,590**	**$56,590**
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	$1,536,010	$1,429,950	$1,199,200	$1,199,200	$1,214,530	**$1,214,530**
Interest Income	4,250	18,760	5,000	16,000	16,000	**16,000**
Bond Proceeds - Refunding Issue	0	2,315,000	0	0	0	**0**
Bond Premiums	0	4,410	0	0	0	**0**
Transfer from General Fund	82,080	0	0	0	0	**0**
Tfr. from Capital Projects Fund	245,000	20,000	0	0	0	**0**
Total Revenues	**1,867,340**	**3,788,120**	**1,204,200**	**1,215,200**	**1,230,530**	**1,230,530**
EXPENDITURES						
Principal	1,356,540	3,191,540	830,000	830,000	905,000	**905,000**
Interest	515,130	453,510	378,470	378,470	345,880	**345,880**
Other Charges	1,210	105,660	3,730	4,650	4,650	**4,650**
Total Expenditures	**1,872,880**	**3,750,710**	**1,212,200**	**1,213,120**	**1,255,530**	**1,255,530**
Excess of Revenues Over (Under) Expenditures	**(5,540)**	**37,410**	**(8,000)**	**2,080**	**(25,000)**	**(25,000)**
Beginning Fund Balance	**8,030**	**2,490**	**39,900**	**39,900**	**41,980**	**41,980**
Ending Fund Balance	**$2,490**	**$39,900**	**$31,900**	**$41,980**	**$16,980**	**$16,980**

2006/07 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 2006/07 fiscal year.

Debt Service Funds Revenues

GENERAL DRAIN TAXES

A substantial source of revenue to the Debt Service Funds is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the assessed property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In the 2006/07 Budget, General Drain Tax revenue represents 16.65% of total revenue sources, an increase of $14,430 above the 2005/06 Budget. This is due to an increase in debt payments on existing drain bond issues. For 2006/07, the millage rate is 0.2339 mills, a decrease of 0.0086 mills below 2005/06.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund, Major Road Fund, Capital Projects Fund and Self-Insurance Fund provide revenue to the Debt Service Funds through this revenue center.

In the 2006/07 Budget, revenues generated from Other Financing Sources represent 69.49% of total revenue sources, a decrease of $282,540 below the 2005/06 Budget. This decrease is primarily due to a decrease in transfers from the Major Road Fund as a result of lower debt payments on existing road bonds. The decrease was somewhat offset by an increase in transfers from the General Fund to pay the first year's debt payments on the new Public Safety Radio System equipment note.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments and Special Assessment Revenue.

In the 2006/07 Budget, Other Revenues represent 0.60% of total revenue sources, an increase of $14,500 above the 2005/06 Budget. This increase is due to an increase in Interest on Investments somewhat offset by a decrease in Special Assessment Revenue, as the final principal and interest payments on the Special Assessment bond debt was made in the prior year.

PUBLIC IMPROVEMENTS TAX

The R, S & T Debt Fund has been established to isolate the revenues and expenditures for the R, S & T Public Improvement Program approved by the voters in 1988. This fund is used to account for the payment of principal and interest on the current debt portion of the public improvements. A specific millage is levied to retire the debt incurred and the necessary paying agent fees. For 2006/07, the millage rate is 0.1875 mills, a decrease of 0.0014 mills below 2005/06.

In 2006/07, Public Improvement Tax revenue represents 13.26% of total revenue sources, an increase of $39,320 above the 2005/06 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 2006/07 Budget, expenditures exceed revenue sources by $186,780. 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	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	TAXES						
404000	City Operating Tax	$1,424,786	8.96	$1,194,200	15.87	$1,209,530	16.54
415000	Delinquent Personal Property Tax	5,846	0.04	5,000	0.07	5,000	0.07
445000	Penalties & Interest	4,398	0.03	3,900	0.05	3,000	0.04
	Total Taxes	**1,435,030**	**9.02**	**1,203,100**	**15.99**	**1,217,530**	**16.65**
	OTHER FINANCING SOURCES						
698001	Bond Premiums	91,759	0.58	0	0.00	0	0.00
698100	Bond Proceeds - Refunding	8,420,000	52.95	0	0.00	0	0.00
699101	Transfer From General Fund	643,114	4.04	650,920	8.65	960,000	13.13
699202	Transfer From Major Road Fund	2,350,000	14.78	2,825,000	37.54	2,200,000	30.09
699203	Transfer From Local Road Fund	78,860	0.50	26,620	0.35	0	0.00
699403	Transfer From Capital Project Fund	20,000	0.13	0	0.00	1,320,000	18.06
699677	Transfer From Self-Insurance Fund	1,715,000	10.78	1,860,000	24.72	600,000	8.21
	Total Other Financing Sources	**13,318,733**	**83.75**	**5,362,540**	**71.26**	**5,080,000**	**69.49**
	OTHER REVENUE						
665000	Interest on Investments	30,388	0.19	14,000	0.19	43,500	0.60
665003	Interest - Bonds	6,323	0.04	0	0.00	0	0.00
672000	Special Assessment Revenue	16,749	0.11	15,000	0.20	0	0.00
	Total Other Revenue	**53,460**	**0.34**	**29,000**	**0.39**	**43,500**	**0.60**
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	1,095,239	6.89	930,220	12.36	969,540	13.26
418000	Proposal S Debt Levy	53	0.00	0	0.00	0	0.00
	Total Public Improvements Tax	**1,095,292**	**6.89**	**930,220**	**12.36**	**969,540**	**13.26**
	Total Debt Service Funds	**$15,902,515**	**100.00**	**$7,524,860**	**100.00**	**$7,310,570**	**100.00**

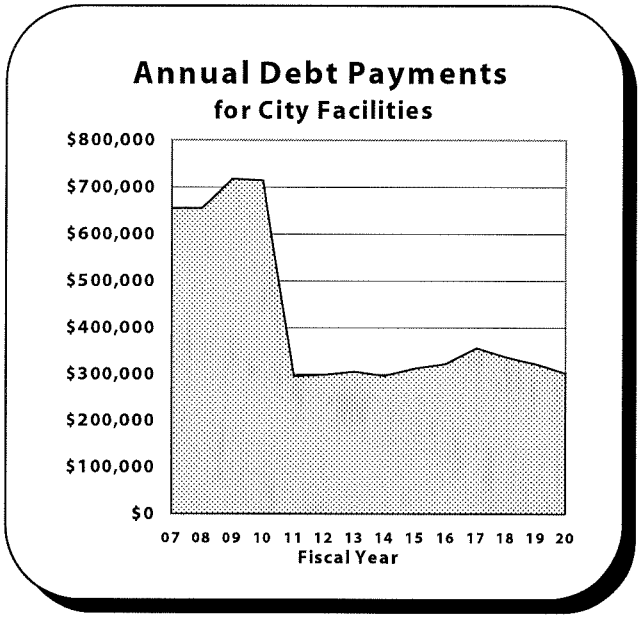
DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	OTHER CHARGES						
810000	Other Fees	$8,920	0.06	$7,010	0.09	$7,330	0.10
810100	Other Fees - Paid Refunded Escrow	297,774	1.87	0	0.00	0	0.00
965000	Refunds on Tribunal Adjustments	2,874	0.02	2,250	0.03	2,250	0.03
	Total Other Charges	**309,568**	**1.95**	**9,260**	**0.12**	**9,580**	**0.13**
	DEBT SERVICE						
992000	Principal	5,056,539	31.77	5,030,000	66.90	5,120,000	68.29
992100	Principal - Paid Refunded Escrow	7,950,000	49.96	0	0.00	0	0.00
993000	Interest	2,334,583	14.67	2,479,370	32.98	2,367,770	31.58
993100	Interest - Paid Refunded Escrow	263,293	1.65	0	0.00	0	0.00
	Total Debt Service	**15,604,415**	**98.05**	**7,509,370**	**99.88**	**7,487,770**	**99.87**
	Total Debt Service Funds	**$15,913,983**	**100.00**	**$7,518,630**	**100.00**	**$7,497,350**	**100.00**

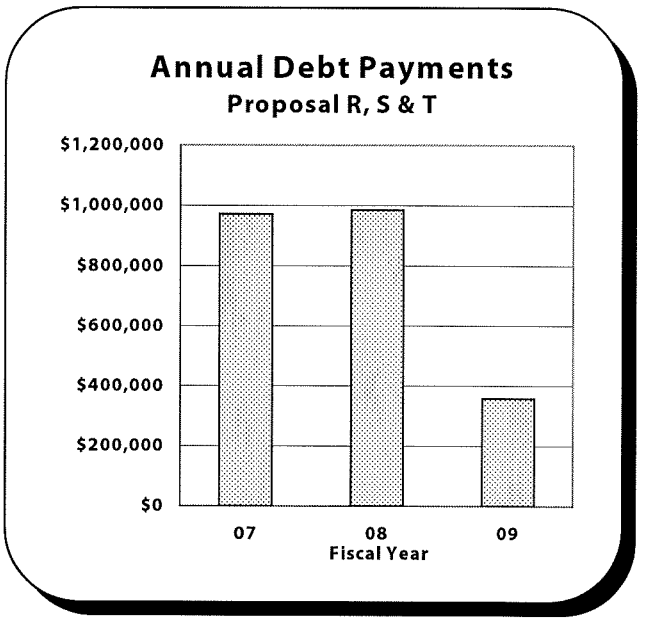
Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

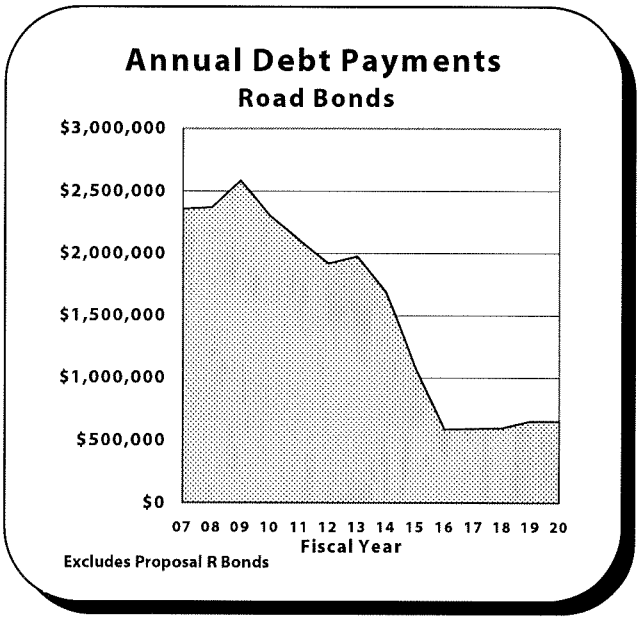
Debt Service Funds



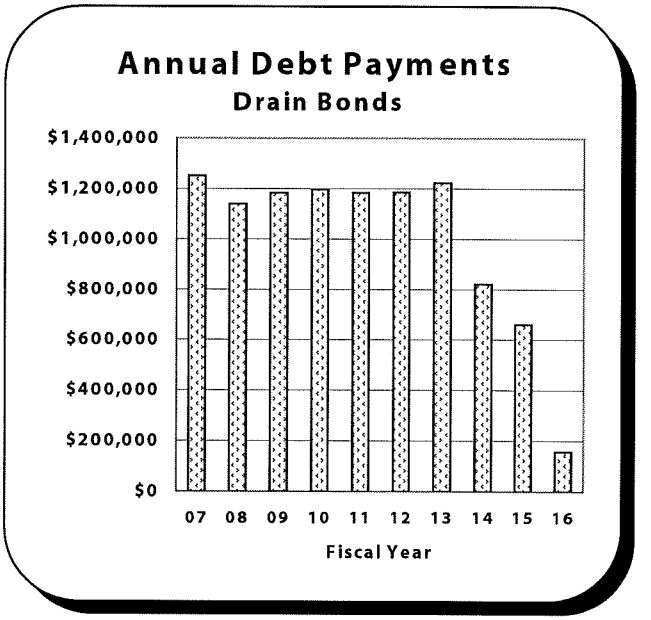
The City's debt cost for the Kenneth Kosnic Judicial Services Center and the City Center Commons project will slowly decrease over the next 14 fiscal years. The Senior Center was paid off in the 2002 fiscal year. The Court debt will be paid off in the 2010 fiscal year. This graph excludes the debt for the Senior Active Life Center Addition, which will come online in fiscal year 2008.



Proposal R, S & T debt decreases through the year 2009. Debt from Proposal S was retired in the 2001 fiscal year. Debt from Proposal T was retired in the 1997 fiscal year.



Due to increased road construction over the past several years, debt payments continue to be between $2.3 million - $2.7 million annually for the next four years until several Michigan Transportation Fund bonds are retired. Debt payments continue to decline through 2020 as existing road bonds are retired. This graph excludes the debt for the 2007 MTF bond projects, which will come online in fiscal year 2008.



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 2006/07, $972,810 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

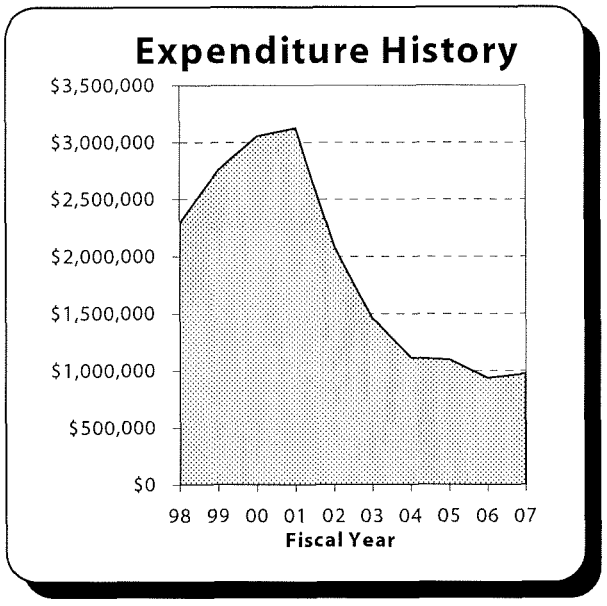
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services - There is no Personnel Services budget for this fund.

Other Charges - Total Other Charges is proposed to remain the same at $2,230. There are no proposed changes within the Other Charges accounts.

Debt Service - Total Debt Service increased $39,320 or 4.2%. Principal payments increased $75,000 due to an increase in scheduled principal payments on existing Proposal R bonds. Interest payments however, decreased $35,680 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	3,010	2,230	2,230	2,230	2,230
Debt Service	1,096,113	933,490	933,490	972,810	972,810
Total	$1,099,123	$935,720	$935,720	$975,040	$975,040

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 2006/07, 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 2006/07 totals $2,356,670, which is comprised of $1,730,000 toward principal and $626,670 in interest payments on outstanding Michigan Transportation Fund (MTF) Bonds. The final principal and interest payment to retire the remaining 1997 Special Assessment Bond was made in the 2005/06 fiscal year. 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. A new 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 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 the 1991 and 1996 Michigan Transportation Fund Bonds and the 1997 Special Assessment Bond were paid in full during the prior fiscal year?

Road Bond Debt Retirement Fund

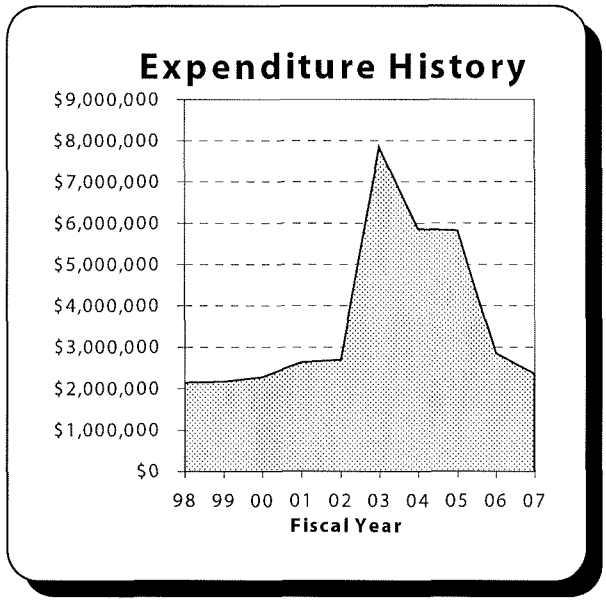
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $770 or 33.9%. Bond paying agent fees decreased $770 due to the retirement of the 1991 and 1996 Michigan Transportation Fund (MTF) bonds and the 1997 Special Assessment bond in the prior year.

Debt Service – Total Debt Service decreased $491,400 or 17.3%. Total principal payments decreased $440,000 due to the retirement of two MTF Bonds and a Special Assessment Bond in the prior year. The decrease was partially offset by an increase in principal payments on two existing MTF road bonds. Total interest payments decreased $51,400 due to the retirement of the previously mentioned bond issues in the prior year and lower interest payments on several existing MTF road bonds. A bond is scheduled to be sold to finance the 19 Mile Road, Dobry Drive, and Moravian Drive projects in the Spring of 2007. The debt for these projects will begin in the 2007/2008 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.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Supplies	$0	$0	$0	$0	$0
Other Charges	98,149	2,270	2,220	1,500	1,500
Debt Service	5,726,194	2,848,070	2,848,070	2,356,670	2,356,670
Total	$5,824,343	$2,850,340	$2,850,290	$2,358,170	$2,358,170

Limited Tax General Obligation Debt 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 $339,910, $310,000 toward principal and $29,910 in interest.

The transfer necessary for debt repayment for the City Center Commons project totals $315,700. Principal payments total $175,000 and interest payments amount to $140,700.

A $1.5 million limited tax general obligation equipment note is scheduled to be issued in the fall of 2006 to help finance the purchase of a new public safety 800 MHz Radio System. This debt is scheduled to be retired in fiscal year 2010/11. A transfer from the General Fund is budgeted for the first year debt payments on the new radio system. Principal payments total $270,000 and interest payments amount to $37,500.

Total 2006/07 debt repayment for this fund amounts to $963,110.

In the spring of 2007, a $1.8 million limited tax general obligation bond is scheduled to be sold for the Senior Center Gymnasium Addition. The debt for this project will begin in the 2007/08 fiscal year and will be paid for with CDBG funds.■

Did you know?...
...that this fund accounts for all limited tax general obligation debt issued by the City and paid from General Fund and Community Development Block Grant Fund operating transfers?

Limited Tax General Obligation Debt Fund

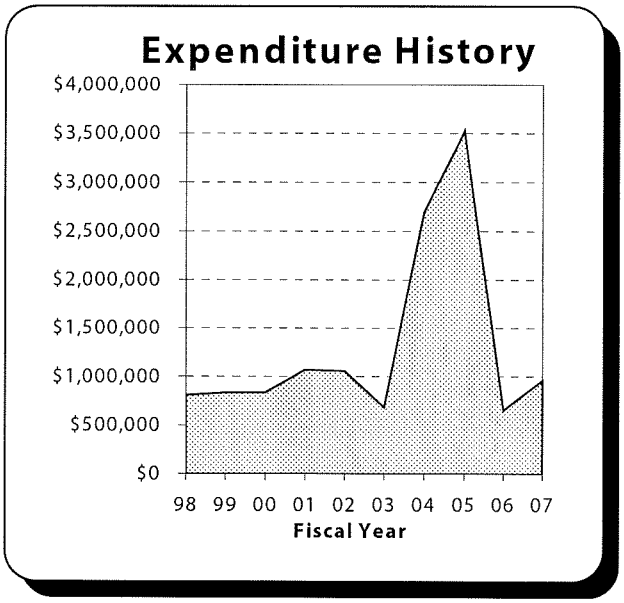
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges increased $170 or 21.8%. Bond paying agent fees increased $170 due to a $1.5 million Equipment Note to be issued in the fall of 2006 for the purchase of a new public safety 800 MHz Radio System.

Debt Service – Total Debt Service increased $311,470 or 47.8%. Total principal payments increased $280,000 as a result of the new 2006 Radio System Equipment Note as well as an increased principal payment on the 2003 Judicial Center Refund Bond. Total interest payments increased $31,470 due to the new 2006 Radio System Equipment Note and higher interest payments on the 2005 City Center Commons Refunding Bond. The increase was partially offset by lower interest payments on all other existing Limited Tax General Obligation bond issues. In total, $307,500 is budgeted for the debt payments on the new radio system. A $1.8 million bond is scheduled to be sold in the Spring of 2007 for the Senior Center Gymnasium Addition. The debt for this project will begin in the 2007/2008 fiscal year and will be paid for with CDBG funds.



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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	102,499	780	730	950	950
Debt Service	3,424,896	651,640	651,640	963,110	963,110
Total	$3,527,395	$652,420	$652,370	$964,060	$964,060

General Drain Fund

The General Drain Fund is very specific in the way in which it operates within the City of Sterling Heights. The explanation for this fund can be easily summarized by saying that all debt incurred in the construction and maintenance of the City's major drain system is serviced or paid by this fund.

The City's Drain Program is tied to the County Drain Program that is administered by the Macomb County Public Works Commission. Most city drains serve the county and some of the larger drains help to also serve a neighboring county. The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

The City is currently paying off debt for the Busch, Green, Hawken, Hayes, Plumbrook, 17 Mile Road, Central Fire Station, and the Sterling Relief Lateral 12B Drains. In 2006/07, the final debt payment for the Green Drain Enclosure will be made.

The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

For 2006/07, $1,250,880 is budgeted for the interest and debt payments on all drains within the City.

Revenues to support the budgeted debt payments and Other Charges are generated from a specific millage levied to all real and personal property. This millage is an amount calculated to meet the demand of the budgeted expenditures for principal, interest, and paying agent fees. This millage will fluctuate from year to year as the debt payments on the bond issues fluctuate.■

Did you know?...
...that 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

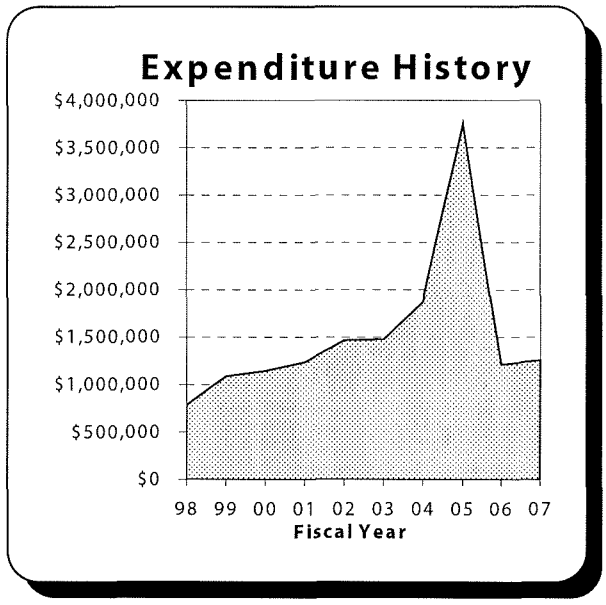
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges increased $920 or 24.7%. Funding increased $920, as the bond paying agent fees now include bank fees that are being passed through to the City by the Macomb County Public Works Department.

Debt Service – Total Debt Service is proposed to increase $42,410 or 3.5%. Total principal payments increased $75,000 due to an increase in principal payments on several existing General Drain bond issues. Total interest payments decreased $32,590, as less interest is owed on all existing General Drain bond issues. 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	105,660	3,730	4,650	4,650	4,650
Debt Service	3,645,050	1,208,470	1,208,470	1,250,880	1,250,880
Total	$3,750,710	$1,212,200	$1,213,120	$1,255,530	$1,255,530

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 first year's payment of a litigation settlement in the total amount of $31 million, as set forth in a consent judgment entered in the United States District Court on March 22, 2004. The consent judgment was entered into by the City with various adverse parties to dispose of all claims raised in state and federal court proceedings arising out of the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex and related actions by City agencies and officials. The consent judgment requires both the settlement payments by the City and various remedial actions by certain parties.

The Settlement Bonds Debt Fund was created in 2004/05 to account for the payment of principal and interest on the debt portion of General Obligation Judgment Funding bonds issued by the City in June 2004.

The portion of the settlement being financed by the bonds includes amounts previously paid by the City from available funds and additional amounts that were paid in June 2004, for a total of $25 million. In January 2005, the City used cash on hand to pay the remaining balance of $6 million, which is expected to be recovered under insurance claims. The 2004 Judgment Funding Bonds are callable after five years. If the City receives insurance proceeds before then, the funds will be yield-restricted to avoid arbitrage. If an agreement with the City's insurance carriers is not reached, a second series of variable rate judgment funding bonds may be issued to reimburse the $6 million payment already made in compliance with the settlement agreement.

The budget for this fund's debt repayment in fiscal year 2006/07 totals $1,944,300, which is comprised of $830,000 toward principal and $1,114,300 in interest payments. The final principal and interest payments, to retire the debt from this bond issue, are scheduled to be made in fiscal year 2018/19.

The Settlement Bonds Debt Fund will receive its revenue through a transfer of reserves from the City's Self-Insurance Fund and Capital Projects Fund, until the City receives insurance proceeds.■

Did you know?...
...that the City's debt repayment in this fund for 2006/07 totals $1,944,300?

Settlement Bonds Debt Fund

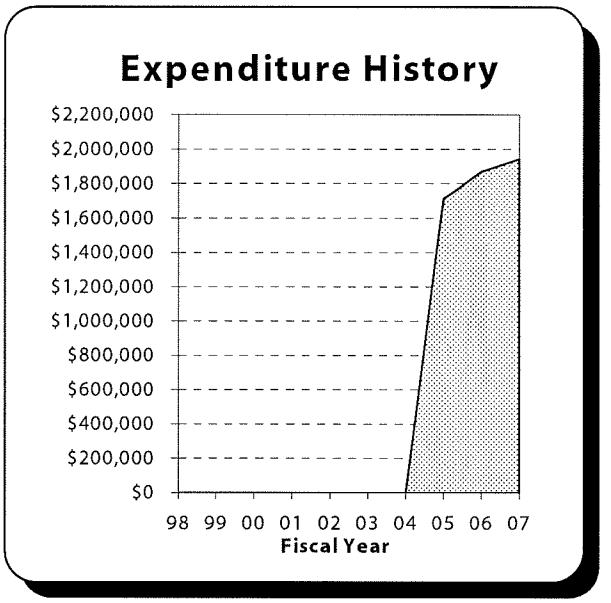
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Personnel Services – There is no Personnel Services budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at $250. There are no proposed changes within the Other Charges account.

Debt Service – Total Debt Service increased $76,600 or 4.1%. Total principal payments on the 2004 Settlement bond issue increased $100,000 while the interest payments decreased $23,400. The City sold the bonds in June 2004, in order to fund a settlement arising from the City's revocation of a special land use permit. The City's Self-Insurance Fund and the Capital Projects Fund will transfer monies to this fund to pay the required annual debt payments next year until the City receives insurance proceeds.



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

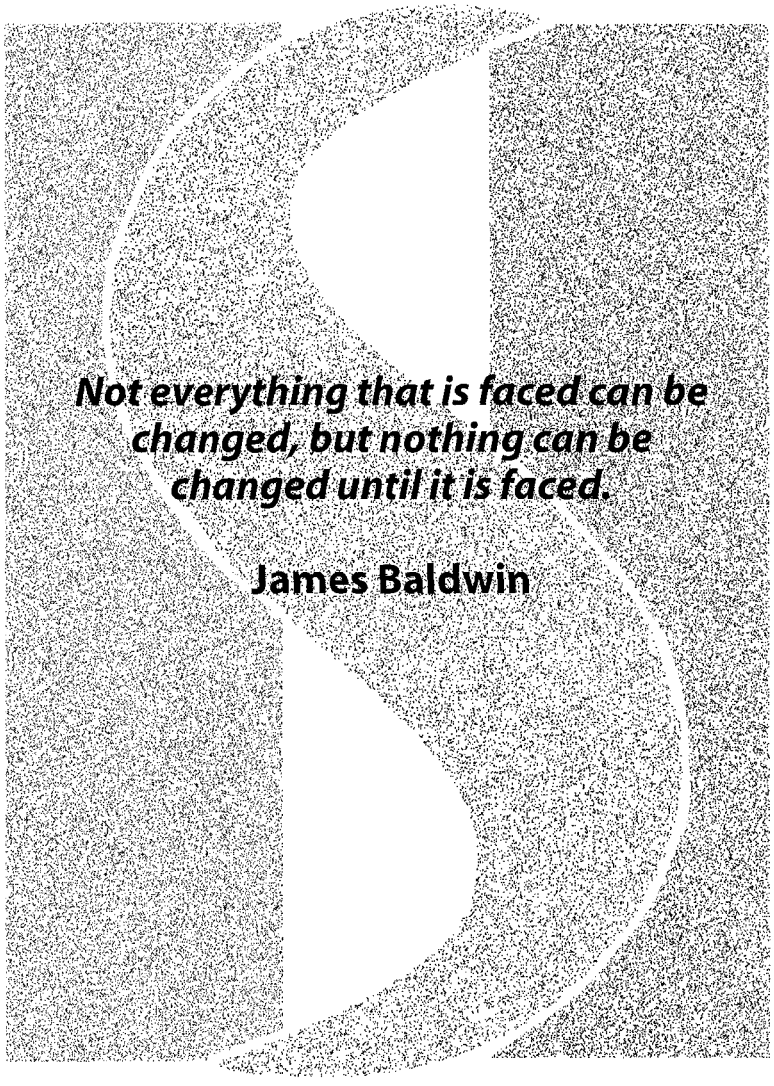
Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

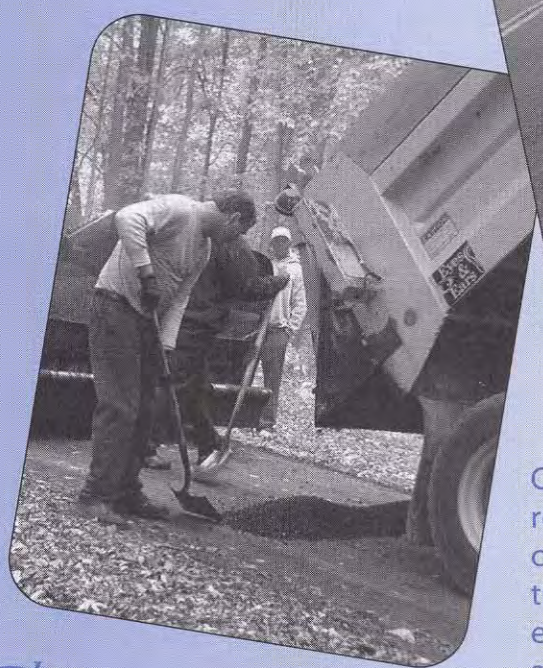
FUNDING LEVEL SUMMARY

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	250	250	250	250	250
Debt Service	1,712,162	1,867,700	1,867,700	1,944,300	1,944,300
Total	$1,712,412	$1,867,950	$1,867,950	$1,944,550	$1,944,550


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

06
07

Capital Projects



the Next Generation – Our Future

Capital Projects Funds are used to account for resources to be used for the acquisition or construction of major capital facilities that benefit the general public, and for the purchase of capital equipment and vehicles. Two capital projects funds are maintained by the city, the Capital Projects Fund and the Road Bond Construction Fund. The city's Capital Improvement Program is a multi-year planning instrument used to coordinate the financing and timing of improvements in a way that maximizes the return to residents.

CAPITAL PROJECTS FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Capital Projects	2003/04 Actual	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	$3,174,120	$2,048,360	$2,190,900	$2,352,480	$772,340	**$772,340**
Proceeds Long-term Debt	885,000	0	0	0	3,301,400	**3,301,400**
Transfer from General Fund	1,375,200	943,980	1,536,350	1,536,350	1,600,720	**1,600,720**
Total Revenues	**5,434,320**	**2,992,340**	**3,727,250**	**3,888,830**	**5,674,460**	**5,674,460**
EXPENDITURES						
Capital Equipment	1,231,080	1,201,620	1,523,230	1,592,510	1,870,120	**1,870,120**
Capital Vehicles	1,318,200	933,600	954,370	960,630	707,000	**707,000**
Capital Projects	3,215,240	1,319,130	2,405,040	2,031,180	3,542,300	**3,542,300**
Transfer to General Drain Fund	245,000	20,000	0	0	0	**0**
Tfr. to Road Bond Const. Fund	0	118,000	0	0	0	**0**
Tfr. to Settlement Bonds Debt Fund	0	0	0	0	1,320,000	**1,320,000**
Total Expenditures	**6,009,520**	**3,592,350**	**4,882,640**	**4,584,320**	**7,439,420**	**7,439,420**
Excess of Revenues Over (Under) Expenditures	**(575,200)**	**(600,010)**	**(1,155,390)**	**(695,490)**	**(1,764,960)**	**(1,764,960)**
Beginning Fund Balance	**4,377,370**	**3,802,170**	**3,202,160**	**3,202,160**	**2,506,670**	**2,506,670**
Residual Equity Transfer	**0**	**0**	**0**	**0**	**0**	**0**
Ending Fund Balance	**$3,802,170**	**$3,202,160**	**$2,046,770**	**$2,506,670**	**$741,710**	**$741,710**
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Federal Grants	$0	$0	$637,000	$510,130	$0	**$0**
Proceeds Long-term Debt	0	5,300,000	0	0	4,600,000	**4,600,000**
Transfer from General Fund	381,370	0	0	0	0	**0**
Transfer from Major Roads Fund	500,000	0	0	0	0	**0**
Transfer from Capital Projects Fund	0	118,000	0	0	0	**0**
Other Revenue	101,760	47,540	15,000	18,000	15,000	**15,000**
Total Revenues	**983,130**	**5,465,540**	**652,000**	**528,130**	**4,615,000**	**4,615,000**
EXPENDITURES						
Capital Improvements	1,321,710	3,892,610	605,340	605,340	5,025,200	**5,025,200**
Transfer to Local Roads Fund	0	881,370	0	0	0	**0**
Total Expenditures	**1,321,710**	**4,773,980**	**605,340**	**605,340**	**5,025,200**	**5,025,200**
Excess of Revenues Over (Under) Expenditures	**(338,580)**	**691,560**	**46,660**	**(77,210)**	**(410,200)**	**(410,200)**
Beginning Fund Balance	**395,010**	**56,430**	**747,990**	**747,990**	**670,780**	**670,780**
Ending Fund Balance	**$56,430**	**$747,990**	**$794,650**	**$670,780**	**$260,580**	**$260,580**

Capital Projects Funds Revenues

TAXES

This source of revenue includes penalties and interest on delinquent special assessments for City sidewalks. In 2006/07, $2,500 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 2006/07 Budget, revenues generated from State & Local Returns represent only 1.14% of total revenue sources, as there is no grant revenue budgeted. The budget will be amended when Homeland Security grant funding is known.

FINES & FORFEITURES

Drug forfeiture revenues that are used to pay for certain Police Department capital purchases are no longer realized in the Capital Projects Fund. All drug forfeiture receipts and related purchases are now recorded in the newly established Public Safety Forfeiture Fund.

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 2006/07 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In the 2006/07 Budget, revenues generated from Other Financing Sources represent 92.35% of total revenue sources, an increase of $7,965,770 above the 2005/06 Budget. This increase is primarily due to an increase 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 will all be financed by the sale of bonds during the 2006/07 fiscal year.

In the 2006/07 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In addition, the transfer from the General Fund increased, as more 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, Contributions & Donations, Reimbursements, Miscellaneous Revenue, and Contributions – Drain Improvements.

In the 2006/07 Budget, Other Revenues represent 6.49% of total revenue sources, a decrease of $256,450 below the 2005/06 Budget. This reduction is due to a decrease in Reimbursements, Special Assessment Revenue, and Interest.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2006/07 Budget, Use of Fund Balance as a revenue source totals $2,175,160. This is an increase of $1,066,430 over the prior year's budgeted Use of Fund Balance. The increase is primarily due to the transfer of funds to help pay the required annual Settlement Bond debt payments next year.■

CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	TAXES						
445000	Penalties & Interest	$3,007	0.04	$2,500	0.06	**$2,500**	**0.02**
	Total Taxes	**3,007**	**0.04**	**2,500**	**0.06**	**2,500**	**0.02**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	749,841	8.87	1,859,880	42.47	**0**	**0.00**
529001	Federal Grant - Interest	125	0.00	0	0.00	**0**	**0.00**
539378	Act 78 Emergency Phone Service	81,662	0.97	49,450	1.13	**116,790**	**1.14**
581001	Municipal Credit Transportation	0	0.00	6,570	0.15	**0**	**0.00**
	Total State & Local Returns	**831,628**	**9.83**	**1,915,900**	**43.75**	**116,790**	**1.14**
	FINES & FORFEITURES						
658002	Drug Forfeitures	194,579	2.30	0	0.00	**0**	**0.00**
	Total Fines & Forfeitures	**194,579**	**2.30**	**0**	**0.00**	**0**	**0.00**
	OTHER FINANCING SOURCES						
698000	Proceeds - Long Term Debt	5,300,000	62.66	0	0.00	**7,901,400**	**76.79**
699101	Transfer From General Fund	943,980	11.16	1,536,350	35.08	**1,600,720**	**15.56**
699403	Transfer From Capital Projects Fund	118,000	1.40	0	0.00	**0**	**0.00**
	Total Other Financing Sources	**6,361,980**	**75.22**	**1,536,350**	**35.08**	**9,502,120**	**92.35**
	OTHER REVENUE						
665000	Interest on Investments	62,750	0.74	85,000	1.94	**60,000**	**0.58**
672000	Special Assessment Revenue	54,886	0.65	70,500	1.61	**8,050**	**0.08**
675000	Contributions & Donations	4,857	0.06	9,000	0.21	**0**	**0.00**
676000	Reimbursements	312,786	3.70	550,000	12.56	**400,000**	**3.89**
685000	Miscellaneous Revenue	73,202	0.87	0	0.00	**0**	**0.00**
685015	Miscellaneous Revenue - MCPWC	548,925	6.49	200,000	4.57	**200,000**	**1.94**
686000	Contributions-Drain Improvements	9,275	0.11	10,000	0.23	**0**	**0.00**
	Total Other Revenue	**1,066,681**	**12.61**	**924,500**	**21.11**	**668,050**	**6.49**
	Total Capital Projects Funds	**$8,457,875**	**100.00**	**$4,379,250**	**100.00**	**$10,289,460**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.

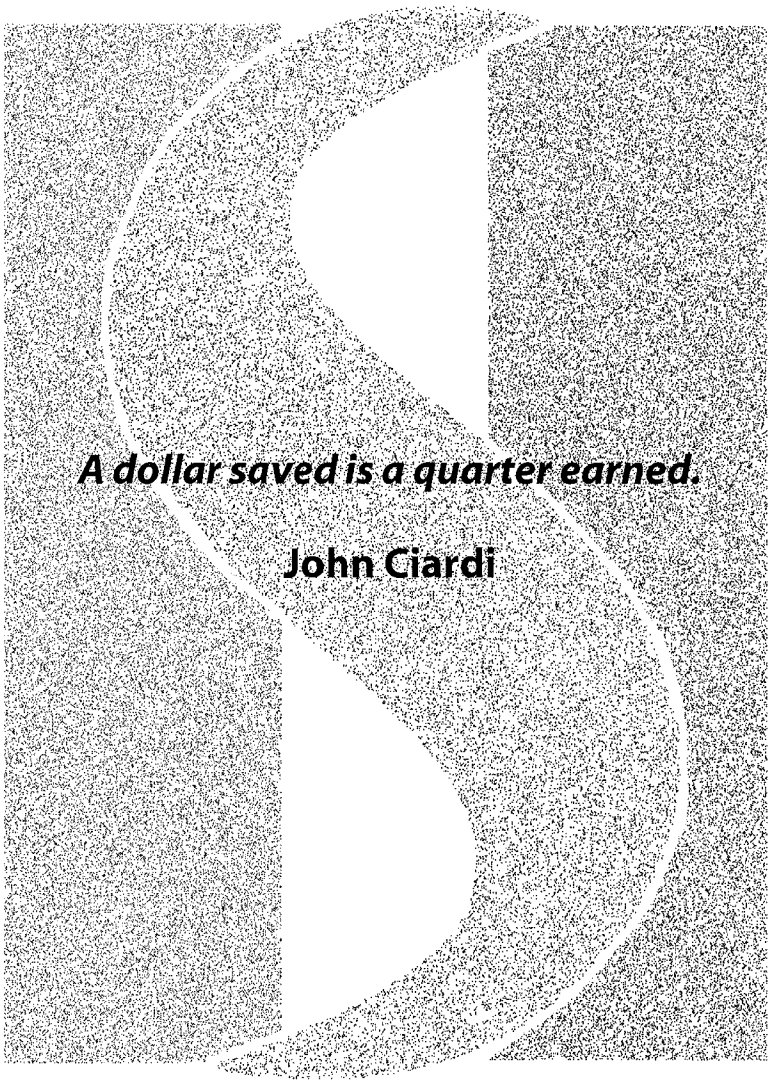
CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
	CAPITAL OUTLAY						
975000	Building & Improvements	$14,810	0.18	$8,900	0.16	**$60,000**	**0.48**
975010	Municipal Building Modernization	0	0.00	39,100	0.71	**20,000**	**0.16**
975070	Sidewalk Installation	446,015	5.33	318,600	5.81	**550,000**	**4.41**
975130	Civic Center Concrete Replacement	64,133	0.77	107,190	1.95	**135,000**	**1.08**
975140	Miscellaneous DPW Improvements	0	0.00	43,600	0.79	**27,300**	**0.22**
975220	Misc. Fire Station Improvements	29,199	0.35	55,500	1.01	**0**	**0.00**
975820	Sidewalk Gap Completion Program	217,169	2.60	450,000	8.20	**350,000**	**2.81**
975853	Dodge Park Storm Outlet	0	0.00	110,160	2.01	**0**	**0.00**
975855	Fire Station #1	213	0.00	380	0.01	**0**	**0.00**
977000	Furniture	395	0.00	0	0.00	**0**	**0.00**
979000	Computer Equipment	40,828	0.49	155,340	2.83	**237,750**	**1.91**
979002	Computer Equipment-Drug	11,183	0.13	0	0.00	**0**	**0.00**
979100	Financial System - Software	12,000	0.14	0	0.00	**0**	**0.00**
979200	Sierra System - Software	43,785	0.52	38,990	0.71	**0**	**0.00**
979250	Sierra System - Hardware	90,100	1.08	0	0.00	**0**	**0.00**
979292	Community & Info Services - Equipment	6,706	0.08	0	0.00	**0**	**0.00**
979310	Police Dispatch - Computer Equipment	1,417	0.02	0	0.00	**0**	**0.00**
979700	Library - Computer Equipment	1,232	0.01	2,000	0.04	**0**	**0.00**
979850	Fire Department - Hardware	0	0.00	1,800	0.03	**0**	**0.00**
981000	Electronic Equipment	203,997	2.44	49,450	0.90	**1,537,400**	**12.33**
981002	Electronic Equipment-Drug	83,578	1.00	0	0.00	**0**	**0.00**
982000	Machinery & Equipment	531,803	6.36	1,171,360	21.34	**63,320**	**0.51**
982002	Machinery & Equipment - Drug	81,746	0.98	0	0.00	**0**	**0.00**
983000	Fire Equipment	44,936	0.54	3,840	0.07	**31,650**	**0.25**
983001	Fire Equipment Grant	47,912	0.57	100,450	1.83	**0**	**0.00**
984002	Vehicle Acquisition - Drug	149,420	1.79	0	0.00	**0**	**0.00**
984213	Vehicles - Emergency Management	52,455	0.63	175,870	3.20	**0**	**0.00**
984265	Vehicles - Facilities Maintenance	36,612	0.44	0	0.00	**24,500**	**0.20**
984315	Vehicles - Police Enforcement	252,650	3.02	257,000	4.68	**236,500**	**1.90**
984337	Vehicles - Fire Administration	0	0.00	0	0.00	**43,000**	**0.34**
984339	Vehicles - Fire Extinguishment	302,860	3.62	390,000	7.11	**0**	**0.00**
984444	Vehicles - DPW Street Services	139,606	1.67	52,000	0.95	**403,000**	**3.23**
984553	Vehicles - Fleet Maintenance	0	0.00	27,130	0.49	**0**	**0.00**
984752	Vehicles - Parks & Recreation	0	0.00	24,370	0.44	**0**	**0.00**
984770	Vehicles - Parks & Grounds	0	0.00	28,000	0.51	**0**	**0.00**
986000	Major Drain Improvements	135,609	1.62	500,000	9.11	**515,000**	**4.13**
986871	Gibson Drain Clean Out	232,121	2.77	0	0.00	**0**	**0.00**
986879	Sterling Relief Drain	143,396	1.71	0	0.00	**0**	**0.00**
986920	Fisher Relief Drain	1,845	0.02	0	0.00	**0**	**0.00**
986921	Plumbrook Drain Hydraulic Analysis	1,438	0.02	0	0.00	**0**	**0.00**
988000	Construction	0	0.00	38,500	0.70	**1,625,000**	**13.04**
988116	Senior Citizen Active Life Center	0	0.00	0	0.00	**1,800,000**	**14.44**
988597	Ryan Road Paving - 18 to Hall Road	2,193	0.03	0	0.00	**0**	**0.00**
988603	18-1/2 Mile Rd Bridge Over Plumbrook	118,000	1.41	0	0.00	**0**	**0.00**
988858	18-1/2 Mile Connect Mound to Van Dyke	3,089,955	36.93	409,260	7.46	**0**	**0.00**

CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2004-2005 Actual Dollars	%	2005-2006 Budget Dollars	%	2006-2007 Budget Dollars	%
988876	1998 Bridge Inv - 17 Mile Rd/Conrail	679,423	8.12	196,080	3.57	**0**	**0.00**
988930	Pondview, Peso Ct, Onorio Reconst.	3,038	0.04	0	0.00	**0**	**0.00**
988986	19 Mile Rd Reconst-Mound to Dequindre	0	0.00	0	0.00	**3,485,200**	**27.96**
988995	2005 Sidewalk Replacement	0	0.00	683,250	12.45	**0**	**0.00**
988996	Villa Fontana Monticello Drain	33,177	0.40	49,860	0.91	**0**	**0.00**
	Total Capital Outlay	**7,346,955**	**87.82**	**5,487,980**	**100.00**	**11,144,620**	**89.41**
	TRANSFERS OUT						
999203	Transfer to Local Road Fund	881,370	10.53	0	0.00	**0**	**0.00**
999301	Transfer to General Drain Fund	20,000	0.24	0	0.00	**0**	**0.00**
999316	Transfer to Settlement Bonds Debt Fund	0	0.00	0	0.00	**1,320,000**	**10.59**
999428	Transfer to Rd. Bond Construction Fund	118,000	1.41	0	0.00	**0**	**0.00**
	Total Transfers Out	**1,019,370**	**12.18**	**0**	**0.00**	**1,320,000**	**10.59**
	Total Capital Projects Funds	**$8,366,325**	**100.00**	**$5,487,980**	**100.00**	**$12,464,620**	**100.00**

Note: The 2004-2005 Actual Column is rounded to the nearest dollar.


A dollar saved is a quarter earned.
John Ciardi

Capital Projects Fund

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose and no other. This fund enables administrators to report to creditors and other grantors of capital projects fund resources that their requirements regarding the use of the resources were met.

As with all governmental funds, the Capital Projects Fund concentrates on inflows and outflows of available, spendable resources. Therefore, the Capital Projects Fund uses the modified accrual basis of accounting. The Capital Projects Fund has the authority to continue expenditures within prescribed limits until a project is completed.

Funding for Capital in fiscal year 2006/07 totals $6,119,420. Of the total, $3,542,300 is funded for 12 improvement projects for facilities and infrastructure. $550,000 is included for the Miscellaneous City Sidewalk Repair Program. $350,000 is programmed for the continuation of the Sidewalk Gap Completion Program. $135,000 is budgeted for the resurfacing of the parking lot at Baumgartner Park. $60,000 is included for a Primary Electrical Switch that supplies power to the City Hall, Library, 41-A District Court, and Police Department. $1,800,000 is budgeted for the construction of the Senior Active Life Center Addition. $27,300 is appropriated for Pump Station repairs at the Laurel Meadows storm sewer detention pond. $15,000 is budgeted for School Walkway repairs near Canterbury and Hamilton East Drives. $20,000 is included for aesthetic improvements to the City Entrance Sign at 14 Mile Road and Van Dyke. $70,000 is funded for updates to the City's Master Retention Basin and Storm Sewer Plan. $315,000 is budgeted for the Schuer Drain on Metropolitan Parkway. $50,000 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 $1,870,120 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total $707,000 and are detailed in the General Fund activity in which the vehicle will be utilized.

A transfer to the Settlement Bond Debt Fund is budgeted for $1,320,000 to help pay the required annual debt payments for the 2004 Settlement Bond issue.

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 construction of the $2.2 million Senior Active Life Center Addition will begin during the 2006/07 fiscal year?

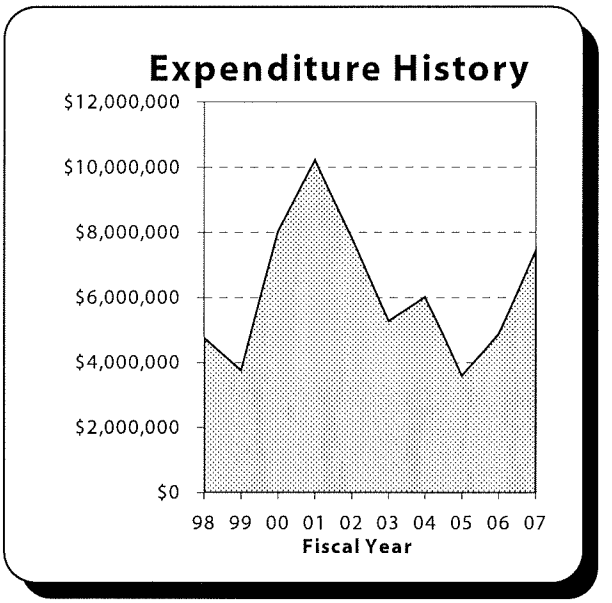
Capital Projects Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of $6,119,420 is proposed for next fiscal year. $1,632,370 is for capital equipment, $707,000 for capital vehicles, and $237,750 for the Information Technology Capital Program. ***The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund activity in which the Capital will be utilized.*** In addition, twelve (12) Capital Projects totaling $3,542,300 are proposed. $550,000 is for the City Sidewalk Repair Program, $135,000 for the resurfacing of the parking lot at Baumgartner Park, $60,000 for a Primary Electrical Switch that supplies power to the City Hall, Library, Police Department, and 41-A District Court buildings, $1,800,000 for the construction of the Senior Active Life Center Addition, $27,300 for Pump Station repairs at the Laurel Meadows storm sewer detention pond, $350,000 for the continuation of the Sidewalk Gap Completion Program, $15,000 for School Walkway repairs near Canterbury and Hamilton East Drives, $20,000 for aesthetic improvements to the City Entrance Sign at 14 Mile Road and Van Dyke, $70,000 for updates to the City's Master Retention Basin and Storm Sewer Plan, $315,000 for the Schuer Drain on Metropolitan Parkway, $50,000 to prevent further erosion to the banks of the Gibson Drain, east of Dequindre Road, 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 –Transfers Out total $1,320,000. A transfer to the Settlement Bond Debt Fund is budgeted to help pay the required annual debt payments for the 2004 Settlement Bond issue.

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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	3,454,346	4,882,640	4,584,320	6,119,420	6,119,420
Transfers Out	138,000	0	0	1,320,000	1,320,000
Total	$3,592,346	$4,882,640	$4,584,320	$7,439,420	$7,439,420

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.

The four projects budgeted in this fund for fiscal year 2006/07 total $5,025,200. $3,485,200 is included for the widening, landscaping, and creation of a boulevard on 19 Mile Road from Mound Road to Ryan Road. $620,000 is programmed for the widening of 19 Mile Road from Schoenherr Road to west of Saal Road. The resurfacing of Moravian Drive and Red Run Road from 14 Mile Road to Schoenherr Road is budgeted for $400,000, and the resurfacing of Dobry Drive from Ryan Road to Dequindre Road is budgeted for $520,000.

Additional information regarding the projects undertaken in the Road Bond Construction Fund can be found in the Capital Projects section of this document. ■

Did you know?...
...that the widening of 19 Mile Road from Mound Road to Ryan Road will include the creation of a landscaped boulevard?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

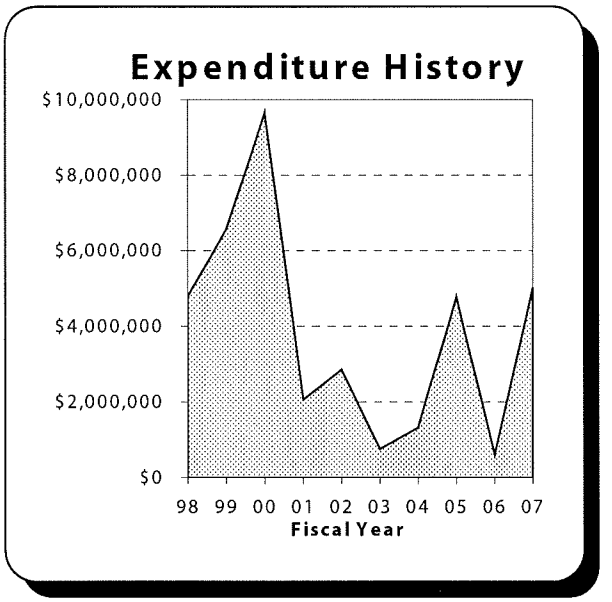
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2005/06 BUDGET

Supplies - There is no Supplies budget for this fund.

Other Charges - There is no Other Charges budget for this fund.

Capital - $5,025,200 is proposed for four projects in the 2006/07 fiscal year. $3,485,200 is proposed for the widening, landscaping and creation of a boulevard on 19 Mile Road from Mound Road to Ryan Road. $620,000 is recommended for the widening of 19 Mile Road from Schoenherr Road to west of Saal Road. The resurfacing of Moravian Drive and Red Run Road from 14 Mile Road to Schoenherr Road for $400,000, and the resurfacing of Dobry Drive from Ryan Road to Dequindre Road for $520,000 are proposed. It is anticipated that a bond will be sold for these projects during the 2006/07 fiscal year, with debt payments beginning in the 2007/08 fiscal year.

Transfers Out - There are no Transfers Out proposed for the 2006/07 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

	2004/05 Actual	2005/06 Budget	2005/06 Estimate	2006/07 Manager	2006/07 Approved
Supplies	$0	$0	$0	$0	$0
Capital Outlay	3,892,608	605,340	605,340	5,025,200	5,025,200
Transfers Out	881,370	0	0	0	0
Total	$4,773,978	$605,340	$605,340	$5,025,200	$5,025,200

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-eight (38) years after its incorporation the City has matured into a community serving approximately 127,500 residents. Coupled with the City's rapid growth has been a desire to provide top quality city services with an emphasis on roads, beautiful parks and safe neighborhoods.

Along with the desire to provide for quality service is the realization that needs always exceed resources. In order to ensure that all facets of a Capital Improvements Program were addressed, City Council in 1987 approved the creation of a Citizen's Executive Committee to consider and prioritize hundreds of proposed projects to be undertaken over the next ten (10) years. The results of this effort by the Executive Committee have been used in concert with updated information to provide the backbone for the Municipal Improvement Program (MIP), a five-year capital planning program.

The development of this program document marks the continuation of a capital improvement planning process for the City 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. 2005/06 is the first year of the MIP. The second year (2006/07) of the MIP represents some of the capital projects that are programmed in this budget document. Therefore, a direct link can be seen between the two documents, as there should be in a strategic planning environment.

In fiscal year 2006/07, the City's total capital funding is $20,011,670. Of the total, $16,860,100 is budgeted for improvements, $1,974,570 is for equipment, $923,000 is for vehicles, and $254,000 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. Vehicles were previously within the General Fund Budget under Motor Vehicles & Equipment but are now budgeted and accounted for in the Capital Projects Fund. Capital equipment is also now budgeted in the Capital Projects Fund 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 Activity. The fourth and last set of schedules detail capital improvement costs and future years operating costs, which will be financed out of the City's other funds.

The Capital Projects Fund is also used to account for the development of capital facilities other than those financed by the Enterprise Fund. The budget for facility improvements in the Capital Projects Fund for fiscal year 2006/07 is $3,542,300.

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 2006/07 totals $5,025,200.

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 $771,000 are budgeted for fiscal year 2006/07.

Transportation projects scheduled as part of the 2006/07 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 $650,000 are budgeted for fiscal year 2006/07.

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 leftover reserves from the previous sale of excess City property. The funds however, from the City's recent sale of three City-owned properties are once again not budgeted to be spent, and will remain in reserves for future use. Projects for 2006/07 include tree plantings at Delia Park and the replacement of ball diamond fencing and portable bleachers at Delia Park. These expenditures total $86,400.

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 2006/07, 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 2006/07, $434,000 is budgeted for the architectural plans and a portion of the construction costs of the Senior Citizen Active Life Center Addition.

The primary funding sources for Water & Sewer Fund improvements and replacement projects are fees charged for connections into the existing system and funding from special assessments. Sanitary sewer projects totaling $1,137,000 are programmed. Water main expenditures in the amount of $5,058,000 are programmed. $130,000 is budgeted for water main replacement at the Riverland Shopping Center and the Fire Hydrant Replacement Program. The Geographic Information System Pilot Program is funded in the amount of $26,200.■

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2005/06	Qty.	Manager Recomm. Budget 2006/07	Qty.	Council Approved Budget 2006/07
City Administration Department								
City Clerk								
Optical Scan Voting Machine	982	Mach. & Equip. - Grant	61	285,160				
Total			**61**	**285,160**	**0**	**0**	**0**	**0**
Parks & Recreation Department								
Parks & Recreation								
Portable Basketball Scoreboards	982	Machinery & Equipment	2	3,000				
Total			**2**	**3,000**	**0**	**0**	**0**	**0**
Police Department								
Police Enforcement Services								
Back-up Emergency 911 Center	981	Electronic Equipment	1	49,450				
Door Security Locks, Rifles, Computer	982	Machinery & Equip. - Grant	1	50,000				
Total			**2**	**99,450**	**0**	**0**	**0**	**0**
Police Support Services								
800 MHz Public Safety Radio System - Equipment Note	981	Electronic Equipment			1	1,501,400	1	1,501,400
Total			**0**	**0**	**1**	**1,501,400**	**1**	**1,501,400**
Fire Department								
Fire Extinguishment								
Self-Contained Breathing Apparatus	983	Fire Equipment	2	3,840				
Hazmat Decontamination Trailer	983.001	Fire Equipment - Grant	1	100,450				
EKG Monitor/Cardiac Defibrillator	981	Electronic Equipment			2	36,000	2	36,000
Self-Contained Breathing Apparatus	983	Fire Equipment			5	20,000	5	20,000
Thermal Imaging Camera	983	Fire Equipment			1	11,650	1	11,650
Total			**3**	**104,290**	**8**	**67,650**	**8**	**67,650**
Emergency Management								
Homeland Security Equipment	982	Mach. & Equip. - Grant	1	135,740				
Homeland Security Equipment	982	Mach. & Equip. - Grant	1	494,160				
Total			**2**	**629,900**	**0**	**0**	**0**	**0**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2005/06	Qty.	Manager Recomm. Budget 2006/07	Qty.	Council Approved Budget 2006/07
Public Works Department								
Fleet Maintenance								
Band Saw	982	Machinery & Equipment	1	4,300				
Total			**1**	**4,300**	**0**	**0**	**0**	**0**
Parks & Grounds Maintenance								
Utility Tractor	982	Machinery & Equipment	1	35,470				
Flail Mower	982	Machinery & Equipment	1	38,610				
72" Riding Mower	982	Machinery & Equipment	1	20,000	1	15,000	1	15,000
Dual Axle Trailer	982	Machinery & Equipment			1	3,000	1	3,000
Total			**3**	**94,080**	**2**	**18,000**	**2**	**18,000**
Street Services								
Concrete Grinder	982	Machinery & Equipment	1	2,320				
72" Riding Mower	982	Machinery & Equipment	1	20,000				
Dual Axle Trailer	982	Machinery & Equipment	1	2,600				
Tri-Mower Tractor	982	Machinery & Equipment	1	80,000				
Gerber Sign Shop System	982	Machinery & Equipment			1	34,000	1	34,000
Total			**4**	**104,920**	**1**	**34,000**	**1**	**34,000**
Non-Departmental Services								
41-A District Court								
Postage Mailing Machine	982	Machinery & Equipment			1	11,320	1	11,320
Total			**0**	**0**	**1**	**11,320**	**1**	**11,320**
Total Capital Projects Fund Equipment			**78**	**1,325,100**	**13**	**1,632,370**	**13**	**1,632,370**
Water & Sewer Fund								
Water & Sewer Administration								
800 MHz Public Safety Radio System	981	Electronic Equipment			1	154,100	1	154,100
External Repairs & Painting - DPW Facility	975	Building Improvements			1	25,000	1	25,000
Total			**0**	**0**	**2**	**179,100**	**2**	**179,100**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2005/06	Qty.	Manager Recomm. Budget 2006/07	Qty.	Council Approved Budget 2006/07
Sewage Collection								
Trailer Mounted Air Compressor	982	Machinery & Equipment	1	10,900				
Telescopic Lift Trailer	982	Machinery & Equipment	1	8,500				
Truck Mounted Handi-Ram	982	Machinery & Equipment	1	66,000				
Sewer Televising Inspection Unit	982	Machinery & Equipment	1	121,800				
8" Submersible Pump	982	Machinery & Equipment			1	7,500	1	7,500
Cement Saw	982	Machinery & Equipment			1	17,000	1	17,000
6" Trash Pump	982	Machinery & Equipment			1	21,700	1	21,700
Total			**4**	**207,200**	**3**	**46,200**	**3**	**46,200**
Total Water & Sewer Fund Equipment			**4**	**207,200**	**5**	**225,300**	**5**	**225,300**
PUBLIC SAFETY FORFEITURE FUND								
Federal Forfeitures								
Storage Room	975	Buildings & Improvements	1	2,520				
CLEMIS Data Conversion	979	Computer Equipment	1	33,000				
Laptop Computers & Software	979	Computer Equipment	6	10,230				
Color Laser Printer	979	Computer Equipment	1	1,950				
Service Contract Software	979	Computer Equipment	1	1,000				
Vehicle Warning Light	981	Electrical Equipment	1	100				
Portable Police Radio Antennas	981	Electrical Equipment	15	950				
Digital Camera	981	Electrical Equipment	1	190				
Overhead Light Bars	982	Machinery & Equipment	15	28,580				
Taser Gun Holsters & Batteries	985	Weapons & Gear	15	1,090				
Rear Sight Rifle Aiming Devices	985	Weapons & Gear	5	1,820				
Tactical Weapon Lights	985	Weapons & Gear	10	2,850				
Laptop Computers - Detectives	979	Computer Equipment			9	20,000	9	20,000
Automatic Vehicle Locator Monitors	979	Computer Equipment			2	6,000	2	6,000
Dispatch Desktop Computers	979	Computer Equipment			20	20,000	20	20,000
DVD In-car Police Video System	981	Electrical Equipment			7	39,900	7	39,900
Intensive Use Chairs - Dispatch	982	Machinery & Equipment			7	8,000	7	8,000
Uninteruptible Power Connection	982	Machinery & Equipment			1	15,000	1	15,000
Total			**72**	**84,280**	**46**	**108,900**	**46**	**108,900**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2005/06	Qty.	Manager Recomm. Budget 2006/07	Qty.	Council Approved Budget 2006/07
State Forfeitures								
Crime Suppression Computer Graphics Adapter	979	Computer Equipment	1	320				
Laptop Backup Battery	979	Computer Equipment	1	110				
Mobile Data Computers	981	Electrical Equipment	10	50,190				
Digital Surveillance Equipment Upgrade	981	Electrical Equipment	1	15,580				
Vehicle Tracking Unit Batteries & Radio Holders	981	Electrical Equipment	6	180				
Mobile Workstation Dash & Keyboard Mounts	982	Machinery & Equipment	10	3,720				
Tactical Vest	985	Weapons & Gear	1	1,430				
Replacement Body Armor Vests	985	Weapons & Gear	169	47,650				
Ammunition & Supplies	985	Weapons & Gear	1	570				
High Risk Raid Entry Protective Vests	985	Weapons & Gear			8	8,000	8	8,000
Total			**200**	**119,750**	**8**	**8,000**	**8**	**8,000**
Total Public Safety Forfeiture Fund Equipment			**272**	**204,030**	**54**	**116,900**	**54**	**116,900**
Total City Equipment			**354**	**$1,736,330**	**72**	**$1,974,570**	**72**	**$1,974,570**

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2005/06	Estimated Budget 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07
Capital Projects Fund *								
Miscellaneous Departments	979.000	Computer Equipment	2	Replacement Hard Drives	1,190	1,190		
Information Technology	979.000	Computer Equipment	1	Replacement Network Switch	65,000	65,670		
Treasury, Purchasing, Development, CR	979.000	Computer Equipment	40	Replacement Personal Computers	56,500	50,000		
City Clerk	979.000	Computer Equipment	7	E-Agenda Packet Hardware/Software	32,650	32,650		
Financial Services	979.000	Computer Equipment	1	Laser Printer			1,500	1,500
Information Technology	979.000	Computer Equipment	1	PBX Telephone Software Upgrade			100,000	100,000
Information Technology	979.000	Computer Equipment	1	Web-based E-mail System			40,000	40,000
DPW, Engineering, Assessing, Clerk	979.000	Computer Equipment	53	Replacement Personal Computers			66,250	66,250
41-A District Court	979.000	Computer Equipment	1	AS400 Computer & Software Replacement			30,000	30,000
City Development Department	979.200	Computer Equipment	1	Sierra Hand-held Software	38,990	38,990		
Library	979.700	Computer Equipment	1	Color Laser Printer	2,000	1,510		
Fire Department	979.850	Computer Equipment	1	Computer Projector	1,800	1,790		
Total Capital Projects Fund			**110**		**198,130**	**191,800**	**237,750**	**237,750**
Water & Sewer Fund								
Water Distribution	979.000	Computer Equipment	1	Replacement Personal Computer	1,300	1,250		
Water & Sewer Administration	979.000	Computer Equipment	13	Replacement Personal Computers			16,250	16,250
Total Water & Sewer Fund			**14**		**1,300**	**1,250**	**16,250**	**16,250**
Total City Funds			**124**		**$199,430**	**$193,050**	**$254,000**	**$254,000**

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 2005/06	Qty.	Manager Recomm. Budget 2006/07	Qty.	Council Approved Budget 2006/07
CAPITAL PROJECTS FUND								
Motor Vehicles & Equipment - 9010								
Emergency Command Vehicle	984213	Emergency Management	1	157,370				
Mini Van	984213	Emergency Management	1	18,500				
Mid-Size 4 Door Passenger Vehicle	984265	Facilities Maintenance			2	24,500	2	24,500
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Enforcement Services	11	231,000	11	236,500	11	236,500
SUV Tahoe - Evidence Technician	984315	Enforcement Services	1	26,000				
4 x 4 Utility Vehicle	984337	Fire Administration			1	21,000	1	21,000
Window Passenger Van	984337	Fire Training			1	22,000	1	22,000
Fire Engine	984339	Fire Extinguishment	1	390,000				
Chipper Truck	984444	Street Services	1	52,000				
Platform Sign Truck	984444	Street Services			1	125,000	1	125,000
Street Sweeper	984444	Street Services			1	155,000	1	155,000
Single Axle Dump Truck with Plow	984444	Street Services			1	123,000	1	123,000
Pick-up Truck 4x4 with Lift Gate	984553	Fleet Maintenance	1	27,130				
Pick-up Truck 4x4 with Plow	984770	Parks & Grounds Maintenance	1	28,000				
SMART Bus	984752	Parks & Recreation	2	6,570				
3/4 Ton Pick-up Truck	984752	Parks & Recreation	1	17,800				
Total Capital Projects Fund Vehicles			**21**	**954,370**	**18**	**707,000**	**18**	**707,000**
WATER & SEWER FUND								
Water & Sewer Admin - 5520								
4x4 Utility Vehicle	984000	Water & Sewer Administration	1	22,500				
Pick-up Truck 4x4 with Plow	984000	Water & Sewer Administration			2	56,000	2	56,000
Total			**1**	**22,500**	**2**	**56,000**	**2**	**56,000**
Water Distribution - 5560								
Mini Van	984000	Water Distribution	1	18,500				
Cube Utility Truck	984000	Water Distribution	1	33,000				
Tandem Axle Dump Truck with Plow	984000	Water Distribution			1	132,000	1	132,000
Total			**2**	**51,500**	**1**	**132,000**	**1**	**132,000**
Sewage Collection - 5580								
Pick-up Truck 4x4 with Plow	984000	Sewage Collection			1	28,000	1	28,000
Total			**0**	**0**	**1**	**28,000**	**1**	**28,000**
Total Water & Sewer Fund Vehicles			**3**	**74,000**	**4**	**216,000**	**4**	**216,000**
Total City Vehicles			**24**	**1,028,370**	**22**	**923,000**	**22**	**923,000**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2005/06	Estimate 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07	Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Budget Year 2006/07	Future Years 2007/08	Future Years 2008/09	Future Years 2009/10
	CAPITAL PROJECTS FUND												
975000	Seat Recovering - 41-A District Court	4,500 GF	4,500	4,640			GF	0	0	0	0	0	0
975000	Entrance Awning - 41-A District Court	4,400 CPF	4,400	4,400			GF	0	0	0	0	0	0
975000	Primary Electrical Switch	60,000 GF			60,000	60,000	GF	0	0	0	0	0	0
975010	City Employee Memorial & Fountain Renovation	43,710 GF	39,100	43,710			GF	500	0	0	0	0	0
975010	Sign Improvements - 14 Mile Road and Van Dyke City Entrance Sign	20,000 GF			20,000	20,000	GF	0	0	0	0	0	0
	Miscellaneous City Sidewalk Repair Program	1,551,850											
975070	2004: Sections 15, 22, 27	CPF	9,600	9,600			GF	2,000	0	0	0	0	0
		CPF/GF	170,000	170,000									
988995	2005: Sections 30, 31, 32	SAD (CPF)	513,250	513,250			GF	2,000	2,000	0	0	0	0
		GF	75,000	75,000									
975070	2006: Sections 20, 29	SAD (CPF)	234,000	234,000			GF	2,000	2,000	0	0	0	0
		GF			125,000	125,000							
975070	2007: Sections 17, 18, 19	SAD (CPF)			425,000	425,000	GF	2,000	2,000	2,000	0	0	0
975130	Municipal Facility Parking Lot Repairs inc. Fire Station #5, Baumgartner Park	242,190 GF/CPF	107,190	107,190	135,000	135,000	GF	1,000	1,000	500	0	0	0
975140	Exhaust Extracation System - Public Works	16,300 GF	16,300	16,300			GF	0	0	200	200	200	200
975140	Pump Station Repairs - Laurel Meadows	27,300 GF/CPF	27,300	0	27,300	27,300	GF	0	0	0	0	0	0
975220	Replacement Carpeting - Fire Station #5	46,000 GF	46,000	46,000			GF	100	100	0	0	0	0
975220	Architectural Needs Assessment - Fire Stations #2, #3, & #4	9,500 GF	9,500	9,500			GF	0	0	0	0	0	0
975820	**Sidewalk Gap Completion Program**	700,000											
		GF	100,000	100,000									
	2006: Gap Program & ROW	SAD (CPF)	250,000	250,000			GF	0	0	0	0	0	0
		GF			100,000	100,000							
	2007: Gap Program & ROW	SAD (CPF)			250,000	250,000	GF	0	0	0	0	0	0
975820	Regional Bike/Hike Path Completion - South side of Utica Road, Edison Corridor to East of Dodge Park Road	65,000 SAD (CPF)	25,000	25,000			GF	0	500	1,000	1,000	1,000	1,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES: Total Cost/ Funding Source	Budget 2005/06	Estimate 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07	Estimated Annual Operating Costs (Including Debt Repayment): Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Budget Year 2006/07	Future Years 2007/08	2008/09	2009/10
975820	Sidewalk Installation - South side of 16 Mile Rd. between Mound and Van Dyke	75,000 GF/CPF SAD (CPF)	18,750 56,250	18,750 56,250			GF	0	0	0	0	0	0
975853	Dodge Park Entrance Approach off Utica Road, Dodge Park Parking Lot Improvements, Lighting, Electronic Signage	416,700 CPF	110,160	110,160			GF	1,000	1,000	1,000	1,000	1,000	1,000
975855	Fire Station #1	380 CPF	380	380			GF	20,000	20,000	20,000	20,000	20,000	20,000
986000	Drain Maintenance - County	300,000 CPF	200,000	150,000	150,000	150,000	GF	0	0	0	0	0	0
986000	Schuer Drain on Metropolitan Parkway	315,000 SAD (CPF)	300,000	0	315,000	315,000	GF	0	0	0	1,000	1,000	1,000
986000	Gibson Drain Bank Erosion Restoration	50,000 CPF			50,000	50,000	GF	0	0	0	0	0	0
988000	School Walkway Repairs - 2006: Samoa, Bagdad, Gettysburg 2007: Canterbury, Hamilton East	52,190 GF/CPF GF	38,500	37,190	15,000	15,000	GF	500	500	500	0	0	0
988000	Master Retention Pond and Storm Sewer Plan Update	70,000 GF			70,000	70,000	GF	0	0	0	0	0	0
988116	Senior Active Life Center Addition - Construction (LTGO-07)	2,200,000 CPF			1,800,000	1,800,000	CDBG GF	0	0	0	450,000	450,000	450,000
988996	Villa Fontana & Monticello Subdivision Drainage Modifications	85,000 CPF	49,860	49,860			GF	0	0	0	0	0	0
	Total Capital Projects Fund	**$6,355,020**	**$2,405,040**	**$2,031,180**	**$3,542,300**	**$3,542,300**		**$31,100**	**$29,100**	**$25,200**	**$473,200**	**$473,200**	**$473,200**
	ROAD BOND CONSTRUCTION FUND												
988858	18-1/2 Mile Road Connector - Mound Road to Van Dyke (MTFB-05)	4,560,000 RBCF	409,260	409,260			MRF	0	500,000	500,000	500,000	500,000	500,000
988876	17 Mile Road Bridge Repair Over Conrail (MTFB-05)	930,000 RBCF	196,080	196,080			MRF	0	90,000	90,000	90,000	90,000	90,000
988000	19 Mile Road Widening - 5 lanes Schoenherr to West of Saal (MTFB-07)	620,000 RBCF			620,000	620,000	MRF	0	0	0	65,000	65,000	65,000
988000	Dobry Drive Resurfacing - Ryan Road to Dequindre Road (MTFB-07)	520,000 RBCF			520,000	520,000	MRF	0	0	0	50,000	50,000	50,000
988000	Red Run/Moravian Drive Resurfacing - 14 Mile to Schoenherr Road (MTFB-07)	400,000 RBCF			400,000	400,000	MRF	0	0	0	40,000	40,000	40,000
988986	19 Mile Road Boulevard Widening - Mound Road to Ryan Road (MTFB-07)	3,485,200 Fed.-08 - Con. RBCF-Con. RBCF-Eng.			2,320,000 580,000 200,000	2,320,000 580,000 200,000	MRF	0	0	0	100,000	100,000	100,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2005/06	Estimate 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07	Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Budget Year 2006/07	Future Years 2007/08	Future Years 2008/09	Future Years 2009/10
	19 Mile Road Landscaping -	GRANT			256,800	256,800							
	Mound Road to Ryan Road (MTFB-07)	RBCF			128,400	128,400	MRF	0	0	0	3,000	3,000	3,000
	Total Road Bond Construction Fund	$10,515,200	$605,340	$605,340	$5,025,200	$5,025,200		$0	$590,000	$590,000	$848,000	$848,000	$848,000
	MAJOR ROAD FUND												
	COUNTY ROADS												
988000	Intersection Improvements	150,000											
	(Unspecified)	MRF	100,000	50,000	100,000	100,000	MRF	0	0	0	0	0	0
988000	Traffic Signals	200,000											
	a) Miscellaneous Locations	MRF	100,000	29,000	100,000	100,000	MRF	500	500	500	500	500	500
	b) Schoenherr & South Cove (pending)			35,000									
	c) 19 Mile Road & Gainsley			36,000									
988000	Schoenherr Road Landscaping -												
	14 Mile Road to Metropolitan Parkway	207,690											
	Metropolitan Parkway Blvd. Landscaping -	GRANT	143,240	143,240			MRF	0	0	1,000	2,000	2,000	2,000
	Dodge Park Road to Utica Road	MRF	64,450	64,450									
988000	Bridge Deck Replacement -	30,000											
	Van Dyke Bridge over the Clinton River	MRF	30,000	30,000			MRF	0	0	0	0	0	0
988101	18 Mile Road & Utica Road -	716,160											
	Right-of-way Acquisition	MRF	500,370	516,160									
	Intersection Alignment				200,000	200,000	MRF	0	0	0	0	0	0
988700	Dequindre Road - 18 Mile Road to M-59	42,500											
	Preliminary Engineering - (2010 Project)	MRF	21,250	21,250			MRF	0	0	0	0	0	0
988852	Utica Road Boulevard	2,100,000											
		MRF	62,590	100,000			MRF	20,000	20,000	20,000	20,000	20,000	20,000
	Total County Roads	$3,446,350	$1,021,900	$1,025,100	$400,000	$400,000		$20,500	$20,500	$21,500	$22,500	$22,500	$22,500
	CITY RESURFACING PROGRAM												
988906	Plumbrook Road - Utica Rd. to 17 Mile Rd.	1,392,000											
		MRF	32,570	66,250			MRF	1,000	200	200	200	200	200
	OTHER IMPROVEMENTS												
988107	Intersection Improvements -	54,760											
	Dobry Drive & Ryan Road	MRF	54,760	54,760			MRF	0	200	200	200	200	200
988856	Maple Lane Widening - North of Volpe to												
	15 Mile Road, Maple Lane Resurfacing -	1,600,000											
	14 Mile Road to Volpe	MRF	0	580			MRF	1,000	1,000	1,000	1,000	1,000	1,000
988943	**Intersection Improvements -**												
	19 Mile Road & Saal Road,	817,000											
	Canal Road & Saal Road, and	MRF	460,570	460,570			MRF	0	1,000	1,000	1,000	1,000	1,000
	19 Mile Road & Michigan Drive	GRANT	200,000	200,000									
	Traffic Signal Improvements	MRF	105,000	105,000									

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES: Total Cost/ Funding Source	Budget 2005/06	Estimate 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07	Estimated Annual Operating Costs (Including Debt Repayment): Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Budget Year 2006/07	Future Years 2007/08	2008/09	2009/10
988947	**2005 Bridge Maintenance Program -** Culvert Cleanout - 15 Mile over Big Beaver Drain, Ryan Road over Plumbrook Drain, Dodge Park Road over Plumbrook Drain	70,000 MRF	70,000	70,000			MRF	0	0	0	0	0	0
988000	18 1/2 Mile Roundabout Landscaping	21,000											
		GRANT	14,000	0	14,700	14,700							
		MRF	6,000	0	6,300	6,300	MRF	0	0	0	500	500	500
988986	19 Mile Road Widening	600,000											
	Mound to Ryan Road - Design & ROW	MRF	400,000	400,000			MRF	0	0	0	0	0	0
	Ryan to Dequindre Road - Design				200,000	200,000							
	TRAFFIC CONTROLS & INTERSECTION IMPROVEMENTS MISCELLANEOUS LOCATIONS	302,000											
988000	Miscellaneous Locations	MRF	100,000	50,000	70,000	70,000	MRF	500	500	500	500	500	500
	a) Clinton River Road & Riverland Drive		32,000	32,000									
	b) 19 Mile Road & Clinton River Road		32,000	32,000									
	c) 15 Mile Road & Chrysler Plant		25,000	0	30,000	30,000							
	d) Canal & Goldberg - School Crossing		13,000	13,000									
	e) 15 Mile Road @ Sterling Heights High		1,500	1,500									
	NON-MOTORIZED IMPROVEMENTS												
988000	Miscellaneous Right-Of-Way Acquisition	100,000 MRF	50,000	0	50,000	50,000	MRF	0	0	0	0	0	0
	Total City Major Road	**$4,956,760**	**$1,596,400**	**$1,485,660**	**$371,000**	**$371,000**		**$2,500**	**$2,900**	**$2,900**	**$3,400**	**$3,400**	**$3,400**
	Total Major Road Fund	**$8,403,110**	**$2,618,300**	**$2,510,760**	**$771,000**	**$771,000**		**$23,000**	**$23,400**	**$24,400**	**$25,900**	**$25,900**	**$25,900**
	LOCAL ROAD FUND Neighborhood Road Repair & Replacement Program												
988965	Grigg, Timmy, Richard O, Cero, Hein, LaManna Drive - Concrete Replacement	830,000 LRF	10,920	10,920			LRF	1,000	500	0	0	0	0
988107	Clifton, Firestone, Breckenridge Drive - Concrete Replacement	590,000 GF	590,000	590,000			LRF	1,000	1,000	0	0	0	0
988880	Elmridge Drive - Concrete Paving, Storm Sewer	536,000 SAD (LRF)	247,500	250,000			LRF	500	500	300	300	300	300
988915	Shadowcreek Court - Concrete Paving, Storm Sewer	118,000 SAD(LRF)	114,230	1,370			LRF	0	0	0	0	0	0
988000	Lin Drive - Concrete Replacement	150,000											
		GF (Prop N)			75,000	75,000	LRF	500	500	0	0	0	0
		LRF			75,000	75,000							

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2005/06	Estimate 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07	Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Budget Year 2006/07	Future Years 2007/08	Future Years 2008/09	Future Years 2009/10
988000	Gloucester, Heidi, Highlite, Sheri, Tericrest -	500,000											
	Asphalt Resurfacing	GF (Prop N)			500,000	500,000	LRF	1,000	1,000	0	0	0	0
	Total Local Road Fund	**$2,724,000**	**$962,650**	**$852,290**	**$650,000**	**$650,000**		**$4,000**	**$3,500**	**$300**	**$300**	**$300**	**$300**
	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
972008	Nelson Park North - Pave and Expand												
	Parking Lot, Sign, Path Construction,	361,800											
	Playground Equipment	CDBG	116,130	116,130			GF	0	1,000	1,000	1,000	1,000	1,000
972008	Replacement Handicapped Accessible	69,960											
	Playground Equipment - Farmstead Park	CDBG	69,960	69,960			GF	0	0	0	0	0	0
988000	Plumbrook Road Reconstruction -	334,210											
	17 Mile Road to Van Dyke	CDBG	334,210	334,210			MRF	1,000	1,000	0	0	0	0
988000	Count Court Reconstruction	89,820											
		CDBG	89,820	89,820			LRF	500	500	0	0	0	0
988116	Senior Active Life Center Addition -	122,000											
	Architectural Plans	CDBG	88,000	88,000	34,000	34,000	GF	0	0	0	0	0	0
988116	Senior Active Life Center Addition -	2,200,000											
	Construction	CDBG			400,000	400,000	GF	0	0	0	0	0	0
	Total C.D.B.G. Fund	**$3,177,790**	**$698,120**	**$698,120**	**$434,000**	**$434,000**		**$1,500**	**$2,500**	**$1,000**	**$1,000**	**$1,000**	**$1,000**
	LAND & WATER CONSERVATION FUND												
	LAND DEVELOPMENT												
972000	Neighborhood Park Tree Planting -	12,000											
	2006: Baumgartner Park	LWCF	6,000	0	6,000	6,000							
	2007: Delia Park	GRANT	6,000	0	6,000	6,000	GF	0	0	0	0	0	0
972000	(6) Portable Bleachers - Delia Park	12,600											
		GF			12,600	12,600	GF	0	0	0	0	0	0
972333	Asphalt Paving - Entrance and South	320,000											
	Parking Lot, Park Sign - Delia Park	LWCF	291,970	291,970			GF	0	1,000	1,000	1,000	1,000	1,000
972333	(2) Ball Diamond Replacement Fencing -	61,800											
	Delia Park	GF			61,800	61,800	GF	500	500	0	0	0	0
972334	Bocce Ball Courts -	10,830											
	Senior Center	LWCF	15,000	10,830			GF	0	100	100	100	100	100
972334	Tennis Court Repair -	14,600											
	Delia Park	LWCF	15,000	14,600			GF	0	0	0	0	0	0
972845	Regional Bike/Hike Trail -	775,000											
	Riverland to Van Dyke	LWCF	424,250	500,000									
		GRANT	220,000	220,000			GF	0	3,000	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	Budget 2005/06	Estimate 2005/06	Manager Recomm. Budget 2006/07	Council Approved Budget 2006/07	Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Budget Year 2006/07	Future Years 2007/08	2008/09	2009/10
972934	Soccer Field - Nelson Park North	17,920											
		LWCF	7,400	9,820			GF	0	1,000	1,000	1,000	1,000	1,000
972985	(2) Soccer Fields - Baumgartner Park	118,000											
		LWCF	9,520	9,520			GF	0	3,000	3,000	3,000	3,000	3,000
975850	Replacement Park Sign - Imus Park	11,500											
		LWCF	11,500	11,500			GF	0	0	0	0	0	0
	Total Land & Water Conserv. Fund	**$1,354,250**	**$1,006,640**	**$1,068,240**	**$86,400**	**$86,400**		**$500**	**$8,600**	**$10,100**	**$10,100**	**$10,100**	**$10,100**

CAPITAL IMPROVEMENTS

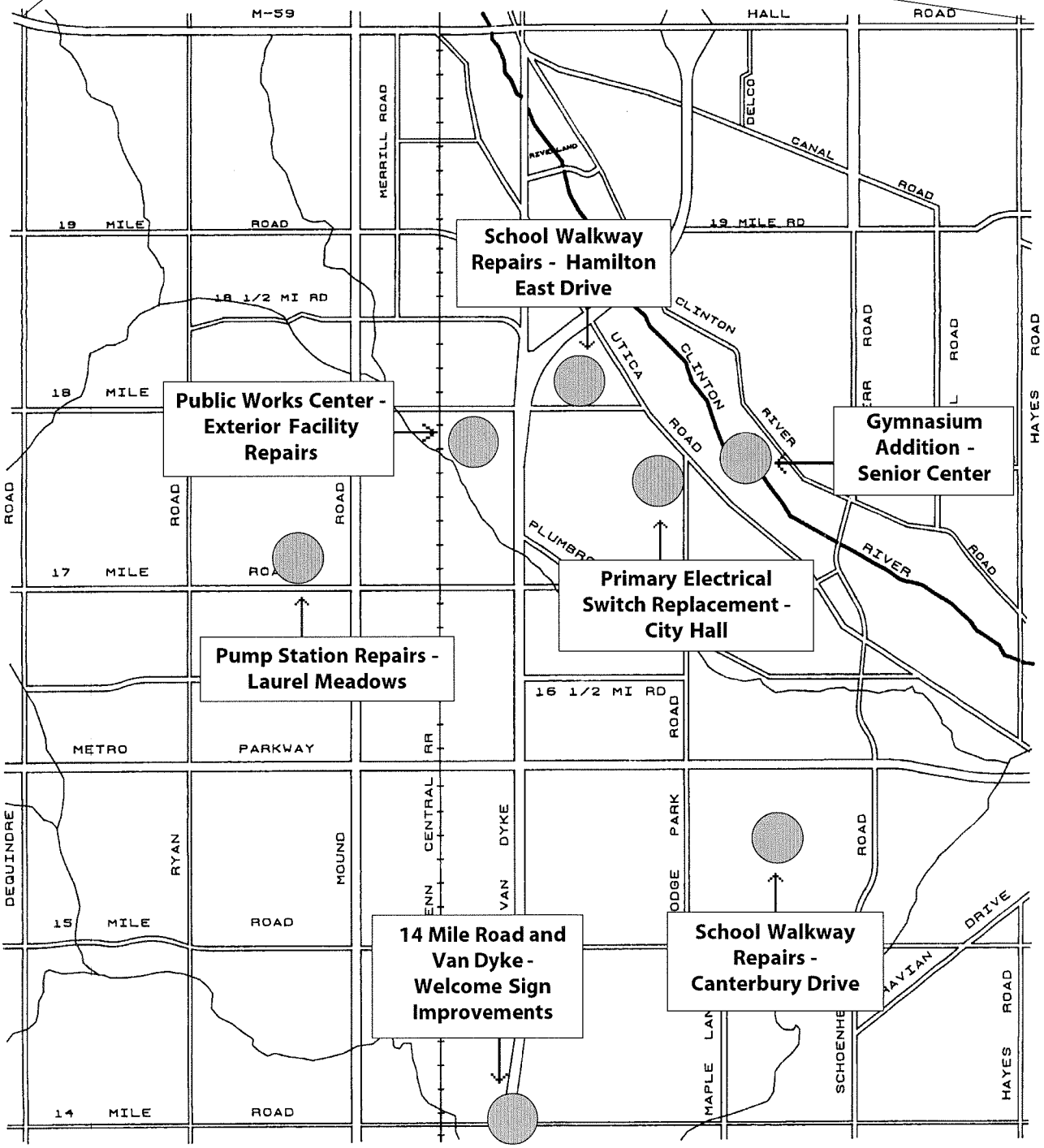
Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Program 2005/06	Estimate 2005/06	Manager Recomm. Program 2006/07	Council Approved Program 2006/07	Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Program Year 2006/07	Future Years 2007/08	2008/09	2009/10
	WATER & SEWER IMPROVEMENT FUND												
	SANITARY SEWERS												
	18 Mile Road - North Side, Arbor Crest Drive to Hamilton Drive	120,000 W&S	120,000	120,000			W&S	0	0	100	100	100	100
	Utica Road, East of Walnut Lane, Walnut Lane	353,000 W&S	336,250	0	353,000	353,000	W&S	0	0	0	500	500	500
	Moravian Road, East of Schoenherr South Side	52,500 W&S	52,500	52,500			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	184,000 W&S	175,000	0	184,000	184,000	W&S	0	0	0	300	300	300
	Moravian Road, South Side Hayes to East of 15 Mile Road	273,000 W&S	273,000	273,000			W&S	0	0	500	500	500	500
	Hayes Road - Moravian Road to Bartola Subdivision	140,000 W&S	140,000	140,000			W&S	0	0	200	200	200	200
	34473 Coachwood Drive - Lead Repair	17,000 W&S	17,000	17,000			W&S	0	0	100	100	100	100
	Utica Road, North Side - Valiant to Edison Corridor (including ROW)	280,000 W&S	280,000	280,000			W&S	0	0	500	500	500	500
	Lakeside Circle - Sewer Repair	25,000 W&S	25,000	25,000			W&S	4,000	4,000	100	100	100	100
	33909 - 33685 Red Run Road	87,000 W&S	30,000	87,000			W&S	0	0	200	200	200	200
	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
	41315 and 41289 Schoenherr Road	35,000 W&S	35,000	35,000			W&S	0	0	100	100	100	100
	Utica Road - Hamilton East Drive to Irval, East Side (including ROW)	400,000 W&S			400,000	400,000	W&S	0	0	0	600	600	600
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	200,000 W&S			200,000	200,000	W&S	0	0	0	300	300	300
	Total Sanitary Sewer	**$2,515,800**	**$1,833,050**	**$1,378,800**	**$1,137,000**	**$1,137,000**		**$4,000**	**$4,000**	**$2,500**	**$4,200**	**$4,200**	**$4,200**
	WATER MAINS												
	17 Mile Road - Plumbrook to Van Dyke	268,000 W&S	255,000	0	268,000	268,000	W&S	0	0	0	400	400	400

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Program 2005/06	Estimate 2005/06	Manager Recomm. Program 2006/07	Council Approved Program 2006/07	Proposed Method of Financing	Estimated Prior Yr. 2004/05	Estimated Current Yr. 2005/06	Program Year 2006/07	Future Years 2007/08	Future Years 2008/09	Future Years 2009/10
	Hayes Road - Moravian to Utica Road	359,000											
		W&S	342,000	0	359,000	359,000	W&S	0		0	500	500	500
	Section 4 along Mound, Catalpa, Merrill	551,000											
	& Arrow; Under Conrail Railroad	W&S	525,000	0	551,000	551,000	W&S	0	0	0	600	600	600
	Dequindre & 14 Mile Road -	2,200,000											
	Sections 30 & 31	W&S	2,100,000	0	2,200,000	2,200,000	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	1,600,000	0	1,680,000	1,680,000	W&S	0	0	0	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
	Total Water Mains	**$5,170,000**	**$4,934,000**	**$112,000**	**$5,058,000**	**$5,058,000**		**$0**	**$0**	**$300**	**$5,600**	**$5,600**	**$5,600**
	GENERAL IMPROVEMENTS												
	Geographic Information System Pilot	52,400											
	Program/System Enhancement	W&S	26,200	26,200	26,200	26,200	W&S	0	0	0	0	0	0
	Total General Improvements	**$52,400**	**$26,200**	**$26,200**	**$26,200**	**$26,200**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	WATER & SEWER REPLACEMENT FUND												
	Fire Hydrant Replacement	35,000											
	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	110,000	0	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	**$228,000**	**$203,000**	**$93,000**	**$130,000**	**$130,000**		**$300**	**$300**	**$300**	**$300**	**$300**	**$300**
	Total Water & Sewer Funds	**$7,966,200**	**$6,996,250**	**$1,610,000**	**$6,351,200**	**$6,351,200**		**$4,300**	**$4,300**	**$3,100**	**$10,100**	**$10,100**	**$10,100**
	Total City Capital Improvements	**$40,495,570**	**$15,292,340**	**$9,375,930**	**$16,860,100**	**$16,860,100**		**$64,400**	**$661,400**	**$654,100**	**$1,368,600**	**$1,368,600**	**$1,368,600**

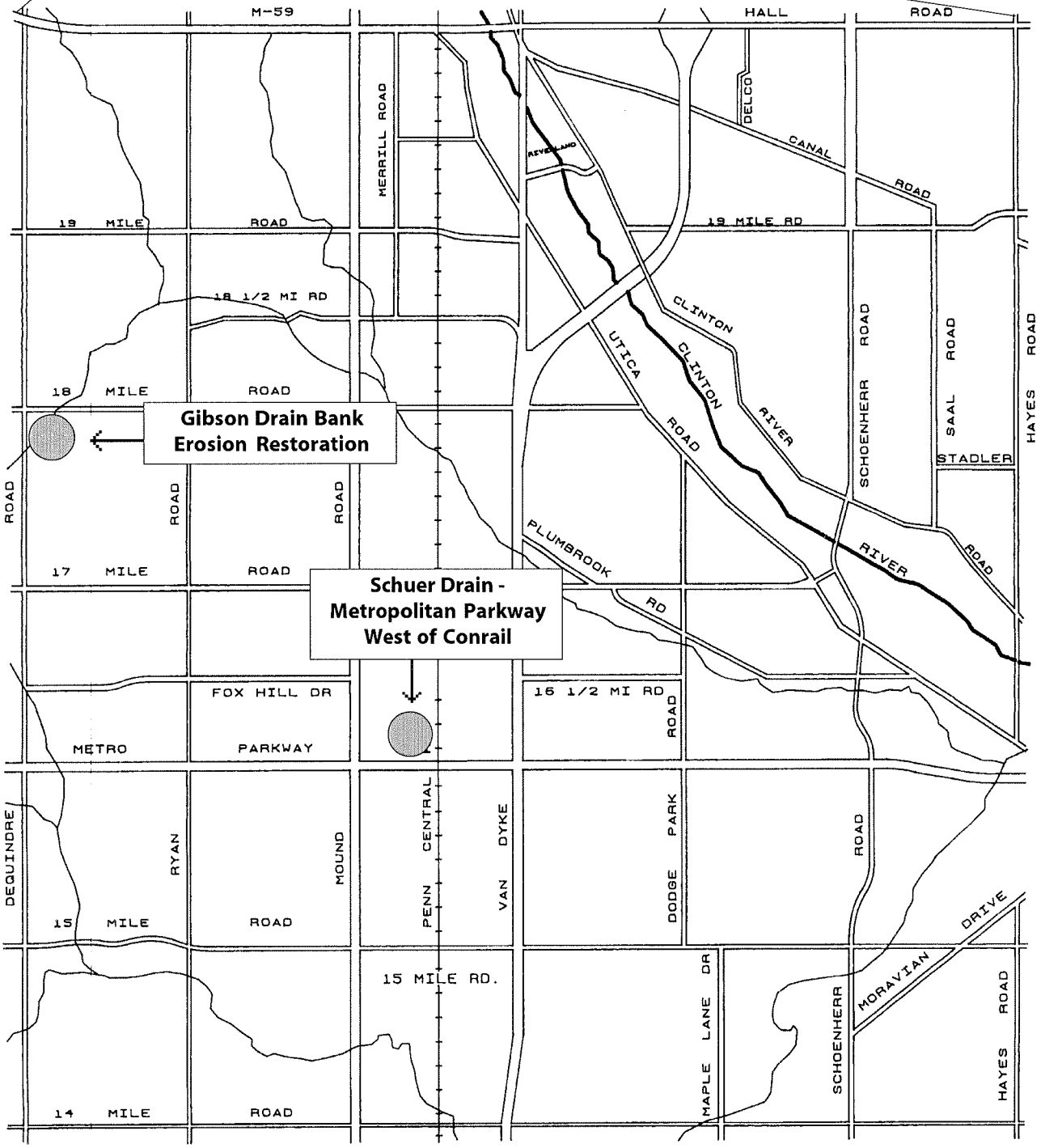
2006/07 MUNICIPAL FACILITIES

Miscellaneous City Sidewalk Repair & Gap Completion Programs



2006/07 STORM DRAINS

Storm Drain Maintenance - County & Master Retentinon Basin and Storm Water Plan Update



2006/07 MAJOR ROADS

Miscellaneous Traffic Signals & Intersection Improvements

Dobry Drive - Ryan Road to Dequindre Road

19 Mile Road Widening Design - Ryan Road to Dequindre Road

19 Mile Road Widening - Ryan Road to Mound Road

19 Mile Road Widening - Schoenherr Road to West of Saal Road

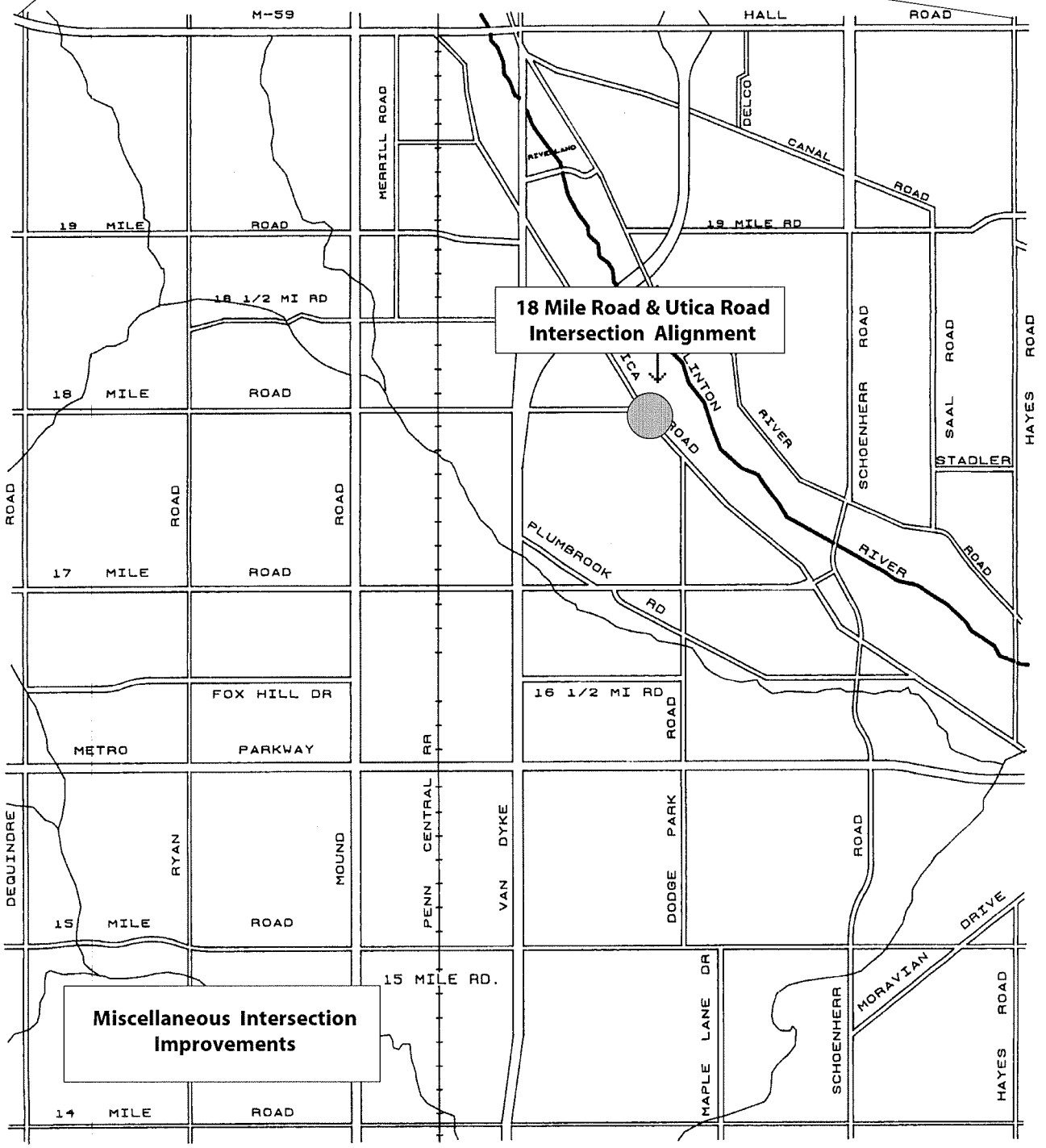
18-1/2 Mile & Van Dyke Traffic Circle - Landscaping

Red Run/Moravian Drive Resurfacing - 14 Mile Road to Schoenherr Road

Miscellaneous Right-of-Way Acquisitions

2006/07 COUNTY & STATE ROAD PLANS

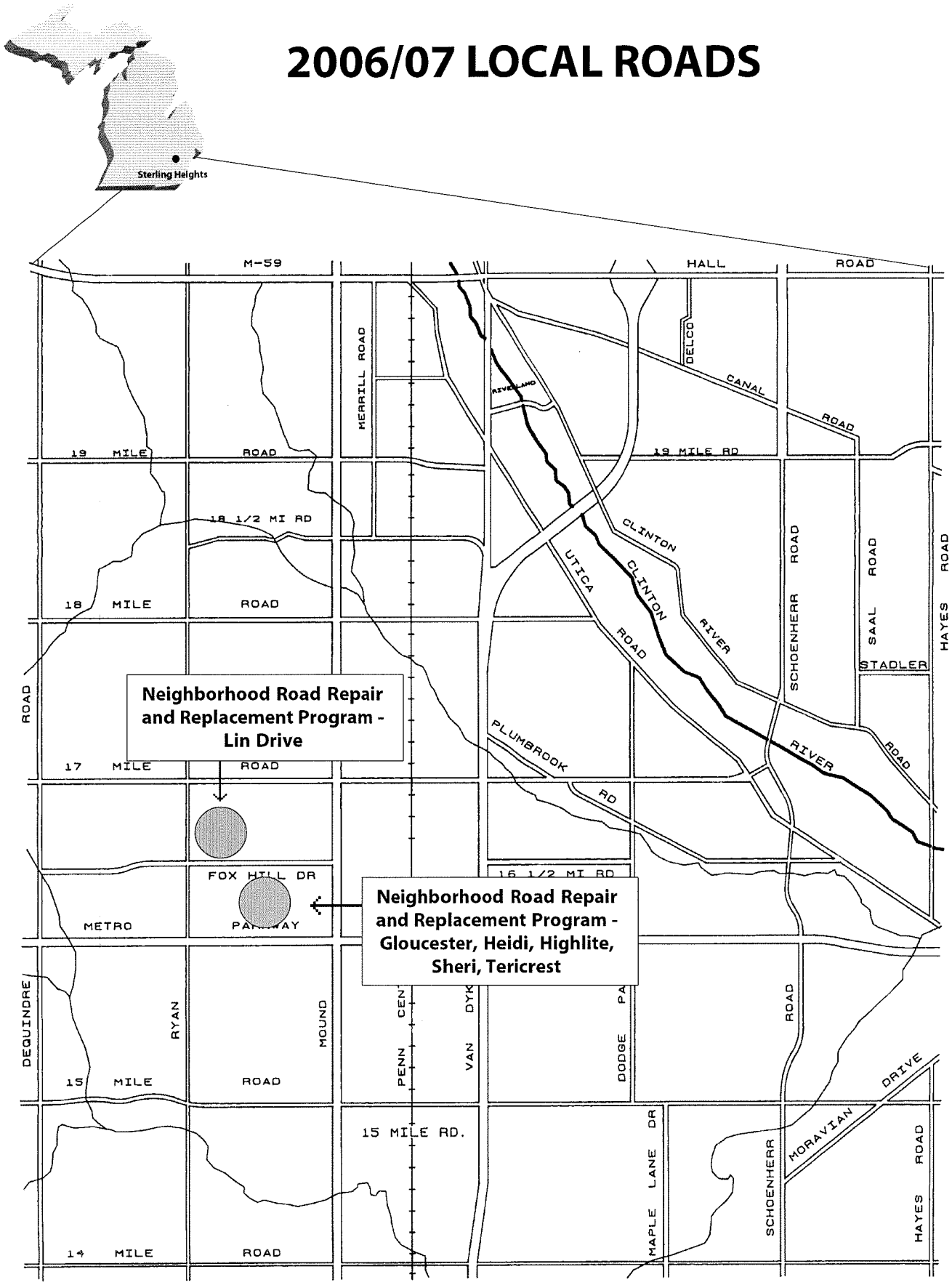
Miscellaneous Traffic Signals



18 Mile Road & Utica Road Intersection Alignment

Miscellaneous Intersection Improvements

2006/07 LOCAL ROADS



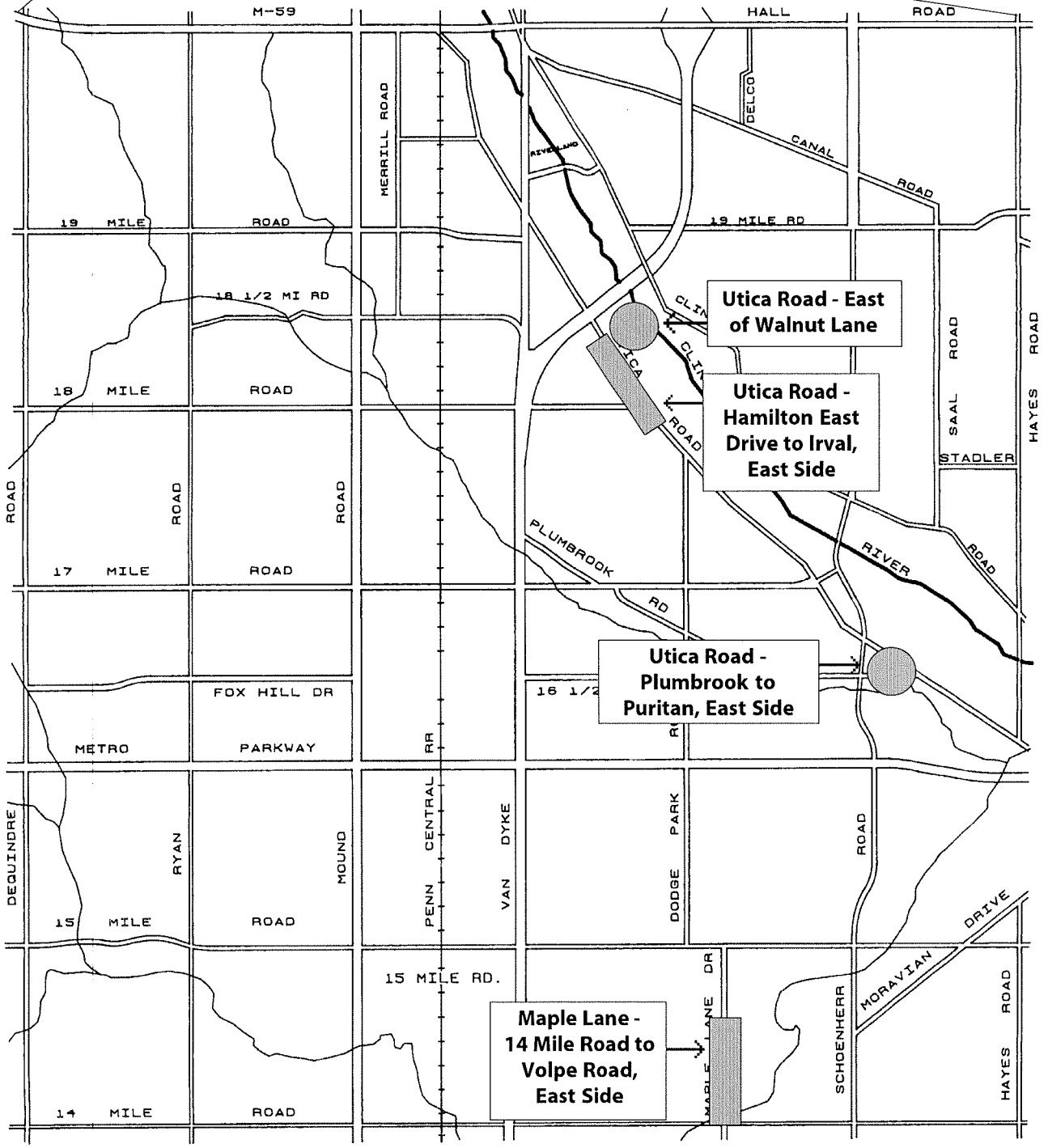
2006/07 MUNICIPAL PARKLANDS

Portable Bleacher Replacement - City Parks

Neighborhood Park Tree Planting & Ball Diamond Replacement Fencing - Delia Park

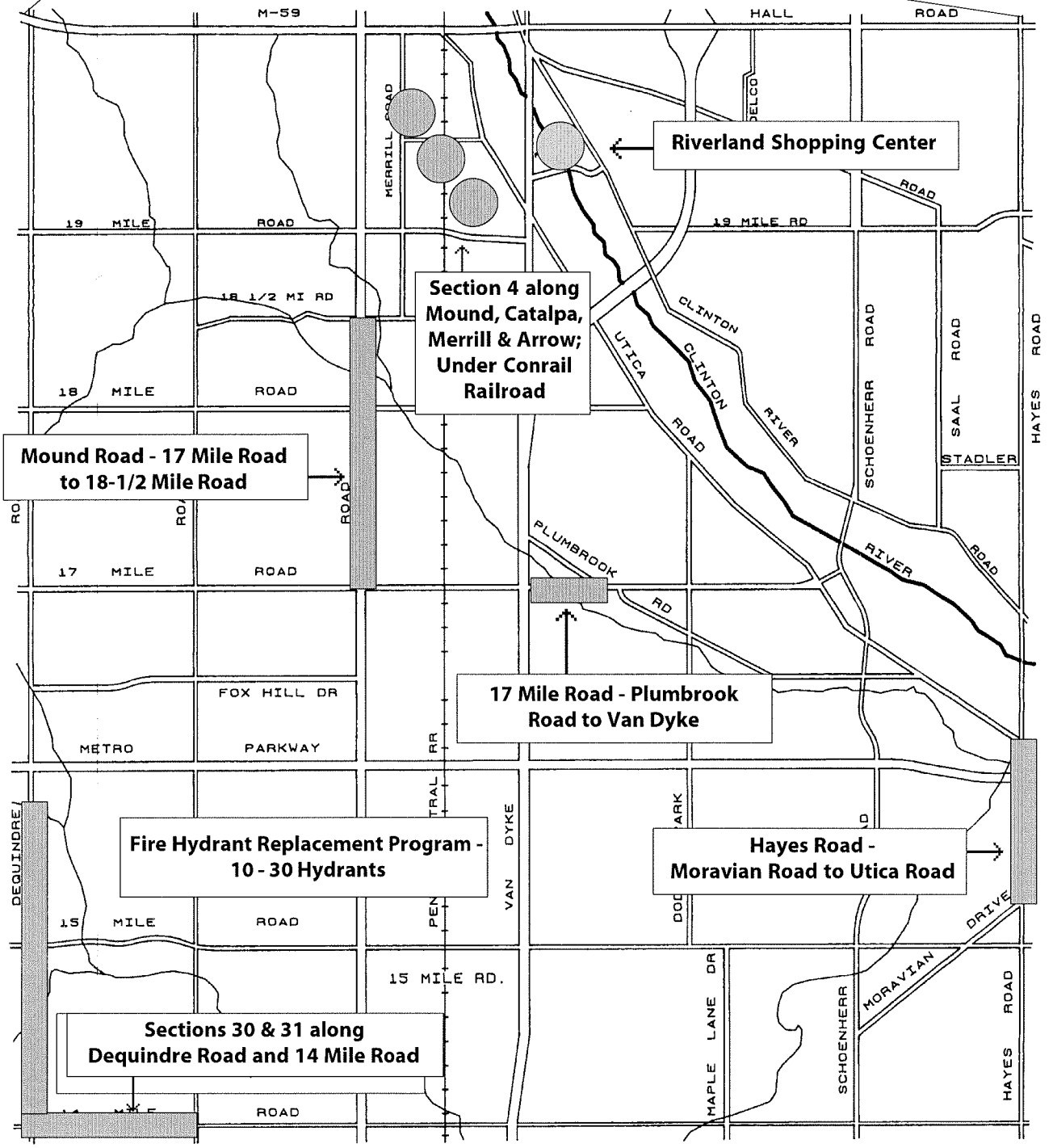
Neighborhood Park Tree Planting & Parking Lot Repairs - L.W. Baumgartner Park

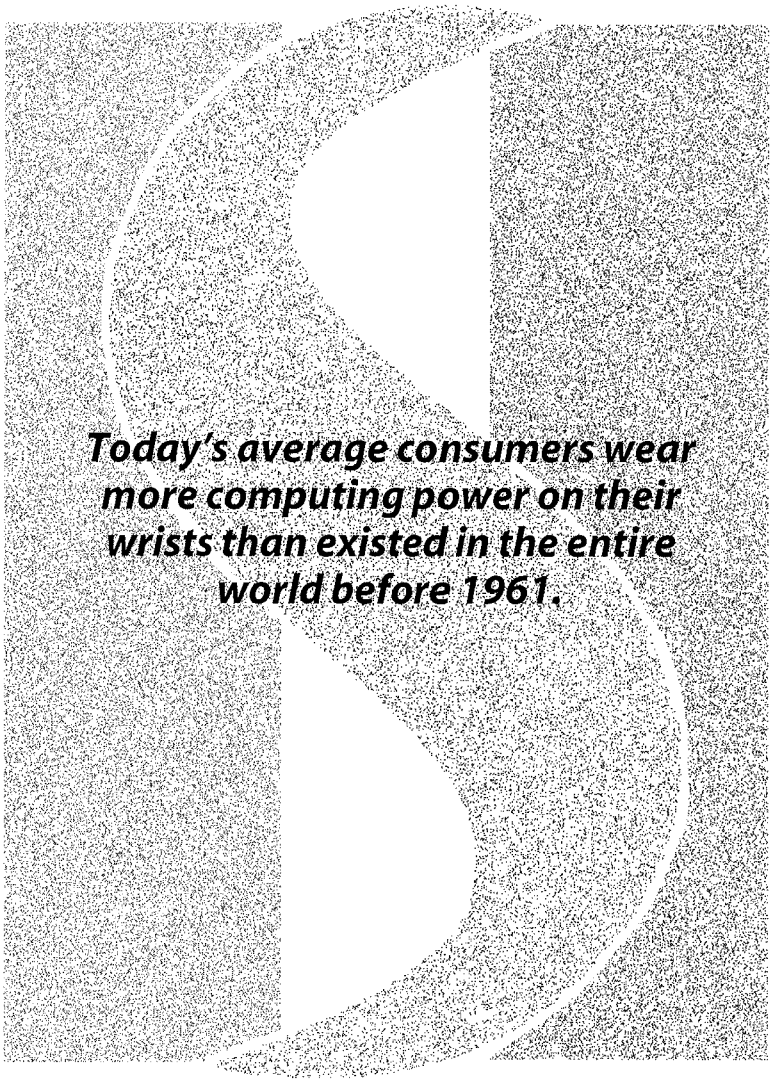
2006/07 SANITARY SEWERS



2006/07 WATER MAINS

Geographic Information System Maintenance and Data Input




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	1996	1997	1998	1999	2000	2001	2002 (1)	2003	2004	2005
Revenues										
Property Taxes	$34,308,096	$36,103,132	$38,377,602	$39,847,195	$41,266,995	$42,155,402	$44,773,685	$46,791,310	$48,495,510	$50,357,630
Fees & Permits	1,947,437	1,806,845	1,927,254	1,950,414	1,855,159	2,253,273	1,916,542	2,036,864	2,318,120	2,012,360
Federal Sources	1,276,555	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
State & Local Sources	16,286,704	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
Fines & Forfeitures	1,980,313	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
Charges For Services	5,096,603	5,460,371	5,097,114	5,371,619	5,451,881	5,791,473	5,514,851	5,875,269	6,334,722	6,695,039
Interest Income	1,937,449	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
Special Assessments	373,703	598,307	437,830	443,641	319,727	164,086	179,973	68,497	372,917	73,776
Rental Income	808,867	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
Cable Revenue	667,533	790,999	673,080	868,817	972,802	1,264,214	1,302,183	1,120,768	1,224,778	1,319,937
Other	2,909,076	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
Total Revenues	**67,592,336**	**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**
Expenditures										
General Government	6,589,589	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
41A District Court	1,888,926	2,026,851	2,072,201	2,044,259	1,999,838	2,131,093	2,178,525	2,173,817	2,342,220	2,472,160
Public Safety	26,404,280	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
Public Works	14,167,945	15,346,854	14,503,055	14,885,110	15,456,764	16,492,407	16,910,029	18,334,751	18,280,775	21,418,948
Recreation & Culture	3,234,981	3,400,334	3,633,902	3,619,970	3,795,871	4,035,209	4,323,476	4,447,809	4,553,035	4,669,116
General Expenditures	2,958,330	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
Capital Outlay	5,982,827	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
Debt Service - Principal	3,626,446	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
Debt Service - Interest	2,003,015	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
Total Expenditures	**66,856,339**	**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**
Other Financing Sources										
Long-term Financing	3,191,400	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
Proceeds-Sale of Fixed Assets	0	0	0	0	0	0	1,338,442	0	0	476,081
Bond Premium	0	0	0	0	0	0	0	0	975,374	91,759
Payments to Escrow Agents	0	0	0	0	0	0	0	(4,916,772)	(5,075,000)	(8,511,067)
Transfers In	2,840,727	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
Transfers Out	(2,840,727)	(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)
Total Other Fin. Sources	**3,191,400**	**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**
Net Change in Fund Balance Before Extraordinary Items	3,927,397	266,194	4,682,806	8,765,721	1,212,757	618,908	287,820	(4,181,656)	21,761,159	(2,320,390)
Extraordinary Items	0	0	0	0	0	0	0	0	(25,000,000)	(6,000,000)
Net Change in Fund Balance	**$3,927,397**	**$266,194**	**$4,682,806**	**$8,765,721**	**$1,212,757**	**$618,908**	**$287,820**	**($4,181,656)**	**($3,238,841)**	**($8,320,390)**

(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	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget
City Council	$126,290	$128,060	$124,820	$120,680	$120,720	$134,290	**$140,180**
City Management	604,440	653,610	721,450	730,470	779,370	802,400	**862,030**
City Clerk	612,090	644,200	823,510	807,950	940,690	903,540	**978,770**
Facilities Maintenance	1,133,050	1,122,270	1,225,680	1,303,160	1,341,170	1,571,360	**1,627,260**
Assessing	620,870	599,830	681,760	717,560	1,087,380	925,500	**784,900**
Financial Services	1,084,610	1,040,850	981,620	1,025,590	1,075,920	1,132,600	**1,211,180**
Purchasing	275,680	262,310	288,440	297,190	316,250	323,960	**342,040**
Treasury	587,820	621,860	665,440	646,070	666,630	715,750	**766,670**
Act 78 - Civil Service Commission	23,620	26,200	8,750	26,190	11,930	27,820	**18,720**
Building Authority	880	460	380	510	380	400	**400**
General Employees Pension Board	501,680	440,120	399,740	514,610	576,680	638,840	**688,560**
Legal	707,010	697,660	663,460	576,740	656,150	680,000	**725,000**
Total City Administration Dept.	**6,278,040**	**6,237,430**	**6,585,050**	**6,766,720**	**7,573,270**	**7,856,460**	**8,145,710**
Parks & Recreation	1,943,030	2,030,270	2,161,920	2,165,260	2,195,030	2,317,180	**2,388,540**
Total Parks & Recreation Dept.	**1,943,030**	**2,030,270**	**2,161,920**	**2,165,260**	**2,195,030**	**2,317,180**	**2,388,540**
Office of the Police Chief	2,242,930	2,141,550	2,394,110	2,484,860	3,940,350	4,257,100	**2,955,520**
Police Enforcement Services	10,717,290	12,310,680	14,303,650	16,051,110	15,168,690	14,477,610	**15,488,080**
Police Investigative Services	3,943,330	3,526,330	4,058,990	1,783,260	2,694,650	3,226,750	**4,931,070**
Police Support Services	2,567,410	955,080	1,083,020	2,756,790	2,896,830	3,053,970	**3,242,780**
Total Police Department	**19,470,960**	**18,933,640**	**21,839,770**	**23,076,020**	**24,700,520**	**25,015,430**	**26,617,450**
Fire Administration	812,330	852,710	1,084,110	1,053,610	1,081,970	1,103,300	**1,168,480**
Fire Extinguishment	9,346,350	8,565,100	10,045,670	10,759,740	11,494,370	11,813,840	**12,647,390**
Fire Prevention	757,010	730,280	887,760	890,180	1,069,310	979,660	**1,043,770**
Emergency Management	85,310	86,680	122,740	190,070	192,530	110,780	**114,150**
Total Fire Department	**11,001,000**	**10,234,770**	**12,140,280**	**12,893,600**	**13,838,180**	**14,007,580**	**14,973,790**
Building	1,223,590	1,185,210	1,267,100	1,396,070	1,904,890	2,005,110	**2,092,740**
Economic Development	0	0	0	0	0	0	**133,540**
Planning	687,060	764,350	871,560	822,880	339,640	350,390	**358,080**
Public Services	219,210	271,720	292,120	334,110	384,870	423,640	**273,260**
Planning Commission	14,120	17,730	16,440	12,930	8,280	14,970	**12,240**
Zoning Board of Appeals	12,740	14,130	11,380	9,120	8,110	9,300	**8,670**
Total City Development Dept.	**2,156,720**	**2,253,140**	**2,458,600**	**2,575,110**	**2,645,790**	**2,803,410**	**2,878,530**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Budget	2006/07 Budget
Engineering	1,606,180	1,540,590	1,738,620	1,793,290	1,829,900	1,938,460	1,811,220
Fleet Maintenance	1,984,790	1,789,670	1,767,860	1,880,350	2,231,510	2,096,110	2,296,380
Parks & Grounds Maintenance	1,141,570	1,177,940	1,254,140	1,256,910	1,287,290	1,331,540	1,328,960
Public Works Center	396,720	428,560	457,530	458,060	507,670	481,290	524,150
Street Services	1,421,320	1,408,460	1,441,110	1,640,170	1,850,310	1,840,300	1,874,530
Total Public Works Department	**6,550,580**	**6,345,220**	**6,659,260**	**7,028,780**	**7,706,680**	**7,687,700**	**7,835,240**
Refuse Collection	4,034,120	4,373,220	4,658,800	4,659,240	4,853,150	4,421,020	4,253,420
Total Refuse Collection	**4,034,120**	**4,373,220**	**4,658,800**	**4,659,240**	**4,853,150**	**4,421,020**	**4,253,420**
Library	2,089,750	2,167,890	2,283,950	2,386,450	2,471,890	2,577,990	2,692,810
Historical Commission	2,430	2,260	1,940	1,330	2,190	1,420	1,360
Total Public Library Department	**2,092,180**	**2,170,150**	**2,285,890**	**2,387,780**	**2,474,080**	**2,579,410**	**2,694,170**
Community Relations	1,171,110	1,121,750	1,220,980	1,244,000	1,386,740	1,473,930	1,489,260
Information Technology	813,010	732,390	785,560	868,970	883,050	959,000	1,029,990
Beautification Commission	1,760	4,960	3,270	3,130	2,160	2,640	2,490
Cultural Commission	14,690	13,580	11,380	14,100	330	350	350
Telecommunications Commission	4,580	4,930	4,730	4,030	4,360	4,700	4,650
Total Comm. & Info. Services Dept.	**2,005,150**	**1,877,610**	**2,025,920**	**2,134,230**	**2,276,640**	**2,440,620**	**2,526,740**
41-A District Court	2,131,090	2,113,290	2,173,820	2,342,220	2,472,160	2,612,710	2,861,380
General Expenditures	2,443,370	2,527,590	2,665,340	2,825,010	2,639,270	3,346,140	3,468,360
Transfers Out	7,268,040	8,652,420	5,414,890	2,752,040	2,360,090	4,127,270	4,318,120
Total Expenditures & Uses	**67,374,280**	**67,748,750**	**71,069,540**	**71,606,010**	**75,734,860**	**79,214,930**	**82,961,450**
Extraordinary Items	0	0	0	25,368,270	6,000,000	0	0
Total General Fund Expenditures	**$67,374,280**	**$67,748,750**	**$71,069,540**	**$96,974,280**	**$81,734,860**	**$79,214,930**	**$82,961,450**

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
1996	601,482	10,660,411	52,461,057	20.32%
1997	1,154,870	11,983,898	55,874,556	21.45%
1998	613,308	14,482,786	59,074,524	24.52%
1999	581,251	16,687,536	60,994,024	27.36%
2000	617,242	14,915,455	62,928,897	23.70%
2001	528,424	15,923,759	67,374,288	23.63%
2002	489,404	17,346,558	70,500,575	24.60%
2003	580,930	17,641,156	71,069,534	24.82%
2004	593,593	19,057,927	71,974,280	26.48%
2005	655,400	13,345,638	75,734,862	17.62%

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)
1996	2,416,553,250	667,898,800	3,084,452,050	50%
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 (1)	4,195,815,400	949,766,100	5,145,581,500	50%

(1) The 2006 figures reflect estimated assessed values. The values will only change for MTT, STC and/or Board of Review adjustments. These estimates have been included to facilitate continuing disclosure reporting.

(2) All Taxable Values reflect the year in which tax revenue streams were generated. For example, the 1995 TVs (stated above in the 1996 row) were used to generate tax revenue for the year ended June 30, 1996. Subsequently, the values above are actually the prior years' Taxable Values.

(3) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

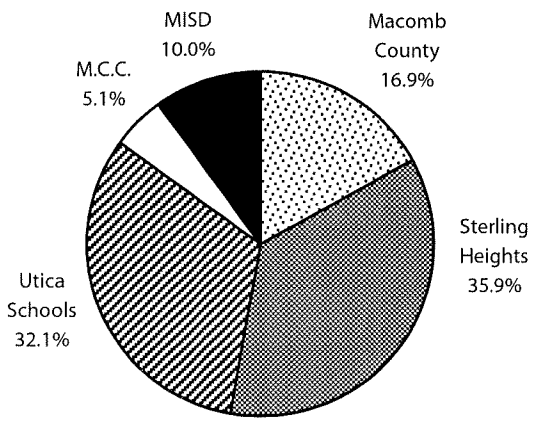
HOMESTEAD PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF TAXABLE VALUATION)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
City of Sterling Heights										
Operating (1)	8.07170	8.20702	8.60204	8.47965	8.26879	8.08550	8.43430	8.29230	8.19630	**8.09570**
Refuse	1.16988	1.13469	1.03121	1.00665	1.04657	1.07470	1.04670	1.05870	1.06960	**1.10550**
Police & Fire Pension	1.27194	1.34207	0.96462	0.70797	0.56364	0.56070	0.37610	0.62400	0.78090	**0.89050**
Public Improvements	0.76223	0.62920	0.66067	0.73343	0.79958	0.78840	0.48590	0.32860	0.24160	**0.23170**
Drain	0.33970	0.27702	0.21146	0.29230	0.29142	0.21070	0.30700	0.32640	0.33660	**0.30160**
Total	**11.61545**	**11.59000**	**11.47000**	**11.22000**	**10.97000**	**10.72000**	**10.65000**	**10.63000**	**10.62500**	**10.62500**
Overlapping Governments										
Macomb County	4.21100	4.20900	4.20800	4.20800	4.20800	4.20700	4.20600	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	10.41760	10.01060	9.82660	9.77760	9.34560	8.81630	8.89710	10.96260	10.68060	**10.04260**
State Education	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	5.00000	**6.00000**
Macomb Comm. College	1.67570	1.64570	1.65390	1.61340	1.58400	1.51400	1.67070	1.69250	1.58590	**1.50020**
M.I.S.D.	2.03670	2.03670	2.03670	2.03630	2.02100	2.02100	2.00330	2.98630	2.97290	**2.96150**
Huron/Clinton Metro Auth.	0.22360	0.22360	0.22360	0.22350	0.22180	0.22020	0.22020	0.21700	0.21610	**0.21540**
S.M.A.R.T.	0.33000	0.33000	0.33000	0.32990	0.32730	0.32730	0.32730	0.60000	0.59730	**0.59490**
Total Utica Schools (2)	**29.59245**	**29.53500**	**29.42220**	**29.13110**	**28.83210**	**28.50950**	**28.57750**	**29.83160**	**28.70300**	**29.60280**
Total Warren Schools (2)	**36.51005**	**36.04560**	**35.74880**	**35.40870**	**34.67770**	**33.82580**	**33.97460**	**37.29420**	**35.88360**	**36.14540**

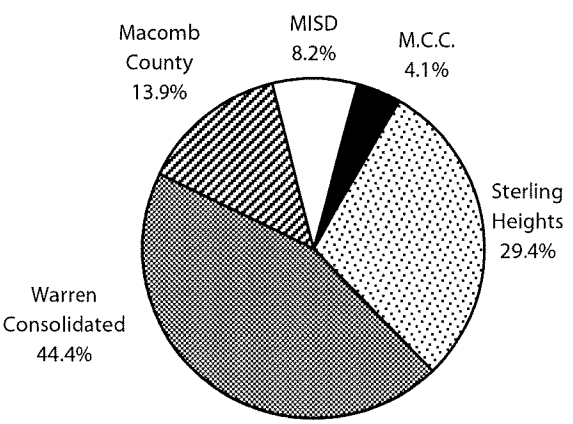
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2005.

City of Sterling Heights
2004/05 Distribution of Homestead Taxes Paid



Utica Community Schools

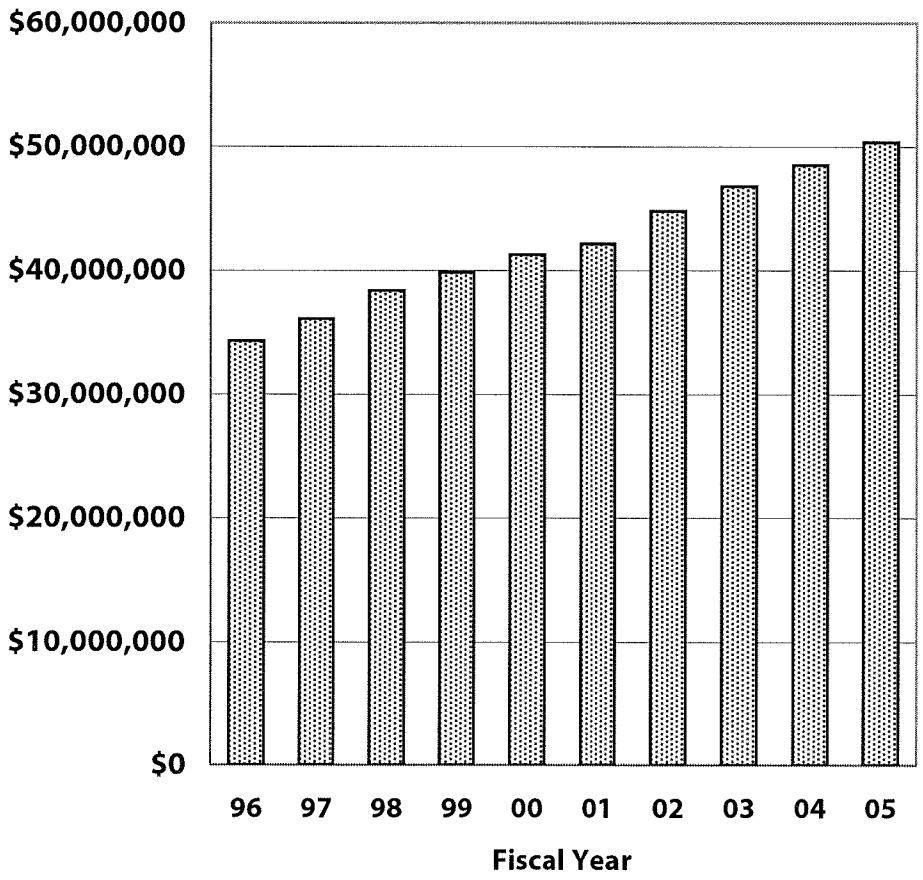


Warren Consolidated Schools

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	
1996	23,846,097	3,456,158	3,757,672	31,059,927	1,001,513	2,246,656	3,248,169	**34,308,096**
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**

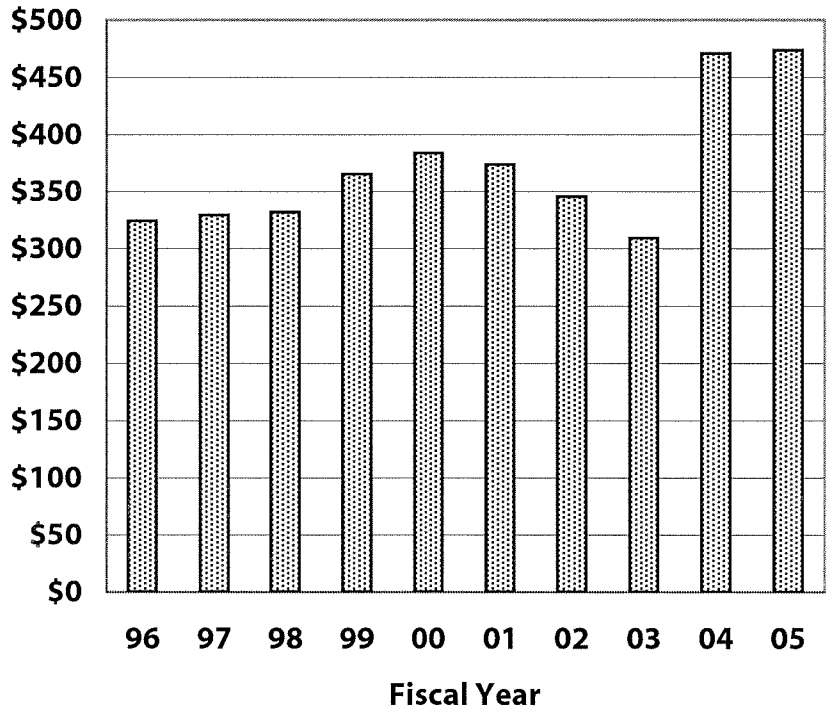
Property Tax Revenue



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				
1996	16,384,650	13,760,000	946,550	7,995,850	423,450	39,510,500	N/A	121,880	**324.18**
1997	17,792,430	13,150,000	1,840,000	7,329,854	177,600	40,289,884	N/A	122,380	**329.22**
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	1.90%	128,026	**473.77**

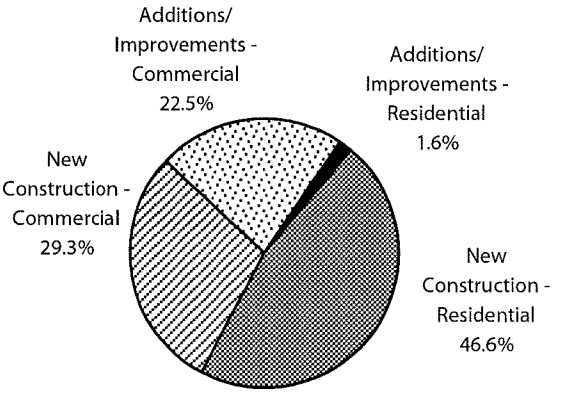
Outstanding Debt Per Capita



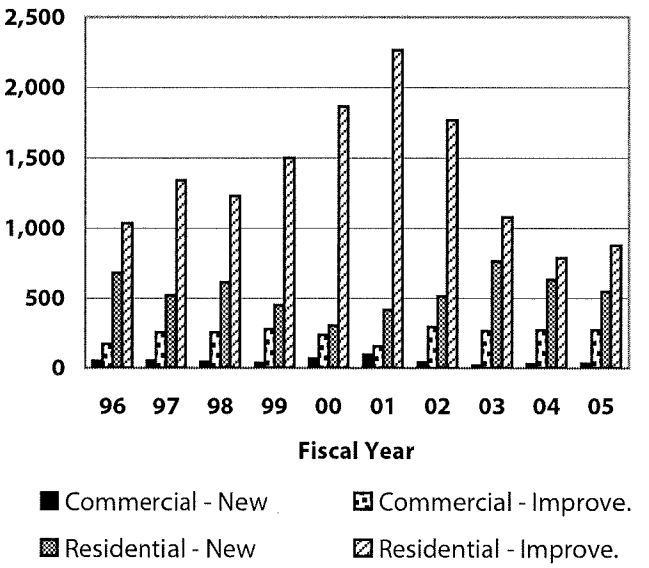
BUILDING PERMITS AT MARKET VALUE
LAST TEN FISCAL YEARS

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	
1996	680	67,433,435	1,034	3,911,022	71,344,457	50	41,871,378	171	26,378,603	68,249,981
1997	519	52,033,967	1,341	4,680,091	56,714,058	53	42,132,080	255	16,897,874	59,029,954
1998	613	70,925,657	1,229	5,018,127	75,943,784	43	28,833,159	255	21,239,729	50,072,888
1999	450	55,025,833	1,499	5,170,833	60,196,666	36	39,098,478	277	22,097,699	61,196,177
2000	304	38,156,806	1,864	6,261,197	44,418,003	68	31,976,338	237	28,031,281	60,007,619
2001	414	63,789,140	2,266	9,055,033	72,844,173	96	40,493,780	156	20,199,408	60,693,188
2002	513	51,306,550	1,766	2,737,615	54,044,165	42	25,736,795	295	16,143,812	41,880,607
2003	763	76,609,958	1,078	3,017,213	79,627,171	19	17,228,169	265	18,095,804	35,323,973
2004	631	59,756,113	787	2,218,100	61,974,213	29	28,123,162	272	59,264,545	87,387,707
2005	546	54,325,044	876	1,830,299	56,155,343	31	34,143,253	271	26,257,489	60,400,742

Market Value of 2005 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					
2000	124,471 (2)	37	84.0%	23.0%	24,958	3,106,547	45,594	53,977	2.5%
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	N/A	5.6%

Sources:

(1) City of Sterling Heights

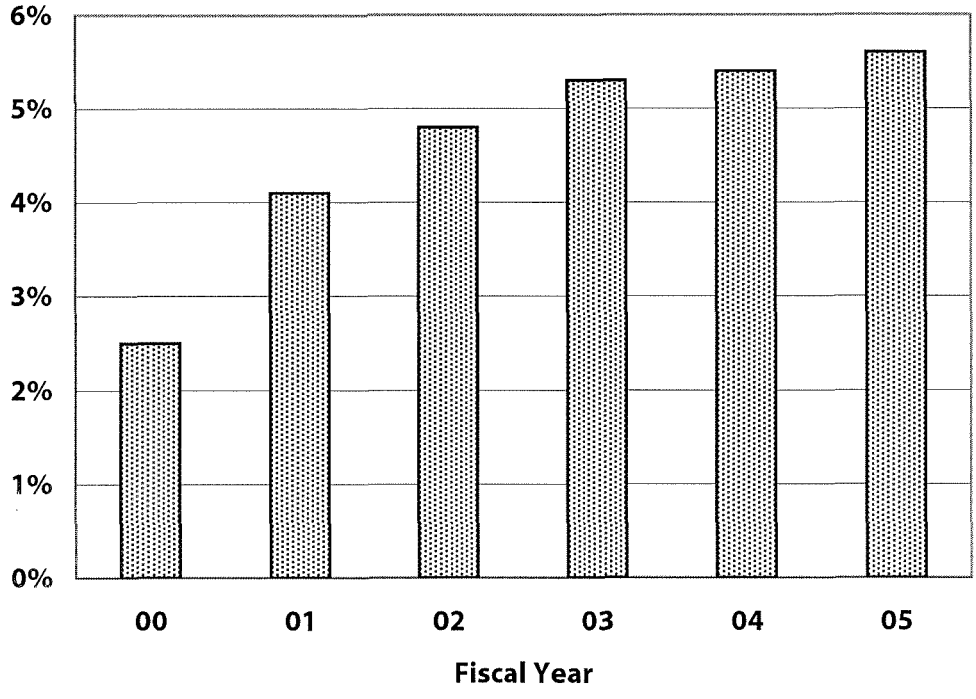
(2) United States Census Bureau - 2000 Census (last reported)

(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



2006/07 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2004/05 Actual	2005/06 Budget	2005/06 To 12/31	2005/06 Estimate	2006/07 Budget
	Supplies					
729.000	Postage	$473	$600	$234	$400	$450
730.000	Publications	73	400	0	400	350
751.000	Operating Supplies	113	300	183	300	300
758.000	Computer Software	0	900	0	450	500
	Total Supplies	659	2,200	417	1,550	1,600
	Other Charges					
802.000	Audit & Accounting Services	19,021	15,000	7,306	14,600	14,000
806.000	Legal Services	9,952	15,000	3,131	6,300	10,000
807.000	Medical Services	0	1,000	0	0	1,000
826.000	Other Contracted Services	976,601	963,000	504,341	1,008,700	1,038,800
903.000	Printing	0	200	0	200	200
922.000	Telephone	332	400	170	350	350
956.000	Local Meetings	17	200	45	100	200
957.000	Memberships & Dues	150	200	150	150	150
959.000	Education & Training	7,954	19,000	956	10,900	19,000
	Total Other Charges	1,014,027	1,014,000	516,099	1,041,300	1,083,700
	Capital Outlay					
979.000	Computer Equipment	0	1,000	0	0	1,000
	Total Capital Outlay	0	1,000	0	0	1,000
	Total Activity	**$1,014,686**	**$1,017,200**	**$516,516**	**$1,042,850**	**$1,086,300**

NOTE: The "2004/05 Actual" & "2005/06 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	06/30/06	131
Sterling Heights Police Command Officers	06/30/07	38
AFSCME Local 1884, Council 25	06/30/06	23
UAW Supervisory Employees Unit 41, Local 412	06/30/06	23
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	5
Non-Union Employees		
Ordinance Employees	N/A	1
41-A District Court Judges	N/A	3
41-A District Court Administration	N/A	10

Population [1]

Total Population	124,471
Gender	
Male	60,970
Female	63,501
Age	
Under 5 years	7,729
5 to 9 years	8,326
10 to 14 years	8,758
15 to 19 years	8,153
20 to 24 years	7,595
25 to 34 years	17,786
35 to 44 years	20,087
45 to 54 years	18,621
55 to 59 years	7,462
60 to 64 years	5,316
65 to 74 years	7,266
75 to 84 years	5,398
85 years and older	1,974
Racial Makeup	
White	112,899
African American	1,614
American Indian & Alaska Native	260
Asian	6,123
Native Hawaiian & Other Pacific Islander	45
Other Race	418
Two or more races	3,112

Housing

Median Housing Value	$191,800
Total Housing Units	50,836
Houses	33,592
Condominiums	6,479
Apartments	9,072
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	286
Estimated Sidewalks in Miles	566
Bridges	11
Street Lights	2,472

Police Protection

Group A offenses [2]	6,474
Group B offenses [3]	4,170
Injury Accidents	862
Property Damage	3,669
Private Property Damage	1,439
Total Traffic Violations	26,972
Civil Infractions	23,627
Parking Violations	1,713
Adult Arrests	2,406
Juvenile Arrests	183
OUIL Arrests	361

Fire Protection

Stations	5
Emergency Alarms Answered	9,292
Medical Emergencies	6,719
Fire Inspections Conducted	3,832
Inspection Violations Issued	3,697
Training Hours Completed	35,809

41-A District Court

Cases Handled:	
Civil	2,709
Criminal	3,994
Traffic	25,338
Landlord & Tenant	2,203
Small Claims	513

Election Data

Registered Voters	83,461
Voters at Polls	45,608
Absentee Ballots	14,801
Percent Voting	72.38%

Parks & Recreation

Acres	820
Developed Parks	28
Adult Athletics Attendance	15,825
Youth Athletics Attendance	53,325
Instructional Swim Attendance	9,592
Instructional Rec. Attendance	24,970
Nature Program Attendance	29,362
Senior Program Attendance	111,020
Special Event Attendance	71,930
Summer Playground Attendance	11,646
Special Rec. Program Attendance	15,895

Library

Registered Borrowers	57,050
Book Collections	186,992
Other Collections [4]	24,622
Items Circulated	641,730
Reference Transactions	141,056
Program Attendance	22,780
Library Visits	388,706
Interlibrary Loan Requests	99,078
Book Van Deliveries	12,844
Online Computer Users	441,111

Water & Sewer Services

Customers:	
Residential	34,535
Commercial/Industrial	4,185
Miles of Water Mains	563
Miles of Sanitary Sewers	424
Fire Hydrants	6,932
Water (in thousand cubic feet):	
Purchased from Detroit	867,931
Sold to Resident	811,252
Rates:	
1,000 Cubic Feet (water and sewer)	$25.42
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. 382

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 2006/07; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2006/07; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2006/07.

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, 2006 through June 30, 2007. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2006/07.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
General Ad Valorem Tax	$46,592,670	
Licenses and Permits	2,291,600	
State and Local Returns	11,835,680	
Fines and Forfeitures	2,765,850	
Charges for Services	8,284,600	
Other Revenue	2,946,630	
Cable Revenue	1,320,000	
Total General Revenue		76,037,030
Refuse Tax	4,210,420	
Fire & Police Pension Tax	2,646,450	
Total Refuse and Pension Tax		6,856,870
Total Revenues		82,893,900
OTHER FINANCING SOURCES		
Transfers In	91,780	
Total Other Financing Sources		91,780
Total Revenues & Other Financing Sources		**$82,985,680**

and does hereby designate $46,422,670 to be raised by 8.9776 mills tax levied for General Purposes on the assessed valuation of all real and personal property subject to taxation in the City,

and does hereby designate $2,646,450 to be raised by 0.5118 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 $4,210,420 to be raised by 0.8142 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	$8,145,710	
Parks & Recreation Department	2,388,540	
Police Department	26,617,450	
Fire Department	14,973,790	
City Development Department	2,878,530	
Public Works Department	7,835,240	
Refuse Collection	4,253,420	
Public Library Department	2,694,170	
Community & Information Services Department	2,526,740	
41-A District Court	2,861,380	
General Expenditures	~~3,444,610~~	3,468,360
Contribution to Fund Balance	~~47,980~~	24,230
Total Expenditures		78,667,560
OTHER FINANCING USES		
Transfers Out	4,318,120	
Total Other Financing Uses		4,318,120
Total General Fund		**$82,985,680**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES		
Operating Revenues	$27,877,620	
Total Operating Revenues		**$27,877,620**
OPERATING EXPENSES		
Administration	$3,255,820	
Water Distribution	11,580,390	
Sewage Collection	13,041,300	
Contribution to Retained Earnings	110	
Total Water & Sewer Operating Fund		**$27,877,620**

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, 2006.

WATER RATES

Consumption Charges Per Billing Period	Rate Per Thousand Cubic Ft.
First 3,000 cubic feet or less	$12.31
All over 3,000 cubic feet	13.17

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	$16.33

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 $25.00 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	$163,240	
State Sources	5,350,000	
Other Revenue	270,000	
Total Revenues		5,783,240

OTHER FINANCING SOURCES		
Transfer from General Fund	1,100,000	
Total Other Financing Sources		1,100,000
Total Revenues & Other Financing Sources		**$6,883,240**
EXPENDITURES & OTHER FINANCING USES		
EXPENDITURES		
Administration Expenses	$108,700	
Major Street Maintenance	1,739,500	
Major Street Improvements	1,046,000	
Contribution to Fund Balance	789,040	
Total Expenditures		3,683,240
OTHER FINANCING USES		
Transfer to Local Road Fund	1,000,000	
Transfer to Road Bond Debt Retirement Fund	2,200,000	
Total Other Financing Uses		3,200,000
Total Major Road Fund		**$6,883,240**

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES		
REVENUES		
Federal Grants	$0	
State Sources	1,995,000	
Charges for Services	80,000	
Other Revenue	75,000	
Total Revenues		2,150,000
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		**$3,725,000**
EXPENDITURES & OTHER FINANCING USES		
EXPENDITURES		
Administration Expenses	$149,700	
Local Street Maintenance	1,870,500	
Local Street Improvements	1,400,000	
Contribution to Fund Balance	304,800	
Total Expenditures		3,725,000
OTHER FINANCING USES		
Transfer to Road Bond Debt Retirement Fund	0	
Total Other Financing Uses		0
Total Local Road Fund		**$3,725,000**

Sec. 2.05

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$2,400	
Other Revenue	300	
Total Revenues		2,700
OTHER FINANCING SOURCES		
Transfer from General Fund	8,000	
Total Other Financing Sources		8,000
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	$13,840	
Property Taxes	33,170	
Other Revenue	600	
Total Revenues		47,610
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$47,610**
EXPENDITURES		
Miscellaneous	$47,610	
Total Brownfield Redevelopment Authority Fund		**$47,610**

Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES		
Community Development Block Grant	$702,700	
Total Revenues		**$702,700**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Administrative Expenses	$14,220	
Books	10,000	
Senior Citizens Home Chore Program	25,000	
Single Parent Education Program	25,210	
Housing Rehabilitation Program	82,300	
Contributions to Non-Profit Organizations	20,190	
Capital Improvements	434,000	
Total Expenditures		610,920
OTHER FINANCING USES		
Transfer to General Fund	91,780	
Total Other Financing Uses		91,780
Total Community Development Block Grant Fund		**$702,700**

Sec. 2.08

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Federal & State Sources	$16,000	
Other Revenue	205,000	
Total Revenues		221,000
OTHER FINANCING SOURCES		
Transfer from General Fund	74,400	
Total Other Financing Sources		74,400
Total Revenues & Other Financing Sources		**$295,400**
EXPENDITURES		
Land Improvements	$86,400	
Contribution to Fund Balance	209,000	
Total Land & Water Conservation Fund		**$295,400**

Sec. 2.09

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES		
Fund Balance	$225,560	
Federal Forfeitures	0	
State Forfeitures	0	
Interest Income	0	
Total Revenues		**$225,560**
EXPENDITURES		
Federal Forfeiture Expenditures	$143,060	
State Forfeiture Expenditures	82,500	
Total Public Safety Forfeiture Fund		**$225,560**

Sec. 2.10

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. 2.11

R, S & T DEBT SERVICE FUND:

REVENUES		
Delinquents & Penalties	$3,000	
Other Revenue	2,500	
Proposal R Levy	969,540	
Total Revenues		**$975,040**

and does hereby designate $969,540 to be raised by 0.1875 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	$975,040	
Total R, S & T Debt Service Fund		**$975,040**

Sec. 2.12

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$148,170	
Other Revenue	10,000	
Total Revenues		158,170
OTHER FINANCING SOURCES		
Transfer from Major Road Fund	2,200,000	
Total Other Financing Sources		2,200,000
Total Revenues & Other Financing Sources		**$2,358,170**
EXPENDITURES		
Principal	$1,730,000	
Interest	626,670	
Other Fees	1,500	
Total Road Bond Debt Retirement Fund		**$2,358,170**

Sec. 2.13

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$3,060	
Other Revenue	1,000	
Total Revenues		4,060
OTHER FINANCING SOURCES		
Transfer from General Fund	960,000	
Total Other Financing Sources		960,000
Total Revenues & Other Financing Sources		**$964,060**
EXPENDITURES		
Principal	$755,000	
Interest	208,110	
Other Fees	950	
Total Limited Tax General Obligation Debt Fund		**$964,060**

Sec. 2.14

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$25,000	
Required Drain-at-Large Levy	1,209,530	
Delinquents & Penalties	5,000	
Other Revenue	16,000	
Total Revenues		1,255,530
OTHER FINANCING SOURCES		
Bond Proceeds – Refunding	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$1,255,530**

and does hereby designate $1,209,530 to be raised by 0.2339 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	$4,650	
Principal	905,000	
Interest	345,880	
Total Drain Fund		**$1,255,530**

Sec. 2.15

SETTLEMENT BONDS DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$10,550	
Other Revenue	14,000	
Total Revenue		24,550
OTHER FINANCING SOURCES		
Transfer from Capital Projects Fund	1,320,000	
Transfer from Self-Insurance Fund	600,000	
Total Other Financing Sources		1,920,000
Total Revenues & Other Financing Sources		**$1,944,550**
EXPENDITURES		
Other Charges	$250	
Principal	830,000	
Interest	1,114,300	
Total Settlement Bonds Debt Fund		**$1,944,550**

Sec. 2.16

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$1,764,960	
Other Revenue	769,840	
Penalties & Interest	2,500	
Total Revenues		2,537,300
OTHER FINANCING SOURCES		
Transfer from General Fund	1,600,720	
Proceeds from Long-Term Debt	3,301,400	
Total Other Financing Sources		4,902,120
Total Revenues & Other Financing Sources		**$7,439,420**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Capital Equipment	$1,870,120	
Capital Vehicles	707,000	
Capital Projects	3,542,300	
Total Expenditures		6,119,420
OTHER FINANCING USES		
Transfer to Settlement Bonds Debt Fund	1,320,000	
Total Other Financing Uses		1,320,000
Total Capital Projects Fund		**$7,439,420**

Sec. 2.17

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$410,200	
Other Revenue	15,000	
Total Revenues		425,200
OTHER FINANCING SOURCES		
Proceeds from Long-Term Debt	4,600,000	
Total Other Financing Sources		4,600,000
Total Revenues & Other Financing Sources		**$5,025,200**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Construction	$5,025,200	
Total Expenditures		5,025,200
OTHER FINANCING USES		
Transfer to Local Road Fund	0	
Total Other Financing Uses		0
Total Road Bond Construction Fund		**$5,025,200**

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, 2006 through June 30, 2007. 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	425.00
Lot Combinations	325.00
Processing Labels (per page)	0.95
Resident Field Sheet Fee	1.00
Apartment Listing (Names/Sidwells/Assessments)	40.00
Shopping Center List	40.00
Section or Subdivision Listing (per page)	0.65
Assessing, Board of Review, & Sales Information (first page)	1.60
Additional Pages	0.30
Plat Map	100.00
Custom Assessment Information Report	25.00
Speculative Building Designation Filing Fee	425.00
Project Extension Application Fee	425.00
Project Cost Revision Application Fee	425.00

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	32,450.00
7 Person	34,700.00
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, 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

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:
    Types A & B ..... 765.00 + 50.00 per device
        Renewal Fee ..... 154.00 + 25.00 per device
    Type C 765.00
        Renewal Fee 154.00
Attorney Services ..... Attorney fees & costs
Auction License 39.00
Business Registry License 36.00
Carnival/Festival License ..... 60.00 + 5.00 each booth, ride, etc.
Cigarette Vending Machine License ..... 52.00 + 5.00 each additional machine
Death and Birth Certificate 17.00
    Additional Copies 6.50
Dog License
    Prior to April 1 (all dogs) 5.20
    April 1 to October 31 (dog) 7.20
    April 1 to October 31 (puppy) 5.20
    November 1 to December 31 (all dogs) 4.20
Replacement Dog Tag 1.60
Going Out of Business License 132.00
House Moving License 60.00
Industrial Development District Filing Fee 1,000.00
Industrial Facilities Exemption Certificate Filing Fee 1,500.00
Industrial Facilities Exemption Certificate Transfer Fee 1,000.00
Junk Yard License 60.00
Mobile Vending License 150.00
Passport Processing Fee 30.00
Refuse Collection License ..... 79.00 + 5.00 each truck

Snow Removal License 153.00
Solicitor/Peddler License 100.00
Taxi License (annual fee) ..... 77.00 + 10.00 per vehicle
Temporary Use Vendor License 39.00
Massage Establishment License 520.00
    Each Massologist 218.00
    Renewal Fee Massage Establishment License 260.00
    Renewal Fee Each Massologist 44.00
Precinct Map 6.20
City Street Map 3.90
Zoning Map 5.00
City Budget 42.00
Risk Management Report 23.00
Municipal Improvement Program 23.00
City Financial Audit 23.00
Election Results 7.60
Voter and Business Registry Labels (per page) 0.95
Voter and Business Registry Lists (per computer hour) ..... Payroll + 0.05/page
Magnetic Voter Tape 91.00
    with own tape 57.00
Voter Data Diskette 20.00
Liquor License: Class C 1,640.00
    Tavern 1,640.00
    SDD & SDM 1,640.00
    Entertainment and/or Dance Permit 1,640.00
    Extended Hours Permit 1,640.00
    Shareholder Partial Transfer 820.00
    Temporary Liquor License Application Fee 25.00
Hotel/Motel License 1,640.00
    Renewal Fee Hotel/Motel License 820.00
Certifications 4.00
Photo Copies 1.60
    Additional Pages 0.30
Microfilm Copies (per page) 4.40
Recording Fee (formerly Encroachment Fee) 40.00
Notary Fee 4.00
Audio Tape Recordings (prepay minimum) 14.00
Fireworks Display Permit 560.00
Close Proximity Pyrotechnic Display Permit 560.00
Sterlingfest Art Fair Applications 175.00
    Corner Booth Additional Charge 25.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable) 10.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors 525.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs 1,000.00
Tape Dubs 27.00
Gazebo Rental (per event) 28.00
Upton House Rental – Per 2 Hour Rental 28.00
Sports Programming Sponsorship Fees:
    One Quarter (Football) 75.00
    One Half (Football/Basketball/Soccer) 100.00
    One Inning (Baseball/Softball) 25.00
    Entire Game 150.00
General Programming Sponsorship Fees:
    Half-hour Program 75.00
    One-hour Program 125.00
Employee I.D. Badge/Key Fob Replacement Fee (Second and Subsequent Replacements) 5.00
Environmental Recovery Fee ..... Cost + 25% Administrative Fee

Sec. 3.04

ECONOMIC DEVELOPMENT OFFICE:

Brownfield Application Fee ..... 320.00 + Attorney Fee + 25%

Sec. 3.05

ENGINEERING OFFICE:

Review Fees:
- Site Plan ..... 338.00+57 per acre + 1.3% of site improvement costs
- Multiple Developments ..... 338.00 + 57 per acre + 1.3% of site improvement costs
- Cluster Developments ..... 338.00 + 57 per acre + 1.3% of site improvement costs
- Site Condominiums ..... 338.00 + 57 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 525.00

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 +190.00

Easement Encroachments 210.00

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 55.00
- 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%

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) ..... 33.00 each
- Planimetric Map 36" x 36" (blueline) ..... 16.00 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) ..... 39.00 each

Master Watermain Plan (book form) ..... 29.00 each
Master Sanitary Sewer Plan (book form) ..... 29.00 each
Master Road Plan (book form) 1998 HRC ..... 39.00 each

Municipal Civil Infraction:
First and Subsequent Repeat Offenses 750.00

* 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 7.35
Additional Pages 1.05
Photo Prints: (12, 24, or 36 exposures) ..... Print costs + 25% administrative fee
Digital Photographs:
5" x 7" Color Print 23.00
8" x 10" Color Print 23.00
8" x 10" Contact Sheet 23.00
Compact Disc 12.00
Burning Permit 155.00
Fireworks Sales Permit 560.00
Fireworks Display Permit 560.00
Close Proximity Pyrotechnic Display Permit 560.00
Board of Code Appeals 190.00
Special Events Fee
Temporary Special Amusement Building 210.00
All Other Special Events 140.00
Witnessed Acceptance Test Fee 135.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum) 620.00
Each additional hour 208.00
Reinspection Fee for Witnessed Acceptance Test 135.00
Phase I Site Inspection (1 hour minimum) ..... 49.00+ 26.00 per hour
Special Fire Prevention Inspection 47.00
Special Fire Prevention Reinspection 47.00
Plan Review Fee 77.00
Heart Saver (CPR) Program Fee 37.00
False Alarm Fees: (within a 12 month period)
First Response ..... No Fee
Second Response 105.00
Third Response 260.00
Fourth and Subsequent Responses 525.00

Sec. 3.07

PARKS & RECREATION:

Pavilion Rental:
Weekday (Resident) 50.00
(Non-Resident) 65.00
Weekend (Resident) 70.00
(Non-Resident) 95.00
Nature Center Classes:
School Field Trips (Sterling Heights Schools) ..... No fee
(Non-Sterling Heights Schools - per class) 27.00
Children's Nature Classes (Resident) 3.00
(Non-Resident) 4.00

Scout Badge Classes (Resident) 4.00
(Non-Resident) 5.00

Parent & Tot Classes:
1 Child Per Family (Resident) 39.00
(Non-Resident) 46.00
2 Children Per Family (Resident) 44.00
(Non-Resident) 54.00

Summer Playground:
Resident 47.00
Non-Resident 67.00
Field Trip Bus Fee (Per Person) 4.00

Instructional Swim Classes:
Resident 49.00
Non-Resident 59.00

Tennis Classes:
Resident 39.00
Non-Resident 46.00

Tennis League:
Resident 13.00
Non-Resident 15.00

Tennis Tournament:
Singles (Adult) 14.00
(Youth) 12.00
Doubles (Adult) 24.00
(Youth) 20.00

Three Mile Run:
Pre-Registered 16 years old and younger (Resident) 12.00
(Non-Resident) 15.00
Pre-Registered 17 years old and older (Resident) 14.00
(Non-Resident) 17.00
Race Day Registration ..... Add $1 fee to above

Golf Tournament:
Adult (Resident) 14.00
(Non-Resident) 17.00
Youth (Resident) 8.00
(Non-Resident) 11.00

Golf League:
Resident 36.00
Non-Resident 43.00

Special Recreation Dances:
Pre-Registered (Resident) 5.00
(Non-Resident) 6.00
Registration at the Door (Resident) 6.00
(Non-Resident) 7.00
Staff Registration 1.00
Prom Dance – Individual (Resident) 14.00
(Non-Resident) 16.00

Special Recreation Playgrounds:
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident) 125.00
(Non-Resident) 135.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident) 210.00
(Non-Resident) 230.00
Mentally Impaired (M.I.) – Individual (Resident) 125.00
(Non-Resident) 135.00
Mentally Impaired (M.I.) – Family (Resident) 210.00
(Non-Resident) 230.00

Special Recreation:
Rec + Club (Resident) 23.00
(Non-Resident) 25.00
Physically or Otherwise Health Impaired (P.O.H.I.) Teen Club (Resident) 23.00
(Non-Resident) 25.00

Diner's Club (Resident) 23.00
(Non-Resident) 25.00
Early On Parent & Tot 23.00
Socialization Station (Resident) 24.00
(Non-Resident) 26.00
Crafts (Resident) 7.00
(Non-Resident) 8.00
Creative Cooking (Resident) 6.00
(Non-Resident) 7.00
Sports Night (Resident) 34.00
(Non-Resident) 39.00
Sports Training (Resident) 34.00
(Non-Resident) 39.00
Martial Arts (Resident) 140.00
(Non-Resident) 145.00
Line Dance Exercise (Resident) 36.00
(Non-Resident) 43.00
Children's Line Dance (Resident) 24.00
(Non-Resident) 29.00
Wheelchair Basketball (Resident) 34.00
(Non-Resident) 39.00
Softball – Individual (Resident) 49.00
(Non-Resident) 54.00
Softball – Family (Resident) 84.00
(Non-Resident) 94.00

Fitness Classes:
Resident 39.00
Non-Resident 46.00

Ballroom Dance:
Resident 35.00
Non-Resident 40.00

Coffeehouse Tickets:
Advance Tickets 10.00
Subscription 9.00
At the Door Sales 11.00

Co-Ed Volleyball:
Resident 36.00
Non-Resident 43.00

Men's Gym:
Resident 36.00
Non-Resident 43.00

Golf Lessons – Adult:
Resident 50.00
Non-Resident 60.00

Senior Boys Basketball 445.00
Men's Softball 715.00
Co-ed Softball 465.00
Women's Softball 485.00
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) 34.00
(Non-Resident) 41.00
One Hour Class (Resident) 45.00
(Non-Resident) 55.00

Dance:
Fall Session (Resident) 42.00
(Non-Resident) 52.00

Winter/Spring Session (Resident) 68.00
(Non-Resident) 78.00

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 1.00
Painting (Resident) 8.00
(Non-Resident) 9.00
Senior News Subscription (per year) 9.00
Softball Player Fee (Resident) 25.00
(Non-Resident) 30.00
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) 25.00
(Non-Resident) 30.00
Yoga (Resident) 6.00
(Non-Resident) 7.00
Senior Activity Fee - per day (Resident) 0.25
(Non-Resident) 0.50
Parks and Recreation Plan 6.70

Sec. 3.08

PLANNING:

Special Approval Land Use 450.00
Temporary Use 300.00
Administrative Review 200.00
Variances to Subdivision Regulations 330.00
Right-of-Way Vacations 500.00
Rezoning Petition:
First Acre 1,420.00
Additional Acre 55.00
Ordinance Text Amendment 1,420.00
Subdivision Plat 1,120.00
Each lot over 100 lots 7.30
Subdivision Open Space and One-Family Cluster Development 610.00
Tree Preservation – Site Plans and Plats 705.00
Tree Preservation – Single Family Lot (less than one acre) 149.00
Tree Preservation Administrative Fee ..... 25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection) ..... Payroll + 175%
No Tree Affidavit 100.00
Site Plan Review:
First Acre 338.00
Additional Acre 57.00
Site Plan Review by Planning Commission:
First Acre 452.00
Additional Acre 57.00
As Built Revisions 200.00
Master Land Use Report 30.00
Master Land Use Map 10.00
Subdivision Plat Print (per sheet) 10.00

Zoning Board of Appeals:
- Regular Meeting 330.00
- Special Meeting 670.00

Zoning Compliance Letter 50.00
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 7.25
- Additional Pages 1.25

Clearance Letter 12.00
Noncriminal Fingerprint Card 17.00
Photos:
- 8" x 10" Color 23.00
- 5" x 7" Color 23.00
- 8" x 10" Contact Sheet 23.00
- Compact Disc 12.00

Administrative Towing Fees: (Charged to Towing Company)
- Inspection of VIN 15.00
- Reports on TR-52 Tracking 20.00
- Administration and Presence at Auction 400.00

Audio Tape Duplication Fee 34.00
Video Tape, DVD, CD Duplication Fee 37.00
Animal Give-up Fee 23.00
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 25.00
Vehicle Inspection Fee 26.00
False Alarm Fees: (within a 12 month period)
- First Response ..... No fee
- Second Response ..... No fee
- Third Response (Residential) 26.00
- Third Response (Non-Residential) 79.00
- Fourth Response (Residential) 53.00
- Fourth Response (Non-Residential) 158.00
- Fifth and Subsequent Responses (Residential) 105.00
- Fifth and Subsequent Responses (Non-Residential) 315.00

Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:
- Each Violation 75.00
- First Repeat Offense 100.00
- Second or Subsequent Repeat Offenses 125.00

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 75.00
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 80.00
Sewer Tap 890.00
Sewer Capital/Unit:
Residential 670.00
Commercial/Industrial (per 1,000 sq. ft.) 335.00
Sewer Frontage (per front ft.) 56.00
Sewage Disposal Service Only (per billing) 25.00
Residential and Commercial Water Meters:
¾" Remote 320.00
1" Remote 360.00
1 ½" Remote 610.00
2" Compound Remote 1,580.00
3" Compound Remote 2,800.00
4" Compound Remote 3,720.00
6" Compound Remote 5,900.00
Double Check Detector Assembly with Meter:
3" 1,570.00
4" 1,630.00
6" 2,360.00
8" 4,260.00
10" 6,230.00
Water Tap
1" 840.00
1 ½" 1,150.00
2" 1,360.00
3" 2,730.00
4" 2,940.00
6" 3,360.00
Additional Charge for 86 ft. wide street:
1" 250.00
1 ½" 300.00

2" 430.00
Additional Charge for 120 ft. wide street:
1" 540.00
1 ½" 680.00
2" 890.00
Additional Charge for 204 ft. wide street:
1" 1,280.00
1 ½" 1,610.00
2" 2,310.00
Water Capital/Unit:
Residential 520.00
Commercial/Industrial (per 1,000 sq. ft.) 260.00
Water Frontage (per front ft.) 30.00
Water Turn On Fee 40.00
Water Service Abandonment Fee 370.00
Sewer Service Abandonment Fee 80.00
Water Service Re-Use Fee 200.00
Sewer Service Re-Use Fee 80.00
Water Meter Testing Fee 40.00
Water Meter Rescheduling Fee 40.00
Final Water Meter Read 25.00
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 150.00
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 300.00
Planting of tree in right-of-way 165.00
Culvert installation permit 72.00
Ditch enclosure permit 72.00
Monitoring well installation permit 350.00
Sewer connection to discharge treated ground water 350.00
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
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. 3.13

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 School 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%

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

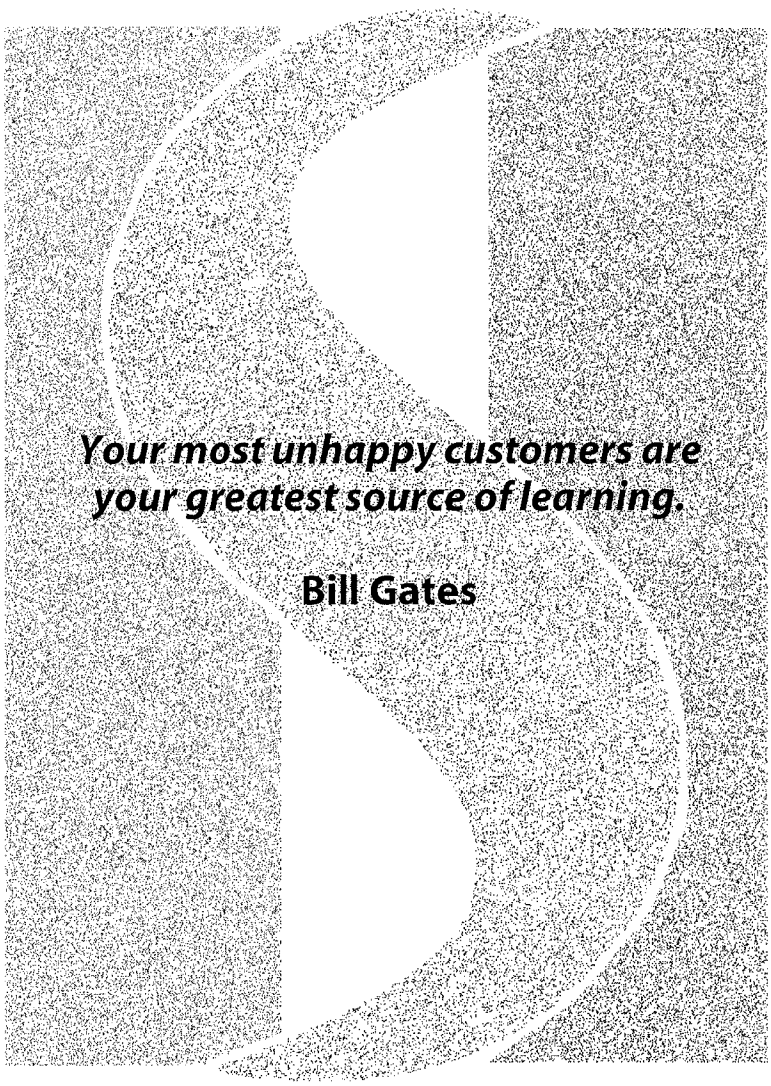
ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2006.

BY ORDER OF CITY COUNCIL

ADOPTED:
PUBLISHED:
EFFECTIVE:


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

Glossary of Key Concepts

A

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BALANCED BUDGET – A budget in which estimated revenues are equal to or greater than estimated expenditures.

BUDGET MESSAGE – A written policy and financial overview of the City as presented by the City Manager.

BUDGETARY CENTER – A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

C

CCW – Carrying of a concealed weapon. Permission for carrying of a concealed weapon is granted through an application process.

CAPITAL OUTLAY – A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than $1,000 to be a capital item.

CAPITAL PROJECTS FUND – A fund to account for the development of municipal capital facilities other than those financed by the Enterprise Fund.

COMPENSATED ABSENCE – An absence for which an employee is paid, such as vacation, holiday, or sick leave.

CONTINGENCY – An estimated amount of funds needed for deficiency, contingent or emergency purposes.

D

DPW – Department of Public Works.

DEBT SERVICE FUND – A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

DEFERMENT – A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

DEFICIT – An excess of liabilities and reserves of a fund over its assets.

DEPARTMENTAL MISSION STATEMENT – A mission statement provides the full range of activities that will be used in the results oriented budget format to link the municipal purpose with the financial resources of the department.

DEPRECIATION – The amount of expense charged against earnings by a company to write off the cost of an asset over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.

E

EFFICIENCY PERFORMANCE INDICATOR – The quantifying of the relationship between input and output.

EFFECTIVENESS PERFORMANCE INDICATOR – The measure of results, accomplishments, or quality of the item or service provided.

ENCUMBRANCE – An anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund.)

EQUALIZATION FACTOR – A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50% of the true cash value of that class.

EXPENDITURE – The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

EXPENDITURE OBJECT – An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other charges, capital outlay, debt service, and transfers out.

F

FOI – Freedom of Information.

FTE – The amount of funding for full-time positions and part-time positions converted to the decimal equivalent of a full-time position (based on 2,080 hours per year, as set by the ICMA Center for Performance Measurement).

FISCAL YEAR – An accounting period of twelve months. The City's fiscal year begins July 1st and ends June 30th.

FIXED ASSETS – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the General Fixed Assets Group of Accounts rather than in the government funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

FUND ACCOUNTING – The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

FUND BALANCE – The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

G

GAAP – Generally Accepted Accounting Principles. The guiding conventions, rules, and procedures that define accepted accounting practice at a particular time in the United States.

GENERAL FUND – The City's major operating fund to account for all financial resources except those required to be accounted for in another fund.

GROUP A CRIME OFFENSE – A more serious group of crimes such as larceny, robbery, murder, or gambling.

GROUP B CRIME OFFENSE – A less serious group of crimes such as solicitation, trespassing, or disorderly conduct.

I

ICMA – International City/County Management Association.

ICMA CENTER FOR PERFORMANCE MEASUREMENT – Center created to help communities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents.

INTERNAL SERVICE FUNDS – Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Included in this category is the Self-Insurance Fund. This Fund was established in 1986 when the City became a participant in the Michigan Municipal Risk Management Authority. Expenses in this Fund include reinsurance charges, administration fees, and claims expenses and reserves for both reported and unreported claims.

L

LIABILITY – A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

LINE ITEM BUDGET – A budget which emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as department, division, or agency levels.

M

MIP – A multi-year *Municipal Improvement Program* that is developed to plan and guide the needed capital improvements and expenditures in a fiscally sound manner, and to ensure that these improvements are consistent with the goals and policies of the City Council and the City's residents.

M.I.S.D. – Macomb Intermediate School District.

MML – Michigan Municipal League.

MILLAGE RATE – A rate used to determine the amount of annual property tax a property owner must pay. This rate is expressed in mills per dollar or 1/10 cent. Each governing body that levies property taxes sets its own millage rate annually. Property taxes may generally be calculated by multiplying the millage rate by the amount of, or a percentage of, the assessed value. (A mill represents $1 of tax per $1,000 of assessed valuation.)

MODIFIED ACCRUAL BASIS – The basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

N

NLC – National League of Cities.

NPDES – National Pollution Discharge Elimination System.

O

OPERATING BUDGET – The operating budget is the authorized revenues and expenditures for on-going municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year or less. Personnel costs, supplies, and other charges are found in an operating budget. A capital budget typically has a long term outlook where a project can span a several year period.

OPERATING TRANSFERS – Transfers from a fund receiving revenue to the fund through which the resources are to be expended.

ORDINANCE EMPLOYEE – An employee position which is called for and whose duties are described in the City Charter and who is not a member of a collective bargaining agreement.

OTHER CHARGES – An expenditure object within an activity which includes professional services, utilities, rents, and training for example.

O.U.I.L. – Operating Under the Influence of Liquor. The detainment of an individual who is operating, authorizing or knowingly permitting another person to operate a motor vehicle while under the influence of intoxicating liquor or controlled substance, or combination thereof, or with blood alcohol level content of .10% or more.

OUTPUT PERFORMANCE INDICATOR – The measure of quantity or volume of products or service provided.

P

PERFORMANCE INDICATOR – A measurement of how a program is accomplishing its mission through the delivery of products or service. See Output Performance Indicator, Effectiveness Performance Indicator, or Efficiency Performance Indicator.

PERFORMANCE OBJECTIVES – Desired output oriented accomplishments which can be measured within a given time period.

PERSONNEL SERVICES – An expenditure object within an activity, which includes payroll and all fringe benefits.

R

RESULTS ORIENTED BUDGETING – A management concept which links the annual line item budget to departmental results of operations.

REVENUE – An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intra-governmental service funds.

S

SAD – Special Assessment District. A geographic area over which a governing authority has power to levy taxes for specific public uses.

S.M.A.R.T. – Suburban Mobility Authority for Regional Transportation.

SERVICE STATEMENT – A statement of general and specific service deliveries rendered by an activity for the community.

SINKING FUND – A special reserve account created by a bond issuer. The issuer promises to put money into the account at regular intervals and to use the cash that accumulates to redeem the bonds.

SPECIAL ASSESSMENT – A tax or levy imposed against specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

SPECIAL REVENUE FUND – A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

SUPPLIES – An expenditure object within an activity which includes all supplies that have a useful life of less than one year and/or a purchase price of less than $1,000.

SURPLUS – An excess of the assets of a fund over its liabilities and reserves.

T

TRANSFERS-IN/OUT – A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

TRUST & AGENCY FUND – Trust & Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Retirement Systems and the Agency Funds. The Retirement Systems are accounted for in the same manner as a proprietary fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

W

WATER & SEWER FUND – This enterprise fund accounts for the operation of a combined water and sewer system. The revenues consist of charges for services from City businesses and residences which are used to pay for all water and sewer related expenses.

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