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City Manager
City Clerk/Assistant City Manager
City Development Director/City Planner
Broadcast Services Manager
Building Official
Business Development Manager
City Assessor
City Attorney
City Engineer
City Treasurer
Community Relations Director
Community Services/Library Director
Controller
Economic Development Manager
Facilities Maintenance Manager
Finance & Budget Director
Fire Chief
Human Resources Director
Information Technology Manager
Neighborhood Services Manager
Parks & Recreation Manager
Police Chief
Public Works Director
Public Works Manager
Purchasing Manager/Risk Manager

City Seal

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



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

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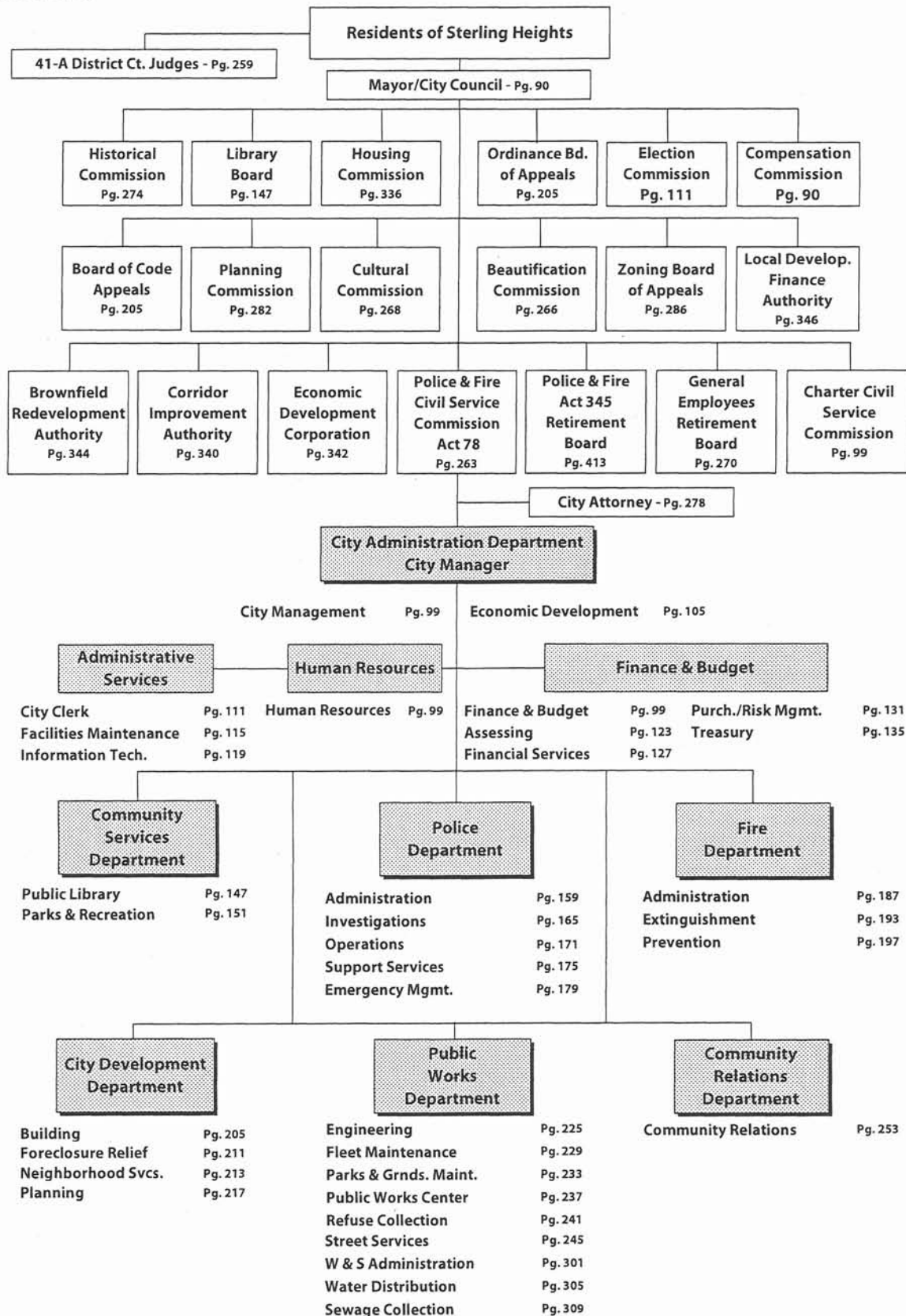
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City Organization Chart



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

May, 2011

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

Dear Mayor and Councilmembers,

Overview

I am pleased to submit the FY2011/12 Budget to you on behalf of all departments. This document reflects the hard work and cooperative efforts of City Council, administration, and staff to produce a budget that reflects a balance between the current economic realities and providing quality services in a cost effective manner.

The budget totals \$135.3 million and represents a decrease of \$7.1 million from the prior year. This is in addition to last year's budget which decreased by \$16.8 million.

Economic Challenges

Cities continue to operate in the midst of a statewide economic crisis resulting in a continued revenue decline. The following factors impact the decline in city revenues:

Reduced Property Tax Assessments

Residential property assessments have now declined by 34% over four years. As a result, property tax revenues, which account for 66% of the City's General Fund budget, have decreased. Due to Proposal A, once the gap between assessed value and taxable value has been eliminated, a property's tax bill will decrease by the full assessment decline. Consequently, a vast majority of property owners are now paying less in taxes. In fact, residential tax bills have now dropped to their lowest level since 2002.

Revenue Sharing Reductions

The City's second largest revenue source is revenue sharing from the State. The State has cut the City's revenue sharing for ten straight years amounting to a cumulative loss of \$28.7 million.

Expenditure Savings

As a result of these declining revenues, the City developed a proactive multi-faceted financial strategy. As part of this strategy over the past four years, the City has implemented expenditure

program savings, efficiencies, reforms, and the elimination of full-time staff. Expenditure savings achieved to date include:

Employee Concessions

Most significantly, City employees have agreed to a second year of labor concessions equating to 10% for the 2011/12 fiscal year. In addition, as previously noted, the City has achieved significant labor concessions resulting in health care savings of \$1 million annually and \$20 million actuarially over a number of years by reducing retiree health care benefits. The City no longer offers fixed pensions for general employees. The City has also saved money by significantly reducing overtime.

Reduced City Staffing

With this budget, the City will have eliminated 106 vacant full-time positions, or 16% of its workforce, since 2002, saving over \$7.9 million annually. The City's current staffing level is at its lowest level since 1977. Our ratio of full-time employees per 1,000 residents continues to decline and is well below any comparable city in Michigan and is lower than 90% of cities across the country.

Programmatic Changes

The City has implemented a number of programmatic changes to reduce expenditures some of which include:

- Privatizing the Police Department Detention Facility making possible the elimination of six vacant Police Officer positions, while increasing officers on the street.
- Greater utilization of part-time employees to replace full-time vacancies in the Library, Dispatch, Parks and Recreation and Facilities Maintenance.
- Continued service sharing with surrounding communities such as Troy, Shelby Township, Utica and other entities including participation in the Macomb Area Communities for Regional Opportunities (MACRO).

Use of City Reserves

The City's Financial Strategy includes the planned use of fund balance reserves, however, not at a level that will compromise the City's superior bond rating. The City's General Fund use of fund balance in FY 2012 will equate to \$4.5 million.

Preserving Property Values

As part of the overall financial strategy, the City is doing all that is possible to continue preserving property assets in the City by remaining vigilant with property maintenance enforcement. The Neighborhood Stabilization Program (NSP) proved to be very effective in addressing vacant and foreclosed property. Also, the City has developed a proactive inspection program to ensure that any foreclosed properties are maintained.

In addition, the City is implementing the Sterling Heights Initiative for Neighborhood Excellence (SHINE) by reallocating resources. SHINE will involve reinvesting resources in neighborhoods and supplementing existing programs. SHINE will consist of four full-time positions along with a corps of volunteers interacting with neighborhood residents on a sustained, long-term basis to promote neighborhood pride and facilitate best practices centered around property maintenance.

Economic Development

In addition, the City continues to implement an ambitious and proactive economic development program to sustain the viability of the City's economic base and, to the extent possible, grow the base with new and diversified companies. The opening of the Macomb-OU INCubator in Sterling Heights is one example of this effort. The redevelopment of the former TRW site with defense manufacturer BAE is another example.

The City is also doing all that is possible to continue preserving our most important manufacturing asset – the automotive sector. These efforts are paying off with over \$1 billion of corporate investments announced this past year alone. The proposed budget reallocates additional resources to Economic Development necessary to continue the City's proactive initiatives.

Implementing the overall ongoing financial strategy enables the City to continue the very successful model consisting of **small government, low taxes and excellent services with a strong emphasis on public safety.**

2010/2011 Accomplishments

Despite the financial challenges, the past year was a productive year for the City Council and Administration.

- The City did not incur any new debt and maintained historically low debt levels. The City maintained a AAA Bond Rating and an unqualified audit -- the best financial ratings possible.
- The City was able to reduce costs even further while still maintaining excellent services.
- The City, in concert with the Auto Task Force, was able to save the Sterling Heights Assembly Plant resulting in 900 new jobs and a new investment totaling \$850 million.
- Despite declining road revenue from the State, the City was able to successfully secure grant funding to improve major roadways including 15 Mile, Mound, Metropolitan Parkway, 14 Mile, Schoenherr, M-53 and M-59.
- The City continued to secure grants for the new Macomb OU-INCubator and executed numerous leases for new start-up companies.
- The City developed a new Entrepreneurial Initiative in partnership with The MORE Program to assist start up companies in the City.
- We continued to earn nationwide recognition from the Government Finance Officers' Association for several City financial documents including:
 - Distinguished Budget Award for the 23rd consecutive year
 - Certificate of Achievement for Excellence in Financial Reporting for the 22nd consecutive year
 - Award for Outstanding Achievement in Popular Financial Reporting for the 11th consecutive year

Conclusion

In closing, I would like to acknowledge the outstanding efforts of the Finance & Budget division staff: Brian Baker, Janice Schoenrath, and Kerry Majewski, for their hard work and efforts during the budget process. The City's department directors and staff are also to be commended for their team effort during these unprecedented times and continued commitment to service excellence. I am especially grateful for the continued extraordinary level of cooperation demonstrated by City employees who have stepped up in these difficult times to fill the void of a reduced work force by doing more with less and for making personal sacrifices to help implement the City's financial strategy.

I would also like to thank the Mayor and City Council for their leadership and support over the past year. Thanks to the entire Sterling Heights Team, the City continues to persevere. **I look forward to working with all City employees as well as the Mayor and City Council over the next fiscal year to continue the Sterling Heights tradition of excellence.**

Respectfully submitted,



Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2011/12 Budget At A Glance ...

Richard J. Notte
Mayor

Joseph V. Romano
Mayor Pro Tem

Yvonne D. Kniaz
Councilwoman

Deanna Koski
Councilwoman

Maria G. Schmidt
Councilwoman

Michael C. Taylor
Councilman

Barbara A. Ziarko
Councilwoman



Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget
Director

The City budget of \$135.3 million decreased by \$7.1 million or 5.0% due to numerous cost savings measures. Due to revenue declines, the City continues to implement its long-term financial plan of lowering tax bills, reducing employee costs, and further streamlining City operations and greater sharing of services.

- The budget maintains core City services despite losing \$27.5 million in property tax revenue growth over the past four years. Tax revenues have fallen to their lowest level in six years, as residential taxable values have declined by 21.9%. The City's total taxable value has now dropped to its lowest level since 2003.

- The City's spending plan reorganizes departments, implements a second year of wage and benefit concessions, and redirects limited resources to better maintain property values through the creation of the Neighborhood Services division and the expansion of the Economic Development office.

- Despite a 36% cut in State funding since 2002, resulting in a cumulative \$28.7 million reduction back to 1991 levels, the budget maintains the City's excellent AAA bond ratings, does not incur new debt, minimizes the use of reserves, and avoids employee layoffs, while offering the lowest property tax bills in ten years.

- Due to continued assessment declines, the average homeowner will see a 7% decrease in taxable values in 2011, resulting in a \$180 tax savings. The average homeowner's tax bill is now \$400 or 14.2% lower than four years ago and has dropped to its lowest level since 2002. City taxes now average less than \$70 per month for the typical home.

- Because of cost savings efforts and the efficient delivery of services, the City's tax rate has declined by 5.2% since 1988 and remains one of the lowest of any nearby city and lower than 85% of cities in the State. Had the City continued to levy the same rate since 1988, the average resident would have paid \$3,216 more in taxes.

- The General Fund Budget decreased \$3.1 million or 3.5% to its lowest level since 2007. Absent increased funding to the pension systems due to stock market

declines, the budget would have decreased by \$4.8 million or 5.4%.

- Due to continued revenue shortfalls, 31 vacant positions have not been funded, saving \$2.4 million. The City has now reduced its staffing by 106 vacant full-time positions or 16.3% of its workforce since 2002, saving over \$7.9 million annually. City staffing is at its lowest level since 1977, while the employee per resident ratio has decreased by over 31%. Over 90% of the staffing reduction has been to general employees and not sworn Police and Fire positions assigned to the street. As a result, the Police, Fire and Public Works departments now make up three quarters of the General Fund budget.
- The budget fully funds long-term retiree liabilities and further reduces the City's debt levels which are already at a 23-year low. The City has saved over \$1 million in employee health care costs, \$20 million in retiree medical liabilities and no longer offers fixed pensions to all its general employees. Employee overtime costs have fallen by nearly \$1.3 million or 24% over the past four years.

The budget includes funding for:

- \$6.3 million in improvements to City infrastructure including repairs to Ryan Road, 19 Mile Road, Dobry Drive, Clinton River Road and three major road intersections, several traffic signal upgrades, installation of water & sewer mains, sidewalk gap and repairs, sectional repairs to neighborhood roads, energy improvements at City facilities, and restroom renovations and ball field improvements at Baumgartner Park.
- Fourteen replacement Police vehicles, a replacement Fire Engine, a diagnostic computer to maintain vehicles, a salt brine storage tank for snow plowing operations, a road patch roller for road repairs, and a Sewer Vactor Jet to remove debris and blockages from sewer lines.
- Maintaining the lowest combined water & sewer rate for residential customers of any city in the State with a population over 25,000. The City again passes on only a portion of the rate increases from Detroit. As a result, City residents will pay only \$39 per month for water & sewer services. ■

INTRODUCTION

As you review the City's Budget document, note that it is organized by fund type. These fund types are distinguished by the amber 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 nine offices including City Management, Economic Development, City Clerk, Facilities Maintenance, Information Technology, Assessing, Financial Services, Purchasing/Risk Management, 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?*

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

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

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

UNIFORM BUDGETING ACT

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

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

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

BUDGET PROCESS

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

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

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

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

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

BASIS OF BUDGETING

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

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

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

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

October

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

November

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

December

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

January

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

February

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

March

- Proposed Budget 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

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.

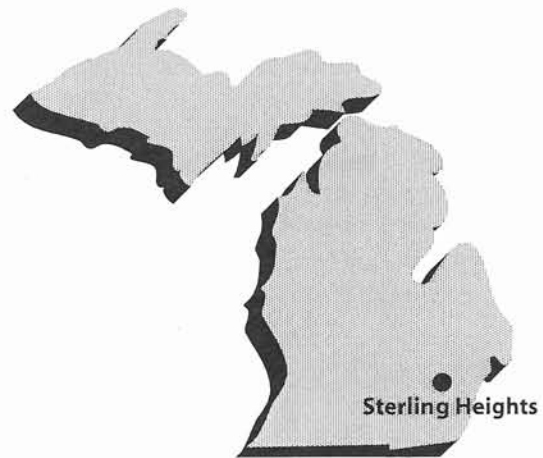
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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 2011 estimated population of Sterling Heights is 129,700. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 49,339 households in the City and a 38-year old median age. The City's median household income is \$51,545. 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, Chrysler Group LLC, Detroit News Agency, 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.■

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

ORGANIZATIONAL OPERATIONS

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

ECONOMIC DEVELOPMENT

8. Foster economic development in the existing industrial and commercial areas to expand the tax base while retaining and creating jobs pursuant to the new Master Land Use Plan.
9. Create and maintain strong identifiable City regional centers, which offer alternatives to the traditional downtown by providing clusters of community commercial facilities.
10. Continue to aggressively maintain and improve the City's financial base by emphasizing the importance of economic development and redevelopment.
11. Develop economic development policies, which focus on business retention, neighborhood and housing maintenance, quality industrial and commercial developments, and local employment.

PROPERTY VALUE ISSUES

12. Constantly monitor environmental conditions and land uses, which may adversely affect housing values.
13. Encourage property maintenance and enhancement programs in residential and commercial areas.
14. Emphasize existing programs and develop additional programs and services, which reinforce Sterling Heights as an attractive residential community.
15. Develop a clear and visual image of the community, which reflects the highest standards of design quality for both the public and private sectors.
16. Strive for a permanent stock of well-balanced housing, which is available to meet the needs of all members of the community regardless of age, income, or background.

COMMUNICATIONS & TECHNOLOGY

17. Institute technology and a state-of-the-art innovation in City government, which reduces costs, increases efficiency, and enriches jobs.
18. Improve efficiencies by investing in technological improvements and automating City systems.
19. Continue to seek opinions and ideas from individuals, appointed boards and committees, and citizen groups to provide direction as to how the City's cultural, recreational, and environmental resources can and should be used.

FINANCIAL STABILITY

20. Insure stable tax rates by developing new revenues, eliminating inefficient programs, synchronizing the growth of government with the growth of the community, expanding service levels only as revenues allow, and establishing and enforcing long-range basic service policies. Achieve the best possible bond rating by providing professional and comprehensive financial services to the City and its residents.
21. Seek grants and funds for projects and programs, which are beneficial to the City.

TRANSPORTATION ISSUES

22. Complete road improvements as outlined in the Master Road Plan and actively pursue improvement of State and County roads to serve the needs of Sterling Heights residents.
23. Provide a balanced transportation system, which is integrated with the regional transit system.

NEIGHBORHOOD SAFETY

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

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

RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES

26. Maintain and expand, when economically feasible, recreational, cultural, and leisure opportunities throughout the City to improve the quality of life to our residents.
27. Provide in the City Center a location of governmental, cultural and recreational services accessible to all City residents. ■

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

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

FINANCIAL POLICIES

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

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

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

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

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

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

REVENUE POLICIES

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

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

RESERVE POLICIES

1. The City will strive to maintain a minimum General Fund and internal service fund balance of 10% or in an amount equal to 1.2 months of operational expenditures.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

INVESTMENT POLICIES

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

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

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

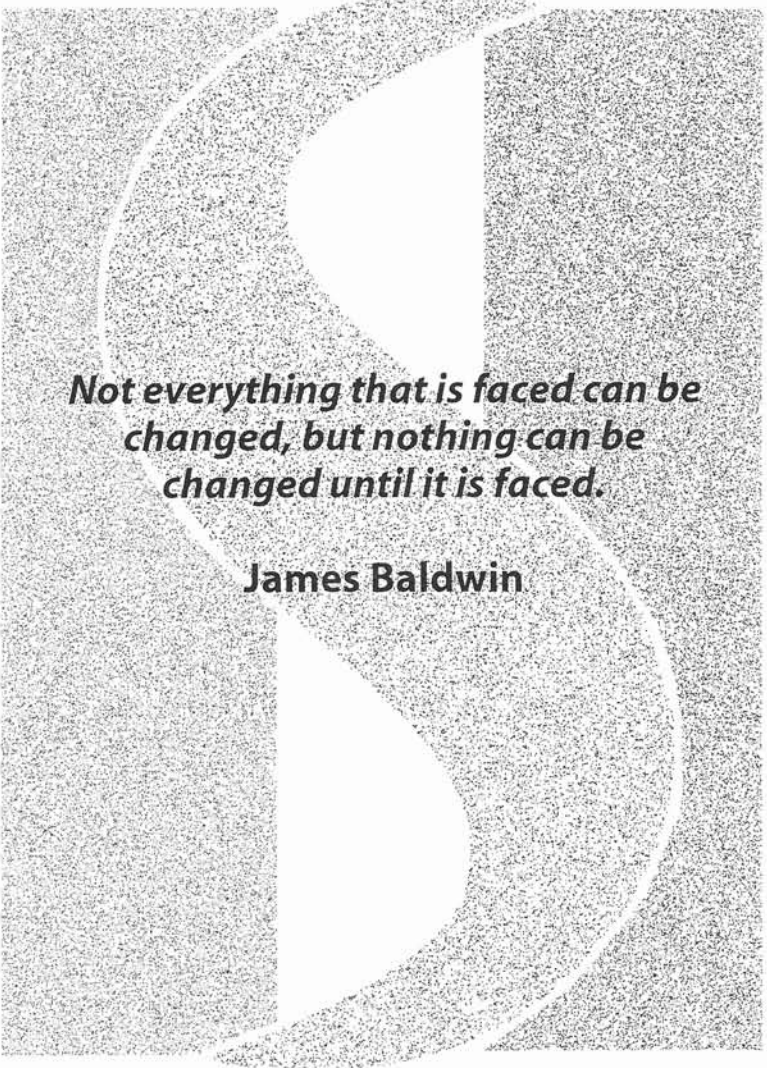
DEBT POLICIES

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

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

CAPITAL IMPROVEMENT BUDGET POLICIES

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



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

James Baldwin

Policy Benchmark

Financial Policy

- Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements
- Maintain a budgetary control system to ensure adherence to the budget
- Integrate performance measurement and productivity indicators in the budget
- To avoid practices that balance current expenditures at the expense of future years' revenues
- To provide adequate maintenance and orderly replacement of capital facilities and equipment
- Maintain adequate level of funding for all retirement systems
- Seek property tax relief
- Enhancement of the property tax base

Status

- Continuation of the Information Technology Plan: implementing the Public Safety Dispatch and Records Management System, e-ticket technology, replacement personal computers, network switch and database upgrade
- Only City in the nation to receive the GFOA's "Outstanding" budget award in all four categories; GFOA's "Distinguished" budget award for the past 24 years
- Earned GFOA's "Special Recognition" award in five of the past ten years for use of performance measurements
- Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for 11 years
- Participated in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction
- Department objectives linked to City goals
- No short-term borrowing for operations
- Second lowest debt of 10 comparable MI cities
- No new debt in budget
- Retired \$11.3 million in debt last year
- Municipal Facilities expenditures \$1.3 million
- Vehicle expenditures \$1.2 million
- Equipment & technology capital \$168,850
- General Employees System 99.6% funded
- Police & Fire Pension System 78.0% funded
- Pre-funding retiree medical past 16 years
- Biennial updates to Retiree Medical Actuarial Report; increased funding past eight years and fully funding required contributions
- Defined Contribution Plan for all new general employees
- Millage rate has decreased by 0.70 mills or 5.2% since 1988, saving average homeowner \$3,216
- Due to continued lower property assessments, average homeowner's tax bill will decrease next year by \$180 or 7% to lowest level since 2002
- Tax rate lower than 85% of all cities in the State
- Lowest taxes per resident of 10 comparable MI cities
- City's total tax base has decreased by 29.5% and has fallen to lowest level since 2001
- Residential property assessments have decreased by 34.1% past four years, while residential taxable values have dropped by 21.9%
- LDFA & SmartZone Business Incubator
- Successful efforts to save Chrysler Plant

Policy Benchmark

Status

Revenue Policy

- Maintain a diversified and stable taxable revenue base
- Maintain sound appraisal procedures and practices to reflect accurate property values
- Review fees and charges to assure the cost of providing the service is appropriately charged

Reserve Policy

- 10% minimum unreserved/undesignated General Fund Balance (excluding Internal Service Fund)
- 37 days of General Fund operations

Accounting, Auditing, Financial Reporting Policy

- Produce comprehensive annual reports in accordance with GAAP

Investment Policy

- Analyze market conditions to maximize yields while maintaining the integrity and safety of principal

Debt Policy

- Keep average maturity of general obligation bonds at or below 20 years
- Maintain a sound relationship with all bond rating agencies

Capital Improvement Policy

- Make all capital improvements in accordance with an adopted capital acquisition program
- Continue to implement a multi-year plan for capital improvements

- City's Taxable Value:
 - Residential 61.6%
 - Commercial & Industrial 38.4%
- Third highest property values in State
- Equalization Factor = 1
- Continuation of the one-year sales study
- Annual review of rates and fees
- Higher non-resident fees
- Continued lowest water & sewer rates in State
- Average \$70 monthly tax bill and \$39 water & sewer bill
- 8.4% of 2012 budgeted expenditures
- 31 days of General Fund operations
- Certificate of Achievement for Excellence in Financial Reporting Award for 23 years
- One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
- Maximized Interest on Investment earnings
- Retiree Health Care Fund Investments maximized
- 2010 BAB MTF Road Bond 15 yrs.
- 2007 Senior Active Life Center/Radio Bond 6 yrs.
- 87% of City debt matures within 10 years
- Refinanced bonds saving \$850,000 and saved \$500,000 due to recent bond rating upgrade
- City's debt level at 23-year low
- Highest bond ratings of 10 comparable MI cities
- Moody's rating Aa1
- Fitch's rating AAA
- Standard & Poors' rating AA+
- \$6.4 million in total Capital Improvement Projects
- \$600,000 in neighborhood street repairs
- \$555,000 in Major road repairs
- Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

The City has participated in the ICMA's Center for Performance Measurement from 1999 – 2003, 2006 – 2007 and in 2010. 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 2010 fiscal year results showing how Sterling Heights compared to other cities and counties across the country in various performance measurement categories.

Category	Sterling Heights	National Average	National Rank	Rank Percent *
City Administration				
Human Resources FTE's Per 100,000 Residents	0.9	9.1	4/87	5%
Full-time Employee Turnover Rate	0.3%	6.5%	1/88	0%
Risk Management				
Worker's Compensation Claims Per 100 FTE's	10	12	26/60	43%
Work Days Lost Due to Injury Per 100 FTE's	39	51	23/40	58%
Purchasing				
Purchasing Office Expenditures Per Resident	\$2.81	\$3.76	23/46	50%
Purchasing Office FTE's Per 100,000 Residents	2.3	4.4	14/44	32%
Dollar Amount of Purchases Needing Approval by Elected Body	\$10,000	\$59,190	6/65	9%
Days from Requisition to Purchase Order - Formal Bid	30	52	10/28	36%
Parks & Recreation				
Parks & Recreation Costs Per Resident	\$26	\$36	29/60	48%
Parks & Recreation FTE's Per 100,000 Residents	37	79	9/50	18%
Total Park Acres Per 1,000 Residents	7.5	19.8	24/94	26%
Parks & Recreation Revenue Per Resident	\$3.8	\$23.0	11/86	13%
Developed Park Acres Per 1,000 Residents	6.4	11.1	38/98	39%
Percent of Park Acres Developed	85%	68%	58/92	63%
Police Department				
Police Operating Expenditures Per Resident	\$233	\$222	47/79	59%
Sworn Police FTE's Per 1,000 Residents	1.4	1.9	17/84	20%
Civilian Police FTE's Per 1,000 Residents	0.4	0.5	31/83	37%
Percent of Sworn Police FTE's to Total Police FTE's	79%	80%	36/84	43%
911 Police Calls Received Per 100 Residents	33	69	21/82	26%
Moving Violation Citations Issued Per 1,000 Residents	170	182	60/91	66%
Traffic Fatalities Per 100,000 Residents	3.9	4.3	50/100	50%
Injury Producing Traffic Accidents Per 100,000 Residents	548	536	64/101	63%
Violent Crimes Reported Per 1,000 Residents	1.5	3.4	35/91	38%
Percent of Violent Crimes Cleared	49%	64%	21/78	27%
Violent Crimes Cleared Per Sworn FTE	0.5	0.9	33/75	44%
Property Crimes Reported Per 1,000 Residents	22	32	30/88	34%
Percent of Property Crimes Cleared	30%	27%	62/90	69%
Property Crimes Cleared Per Sworn FTE	4.9	4.5	48/72	67%
Cost per Property & Violent Crime Cleared	\$31,498	\$30,825	47/69	68%
Total Arrests Per 1,000 Residents	25	50	14/89	16%
DUI Arrests Per 1,000 Residents	3.1	5.2	24/109	22%
Juvenile Arrests as a % of Total Arrests	5%	14%	13/83	16%
Average Age of Police Vehicles (Years)	2.6	3.7	14/87	16%
Average Annual Miles Driven Per Police Vehicle	16,351	15,607	44/69	64%

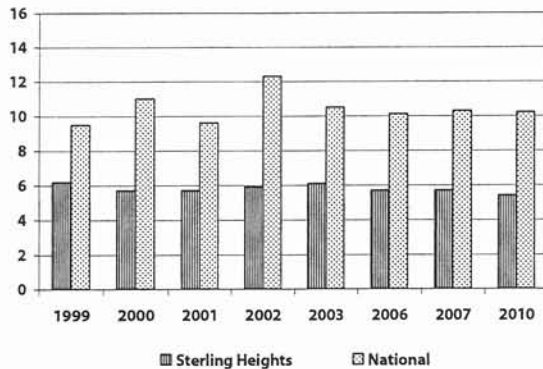
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	\$134	\$159	21/59	36%
Total Department FTE's Per 1,000 Residents	1.1	2.2	4/46	9%
Fire Incidents Per 100,000 Residents	217	311	34/93	37%
EMS Responses Per 1,000 Residents	60	83	19/78	24%
% of Fire Responses Less Than 5 Minutes (from dispatch)	87%	61%	46/51	90%
Average EMS Response Time (Minutes)	4.5	5.2	15/49	31%
Average Age of Fire Apparatus (Years)	10	9.5	41/71	58%
Average Annual Miles Driven Per Vehicle	5,817	4,964	36/54	67%
Code Enforcement				
Code Enforcement Operating Expenses Per Resident	\$6.6	\$8.5	41/71	58%
Code Enforcement Violations Per 1,000 Residents	37	50	43/74	58%
Code Enforcement Violations Per FTE	791	680	44/60	73%
Public Works Department				
Fleet Maintenance Expenditures Per Resident	\$14.6	\$13.8	13/24	54%
Fleet Maintenance FTE's Per 100,000 Residents	10	14	21/66	32%
Annual Refuse Tons Collected Per Account	1.1	1.3	30/64	47%
Refuse Collection Costs Per Ton	\$52	\$75	20/53	38%
Recycling Costs Per Ton Recycled	\$30	\$137	5/43	12%
Street Maintenance Expenditures Per Lane Mile	\$1,985	\$3,588	34/85	40%
Street Sweeping Expenditures Per Resident	\$2.20	\$2.96	38/86	44%
Public Library				
Library Expenditures Per Registered Borrower	\$49	\$52	25/45	56%
Library FTE's Per 1,000 Residents	0.22	0.47	6/44	14%
Library Circulation Per Resident	4.9	10.3	10/50	20%
Library Visits Per Resident	4.4	6.4	15/47	32%
Library Program Attendance Per 1,000 Residents	246	332	25/47	53%
Percent of Population Who Are Registered Library Borrowers	41%	62%	5/45	11%
Library Material Acquisition Costs Per Resident	\$1.82	\$4.23	11/49	22%
Annual Reference Transactions Per 1,000 Residents	1,020	995	27/45	60%
Average Hours of Library Operations Weekly	58	61	15/43	35%
Patron Internet Usage Per Terminal	2,005	1,806	27/39	69%
Facilities Maintenance				
Facilities Maintenance FTE's Per 100,000 Residents	10.2	16.8	24/50	48%
Facilities Maint. Operating & Maint. Costs per Sq. Ft.	\$6.2	\$4.6	42/50	84%
Information Technology				
Information Technology Expenditures Per Resident	\$9	\$29	9/59	15%
Information Technology FTE's Per 100,000 Residents	6.0	18.3	7/43	16%
Ratio of Computer Workstations to FTE	0.85	0.89	33/71	46%
Citywide				
Total Expenditures Per Resident	\$933	\$1,624	19/91	21%
Total Full-time Equivalent Employees (FTE's) Per 1,000 Residents	5.4	10.2	10/91	11%
Employee Benefits as a % of Compensation (incl. retiree healthcare)	31%	27%	62/82	76%

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

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

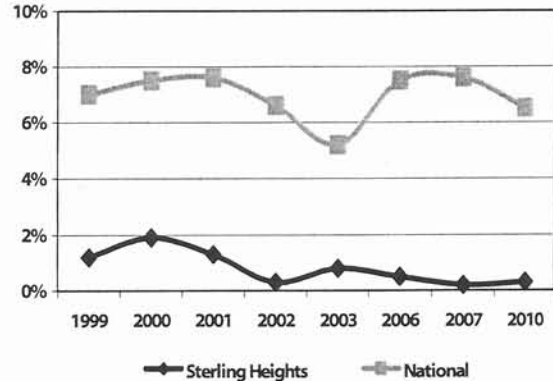
Total Full-time Employees Per 1,000 Residents



2010 National Rank: 10th out of 91 cities
Rank Percentage: 11%

The City continues to have fewer full-time equivalent employees per 1,000 residents than the national average. In 2010, the City had 5.4 full-time employees per 1,000 residents versus a national average of 10.2 employees. We rank 10th lowest out of 91 cities.

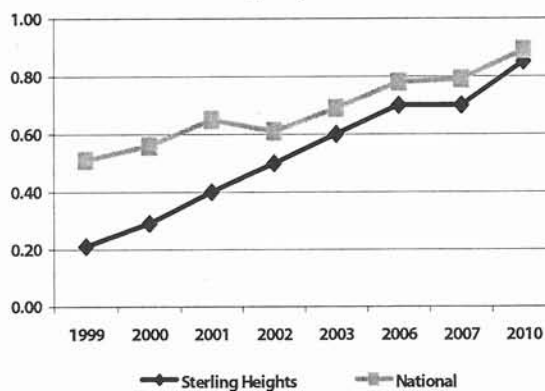
Full-time Employee Turnover Rate



2010 National Rank: 1st out of 88 cities
Rank Percentage: 0%

The rate at which the employees leave the City's employment (excluding retirements) continues to be well below the national average. In 2010, only 0.3% of employees left the City versus a 6.5% national average.

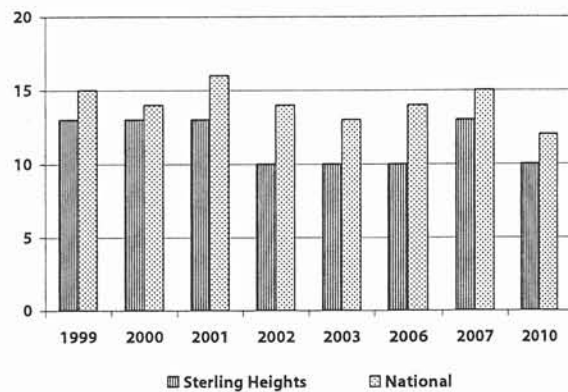
Ratio of Computers to Employees



2010 National Rank: 33rd out of 71 cities
Rank Percentage: 46%

The City has increased its ratio of computers to full-time employees as a result of implementing our Information Technology plan. Over the past 11 years, we have narrowed the gap between the City's ratio and the national average.

Worker's Compensation Claims Per 100 Employees



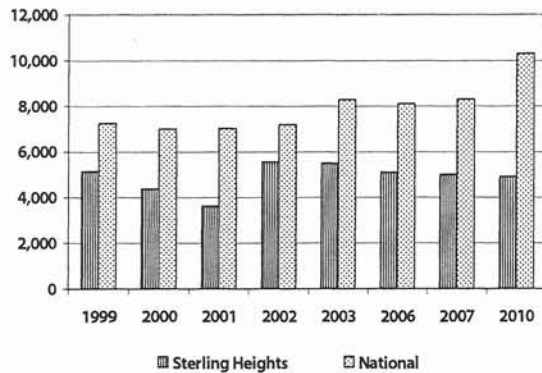
2010 National Rank: 26th out of 60 cities
Rank Percentage: 43%

The City's worker's compensation claims per 100 full-time equivalent employees (FTE's) has generally decreased over the past 11 years and continues to be below the national average due to our proactive Risk Management program.

ICMA PERFORMANCE MEASUREMENTS

Community Services - Public Library

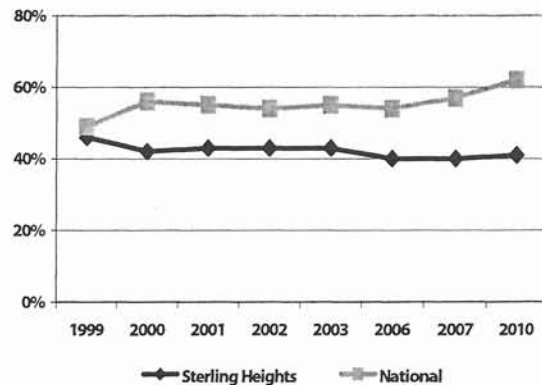
Library Circulation Per 1,000 Residents



2010 National Rank: 10th out of 50 cities
Rank Percentage: 20%

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. Since then, the circulation has increased, though it is still below the national average.

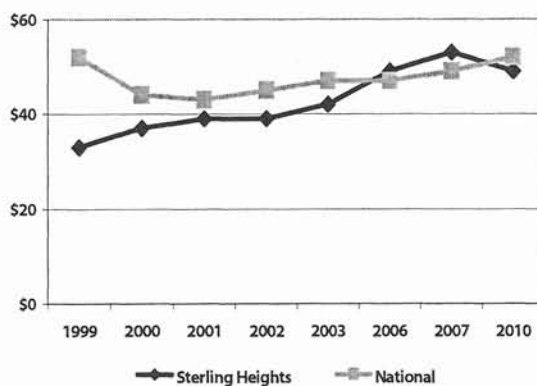
Registered Borrowers As a % of Population



2010 National Rank: 5th out of 45 cities
Rank Percentage: 11%

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.

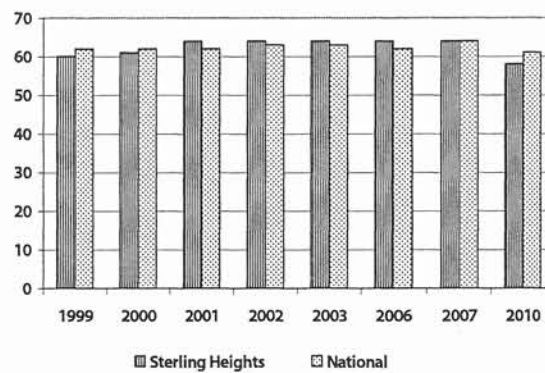
Library Expenditures Per Registered Borrower



2010 National Rank: 25th out of 45 cities
Rank Percentage: 56%

The City's Library Expenditures per Registered Borrower has decreased and is now slightly below the national average. In 2010, the City spent \$49 per registered borrower compared to an average of \$52 spent nationally. We ranked 25th out of 45 cities nationally.

Average Weekly Hours of Library Operations



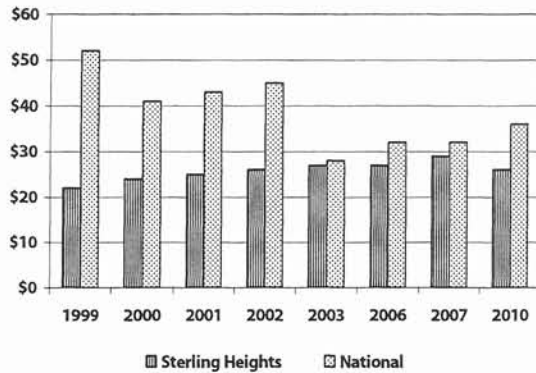
2010 National Rank: 15th out of 43 cities
Rank Percentage: 35%

After an increase in the number of hours the Library was open, in 2010 the number decreased due to the elimination of Library Sunday hours during the school year and the opening of the Library at 1 p.m. on Fridays.

ICMA PERFORMANCE MEASUREMENTS

Community Services - Parks & Recreation

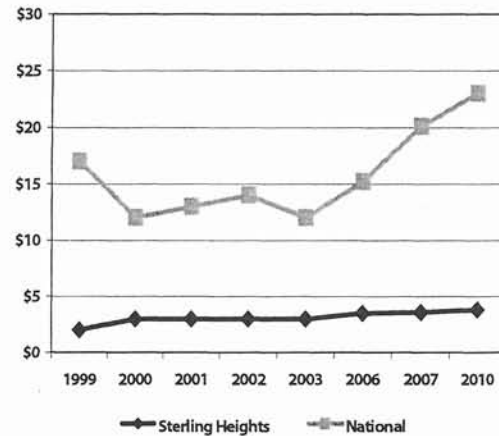
Parks & Recreation Costs Per Resident



2010 National Rank: 29th out of 60 cities
Rank Percentage: 48%

The City's total Parks & Recreation cost per resident has recently decreased. Beginning in 2003, the national average now excludes the cost of municipal golf courses allowing for a more accurate comparison. The City currently ranks 29th lowest out of 60 cities nationally.

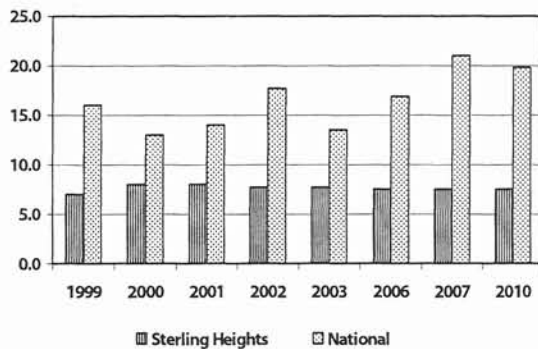
Parks & Recreation Revenue Per Resident



2010 National Rank: 11th out of 86 cities
Rank Percentage: 13%

The revenue generated by Parks & Recreation (excluding golf courses) has been well below the national average during the past 11 years.

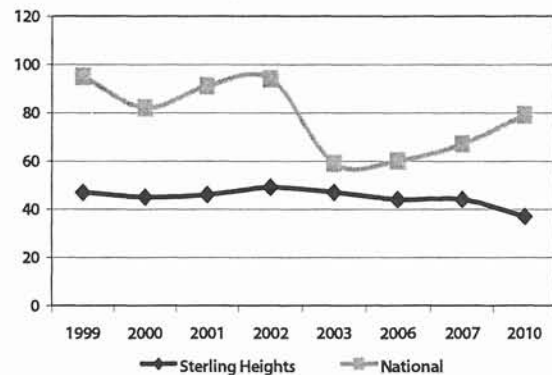
Park Acres Per 1,000 Residents



2010 National Rank: 24th out of 94 cities
Rank Percentage: 26%

The number of park acres in the City has increased slightly over the past 11 years. The City continues to be below the national average in park acres per 1,000 residents. The City, however, ranks higher in both developed park acres per resident (39%) and the percent of park acres developed (63%).

Parks & Recreation Employees Per 100,000 Residents



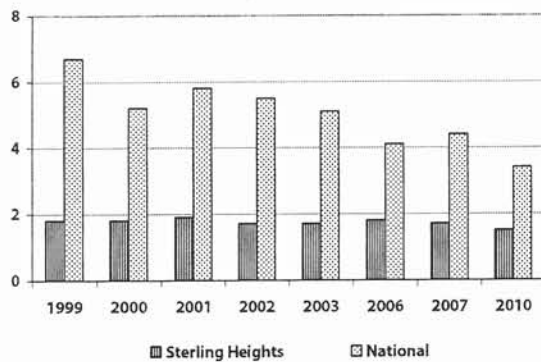
2010 National Rank: 9th out of 50 cities
Rank Percentage: 18%

The City currently has 37 full-time equivalent employees (FTE's) compared to the national average of 79 FTE's. Beginning in 2003, the national average now excludes the number of municipal golf course FTE's.

ICMA PERFORMANCE MEASUREMENTS

Police Department

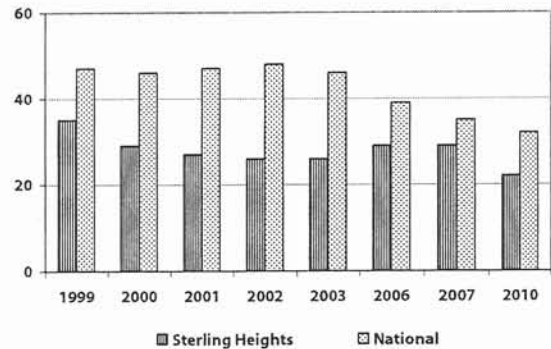
Violent Crimes Per 1,000 Residents



2010 National Rank: 35th out of 91 cities
Rank Percentage: 38%

The City currently ranks 35th lowest out of 91 cities nationally in Violent Crimes per 1,000 residents. Over the past 11 years, the City has continued to be well below the national average.

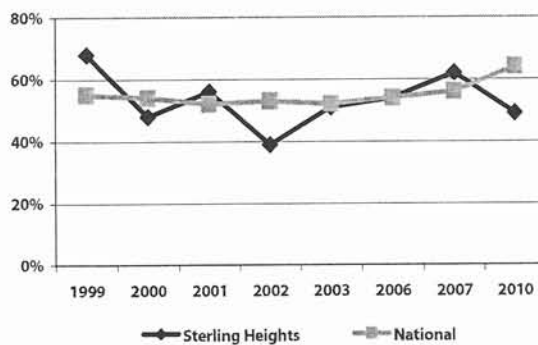
Property Crimes Per 1,000 Residents



2010 National Rank: 30th out of 88 cities
Rank Percentage: 34%

The City is also well below the national average in Property Crimes per 1,000 residents. The number of property crimes per resident has generally decreased. The City currently ranks 30th lowest out of 88 cities nationally.

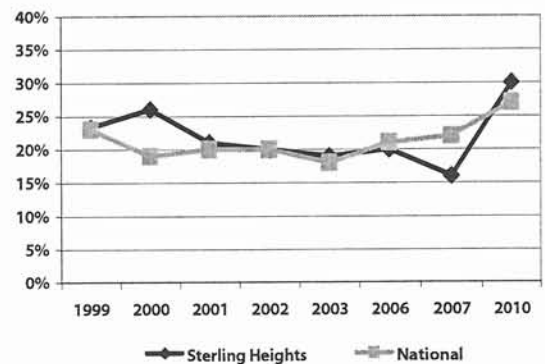
Percent of Violent Crimes Cleared



2010 National Rank: 21st out of 78 cities
Rank Percentage: 27%

The Percent of Violent Crimes Cleared, or solved, has decreased slightly below the national average. In 2010, the City ranked 21st out of 78 cities nationally.

Percent of Property Crimes Cleared



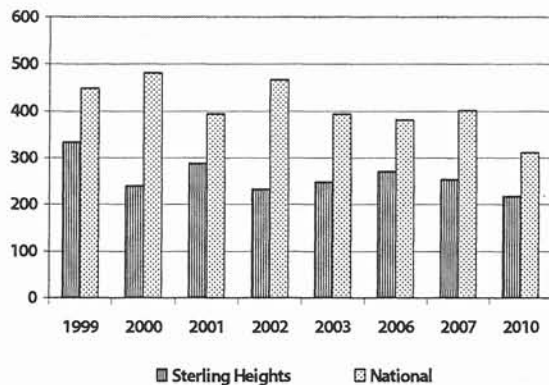
2010 National Rank: 62nd out of 90 cities
Rank Percentage: 69%

In 2010, the Percent of Property Crimes Cleared, or solved, increased above the national average. The City currently ranks 62nd highest out of 90 cities.

ICMA PERFORMANCE MEASUREMENTS

Fire Department

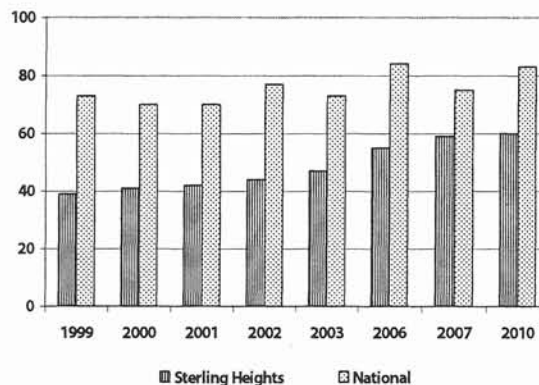
Fire Incidents Per 100,000 Residents



2010 National Rank: 34th out of 93 cities
Rank Percentage: 37%

The number of fire incidents in the City continues to be well below the national average for each of the past 11 years. The City currently ranks 34th lowest out of 93 cities nationally in the number of fire incidents per resident.

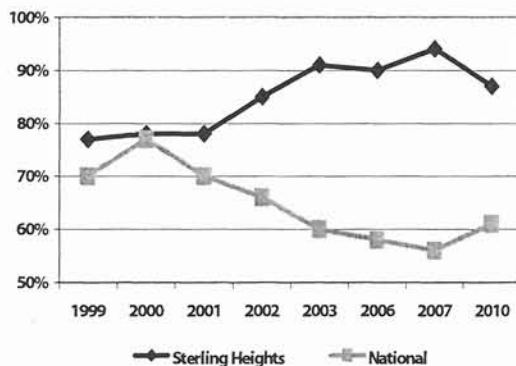
EMS Responses Per 1,000 Residents



2010 National Rank: 19th out of 78 cities
Rank Percentage: 24%

The number of EMS responses in the City remains well below the national average for the past 11 years. In 2010, the City ranked 19th lowest out of 78 cities reporting. 76% of cities nationally had a higher number of EMS responses per resident.

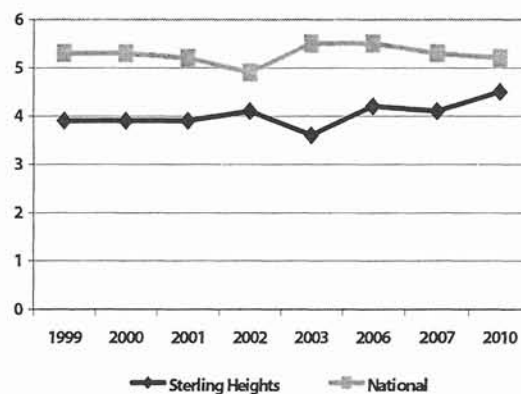
Percent of Fire Responses Less Than 5 Minutes



2010 National Rank: 46th out of 51 cities
Rank Percentage: 90%

For the past 11 years, Sterling Heights has had a higher percent of fire responses that took less than 5 minutes to respond, as compared to the national average. Currently, 87% of fire incidents are responded to in 5 minutes or less. Only 5 reporting cities had a higher percent.

Average EMS Response Time (Minutes)



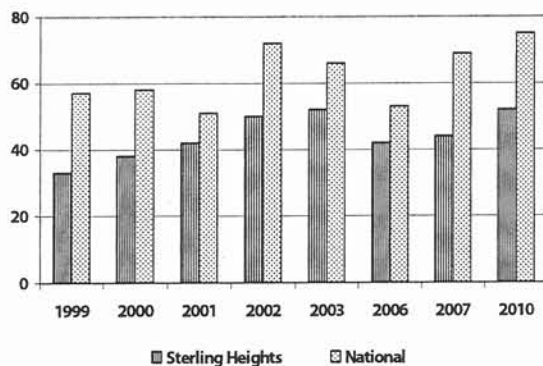
2010 National Rank: 15th out of 49 cities
Rank Percentage: 31%

The City's average EMS response time is 4.5 minutes, which is below the national average. We currently rank 15th lowest out of 49 cities. In other words, 69% of the cities nationally had a slower average EMS response time.

ICMA PERFORMANCE MEASUREMENTS

Public Works Department

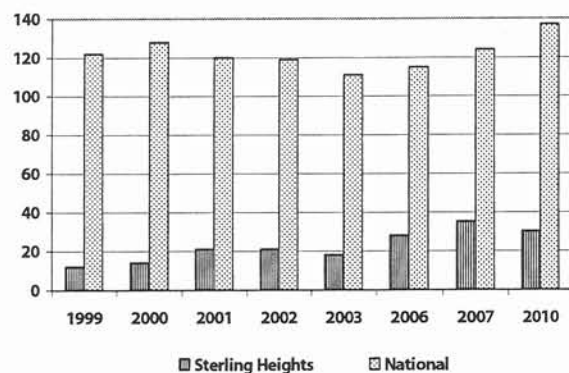
Refuse Collection Costs Per Ton



2010 National Rank: 20th out of 53 cities
Rank Percentage: 38%

Our Refuse Collection Costs per Ton continue to be below the national average. Our costs ranked 20th lowest out of 53 cities nationally.

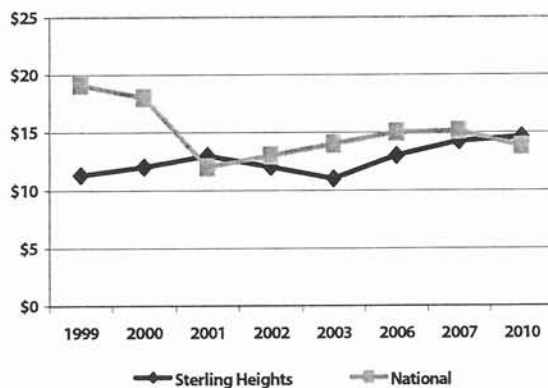
Recycling Costs Per Ton Recycled



2010 National Rank: 5th out of 43 cities
Rank Percentage: 12%

The City's Recycling Costs per Ton Recycled are the fifth lowest out of the 43 cities reporting nationally. The City has 3 voluntary drop-off centers, which allows us to be more than 4 times lower in cost than the national average.

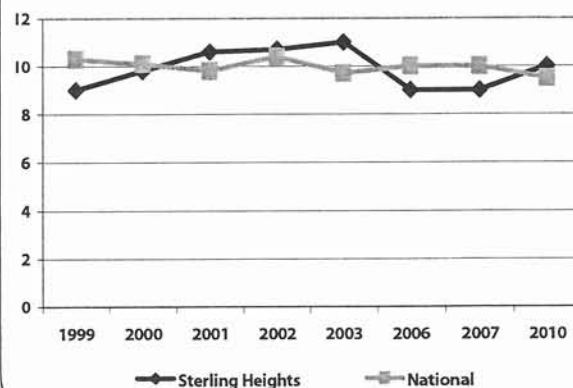
Fleet Maintenance Expenditures Per Resident



2010 National Rank: 13th out of 24 cities
Rank Percentage: 54%

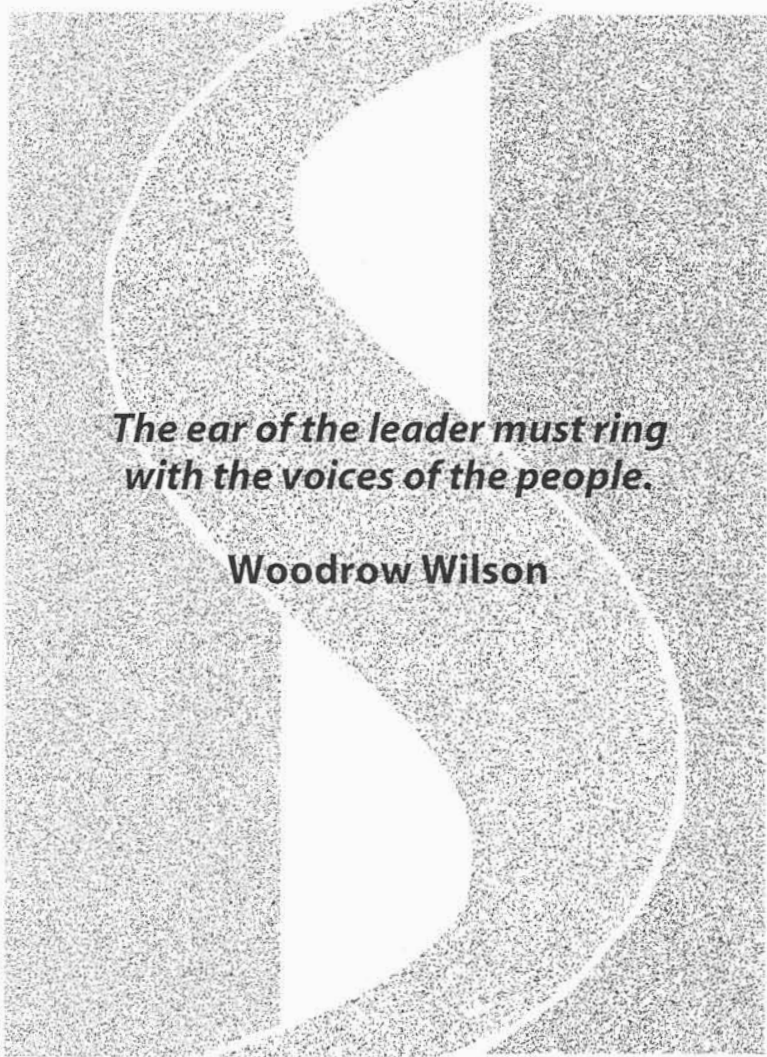
The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 13th out of 24 cities nationally.

Average Age of Fire Apparatus (Years)



2010 National Rank: 41st out of 71 cities
Rank Percentage: 58%

The age of our fire fleet continues to remain very close to the national average.



*The ear of the leader must ring
with the voices of the people.*

Woodrow Wilson

All Funds Summary

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

Financial Organization Chart

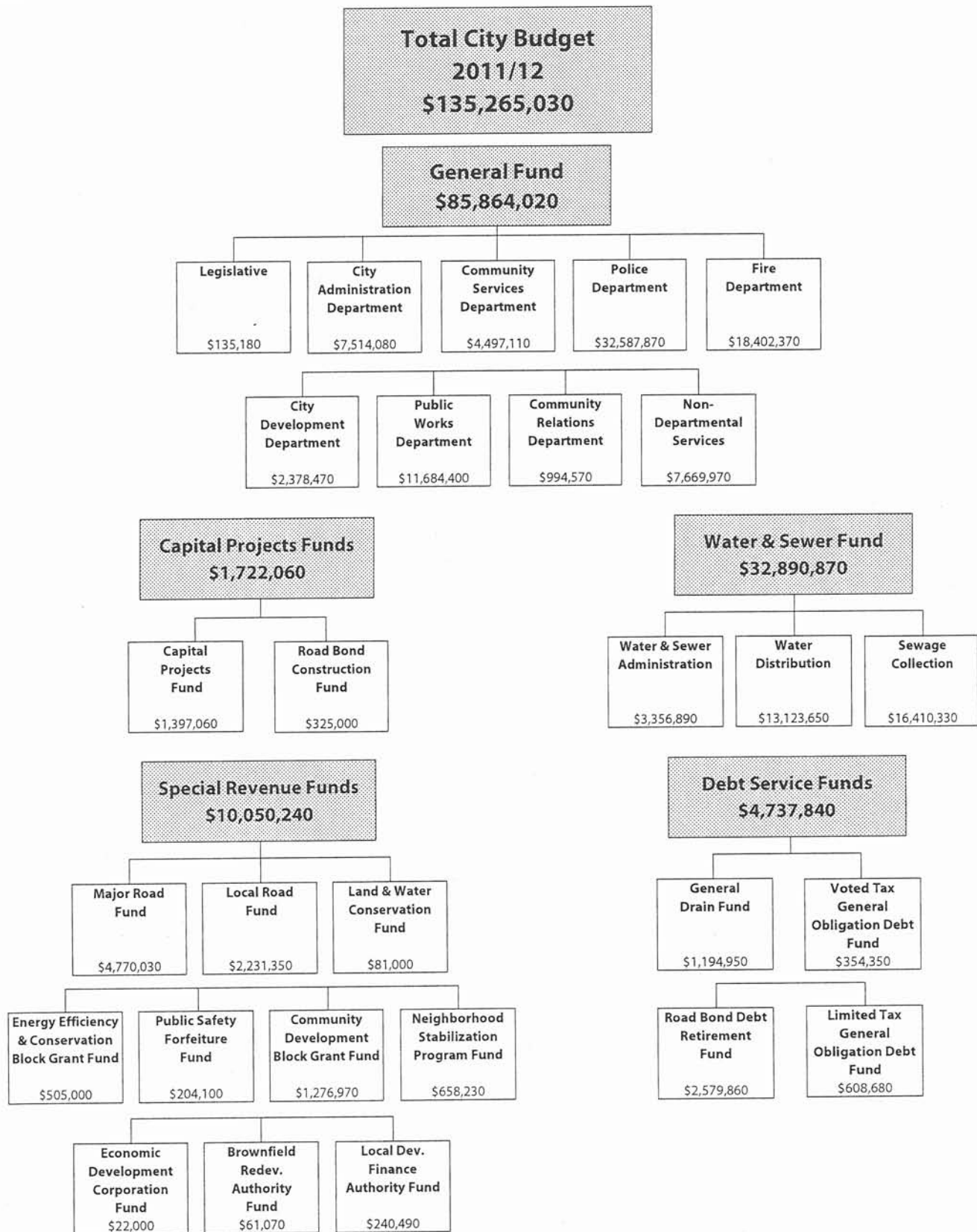


Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2011/12 Budget for the City of Sterling Heights. This overview will provide City residents with a comprehensive summary of the City's plans for the fiscal year. The City Council held several budget hearings throughout the months of April and May in order to review the budget document.

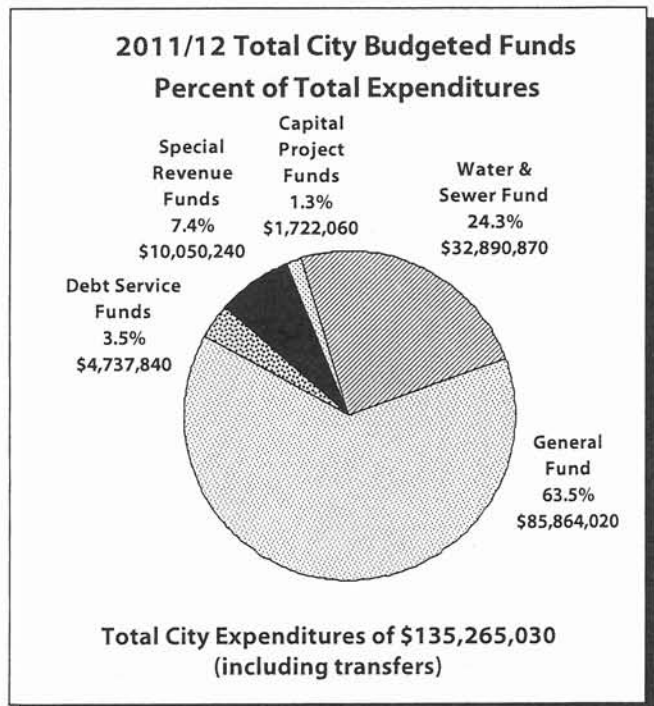
This Executive Summary will briefly introduce you to the City's budget. It will explain how the City plans to utilize its resources and will highlight some of the more significant changes to the City's budget. If a more in-depth understanding of the budget is desired, please take some time to review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

TOTAL CITY FUNDS

The 2011/12 Budget for all City Funds totals \$135.3 million – down \$7.1 million or 5.0% from the prior year due to numerous cost saving measures, a second year of employee wage and benefit concessions, lower staffing levels and a decrease in one-time federal funding for road improvements, public safety equipment, energy upgrades and neighborhood stabilization funds.

The City establishes a budget for 18 separate funds or accounting divisions. These 18 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the **General Fund**, which provides \$85.9 million in funding towards the majority of services available to City residents through the City's seven departments. The second largest fund is the **Water & Sewer Operating Fund**, which provides \$32.9 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 \$10.1 million for major and local road maintenance and



construction, park development, public safety drug forfeiture purchases, funding for economic development, brownfield redevelopment, and the local development financing authority, and for the federally subsidized Community Development Block Grant, Energy Efficiency & Conservation Block Grant, and the Neighborhood Stabilization programs. Several notable items in the Special Revenue Funds 2011/12 Budget include:

- \$658,230 in federal neighborhood housing program assistance to qualifying low-income residents.
- \$505,000 in federal energy grants to replace boilers and air conditioning units and other energy saving measures including new DPW lights and temperature controls in City facilities.
- CDBG funding to assist low and moderate-income families in making minor home repairs, for increased property maintenance code enforcement efforts, renovation of the Baumgartner Park restroom, installation of ramped sidewalks, final debt payment on the Senior Center gym, and continued funding to not-for-profit service organizations.
- Increased funding for efforts to market the City as an automotive and defense industry location, operations of the City's new business incubator, and reimbursement of eligible brownfield and

LDFA expenses resulting from the BAE project.

- Several park maintenance projects including parking lot and tennis court repairs and the replacement of turf and grading of the baseball fields at Baumgartner Park.

Due to the fourth year of declining taxable values and an eight-year decline in State road funds, the local street replacement program has been suspended. Continued full funding is budgeted for neighborhood road sectional concrete repairs, while funding for both major and local road surfacing repairs has increased.

Because the City has lost \$5.0 million in State gas tax revenues since 2004 and due to reduced federal stimulus dollars, fewer new road projects are budgeted. These limited road improvement projects for next year include:

- Sectional concrete and asphalt pavement repairs on Ryan Road from Metropolitan Parkway to 19 Mile Road and the resurfacing of 19 Mile Road from Van Dyke to Merrill Road.
- Sectional asphalt repairs to Clinton River Road – west of Schoenherr Road and Dobry Drive – east of Ryan Road; and various intersection repairs including Saal & Clinton River Road, Plumbrook & Van Dyke, and Riverland Drive & Van Dyke.

The **Capital Project Funds** total \$1.7 million. These funds are used for the purchase of capital equipment and vehicles, the repairs to municipal facilities and storm drains, and for road construction financed by the sale of bonds. Notable capital projects in the 2011/12 Budget include:

- \$250,000 for Neighborhood Sidewalk Repairs and \$200,000 for the continuation of the Sidewalk Gap Completion Program.
- \$37,750 in DPW fleet maintenance and road maintenance equipment, and Information Technology upgrades including thirty-six replacement personal computers, a financial database upgrade and replacement network switch.
- \$736,560 to replace ten police patrol and traffic vehicles and a Fire Engine.

Finally, the **Debt Service Funds** total \$4.7 million and provide funding for the debt payments on road construction projects, the City Center Commons, the

public safety radio system, storm drains, and the debt resulting from the voter approved Proposal F. The City has saved over \$1.3 million in future interest payments by refinancing several bonds and due to the last bond rating upgrade. The City's outstanding debt has dropped to its lowest level since 1989.

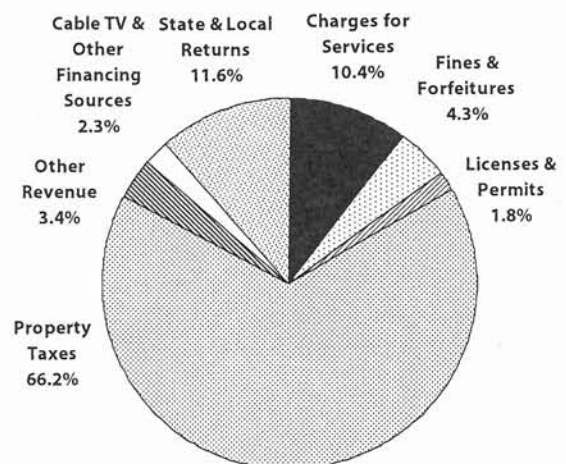
GENERAL FUND

The 2011/12 General Fund Budget totals \$85.9 million, a decrease of \$3.1 million or 3.5% below the prior year budget. Absent increased contributions to the pension systems due to stock market declines, the budget would have decreased by \$4.8 million or 5.4%. General Fund expenditures have fallen to their lowest level in five years or since 2007, while revenues have dropped to their lowest level since 2006.

Revenues by Category

The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City's tax rate of 12.6858 mills will provide \$55.5 million or 66.2% of the total General Fund budget. Taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement Proposal F debt, and

**2011/12 General Fund Revenues
By Revenue Category**



Drain debt.

The City's total millage rate of 12.6858 mills remains the same as last year. Since 1988, the City's total tax rate has declined by 5.2% and remains one of the lowest of any city in the area and lower than 85% of other cities in the entire State.

Due to declining property assessments since 2008, the City's total assessed value has dropped by 29.5%, while the total taxable value has decreased by 18.4%. Residential assessed values alone have declined by 34.1%, while residential taxable values have decreased by 21.9%. The City's total taxable property value has now fallen to its lowest level since 2003, while assessed values are at their lowest level since 2001. As a result, due to the fourth year of declining property assessments, the City has lost \$27.5 million in lower property tax revenues compared to receipts in a normal housing market. This revenue loss and assessment decline is unprecedented in the City's history. Total property tax receipts have fallen to their lowest level in six years or since 2006.

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 1.8%, State and Local Returns 11.6%, Fines & Forfeitures 4.3%, Charges for Services 10.4%, Other

Revenue 3.4%, Cable TV Revenue 2.2%, and Other Financing Sources 0.1%.

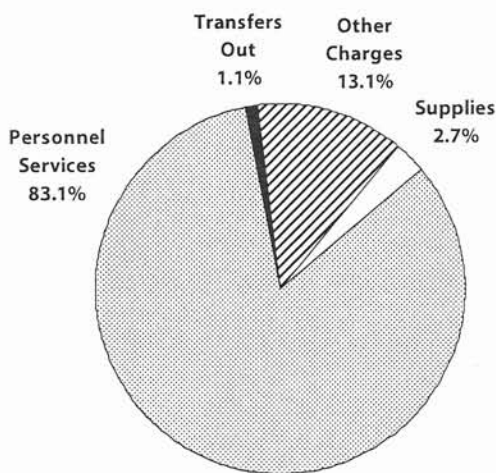
Due to a decline in property assessments, continued cuts in State funding, lower development and interest income, coupled with an increase in required pension contributions due to stock market declines, and despite \$4.8 million in expenditure savings, a \$4.5 million planned use of fund balance reserves is budgeted. An estimated \$7.2 million or 8.4% of General Fund expenditures will remain available in General Fund reserves.

Expenditures by Category

The \$85.9 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 83.1% of the total budget. Supplies, which are made up primarily of operating supplies, fuel, parts for the repair and maintenance of City vehicles, and the purchase of Library books, total 2.7% of the budget. Other Charges total 13.1% 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 1.1% of the General Fund budget.

The total \$3.1 million decrease in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

**2011/12 General Fund
Expenditures by Category**



Total General Fund Budget of \$85,864,020

	Dollar Change	Percentage Change
Personnel Services	(\$2,204,160)	(3.0%)
Supplies	(183,360)	(7.5%)
Other Charges	(184,650)	(1.6%)
Transfers Out	(519,270)	(35.1%)
Total	(\$3,091,440)	(3.5%)

Personnel Services decreased \$2.2 million or 3.0% from last year's budget. Absent the increased actuarially required pension contributions to offset prior stock market declines, personnel costs would have decreased by \$3.9 million or 5.3%. Due to revenue shortfalls, the budget does not fund 31 vacant full-time positions saving \$2.4 million. The budget assumes the continuation of last year's

wage and benefit concessions and additional concessions next year from all labor groups. Should public safety groups not agree to the concessions, the budget shortfall would increase by \$1.3 million. Overtime costs will fall by another \$292,110 or 6.8% to total a nearly \$1.3 million or 24% reduction over the past four years.

The City will again fully fund its actuarially required contribution for current and future retiree medical liabilities. In 2011/12, \$10.9 million has been set-aside in the General Fund to fully cover these obligations. In the past eight years, the City has increased its funding by \$8.3 million.

The budget includes funding for 543 full-time positions – the City's lowest staffing level since 1977. 31 vacant positions have not been funded. The City has now reduced funding for 106 vacant full-time positions or 16.3% of its workforce since 2002, saving over \$7.9 million annually. The City's employee per resident ratio has decreased by over 31%. Full-time staffing is down more as a percentage in administrative departments, as over 90% of the staffing reduction has been to general employees and not sworn Police and Fire positions assigned to the street.

Part-time staffing has increased by six positions. Six part-time Custodians are now funded in Facilities Maintenance in lieu of four vacant full-time staff, while an additional part-time position is budgeted in Police and the Library. A full-time employee has been reassigned to Fire Administration due to a part-time vacancy and an additional Seasonal Laborer is needed in Refuse Collection. Due to a vacancy, the budget no longer funds two part-time Video Technician positions in Community Relations.

Supplies decreased by \$183,360 or 7.5% due to the City's ongoing vendor savings program, continued savings in equipment repairs, fewer publications, less postage, elimination of DARE supplies and fewer Library material purchases. City departments have continued to reduce their overall discretionary spending. Departments, for example, are using networked copy machines as printers, which has resulted in the need for fewer toner printer cartridges and are also using more online publications.

Other Charges decreased by \$184,650 or 1.6%. The City's energy and utility costs are anticipated to

decline by \$112,500 or 11.4% due to lower negotiated rate pricing and greater energy efficiency measures. Medical Services declined by \$10,800 due to labor concessions. Printing costs fell by \$31,570 due to prior year savings from printing one fewer City Magazine edition and the elimination of the City Calendar. City Attorney costs fell by \$22,600 or 3.2%. \$101,600 in savings occurred from converting police and fire software from CLEMIS to New World, though maintenance fees will come on line the following year. Savings were also realized due to fewer employee memberships, the continued elimination of employee tuition reimbursements, and lower employee training costs. Contracted service costs rose \$244,850 primarily for the full year funding for the newly privatized Police Detention facility contract. Other adjustments include an additional \$50,000 for tax refunds due to an increase in property tax appeals.

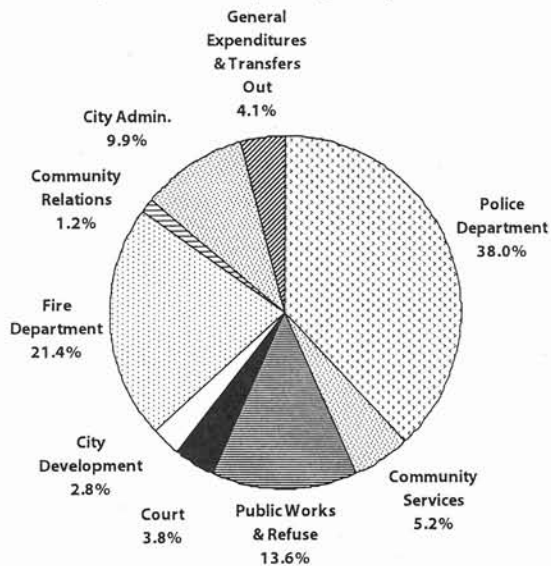
Capital Outlay is budgeted in the Capital Projects Fund. All capital equipment and vehicles used by General Fund departments, with the exception of drug forfeiture purchases, are expensed in the Capital Projects Fund and are funded primarily through a Transfer Out from the General Fund, Capital Project reserves or grant funds. \$31,500 is budgeted for Public Work's equipment and \$79,000 in Information Technology upgrades including a new financial database and replacement of a network switch and 36 six-year old personal computers. \$736,560 is budgeted for the purchase of ten replacement high mileage police vehicles and a 23-year old Fire Engine. ***A complete list of all capital equipment, vehicles, and projects is located in the Capital Projects section of this document.***

General Fund **Transfers Out** to other City Funds decreased by \$519,270 or 35.1% due to lower debt payments, reduced capital purchases and the suspension of the local street replacement program due to declining City and State revenues.

Expenditures by Budgetary Center

The General Fund can be further broken down into the departmental or budgetary center level. These centers comprise the seven City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, nearly

**2011/12 General Fund
Expenditures By Budgetary Center**



three-quarters 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 2011/12 Budget:

City Administration Department

- The reorganization of several City offices as Economic Development will now report directly to the City Manager, while Information Technology will report to the Assistant City Manager/City Clerk.
- Additional Economic Development staffing with the transfer of two positions from the former Public Services office, increased funding for economic development marketing and business attraction efforts, and the opening of the Smartzone business incubator.
- A 15%-20% reduced wage scale for the vacant City Treasurer and Human Resources Director positions.
- The elimination of a vacant Senior Clerk position in the City Clerk's office and funds to conduct four elections.
- The elimination of four vacant full-time Custodial positions due to an agreement with union to hire part-time staff and utility savings from lower negotiated rates and the implementation of energy

efficiency cost savings measures.

- The elimination of the Network Administrator position due to a retirement, and funding for a replacement network switch and a required upgrade to the City's MUNIS database.
- Funding for an Assessing property valuation service to assist in defending an increasing number of business tax appeals.
- Savings from the new banking services contract and design and process changes that have reduced the mailing and printing costs of City water and sewer bills.
- Continuation of the City's 5% Vendor Savings Program.
- The replacement of six-year old personal computers for Economic Development, Purchasing/Risk Management and Treasury staff.

Community Services Department

- The creation of the new Community Services Department that will allow the Library and Parks & Recreation offices to better share resources and programs. The Public Library Director's title will change to Community Services Director.
- The continued service sharing agreement between the City and the Suburban Library Cooperative that will fund a portion of the Community Services Director's costs, who in return will assist them on a part-time basis.
- The elimination of two vacant full-time Library positions by merging the Adult and Youth Services divisions and the funding of a part-time Clerk to assist the circulation desk.
- A 4.4% reduction in funding for Library books, publications and audiovisual materials and continued CDBG funding for the purchase of library books to be delivered to the homebound and senior residences.
- The offering of a \$200 Library card to Troy residents in light of the planned closing of their Library.
- Energy savings from the new Library boiler and air conditioning unit and new Recreation Center boiler, as well as computer software savings from sharing two Library staff computers.
- The elimination of a vacant Recreation Supervisor position and the further redistribution of duties among existing staff.
- A reduction in recreation part-time wages due to the prior consolidation of the summer playground program sites, the continued manpower

reallocation in various programs and events currently being achieved by the department, and continuation of the Teenfest with a nominal \$2 resident entry fee.

- The installation of soap dispensers in City park restrooms.
- Increased funding for popular yoga and children's karate classes.
- Lower Parks & Recreation overtime costs and program supply savings.
- Continued postage and printing savings from the greater use of e-mail and the City's web site for program information.
- The use of prior land sale funds for three park maintenance projects and CDBG funds to renovate the restroom at Baumgartner Park.
- Continued full funding for the Senior Center and the operations of the Senior Active Life Center Addition.

Police Department

- A reduction in funding for four vacant full-time clerical positions due to the greater use of technology including the New World records management system, the new in car E-ticketing system which eliminates redundant data entry, and the improved customer access to online police reports 24 hours a day.
- The reduction of one vacant full-time Dispatcher position and the hiring of four part-time Dispatchers once the New World computer system comes on line.
- The full year funding of the new G4S contract to manage the Police Detention Facility, which has made the elimination of six vacant Police Officer positions possible, while also increasing the number of officers on the street.
- The suspension of the DARE program which has already been eliminated by the other communities in the Utica and Warren School District and the reallocation of officers for increased neighborhood patrols.
- A reduction in overtime due to continued savings from the Special Response Team, the new Troy firing range agreement, suspension of the Citizen Police Academy, and refined detective shift schedules.
- Lower first year computer maintenance costs as a result of switching from CLEMIS to New World and savings from the use of network copy machines for

department printing.

- Lower utility costs from the new boiler and chiller and savings from reduced training costs.
- Funding for ten replacement high mileage traffic and patrol vehicles and drug forfeiture purchases to replace 12 year-old and 14 year-old Detective vehicles, and a replacement K-9 and Special Response Team vehicle.
- The continued deployment of four officers on the Accident Prevention program and continuation of the Weigh Master enforcement program and the City's Community Emergency Response Team (CERT).

Fire Department

- The transfer of a full-time Clerk Typist from Building to Fire Administration due to a vacancy in the part-time Clerk position.
- A reduction of two Fire Inspector positions as resources will be redirected toward the high hazard inspections. The Fire Administration staff will work on alternative proposals to conduct limited non-mandatory inspections of other businesses.
- Lower computer consultant costs as a result of the new Fire records management computer system.
- A reduction in overtime due to assumed labor wage concessions, more cost effective public education programs, a continuation of the revised fire open house format, the use of grant funds for HazMat training, lower Sterlingfest staffing, a more streamlined resident assistance program and continued savings from the video conferencing training system.
- Grant match funding to replace a 23-year old Fire Engine.

City Development Department

- The reassignment of four full-time staff from Community Relations to the new Neighborhood Services division to enhance the City's property maintenance programs and to develop a community based outreach program to improve the appearance of neighborhoods.
- The elimination of the vacant City Development Director/Assistant City Manager position, a portion of whose duties will be assigned to the City Planner.
- The elimination of a Clerk Typist position, which

has been reassigned to Fire Administration and the relocation of the CDBG Specialist and part-time NSP intern positions from the former Public Services office to Planning.

- The relocation of Engineering staff to the Building area in order to provide increased service for residents and developers in site plan reviews and processing permits.
- Lower overtime costs as a result of the reduced building activity and a streamlined Ordinance Board of Appeals process.
- Increased nuisance abatement contract costs pending final lien payments.
- Lower part-time wages as less of the original foreclosure relief grant remains available.
- CDBG funding for increased property maintenance inspections in qualifying neighborhoods.
- The replacement of six-year old personal computers for the Building and Planning employees.

Public Works Department

- The transfer of a Civil Engineer position to Water & Sewer Administration, a Senior Clerk to the City Clerk's office due to a retirement, and the relocation of in-house Engineering staff near the Planning and Building offices.
- A redesign of the general stores process with department ordering and stocking supplies on a just in time basis.
- The elimination of three vacant full-time positions in Parks & Grounds Maintenance as the department continues to work on alternative service delivery plans, including the transition to a private tree branch chipping contractor for residents to use and eliminating weekend sports field striping.
- The elimination of the vacant General Supervisor in the Public Works Center due to a retirement and the transfer of duties to other department staff.
- One additional part-time Refuse Seasonal Laborer to assist in enforcing the City's grass and weed cutting ordinance, partially offset by a reduction in seasonal hours in Street Services.
- Savings from lower energy costs due to the replacement of the Public Works furnace and lighting, and continued savings from the maintenance of municipal grounds, parks, and retention ponds.
- Reprioritization of limited resources to improve road surface conditions, reduced County street

sweeping rotations and revised mowing cycles for County medians during the hot summer months. Increased sweeping will occur on major road crossover lanes.

- Increased funding for snow plowing on major roads and the use of Engineering staff to augment snow plowing efforts.
- Capital funding for an automotive diagnostic computer system to better repair City vehicles, a larger salt brine storage tank, and a road patch roller for necessary road repairs.

Community Relations Department

- The reassignment of four full-time staff to the new Neighborhood Services division, the elimination of two vacant part-time Video Technician positions, and two other department full-time staff due to a retirement and a voluntary layoff.
- A reimaging of department services to include a bi-weekly SHTV newscast, the elimination of local sports coverage, a revised beautification awards program, the return of the holiday gift drive to local service clubs and churches, elimination of the City Calendar, and a refocus on City government news coverage.
- Continued printing and postage savings from reducing the City Magazine to three editions per year, new Magazine advertising revenues, and Sterlingfest savings due to a continued reduction in costs and the sharing of resources with the Chamber of Commerce.

Non-Departmental Services

- Continued full-year funding for the newly created part-time Deputy Clerk position at the 41-A District Court.
- Continued Act 78 Civil Service Commission savings from not having to conduct a Police Lieutenant promotional assessment center nor recruit Police Officer or Firefighter positions next year.
- Continued elimination of the employee tuition reimbursement program.
- The continued City memberships to the Southeast Michigan Council of Governments (SEMCOG), the Clinton River Watershed Council, Michigan Municipal League, Mayors and Municipalities Automotive Coalition, and the Traffic Association of Macomb.

WATER & SEWER FUND

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

Sterling Heights purchases its water and sewage services from the City of Detroit, which directly influences the rates we charge. Effective July 1, 2011, the cost of water purchased from Detroit will increase by 8.8%, while sewage fees billed from Macomb County will rise by 17.3% due largely to new sewer rehabilitation project debt.

As a result of these increases from Detroit and Macomb County, a 7.9% water and 9.9% sewer rate adjustment must be passed on to our customers in order for the City's system to break-even over a two-year period. The rate adjustment is necessary due to the variable and fixed rate increases from Detroit, as well as a 24% drop in water consumption since 2003. In addition, a greater portion of the costs from Detroit and Macomb County are now fixed and therefore not tied to the City's actual usage. Sterling Heights continues to pass on a lower rate increase than Detroit due to greater efficiencies in the management of our system.

The average Sterling Heights residential customer will pay less than \$39 per month for water & sewer services. The City's maximum summer discount will remain at \$26, as this discount was increased a few years ago for the first time in ten years.

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

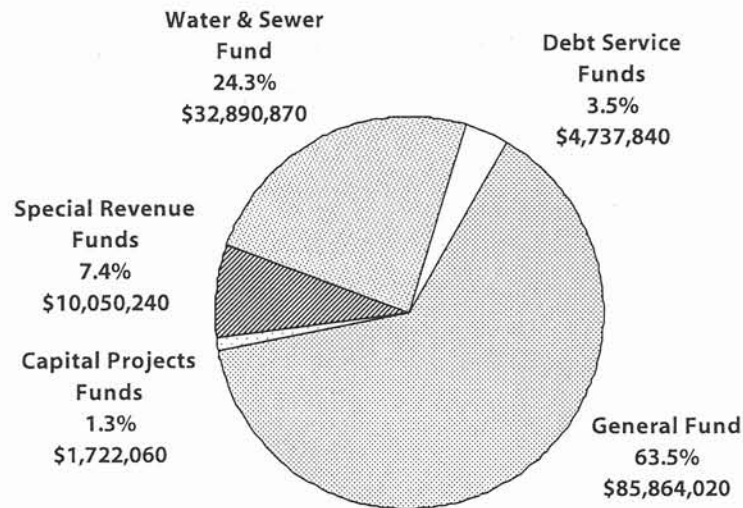
The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose by 1.8% primarily due to increased pension funding as the budget assumes a second straight year of employee wage and benefit concessions. Supplies increased by \$34,290 as a

greater number of water meter replacements and repairs are needed to improve meter accuracy.

The 2011/12 Budget includes:

- Funding to replace three large commercial Water Meters, two replacement lift station pumps, a lift station and sewer main alarm system, and a Vactor Jet to remove debris and blockages from sanitary sewer lines.■

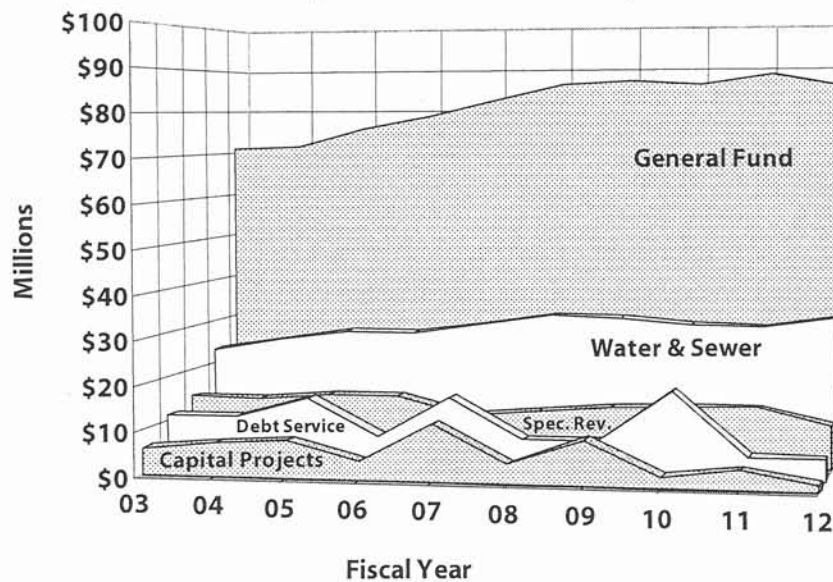
2011/12 Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$135,265,030
(including transfers)**

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

Total City Budgeted Funds Expenditure History



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

2011/12 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	\$53,852,430	\$0	\$96,130	\$1,545,300	\$0	\$55,493,860
Water & Sewer Service	0	29,456,280	0	0	0	29,456,280
Charges for Services	7,470,400	1,945,850	41,000	0	0	9,457,250
State Revenue Sharing	8,500,000	0	0	0	0	8,500,000
Highway & Street Grants	0	0	6,200,000	0	0	6,200,000
Federal, State & Local Grants	951,490	0	2,770,200	36,440	0	3,758,130
Interfund Transfers In	42,300	0	283,930	2,908,680	317,060	3,551,970
Court & Police Fines and Forf.	3,403,100	0	0	0	0	3,403,100
Miscellaneous Revenue	1,512,920	114,720	385,700	279,610	461,270	2,754,220
Cable Revenue	1,825,000	0	0	0	0	1,825,000
Licenses & Permits	1,437,000	0	0	0	0	1,437,000
Labor Services Roads	1,000,000	60,000	0	0	0	1,060,000
Rental - Road Equipment	950,000	40,000	0	0	0	990,000
Interest On Investments	300,000	350,000	12,270	8,000	11,250	681,520
Other Fines & Forfeitures	84,000	0	0	0	0	84,000
Sale of Fixed Assets	15,000	0	0	0	0	15,000
Proceeds - Long-term Debt	0	0	0	0	0	0
Total Revenues	81,343,640	31,966,850	9,789,230	4,778,030	789,580	128,667,330
EXPENDITURES BY OBJECT						
Personnel Services	71,382,780	3,601,870	30,860	0	0	75,015,510
Other Charges	6,965,400	24,579,260	1,868,230	14,730	0	33,427,620
Principal Payments	0	1,107,530	411,470	3,635,000	0	5,154,000
Refuse Collection	4,214,000	0	0	0	0	4,214,000
Interfund Transfers Out	959,670	0	2,592,300	0	0	3,551,970
Other Services	0	0	3,176,500	0	0	3,176,500
Capital Improvement Projects	0	0	1,808,460	0	875,000	2,683,460
Supplies	2,273,070	237,400	31,030	0	0	2,541,500
Interest Payments	0	1,234,660	12,490	1,088,110	0	2,335,260
Interfund Services	69,100	1,696,800	22,900	0	0	1,788,800
Capital Vehicles	0	375,000	96,000	0	736,560	1,207,560
Capital Equipment	0	58,350	0	0	110,500	168,850
Total Expenditures	85,864,020	32,890,870	10,050,240	4,737,840	1,722,060	135,265,030
Excess of Revenues Over (Under) Expenditures	(4,520,380)	*	(261,010)	40,190	(932,480)	(5,673,680)
Beginning Fund Balance	11,739,310	*	4,290,050	436,260	2,190,170	18,655,790
Ending Fund Balance	\$7,218,930	*	\$4,029,040	\$476,450	\$1,257,690	\$12,982,110

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

	2009/10 Actual	2010/11 Estimate	2011/12 Budget
REVENUES BY SOURCE			
City Property Taxes	\$56,869,730	\$59,242,030	\$55,493,860
Water & Sewer Service	23,054,690	26,186,520	29,456,280
Charges for Services	9,507,610	9,647,240	9,457,250
State Revenue Sharing	9,136,700	8,997,330	8,500,000
Highway & Street Grants	6,483,600	6,430,000	6,200,000
Federal, State & Local Grants	4,279,730	5,658,310	3,758,130
Interfund Transfers In	16,320,900	4,033,240	3,551,970
Court & Police Fines & Forfeitures	3,534,180	3,393,100	3,403,100
Miscellaneous Revenue	5,525,030	2,855,840	2,754,220
Cable Revenue	1,799,500	1,850,000	1,825,000
Licenses & Permits	1,194,710	1,592,000	1,437,000
Labor Services Roads	1,071,420	1,060,000	1,060,000
Rental - Road Equipment	887,740	965,000	990,000
Interest On Investments	1,027,510	799,330	681,520
Other Fines & Forfeitures	84,390	85,000	84,000
Sale of Fixed Assets	149,960	15,000	15,000
Proceeds - Long-term Debt	3,843,940	0	0
Total Revenues	144,771,340	132,809,940	128,667,330
EXPENDITURES BY OBJECT			
Personnel Services	74,655,250	75,558,880	75,015,510
Other Charges	33,757,820	30,341,730	33,427,620
Principal Payments	17,442,500	4,254,310	5,154,000
Refuse Collection	4,193,730	4,200,000	4,214,000
Interfund Transfers Out	5,183,310	4,033,240	3,551,970
Other Services	2,989,990	3,394,630	3,176,500
Capital Improvement Projects	6,617,450	4,678,400	2,683,460
Supplies	2,568,210	2,540,170	2,541,500
Interest Payments	1,636,160	1,644,530	2,335,260
Interfund Services	1,778,020	1,770,800	1,788,800
Capital Vehicles	284,920	296,140	1,207,560
Capital Equipment	814,150	2,448,050	168,850
Total Expenditures	151,921,510	135,160,880	135,265,030
Excess of Revenues Over (Under) Expenditures *	(1,879,700)	(3,274,960)	(5,673,680)
Beginning Fund Balance	23,810,450	21,930,750	18,655,790
Ending Fund Balance	\$21,930,750	\$18,655,790	\$12,982,110

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

REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget	% Change from 10/11
	GENERAL FUND						
1010	General Fund	\$87,060,880	\$83,659,700	\$85,913,400	\$86,119,120	\$81,343,640	-5.3%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	25,160,610	25,498,510	30,451,170	28,682,280	31,966,850	5.0%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	0	0.0%
2020	Major Road Fund	5,440,260	5,546,130	5,202,720	5,294,700	4,900,500	-5.8%
2030	Local Road Fund	3,066,650	2,732,990	2,367,570	2,409,070	2,127,020	-10.2%
2440	Land & Water Conservation Fund	324,130	121,430	67,500	6,500	3,500	-94.8%
2750	Energy Eff. & Cons. Block Grant Fd.	0	235,030	968,770	463,770	505,000	-47.9%
2770	Public Safety Forfeiture Fund	662,180	386,100	36,100	224,000	750	-97.9%
2780	Comm. Develop. Block Grant Fund	596,330	793,050	1,314,890	802,020	1,276,970	-2.9%
2890	Neighborhood Stabilization Fund	28,500	915,620	1,510,840	852,610	658,230	-56.4%
8510	Corridor Improvement Auth. Fund	220,200	21,850	200	100	0	-100.0%
8550	Economic Develop. Corp. Fund	19,170	17,020	5,030	7,010	21,000	317.5%
8560	Brownfield Redevelopment Fund	48,430	48,940	44,490	47,690	55,770	25.4%
8670	Local Dev. Finance Authority Fund	0	2,989,570	421,480	605,800	240,490	-42.9%
	Total Special Revenue Funds	10,405,850	13,807,730	11,939,590	10,713,270	9,789,230	-18.0%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,190,800	1,192,080	1,190,460	1,194,200	1,194,950	0.4%
3050	Voted Gen. Obligation Debt Fund	691,710	183,960	326,150	330,900	354,350	8.6%
3160	Settlement Bonds Debt Fund	1,609,090	11,141,810	0	0	0	0.0%
3270	Road Bond Debt Retirement Fund	3,246,650	5,157,890	2,807,410	2,796,330	2,620,050	-6.7%
3690	Ltd. Tax Gen. Obligation Debt Fund	1,384,540	1,047,810	617,940	617,940	608,680	-1.5%
	Total Debt Service Funds	8,122,790	18,723,550	4,941,960	4,939,370	4,778,030	-3.3%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	2,741,380	1,511,200	2,576,060	2,351,900	788,580	-69.4%
4280	Road Bond Construction Fund	3,582,160	1,570,650	4,000	4,000	1,000	-75.0%
	Total Capital Project Funds	6,323,540	3,081,850	2,580,060	2,355,900	789,580	-69.4%
	Total Revenue	137,073,670	144,771,340	135,826,180	132,809,940	128,667,330	-5.3%
	Duplicating Transfers	(11,363,370)	(16,320,900)	(4,001,240)	(4,033,240)	(3,551,970)	-11.2%
	Total All Funds	\$125,710,300	\$128,450,440	\$131,824,940	\$128,776,700	\$125,115,360	-5.1%

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

EXPENDITURE COMPARISON CITY BUDGETED FUNDS

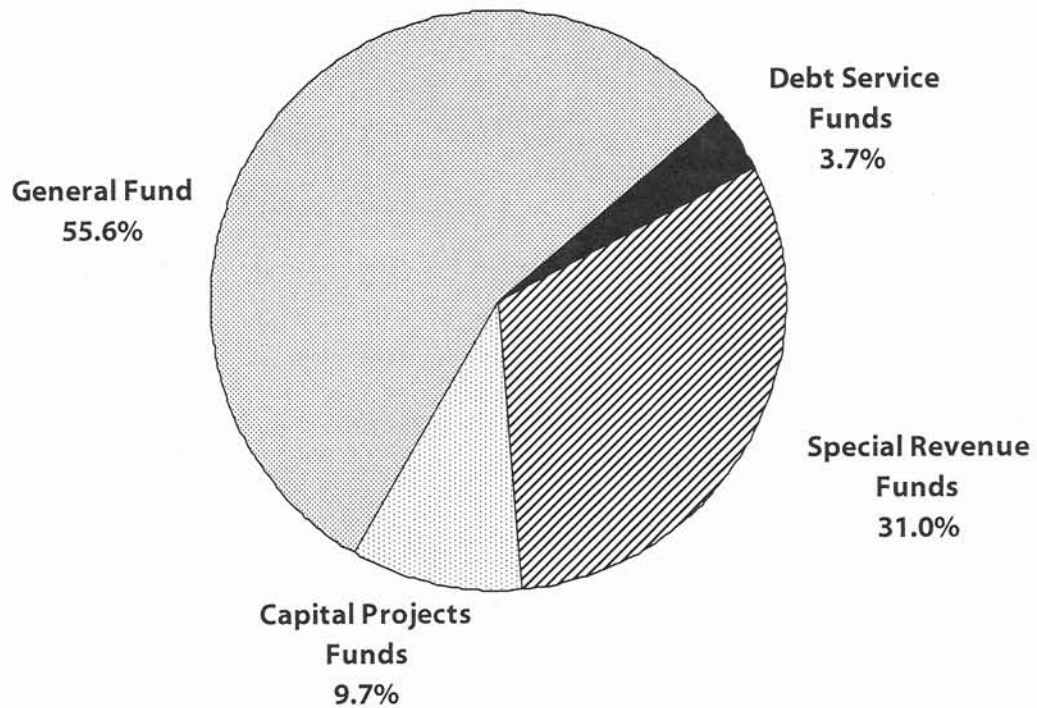
Fund No.	Fund Name	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget	% Change from 10/11
	<u>GENERAL FUND</u>						
1010	General Fund	\$87,146,730	\$86,337,840	\$88,955,460	\$86,908,730	\$85,864,020	-3.5%
	<u>WATER & SEWER FUND</u>						
5790	Water & Sewer Fund - Operations	32,222,460	30,768,980	30,456,260	27,758,260	32,890,870	8.0%
	<u>SPECIAL REVENUE FUNDS</u>						
2010	Budget Stabilization Fund	750,000	0	0	0	0	0.0%
2020	Major Road Fund	7,726,610	5,138,540	5,542,010	5,356,260	4,770,030	-13.9%
2030	Local Road Fund	3,405,020	2,805,920	2,821,880	2,867,610	2,231,350	-20.9%
2440	Land & Water Conservation Fund	160,850	16,580	348,500	250,460	81,000	-76.8%
2750	Energy Eff. & Cons. Block Grant Fund	0	235,030	968,770	463,770	505,000	-47.9%
2770	Public Safety Forfeiture Fund	268,080	447,060	492,020	473,250	204,100	-58.5%
2780	Comm. Develop. Block Grant Fund	596,330	793,050	1,314,890	802,020	1,276,970	-2.9%
2890	Neighborhood Stabilization Fund	28,500	915,620	1,510,840	852,610	658,230	-56.4%
8510	Corridor Improvement Auth. Fund	12,830	15,630	220,720	218,220	0	-100.0%
8550	Economic Development Corp. Fund	19,010	15,240	10,600	11,970	22,000	107.5%
8560	Brownfield Redevelopment Fund	29,270	81,110	44,500	44,000	61,070	37.2%
8670	Local Dev. Finance Authority Fund	0	2,989,560	421,480	605,800	240,490	-42.9%
	Total Special Revenue Funds	12,996,500	13,453,340	13,696,210	11,945,970	10,050,240	-26.6%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	1,186,560	1,202,690	1,190,460	1,193,460	1,194,950	0.4%
3050	Voted Gen. Obligation Debt Fund	609,960	310,500	331,150	335,850	354,350	7.0%
3160	Settlement Bonds Debt Fund	1,609,100	11,144,950	0	0	0	0.0%
3270	Road Bond Debt Retirement Fund	2,931,470	5,127,260	2,740,410	2,735,230	2,579,860	-5.9%
3690	Ltd. Tax Gen. Obligation Debt Fund	1,389,150	1,047,760	617,940	617,940	608,680	-1.5%
	Total Debt Service Funds	7,726,240	18,833,160	4,879,960	4,882,480	4,737,840	-2.9%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	6,432,850	1,720,170	3,636,700	3,052,660	1,397,060	-61.6%
4280	Road Bond Construction Fund	3,501,880	808,020	740,290	612,780	325,000	-56.1%
	Total Capital Project Funds	9,934,730	2,528,190	4,376,990	3,665,440	1,722,060	-60.7%
	Total Expenditures	150,026,660	151,921,510	142,364,880	135,160,880	135,265,030	-5.0%
	Duplicating Transfers	(8,456,390)	(5,183,310)	(4,001,240)	(4,033,240)	(3,551,970)	-11.2%
	Total All Funds	\$141,570,270	\$146,738,200	\$138,363,640	\$131,127,640	\$131,713,060	-4.8%

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

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget	% Change from 10/11
	<u>GENERAL FUND</u>						
1010	General Fund	\$15,207,060	\$12,528,920	\$9,486,860	\$11,739,310	\$7,218,930	-23.9%
	<u>SPECIAL REVENUE FUNDS</u>						
2010	Budget Stabilization Fund	0	0	0	0	0	0.0%
2020	Major Road Fund	2,022,640	2,430,230	2,090,940	2,368,670	2,499,140	19.5%
2030	Local Road Fund	1,262,310	1,189,380	735,070	730,840	626,510	-14.8%
2440	Land & Water Conservation Fund	754,710	859,560	578,560	615,600	538,100	-7.0%
2750	Energy Eff. & Cons. Block Grant Fund	0	0	0	0	0	0.0%
2770	Public Safety Forfeiture Fund	868,900	807,940	352,020	558,690	355,340	0.9%
2780	Comm.Development Block Grant Fund	0	0	0	0	0	0.0%
2890	Neighborhood Stabilization Fund	0	0	0	0	0	0.0%
8510	Corridor Improvement Auth. Fund	218,400	224,620	4,100	6,500	6,500	58.5%
8550	Economic Development Corp. Fund	5,060	6,840	1,270	1,880	880	-30.7%
8560	Brownfield Redevelopment Fund	36,340	4,170	4,160	7,860	2,560	-38.5%
8670	Local Dev. Finance Authority Fund	0	10	10	10	10	0.0%
	Total Special Revenue Funds	5,168,360	5,522,750	3,766,130	4,290,050	4,029,040	7.0%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	10,730	120	120	860	860	616.7%
3050	Voted General Obligation Debt Fund	135,990	9,450	4,450	4,500	4,500	1.1%
3160	Settlement Bonds Debt Fund	3,140	0	0	0	0	0.0%
3270	Road Bond Debt Retirement Fund	338,930	369,560	436,560	430,660	470,850	7.9%
3690	Limited Tax Gen. Obligation Debt Fund	190	240	240	240	240	0.0%
	Total Debt Service Funds	488,980	379,370	441,370	436,260	476,450	7.9%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	2,712,320	2,503,350	1,442,710	1,802,590	1,194,110	-17.2%
4280	Road Bond Construction Fund	233,730	996,360	260,070	387,580	63,580	-75.6%
	Total Capital Project Funds	2,946,050	3,499,710	1,702,780	2,190,170	1,257,690	-26.1%
	Unappropriated Total - All Funds	\$23,810,450	\$21,930,750	\$15,397,140	\$18,655,790	\$12,982,110	-15.7%

City Government Funds Percent of Total Reserves 2011/12 Fiscal Year



Total Government Fund Reserves of \$12,982,110

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

YEAR-END NET ASSET COMPARISON NON-BUDGETARY FUNDS

Fund No.	Fund Name	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual
PROPRIETARY FUNDS						
ENTERPRISE FUND						
5740	Water & Sewer Improvement Fund	\$35,316,776	\$36,581,310	\$36,860,207	\$33,991,681	\$34,041,578
INTERNAL SERVICE FUND						
6770	Self-Insurance Fund	22,463,966	16,198,640	16,165,248	15,941,054	21,695,945
Total Proprietary Funds		57,780,742	52,779,950	53,025,455	49,932,735	55,737,523
FIDUCIARY FUNDS						
TRUST FUNDS						
7010	Retiree Medical Benefits Fund	10,075,077	14,217,492	18,594,831	20,997,788	29,553,841
7370	General Employees Retirement System	115,605,964	129,442,940	123,949,055	91,705,363	98,979,076
7380	Police & Fire Retirement System	194,849,253	208,600,271	192,914,741	144,978,749	148,433,306
Total Fiduciary Funds		320,530,294	352,260,703	335,458,627	257,681,900	276,966,223
Total All Non-Budgetary Funds		\$378,311,036	\$405,040,653	\$388,484,082	\$307,614,635	\$332,703,746

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

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

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

General Fund

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

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

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

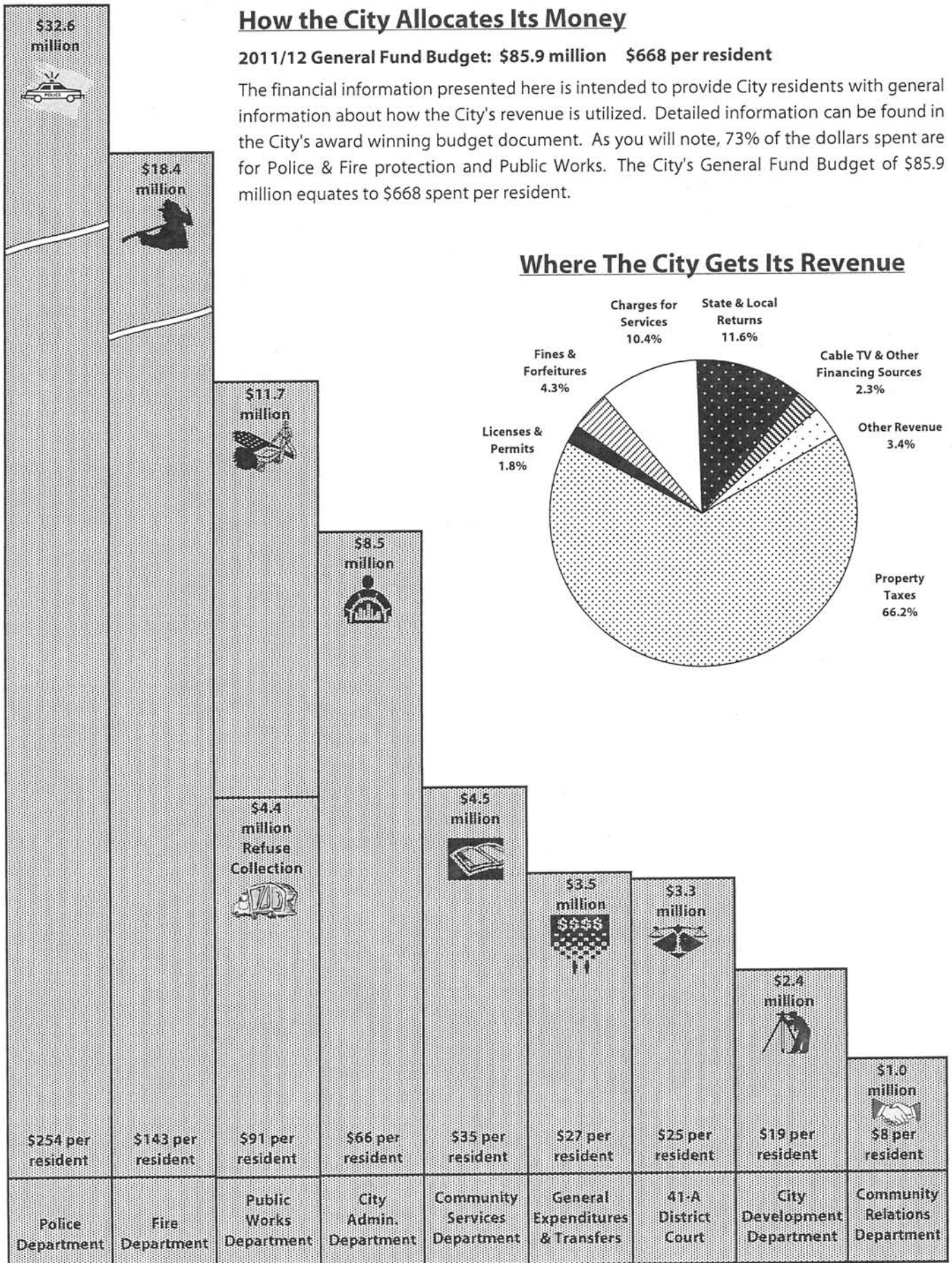
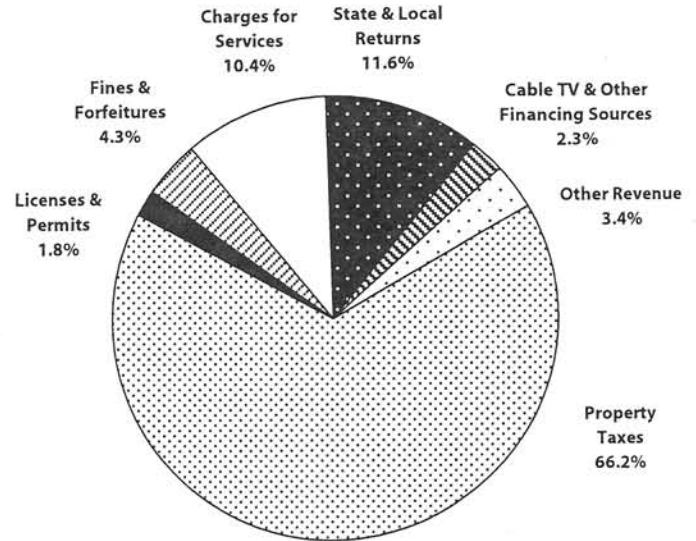
The General Fund also provides for Refuse Collection and Police and Fire Pensions. Revenues to cover these specific expenditures are generated by taxes levied exclusively for these purposes.

How the City Allocates Its Money

2011/12 General Fund Budget: \$85.9 million \$668 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, 73% of the dollars spent are for Police & Fire protection and Public Works. The City's General Fund Budget of \$85.9 million equates to \$668 spent per resident.

Where The City Gets Its Revenue



Trends & Summaries

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

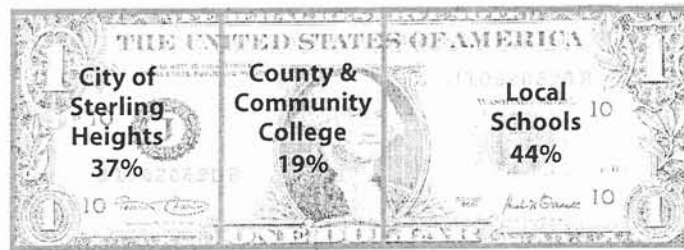
Graphs, tables and schedules numerically depict the relationship between revenues and expenditures. Historical data are presented by budgetary center, activity, and account.

Property Tax Benefit Statement

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

The average total residential property tax bill in the City is \$2,154 for those in the Utica Community School district and \$2,588 for those in the Warren Consolidated School district. Of this amount, the City receives less than 40%, or \$837, from the typical resident to pay for all local City services such as police and fire protection, refuse collection, and snow plowing services. The average homeowner pays less than \$70 per month.

	Utica Schools	Warren Schools
Average Residential Total Property Tax Bill: <i>(based on home with a market value of \$132,000 and taxable value of \$66,000)</i>	\$2,154	\$2,588
Average Residential Property Tax (City Portion Only):	\$837	\$837



The City of Sterling Heights spends an average of \$2,018 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	\$752	37%	\$312
Fire Department	\$425	21%	\$176
Public Works & Refuse	\$270	13%	\$112
City Administration Department	\$197	10%	\$81
Community Services Department	\$104	5%	\$43
General Expenditures & Transfers	\$81	4%	\$34
41-A District Court	\$76	4%	\$31
City Development Department	\$55	3%	\$23
Debt Service	\$35	2%	\$15
Community Relations Department	\$23	1%	\$10
Total Per Parcel	\$2,018	100%	\$837

Because the average amount of residential property tax the City receives is only \$837, 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)

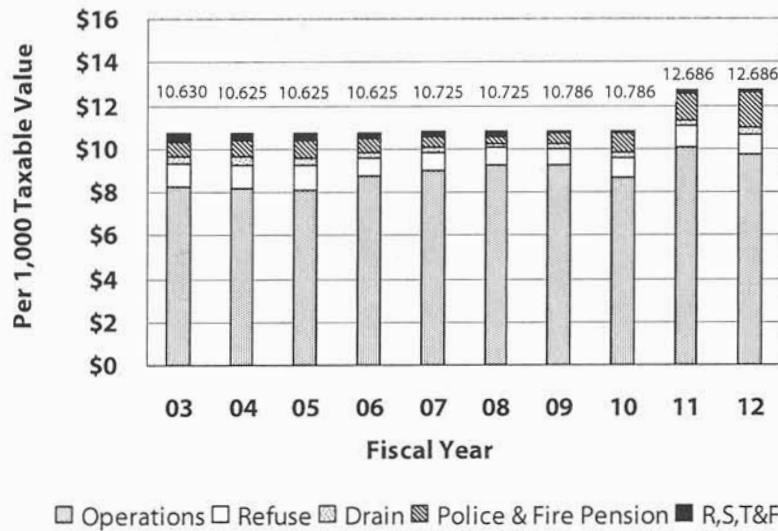
Taxing Entity	2007/08	2008/09	2009/10	2010/11	2011/12*
Tax Rate Shown in Mills					
Utica Community Schools (UCS)	9.500	9.500	9.500	9.750	9.750
Macomb County	4.206	4.206	4.574	4.574	4.574
Macomb Community College (MCC)	1.421	1.421	1.421	1.421	1.421
Macomb Intermediate School District (MISD)	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority (HCMA)	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	0.590	0.590
County Zoo Authority	-	0.100	0.100	0.100	0.100
Veteran's Operations	-	0.040	0.040	0.040	0.040
Property Tax Administration Fee	0.189	0.190	0.302	0.323	0.323
STERLING HEIGHTS CITY GOVERNMENT	10.725	10.786	10.786	12.686	12.686
Total Millage Rates	29.788	29.990	30.470	32.641	32.641
Avg. Residential Taxable Property Value	\$84,600	\$83,900	\$80,900	\$70,970	\$66,000
Average Tax Rates Shown in Dollars					
Utica Community Schools	\$804	\$797	\$769	\$692	\$644
Macomb County Government	356	353	370	325	302
Macomb Community College	120	119	115	101	94
Macomb Intermediate School District	249	247	238	209	194
Huron Clinton Metro Authority	18	18	17	15	14
S.M.A.R.T.	50	49	48	42	39
County Zoo Authority	-	8	8	7	7
Veteran's Operations	-	3	3	3	3
Property Tax Administration Fee	16	16	24	23	21
STERLING HEIGHTS CITY GOVERNMENT	907	905	873	900	837
Total Tax Bill	\$2,520	\$2,516	\$2,465	\$2,317	\$2,154

(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2007/08	2008/09	2009/10	2010/11	2011/12*
Tax Rate Shown in Mills					
Warren Consolidated Schools (WCS)	15.236	14.415	14.928	16.259	16.259
Macomb County	4.206	4.206	4.574	4.574	4.574
Macomb Community College (MCC)	1.421	1.421	1.421	1.421	1.421
Macomb Intermediate School District (MISD)	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority (HCMA)	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	0.590	0.590
County Zoo Authority	-	0.100	0.100	0.100	0.100
Veteran's Operations	-	0.040	0.040	0.040	0.040
Property Tax Administration Fee	0.246	0.239	0.356	0.388	0.388
STERLING HEIGHTS CITY GOVERNMENT	10.725	10.786	10.786	12.686	12.686
Total Millage Rates	35.581	34.955	35.952	39.215	39.215
Avg. Residential Taxable Property Value	\$84,600	\$83,900	\$80,900	\$70,970	\$66,000
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	\$1,289	\$1,209	\$1,208	\$1,154	\$1,073
Macomb County Government	356	353	370	325	302
Macomb Community College	120	119	115	101	94
Macomb Intermediate School District	249	247	238	209	194
Huron Clinton Metro Authority	18	18	17	15	14
S.M.A.R.T.	50	49	48	42	39
County Zoo Authority	-	8	8	7	7
Veteran's Operations	-	3	3	3	3
Property Tax Administration Fee	21	20	29	28	26
STERLING HEIGHTS CITY GOVERNMENT	907	905	873	900	837
Total Tax Bill	\$3,010	\$2,932	\$2,908	\$2,783	\$2,588

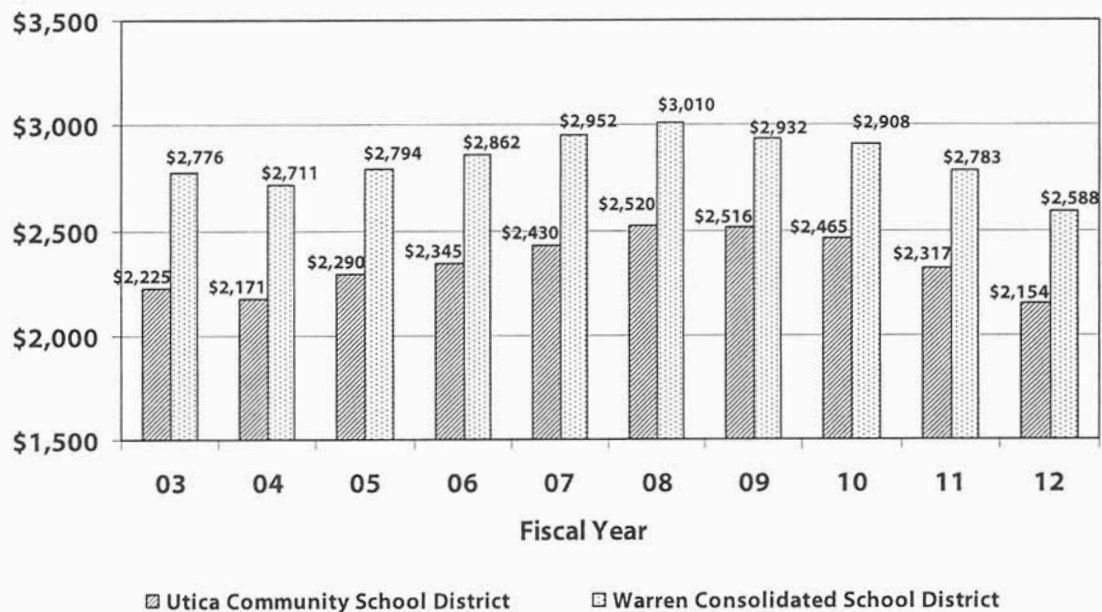
*Non-City tax rates are estimated. School rates are for Homestead residents only. Totals may not foot due to rounding.

City of Sterling Heights Millage Rates



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

Total Property Tax Bill Average Resident

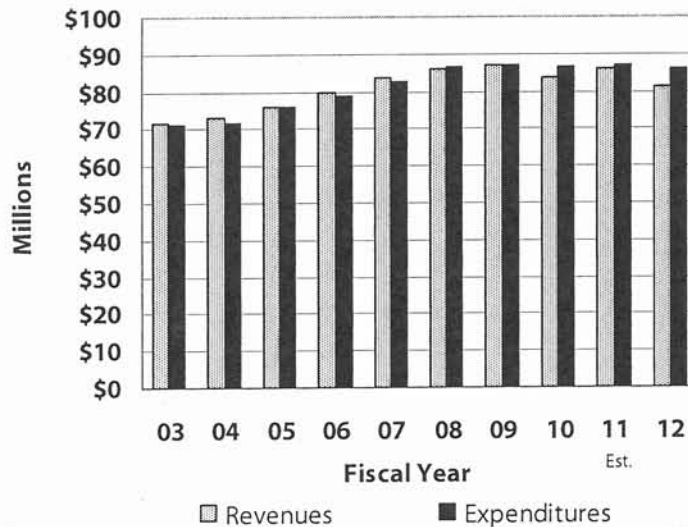


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

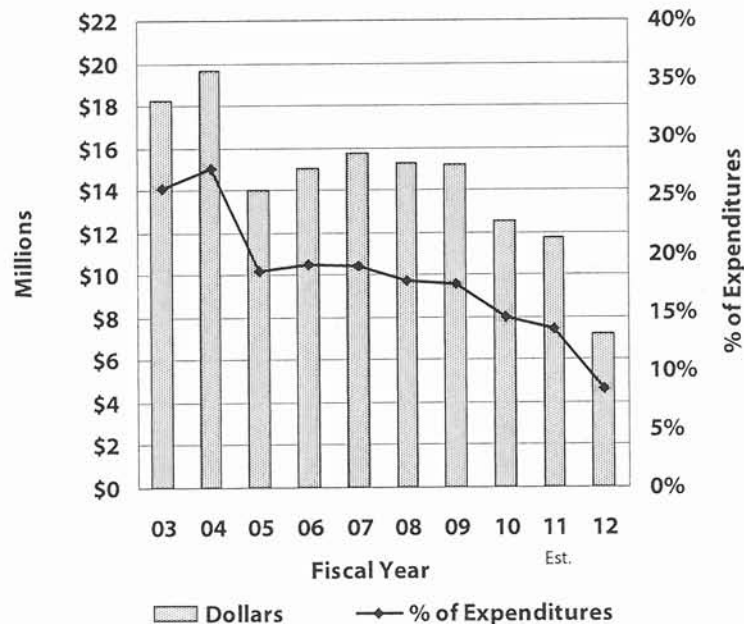
Budgetary Centers	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
REVENUES						
City Operating Taxes	\$49,275,430	\$45,954,150	\$48,608,400	\$44,773,360	\$47,423,490	\$42,069,820
Licenses & Permits	960,680	1,194,710	1,047,500	881,160	1,592,000	1,437,000
State and Local Returns	11,409,710	9,991,240	9,167,890	4,845,310	9,823,110	9,451,490
Fines & Forfeitures	2,836,560	3,618,570	3,446,600	1,593,440	3,478,100	3,487,100
Charges For Services	7,896,550	8,598,050	8,615,370	5,090,930	8,636,390	8,470,400
Other Revenue	3,676,210	2,937,300	2,833,350	1,417,350	2,983,460	2,777,920
Cable Revenue	1,771,980	1,799,500	1,800,000	494,140	1,850,000	1,825,000
Refuse Tax	4,476,790	4,561,110	4,485,940	4,164,000	4,393,220	4,413,730
Fire & Police Pension Tax	2,594,190	4,925,570	5,866,050	5,448,200	5,897,050	7,368,880
Total Revenues	84,898,100	83,580,200	85,871,100	68,707,890	86,076,820	81,301,340
Other Financing Sources						
Transfers In	2,162,780	79,500	42,300	21,150	42,300	42,300
Total Revenues & Sources	\$87,060,880	\$83,659,700	\$85,913,400	\$68,729,040	\$86,119,120	\$81,343,640
EXPENDITURES						
City Administration Department	\$9,535,230	\$8,986,230	\$9,151,570	\$4,284,950	\$8,816,640	\$8,508,970
Community Services Dept.	5,321,280	4,747,600	4,877,990	2,380,600	4,630,590	4,497,860
Police Department	29,502,700	31,674,710	32,968,950	16,637,220	32,251,380	32,587,870
Fire Department	16,686,320	17,158,590	18,304,690	9,227,570	18,171,620	18,402,370
City Development Department	2,362,440	2,165,940	2,268,070	1,286,220	2,220,560	2,390,360
Public Works Department	8,571,070	7,699,520	7,981,850	3,761,370	7,660,560	7,239,670
Refuse Collection	4,337,260	4,429,920	4,518,940	2,387,290	4,438,010	4,444,730
Community Relations Dept.	1,542,600	1,584,180	1,606,950	765,150	1,434,330	995,610
41-A District Court	3,150,160	3,221,820	3,290,470	1,600,390	3,277,810	3,273,330
General Expenditures	2,784,520	2,700,520	2,507,040	1,212,850	2,496,290	2,563,580
Total Expenditures	83,793,580	84,369,030	87,476,520	43,543,610	85,397,790	84,904,350
Other Financing Uses						
Transfers Out	3,353,150	1,968,810	1,478,940	1,004,280	1,510,940	959,670
Total Expenditures & Uses	\$87,146,730	\$86,337,840	\$88,955,460	\$44,547,890	\$86,908,730	\$85,864,020
Excess of Revenues Over (Under) Expenditures	(85,850)	(2,678,140)	(3,042,060)	24,181,150	(789,610)	(4,520,380)
Beginning Fund Balance	15,292,910	15,207,060	12,528,920	12,528,920	12,528,920	11,739,310
Ending Fund Balance	\$15,207,060	\$12,528,920	\$9,486,860	\$36,710,070	\$11,739,310	\$7,218,930

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, changes in Operating Tax revenues have varied from year to year. From 2003 through 2008, revenues increased less than 5% annually based on inflationary growth in the assessed value and a fluctuating Operation millage rate. Through 2008, due to declining State Revenues, Operating Tax revenues made up a larger share of the City's total General Fund revenues. However, since 2009, due to decreases in taxable values and a declining Operation tax rate, its share of total revenues has declined.

In the 2011/12 Budget, Operating City tax revenue represents 52.4% of total revenues, a decrease of \$4.4

million or 9.4% below the amount estimated to be collected in 2011. The decrease is a result of a 5.1% decrease to the Operating tax rate and a 6.9% decrease in the City's taxable property values. Due to an ongoing personal property valuation issue, it is assumed that Ford will continue to not make their full 2010/11 tax payment. The 2011/12 Budget includes an estimated \$952,000 tax adjustment as a result of pending automotive real and personal property tax appeals by Ford and Chrysler. Operating tax revenues have fallen by \$7.3 million since 2008 and are at their lowest level since 2005.

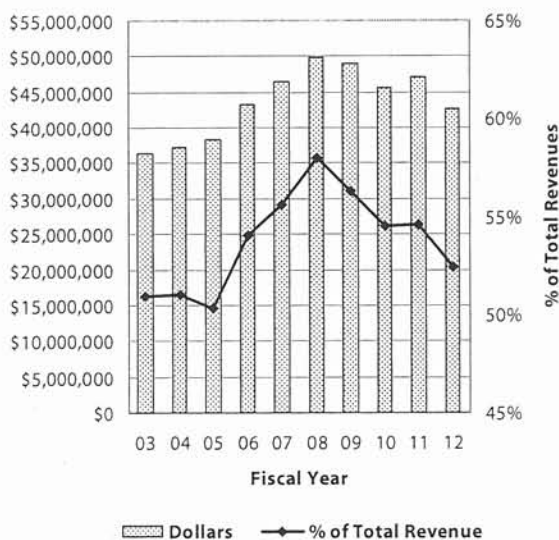
The Operations tax levy for the 2011/12 fiscal year is 9.6617 mills per \$1,000 Taxable Value, a decrease of 0.5194 mills. The Operations millage decrease is needed to offset increases in the City's four other millage rates caused by a continued decrease in taxable values. The City's total millage rate of 12.6858 mills remains the same as last year. The Operating millage rate continues to be below the 12.0 millage rate limit established by voter-approved City Charter and is currently 1.18 mills below the 10.8395 State Headlee maximum allowable levy. Since 1988, the City's total tax rate has declined by 5.2% and remains one of the lowest of any city in the area and lower than 85% of other cities in the entire State.

Since 2008, the City's total assessed value has dropped by 29.5%, while the total taxable value has decreased by 18.4%. Residential assessed values alone have declined by 34.1%, while residential taxable values have decreased by 21.9%. The City's total taxable property values have now fallen to their lowest level since 2003, while assessed values are at their lowest level since 2001.

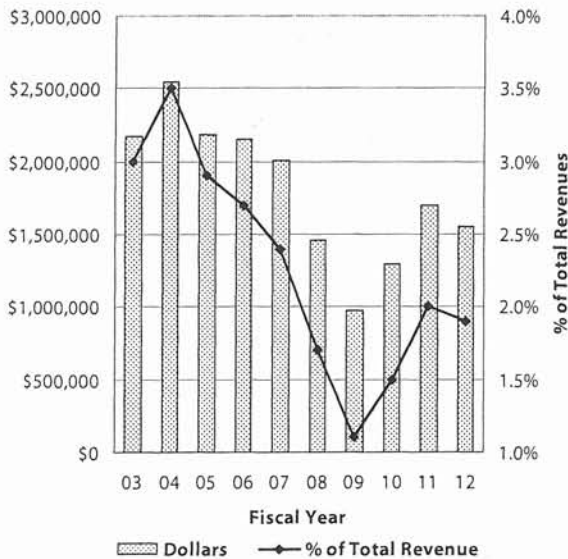
LICENSES AND PERMITS

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

Operating Tax Revenue



Building Revenue



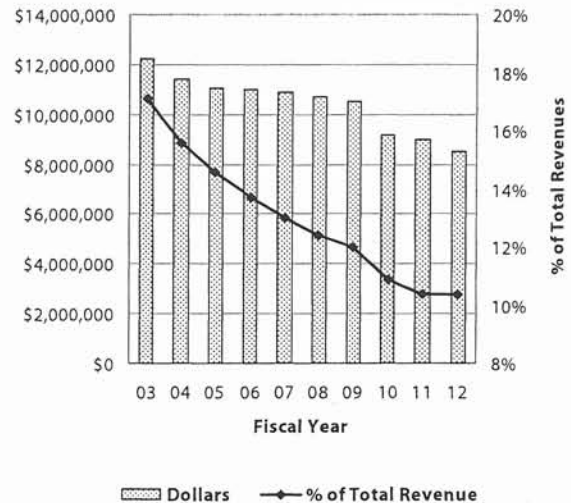
License and Permit revenues are primarily comprised of building revenues. Building revenue remained relatively constant from 2003 to 2007 with the exception of 2004 when revenues increased due to building fees from large one-time developments including renovations to Lakeside Mall. Beginning with the State's economic downturn in 2008, building revenues have fallen with a slight rebound in 2011 due to larger one-time projects from BAE and Chrysler. In 2012, building revenues are estimated to be \$1.0 million below 2004 levels. As a percent of total City revenues, building revenues have dropped from a high of 3.5% in 2004 to only 1.9% in 2012.

In the 2011/12 Budget, License and Permit revenues represent 1.8% of total revenue sources, a \$155,000 or 9.7% decrease from what is estimated to be received in 2011 primarily due to the one-time permit revenues from the BAE project. We anticipate the State's economic slowdown will continue into 2012.

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. Revenue sharing payments,

State Revenue Sharing



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.

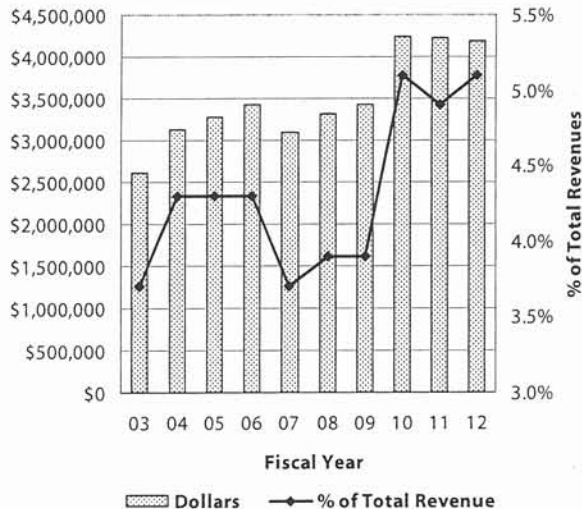
Since 2003, due to a declining economy and State budget reductions, the amount the City has received has fallen dramatically. As a percent of total City revenues, State revenue sharing has fallen from a high of nearly 17.1% to only 10.4% today.

In the 2011/12 Budget, total State & Local Return revenues represent 11.6% of total revenue sources, a decrease of \$371,620 or 3.8% below what is estimated to be received in 2011. State Revenue Sharing payments are estimated to decline by nearly \$500,000 or 5.5% due to the Governor's proposal to eliminate statutory revenue sharing and tie bar a lower level of funding to obtaining certain efficiency benchmarks. As a result, Revenue Sharing payments are anticipated to fall to their lowest level in twenty-one years or since 1991.

FINES & FORFEITURES

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

41-A District Court Revenue



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 generally increasing over the years with the exception of some decreases in several years. Court revenues have generally ranged from 4% to 5% of total City revenues.

In the 2011/12 Budget, Fines & Forfeiture revenues represent 4.3% of total revenue sources, an increase of \$9,000 or 0.3% above what is estimated to be collected in 2011. Court Revenues have increased over prior years due to increased police accident prevention efforts and the reinstitution of the Weigh Master Program for overweight commercial vehicles. However, a slight drop-off in these revenues is assumed next year due to the Police Department's greater public education efforts and overall public awareness.

OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt and for the transfers

into the General Fund from other City funds. In the 2011/12 Budget, there are no planned General Fund purchases to be financed using long-term debt.

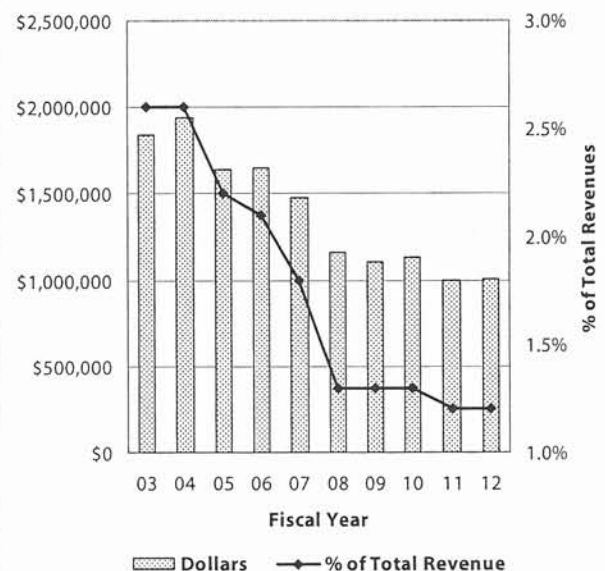
In the 2011/12 Budget, total revenues generated from Other Financing Sources represent less than 0.1% of total General Fund revenues. The amount budgeted totals \$42,300, which is the same amount as last year. \$42,300 is budgeted for the transfer from the Brownfield Redevelopment Fund to repay a portion of eligible General Fund costs.

CHARGES FOR SERVICES

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

Engineering revenues make up the largest source of Charges for Services revenues. Trends show that from 2003 to 2007, Engineering revenues

Engineering Revenue



ranged between \$1.5 million and \$1.9 million per year. However, due to a State economic downturn, revenues are estimated to remain low through 2012 and continue to be off nearly \$925,000 from 2004 levels. As a percent of total General Fund revenues, Engineering revenues have decreased from a high of 2.6% in 2004 to only 1.2% in 2012.

In the 2011/12 Budget, Charges for Services revenues represent 10.4% of total revenue sources, a decrease of \$165,990 or 1.9% below what is estimated to be received in 2011. Engineering revenues are estimated to increase by \$10,000 due to fewer federal stimulus-funded road construction projects. Revenues from the property tax administration fee have decreased by \$135,000 due to declining taxable values, while the proposed biannual business fire inspection fee has been eliminated.

OTHER REVENUE

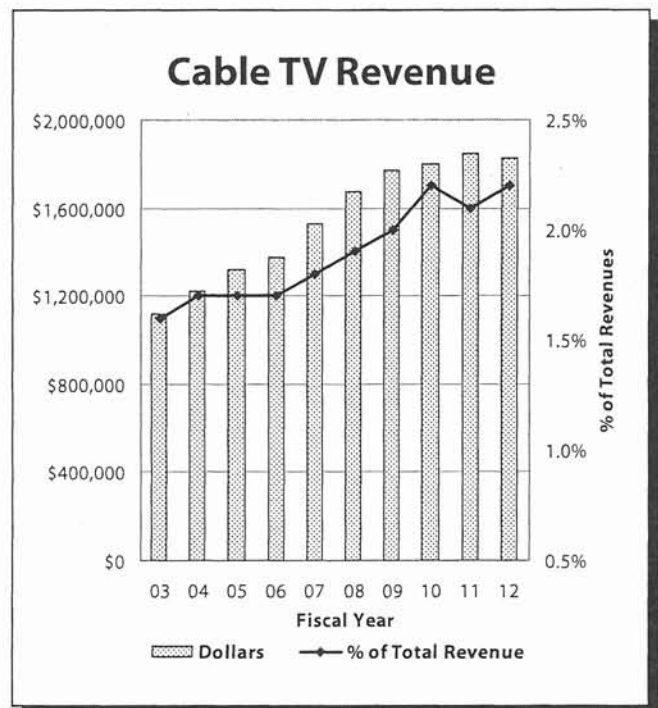
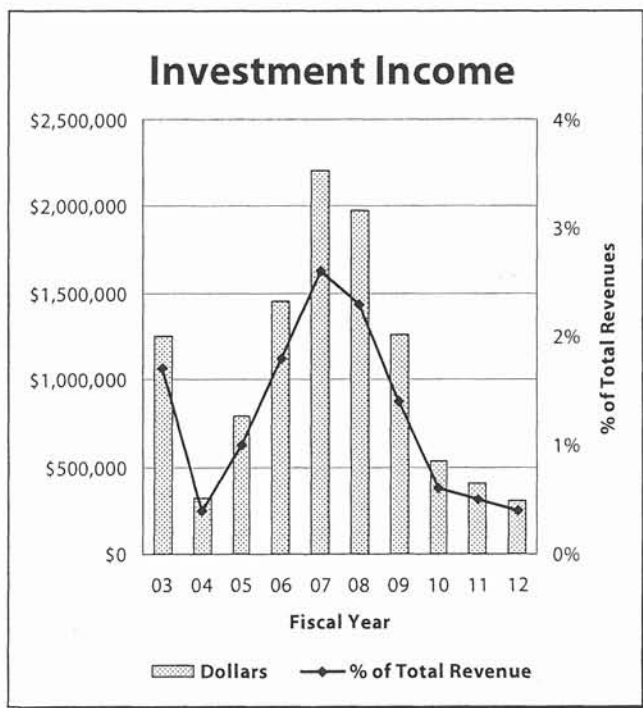
Other Revenue includes revenues that cannot be easily classified in another revenue center. Included in this revenue center is Interest on Investments, Rental Income from different sources, Police Auction revenues, Reimbursements, and OUIL cost recovery fees.

From 2003 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. From 2004 to 2007, Investment Income rebounded primarily due to rising interest rates. However, due to interest rate cuts by the Federal Reserve in 2008 and declining fund balance reserves, Interest on Investments will fall to only 0.4% of total General Fund revenues, down from its peak of 2.6% in 2007. As the City's higher yielding investments mature, new investments are achieving much lower returns.

In the 2011/12 Budget, Other Revenues represent 3.4% of total revenue sources, a decrease of \$205,540 or 6.9% from what we estimate receiving in 2011. Interest on Investment revenues have declined by \$100,000, while reimbursement revenues decreased due to several one-time receipts in the prior year. The City will also book the final receipt of the Foreclosure Relief grant, which decreased slightly from the prior year.

CABLE TV REVENUE

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



franchise fees between these companies and either the City or the State of Michigan. 83.3% of these fees repay the City for the use of our rights of way, while 16.6% of the fees reimburse the City for its cost of public access programming.

Cable Revenue has climbed steadily. 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 2011/12 Budget, Cable TV Revenues increased slightly and represents 2.2% of total revenue sources.

REFUSE TAX

Another significant source of revenue to the City of Sterling Heights is the tax to pay the City's Refuse Collection costs. As discussed earlier, this revenue calculation is based on the relationship between two variables. The Refuse 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.

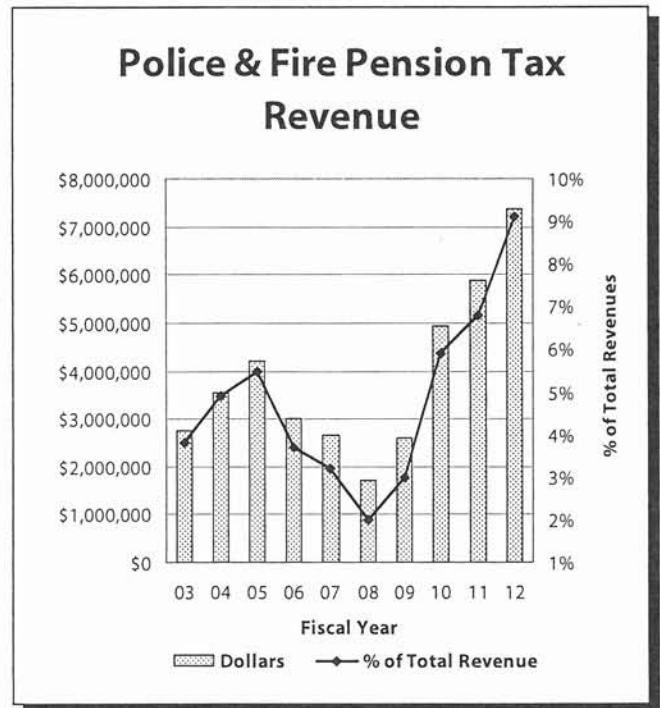
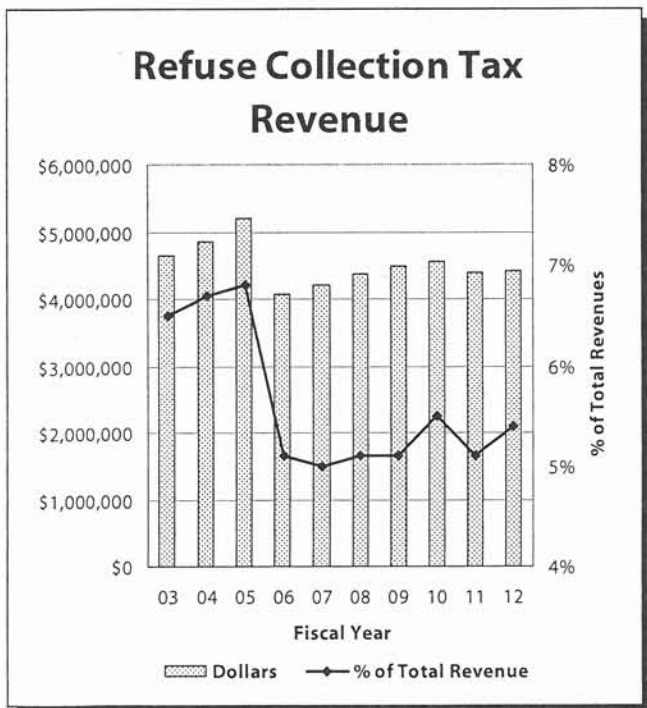
Revenues generated by the refuse collection levy are used to pay for the collection, removal, and recycling of all garbage in the City. The refuse collection millage rate is adjusted annually to cover the projected cost of the Refuse activity, less any refuse

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 2003 through 2005. In 2005, the City awarded a five-year refuse contract that was significantly lower than the previous contract. In the 2011/12 Budget, the Refuse Tax represents 5.4% of total revenue sources, and is only a slight increase above what is estimated to be collected in 2011. The new refuse contract effective in May of 2010 has slightly moderated refuse collection costs. However, due to a 6.9% decrease in taxable values, the Refuse millage rate will increase by 0.0525 mills, from 0.9474 to 0.9999 mills.

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 increased from 2003 to 2005 as a result of higher required employer pension contributions due to lower market returns on pension plan assets. From 2005 through 2008, the City's costs decreased due to higher stock market returns and as 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% that decreased the actuarially determined City contribution rate. However, since 2008, due to a weakened stock market and increased pension liabilities, the required City contribution has increased by nearly \$5.7 million and is now at its highest level.

In the 2011/12 Budget, Police & Fire Pension Tax represents 9.1% of total revenue sources, an increase of \$1.5 million or 25%. The Police & Fire Pension Tax levy for the 2011/12 fiscal year is 1.6694 mills per \$1,000 Taxable Value, an increase of 0.4306 mills due to the increased required contribution and a 6.9% decrease in the City's taxable values.

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.

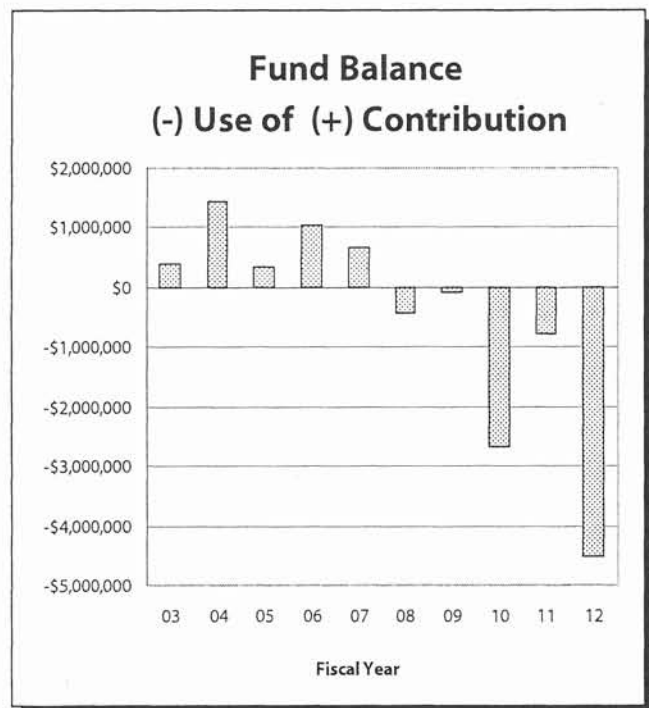
From 2003 to 2007, the City contributed to Fund Balance reserves, excluding the one time use of reserves in 2005 for the final Hillside settlement payment. Due to lower City development revenues, \$425,000 of reserves was used in 2008. Only \$85,850 of reserves was used in 2009, despite a 1.1% decrease in taxable values, because of a one-time \$2.1 million transfer from other city funds. In 2010, due to a 1.8% decline in taxable values and despite continued cost-saving efforts, \$2.7 million of reserves was used. In 2011, due to a 9.8% decrease in taxable values offset by further budget cuts and a 1.9 mill tax adjustment, only \$800,000 in reserves is estimated to be used. For 2012, \$4.5 million in reserves is budgeted due to a 6.9% decrease in taxable values offset by continued labor and personnel savings. Fund Balance reserves will fall to \$7.3 million, which is 8.4% of General Fund expenditures or the equivalent of one month of operations.

OTHER CITY TAXES

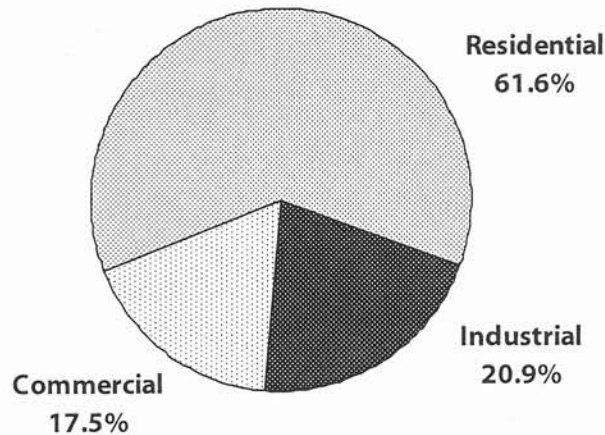
There are also two debt property tax millages levied by the City that are not received in the City's General Fund. They are recorded in the Debt Service Funds.

The Drain millage of 0.2735 is 0.0234 mills higher than what was levied in 2010/11. The millage is used to repay drain costs and principal and interest on bonds sold to finance drain construction. The drain millage rate increased as a result of a 6.9% decrease in City taxable values and a slight increase in drain costs.

The Public Improvements (Proposal F – Fire Station Improvements) millage rate increased by 0.0129 mills to 0.0813 mills. The Proposal F millage rate is higher due to increased debt payment costs and a 6.9% decrease in the City's taxable values. The final Proposal R road bonds were retired in 2008/09, the Proposal S debt was paid off in 2001/02, while Proposal T debt was retired in the 1996/97 fiscal year. ■



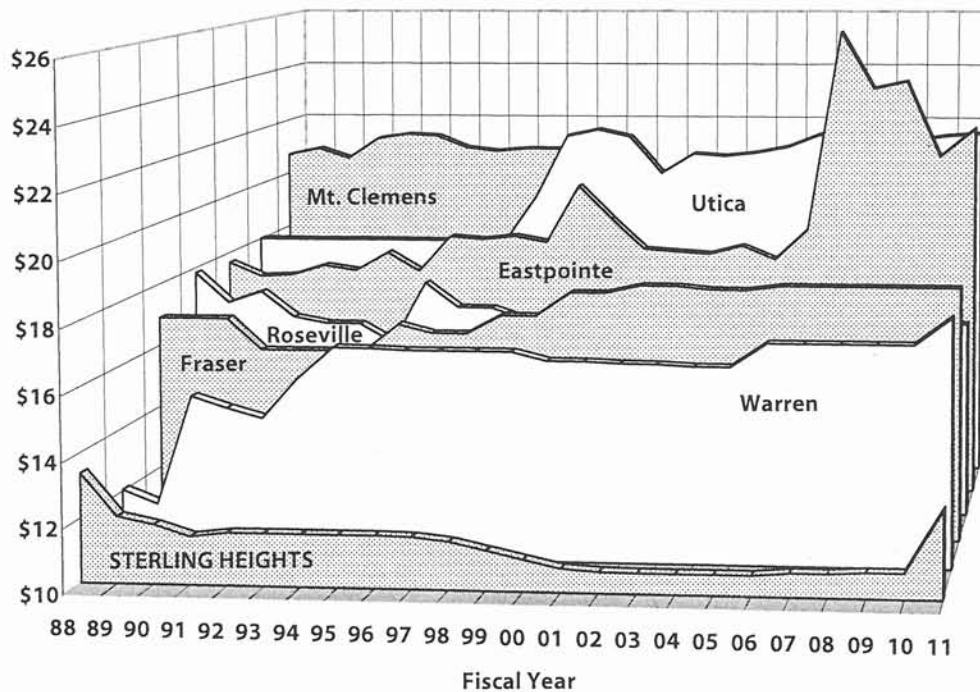
City of Sterling Heights Share of Taxes



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

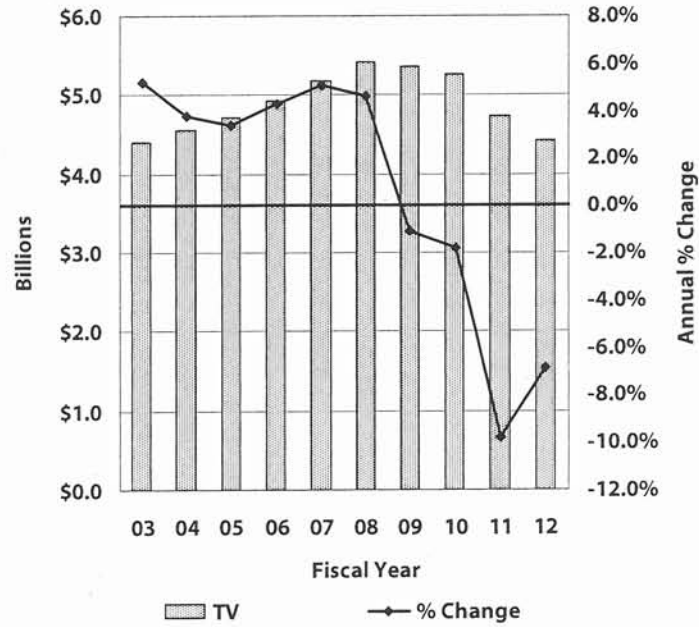
Comparable Tax Rates of Surrounding Macomb County Cities

Per \$1,000 TV



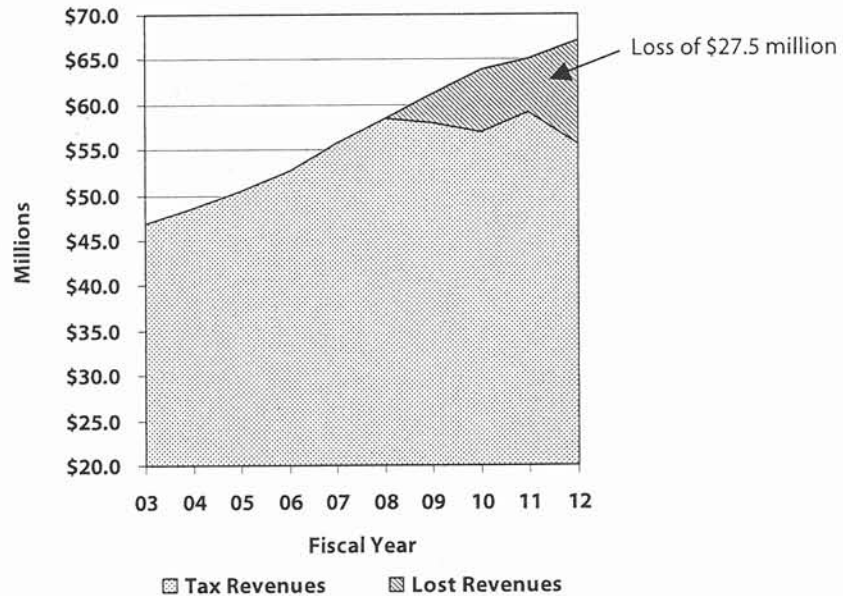
This graph illustrates the taxes levied by Macomb County cities for the past 24 years.

City Taxable Values (TV)



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

Property Tax Revenues



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

GENERAL FUND

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CITY OPERATING TAXES</u>						
404000	City Operating Tax	\$45,616,115	54.53	\$48,208,400	56.11	\$42,646,820	52.43
404001	Property Tax Refunds	0	0.00	0	0.00	(952,000)	-1.17
415000	Delinquent Personal Property Tax	62,236	0.07	100,000	0.12	75,000	0.09
445000	Penalties & Interest	275,803	0.33	300,000	0.35	300,000	0.37
	Total Taxes	45,954,154	54.93	48,608,400	56.58	42,069,820	51.72
	<u>LICENSES & PERMITS</u>						
451000	Business Operating License	11,271	0.01	20,000	0.02	13,000	0.02
452000	Mobile / Temporary Vendor	5,871	0.01	5,500	0.01	6,000	0.01
453000	Liquor License	92,553	0.11	82,000	0.10	88,000	0.11
454000	Vending/Amusement Device Fee	17,980	0.02	17,000	0.02	18,500	0.02
461000	Electrical Registration & Permits	158,067	0.19	135,000	0.16	200,000	0.25
462000	Heating Registration & Permits	156,562	0.19	125,000	0.15	200,000	0.25
463000	Plumbing Registration & Permits	96,929	0.12	80,000	0.09	110,000	0.14
464000	Sign Registration & Permits	49,731	0.06	42,000	0.05	50,000	0.06
470000	Building Registration & Permits	563,506	0.67	500,000	0.58	700,000	0.86
471000	Fence Permits	8,603	0.01	8,000	0.01	8,500	0.01
477000	Fire Suppression Permits	10,627	0.01	10,000	0.01	13,000	0.02
478000	Animal Permits	23,005	0.03	23,000	0.03	30,000	0.04
	Total Licenses & Permits	1,194,705	1.43	1,047,500	1.22	1,437,000	1.77
	<u>STATE & LOCAL RETURNS</u>						
529000	Federal Grant - Other	114,533	0.14	15,190	0.02	20,000	0.02
539002	State Grants	2,000	0.00	0	0.00	0	0.00
539302	Criminal Justice Training	36,881	0.04	42,000	0.05	41,600	0.05
539332	Dispatcher Training	10,966	0.01	20,000	0.02	10,000	0.01
539378	Act 78 Emergency Telephone Service	0	0.00	0	0.00	150,000	0.18
543426	Emergency Services Assistance	42,269	0.05	39,500	0.05	39,210	0.05
544000	Drunk Driving Case Flow Assistance	18,390	0.02	18,000	0.02	18,000	0.02
567001	State Aid - Library	24,446	0.03	48,860	0.06	47,380	0.06
569001	Judges Salary Stand Payments	137,172	0.16	137,170	0.16	137,170	0.17
574000	State Revenue Sharing	9,136,700	10.92	8,379,510	9.75	8,500,000	10.45
581001	Municipal Credit Transportation	262,677	0.31	281,940	0.33	290,330	0.36
583000	Macomb Auto Theft Squad - Grant	52,013	0.06	58,400	0.07	50,980	0.06
585000	Drug Enforce. Admin - Federal	16,903	0.02	17,320	0.02	16,820	0.02
587001	County Contrib. - Library Penal Fines	136,290	0.16	110,000	0.13	130,000	0.16
	Total State & Local Returns	9,991,240	11.93	9,167,890	10.67	9,451,490	11.61
	<u>FINES & FORFEITURES</u>						
656003	Contempt Court Fines	36,160	0.04	47,000	0.05	50,000	0.06
656004	Ordinance Fines & Costs	3,128,912	3.74	2,950,000	3.43	3,000,000	3.69
656005	Municipal Civil Infractions	12,925	0.02	5,000	0.01	12,000	0.01
657001	Library Fines	71,466	0.09	80,000	0.09	72,000	0.09
658001	Bond Forfeitures	85,744	0.10	80,000	0.09	75,000	0.09
659001	Driver Reinstatement Fee	41,035	0.05	37,000	0.04	40,000	0.05
659002	Default Judgment Fee	233,980	0.28	240,000	0.28	230,000	0.28
659003	Crime Victim Rights Admin. Fee	8,292	0.01	7,500	0.01	8,000	0.01
659004	Forensic Admin Fee	60	0.00	100	0.00	100	0.00
	Total Fines & Forfeitures	3,618,574	4.33	3,446,600	4.00	3,487,100	4.29

GENERAL FUND

REVENUE SUMMARY BY ACCOUNT

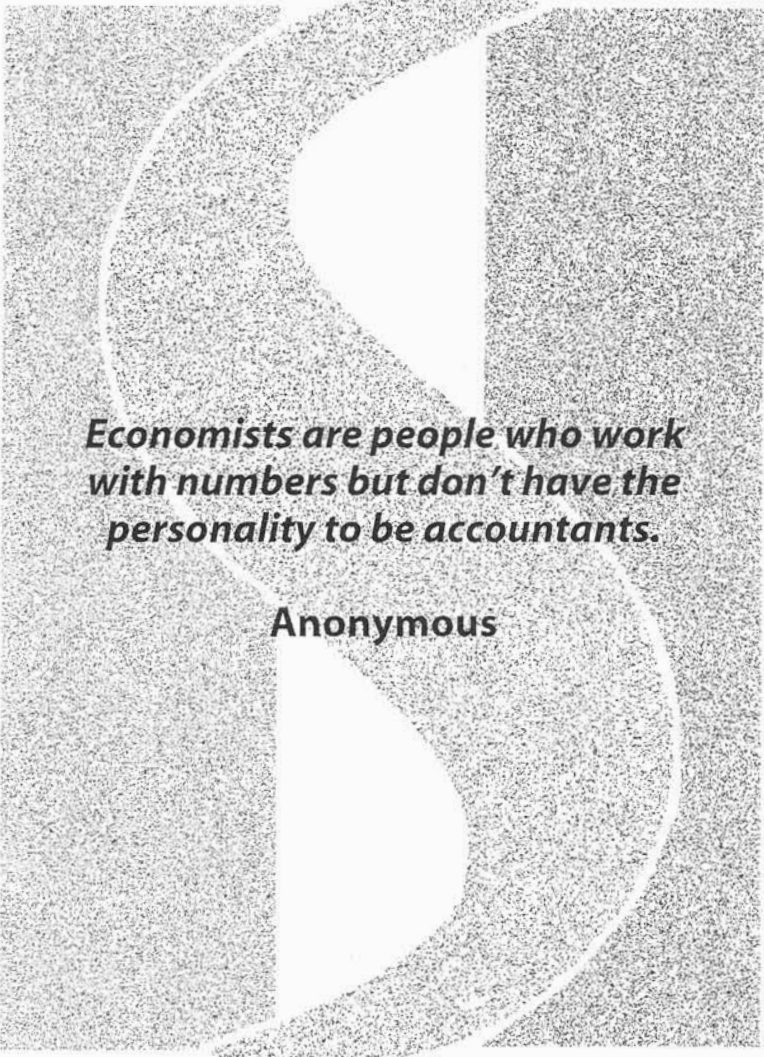
Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>OTHER FINANCING SOURCES</u>						
699856	Tfr. From Brownfield Redevelop. Fund	79,500	0.10	42,300	0.05	42,300	0.05
	Total Other Financing Sources	79,500	0.10	42,300	0.05	42,300	0.05
	<u>CHARGES FOR SERVICES</u>						
603000	Court Filing Fee	165,751	0.20	173,000	0.20	165,000	0.20
603001	Jury Demand Fee	1,508	0.00	2,000	0.00	1,500	0.00
604000	Probation Oversight	166,336	0.20	160,000	0.19	200,000	0.25
605000	Garnishments - Filing Fee	133,540	0.16	125,000	0.15	140,000	0.17
606000	Split/Combination Fee	3,975	0.00	4,000	0.00	4,000	0.00
607000	Fire Permits, Fees, & Inspections	33,825	0.04	112,500	0.13	35,000	0.04
608000	Encroachment/Deviation Fees	1,680	0.00	1,700	0.00	1,700	0.00
609000	Mobile Home Tax	9,002	0.01	9,000	0.01	9,000	0.01
610000	Vital Statistics	46,531	0.06	45,000	0.05	48,000	0.06
611000	Attorney Fee Reimbursement	36,845	0.04	28,000	0.03	35,000	0.04
612000	Alcohol Assessment Fee	34,035	0.04	30,000	0.03	70,000	0.09
626000	Services - PTAF	1,882,875	2.25	1,835,830	2.14	1,680,000	2.07
627000	Water & Sewer Activity	1,312,860	1.57	1,307,460	1.52	1,329,780	1.63
627444	Administrative Services - Roads	245,276	0.29	270,000	0.31	250,000	0.31
627556	Admin Services-Water Distribution	307,200	0.37	304,020	0.35	309,600	0.38
627574	Admin Services-W&S Improvements	127,110	0.15	129,660	0.15	132,240	0.16
627677	Administrative Services-Self Insurance	273,780	0.33	278,100	0.32	271,080	0.33
627732	Administrative Services-P&F Pension	7,634	0.01	7,000	0.01	7,500	0.01
628001	Voter Lists	1,290	0.00	1,000	0.00	1,200	0.00
629001	Labor Services - Roads	1,061,825	1.27	1,100,000	1.28	1,000,000	1.23
629002	Labor Services - Cross Charges	38,868	0.05	45,000	0.05	50,000	0.06
629003	Labor Services - Fleet Maintenance	72,446	0.09	70,000	0.08	65,000	0.08
631001	Police Service/Schools	114,391	0.14	90,000	0.10	115,000	0.14
631002	Towed Vehicle Impound Fee	43,560	0.05	48,000	0.06	50,000	0.06
632001	Inspection Services-Projects-Other	104,477	0.12	100,000	0.12	100,000	0.12
632002	Inspection Services-City Projects	369,896	0.44	390,000	0.45	370,000	0.45
632003	Engineering Review Fee	75,327	0.09	80,000	0.09	80,000	0.10
632004	Engineering & Design - Project	523,867	0.63	450,000	0.52	400,000	0.49
632005	Building Number Assignments	392	0.00	400	0.00	300	0.00
632006	SESC Review Fee	14,350	0.02	14,000	0.02	13,000	0.02
632007	SESC Inspection Fee	36,701	0.04	50,000	0.06	40,000	0.05
632008	Easement Vacation	1,120	0.00	1,200	0.00	1,000	0.00
632009	ROW Permit Fees	1,150	0.00	1,200	0.00	1,200	0.00
634003	Supplies & Gasoline Revenue	68,512	0.08	80,000	0.09	75,000	0.09
634004	Parts-Vehicle Maintenance	54,770	0.07	60,000	0.07	60,000	0.07
635535	Refuse Collection Fees	31,143	0.04	33,000	0.04	31,000	0.04
636000	Plan Review Fee	44,464	0.05	50,000	0.06	45,000	0.06
636001	Building Department Plan Review	203,810	0.24	180,000	0.21	225,000	0.28
637001	Copies & Forms	18,369	0.02	22,000	0.03	22,000	0.03
637002	Maps	680	0.00	600	0.00	600	0.00
637003	Police Reports	91,911	0.11	82,000	0.10	110,000	0.14
637005	Fire Reports	1,028	0.00	1,200	0.00	1,200	0.00

GENERAL FUND

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
637006	PBT User Fee	1,820	0.00	6,000	0.01	5,000	0.01
637007	False Alarm Fees	51,389	0.06	75,000	0.09	100,000	0.12
637301	Notary Fee	0	0.00	20,000	0.02	15,000	0.02
638000	Application Fees	14,875	0.02	12,000	0.01	12,000	0.01
639001	Parks & Recreation Fees	484,546	0.58	490,000	0.57	505,000	0.62
639253	Treasury Transfer & Late Fees	50,060	0.06	50,000	0.06	60,000	0.07
640001	5% Cash Deposit	2,419	0.00	1,000	0.00	2,000	0.00
640002	Weed Cutting	175,317	0.21	150,000	0.17	175,000	0.22
640003	Board of Zoning Appeals Fees	11,019	0.01	9,500	0.01	10,500	0.01
640005	Ordinance Board of Appeals Fees	42,496	0.05	30,000	0.03	40,000	0.05
	Total Charges for Services	8,598,051	10.28	8,615,370	10.03	8,470,400	10.41
	OTHER REVENUE						
656006	Interpreter Fees	16,632	0.02	13,000	0.02	16,000	0.02
665000	Interest on Investments	529,436	0.63	280,000	0.33	300,000	0.37
665044	Interest on Advances	8,128	0.01	7,750	0.01	0	0.00
667002	Rental Income - Utica Road	63,540	0.08	59,820	0.07	57,420	0.07
667003	Rental Income - DPS	182,760	0.22	156,240	0.18	143,040	0.18
667005	Rental - DPW - Impound Lot	33,000	0.04	39,600	0.05	39,600	0.05
667007	Rental - Universal Ambulance	5,500	0.01	6,000	0.01	6,000	0.01
667009	Rental - Towers	228,020	0.27	261,630	0.30	263,220	0.32
669001	Rental - Road Equipment	883,379	1.06	1,000,000	1.16	950,000	1.17
669002	Rental - Equipment - Cross Charges	33,023	0.04	40,000	0.05	40,000	0.05
673000	Sale of Fixed Assets	34,236	0.04	20,000	0.02	15,000	0.02
675000	Contributions & Donations	5,528	0.01	10,000	0.01	4,000	0.00
675001	Donations - Parks & Recreation	7,744	0.01	7,000	0.01	7,500	0.01
675003	Art Fair Revenue	87,779	0.10	100,000	0.12	120,000	0.15
675290	Dare Donations - Police	5,000	0.01	8,000	0.01	0	0.00
676000	Reimbursements	573,326	0.69	419,600	0.49	500,000	0.61
676001	Reimbursements - Legal	699	0.00	5,000	0.01	5,000	0.01
679000	Police Auction	23,958	0.03	30,000	0.03	25,000	0.03
679535	Refuse Bag Sales	3,060	0.00	4,000	0.00	2,500	0.00
679752	Parks & Recreation Retail Sales	0	0.00	0	0.00	100	0.00
679792	Library Book Sales	0	0.00	100	0.00	100	0.00
685000	Miscellaneous Revenue	42,063	0.05	60,000	0.07	55,000	0.07
685792	Miscellaneous Revenue - Library	16,952	0.02	77,630	0.09	83,000	0.10
690000	O.U.I.L. Recovery	62,797	0.08	58,000	0.07	65,000	0.08
690002	Warrant Arrest Processing Fee	3,583	0.00	4,500	0.01	4,000	0.00
695000	Insurance Recovery	0	0.00	7,500	0.01	5,000	0.01
695414	Foreclosure Relief Recovery	87,158	0.10	157,980	0.18	71,440	0.09
	Total Other Revenue	2,937,301	3.51	2,833,350	3.30	2,777,920	3.42
680000	Cable TV Revenue	1,799,495	2.15	1,800,000	2.10	1,825,000	2.24
405000	City Refuse Tax	4,561,110	5.45	4,485,940	5.22	4,413,730	5.43
406000	P&F Pension Tax	4,925,570	5.89	5,866,050	6.83	7,368,880	9.06
	Total General Fund Revenue	\$83,659,700	100.00	\$85,913,400	100.00	\$81,343,640	100.00

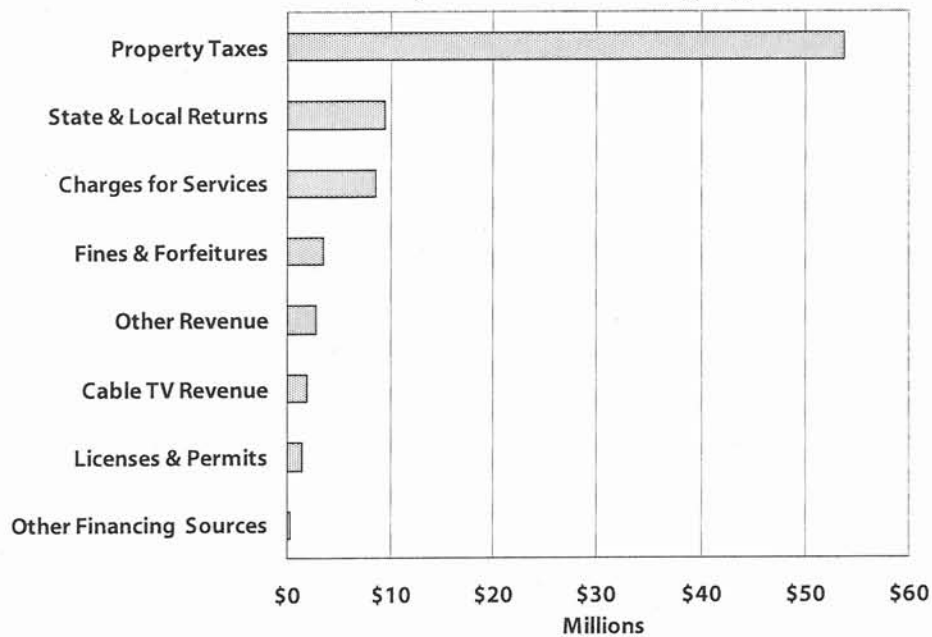
Note: The 2009-2010 Actual Column is rounded to the nearest dollar.



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

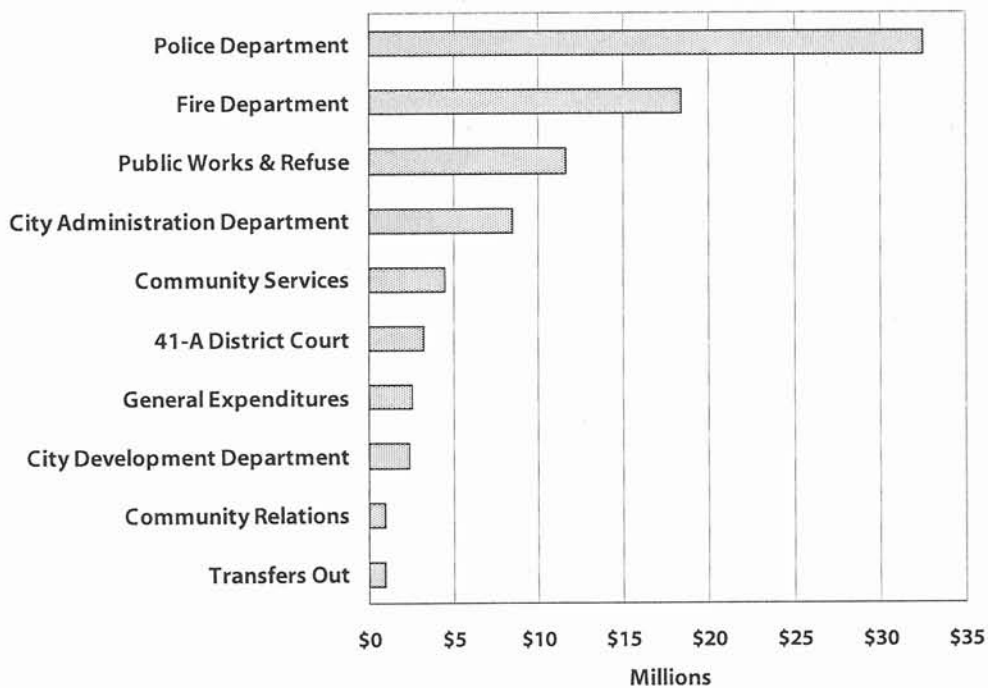
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General Fund Revenues by Revenue Category



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

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted for each budgetary center.

GENERAL FUND EXPENDITURES BY BUDGETARY CENTER

Activity Name	Activity No.	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
LEGISLATIVE					
1. City Council	1010	\$136,200	\$136,200	\$135,180	-0.7%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	978,620	996,750	962,740	-3.4%
2. Economic Development	4150	157,340	161,900	413,260	155.3%
3. Public Services	4160	332,120	333,640	0	-100.0%
4. City Clerk	2160	710,560	800,770	728,530	-9.0%
5. Facilities Maintenance	2650	1,603,550	1,566,540	1,341,800	-14.3%
6. Information Technology	2580	1,080,160	1,108,050	955,750	-13.7%
7. Assessing	2090	861,220	865,140	856,340	-1.0%
8. Financial Services	2010	928,110	775,840	777,120	0.2%
9. Purchasing	2330	360,940	380,880	372,930	-2.1%
10. Treasury	2530	1,006,240	1,136,490	1,105,610	-2.7%
11. Act 78 - Civil Service Commission	2200	1,450	5,570	0	-100.0%
12. Building Authority	2610	50	0	0	0.0%
13. General Employees Pension Board	2390	94,300	96,200	94,710	-1.5%
14. Legal	2100	735,370	787,600	765,000	-2.9%
Total City Administration Department		8,986,230	9,151,570	8,508,970	-7.0%
COMMUNITY SERVICES DEPARTMENT					
1. Library	7920	2,718,710	2,756,750	2,565,210	-6.9%
2. Parks & Recreation	7520	2,028,200	2,120,390	1,931,900	-8.9%
3. Historical Commission	8030	690	850	750	-11.8%
Total Community Services Department		4,747,600	4,877,990	4,497,860	-7.8%
POLICE DEPARTMENT					
1. Police Administration	3050	2,801,130	3,217,160	3,027,090	-5.9%
2. Police Investigations	3100	5,879,180	6,224,050	6,186,620	-0.6%
3. Police Operations	3150	19,328,430	19,830,710	19,840,730	0.1%
4. Police Support Services	3260	3,528,550	3,550,890	3,398,590	-4.3%
5. Emergency Management	2130	137,420	146,140	134,840	-7.7%
Total Police Department		31,674,710	32,968,950	32,587,870	-1.2%
FIRE DEPARTMENT					
1. Fire Administration	3370	1,326,330	1,362,470	1,379,550	1.3%
2. Fire Extinguishment	3390	14,839,080	16,010,910	16,262,750	1.6%
3. Fire Prevention	3410	993,180	931,310	760,070	-18.4%
Total Fire Department		17,158,590	18,304,690	18,402,370	0.5%
CITY DEVELOPMENT DEPARTMENT					
1. Building	4120	1,711,640	1,732,730	1,477,330	-14.7%
2. Foreclosure Relief	4140	87,160	157,980	71,440	-54.8%
3. Neighborhood Services	4170	0	0	399,560	100.0%
4. Planning	4020	354,500	363,880	430,140	18.2%
5. Planning Commission	4030	5,330	6,930	5,810	-16.2%
6. Zoning Board of Appeals	4130	7,310	6,550	6,080	-7.2%
Total City Development Department		2,165,940	2,268,070	2,390,360	5.4%

GENERAL FUND EXPENDITURES BY BUDGETARY CENTER

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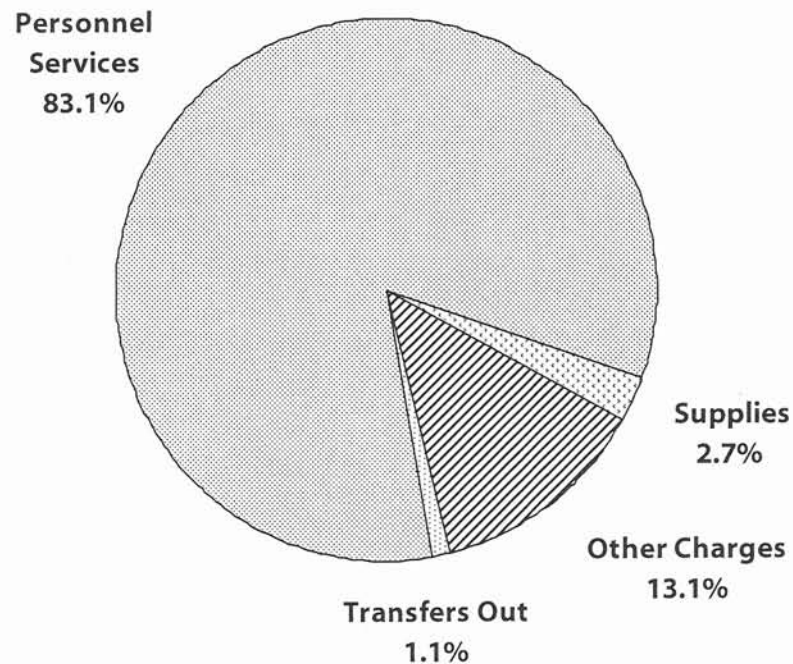
**GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY**

Budgetary Center	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget
<u>CITY ADMINISTRATION DEPARTMENT</u>					
Personnel Services	\$7,461,548	\$7,548,019	\$7,147,876	\$7,188,990	\$6,642,550
Supplies	283,462	280,269	240,606	250,870	235,390
Other Charges	2,383,221	1,706,940	1,597,751	1,711,710	1,631,030
Total	10,128,231	9,535,228	8,986,233	9,151,570	8,508,970
<u>COMMUNITY SERVICES DEPARTMENT</u>					
Personnel Services	4,313,843	4,255,559	3,888,654	3,996,040	3,683,720
Supplies	358,665	348,453	308,010	302,500	281,830
Other Charges	686,315	717,268	550,931	579,450	532,310
Total	5,358,823	5,321,280	4,747,595	4,877,990	4,497,860
<u>POLICE DEPARTMENT</u>					
Personnel Services	27,742,111	28,765,958	30,993,719	32,002,740	31,518,230
Supplies	165,657	157,042	80,228	154,060	93,030
Other Charges	624,207	579,704	600,768	812,150	976,610
Total	28,531,975	29,502,704	31,674,715	32,968,950	32,587,870
<u>FIRE DEPARTMENT</u>					
Personnel Services	15,022,642	15,958,308	16,514,751	17,658,690	17,801,360
Supplies	175,449	169,752	146,924	141,560	145,860
Other Charges	505,424	558,262	496,914	504,440	455,150
Total	15,703,515	16,686,322	17,158,589	18,304,690	18,402,370
<u>CITY DEVELOPMENT DEPARTMENT</u>					
Personnel Services	2,472,799	2,242,829	2,062,617	2,088,280	2,227,470
Supplies	14,323	15,337	13,802	21,530	16,660
Other Charges	81,486	104,278	89,519	158,260	146,230
Total	2,568,608	2,362,444	2,165,938	2,268,070	2,390,360
<u>PUBLIC WORKS DEPARTMENT</u>					
Personnel Services	6,461,320	6,567,866	5,942,589	6,004,300	5,395,370
Supplies	1,614,025	1,485,400	1,346,108	1,457,690	1,394,050
Other Charges	461,430	517,807	410,822	519,860	450,250
Total	8,536,775	8,571,073	7,699,519	7,981,850	7,239,670
<u>REFUSE</u>					
Personnel Services	131,293	137,049	151,390	140,840	159,280
Supplies	594	624	606	1,450	1,300
Other Charges	4,074,497	4,199,582	4,277,923	4,376,650	4,284,150
Total	4,206,384	4,337,255	4,429,919	4,518,940	4,444,730

GENERAL FUND BUDGETARY CENTERS EXPENDITURES BY CATEGORY

Budgetary Center	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget
COMMUNITY RELATIONS DEPARTMENT					
Personnel Services	1,413,064	1,372,289	1,404,498	1,447,270	891,260
Supplies	48,426	46,324	77,407	63,770	45,750
Other Charges	136,843	123,984	102,279	95,910	58,600
Total	1,598,333	1,542,597	1,584,184	1,606,950	995,611
41-A DISTRICT COURT					
Personnel Services	2,713,173	2,881,045	2,952,578	3,029,790	3,007,040
Supplies	43,734	44,233	44,600	42,000	41,200
Other Charges	217,093	224,877	224,637	218,680	225,090
Total	2,974,000	3,150,155	3,221,815	3,290,470	3,273,330
GENERAL EXPENDITURES					
Personnel Services	22,823	21,801	29,030	30,000	56,500
Supplies	70,701	68,813	15,472	21,000	18,000
Other Charges	2,837,767	2,693,911	2,656,022	2,456,040	2,489,080
Total	2,931,291	2,784,525	2,700,524	2,507,040	2,563,580
TRANSFERS OUT					
Transfers Out	3,978,200	3,353,150	1,968,810	1,478,940	959,670
TOTAL EXPENDITURES BY CATEGORY					
Personnel Services	67,754,616	69,750,723	71,087,702	73,586,940	71,382,780
Supplies	2,775,036	2,616,247	2,273,763	2,456,430	2,273,070
Other Charges	12,008,283	11,426,613	11,007,566	11,433,150	11,248,500
Transfers Out	3,978,200	3,353,150	1,968,810	1,478,940	959,670
Total General Fund	\$86,516,135	\$87,146,733	\$86,337,841	\$88,955,460	\$85,864,020

2011/12 General Fund Expenditures by Expenditure Category



Total General Fund Budget of \$85,864,020

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 83.1% of total General Fund expenditures.

GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
703000	Wages-Elected & Appointed	\$134,890	0.16	\$135,410	0.15	\$133,910	0.16
704000	Wages & Salaries-Permanent	35,655,622	41.30	35,845,980	40.30	33,704,230	39.25
704001	Sick Time Buy Back	509,810	0.59	487,410	0.55	492,810	0.57
704721	Health Insurance Allowance	65,875	0.08	66,000	0.07	57,000	0.07
705000	Wages-Salaries - Temp/Part Time	1,390,188	1.61	1,538,530	1.73	1,439,620	1.68
706000	Wages-Salaries - Occasional	59,643	0.07	100,000	0.11	95,000	0.11
708000	Overtime	2,465,708	2.86	2,519,650	2.83	2,388,420	2.78
708001	Compensatory Time Buy Back	1,574,992	1.82	1,662,000	1.87	1,501,120	1.75
708795	Overtime - F.L.S.A.	120,986	0.14	121,000	0.14	121,000	0.14
709000	Union Contract Reimbursement	391,358	0.45	362,850	0.41	177,460	0.21
710000	Longevity	1,420,491	1.65	1,477,450	1.66	1,483,510	1.73
711000	Holiday Pay	1,125,982	1.30	1,172,920	1.32	1,094,550	1.27
713500	Car Allowance	4,000	0.00	4,000	0.00	3,000	0.00
714000	Food Allowance	121,683	0.14	54,000	0.06	54,000	0.06
715000	Clothing Allowance	410,834	0.48	276,200	0.31	271,230	0.32
717000	FICA	1,820,452	2.11	1,813,190	2.04	1,675,690	1.95
718000	Worker's Compensation	337,626	0.39	332,200	0.37	316,300	0.37
719000	Unemployment Compensation	29,030	0.03	30,000	0.03	56,500	0.07
720000	Pension - General Emp Retirement	181,114	0.21	401,450	0.45	888,660	1.03
720001	Pension - Police and Fire Retirement	4,925,570	5.70	6,135,050	6.90	7,368,880	8.58
720002	Defined Contribution - Employer	307,973	0.36	316,500	0.36	197,630	0.23
720010	Employer Contribution Recovery	0	0.00	0	0.00	(295,860)	-0.34
721000	Health Insurance	5,984,876	6.93	6,239,340	7.01	6,257,330	7.29
721001	Health Insurance - Retirees	11,021,000	12.76	11,464,050	12.89	10,924,960	12.72
721003	Retiree Health Savings - City	56,552	0.07	57,950	0.07	56,050	0.07
722000	Dental Insurance	526,238	0.61	516,720	0.58	494,130	0.58
723000	Life Insurance	107,607	0.12	109,260	0.12	102,310	0.12
724000	Eye Care Insurance	42,814	0.05	44,520	0.05	40,410	0.05
725000	Disability Insurance - Long Term	87,803	0.10	90,740	0.10	84,820	0.10
725355	Disability Insurance - Short Term	206,985	0.24	212,570	0.24	198,110	0.23
	Total Personnel Services	71,087,702	82.34	73,586,940	82.72	71,382,780	83.13
	<u>SUPPLIES</u>						
729000	Postage	256,872	0.30	256,590	0.29	235,400	0.27
730000	Publications	32,255	0.04	32,860	0.04	25,080	0.03
741000	Ammunition	0	0.00	21,980	0.02	14,250	0.02
741302	Ammunition - Act 302 Grant	850	0.00	5,000	0.01	5,000	0.01
742000	Dog Care Supplies	3,001	0.00	2,800	0.00	2,660	0.00
743000	Prisoners Board	5,400	0.01	6,500	0.01	0	0.00
750000	Fuels & Lubricants	629,217	0.73	725,000	0.82	700,000	0.82
750001	Fuel & Lube Inventory	24,321	0.03	21,200	0.02	20,000	0.02
751000	Operating Supplies	477,287	0.55	504,490	0.57	454,380	0.53
751001	Operating Supplies - Federal Funds	654	0.00	1,070	0.00	0	0.00
751290	Supplies - D.A.R.E.	11,550	0.01	14,500	0.02	0	0.00
758000	Computer Software	916	0.00	1,250	0.00	900	0.00
759000	Parts & Sublet Services	568,620	0.66	601,150	0.68	572,000	0.67

GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

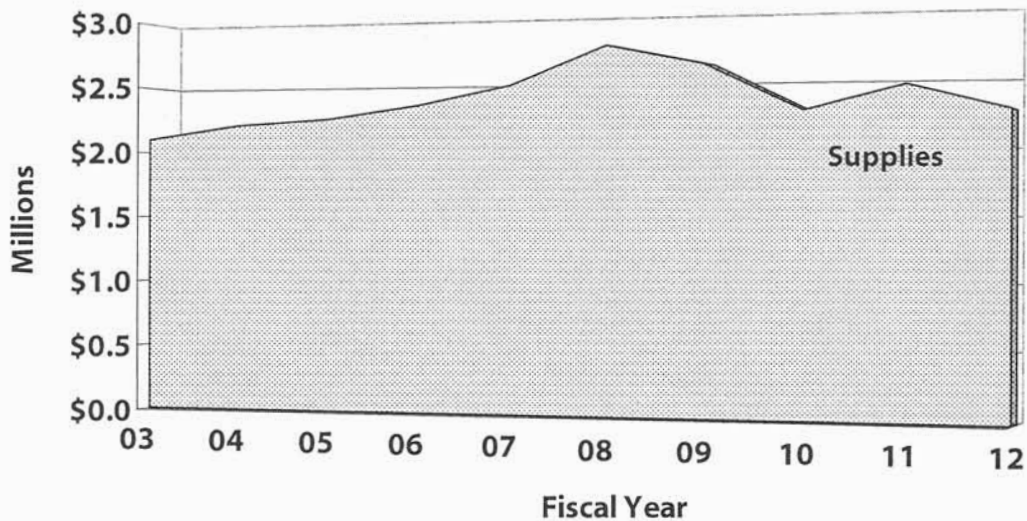
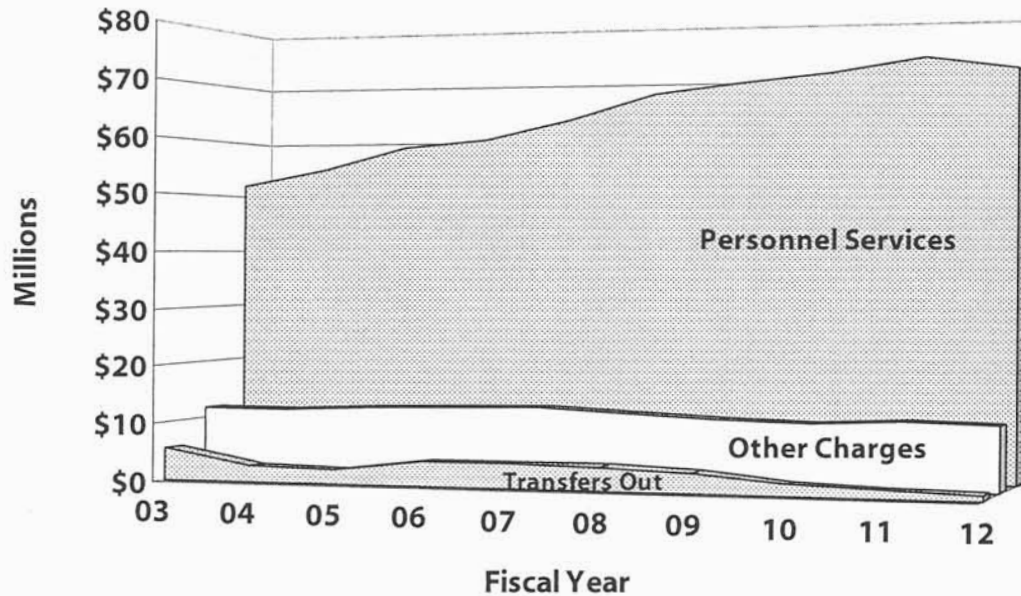
Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
760000	Playground & Athletic Supplies	9,416	0.01	10,000	0.01	10,000	0.01
761000	Program Activity Supplies	30,772	0.04	39,420	0.04	33,500	0.04
762000	Seniors Program Supplies	20,398	0.02	25,000	0.03	22,000	0.03
769000	Audio Visual Media	28,956	0.03	25,500	0.03	23,500	0.03
783000	Seeding & Planting Supplies	6,166	0.01	5,300	0.01	4,000	0.00
785000	Books	167,112	0.19	156,820	0.18	150,400	0.18
	Total Supplies	2,273,763	2.63	2,456,430	2.77	2,273,070	2.65
	OTHER CHARGES						
802000	Audit & Accounting Services	59,300	0.07	57,020	0.06	57,020	0.07
803000	Computer Consultant Services	47,025	0.05	47,950	0.05	24,800	0.03
806000	Legal Services - Other	38,072	0.04	83,500	0.09	83,070	0.10
806001	Legal Services - City Attorney	714,238	0.83	715,600	0.80	693,000	0.81
807000	Medical Services	41,916	0.05	27,400	0.03	16,600	0.02
808000	Reporting Services	19,507	0.02	14,900	0.02	13,630	0.02
810000	Other Fees	73,553	0.09	76,980	0.09	72,880	0.08
820000	Tree/Weed Cutting	91,047	0.11	85,000	0.10	85,000	0.10
821000	Spraying Services	27,804	0.03	26,040	0.03	24,500	0.03
822000	Rubbish Removal	4,193,730	4.86	4,299,000	4.83	4,214,000	4.91
825000	Animal Collection	11,044	0.01	19,000	0.02	14,000	0.02
826000	Other Contracted Services	478,594	0.55	795,570	0.89	1,040,420	1.21
826412	Nuisance Abatements	9,626	0.01	45,000	0.05	60,000	0.07
827000	Interfund Services	75,100	0.09	76,600	0.09	69,100	0.08
828000	Auction Expenditures	4,873	0.01	1,500	0.00	1,420	0.00
829000	Hazardous Waste Disposal	584	0.00	2,300	0.00	2,000	0.00
832000	Building Maintenance	143,199	0.17	141,400	0.16	129,000	0.15
833000	Equipment Maintenance	336,859	0.39	375,860	0.42	362,190	0.42
833001	Personal Computer Maintenance	10,150	0.01	10,000	0.01	9,500	0.01
836000	Radio Maintenance	6,818	0.01	7,500	0.01	7,050	0.01
837000	Retention Pond Maintenance	10,460	0.01	35,000	0.04	30,000	0.03
838000	Parks & Grounds Maintenance	31,879	0.04	50,000	0.06	40,000	0.05
902000	Publishing	13,858	0.02	16,280	0.02	14,390	0.02
903000	Printing	122,364	0.14	122,510	0.14	90,940	0.11
913000	Liability Insurance	1,404,538	1.63	1,004,600	1.13	1,004,600	1.17
915000	Other Insurance	19,240	0.02	19,240	0.02	19,240	0.02
921000	Electric	548,142	0.63	585,000	0.66	540,000	0.63
922000	Telephone	293,408	0.34	245,080	0.28	177,320	0.21
922001	Fiber Optic Lease Charges	45,327	0.05	45,330	0.05	45,330	0.05
923000	Gas - Fuel - Oil	213,717	0.25	276,000	0.31	214,300	0.25
924000	Street Lighting	924,433	1.07	969,240	1.09	960,000	1.12
925000	Water	109,107	0.13	124,100	0.14	118,300	0.14
942302	Building Rental - Act 302	11,035	0.01	13,000	0.01	12,600	0.01
944000	Hydrant Rental	159,750	0.19	159,750	0.18	159,750	0.19
945000	Other Rental	272,247	0.32	291,120	0.33	275,710	0.32
949000	Interpreter Fees	21,968	0.03	17,000	0.02	20,000	0.02
950000	Witness Fees	3,953	0.00	5,000	0.01	4,500	0.01
951000	Juror Fees	5,136	0.01	5,000	0.01	4,750	0.01

GENERAL FUND EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
954000	Mileage	670	0.00	1,230	0.00	550	0.00
956000	Local Meetings	7,718	0.01	7,750	0.01	4,460	0.01
956002	Special Events	1,202	0.00	500	0.00	300	0.00
957000	Memberships & Dues	87,074	0.10	96,730	0.11	89,770	0.10
959000	Education & Training	113,538	0.13	106,160	0.12	95,510	0.11
959001	Grant - Education & Training	13,163	0.02	2,120	0.00	0	0.00
959302	Education & Training Act 302	24,996	0.03	24,000	0.03	24,000	0.03
959332	Education & Training Act 32	5,442	0.01	10,000	0.01	10,000	0.01
960000	Donation Expense Non-Capital	5,391	0.01	6,000	0.01	4,000	0.00
961000	Athletic Entry Fees	215	0.00	940	0.00	400	0.00
962000	Miscellaneous Expense	7,994	0.01	11,350	0.01	8,600	0.01
962001	Misc Exp - Cash - Short/Over	(11)	0.00	0	0.00	0	0.00
965000	Refunds on Tribunal Adjustments	146,573	0.17	250,000	0.28	300,000	0.35
969000	Contingency	0	0.00	25,000	0.03	0	0.00
	Total Other Charges	11,007,566	12.75	11,433,150	12.85	11,248,500	13.10
	TRANSFERS OUT						
999203	Transfer to Local Road Fund	515,000	0.60	475,000	0.53	0	0.00
999301	Transfer to General Drain Debt Fund	10,000	0.01	0	0.00	0	0.00
999369	Transfer to LTGO Debt Fund	1,047,810	1.21	617,940	0.69	608,680	0.71
999403	Transfer to Capital Projects Fund	349,000	0.40	351,000	0.39	317,060	0.37
999855	Transfer to EDC Fund	17,000	0.02	5,000	0.01	21,000	0.02
999867	Transfer to LDFA Fund	30,000	0.03	30,000	0.03	12,930	0.02
	Total Transfers Out	1,968,810	2.28	1,478,940	1.66	959,670	1.12
	Total General Fund	\$86,337,841	100.00	\$88,955,460	100.00	\$85,864,020	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

General Fund Expenditure History



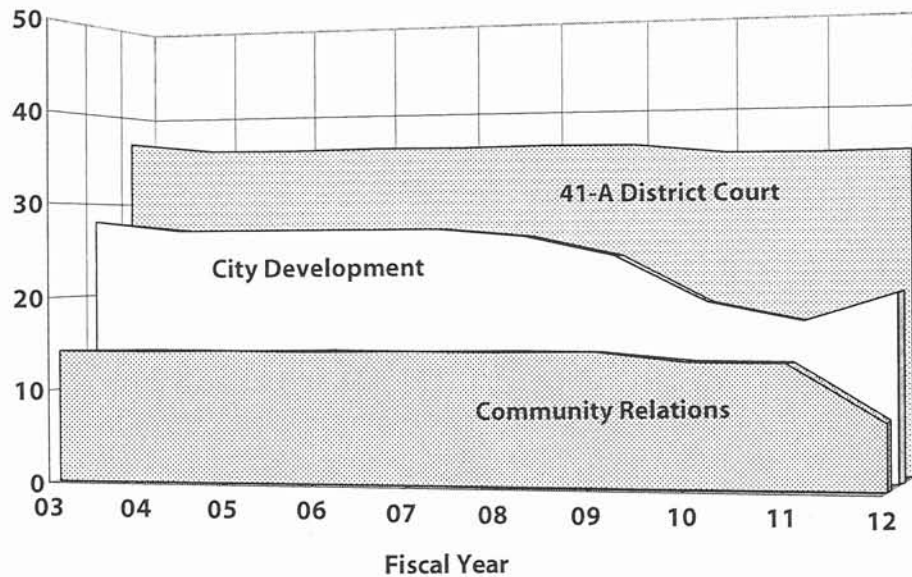
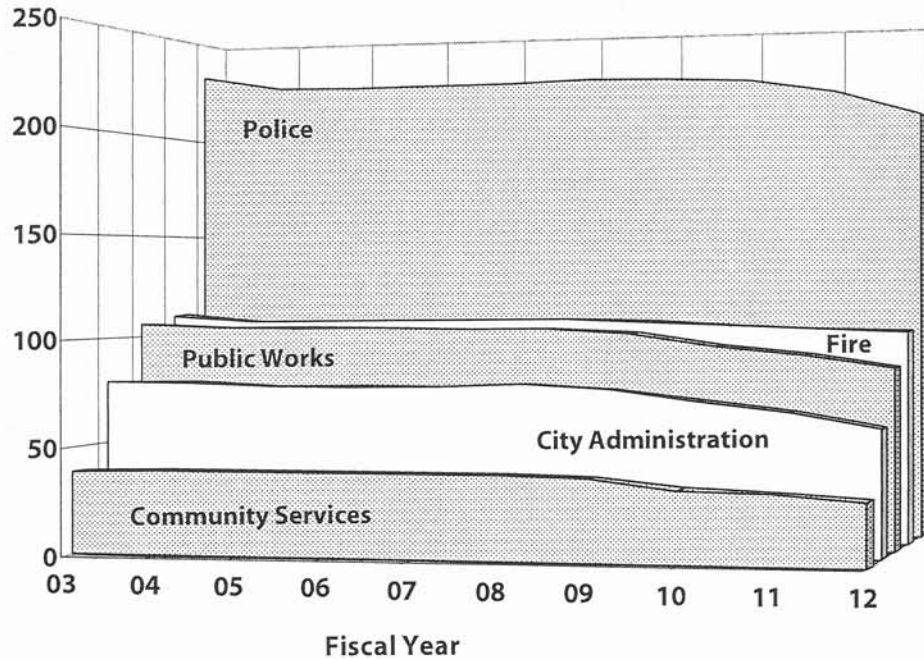
These graphs illustrate the expenditure category history for the General Fund.

Personnel Summary



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

Full-time Personnel History by Department



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

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY ADMINISTRATION DEPT.						
	<u>CITY MANAGEMENT</u>						
137,217	City Manager	1		1		1	
90,758 - 114,013	Finance & Budget Director	1		1		1	
73,579 - 91,223	Human Resources Director	1		1		1	
57,735 - 64,744	Budget Management Coordinator	1		1		1	
48,038 - 53,600	Management Services Specialist	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
38,188 - 44,561	Senior Clerk	1		1		1	
	Management Intern (P.T.)		1		0		0
	Total	7	1	7	0	7	0
	<u>ECONOMIC DEVELOPMENT</u>						
80,040 - 99,066	Economic Development Manager	1		1		1	
84,042 - 104,020	Business Development Manager	0		0		1	
42,159 - 49,166	Administrative Assistant	0		0		1	
	Total	1	0	1	0	3	0
	<u>PUBLIC SERVICES</u>						
	Public Services Manager	1		1		0	
	HUD Program Coordinator	1		1		0	
	Administrative Assistant	1		1		0	
	NSP Intern (P.T.)		1		1		0
	Total	3	1	3	1	0	0
	<u>CITY CLERK</u>						
90,758 - 114,013	City Clerk/Assistant City Manager	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Elections Assistant	1		1		1	
38,188 - 44,561	Senior Clerk	2		2		1	
28,510 - 41,792	Clerk Typist	1		1		1	
	Total	6	0	6	0	5	0
	<u>FACILITIES MAINTENANCE</u>						
84,042 - 104,020	Facilities Maintenance Manager	1		1		1	
45,117 - 52,249	Facilities Maintenance Mechanic	3		3		3	
30,411 - 49,898	Custodian	11		10		6	
38,188 - 44,561	Senior Clerk	1		1		1	
8,664	Custodian (P.T.)		0		0		6
	Total	16	0	15	0	11	6
	<u>INFORMATION TECHNOLOGY</u>						
89,754 - 111,090	Information Technology Manager	1		1		1	
	Network Administrator	1		1		0	
56,080 - 62,680	Senior Systems Analyst	0		1		1	
54,015 - 60,270	Information Technology Specialist	6		5		5	
	Total	8	0	8	0	7	0
	<u>ASSESSING</u>						
84,042 - 104,020	City Assessor	1		1		1	
64,153 - 73,009	Appraiser III	3		3		3	
49,608 - 56,454	Appraiser I	2		2		2	
45,273 - 52,803	Appraiser Aide	1		1		1	
	Clerk Typist	1		0		0	
	Total	8	0	7	0	7	0

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>FINANCIAL SERVICES</u>						
84,042 - 104,020	Controller	1		1		1	
	Financial Services Manager	1		0		0	
57,735 - 64,744	Accountant	3		2		2	
42,159 - 49,166	Senior Account Clerk	2		2		2	
35,298 - 44,561	Account Clerk	2		1		1	
8,000	Co-op (P.T.)		1		1		1
	Total	9	1	6	1	6	1
	<u>PURCHASING/RISK MANAGEMENT</u>						
80,040 - 99,066	Purchasing & Risk Manager	1		1		1	
54,015 - 60,270	Purchasing Specialist	1		1		1	
42,159 - 49,166	Administrative Assistant	1		1		1	
	Total	3	0	3	0	3	0
	<u>TREASURY</u>						
71,314 - 88,416	City Treasurer	1		1		1	
62,963 - 71,238	Pension Administrator/Utility Billing Accountant	0		1		1	
57,735 - 64,744	Accountant	1		1		1	
43,633 - 50,886	Management Assistant	0		1		1	
42,159 - 49,166	Senior Account Clerk	3		2		2	
35,298 - 44,560	Account Clerk	5		4		4	
	Total	10	0	10	0	10	0
	Total City Administration Department	71	3	66	2	59	7
	<u>COMMUNITY SERVICES DEPARTMENT</u>						
	<u>PUBLIC LIBRARY</u>						
90,190 - 111,632	Community Services/Library Director	0		0		1	
	Public Library Director	1		1		0	
57,735 - 65,385	Library Service Area Coordinator	3		3		2	
54,956 - 62,542	Library Programming Specialist	1		1		1	
53,944 - 60,486	Librarian	7		7		7	
49,608 - 56,454	Circulation Supervisor	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Library Assistant II	4		4		3	
39,157 - 45,668	Library Assistant I	1		1		1	
35,298 - 41,791	Library Clerk	1		1		1	
17,851 - 24,668	Librarian (P.T.)		8		8		8
10,374 - 13,832	Library Page (P.T.)		10		10		10
7,350 - 12,740	Library Clerk (P.T.)		4		4		5
	Total	20	22	20	22	18	23
	<u>PARKS & RECREATION</u>						
64,871 - 80,291	Parks & Recreation Manager	1		1		1	
56,185 - 63,307	Recreation Supervisor	7		6		5	
42,159 - 49,166	Administrative Assistant	1		1		1	
38,188 - 44,561	Program & Services Assistant	1		1		1	
38,188 - 44,561	Senior Clerk	1		2		2	
32,935 - 44,336	Lead Bus Driver	1		1		1	
	Clerk Typist	1		0		0	
	Total	13	0	12	0	11	0
	Total Community Services Department	33	22	32	22	29	23

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>POLICE DEPARTMENT</u>						
	<u>POLICE ADMINISTRATION</u>						
91,834 - 115,077	Chief of Police	1		1		1	
102,610 - 105,338	Captain	1		1		1	
95,048 - 97,891	Lieutenant	1		1		1	
84,733 - 89,046	Sergeant	2		2		2	
47,979 - 74,926	Police Officer	5		5		2	
36,513 - 50,595	Secretary to Chief	1		1		1	
35,513 - 49,595	Administrative Secretary	2		2		2	
25,211 - 43,272	Technical Secretary	2		2		2	
25,211 - 43,272	Property Clerk	1		1		1	
	Total	16	0	16	0	13	0
	<u>POLICE INVESTIGATIONS</u>						
102,610 - 105,338	Captain	1		1		1	
95,048 - 97,891	Lieutenant	2		2		2	
84,733 - 89,046	Sergeant	4		4		4	
47,979 - 74,926	Police Officer	27		27		27	
35,513 - 49,595	Administrative Secretary	2		2		2	
25,211 - 43,272	Technical Secretary	3		2		2	
	Total	39	0	38	0	38	0
	<u>POLICE OPERATIONS</u>						
102,610 - 105,338	Captain	1		1		1	
95,048 - 97,891	Lieutenant	5		5		5	
84,733 - 89,046	Sergeant	18		16		16	
47,979 - 74,926	Police Officer	102		99		96	
35,513 - 49,595	Administrative Secretary	3		3		2	
	Technical Secretary	1		1		0	
5,500	Crossing Guards (P.T.)		33		30		30
	Total	130	33	125	30	120	30
	<u>POLICE SUPPORT SERVICES</u>						
	Lieutenant	1		0		0	
84,733 - 89,046	Sergeant	1		2		2	
55,367 - 59,284	Communications Officer - Shift Leader	4		4		4	
40,969 - 53,894	Communications Officer	19		17		16	
18,436	Emergency Dispatcher (P.T.)		0		4		4
43,430 - 50,630	Laboratory Technician	1		1		1	
36,513 - 50,595	Evidence Clerk	1		1		1	
35,513 - 49,595	Administrative Secretary	2		2		1	
42,038 - 47,688	Animal Control Officer	2		2		2	
31,894 - 44,880	Data Analyst	1		1		1	
31,894 - 44,880	Terminal Agency Coordinator	1		1		1	
25,211 - 43,272	Technical Secretary	6		7		6	
8,140	Co-op (P.T.)		1		1		2
	Total	39	1	38	5	35	6
	<u>EMERGENCY MANAGEMENT</u>						
64,871 - 80,291	Emergency Manager	1		1		1	
	Total	1	0	1	0	1	0
	Total Police Department	225	34	218	35	207	36

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>FIRE DEPARTMENT</u>						
	<u>FIRE ADMINISTRATION</u>						
91,834 - 115,077	Fire Chief	1		1		1	
100,826 - 109,448	Division Chief/Assistant Fire Chief	1		1		1	
92,436 - 100,812	Chief of Training	1		1		1	
90,707 - 94,199	EMS Coordinator	1		1		1	
86,349 - 89,756	Training Officer	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Administrative Assistant	2		2		2	
38,188 - 44,561	Senior Clerk	0		0		1	
	Clerk (P.T.)		1		1		0
	Total	8	1	8	1	9	0
	<u>FIRE EXTINGUISHMENT</u>						
91,407 - 96,774	Battalion Chief	3		3		3	
88,055 - 93,221	Captain-Advanced Life Support	3		3		3	
83,862 - 88,783	Captain	2		2		2	
79,989 - 85,525	Lieutenant-Advanced Life Support	12		12		12	
76,180 - 81,454	Lieutenant	4		4		4	
76,600 - 78,088	Sergeant - Advanced Life Support	1		1		1	
75,144 - 76,600	Sergeant - Fire Engine Operator	8		8		8	
46,463 - 74,363	Fire Fighter-Advanced Life Support	42		42		42	
45,581 - 72,954	Fire Fighter-Fire Engine Operator	13		13		13	
44,253 - 70,823	Fire Fighter	2		2		2	
	Total	90	0	90	0	90	0
	<u>FIRE PREVENTION</u>						
92,436 - 100,812	Fire Marshal	1		1		1	
86,349 - 89,756	Fire Inspector	5		3		1	
	Total	6	0	4	0	2	0
	Total Fire Department	104	1	102	1	101	0
	<u>CITY DEVELOPMENT DEPARTMENT</u>						
	<u>BUILDING</u>						
89,603 - 111,090	City Development Director/Asst. City Manager	1		1		0	
	Building Official	0		0		1	
	Building Services Manager	1		1		0	
72,723 - 76,847	Code Enforcement Coordinator	1		1		1	
62,754 - 69,665	Building Inspector/Code Enforcement Officer	3		3		3	
62,754 - 69,665	Plumbing Inspector/Code Enforcement Officer	1		1		1	
62,754 - 69,665	Electrical Inspector/Code Enforcement Officer	2		1		1	
62,754 - 69,665	Mechanical Inspector/Code Enforcement Officer	2		1		1	
55,612 - 63,283	Code Enforcement Officer	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
28,510 - 41,792	Clerk Typist	3		3		2	
40,000	Code Enforcement Officer (P.T.)		0		1		1
26,245	Foreclosure Relief Code Officers (P.T.)		2		2		2
	Total	16	2	14	3	12	3
	<u>NEIGHBORHOOD SERVICES</u>						
80,040 - 99,066	Neighborhood Services Manager	0		0		1	
47,017 - 52,550	Senior Neighborhood Liaison Specialist	0		0		1	
42,570 - 47,583	Neighborhood Liaison Specialist	0		0		1	
43,366 - 50,675	Neighborhood Property Maintenance Officer	0		0		1	
	Total	0	0	0	0	4	0

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>PLANNING</u>						
89,754 - 111,090	City Development Director/City Planner	0		0		1	
	City Planner	1		1		0	
59,020 - 65,855	Planning Coordinator	1		1		1	
53,508 - 60,402	HUD Program Coordinator	0		0		1	
42,159 - 49,166	Administrative Assistant	1		1		1	
2,490	NSP Intern (P.T.)		0		0		1
	Total	3	0	3	0	4	1
	Total City Development Department	19	2	17	3	20	4
	<u>PUBLIC WORKS DEPARTMENT</u>						
	<u>ENGINEERING</u>						
89,754 - 111,090	City Engineer	1		1		1	
	Engineering Services Manager	1		0		0	
82,510 - 96,250	Civil Engineer III	1		1		1	
67,493 - 78,720	CAD/GIS Coordinator	1		1		1	
48,422 - 68,644	Lead Engineering Inspector	0		1		1	
46,922 - 67,144	Engineering Aide	6		5		5	
55,208 - 64,385	Civil Engineer I	2		2		1	
42,159 - 49,166	Administrative Assistant	1		1		1	
	Senior Clerk	1		1		0	
	Total	14	0	13	0	11	0
	<u>FLEET MAINTENANCE</u>						
58,963 - 77,592	Division Supervisor	1		1		1	
45,610 - 58,942	Mechanic	11		10		10	
42,835 - 53,682	Storekeeper	2		1		1	
10,940	Seasonal Laborer (P.T.)		1		1		1
	Total	14	1	12	1	12	1
	<u>PARKS & GROUNDS MAINTENANCE</u>						
	Division Supervisor	1		1		0	
52,232 - 65,953	Maintenance Supervisor	0		0		1	
42,835 - 53,682	Parks & Grounds Maintenance Worker	6		6		5	
30,628 - 52,138	Laborer	5		5		3	
9,900 - 10,500	Seasonal Laborer (P.T.)		8		7		7
	Total	12	8	12	7	9	7
	<u>PUBLIC WORKS CENTER</u>						
	General Supervisor	1		1		0	
	Total	1	0	1	0	0	0
	<u>REFUSE COLLECTION</u>						
28,510 - 41,792	Clerk Typist	1		1		1	
4,950 - 18,405	Seasonal Laborer (P.T.)		3		3		4
	Total	1	3	1	3	1	4
	<u>STREET SERVICES</u>						
58,963 - 77,592	Division Supervisor	1		1		1	
47,733 - 58,942	Equipment Operator A	1		1		1	
44,884 - 55,924	Equipment Operator B	7		7		7	
44,884 - 55,924	Traffic Sign Worker	2		2		2	
44,884 - 55,924	Street Services Inspector	1		1		1	

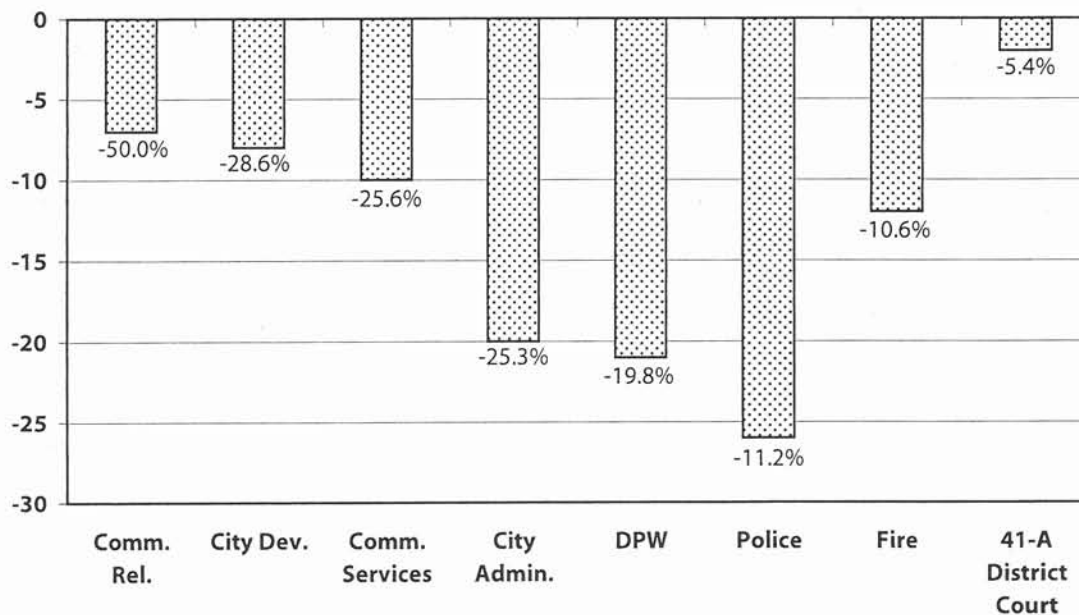
PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>STREET SERVICES (continued)</u>						
42,835 - 53,682	Equipment Operator C	6		6		6	
30,628 - 52,138	Laborer	1		1		1	
14,450 - 14,875	Seasonal Laborer (P.T.)		2		2		2
	Total	19	2	19	2	19	2
	Total Public Works Department	61	14	58	13	52	14
	<u>COMMUNITY RELATIONS DEPARTMENT</u>						
90,753 - 114,013	Community Relations Director	1		1		1	
	Communications Manager	1		1		0	
80,040 - 99,066	Broadcast Services Manager	1		1		1	
53,508 - 60,402	Broadcast Services Coordinator	0		1		1	
51,536 - 58,078	Broadcast Programming Specialist	2		1		1	
47,017 - 52,812	Communications Specialist	1		1		1	
	Senior Broadcast Production Specialist	1		1		0	
47,096 - 52,550	Citizen Services Specialist	2		2		1	
	Community Relations Specialist	1		1		0	
43,366 - 50,675	Printing Technician II	2		2		1	
	Broadcast Production Specialist	1		1		0	
	Video Production Technician (P.T.)		3		2		0
8,400	Website Specialist (P.T.)		1		1		1
	Total Community Relations Department	13	4	13	3	7	1
	<u>41-A DISTRICT COURT</u>						
45,724	Judge	3		3		3	
105,383	Magistrate/Director of Probation	1		1		1	
93,744	Court Administrator	1		1		1	
78,240	Clerk of the Court	1		1		1	
68,803	Probation Officer	1		1		1	
56,607	Court Recorder	3		3		3	
52,664	Court Officer	3		3		3	
32,596 - 42,414	Deputy Clerk	22		22		22	
21,931	Deputy Clerk (P.T.)		1		1		1
11,809	Security Guards (P.T.)		4		4		4
	Total 41-A District Court	35	5	35	5	35	5
	Total General Fund	561	85	541	84	510	90
	<u>WATER & SEWER FUND</u>						
	<u>WATER & SEWER ADMINISTRATION</u>						
90,758 - 114,013	Public Works Director	1		1		1	
84,042 - 104,020	Public Works Manager	0		1		1	
	Operations Manager	1		0		0	
61,832 - 81,384	General Supervisor	1		1		1	
55,208 - 64,385	Civil Engineer I	0		0		1	
42,159 - 49,166	Administrative Assistant	1		1		1	
35,298 - 44,561	Account Clerk	2		2		2	
28,358 - 42,523	Clerk Dispatcher	2		1		1	
	Clerk Typist	1		1		0	
	Total	9	0	8	0	8	0

PERSONNEL SUMMARY

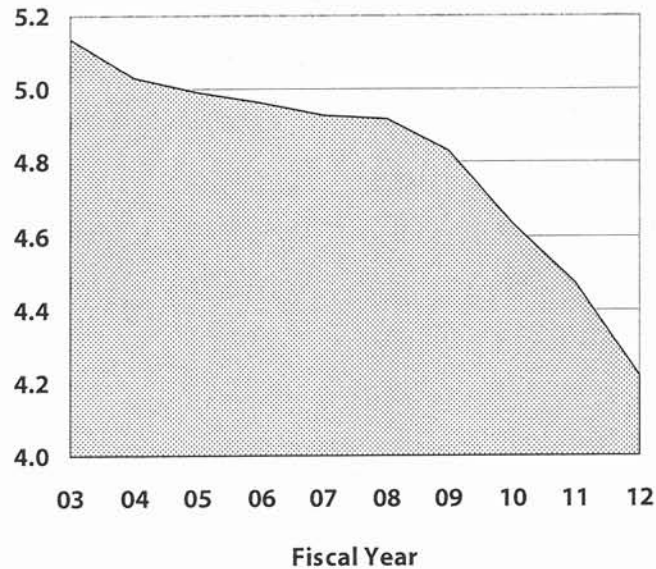
Current Pay Ranges	ACTIVITY	Budget 2009/10		Budget 2010/11		Budget 2011/12	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	WATER DISTRIBUTION						
58,963 - 77,592	Division Supervisor	1		1		1	
44,884 - 55,924	Water Inspector	2		2		2	
44,884 - 55,924	Water Service Worker	4		4		4	
42,835 - 53,682	Meter Repair/Installer	2		2		2	
30,628 - 52,138	Laborer	2		2		2	
9,500 - 9,900	Seasonal Laborer (P.T.)		2		2		2
	Total	11	2	11	2	11	2
	SEWAGE COLLECTION						
58,963 - 77,592	Division Supervisor	1		1		1	
45,610 - 56,617	Plant Operator/Mechanic	2		2		2	
44,884 - 55,924	Sewer Service Worker (Clean)	2		2		2	
44,884 - 55,924	Water/Sewage Inspector	2		2		2	
42,835 - 54,736	Sewer Service Worker (Maint)	3		3		3	
30,628 - 52,138	Laborer	4		4		4	
8,580 - 9,100	Seasonal Laborer (P.T.)		4		4		4
	Total	14	4	14	4	14	4
	Total Water & Sewer Fund	34	6	33	6	33	6
	Total All Funds	595	91	574	90	543	96

Full-time Staffing Reductions By Department Since 2002



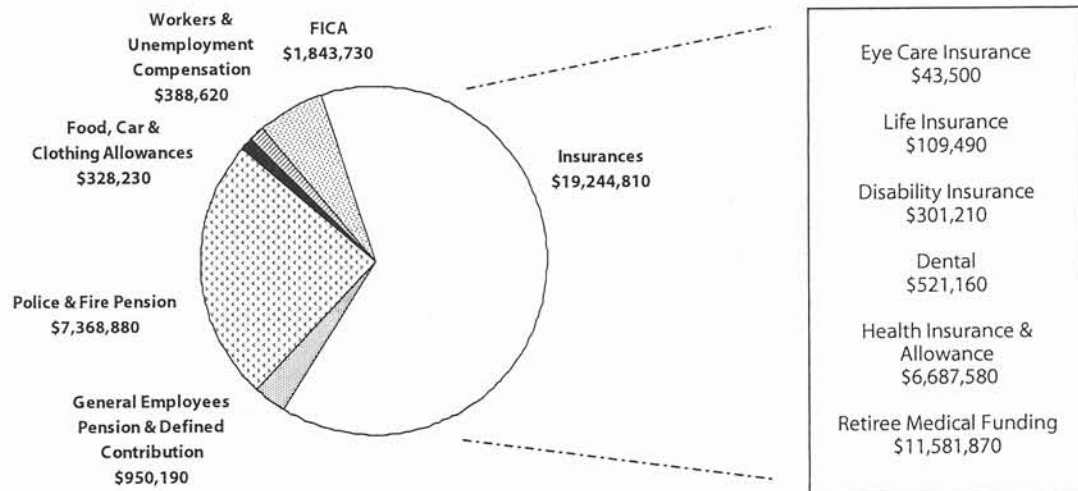
The City's full-time staffing has decreased by 106 positions or 16.3% since 2002. Over 90% of the staffing reduction has been to General employees and not sworn Police & Fire positions assigned to the street.

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 2011/12



Total City Fringe Benefits for 2011/12 is \$30,124,460
Includes the General Fund & Water & Sewer Fund

Legislative



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

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the Sterling Heights City Council spearheaded the City's Automotive Task Force to convince Chrysler Group LLC of the Sterling Heights Assembly Plant's viability, thus saving the plant and allowing it to remain open long term?

City Council

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	4	3	6	3	4	3
	Public Hearings Held	17	14	15	25	25	25
	Ordinances and Amendments Adopted	13	13	8	15	15	15
	Agenda Items Reviewed and Acted Upon	370	386	288	360	330	340
	Education and Training Sessions Attended	10	10	5	10	9	10
	"Nice Neighbor" Awards Presented	10	10	19	20	20	20
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.)	-0.01%	0.00%	-0.11%	0.00%	-0.33%	0.00%
	Total Millage Rate % Reduction Since 1988	-19.8%	-19.4%	-19.4%	-5.2%	-5.2%	-5.2%
	Activity Expenditures as % of General Fund	0.16%	0.17%	0.16%	0.15%	0.15%	0.16%

City Council

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 0.7%.

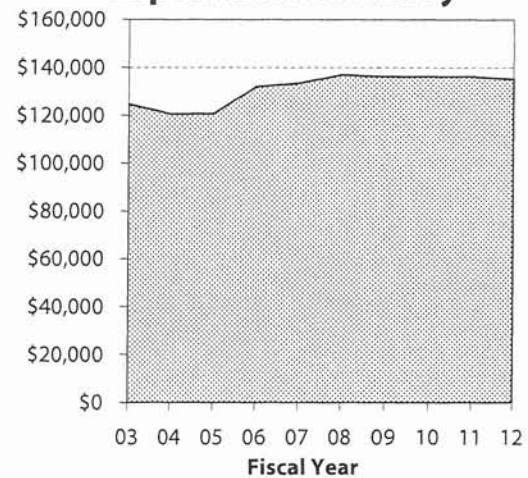
Personnel Services – The total Personnel budget remained the same as last year's budget. The Elected Officials Compensation Commission met in February 2011 and did not recommend a wage adjustment. The wages for the Mayor and City Council members have not been increased since the 2006/07 fiscal year.

Supplies – Total Supplies increased \$180 or 12.9%. \$500 was added to the budget, as an increase in supplies for possible new members may be needed due to the upcoming election. Postage costs can be reduced \$320, as the weekly mailings of City Council mail have been eliminated.

Other Charges – Total Other Charges decreased \$1,200 or 11.8%. The training budget decreased \$500 based on recent actual expenditure levels and a more realistic number of attendees. Internet connection fees necessary for the E-Agenda Packet Program decreased \$400, due to one fewer requested reimbursement. \$300 was saved due to the elimination of a City wireless telephone in the prior year as well as a change in the overall phone plan.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$125,160	\$124,630	\$124,630	\$124,630	\$124,630
Supplies	1,495	1,400	680	1,580	1,580
Other Charges	9,545	10,170	8,500	8,970	8,970
Total	\$136,200	\$136,200	\$133,810	\$135,180	\$135,180

City Administration Department



FUNCTIONAL ORGANIZATION CHART

City Administration Department

Office of City Management

City Management

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

Human Resources Division

- Contract negotiations and labor & employee relations
- Human Resource planning
- Equal opportunity reporting
- Classification plan maintenance
- Candidate selection for vacant positions
- Bureau of Labor Statistics reports
- Oversees short-term and long-term disability, life insurance, and worker's compensation programs and claims

Office of 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
- Coordinates Freedom of Information Act requests
- Issues licenses

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

Office of Information Technology

- Provides support for automated applications
- Coordinates future systems development
- Conducts software and hardware review and procurement
- Maintains computer and telephone systems and personal computers

Office of Economic Development

- Initiates personal contact with new business prospects
- Maintains active business retention and expansion program for existing businesses
- 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
- Processes/Approves Brownfield Redevelopment plans
- Serves as liaison to Economic Development Corporation, Corridor Improvement Authority, LDFA, Brownfield Redevelopment Authority, and the business community
- Handles right-of-way and easement acquisition
- Coordinates traffic engineering services
- Serves as liaison to Traffic Advisory Committee and Housing Commission

FUNCTIONAL ORGANIZATION CHART

City Administration Department (continued)



DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

The budget decreased \$611,920 or 7.5%. Personnel costs fell \$546,440 or 7.7%. Four vacant Custodian positions have been replaced with six part-time staff saving \$200,000. A vacant Senior Clerk in the City Clerk's office has been eliminated. Due to a retirement, the duties of the Network Administrator and Information Technology Manager will be combined. Two staff from the Public Services office will be reassigned to enhance the City's Economic Development efforts, while two grant positions have been relocated to Planning. Due to a second year of

concessions, wages have been reduced by 4% and now total a 10% reduction from contractual levels. The vacant Human Resources Director and City Treasurer wages have been reduced by 15% - 20%. Supplies decreased \$15,340 or 6.2% as a result of a revised method of mailing utility bills and reduced cleaning supply costs. Other Charges declined \$50,140 or 6.2% due to fewer new hires, energy saving measures, and lower bank fees. The capital budget funds the replacement of computers in three offices, a database upgrade and a network switch.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
City Management	\$908,990	\$978,620	\$996,750	\$962,740	-3.4%
Economic Development	156,410	157,340	161,900	413,260	155.3%
Public Services	316,400	332,120	333,640	0	-100.0%
City Clerk	1,045,460	710,560	800,770	728,530	-9.0%
Facilities Maintenance	1,734,820	1,603,550	1,566,540	1,341,800	-14.3%
Information Technology	1,070,300	1,080,160	1,108,050	955,750	-13.7%
Assessing	881,530	861,220	865,140	856,340	-1.0%
Financial Services	1,291,000	928,110	775,840	777,120	0.2%
Purchasing/Risk Mgmt.	412,210	360,940	380,880	372,930	-2.1%
Treasury	728,150	1,006,240	1,136,490	1,105,610	-2.7%
Total Department	\$8,545,270	\$8,018,860	\$8,126,000	\$7,514,080	-7.5%
Personnel Services	\$7,422,850	\$7,022,670	\$7,064,360	\$6,517,920	-7.7%
Supplies	277,900	238,350	248,810	233,470	-6.2%
Other Charges	844,520	757,840	812,830	762,690	-6.2%
Total Department	\$8,545,270	\$8,018,860	\$8,126,000	\$7,514,080	-7.5%

PERSONNEL SUMMARY

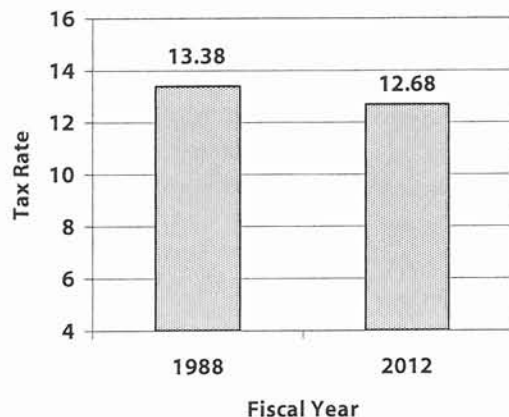
	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	6	0	7	1	7	0	7	0
Economic Development	1	0	1	0	1	0	3	0
Public Services	3	1	3	1	3	1	0	0
City Clerk	9	0	6	0	6	0	5	0
Facilities Maintenance	18	0	16	0	15	0	11	6
Information Technology	8	0	8	0	8	0	7	0
Assessing	8	0	8	0	7	0	7	0
Financial Services	12	0	9	1	6	1	6	1
Purchasing/Risk Mgmt.	3	0	3	0	3	0	3	0
Treasury	8	0	10	0	10	0	10	0
Total Department	76	1	71	3	66	2	59	7

Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

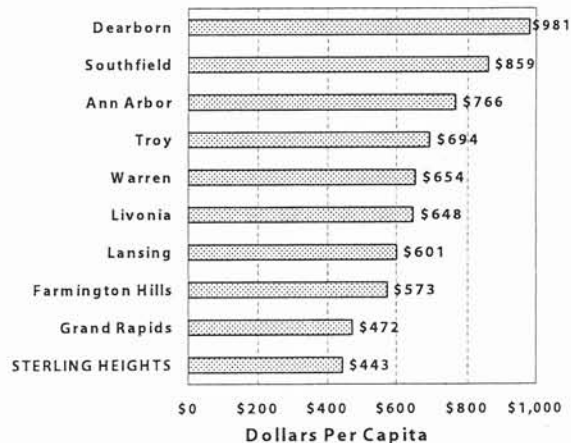
City Administration Department

City Property Tax Millage Rate



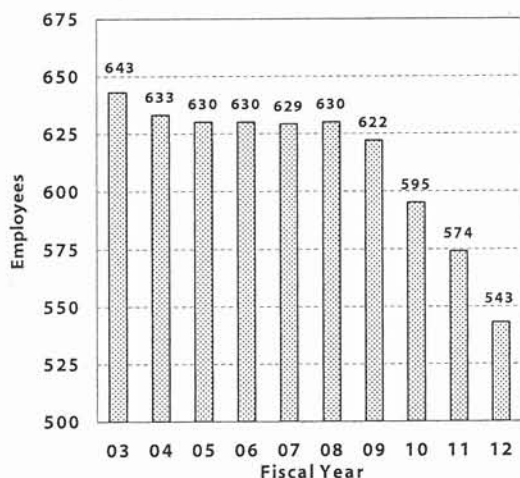
The City's property tax rate has fallen from 13.38 mills in 1988 to 12.68 mills in 2012 – a decrease of 5.2%. Had the City continued to levy the same tax rate since 1988, the average resident would have paid \$3,216 more in taxes. The City's tax rate remains lower than 85% of all Michigan cities.

Property Taxes Paid Per Capita



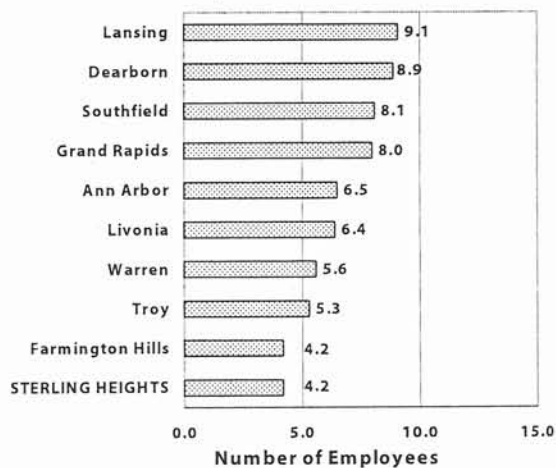
Sterling Heights has the lowest tax bill per resident in comparison to nine comparable Michigan benchmark communities. Based on 2010 tax revenues and the 2000 census population data, Sterling Heights residents pay only \$443. Troy residents pay 57% more than Sterling Heights residents. In addition, both Lansing and Grand Rapids have city income taxes.

City's Full-time Staffing



Due to a four-year \$27.5 million property tax loss, an additional 31 full-time positions have been eliminated in 2012, saving \$2.4 million. City staffing has now declined by 16.3%, or 106 positions since 2002, saving \$7.9 million annually. City staffing is at its lowest level since 1977. The City's employee per resident ratio has now decreased by over 31%.

Full-time Employees Per 1,000 Residents

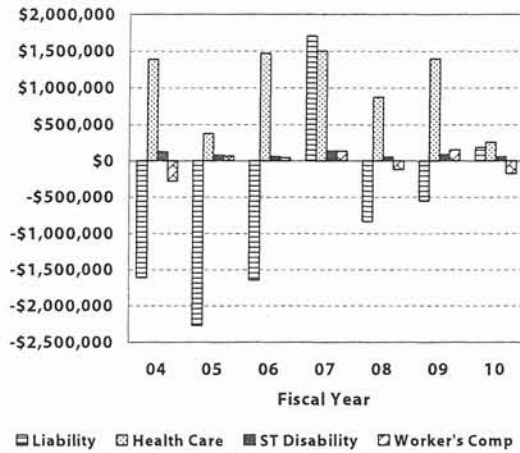


Based on current staffing data and the 2000 census, Sterling Heights has 4.2 full-time employees per 1,000 residents. None of our benchmark communities have a lower rate. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a 2007 study of over 140 cities, 85% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

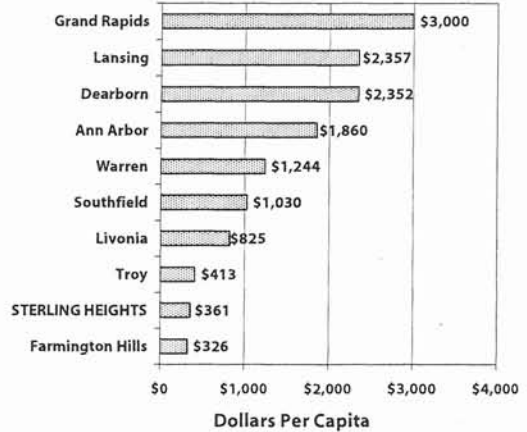
City Administration Department (continued)

Income Performance Self-Insurance Program



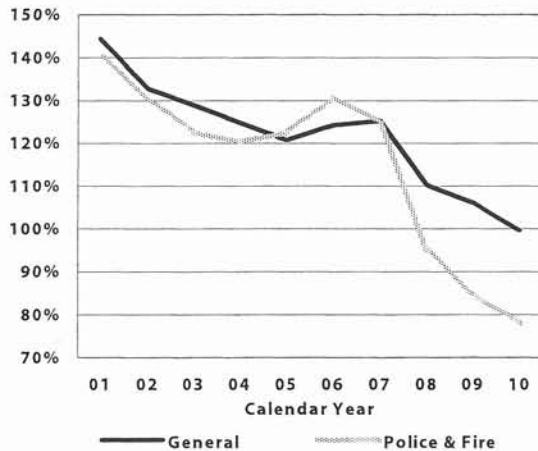
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for losses in the Liability and Litigation Program, most years have shown a positive net income for most programs.

Total Government Debt Per Capita



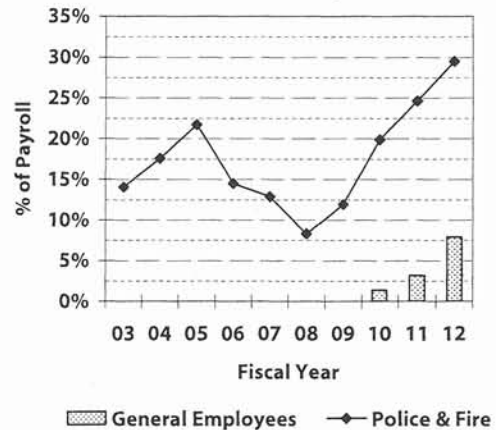
The City has the second lowest debt per resident ratio of the nine comparable Michigan cities. The City's debt per resident ratio has declined to its lowest level since 1989.

City Pension Systems Percent Funded



Both the General Employees and Police & Fire pension systems have decreased their funding levels over the past year due to declines in the stock market. The City's General Employees pension system is closed to all new members, as all new employees are in a defined contribution plan.

Employer Pension Contributions As % of Payroll



The City's overall contribution to the Police & Fire Pension System, as a percent of payroll, has generally fluctuated over the past ten years due to returns on pension investments. Due to market declines, contributions have recently increased. 2010 was the first required employer contribution to the General Employees Pension System since 1999.

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

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

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

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

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

The 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/Risk Management 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 analyses, telephone and Internet monitoring reports, travel requests, and insufficient funds purchase orders are processed. The Municipal Improvement Plan (MIP), the Popular Annual Financial Report (PAFR), water and sewer rate studies, capital status reports, financial & demographic trend reviews, department audits, and revenue studies are also prepared.

The Human Resources function administers programs including employee education and development, labor and employee relations,

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.*

human resource planning, and equal opportunity reporting. This office also administers all short-term disability, long-term disability, worker's compensation, and Family & Medical Leave Act requests.

A Human Resource Plan is developed annually to determine staffing levels for full-time, part-time, seasonal employees, and contractual services. Labor negotiations and grievance processing are conducted with 12 different bargaining units representing nearly 98% of the City's workforce.

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

Did you know...

...the City has reduced its workforce by 106 positions since 2002, saving over \$7.9 million annually?

City Management

2011/12 INTENTION STATEMENTS

(City Management)

1. To actively participate in the Macomb Area Communities for Regional Opportunities (MACRO) Task Force to pursue consolidating and combining services where possible in order to avoid duplication of services. (City Goals 1, 2, 3)
2. To fully implement the Sterling Heights Initiative for Neighborhood Excellence (SHINE) in order to maintain residential property values. (City Goals 12, 13, 14)
3. To place a greater emphasis on economic development as a way to stimulate growth in the community by directing additional resources focusing on business retention, neighborhood and housing maintenance, quality industrial and commercial developments, and local employment. (City Goals 8, 10, 11, 20)
4. To develop and implement a City-wide reorganization plan as a result of significant revenue decline and reduction in staff. This plan will reflect changes made over the past few years, including: restructuring departments, reducing operational expenditures, and implementing cost saving measures and alternative service delivery methods. (City Goals 1, 3, 4, 20)
5. To have a stronger voice in the legislative process by sharing the City's expertise and experiences with our legislators. This will allow the City to have a greater influence on the outcomes of policy debates while building and strengthening the partnership between the City and other governments. (City Goals 1, 2)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Administrative Policy and Procedure Orders Processed	1	2	3	3	3	3
	False Alarm Appeals Processed	55	41	40	50	50	50
	Special Reports Researched & Written	16	18	18	20	20	20
	Special Projects Researched & Developed	16	18	18	20	20	20
	Policy Resolutions Presented to Council	10	9	16	10	10	10
	Legislative Issues Monitored	5	6	7	10	10	10
	Focus Group Meetings Facilitated	3	6	6	6	6	6
	Intergovernmental Relation Contacts	110	115	120	125	125	125
	New Programs & Policies Developed	8	6	7	8	8	8
	Council Requests Responded to within 30 minutes	100%	100%	100%	100%	100%	100%
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Agenda Items Given to Council within 28 days	100%	100%	100%	100%	100%	100%
	% of Meetings Attended within 7 Days of Request	100%	100%	100%	100%	100%	100%
Efficiency	Total Millage Rate % Reduction Since 1988	-19.8%	-19.4%	-19.4%	-5.2%	-5.2%	-5.2%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.07%	1.04%	1.13%	1.12%	1.12%	1.12%

City Management

2011/12 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To evaluate recent State legislation that allows cities to restructure and refinance road bonds to reduce debt payments and increase the funds available for needed road repairs. (City Goal 20, 21, 22)
2. To prepare and submit data to the State illustrating the City's efficiency, best practices, benchmarking and service sharing efforts, which will now be tied to revenue sharing funding. (City Goal 1, 2, 3, 20)
3. To prepare and present City financial information should the City enter binding Act 312 arbitration with the Police Officers' labor group. (City Goal 3, 4, 5)
4. To evaluate the impact of changing the City's variable retail water & sewer rate methodology to match the increasingly fixed wholesale billing rate structure from the City of Detroit. (City Goal 5, 20)
5. To continue to work toward further streamlining and reorganizing Finance Department operations in light of declining City revenues. (City Goal 1, 2, 3, 4)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	City Budgeted Funds Monitored (Millions)	\$142.9	\$150.0	\$152.1	\$142.4	\$135.2	\$135.3
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	68	50	42	40	45	45
	Management & Labor Cost Studies Conducted	10	30	35	40	35	40
	Years Member of ICMA Center for Perf. Measurement	7	7	7	8	8	8
	City Council Agenda Statements Reviewed	298	310	215	300	270	280
	Municipal Improvement Plan (MIP) Prepared	0	1	0	1	1	0
	Travel Requests Reviewed for Policy Compliance	234	198	160	170	150	140
	Employee Internet Usage - Months Monitored	5	3	3	4	3	3
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
	OPEB Annual Required Contribution (Millions)	\$10.1	\$11.3	\$11.6	\$12.1	\$12.1	\$11.5
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa2,AA+,AA+	Aa2,AA+,AA+	Aa2,AAA,AA+	Aa2,AAA,AA+	Aa1,AAA,AA+	Aa1,AAA,AA+
	City's State Fiscal Health Score	0	1	2	2	3	3
	Accuracy Forecasting Expenditures - General Fund	99.7%	99.5%	99.2%	100.0%	97.7%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.6%	99.6%	99.6%	100.0%	100.2%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	21	22	23	24	24	25
	Budget Award - "Outstanding" Categories Earned	2	0	0	2	0	2
	Years Received G.F.O.A. PAFR Award	11	11	11	11	11	11
	Savings from Reviewing Travel Requests	\$5,436	\$3,374	\$2,741	\$2,500	\$2,600	\$2,500
	Years Received ICMA Certificate of Distinction	3	3	3	4	3	3
	Average Cost to Review a Travel Request	\$7.17	\$7.49	\$7.84	*	*	*

City Management

2011/12 PERFORMANCE OBJECTIVES

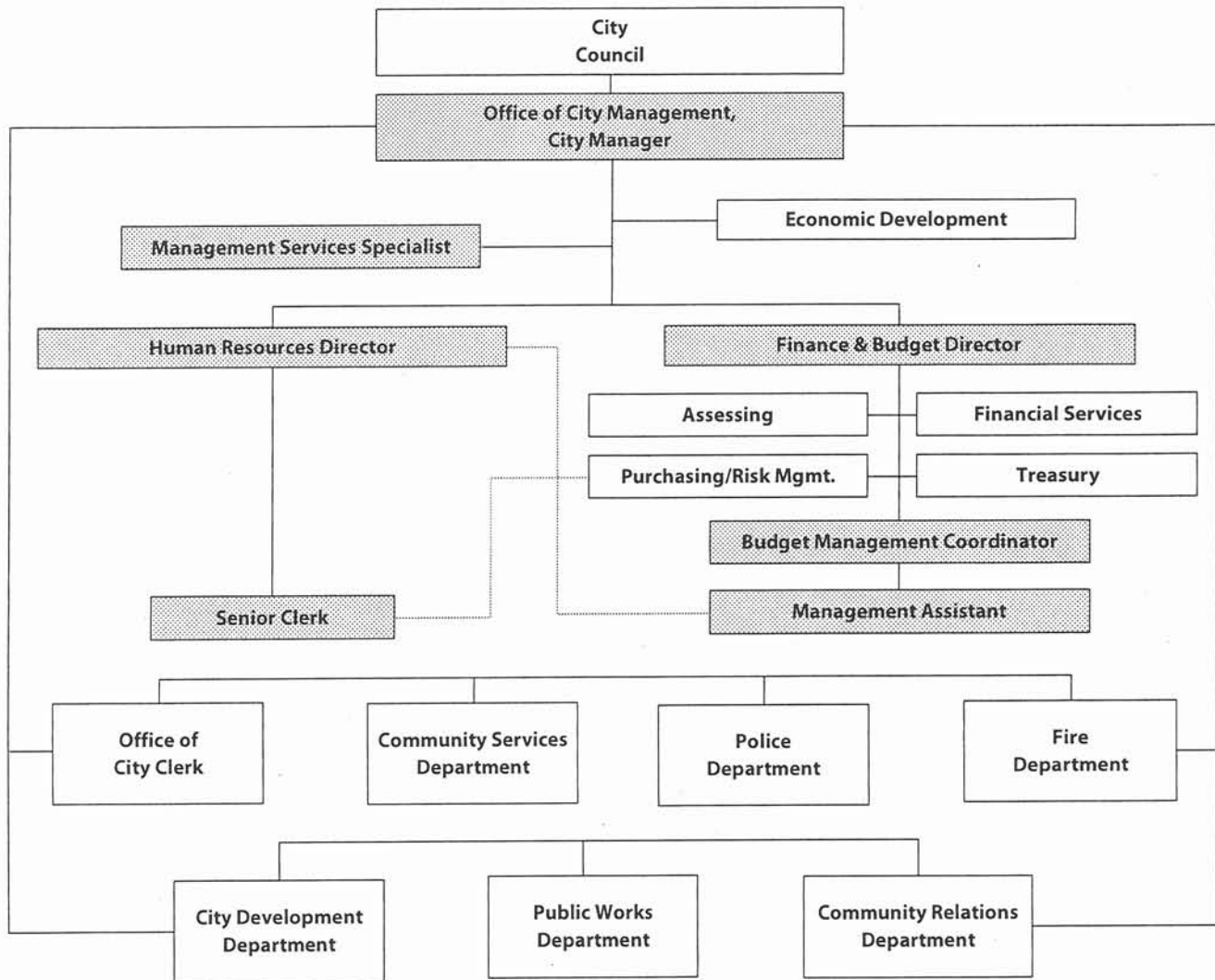
(Human Resources)

1. To continue implementation of the City's comprehensive financial strategy for human resources initiatives as a result of significant revenue decreases to the City's tax base. (City Goal 3, 4, 20)
2. To continue implementing a comprehensive labor relations strategy for those union groups whose collective bargaining agreements expire on June 30, 2012 with the assistance of the City's Labor Attorney. (City Goal 3, 4, 20)
3. To analyze and implement health plan design changes to reduce the City's medical claim costs for both active employees and retirees. (City Goal 1, 3, 20)
4. To analyze and implement the recommendations presented by the City's new pharmacy benefit manager and conduct evaluations on a quarterly basis. (City Goal 1, 3, 20)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Promotional Job Postings	22	21	9	15	7	10
	Open Competitive Job Postings	6	1	1	3	2	2
	Applications Reviewed & Processed	1,036	842	160	800	300	300
	Employees Hired (Full-time/Part-time)	36/51	16/98	3/66	5/50	3/60	3/60
	Police/Fire Promotional Tests	1	1	0	1	1	0
	Labor Contracts Re-opened/Settled	8	0	12	3	12	6
	Worker's Compensation Incident Reports	29	56	24	30	30	30
	Short-Term Disability Claims Handled	32	27	25	30	30	30
	Open Long-Term Disability Claims	3	3	2	5	3	3
	Life Insurance Claims	1	0	1	1	1	1
	New Worker's Compensation Claims	87	58	68	70	65	65
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	36	30	30	30	30	30
	# Labor Grievances Per 100 F.T. Union Employees	1.5	1.3	1.1	1.5	1.5	1.5
	Avg. # Work Days to Complete Internal Recruitment	20	18	25	20	20	20
	% of Grievances Resolved Before Arbitration	100%	87%	50%	90%	90%	100%
	Total FTE's Per 1,000 Residents	5.7	5.5	5.4	5.2	5.2	4.8
	Full-time Employee Turnover Rate (Excl. Retirements)	0.2%	0.1%	0.3%	0.1%	0.3%	0.1%
	% Minorities in Work Force	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	3	0	1	0	1	0
	Cost to Recruit and Hire a Full-time General Employee	\$1,521	\$1,587	\$1,614	*	*	*
	# Worker's Comp Claims Per 100 FTE's	12.1	8.7	10.5	11.1	10.0	10.0
	% Worker's Comp Claims Paying Compensation	6.0%	10.0%	7.0%	9.0%	8.0%	7.0%
	W/C Lost Work Days Due to Injury Per 100 FTE's	90	61	28	40	30	30

*Cost is calculated for "Actual" columns only.

City Management



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
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
Senior Clerk	1	1	1
Management Intern (P.T.)	1	0	0
Total	8	7	7

City Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

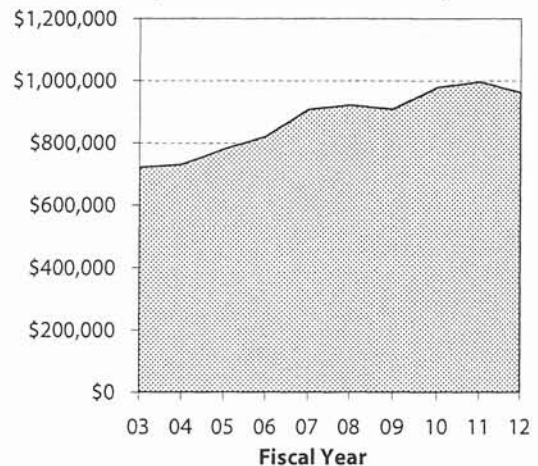
The total budget decreased by 3.4%.

Personnel Services – The total Personnel budget decreased by \$22,350 or 2.3%. Overall savings were achieved due to further wage and benefit concessions and a lower wage range for the vacant Human Resources Director's position. Higher health insurance costs occurred as the former Human Resources Director elected the health insurance allowance in lieu of insurance coverage.

Supplies – Total Supplies decreased \$520 or 19.6%. Postage costs decreased \$300 due to a one-time large promotional mailing in the prior year and the increased use of e-mail. \$220 was saved, as fewer toner cartridges are needed due to the ability to print documents more cost-efficiently on the copy machine.

Other Charges – Total Other Charges decreased \$11,140 or 32.4%. Contracted service costs decreased \$10,000 as the Sergeant exam is only conducted every two years, while funds will be needed for possible labor contract arbitration costs. Publishing costs decreased \$500 due to fewer recruitment needs. The training budget decreased \$490. Local meeting costs decreased \$300 and copier rental costs fell \$130, both based on the current year's estimated expenditure levels. \$130 was saved in budget cover printing costs. Fewer pre-employment physicals will be needed, as less new hires are anticipated, saving \$100. Telephone costs increased \$500 due to higher costs necessary for improved wireless communications.

Expenditure History



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$957,661	\$959,730	\$944,940	\$937,380	\$937,380
Supplies	2,123	2,650	2,450	2,130	2,130
Other Charges	18,842	34,370	23,160	23,230	23,230
Total	\$978,626	\$996,750	\$970,550	\$962,740	\$962,740

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 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, visitors and businesses.

This office maintains an active program that encourages the retention and expansion of existing businesses providing quality jobs, a diverse workforce and expanded tax base. The Business Attraction program fosters an economic development climate that attracts and encourages the recruitment of businesses to Sterling Heights that will provide quality jobs, diversify the workforce and expand the tax base.

The Community Revitalization program is responsible for undertaking projects that promote retail businesses, redevelops the City's commercial corridors, and supports the local entrepreneurial wherewithal through programs at the Macomb OU- Incubator. The Master Land Use Plan supports and promotes this program.

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 goals of the City are also primary objectives.

This office coordinates land, easement, and right-of-way acquisitions for public improvements. Grant monies are pursued and closely monitored for park

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 enhance 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, Local Development Finance Authority, Corridor Improvement Authority, Economic Development Corporation, and Macomb OU-INCubator.*

development, tree planting, and roadway median and right-of-way landscaping. Other activities include the disposal of excess City property and the coordination of traffic engineering studies. Both the Home Chore and Minor Home Repair Programs are administered by this office.

The Business Development Manager provides assistance to the Transportation Advisory Committee and serves as Executive Director of the Housing Commission and President of the Schoenherr Towers Resident Advisory Board.■

Did you know?...

...the City's Economic Development Office blends principles of the New Economy Initiative and Economic Gardening when fostering its programs for the business community?

Economic Development

2011/12 PERFORMANCE OBJECTIVES

1. To continue to play a leadership role in the establishment of the Defense Initiative for Macomb County. (City goal 8, 9, 10, 11)
2. To further business retention/expansion efforts by implementing the goals of the Sterling Heights SmartZone business collaborative. (City Goal 8, 9, 10, 11)
3. To continue partnering with the Macomb OU-INCubator and assist with the client/tenant recruitment. (City Goal 8, 9, 10, 11)
4. To facilitate the redevelopment of underutilized, contaminated and functionally obsolete properties through the use of the Local Development Finance Authority and Brownfield Redevelopment Authority and to apply for State grants and loans. (City Goal 8, 9, 10, 11)
5. To work with the Center for Automotive Research to increase the number of automotive suppliers in the City and to raise funds for an online business group City marketing program. (City Goal 8, 9, 10, 11)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Brownfield Sites Marketed for Redevelopment	5	10	6	5	5	5
	Redevelopment Projects on Major Corridors	1	1	1	1	4	3
	Retention Calls to Existing Businesses	79	65	90	60	60	65
	Tax Abatements Initiated	5	3	1	5	5	7
	Business Development Contacts Initiated	104	100	75	100	70	100
	Development Opportunities Forum Attendees	3	30	10	20	20	20
	Brownfield Applications Processed/Approved	1/1	1/1	1/1	1/1	2/2	2/2
	New Grants Applied For	1	1	2	2	1	1
	Façade Grants Applied For	N/A	N/A	1	2	1	0
	Regional/State Economic Dev. Committee Meetings	3	3	4	4	4	8
	Local Trade Shows Attended	1	1	4	3	2	4
	Business Collaborative Meetings Attended	N/A	N/A	2	4	12	12
	Business Collaborative Programs Implemented	N/A	N/A	0	0	0	1
	Manufacturing Strategy Meetings Attended	N/A	6	9	6	1	4
	Incubator Leadership Meetings Held	N/A	24	12	20	10	4
	Corporate Partner Referrals to the Incubator	N/A	N/A	2	5	0	5
	Marketing Materials Distributed	50	60	818	500	150	100
	Legislative Contacts	6	6	6	6	6	6
Effectiveness	Value of New Major Comm. Corridor Projects	\$41M	\$0	\$1M	\$10M	\$1B	\$10M
	Value of Grant Dollars Procured	\$0	\$0	\$625,000	\$500,000	\$412,000	\$500,000
	Business Development Meetings Attended	60	115	92	100	100	100
	Development Proposals Submitted	17	25	14	24	24	24
	Value of Brownfield Investment Approved	\$1.6M	\$4.9M	\$1.0M	\$10.0M	\$93.0M	\$10.0M
	Incubator Tenants Recruited	N/A	N/A	0	0	0	3

Economic Development

2011/12 PERFORMANCE OBJECTIVES

6. To complete plans and specifications for an exterior façade and canopy remodel at Schoenherr Towers. (City Goal 12, 13, 15)
7. To investigate the applicability of the 2010 Property Assessed Clean Energy Act (PACE) legislation designed to promote energy efficiency on private property. (City Goal 8, 10, 11, 13, 14, 15)
8. To continue project management for the INCubator, including developing a marketing plan, newsletter, finishing renovations, and achieving a 100% occupancy goal. (City Goal 8, 9, 10, 11)
9. To grow a retail retention and attraction program. (City Goal 8, 9, 10, 11, 13, 14)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	New Grants Applied For/Grants Received	1/0	6/5	6/5	2/2	2/2	2/2
	Council Meetings Attended	10	10	8	8	8	8
	Housing Commission Meetings Attended	26	24	24	25	30	30
	Rights-of-Way/Easements Acquired	27	19	4	12	15	20
	Senior Home Chore Jobs	1,118	1,120	1,000	1,150	1,000	1,150
	Minor Home and Mobile Home Repair Jobs	208	220	154	350	200	250
Efficiency & Effectiveness	% Initial Traffic Requests Responded to w/i 35 days	95%	95%	95%	100%	100%	100%
	% of ROW's Acquired Without Condemnation	100%	100%	100%	100%	100%	100%
	% of Easements Acquired Without Condemnation	100%	100%	99%	95%	95%	100%
	% of Grants Successfully Awarded	0%	83%	83%	100%	100%	100%
	Avg. Cost to Prepare/Process a Grant Application	\$1,189	\$942	\$991	*	*	*
	Avg. Cost to Review a Use Permit Application	\$94	\$103	\$111	*	*	*
	Activity Expenditures as % of General Fund	0.56%	0.54%	0.56%	0.56%	0.56%	0.48%

* Cost is calculated for "Actual" columns only.

Economic Development



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Economic Development Manager	1	1	1
Total	1	1	
<i>Former Public Services Office:</i>			
Business Development Manager	0	0	1
Public Services Manager	1	1	0
HUD Program Coordinator	1	1	0
Administrative Assistant	1	1	1
NSP Intern (P.T.)	1	1	0
Total			3

Economic Development

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

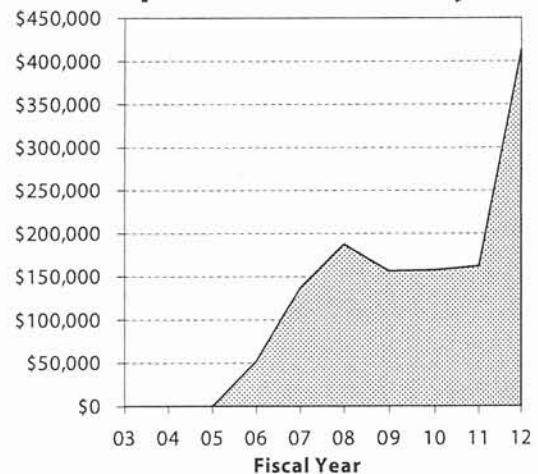
The total budget increased by 155.3%.

Personnel Services – The total Personnel budget increased by \$249,350. Two positions from the former Public Services office will now be relocated to the Economic Development office. The former Public Services Manager title will now be changed to Business Development Manager and additional economic development duties will be assigned, including retail business development and incubator renovations. As a result, Engineering will take over coordinating County and federal road improvement funding issues. The CDBG Specialist position as well as the part-time NSP Intern will now be assigned to the Planning office.

Supplies – Total Supplies increased by \$430. The increase is a result of transferring the supply costs of two positions to this office due to a department reorganization. As a result, the budget for the Public Services office has been eliminated.

Other Charges – Total Other Charges increased by \$1,580. Telephone costs increased \$1,450 based on the current year's estimated expenditure usage and the relocating of additional personnel to this office. Educational funding increased \$70 as a result of the department reorganization. The increase was slightly offset, as savings on related travel expenses will be maximized. An additional \$60 is budgeted to fund membership fees.

Expenditure History



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

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$154,140	\$159,020	\$157,170	\$408,370	\$408,370
Supplies	151	170	170	600	600
Other Charges	3,049	2,710	2,900	4,290	4,290
Total	\$157,340	\$161,900	\$160,240	\$413,260	\$413,260

Public Services *(former)*

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 100%.

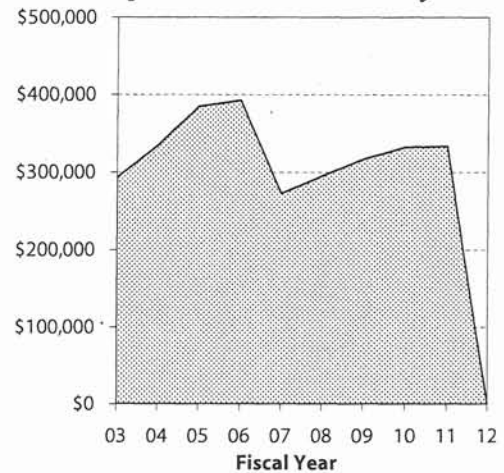
Personnel Services – The total Personnel budget decreased by \$331,480 or 100%. The Public Services Manager and Administrative Assistant positions have been reassigned to the Economic Development office, while the CDBG Specialist and part-time NSP Intern have been relocated to the Planning office.

Supplies – Total Supplies decreased \$540 or 100%, as all employees have been relocated to other offices.

Other Charges – Total Other Charges decreased \$1,620 or 100%, as all employees have been relocated to other offices.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$330,040	\$331,480	\$330,200	\$0	\$0
Supplies	481	540	540	0	0
Other Charges	1,600	1,620	1,620	0	0
Total	\$332,121	\$333,640	\$332,360	\$0	\$0

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

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

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

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

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

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

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

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.*

In addition to these services, the City Clerk also serves as administrative liaison to several City boards and commissions. These include the Act 78 Civil Service Commission, Local Officials Compensation Commission, and the Election Commission. ■

Did you know...

...as a result of the 2010 census and redistricting, the City Clerk's office will be changing precinct boundaries and issuing new voters cards that will be sent to many affected voters?

City Clerk

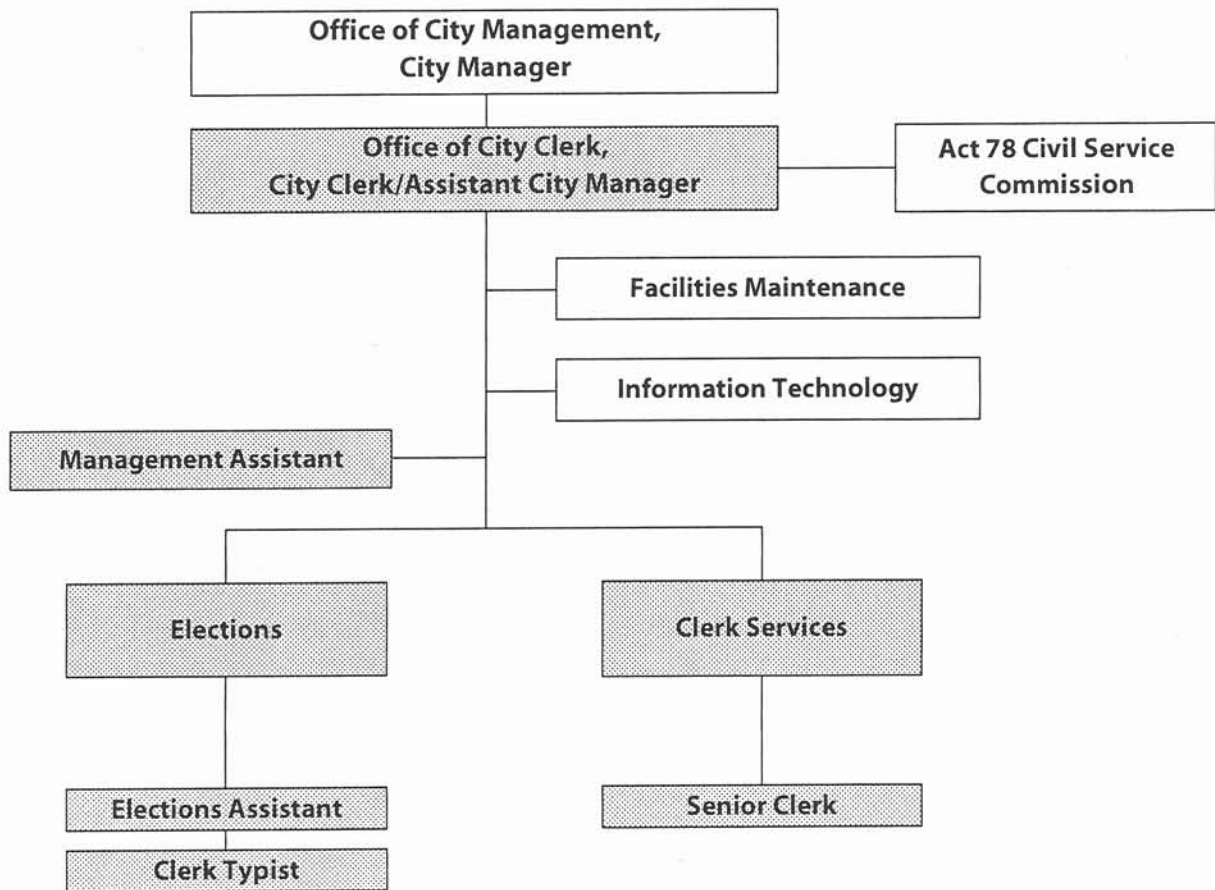
2011/12 PERFORMANCE OBJECTIVES

1. To work with the Election Commission to redraw precinct boundaries and achieve cost savings by reducing the number of precincts as a result of the 2010 Census and to notify affected voters. (City Goal 3, 4, 20)
2. To seek volunteer election inspectors through local high schools' National Honor Societies and the Utica Academy for International Studies. (City Goal 1, 3, 4, 20)
3. To research and implement vendor hosting services for easily searchable City Council, Planning Commission and Board of Zoning Appeals (BZA) minutes. (City Goal 1, 3, 6, 17, 18)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Council Agenda Statements Processed	370	386	288	360	330	340
	Council Actions Correspondence Mailed	995	1,538	539	570	1,088	920
	New Voter Registrations/Changes Processed	32,493	25,121	26,912	26,560	31,254	31,520
	Elections Conducted	3	3	3	3	3	4
	Election Correspondence/Scheduling	1,049	1,099	848	920	781	850
	Absentee Voter Applications Mailed	56,628	27,043	15,722	35,100	35,131	36,710
	Absentee Voter Ballots Prepared	25,717	33,568	27,669	30,220	27,209	29,810
	Freedom of Information Requests Processed	234	243	291	310	322	310
	Documents Recorded	183	184	144	230	135	150
	Business Registry: New/Closed/Information Changed	3,170	3,185	3,082	2,910	2,820	2,870
	Class C Liquor Licenses Approved (New/Transferred)	0/6	0/9	0/7	0/6	0/6	0/6
	Licenses Issued - (dog, vendors, etc.)	4,932	5,024	5,105	5,180	5,272	5,355
	Pieces of Outgoing Mail Processed	157,417	165,494	132,433	130,010	126,111	128,120
	Birth & Death Certificates Processed	560	596	598	565	620	625
	Board/Commission Applications Processed	223	212	208	220	221	225
	Number of Registered Voters (November)	84,082	88,258	85,345	86,110	86,183	86,210
Efficiency	% of Residents Applying for City Boards	0.18%	0.17%	0.17%	0.17%	0.17%	0.17%
	% of Registered Voters Voting (November)	14%	69%	21%	56%	45%	23%
	% 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	\$3.11	\$2.88	\$3.10	*	*	*
	Activity Expenditures as % of General Fund	1.20%	1.20%	0.82%	0.90%	0.88%	0.85%

* Cost is calculated for "Actual" columns only.

City Clerk



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
City Clerk/Assistant City Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Senior Clerk	2	2	1
Clerk Typist	1	1	1
Total	6	6	5

City Clerk

SUMMARY OF BUDGET CHANGES

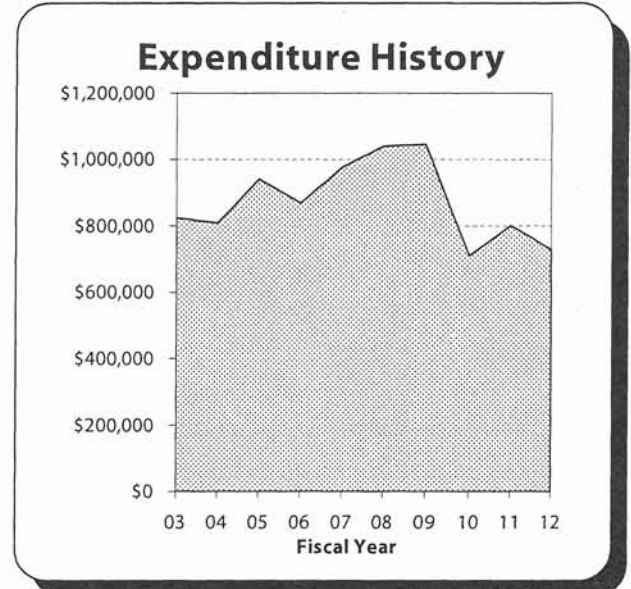
SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 9.0%.

Personnel Services – The total Personnel budget decreased by \$67,870 or 9.9% due the wage and fringe benefits savings from eliminating a vacant Senior Clerk position and a second year of wage and benefit concessions from City employees. The budget includes funding for four elections including a possible City Council Primary in August and a February 2012 Presidential Primary.

Supplies – Total Supplies decreased \$4,930 or 9.5%. Operating supply costs decreased \$2,630 based on historic expenditure trends and a reappropriated prior year encumbrance. Postage costs fell \$2,300 primarily due to the timing of replenishing the City's postal meter in the prior year.

Other Charges – Total Other Charges increased \$560 or 0.9%. Funding increased \$5,490 for the printing of additional absentee voter applications, as well as new voter cards due to voter precinct and district changes. \$270 was added to the budget for increased maintenance costs of voting machines. \$2,000 was saved, as paper copies of City code updates are no longer provided by the vendor and fewer code updates are anticipated. Voting machine programming costs decreased \$1,150 and document-recording fees fell \$400, as both can be reduced and brought more in line with estimated expenditure trends. The City will save \$700 as the synopsis of City Council meetings will be



produced internally rather than utilizing a contractual recording secretary. Publishing costs decreased \$500 as fewer public hearing notices and agendas are anticipated to be published. Telephone costs decreased \$450.

Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$622,039	\$684,090	\$658,020	\$616,220	\$616,220
Supplies	39,424	51,630	48,000	46,700	46,700
Other Charges	49,097	65,050	59,290	65,610	65,610
Total	\$710,560	\$800,770	\$765,310	\$728,530	\$728,530

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...

...the City recently reached an agreement with one of its labor groups to implement the use of part-time custodians to clean City facilities, saving the City nearly \$200,000 annually?

Facilities Maintenance

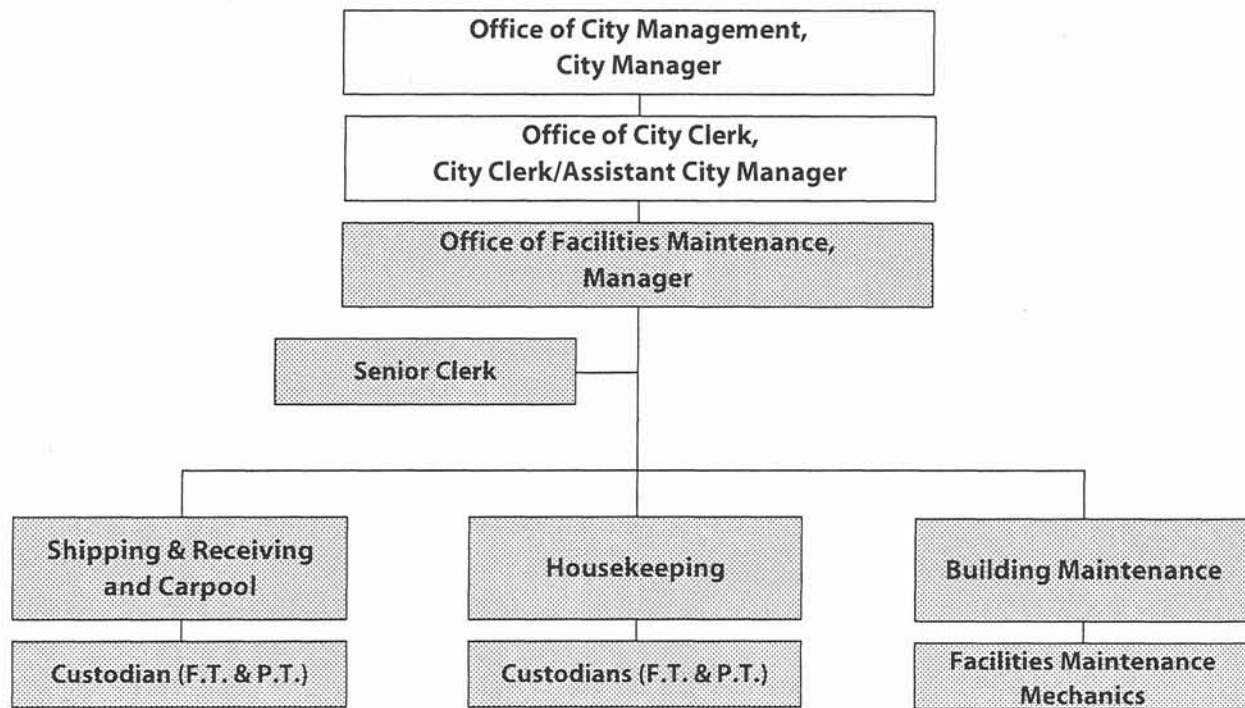
2011/12 PERFORMANCE OBJECTIVES

1. To review and update the preventive maintenance schedule to include the new heating and cooling equipment that is being installed at the Police Department, Library, Recreation Center and City Hall. *(City Goal 3)*
2. To develop a cleaning plan for the Senior Center, Recreation Center, Nature Center, Fire Station #5 administration and Public Works facility using part-time employees on an afternoon shift. *(City Goal 3)*
3. To conduct training with the maintenance staff on the new building management system being installed at the City Hall, Police Department and Library. *(City Goal 3, 7)*
4. To achieve greater energy efficiency by utilizing the new building management system. *(City Goal 3, 17)*
5. To develop a 3-year maintenance schedule to make repairs to City Hall including painting, fixing tile, and cleaning hallways. *(City Goal 3)*

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	City Facilities Supported - Square Feet	309,046	320,421	325,421	325,421	360,823	360,823
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	241,434	241,434	246,434	246,434	246,434	246,434
	Renovations/Projects Supervised/Coordinated	\$39,410	\$243,844	\$24,120	\$965,670	\$455,100	\$500,000
	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	7,600	7,500	7,700	7,600	6,500	7,300
	Post Office Deliveries & Pick-Ups	425	420	430	435	430	430
	UPS Shipments Prepared	40	30	35	40	35	40
	Deliveries to City Council Members	45	45	55	55	58	55
	Car Pool Vehicles Supervised	46	46	35	34	34	34
	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	86%	85%	80%	75%	75%	75%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	129.5	120.0	118.0	116.0	90.0	112.0
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	20.8	20.6	20.0	20.0	19.0	19.0
	Overtime/Comp Hours Worked	1,000	910	600	650	625	600
	Housekeeping Cost Per Square Foot	\$5.04	\$4.88	\$4.54	*	*	*
	Cost to Complete Maintenance Service Requests	\$426,740	\$420,309	\$417,407	*	*	*
	Activity Expenditures as % of General Fund	1.98%	1.99%	1.86%	1.76%	1.57%	1.56%

* Cost is calculated for "Actual" columns only.

Facilities Maintenance



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Mechanic	3	3	3
Custodian	11	10	6
Senior Clerk	1	1	1
Custodian (P.T.)	0	0	6
Total	16	15	17

Facilities Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

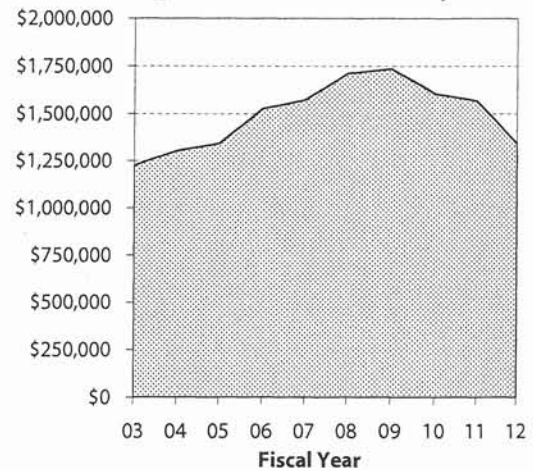
The total budget decreased by 14.3%.

Personnel Services – The total Personnel budget decreased by \$195,680 or 15.7%. The decrease is a result of eliminating four vacant full-time Custodian positions, which were replaced by part-time custodial staff over the course of the last year. In addition, employees have agreed to a second year of wage and benefit concessions.

Supplies – Total Supplies decreased \$2,500 or 5.0% due to a slight decrease in cleaning supply costs as a result of revised cleaning schedules and the vendor savings program.

Other Charges – Total Other Charges decreased \$26,560 or 9.7%. The City will save \$10,000 in electric costs and \$6,000 in heating costs due to lower negotiated rates and to the ongoing implementation of energy efficiency cost-saving measures, including window and lighting improvements and the replacement of boilers, chillers, and control systems at City Hall. Building maintenance costs fell \$8,400 based on lower contractual heating and cooling maintenance costs due to new boilers and chillers, a reduced need for paint and drywall supplies, and a prior year reappropriated encumbrance. Equipment maintenance costs decreased \$1,260, as less funding is needed for replacement sump pumps and door hardware. \$400 was saved, as refreshments have been eliminated at most City meetings. The telephone

Expenditure History



budget can be decreased \$300 based on the recent year's estimated expenditure usage.

Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,269,303	\$1,243,670	\$1,049,800	\$1,047,990	\$1,047,990
Supplies	55,087	50,000	50,000	47,500	47,500
Other Charges	279,157	272,870	263,520	246,310	246,310
Total	\$1,603,547	\$1,566,540	\$1,363,320	\$1,341,800	\$1,341,800

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

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

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

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

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

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 workstations throughout the City.*

telephone wall units and all wireless communication devices such as cellular telephones and smartphones.■

Did you know...

...the Office of Information Technology has eliminated the need for leased telephone lines as methods of communication between City Hall and the Nature Center, Parks & Grounds and Fire Stations 2, 3 & 4 by implementing technology that utilizes the City's existing fiber optic network?

Information Technology

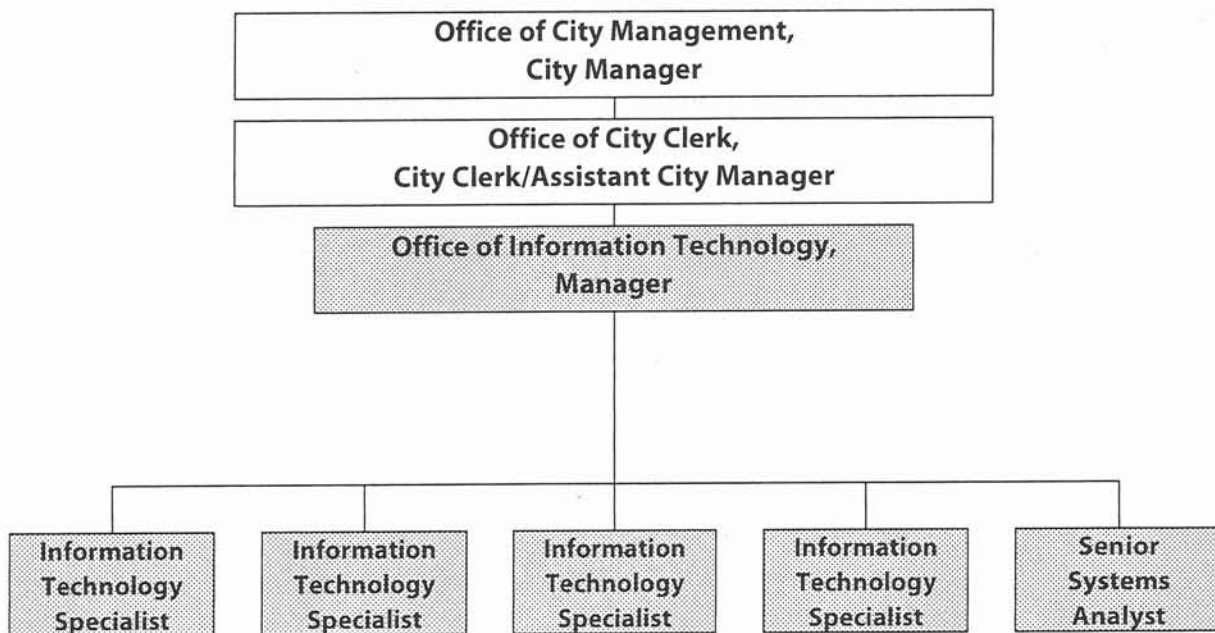
2011/12 PERFORMANCE OBJECTIVES

1. To upgrade the existing MUNIS server to accommodate the SQL version of the software as mandated by the software vendor. (City Goal 17, 18)
2. To successfully implement workstation replacements in the offices of Treasury, Purchasing, Economic Development, Building and Planning. (City Goal 17, 18)
3. To replace a switch on the City's existing computer network to ensure proper functioning. (City Goal 17, 18)
4. To develop procedures to accommodate the support needs of the Police and Fire Departments as a result of the New World System implementation. (City Goal 17, 18)
5. To research developing a limited automated telephone attendant system within certain departments to better assist residents and direct calls to the proper location. (City Goal 17, 18)
6. To work with Community Relations to develop a plan to update and improve the City's website. (City Goal 17, 18)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Hardware Platforms Supported - (Windows, Unix, etc.)	4	4	3	3	5	5
	Application Systems Supported - (BS&A, Munis, etc.)	29	28	29	29	31	31
	Software Packages Upgraded	5	8	5	5	5	5
	Hours of Consultant Services Used	600	360	N/A	N/A	N/A	N/A
	"Help Desk" Calls Received	2,850	2,800	2,825	2,830	2,830	2,830
	Computer Workstations Supported	592	598	570	560	560	545
	Staff Hours Spent Supporting Elections	30	35	40	35	35	35
	Hours Spent on Personal Computer Maintenance	1,220	1,200	1,200	1,200	1,200	1,200
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	91%	91%	91%	91%	91%	91%
	# of Computer Workstations per FTE	0.83	0.83	0.85	0.87	0.87	0.86
	Telephone System Problems Resolved Within 1 Day	96%	96%	96%	96%	96%	96%
	Staff Training Dollars Expended	\$6,287	\$2,909	\$0	\$0	\$0	\$0
	% of Revolving 5-year Technology Plan Implemented	80%	85%	90%	90%	90%	90%
	% of Time Computer Network Down	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%
	Overtime/Comp Hours Required to Meet Demand	375	200	350	375	250	250
	Average Annual Cost to Support a PC	\$275	\$278	\$288	*	*	*
	Cost to Support User Systems	\$336,506	\$341,627	\$337,011	*	*	*
	Activity Expenditures as % of General Fund	1.22%	1.23%	1.25%	1.25%	1.26%	1.11%

* Cost is calculated for "Actual" columns only.

Information Technology



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Information Technology Manager	1	1	1
Network Administrator	1	1	0
Senior Systems Analyst	0	1	1
Information Technology Specialist	6	5	5
Total	8	8	7

Information Technology

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

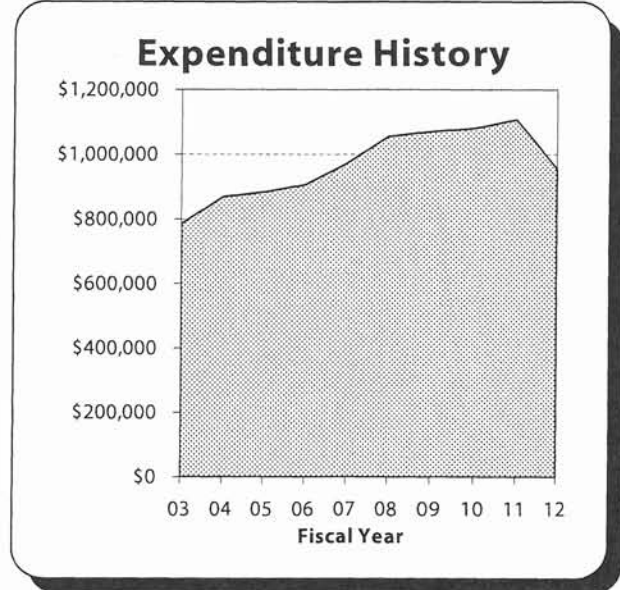
The total budget decreased by 13.7%.

Personnel Services – The total Personnel budget decreased by \$146,550 or 16.0%. Due to the retirement of the Information Technology Manager, and anticipated promotion of the Network Administrator, the vacant Network Administrator's position will not be filled, accounting for most of the savings to this office. In addition, the remaining employees have agreed to wage and benefit concessions for the second straight year.

Supplies – Total Supplies decreased \$3,100 or 30.8%. Operating supply costs decreased \$3,000 primarily due to color printer toner savings. \$100 was saved, as fewer computer software applications will be acquired.

Other Charges – Total Other Charges decreased \$2,650 or 1.5%. Telephone costs decreased \$2,500 as the budget can be reduced and brought more in line with the recent year's estimated expenditure usage, as well as savings from eliminating a Blackberry device. Computer maintenance costs decreased \$500 as fewer printer repairs are anticipated due to the increased ability to print documents on the City's copy machines. \$350 was added for equipment maintenance costs based on historic actual expenditure levels.

Capital – Total Capital of \$79,000 is proposed. \$6,600 is for a replacement network switch in the City's main data room to support the increased use of the data network. \$40,000 is proposed for a required MUNIS



database upgrade. \$32,400 is budgeted for the replacement of 36 six-year old personal computers in Purchasing, Treasury, Economic Development, Building, and Planning.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$893,963	\$918,360	\$910,360	\$771,810	\$771,810
Supplies	7,413	10,050	7,000	6,950	6,950
Other Charges	178,780	179,640	177,590	176,990	176,990
Total	\$1,080,156	\$1,108,050	\$1,094,950	\$955,750	\$955,750

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

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

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

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

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

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

KEY GOALS

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

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

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

Did you know...

...the assessed value of real property in the City has declined by 32% over the past four years?

Assessing

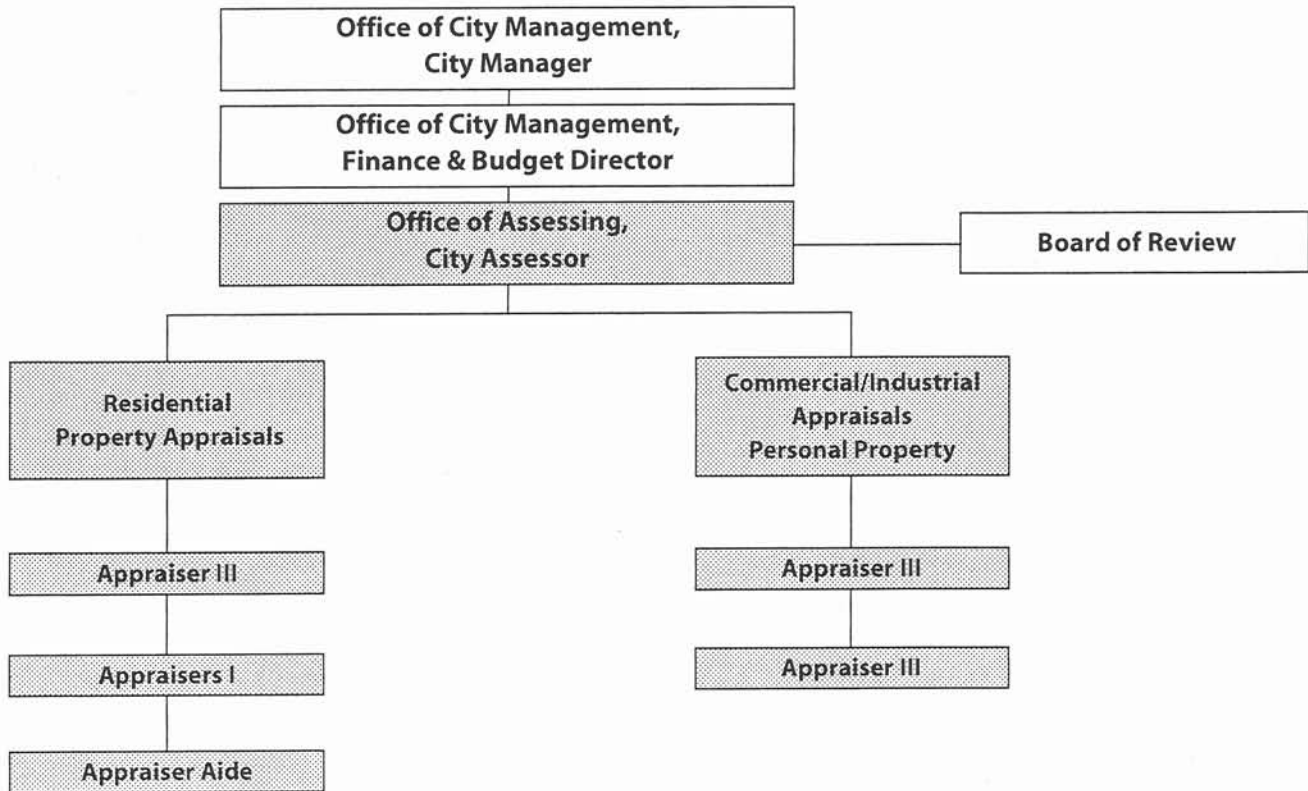
2011/12 PERFORMANCE OBJECTIVES

1. To develop and implement a training program for the reassignment of job duties of the appraisers for commercial and industrial real and personal property so they may assist the City Assessor in defending the increased number of tax tribunal assessment appeals. (City Goal 3, 4)
2. To implement a ten-year program to create digital sketches of all 33,865 houses and 6,687 condominiums in the City and have them accessible on the City's website. (City Goal 14, 18)
3. To continue to seek a long-term solution in valuing all the automotive manufacturing equipment in the City's major manufacturing facilities. (City Goal 8, 20)
4. To continue a five-year program to reappraise all of the buildings contained on the 815 improved commercial properties in the City. (City Goal 18, 20)
5. To review and possibly update the City's letter of agreement for future tax abatements to limit future personal property valuation appeals. (City Goal 8, 10, 11)

	Performance Indicators	2007/08	2008/09	2009/10	2010/11	2010/11	2011/12
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Assessment Notices Processed - Real/Personal	46,354	46,275	46,190	46,800	46,700	46,700
	Residential Property Appraisals (including Partial)	54	19	40	35	60	60
	Commercial/Industrial Property Appraisals - Real	11	9	5	15	8	10
	Full Tax Tribunal Applications - Businesses	43	197	149	150	187	170
	Board of Review Appeals	792	1,658	1,206	1,500	1,300	1,200
	Personal Property Audits	124	127	121	155	50	40
	Land Divisions/Combinations Processed	18	10	9	12	8	10
	Resident Assessing Online Retrievals	222,040	224,736	280,747	330,000	600,000	600,000
	Deeds & Property Owner Updates	4,515	2,391	3,579	3,400	4,400	4,600
	Property Transfer Affidavits Processed	2,623	2,212	2,732	2,100	3,200	3,350
	Homestead Exemption Affidavits Processed	2,482	2,621	2,531	2,200	2,700	2,800
	IFEC's/328's Personal Property Exemptions Approved	8	6	5	6	8	6
	Total Investment Resulting from IFEC's/328's (millions)	\$82	\$73	\$13	\$50	\$650	\$40
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)	4.8%	4.5%	4.7%	4.6%	4.7%	4.6%
	Sales Ratio	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
	% Site Plans Reviewed within 2 days	90%	90%	90%	90%	90%	90%
	% Land Divisions/Comb. Processed w/i 3 days	90%	90%	90%	90%	90%	90%
	Equalization Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Average Cost to Appraise a Residential Parcel	\$2.69	\$2.72	\$2.80	*	*	*
	Activity Expenditures as % of General Fund	0.99%	1.01%	1.00%	0.97%	1.00%	1.00%

* Cost is calculated for "Actual" columns only.

Assessing



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
City Assessor	1	1	1
Appraiser III	3	3	3
Appraiser I	2	2	2
Appraiser Aide	1	1	1
Clerk Typist	1	0	0
Total	8	7	7

Assessing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

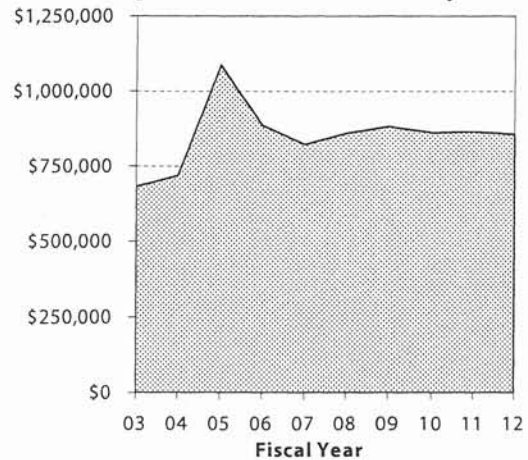
The total budget decreased by 1.0%.

Personnel Services – The total Personnel budget decreased by \$12,210 or 1.5% due to a second year of employee wage and benefit concessions. Partially offsetting these savings, was an increase in the funding for pension liabilities and an increase in health insurance costs.

Supplies – Total Supplies decreased \$200 or 0.9%, as fewer supplies such as binders and measuring tapes are needed.

Other Charges – Total Other Charges increased \$3,610 or 18.1%. Contracted service costs increased \$4,800 to fund the Costar Comparable Professional Service contract. This service will allow the City Assessor to access regional market value information for comparable properties to aid in resolving the increasing number of business tax appeals and thereby reducing future refunds at the Michigan Tax Tribunal. \$370 was saved in equipment maintenance costs, as five viewing licenses for the Apex Assessor Sketch software are no longer required. Printing costs decreased \$280, as mailed personal property statements will now include a web address where detailed instructions can be downloaded. Telephone costs decreased \$200 and copier rental costs fell \$80, both based on recent years' expenditure trends. Educational funding was reduced by \$150.

Expenditure History



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$820,144	\$823,070	\$821,970	\$810,860	\$810,860
Supplies	22,185	22,100	21,900	21,900	21,900
Other Charges	18,891	19,970	23,460	23,580	23,580
Total	\$861,220	\$865,140	\$867,330	\$856,340	\$856,340

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

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

Financial Services develops and maintains tracking systems for funds, projects, grants, capital assets and other financial needs. This office prepares required work papers, schedules and financial statements to complete the annual external audit and the award winning Comprehensive Annual Financial Report (CAFR), as well as compliance reports for state and federal grant 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 bargaining units and two (2) employee groups, all with unique benefits.

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

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

KEY GOALS

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

Did you know...

...the Financial Services office provided assistance to other City offices by accounting and reporting on sixty federal grants totaling over \$6.3 million for the year ended June 30, 2010?

Financial Services

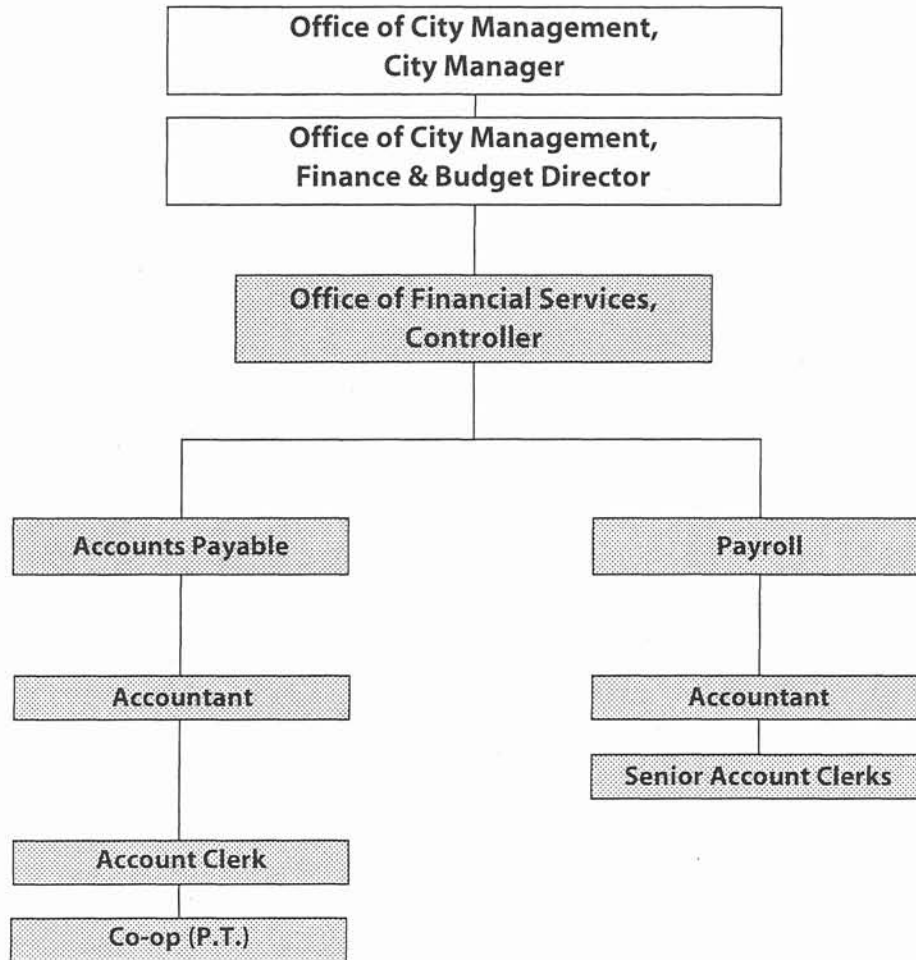
2011/12 PERFORMANCE OBJECTIVES

1. To implement Governmental Accounting Standards Board Nos. 54, 57 and 59 into the audited financial statements. *(City Goal 3)*
2. To analyze current accounting software modules for the purging of outdated data in preparation of a system upgrade required by the City's third party vendor. *(City Goal 3, 17)*
3. To perform a cost benefit study of implementing the MUNIS GoDocs module which allows for electronic notification of payroll notices, purchase orders, and utility bills. *(City Goal 3, 17)*
4. To evaluate and redesign workflow processes to increase office efficiencies. *(City Goal 3, 4, 17)*

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Bank Statements Reconciled	240	241	264	264	264	264
	Travel Business Reports Reconciled/Processed	234	198	160	170	150	140
	General Journal Entries Processed	1,865	1,890	1,860	1,850	1,850	1,850
	Accounts Payable Invoices Processed	17,338	17,156	15,643	16,450	16,450	15,500
	Accounts Payable Checks Issued	7,890	7,625	6,962	7,500	7,500	7,500
	Payroll Checks & Deposit Notices Generated	23,100	21,837	20,592	21,500	20,600	19,800
	Accounting Funds Maintained	30	29	29	28	28	28
	G.F.O.A. CAFR Reviews	3	3	1	2	0	0
	Total Retirees/Beneficiaries Receiving Medical Benefits	440	471	482	490	510	530
	Federal Grants Tracked	28	36	60	20	60	40
	Capital Assets Processed	305	264	424	200	200	200
	Audit Workpapers Prepared	227	254	298	260	300	300
	Active Assets Tracked	3,744	4,349	4,646	3,300	4,850	5,000
	Vendor Files Maintained	4,018	3,291	2,867	3,850	3,100	3,000
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	9.0	10.0	13.0	11.0	13.0	13.0
	% of A/P Checks Issued Without Error	99.5%	99.5%	99.5%	99.5%	99.7%	99.7%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.9%	99.5%	99.5%	99.5%
	Active Employees Receiving Compensation/Benefits	1,337	1,274	1,217	1,245	1,200	1,180
	Financial Statement Correcting Entries by Auditors	0	0	1	1	1	1
	Financial Administration of Federal Grant Expenditures	\$4,728,405	\$4,768,818	\$6,375,073	\$2,400,000	\$5,025,000	\$2,400,000
	Cost for an Independent Auditor to Perform Audit	\$90,500	\$95,500	\$94,500	\$89,800	\$91,000	\$91,000
	Years Received G.F.O.A. CAFR Award	20	21	22	23	23	24
	Cost to Process an Accounts Payable Invoice	\$9.83	\$10.23	\$10.33	*	*	*
	Cost of Payroll Service Per Employee	\$264	\$269	\$275	*	*	*
	Activity Expenditures as % of General Fund	1.48%	1.48%	1.07%	0.87%	0.87%	0.91%

* Cost is calculated for "Actual" columns only.

Financial Services



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Controller	1	1	1
Financial Services Manager	1	0	0
Accountant	3	2	2
Senior Account Clerk	2	2	2
Account Clerk	2	1	1
Co-op (P.T.)	1	1	1
Total	10	7	7

Financial Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 0.2%.

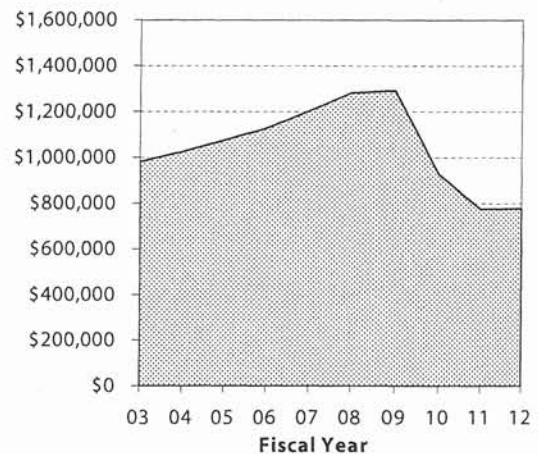
Personnel Services – The total Personnel budget decreased by \$5,210 or 0.8%. Savings from a second year of wage and benefit concessions was partially offset by increased required funding for pension liabilities due to prior year stock market declines. Health insurance premiums also increased.

Supplies – Total Supplies increased \$10 or 0.2%. Postage costs increased \$270 based on recent years' actual expenditure levels. Funding for operating supplies can be reduced by \$260 due to a reduced need for printer toner cartridges as documents are printed more cost-efficiently on the copier.

Other Charges – Total Other Charges increased \$6,480 or 7.3%. Equipment maintenance costs increased \$4,120 primarily due to an increase in MUNIS software licensing and support fees. \$2,360 was added for the printing of checks and notices of deposit, which was previously budgeted in Treasury.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$836,794	\$681,620	\$664,020	\$676,410	\$676,410
Supplies	6,602	5,840	6,480	5,850	5,850
Other Charges	84,711	88,380	88,710	94,860	94,860
Total	\$928,107	\$775,840	\$759,210	\$777,120	\$777,120

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

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

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the City is a founding member of the Michigan Intergovernmental Trade Network (MITN) that has over 7,900 registered vendors in the on-line procurement system?

Purchasing/Risk Management

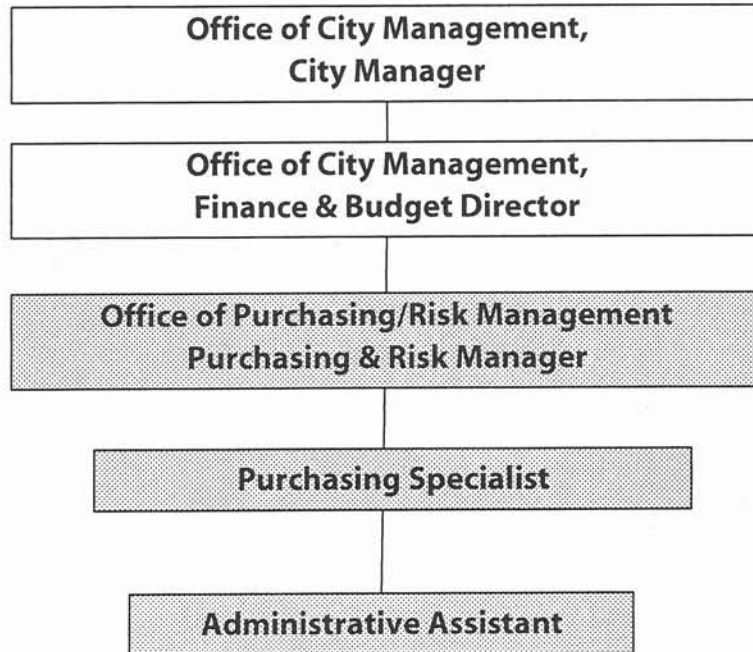
2011/12 PERFORMANCE OBJECTIVES

1. To develop and implement a "just-in-time" procurement program as a replacement for the DPW General Store. (City Goal 1, 3, 4)
2. To consolidate the remaining risk management claim processing functions within the Office of Purchasing. (City Goal 1, 3, 4)
3. To assist departments in the identification of opportunities for possible privatization of various City services, and the solicitation of bids for said services, including the Public Works recycling centers and Parks & Grounds Maintenance. (City Goal 1, 3, 4)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Purchase Orders Processed	1,069	1,047	913	1,100	1,290	1,100
	Bid Solicitation Occurrences	48	53	62	50	55	60
	Bid Responses Reviewed	302	350	303	300	300	300
	Written Quotation Solicitation Occurrences	10	11	10	12	10	13
	Written Quotation Responses Reviewed	91	87	53	90	50	75
	Hours Worked on Requests for Proposals (RFP's)	90	95	105	120	140	150
	Number of Purchasing Card Transactions	2,037	1,908	1,699	1,900	1,500	1,600
	Liability/Property Claims	212	165	144	190	180	175
	Liability/Property Incidents Reports	168	134	86	125	90	100
	New Lawsuits	16	14	15	20	17	12
	Lawsuits Closed	9	8	6	12	10	12
	Litigation Costs for Claims	\$379,883	\$514,111	\$498,292	\$550,000	\$300,000	\$400,000
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	95%	95%	95%	95%	95%	95%
	% of Bids Issued w/i 30 days of Specifications	85%	85%	88%	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
	Online Procurement System - Registered Vendors	7,017	8,308	9,353	9,700	7,950	8,000
	Revenue from Sale of Surplus Property	\$46,707	\$75,403	\$58,195	\$50,000	\$40,000	\$40,000
	Cost to Issue a Purchase Order	\$82	\$88	\$93	*	*	*
	Average Cost to Go Out to Bid	\$1,584	\$1,529	\$1,459	*	*	*
	Avg. % Savings Thru Bid Process/Vendor Savings Prog.	25%	25%	30%	30%	30%	30%
	# of Accidents Per 100,000 Miles Driven	3.70	1.55	1.71	2.30	2.00	2.30
	Accident Cost Per 100,000 Miles Driven	\$3,050	\$1,624	\$1,826	\$2,000	\$2,150	\$2,200
	Prop. Insurance Premiums as % of Insured Value	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
	Activity Expenditures as % of General Fund	0.39%	0.47%	0.42%	0.43%	0.43%	0.43%

* Cost is calculated for "Actual" columns only.

Purchasing/Risk Management



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Purchasing & Risk Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing/Risk Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 2.1%.

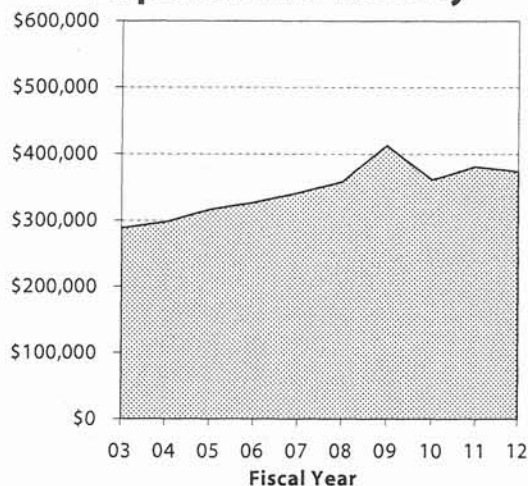
Personnel Services – The total Personnel budget decreased by \$3,660 or 1.1% due to the second year of wage and benefit concessions. Partially offsetting this savings was a slight increase to health insurance premium costs and a higher actuarially required City contribution to the pension fund.

Supplies – Total Supplies increased \$90 or 6.3%. The OPIS on-line gasoline price-tracking subscription, which was previously funded in the Memberships account, will now be expensed to the Publications account. Postage costs decreased \$150 due to the increased use of e-mail.

Other Charges – Total Other Charges decreased \$4,380 or 11.2%. Equipment maintenance costs decreased \$3,000 as the budget can be reduced and brought more in line with recent actual expenditure levels. The City will save \$630, as fewer City records will be microfilmed due to the increasing ability to scan documents with the copiers. Membership costs fell \$340 as funding for the OPIS online subscription was moved to Publications. Rental costs decreased \$300 based on historic copier rental and usage fees. \$200 was saved, as smaller-sized Invitations to Bid will be published.

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

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$331,321	\$340,490	\$340,590	\$336,830	\$336,830
Supplies	1,403	1,430	1,200	1,520	1,520
Other Charges	28,217	38,960	32,340	34,580	34,580
Total	\$360,941	\$380,880	\$374,130	\$372,930	\$372,930

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

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

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

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

Monthly water and sewer bills are prepared for over 38,990 residential, industrial and commercial customers. Delinquent account reports are generated and transferred to tax rolls after approval by the City Manager on a semi-annual basis.

Other responsibilities involve acting as Treasurer and trustee for both the Police & Fire and the General Employees Retirement Systems. Through prudent investment strategies, both systems 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 Corridor Improvement Authority (CIA), the Brownfield Redevelopment Authority, and the Local Development Finance Authority (LDFA). The Brownfield Redevelopment Authority reviews and processes applications for potential development on contaminated sites while the CIA and LDFA work to enhance commercial districts in the City by offering development incentives in order to increase economic vitality within these districts. Administrative support is also provided to the Economic Development Corporation (EDC).

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

KEY GOALS

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

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

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

Did you know...

...Treasury has successfully integrated the water and sewer billing function into the office, while reducing staff by one account clerk?

Treasury

2011/12 PERFORMANCE OBJECTIVES

1. To work with the Purchasing office to review the banking services agreement to achieve additional efficiencies within the cash receipting and management operations and to achieve further cost savings. (City Goal 1, 3, 20)
2. To investigate and implement a payer initiated online bank payment option for water/sewer and tax bills. (City Goal 1, 2, 5, 6, 20)

	Performance Indicators	2007/08	2008/09	2009/10	2010/11	2010/11	2011/12
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Tax Bill Payments Processed - Manually (incl. partials)	23,037	22,979	23,417	24,000	23,412	23,500
	Tax Bill Payments Processed - Electronically (escrows)	30,205	30,736	31,250	31,200	32,176	32,100
	Tax Bill Payments Processed - Lock Box	35,890	35,748	34,386	34,700	33,952	33,900
	Special Assessment Parcels Billed	174	216	179	185	177	170
	Invoices Billed	3,823	5,130	4,101	3,500	3,478	3,900
	Investments Bought/Sold - Number of Transactions	714	718	641	650	600	640
	Tax Adjustments Processed	982	1,140	1,405	1,300	1,034	1,000
	Resident Tax Online Retrievals	88,997	94,157	108,590	150,000	180,000	200,000
	Cash Receipts Processed by Treasury Personnel	69,702	67,502	67,005	65,000	61,000	63,000
	City-Wide Credit Card Payments Received	17,903	20,238	23,834	24,000	24,640	25,300
	Dollar Value of All Credit Card Transactions	2,881,941	2,789,361	3,096,811	2,850,000	3,500,000	3,750,000
	# of Online/IVR Credit Card Tax Payments	346	327	307	310	292	290
	Defined Contribution Active Employees	82	80	77	83	77	78
	Defined Benefit Active GERS Employees	260	234	221	215	206	191
	GERS Retirements Processed	14	31	11	10	15	15
	GERS Retirees/Beneficiaries Receiving Benefits	254	260	271	285	288	303
	Pension Calculations Prepared (P&F and GERS)	63	87	55	60	57	60
	Water and Sewer Bills Issued	188,940	194,060	189,885	190,000	190,250	191,000
	Final Water Bills Prepared	973	987	1,219	1,300	1,075	1,100
	Water & Sewer Customer Bill Online Retrievals	24,348	19,822	26,931	30,000	26,700	27,500
	Water & Sewer Auto Pay Customers	2,650	2,703	2,799	3,000	2,900	3,000
	Water & Sewer Budget Billing Customers	134	140	151	150	160	165
	Service Orders Processed by Utility Billing	3,735	4,393	4,755	5,460	4,200	4,300
	Water Bill Adjustments	1,667	1,734	1,420	1,700	1,450	1,500

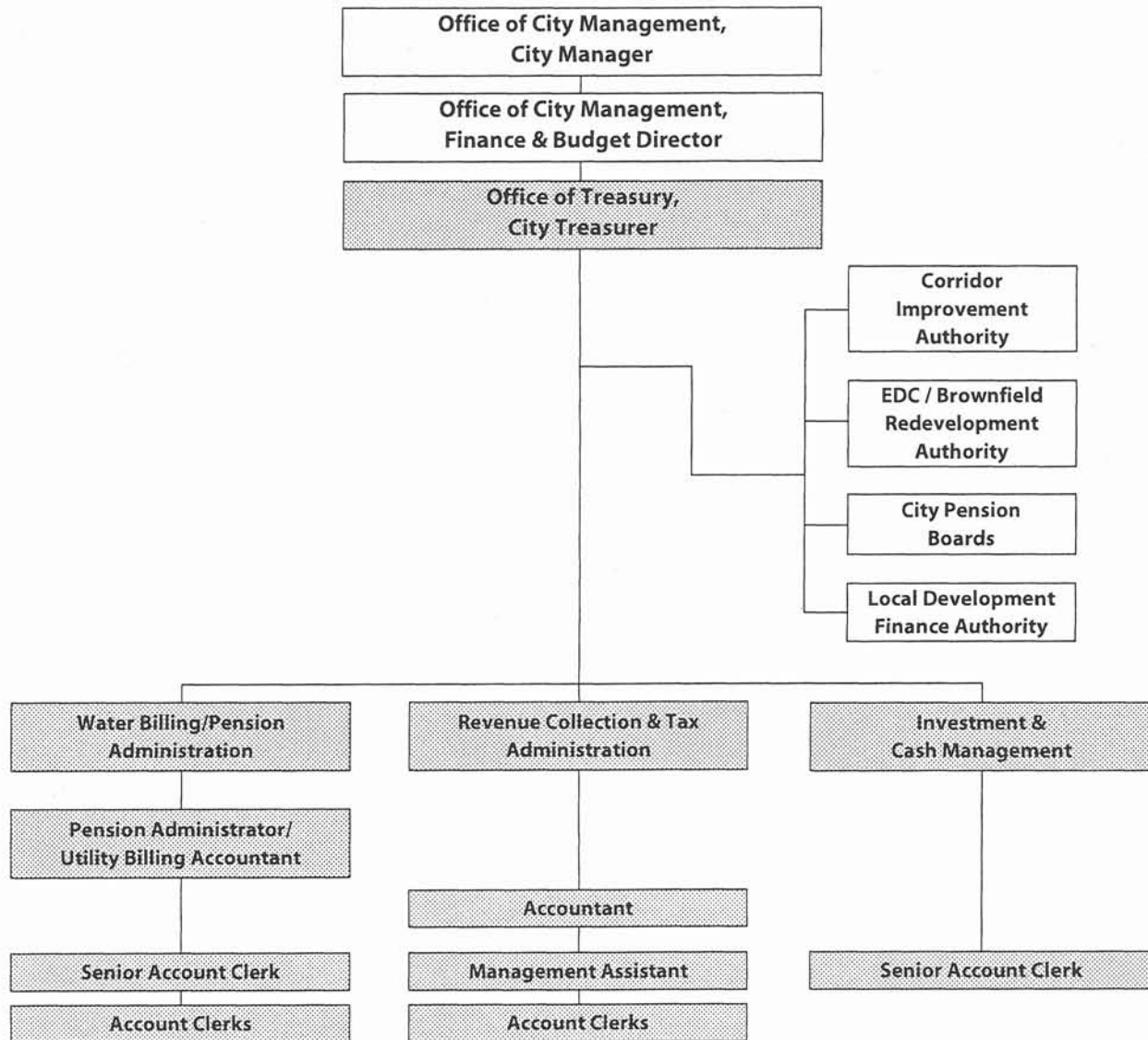
Treasury

2011/12 PERFORMANCE OBJECTIVES

3. To reduce costs and improve performance of both pension systems by reviewing the systems' current strategic asset allocation plan. (City Goal 1, 3, 20)
4. To work with State associations and legislative representatives to achieve an amendment to the current property tax law allowing for an optional single annual collection of all taxes levied within a jurisdiction in order to reduce collection costs. (City Goal 1, 2, 20)

	Performance Indicators	2007/08	2008/09	2009/10	2010/11	2010/11	2011/12
		Actual	Actual	Actual	Budget	Estimate	Budget
Efficiency & Effectiveness	% of Real & Personal City Property Tax Levy Collected	96%	96%	96%	97%	96%	96%
	% of Prop. Tax Parcels Turned Delinquent to County	7.14%	7.66%	8.42%	8.00%	8.00%	8.00%
	Average Rate of Return on Investments	4.72%	4.14%	2.85%	1.99%	1.90%	1.95%
	Average 2-Year T-Note Rate	3.04%	1.36%	0.92%	1.50%	0.85%	1.00%
	City's Return as a % of 2-Year T-Note	155%	304%	310%	133%	224%	195%
	% of Portfolio Invested in Active Market	84.9%	83.5%	81.0%	85.0%	86.6%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	\$3.3	\$2.3	\$1.0	\$0.8	\$0.8	\$0.7
	Police & Fire Pension System - % Funded	124.8%	95.0%	84.9%	90.0%	78.0%	85.0%
	General Employees Pension System - % Funded	125.2%	110.2%	106.2%	100.0%	99.6%	100.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.88	1:1.11	1:1.23	1:1.33	1:1.40	1:1.59
	Annual % Change in GERS Market Value - Fiscal Year	-3.9%	-25.7%	7.9%	8.0%	12.5%	8.0%
	Annual % Change in P&F Market Value - Fiscal Year	-7.0%	-24.5%	2.4%	8.0%	9.2%	8.0%
	Ratio of Active P&F Employees to P&F Retirees	1:0.91	1:0.96	1:1.11	1:0.97	1:1.13	1:1.15
	% of Water & Sewer Bills Adjusted	0.88%	0.89%	0.75%	1.00%	0.76%	1.00%
	Activity Expenditures as % of General Fund	0.91%	0.84%	1.17%	1.28%	1.34%	1.29%

Treasury



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
City Treasurer	1	1	1
Pension Admin./Utility Bill. Accountant	0	1	1
Accountant	1	1	1
Management Assistant	0	1	1
Senior Account Clerk	3	2	2
Account Clerk	5	4	4
Total	10	10	10

Treasury

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

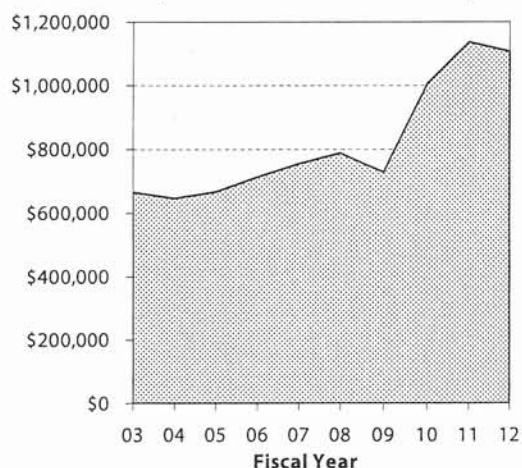
The total budget decreased by 2.7%.

Personnel Services – The total Personnel budget decreased by \$10,780 or 1.2% due to a second year of wage and benefit concessions. In addition, the wage range for the vacant Treasurer's position has been lowered. Partially offsetting these savings was an increase in the City's required contribution to the pension fund as a result of prior stock market declines, as well as higher health insurance premiums.

Supplies – Total Supplies decreased \$4,080 or 3.9%. Postage costs decreased \$3,910 as water bills with the same mailing address can now be grouped together in a single mailing. \$170 was saved, as fewer toner cartridges are needed due to the ability to print documents more cost-efficiently on the copy machine.

Other Charges – Total Other Charges decreased \$16,020 or 14.7%. The budget decreased \$8,000 due to a proposed contractual decrease in banking service fees. Contracted service costs decreased \$4,890 due to a prior year reappropriated encumbrance and lower production costs for water bills and envelopes due to format changes and switching from multi-color to black and white. The printing budget decreased \$2,560 as the cost for checks and notices of deposit is now funded in Financial Services. \$600 was saved due to lower negotiated annual lease costs for the investment tracking software.

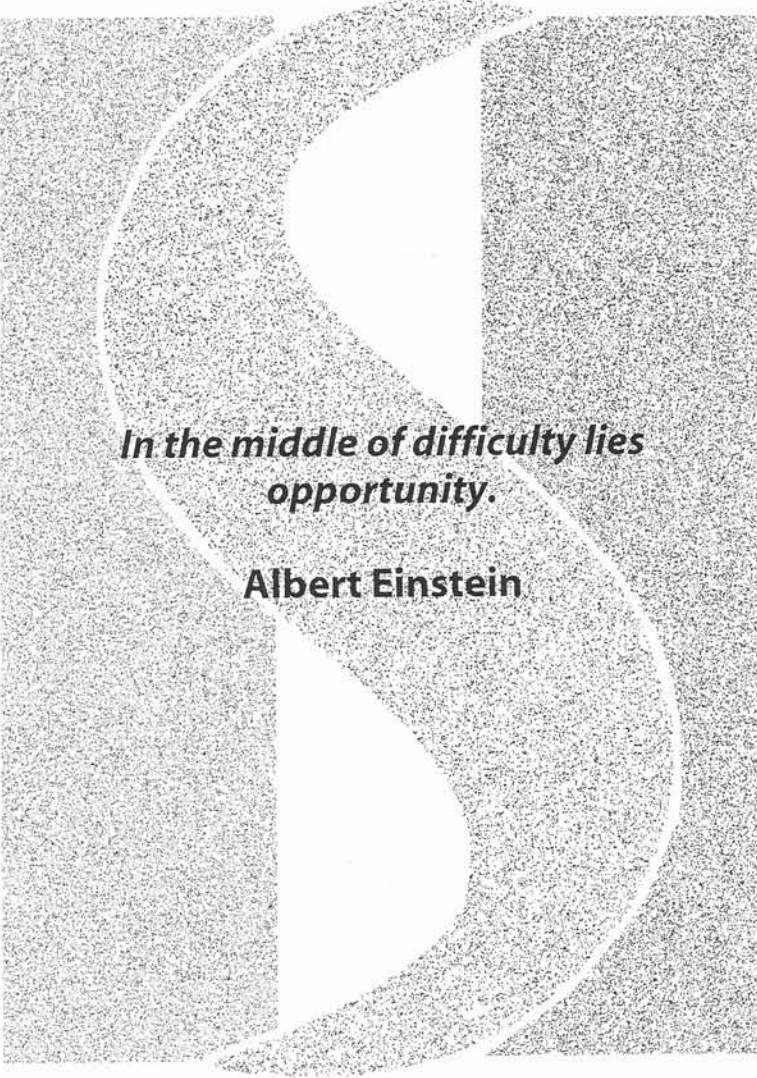
Expenditure History



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

FUNDING LEVEL SUMMARY

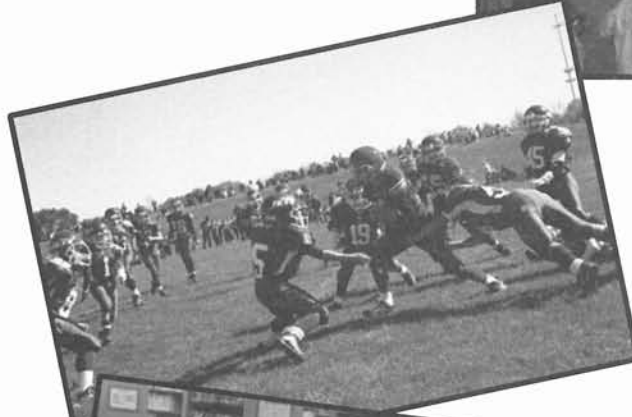
	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$807,262	\$922,830	\$945,180	\$912,050	\$912,050
Supplies	103,481	104,400	102,650	100,320	100,320
Other Charges	95,501	109,260	113,200	93,240	93,240
Total	\$1,006,244	\$1,136,490	\$1,161,030	\$1,105,610	\$1,105,610

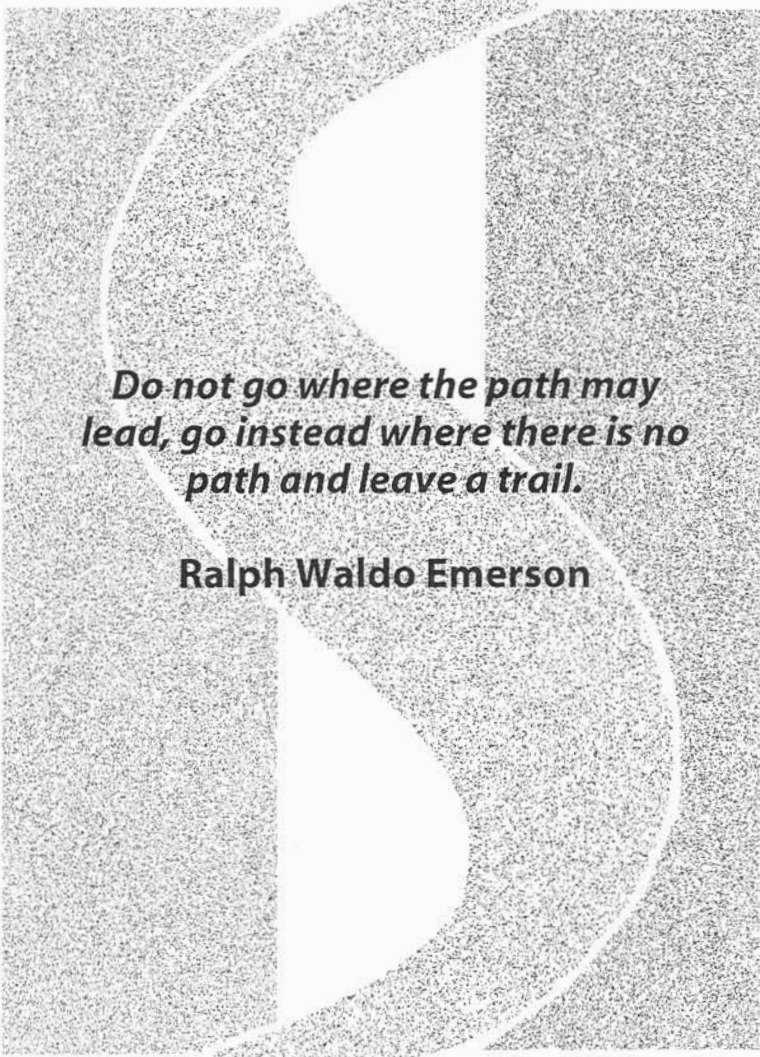


***In the middle of difficulty lies
opportunity.***

Albert Einstein

Community Services Department





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

Ralph Waldo Emerson

FUNCTIONAL ORGANIZATION CHART

Community Services Department

Office of Library

- Directs the Community Services Department
- Prepares and administers library's budget
- Recommends and implements policies
- Coordinates and evaluates activities of staff
- Formulates and develops service programs and priorities; assesses long-range needs
- Coordinates and administers grants
- Compiles and maintains statistical records

- 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

Public Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Outreach service to senior citizen residences & the homebound
- Process deposit collections and extension loans
- Shelves materials for user access
- Periodical and newspaper maintenance
- Readers' Advisory Services
- Online reference source selection
- Coordinates Internet access and instruction
- Young Adult Services
- Conducts Youth programming and seasonal activities
- Creates exhibits, displays and information packets

Circulation Services

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

Library Programming & Community Services

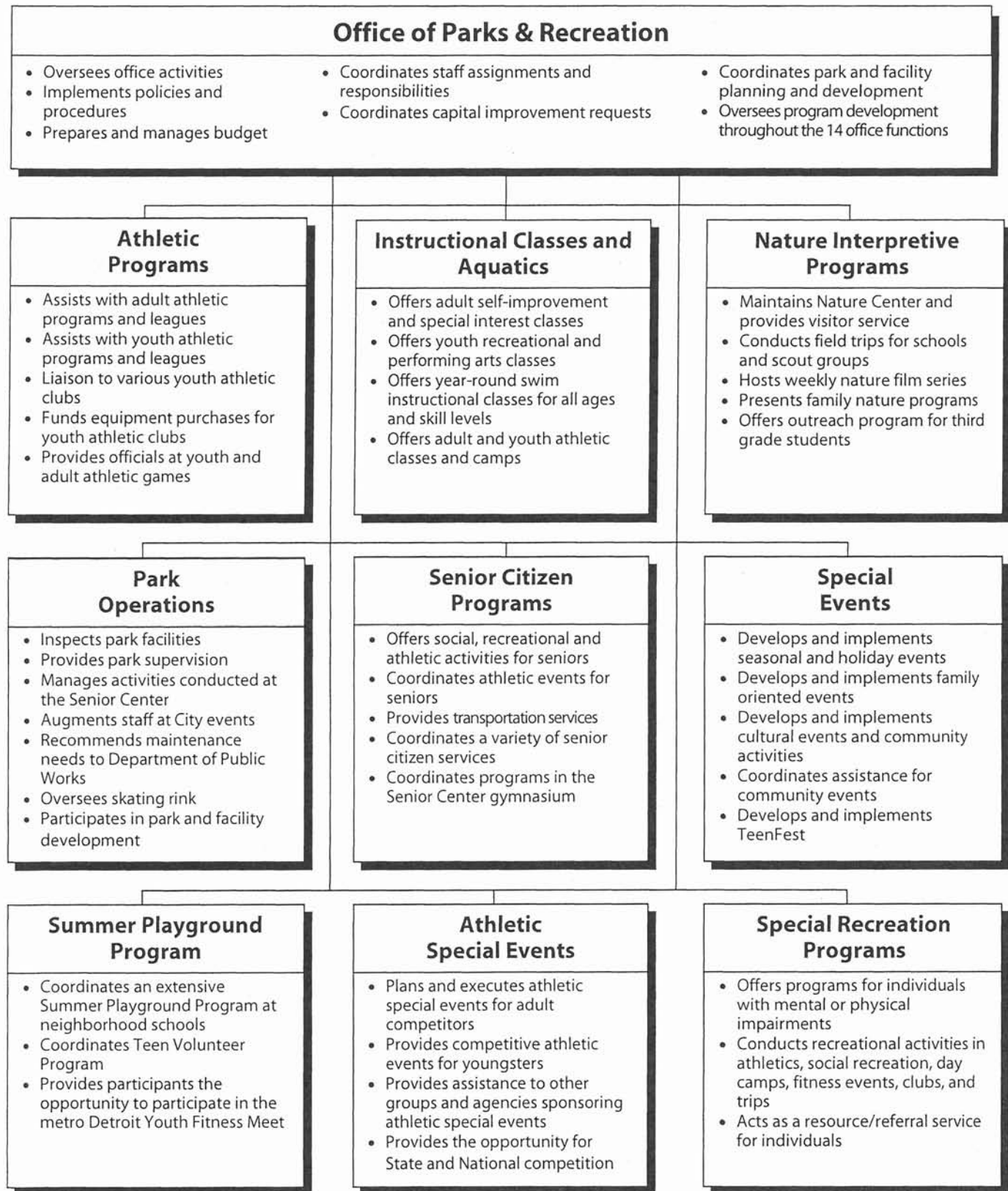
- Plans and coordinates publicity and public relations activities
- Creates and maintains library's Internet site
- Conducts technical training for patrons and staff
- Coordinates adult, teen and youth programming and volunteer activities
- Coordinates memorial/gift book and exhibit case programs
- Plans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

Technical Services

- Acquisition and processing of materials
- Cataloging and classification
- Bindery of materials
- Administration of online catalog 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

FUNCTIONAL ORGANIZATION CHART

Community Services Department (continued)



DEPARTMENT AT A GLANCE

Community Services Department

BUDGET SUMMARY

The Public Library and Parks & Recreation offices have been combined to create a new Community Services Department that will allow both divisions to share resources, events and programs to better serve the needs of the community. The department's budget decreased by \$380,030 or 7.8%. Personnel costs fell by \$312,320 or 7.8%. Two vacant full-time Library positions have been eliminated with the merging of the Adult & Youth Services divisions and a new part-time Clerk, funded to assist the circulation desk. A vacant Recreation Supervisor position is not funded, as duties have been redistributed among other staff. Due to a second year of voluntary concessions, employee wages have been reduced by 4%, totaling a 10% reduction from contractual levels. Parks & Recreation overtime and part-time wages decreased due to the continued manpower reallocation in various programs and

events. The Suburban Library Cooperative will continue to fund and share the services of the Community Services Director. Supply costs declined by \$20,670 or 6.8% due a reduction in Library books, publications and audiovisual materials. Parks & Recreation supplies were lowered based on actual amounts spent in the prior year. Other Charges decreased by \$47,040 or 8.1% due to energy savings from the new Library boiler and air conditioning unit and new Recreation Center boiler, as well as computer software savings from sharing two Library staff computers. Increased funds are budgeted for popular yoga and children's karate classes. The budget continues to fully fund Senior Center programs and the daily operations of the Senior Active Life Center Gym. The capital budget includes funding for three park maintenance projects and CDBG funds to renovate the restroom at Baumgartner Park.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Public Library	\$2,830,880	\$2,718,710	\$2,756,750	\$2,565,210	-6.9%
Parks & Recreation	2,489,620	2,028,200	2,120,390	1,931,900	-8.9%
Total Department	\$5,320,500	\$4,746,910	\$4,877,140	\$4,497,110	-7.8%
Personnel Services	\$4,255,560	\$3,888,660	\$3,996,040	\$3,683,720	-7.8%
Supplies	348,340	307,860	302,350	281,680	-6.8%
Other Charges	716,600	550,390	578,750	531,710	-8.1%
Total Department	\$5,320,500	\$4,746,910	\$4,877,140	\$4,497,110	-7.8%

PERSONNEL SUMMARY

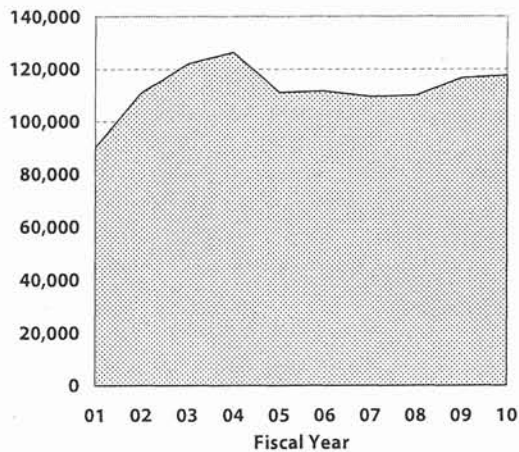
	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	22	20	20	22	20	22	18	23
Parks & Recreation	16	0	13	0	12	0	11	0
Total Department	38	20	33	22	32	22	29	23

Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

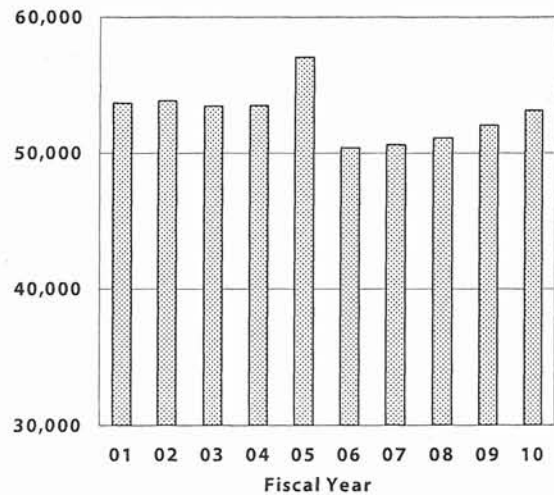
Community Services Department

Senior Center Attendance



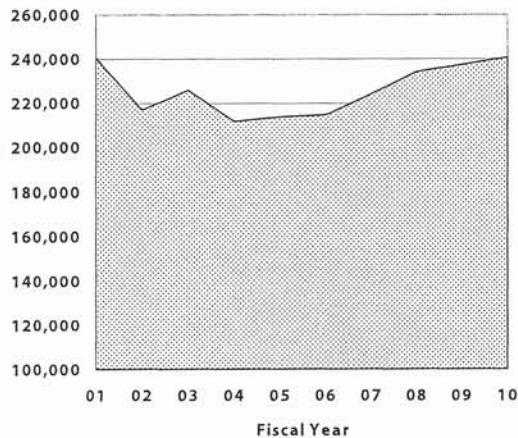
Senior program attendance has increased by 31% over the past ten years from 89,990 to 117,570 participants. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars. Both the number of senior and special recreation transportation riders has nearly doubled in the past 10 years.

Registered Borrowers



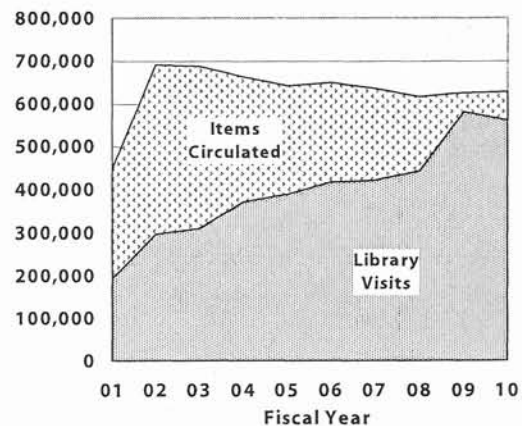
The number of registered borrowers in the City has generally ranged between 50,000 and 54,000 residents over the past ten years as the City regularly updates its registered borrower database.

Total Collection of Library Materials



The size of the Library's collections, including books, audiovisual, and software materials, has generally grown over the past ten years. In 2002 and 2004, the collection decreased slightly as outdated books were removed. There are currently 240,644 materials on hand, or an average of 1.9 items per resident. A total of 583,260 online and electronic database uses were experienced in 2010. Attendance at Library programs has dramatically increased since the Library Programming Center was opened in 2001. Attendance reached a high of 37,600 participants in 2009.

Library Visits & Items Circulated



Since 2001, when the Library was closed for several months due to renovations, both Library visits and items circulated have increased. In recent years, the number of items circulated has moderated, while attendance has continued to increase. In 2010, 560,000 visits were recorded or an average of 194 visits per hour open. 627,500 items (or an average of 1.1 items per visit) were circulated. Library Sunday hours were eliminated and the Library also began opening later on Fridays.

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

The Sterling Heights Public Library offers a full range of services for all community residents. Activities such as preschool story times, adult, teen and youth summer reading programs, computer and Internet demonstrations, 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, online reference sources, and audiovisual materials provide residents with excellent educational opportunities.

Computerized information retrieval is offered with the online catalog 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. The Library also participates in the MeLCat statewide catalog and delivery system, allowing Sterling Heights residents to borrow materials from hundreds of public, school and academic libraries throughout Michigan. Other services include full-text online magazine and newspaper reference sources, Internet access at public workstations, wireless Internet access, 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 providing access to thousands of full-text electronic books and downloadable audiobooks via the Michigan e-Library (MeL), MCLS Digital Library/Overdrive, and Net Library. Technology training sessions are regularly offered to allow residents to make optimal use of the Library's computerized resources. A van delivers a wide selection of materials, including large print books, directly to the homebound, nursing homes, and senior citizen housing units.

The 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 large print and audio books.

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

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

Did you know...

...the Library subscribes to a service called Overdrive that provides access to over 3,000 electronic books and downloadable audio books through the Library's website?

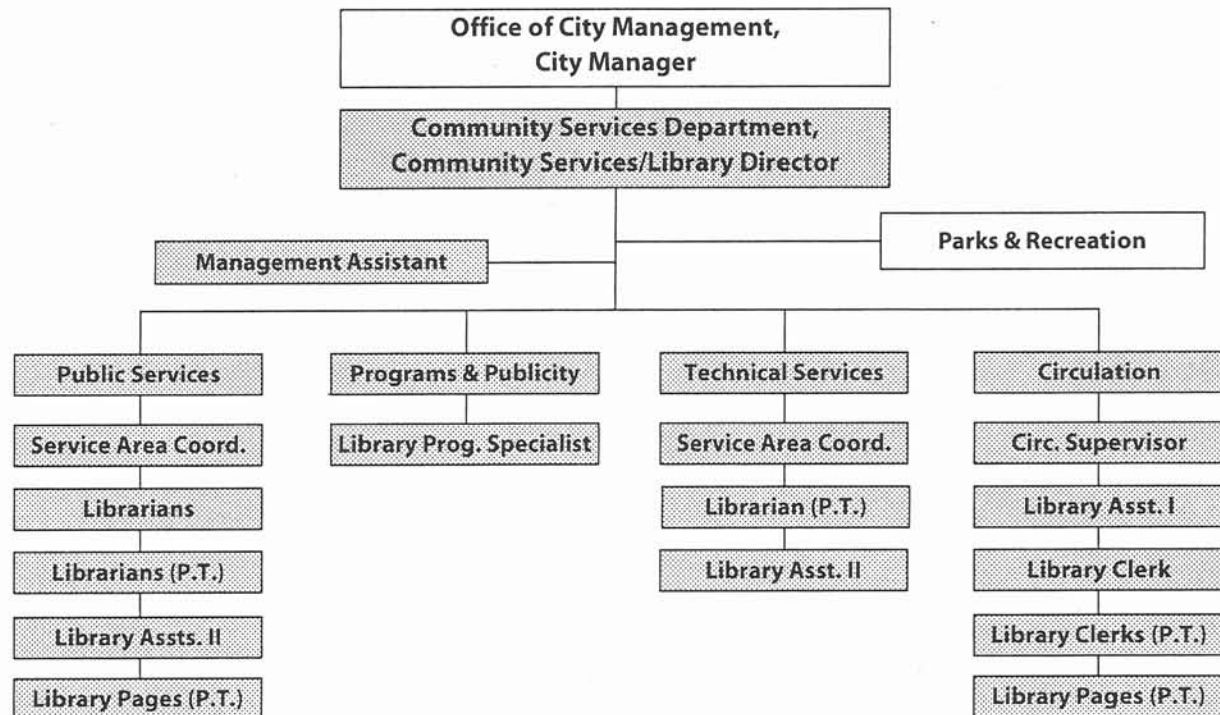
Library

2011/12 PERFORMANCE OBJECTIVES

1. To complete the inventory of the Library's collection using the recently implemented Radio Frequency Identification (RFID) system. (City Goal 18)
2. To collaborate with Parks & Recreation and Community Relations to see if additional synergies can be gained from combining certain programs and community events. (City Goal 2, 26, 27)
3. To work with the State to continue the service sharing agreement with the Suburban Library Cooperative. (City Goal 1, 2, 21)
4. To seek grants, community partnerships and other sources of revenue to improve core library services. (City Goal 21, 26)
5. To review the efficiency of the City's current magazine for distributing registration and program information. (City Goal 2, 26, 27)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Library Registered Borrowers	51,098	52,043	53,114	52,750	53,000	53,500
	Annual Library Attendance	442,768	581,046	560,035	500,000	500,000	510,000
	Total Collection of Library Materials (Excl. magazines)	234,031	237,312	240,644	240,000	240,000	240,000
	Items Circulated	616,323	625,688	627,496	620,000	620,000	620,000
	Program Attendance	36,204	37,639	31,664	35,000	30,000	30,000
	Reference & General Information Requests	141,610	148,978	131,039	135,000	134,000	132,000
	Hours of Library Operations Weekly	64.0	64.0	57.5	57.5	57.5	57.5
	Materials Added to Collection	20,849	21,174	22,485	20,000	20,000	20,000
	In-Library Use of Materials	139,973	121,907	93,714	100,000	90,000	90,000
	Items Processed for Loan to Other Libraries	113,947	117,671	105,692	110,000	95,000	95,000
	Items Processed for Receipt from Other Libraries	123,142	125,167	110,778	110,000	105,000	105,000
	Online & Electronic Database Usage	514,794	552,503	583,260	575,000	585,000	590,000
	Outreach Loans by Library Van	9,318	8,818	7,909	8,500	7,800	5,000
	Hours of Library Cable Programming	3,660	3,650	3,650	3,650	3,650	3,650
Efficiency & Effectiveness	Registered Borrowers as a % of Population	40%	41%	41%	41%	41%	42%
	Library Materials per Capita	1.83	1.85	1.87	1.87	1.87	1.87
	Circulation of Materials per 1,000 Population	4,815	4,868	4,883	4,825	4,825	4,825
	% of Hold Material Requests Filled within 30 days	74%	75%	77%	75%	76%	77%
	% of Material Reshelfed within 24 hours	80%	89%	97%	90%	95%	95%
	Full-time Equivalent Staff Per 1,000 Population	0.25	0.25	0.24	0.24	0.24	0.22
	Library Material Acquisition Costs Per Resident	\$1.86	\$1.86	\$1.59	\$1.48	\$1.52	\$1.45
	Library Cost Per Capita	\$21.91	\$22.03	\$21.16	\$21.45	\$20.64	\$19.96
	Total Cost Per Library Registered Borrower	\$54.87	\$54.40	\$51.19	\$52.26	\$50.04	\$47.95
	Activity Expenditures as % of General Fund	3.24%	3.25%	3.15%	3.10%	3.05%	2.99%

Library



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Community Services/Library Director	0	0	1
Public Library Director	1	1	0
Library Service Area Coordinator	3	3	2
Library Programming Specialist	1	1	1
Librarian	7	7	7
Circulation Supervisor	1	1	1
Management Assistant	1	1	1
Library Assistant II	4	4	3
Library Assistant I	1	1	1
Library Clerk	1	1	1
Librarian (P.T.)	8	8	8
Library Page (P.T.)	10	10	10
Library Clerk (P.T.)	4	4	5
Total	42	42	41

Library

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

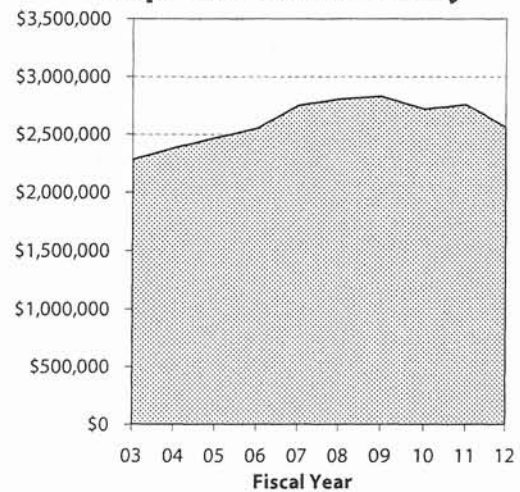
The total budget decreased by 6.9%.

Personnel Services – The total Personnel budget decreased by \$158,300 or 7.0%. Two vacant full-time positions are proposed to be eliminated, while an additional part-time Library Clerk position is recommended. As a result, the Youth and Adult Services divisions will be combined into one service area. In addition, the Public Library Director's title will be changed to Community Services Director with the same level of pay and benefits. This position will oversee the department due to a recent resignation. This position will also continue to assist the Library Cooperative in the continuation of the City's service sharing agreement. Employees in this division will also see continued wage and benefit reductions.

Supplies – Total Supplies decreased \$9,350 or 4.4%. \$9,200 was saved, as fewer library books, publications, and audio-visual materials will be purchased.

Other Charges – Total Other Charges decreased \$23,890 or 8.6%. The City will save \$9,330 as circulation software will be removed from two staff computers. Fewer on-line resources will be purchased, saving \$6,090. Electric costs decreased \$4,000 and heating costs fell \$2,000, based on the savings from a more energy-efficient Library boiler and chiller. Funding decreased \$2,000 due to a reappropriated encumbrance of a one-time donation in the prior year. The Library Cooperative membership fee, which is tied to lower State aid, fell \$700.

Expenditure History



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$2,214,243	\$2,265,550	\$2,161,390	\$2,107,250	\$2,107,250
Supplies	230,926	211,880	211,730	202,530	202,530
Other Charges	273,535	279,320	279,020	255,430	255,430
Total	\$2,718,704	\$2,756,750	\$2,652,140	\$2,565,210	\$2,565,210

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, dance, athletic, aquatic and special interest classes.

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

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 5 to 14. This program offers sports, crafts, field trips, and much more.

Teens can participate in most programs offered including TeenFest and the Teen Volunteer 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, exhibits, film/lecture series and more.

Park Operations monitors 659 acres of major parks and 167 acres of neighborhood parks including two major athletic parks, one major passive/picnic park, 21 neighborhood parks and a park system that includes five individual park areas for both picnic and passive type activities. Over 665,000 adults and youth utilize these parks on an annual basis.

The Senior Citizens Program provides a variety of recreational activities such as trips, dances,

KEY GOALS

- *To offer high quality recreation services and programs to our residents to benefit their overall health and well-being.*
- *To continue the vision of park and facility development providing new and/or improved recreation opportunities for our residents of various ages, interests and abilities as per the Department's Master Plan.*
- *To provide positive play opportunities to the youth and teens of our community through wholesome and well-rounded programs and recreational venues.*
- *To closely monitor our parks and facilities to ensure a safe and clean environment for the resident users.*
- *To work with City administration and other City departments to help achieve the City's goals.*

athletics, etc. Some of the special services available to our senior residents include transportation and medical services.

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. ■

Did you know...

...that Dodge Park will be home to the first "Boundless" play structure in Macomb County?

Parks & Recreation

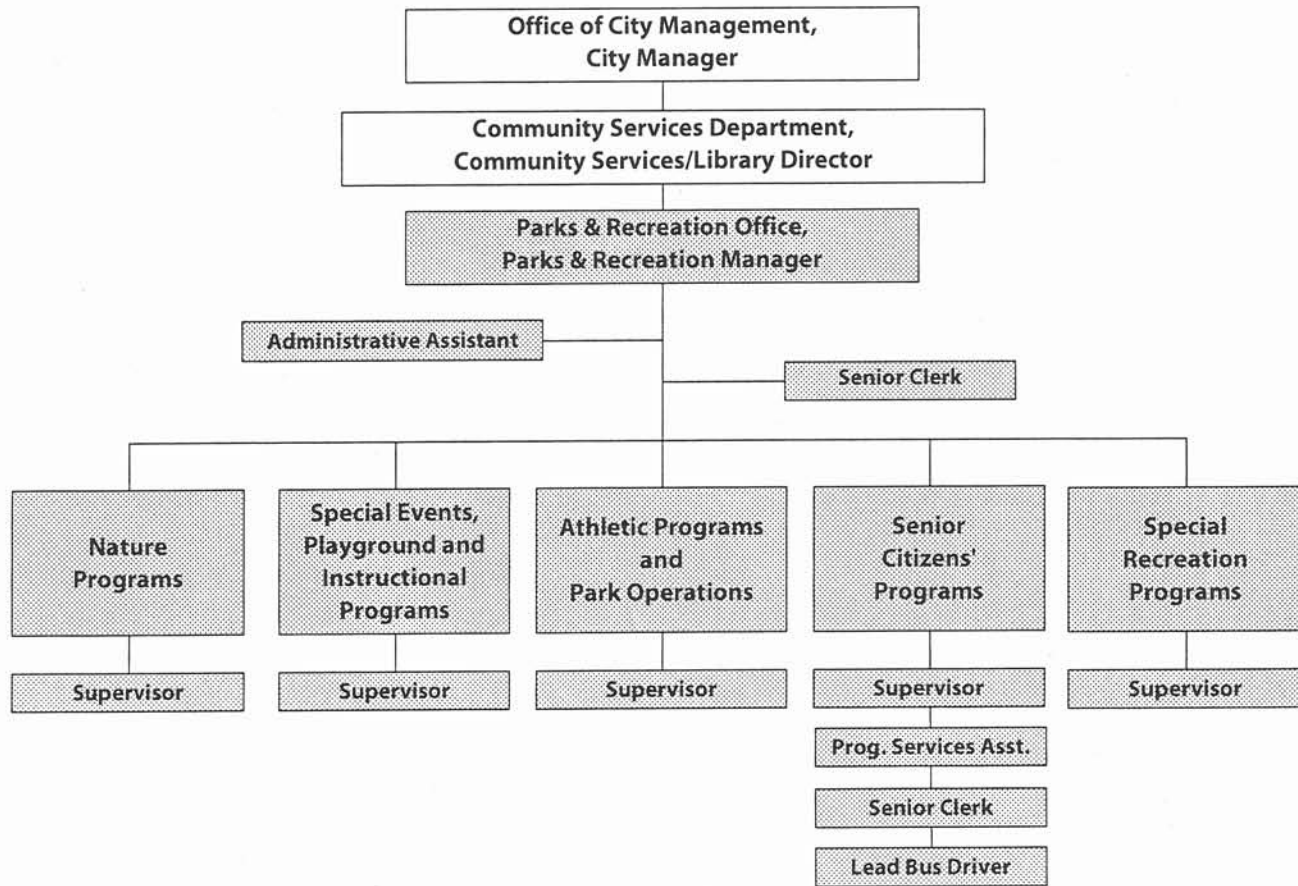
2011/12 PERFORMANCE OBJECTIVES

1. To develop a plan to install, maintain and operate a disc golf course at Nelson Park South with available City resources. (City Goal 14, 26)
2. To research and identify possible areas to develop a dog park within the City. (City Goal 14, 20, 26)
3. To identify, implement and maintain a new ice skating option in Dodge Park with available City resources. (City Goal 27)
4. To work with Community Relations to enhance marketing by using available social networks. (City Goal 17)
5. To conduct a cost/benefit study of the present Parks & Recreation registration software. (City Goal 17)
6. To develop a volunteer corporate and public Adopt-a-Park program with minimum maintenance standards. (City Goal 13)
7. To continue to investigate service sharing initiatives with other communities. (City Goal 2, 3, 4)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Instructional & Aquatics Class Attendance	33,236	31,895	27,416	31,000	30,836	31,000
	Special Event Participants (Incl. Sterlingfest Entertain.)	73,100	74,449	65,551	70,000	70,600	70,000
	Special Recreation Program Attendance	16,060	15,679	11,351	11,400	11,240	11,400
	Adult & Youth Athletic Attendance (Incl. Practices)	16,882	17,068	27,032	25,000	28,198	27,000
	Nature Program Participants	24,400	23,321	27,708	23,600	24,350	24,200
	Teen Only Program Attendance	926	790	697	800	650	740
	Number of Internet Registrations	3,430	3,374	2,623	3,200	3,223	3,200
	Summer Playground Registrations	864	515	562	580	580	585
	Park Playground Equipment Replaced	0	1	0	1	1	0
	Senior Center Activities Attendance (Incl. Transport.)	109,970	116,564	117,570	115,000	110,000	100,000
	Community Center Special Activity Use Attendance	23,683	14,891	9,139	8,000	8,582	8,000
Efficiency & Effectiveness	Senior & Special Recreation Transportation Riders	17,201	20,166	24,849	24,000	20,000	24,000
	P & R Revenue Earned per Capita	\$3.71	\$3.83	\$3.77	\$3.81	\$3.97	\$3.93
	% of Refunds Due to Dissatisfaction	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
	Developed Park Acres per 1,000 Residents	6.4	6.4	6.4	6.4	6.4	6.4
	% of Park Acres Developed	85.4%	85.4%	85.4%	85.4%	85.4%	85.4%
	FTE's per 100,000 Pop. (Incl. Parks & Grounds Maint.)	42	41	37	36	36	33
	Nature Center Cost per Visitor	\$7.33	\$7.73	\$6.76	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	\$15.21	\$14.07	\$13.49	*	*	*
	Department Cost per Capita	\$19.95	\$19.37	\$15.78	\$16.50	\$15.39	\$15.17
	Activity Expenditures as % of General Fund	2.95%	2.86%	2.35%	2.38%	2.28%	2.25%

* Cost is calculated for "Actual" columns only.

Parks & Recreation



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Parks & Recreation Manager	1	1	1
Recreation Supervisor	7	6	5
Administrative Assistant	1	1	1
Program & Services Assistant	1	1	1
Senior Clerk	1	2	2
Lead Bus Driver	1	1	1
Clerk Typist	1	0	0
Total	13	12	11

Parks & Recreation

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

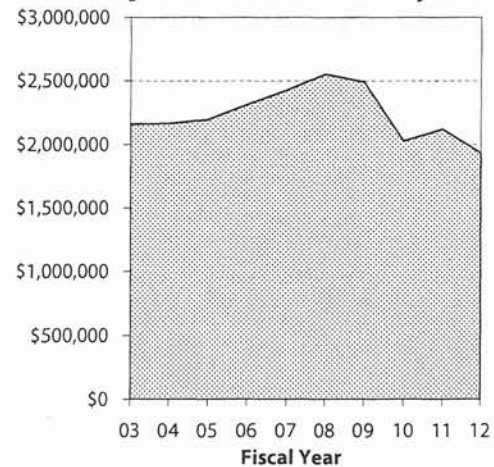
The total budget decreased by 8.9%.

Personnel Services – The total Personnel budget decreased \$154,020 or 8.9%. A vacant Recreation Supervisor position has been eliminated, and employees have agreed to a second year of wage and benefit concessions. Overtime and part-time wages have been reduced by \$14,000 and \$40,000, respectively.

Supplies – Total Supplies decreased \$11,320 or 12.5% based on historic expenditure trends and prior year department cost-saving measures.

Other Charges – Total Other Charges decreased \$23,150 or 7.7%. Electric and heating costs decreased \$19,000, as both can be reduced based on lower negotiated rates and anticipated savings from a new and more efficient boiler. \$3,250 was saved due to the lower rental cost of school pools and facilities for special events. Water costs fell \$2,500 based on lower usage in recent years. Printing costs decreased \$1,650 based on a more accurate estimate of savings from printing the Senior Newsletter bi-monthly and using e-mail for program news. \$970 was saved, as fewer memberships are budgeted. Educational funding decreased \$530, as training courses for the Recreation Supervisors were eliminated. \$4,920 in additional funding for instructors is budgeted due to increased instructional participation for yoga and children's karate classes. Credit card processing fees rose \$1,100 based on increased credit card receipts.

Expenditure History



Capital – There is no Capital proposed for this activity, although three park maintenance projects are funded in the Land & Water Conservation Fund.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,674,410	\$1,730,490	\$1,613,630	\$1,576,470	\$1,576,470
Supplies	76,932	90,470	78,450	79,150	79,150
Other Charges	276,854	299,430	285,620	276,280	276,280
Total	\$2,028,196	\$2,120,390	\$1,977,700	\$1,931,900	\$1,931,900

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department

Police Administration

- Administration of department' divisions
- Provides public information and responses to citizen complaints
- Coordinates departmental responses to litigation
- Coordinates all Police administrative and personnel activities as they relate to City business
- Monitors and processes all expenditures, including payroll
- Oversees budgeting and auditing for the department
- **Community Services Bureau** – provides crime prevention and public safety information
- **Training Bureau** – coordinates training, monitors changes in law, responds to lawsuits
- **Special Investigations Bureau** – conducts background investigations
- Investigates allegations of misconduct by department members
- Regulates the sale of alcoholic beverages
- **Detention** - responsible for the processing, housing and release of prisoners

Police Investigations

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

Police Operations

- **Traffic Safety Bureau** – investigates vehicle accidents, assists the injured, enforces traffic codes
- Coordinates all Crossing Guard activity with Warren Consolidated and Utica Community Schools
- **Patrol Bureau** – suppresses criminal wrongdoing, first response to emergencies, enforces State and City laws, maintains the peace, collects evidence and maintains canine program

Police Support Services

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

Emergency Management

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

DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police Department budget decreased by \$381,080 or 1.2%. The budget assumes the continuation of last year's negotiated wage concessions and additional concessions next year. Four vacant full-time clerical positions are not funded due to the New World records management system, E-ticketing system, the improved customer access to online police reports, and a part-time Co-op position. With the hiring of part-time Dispatchers and the new dispatch system, a vacant full-time position is no longer needed. The new detention facility contract has allowed for a reduction of six vacant Police Officer positions, while also increasing the number of officers on the street. The suspension of the DARE program, which has been eliminated by the other

communities in our school districts, will result in increased neighborhood patrols. Contributions to the police pension fund rose by \$708,950 to offset prior stock market declines. Supplies decreased by \$61,030 or 39.6% due to increased cost saving measures, savings from the detention facility contract, and reduced school promotional supplies. Other Charges rose \$164,460 or 20.2% for the full year funding of the new detention contract, partially offset by energy savings and lower first year costs from switching to the New World system. The capital budget includes funding for ten replacement traffic and patrol vehicles and drug forfeiture purchases to replace two Detective vehicles and a high mileage K-9 and Special Response Team vehicle.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Police Administration	\$2,897,130	\$2,801,130	\$3,217,160	\$3,027,090	-5.9%
Police Investigations	5,529,240	5,879,180	6,224,050	6,186,620	-0.6%
Police Operations	17,586,340	19,328,430	19,830,710	19,840,730	0.1%
Police Support Services	3,338,480	3,528,550	3,550,890	3,398,590	-4.3%
Emergency Management	151,510	137,420	146,140	134,840	-7.7%
Total Department	\$29,502,700	\$31,674,710	\$32,968,950	\$32,587,870	-1.2%
Personnel Services	\$28,765,960	\$30,993,720	\$32,002,740	\$31,518,230	-1.5%
Supplies	157,040	80,230	154,060	93,030	-39.6%
Other Charges	579,700	600,760	812,150	976,610	20.2%
Total Department	\$29,502,700	\$31,674,710	\$32,968,950	\$32,587,870	-1.2%

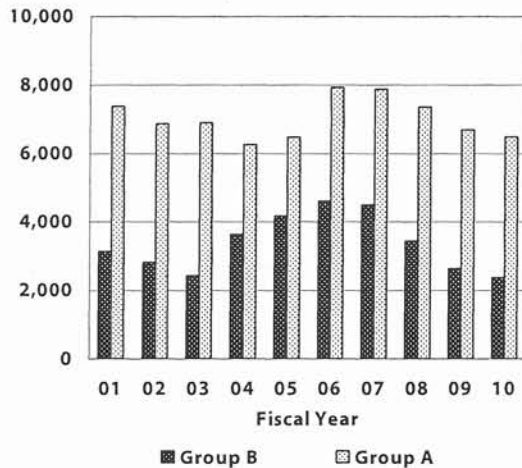
PERSONNEL SUMMARY

	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	17	0	16	0	16	0	13	0
Police Investigations	41	0	39	0	38	0	38	0
Police Operations	127	33	130	33	125	30	120	30
Police Support Services	41	1	39	1	38	5	35	6
Emergency Management	1	0	1	0	1	0	1	0
Total Department	227	34	225	34	218	35	207	36

KEY DEPARTMENTAL TRENDS

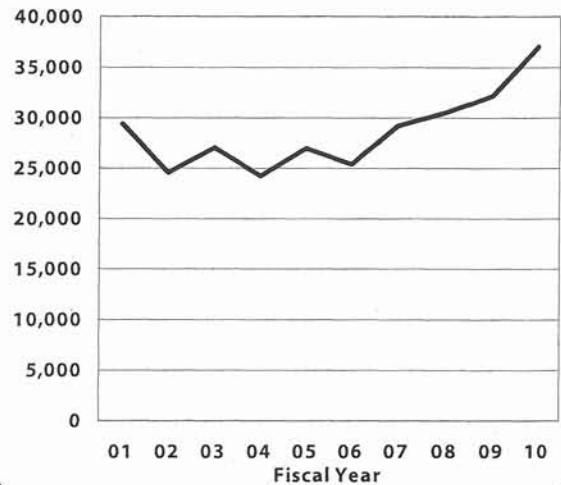
Police Department

Crime Statistics Group A & B Crimes



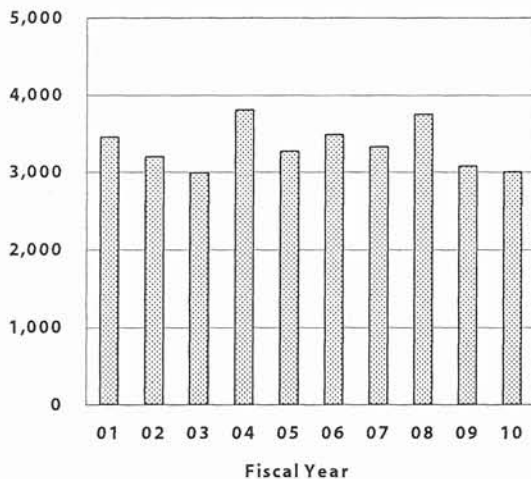
Both Group A and Group B crimes have decreased over the past several years. When combined, the City's total crime statistics are at their lowest level in ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.

Traffic Violations



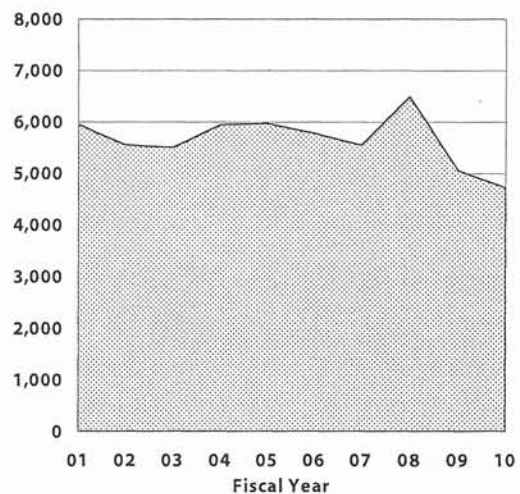
Traffic violations have increased as the department has initiated a multi-faceted strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents have expressed a concern. Additional officers have also become radar certified.

Adult Arrests



This graph reflects the number of incidents where an arrest occurred for 2000 through 2003. Beginning in 2004, the City's new computer system is now able to record the total number of arrests in the City and can pick-up multiple arrests that may occur in a single incident. Arrests have now fallen to their lowest level since 2003.

Traffic Accidents



Despite an increase in traffic over the past ten years due to the growth in the City and in the surrounding northern communities, traffic accidents have decreased. In 2010, the number of accident reports decreased by 6.6% - falling to a 10-year low. The number of injury traffic accidents decreased, while the number of traffic fatalities increased.

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

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

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

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

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

The Division's Community Services Bureau provides public education in the areas of crime prevention, personal safety, and child protection.

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

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

KEY GOALS

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

Did you know...

...the Community Service Bureau is aggressively pursuing the organization of Neighborhood Watch groups within the City in an effort to increase the number of blocks participating in the program?

Police Administration

2011/12 PERFORMANCE OBJECTIVES

(Administration)

1. To develop and implement an on-line first aid training program for all members of the Police Department. (City Goal 25)
2. To implement a "just-in-time" inventory strategy to ensure only needed inventory is maintained, thereby minimizing costs. (City Goal 3)
3. To develop a training program requiring all officers to complete the NIMS on-line study course in compliance with FEMA and DHS requirements. (City Goal 25)
4. To develop and conduct an in-house police pursuit driving training program in order to ensure safe and effective pursuits. (City Goal 25)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Public Education Programs Presented	653	504	451	450	342	220
	Car Seat Inspections Conducted	166	148	140	115	86	0
	Security/Safety Presentations	335	301	201	239	150	100
	Neighborhood Watch Programs	44	38	52	76	104	110
	Elementary and Middle School Programs	108	17	58	20	2	10
	Hours of D.A.R.E. Instruction	1,557	1,557	1,798	1,560	1,560	0
	General Orders Issued or Amended	23	28	20	70	70	20
	School Safety Program - Students Impacted	3,120	3,327	3,326	3,326	3,326	1,000
	Training Seminars Attended - Department-wide	375	278	239	330	232	200
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	4.8:1	3.8:1	7.5:1	6.0:1	6.0:1	6.0:1
	% of D.A.R.E. Students Completing Program	100%	99%	99%	99%	99%	N/A

Police Administration

2011/12 PERFORMANCE OBJECTIVES

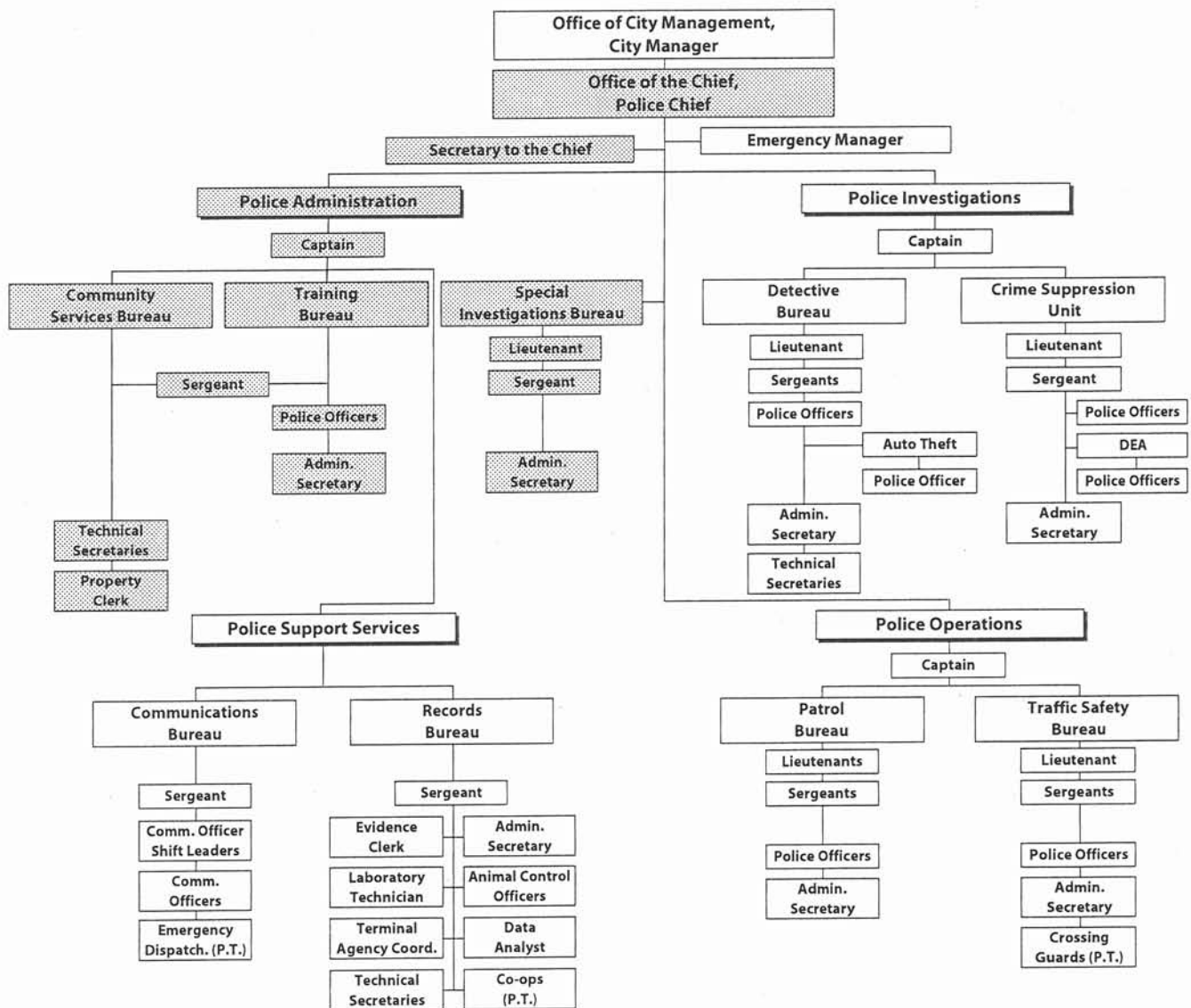
(Special Investigations)

1. To develop and implement a system to respond to employment background check requests from other agencies that will streamline the process while maintaining the necessary documentation and ensuring that information is not released without proper authorization. (City Goal 3)
2. To identify and implement additional methods to utilize underage alcohol enforcement grants. (City Goal 21)
3. To further develop and expand the use of the department's web-based alert system to include notifications from all City departments of events that are of importance and need to be distributed immediately. (City Goal 17, 18)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Employment Background Investigations	41	26	9	20	22	20
	Internal Affairs Investigations	7	24	14	20	16	18
	Liquor License Background Investigations	25	26	21	30	30	25
	Other Special Investigations Bureau Investigations	544	488	1,315	700	1,169	1,300
	Liquor & Tobacco Inspections/Observations	170	213	153	210	170	190
	Liquor License Violations	9	25	11	35	38	40
Efficiency & Effectiveness	Employment Background Investigations - % Hired	58%	53%	22%	50%	90%	55%
	# of Sustained Complaints per 100 Officers	0.0	3.5	1.1	0.0	3.1	0.0
	Average Cost of an Administrative Investigation	\$559	\$629	\$508	*	*	*
	Average Liquor License or Tobacco Inspection Cost	\$100	\$88	\$117	*	*	*
	Department Cost per Capita	\$222	\$230	\$246	\$257	\$251	\$257
	Division Expenditures as % of General Fund	3.34%	3.32%	3.24%	3.62%	3.50%	3.53%

* Cost is calculated for "Actual" columns only.

Police Administration



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	2	2	2
Police Officer	5	5	2
Secretary to the Chief	1	1	1
Administrative Secretary	2	2	2
Technical Secretary	2	2	2
Property Clerk	1	1	1
Total	16	16	13

Police Administration

SUMMARY OF BUDGET CHANGES

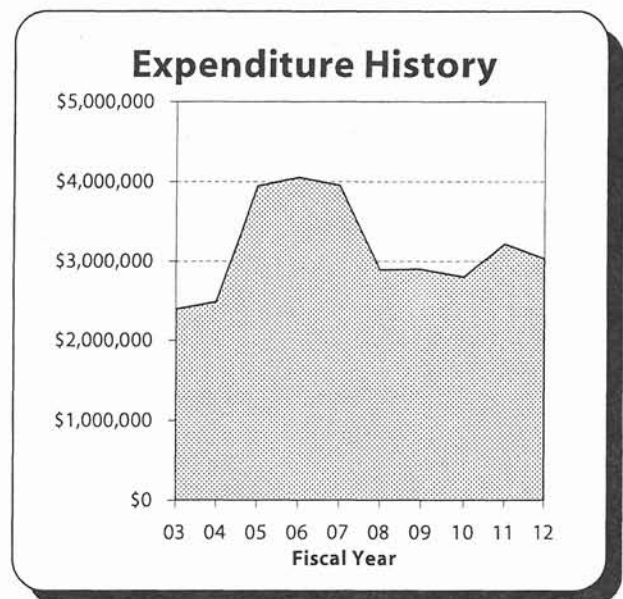
SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 5.9%.

Personnel Services – The total Personnel budget decreased by \$302,630 or 13.3%. With the suspension of the D.A.R.E. program, three Police Officers have been reassigned to Police Operations for increased neighborhood patrols. The budget assumes the continuation of last year's wage concessions and additional concessions next year. Overtime costs fell by \$30,000, while the City's actuarially required contribution to the Police & Fire Pension System rose \$41,500.

Supplies – Total Supplies decreased \$59,420 or 39.2%. Operating supply costs decreased \$44,500 as a result of increased department cost-saving measures and the suspension of the D.A.R.E. program. Ammunition costs decreased \$7,730 due to a prior year reappropriated encumbrance. \$6,500 was saved as prisoner supplies are now funded as part of the Detention Facility contract.

Other Charges – Total Other Charges increased \$171,980 or 21.7%. \$278,000 was added for the full year funding of the newly privatized Detention Facility contract. \$79,600 in net savings occurred as a result of converting from CLEMIS to the New World records management software. Software maintenance fees for the New World system will come on line next year. Heating costs decreased \$10,000 and electric costs fell \$5,000, as both can be reduced based on lower negotiated rates and anticipated savings from the new,

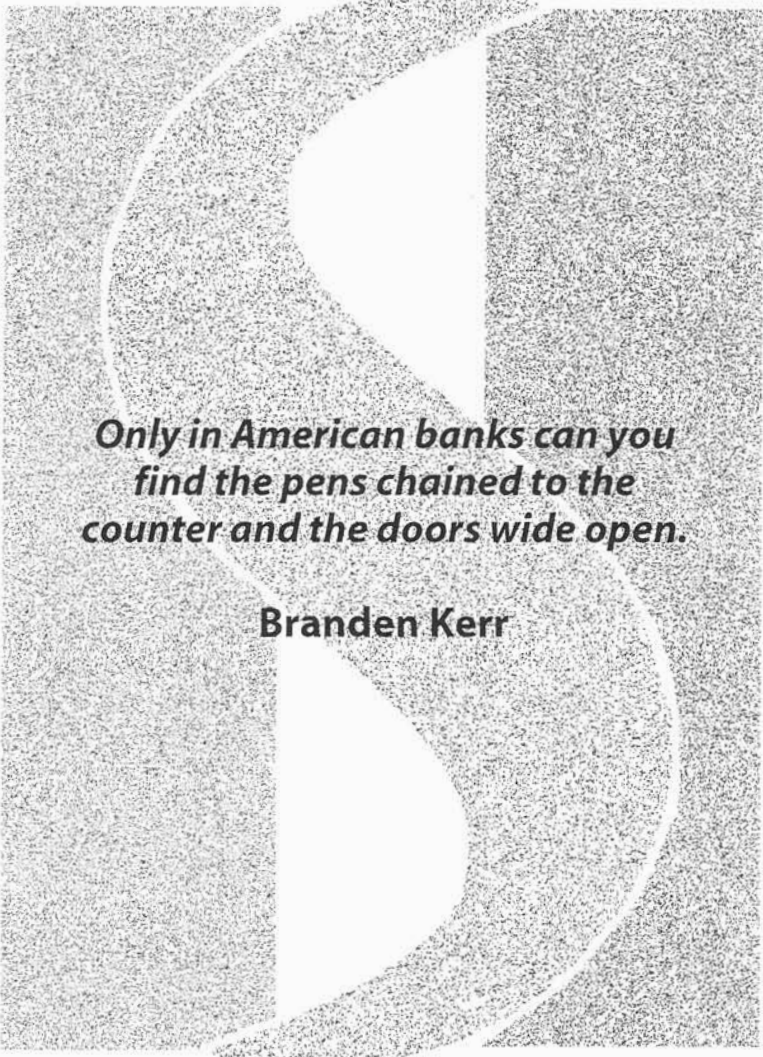


more efficient boiler and chiller. Animal collection fees decreased \$5,000 based on increased efforts to find placements for animals that would normally be taken to the shelter. \$3,000 was saved due to fewer educational courses, some of which will be funded with drug forfeiture monies.

Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$2,134,945	\$2,272,960	\$2,170,620	\$1,970,330	\$1,970,330
Supplies	78,926	151,530	103,350	92,110	92,110
Other Charges	587,264	792,670	766,860	964,650	964,650
Total	\$2,801,135	\$3,217,160	\$3,040,830	\$3,027,090	\$3,027,090



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

Branden Kerr

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

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

The Investigations Division consists of three squads of detectives. The Detective Bureau consists of two adult squads that investigate criminal activity involving persons 17 years of age or older. This includes the processing of arrest warrants, and the presentation of evidence in court as the prosecution moves forward. The Detective Bureau also has personnel assigned to the Macomb Auto Theft Squad (MATs), the United States Marshals, and the FBI Balkan Organized Crime Task Force.

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

The Crime Suppression Unit is a group of detectives that enforces all controlled substance violations, gambling, prostitution and other vice crimes. Additionally, this unit coordinates with federal, state and local task forces to address organized drug trafficking issues, conduct surveillances, and apprehend persons actively committing criminal acts. This Unit also has personnel assigned to Drug Enforcement Administration (D.E.A. Group 6).

Specialized areas within the Investigations Division include the Computer Crimes Section that conducts forensic analysis of computer evidence, and the Polygraph Section that conducts tests to detect deception in investigative interviews.

The investigators assigned to this Division continually pursue training in all aspects of criminal investigation including: interviewing, legal update,

KEY GOALS

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

violent crimes and the utilization of computers as investigative tools. This training is necessary to maintain and enhance the skills of the investigators.

Victim assistance and citizen satisfaction are key objectives to our approach toward lessening the effects of crime on our community. Detectives work in close partnership with social response agencies, such as Turning Point, Macomb County Victims Assistance Unit, Forensics Nurses Examiner Program (FNE), and Crime Stoppers.■

Did you know...

...the Criminal Investigations division trains teachers and other staff at both the Utica Community and Warren Consolidated school districts regarding the identification and reporting of illegal prescription drug possession?

Police Investigations

2011/12 PERFORMANCE OBJECTIVES

1. To combine resources with local and federal law enforcement agencies in order to investigate and prosecute individuals involved in broad based criminal enterprises. (City Goal 24, 25)
2. To consolidate the Youth and Community Services Bureaus to create a more effective and efficient use of resources. (City Goal 3, 4, 24, 25)

	Performance Indicators	2007/08	2008/09	2009/10	2010/11	2010/11	2011/12
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Detective Bureau Cases Assigned	3,900	4,123	4,497	4,070	4,518	4,550
	Adult Investigative Cases	2,658	2,832	3,149	2,700	3,175	3,200
	Juvenile Investigative Cases	919	900	956	950	970	970
	In-Custody Cases	323	391	392	420	373	380
	Total Crime Suppression Unit Cases Assigned	526	388	425	470	480	470
	Auto Theft Investigative Cases	116	83	126	120	123	120
	Narcotic/Vice Investigative Cases	410	305	299	350	357	350
	Total Interviews Conducted	20,520	19,564	25,228	21,600	25,730	25,400
	Suspect Interviews	6,202	5,012	5,961	5,600	6,162	6,000
	Witness & Informant Interviews	7,537	7,630	10,872	8,500	11,071	11,000
	Victim Interviews	6,781	6,922	8,395	7,500	8,497	8,400
	Arrest Warrants Obtained	1,448	1,642	2,048	1,700	1,900	2,000
	Search Warrants Obtained/Executed	313	562	1,038	650	693	700
	Polygraph Examinations Conducted	23	31	31	25	27	28
	Criminal Surveillances	381	700	911	700	750	750
	Federal Forfeiture Cases Processed	13	55	26	30	52	40
	State Forfeiture Cases Processed	57	41	63	55	50	50
	School Resource Officer - # of Hours at Schools	1,450	1,450	1,450	1,450	1,450	1,450
	# of Students Served by School Resource Officer	1,650	1,650	1,650	1,650	1,650	1,650

* Cost is calculated for "Actual" columns only.

Police Investigations

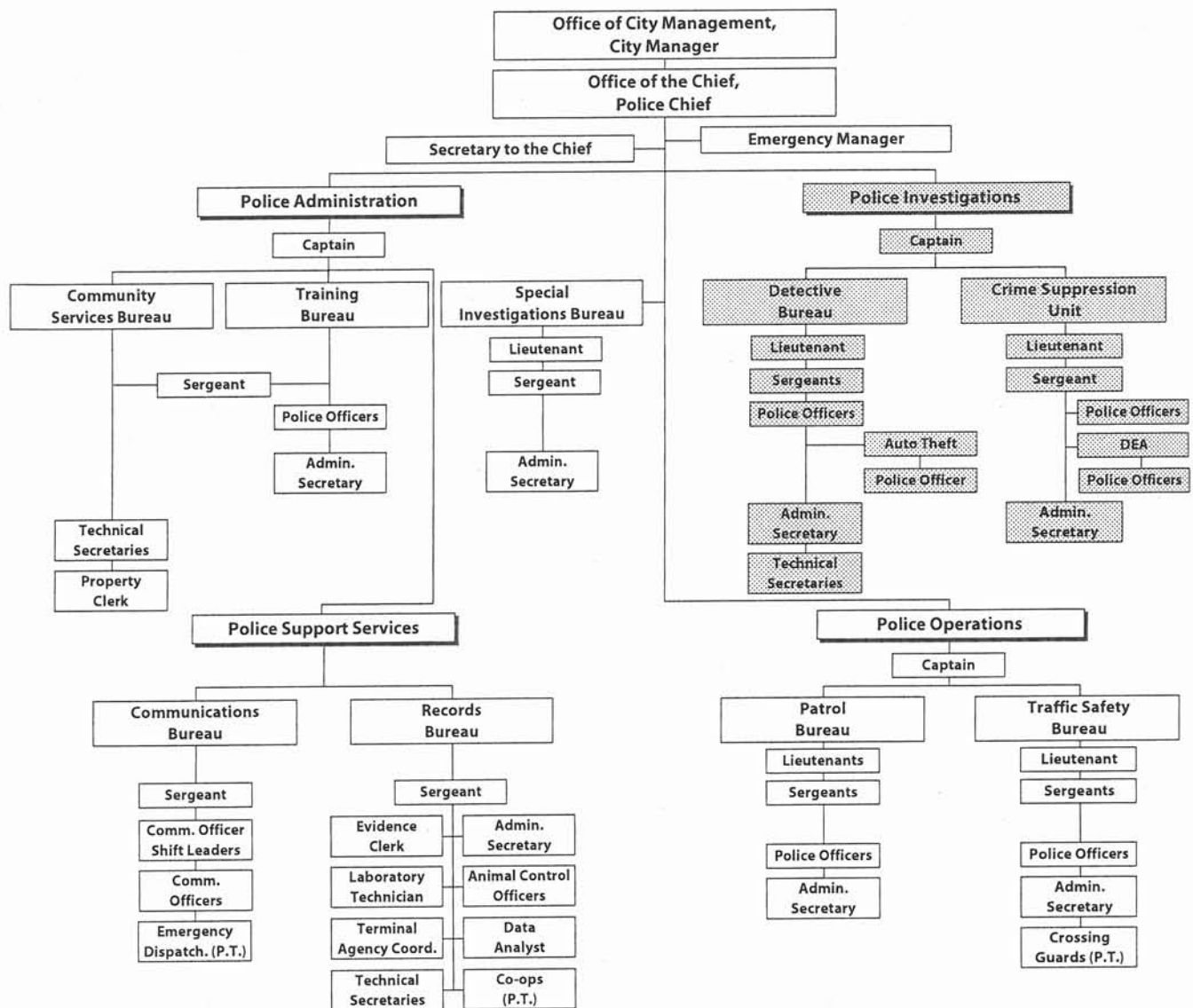
2011/12 PERFORMANCE OBJECTIVES

3. To increase the level of enforcement, in conjunction with Police Operations, with regard to criminal activity occurring in commercial areas within the City. (City Goal 12, 13, 24, 25)
4. To train divisional personnel in the new records management system and implement the new resulting case flow and management procedures. (City Goal 24, 25)

Efficiency & Effectiveness	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
	% of Petitions Obtained vs. Requested	97%	98%	98%	98%	98%	98%
	% of Arrest Warrants Obtained vs. Requested	90%	92%	91%	91%	91%	91%
	Detective Bureau Cases per Investigator	197	209	250	226	251	253
	Crime Suppression Unit Cases per Investigator	75	65	71	78	80	78
	% of Part 1 Violent Crimes Cleared	46.0%	58.0%	49.2%	53.0%	52.0%	51.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.6	0.8	0.6	0.8	0.7	0.7
	Juvenile Arrests Violent Crimes - % of Total Arrests	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
	% of Part 1 Property Crimes Cleared	20.0%	28.0%	29.8%	25.0%	26.0%	27.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.9	4.9	4.9	4.3	4.5	4.6
	Juvenile Arrests Property Crimes - % of Total Arrests	1.1%	1.0%	0.1%	0.8%	0.8%	0.8%
	Car Theft Ratio Per 1,000 Population	2.0	1.7	1.0	1.7	1.7	1.7
	Average Cost to Conduct a Polygraph Examination	\$347	\$335	\$341	*	*	*
	Average Cost to Investigate a Case	\$572	\$567	\$518	*	*	*
	Division Expenditures as % of General Fund	6.26%	6.34%	6.81%	7.00%	7.01%	7.21%

* Cost is calculated for "Actual" columns only.

Police Investigations



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Captain	1	1	1
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	27	27	27
Administrative Secretary	2	2	2
Technical Secretary	3	2	2
Total	39	38	38

Police Investigations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 0.6%.

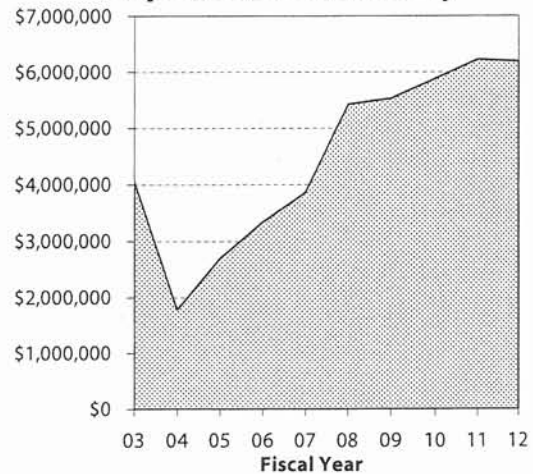
Personnel Services – The total Personnel budget decreased by \$37,380 or 0.6%. The budget assumes the continuation of last year's wage concessions and additional concessions next year in line with the City's overall financial plan. Compensatory time costs decreased by \$40,000 as the department has further refined the detectives' shift schedule to continue to lessen Court overtime costs. Partially offsetting these savings was an increase to the City's actuarially required contribution to the Police & Fire Pension System, which rose \$149,350 and a medical rate increase, which resulted in a \$25,470 increase.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. These costs decreased \$50 or 5.0% as the budget can be reduced and brought more in line with the prior year's actual expenditure usage.

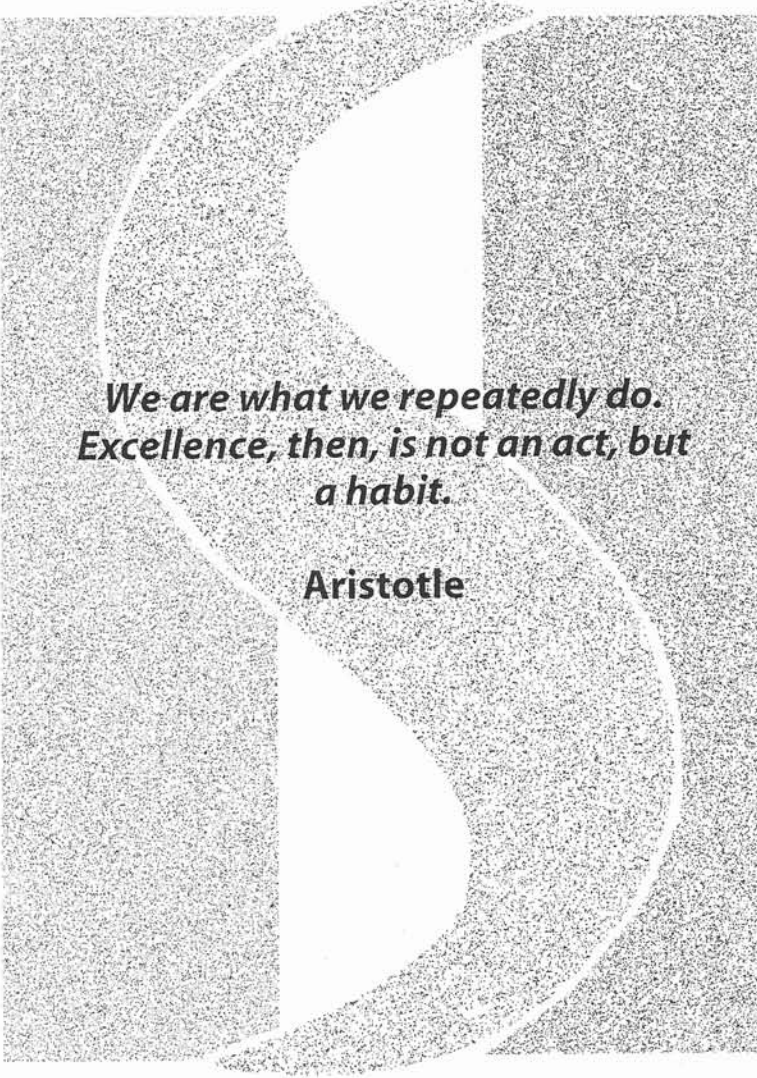
Capital – \$96,000 is budgeted in the Public Safety Forfeiture Fund for four replacement vehicles utilizing drug forfeiture funds.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$5,878,212	\$6,223,050	\$6,088,800	\$6,185,670	\$6,185,670
Supplies	0	0	0	0	0
Other Charges	965	1,000	1,000	950	950
Total	\$5,879,177	\$6,224,050	\$6,089,800	\$6,186,620	\$6,186,620



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

Aristotle

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

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

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

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

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

KEY GOALS

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

Did you know...

...the Sterling Heights Police Department is now part of the first regional deployments of Automated License Plate Reader (ALPR) technology in Michigan, which can run five to ten thousand license plates per year and identify wanted vehicles?

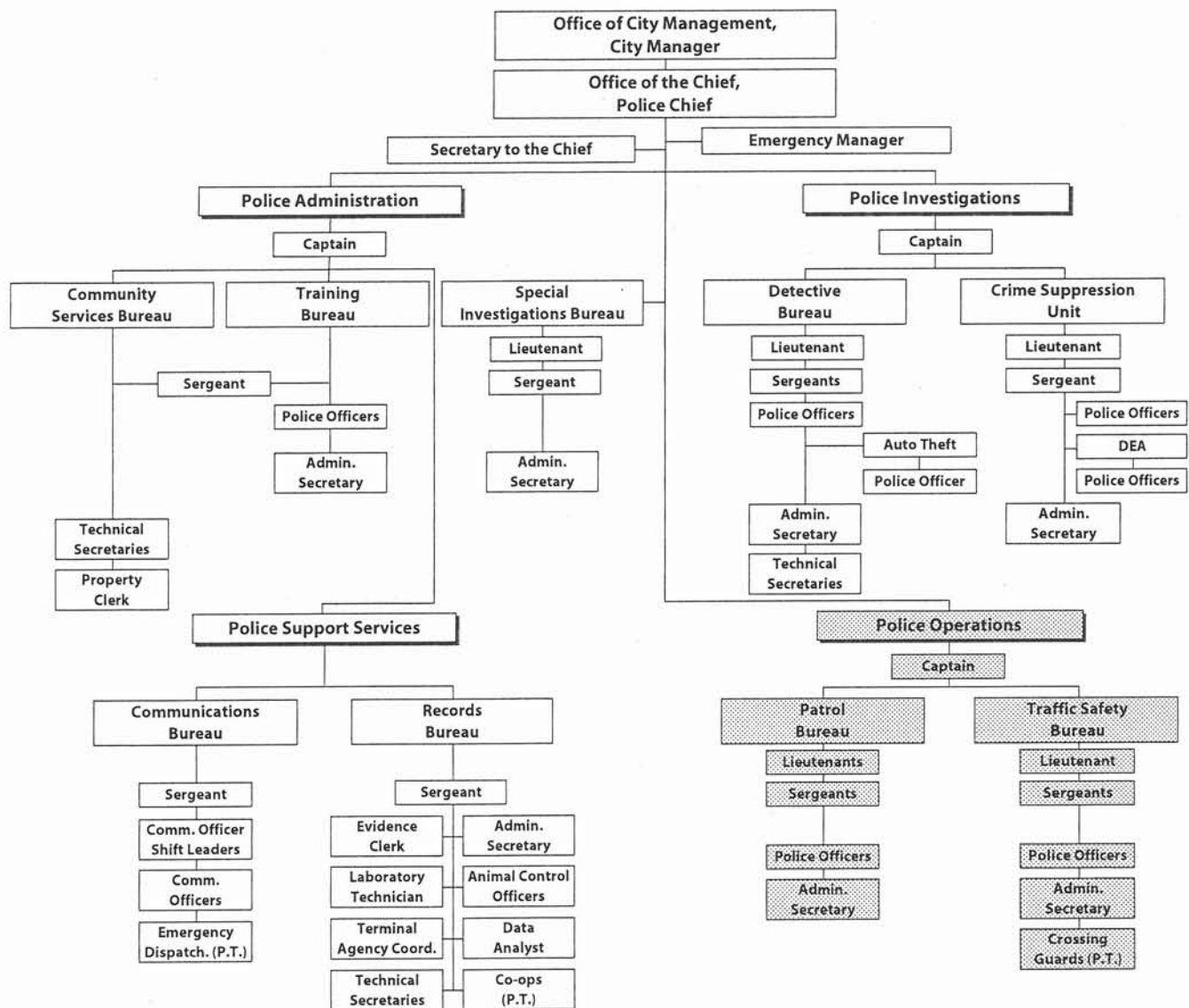
Police Operations

2011/12 PERFORMANCE OBJECTIVES

1. To establish joint response to critical incidents between the Special Response Team (SRT) and neighboring jurisdictions in order to increase safety and security to residents. (City Goal 2, 4)
2. To fully implement and train officers in the use of the New World Computer Reporting System in order to increase officer productivity and reduce response time. (City Goal 4, 6, 7)
3. To install and utilize the electronic ticket (e-ticket) system in all patrol and traffic vehicles. (City Goal 4, 6, 7)
4. To implement the on-line UD-10 accident form and train officers in its use. (City Goal 4, 6, 7)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Police Incident Reports Completed	54,405	49,252	47,769	52,800	54,375	54,450
	Group A Crime Reports	7,361	6,686	6,484	6,700	6,800	6,800
	Group B Crime Reports	3,433	2,632	2,370	2,600	2,500	2,550
	Vehicular Accident Reports	4,353	3,837	3,780	4,200	4,075	4,100
	All Other Rpts. (incl. cases prev. not assigned case #)	39,258	36,097	35,135	39,300	41,000	41,000
	Adults/Juveniles Arrested	3,747/174	3,079/156	3,000/173	3,800/200	2,800/190	2,950/200
	Total Traffic Violations Issued	30,484	32,154	37,022	43,000	37,670	38,000
	Motor Carrier Violations Issued	N/A	4	337	400	370	380
	Residential Traffic Enforcement Violations	3,219	2,926	2,597	3,900	2,800	3,000
	SMART Radar Trailer Deployments	353	160	159	300	175	180
	K-9 Unit Deployments	350	234	208	250	190	225
	OUIL Arrests	340	414	394	430	400	430
	SWAT/SRT Call-outs	6	3	1	5	3	5
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	57.5	52.0	50.1	52.1	52.9	52.9
	Group B Crimes Per 1,000 Population	26.8	20.5	18.4	20.2	19.5	19.8
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Sworn Division Personnel	446	400	379	451	459	473
	# of Injury Traffic Accidents per 100,000 Pop.	784	641	548	650	650	655
	# of Traffic Fatalities Per 100,000 Population	4.7	1.6	3.9	3.0	3.0	3.2
	% of Total Sworn Personnel in Traffic & Patrol	72%	73%	73%	71%	72%	75%
	OUIL Arrests Per 1,000 Residents	2.7	3.2	3.1	3.3	3.1	3.3
	Division Expenditures as % of General Fund	19.30%	20.18%	22.39%	22.29%	22.42%	23.11%

Police Operations



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Captain	1	1	1
Lieutenant	5	5	5
Sergeant	18	16	16
Police Officer	102	99	96
Administrative Secretary	3	3	2
Technical Secretary	1	1	0
Crossing Guard (P.T.)	33	30	30
Total	163	155	150

Police Operations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

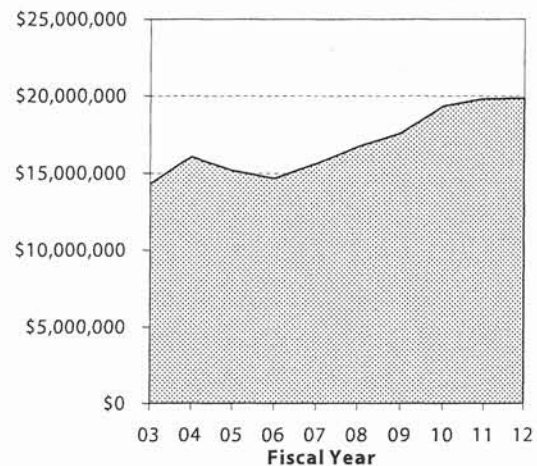
The total budget increased by 0.1%.

Personnel Services – The total Personnel budget increased by \$10,520 or 0.1%. The overall increase is the result of higher actuarially required City contributions to the Police & Fire Pension System, which rose \$507,990, as well as an increase in health insurance costs, which rose \$31,660. Partially offsetting this increase was the savings from the continuation of last year's wage concessions and further assumed concessions next year in line with the City's overall financial plan. The budget assumes two vacant clerical positions will not be filled as well as a reduction of three vacant Police Officer positions due to the recent privatization of the Police Detention Facility. The detention contract will free up eight in-house officers to be placed on the street, so there remains a net increase in officer strength on the road. Overtime and compensatory costs fell by \$95,000 as a result of continued efficiencies within the department.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. These costs decreased \$500 or 25.0% as the budget can be reduced and brought more in line with the prior year's actual expenditure usage.

Expenditure History



Capital – Total Capital of \$206,560 is budgeted in the Capital Projects Fund to replace ten high mileage traffic and patrol vehicles. This purchase was approved by the City Council in February 2011.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$19,326,876	\$19,828,710	\$19,482,990	\$19,839,230	\$19,839,230
Supplies	0	0	0	0	0
Other Charges	1,555	2,000	2,000	1,500	1,500
Total	\$19,328,431	\$19,830,710	\$19,484,990	\$19,840,730	\$19,840,730

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

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

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

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

The Computer Services function of the Records Bureau provides for the capture and retrieval of information designated by statute and/or the needs of the Department. Due to continuing computerization within the Department, the Bureau acts as an in-house resource providing support in the utilization of computers. The Lab Technician is responsible for processing all photographic evidence. Additionally, this area assists other City departments in processing photographs and serves as a resource to the Department's Evidence Technicians.

The Communications Bureau is responsible for processing all public requests for service via the 911

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.*

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

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

Did you know...

...if you make a 911 call from your cell phone, in most instances, the Dispatch Center is able to locate you within 100 feet of the call?

Police Support Services

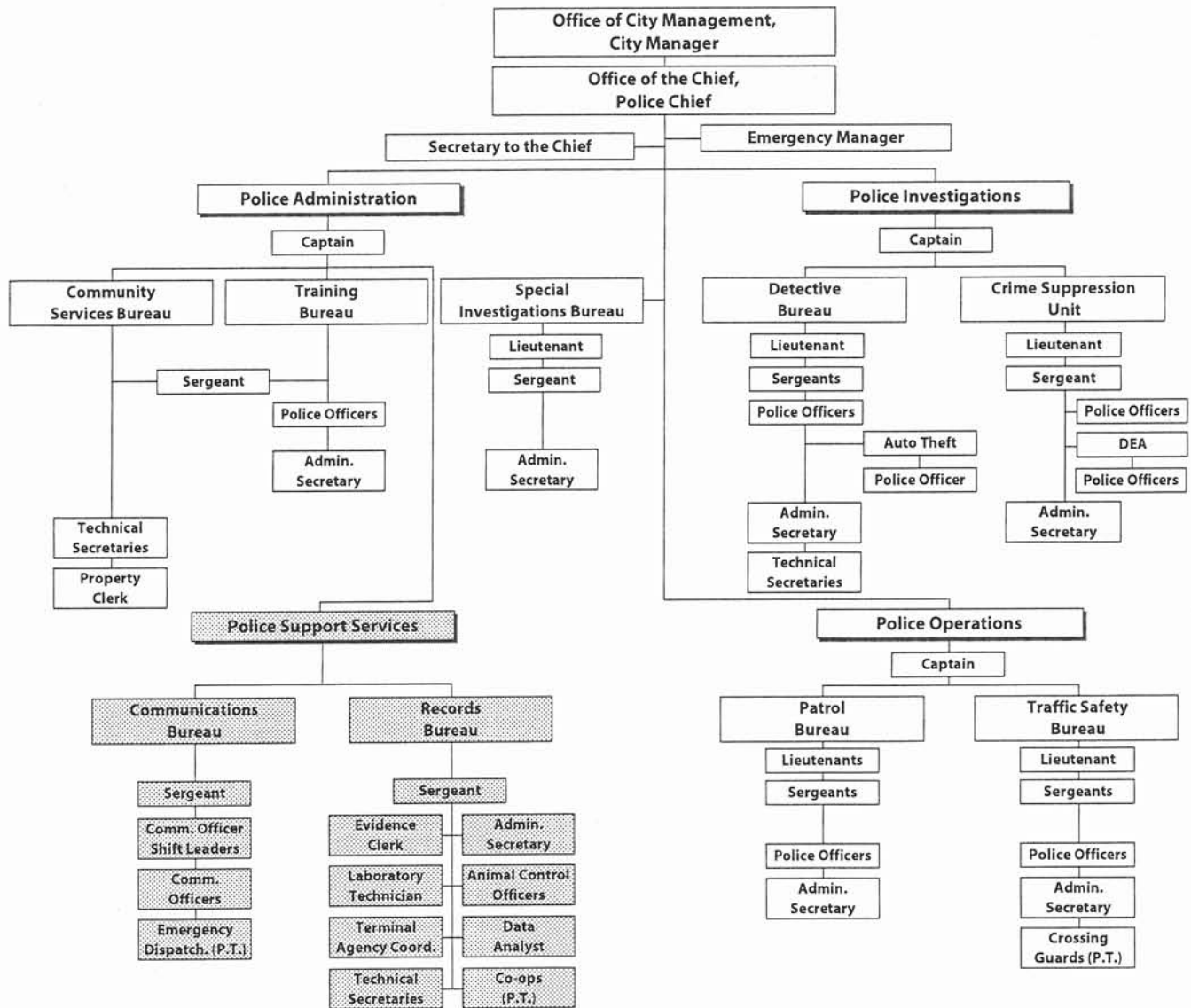
2011/12 PERFORMANCE OBJECTIVES

1. To use on-line auction sites as a means of disposing of excess property from the Police Department's property room. (City Goal 17)
2. To create an electronic filing system for emergency calls rather than printing to paper. (City Goal 17)
3. To improve the Police Department's records management system by fully implementing the New World System. (City goal 17)
4. To improve the efficiency and effectiveness of the Police Department's radios by updating the software. (City Goal 25)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Incidents Processed into Computer	54,405	49,252	47,769	52,800	54,375	54,450
	Police Reports Provided on Request - At Counter	6,461	4,407	5,913	5,000	6,000	5,500
	Total Calls to 911 (Includes Cellular Calls)	46,211	43,243	42,261	45,000	45,485	46,000
	Gun Permits Obtained	1,930	2,412	2,350	2,500	2,300	2,300
	Responses by Animal Control	2,972	2,677	2,608	3,000	3,000	3,000
	Freedom of Information Act Requests	550	570	654	600	650	650
	Criminal Warrants Processed	3,873	3,249	3,352	3,500	3,200	3,300
	Arrests Processed	3,921	3,235	3,173	4,000	2,990	3,150
	Pieces of Evidence Collected	3,110	2,804	2,701	3,000	3,000	3,000
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	35	35	35	35	35	35
	Average Cost of an Animal Control Response	\$53.32	\$38.73	\$39.10	*	*	*
	Average Cost of a FOIA Request	\$36	\$28	\$24	*	*	*
	Dispatch Operations Cost Per Call Dispatched	\$33.06	\$34.93	\$35.78	*	*	*
	Division Expenditures as % of General Fund	3.91%	3.83%	4.09%	3.99%	4.03%	3.96%

* Cost is calculated for "Actual" columns only.

Police Support Services



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Lieutenant	1	0	0
Sergeant	1	2	2
Communications Officer - Shift Leader	4	4	4
Communications Officer	19	17	16
Emergency Dispatcher (P.T.)	0	4	4
Laboratory Technician	1	1	1
Evidence Clerk	1	1	1
Administrative Secretary	2	2	1
Animal Control Officer	2	2	2
Data Analyst	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	6	7	6
Co-op (P.T.)	1	1	2
Total	40	43	41

Police Support Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 4.3%.

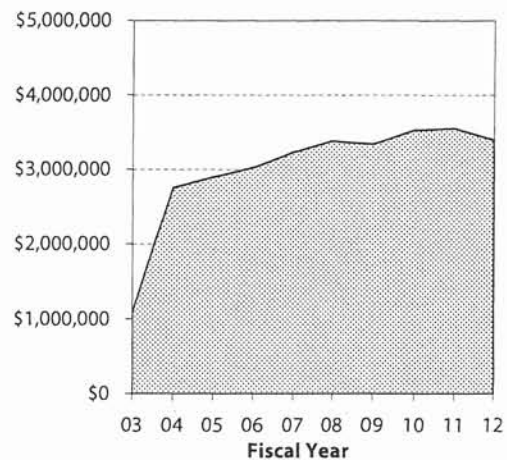
Personnel Services – The total Personnel budget decreased by \$152,250 or 4.3%. The decrease is the result of a continuation of last year's wage concessions and further assumed concessions next year from the affected labor groups, as well as a change in staffing levels. A vacant full-time Emergency Dispatcher position is proposed to remain unfilled as the department begins to fill its part-time Dispatcher staffing allotment. Due to the conversion to the New World records management software, a vacant Administrative Secretary and a vacant Technical Secretary position are proposed to be eliminated and a part-time Co-op position will now assist this division. The new E-ticketing software computer system, which will avoid duplicate data entry of police ticket information, as well as the continued online access to police reports, have also resulted in greater efficiencies.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. These costs decreased \$50 or 25.0% as the budget can be reduced and brought more in line with the prior year's actual expenditure usage.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$3,528,411	\$3,550,690	\$3,499,680	\$3,398,440	\$3,398,440
Supplies	0	0	0	0	0
Other Charges	135	200	200	150	150
Total	\$3,528,546	\$3,550,890	\$3,499,880	\$3,398,590	\$3,398,590

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

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

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

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

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

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

Federal pass through grants provide necessary funding for emergency service related training and coordination. Grants provide the additional services many local jurisdictions cannot provide

KEY GOALS

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

because of decreases in outside funding sources. Emergency services in Sterling Heights are well equipped and trained to respond and recover from chemical, biological, radiological, nuclear and explosive events. In this ever changing and challenging time, every jurisdiction requires the appropriate personnel and equipment that will protect the majority of the population and property when disaster strikes. It is critical that the City is prepared for these hazards.■

Did you know...

...that when an emergency happens, your safety and the safety of your family may depend on decisions made in a few seconds and creating a plan and talking about it ahead of time can make all the difference?

Emergency Management

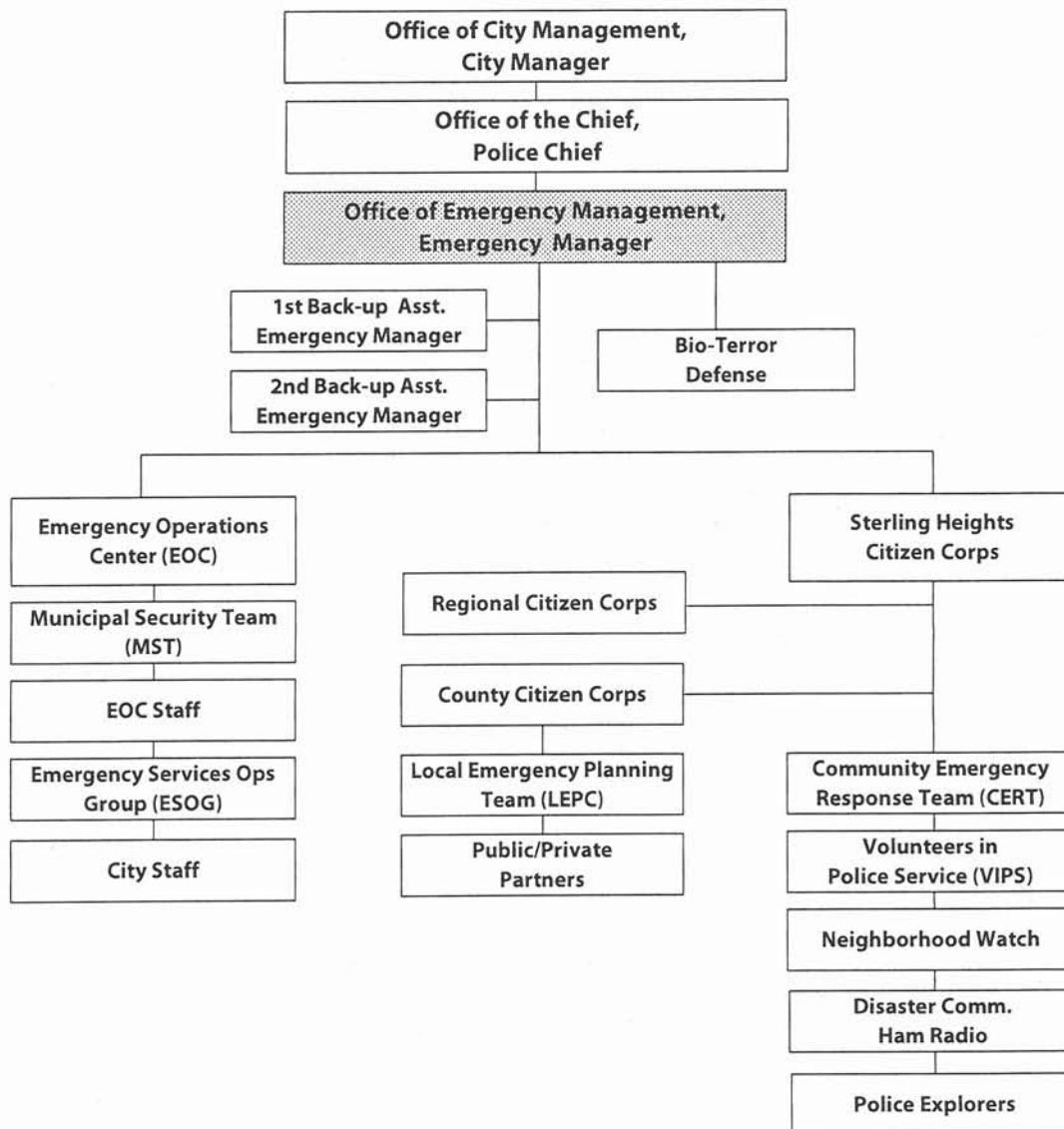
2011/12 PERFORMANCE OBJECTIVES

1. To strengthen the City's ability to respond in a coordinated manner to an emergency incident by attending and participating in regional, state and local homeland security and emergency management planning meetings, committees, seminars, trainings and conference calls. (City Goal 24, 25)
2. To provide and make available drills and/or exercises that test and improve upon the City's ability to respond to a major incident. (City Goal 24, 25)
3. To provide avenues and training to strengthen each department's ability to communicate during an emergency within their department and within the Emergency Operations Center. (City Goal 24, 25)
4. To provide avenues to facilitate citizen awareness of personal and community preparedness and encourage participation in community preparedness activities. (City Goal 24, 25)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Emergency Responses/EOC Activations	3	3	3	3	3	3
	Training Exercises/Participants	3/75	6/50	4/50	4/50	4/50	4/50
	Testing & Maintenance of Warning Systems (Hours)	18	60	40	20	20	20
	Public Presentations	25	28	25	30	30	30
	Family Protection Workbooks Distributed	5,000	5,000	5,000	5,000	5,000	5,000
	Hours Spent at Disaster Planning Meetings	750	750	750	800	800	800
	New Grants Applied For/Grants Received	6/6	7/7	5/5	5/5	5/5	4/4
	# of Grant Files Closed	5	6	5	4	4	4
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	98%	98%	99%	99%	99%
	% of Time Spent Coordinating/Administering Grants	7%	25%	20%	15%	15%	15%
	% of Time Spent Developing Training & Exercises	15%	25%	30%	20%	20%	20%
	% of Time Spent Developing Emergency Plans	78%	50%	50%	65%	65%	65%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Emergencies Responded to w/i 1 Hour	100%	100%	100%	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	\$440	\$449	\$432	*	*	*
	Average Cost to Conduct a Training Exercise	\$554	\$572	\$581	*	*	*
	Activity Expenditures as % of General Fund	0.16%	0.17%	0.16%	0.16%	0.16%	0.16%

* Cost is calculated for "Actual" columns only.

Emergency Management



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Emergency Manager	1	1	1
Total	1	1	1

Emergency Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 7.7%.

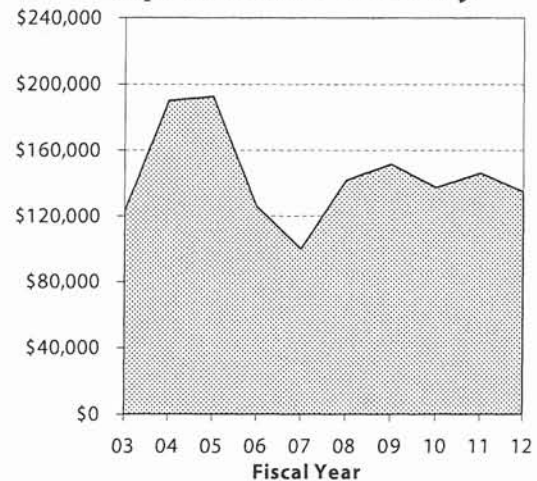
Personnel Services – The total Personnel budget decreased by \$2,770 or 2.2%, due to the continuation of wage and benefit concessions in line with the City's overall financial plan. Partially offsetting these savings is a \$510, or 3.4%, increase in health insurance premiums and a first year of longevity pay for this position.

Supplies – Total Supplies decreased \$1,610 or 63.6%. Fewer supplies for the Community Emergency Response Team (CERT) are needed. A reduction of \$80 was made for operating supplies and postage costs fell \$30, both based on the current year's estimated expenditure usage.

Other Charges – Total Other Charges decreased \$6,920 or 42.5%. \$5,000 was saved as major components of the City's emergency warning sirens were replaced in the prior year and will therefore require less maintenance next year. Incident Command Vehicle (ICV) expenses decreased \$1,000 based on amounts spent historically. The training budget decreased \$880 due to a one-time training grant that was received in the prior year. The City will apply again for this training grant, and the budget will be amended if the grant is received. Rental costs decreased \$40 due to the elimination of a pager that is no longer needed.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

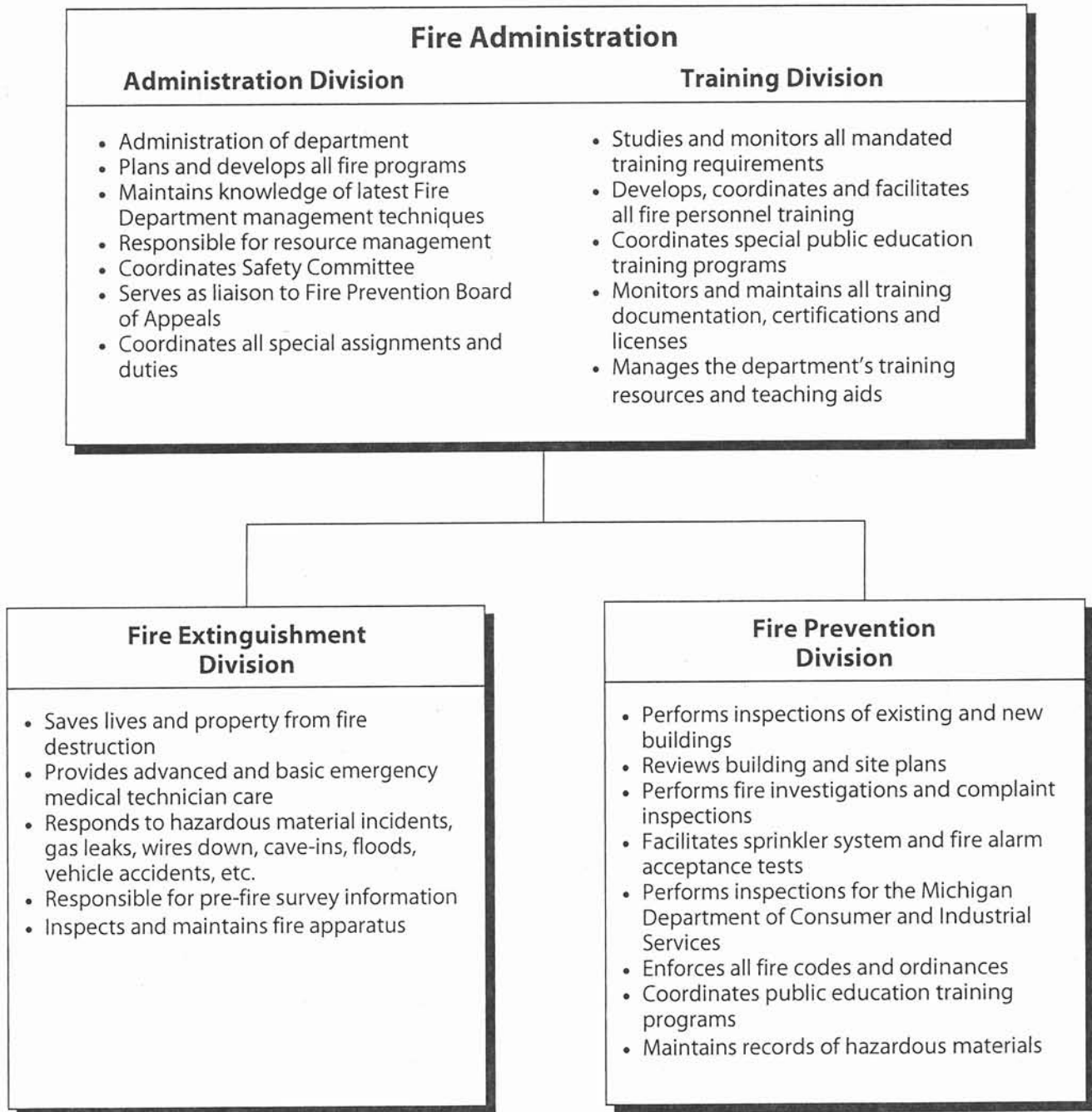
	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$125,274	\$127,330	\$126,180	\$124,560	\$124,560
Supplies	1,302	2,530	670	920	920
Other Charges	10,849	16,280	9,030	9,360	9,360
Total	\$137,425	\$146,140	\$135,880	\$134,840	\$134,840

Fire Department



FUNCTIONAL ORGANIZATION CHART

Fire Department



DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget increased by \$97,680 or 0.5%. Personnel costs rose by \$142,670 or 0.8%. While the budget assumes the continuation of last year's negotiated concessions and additional wage concessions next year, total costs rose as a result of higher contributions for fire pensions, which increased by \$524,880 to offset prior stock market declines. The budget also increased due to the transfer of a full-time Clerk Typist from Building to Fire Administration due to a vacancy in the part-time Clerk position. A reduction of two Fire Inspector positions will result in resources being redirected toward the high hazard inspections. The Fire Administration staff will work on alternative proposals to conduct limited non-mandatory inspections of other

businesses. As a result, the biennial fire inspection fee has been eliminated. The Supplies budget rose by \$4,300 or 3.0% due to a one-time adjustment in the prior year. Other Charges fell by \$49,290 or 9.8% due to lower computer consultant costs as a result of the new Fire records management system, energy savings efforts, and the continued elimination of peer fitness physicals and fitness assessments. The budget includes funding for the start up of the new integrated Records Management computer system to be shared with the Police Department and grant-match funds to replace a 23-year old Fire Engine.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Fire Administration	\$1,389,680	\$1,326,330	\$1,362,470	\$1,379,550	1.3%
Fire Extinguishment	14,143,750	14,839,080	16,010,910	16,262,750	1.6%
Fire Prevention	1,152,890	993,180	931,310	760,070	-18.4%
Total Department	\$16,686,320	\$17,158,590	\$18,304,690	\$18,402,370	0.5%
Personnel Services	\$15,958,310	\$16,514,750	\$17,658,690	\$17,801,360	0.8%
Supplies	169,750	146,930	141,560	145,860	3.0%
Other Charges	558,260	496,910	504,440	455,150	-9.8%
Total Department	\$16,686,320	\$17,158,590	\$18,304,690	\$18,402,370	0.5%

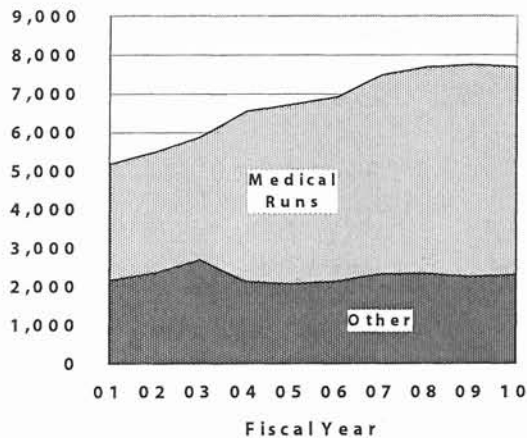
PERSONNEL SUMMARY

	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	0	8	1	8	1	9	0
Fire Extinguishment	90	0	90	0	90	0	90	0
Fire Prevention	6	0	6	0	4	0	2	0
Total Department	106	0	104	1	102	1	101	0

KEY DEPARTMENTAL TRENDS

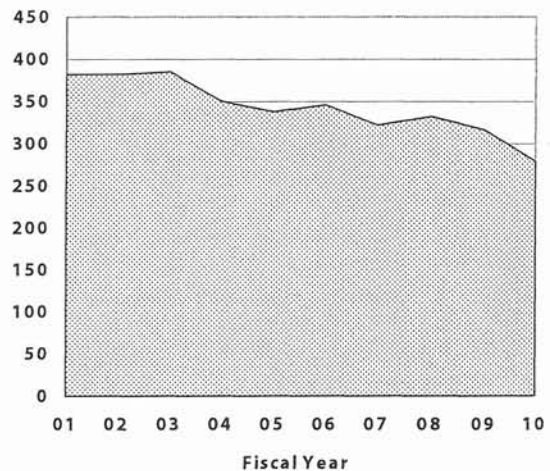
Fire Department

Emergency Medical & Other Incidents



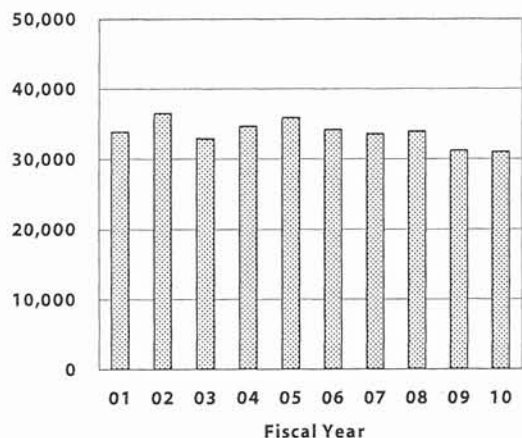
There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years, though recently runs have leveled off. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 65% of cities nationally had a higher number of EMS responses per resident based on a 2007 ICMA survey. Only 16% of cities had a faster average EMS response time.

Fire Incidents



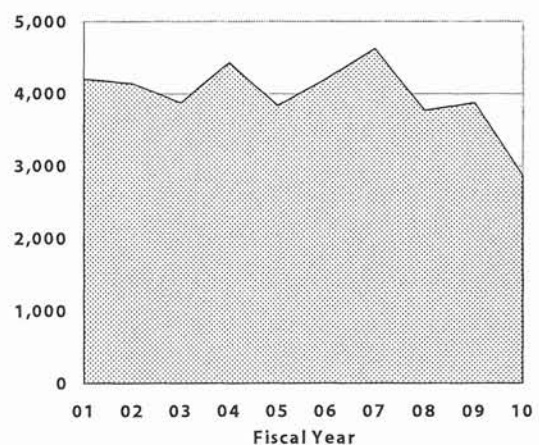
Over the past 10 years, the number of fires has declined by 27%, reaching a low of 279 in 2010. The value of non-residential fire losses totaled less than \$192,000, which is well below national, state, and county averages. The City currently averages one fire incident every 6.5 days at each of the City's five fire stations. 69% of cities nationally had higher fire incidents per resident based on a 2007 ICMA survey. Only 3% of communities had a faster average fire response time. Over the past several years, the City has made fire vehicle purchases that have improved the condition of the fire fleet.

Training Hours Completed



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

Fire Inspections Conducted



Fire inspections declined in 2010 due to a decrease in the number of Fire Inspectors. The Department continues to annually inspect the high-risk structures, while routine inspections were changed to a biannual cycle.

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

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

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

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

The Fire Chief also serves as a liaison to the Board of Code Appeals. Within the Department, the Chief conducts weekly briefing sessions with divisional managers, holds monthly meetings with staff, and conducts semi-annual meetings with all Department officers. Maintaining discipline and adherence to Fire Department policies rests with the Fire Chief.

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

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

The Training Division develops, coordinates, facilitates, and conducts training to ensure that all personnel are proficient in the operation of all departmental equipment and technical skills. The State and federal governments, and the fire fighters' collective bargaining agreement have

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.*

mandated new programs and standards. With these new standards, there are certain training packages that must be delivered, certification processes that must be met, standards that must be adhered to, and accurate documentation that must be prepared for all aspects of these programs.■

Did you know...

...the City will be implementing the New World Public Sector software system that is bringing the City's emergency services together through technology to help overcome challenges and enhance interoperability?

Fire Administration

2011/12 PERFORMANCE OBJECTIVES

(Administration)

1. To provide a successful transition from the Fire Department's current 4D Record Management system to the New World system. (City Goal 7, 17, 18)
2. To continue to pursue additional service sharing opportunities with area fire departments in an effort to deliver quality emergency services in the most cost effective and efficient manner. (City Goal 2, 6, 7)
3. To utilize the transition into the new records management system as a means to reorganize all Fire Department files. (City Goal 3, 18)
4. To improve the inventory control methods for necessary supplies in an effort to reduce costs. (City Goal 3, 5, 17, 18)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Incident Reports Reviewed for Quality	10,496	10,480	10,383	10,860	11,000	11,250
	Employee Evaluations Conducted/Tracked	130	107	105	120	99	97
	APPO's and Standard Operating Guidelines Reviewed	130	140	120	200	110	120
	Freedom of Information Act Requests	58	37	65	60	75	80
	Staff/Battalion Meetings Conducted	11	6	14	12	12	12
	Presentations to Civic Groups/Organizations	8	12	10	12	12	12
	Employee/Civilian Citations Processed	9	6	4	12	12	12
	Fire-Related Periodical/Journals Reviewed	480	480	480	480	480	480
	Safety Recommendations Implemented	8	7	6	12	10	12
	Hours of Computer Consultant Services Used	N/A	360	330	330	330	130
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	\$123	\$130	\$134	\$142	\$141	\$143
	Division Expenditures as % of General Fund	1.47%	1.59%	1.54%	1.53%	1.55%	1.61%

Fire Administration

2011/12 PERFORMANCE OBJECTIVES

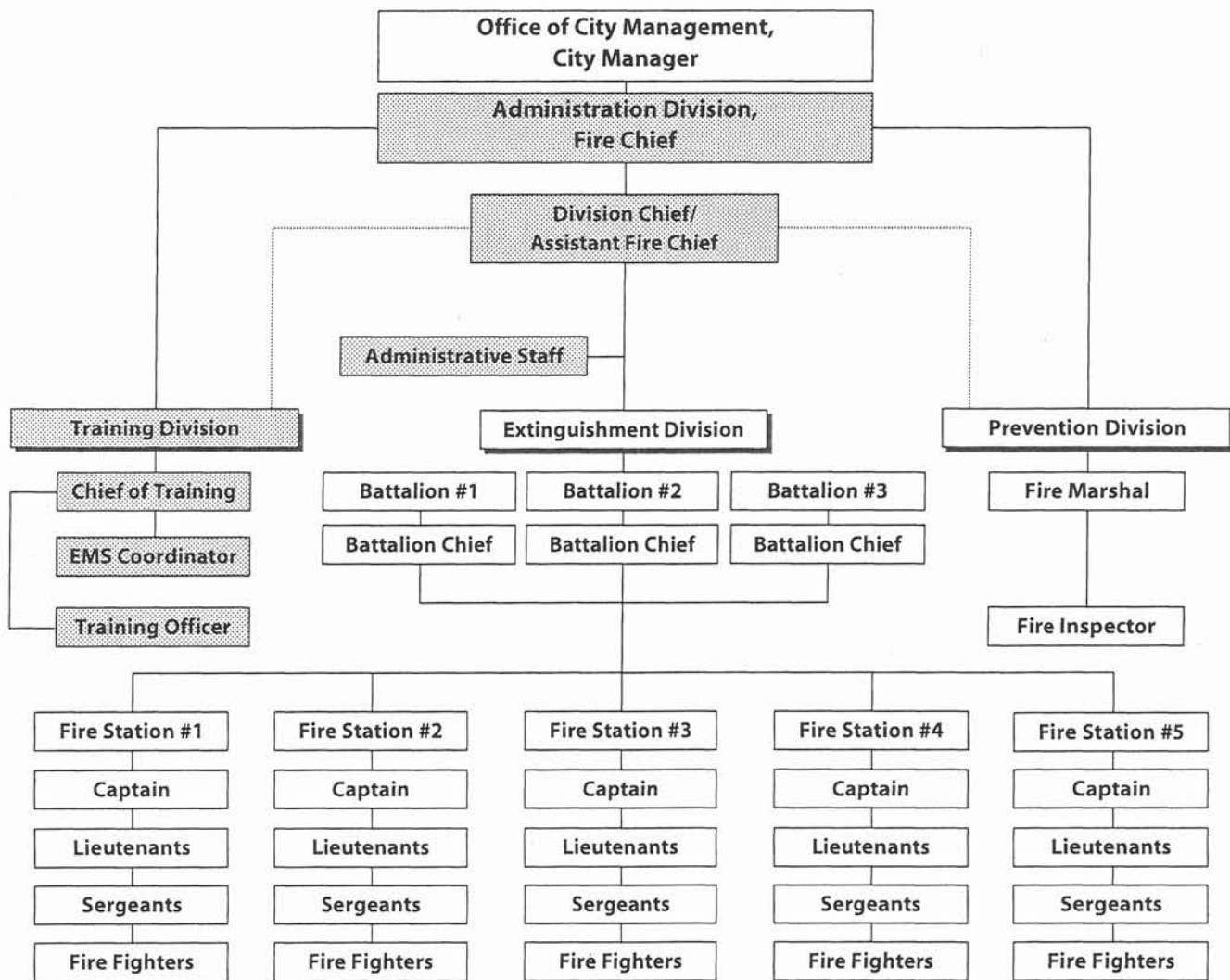
(Training)

1. To establish and maintain an operational skills benchmark program with the implementation of a training passport system that will promote best practices and a consistent operational approach meeting all federal, state and local requirements. (City Goal 7, 25)
2. To establish a comprehensive training program for all Fire Department personnel on the New World System Aegis Fire Records Management system. (City Goal 1, 2, 3, 4, 5, 6, 17, 18)
3. To establish a comprehensive utility company safety and incident management training program for all operation personnel. (City Goal 7, 25)
4. To ensure that all applicable personnel are in compliance with the federally mandated National Incident Management System (NIMS) program. (City Goal 25)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Total Formal Training Hours Coordinated	33,857	31,121	30,955	31,000	30,000	31,000
	Hours of Fire Officer Training	612	412	765	500	450	500
	Hours of EMS Training	4,143	3,957	4,146	4,250	4,200	4,250
	Hours of Fire Suppression Training	11,485	9,988	9,244	9,250	9,350	9,150
	Hours of Hazardous Material Training	1,407	1,637	1,520	2,000	1,400	1,800
	Hours of Professional Development Training	1,929	1,921	1,977	2,000	1,800	2,000
	Hours of Physical Fitness Training	10,667	10,137	10,223	9,500	9,600	9,800
	Hours of All Other Training	3,614	3,069	3,080	3,500	3,200	3,500
	Residents Receiving Formal Public Education	7,922	5,146	8,206	5,000	5,000	2,000
	Residents Receiving CPR Instruction	793	728	656	700	750	700
	Paramedic/EMT License Applications Processed	32	27	38	40	40	40
	Procedures Developed and Updated	60	45	37	50	50	50
Efficiency & Effectiveness	Days of Work Lost Due to Injury	191	100	78	0	50	75
	Sworn Pers. to Workers Comp/Disability Indemnity	34:1	50.5:1	50.5:1	99:0	99:0	97:0
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	332	308	306	313	303	320
	Training Division Cost per Fire Fighter	\$3,456	\$3,417	\$3,458	*	*	*

* Cost is calculated for "Actual" columns only.

Fire Administration



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Fire Chief	1	1	1
Division Chief/Assistant Fire Chief	1	1	1
Chief of Training	1	1	1
EMS Coordinator	1	1	1
Training Officer	1	1	1
Management Assistant	1	1	1
Administrative Assistant	2	2	2
Senior Clerk	0	0	1
Clerk (P.T.)	1	1	0
Total	9	9	9

Fire Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

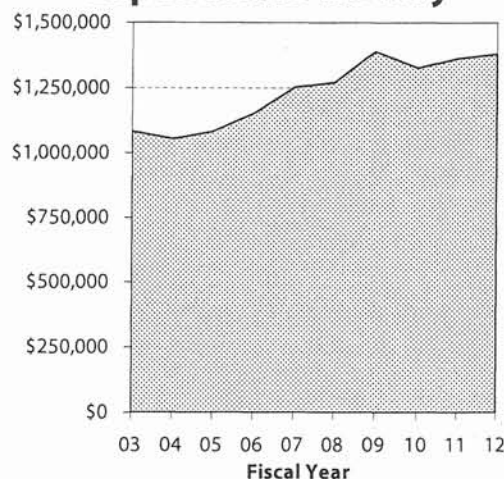
The total budget increased by 1.3%.

Personnel Services – The total Personnel budget increased by \$42,950 or 3.4%. The increase is the result of transferring a full-time Clerk Typist position from the Building office as a result of a vacancy in the part-time Clerk position. In addition, actuarially required City contributions to the Police & Fire Pension System rose \$30,050 due to prior year stock market declines. The budget assumes continuation of last year's wage concessions and additional concessions next year.

Supplies – Total Supplies increased \$1,920 or 8.0%. Operating supply costs increased \$2,670 based on a one-time necessary adjustment in the prior year. Fewer written publications will be purchased due to the availability of online resources, saving \$400. Postage costs decreased \$350 as the budget can be reduced and brought more in line with the recent year's estimated expenditure usage.

Other Charges – Total Other Charges decreased \$27,790 or 31.4%. Computer consultant costs decreased \$22,000, as the new fire records management system will be supported by the system provider once the transition is complete. The budget decreased \$4,390 based on lower than anticipated State radio user fees. Medical service costs decreased \$700 as less follow-up testing is budgeted for the Peer Fitness Program. Fewer printed forms will be needed, saving \$700. Local meeting costs were reduced by \$250 based on recent lower attendance to lunch

Expenditure History

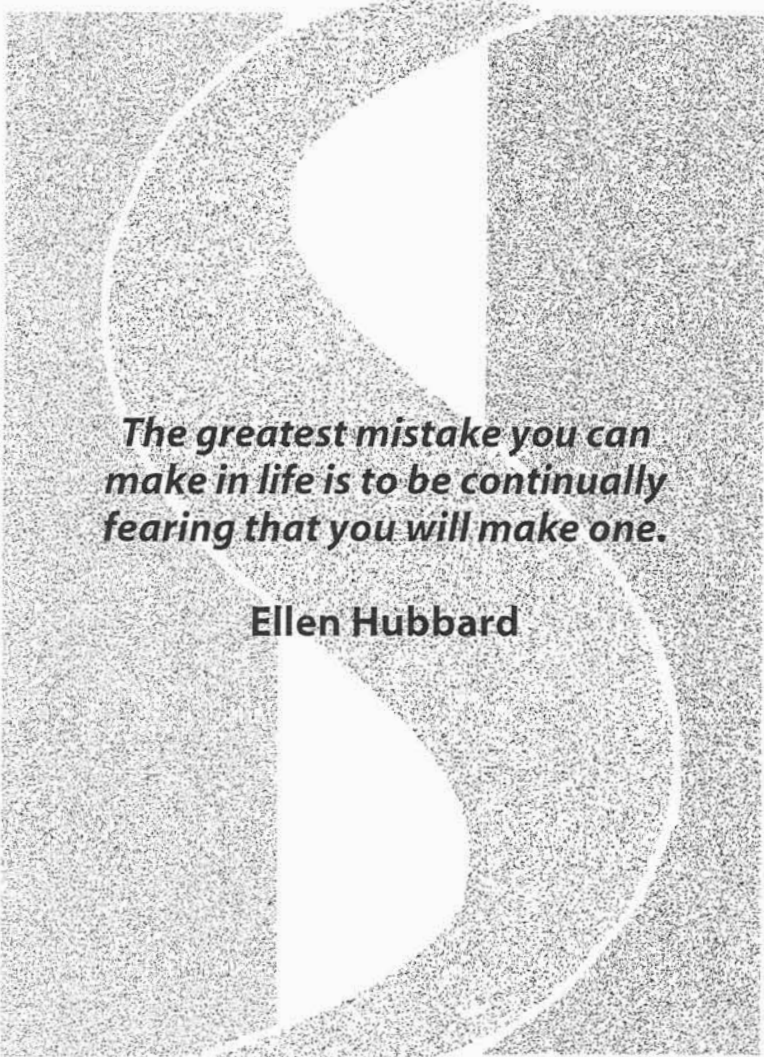


meetings, while fewer memberships are funded, saving \$200.

Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,193,466	\$1,250,040	\$1,230,230	\$1,292,990	\$1,292,990
Supplies	28,795	23,940	31,280	25,860	25,860
Other Charges	104,067	88,490	82,420	60,700	60,700
Total	\$1,326,328	\$1,362,470	\$1,343,930	\$1,379,550	\$1,379,550



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

Ellen Hubbard

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

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

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

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

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...

...the Fire Department is working towards a Regional Hazardous Materials Response Program which will provide specialized response of personnel and equipment to protect the public, the environment, and property during incidents involving a release of hazardous materials and weapons of mass destruction?

Fire Extinguishment

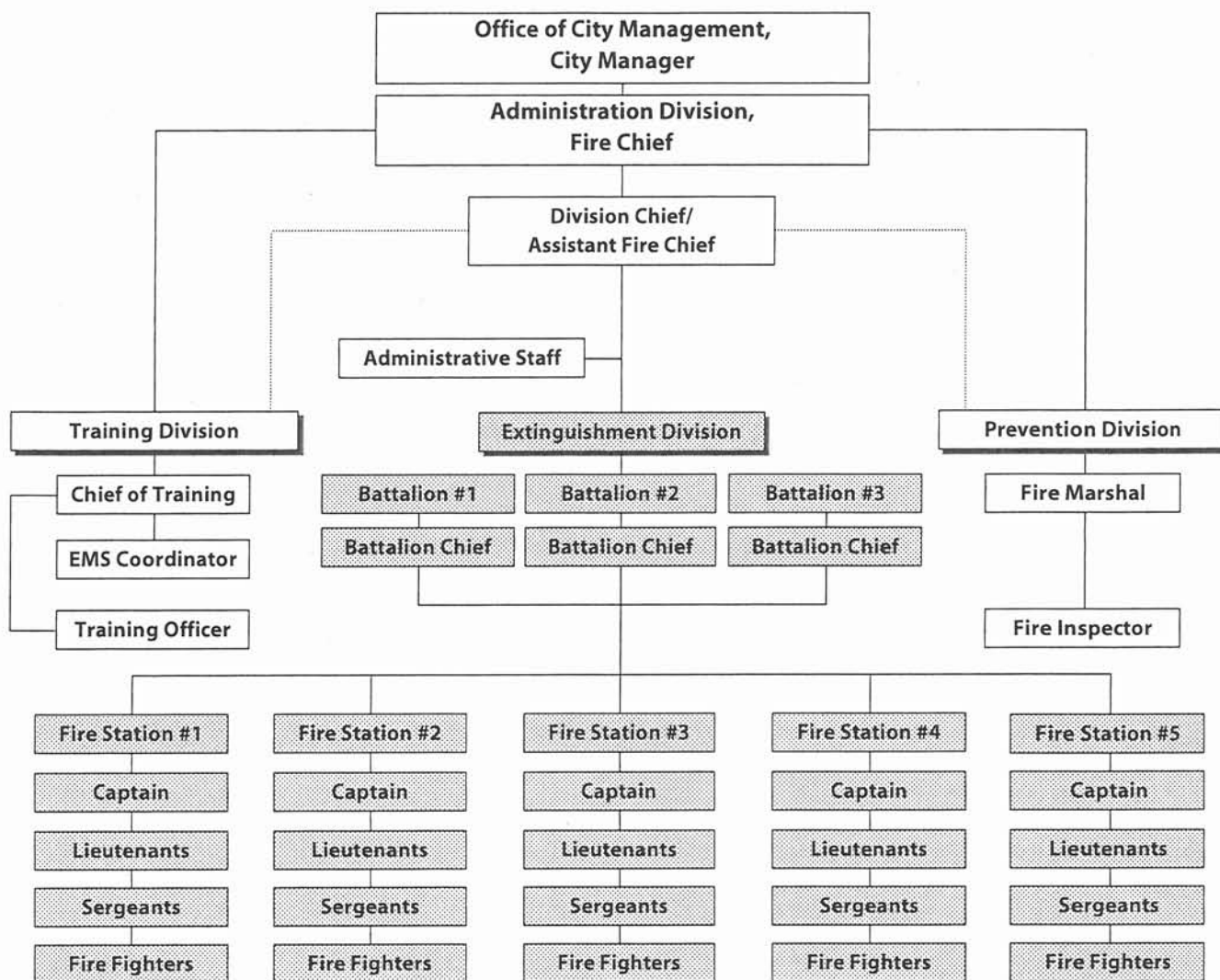
2011/12 PERFORMANCE OBJECTIVES

1. To successfully implement the New World Computer Aided Dispatch (CAD) system into daily operations. (City Goal 7, 17, 18)
2. To redefine response districts and response modes to minimize unnecessary movement/response of fire apparatus while continuing to deliver an effective and efficient level of emergency service. (City Goal 3, 4)
3. To successfully train all personnel in the use of the New World Records Management System ensuring effective and efficient daily operations. (City Goal 7, 17, 18)
4. To electronically capture all fire hydrant locations within the City for use on the City's GIS mapping system. (City Goal 2, 3, 17, 18)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Total Fire Department Incidents	10,496	10,480	10,383	10,860	11,000	11,000
	EMS-Related Incidents	7,691	7,745	7,693	8,000	8,200	8,200
	Hazardous Material Incidents	134	162	109	135	100	125
	Fire Incidents	332	316	279	325	310	325
	All Other Incidents	2,339	2,257	2,302	2,400	2,390	2,350
	ALS Patients	3,353	3,399	3,202	3,500	3,000	3,300
	BLS (Priority 3) Patients	3,946	4,102	4,444	4,300	4,200	4,500
	All Other EMS Patients	153	157	122	250	130	150
	Students Receiving Fire Safety Education	13,420	14,219	5,644	5,500	5,500	2,000
	Hours Spent on Vehicle/Station Maintenance	14,567	14,982	11,656	15,000	12,000	15,000
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.1/1.0	1.1/0.9	1.3/0.9	1.0/1.0	1.1/1.0	1.2/1.0
	Fire Fighter Injuries/Deaths	26/0	9/0	24/0	0/0	8/0	0/0
	Civilian Fire Related Injuries/Deaths	22/1	28/1	19/0	0/0	20/0	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	81%/80%	70%/69%	87%/77%	80%/77%	78%/75%	80%/78%
	Average EMS Response Time - Minutes	4.2	4.3	4.5	4.2	4.6	4.6
	Average Cost of an EMS Incident	\$196	\$197	\$204	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,398	\$2,407	\$2,439	*	*	*
	Division Expenditures as % of General Fund	15.32%	16.23%	17.19%	18.00%	18.34%	18.94%

* Cost is calculated for "Actual" columns only.

Fire Extinguishment



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Battalion Chief	3	3	3
Captain - ALS	3	3	3
Captain	2	2	2
Lieutenant - ALS	12	12	12
Lieutenant	4	4	4
Sergeant - ALS	1	1	1
Sergeant - FEO	8	8	8
Fire Fighter - ALS	42	42	42
Fire Fighter - FEO	13	13	13
Fire Fighter	2	2	2
Total	90	90	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 1.6%.

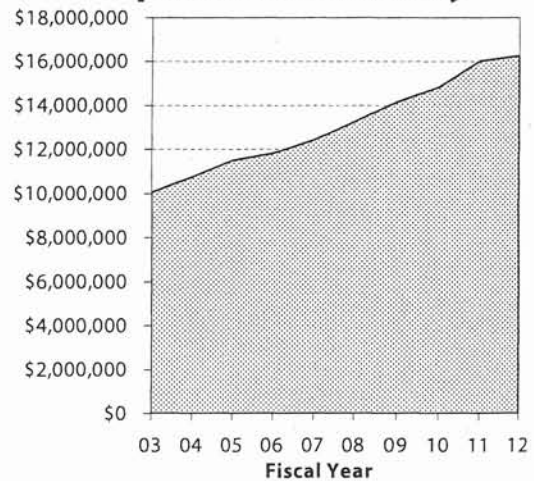
Personnel Services – The total Personnel budget increased by \$270,960 or 1.8%. The overall increase is a result of higher actuarially required City contributions to the Police & Fire Pension System, which rose by \$460,490, or 20.1%, due to prior year stock market declines. In addition, health insurance premiums rose \$76,580, or 6.7%. Partially offsetting these costs is assumed savings from the continuation of last year's wage concessions and additional concessions next year in line with the City's overall financial plan.

Supplies – Total Supplies increased \$2,380 or 2.0% due to a one time budget adjustment in the prior year.

Other Charges – Total Other Charges decreased \$21,500 or 5.2%. Heating costs decreased \$14,000 based on recent years' expenditure trends, additional energy cost saving measures, and lower negotiated rates. Equipment maintenance costs decreased \$2,150 primarily due to a reduced need for various repair parts and a prior year reappropriated encumbrance. Water costs decreased \$2,000 and rental costs fell \$1,000 to reflect lower actual expenditure levels. Telephone costs decreased \$1,850 and contracted service costs decreased \$350, both based on the current year's estimated expenditures.

Capital – Total Capital of \$530,000 is proposed. \$260,000 in grant match funding is carried over from last year to replace a 23-year old Fire Engine. As the

Expenditure History



City was not approved for the grant, an additional \$270,000 is proposed for another 50% grant-match to purchase the replacement engine if grant funding is again not obtained. If a grant is secured, the City can also use the funds toward replacing a 22-year old Fire Engine that is also in need of replacement.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$14,328,102	\$15,477,340	\$15,429,490	\$15,748,300	\$15,748,300
Supplies	118,129	117,620	117,620	120,000	120,000
Other Charges	392,846	415,950	388,650	394,450	394,450
Total	\$14,839,077	\$16,010,910	\$15,935,760	\$16,262,750	\$16,262,750

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

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

Inspections:

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

Plan Reviews:

1. Site
2. Buildings
3. Fire systems

Fire Investigations:

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

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

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

State Inspections:

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

Public Fire Education:

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

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

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

KEY GOALS

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

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

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

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

Did you know...

...the Fire Prevention division is responsible for fire and life safety inspections in the 375 assemblies and 18 designated SARA Title III Hazardous Material sites within the City?

Fire Prevention

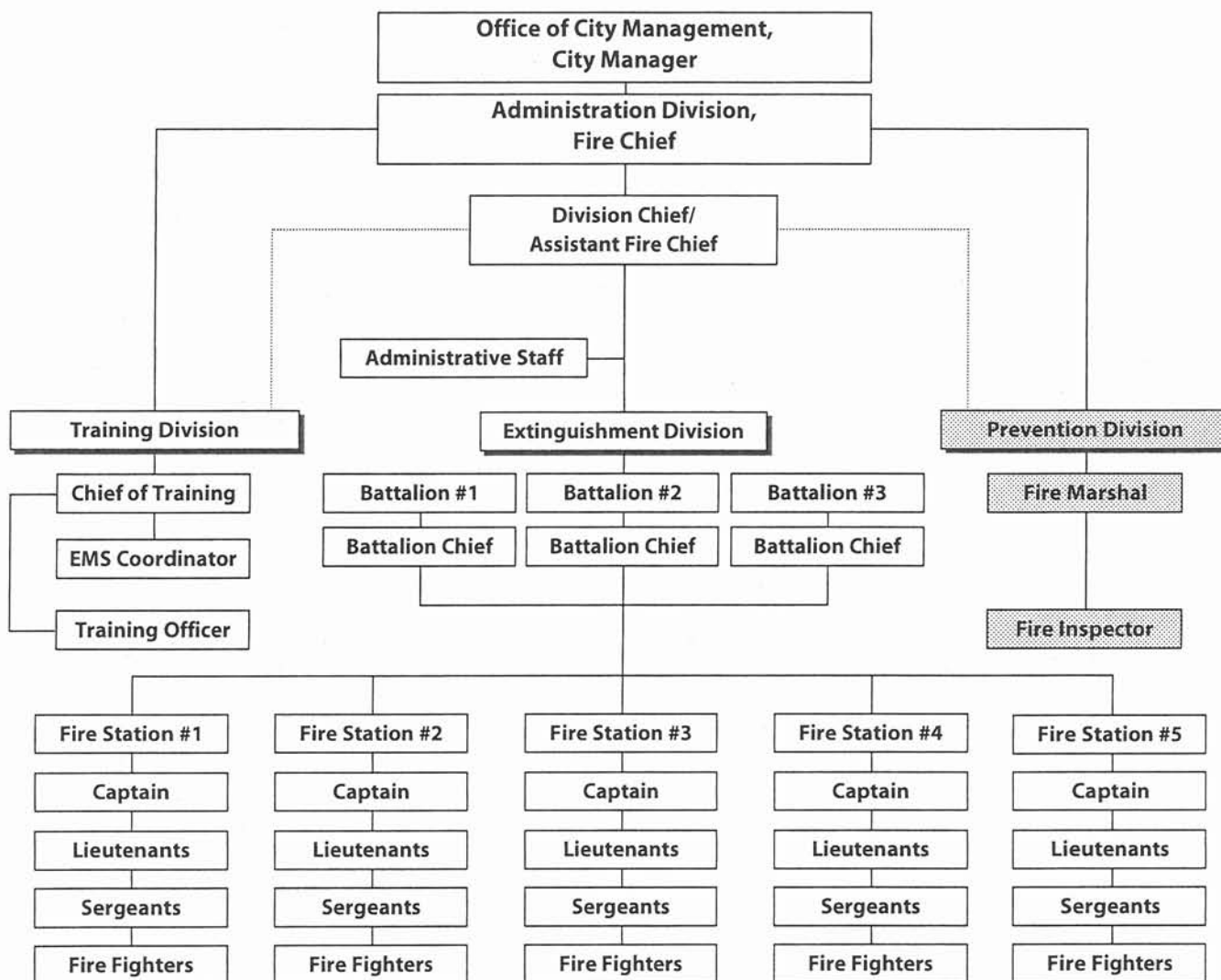
2011/12 PERFORMANCE OBJECTIVES

1. To successfully train all personnel in the use of the New World Records Management System ensuring effective and efficient daily operations. (City Goal 6, 7, 17, 18)
2. To develop a succession plan in anticipation of the Fire Marshal's retirement. (City Goal 3, 7)
3. To reorganize all Fire Prevention records and utilize electronic data storage where available. (City Goal 3, 17, 18)
4. To examine all operating guidelines and procedures to ensure the most efficient and effective service delivery. (City Goal 3, 7, 19)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Total Inspections Conducted	3,767	3,874	2,859	2,200	2,510	1,235
	Annual Building Fire Inspections	821	1,052	610	600	475	0
	Special Code or Final Occupancy Inspections	512	554	520	190	525	525
	Liquor Lic., Amusement, & Hazardous Bldg. Insp.	374	369	339	350	350	350
	Witnessed Acceptance Tests Inspections	137	125	106	90	80	80
	Reinspections of Violations	1,781	1,693	1,195	900	1,000	200
	Citizen Assistance Inspections	142	81	89	70	80	80
	Violations Discovered and Issued	9,391	7,495	5,831	5,000	5,500	3,000
	Investigations (Fire and Other)	210	133	82	150	90	90
	Plan Reviews (sites, buildings, alarms)	451	298	367	300	350	350
Efficiency & Effectiveness	% Bus. Receiving Violations during Inspections	95%	95%	95%	95%	95%	99%
	Value of Non-Residential Fire Loss	\$343,026	\$704,662	\$191,351	\$350,000	\$350,000	\$350,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	90%	95%	95%
	% of Inspectable Occupancies Experiencing Fires	0.60%	0.60%	0.60%	0.75%	0.75%	0.75%
	Inspections Conducted Per Inspector/Marshal	580	646	715	630	717	617
	% of Site Plans Reviewed within 20 Days	100%	100%	100%	100%	100%	50%
	Average Fire Inspection Cost	\$373	\$361	\$393	*	*	*
	Average Plan Review Cost	\$174	\$203	\$180	*	*	*
	Division Expenditures as % of General Fund	1.36%	1.32%	1.15%	1.05%	1.03%	0.89%

* Cost is calculated for "Actual" columns only.

Fire Prevention



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Fire Marshal	1	1	1
Fire Inspector	5	3	1
Total	6	4	2

Fire Prevention

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 18.4%.

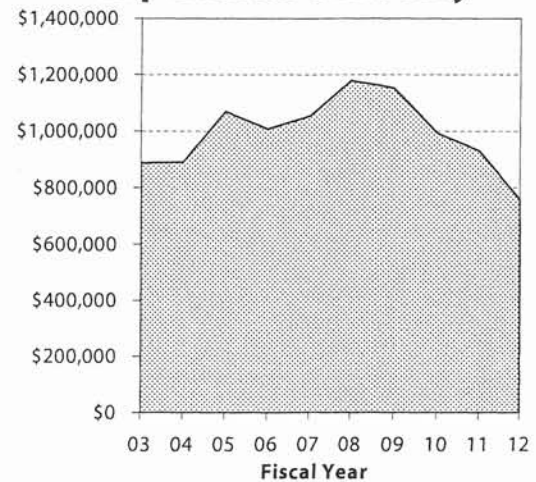
Personnel Services – The total Personnel budget decreased by \$171,240 or 18.4% from last year's budget. Due to expected retirements, two Fire Inspector positions are proposed to remain vacant. The budget also assumes the continuation of last year's wage concessions and additional concessions next year. Partially offsetting these savings is a \$34,340 increase to the City's actuarially required contribution to the Police & Fire Pension System. The two remaining Fire Prevention staff will concentrate on required and mandatory hazardous building site inspections. The Fire administrative staff will work on alternate proposals for conducting non-mandatory business inspections.

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

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

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

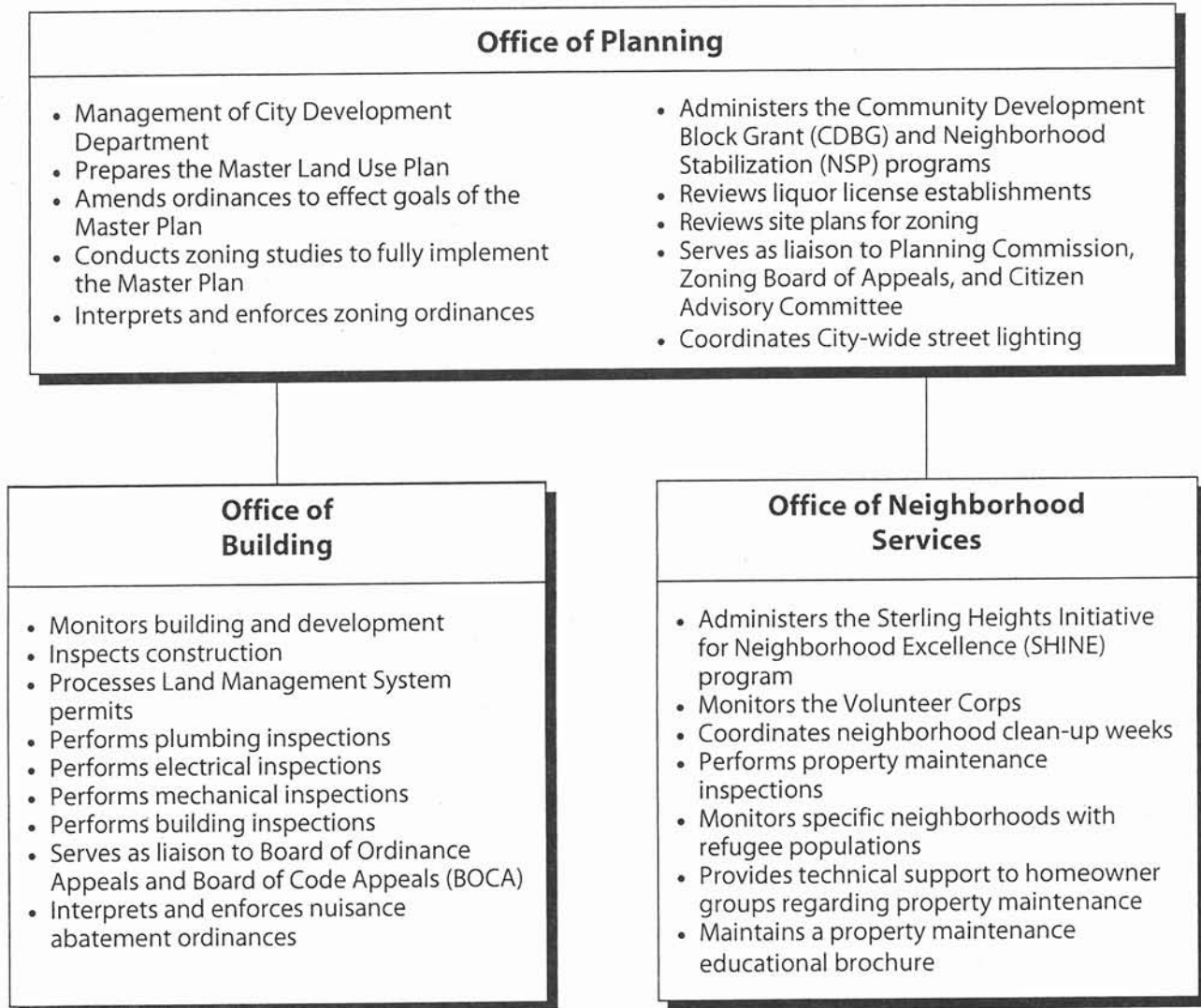
	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$993,183	\$931,310	\$891,930	\$760,070	\$760,070
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$993,183	\$931,310	\$891,930	\$760,070	\$760,070

City Development Department



FUNCTIONAL ORGANIZATION CHART

City Development



DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department budget increased by \$123,880 or 5.5%. Personnel costs increased by \$139,510 or 6.7%. Employee wages have been reduced by 4% and now total a 10% reduction from contractual levels. Despite this savings, costs rose due to a departmental reorganization and a reprioritization of services. Four full-time staff from Community Relations have been reassigned to Neighborhood Services to enhance the City's neighborhood property maintenance programs and to develop community based outreach programs. In Building, the vacant City Development Director/Assistant City Manager position has been eliminated with a portion of the duties assigned to the City Planner. A Clerk Typist has been reassigned to Fire Administration, while the CDBG Specialist and part-time NSP intern from the former Public Services office have

been relocated to Planning. Engineering staff has been relocated to the Building area to increase customer service for residents and developers. Less of the original \$250,000 foreclosure relief grant remains unspent, so part-time personnel costs decreased \$56,440, though new CDBG funding is budgeted for increased property maintenance inspections in qualifying neighborhoods. Supplies decreased by \$4,630 or 23.1% due to the one-time purchase of inspector code books in the prior year. Other Charges decreased by \$11,000 or 7.3%, due to reduced foreclosure relief funds, offset by increased nuisance abatement contract costs pending final lien payments. The capital budget includes funding to replace six-year old personal computers in Building and Planning.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Building	\$1,996,460	\$1,711,640	\$1,732,730	\$1,477,330	-14.7%
Foreclosure Relief	7,490	87,160	157,980	71,440	-54.8%
Neighborhood Services	0	0	0	399,560	100.0%
Planning	346,240	354,500	363,880	430,140	18.2%
Total Department	\$2,350,190	\$2,153,300	\$2,254,590	\$2,378,470	5.5%
Personnel Services	\$2,237,850	\$2,057,800	\$2,083,440	\$2,222,950	6.7%
Supplies	13,990	12,290	20,060	15,430	-23.1%
Other Charges	98,350	83,210	151,090	140,090	-7.3%
Total Department	\$2,350,190	\$2,153,300	\$2,254,590	\$2,378,470	5.5%

PERSONNEL SUMMARY

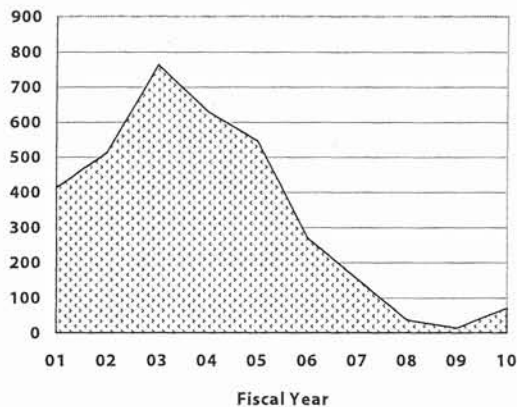
	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building	21	0	16	0	14	1	12	1
Foreclosure Relief	0	0	0	2	0	2	0	2
Neighborhood Services	0	0	0	0	0	0	4	0
Planning	3	0	3	0	3	0	4	1
Total Department	24	0	19	2	17	3	20	4

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

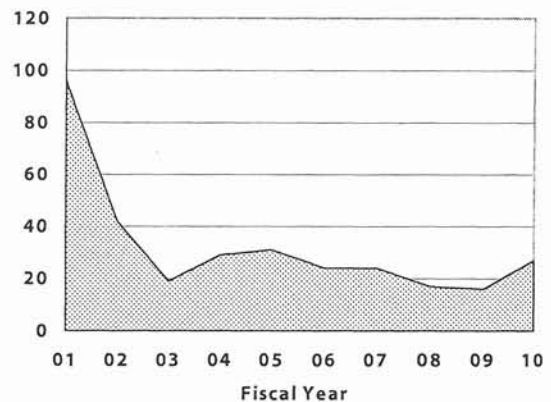
City Development Department

Residential Building Permits
New Construction



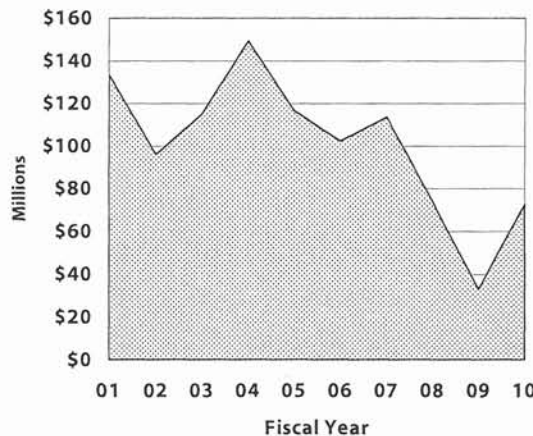
From 2001 to 2003, the number of residential building permits increased, reaching a high of 763 due in part to the increasing number of condominium units and cluster developments. Since 2003, however, the number has declined to a ten year low as only 14 permits were issued in 2009. The number of permits issued increased slightly in 2010.

Commercial Building Permits
New Construction



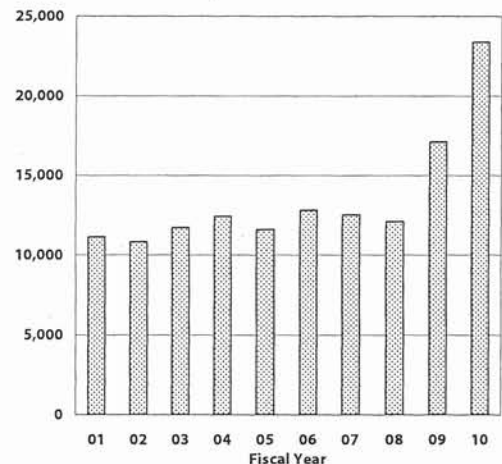
The highest number of new commercial building permits occurred in 2001, when 96 permits were issued. Since 2001, the number has fallen, reaching a low of only 16 permits issued in 2009. In 2010, 27 new commercial building permits were issued, which is a slight increase over the prior two years.

Building Permits at Market Value



The dollars invested in new building construction and improvements has fallen from a high of \$149 million in 2004 to a low of only \$33 million in 2009. The number of residential permits has dramatically declined. After reaching a high of 763 new construction residential permits in 2003, only 70 such permits were issued in 2010 – a decrease of nearly 91%. Commercial permits have dropped by 72% since 2001.

Code Enforcement Inspections



The number of code enforcement inspections has increased by 110% since 2001. The City has made a concerted effort to strengthen and vigorously maintain property values by eliminating blighting influences. Starting in 2009, the City's building inspectors began to assist code enforcement officers with code inspections. In 2010 there were 23,666 code enforcement inspections made – 2,921 inspections per officer or 11 inspections per officer per day. 95% of inspections were performed within 48 hours of complaint. 4,762 violations were issued in 2010.

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 in the City are well constructed.

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

Similarly, the wellness of the community is looked after from the ground up when it comes to the construction of buildings that are open to the general public for daily use. The community is safeguarded against improperly constructed structures by numerous preliminary and final inspections by the Building staff. The building and maintenance of these structures in a safe manner is the ultimate goal of the employees involved in the inspections.

To best serve the interests of the taxpayers, developers and investors in the community, the Building activity is operated in a manner which allows the most efficient and timely response possible. The Land Management System provides users better access to all information contained in the database. The established plan review process provides for the efficient administration of the permitting process.

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

KEY GOALS

- *To aggressively inspect all new residential construction to ensure a safe living environment for our residents.*
- *To process permits in an expedient and efficient manner.*
- *To review plans and construction drawings in a manner that will reduce the time necessary to issue permits.*
- *To protect public safety, health, and welfare and preserve property values by strictly enforcing property maintenance standards.*

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

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

Did you know...

...there were over 300 cases heard by the Ordinance Board of Appeals for blighted properties during fiscal year 2009/10?

Building

2011/12 PERFORMANCE OBJECTIVES

(Building)

1. To update the homeowner brochures to reflect changes in the newly adopted construction codes and resulting changes in the City's Ordinances. (City Goal 12, 13)
2. To conduct a homeowner's symposium to answer questions from residents on City Ordinances and Construction Codes to assist them on completing home improvement projects. (City Goal 12, 14, 15)
3. To review utilizing the BS&A computer software system for Building and Code Enforcement operations. (City Goal 18)
4. To provide training to current inspection staff to perform residential plan reviews and approve applications for ordinance requirements on proposed projects. (City Goal 3, 5, 12)
5. To develop and implement inter-local or reciprocating inspection agreements with surrounding communities to share inspection services. (City Goal 2, 3)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Total Permits Issued	5,160	3,609	4,853	4,300	4,400	4,470
	Building Permits Issued	2,369	1,404	2,259	1,600	1,550	1,700
	Mechanical Permits Issued	1,024	840	1,104	1,100	1,350	1,200
	Plumbing Permits Issued	729	685	657	750	630	700
	Electrical Permits Issued	1,038	680	833	850	870	870
	Total Inspections Performed	19,669	14,904	13,316	13,300	13,500	13,800
	Building Inspections	7,972	6,047	6,053	6,000	6,250	6,300
	Mechanical Inspections	3,684	2,602	2,638	2,600	2,750	2,800
	Plumbing Inspections	3,630	2,785	2,275	2,400	2,200	2,300
	Electrical Inspections	4,383	3,470	2,350	2,300	2,300	2,400
	Ordinance Complaint Tickets Issued	23	0	1	5	5	3
	Board of Code Appeals Applications	6	2	2	4	3	3
	Board of Ordinance Appeals Hearings	23	22	27	20	25	24
	Insurance Service Office (ISO) Rating	2	2	2	2	2	2
Efficiency & Effectiveness	% of Inspections Performed on Schedule	95%	95%	95%	95%	95%	95%
	% of Commercial Plans Reviewed w/i 20 days	95%	95%	95%	95%	95%	95%
	% of Residential Plans Reviewed w/i 10 days	95%	95%	95%	95%	95%	95%
	Average No. of Inspections per Budgeted Inspector	2,070	2,293	2,959	2,960	3,000	3,070
	Market Value of Building Permits (Millions)	\$74.0	\$33.0	\$72.4	\$35.0	\$79.0	\$75.0
	Permits Issued via City's Website	36	36	49	30	80	75
	Activity Expenditures as % of General Fund	2.55%	2.29%	1.98%	1.95%	1.95%	1.72%

Building

2011/12 PERFORMANCE OBJECTIVES

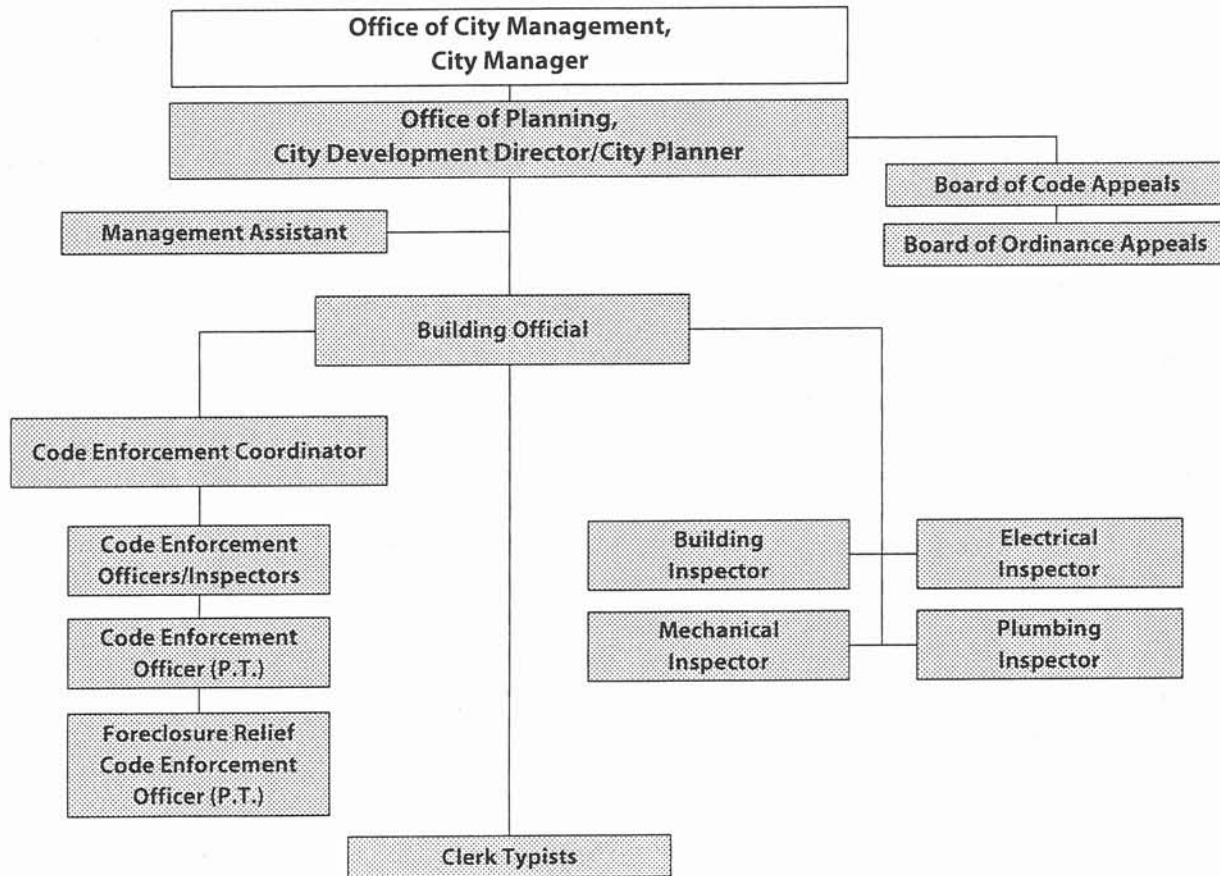
(Code Enforcement)

1. To aggressively enforce the City's Ordinance requiring residents and building owners to clear snow and ice from the sidewalks within 24 hours. (City Goal 12, 13, 14)
2. To identify and target specific areas that require additional enforcement efforts of the Property Maintenance Code and City Ordinances. (City Goal 12, 13, 14)
3. To utilize all Building Office inspectors for assistance in the enforcement of the Property Maintenance Code and City Ordinances on all properties in the City. (City Goal 13, 14)
4. To inspect and monitor gas stations throughout the City for compliance to local ordinances and the Property Maintenance Code. (City Goal 12, 13)
5. To assist in the implementation of the Sterling Heights Initiative for Neighborhood Excellence (SHINE) program. (City Goal 14, 16)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Total Inspections Performed	12,074	17,096	23,366	24,500	24,000	22,500
	Total Code Enforcement Cases	2,364	4,329	4,762	4,350	4,910	4,840
	Public Nuisance Cases	69	88	135	250	350	360
	Illegal Sign Cases	88	473	405	500	400	400
	Trash & Debris Cases	173	404	320	350	300	300
	Junk Vehicle Cases	174	260	210	300	200	200
	Property Maintenance Cases	1,060	1,974	2,464	2,600	3,120	3,090
	Miscellaneous Cases	800	1,130	1,228	350	540	490
	Ordinance Board Cases Prepared - Nuisances	250	195	415	440	410	400
	Civil Infraction & Misdemeanor Tickets Issued	305	93	286	300	300	300
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	94%	95%	95%	95%	95%	95%
	Avg. Working Days Between Violation & Correction	10	10	10	10	10	10
	% of Violations Corrected Prior to City Action	75%	95%	90%	90%	90%	90%
	Inspections Performed Per Code Inspector	2,012	2,849	2,921	3,060	3,000	2,813
	Code Enforcement Cases Per Code Inspector	394	722	595	620	700	690
	Code Enforcement Cases Per 1,000 Residents	18.5	33.7	37.1	33.9	38.2	37.7
	Average Cost to Perform a Code Inspection	\$22.60	\$19.07	\$18.20	*	*	*

* Cost is calculated for "Actual" columns only.

Building



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
City Development Director/Asst. City Manager	1	1	0
Building Official	0	0	1
Building Services Manager	1	1	0
Code Enforcement Coordinator	1	1	1
Building Inspector/Code Enforcement Officer	3	3	3
Electrical Inspector/Code Enforcement Officer	2	1	1
Mechanical Inspector/Code Enforcement Officer	2	1	1
Plumbing Inspector/Code Enforcement Officer	1	1	1
Code Enforcement Officer	1	1	1
Management Assistant	1	1	1
Clerk Typist	3	3	2
Foreclosure Relief Code Enforcement Officers (P.T.)	2	2	2
Code Enforcement Officer (P.T.)	0	1	1
Total	18	17	15

Building

SUMMARY OF BUDGET CHANGES

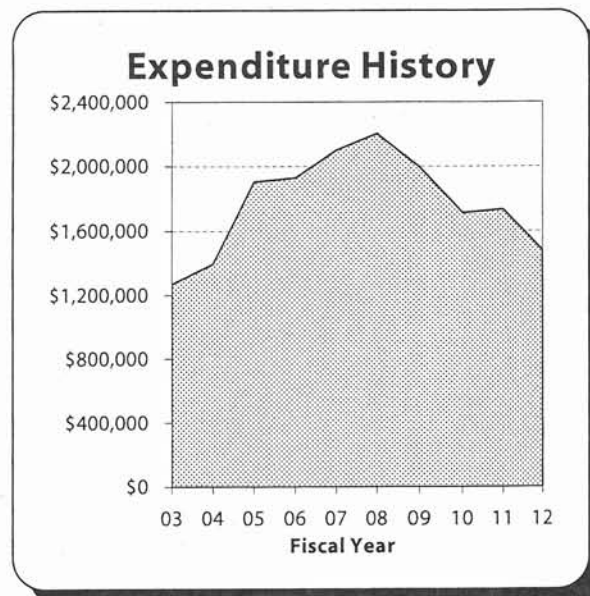
SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 14.7%.

Personnel Services – The total Personnel budget decreased by \$265,440 or 16.5%. The overall reduction is a result of continued wage and benefit concessions as well as the elimination of two vacant positions. A portion of the vacant City Development Director's duties will be reassigned to the City Planner, while a Clerk-Typist position has been relocated to Fire Administration. Overtime costs fell by \$20,500. The relocation of the Engineering office staff upstairs near the Building counter will also make it easier for cross training of clerical staff and more convenient for residents and developers to conduct business.

Supplies – Total Supplies decreased \$5,950 or 34.0%. Publications decreased \$5,450 primarily for the one-time funding of code books in the prior year. The office saved \$500 in supply costs, as fewer toner cartridges are needed due to the ability to print documents more cost-efficiently on the copy machines.

Other Charges – Total Other Charges increased \$15,990 or 15.1%. \$15,000 was added for increased nuisance abatement contract costs, which remain a cost to the City until the property owner pays the invoice for cleanup services or the lien resulting from an unpaid invoice is satisfied. The annual maintenance contract for the Land Management software increased \$4,150. Fewer memberships are funded due to a reduction in staff, saving \$1,150. Educational funding decreased \$1,100, also due to staff downsizing and a slight reduction in Inspector classes, as savings on

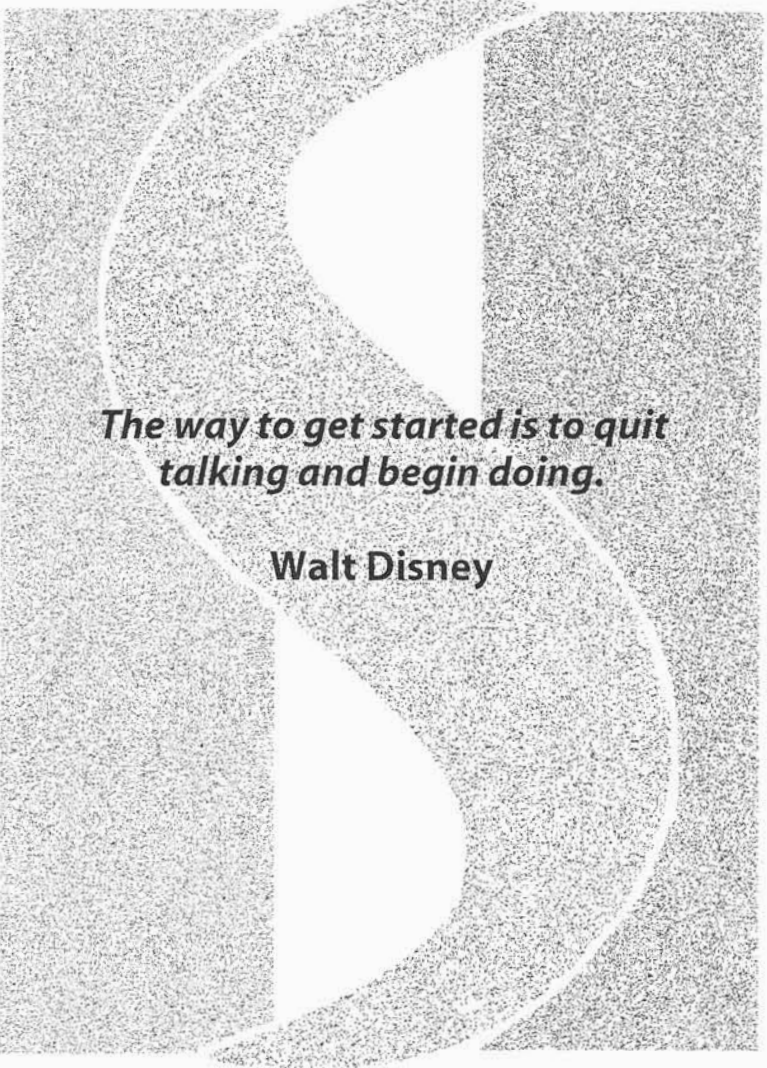


related travel expenses will continue to be maximized. Telephone costs decreased \$380 as two Nextel telephones were eliminated. \$350 was saved due to a decrease in the number of building plans to be microfilmed.

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

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,622,588	\$1,609,580	\$1,542,680	\$1,344,140	\$1,344,140
Supplies	9,845	17,500	16,100	11,550	11,550
Other Charges	79,204	105,650	134,270	121,640	121,640
Total	\$1,711,637	\$1,732,730	\$1,693,050	\$1,477,330	\$1,477,330



***The way to get started is to quit
talking and begin doing.***

Walt Disney

MISSION STATEMENT: *To address the adverse impact on the City's residential housing stock from the foreclosure crisis, thus generating the maximum benefit for the community.*

A \$250,000 grant from the Attorney General of the State of Michigan was awarded to the City of Sterling Heights to combat the residential foreclosure crisis affecting all Michigan communities. It is anticipated, based on this funding level, the overall program strategy will continue through fiscal year 2011/2012. In this time period, foreclosed properties will be identified using lists from tax and mortgage foreclosures, local records, available HUD homes and neighborhood research. These foreclosed properties are then inspected for violations of the City's property maintenance code.

Property owners and/or asset managers are required to make improvements necessary to abate the nuisance conditions. If corrections are not made in a timely manner, the City will process violations through the Ordinance Board of Appeals (OBA) abatement process. If the property is determined to be a nuisance by the OBA, the City will make arrangements to have the nuisance abated at the owner's expense. Once compliance is realized, inspectors will monitor the foreclosed property for recurring violations until the property is re-occupied by a motivated property owner.

By using the grant award funding for this Program's costs, the City's ongoing effort to maintain the quality of its residential neighborhoods will have a greater impact.■

KEY GOALS

- *To inspect foreclosed properties for violations of the City's property maintenance code.*
- *To abate any conditions of foreclosed properties that are declared a public nuisance.*
- *To provide educational programs conducted at the Sterling Heights Public Library to enhance public awareness of foreclosure avoidance options.*

Did you know...

...the Foreclosure Relief Code Enforcement Officers check each foreclosed property in the City two times a month?

Foreclosure Relief

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 54.8%.

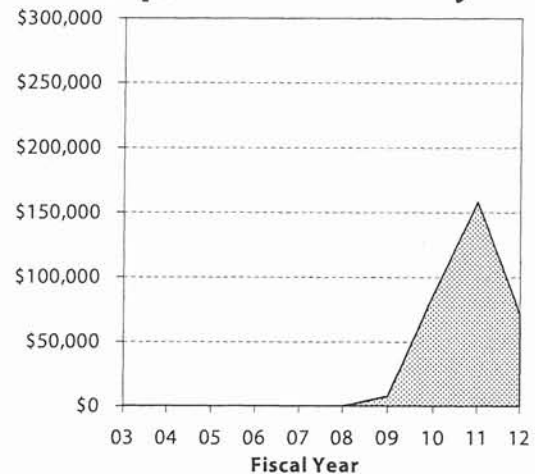
Personnel Services – The total Personnel budget decreased by \$56,440 or 49.7%. The decrease is strictly due to the remaining grant funds available under the \$250,000 original Foreclosure Relief grant. It is estimated funding will be available for two part-time Code Enforcement Officers to continue inspecting foreclosed properties in the City through next spring. In addition, funding is available in the Community Development Block Grant Fund to continue this program for the remainder of the fiscal year in eligible City neighborhoods that qualify under CDBG guidelines.

Supplies – Total Supplies decreased \$50 or 3.1%, as the postage budget for next fiscal year reflects the remaining unspent grant funding for the program.

Other Charges – Total Other Charges decreased \$30,050, primarily due to the redirecting of unspent contingency funds to the part-time wages account for Code Enforcement Officers to continue inspections of foreclosed properties. The training budget decreased \$5,000, as prior year funds were not required. Printing costs decreased \$50, as fewer new brochures and door tags will be needed next year.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$84,126	\$113,480	\$83,640	\$57,040	\$57,040
Supplies	1,573	1,600	1,600	1,550	1,550
Other Charges	1,458	42,900	1,300	12,850	12,850
Total	\$87,157	\$157,980	\$86,540	\$71,440	\$71,440

MISSION STATEMENT: *To build community pride and enhance the look and value of the City's neighborhoods by interacting with residents on a sustained long-term basis.*

It is the responsibility of Neighborhood Services to implement and administer the Sterling Heights Initiative for Neighborhood Excellence (SHINE). The outreach components of this comprehensive initiative consist of utilizing Neighborhood Liaisons (NL's) to assist residents with property maintenance issues, litter control, and neighborhood outreach. Through grant funding, part-time Neighborhood Liaison Officers who are multi-lingual will focus on targeted neighborhood areas where there has been a significant influx of refugees.

Neighborhood Services also works closely with existing neighborhood groups such as homeowners and condominium associations, Neighborhood Watch programs, and manufactured home and apartment managers to inform and assist property owners on maintenance issues.

Neighborhood Services works with both Animal Control and Code Enforcement Officers to ensure compliance with property maintenance standards.

The Neighborhood Services Manager supervises the operations of the Division and serves as the administrative liaison to the volunteer corps. The volunteer corps assists residents who may not have the financial and/or physical ability to address various property maintenance tasks.

The Neighborhood Services Division develops and maintains a Property Maintenance Dos & Don'ts Brochure, which is used to assist residents who may have language, cultural, or other barriers.

Neighborhood Services is also responsible for coordinating Neighborhood Clean-up Weeks primarily in the spring, as well as ensuring that public spaces are being maintained regularly, which includes inspecting over 200 courtyard islands under the premise that, if public property is better maintained, private property will be as well.

The Neighborhood Services Division works hand-in-hand with residents, code enforcement officers and neighborhood associations with property maintenance being the primary goal.

KEY GOALS

- *To provide technical review and support for the implementation and administration of the Sterling Heights Initiative for Neighborhood Excellence (SHINE) program.*
- *To establish and maintain a volunteer corps to assist residents who may be at a disadvantage as it relates to property maintenance tasks.*
- *To target specific neighborhoods where there has been a significant influx of refugees in order to reduce barriers to existing support programs and provide code compliance education.*
- *To provide technical support to homeowner associations and other residential groups to address various property maintenance issues.*
- *To protect public safety, health, welfare, and property values by administering regulations, property maintenance ordinances, and other general codes.*

The Division's emphasis is on preserving neighborhood excellence. Through a comprehensive outreach program, community groups and residents can effectively interact with service providing agencies. Neighborhood assessment plans are utilized to prioritize issues and the Division is responsible for ensuring compliance with community standards.■

Did you know...

...the Office of Neighborhood Services will maintain a web page to promote the City's new outreach efforts and provide an effective electronic means for individuals to volunteer to support the program?

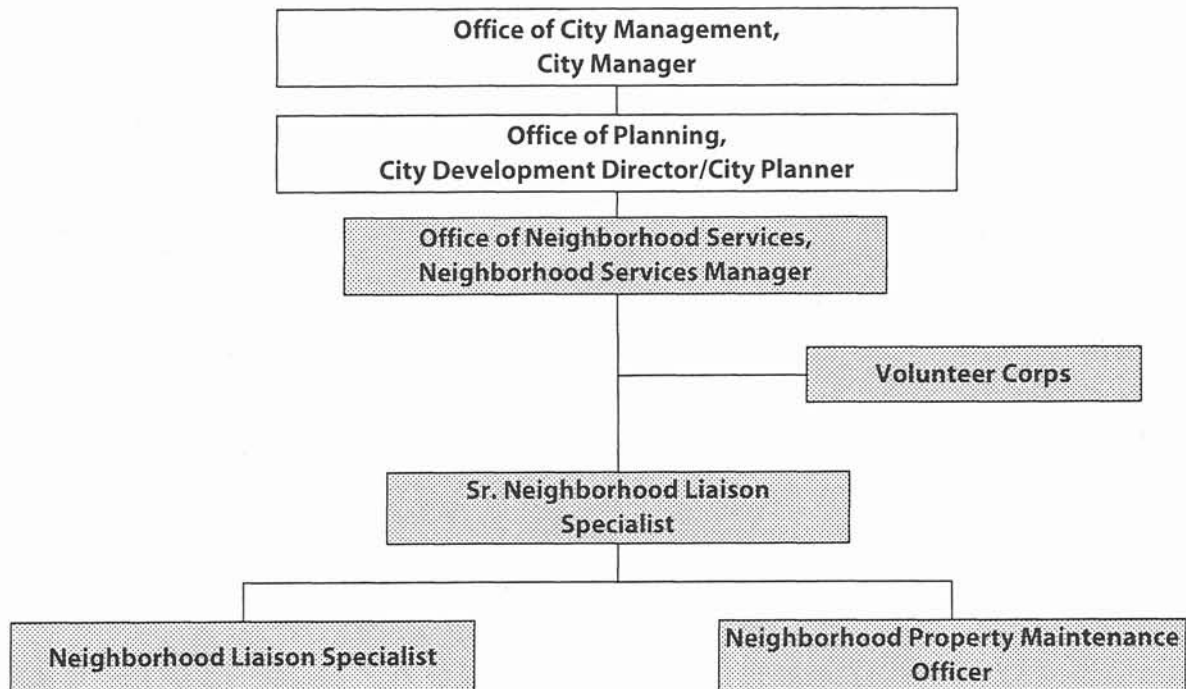
Neighborhood Services

2011/12 PERFORMANCE OBJECTIVES

1. To review the City's current property maintenance ordinance and recommend amendments which encourage voluntary compliance and minimize violation recidivism. (City Goal 3, 13, 14)
2. To develop a Property Maintenance Dos & Don'ts Brochure to educate residents on the City's property maintenance standards and expectations. (City Goal 13, 14)
3. To actively recruit resident volunteers who are willing to assist their neighbors who may not have the wherewithal to adequately address various property maintenance tasks. (City Goal 13, 14, 16)
4. To identify and seek grant funding to hire part-time multi-lingual Neighborhood Liaisons (NL's) who will focus on targeted areas where there has been a significant influx of refugees ensuring that communication and lack of knowledge is not a barrier to Code compliance. (City Goal 13, 14, 16)
5. To coordinate with Public Works an effort to improve the landscaping maintenance on cul de sac islands in older subdivisions. (City Goal 13, 15)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	External Group Meetings	N/A	N/A	N/A	N/A	1	15
	Citizen Contacts	N/A	N/A	N/A	N/A	20	700
	Inspections Performed	N/A	N/A	N/A	N/A	50	250
	Number of Violations Issued	N/A	N/A	N/A	N/A	0	20
	Board of Ordinance Appeals Cases Prepared	N/A	N/A	N/A	N/A	0	10
	Property Maint. Informational Booklets Distributed	N/A	N/A	N/A	N/A	0	200
	Volunteer Corps Membership	N/A	N/A	N/A	N/A	0	50
	Outreach Videos Produced	N/A	N/A	N/A	N/A	0	2
	Neighborhood Clean Up Events Scheduled	N/A	N/A	N/A	N/A	0	3
	New Grants Applied For/Grants Received	N/A	N/A	N/A	N/A	0/0	1/1
Efficiency & Effectiveness	% of Inspections Performed w/ 48 Hours of Complaint	N/A	N/A	N/A	N/A	90%	90%
	% of Violations Corrected Prior to City Action	N/A	N/A	N/A	N/A	80%	80%
	Citizen Contacts per F.T. Employee	N/A	N/A	N/A	N/A	5	175
	% of Community/School Sidewalks Cleared w/i 4 days	N/A	N/A	N/A	N/A	N/A	100%
	Activity Expenditures as % of General Fund	N/A	N/A	N/A	N/A	0.08%	0.47%

Neighborhood Services



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Neighborhood Services Manager	0	0	1
Sr. Neighborhood Liaison Specialist	0	0	1
Neighborhood Liaison Specialist	0	0	1
Neighborhood Property Maint. Officer	0	0	1
Total	0	0	4

Neighborhood Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

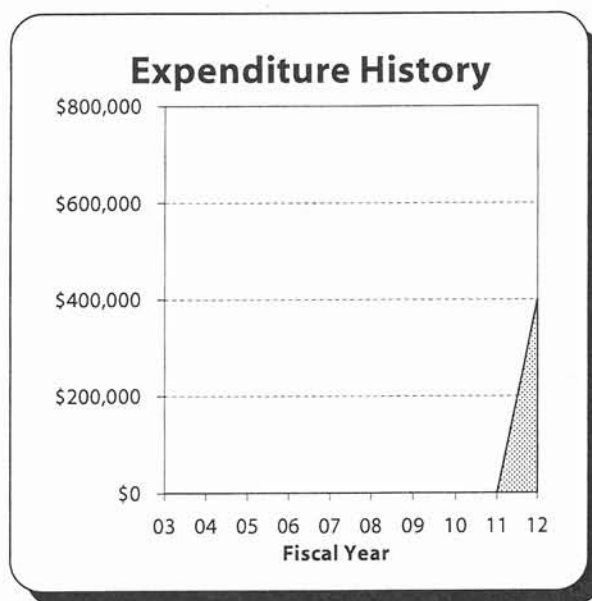
The total budget increased by 100%.

Personnel Services – The total Personnel budget increased by \$394,890 or 100%. Four staff in the Community Relations Department have been reassigned to this newly established office to enhance the City's property maintenance programs and develop an outreach program to improve the look and appearance of the City's neighborhoods. The wage and benefits of the newly assigned employees remain the same and also include the second straight year of wage and benefit concessions.

Supplies – Total Supplies of \$1,500 is budgeted for postage costs and operating supplies needed for the operation of the newly established Neighborhood Services office.

Other Charges – Total Other Charges of \$3,170 is proposed. \$1,600 is budgeted for reassigned Nextel phones and office telephone costs. \$1,000 is funded for the printing of property maintenance informational booklets and other printed materials. \$470 is included for the Manager's attendance at a training conference. \$100 is budgeted for local meeting costs to aid in recruiting a volunteer corps.

Capital – There is no Capital proposed for this activity, as office staff will use existing City computers.



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$64,640	\$394,890	\$394,890
Supplies	0	0	370	1,500	1,500
Other Charges	0	0	200	3,170	3,170
Total	\$0	\$0	\$65,210	\$399,560	\$399,560

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

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

The City Planner serves as the administrative liaison to the Planning Commission. The Commission is required, by State enabling legislation, to prepare and adopt a Master Land Use Plan as set forth in the Michigan Planning Enabling Act, Public Act 33 of 2008. Planning provides the technical and professional assistance necessary for the creation of the plan, including any successive amendments.

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

Planning is also responsible for the interpretation and enforcement of the Zoning, Tree Preservation, and other ordinances. Certain annual inspections such as review of liquor license establishments are also conducted by this office. In addition, this office provides information to residents regarding street lighting.

This 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 110 of the Public Acts of 2006, as amended. The ZBA is a quasi-judicial body, and serves as the only body at the municipal level to hear appeals on

KEY GOALS

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

various zoning matters. These duties include ordinance interpretations, appeals of administrative decisions, modification, and variance of ordinance requirements, and use variances. The City Planner also serves as liaison to this Board.

The Office of Planning also administers the Community Development Block Grant (CDBG) and Section 8 Housing Choice Voucher programs. The CDBG program provides grants for community development activities while the Section 8 Housing Choice Voucher program provides housing and home programs for low income families.■

Did you know...

...the Office of Planning recently reviewed site plans for the new Chrysler Assembly Plant Paint Shop, which will add nearly 750,000 square feet of manufacturing floor area?

Planning

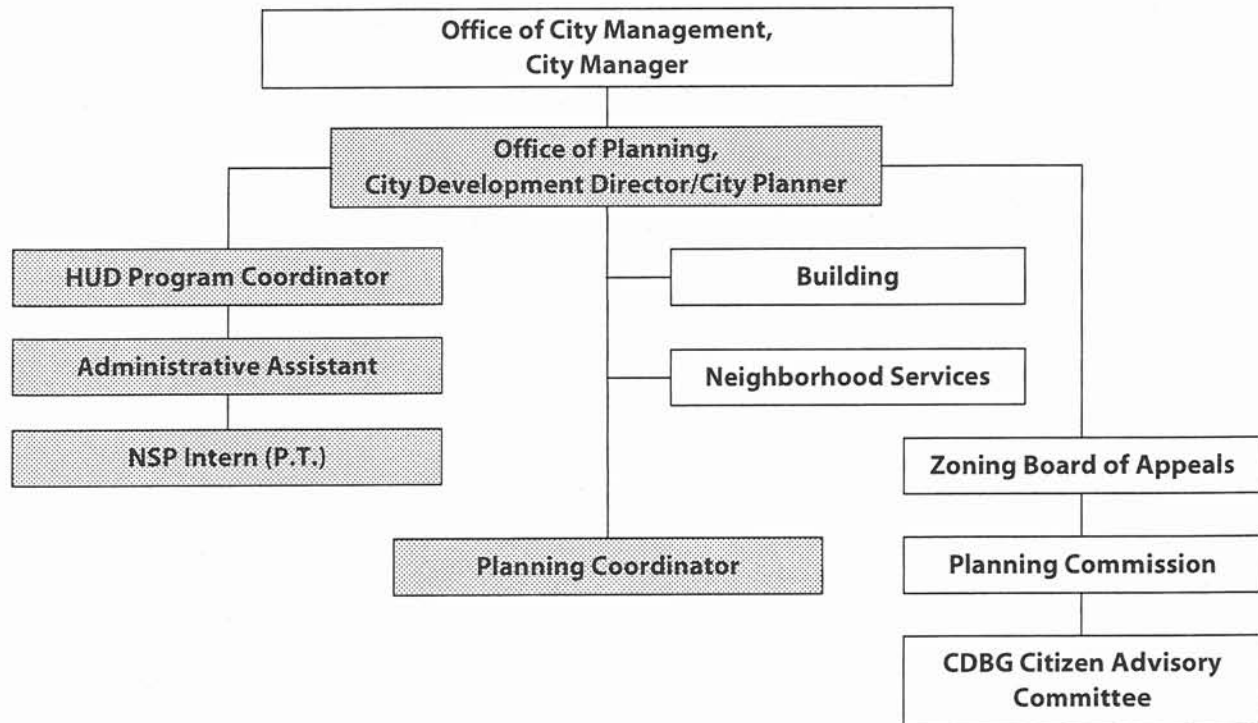
2011/12 PERFORMANCE OBJECTIVES

1. To provide technical assistance to the Planning Commission for the required periodic review of the Master Land Use Plan. *(City Goal 8, 11)*
2. To monitor and reinspect all four phases of the Commercial Reforestation Plan to ensure compliance with approved landscape plans and completed initial inspections. *(City Goal 13, 15)*
3. To assist in the implementation of the Sterling Heights Initiative for Neighborhood Excellence (SHINE) program. *(City Goal 14, 16)*
4. To review the Zoning Ordinance for potential amendments to create opportunities for businesses, strengthen the housing stock, and provide for orderly development. *(City Goal 10, 12)*
5. To review the City's street lighting usage and determine possible increased efficiencies from DTE. *(City Goal 1, 17)*

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Site Plans Reviewed	109	61	75	50	65	65
	Rezoning Petitions Processed	8	6	5	7	5	5
	Residential Developments	5	3	4	2	2	2
	Special Approval Land Uses Processed	12	6	14	10	10	11
	Site Inspections Conducted	221	294	614	425	460	450
	Planning Commission Cases Prepared	27	17	19	24	16	20
	Planning Commission Meetings Attended	10	9	9	12	9	12
	Temporary Uses, Variances, & Vacations Reviewed	62	62	50	50	55	50
	Zoning Board of Appeals Cases Prepared	27	32	40	30	32	30
	Zoning Board of Appeals Meetings Held	10	11	12	12	12	12
	Council Agenda Items Prepared	21	13	9	12	12	10
	Zoning Compliance, Use Permits Reviewed	364	302	349	260	300	300
	# of CDBG Home Rehab Applications Received	16	10	17	24	20	20
	Low/Middle Income Residents Assisted w/CDBG Funds	3,540	3,772	3,694	3,850	4,467	3,600
	Number of Street Lights in City	2,520	2,520	2,520	2,522	2,522	2,530
Efficiency	Number of Street Light Bills Reviewed & Approved	12	12	12	12	12	12
	% of Preliminary Site Plans Reviewed w/i 10 days	90%	90%	95%	90%	90%	90%
	% of Final Site Plans Reviewed w/i 3 days	90%	90%	95%	90%	90%	90%
	% of Property Splits Reviewed w/i 2 days	90%	95%	95%	90%	90%	90%
	% of Substandard Housing Rehab. Contracts Completed	90%	90%	95%	95%	95%	95%
	% of Street Light Problems Addressed w/i 24 Hours	100%	100%	100%	100%	100%	100%
	Average Cost to Review a Site Plan	\$1,219	\$1,518	\$1,348	*	*	*
	Activity Expenditures as % of General Fund	0.40%	0.40%	0.41%	0.41%	0.42%	0.50%

* Cost is calculated for "Actual" columns only.

Planning



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
City Development Director/City Planner	0	0	1
City Planner	1	1	0
Planning Coordinator	1	1	1
HUD Program Coordinator	0	0	1
Administrative Assistant	1	1	1
NSP Intern (P.T.)	0	0	1
Total	3	3	5

Planning

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

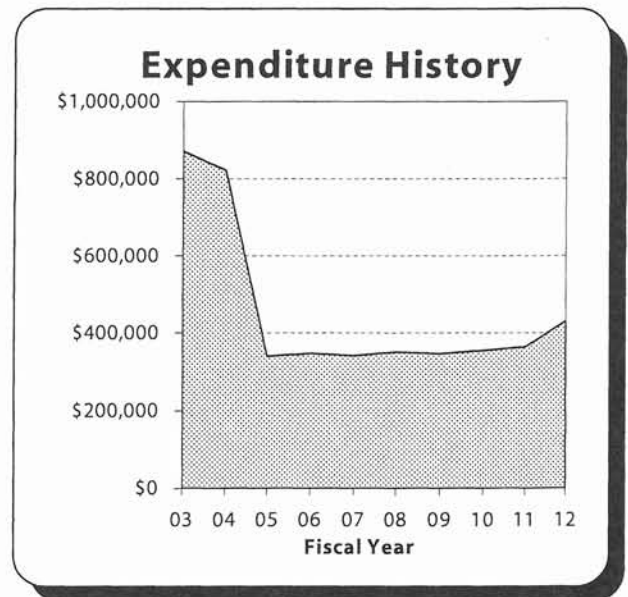
The total budget increased by 18.2%.

Personnel Services – The total Personnel budget increased by \$66,500 or 18.5%, primarily due to the relocation of the CDBG Specialist position from the former Public Services office. The part-time NSP Intern position has also been assigned to this office, and its funding is reflected in the Neighborhood Stabilization Program Fund. For the second straight year, employees in this office have agreed to wage and benefit concessions. The City Planner has been assigned some of the duties of the City Development Director, as is reflected in the position's title change.

Supplies – Total Supplies decreased \$130 or 13.5%. Postage costs fell \$100, as the budget can be reduced and brought more in line with actual expenditure trends. Operating supply costs decreased \$30, as fewer toner cartridges are needed due to the ability to print documents more cost-efficiently on the copy machine.

Other Charges – Total Other Charges decreased \$110 or 4.3%. Telephone costs decreased \$100 based on recent years' expenditure levels. The training budget decreased \$30, as savings on related travel expenses will be maximized. \$20 was added due to a slight increase in the American Planning Association (APA) membership fee.

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



FUNDING LEVEL SUMMARY

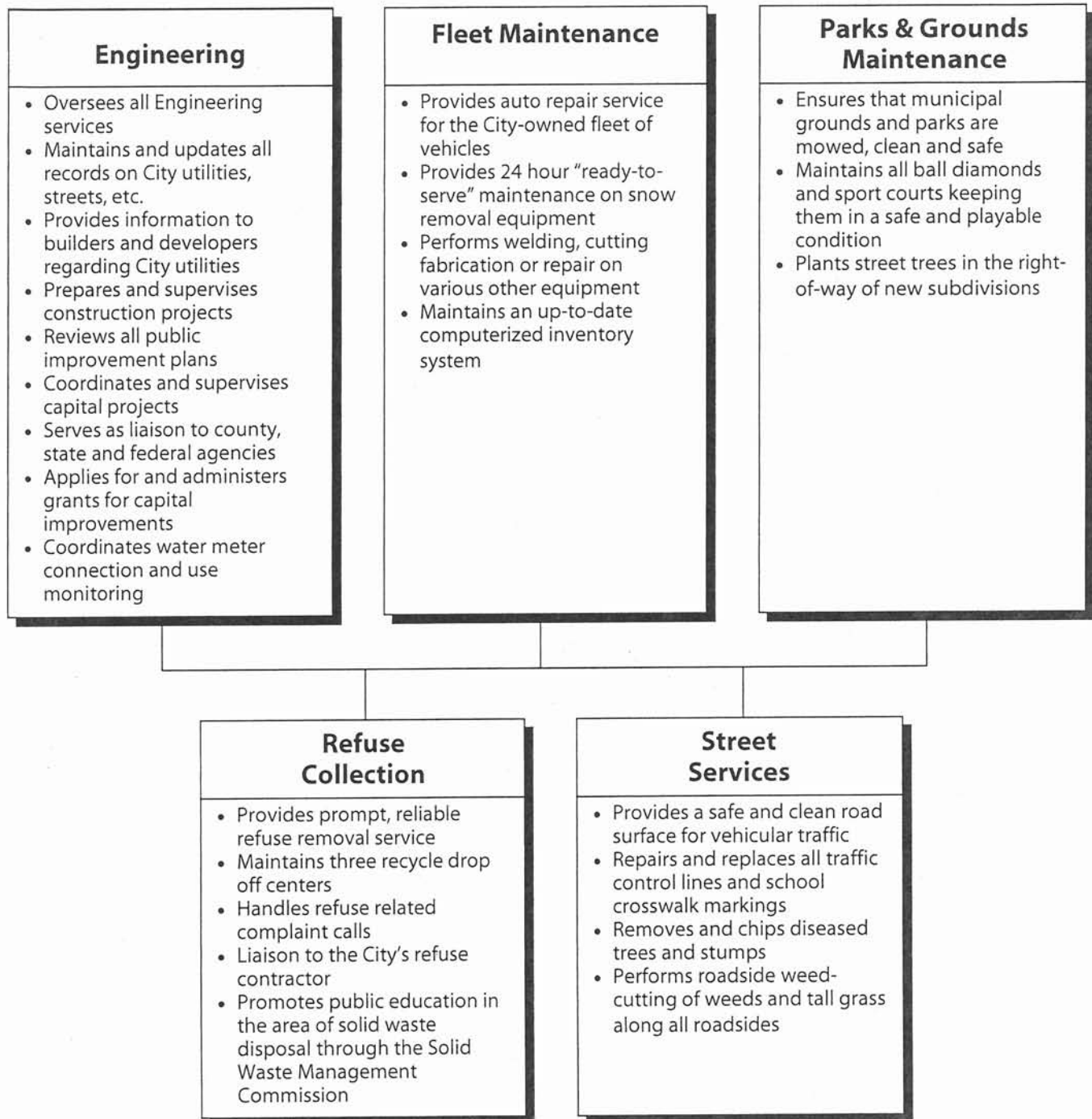
	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$351,088	\$360,380	\$360,770	\$426,880	\$426,880
Supplies	869	960	860	830	830
Other Charges	2,546	2,540	2,270	2,430	2,430
Total	\$354,503	\$363,880	\$363,900	\$430,140	\$430,140

Public Works Department



FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works Department budget decreased by \$742,180 or 9.3%. Personnel costs fell by \$608,930 or 10.1% due to a reduction of five vacant full-time positions and a transfer of an Engineer position to Water & Sewer Administration. Funding for three vacant Parks & Grounds full-time positions has been reduced, as the department continues to work on alternative service delivery plans. The vacant General Supervisor duties in the Public Works Center have been transferred to other staff, while an Engineering Senior Clerk has been relocated to the City Clerk's office due to a retirement. One additional part-time Refuse Seasonal Laborer is budgeted to assist in enforcing grass and weed cutting ordinance. The budget assumes the continuation of last year's concessions and additional wage concessions next year. The department will

reprioritize limited resources to improve road surface conditions, while slightly reducing sweeping rotations and median mowing cycles during the hot summer months on County roads. Increased sweeping will occur on crossover lanes, while the budget increases snow removal funding on City major roads and the use of Engineering staff to augment snow plowing efforts. The Supplies budget decreased \$63,640 or 4.4%, due to lower vehicle repair costs and fewer plantings. Other Charges declined by \$69,610 or 13.4% due to energy savings and continued lower municipal grounds, parks, and retention pond maintenance costs. The capital budget includes funding for an diagnostic computer system to better repair City vehicles, a larger salt brine storage tank, and a road patch roller for necessary road repairs.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Engineering	\$1,626,840	\$1,547,190	\$1,583,760	\$1,416,620	-10.6%
Fleet Maintenance	2,734,900	2,528,010	2,618,170	2,547,660	-2.7%
Parks & Grounds Maint.	1,414,900	1,355,650	1,421,270	1,171,710	-17.6%
Public Works Center	698,700	389,250	406,580	239,200	-41.2%
Street Services	2,095,730	1,879,420	1,952,070	1,864,480	-4.5%
Total Department	\$8,571,070	\$7,699,520	\$7,981,850	\$7,239,670	-9.3%
Personnel Services	\$6,567,860	\$5,942,590	\$6,004,300	\$5,395,370	-10.1%
Supplies	1,485,400	1,346,110	1,457,690	1,394,050	-4.4%
Other Charges	517,810	410,820	519,860	450,250	-13.4%
Total Department	\$8,571,070	\$7,699,520	\$7,981,850	\$7,239,670	-9.3%

PERSONNEL SUMMARY

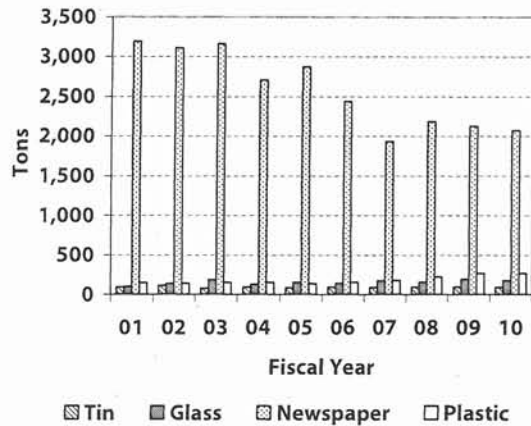
	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Engineering	15	2	14	0	13	0	11	0
Fleet Maintenance	14	1	14	1	12	1	12	1
Parks & Grounds Maint.	12	8	12	8	12	7	9	7
Public Works Center	3	0	1	0	1	0	0	0
Street Services	21	2	19	2	19	2	19	2
Total Department	65	13	60	11	57	10	51	10

Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

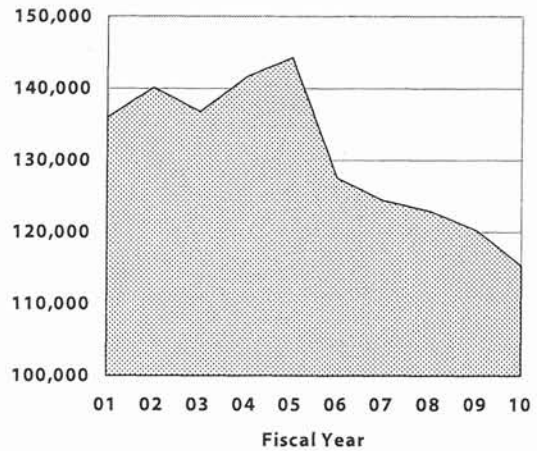
Public Works Department

Recycling Center Collections



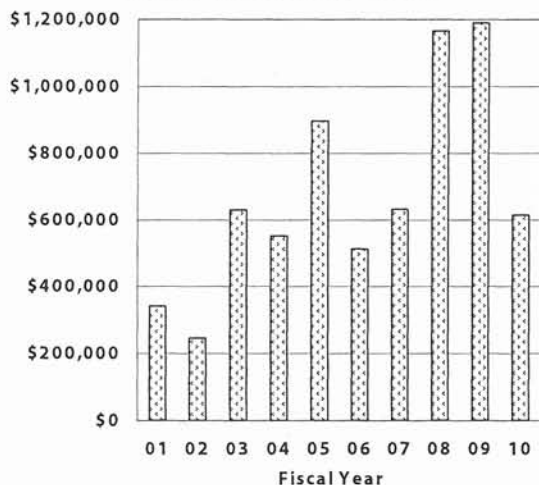
The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites. However, the growth in recycling and the composting of yard waste have still allowed the City to reduce the amount of refuse landfilled by 48% over the past 19 years. The average homeowner pays only \$66 per year for trash pickup, which is much lower than most communities. Only three other cities in a recent national study had a lower recycling cost per ton recycled.

Cubic Yards of Refuse Landfilled



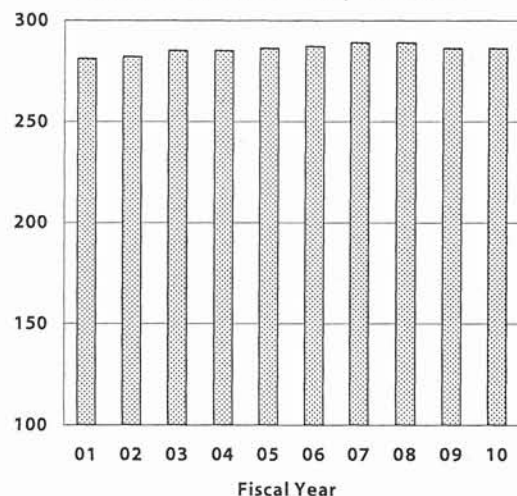
Starting in 2006, the cubic yards of refuse landfilled began to decline, reaching a low of 115,339 cubic yards in 2010. Fewer apartment complexes and mobile home parks have elected to receive City refuse service. The separate collection of yard waste, which is now composted, and additional Recycling Center collections have also contributed to the decline in the amount of garbage annually landfilled.

Snow Removal Costs



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 some years due to warmer winters or reduced snowfalls. Due to heavy snowfall in 2005, costs totaled \$896,000. Due to heavy snowfalls, costs rose again in 2008 and 2009 to nearly \$1.2 million – a ten year high.

Miles of Secondary Roads



Due to an increasing number of subdivisions in the City, the number of secondary or local roads has been slowly 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.*

Engineering falls within the Public Works Department. 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 provided to residents and other interested parties on scheduled or future public improvements. In addition, information is provided to residents regarding water and sanitary sewer connection fees and traffic signs and signals. Other activities include the review of site plans and building plans for appropriate water and sewer connections, the issuance of culvert permits, common area irrigation permits, and monitoring well permits.

Engineering reviews all planned public improvements, City projects, City awarded contracts, and subdivision sites which generate revenues to the City each year.

Engineering prepares the plans and specifications and supervises construction of all projects authorized by City Council. This office prepares ordinance variance agreements and coordinates activities and decisions involving the City and other agencies such as the Road Commission of Macomb County and the City of Detroit. Multi-jurisdictional contracts are often required with road construction projects. The City Engineer serves as liaison to County, State and federal agencies to synchronize the approval process for orderly and organized project development.

KEY GOALS

- *To maintain and regularly update all records of City utilities, streets, properties, parks, zoning changes, rights-of-way, and addresses.*
- *To provide current information to prospective developers, builders, consulting engineers, residents and other interested parties on City utilities and scheduled or future public improvements.*
- *To review plans for consideration of public and private improvements.*
- *To prepare plans and specifications and supervise construction of all authorized projects.*
- *To administer the Soil Erosion and Sedimentation Control Program.*

The Soil Erosion and Sedimentation Control Program is administered by the Engineering Office as required by the State of Michigan and the National Pollutant Discharge Elimination System Program. Plans for private development are submitted to Engineering to review for conformance to City standards and specifications. After plans are approved and implemented by the private developer, inspections are conducted to ensure conformance with City ordinance and the State of Michigan Soil Erosion and Sedimentation Control Act.■

Did you know...

...the State gas and weight tax provides over 75% of the funding used to maintain and improve the City's 286 miles of local roads?

Engineering

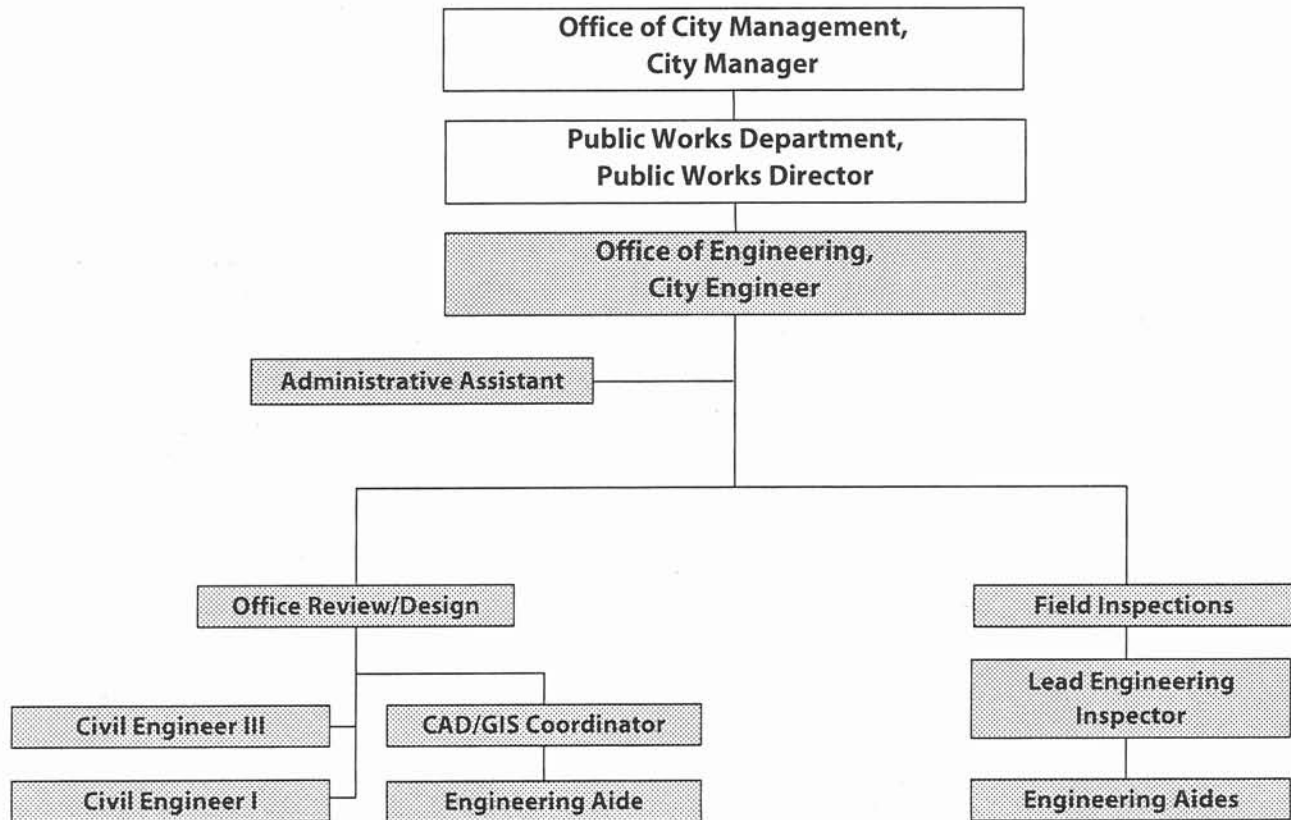
2011/12 PERFORMANCE OBJECTIVES

1. To improve the City water distribution system by implementing projects recommended in the water reliability study. (City Goal 6)
2. To continue the implementation of an interactive GIS system and creation of applications of the system for various City departments. (City Goal 17)
3. To pursue alternative funding for capital projects, such as grants, to improve traffic flow and safety at major road intersections. (City Goal 21)
4. To relocate staff upstairs to the Building area to improve customer service. (City Goal 3, 4)
5. To utilize the ITC donation to grind tree stumps near the corridor and to improve the condition of a highly visible road median. (City Goal 13, 21)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Site Plans Approved	32	25	32	30	30	30
	Subdivision Plans Approved	0	0	0	0	0	0
	Land Divisions Reviewed	17	8	8	12	8	10
	Plot Plan/Grading Plans Approved	1	2	1	2	50	55
	Utility Company Permits Issued	82	20	19	30	20	25
	SESC Permits Issued	32	38	65	40	70	75
	W & S Connection Permits Issued (Existing Homes)	11	10	7	10	14	10
	Value of Const. Contracts Awarded & Supervised	\$5.7M	\$2.0M	\$4.7M	\$5.7M	\$5.6M	\$3.9M
	Personnel Contacts with Business - Counter	1,417	1,150	1,203	1,500	1,000	1,200
	Personnel Contacts with Business - Phone	7,065	4,750	5,231	4,500	4,000	4,500
	Miles of Sidewalks In City	608	609	609	612	612	613
	Service Requests Processed	611	752	492	650	560	650
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	97%	88%	87%	90%	90%	90%
	% of Fire Suppression Plans Reviewed w/i 2 days	100%	100%	100%	100%	100%	100%
	% of W & S Abandonment Requests Issued w/i 1 day	100%	100%	100%	100%	100%	100%
	% of Utility Company Permits Reviewed w/i 15 days	80%	90%	95%	90%	95%	95%
	% of Plot or Grading Plans Reviewed w/i 10 days	100%	100%	95%	100%	95%	95%
	% of Capital Projects Completed w/i 5% of Bid Costs	91%	88%	88%	85%	86%	90%
	Engineering Inspection Hrs. Required to Meet Demand	5,648	6,638	5,073	5,000	4,900	4,000
	Activity Expenditures as % of General Fund	1.97%	1.87%	1.79%	1.78%	1.79%	1.65%

* Cost is calculated for "Actual" columns only.

Engineering



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
City Engineer	1	1	1
Engineering Services Manager	1	0	0
Civil Engineer III	1	1	1
CAD/GIS Coordinator	1	1	1
Lead Engineering Inspector	0	1	1
Engineering Aide	6	5	5
Civil Engineer I	2	2	1
Administrative Assistant	1	1	1
Senior Clerk	1	1	0
Total	14	13	11

Engineering

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

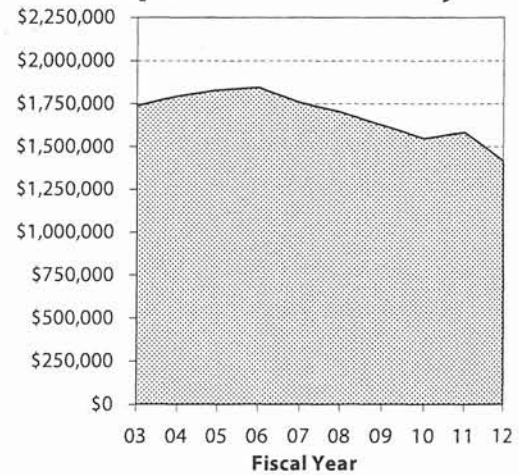
The total budget decreased by 10.6%.

Personnel Services – The total Personnel budget decreased by \$167,000 or 10.7%. A Civil Engineer I position has been reassigned to the Water & Sewer Administration division to assist with Public Works duties. A Senior Clerk position has been relocated to the City Clerk's office due to a retirement. To better assist with the loss of clerical staff, the in-house Engineering staff will relocate upstairs in City Hall near the Building staff to provide one-stop shop permit access for residents and developers as well as allow for shared clerical assistance within the City Development offices. Overtime costs have been cut by \$11,700, and employees will see a second straight year of wage and benefit concessions.

Supplies – Total Supplies decreased \$1,400 or 16.5%. Funding for operating supplies decreased \$1,000 based on the prior year actual expenditure usage and a reduction in staff. Postage costs decreased \$400, as the budget can be reduced and brought more in line with prior year expenditure levels.

Other Charges – Total Other Charges increased \$1,260 or 15.9%. The budget increased \$1,500 for scanner/copier annual maintenance fees, as the warranty has expired. Two required citywide memberships to the American Public Works Association (APWA) were transferred to the Water & Sewer Administration activity, resulting in a \$220 decrease.

Expenditure History



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,533,541	\$1,567,340	\$1,544,390	\$1,400,340	\$1,400,340
Supplies	6,739	8,500	7,000	7,100	7,100
Other Charges	6,909	7,920	7,870	9,180	9,180
Total	\$1,547,189	\$1,583,760	\$1,559,260	\$1,416,620	\$1,416,620

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

This 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 approximately 660 vehicles or pieces of equipment. Also included is the repair and preventative maintenance on over 50 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 dispensed from the pumping facilities is maintained to ensure sufficient availability.

KEY GOALS

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

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

Did you know...

...the Fleet Maintenance division monitors and tracks the gasoline and diesel fuel consumption on a monthly basis for all City vehicles?

Fleet Maintenance

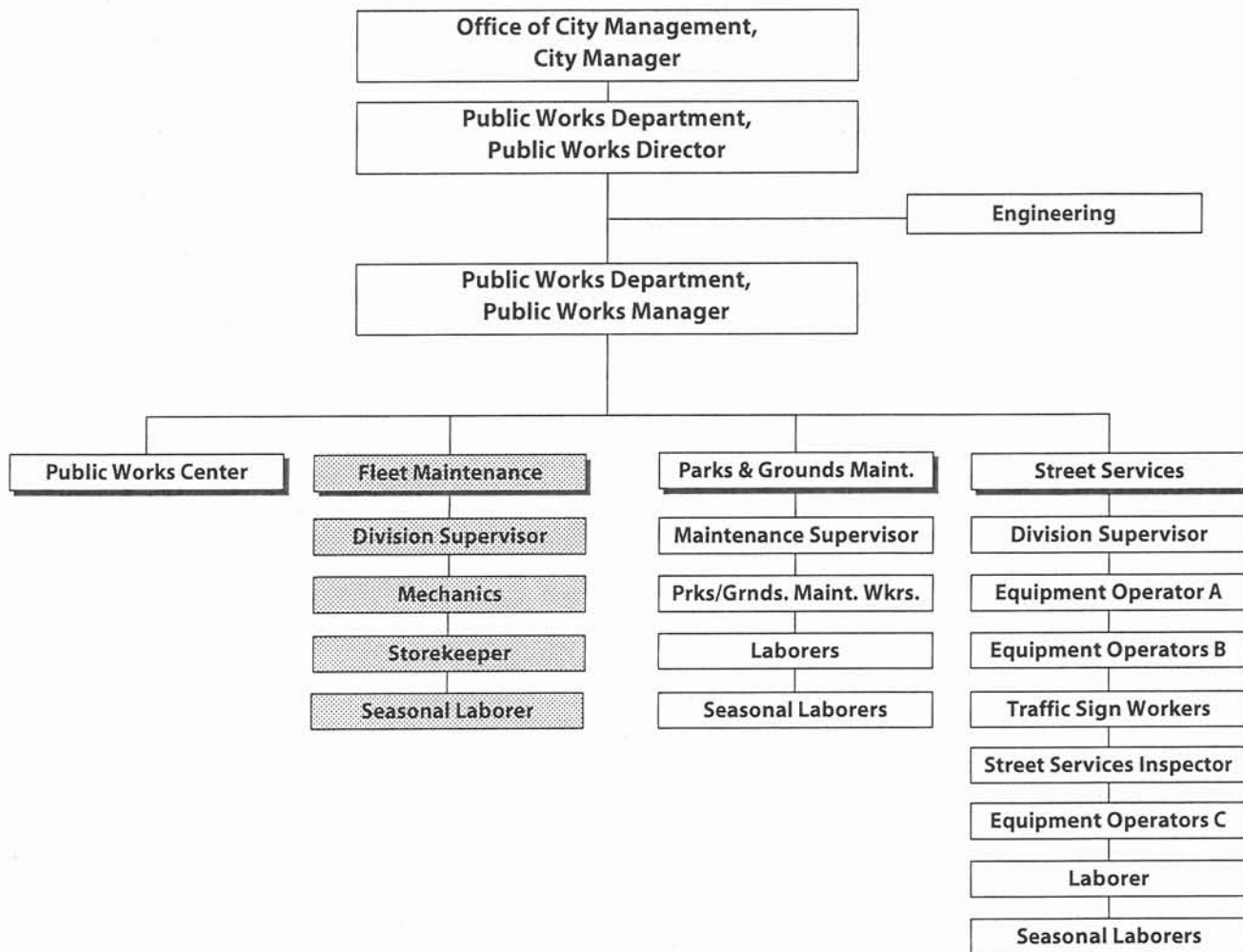
2011/12 PERFORMANCE OBJECTIVES

1. To rewire all front line fire vehicles/apparatus enabling the New World mobile computer system to operate properly. (City Goal 6, 17, 18, 25)
2. To convert all police patrol and traffic vehicles to the new laptop computer system, thereby reducing downtime and associated costly repairs. (City Goal 6, 17, 18, 25)
3. To identify obsolete parts/supplies in the Mechanics Crib and General Stores and work with Purchasing to remove/eliminate them through auction or other means. (City Goal 3)
4. To continue to identify new, less expensive yet reliable vendors to supply the City with parts and sublet services for the maintenance of the fleet. (City Goal 3)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Full Service Preventive Maintenances Performed	656	626	533	650	600	600
	Preseason Maintenance - Trucks with Plows	40	42	43	43	43	43
	Preseason Maintenance - Tractors/Flail Mowers	13/13	13/13	13/13	13/13	13/13	13/13
	Preseason Maintenance - Snow Plows	40	42	43	43	43	43
	Preseason Maintenance - Salt Spreaders	23	23	24	23	23	23
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	50	50	50	49	49	49
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	623	597	398	600	600	600
	Safety Inspections Conducted on Hoists	10	10	10	10	10	10
	Material Safety Data Sheets Maintained	2,876	2,881	2,824	2,895	2,872	2,800
	Number of Parts Issued by General Stores	29,260	29,671	28,723	29,000	27,329	0
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	88%	89%	86%	85%	83%	85%
	Avg. Time to Perform Maintenance on a Car (Mins.)	48	48	48	55	48	50
	Average Age of Police Vehicles (Years)	2.4	2.5	2.6	2.6	2.8	2.7
	Average Age of Fire Vehicles (Years)	9.0	9.5	10.0	11.0	11.0	10.0
	% of Snow Removal Vehicles & Equipment Available	95%	96%	95%	95%	95%	95%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	99%	98%	97%	100%	80%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	96%	95%	95%	99%	95%	99%
	% of Actual Inventory to Inventory Ledger	98%	96%	97%	99%	95%	98%
	Cost of a Passenger Car Oil Change	\$21.89	\$22.92	\$23.37	*	*	*
	Preventive Maintenance Cost of a Passenger Car	\$57.17	\$58.26	\$59.45	*	*	*
	Activity Expenditures as % of General Fund	3.38%	3.14%	2.93%	2.94%	2.94%	2.97%

* Cost is calculated for "Actual" columns only.

Fleet Maintenance



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Division Supervisor	1	1	1
Mechanic	11	10	10
Storekeeper	2	1	1
Seasonal Laborer	1	1	1
Total	15	13	13

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

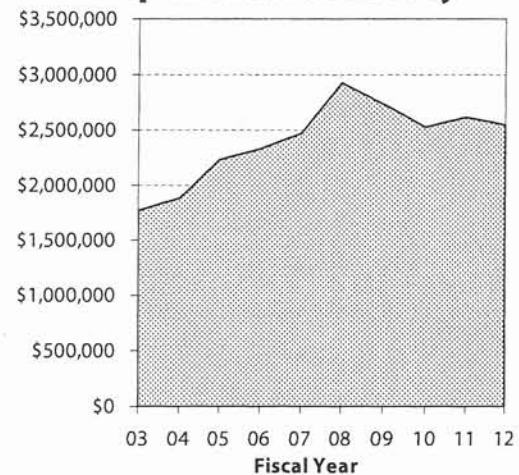
The total budget decreased by 2.7%.

Personnel Services – The total Personnel budget decreased by \$8,800 or 0.7%. The budget assumes the continuation of last year's wage concessions and additional concessions next year for affected labor groups in this division. Increased actuarially required City contributions to the pension fund and higher health insurance costs partially offset these savings. In addition, several employees are not at the top of the wage scale and will receive wage step adjustments.

Supplies – Total Supplies decreased \$57,050 or 4.1%. The City will save \$29,150 for vehicle repair parts and services due to a prior year reappropriated encumbrance, vendor savings, and increased efficiencies in the division. Fuel costs decreased \$25,000 as the budget can be brought more in line with the recent year's estimated expenditure level, offset by a slight increase in fuel prices. Funding decreased \$1,700, as fewer operating supplies need to be replenished. \$1,200 was saved, as the inventory supply of vehicle fluids and lubricants can be reduced.

Other Charges – Total Other Charges decreased \$4,660 or 26.7%. Funding decreased \$4,060 for equipment maintenance costs due to a prior year reappropriated encumbrance. Hazardous waste disposal costs fell \$300 and funding for radio maintenance decreased \$200, both based on recent expenditure trends. The educational budget decreased \$100, as prior year funds were not needed.

Expenditure History



Capital – Total Capital of \$19,500 is proposed for this activity and is budgeted in the Capital Projects Fund. \$19,500 is recommended for an Automobile Diagnostic Computer System that will allow Mechanics to diagnose certain City vehicle repairs in-house thereby decreasing a vehicle's downtime and reducing repair costs.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,258,181	\$1,218,540	\$1,216,410	\$1,209,740	\$1,209,740
Supplies	1,260,367	1,382,200	1,325,100	1,325,150	1,325,150
Other Charges	9,460	17,430	15,440	12,770	12,770
Total	\$2,528,008	\$2,618,170	\$2,556,950	\$2,547,660	\$2,547,660

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, 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, recreational facilities, and properties are properly maintained, the following activities are undertaken: maintenance and/or removal 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, 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 developed park sites. This activity also maintains the Parks & Grounds garage. The funds for retention pond maintenance cross charges, such as inspection, weed and grass cutting, and pump facility repairs, are included in this program.

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

KEY GOALS

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

Did you know...

...the Parks & Grounds Maintenance division maintains over 13 miles of asphalt pedestrian hike and bike paths throughout the City's park system?

Parks & Grounds Maintenance

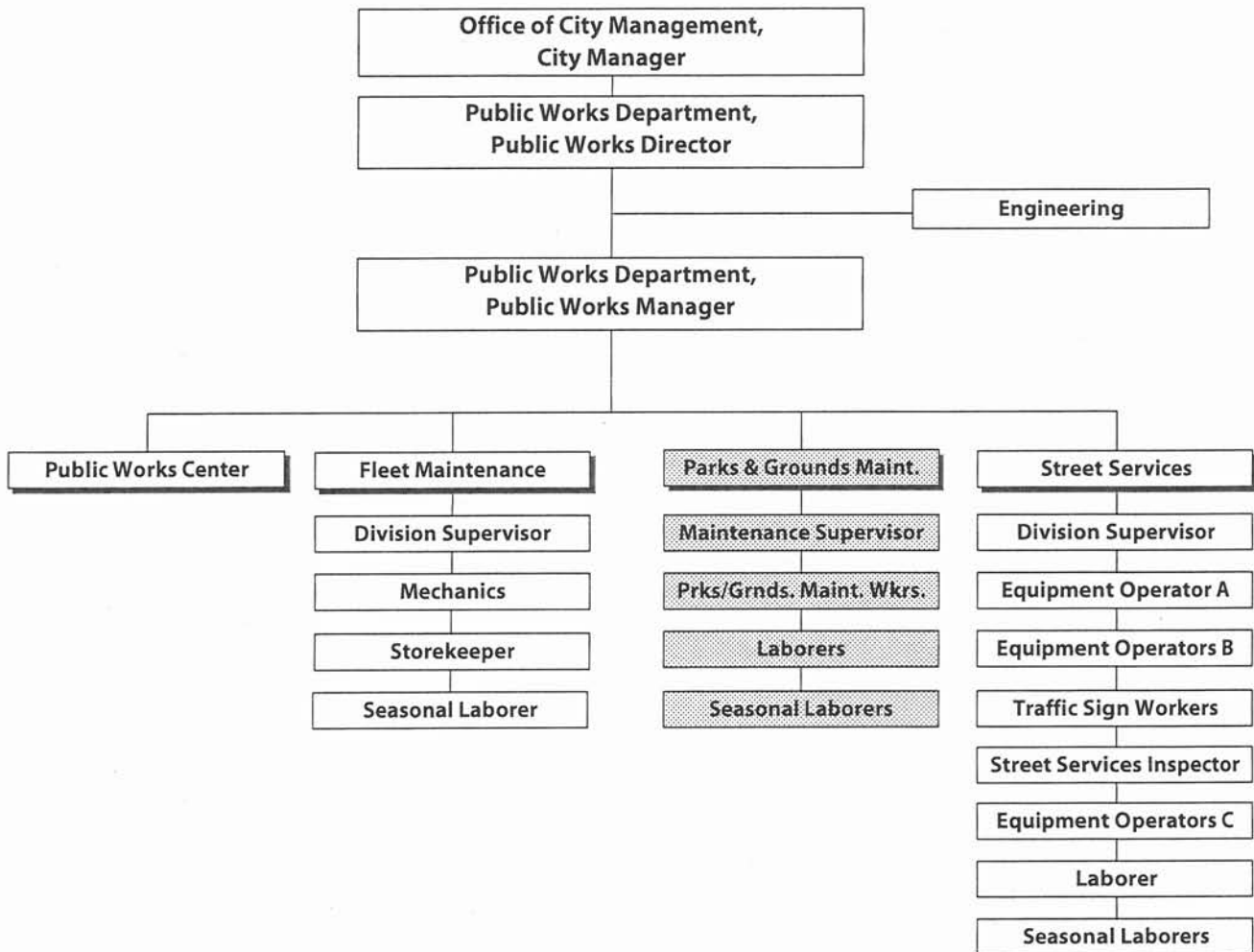
2011/12 PERFORMANCE OBJECTIVES

1. To increase the aesthetic appearance of Farmstead Park by removing the remaining asphalt curbing along the front portion of the drive and parking lot. (City Goal 13, 14, 15, 26)
2. To increase the efficiency of grass cutting and maintenance crews at Lakeside Island Park by removing the remaining dead trees/debris and stump grinding all existing stumps. (City Goal 3, 13, 14, 26)
3. To identify and remove non-utilized magic squares based on the Parks & Recreation division's current needs analysis. (City Goal 3, 6)
4. To provide a safer play surface/structure in Clinton River Park by filling in the low areas and installing a permanent turf in the area. (City Goal 13, 15, 26)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Street Trees Planted	325	154	219	200	225	200
	Street Trees Trimmed (Subcontracted)	5,260	4,400	1,197	0	0	0
	Street Trees Trimmed (In-House)	240	310	200	1,000	500	500
	Cuttings/Trimming - 28 Parks (559 of the 820 Acres)	19	19	19	19	19	18
	Cuttings/Trimming - 9 Municipal Sites (Subcontracted)	30	30	30	30	30	27
	Ball Diamond Maintenances Performed	1,028	1,325	1,102	1,000	1,000	1,000
	Soccer/Football Fields Relined	250	162	175	250	250	250
	Snow/Ice Control Call-Ins	14	26	11	15	15	15
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	118	112	98	80	80	80
	Cleaning of Restroom Facilities	880	880	880	880	880	880
	Trash Collection Days-Parks & Municipal Sites	200	200	200	200	200	200
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equipment	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of City Easement Trees Routinely Maintained	20%	20%	10%	10%	10%	10%
	Cost to Mow an Acre of Parkland	\$42.24	\$43.04	\$43.86	*	*	*
	Activity Expenditures as % of General Fund	1.57%	1.62%	1.57%	1.60%	1.56%	1.36%

* Cost is calculated for "Actual" columns only.

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Division Supervisor	1	1	0
Maintenance Supervisor	0	0	1
Parks & Grounds Maintenance Worker	6	6	5
Laborer	5	5	3
Seasonal Laborer	8	7	7
Total	20	19	16

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – PROPOSED BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 17.6%.

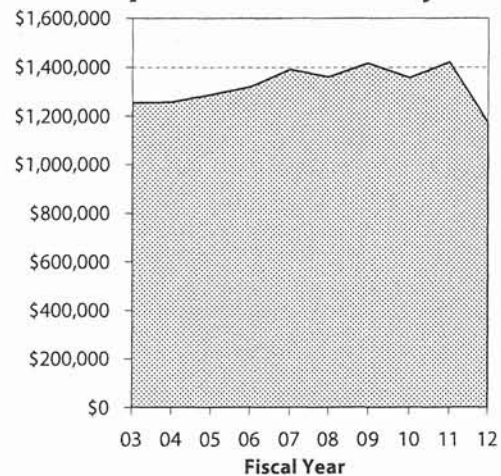
Personnel Services – The total Personnel budget decreased by \$217,790 or 18.8%. Funding for three vacant full-time positions is proposed to be eliminated as the department continues to work on alternative service delivery plans. The budget also assumes the continuation of last year's wage concessions and additional concessions next year for the affected labor groups in this division. Overtime costs have also been reduced due to the greater use of part-time, volunteer, and contractual staff for Sterlingfest. In addition, after hour ball field maintenance has been curtailed.

Supplies – Total Supplies decreased \$3,990 or 9.3%. Funding for operating supplies decreased \$2,990 as fewer small hand tools and materials will be purchased. \$1,000 was saved due to a further reduction in park tree plantings and annual flowers, as perennials have been planted at City buildings.

Other Charges – Total Other Charges decreased \$27,780 or 12.7%. Park maintenance costs decreased \$10,000, as less playground mulch is needed. Funding for the mowing of municipal grounds decreased \$7,000 and retention pond maintenance costs fell \$5,000, as both will be performed more cost-efficiently and less frequently when feasible. Electric costs and water costs each fell \$2,000, based on energy saving efforts.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,146,992	\$1,159,630	\$1,121,780	\$941,840	\$941,840
Supplies	46,406	42,990	41,000	39,000	39,000
Other Charges	162,250	218,650	195,340	190,870	190,870
Total	\$1,355,648	\$1,421,270	\$1,358,120	\$1,171,710	\$1,171,710

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

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

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

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

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

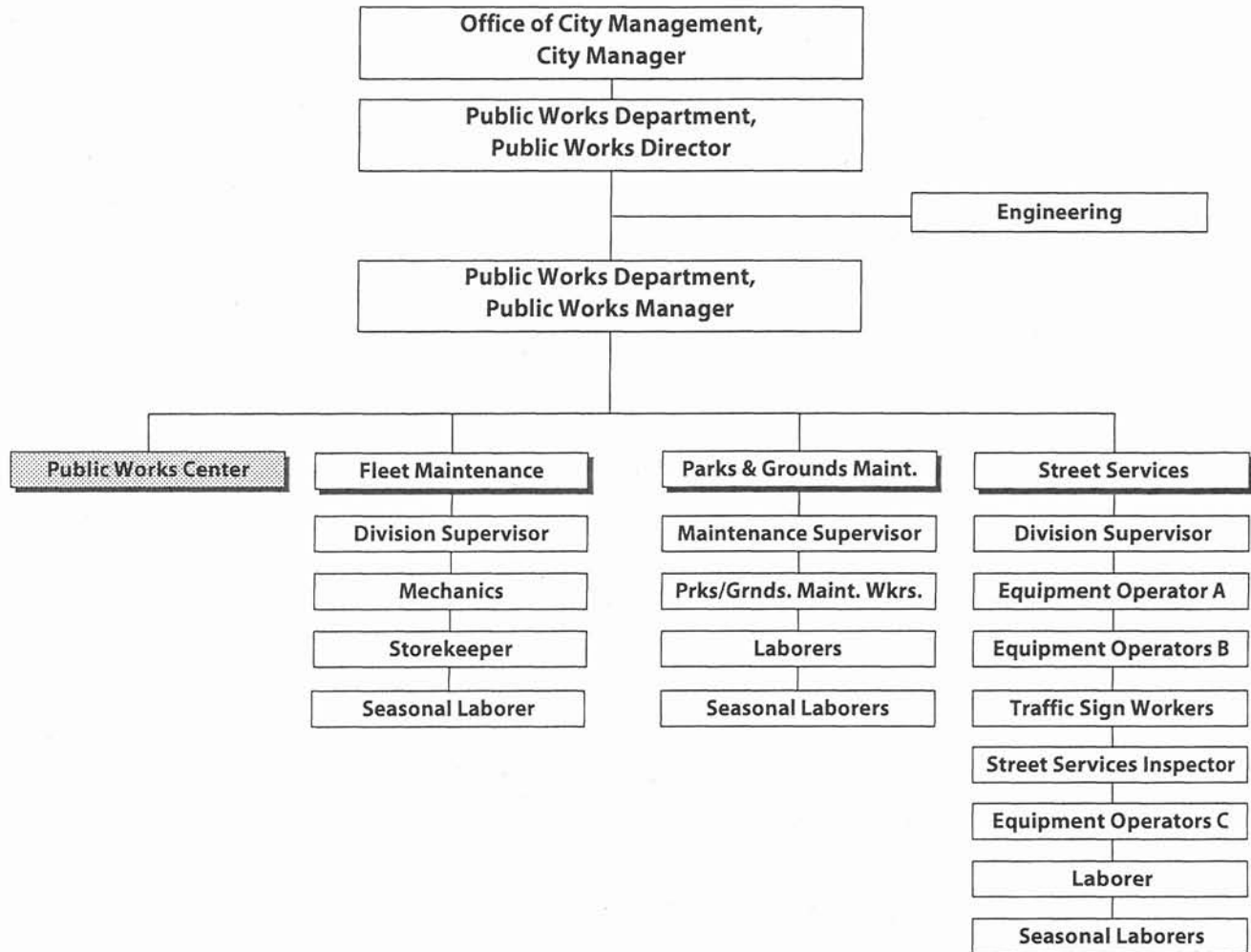
KEY GOALS

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

Did you know...

...the Public Works Department oversees the contracted maintenance of more than 230 acres of land in the rights-of-way on M-59 (Hall Road) from Dequindre Road to I-94 and M-53 (Van Dyke) from 14 Mile Road to M-59 for the State of Michigan?

Public Works Center



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
General Supervisor	1	1	0
Total	1	1	0

Public Works Center

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 41.2%.

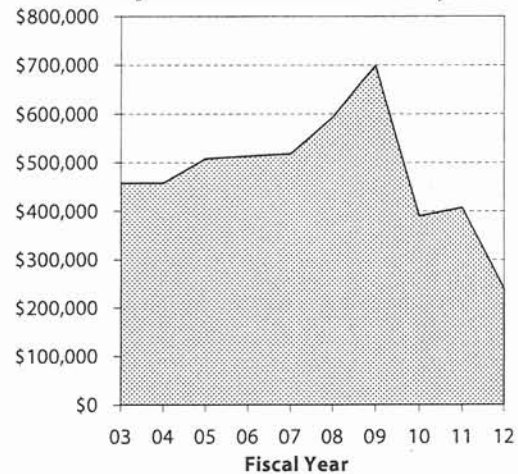
Personnel Services – The total Personnel budget decreased by \$130,560 or 100%. Due to a retirement in the prior year, the vacant General Supervisor position has not been filled and duties have been transferred to other department staff over the course of the last year.

Supplies – Total Supplies decreased \$500 or 5.0%, as the purchase of operating supplies will be more effectively monitored and only higher priority items will be purchased in an effort to further reduce costs.

Other Charges – Total Other Charges decreased \$36,320 or 13.7%. The City will save \$25,000 in heating costs and \$7,000 in electric costs based on recent year expenditure trends and additional efficiency cost-saving measures, including a possible replacement furnace for the Public Works building. Building maintenance costs decreased \$4,000 and contracted service costs fell by \$500, as both can be reduced and brought more in line with recent actual expenditure levels. Due to the elimination of the Supervisor position in the prior year, funding for the American Public Works Association (APWA) membership is no longer needed, saving \$120. Water costs rose \$500 or 3.3% due to higher rates.

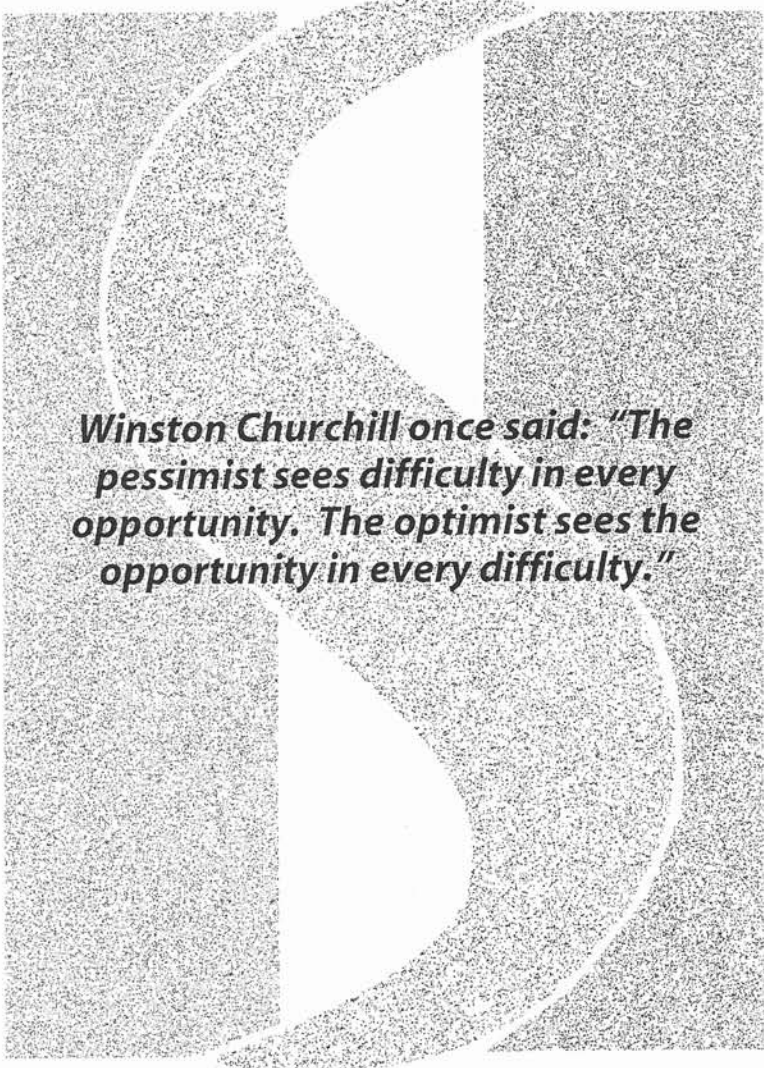
Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$148,784	\$130,560	\$25,570	\$0	\$0
Supplies	15,877	10,000	10,000	9,500	9,500
Other Charges	224,594	266,020	223,240	229,700	229,700
Total	\$389,255	\$406,580	\$258,810	\$239,200	\$239,200



Winston Churchill once said: "The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty."

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

Refuse Collection provides prompt, reliable, and efficient refuse collection by a private contractor weekly from residential homes, condominiums, commercial curbsides, and City dumpster pick ups.

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

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

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

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

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

The clerical support staff receives approximately 5,000 refuse related requests for service calls annually. The support staff verifies the contractor's monthly invoices, prepares requests for payment, prepares monthly reports detailing all stops, maintains all refuse related files, and types all related correspondence.

KEY GOALS

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

The Solid Waste Management Commission is funded in the Refuse activity. The Public Works Manager serves as the liaison to the Commission. The Commission serves in an advisory capacity to the City Council and Administration. The Commission's responsibility is to continually review and update the City's position regarding solid waste disposal activities.

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

Did you know...

...the City's refuse and yard waste hauler, Waste Management, made over 474,500 refuse and 280,020 yard-waste stops during the 2009/10 fiscal year?

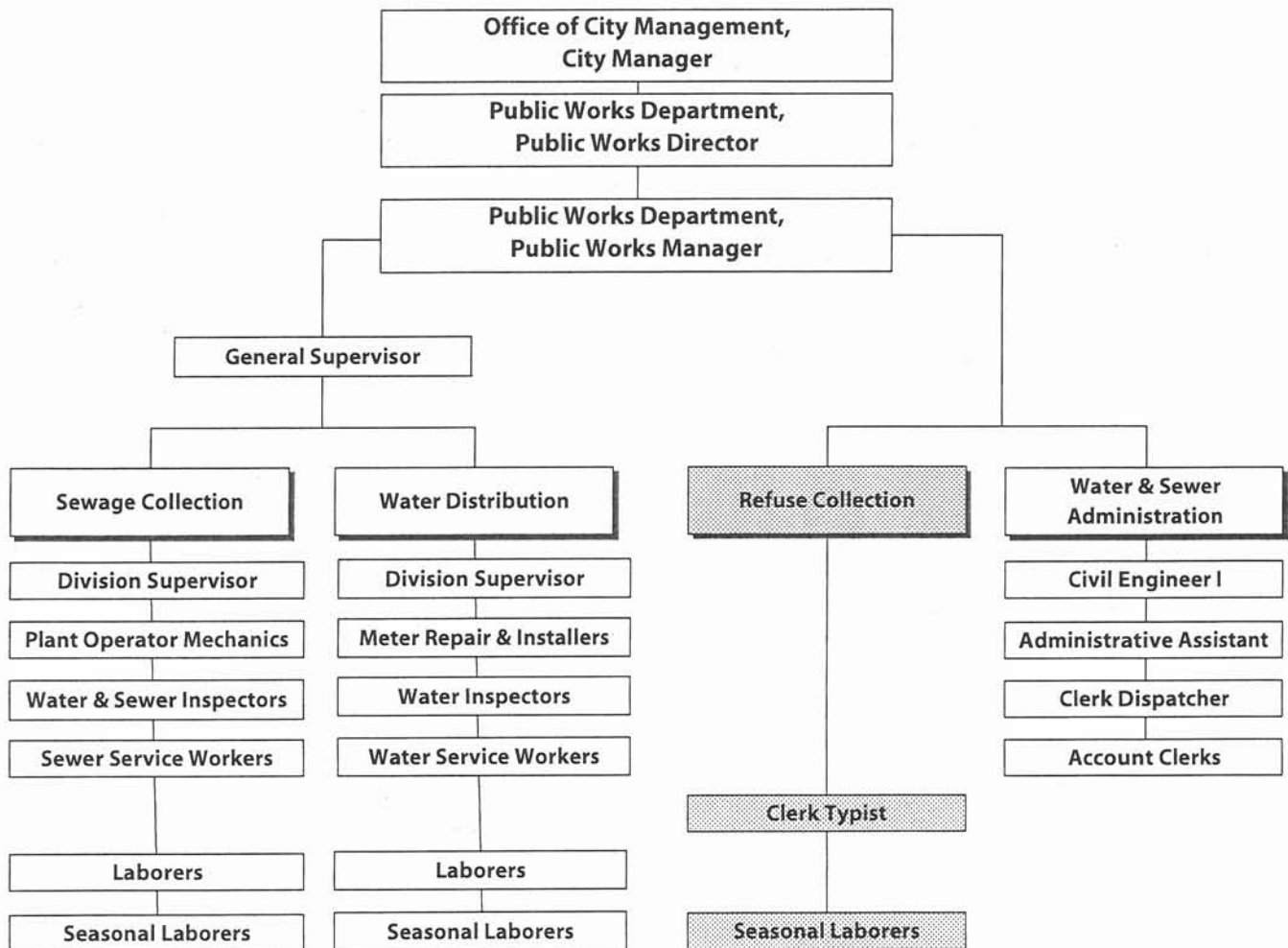
Refuse Collection

2011/12 PERFORMANCE OBJECTIVES

1. To work with the Solid Waste Management Commission to develop a commodity specific recycling resource web page for use by residents. *(City Goal 1, 14, 17, 19)*
2. To ensure quality refuse collection service and contract compliance by aggressively monitoring the refuse collection contractor and issuing violations for various performance issues. *(City Goal 1, 13, 14)*
3. To investigate the cost effectiveness of installing material compactors at each recycling center and to investigate contracting out recycling center operations. *(City Goal 14)*
4. To review signage at the City's three recycling centers to ensure clarity and consistency at all locations. *(City Goal 1, 15, 19)*
5. To continue to manage the Service Sharing Program providing dumpster collection service to the apartment complexes that choose to participate. *(City Goal 1, 3, 21)*
6. To schedule and conduct annual paper shredding and E-Waste recycling events for residents of the community. *(City Goal 1, 2, 13, 19)*
7. To participate in Neighborhood Clean-up activities as scheduled by the Neighborhood Services division. *(City Goal 1, 2, 13, 19)*
8. To investigate a voluntary residential curbside recycling subscription service through our present waste contractor. *(City Goal 1, 14)*

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,526	39,542	39,512	39,800	38,538	39,540
	Cubic Yards of Refuse Landfilled	122,918	120,254	115,341	123,000	125,530	125,000
	Cubic Yards of Plastics Recycled	22,416	26,253	27,024	28,000	28,000	29,000
	Tons of Yard Waste Composted/Diverted	10,807	10,709	10,962	12,000	9,000	9,000
	Christmas Trees Chipped and Composted	1,843	2,485	3,080	2,200	2,470	2,500
	Tons of Paper Recycled	2,183	2,129	2,073	2,100	2,100	2,180
	Gallons of Used Oil Recycled	28,100	28,794	31,200	31,000	29,000	30,000
Efficiency & Effectiveness	Refuse Violations Tagged by Contractor	30	35	31	50	24	30
	% 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	45.0%	46.0%	48.0%	45.0%	45.0%	45.0%
	Refuse Collection Costs per Capita	\$32.86	\$33.75	\$34.47	\$35.17	\$34.54	\$34.59
	Refuse Collection Millage Rate	0.81	0.84	0.87	0.95	0.95	1.00
	Refuse Cost for Average Homeowner	\$68.16	\$70.31	\$70.52	\$67.24	\$67.24	\$65.99
	Total Cost to Operate Three Recycling Centers	\$78,935	\$87,095	\$88,000	\$88,000	\$60,000	\$60,000
	Recycling Costs Per Ton Recycled	\$31.39	\$31.87	\$32.20	\$33.60	\$22.64	\$22.64
	Cost to Collect/Dispose of Refuse (1 cubic yard)	\$34.22	\$36.07	\$38.41	\$36.74	\$35.35	\$35.56
	Activity Expenditures as % of General Fund	4.86%	4.98%	5.13%	5.08%	5.11%	5.18%

Refuse Collection



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Clerk Typist	1	1	1
Seasonal Laborer	3	3	4
Total	4	4	5

Refuse Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 1.6%.

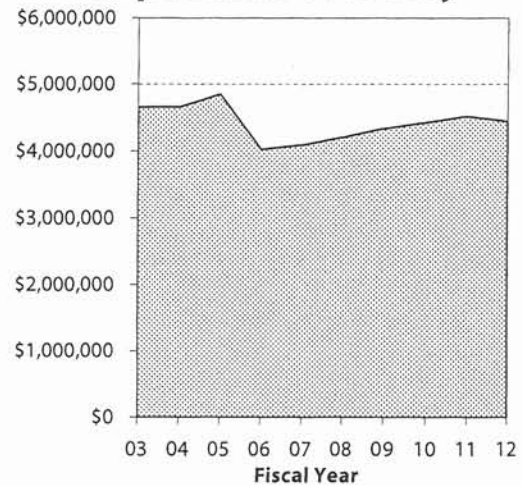
Personnel Services – The total Personnel budget increased by \$18,440 or 13.1%. Despite continued wage concessions for the full-time staff, overall costs increased due to one additional part-time Seasonal Laborer position, which has been needed to administer and enforce the City's Grass and Weed Cutting Ordinance program as well as to assist in operating the City's three recycling centers. To offset the increase, funding for part-time staff in the Street Services division was slightly reduced.

Supplies – Total Supplies decreased \$150 or 10.3%, as fewer supplies and small tools are needed for the recycling program.

Other Charges – Total Other Charges decreased \$92,500 or 2.1%. The rubbish removal budget can be reduced by \$85,000 based on a more accurate cost estimate under the new five-year refuse contract that went into effect last year. The City will continue with its service and cost sharing program, which has reduced the number of curbside stops and dumpsters collected by eliminating mechanical dumpster collection at apartment complexes, schools, and mobile home parks. Funding for interfund service costs decreased \$7,500 due to a revised allocation of refuse personnel costs for those employees budgeted in the Water & Sewer Fund.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$151,390	\$140,840	\$159,560	\$159,280	\$159,280
Supplies	606	1,450	1,300	1,300	1,300
Other Charges	4,277,923	4,376,650	4,277,150	4,284,150	4,284,150
Total	\$4,429,919	\$4,518,940	\$4,438,010	\$4,444,730	\$4,444,730

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

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

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

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

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

Support activities include the installation of new street signs, maintenance and repair of existing signs, and the installation of informational signs for the municipal sites and 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 2,500 locations.

Catch basin cleaning is another important function. Catch basins are routinely cleaned allowing for the rapid disposal of storm water runoff and drainage. Drainage ditches are cleaned and the culverts are

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.*

maintained to ensure adequate capacity for storm runoff.

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

Did you know...

...the Street Services division is responsible for the maintenance of more than 9,100 street signs in the community, which equates to approximately 30,100 square feet of sign material?

Street Services

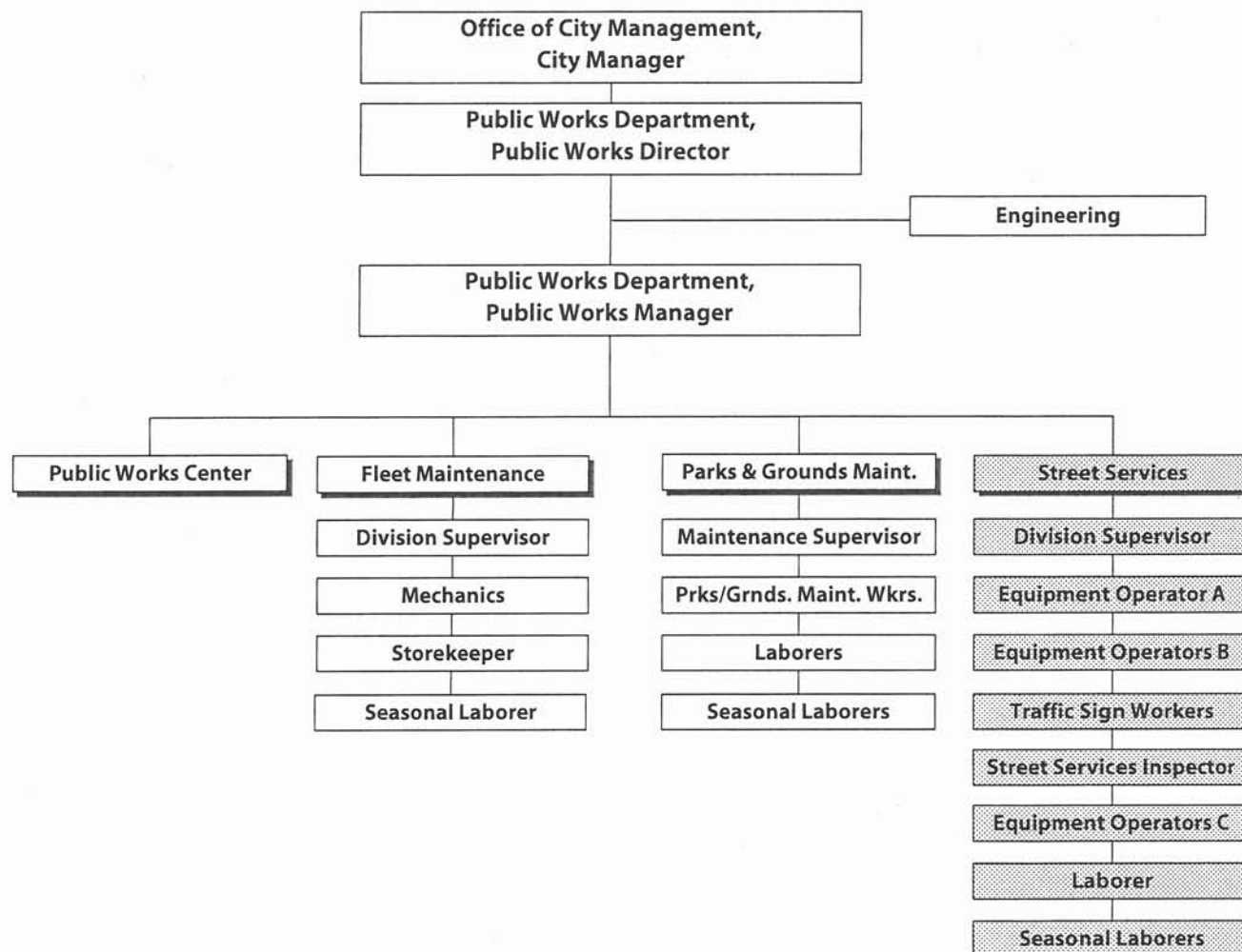
2011/12 PERFORMANCE OBJECTIVES

1. To fabricate in-house a truck mounted tank/sprayer to assist in applying brine solution for anti-icing purposes. (City Goal 3, 6, 7, 25)
2. To evaluate the effectiveness of Therma Point (a corn byproduct) and beet juice salt brine mixtures to ensure the safety of those traveling on City roadways. (City Goal 3, 17, 18)
3. To conduct and assess the long-term durability of joint repairs using an in-house trial program to dig out, clean, hot patch, and roll selected deteriorating joints in the roadway. (City Goal 3, 7, 22)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	After Hours Snow Removal Occurrences	53	44	31	35	36	35
	Miles of Snow Fence Installation or Removal	4.0	4.0	4.0	4.0	5.0	5.0
	Pothole Patching - Tons of Patch Used	468	499	269	400	350	400
	Sidewalk Patching - Number of Locations	82	124	181	200	150	200
	Street Sweeping - Rotation (395 miles)	4	4	4	4	5	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	30	40	49	30	45	30
	Right-of-Way Mowing - Revolution (357 miles)	10	10	10	8	9	8
	Storm Catch Basin Cleaning-Number of Locations	379	742	2,411	1,500	1,500	1,500
	Number of Street Trees Removed (In-House)	66	320	120	300	200	300
	Number of Street Trees Removed (Contractor)	456	146	290	400	450	400
	Homeowner Tree Inquiries/Inspection Responses	1,129	3,257	1,287	3,000	4,000	3,500
	Residential Tree/Branch Chipping Requests Filled	4,582	6,834	3,406	2,000	1,500	1,000
	Traffic Sign Repairs or Replacements	4,469	4,179	4,069	4,200	3,900	4,200
	Gravel Roads - Lane Miles Graded	53	38	37	40	40	40
	Dust Control - Gallons Calcium Chloride Applied	42,300	40,600	22,700	30,000	30,000	30,000
	Personnel Receiving Snow Removal Training	12	9	11	6	12	8
	Signs Installed for Adopt-A-Road	5	2	6	5	6	5
	Refuse Pick-Ups Made from Adopt-A-Road	57	42	43	30	33	30
Efficiency	% of Tree Chipping Requests Completed w/i 1 week	98%	98%	99%	99%	99%	99%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$7,593	\$2,347	\$275	\$1,500	\$1,000	\$1,500
	Street Services Cost Per Capita	\$15.27	\$16.31	\$14.63	\$15.19	\$15.00	\$14.51
	Average Cost to Sweep a Lane Mile of Major Road	\$496	\$503	\$509	*	*	*
	Activity Expenditures as % of General Fund	2.26%	2.40%	2.18%	2.19%	2.22%	2.17%

* Cost is calculated for "Actual" columns only.

Street Services



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Division Supervisor	1	1	1
Equipment Operator A	1	1	1
Equipment Operator B	7	7	7
Traffic Sign Worker	2	2	2
Street Services Inspector	1	1	1
Equipment Operator C	6	6	6
Laborer	1	1	1
Seasonal Laborer	2	2	2
Total	21	21	21

Street Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 4.5%.

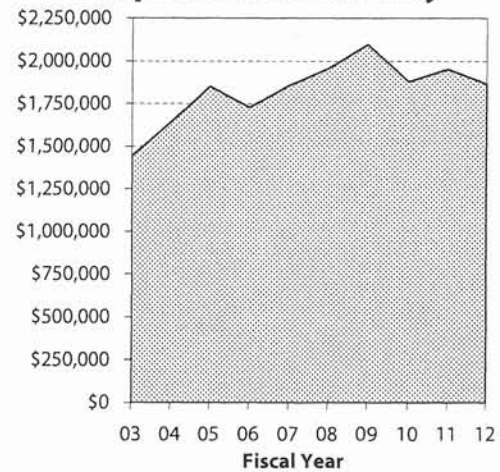
Personnel Services – The total Personnel budget decreased by \$84,780 or 4.4%. The budget assumes the continuation of last year's wage concessions and additional concessions next year. In addition, savings was achieved by the recent retirement of a Division Supervisor position, which is now budgeted at the entry-level step. Funding for part-time staff has been reduced slightly to offset the increased use of part-time staff in the Refuse division. Overtime costs have been cut by \$15,000 or 10.3% due to lower Sterlingfest costs as well as a decrease in after-hour snowplowing on local roads.

Supplies – Total Supplies decreased \$700 or 5.0% as fewer signage materials and traffic control supplies are needed.

Other Charges – Total Other Charges decreased \$2,110 or 21.4%. \$2,000 was saved, as the annual cost for the City's storm water system permit is less than previously budgeted. Funding for training decreased \$100 based on lower historic actual expenditure levels.

Capital – Total Capital of \$12,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$9,000 is recommended for a replacement Brine Tank necessary to bring the City into compliance with the Michigan Department of Natural Resources and Environment's (MDNRE) new brine tank storage guidelines. \$3,000 is for a Road Patch Roller that will be

Expenditure History



used by road maintenance crews for patching larger potholes and small sectional repair projects.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,855,091	\$1,928,230	\$1,905,820	\$1,843,450	\$1,843,450
Supplies	16,718	14,000	14,000	13,300	13,300
Other Charges	7,610	9,840	7,600	7,730	7,730
Total	\$1,879,419	\$1,952,070	\$1,927,420	\$1,864,480	\$1,864,480

Community Relations Department

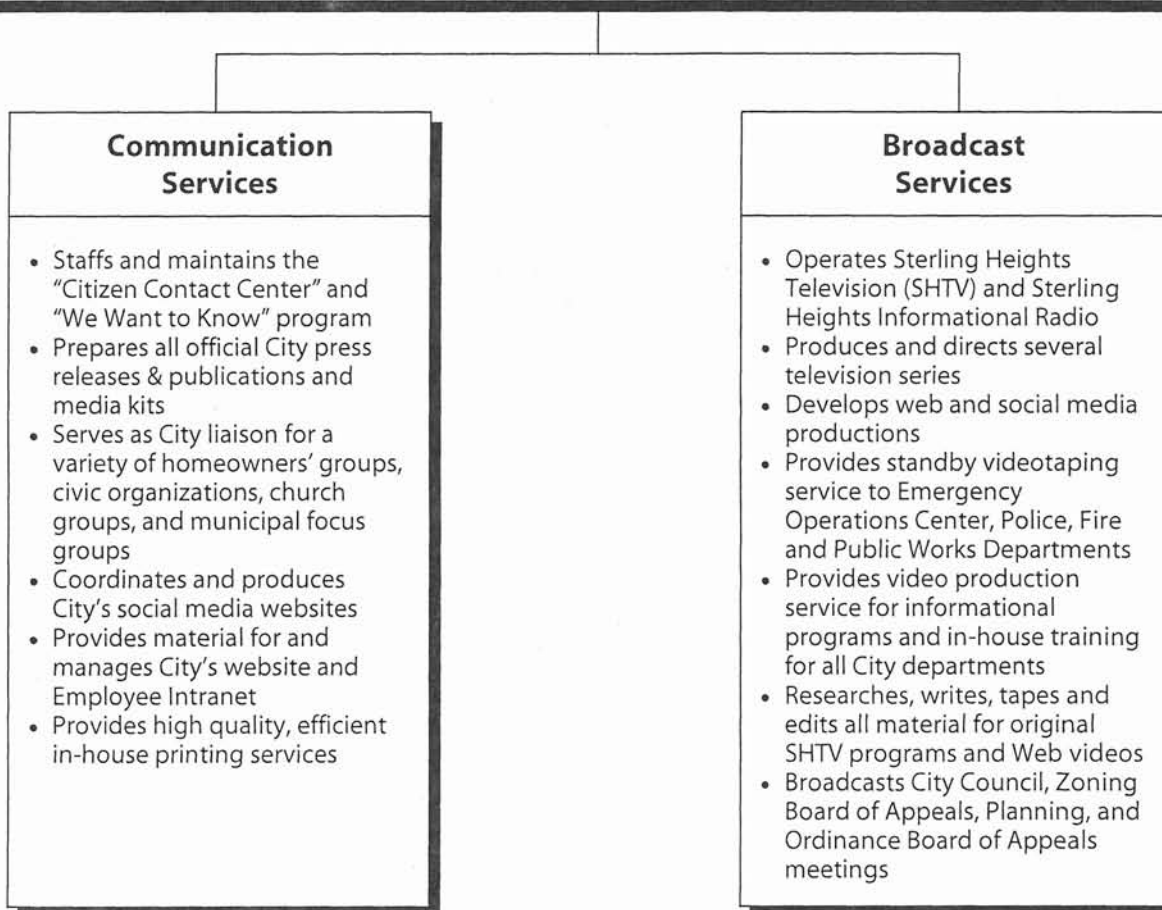


FUNCTIONAL ORGANIZATION CHART

Community Relations Department

Office of Community Relations

- Administration of department
- Implements policies and procedures
- Serves as public information officer in emergency disaster situations
- Coordinates all media contacts on behalf of the City Council and City Manager
- Coordinates all City special events, such as Sterlingfest, Memorial Day Parade, and Cultural Exchange
- Coordinates staff assignments and responsibilities
- Coordinates events for members of City Council and City Manager
- Handles miscellaneous correspondence for members of City Council and City Manager
- Produces information and publicity for all City departments
- Administers the SH Film Office to attract film makers to the City and to coordinate City service in the event of a production
- Serves as liaison to Cultural, Telecommunications, and Beautification Commissions, Ethnic Community Committee, and Community Foundation
- Prepares and manages the department budget
- Publishes website and intranet
- Coordinates focus groups
- Coordinates City surveys



DEPARTMENT AT A GLANCE

Community Relations Department

BUDGET SUMMARY

The Community Relations Department budget decreased by \$610,690 or 38.0%. Personnel costs decreased by \$556,010 or 38.4% due primarily to the reassignment of four full-time staff to the new Neighborhood Services division. The Neighborhood Services staff will work toward enhancing the City's property maintenance programs and develop community based outreach programs to improve the appearance of neighborhoods. Other department changes include the elimination of vacant part-time Video Technician positions and two other full-time staff due to a retirement and a position elimination. Due to a

second year of union concessions, all department employee wages have been reduced by 4%, totaling a 10% reduction from contractual levels. Supplies decreased by \$17,470 or 28.0% due to continued postage savings from mailing out the City Magazine only three times per year instead of four, and the need for fewer videotapes. Other Charges fell by \$37,210 or 39.0% due to a more accurate savings estimate from printing fewer City Magazine editions and the suspension of next year's City Calendar.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Community Relations	\$1,541,120	\$1,582,910	\$1,605,260	\$994,570	-38.0%
Total Department	\$1,541,120	\$1,582,910	\$1,605,260	\$994,570	-38.0%
Personnel Services	\$1,372,290	\$1,404,500	\$1,447,270	\$891,260	-38.4%
Supplies	44,990	76,420	62,470	45,000	-28.0%
Other Charges	123,840	101,990	95,520	58,310	-39.0%
Total Department	\$1,541,120	\$1,582,910	\$1,605,260	\$994,570	-38.0%

PERSONNEL SUMMARY

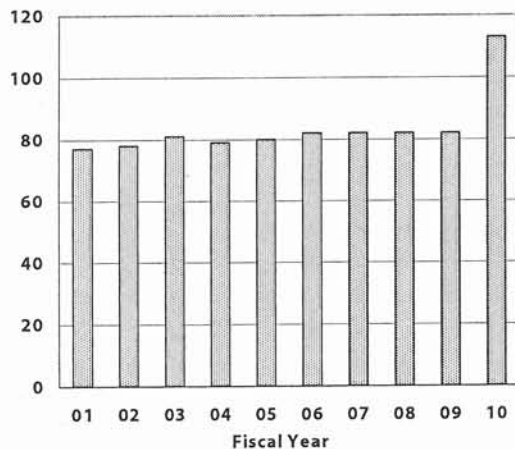
	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	4	13	4	13	3	7	1
Total Department	14	4	13	4	13	3	7	1

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

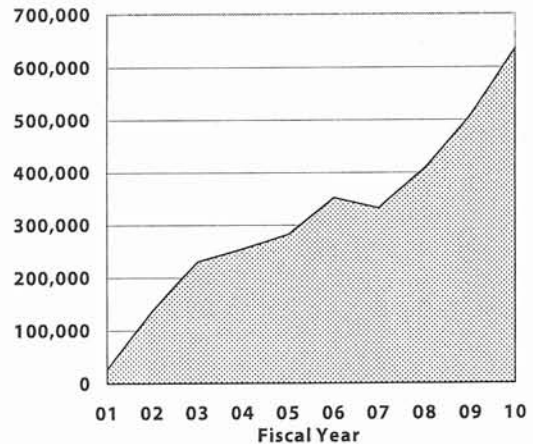
Community Relations Department

**SHTV - Weekly
Hours of Programming**



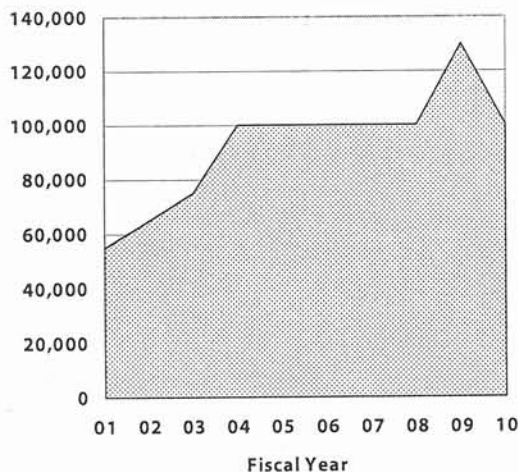
Sterling Heights Television viewers have seen a rise in the total hours of programming over the past 10 years. Programming hours rose in 2001 when the City installed an automatic playback system allowing for early morning, night and weekend programming. Hours increased slightly in 2002 for the airing of county government meetings, while hours increased again in 2010 for the additional overnight programming.

**Customer Service
Contacts**



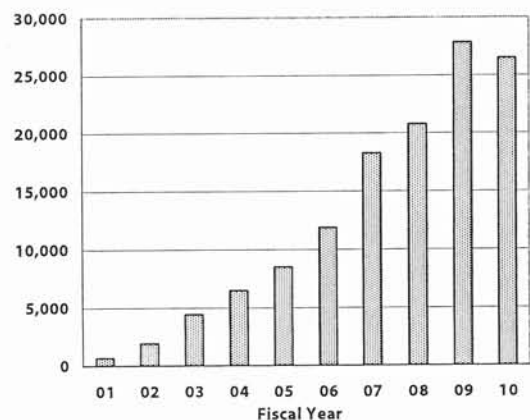
Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents, e-mails, and "We Want to Know" postcards returned from the community. In 2002, Community Relations began tracking city Website visits, which now account for more than 95% of total service contacts.

Sterlingfest Attendance



Attendance for the Sterlingfest Art and Jazz Fair has risen since 2001 as the Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with local headliners, and art and jazzfest areas during the three-day event.

**City Information
E-Mail Subscriptions**



In 2001, the City began offering a free e-mail subscription service where residents can sign up to receive information about City meetings, events, job postings, garage sales, public safety updates, SHTV programming, the SHARP economic newsletter, and the latest City news and information. The number of residents signing up for the service has now risen to nearly 27,000 participants.

MISSION STATEMENT: *To coordinate and prepare all communication efforts for the City of Sterling Heights in accordance with the goals, objectives, and policies adopted by the City Council and City Manager.*

Under the leadership of the Community Relations Director, the Community Relations Department provides accurate information to the public through all means of communication. The Community Relations Office is subdivided into three divisions: Communications, Citizen Contact Center and Sterling Heights Television. Each division has separate and distinct duties and responsibilities.

The Communications Division prepares publications such as the City Magazine, press releases, advertisements, brochures, pamphlets and service directories. This division also maintains and updates information on the City's website at www.sterling-heights.net, and employee news and information on the City's Intranet. The City's Print Shop is responsible for printing all City publications.

Community Relations serves as the public information contact in the event of Emergency Operation Center activation. It is responsible for emergency press releases, speeches, press conferences, and coordination of a rumor control hotline.

One of the City's most unique programs is the "Citizen Contact Center." A Citizen Services Specialist is available for residents to contact regarding any concern or need for City information. These referrals are documented and followed up with a telephone call. Residents are also welcome to voice their input on the City's website, self-addressed "We Want to Know!" card, or by phone at (586) 446-CITY.

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. This division also compiles multi-media productions for broadcast on the Internet.

A "Film Office" has been formed to coordinate City services in the event a production or film studio

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.*

seeks to produce a movie within Sterling Heights.

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 that produce a better community in which to live, work, and play.■

Did you know...

...the hits on the City's website have grown nearly tenfold from 1.6 million in 2006 to 10.3 million in 2010?

Community Relations

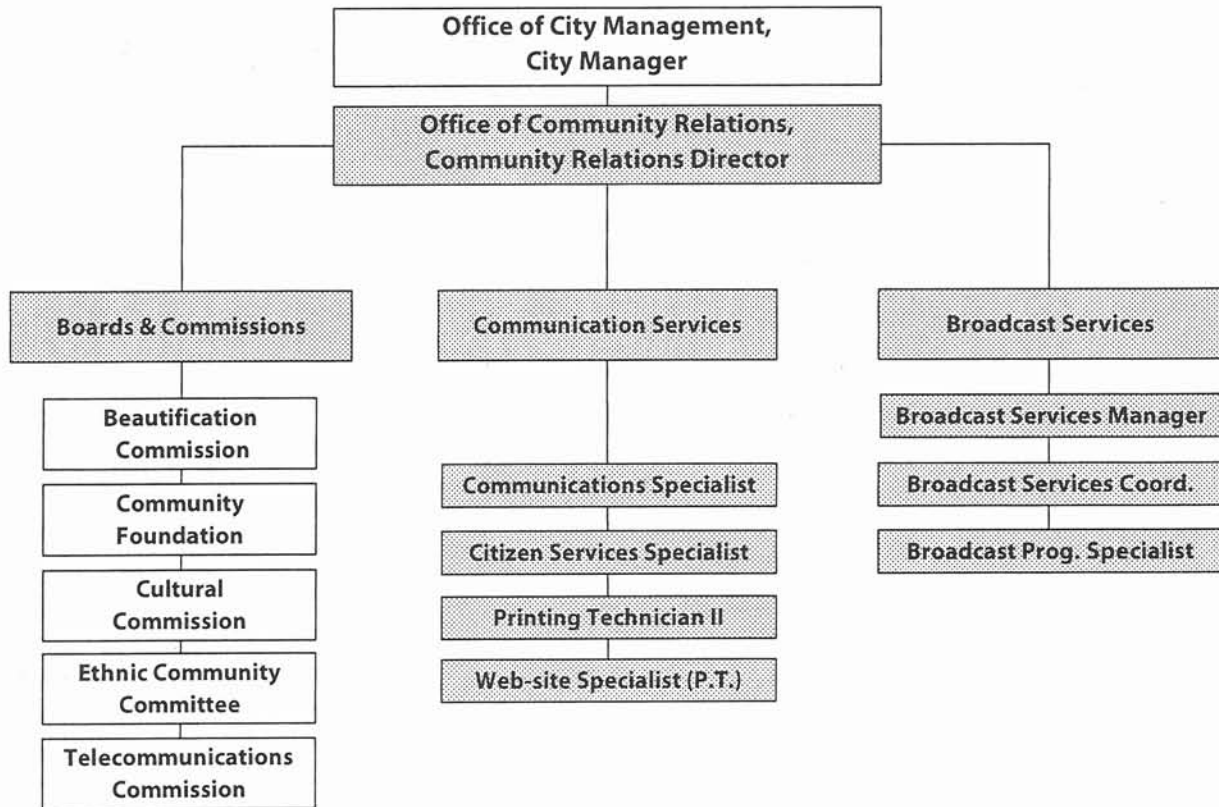
2011/12 PERFORMANCE OBJECTIVES

1. To partner with Neighborhood Services to promote and implement a program for greater property maintenance compliance utilizing existing media. (City Goal 13, 14)
2. To assist the Sterling Heights Community Foundation to help fund programs that strengthen the City's wide range of recreational, education, and cultural activities. (City Goal 21, 26)
3. To partner with the Chamber of Commerce, City's Economic Development Office, Oakland University, and Macomb County to promote the INCubator. (City Goal 8, 10)
4. To work with Community Services to review providing an alternative electronic City newsletter to partially replace the printed version and review alternative delivery methods. (City Goal 17)
5. To work with Information Technology to develop a cost effective plan to update and replace the City's website. (City Goal 17)
6. To further collaborate with Community Services to refine service delivery methods and sharing and coordination of programs. (City Goal 2)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Total Customer Service Contacts	407,927	509,107	635,141	679,500	589,500	604,500
	Citizen Action Center Calls/Walk-ins	31,226	26,424	26,436	26,000	26,000	26,000
	E-Mail Requests	2,054	2,747	2,147	2,800	2,900	2,900
	"We Want to Know" Postcards	756	728	327	700	600	200
	Sterling Heights Website Visits	373,891	479,208	606,231	650,000	560,000	575,000
	Total Tapings & Programs Aired	683	638	648	640	628	230
	SHTV Hours of Programming (Weekly)	82	82	113	82	123	103
	City Council, Board & Commission Meetings Taped	78	75	78	74	72	72
	Press Releases Produced	183	185	170	110	185	90
	Employee Intranet Updates	309	607	386	400	400	75
	City Magazine/Brochures Produced	42	32	29	25	25	13
	Typesetting/Graphic Design Projects	119	108	104	100	100	60
	City Information E-mail Subscription Recipients	20,756	27,953	26,486	29,000	32,000	37,000
	Sterlingfest & Memorial Day Parade Attendance	105,000	135,000	105,000	105,000	120,000	105,000
	Beautification Awards Presented	149	100	100	100	58	25
	Print Requests Completed	381	386	392	390	395	250
	Stockroom Requests Completed	286	290	294	290	295	300
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	98%	98%	98%	98%	98%	75%
	Cost per Citizen Contact Center Call Received	\$2.23	\$2.60	\$2.63	*	*	*
	Cost to Televis a Public Meeting	\$997	\$1,033	\$1,004	*	*	*
	Activity Expenditures as % of General Fund	1.84%	1.77%	1.83%	1.80%	1.65%	1.16%

* Cost is calculated for "Actual" columns only.

Community Relations



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Community Relations Director	1	1	1
Communications Manager	1	1	0
Broadcast Services Manager	1	1	1
Broadcast Services Coordinator	0	1	1
Broadcast Programming Specialist	2	1	1
Citizen Services Specialist	2	2	1
Communications Specialist	1	1	1
Community Relations Specialist	1	1	0
Senior Broadcast Production Specialist	1	1	0
Printing Technician II	2	2	1
Broadcast Production Specialist	1	1	0
Video Production Technician (P.T.)	3	2	0
Web-site Specialist (P.T.)	1	1	1
Total	17	16	8

Community Relations

SUMMARY OF BUDGET CHANGES

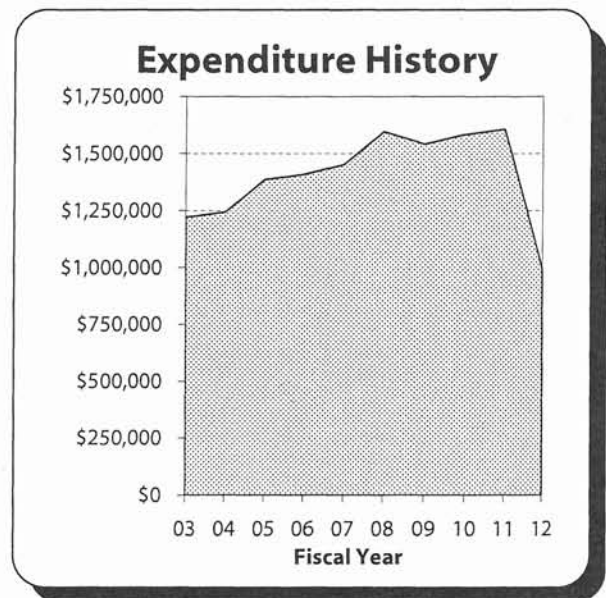
SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 38.0%.

Personnel Services – The total Personnel budget decreased \$556,010 or 38.4%. Four full-time staff have been reassigned to the newly created Neighborhood Services division. The Senior Broadcast Production Specialist has elected a voluntary layoff in lieu of a lateral transfer. Due to a retirement, the vacant Community Relations Specialist position is proposed to be eliminated, as well as the vacant part-time Video Production Technician positions. The remaining staff has agreed to additional wage and benefit concessions. The department will switch to a bi-weekly news broadcast, eliminate local sports coverage, transfer the holiday gift drive to service clubs and revise the Beautification Awards program.

Supplies – Total Supplies decreased \$17,470 or 28.0%. Postage costs can be reduced \$11,000 based on a more accurate savings estimate from mailing fewer editions of the City Magazine and the elimination of the City Calendar. Operating supply costs fell \$5,970 due to a reduced need for videotapes, while written publications were eliminated due to the availability of free online resources.

Other Charges – Total Other Charges decreased \$37,210 or 39.0%. The City will save \$32,020 in printing costs based on a more accurate savings estimate from last year's decision to print the City Magazine only three times per year and the elimination of next year's City Calendar. Fewer local business meetings will be



attended, saving \$1,500. Contracted service costs decreased \$970, as cable service is now provided at no cost by WOW. Telephone costs decreased \$930 as four Nextel telephones were transferred. \$700 was saved due to a decrease in copier usage fees. Due to a reduction in staff, fewer memberships and educational courses are funded, saving \$570.

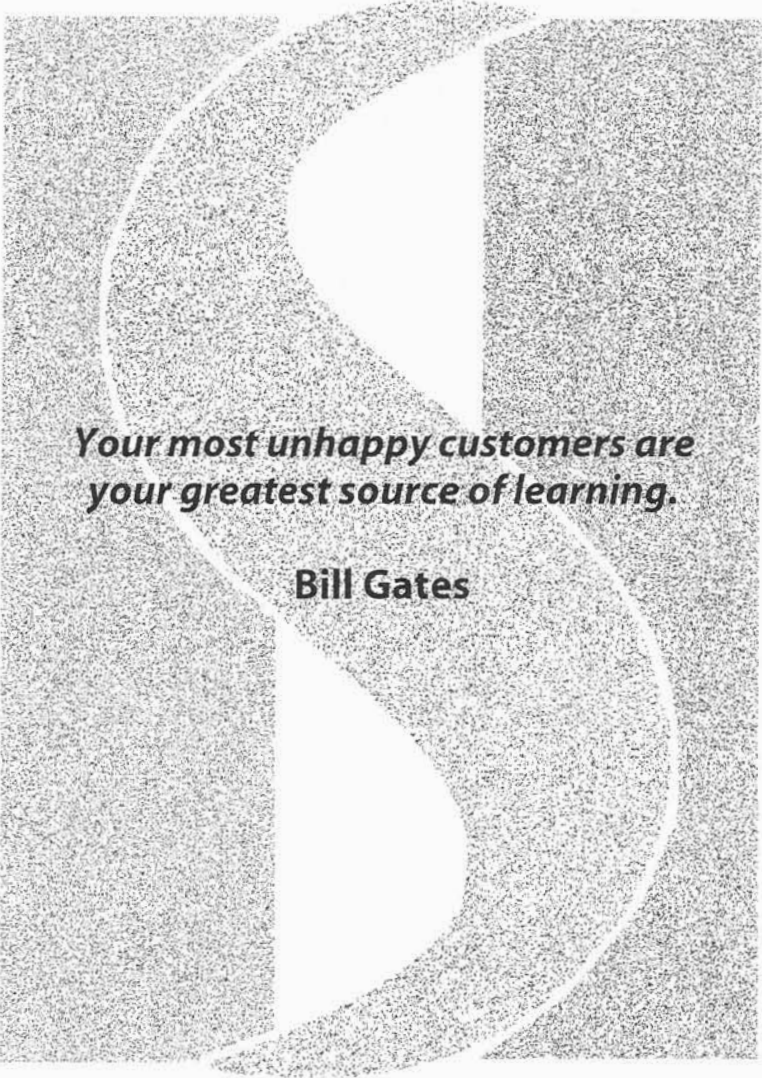
Capital – There is no proposed Capital.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,404,498	\$1,447,270	\$1,317,790	\$891,260	\$891,260
Supplies	76,423	62,470	49,000	45,000	45,000
Other Charges	101,989	95,520	66,500	58,310	58,310
Total	\$1,582,910	\$1,605,260	\$1,433,290	\$994,570	\$994,570

Non-Departmental Services





***Your most unhappy customers are
your greatest source of learning.***

Bill Gates

MISSION STATEMENT: *To provide a forum of equitable, peaceful, and timely legal dispute resolution, based on the principles of due process, while instilling public confidence in the Court system.*

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

The Judicial Services Center has equipment that is both desirable and necessary for a full service District Court with an increasing caseload. Technology advancements continue to improve staff efficiency and provide increased security.

The Court staff consists of three judges and a full-time magistrate who hears small claims cases, signs warrants, sets bonds, etc. The District Court Administrator oversees the court operations and supervises the support staff. The court is subdivided into six divisions and one Probation division. The six court divisions include Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and the Violations Bureau.

The Civil Division handles the jurisdiction of all civil litigation up to \$25,000.

The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement agencies.

The Traffic and Ordinance Division handles complaints filed by law enforcement agencies regarding traffic and city ordinances.

The Landlord/Tenant Division processes claims filed involving the eviction of tenants and land contract forfeitures.

The Small Claims Division hears civil cases, which are below \$3,000 and require no attorney.

The Violations Bureau handles all non-court traffic and ordinance violations. These infractions can be resolved without a court appearance by the involved parties.

KEY GOALS

- *To provide a safe and secure environment for the people involved in all dispute resolutions within our jurisdiction.*
- *To provide an unbiased climate for resolving disputes in the areas of Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and non-court traffic and ordinance violations.*
- *To assist sentencing decisions through the use of a Probation Division by providing personalized analysis, special reports, and rehabilitation programs.*

The Probation Division is responsible for providing services to judges and probationary clients. The Probation Officer provides special reports and analyses to the judges for assistance on sentencing decisions. The Court's "Alternatives to Incarceration Program" is one example of how the community may benefit from cost savings and community service work when this option is appropriate. The services provided to probationary clients include securing employment, school, or training and referrals to rehabilitation programs to assist those with drug, alcohol, or emotional problems.■

Did you know...

...that every scheduled criminal case has a criminal history run from the Law Enforcement Information Network (L.E.I.N.) system and a warrant check for outstanding warrants from other jurisdictions?

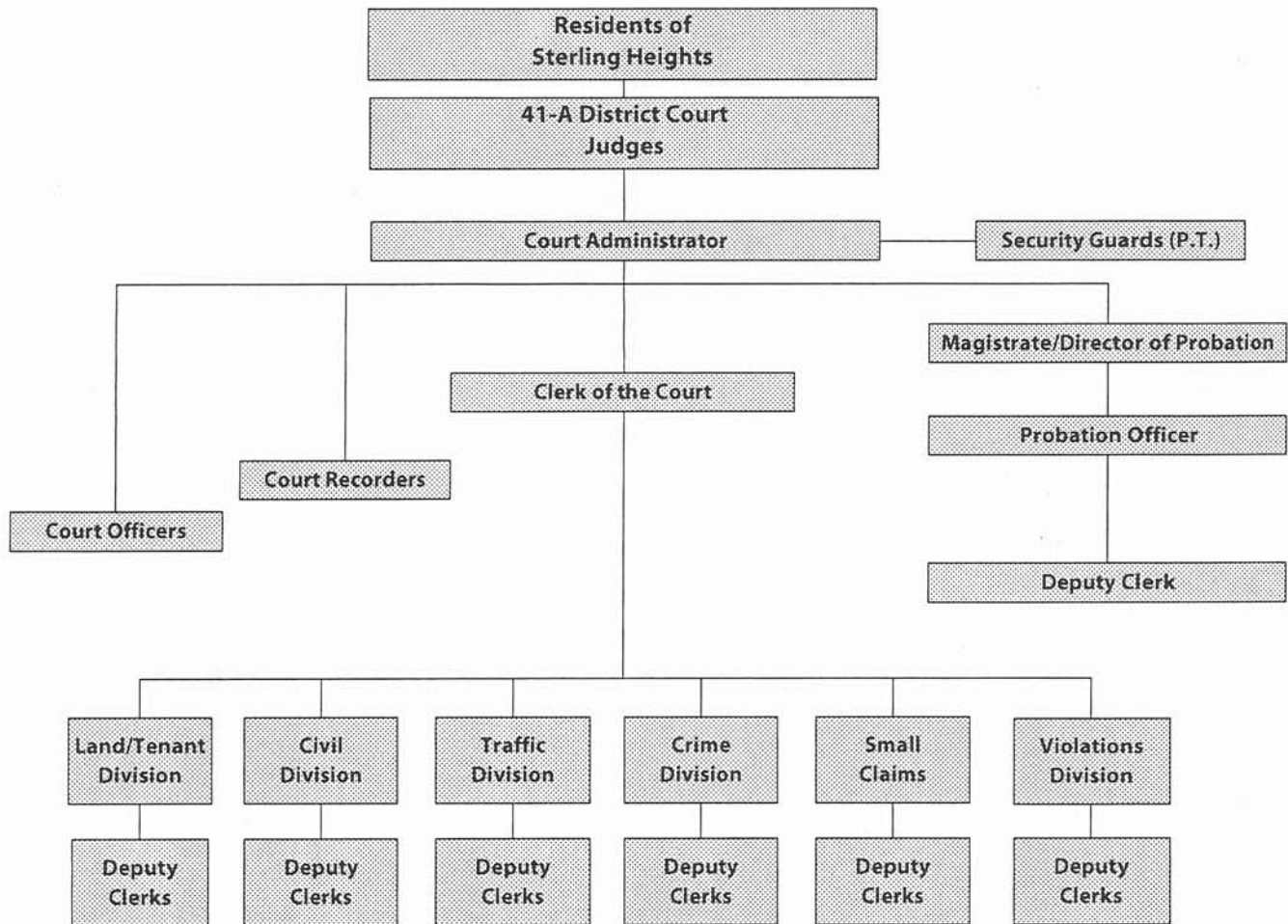
41-A District Court

2011/12 PERFORMANCE OBJECTIVES

1. To implement a program that will allow the Court to electronically submit driver license suspension notifications to the Secretary of State. (City Goal 17, 18)
2. To develop and implement a program requiring the scanning and emailing of all felony cases that are bound over to Macomb County Circuit Court. (City Goal 17, 18)
3. To improve the efficiency of the Criminal Division by automating certain court procedures. (City Goal 17, 18)
4. To conduct a cost benefit analysis of utilizing the City's in-house Print Shop for forms that are currently printed by outside vendors. (City Goal 3, 17)

	Performance Indicators	2007/08	2008/09	2009/10	2010/11	2010/11	2011/12
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Active Caseload	51,176	54,349	60,055	59,000	52,000	50,000
	Total New Cases	40,149	42,468	47,029	48,450	43,700	42,500
	Traffic Cases	25,922	28,317	33,311	34,000	30,000	29,000
	Parking Cases	1,787	2,105	2,229	2,400	2,000	2,000
	Misdemeanor Cases	4,887	4,125	4,167	4,200	4,000	4,000
	Felony Cases	790	797	651	750	700	700
	General Civil Cases	3,867	3,947	3,816	4,000	4,100	4,000
	Small Claims Cases	425	524	448	500	400	400
	Landlord/Tenant Cases	2,471	2,653	2,407	2,600	2,500	2,400
	Magistrate Dispositions	10,360	10,393	10,707	11,000	10,700	10,500
	Jury/Bench Verdicts	9,230	10,489	11,571	11,000	10,500	10,500
	Guilty/Admissions/Default - By Party	23,747	24,739	29,871	24,000	25,000	24,000
	Dismissals - By Court or Party	8,279	7,900	7,893	7,500	7,100	7,000
	Probation Caseload (includes Shelby)	800	800	850	900	1,400	1,400
Efficiency & Effectiveness	% of Imposed Revenue Collected	96%	96%	97%	97%	97%	97%
	# of Court Cases Given to Collection Agency	N/A	1,600	2,400	2,600	0	0
	Court Revenue Collected by Collection Agency	N/A	N/A	\$60,878	\$25,000	\$24,000	\$15,000
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	\$23.23	\$24.51	\$25.07	\$25.61	\$25.51	\$25.47
	Cost Per Active Case	\$58	\$58	\$54	\$56	\$63	\$65
	# of Active Cases per Employee	1,422	1,501	1,668	1,685	1,486	1,429
	Activity Expenditures as % of General Fund	3.44%	3.61%	3.73%	3.70%	3.77%	3.81%

41-A District Court



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
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	22	22	22
Deputy Clerk (P.T.)	1	1	1
Security Guard (P.T.)	4	4	4
Total	40	40	40

41-A District Court

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

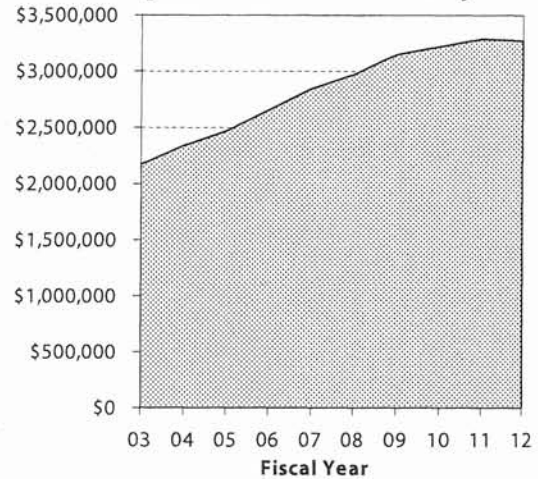
The total budget decreased by 0.5%.

Personnel Services – The total Personnel budget decreased by \$22,750 or 0.8%. The budget assumes a continuation of last year's wage concession and an additional 3.75% concession next year in line with the City's overall financial plan. Partially offsetting these savings is a 3.3% increase in health insurance premiums and a \$49,990 increase in actuarially required City contributions to the pension system. Full-time staffing levels will be reviewed as retirements occur due to the efficiencies gained from the new Police E-ticketing computer system, which eliminates the duplication of data entry.

Supplies – Total Supplies decreased \$800 or 1.9%, as fewer operating supplies need to be replenished and fewer written law publications will be purchased due to the increasing availability of online resources.

Other Charges – Total Other Charges increased \$6,410 or 2.9%. A greater use of credit cards to pay court fines has led to a \$5,000 increase in credit card fees. \$3,500 was added based on higher State computer maintenance and annual support costs. Interpreter fees increased \$3,000 and telephone costs rose \$1,500, based on historic actual expenditure levels. Electric costs decreased \$2,000 and heating costs declined \$700, as both can be reduced and brought more in line with recent expenditure trends. Fewer printed forms and folders are needed, saving \$750. Fewer memberships and training courses are funded, saving

Expenditure History



\$680. Copier rental and usage costs decreased \$530. \$500 will be saved in water costs, as lawn irrigation at the Court building will be monitored more effectively and adjusted downward as necessary. The budget decreased \$400, as complimentary coffee for the jurors is no longer being offered.

Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$2,952,578	\$3,029,790	\$3,006,450	\$3,007,040	\$3,007,040
Supplies	44,600	42,000	42,000	41,200	41,200
Other Charges	224,637	218,680	229,360	225,090	225,090
Total	\$3,221,815	\$3,290,470	\$3,277,810	\$3,273,330	\$3,273,330

MISSION STATEMENT: *To govern the testing for appointment, employment, and promotion of Police and Fire personnel.*

The Act 78 Civil Service Commission is a General Fund activity and is budgeted and accounted in a manner similar to other General Fund activities. The plan of Civil Service as established by Act No. 78 of the Public Acts of 1935, as amended, is incorporated in the Charter of the City and can be changed only by a formal amendment to the City Charter.

The City Clerk acts as ex officio liaison to the Commission and provides the necessary administrative and clerical support.

The Commission governs all aspects of the testing procedures for Police and Fire personnel. From the physical and agility aptitude exams to the written, oral, physiological, and psychological examinations, the Commission has a hands-on interface with the selection of examiners, criteria for examination, and selection of final evaluators. This important role of the Act 78 Civil Service Commission ensures the best candidates are selected for employment. The three members of the Commission serve without compensation during their term.■

KEY GOALS

- *To set requirements for Police Officer and Firefighter applicants that will best serve the interest and well-being of the residents of Sterling Heights.*
- *To keep Police Officer and Firefighter eligibility lists current by initiating the application process in a timely fashion.*
- *To monitor the testing process for new hires and personnel who have applied for certain promotions within the Police and Fire Departments.*

Did you know...

...the Firefighter exam administered in 2010 required the applicants to pay the exam costs to the testing agency, thereby allowing applicants to apply with multiple communities utilizing the test score and saving participating communities the exam costs?

Act 78 – Civil Service Commission

2011/12 PERFORMANCE OBJECTIVES

1. To work with a testing consortium to provide cooperative police officer applicant paid testing services for municipalities. (City Goal 2, 3, 20)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Minutes of Act 78 Meetings Recorded	2	2	2	2	2	1
	Police Officer Eligibility List Applications	186	128	0	151	0	0
	Fire Fighter Eligibility List Applications	88	0	0	0	96	0
	Written Tests - Police Officer Eligibility List	0	146	124	0	0	0
	Written Tests - Fire Fighter Eligibility List	57	0	0	0	96	0
	Oral Interviews - Police Officer Eligibility List	47	35	37	0	0	0
	Oral Interviews - Fire Fighter Eligibility List	16	26	0	28	82	0
	Physical/Psychological Test - Police/Fire Candidates	14	11	1	4	0	0
	Appointment Notices - Police/Fire New Hires	13	10	1	4	0	0
	Police/Fire Personnel Files Maintained	120	120	120	120	120	120
	Maintained Files (hiring procedures/legal opinions,etc.)	95	90	90	90	90	90
Effectiveness	Number of Appeals by Candidates	0	0	0	0	0	0
	Activity Expenditures as % of General Fund	0.04%	0.01%	0.00%	0.01%	0.00%	0.00%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

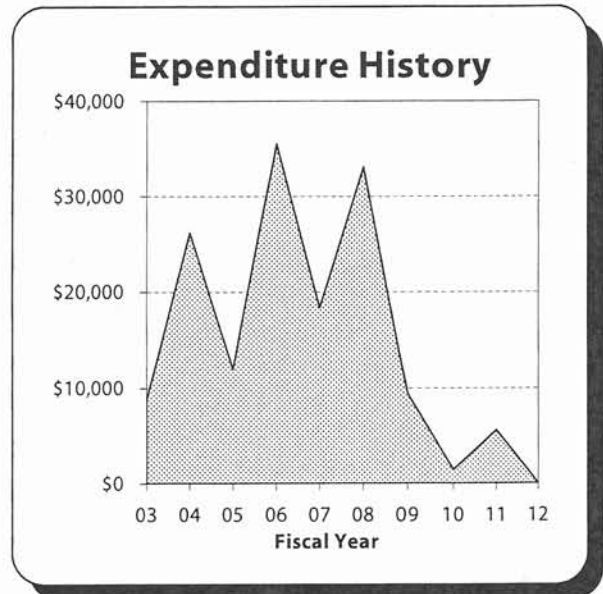
The total budget decreased by 100%.

Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased \$260 or 100.0%. Funding for postage can be eliminated as there are no Police Officer or Firefighter positions anticipated to be hired next year and the mailing of recruitment and testing materials will not be necessary.

Other Charges – Total Other Charges decreased \$5,310 or 100.0%, as funding for job advertising, testing materials, assessment centers, and pre-employment physical and psychological exams will not be required next year as no new positions are anticipated to be hired.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	123	260	50	0	0
Other Charges	1,328	5,310	0	0	0
Total	\$1,451	\$5,570	\$50	\$0	\$0

MISSION STATEMENT: *To promote public interest in the general improvement of the City's appearance.*

Residents and owners of all property within the City of Sterling Heights are encouraged to accept basic responsibilities in preserving and enhancing the beauty of public and private properties. An annual awards program assists the Beautification Commission in promoting its mission throughout the City. Nominations are submitted annually for properties in Sterling Heights that exemplify the enhancement of both public and private properties. The Commission reviews these nominations and those that are worthy of the award receive City-wide recognition.

Special projects are organized and coordinated to lead the way for residents to follow suit. Environmental awareness education for residents tops the list of priorities. The Beautification Commission initially proposed the City's recycling centers. This landmark project has gained City-wide acceptance and resident participation.

The Beautification Commission recommends the planting and preservation of trees, flowers, plants, and shrubbery, as well as the placing of other ornamentation throughout the City, such as the annual decoration of the municipal grounds gazebo. The Beautification Commission also promotes public education for the disposal of litter in our community through its contacts with schools, scouting troops and businesses. This is accomplished through programs such as "Adopt a City Road".

The 12 member Commission includes a variety of City residents appointed by the City Council. The Community Relations Director serves as staff liaison to the Beautification Commission, coordinating its activities within City guidelines. The Commission was established pursuant to Ordinance No. 145. The Commission sets a specific budget for purposes of funding programs and projects. ■

KEY GOALS

- *To recognize and honor those individuals who take the initiative to beautify their properties.*
- *To sponsor educational programs to teach students how to beautify their City.*

Did you know...

...the Beautification Commission won the Best Float Award in the City's 2007 and 2010 Memorial Day parades?

Beautification Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 40.3%.

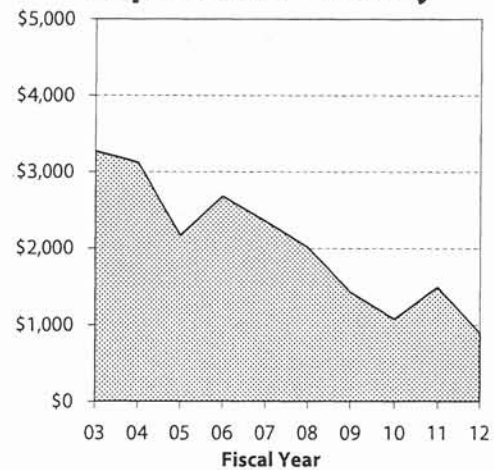
Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased \$500 or 40.0%. The Commission will save \$300 in planting supplies, as complimentary seeds will not be handed out at the Memorial Day Parade. Operating supply costs decreased \$200 based on historic actual expenditure levels for beautification awards and plaques.

Other Charges – Total Other Charges decreased \$100 or 41.7%, as fewer refreshments have been needed at local meetings and events.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	984	1,250	750	750	750
Other Charges	91	240	140	140	140
Total	\$1,075	\$1,490	\$890	\$890	\$890

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 or her art in a public forum.

The "Sterlingfest Art & Music Festival" and the accompanying food festival held in Dodge Park brings thousands of area residents together. This festive and family-friendly atmosphere is conducive to good times and the appreciation of the performing, visual and culinary arts.

The annual "Memorial Day Ceremony & Parade" honors those men and women who gave their lives for our American freedom. The 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 project, "SterlingScapes". 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., "SterlingScapes", 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...

...the cost of the Sterlingfest Art & Music Fair has been reduced by 45% since 2008 while still providing the community with the "best summer festival" in the State (Detroit News)?

Cultural Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 25.0%.

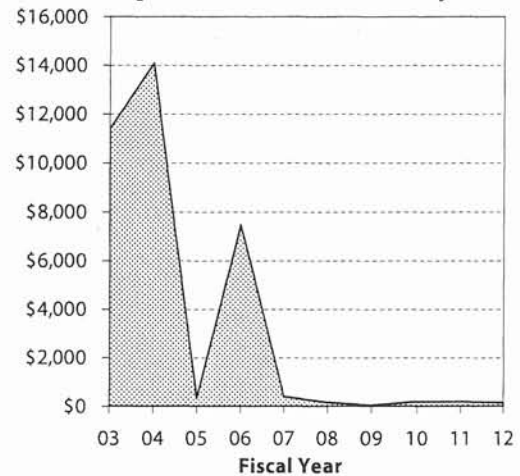
Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased \$50 or 100%, as prior year funding for operating supplies was not needed.

Other Charges – Total Other Charges is proposed to remain the same at \$150. There are no proposed changes within the Other Charges account.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	50	0	0	0
Other Charges	200	150	150	150	150
Total	\$200	\$200	\$150	\$150	\$150

MISSION STATEMENT: *To invest plan assets prudently while meeting or exceeding actuarial liabilities, while insuring timely and proper distribution of benefits to which plan participants are entitled.*

The General Employees Retirement Board activity was established with the authority to administer, manage, and operate the retirement system following the provisions established by the retirement ordinance referenced in the City Charter and Code of Ordinances. The mission of the General Employees Retirement Board is to ensure that the assets of the retirement fund are invested in a safe and prudent manner, yielding the highest possible return on the investment of the funds. The Board is also responsible for calculation of retiree benefits. Board meetings are held on the third Thursday of every month at 1:30 p.m. in City Hall. These are public meetings with the agenda posted by the end of the week prior to each meeting.

Assets in the fund as of December 31, 2010 total a market value of \$111,271,433 while the City's contribution for the 2011/12 fiscal year will be \$1,089,481. The fund is now 99.6% funded.

The Board has established the following asset allocation guidelines:

Equities:

Large cap	32%
Small Midcap	15%
International	17%
Fixed Income	32%
Real Estate Investment Trust	4%
Cash	0%

There are currently 279 retirees receiving benefits from the fund and 213 active members of the system who pay into the system. Retirement benefits vest after five or ten years of service depending on the participant's labor agreement. As of December 31, 2010, 155 active members were vested.

Five members serve on the General Employees Retirement Board. The officers include the Finance & Budget Director as the Board Secretary and the City Treasurer as the Treasurer of the retirement system and asset custodian. A resident is appointed by City Council to serve on the Board while two

KEY GOALS

- *To monitor investments and liabilities to ensure proper matching while making necessary adjustments to maintain proper balance and long-term funding levels.*
- *To develop and follow procedures whereby plan participants receive the benefits to which they are entitled by contract and/or ordinance.*
- *To provide adequate communication to members of the retirement system so that they know how their funds are managed and what to expect at retirement.*

employee representatives are elected for staggered three-year terms by members of the General Employees Retirement System. An attorney designated by the Board acts as legal advisor while the Pension Accountant serves as the pension board liaison. ■

Did you know...

... there was no required City contribution to the General Employees Retirement System from fiscal years 1999 to 2008 due to positive investment returns?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 1.5%.

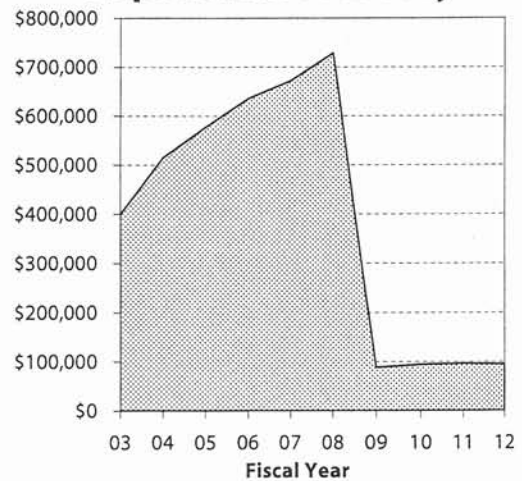
Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased \$60 or 15.0%. Postage costs decreased \$50 based on the current year's estimated expenditure usage. \$10 was saved, as fewer office supplies are needed for recording meeting minutes.

Other Charges – Total Other Charges decreased \$1,430 or 1.5%. Funding for educational conferences decreased \$1,000 and legal services fell \$430, as both can be reduced and brought more in line with historic actual expenditure usage.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	637	400	350	340	340
Other Charges	93,663	95,800	94,000	94,370	94,370
Total	\$94,300	\$96,200	\$94,350	\$94,710	\$94,710

MISSION STATEMENT: *To budget and account for general expenditures not assigned to specific users within the City due to their subjective nature.*

The General Expenditures activity of the General Fund is used to budget and account for all general expenditures that are incurred throughout the fiscal year. This activity is a budgetary center within the General Fund. Expenditures are charged to this activity because of the inability to properly reflect the expenditures in any other activity. This situation exists when an expenditure is incurred by the City in which benefit is realized by more than one activity. Rather than allocate the expense over the many activities in the City, it is much simpler and more auditable to charge it to an activity specifically set up for this type of expenditure – the General Expenditures activity.

Examples of these types of expenditures include postage for City publications and miscellaneous bulk mailings, and operating supplies for the copiers used throughout the City.

Other Charges, such as audit and accounting services for the annual year-end financial report, and contracted services for potential studies and surveys are included in this activity. City street lighting, all liability and property insurance for the City, refunds on tribunal adjustments and City memberships and dues are other items of interest found in this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, approval must be received from City Council before the adjustment is made. This budgetary center rarely requires any formal budget amendment.■

KEY GOALS

- *To provide a means of accounting for certain unallocable City-wide expenditures which benefit all City departments or the public at large.*
- *To provide a means of accounting for certain benefits to residents such as street lighting, weed cutting, and the quarterly City magazine.*
- *To provide a means of budgeting and accounting for City-wide liability insurance coverage.*

Did you know...

...that many of the costs previously recorded in the General Expenditures activity have been assigned to various departments during the last three years in order to increase cost control and reduce or eliminate costs?

General Expenditures

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 2.3%.

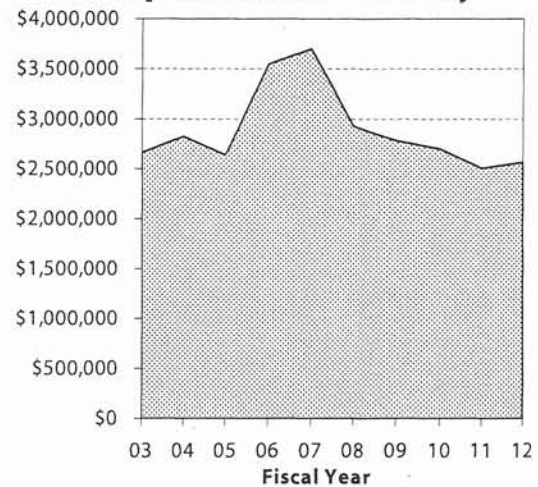
Personnel Services – The total Personnel budget increased by \$26,500 or 88.3% due to higher unemployment compensation costs.

Supplies – Total Supplies decreased \$3,000 or 14.3%, as the budget for copy paper can further be reduced and brought more in line with prior year actual expenditure levels.

Other Charges – Total Other Charges increased \$33,040 or 1.3%. Tax tribunal adjustment refunds increased \$50,000 as a higher number of commercial tax appeals are anticipated due to the State's economy. \$3,570 was added due to higher monthly maintenance costs for the City's telephone systems. \$1,500 was added due to higher copier usage costs for the City's large copy machines. Street lighting costs decreased \$9,240 based on actual expenditures. Contracted service costs decreased slightly by \$5,000 based on the current year's estimated expenditure usage. The budget includes one-time funding of an Appraiser to conduct needed personal property evaluations. Due to revenue shortfalls, physical exams for eligible employees have been eliminated, saving \$5,000. Membership costs decreased \$2,290 due to lower than anticipated MML and SEMCOG dues.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$29,030	\$30,000	\$40,300	\$56,500	\$56,500
Supplies	15,472	21,000	18,000	18,000	18,000
Other Charges	2,656,022	2,456,040	2,437,990	2,489,080	2,489,080
Total	\$2,700,524	\$2,507,040	\$2,496,290	\$2,563,580	\$2,563,580

MISSION STATEMENT: *To foster an understanding and appreciation of local history and to identify the heritage of our City.*

The Historical Commission strives to promote an awareness of the community's heritage; to identify local preservation concerns; to attend workshops and seminars relating to preservation management; to study public policies designed to protect and preserve local history; and to provide opportunities for residents to share and shape their historical legacy.

Through membership in the American Association of State and Local History, the National Council on Public History, and the Historical Society of Michigan, the Commission works to expand its perceptions and knowledge of current practices in the field of local history. It keeps informed of state and federal legislation, as well as identifies sources of funding such as grants and endowments.

The Historical Commission has the responsibility to identify structures and sites of historic significance; to study the value of their preservation, and to make recommendations for future use. The Residential Date Plaque Award Program, established in 1992, has recognized 33 homes of historic value in Sterling Heights as identified by age and architectural significance.

To encourage an appreciation of local history, the Sterling Heights Historical Commission is also responsible for the development of the Sterling Historical Collection in the Upton House and its new expansion in the Library. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835.

The Commission is also a participant in the Veterans History Project created by the United States Congress in 2000 as part of the American Folklife Center at the Library of Congress. As such, the Commission collects and archives the personal recollections of United States wartime veterans from Sterling Heights to honor their service and share their stories with current and future generations.

The Commission, in partnership with the Friends of the Library, produced a book on local history

KEY GOALS

- *To increase public knowledge about local history and historic preservation.*
- *To collect and archive historic photographs.*
- *To collect, maintain, and promote a Sterling Historical Collection in the Upton House and the Library.*
- *To promote cooperation and resource sharing with local, state, and national preservation organizations.*

entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*. In addition, in partnership with the Public Library, the Commission authored *Sterling Township: 1875 – 1968*, a pictorial history.

As Sterling Heights continues to change, it is important to remember that learning about our history creates a bridge from the past to the present. What is happening here today will be tomorrow's history.

The seven member Historical Commission acts in an advisory capacity to the City Council. Members serve uncompensated terms of three years. The Commission, established in 1970, meets quarterly. The Community Services Director is the staff liaison, relating the activities of the Commission to City Administration.■

Did you know...

...the Sterling Heights Historical Commission accepts donations of local historical photographs for inclusion in the Upton House Historic Photograph Collection?

Historical Commission

2011/12 PERFORMANCE OBJECTIVES

1. To submit an article on a historical topic for each Sterling Heights City Magazine issue. *(City Goal 27)*
2. To rotate the Historic Photograph Collection photos from the Upton House to the Sterling Heights Public Library to provide more access to the collection. *(City Goal 27)*
3. To create awareness of the Library's Digital Media Archive, a section of the Library's online catalog that includes hundreds of digital photographs of Sterling Township farms and families from the 1860's, through social media. *(City Goal 27)*

Output	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
	Meetings Held	4	4	4	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	1	1	1	1
	Professional Memberships	3	3	3	3	3	3
	Historic Photographs and Memorabilia Collected	42	35	3	5	5	5
	Program/Exhibit Attendance	1,204	1,217	2,563	1,800	1,600	1,600

Historical Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 11.8%.

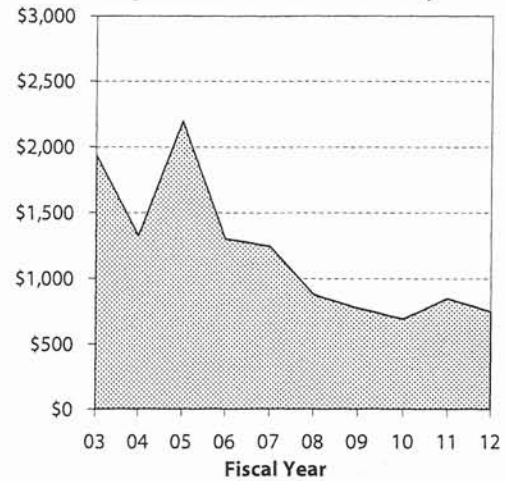
Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies is proposed to remain the same at \$150. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$100 or 14.3%, as it is estimated that fewer donated historic photographs will need to be archived.

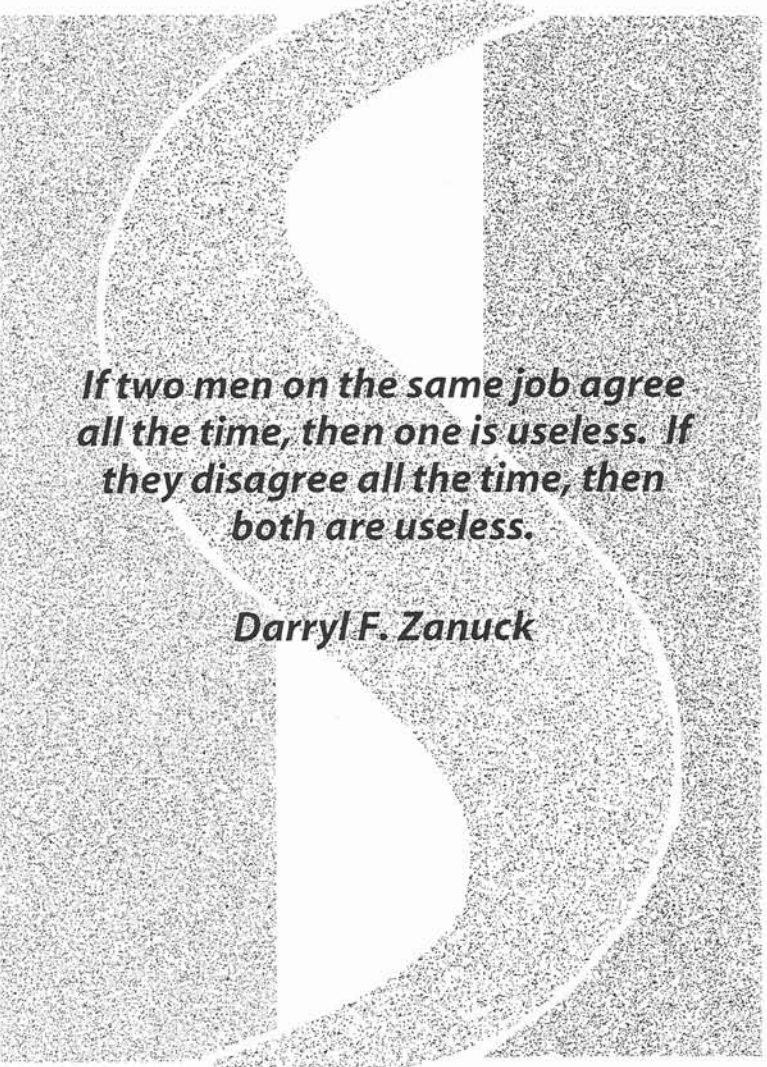
Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	151	150	150	150	150
Other Charges	541	700	600	600	600
Total	\$692	\$850	\$750	\$750	\$750



***If two men on the same job agree
all the time, then one is useless. If
they disagree all the time, then
both are useless.***

Darryl F. Zanuck

MISSION STATEMENT: *To provide all legal services, legal support, and advice to the City Council, City Manager, and City employees in a prompt professional manner.*

The Legal activity is used to account for all legal services charged to the General Fund.

The City Attorney is appointed by the City Council and serves as legal advisor and counsel for the City Council and City Manager. When requested, he advises City department directors and administrators on legal matters.

The City Attorney prosecutes District Court ordinance and traffic violations and represents the City in court cases and other legally constituted tribunals as the City Council may request. The City Clerk keeps copies of all written legal opinions, records, and files relating to City matters.

The City Attorney prepares and reviews all ordinances, contracts, bonds, and other written instruments that are submitted by either the City Council or City Manager. All new and modified matters of law and changes in the developments affecting the City are called to the attention of the City Council and City Manager after review by the City Attorney's office.

The City Attorney bills the City on a monthly basis for services rendered. These itemized billings are distributed to those activities that received benefit from the legal services. Administrators review the bills for accuracy and seek clarification from the Financial Services office if discrepancies arise. The General Fund charges will be ultimately expended to the Legal activity in the Legal Services – City Attorney account. This method of accounting for legal services has been determined to be superior to the past practice of recording expenditures in each specific activity. Centralized monitoring is more practical using the current method.

Anticipated payment for outside legal services is also budgeted in this activity. These services include court appointed attorneys, services provided by the public defender, a labor attorney, and fees paid to visiting judges. ■

KEY GOALS

- *To provide legal services in an efficient, competent and cost effective manner.*
- *To identify key legal priorities of the City.*
- *To assist the City Council and other Boards and Commissions regarding legal issues that may arise at meetings.*
- *To establish legal procedures, guidelines and standards in support of the City Council and City Administration's missions and goals.*
- *To provide advice and counsel regarding developing state and federal legislation, as well as recent court decisions.*

Did you know...

...that Jeffrey A. Bahorski was appointed as City Attorney effective January 20, 2004?

Legal

2011/12 PERFORMANCE OBJECTIVES

1. To implement new strategies and diligently monitor general legal counsel services in order to ensure the delivery of such services is optimally efficient and within budgeted amounts. (City Goal 1, 3, 5)
2. To provide legal services and guidance in support of the initiative to strengthen the City's neighborhoods through the newly created Neighborhood Services Division. (City Goal 12, 13, 14)
3. To provide legal guidance and support to the City's comprehensive economic development plan; including, but not limited to, the successful development of the Macomb-OU INCubator and Defense Corridor. (City Goal 10, 11)
4. To provide legal guidance on intergovernmental service sharing and other initiatives undertaken by the City to streamline and deliver governmental services in the most efficient manner. (City Goal 1, 2, 3)

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	District Court Cases	4,886	6,322	6,846	6,000	5,300	5,600
	Legal Opinions Rendered	4	2	5	4	4	4
	Ordinances and Amendments Prepared	16	16	18	20	8	10
	Commission Meetings Attended	38	47	39	45	30	40
	Council Meetings Attended	28	26	28	27	26	28
	Number of Open Lawsuits	17	29	26	30	33	30
	Number of Closed Lawsuits	13	15	9	12	12	12
	Numbers of Files Opened	85	158	149	95	45	80
	Number of Files Closed	85	81	69	70	60	65
	Legislative Issues Reviewed	90	97	93	95	96	95
	Hours Spent on City Business	7,527	7,899	8,565	7,800	6,800	6,800
Efficiency & Effectiveness	% Opinions Replied to on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Resolutions Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Contracts Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.86%	0.86%	0.85%	0.89%	0.85%	0.89%

Legal

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 2.9%.

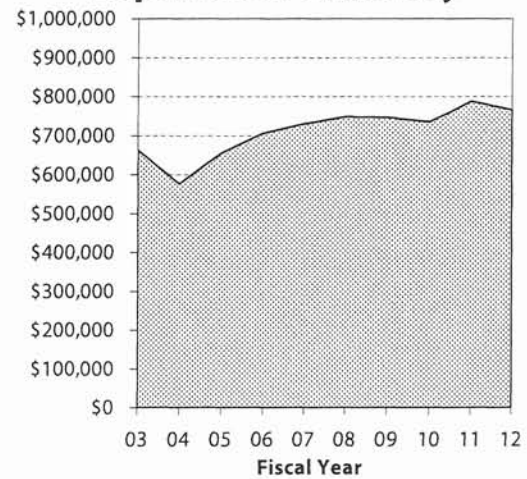
Personnel Services – There is no Personnel budget for this activity.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges decreased \$22,600 or 2.9%. Funding for City Attorney legal services decreased based on the current year's estimated expenditure usage, which reflects an ongoing savings from the 5% vendor savings program that was implemented in the prior year as part of the City's overall cost-saving financial strategy, as well as an overall decrease in billable hours. Funds continue to be budgeted for the labor attorney to assist with negotiating the open labor contracts and in achieving further wage and benefit concessions from all employees.

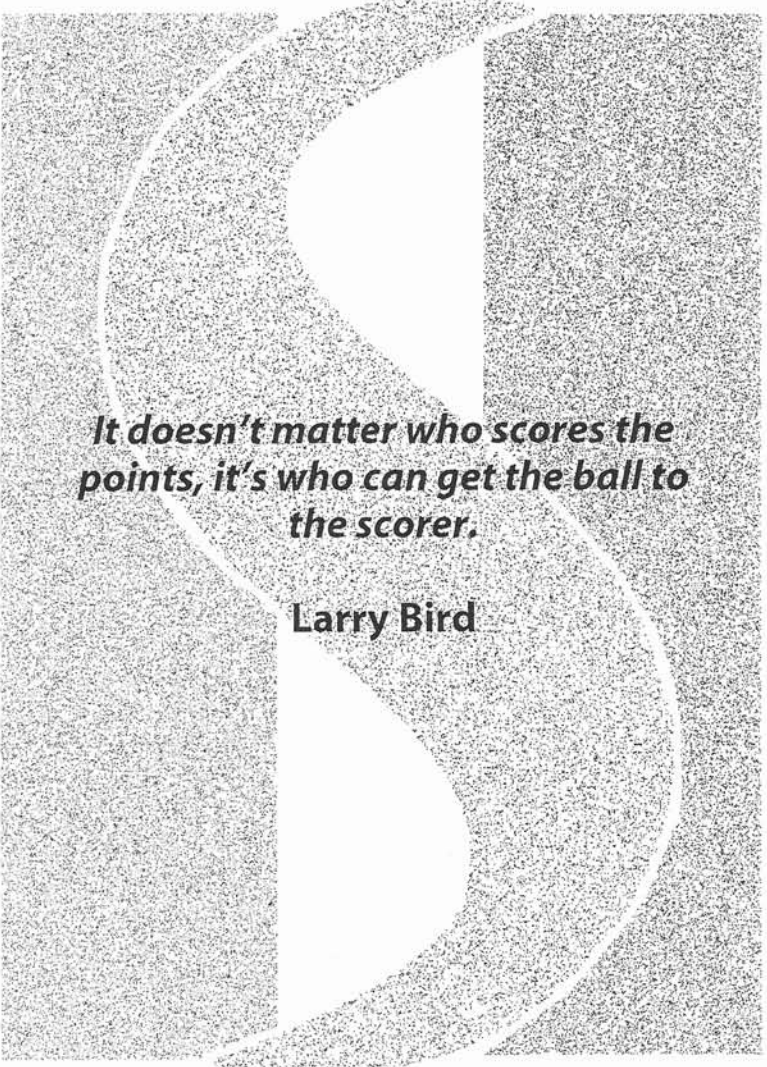
Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	735,369	787,600	740,000	765,000	765,000
Total	\$735,369	\$787,600	\$740,000	\$765,000	\$765,000



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

Larry Bird

MISSION STATEMENT: *To develop and adopt a Master Land Use Plan for the physical growth and development of the City, review and approve public development proposals and develop and implement zoning and subdivision regulations.*

Ordinance No. 113 adopted in August of 1968 established the Planning Commission. The City Council appointed Commission consists of nine members who serve terms not exceeding three years without reappointment. The Commission is an activity within the General Fund charged with several key responsibilities. The mission of the Planning Commission involves the preparation of a Master Land Use Plan for the physical development of the City. In furthering the policies and objectives of the adopted Master Land Use Plan, the Planning Commission is also empowered to review and approve a comprehensive Municipal Improvement Program (MIP) for public structures and improvements.

Similarly, the Planning Commission reviews and approves the development plans on all parks in accordance with the City's adopted Recreation Plan and Municipal Improvement Program.

The Planning Commission reviews and approves subdivision plats of land for conformity with various elements of the Master Land Use Plan and adopted City ordinances. The Commission also provides recommendations to the City Council on amendments to the Zoning and Subdivision Regulation Ordinances. The Commission reviews and recommends plans related to municipal facilities.

The review and approval of special land uses, temporary uses, and temporary buildings are also included among the key responsibilities of the Planning Commission. Recommendations are provided to the City Council relative to proposed projects under the federal Community Development Block Grant (CDBG) Program.

The members of the Planning Commission are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; and other related matters.

KEY GOALS

- *To prepare and maintain the City's Master Land Use Plan.*
- *To prepare and implement zoning regulations affecting the use of land to protect the public's health, safety, and welfare.*
- *To prepare and implement subdivision regulations related to the subdividing or platting of land.*
- *To provide technical review and recommendations on rezonings, site plans, special approval land uses, temporary uses, special development options, and subdivision plats.*

The current Master Land Use Plan was developed and adopted by the Planning Commission in May, 2005 with an amendment in April, 2007.■

Did you know...

...the Planning Commission is required by State statute to review the Master Land Use Plan every five years in order to provide for the efficient use and redevelopment of land?

Planning Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 16.2%.

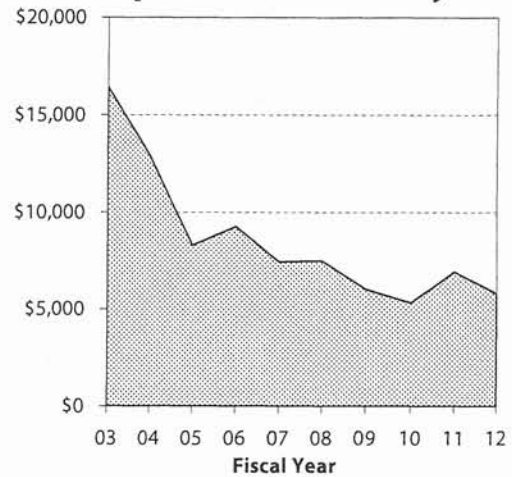
Personnel Services – The total Personnel budget decreased by \$320 or 11.9% due to a slight reduction in commission members' wages as a result of fewer meetings held over the past year.

Supplies – Total Supplies decreased \$20 or 3.1%. Operating supply costs and publication costs both declined by \$10, based on the prior year actual expenditure levels.

Other Charges – Total Other Charges decreased \$780 or 21.7%. \$300 was saved, as there are no special studies anticipated to be printed next year. Funding for reporting services was reduced by \$200, as less time is required to transcribe meeting minutes. Funding for educational training decreased \$100, as prior year funds were not fully needed. Publishing costs decreased \$100 and membership costs fell \$80, as both can be reduced closer to recent actual expenditure levels.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$2,359	\$2,690	\$1,610	\$2,370	\$2,370
Supplies	566	640	690	620	620
Other Charges	2,404	3,600	2,820	2,820	2,820
Total	\$5,329	\$6,930	\$5,120	\$5,810	\$5,810

MISSION STATEMENT: *To facilitate the accountability of revenues and expenditures by providing a means of tracing the transfer of monies from one fund to another.*

The Transfers Out activity in the General Fund is used to account for the outgoing transfers of funds to support other City funds. The expenditure in this activity is offset in its entirety by a revenue source in the fund receiving the transfer.

This fiscal year, four transfers are budgeted from the General Fund totaling \$959,670. They include a transfer to the Capital Projects Fund, the Economic Development Corporation Fund, the Limited Tax General Obligation Debt Service Fund, and the Local Development Finance Authority Fund.

The \$317,060 Transfer Out to the Capital Projects Fund will be used for the funding of budgeted equipment, vehicles, and Information Technology Capital items.

The \$608,680 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments on the City Center Commons and the Public Safety Radio System Equipment bonds.

The \$21,000 Transfer Out to the Economic Development Corporation Fund is to fund increased marketing efforts and research tools that will help attract and assist businesses looking to locate in the City, and continue to promote citywide economic development and redevelopment issues.

The \$12,930 General Fund Transfer to the Local Development Finance Authority Fund will be used to partially fund the City's operational costs for the 18 Mile Road SmartZone business incubator.

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.■

KEY GOALS

- *To provide a system to track monies out of one fund and into another.*
- *To accurately transfer out monies in order to provide the appropriate level of funding to allow the receiver fund to pay its obligations.*

Did you know...

...the 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

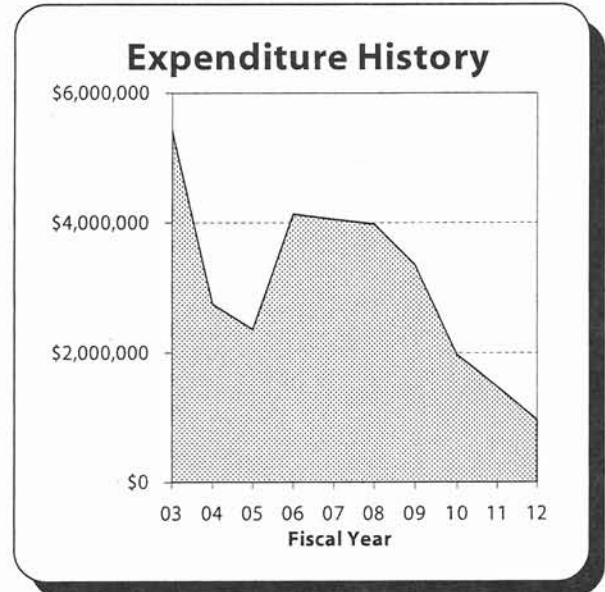
SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 35.1%.

Personnel Services – There is no Personnel budget for this activity.

Other Charges – There is no Other Charges budget for this activity.

Transfers Out – Transfers Out to other City funds totals \$959,670. Transfers to the Economic Development Corporation Fund total \$21,000 for the funding of increased marketing efforts including the use of a web-based marketing and communications service, a membership to the Center for Automotive Research (CAR), grant writing assistance, and participation at a trade show. Transfers to the Capital Projects Fund totals \$317,060 for the funding of equipment, vehicles, and information technology capital items. The City will use reserves from the Capital Projects Fund to fund the City's share of capital projects and the City's grant match for a proposed replacement fire engine. ***A listing of all proposed equipment, vehicles, and projects can be found in the Capital schedules within the Capital Projects section of this budget document.*** Transfers to the Limited Tax General Obligation Debt Service Fund totals \$608,680. This transfer will fund the principal and interest payments on the City Center Commons and the Public Safety Radio System Equipment bonds. Transfers to the Local Development Financing Authority Fund totals \$12,930 to partially fund the City's operational costs for the 18 Mile Road SmartZone business incubator. The transfer to the



Local Road Fund of \$475,000 for neighborhood road replacement has been eliminated due to declining revenues. The City continues to fund \$600,000 in sectional local road maintenance and repairs.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfers Out	1,968,810	1,478,940	1,510,940	959,670	959,670
Total	\$1,968,810	\$1,478,940	\$1,510,940	\$959,670	\$959,670

MISSION STATEMENT: *To hear and act upon appeals on various zoning matters related to the development and use of land in the City and to provide ordinance interpretation.*

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 110 of the Public Acts of 2006, as amended. Execution of its duties are performed in such a way that the objectives of the Zoning Ordinance shall be observed and met, public safety secured, and substantial justice done. The Zoning Board of Appeals consists of seven members appointed by City Council for a term of three years.

The Zoning Board of Appeals enjoys all the powers granted to it by both State law and Ordinance No. 278, which includes certain specific powers. Ordinance and map interpretations, modification of height, wall, buffering, screening and landscape requirements, modification of vehicle parking stalls, loading area and placement regulations, and the granting of use variances are specific examples of power granted to this Board.

The members of the Board are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; and other related matters.

Zoning Board of Appeals meetings are open to the public except those authorized to be conducted in closed session pursuant to the Open Meetings Act. The public is afforded the opportunity to speak at any public hearing in accordance with the Rules of Procedure and Bylaws of the Board. No business is conducted unless a majority of the members are present.

If the Board approves a variance, it shall remain in effect only as long as the facts and circumstances, as presented, continue to exist and conditions attached to the approval are satisfied and maintained. If the variance is not exercised within 12 months from the date it was granted, the variance shall lapse.

The appeal process begins by filing a notice of appeal accompanied by an application fee. The

KEY GOALS

- *To review and act upon use and dimensional variances to the City's Zoning Ordinance.*
- *To hear appeals in regard to special land uses and planned unit developments.*
- *To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.*
- *To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.*

notice of appeal must specify the requirement from which a variance is sought and the nature and extent of such variance. An official record is prepared for each appeal upon which the Board has based a decision.■

Did you know...

...the Zoning Board of Appeals heard over 30 cases last fiscal year that sought relief from the literal provisions of the City's Zoning Ordinance?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 7.2%.

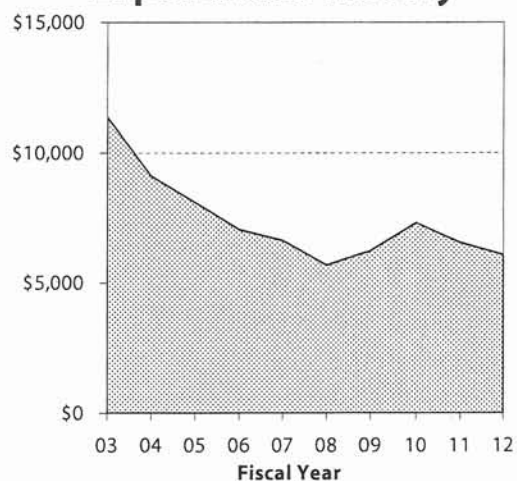
Personnel Services – The total Personnel budget remained the same at \$2,150. The budget assumes the same number of Zoning Board of Appeals meetings as in the prior year.

Supplies – Total Supplies decreased \$220 or 26.5%. The City will save \$180, as the Office of Planning will provide copies of publications for Zoning Board members. Fewer mailings are anticipated, saving \$30. Funding decreased \$10, as fewer meeting minute books are needed next year.

Other Charges – Total Other Charges decreased \$250 or 7.0%. The training budget decreased \$100 based on historic actual expenditure levels. Funding for reporting services was reduced by \$90, as less time is required to transcribe meeting minutes. \$60 was saved, as fewer newspaper ads are anticipated to be published.

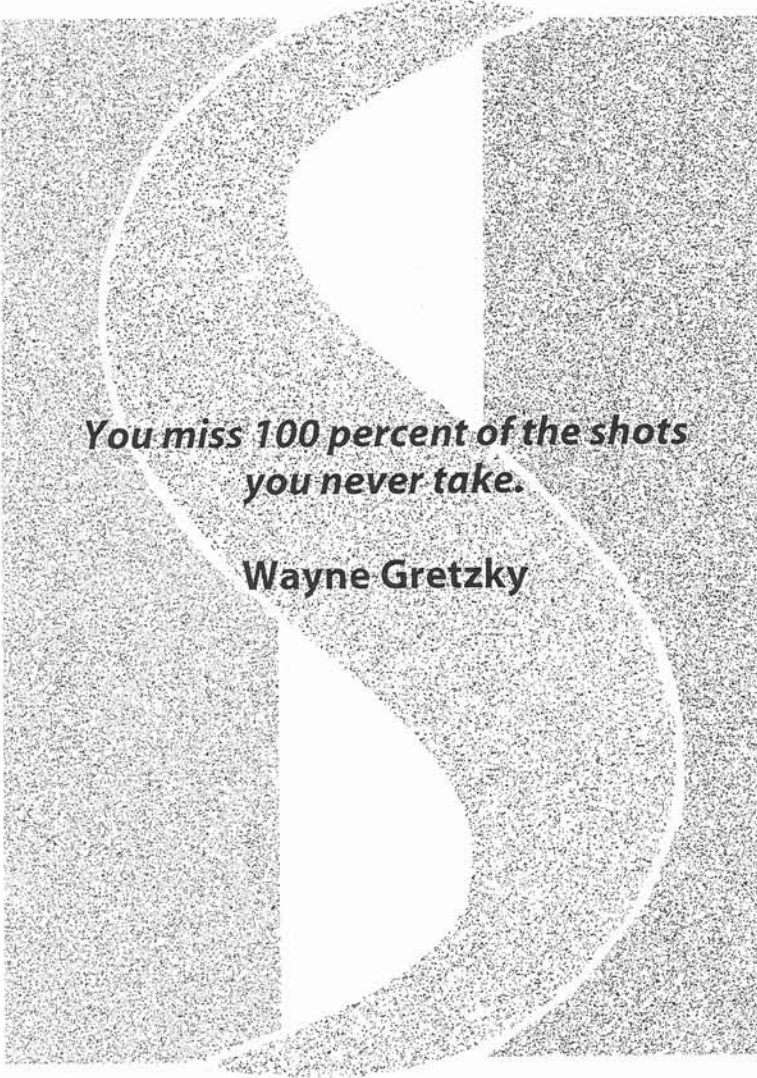
Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$2,456	\$2,150	\$2,150	\$2,150	\$2,150
Supplies	949	830	820	610	610
Other Charges	3,907	3,570	3,770	3,320	3,320
Total	\$7,312	\$6,550	\$6,740	\$6,080	\$6,080



***You miss 100 percent of the shots
you never take.***

Wayne Gretzky

Water & Sewer Fund



The Water & Sewer Fund is an Enterprise Fund responsible for operation of the city's combined water supply and sewage disposal system. The fund is used to finance the cost of providing services to residents through user fees. Activities that make up the Water & Sewer Fund include Water & Sewer Administration, Water Distribution, and Sewage Collection.

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. It is used to provide water and sewer services to residential, industrial, and commercial customers. It is self-supporting and is designed to meet its obligations free of taxation. An annual independent audit is prepared on prior year financial results and administrative staff projects a forecast of the next year. Together they are used to determine what, if any, adjustments need to be made so the fund will remain financially sound.

Historically, Sterling Heights has not passed on the full City of Detroit water and sewage rate increases. Over the past 18 years, Detroit has increased its rates by an average of 7.3% per year, while Sterling Heights has increased its rates by only 5.7% 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 fee from \$.08 to \$.10 per mcf. Detroit also increased its water and sewage rates by 7.2% and 4.1%, respectively. The City passed along only a 3% increase, but the third tier sewage rate rose 6.5% to fully cover our cost. The summer discount also increased from a maximum of \$15 to \$25.

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 replaced 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.

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 peak usage of water. As a result, Detroit increased its water rate 16.5% and its sewage rate 4.4%. The City passed along an 11.9% water and sewage rate increase to its customers.

In 2005/06, Detroit's sewage fees increased a total of 8.9%, to include charges for the 15 Mile sewer repair and a slight rate increase. Detroit's water rate also increased 7.7%. Sterling Heights passed along the same rate increases. 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 2008/09, the Detroit water and sewage rates increased by 0.5% and 5.6% respectively. Sterling Heights passed along only a 3.9% water and sewage rate increase to its customers. In addition, for the first time in 10 years, the City increased its maximum summer discount by \$1 to \$26.

In 2009/10, Detroit increased its water rate 8.7%, though the estimated water volume purchases declined 3.6%. Sewage disposal fees increased 2.3% due to a slight increase in the sewage rate and to include charges for the North Gratiot interceptor project. As a result, the City passed along a 4.9% water and a 6.9% sewer rate increase to its customers.

In 2010/11, the Detroit water rate increased by 8.6%. Detroit also implemented a new fixed rate structure, which included an annual fixed \$1.3 million cost. Detroit's sewage rate also increased by 10.0%, while sewage fixed costs and estimated sewage flow volumes decreased. The City passed along a 9.9% water and sewer rate increase to its customers.

In 2011/12, Detroit's water rate is increasing by 8.8%, while the sewage rate will rise by 17.3% largely due to new sewer rehabilitation project debt. As a direct result of Detroit's increases and lower projected water consumption volumes over the past several years due to the economy, the City of Sterling Heights is passing along a 7.9% water and 9.9% sewer rate increase to its customers. ■

Did you know...

...the City of Sterling Heights continues to have one of the lowest markups in the State on Detroit's water rate?

WATER & SEWER SYSTEM

OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
REVENUES						
Water & Sewer Service	\$22,596,410	\$23,054,690	\$27,962,220	\$15,436,550	\$26,186,520	\$29,456,280
Penalties & Interest	459,860	493,250	500,000	253,920	500,000	510,000
Hydrant Rental	177,500	159,750	159,750	79,880	159,750	159,750
Building Rental	1,200	1,200	1,200	600	1,200	1,200
Interfund Service	171,310	94,540	276,000	105,280	223,100	218,100
Tap and Meter Revenue	332,080	375,760	330,000	224,680	365,000	370,000
Repair and Service	7,000	10,220	8,000	6,680	12,000	10,000
Inspection Fees	3,350	6,340	5,000	3,200	7,000	7,000
Turn-On Charge	13,330	16,580	14,000	5,020	14,000	15,000
Ind./Pollution Surcharge	606,800	766,870	625,000	382,460	765,000	760,000
Miscellaneous	86,320	77,860	60,000	47,110	97,110	107,920
Interest on Investments	705,450	441,450	510,000	64,770	351,600	351,600
Total Revenues	\$25,160,610	\$25,498,510	\$30,451,170	\$16,610,150	\$28,682,280	\$31,966,850
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	\$961,860	\$1,065,600	\$967,470	\$464,130	\$948,940	\$1,005,280
Supplies	14,740	11,320	11,950	4,080	10,350	13,400
Other Charges	6,937,780	7,035,240	2,311,860	1,168,130	2,307,730	2,338,210
Capital Outlay	0	9,920	8,000	8,870	8,870	0
Total Expenses	7,914,380	8,122,080	3,299,280	1,645,210	3,275,890	3,356,890
WATER DISTRIBUTION						
Personnel Services	1,221,010	1,138,170	1,162,210	564,580	1,153,020	1,157,370
Supplies	128,820	117,620	131,160	48,110	122,000	164,000
Other Charges	8,959,950	9,022,700	11,083,900	5,252,580	10,474,330	11,760,530
Capital Outlay	0	2,490	33,250	27,190	35,690	41,750
Total Expenses	10,309,780	10,280,980	12,410,520	5,892,460	11,785,040	13,123,650
SEWAGE COLLECTION						
Personnel Services	1,244,880	1,360,310	1,407,090	692,040	1,420,250	1,439,220
Supplies	69,010	60,000	60,000	24,600	58,000	60,000
Other Charges	12,684,410	10,945,610	13,100,870	4,288,700	10,672,560	12,177,320
Capital Outlay	0	0	29,000	28,940	28,950	391,600
Debt Service	0	0	149,500	21,360	517,570	2,342,190
Total Expenses	13,998,300	12,365,920	14,746,460	5,055,640	12,697,330	16,410,330
Total Operating Expenses	\$32,222,460	\$30,768,980	\$30,456,260	\$12,593,310	\$27,758,260	\$32,890,870

Note: Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue and Capital and Frontage charges.

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, businesses, and other City funds. These monies are used to reimburse the Water & Sewer Fund for services provided to other entities, funds, or departments. The primary revenue accounts within this revenue center include Water Services and Sewage Collections.

In the 2011/12 Budget, Charges for Services revenue represents 98.42% of total revenue sources, an increase of \$1,652,160.

The 2011/12 Budget recommends a 7.9% increase on water rates and a 9.9% increase on sewage rates charged to our resident and corporate customers. These increases are a direct result of the City of Detroit's increase in water and sewage rates it charges the City of Sterling Heights, a reduction in water consumption volumes over the past several years, as more homeowners have reduced their outdoor watering needs, and new sewer rehabilitation project debt.

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 rate plan lowered the water rate increase that had to be passed on to the average city resident. The average residential customer will pay approximately \$38.75 per month for water and sewer services and will continue to save money as a result of the inclining two-tier 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 approximately \$38.75 per month for water & sewer services and will continue to save money as a result of the inclining two-tier 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, Reimbursements, Insurance Recovery, and Miscellaneous Revenue.

In the 2011/12 Budget, Other Revenues represents 1.58% of total revenue sources, a decrease of \$136,480 below the 2010/11 Budget. This decrease in revenues is mostly due to lower Interest on Investments, offset slightly by an increase for the interest recovery reimbursements on two of the sewer rehabilitation project bonds.

In the 2011/12 Budget, Other Revenues represents 1.58% of total revenue sources, a decrease of \$136,480 below the 2010/11 Budget.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2011/12 Budget, expenditures exceed revenues, resulting in a \$924,020 use of net assets for the system to break-even over a two-year period. 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	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CHARGES FOR SERVICES</u>						
627444	Administrative Services - Roads	1,758	0.01	15,000	0.05	15,000	0.05
627531	Administrative Services - Refuse	75,100	0.29	76,000	0.25	69,100	0.22
629001	Labor Services - Roads	9,595	0.04	60,000	0.20	60,000	0.19
629002	Labor Services Cross Charges	0	0.00	30,000	0.10	10,000	0.03
633001	Water Tap Fees	75,350	0.30	50,000	0.16	80,000	0.25
633002	Sewer Tap Fees	1,980	0.01	5,000	0.02	5,000	0.02
633003	Meter Charges	298,431	1.17	275,000	0.90	285,000	0.89
633004	Inspection	6,342	0.02	5,000	0.02	7,000	0.02
633005	Water & Sewer Services	10,224	0.04	8,000	0.03	10,000	0.03
633006	Hydrant Rental - Fire Department	159,750	0.63	159,750	0.52	159,750	0.50
633009	Turn-On Charge	16,582	0.07	14,000	0.05	15,000	0.05
634001	Materials/Supplies Cross Charges	3,621	0.01	25,000	0.08	20,000	0.06
643000	Water Services	10,010,959	39.26	12,217,820	40.12	12,720,980	39.79
644000	Collections - Sewer	13,043,730	51.15	15,744,400	51.70	16,735,300	52.35
645000	Penalties - Water & Sewer	493,253	1.93	500,000	1.64	510,000	1.60
646000	Industrial & Pollution Surcharge	766,870	3.01	625,000	2.05	760,000	2.38
	Total Charges for Services	24,973,545	97.94	29,809,970	97.89	31,462,130	98.42
	<u>OTHER REVENUE</u>						
665000	Interest on Investments	439,820	1.72	510,000	1.67	350,000	1.09
665445	Interest & Penalties - Tax Roll	1,626	0.01	0	0.00	1,600	0.01
667006	Building Rental - Garage	1,200	0.00	1,200	0.00	1,200	0.00
669001	Rental - Road Equipment	4,365	0.02	50,000	0.16	40,000	0.13
669002	Rental/Equipment Cross Charges	100	0.00	20,000	0.07	4,000	0.01
676000	Reimbursements	12,306	0.05	0	0.00	40,420	0.13
685000	Miscellaneous Revenue	62,378	0.24	60,000	0.20	65,000	0.20
695000	Insurance Recovery	3,175	0.01	0	0.00	2,500	0.01
	Total Other Revenue	524,970	2.06	641,200	2.11	504,720	1.58
	Total Water & Sewer Fund	\$25,498,515	100.00	\$30,451,170	100.00	\$31,966,850	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
704000	Wages & Salaries - Permanent	\$2,005,234	6.52	\$1,872,130	6.15	\$1,923,670	5.85
704001	Sick Time Buy Back	20,059	0.07	4,250	0.01	6,000	0.02
704721	Health Insurance Allowance	3,000	0.01	3,000	0.01	3,000	0.01
705000	Wages-Salaries - Temp/Part-Time	59,878	0.19	54,320	0.18	54,240	0.16
708000	Overtime	139,226	0.45	180,000	0.59	143,000	0.43
708001	Compensation Time Buy Back	20,151	0.07	15,000	0.05	10,000	0.03
709000	Union Contract Reimbursements	34,001	0.11	33,550	0.11	7,320	0.02
710000	Longevity	87,448	0.28	73,210	0.24	77,030	0.23
715000	Clothing Allowance	7,321	0.02	8,400	0.03	7,300	0.02
717000	FICA	174,102	0.57	168,440	0.55	168,040	0.51
718000	Worker's Compensation	15,344	0.05	13,900	0.05	15,820	0.05
720000	Pension - General Emp Retirement	22,940	0.07	79,760	0.26	200,820	0.61
720002	Defined Contribution - Employer	8,312	0.03	5,600	0.02	13,390	0.04
720010	Employer Contribution Recovery	0	0.00	0	0.00	(54,450)	-0.17
721000	Health Insurance	329,087	1.07	362,110	1.19	370,250	1.13
721001	Health Insurance - Retirees	583,200	1.90	606,650	1.99	598,860	1.82
721003	Retiree Health Savings - City	2,000	0.01	2,000	0.01	2,000	0.01
722000	Dental Insurance	26,857	0.09	26,480	0.09	27,030	0.08
723000	Life Insurance	6,565	0.02	7,010	0.02	7,180	0.02
724000	Eye Care Insurance	2,998	0.01	3,170	0.01	3,090	0.01
725000	Disability Insurance - Long Term	4,527	0.01	4,750	0.02	4,880	0.01
725355	Disability Insurance - Short Term	11,834	0.04	13,040	0.04	13,400	0.04
	Total Personnel Services	3,564,084	11.59	3,536,770	11.61	3,601,870	10.95
	<u>SUPPLIES</u>						
729000	Postage	1,372	0.00	1,450	0.00	1,400	0.00
750000	Fuels & Lubricants	68,512	0.22	75,000	0.25	77,000	0.23
751000	Operating Supplies	65,594	0.21	40,870	0.13	45,000	0.14
770000	Water Meters - Assembled	18,788	0.06	40,000	0.13	75,000	0.23
771000	Fire Hydrant Parts	11,450	0.04	12,290	0.04	12,000	0.04
772000	Tap-In Materials - Water	18,627	0.06	18,500	0.06	15,000	0.05
774000	Water Meter Parts	4,592	0.01	15,000	0.05	12,000	0.04
	Total Supplies	188,935	0.61	203,110	0.67	237,400	0.72
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	24,350	0.08	23,440	0.08	29,280	0.09
806000	Legal Services - Other	204	0.00	200	0.00	200	0.00
806001	Legal Services - City Attorney	3,505	0.01	7,500	0.02	3,500	0.01
807000	Medical Services	1,989	0.01	2,000	0.01	2,000	0.01
810000	Other Fees	77,614	0.25	79,500	0.26	82,500	0.25
823000	Hydrant Moves - Contractor	0	0.00	1,000	0.00	1,000	0.00
824000	Water Tap Installation - Contractor	23,606	0.08	15,000	0.05	20,000	0.06
826000	Other Contracted Services	42,785	0.14	41,000	0.13	39,000	0.12
827000	Interfund Services	1,683,600	5.47	1,671,300	5.49	1,696,800	5.16
832000	Building Maintenance	1,396	0.00	1,500	0.00	1,400	0.00

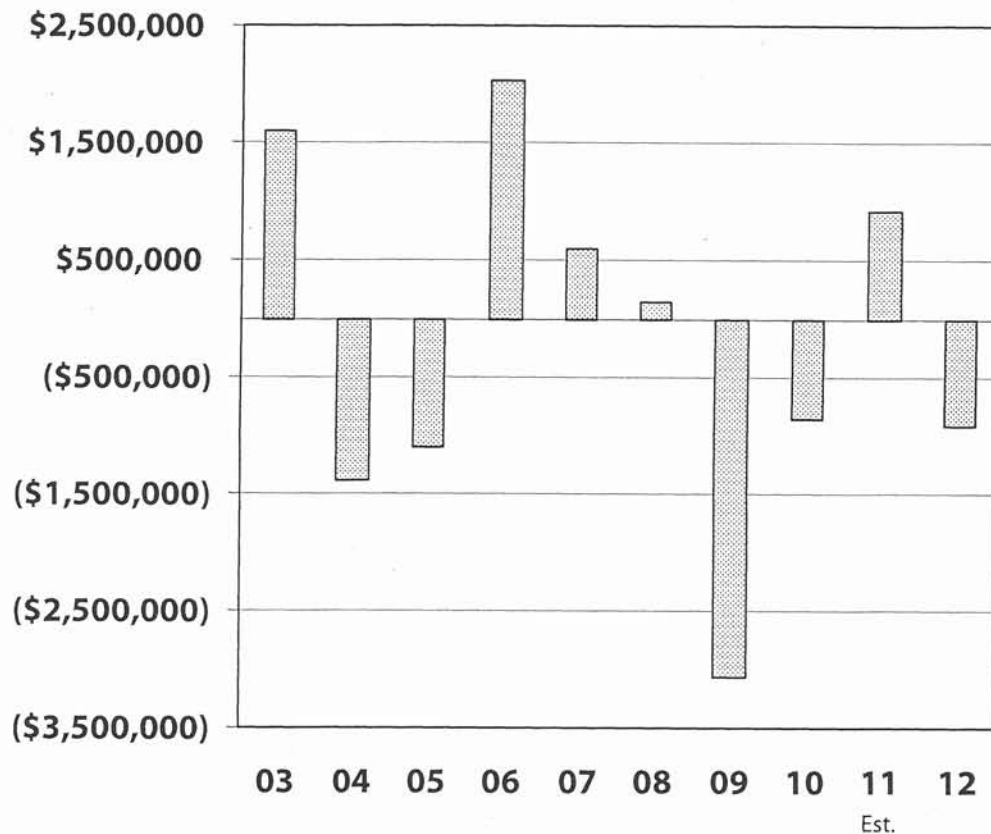
WATER & SEWER FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
833000	Equipment Maintenance	90,264	0.29	99,370	0.33	121,310	0.37
835000	Vehicle Maintenance	146,909	0.48	145,000	0.48	138,000	0.42
840000	Water Main Repair	95,590	0.31	120,000	0.39	120,000	0.36
841000	Distribution Line Repair	129,280	0.42	130,000	0.43	135,000	0.41
842000	Sewer Main Repair	12,520	0.04	18,000	0.06	30,000	0.09
903000	Printing	954	0.00	950	0.00	800	0.00
913000	Liability Insurance	267,800	0.87	267,800	0.88	267,800	0.81
915000	Other Insurance	2,460	0.01	2,460	0.01	2,460	0.01
921000	Electric	42,064	0.14	46,100	0.15	41,400	0.13
922000	Telephone	5,492	0.02	4,630	0.02	4,400	0.01
923000	Gas - Fuel - Oil	10,252	0.03	13,800	0.05	12,500	0.04
931000	Water Purchased	8,683,183	28.22	10,720,280	35.20	11,390,270	34.63
932000	Sewage Disposal Services	10,406,731	33.82	12,592,400	41.35	11,633,250	35.37
934000	Industrial & Pollution Surcharge	359,316	1.17	325,000	1.07	350,000	1.06
945000	Other Rental	186,256	0.61	159,370	0.52	146,170	0.44
956000	Local Meetings	321	0.00	220	0.00	120	0.00
957000	Memberships & Dues	848	0.00	1,120	0.00	1,100	0.00
959000	Education & Training	2,533	0.01	5,190	0.02	3,800	0.01
964000	Refunds & Rebates	1,638	0.01	2,500	0.01	2,000	0.01
968000	Depreciation	4,700,089	15.28	0	0.00	0	0.00
	Total Other Charges	27,003,549	87.76	26,496,630	87.00	26,276,060	79.89
	<u>CAPITAL OUTLAY</u>						
975000	Buildings & Improvements	9,922	0.03	0	0.00	0	0.00
982000	Machinery & Equipment	2,490	0.01	24,250	0.08	58,350	0.18
984000	Vehicles	0	0.00	46,000	0.15	375,000	1.14
	Total Capital Outlay	12,412	0.04	70,250	0.23	433,350	1.32
	<u>DEBT SERVICE</u>						
992000	Principal	0	0.00	65,480	0.21	1,107,530	3.37
993001	Interest - Oakland-Macomb Intcpt.	0	0.00	0	0.00	141,460	0.43
993002	Interest - Macomb Interceptor	0	0.00	0	0.00	770,840	2.34
993003	Interest - North Gratiot Interceptor	0	0.00	84,020	0.28	123,030	0.37
993004	Interest - Clintondale Pump Station	0	0.00	0	0.00	199,330	0.61
	Total Debt Service	0	0.00	149,500	0.49	2,342,190	7.12
	Total Water & Sewer Fund	\$30,768,980	100.00	\$30,456,260	100.00	\$32,890,870	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

Water & Sewer Net Income from Operations

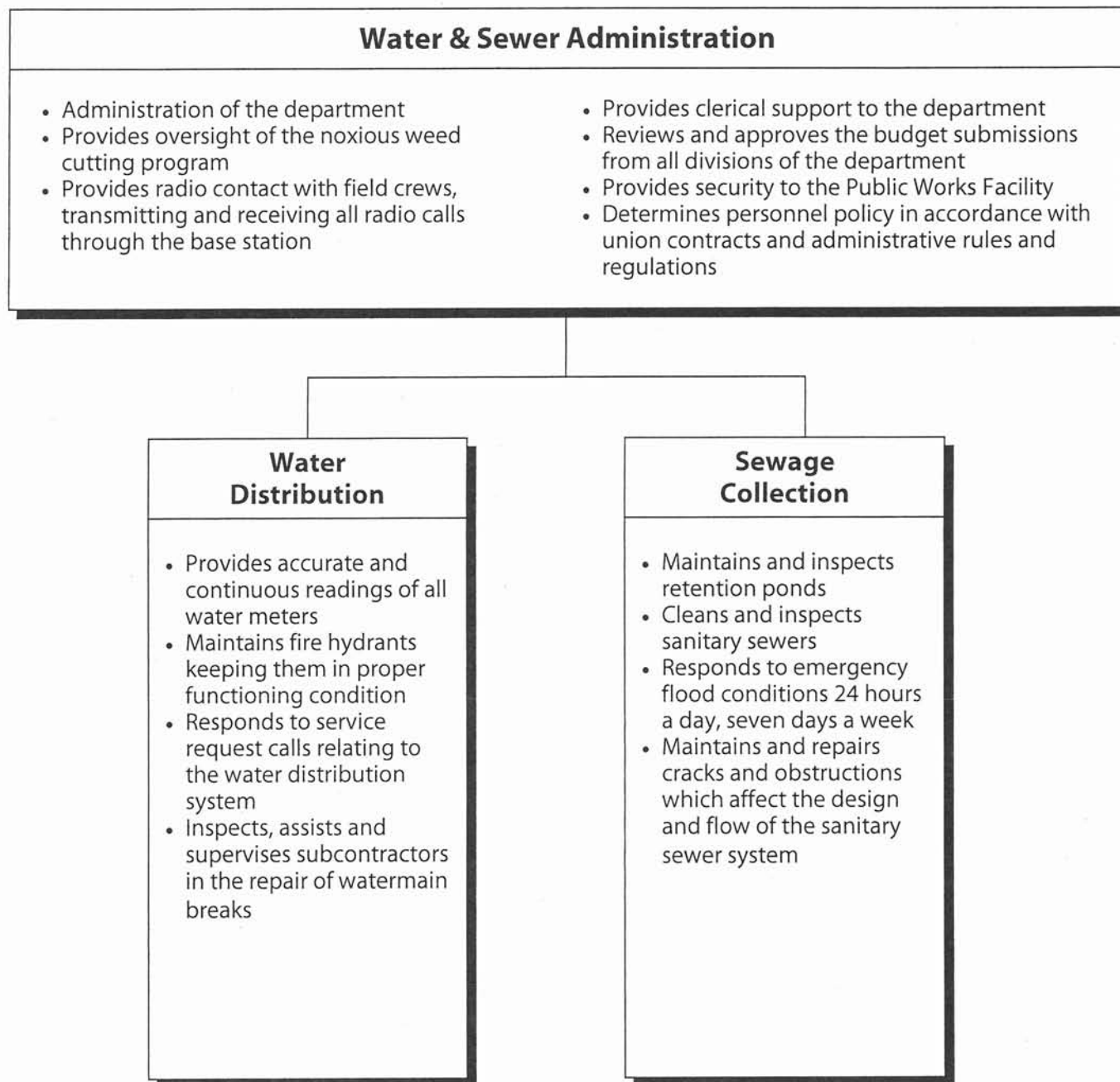


This graph illustrates the net income from operations in the Water & Sewer fund. These numbers reflect the truest picture of the results of Water & Sewer fund operating performance upon which the City's water & sewer rates are established.

Revenue includes interest on investments for both the Water & Sewer Operating and Receiving funds. Expenses exclude depreciation costs and include capital outlay costs.

FUNCTIONAL ORGANIZATION CHART

Water & Sewer Fund (Public Works Department)



DEPARTMENT AT A GLANCE

Water & Sewer Fund

BUDGET SUMMARY

The Water & Sewer Fund increased by \$2.4 million or 8.0% over last year's budget. Sterling Heights purchases its water and sewage services from the Detroit and Macomb County, which directly influences the rates we charge. The cost of water purchased from Detroit will increase by 8.8%, while sewage fees passed on from the Macomb Sewer District will rise by 17.3%. Sewer fees have risen as a result of the debt from the District's new sewer rehabilitation projects. The City's budget will increase as a result of these rising costs, partially offset by a 3.3% decrease in water consumption and a 10.3% reduction in treated sewage flows. However, again this year, the total cost increase has been reduced due to the continuation of negotiated employee wage concessions and additional wage concessions next year. City

personnel costs rose by \$65,100 or 1.8% primarily due to increased pension funding. Supplies increased by \$34,290 as a greater number of water meter replacements and repairs are needed to improve meter accuracy. The capital budget includes replacing three large commercial water meters, two lift station pumps, a lift station and sewer main alarm system, and a Vactor Jet to remove sanitary sewer blockages. As a result of continued operational efficiencies, the City is again passing on only a portion of the rate increases from Detroit. As a result, the average Sterling Heights residential customer will pay less than \$39 per month for water & sewer services and will continue to have the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents.

FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget	% Change from 10/11
Water & Sewer Admin.	\$7,914,380	\$8,122,080	\$3,299,280	\$3,356,890	1.7%
Water Distribution	10,309,770	10,280,980	12,410,520	13,123,650	5.7%
Sewage Collection	13,998,300	12,365,920	14,746,460	16,410,330	11.3%
Total Department	\$32,222,450	\$30,768,980	\$30,456,260	\$32,890,870	8.0%
Personnel Services	\$3,427,740	\$3,564,090	\$3,536,770	\$3,601,870	1.8%
Supplies	212,560	188,930	203,110	237,400	16.9%
Other Charges	28,582,150	27,003,550	26,496,630	26,276,060	-0.8%
Capital Outlay	0	12,410	70,250	433,350	516.9%
Debt Service	0	0	149,500	2,342,190	1,466.7%
Total Department	\$32,222,450	\$30,768,980	\$30,456,260	\$32,890,870	8.0%

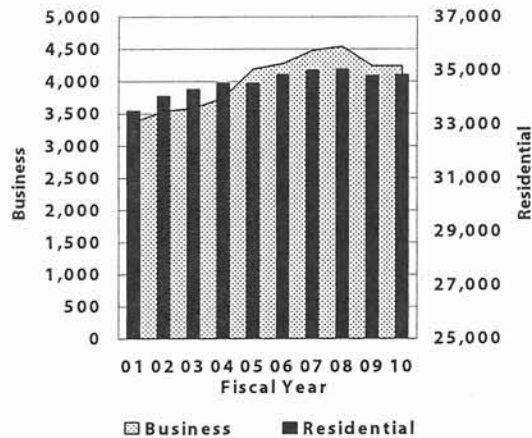
PERSONNEL SUMMARY

	2008/09		2009/10		2010/11		2011/12	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	9	0	8	0	8	0
Water Distribution	12	2	11	2	11	2	11	2
Sewage Collection	14	4	14	4	14	4	14	4
Total Department	35	6	34	6	33	6	33	6

KEY FUND TRENDS

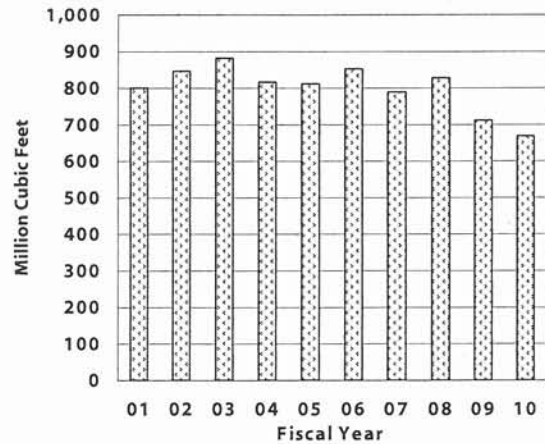
Water & Sewer Fund

Water & Sewer Customers



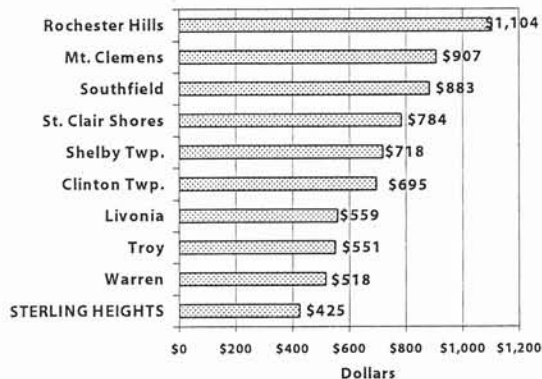
The number of business and residential Water & Sewer customers has increased over the past ten years due to growth and development in the City, though the rate of growth has slowed in the past several years.

Water Sold to Residents



The City has sold a fluctuating amount of water to our residents and businesses. The decrease in some years is largely a result of increased rainfall or economic conditions, which lowers the demand and use for irrigation purposes. Water usage has declined by 24% since 2003 to its lowest level in the past ten years.

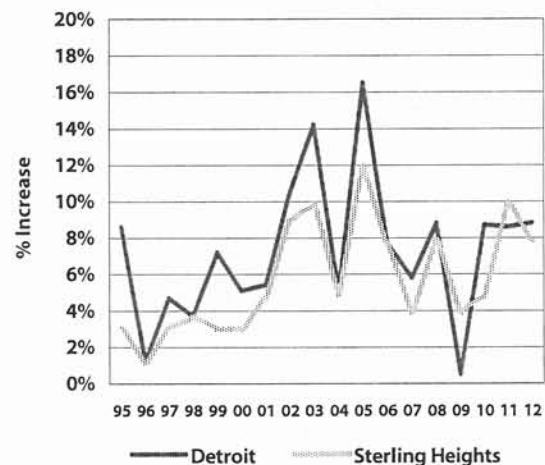
Average Residential Annual Water & Sewer Bill



Rates as of 10/10 using 12,000 cf.

The City purchases its water and sewer services through the City of Detroit. The average resident pays \$425 annually or \$35 per month for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 22% less than the next lowest city (Warren) and over two and a half times less than the highest (Rochester Hills). 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.

Annual Water Rate Increases



Historically, Sterling Heights has not passed on the full City of Detroit water and sewer rate increases to our customers. For example, in 1995 Detroit increased its rates to us by 8.6%, we passed on only a 3% increase. In 1999, Detroit increased our rates 7.2%, we passed on only 3%. In 2003, Detroit increased our rates by 14.2%, we passed on only 9.9%. Detroit has increased its rates by an average of 7.3% per year over the past 18 years. Sterling Heights has increased its rates by 5.7% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.



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

Benjamin Franklin

MISSION STATEMENT: *To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.*

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the tall grass/weed cutting program of the Public Works Department.

The staff of the Public Works Department responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also to provide these services in the most cost efficient manner. Reports, correspondence, and responses to residents and users concerning activities of the various divisions are provided through this activity. Specifications are developed, analyzed and prepared for the timely bidding of capital equipment, vehicles, materials, supplies, and subcontracted services.

This Division provides clerical support to the Public Works operation including preparation of specialized reports and correspondence, assistance in budget preparation, and response to resident inquiries and service requests over the telephone, via e-mail and at the counter. Staff schedules water and sewer inspections, Miss Dig stake-outs for City water and sewer lines, tree branch chipping, and tree removal and planting.

Staff has constant and immediate radio contact with field crews during regular duty hours, by transmitting and receiving all radio calls to the base station. The communication system also provides immediate 24 hours, seven days a week communication between administration, supervisors, and staff. Internal calls are evaluated and relayed to the appropriate division.

Residents can also obtain information on services or submit a service request after hours through the

KEY GOALS

- *To preserve the investment made in the City's infrastructure through a continual proactive maintenance program.*
- *To provide continual high levels of safety, convenience and health protection to the public in the use of roads, water, sewers, parks, grounds, vehicles, equipment and refuse collection.*
- *To establish priorities and monitor the department's performance plan and standards.*
- *To create, develop and maintain a positive, competent, service-oriented public image.*

Clerk/Dispatch Program. In an emergency situation, appropriate personnel are contacted to respond. Examples of such emergencies include flood conditions, snow removal, tree damage due to storms, water main breaks, and other emergency conditions, which require personnel to report to work on other than regular duty hours. Radio contact is maintained with field crews, messages are received and relayed, and specific field operations are recorded. 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. The DPW provides the Dispatch Center with a list of emergency scenarios and a list of supervisors to contact for each emergency.■

Did you know?...

...the City of Sterling Heights has the lowest combined water and sewer rates for residential customers in the State for communities that have a population greater than 25,000?

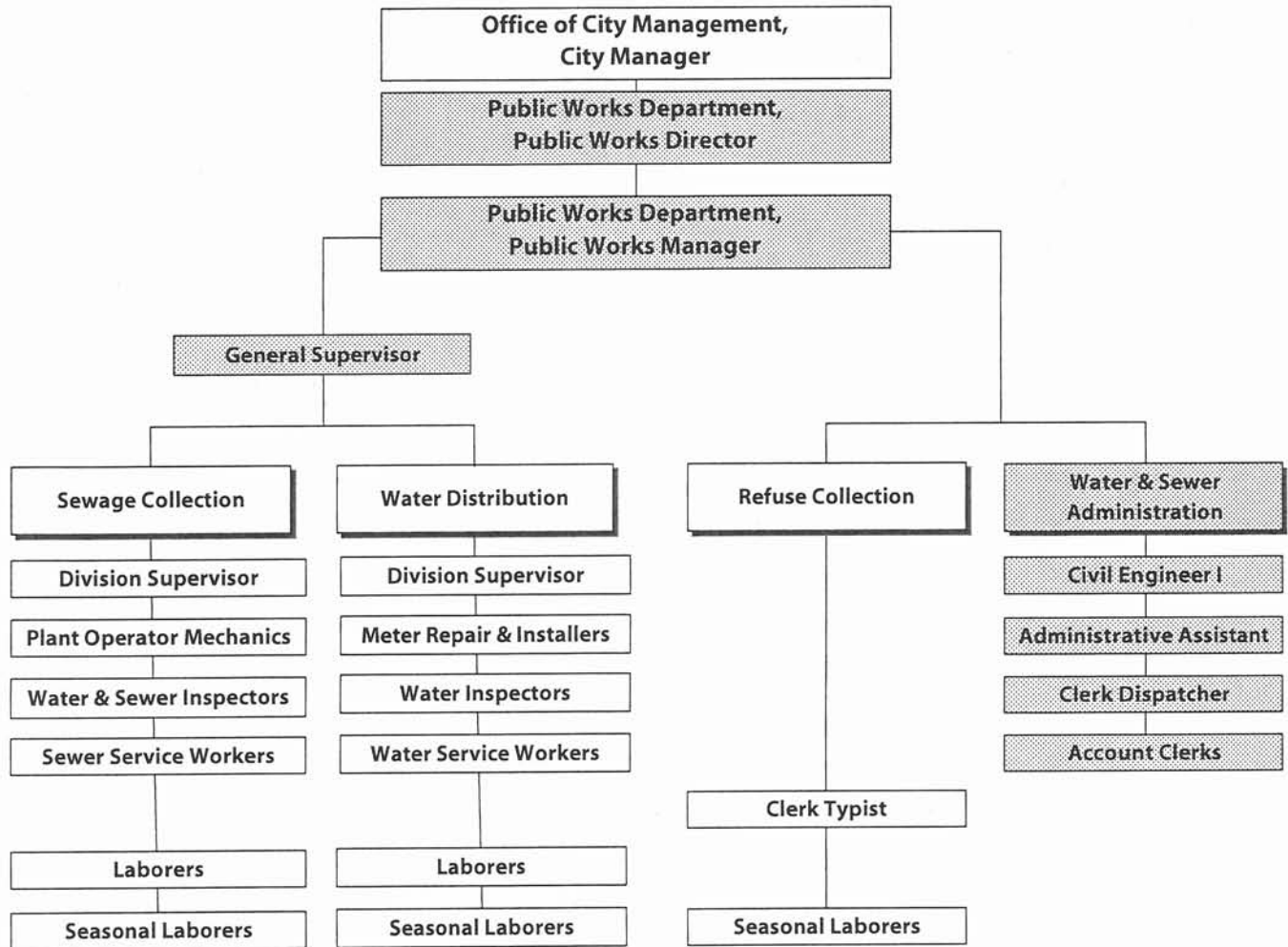
Water & Sewer Administration

2011/12 PERFORMANCE OBJECTIVES

1. To continue increased promotion of the voluntary odd/even water use restrictions during the summer months in order to reduce the maximum day usage of water, helping to lower future rate increases. *(City Goal 14)*
2. To work with Community Relations to promote the Adopt-A-Median program in order to offset roadway maintenance expenses and improve aesthetics. *(City goal 3, 11, 14, 15)*
3. To continue reviewing the maintenance levels of the Macomb County road rights-of-way within our community using reduced cutting and street sweeping rotations due to insufficient County funding. *(City Goal 12, 14)*
4. To review the use of in-car computers for supervisors that will consolidate maps, utility location diagrams, call-in lists and emergency contact information into one portable device, increasing efficiency and reducing the use of paper. *(City goal 17, 18)*

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Water & Sewer Customers	39,119	39,044	39,074	39,200	39,100	39,100
	Customer Service Requests (Permits Plus)	6,000	6,554	7,218	10,000	9,000	10,000
	Res./Commercial Sanitary Sewer Tap Connections	95	88	74	90	80	85
	Residential/Commercial Water Taps	57	35	56	50	70	65
	Residential/Commercial Water Meter Installations	106	54	61	60	70	65
	Tall Grass/Weed Cutting Revolutions (317 acres)	5	5	5	5	5	5
	Vacant Parcels Cut - Tall Grass/Weed Program	748	720	751	800	733	700
	Parcels Cut - Occupied Residential Homes/Businesses	493	796	832	900	556	600
	Backflow Preventer Testing Compliance Letters	630	698	625	700	700	700
	Site Plans Reviewed	39	45	24	30	20	20
	Vehicles/Equipment Specifications Prepared	11	10	6	4	8	8
	Materials/Supplies/Services Specifications Prepared	15	13	13	12	15	15
	Hours of Safety Training	280	240	240	240	350	400
	Monthly Act 51 Reports Generated	12	12	12	12	12	12
	Monthly Public Works Cross-Charge Reports	12	12	12	12	12	12
	Billings Prepared for State Highway Maintenance	4	4	4	4	4	4
	Outfalls Sampled for Stormwater Discharge	20	0	0	20	0	20
	Landscape Median Mowing - Revolutions	27	25	22	20	18	20
Efficiency	Ratio of FT Employees to Worker Comp. Claims	41:1	40:1	48:1	91:0	91:0	85:0
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	Residential Water & Sewer Bill (12,000 cfs)	\$349	\$363	\$386	\$425	\$425	\$465
	% of Outfalls Sampled w/no Water Discharge	100%	N/A	N/A	100%	N/A	100%
	Activity Expenditures as % of Enterprise Fund	11.17%	11.57%	13.13%	10.83%	11.80%	10.20%

Water & Sewer Administration



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Public Works Director	1	1	1
Public Works Manager	0	1	1
Operations Supervisor	1	0	0
General Supervisor	1	1	1
Civil Engineer I	0	0	1
Administrative Assistant	1	1	1
Clerk Dispatcher	2	1	1
Account Clerk	2	2	2
Clerk Typist	1	1	0
Total	9	8	8

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

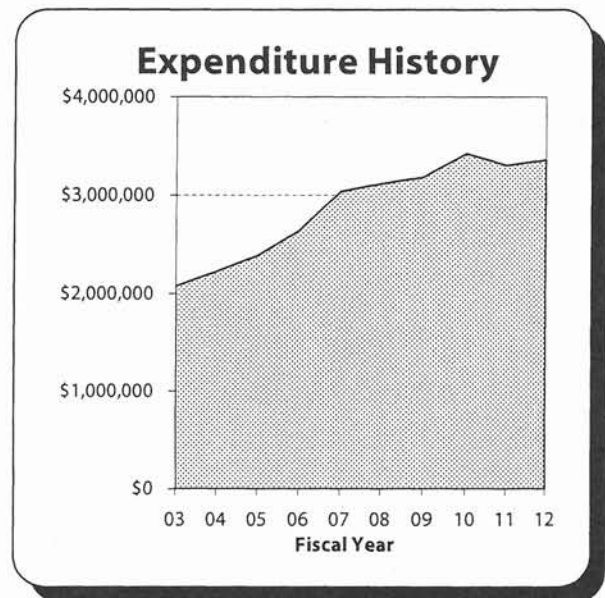
SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 1.7%.

Personnel Services – The total Personnel budget increased \$37,810 or 3.9% due primarily to the transfer of a Civil Engineer position to this office from Engineering. A Clerk-Typist has been transferred to the City Clerk's office. The budget assumes the continuation of last years' wage concessions and additional concessions next year. Actuarially required City contributions to the pension system increased by \$40,550.

Supplies – Total Supplies increased \$1,450 or 12.1%, as supplies for the City's Geographical Information System (GIS) are now funded in this activity.

Other Charges – Total Other Charges increased \$26,350 or 1.1%. Interfund service costs increased \$25,500 due to higher General Fund administrative costs for time spent on Water & Sewer related functions. Annual licensing and support fees for the GIS and MUNIS Utility software increased by \$8,440. In addition, support for the Micro Station CAD software is now expensed in this activity. Contracted service costs increased \$8,000 to fund the GIS contractual support. \$5,840 was added due to a revised allocation of audit costs. Credit card fees rose \$3,000 due to an increase in credit card water bill payments, partially offset by a decrease in Comerica bank fees. The City will save \$13,200 in facility rental cross-charge costs due to lower operational costs in the Public Works center. Funding for legal services fell \$4,000 based on less activity in



recent years. Electric costs decreased \$2,500 and heating costs declined \$1,500, based on recent years' expenditure levels.

Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,065,602	\$967,470	\$948,940	\$1,005,280	\$1,005,280
Supplies	11,316	11,950	10,350	13,400	13,400
Other Charges	7,035,238	2,311,860	2,307,730	2,338,210	2,338,210
Capital Outlay	9,922	8,000	8,870	0	0
Total	\$8,122,078	\$3,299,280	\$3,275,890	\$3,356,890	\$3,356,890

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 subcontractors in water main break repairs.

An inventory is maintained of all materials used in the operation of the Water Distribution program. The upkeep of the divisional garage area, storage area, and meter shop, as well as the operator/driver maintenance of vehicles and equipment is performed.

Assistance is provided in the Tall Grass/Weed Cutting Program through inspection of lots or acreage cut by the subcontractor. This Division prepares all necessary paperwork, work orders, and reports; assists in responding to complaints; and participates in the snow emergency program when required.

Residential water meters for approximately 35,000 customers are read quarterly. Commercial and industrial water meters for nearly 4,500 customers are all read on a monthly basis via a fixed network

KEY GOALS

- *To provide efficient and economical maintenance and repair of the water distribution system.*
- *To ensure accurate and continuous reading of residential, commercial and industrial water meters.*
- *To maintain all fire hydrants in a properly functioning condition to support fire fighting throughout the City.*
- *To inspect commercial/industrial establishments for cross connections and proper backflow prevention in order to protect the water system from contamination.*
- *To review construction plans for future development of the water system and inspect new connections for proper installation.*

radio meter reading system, which is able to pick up the transmission of water meter readings and transmit the readings to a central computer. Personnel read and perform rechecks as requested by homeowners and customers to check for high, low, or questionable reads. All new or replacement water meters are tested for accuracy prior to installation to ensure that high volume users are billed correctly. One-half of all compound water meters are tested and repaired annually.■

Did you know...

... the City has 575 miles of various sized water mains that deliver clean water to serve the community's residential, commercial and industrial needs?

Water Distribution

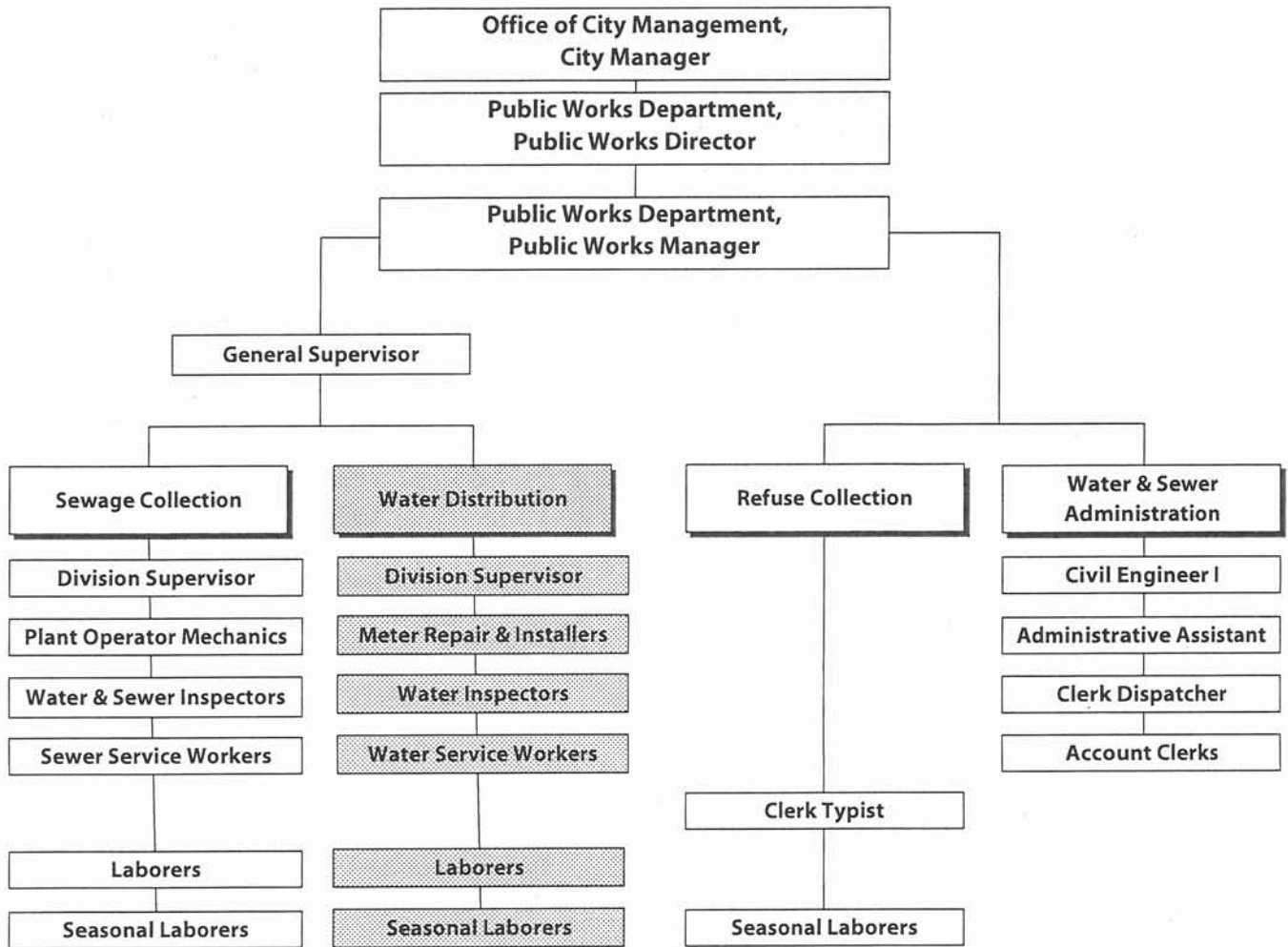
2011/12 PERFORMANCE OBJECTIVES

1. To test/repair approximately 320 large water meters 2" and larger, utilizing a subcontractor at commercial and industrial sites to assure correct revenues are being realized from high-volume users. *(City Goal 6, 20)*
2. To perform a gateway & valve inspection program of 400 valves annually, which will improve our ability to isolate and fix water mains and affect less customers being out of water. *(City Goal 6, 20)*
3. To respond to approximately 6,500 "Miss Dig" requests for the staking of water mains and water service, in order to protect our water system and prevent damage when excavation is performed. *(City Goal 20)*
4. To monitor the testing of approximately 700 backflow preventers performed by private contractors at commercial/industrial sites, apartment complexes, churches, and schools to ensure their proper functioning. *(City Goal 20)*

	Performance Indicators	2007/08	2008/09	2009/10	2010/11	2010/11	2011/12
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Miles of Water Mains in City	573	574	575	576	576	576
	Citizen Inquiries/Service Requests Responded To	7,670	7,432	7,510	7,400	7,050	7,400
	Water Meter Manual Reads - Residential & Comm.	193,290	143,661	131,570	132,000	132,000	132,000
	Water Meter Automated Reads - Commercial	N/A	48,310	60,890	61,000	61,000	61,000
	Miss Dig Stakeouts of Utilities Performed	7,260	6,688	5,870	6,700	6,500	6,500
	Water Meters Installed - Residential/Commercial	54/52	16/38	36/25	25/35	55/15	55/10
	Meters/Remote Boxes Checked/Repaired	2,820	3,624	3,051	2,900	3,000	3,000
	Water Taps Installed - Residential/Commercial	39/18	19/16	44/12	25/25	55/15	55/10
	Cross Connection Inspections/Reinspections	620	601	613	620	590	600
	Compound Meters Tested	220	360	286	300	300	320
	Gatewells Inspected	360	411	300	350	300	400
	Businesses Monitored - Backflow Compliance	630	698	625	700	700	700
	Fire Hydrants Replaced	9	9	3	10	4	10
	Fire Hydrants Winterized	7,160	7,203	7,209	7,260	7,247	7,247
	Fire Hydrants Painted	1,450	1,295	1,440	1,500	1,450	1,200
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	99%	99%	99%	99%	99%	99%
	% of Miss Dig Stakeouts Completed w/i 48 hours	99%	99%	99%	99%	99%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.6	4.5	4.0	4.3	4.4	4.5
	Miles of Water Main Maintained per FT Employee	47.8	52.2	52.3	52.4	52.4	52.4
	Water Meter Manual Reads per Reader	64,410	57,464	52,628	52,800	52,800	52,800
	Water Purchased from Detroit (1,000 cubic feet)	786,726	709,423	659,816	750,000	700,000	725,000
	Cost of 1,000 Cubic Feet of Water from Detroit	\$12.05	\$12.11	\$13.16	\$12.54*	12.54*	10.82*
	Detroit Water Fixed Charge	N/A	N/A	N/A	\$1,315,280	\$1,315,280	\$3,545,770
	Activity Expenditures as % of Enterprise Fund	39.72%	37.51%	39.44%	40.75%	42.46%	39.90%

*Does not include fixed water costs.

Water Distribution



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Laborer	2	2	2
Seasonal Laborer	2	2	2
Total	13	13	13

Water Distribution

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

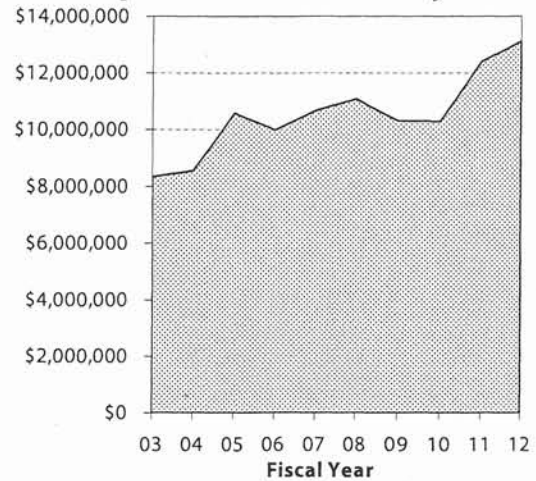
The total budget increased by 5.7%.

Personnel Services – The total Personnel budget decreased by \$4,840 or 0.4%. The budget assumes continuation of last year's wage concessions and additional concessions next year. Wages increased slightly as several recently promoted employees are eligible for wage step increases. Overtime costs fell by 6.3% due to increased department efficiencies, while actuarially required pension contributions increased by \$37,440.

Supplies – Total Supplies increased \$32,840 or 25.0%, as a greater number of water meter replacements and repairs are required due to a decrease in the meter accuracy of older units.

Other Charges – Total Other Charges increased \$676,630 or 6.1%. The cost of water purchased from Detroit increased \$669,990 due to an 8.8% Detroit increase, offset slightly by a 3.3% decline in projected water consumption volume. Although Detroit has reduced its variable water rate, it continues to change to a higher fixed rate structure that now includes an annual \$3.5 million fixed cost, a \$2.2 million increase over the prior year. \$10,000 was added for increased compound meter testing and repairs. Distribution line repair costs rose \$10,000 due to the higher cost of materials and supplies needed to maintain the water system. \$10,000 was saved, as less funding is required for the testing of the City's water system to comply with federal mandates. Vehicle maintenance costs fell

Expenditure History



\$5,000 and electric costs decreased \$2,000, both based on recent expenditure trends.

Capital – Total Capital of \$41,750 is proposed for three replacement Water Meters at Andover Heights Condominiums, Chrysler's Sterling Heights Assembly Plant, and Sterling Heights High School, which all break down and require frequent repairs and have lost accuracy, resulting in lost revenue to the system.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,138,175	\$1,162,210	\$1,153,020	\$1,157,370	\$1,157,370
Supplies	117,619	131,160	122,000	164,000	164,000
Other Charges	9,022,702	11,083,900	10,474,330	11,760,530	11,760,530
Capital Outlay	2,490	33,250	35,690	41,750	41,750
Total	\$10,280,986	\$12,410,520	\$11,785,040	\$13,123,650	\$13,123,650

MISSION STATEMENT: *To maintain the sanitary and storm sewer systems to ensure that they are properly functioning in accordance with designed capacities.*

The Sewage Collection Division is responsible for maintaining designed sewerage flows through maintenance of the City-owned sanitary and storm sewer systems to ensure proper functioning.

Staff conducts thorough and responsible sewer and utility inspections. Crews of this Division continually repair and restore damaged utility structures, sewer lines, and replace the concrete required by these repairs. Included among the duties of this Division is the maintenance of retention ponds to assure proper functioning for the temporary retention of storm water drainage.

A three-year preventative maintenance program cleans 33% of the sanitary system each year. Specific trouble spots in the sanitary sewer system are cleaned on a quarterly basis to avoid unnecessary problems. Debris is removed from the system to prevent blockages. Cracked or broken pipes, roots or other problems are located and resolved.

This Division responds to calls regarding sewer back-ups and/or blockages. Blockages are investigated, located, and relieved through sewer cleaning. If internal plumbing problems or sump pump malfunction is the cause, advice and assistance is provided. Residential and commercial sewer tap installations and utility structures (sanitary manholes, storm manholes, and gatewells) are inspected prior to the issuance of final occupancy permits.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

KEY GOALS

- *To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.*
- *To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.*
- *To provide an efficient, competent and responsible sewer connection and utility inspection program.*
- *To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.*
- *To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.*

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know...

...the Sewer Collection division is in the process of video inspecting all of the sanitary lines in the City as a preventative maintenance program and that 135,700 feet have been inspected and documented this year, which equates to over 27 miles of sewer line?

Sewage Collection

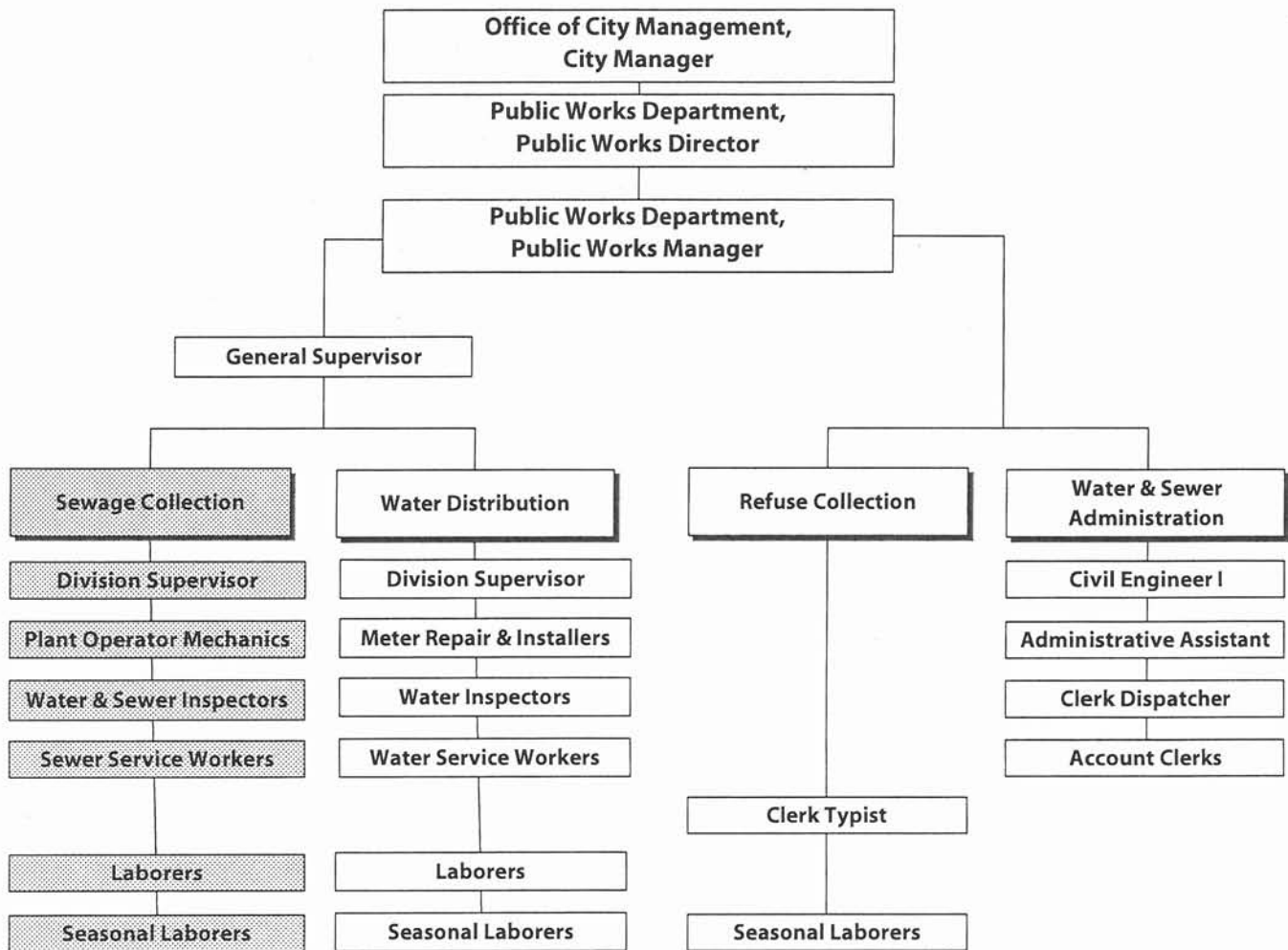
2011/12 PERFORMANCE OBJECTIVES

1. To rebuild and repair 100 utility structures in order to eliminate all known hazards (trip, street collapse, etc.) and reduce infiltration into the sanitary and storm system, helping to reduce blockages and backups. *(City Goal 6)*
2. To clean the wet wells and lift stations twice a year to ensure properly flowing sewerage and storm water and reduce the amount of sands and sediment flushed into downstream ditches. *(City Goal 6)*
3. To inspect sanitary lines in ten square miles of the City to ensure the safety of the community and to keep the infrastructure in sound condition. *(City Goal 6)*
4. To perform 600 grease trap inspections at food preparation facilities twice a year in order to reduce the amount of fats, oils and grease that are deposited into the sanitary drain system. *(City Goal 6)*

	Performance Indicators	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Budget
Output	Miles of Sanitary Sewers in City	430	430	430	430	430	430
	Sewer Inquiries Received & Resolved	855	942	1,040	1,000	1,750	1,500
	Sewer Inspections	95	88	100	90	150	150
	Water Inspections	31	25	29	25	25	25
	Certificate of Occupancy Inspections	334	186	43	50	50	50
	Sanitary Sewer Cleaned - Feet	772,475	940,750	690,854	920,000	920,000	920,000
	Utility Structures Restored	88	88	70	140	85	100
	Flags of Sidewalk Replaced	88	93	84	100	125	100
	Sections of Street/Approaches Replaced	49/32	67/20	70/11	120/20	85/20	100/20
	Sod Replaced - Yards	3,589	2,884	1,760	3,000	2,000	2,000
	Detroit Sewage Meter Pit Readings	624	624	624	624	624	624
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	3	4	5	10	10	10
	Grease Trap Program Inspections	N/A	N/A	N/A	N/A	N/A	600
Efficiency & Effectiveness	Sewer Main Blockages	4	11	12	20	10	10
	% of Emergencies Responded to within 45 Minutes	100%	100%	100%	100%	100%	100%
	% of Trouble Mains Cleaned a Minimum of 4 Times	100%	100%	100%	100%	100%	100%
	Miles of Sanitary Sewer Maintained per FT Employee	30.7	30.7	30.7	30.7	30.7	30.7
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	\$10.96*	11.58*	11.76*	\$12.93*	\$13.86*	\$13.73*
	Macomb County Sewage Fixed Charge (incl. debt)	\$3,632,637	\$3,949,045	\$3,705,175	\$3,950,000	\$2,500,790	\$5,575,720
	Sewage Disposal System Look-Back Adjustment	\$933,803	\$0	(\$162,500)	\$0	\$0	\$0
	Activity Expenditures as % of Enterprise Fund	49.11%	50.92%	47.43%	48.42%	45.74%	49.90%

* Does not include fixed combined sewer overflow costs or sewer debt service charges.

Sewage Collection



STAFFING SUMMARY

Position	Budget 2009/10	Budget 2010/11	Budget 2011/12
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 – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 11.3%

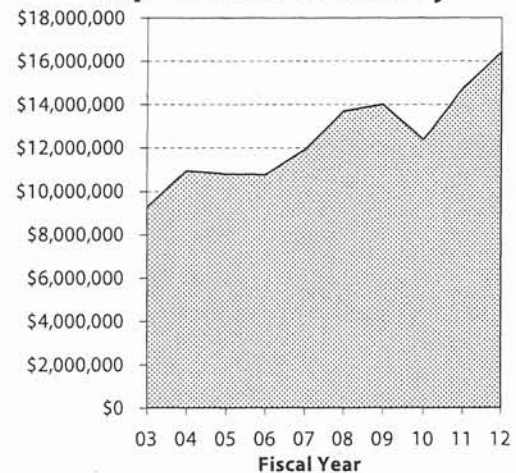
Personnel Services – The total Personnel budget increased by \$32,130 or 2.3% despite continued wage concessions. Wages rose slightly as several recently promoted employees are eligible for wage step increases. Overtime costs fell by \$5,000 or 9.1%, while actuarially required City pension contributions rose \$43,070 and health insurance costs rose \$26,090.

Supplies – Total Supplies remained the same.

Other Charges – Total Other Charges decreased \$923,550 or 7.0%. Sewage disposal costs decreased \$959,150, despite an increase in the total sewage expense, due to a 10.3% decrease in sewage volumes and a proposed 0.9% decrease in Detroit's sewage rate from \$13.86 to \$13.73 per mcf. Fixed sewage costs decreased, although this is primarily due to the accounting for the City's portion of the District's debt service. These charges are now reflected in Debt Service, which increased by \$2.2 million, as debt for the Interceptor Rehabilitation project continues to come on line. \$25,000 was added due to higher industrial waste control costs charged by Detroit for monitoring non-residential waste flows. Sewer main repair costs increased \$12,000, as more repairs have been needed.

Capital – Total Capital of \$391,600 is proposed. \$375,000 is for a Vactor Jet Sewer Cleaner to serve as an additional vehicle with greater capabilities for

Expenditure History



removing debris from sanitary sewer lines. \$10,000 is for two replacement Lift Station Pumps. \$6,600 is for four Lift Station/Manhole Alarm Systems used to monitor flow volumes and alert maintenance crews of sanitary backups.

Debt Service – Total Debt Service increased \$2,192,690 to fund the City's share of the District's sewer rehabilitation debt payments, which was reclassified from Other Charges.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$1,360,311	\$1,407,090	\$1,420,250	\$1,439,220	\$1,439,220
Supplies	59,999	60,000	58,000	60,000	60,000
Other Charges	10,945,609	13,100,870	10,672,560	12,177,320	12,177,320
Capital Outlay	0	29,000	28,950	391,600	391,600
Debt Service	0	149,500	517,570	2,342,190	2,342,190
Total	\$12,365,919	\$14,746,460	\$12,697,330	\$16,410,330	\$16,410,330

Special Revenue Funds



Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this section are Major and Local Roads, Economic Development Corporation, Community Development Block Grant and Neighborhood Stabilization Programs, Brownfield Redevelopment Authority, Local Development Finance Authority, Corridor Improvement Authority, Land & Water Conservation Fund, Public Safety Forfeiture Fund and Energy Efficiency & Conservation Block Grant Fund.

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
MAJOR ROAD FUND						
REVENUES						
Federal Grants	\$19,900	\$0	\$314,720	\$0	\$169,200	\$0
Gas & Weight Tax	4,763,220	4,719,500	4,450,000	1,633,230	4,700,000	4,500,000
Metro Act	232,630	242,630	225,000	0	240,000	240,000
Other Revenue	224,510	284,000	213,000	140,720	185,500	160,500
Tfr. from Rd. Bond Constr. Fund	200,000	300,000	0	0	0	0
Total Revenues	5,440,260	5,546,130	5,202,720	1,773,950	5,294,700	4,900,500
EXPENDITURES						
Administration	152,140	117,620	130,410	48,950	120,380	120,380
Major Street Maintenance	2,062,490	1,518,760	1,660,350	731,740	1,791,370	1,684,500
Major Street Improvements	1,796,980	667,160	1,271,250	468,170	964,510	415,150
Transfer to Local Road Fund	500,000	250,000	0	0	0	250,000
Tfr. to Road Bond Debt Fund	2,915,000	2,585,000	2,480,000	2,098,080	2,480,000	2,300,000
Tfr. to Road Bond Constr. Fund	300,000	0	0	0	0	0
Total Expenditures	7,726,610	5,138,540	5,542,010	3,346,940	5,356,260	4,770,030
Excess of Revenues Over (Under) Expenditures	(2,286,350)	407,590	(339,290)	(1,572,990)	(61,560)	130,470
Beginning Fund Balance	4,308,990	2,022,640	2,430,230	2,430,230	2,430,230	2,368,670
Ending Fund Balance	\$2,022,640	\$2,430,230	\$2,090,940	\$857,240	\$2,368,670	\$2,499,140
LOCAL ROAD FUND						
REVENUES						
Gas & Weight Tax	\$1,800,560	\$1,764,100	\$1,700,000	\$610,650	\$1,730,000	\$1,700,000
Metro Act	87,920	90,700	85,000	0	90,000	90,000
Charges for Services	28,790	60,890	55,000	38,470	65,000	40,000
Other Revenue	74,380	52,300	52,570	1,850	49,070	47,020
Transfer from General Fund	575,000	515,000	475,000	237,500	475,000	0
Transfer from Major Road Fund	500,000	250,000	0	0	0	250,000
Total Revenues	3,066,650	2,732,990	2,367,570	888,470	2,409,070	2,127,020
EXPENDITURES						
Administration	151,580	120,210	149,380	64,240	139,350	139,350
Local Street Maintenance	1,870,010	1,468,440	1,597,500	864,910	1,603,260	1,492,000
Local Street Improvements	1,383,430	1,217,270	1,075,000	1,084,930	1,125,000	600,000
Total Expenditures	3,405,020	2,805,920	2,821,880	2,014,080	2,867,610	2,231,350
Excess of Revenues Over (Under) Expenditures	(338,370)	(72,930)	(454,310)	(1,125,610)	(458,540)	(104,330)
Beginning Fund Balance	1,600,680	1,262,310	1,189,380	1,189,380	1,189,380	730,840
Ending Fund Balance	\$1,262,310	\$1,189,380	\$735,070	\$63,770	\$730,840	\$626,510

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

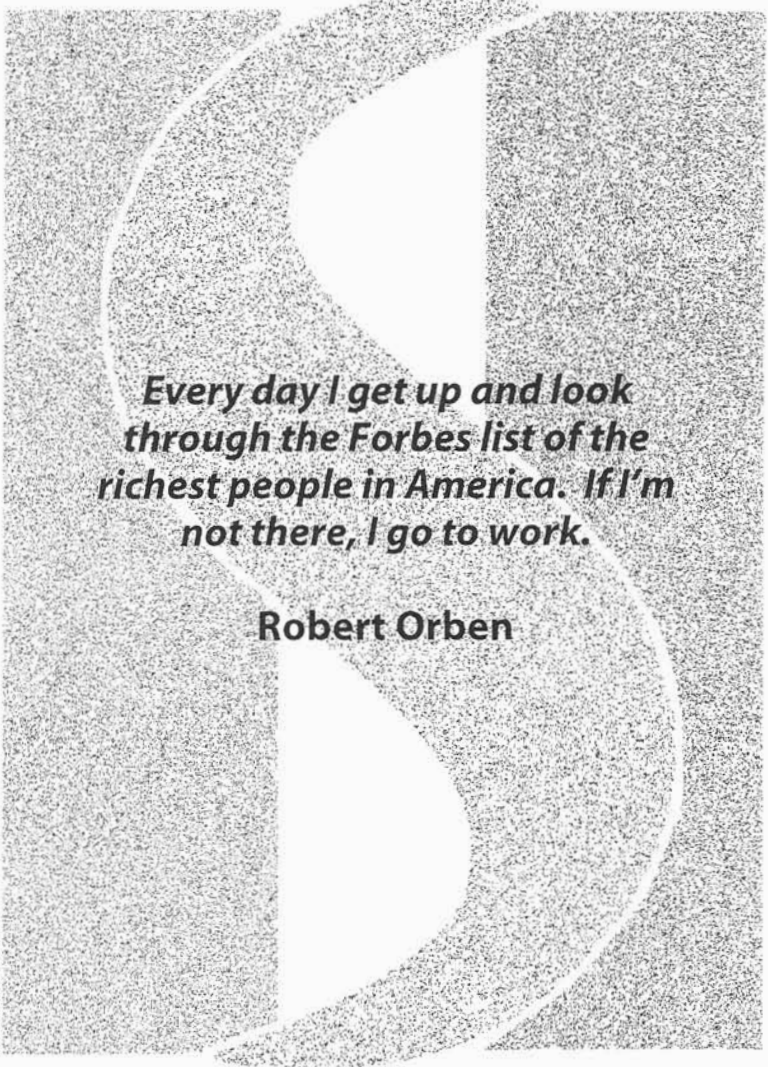
Special Revenue Funds	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
LAND & WATER FUND						
REVENUES						
Federal & State Grants	\$0	\$1,640	\$62,500	\$0	\$2,500	\$0
Other Revenue	239,130	119,790	5,000	2,560	4,000	3,500
Transfer from General Fund	85,000	0	0	0	0	0
Total Revenues	324,130	121,430	67,500	2,560	6,500	3,500
EXPENDITURES						
Land Acquisitions	7,410	170	0	0	0	0
Land Improvements	153,440	16,410	348,500	76,580	250,460	81,000
Total Expenditures	160,850	16,580	348,500	76,580	250,460	81,000
Excess of Revenues Over (Under) Expenditures	163,280	104,850	(281,000)	(74,020)	(243,960)	(77,500)
Beginning Fund Balance	591,430	754,710	859,560	859,560	859,560	615,600
Ending Fund Balance	\$754,710	\$859,560	\$578,560	\$785,540	\$615,600	\$538,100
ENERGY EFFICIENCY & CONS. BLOCK GRANT FUND						
REVENUES						
Federal & State Grants	\$0	\$235,030	\$968,770	\$81,140	\$463,770	\$505,000
Total Revenues	0	235,030	968,770	81,140	463,770	505,000
EXPENDITURES						
Other Charges	0	29,150	3,100	3,810	8,670	5,000
Capital Improvements	0	205,880	965,670	77,330	455,100	500,000
Total Expenditures	0	235,030	968,770	81,140	463,770	505,000
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
PUBLIC SAFETY FORF. FUND						
REVENUES						
Federal Forfeitures & Income	\$359,760	\$144,570	\$11,470	\$71,500	\$100,100	\$0
Treasury Forfeitures & Income	62,010	25,060	0	0	0	0
State Forfeitures & Income	199,320	185,860	12,720	12,980	103,000	0
OWI Forfeitures	29,980	26,900	8,100	8,100	20,000	0
Other Revenue	11,110	3,710	3,810	420	900	750
Total Revenues	662,180	386,100	36,100	93,000	224,000	750
EXPENDITURES						
Federal Forfeiture Expenditures	73,550	144,210	341,190	298,220	323,690	40,800
Treasury Forf. Expenditures	2,690	20,330	0	0	15,260	0
State Forfeiture Expenditures	187,090	277,970	141,710	21,130	125,510	157,800
Gambling Forf. Expenditures	0	60	1,850	1,830	1,830	0
OWI Forfeiture Expenditures	4,750	4,490	7,270	4,700	6,960	5,500
Total Expenditures	268,080	447,060	492,020	325,880	473,250	204,100
Excess of Revenues Over (Under) Expenditures	394,100	(60,960)	(455,920)	(232,880)	(249,250)	(203,350)
Beginning Fund Balance	474,800	868,900	807,940	807,940	807,940	558,690
Ending Fund Balance	\$868,900	\$807,940	\$352,020	\$575,060	\$558,690	\$355,340

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	\$495,920	\$769,070	\$1,233,890	\$408,950	\$772,020	\$1,246,970
Revenue Direct Loans	100,410	23,980	81,000	10,480	30,000	30,000
Total Revenues	596,330	793,050	1,314,890	419,430	802,020	1,276,970
EXPENDITURES						
Community Development	183,090	478,790	987,330	107,780	474,460	853,010
Principal	0	280,000	305,000	305,000	305,000	411,470
Interest	0	34,260	22,560	14,330	22,560	12,490
Transfer to General Fund	87,780	0	0	0	0	0
Transfer to LTGO Debt Fund	325,460	0	0	0	0	0
Total Expenditures	596,330	793,050	1,314,890	427,110	802,020	1,276,970
Excess of Revenues						
Over (Under) Expenditures	0	0	0	(7,680)	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$7,680)	\$0	\$0
NEIGHBORHOOD STABILIZATION FUND						
REVENUES						
Federal Grants	\$28,500	\$915,620	\$1,510,840	\$601,300	\$852,610	\$658,230
Total Revenues	28,500	915,620	1,510,840	601,300	852,610	658,230
EXPENDITURES						
Downpayment & Rehab. Assist.	0	229,840	106,330	79,450	94,940	11,390
Acquisition, Rehab. & Resale	60	563,100	726,810	468,020	651,200	75,610
Acquisition/Redevelopment	100	52,120	524,800	44,600	58,000	488,790
Demolition	0	0	6,300	0	0	6,300
Administration Costs	28,340	70,560	146,600	19,990	48,470	76,140
Total Expenditures	28,500	915,620	1,510,840	612,060	852,610	658,230
Excess of Revenues						
Over (Under) Expenditures	0	0	0	(10,760)	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$10,760)	\$0	\$0
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$15,410	\$20,480	\$0	\$0	\$0	\$0
Other Revenue	204,790	1,370	200	80	100	0
Total Revenues	220,200	21,850	200	80	100	0
EXPENDITURES						
Other Charges	1,560	0	500	0	0	0
Capital Improvements	0	0	30,000	0	28,000	0
Principal	5,000	7,500	187,500	187,500	187,500	0
Interest	6,270	8,130	2,720	2,720	2,720	0
Total Expenditures	12,830	15,630	220,720	190,220	218,220	0
Excess of Revenues						
Over (Under) Expenditures	207,370	6,220	(220,520)	(190,140)	(218,120)	0
Beginning Fund Balance	11,030	218,400	224,620	224,620	224,620	6,500
Ending Fund Balance	\$218,400	\$224,620	\$4,100	\$34,480	\$6,500	\$6,500

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

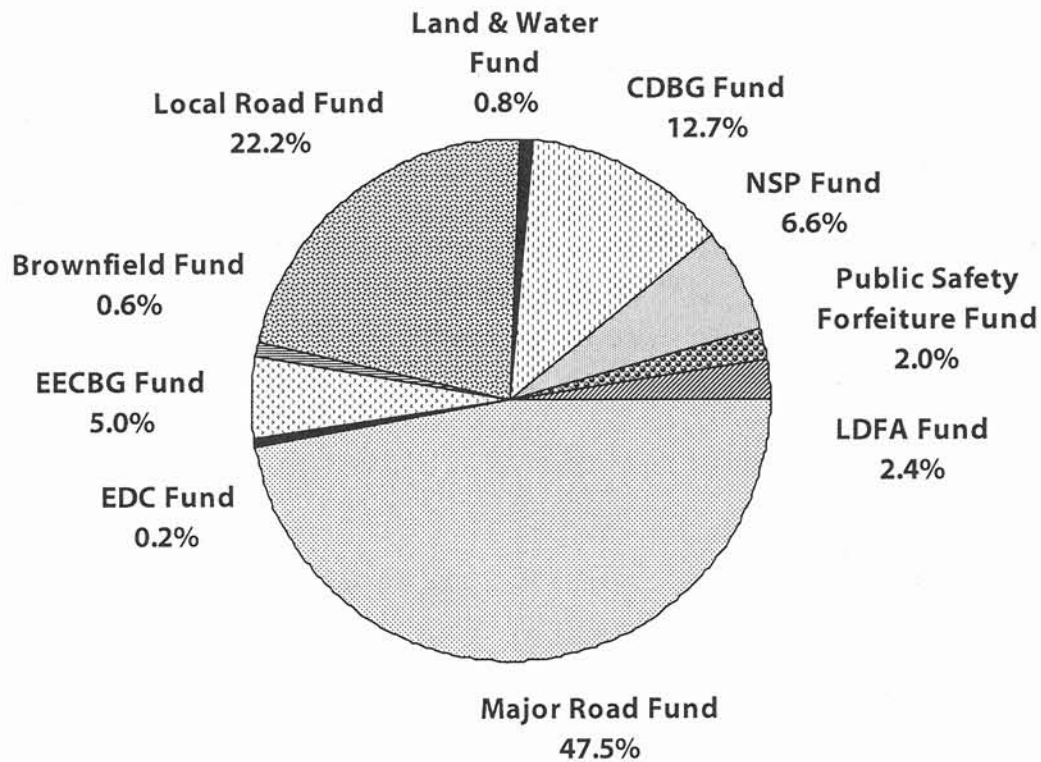
Special Revenue Funds	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	\$19,000	\$17,000	\$5,000	\$5,000	\$7,000	\$21,000
Other Revenue	170	20	30	10	10	0
Total Revenues	19,170	17,020	5,030	5,010	7,010	21,000
EXPENDITURES						
Miscellaneous	19,010	15,240	10,600	11,650	11,970	22,000
Total Expenditures	19,010	15,240	10,600	11,650	11,970	22,000
Excess of Revenues						
Over (Under) Expenditures	160	1,780	(5,570)	(6,640)	(4,960)	(1,000)
Beginning Fund Balance	4,900	5,060	6,840	6,840	6,840	1,880
Ending Fund Balance	\$5,060	\$6,840	\$1,270	\$200	\$1,880	\$880
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$48,190	\$47,680	\$44,050	\$44,010	\$45,170	\$54,760
Charges for Services	0	1,240	360	700	1,500	1,000
Other Revenue	240	20	80	1,010	1,020	10
Total Revenues	48,430	48,940	44,490	45,720	47,690	55,770
EXPENDITURES						
Other Charges	4,270	1,610	2,200	170	1,700	18,770
Transfer to General Fund	25,000	79,500	42,300	21,150	42,300	42,300
Total Expenditures	29,270	81,110	44,500	21,320	44,000	61,070
Excess of Revenues						
Over (Under) Expenditures	19,160	(32,170)	(10)	24,400	3,690	(5,300)
Beginning Fund Balance	17,180	36,340	4,170	4,170	4,170	7,860
Ending Fund Balance	\$36,340	\$4,170	\$4,160	\$28,570	\$7,860	\$2,560
LOCAL DEVELOPMENT FINANCE AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$0	\$0	\$0	\$0	\$0	\$41,370
Federal Grants	0	0	391,480	0	391,480	0
Transfer from General Fund	0	30,000	30,000	30,000	30,000	12,930
Other Revenue	0	2,959,570	0	57,500	184,320	186,190
Total Revenues	0	2,989,570	421,480	87,500	605,800	240,490
EXPENDITURES						
Incubator Operations	0	2,989,560	9,390	90,140	193,710	216,190
BAE Reimbursement	0	0	0	0	0	24,300
Incubator Renovations	0	0	412,090	0	412,090	0
Total Expenditures	0	2,989,560	421,480	90,140	605,800	240,490
Excess of Revenues						
Over (Under) Expenditures	0	10	0	(2,640)	0	0
Beginning Fund Balance	0	0	10	10	10	10
Ending Fund Balance	\$0	\$10	\$10	(\$2,630)	\$10	\$10
BUDGET STABILIZATION FD.						
Total Expenditures	\$750,000	\$0	\$0	\$0	\$0	\$0
Beginning Fund Balance	750,000	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0



***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

2011/12 Special Revenue Funds Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total Special Revenue Funds budget.

TAXES

This revenue source is from tax increment financing (TIF) revenues resulting from the Brownfield Redevelopment and Local Development Authorities. A total of \$96,130 is anticipated next fiscal year.

STATE & LOCAL RETURNS

The major source of revenue to the Special Revenue Funds is State & Local Returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major sources of revenue in this revenue center are Federal Grants and Highway & Street Grants or more commonly known as Act 51 Funds. The Act 51 funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2011/12 Budget, State and Local Return revenues represent 91.63% of total revenue sources, a decrease of \$2,085,290 below the 2010/11 Budget. The decrease is primarily due to a decrease in Federal Grants for the Neighborhood Stabilization and Energy Efficiency & Conservation Block Grant programs.

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 Major Road Fund next year.

In 2011/12, revenues generated from Other Financing Sources represent 2.90% of total revenue sources, a decrease of \$226,070 below the 2010/11 Budget. This decrease is primarily due to a decrease in Transfers In from the General Fund. The General Fund transfer to the Local Road Fund for neighborhood road replacement was eliminated due to declining revenues. The General Fund transfer to the Local Development Financing Authority (LDFA) Fund for \$12,930, which will be used to partially fund the City's SmartZone business incubator operational costs, decreased due to the new LDFA revenue now generated from the BAE project. The transfer from the General Fund to the Economic Development Corporation Fund totals \$21,000. A transfer from the Major Road Fund to the Local Road Fund is budgeted for \$250,000 to help fund the citywide Concrete Replacement Program.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting and Application Fees. In the 2011/12 Budget, Charges for Services represents 0.42% of total revenue sources, a decrease of \$14,360 below the 2010/11 Budget. This decrease is due to a decrease in chipping fees as private contractors will begin to provide tree branch chipping services.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Rental Income, Miscellaneous Revenue, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2011/12, Other Revenues represent 4.07% of total revenue sources, an increase of \$123,280 above the 2010/11 Budget. This increase is primarily due to the receipt of revenue from business incubator rents and one-time LDFA grant reimbursements.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2011/12 Budget, expenditures exceed revenue sources by \$261,010. A draw down of funds is needed due to declining road funds, the partial use of prior land sale proceeds for needed park maintenance projects, and as funding for the Public Safety Forfeiture Fund does not take into consideration the revenue from future anticipated receipts.■

SPECIAL REVENUE FUNDS

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
420000	Property Taxes - TIF - Sims/CIA	\$68,157	0.49	\$44,050	0.37	\$37,690	0.39
420010	Property Taxes - TIF - BAE	0	0.00	0	0.00	41,370	0.42
422000	LDFA - SmartZone Capture - BAE	0	0.00	0	0.00	17,070	0.17
	Total Taxes	68,157	0.49	44,050	0.37	96,130	0.98
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	1,709,108	12.38	4,410,950	36.94	2,410,200	24.62
529002	Federal Program Income	40,170	0.29	1,100	0.01	0	0.00
529003	Revenue Direct Loans	23,975	0.17	81,000	0.68	30,000	0.31
529100	Federal Forfeiture Grants	144,096	1.04	11,470	0.10	0	0.00
529101	Federal Forfeiture Program Income	479	0.00	0	0.00	0	0.00
529200	Treasury Forfeiture	24,897	0.18	0	0.00	0	0.00
529201	Treasury Forfeiture Prgrm. Income	159	0.00	0	0.00	0	0.00
529278	Federal Grant - CDBG-R	170,440	1.23	7,650	0.06	0	0.00
539002	State Grants	1,643	0.01	62,500	0.52	0	0.00
539200	State Forfeiture Grants	168,262	1.22	11,550	0.10	0	0.00
539201	State Forfeiture Program Income	17,594	0.13	1,170	0.01	0	0.00
539348	Metro Act	333,332	2.41	310,000	2.60	330,000	3.37
539400	OWI Forfeitures	26,900	0.19	8,100	0.07	0	0.00
546000	Highway & Street Grants	6,483,601	46.96	6,150,000	51.51	6,200,000	63.33
	Total State & Local Returns	9,144,656	66.23	11,055,490	92.60	8,970,200	91.63
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	562,000	4.07	510,000	4.27	33,930	0.35
699202	Transfer from Major Road Fund	250,000	1.81	0	0.00	250,000	2.55
699428	Tfr. from Road Bond Constr. Fund	300,000	2.17	0	0.00	0	0.00
	Total Other Financing Sources	1,112,000	8.05	510,000	4.27	283,930	2.90
	CHARGES FOR SERVICES						
638000	Application Fees	1,237	0.01	360	0.00	1,000	0.01
640004	Tree Sales & Planting	45,230	0.33	25,000	0.21	40,000	0.41
640010	Chipping Fee	15,659	0.11	30,000	0.25	0	0.00
	Total Charges for Services	62,126	0.45	55,360	0.46	41,000	0.42
	OTHER REVENUE						
665000	Interest on Investments	14,330	0.10	19,310	0.16	11,520	0.12
665100	Interest Income - Federal Forfeiture	1,546	0.01	1,200	0.01	300	0.00
665130	Interest Income - Treas. Forfeiture	281	0.00	200	0.00	100	0.00
665200	Interest Income - State Forfeiture	1,782	0.01	2,300	0.02	300	0.00
665300	Interest Income - Gambling Forf.	4	0.00	10	0.00	0	0.00
665400	Interest Income - OWI Forfeiture	101	0.00	100	0.00	50	0.00
667716	Rental Income Smart Incubator	0	0.00	0	0.00	93,180	0.95
672000	Special Assessment Revenue	34,135	0.25	34,130	0.29	34,130	0.35
672445	SA Delinquent Interest & Penalties	153	0.00	150	0.00	150	0.00
672665	Special Assessment Interest	14,337	0.10	12,290	0.10	10,240	0.10
673000	Sale of Fixed Assets	115,724	0.84	0	0.00	0	0.00
675000	Contributions & Donations	2,900,000	21.00	0	0.00	0	0.00
676000	Reimbursements	197,083	1.43	200,000	1.68	243,000	2.48
685000	Miscellaneous Revenue	141,315	1.02	5,000	0.04	5,000	0.05
	Total Other Revenue	3,420,791	24.78	274,690	2.30	397,970	4.07
	Total Special Revenue Funds	\$13,807,730	100.00	\$11,939,590	100.00	\$9,789,230	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

SPECIAL REVENUE FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	\$3,213	0.02	\$3,690	0.03	\$28,490	0.28
717000	FICA	246	0.00	290	0.00	2,190	0.02
718000	Worker's Compensation	0	0.00	0	0.00	180	0.00
	Total Personnel Services	3,459	0.03	3,980	0.03	30,860	0.30
	SUPPLIES						
729000	Postage	1,380	0.01	1,600	0.01	1,200	0.01
730000	Publications	0	0.00	100	0.00	100	0.00
751000	Operating Supplies	97,897	0.73	28,480	0.21	22,350	0.22
785000	Books	6,230	0.05	7,380	0.05	7,380	0.07
	Total Supplies	105,507	0.78	37,560	0.27	31,030	0.30
	OTHER CHARGES						
802000	Audit & Accounting Services	10,370	0.08	9,790	0.07	9,730	0.10
805000	Administrative Services	375,929	2.79	526,040	3.84	462,450	4.60
806000	Legal Services - Other	11,293	0.08	0	0.00	0	0.00
806001	Legal Services - City Attorney	39,784	0.30	25,830	0.19	8,900	0.09
810000	Other Fees	0	0.00	170	0.00	170	0.00
826000	Other Contracted Services	1,006,856	7.48	1,925,590	14.06	1,042,440	10.37
826900	Subrecipient Funding	0	0.00	0	0.00	55,880	0.56
827000	Interfund Services	19,319	0.14	22,900	0.17	22,900	0.23
832000	Building Maintenance	11,549	0.09	0	0.00	10,000	0.10
880000	Community Promotion	11,184	0.08	7,500	0.05	22,500	0.22
881000	Down Payment Assistance	74,735	0.56	41,390	0.30	11,390	0.11
902000	Publishing	690	0.01	1,250	0.01	1,050	0.01
913000	Liability Insurance	0	0.00	0	0.00	8,820	0.09
921000	Electric	7,296	0.05	0	0.00	37,000	0.37
922000	Telephone	15,720	0.12	18,000	0.13	30,270	0.30
923000	Gas - Fuel - Oil	9,069	0.07	0	0.00	62,400	0.62
925000	Water	1,196	0.01	0	0.00	2,400	0.02
945000	Other Rental	0	0.00	1,070	0.01	1,000	0.01
957000	Memberships & Dues	2,500	0.02	3,500	0.03	3,500	0.03
959000	Education & Training	8,627	0.06	13,580	0.10	15,060	0.15
962000	Miscellaneous Expense	2,188	0.02	3,400	0.02	11,900	0.12
962010	Miscellaneous Expense - BAE	0	0.00	0	0.00	41,370	0.41
962200	Miscellaneous Expense - Investigations	25,769	0.19	30,000	0.22	30,000	0.30
	Total Other Charges	1,634,074	12.15	2,630,010	19.20	1,891,130	18.82
	OTHER SERVICES						
805500	Service Deliverable Costs	2,783	0.02	0	0.00	0	0.00
886162	Access Road Maintenance	25,649	0.19	50,000	0.37	30,000	0.30
887000	Bridge Maintenance	12,560	0.09	10,000	0.07	20,000	0.20
887001	Bridge Maintenance - County	0	0.00	500	0.00	0	0.00
888000	Surface Maintenance	310,293	2.31	250,000	1.83	320,000	3.18
888001	Surface Maintenance - County	221	0.00	1,500	0.01	1,000	0.01

SPECIAL REVENUE FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
888198	2009 Joint Sealing Program	181,052	1.35	0	0.00	0	0.00
888207	2010 Joint Sealing Program	91	0.00	175,000	1.28	175,000	1.74
889000	Shoulder Maintenance	21,812	0.16	30,000	0.22	25,000	0.25
889001	Shoulder Maintenance - County	0	0.00	750	0.01	0	0.00
890000	Sweeping & Flushing	240,771	1.79	250,000	1.83	250,000	2.49
890001	Sweeping & Flushing - County	33,847	0.25	55,000	0.40	35,000	0.35
890002	Sweeping & Flushing - State	7,874	0.06	12,000	0.09	10,000	0.10
891000	Grass & Weed Control	168,252	1.25	180,000	1.31	170,000	1.69
891001	Grass & Weed Control - County	132,417	0.98	144,600	1.06	130,000	1.29
891002	Grass & Weed Control - State	93,680	0.70	140,000	1.02	140,000	1.39
892000	Roadside Cleanup	20,820	0.15	10,000	0.07	9,000	0.09
892001	Roadside Cleanup - County	24,729	0.18	12,500	0.09	12,500	0.12
892002	Roadside Cleanup - State	23,663	0.18	15,000	0.11	15,000	0.15
893000	Curb & Gutter Maintenance	17,984	0.13	5,500	0.04	10,500	0.10
894000	Storm Drain Maintenance	193,280	1.44	248,000	1.81	220,000	2.19
894001	Storm Drain Maintenance - County	0	0.00	1,000	0.01	0	0.00
895000	Tree & Shrub Maintenance	574,333	4.27	510,000	3.72	445,000	4.43
895001	Tree & Shrub Maintenance - County	13,126	0.10	15,000	0.11	10,000	0.10
895002	Tree & Shrub Maintenance - State	7,008	0.05	7,000	0.05	7,000	0.07
897000	Snow & Ice Removal	613,907	4.56	825,000	6.02	850,000	8.46
897001	Snow & Ice Removal - County	0	0.00	2,000	0.01	1,500	0.01
898000	Traffic Signs & Signals	217,469	1.62	230,000	1.68	220,000	2.19
898001	Traffic Signs & Signals - County	1,758	0.01	7,500	0.05	5,000	0.05
899000	Pavement Markings	50,610	0.38	70,000	0.51	65,000	0.65
	Total Other Services	2,989,989	22.22	3,257,850	23.79	3,176,500	31.62
	<u>CAPITAL OUTLAY</u>						
971002	Land Acq - Nature Preserve Sec 6	166	0.00	0	0.00	0	0.00
972000	Land Improvements	4,786	0.04	12,000	0.09	10,000	0.10
972008	Land Imp-Neighbrhd Prks-Play Equip	0	0.00	150,000	1.10	0	0.00
972333	Delia Park Improvements	5,500	0.04	38,500	0.28	0	0.00
972334	Sport Courts & Path Resurfacing	6,125	0.05	78,000	0.57	18,000	0.18
972945	Baumgartner Park Improvements	0	0.00	40,000	0.29	53,000	0.53
972985	Baumgartner Park - Soccer Fields	0	0.00	30,000	0.22	0	0.00
975000	Buildings & Improvements	3,147,005	23.39	965,670	7.05	500,000	4.98
977000	Furniture	28,513	0.21	0	0.00	0	0.00
979000	Computer Equipment	1,152	0.01	276,280	2.02	0	0.00
981000	Electronic Equipment	29,314	0.22	0	0.00	0	0.00
982000	Machinery & Equipment	1,268	0.01	3,600	0.03	0	0.00
984000	Vehicles	70,372	0.52	42,000	0.31	96,000	0.96
985000	Weapons & Protective Gear	108,909	0.81	33,960	0.25	0	0.00
988000	Construction	140,110	1.04	974,820	7.12	430,150	4.28
988102	Utica/18 Mile Road	139,609	1.04	0	0.00	0	0.00
988135	2005 Bridge Maintenance Program	1,317	0.01	0	0.00	0	0.00
988158	Gardner Dr. W. Asphalt Resurfacing	235	0.00	0	0.00	0	0.00
988175	Riverland Drive Resurfacing	260	0.00	0	0.00	0	0.00
988176	15 Mile/Ryan Rd. Intersection Impr.	133,090	0.99	209,720	1.53	0	0.00

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

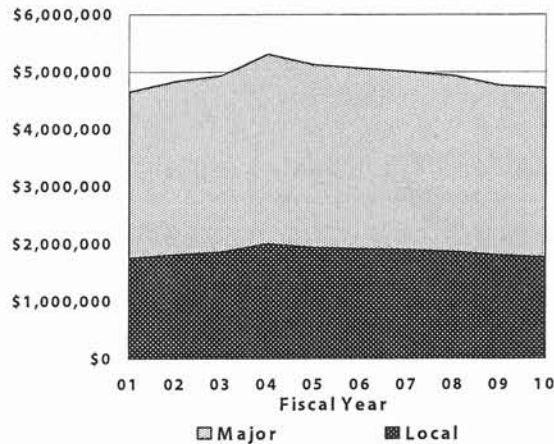
Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
988177	19 Mile Rd. Impr. At Fire Station #2	8,304	0.06	0	0.00	0	0.00
988180	Fox Hill Drive Resurfacing	445	0.00	0	0.00	0	0.00
988192	2009 Local Road Construction	454,732	3.38	0	0.00	0	0.00
988199	2009 Concrete Replacement Pgrm.	1,003,718	7.46	0	0.00	0	0.00
988201	15 Mile & Schoenherr Intersect. Impr.	0	0.00	279,720	2.04	0	0.00
988202	SMART Bus Stop Improvements	19,643	0.15	17,460	0.13	0	0.00
988204	2010 Local Road Resurfacing	1,125	0.01	475,000	3.47	0	0.00
988206	Utica/Van Dyke - Park	0	0.00	0	0.00	22,130	0.22
988208	2010 Concrete Replacement Pgrm.	100	0.00	850,000	6.21	600,000	5.97
988209	ADA Sidewalk Replacement 2010	168,741	1.25	0	0.00	0	0.00
988213	ADA Improve. Baumgartner Park	0	0.00	240,000	1.75	170,180	1.69
988700	Dequindre Rd - 16-18 Mile Road	0	0.00	10,000	0.07	5,000	0.05
988852	Utica Road Boulevard	1,380	0.01	0	0.00	0	0.00
	Total Capital Outlay	5,475,919	40.70	4,726,730	34.51	1,904,460	18.95
	DEBT SERVICE						
992000	Principal	287,500	2.14	492,500	3.60	411,470	4.09
993000	Interest	42,387	0.32	25,280	0.18	12,490	0.12
	Total Debt Service	329,887	2.46	517,780	3.78	423,960	4.22
	TRANSFERS OUT						
999101	Transfer to General Fund	79,500	0.59	42,300	0.31	42,300	0.42
999203	Transfer to Local Road Fund	250,000	1.86	0	0.00	250,000	2.49
999327	Transfer to Road Bond Debt Fund	2,585,000	19.21	2,480,000	18.11	2,300,000	22.89
	Total Transfers Out	2,914,500	21.66	2,522,300	18.42	2,592,300	25.79
	Total Special Revenue Funds	\$13,453,335	100.00	\$13,696,210	100.00	\$10,050,240	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

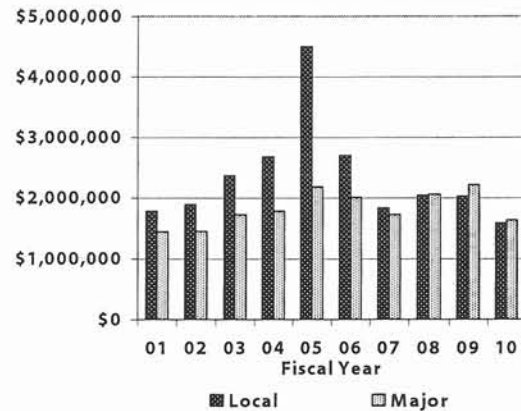
Special Revenue Funds

**Gas & Weight Tax Revenue
Road Funds**



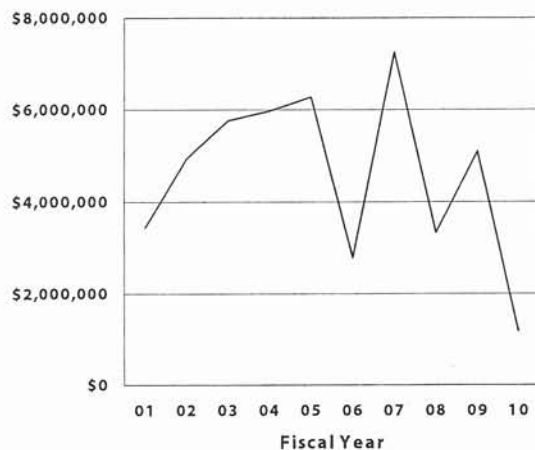
Gas tax receipts have fallen recently due to higher gas prices and the use of more fuel-efficient vehicles, which have lessened gas consumption and the corresponding tax revenue. The State's gas tax of 19 cents per gallon has increased once in the past 26 years. Since 2004, the City has cumulatively lost \$5.0 million in State gas tax revenues.

**Major & Local Road
Maintenance & Administration
Costs**



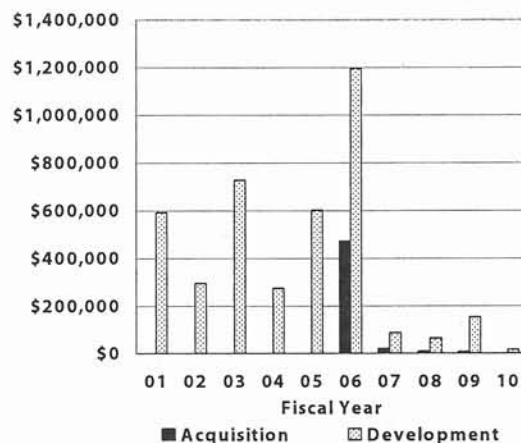
The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads and more recently, for the removal of street trees due to the emerald ash borer and higher snow removal costs. Starting in 2007, \$750,000 in Local and \$275,000 in Major Road Fund maintenance is now reclassified as construction costs.

**Major Road Construction Costs
Total City**



The City spent \$6.3 million in 2005 on the 18½ Mile Road connector, repairs to the 17 Mile Road bridge, and widening Dequindre Road. \$7.2 million was spent in 2007 on 19 Mile, Dobry, Plumbrook, and numerous neighborhood streets, as well as \$1 million in miscellaneous concrete replacement. Costs totaled \$5.1 million in 2009, largely due to road improvements to the Lakeside Shopping District. Costs fell in 2010 as less City funds were needed due to the use of federal stimulus funds to repair 15 Mile and Metroparkway.

**City Park Costs
Acquisition & Development**



The City continues to spend limited funds to improve City parks and provide the necessary path systems, restroom, ball field lighting, soccer fields, bleachers, parking lot paving, park signage, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve and for future development plans. The costs exclude the \$2.1 million Senior Gymnasium addition to the Senior Center in 2007.

The Major Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. The motor fuel taxes are earmarked, by law and the State Constitution, for street and highway purposes that are described in detail by the Michigan Department of Transportation.

This Fund receives Act 51 revenues paid to Sterling Heights by the State and accounts for the construction, maintenance, and other authorized operations pertaining to all streets classified as major streets within the City. In addition, this Fund receives monies paid to Sterling Heights for trunk line contracts and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

The 2011/12 Capital Outlay budget includes funding of \$5,000 for the preliminary engineering and right-of-way costs for the future widening of Dequindre Road from 18 Mile Road to M-59. \$230,000 is included for sectional asphalt repairs on Dobry Drive east of Ryan, Clinton River Road west of Schoenherr, and the intersections of Saal and Clinton River Road, Plumbrook and Van Dyke, and Riverland Drive and Van Dyke. \$180,150 is budgeted for various traffic signal improvements including Metropolitan Parkway at Ryan and Dodge Park Roads, Clinton River Road at Hayes, and Mound Road at 15 Mile and 17 Mile Roads.

Total Other Services are budgeted in the amount of \$1,684,500, which is primarily used for major road maintenance, snow removal, and grass and weed control.

\$120,380 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 2011/12, \$2,300,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of Michigan Transportation Fund bonds. A transfer to the Local Road Fund is budgeted for \$250,000 to help fund the citywide Concrete Replacement Program.

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know...

...the average motorist pays \$90 per year in State gas taxes to maintain and improve all Michigan roads, and this rate has been increased only once in the past 26 years?

Major Road Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

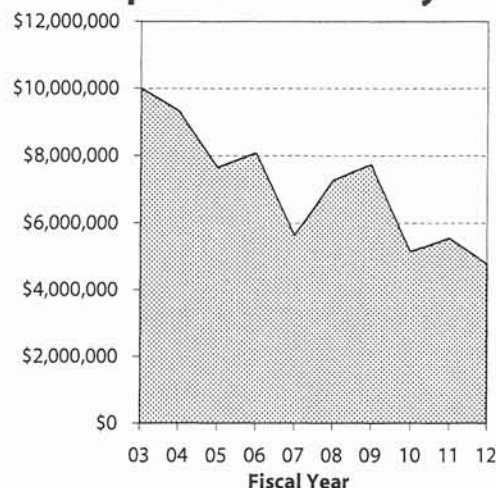
The total budget decreased by 13.9%.

Other Charges – Total Other Charges decreased \$10,030 or 7.7% due to lower General Fund administrative costs for time spent on Major Road projects.

Other Services – Total Other Services increased \$24,150 or 1.5%. Funding increased \$74,500 for snow and ice removal due to recent higher activity levels. Surface maintenance funds increased \$49,500 for increased road maintenance repairs. The budget decreased \$22,000 for street sweeping, \$20,000 for Lakeside road maintenance costs, and \$20,000 for tree and shrub maintenance, all based on recent expenditure trends and increased department operational efficiencies. \$24,600 was saved, as grass and weed cutting rotations will be slightly reduced, especially on County roads. Less funding is needed for traffic signs and signals, saving \$12,500.

Capital – Total Capital of \$415,150 is proposed. \$230,000 is for sectional asphalt repairs on Dobry Drive east of Ryan, Clinton River Road west of Schoenherr, and the intersections of Saal and Clinton River Road, Plumbrook and Van Dyke, and Riverland Drive and Van Dyke. \$5,000 is for the preliminary engineering and right-of-way costs for the future widening of Dequindre Road from 18 Mile Road to M-59. \$180,150 is for various traffic signal improvements including 16 Mile Road at Ryan and Dodge Park Road, Clinton River Road at Hayes, and Mound Road at 15 Mile and 17 Mile Road.

Expenditure History



For a complete list of all Major Road projects, refer to the Capital Improvements schedule and maps on the following pages.

Transfers Out – Transfers Out increased \$70,000 or 2.8%. A transfer to the Local Road Fund is budgeted for \$250,000, as more funding is needed for the citywide Concrete Replacement Program. Transfers Out to the Road Bond Debt Retirement Fund decreased \$180,000 due to lower debt payments on existing road bonds.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Other Charges	\$117,617	\$130,410	\$120,380	\$120,380	\$120,380
Other Services	1,518,764	1,660,350	1,791,370	1,684,500	1,684,500
Capital Outlay	667,157	1,271,250	964,510	415,150	415,150
Tranfers Out	2,835,000	2,480,000	2,480,000	2,550,000	2,550,000
Total	\$5,138,538	\$5,542,010	\$5,356,260	\$4,770,030	\$4,770,030

The Local Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. These taxes are earmarked, by law and the State Constitution for street and highway purposes that are described in detail by the Michigan Department of Transportation.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow and ice control on all streets classified as local roads within the City. This Fund also accounts for the money raised by special assessing property owners for street improvements as provided by Act 51 of the Public Acts of 1951, as amended, and for the transfers into this Fund from other City funds.

This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51 of the Public Acts of 1951, as amended.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow & ice control on all streets classified as local roads within the City.

In fiscal year 2011/12, a total of \$2,231,350 is budgeted for this fund. The continuation of the sectional Concrete Replacement Program is included for \$600,000. Due to declining City funds, continuation of the street replacement program has been suspended.

Total Other Services in this fund total \$1,492,000 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

\$139,350 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 2011/12, there are no Transfers Out proposed for this fund. The road bond debt from past Local Road projects was retired in the 2005/06 fiscal year.

Specific capital projects in the Local Road Fund are detailed in the Capital Projects section of this document.■

Did you know...

... that a reconstructed road can last up to 25 years while resurfacing that same road will last roughly 10 years?

Local Road Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

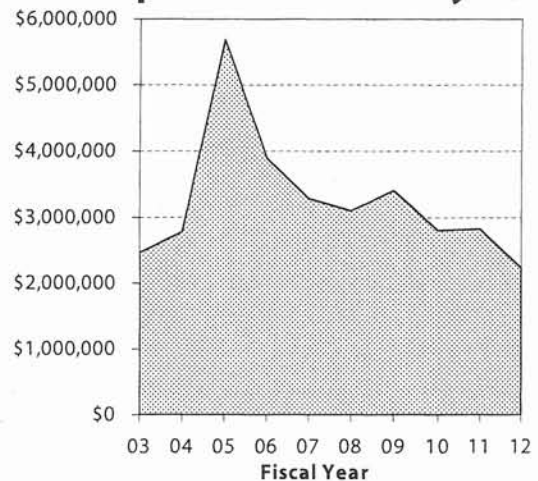
The total budget decreased by 20.9%.

Other Charges – Total Other Charges decreased \$10,030 or 6.7%, primarily due to lower General Fund administrative costs for time spent on Local Road projects.

Other Services – Total Other Services decreased \$105,500 or 6.6%. Snow and ice removal costs decreased \$50,000 based on continued snow plowing cost-saving measures. Funding decreased \$50,000, as private contractors will provide tree branch chipping services, allowing the savings to be redirected toward maintaining adequate road repairs. The budget decreased \$30,000 for storm drain maintenance costs to reflect more recent actual expenditure trends. Funding increased \$20,000 for surface maintenance repairs and \$5,000 for curb and gutter maintenance, both due to higher costs and greater service demands.

Capital – Total Capital of \$600,000 is proposed for the City-wide Concrete Replacement Program to fund sectional repairs to all neighborhood streets throughout the City. Due to declining City funds, continuation of the street replacement program has been suspended.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Other Charges	\$120,214	\$149,380	\$139,350	\$139,350	\$139,350
Other Services	1,468,439	1,597,500	1,603,260	1,492,000	1,492,000
Capital Outlay	1,217,266	1,075,000	1,125,000	600,000	600,000
Total	\$2,805,919	\$2,821,880	\$2,867,610	\$2,231,350	\$2,231,350

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any parkland or park system. The balance is normally transferred to the Debt Service Fund if and when a bond issue is involved. Money for the operation of the Fund is usually supplied by the sale of General Obligation Bonds, State or Federal grants, a special voted tax, proceeds from the sale of excess City property and/or other restricted contributions.

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

In fiscal year 2011/12, a portion of the funding from the prior sale of City-owned properties will be used to finance three projects totaling \$81,000. \$10,000 is included for parking lot repairs at various City parks. Turf replacement and grading of the ball fields at L.W. Baumgartner Park is funded for \$53,000. \$18,000 is included for repairs and resurfacing of the asphalt tennis court at Delia Park.

For a complete list of all park improvement projects, please refer to the Capital Improvement schedule in the Capital Improvement section of this document. ■

Did you know...

... the City has received grants valued at over \$172,000 since 2001 to plant trees along major roads and within City parks?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

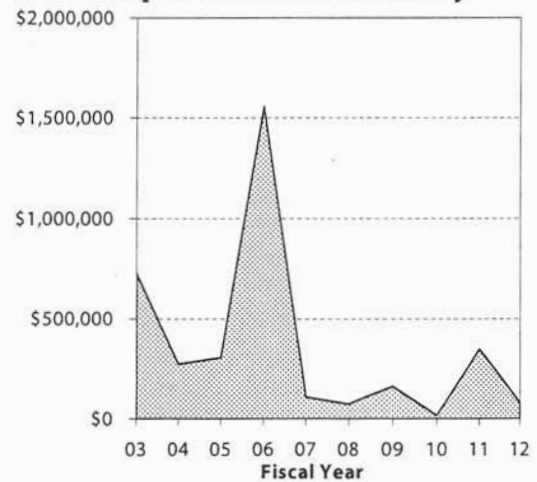
The total budget decreased by 76.8%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of \$81,000 is proposed for this fund. A portion of the funding from the prior sale of City-owned properties will be used to finance three (3) projects next fiscal year. \$10,000 is proposed for parking lot repairs at various City parks. \$18,000 is for the repairs and resurfacing of the asphalt tennis court at Delia Park. Turf replacement and grading of the ball fields at L. W. Baumgartner Park is proposed for \$53,000. *The Capital Improvement section of this document provides a breakout of each project's cost and funding source.*

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	16,577	348,500	250,460	81,000	81,000
Transfers Out	0	0	0	0	0
Total	\$16,577	\$348,500	\$250,460	\$81,000	\$81,000

The American Recovery & Reinvestment Act of 2009 appropriated federal funding for the Department of Energy (DOE) to issue grants under the Energy Efficiency & Conservation Block Grant (EECBG). The purpose of the grant program is to stimulate the economy and to create and retain jobs by reducing fossil fuel emissions and total energy use and improving energy efficiency.

DOE developed the following core principles to guide entities during the program and project planning process: 1) prioritize energy efficiency and conservation programs and projects by the least costly, cleanest and fastest ways to meet energy demand; 2) maximize benefits over the longest possible terms and look for ways to link the entity's efforts to its long-term priorities; and 3) invest funds in programs and projects that create and/or retain jobs and stimulate the economy while meeting long term energy goals.

Desired outcomes of the program include increased energy efficiency and reduced energy consumptions and costs through efficiency improvements; new jobs and increased productivity to spur economic growth and community development; accelerated deployment of market-ready distributed renewable energy technologies; improved air quality and environmental health indicators associated with the reduction of fossil fuel emissions; improved coordination of energy-related policies; increased security, resilience and reliability of energy generation and transmission infrastructure; leveraging of other resources to maximize benefits; and the use of innovative financial mechanisms that transform markets.

With these principles and outcomes in mind, the City of Sterling Heights applied for and received \$1,203,800 in EECBG funds in October 2009. The remaining unspent grant funding of \$505,000 is budgeted for fiscal year 2011/12. \$500,000 is reappropriated for the replacement of boilers and/or new chillers at the Police Station, Library, City Hall and Recreation Center; a new office furnace and improved lighting at the Public Works building; installation of boiler controls at Fire Station #5; and Nature Center energy improvements.

Total Other Charges in this fund total \$5,000 and are allocated for program administrative costs.■

Did you know...

...that almost 100% of scrap materials generated during fabrication of the new sustainable roofs installed at the Police Department, Library, and 41-A District Court are recycled to make vinyl flooring?

Energy Efficiency & Conservation Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

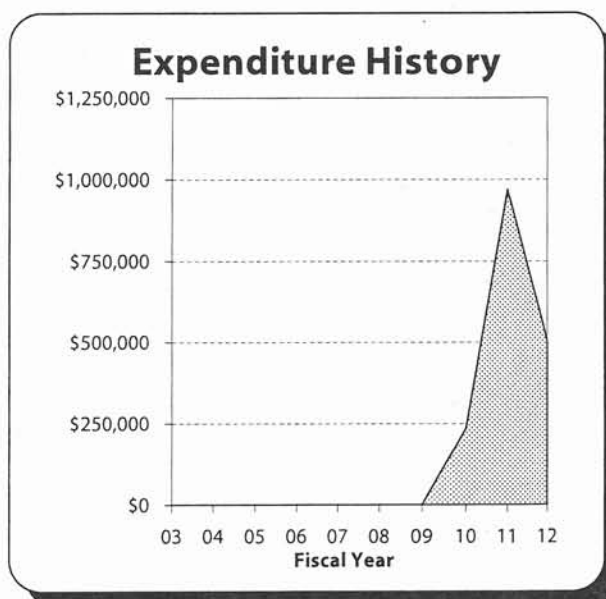
The total budget decreased by 47.9%.

Personnel Services – There is no Personnel budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased \$1,900 or 61.3%. The budget increased \$2,880 for unspent administrative costs that were allocated but not spent in the prior year. Contracted service costs decreased \$980 as prior years' funding for pre-award costs and an energy audit of the City's Nature Center were completed.

Capital – Total Capital of \$500,000 is proposed for this fund. \$500,000 is reappropriated for the remaining unspent grant funds to replace boilers and/or new chillers at the Police Station, Library, City Hall, and Recreation Center; installation of boiler controls at Fire Station #5; a new office furnace and improved lighting at the Public Works building; and energy improvements at the Nature Center. ***The Capital Improvement section of this document provides a breakout of each project's cost and funding source.***



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Other Charges	\$29,153	\$3,100	\$8,670	\$5,000	\$5,000
Capital Outlay	205,874	965,670	455,100	500,000	500,000
Transfers Out	0	0	0	0	0
Total	\$235,027	\$968,770	\$463,770	\$505,000	\$505,000

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the federal government issues a check to the City's Police Department for our equitable share of money or property that was seized during a federal investigation in which a Sterling Heights police officer took part. The City currently has two police officers assigned to Drug Enforcement Administration (D.E.A.) task forces. Therefore, the Department is entitled to a percentage, relative to these Officers' involvement in an investigation.

The federal guidelines allow for the proceeds to be used to enhance overall law enforcement efforts, 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, and law enforcement training.

Gambling Forfeiture revenue is generated from seized money or property that is directly related to illegal gambling activities. Seized property is later sold at auction and the proceeds from the auctioned items, along with any forfeited cash, are used to enhance the future enforcement of gambling statutes.

Persons involved in serious Operating While Intoxicated (O.W.I.) arrests or those with a prior O.W.I. conviction are subject to having their vehicles seized. Upon arrest, an offender's vehicle is impounded and either a settlement is paid or the vehicle is forfeited. Forfeited vehicles are then sold at auction and the proceeds are used to enhance traffic enforcement and education.

In fiscal year 2011/12, a total of \$204,100 is budgeted for this fund. \$40,800 is included for Federal Forfeiture related expenditures, \$157,800 is allocated for State Forfeiture permitted uses, and \$5,500 is budgeted for O.W.I. Forfeiture related purchases. There are no funds budgeted for Gambling Forfeiture related expenditures next year. Following State guidelines, the budget for this fund is based on existing year-to-date revenue and does not take into consideration the revenue from future anticipated receipts.

For additional information regarding the City's use of Federal and State forfeiture revenue, refer to the Summary of Budget Changes on the following page. A complete list of budgeted capital outlay for this fund can be found in the Capital Projects section of this document. ■

Did you know...

...the City's entire fleet of undercover detective vehicles has been purchased with proceeds from the Public Safety Forfeiture Fund?

Public Safety Forfeiture Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

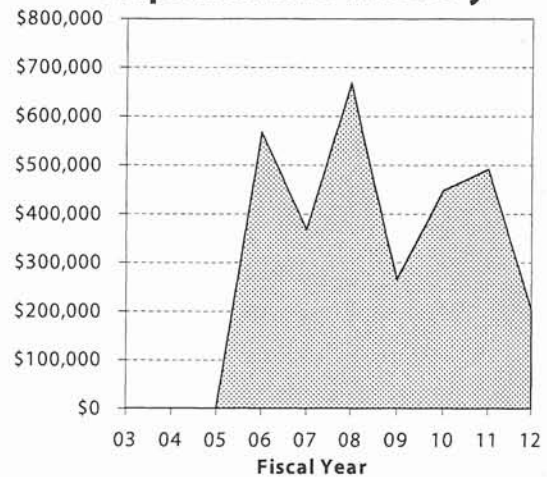
The total budget decreased by 58.5%.

Supplies – Total Supplies decreased \$10,280 or 40.2%, primarily due to the one-time purchase of ammunition and supplies in the prior year.

Other Charges – Total Other Charges decreased \$16,630 or 15.2%. Contracted service costs decreased \$15,210 as funding for investigative equipment and taser repairs can be reduced and brought more in line with recent expenditure trends. Wireless telephone costs decreased \$2,000. Funding for undercover investigative costs decreased \$1,500 based on the current year's estimated expenditure levels. The training budget increased \$2,150 for several narcotics training courses.

Capital – Total Capital of \$96,000 is proposed for this fund. \$42,000 is funded to replace two high mileage Detective vehicles that are 12 and 14 years old. \$54,000 is proposed for two SUV Tahoe's to replace a 2004 K-9 vehicle with over 125,000 miles and a high use Special Response Team (SRT) vehicle that is constantly on the road, serves as a pursuit vehicle and will have over 100,000 miles at the time of purchase.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Supplies	\$96,976	\$25,580	\$25,230	\$15,300	\$15,300
Other Charges	91,340	109,430	88,130	92,800	92,800
Capital Outlay	258,746	357,010	359,890	96,000	96,000
Total	\$447,062	\$492,020	\$473,250	\$204,100	\$204,100

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).

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 low and moderate income families. The Housing Commission administers this program on behalf of the City Council.

Examples of activities undertaken in past years include the Upton House purchase and renovation, improvements to Nelson Park, SMART Bus Stop Improvements along north Van Dyke, housing rehabilitation, Minor Home Repair Program, Handicapped Recreation Program, the Home Chore Program, and meeting the federally mandated Americans With Disabilities Act requirements.

In fiscal year 2006/07, \$400,000 was budgeted toward the construction of the \$2.2 million Senior Active Life Center addition. The proceeds from a bond sale in the spring of 2007 were used to fund the remaining \$1.8 million construction cost. Block Grant capital funds are now being used to fund the debt payments on the Senior gymnasium addition.

For fiscal year 2011/12, \$20,000 is budgeted for the continued installation of ramped sidewalks with curb cuts at major road intersections. \$170,180 is funded to complete the improvements to the restroom facility at L.W. Baumgartner Park. \$423,960 is budgeted for the final debt payment on the Senior Active Life Center bond, which will be made one year in advance due to possible reductions in future grant funding.■

Did you know...

...that in 2011/12, CDBG funds will be used to fund increased maintenance inspections by part-time Code Enforcement Officers to eliminate blighting influences in eligible City Neighborhoods?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 2.9%.

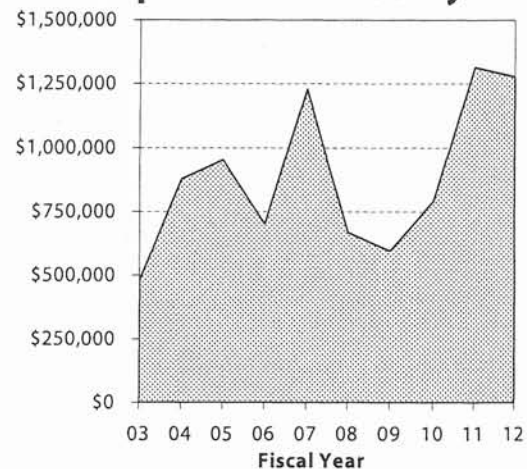
Personnel Services - The total Personnel budget increased by \$28,170 in order to fund part-time Code Enforcement Officers to eliminate blighting influences in eligible City neighborhoods.

Supplies – Total Supplies decreased \$1,500 or 13.8%, as less funding is required for operating supplies and postage costs.

Other Charges – Total Other Charges decreased \$83,960 or 11.8%, primarily due to the anticipated decrease in housing rehabilitation program income next year. Funding remains sufficient to maintain the current year's level of activity. The budget also includes unspent carryover funding from the prior year. The budget includes \$22,900 for the Special Recreation Program and \$117,950 for reimbursing the General Fund for the costs of City personnel assisting and administering the CDBG program. Total funding to service organizations remains the same.

Capital – Total Capital of \$190,180 is proposed for this fund. \$170,180 is unspent carryover funding to complete the improvements to the restroom facility at Baumgartner Park. \$20,000 is for the installation of ramped sidewalks with curb cuts at several eligible major road intersections.

Expenditure History



Debt Service – Total Debt Service increased \$96,400 or 29.4%, as the final debt payment on the Senior Active Life Center bond is proposed to be made one year in advance due to possible reductions in future grant funding.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$28,170	\$28,170
Supplies	7,441	10,880	8,430	9,380	9,380
Other Charges	282,963	709,240	364,540	625,280	625,280
Capital Outlay	188,384	267,210	101,490	190,180	190,180
Debt Service	314,259	327,560	327,560	423,960	423,960
Total	\$793,047	\$1,314,890	\$802,020	\$1,276,970	\$1,276,970

The Neighborhood Stabilization Program Fund is a Special Revenue Fund of the City of Sterling Heights. This HUD program will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program was authorized under Title III of the Housing and Economic Recovery Act of 2008.

NSP guidelines allow each entitlement community to develop programs to address the problem of foreclosed homes in their own community. NSP grantees must use at least 25% of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of the area median income. In addition, all activities funded by NSP must benefit low-, moderate-, and middle-income residents whose income does not exceed 120% of area median income.

In January 2009, the City of Sterling Heights was authorized to receive \$2,454,960 through the Neighborhood Stabilization Program (NSP). The remaining unspent grant funding of \$658,230 is budgeted for fiscal year 2011/12. This program's continued planned activities include down-payment assistance and housing rehabilitation, demolition of blighted structures, acquisition/resale including housing rehabilitation and redevelopment of vacant or demolished properties.

The down-payment assistance and housing rehabilitation program provides income eligible homebuyers with down payment and closing cost assistance to purchase a foreclosed or abandoned home. Additional funds are provided to bring the property up to the City's rehabilitation standards. Only abandoned and foreclosed homes located in the City's designated

areas of greatest needs are eligible for assistance under this program. A loan will be secured by a second lien for the amount of the NSP investment. The assistance the homebuyer receives from the City is subject to recapture during an affordability period. The program will help stabilize neighborhoods by encouraging homebuyers to be owner-occupants of abandoned and foreclosed homes. It will also provide the new homeowner with financial resources to make the homes safe for occupancy.

Demolition of blighted structures through the Neighborhood Stabilization Program will result in an area-wide benefit. In addition, the activity will benefit NSP income eligible households by demolishing unsafe structures that might otherwise be rented or sold to homebuyers who are unprepared financially to make the structure safe and sanitary. To be considered a "blighted structure" the property must meet one of the following criteria: 1) uninhabitable or useless structure; 2) dwellings out of repair; 3) partially completed structures; and 4) unprotected vacant buildings in residential areas.

The City will continue to work with agencies such as the Macomb Homeless Coalition, Sterling Heights Housing Commission, or Habitat for Humanity to operate an acquisition, rehabilitation, and resale program that meets the low-income housing requirement for those with household incomes below 50% of the area median income. Homes will be sold at a discount to eligible households. All NSP funds associated with the project will be subject to recapture and secured through a second loan on the property.

The final activity involves redeveloping demolished or vacant properties located within the City's areas of greatest need. Redevelopment can be in the form of new home construction or a public facility. ■

Did you know...

...that City staff worked in collaboration with Macomb County Habitat for Humanity to acquire and rehabilitate eleven homes with NSP funds?

Neighborhood Stabilization Program Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

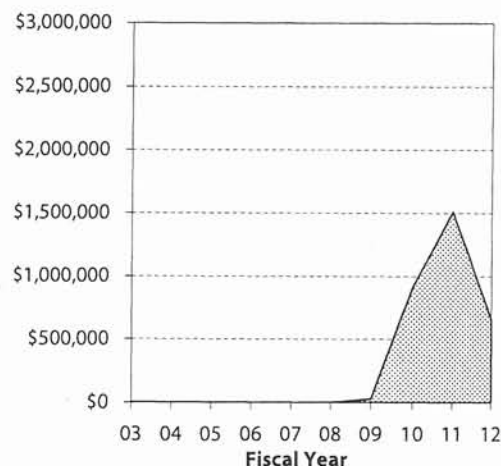
The total budget decreased by 56.4%.

Personnel Services – The total Personnel budget decreased by \$1,290 or 32.4%, as fewer part-time Intern hours will be needed to assist in the final year of the grant funded Neighborhood Stabilization Program.

Supplies – Total Supplies decreased \$250 or 22.7%. \$850 is budgeted for postage and operating supplies needed for the operation of the program.

Other Charges – Total Other Charges decreased \$873,200 or 58.0% as the prior year unspent grant funding of \$632,560 is budgeted for the next fiscal year. \$11,390 will be used to provide down payment and housing rehabilitation assistance to eligible homebuyers. \$75,610 is included for the Acquisition, Rehabilitation and Resale program to acquire and rehabilitate abandoned or foreclosed properties to be utilized as housing to benefit qualified low-income individuals. \$466,660 is budgeted for the Acquisition and Redevelopment program to acquire vacant or demolished properties for new home construction or a public facility. The Demolition program includes \$6,300 for the demolition of blighted structures. \$72,600 is funded for administration costs, including a \$69,500 cross-charge for the wage and benefit costs of existing employees administering the program, \$1,000 to provide homebuyer group counseling services, \$2,000

Expenditure History



for legal services, and \$100 for the publishing of legal notices in local newspapers.

Capital – Total Capital of \$22,130 is funded for ongoing design and engineering costs of the approved Utica Road and Van Dyke park development project.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$3,459	\$3,980	\$1,290	\$2,690	\$2,690
Supplies	969	1,100	250	850	850
Other Charges	908,409	1,505,760	828,070	632,560	632,560
Other Services	2,782	0	0	0	0
Capital	0	0	23,000	22,130	22,130
Total	\$915,619	\$1,510,840	\$852,610	\$658,230	\$658,230

The Corridor Improvement Authority (CIA) Fund is a Special Revenue Fund of the City of Sterling Heights. Established in 2006, the Authority allows the City to identify commercial districts in the City and utilize tax incrementing financing to make public improvements and offer development incentives in order to increase economic vitality within these districts.

The CIA currently includes one District located in the north central portion of Sterling Heights. The District consists of properties bordering Van Dyke Avenue between 18½ Mile Road to the north City limit and along Utica Road between Van Dyke Avenue and Triangle Drive.

The Primary Goals for the District are (1) to enhance the public spaces within the District; (2) to delineate the District by developing a consistent beautification and landscape style along its rights-of-way; (3) to provide a unified building style through the development and redevelopment of properties within the District; and (4) to spur economic growth and increase property values within the District's borders.

As a necessary prerequisite to achieve these goals, both a Development Plan and a Tax Increment Finance Plan have been prepared. The Development Plan outlines the improvements proposed within the District, while the Tax Increment Finance Plan identifies the funding mechanism that will be utilized to finance the proposed improvements.

The Streetscape Design Guidelines prepared for the District include select specifications for paving, decorative lighting, site furnishings, and landscaping. These amenities are intended to be constructed within the Van Dyke Avenue and Utica Road rights-of-way as well as on private property as part of future development and redevelopment within the District.

The Development Plan also includes potential façade improvements with selected styles and material specifications, access management improvements, property acquisition, floodplain/wetland mitigation, park space improvements, general infrastructure

improvements, and a business recruitment and retention program. The CIA Master Plan provides for approximately \$20 million worth of improvements in the District over a 20-year period.

The Economic Development Manager serves as the City's liaison to the Corridor Improvement Authority Board.

For fiscal year 2011/12, there is no budget for this fund, as the Façade Assistance Program for new applicants has been suspended due to a decline in incremental property tax revenue in the Corridor Improvement Authority District, resulting from declining property values below the District's base year levels. There is no outstanding debt, as the District has fully repaid its loan from the General Fund for the prior advanced funding of the Façade Assistance Program.■

Did you know...

...the Corridor Improvement Authority approved façade improvement grants for Najor's party store and the Four Seasons Plaza?

Corridor Improvement Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 100%.

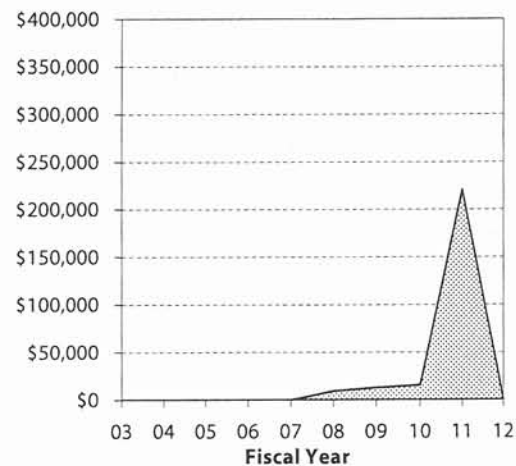
Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased \$500 or 100%, as the budget for legal services is no longer needed due to reduced development activity.

Capital – There is no Capital budget for this fund, as the Façade Assistance Program for new applicants has been suspended due to a decline in incremental property tax revenue in the Corridor Improvement Authority District, as a result of declining property values below the district's base year levels. There are several pending façade applications that will continue to be processed and funded.

Debt Service – Total Debt Service decreased \$190,220, as the District has fully repaid its \$200,000 loan from the General Fund in the prior year.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Other Charges	\$0	\$500	\$0	\$0	\$0
Capital Outlay	0	30,000	28,000	0	0
Debt Service	15,628	190,220	190,220	0	0
Total	\$15,628	\$220,720	\$218,220	\$0	\$0

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...

...the Economic Development Corporation is a strategic partner for the City of Sterling Heights with the Michigan Economic Development Corporation?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 107.5%.

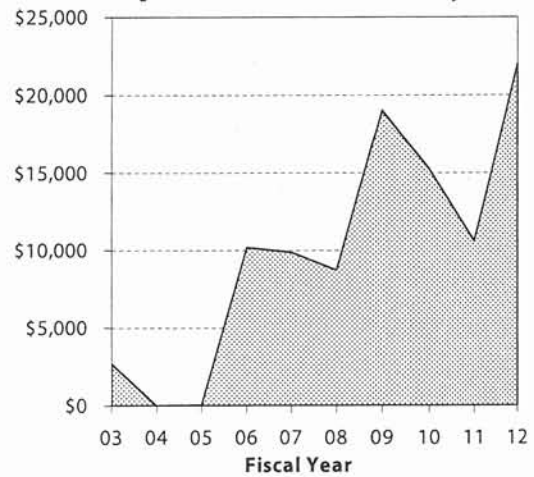
Personnel Services – There is no Personnel budget for this fund. The Economic Development Corporation members serve as volunteers without compensation.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased \$11,400 or 107.5%. Community promotion costs increased \$6,500 to include funding for the use of a web-based economic development marketing service to better market the City for future investments. Additional funds will be raised via corporate partnerships, to even further expand this service. \$2,000 is funded for additional marketing efforts including representation at trade shows, sponsorships, and advertisements. Contracted service costs increased \$5,400 to fund the membership to the Center for Automotive Research that will be used to access and track automotive supplier activity. \$3,000 was added for economic development grant writing assistance next year. \$2,000 was saved as the property management service used to access sale and lease information on commercial and industrial properties is no longer needed. The budget decreased \$500, as legal expenses will be reflected in the General Fund.

Capital – There is no Capital budget for this fund.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	15,242	10,600	11,970	22,000	22,000
Total	\$15,242	\$10,600	\$11,970	\$22,000	\$22,000

The Brownfield Redevelopment Authority Fund is a Special Revenue Fund of the City of Sterling Heights. The Authority was established in 2000 to offer private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties, as well as remediate those properties that may be contaminated.

The Authority offers private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties.

The goals of the Brownfield Redevelopment Authority are to clean up environmentally questionable properties, maximize land use in relation to the appropriate zoning district, reduce the blighting influence of underutilized or obsolete properties, create new job opportunities for residents of Sterling Heights, stimulate new investment in the City by wisely using all of our resources, and control urban sprawl by reusing sites with existing infrastructure.

The City of Sterling Heights, through the Brownfield Redevelopment Authority uses promotional advertising to encourage new investment in existing properties and assists developers in obtaining financial assistance through grant programs, tax credits, and tax increment financing.

The Brownfield Redevelopment Authority encourages new investment in existing properties.

The Brownfield Redevelopment Authority's tasks include making recommendations to City Council on future Brownfield plans, coordinating environmental inspections of possible Brownfield

sites, and providing technical assistance, including zoning and infrastructure information and guidance to those parties that are redeveloping land in the City. Overall, Brownfield Redevelopment will have a positive impact on the Community by providing a cleaner and safer environment.

The Economic Development Manager is the City's liaison to the Brownfield Redevelopment Authority, whose nine members are the same as the Economic Development Corporations' members.■

Did you know...

...the City's Brownfield Redevelopment Authority approved two brownfield plans in fiscal year 2010/11 – the Chrysler Assembly Plant Paint Shop and the Macomb Group's new corporate headquarters at the former Collins & Aikman facility on 15 Mile Road?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget increased by 37.2%.

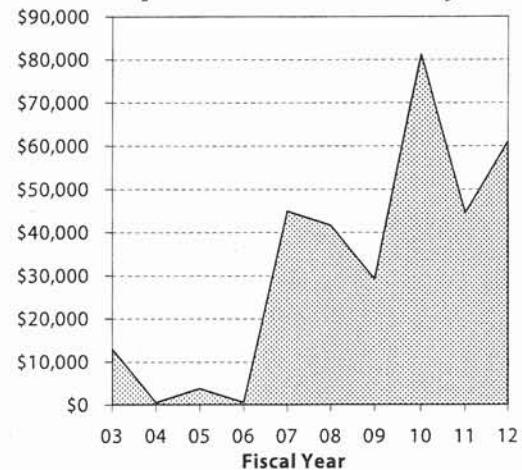
Personnel Services – There is no Personnel budget for this fund. The Brownfield Redevelopment Authority members serve as volunteers without compensation.

Other Charges – Total Other Charges increased \$16,570. The budget increased \$17,070 for the reimbursement of BAE eligible brownfield project costs now that the property has been partially developed and a property tax increment capture has begun. City Attorney legal services decreased \$500 based on the recent year's estimated expenditure level.

Capital – There is no Capital budget for this fund.

Transfers Out – Total Transfers Out is proposed to remain the same. A transfer for \$42,300 is budgeted to reimburse the General Fund for allowable economic development and brownfield administrative costs as part of the tax capture from the Sim's Road brownfield project.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	1,607	2,200	1,700	18,770	18,770
Capital Outlay	0	0	0	0	0
Transfers Out	79,500	42,300	42,300	42,300	42,300
Total	\$81,107	\$44,500	\$44,000	\$61,070	\$61,070

Public Act No. 281 of 1986, entitled The Local Development Financing Act, is intended to encourage local development to prevent unemployment and promote economic growth. These objectives are achieved under the Act by establishing local development finance authorities that create and implement development plans through tax increment financing.

The Act establishes the process for forming a Local Development Finance Authority (LDFA). This process is initiated by the municipality's governing body declaring by resolution its intention to create and provide for the operation of an authority.

The LDFA provides development incentives to companies that fall in the following categories: defense, high technology, alternative energy, agricultural processing, and automotive. The development incentives include reimbursing eligible entities for costs such as roads, water, sanitary and storm sewer, environmental remediation, demolition, and utilities.

As a prerequisite to achieving these goals, a Development Plan and Tax Increment Finance Plan are prepared. The Development Plan outlines the improvements proposed within the District, and the Tax Increment Finance Plan identifies the funding mechanism utilized to finance the proposed improvements.

The impetus for establishing the City's LDFA was the redevelopment of the former TRW site by BAE Systems located on the west side of Van Dyke Avenue, between 14 Mile Road and 15 Mile Road. This parcel will be the first authority district in which the LDFA board will exercise its powers.

BAE Systems is constructing a 175,000 square-foot, state of the art business development and technology center based on the requirements of the United States Department of Defense and its worldwide allies. This new technology center will focus on and facilitate the integration of the technical, business and

program management teams dedicated to the design and development of tactical wheeled and combat vehicles in support of the next generation of combat systems, while enhancing the capabilities of the current combat systems of the United States and its allies. The capital investment by BAE Systems in real and personal property is projected to be \$73 million.

The State of Michigan designated the City's LDFA as a SmartZone. This designation allows the LDFA to operate a business incubator. A SmartZone plan is required to describe the operation of the business incubator and how tax dollars will be used to fund its activities.

In fiscal year 2011/12, \$216,190 is budgeted for the operational costs associated with the new Macomb-OU INCubator, which will be funded with grants, rents, and LDFA tax capture revenues.

\$24,300 is included for the reimbursement of eligible BAE project costs now that the property has been partially developed and the tax increment financing has begun. ■

Did you know...

...the City of Sterling Heights Local Development Finance Authority SmartZone is a business collaborative that is creating new ideas and programs for local businesses?

Local Development Finance Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

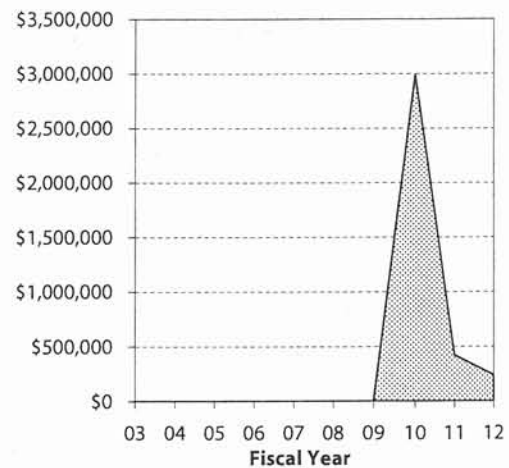
The total budget decreased by 42.9%.

Supplies – Total Supplies of \$5,500 is budgeted for the operation of the SmartZone business incubator.

Other Charges – Total Other Charges increased \$225,600 and includes \$210,690 in funding for operational costs associated with the new business incubator, which will be funded with grants, rents and new LDFA tax capture revenues offset by a smaller General Fund contribution resulting from a prior brownfield project reimbursement. \$101,800 is for utility costs including heat, electricity, and water. \$34,800 is for contracted service costs including landscape and snow removal fees, building alarm and fire system costs, cleaning services, engineering consultant fees, and dumpster rental fees. The budget includes \$20,000 for reimbursing the General Fund for Facilities Maintenance personnel and administrative support costs. \$24,300 is budgeted for the reimbursement of eligible BAE project costs, including site infrastructure improvements and environmental remediation now that the property has been partially developed and the tax increment financing has begun.

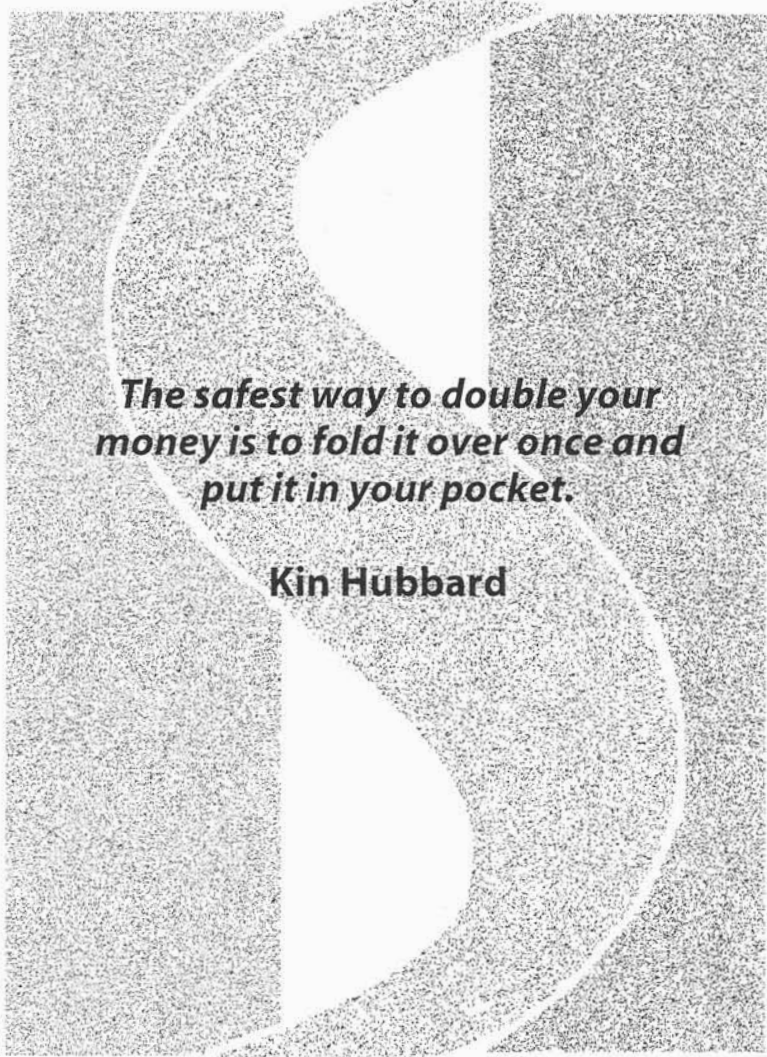
Capital – There is no Capital budget as it is assumed that the grant-funded expense to renovate the incubator building will be booked in the 2010/11 fiscal year.

Expenditure History



FUNDING LEVEL SUMMARY

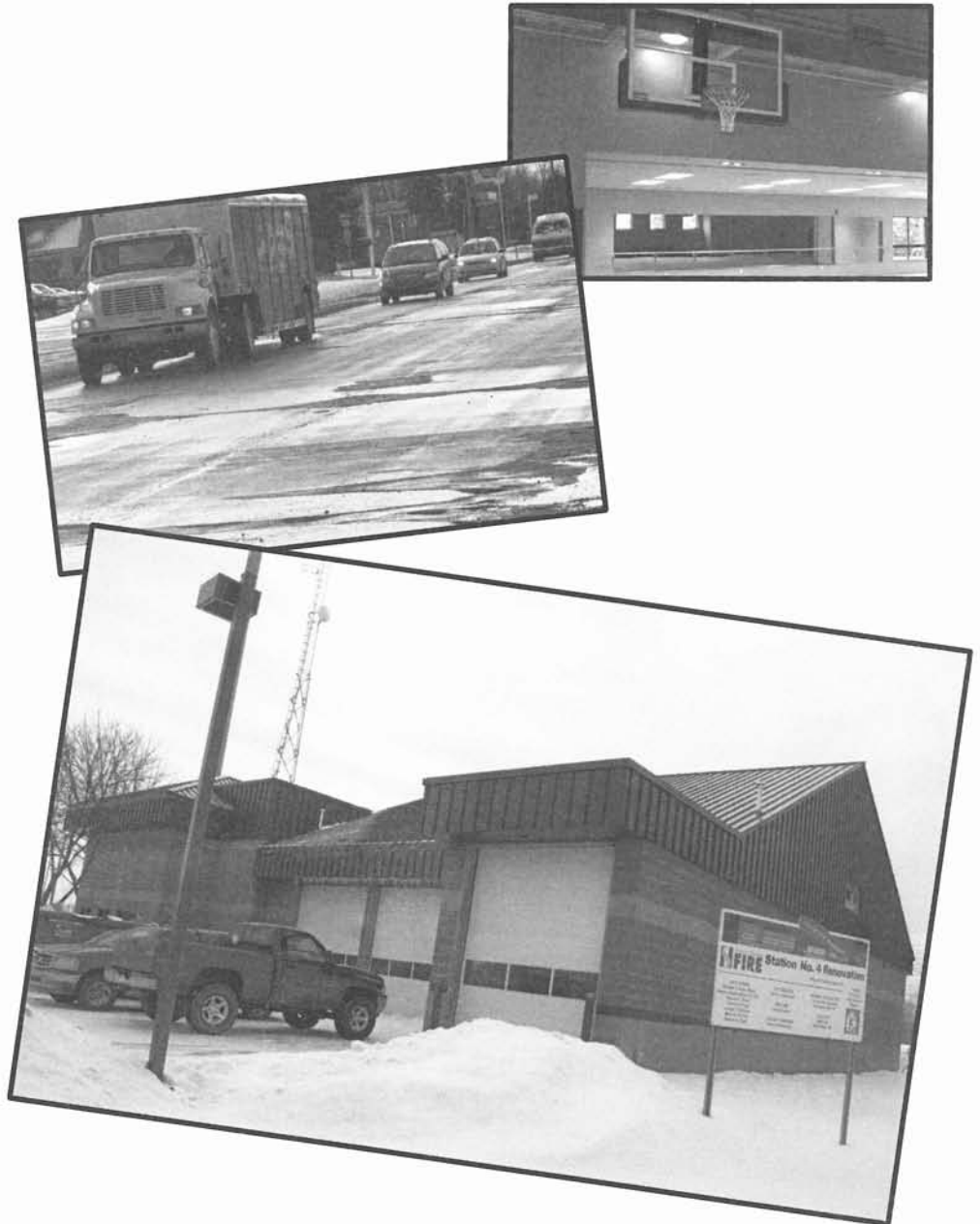
	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Supplies	\$120	\$0	\$2,600	\$5,500	\$5,500
Other Charges	67,524	9,390	227,010	234,990	234,990
Capital Outlay	2,921,912	412,090	376,190	0	0
Total	\$2,989,556	\$421,480	\$605,800	\$240,490	\$240,490



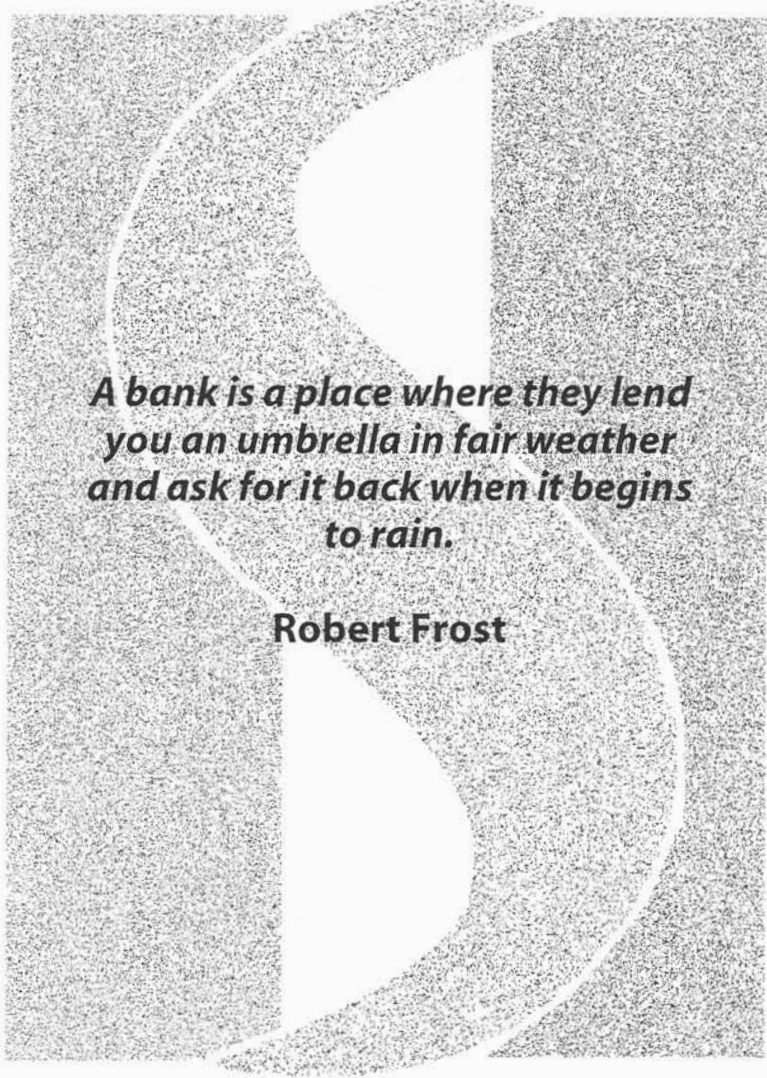
***The safest way to double your
money is to fold it over once and
put it in your pocket.***

Kin Hubbard

Debt Service Funds



The city's Debt Service Funds are used to account for the accumulation of resources and payments of general long-term debt principal and interest. Debt Service Funds are required when legally mandated. Debt Service Funds include the General Drain Fund, Limited Tax General Obligation (LTGO) Debt Fund, Road Bond Debt Retirement Fund, and the Voted General Obligation Debt Fund.



*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 outlines the City's general borrowing power. It states that Council, by ordinance or resolution, may authorize the borrowing of money, the issuance of bonds, or other evidences of indebtedness, subject to State law and Charter provisions. The City may pledge its full faith credit and resources for the payment of the obligation created.

The Charter further states that the City may borrow money, within provisions stipulated by State law, in anticipation of the payment of special assessments made for defraying any public improvement costs and can issue revenue or other types of bonds. This borrowing authority is limited, however. The net bonded indebtedness incurred for all public purposes cannot exceed 10% of the assessed value of all real and personal property in the City subject to taxation. In the case of fire, flood or other disaster requiring an emergency fund for the relief of City inhabitants, or for the repair or rebuilding of municipal buildings, infrastructure, bridges, or streets, the City's legislative body may borrow money for up to five years and in the amount not exceeding three-eighths of one percent of the assessed valuation of all property in the City, notwithstanding such loan may increase the indebtedness beyond the limitation fixed in the Charter.

Some bonds are not included in the computation of net bond indebtedness including bonds issued in anticipation of the payment of special assessments, mortgage bonds that are secured only by a mortgage on the property or franchise of a public utility, Michigan Transportation Fund (MTF) road construction bonds, and bonds issued to refund monies advanced or paid on special assessments for water main extensions. The resources of the sinking fund pledged for the retirement of any outstanding bonds shall also be deducted from the amount of the bonded indebtedness. The City's portion of the sewer district's debt service is also excluded from this calculation.

The City's 2011 estimated State Equalized Valuation plus the assessed value of abated property is \$4,703,555,850. Therefore, the City's debt limit is \$470,355,585 or 10% of total valuation. The City's population estimate is 128,500. The outstanding Net Direct Bonded Debt for the City as of June 30,

2011 is shown here as a ratio of debt to state equalized value and debt per capita.

	Debt Out- standing 6/30/11	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	\$11,535,000	0.25%	\$90

The City's Debt Management Program is the product of over 30 years of deliberate decision-making by our community's leaders. The City has made judicious use of its authorities to sell bonds or otherwise incur debt. Our current bond ratings are an AAA from Fitch, AA+ from Standard & Poors, and an Aa1 from Moody's. The City's favorable credit rating results from low debt levels, as well as a history of conservative budgeting, maintaining adequate reserves, and financial flexibility based on an operating tax rate margin. The City anticipates maintaining its low debt position, due to a modest debt burden and a rapid debt amortization. 86.7% of the City's total non-sewer debt is scheduled to be repaid within ten years. Favorable credit ratings and low debt service will better position the City to finance debt in the future.

Total Debt Maturity within 10 Years = 86.7%

BOND RATINGS

<u>Standard & Poors</u>	<u>Moody's Investor Service</u>	<u>Fitch</u>
AAA → AA+	Aaa → Aa1	→ AAA
AA	Aa2	AA+
AA-	Aa3	AA
A+	A1	AA-
A	A2	A+
A-	A3	A
BBB+	Baa1	A-
BBB	Baa2	BBB+
BBB-	Baa3	BBB
BB+	Ba1	BBB-
BB	Ba2	BB+
BB-	Ba3	BB
B+	B1	BB-
B	B2	B+
B-	B3	B
CCC+	Caa1	B-
CCC	Caa2	CCC+
CCC-	Caa3	CCC
	Ca	CCC-
	C	CC
		C
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		DD
		D

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2011, the principal and interest payments required for fiscal 2011/12, and the funding source is included within this Debt Service section. Total indebtedness is \$71,719,890. Total principal payment is \$5,154,000 and the interest payment is \$2,335,260. Brief descriptions of each type of debt incurred by the City are stated below followed by debt summary schedules.

LIMITED TAX GENERAL OBLIGATION DEBT FUND

Some of the City's debt service is financed indirectly through lease with the City's Building Authority, which was created for the purpose of acquiring and leasing City property.

The bonding for the Judicial Services Center was approved by City Council in 1989. The final debt payment on the Judicial Services Center was made in the 2009/10 fiscal year.

In 1999/00, a \$3.7 million bond was sold for the City Center Commons development. The debt was refunded in 2004/05, saving \$118,500. Total outstanding debt is \$2,330,000. Total principal payment is \$200,000 and interest is \$98,650.

In 2007, a \$3.25 million Improvement Bond was issued for the new Senior Active Life Center and the new public safety 800 MHz Radio System. In 2011/12, \$309,640 is budgeted in the Transfers Out activity for the debt payments on the Radio System bonds. The principal payment is \$295,000 and the interest is \$14,640. \$423,960 is budgeted in the Community Development Block Grant Fund for the final debt payment on the Senior Active Life Center. Total principal payment is \$411,470 and interest is \$12,490.

VOTED TAX GENERAL OBLIGATION DEBT 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). The final debt for completed projects under these Proposals was retired in fiscal year 2008/09.

In the spring of 2008, a \$5.0 million General Obligation bond was issued for improvements at three of the City's fire stations (Public Improvement F), which was approved by the voters in November, 2006. \$350,000 is budgeted for the debt payments on the Fire Station Improvement bonds.

SETTLEMENT BONDS DEBT FUND

In March 2004, the City Council approved a \$31 million settlement due to the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex. To fund the payment of the settlement, the City sold General Obligation Judgment Funding Bonds. The remainder of the settlement was funded by reserves, which would be reimbursed through insurance claims. In 2009/10, the City received the proceeds from the third and final insurance carrier and paid off the remaining \$9.7 million in outstanding judgment bonds.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness is \$14,180,000. The Principal payment is \$1,840,000 and interest is \$517,610.

SPECIAL ASSESSMENTS

In 2008, a \$3.26 million Special Assessment bond was issued to finance improvements within the Lakeside Shopping Center District. Total principal payment of \$100,000 and interest of \$120,400 is funded through special assessments.

MACOMB COUNTY DRAINS

The City is under contract with Macomb County to pay the debt for Chapter 20 drains. Indebtedness to Macomb County is \$3,655,000. Principal is \$1,025,000 and interest is \$161,810.

WATER & SEWER FUND

In 2011/12, total principal of \$1,107,530 and interest of \$1,234,660 is budgeted for the City's portion of the District's debt for the Interceptor Rehabilitation project. Total indebtedness is \$42,944,890. ■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/11	2011/12		Total
			Principal	Interest	
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	\$2,330,000	\$200,000	\$98,650	\$298,650
LTGO Bonds - Radio System Equipment	Gen Fund	513,530	295,000	14,640	309,640
VOTED TAX GENERAL OBLIGATION DEBT FUND					
2008 Fire Station Improvement Bonds (F)	Gen Fund	4,625,000	175,000	175,000	350,000
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	3,655,000	1,025,000	161,810	1,186,810
Total Debt Fund Direct Debt Service		11,123,530	1,695,000	450,100	2,145,100
COMMUNITY DEVELOPMENT BLOCK GRANT FUND					
LTGO Bonds - Senior Active Life Center	CDBG Fund	411,470	411,470	12,490	423,960
Total Direct Debt Service		11,535,000	2,106,470	462,590	2,569,060
ROAD BOND DEBT RETIREMENT FUND					
2003 MI Transportation Bonds	Major Rds	495,000	250,000	13,040	263,040
2005 MI Transportation Refunding Bonds	Major Rds	2,000,000	500,000	67,620	567,620
2005 MI Transportation Bonds	Major Rds	4,300,000	350,000	170,690	520,690
2007 MI Transportation Bonds	Major Rds	4,100,000	200,000	156,200	356,200
2010 MI Transportation Refunding Bonds	Major Rds	1,715,000	520,000	29,100	549,100
2010 Build America Bonds	Major Rds	1,570,000	20,000	80,960	100,960
Special Assessment Bonds	S/A - RBDF	3,060,000	100,000	120,400	220,400
Total Road Bond Debt Service		17,240,000	1,940,000	638,010	2,578,010
WATER & SEWER FUND					
Sewer District Rehabilitation Bonds	W&S Fund	42,944,890	1,107,530	1,234,660	2,342,190
Total Debt Service		\$71,719,890	\$5,154,000	\$2,335,260	\$7,489,260

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
Judicial Center	\$395,420	\$400,430	\$0	\$0	\$0	\$0
City Center Commons	322,320	313,430	296,110	244,840	296,110	298,650
Radio System Equipment	345,040	333,240	321,440	311,170	321,440	309,640
Senior Active Life Center	325,460	0	0	0	0	0
Total General Fund Debt Service	1,388,240	1,047,100	617,550	556,010	617,550	608,290
COMM. DEV. BLOCK GRANT FUND						
Senior Active Life Center	0	314,260	327,560	319,330	327,560	423,960
Total CDBG Fund Debt Service	0	314,260	327,560	319,330	327,560	423,960
CORR. IMPROVEMENT AUTH. FUND						
General Fund Loan	11,270	15,630	190,220	190,220	190,220	0
Total CIA Fund Debt Service	11,270	15,630	190,220	190,220	190,220	0
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Road Improvements (R)	357,180	0	0	0	0	0
Fire Station Improvements (F)	251,070	308,250	329,500	89,750	329,500	350,000
Total VTGO Fund Debt Service	608,250	308,250	329,500	89,750	329,500	350,000
GENERAL DRAIN FUND	1,182,630	1,197,090	1,183,060	202,380	1,183,060	1,186,810
Total Tax Supported Debt Service	\$3,190,390	\$2,882,330	\$2,647,890	\$1,357,690	\$2,647,890	\$2,569,060

**SCHEDULE OF PRINCIPAL & INTEREST
GENERAL FUND AND CDBG FUND SUPPORTED DEBT**

Fiscal Year	2005 City Center Refunding Bonds	2007 Radio System Equipment Bonds	2007 Senior Active Live Center Bonds			Total
2011/12	298,650	309,641	423,961			1,032,252
2012/13	305,450	222,898				528,348
2013/14	296,850					296,850
2014/15	312,450					312,450
2015/16	322,150					322,150
2016/17	355,850					355,850
2017/18	337,250					337,250
2018/19	322,250					322,250
2019/20	302,375					302,375
Total	\$2,853,275	\$532,539	\$423,961	\$0		\$3,809,775

VOTED GENERAL OBLIGATION DEBT FUND

Fiscal Year	2008 Proposal F Bonds					Total
2011/12	350,000					350,000
2012/13	369,750					369,750
2013/14	413,250					413,250
2014/15	430,125					430,125
2015/16	470,500					470,500
2016/17	484,125					484,125
2017/18	521,000					521,000
2018/19	531,000					531,000
2019/20	589,000					589,000
2020/21	619,000					619,000
2021/22	622,000					622,000
2022/23	624,000					624,000
Total	\$6,023,750					\$6,023,750

SCHEDULE OF PRINCIPAL & INTEREST ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	2003 M.T.F. Bonds	2005 M.T.F. Refunding	2005 M.T.F. Bonds	2007 M.T.F. Bonds	2010 M.T.F. Refunding	2010 B.A. Bonds	2008 S.A.D. Bonds		Total
2011/12	263,039	567,625	520,688	356,200	549,100	100,963	220,400		2,578,015
2012/13	249,410	550,125	533,438	348,200	622,850	105,587	227,250		2,636,860
2013/14		530,938	545,313	438,200	595,900	129,775	263,163		2,503,289
2014/15		510,313	579,313	426,650		128,388	258,288		1,902,952
2015/16			586,313	415,475		126,688	253,225		1,381,701
2016/17			592,313	502,250		124,725	247,600		1,466,888
2017/18			597,313	486,950		122,500	241,600		1,448,363
2018/19			651,313	569,500		168,937	235,600		1,625,350
2019/20			651,563	549,875		163,987	229,600		1,595,025
2020/21				530,000		183,219	272,600		985,819
2021/22				510,000		200,950	264,550		975,500
2022/23						241,300	256,450		497,750
2023/24						229,850	248,150		478,000
2024/25						218,050	239,650		457,700
2025/26						206,050	231,050		437,100
2026/27							222,350		222,350
2027/28							213,500		213,500
2028/29							204,500		204,500
Total	\$512,449	\$2,159,001	\$5,257,567	\$5,133,300	\$1,767,850	\$2,450,969	\$4,329,526		\$21,610,662

GENERAL DRAIN FUND

Fiscal Year	Seventeen Mile Road Drain	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Sterling Relief Drain		Total
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	\$591,470	\$382,764	\$285,313	\$537,838	\$1,172,750	\$848,100	\$228,671		\$4,046,906

DEBT SERVICE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

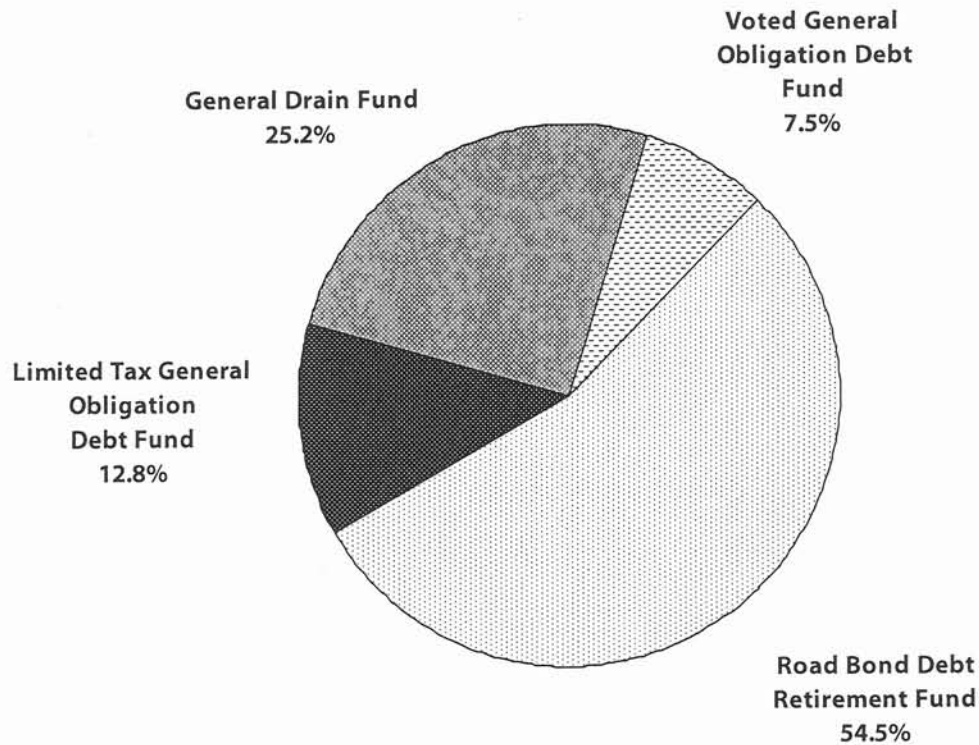
Debt Service Funds	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	\$1,169,600	\$1,178,020	\$1,188,460	\$1,099,020	\$1,164,200	\$1,191,950
Interest Income	21,200	4,060	2,000	5,210	10,000	3,000
Transfer from General Fund	0	10,000	0	0	20,000	0
Total Revenues	1,190,800	1,192,080	1,190,460	1,104,230	1,194,200	1,194,950
EXPENDITURES						
Principal	905,000	955,000	980,000	100,000	980,000	1,025,000
Interest	277,630	242,090	203,060	102,380	203,060	161,810
Other Charges	3,930	5,600	7,400	3,030	10,400	8,140
Total Expenditures	1,186,560	1,202,690	1,190,460	205,410	1,193,460	1,194,950
Excess of Revenues Over (Under) Expenditures	4,240	(10,610)	0	898,820	740	0
Beginning Fund Balance	6,490	10,730	120	120	120	860
Ending Fund Balance	\$10,730	\$120	\$120	\$898,940	\$860	\$860
VOTED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Property Taxes	\$359,930	\$182,450	\$325,150	\$300,690	\$318,900	\$353,350
Interest Income	6,780	1,510	1,000	1,340	2,000	1,000
Transfer from General Fund	325,000	0	0	0	10,000	0
Total Revenues	691,710	183,960	326,150	302,030	330,900	354,350
EXPENDITURES						
Principal	450,000	125,000	150,000	0	150,000	175,000
Interest	158,240	183,250	179,500	89,750	179,500	175,000
Other Charges	1,720	2,250	1,650	780	6,350	4,350
Total Expenditures	609,960	310,500	331,150	90,530	335,850	354,350
Excess of Revenues Over (Under) Expenditures	81,750	(126,540)	(5,000)	211,500	(4,950)	0
Beginning Fund Balance	54,240	135,990	9,450	9,450	9,450	4,500
Ending Fund Balance	\$135,990	\$9,450	\$4,450	\$220,950	\$4,500	\$4,500
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Revenues	\$2,110	\$4,220	\$0	\$0	\$0	\$0
Transfer from Self-Ins. Fund	1,606,980	11,137,590	0	0	0	0
Total Revenues	1,609,090	11,141,810	0	0	0	0
EXPENDITURES						
Principal	1,045,000	10,870,000	0	0	0	0
Interest	563,850	272,780	0	0	0	0
Other Charges	250	2,170	0	0	0	0
Total Expenditures	1,609,100	11,144,950	0	0	0	0
Excess of Revenues Over (Under) Expenditures	(10)	(3,140)	0	0	0	0
Beginning Fund Balance	3,150	3,140	0	0	0	0
Ending Fund Balance	\$3,140	\$0	\$0	\$0	\$0	\$0

DEBT SERVICE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	\$163,090	\$153,980	\$149,830	\$12,930	\$151,220	\$149,200
Federal Interest Rebates	0	0	0	10,040	28,290	36,440
Interest Income	168,560	144,970	139,310	2,290	136,820	134,410
Other Revenues	0	0	38,270	0	0	0
Proceeds Long-term Debt	0	2,240,000	0	0	0	0
Bond Premiums	0	33,940	0	0	0	0
Trfr. from Major Roads Fund	2,915,000	2,585,000	2,480,000	2,098,080	2,480,000	2,300,000
Total Revenues	3,246,650	5,157,890	2,807,410	2,123,340	2,796,330	2,620,050
EXPENDITURES						
Principal	2,175,000	4,315,000	2,055,000	1,750,000	2,050,000	1,940,000
Interest	754,570	738,560	683,560	347,280	683,380	638,010
Other Charges	1,900	73,700	1,850	800	1,850	1,850
Total Expenditures	2,931,470	5,127,260	2,740,410	2,098,080	2,735,230	2,579,860
Excess of Revenues Over (Under) Expenditures	315,180	30,630	67,000	25,260	61,100	40,190
Beginning Fund Balance	23,750	338,930	369,560	369,560	369,560	430,660
Ending Fund Balance	\$338,930	\$369,560	\$436,560	\$394,820	\$430,660	\$470,850
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Other Revenues	\$80	\$10	\$0	\$0	\$0	\$0
Transfer from General Fund	1,059,000	1,047,800	617,940	556,280	617,940	608,680
Transfer from CDBG Fund	325,460	0	0	0	0	0
Total Revenues	1,384,540	1,047,810	617,940	556,280	617,940	608,680
EXPENDITURES						
Principal	1,155,000	890,000	485,000	485,000	485,000	495,000
Interest	233,240	157,100	132,550	71,010	132,550	113,290
Other Charges	910	660	390	270	390	390
Total Expenditures	1,389,150	1,047,760	617,940	556,280	617,940	608,680
Excess of Revenues Over (Under) Expenditures	(4,610)	50	0	0	0	0
Beginning Fund Balance	4,800	190	240	240	240	240
Ending Fund Balance	\$190	\$240	\$240	\$240	\$240	\$240

2011/12 Debt Service Funds Percent of Total Expenditures



This graph reflects budgeted Debt Service Funds expenditures as a percent of all total Debt Service Funds budget.

GENERAL DRAIN TAXES

A substantial source of revenue to the Debt Service Funds is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In the 2011/12 Budget, General Drain Tax revenue represents 24.83% of total revenue sources, a decrease of \$3,510 below the 2010/11 Budget. This is due to the estimated Ford and Chrysler property tax refunds next fiscal year. For 2011/12, the millage rate is 0.2735 mills, an increase of 0.0234 mills above 2010/11.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund and Major Road Fund provide revenue to the Debt Service Funds through this revenue center.

In the 2011/12 Budget, revenues generated from Other Financing Sources represent 60.88% of total revenue sources, a decrease of \$189,260 below the 2010/11 Budget. This decrease is primarily due to a decrease in transfers from the Major Road Fund to the Road Bond Debt Retirement Fund as the principal and interest payments on several existing road bonds are lower next fiscal year. In addition, the Transfer from the General Fund to the Limited Tax General Obligation Debt Fund decreased slightly due to the lower interest payments on the existing Public Safety Radio System debt.

STATE & LOCAL RETURNS

This source of revenue consists of federal refundable credits for Recovery Zone Economic Development bonds that are issued for authorized purposes to promote economic

recovery and job creation. A total of \$36,440 is anticipated to be refunded next fiscal year for the 2010 Michigan Transportation Fund (MTF) Build America Bond.

OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments and Special Assessment revenue. In the 2011/12 Budget, Other Revenues represent 6.02% of total revenue sources, a decrease of \$42,800 below the 2010/11 Budget. This decrease is primarily due to the accounting for federal refundable credits in State & Local Returns.

PUBLIC IMPROVEMENTS TAX

The Voted Tax General Obligation Debt Fund has been established to isolate the revenues and expenditures for the voter approved debt to finance various public improvements. This fund is used to account for the payment of principal and interest on the current debt portion of the public improvements. A specific millage is levied to retire the debt incurred and the necessary paying agent fees. For 2011/12, the millage rate is 0.0813 mills, an increase of 0.0129 mills above 2010/11.

In 2011/12, Public Improvement Tax revenue represents 7.51% of total revenue sources, an increase of \$35,200 above the 2010/11 Budget. This increase is due to higher debt payments on the Proposal F bond and the one-time use of reserves in the prior year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted use of fund balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2011/12 Budget, revenues exceed expenditures by \$40,190, allowing for a contribution to Fund Balance reserves exclusively in the Road Bond Debt Retirement Fund.■

DEBT SERVICE FUNDS REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404000	City Operating Tax	\$1,173,360	6.27	\$1,184,160	23.96	\$1,207,150	25.26
404001	Property Tax Refunds	0	0.00	0	0.00	(27,000)	-0.57
415000	Delinquent Personal Property Tax	2,620	0.01	2,800	0.06	3,000	0.06
445000	Penalties & Interest	3,166	0.02	2,800	0.06	3,100	0.06
	Total Taxes	1,179,146	6.30	1,189,760	24.07	1,186,250	24.83
	OTHER FINANCING SOURCES						
698001	Bond Premiums	33,935	0.18	0	0.00	0	0.00
698100	Bond Proceeds - Refunding Issue	2,240,000	11.96	0	0.00	0	0.00
699101	Transfer From General Fund	1,057,810	5.65	617,940	12.50	608,680	12.74
699202	Transfer From Major Road Fund	2,585,000	13.81	2,480,000	50.18	2,300,000	48.14
699677	Transfer From Self-Insurance Fund	11,137,585	59.48	0	0.00	0	0.00
	Total Other Financing Sources	17,054,330	91.08	3,097,940	62.69	2,908,680	60.88
	STATE & LOCAL RETURNS						
529004	Federal - Interest Rebates	0	0.00	0	0.00	36,440	0.76
	Total State & Local Returns	0	0.00	0	0.00	36,440	0.76
	OTHER REVENUE						
665000	Interest on Investments	11,141	0.06	3,700	0.07	8,000	0.17
665003	Interest - Bonds	74	0.00	0	0.00	0	0.00
672000	Special Assessment Revenue	153,981	0.82	149,830	3.03	149,200	3.12
672445	S.A. Delinquent Interest & Penalties	132	0.00	0	0.00	100	0.00
672665	Special Assessment Interest	143,417	0.77	138,610	2.80	130,310	2.73
676000	Reimbursements	0	0.00	38,270	0.77	0	0.00
	Total Other Revenue	308,745	1.65	330,410	6.69	287,610	6.02
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	322	0.00	0	0.00	0	0.00
419000	Proposal F Debt Levy	181,004	0.97	323,850	6.55	359,050	7.51
	Total Public Improvements Tax	181,326	0.97	323,850	6.55	359,050	7.51
	Total Debt Service Funds	\$18,723,547	100.00	\$4,941,960	100.00	\$4,778,030	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

DEBT SERVICE FUNDS EXPENDITURE SUMMARY BY ACCOUNT

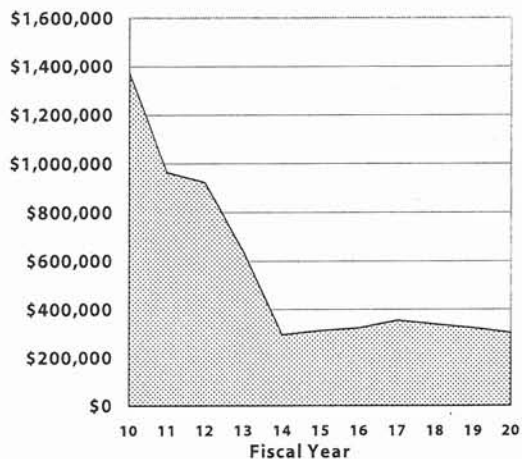
Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER CHARGES						
810000	Other Fees	\$8,070	0.04	\$5,990	0.12	\$5,730	0.12
810100	Other Fees - Paid Refunded Escrow	71,936	0.38	0	0.00	0	0.00
965000	Refunds on Tribunal Adjustments	4,376	0.02	5,300	0.11	9,000	0.19
	Total Other Charges	84,382	0.45	11,290	0.23	14,730	0.31
	DEBT SERVICE						
992000	Principal	14,955,000	79.41	3,670,000	75.21	3,635,000	76.72
992100	Principal - Refunded Escrow Agnt	2,200,000	11.68	0	0.00	0	0.00
993000	Interest	1,593,773	8.46	1,198,670	24.56	1,088,110	22.97
	Total Debt Service	18,748,773	99.55	4,868,670	99.77	4,723,110	99.69
	Total Debt Service Funds	\$18,833,155	100.00	\$4,879,960	100.00	\$4,737,840	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

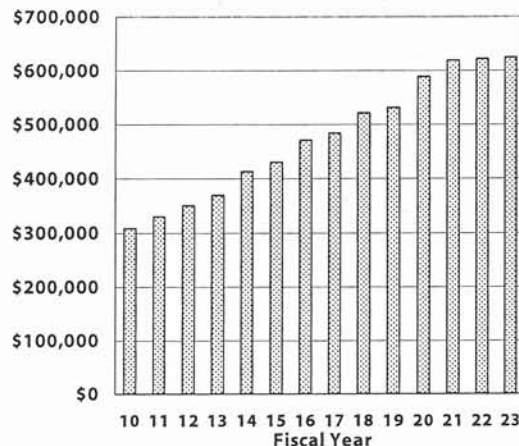
Debt Service Funds

**Annual Debt Payments
Facilities & Equipment**



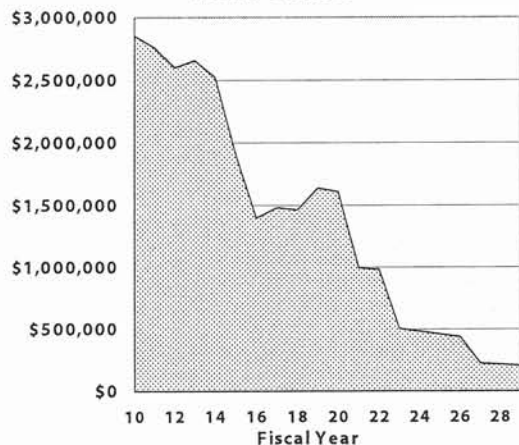
Debt payments fell in 2011 as the 41-A District Court bonds were retired in 2010. The debt will fall in 2013 and 2014 when the Public Safety Radio and the Senior Gym debt is paid off. From 2014 to 2020, the remaining debt will be primarily for the City Center Common bonds.

**Annual Debt Payments
Proposal F - Fire Stations**



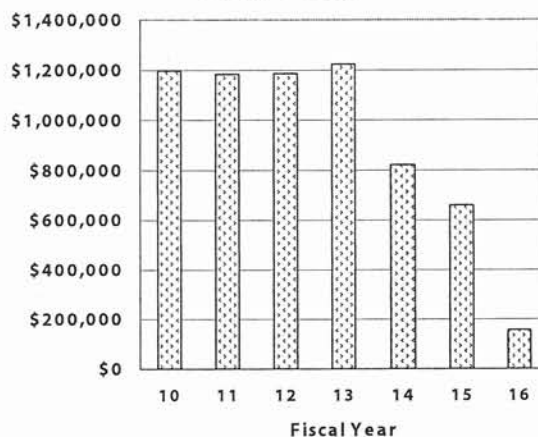
Voted Tax General Obligation Debt from the Fire Station Renovations (Proposal F) continues through 2023.

**Annual Debt Payments
Road Bonds**



Road Bond Debt payments will decrease through 2026 as six Michigan Transportation Funds (MTF) bonds are retired. The Lakeside Special Assessment bond is scheduled to be retired in 2029.

**Annual Debt Payments
Drain Bonds**



Total Drain debt slowly decreases over the next 7 years as the Sterling Relief and 17 Mile Drain debt is paid off in 2013 and the Central Fire Station drain debt is completed in 2016.

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, which is administered by the Macomb County Public Works Commission. Most city drains serve the county and some of the larger drains help to also serve a neighboring county. The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

The City is currently paying off debt for the Busch, Hawken, Hayes, Plumbrook, 17 Mile Road, Central Fire Station, and the Sterling Relief Lateral 12B Drains.

The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

For 2011/12, \$1,186,810 is budgeted for the interest and principal payments on all drains within the City.

Revenues to support the budgeted debt payments and Other Charges are generated from a specific millage levied to all real and personal property. This millage is an amount calculated to meet the demand of the budgeted expenditures for principal, interest, and paying agent fees. This millage will fluctuate from year to year as the debt payments on the bond issues fluctuate.■

Did you know...

...that many drains within our City limits service multiple jurisdictions in Macomb County as well as multiple counties in southeast Michigan?

General Drain Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

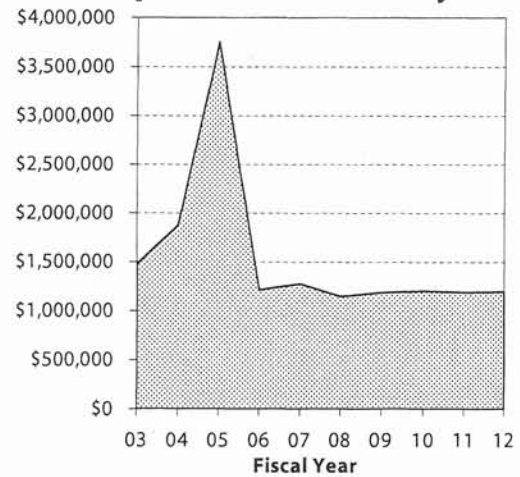
The total budget increased by 0.4%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges increased \$740 or 10.0%. Refunds on tribunal adjustments increased \$1,000, as a greater number of tax appeals are anticipated next year. The increase was partially offset by a decrease in bank fees.

Debt Service – Total Debt Service is proposed to increase \$3,750 or 0.3%. Total principal payments increased \$45,000 due to an increase in scheduled principal payments on several existing General Drain bonds. Total interest payments decreased \$41,250, as less interest is owed on all existing General Drain bond issues. No new drain project debt is scheduled for next fiscal year.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	5,603	7,400	10,400	8,140	8,140
Debt Service	1,197,086	1,183,060	1,183,060	1,186,810	1,186,810
Total	\$1,202,689	\$1,190,460	\$1,193,460	\$1,194,950	\$1,194,950

The voter approved General Obligation Debt Fund was created in 1993/94 to provide a formal mechanism of accounting for tax millage revenue and expenditures dedicated and used for the repayment of voter approved debt to finance various public improvements. A specific millage, as approved by the voters, is levied each year to retire the annual principal, interest and paying agent fee associated with each bond issued.

Each public improvement debt has its own activity and its own budgetary center within the fund. Thus, no budget adjustment can be made between budgetary centers without City Council authorization.

Proposal R authorized \$21 million of bonds to finance various road improvements. All road improvements have been completed and include Ryan Road from 14 Mile Road to M-59 Highway, Dodge Park Road from 15 Mile to 16 Mile Road, 15 Mile Road from Maple Lane to Schoenherr Road, 19 Mile Road from Saal to Canal Road, and 17 Mile Road from east of Mound Road to Dequindre Road. The bonds were issued in a series starting in 1990 and ending in 1999. The debt for "R" was retired in fiscal year 2008/09.

Proposal S authorized \$3,000,000 for the construction of the City's fifth fire station located in the northwest quadrant of the City. This station houses the Fire Department's administrative offices, classrooms for training and the fire garage. The debt for "S" was retired in fiscal year 2000/01.

Proposal T authorized \$900,000 for the purchase of a new ladder truck and related equipment. This capital was used to make the fifth fire station serviceable. The debt was retired in fiscal year 1996/97.

In November 2006, the voters approved Proposal F authorizing \$5 million for improvements to three of the City's fire stations. The improvements began in the spring of 2008 and include modernization of the work areas, updating of the heating and cooling systems, and expansion of the facilities for both equipment storage and personnel quarters. In conjunction with the start of the project, bonds were issued to provide financing for the public improvements. The bonds have a 15-year life with the final payment being made in fiscal year 2022/23.

For 2011/12, principal and interest payments for Proposal F each amount to \$175,000.■

Did you know...

... the Voted General Obligation Debt Fund only accounts for the debt approved by the City residents at an election?

Voted Tax General Obligation Debt Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

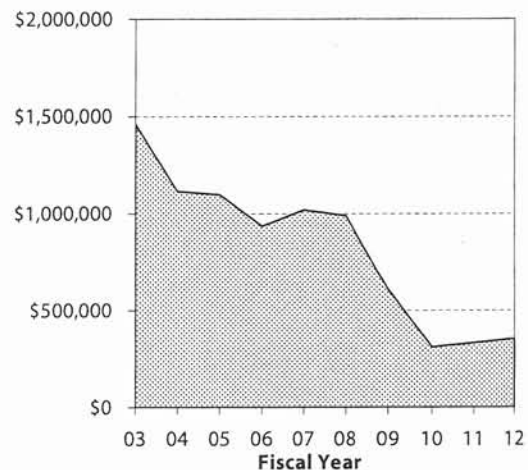
The total budget increased by 7.0%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges increased \$2,700 due to possible additional refunds on property tax appeals.

Debt Service – Total Debt Service increased \$20,500 or 6.2% due to an increase in the debt payment on the 2008 Proposal F bond issue. There is no outstanding debt for Proposals R, S, & T as the debt was retired in prior years. The only debt we are currently paying off is the debt from the Fire Station Improvements – Proposal F.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	2,251	1,650	6,350	4,350	4,350
Debt Service	308,250	329,500	329,500	350,000	350,000
Total	\$310,501	\$331,150	\$335,850	\$354,350	\$354,350

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 2011/12, the Major Road Fund transfer represents nearly 88% 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, Reimbursements and Special Assessment revenue.

The most significant revenue source of this fund is through a transfer from the Major Road Fund.

This Fund's debt budgeted to be paid in fiscal year 2011/12 totals \$2,578,010, which is comprised of \$1,940,000 toward principal and \$638,010 in interest payments on outstanding Michigan Transportation Fund (MTF) bonds and the Lakeside Special Assessment bond that was issued in the spring of 2008. The Special Assessment bond was issued to finance various improvements within the Lakeside Shopping Center district. The improvements included road repairs, landscape improvements, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center. The debt repayment for this project will be funded through assessments on the affected property owners.

A \$1.57 million MTF bond was sold in the spring of 2010 to finance various road projects including concrete sectional repairs and to recover other road project engineering costs.

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...

...the 2010 MTF bonds were issued as Super Build America Bonds, providing the City the opportunity to recapture 45% of the total interest cost under the American Recovery and Reinvestment Act, which will total an estimated \$424,000?

Road Bond Debt Retirement Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

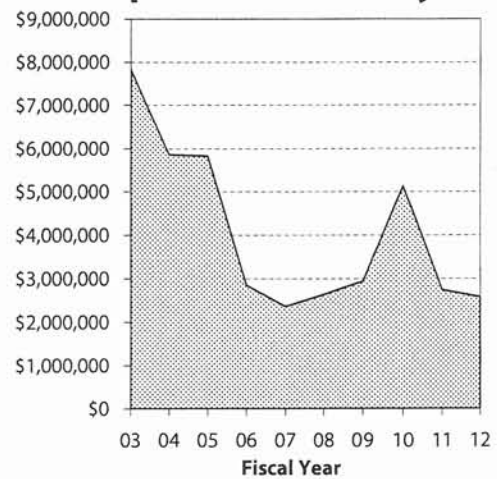
The total budget decreased by 5.9%.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at \$1,850. There are no proposed changes to the bond paying agent fees for next fiscal year.

Debt Service – Total Debt Service is proposed to decrease \$160,550 or 5.9%, due to lower scheduled principal and interest payments on several existing Michigan Transportation Fund (MTF) bonds and the Special Assessment bonds. There is no new debt proposed for next fiscal year.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	73,697	1,850	1,850	1,850	1,850
Debt Service	5,053,558	2,738,560	2,733,380	2,578,010	2,578,010
Total	\$5,127,255	\$2,740,410	\$2,735,230	\$2,579,860	\$2,579,860

The Limited Tax General Obligation Fund is a Debt Service Fund that is used to account for the bond payments related to the construction and financing of City buildings and equipment. The City is currently paying off debt for the expansion and remodeling of the buildings in the City Center Commons and the public safety 800 MHz radio system. This Fund also accounts for the leasing of the buildings to the City. The prior debt for the Judicial Services Center was retired in 2009/10, and the bond payments for the Senior Active Life Center are now accounted for in the Community Development Block Grant (CDBG) Fund.

The Limited Tax General Obligation Fund receives revenue for operations as a result of receiving cash rental payments transferred from the General Fund for the City Center Commons project and the Public Safety Radio System.

The construction of the Judicial Services Center was financed with limited tax general obligation bonds issued in 1990. This debt was retired in fiscal year 2009/10.

The City Center Commons project was financed with Building Authority limited tax general obligation bonds originally issued in 2000 and refunded in 2005. This debt is scheduled to be retired in fiscal year 2019/20. The transfer necessary for debt repayment in 2011/12 totals \$298,650. Principal payments total \$200,000 and interest payments amount to \$98,650.

In 2007, \$3.25 million of Limited Tax General Obligation Improvement bonds were issued to help finance the Senior Active Life Center addition and the new public safety 800 MHz radio system. In 2011/12, the transfer necessary for debt repayment for the Public Safety Radio System totals \$309,640. Principal payments total \$295,000 and interest payments amount to \$14,640. Community Development Block Grant funds will be utilized for the debt payments on the Senior Active Life Center bond, which will be retired next fiscal year as the final debt payment will be made one year in advance due to possible reductions in future federal grant funds.

Total 2011/12 debt repayment for the fund amounts to \$608,290.■

Did you know...

...the Senior Active Life Center addition was financed by bonds that are being repaid by federal Community Development Block Grant funds?

Limited Tax General Obligation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

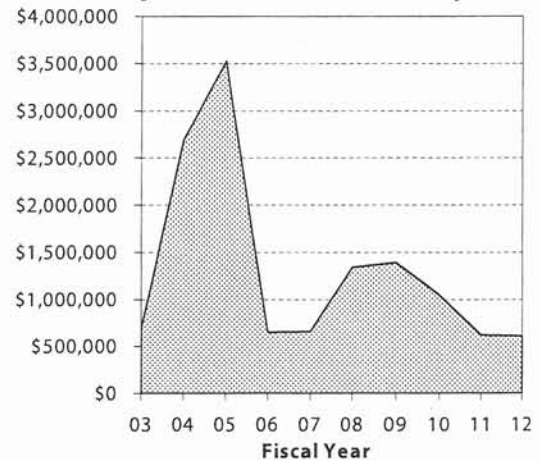
The total budget decreased by 1.5%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at \$390.

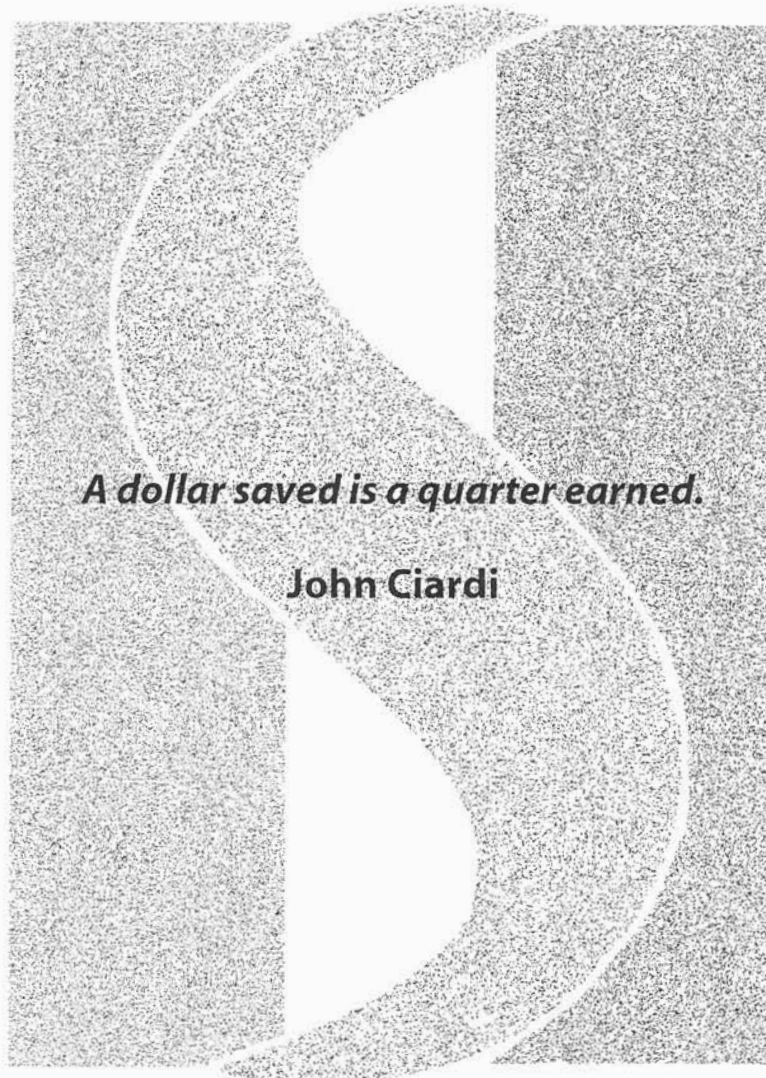
Debt Service – Total Debt Service decreased \$9,260 or 1.5%. Total principal payments increased \$10,000 due to an increase in the scheduled principal payment on the existing 2005 City Center Commons Refunding bond. Total interest payments decreased \$19,260, as less debt is now outstanding. Funding for the principal and interest payments on the 2007 Senior Active Life Center bond continues to be budgeted in the CDBG Fund and will be retired next fiscal year, as the final debt payment will be made one year in advance due to possible reductions in future federal grant funds.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	663	390	390	390	390
Debt Service	1,047,097	617,550	617,550	608,290	608,290
Total	\$1,047,760	\$617,940	\$617,940	\$608,680	\$608,680



Capital Projects



Capital Projects Funds are used to account for resources to be used for the acquisition or construction of major capital facilities, and for the purchase of capital equipment and vehicles. The city maintains two capital projects funds, the Capital Projects Fund and the Road Bond Construction Fund. The city's Capital Improvement Program is a multi-year planning instrument used to coordinate the financing and timing of improvements in a way that maximizes the return to residents.

CAPITAL PROJECTS FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Capital Projects	2008/09 Actual	2009/10 Actual	2010/11 Budget	2010/11 To Dec. 31	2010/11 Estimate	2011/12 Budget
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	\$1,451,230	\$1,162,200	\$2,225,060	\$167,340	\$2,000,900	\$471,520
Transfer from General Fund	1,290,150	349,000	351,000	175,500	351,000	317,060
Total Revenues	2,741,380	1,511,200	2,576,060	342,840	2,351,900	788,580
EXPENDITURES						
Capital Equipment	804,390	642,510	1,863,600	535,530	1,896,710	110,500
Capital Vehicles	568,780	214,540	381,000	27,340	208,190	736,560
Capital Projects	5,059,680	863,120	1,392,100	313,530	947,760	550,000
Total Expenditures	6,432,850	1,720,170	3,636,700	876,400	3,052,660	1,397,060
Excess of Revenues Over (Under) Expenditures	(3,691,470)	(208,970)	(1,060,640)	(533,560)	(700,760)	(608,480)
Beginning Fund Balance	6,403,790	2,712,320	2,503,350	2,503,350	2,503,350	1,802,590
Ending Fund Balance	\$2,712,320	\$2,503,350	\$1,442,710	\$1,969,790	\$1,802,590	\$1,194,110
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Proceeds Long-term Debt	\$3,260,000	\$1,570,000	\$0	\$0	\$0	\$0
Other Revenue	22,160	650	4,000	2,620	4,000	1,000
Transfer from Major Roads Fund	300,000	0	0	0	0	0
Total Revenues	3,582,160	1,570,650	4,000	2,620	4,000	1,000
EXPENDITURES						
Capital Improvements	3,301,880	508,020	740,290	48,660	612,780	325,000
Transfer to Major Roads Fund	200,000	300,000	0	0	0	0
Total Expenditures	3,501,880	808,020	740,290	48,660	612,780	325,000
Excess of Revenues Over (Under) Expenditures	80,280	762,630	(736,290)	(46,040)	(608,780)	(324,000)
Beginning Fund Balance	153,450	233,730	996,360	996,360	996,360	387,580
Ending Fund Balance	\$233,730	\$996,360	\$260,070	\$950,320	\$387,580	\$63,580

TAXES

The revenue from penalties and interest on delinquent special assessments for City sidewalks is now included in Other Revenue. There is no tax revenue budgeted in fiscal year 2011/12.

STATE & LOCAL RETURNS

This source of revenue is primarily comprised of grants from the Federal, State, and/or County levels of government. In fiscal year 2011/12, there is no grant funding anticipated to be received.

OTHER FINANCING SOURCES

Other Financing Sources include all proceeds received from long-term debt as a result of planned Capital Project construction and/or acquisition by the City. Also included in this revenue center are transfers into the Capital Project Funds from other funds.

In the 2011/12 Budget, revenues generated from Other Financing Sources represent 40.16% of total revenue sources, a decrease of \$33,940 below the 2010/11 Budget. This decline is due to a slight decrease in the transfer from the General Fund, as less funding is needed for capital items.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Reimbursements, Miscellaneous Revenue, and Interest and Penalties.

In the 2011/12 Budget, Other Revenues represent 59.84% of total revenue sources, a decrease of \$240,680 below the 2010/11 Budget. This decrease is primarily due to a decline in Reimbursements for the City's Sidewalk Gap and Replacement Programs.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2011/12 Budget, Use of Fund Balance as a revenue source totals \$932,480. This is primarily due to a planned draw down of reserves to fund the City's share of capital projects and the City's grant match for the proposed replacement fire engine.■

CAPITAL PROJECTS FUNDS

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>TAXES</u>						
445000	Penalties & Interest	\$271	0.01	\$1,000	0.04	\$0	0.00
	Total Taxes	271	0.01	1,000	0.04	0	0.00
	<u>STATE & LOCAL RETURNS</u>						
529000	Federal Grant - Other	500,714	16.25	1,371,860	53.17	0	0.00
539378	Act 78 Emergency Phone Service	177,035	5.74	143,000	5.54	0	0.00
549000	County & Other Local Grants	80,000	2.60	0	0.00	0	0.00
581001	Municipal Credit Transportation	6,388	0.21	0	0.00	0	0.00
	Total State & Local Returns	764,137	24.79	1,514,860	58.71	0	0.00
	<u>OTHER FINANCING SOURCES</u>						
698000	Proceeds - Long Term Debt	1,570,000	50.94	0	0.00	0	0.00
699101	Transfer from General Fund	349,000	11.32	351,000	13.60	317,060	40.16
	Total Other Financing Sources	1,919,000	62.27	351,000	13.60	317,060	40.16
	<u>OTHER REVENUE</u>						
665000	Interest on Investments	20,478	0.66	19,000	0.74	11,000	1.39
665445	Interest & Penalties - Tax Roll	0	0.00	0	0.00	250	0.03
672000	Special Assessment Revenue	27,002	0.88	16,290	0.63	14,580	1.85
672445	SA Delinquent Interest & Penalties	107	0.00	100	0.00	50	0.01
672665	Special Assessment Interest	3,599	0.12	2,810	0.11	1,640	0.21
675000	Contributions & Donations	0	0.00	8,620	0.33	0	0.00
676000	Reimbursements	190,477	6.18	556,380	21.56	345,000	43.69
685015	Miscellaneous Revenue - MCPWC	156,774	5.09	100,000	3.88	100,000	12.66
695000	Insurance Recovery	0	0.00	10,000	0.39	0	0.00
	Total Other Revenue	398,437	12.93	713,200	27.65	472,520	59.84
	Total Capital Projects Funds	\$3,081,845	100.00	\$2,580,060	100.00	\$789,580	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

CAPITAL PROJECT FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2009-2010 Actual		2010-2011 Budget		2011-2012 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CAPITAL OUTLAY</u>						
975000	Building & Improvements	\$4,410	0.17	\$0	0.00	\$0	0.00
975010	Municipal Building Modernization	6,517	0.26	0	0.00	0	0.00
975020	Library Renovations	2,446	0.10	7,550	0.17	0	0.00
975140	Miscellaneous DPW Improvements	0	0.00	250,000	5.71	0	0.00
975210	Fire Station Renovations	100,693	3.98	118,960	2.72	0	0.00
975220	Misc. Fire Station Improvements	1,871	0.07	0	0.00	0	0.00
979000	Computer Equipment	82,244	3.25	197,920	4.52	6,600	0.38
979100	Financial System - Software	1,857	0.07	0	0.00	40,000	2.32
979150	Financial System - Hardware	10,087	0.40	20,000	0.46	32,400	1.88
979330	Police Department - Software	0	0.00	5,120	0.12	0	0.00
979800	Fire Department - Software	0	0.00	200,000	4.57	0	0.00
981000	Electronic Equipment	214,258	8.47	521,110	11.91	0	0.00
981001	Electronic Equipment - Grant	179,124	7.09	634,650	14.50	0	0.00
982000	Machinery & Equipment	2,163	0.09	153,520	3.51	31,500	1.83
982001	Machinery & Equipment - Grant	108,802	4.30	81,630	1.86	0	0.00
982009	Machinery & Equipment - U.D. Grant	432	0.02	1,700	0.04	0	0.00
983000	Fire Equipment	0	0.00	34,800	0.80	0	0.00
983001	Fire Equipment - Grant	43,539	1.72	13,150	0.30	0	0.00
984315	Vehicles - Police Operations	186,557	7.38	105,000	2.40	206,560	11.99
984339	Vehicles - Fire Extinguishment	0	0.00	260,000	5.94	530,000	30.78
984447	Vehicles - Engineering	0	0.00	16,000	0.37	0	0.00
984752	Vehicles - Parks & Recreation	6,388	0.25	0	0.00	0	0.00
984770	Vehicles - Parks & Grounds	21,600	0.85	0	0.00	0	0.00
986000	Major Drain Improvements	242,427	9.59	104,830	2.40	100,000	5.81
988000	Construction	142,396	5.63	788,900	18.02	775,000	45.00
988116	Senior Citizen Active Life Center	3,780	0.15	0	0.00	0	0.00
988122	2007 Sidewalk Replacement Program	6,629	0.26	0	0.00	0	0.00
988138	Laurel Meadows Pump Station	0	0.00	75,400	1.72	0	0.00
988159	Dodge Park Widen 16 Mile/Utica Rd	3,150	0.12	0	0.00	0	0.00
988160	19 Mile Rd Landscape - Mound to Ryan	420	0.02	0	0.00	0	0.00
988162	Lakeside Shop Dist SAD Improvements	3,402	0.13	71,760	1.64	0	0.00
988164	Jaycee Park Storm Outlet Repair	88,159	3.49	1,770	0.04	0	0.00
988171	2008 Sidewalk Replacement Program	1,463	0.06	0	0.00	0	0.00
988173	2010 Sidewalk Gap Completion	5,241	0.21	161,340	3.69	0	0.00
988187	2009 Sidewalk Replacement Program	399,483	15.80	770	0.02	0	0.00
988189	15 Mile Road Reconstruction	358,647	14.19	91,110	2.08	0	0.00
988203	2010 Sidewalk Replacement Program	0	0.00	460,000	10.51	0	0.00
	Total Capital Outlay	2,228,185	88.13	4,376,990	100.00	1,722,060	100.00
	<u>TRANSFERS OUT</u>						
999202	Transfer to Major Roads Fund	300,000	11.87	0	0.00	0	0.00
	Total Capital Projects Fund	\$2,528,185	100.00	\$4,376,990	100.00	\$1,722,060	100.00

Note: The 2009-2010 Actual Column is rounded to the nearest dollar.

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose 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 2011/12 totals \$1,397,060. Of the total, \$550,000 is funded for three improvement projects for facilities and/or infrastructure. \$250,000 is included for the Miscellaneous City Sidewalk Repair Program. \$200,000 is programmed for the continuation of the Sidewalk Gap Completion Program. \$100,000 is funded for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total \$110,500 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$736,560 and are detailed in the General Fund activity in which the vehicle will be utilized.

For a complete list of all equipment, vehicles and projects, please refer to the Capital schedules on the following pages.■

Did you know...

...there are 609 miles of sidewalks in the City?

Capital Projects Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

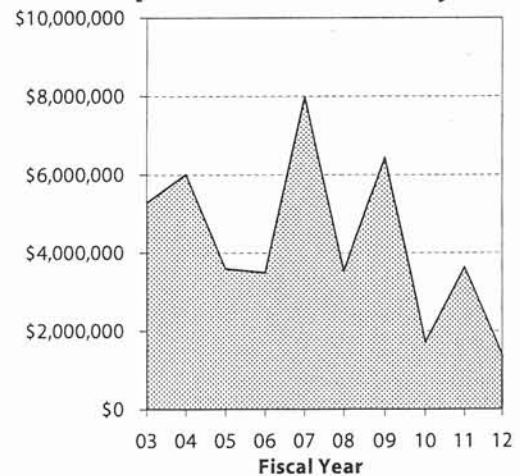
The total budget decreased by 61.6%.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of \$1,397,060 is proposed for next fiscal year. \$31,500 is for capital equipment, \$736,560 for capital vehicles, and \$79,000 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, three (3) Capital Projects totaling \$550,000 are proposed. \$250,000 is for the City Sidewalk Repair Program, \$200,000 for the continuation of the Sidewalk Gap Completion Program, and \$100,000 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 – There are no Transfers Out proposed for the 2011/12 fiscal year.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	1,720,164	3,636,700	3,052,660	1,397,060	1,397,060
Transfers Out	0	0	0	0	0
Total	\$1,720,164	\$3,636,700	\$3,052,660	\$1,397,060	\$1,397,060

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, Build America Bonds, and Special Assessment Bonds are sold to finance the cost of the road construction projects within this Fund.

In fiscal year 2011/12, two projects are funded with proceeds from the prior sale of a road bond in May 2010. \$142,000 is funded for concrete and asphalt sectional pavement repairs to Ryan Road from Metropolitan Parkway to 19 Mile Road. \$183,000 is budgeted for the resurfacing of 19 Mile Road from Van Dyke to Merrill Road.

Additional information regarding the projects undertaken in the Road Bond Construction Fund can be found in the Capital Projects section of this document. ■

Did you know...

...the City received over \$2.6 million dollars in American Recovery & Reinvestment Funds to resurface 15 Mile Road between Maple Lane and Mound Road?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2011/12 BUDGET COMPARED TO 2010/11 BUDGET

The total budget decreased by 56.1%.

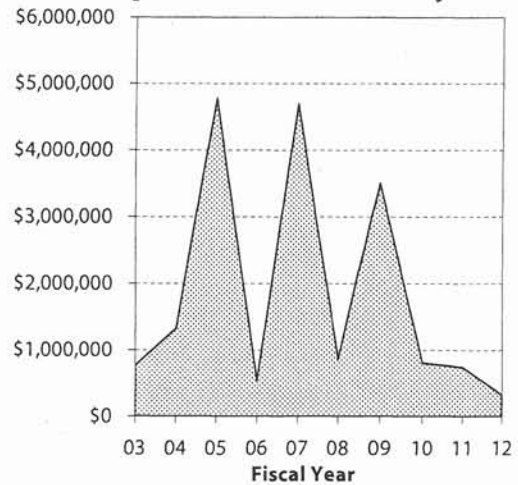
Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – \$325,000 is proposed for two projects in the 2011/12 fiscal year. \$142,000 is proposed for concrete and asphalt sectional pavement repairs to Ryan Road from Metropolitan Parkway to 19 Mile Road. \$183,000 is funded for the resurfacing of 19 Mile Road from Van Dyke to Merrill Road. These projects are funded with proceeds from a prior bond sale in May 2010.

Transfers Out – There are no Transfers Out proposed for this fund.

Expenditure History



FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Budget	2010/11 Estimate	2011/12 Proposed	2011/12 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Capital Outlay	508,015	740,290	612,780	325,000	325,000
Transfers Out	300,000	0	0	0	0
Total	\$808,015	\$740,290	\$612,780	\$325,000	\$325,000

Since Sterling Heights was incorporated as a city on July 1, 1968, it has proudly followed its motto "To Strive on Behalf of All". Its 36.8 square miles makes Sterling Heights the third largest city in Michigan geographically. Forty-three (43) years after its incorporation, the City has matured into a community serving approximately 128,500 residents. Coupled with the City's rapid growth has been a desire to provide top quality city services with an emphasis on roads, beautiful parks and safe neighborhoods.

Along with the desire to provide for quality service is the realization that needs always exceed resources. In order to ensure that all facets of a Capital Improvements Program were addressed, City Council in 1987 approved the creation of a Citizen's Executive Committee to consider and prioritize hundreds of proposed projects to be undertaken over the next ten (10) years. The results of this effort by the Executive Committee have been used in concert with updated information to provide the backbone for the Municipal Improvement Program (MIP), a five-year capital planning program.

The development of this program document marks the continuation of a capital improvement planning process for the City. The need for establishing a multi-year municipal improvement program and a planning process became increasingly evident as the City continued to grow into the new millennium. The goal in developing a municipal improvement program is to plan for and guide needed capital improvements and expenditures in a fiscally sound manner and to ensure that these improvements are consistent with the goals and policies of the City Council and the residents of Sterling Heights.

The multi-year Municipal Improvement Program alternatives and financing options are not intended to preclude other combinations or initiatives, but rather may provide a framework within which beneficial solutions may be forged.

The development of a comprehensive MIP is a vital and essential tool for planning and development of the social, physical, and economic well being of the City of Sterling Heights. This program is a necessary step in an organized effort to strengthen the quality of public facilities and services and will provide a framework for the realization of community goals and objectives and a sound basis on which to build a healthy and vibrant community.

The Municipal Improvement Program relies heavily upon the established groundwork already set in motion. Master Plans specific to unique areas have completed the preliminary stages necessary for a municipal improvement program to be successful. An introduction and brief overview to these master plans will establish a foundation upon which the Municipal Improvement Program will expound.

The complexity of each master plan demands thorough investigation for precise answers to specific questions. Information has been extracted from all of the original master plans and compiled into one document for enhanced readability. The improvements are justified when reviewed in concert with the specific master plans of the City.

The continuous relationship exists between the Municipal Improvement Program and the Budget Document. As mentioned above, the MIP entails a five (5) year overview of capital needs of the City. 2010/11 is the first year of the MIP. The second year (2011/12) of the MIP represents the capital projects that are funded in this budget document. Therefore, a direct link can be seen between the two documents, as there should be in a strategic planning environment.

In fiscal year 2011/12, the City's total capital funding is \$7,739,370. Of the total, \$6,362,960 is budgeted for improvements, \$185,850 is for equipment, \$1,111,560 is for vehicles, and \$79,000 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. Capital equipment and vehicles are budgeted in the Capital Projects Fund with the exception of drug forfeiture purchases, which are budgeted and expensed in the Public Safety Forfeiture Fund. The Water & Sewer Fund equipment, vehicles, and technology improvements are budgeted within the respective Water & Sewer division. The fourth and last set of schedules detail capital improvement costs, future years operating costs, including debt costs for each project and the proposed method of funding these costs.

The Capital Projects Fund is also used to account for the development of capital facilities other than those financed by the Enterprise Fund. The budget for facility improvements in the Capital Projects Fund for fiscal year 2011/12 is \$550,000.

The Road Bond Construction Fund is used to account for transactions relating to road construction, paving, or storm drain activities financed by special assessments. Road construction projects financed wholly or in part by bond issues are also accounted for in this fund. In fiscal year 2011/12, the budgeted expenditures for the Road Bond Construction Fund total \$325,000.

Gas & Weight tax revenue received in the Major Road Fund is used for construction, maintenance and other operations pertaining to all streets classified as "major" within the City. These revenues are generated by the tax on gasoline & vehicle sales. Funds are distributed to each community based on population, miles, and classification of road types and are commonly referred to as Act 51 Funds. Major Road Fund street improvements totaling \$415,150 are budgeted for fiscal year 2011/12.

Transportation projects scheduled in 2011/12 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 \$600,000 are budgeted for fiscal year 2011/12.

The General Drain Fund services debt that was created by the sale of bonds by Macomb County under Chapter 20. The proceeds from these bond sales are realized in the Capital Projects Fund and are used to construct drains within the City. In 2011/12, 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 2011/12, \$190,180 is budgeted for restroom facility improvements at Baumgartner Park and the continued installation of ramped sidewalks with

curb cuts at major road intersections.

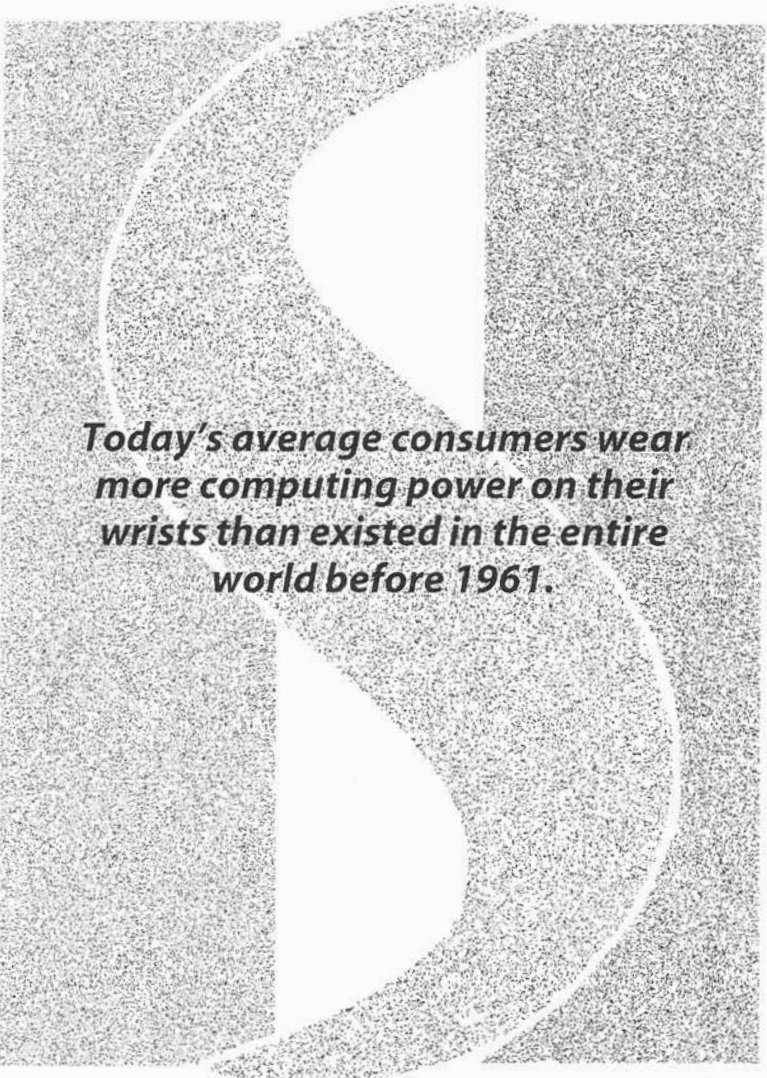
The Neighborhood Stabilization Fund is used to account for grant-funded acquisition and redevelopment of foreclosed properties in the City. In 2011/12, budgeted expenditures total \$22,130 to fund the ongoing design and engineering costs of the Utica Road and Van Dyke park development project.

The Energy Efficiency & Conservation Block Grant Fund has been established to account for grant-funded improvement projects designed to increase energy efficiency and reduce energy consumption and costs. In fiscal year 2011/12, the remaining unspent grant funding of \$500,000 is budgeted for replacement boilers, air conditioning units and other energy saving measures, including new lights and temperature controls in City facilities.

The Corridor Improvement Authority Fund is used to account for public improvements that are made utilizing tax increment financing. In 2011/12 there is no capital budgeted as the Façade Assistance Program has been suspended due to a decline in incremental property tax revenue in the Corridor Improvement Authority District.

The Land & Water Conservation Fund is used to reflect all activities related to the acquisition and development of parks. These activities are mostly financed through Land & Water Conservation and Michigan Land Trust Fund grants and the sale of excess City property. The grants have been provided to the City on a matching basis with the General Fund typically providing the match. This year, park projects will be funded with a portion of the funding from the prior sale of City-owned properties. Projects for 2011/12 total \$81,000 and include parking lot repairs at various City parks, turf replacement and grading of the ball fields at L. W. Baumgartner Park, and the repair and resurfacing of the asphalt tennis court at Delia Park.

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 \$1,225,000 and water main expenditures of \$2,444,500 are programmed. \$10,000 is budgeted for the Fire Hydrant Replacement Program. ■



***Today's average consumers wear
more computing power on their
wrists than existed in the entire
world before 1961.***

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2010/11	Qty.	Proposed Budget 2011/12	Qty.	Approved Budget 2011/12
<u>Police Department</u>								
<u>Police Operations</u>								
In Car Mobile Computer Terminals - Grant	981001	Electronic Equip - Grant	55	300,000				
E-Ticket System, CLEMIS Conversion - Grant	981001	Electronic Equip - Grant	50	300,000				
License Plate Reader System - Grant	981001	Electronic Equip - Grant	1	34,650				
Bulletproof Vests - Grant	982001	Machinery & Equip - Grant	35	20,620				
Polygraph, Batteries & Surveillance Equip. - Grant	982001	Machinery & Equip - Grant	1	30,390				
Underage Drinking Equipment - Grant	982009	Machinery & Equip - Grant	1	1,700				
Total			143	687,360				
<u>Police Support Services</u>								
911 Telephone Server Upgrade - 911 Funds	979	Computer Equipment	1	184,940				
Dispatch Radio Console Upgrade - Grant	981	Electronic Equip - Grant	1	521,110				
Backup Dispatch Center Radio System - Grant	982	Machinery & Equipment	1	143,520				
Total			3	849,570				
<u>Emergency Management</u>								
Emergency Sirens - Digital Upgrade	982001	Machinery & Equip - Grant	1	10,200				
Total			1	10,200				
<u>Fire Department</u>								
<u>Fire Administration</u>								
Computers & Printer - Incident Mgmt - Grant	982001	Machinery & Equip - Grant	1	6,360				
Total			1	6,360				
<u>Fire Extinguishment</u>								
Base Station & Mobile Radios - Grant	982001	Machinery & Equip - Grant	10	14,060				
Westnet Fire Station Alert System	983	Fire Equipment	4	34,800				
HazMat Suits - Grant	983001	Fire Equipment - Grant	6	13,150				
Total			20	62,010				
<u>Public Works Department</u>								
<u>Fleet Maintenance</u>								
Automobile Diagnostic Computer System	982	Machinery & Equipment			1	19,500	1	19,500
Total					1	19,500	1	19,500

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2010/11	Qty.	Proposed Budget 2011/12	Qty.	Approved Budget 2011/12
<u>Street Services</u>								
Salt Brine Liquid Dispensing System	982	Machinery & Equipment	2	10,000				
Road Patch Roller	982	Machinery & Equipment			1	3,000	1	3,000
Brine Tank	982	Machinery & Equipment			1	9,000	1	9,000
Total			2	10,000	2	12,000	2	12,000
Total Capital Projects Fund Equipment								
			170	1,625,500	3	31,500	3	31,500
<u>Water & Sewer Fund</u>								
<u>Water & Sewer Administration</u>								
Hand-held GPS Asset Tracking System	982	Machinery & Equipment	1	8,000				
Total			1	8,000				
<u>Water Distribution</u>								
Replacement Water Meter - Rudgate & Ford	982	Machinery & Equipment	1	16,250				
Replacement Water Meter - Andover Heights Condos	982	Machinery & Equipment			1	16,500	1	16,500
Replacement Water Meter - SHAP	982	Machinery & Equipment			1	16,250	1	16,250
Replacement Water Meter - SH High	982	Machinery & Equipment			1	9,000	1	9,000
Total			1	16,250	3	41,750	3	41,750
<u>Sewage Collection</u>								
Lift Station /Manhole Monitoring System	982	Machinery & Equipment			4	6,600	4	6,600
Submersible Lift Station Pump	982	Machinery & Equipment			2	10,000	2	10,000
Total					6	16,600	6	16,600
Total Water & Sewer Fund Equipment								
			2	24,250	9	58,350	9	58,350
<u>Public Safety Forfeiture Fund</u>								
<u>Federal Forfeitures</u>								
Police Dispatch/Records Management System	979	Computer Equipment	1	271,240				
Forensic Video/Photo Software	979	Computer Equipment	1	3,900				
Dispatch Monitors	979	Computer Equipment	6	1,140				
Bulletproof Vests	985	Weapons	17	10,310				
Total			25	286,590				

385

[illegible]

386

[illegible]

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2010/11	Qty.	Proposed Budget 2011/12	Qty.	Approved Budget 2011/12
<u>CAPITAL PROJECTS FUND</u>								
<u>Motor Vehicles & Equipment - 9010</u>								
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	5	105,000	10	206,560	10	206,560
Fire Engine - Grant	984339	Fire Extinguishment - Grant Match	0.5	260,000	0.5	260,000	0.5	260,000
Fire Engine - Grant	984339	Fire Extinguishment - Grant Match			0.5	270,000	0.5	270,000
Mid-Size SUV	984447	Engineering	1	16,000				
Total Capital Projects Fund Vehicles			6.5	381,000	11	736,560	11	736,560
<u>WATER & SEWER FUND</u>								
<u>Water Distribution - 5560</u>								
Mini Van	984000	Water Distribution	1	17,000				
Total			1	17,000				
<u>Sewage Collection - 5580</u>								
4x4 Extended Cab Pick-Up Truck with Plow	984000	Sewage Collection	1	29,000				
Vactor Jet Combination Sewer Cleaner	984000	Sewage Collection			1	375,000	1	375,000
Total			1	29,000	1	375,000	1	375,000
Total Water & Sewer Fund Vehicles			2	46,000	1	375,000	1	375,000
Total City Vehicles			8.5	\$ 427,000	12	\$ 1,111,560	12	\$ 1,111,560

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2011/12	Approved Budget 2011/12	Proposed Method of Financing	Estimated Prior Yr. 2009/10	Estimated Current Yr. 2010/11	Budget Year 2011/12	Future Years		
			Budget 2010/11	Estimate 2010/11							2012/13	2013/14	2014/15
	CAPITAL PROJECTS FUND												
975020	Library Lobby Improvements	10,000 DONATION	7,550	7,550			GF	0	0	0	0	0	0
975140	Pump Station Repairs - Fairfield	100,000 CPF	100,000	100,000			GF	500	500	0	0	0	0
975140	Pump Station Repairs - Wall Street Burton Share Industrial Subdivision	150,000 GF/CPF	150,000	150,000			GF	500	500	0	0	0	0
975210	Fire Station Renovations - Fire Stations #2, #3, #4 (Prop. F-08)	5,000,000 CPF	118,960	118,960			GF/Prop F	350,000	375,000	400,000	425,000	450,000	450,000
986000	County Drain Maintenance - Including Red Run Drain	200,000 CPF	100,000	100,000	100,000	100,000	GF	0	0	0	0	0	0
986000	Gibson Drain Bank Erosion Restoration	117,830 CPF	4,830	4,830			GF	0	0	0	0	0	0
988173	Sidewalk Gap Completion Program 2010: Gap Program & ROW (includes CIA)	380,000 SAD (CPF)	161,340	180,000			GF	0	0	0	0	0	0
988000	2011: Gap Program	CPF SAD (CPF)	25,000 175,000	0 0	25,000 175,000	25,000 175,000	GF	0	0	0	0	0	0
988000	Master Retention Pond and Storm Sewer Plan Update	100,000 CPF	11,480	11,480			GF	0	0	0	0	0	0
988138	Pump Station Repairs - Laurel Meadows	75,400 CPF	75,400	75,400			GF	500	500	0	0	0	0
988164	Jaycee Park - Storm Sewer Outlet Repair	118,230 CPF	1,770	1,770			GF	500	0	0	0	0	0
988187	Miscellaneous City Sidewalk Repair Program 2009-10: Sections 8, 17	447,770 CPF	770	770			GF	2,000	0	0	0	0	0
988203	2010-11: Sections 6, 7	CPF SAD (CPF)	90,000 370,000	107,000 90,000			GF	4,000	4,000	0	0	0	0
988000	2011-12: Sections 4, 5	CPF SAD (CPF)			80,000 170,000	80,000 170,000	GF	4,000	4,000	4,000	0	0	0
	Total Capital Projects Fund	\$6,699,230	\$1,392,100	\$947,760	\$550,000	\$550,000		\$362,000	\$384,500	\$404,000	\$425,000	\$450,000	\$450,000
	ROAD BOND CONSTRUCTION FUND												
988000	Concrete Sectional Pavement Repairs - Metroparkway - Van Dyke to Utica Road	278,200 RBCF	10,120	10,120			MRF	5,000	5,000	15,000	20,000	25,000	25,000
	Metroparkway - Dequindre to Mound Road (MTFB-10)	RBCF	173,000	175,490									
988000	17 Mile Road Bridge Repairs - Design (MTFB-10)	11,300 RBCF	11,300	11,300			MRF	0	0	0	0	0	0
988000	Asphalt Resurfacing - Metroparkway - Mound to Conrail (MTFB-10)	253,000 RBCF	253,000	253,000			MRF	5,000	5,000	20,000	20,000	20,000	20,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2011/12	Approved Budget 2011/12	Proposed Method of Financing	Estimated Prior Yr. 2009/10	Estimated Current Yr. 2010/11	Budget Year 2011/12	Future Years		
			Budget 2010/11	Estimate 2010/11							2012/13	2013/14	2014/15
988000	Bridge Deck Replacement - Van Dyke Bridge over Clinton River (MTFB-10) (County waived cost)	140,500 RBCF	130,000	0			MRF	0	0	0	0	0	0
988000	Sectional Concrete & Asphalt Repairs - Ryan Road - Metroparkway to 19 Mile Road (MTFB-10)	142,000 RBCF			142,000	142,000	MRF	5,000	5,000	12,000	12,000	12,000	12,000
988000	19 Mile Road Resurfacing - Van Dyke to Merrill Road (MTFB-10)	183,000 RBCF			183,000	183,000	MRF	5,000	5,000	15,000	15,000	15,000	15,000
988162	Lakeside Shopping Center Special Assessment Improvements (SAD-08)	3,355,000 SAD (RBCF)	71,760	71,760			GF/MRF	40,000	40,000	40,000	40,000	40,000	40,000
988189	15 Mile Road Resurfacing - Maple Lane to Mound Road (MTFB-10)	2,650,000 RBCF	91,110	91,110			MRF	25,000	50,000	50,000	50,000	50,000	50,000
Total Road Bond Construction Fund		\$7,013,000	\$740,290	\$612,780	\$325,000	\$325,000		\$85,000	\$110,000	\$152,000	\$157,000	\$162,000	\$162,000
MAJOR ROAD FUND STATE/COUNTY ROADS													
988000	Traffic Signals	130,150											
	a) Miscellaneous Locations	MRF	100,000	50,000	50,000	50,000	MRF	500	500	500	500	500	500
	b) 16 Mile at Ryan & Dodge Park Road				11,900	11,900							
	c) Clinton River Road at Hayes Road				6,250	6,250							
	d) Mound Road at 15 & 17 Mile Roads				12,000	12,000							
988000	Noise Abatement Wall - M53 Highway - 18 1/2 Mile to Utica Road	64,300 MRF	29,140	29,140			MRF	0	0	0	0	0	0
988000	M-53 Highway Resurfacing - 18 Mile to M-59	200,000 MRF	84,460	84,460			MRF	0	0	0	0	0	0
988000	Van Dyke Resurfacing - 15 Mile to 18 Mile	273,700 MRF	24,190	24,190			MRF	1,000	500	500	500	500	500
988000	Bridge Deck Repairs - 14 Mile Bridge over Big Beaver Creek	38,110 MRF	38,110	38,110			MRF	0	0	0	0	0	0
988000	M59 Widening - Ryan Road to Dequindre Road	84,000 MRF	20,100	20,100			MRF	0	0	1,000	1,000	1,000	1,000
988700	Dequindre Road - 18 Mile Road to M-59 Prelim. Engineering & ROW	83,730 MRF	10,000	5,000	5,000	5,000	MRF	0	0	0	0	0	0
Total State/County Roads		\$873,990	\$306,000	\$251,000	\$85,150	\$85,150		\$1,500	\$1,000	\$2,000	\$2,000	\$2,000	\$2,000
CITY ROADS													
988000	Plumbrook Road & Utica Road - Center Turn Lane Intersection Improvements (Grant not approved)	51,500 GRANT MRF	36,050 15,450	0 0			MRF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2011/12	Approved Budget 2011/12	Proposed Method of Financing	Estimated Prior Yr. 2009/10	Estimated Current Yr. 2010/11	Budget Year 2011/12	Future Years		
			Budget 2010/11	Estimate 2010/11							2012/13	2013/14	2014/15
988000	Major Road Sectional Asphalt Repairs - Saal and Clinton River Road Intersection Clinton River Road - West of Schoenherr Dobry Drive - East of Ryan Road Plumbrook and Van Dyke Intersection Riverland Drive and Van Dyke Intersection	230,000 MRF			230,000	230,000	MRF	10,000	10,000	0	0	0	0
988176	15 Mile & Ryan Road Intersection Improvements - Installation of Right-Turn Lanes	189,000 GRANT MRF	156,000 53,720	0 55,000			MRF	0	2,000	2,000	2,000	2,000	2,000
988201	15 Mile & Schoenherr Intersection Improvements - Installation of Right-Turn Lanes	274,760 GRANT MRF	158,720 121,000	169,200 105,000			MRF	0	2,000	2,000	2,000	2,000	2,000
988208	Misc. City-wide Concrete Replacement Program - 15 Mile - Ryan to Mound	260,000 MRF	250,000	260,000			MRF	0	0	0	0	0	0
988000	TRAFFIC CONTROLS a) Miscellaneous Locations b) 17 Mile Road & Dodge Park Road c) Ryan Road Modernization (14, 15 & 17 Mile Roads)	224,310 MRF	100,000 13,310 61,000	50,000 13,310 61,000	100,000	100,000	MRF	500	500	500	500	500	500
	Total City Major Road	\$1,229,570	\$965,250	\$713,510	\$330,000	\$330,000		\$10,500	\$14,500	\$4,500	\$4,500	\$4,500	\$4,500
	Total Major Road Fund	\$2,103,560	\$1,271,250	\$964,510	\$415,150	\$415,150		\$12,000	\$15,500	\$6,500	\$6,500	\$6,500	\$6,500
988204	LOCAL ROAD FUND Neighborhood Road Repair Program - Asphalt Resurfacing Shortridge, Grand Haven, Dray Drives	475,000 GF	475,000	475,000			LRF	2,000	1,000	0	0	0	0
988208	Miscellaneous City-wide Concrete Replacement Program	1,200,000 LRF	600,000	650,000	600,000	600,000	LRF	0	0	0	0	0	0
	Total Local Road Fund	\$1,675,000	\$1,075,000	\$1,125,000	\$600,000	\$600,000		\$2,000	\$1,000	\$0	\$0	\$0	\$0
988000	COMMUNITY DEVELOPMENT BLOCK GRANT FUND City Sidewalk Ramp Repairs - Section 4	20,000 CDBG			20,000	20,000	GF	0	0	0	0	0	0
988202	SMART Bus Stop Improvements - Van Dyke	37,100 CDBG	17,460	11,860			GF	0	0	0	0	0	0
988209	Ramped Sidewalk Installation with Curb Cuts - Major Road Intersections - Grant	178,490 CDBG	9,750	9,630			GF	0	0	0	0	0	0
988213	Baumgartner Park - Restroom Facility Improvements	250,180 CDBG	240,000	80,000	170,180	170,180	GF	0	0	500	500	500	500
	Total C.D.B.G. Fund	\$485,770	\$267,210	\$101,490	\$190,180	\$190,180		\$0	\$0	\$500	\$500	\$500	\$500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2011/12	Approved Budget 2011/12	Proposed Method of Financing	Estimated Prior Yr. 2009/10	Estimated Current Yr. 2010/11	Budget Year 2011/12	Future Years		
			Budget 2010/11	Estimate 2010/11							2012/13	2013/14	2014/15
988206	NEIGHBORHOOD STABILIZATION FUND												
	Utica Road & Van Dyke Park - Engineering	45,130 NSP	0	23,000	22,130	22,130	GF	0	0	0	0	0	0
	Total Neighborhood Stab. Fund	\$45,130	\$0	\$23,000	\$22,130	\$22,130		\$0	\$0	\$0	\$0	\$0	\$0
975000	ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT FUND												
	Roof, Boiler/Chiller, Window & Lighting Improvements	955,100 EECBG	965,670	455,100	500,000	500,000	GF	0	(20,000)	(50,000)	(50,000)	(50,000)	(50,000)
	Total E.E.C.B.G. Fund	\$955,100	\$965,670	\$455,100	\$500,000	\$500,000		\$0	(\$20,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
988000	CORRIDOR IMPROVEMENT AUTHORITY FUND												
	Facade Assistance Program	28,000 CIA	30,000	28,000			CIA	0	0	0	0	0	0
	Total Corridor Imp. Authority Fund	\$28,000	\$30,000	\$28,000				\$0	\$0	\$0	\$0	\$0	\$0
988000	LOCAL DEVELOPMENT FINANCE AUTHORITY FUND												
	SMARTZONE Business Incubator Renovation	412,090 GRANT LDFA	391,480 20,610	391,480 20,610			GF	5,000	10,000	20,000	20,000	20,000	20,000
	Total Local Dev. Finance Auth. Fund	\$412,090	\$412,090	\$412,090				\$5,000	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000
972000	LAND & WATER CONSERVATION FUND												
	LAND DEVELOPMENT												
	Installation of New Wood Mulch - 21 City Parks	12,000 LAND SALE	12,000	12,000			GF	0	0	(1,000)	(1,000)	(1,000)	(1,000)
972000	Parking Lot Repairs - Miscellaneous City Parks	10,000 LAND SALE			10,000	10,000	GF	500	500	0	0	0	0
972008	Playscape with Poured Surface - Dodge Park	86,190 GRANT LAND SALE	60,000 90,000	0 86,190			GF	0	0	0	0	0	0
	Ballfield Lightpole Repairs - Delia Park	33,000 LAND SALE	33,000	33,000			GF	0	0	0	0	0	0
972333	Baseball/Flag Football Scoreboard Repairs - Delia Park	5,270 LAND SALE	5,500	5,270			GF	0	0	0	0	0	0
972334	Bike/Hike Path Relocation - Dodge Park & Clinton River Park	30,000 LAND SALE	70,000	30,000			GF	0	0	0	0	0	0
972334	Tennis Court Resurfacing & Repair - 2010: Magnolia Park	26,000 LAND SALE	8,000	8,000			GF	0	0	0	0	0	0
	2011: Delia Park	LAND SALE			18,000	18,000							
972850	Built-in Sinks with Soap Dispensers - Dodge, Delia, Farmstead, and Nelson Park Restrooms	6,000 LAND SALE	0	6,000			GF	0	0	200	200	200	200

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[illegible]

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Program 2011/12	Approved Program 2011/12	Proposed Method of Financing	Estimated Prior Yr. 2009/10	Estimated Current Yr. 2010/11	Program Year 2011/12	Future Years		
			Program 2010/11	Estimate 2010/11							2012/13	2013/14	2014/15
	WATER & SEWER IMPROVEMENT FUND												
	SANITARY SEWERS												
	Moravian Road, South Side	309,000											
	Hayes to East of 15 Mile Road	W&S	309,000	0	309,000	309,000	W&S	0	0	0	500	500	500
	Hayes Road -	156,600											
	Moravian Road to Bartola Subdivision	W&S	156,600	0	156,000	156,000	W&S	0	0	0	300	300	300
	Utica Road - Hamilton East Drive to Irval, East Side (including ROW)	432,600											
		W&S	432,600	432,600			W&S	0	0	600	600	600	600
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	226,600											
		W&S	226,600	226,600			W&S	0	0	400	400	400	400
	Clinton River Road - South of Canal & Clinton River Road - Kidley to Essen	325,000											
		W&S	325,000	0	325,000	325,000	W&S	0	0	0	500	500	500
	Saal Road - North of Longview	58,000											
		W&S	58,000	58,000			W&S	0	0	200	200	200	200
	Sectional Sanitary Sewer Repairs - Gainsley Drive	350,000											
		W&S	1,500,000	0	350,000	350,000	W&S	0	0	0	500	500	500
	Miscellaneous Sanitary Sewer Repairs:	85,000											
	17 & Plumbrook, Independence Drive, Constitution Drive, Hatherly Commons, Red Run Plaza, Cross Roads Plaza, Brookside Village, Dodge Park Plaza	W&S			85,000	85,000	W&S	0	0	0	200	200	200
	Total Sanitary Sewer	\$1,942,800	\$3,007,800	\$717,200	\$1,225,000	\$1,225,000		\$0	\$0	\$1,200	\$3,200	\$3,200	\$3,200
	WATER MAINS												
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	575,000											
		W&S	575,000	575,000			W&S	0	0	600	600	600	600
	Dequindre & 14 Mile Road - Sections 30 & 31	2,384,500											
		W&S	2,384,500	0	2,384,500	2,384,500	W&S	0	0	0	2,000	2,000	2,000
	Mound Road -	1,817,000											
	17 Mile to 18 1/2 Mile Road	W&S	1,817,000	1,817,000			W&S	0	0	2,000	2,000	2,000	2,000
	15 Mile Road -	60,000											
	South Side, at Davison Street	W&S			60,000	60,000	W&S	0	0	0	100	100	100
	Total Water Mains	4,836,500	4,776,500	\$2,392,000	\$2,444,500	\$2,444,500		\$0	\$0	\$2,600	\$4,700	\$4,700	\$4,700
	WATER & SEWER REPLACEMENT MAINS												
	Fire Hydrant Replacement/Repair Program	20,000											
		W&S	10,000	10,000	10,000	10,000	W&S	300	300	300	300	300	300
	Total Replacement Fund	\$20,000	\$10,000	\$10,000	\$10,000	\$10,000		\$300	\$300	\$300	\$300	\$300	\$300

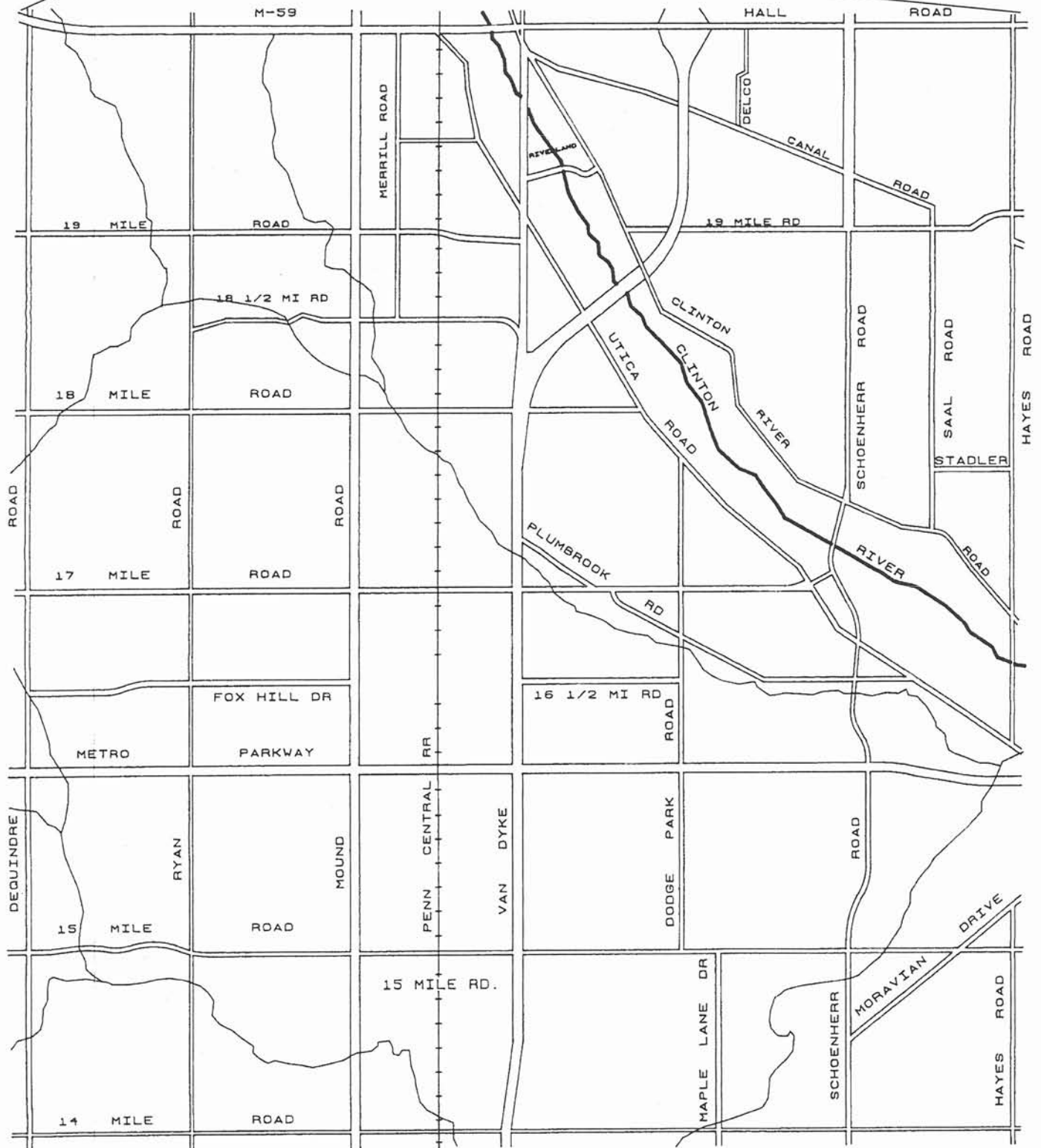
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Program 2011/12	Approved Program 2011/12	Proposed Method of Financing	Estimated Prior Yr. 2009/10	Estimated Current Yr. 2010/11	Program Year 2011/12	Future Years		
			Program 2010/11	Estimate 2010/11							2012/13	2013/14	2014/15
	Total Water & Sewer Funds	\$6,799,300	\$7,794,300	\$3,119,200	\$3,679,500	\$3,679,500		\$300	\$300	\$4,100	\$8,200	\$8,200	\$8,200
	Total City Capital Improvements	\$26,547,640	\$14,296,410	\$8,039,390	\$6,362,960	\$6,362,960		\$467,800	\$502,800	\$537,300	\$565,900	\$595,900	\$595,900
<p>ABBREVIATION KEY:</p> <p>CDBG: Community Development Block Grant Fund</p> <p>CIA: Corridor Improvement Authority Fund</p> <p>CPF: Capital Projects Fund</p> <p>EECBG: Energy Efficiency & Conservation Block Grant Fund</p> <p>GF: General Fund</p> <p>LAND SALE: Revenue from the Sale of Excess City Property</p> <p>LRF: Local Road Fund</p> <p>MRP: Major Road Fund</p> <p>MTFB: Michigan Transportation Fund Bond</p> <p>PROP F: Fire Station Improvement Debt</p> <p>RBCF: Road Bond Construction Fund</p> <p>SAD: Special Assessment District</p> <p>W&S: Water & Sewer Fund</p>													



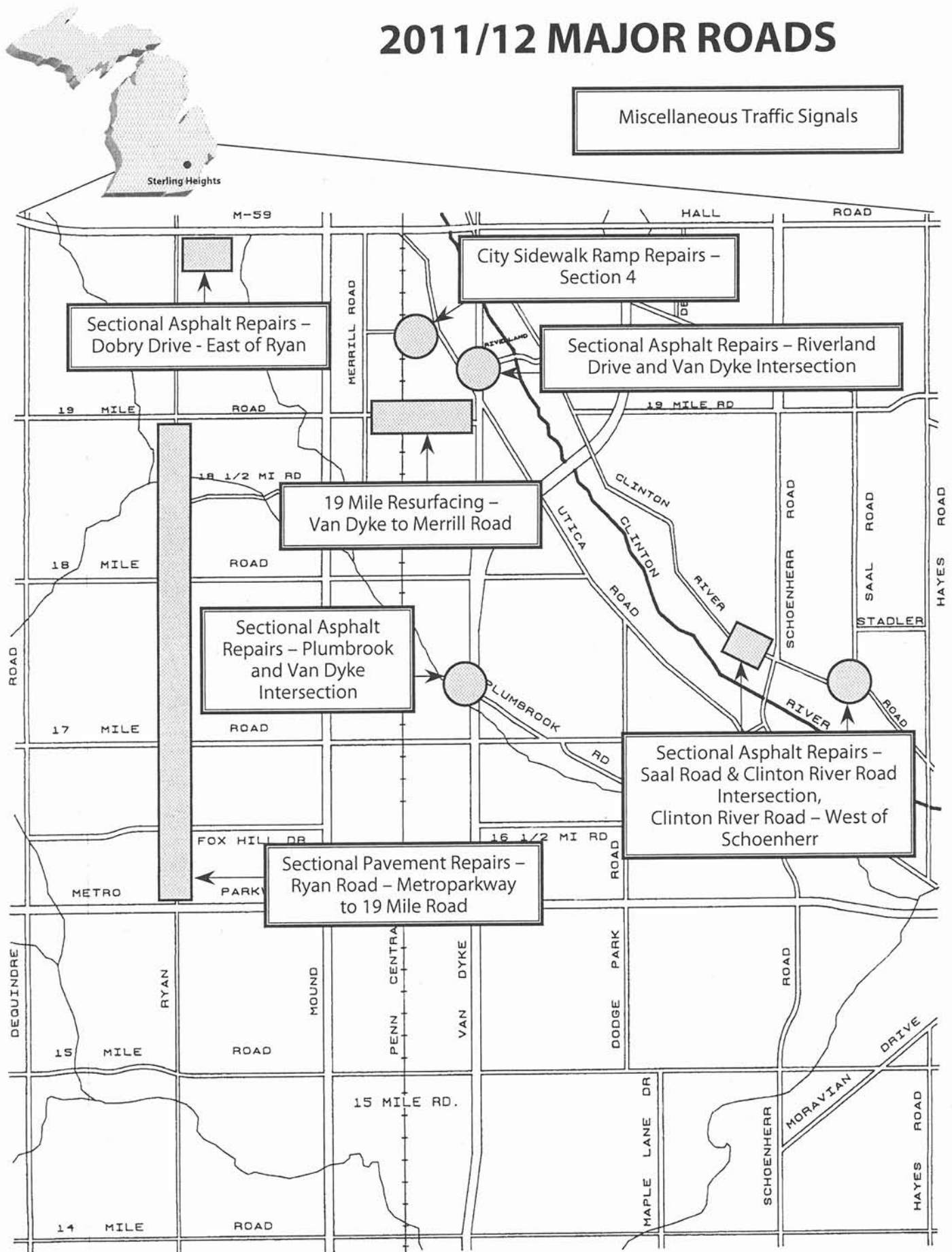
2011/12 MUNICIPAL FACILITIES

Miscellaneous City Sidewalk Repair
& Gap Completion Programs

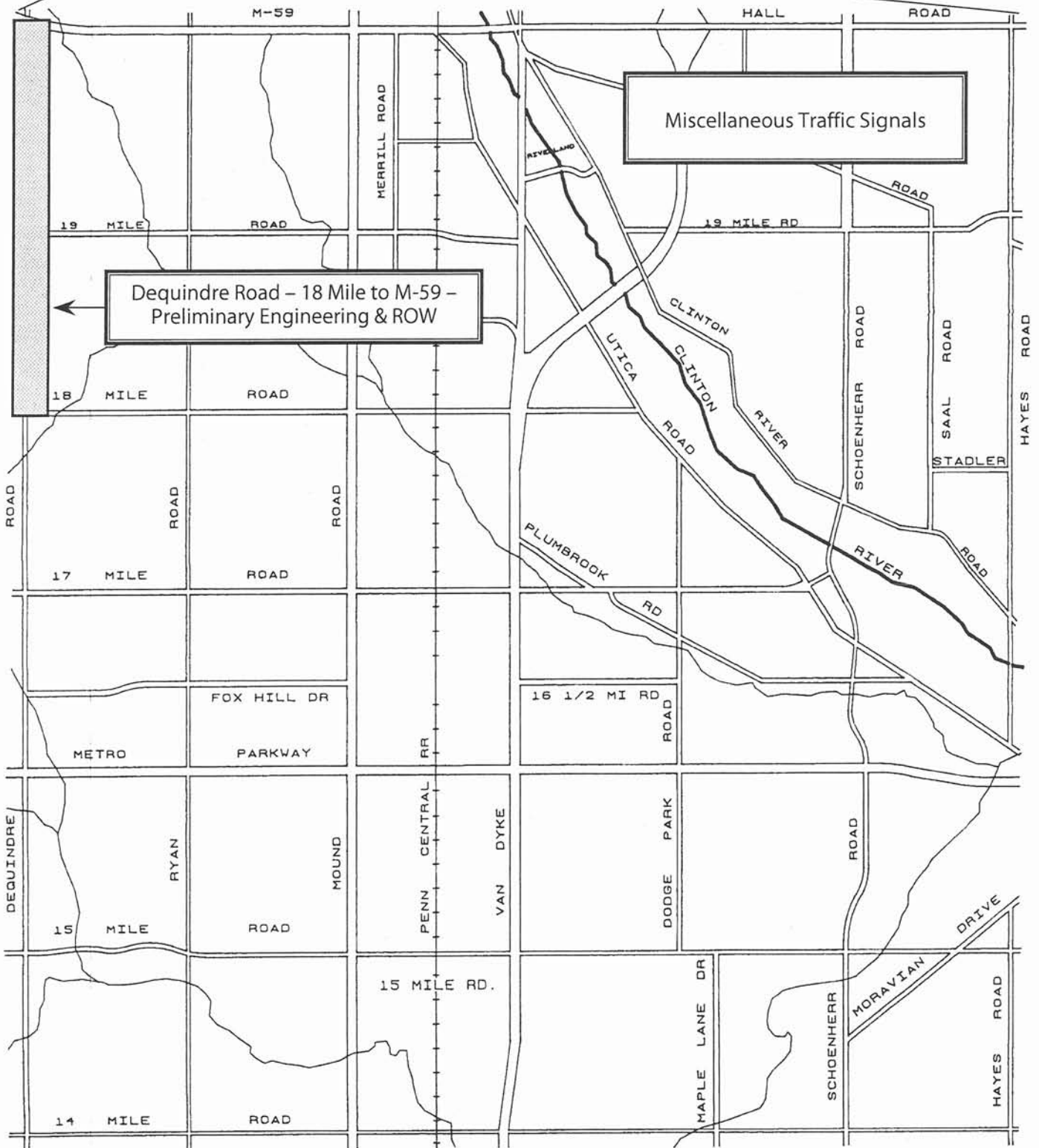


2011/12 MAJOR ROADS

Miscellaneous Traffic Signals



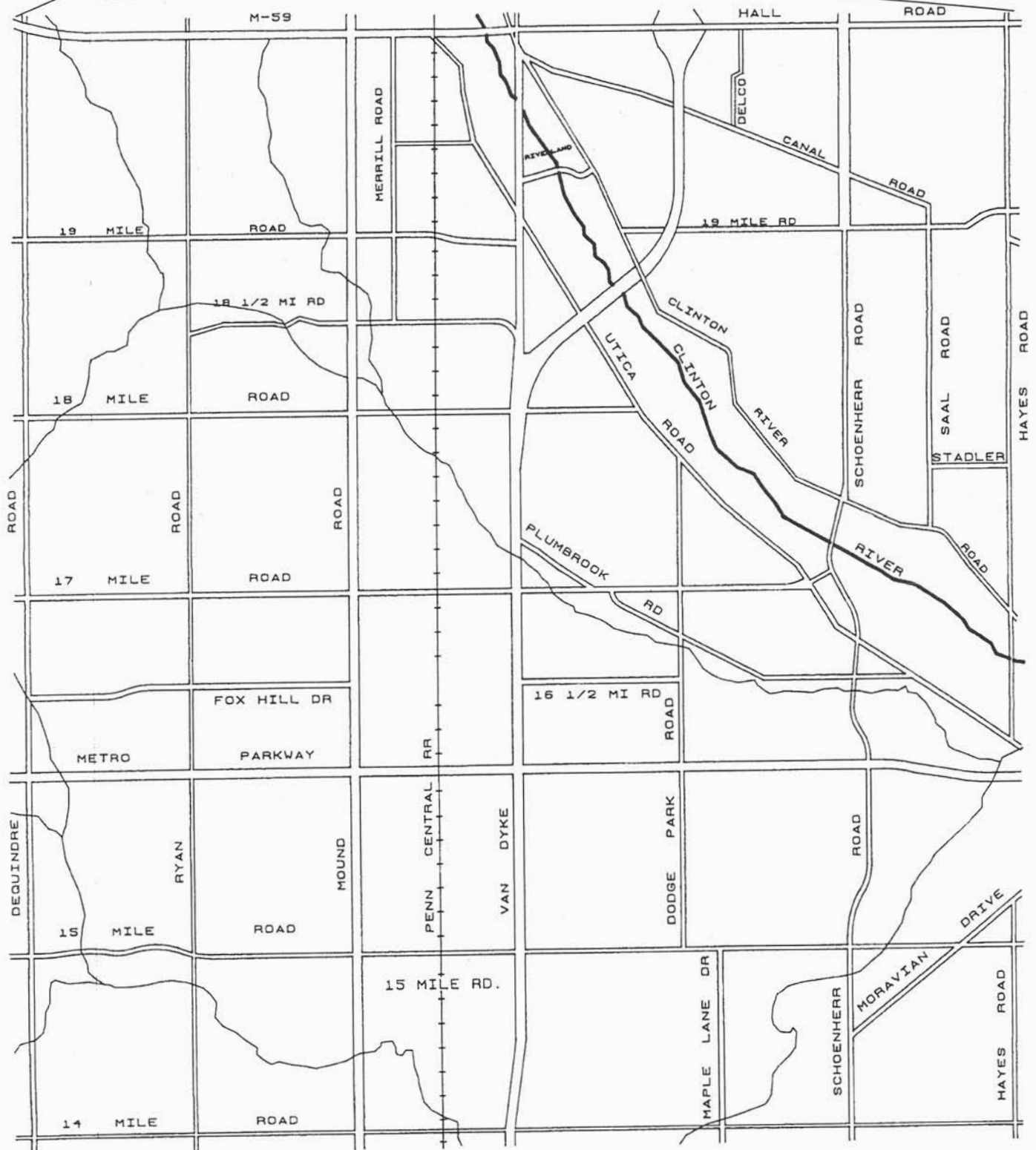
2011/12 COUNTY & STATE ROAD PLANS





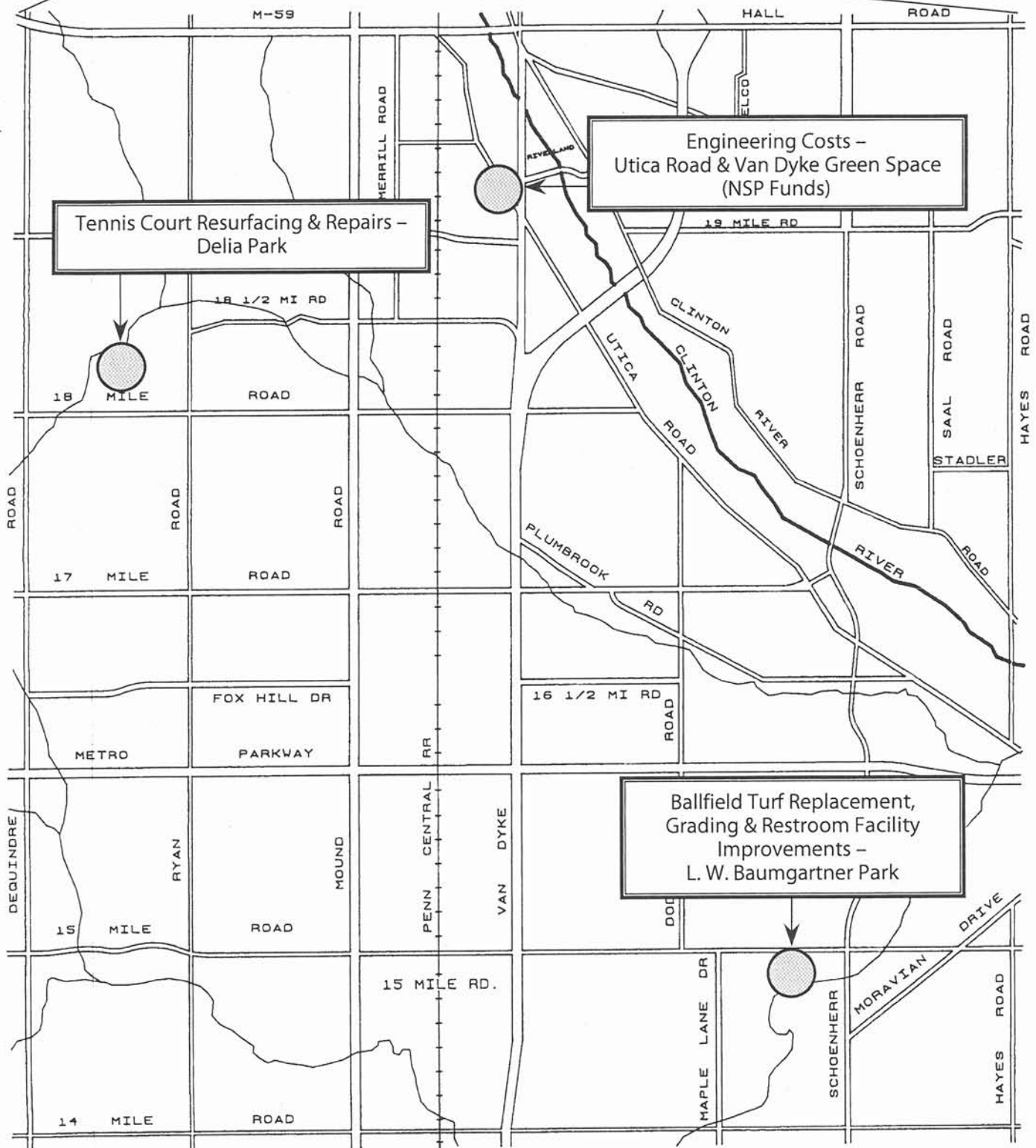
2011/12 LOCAL ROADS

City-wide Concrete
Replacement Program

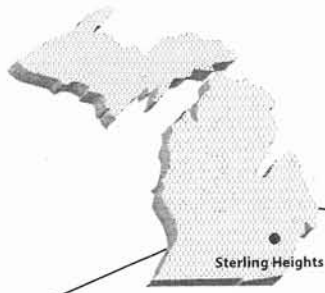


2011/12 MUNICIPAL PARKLANDS

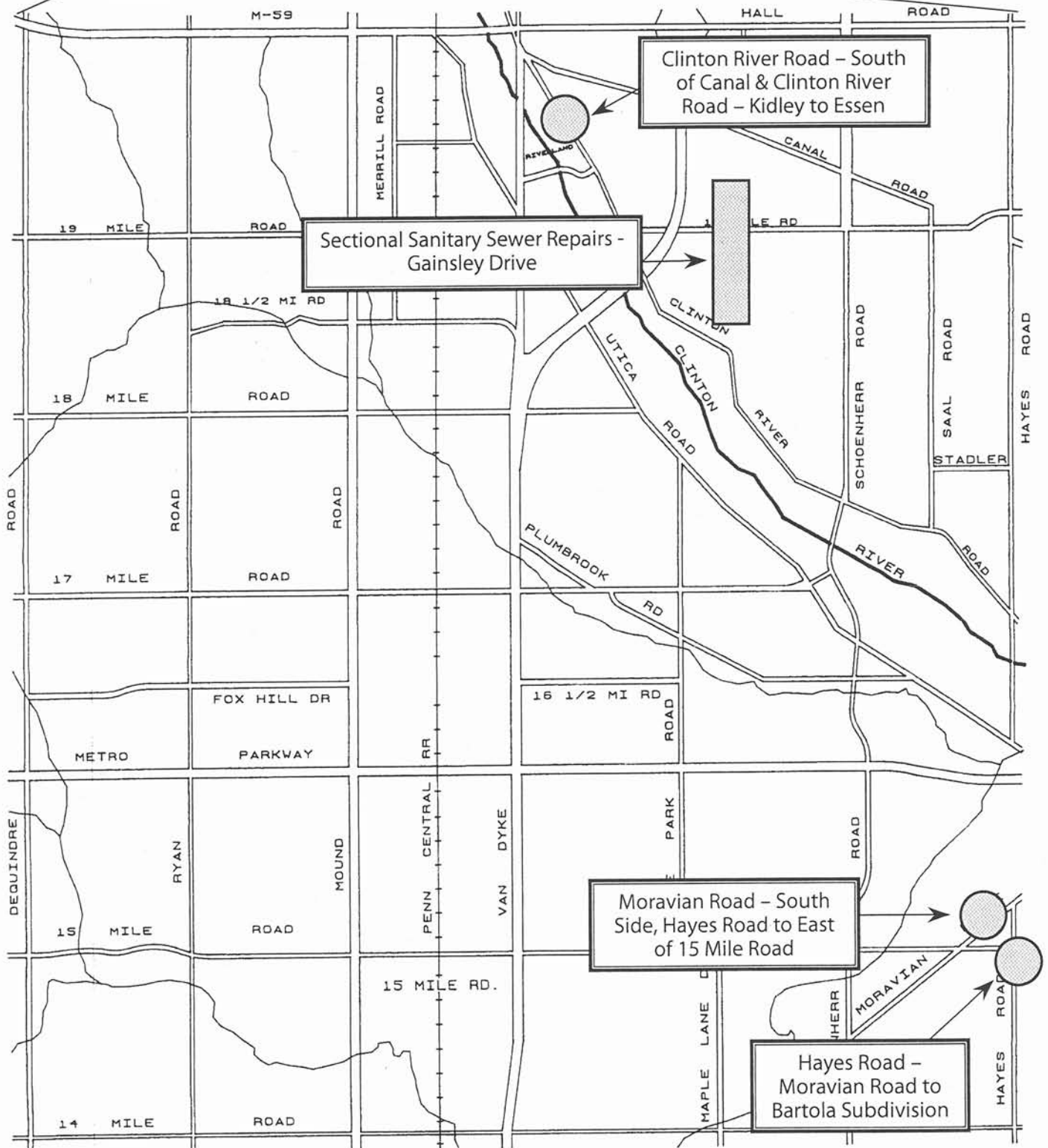
Parking Lot Repairs -
Miscellaneous City Parks



2011/12 SANITARY SEWERS

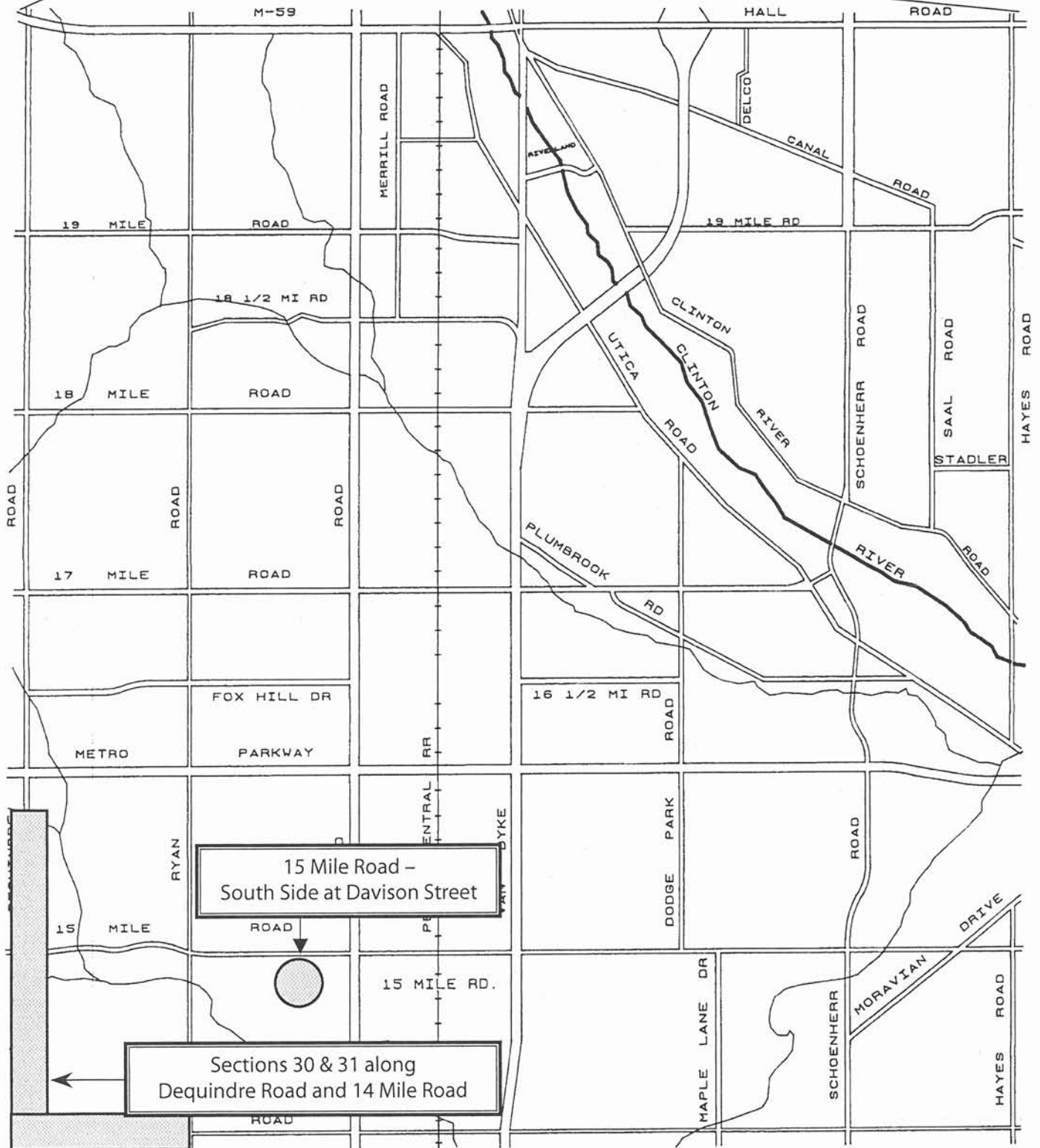


Miscellaneous
Sanitary Sewer Repairs



2011/12 WATER MAINS

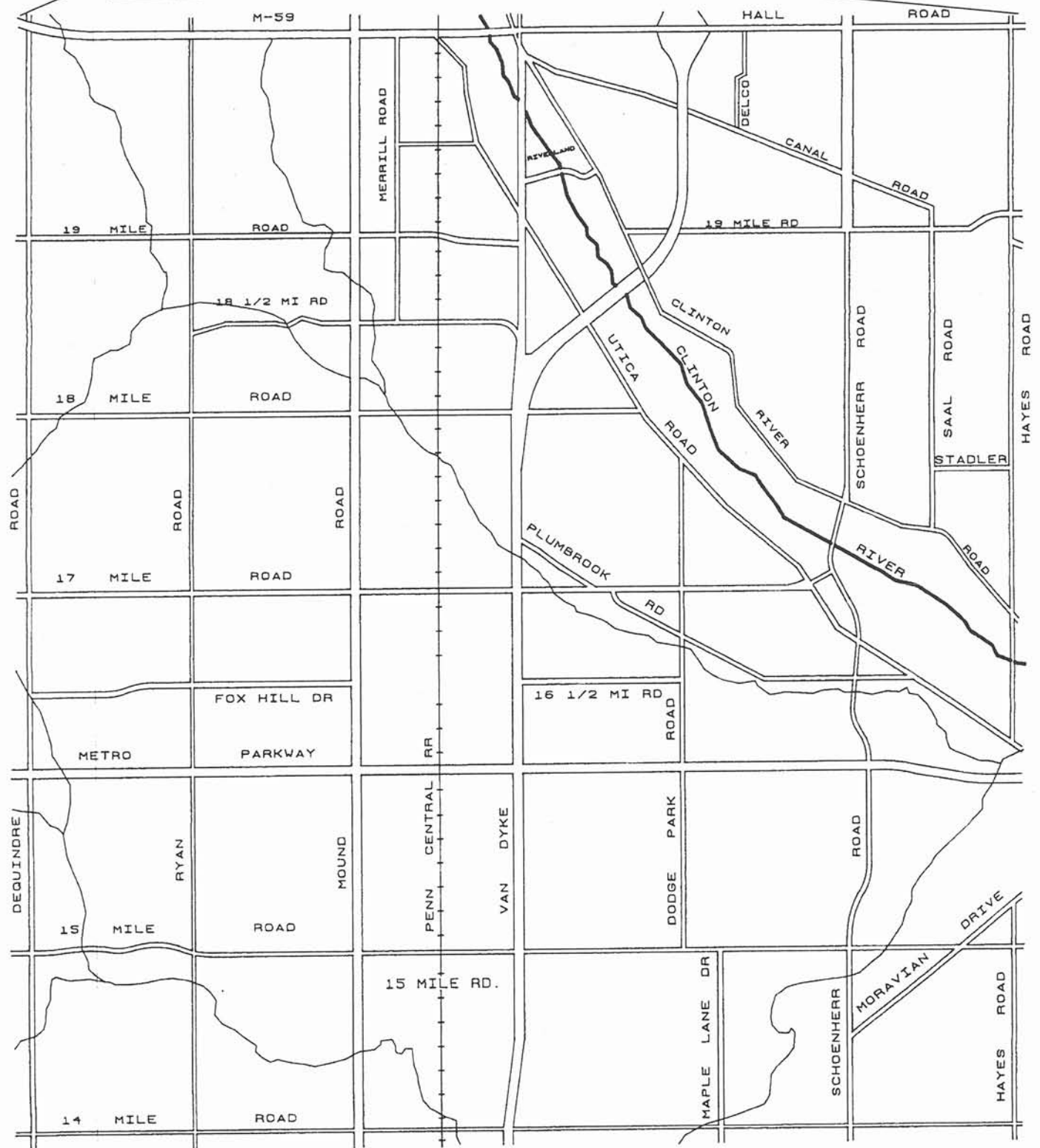
Fire Hydrant
Replacement/Repair Program





2011/12 STORM DRAINS

Storm Drain Maintenance - County



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2001 (1)	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Property Taxes	\$42,155,402	\$44,773,685	\$46,791,310	\$48,495,510	\$50,357,630	\$52,574,000	\$55,624,617	\$58,331,682	\$57,875,942	\$56,801,306
Fees & Permits	2,253,273	1,916,542	2,036,864	2,318,120	2,012,360	1,986,333	1,784,156	1,352,594	960,683	1,194,707
Federal Sources	1,657,762	1,280,774	752,977	1,629,936	2,069,321	3,198,148	2,755,145	1,001,641	1,419,052	2,789,569
State & Local Sources	20,293,929	20,676,922	20,161,887	20,176,008	19,607,043	19,721,028	19,894,287	18,939,977	18,505,491	17,114,177
Fines & Forfeitures	2,781,114	2,299,389	2,587,756	3,069,824	2,995,613	2,890,745	2,563,520	2,755,701	2,836,556	3,618,574
Charges For Services	5,791,473	5,514,851	5,875,269	6,334,722	6,695,039	7,795,120	8,038,601	7,988,183	7,896,549	8,598,054
Interest Income	3,509,122	1,921,851	1,760,354	567,049	977,664	1,788,092	2,511,234	2,316,653	1,580,754	582,435
Special Assessments	164,086	179,973	68,497	372,917	73,776	28,017	130,082	92,745	243,123	215,118
Rental Income	1,240,272	1,047,761	1,253,148	1,298,796	1,566,845	1,357,037	1,443,651	1,727,929	1,798,484	1,429,222
Cable Revenue	1,264,214	1,302,183	1,120,768	1,224,778	1,319,937	1,371,831	1,527,988	1,671,094	1,771,978	1,799,495
Reimb of Advance Rd Const	0	0	0	0	0	0	0	2,440,414	0	0
Other	1,110,088	2,074,758	1,927,055	2,758,591	1,980,022	1,731,700	1,511,396	1,755,645	2,007,807	1,898,739
Total Revenues	82,220,735	82,988,689	84,335,885	88,246,251	89,655,250	94,442,051	97,784,677	100,374,258	96,896,419	96,041,396
Expenditures										
General Government	8,368,507	8,550,972	8,733,703	9,091,026	10,042,438	10,109,764	10,562,158	11,244,018	9,534,712	9,000,797
41A District Court	2,131,093	2,178,525	2,173,817	2,342,220	2,472,160	2,660,587	2,847,111	2,974,001	3,150,155	3,221,815
Public Safety	30,386,650	30,913,608	33,857,315	35,779,556	38,346,169	39,440,275	41,610,977	44,435,670	46,327,145	49,130,527
Public Works	16,492,407	16,910,029	18,334,751	18,280,775	21,418,948	18,545,503	18,734,562	20,134,496	21,273,705	20,321,669
Recreation & Culture	4,035,209	4,323,476	4,447,809	4,553,035	4,669,116	4,868,429	5,180,497	5,358,825	5,321,281	4,747,596
General Expenditures	2,454,301	2,539,196	2,771,249	3,388,336	2,651,054	3,555,955	3,791,084	2,945,761	2,793,240	2,814,058
Capital Outlay	14,107,920	13,053,333	11,763,846	13,041,634	12,476,405	10,576,821	14,756,585	7,402,019	13,212,947	4,694,663
Debt Service - Principal	5,667,440	5,051,381	4,466,382	4,436,681	5,056,539	5,030,000	14,000,000	5,685,000	5,730,000	15,235,000
Debt Service - Interest	2,380,172	2,243,791	1,968,669	1,827,203	2,334,584	2,479,375	2,336,756	1,938,403	1,987,533	1,628,030
Total Expenditures	86,023,699	85,764,311	88,517,541	92,740,466	99,467,413	97,266,709	113,819,730	102,118,193	109,330,718	110,794,155
Other Financing Sources										
Long-term Financing	4,421,872	1,725,000	4,916,772	30,355,000	13,720,000	0	7,900,000	5,000,000	3,260,000	3,810,000
Proceeds-Sale of Fixed Assets	0	1,338,442	0	0	476,081	550,074	0	0	149,466	115,724
Bond Premium	0	0	0	975,374	91,759	0	26,815	50,143	0	33,935
Payments to Escrow Agents	0	0	(4,916,772)	(5,075,000)	(8,511,067)	0	0	0	0	(2,200,000)
Transfers In	10,389,950	12,319,565	8,807,280	6,462,170	8,354,684	9,931,683	18,458,535	9,716,170	11,319,369	16,194,395
Transfers Out	(10,389,950)	(12,319,565)	(8,807,280)	(6,462,170)	(6,639,684)	(8,071,683)	(8,681,215)	(8,197,830)	(8,412,389)	(5,056,810)
Total Other Fin. Sources	4,421,872	3,063,442	0	26,255,374	7,491,773	2,410,074	17,704,135	6,568,483	6,316,446	12,897,244
Net Change in Fund Balance Before Extraordinary Items	618,908	287,820	(4,181,656)	21,761,159	(2,320,390)	(414,584)	1,669,082	4,824,548	(6,117,853)	(1,855,515)
Extraordinary Items	0	0	0	(25,000,000)	(6,000,000)	0	0	0	0	0
Net Change in Fund Balance	\$618,908	\$287,820	(\$4,181,656)	(\$3,238,841)	(\$8,320,390)	(\$414,584)	\$1,669,082	\$4,824,548	(\$6,117,853)	(\$1,855,515)

(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	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget
City Council	\$131,940	\$133,530	\$136,940	\$145,470	\$136,200	\$136,200	\$135,180
City Management	820,710	907,390	922,350	908,990	978,620	996,750	962,740
Economic Development	52,540	136,930	187,490	156,410	157,340	161,900	413,260
Public Services	392,520	272,360	295,050	316,400	332,120	333,640	0
City Clerk	868,230	976,440	1,039,120	1,045,460	710,560	800,770	728,530
Facilities Maintenance	1,526,330	1,571,580	1,712,020	1,734,820	1,603,550	1,566,540	1,341,800
Information Technology	906,720	973,220	1,055,560	1,070,300	1,080,160	1,108,050	955,750
Assessing	886,120	821,610	859,440	881,530	861,220	865,140	856,340
Financial Services	1,128,160	1,202,740	1,281,810	1,291,000	928,110	775,840	777,120
Purchasing	326,680	341,700	340,750	412,220	360,940	380,880	372,930
Treasury	713,610	754,000	787,500	728,150	1,006,240	1,136,490	1,105,610
Act 78 - Civil Service Commission	35,490	18,350	33,070	9,460	1,450	5,570	0
Building Authority	400	400	380	430	50	0	0
General Employees Pension Board	635,270	671,580	728,760	88,000	94,300	96,200	94,710
Legal	706,800	730,200	747,980	746,590	735,370	787,600	765,000
Total City Administration Dept.	9,131,520	9,512,030	10,128,220	9,535,230	8,986,230	9,151,570	8,508,970
Library	2,552,980	2,750,980	2,803,910	2,830,880	2,718,710	2,756,750	2,565,210
Parks & Recreation	2,314,150	2,428,270	2,554,030	2,489,620	2,028,200	2,120,390	1,931,900
Historical Commission	1,300	1,250	880	780	690	850	750
Total Community Services Dept.	4,868,430	5,180,500	5,358,820	5,321,280	4,747,600	4,877,990	4,497,860
Police Administration	4,050,940	3,950,150	2,889,810	2,897,130	2,801,130	3,217,160	3,027,090
Police Investigations	3,337,330	3,863,410	5,419,170	5,529,240	5,879,180	6,224,050	6,186,620
Police Operations	14,662,390	15,610,640	16,700,240	17,586,340	19,328,430	19,830,710	19,840,730
Police Support Services	3,026,730	3,234,570	3,381,110	3,338,480	3,528,550	3,550,890	3,398,590
Emergency Management	125,790	99,970	141,650	151,510	137,420	146,140	134,840
Total Police Department	25,203,180	26,758,740	28,531,980	29,502,700	31,674,710	32,968,950	32,587,870
Fire Administration	1,152,080	1,251,700	1,270,720	1,389,680	1,326,330	1,362,470	1,379,550
Fire Extinguishment	11,811,670	12,422,880	13,254,450	14,143,750	14,839,080	16,010,910	16,262,750
Fire Prevention	1,007,800	1,053,420	1,178,340	1,152,890	993,180	931,310	760,070
Total Fire Department	13,971,550	14,728,000	15,703,510	16,686,320	17,158,590	18,304,690	18,402,370
Building	1,929,030	2,100,770	2,205,160	1,996,460	1,711,640	1,732,730	1,477,330
Foreclosure Relief	0	0	0	7,480	87,160	157,980	71,440
Neighborhood Services	0	0	0	0	0	0	399,560
Planning	347,030	341,600	350,280	346,240	354,500	363,880	430,140
Planning Commission	9,260	7,440	7,490	6,040	5,330	6,930	5,810
Zoning Board of Appeals	7,060	6,630	5,690	6,220	7,310	6,550	6,080
Total City Development Dept.	2,292,380	2,456,440	2,568,620	2,362,440	2,165,940	2,268,070	2,390,360

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Budget	2011/12 Budget
Engineering	1,843,940	1,755,930	1,701,260	1,626,840	1,547,190	1,583,760	1,416,620
Fleet Maintenance	2,331,180	2,472,330	2,927,750	2,734,900	2,528,010	2,618,170	2,547,660
Parks & Grounds Maintenance	1,317,990	1,390,520	1,360,640	1,414,900	1,355,650	1,421,270	1,171,710
Public Works Center	513,650	518,510	592,450	698,700	389,250	406,580	239,200
Street Services	1,727,410	1,857,130	1,954,680	2,095,730	1,879,420	1,952,070	1,864,480
Total Public Works Department	7,734,170	7,994,420	8,536,780	8,571,070	7,699,520	7,981,850	7,239,670
Refuse Collection	4,028,320	4,089,430	4,206,380	4,337,260	4,429,920	4,518,940	4,444,730
Total Refuse Collection	4,028,320	4,089,430	4,206,380	4,337,260	4,429,920	4,518,940	4,444,730
Community Relations	1,408,370	1,452,190	1,596,140	1,541,120	1,582,910	1,605,260	994,570
Beautification Commission	2,680	2,350	2,010	1,430	1,070	1,490	890
Cultural Commission	7,470	410	180	50	200	200	150
Telecommunications Commission	4,780	4,470	0	0	0	0	0
Total Community Relations Dept.	1,423,300	1,459,420	1,598,330	1,542,600	1,584,180	1,606,950	995,610
41-A District Court	2,660,590	2,847,110	2,974,000	3,150,160	3,221,820	3,290,470	3,273,330
General Expenditures	3,546,140	3,698,840	2,931,290	2,784,520	2,700,520	2,507,040	2,563,580
Transfers Out	4,127,270	4,050,620	3,978,200	3,353,150	1,968,810	1,478,940	959,670
Total General Fund	\$78,986,850	\$82,775,550	\$86,516,130	\$87,146,730	\$86,337,840	\$88,955,460	\$85,864,020

**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
2001	528,424	15,923,759	67,374,288	23.63%
2002	489,404	17,346,558	70,500,575	24.60%
2003	580,930	17,641,156	71,069,534	24.82%
2004	593,593	19,057,927	71,974,280	26.48%
2005	655,400	13,345,638	75,734,862	17.62%
2006	662,581	14,387,663	78,986,850	18.22%
2007	679,962	15,037,933	82,775,550	18.17%
2008	643,564	14,649,346	86,516,140	16.93%
2009	767,986	14,439,075	87,146,732	16.57%
2010	1,005,948	11,522,975	86,337,844	13.35%

**ASSESSED & ESTIMATED ACTUAL VALUATION
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Assessed Valuation (1)	Personal Assessed Valuation (1)	Total Valuation	Percent of True Value (2)
2001	3,145,249,054	979,571,300	4,124,820,354	50%
2002	3,356,956,900	1,086,927,400	4,443,884,300	50%
2003	3,587,248,700	1,071,358,000	4,658,606,700	50%
2004	3,764,758,000	1,025,224,600	4,789,982,600	50%
2005	3,970,808,500	968,119,700	4,938,928,200	50%
2006	4,195,815,400	949,766,100	5,145,581,500	50%
2007	4,451,151,600	944,127,850	5,395,279,450	50%
2008	4,645,291,550	1,053,774,300	5,699,065,850	50%
2009	4,599,077,850	1,007,788,550	5,606,866,400	50%
2010	4,508,088,655	986,259,050	5,494,347,705	50%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 2000 TVs (stated above in the 2001 row) were used to generate tax revenue for the year ended June 30, 2001.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

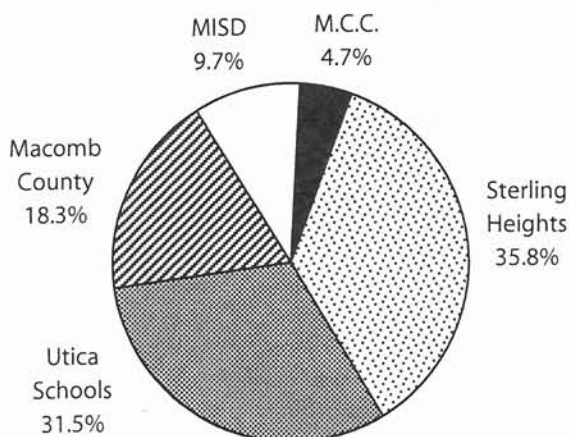
HOMESTEAD PROPERTY TAX RATES **DIRECT AND OVERLAPPING GOVERNMENTS** **(PER \$1,000 OF TAXABLE VALUATION)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City of Sterling Heights										
Operating (1)	8.08550	8.43430	8.29230	8.19630	8.09570	8.76420	8.97760	9.22560	9.17770	8.71800
Refuse	1.07470	1.04670	1.05870	1.06960	1.10550	0.82660	0.81420	0.80570	0.83810	0.87170
Police & Fire Pension	0.56070	0.37610	0.62400	0.78090	0.89050	0.60490	0.51180	0.31470	0.48530	0.93720
Public Improvements	0.78840	0.48590	0.32860	0.24160	0.23170	0.18800	0.18750	0.17920	0.06670	0.03460
Drain	0.21070	0.30700	0.32640	0.33660	0.30160	0.24130	0.23390	0.19980	0.21800	0.22430
Total	10.72000	10.65000	10.63000	10.62500	10.62500	10.62500	10.72500	10.72500	10.78580	10.78580
Overlapping Governments										
Macomb County	4.20700	4.20600	4.20580	4.20580	4.20580	4.20580	4.20550	4.20550	4.20550	4.57350
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	8.81630	8.89710	10.96260	10.68060	10.04260	9.99300	9.82940	9.23580	8.41520	8.92780
State Education	6.00000	6.00000	6.00000	5.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.51400	1.67070	1.69250	1.58590	1.50020	1.42120	1.42120	1.42120	1.42120	1.42120
M.I.S.D.	2.02100	2.00330	2.98630	2.97290	2.96150	2.94300	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.22020	0.22020	0.21700	0.21610	0.21540	0.21460	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.32730	0.32730	0.60000	0.59730	0.59490	0.59120	0.59000	0.59000	0.59000	0.59000
County Zoo Authority	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.10000	0.10000
Veterans Operations	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.04000	0.04000
Total										
Utica Schools (2)	28.50950	28.57750	29.83160	28.70300	29.60280	29.50080	29.59930	29.59930	29.80010	30.16810
Total										
Warren Schools (2)	33.82580	33.97460	37.29420	35.88360	36.14540	35.99380	35.92870	35.33510	34.71530	35.59590

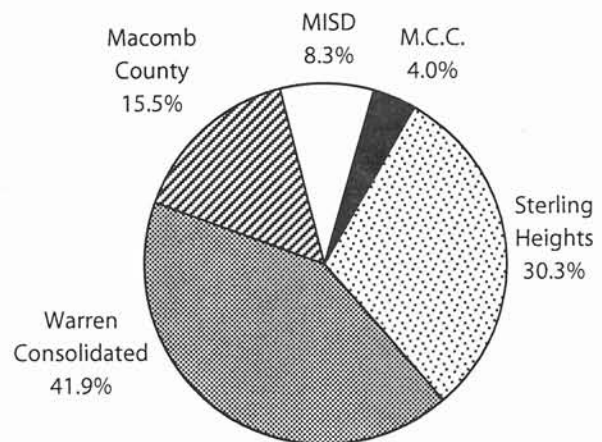
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2010.

City of Sterling Heights **2009/10 Distribution of Homestead Taxes**



Utica Community Schools

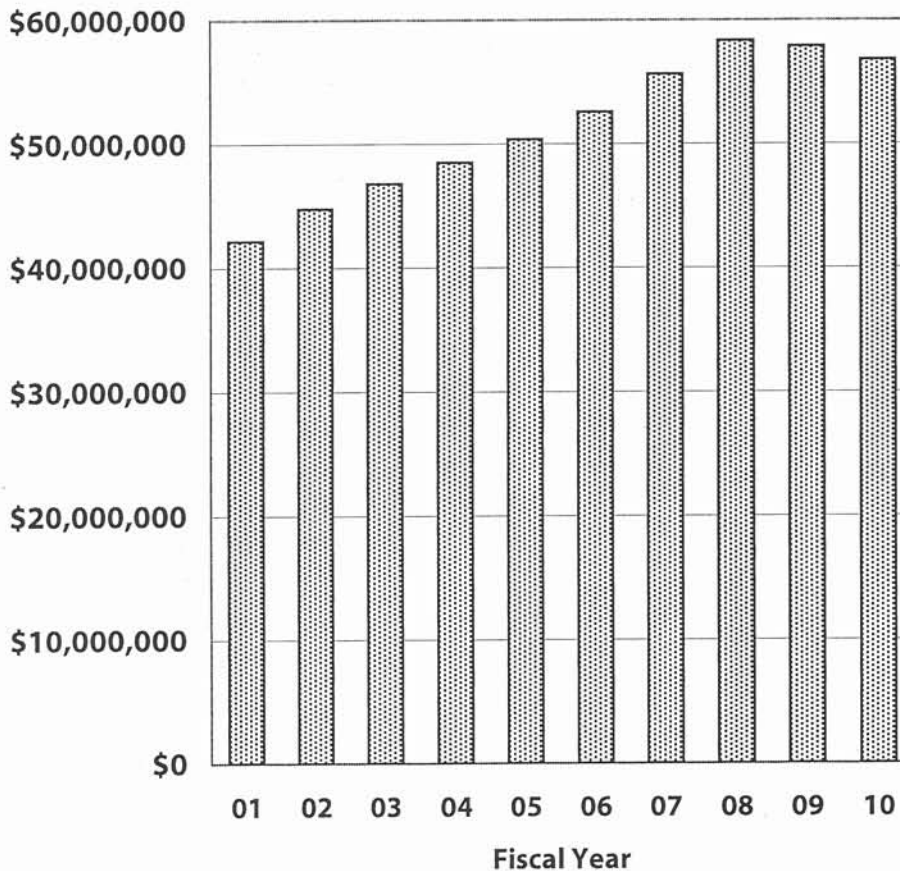


Warren Consolidated Schools

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes				Debt Service Funds Property Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Total	General Drain	Voted Tax General Obligation	Total	
2001	31,836,229	4,231,574	2,207,727	38,275,530	818,785	3,061,087	3,879,872	42,155,402
2002	35,424,907	4,396,245	1,579,658	41,400,810	1,295,294	2,077,581	3,372,875	44,773,685
2003	36,500,172	4,660,074	2,746,657	43,906,903	1,435,644	1,448,763	2,884,407	46,791,310
2004	37,409,166	4,881,818	3,564,147	45,855,131	1,536,014	1,104,365	2,640,379	48,495,510
2005	38,420,002	5,203,504	4,204,831	47,828,337	1,429,947	1,099,346	2,529,293	50,357,630
2006	43,370,304	4,070,410	2,993,592	50,434,306	1,202,642	937,052	2,139,694	52,574,000
2007	46,585,168	4,205,469	2,646,459	53,437,096	1,214,130	973,391	2,187,521	55,624,617
2008	50,198,476	4,359,680	1,707,910	56,266,066	1,089,261	976,355	2,065,616	58,331,682
2009	49,275,429	4,476,793	2,594,194	56,346,416	1,169,602	359,924	1,529,526	57,875,942
2010	45,954,154	4,561,110	4,925,570	55,440,834	1,178,018	182,454	1,360,472	56,801,306

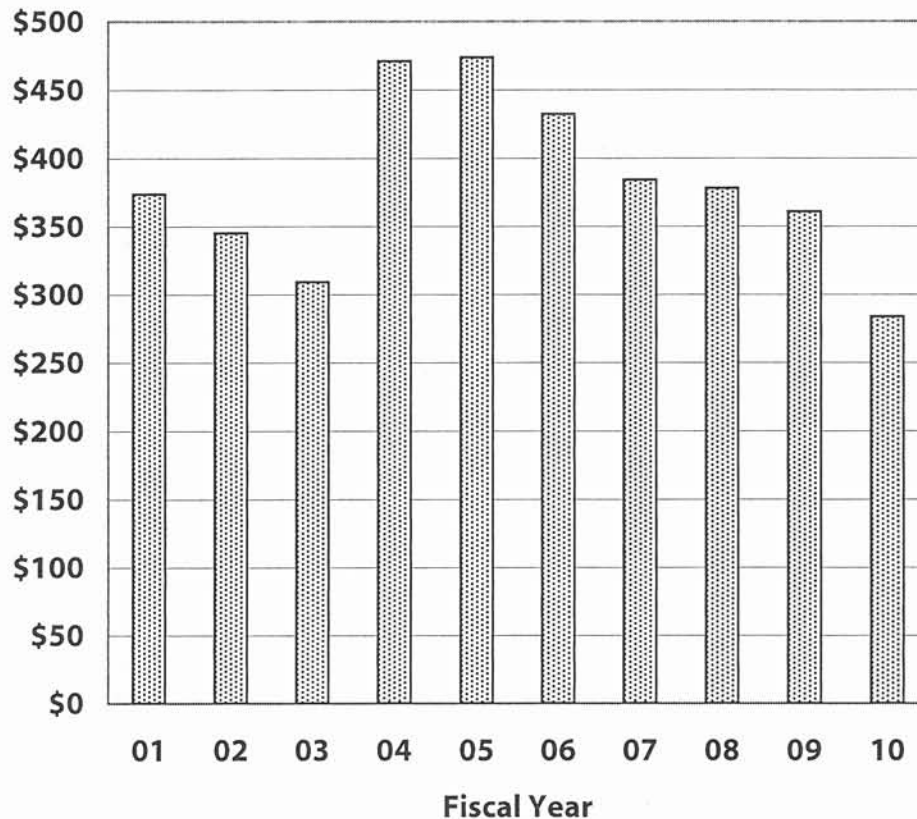
Property Tax Revenue



RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities	Primary Government	Percentage of	Pop.	Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds	County Issued Bonds	Outstanding Debt Total	Personal Income		
2001	14,680,000	20,635,000	975,000	10,485,984	-	46,775,984	1.50%	125,140	373.79
2002	12,180,000	19,175,000	775,000	11,319,602	-	43,449,602	1.38%	125,800	345.39
2003	9,125,000	18,995,000	575,000	10,403,220	-	39,098,220	1.24%	126,470	309.15
2004	33,745,000	15,910,000	350,000	9,936,539	-	59,941,539	1.89%	127,270	470.98
2005	31,735,000	19,735,000	125,000	9,060,000	-	60,655,000	1.91%	128,026	473.77
2006	29,705,000	17,690,000	-	8,230,000	-	55,625,000	1.74%	128,692	432.23
2007	21,590,000	20,610,000	-	7,325,000	-	49,525,000	1.54%	128,914	384.17
2008	23,635,000	18,710,000	-	6,495,000	-	48,840,000	1.52%	129,200	378.02
2009	20,985,000	16,535,000	3,260,000	5,590,000	-	46,370,000	1.44%	128,500	360.86
2010	8,820,000	16,130,000	3,160,000	4,635,000	3,702,531	36,447,531	1.14%	128,500	283.64

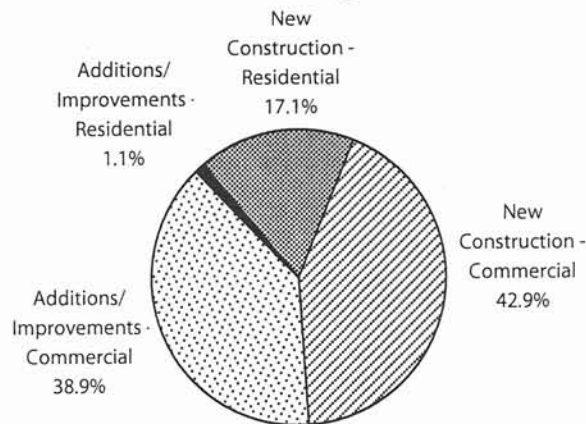
Outstanding Debt Per Capita



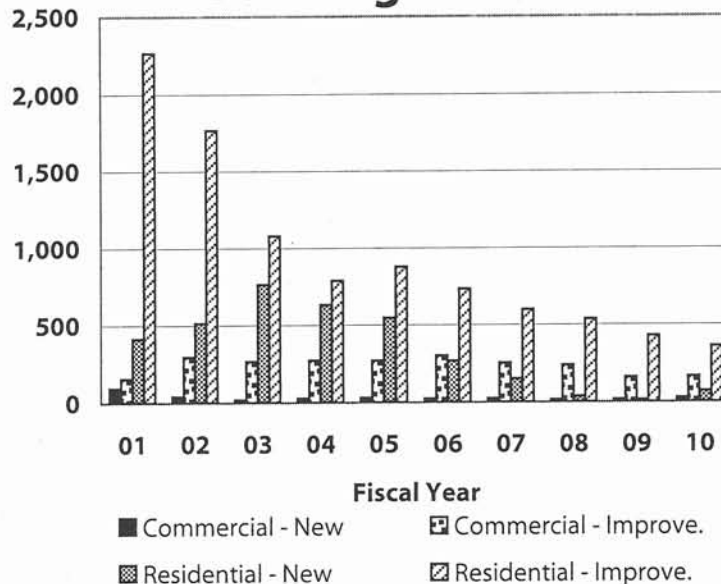
BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

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	
2001	414	63,789,140	2,266	9,055,033	72,844,173	96	40,493,780	156	20,199,408	60,693,188
2002	513	51,306,550	1,766	2,737,615	54,044,165	42	25,736,795	295	16,143,812	41,880,607
2003	763	76,609,958	1,078	3,017,213	79,627,171	19	17,228,169	265	18,095,804	35,323,973
2004	631	59,756,113	787	2,218,100	61,974,213	29	28,123,162	272	59,264,545	87,387,707
2005	546	54,325,044	876	1,830,299	56,155,343	31	34,143,253	271	26,257,489	60,400,742
2006	269	48,957,415	734	1,601,036	50,558,451	24	25,096,450	302	26,567,543	51,663,993
2007	152	25,895,984	598	2,454,254	28,350,238	24	44,813,309	254	40,418,973	85,232,282
2008	37	8,034,365	536	1,503,824	9,538,189	17	38,153,479	239	26,322,149	64,475,628
2009	14	3,481,198	429	1,261,884	4,743,082	16	5,148,379	160	23,119,046	28,267,425
2010	70	12,386,830	360	839,587	13,226,417	27	31,115,804	165	28,194,133	59,309,937

Market Value of 2010 Building Permits



Building Permits



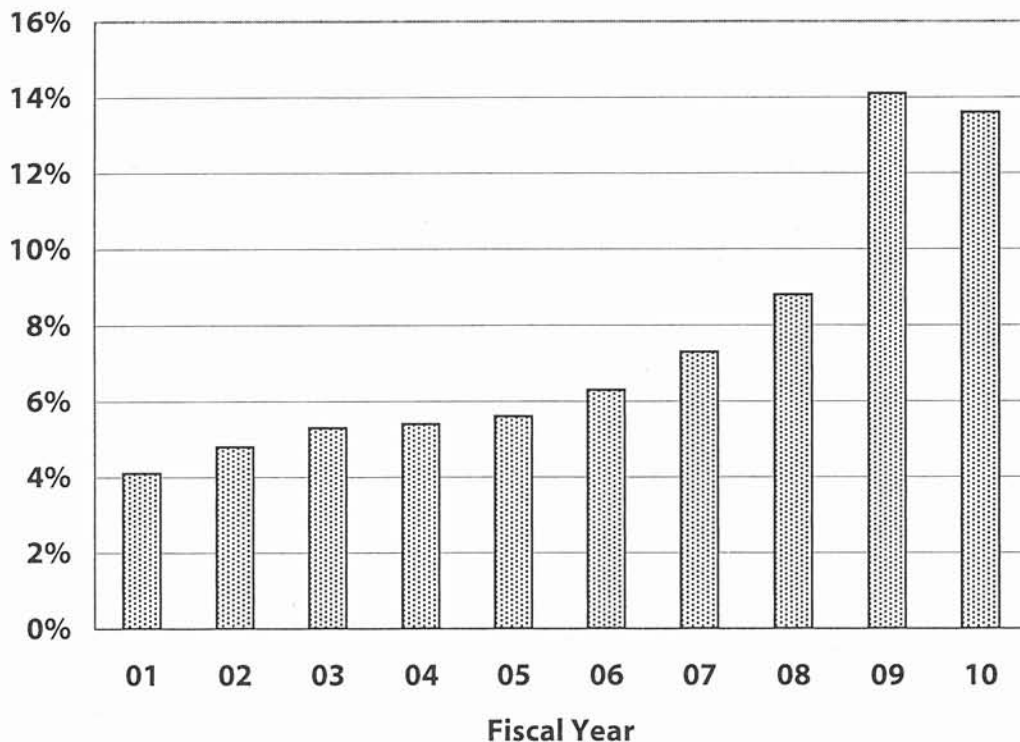
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Median Age (2)	Age 25 or Older (2)		Per Capita Income (2)	Income in Thousands	Number of Households (3)	Median Household Income (3) (1999 dollars)	Sterling Heights Unemployment Rate (4)
			High School Graduate or Higher	Bachelor's Degree or Higher					
2001	125,140 (1)	N/A	N/A	N/A	N/A	3,123,244	46,072	60,494	4.1%
2002	125,800 (1)	N/A	N/A	N/A	N/A	3,139,716	48,775	62,274	4.8%
2003	126,470 (1)	N/A	N/A	N/A	N/A	3,156,438	48,990	62,274	5.3%
2004	127,270 (1)	N/A	N/A	N/A	N/A	3,176,405	49,260	62,274	5.4%
2005	128,026 (1)	N/A	N/A	N/A	N/A	3,195,273	49,405	62,274	5.6%
2006	128,692 (1)	N/A	N/A	N/A	N/A	3,211,895	49,871	62,274	6.3%
2007	128,914 (1)	N/A	N/A	N/A	N/A	3,217,436	50,761	62,274	7.3%
2008	128,500 (1)	N/A	N/A	N/A	N/A	3,224,574	50,375	60,494	8.8%
2009	128,500 (1)	N/A	N/A	N/A	N/A	3,231,712	49,735	60,494	14.1%
2010	128,500 (1)	N/A	N/A	N/A	N/A	3,207,103	49,339	60,494	13.6%

Sources:

- (1) City of Sterling Heights
- (2) United States Census Bureau - 2000 Census (last reported)
- (3) Southeast Michigan Council of Governments (SEMCOG)
- (4) Michigan Department of Labor and Economic Growth

City of Sterling Heights Unemployment Rate



Account	Description	2011/12 Budget
General Fund		
574000	State Revenue Sharing	\$8,500,000
581001	SMART funding for senior citizen and special recreation transportation services	290,330
569001	State funding to reimburse City for Judges salaries	137,170
587001	Library funding from State assessed penal fines	130,000
583000	State funding for portion of cost of Police Officer assigned to Macomb Auto Theft Squad	50,980
567001	State Aid for Library services	47,380
539378	State funding from cell phone surcharges for enhancing police communication centers	150,000
539302	State funding for Police training	41,600
543426	State funding for portion of cost of Emergency Manager position	39,210
539332	State funding for Dispatcher training	10,000
544000	State revenue assistance for drunk driving 41-A District Court cases	18,000
585000	Reimbursement of Police OT resulting from federal task force operations	16,820
529000	Federal funding for underage alcohol traffic safety & drunk driving enforcement	13,330
529000	Federal funding for task force participation wage reimbursement	6,670
	Total General Fund	9,451,490
Major Road Fund		
546000	State Gas & Weight Tax	4,500,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	240,000
	Total Major Road Fund	4,740,000
Local Road Fund		
546000	State Gas & Weight Tax	1,700,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	90,000
	Total Local Road Fund	1,790,000
Community Development Block Grant Fund		
529000	Federal funding for CDBG programs	1,246,970
529003	CDBG Program Income	30,000
	Total Community Development Block Grant Fund	1,276,970
Neighborhood Stabilization Program Fund		
529000	Federal funding for NSP programs	658,230
Energy Efficiency & Conservation Block Grant Fund		
529000	Federal funding for EECBG programs	505,000
Road Bond Debt Retirement Fund		
529004	Federal interest refundable credits on road bond debt	36,440
	Total State & Federal Revenue	\$18,458,130

NOTE: The 2011/12 budget figures include funding from Federal, State, and Local Grants, Highway and Street Grants, and State Revenue Sharing.

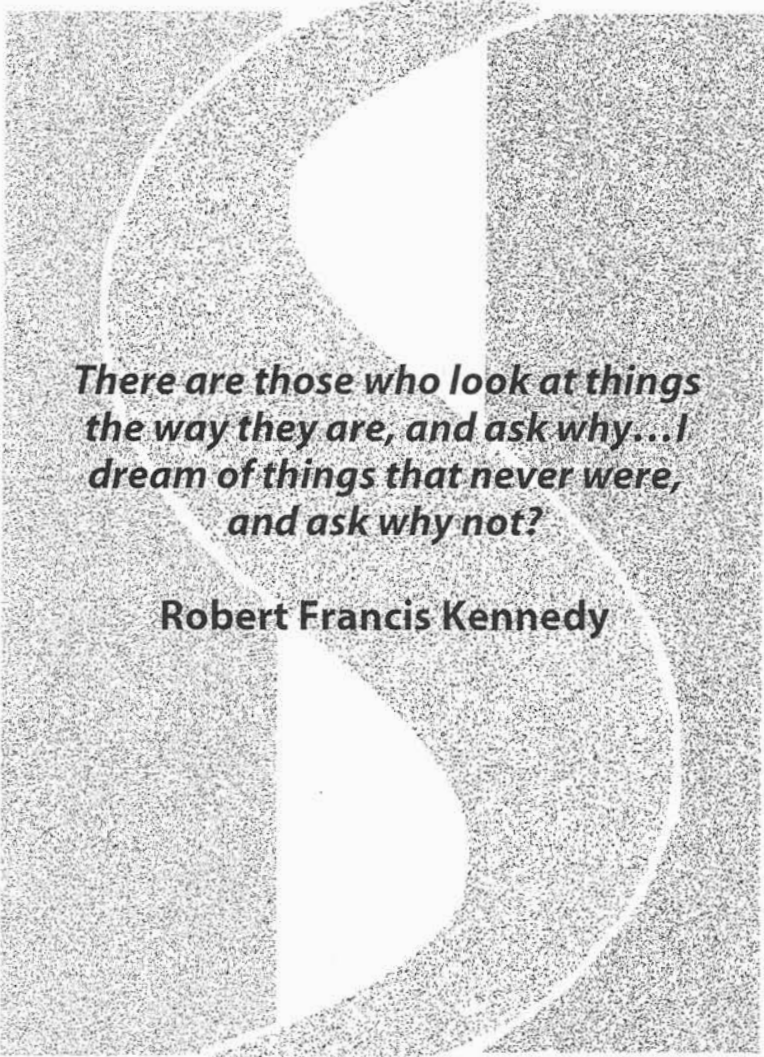
2011/12 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2009/10 Actual	2010/11 Budget	2010/11 To 12/31	2010/11 Estimate	2011/12 Budget
	Supplies					
729.000	Postage	\$0	\$500	\$293	\$500	\$500
730.000	Publications	398	350	0	350	350
751.000	Operating Supplies	266	500	126	500	300
758.000	Computer Software	0	500	0	0	0
	Total Supplies	664	1,850	419	1,350	1,150
	Other Charges					
802.000	Audit & Accounting Services	19,735	18,300	10,131	18,300	19,200
806.000	Legal Services	8,613	10,000	3,069	10,000	12,000
807.000	Medical Services	0	1,000	0	1,000	1,000
826.000	Other Contracted Services	897,414	1,000,000	458,350	1,000,000	1,030,500
903.000	Printing	0	350	0	350	350
922.000	Telephone	354	400	180	360	400
956.000	Local Meetings	8	100	0	0	0
957.000	Memberships & Dues	200	200	200	200	200
959.000	Education & Training	4,951	5,650	2,367	4,800	5,650
	Total Other Charges	931,275	1,036,000	474,297	1,035,010	1,069,300
	Capital Outlay					
979.000	Computer Equipment	0	0	0	0	0
	Total Capital Outlay	0	0	0	0	0
Total Activity		\$931,939	\$1,037,850	\$474,716	\$1,036,360	\$1,070,450

NOTE: The "2009/10 Actual" & "2010/11 To 12/31" columns are rounded to the nearest dollar.



*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

NAME	CONTRACT EXPIRATION	BUDGETED EMPLOYEES
------	------------------------	-----------------------

Union Employees

Police Officers - MAP	6/30/2011	125
Police Clerical - MAP	6/30/2011	22
Court Clerical - AFSCME Local 1884 (includes Part-time)	6/30/2011	23
Fire Fighters - IAFF Local 1557	6/30/2012	96
Technical/Office - MAPE (includes Part-time)	6/30/2012	84
DPW Field - Teamsters Local 214	6/30/2012	61
Police Command Officers - COA	6/30/2012	35
Dispatchers - POAM (includes Part-time)	6/30/2012	24
Supervisory - UAW Local 412	6/30/2012	17
DPW Supervisors - AFSCME Local 1917	6/30/2012	6
Professional/Technical - UAW Local 412 (includes Part-time)	6/30/2013	48
Executive - MAPE	6/30/2013	6

Non-Union Employees

41-A District Court Administration	N/A	10
41-A District Court Judges	N/A	3
Ordinance Employees	N/A	2

Population ¹

Total Population 129,699

Gender

Male 62,862

Female 66,837

Age

Under 5 years 7,126

5 to 9 years 7,529

10 to 14 years 8,104

15 to 19 years 8,636

20 to 24 years 8,132

25 to 34 years 16,151

35 to 44 years 17,346

45 to 54 years 19,835

55 to 59 years 9,015

60 to 64 years 8,124

65 to 74 years 10,730

75 to 84 years 5,944

85 years and older 3,027

Racial Makeup

White 110,426

African American 6,697

American Indian & Alaska Native 281

Asian 8,742

Native Hawaiian & Other Pacific Islander 19

Other Race 654

Two or more races 2,880

Housing

Median Housing Value \$132,000

Total Housing Units 49,339

Houses 32,602

Condominiums 6,289

Apartments 8,829

Mobile Homes 1,619

Major Employers

Company/Employees

General Dynamics 2,900

Ford Motor Company 2,300

Lakeside Associates 2,000

Detroit News Agency 1,200

Utica Community Schools 1,150

Chrysler Group LLC 1,000

Warren Consolidated Schools 790

City of Sterling Heights 587

U.S. Farathane Corporation 580

Kuka Flexible Production Systems, Inc. 450

Employment Status ²

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 ²

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 ²

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 ²

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	63
Secondary	286
Estimated Sidewalks in Miles	609
Bridges	11
Street Lights	2,520

Police Protection

Group A offenses ³	6,484
Group B offenses ⁴	2,370
Injury Accidents	704
Property Damage	3,071
Private Property Damage	944
Total Traffic Violations	37,022
Civil Infractions	32,724
Parking Violations	1,992
Adult Arrests	3,000
Juvenile Arrests	173
OUIL Arrests	394

Fire Protection

Stations	5
Emergency Alarms Answered	10,383
Medical Emergencies	7,693
Fire Inspections Conducted	2,859
Inspection Violations Issued	5,831
Training Hours Completed	30,955

41-A District Court

Cases Handled:	
Civil	3,816
Criminal	4,818
Traffic	35,540
Landlord & Tenant	2,407
Small Claims	448

Election Data

Registered Voters	85,345
Voters at Polls	10,138
Absentee Ballots	7,963
Percent Voting	21.00%

Parks & Recreation

Acres	820
Developed Parks	28
Adult & Youth Athletics Attendance	27,032

Instructional Swim Attendance	3,417
Instructional Rec. Attendance	23,999
Nature Program Attendance	27,708
Senior Program Attendance	117,570
Special Event Attendance	65,551
Summer Playground Attendance	7,565
Special Rec. Program Attendance	11,351

Library

Registered Borrowers	53,114
Book Collections	202,141
Other Collections ⁵	38,503
Items Circulated	627,496
Reference Transactions	131,039
Program Attendance	31,664
Library Visits	560,035
Interlibrary Loan Requests	110,778
Book Van Deliveries	7,909
Online Computer Users	583,260

Water & Sewer Services

Customers:	
Residential	34,846
Commercial/Industrial	4,234
Miles of Water Mains	575
Miles of Sanitary Sewers	430
Fire Hydrants	7,221
Water (in thousand cubic feet):	
Purchased from Detroit	659,816
Sold to Residents	667,792
Rates:	
1,000 Cubic Feet (water and sewer)	\$37.22
Sewer Only – Per Billing	\$45.00

¹ Source: U.S. Census Bureau, Census 2010

² Source: U.S. Census Bureau, Census 2000

³ Murder, criminal sexual conduct, robbery, aggravated assault, burglary, larceny, arson, motor vehicle theft, damage to property, retail fraud, etc.

⁴ Disorderly conduct, assault, family trouble, negligent homicide, obstructing justice, OUIL, etc.

⁵ Art prints, audio/video cassettes, compact discs, software discs, puppets, and posters.

**CITY OF STERLING HEIGHTS
MACOMB COUNTY, MICHIGAN
ORDINANCE NO. 412**

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 2011/12; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2011/12; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2011/12.

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, 2011 through June 30, 2012. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2011/12.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net General Tax Revenue	\$42,069,820	
Licenses and Permits	1,437,000	
State and Local Returns	9,451,490	
Fines and Forfeitures	3,487,100	
Charges for Services	8,470,400	
Other Revenue	2,777,920	
Cable Revenue	1,825,000	
Use of Fund Balance	<u>4,520,380</u>	

Total General Revenue		74,039,110
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Refuse Tax Revenue	4,413,730	
Fire & Police Pension Tax Revenue	<u>7,368,880</u>	
Total Refuse and Pension Tax Revenue		<u>11,782,610</u>
Total Revenues		85,821,720

OTHER FINANCING SOURCES

Transfers In	<u>42,300</u>	
Total Other Financing Sources		<u>42,300</u>

Total Revenues & Other Financing Sources		<u>\$85,864,020</u>
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and does hereby designate \$42,646,820 to be raised by 9.6617 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 \$7,368,880 to be raised by 1.6694 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 \$4,413,730 to be raised by 0.9999 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 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	\$8,508,970	
Community Services Department	4,497,860	
Police Department	32,587,870	
Fire Department	18,402,370	
City Development Department	2,390,360	
Public Works Department	7,239,670	
Refuse Collection	4,444,730	
Community Relations Department	995,610	
41-A District Court	3,273,330	
General Expenditures	<u>2,563,580</u>	
Total Expenditures		84,904,350

OTHER FINANCING USES

Transfers Out	<u>959,670</u>	
Total Other Financing Uses		<u>959,670</u>

Total General Fund **\$85,864,020**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	\$31,966,850	
Use of Net Assets	<u>924,020</u>	
Total Operating Revenues		<u>\$32,890,870</u>

OPERATING EXPENSES

Administration	\$3,356,890	
Water Distribution	13,123,650	
Sewage Collection	<u>16,410,330</u>	
Total Water & Sewer Operating Fund		<u>\$32,890,870</u>

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, 2011.

WATER RATES

Consumption Charges Per Billing Period	Rate Per Thousand Cubic Ft.
First 3,000 cubic feet or less.....	\$17.17
All over 3,000 cubic feet.....	18.35
Meter Charges Per Billing Period	
1 1/2"	\$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.....	\$23.42

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 \$50.00 charge per bill for sewer only customers.

For all single-family residential customers of both water and sewer services from the City, the charges billed during the months of September, October, and November shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than \$26.00 during the quarterly period billed during the months of September, October, and November.

For all customers who are not single-family residential customers and have both water and sewer services from the City, the charges billed during the months of July, August, and September shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than \$8.67 during the monthly period billed during the month of July, \$8.67 during the month of August, and \$8.66 during the month of September.

Sec. 2.03

MAJOR ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Federal Grants	\$0	
State Sources	4,740,000	
Other Revenue	160,500	
Total Revenues		4,900,500

OTHER FINANCING SOURCES

Transfer from Road Bond Construction Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources		<u>\$4,900,500</u>
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EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$120,380	
Major Street Maintenance	1,684,500	
Major Street Improvements	415,150	
Contribution to Fund Balance	<u>130,470</u>	
Total Expenditures		2,350,500

OTHER FINANCING USES

Transfer to Local Road Fund	250,000	
Transfer to Road Bond Debt Retirement Fund	<u>2,300,000</u>	
Total Other Financing Uses		<u>2,550,000</u>

Total Major Road Fund		<u>\$4,900,500</u>
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Sec. 2.04**LOCAL ROAD FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$104,330	
Federal Grants	0	
State Sources	1,790,000	
Charges for Services	40,000	
Other Revenue	<u>47,020</u>	
Total Revenues		1,981,350

OTHER FINANCING SOURCES

Transfer from Major Road Fund	<u>250,000</u>	
Total Other Financing Sources		<u>250,000</u>

Total Revenues & Other Financing Sources		<u>\$2,231,350</u>
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EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$139,350	
Local Street Maintenance	1,492,000	
Local Street Improvements	<u>600,000</u>	
Total Expenditures		2,231,350

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Local Road Fund		<u>\$2,231,350</u>
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Sec. 2.05

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$77,500	
Federal & State Sources	0	
Other Revenue	3,500	
Total Revenues		81,000

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources **\$81,000**

EXPENDITURES

Land Improvements	\$81,000	
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Total Land & Water Conservation Fund **\$81,000**

Sec. 2.06

ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT FUND BUDGET:

REVENUES

Federal Grants	\$505,000	
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Total Revenues **\$505,000**

EXPENDITURES

Administrative & Capital Expenses	\$505,000	
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Total Energy Efficiency & Conservation Block Grant Fund **\$505,000**

Sec. 2.07

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES

Fund Balance	\$203,350	
Federal Forfeitures	0	
State Forfeitures	0	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Interest Income	750	

Total Revenues **\$204,100**

EXPENDITURES

Federal Forfeitures	\$40,800	
State Forfeitures	157,800	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	5,500	

Total Public Safety Forfeiture Fund **\$204,100**

Sec. 2.08

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES

Community Development Block Grant \$1,276,970

Total Revenues

\$1,276,970

EXPENDITURES

Administrative Expenses \$153,200
Books 7,380
Senior Citizens Home Chore Program 25,870
Single Parent Education Program 29,960
Minor Home Repair 24,000
Handicapped Recreation Program 22,900
Housing Rehabilitation Program 373,600
Contributions to Non-Profit Organizations 25,920
Capital & Other Improvements 190,180
Principal 411,470
Interest 12,490

Total Community Development Block Grant Fund

\$1,276,970

Sec. 2.09

NEIGHBORHOOD STABILIZATION PROGRAM FUND BUDGET:

REVENUES

Federal Grants \$658,230

Total Revenues

\$658,230

EXPENDITURES

Downpayment & Rehabilitation Assistance \$11,390
Acquisition, Rehabilitation & Resale 75,610
Acquisition/Redevelopment 488,790
Demolition 6,300
Administration Costs 76,140

Total Neighborhood Stabilization Program Fund

\$658,230

Sec. 2.10

CORRIDOR IMPROVEMENT AUTHORITY FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Property Taxes \$0
Federal Grants 0
Other Revenue 0
Total Revenues 0

OTHER FINANCING SOURCES

Transfer from General Fund 0
Total Other Financing Sources 0

Total Revenues & Other Financing Sources

\$0

EXPENDITURES

Miscellaneous	\$0
Capital Improvements	0
Debt Service	0

Total Corridor Improvement Authority Fund \$0

Sec. 2.11**ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$1,000	
Other Revenue	0	
Total Revenues		1,000

OTHER FINANCING SOURCES

Transfer from General Fund	21,000	
Total Other Financing Sources		21,000

Total Revenues & Other Financing Sources \$22,000

EXPENDITURES

Miscellaneous	\$22,000
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Total Economic Development Corporation Fund \$22,000

Sec. 2.12**BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$5,300	
Property Taxes	54,760	
Charges for Services	1,000	
Other Revenue	10	
Total Revenues		61,070

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources \$61,070

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Miscellaneous	\$18,770	
Total Expenditures		18,770

OTHER FINANCING USES

Transfer to General Fund	42,300	
Total Other Financing Uses		42,300

Total Brownfield Redevelopment Authority Fund \$61,070

Sec. 2.13

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Property Taxes	\$41,370	
Other Revenue	<u>186,190</u>	
Total Revenues		227,560

OTHER FINANCING SOURCES

Transfer from General Fund	<u>12,930</u>	
Total Other Financing Sources		<u>12,930</u>

Total Revenues & Other Financing Sources **\$240,490**

EXPENDITURES

Incubator Operations	\$216,190
BAE Reimbursement	<u>24,300</u>

Total Local Development Finance Authority Fund **\$240,490**

Sec. 2.14

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net Drain Tax Revenue	\$1,187,150	
Delinquents & Penalties	4,800	
Other Revenue	<u>3,000</u>	
Total Revenues		1,194,950

OTHER FINANCING SOURCES

Bond Proceeds – Refunding	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$1,194,950**

and does hereby designate \$1,207,150 to be raised by 0.2735 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	\$8,140
Principal	1,025,000
Interest	<u>161,810</u>

Total Drain Fund **\$1,194,950**

Sec. 2.15**VOTED TAX GENERAL OBLIGATION DEBT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Delinquents & Penalties	\$1,300	
Other Revenue	1,000	
Net Proposal F Tax Revenue	<u>352,050</u>	
Total Revenues		354,350

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$354,350**

and does hereby designate \$359,050 to be raised by 0.0813 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for public improvement debt service as authorized by the electors of the City in approving Proposal F in 2006.

EXPENDITURES

Proposal R Expenditures	\$2,000
Proposal F Expenditures	<u>352,350</u>

Total Voted Tax General Obligation Debt Fund **\$354,350**

Sec. 2.16**ROAD BOND DEBT RETIREMENT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Special Assessment Revenue	\$149,200	
Interest Income	134,410	
Federal Interest Rebates	<u>36,440</u>	
Total Revenues		320,050

OTHER FINANCING SOURCES

Transfer from Major Road Fund	<u>2,300,000</u>	
Total Other Financing Sources		<u>2,300,000</u>

Total Revenues & Other Financing Sources **\$2,620,050**

EXPENDITURES

Principal	\$1,940,000
Interest	638,010
Other Fees	1,850
Contribution to Fund Balance	<u>40,190</u>

Total Road Bond Debt Retirement Fund **\$2,620,050**

Sec. 2.17

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	\$0	
Total Revenues		0

OTHER FINANCING SOURCES

Transfer from General Fund	608,680	
Total Other Financing Sources		608,680

Total Revenues & Other Financing Sources		<u>\$608,680</u>
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EXPENDITURES

Principal	\$495,000
Interest	113,290
Other Fees	390

Total Limited Tax General Obligation Debt Fund	<u>\$608,680</u>
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Sec. 2.18

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$608,480	
Other Revenue	471,520	
Total Revenues		1,080,000

OTHER FINANCING SOURCES

Transfer from General Fund	317,060	
Total Other Financing Sources		317,060

Total Revenues & Other Financing Sources		<u>\$1,397,060</u>
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EXPENDITURES

Capital Equipment	\$110,500
Capital Vehicles	736,560
Capital Projects	550,000

Total Capital Projects Fund	<u>\$1,397,060</u>
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Sec. 2.19

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$324,000	
Other Revenue	1,000	
Total Revenues		325,000

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources		<u>\$325,000</u>
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EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Construction	\$325,000	
Total Expenditures		325,000

OTHER FINANCING USES

Transfer to Major Road Fund	0	
Total Other Financing Uses		0

Total Road Bond Construction Fund		<u>\$325,000</u>
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ARTICLE III

The City Council adopts the following fee schedule for public records and services provided by the City of Sterling Heights for the fiscal year July 1, 2011 through June 30, 2012. 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.....	500.00
Lot Combinations.....	400.00
Processing Labels (per page)	1.10
Resident Field Sheet Fee.....	1.00
Apartment Listing (Names/Sidwells/Assessments).....	50.00
Shopping Center List.....	50.00
Section or Subdivision Listing (per page).....	0.80
Assessing, Board of Review, & Sales Information (first page).....	1.80
Additional Pages	0.30
Plat Map	115.00
Custom Assessment Information Report.....	40.00
IFEC Extension Application Fee	525.00
IFEC Request for Extension to Complete Project Application Fee	525.00
IFEC Request for Revision of Final Project Cost Application Fee	525.00
Application to Establish a Speculative Building Designation Fee.....	525.00
Tax Hardship Income Limits:	
1 Person	17,115.00
2 Person	19,565.00
3 Person	22,015.00
4 Person	24,430.00
5 Person	26,390.00
6 Person	29,500.00
7 Person	33,300.00

8 Person	37,000.00
Each Additional Person.....	3,700.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit.....	34.00
Fence Permit – Masonry, Separation.....	51.00
Board of Code Appeals	207.00
Board of Ordinance Appeals	207.00
Overtime Inspections, Each Hour (4 hour minimum)	81.00
Special Inspections, Each Trade (Residential)	47.00
Special Inspections, Each Trade (Commercial)	67.00
Building Code Publication.....	Cost + 11.00 Administration fee
Building Moving Permit	270.00
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third or Subsequent Repeat Offenses	1,500.00

Electrical Work

Application Fee (Non-refundable)	32.00
Permit fee (minimum).....	44.00
Electrical Contractor's Registration.....	22.00
Fire Alarm Contractor's Registration	22.00
Sign Contractor's Registration	22.00
Furnace Wiring	23.00
Circuits: Each (new or extended)	17.00
Fixtures: Each 25	17.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	23.00
Each 11 to 30 HP.....	28.00
Each 31 to 50 HP.....	33.00
Each 51 to 60 HP.....	39.00
Each 61 and over	52.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less).....	46.00
Refrigeration Units:	
Air Conditioning (residential).....	23.00
Interruptible Service	23.00
Air Conditioning (commercial):	
Up to 5 Tons.....	28.00
5 to 40 Tons.....	46.00
Over 40 Tons	69.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type	23.00
Swimming Pools/Hot Tubs (all)	51.00
Service (Lights, Heat, and Power):	
100 Ampere or less.....	23.00
101 to 500 Ampere.....	33.00
501 to 900 Ampere.....	46.00
900 Ampere or more.....	57.00
Signs: Sign Circuit	39.00
Sign Tag Inspection.....	59.00
Sign Connection.....	64.00
General Repair & Alterations (per hour or fraction thereof)	53.00
Generator Connection	46.00

Motion Picture Apparatus	46.00
Special Inspections not specifically covered:	
Festivals	118.00
Carnivals	118.00
Circuses	118.00
Shop Inspection	68.00
Theatrical Road Show	68.00
Christmas Tree Lot	68.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.	61.00
Over 100,000 to 200,000 sq. ft.	114.00
Over 200,000 to 300,000 sq. ft.	135.00
Over 300,000 to 400,000 sq. ft.	200.00
Over 400,000 sq. ft.	265.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet	68.00
Mobile Home and Trailer Park Inspections (minimum)	47.00
Fire Alarm Inspection (minimum)	65.00
Plan Review Fee	88.00
Manual Pull Station	10.00
A/V, Strobe, Voice Speaker	10.00
Water Flow/Tamper Switch	10.00
Heat or Smoke Detector	10.00
Flame, Duct Detector	10.00
Auxiliary Panel	10.00
Electric Door Release	10.00
Elevator Recall Status	10.00
Fire Alarm Circuit	16.00
Alterations to existing system	53.00
Reinspection Fee	53.00
Miscellaneous Fire Alarm Fee	53.00
Plumbing Work	
Application Fee (Non-refundable)	36.00
Permit Fee (minimum)	44.00
Plumber's Registration	1.00
Journeyman Plumber's Registration	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum)	44.00
New Stack or Stack Alteration	14.00
Air Admittance Valve	14.00
Roof conductor	14.00
Sump or interceptor	14.00
Backflow preventor	14.00
Pump or Water Lift	14.00
Hose connection (sillcocks)	14.00
Water treatment device	14.00
Water closets	14.00
Shower traps	14.00
Baths	14.00
Water heater	28.00
Sinks (any description)	14.00
Lavatories	14.00
Laundry trays	14.00
Floor drains	14.00
Ice Maker	14.00
Back Water Valve	14.00
Thermal Expansion Tank	14.00
Bidet	14.00

Dental Chair	14.00
Grease or Oil Interceptor.....	14.00
Drinking fountains.....	14.00
Soda fountains/bars.....	14.00
Waste opening.....	14.00
Humidifiers	14.00
Food waste grinders	14.00
Dishwashers	14.00
Urinals	14.00
Whirlpools.....	33.00
Lawn Sprinkler Systems.....	39.00
All other fixtures not mentioned.....	14.00
Reinspection Fee.....	53.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum)	28.00
Each additional	14.00
Building Sewer Connection – sump connection	46.00
Drains:	
Storm drains to catch basin for main storm sewer.....	265.00
Lines less than 4" in diameter.....	24.00
Lines less than 6" in diameter.....	29.00
Lines less than 8" in diameter.....	40.00
Lines less than 10" in diameter	53.00
Lines less than 12" in diameter	68.00
Lines less than 14" in diameter	80.00
Lines less than 16" in diameter	94.00
Lines less than 18" in diameter	108.00
Lines exceeding 18" in diameter (per inch).....	12.00
Water Distribution System:	
3/4"	18.00
1"	29.00
1 1/4"	34.00
1 1/2"	47.00
2"	61.00
2 1/2"	87.00
3"	100.00
4"	114.00
Exceeding 4"	134.00
Replace piping, no increase in size.....	34.00
Mechanical Work	
Application Fee (Non-refundable)	32.00
Permit Fee (minimum).....	44.00
License/Registration.....	19.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000.....	46.00
75,001 to 500,000	52.00
500,001 – 1,000,000	91.00
1,000,001 – 2,000,000.....	104.00
2,000,001 – 3,000,000.....	129.00
over 3,000,000.....	156.00
Duct Work.....	46.00
Gas Piping:	
Mains up to 2"	39.00
Mains 2 1/2" to 4"	52.00
Mains over 4"	65.00
Each Opening off of Main	12.00

Factory Built Chimneys:	
Up to 8"	17.00
9" to 12"	28.00
Over 12"	39.00
Pre-Fab Fireplace	52.00
Flue Liner	33.00
Exhaust Fans:	
Up to 400 cfm	12.00
401 cfm to 1,000 cfm	17.00
1,001 cfm to 4,000 cfm	28.00
Over 4,000 cfm	39.00
Dryer Vents.	17.00
Kitchen Hood and Duct (UL300/FM200)	47.00
Spray Booth Hood and Duct	47.00
Alterations to existing installations	53.00
Reinspection Fee	53.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each	39.00
Over 2 to 5 Tons, each	46.00
Alterations to each system	53.00
Remote Systems:	
5 Tons or Less, each	46.00
Over 5 to 50 Tons, each	65.00
Over 50 Tons, each	104.00
Alterations to each system	53.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter	40.00
Riser pipe up to 6" diameter	68.00
Riser pipe up to 8" diameter	94.00
Riser pipe 8" or more diameter	200.00
Each suppression opening (each head of the system)	3.00
Alteration to existing system	53.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons	46.00
Tanks under 5,000 Gallons	59.00
Tanks under 20,000 Gallons	77.00
Tanks under 50,000 Gallons	91.00
Tanks under 200,000 Gallons	104.00
Tanks over 200,000 Gallons	194.00

Buildings

Application Fee (Non-refundable)	32.00
Plan Review Deposits (Non-refundable):	
Single Family Residential	500.00
Commercial Alteration	200.00
New Commercial/Industrial Building	1,000.00
Commercial/Industrial Addition	500.00
Building Permit Fees (all use groups):	
Valuation to \$1,000	52.00
Valuation \$1,001 to \$10,000	52.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000	217.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000	910.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over	3,950.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained)	470.00
Multi-Family Bond (5% Retained)	700.00
Commercial Bond (5% Retained)	1,410.00
Industrial Bond (5% Retained)	2,810.00
Mobile Homes	136.00

Plan Review Fee:	
Valuation \$0 - \$500,000	0.0040 of valuation but not less than 100.00
Valuation over \$500,000.....	2,280.00 + 0.0015 of valuation over 500,000.00
Plan Review: If Plan Number is on File	100.00
Miscellaneous Plan Review	61.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs)	61.00
Pigeon Loft Inspection.....	61.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner	32.00
Use Permit (tenant space)	87.00
Fire Repair.....	199.00
Fire Inspection Fee (New City Businesses)	82.00
Reinspection Fee.....	53.00
Demolition:	
Plan review and administration base fee.....	61.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground.....	65.00
Below Ground	129.00
Signs:	
Application Fee (non-refundable)	32.00
Plan Review Fee.....	61.00
Permanent	134.00
Temporary	61.00
Contractor Registration Fee.....	22.00
Residential Basement Finish.....	193.00
Residential Interior Finish	193.00
Minor Commercial Alterations under 400 sq. ft.	200.00

Code Enforcement

Nuisance Abatement Administrative Fee	25%
Nuisance Abatement Agreement Execution Fee	Attorney Fee + 25%
Sidewalk Snow Removal Fee.....	Cost + 25% +33.00
Claimed Signs:	
16 sq. ft. or less.....	4.00 each
17 – 31 sq. ft.	22.00 each
32 sq. ft. and over.....	109.00 each
Special Code Enforcement Inspection	33.00
Municipal Civil Infraction (Residential Parking and Signs):	
Each Violation.....	100.00
First Repeat Offense.....	250.00
Second and Subsequent Repeat Offenses	500.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:	
Types A & B	870.00 + 57.00 per device
Renewal Fee	176.00 + 32.00 per device
Type C.....	870.00
Renewal Fee	177.00
Attorney Services.....	Attorney fees & costs
Auction Sales License (per day)	25.00
Auctioneer License.....	52.00
Business Registry License	42.00
Carnival/Festival License.....	69.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License.....	60.00 + 6.00 each additional machine
Death and Birth Certificate.....	20.00
Additional Copies	8.00

Dog License:

January 1 to March 31 (renewal or newly acquired dog):	
Neutered/Spayed	7.00
Non-Neutered/Spayed	20.00
April 1 to October 31 (newly acquired dog):	
Neutered/Spayed	7.00
Non-Neutered/Spayed	20.00
November 1 to December 31 (newly acquired dog):	
Neutered/Spayed	3.50
Non-Neutered/Spayed	10.00
Additional Late Fee (renewal after March 31 or registering any new dog later than 30 days after acquisition)	10.00
Potentially Dangerous Dog License Fee	50.00
Replacement Dog Tag	1.75
Fire Inspection Fee (new City businesses – charged by Building)	82.00
Going Out of Business Sales License	50.00
Renewal Fee	50.00
House Moving License	69.00
Industrial Development District Filing Fee	1,000.00
Industrial Facilities Exemption Certificate Filing Fee	1,800.00
Industrial Facilities Exemption Certificate Application Amendment Fee	1,000.00
Industrial Facilities Exemption Certificate Transfer Fee	1,000.00
Junk Yard License	251.00
Landscaper License (Non-resident)	62.00
Mobile Vending License	172.00
Passport Processing Fee	25.00
Pawnbroker License	500.00
Refuse Collection License	90.00 + 7.00 each truck
Snow Removal License	176.00
Solicitor/Peddler License	114.00
Tattoo Permit	520.00
Taxi License (annual fee)	88.00 + 12.00 per vehicle
Temporary Use Vendor License	45.00
Wrecker Driver License (Towing Contractor)	111.00
Renewal Fee Wrecker Driver License (Towing Contractor)	56.00
Massage Establishment License	597.00
Renewal Fee Massage Establishment License	299.00
Each Massologist	232.00
Renewal Fee Each Massologist	46.00
Precinct Map	7.10
City Street Map	4.50
Zoning Map	5.70
City Budget	48.00
Municipal Improvement Program	28.00
City Financial Audit	28.00
Collective Bargaining Agreement	5.60
Election Results	8.70
Voter and Business Registry Labels (per page)	1.10
Voter and Business Registry Lists (per computer hour)	Payroll + 0.05/page
Magnetic Voter Tape	105.00
with own tape	65.00
Voter Data Diskette	25.00
Liquor License: Class C	1,890.00
Tavern	1,890.00
SDD & SDM	1,890.00
Entertainment and/or Dance Permit	1,890.00
Extended Hours Permit	1,890.00
Shareholder Partial Transfer	940.00
Temporary Liquor License Application Fee	30.00
Outdoor Service Permit	235.00

Hotel/Motel License.....	1,890.00
Renewal Fee Hotel/Motel License	940.00
Certifications	4.60
Photo Copies	1.80
Additional Pages	0.30
Microfilm Copies (per page)	5.00
Recording Fee (formerly Encroachment Fee)	40.00
Notary Fee	10.00
Audio Tape Recordings (prepay minimum)	17.00
Fireworks Display Permit	660.00
Close Proximity Pyrotechnic Display Permit	660.00
Sterlingfest Art Fair Applications	210.00
Double Booth Fee	395.00
Corner Booth Additional Charge	30.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable).....	15.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors	610.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs.....	1,380.00
Sterlingfest Beer Tent Cover Charge (Adult 21 & Over)	2.00
VHS Tape Dubs	32.00
DVD Dubs	
Resident.....	22.00
Non-Resident.....	32.00
Gazebo Rental (per event):	
Resident.....	54.00
Non-Resident.....	82.00
Gazebo Rental for Photographs Only (per 1 hour rental):	
Resident.....	28.00
Non-Resident.....	41.00
Upton House Rental – (per 4 hour rental):	
Resident.....	54.00
Non-Resident.....	82.00
SHTV Sports Programming Sponsorship Fees (City businesses, residents, or service clubs):	
One Quarter (Football)	79.00
One Half (Football, Basketball, Soccer)	104.00
One Inning (Baseball/Softball)	27.00
Entire Game.....	156.00
SHTV Non-Sports Programming Sponsorship Fees (City businesses, residents, or service clubs):	
Half-hour Program.....	79.00
One hour Program.....	131.00
Sterling Heights Magazine Advertisement Fees:	
Full Page Ad (Full Color)	1,400.00
Full Page Ad (Two Color).....	1,200.00
One-Half Page Ad (Full Color).....	800.00
One-Half Page Ad (Two Color)	700.00
One-Fourth Page Ad (Full Color)	450.00
One-Fourth Page Ad (Two Color).....	400.00
Business Card Ad (Full Color).....	300.00
Business Card Ad (Two Color)	250.00
Name & Phone Number Ad.....	100.00
Environmental Recovery Fee	Cost + 25% Administrative Fee
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction (Failure to Comply with Owner/Keeper of a Potentially Dangerous Dog Requirements):	
First Violation.....	500.00
First Repeat Offense.....	750.00
Second and Subsequent Repeat Offenses	1,000.00

First Violation.....	500.00
First Repeat Offense.....	750.00
Second and Subsequent Repeat Offenses.....	1,000.00
Reduced Fee if Licensed Prior to Court Appearance.....	150.00

ECONOMIC DEVELOPMENT OFFICE:

Application Fee (one-time up front).....	500.00
Tax Increment Plan Annual Administrative Fee	2,500.00
Brownfield Tax Credits (one-time).....	2,500.00
Permit Revision Review Fee.....	94.00
Public Services Agreement Execution Fee.....	29.00
Recording Fee	40.00
Attorney Review Fee for Liens or Discharges.....	71.00
Subordination of Lien	260.00
Water & Sewer Debt Service Agreement Finance Charge	20%

ENGINEERING OFFICE:

Site Plan	387.00+65 per acre + 1.3% of site improvement costs
Multiple Developments.....	387.00+65 per acre + 1.3% of site improvement costs
Cluster Developments	387.00+65 per acre + 1.3% of site improvement costs
Site Condominiums.....	387.00+65-per acre + 1.3% of site improvement costs
Subdivisions.....	1.3% of estimated site improvement costs
Plan Revision Review Fee	82.00

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

Review Fees – Public Improvements.....	1.3% of construction cost (\$50 minimum)
Review Fees – Privately Owned Facility.....	\$0.05/linear foot (\$50 minimum)
Inspection	Payroll +180%

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%

Building Number Assignments (per address)	18.00
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S.E.S.C. Review Fee for:	
Commercial, Industrial, Multi-Family, Subdivision	¼ of 1% of first \$500,000.00
.....	+1/8 of 1% over \$500,000.00 (50.00 minimum)
Single-Family Residential House	64.00
Underground Private Utility	0.05 linear foot (50.00 minimum)
S.E.S.C. Inspection Fees	Payroll + 180%
S.E.S.C. Inspection by Consultant	Consultant fee +25%
S.E.S.C. Permit Renewal Fee (\$50 min.)	10% of Permit Fee
Document Copying for:	
24" x 36" Prints (Xerox 2510 or blue-line)	7.50 each
34" x 34" Prints (Xerox 2510 or blue-line)	7.50 each
Larger than 34" x 34" (Xerox 2510 or blue-line)	7.50 each
Detail Sheets (Mylar)	8.30 each
Topographic Map 36" x 36" (blue-line)	38.00 each
Planimetric Map 36" x 36" (blue-line)	21.00 each
Overall Watermain Map (blue-line)	7.50 each
Overall Sanitary Sewer Map (blue-line)	7.50 each
Overall Storm Sewer Map (blue-line)	7.50 each
Master Storm Sewer Plan (book form)	45.00 each
Master Watermain Plan (book form)	33.00 each
Master Sanitary Sewer Plan (book form)	33.00 each
Master Road Plan (book form) 1998 HRC	45.00 each
Municipal Civil Infraction for Various Soil Erosion and Sedimentation Control Regulations:	
First and Subsequent Repeat Offenses	750.00
Municipal Civil Infraction for Unabated Knowing Violations of City Code Chapter 17:	
Each Violation	5,000.00
First Repeat Offense	7,500.00
Second and Subsequent Repeat Offenses	10,000.00
Municipal Civil Infraction for Unabated Knowing Violations After a Notice of Determination:	
Each Violation	10,000.00
First Repeat Offense	15,000.00
Second and Subsequent Repeat Offenses	20,000.00
* Class 1 projects include drain enclosures, channel improvements, sanitary sewer, water main, and pavement overlay.	
** Class 2 projects include new road construction or reconstruction, bridges, pumping stations, etc.	

Sec. 3.06

FIRE DEPARTMENT:

Fire Reports: First Page	9.00
Additional Pages	1.00
Digital Photographs:	
5" x 7" Color Print	28.00
8" x 10" Color Print	28.00
8" x 10" Contact Sheet	28.00
Compact Disc	15.00
Burning Permit	180.00
Fireworks Sales Permit	660.00
Fireworks Display Permit	660.00
Close Proximity Pyrotechnic Display Permit	660.00
Board of Code Appeals	220.00
Witnessed Acceptance Test Fee	155.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	712.00
Each additional hour	238.00
Reinspection Fee for Witnessed Acceptance Test	155.00
Phase I Site Inspection (1 hour minimum)	55.00+31 per hour

Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)	
Each Inspection	167.00
Each Re-Inspection	167.00
Off-Hour Inspection (3 hour minimum)	238.00
Each Additional Hour	70.00
Off-Hour Re-Inspection (3 hour minimum)	238.00
Each Additional Hour	70.00
Plan Review Fee	88.00
Heart Saver (CPR) Program Fee	43.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Reinspection Fees:	
First Reinspection	No Fee
Second and Subsequent Reinspections	104.00
False Alarm Fees: (within a 12 month period)	
First Response	No Fee
Second Response	130.00
Third Response	290.00
Fourth and Subsequent Responses	590.00
Municipal Civil Infraction:	
First Office Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00

Sec. 3.07

PARKS & RECREATION:

Pavilion Rental:	
Weekday (Resident)	58.00
(Non-Resident)	87.00
Weekend (Resident)	81.00
(Non-Resident)	122.00
Nature Center Classes:	
School Field Trips (Sterling Heights Schools)	26.00
(Non-Sterling Heights Schools per class)	39.00
Children's Nature Classes (Resident)	6.00
(Non-Resident)	9.00
Scout Badge Classes (Resident)	7.00
(Non-Resident)	10.00
Birthday Parties (Resident)	110.00
(Non-Resident)	165.00
Parent & Tot Classes:	
1 Child Per Family (Resident)	46.00
(Non-Resident)	69.00
2 Children Per Family (Resident)	51.00
(Non-Resident)	77.00
Summer Playground:	
Resident	90.00
Non-Resident	135.00
Field Trip Bus Fee (Per Person)	7.50
Instructional Swim Classes:	
Resident	58.00
Non-Resident	87.00

Tennis Classes:	
Resident.....	50.00
Non-Resident.....	75.00
Tennis League:	
Resident.....	17.00
Non-Resident.....	26.00
Three Mile Run:	
Pre-Registered 16 years old and younger (Resident)	17.00
(Non-Resident).....	26.00
Pre-Registered 17 years old and older (Resident).....	19.00
(Non-Resident)	29.00
Race Day Registration	Add \$5.00 fee to above
Golf Tournament:	
Youth (Resident).....	11.50
(Non-Resident).....	17.00
Golf League:	
Resident.....	43.00
Non-Resident.....	65.00
Special Recreation Dances:	
Pre-Registered (Resident)	6.50
(Non-Resident)	9.75
Registration at the Door (Resident).....	8.50
(Non-Resident)	12.75
Staff Registration.....	1.00
Prom Dance – Individual (Resident).....	16.50
(Non-Resident)	24.75
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident).....	141.00
(Non-Resident)	212.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident).....	239.00
(Non-Resident)	359.00
Mentally Impaired (M.I.) – Individual (Resident).....	141.00
(Non-Resident)	212.00
Mentally Impaired (M.I.) – Family (Resident).....	239.00
(Non-Resident)	359.00
Special Recreation:	
Early On Parent & Tot (Resident)	28.00
(Non-Resident)	42.00
Crafts (Resident)	8.50
(Non-Resident)	12.75
Creative Cooking (Resident)	8.50
(Non-Resident)	12.75
Martial Arts (Resident)	154.00
(Non-Resident)	231.00
Line Dance Exercise (Resident)	40.00
(Non-Resident)	60.00
Children’s Line Dance (Resident)	28.00
(Non-Resident)	42.00
Softball – Individual (Resident).....	56.00
(Non-Resident)	84.00
Softball – Family (Resident).....	97.00
(Non-Resident)	146.00
Fitness Classes:	
Resident.....	46.00
Non-Resident.....	69.00
Coffeehouse Tickets:	
Advance Tickets (Resident)	13.00
(Non-Resident)	19.00
Subscription (Resident)	12.00
(Non-Resident)	18.00

At the Door Sales (Resident)	14.00
(Non-Resident)	21.00
Co-Ed Volleyball:	
Resident	41.00
Non-Resident	62.00
Men's Gym:	
Resident	41.00
Non-Resident	62.00
Golf Lessons – Adult:	
Resident	57.00
Non-Resident	86.00
Senior Boys Basketball	510.00
Men's Softball	803.00
Co-ed Softball	529.00
Women's Softball	529.00
Ball Field Rental Fees – Seasonal:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams	350.00
All Other Users	375.00
All Users – Lighted Fields Additional Fee (per day)	61.00
All Other Parks (per field per day):	
MABF Teams/Church Teams	250.00
All Other Users	275.00
Ball Field Rental Fees – Daily:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams	62.00
All Other Users	72.00
All Users – Lighted Fields Additional Fee (per day)	61.00
All Other Parks (per field per day):	
MABF Teams/Church Teams	42.00
All Other Users	52.00
Ball Field Request to Groom/Stripe Additional Fee	Cost + 25%
Soccer Field Rental Fees (per field per season):	
AYSO	1,560.00
Other Clubs:	
Seasonal 1-3 days/week	520.00
Seasonal 4-7 days/week	780.00
Camp/Other	
Weekly (one week only)	183.00
Daily	79.00
Sand Volleyball League	208.00
Teenfest:	
Resident	2.00
Non-Resident	3.00
Treasure Hunters Market:	
Resident	22.00
Non-Resident	33.00
Snowmobile Safety (Resident)	14.00
(Non-Resident)	21.00
Gymnastics:	
One-half Hour Class (Resident)	41.00
(Non-Resident)	62.00
One Hour Class (Resident)	51.00
(Non-Resident)	77.00
Dance:	
Fall Session (Resident)	48.00
(Non-Resident)	72.00
Winter/Spring Session (Resident)	75.00
(Non-Resident)	113.00

Senior Center Activities:

Birthday Party (Resident).....	6.00
(Non-Resident)	9.00
Dance (Resident)	17.00
(Non-Resident).....	26.00
Exercise (Resident).....	5.00
(Non-Resident)	7.00
Golf League (Resident).....	14.00
(Non-Resident)	21.00
Line Dance (Resident).....	5.50
(Non-Resident).....	8.25
Movie (Resident).....	2.00
(Non-Resident).....	3.00
Painting (Resident)	9.50
(Non-Resident)	14.25
Senior News Subscription per year (Resident).....	12.50
(Non-Resident)	19.00
Softball Player Fee (Resident)	30.00
(Non-Resident).....	45.00
Stained Glass Class (Resident)	6.50
(Non-Resident).....	9.75
Tai Chi (Resident)	5.50
(Non-Resident)	8.25
Volleyball Player Fee (Resident).....	30.00
(Non-Resident)	45.00
Yoga (Resident).....	7.50
(Non-Resident).....	11.25

Senior Bus Trip:

1 day (Resident)	6.50
(Non-Resident)	9.75
3-5 days (Resident)	13.00
(Non-Resident).....	19.50
Extended (Resident).....	29.00
(Non-Resident).....	43.50

Senior Activity Fee - per day (Resident)	0.25
(Non-Resident).....	0.50

Senior Center Gymnasium Activities:

Men's Drop-in Basketball Program (Resident)	49.00
(Non-Resident)	74.00
Co-ed Volleyball (Resident)	23.00
(Non-Resident).....	35.00
Co-ed Pickleball (Resident).....	23.00
(Non-Resident).....	35.00
Badminton (Resident)	23.00
(Non-Resident)	35.00
Open Basketball (Resident)	26.00
(Non-Resident).....	39.00
Track Usage Fee – After Hours (Resident).....	1.50
(Non-Resident)	2.25
Gymnasium Usage Fee – After Hours (Resident)	5.75
(Non-Resident).....	8.50

Parks and Recreation Plan.....	7.75
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Sec. 3.08**PLANNING:**

Special Approval Land Use	518.00
Temporary Use	379.00
Administrative Review	235.00

Variances to Subdivision Regulations	379.00
Right-of-Way Vacations	570.00
Rezoning Petition:	
First Acre	1,620.00
Additional Acre	63.00
Public Hearing Postponements (Petitioner Requested)	42.00
Ordinance Text Amendment	1,620.00
Subdivision Plat	1,275.00
Each lot over 100 lots	8.40
Subdivision Open Space and One-Family Cluster Development	705.00
Tree Preservation – Site Plans and Plats	805.00
Tree Preservation – Single Family Lot (less than one acre)	170.00
Tree Preservation Administrative Fee	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection)	Payroll + 175%
No Tree Affidavit	114.00
Site Plan Review:	
First Acre	387.00
Additional Acre	65.00
Site Plan Review by Planning Commission:	
First Acre	519.00
Additional Acre	65.00
As Built Revisions	228.00
Master Land Use Report	35.00
Master Land Use Map	11.40
Subdivision Plat Print (per sheet)	11.40
Zoning Board of Appeals:	
Regular Meeting	380.00
Special Meeting	765.00
Zoning Compliance Letter	57.00
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	9.00
Additional Pages	1.00
Clearance Letter	15.00
Noncriminal Fingerprint Card	21.00
Photos:	
8" x 10" Color	28.00
5" x 7" Color	28.00
8" x 10" Contact Sheet	28.00
Compact Disc	15.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	19.00
Reports on TR-52 Tracking	24.00
Administration and Presence at Auction	540.00
Audio Tape Duplication Fee	39.00
Video Tape, DVD, CD Duplication Fee	43.00
Animal Give-up Fee	65.00
Animal Impoundment Fee (Released from Station)	27.00
Animal Impoundment Fee (Taken to County)	65.00
Animal Trap Rental Fee (per 5 days)	26.00

Animal 10-Day Quarantine Fee	145.00
Bail Bond Arrest Warrant Fee	10.00
Personal Breathalyzer Test (PBT).....	20.00
Booking Photo	9.00
Notary Fee for Gun Permits	10.00
Park Alcohol Permit Fee	30.00
Vehicle Inspection Fee.....	31.00
Requested Police Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Towed Vehicle Impound Fee	25.00
Correctable Traffic Violation.....	10.00
Warrant Fee (SHPD Warrants)	10.00
False Alarm Fees: (within a 12 month period)	
First Response	No fee
Second Response.....	No fee
Third Response (Residential)	31.00
Third Response (Non-Residential)	90.00
Fourth Response (Residential)	61.00
Fourth Response (Non-Residential)	183.00
Fifth and Subsequent Responses (Residential).....	119.00
Fifth and Subsequent Responses (Non-Residential)	361.00
Municipal Civil Infraction (including Animal Control Regulations):	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation.....	75.00
First Repeat Offense.....	100.00
Second and Subsequent Repeat Offenses	125.00
Municipal Civil Infraction for Youth Curfew Violations:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses	100.00
Municipal Civil Infraction for Violation of Bicycle Regulations (City Parks):	
Each Violation.....	10.00
First Repeat Offense.....	25.00
Second and Subsequent Repeat Offenses	50.00

Sec. 3.10

PUBLIC LIBRARY:

Overdue fines (per day):	
Hardcover Books (maximum \$15.00)	0.25
Paperback Books (maximum \$5.00).....	0.25
Magazines (maximum \$5.00)	0.25
Audios (maximum \$15.00)	0.25
Compact Discs (maximum \$15.00).....	0.25
Videocassettes (maximum \$15.00)	0.25
Computer CD Software (maximum \$15.00).....	0.25
DVD's (maximum \$15.00)	0.25
Replacement Library Card.....	3.00
Suburban Library Cooperative Non-Resident Library Card	200.00
Copy/Print System Card	0.50
Black & White Copy/Computer Print.....	0.10
Color Copy/Computer Print.....	1.00
Microfilm/Microfiche Print (per copy).....	0.20
Internet Use Without Library Card (per day)	3.00

Municipal Civil Infraction:	
Each Violation.....	75.00
First Repeat Offense.....	150.00
Second or Subsequent Repeat Offenses.....	300.00

Sec. 3.11

PUBLIC WORKS DEPARTMENT:

Sewer Inspection	94.00
Sewer Tap	1,030.00
Sewer Capital/Unit	
Residential	765.00
Commercial/Industrial (per 1,000 sq. ft.)	385.00
Sewer Frontage (per front ft.)	64.00
Sewage Disposal Service Only (per billing)	50.00
Residential and Commercial Water Meters:	
¾" Remote	365.00
1" Remote	410.00
1 ½" Remote	705.00
2" Compound Remote	1,820.00
3" Compound Remote	3,210.00
4" Compound Remote	4,230.00
6" Compound Remote	6,690.00
Double Check Detector Assembly with Meter:	
3"	1,790.00
4"	1,880.00
6"	2,700.00
8"	4,890.00
10"	7,140.00
Water Inspection	94.00
Water Tap	
1"	970.00
1 ½"	1,330.00
2"	1,560.00
3"	3,120.00
4"	3,370.00
6"	3,850.00
Additional Charge for 86 ft. wide street:	
1"	300.00
1 ½"	350.00
2"	490.00
Additional Charge for 120 ft. wide street:	
1"	620.00
1 ½"	790.00
2"	1,030.00
Additional Charge for 204 ft. wide street:	1,440.00
1"	1,470.00
1 ½"	1,860.00
2"	2,650.00
Water Capital/Unit:	
Residential	600.00
Commercial/Industrial (per 1,000 sq. ft.)	310.00
Water Frontage (per front ft.)	35.00
Monitor Surcharge	per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee	46.00
Water Service Fee (avoidable & repeat visits)	46.00
Water Service Abandonment Fee	420.00
Sewer Service Abandonment Fee	94.00
Water Service Re-Use Fee	228.00

Sewer Service Re-Use Fee.....	94.00
Water Meter Testing Fee.....	44.00
Water Meter Rescheduling Fee	46.00
Automatic Fixed Network Meter Read Permit.....	156.00
Final Water Meter Read	30.00
Final Water & Sewer Bill Preparation Fee.....	12.00
Citizen Water Service Request – after hours.....	54.00
Water Meter Removal/Reinstallation for common area irrigation system	175.00
Landlord/Tenant Affidavit Filing Fee	130.00
Fire Hydrant Rental – Payable by City.....	23.00
Private Use of Fire Hydrant:	
One Hydrant	110.00 per month + 280.00 water usage deposit
More Than One Hydrant.....	220.00 per month + 555.00 water usage deposit
Bypass Inspection Fee.....	Back bill +115.00
Common Area Irrigation System Permit.....	340.00
Planting of tree in right-of-way	185.00
Culvert installation permit	84.00
Ditch enclosure permit.....	84.00
Monitoring well installation permit.....	400.00
Sewer connection to discharge treated ground water	400.00
Cutting of noxious weeds	Contract costs + 60% administrative fee +29.00 fine
Special Pickup/Additional Refuse Collection	Contract costs + 25% administrative fee
Refuse Collection Fees (Schools)	Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes)	Contract costs
.....	+ 5% administrative fee – refuse taxes paid
Debris Removal Fee	Contract Costs + 25% administrative fee
Tree Branch Chipping Fee.....	32.00
Fleet Services Requested by Other Cities	Cost + 30%
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:	
Each Violation.....	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses	100.00
Municipal Civil Infraction for Violation of a Mandatory Water Restriction:	
Each Violation.....	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses	100.00

Sec. 3.12

TREASURY OFFICE:

Bounced Check Fee	30.00
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer).....	17%
Late Payment Penalty	6%
Penalty Assessment on Delinquent Taxes	3%
Attorney Review Fee for Liens or Discharges.....	71.00
Subordination of Lien	260.00
Annual Lien Penalty.....	6% + lien filing costs
O.U.I.L./O.U.I.D.....	310.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.).....	1%
Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2011.

BY ORDER OF CITY COUNCIL

**ADOPTED:
PUBLISHED:
EFFECTIVE:**

A

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BALANCED BUDGET – A budget in which estimated revenues and use of reserves are equal to or greater than estimated expenditures.

BUDGET MESSAGE – A written policy and financial overview of the City as presented by the City Manager.

BUDGETARY CENTER – A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

C

CCW – Carrying of a concealed weapon. Permission for carrying of a concealed weapon is granted through an application process.

CAPITAL OUTLAY – A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$1,000 to be a capital item.

CAPITAL PROJECTS FUND – A fund to account for the development of municipal capital facilities other than those financed by the Enterprise Fund.

COMPENSATED ABSENCE – An absence for which an employee is paid, such as vacation, holiday, or sick leave.

CONTINGENCY – An estimated amount of funds needed for deficiency, contingent or emergency purposes.

D

DPW – Department of Public Works.

DEBT SERVICE FUND – A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

DEFERMENT – A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

DEFICIT – An excess of liabilities and reserves of a fund over its assets.

DEPARTMENTAL MISSION STATEMENT – A mission statement provides the full range of activities that will be used in the results oriented budget format to link the municipal purpose with the financial resources of the department.

DEPRECIATION – The amount of expense charged against earnings by a company to write off the cost of an asset over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.

E

EPA – Environmental Protection Agency.

EFFICIENCY PERFORMANCE INDICATOR – The quantifying of the relationship between input and output.

EFFECTIVENESS PERFORMANCE INDICATOR – The measure of results, accomplishments, or quality of the item or service provided.

ENCUMBRANCE – An anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund.)

EQUALIZATION FACTOR – A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50% of the true cash value of that class.

EXPENDITURE – The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

EXPENDITURE OBJECT – An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other charges, capital outlay, debt service, and transfers out.

F

FOI – Freedom of Information.

FTE – The amount of funding for full-time positions and part-time positions converted to the decimal equivalent of a full-time position (based on 2,080 hours per year, as set by the ICMA Center for Performance Measurement).

FISCAL YEAR – An accounting period of twelve months. The City's fiscal year begins July 1st and ends June 30th.

FIXED ASSETS – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the governmental full accrual statements and recorded as expenditures at the time of purchase.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

FUND ACCOUNTING – The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

FUND BALANCE – The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

G

GAAP – Generally Accepted Accounting Principles. The guiding conventions, rules, and procedures that define accepted accounting practice at a particular time in the United States.

GENERAL FUND – The City's major operating fund to account for all financial resources except those required to be accounted for in another fund.

GROUP A CRIME OFFENSE – A more serious group of crimes such as larceny, robbery, murder, or gambling.

GROUP B CRIME OFFENSE – A less serious group of crimes such as solicitation, trespassing, or disorderly conduct.

I

ICMA – International City/County Management Association.

ICMA CENTER FOR PERFORMANCE MEASUREMENT – Center created to help communities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents.

IFEC – Industrial Facilities Exemption Certificate.

INTERNAL SERVICE FUNDS – Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Included in this category is the Self-Insurance Fund. This Fund was established in 1986 when the City became a participant in the Michigan Municipal Risk Management Authority. Expenses in this Fund include reinsurance charges, administration fees, and claims expenses and reserves for both reported and unreported claims.

L

LIABILITY – A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

LINE ITEM BUDGET – A budget which emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as department, division, or agency levels.

M

MDEQ – Michigan Department of Environmental Quality.

MIP – A multi-year *Municipal Improvement Program* that is developed to plan and guide the needed capital improvements and expenditures in a fiscally sound manner, and to ensure that these improvements are consistent with the goals and policies of the City Council and the City's residents.

MISD – Macomb Intermediate School District.

MITN – Michigan Inter-Governmental Trade Network.

MML – Michigan Municipal League.

MILLAGE RATE – A rate used to determine the amount of annual property tax a property owner must pay. This rate is expressed in mills per dollar or 1/10 cent. Each governing body that levies property taxes sets its own millage rate annually. Property taxes may generally be calculated by multiplying the millage rate by the amount of, or a percentage of, the assessed value. (A mill represents \$1 of tax per \$1,000 of assessed valuation.)

MODIFIED ACCRUAL BASIS – The basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

N

NFIRS – National Fire Incident Reporting System.

NFPA – National Fire Protection Association.

NIMS – National Incident Management System.

NLC – National League of Cities.

NPDES – National Pollution Discharge Elimination System.

O

OPERATING BUDGET – The operating budget is the authorized revenues and expenditures for on-going municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year or less. Personnel costs, supplies, and other charges are found in an operating budget. A capital budget typically has a long term outlook where a project can span a several year period.

OPERATING TRANSFERS – Transfers from a fund receiving revenue to the fund through which the resources are to be expended.

ORDINANCE EMPLOYEE – An employee position which is called for and whose duties are described in the City Charter and who is not a member of a collective bargaining agreement.

OTHER CHARGES – An expenditure object within an activity which includes professional services, utilities, rents, and training for example.

OUIL – Operating Under the Influence of Liquor. The detainment of an individual who is operating, authorizing or knowingly permitting another person to operate a motor vehicle while under the influence of intoxicating liquor or controlled substance, or combination thereof, or with blood alcohol level content of .10% or more.

OUTPUT PERFORMANCE INDICATOR – The measure of quantity or volume of products or service provided.

P

PERFORMANCE INDICATOR – A measurement of how a program is accomplishing its mission through the delivery of products or service. See Output Performance Indicator, Effectiveness Performance Indicator, or Efficiency Performance Indicator.

PERFORMANCE OBJECTIVES – Desired output oriented accomplishments which can be measured within a given time period.

PERSONNEL SERVICES – An expenditure object within an activity, which includes payroll and all fringe benefits.

R

RESULTS ORIENTED BUDGETING – A management concept which links the annual line item budget to departmental results of operations.

REVENUE – An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intra-governmental service funds.

S

SAD – Special Assessment District. A geographic area over which a governing authority has power to levy taxes for specific public uses.

SHINE – Sterling Heights Initiative for Neighborhood Excellence.

SMART – Suburban Mobility Authority for Regional Transportation.

SERVICE STATEMENT – A statement of general and specific service deliveries rendered by an activity for the community.

SINKING FUND – A special reserve account created by a bond issuer. The issuer promises to put money into the account at regular intervals and to use the cash that accumulates to redeem the bonds.

SPECIAL ASSESSMENT – A tax or levy imposed against specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

SPECIAL REVENUE FUND – A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

SUPPLIES – An expenditure object within an activity which includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000.

SURPLUS – An excess of the assets of a fund over its liabilities and reserves.

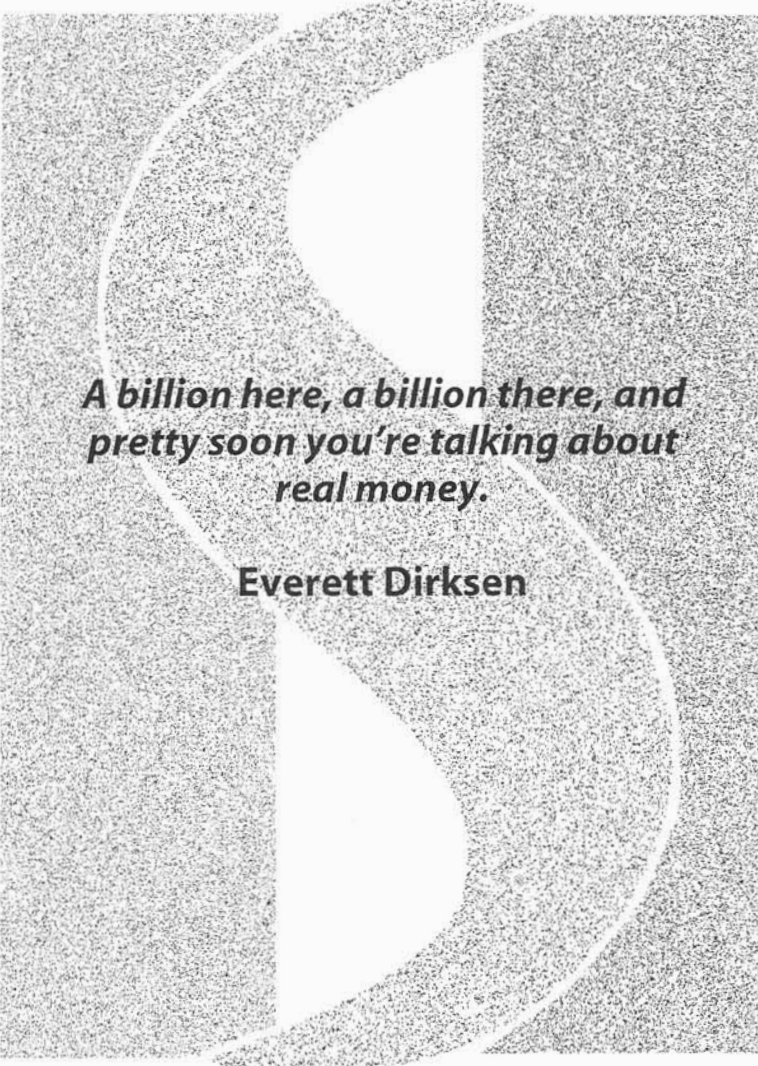
T

TRANSFERS-IN/OUT – A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

TRUST & AGENCY FUND – Trust & Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Retirement Systems and the Agency Funds. The Retirement Systems are accounted for in the same manner as a proprietary fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

W

WATER & SEWER FUND – This enterprise fund accounts for the operation of a combined water and sewer system. The revenues consist of charges for services from City businesses and residences which are used to pay for all water and sewer related expenses.



***A billion here, a billion there, and
pretty soon you're talking about
real money.***

Everett Dirksen

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