Executive Staff

Mark D. Vanderpool	City Manager
Walter C. Blessed	City Clerk/Assistant City Manager
Michael Viazanko	Building Official
Denice Gerstenberg	Business Development Manager
Matthew Schmidt	City Assessor
Jeffrey A. Bahorski	City Attorney
Brent S. Bashaw	City Engineer
Jennifer Varney	City Treasurer
Steve Guitar	Community Relations Director
Tammy L. Turgeon	Community Services/Library Director
Leslie Reinhart	Controller
Kasey Green	Economic Development Manager
Brian S. Baker	Finance & Budget Director
Mike Deprez	Interim Fire Chief
Kelton Winnega	Human Resources Director
Steve Deon	Information Technology Manager
Kyle Langlois	Parks & Recreation Manager
Michael Reese	Police Chief
Salvatore Conigliaro	Public Works Director
Mark Carufel	Purchasing/Risk Manager

City Seal

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

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

city of STERLING HEIGHTS

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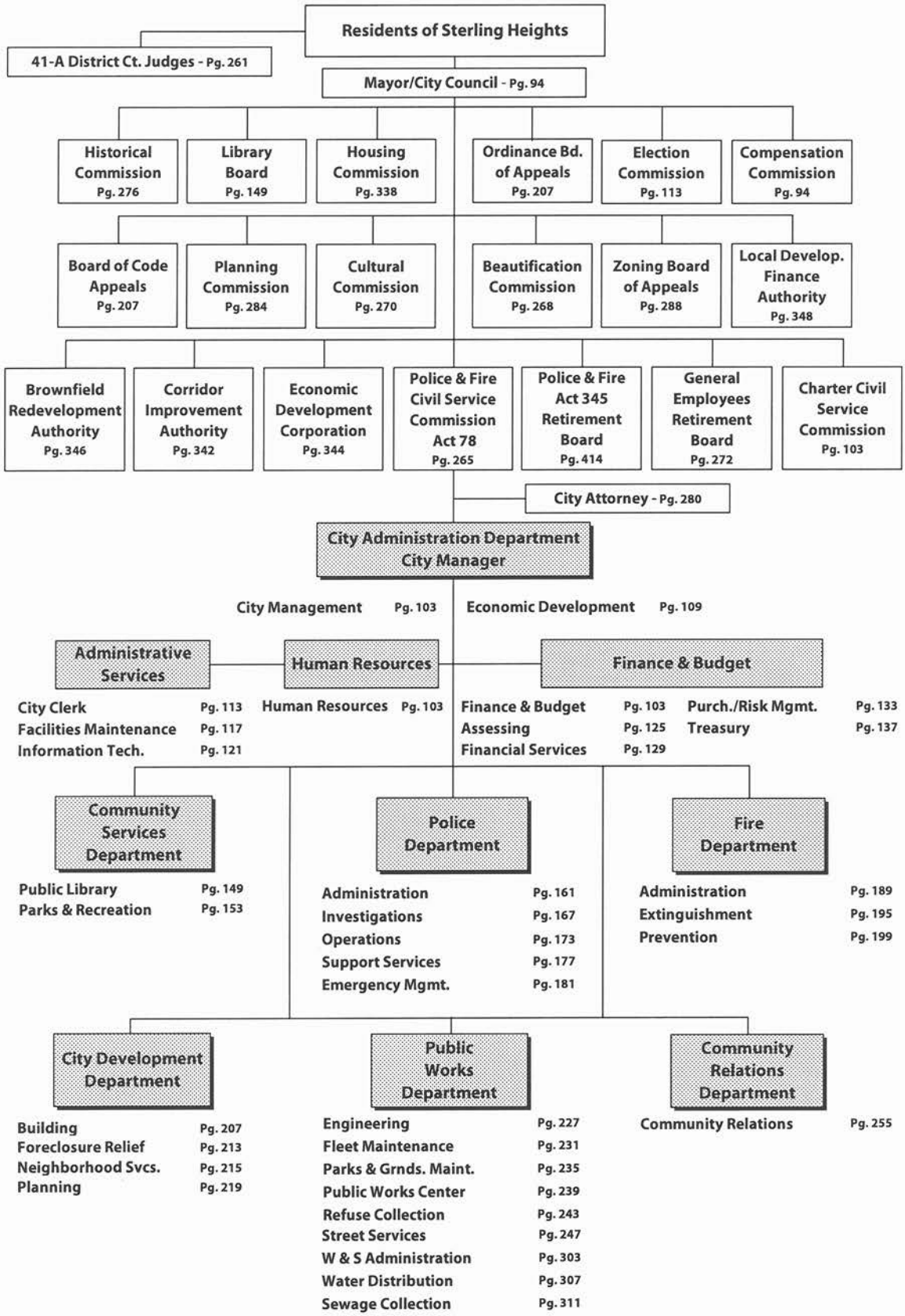
city of STERLING HEIGHTS

City Organization Chart



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

May, 2012

Honorable Mayor and
Members of the City Council

Introduction

Submitted for your consideration is the proposed fiscal year 2012/13 annual budget.

Over the course of the City's history, this document has been integral to the City's ability to remain financially strong and resilient regardless of the economic times. Although the process is not always smooth or easy, the commitment of City administration and the City Council to good stewardship of the City's finances has always been reflected in a fiscally sound budget. This commitment as set forth in annual budgets has garnered state and national awards. But even more important than these accolades is the positive impact the budgetary process has on the Sterling Heights community in terms of the assured delivery of quality, efficient, and essential public services.

It is also true that the budget is more than numbers on paper. It is a living document that reflects what this community strives to be – a safe, vibrant, and welcoming place to live and work. It is in this spirit that City administration submits the fiscal year 2012/13 annual budget.

Overview

The fiscal year 2012/13 budget totals $133.5 million and represents a decrease of $4.0 million from the prior fiscal year. This decrease follows last year's budget reduction of $7.1 million, as spending will now fall to its lowest level in nine years.

By now, the major and pervasive economic problems facing all Michigan municipalities are well known. At the risk of being redundant, presented below are some of the major factors which are contributing to unprecedented financial challenges for Sterling Heights and all other local governments:

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 by 27% since 2002, amounting to a cumulative loss of $30.8 million.

Reduced Property Tax Assessments

Residential property assessments have now declined by 38.8% over five years. As a result, property tax revenues, which account for 60% of the City's General Fund budget, have decreased. Consequently, property owners are now paying less in taxes. In fact, residential tax bills have now dropped to their lowest level since 2001. Unfortunately property values are expected to decline for a sixth and seventh year, resulting in another $5 million loss in property taxes. The projected cumulative loss of property tax revenue through 2015 is $28 million.

Elimination of the Personal Property Tax

In addition, the State intends to eliminate the personal property tax, which results in at least a $2.5 million loss annually over the next four years. The debate over this tax shift from corporations to individuals is on the immediate horizon as the Michigan legislature will be considering legislation in the very near term.

The Financial Plan

2007 to 2013

As a result of declining revenues, the City developed and has been implementing a proactive, multi-faceted Financial Plan. The goal of this long-term plan has been to preserve core public services and quality of life services while maintaining financial stability.

The City has implemented cost saving measures equating to nearly $27 million through expenditure reductions, efficiencies, reforms, and the elimination of full-time staff. Cost savings realized to date include:

Employee Concessions

City employees have given closed contract wage and benefit concessions over the course of the last three years. Additional wage and benefit concessions are being negotiated over the next two years as all twelve collective bargaining agreements will have expired in this time period.

To address the two most significant cost structure problems, including retiree medical and defined benefit pensions, the City is actively seeking concessions on both fronts in order to drive down the cost of funding these future obligations. It is important to note that collective bargaining agreements have been and will be reached by which the City will realize retiree medical savings of over $1.2 million annually and potentially $50 million actuarially over a number of years. Reductions in pension benefits, likewise, are in place with most bargaining units and are being pursued further with all active labor negotiations.

Reduced City Staffing

Since 2002, the City has eliminated 106 vacant full-time positions, or 16% of its workforce, saving over $7.9 million annually. The City's current staffing level is at its lowest level since 1977. The 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.

Unfortunately, the fiscal year 2012/13 budget includes additional position reductions. A total of 59 full-time positions will not be funded in the budget. Of this amount, 32 are currently vacant positions of which a portion will be filled or replaced by part-time employees or contracted services. The elimination of the remaining 27 positions will occur through layoffs effective July 1.

Programmatic Changes

As the statewide crisis lingers on, the fundamental way the City delivers services continues to evolve. The City is at the forefront of municipalities finding the most efficient means to provide public services.

Examples include:

- Privatization of the Police Department Detention Facility making possible the elimination of eight vacant Police Officer positions.
- Greater utilization of part-time employees to replace full-time vacancies in the Library, Dispatch, Parks and Recreation, Public Works and Administration.
- Continued service sharing with surrounding communities such as Troy, Shelby Township, Utica and other entities including participation as a founding member of the Macomb Area Communities for Regional Opportunities (MACRO).

In fiscal year 2012/13, the City will continue to research and implement programmatic changes that meet the objective of maintaining quality services at an efficient cost.

Use of City Reserves

The City's Financial Plan includes the conservative use of fund balance reserves over a defined period to avoid drastic service cuts through personnel reductions. Due to the successful recovery of insurance proceeds from the Hillside case, the City has $19 million remaining in the Insurance Fund, which will be used over the next few years until the structural imbalance is corrected in FY 2015/16. This will not negate the need for further expenditure reductions and/or revenue replacement necessary to address a sixth and seventh year of property value declines and partial loss of the personal property tax as discussed below. The use of insurance fund reserves in FY 2012/13 will equate to $4.7 million, with a remaining balance of approximately $14 million available for use over the ensuing four years. The conservative use of reserves maintains the City's strong financial position, resulting in a projected fund balance in FY 2015/16 of 14%.

Preserving Property Values

As part of the long-term, comprehensive Financial Plan, the City is doing all that is possible to preserve property values which are being negatively impacted by foreclosures and, in some cases, long-term vacancies. The Neighborhood Stabilization Program (NSP) has allowed the City to purchase, renovate, and sell residential properties, which have the greatest potential for blighting our neighborhoods, and further eroding property values. In a similar manner, the City's proactive inspection program for foreclosed properties, the Sterling Heights Initiative for Neighborhood Excellence (SHINE) along with the City's traditional Code Enforcement program have been effective in preserving neighborhood appearance. Under these initiatives, the City has cleaned up thousands of properties over the last eight years and has reinvested millions in neighborhoods.

Although the end may be in sight, the City must remain vigilant in fiscal year 2012/13 in regard to property maintenance efforts. City Administration will be bringing forth new initiatives through both SHINE and Code Enforcement to continue the battle against blight.

Economic Development

The City continues to implement an ambitious and proactive economic development program to nurture and grow the City's economic base. By any measure, the successes on the economic development front over the past four years are extremely impressive. From SAVE SHAP (Chrylser) to the attraction of BAE, economic development in the City has an enviable track record. The City's successes are being noticed at the State level with the location of the Michigan Defense Center at Velocity and locally with commercial brokers marketing the $1,000,000,000 plus of new investment in Sterling Heights to potential tenants. The Macomb-OU INCubator is starting to hit its stride with regular programming for Velocity tenants, start-ups, and entrepreneurs. We are confident the Defense Corridor initiative will, with the help of our partners at Macomb County, Oakland University, Macomb Community College, and City of Warren, become a reality.

The City is also experiencing improving vacancy rates across all segments of its commercial and industrial properties. This holds promise for better days ahead for our residents and those who work in the City. Economic development efforts have been and will continue to be an effective tool to make this recovery a reality.

The Future (Fiscal Years 2014 to 2016)

Because the City is approaching these challenging financial times in a comprehensive, long-term manner, it is necessary and appropriate to look beyond the next fiscal year. With a focus on preserving financial stability by fiscal year 2015/16, there are a number of variables the City Council, City administration, and this community must account for in order to attain our goal.

Administration's projections have the City sustaining at least two more years of property value declines. In total, this will mean the City will have endured seven straight years of decline. Even though fiscal year 2015/16 may bring an end to the period of decline, the projected increase in property values will be small at best. Proposal A limitations ensure that any revenue recovery going forward will be modest. The City must also factor in the loss of personal property tax revenue. Although the political debate in Lansing may affect the timing and mitigate the amount, there is little doubt that ultimately, the City will sustain yet another revenue loss.

There simply are no easy fixes for these systemic revenue problems. Despite all of the reductions, concessions, service sharing, and other belt-tightening measures deployed to date, the City cannot reduce expenditures any further without fundamentally changing the level of service that residents and business owners have come to expect. The Sterling Heights community is at a critical juncture. For the first time in its history, the City is facing the prospect of permanent reductions in core public services in the very near future. City Council, City administration, residents, and business owners are faced with the very difficult decision of whether to preserve core public services or allow continued reductions, which will fundamentally change the way the City operates.

With the above in mind there are two important options to consider, both of which result in long-term financial stability.

Option One – Personnel / Service Reductions

As a result of the continuing revenue declines and in order to eliminate the use of reserves by fiscal year 2015/16, the City will need to further reduce personnel. In addition to the 59 positions eliminated in the fiscal year 2012/13 budget, another 104 positions would not be funded in budget years 2013/14, 2014/15 and 2015/16. Of the cumulative 163 reductions, a total of 74 general employees, 56 Police Officer and 33 Firefighter positions will be eliminated. This equates to a 35% reduction from current levels of the Police force and 34% of the Fire Department personnel. Comparatively, 40% of the general employee work force (including prior years) would be eliminated.

FULL-TIME POSITION REDUCTIONS

~ Due to 6th and 7th year of housing decline
~ Loss of personal property tax

Current Positions		Required Reductions		FY 12/13 *Layoffs*	FY 12/13 *Retirements*	FY 13/14 *--- Known Attrition ---*	FY 14/15 *--- Known Attrition ---*	FY 15/16 *--- Known Attrition ---*	Remaining Potential Layoffs/Attrition
General:	287	74	26%	14	24	4	10	0	22
Police:	160	56	35%	5	6	3	5	20	17
Fire:	96	33	34%	8	2	10	0	13	0
TOTAL	543	163		27	32	17	15	33	39

Potential public safety millage avoids these sworn officer reductions.

5 laid off police officers could be recalled beginning the following fiscal year through attrition (if public safety millage passes).

8 laid off firefighters could be recalled in fiscal year 2013/14 through attrition (if a potential public safety millage passes).

Implementing this option allows the City to eliminate the use of reserves by fiscal year 2015/16. The General Fund balance is projected to be $10.6 million or 14.1% of expenditures as illustrated below.

GENERAL FUND BUDGET PROJECTION - SERVICE REDUCTIONS via 163 Positions Eliminated

	2012/13 Projected	2013/14 Projected	2014/15 Projected	2015/16 Projected
Total Expenditures	$83,207,770	$80,520,160	$78,160,160	$75,543,210
Total Revenues	$78,506,770	$73,828,210	$73,948,210	$75,543,210
Use of Insurance Reserves	($4,701,000)	($6,691,950)	($4,211,950)	$0
GF Fund Balance: Year-End (6/30)	$7,230,640	$7,238,690	$8,526,740	$10,625,740
Fund Balance as a % of GF Exp.	8.7%	9.0%	10.9%	14.1%
Total Millage	12.6858	12.6858	12.6858	12.6858

However, financial stability under this option will come at a cost to core public services. If position reductions beyond the 2012/13 fiscal year occur, it will not be possible to sustain the level of public safety services this community has historically enjoyed.

While the City would still employ over 100 sworn police officers, this reduced level will require the Police Department to operate in a reactive mode rather than a proactive mode. Reductions in the Police Department's youth bureau, detective bureau, narcotics unit, traffic safety bureau, accident prevention unit, and other specialized services, will fundamentally change the scope of available police services.

In the case of the Fire Department, the implementation of three-man rigs in fiscal year 2012/13 will be a beginning, not an end point for service reduction. While three-man rigs are quickly becoming the industry standard, a projected reduction of another 23 firefighters/paramedics over the ten position reductions proposed in fiscal year 2012/13 budget will require implementation of two-man rigs supplemented by paid on-call fire personnel.

Option Two – Revenue Replacement

An alternative to personnel/service reductions is revenue replacement in the form of a voter-approved public safety millage in FY 2013/14.

The revenue replacement, if approved, would positively impact the General Fund. There would be no projected use of fund reserves in fiscal year 2015/16. The General Fund balance is projected to be $12 million or 14.7% of expenditures as illustrated below.

GENERAL FUND BUDGET PROJECTION - PUBLIC SAFETY MILLAGE

	2012/13 Projected	2013/14 Projected	2014/15 Projected	2015/16 Projected
Total Expenditures	$83,207,770	$82,050,160	$82,070,160	$81,833,210
Total Revenues	$78,506,770	$73,828,210	$80,768,210	$81,833,210
Use of Insurance Reserves	($4,701,000)	($8,221,950)	($1,301,950)	$0
GF Fund Balance: Year-End (6/30)	$7,230,640	$5,708,690	$9,906,740	$12,005,740
Fund Balance as a % of GF Exp.	8.7%	7.0%	12.1%	14.7%
Total Millage	12.6858	12.6858	14.4358	14.2858

Under this option there would be no further reductions in sworn police and fire personnel beyond those proposed in the fiscal year 2012/13 budget. While a public safety millage does not directly impact general employees, it may help to minimize the reduction of non-sworn public safety personnel.

While this option obviously requires a greater financial sacrifice by residents and business owners, the future City taxes paid under this option is actually less than what taxpayers were paying in fiscal year 2008.

The Process

A decision of this magnitude requires significant community input. As such, City administration is proposing the use of a survey to gauge the community's sentiments of all City services. Prior surveys have proven to be invaluable tools for City Council and City administration when evaluating services. To assure all residents have an opportunity for input, a public stakeholders forum may also be advisable. City administration is open to additional proposals for assuring this critical decision is based on the input of all interested parties.

Conclusion

Navigating these uncertain times has been challenging for City Council, Administration and all employees. The difficult financial decisions and the effect they have on our employees' lives are neither easy nor pleasant. Yet they are decisions that must be made. Failure to do so will only make the mandatory cuts more severe in future years while compromising the City's long-term financial stability.

Though the path forward in times of crisis is never easy, we must remain committed to the City's Vision Statement, which reads: ***It is the mission of the Sterling Heights government to enhance the quality of life by providing outstanding public services in partnership with the community.*** Continuing to make sound financial decisions on behalf of those we serve will ensure long-term financial stability and ultimately enable the City's Vision to be fulfilled for future generations.

In closing, I would like to acknowledge the efforts of the Finance & Budget staff: Brian Baker, Janice Schoenrath, and Kerry Majewski, for their hard work and effort during the budget process. The City's department directors and staff are also commended for their team effort during these unprecedented times and continued commitment to service excellence. I am especially grateful for City employees who continue 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 Plan.

I would also like to thank the Mayor and City Council for their continued leadership and support for the City's Financial Plan. Thanks to the entire Sterling Heights Team, the City continues to persevere.

Respectfully submitted,

Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2012/13 Budget At A Glance ...

Richard J. Notte
Mayor

Michael C. Taylor
Mayor Pro Tem

Deanna Koski
Councilwoman

Joseph V. Romano
Councilman

Maria G. Schmidt
Councilwoman

Paul Smith
Councilman

Barbara A. Ziarko
Councilwoman

city of STERLING HEIGHTS

Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget Director

The budget totals $133.5 million, a decrease of $4.0 million or 2.9%, as spending will fall to its lowest level in nine years. Due to lower tax bills, the City continues to implement its long-term financial plan of reducing employee costs and streamlining operations, while funding long-term liabilities and minimizing the use of reserves.

- The budget maintains core services, despite $10.8 million in property tax losses and $34 million in lost tax revenue growth over the past five years. Tax revenues have fallen to their lowest level in eight years, as residential taxable values have declined by 27.5%. Total taxable values have dropped to their lowest levels since 2001.

- The City's spending plan further reduces employee costs through the use of technology, innovative partnerships, and the use of part-time and volunteer staffs, privatization, and service sharing partnerships. The budget assumes a third year of employee concessions, which have helped to preserve vital services despite continued revenue declines.

- Despite a 27% cut in State funding since 2002, resulting in a cumulative $30.8 million reduction back to 1994 levels, the budget maintains the City's excellent AAA bond rating, funds long-term obligations without incurring new debt, and reduces the use of reserves from anticipated levels, while reducing property tax bills to a 12 year low.

- Due to assessment declines, the average homeowner will see a 7% decrease in taxable values in 2012, resulting in a $168 tax savings. The average homeowner's tax bill is now $529 or 19.1% lower than five years ago and has dropped to its lowest level since 2001. City taxes now average less than $65 per month.

- Because of cost saving efforts and the efficient delivery of services, the City's tax rate has declined by 5.2% since 1988 and remains lower than 90% of cities in the State. Had the City continued to levy the same rate since 1988, the average resident would have paid $3,258 more in taxes.

- The General Fund Budget decreased $2.7 million or 3.1% to its lowest level since 2007. Absent increased contributions to the retirement systems due to stock market declines, the budget would have fallen by $5.3 million or 6.2%. The budget fully funds retirement liabilities and reduces debt levels to a 25-year low, as five bonds will be fully paid off.

- Due to continued revenue shortfalls, the budget does not fund 32 vacant full-time positions, saving $2.7 million. In addition, 27 full-time positions are proposed to be laid off, saving $2.0 million. The City has reduced staffing by 165 full-time positions or 25.4% since 2002, saving $12.6 million. Staffing is at its lowest level since the 1970's, while the employee per resident ratio has decreased by 41%. Over 75% 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.

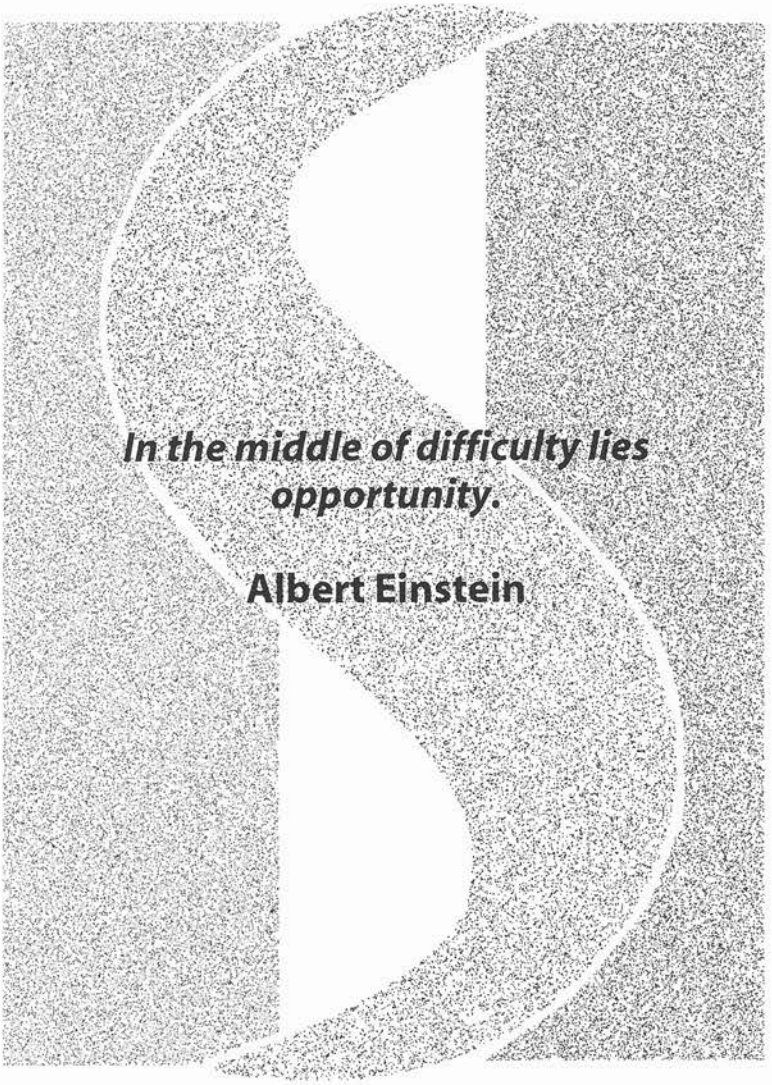
- The City has now saved $27 million in annual operational expenses by reducing staff, outsourcing where feasible, achieving employee concessions, reducing health care costs and pensions, and lowering overtime by 36% over the past five years.

The budget includes funding for:

- $6.0 million in improvements to City infrastructure including repairs to 17 Mile Road, Delco Boulevard, Utica Road and Van Dyke, Mound Road, several traffic signal upgrades, installation of water & sewer mains, sidewalk repairs, sectional repairs to neighborhood roads, the complete repairs of two local streets, paving of Gardner Street, and several neighborhood park maintenance projects.

- Eleven replacement Police vehicles and associated equipment, a Fire thermal imaging camera, a ball field grass seeding machine, two snow plow salt brine dispensing units, a pickup with snow plow, Court recording equipment, and a Sewer inspection camera.

- Maintaining the lowest combined water & sewer rate for residential customers. The City again passes on only a portion of the rate increases from Detroit. As a result, City residents will pay only $43 per month for water & sewer services.■


In the middle of difficulty lies opportunity.
Albert Einstein

INTRODUCTION

As you review the City's Budget document, note that it is organized by fund type. These fund types are distinguished by the blue 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. The City budget document is more focused on total City-wide costs and in the results achieved with the dollars spent. Regardless, each fund and office budget includes a detailed Summary of Budget Changes which provides expenditure account 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.■

city of STERLING HEIGHTS

Budget Calendar

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 printed
- Proposed Budget and Budget Video distributed to City Council

April

- City Council Workshops – Budget Review, Questions & Adjustments
- Budget Notice published in local newspaper

May

- Public Hearing for Budget
- City Council adopts Appropriations Ordinance
- City Management prepares final current year Budget Amendment

June - July

- City Management prepares Approved Budget document incorporating City Council adjustments
- Approved Budget document distributed at first City Council meeting in July
- Preparation of Capital Improvement Status Report
- Begin Monitoring Budget Performance

Community Profile

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

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

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

Geographically, Sterling Heights is the third largest city in the state, occupying 36.8 square miles. Although much of its land is developed, approximately 5% remains vacant and available for development. The 2012 estimated population of Sterling Heights is 130,000. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 49,508 households in the City and a 40-year old median age. The City's median household income is $58,073. Of all communities with a population of 100,000 or more, Sterling Heights is one of the top ten 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.■

City Goals & Objectives

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

ORGANIZATIONAL OPERATIONS

1. Strengthen City government as an organization dedicated to serving the residents of Sterling Heights with a solid core of basic services while transferring old, new, or additional services where the City is not cost competitive to the private or residential community.

2. Avoid duplication of services with other units of government. Seek joint use opportunities for public facilities with both governmental units and non-profit organizations when effective service delivery can be provided at no or less cost to the City.

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

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

5. Provide managers with an effective and efficient system to allocate, manage, and control costs by providing up-to-date information on expenditure rates, revenues, and performance indicators.

6. Develop technology improvement strategies, implement a consistent and future-oriented Capital Improvements Program, and maintain and complete public facilities to meet the changing needs of the community.

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

ECONOMIC DEVELOPMENT

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

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

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

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

PROPERTY VALUE ISSUES

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

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

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

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

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

COMMUNICATIONS & TECHNOLOGY

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

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

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

FINANCIAL STABILITY

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

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

TRANSPORTATION ISSUES

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

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

NEIGHBORHOOD SAFETY

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

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

RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES

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

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

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

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

FINANCIAL POLICIES

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

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

1. The budget will first determine how much money is available, it will then allocate the resources among the highest priority results based on analyses, which determine which programs can best achieve the desired results, and it will use a performance measurement process to annually evaluate the results.

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

3. Expanding an existing service program or adding a new service program will only be considered when a new revenue source 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 Self-Insurance Fund reserve 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.

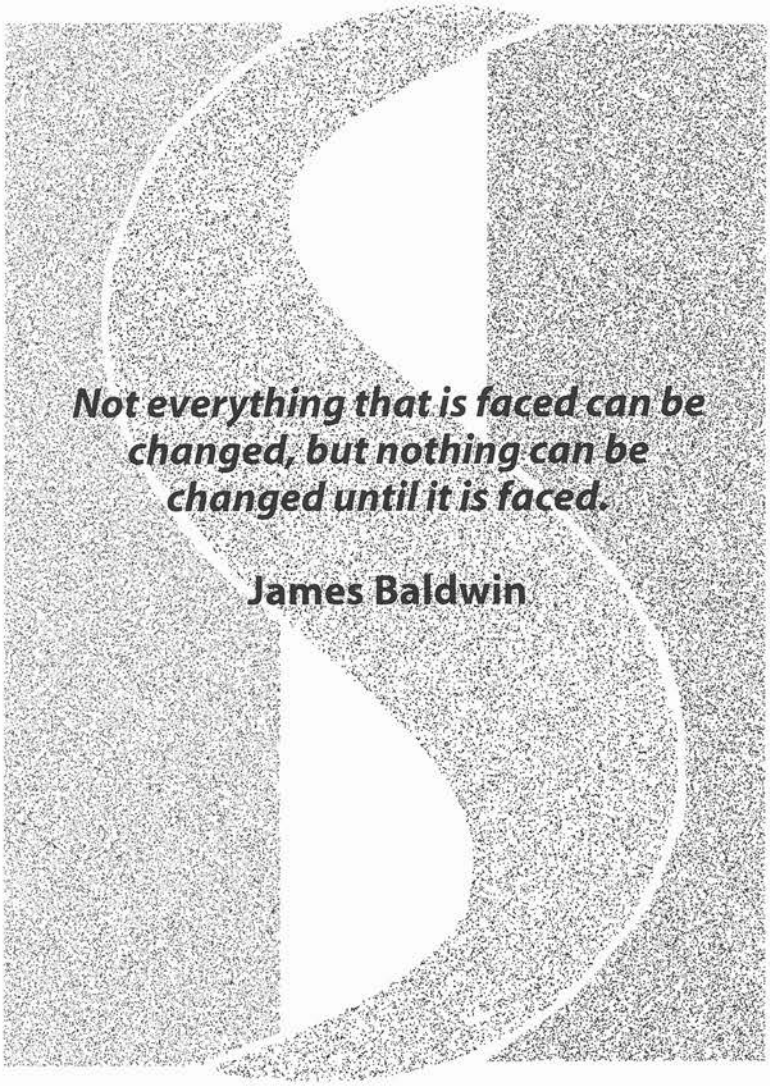
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.

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

city of STERLING HEIGHTS

City Policy Benchmarks

Policy Benchmark	Status
Financial Policy • Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements	• Continuation of the Information Technology Plan: including the Public Safety Dispatch and Records Management System, e-ticket and accident reporting, mobile data and personal computers, storage servers, and web applications
• Maintain a budgetary control system to ensure adherence to the budget	• Only City in the nation to receive the GFOA's "Outstanding" budget award in all categories; "Distinguished" budget award for the past 25 years
• Integrate performance measurement and productivity indicators in the budget	• Earned GFOA's "Special Recognition" award for use of performance measurements • Benchmarking included in the Citizen's Guide to Finances, Performance Scorecard and Dashboard • Participation in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction • Department objectives linked to City goals
• To avoid practices that balance current expenditures at the expense of future years' revenues	• No short-term borrowing for operations • Lowest debt of 10 comparable MI cities • No new debt in last 3 budgets • Lowest City staffing since 1970's
• To provide adequate maintenance and orderly replacement of capital facilities and equipment	• Facilities and park repairs $495,000 • Vehicle expenditures $277,240 • Equipment & technology $470,300
• Maintain adequate level of funding for all retirement systems	• General Employees System 90.9% funded • Police & Fire Pension System 66.5% funded • Pre-funding retiree medical past 17 years • Biennial updates to Retiree Medical Actuarial Report; increased funding past nine years and fully funding contributions • Defined Contribution Plan for all new general employees
• Seek property tax relief	• Millage rate has decreased by 0.70 mills or 5.2% since 1988, saving average homeowner $3,258 • Due to lower property assessments, the average tax bill will decrease next year by $168 or 7% to lowest level in 12 years or since 2001 • Average tax bill has now declined by $529 or 19.1% since 2008 • Tax rate lower than 90% of all cities in the State • Lowest taxes per resident of 10 comparable MI cities
• Enhancement of the property tax base	• City's total tax base has decreased by 36.2% and has fallen to lowest level since 1999 • Residential property assessments have decreased by 38.8% past five years, while residential taxable values have dropped by 27.5% • Successful efforts to save Chrysler Plant

city of STERLING HEIGHTS

City Policy Benchmarks

Policy Benchmark	Status
Revenue Policy	
• Maintain a diversified and stable taxable revenue base	• City's Taxable Value: Residential 61.4% Commercial & Industrial 38.6% • Third highest property values in State
• Maintain sound appraisal procedures and practices to reflect accurate property values	• Equalization Factor = 1 • Continuation of the one-year sales study
• Review fees and charges to assure the cost of providing the service is appropriately charged	• Annual review of rates and fees • Higher non-resident fees • Continued lowest water & sewer rates in State • Average $65 monthly tax bill and $43 water & sewer bill
Reserve Policy	
• 10% minimum unreserved/undesignated General Fund Balance (excluding Self-Insurance Fund)	• 8.7% of 2013 budgeted expenditures
• 37 days of General Fund operations	• 32 days of General Fund operations
Accounting, Auditing, Financial Reporting Policy	
• Produce comprehensive annual reports in accordance with GAAP	• Certificate of Achievement for Excellence in Financial Reporting Award for 24 years • One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
Investment Policy	
• Analyze market conditions to maximize yields while maintaining the integrity and safety of principal	• Maximized Interest on Investment earnings • Retiree Health Care Fund Investments maximized
Debt Policy	
• Keep average maturity of general obligation bonds at or below 20 years	• 2010 BAB MTF Road Bond 15 yrs. • 2007 Senior Active Life Center/Radio Bond 6 yrs. • 89.6% of City debt matures within 10 years • Refinanced bonds saving $1.2 million • City's debt level at 24-year low • Five bonds fully paid off next year
• Maintain a sound relationship with all bond rating agencies	• Highest bond rating of 10 comparable MI cities • Fitch's rating AAA • Moody's rating Aa1 • Standard & Poors' rating AA+
Capital Improvement Policy	
• Make all capital improvements in accordance with an adopted capital acquisition program	• $6.0 million in total Capital Improvement Projects • $1.1 million in neighborhood street repairs • $720,000 in Major road repairs
• Continue to implement a multi-year plan for capital improvements	• Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

The City has participated in the ICMA's Center for Performance Measurement from 1999 – 2003, 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%

Center for Performance Measurement

city of STERLING HEIGHTS

ICMA Center for Performance Measurements

Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	$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%

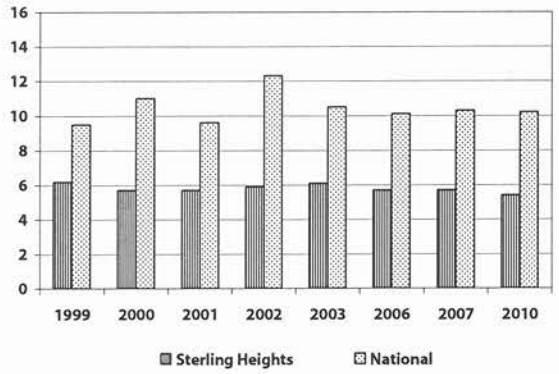
*Rank Percent equals the percent of cities that are lower than Sterling Heights.

Center for Performance Measurement

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

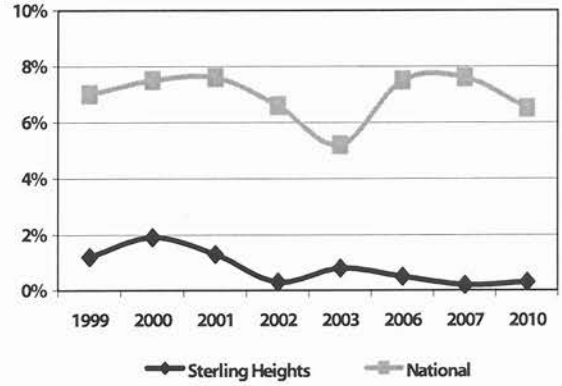
Total Full-time Employees Per 1,000 Residents



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.

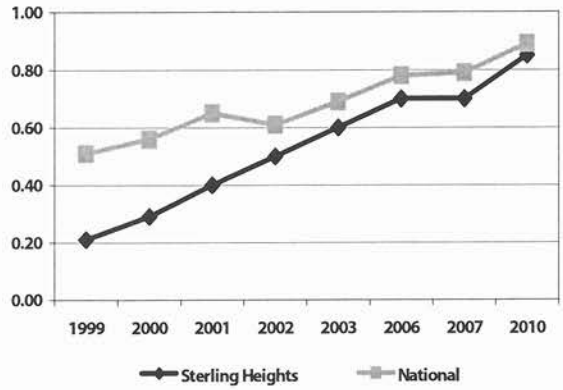
Full-time Employee Turnover Rate



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.

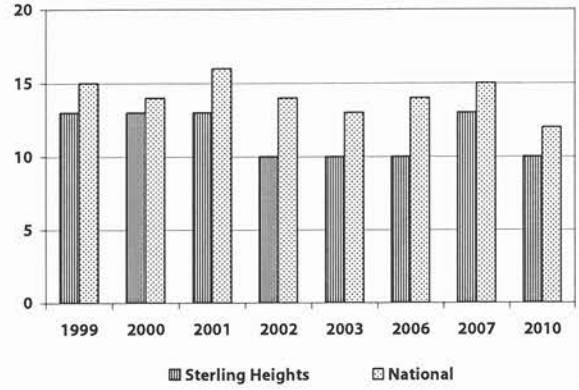
Ratio of Computers to Employees



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



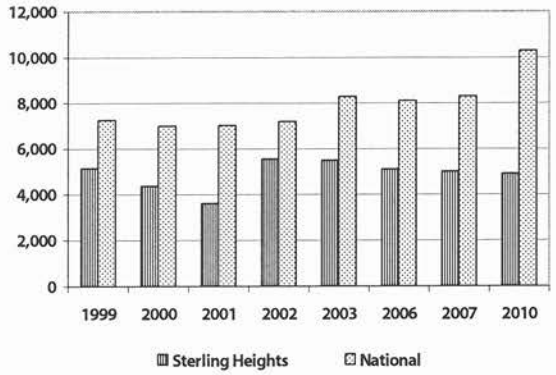
2010 National Rank: 26th out of 60 cities
Rank Percentage: 43%

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

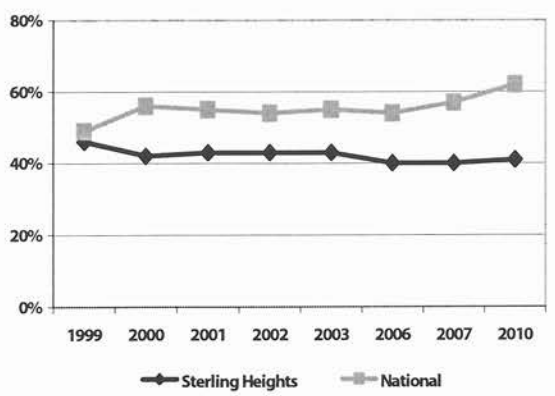
Library Circulation Per 1,000 Residents



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.

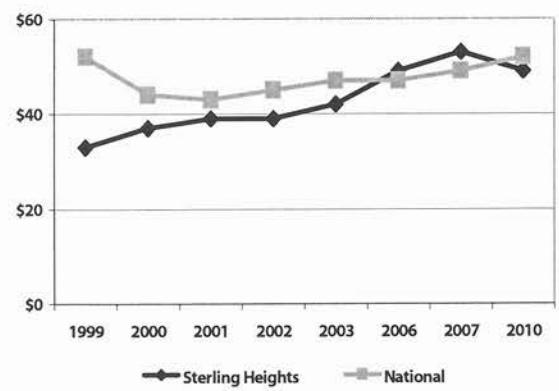
Registered Borrowers As a % of Population



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.

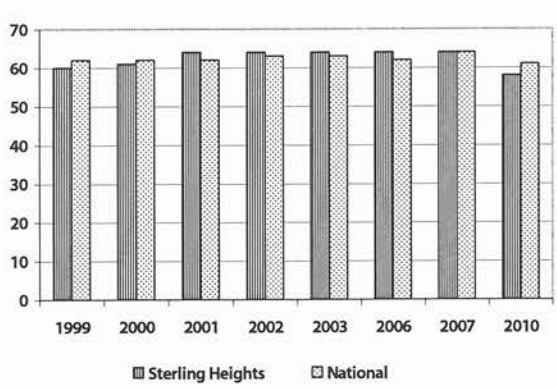
Library Expenditures Per Registered Borrower



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



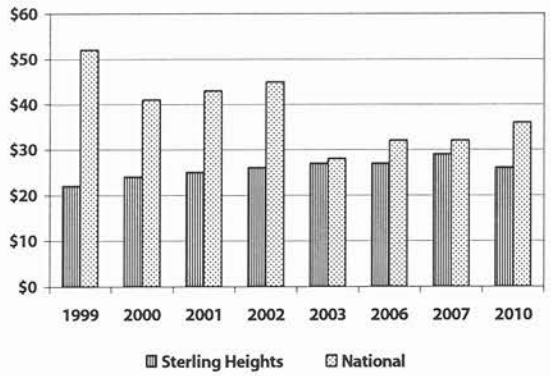
2010 National Rank: 15th out of 43 cities
Rank Percentage: 35%

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

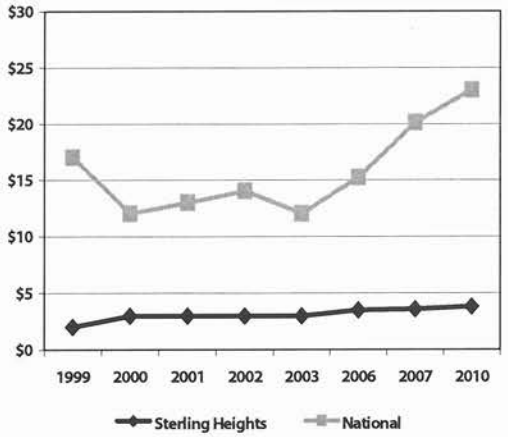
Parks & Recreation Costs Per Resident



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.

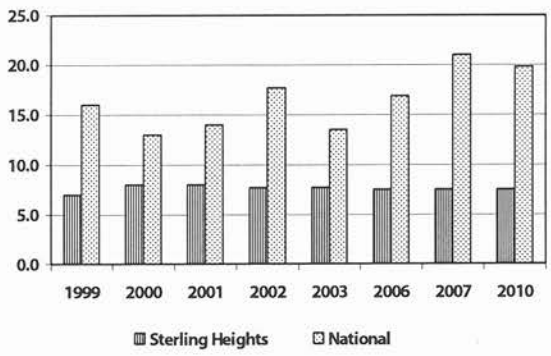
Parks & Recreation Revenue Per Resident



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.

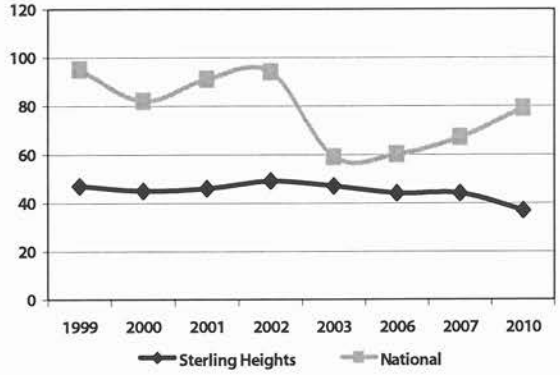
Park Acres Per 1,000 Residents



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

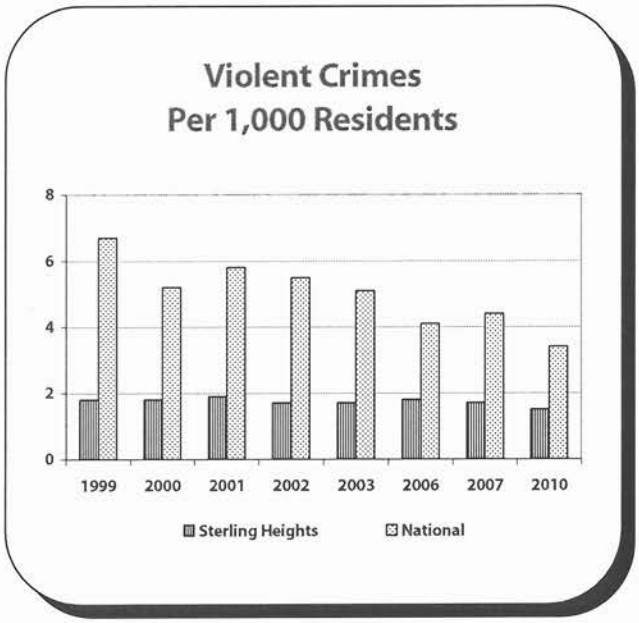


2010 National Rank: 9th out of 50 cities
Rank Percentage: 18%

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.

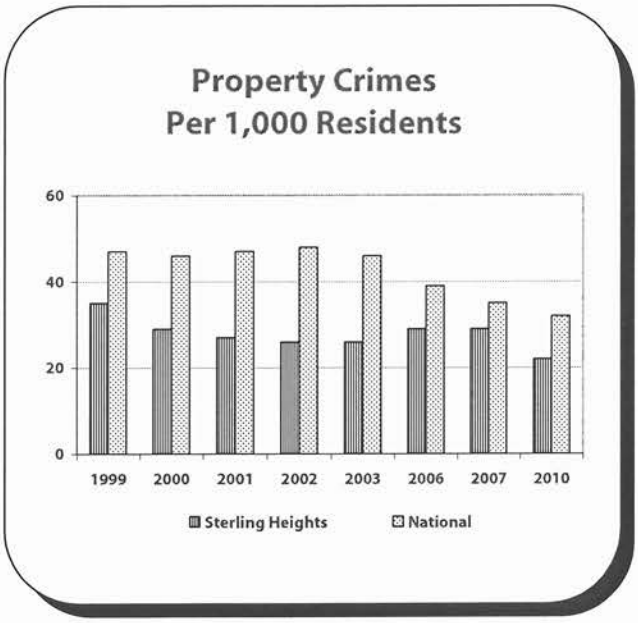
ICMA PERFORMANCE MEASUREMENTS

Police Department



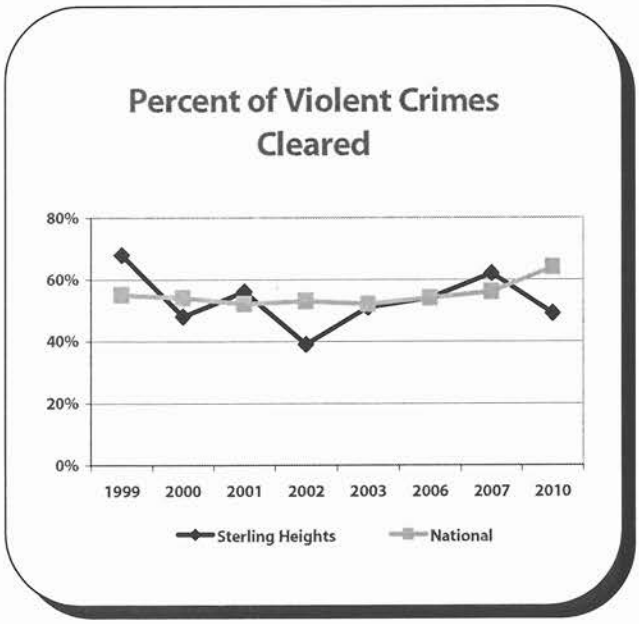
2010 National Rank: 35th out of 91 cities
Rank Percentage: 38%

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.



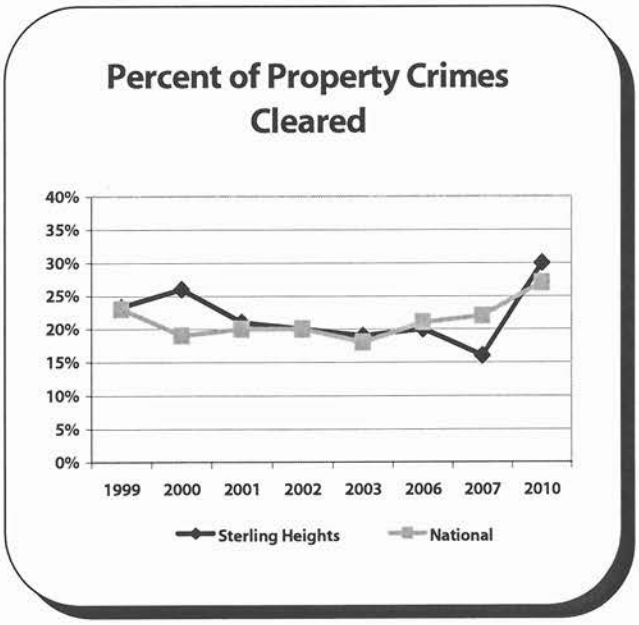
2010 National Rank: 30th out of 88 cities
Rank Percentage: 34%

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.



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.



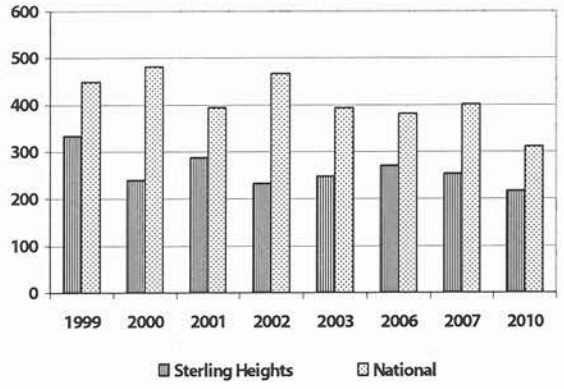
2010 National Rank: 62nd out of 90 cities
Rank Percentage: 69%

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

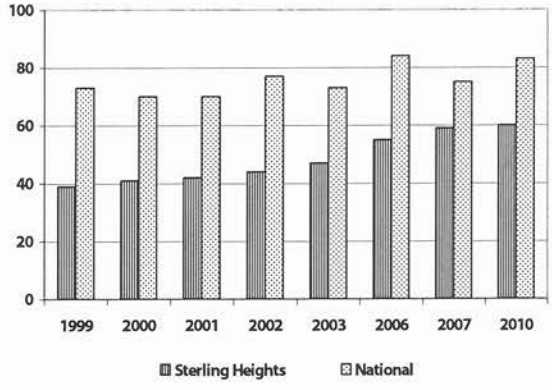
Fire Incidents Per 100,000 Residents



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.

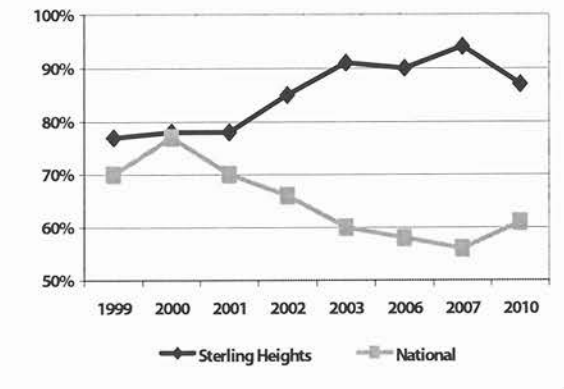
EMS Responses Per 1,000 Residents



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.

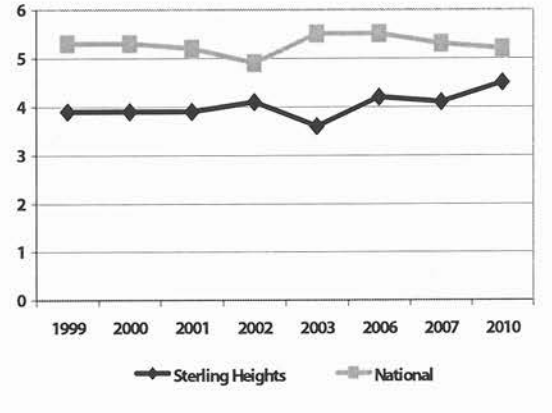
Percent of Fire Responses Less Than 5 Minutes



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)



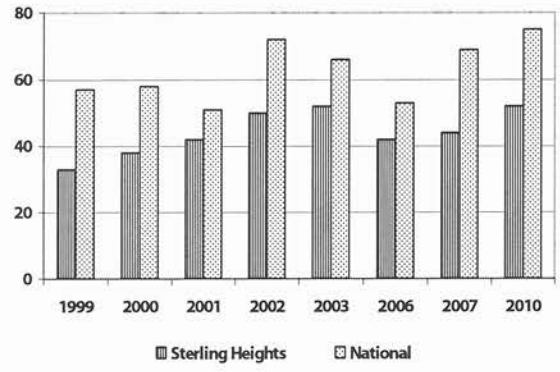
2010 National Rank: 15th out of 49 cities
Rank Percentage: 31%

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

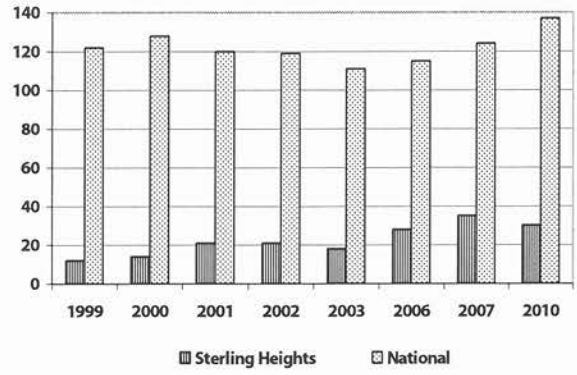
Refuse Collection Costs Per Ton



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.

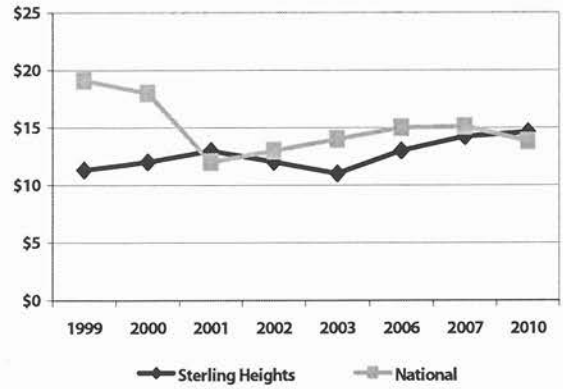
Recycling Costs Per Ton Recycled



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.

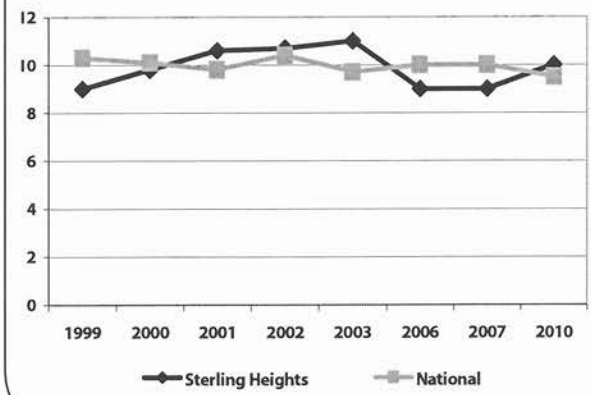
Fleet Maintenance Expenditures Per Resident



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

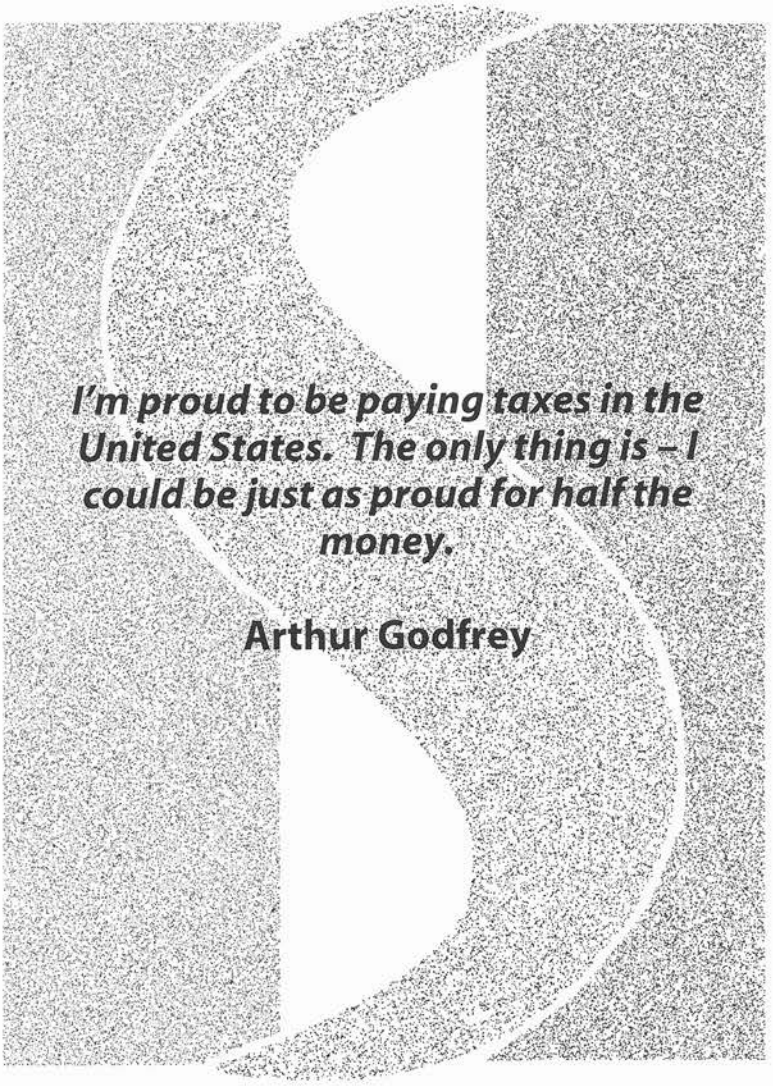
The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 13th out of 24 cities nationally.

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.


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

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

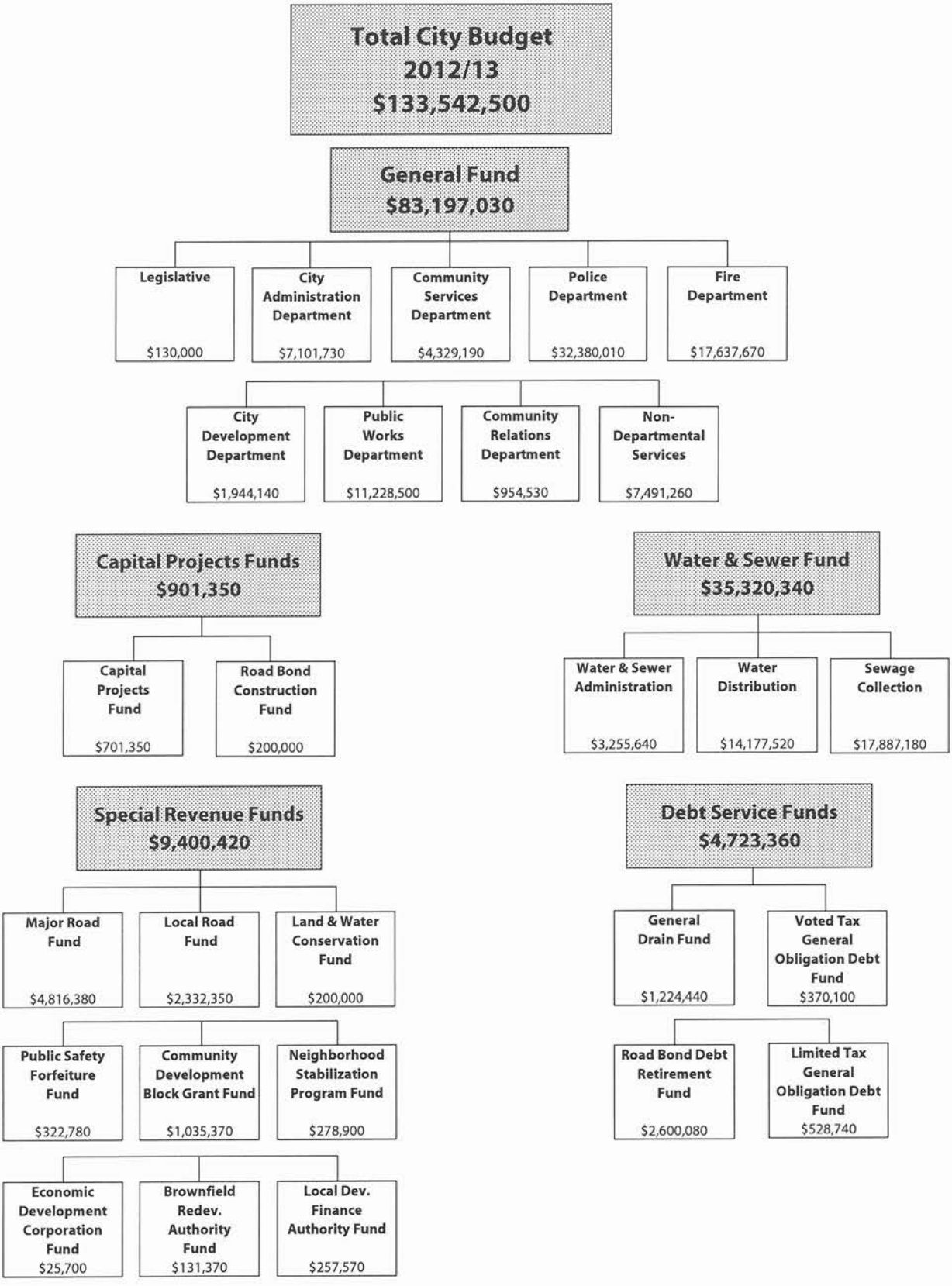


Chart figures correspond to budget tabs and include all transfers.

Executive Summary

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2012/13 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.

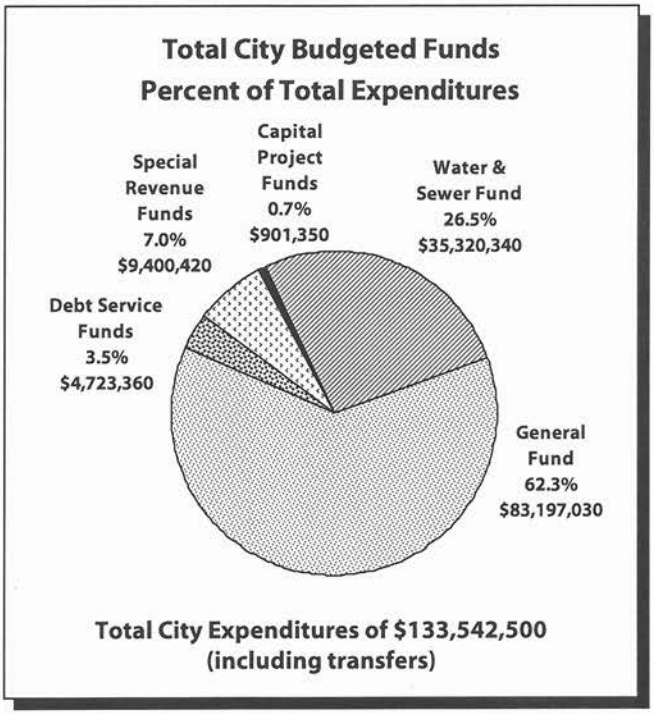
This Executive Summary will briefly introduce you to the City's budget. It will explain how the City plans to utilize its resources and will highlight some of the more significant changes to the City's budget. If a more in-depth understanding of the budget is desired, please take some time to review 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 2012/13 Budget for all City Funds totals $133.5 million – down $4.0 million or 2.9% from the prior year due to numerous cost saving measures, a third 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 17 separate funds or accounting divisions. These 17 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the ***General Fund***, which provides $83.2 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 $35.3 million in funding for the water distribution and sewage disposal services purchased from the City of Detroit. Both the General and Water & Sewer Funds will be discussed in depth later in this Executive Summary.

The ***Special Revenue Funds*** provide a total of $9.4 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 and Neighborhood Stabilization program. Several notable items in the Special Revenue Funds Budget include:

- $278,900 in federal neighborhood housing program assistance to qualifying low-income residents.
- CDBG funding to assist low and moderate-income families in making minor home repairs, for increased property maintenance code enforcement efforts, neighborhood street repairs, 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, the sharing of economic development information throughout the State, continued operation of the business incubator, and reimbursement of eligible brownfield and LDFA expenses resulting from the BAE project.
- Park maintenance projects at several neighborhood parks, repairs to the Delia Park ball field lighting, tennis court reconstruction at

Magnolia Park, and a replacement heating and cooling unit for the kitchen area of the Recreation Center.

Because the City has lost $4.7 million in State gas tax revenues since 2004 coupled with reduced federal stimulus dollars, fewer new road projects are budgeted than in previous years. The road improvement projects for next year include:

- The resurfacing of Tyler Drive, concrete replacement on Sanford Drive and paving of Gardner Street.
- Neighborhood road sectional concrete and asphalt repairs and increased funding for both major and local road surfacing maintenance and joint sealing repairs.
- The engineering and design phase of reconstructing the 17 Mile Road Bridge over the railroad tracks.
- The resurfacing of the Utica Road approaches to Van Dyke and Delco Boulevard from M-59 to Canal Road.
- Sectional concrete repairs on 17 Mile Road, west of the Conrail Bridge and Mound Road from 18 Mile to M-59.
- A traffic signal LED bulb replacement energy saving project.

The ***Capital Project Funds*** total $901,350. 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 include:

- $195,000 for the Neighborhood Sidewalk Repair Program.
- $180,000 in DPW maintenance equipment, Court digital recording equipment, and a Fire thermal imaging unit, as well as Information Technology upgrades including thirty-five replacement personal computers and a replacement storage server.
- $226,350 to replace eight high mileage police patrol and traffic vehicles and a DPW pickup truck.

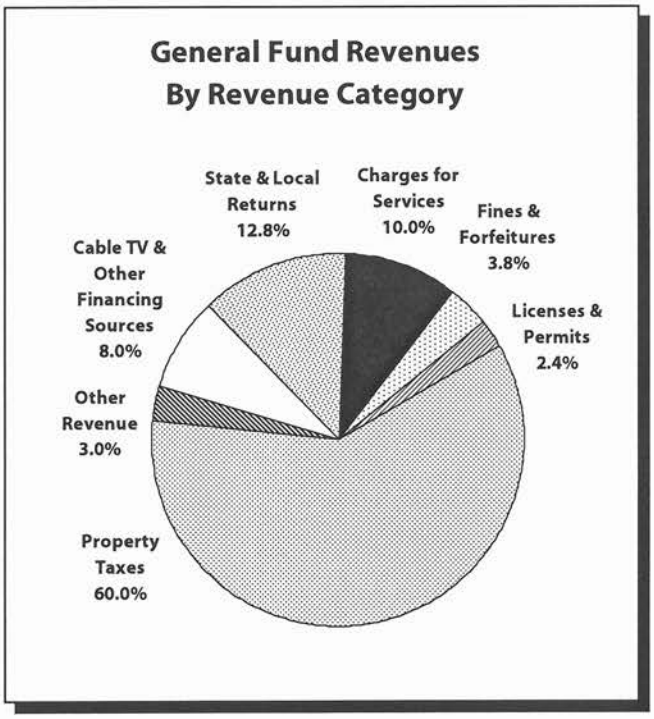
Finally, the ***Debt Service Funds*** total $4.7 million and provide funding for the debt payments on road construction projects, the City Center Commons, the public safety radio system, storm drains, and the debt resulting from the voter approved Proposal F. The City has saved over $1.7 million in future interest payments by refinancing several bonds and due to the last bond rating upgrade. The City's outstanding government debt has dropped to its lowest level since 1989. Debt will continue to decline next year, as five existing bonds will be fully paid off.

GENERAL FUND

The General Fund Budget totals $83.2 million, a decrease of $2.7 million or 3.1% below the prior year budget. Absent increased contributions to the retirement systems, due to stock market declines and retiree medical obligations, the budget would have decreased by $5.3 million or 6.2%. General Fund expenditures have now fallen to their lowest level in six years or since 2007. General Fund revenues, absent the transfer of Self-insurance Fund reserves, have dropped to their lowest level since 2005.

Revenues by Category

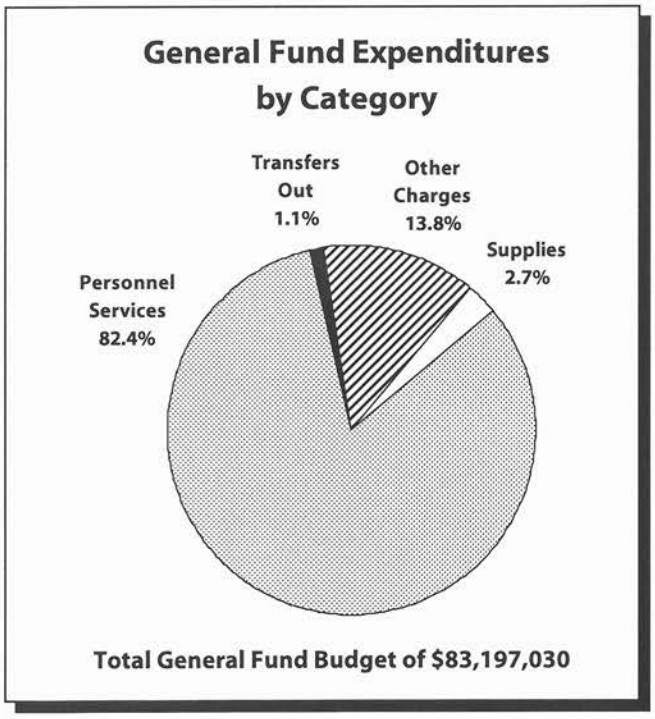
The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City's tax rate of 12.6858 mills will provide $51.8 million or 60.0% of the total General Fund budget. Taxes are levied for



General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement Proposal F debt, and 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 90% of other cities in the entire State.

Due to declining property assessments since 2008, the City's total assessed value has dropped by 36.2%, while the total taxable value has decreased by 24.8%. Residential assessed values alone have declined by 38.8%, while residential taxable values have decreased by 27.5%. The City's total taxable property value has now fallen to its lowest level since 2001, while assessed values are at their lowest level since 1999. As a result, due to a fifth year of declining property assessments, the City has now lost $44.8 million in lower property tax revenues compared to receipts in a normal housing market. Excluding inflation and a normal housing market, the City has lost $10.8 million in tax revenues since 2008. This revenue loss and assessment decline is unprecedented in the City's history. Total property tax receipts have now fallen to their lowest level in eight years or since 2005.



To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 2.4%, State and Local Returns 12.8%, Fines & Forfeitures 3.8%, Charges for Services 10.0%, Other Revenue 3.0%, Cable TV Revenue 2.3%, and Other Financing Sources 5.7%, including a transfer from the Self-insurance Fund reserves.

Due to declining revenues and a $2.6 million increase in retirement funding to offset stock market declines, and despite $6.2 million in expenditure cuts, a $4.7 million transfer of Self-insurance Fund reserves is needed to balance the budget. No use of General Fund reserves is planned, leaving an estimated $7.2 million or 8.7% of General Fund expenditures available in General Fund reserves.

Expenditures by Category

The $83.2 million General Fund budget is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel Service costs, which are made up of wages and fringe benefits and comprise 82.4% 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 13.8% of the budget and is primarily for the refuse and detention facility contract costs, liability insurance, utility bills, and legal costs. Transfers to other City funds total 1.1% of the General Fund budget.

The total $2.7 million decrease in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

	Dollar Change	Percentage Change
Personnel Services	($2,783,390)	(3.9%)
Supplies	(38,170)	(1.7%)
Other Charges	143,490	1.3%
Transfers Out	(5,580)	(0.6%)
Total	**($2,683,650)**	**(3.1%)**

Personnel Services decreased $2.8 million or 3.9% from last year's budget. Absent increased

actuarially required pension and retiree medical contributions, personnel costs would have decreased by $5.4 million or 7.6%. Due to revenue shortfalls, the budget does not fund 32 vacant full-time positions saving $2.7 million. The budget also includes the layoff of 27 full-time positions for a net $2.0 million savings not including future legacy cost savings. The budget assumes the continuation of employee wage and benefit concessions and further concessions next year from all employees. Overtime costs will fall by $622,890 or 15.3% and have now declined by $1.9 million or 36% over the past five years. Overtime has decreased in all departments, though most of the savings next year is due to reduced Fire personnel and the elimination of the minimum manning staffing requirement.

The City will again fully fund its actuarially required contribution for current and future retiree medical liabilities. In 2012/13, $11.4 million has been set-aside in the General Fund to fully cover these obligations. In the past nine years, the City has increased its funding by $8.8 million.

The budget includes funding for 484 full-time positions – the City's lowest staffing level since the 1970's. The City has now reduced funding for 165 full-time positions or 25.4% of its workforce since 2002, saving $12.6 million annually. The City's employee per resident ratio has decreased by over 41%. Full-time staffing is down more as a percentage in non-Public Safety departments, as over 75% of the staffing reduction has been to general employees and not sworn Police and Fire positions assigned to the street.

The same number of total Part-time staff is budgeted. Six part-time Custodians are to be replaced by a custodial contractor, a part-time Court employee has become full-time due to a retirement, and two vacant part-time Co-op positions are no longer needed in the Police Department. Nine new part-time positions are budgeted to partially offset the decline of full-time staff primarily resulting from attrition. The City is currently negotiating with several unions to allow the greater use of part-time staffing.

Supplies decreased by $38,170 or 1.7% due to the City's ongoing vendor savings program, continued efficiencies that have reduced postage, publication and recreation supply costs, as well as fewer Library material purchases. City departments have continued to reduce their overall discretionary spending. Departments, for example, are using a contractor to maintain laser printers, thereby eliminating the need to purchase toner cartridges. Partially offsetting these savings is the continued higher cost of fuel and repairs of City vehicles and equipment.

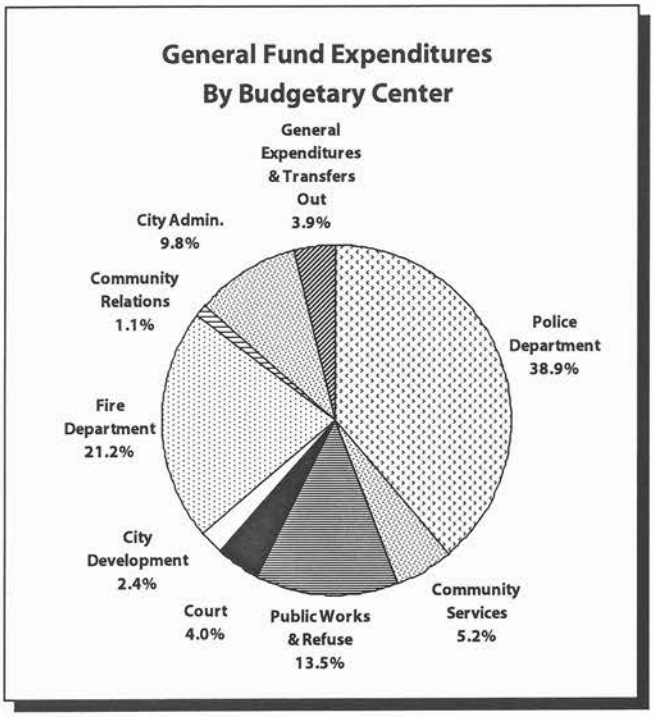
Other Charges increased by $143,490 or 1.3%. Contractual costs rose $511,020 as the first year software maintenance fees for the New World computer system came online, as well as the funding for a new custodial services contract and a Planning Consultant. Labor Attorney costs increased due to the negotiation of additional collective bargaining agreements and labor arbitrations. Savings were realized due to lower utility and telephone costs, a decrease in unpaid nuisance abatements, a reduced need for computer consultant services and lower employee training costs. In addition, the refund of property tax appeals will now be recorded as an offset to revenue rather than an expense.

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. $113,500 is budgeted for new equipment and $66,500 in Information Technology upgrades including the replacement of a storage server and 35 six-year old personal computers. $226,350 is budgeted for the purchase of eight replacement high mileage police vehicles and a Public Works Pickup Truck. ***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 $5,580 or 0.6% due to lower debt payments, partially offset by an increase in funding for capital equipment purchases.

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 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 2012/13 Budget:

City Administration Department

- Increased funding for the labor contract arbitrations, employee outplacement services, and the administration of a Police Sergeant promotional exam.
- The replacement of a retiring full-time Senior Clerk position in the City Clerk's office with a part-time position and funds to conduct the November Presidential election.
- The contracting of custodial services, while maintaining an in-house building maintenance staff, saving $284,000, lower utility costs from recently installed heating and cooling equipment, and a part-time clerical position to replace a full-time position transferred to the Fire Department last year.
- The elimination of a vacant Information Technology Specialist position, funding for a replacement storage server and savings from connecting the DPW Facility and Fire Stations to the City's telephone system.
- The use of postcards and the City website to notify and provide Assessing personal property statement information to businesses.
- The filling of a vacant full-time Accountant position with two part-time positions and higher MUNIS software maintenance fees.
- $12,000 in printer maintenance and toner savings from a new per page print fee agreement and the continuation of the City's Vendor Savings Program.
- The filling of a vacant Treasury Account Clerk with a part-time position, the use of an armored car service for bank deposits, and a decrease in bank fees as a result of City process changes.
- The replacement of six-year old personal computers for the Human Resources, City Clerk, Facility Maintenance and Assessing staffs.

Community Services Department

- An additional part-time Librarian to partially replace two vacant full-time positions. A part-time temporary Librarian hired mid-year will no longer be utilized, saving $27,000.
- The continued service sharing agreement between the City and the Suburban Library Cooperative that funds a portion of the Community Services Director's costs, who in return assists them on a part-time basis.
- A 7.8% reduction in funding for Library books, publications and audiovisual materials and continued CDBG funding for the purchase of senior books.
- Energy savings from the new Library boiler and air conditioning unit, elimination of an ancestry subscription, and the replacement of two six-year old Library staff personal computers.
- The elimination of a vacant Recreation Supervisor position and the further redistribution of duties among existing staff, as well as a reduction in part-time wages as the department will continue to reallocate staff among priority programs and events, including closing the Nature Center on Sundays.
- Further Parks & Recreation supply savings including fewer refreshments at the Senior Center, elimination of one Music in the Park concert, pool facility rental savings due to the closing of school pools, partially offset by the funding of Civic Theatre licensing fees.

- Playground surface mats to save on park maintenance costs, as well as the use of prior land sale funds for four park maintenance projects.

Police Department

- The elimination of five vacant Police Officer positions, most of which is a result of the prior year contracting of the Police Detention Facility. Two existing Captains are now sharing the duties of a vacant Police Captain, while a part-time Animal Control Officer has saved the need to replace a vacant full-time position.
- Five Police Officer layoffs saving $395,000, most of which are in the Investigations division, as the department will reprioritize the processing of minor property crime reporting, the process of reporting private property accidents, participation in task forces and the accident unit, and will review the need to respond to low priority minor medical incidents.
- A full-time Lab Technician is proposed to become part-time saving $37,000, a Technical Secretary position eligible for an early retirement will save $54,000, and two Co-op positions have not been filled. The new in-car E-ticketing software, which eliminates redundant data entry, the New World records management system, the closing of the records counter on Fridays, and the continued access to online police reports has resulted in greater efficiencies and improved customer access.
- The Emergency Manager position is no longer funded, saving $70,000, as a Police Captain, who currently oversees the duties, will work with City and County staff to reduce redundancies and allow for greater participation of field personnel, while not compromising safety.
- Higher first year computer maintenance costs as a result of switching from CLEMIS to New World, offset slightly by savings in printer toner, publications, and training costs.
- Funding for eight replacement high mileage traffic and patrol vehicles, and the drug forfeiture purchase of two used vehicles to replace 13- and 14-year old Detective vehicles, a high mileage replacement Evidence Technician vehicle, and necessary replacement equipment as the Crown Victoria police cruiser model is no longer in production.

Fire Department

- The elimination of funding for ten Fire Fighter positions, four of which are either vacant or filled temporarily. The reduction in staffing will allow the department to operate three and four man medic engines, saving $810,500, excluding future legacy costs.
- A reduction in minimum manning overtime, saving $275,000, which allows for more flexible staffing deployments, as well as reduced pension payouts.
- Computer consultant savings as a result of the new Fire records management system.
- Continued savings by reducing external educational expenses and supply savings from the need to purchase fewer turnout gear replacements.
- Savings from connecting two Fire Stations to the City's main telephone system via VOIP, thereby reducing the number of separate phone lines needed.
- Funding to replace a broken and obsolete Thermal Imaging Camera stored on a Fire Engine and used on fire runs.

City Development Department

- The layoff of a Building Inspector position due to continued lower building construction levels, saving $97,000.
- The use of the Neighborhood Property Maintenance Officer to fill in for a full-time Code position who is unable to return to work from a long term disability.
- The continued funding for two part-time Foreclosure Code Officers previously paid by an expiring grant and now to be funded by a proposed bank foreclosure registration fee.
- Savings from a more cost effective cellular phone plan, lower software maintenance fees by converting to the BS&A permits system, and nuisance abatement cost savings.
- The layoff of the Neighborhood Services Manager position saving $120,000, as the Building Official and Community Relations Director will oversee and coordinate the continued operation of the SHINE program.
- The contracting of certain Planning office functions due to the retirement of two positions, saving over $100,000.

Public Works Department

- The layoff of two Engineering Aides saving $181,000, due to a continued decrease in overall City development activity, and the ability to reassign duties and contract out a portion of these duties, if needed.
- The elimination of a vacant Fleet Maintenance Mechanic position and the contracting out of the vacant Storekeeper position.
- An increase in funding for the rising cost of fuel and repair parts for City vehicles and equipment.
- The elimination of seven vacant full-time Parks & Grounds positions as the department will rely more on alternative service delivery options including greater use of part-time hours and staffing, the further contracting of park mowing, restroom cleaning, and park trash collection, as well as the transition to a private tree branch chipping contractor.
- Reduced need for replacement mulch in City parks due to the use of playground mats, as well as a reduction in the number of turf fertilization applications at City facilities.
- Savings from connecting the DPW Facility to the City's main telephone system via VOIP, thereby reducing the number of phone lines needed, as well as electric savings from newly installed efficient lighting.
- The continued 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, and increased sweeping on major road crossover lanes.
- Capital funding for the replacement of six-year old personal computers for the Engineering and DPW staff, a grass seeder machine to better maintain park athletic fields, a road maintenance backhoe, two snow plow salt brine liquid dispensing units, and a replacement Street Services pickup truck.

Community Relations Department

- The elimination of the Communications Specialist position due to a layoff, saving $67,000 as well as long-term legacy costs.
- The continued reimagining of department services that include a bi-weekly SHTV newscast, a revised beautification awards program, the return of the holiday gift drive to local service clubs and churches, an online 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 and the online City Calendar, new Magazine advertising revenues, and Sterlingfest savings due to a continued reduction in costs and the sharing of resources with the Chamber of Commerce.
- Funding for a new electronic e-mail newsletter and resident feedback program that will eliminate the need for the "We Want to Know" postcards.
- The surveying of the community to evaluate and prioritize local services.

Non-Departmental Services

- The promotion of a part-time Deputy Court Clerk due to the retirement of a full-time 41-A District Court position.
- The replacement of the 20-year old Court recording system and the upgrade of the Court's computer system.
- 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 and increased unemployment costs.
- 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 must charge. Effective July 1, 2012, the cost of water purchased from Detroit will increase by 8.9%. Sewer rates will increase by 9.2%, in addition to a 13.5% increase in Macomb County fixed charges and a 23.9% increase in debt payments on the District's sewer rehabilitation projects.

As a result of these increases, an 8.9% water and 13.9% sewer rate adjustment must be passed on to our customers in order for the City's system to break-even. However, because Detroit has increasingly shifted its charges to us, no longer tied to the City's actual water consumption but to a fixed charge, the City must begin to shift its rate structure to a similar format.

As a result, the budget includes passing on a portion of Detroit's fixed fees to our users. A modest $30 annual fixed residential fee and a $120 commercial fixed fee is proposed and is included in the overall rate increase. As business customers are billed monthly, the City's cost to process bills is higher than residents who are billed quarterly. The fixed residential fee will be the lowest of any metro Detroit community. The fixed fee will allow the City to reduce its first tier water rate, where most residential consumption is billed, thereby lowering the water bill increase from 8.9% to only 5.9%. The sewer rate will only increase by 9.4%, so that the average resident's total water & sewer bill will be $4 less per year with the new billing method. The consumption amount for the minimum bill user will also decrease to lessen the fixed fee impact to very low users.

As system users continue to reduce consumption and the City's costs from Detroit are increasingly fixed, this new method will better prevent revenue shortfalls and avoid higher rate increases that can lead to a further decrease in usage. Fixed fees reduce revenue volatility and avoid overcharging customers in years where usage increases.

The average Sterling Heights residential customer will pay $43 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.

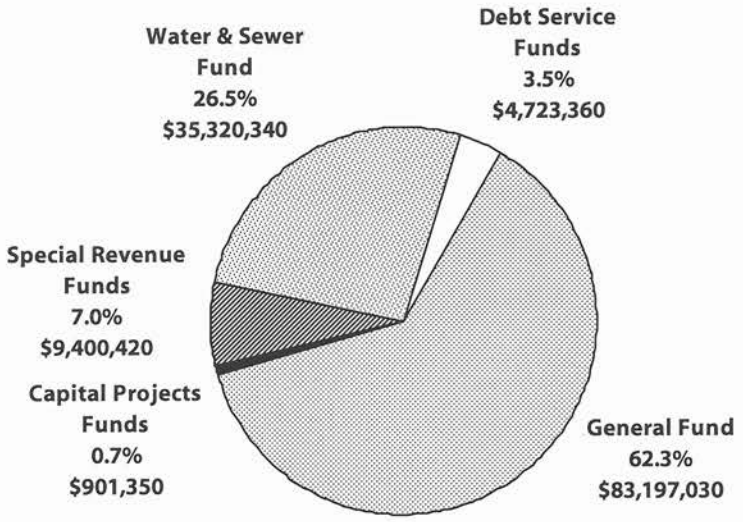
According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on Detroit's water rate is also one of the lowest in the State.

The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose only 0.4% primarily due to increased retirement funding, as the budget assumes a third year of employee wage and benefit concessions. Department staffing has been reduced, as funding has been eliminated for two vacant full-time positions. Supplies decreased by $8,230 or 3.3%. Capital purchases declined by $273,550 due to the purchase of a Vactor Jet in the prior year.

The 2012/13 Budget includes:

- Funding to replace 12 six-year old personal computers, a vibration roller attachment to help restore asphalt after water main repairs, a traffic target arrow, and a camera system for locating sanitary sewer breaks and blockages.■

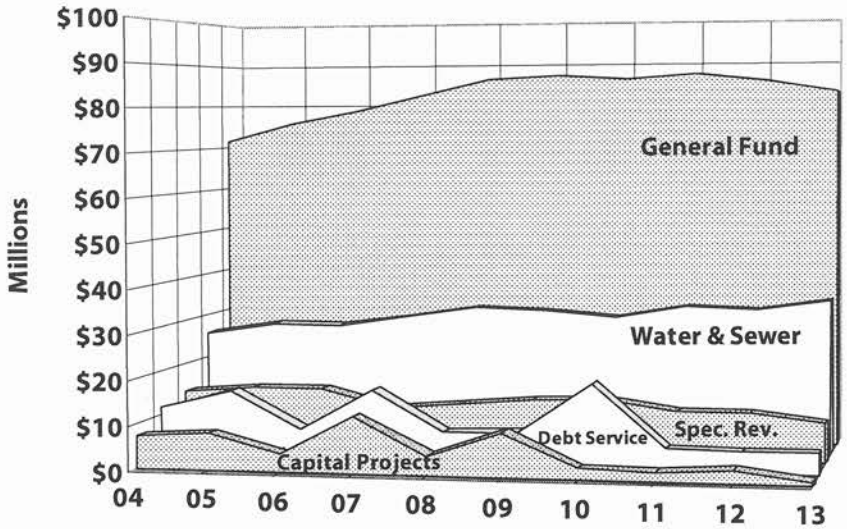
Total City Budgeted Funds
Percent of Total Expenditures



Total City Expenditures of $133,542,500 (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.

2012/13 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	$49,894,930	$0	$275,960	$1,586,240	$0	**$51,757,130**
Water & Sewer Service	0	32,272,430	0	0	0	**32,272,430**
State Revenue Sharing	9,700,000	0	0	0	0	**9,700,000**
Charges for Services	7,290,170	2,123,350	45,000	0	0	**9,458,520**
Interfund Transfers In	4,735,260	0	19,000	2,858,740	406,350	**8,019,350**
Highway & Street Grants	0	0	6,875,000	0	0	**6,875,000**
Court & Police Fines and Forf.	3,094,020	0	0	0	0	**3,094,020**
Miscellaneous Revenue	1,315,610	533,880	329,850	267,270	218,820	**2,665,430**
Federal, State & Local Grants	939,540	0	1,629,270	36,270	0	**2,605,080**
Licenses & Permits	2,028,500	0	0	0	0	**2,028,500**
Cable Revenue	1,900,000	0	0	0	0	**1,900,000**
Labor Services Roads	1,000,000	30,000	0	0	0	**1,030,000**
Rental - Road Equipment	950,000	20,000	0	0	0	**970,000**
Interest On Investments	250,000	340,680	9,680	4,300	6,450	**611,110**
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	**83,197,030**	**35,320,340**	**9,183,760**	**4,752,820**	**631,620**	**133,085,570**
EXPENDITURES BY OBJECT						
Personnel Services	68,542,490	3,617,960	23,400	0	0	**72,183,850**
Other Charges	7,171,850	26,723,170	1,586,030	4,550	0	**35,485,600**
Principal Payments	0	1,345,670	106,470	3,788,530	0	**5,240,670**
Refuse Collection	4,215,000	0	0	0	0	**4,215,000**
Interfund Transfers Out	954,090	0	2,375,000	0	0	**3,329,090**
Other Services	0	0	3,033,500	0	0	**3,033,500**
Supplies	2,244,500	237,700	53,250	0	0	**2,535,450**
Capital Improvement Projects	0	0	2,020,250	0	495,000	**2,515,250**
Interest Payments	0	1,556,240	2,130	930,280	0	**2,488,650**
Interfund Services	69,100	1,679,800	19,000	0	0	**1,767,900**
Capital Equipment	0	159,800	130,500	0	180,000	**470,300**
Capital Vehicles	0	0	50,890	0	226,350	**277,240**
Total Expenditures	**83,197,030**	**35,320,340**	**9,400,420**	**4,723,360**	**901,350**	**133,542,500**
Excess of Revenues Over (Under) Expenditures	0	*	(216,660)	29,460	(269,730)	**(456,930)**
Beginning Fund Balance	7,230,640	*	5,761,700	472,910	1,285,580	**14,750,830**
Ending Fund Balance	**$7,230,640**	*	**$5,545,040**	**$502,370**	**$1,015,850**	**$14,293,900**

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

	2010/11 Actual	2011/12 Estimate	2012/13 Budget
REVENUES BY SOURCE			
City Property Taxes	$59,091,550	$55,653,600	**$51,757,130**
Water & Sewer Service	26,055,570	26,377,510	**32,272,430**
State Revenue Sharing	9,368,600	9,562,170	**9,700,000**
Charges for Services	9,488,170	9,666,820	**9,458,520**
Interfund Transfers In	4,032,240	3,551,970	**8,019,350**
Highway & Street Grants	6,579,430	6,725,000	**6,875,000**
Court & Police Fines & Forfeitures	3,266,460	2,817,020	**3,094,020**
Miscellaneous Revenue	2,563,900	3,397,090	**2,665,430**
Federal, State & Local Grants	4,368,790	4,637,800	**2,605,080**
Licenses & Permits	1,438,200	1,634,000	**2,028,500**
Cable Revenue	1,950,440	1,940,000	**1,900,000**
Labor Services Roads	1,127,570	930,000	**1,030,000**
Rental - Road Equipment	1,127,820	920,000	**970,000**
Interest On Investments	574,070	1,089,470	**611,110**
Other Fines & Forfeitures	87,420	80,000	**84,000**
Sale of Fixed Assets	7,060	15,000	**15,000**
Proceeds - Long-term Debt	0	4,054,200	**0**
Total Revenues	**131,127,290**	**133,051,650**	**133,085,570**
EXPENDITURES BY OBJECT			
Personnel Services	76,121,120	74,735,960	**72,183,850**
Other Charges	35,829,280	34,327,030	**35,485,600**
Principal Payments	4,157,500	8,997,530	**5,240,670**
Refuse Collection	4,218,550	4,200,000	**4,215,000**
Interfund Transfers Out	4,032,240	3,551,970	**3,329,090**
Other Services	3,493,910	2,584,060	**3,033,500**
Supplies	2,679,930	2,717,790	**2,535,450**
Capital Improvement Projects	3,008,040	3,798,230	**2,515,250**
Interest Payments	1,743,820	2,570,630	**2,488,650**
Interfund Services	1,770,200	1,798,090	**1,767,900**
Capital Equipment	1,592,130	850,700	**470,300**
Capital Vehicles	250,660	1,204,560	**277,240**
Total Expenditures	**138,897,380**	**141,336,550**	**133,542,500**
Excess of Revenues Over (Under) Expenditures *	(2,833,230)	(4,346,690)	**(456,930)**
Beginning Fund Balance	21,930,750	19,097,520	**14,750,830**
Ending Fund Balance	**$19,097,520**	**$14,750,830**	**$14,293,900**

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

REVENUE COMPARISON
CITY BUDGETED FUNDS

Fund No.	Fund Name	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget	% Change from 11/12
	GENERAL FUND						
1010	General Fund	$83,659,700	$85,942,710	$81,340,070	$82,805,870	**$83,197,030**	2.3%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	25,498,510	28,496,090	31,966,850	29,568,960	**35,320,340**	10.5%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	5,546,130	5,212,690	5,069,700	5,462,640	**5,392,700**	6.4%
2030	Local Road Fund	2,732,990	2,460,520	2,127,020	2,262,720	**2,071,770**	-2.6%
2440	Land & Water Conservation Fund	121,430	5,250	3,500	3,500	**3,000**	-14.3%
2750	Energy Eff. & Cons. Block Grant Fd.	235,030	476,800	491,970	524,200	**0**	-100.0%
2770	Public Safety Forfeiture Fund	386,100	225,070	159,660	269,350	**240**	-99.8%
2780	Comm. Develop. Block Grant Fund	793,050	690,020	1,307,250	920,880	**1,035,370**	-20.8%
2890	Neighborhood Stabilization Fund	915,620	813,600	697,240	459,260	**278,900**	-60.0%
8510	Corridor Improvement Auth. Fund	21,850	100	0	20	**20**	100.0%
8550	Economic Develop. Corp. Fund	17,020	6,000	21,000	21,010	**19,010**	-9.5%
8560	Brownfield Redevelopment Fund	48,940	48,890	55,770	70,510	**125,180**	124.5%
8670	Local Dev. Finance Authority Fund	2,989,570	257,930	612,520	547,380	**257,570**	-57.9%
	Total Special Revenue Funds	**13,807,730**	**10,196,870**	**10,545,630**	**10,541,470**	**9,183,760**	**-12.9%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,192,080	1,194,670	1,194,950	1,197,690	**1,224,440**	2.5%
3050	Voted Gen. Obligation Debt Fund	183,960	330,740	354,350	356,060	**365,100**	3.0%
3160	Settlement Bonds Debt Fund	11,141,810	0	0	0	**0**	0.0%
3270	Road Bond Debt Retirement Fund	5,157,890	2,791,730	2,620,050	6,666,550	**2,634,540**	0.6%
3690	Ltd. Tax Gen. Obligation Debt Fund	1,047,810	617,950	608,680	608,680	**528,740**	-13.1%
	Total Debt Service Funds	**18,723,550**	**4,935,090**	**4,778,030**	**8,828,980**	**4,752,820**	**-0.5%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	1,511,200	1,553,190	1,373,120	1,304,970	**630,420**	-54.1%
4280	Road Bond Construction Fund	1,570,650	3,340	1,000	1,400	**1,200**	20.0%
	Total Capital Project Funds	**3,081,850**	**1,556,530**	**1,374,120**	**1,306,370**	**631,620**	**-54.0%**
	Total Revenue	**144,771,340**	**131,127,290**	**130,004,700**	**133,051,650**	**133,085,570**	**2.4%**
	Duplicating Transfers	**(16,320,900)**	**(4,032,240)**	**(3,551,970)**	**(3,551,970)**	**(8,019,350)**	125.8%
	Total All Funds	**$128,450,440**	**$127,095,050**	**$126,452,730**	**$129,499,680**	**$125,066,220**	**-1.1%**

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

EXPENDITURE COMPARISON
CITY BUDGETED FUNDS

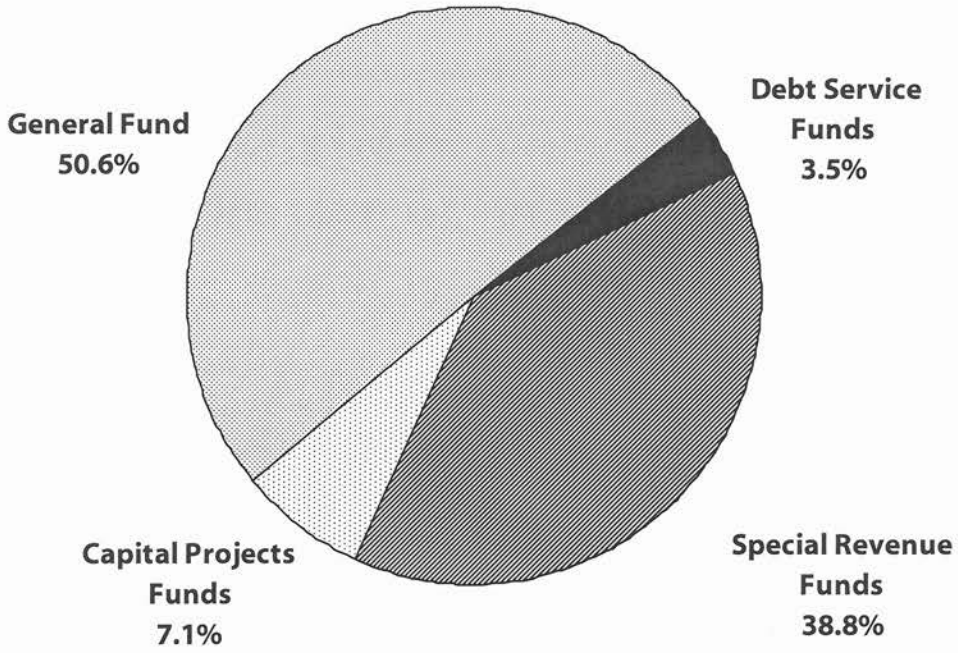
Fund No.	Fund Name	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget	% Change from 11/12
	GENERAL FUND						
1010	General Fund	$86,337,840	$87,480,420	$85,880,680	$86,566,440	**$83,197,030**	-3.1%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	30,768,980	33,432,950	32,890,870	33,507,170	**35,320,340**	7.4%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	5,138,540	4,952,830	5,039,660	4,578,490	**4,816,380**	-4.4%
2030	Local Road Fund	2,805,920	2,923,640	2,231,350	1,986,490	**2,332,350**	4.5%
2440	Land & Water Conservation Fund	16,580	131,240	166,810	136,720	**200,000**	19.9%
2750	Energy Eff. & Cons. Block Grant Fund	235,030	476,800	491,970	524,200	**0**	-100.0%
2770	Public Safety Forfeiture Fund	447,060	451,020	310,130	311,340	**322,780**	4.1%
2780	Comm. Develop. Block Grant Fund	793,050	690,020	1,307,250	920,880	**1,035,370**	-20.8%
2890	Neighborhood Stabilization Fund	915,620	813,600	697,240	459,260	**278,900**	-60.0%
8510	Corridor Improvement Auth. Fund	15,630	190,320	28,000	8,440	**0**	-100.0%
8550	Economic Development Corp. Fund	15,240	11,260	22,000	14,000	**25,700**	16.8%
8560	Brownfield Redevelopment Fund	81,110	43,540	61,070	70,170	**131,370**	115.1%
8670	Local Dev. Finance Authority Fund	2,989,560	238,160	632,110	566,970	**257,570**	-59.3%
	Total Special Revenue Funds	**13,453,340**	**10,922,430**	**10,987,590**	**9,576,960**	**9,400,420**	**-14.4%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,202,690	1,191,730	1,194,950	1,200,740	**1,224,440**	2.5%
3050	Voted Gen. Obligation Debt Fund	310,500	331,630	354,350	354,750	**370,100**	4.4%
3160	Settlement Bonds Debt Fund	11,144,950	0	0	0	**0**	0.0%
3270	Road Bond Debt Retirement Fund	5,127,260	2,734,980	2,579,860	6,630,080	**2,600,080**	0.8%
3690	Ltd. Tax Gen. Obligation Debt Fund	1,047,760	617,940	608,680	608,680	**528,740**	-13.1%
	Total Debt Service Funds	**18,833,160**	**4,876,280**	**4,737,840**	**8,794,250**	**4,723,360**	**-0.3%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	1,720,170	1,942,830	2,401,430	2,373,750	**701,350**	-70.8%
4280	Road Bond Construction Fund	808,020	242,470	635,680	517,980	**200,000**	-68.5%
	Total Capital Project Funds	**2,528,190**	**2,185,300**	**3,037,110**	**2,891,730**	**901,350**	**-70.3%**
	Total Expenditures	**151,921,510**	**138,897,380**	**137,534,090**	**141,336,550**	**133,542,500**	**-2.9%**
	Duplicating Transfers	**(5,183,310)**	**(4,032,240)**	**(3,551,970)**	**(3,551,970)**	**(3,329,090)**	-6.3%
	Total All Funds	**$146,738,200**	**$134,865,140**	**$133,982,120**	**$137,784,580**	**$130,213,410**	**-2.8%**

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

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget	% Change from 11/12
	GENERAL FUND						
1010	General Fund	$12,528,920	$10,991,210	$6,450,600	$7,230,640	**$7,230,640**	12.1%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	2,430,230	2,690,090	2,720,130	3,574,240	**4,150,560**	52.6%
2030	Local Road Fund	1,189,380	726,260	621,930	1,002,490	**741,910**	19.3%
2440	Land & Water Conservation Fund	859,560	733,570	570,260	600,350	**403,350**	-29.3%
2750	Energy Eff. & Cons. Block Grant Fund	0	0	0	0	**0**	0.0%
2770	Public Safety Forfeiture Fund	807,940	581,990	431,520	540,000	**217,460**	-49.6%
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	224,620	34,400	6,400	25,980	**26,000**	306.3%
8550	Economic Development Corp. Fund	6,840	1,580	580	8,590	**1,900**	227.6%
8560	Brownfield Redevelopment Fund	4,170	9,520	4,220	9,860	**3,670**	-13.0%
8670	Local Dev. Finance Authority Fund	10	19,780	190	190	**190**	0.0%
	Total Special Revenue Funds	**5,522,750**	**4,797,190**	**4,355,230**	**5,761,700**	**5,545,040**	**27.3%**
	DEBT SERVICE FUNDS						
3010	General Drain Fund	120	3,060	3,060	10	**10**	-99.7%
3050	Voted General Obligation Debt Fund	9,450	8,560	8,560	9,870	**4,870**	-43.1%
3160	Settlement Bonds Debt Fund	0	0	0	0	**0**	0.0%
3270	Road Bond Debt Retirement Fund	369,560	426,310	466,500	462,780	**497,240**	6.6%
3690	Limited Tax Gen. Obligation Debt Fund	240	250	250	250	**250**	0.0%
	Total Debt Service Funds	**379,370**	**438,180**	**478,370**	**472,910**	**502,370**	**5.0%**
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	2,503,350	2,113,710	1,085,400	1,044,930	**974,000**	-10.3%
4280	Road Bond Construction Fund	996,360	757,230	122,550	240,650	**41,850**	-65.9%
	Total Capital Project Funds	**3,499,710**	**2,870,940**	**1,207,950**	**1,285,580**	**1,015,850**	**-15.9%**
	Unappropriated Total - All Funds	**$21,930,750**	**$19,097,520**	**$12,492,150**	**$14,750,830**	**$14,293,900**	**14.4%**

City Government Funds
Percent of Total Reserves



Total Government Fund Reserves of $14,293,900

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	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual
	PROPRIETARY FUNDS					
	ENTERPRISE FUND					
5740	Water & Sewer Improvement Fund	$36,581,310	$36,860,207	$33,991,681	$34,041,578	$32,704,205
	INTERNAL SERVICE FUND					
6770	Self-Insurance Fund	16,198,640	16,165,248	15,941,054	21,695,945	21,490,458
	Total Proprietary Funds	**52,779,950**	**53,025,455**	**49,932,735**	**55,737,523**	**54,194,663**
	FIDUCIARY FUNDS					
	TRUST FUNDS					
7010	Retiree Medical Benefits Fund	14,217,492	18,594,831	20,997,788	29,553,841	42,313,534
7370	General Employees Retirement System	129,442,940	123,949,055	91,705,363	98,979,076	111,720,763
7380	Police & Fire Retirement System	208,600,271	192,914,741	144,978,749	148,433,306	171,579,741
	Total Fiduciary Funds	**352,260,703**	**335,458,627**	**257,681,900**	**276,966,223**	**325,614,038**
	Total All Non-Budgetary Funds	**$405,040,653**	**$388,484,082**	**$307,614,635**	**$332,703,746**	**$379,808,701**

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.

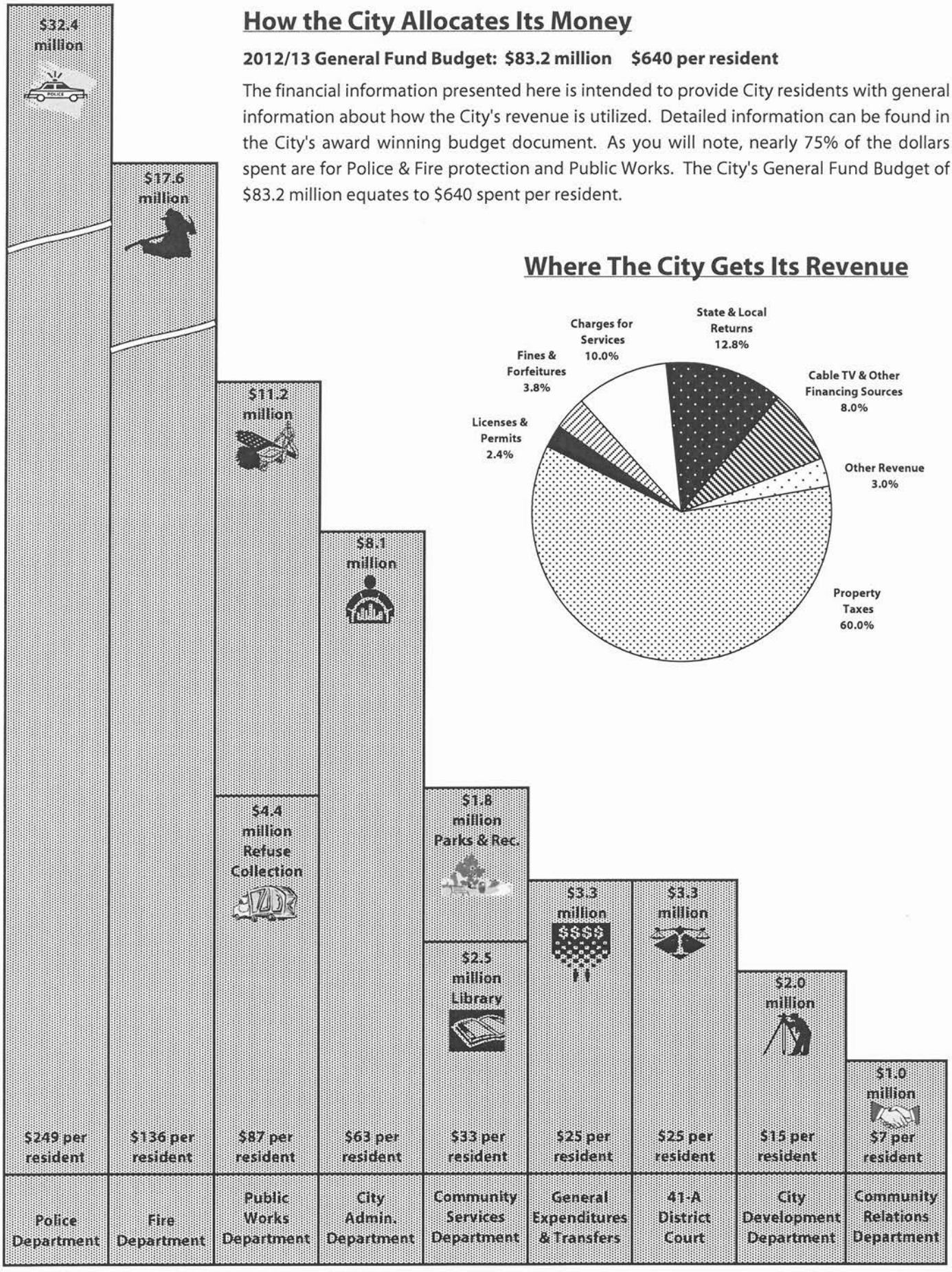
Local property taxes and state shared revenues are the primary sources of revenue used to fund these services.

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

2012/13 General Fund Budget: $83.2 million $640 per resident

The financial information presented here is intended to provide City residents with general information about how the City's revenue is utilized. Detailed information can be found in the City's award winning budget document. As you will note, nearly 75% of the dollars spent are for Police & Fire protection and Public Works. The City's General Fund Budget of $83.2 million equates to $640 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.

city of STERLING HEIGHTS

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 residential property tax bill is $2,020 for those in the Utica Community School district and $2,453 for those in the Warren Consolidated School district. Of this amount, the City receives 36%, or $779, to fund all local City services such as police and fire protection, refuse collection, and snow plowing services. The average homeowner pays less than $65 per month in City taxes.

	Utica Schools	Warren Schools
Average Residential Total Property Tax Bill: *(based on home with a market value of $123,000 and taxable value of $61,400)*	**$2,020**	**$2,453**
Average Residential Property Tax (City Portion Only):	**$779**	**$779**

The City of Sterling Heights spends an average of $1,958 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	$748	38%	$297
Fire Department	$407	21%	$162
Public Works & Refuse	$259	13%	$103
City Administration Department	$188	10%	$75
Community Services Department	$100	5%	$40
General Expenditures & Transfers	$76	4%	$30
41-A District Court	$76	4%	$30
City Development Department	$45	2%	$18
Debt Service	$37	2%	$15
Community Relations Department	$22	1%	$9
Total Per Parcel	**$1,958**	**100%**	**$779**

Because the average amount of residential property tax the City receives is only $779, 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)

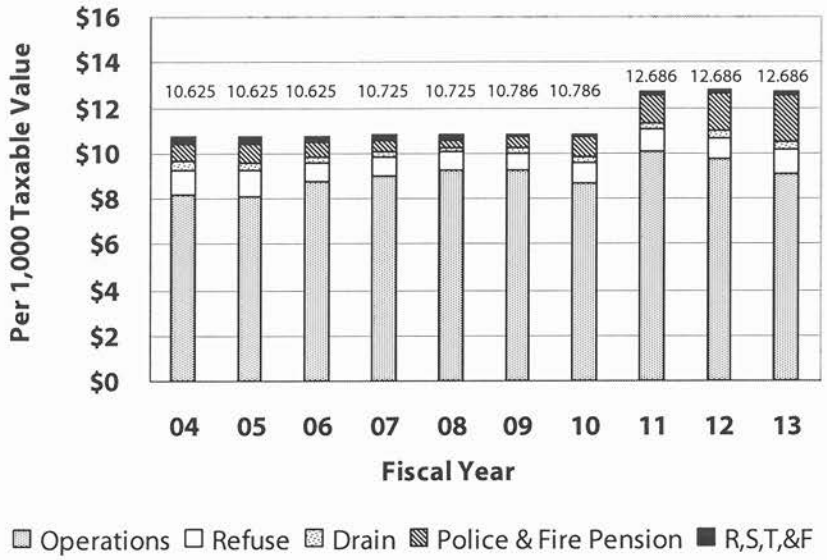
Taxing Entity	2008/09	2009/10	2010/11	2011/12	2012/13*
Tax Rate Shown in Mills					
Utica Community Schools (UCS)	9.500	9.500	9.750	9.850	**9.850**
Macomb County	4.206	4.574	4.574	4.574	**4.574**
Macomb Community College (MCC)	1.421	1.421	1.421	1.571	**1.571**
Macomb Intermediate School District (MISD)	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	**0.100**
Veteran's Operations	0.040	0.040	0.040	0.040	**0.040**
Property Tax Administration Fee	0.190	0.302	0.323	0.326	**0.326**
STERLING HEIGHTS CITY GOVERNMENT	10.786	10.786	12.686	12.686	**12.686**
Total Millage Rates	**29.990**	**30.470**	**32.641**	**32.894**	**32.894**
Avg. Residential Taxable Property Value	$83,900	$80,900	$70,970	$66,000	**$61,400**
Average Tax Rates Shown in Dollars					
Utica Community Schools	$797	$769	$692	$650	**$605**
Macomb County Government	353	370	325	302	**281**
Macomb Community College	119	115	101	104	**96**
Macomb Intermediate School District	247	238	209	194	**181**
Huron Clinton Metro Authority	18	17	15	14	**13**
S.M.A.R.T.	49	48	42	39	**36**
County Zoo Authority	8	8	7	7	**6**
Veteran's Operations	3	3	3	3	**2**
Property Tax Administration Fee	16	24	23	21	**20**
STERLING HEIGHTS CITY GOVERNMENT	905	873	900	837	**779**
Total Tax Bill	**$2,516**	**$2,465**	**$2,317**	**$2,171**	**$2,020**

(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2008/09	2009/10	2010/11	2011/12	2012/13*
Tax Rate Shown in Mills					
Warren Consolidated Schools (WCS)	14.415	14.928	16.259	16.842	**16.842**
Macomb County	4.206	4.574	4.574	4.574	**4.574**
Macomb Community College (MCC)	1.421	1.421	1.421	1.571	**1.571**
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	**0.100**
Veteran's Operations	0.040	0.040	0.040	0.040	**0.040**
Property Tax Administration Fee	0.239	0.356	0.388	0.396	**0.396**
STERLING HEIGHTS CITY GOVERNMENT	10.786	10.786	12.686	12.686	**12.686**
Total Millage Rates	**34.955**	**35.952**	**39.215**	**39.956**	**39.956**
Avg. Residential Taxable Property Value	$83,900	$80,900	$70,970	$66,000	**$61,400**
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	$1,209	$1,208	$1,154	$1,112	**$1,034**
Macomb County Government	353	370	325	302	**281**
Macomb Community College	119	115	101	104	**96**
Macomb Intermediate School District	247	238	209	194	**181**
Huron Clinton Metro Authority	18	17	15	14	**13**
S.M.A.R.T.	49	48	42	39	**36**
County Zoo Authority	8	8	7	7	**6**
Veteran's Operations	3	3	3	3	**2**
Property Tax Administration Fee	20	29	28	26	**24**
STERLING HEIGHTS CITY GOVERNMENT	905	873	900	837	**779**
Total Tax Bill	**$2,932**	**$2,908**	**$2,783**	**$2,637**	**$2,453**

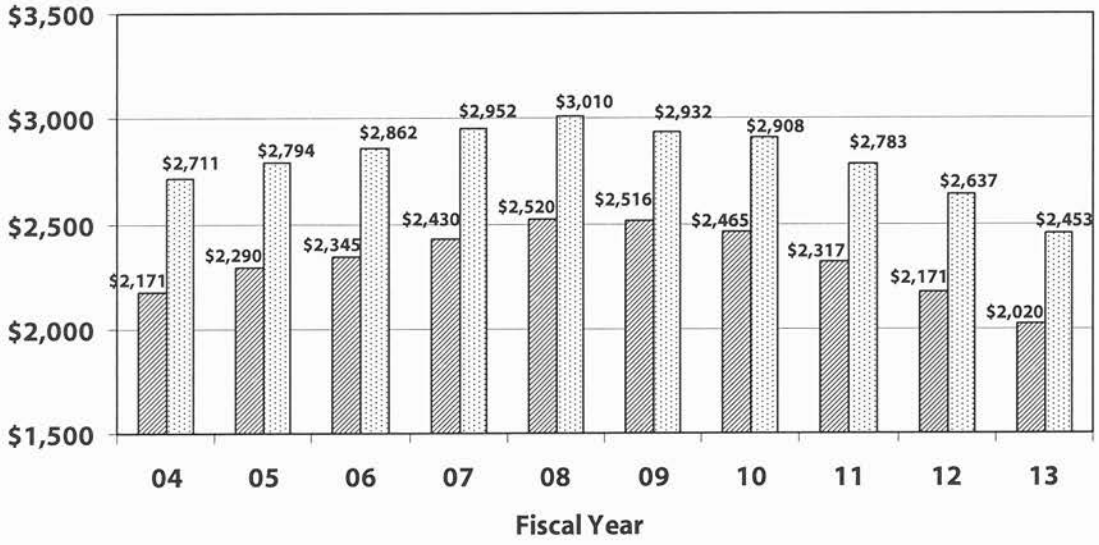
***Non-City tax rates are estimated. School rates are for principal residences. Totals may not foot due to rounding.**

City of Sterling Heights
Millage Rates



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

Total Property Tax Bill
Average Resident

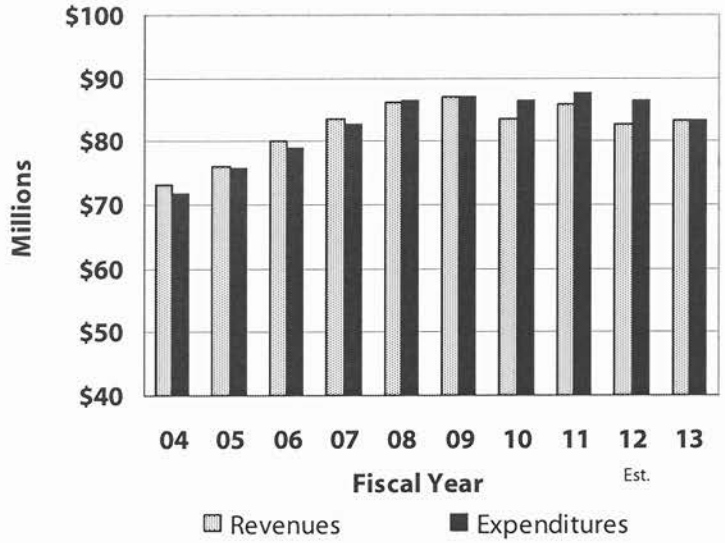


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

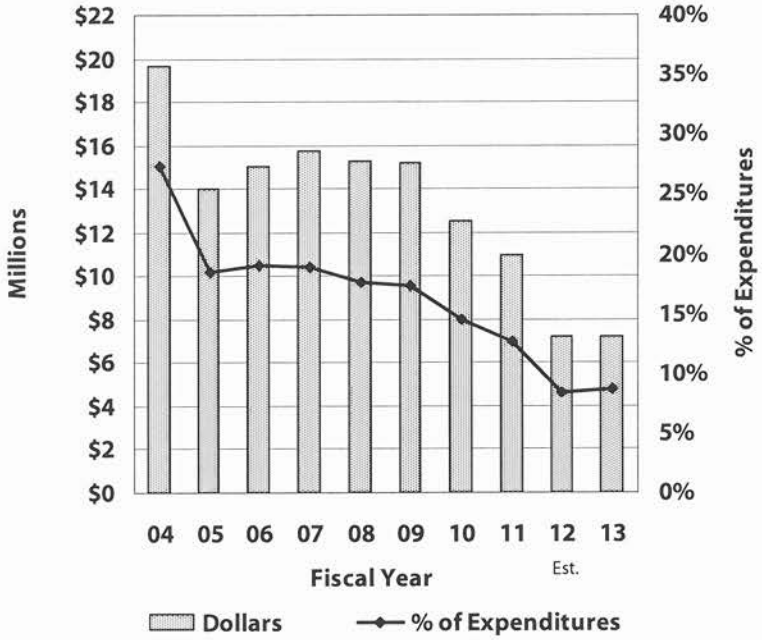
Budgetary Centers	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
REVENUES						
City Operating Taxes	$45,954,150	$47,431,950	$42,069,820	$42,209,470	$37,071,200	**$37,071,200**
Licenses & Permits	1,194,710	1,438,200	1,437,000	1,634,000	2,028,500	**2,028,500**
State and Local Returns	9,991,240	10,174,230	9,451,490	10,509,380	10,639,540	**10,639,540**
Fines & Forfeitures	3,618,570	3,353,880	3,487,100	2,897,020	3,178,020	**3,178,020**
Charges For Services	8,598,050	8,583,880	8,470,400	8,399,970	8,290,170	**8,290,170**
Other Revenue	2,937,300	2,837,350	2,774,350	3,391,120	2,530,610	**2,530,610**
Cable Revenue	1,799,500	1,950,430	1,825,000	1,940,000	1,900,000	**1,900,000**
Refuse Tax	4,561,110	4,377,120	4,413,730	4,413,730	4,411,250	**4,411,250**
Fire & Police Pension Tax	4,925,570	5,753,370	7,368,880	7,368,880	8,412,480	**8,412,480**
Total Revenues	**83,580,200**	**85,900,410**	**81,297,770**	**82,763,570**	**78,461,770**	**78,461,770**
Other Financing Sources						
Transfers In	79,500	42,300	42,300	42,300	4,746,000	**4,735,260**
Total Revenues & Sources	**$83,659,700**	**$85,942,710**	**$81,340,070**	**$82,805,870**	**$83,207,770**	**$83,197,030**
EXPENDITURES						
City Administration Department	$8,986,230	$8,757,370	$8,508,970	$8,286,060	$8,151,070	**$8,140,330**
Community Services Dept.	4,747,600	4,603,110	4,502,300	4,462,360	4,329,870	**4,329,870**
Police Department	31,674,710	32,483,690	32,588,840	32,942,590	32,380,010	**32,380,010**
Fire Department	17,158,590	18,360,030	18,402,370	18,629,140	17,637,670	**17,637,670**
City Development Department	2,165,940	2,162,070	2,386,790	2,326,270	1,954,890	**1,954,890**
Public Works Department	7,699,520	7,915,690	7,254,490	7,172,580	6,788,700	**6,788,700**
Refuse Collection	4,429,920	4,450,360	4,444,730	4,428,380	4,439,800	**4,439,800**
Community Relations Dept.	1,584,180	1,471,810	995,610	981,250	955,320	**955,320**
41-A District Court	3,221,820	3,246,810	3,273,330	3,223,580	3,307,520	**3,307,520**
General Expenditures	2,700,520	2,519,540	2,563,580	3,154,560	2,308,830	**2,308,830**
Total Expenditures	**84,369,030**	**85,970,480**	**84,921,010**	**85,606,770**	**82,253,680**	**82,242,940**
Other Financing Uses						
Transfers Out	1,968,810	1,509,940	959,670	959,670	954,090	**954,090**
Total Expenditures & Uses	**$86,337,840**	**$87,480,420**	**$85,880,680**	**$86,566,440**	**$83,207,770**	**$83,197,030**
Excess of Revenues Over (Under) Expenditures	**(2,678,140)**	**(1,537,710)**	**(4,540,610)**	**(3,760,570)**	**0**	**0**
Beginning Fund Balance	**15,207,060**	**12,528,920**	**10,991,210**	**10,991,210**	**7,230,640**	**7,230,640**
Ending Fund Balance	**$12,528,920**	**$10,991,210**	**$6,450,600**	**$7,230,640**	**$7,230,640**	**$7,230,640**

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



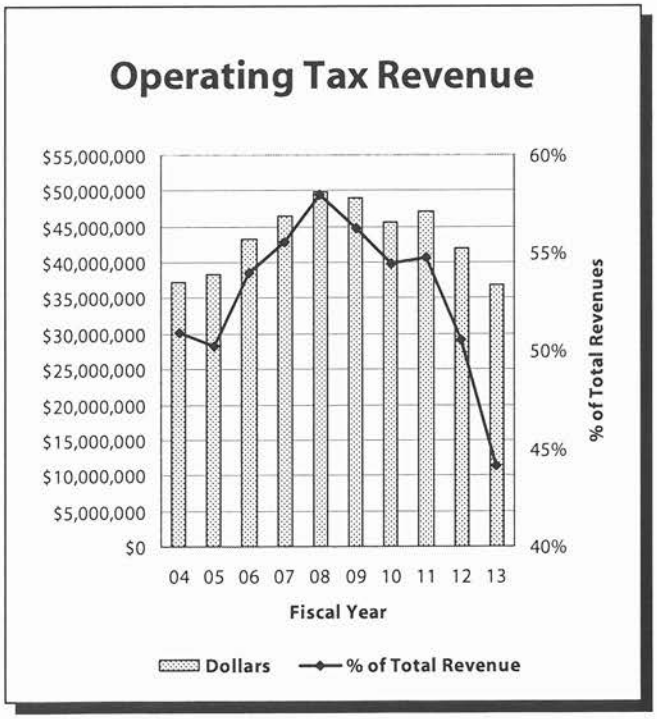
This graph illustrates the cumulative result of excess General Fund revenues over expenditures and total fund balance as a percent of General Fund expenditures. This graph includes the effect of the one-time $6.0 million extraordinary item in 2005 and excludes the $4.7 million use of Self-Insurance Fund reserves in 2013.

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 for Operations. Over the past ten years, changes in Operating Tax revenues have varied. From 2004 to 2008, revenues increased due to 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 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 2012/13 Budget, Operating tax revenue represents 44.1% of total revenues, a decrease of $5.1 million or 12.3% below the amount estimated to be collected in 2012. The decline is a result of a 5.4% decrease in the Operating tax rate and a 7.8% decrease in the City's taxable values. While property values citywide decreased 6.5%, State Tax Commission (STC) personal property valuation reductions benefiting Ford and Chrysler resulted in an overall 7.8% taxable value reduction. Furthermore, tax tribunal refunds will now be recorded as an offset to revenues rather than a tax refund expenditure. As a result, Operating tax revenues have fallen by $13.2 million since 2008 and are at their lowest level since 2003.



The Operations tax levy for the 2012/13 fiscal year is 9.1428 mills per $1,000 Taxable Value, a decrease of 0.5189 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 1.7 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 lower than 90% of other cities in the entire State.

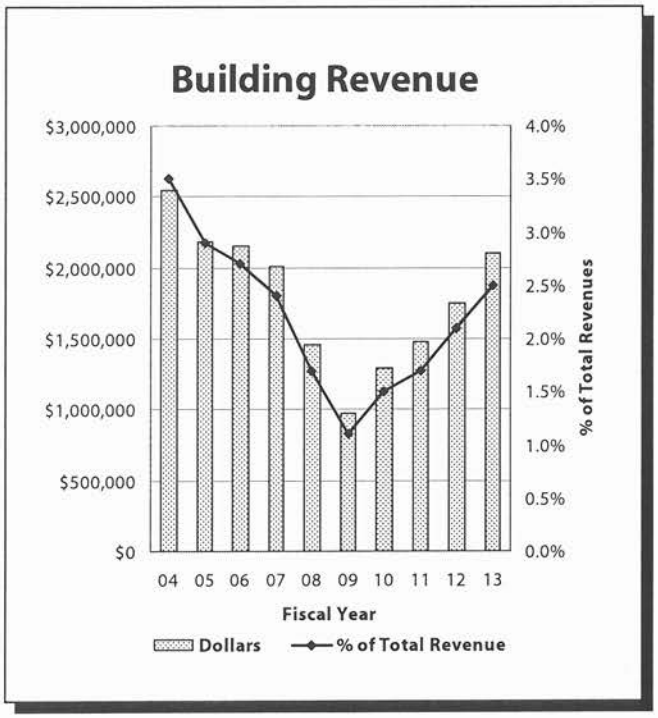
Since 2008, the City's total assessed value has dropped by 36.2%, while the total taxable value has decreased by 24.8%. Residential assessed values have declined by 38.8%, while residential taxable values have decreased by 27.5%. The City's total taxable property value has now fallen to its lowest level since 2001, while assessed values are at their lowest level since 1999.

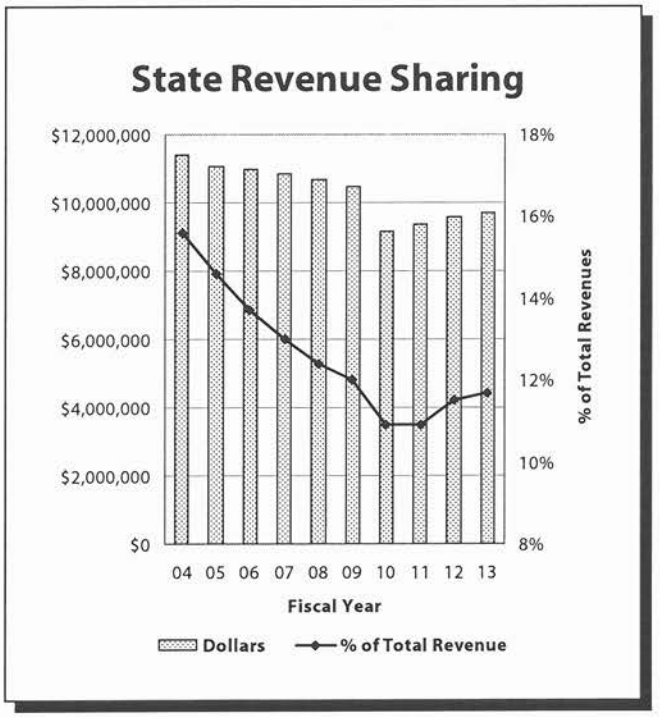
LICENSES AND PERMITS

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.

License and Permit revenues are primarily

General Fund Revenues





comprised of building revenues. Building revenues were high in 2004 due to larger one-time developments, including renovations to Lakeside Mall. With the State's economic downturn in 2008, building revenues fell to a ten year low in 2009. Since then, revenues have rebounded slightly due to one-time new development projects from BAE and Chrysler. In 2013, building revenues are estimated to be $440,000 below 2004 levels. As a percent of total City revenues, building revenues have dropped from a high of 3.5% in 2004 to 2.5% in 2013.

In the 2012/13 Budget, License and Permit revenues represent 2.4% of total revenue sources, a $394,500 or 24.1% increase over what is estimated to be received in 2012 primarily due to the one-time permits fees from the Chrysler paint and body shop. We anticipate continued lower residential and commercial permit activity due to the State's economic slowdown. In addition, to continue the external code inspections of foreclosed properties, a bank foreclosed home registration fee is proposed.

STATE AND LOCAL RETURNS

Another major source of revenue to the City is State & Local returns. This 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, made by the State to communities in Michigan from sales tax receipts, are distributed based on formulas which take into consideration population, government type, and taxable values per capita.

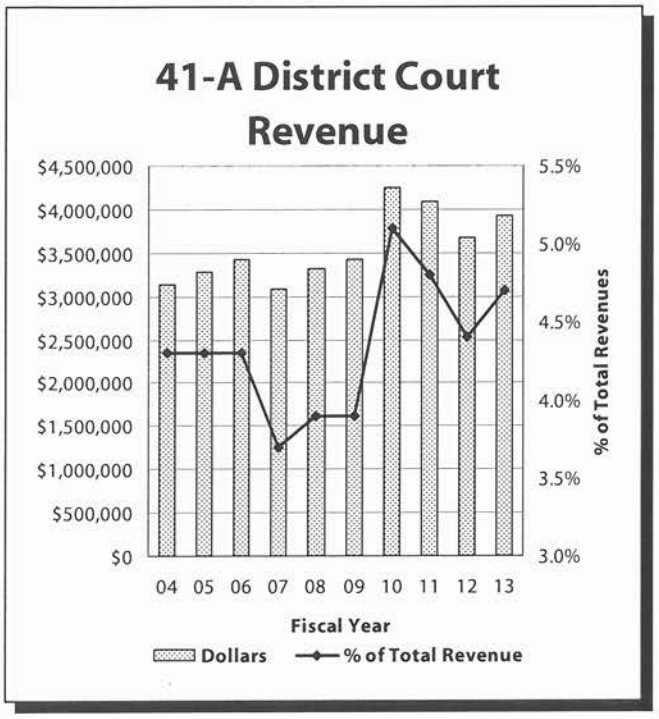
Since 2004, due to a declining economy and State budget reductions, the amount the City has received has fallen. As a percent of total City revenues, State revenue sharing has fallen from a high of nearly 16% in 2004 to less than 12% today.

In the 2012/13 Budget, total State & Local Return revenues represent 12.8% of total revenue sources, an increase of $130,160 or 1.2% above what is estimated to be received in 2012. State Revenue Sharing payments are estimated to increase slightly due to higher City population levels and estimated State sales tax receipts. Despite the slight increase next year, Revenue Sharing payments in 2013 are $3.6 million or 27.1% lower than in 2002. Cumulatively since 2002, the City has lost $30.8 million in Revenue Sharing payments.

FINES & FORFEITURES

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

General Fund Revenues



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 2012/13 Budget, Fines & Forfeiture revenues represent 3.8% of total revenue sources, an increase of $281,000 or 9.7% above what is estimated to be collected in 2012. Court Revenues have declined by $315,000 or 7.4% since 2010, but are still above amounts collected since the City increased police accident prevention efforts and the reinstitution of the Weigh Master Program for overweight commercial vehicles.

OTHER FINANCING SOURCES

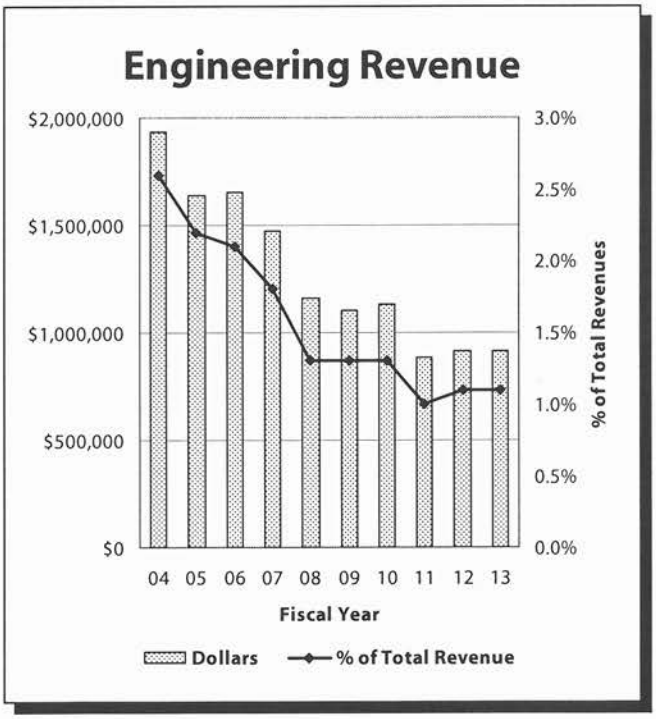
Other Financing Sources include the proceeds received from long-term debt and for the transfers into the General Fund from other City funds. For 2012/13, there are no planned purchases to be financed using long-term debt.

In the 2012/13 Budget, total revenues generated from Other Financing Sources represent 5.7% of total General Fund revenues. Despite significant expenditure reductions, a $4.7 million planned transfer of Self-Insurance Fund reserves is needed to offset a continued decline in property tax revenues. $45,000 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. Since 2004, Engineering revenues have declined from $1.9 million to $900,000 in 2013 due to the State's



economic downturn. As a percent of General Fund revenues, Engineering revenues have decreased from a high of 2.6% in 2004 to only 1.1% in 2013.

In the 2012/13 Budget, Charges for Services revenues represent 10.0% of total revenue sources, a decrease of $109,800 or 1.3% below what is estimated to be received in 2012. Engineering revenues are estimated to decrease slightly due to fewer federal stimulus-funded road construction projects. Revenues from the property tax administration fee have decreased by $140,000 due to continued declining taxable values.

OTHER REVENUE

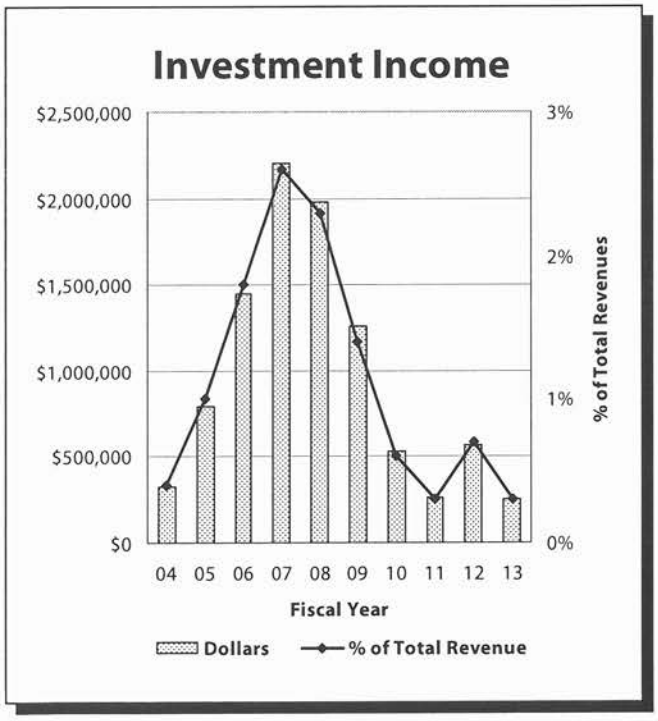
Other Revenue includes revenues that cannot be easily classified in another revenue center. Included in this revenue center is Interest on Investments, Rental Income from different sources, Police Auction revenues, Reimbursements, and OUIL cost recovery fees.

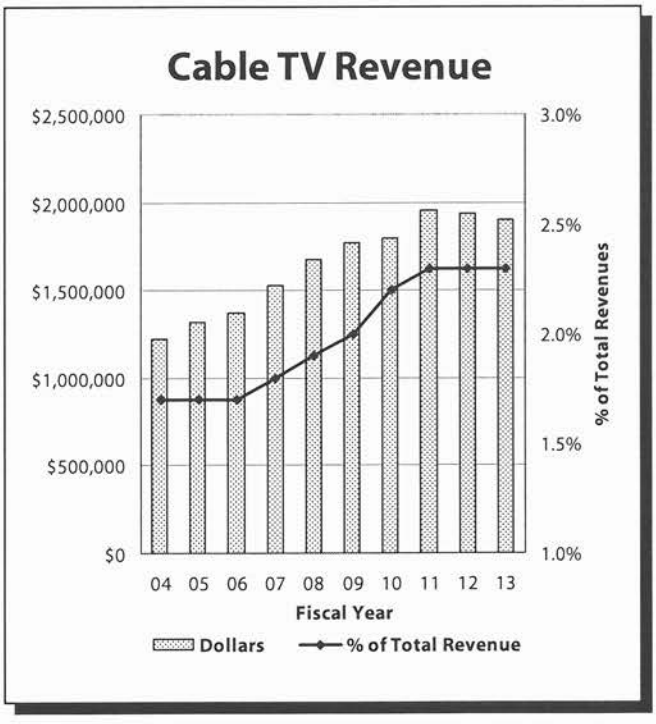
From 2004 to 2008, Interest Income revenues rose due to rising interest rates, a one-time $250,000 accounting correction of a prior year entry and as several high paying investments were called. However, due to interest rate cuts by the Federal Reserve starting in 2008 and declining fund balance reserves, Interest on Investments will fall in 2013 to only 0.3% 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 2012/13 Budget, Other Revenues represent 3.0% of total revenue sources, a decrease of $860,510 or 25.4% from what we estimate receiving in 2012. Investment revenues declined by $317,000 due to lower interest rates and a decline in the market value of investments. Reimbursement revenues decreased by $500,000 due to a one-time federal retiree medical reimbursement received in the prior year. The final State payment for the Foreclosure Relief program was made in 2012, resulting in a $67,870 decrease.

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 16.7% of the fees reimburse the City for its cost of public access programming.





Cable Revenue has climbed steadily. In the 2012/13 Budget, Cable TV Revenues increased slightly and represents 2.3% 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.

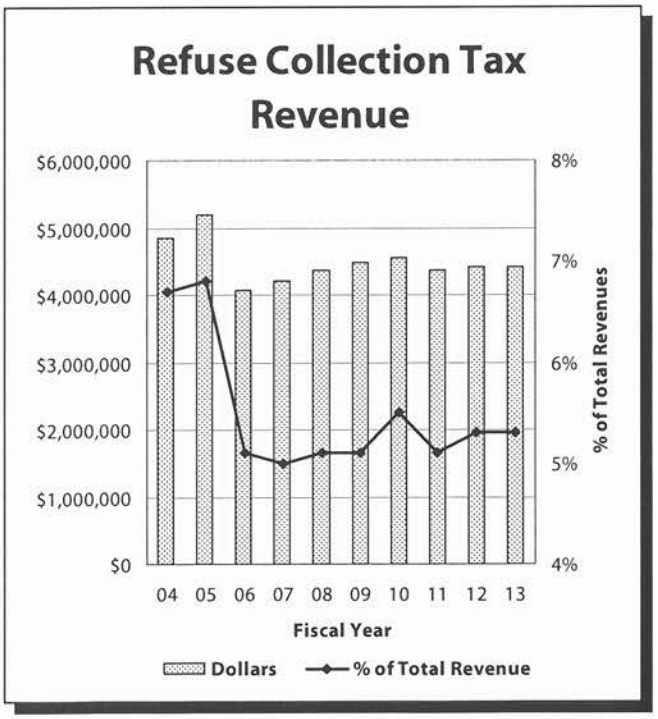
Revenues generated by the refuse collection levy are used to pay for the collection, removal, and drop-off center recycling of all garbage in the City. The refuse collection millage rate is adjusted annually to cover the projected cost of the Refuse activity, less any refuse collection fees paid by apartments,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

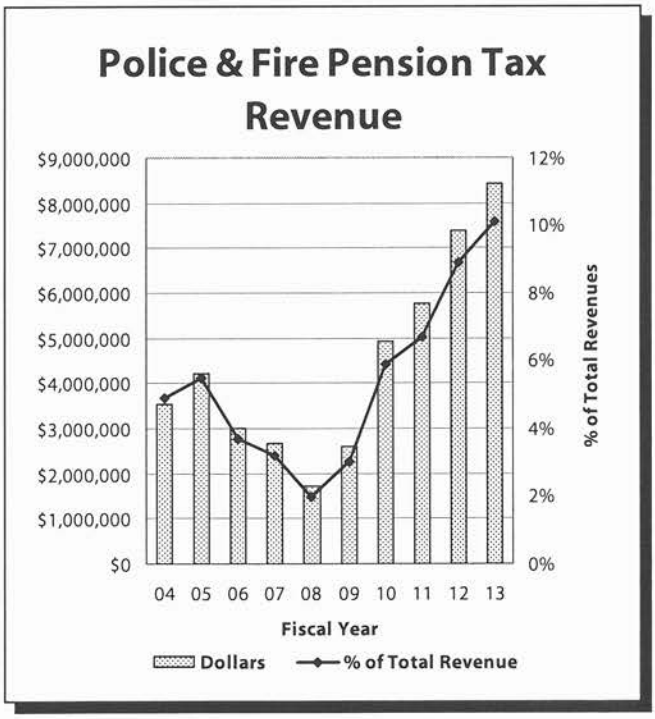
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. Refuse costs rose in 2004 and 2005. In 2005, the City awarded a five-year refuse contract that was significantly lower than the previous contract. In the 2012/13 Budget, the Refuse Tax represents 5.3% of total revenue sources, nearly the same amount as in 2012. The new refuse contract effective in May of 2010 has slightly moderated refuse collection costs. However, due to a 7.8% decrease in taxable values, the Refuse millage rate will need to be adjusted by 0.0839 mills from 0.9999 to 1.0838 mills, in order to generate sufficient funds to cover the refuse contract costs.

POLICE & FIRE PENSION TAX

The Police & Fire Pension Tax is another substantial source of revenue to the City. The calculation of this revenue source is much like that of the Refuse Tax. Revenues are generated in an amount sufficient to cover the City's projected costs of Police & Fire pensions. By dividing these projected expenditures by the City's taxable property valuation, an ad-valorem tax levy is calculated. The Police & Fire Tax millage rate is adjusted annually to cover the pension expenditures for which this revenue is restricted.

The revenue decreased from 2005 through 2008, to match a decline in City's costs that fell due to higher stock market returns and a change in the assumed investment rate of return. However, since 2008, due to a weakened stock market and increased retirements, the required City contribution to the pension system has increased by $7.1 million and is





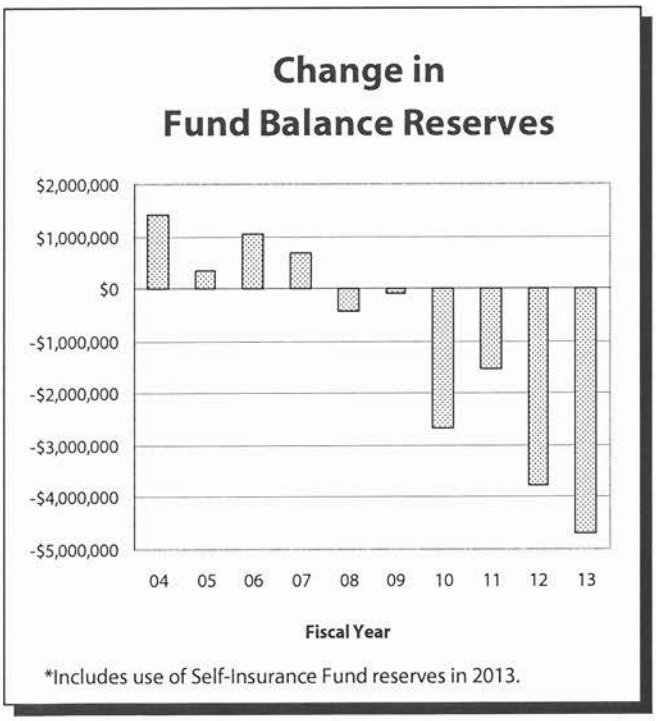
now at its highest level.

In the 2012/13 Budget, Police & Fire Pension Tax represents 10.1% of revenue sources, an increase of over $1.0 million or 14.2%. The Police & Fire Pension Tax levy for 2012/13 is 2.0669 mills per $1,000 Taxable Value, an increase of 0.3975 mills due to the increased required contribution and a 7.8% 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 2004 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 $1.5 million in reserves was used.



*Includes use of Self-Insurance Fund reserves in 2013.

For 2012, $3.8 million in reserves is estimated to be used due to a 6.9% decrease in taxable values offset by continued labor and personnel savings. While no use of General Fund reserves is planned for 2013, for the first time a $4.7 million use of Self-Insurance Fund reserves is needed to balance the General Fund budget due to a 7.8% decline in taxable values. General Fund Balance reserves will total $7.2 million or 8.7% of General Fund expenditures.

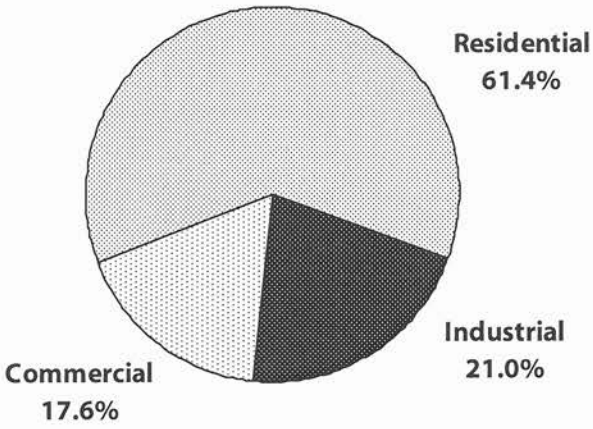
OTHER CITY TAXES

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 0.3020 is 0.0285 mills higher than what was levied in 2011/12. 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 7.8% decrease in City taxable values and a slight increase in drain costs.

The Public Improvements (Proposal F – Fire Station Improvements) millage rate increased by 0.009 mills to 0.0903 mills. The Proposal F millage rate is higher due to increased debt payment costs and a 7.8% 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.■

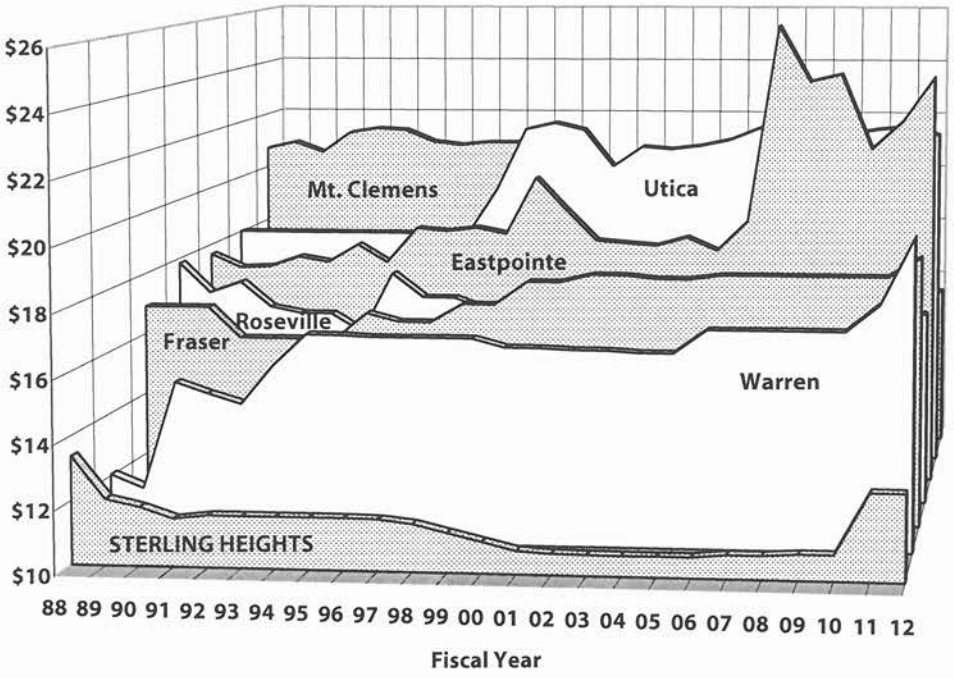
City of Sterling Heights Share of Taxes



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

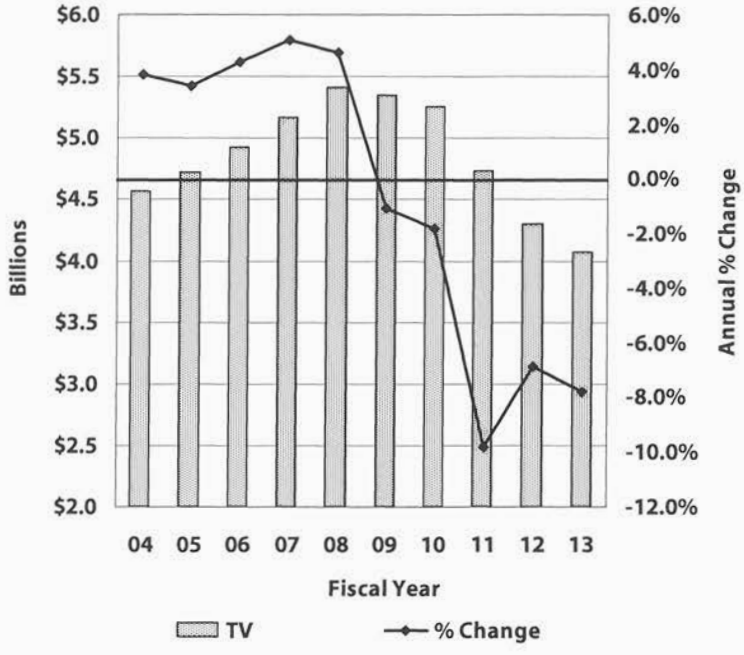
Comparable Tax Rates of Surrounding Macomb County Cities

Per $1,000 TV



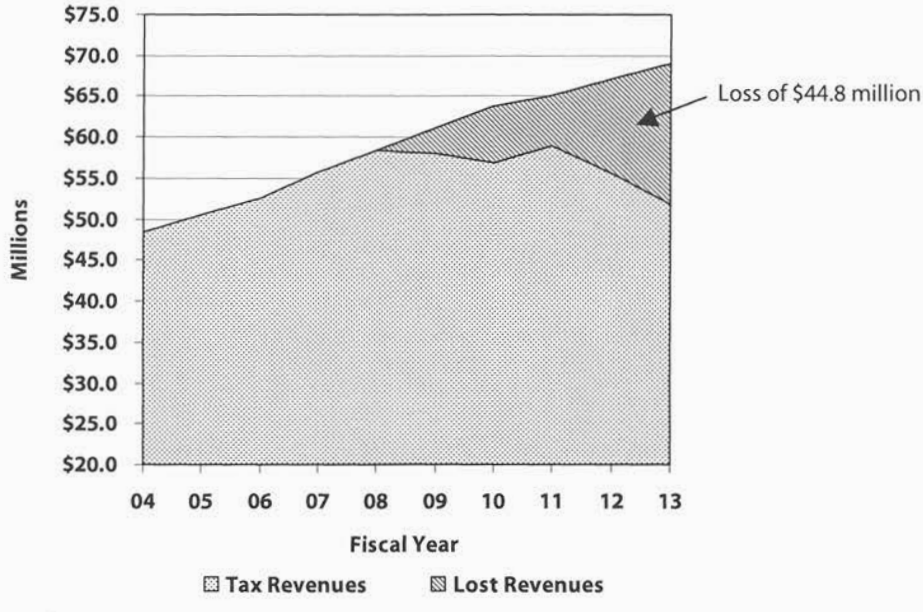
This graph illustrates the taxes levied by Macomb County cities for the past 25 years.

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	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	CITY OPERATING TAXES						
404000	City Operating Tax	$47,054,400	54.75	$42,646,820	52.43	$37,211,200	44.73
404001	Property Tax Refunds	0	0.00	(952,000)	-1.17	(500,000)	-0.60
415000	Delinquent Personal Property Tax	119,099	0.14	75,000	0.09	100,000	0.12
445000	Penalties & Interest	258,453	0.30	300,000	0.37	260,000	0.31
	Total Taxes	**47,431,952**	**55.19**	**42,069,820**	**51.72**	**37,071,200**	**44.56**
	LICENSES & PERMITS						
451000	Business Operating License	19,677	0.02	13,000	0.02	19,000	0.02
452000	Mobile / Temporary Vendor	6,050	0.01	6,000	0.01	6,000	0.01
453000	Liquor License	85,413	0.10	88,000	0.11	87,000	0.10
454000	Vending/Amusement Device Fee	19,827	0.02	18,500	0.02	20,000	0.02
461000	Electrical Registration & Permits	172,082	0.20	200,000	0.25	180,000	0.22
462000	Heating Registration & Permits	188,622	0.22	200,000	0.25	200,000	0.24
463000	Plumbing Registration & Permits	100,685	0.12	110,000	0.14	110,000	0.13
464000	Sign Registration & Permits	49,308	0.06	50,000	0.06	50,000	0.06
470000	Building Registration & Permits	682,221	0.79	700,000	0.86	1,160,000	1.39
470414	Foreclosed Home Registration	0	0.00	0	0.00	125,000	0.15
471000	Fence Permits	8,009	0.01	8,500	0.01	8,500	0.01
477000	Fire Suppression Permits	50,012	0.06	13,000	0.02	13,000	0.02
478000	Animal Permits	56,290	0.07	30,000	0.04	50,000	0.06
	Total Licenses & Permits	**1,438,196**	**1.68**	**1,437,000**	**1.77**	**2,028,500**	**2.44**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	101,259	0.12	20,000	0.02	25,000	0.03
539302	Criminal Justice Training	31,891	0.04	41,600	0.05	41,600	0.05
539332	Dispatcher Training	2,705	0.00	10,000	0.01	10,000	0.01
539378	Act 78 Emergency Telephone Service	0	0.00	150,000	0.18	190,000	0.23
543426	Emergency Services Assistance	9,586	0.01	39,210	0.05	0	0.00
544000	Drunk Driving Case Flow Assistance	17,567	0.02	18,000	0.02	18,000	0.02
567001	State Aid - Library	60,464	0.07	47,380	0.06	51,880	0.06
569001	Judges Salary Stand Payments	137,172	0.16	137,170	0.17	137,170	0.16
574000	State Revenue Sharing	9,368,599	10.90	8,500,000	10.45	9,700,000	11.66
581001	Municipal Credit Transportation	266,953	0.31	290,330	0.36	273,070	0.33
583000	Macomb Auto Theft Squad - Grant	51,947	0.06	50,980	0.06	51,000	0.06
585000	Drug Enforce. Admin - Federal	16,059	0.02	16,820	0.02	16,820	0.02
587001	County Contrib. - Library Penal Fines	110,031	0.13	130,000	0.16	125,000	0.15
	Total State & Local Returns	**10,174,233**	**11.84**	**9,451,490**	**11.62**	**10,639,540**	**12.79**
	FINES & FORFEITURES						
656003	Contempt Court Fines	55,395	0.06	50,000	0.06	57,000	0.07
656004	Ordinance Fines & Costs	2,864,561	3.33	3,000,000	3.69	2,700,000	3.25
656005	Municipal Civil Infractions	15,375	0.02	12,000	0.01	12,000	0.01
657001	Library Fines	72,046	0.08	72,000	0.09	72,000	0.09
658001	Bond Forfeitures	73,705	0.09	75,000	0.09	80,000	0.10
659001	Driver Reinstatement Fee	38,655	0.04	40,000	0.05	38,000	0.05
659002	Default Judgment Fee	225,264	0.26	230,000	0.28	210,000	0.25
659003	Crime Victim Rights Admin. Fee	8,849	0.01	8,000	0.01	9,000	0.01
659004	Forensic Admin Fee	25	0.00	100	0.00	20	0.00
	Total Fines & Forfeitures	**3,353,875**	**3.90**	**3,487,100**	**4.29**	**3,178,020**	**3.82**

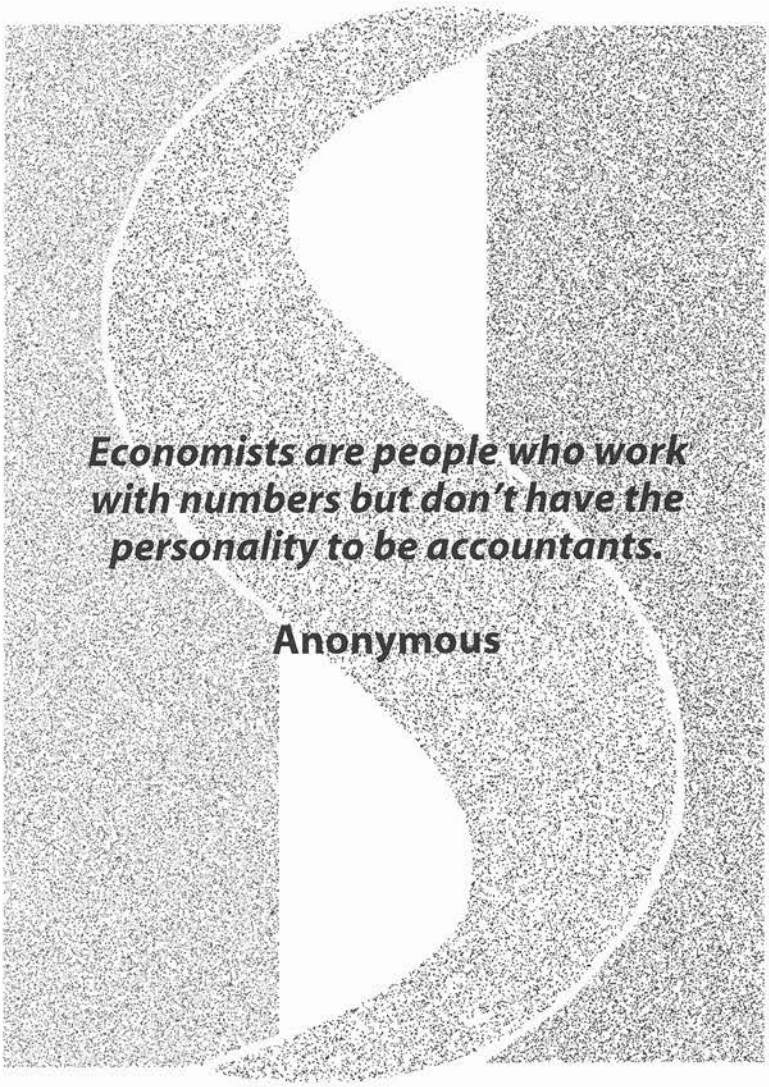
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	OTHER FINANCING SOURCES						
699677	Transfer From Self-Insurance Fund	0	0.00	0	0.00	4,690,260	5.64
699856	Tfr. From Brownfield Redevelop. Fund	42,300	0.05	42,300	0.05	45,000	0.05
	Total Other Financing Sources	**42,300**	**0.05**	**42,300**	**0.05**	**4,735,260**	**5.69**
	CHARGES FOR SERVICES						
603000	Court Filing Fee	172,999	0.20	165,000	0.20	170,000	0.20
603001	Jury Demand Fee	1,920	0.00	1,500	0.00	2,000	0.00
604000	Probation Oversight	228,748	0.27	200,000	0.25	240,000	0.29
605000	Garnishments - Filing Fee	150,075	0.17	140,000	0.17	160,000	0.19
606000	Split/Combination Fee	3,680	0.00	4,000	0.00	4,500	0.01
607000	Fire Permits, Fees, & Inspections	35,364	0.04	35,000	0.04	33,000	0.04
608000	Encroachment/Deviation Fees	1,840	0.00	1,700	0.00	1,900	0.00
609000	Mobile Home Tax	10,660	0.01	9,000	0.01	9,020	0.01
610000	Vital Statistics	54,694	0.06	48,000	0.06	58,000	0.07
611000	Attorney Fee Reimbursement	34,431	0.04	35,000	0.04	35,000	0.04
612000	Alcohol Assessment Fee	69,805	0.08	70,000	0.09	60,000	0.07
626000	Services - PTAF	1,798,556	2.09	1,680,000	2.07	1,540,000	1.85
627000	Water & Sewer Activity	1,307,460	1.52	1,329,780	1.63	1,330,840	1.60
627444	Administrative Services - Roads	291,726	0.34	250,000	0.31	250,000	0.30
627556	Admin Services-Water Distribution	304,020	0.35	309,600	0.38	300,720	0.36
627574	Admin Services-W&S Improvements	129,660	0.15	132,240	0.16	132,240	0.16
627677	Administrative Services-Self Insurance	278,100	0.32	271,080	0.33	244,800	0.29
627732	Administrative Services-P&F Pension	8,045	0.01	7,500	0.01	15,000	0.02
628001	Voter Lists	1,423	0.00	1,200	0.00	1,500	0.00
629001	Labor Services - Roads	1,095,838	1.28	1,000,000	1.23	1,000,000	1.20
629002	Labor Services - Cross Charges	60,218	0.07	50,000	0.06	50,000	0.06
629003	Labor Services - Fleet Maintenance	47,289	0.06	65,000	0.08	50,000	0.06
631001	Police Service/Schools	110,666	0.13	115,000	0.14	115,000	0.14
631002	Towed Vehicle Impound Fee	47,318	0.06	50,000	0.06	50,000	0.06
632001	Inspection Services-Projects-Other	55,334	0.06	100,000	0.12	100,000	0.12
632002	Inspection Services-City Projects	392,405	0.46	370,000	0.45	304,000	0.37
632003	Engineering Review Fee	95,262	0.11	80,000	0.10	102,000	0.12
632004	Engineering & Design - Project	272,688	0.32	400,000	0.49	335,000	0.40
632005	Building Number Assignments	209	0.00	300	0.00	200	0.00
632006	SESC Review Fee	21,297	0.02	13,000	0.02	15,000	0.02
632007	SESC Inspection Fee	38,487	0.04	40,000	0.05	50,000	0.06
632008	Easement Vacation	625	0.00	1,000	0.00	500	0.00
632009	ROW Permit Fees	3,357	0.00	1,200	0.00	2,500	0.00
634003	Supplies & Gasoline Revenue	79,566	0.09	75,000	0.09	80,000	0.10
634004	Parts-Vehicle Maintenance	51,053	0.06	60,000	0.07	55,000	0.07
635535	Refuse Collection Fees	25,124	0.03	31,000	0.04	28,550	0.03
636000	Plan Review Fee	52,478	0.06	45,000	0.06	45,000	0.05
636001	Building Department Plan Review	181,732	0.21	225,000	0.28	200,000	0.24
637001	Copies & Forms	18,937	0.02	22,000	0.03	19,000	0.02
637002	Maps	559	0.00	600	0.00	600	0.00
637003	Police Reports	108,403	0.13	110,000	0.14	125,000	0.15

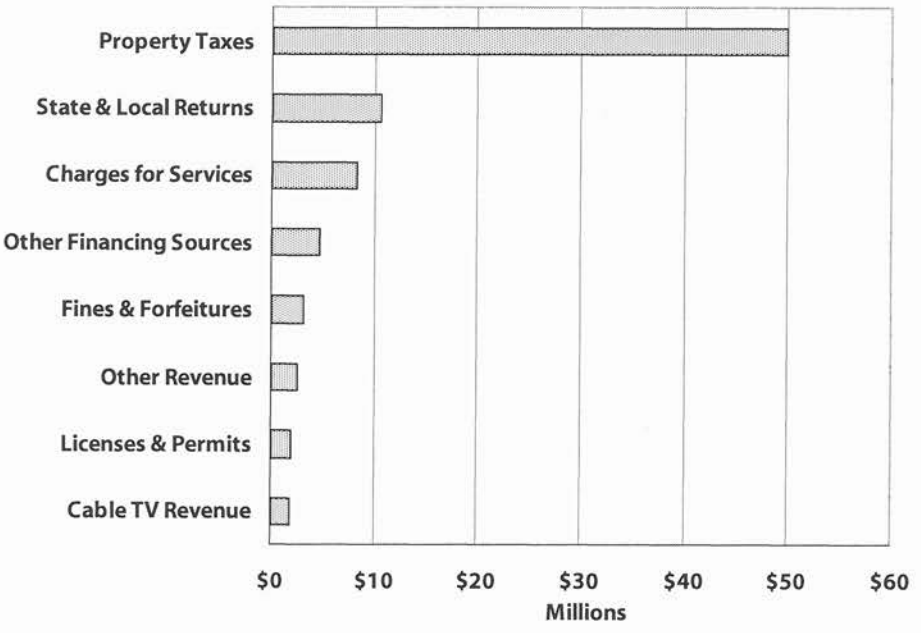
GENERAL FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
637005	Fire Reports	1,675	0.00	1,200	0.00	1,300	0.00
637006	PBT User Fee	1,620	0.00	5,000	0.01	1,500	0.00
637007	False Alarm Fees	103,836	0.12	100,000	0.12	102,000	0.12
637301	Notary Fee	10,870	0.01	15,000	0.02	12,000	0.01
638000	Application Fees	14,250	0.02	12,000	0.01	15,000	0.02
639001	Parks & Recreation Fees	492,908	0.57	505,000	0.62	510,000	0.61
639253	Treasury Transfer & Late Fees	106,398	0.12	60,000	0.07	100,000	0.12
640001	5% Cash Deposit	1,497	0.00	2,000	0.00	2,000	0.00
640002	Weed Cutting	153,334	0.18	175,000	0.22	170,000	0.20
640003	Board of Zoning Appeals Fees	11,612	0.01	10,500	0.01	10,500	0.01
640005	Ordinance Board of Appeals Fees	43,831	0.05	40,000	0.05	50,000	0.06
	Total Charges for Services	**8,583,882**	**9.99**	**8,470,400**	**10.41**	**8,290,170**	**9.97**
	OTHER REVENUE						
656006	Interpreter Fees	13,185	0.02	16,000	0.02	13,000	0.02
665000	Interest on Investments	260,102	0.30	300,000	0.37	250,000	0.30
665044	Interest on Advances	2,723	0.00	0	0.00	0	0.00
667002	Rental Income - Utica Road	59,820	0.07	57,420	0.07	48,240	0.06
667003	Rental Income - DPS	156,240	0.18	143,040	0.18	100,560	0.12
667005	Rental - DPW - Impound Lot	42,900	0.05	39,600	0.05	39,600	0.05
667007	Rental - Universal Ambulance	6,000	0.01	6,000	0.01	6,000	0.01
667009	Rental - Towers	254,306	0.30	263,220	0.32	266,610	0.32
669001	Rental - Road Equipment	1,108,744	1.29	950,000	1.17	950,000	1.14
669002	Rental - Equipment - Cross Charges	57,031	0.07	40,000	0.05	45,000	0.05
673000	Sale of Fixed Assets	7,061	0.01	15,000	0.02	15,000	0.02
675000	Contributions & Donations	6,877	0.01	4,000	0.00	4,000	0.00
675001	Donations - Parks & Recreation	12,950	0.02	7,500	0.01	10,000	0.01
675003	Art Fair Revenue	120,425	0.14	120,000	0.15	125,000	0.15
676000	Reimbursements	449,078	0.52	500,000	0.61	450,000	0.54
676001	Reimbursements - Legal	8,319	0.01	5,000	0.01	5,000	0.01
679000	Police Auction	24,306	0.03	25,000	0.03	25,000	0.03
679535	Refuse Bag Sales	1,065	0.00	2,500	0.00	0	0.00
679752	Parks & Recreation Retail Sales	232	0.00	100	0.00	3,000	0.00
679792	Library Book Sales	372	0.00	100	0.00	100	0.00
685000	Miscellaneous Revenue	20,380	0.02	55,000	0.07	35,000	0.04
685792	Miscellaneous Revenue - Library	72,289	0.08	83,000	0.10	75,000	0.09
690000	O.U.I.L. Recovery	61,358	0.07	65,000	0.08	60,000	0.07
690002	Warrant Arrest Processing Fee	4,113	0.00	4,000	0.00	4,500	0.01
695000	Insurance Recovery	0	0.00	5,000	0.01	0	0.00
695414	Foreclosure Relief Recovery	87,474	0.10	67,870	0.08	0	0.00
	Total Other Revenue	**2,837,350**	**3.30**	**2,774,350**	**3.41**	**2,530,610**	**3.04**
680000	Cable TV Revenue	1,950,434	2.27	1,825,000	2.24	1,900,000	2.28
405000	City Refuse Tax	4,377,124	5.09	4,413,730	5.43	4,411,250	5.30
406000	P&F Pension Tax	5,753,368	6.69	7,368,880	9.06	8,412,480	10.11
	Total General Fund Revenue	**$85,942,714**	**100.00**	**$81,340,070**	**100.00**	**$83,197,030**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

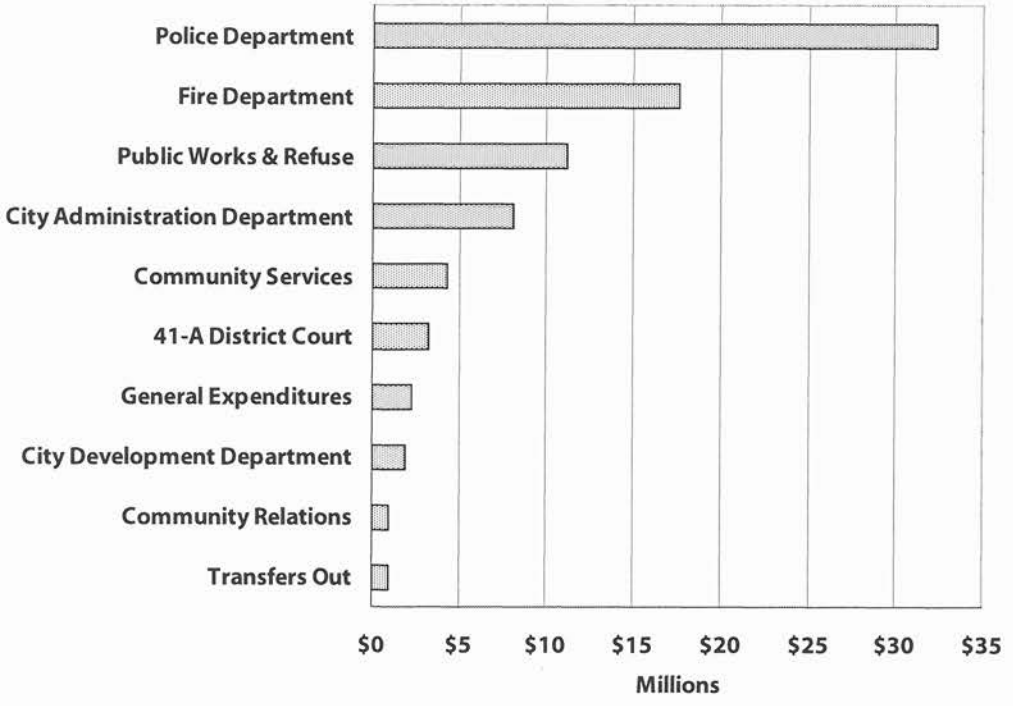

Economists are people who work with numbers but don't have the personality to be accountants.
Anonymous

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.	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
LEGISLATIVE					
1. City Council	1010	$134,150	$135,180	**$130,000**	-3.8%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	970,180	962,740	**961,370**	-0.1%
2. Economic Development	4150	167,830	413,260	**397,660**	-3.8%
3. Public Services	4160	339,940	0	**0**	0.0%
4. City Clerk	2160	778,610	720,530	**706,720**	-1.9%
5. Facilities Maintenance	2650	1,311,110	1,341,800	**1,004,470**	-25.1%
6. Information Technology	2580	1,107,470	955,750	**931,660**	-2.5%
7. Assessing	2090	868,780	856,340	**879,070**	2.7%
8. Financial Services	2010	745,810	777,120	**770,740**	-0.8%
9. Purchasing/Risk Management	2330	369,710	372,930	**381,200**	2.2%
10. Treasury	2530	1,152,570	1,105,610	**1,068,840**	-3.3%
11. Act 78 - Civil Service Commission	2200	30	8,000	**0**	-100.0%
12. General Employees Pension Board	2390	70,770	94,710	**88,600**	-6.5%
13. Legal	2100	740,410	765,000	**820,000**	7.2%
Total City Administration Department		**8,757,370**	**8,508,970**	**8,140,330**	**-4.3%**
COMMUNITY SERVICES DEPARTMENT					
1. Library	7920	2,637,150	2,565,520	**2,480,770**	-3.3%
2. Parks & Recreation	7520	1,965,270	1,936,030	**1,848,420**	-4.5%
3. Historical Commission	8030	690	750	**680**	-9.3%
Total Community Services Department		**4,603,110**	**4,502,300**	**4,329,870**	**-3.8%**
POLICE DEPARTMENT					
1. Police Administration	3050	2,990,520	3,027,480	**3,165,150**	4.5%
2. Police Investigations	3100	6,176,120	6,186,620	**5,745,610**	-7.1%
3. Police Operations	3150	19,679,700	19,841,310	**20,131,840**	1.5%
4. Police Support Services	3260	3,502,360	3,398,590	**3,337,410**	-1.8%
5. Emergency Management	2130	134,990	134,840	**0**	-100.0%
Total Police Department		**32,483,690**	**32,588,840**	**32,380,010**	**-0.6%**
FIRE DEPARTMENT					
1. Fire Administration	3370	1,431,620	1,379,550	**1,411,260**	2.3%
2. Fire Extinguishment	3390	16,009,530	16,262,750	**15,513,020**	-4.6%
3. Fire Prevention	3410	918,880	760,070	**713,390**	-6.1%
Total Fire Department		**18,360,030**	**18,402,370**	**17,637,670**	**-4.2%**
CITY DEVELOPMENT DEPARTMENT					
1. Building	4120	1,632,160	1,477,330	**1,329,980**	-10.0%
2. Foreclosure Relief	4140	87,470	67,870	**0**	-100.0%
3. Neighborhood Services	4170	63,270	399,560	**285,400**	-28.6%
4. Planning	4020	367,020	430,140	**328,760**	-23.6%
5. Planning Commission	4030	5,580	5,810	**5,010**	-13.8%
6. Zoning Board of Appeals	4130	6,570	6,080	**5,740**	-5.6%
Total City Development Department		**2,162,070**	**2,386,790**	**1,954,890**	**-18.1%**

GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER

Activity Name	Activity No.	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
PUBLIC WORKS DEPARTMENT					
1. Engineering	4470	1,534,690	1,416,620	**1,279,420**	-9.7%
2. Fleet Maintenance	5530	2,722,390	2,561,040	**2,574,110**	0.5%
3. Parks & Ground Maintenance	7700	1,385,790	1,173,150	**721,070**	-38.5%
4. Public Works Center	4420	285,890	239,200	**232,550**	-2.8%
5. Street Services	4440	1,986,930	1,864,480	**1,981,550**	6.3%
Total Public Works Department		**7,915,690**	**7,254,490**	**6,788,700**	**-6.4%**
REFUSE COLLECTION					
1. Refuse Collection	5350	4,450,360	4,444,730	**4,439,800**	-0.1%
Total Refuse Collection		**4,450,360**	**4,444,730**	**4,439,800**	**-0.1%**
COMMUNITY RELATIONS DEPARTMENT					
1. Community Relations	2920	1,470,780	994,570	**954,530**	-4.0%
2. Beautification Commission	8060	1,020	890	**740**	-16.9%
3. Cultural Commission	7930	10	150	**50**	-66.7%
Total Community Relations Department		**1,471,810**	**995,610**	**955,320**	**-4.0%**
41-A DISTRICT COURT	1360	3,246,810	3,273,330	**3,307,520**	1.0%
GENERAL EXPENDITURES	8950	2,519,540	2,563,580	**2,308,830**	-9.9%
TRANSFERS OUT	9660	1,509,940	959,670	**954,090**	-0.6%
Total General Fund Expenditures		**$87,480,420**	**$85,880,680**	**$83,197,030**	**-3.1%**

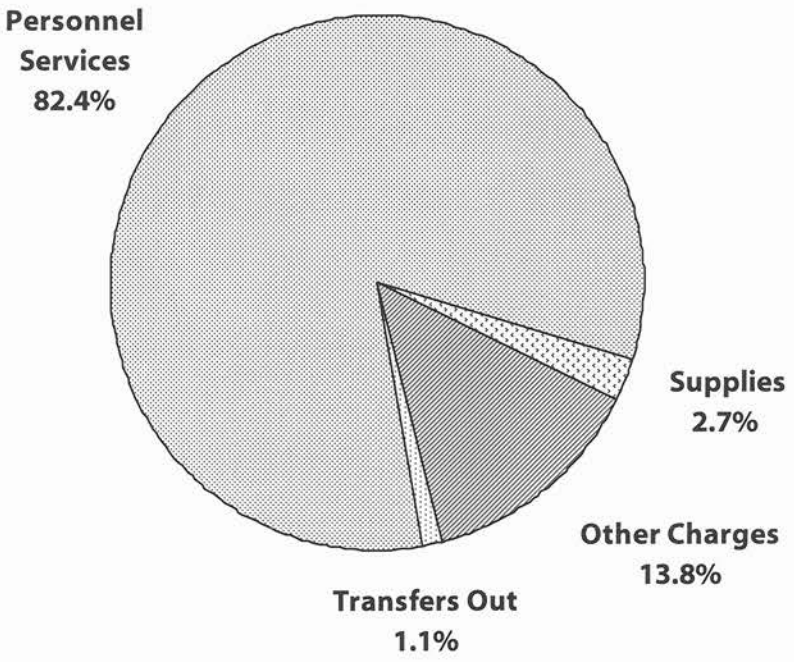
GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY

Budgetary Center	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget
CITY ADMINISTRATION DEPARTMENT					
Personnel Services	$7,548,019	$7,147,876	$7,018,292	$6,634,550	**$5,973,760**
Supplies	280,269	240,606	209,496	234,530	**193,930**
Other Charges	1,706,940	1,597,751	1,529,581	1,639,890	**1,972,640**
Total	**9,535,228**	**8,986,233**	**8,757,369**	**8,508,970**	**8,140,330**
COMMUNITY SERVICES DEPARTMENT					
Personnel Services	4,255,559	3,888,654	3,764,981	3,683,720	**3,543,390**
Supplies	348,453	308,010	275,081	285,310	**255,010**
Other Charges	717,268	550,931	563,044	533,270	**531,470**
Total	**5,321,280**	**4,747,595**	**4,603,106**	**4,502,300**	**4,329,870**
POLICE DEPARTMENT					
Personnel Services	28,765,958	30,993,719	31,651,541	31,518,810	**31,216,510**
Supplies	157,042	80,228	92,595	88,420	**73,850**
Other Charges	579,704	600,768	739,559	981,610	**1,089,650**
Total	**29,502,704**	**31,674,715**	**32,483,695**	**32,588,840**	**32,380,010**
FIRE DEPARTMENT					
Personnel Services	15,958,308	16,514,751	17,755,696	17,801,360	**17,082,000**
Supplies	169,752	146,924	147,808	142,860	**133,900**
Other Charges	558,262	496,914	456,525	458,150	**421,770**
Total	**16,686,322**	**17,158,589**	**18,360,029**	**18,402,370**	**17,637,670**
CITY DEVELOPMENT DEPARTMENT					
Personnel Services	2,242,829	2,062,617	2,043,931	2,227,470	**1,744,440**
Supplies	15,337	13,802	18,675	16,660	**12,920**
Other Charges	104,278	89,519	99,463	142,660	**197,530**
Total	**2,362,444**	**2,165,938**	**2,162,069**	**2,386,790**	**1,954,890**
PUBLIC WORKS DEPARTMENT					
Personnel Services	6,567,866	5,942,589	5,889,304	5,345,890	**4,791,420**
Supplies	1,485,400	1,346,108	1,577,393	1,410,700	**1,489,580**
Other Charges	517,807	410,822	448,990	497,900	**507,700**
Total	**8,571,073**	**7,699,519**	**7,915,687**	**7,254,490**	**6,788,700**
REFUSE					
Personnel Services	137,049	151,390	152,996	159,280	**153,820**
Supplies	624	606	2,167	1,300	**1,230**
Other Charges	4,199,582	4,277,923	4,295,192	4,284,150	**4,284,750**
Total	**4,337,255**	**4,429,919**	**4,450,355**	**4,444,730**	**4,439,800**

GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY

Budgetary Center	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget
COMMUNITY RELATIONS DEPARTMENT					
Personnel Services	1,372,289	1,404,498	1,363,068	891,260	**867,450**
Supplies	46,324	77,407	48,331	45,750	**29,580**
Other Charges	123,984	102,279	60,414	58,600	**58,290**
Total	**1,542,597**	**1,584,184**	**1,471,813**	**995,610**	**955,320**
41-A DISTRICT COURT					
Personnel Services	2,881,045	2,952,578	2,980,605	3,007,040	**3,029,700**
Supplies	44,233	44,600	37,981	39,140	**38,000**
Other Charges	224,877	224,637	228,226	227,150	**239,820**
Total	**3,150,155**	**3,221,815**	**3,246,812**	**3,273,330**	**3,307,520**
GENERAL EXPENDITURES					
Personnel Services	21,801	29,030	37,735	56,500	**140,000**
Supplies	68,813	15,472	16,201	18,000	**16,500**
Other Charges	2,693,911	2,656,022	2,465,607	2,489,080	**2,152,330**
Total	**2,784,525**	**2,700,524**	**2,519,543**	**2,563,580**	**2,308,830**
TRANSFERS OUT					
Transfers Out	3,353,150	1,968,810	1,509,940	959,670	**954,090**
TOTAL EXPENDITURES BY CATEGORY					
Personnel Services	69,750,723	71,087,702	72,658,149	71,325,880	**68,542,490**
Supplies	2,616,247	2,273,763	2,425,728	2,282,670	**2,244,500**
Other Charges	11,426,613	11,007,566	10,886,601	11,312,460	**11,455,950**
Transfers Out	3,353,150	1,968,810	1,509,940	959,670	**954,090**
Total General Fund	**$87,146,733**	**$86,337,841**	**$87,480,418**	**$85,880,680**	**$83,197,030**

General Fund Expenditures by Expenditure Category



Total General Fund Budget of $83,197,030

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 82.4% of total General Fund expenditures.

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	$131,389	0.15	$133,910	0.16	**$130,610**	**0.16**
704000	Wages & Salaries-Permanent	35,602,904	40.70	33,587,990	39.11	**30,541,470**	**36.71**
704001	Sick Time Buy Back	706,401	0.81	492,810	0.57	**471,210**	**0.57**
704721	Health Insurance Allowance	63,325	0.07	63,900	0.07	**50,400**	**0.06**
705000	Wages-Salaries - Temp/Part Time	1,368,875	1.56	1,506,380	1.75	**1,464,060**	**1.76**
706000	Wages-Salaries - Occasional	98,130	0.11	87,000	0.10	**90,000**	**0.11**
708000	Overtime	2,435,201	2.78	2,393,420	2.79	**1,837,820**	**2.21**
708001	Compensatory Time Buy Back	1,635,828	1.87	1,496,120	1.74	**1,468,830**	**1.77**
708795	Overtime - F.L.S.A.	122,712	0.14	121,000	0.14	**81,000**	**0.10**
709000	Union Contract Reimbursement	334,875	0.38	177,460	0.21	**57,830**	**0.07**
710000	Longevity	1,437,203	1.64	1,483,510	1.73	**1,148,670**	**1.38**
711000	Holiday Pay	1,147,060	1.31	1,094,550	1.27	**1,027,110**	**1.23**
713500	Car Allowance	3,583	0.00	3,000	0.00	**3,000**	**0.00**
714000	Food Allowance	53,250	0.06	54,000	0.06	**48,000**	**0.06**
715000	Clothing Allowance	261,062	0.30	271,810	0.32	**223,180**	**0.27**
717000	FICA	1,779,726	2.03	1,675,690	1.95	**1,477,750**	**1.78**
718000	Worker's Compensation	336,084	0.38	316,300	0.37	**286,680**	**0.34**
719000	Unemployment Compensation	37,735	0.04	56,500	0.07	**140,000**	**0.17**
720000	Pension - General Emp Retirement	401,450	0.46	888,660	1.03	**1,460,490**	**1.76**
720001	Pension - Police and Fire Retirement	6,135,053	7.01	7,368,880	8.58	**8,815,030**	**10.60**
720002	Defined Contribution - Employer	304,888	0.35	197,630	0.23	**120,110**	**0.14**
720010	Add'l Employee Pension - GERS	(27,997)	-0.03	(295,860)	-0.34	**(122,630)**	**-0.15**
720011	Add'l Employee Pension - P&F	(246,833)	-0.28	0	0.00	**0**	**0.00**
721000	Health Insurance	6,079,045	6.95	6,250,430	7.28	**5,462,930**	**6.57**
721001	Health Insurance - Retirees	11,464,050	13.10	10,924,960	12.72	**11,361,960**	**13.66**
721003	Retiree Health Savings - City	54,891	0.06	56,050	0.07	**49,450**	**0.06**
722000	Dental Insurance	501,971	0.57	494,130	0.58	**499,560**	**0.60**
723000	Life Insurance	102,362	0.12	102,310	0.12	**68,460**	**0.08**
724000	Eye Care Insurance	43,064	0.05	40,410	0.05	**30,780**	**0.04**
725000	Disability Insurance - Long Term	86,925	0.10	84,820	0.10	**70,420**	**0.08**
725355	Disability Insurance - Short Term	203,937	0.23	198,110	0.23	**178,310**	**0.21**
	Total Personnel Services	**72,658,149**	**83.06**	**71,325,880**	**83.05**	**68,542,490**	**82.39**
	SUPPLIES						
729000	Postage	228,473	0.26	235,450	0.27	**214,060**	**0.26**
730000	Publications	27,227	0.03	25,280	0.03	**18,800**	**0.02**
741000	Ammunition	21,737	0.02	14,250	0.02	**14,250**	**0.02**
741302	Ammunition - Act 302 Grant	5,360	0.01	5,000	0.01	**5,000**	**0.01**
742000	Dog Care Supplies	1,109	0.00	2,660	0.00	**1,500**	**0.00**
743000	Prisoners Board	2,901	0.00	0	0.00	**0**	**0.00**
750000	Fuels & Lubricants	761,345	0.87	700,000	0.82	**730,000**	**0.88**
750001	Fuel & Lube Inventory	19,069	0.02	20,000	0.02	**20,000**	**0.02**
751000	Operating Supplies	439,988	0.50	443,210	0.52	**378,450**	**0.45**
751001	Operating Supplies - Federal Funds	9,003	0.01	0	0.00	**0**	**0.00**
751290	Supplies - D.A.R.E.	10,987	0.01	0	0.00	**0**	**0.00**
758000	Computer Software	355	0.00	900	0.00	**500**	**0.00**

GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

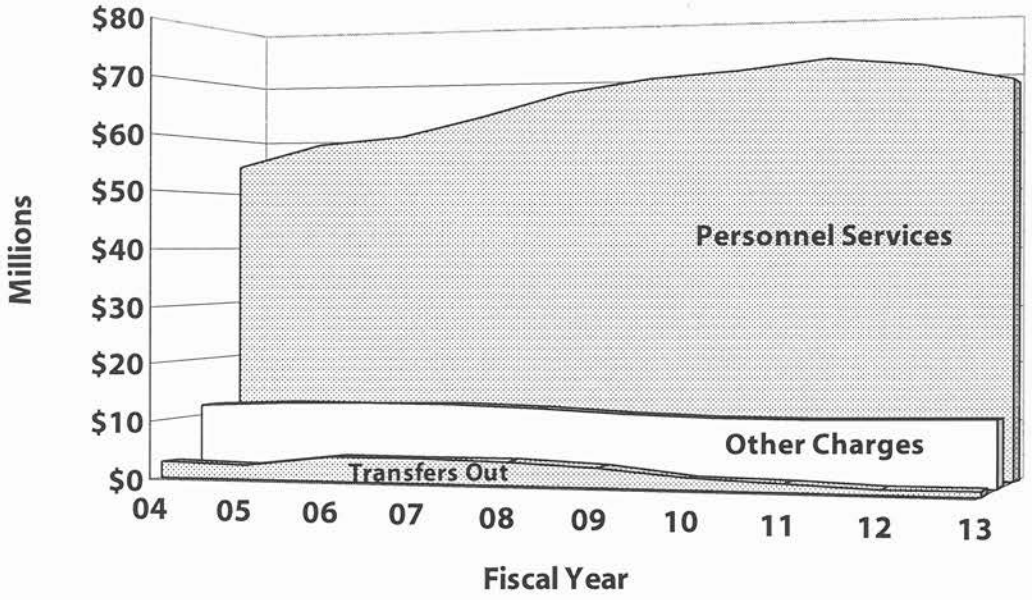
Account Number	Account Name	2010-2011 Actual		2011-2012 Budget		2012-2013 Budget	
		Dollars	%	Dollars	%	Dollars	%
759000	Parts & Sublet Services	658,267	0.75	582,600	0.68	**640,000**	**0.77**
760000	Playground & Athletic Supplies	7,517	0.01	16,440	0.02	**9,500**	**0.01**
761000	Program Activity Supplies	30,921	0.04	36,980	0.04	**32,000**	**0.04**
762000	Seniors Program Supplies	17,263	0.02	22,000	0.03	**14,640**	**0.02**
769000	Audio Visual Media	25,482	0.03	23,500	0.03	**22,000**	**0.03**
782000	Traffic Control Supplies	957	0.00	0	0.00	**0**	**0.00**
783000	Seeding & Planting Supplies	4,423	0.01	4,000	0.00	**3,800**	**0.00**
785000	Books	153,344	0.18	150,400	0.18	**140,000**	**0.17**
	Total Supplies	**2,425,728**	**2.77**	**2,282,670**	**2.66**	**2,244,500**	**2.70**
	OTHER CHARGES						
802000	Audit & Accounting Services	57,020	0.07	57,020	0.07	**57,020**	**0.07**
803000	Computer Consultant Services	40,960	0.05	24,800	0.03	**10,200**	**0.01**
806000	Legal Services - Other	80,861	0.09	83,070	0.10	**157,500**	**0.19**
806001	Legal Services - City Attorney	667,372	0.76	696,500	0.81	**670,600**	**0.81**
807000	Medical Services	16,216	0.02	24,600	0.03	**17,200**	**0.02**
808000	Reporting Services	16,903	0.02	13,630	0.02	**14,110**	**0.02**
810000	Other Fees	85,781	0.10	72,880	0.08	**76,110**	**0.09**
820000	Tree/Weed Cutting	60,520	0.07	85,000	0.10	**85,000**	**0.10**
821000	Spraying Services	18,852	0.02	24,500	0.03	**20,000**	**0.02**
822000	Rubbish Removal	4,218,549	4.82	4,209,500	4.90	**4,215,000**	**5.07**
825000	Animal Collection	9,440	0.01	14,000	0.02	**11,000**	**0.01**
826000	Other Contracted Services	682,798	0.78	1,093,750	1.27	**1,602,570**	**1.93**
826412	Nuisance Abatements	30,475	0.03	60,000	0.07	**30,000**	**0.04**
827000	Interfund Services	76,000	0.09	69,100	0.08	**69,100**	**0.08**
828000	Auction Expenditures	3,664	0.00	0	0.00	**0**	**0.00**
829000	Hazardous Waste Disposal	2,059	0.00	2,000	0.00	**2,000**	**0.00**
832000	Building Maintenance	128,205	0.15	129,000	0.15	**115,000**	**0.14**
833000	Equipment Maintenance	328,957	0.38	371,530	0.43	**374,430**	**0.45**
833001	Personal Computer Maintenance	9,709	0.01	9,500	0.01	**6,000**	**0.01**
836000	Radio Maintenance	8,370	0.01	8,550	0.01	**8,500**	**0.01**
837000	Retention Pond Maintenance	27,860	0.03	30,000	0.03	**28,000**	**0.03**
838000	Parks & Grounds Maintenance	38,233	0.04	35,000	0.04	**32,000**	**0.04**
902000	Publishing	12,272	0.01	14,560	0.02	**10,700**	**0.01**
903000	Printing	82,947	0.09	90,240	0.11	**74,340**	**0.09**
913000	Liability Insurance	1,004,059	1.15	1,004,600	1.17	**1,004,600**	**1.21**
915000	Other Insurance	19,240	0.02	19,240	0.02	**19,240**	**0.02**
921000	Electric	546,414	0.62	540,000	0.63	**528,500**	**0.64**
922000	Telephone	202,296	0.23	177,320	0.21	**141,500**	**0.17**
922001	Fiber Optic Lease Charges	45,327	0.05	45,330	0.05	**45,330**	**0.05**
923000	Gas - Fuel - Oil	246,601	0.28	214,300	0.25	**213,300**	**0.26**
924000	Street Lighting	946,821	1.08	960,000	1.12	**997,930**	**1.20**
925000	Water	115,045	0.13	118,300	0.14	**121,800**	**0.15**
942302	Building Rental - Act 302	18,685	0.02	12,600	0.01	**12,600**	**0.02**
944000	Hydrant Rental	159,750	0.18	159,750	0.19	**159,750**	**0.19**
945000	Other Rental	281,704	0.32	275,850	0.32	**271,300**	**0.33**
949000	Interpreter Fees	24,662	0.03	20,000	0.02	**22,000**	**0.03**

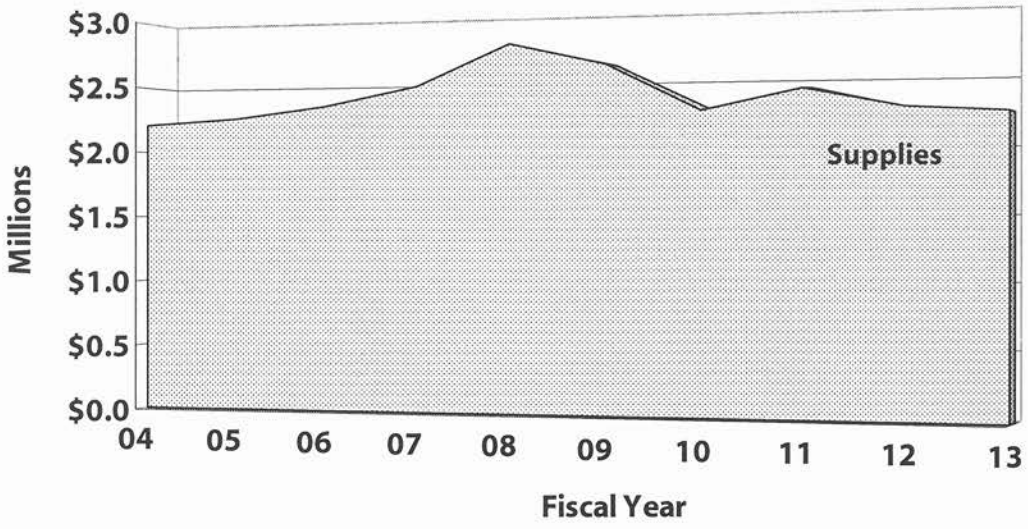
GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual		2011-2012 Budget		2012-2013 Budget	
		Dollars	%	Dollars	%	Dollars	%
950000	Witness Fees	5,220	0.01	4,500	0.01	5,000	0.01
951000	Juror Fees	2,902	0.00	4,750	0.01	3,000	0.00
954000	Mileage	480	0.00	550	0.00	300	0.00
956000	Local Meetings	5,465	0.01	4,460	0.01	3,650	0.00
956002	Special Events	482	0.00	300	0.00	300	0.00
957000	Memberships & Dues	92,558	0.11	90,140	0.10	90,760	0.11
959000	Education & Training	97,397	0.11	94,740	0.11	76,920	0.09
959001	Education & Training - Grant	2,531	0.00	0	0.00	0	0.00
959302	Education & Training Act 302	7,846	0.01	24,000	0.03	24,000	0.03
959332	Education & Training Act 32	2,705	0.00	10,000	0.01	10,000	0.01
960000	Donation Expense Non-Capital	9,201	0.01	4,000	0.00	4,000	0.00
961000	Athletic Entry Fees	300	0.00	400	0.00	320	0.00
962000	Miscellaneous Expense	6,246	0.01	8,600	0.01	13,470	0.02
962001	Misc Exp - Cash - Short/Over	(72)	0.00	0	0.00	0	0.00
965000	Refunds on Tribunal Adjustments	338,713	0.39	300,000	0.35	0	0.00
	Total Other Charges	**10,886,601**	**12.44**	**11,312,460**	**13.17**	**11,455,950**	**13.77**
	TRANSFERS OUT						
999203	Transfer to Local Road Fund	475,000	0.54	0	0.00	0	0.00
999301	Transfer to General Drain Debt Fund	20,000	0.02	0	0.00	0	0.00
999305	Transfer to VTGO Debt Fund	10,000	0.01	0	0.00	0	0.00
999369	Transfer to LTGO Debt Fund	617,940	0.71	608,680	0.71	528,740	0.64
999403	Transfer to Capital Projects Fund	351,000	0.40	317,060	0.37	406,350	0.49
999855	Transfer to EDC Fund	6,000	0.01	21,000	0.02	19,000	0.02
999867	Transfer to LDFA Fund	30,000	0.03	12,930	0.02	0	0.00
	Total Transfers Out	**1,509,940**	**1.73**	**959,670**	**1.12**	**954,090**	**1.15**
	Total General Fund	**$87,480,418**	**100.00**	**$85,880,680**	**100.00**	**$83,197,030**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

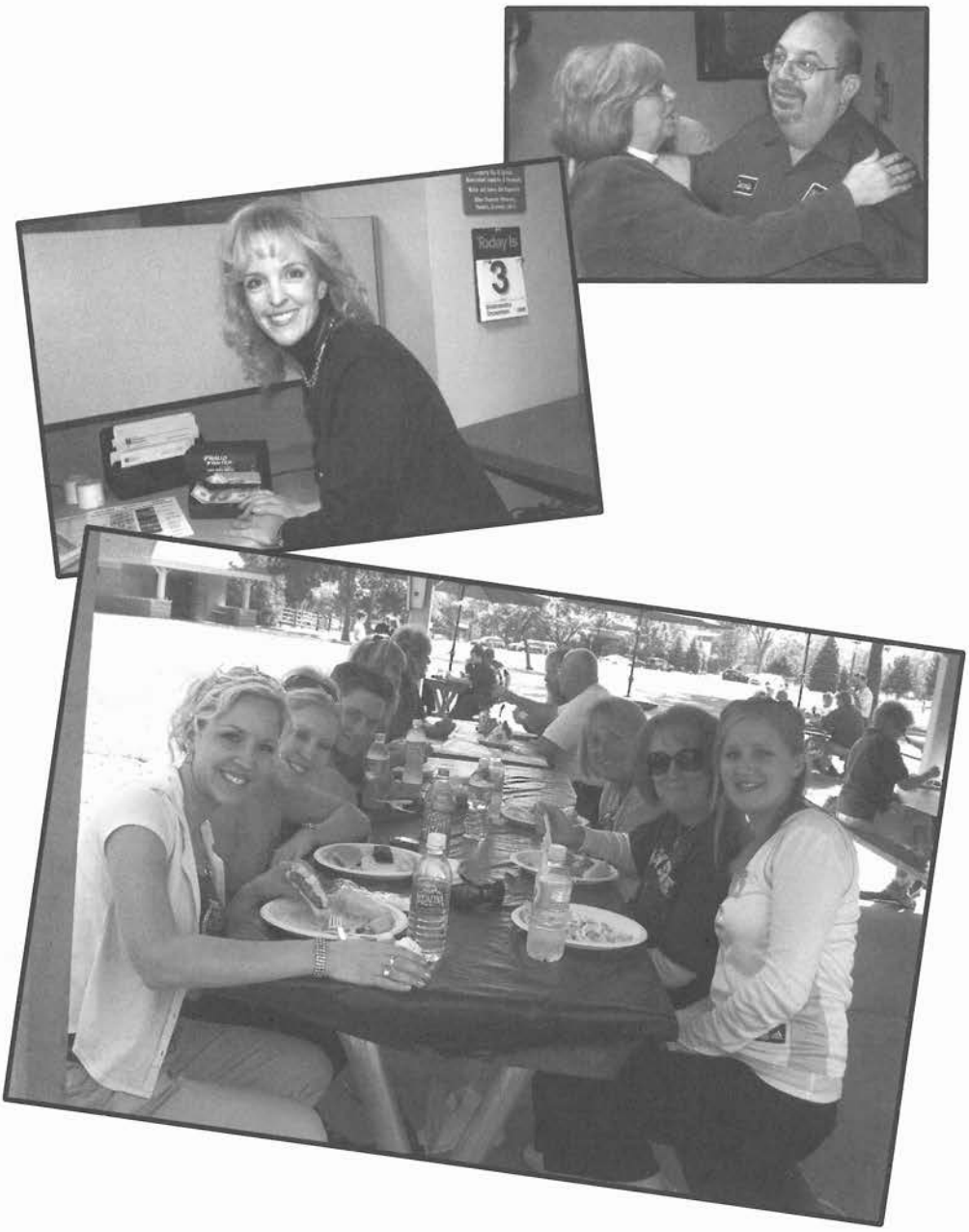
General Fund Expenditure History





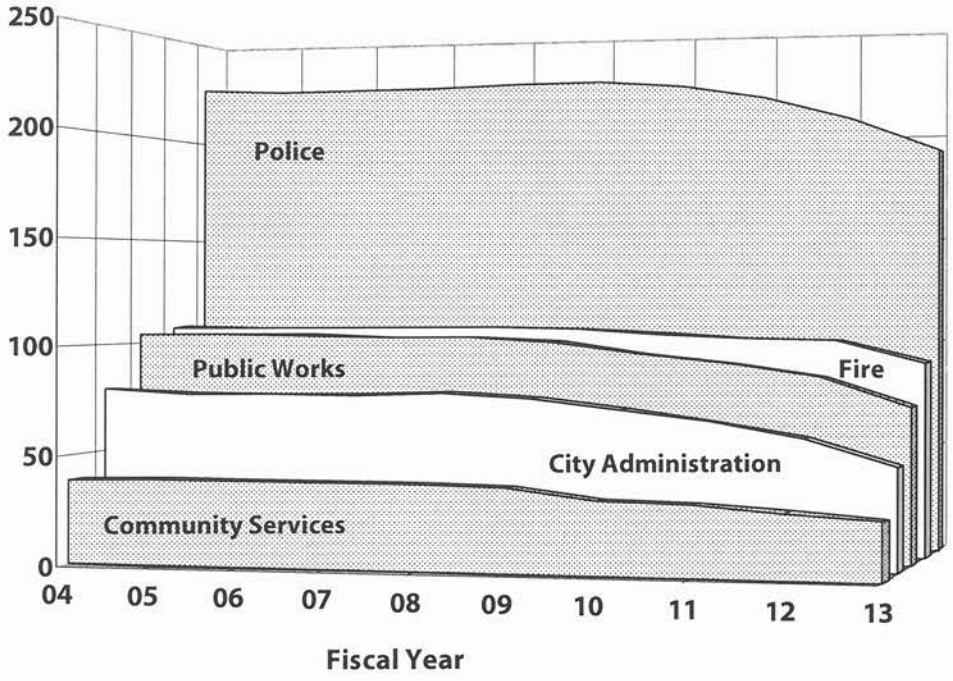
These graphs illustrate the expenditure category history for the General Fund.

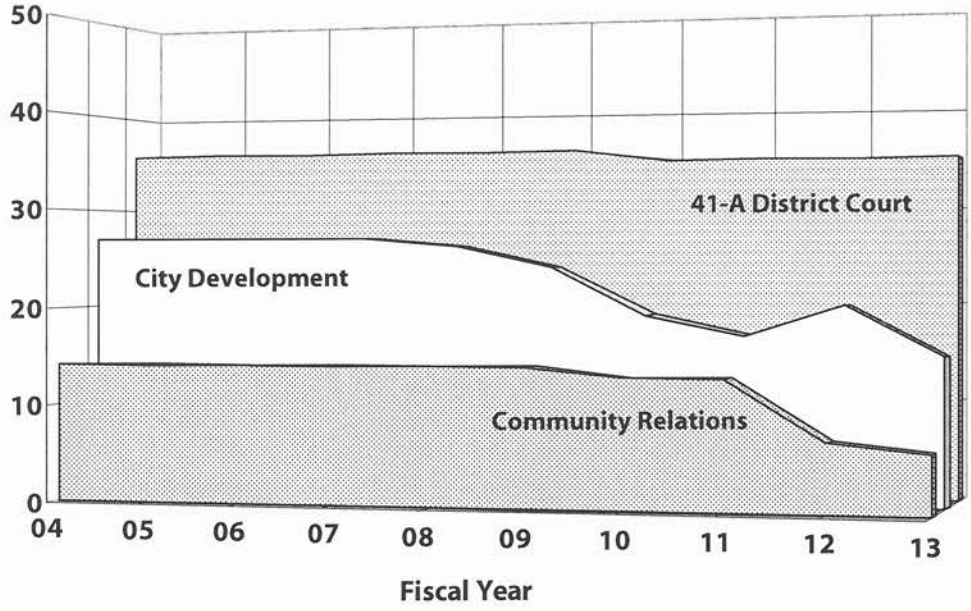
Personnel Summary



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 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
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	
42,159 - 49,166	Administrative Assistant	0		1		1	
	Senior Clerk	1		0		0	
	Total	**7**	**0**	**7**	**0**	**7**	**0**
	ECONOMIC DEVELOPMENT						
80,040 - 99,066	Economic Development Manager	1		1		1	
84,042 - 104,020	Business Development Manager	0		1		1	
43,633 - 50,886	Management Assistant	0		1		1	
	Total	**1**	**0**	**3**	**0**	**3**	**0**
	PUBLIC SERVICES						
	Public Services Manager	1		0		0	
	HUD Program Coordinator	1		0		0	
	Administrative Assistant	1		0		0	
	NSP Intern (P.T.)		1		0		0
	Total	**3**	**1**	**0**	**0**	**0**	**0**
	CITY CLERK						
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	
	Senior Clerk	2		1		0	
28,510 - 41,792	Clerk Typist	1		1		1	
21,000	Clerk Typist (P.T.)		0		0		1
	Total	**6**	**0**	**5**	**0**	**4**	**1**
	FACILITIES MAINTENANCE						
	Facilities Maintenance Manager	1		1		0	
45,117 - 52,249	Facilities Maintenance Mechanic	3		3		3	
	Custodian	10		6		0	
	Senior Clerk	1		1		0	
15,000	Clerk Typist (P.T.)		0		0		1
	Custodian (P.T.)		0		6		0
	Total	**15**	**0**	**11**	**6**	**3**	**1**
	INFORMATION TECHNOLOGY						
89,754 - 111,090	Information Technology Manager	1		1		1	
	Network Administrator	1		0		0	
56,080 - 62,680	Senior Systems Analyst	1		2		2	
54,015 - 60,270	Information Technology Specialist	5		4		3	
	Total	**8**	**0**	**7**	**0**	**6**	**0**
	ASSESSING						
84,042 - 104,020	City Assessor	1		1		1	
64,153 - 73,009	Appraiser III	3		3		3	
56,602 - 64,525	Appraiser II	0		1		1	
49,608 - 56,454	Appraiser I	2		1		1	
45,273 - 52,803	Appraiser Aide	1		1		1	
	Total	**7**	**0**	**7**	**0**	**7**	**0**

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	FINANCIAL SERVICES						
84,042 - 104,020	Controller	1		1		1	
57,735 - 64,744	Accountant	2		2		1	
14,066 - 33,759	Accountant (P.T.)		0		0		2
42,159 - 49,166	Senior Account Clerk	2		2		2	
35,298 - 44,561	Account Clerk	1		1		1	
7,500	Co-op (P.T.)		1		1		1
	Total	**6**	**1**	**6**	**1**	**5**	**3**
	PURCHASING/RISK MANAGEMENT						
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**
	TREASURY						
71,314 - 88,416	City Treasurer	1		1		1	
62,963 - 71,238	Pension Administrator/Utility Billing Accountant	1		1		1	
57,735 - 64,744	Accountant	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Senior Account Clerk	2		2		2	
35,298 - 44,560	Account Clerk	4		4		3	
21,000	Account Clerk (P.T.)		0		0		1
	Total	**10**	**0**	**10**	**0**	**9**	**1**
	Total City Administration Department	**66**	**2**	**59**	**7**	**47**	**6**
	COMMUNITY SERVICES DEPARTMENT						
	PUBLIC LIBRARY						
90,190 - 111,632	Community Services/Library Director	0		1		1	
	Public Library Director	1		0		0	
57,735 - 65,385	Library Service Area Coordinator	3		2		2	
54,956 - 62,542	Library Programming Specialist	1		1		1	
53,944 - 60,486	Librarian	7		7		5	
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		3		3	
39,157 - 45,668	Library Assistant I	1		1		1	
35,298 - 41,791	Library Clerk	1		1		1	
23,776 - 25,419	Librarian (P.T.)		6		6		7
10,199 - 12,705	Library Page (P.T.)		10		10		10
6,825 - 12,740	Library Clerk (P.T.)		4		5		5
	Total	**20**	**20**	**18**	**21**	**16**	**22**
	PARKS & RECREATION						
64,871 - 80,291	Parks & Recreation Manager	1		1		1	
56,185 - 63,307	Recreation Supervisor	6		5		4	
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	2		2		2	
32,935 - 44,336	Lead Bus Driver	1		1		1	
	Total	**12**	**0**	**11**	**0**	**10**	**0**
	Total Community Services Department	**32**	**20**	**29**	**21**	**26**	**22**

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	POLICE DEPARTMENT						
	POLICE ADMINISTRATION						
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		2		2	
36,513 - 50,595	Secretary to Chief	1		1		1	
35,513 - 49,595	Administrative Secretary	2		3		3	
25,211 - 43,272	Technical Secretary	2		1		1	
25,211 - 43,272	Property Clerk	1		1		1	
	Total	**16**	**0**	**13**	**0**	**13**	**0**
	POLICE INVESTIGATIONS						
	Captain	1		1		0	
95,048 - 97,891	Lieutenant	2		2		2	
84,733 - 89,046	Sergeant	4		4		4	
47,979 - 74,926	Police Officer	27		27		23	
35,513 - 49,595	Administrative Secretary	2		2		1	
25,211 - 43,272	Technical Secretary	2		2		2	
	Total	**38**	**0**	**38**	**0**	**32**	**0**
	POLICE OPERATIONS						
102,610 - 105,338	Captain	1		1		1	
95,048 - 97,891	Lieutenant	5		5		5	
84,733 - 89,046	Sergeant	16		16		16	
47,979 - 74,926	Police Officer	99		96		90	
35,513 - 49,595	Administrative Secretary	3		2		2	
25,211 - 43,272	Technical Secretary	1		0		1	
5,166	Crossing Guards (P.T.)		30		30		30
	Total	**125**	**30**	**120**	**30**	**115**	**30**
	POLICE SUPPORT SERVICES						
84,733 - 89,046	Sergeant	2		2		2	
55,367 - 59,284	Communications Officer - Shift Leader	4		4		4	
40,969 - 53,894	Communications Officer	17		16		16	
21,021	Emergency Dispatcher (P.T.)		4		4		4
	Laboratory Technician	1		1		0	
22,603	Laboratory Technician (P.T.)		0		0		1
36,513 - 50,595	Evidence Clerk	1		1		1	
35,513 - 49,595	Administrative Secretary	2		2		3	
42,038 - 47,688	Animal Control Officer	2		2		1	
21,660	Animal Control Officer (P.T.)		0		0		1
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	7		5		3	
	Co-op (P.T.)		1		2		0
	Total	**38**	**5**	**35**	**6**	**32**	**6**
	EMERGENCY MANAGEMENT						
	Emergency Manager	1		1		0	
	Total	**1**	**0**	**1**	**0**	**0**	**0**
	Total Police Department	**218**	**35**	**207**	**36**	**192**	**36**

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
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		1		1	
	Clerk (P.T.)		1		0		0
	Total	**8**	**1**	**9**	**0**	**9**	**0**
	FIRE EXTINGUISHMENT						
91,407 - 96,774	Battalion Chief	3		3		3	
88,055 - 93,221	Captain-Advanced Life Support	3		3		5	
	Captain	2		2		0	
79,989 - 85,525	Lieutenant-Advanced Life Support	12		12		13	
76,180 - 81,454	Lieutenant	4		4		3	
	Sergeant - Advanced Life Support	1		1		0	
75,144 - 76,600	Sergeant - Fire Engine Operator	8		8		9	
46,463 - 74,363	Fire Fighter-Advanced Life Support	42		42		35	
45,581 - 72,954	Fire Fighter-Fire Engine Operator	13		13		12	
	Fire Fighter	2		2		0	
	Total	**90**	**0**	**90**	**0**	**80**	**0**
	FIRE PREVENTION						
92,436 - 100,812	Fire Marshal	1		1		1	
86,349 - 89,756	Fire Inspector	3		1		1	
	Total	**4**	**0**	**2**	**0**	**2**	**0**
	Total Fire Department	**102**	**1**	**101**	**0**	**91**	**0**
	CITY DEVELOPMENT DEPARTMENT						
	BUILDING						
	City Development Director/Asst. City Manager	1		0		0	
89,603 - 111,090	Building Official	0		1		1	
	Building Services Manager	1		0		0	
72,723 - 76,847	Code Enforcement Coordinator	1		1		1	
62,754 - 69,665	Building Inspector/Code Enforcement Officer	3		3		2	
62,754 - 69,665	Plumbing Inspector/Code Enforcement Officer	1		1		1	
62,754 - 69,665	Electrical Inspector/Code Enforcement Officer	1		1		1	
62,754 - 69,665	Mechanical Inspector/Code Enforcement Officer	1		1		1	
	Code Enforcement Officer	1		1		0	
43,633 - 50,886	Management Assistant	1		1		1	
28,510 - 41,792	Clerk Typist	3		2		2	
20,000	Code Enforcement Officer (P.T.)		1		1		1
21,245	Foreclosure Code Officer - Grant (P.T.)		2		2		2
	Total	**14**	**3**	**12**	**3**	**10**	**3**
	NEIGHBORHOOD SERVICES						
	Neighborhood Services Manager	0		1		0	
47,017 - 52,550	Senior Neighborhood Liaison Specialist	0		2		2	
43,366 - 50,675	Neighborhood Property Maintenance Officer	0		1		1	
	Total	**0**	**0**	**4**	**0**	**3**	**0**

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	PLANNING						
	City Development Director/City Planner	0		1		0	
	City Planner	1		0		0	
59,020 - 65,855	Planning Coordinator	1		1		1	
59,020 - 65,855	HUD Program Coordinator	0		1		1	
	Administrative Assistant	1		1		0	
9,130	CDBG Intern (P.T.)		0		1		1
	Total	**3**	**0**	**4**	**1**	**2**	**1**
	Total City Development Department	**17**	**3**	**20**	**4**	**15**	**4**
	PUBLIC WORKS DEPARTMENT						
	ENGINEERING						
89,754 - 111,090	City Engineer	1		1		1	
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	1		1		1	
46,922 - 67,144	Engineering Aide	5		5		3	
55,208 - 64,385	Civil Engineer I	2		1		1	
42,159 - 49,166	Administrative Assistant	1		1		1	
	Senior Clerk	1		0		0	
	Total	**13**	**0**	**11**	**0**	**9**	**0**
	FLEET MAINTENANCE						
	Division Supervisor	1		1		0	
52,232 - 65,953	Maintenance Supervisor	0		0		1	
45,610 - 58,942	Mechanic	10		10		9	
	Storekeeper	1		1		0	
10,940	Seasonal Laborer (P.T.)		1		1		1
	Total	**12**	**1**	**12**	**1**	**10**	**1**
	PARKS & GROUNDS MAINTENANCE						
	Division Supervisor	1		0		0	
	Maintenance Supervisor	0		1		0	
42,835 - 53,682	Parks & Grounds Maintenance Worker	6		5		2	
30,628 - 52,138	Laborer	5		3		0	
3,300 - 20,000	Seasonal Laborer (P.T.)		7		7		8
	Total	**12**	**7**	**9**	**7**	**2**	**8**
	PUBLIC WORKS CENTER						
	General Supervisor	1		0		0	
	Total	**1**	**0**	**0**	**0**	**0**	**0**
	REFUSE COLLECTION						
28,510 - 41,792	Clerk Typist	1		1		1	
16,871 - 20,450	Seasonal Laborer (P.T.)		3		4		4
	Total	**1**	**3**	**1**	**4**	**1**	**4**
	STREET SERVICES						
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	

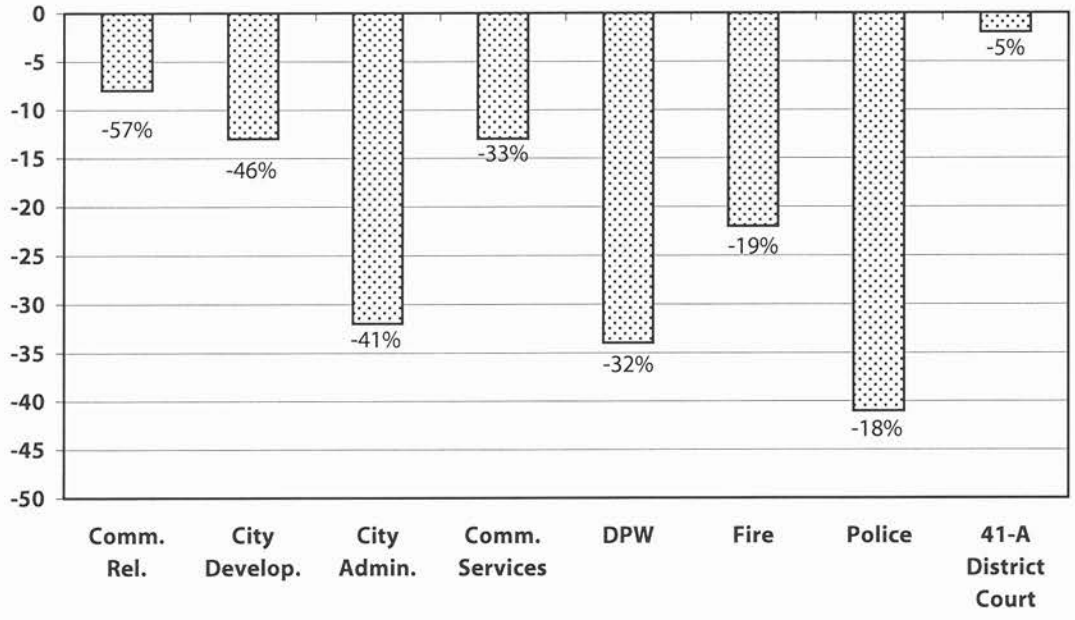
PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	STREET SERVICES (*continued*)						
42,835 - 53,682	Equipment Operator C	6		6		6	
30,628 - 52,138	Laborer	1		1		1	
12,325 - 17,000	Seasonal Laborer (P.T.)		2		2		2
	Total	**19**	**2**	**19**	**2**	**19**	**2**
	Total Public Works Department	**58**	**13**	**52**	**14**	**41**	**15**
	COMMUNITY RELATIONS DEPARTMENT						
90,753 - 114,013	Community Relations Director	1		1		1	
	Communications Manager	1		0		0	
80,040 - 99,066	Broadcast Services Manager	1		1		1	
53,508 - 60,402	Broadcast Services Coordinator	1		1		1	
51,536 - 58,078	Broadcast Programming Specialist	1		1		1	
	Communications Specialist	1		1		0	
	Senior Broadcast Production Specialist	1		0		0	
47,096 - 52,550	Citizen Services Specialist	2		1		1	
	Community Relations Specialist	1		0		0	
43,366 - 50,675	Printing Technician II	2		1		1	
	Broadcast Production Specialist	1		0		0	
	Video Production Technician (P.T.)		2		0		0
8,000	Website Specialist (P.T.)		1		1		1
	Total Community Relations Department	**13**	**3**	**7**	**1**	**6**	**1**
	41-A DISTRICT COURT						
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	
	Deputy Clerk (P.T.)		1		1		0
11,809	Security Guards (P.T.)		4		4		4
	Total 41-A District Court	**35**	**5**	**35**	**5**	**35**	**4**
	Total General Fund	**541**	**82**	**510**	**88**	**453**	**88**
	WATER & SEWER FUND						
	WATER & SEWER ADMINISTRATION						
90,758 - 114,013	Public Works Director	1		1		1	
	Public Works Manager	1		1		0	
66,665 - 87,926	Operations Manager	0		0		1	
61,832 - 81,384	General Supervisor	1		1		1	
67,379 - 78,720	Civil Engineer II	0		1		1	
	Administrative Assistant	1		1		0	
35,298 - 44,561	Account Clerk	2		2		2	
28,358 - 42,523	Clerk Dispatcher	1		1		1	
	Clerk Typist	1		0		0	
	Total	**8**	**0**	**8**	**0**	**7**	**0**

PERSONNEL SUMMARY

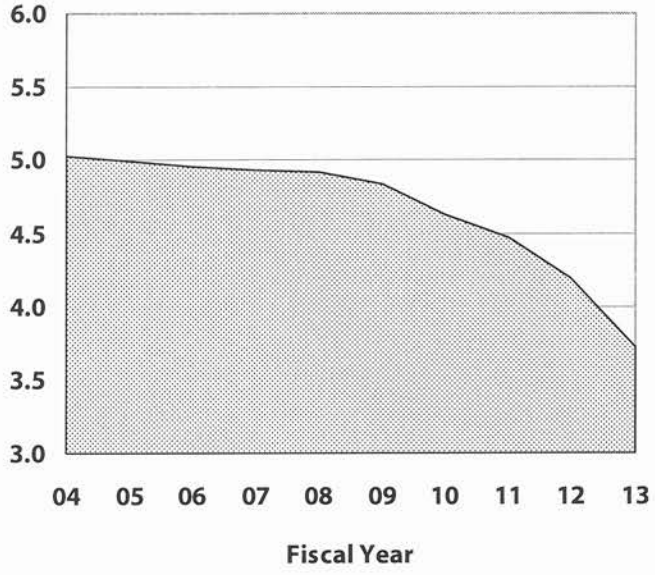
Current Pay Ranges	ACTIVITY	Budget 2010/11 Full Time	Budget 2010/11 Part Time	Budget 2011/12 Full Time	Budget 2011/12 Part Time	Budget 2012/13 Full Time	Budget 2012/13 Part Time
	WATER DISTRIBUTION						
58,963 - 77,592	Division Supervisor	1		1		1	
44,884 - 55,924	Water Inspector	2		2		2	
44,884 - 55,924	Water Service Worker	4		4		4	
42,835 - 53,682	Meter Repair/Installer	2		2		2	
30,628 - 52,138	Laborer	2		2		2	
9,792 - 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		2	
30,628 - 52,138	Laborer	4		4		4	
8,580 - 9,100	Seasonal Laborer (P.T.)		4		4		4
	Total	**14**	**4**	**14**	**4**	**13**	**4**
	Total Water & Sewer Fund	**33**	**6**	**33**	**6**	**31**	**6**
	Total All Funds	**574**	**88**	**543**	**94**	**484**	**94**

Full-time Staffing Reductions By Department Since 2002



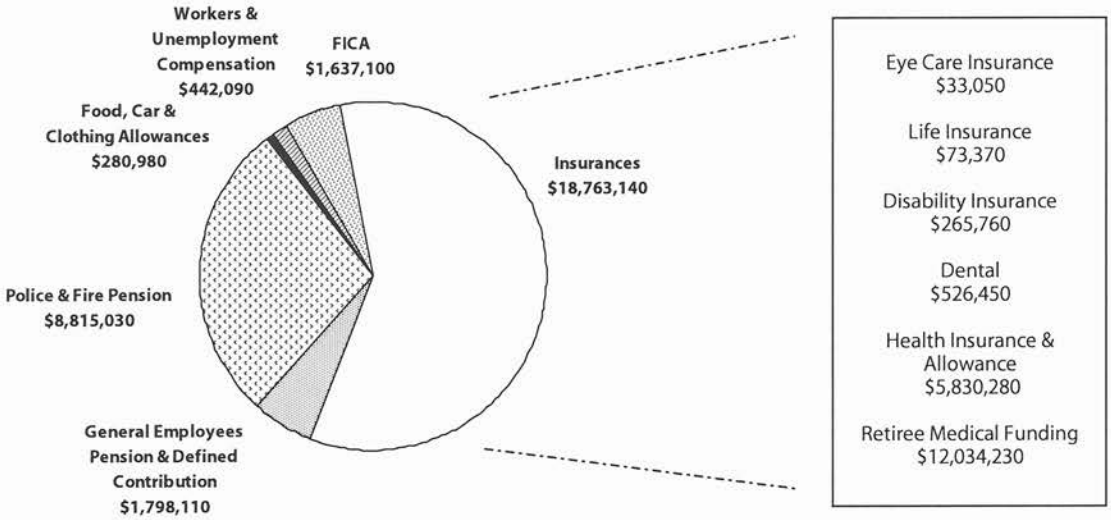
The City's full-time staffing has decreased by 165 positions or 25.4% since 2002. Over 75% of the staffing reduction has been to General employees and not sworn Police & Fire positions assigned to the street.

Full-time Employees per 1,000 Population



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

Budgeted Employee Fringe Benefit Costs



Fringe Benefits total $31,736,450

Includes the General Fund & Water & Sewer Fund

Legislative

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

City Council

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

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

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

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

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

KEY GOALS

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

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

Did you know...
...that Sterling Heights has retained its ranking as Michigan's safest city among communities with more than 100,000 residents according to CQ Press?

City Council

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	3	6	4	3	4	3
	Public Hearings Held	14	15	11	25	20	20
	Ordinances and Amendments Adopted	13	8	15	15	15	15
	Agenda Items Reviewed and Acted Upon	386	288	276	340	338	340
	City Council Members Attending Training Sessions	10	5	8	10	10	10
	"Nice Neighbor" Awards Presented	10	19	14	20	20	20
Effectiveness	City Council Member Attendance at Council Meetings	97%	97%	97%	100%	100%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	98%	100%
	% Difference from Proposed to Adopted Budget (G.F.)	0.00%	-0.11%	-0.33%	0.00%	0.00%	0.00%
	Total Millage Rate % Reduction Since 1988	-19.4%	-19.4%	-5.2%	-5.2%	-5.2%	-5.2%
	Activity Expenditures as % of General Fund	0.17%	0.16%	0.15%	0.16%	0.15%	0.16%

City Council

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

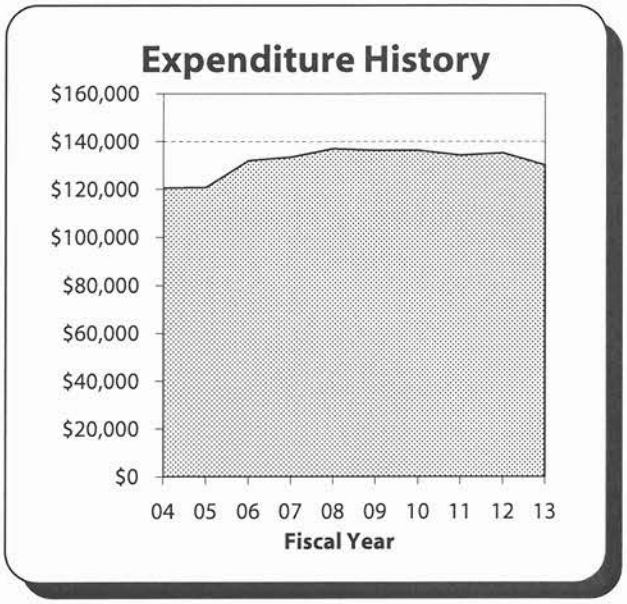
The total budget decreased by 3.8%.

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 increased since the 2006/07 fiscal year. The Compensation Commission is next scheduled to meet in February 2013.

Supplies – Total Supplies decreased $1,130 or 71.5%. $1,100 was saved in operating supplies, as less funding for new Council members is needed since next year is not an election year. Postage costs can be reduced $30 based on recent actual expenditure levels.

Other Charges – Total Other Charges increased $6,690 or 74.6%. The training budget increased $7,290 due to increased participation and higher costs to attend the annual MML convention on Mackinac Island next year. The printing budget for business cards decreased $300 as next year is not an election year and less funding is required. Internet connection fees necessary for the E-Agenda Packet Program decreased $200 and telephone costs decreased $100, as both can be reduced and brought more in line with recent expenditure trends.

Capital – There is no Capital proposed for this activity.



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Other Charges – Total Other Charges decreased by $10,740 as the funding for the annual MML convention and the reimbursement of Internet connection fees has been eliminated.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$125,113	$124,630	$124,630	$124,630	$124,630
Supplies	421	1,580	750	450	450
Other Charges	8,614	8,970	8,710	15,660	4,920
Total	$134,148	$135,180	$134,090	$140,740	$130,000

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
- Provides support for VELOCITY and Macomb OU-INCubator

FUNCTIONAL ORGANIZATION CHART

City Administration Department (continued)

Office of City Management

Finance & Budget Division

- Manages and administers the activities of the Finance & Budget division
- Prepares annual operating and capital budgets
- Responsible for expenditure cost control & revenue monitoring
- Prepares Water & Sewer rate analysis
- Performs City rates & fees studies
- Manages the City's Performance Measurement Program
- Performs position & salary analysis
- Prepares financial analysis, Strategic Plan, Forecasts & Budget Reports
- Conducts management studies
- Coordinates MIP program development
- Conducts internal audits

Office of Financial Services

- Responsible for the proper recording of all City activities in the General Ledger and subsidiary ledgers
- Produces the Comprehensive Annual Financial Report (CAFR)
- Processes all City payroll and related fringe benefit payments
- Processes all payments for goods and services purchased by the City
- Responsible for debt management including the coordination of bond sales
- Implements and coordinates all Government Accounting Standards Board (GASB) financial reporting changes

Office of Treasury

- Administers revenue collection, tax and special assessment programs
- Issues all water and sewer bills and maintains related account balances
- Administers cash management and banking programs
- Coordinates and records the activities of both City pension funds
- Treasurer – P & F and GERS retirement systems
- Administers investment policy

Office of Assessing

- Ensures equitable assessments
- Maintains assessment roll with current data
- Assesses residential, real and personal commercial, and industrial properties
- Represents City in tribunals
- Maintains field sheets for residents' review
- Conducts Board of Review hearings
- Processes tax abatements

Office of Purchasing/Risk Management

- Procures goods and services at lowest reasonable cost
- Responsible for encumbrance system
- Maintains vendor files
- Coordinates and monitors all City purchase requisitions
- Provides for adequate Excess Insurance to cover catastrophic losses
- Oversees property and liability claims against the City

DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

The City Administration budget decreased $404,350 or 5.4%. Personnel costs fell $660,790 or 10.2%. Six vacant full-time positions in the City Clerk, Facilities Maintenance, Information Technology, Finance, and Treasury offices will be replaced by five part-time positions. Six full-time Facility Maintenance positions are proposed for layoff and are to be replaced by a custodial contractor, saving $284,000. Two of these employees are eligible to retire and two would be eligible for an early retirement. Savings were also achieved due to a third year of employee concessions.

Supplies decreased $39,430 or 17.0%. Cleaning supplies are included in the custodial contract. Savings in election ballot costs and printer repair and toner was also realized. Other Charges increased by $295,870 primarily for the new custodial contract, as well as the transfer of citywide telephone maintenance costs to IT, employee outplacement services and labor arbitrations. These costs were partially offset by reduced voting machine maintenance costs, energy and technology savings and bank fees. The capital budget funds computers in four offices and an IT storage server.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
City Management	$978,620	$970,180	$962,740	$961,370	-0.1%
Economic Development	157,340	167,830	413,260	397,660	-3.8%
Public Services	332,120	339,940	0	0	0.0%
City Clerk	710,560	778,610	720,530	706,720	-1.9%
Facilities Maintenance	1,603,550	1,311,110	1,341,800	1,004,470	-25.1%
Information Technology	1,080,160	1,107,470	955,750	931,660	-2.5%
Assessing	861,220	868,780	856,340	879,070	2.7%
Financial Services	928,110	745,810	777,120	770,740	-0.8%
Purchasing/Risk Mgmt.	360,940	369,710	372,930	381,200	2.2%
Treasury	1,006,240	1,152,570	1,105,610	1,068,840	-3.3%
Total Department	$8,018,860	$7,812,010	$7,506,080	$7,101,730	-5.4%
Personnel Services	$7,022,670	$6,893,180	$6,509,920	$5,849,130	-10.2%
Supplies	238,350	208,800	232,610	193,180	-17.0%
Other Charges	757,840	710,030	763,550	1,059,420	38.7%
Total Department	$8,018,860	$7,812,010	$7,506,080	$7,101,730	-5.4%

PERSONNEL SUMMARY

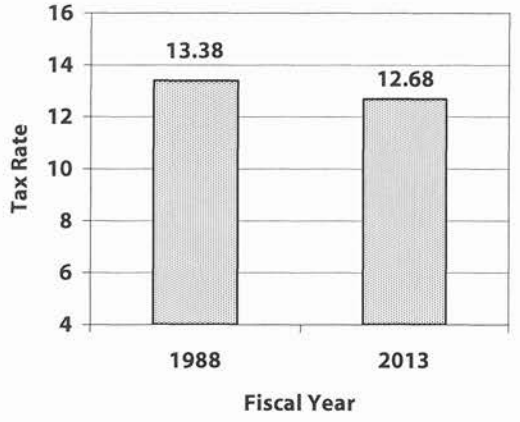
	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	7	1	7	0	7	0	7	0
Economic Development	1	0	1	0	3	0	3	0
Public Services	3	1	3	1	0	0	0	0
City Clerk	6	0	6	0	5	0	4	1
Facilities Maintenance	16	0	15	0	11	6	3	1
Information Technology	8	0	8	0	7	0	6	0
Assessing	8	0	7	0	7	0	7	0
Financial Services	9	1	6	1	6	1	5	3
Purchasing/Risk Mgmt.	3	0	3	0	3	0	3	0
Treasury	10	0	10	0	10	0	9	1
Total Department	71	3	66	2	59	7	47	6

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 2013 – a decrease of 5.2%. Had the City continued to levy the same tax rate since 1988, the average resident would have paid $3,258 more in taxes. The City's tax rate remains lower than 90% of all Michigan cities.

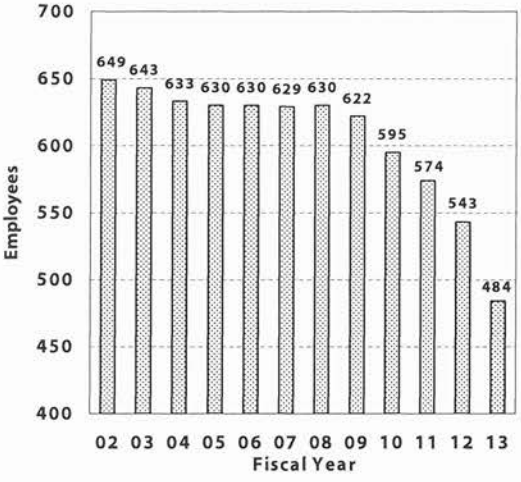
Property Taxes Paid Per Capita

1. Southfield	$884
2. Dearborn	$840
3. Ann Arbor	$743
4. Troy	$669
5. Warren	$635
6. Lansing*	$581
7. Livonia	$575
8. Farmington Hills	$526
9. Grand Rapids*	$485
10. STERLING HEIGHTS	**$456**

*Excludes City Income Taxes

Sterling Heights has the lowest tax bill per resident in comparison to nine comparable Michigan benchmark communities. Based on 2011 tax revenues and the 2010 census population data, Sterling Heights residents pay only $456. Troy residents pay 47% more than Sterling Heights residents. In addition, both Lansing and Grand Rapids have city income taxes.

City's Full-time Staffing



Due to a five-year $44.8 million property tax loss, an additional 59 full-time positions have been eliminated in 2013, saving $4.7 million. City staffing has now declined by over 25%, or 165 positions since 2002, saving $12.6 million annually. City staffing is at its lowest level since 1977. The City's employee per resident ratio has decreased by over 41%.

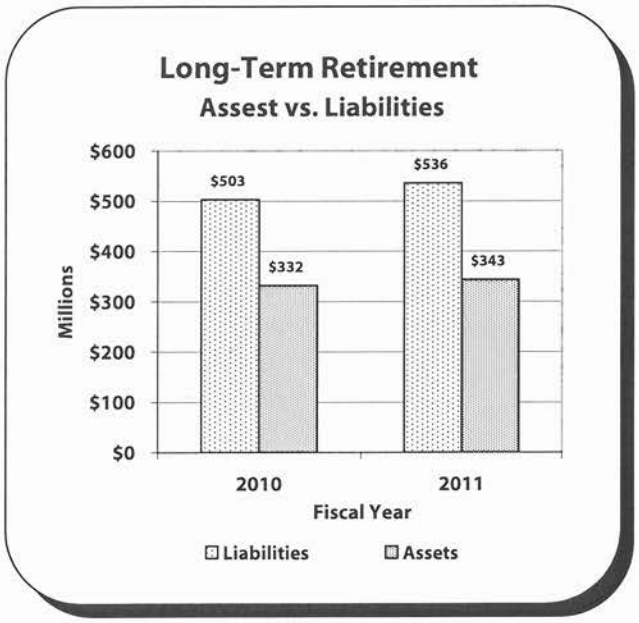
Full-Time Employees Per 1,000 Residents

1. Grand Rapids	8.1
2. Southfield	7.7
3. Lansing	7.3
4. Dearborn	7.2
5. Ann Arbor	6.0
6. Livonia	5.7
7. Warren	4.7
8. Troy	4.2
9. Farmington Hills	4.1
10. STERLING HEIGHTS	**3.7**

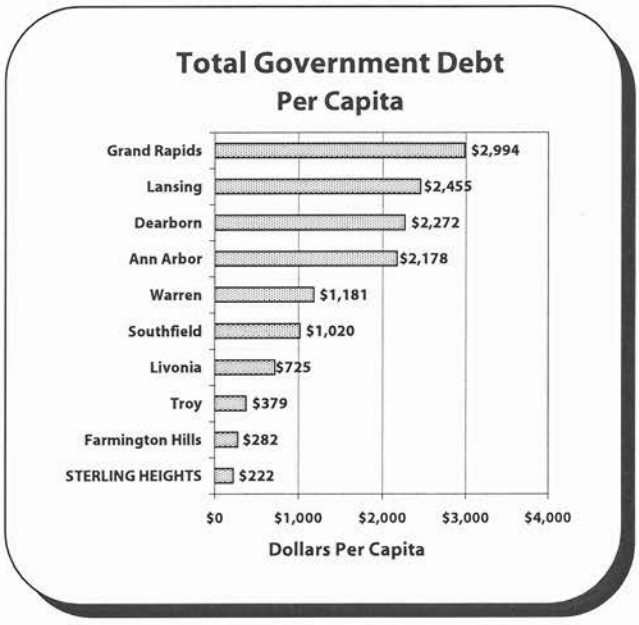
Based on current staffing data and the 2010 census, Sterling Heights has 3.7 full-time employees per 1,000 residents. None of our benchmark communities have a lower rate. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a 2010 study of over 140 cities, 89% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

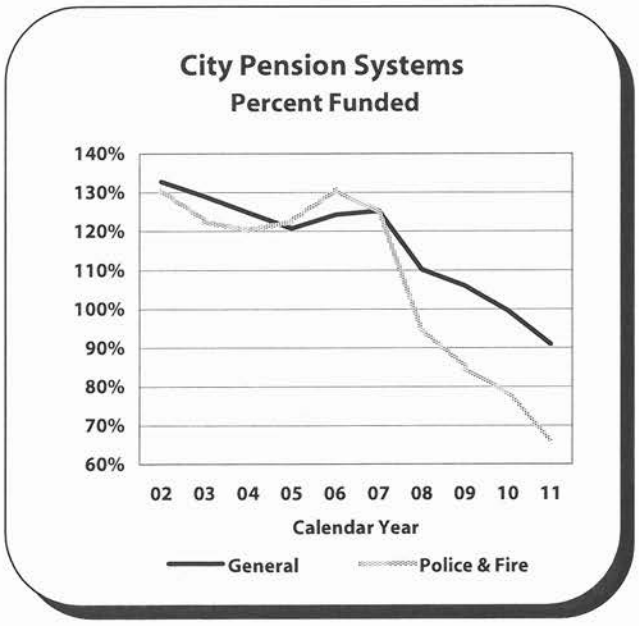
City Administration Department (continued)



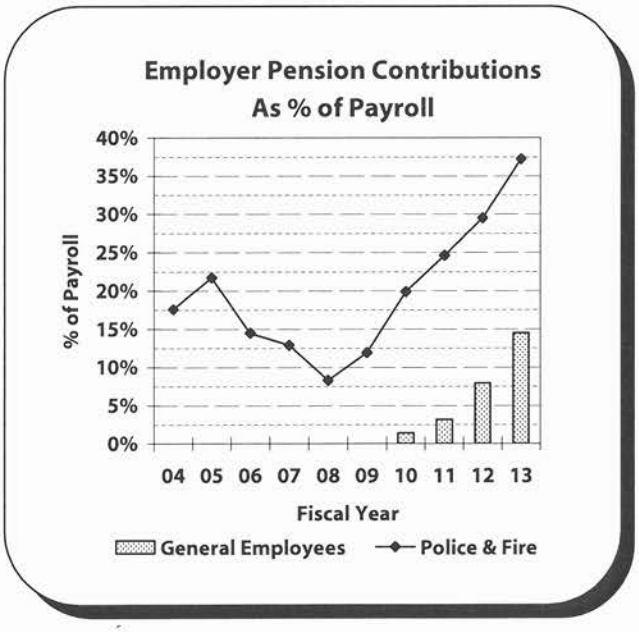
$343 million has been set aside to pay long-term pension and medical retirement liabilities. The City has now closed its General Employees pension plan. Nearly 75% of the gap between assets and liabilities is a result of medical inflation. The City has worked hard to reduce these liabilities by changing future retiree benefits. The City continues to annually set aside 100% of the required funding for all retiree liabilities.



The City has the lowest government 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.



Both the General Employees and Police & Fire pension systems have seen a decrease in funding levels 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.



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.

City Management

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

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

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

The City Manager is responsible for creating new and innovative City programs and services. 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), Citizen's Guide to Finances, water and sewer rate studies, capital status reports, financial & demographic trend reviews, department audits, and revenue studies are also prepared.

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

KEY GOALS

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

Did you know...
...the City has refinanced four bonds over the past several years, saving $1.2 million in lower interest costs?

2012/13 INTENTION STATEMENTS *(City Management)*

1. To continue participating in the Macomb Area Communities for Regional Opportunities (MACRO) Task Force to pursue consolidating and combining services where possible. This is an important component of the City's overall financial plan. *(City Goal 2, 3, 4)*

2. To develop a succession plan for continued turnover in the organization as further downsizing is necessary for the next couple of years. In the next two years it is estimated that all but two Directors will retire in addition to numerous supervisors. A leadership transition plan needs to be implemented. *(City Goal 3, 5)*

3. To continue to work with various groups such as the Southeastern Metropolitan Council of Governments (SEMCOG) and the Michigan Municipal League (MML) to address matters of local interest in a proactive way. This includes monitoring, supporting and opposing state and federal legislation affecting the City. *(City Goal 1, 8, 11, 20)*

4. To continue implementing the City's proactive Economic Development Plan including continued growth of VELOCITY. This will require ongoing collaboration with the State, County and Oakland University. *(City Goal 10)*

5. To develop new ways to engage the community to assist in prioritizing services and to determine service satisfaction levels, which may include community forums and surveying. This will help allocate diminishing revenues and resources to high priority services. *(City Goal 1, 3, 4, 20)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Administrative Policy and Procedure Orders Processed	2	3	3	3	3	3
	False Alarm Appeals Processed	41	40	76	50	70	60
	Special Reports Researched & Written	18	18	19	20	20	20
	Special Projects Researched & Developed	18	17	19	20	20	20
	Policy Resolutions Presented to Council	9	16	18	10	12	10
	Legislative Issues Monitored	6	7	7	10	9	10
	Neighborhood/Business Meetings Facilitated	6	6	6	6	6	6
	Intergovernmental Relation Contacts	115	118	123	125	120	125
	New Programs & Policies Developed	6	7	7	8	8	8
	Council Requests Responded to within 30 minutes	98%	98%	98%	100%	98%	100%
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Council Requested Items on Agenda w/i 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	-19.4%	-19.4%	-5.2%	-5.2%	-5.2%	-5.2%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	99%	100%
	Activity Expenditures as % of General Fund	1.04%	1.13%	1.11%	1.12%	1.09%	1.16%

City Management

2012/13 PERFORMANCE OBJECTIVES *(Finance & Budget)*

1. To update the City's multi-year financial plan for operations and roads and to present the information to community stakeholders to share ideas as how to best address continued declining revenues. *(City Goal 1, 2, 3, 4, 5, 20)*

2. To submit an updated City Citizen's Guide to Finances, Performance Scorecard & Dashboard, and Consolidation of Services Plan to the State to qualify for State funding. *(City Goal 1, 2, 3, 20)*

3. To assist in updating and prioritizing the City-wide Goals and Objectives to further strengthen the City's priority based budget. *(City Goal 1, 2, 20)*

4. To prepare and present the City's financial information should the City enter binding Act 312 arbitration with the Firefighter's labor group and to cost out labor contract savings for all seven expiring labor contracts. *(City Goal 3, 4, 5)*

5. To update the Finance & Budget division's short-term staffing and long-term succession plans due to anticipated staff turnover and the need for further streamlining of financial operations. *(City Goal 1, 2, 3 4)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	City Budgeted Funds Monitored (Millions)	$150.0	$151.9	$138.9	$137.5	$141.3	$133.3
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	50	42	40	45	40	40
	Management & Labor Cost Studies Conducted	30	35	42	40	40	45
	City Council Agenda Statements Reviewed	386	288	276	340	338	340
	Municipal Improvement Plan (MIP) Prepared	1	0	1	0	0	1
	Travel Requests Reviewed for Policy Compliance	198	160	118	140	120	120
	Years Member of ICMA Center for Perf. Measurement	7	7	8	8	8	8
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa2,AA+,AA+	Aa2,AAA,AA+	Aa1,AAA,AA+	Aa1,AAA,AA+	Aa1,AAA,AA+	Aa1,AAA,AA+
	City's State Fiscal Health Score	1	2	2	3	3	3
	General Fund Expenditures Per Capita	$678	$671	$681	$662	$667	$640
	Government Debt Per Capita	$384	$361	$252	$222	$222	$190
	OPEB Annual Required Contribution Funded (Millions)	$11.3	$11.6	$12.1	$11.5	$11.5	$12.0
	OPEB Trust Funding Status	10.8%	10.8%	21.7%	21.7%	21.7%	30.0%
	Services Delivered Via Cooperative Venture	42	45	48	52	59	65
	Accuracy Forecasting Expenditures - General Fund	99.5%	99.2%	99.6%	100.0%	100.8%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.6%	99.6%	99.7%	100.0%	101.8%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	22	23	24	25	25	26
	Savings from Reviewing Travel Requests	$3,374	$2,741	$2,184	$2,500	$2,000	$2,000
	Average Cost to Review a Travel Request	$7.49	$7.84	$6.64	*	*	*

City Management

2012/13 PERFORMANCE OBJECTIVES *(Human Resources)*

1. To negotiate two open and seven closed labor contracts, which expired on June 30, 2012 and to negotiate savings on two closed labor contracts. *(City Goal 3, 4, 20)*

2. To update a communication format to keep the Mayor and Council aware of the progress of labor negotiations. *(City Goal 3, 5)*

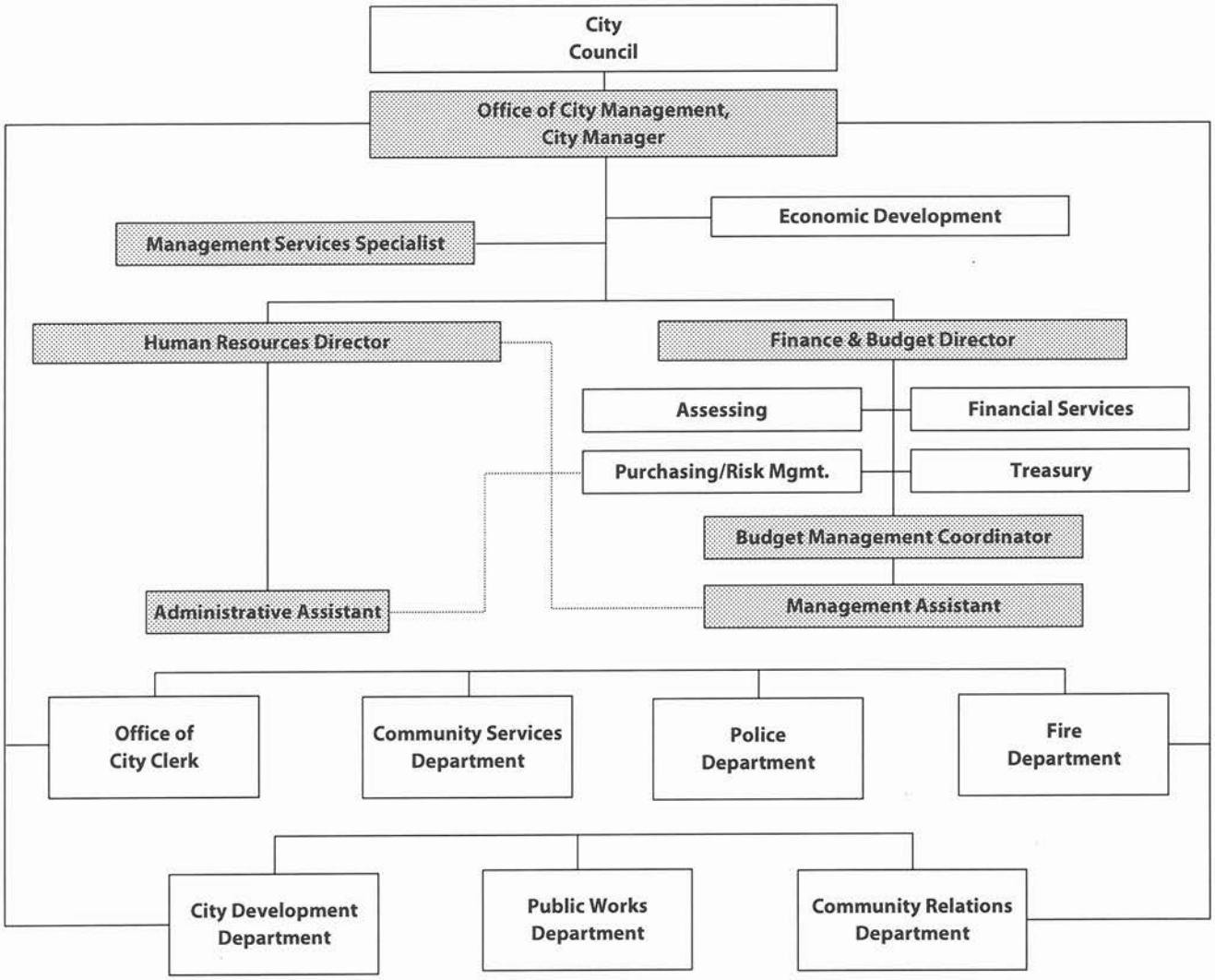
3. To continue the implementation of the City's comprehensive financial strategy for human resources initiatives, including an action plan for succession planning. *(City Goal 3, 4)*

4. To partner with leadership and the City's workforce to create quality recognition that delivers a lasting impression relative to employee motivation, recognition, rewards and retention. *(City Goal 3, 4)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Promotional Job Postings	21	9	5	10	15	15
	Open Competitive Job Postings	1	1	4	2	3	3
	Applications Reviewed & Processed	842	160	187	300	200	200
	Employees Hired (Full-time/Part-time)	16/98	3/66	3/94	3/60	3/80	3/80
	Police/Fire Promotional Tests	1	0	1	0	1	1
	Labor Contracts Settled (Incl. Re-opened Contracts)	0	12	7	6	9	8
	Worker's Compensation Incident Reports	56	24	18	30	37	33
	Short-Term Disability Claims Handled	27	25	34	30	30	30
	Open Long-Term Disability Claims	3	2	2	3	3	3
	Life Insurance Claims	0	1	2	1	1	1
	New Worker's Compensation Claims	58	68	68	65	63	63
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	30	30	30	30	30	30
	# Labor Grievances Per 100 F.T. Union Employees	1.3	1.1	2.5	1.5	4.0	3.0
	Avg. # Work Days to Complete Internal Recruitment	18	25	23	20	25	25
	% of Grievances Resolved Before Arbitration	87%	50%	91%	100%	80%	100%
	Total FTE's Per 1,000 Residents	5.5	5.4	5.2	4.8	4.8	4.3
	Full-time Employee Turnover Rate (Excl. Retirements)	0.1%	0.3%	1.0%	0.1%	0.2%	0.2%
	% Minorities in Work Force	2.1%	2.1%	1.9%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	0	1	1	0	2	0
	Cost to Recruit and Hire a Full-time General Employee	$1,587	$1,614	$1,587	*	*	*
	# Worker's Comp Claims Per 100 FTE's	8.7	10.5	10.2	10.0	10.0	10.0
	% Worker's Comp Claims Paying Compensation	10.0%	7.0%	6.0%	7.0%	7.0%	7.0%
	W/C Lost Work Days Due to Injury Per 100 FTE's	61	28	42	30	35	35

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

City Management



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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
Administrative Assistant	0	1	1
Senior Clerk	1	0	0
Total	7	7	7

City Management

SUMMARY OF BUDGET CHANGES

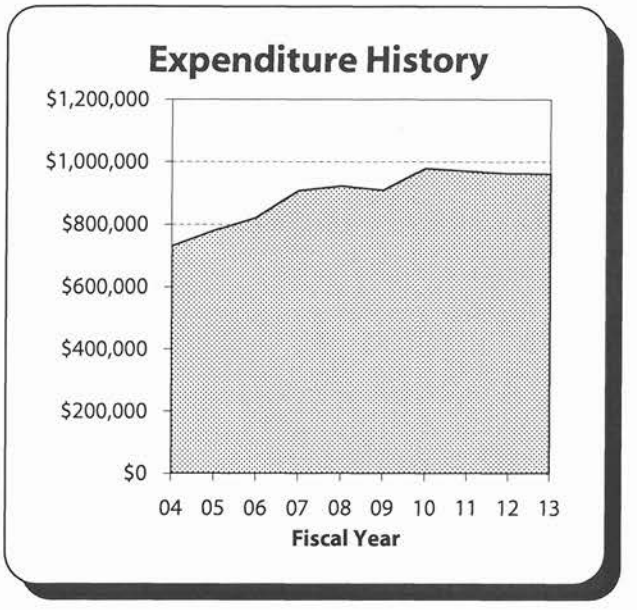
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 0.1%.

Personnel Services – The total Personnel budget decreased $11,790 or 1.3%. Overall savings were achieved due to further wage and benefit concessions, offset by wage steps for the two Human Resources positions not currently at the top of their wage scale. Health insurance costs fell $8,580 as an employee has elected the health insurance allowance in lieu of insurance coverage. Due to the continued recognition of prior year pension investment declines, funding for long-term pension liabilities increased by $10,960.

Supplies – Total Supplies decreased $280 or 13.1%. Operating supplies can be reduced $200, as printer toner is now included in a per-page print fee and funded with rental costs as part of a citywide cost-saving measure. $50 was saved in publications due to the increasing availability of online resources. Funding for postage can be reduced $30, as less correspondence to job applicants will be mailed due to fewer new hires and the increased use of e-mail and on-line resources.

Other Charges – Total Other Charges increased $10,700 or 46.1%. Contracted service costs increased $12,000, as increased funds are needed for labor contract arbitration costs, employee outplacement services, and to administer the biennial Police Sergeant promotional exam. Telephone costs decreased $700 as the budget can be brought more in line with recent actual expenditure levels. $430 was saved in Budget cover, tab and picture page printing costs utilizing a digital printing process and in-house resources. The training budget was reduced by $200 and rental costs decreased $70, both based on recent years' expenditure trends.



Capital – This office is scheduled to receive one new personal computer to replace an existing six-year old unit.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$941,861	$937,380	$909,840	$925,590	$925,590
Supplies	2,426	2,130	1,920	1,850	1,850
Other Charges	25,887	23,230	33,430	33,930	33,930
Total	$970,174	$962,740	$945,190	$961,370	$961,370

Economic Development

MISSION STATEMENT: ***To implement and maintain a progressive and proactive economic development program designed to sustain and expand the City's economic and employment base. Sterling Heights Economic Development will seek to retain Sterling Heights' ranking as one of the nation's premier communities to live, work, play and prosper.***

Sterling Heights Economic Development is the key point of contact for business support and needs. Sterling Heights Economic Development implements policies, programs, and activities that seek to improve the economic well-being of the community by supporting the creation or retention of jobs, and facilitating investment and growth in 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 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 in targeted industries to Sterling Heights. The office also works with a variety of partners to promote workforce development in the City.

The partnership between the City of Sterling Heights, Macomb County, and Oakland University at VELOCITY is fostered by this office to promote business incubation and collaboration in advanced manufacturing, defense, and homeland security.

This office offers a professional image that demonstrates a strong customer focus and a positive image of the City as a great place to do business.

KEY GOALS

- ***To maintain a solid foundation for a competitive economic development program that is high performing, targeted, and efficient.***
- ***To implement and maintain a business retention strategy focused on existing employers, particularly in targeted clusters that represent growth opportunities for Sterling Heights.***
- ***To establish a targeted business attraction strategy for Sterling Heights by being "set up for success" and focused on target-rich mediums.***
- ***To establish a marketing and outreach plan that provides relevant and timely information to the business community.***
- ***To work in partnership with the local communities, Macomb County, MEDC, and other key stakeholders to identify and develop a Defense Corridor strategy.***
- ***To implement a meaningful retail business development strategy that achieves a high return for the public investment.***
- ***To work in partnership with Macomb County and Oakland University to support the VELOCITY collaborative center that serves as a hub for business incubation and collaboration***
- ***To maintain and develop "green" economic development opportunities that can stimulate business activity and create jobs.***

Did you know...
...the business retention function in Economic Development focuses on the 85% of growth that comes from existing City businesses?

Economic Development

2012/13 PERFORMANCE OBJECTIVES

1. To provide economic development support to 120 existing and new businesses. *(City Goal 8, 10)*

2. To use graduate students to conduct an analysis of the Corridor Improvement District and develop a plan for the future of the Corridor. *(City Goal 8, 9, 10, 11)*

3. To hold 36 Velocity events that promote and support economic growth in our community. *(City Goal 8, 10, 11)*

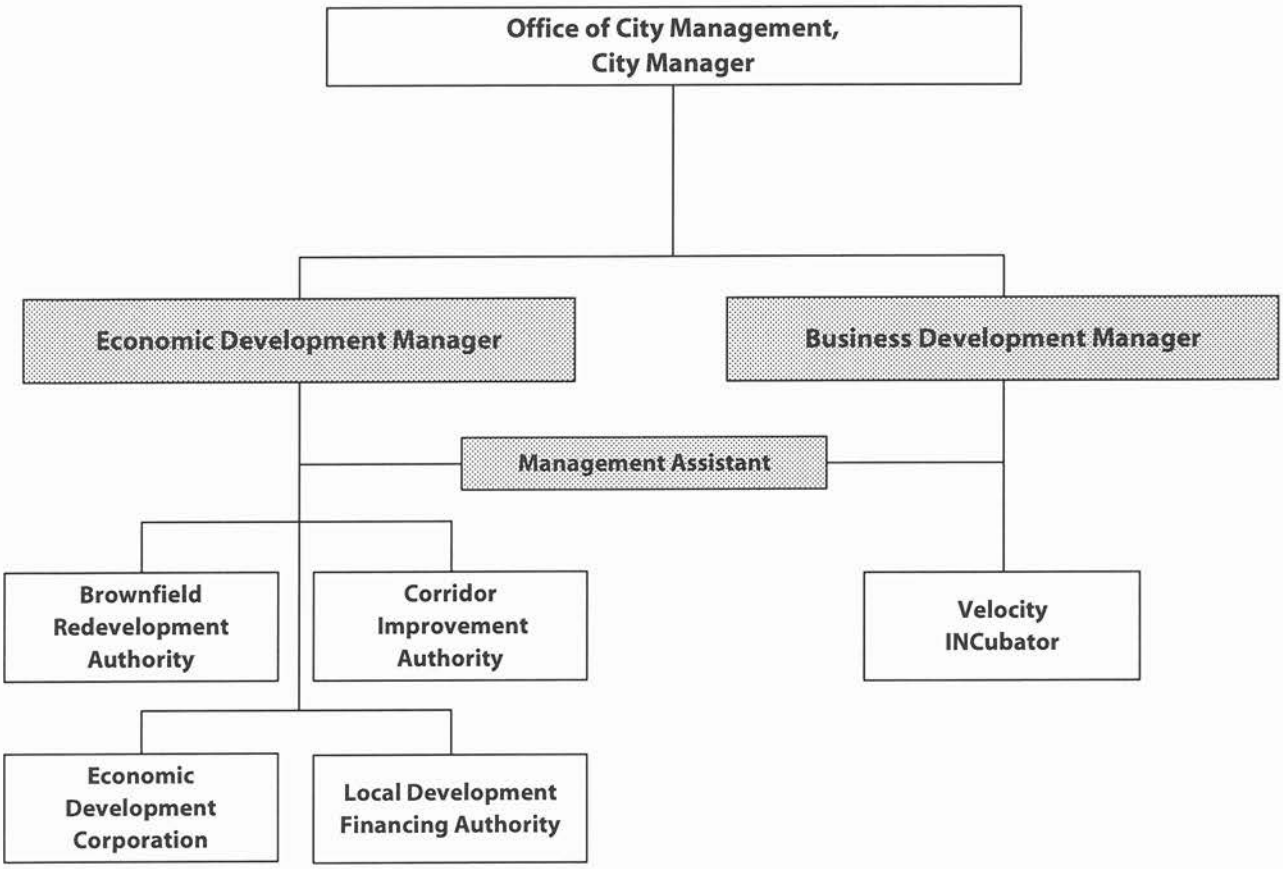
4. To secure commitment of five significant retail and commercial or industrial redevelopment projects. *(City Goal 8, 10, 11)*

5. To provide a messaging website to the business community. *(City Goal 8, 10, 11, 17, 18)*

6. To improve access to technical assistance programs to support retail businesses and aid them in thriving in the community. *(City Goal 8, 10, 11)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Business Retention/Attraction Contacts Made	115	92	100	100	100	120
	Redevelopment Projects (Comm. >20K s.f. & Ind. >$1M)	1	1	4	3	4	5
	Tax Abatements Completed	9	5	5	8	9	5
	State & Federal Legislative Contacts Made	6	6	6	6	6	6
	Banking & Real Estate Contacts Made	N/A	N/A	N/A	6	6	6
	LDFA Meetings	2	3	5	3	4	3
	Meetings with Chambers of Commerce	N/A	N/A	N/A	10	10	10
	Targeted Industry Events Attended	N/A	N/A	N/A	6	6	6
	Velocity Partner Meetings Held	N/A	N/A	N/A	N/A	16	20
	Economic Development Partner Meetings	N/A	N/A	N/A	N/A	50	50
	Velocity Events Held	N/A	N/A	N/A	N/A	15	36
	Hits on City's Economic Development Website	N/A	N/A	N/A	N/A	2,500	3,000
	City's Economic Development Followers on Twitter	N/A	N/A	N/A	N/A	75	150
	New Grants Applied For/Grants Received	6/5	6/5	2/2	2/2	N/A	N/A
	Housing Commission Meetings Attended	24	24	26	N/A	N/A	N/A
	Rights-of-Way/Easements Acquired	19	4	13	5	3	5
	Senior Home Chore Jobs	1,120	1,000	790	N/A	N/A	N/A
	Minor Home and Mobile Home Repair Jobs	220	154	130	N/A	N/A	N/A
Effectiveness	Businesses and/or Participants at Velocity Events	N/A	N/A	N/A	275	325	750
	Value of Redevelopment Projects & New Investments	$118M	$17M	$632M	$500M	$892M	$15M
	% of Initial Traffic Requests Responded to w/i 35 days	95%	95%	100%	N/A	N/A	N/A
	% of ROW's/Easements Acquired w/o Condemnation	100%	99%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.54%	0.56%	0.58%	0.48%	0.42%	0.48%

Economic Development



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Economic Development Manager	1	1	1
Total	1		
Former Public Services Office:			
Business Development Manager	0	1	1
Public Services Manager	1	0	0
HUD Program Coordinator	1	0	0
Management Assistant	0	1	1
Administrative Assistant	1	0	0
NSP Intern (P.T.)	1	0	0
Total		3	3

Economic Development

SUMMARY OF BUDGET CHANGES

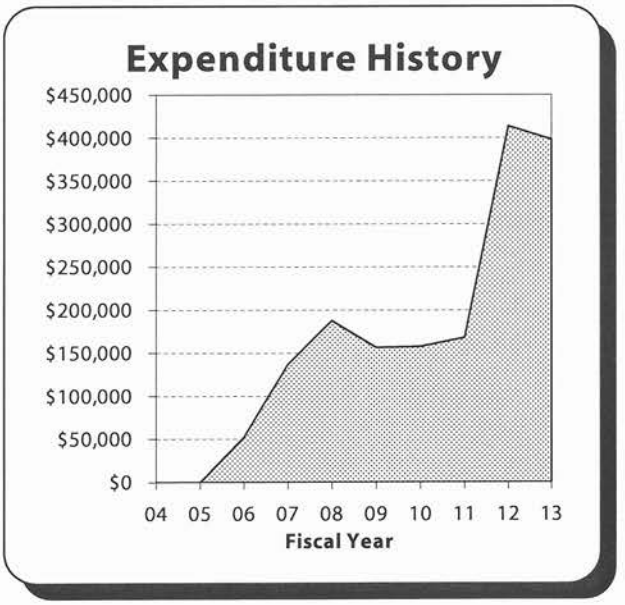
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 3.8%.

Personnel Services – The total Personnel budget decreased by $15,470 or 3.8%. The overall decrease is primarily due to the hiring of a new Economic Development Manager starting at the entry level wage. Health insurance costs fell $6,290 as a result of the newly hired position. Partially offsetting these savings are wage step increases for two positions not yet at the top of the wage scale and a recent position reclassification. Funding for long-term pension retirement liabilities rose $4,230 while an additional $2,360 is budgeted to fund retiree medical liabilities.

Supplies – Total Supplies decreased $300 or 50.0%. Postage costs fell $250 based on the current year's estimated expenditure level. $50 was saved, as printer toner is now included in a per-page print fee and funded as a rental cost as part of a citywide cost-saving measure. The savings was partially offset by an increase based on a better estimate of supplies needed as a result of assigning additional personnel to this office in the prior year.

Other Charges – Total Other Charges increased $170 or 4.0%. $200 is budgeted for the new per-page printer fee program, which includes all printer supplies, parts, and maintenance costs. An additional $140 is budgeted for the Business Development Manager's membership to the Michigan Economic Developers Association. Telephone costs decreased $100 and local meeting costs fell $60, as both can be reduced and brought more in line with estimated expenditure trends.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$162,707	$408,370	$357,720	$392,900	$392,900
Supplies	188	600	300	300	300
Other Charges	4,935	4,290	4,790	4,460	4,460
Total	$167,830	$413,260	$362,810	$397,660	$397,660

City Clerk

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...
...the City issued twice as many dog licenses in 2011 compared to 2010, due to passage of a new City animal ordinance?

City Clerk

2012/13 PERFORMANCE OBJECTIVES

1. To reorganize departmental duties and responsibilities due to the downsizing of office staff. *(City Goal 3, 4, 20)*

2. To work with high school National Honor Societies and the Utica Academy for International Studies to provide volunteer election inspectors. *(City Goal 1, 3, 4, 20)*

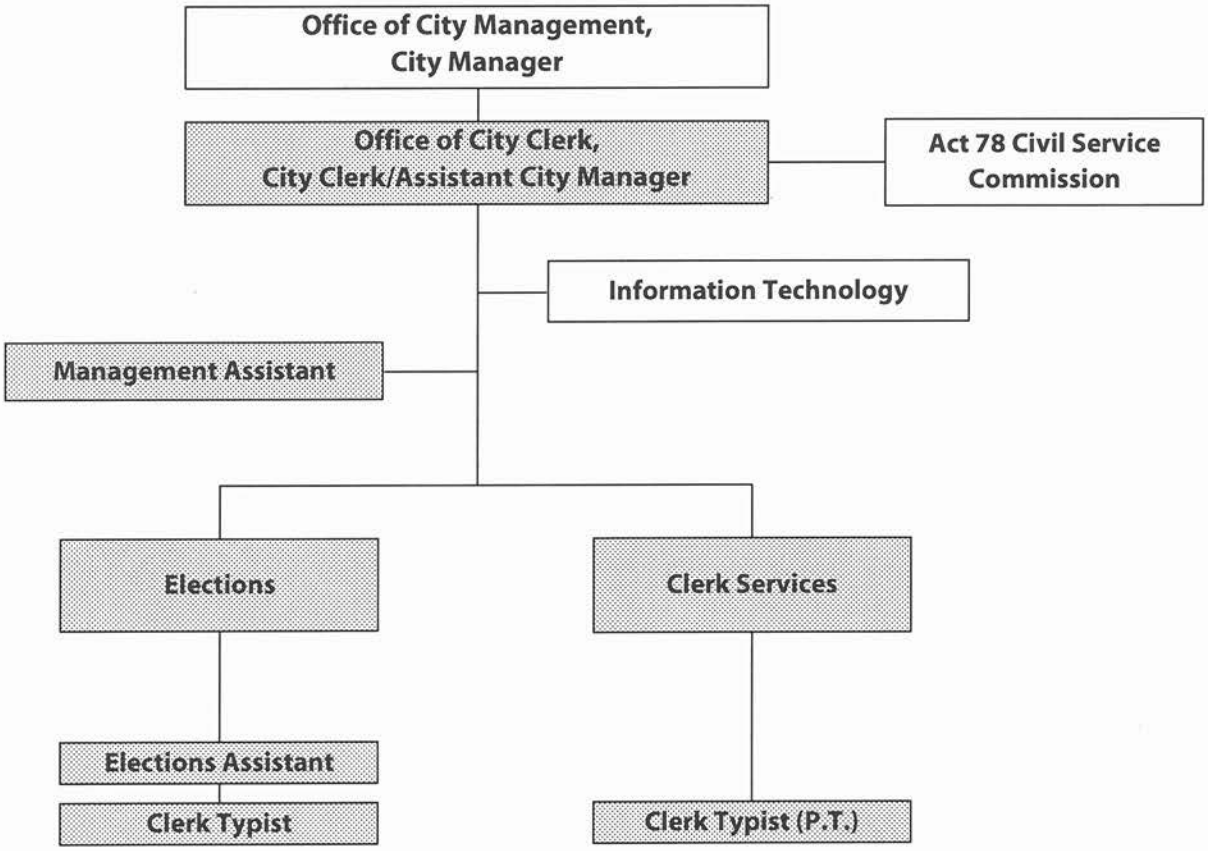
3. To bid out the cleaning and maintenance of City buildings. *(City Goal 1, 3, 4, 20)*

4. To train Election Inspectors in the use of the e-poll book laptop and implement the use of the laptops for the August 2012 primary election. *(City Goal 17, 18)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Council Agenda Statements Processed	386	288	276	340	338	340
	Council Actions Correspondence Mailed	1,538	539	732	920	750	775
	New Voter Registrations/Changes Processed	25,121	26,912	26,943	31,520	27,200	29,580
	Elections Conducted	3	3	3	4	2	2
	Election Correspondence/Scheduling	1,099	848	690	850	767	625
	Absentee Voter Applications Mailed	27,043	15,722	14,920	36,710	34,250	19,620
	Absentee Voter Ballots Prepared	33,568	27,669	27,873	29,810	18,290	26,050
	Freedom of Information Requests Processed	243	291	297	310	308	310
	Documents Recorded	184	144	120	150	131	140
	Business Registry: New/Closed/Information Changed	3,185	3,082	2,764	2,870	2,680	2,780
	Class C Liquor Licenses Approved (New/Transferred)	0/9	0/7	0/8	0/6	0/7	0/7
	Licenses Issued - (dog, vendors, etc.)	5,024	5,105	11,279	11,420	11,420	11,400
	Pieces of Outgoing Mail Processed	165,494	132,433	124,530	128,120	126,240	132,520
	Birth & Death Certificates Processed	596	598	664	625	650	650
	Board/Commission Applications Processed	212	208	168	225	171	175
	Number of Registered Voters (November)	88,258	85,345	85,953	86,210	86,230	88,250
Efficiency	% of Residents Applying for City Boards	0.17%	0.17%	0.13%	0.17%	0.13%	0.13%
	% of Registered Voters Voting (November)	69%	21%	46%	23%	25%	70%
	% of License Applications Reviewed within 48 Hours	100%	100%	100%	100%	100%	100%
	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Election Cost Per Registered Voter	$2.88	$3.10	$3.06	*	*	*
	Activity Expenditures as % of General Fund	1.20%	0.82%	0.89%	0.84%	0.82%	0.85%

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

City Clerk



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
City Clerk/Assistant City Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Senior Clerk	2	1	0
Clerk Typist	1	1	1
Clerk Typist (P.T.)	0	0	1
Total	6	5	5

City Clerk

SUMMARY OF BUDGET CHANGES

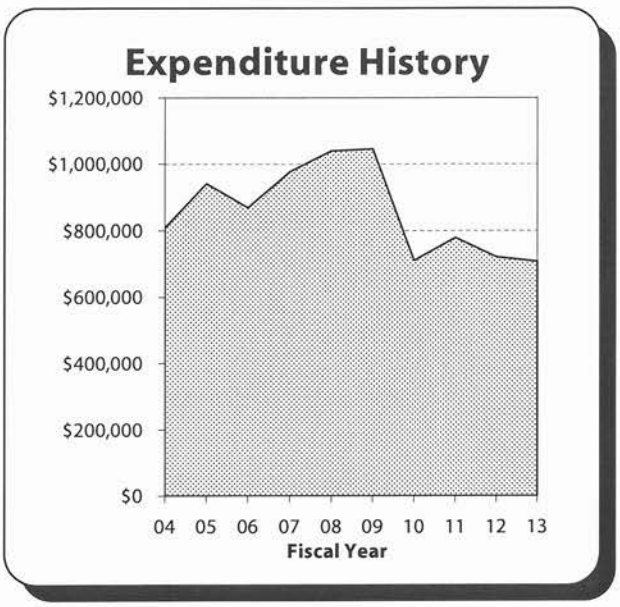
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 1.9%.

Personnel Services – The total Personnel budget increased $14,770 or 2.4%. Due to stock market losses, pension fund contributions rose $14,610. Health care costs rose $10,310 as an employee has elected to discontinue receiving the health insurance allowance. In addition, there are increased part-time costs to run the November 2012 Presidential Election. Partially offsetting these costs were savings from a third year of wage and benefit concessions and the retirement of a full-time clerical position to be replaced by a part-time position.

Supplies – Total Supplies decreased $5,700 or 12.2%. Operating supplies decreased $4,000, as there will be no City election ballot costs next year. In addition, printer toner is now included in a per-page print fee and funded with rental costs as part of a citywide cost-saving measure. Postage costs decreased $1,700, as there will be mailings for only two elections as opposed to the four budgeted last year.

Other Charges – Total Other Charges decreased $22,880 or 34.9%. $11,120 was saved, as the City will use E-Polling at voting precincts so that the State will reduce voting machine maintenance costs. Printing costs fell $7,790 due to the prior year one-time cost of new voter cards as a result of the new census and voting district changes. Publishing costs decreased $3,600 and telephone costs fell $700, both based on recent years' expenditure levels. Voting machine programming costs increased $400 due to a greater number of general election voting precincts.



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

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$710,310	$608,220	$613,770	$622,990	$622,990
Supplies	34,165	46,700	43,700	41,000	41,000
Other Charges	34,134	65,610	48,070	42,730	42,730
Total	$778,609	$720,530	$705,540	$706,720	$706,720

Facilities Maintenance

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

The primary goal of Facilities Maintenance 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 Facilities Maintenance contractors and staff pride themselves on their ability to operate efficiently, reduce unnecessary spending, and effectively deliver the services needed to maintain the City's facilities.

City Staff plans and directs the operations of the maintenance 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. This service 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 utilized grant money to replace seven boilers with new energy efficient boilers?

Facilities Maintenance

2012/13 PERFORMANCE OBJECTIVES

1. To develop new innovative ways to reduce the cost and quantity purchased of all paper products that are required to maintain City facilities. *(City Goal 1, 3)*

2. To ensure the efficiency and readiness of all City owned emergency generators by conducting generator load tests and reviewing the results. *(City Goal 1, 3)*

3. To oversee a new private custodial contract that will save money yet maintain high quality cleaning services. *(City Goal 1, 3, 4)*

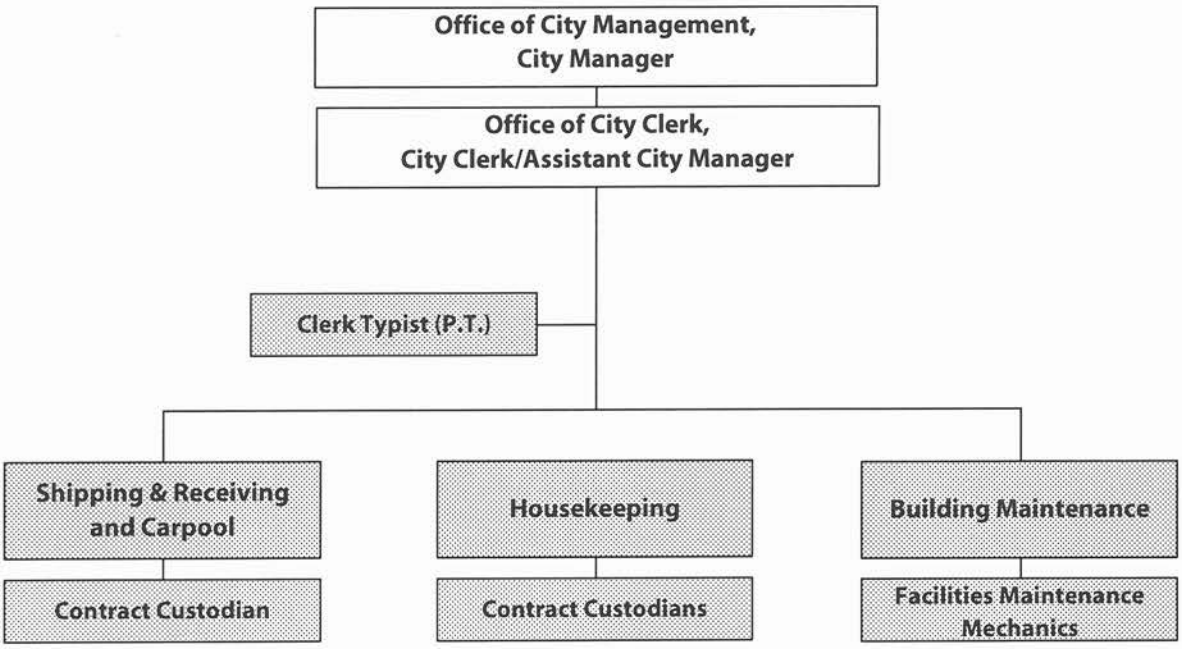
4. To ensure health and safety standards are being met in each of the City's facilities by evaluating the cleaning schedule of each building and making improvements where necessary. *(City Goal 1, 3)*

5. To establish a new inventory control system, which will aid in ordering and controlling the amount of supplies used to maintain City facilities. *(City Goal 1, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	City Facilities Supported - Square Feet	320,421	325,421	360,823	360,823	360,823	360,823
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	241,434	246,434	246,434	246,434	246,434	246,434
	Renovations/Projects Supervised/Coordinated	$243,844	$24,120	$468,250	$500,000	$519,200	$15,000
	Interior Preventive Maintenance Cycles	4	4	4	4	4	4
	Exterior Preventive Maintenance Cycles	2	2	2	2	2	2
	Maintenance/Custodial Service Requests Processed	7,500	7,700	7,400	7,300	7,200	7,000
	Post Office Deliveries & Pick-Ups	420	430	430	430	420	430
	UPS Shipments Prepared	30	35	30	40	30	35
	Deliveries to City Council Members	45	55	55	55	55	55
	Car Pool Vehicles Supervised	46	35	34	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	85%	80%	70%	75%	70%	75%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	120.0	118.0	95.0	112.0	110.0	110.0
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	20.6	20.0	19.0	19.0	19.0	19.0
	Overtime/Comp Hours Worked	910	600	700	600	600	50
	Housekeeping Cost Per Square Foot	$4.88	$4.54	$4.35	*	*	*
	Cost to Complete Maintenance Service Requests	$420,309	$417,407	$415,023	*	*	*
	Activity Expenditures as % of General Fund	1.99%	1.86%	1.50%	1.56%	1.46%	1.21%

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

Facilities Maintenance



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Facilities Maintenance Manager	1	1	0
Facilities Maintenance Mechanic	3	3	3
Custodian	10	6	0
Senior Clerk	1	1	0
Clerk Typist (P.T.)	0	0	1
Custodian (P.T.)	0	6	0
Total	15	17	4

Facilities Maintenance

SUMMARY OF BUDGET CHANGES

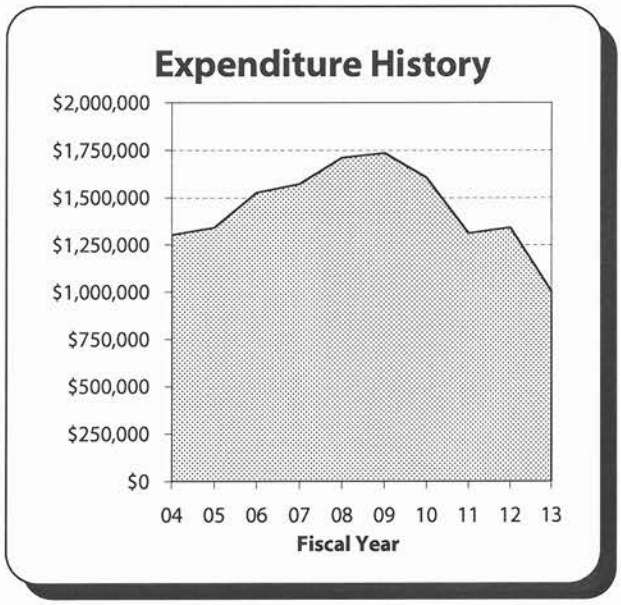
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 25.1%.

Personnel Services – The total Personnel budget decreased by $599,910 or 57.2%. The savings is a result of a proposal to contract out custodial services, saving $284,000, while maintaining in-house building maintenance staff. Total full-time staffing is proposed to decrease by eight positions. Two are currently vacant, two are eligible to retire, and two would be eligible for an early retirement option as they are within a year of retirement. Funding for six part-time Custodians is proposed to be eliminated, offset by the addition of a part-time Clerical position, which replaced a full-time position mid-year.

Supplies – Total Supplies decreased $27,500 or 57.9%, as cleaning supplies will now be funded as part of the proposed custodial services contract.

Other Charges – Total Other Charges increased $290,080 primarily for the proposed professional custodial services contract. Electric costs increased $7,000 to bring the budget more in line with the current year's estimated expenditure usage. Building maintenance costs fell $14,000 as a result of new boilers and chillers installed last year. The equipment maintenance budget fell $1,200, as less funding is needed for replacement sump pumps and light bulbs. $300 was saved, as several Nextel phones were eliminated. A membership to the American Public Works Association was eliminated, saving $120.



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

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,028,950	$1,047,990	$986,810	$448,080	$448,080
Supplies	39,253	47,500	45,000	20,000	20,000
Other Charges	242,907	246,310	229,720	536,390	536,390
Total	$1,311,110	$1,341,800	$1,261,530	$1,004,470	$1,004,470

Information Technology

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 support of enterprise applications. This section is responsible for 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 Windows, 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, telephone wall units and all wireless communication devices such as cellular telephones and smartphones.■

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.***

Did you know...
...the Office of Information Technology is now responsible for 24/7 support of the New World public safety software and mobile network, as Sterling Heights made the transition to New World in May, 2011?

Information Technology

2012/13 PERFORMANCE OBJECTIVES

1. To implement workstation replacements in Human Resources, Facilities Maintenance, Engineering, Assessing, Library, City Clerk and Public Works. *(City Goal 17, 18)*

2. To implement the voice over Internet protocol in Fire Administration, Fire Station #1 and Public Works to improve phone functionality and save money. *(City Goal 6, 17, 18)*

3. To update the 5-year Strategic Operational and Capital Information Technology Plan. *(City Goal 6, 17, 18)*

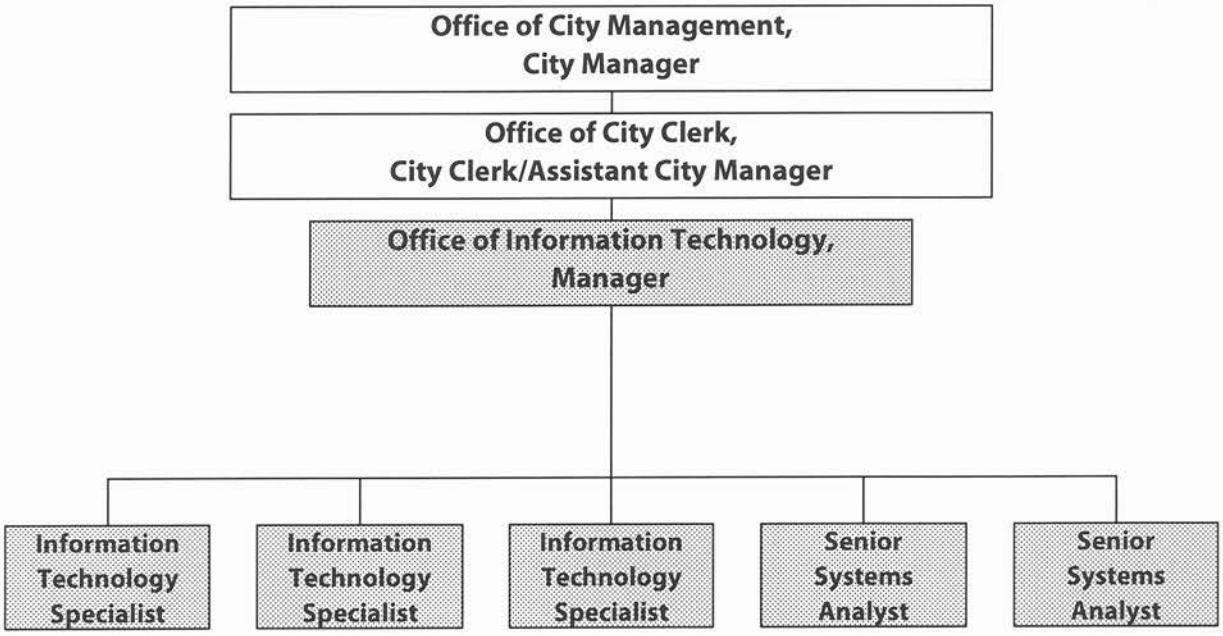
4. To implement a disaster recovery plan for the storage area network that includes replication to a new secondary storage area network, allowing for high availability and offsite data backup. *(City Goal 6, 17, 18)*

5. To migrate the physical exchange mail server to the virtual VMware platform, allowing for increased uptime and eliminating the need to replace the email server hardware. *(City Goal 6, 17, 18)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Hardware Platforms Supported - (Windows, Unix, etc.)	4	3	5	5	5	5
	Applications/Database Systems Supported	28	29	31	31	31	31
	"Help Desk" Communications Received	7,800	7,825	7,850	8,000	8,000	8,050
	Computer Workstations Supported (Desk/Laptops)	543	515	484	460	460	440
	Mobile Data Computers (MDC's) Supported	63	63	78	78	78	82
	Printers Supported	92	85	81	75	74	74
	Land Line Telephones Supported	556	556	556	556	556	556
	Mobile Telephones Supported	160	155	148	148	148	140
	E-mail Accounts Supported	690	670	647	640	640	600
	Servers Maintained	24	28	36	36	37	38
	Network Equipment Maintained (Routers/Switches)	35	35	35	35	35	35
	Wireless Access Point/Infrastructure Maintained	10	14	22	22	22	22
	Hours Spent on Computer Support/Repair	8,000	8,200	8,500	9,000	9,000	9,100
Efficiency & Effectiveness	% of "Help Desk" Communications Resolved w/i 8 hrs.	91%	91%	91%	90%	90%	90%
	# of Computer Workstations/MDC's per FTE	0.83	0.85	0.84	0.84	0.84	0.90
	Telephone Problems Resolved within 1 day	96%	96%	90%	90%	90%	90%
	% of Revolving 5-year Technology Plan Implemented	85%	90%	90%	90%	90%	90%
	% of Time Computer Network Down	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
	Overtime/Comp Hours Required to Meet Demand	200	350	280	250	280	250
	Average Annual Cost to Support a PC	$278	$288	$292	*	*	*
	Cost to Support User Systems	$341,627	$337,011	$336,003	*	*	*
	Activity Expenditures as % of General Fund	1.23%	1.25%	1.27%	1.11%	1.02%	1.12%

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

Information Technology



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Information Technology Manager	1	1	1
Network Administrator	1	0	0
Senior Systems Analyst	1	2	2
Information Technology Specialist	5	4	3
Total	8	7	6

Information Technology

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

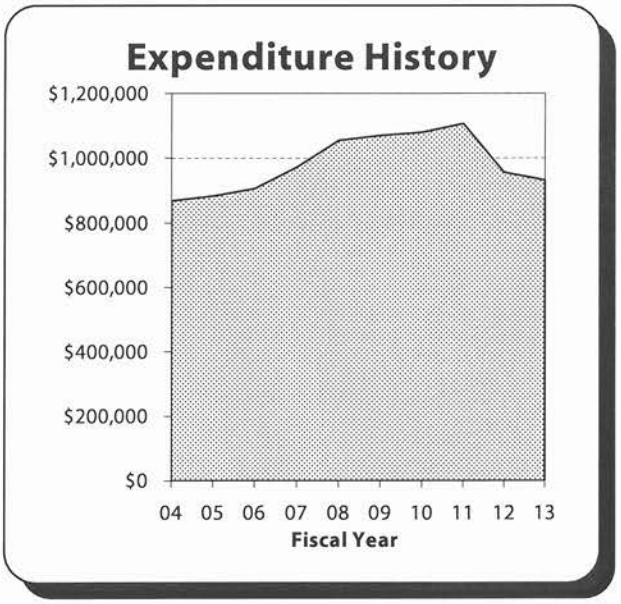
The total budget decreased by 2.5%.

Personnel Services – The total Personnel budget decreased by $38,810 or 5.0%. Due to a retirement, a Technology Specialist position is not funded. The budget assumes a third year of employee wage and benefit concessions. Pension funding costs rose $18,550, while funding for retiree medical liabilities rose $4,400.

Supplies – Total Supplies decreased $2,400 or 40.3%. Operating supplies decreased $1,950 primarily due to printer toner savings. $400 was saved, as fewer software applications will be acquired.

Other Charges – Total Other Charges increased $17,120 or 9.6%. Costs rose $30,540, as maintenance for the City's telephone system will now be expensed here rather than in General Expenditures. The increase was partially offset as the DPW and Fire Stations will now be connected to the City's main telephone system and will no longer require separate maintenance contracts. Telephone costs decreased due to a reduction in staff and the elimination of one Nextel telephone. Printer maintenance costs decreased $3,500 based on savings from the new per-page print fee, which covers the maintenance for City printers.

Capital – Total Capital of $66,500 is proposed. $35,000 is for a replacement Storage Server. $31,500 is budgeted to replace 35 six-year old personal computers in Human Resources, City Clerk, Facilities Maintenance, Assessing, Engineering, Public Works, and the Library.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$941,360	$771,810	$705,960	$733,000	$733,000
Supplies	4,254	5,950	3,600	3,550	3,550
Other Charges	161,855	177,990	176,410	195,110	195,110
Total	$1,107,469	$955,750	$885,970	$931,660	$931,660

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...
...that personal property assessments on businesses account for 15.5% of the City's total tax base?

Assessing

2012/13 PERFORMANCE OBJECTIVES

1. To redesign the process of notifying businesses of required personal property statements and instituting an on-line statement. *(City Goal 18, 20)*

2. To expand the commercial vacancy study to include office properties. *(City Goal 14, 20)*

3. To continue the program to reappraise all commercial buildings located within the City. *(City Goal 18, 20)*

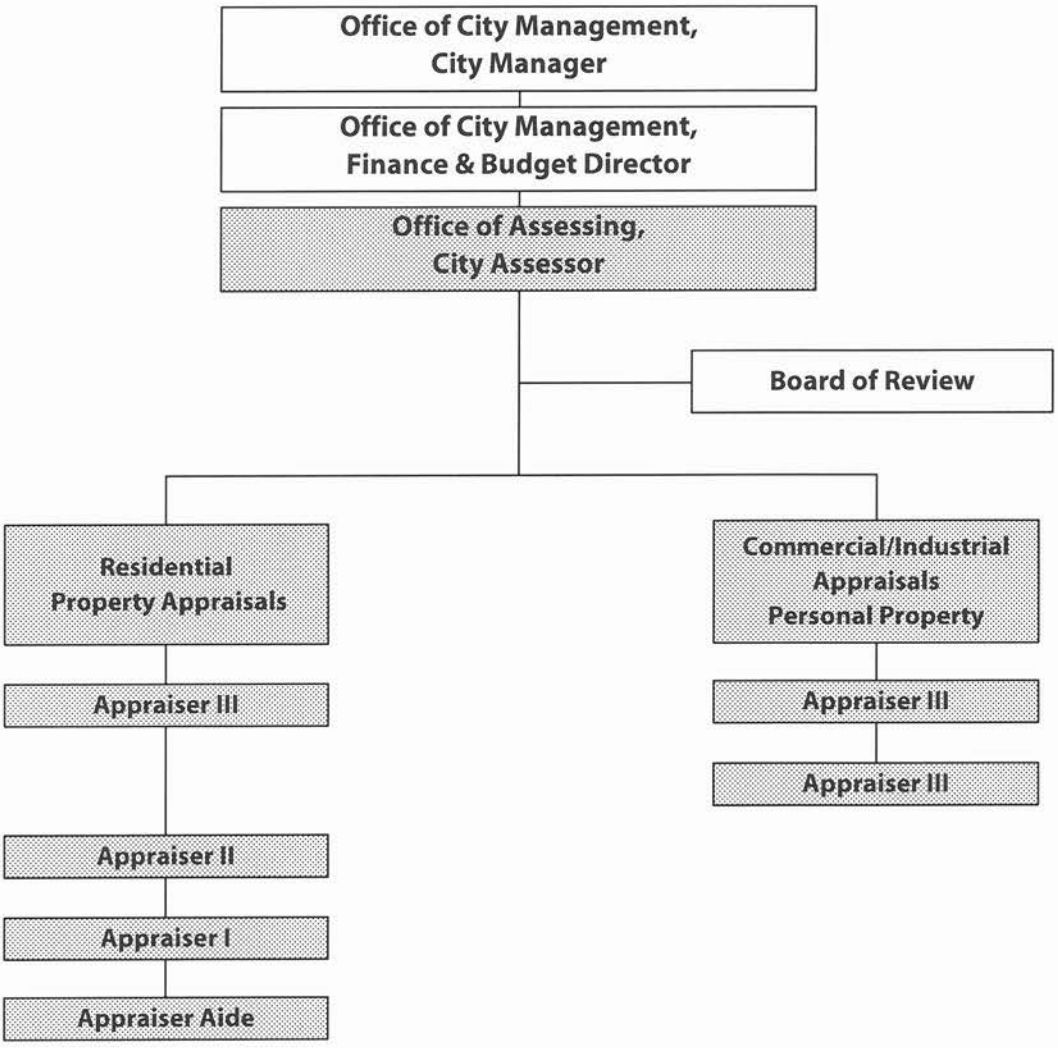
4. To implement a ten-year program to create digital sketches of all houses and condominiums and have them accessible on the City's website. *(City Goal 14, 18)*

5. To re-evaluate staff and workflow to explore alternative means of providing services in light of City-wide downsizing. *(City Goal 3, 4)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Assessment Notices Processed - Real/Personal	46,275	46,190	46,211	46,700	46,700	46,800
	Residential Property Appraisals (including Partials)	19	40	58	60	85	85
	Commercial/Industrial Property Appraisals - Real	9	5	5	10	5	10
	Full Tax Tribunal Applications - Businesses	197	149	68	170	72	50
	Board of Review Appeals	1,658	1,206	857	1,200	800	750
	Personal Property Audits	127	121	41	40	50	40
	Land Divisions/Combinations Processed	10	9	8	10	12	15
	Resident Assessing Online Retrievals	224,736	280,747	251,500	251,500	230,000	250,000
	Deeds & Property Owner Updates	2,391	3,579	4,462	4,600	4,700	4,900
	Property Transfer Affidavits Processed	2,212	2,732	3,313	3,350	3,500	3,700
	Homestead Exemption Affidavits Processed	2,621	2,531	2,948	2,800	2,900	3,100
	IFEC's/328's Personal Property Exemptions Approved	6	5	6	6	9	6
	Total Investment Resulting from IFEC's/328's (millions)	$73	$13	$633	$40	$50	$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)	4.5%	4.7%	4.6%	4.6%	4.6%	4.8%
	% Change in City Tax Base (TV)	-1.1%	-1.8%	-9.8%	-6.9%	-6.9%	-7.8%
	% 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	$2.72	$2.80	$2.77	*	*	*
	Activity Expenditures as % of General Fund	1.01%	1.00%	0.99%	1.00%	1.08%	1.06%

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

Assessing



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
City Assessor	1	1	1
Appraiser III	3	3	3
Appraiser II	0	1	1
Appraiser I	2	1	1
Appraiser Aide	1	1	1
Total	7	7	7

Assessing

SUMMARY OF BUDGET CHANGES

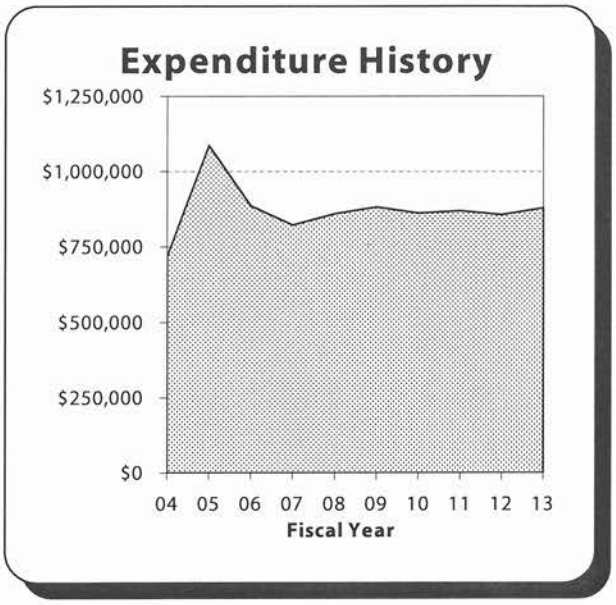
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 2.7%.

Personnel Services – The total Personnel budget increased $23,210 or 2.9%. Despite a third year of employee wage and benefit concessions, overall costs rose due to increased funding for long-term pension and retiree medical obligations.

Supplies – Total Supplies decreased $1,150 or 5.2%. $650 was saved, as printer toner is now included in a per-page print fee and funded with rental costs as part of a citywide cost-saving measure. Postage costs fell $300, as postcards will be used to notify businesses how to access and print personal property statements from the City's website.

Other Charges – Total Other Charges increased $670 or 2.9%. $530 was added due to an increase in the State certification renewal fees. $600 was saved, as four certifications have been eliminated. Rental costs rose $400 for the new per-page print fee service. $150 was added due to an increase in BS&A software support fees, partially offset by a decrease in the APEX Assessor Sketch software maintenance costs. Printing costs decreased $520, as businesses will print their own personal property statements. Telephone costs decreased $200, as the budget can be reduced and brought more in line with recent years' expenditure trends.



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

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$824,017	$810,860	$806,630	$834,070	$834,070
Supplies	21,579	22,100	21,700	20,950	20,950
Other Charges	23,188	23,380	108,200	24,050	24,050
Total	$868,784	$856,340	$936,530	$879,070	$879,070

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...
...that Financial Services maintains the City's accounting system, which is comprised of over 3,200 active accounts?

Financial Services

2012/13 PERFORMANCE OBJECTIVES

1. To implement Governmental Accounting Standards Board Nos. 61, 62 and 64 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 begin the mandatory reporting of employer healthcare costs on employee W-2 forms. *(City Goal 3, 17)*

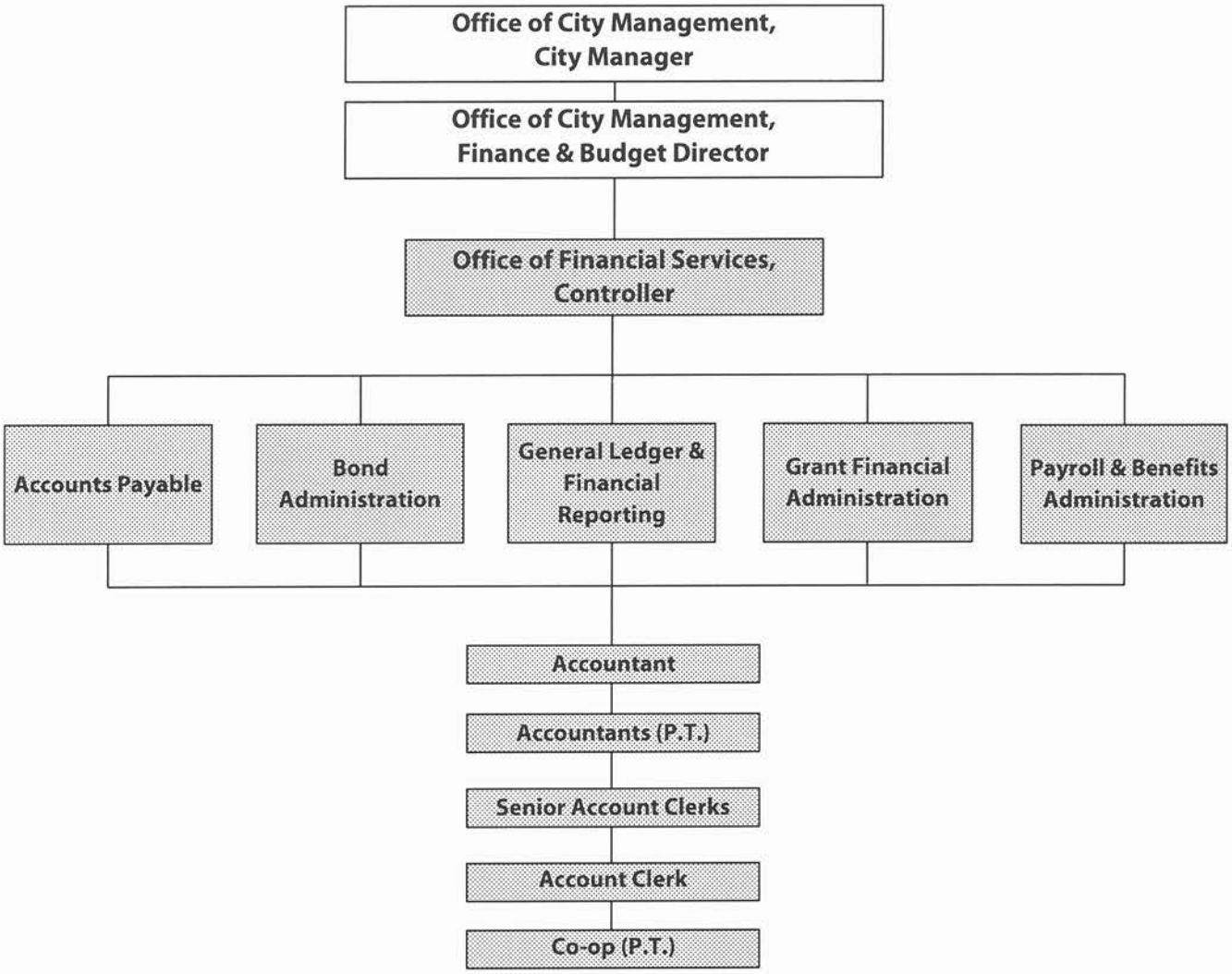
4. To perform a cost benefit study of implementing the MUNIS GoDocs module which allows for electronic notification of payroll notices, purchase orders, and utility bills. *(City Goal 3, 17)*

5. To redirect workflow to offset loss of manpower due to economic constraints impacting Financial Services. *(City Goal 3, 4, 17)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Bank Statements Reconciled	241	264	264	264	260	252
	General Journal Entries Processed	1,890	1,860	1,808	1,850	1,850	1,850
	Accounts Payable Invoices Processed	17,156	15,643	15,089	15,500	15,500	15,500
	Accounts Payable Checks Issued	7,625	6,962	7,028	7,500	7,200	7,200
	Payroll Checks & Deposit Notices Generated	21,837	20,592	19,940	19,800	19,400	19,400
	Accounting Funds Maintained	29	29	28	28	28	28
	Total Retirees/Beneficiaries Receiving Medical Benefits	471	482	473	530	530	560
	Federal Grants Tracked	36	60	50	40	50	40
	Audit Workpapers Prepared	254	298	370	300	370	370
	Active Assets Tracked	4,349	4,646	5,172	5,000	5,400	5,400
	Vendor Files Maintained	3,291	2,867	3,025	3,000	3,100	3,100
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	10.0	13.0	13.0	13.0	13.0	13.0
	% of A/P Checks Issued Without Error	99.5%	99.5%	99.7%	99.7%	99.2%	99.7%
	% of Payroll Checks Issued Without Error	99.5%	99.9%	100.0%	99.5%	99.5%	99.5%
	Active Employees Receiving Compensation/Benefits	1,274	1,217	1,196	1,180	1,175	1,110
	Financial Statement Correcting Entries by Auditors	0	1	0	1	0	0
	Financial Administration of Federal Grant Expenditures	$4,768,818	$6,375,073	$7,392,616	$2,400,000	$3,125,000	$2,400,000
	Cost for an Independent Auditor to Perform Audit	$95,880	$94,020	$90,250	$96,030	$96,030	$96,030
	Years Received G.F.O.A. CAFR Award	21	22	23	24	24	25
	Cost to Process an Accounts Payable Invoice	$10.23	$10.33	$10.64	*	*	*
	Cost of Payroll Service Per Employee	$269	$275	$288	*	*	*
	Activity Expenditures as % of General Fund	1.48%	1.07%	0.85%	0.90%	0.86%	0.93%

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

Financial Services



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Controller	1	1	1
Accountant	2	2	1
Accountant (P.T.)	0	0	2
Senior Account Clerk	2	2	2
Account Clerk	1	1	1
Co-op (P.T.)	1	1	1
Total	7	7	8

Financial Services

SUMMARY OF BUDGET CHANGES

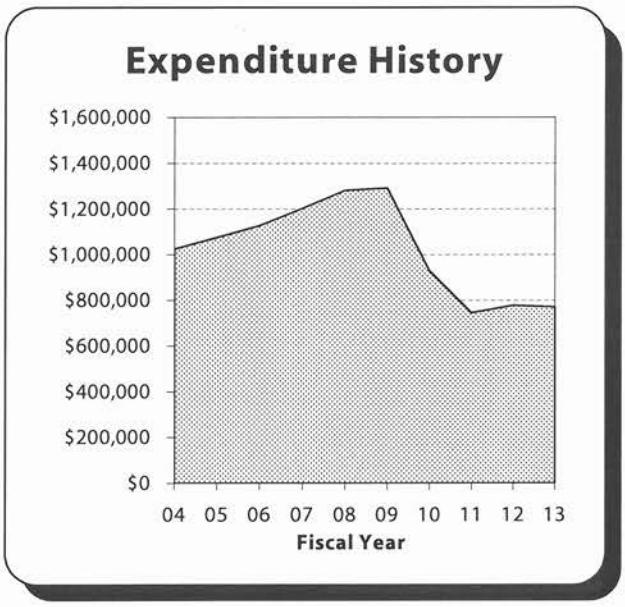
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 0.8%.

Personnel Services – The total Personnel budget decreased by $10,700 or 1.6%. The overall savings is a result of filling the vacant full-time Accountant position with two part-time Accountants, as well as savings from the third year of employee wage and benefit concessions. Partially offsetting these savings were increased required funding for pension liabilities due to prior stock market declines, as well as increased funding for retiree medical liabilities.

Supplies – Total Supplies decreased $470 or 8.1%. $540 was saved, as printer toner is now included in a per-page print fee and funded with rental costs as part of a citywide cost-saving measure. Postage costs rose $70 based on the recent year's estimated expenditure usage and a postal rate increase.

Other Charges – Total Other Charges increased $4,790 or 5.0%. Equipment maintenance costs increased $4,150 primarily due to an increase MUNIS software licensing and support fees. $600 was added for the recently initiated per-page print fee program the City is now utilizing, which will save the City $12,000 annually in printer toner, parts, and maintenance costs. $580 was added for the higher cost of printing checks and notices of deposit. Telephone costs fell $500 based on historic actual expenditure levels. Educational funding decreased $60, as savings on related training expenses will continue to be maximized.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$652,445	$676,410	$646,160	$665,710	$665,710
Supplies	6,053	5,790	5,770	5,320	5,320
Other Charges	87,316	94,920	94,770	99,710	99,710
Total	$745,814	$777,120	$746,700	$770,740	$770,740

Purchasing/Risk Management

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's Purchasing Ordinance requires formal competitive bidding and City Council approval of all purchases in excess of $10,000?

Purchasing/Risk Management

2012/13 PERFORMANCE OBJECTIVES

1. To develop and implement a printer services program to reduce printer toner and maintenance costs and reduce employee time in handling printer issues. *(City Goal 1, 3, 4)*

2. To increase bid notifications to local businesses via the City's website, public announcements, and direct notification, where applicable. *(City Goal 1, 3, 4)*

3. To work with departmental management to identify opportunities for risk avoidance grants offered through the City's property and liability insurance program (MMRMA). *(City Goal 1, 3)*

4. To continue to review all health care and drug plan saving options. *(City Goal 4, 20)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Purchase Orders Processed	1,047	913	904	1,100	1,200	1,100
	Bid Solicitation Occurrences	53	62	64	60	60	60
	Bid Responses Reviewed	350	303	269	300	275	270
	Written Quotation Solicitation Occurrences	11	10	10	13	18	15
	Written Quotation Responses Reviewed	87	53	63	75	80	75
	Hours Worked on Requests for Proposals (RFP's)	95	105	140	150	150	150
	Number of Purchasing Card Transactions	1,908	1,699	1,438	1,600	1,200	1,300
	Liability/Property Claims	165	144	163	175	140	150
	Liability/Property Incidents Reports	134	86	68	100	100	100
	New Lawsuits	14	15	13	12	22	16
	Lawsuits Closed	8	6	8	12	12	15
	Litigation Costs for Liability Claims	$514,111	$498,292	$161,725	$400,000	$250,000	$200,000
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%	88%	85%	85%	85%	85%
	Avg. Days to Process a P. O. (informal pricing)	7	7	7	7	7	7
	Avg. Days to Process a P. O. (formal pricing)	30	30	30	30	30	30
	Online Procurement System - Registered Vendors	8,308	9,353	7,694	8,000	7,320	7,400
	Revenue from Sale of Surplus Property	$75,403	$58,195	$106,168	$40,000	$40,000	$40,000
	Cost to Issue a Purchase Order	$88	$93	$94	*	*	*
	Average Cost to Go Out to Bid	$1,529	$1,459	$1,449	*	*	*
	Avg. % Savings Thru Bid Process/Vendor Savings Prog.	25%	30%	30%	30%	30%	30%
	# of Accidents Per 100,000 Miles Driven	1.55	1.71	2.11	2.30	3.00	2.50
	Accident Cost Per 100,000 Miles Driven	$1,624	$1,826	$4,206	$2,200	$3,500	$3,000
	Activity Expenditures as % of General Fund	0.47%	0.42%	0.42%	0.43%	0.43%	0.46%

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

Purchasing/Risk Management

STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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

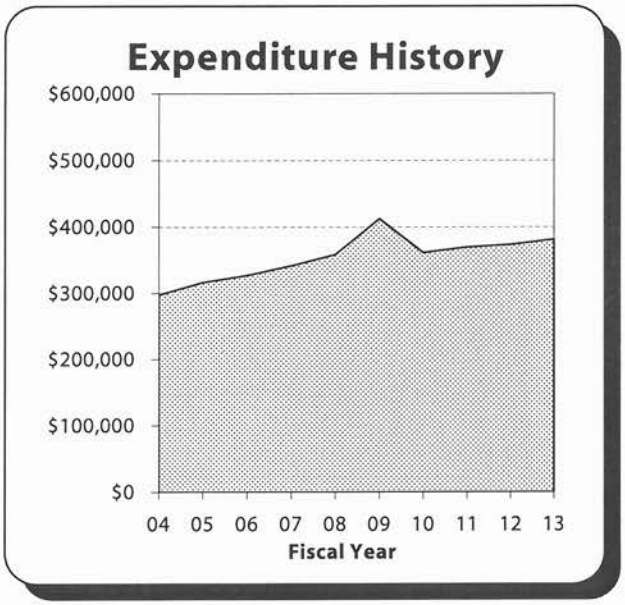
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 2.2%.

Personnel Services – The total Personnel budget increased by $15,700 or 4.7%. Despite a third year of employee wage and benefit concessions, overall costs increased due to higher required pension contributions resulting from the continued recognition of stock market losses and higher retiree health insurance costs. Wages rose slightly due to the recent reclassification of the Purchasing Specialist position.

Supplies – Total Supplies decreased $290 or 19.1%. $200 was saved, as printer toner is now included in a per-page print fee and funded with rental costs as part of a citywide cost-saving measure. Funding for the on-line gasoline price-tracking subscription can be reduced by $70. Postage costs decreased $20 due to the increased use of e-mail.

Other Charges – Total Other Charges decreased $7,140 or 20.6%. Equipment maintenance costs decreased $4,000, as the budget can be reduced and brought more in line with recent actual expenditure levels. The City will save $2,370, as the ability to scan City records with the copiers has reduced the need for microfilming services. Telephone costs decreased $700 based on the current year's estimated expenditure usage and the elimination of a Nextel telephone. $50 was saved, as smaller-sized Invitations to Bid will be published. Educational funding was reduced by $30. $20 was added for the recently initiated per-page print fee program the City is now utilizing, which will save the City $12,000 annually in printer toner, parts, and maintenance costs.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$344,609	$336,830	$343,240	$352,530	$352,530
Supplies	1,140	1,520	1,220	1,230	1,230
Other Charges	23,958	34,580	27,090	27,440	27,440
Total	$369,707	$372,930	$371,550	$381,200	$381,200

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 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 continue to maximize investment earnings.

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 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.■

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.***

Did you know...
...the Treasury office is responsible for the prudent investment of approximately $90 million of City funds, excluding retirement fund assets?

Treasury

2012/13 PERFORMANCE OBJECTIVES

1. To implement a procedure to increase the collection of fees related to the violation of the City's false alarm ordinance. *(City Goal 20, 25)*
2. To implement the use of a cost effective armored car service for daily bank deposits due to Treasury and Police staffing reductions. *(City Goal 1, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Tax Bill Payments Processed - Manually (incl. partials)	22,979	23,417	23,571	23,500	24,400	25,000
	Tax Bill Payments Processed - Electronically (escrows)	30,736	31,250	32,176	32,100	32,300	32,300
	Tax Bill Payments Processed - Lock Box	35,748	34,386	33,723	33,900	34,000	34,000
	Special Assessment Parcels Billed	216	179	158	170	138	150
	Invoices Billed	5,130	4,101	3,355	3,900	3,050	3,000
	Investments Bought/Sold - Number of Transactions	718	641	508	640	650	600
	Tax Adjustments Processed	1,140	1,405	1,168	1,000	1,343	1,350
	Resident Tax Online Retrievals	94,157	108,590	92,500	100,000	65,000	80,000
	Cash Receipts Processed by Treasury Personnel	67,502	67,005	69,695	63,000	75,000	70,000
	City-Wide Credit Card Payments Received	20,238	23,834	26,951	25,300	28,000	30,000
	Dollar Value of All Credit Card Transactions (Millions)	$2.8	$3.1	$3.7	$3.8	$4.0	$4.2
	# of Online Credit Card Tax Payments	327	307	306	290	350	300
	Defined Contribution Active Employees	80	77	75	78	76	74
	Defined Benefit Active GERS Employees	234	221	194	191	179	150
	GERS Retirements Processed	31	11	25	15	25	20
	GERS Retirees/Beneficiaries Receiving Benefits	260	271	296	303	320	334
	Pension Calculations Prepared (P&F and GERS)	87	55	60	60	90	90
	Water and Sewer Bills Issued	194,060	189,885	190,043	191,000	190,600	191,000
	Final Water Bills Prepared	987	1,219	1,046	1,100	1,175	1,300
	Water & Sewer Customer Bill Online Retrievals	19,822	26,931	26,527	27,500	27,100	28,500
	Water & Sewer Auto Pay Customers	2,703	2,799	2,908	3,000	3,000	3,100
	Water & Sewer Budget Billing Customers	140	151	150	165	147	140
	Service Orders Processed by Utility Billing	4,393	4,755	3,825	4,300	3,800	4,000
	Water Bill Adjustments	1,734	1,420	1,604	1,500	1,600	1,700

Treasury

2012/13 PERFORMANCE OBJECTIVES

3. To make tax deferment applications available on the City's website and the Treasury counter. *(City Goal 1, 17, 20)*

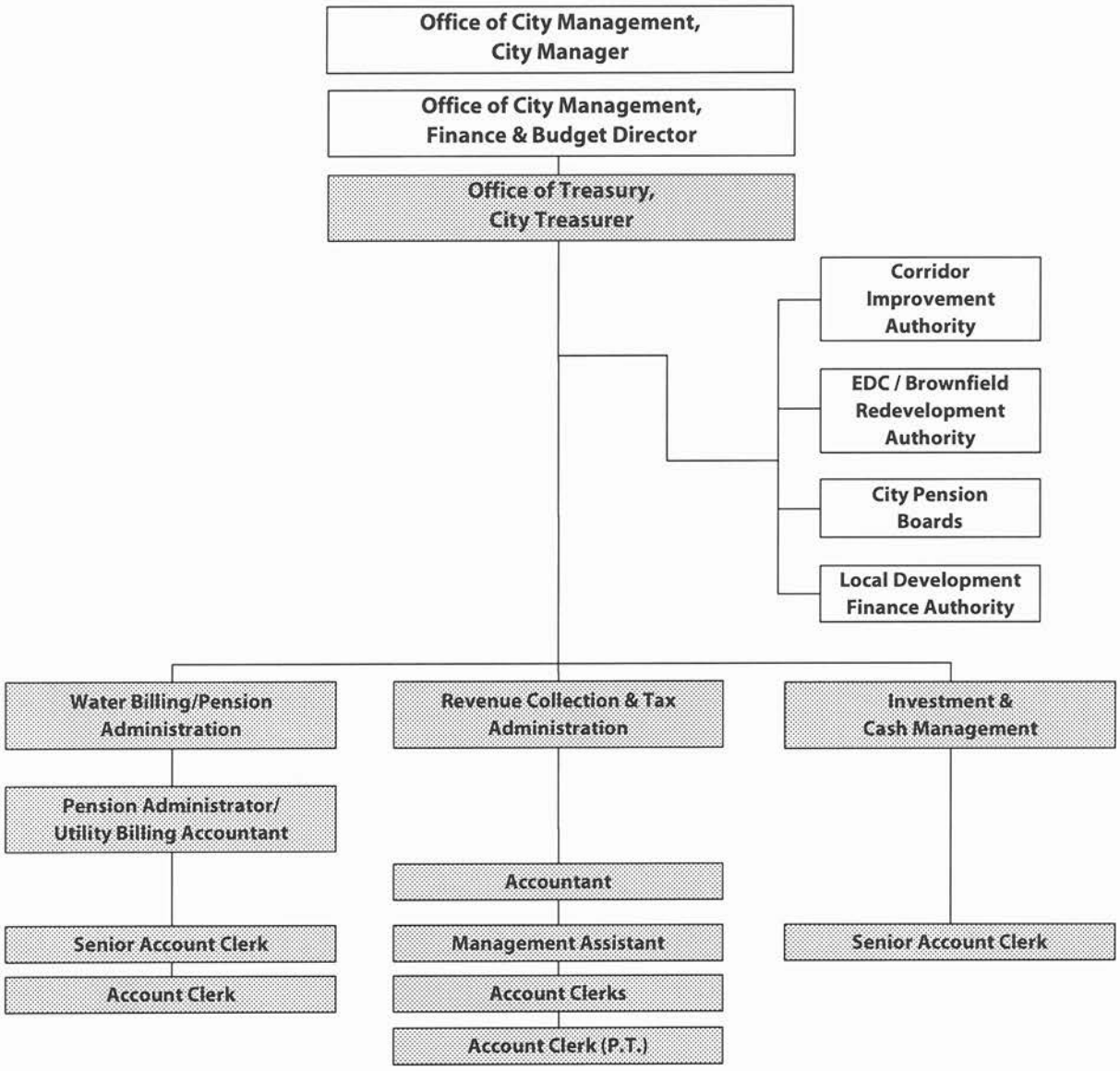
4. To investigate the viability of implementing e-billing for water & sewer bills. *(City Goal 1, 6, 17, 18, 20)*

5. To coordinate the completion of the bi-annual actuarial valuation for the Sterling Heights Other Post Employment Benefits (OPEB) Trust Fund. *(City Goal 1, 20)*

Efficiency & Effectiveness

Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
% of Real & Personal City Property Tax Levy Collected	96%	96%	95%	96%	96%	96%
% of Prop. Tax Parcels Turned Delinquent to County	7.66%	8.42%	7.50%	8.00%	8.00%	8.00%
Average Rate of Return on Investments	4.14%	2.85%	1.30%	1.95%	1.92%	1.50%
Average 2-Year T-Note Rate	1.36%	0.92%	0.55%	1.00%	0.40%	0.40%
City's Return as a % of 2-Year T-Note	304%	310%	236%	195%	480%	375%
% of Portfolio Invested in Active Market	83.5%	81.0%	86.0%	85.0%	85.0%	85.0%
Total Interest Earnings - Budgeted Funds (Millions)	$2.3	$1.0	$0.6	$0.7	$1.1	$0.6
Police & Fire Pension System - % Funded	95.0%	84.9%	78.0%	85.0%	66.5%	70.0%
General Employees Pension System - % Funded	110.2%	106.2%	99.6%	100.0%	90.9%	95.0%
Ratio of Active GERS Employees to GERS Retirees	1:1.11	1:1.23	1:1.53	1:1.59	1:1.79	1:2.10
Annual % Change in GERS Market Value - Fiscal Year	-25.7%	7.9%	19.4%	8.0%	4.0%	8.0%
Annual % Change in P&F Market Value - Fiscal Year	-24.5%	2.4%	18.8%	8.0%	3.5%	8.0%
Ratio of Active P&F Employees to P&F Retirees	1:0.96	1:1.11	1:1.55	1:1.55	1:2.2	1:2.2
% of Water & Sewer Bills Adjusted	0.89%	0.75%	0.84%	1.00%	0.84%	0.89%
Activity Expenditures as % of General Fund	0.84%	1.17%	1.32%	1.29%	1.24%	1.28%

Treasury



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
City Treasurer	1	1	1
Pension Admin./Utility Bill. Accountant	1	1	1
Accountant	1	1	1
Management Assistant	1	1	1
Senior Account Clerk	2	2	2
Account Clerk	4	4	3
Account Clerk (P.T.)	0	0	1
Total	10	10	10

Treasury

SUMMARY OF BUDGET CHANGES

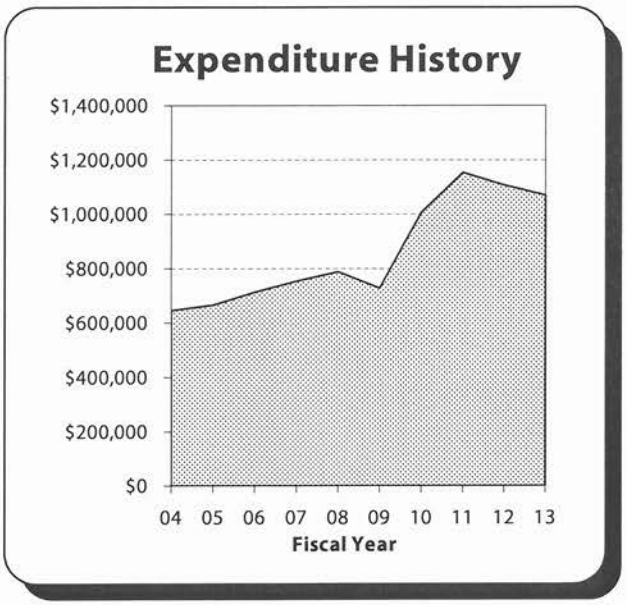
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 3.3%.

Personnel Services – The total Personnel budget decreased $37,790 or 4.1%. Due to a retirement, a vacant Account Clerk position is recommended to be filled with a part-time position. In addition, the budget assumes a third year of employee wage and benefit concessions. 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.

Supplies – Total Supplies decreased $1,340 or 1.3%. Postage costs decreased $890. Funding for supplies can be reduced $450 primarily due to printer toner savings, as toner is now included in a per-page print fee and funded with rental costs as part of a citywide cost-saving measure.

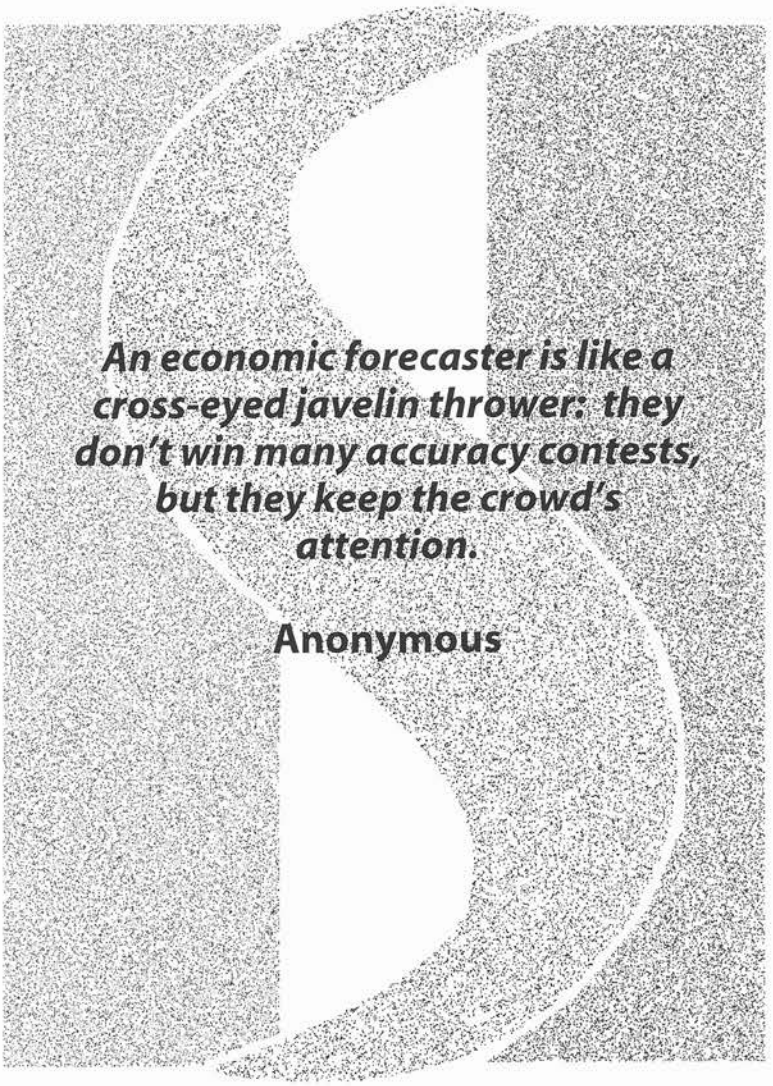
Other Charges – Total Other Charges increased $2,360 or 2.5%. Contracted service costs increased $4,000, as an armored car service will be utilized to make bank deposits, saving Treasury and Police staffing costs. The increase was partially offset by lower negotiated DataMail costs to print tax bills. $300 was added for the recently initiated per-page print fee service. The City will save $1,600 due to a decrease in banking service fees resulting from several process changes, including the use of an on-line storage system for bill payment coupons, on-line processing of lockbox exception payments, and the elimination of a nightly account funds transfer fee. The decrease was partially offset due to higher credit card acceptance fees.



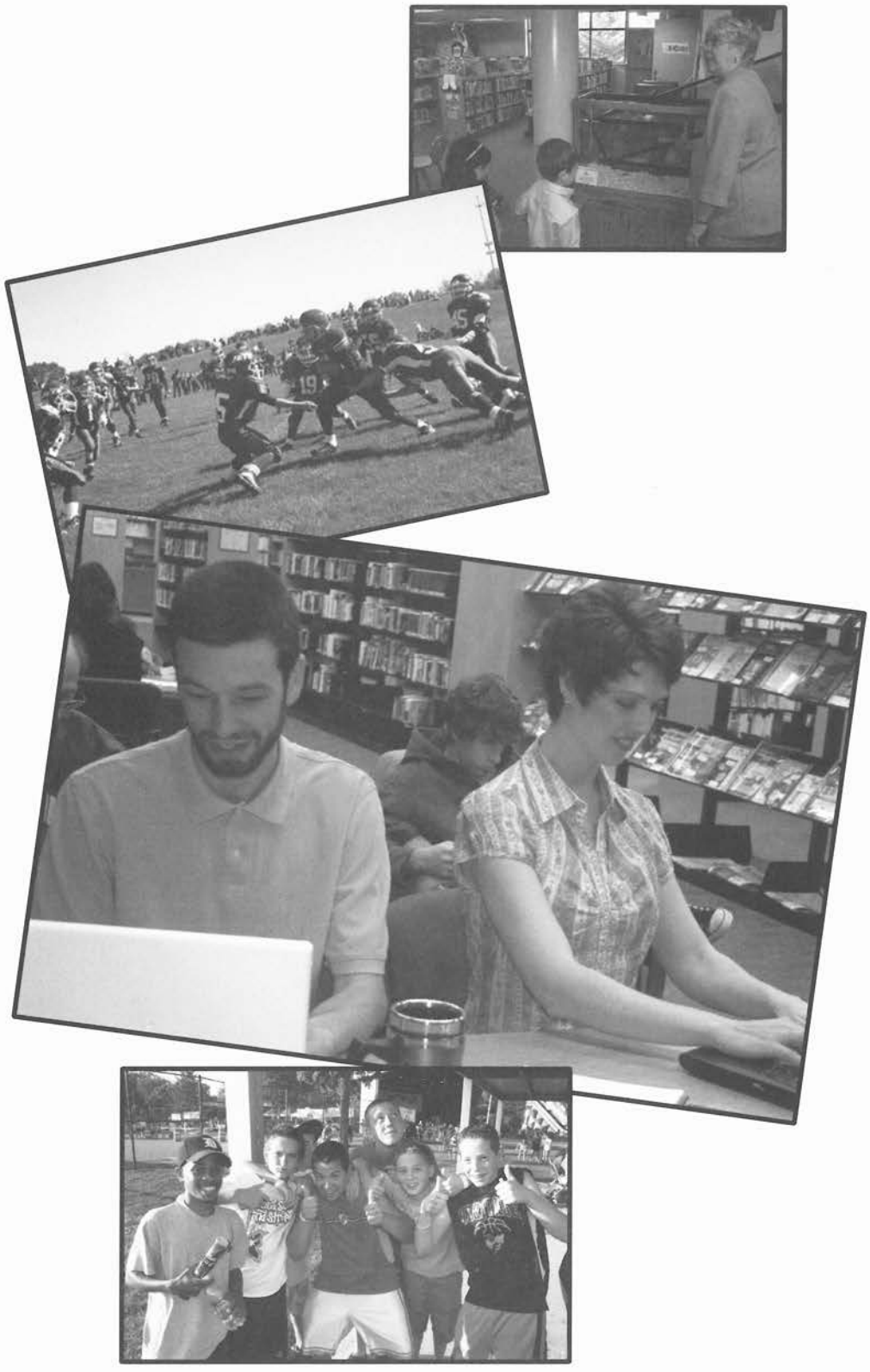
Capital – There is no Capital proposed for this activity.

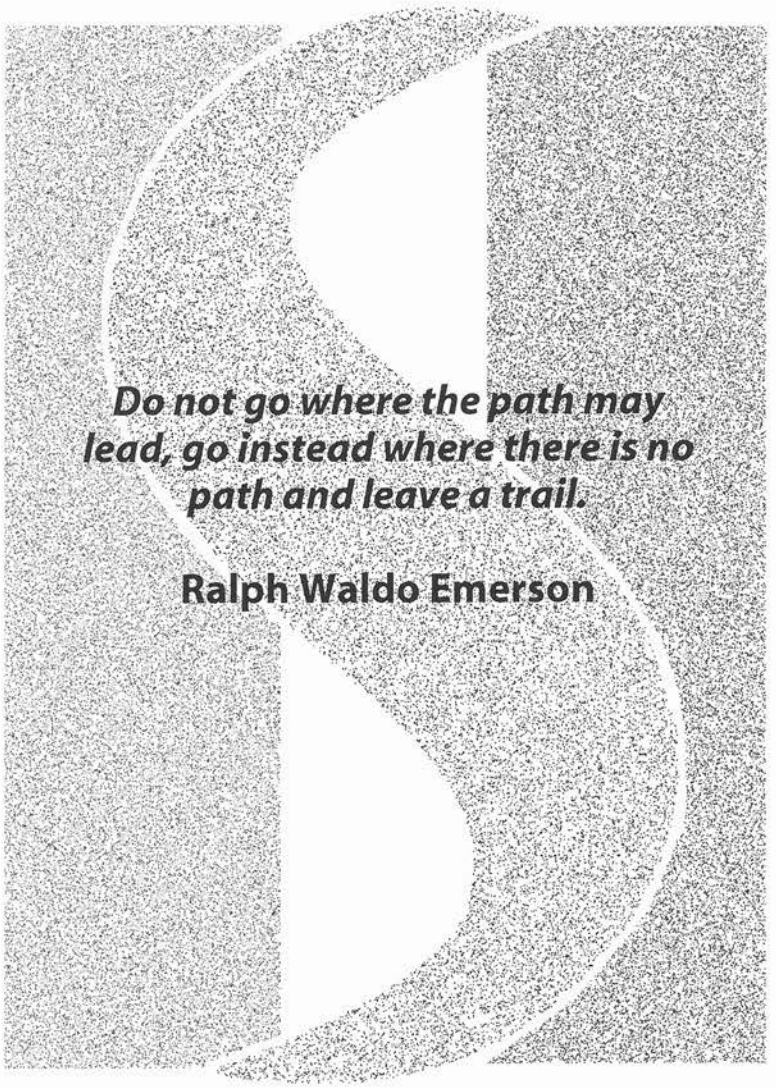
FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$948,729	$912,050	$878,510	$874,260	$874,260
Supplies	99,314	100,320	99,340	98,980	98,980
Other Charges	104,526	93,240	91,680	95,600	95,600
Total	$1,152,569	$1,105,610	$1,069,530	$1,068,840	$1,068,840


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

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)

Office of Parks & Recreation

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

Athletic Programs

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

Instructional Classes

- Offers adult self-improvement and special interest classes
- Offers youth recreational and performing arts classes
- Offers adult and youth athletic classes and camps

Nature Interpretive Programs

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

Park Operations

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

Senior Citizen Programs

- Offers social, recreational and athletic activities for seniors
- Coordinates athletic events for seniors
- Provides transportation services
- Coordinates a variety of senior citizen services
- Coordinates programs in the Senior Center gymnasium

Special Events

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

Summer Playground Program

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

Athletic Special Events

- Plans and executes athletic special events for adult competitors
- Provides competitive athletic events for youngsters
- Provides assistance to other groups and agencies sponsoring athletic special events
- Provides the opportunity for State and National competition

Special Recreation Programs

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

DEPARTMENT AT A GLANCE

Community Services Department

BUDGET SUMMARY

The Community Services budget decreased by $172,360 or 3.8%. Personnel costs fell by $140,330 or 3.8%. Two vacant full-time Librarian positions have been eliminated. An additional part-time Librarian has been funded. A part-time position hired mid-year due to a retirement will no longer be utilized, saving $27,000. A vacant Recreation Supervisor position is not budgeted, as high priority duties have been redistributed among existing staff. Savings were also achieved due to a third year of employee wage concessions. The Suburban Library Cooperative will continue to fund and share the services of the Community Services Director. Supply costs declined by $30,240 or 10.6% due to a reduction in Library books, publications, and audiovisual materials. In addition, the recreational supplies budget was lowered to reflect savings achieved in the prior year. Other Charges decreased by $1,790 or 0.3% due to energy savings, the closing of the Nature Center on Sundays, the elimination of a genealogical database and a Music in the Park concert, and pool rental savings. Higher Library Cooperative membership costs, and recreation instruction and theatre licensing fees partially offset these savings. The budget continues to fund Senior Center programs and the daily operations of the Senior Gym. The capital budget includes funding for two replacement library computers, four park maintenance projects and playground wear mats to help save on park maintenance costs.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Public Library	$2,718,710	$2,637,150	$2,565,520	$2,480,770	-3.3%
Parks & Recreation	2,028,200	1,965,270	1,936,030	1,848,420	-4.5%
Total Department	$4,746,910	$4,602,420	$4,501,550	$4,329,190	-3.8%
Personnel Services	$3,888,660	$3,764,980	$3,683,720	$3,543,390	-3.8%
Supplies	307,860	274,990	285,160	254,920	-10.6%
Other Charges	550,390	562,450	532,670	530,880	-0.3%
Total Department	$4,746,910	$4,602,420	$4,501,550	$4,329,190	-3.8%

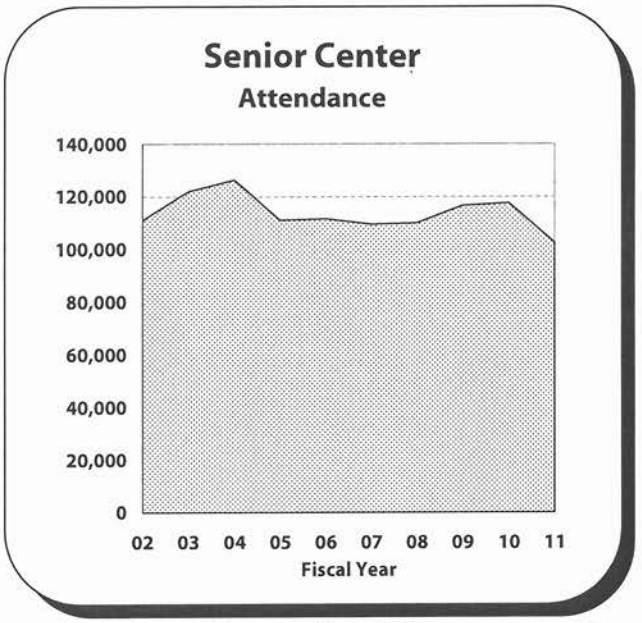
PERSONNEL SUMMARY

	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	20	20	20	20	18	21	16	22
Parks & Recreation	13	0	12	0	11	0	10	0
Total Department	33	20	32	20	29	21	26	22

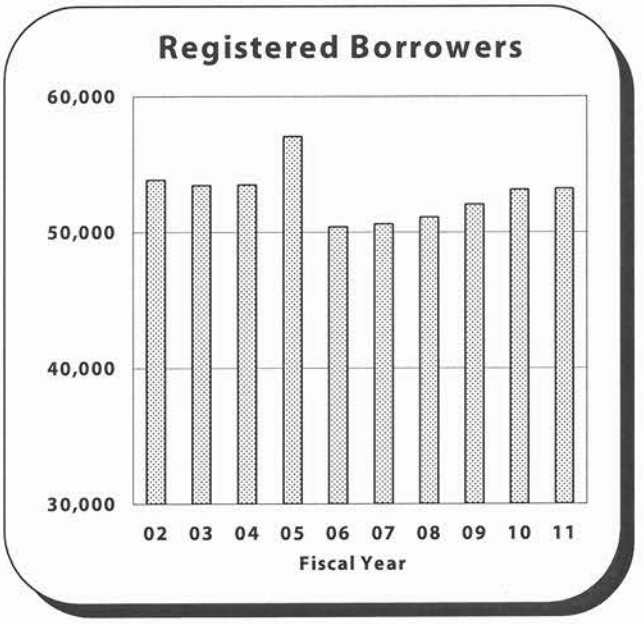
Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

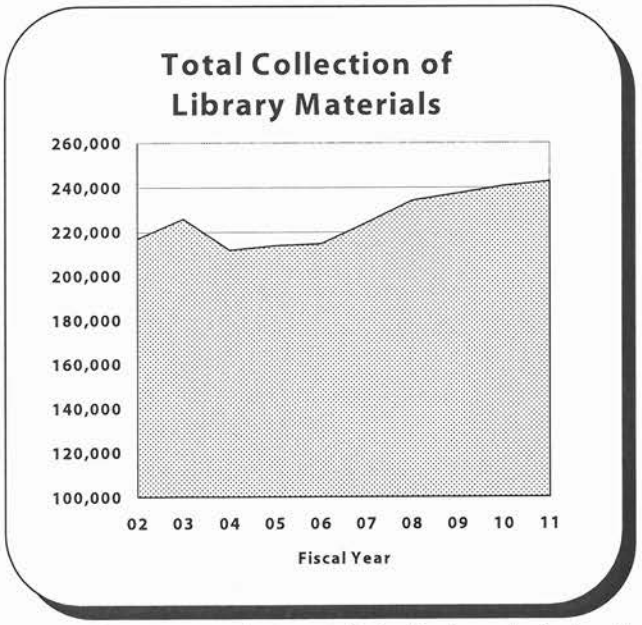
Community Services Department



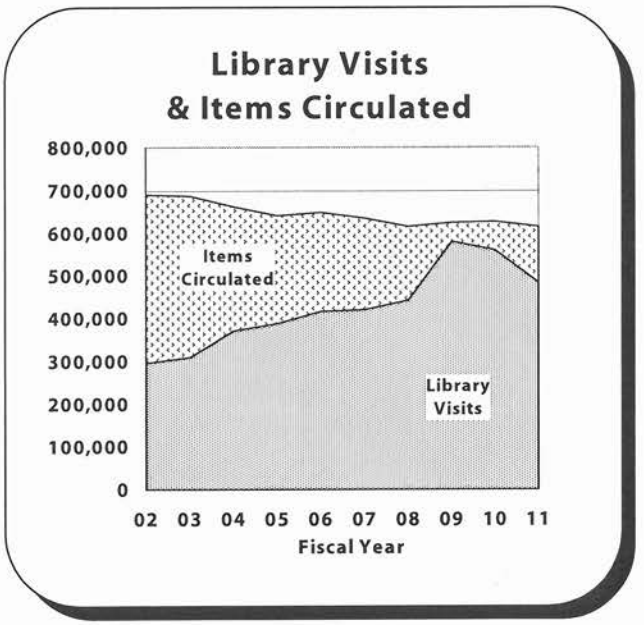
Senior program attendance has been fairly constant, exceeding 100,000 participants each year, over the past ten years. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars. The number of senior and special recreation transportation riders has increased by 2.9% over the past ten years.



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.



The size of the Library's collections, including books, audiovisual, and software materials, has generally grown over the past ten years. In 2004 the collection decreased slightly as outdated books were removed. There are currently 242,580 materials on hand, or an average of 1.9 items per resident. A total of 610,054 online and electronic database uses were recorded in 2011. Attendance at Library programs has increased since the Library Programming Center was opened in 2001. Attendance in 2011 totaled 23,184 participants.



Over the past ten years, the number of Library items circulated has slightly declined, while attendance has increased. In 2011, 484,000 visits were recorded or an average of 168 visits per hour open. 615,000 items (or an average of 1.3 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, an oral history collection, and a wide selection of books, online reference sources, e-books and audiovisual materials provide residents with excellent educational opportunities.

Computerized information retrieval is offered with the online catalog of 22 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) and MCLS Digital Library/Overdrive. 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 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 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 10,000 e-books and downloadable audio books through the library's website (www.shpl.net)?

Library

2012/13 PERFORMANCE OBJECTIVES

1. To collaborate with the Friends of the Library to implement a volunteer recognition program. *(City Goal 14, 19)*

2. To work with the State to continue the service sharing agreement with the Suburban Library Cooperative. (City Goal 1, 2, 21)

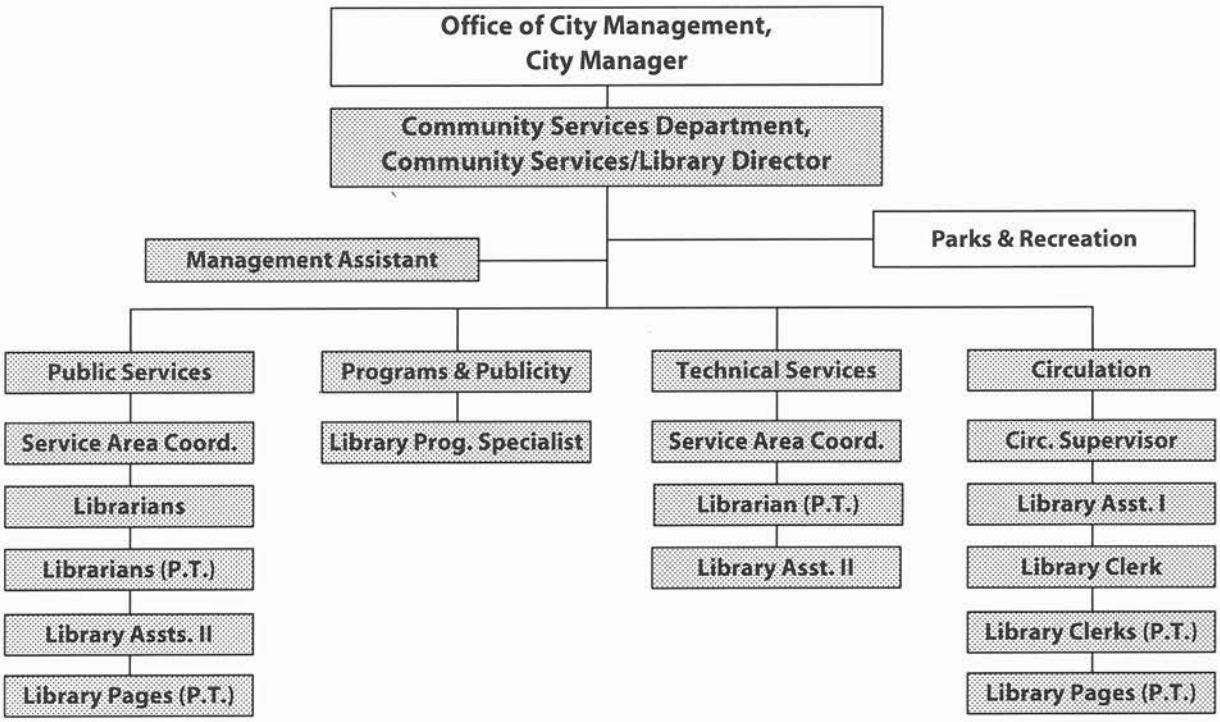
3. To seek grants, community partnerships, and other sources of revenue to improve core library services. *(City Goal 21, 26)*

4. To continue to foster an environment of creativity to preserve quality of life services. *(City Goal 26, 27)*

5. To better define an organizational staffing plan in light of ongoing funding shortfalls. *(City Goal 1, 2, 3, 4)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Library Registered Borrowers	52,043	53,114	53,181	53,500	52,500	52,500
	Annual Library Attendance	581,046	560,035	484,259	510,000	460,000	460,000
	Total Collection of Library Materials (Excl. magazines)	237,312	240,644	242,580	240,000	242,000	242,000
	Items Circulated	625,688	627,496	614,905	620,000	600,000	600,000
	Program Attendance	37,639	31,664	23,184	24,000	22,000	20,000
	Reference & General Information Requests	148,978	131,039	120,873	132,000	100,000	90,000
	Hours of Library Operations Weekly	64.0	57.5	57.5	57.5	57.5	57.5
	Materials Added to Collection	21,174	22,485	19,830	20,000	18,000	16,000
	In-Library Use of Materials	121,907	93,714	107,155	90,000	110,000	110,000
	Items Processed for Loan to Other Libraries	117,671	105,692	87,255	95,000	82,000	80,000
	Items Processed for Receipt from Other Libraries	125,167	110,778	97,588	105,000	92,000	90,000
	Online & Electronic Database Usage	552,503	583,260	610,054	610,000	700,000	720,000
	Outreach Loans by Library Van	8,818	7,909	7,367	5,000	4,600	0
	Hours of Library Cable Programming	3,650	3,650	3,650	3,650	3,650	3,650
Efficiency & Effectiveness	Registered Borrowers as a % of Population	41%	41%	41%	41%	40%	40%
	Library Materials per Capita	1.85	1.87	1.89	1.85	1.87	1.86
	Circulation of Materials per 1,000 Population	4,868	4,883	4,785	4,780	4,630	4,615
	% of Hold Material Requests Filled within 30 days	75%	77%	77%	77%	77%	75%
	% of Material Reshelved within 24 hours	89%	97%	97%	95%	97%	97%
	Full-time Equivalent Staff Per 1,000 Population	0.25	0.24	0.24	0.22	0.22	0.21
	Library Material Acquisition Costs Per Resident	$1.86	$1.59	$1.48	$1.43	$1.43	$1.32
	Library Cost Per Capita	$22.03	$21.16	$20.52	$19.78	$19.51	$19.08
	Total Cost Per Library Registered Borrower	$54.40	$51.19	$49.59	$47.95	$48.19	$47.25
	Activity Expenditures as % of General Fund	3.25%	3.15%	3.01%	2.99%	2.92%	2.98%

Library



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Community Services/Library Director	0	1	1
Public Library Director	1	0	0
Library Service Area Coordinator	3	2	2
Library Programming Specialist	1	1	1
Librarian	7	7	5
Librarian (P.T.)	6	6	7
Circulation Supervisor	1	1	1
Management Assistant	1	1	1
Library Assistant II	4	3	3
Library Assistant I	1	1	1
Library Clerk	1	1	1
Library Clerk (P.T.)	4	5	5
Library Page (P.T.)	10	10	10
Total	40	39	38

Library

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

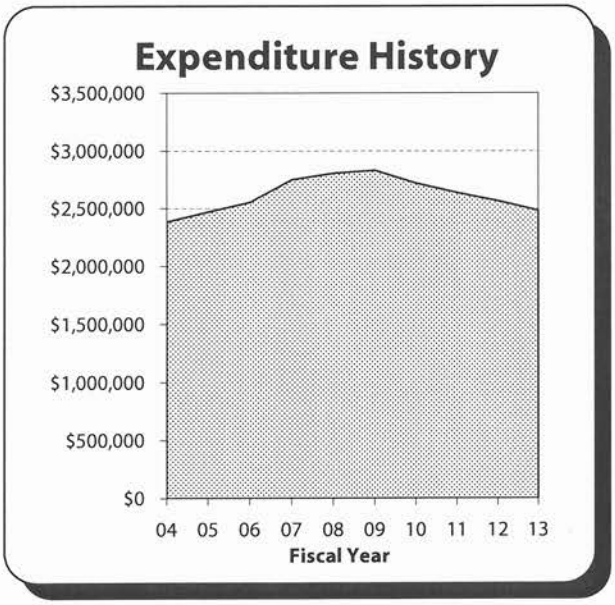
The total budget decreased by 3.3%.

Personnel Services – The total Personnel budget decreased by $63,660 or 3.0%. Funding for two vacant full-time Librarian positions is recommended to be reduced and partially replaced with a part-time Librarian. As a result, fewer library deliveries, teen activities and reference requests will be possible. Funding for pension obligations rose $42,870.

Supplies – Total Supplies decreased $15,750 or 7.8%. $14,500 was saved, as fewer library books, publications, and audio-visual materials will be purchased. Operating supply costs decreased $1,220, as fewer material processing supplies will be needed, in addition to printer toner savings.

Other Charges – Total Other Charges decreased $5,340 or 2.1%. Heating costs fell by $5,000, due to savings from a more energy-efficient Library boiler and chiller. $3,620 was saved, as an ancestry genealogical database subscription was eliminated. Educational funding decreased $400, as an annual Library conference will be held locally next year. The Library Cooperative membership fee increased $1,530 due to a new census number. Rental costs rose $1,390 due to a rate increase from the Cooperative for the Library's computer system and for the recently initiated per-page print fee service.

Capital – The Library is scheduled to receive two new personal staff computers to replace the existing six-year old units.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$2,156,261	$2,107,250	$2,077,090	$2,043,590	$2,043,590
Supplies	207,988	202,530	202,480	186,780	186,780
Other Charges	272,897	255,740	250,540	250,400	250,400
Total	$2,637,146	$2,565,520	$2,530,110	$2,480,770	$2,480,770

Parks & Recreation

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

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

The Instructional Recreation Program offers a variety of fitness, dance, athletic, 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, lecture series and more.

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

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

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.***

Did you know...
...the Parks & Recreation office collaborates with three municipalities and three school districts to bring quality and affordable programs and events to City residents?

Parks & Recreation

2012/13 PERFORMANCE OBJECTIVES

1. To identify and implement one new service sharing opportunity with another municipal organization. *(City Goal 2)*

2. To research and identify an area to develop a dog park within the City. *(City Goal 14, 20, 26)*

3. To identify and cultivate one new sustainable revenue source within the department. *(City Goal 20)*

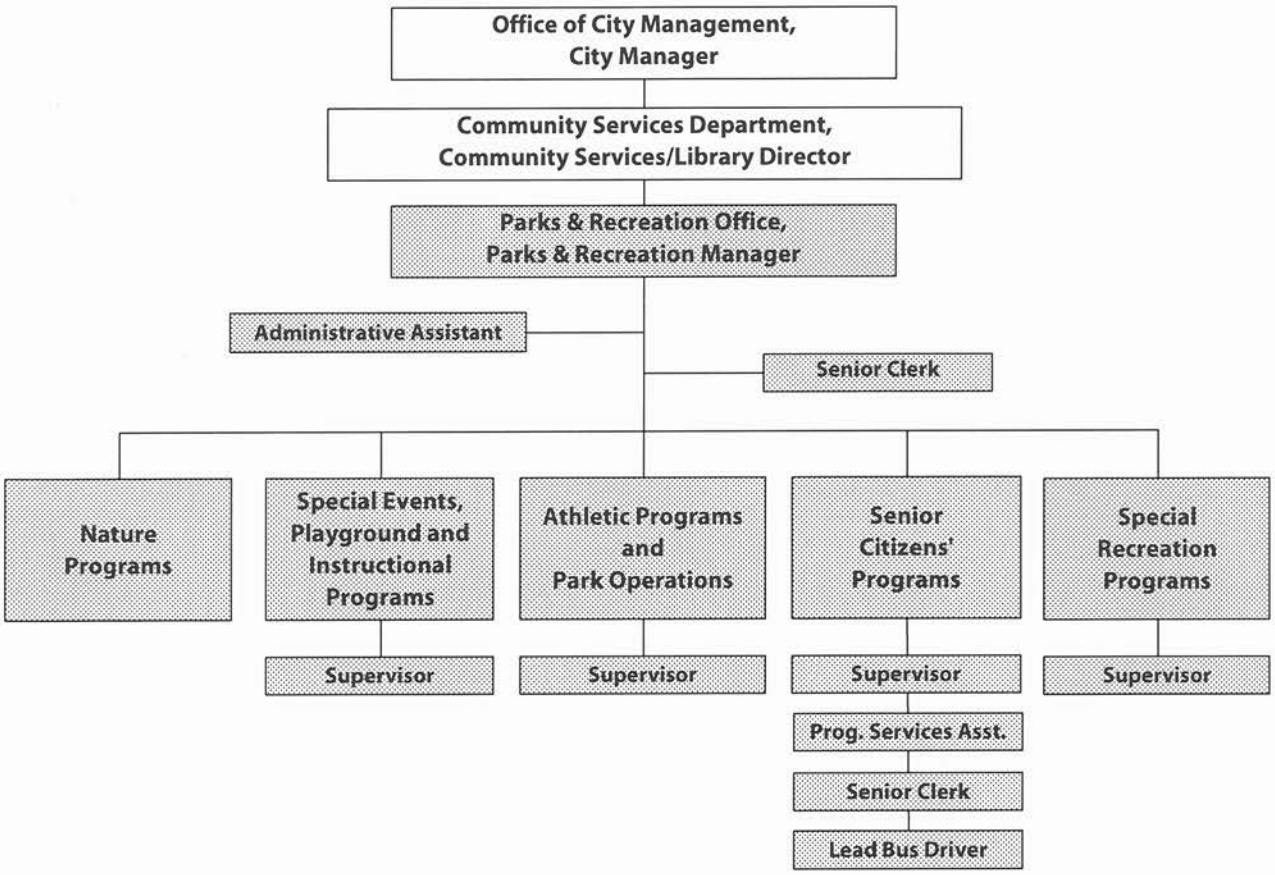
4. To research and develop an outdoor ice skating facility in Dodge Park. *(City Goal 21, 27)*

5. To continue to maximize utilization of present park assets and coordination of park schedules with Public Works. *(City Goal 26, 27)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Instructional Class Attendance	31,895	27,416	27,736	29,000	29,200	28,500
	Special Event Participants (Incl. Sterlingfest Entertain.)	74,449	65,551	72,321	70,000	60,800	70,000
	Special Recreation Program Attendance	15,679	11,351	10,803	11,400	11,620	11,050
	Adult & Youth Athletic Attendance	17,068	27,032	25,593	27,000	28,293	27,000
	Nature Program Participants	23,321	27,708	23,374	24,200	22,399	22,000
	Teen Only Program Attendance	790	697	654	740	724	740
	Number of Internet Registrations	3,374	2,623	3,076	3,200	3,005	3,000
	Summer Playground Registrations	515	562	611	585	617	570
	Park Playground Equipment Replaced	1	0	1	0	0	0
	Senior Center Activities Attendance (Incl. Transport.)	116,564	117,570	102,577	100,000	103,000	101,000
	Community Center Special Activity Use Attendance	14,891	9,139	9,114	8,000	7,946	8,000
	Senior & Special Recreation Transportation Riders	20,166	24,849	22,559	24,000	23,000	23,000
Efficiency & Effectiveness	P & R Revenue Earned per Capita	$3.83	$3.77	$3.84	$3.89	$3.89	$3.92
	% of Refunds Due to Dissatisfaction	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Developed Park Acres per 1,000 Residents	6.4	6.4	6.4	6.3	6.3	6.3
	% 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.)	41	37	36	32	32	27
	Nature Center Cost per Visitor	$7.73	$6.76	$7.56	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	$14.07	$13.49	$14.05	*	*	*
	Department Cost per Capita	$19.37	$15.78	$15.29	$14.93	$14.89	$14.22
	Activity Expenditures as % of General Fund	2.86%	2.35%	2.25%	2.25%	2.23%	2.22%

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

Parks & Recreation



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Parks & Recreation Manager	1	1	1
Recreation Supervisor	6	5	4
Administrative Assistant	1	1	1
Program & Services Assistant	1	1	1
Senior Clerk	2	2	2
Lead Bus Driver	1	1	1
Total	12	11	10

Parks & Recreation

SUMMARY OF BUDGET CHANGES

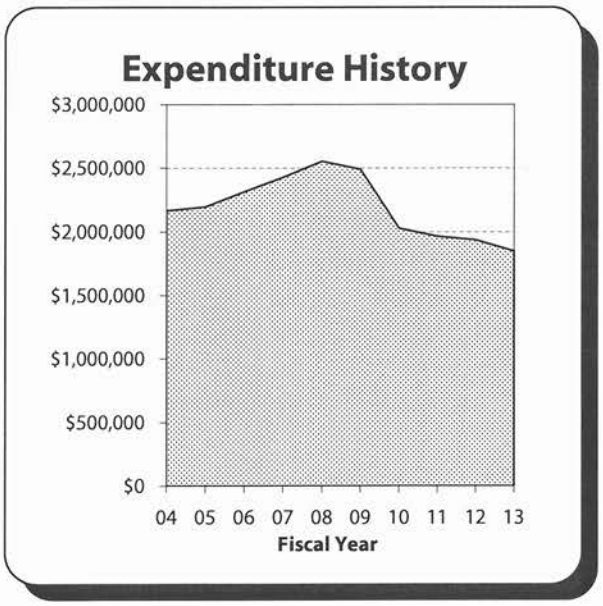
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 4.5%.

Personnel Services – The total Personnel budget decreased by $76,670 or 4.9%. Funding for a vacant Recreation Supervisor position has been eliminated as priority duties will be reassigned among the existing staff. The budget assumes a third year of wage and benefit concessions for all employees. Part-time wages declined $35,250 as less part-time staff will be used in the office, for special events, and due to a reduction in Nature Center hours. Savings was also realized from changing a fitness instructor from a part-time employee to a contractor.

Supplies – Total Supplies decreased $14,490 or 17.5% based on historic expenditure trends and fewer refreshments at the Senior Center.

Other Charges – Total Other Charges increased $3,550 or 1.3%. Contracted service costs increased $13,540 for a fitness instructor who was transferred from part-time, an accounting change for a Line Dance Instructor, and performance licensing fees for the Sterling Civic Theater, which will be recovered in ticket sales. The increase was partially offset as one less Music in the Park concert will be held. Heating costs increased $3,000 based on historic actual expenditure usage. $500 was added for the printing of sponsorship pages in the Senior Newsletter and Music in the Park programs. $10,050 was saved, as pool rental was eliminated due to the closing of school pools. Electric costs fell $5,000 based on recent expenditure levels and the closing of the Nature Center on Sundays.

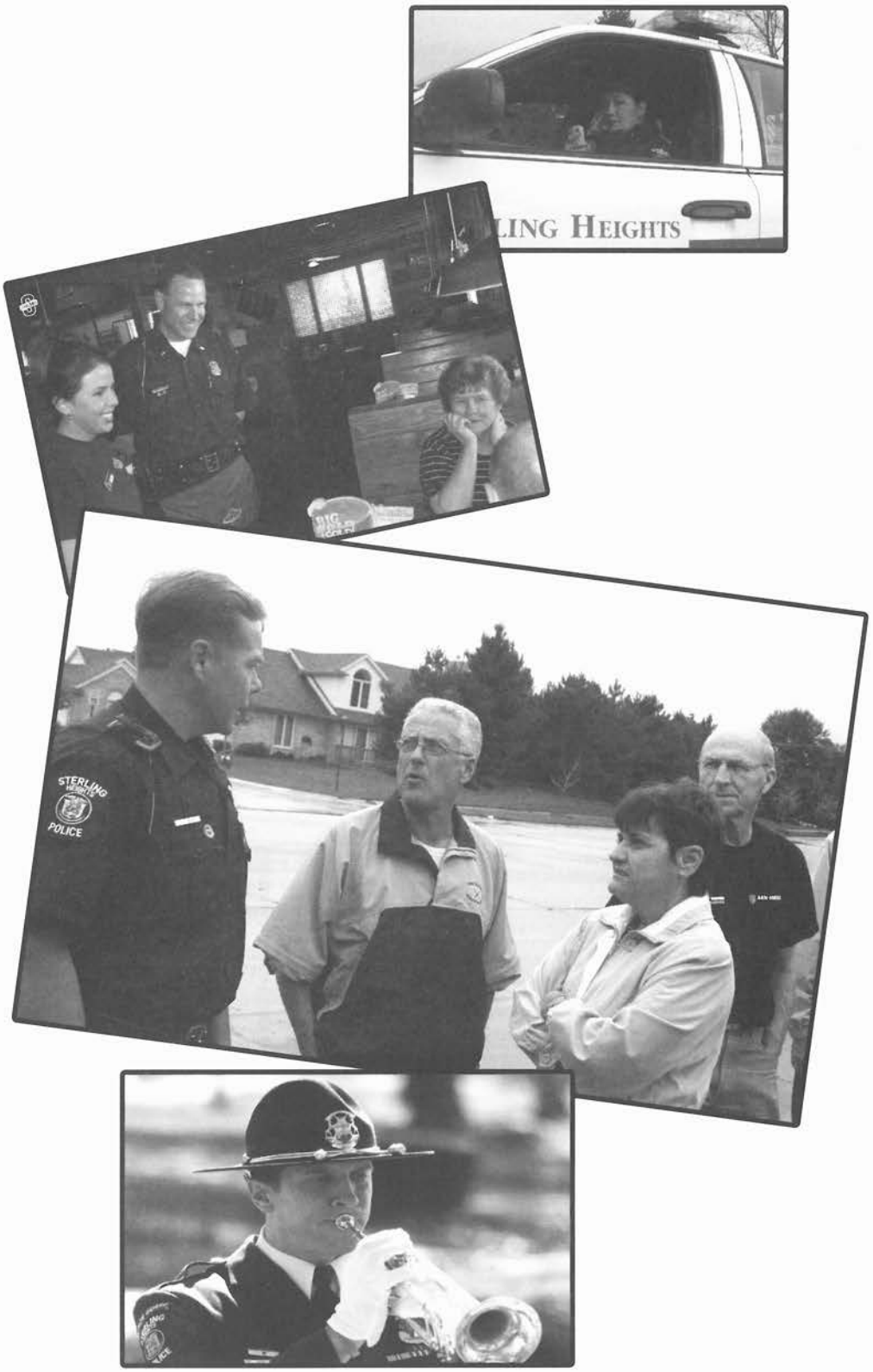


Capital –$4,000 is proposed for 24 Playground Wear Mats that will save on park maintenance costs. In addition, four park maintenance projects totaling $200,000 are funded in the Land & Water Conservation Fund.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,608,719	$1,576,470	$1,577,930	$1,499,800	$1,499,800
Supplies	66,998	82,630	73,000	68,140	68,140
Other Charges	289,552	276,930	280,650	280,480	280,480
Total	$1,965,269	$1,936,030	$1,931,580	$1,848,420	$1,848,420

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department

Police Administration

- Administration of department's 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 wrong-doing, 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 file 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 budget decreased by $208,830 or 0.6%. Five vacant Police Officers have been eliminated, most relating to the contracting of the Detention Facility. Two Captains are sharing the duties of a vacant Captain, while a part-time Animal Control Officer will replace a vacant full-time position. Five Police Officer layoffs are proposed saving $395,000, as the department will reprioritize the processing of private property accidents and minor property reporting, participation in the accident unit, task forces, and the need to respond to minor medical incidents. A full-time Lab Technician will become part-time saving $37,000, a Technical Secretary eligible for early retirement will save $54,000, and two Co-ops have not been filled. The E-ticketing and records management system, closing of the records counter on Fridays, and access to online police reports have resulted in greater efficiencies. The Emergency Manager is no longer funded, saving $70,000, as the Captain, who oversees the duties, will work with City and County staff to reduce redundancies. The budget assumes the continuation of employee wage concessions. Contributions to the pension system rose by $830,950. Higher first year software maintenance is partially offset by printer, publication, and training savings. The budget funds eight road vehicles, and the forfeiture purchases of two used Detective vehicles, an Evidence Technician vehicle, and replacement equipment as the Crown Victoria model is no longer in production.

FUNDING LEVEL SUMMARY

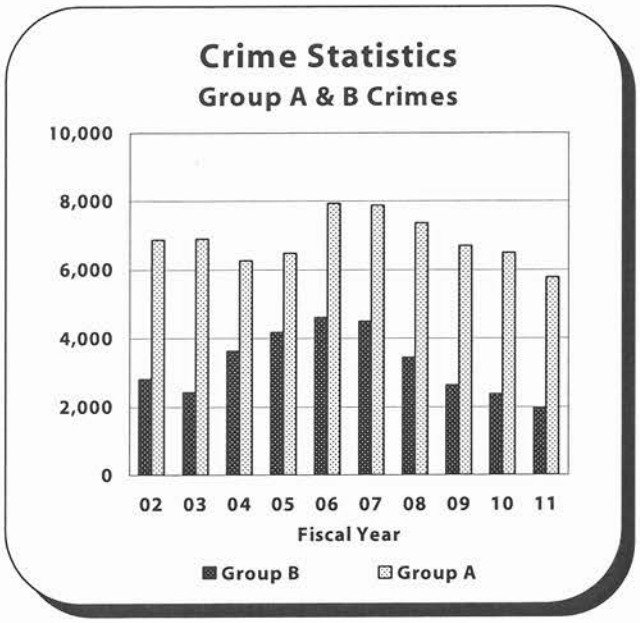
	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Police Administration	$2,801,130	$2,990,520	$3,027,480	$3,165,150	4.5%
Police Investigations	5,879,180	6,176,120	6,186,620	5,745,610	-7.1%
Police Operations	19,328,430	19,679,700	19,841,310	20,131,840	1.5%
Police Support Services	3,528,550	3,502,360	3,398,590	3,337,410	-1.8%
Emergency Management	137,420	134,990	134,840	0	-100.0%
Total Department	$31,674,710	$32,483,690	$32,588,840	$32,380,010	-0.6%
Personnel Services	$30,993,720	$31,651,540	$31,518,810	$31,216,510	-1.0%
Supplies	80,230	92,590	88,420	73,850	-16.5%
Other Charges	600,760	739,560	981,610	1,089,650	11.0%
Total Department	$31,674,710	$32,483,690	$32,588,840	$32,380,010	-0.6%

PERSONNEL SUMMARY

	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	16	0	16	0	13	0	13	0
Police Investigations	39	0	38	0	38	0	32	0
Police Operations	130	33	125	30	120	30	115	30
Police Support Services	39	1	38	5	35	6	32	6
Emergency Management	1	0	1	0	1	0	0	0
Total Department	225	34	218	35	207	36	192	36

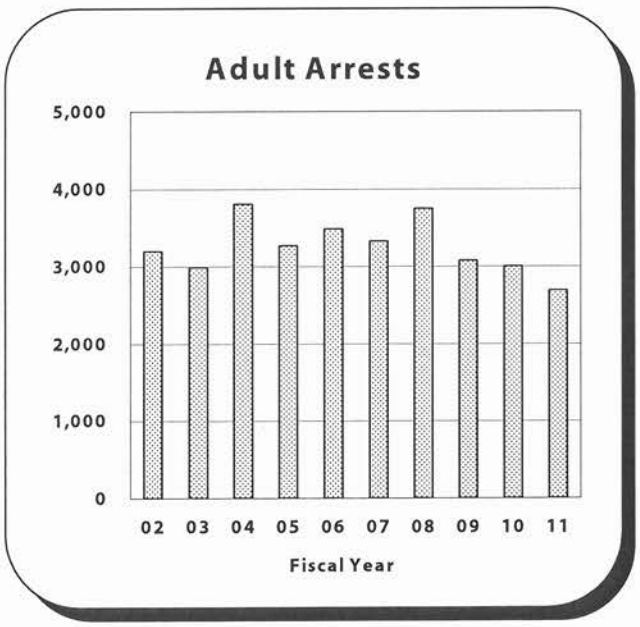
KEY DEPARTMENTAL TRENDS

Police Department

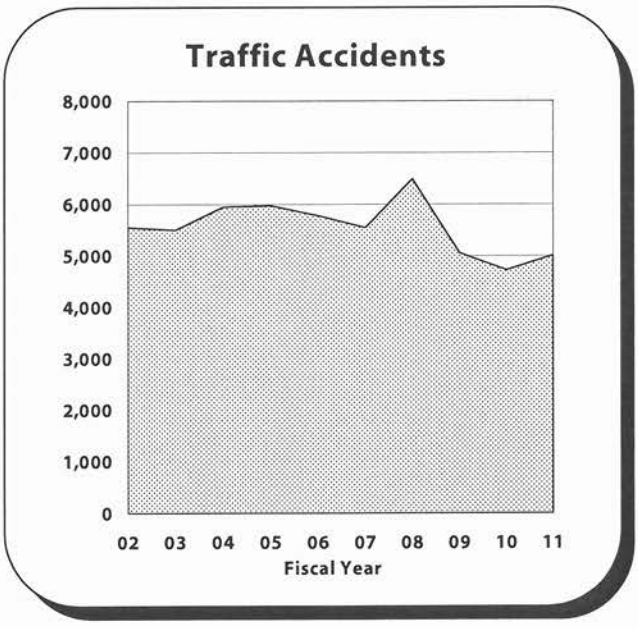


Both Group A and Group B crimes have decreased over the past five years. As a result, the City's total crime statistics are at their lowest level in ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family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

Traffic violations increased as the department 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.



This graph reflects the number of incidents where an arrest occurred from 2002 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 in the past three years to their lowest level in ten years as a result of declining crime statistics.



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 fell to a 10-year low.

Police Administration

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

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

The Chief is assisted by two 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 Police Training Bureau provides a Sterling Heights Police Officer on average more than 100 hours of training on various topics each year?

Police Administration

2012/13 PERFORMANCE OBJECTIVES *(Administration)*

1. To train officers in the latest concept of active shooter response, which will further develop their skills to enable them to respond immediately in a shooting situation. *(City Goal 25)*

2. To develop a centralized database for the tracking of equipment obtained through grants. *(City Goal 3)*

3. To develop an on-line computer based component for the Officer Development and Training Program, which will enhance the program and make it more efficient. *(City Goal 3)*

4. To implement additional training for officers on the use of force. *(City Goal 25)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Public Education Programs Presented	504	451	152	220	30	30
	Car Seat Inspections Conducted	148	140	6	0	0	0
	Security/Safety Presentations	301	201	60	100	10	10
	Neighborhood Watch Programs	38	52	53	110	15	15
	Elementary and Middle School Programs	17	58	33	10	5	5
	Hours of D.A.R.E. Instruction	1,557	1,798	956	0	0	0
	General Orders Issued or Amended	28	20	74	20	21	20
	School Safety Program - Students Impacted	3,327	3,326	3,326	1,000	150	150
	Training Seminars Attended - Department-wide	278	239	209	200	205	150
Efficiency	FT Staff to Workers Comp./Disability Claims Ratio	3.8:1	7.5:1	3.9:1	6.0:1	8.0:1	9.0:1
	% of D.A.R.E. Students Completing Program	99%	99%	99%	N/A	N/A	N/A

Police Administration

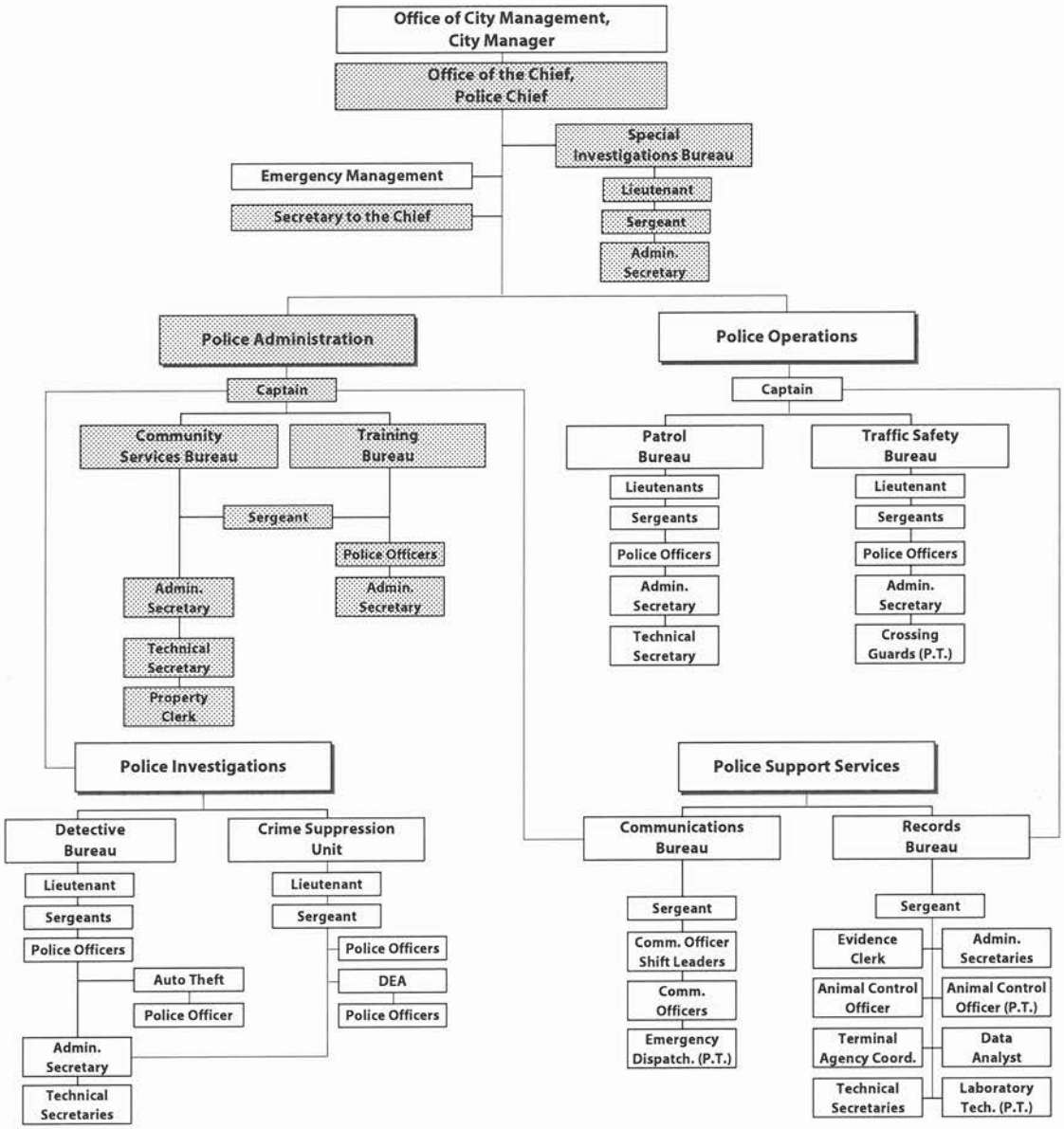
2012/13 PERFORMANCE OBJECTIVES *(Special Investigations)*

1. To train Police Operation supervisors to conduct inspections of establishments using non-profit liquor licenses. *(City Goal 3)*
2. To utilize a testing consortium's eligibility list for police officer candidates, which will eliminate the cost of administering a separate City examination. *(City Goal 1, 2, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Employment Background Investigations	26	9	54	20	22	25
	Internal Affairs Investigations	24	14	13	18	12	15
	Liquor License Background Investigations	26	21	25	25	20	22
	Other Special Investigations Bureau Investigations	488	1,315	1,440	1,300	1,250	1,300
	Liquor & Tobacco Inspections/Observations	213	153	249	190	210	210
	Liquor License Violations	25	11	3	40	25	25
	Citizen Observer Web-based Alert System Recipients	N/A	N/A	N/A	700	763	800
Efficiency & Effectiveness	Employment Background Investigations - % Hired	53%	22%	65%	55%	92%	55%
	# of Sustained Complaints per 100 Officers	3.5	1.1	4.4	0.0	2.5	0.0
	Average Cost of an Administrative Investigation	$629	$508	$495	*	*	*
	Average Liquor License or Tobacco Inspection Cost	$88	$117	$106	*	*	*
	Department Cost per Capita	$230	$246	$253	$251	$254	$249
	Division Expenditures as % of General Fund	3.32%	3.24%	3.42%	3.53%	3.64%	3.80%

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

Police Administration



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	2	2	2
Police Officer	5	2	2
Secretary to the Chief	1	1	1
Administrative Secretary	2	3	3
Technical Secretary	2	1	1
Property Clerk	1	1	1
Total	16	13	13

Police Administration

SUMMARY OF BUDGET CHANGES

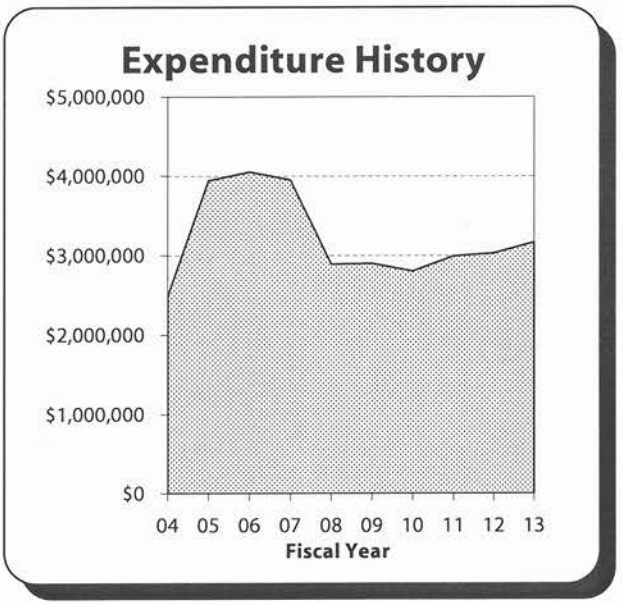
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 4.5%.

Personnel Services – The total Personnel budget increased $33,590 or 1.7%. The budget assumes the continuation of prior year wage and benefit concessions as well as additional savings from new labor contracts. Despite these savings, the City's actuarially required contribution to the Police & Fire Pension system rose by $48,630 to partially offset prior stock market declines. An additional $14,640 is budgeted to fund retiree health care liabilities.

Supplies – Total Supplies decreased $13,650 or 15.6%. Operating supply costs decreased $10,390 based on recent expenditure trends and savings in printer toner costs. Fewer written publications will be purchased, saving $2,100.

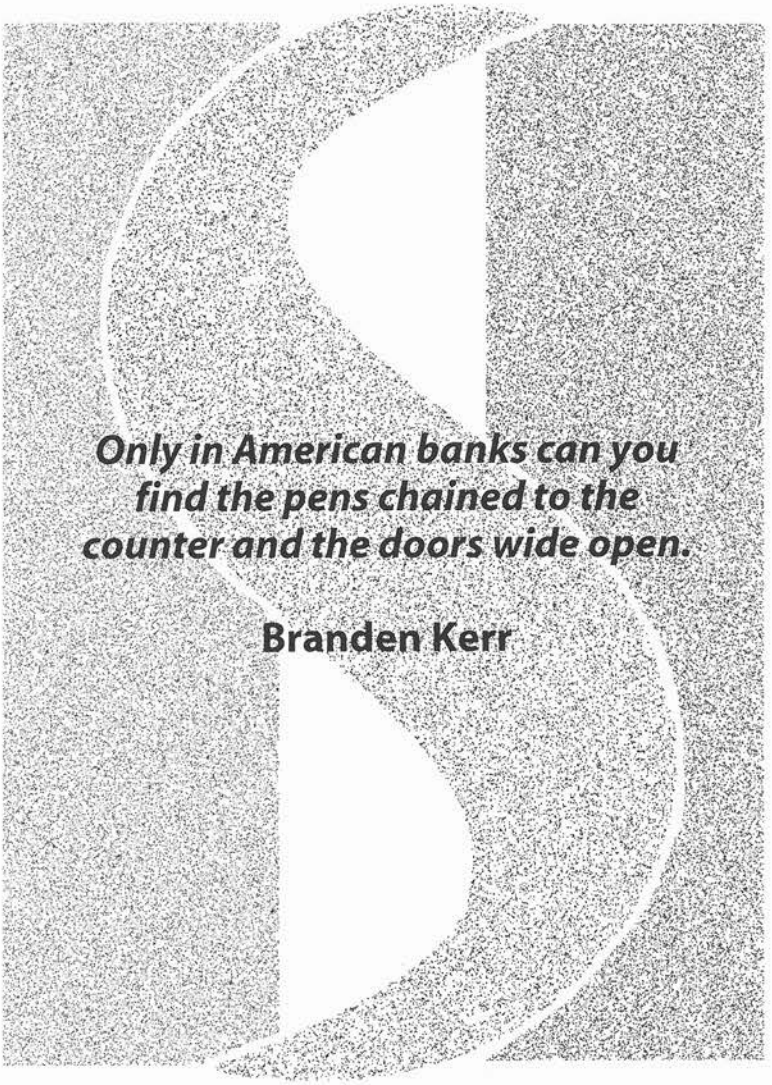
Other Charges – Total Other Charges increased $117,730 or 12.1%. Contracted services increased $123,580 primarily for first year New World software maintenance fees. State radio user fees increased and police auction costs are now budgeted as contracted services. The increase was partially offset by lower Detention Facility contract costs. $6,560 was added for the maintenance of a new LEIN access component of the New World system and for emergency warning siren maintenance. $1,700 was also transferred to this activity for the maintenance and supplies for the Incident Command Vehicle. Educational funding decreased $11,720 as the Macomb Training Consortium is no longer used. Fewer memberships are funded, saving $1,570.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$2,169,866	$1,970,330	$1,992,030	$2,003,920	$2,003,920
Supplies	92,515	87,500	74,350	73,850	73,850
Other Charges	728,140	969,650	1,085,840	1,087,380	1,087,380
Total	$2,990,521	$3,027,480	$3,152,220	$3,165,150	$3,165,150


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

Police Investigations

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.

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, 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.■

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.***

Did you know...
...the Criminal Investigations division served and executed nearly 1,900 search warrants over the past two fiscal years?

Police Investigations

2012/13 PERFORMANCE OBJECTIVES

1. To review old major cases with the Macomb County Prosecutor's Office to determine if evidence can be discarded, freeing up space in the evidence/property room and reducing the need for yearly audits. *(City Goal 25)*

2. To install software and train investigators in the use of the Automatic License Plate Reader (ALPR), which will allow investigators to be more proactive in solving crimes. *(City Goal 18, 25)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Detective Bureau Cases Assigned	4,123	4,497	4,537	4,550	4,310	4,190
	Adult Investigative Cases	2,832	3,149	3,391	3,200	3,200	3,110
	Juvenile Investigative Cases	900	956	795	970	765	745
	In-Custody Cases	391	392	351	380	345	335
	Total Crime Suppression Unit Cases Assigned	388	425	493	470	480	470
	Auto Theft Investigative Cases	83	126	175	120	170	165
	Narcotic/Vice Investigative Cases	305	299	318	350	310	305
	Total Interviews Conducted	19,564	25,228	26,019	25,400	25,260	24,615
	Suspect Interviews	5,012	5,961	5,891	6,000	5,715	5,550
	Witness & Informant Interviews	7,630	10,872	11,550	11,000	11,220	10,985
	Victim Interviews	6,922	8,395	8,578	8,400	8,325	8,080
	Arrest Warrants Obtained	1,642	2,048	1,864	2,000	1,810	1,760
	Search Warrants Obtained/Executed	562	1,038	857	700	830	810
	Polygraph Examinations Conducted	31	31	41	28	35	33
	Criminal Surveillances	700	911	1,213	900	1,180	1,145
	Federal Forfeiture Cases Processed	55	26	121	40	118	115
	State Forfeiture Cases Processed	41	63	55	50	54	53
	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
	COPS Program Participants	N/A	N/A	25	25	25	30

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

Police Investigations

2012/13 PERFORMANCE OBJECTIVES

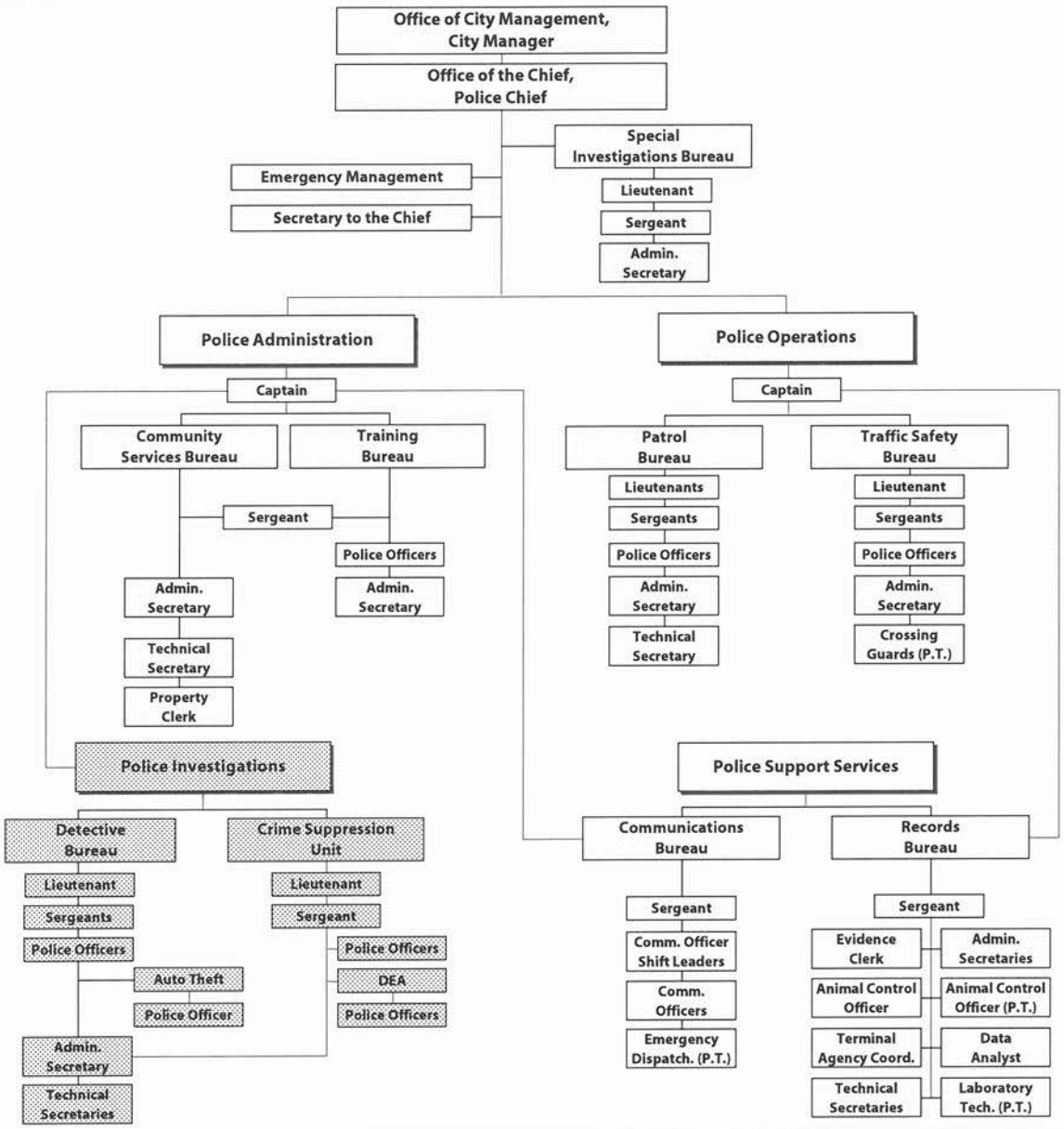
3. To work with local businesses to implement an electronic, internet based pawn and gem transaction reporting system, which will provide detectives with real time transaction data and eliminate the need for department personnel to enter the information into a computer system. *(City Goal 1, 17, 15)*

4. To work in conjunction with Purchasing to implement a system to purchase used vehicles for use in covert operations, which will reduce costs and still provide detectives with reliable transportation. *(City Goal 25)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Efficiency & Effectiveness	% of Petitions Obtained vs. Requested	98%	98%	98%	98%	98%	98%
	% of Arrest Warrants Obtained vs. Requested	92%	91%	92%	91%	92%	92%
	Detective Bureau Cases per Investigator	209	250	252	253	239	279
	Crime Suppression Unit Cases per Investigator	65	71	82	78	80	78
	% of Part 1 Violent Crimes Cleared	58.0%	49.2%	57.0%	51.0%	54.0%	54.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.8	0.6	0.6	0.7	0.8	0.8
	Juvenile Arrests Violent Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	% of Part 1 Property Crimes Cleared	28.0%	29.8%	29.0%	27.0%	23.0%	25.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	4.9	4.9	4.3	4.6	3.4	4.0
	Juvenile Arrests Property Crimes - % of Total Arrests	1.0%	0.1%	0.1%	0.8%	0.1%	0.1%
	Car Theft Ratio Per 1,000 Population	1.7	1.0	1.4	1.7	1.0	1.2
	Average Cost to Conduct a Polygraph Examination	$335	$341	$328	*	*	*
	Average Cost to Investigate a Case	$567	$518	$513	*	*	*
	Division Expenditures as % of General Fund	6.34%	6.81%	7.06%	7.20%	7.24%	6.91%

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

Police Investigations



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Captain	1	1	0
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	27	27	23
Administrative Secretary	2	2	1
Technical Secretary	2	2	2
Total	38	38	32

Police Investigations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

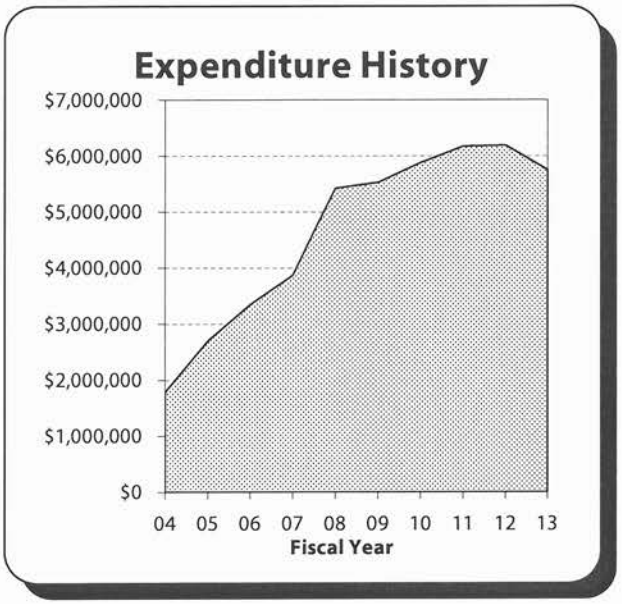
The total budget decreased by 7.1%.

Personnel Services – The total Personnel budget decreased by $441,010 or 7.1%. Most of the savings is a result of a reduction in staffing in this division. A Police Captain and a Police Officer have retired, while an Administrative Secretary position has been transferred to Support Services. Three Police Officer positions are proposed to be laid off. The department will review its participation in several task forces and its processing of minor property crime reporting. The budget assumes the continuation of prior year wage and benefit concessions as well as additional concessions next year with newly negotiated labor contracts. Overtime costs fell by $35,000. Partially offsetting these savings was an increase in the City's actuarially required contribution to the Police & Fire Pension System, which rose $175,060 and a $40,890 increase to fund retiree medical liabilities.

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

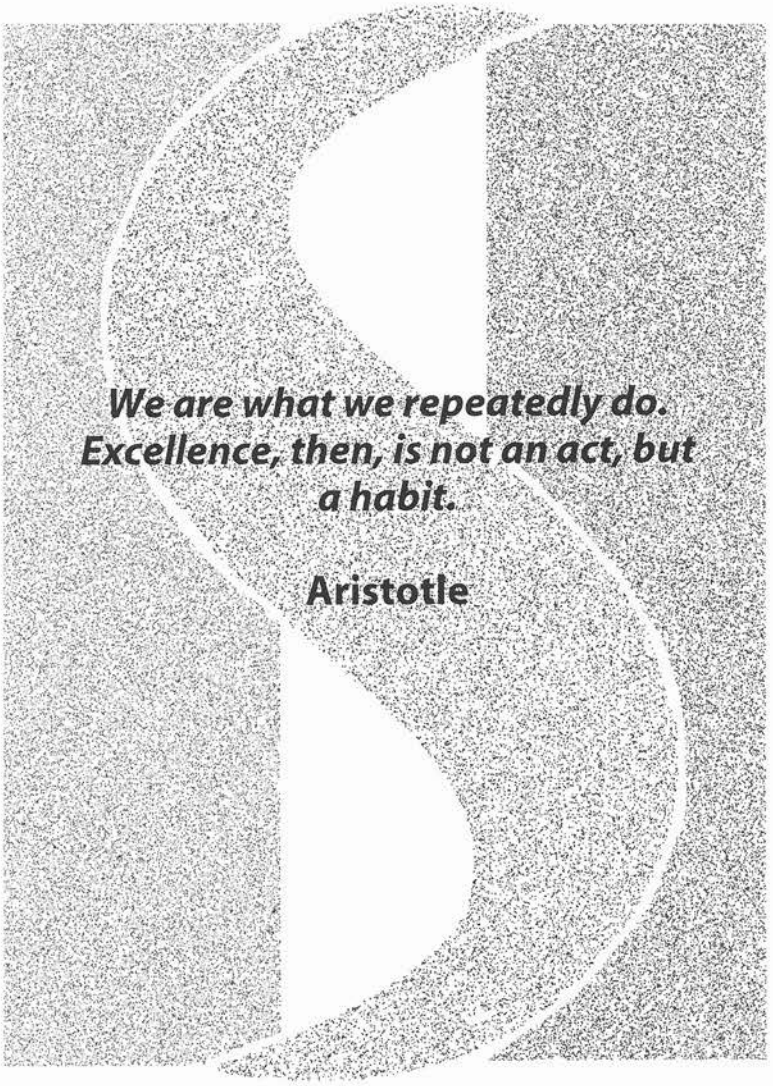
Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding will remain the same at $950.

Capital – $24,000 is budgeted in the Public Safety Forfeiture Fund for two (2) used replacement investigative vehicles utilizing drug forfeiture funds.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$6,174,732	$6,185,670	$6,268,410	$5,744,660	$5,744,660
Supplies	0	0	0	0	0
Other Charges	1,390	950	950	950	950
Total	$6,176,122	$6,186,620	$6,269,360	$5,745,610	$5,745,610


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

Police Operations

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 Police Operations division recently implemented an electronic crash reporting system allowing officers to write paperless accident reports, which will result in quicker submittal times to the State, less errors and increased officer safety?

Police Operations

2012/13 PERFORMANCE OBJECTIVES

1. To participate in the Data Driven Approach to Crime and Traffic Safety (DDACTS) in conjunction with the Macomb County Sheriff's Department and the Michigan State Police to reduce crime, crashes and traffic violations in specific targeted areas. *(City Goal 24)*

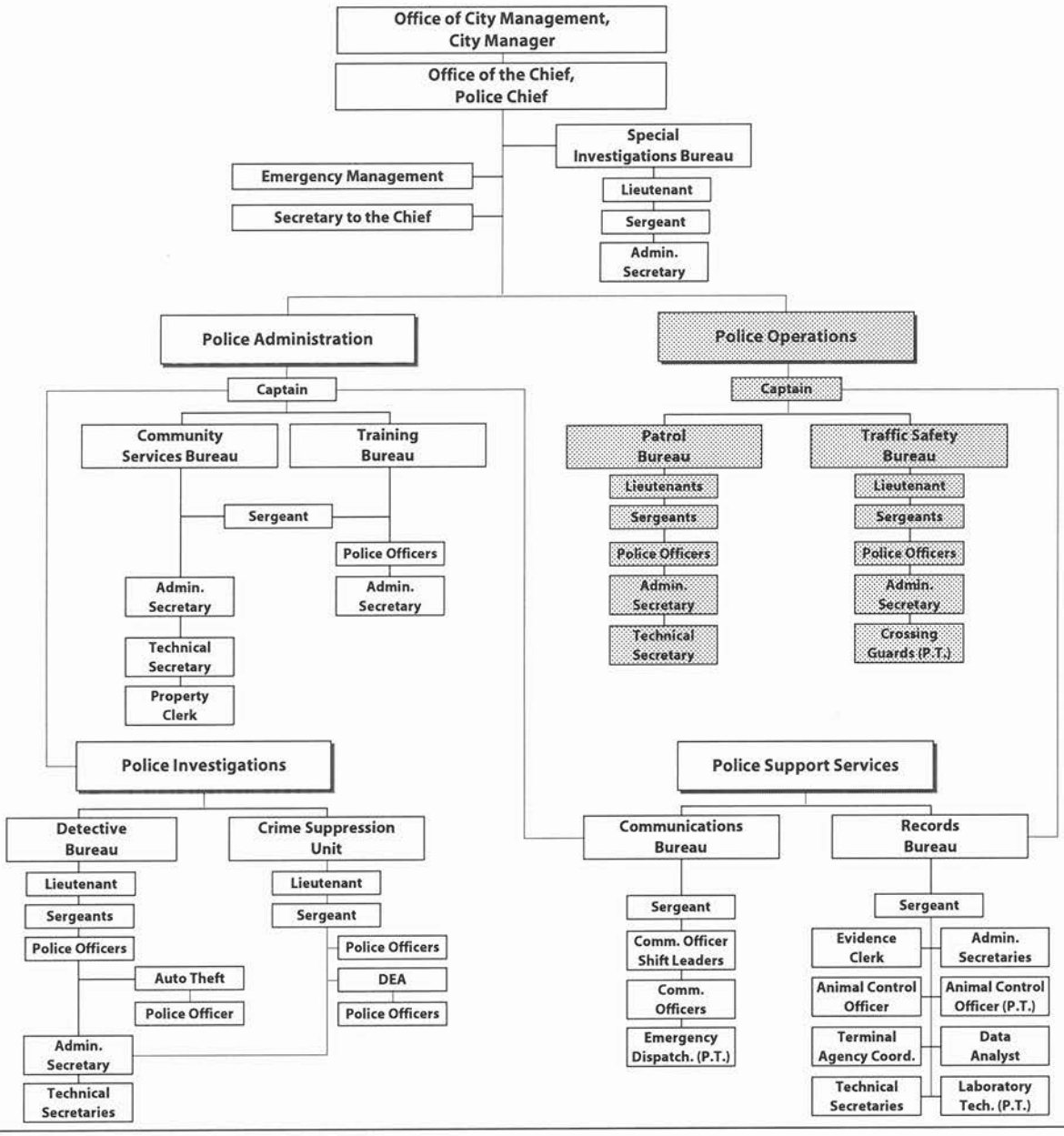
2. To implement an on-line shift re-cap which will provide real time information regarding major incidents and statistical information pertaining to that shift. *(City Goal 24)*

3. To implement a vehicle maintenance/mileage program that will ensure the timely maintenance of the vehicles and will equalize mileage driven on each. *(City Goal 6)*

4. To increase the number of motor carriers inspected for safety violations by training additional traffic safety officers in the North American Standard Inspection Program. *(City Goal 24)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Police Incident Reports Completed	49,252	47,769	53,488	53,300	52,080	53,400
	Group A Crime Reports	6,686	6,484	5,769	6,000	5,830	6,000
	Group B Crime Reports	2,632	2,370	1,960	2,200	2,140	2,200
	Vehicular Accident Reports	3,837	3,780	4,154	4,100	4,110	4,200
	All Other Rpts. (incl. cases prev. not assigned case #)	36,097	35,135	41,605	41,000	40,000	41,000
	Adults/Juveniles Arrested	3,079/156	3,000/173	2,691/159	2,950/200	2,860/200	2,950/200
	Total Traffic Violations Issued	32,154	37,022	32,752	38,000	27,060	28,500
	Motor Carrier Violations Issued	4	337	441	380	380	390
	Residential Traffic Enforcement Violations	2,926	2,597	2,340	3,000	2,140	2,200
	SMART Radar Trailer Deployments	160	159	133	180	80	85
	K-9 Unit Deployments	234	208	187	225	370	377
	OUIL Arrests	414	394	297	430	200	255
	SWAT/SRT Call-outs	3	1	19	5	13	14
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	52.0	50.1	44.9	46.3	44.9	46.2
	Group B Crimes Per 1,000 Population	20.5	18.4	15.3	17.0	16.5	16.9
	% of Productive K-9 Deployments	98%	98%	98%	98%	96%	97%
	# of Incident Reports per Sworn Division Personnel	400	379	442	452	441	477
	# of Injury Traffic Accidents per 100,000 Pop.	641	548	585	655	731	720
	# of Traffic Fatalities Per 100,000 Population	1.6	3.9	2.3	3.2	5.0	5.0
	% of Total Sworn Personnel in Traffic & Patrol	73%	73%	74%	75%	72%	72%
	OUIL Arrests Per 1,000 Residents	3.2	3.1	2.3	3.3	1.5	2.0
	Division Expenditures as % of General Fund	20.18%	22.39%	22.50%	23.10%	22.99%	24.20%

Police Operations



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Captain	1	1	1
Lieutenant	5	5	5
Sergeant	16	16	16
Police Officer	99	96	90
Administrative Secretary	3	2	2
Technical Secretary	1	0	1
Crossing Guard (P.T.)	30	30	30
Total	155	150	145

Police Operations

SUMMARY OF BUDGET CHANGES

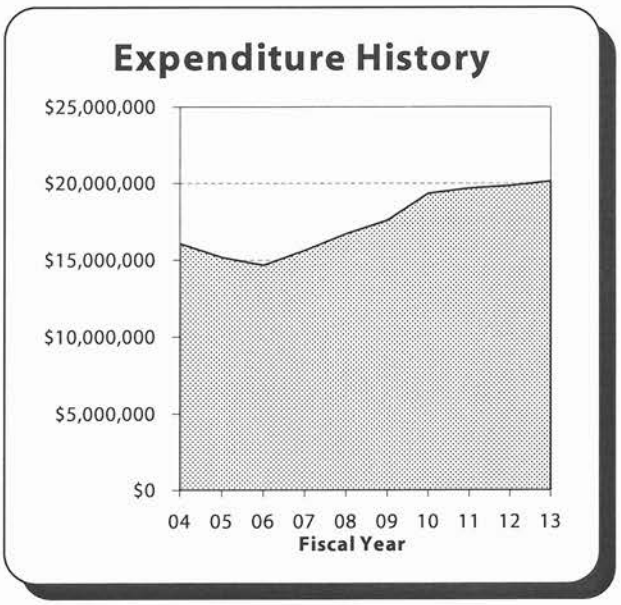
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 1.5%.

Personnel Services – The total Personnel budget increased $290,830 or 1.5%. The overall increase is a result of a higher actuarially required contribution to the Police & Fire Pension System, which rose $595,410 due primarily to prior year stock market losses. An additional $150,090 is budgeted to fund retiree medical liabilities. Partially offsetting these increases is the savings from the continuation of prior year employee wage and benefit concessions and further assumed savings next year when the new labor contracts are completed. The budget assumes four vacant Police Officer positions will not be filled, most of which is due to the recent privatization of the Detention Facility. In addition, two Officers are proposed to be laid off as the department will readjust its Accident Unit staffing as well as change the process for private property accident reporting. One Technical Secretary has been reassigned to this division from Support Services. Overtime costs fell by $50,000.

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 $300 or 20.0%, as the budget can be reduced and brought more in line with the prior year's actual expenditure usage.



Capital – Total Capital of $198,350 is proposed and budgeted in the Capital Projects Fund. $171,460 is recommended to replace seven high mileage traffic and patrol vehicles. $26,890 is for a Tahoe to replace an existing traffic enforcement vehicle with over 100,000 miles and will be used to enforce motor carrier violations, as well as other general traffic violations.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$19,678,893	$19,839,810	$19,897,110	$20,130,640	$20,130,640
Supplies	0	0	0	0	0
Other Charges	811	1,500	1,500	1,200	1,200
Total	$19,679,704	$19,841,310	$19,898,610	$20,131,840	$20,131,840

Police Support Services

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

The Support Services Division is one of four divisions within the Police Department. The Division commanders are two Sergeants who each report to different Captains. One Captain oversees the Communications Bureau, while another Captain oversees the Records Bureau 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 emergency system, dispatching the proper police/fire response, monitoring units in the field and obtaining outside resources as needed for various incidents. This Bureau processes information into the L.E.I.N. computer system relating to wanted persons, vehicles and articles. This Bureau handles most of the Department's business calls, directing them to the appropriate division.

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

KEY GOALS

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

Did you know...
...that 911 dispatchers have gone through extensive training to become EMD certified, which gives them the knowledge and expertise to provide instructions prior to Fire Deparment arrival, saving lives?

Police Support Services

2012/13 PERFORMANCE OBJECTIVES

1. To initiate a program that encourages those seeking FOIA requests to receive the returns electronically via email. *(City Goal 3, 17)*

2. To update the common names of businesses located in Sterling Heights into the Computer Aided Dispatch system. *(City Goal 3, 17)*

3. To find alternatives to housing stray animals at the Macomb County Animal Shelter. *(City Goal 3)*

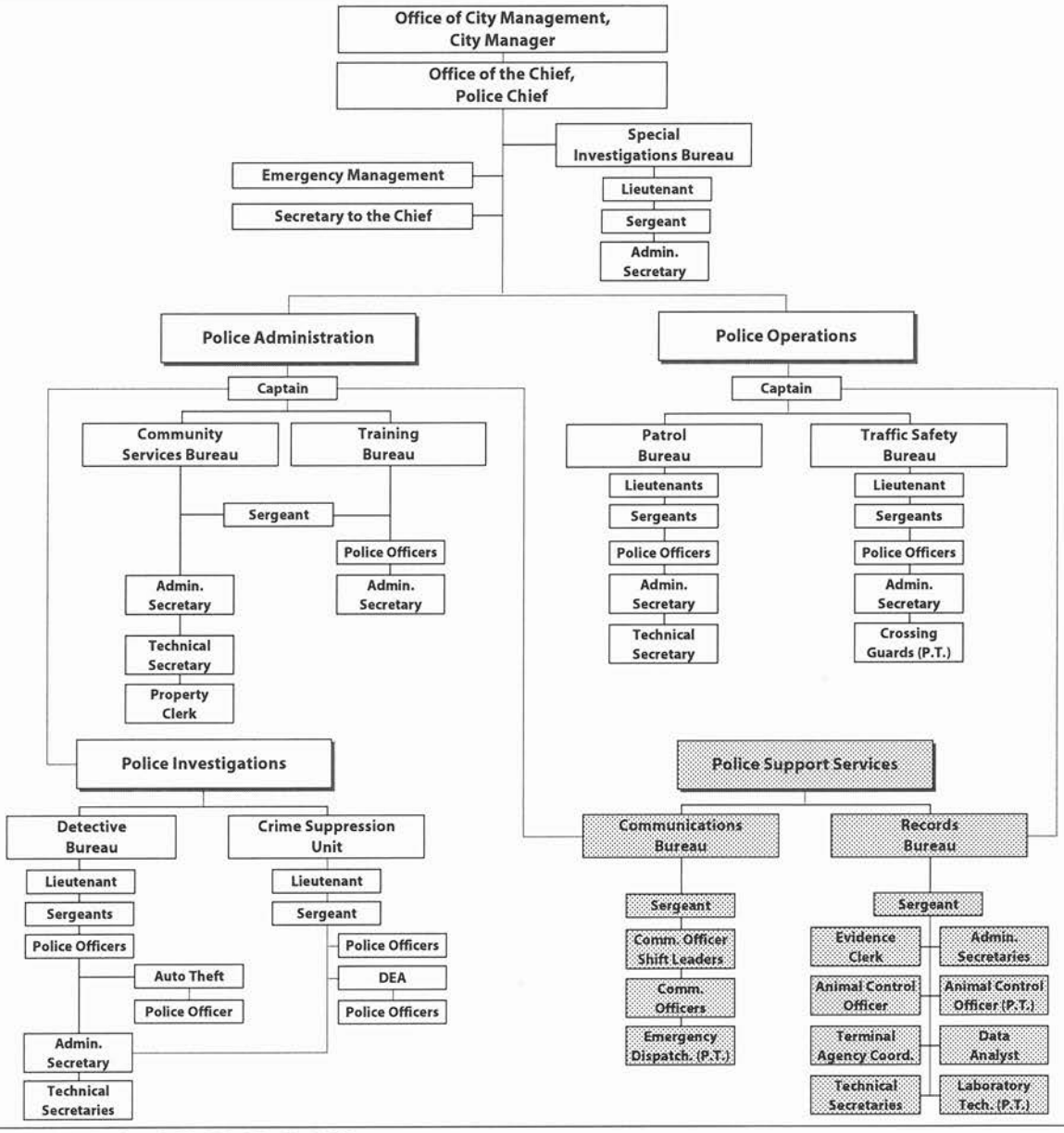
4. To create an instructional manual that will assist the communication officers and dispatchers in the day-to-day operation of the technical equipment in the Communications Center. *(City Goal 3)*

5. To continue analyzing operational efficiencies and alternative service delivery methods in this division. *(City Goal 1, 2, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Incidents Processed into Computer	49,252	47,769	53,488	53,300	52,080	53,400
	Police Reports Provided on Request	4,407	5,913	7,404	7,500	8,400	9,200
	Total Calls to 911 (Includes Cellular Calls)	43,243	42,261	49,705	48,000	47,530	47,070
	Gun Permits Obtained	2,412	2,350	2,515	2,300	2,680	2,700
	Responses by Animal Control	2,677	2,608	2,255	3,000	2,000	2,200
	Freedom of Information Act Requests	570	654	758	650	736	750
	Criminal Warrants Processed	3,249	3,352	3,005	3,300	2,975	3,300
	Arrests Processed	3,235	3,173	2,850	3,150	3,060	3,150
	Pieces of Evidence Collected	2,804	2,701	2,567	3,000	2,700	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	$38.73	$39.10	$41.76	*	*	*
	Average Cost of a FOIA Request	$28	$24	$26	*	*	*
	Dispatch Operations Cost Per Call Dispatched	$34.93	$35.78	$33.71	*	*	*
	Division Expenditures as % of General Fund	3.83%	4.09%	4.00%	3.96%	4.02%	4.01%

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

Police Support Services



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Sergeant	2	2	2
Communications Officer - Shift Leader	4	4	4
Communications Officer	17	16	16
Emergency Dispatcher (P.T.)	4	4	4
Laboratory Technician	1	1	0
Laboratory Technician (P.T.)	0	0	1
Evidence Clerk	1	1	1
Administrative Secretary	2	2	3
Animal Control Officer	2	2	1
Animal Control Officer (P.T.)	0	0	1
Data Analyst	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	7	5	3
Co-op (P.T.)	1	2	0
Total	43	41	38

Police Support Services

SUMMARY OF BUDGET CHANGES

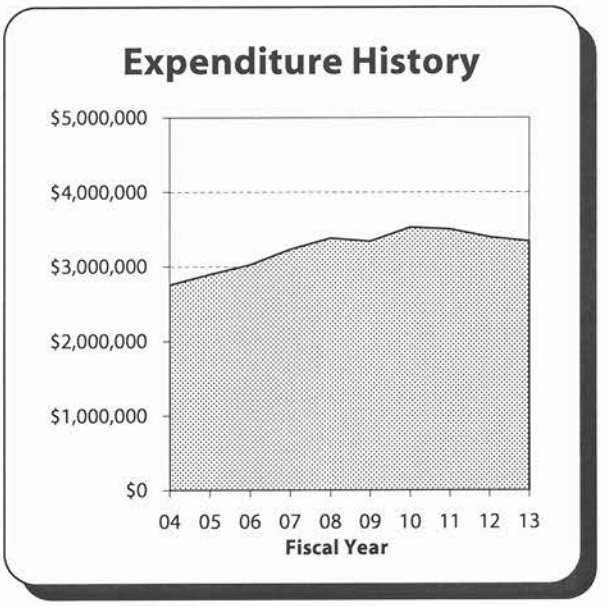
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 1.8%.

Personnel Services – The total Personnel budget decreased $61,150 or 1.8%. The overall decrease is a result of a change in staffing, as well as the continuation of prior year wage and benefit concessions and additional savings from new labor contracts. One Administrative Secretary has been transferred from the Investigations division, while a Technical Secretary has been transferred to the Operations division. In addition, a vacant Animal Control position has been changed to part-time, while a full-time Laboratory Technician is proposed to become part-time. Two vacant part-time Co-op positions are no longer needed, and a Technical Secretary position is scheduled to be laid off and allowed to retire. The new E-ticketing software computer system, the closing of the Record's counter on Fridays, and the continued access to on-line police reports have resulted in greater efficiencies. Partially offsetting these savings was an $82,550 increase to fund pension obligations due to declining pension assets and $17,420 to fund retiree medical liabilities.

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 $30 or 20.0%, 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.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$3,502,242	$3,398,440	$3,478,220	$3,337,290	$3,337,290
Supplies	0	0	0	0	0
Other Charges	120	150	150	120	120
Total	$3,502,362	$3,398,590	$3,478,370	$3,337,410	$3,337,410

Emergency Management

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

The mission of the Office of Emergency Management is to provide coordination and guidance of emergency services. Coordination extends to county, state and federal agencies in building a solid foundation of people when the City is required to call upon them to respond. A Police Captain oversees the Emergency Management function and coordinates activities between City departments and the Macomb County Emergency Management office.

Three groups of people also provide support 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 Citizen Corps Council is comprised of members representing the private sector, schools, military, federal and state agencies, and volunteers from the community. The 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 because of decreases in outside funding sources. Emergency services in Sterling Heights are well equipped and trained to respond and recover from chemical, biological, radiological, nuclear and explosive events. In this ever changing and challenging time, every jurisdiction requires the appropriate personnel and equipment that will protect the majority of the population and property when disaster strikes. It is critical that the City is prepared for these hazards.■

KEY GOALS

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

Did you know...
...the City maintains an emergency operations center at a ready state, so if required, it can be activated within minutes of an emergency?

Emergency Management

2012/13 PERFORMANCE OBJECTIVES

1. To consolidate emergency management services with the Macomb County Office of Emergency Management as a cost savings to the City and to reduce redundancies under the current structure. *(City Goal 2)*

2. To coordinate emergency preparedness activities and planning with the Macomb County Office of Emergency Management. *(City Goal 2)*

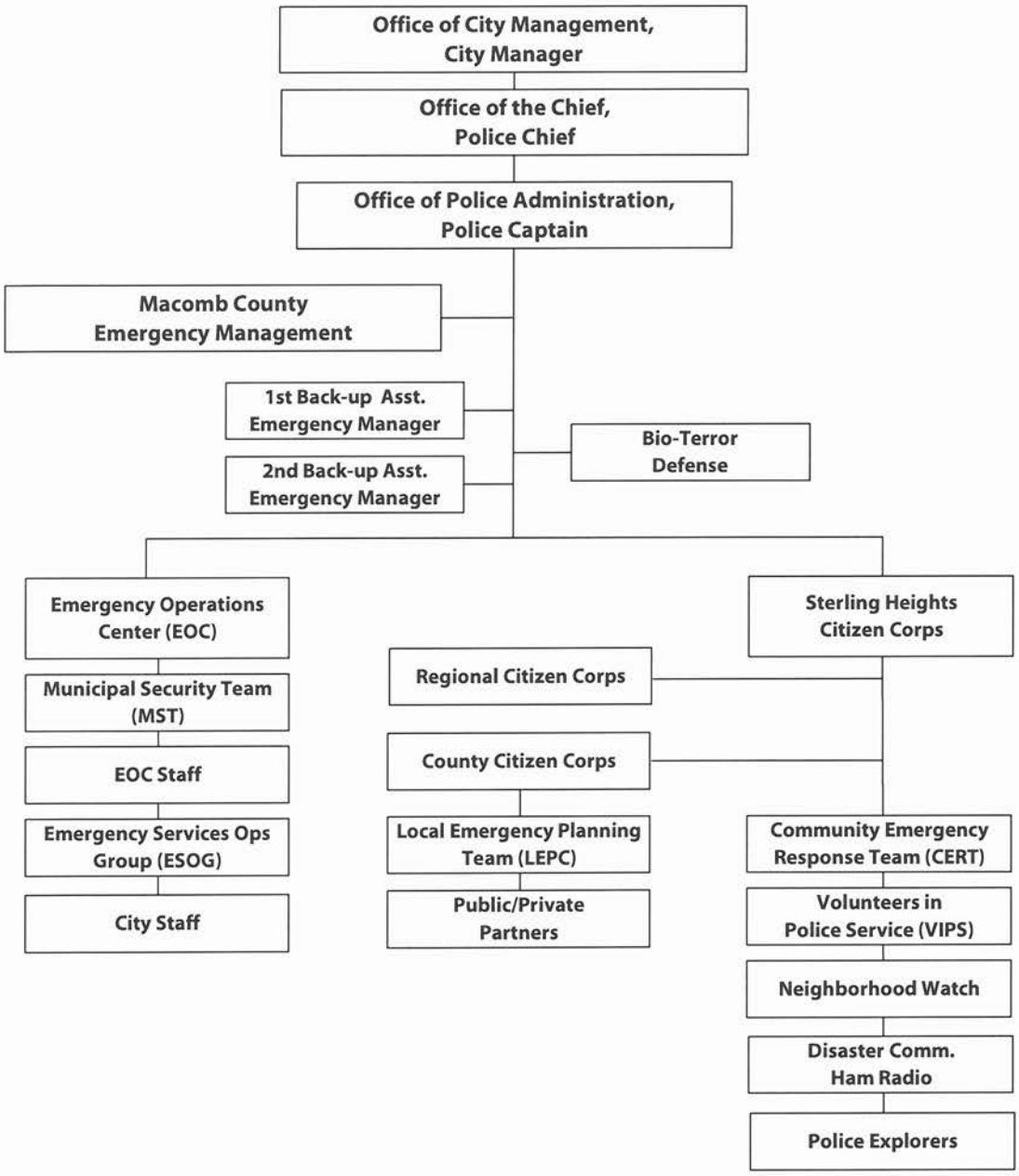
3. To coordinate training and activities for applicable City departments in order to maintain compliance with the National Incident Management System. *(City Goal 25)*

4. To seek funding through grants or other sources to complete the final upgrade to the City's emergency warning siren system. *(City Goal 21)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Emerg. Responses/EOC Activations/Training Exercises	1	1	1	1	1	1
	Testing & Maintenance of Warning Systems (Hours)	60	40	20	20	20	20
	Family Protection Workbooks Distributed	5,000	5,000	5,000	5,000	5,000	1,000
	Hours Spent at Disaster Planning Meetings	750	750	800	800	800	20
	New Grants Applied For/Grants Received	7/7	5/5	4/4	4/4	4/4	1/1
	# of Grant Files Closed	6	5	3	4	3	1
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	98%	98%	99%	99%	99%
	% of Time Spent Coordinating/Administering Grants	25%	20%	15%	15%	15%	N/A
	% of Time Spent Developing Training & Exercises	25%	30%	20%	20%	20%	N/A
	% of Time Spent Developing Emergency Plans	50%	50%	65%	65%	65%	N/A
	% 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	$449	$432	$435	*	*	*
	Average Cost to Conduct a Training Exercise	$572	$581	$584	*	*	*
	Activity Expenditures as % of General Fund	0.17%	0.16%	0.15%	0.16%	0.17%	0.00%

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

Emergency Management



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Emergency Manager	1	1	0
Total	1	1	0

Emergency Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

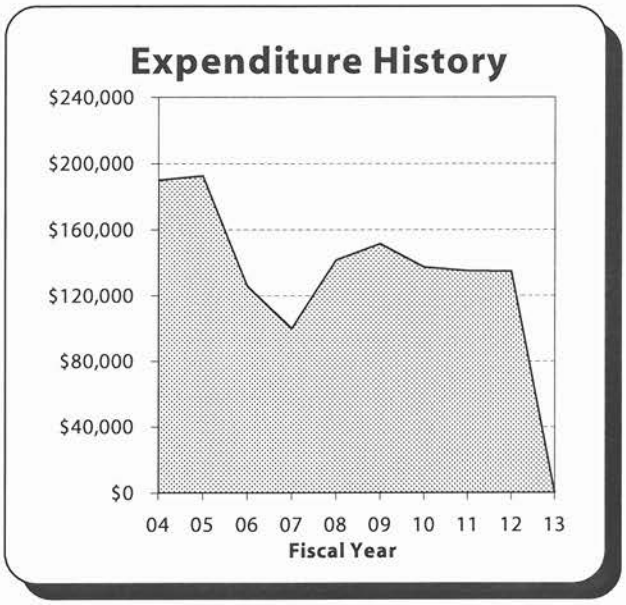
The total budget decreased by 100%.

Personnel Services – The total Personnel budget decreased $124,560 or 100% due to the proposed elimination of the non-sworn Emergency Manager position. A Police Captain who currently oversees the office will now handle the higher priority duties. In addition, the Macomb County Office of Emergency Management will provide additional assistance. As a result, the City will return to the same Emergency Management organizational structure it had for many years with a greater emphasis on sworn personnel in the field, reduced redundancies, and cost savings without compromising safety.

Supplies – Total Supplies decreased $920 or 100%. There are no Supplies proposed for this activity. All needed supplies and CERT costs will be funded in the Police Administration budget.

Other Charges – Total Other Charges decreased $9,360 or 100%. There are no Other Charges proposed for this activity. Funding for the maintenance and supplies for the Incident Command Vehicle, satellite telephones, and emergency sirens has been transferred to the Police Administration activity where these items will now be expensed.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$125,810	$124,560	$125,080	$0	$0
Supplies	82	920	300	0	0
Other Charges	9,100	9,360	18,650	0	0
Total	$134,992	$134,840	$144,030	$0	$0

Fire Department

FUNCTIONAL ORGANIZATION CHART

Fire Department

Fire Administration

Administration Division

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

Training Division

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

Fire Extinguishment Division

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

Fire Prevention Division

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

DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget decreased by $764,700 or 4.2%. Personnel costs fell by $719,360 or 4.0%. The elimination of ten Fire Fighter positions, four of which are either vacant or filled temporarily, will save $810,500, excluding long-term legacy costs. The staffing change will allow the department to operate three and four man medic engines, which have become a common deployment in other cities. The elimination of the minimum manning constraint will save $275,000 in overtime costs and will allow for more flexible staffing deployments, as well as reduced pension payouts. The budget assumes a third year of employee wage and benefit concessions. Contributions to the fire pension system rose by $615,200 to offset stock market declines.

The Supplies budget decreased by $8,960 or 6.3%, as less turnout gear is needed. Other Charges fell by $36,380 or 7.9% due to reduced external educational expenses, computer consultant savings from the new records management system, as well as lower energy costs. In addition, utility savings were realized by connecting two Fire Stations to the City's main telephone system, thereby reducing the need for separate phone lines. The capital budget includes funding to replace an unrepairable and obsolete Thermal Imaging Camera.

FUNDING LEVEL SUMMARY

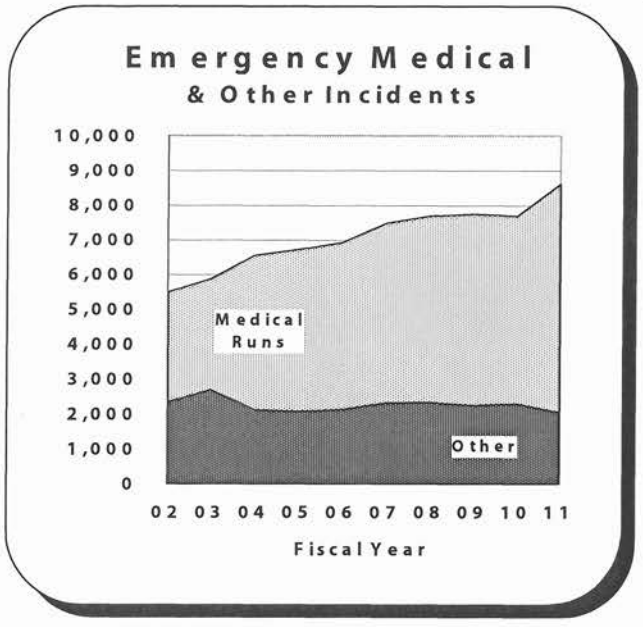
	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Fire Administration	$1,326,330	$1,431,620	$1,379,550	$1,411,260	2.3%
Fire Extinguishment	14,839,080	16,009,530	16,262,750	15,513,020	-4.6%
Fire Prevention	993,180	918,880	760,070	713,390	-6.1%
Total Department	$17,158,590	$18,360,030	$18,402,370	$17,637,670	-4.2%
Personnel Services	$16,514,750	$17,755,700	$17,801,360	$17,082,000	-4.0%
Supplies	146,930	147,810	142,860	133,900	-6.3%
Other Charges	496,910	456,520	458,150	421,770	-7.9%
Total Department	$17,158,590	$18,360,030	$18,402,370	$17,637,670	-4.2%

PERSONNEL SUMMARY

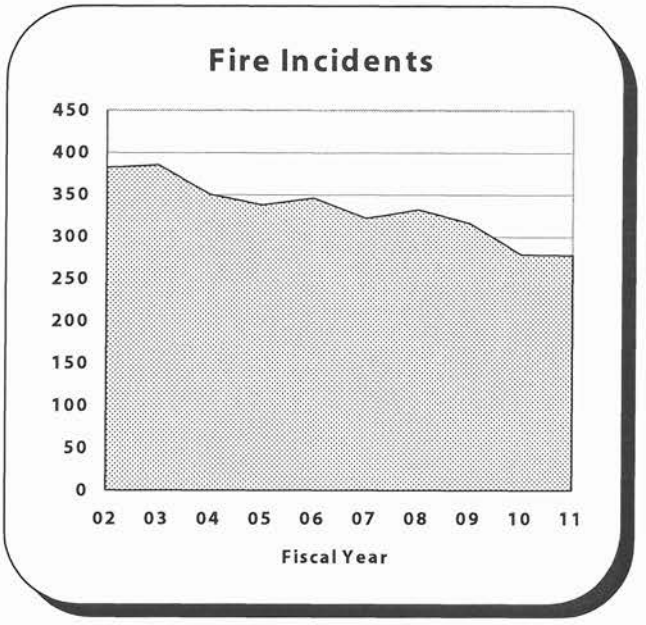
	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	8	1	8	1	9	0	9	0
Fire Extinguishment	90	0	90	0	90	0	80	0
Fire Prevention	6	0	4	0	2	0	2	0
Total Department	104	1	102	1	101	0	91	0

KEY DEPARTMENTAL TRENDS

Fire Department

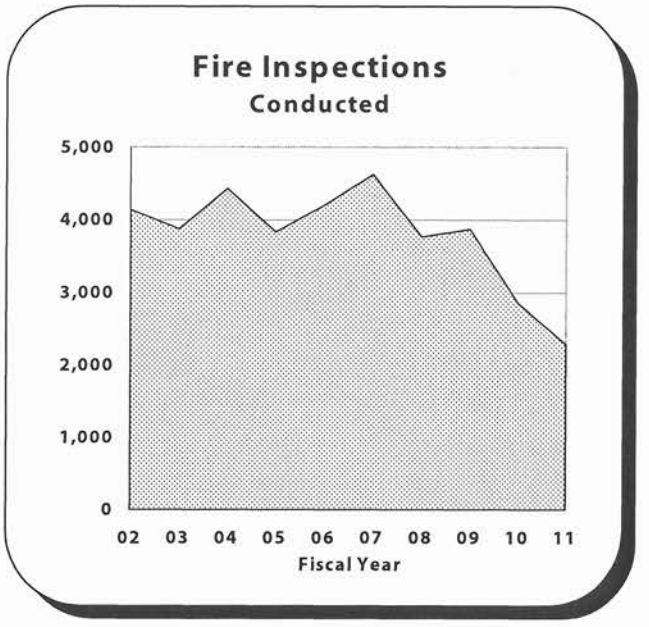


There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 76% of cities nationally had a higher number of EMS responses per resident based on a 2010 ICMA survey. Two-thirds of cities had a slower average EMS response time.



Over the past 10 years, the number of fires has declined by 27%, reaching a low of 278 in 2011. The value of non-residential fire losses totaled less than $312,000, which is 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. 63% of cities nationally had higher fire incidents per resident based on a 2010 ICMA survey. Only 10% 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.

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 declined the past two years 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.

Fire Administration

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

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

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

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

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

KEY GOALS

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

Did you know...
...the Fire Department was conferred a grant by FEMA through the 2011 Assistance to Firefighters Grant (AFG) program and awarded monies to purchase brand new mobile data computers for 14 fire vehicles?

Fire Administration

2012/13 PERFORMANCE OBJECTIVES *(Administration)*

1. To provide a successful transition from the 4D Record Management system to the New World system. *(City Goal 3, 17, 18)*

2. To continue to refine inventory control of all necessary supplies in an effort to reduce costs. *(City Goal 3, 5, 17, 18)*

3. To review all departmental operational plans to ensure the most efficient and effective service delivery, including a reduction in personnel assigned to fire apparatus. *(City Goal 3, 5, 18)*

4. 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)*

5. To pursue the implementation of an ALS reimbursement fee from a private transport company to recover cost of services provided by Fire Department personnel. *(City Goal 2, 3, 20)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Incident Reports Reviewed for Quality	10,480	10,383	11,062	11,250	11,000	11,450
	Employee Evaluations Conducted/Tracked	107	105	101	97	101	91
	APPO's and Standard Operating Guidelines Reviewed	140	120	110	120	110	110
	Freedom of Information Act Requests	37	65	76	80	60	70
	Staff/Battalion Meetings Conducted	6	14	10	12	12	12
	Presentations to Civic Groups/Organizations	12	10	14	12	10	12
	Employee/Civilian Citations Processed	6	4	8	12	9	6
	Safety Recommendations Implemented	7	6	4	12	8	6
	Hours of Computer Consultant Services Used	360	330	320	130	200	0
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	$130	$134	$143	$142	$144	$136
	Division Expenditures as % of General Fund	1.59%	1.54%	1.64%	1.61%	1.61%	1.70%

Fire Administration

2012/13 PERFORMANCE OBJECTIVES *(Training)*

1. To establish the 16 Firefighter Life Safety Initiatives – Everyone Goes Home program, supported by the Department of Homeland Security, to develop and offer a variety of safety education programs for firefighters to reduce the number of injuries and deaths in the line of duty. *(City Goal 1, 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 2, 3, 4, 5, 6, 17, 18)*

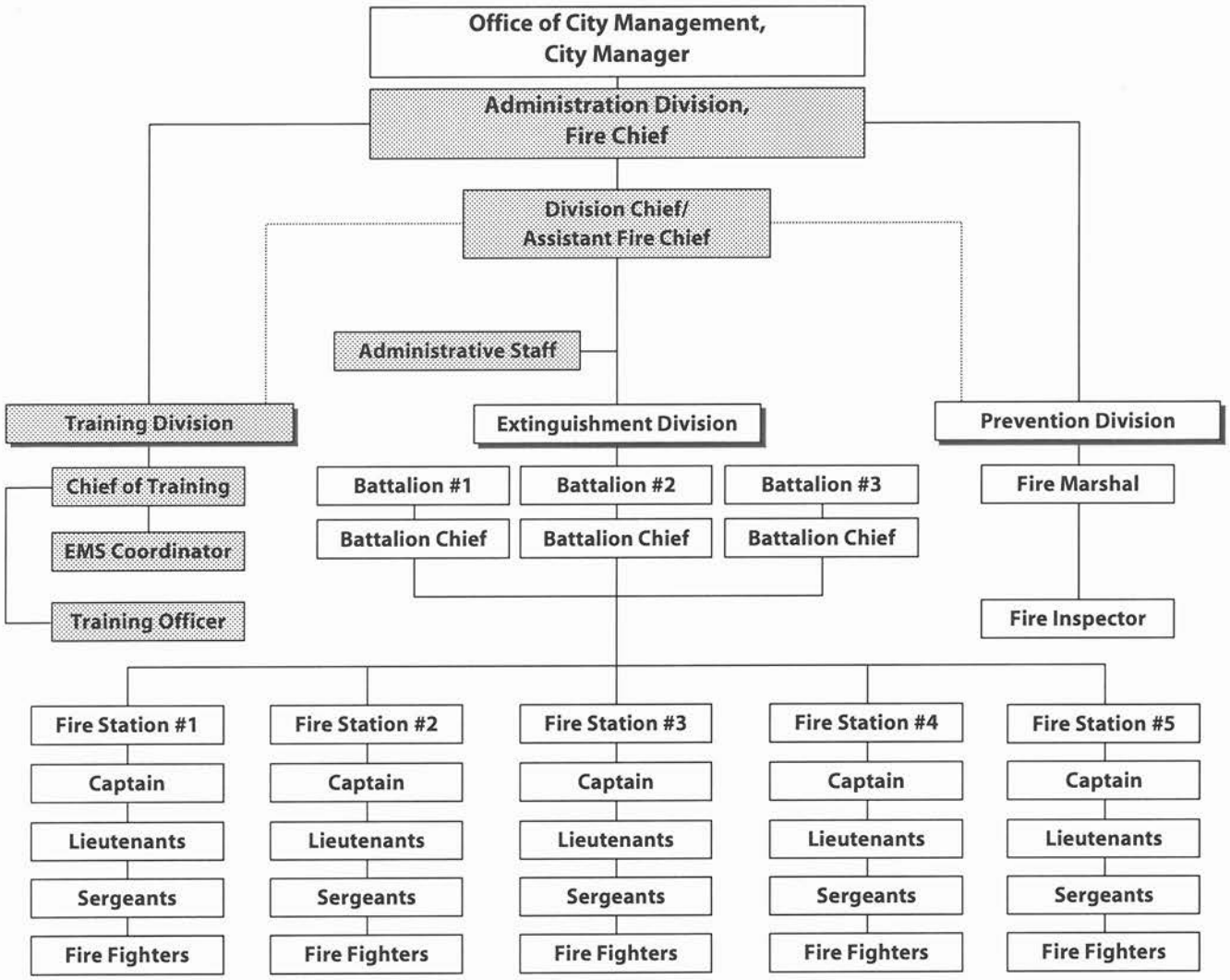
3. To establish a comprehensive emergency response pipeline awareness safety and incident management training program for all operation personnel. *(City Goal 7, 25)*

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	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Formal Training Hours Coordinated	31,121	30,955	29,986	31,000	28,240	25,430
	Hours of Fire Officer Training	412	765	472	500	830	410
	Hours of EMS Training	3,957	4,146	4,086	4,250	4,070	3,490
	Hours of Fire Suppression Training	9,988	9,244	8,872	9,150	8,760	7,500
	Hours of Hazardous Material Training	1,637	1,520	1,240	1,800	1,190	1,480
	Hours of Professional Development Training	1,921	1,977	1,146	2,000	400	1,640
	Hours of Physical Fitness Training	10,137	10,223	9,500	9,800	9,650	8,040
	Hours of All Other Training	3,069	3,080	4,670	3,500	3,340	2,870
	Residents Receiving Formal Public Education	5,146	8,206	3,500	2,000	5,300	5,300
	Residents Receiving CPR Instruction	728	656	587	700	770	570
	Paramedic/EMT License Applications Processed	27	38	26	40	38	33
	Procedures Developed and Updated	45	37	32	50	36	41
Efficiency & Effectiveness	Days of Work Lost Due to Injury	100	78	127	75	10	61
	Sworn Pers. to Workers Comp/Disability Indemnity	50.5:1	50.5:1	99:1	97:0	97:0	87:0
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	308	306	303	320	291	292
	Training Division Cost per Fire Fighter	$3,417	$3,458	$3,509	*	*	*

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

Fire Administration



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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	1	1
Clerk (P.T.)	1	0	0
Total	9	9	9

Fire Administration

SUMMARY OF BUDGET CHANGES

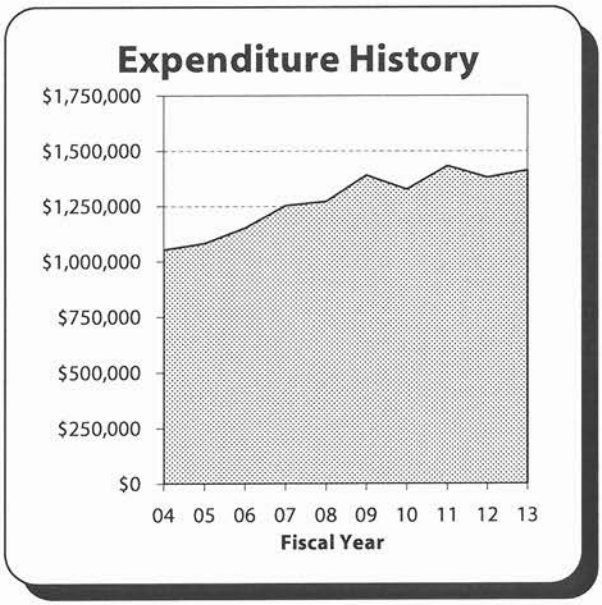
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 2.3%.

Personnel Services – The total Personnel budget increased by $52,370 or 4.1%. $47,350 is for increased funding to the pension systems due to prior year stock market losses, as well as a $7,870 increase to fund retiree health care liabilities. Employee health insurance costs rose $3,940, while dental insurance rates increased by $1,650. Due to a retirement, three newly promoted positions are budgeted to receive wage step increases, as they are not yet at the top of the wage scale. Other wage and benefit savings partially offset these rising costs as the budget assumes additional employee wage and benefit savings from a new labor contract.

Supplies – Total Supplies decreased $960 or 4.2%. Operating supply costs decreased $510, as printer toner is now included in a per-page print fee and funded as a printer rental cost as part of a citywide cost-saving measure. Postage decreased $400 as the budget can be reduced and brought more in line with recent actual expenditure levels.

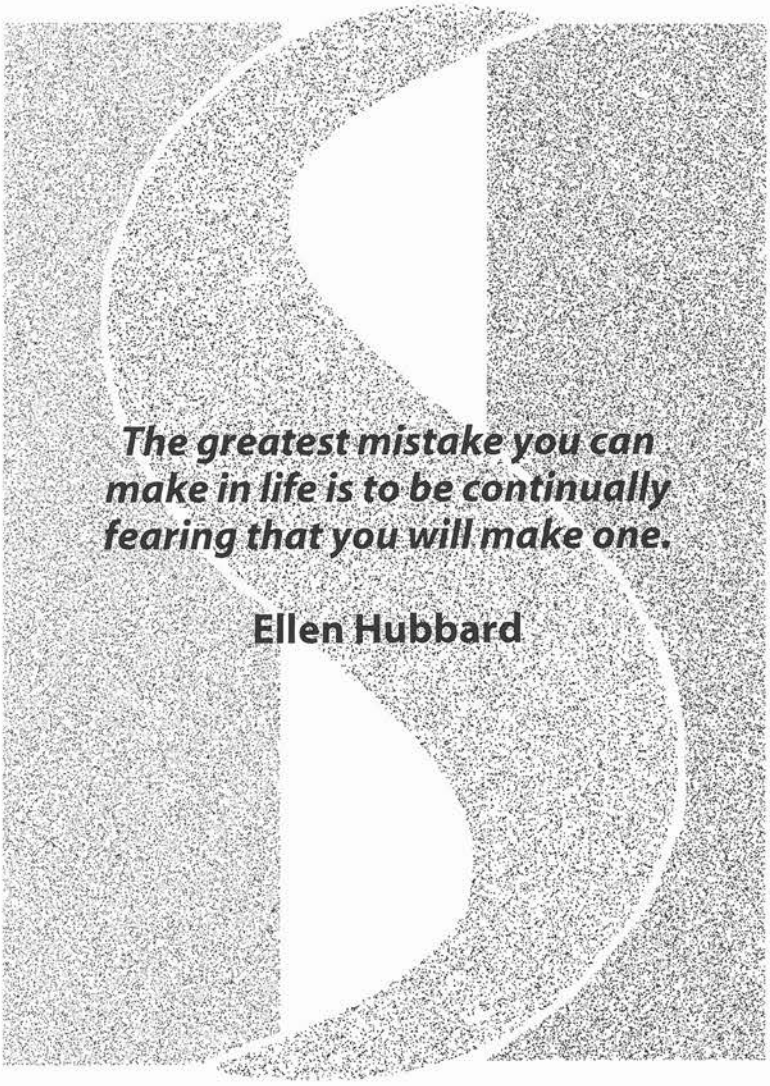
Other Charges – Total Other Charges decreased $19,700 or 30.9%. Computer consultant services are no longer needed with the New World computer system, saving $15,000. $3,000 was saved due to fewer educational courses. Medical service costs decreased $1,000 based on recent actual expenditure levels. Fewer printed forms will be needed, saving $300.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,315,985	$1,292,990	$1,300,990	$1,345,360	$1,345,360
Supplies	33,554	22,860	24,460	21,900	21,900
Other Charges	82,085	63,700	66,800	44,000	44,000
Total	$1,431,624	$1,379,550	$1,392,250	$1,411,260	$1,411,260


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

Fire Extinguishment

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

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

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

The Division's three battalions respond to a wide variety of incidents including 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 City signed an agreement with other local area fire departments to participate in and provide hazardous materials response and technical rescue services on a regional basis to avoid duplication of services?

Fire Extinguishment

2012/13 PERFORMANCE OBJECTIVES

1. To ensure personnel are provided the resources for the National Fire Incident Reporting System (NFIRS) standard to develop and report fire and other incident data in a uniformed manner to the United States Fire Administration (USFA). *(City Goal 5, 7, 25)*

2. To successfully implement a countywide personal identification system compatible with area fire departments. *(City Goal 5, 25)*

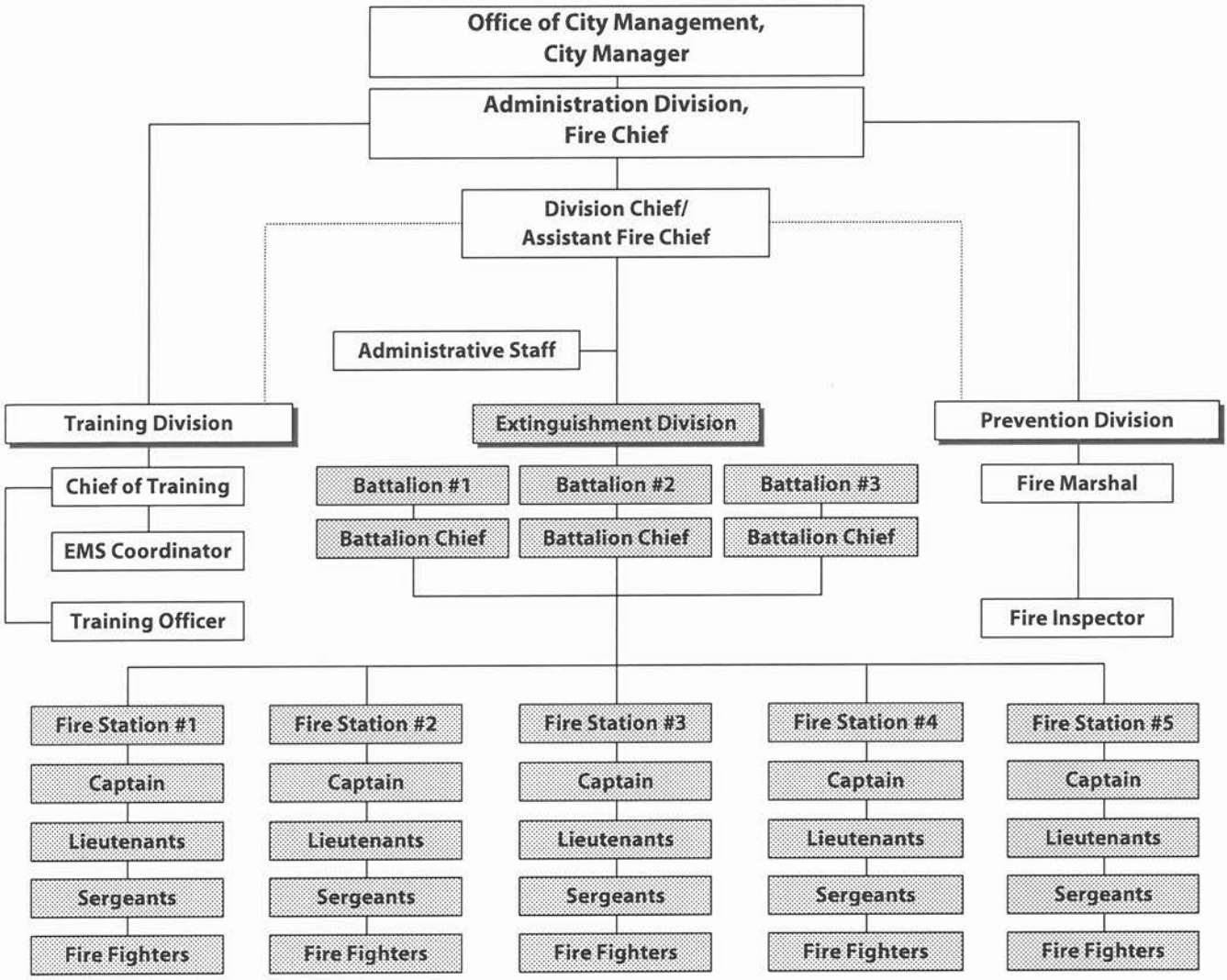
3. To continually review departmental operational response plans to ensure the most efficient and effective deployment of personnel and equipment. *(City Goal 3, 5, 25)*

4. 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)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Fire Department Incidents	10,480	10,383	11,062	11,000	11,000	11,430
	EMS-Related Incidents	7,745	7,693	8,617	8,200	8,200	8,500
	Hazardous Material Incidents	162	109	111	125	120	130
	Fire Incidents	316	279	278	325	300	300
	All Other Incidents	2,257	2,302	2,056	2,350	2,380	2,500
	ALS Patients	3,399	3,202	3,998	3,300	3,600	3,800
	BLS (Priority 3) Patients	4,102	4,444	4,586	4,500	4,400	4,600
	All Other EMS Patients	157	122	129	150	125	150
	Students Receiving Fire Safety Education	14,219	5,644	4,782	2,000	3,200	3,000
	Hours Spent on Vehicle/Station Maintenance	14,982	11,656	12,122	15,000	12,000	13,000
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.1/0.9	1.3/0.9	1.2/0.8	1.2/1.0	1.1/0.7	1.2/0.9
	Fire Fighter Injuries/Deaths	9/0	24/0	10/0	0/0	0/0	0/0
	Civilian Fire Related Injuries/Deaths	28/1	19/0	12/0	0/0	6/0	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	70%/69%	87%/77%	74%/78%	80%/78%	75%/74%	78%/76%
	Average EMS Response Time - Minutes	4.3	4.5	4.7	4.6	4.9	4.7
	Average Cost of an EMS Incident	$197	$204	$188	*	*	*
	Average Cost of a Fire Extinguishment Incident	$2,407	$2,439	$2,447	*	*	*
	Division Expenditures as % of General Fund	16.23%	17.19%	18.30%	18.94%	19.06%	18.65%

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

Fire Extinguishment



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Battalion Chief	3	3	3
Captain - ALS	3	3	5
Captain	2	2	0
Lieutenant - ALS	12	12	13
Lieutenant	4	4	3
Sergeant - ALS	1	1	0
Sergeant - FEO	8	8	9
Fire Fighter - ALS	42	42	35
Fire Fighter - FEO	13	13	12
Fire Fighter	2	2	0
Total	90	90	80

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

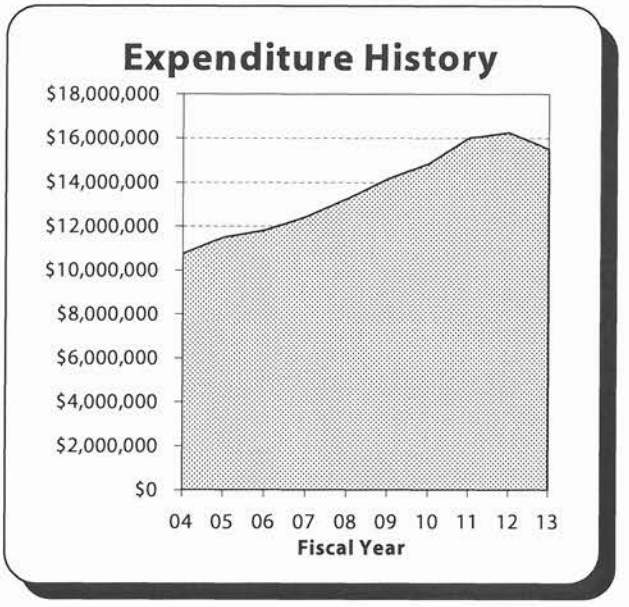
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 4.6%.

Personnel Services – The total Personnel budget decreased by $725,050 or 4.6%. The budget does not include funding for ten Fire Fighter positions, four of which are either vacant or filled with a temporary hire. The reduction in staffing will allow the department to operate three and four-man medic engines, saving $810,500. Due to the expiration of the labor contract, the City will save $275,000 in overtime costs due to the elimination of the inflexible minimal manning constraint. The budget also assumes wage and benefit savings resulting from a new labor contract. Partially offsetting these savings is increased funding for the Police & Fire Pension System, which rose $539,740. In addition, 25% of the positions are budgeted to receive wage step increases.

Supplies – Total Supplies decreased $8,000 or 6.7%, as fewer small hand tools, cleaning supplies, and fire turn-out gear will need to be purchased.

Other Charges – Total Other Charges decreased $16,680 or 4.2%. The City will save $14,150 in telephone costs as a result of connecting Fire Stations #1 and #5 to the City's main telephone system. Electric costs decreased $4,000 and heating costs fell $1,000, as both can be reduced and brought more in line with recent expenditure trends. Equipment maintenance costs decreased $1,660 due to a reduced need for various repair parts. $1,180 was added for the annual maintenance of a new modem data package that is required by the County to transmit cardiac patient data to the hospital.



Capital – Total Capital of $13,000 is proposed for a Thermal Image Camera to replace an obsolete and unrepairable camera that has been pulled out of service.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$15,520,835	$15,748,300	$16,008,800	$15,023,250	$15,023,250
Supplies	114,254	120,000	115,000	112,000	112,000
Other Charges	374,440	394,450	375,300	377,770	377,770
Total	$16,009,529	$16,262,750	$16,499,100	$15,513,020	$15,513,020

Fire Prevention

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

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

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

Plan Reviews:
1. Site
2. Buildings
3. Fire systems

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

D.S.S. Fire System Acceptance Test Inspections:
1. Adult Foster Care
2. Child Day Care
3. Child Foster Care

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

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

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

Fire Prevention personnel are actively involved in legislative improvements. The staff is active in the Macomb County Fire Prevention Association, attends required certification training, schedules and attends meetings with Building, Planning, Engineering, Public Works, Police, and the Macomb County Health Department. Meetings are also held as necessary with architects and contractors.

KEY GOALS

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

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

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

Did you know...
...that Fire Prevention Inspectors perform origin and cause fire investigations on all suspicious fires and work closely with the Police Department in prosecuting arsonists?

Fire Prevention

2012/13 PERFORMANCE OBJECTIVES

1. To create an interactive Fire Prevention website for businesses to report required fire suppression, fire alarm, smoke detector and draft-stopping documentation. *(City Goal 2, 3, 4, 5, 6, 17, 18)*

2. To examine all operating guidelines and procedures to ensure efficient service delivery, including in-company inspections and plan review operational efficiency changes. *(City Goal 1, 2, 3, 4)*

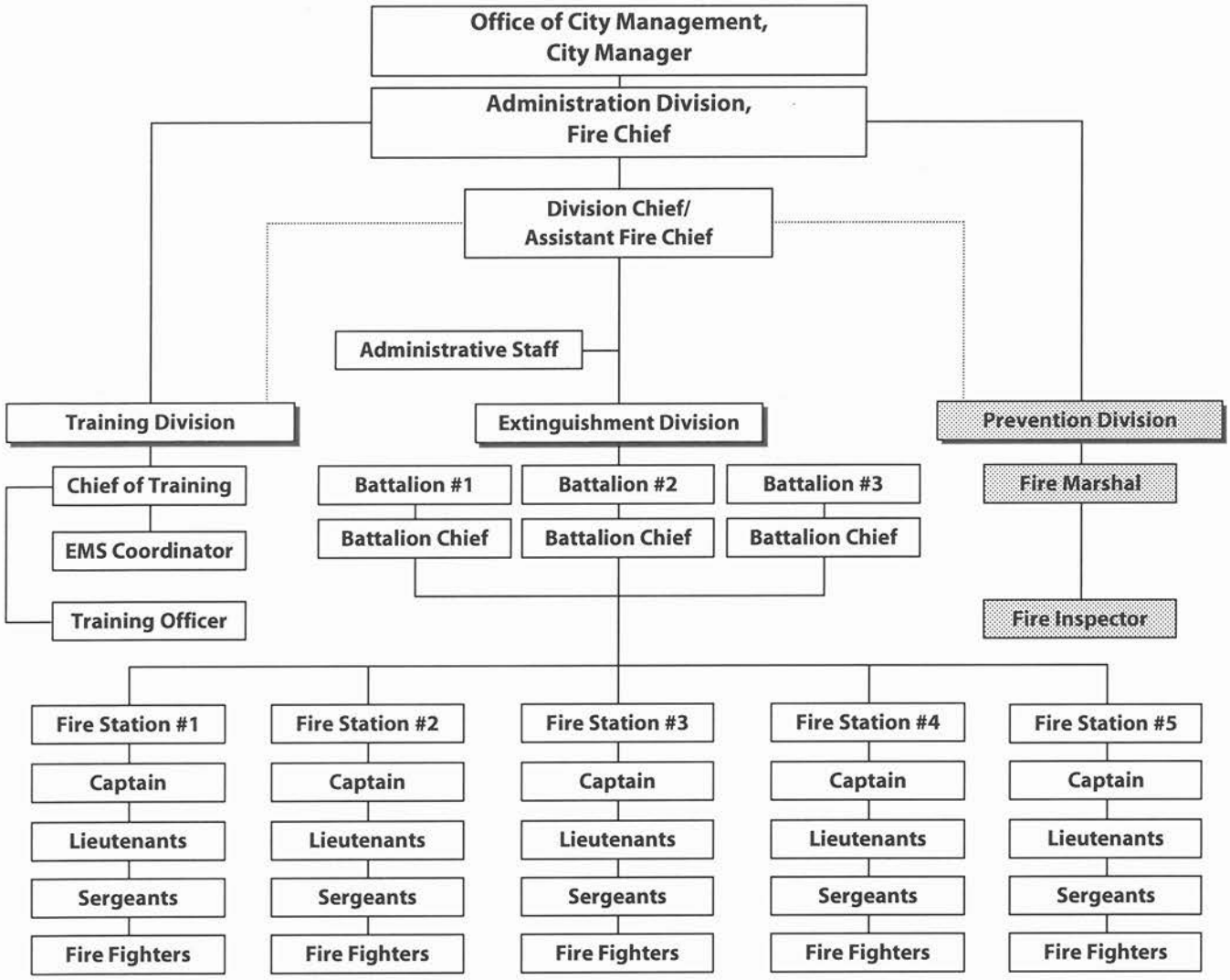
3. To reorganize all Fire Prevention records and utilize electronic data storage and the New World Record Management System where available. *(City Goal 3, 17, 18)*

4. To explore opportunities to deliver and install smoke detectors to needy residents without additional costs to the City. *(City Goal 13, 14, 19)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Inspections Conducted	3,874	2,859	2,288	1,235	1,000	1,060
	Annual Building Fire Inspections	1,052	610	389	0	60	0
	Special Code or Final Occupancy Inspections	554	520	423	525	260	350
	Liquor Lic., Amusement, & Hazardous Bldg. Insp.	369	339	200	350	280	350
	Witnessed Acceptance Tests Inspections	125	106	100	80	60	80
	Reinspections of Violations	1,693	1,195	1,070	200	270	200
	Citizen Assistance Inspections	81	89	106	80	70	80
	Violations Discovered and Issued	7,495	5,831	4,397	3,000	1,630	3,000
	Investigations (Fire and Other)	133	82	56	90	40	80
	Plan Reviews (sites, buildings, alarms)	298	367	334	350	290	300
Efficiency & Effectiveness	% Bus. Receiving Violations during Inspections	95%	95%	98%	99%	99%	99%
	Value of Non-Residential Fire Loss	$704,662	$191,351	$311,812	$350,000	$376,500	$350,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	90%	95%	90%	80%
	% of Inspectable Occupancies Experiencing Fires	0.60%	0.60%	0.60%	0.75%	0.75%	0.75%
	Inspections Conducted Per Inspector/Marshal	646	715	654	617	500	530
	% of Site Plans Reviewed within 20 Days	100%	100%	90%	50%	25%	25%
	Average Fire Inspection Cost	$361	$393	$451	*	*	*
	Average Plan Review Cost	$203	$180	$197	*	*	*
	Division Expenditures as % of General Fund	1.32%	1.15%	1.05%	0.89%	0.85%	0.86%

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

Fire Prevention



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Fire Marshal	1	1	1
Fire Inspector	3	1	1
Total	4	2	2

Fire Prevention

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

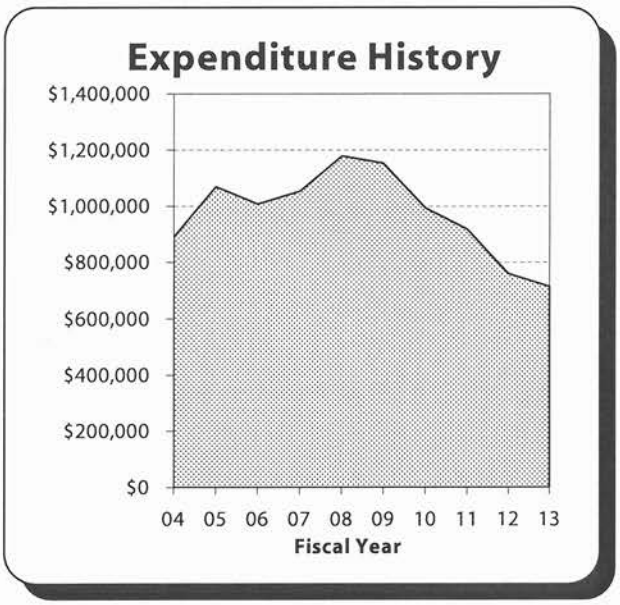
The total budget decreased by 6.1%.

Personnel Services – The total Personnel budget decreased $46,680 or 6.1%. The prior year budget included one-quarter year of funding for a position who retired earlier this year. As the two current positions are not eligible for retirement, budgeted funding for unused leave bank time has been eliminated. The budget assumes continuation of prior year wage and benefit concessions as well as further savings to be achieved with a new labor contract. Partially offsetting these savings is a $40,250 increase in the City's actuarially required contribution to the Police & Fire Pension System. The increase is needed to partially offset prior year stock market declines. An additional $7,550 is budgeted to fund retiree health care liabilities.

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.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$918,876	$760,070	$737,790	$713,390	$713,390
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	$918,876	$760,070	$737,790	$713,390	$713,390

City Development Department

FUNCTIONAL ORGANIZATION CHART

City Development

Office of Building

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

Office of Neighborhood Services

- Administers the Sterling Heights Initiative for Neighborhood Excellence (SHINE) program
- Monitors the Volunteer Corps
- Coordinates neighborhood clean-up weeks
- Performs property maintenance inspections
- Monitors specific neighborhoods with refugee populations
- Provides technical support to homeowner groups regarding property maintenance
- Maintains a property maintenance educational brochure

Office of Planning

- Prepares the Master Land Use Plan
- Amends ordinances to effect goals of the Master Plan
- Conducts zoning studies to fully implement the Master Plan
- Interprets and enforces zoning ordinances
- Reviews site plans for zoning
- Reviews liquor license establishments
- Administers the Community Development Block Grant (CDBG) and Neighborhood Stabilization (NSP) programs
- Serves as liaison to Planning Commission, Zoning Board of Appeals, and Citizen Advisory Committee
- Coordinates City-wide street lighting

DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department budget decreased by $430,760 or 18.1%. Personnel costs fell by $482,600 or 21.7%. Five fewer full-time positions are budgeted. The contracting of certain Planning office functions, due to the retirement of two employees, will save over $100,000. The department will shift some duties of the Neighborhood Property Maintenance Officer to replace a full-time Code position that is unable to return to work from a long-term disability. The budget continues to fund two part-time Foreclosure Code Officers. These positions were previously paid by an expiring grant and will now be funded in Building by a proposed bank foreclosure registration fee. A Building Inspector position is proposed for layoff due to continued lower residential building construction levels, saving $97,000. The layoff of the Neighborhood Services Manager position will save $120,000, as the Building Official and Community Relations Director will oversee and coordinate the continued operation of the SHINE program. Savings were also achieved due to a third year of employee wage and benefit concessions. Supplies decreased by $3,520 or 22.8% as the budget can be brought in line to reflect past savings achieved by the department. Other Charges increased by $55,360 or 40.6%, due to the new contracted planning function, offset by reduced foreclosure relief and nuisance abatement costs, a more cost effective cellular phone plan, and lower software maintenance fees from converting to the BS&A web-based permits system.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Building	$1,711,640	$1,632,160	$1,477,330	$1,329,980	-10.0%
Foreclosure Relief	87,160	87,470	67,870	0	-100.0%
Neighborhood Services	0	63,270	399,560	285,400	-28.6%
Planning	354,500	367,020	430,140	328,760	-23.6%
Total Department	$2,153,300	$2,149,920	$2,374,900	$1,944,140	-18.1%
Personnel Services	$2,057,800	$2,039,700	$2,222,950	$1,740,350	-21.7%
Supplies	12,290	17,160	15,430	11,910	-22.8%
Other Charges	83,210	93,060	136,520	191,880	40.6%
Total Department	$2,153,300	$2,149,920	$2,374,900	$1,944,140	-18.1%

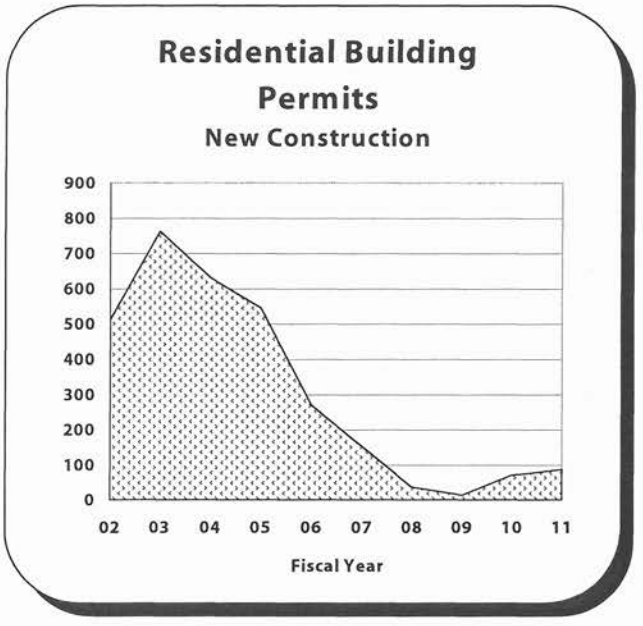
PERSONNEL SUMMARY

	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building	16	0	14	1	12	1	10	3
Foreclosure Relief	0	2	0	2	0	2	0	0
Neighborhood Services	0	0	0	0	4	0	3	0
Planning	3	0	3	0	4	1	2	1
Total Department	19	2	17	3	20	4	15	4

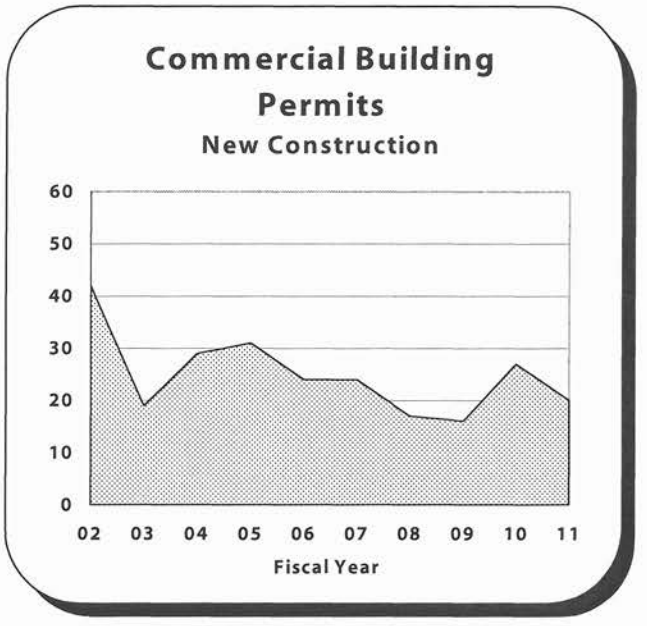
Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

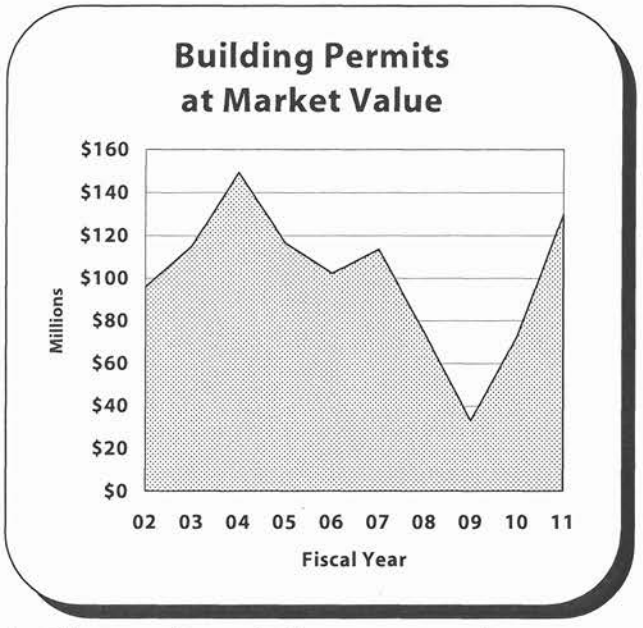
City Development Department



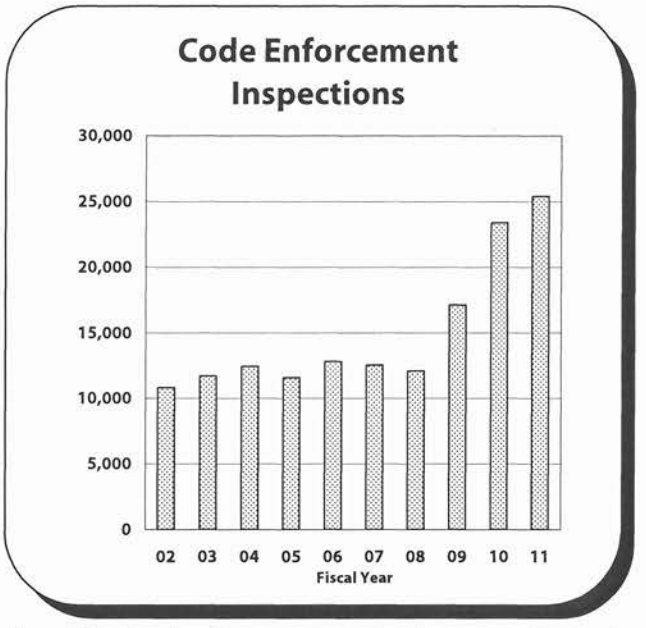
From 2002 to 2003, the number of residential building permits increased, reaching a high of 763 due in part to the increasing number of condominium units and cluster developments. Since 2003, however, the number has declined to a ten year low in 2009 as only 14 permits were issued. The number of permits issued has increased slightly since 2009.



The highest number of new commercial building permits occurred in 2002, when 42 permits were issued. Since 2002, the number of commercial building permits has fallen, reaching a low of 16 permits issued in 2009.



The dollars invested in new building construction and improvements fell from a high of $149 million in 2004 to a low of $33 million in 2009. The number of residential permits dramatically declined. After reaching a high of 763 new construction residential permits in 2003, only 87 such permits were issued in 2011 – a decrease of 86%. The market value of commercial permits rose in 2011 due to several larger individual projects including BAE and Chrysler.



The number of code enforcement inspections has increased by 135% since 2002. 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 2011 there were 25,373 code enforcement inspections made – 3,172 inspections per officer or 12 inspections per officer per day. 95% of inspections were performed within 48 hours of complaint. 5,467 violations were issued in 2011.

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…
…that Code Enforcement removed over 2,000 illegal signs in 2011?

Building

2012/13 PERFORMANCE OBJECTIVES *(Building)*

1. To present a training seminar to educate contractors on the new energy code compliance requirements and how they affect residential and commercial construction. *(City Goal 14)*

2. To formulate a joint communication procedure with the City Clerk's office to verify that businesses obtain a certificate of occupancy prior to the issuance of a business license. *(City Goal 3, 14, 15)*

3. To work with Economic Development to assist businesses in developing and occupying vacant tenant spaces. *(City Goal 8, 10, 12)*

4. To work with Information Technology to implement a new computer permitting system which will provide a more accurate and cost efficient means of tracking permits and complaints. *(City Goal 1, 3, 6)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Permits Issued	3,609	4,853	5,084	4,470	4,280	4,350
	Building Permits Issued	1,404	2,259	2,303	1,700	1,400	1,500
	Mechanical Permits Issued	840	1,104	1,352	1,200	1,500	1,400
	Plumbing Permits Issued	685	657	611	700	640	675
	Electrical Permits Issued	680	833	818	870	740	775
	Total Inspections Performed	14,904	13,316	12,732	13,800	12,690	12,950
	Building Inspections	6,047	6,053	5,941	6,300	5,980	6,000
	Mechanical Inspections	2,602	2,638	2,734	2,800	2,810	2,850
	Plumbing Inspections	2,785	2,275	2,083	2,300	2,020	2,100
	Electrical Inspections	3,470	2,350	1,974	2,400	1,880	2,000
	Ordinance Complaint Tickets Issued	0	1	2	3	1	1
	Board of Code Appeals Applications	2	2	2	3	4	5
	Board of Ordinance Appeals Hearings	22	27	26	24	26	26
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	2	2	2	2	2	2
	% 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	2,293	2,959	2,829	3,070	2,820	3,240
	Market Value of Building Permits (Millions)	$33.0	$72.4	$130.4	$75.0	$84.0	$90.0
	Permits Issued via City's Website	36	49	95	75	100	75
	Activity Expenditures as % of General Fund	2.29%	1.98%	1.87%	1.72%	1.61%	1.60%

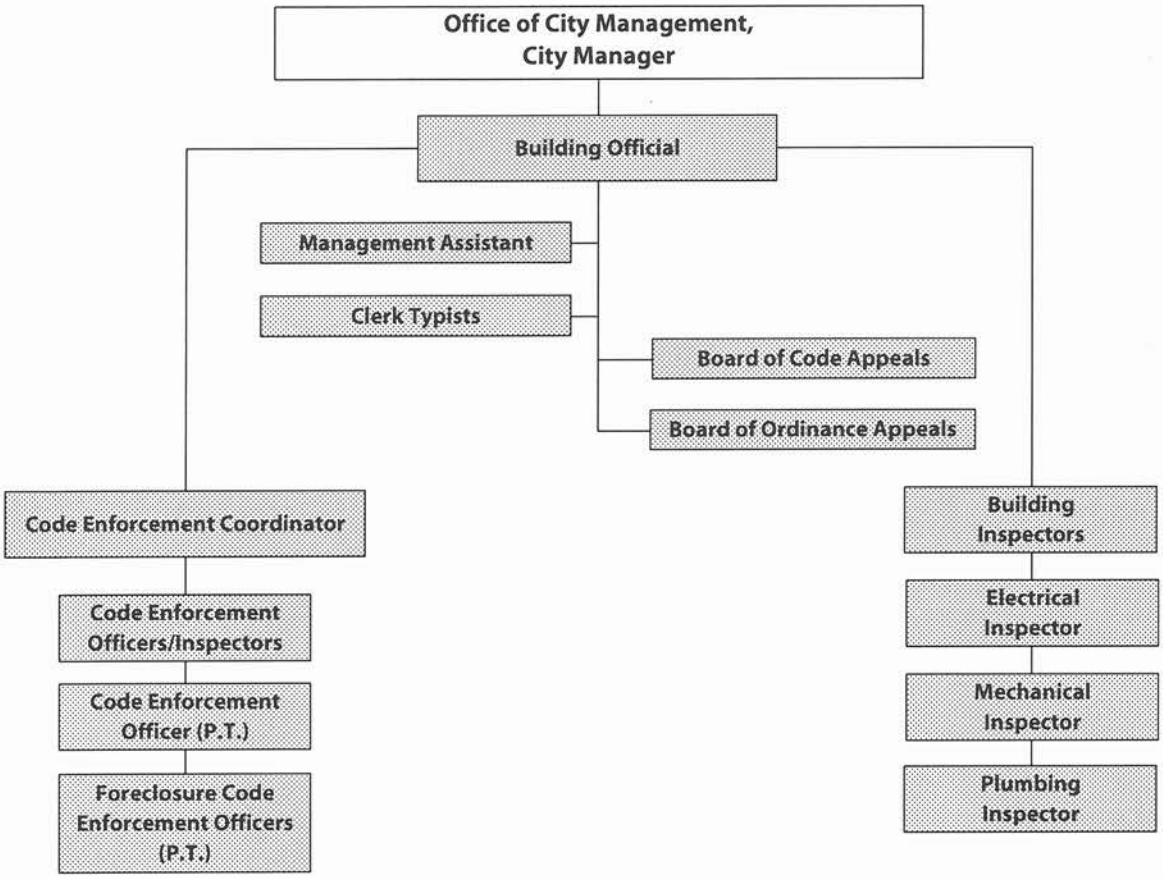
2012/13 PERFORMANCE OBJECTIVES *(Code Enforcement)*

1. To continue educating inspection staff to easily identify signage violations and take action for compliance with the Sign Ordinance. *(City Goal 3, 12, 13)*
2. To continue enforcement of the Property Maintenance Code on all residential and commercial properties with a reduction of field inspectors. (City Goal 4, 12, 13, 14)
3. To create a reference guide that will clarify political signage placement requirements and comply with the City's Sign Ordinance. *(City Goal 12, 14, 15)*
4. To develop a vacant property foreclosure registration ordinance to better identify and improve the outside appearance of foreclosed properties. *(City Goal 12, 14, 15)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Inspections Performed	17,096	23,366	25,373	22,500	24,510	20,000
	Total Code Enforcement Cases	4,329	4,762	5,467	4,840	4,910	4,560
	Public Nuisance Cases	88	135	203	360	220	200
	Illegal Sign Cases	473	405	290	400	130	130
	Trash & Debris Cases	404	320	280	300	300	300
	Junk Vehicle Cases	260	210	132	200	120	130
	Property Maintenance Cases	1,974	2,464	2,669	3,090	2,420	2,300
	Miscellaneous Cases	1,130	1,228	1,893	490	1,720	1,500
	Ordinance Board Cases Prepared - Nuisances	195	415	427	400	400	300
	Civil Infraction & Misdemeanor Tickets Issued	93	286	362	300	350	300
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	95%	95%	95%	95%	95%	95%
	Avg. Working Days Between Violation & Correction	10	10	10	10	10	10
	% of Violations Corrected Prior to City Action	95%	90%	90%	90%	90%	90%
	Inspections Performed Per Code Inspector	2,849	2,921	3,172	2,813	3,064	2,667
	Code Enforcement Cases Per Code Inspector	722	595	781	690	701	702
	Code Enforcement Cases Per 1,000 Residents	33.7	37.1	42.5	37.3	37.9	32.0
	Average Cost to Perform a Code Inspection	$19.07	$18.20	$17.61	*	*	*

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

Building



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
City Development Director/Asst. City Manager	1	0	0
Building Official	0	1	1
Building Services Manager	1	0	0
Code Enforcement Coordinator	1	1	1
Building Inspector/Code Enforcement Officer	3	3	2
Electrical Inspector/Code Enforcement Officer	1	1	1
Mechanical Inspector/Code Enforcement Officer	1	1	1
Plumbing Inspector/Code Enforcement Officer	1	1	1
Code Enforcement Officer	1	1	0
Management Assistant	1	1	1
Clerk Typist	3	2	2
Foreclosure Code Enforcement Officer - Grant (P.T.)	2	2	2
Code Enforcement Officer (P.T.)	1	1	1
Total	17	15	13

Building

SUMMARY OF BUDGET CHANGES

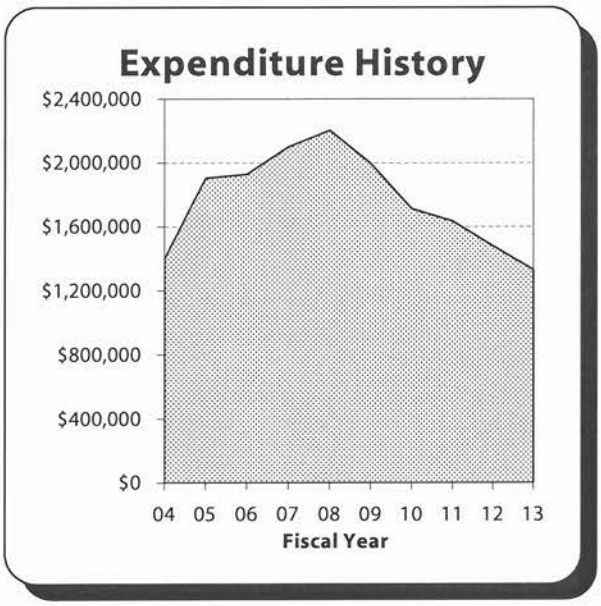
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 10.0%.

Personnel Services – The total Personnel budget decreased by $113,540 or 8.4%. A Building Inspector position is proposed to be laid off due to a decrease in overall building activity. A full-time Code position, currently on long-term disability and unable to return to work, is also not funded. A Neighborhood Property Maintenance Officer has been assisting this division in performing additional code inspections. Two part-time Foreclosure Code Officers previously funded by a grant will remain and be funded with CDBG funds and a proposed bank home foreclosure registration fee. Despite these savings, long-term retirement costs rose $37,580.

Supplies – Total Supplies decreased $1,350 or 11.7%. Postage costs decreased $800, as the budget can be reduced and brought more in line with recent expenditure levels. The office saved $450 in supply costs primarily due to printer toner savings.

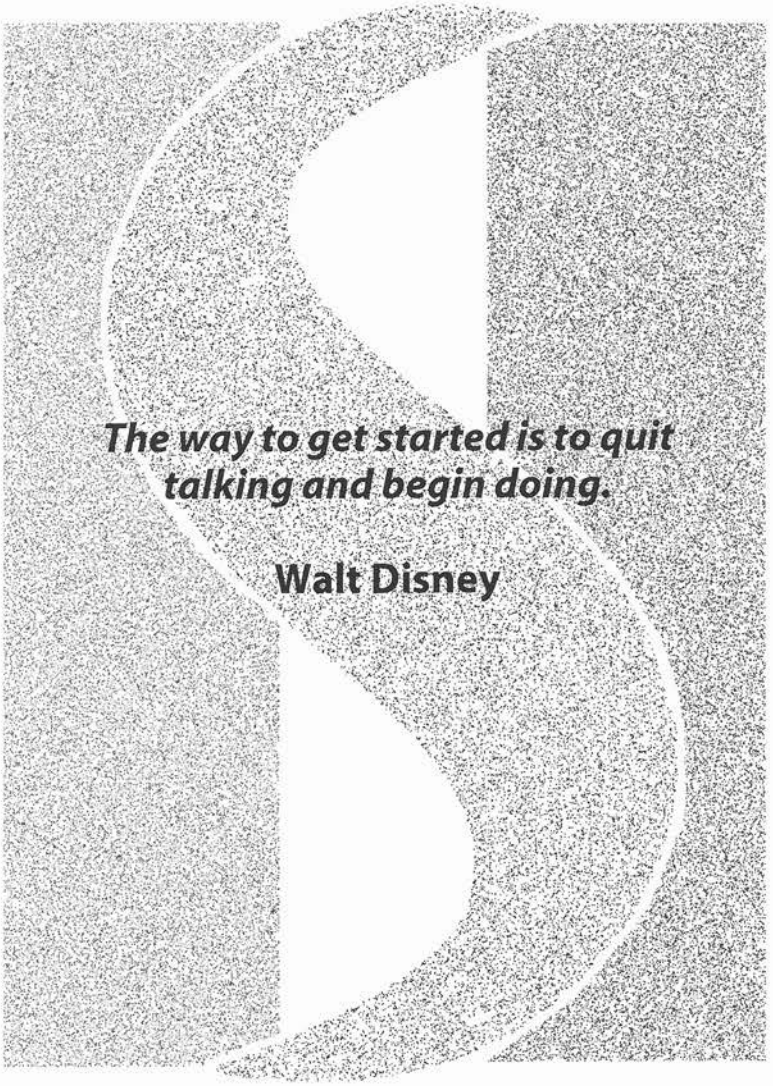
Other Charges – Total Other Charges decreased $32,460 or 26.7%. Based on recent expenditure trends, $30,000 less is budgeted for nuisance abatement contract costs, which are a cost to the City until the property owner pays the invoice or the lien resulting from an unpaid invoice is satisfied. Telephone costs decreased $2,220 based on a revised allocation of City telephone expenditures and savings from implementing a pay-as-you-go call plan that is more cost-effective for Nextel users. $1,380 will be saved by converting from the current Land Management software system to the BS&A system for permits, complaints, and code enforcement cases. The conversion costs, which include maintenance and support, will be paid over three years. Membership costs increased $1,290 for Inspector recertification, which is required every three years.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,528,416	$1,344,140	$1,295,310	$1,230,600	$1,230,600
Supplies	14,471	11,550	10,750	10,200	10,200
Other Charges	89,268	121,640	85,190	89,180	89,180
Total	$1,632,155	$1,477,330	$1,391,250	$1,329,980	$1,329,980


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

Foreclosure Relief

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. The grant will continue to fund inspectors through the end of the 2011/12 fiscal year. In this time period, foreclosed properties were being identified using lists from tax and mortgage foreclosures, local records, available HUD homes and neighborhood research. These foreclosed properties have been inspected for violations of the City's property maintenance code. Because the grant has been spent, funding for this program can continue with a bank foreclosure registration fee. Funding for the inspectors will now be in the Building office budget.

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 and registration fee 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 Inspectors conducted over 11,000 inspections on foreclosed properties in 2011?

Foreclosure Relief

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

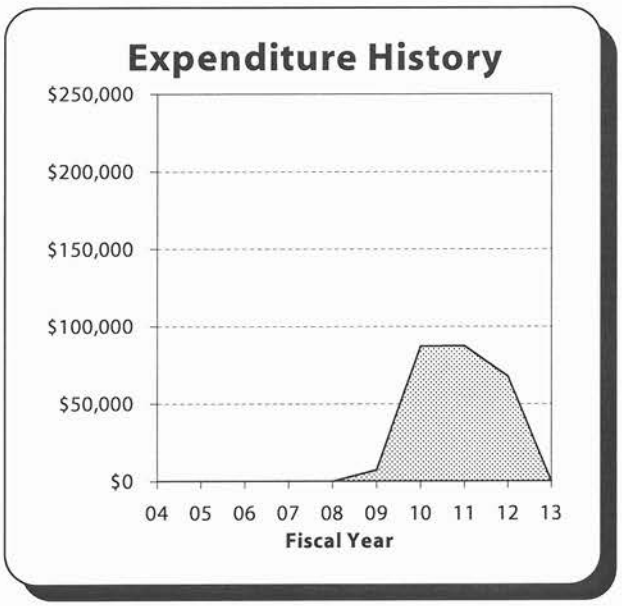
The total budget decreased by 100%.

Personnel – The total Personnel budget decreased by $57,040 or 100% as the City has fully spent the $250,000 foreclosure relief grant. The two part-time Code Enforcement Officers will now be funded in the Office of Building utilizing CDBG funds as well as funding from a new Home Foreclosure Registration Fee paid by the banks.

Supplies – Total Supplies decreased $1,550 or 100%, as the remaining grant funding for the program was fully spent in the prior fiscal year.

Other Charges – Total Other Charges decreased $9,280 or 100%, as the remaining grant funding for the program was fully spent in the prior fiscal year.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$84,380	$57,040	$57,040	$0	$0
Supplies	1,468	1,550	1,550	0	0
Other Charges	1,627	9,280	9,280	0	0
Total	$87,475	$67,870	$67,870	$0	$0

Neighborhood Services

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) program. 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 Building Official supervises the operations of the Division. Both the Building Official and the Community Relations Director serve as the administrative liaisons 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.

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.■

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.***

Did you know...
...that in the first six months of its existence, the SHINE (Sterling Heights Initiative for Neighborhood Excellence) program and its volunteers made improvements to homes in 48 City neighborhoods?

Neighborhood Services

2012/13 PERFORMANCE OBJECTIVES

1. To inspect the exterior of all homes on the City's non-homestead list to ensure compliance with City codes. *(City Goal 12, 13)*

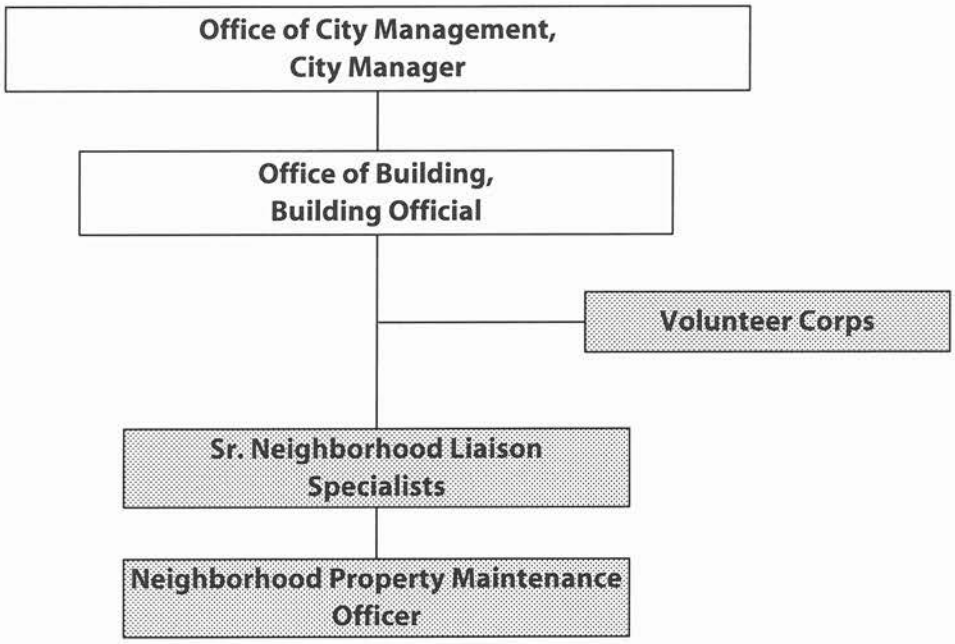
2. To continue to seek grant funding to hire part-time multilingual Neighborhood Liaisons (NL's) who will focus on targeted areas where there has been a significant influx of refugees, ensuring communication and lack of knowledge is not a barrier to Code compliance. *(City Goal 13, 14, 16)*

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 coordinate with Public Works to continue monitoring the landscaping maintenance on cul de sacs in older subdivisions. *(City Goal 12, 14, 15)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	External Group Meetings	N/A	N/A	5	15	10	10
	Citizen Contacts	N/A	N/A	100	700	900	900
	Inspections Performed	N/A	N/A	1,376	5,500	4,000	6,000
	Number of Violation Notices Issued	N/A	N/A	909	1,000	500	600
	Board of Ordinance Appeals Cases Prepared	N/A	N/A	0	10	15	15
	Property Maint. Informational Booklets Distributed	N/A	N/A	50	200	700	700
	Volunteer Corps Membership	N/A	N/A	113	50	120	130
	Outreach Videos Produced	N/A	N/A	3	2	5	5
	Neighborhood Clean Up Events Scheduled	N/A	N/A	1	3	3	3
	New Grants Applied For/Grants Received	N/A	N/A	2/0	1/1	2/0	1/1
Efficiency & Effectiveness	% of Inspections Performed w/I 48 Hours of Complaint	N/A	N/A	95%	90%	90%	90%
	% of Violations Corrected Prior to City Action	N/A	N/A	85%	80%	98%	98%
	Citizen Contacts per F.T. Employee	N/A	N/A	25	175	225	300
	% of Community/School Sidewalks Cleared w/i 4 days	N/A	N/A	N/A	100%	100%	100%
	Activity Expenditures as % of General Fund	N/A	N/A	0.07%	0.47%	0.46%	0.34%

Neighborhood Services



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Neighborhood Services Manager	0	1	0
Sr. Neighborhood Liaison Specialist	0	2	2
Neighborhood Property Maint. Officer	0	1	1
Total	0	4	3

Neighborhood Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

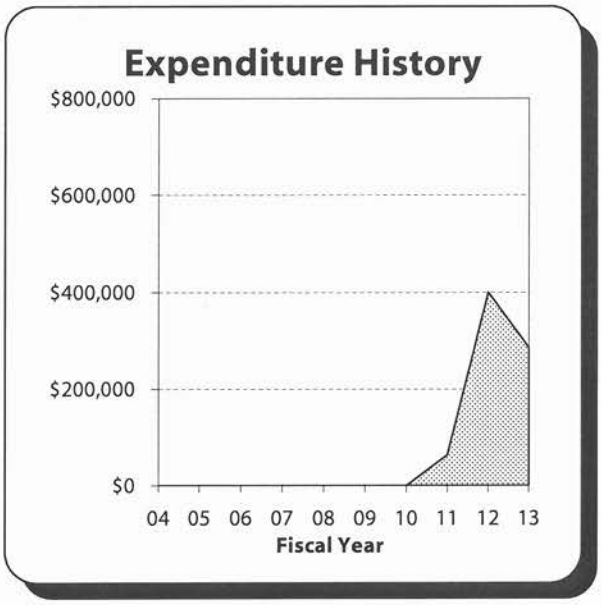
The total budget decreased by 28.6%.

Personnel Services – The total Personnel budget decreased $111,810 or 28.3%. The reduction is primarily a result of the proposed layoff of the Neighborhood Services Manager position, saving the City $120,000. The City's Building Official and Community Relations Director will provide the continued oversight and coordination of the SHINE program, its staff and cadre of community volunteers. Partially offsetting these savings were increased funding for pension, retiree medical liabilities, and employee health insurance costs.

Supplies – Total Supplies decreased $580 or 38.7%. Postage costs decreased $550 as more flyers for the spring and fall citywide cleanups are being distributed through the schools, rather than mailed. Operating supply costs decreased $30, as more start-up supplies were needed last year for the newly established office.

Other Charges – Total Other Charges decreased $1,770 or 55.8%. The decrease is primarily due to a better idea of this office's actual expenditure usage as the Neighborhood Services office was newly established last fiscal year. Telephone costs decreased $1,000, printing costs decreased $500, and educational funding decreased $270, as all can be reduced and brought more in line with the recent year's estimated expenditure levels.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$62,591	$394,890	$396,240	$283,080	$283,080
Supplies	477	1,500	950	920	920
Other Charges	201	3,170	1,600	1,400	1,400
Total	$63,269	$399,560	$398,790	$285,400	$285,400

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 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.■

KEY GOALS

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

Did you know...
...the Office of Planning recently approved development plans for Chrysler's Sterling Heights Assembly Plant that will add nearly 1.9 million square feet of manufacturing floor area?

Planning

2012/13 PERFORMANCE OBJECTIVES

1. To assist the Planning Commission in the completion of the required five-year Master Land Use Plan update. *(City Goal 8, 15)*

2. To update the City's zoning ordinance as it relates to obsolete commercial developments in order to promote economic growth and enhance property values. *(City Goal 9, 13)*

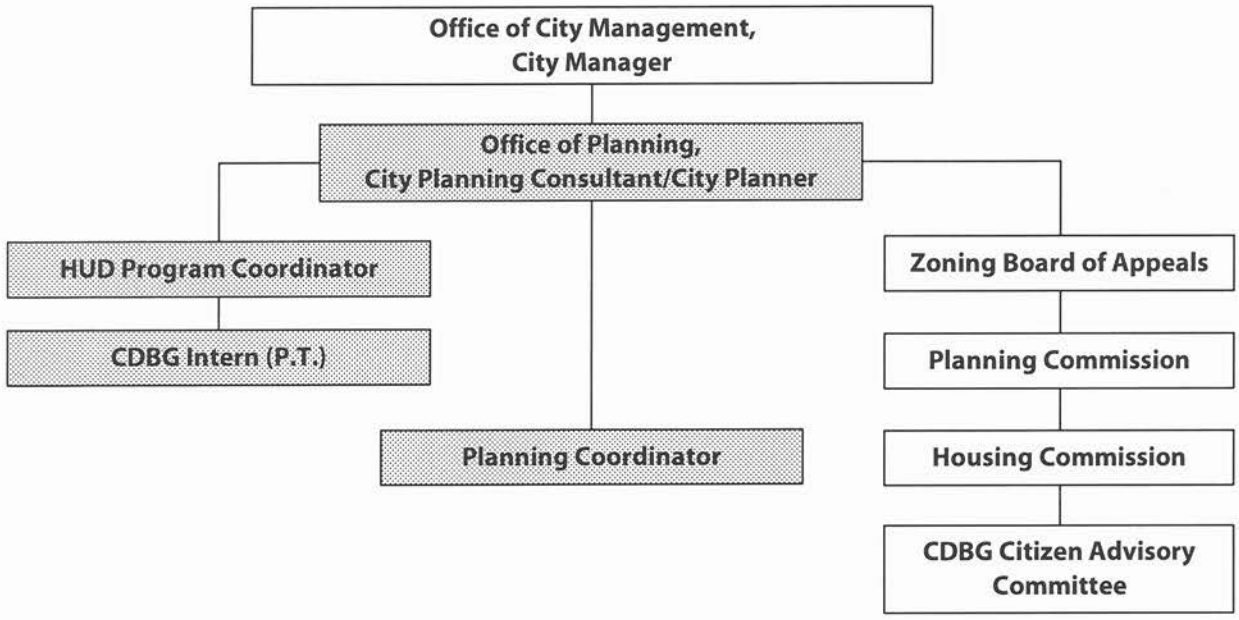
3. To assist in the permitting software transition from Permits Plus to BS&A for zoning cases, permitting, code enforcement and complaints. *(City Goal 3, 18)*

4. To provide training for current staff to perform reviews of zoning compliance permits, land division/combinations, and temporary use permits. *(City Goal 4)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Site Plans Reviewed	61	75	50	65	63	65
	Rezoning Petitions Processed	6	5	2	5	3	3
	Residential Developments	3	4	4	2	3	3
	Special Approval Land Uses Processed	6	14	12	11	12	12
	Site Inspections Conducted	294	614	622	450	465	450
	Planning Commission Cases Prepared	17	19	17	20	20	20
	Planning Commission Meetings Attended	9	9	10	12	10	12
	Housing Commission Meetings Attended	N/A	N/A	N/A	30	36	36
	Temporary Uses, Variances, & Vacations Reviewed	62	50	61	50	45	50
	Zoning Board of Appeals Cases Prepared	32	40	34	30	35	30
	Zoning Board of Appeals Meetings Held	11	12	12	12	12	12
	Council Agenda Items Prepared	13	9	7	10	10	10
	Zoning Compliance, Use Permits Reviewed	302	349	602	300	315	300
	# of CDBG Home Rehab Applications Received	10	17	12	20	20	20
	Low/Middle Income Residents Assisted w/CDBG Funds	3,772	3,694	3,612	3,600	3,600	3,600
	Number of Street Lights in City	2,520	2,520	2,530	2,535	2,535	2,540
	Number of Street Light Bills Reviewed & Approved	12	12	12	12	12	12
Efficiency	% of Preliminary Site Plans Reviewed w/i 10 days	90%	95%	90%	90%	90%	90%
	% of Final Site Plans Reviewed w/i 3 days	90%	95%	95%	90%	90%	90%
	% of Property Splits Reviewed w/i 2 days	95%	95%	90%	90%	90%	90%
	% of Substandard Housing Rehab. Contracts Completed	90%	95%	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	$1,518	$1,348	$1,474	*	*	*
	Activity Expenditures as % of General Fund	0.40%	0.41%	0.42%	0.50%	0.53%	0.40%

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

Planning



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
City Development Director/City Planner	0	1	0
City Planner	1	0	0
Planning Coordinator	1	1	1
HUD Program Coordinator	0	1	1
Administrative Assistant	1	1	0
CDBG Intern (P.T.)	0	1	1
Total	3	5	3

Planning

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

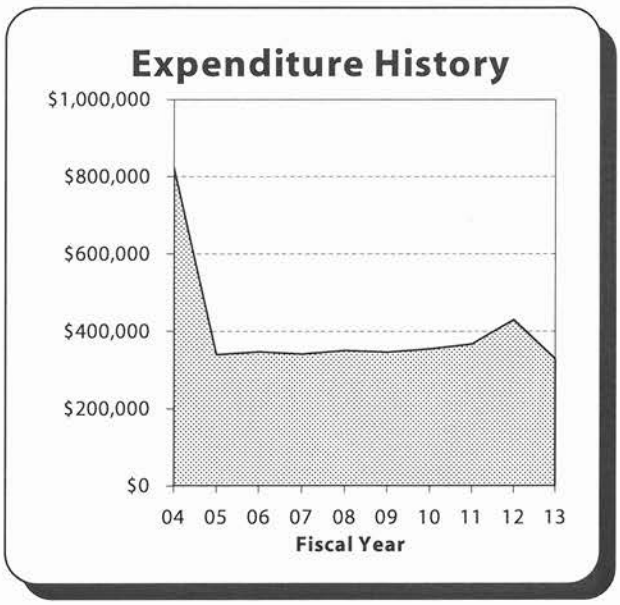
The total budget decreased by 23.6%.

Personnel Services – The total Personnel budget decreased by $200,210 or 46.9% due to the retirement of two full-time positions. As a result of these retirements, the City is proposing to contract out certain services using a Planning Consultant, which will save over $100,000 per year. In addition, the budget includes a third straight year of employee wage and benefit concessions for the remaining employees in this office. The part-time CDBG Intern position assigned to this office is paid with Community Development Block Grant funds.

Supplies – Total Supplies decreased $40 or 4.8%, as fewer operating supplies are needed due to a reduction in staff.

Other Charges – Total Other Charges increased $98,870, as the budget funds the contracting of the City Planner and operational support duties. Telephone costs decreased $200 due to a staff reduction and the elimination of a Nextel telephone. A membership to the American Planning Association was eliminated, saving $460. Educational funding decreased $470, as attendance at a Planning conference was eliminated.

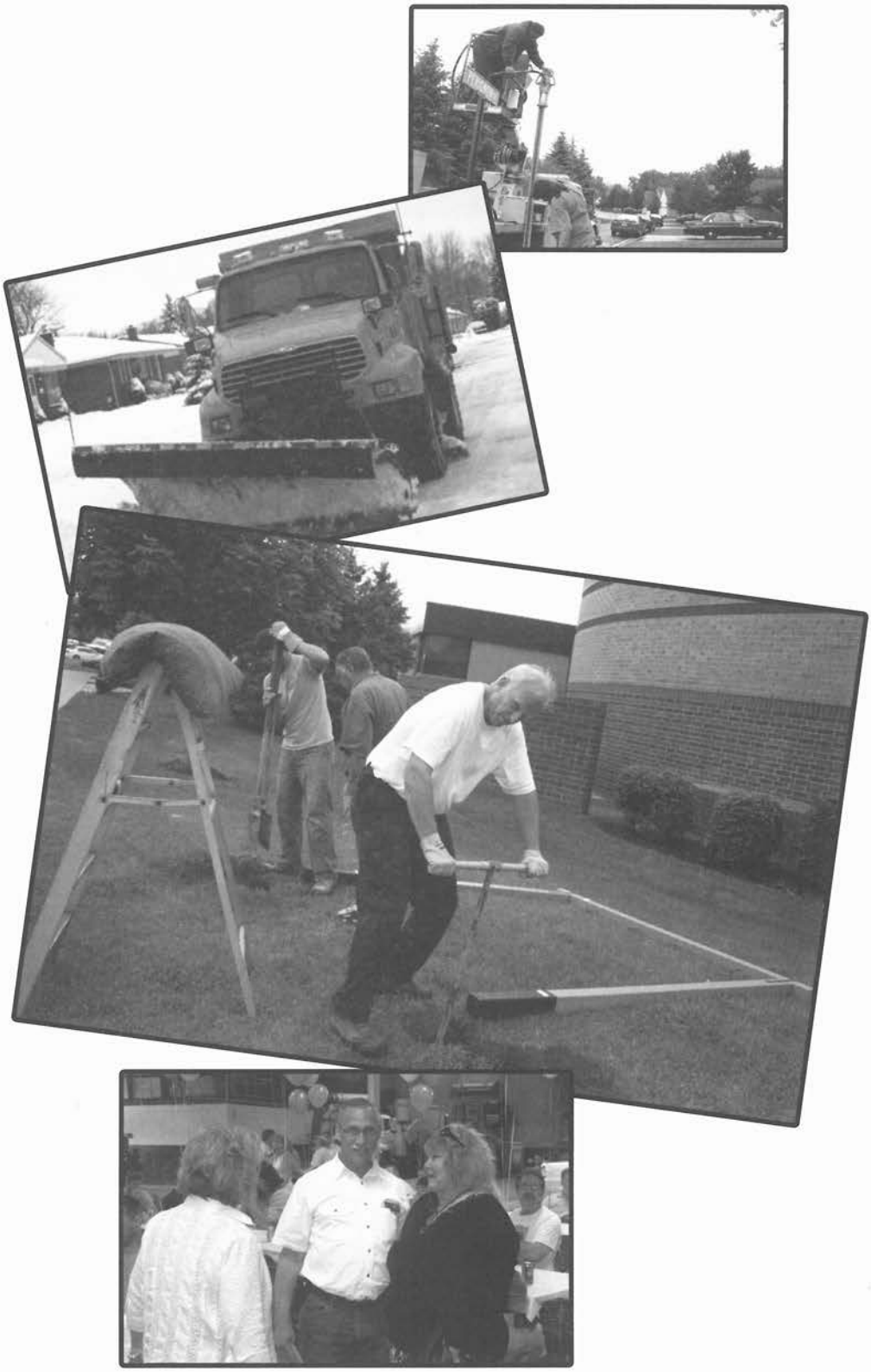
Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

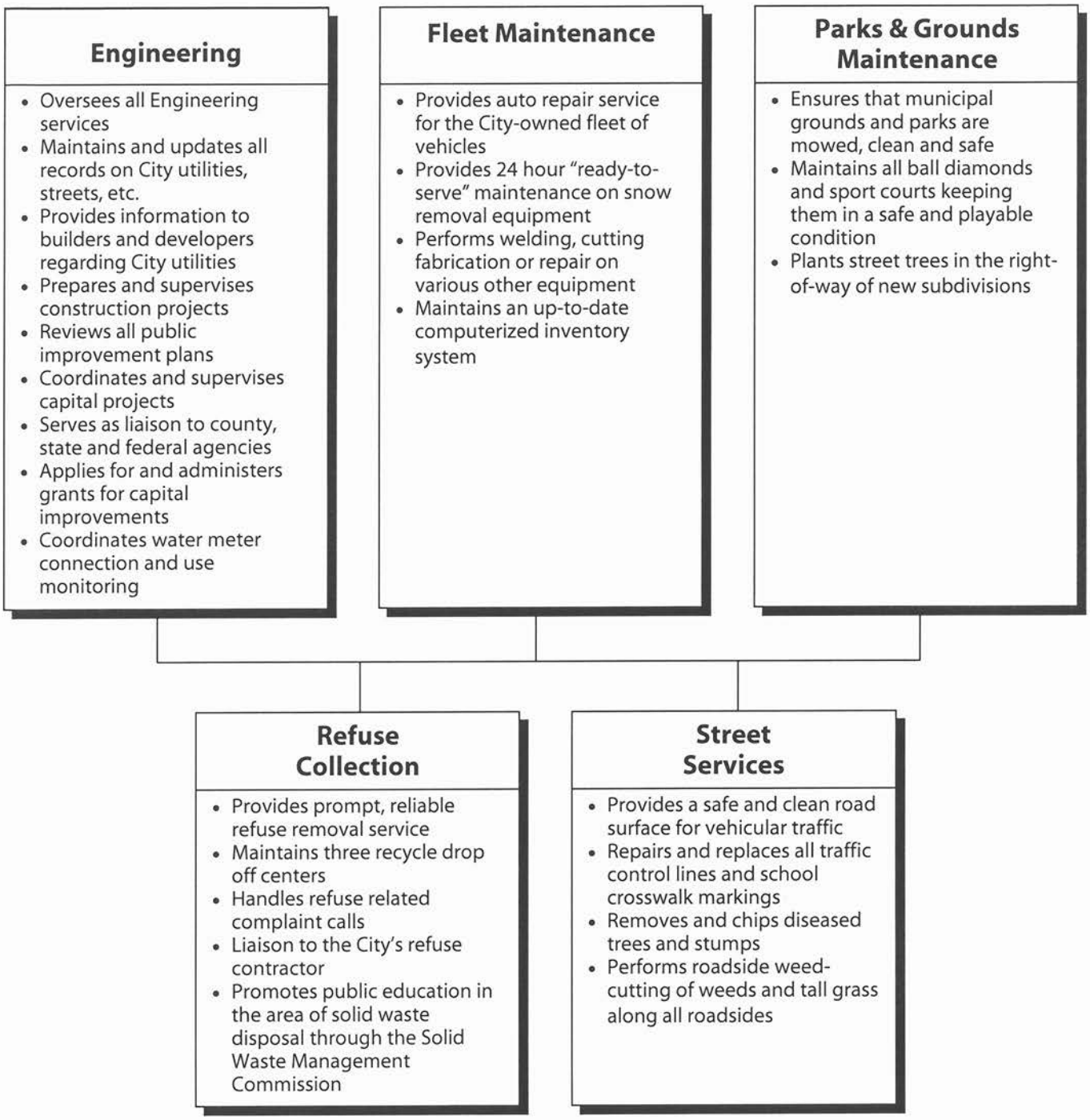
	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$364,311	$426,880	$444,350	$226,670	$226,670
Supplies	741	830	780	790	790
Other Charges	1,969	2,430	12,560	101,300	101,300
Total	$367,021	$430,140	$457,690	$328,760	$328,760

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 $465,790 or 6.4%. Personnel costs fell by $554,470 or 10.4%. Eleven fewer full-time positions are budgeted, nine of which are vacant due to retirements. The layoff of two Engineering Aides, due to a continued decrease in development activity and the ability to reassign duties and contract out a portion of these duties if needed, will save $181,000. A vacant Fleet Maintenance Mechanic position is no longer funded and a vacant Storekeeper position will be privatized. The budget includes the elimination of seven vacant full-time Parks & Grounds positions, as the department will rely on a greater use of part-time hours and staffing, the further contracting of park mowing, restroom cleaning, and park trash collection, as well as the transition to a private tree branch chipping contractor. A Supervisor will now oversee both Parks & Grounds and Fleet Maintenance. Savings will also be realized due to a third year of employee concessions. The Supplies budget increased $78,880 or 5.6% to fund the rising cost of fuel and repair parts for City vehicles and equipment. Other Charges rose $9,800 or 2.0% for the greater contracting of services, partially offset by replacement mulch savings in City parks, a reduction in turf fertilization applications at City facilities, savings from connecting the DPW Facility to the City's telephone system, and electric savings from newly installed lighting. The capital budget funds replacement computers for the Engineering and DPW staff, a grass seeder machine to better maintain park athletic fields, a backhoe, two snow plow salt brine liquid dispensing units, and a replacement pickup truck with plow.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Engineering	$1,547,190	$1,534,690	$1,416,620	$1,279,420	-9.7%
Fleet Maintenance	2,528,010	2,722,390	2,561,040	2,574,110	0.5%
Parks & Grounds Maint.	1,355,650	1,385,790	1,173,150	721,070	-38.5%
Public Works Center	389,250	285,890	239,200	232,550	-2.8%
Street Services	1,879,420	1,986,930	1,864,480	1,981,550	6.3%
Total Department	$7,699,520	$7,915,690	$7,254,490	$6,788,700	-6.4%
Personnel Services	$5,942,590	$5,889,310	$5,345,890	$4,791,420	-10.4%
Supplies	1,346,110	1,577,390	1,410,700	1,489,580	5.6%
Other Charges	410,820	448,990	497,900	507,700	2.0%
Total Department	$7,699,520	$7,915,690	$7,254,490	$6,788,700	-6.4%

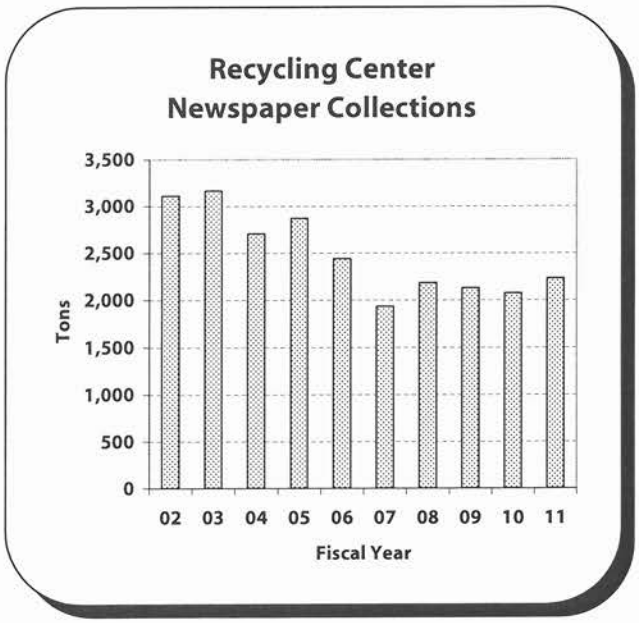
PERSONNEL SUMMARY

	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Engineering	14	0	13	0	11	0	9	0
Fleet Maintenance	14	1	12	1	12	1	10	1
Parks & Grounds Maint.	12	8	12	7	9	7	2	8
Public Works Center	1	0	1	0	0	0	0	0
Street Services	19	2	19	2	19	2	19	2
Total Department	60	11	57	10	51	10	40	11

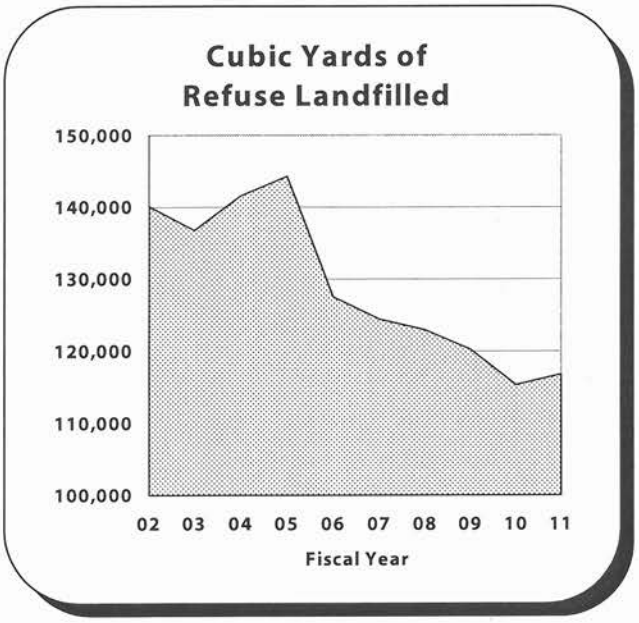
Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

Public Works Department

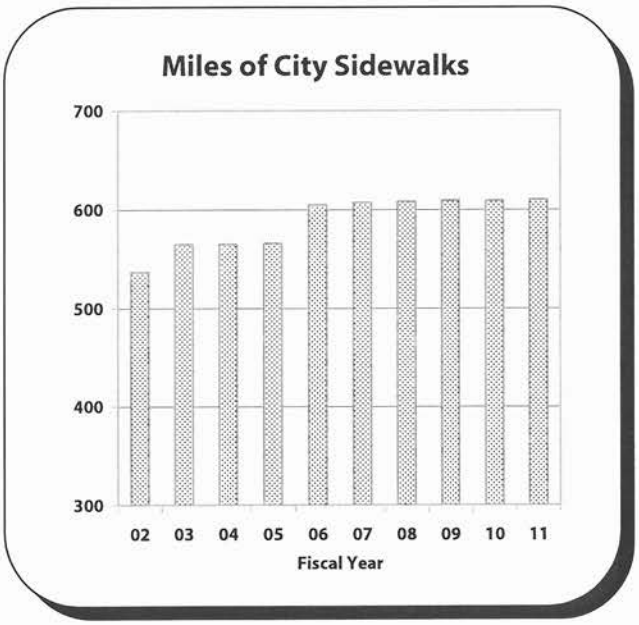


The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites. However, the growth in recycling and the composting of yard waste have allowed the City to reduce the amount of refuse landfilled by 47% over the past 20 years. The average homeowner pays only $66 per year for trash pickup, which is much lower than most communities. Only five cities in a recent national study had a lower recycling cost per ton recycled.



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.

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 snowfalls in three of the past four years, snow removal costs reached a ten-year high of $1.2 million in 2011.



The miles of City sidewalks has increased over the past ten years due to the City's sidewalk gap completion program.

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 traffic signals within the City and all Macomb County communities are installed, maintained and timed by the Macomb County Department of Roads Traffic Division?

Engineering

2012/13 PERFORMANCE OBJECTIVES

1. To create plans and specifications and administer contracts for various capital improvement projects including water main, sanitary sewer, drain, road, and sidewalk projects. *(City Goal 22)*

2. To continue to identify and review internal operational cost saving measures and additional contractual service opportunities. *(City Goal 1, 3)*

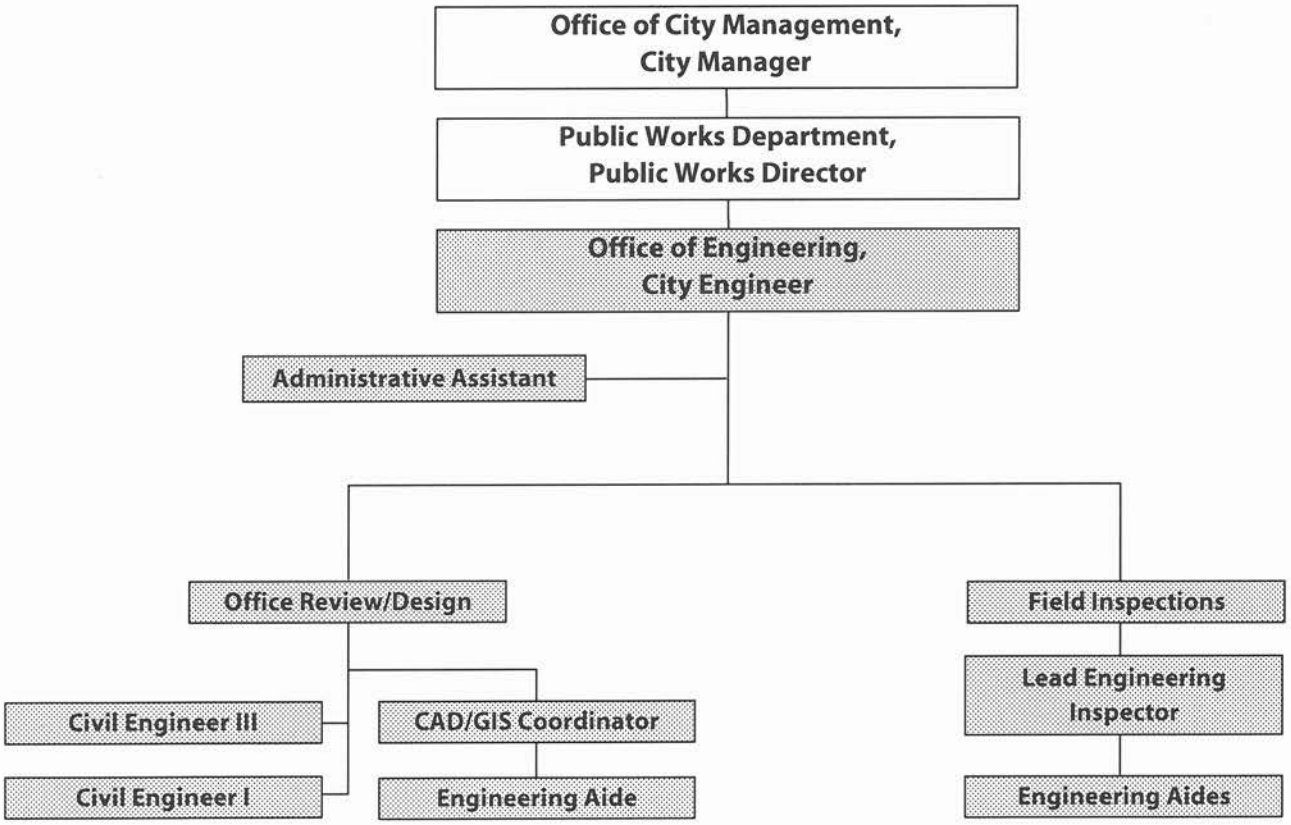
3. To continue the implementation of an interactive GIS system and creation of applications of the system for various City departments. *(City Goal 17)*

4. To pursue alternative funding for capital projects, such as grants, to improve traffic flow and safety at major road intersections. *(City Goal 21)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Site Plans Approved	25	32	32	30	25	30
	Land Divisions Reviewed	8	8	9	10	12	10
	Plot Plan/Grading Plans Approved	2	1	1	55	60	70
	Utility Company Permits Issued	20	19	23	25	30	30
	SESC Permits Issued	38	65	95	75	95	100
	W & S Connection Permits Issued (Existing Homes)	10	7	8	10	7	10
	Value of Const. Contracts Awarded & Supervised	$2.0M	$4.7M	$3.5M	$3.9M	$3.0M	$3.4M
	Personnel Contacts with Business - Counter	1,150	1,203	952	1,200	1,300	1,200
	Personnel Contacts with Business - Phone	4,750	5,231	4,356	4,500	6,200	5,500
	Miles of Sidewalks In City	609	609	610	613	612	613
	Service Requests Processed	752	492	500	650	530	500
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	88%	87%	91%	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	90%	95%	95%	95%	95%	95%
	% of Plot or Grading Plans Reviewed w/i 10 days	100%	95%	95%	95%	95%	95%
	% of Capital Projects Completed w/i 5% of Bid Costs	88%	88%	88%	90%	95%	90%
	% of Initial Traffic Requests Responded to w/i 35 Days	N/A	N/A	N/A	100%	100%	100%
	Visual Road Surface (PASER) Rating - Good, Fair, Poor	11%,78%,11%	10%,79%,11%	7%,74%,19%	6%,71%,23%	6%,71%,23%	6%,69%,25%
	Engineering Inspection Hrs. Required to Meet Demand	6,638	5,073	4,648	4,000	3,700	3,700
	Activity Expenditures as % of General Fund	1.87%	1.79%	1.75%	1.65%	1.62%	1.54%

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

Engineering



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
City Engineer	1	1	1
Civil Engineer III	1	1	1
CAD/GIS Coordinator	1	1	1
Lead Engineering Inspector	1	1	1
Engineering Aide	5	5	3
Civil Engineer I	2	1	1
Administrative Assistant	1	1	1
Senior Clerk	1	0	0
Total	13	11	9

Engineering

SUMMARY OF BUDGET CHANGES

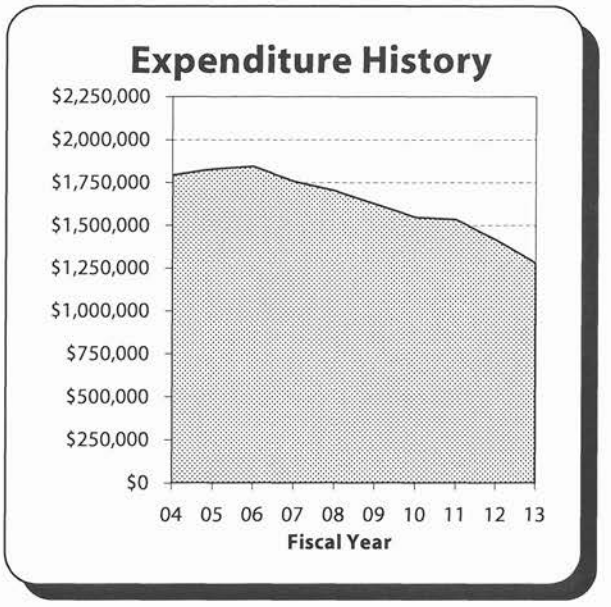
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 9.7%.

Personnel Services – The total Personnel budget decreased by $133,500 or 9.5%. Funding has been reduced by $181,000 for two Engineering Aide positions proposed to be laid off due to a decrease in development in the City, as well as the ability to contract out a portion of these duties, if needed. In addition, the City Engineer is able to reassign some duties within the office. Partially offsetting this savings is a $59,230 increase in funding for long-term retirement liabilities. The budget is also based on a third consecutive year of employee wage and benefit savings.

Supplies – Total Supplies decreased $520 or 7.3%. Funding for operating supplies decreased $170 and postage costs decreased $350, as both can be reduced and brought more in line with prior year's actual expenditure levels.

Other Charges – Total Other Charges decreased $3,180 or 34.6%. The budget declined $1,500 as funding for the GIS scanner/copier maintenance fees was transferred to Water & Sewer Administration. Telephone costs fell $1,200 based on a revised allocation of City telephone expenditures and the elimination of two Nextel telephones. Training funds decreased $250 and rental costs fell $100, both based on historic actual expenditure trends. The publishing budget of $140 was eliminated, as prior year funds were never spent.



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

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,521,865	$1,400,340	$1,393,430	$1,266,840	$1,266,840
Supplies	6,453	7,100	6,150	6,580	6,580
Other Charges	6,374	9,180	6,520	6,000	6,000
Total	$1,534,692	$1,416,620	$1,406,100	$1,279,420	$1,279,420

Fleet Maintenance

MISSION STATEMENT: ***To efficiently and economically maintain the City-owned fleet of vehicles and equipment in a safe, properly functioning condition.***

The Fleet Maintenance Division is responsible for maintaining the City-owned fleet of vehicles and equipment in a safe, properly functioning condition. An adequate parts inventory is maintained in order to complete repairs in a timely manner to minimize down time.

The Division 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 736 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 performs preventative maintenance on more than 736 vehicles and pieces of equipment?

Fleet Maintenance

2012/13 PERFORMANCE OBJECTIVES

1. To deadline, reassign or auction older, non-essential vehicles and equipment in an effort to more adequately maintain front line and daily use vehicles. *(City Goal 3, 25)*

2. To identify obsolete parts in the Mechanics' store room and remove or eliminate them through auction or by other means. *(City Goal 3)*

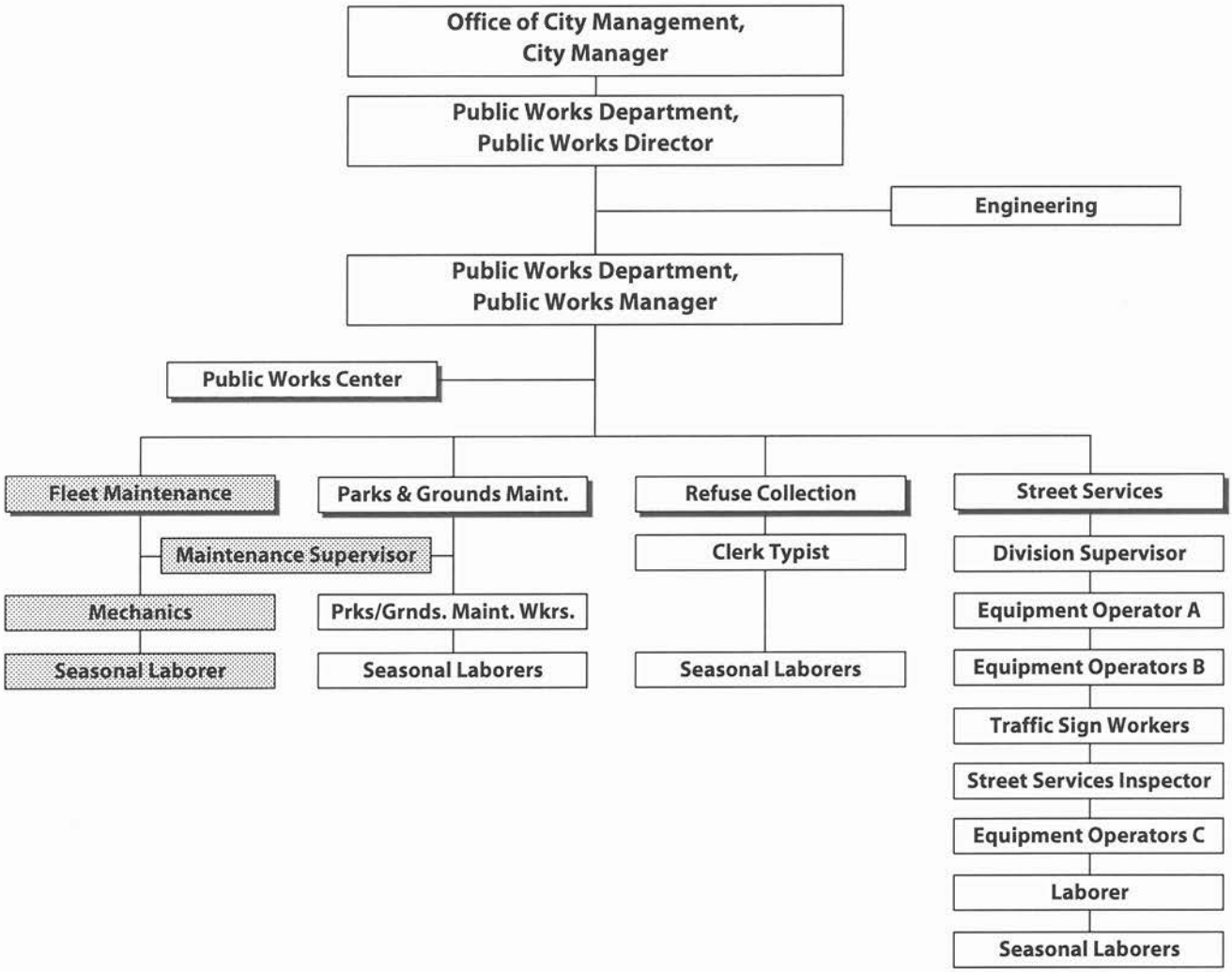
3. To install older mobile data computers in Public Works vehicles for electronic access of maps, address books, and work orders. *(City Goal 6, 17, 18, 25)*

4. To review partnering with communities and businesses to share or privatize Fleet Maintenance services. *(City Goal 1, 2, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Full Service Preventive Maintenances Performed	626	533	506	600	500	525
	Preseason Maintenance - Trucks with Plows	42	43	44	43	44	44
	Preseason Maintenance - Tractors/Flail Mowers	13/13	13/13	12/12	13/13	13/13	13/13
	Preseason Maintenance - Snow Plows	42	43	44	43	44	44
	Preseason Maintenance - Salt Spreaders	23	24	25	23	25	25
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	50	50	50	49	50	50
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	597	398	505	600	600	600
	Safety Inspections Conducted on Hoists	10	10	10	10	10	10
	Material Safety Data Sheets Maintained	480	470	406	420	410	410
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	89%	86%	80%	85%	85%	85%
	Avg. Time to Perform Maintenance on a Car (Mins.)	48	48	48	50	48	50
	Avg. # of Vehicles/Equip. Maintained Per Mechanic	67	73	77	74	82	82
	Average Age of Police Vehicles (Years)	2.5	2.6	2.8	2.7	2.9	2.9
	Average Age of Fire Engines (Years)	9.6	10.6	11.6	10.0	10.0	10.6
	% of Snow Removal Vehicles & Equipment Available	96%	95%	90%	95%	90%	95%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	98%	97%	75%	100%	100%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	95%	95%	90%	99%	95%	99%
	% of Actual Inventory to Inventory Ledger	96%	97%	80%	98%	95%	98%
	Cost of a Passenger Car Oil Change	$22.92	$23.37	$24.70	*	*	*
	Preventive Maintenance Cost of a Passenger Car	$58.26	$59.45	$59.12	*	*	*
	Activity Expenditures as % of General Fund	3.14%	2.93%	3.11%	2.98%	3.11%	3.09%

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

Fleet Maintenance



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Division Supervisor	1	1	0
Maintenance Supervisor	0	0	1
Mechanic	10	10	9
Storekeeper	1	1	0
Seasonal Laborer	1	1	1
Total	13	13	11

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

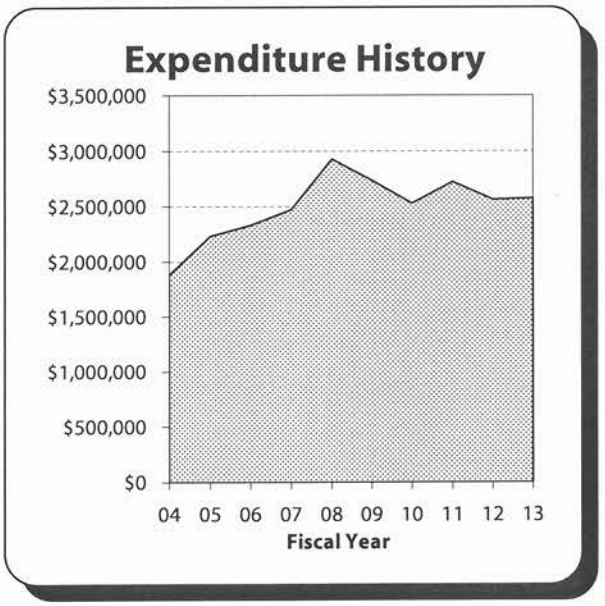
The total budget increased by 0.5%.

Personnel Services – The total Personnel budget decreased by $104,930 or 8.7%. Funding for two vacant full-time positions has been eliminated. Residents will see little impact on a day-to-day basis from the elimination of the Mechanic position, though there will be a slight decrease in vehicle maintenance cycles. The Storekeeper function is proposed to be contracted out. In addition, due to a recent Division Supervisor promotion, a Maintenance Supervisor from Parks & Grounds has been transferred to this division. Increased funding for long-term retiree obligations rose $55,520.

Supplies – Total Supplies increased $89,400 or 6.7% based on prior year actual expenditure trends. $57,400 was added to the budget for repair parts and services for the maintenance of all City vehicles. Fuel costs increased $30,000. The operating supply budget rose $2,000.

Other Charges – Total Other Charges increased $28,600. $28,800 was added to the budget to contract out the City's vacant Storekeeper function. $720 was added due to the higher fuel dispenser maintenance costs. $800 was saved, as fewer repairs are anticipated on department radios. One membership to the American Public Works Association (APWA) was eliminated, saving $120.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,223,412	$1,209,740	$1,162,210	$1,104,810	$1,104,810
Supplies	1,485,042	1,335,750	1,515,150	1,425,150	1,425,150
Other Charges	13,933	15,550	18,150	44,150	44,150
Total	$2,722,387	$2,561,040	$2,695,510	$2,574,110	$2,574,110

Parks & Grounds Maintenance

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

The Parks & Grounds Maintenance activity is responsible for ensuring that all municipal grounds, 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 and and tennis, volleyball and basketball courts 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 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 and Grounds division maintains over 820 acres of park land, 11 municipal building sites, and over 50 athletic fields?

Parks & Grounds Maintenance

2012/13 PERFORMANCE OBJECTIVES

1. To trim all trees and remove all dead trees in City parks. *(City Goal 13, 14, 15)*

2. To install drain tile, topsoil, and grass seed on soccer fields at Baumgartner Park. *(City Goal 13, 14)*

3. To enhance the restroom facilities at the City's major parks by replacing sinks and soap dispensers. *(City Goal 15, 16)*

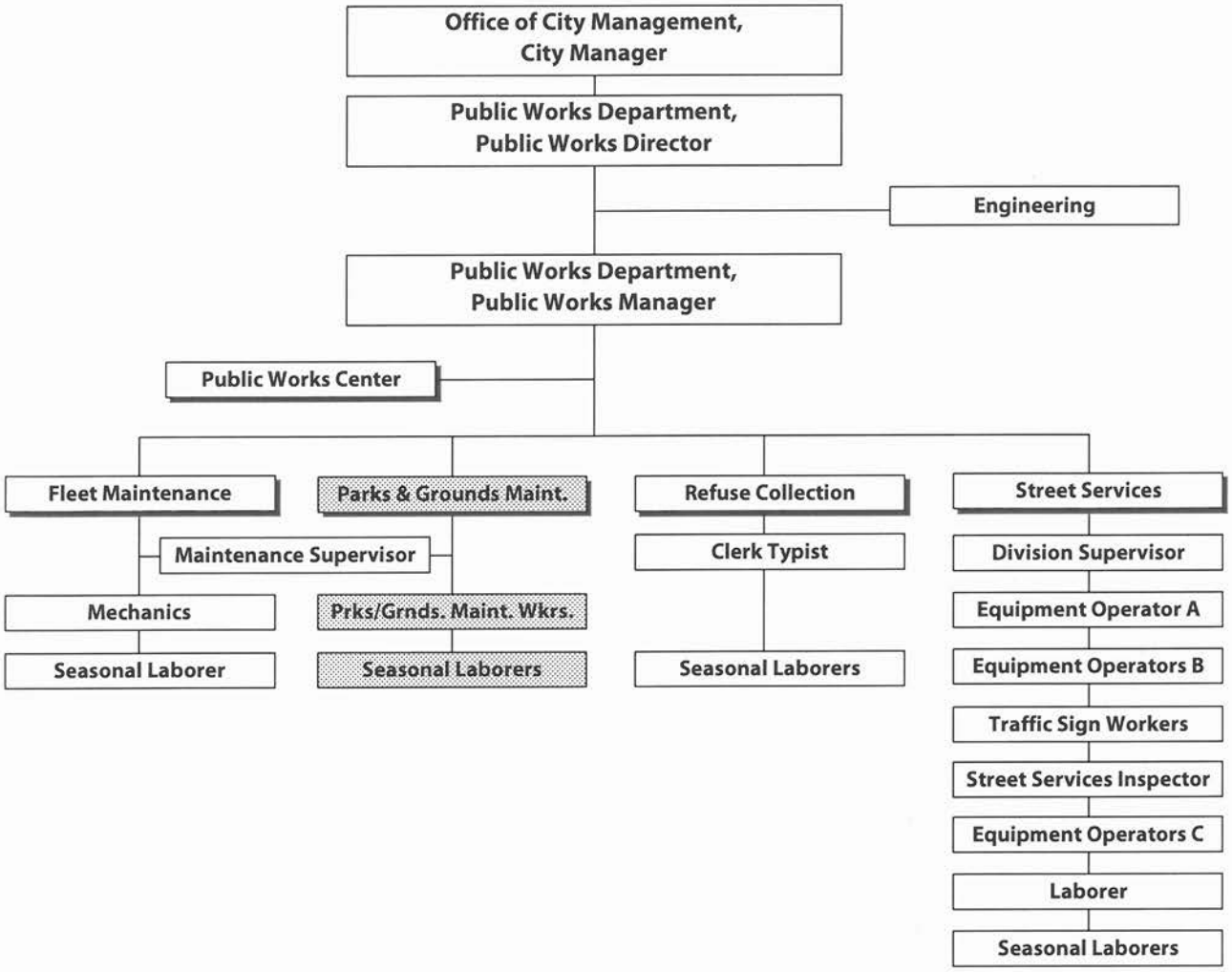
4. To replace backboards, rims, nets and posts and resurface magic squares based on the Parks & Recreation division's current needs analysis. *(City Goal 13, 14, 15, 26)*

5. To investigate contracting out of park trash pickup and irrigation maintenance. *(City Goal 1, 2, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Street Trees Trimmed (In-House)	310	200	522	500	0	200
	Cuttings/Trimming - 28 Parks (559 of the 820 Acres)	19	19	19	18	18	19
	Cuttings/Trimming - 9 Municipal Sites (Subcontracted)	30	30	30	27	27	30
	Ball Diamond Maint. Performed (Incl. UCS & WCS)	1,325	1,102	1,150	1,000	1,100	1,100
	Soccer/Football Fields Relined	162	175	200	250	308	300
	Snow/Ice Control Call-Ins	26	11	13	15	10	15
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	112	98	100	80	125	100
	Cleaning of Restroom Facilities (Subcontracted)	880	880	880	880	880	820
	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%	10%	10%	10%	10%	15%
	Cost to Mow an Acre of Parkland	$43.04	$43.86	$43.70	*	*	*
	Activity Expenditures as % of General Fund	1.62%	1.57%	1.58%	1.37%	1.24%	0.87%

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

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Division Supervisor	1	0	0
Maintenance Supervisor	0	1	0
Parks & Grounds Maintenance Worker	6	5	2
Laborer	5	3	0
Seasonal Laborer	7	7	8
Total	19	16	10

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

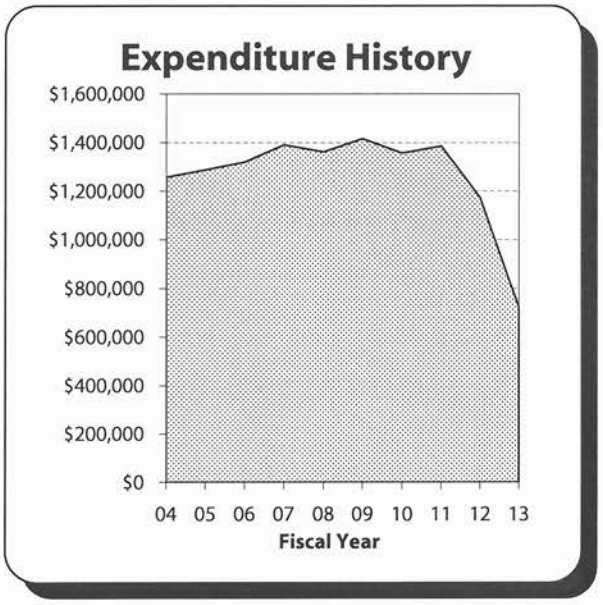
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 38.5%.

Personnel Services – The total Personnel budget decreased by $432,990 or 48.5%. Funding for six vacant full-time positions is proposed to be eliminated, as the department continues to work on alternative service delivery plans, including the contracting out of park mowing, restroom cleaning, and park trash collection. In addition, the Maintenance Supervisor is now budgeted in Fleet Maintenance. $23,800 in increased part-time funding is budgeted due to an additional part-time position, as well as increased hours for existing staff.

Supplies – Total Supplies decreased $8,390 or 18.5%. Funding for playground supplies decreased $6,940 due to a prior year reappropriated encumbrance and actual prior year costs. Operating supplies decreased $1,250, as the contractor provides custodial park restroom supplies.

Other Charges – Total Other Charges decreased $10,700 or 4.5%. Spraying services decreased $4,500 due to a reduction in turf fertilization applications at City facilities. Park maintenance costs decreased $3,000 as less playground mulch is needed as wear mats will be installed at four park playgrounds. Retention pond maintenance costs fell $2,000, as fewer repairs will be required due to the recent reconstruction of three pump stations. Water decreased $2,000 and the electric budget decreased $1,500, both based on recent year expenditures.



Capital – Total Capital of $9,000 is proposed for a Grass Seeder Machine that will be used to better maintain park athletic fields for teams paying user fees. This equipment can also be shared with other communities.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,159,878	$892,360	$813,750	$459,370	$459,370
Supplies	44,942	45,440	45,440	37,050	37,050
Other Charges	180,966	235,350	217,630	224,650	224,650
Total	$1,385,786	$1,173,150	$1,076,820	$721,070	$721,070

Public Works Center

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 Operations 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.

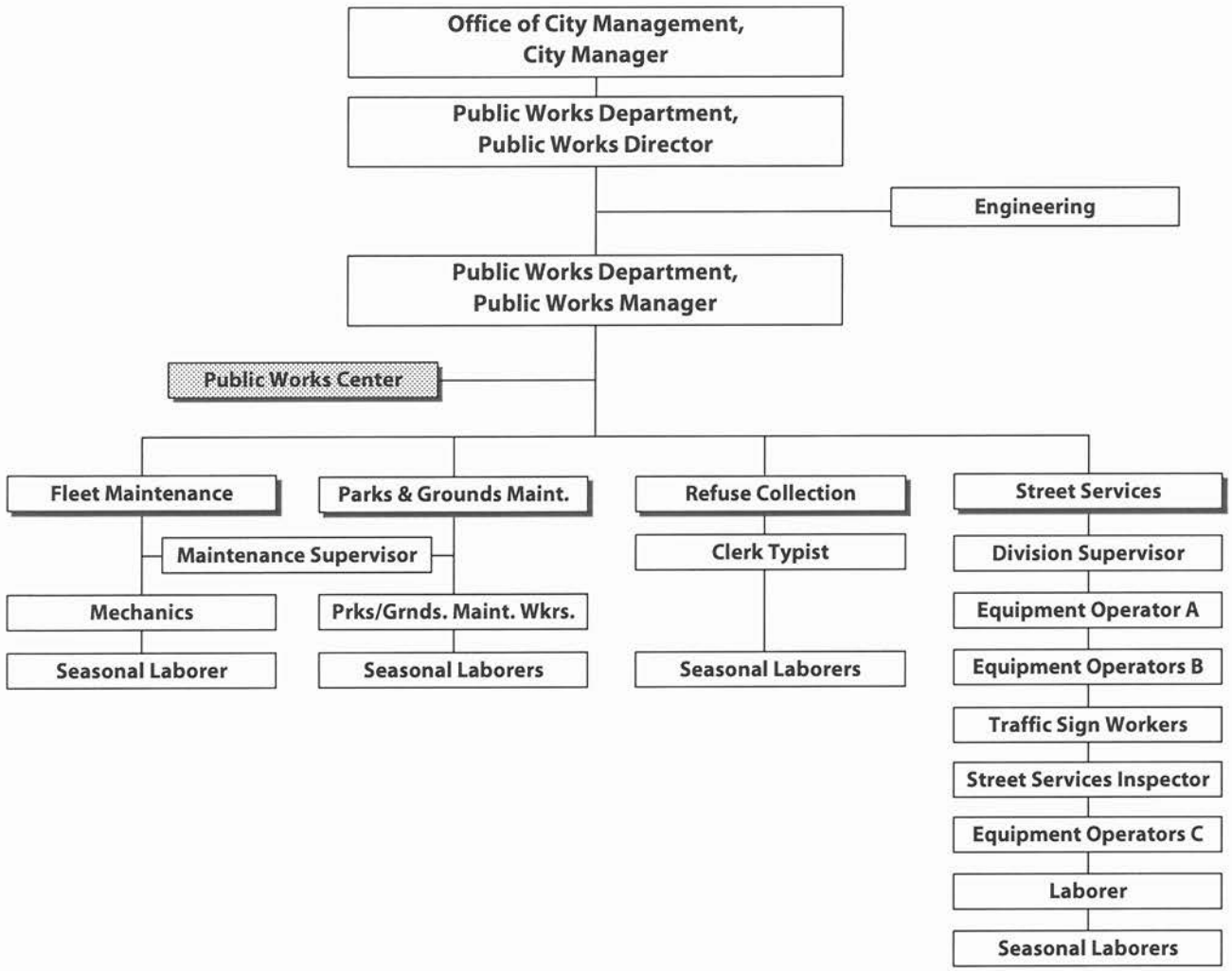
Costs associated with the Facility Maintenance and Repair Program are accounted for in the Public Works Center and include the facilitation of required repairs and maintenance of the Public Works facility including general cleaning, internal and external electrical and lighting repairs, minor plumbing 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 Center successfully qualified for a grant to fund lighting improvements at the Public Works facility, resulting in annual energy savings of over $5,000?

Public Works Center



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
General Supervisor	1	0	0
Total	1	0	0

Public Works Center

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

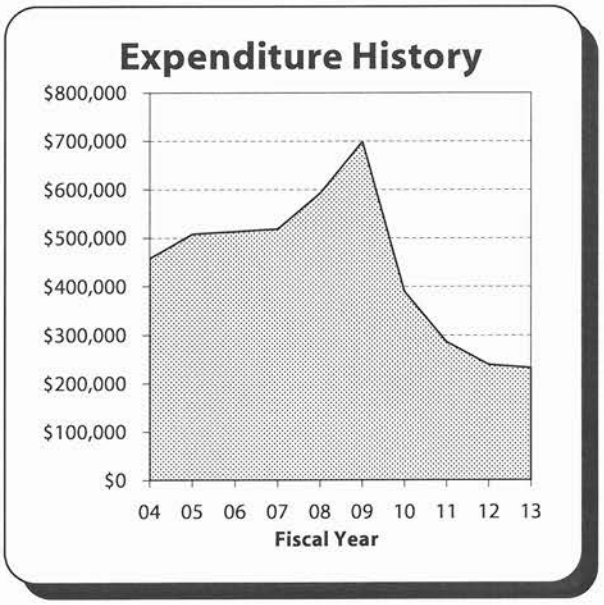
The total budget decreased by 2.8%.

Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased $810 or 8.9%, as the budget for operating supplies can be reduced and brought more in line with the recent year's estimated expenditure usage. In addition, printer toner is now included in a per-page print fee and funded as a printer rental charge in another Public Works activity.

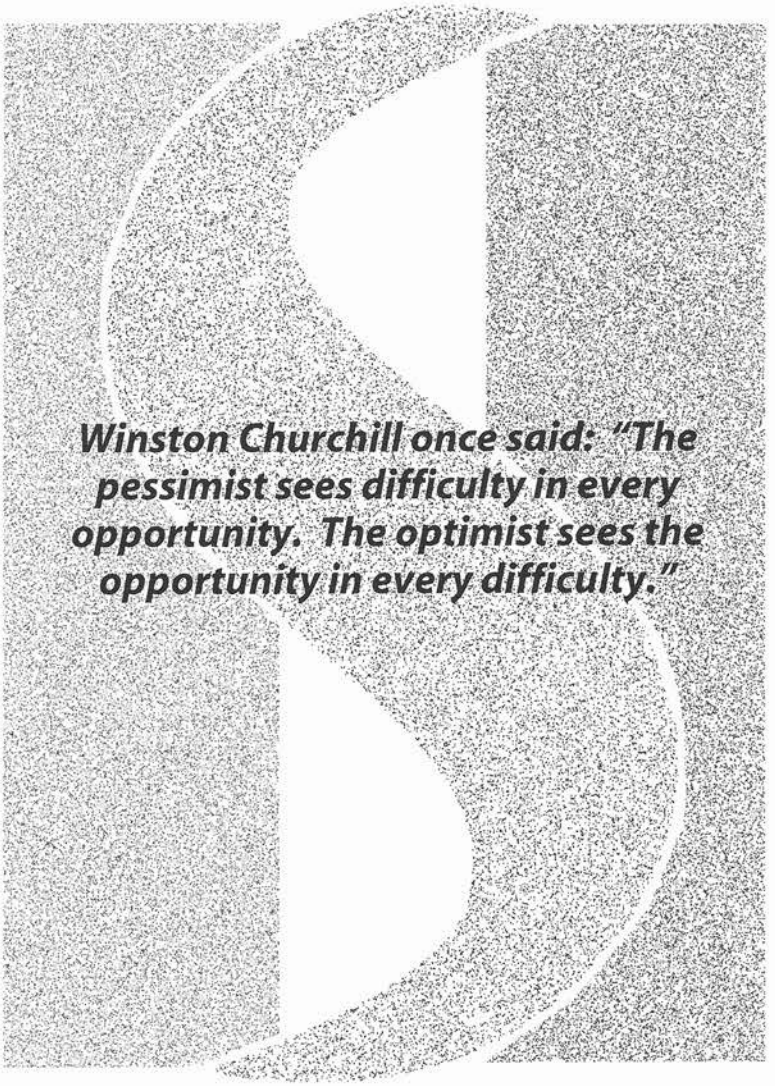
Other Charges – Total Other Charges decreased $5,840 or 2.5%. The City will save $8,000 in electric costs as a result of prior year cost-saving measures, including improved efficient lighting at the Public Works building. The City will save $2,300 in telephone line charges by connecting the Public Works building to the City's main telephone system. Water costs fell $500 based on recent expenditure trends. Heating costs increased $5,000 based on a revised estimate of savings from a replacement furnace that was installed during the prior year.

Capital – Public Works is scheduled to receive 12 new personal computers for its General Fund staff to replace the existing six-year old machines.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$25,570	$0	$0	$0	$0
Supplies	20,329	9,110	8,000	8,300	8,300
Other Charges	239,993	230,090	230,540	224,250	224,250
Total	$285,892	$239,200	$238,540	$232,550	$232,550


Winston Churchill once said: "The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty."

Refuse Collection

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

Refuse Collection provides prompt, reliable, and efficient refuse collection by a private contractor weekly from residential homes, condominiums, commercial 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 Operations 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 Operations 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 474,600 refuse and 283,320 yard waste stops during the 2010/11 fiscal year?

Refuse Collection

2012/13 PERFORMANCE OBJECTIVES

1. To coordinate a collaborative effort among neighborhood communities to provide residents with a monthly E-Waste recycling opportunity. *(City Goal 1, 2, 14)*

2. To monitor the implementation and daily operation of the voluntary curbside recycling program to ensure customer service expectations are met. *(City Goal 1, 2, 14)*

3. To coordinate a successful transition of all service calls related to refuse and yard waste from the DPW front office to Waste Management's Wixom Call Center. *(City Goal 1, 2, 3, 4)*

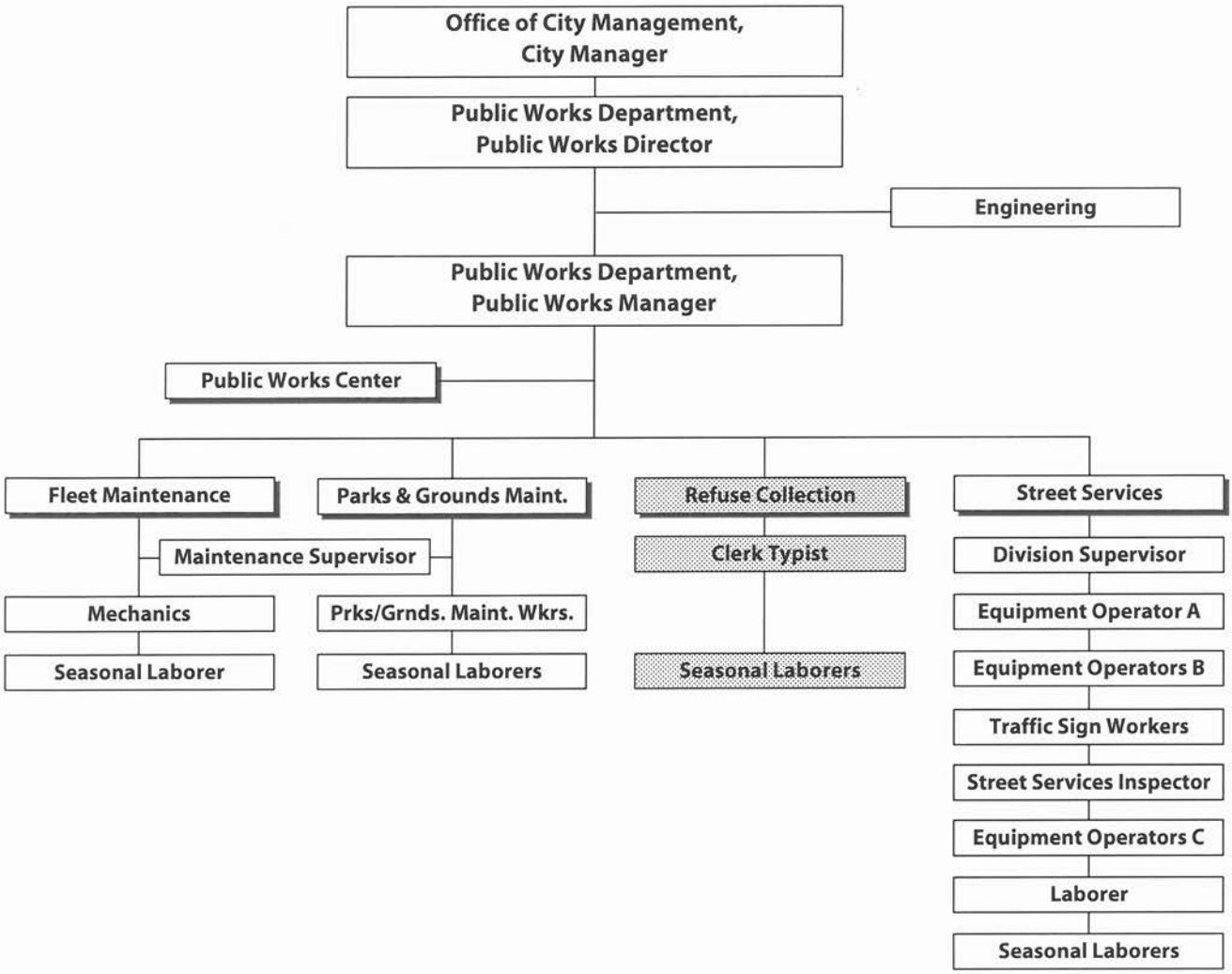
4. To streamline the capture of monthly data regarding refuse, yard waste, and recycling, thereby eliminating redundant data entry. *(City Goal 3, 5, 7)*

5. To manage the Cost Recovery Program providing dumpster service to apartments which choose to participate in the program. *(City Goal 1, 3)*

6. To schedule, effectively communicate, and hold the semi-annual Free Shred Day. *(City Goal 14)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,542	39,512	39,566	39,540	39,590	39,600
	Cubic Yards of Refuse Landfilled	120,254	115,341	116,829	125,000	118,000	120,000
	Tons of Plastics Recycled	290	298	261	320	320	330
	Tons of Yard Waste Composted/Diverted	10,709	10,962	10,812	9,000	10,900	11,000
	Christmas Trees Chipped and Composted	2,485	3,080	2,853	2,500	2,500	2,500
	Tons of Paper Recycled	2,129	2,073	2,230	2,180	2,180	2,180
	Gallons of Used Oil Recycled	28,794	33,850	26,500	30,000	26,100	26,100
Efficiency & Effectiveness	Refuse Violations Tagged by Contractor	35	31	33	30	30	25
	% 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	46.0%	48.0%	47.0%	45.0%	46.5%	46.0%
	Refuse Collection Costs per Capita	$33.75	$34.47	$34.63	$34.27	$34.14	$34.15
	Refuse Collection Millage Rate	0.84	0.87	0.95	1.00	1.00	1.08
	Refuse Cost for Average Homeowner	$70	$71	$67	$66	$66	$66
	Total Cost to Operate Three Recycling Centers	$87,095	$85,410	$82,650	$80,000	$80,000	$80,000
	Recycling Costs Per Ton Recycled	$31.87	$32.46	$31.00	$30.19	$30.19	$30.19
	Cost to Collect/Dispose of Refuse (1 cubic yard)	$36.07	$38.41	$38.09	$35.56	$37.53	$37.00
	Activity Expenditures as % of General Fund	4.98%	5.13%	5.09%	5.18%	5.12%	5.34%

Refuse Collection



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Clerk Typist	1	1	1
Seasonal Laborer	3	4	4
Total	4	5	5

Refuse Collection

SUMMARY OF BUDGET CHANGES

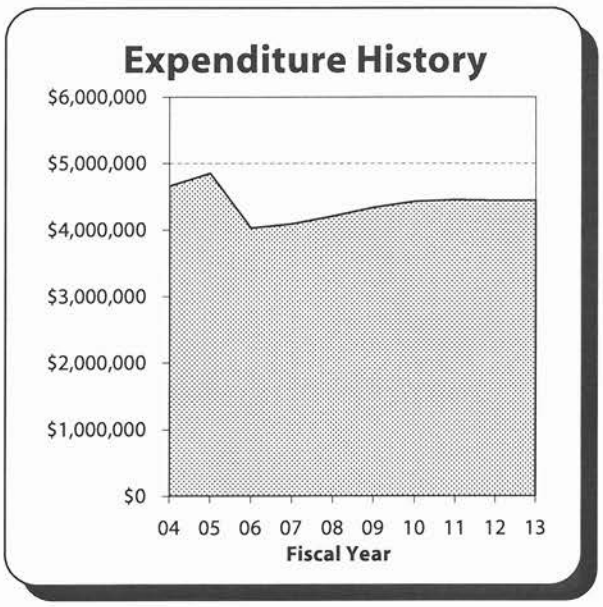
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 0.1%.

Personnel Services – The total Personnel budget decreased $5,460 or 3.4%. The decrease is a result of continued wage and benefit concessions and lower part-time wage costs. Part-time wages fell due to fewer hours needed to administer the grass cutting program, partially offset by an hourly rate increase for the recycling center seasonal laborers. Despite these savings, funding for long-term retiree obligations rose $3,120.

Supplies – Total Supplies decreased $70 or 5.4%, as fewer supplies and small tools are needed for the recycling program.

Other Charges – Total Other Charges increased $600 or 0.01%. The rubbish removal budget increased by $5,500 as the MDEQ is requiring an additional two weeks of soft yard waste collection in the Fall. The City is currently operating under the same five-year refuse contract that went into effect May 1st, 2010. 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 legal services decreased $4,900 due to the one-time review of the voluntary curbside recycling program in the prior year.



Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$152,996	$159,280	$151,430	$153,820	$153,820
Supplies	2,167	1,300	1,300	1,230	1,230
Other Charges	4,295,191	4,284,150	4,275,650	4,284,750	4,284,750
Total	$4,450,354	$4,444,730	$4,428,380	$4,439,800	$4,439,800

Street Services

MISSION STATEMENT: ***To maintain the City's streets and rights-of-way in such a manner as to ensure safety for vehicular and pedestrian traffic as well as presenting a clean, well-groomed, attractive roadside environment.***

Three specific programs set up within this Public Works division detail the mission of the Street Services activity. Roads and Streets Maintenance, Supplementary Roadside Maintenance, and Snow and Ice Control programs provide excellent care to the City's streets. Street Services provides a safe and clean road surface for vehicular traffic, adequate visual direction and a safe, maintained, and unobstructed roadside environment on more than 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 is the detection, removal, and chipping of diseased trees and stumps.

Catch basin cleaning is another important function. Catch basins are routinely cleaned allowing for the rapid disposal of storm water runoff and drainage. Drainage ditches are cleaned and the culverts are maintained to ensure adequate capacity for storm runoff.

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.***

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...
...that City road crews manually place over 600 tons (1.2 million pounds) of road patch per year to keep the roadways safe for the driving public?

Street Services

2012/13 PERFORMANCE OBJECTIVES

1. To repair ditches to improve the drainage of gravel roads. *(City Goal 13, 23)*

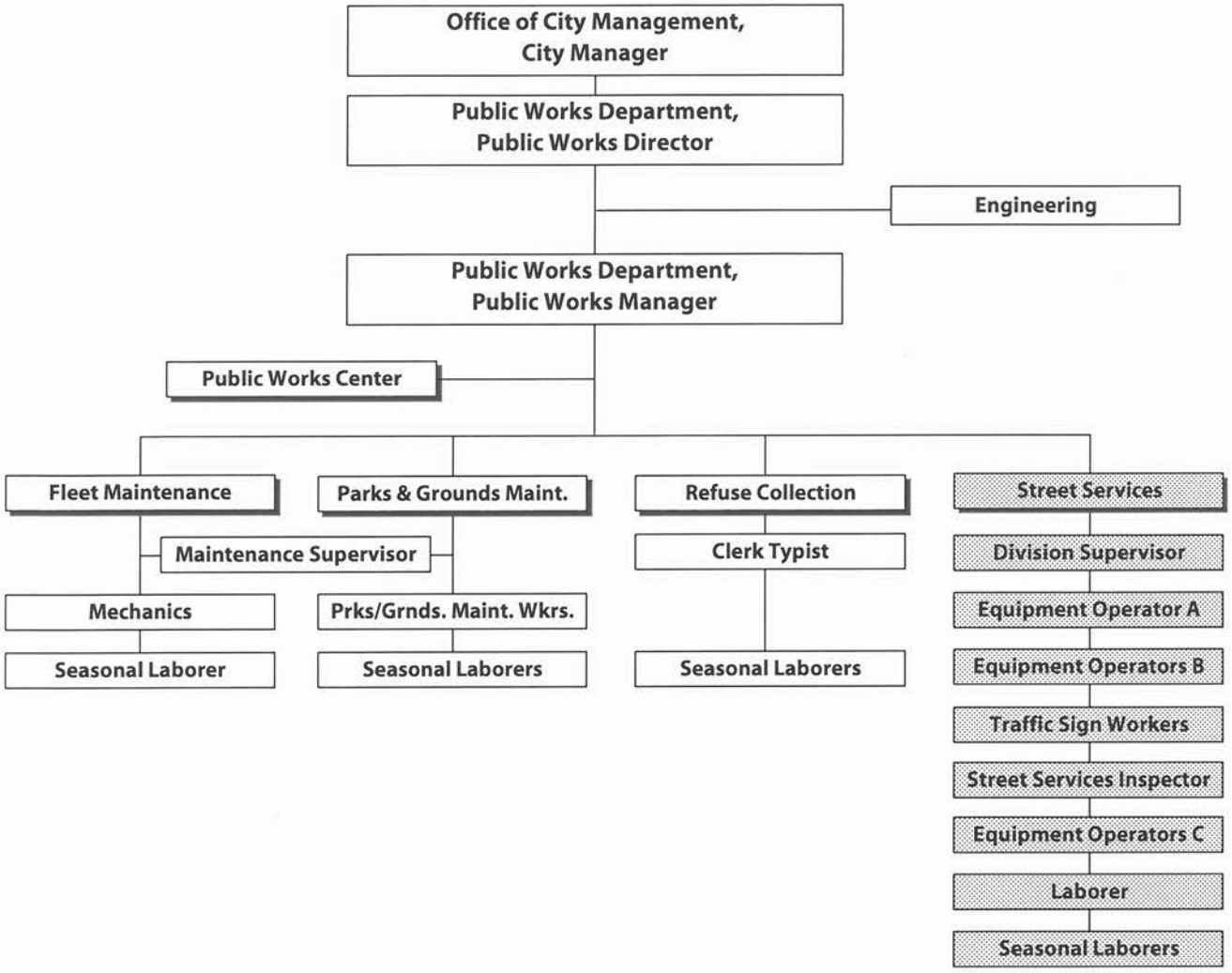
2. To investigate new types of gravel materials to use on gravel roads to better help keep dust down and prevent roads from deteriorating quickly. *(City Goal 3, 25)*

3. To establish a maintenance program to trim trees in the rights-of-way on major roads. *(City Goal 13)*

4. To educate road crews on efficient practices of salting roadways to reduce the unnecessary expense of anti-icing materials. *(City Goal 5, 6, 25)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	After Hours Snow Removal Occurrences	44	31	39	35	30	35
	Tons of Road Salt Used	6,978	5,050	8,755	6,930	4,000	7,000
	Miles of Snow Fence Installation or Removal	4.0	4.0	4.5	5.0	5.0	5.0
	Pothole Patching - Tons of Patch Used	499	269	639	400	650	700
	Sidewalk Patching - Number of Locations	124	181	49	200	200	200
	Street Sweeping - Rotation (395 miles)	4	4	4	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	40	49	20	30	20	20
	Right-of-Way Mowing - Revolution (357 miles)	10	10	9	8	9	9
	Storm Catch Basin Cleaning-Number of Locations	742	2,411	1,796	1,500	1,500	1,500
	Street Trees Removed (In-House/Contractor)	320/146	120/290	48/222	300/400	130/400	150/300
	Street Trees Planted (Subcontracted)	154	219	274	200	180	180
	Street Trees Trimmed (Subcontracted)	4,400	1,197	0	0	0	0
	Homeowner Tree Inquiries/Inspection Responses	3,257	1,287	808	3,500	3,000	3,000
	Residential Tree/Branch Chipping Requests Filled	6,834	3,406	1,224	1,000	1,500	0
	Traffic Sign Repairs or Replacements	4,179	4,069	204	4,200	600	800
	Gravel Roads - Lane Miles Graded	38	37	49	40	50	50
	Dust Control - Gallons Calcium Chloride Applied	40,600	22,700	28,900	30,000	15,000	25,000
	Signs Installed for Adopt-A-Road	2	6	6	5	5	5
	Refuse Pick-Ups Made from Adopt-A-Road	42	43	65	30	30	30
Efficiency	% of Tree Chipping Requests Completed w/i 1 week	98%	99%	99%	99%	98%	N/A
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	$2,347	$275	$2,200	$1,500	$300	$1,200
	Street Services Cost Per Capita	$16.31	$14.63	$15.46	$14.38	$13.54	$15.24
	Activity Expenditures as % of General Fund	2.40%	2.18%	2.27%	2.17%	2.03%	2.38%

Street Services



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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 – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

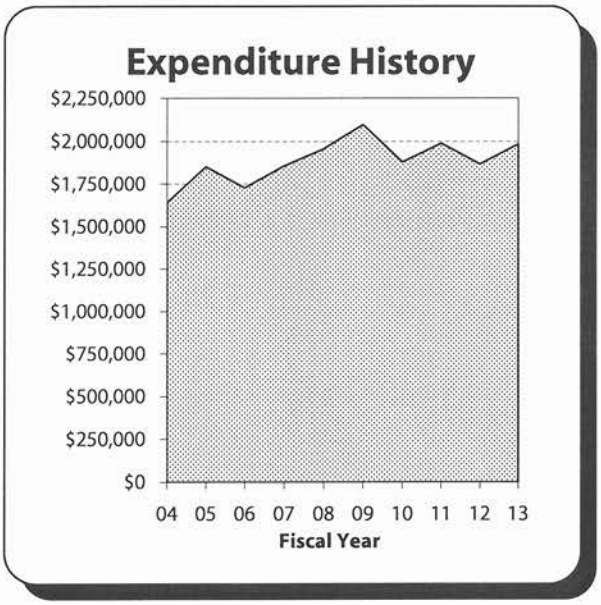
The total budget increased by 6.3%.

Personnel Services – The total Personnel budget increased by $116,950 or 6.3%. The budget assumes a third year of employee wage and benefit concessions. However, due to prior stock market losses, $87,520 is needed to fund long-term retirement obligations. In addition, six employees are not at the top of their wage scale and are budgeted to receive wage step adjustments. Health and dental insurance costs rose $6,510.

Supplies – Total Supplies decreased $800 or 6.0%, as fewer signage materials and traffic control supplies are needed. In addition, printer toner is now included in a per-page print fee and funded as a printer rental cost.

Other Charges – Total Other Charges increased $920 or 11.9%. $1,200 was added for aerial platform training, which is required every three years by the Michigan Occupational Safety and Health Administration (MIOSHA) for applicable DPW personnel. $120 was saved, as a membership to the American Public Works Association (APWA) has been eliminated.

Capital – Total Capital of $80,500 is budgeted in the Capital Projects Fund. $40,000 is recommended for a Backhoe Loader that will be used by road maintenance crews for ditch work and mowing retention ponds. An existing piece of equipment that is not as versatile will be traded in. $12,500 is for two Salt Brine Liquid Dispensing Systems that will be used during snow and ice removal operations to help keep more salt on the road as it is spread, thereby melting the snow faster and reducing salt usage. $28,000 is to replace a 13 year-old ¾ ton 4 x 4 Pickup Truck with Plow with over 100,000 miles that is utilized in daily operations and snow emergencies.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,958,578	$1,843,450	$1,735,160	$1,960,400	$1,960,400
Supplies	20,626	13,300	13,000	12,500	12,500
Other Charges	7,724	7,730	7,450	8,650	8,650
Total	$1,986,928	$1,864,480	$1,755,610	$1,981,550	$1,981,550

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
- Assists with implementation and coordination of volunteers

Communication Services

- Staffs and maintains the "Citizen Contact Center"
- Prepares all official City press releases & publications and media kits
- Serves as City liaison for a variety of homeowners' groups, civic organizations, church groups, and municipal focus groups
- Coordinates and produces City's social media websites
- Provides material for and manages City's website and Employee Intranet
- Provides high quality, efficient in-house printing services

Broadcast Services

- Operates Sterling Heights Television (SHTV) and Sterling Heights Informational Radio
- Produces and directs several television series
- Develops web and social media productions
- Provides standby videotaping service to Emergency Operations Center, Police, Fire and Public Works Departments
- Provides video production service for informational programs and in-house training for all City departments
- Researches, writes, tapes and edits all material for original SHTV programs and Web videos
- Broadcasts City Council, Zoning Board of Appeals, Planning, and Ordinance Board of Appeals meetings

DEPARTMENT AT A GLANCE

Community Relations Department

BUDGET SUMMARY

The Community Relations Department budget decreased by $40,040 or 4.0%. Personnel costs decreased by $23,810 or 2.7%. The proposed layoff of the Communications Specialist position will save $67,000, in addition to future long-term legacy costs. Savings will also be realized due to a third year of employee wage and benefit concessions. Partially offsetting these savings is a $42,260 increase in funding for long-term retirement liabilities. Supplies decreased by $16,070 or 35.7% as the budget can be lowered to more accurately reflect the actual postage savings from mailing fewer City Magazines and the suspension of the printed City Calendar last year. An online City Calendar is now available on the City's website. Total Other Charges fell $160 or 0.3%. Savings from printing fewer City Magazines and suspending the City Calendar will offset the cost of a citywide resident survey. The surveying of the community will help to better evaluate and prioritize the funding of local services. In addition, a new electronic e-mail newsletter and resident feedback program will eliminate the need for the "We Want to Know" postcards.

FUNDING LEVEL SUMMARY

	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Community Relations	$1,582,910	$1,470,780	$994,570	$954,530	-4.0%
Total Department	$1,582,910	$1,470,780	$994,570	$954,530	-4.0%
Personnel Services	$1,404,500	$1,363,070	$891,260	$867,450	-2.7%
Supplies	76,420	47,390	45,000	28,930	-35.7%
Other Charges	101,990	60,320	58,310	58,150	-0.3%
Total Department	$1,582,910	$1,470,780	$994,570	$954,530	-4.0%

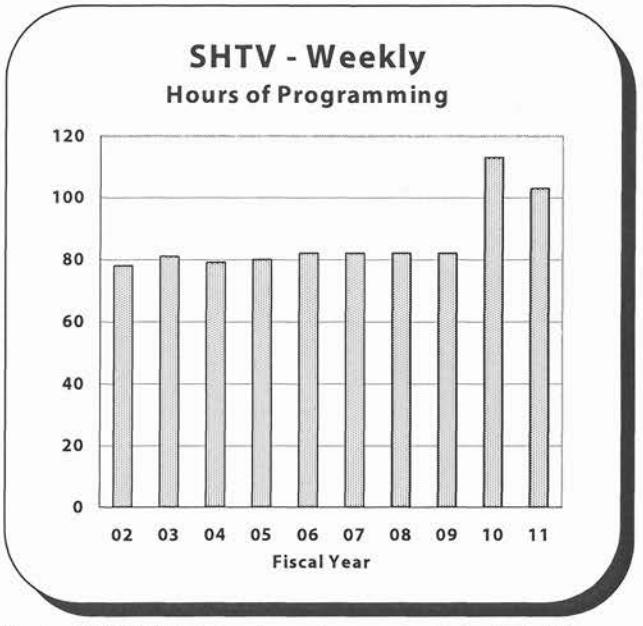
PERSONNEL SUMMARY

	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	13	4	13	3	7	1	6	1
Total Department	13	4	13	3	7	1	6	1

Excludes Boards & Commissions.

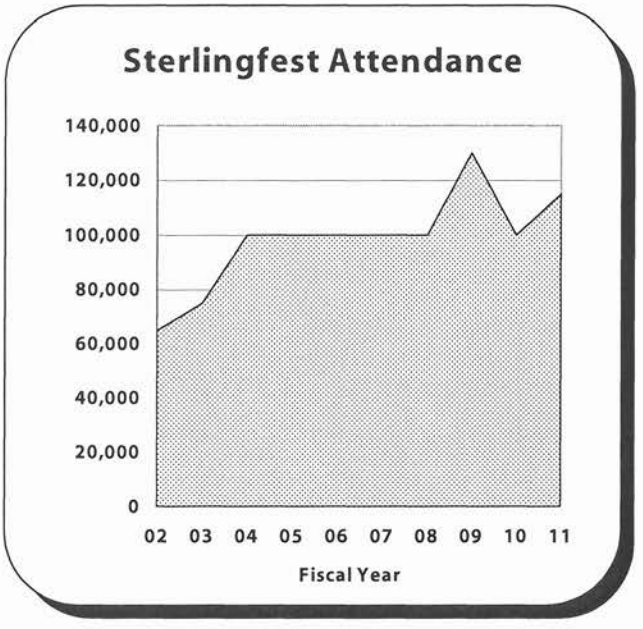
KEY DEPARTMENTAL TRENDS

Community Relations Department

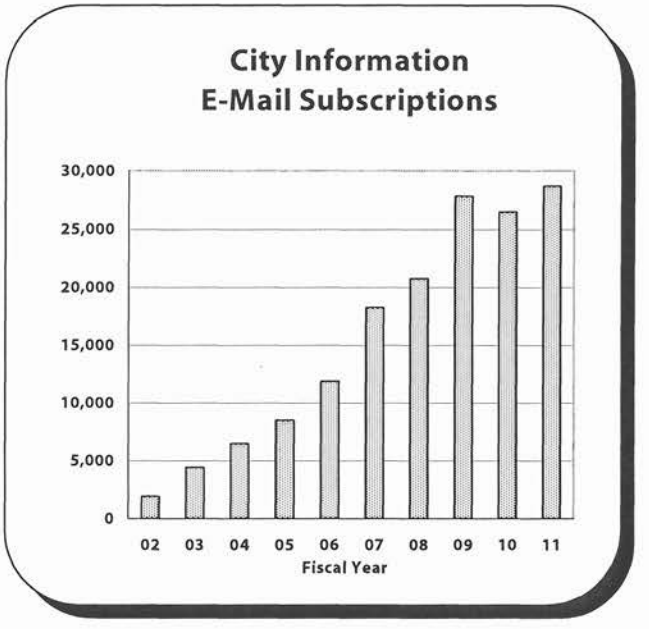


Sterling Heights Television viewers have seen a rise in the total hours of programming over the past 10 years. Hours increased in 2010 for the additional overnight programming.

In 2002, Community Relations began tracking city Website visits, which now account for more than 95% of total service contacts. Community Relations has also 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.



Attendance for the Sterlingfest Art and Jazz Fair has risen 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.



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 29,000 participants.

Community Relations

MISSION STATEMENT: ***To coordinate and prepare all communication efforts for the City of Sterling Heights in accordance with the goals, objectives, and policies adopted by the City Council and City Manager.***

Under the leadership of the Community Relations Director, the Community Relations Department provides accurate information to the public through all means of communication. The Community Relations Office is subdivided into two divisions: Communications and Broadcast Services. 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, Facebook, Twitter, Radio Station AM 1700, 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 or by phone at (586) 446-CITY.

The Broadcast Services, or 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 and YouTube Channel SHTV1.

The Community Relations Director assists the Economic Development Manager with activities to promote general development in the City and proposes policies that produce a better community in which to live, work, and play.■

KEY GOALS

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

Did you know...
...that in 2011, the Community Relations Department utilized 70 members of the Sterling Heights Volunteer Corps to enhance community events and operations throughout the City, such as the Memorial Day Parade, Sterlingfest, and the Cultural Exchange?

Community Relations

2012/13 PERFORMANCE OBJECTIVES

1. To encourage and promote volunteerism in cooperation with all City departments, in order to assist at City-wide events and with general operations. *(City Goal 26, 27)*

2. To continue to promote the City and its services through social media to reach non-traditional audiences. *(City Goal 3)*

3. To research opportunities and enhance partnerships with the Sterling Heights Regional Chamber of Commerce and outside agencies to ensure the viability of Sterlingfest. *(City Goal 21, 26)*

4. To implement the new BS&A web-based complaint tracking computer software system. *(City Goal 17, 18)*

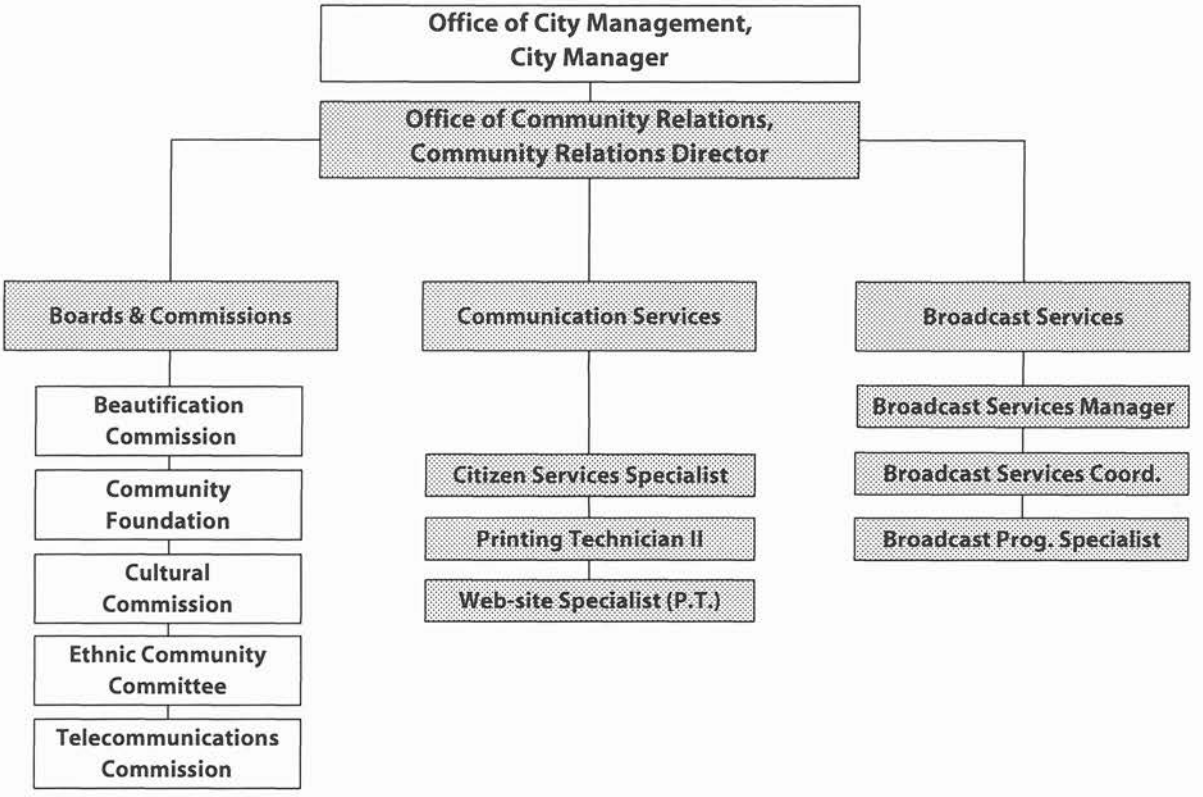
5. To team with Economic Development to promote Velocity as the economic hub for defense, homeland security, and advanced manufacturing. *(City Goal 8, 10)*

6. To institute a new email marketing system targeting different newsletter templates to various audiences. *(City Goal 17, 18)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Customer Service Contacts	509,107	635,141	733,247	679,100	687,925	693,000
	Citizen Action Center Calls/Walk-ins	26,424	26,436	24,992	26,000	25,000	25,000
	E-Mail Requests	2,747	2,147	2,142	2,900	2,800	3,000
	"We Want to Know" Postcards	728	327	310	200	125	0
	Sterling Heights Website Visits	479,208	606,231	705,803	650,000	660,000	665,000
	Total Tapings & Programs Aired	638	648	574	230	184	180
	SHTV Hours of Programming (Weekly)	82	113	103	103	103	100
	City Council, Board & Commission Meetings Taped	75	78	77	72	72	72
	Press Releases Produced	185	170	232	90	218	90
	Employee Intranet Updates	607	386	308	75	75	50
	City Magazine/Brochures Produced	32	29	25	13	4	4
	Typesetting/Graphic Design Projects	108	104	100	60	60	60
	City Information E-mail Subscription Recipients	27,953	26,486	28,715	30,000	30,000	35,000
	Sterlingfest & Memorial Day Parade Attendance	135,000	105,000	120,000	105,000	105,000	105,000
	Beautification Awards Presented	100	100	56	25	60	60
	Print Requests Completed	386	392	353	250	275	275
	Stockroom Requests Completed	290	294	240	300	325	325
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	98%	98%	98%	75%	80%	88%
	Cost per Citizen Contact Center Call Received	$2.60	$2.63	$2.94	*	*	*
	Average Cost to Televise a Public Meeting	$1,033	$1,004	$1,025	*	*	*
	Activity Expenditures as % of General Fund	1.77%	1.83%	1.68%	1.16%	1.13%	1.15%

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

Community Relations



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Community Relations Director	1	1	1
Communications Manager	1	0	0
Broadcast Services Manager	1	1	1
Broadcast Services Coordinator	1	1	1
Broadcast Programming Specialist	1	1	1
Citizen Services Specialist	2	1	1
Communications Specialist	1	1	0
Community Relations Specialist	1	0	0
Senior Broadcast Production Specialist	1	0	0
Printing Technician II	2	1	1
Broadcast Production Specialist	1	0	0
Video Production Technician (P.T.)	2	0	0
Web-site Specialist (P.T.)	1	1	1
Total	16	8	7

Community Relations

SUMMARY OF BUDGET CHANGES

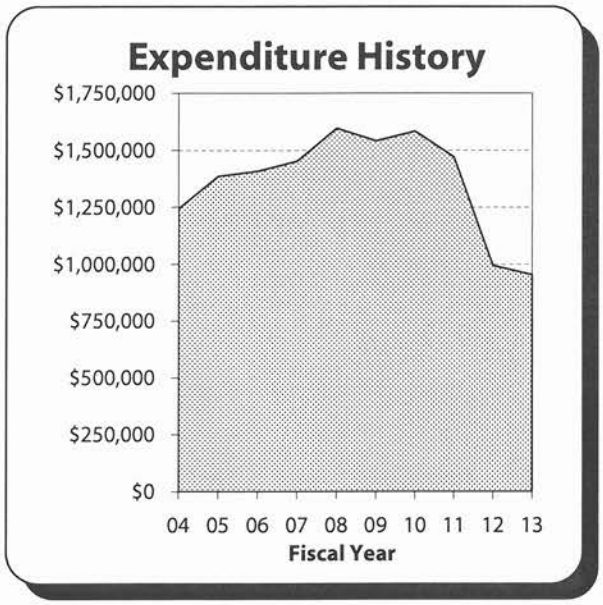
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 4.0%.

Personnel Services – The total Personnel budget decreased $23,810 or 2.7%. A Communications Specialist position is proposed to be laid off, saving $67,000 as well as long-term legacy costs. The budget assumes a third year of employee wage and benefit concessions. Partially offsetting these savings was a $42,280 increase to fund long-term retiree liabilities.

Supplies – Total Supplies decreased $16,070 or 35.7%. Postage can be reduced $15,000 based on a more accurate savings estimate from last year's decision to mail the City Magazine to only residents and the elimination of the City Calendar. In addition, the "We Want to Know" cards will be eliminated and replaced with an electronic feedback program.

Other Charges – Total Other Charges decreased $160 or 0.3%. The City will save $4,500 in printing costs based on a more accurate savings estimate from printing fewer copies of the City Magazine, as well as the elimination of feedback cards. Telephone costs fell $2,200 based on a revised allocation of City telephone expenditures. The training budget decreased $260, as savings on related travel expenses will continue to be maximized. Contracted services decreased $100 as funding for design services will be offset by a new electronic e-mail custom newsletter delivery system. A membership was eliminated and fewer local business meetings will be attended, saving $200. The budget includes $7,000 for a citywide survey to evaluate and better prioritize City services.

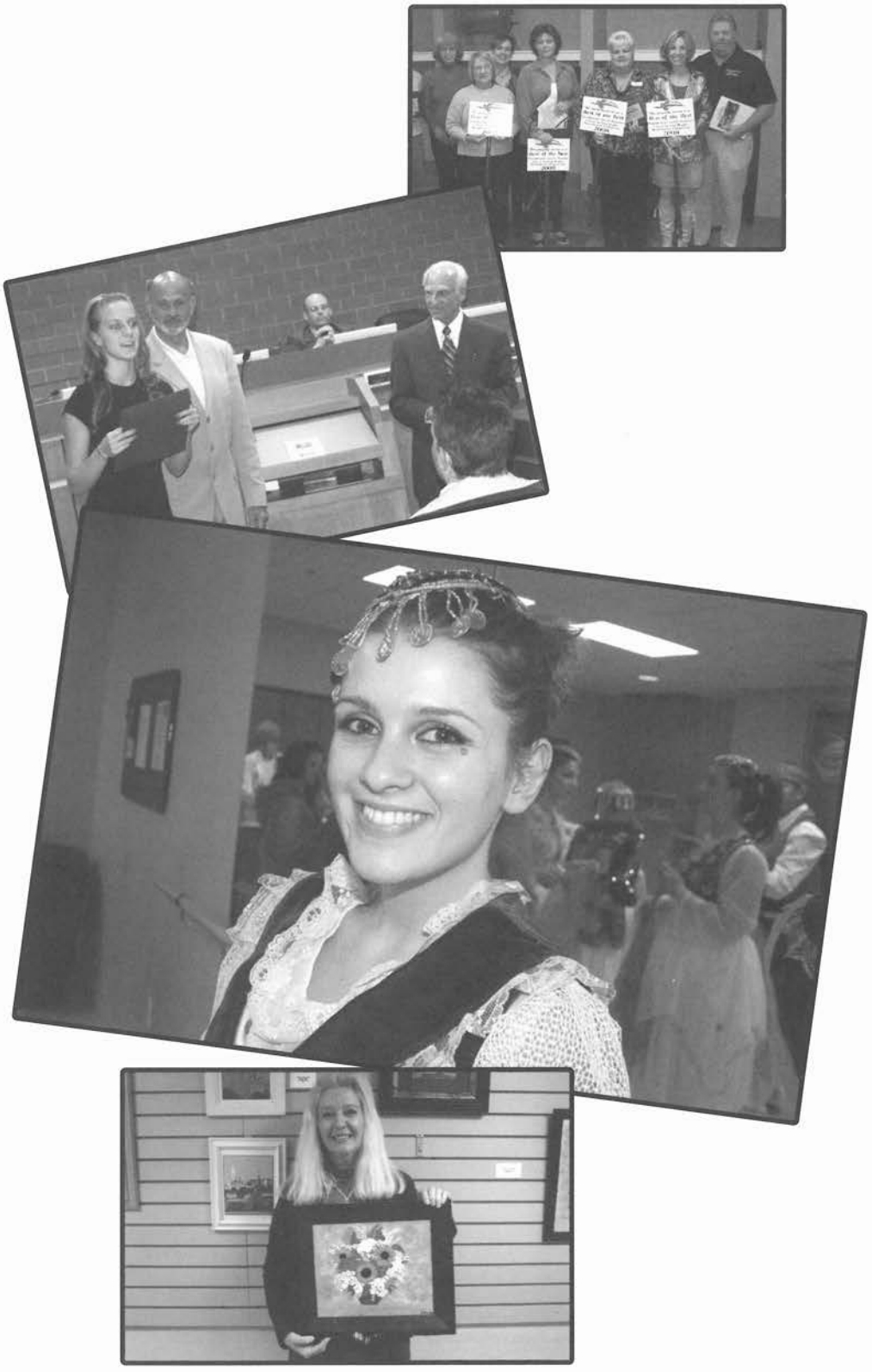


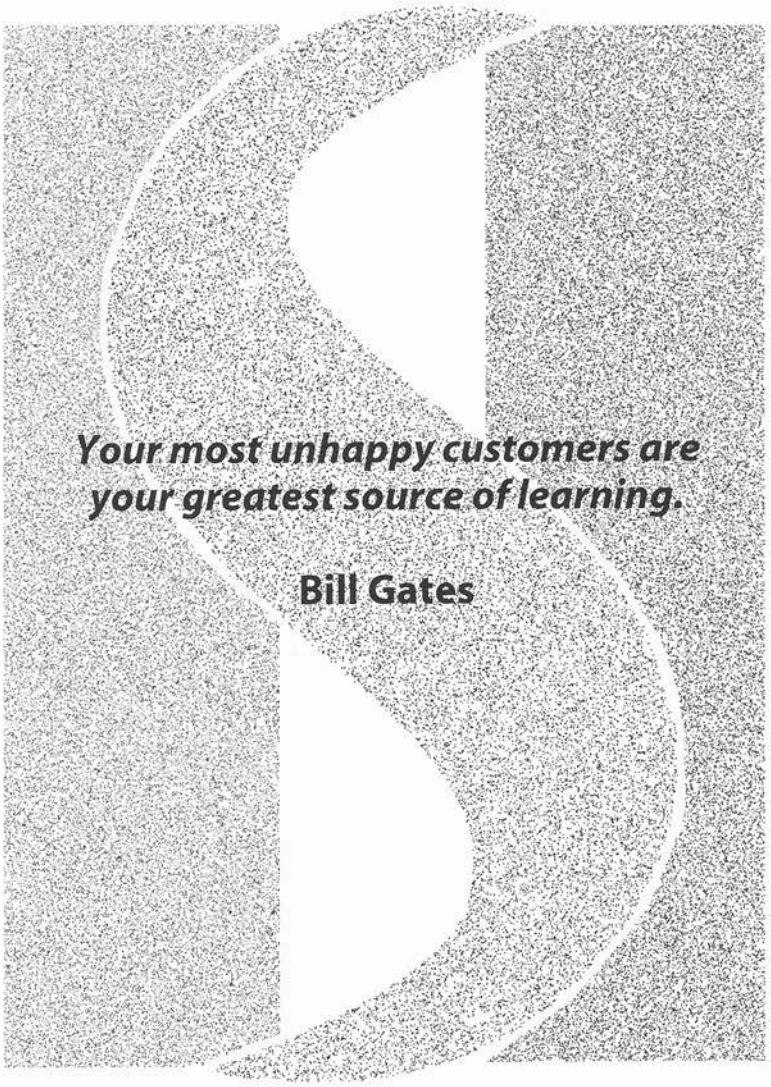
Capital – There is no Capital proposed for this activity.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,363,068	$891,260	$901,010	$867,450	$867,450
Supplies	47,387	45,000	27,500	28,930	28,930
Other Charges	60,323	58,310	51,850	58,150	58,150
Total	$1,470,778	$994,570	$980,360	$954,530	$954,530

Non-Departmental Services




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

41-A District Court

MISSION STATEMENT: ***To provide a forum of equitable, peaceful, and timely legal dispute resolution, based on the principles of due process, while instilling public confidence in the Court system.***

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

The Judicial Services Center 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 all cash received over the counter at the 41-A District Court is scanned using a counterfeit detection device?

41-A District Court

2012/13 PERFORMANCE OBJECTIVES

1. To pursue the installation of video equipment in one courtroom to provide connectivity with the Sheriff's Department and other state agencies. *(City Goal 2, 17, 18)*

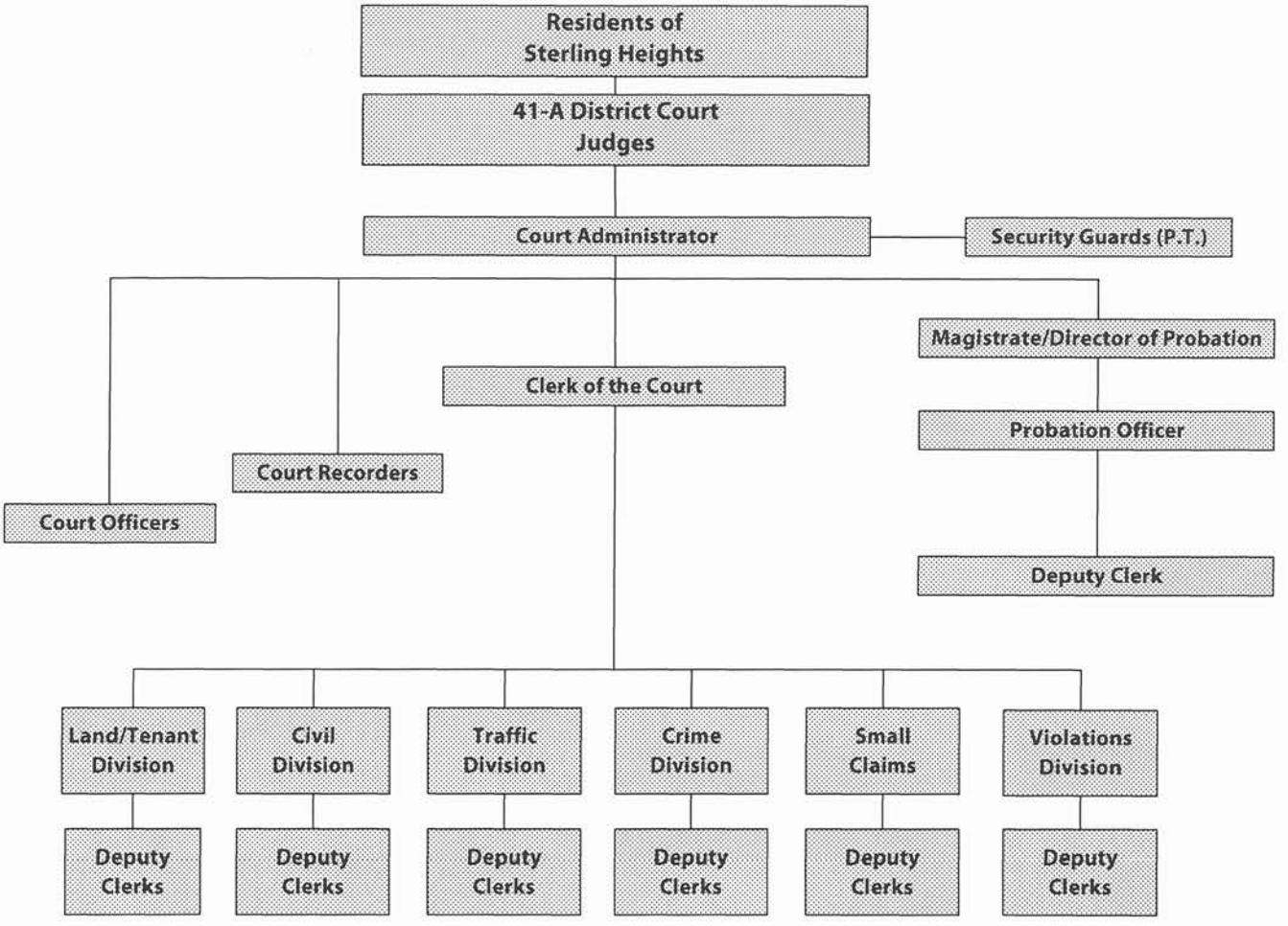
2. To develop an automated computer program to aid the Probation Department with defendants from Shelby Township 41-A District Court who report to Sterling Heights. *(City Goal 3, 4)*

3. To add and periodically update statistical data, such as caseload and disposition rate, to the Court's website. *(City Goal 17, 18)*

4. To cross train all clerks in the Criminal Division on the immediate issuance of bench warrants for cases in which the defendants have failed to appear in court. *(City Goal 2, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Total Active Caseload	54,349	60,055	53,621	50,000	41,000	41,000
	Total New Cases	42,468	47,029	42,258	42,500	32,900	34,050
	Traffic Cases	28,317	33,311	29,787	29,000	24,000	23,000
	Parking Cases	2,105	2,229	1,287	2,000	800	1,200
	Misdemeanor Cases	4,125	4,167	3,593	4,000	2,900	2,800
	Felony Cases	797	651	661	700	650	650
	General Civil Cases	3,947	3,816	4,037	4,000	3,600	3,500
	Small Claims Cases	524	448	451	400	450	500
	Landlord/Tenant Cases	2,653	2,407	2,442	2,400	2,500	2,400
	Magistrate Dispositions	10,393	10,707	10,705	10,500	7,500	7,500
	Jury/Bench Verdicts	10,489	11,571	10,941	10,500	7,800	7,800
	Guilty/Admissions/Default - By Party	24,739	29,871	26,773	24,000	20,200	20,000
	Dismissals - By Court or Party	7,900	7,893	8,252	7,000	6,500	6,000
	Probation Caseload (includes Shelby)	800	850	1,580	1,400	1,400	1,400
Efficiency & Effectiveness	% of Imposed Revenue Collected	96%	97%	96%	97%	96%	96%
	# of Court Cases Given to Collection Agency	1,600	2,400	0	0	0	0
	Court Revenue Collected by Collection Agency	N/A	$60,878	$24,824	$15,000	$14,000	$12,000
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	$24.51	$25.07	$25.27	$25.24	$24.85	$25.44
	Cost Per Active Case	$58	$54	$61	$65	$79	$81
	# of Active Cases per Employee	1,510	1,668	1,489	1,389	1,155	1,170
	Activity Expenditures as % of General Fund	3.61%	3.73%	3.71%	3.81%	3.72%	3.98%

41-A District Court



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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	0
Security Guard (P.T.)	4	4	4
Total	40	40	39

41-A District Court

SUMMARY OF BUDGET CHANGES

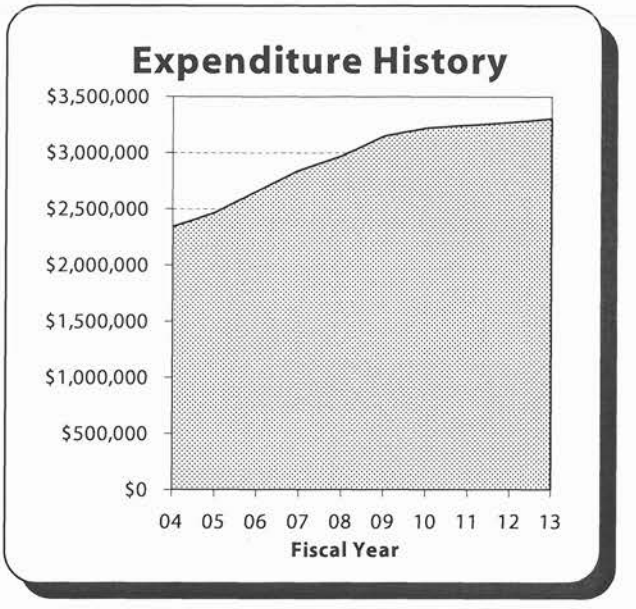
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 1.0%.

Personnel Services – The total Personnel budget increased $22,660 or 0.8%. Due to the continued recognition of prior year stock market losses, funding for long-term retiree obligations rose $80,530. $21,930 was saved by eliminating a vacant part-time Deputy Clerk position who was recently promoted to full-time. Full-time staffing levels will continue to be reviewed as retirements occur due to efficiencies gained from the new Police E-ticketing computer system, which eliminates duplication of data entry. In addition, there has been an overall decline in court cases. Savings was realized due to the recent Court Clerical labor agreement. Further wage and benefit savings are assumed for the Court Administrators.

Supplies – Total Supplies decreased $1,140 or 2.9%, as fewer written law publications and less printer toner will be purchased.

Other Charges – Total Other Charges increased $12,670 or 5.6%. $11,940 was added based on higher State computer software maintenance and annual support costs, as well as a necessary hardware system upgrade. Banking fees increased $3,000 due to a greater use of credit cards to pay court fines. $830 was added for the per-page print fee service the City is now utilizing.



Capital – Total Capital of $35,000 is for Digital Audio Recording Equipment to replace the equipment in four courtrooms that is over 20-years old and for which repair parts are no longer available.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$2,980,605	$3,007,040	$2,958,780	$3,029,700	$3,029,700
Supplies	37,981	39,140	38,040	38,000	38,000
Other Charges	228,226	227,150	226,760	239,820	239,820
Total	$3,246,812	$3,273,330	$3,223,580	$3,307,520	$3,307,520

Act 78 – Civil Service Commission

MISSION STATEMENT: ***To govern the testing for appointment, employment, and promotion of Police and Fire personnel.***

The Act 78 Civil Service Commission is a General Fund activity and is budgeted and accounted in a manner similar to other General Fund activities. The plan of Civil Service as established by Act No. 78 of the Public Acts of 1935, as amended, is incorporated in the Charter of the City and can be changed only by a formal amendment to the City Charter.

The City Clerk acts as ex officio liaison to the Commission and provides the necessary administrative and clerical support.

The Commission governs all aspects of the testing procedures for Police and Fire personnel. From the physical and agility aptitude exams to the written, oral, physiological, and psychological examinations, the Commission has a hands-on interface with the selection of examiners, criteria for examination, and selection of final evaluators. This important role of the Act 78 Civil Service Commission ensures the best candidates are selected for employment. The three members of the Commission serve without compensation during their term.■

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 City utilizes a testing agency, EMPCO, Inc., for Firefighter and Police Officer recruitment that requires applicants to pay the exam costs to the agency, thereby allowing applicants to apply with multiple communities, utilizing the same test score, and saving participating communities exam costs?

Act 78 – Civil Service Commission

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Minutes of Act 78 Meetings Recorded	2	2	2	1	1	0
	Police Officer Eligibility List Applications	128	0	0	0	0	0
	Fire Fighter Eligibility List Applications	0	0	0	0	0	0
	Written Tests - Police Officer Eligibility List	146	124	0	0	0	0
	Written Tests - Fire Fighter Eligibility List	0	0	96	0	0	0
	Oral Interviews - Police Officer Eligibility List	35	37	0	0	0	0
	Oral Interviews - Fire Fighter Eligibility List	26	0	66	0	0	0
	Physical/Psychological Test - Police/Fire Candidates	11	1	0	0	8	0
	Appointment Notices - Police/Fire New Hires	10	1	0	0	7	0
	Police/Fire Personnel Files Maintained	120	120	120	120	120	120
	Maintained Files (hiring procedures/legal opinions,etc.)	90	90	90	90	90	90
Effectiveness	Number of Appeals by Candidates	0	0	0	0	0	0
	Activity Expenditures as % of General Fund	0.01%	0.00%	0.00%	0.01%	0.01%	0.00%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

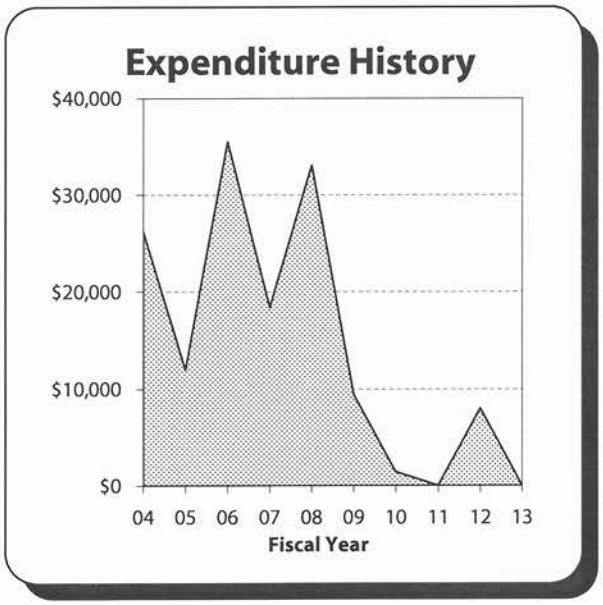
The total budget decreased by 100%.

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 $8,000 or 100%. The prior year budget included funding for Firefighter pre-employment physical and psychological exams. Funding for job advertising, testing materials, assessment centers, and pre-employment medical exams will not be required next year as no new Police or Fire positions are anticipated to be hired.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	31	0	0	0	0
Other Charges	0	8,000	8,000	0	0
Total	$31	$8,000	$8,000	$0	$0

Beautification Commission

MISSION STATEMENT: ***To promote public interest in the general improvement of the City's appearance.***

Residents and owners of all property within the City of Sterling Heights are encouraged to accept basic responsibilities in preserving and enhancing the beauty of public and private properties. An annual awards program assists the Beautification Commission in promoting its mission throughout the City. Nominations are submitted annually for properties in Sterling Heights that exemplify the enhancement of 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. 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 is planning to team with local business, Eckhert Nursery, to participate in the 2013 America in Bloom National Awards Program?

Beautification Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

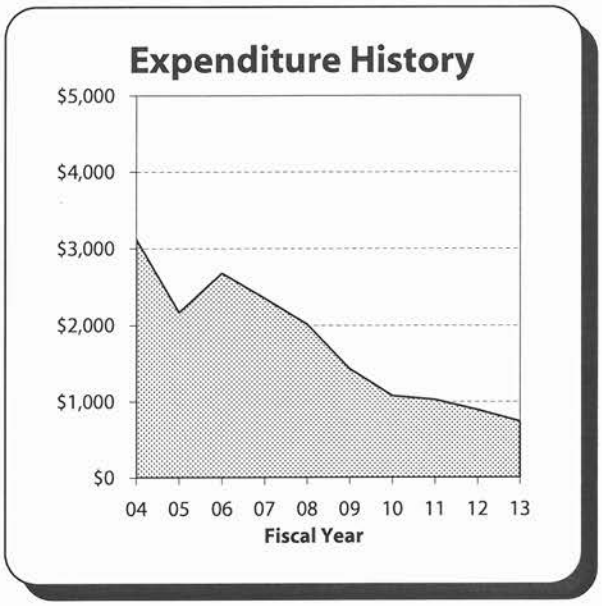
The total budget decreased by 16.9%.

Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased $100 or 13.3%, as fewer beautification plaques and certificates are required next year.

Other Charges – Total Other Charges decreased $50 or 35.7%, as fewer refreshments have been needed at local meetings and events.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	936	750	750	650	650
Other Charges	91	140	90	90	90
Total	$1,027	$890	$840	$740	$740

Cultural Commission

MISSION STATEMENT: ***To serve in an advisory capacity to the City Council for the development of City-wide cultural programs.***

Programs and projects sponsored by the Cultural Commission are developed in accordance with the goals and objectives set by the City Council and administration.

The Cultural Commission's primary responsibility is to consider, study and recommend City-wide cultural programs. Culture reflects the act of developing social, moral, and intellectual faculties through education. The Commission promotes, coordinates and develops the performing and creative arts by recommending cultural programs and opportunities.

The "Artist of the Month" program reinforces the attitude expressed by the Commission that culture should be appreciated. Every month a local artist is chosen to professionally display his or her art in a public forum.

The "Sterlingfest Art & Music Fair" 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 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 sponsor City events, such as "Sterlingfest", that showcase various forms of the performing and visual arts and encourages family entertainment.***
- ***To develop an art appreciation program targeted at the City's youth, including programs that encourage creative painting and the visual arts at City events such as Sterlingfest and Teenfest.***

Did you know...
...the Cultural Commission, in conjunction with the Sterling Heights Community Foundation, has established an "Oracle I" fundraising drive to keep the popular stained glass and aluminum sculpture by artist Jerome Sable on permanent display on the City Center grounds?

Cultural Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

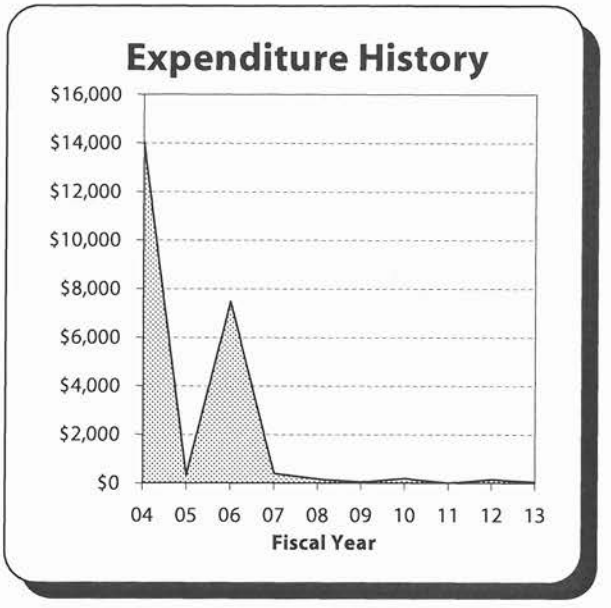
The total budget decreased by 66.7%.

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 $100 or 66.7%, as funding for commission memberships can be reduced and brought more in line with the current year's estimated expenditure usage.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	8	0	0	0	0
Other Charges	0	150	50	50	50
Total	$8	$150	$50	$50	$50

General Employees Retirement Board

MISSION STATEMENT: ***To invest plan assets prudently while meeting or exceeding actuarial liabilities, while insuring timely and proper distribution of benefits to which plan participants are entitled.***

The General Employees Retirement Board activity was established with the authority to administer, manage, and operate the retirement system following the provisions established by the retirement ordinance referenced in the City Charter and Code of Ordinances. The mission of the General Employees Retirement Board is to 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, 2011 total a market value of $102,133,015 while the City's contribution for the 2012/13 fiscal year will be $1,790,556. The fund is now 90.9% 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 302 retirees receiving benefits from the fund and 189 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, 2011, 147 active members were vested.

Five members serve on the General Employees Retirement Board. The officers include the Finance & Budget Director as the Board Secretary and the City Treasurer as the Treasurer of the retirement system and asset custodian. A resident is appointed by City Council to serve on the Board while two employee representatives are elected for staggered three-year terms by members of the General Employees Retirement System. An attorney designated by the Board acts as legal advisor while the Pension Administrator serves as the pension board liaison.■

KEY GOALS

- ***To monitor investments and liabilities to ensure proper matching while making necessary adjustments to maintain proper balance and long-term funding levels.***
- ***To develop and follow procedures whereby plan participants receive the benefits to which they are entitled by contract and/or ordinance.***
- ***To provide adequate communication to members of the retirement system so that they know how their funds are managed and what to expect at retirement.***

Did you know...
...the General Employees Retirement System Board of Trustees includes a citizen representative that volunteers his time?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

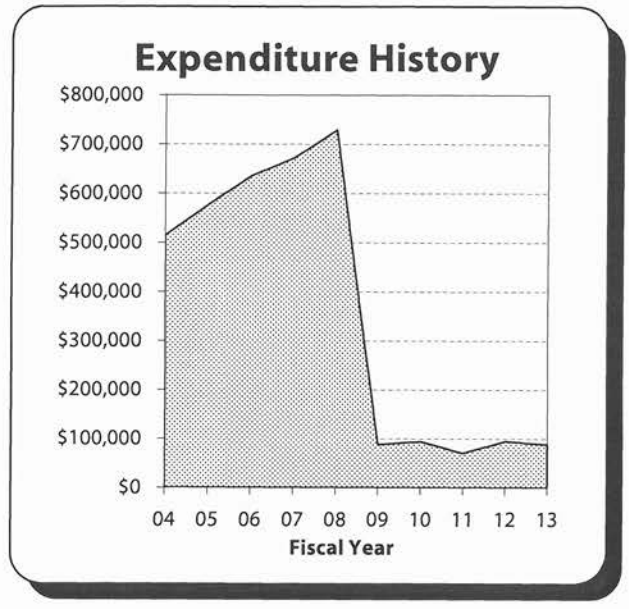
The total budget decreased by 6.5%.

Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased $40 or 11.8%. $40 was saved, as fewer office supplies are needed for recording meeting minutes.

Other Charges – Total Other Charges decreased $6,070 or 6.4%. Funding for money manager fees for the City's pension investments decreased $5,250, based on a lower market value of the portfolio in recent years as well as fee reductions successfully achieved by the Board. Funding for educational conferences decreased $300 and legal services fell $570, as both can be reduced and brought more in line with historic actual expenditure usage. $50 was added due to an increase in the existing MAPERS membership fee.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	248	340	320	300	300
Other Charges	70,519	94,370	88,300	88,300	88,300
Total	$70,767	$94,710	$88,620	$88,600	$88,600

General Expenditures

MISSION STATEMENT: ***To budget and account for general expenditures not assigned to specific users within the City due to their subjective nature.***

The General Expenditures activity of the General Fund is used to budget and account for all general expenditures that are incurred throughout the fiscal year. This activity is a budgetary center within the General Fund. Expenditures are charged to this activity because of the inability to properly reflect the expenditures in any other activity. This situation exists when an expenditure is incurred by the City in which benefit is realized by more than one activity. Rather than allocate the expense over the many activities in the City, it is much simpler and more auditable to charge it to an activity specifically set up for this type of expenditure – the General Expenditures activity.

Examples of these types of expenditures include postage for City publications and miscellaneous bulk mailings, and operating supplies for the copiers used throughout the City.

Other Charges, such as audit and accounting services for the annual year-end financial report, and contracted services for potential studies and surveys are included in this activity. City street lighting, all liability and property insurance for the City, refunds on tribunal adjustments and City memberships and dues are other items of interest found in this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, approval must be received from City Council before the adjustment is made. This budgetary center rarely requires any formal budget amendment.■

KEY GOALS

- ***To provide a means of accounting for certain unallocable City-wide expenditures which benefit all City departments or the public at large.***
- ***To provide a means of accounting for certain benefits to residents such as street lighting, weed cutting, and the quarterly City magazine.***
- ***To provide a means of budgeting and accounting for City-wide liability insurance coverage.***

Did you know...
...the majority of the costs in this activity are for the General Fund's contribution to the City's self-insured liability program and the operating costs for all City-owned street lights?

General Expenditures

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

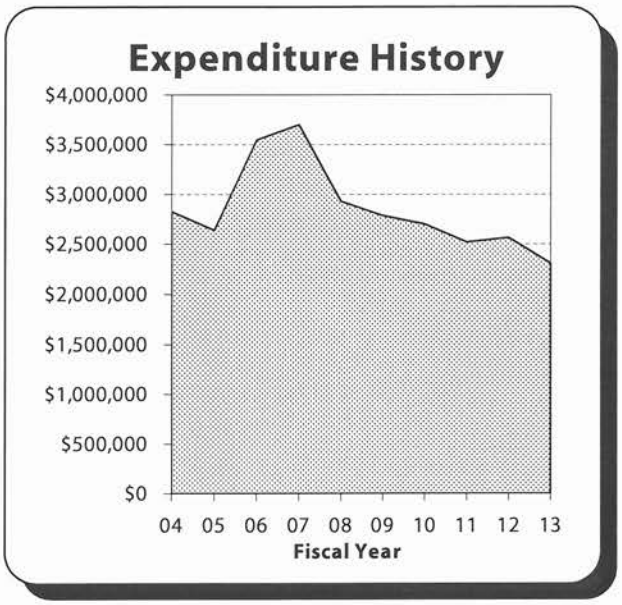
The total budget decreased by 9.9%.

Personnel Services – The total Personnel budget increased by $83,500 due to higher expected unemployment compensation costs.

Supplies – Total Supplies decreased $1,500 or 8.3%, 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 decreased $336,750 or 13.5%. The budget decreased $300,000 due to a change in the accounting treatment of tax tribunal adjustments. Tax refunds will now be recorded as a deduction to tax revenues. Contracted service costs decreased $50,000 based on recent expenditure trends, as there has been a reduced need for outside consultant services in recent years. The maintenance of the City's telephone system will now be expensed in Information Technology, shifting $26,180. Street lighting costs increased $37,930 due to higher DTE electricity rates. Funding increased $2,000, as physical exams are budgeted for City Council members.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$37,735	$56,500	$40,000	$140,000	$140,000
Supplies	16,201	18,000	16,000	16,500	16,500
Other Charges	2,465,607	2,489,080	3,098,560	2,152,330	2,152,330
Total	$2,519,543	$2,563,580	$3,154,560	$2,308,830	$2,308,830

Historical Commission

MISSION STATEMENT: ***To foster an understanding and appreciation of local history and to identify the heritage of our City.***

The Historical Commission strives to promote an awareness of the community's heritage; to identify local preservation concerns; to attend workshops and seminars relating to preservation management; to study public policies designed to protect and preserve local history; 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 entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*. In addition, in partnership with the Public Library, the Commission authored *Sterling Township: 1875 – 1968*, a pictorial history.

KEY GOALS

- ***To increase public knowledge about local history and historic preservation.***
- ***To collect and archive historic photographs.***
- ***To collect, maintain, and promote a Sterling Historical Collection in the Upton House and the Library.***
- ***To promote cooperation and resource sharing with local, state, and national preservation organizations.***

As Sterling Heights continues to change, it is important to remember that learning about our history creates a bridge from the past to the present. What is happening here today will be tomorrow's history.

The seven member Historical Commission acts in an advisory capacity to the City Council. Members serve uncompensated terms of three years. The Commission, established in 1970, meets quarterly. The Community Services Director is the staff liaison, relating the activities of the Commission to City Administration.■

Did you know...
...the Sterling Heights Historical Commission has a local history area on the second floor of the Sterling Heights Public Library?

Historical Commission

2012/13 PERFORMANCE OBJECTIVES

1. To submit an article on a historical topic for each edition of the Sterling Heights City Magazine. *(City Goal 27)*

2. To host an annual historical program of interest. *(City Goal 26)*

3. To provide tours of the Upton House during Sterlingfest and Sterling Christmas. *(City Goal 26)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Meetings Held	4	4	4	4	3	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	35	3	5	5	5	5
	Program/Exhibit Attendance	1,217	2,563	1,553	1,600	1,535	1,600

Historical Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

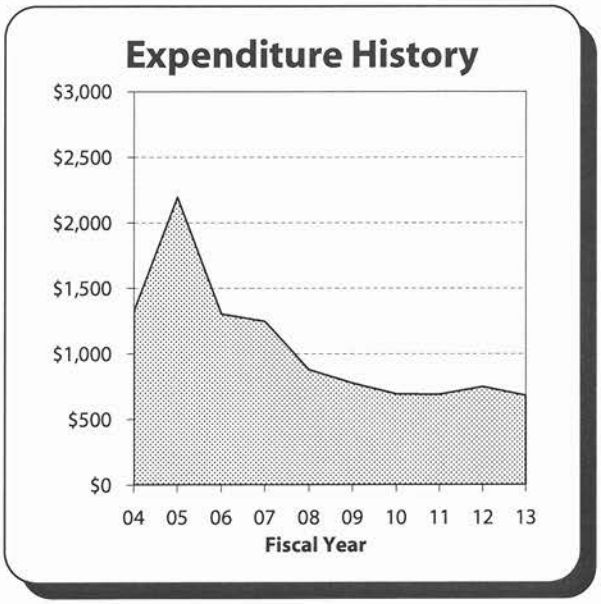
The total budget decreased by 9.3%.

Personnel Services – There is no Personnel budget for this activity.

Supplies – Total Supplies decreased $60 or 40.0%. Funding for operating supplies decreased $50 and postage costs decreased $10, as both can be reduced and brought more in line with historic actual expenditure levels.

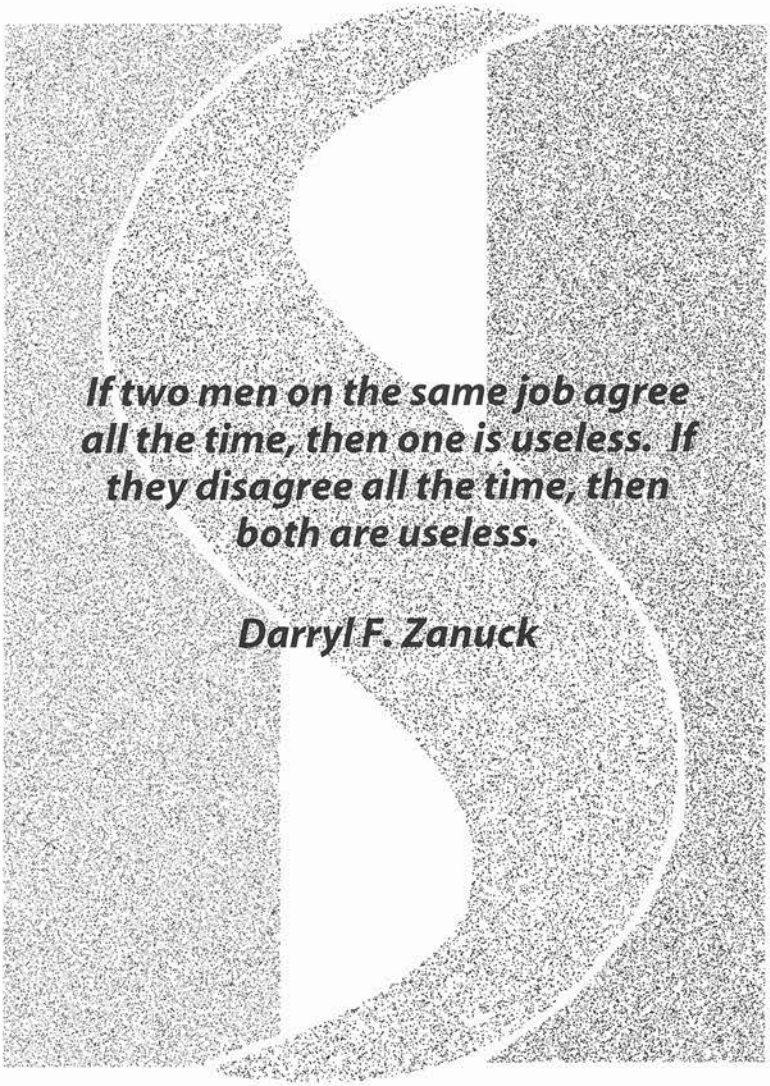
Other Charges – Total Other Charges decreased $10 or 1.7%. Contracted service costs decreased $20 as it is estimated that fewer donated historic photographs will be archived. $10 was added due to a slight increase in existing membership fees.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	95	150	100	90	90
Other Charges	595	600	570	590	590
Total	$690	$750	$670	$680	$680


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

2012/13 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 City's efforts to preserve and enhance neighborhoods and retail centers through property maintenance and economic development initiatives. *(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	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	District Court Cases	6,322	6,846	5,169	5,600	4,800	5,000
	Legal Opinions Rendered	2	5	4	4	6	4
	Ordinances and Amendments Prepared	16	18	7	10	12	10
	Commission Meetings Attended	47	39	49	40	45	42
	Council Meetings Attended	26	28	26	28	28	26
	Number of Open Lawsuits	29	26	38	30	34	30
	Number of Closed Lawsuits	15	9	11	12	8	12
	Numbers of Files Opened	158	149	99	80	40	50
	Number of Files Closed	81	69	61	65	60	50
	Legislative Issues Reviewed	97	93	89	95	90	85
	Hours Spent on City Business	7,899	8,565	7,528	6,800	6,700	6,600
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%	0.85%	0.85%	0.89%	0.89%	0.99%

Legal

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

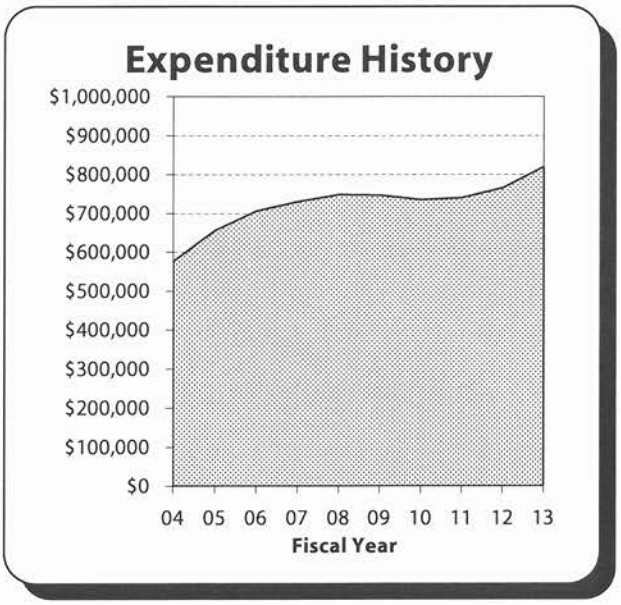
The total budget increased by 7.2%.

Personnel Services – There is no Personnel budget for this activity.

Supplies – There is no Supplies budget for this activity.

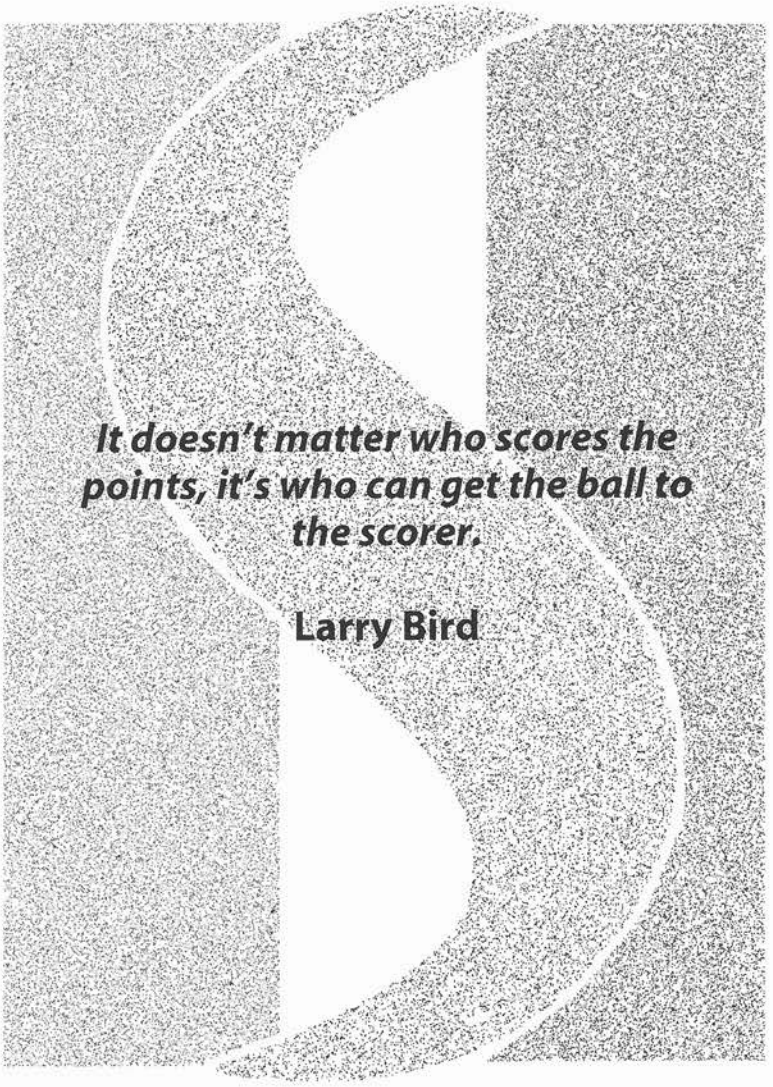
Other Charges – Total Other Charges increased $55,000 or 7.2%. $75,000 was added to the budget primarily for the labor attorney to assist with the negotiations of additional expiring collective bargaining agreements and in 312 labor arbitrations. Funding for City Attorney legal services decreased $20,000 based on the current year's level of activity, which reflects a decrease in billable hours. No hourly rate increase is proposed.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	740,413	765,000	770,000	820,000	820,000
Total	$740,413	$765,000	$770,000	$820,000	$820,000


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

Planning Commission

MISSION STATEMENT: ***To develop and adopt a Master Land Use Plan for the physical growth and development of the City, review and approve public development proposals and develop and implement zoning and subdivision regulations.***

Ordinance No. 113 adopted in August of 1968 established the Planning Commission. The City Council appointed Commission consists of nine members who serve terms not exceeding three years 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 reviewed a Complete Streets policy for the City that will ensure roadways are designed for motorized and non-motorized users, as well as users of all ages and abilities?

Planning Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

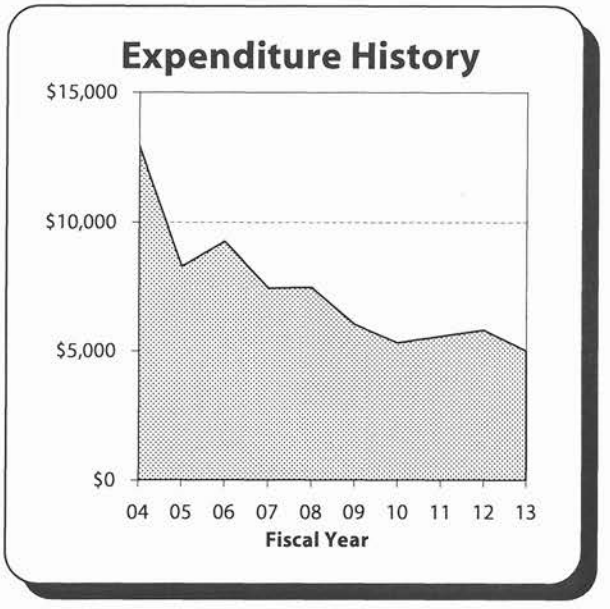
The total budget decreased by 13.8%.

Personnel Services – The total Personnel budget decreased by $430 or 18.1% as the number of Planning Commission meetings held has declined slightly over the past year.

Supplies – Total Supplies decreased $220 or 35.5%. $210 was saved, as a subscription was eliminated. Operating supply costs decreased $10 based on recent years' expenditure levels.

Other Charges – Total Other Charges decreased $150 or 5.3%. Training funds decreased $100, as prior year monies were not fully needed. $50 was saved as fewer newspaper notices have been needed.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,939	$2,370	$1,940	$1,940	$1,940
Supplies	729	620	590	400	400
Other Charges	2,912	2,820	2,270	2,670	2,670
Total	$5,580	$5,810	$4,800	$5,010	$5,010

Transfers Out

MISSION STATEMENT: ***To facilitate the accountability of revenues and expenditures by providing a means of tracing the transfer of monies from one fund to another.***

The Transfers Out activity in the General Fund is used to account for the outgoing transfers of funds to support other City funds. The expenditure in this activity is offset in its entirety by a revenue source in the fund receiving the transfer.

This fiscal year, three transfers are budgeted from the General Fund totaling $954,090 They include a transfer to the Capital Projects Fund, the Economic Development Corporation Fund, and the Limited Tax General Obligation Debt Service Fund.

The $406,350 Transfer Out to the Capital Projects Fund will be used for the funding of budgeted equipment, vehicles, and Information Technology Capital items.

The $528,740 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 $19,000 Transfer Out to the Economic Development Corporation Fund is to fund various 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 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

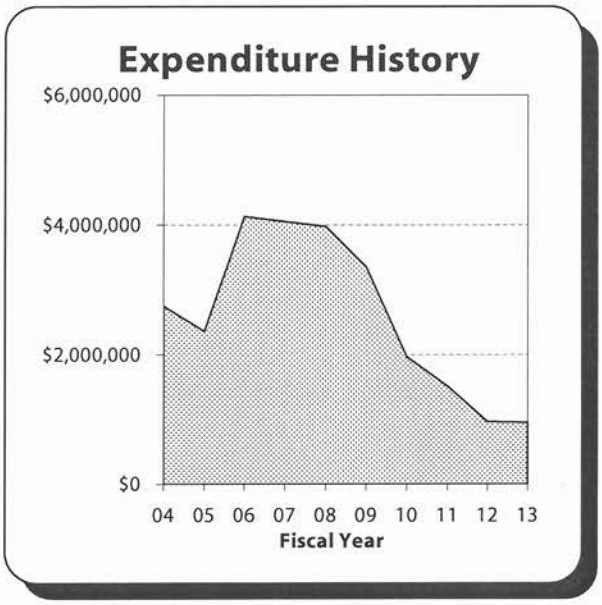
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 0.6%.

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 $954,090. Transfers to the Capital Projects Fund totals $406,350 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. ***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 $528,740. 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 Economic Development Corporation Fund totals $19,000 for the funding of marketing efforts including the use of web-based services for marketing, business information sharing, and investment and job creation opportunities, a membership to the Center for Automotive Research (CAR), and participation at a trade show.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	0	0	0	0	0
Transfers Out	1,509,940	959,670	959,670	954,090	954,090
Total	$1,509,940	$959,670	$959,670	$954,090	$954,090

Zoning Board of Appeals

MISSION STATEMENT: ***To hear and act upon appeals on various zoning matters related to the development and use of land in the City and to provide ordinance interpretation.***

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 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 notice of appeal must specify the requirement from which a variance is sought and the nature and extent of such variance. An official record is prepared for each appeal upon which the Board has based a decision.■

KEY GOALS

- ***To review and act upon use and dimensional variances to the City's Zoning Ordinance.***
- ***To hear appeals in regard to special land uses and planned unit developments.***
- ***To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.***
- ***To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.***

Did you know...
...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 – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

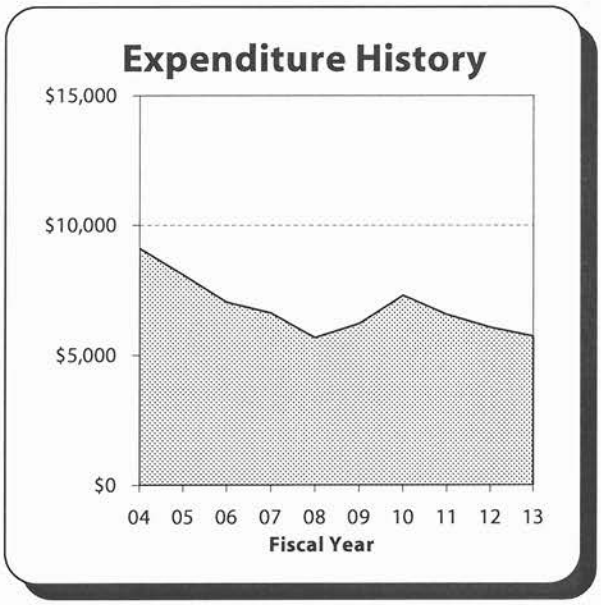
The total budget decreased by 5.6%.

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 the prior year.

Supplies – Total Supplies is proposed to remain the same at $610. There are no proposed changes within the Supplies accounts.

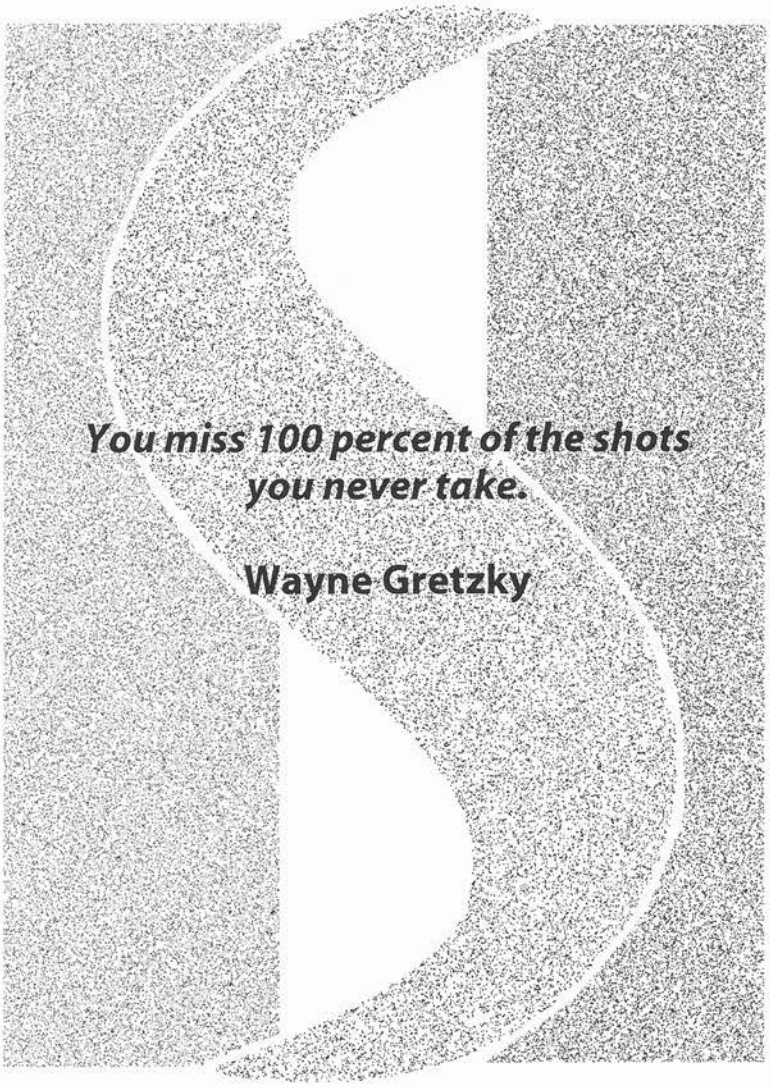
Other Charges – Total Other Charges decreased $340 or 10.2%. The budget has been decreased by $200 to reflect the actual cost of memberships. The training budget decreased $100 based on historic actual expenditure levels. $40 was saved, as fewer newspaper ads are anticipated to be published.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$2,295	$2,150	$2,150	$2,150	$2,150
Supplies	790	610	610	610	610
Other Charges	3,485	3,320	3,110	2,980	2,980
Total	$6,570	$6,080	$5,870	$5,740	$5,740


You miss 100 percent of the shots
you never take.
Wayne Gretzky

Water & Sewer Fund

The Water & Sewer Fund is an Enterprise Fund responsible for operation of the city's combined water supply and sewage disposal system. The fund is used to finance the cost of providing services to residents through user fees. Activities that make up the Water & Sewer Fund include Water & Sewer Administration, Water Distribution, and Sewage Collection.

Water & Sewer Fund

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. It is used to provide water and sewer services to residential, industrial, and commercial customers. It is self-supporting and is designed to meet its obligations free of taxation. An annual independent audit is prepared on 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 19 years, Detroit has increased its rates by an average of 7.4% per year, while Sterling Heights has increased its rates by only 5.9% 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 8.9%, to include charges for the 15 Mile sewer repair and a slight rate increase. Detroit's water rate also rose 7.7%. Sterling Heights passed along the same increases and 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.

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 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 sewage rate increased 17.3%, largely due to the new sewer rehabilitation project debt. Detroit's water rate also increased 8.8%. Sterling Heights passed along a 7.9% water and 9.9% sewer rate increase to its customers as a result of Detroit's increases and lower projected water consumption volumes over the past several years due to the economy.

In 2012/13, Detroit's water rate is increasing by 8.9%. Detroit increased its sewage rate 9.2%, in addition to a 13.5% increase in fixed sewage charges and a 23.9% increase in debt payments on the District's sewer rehabilitation projects. As a direct result, the City is passing along an 8.9% water and 13.9% sewer rate increase, which includes the implementation of a fixed charge as a result of Detroit's increasingly fixed charges to the City. To lessen the impact to the average residential customer, the City is lowering its first tier water rate, where most residential consumption is billed. The consumption amount for the minimum bill user will also decrease to lessen the fixed fee impact to very low users.■

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	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
REVENUES						
Water & Sewer Service	$23,054,690	$26,055,560	$29,456,280	$26,377,510	$32,272,430	**$32,272,430**
Penalties & Interest	493,250	517,360	510,000	550,000	570,000	**570,000**
Hydrant Rental	159,750	159,750	159,750	159,750	159,750	**159,750**
Building Rental	1,200	1,200	1,200	1,200	1,200	**1,200**
Interfund Service	94,540	149,260	218,100	140,100	148,100	**148,100**
Tap and Meter Revenue	375,760	354,500	370,000	395,000	387,500	**387,500**
Repair and Service	10,220	15,020	10,000	20,000	15,000	**15,000**
Inspection Fees	6,340	6,460	7,000	10,000	8,000	**8,000**
Turn-On Charge	16,580	14,920	15,000	16,000	16,000	**16,000**
Ind./Pollution Surcharge	766,870	771,190	760,000	870,000	870,000	**870,000**
Miscellaneous	77,860	184,530	107,920	528,400	530,680	**530,680**
Interest on Investments	441,450	266,340	351,600	501,000	341,680	**341,680**
Total Revenues	**$25,498,510**	**$28,496,090**	**$31,966,850**	**$29,568,960**	**$35,320,340**	**$35,320,340**
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	$1,065,600	$919,500	$1,005,280	$1,016,950	$950,640	**$950,640**
Supplies	11,320	25,430	13,400	12,900	12,700	**12,700**
Other Charges	7,035,240	7,292,920	2,338,210	2,338,090	2,281,500	**2,281,500**
Capital Outlay	9,920	0	0	12,520	10,800	**10,800**
Total Expenses	**8,122,080**	**8,237,850**	**3,356,890**	**3,380,460**	**3,255,640**	**3,255,640**
WATER DISTRIBUTION						
Personnel Services	1,138,170	1,144,140	1,157,370	1,159,840	1,247,770	**1,247,770**
Supplies	117,620	129,910	172,530	174,530	164,000	**164,000**
Other Charges	9,022,700	10,259,590	11,752,000	10,939,320	12,757,750	**12,757,750**
Capital Outlay	2,490	0	41,750	38,750	8,000	**8,000**
Total Expenses	**10,280,980**	**11,533,640**	**13,123,650**	**12,312,440**	**14,177,520**	**14,177,520**
SEWAGE COLLECTION						
Personnel Services	1,360,310	1,398,280	1,439,220	1,351,670	1,419,550	**1,419,550**
Supplies	60,000	72,160	60,000	65,000	61,000	**61,000**
Other Charges	10,945,610	11,670,980	12,177,320	13,416,500	13,363,720	**13,363,720**
Capital Outlay	0	0	391,600	401,410	141,000	**141,000**
Debt Service	0	520,040	2,342,190	2,579,690	2,901,910	**2,901,910**
Total Expenses	**12,365,920**	**13,661,460**	**16,410,330**	**17,814,270**	**17,887,180**	**17,887,180**
Total Operating Expenses	**$30,768,980**	**$33,432,950**	**$32,890,870**	**$33,507,170**	**$35,320,340**	**$35,320,340**

Note: Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue and Capital and Frontage charges.

Water & Sewer Fund Revenues

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, businesses, and other City funds. These monies are used to reimburse the Water & Sewer Fund for services provided to other entities, funds, or departments. The primary revenue accounts within this revenue center include Water Services and Sewage Collections.

In the 2012/13 Budget, Charges for Services revenue represents 97.47% of total revenue sources, an increase of $2,963,650.

The 2012/13 Budget recommends an 8.9% increase on water rates and a 13.9% 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, which also includes higher fixed charges as well as increased debt payments on the District's sewer rehabilitation projects.

Due to Detroit's increasingly higher fixed charges, the City will pass along a portion of fixed costs to its users as part of the overall rate increase. A modest $30 annual fixed residential fee and a $120 commercial fixed fee is proposed. The fixed fee allows the City to reduce its first tier water rate, where most residential consumption is billed, thereby lowering the water bill increase from 8.9% to only 5.9%. The sewer rate will only increase by 9.4%, so the average resident's total water and sewer bill will be $4 less per year with the new billing method.

The average residential customer will pay approximately $43 per month for water and sewer services. The consumption amount for the minimum bill user will also decrease to lessen the fixed fee impact to very low users.

The average residential customer will pay approximately $43 per month for water & sewer services.

As system users continue to reduce consumption and Detroit's fixed charges continue to increase, this billing method will better prevent revenue shortfalls and help avoid higher rate increases that can lead to further decreases in usage. Fixed fees reduce revenue volatility and avoid overcharging customers in years where usage increases.

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 2012/13 Budget, Other Revenues represents 2.53% of total revenue sources, an increase of $389,840 above the 2011/12 Budget. This increase in revenues is mostly due to an increase in the interest recovery reimbursements on three of the sewer rehabilitation project bonds.

In the 2012/13 Budget, Other Revenues represents 2.53% of total revenue sources, an increase of $389,840 above the 2011/12 Budget.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2012/13 Budget, there is no use of net assets, as revenues equal expenses. The Water & Sewer Fund is typically self-supporting and is designed to break even. Water and sewage rates are set strictly to finance the City's cost of providing services to its customers.■

WATER & SEWER FUND
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	6,007	0.02	15,000	0.05	**10,000**	**0.03**
627531	Administrative Services - Refuse	76,000	0.27	69,100	0.22	**69,100**	**0.20**
629001	Labor Services - Roads	31,732	0.11	60,000	0.19	**30,000**	**0.08**
629002	Labor Services Cross Charges	5,582	0.02	10,000	0.03	**8,000**	**0.02**
633001	Water Tap Fees	87,038	0.31	80,000	0.25	**90,000**	**0.25**
633002	Sewer Tap Fees	3,030	0.01	5,000	0.02	**7,500**	**0.02**
633003	Meter Charges	264,433	0.93	285,000	0.89	**290,000**	**0.82**
633004	Inspection	6,460	0.02	7,000	0.02	**8,000**	**0.02**
633005	Water & Sewer Services	15,018	0.05	10,000	0.03	**15,000**	**0.04**
633006	Hydrant Rental - Fire Department	159,750	0.56	159,750	0.50	**159,750**	**0.45**
633009	Turn-On Charge	14,920	0.05	15,000	0.05	**16,000**	**0.05**
634001	Materials/Supplies Cross Charges	10,448	0.04	20,000	0.06	**10,000**	**0.03**
643000	Water Services	11,345,898	39.82	12,720,980	39.79	**13,596,700**	**38.50**
644000	Collections - Sewer	14,709,666	51.62	16,735,300	52.35	**18,675,730**	**52.88**
645000	Penalties - Water & Sewer	517,363	1.82	510,000	1.60	**570,000**	**1.61**
646000	Industrial & Pollution Surcharge	771,190	2.71	760,000	2.38	**870,000**	**2.46**
	Total Charges for Services	**28,024,535**	**98.35**	**31,462,130**	**98.42**	**34,425,780**	**97.47**
	OTHER REVENUE						
665000	Interest on Investments	265,245	0.93	350,000	1.09	**340,680**	**0.96**
665445	Interest & Penalties - Tax Roll	1,097	0.00	1,600	0.01	**1,000**	**0.00**
667006	Building Rental - Garage	1,200	0.00	1,200	0.00	**1,200**	**0.00**
669001	Rental - Road Equipment	19,074	0.07	40,000	0.13	**20,000**	**0.06**
669002	Rental/Equipment Cross Charges	411	0.00	4,000	0.01	**1,000**	**0.00**
676000	Reimbursements	96,638	0.34	40,420	0.13	**463,180**	**1.31**
685000	Miscellaneous Revenue	82,641	0.29	65,000	0.20	**65,000**	**0.18**
695000	Insurance Recovery	5,247	0.02	2,500	0.01	**2,500**	**0.01**
	Total Other Revenue	**471,553**	**1.65**	**504,720**	**1.58**	**894,560**	**2.53**
	Total Water & Sewer Fund	**$28,496,088**	**100.00**	**$31,966,850**	**100.00**	**$35,320,340**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

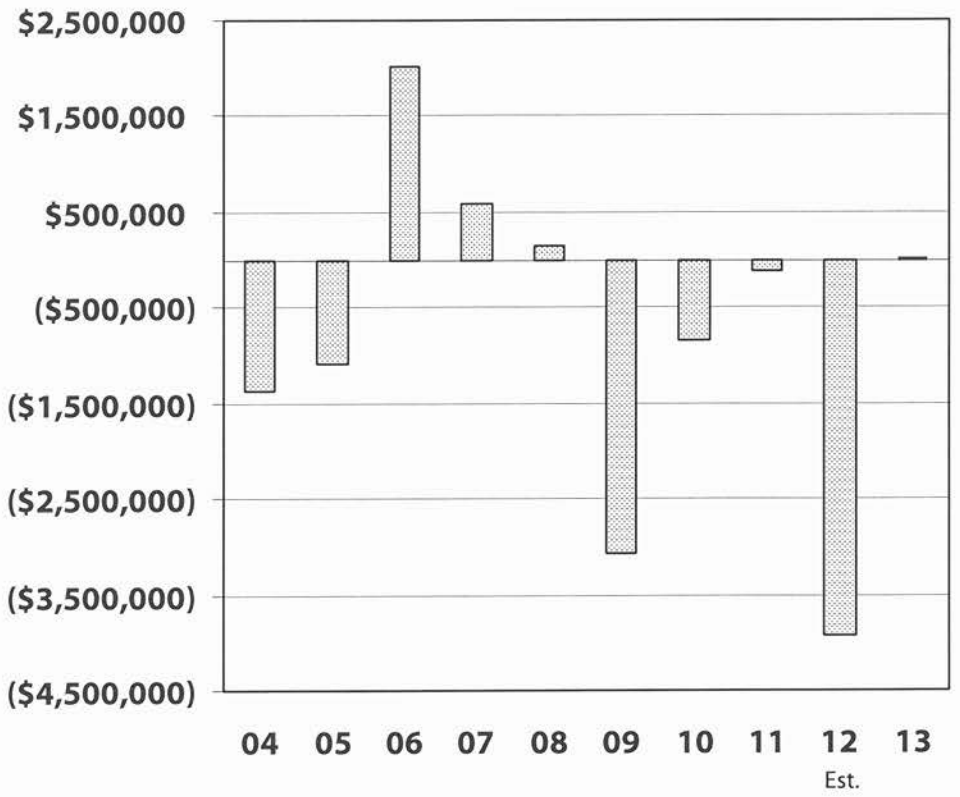
Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	PERSONNEL SERVICES						
704000	Wages & Salaries - Permanent	$1,821,737	5.45	$1,923,670	5.85	**$1,827,750**	**5.17**
704001	Sick Time Buy Back	23,875	0.07	6,000	0.02	**7,000**	**0.02**
704721	Health Insurance Allowance	3,000	0.01	4,500	0.01	**3,000**	**0.01**
705000	Wages-Salaries - Temp/Part-Time	52,942	0.16	54,240	0.16	**54,010**	**0.15**
708000	Overtime	159,114	0.48	143,000	0.43	**145,000**	**0.41**
708001	Compensation Time Buy Back	15,836	0.05	10,000	0.03	**10,000**	**0.03**
709000	Union Contract Reimbursements	33,195	0.10	7,320	0.02	**7,200**	**0.02**
710000	Longevity	63,800	0.19	77,030	0.23	**52,430**	**0.15**
715000	Clothing Allowance	7,013	0.02	7,300	0.02	**6,800**	**0.02**
717000	FICA	164,931	0.49	168,040	0.51	**159,350**	**0.45**
718000	Worker's Compensation	16,801	0.05	15,820	0.05	**15,410**	**0.04**
720000	Pension - General Emp Retirement	84,645	0.25	200,820	0.61	**330,070**	**0.93**
720002	Defined Contribution - Employer	16,224	0.05	13,390	0.04	**14,570**	**0.04**
720010	Add'l Employee Pension - GERS	0	0.00	(54,450)	-0.17	**(4,500)**	**-0.01**
721000	Health Insurance	337,895	1.01	368,750	1.12	**313,950**	**0.89**
721001	Health Insurance - Retirees	606,650	1.81	598,860	1.82	**622,820**	**1.76**
721003	Retiree Health Savings - City	2,000	0.01	2,000	0.01	**2,000**	**0.01**
722000	Dental Insurance	25,887	0.08	27,030	0.08	**26,890**	**0.08**
723000	Life Insurance	6,550	0.02	7,180	0.02	**4,910**	**0.01**
724000	Eye Care Insurance	3,068	0.01	3,090	0.01	**2,270**	**0.01**
725000	Disability Insurance - Long Term	4,534	0.01	4,880	0.01	**4,270**	**0.01**
725355	Disability Insurance - Short Term	12,218	0.04	13,400	0.04	**12,760**	**0.04**
	Total Personnel Services	**3,461,915**	**10.35**	**3,601,870**	**10.95**	**3,617,960**	**10.24**
	SUPPLIES						
729000	Postage	1,210	0.00	1,400	0.00	**1,400**	**0.00**
750000	Fuels & Lubricants	79,566	0.24	77,000	0.23	**79,000**	**0.22**
751000	Operating Supplies	77,715	0.23	46,250	0.14	**42,300**	**0.12**
770000	Water Meters - Assembled	37,719	0.11	49,000	0.15	**43,000**	**0.12**
771000	Fire Hydrant Parts	12,122	0.04	16,700	0.05	**15,000**	**0.04**
772000	Tap-In Materials - Water	13,175	0.04	17,580	0.05	**15,000**	**0.04**
774000	Water Meter Parts	5,988	0.02	38,000	0.12	**42,000**	**0.12**
	Total Supplies	**227,495**	**0.68**	**245,930**	**0.75**	**237,700**	**0.67**
	OTHER CHARGES						
802000	Audit & Accounting Services	23,440	0.07	29,280	0.09	**29,280**	**0.08**
806000	Legal Services - Other	71	0.00	200	0.00	**200**	**0.00**
806001	Legal Services - City Attorney	2,672	0.01	3,500	0.01	**3,000**	**0.01**
807000	Medical Services	1,391	0.00	2,000	0.01	**1,700**	**0.00**
810000	Other Fees	89,397	0.27	82,500	0.25	**92,500**	**0.26**
823000	Hydrant Moves - Contractor	2,829	0.01	1,000	0.00	**1,000**	**0.00**
824000	Water Tap Installation - Contractor	24,362	0.07	20,000	0.06	**20,000**	**0.06**
826000	Other Contracted Services	21,244	0.06	42,360	0.13	**40,000**	**0.11**
827000	Interfund Services	1,671,300	5.00	1,696,800	5.16	**1,679,800**	**4.76**
832000	Building Maintenance	1,007	0.00	1,400	0.00	**1,200**	**0.00**

WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
833000	Equipment Maintenance	122,931	0.37	114,890	0.35	114,000	0.32
835000	Vehicle Maintenance	116,252	0.35	138,000	0.42	124,000	0.35
840000	Water Main Repair	98,350	0.29	102,400	0.31	100,000	0.28
841000	Distribution Line Repair	179,470	0.54	146,790	0.45	155,000	0.44
842000	Sewer Main Repair	49,137	0.15	30,000	0.09	30,000	0.08
903000	Printing	842	0.00	800	0.00	700	0.00
913000	Liability Insurance	267,800	0.80	267,800	0.81	267,800	0.76
915000	Other Insurance	2,460	0.01	2,460	0.01	2,460	0.01
921000	Electric	30,895	0.09	41,400	0.13	30,500	0.09
922000	Telephone	4,285	0.01	4,400	0.01	3,200	0.01
923000	Gas - Fuel - Oil	12,561	0.04	12,500	0.04	12,500	0.04
931000	Water Purchased	9,882,899	29.56	11,390,270	34.63	12,402,420	35.11
932000	Sewage Disposal Services	11,098,583	33.20	11,633,250	35.37	12,780,670	36.19
934000	Industrial & Pollution Surcharge	360,568	1.08	350,000	1.06	400,000	1.13
945000	Other Rental	159,261	0.48	146,170	0.44	104,290	0.30
956000	Local Meetings	5	0.00	120	0.00	60	0.00
957000	Memberships & Dues	1,045	0.00	1,100	0.00	290	0.00
959000	Education & Training	4,500	0.01	4,140	0.01	3,400	0.01
964000	Refunds & Rebates	3,648	0.01	2,000	0.01	3,000	0.01
968000	Depreciation	4,990,290	14.93	0	0.00	0	0.00
	Total Other Charges	**29,223,495**	**87.41**	**26,267,530**	**79.86**	**28,402,970**	**80.42**
	CAPITAL OUTLAY						
979000	Computer Equipment	0	0.00	0	0.00	10,800	0.03
982000	Machinery & Equipment	0	0.00	58,350	0.18	149,000	0.42
984000	Vehicles	0	0.00	375,000	1.14	0	0.00
	Total Capital Outlay	**0**	**0.00**	**433,350**	**1.32**	**159,800**	**0.45**
	DEBT SERVICE						
992000	Principal	0	0.00	1,107,530	3.37	1,345,670	3.81
993001	Interest - Oakland-Macomb Intcpt.	59,452	0.18	141,460	0.43	260,030	0.74
993002	Interest - Macomb Interceptor	408,477	1.22	770,840	2.34	1,175,470	3.33
993003	Interest - North Gratiot Interceptor	52,112	0.16	123,030	0.37	120,740	0.34
993004	Interest - Clintondale Pump Station	0	0.00	199,330	0.61	0	0.00
	Total Debt Service	**520,041**	**1.56**	**2,342,190**	**7.12**	**2,901,910**	**8.22**
	Total Water & Sewer Fund	**$33,432,946**	**100.00**	**$32,890,870**	**100.00**	**$35,320,340**	**100.00**

Note: The 2010-2011 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 and principal payments.

FUNCTIONAL ORGANIZATION CHART

Water & Sewer Fund (Public Works Department)

Water & Sewer Administration

- Administration of the department
- Provides oversight of the noxious weed cutting program
- Provides radio contact with field crews, transmitting and receiving all radio calls through the base station
- Provides clerical support to the department
- Reviews and approves the budget submissions from all divisions of the department
- Provides security to the Public Works Facility
- Determines personnel policy in accordance with union contracts and administrative rules and regulations

Water Distribution

- Provides accurate and continuous readings of all water meters
- Maintains fire hydrants keeping them in proper functioning condition
- Responds to service request calls relating to the water distribution system
- Inspects, assists and supervises subcontractors in the repair of watermain breaks

Sewage Collection

- Maintains and inspects retention ponds
- Cleans and inspects sanitary sewers
- Responds to emergency flood conditions 24 hours a day, seven days a week
- Maintains and repairs cracks and obstructions which affect the design and flow of the sanitary sewer system

DEPARTMENT AT A GLANCE

Water & Sewer Fund

BUDGET SUMMARY

The Fund increased by $2.4 million or 7.4%. As the City purchases its water and sewage services from Detroit and Macomb County, their costs directly impact the City's rates. The water cost from Detroit will increase by 8.9%. Sewage rates will rise by 9.2%, in addition to a 13.5% increase in fixed charges and a 23.9% increase in debt payments. The City has worked hard to lower the overall City rate increase. City personnel costs rose only 0.4% due solely to increased retirement funding, as the budget includes a third year of employee concessions. Two vacant full-time positions have also been eliminated. Supplies decreased by 3.3%. Capital purchases declined by 63.1%. Due to continued efficiencies, the City is able to pass on only a portion of Detroit's increase. As Detroit has increasingly raised its fixed charges, which are not tied to actual consumption levels, the City must begin to mirror this rate structure and pass on a portion of the fixed fees. However, the fixed residential fee will be the lowest of any metro Detroit community. It will allow the City to reduce its first tier water rate where most residential consumption is used, thereby lowering the average water bill increase from 8.9% to 5.9%. The sewer rate increase will be lowered to 9.4%, saving the average resident $4 per year off their total bill. The average Sterling Heights residential customer will pay less than $43 per month 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

	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget	% Change from 11/12
Water & Sewer Admin.	$8,122,080	$8,237,850	$3,356,890	$3,255,640	-3.0%
Water Distribution	10,280,980	11,533,640	13,123,650	14,177,520	8.0%
Sewage Collection	12,365,920	13,661,460	16,410,330	17,887,180	9.0%
Total Department	$30,768,980	$33,432,950	$32,890,870	$35,320,340	7.4%
Personnel Services	$3,564,090	$3,461,920	$3,601,870	$3,617,960	0.4%
Supplies	188,930	227,500	245,930	237,700	-3.3%
Other Charges	27,003,550	29,223,490	26,267,530	28,402,970	8.1%
Capital Outlay	12,410	0	433,350	159,800	-63.1%
Debt Service	0	520,040	2,342,190	2,901,910	23.9%
Total Department	$30,768,980	$33,432,950	$32,890,870	$35,320,340	7.4%

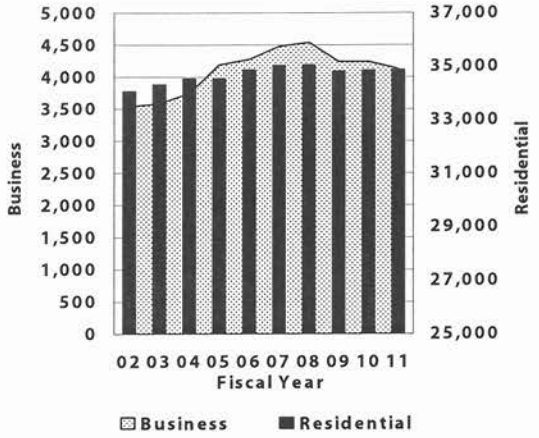
PERSONNEL SUMMARY

	2009/10		2010/11		2011/12		2012/13	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	8	0	8	0	7	0
Water Distribution	11	2	11	2	11	2	11	2
Sewage Collection	14	4	14	4	14	4	13	4
Total Department	34	6	33	6	33	6	31	6

KEY FUND TRENDS

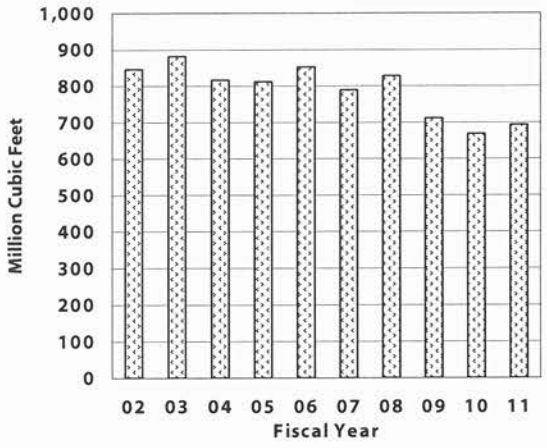
Water & Sewer Fund

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 21% since 2003.

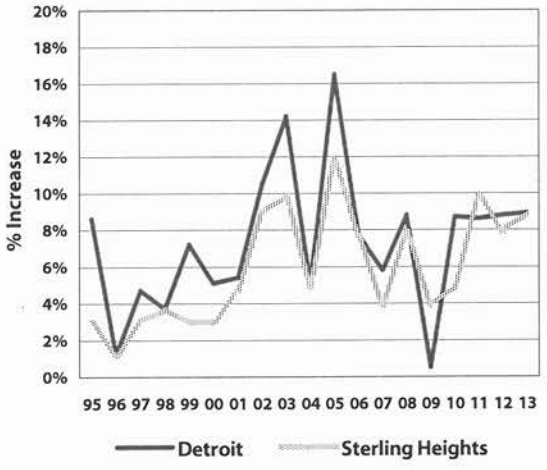
Average Residential Monthly Water & Sewer Bill

1. Lansing	$93.25
2. Southfield	$77.17
3. Grand Rapids	$72.25
4. Farmington Hills	$57.58
5. Ann Arbor	$53.33
6. Troy	$51.00
7. Livonia	$50.92
8. Dearborn	$49.58
9. Warren	$45.83
10. STERLING HEIGHTS	**$38.75**

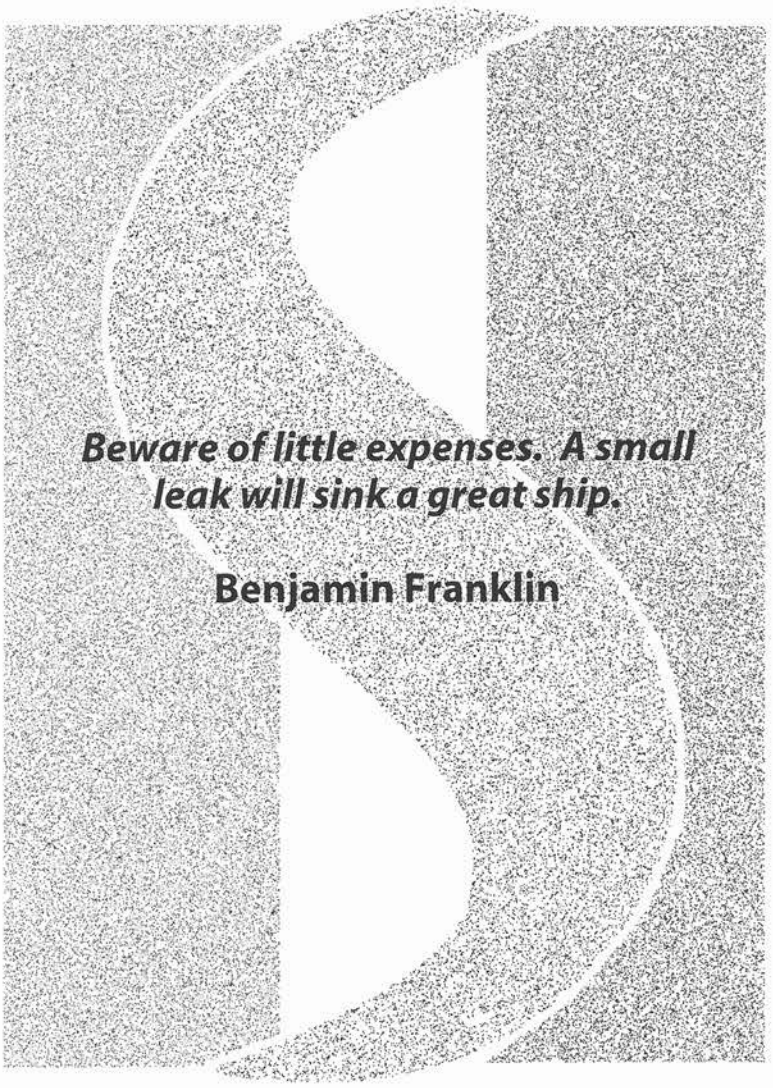
Rates as of 10/11 using 12,000 cf.

The City purchases its water and sewer services through the City of Detroit. The average resident pays less than $39 per month for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 18% less than the next lowest city (Warren) and 140% less than the highest (Lansing). According to independent studies, Sterling Heights has 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 7.4% per year over the past 19 years. Sterling Heights has increased its rates by 5.9% 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

Water & Sewer Administration

MISSION STATEMENT: ***To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.***

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the 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.

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. 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.■

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.***

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

2012/13 PERFORMANCE OBJECTIVES

1. To continue to increase promotion of the voluntary odd/even water use restrictions during the summer months in order to reduce the maximum day usage of water, thereby helping to lower future water rate increases. *(City Goal 14)*

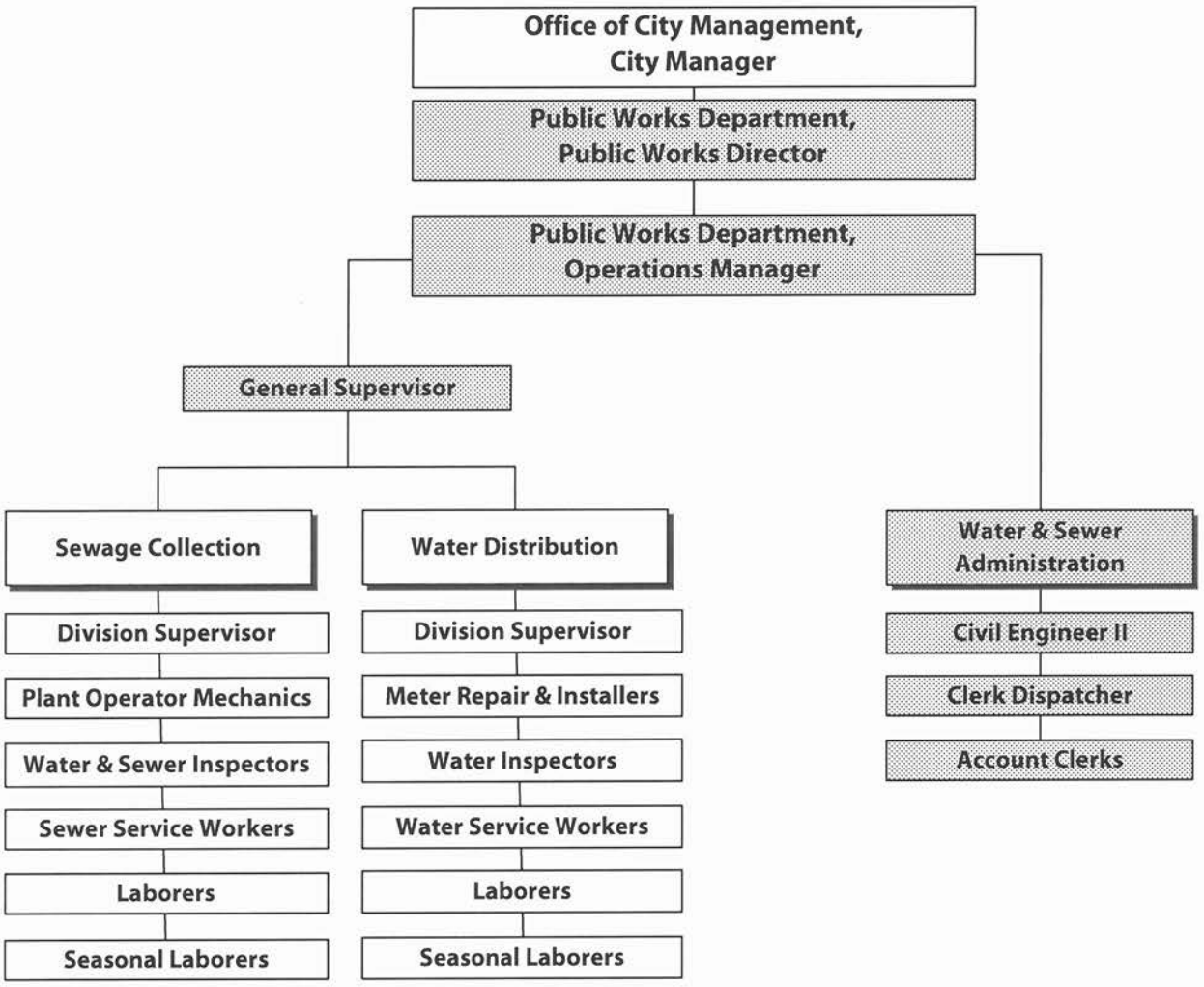
2. To prepare the 2012 Sterling Heights Annual Water Quality Report in accordance with EPA and M-DEQ requirements advising residents about the source of their water, results of water quality testing and other information related to safe drinking water. *(City Goal 12, 14)*

3. To continue to aggressively enforce the City's noxious weed ordinance by sending violation letters and cutting properties when necessary, in order to maintain the aesthetics of the City, especially in our residential neighborhoods. *(City Goal 12, 13, 14)*

4. To review partnering with communities to develop mutual aid agreements to share Public Works equipment and resources. *(City Goal 2, 3)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Water & Sewer Customers	39,044	39,074	38,995	39,100	39,100	39,100
	Customer Service Requests (Permits Plus)	6,554	7,218	9,175	10,000	9,200	9,200
	Res./Commercial Sanitary Sewer Tap Connections	88	74	46	85	85	85
	Residential/Commercial Water Taps	35	56	72	65	75	75
	Res./Comm. Water Meter Installations (new & repl.)	380	400	424	450	460	480
	Tall Grass/Weed Cutting Revolutions (317 acres)	5	5	5	5	5	5
	Vacant Parcels Cut - Tall Grass/Weed Program	698	751	576	700	600	600
	Parcels Cut - Occupied Residential Homes/Businesses	796	832	468	600	570	600
	Backflow Preventer Testing Compliance Letters	698	625	674	700	650	650
	Site Plans Reviewed	45	24	10	20	35	40
	Vehicles/Equipment Specifications Prepared	10	6	2	8	7	6
	Materials/Supplies/Services Specifications Prepared	13	13	18	15	24	20
	Hours of Safety Training	240	240	567	400	400	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	0	0	0	20	50	50
	Landscape Median Mowing - Revolutions	25	22	24	20	25	24
Efficiency	Ratio of FT Employees to Worker Comp. Claims	40:1	48:1	46:1	85:0	85:0	72:0
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	99%	99%
	Annual Residential Water & Sewer Bill (12,000 cfs)	$363	$386	$425	$463	$463	$517
	Monthly Residential Water & Sewer Bill (12,000 cfs)	$30	$32	$35	$39	$39	$43
	% of Outfalls Sampled w/no Water Discharge	N/A	N/A	N/A	100%	90%	90%

Water & Sewer Administration



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
Public Works Director	1	1	1
Public Works Manager	1	1	0
Operations Manager	0	0	1
General Supervisor	1	1	1
Civil Engineer II	0	1	1
Administrative Assistant	1	1	0
Clerk Dispatcher	1	1	1
Account Clerk	2	2	2
Clerk Typist	1	0	0
Total	8	8	7

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

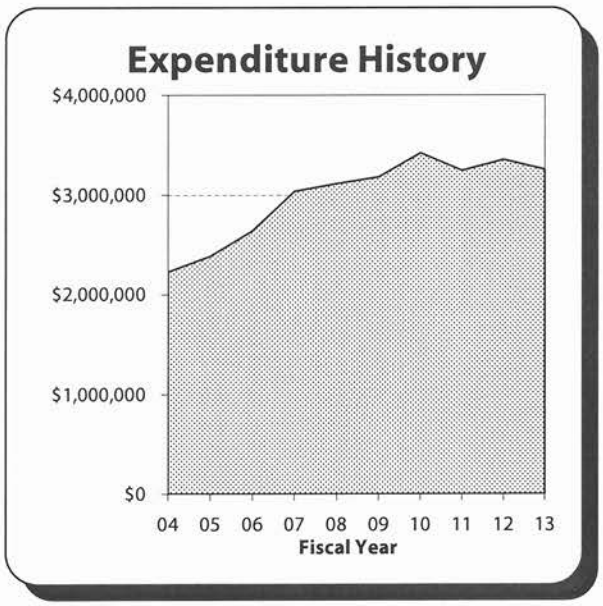
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 3.0%.

Personnel Services – The total Personnel budget decreased by $54,640 or 5.4%. Savings occurred from eliminating a vacant Administrative Assistant and by replacing the retired Public Works Manager with an Operations Manager. Actuarially required City contributions to the pension system increased by $46,650 while an additional $7,590 is budgeted to fund retiree medical liabilities.

Supplies – Total Supplies decreased $700 or 5.2% due to printer toner savings.

Other Charges – Total Other Charges decreased $56,710 or 2.4%. The City will save $41,880 in facility rental cross-charge costs due to lower General Fund operational costs. Interfund service costs decreased $17,000 due to lower General Fund administrative costs for time spent on Water & Sewer related functions. $4,000 was saved due to a reduced need for contracted engineering consulting services in recent years. Telephone costs decreased $1,200 as the Public Works building will be connected to the City's main telephone system. Electric costs decreased $1,000 and heating costs fell $500, as both can be reduced and brought more in line with recent expenditure trends. $1,000 was saved due to fewer vehicle repairs. Several memberships were eliminated, saving $570. Credit card fees rose due to an increase in customer credit card water bill payments.



Capital – Total Capital of $10,800 is proposed for 12 replacement personal computers.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$919,495	$1,005,280	$1,016,950	$950,640	$950,640
Supplies	25,430	13,400	12,900	12,700	12,700
Other Charges	7,292,925	2,338,210	2,338,090	2,281,500	2,281,500
Capital Outlay	0	0	12,520	10,800	10,800
Total	$8,237,850	$3,356,890	$3,380,460	$3,255,640	$3,255,640

Water Distribution

MISSION STATEMENT: ***To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.***

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 10,000 service request calls are responded to annually.

Inspections and reinspections are conducted at approximately 600 commercial and industrial establishments. Citations are issued to those in violation of City ordinance and/or State rules and regulations. Residents' water shut-off boxes are checked and repaired if necessary. City-owned gatewells, valves, and meter pits are inspected for repairs, cleaning, and electrical functioning. This Division also inspects and repairs water services, damaged water shut-offs, leaking curb stop boxes as well as supervises and assists 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 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.■

KEY GOALS

- ***To provide efficient and economical maintenance and repair of the water distribution system.***
- ***To ensure accurate and continuous reading of residential, commercial and industrial water meters.***
- ***To maintain all fire hydrants in a properly functioning condition to support fire fighting throughout the City.***
- ***To inspect commercial/industrial establishments for cross connections and proper backflow prevention in order to protect the water system from contamination.***
- ***To review construction plans for future development of the water system and inspect new connections for proper installation.***

Did you know...
...the City has 576 miles of various sizes of water mains that provide more than ample water supply for fire protection, as well as the needs of the community's residential, commercial, and industrial customers?

Water Distribution

2012/13 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 1)*

2. To perform a gate valve and well structure inspection program of 300 valves annually, which will improve our ability to isolate and fix water mains. *(City Goal 1, 3)*

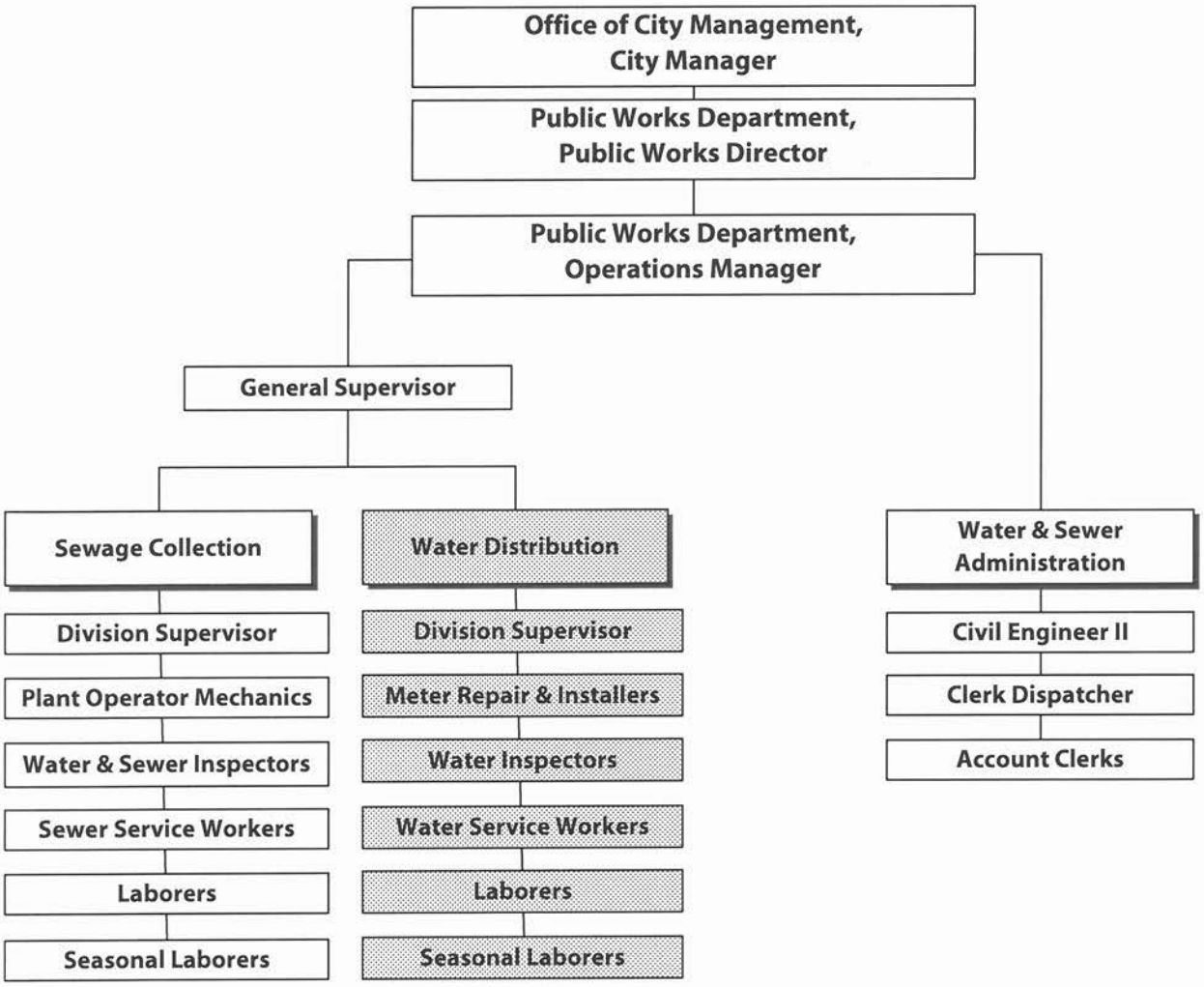
3. To respond to approximately 6,500 "Miss Dig" requests for the locating of water mains and water service. *(City Goal 1, 12)*

4. To monitor the testing of approximately 1,300 backflow preventers performed by private contractors at commercial/industrial sites, apartment complexes, churches, and schools to ensure their proper functioning. *(City Goal 1)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Miles of Water Mains in City	574	575	576	576	576	576
	Citizen Inquiries/Service Requests Responded To	5,432	5,510	5,647	5,800	5,800	5,800
	Water Meter Manual Reads - Residential & Comm.	143,661	131,570	135,014	133,000	133,000	133,000
	Water Meter Automated Reads - Commercial	48,310	60,890	63,735	62,000	62,000	63,000
	Water Main Breaks	82	105	72	86	80	85
	Miss Dig Stakeouts of Utilities Performed	6,688	5,870	6,548	6,500	6,500	6,500
	Water Meters Installed - Residential/Commercial (new)	16/38	36/25	49/21	55/10	72/12	70/10
	Meters/Remote Boxes Checked/Repaired	740	748	753	760	780	760
	Water Taps Installed - Residential/Commercial	19/16	44/12	60/12	55/10	65/10	65/10
	Cross Connection Inspections/Reinspections	601	613	307	400	300	300
	Compound Meters Tested	360	286	327	320	320	320
	Gatewells Inspected	411	300	291	400	300	300
	Businesses Monitored - Backflow Compliance	698	625	674	700	650	1,300
	Fire Hydrants Replaced	9	3	5	10	8	10
	Fire Hydrants Painted	1,295	1,440	676	1,200	200	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)	4.5	4.0	4.0	4.5	4.5	4.5
	Miles of Water Main Maintained per FT Employee	52.2	52.3	52.4	52.4	52.4	52.4
	Water Meter Manual Reads per Reader	57,464	52,628	54,005	52,800	53,200	53,200
	Water Purchased from Detroit (1,000 cubic feet)	709,423	659,816	683,223	725,000	650,000	711,000
	Cost of 1,000 Cubic Feet of Water from Detroit	$12.11	$13.16	$12.54*	$10.82*	$10.82*	$9.48*
	Detroit Water Fixed Charge	N/A	N/A	$1,315,284	$3,545,770	$3,545,770	$5,662,140
	Water Fixed Charge as a % of Total Costs	0%	0%	13.3%	31.1%	33.5%	45.7%

**Does not include fixed water costs.*

Water Distribution



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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

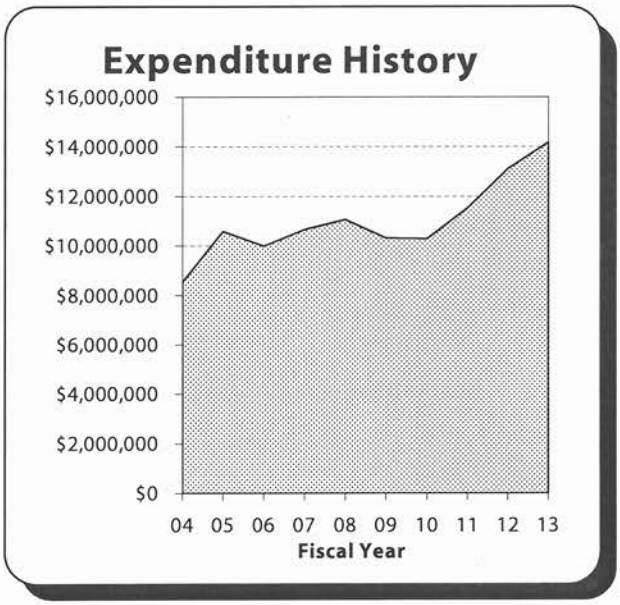
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 8.0%.

Personnel Services – The total Personnel budget increased $90,400 or 7.8%. Actuarially required pension contributions rose $61,480 to offset prior year stock market declines. Despite a third year of assumed employee wage and benefit concessions, full-time wages rose $21,910 as seven employees are budgeted to receive wage step increases. Funding for retiree medical liabilities rose $7,620.

Supplies – Total Supplies decreased $8,530 or 4.9%. The budget decreased $6,000, as fewer new water meters are anticipated to be purchased. Fewer materials are needed to install new water taps due to a decline in building activity, saving $2,580. Funding decreased $2,250, as additional operating supplies for broken water meter repairs were needed in the prior year. $1,700 was saved, as less funding is required for fire hydrant repair parts. $4,000 was added for the increased costs of replacement water meter parts and meter transmitting units.

Other Charges – Total Other Charges increased $1,005,750 or 8.6%. The cost of water purchased from Detroit increased $1,012,150 due to an 8.9% Detroit water rate increase. Electric costs decreased $10,000 and vehicle maintenance costs fell $3,000, both based on recent expenditure trends. Water main repair costs fell $2,400, as fewer repairs have been needed. Fewer memberships and educational courses are funded, saving $760. Distribution line repair costs rose $7,510 due to the higher cost of materials and supplies needed to maintain the water system. $2,340 was added for increased testing of the City's water system to comply with federal mandates.



Capital – Total Capital of $8,000 is proposed for a Vibration Roller Attachment used to smooth out hot asphalt while repairing water mains.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,144,139	$1,157,370	$1,159,840	$1,247,770	$1,247,770
Supplies	129,906	172,530	174,530	164,000	164,000
Other Charges	10,259,591	11,752,000	10,939,320	12,757,750	12,757,750
Capital Outlay	0	41,750	38,750	8,000	8,000
Total	$11,533,636	$13,123,650	$12,312,440	$14,177,520	$14,177,520

Sewage Collection

MISSION STATEMENT: ***To maintain the sanitary and storm sewer systems to ensure that they are properly functioning in accordance with designed capacities.***

The Sewage Collection Division is responsible for maintaining designed sewerage flows through maintenance of the City-owned sanitary and storm sewer systems to ensure proper functioning.

Staff conducts thorough and responsible sewer and utility inspections. Crews of this Division continually repair and restore damaged utility structures, sewer lines, and replace the concrete required by these repairs. Included among the duties of this Division is the maintenance of retention ponds to assure proper functioning for the temporary retention of storm water drainage.

A three-year preventative maintenance program cleans 33% of the sanitary system each year. Specific trouble spots in the sanitary sewer system are cleaned on a quarterly basis to avoid unnecessary problems. Debris is removed from the system to prevent blockages. Cracked or broken pipes, roots or other problems are located and resolved.

This Division responds to calls regarding sewer back-ups and/or blockages. Blockages are investigated, located, and relieved through sewer cleaning. If internal plumbing problems or sump pump malfunction is the cause, advice and assistance is provided. Residential and commercial sewer tap installations and utility structures (sanitary manholes, storm manholes, and gatewells) are inspected prior to the issuance of final occupancy permits.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

KEY GOALS

- ***To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.***
- ***To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.***
- ***To provide an efficient, competent and responsible sewer connection and utility inspection program.***
- ***To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.***
- ***To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.***

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know...
...the Sewer division identified eight damaged locations that were repaired, which reduced the number of "trouble spots" that needed continuous monitoring?

Sewage Collection

2012/13 PERFORMANCE OBJECTIVES

1. To improve division efficiencies and to increase inspections, cleaning and repairs of the City's sewer system by cross training all division personnel and educating them about other aspects of the DPW. *(City Goal 1, 6)*

2. To perform storm drain outfall testing in compliance with the City's National Pollution Discharge Elimination System (NPDES) permit. *(City Goal 1, 6)*

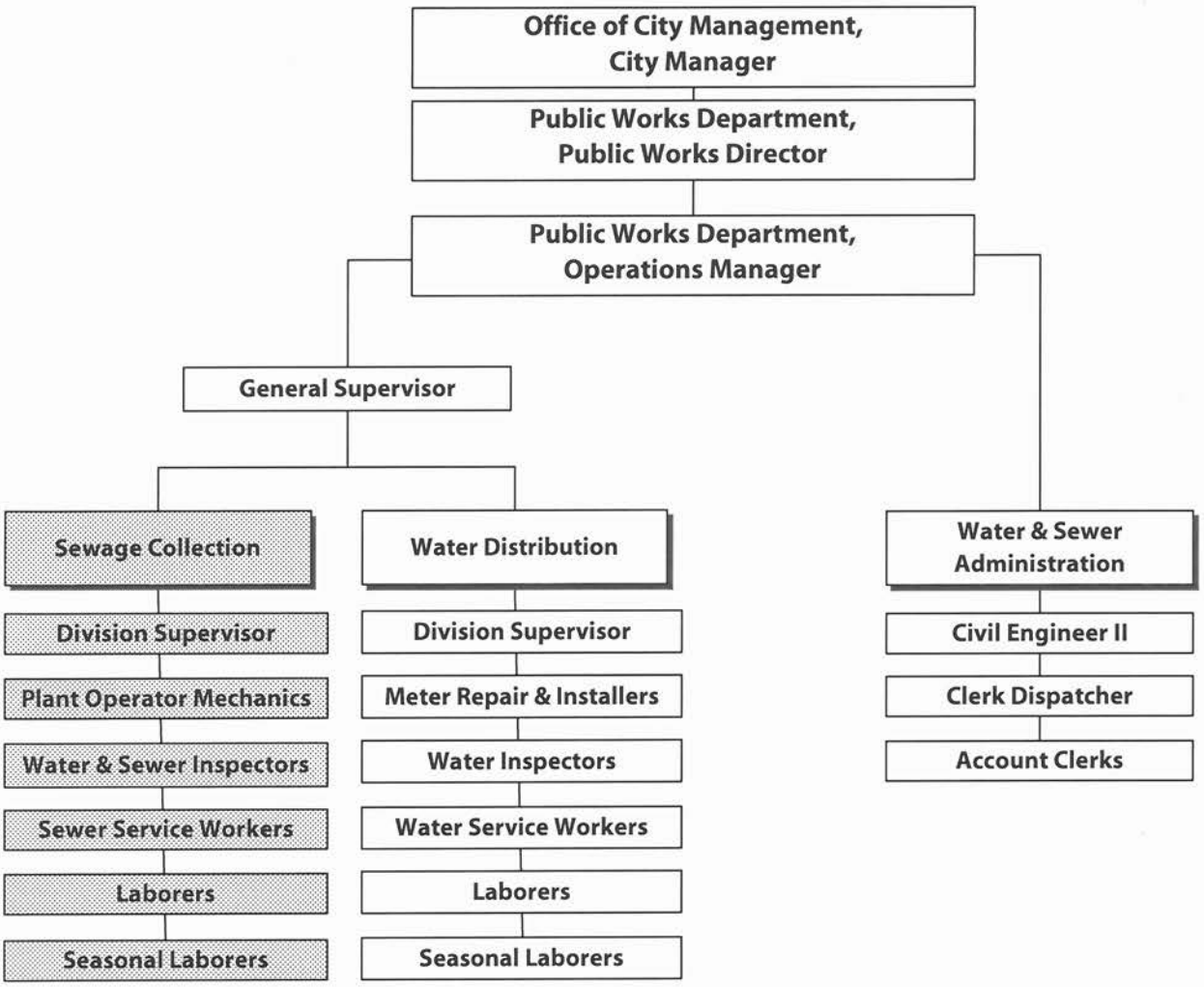
3. To clean one-third of the sanitary sewer system in an ongoing preventative maintenance program and to inspect and flush known problem areas quarterly in order to prevent sewer blockages. *(City Goal 1, 12)*

4. To rebuild or repair 90 damaged utility structures to eliminate hazards and reduce infiltration into the sanitary sewer system, helping to reduce blockages and backups. *(City Goal 1, 12)*

	Performance Indicators	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Budget
Output	Miles of Sanitary Sewers in City	430	430	430	430	430	430
	Sewer Inquiries Received & Resolved	2,942	2,040	2,594	2,500	2,500	2,500
	Sewer Inspections	88	100	270	150	200	200
	Water Inspections	25	29	43	25	40	35
	Certificate of Occupancy Inspections	186	43	36	50	50	45
	Sanitary Sewer Cleaned - Feet	940,750	690,854	546,575	920,000	700,000	725,000
	Utility Structures Restored	88	70	69	100	90	90
	Flags of Sidewalk Replaced	93	84	84	100	90	90
	Sections of Street/Approaches Replaced	67/20	70/11	26/18	100/20	75/20	70/20
	Sod Replaced - Yards	2,884	1,760	2,234	2,000	1,800	2,000
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	4	5	5	10	8	8
	Grease Trap Program Inspections	N/A	N/A	238	600	250	300
Efficiency & Effectiveness	Sewer Main Blockages	11	12	2	10	5	8
	% 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	33.1
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	$11.58*	$11.76*	$13.86*	$13.73*	$13.64*	$14.89*
	Macomb County Sewage Fixed Charge (incl. debt)	$3,949,045	$3,705,175	$2,513,108	$5,560,720	$5,177,500	$6,160,500
	Sewage Fixed Charge as a % of Total Costs	32.4%	35.6%	21.6%	39.9%	34.5%	40.4%
	Sewage Disposal System Look-Back Adjustment	$0	($162,500)	$0	$0	$0	$0

** Does not include fixed combined sewer overflow costs or sewer debt service charges.*

Sewage Collection



STAFFING SUMMARY

Position	Budget 2010/11	Budget 2011/12	Budget 2012/13
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	2
Laborer	4	4	4
Seasonal Laborer	4	4	4
Total	18	18	17

Sewage Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

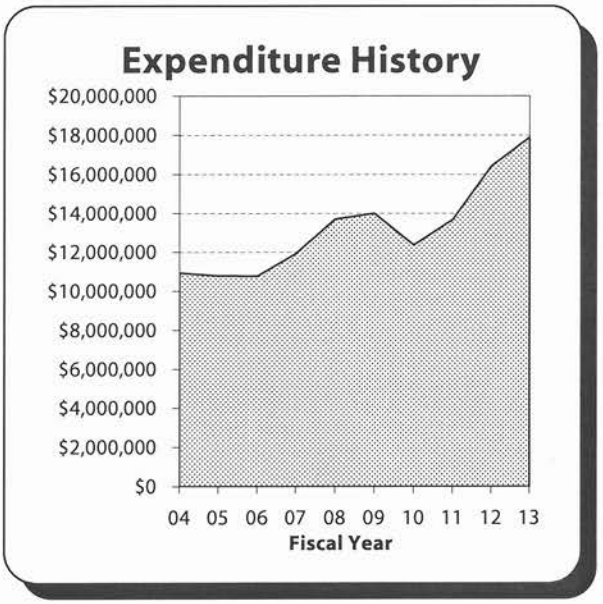
The total budget increased by 9.0%

Personnel Services – The total Personnel budget decreased $19,670 or 1.4%. The overall reduction is a result of not filling a vacant full-time Sewer Worker position. Partially offsetting this savings is $71,070 in increased pension funding to offset lower pension fund assets. Additional savings were achieved from a third year of employee wage and benefit concessions.

Supplies – Total Supplies increased $1,000 or 1.7%. Fuel costs increased $2,000 to bring the budget more in line with recent cost trends. $1,000 was saved, as fewer small tools and safety supplies are needed.

Other Charges – Total Other Charges increased $1,186,400 or 9.7%. Sewage disposal costs from Detroit increased $1,147,420, as Detroit's sewage rate to us increased by 9.2%. In addition, fixed sewage charges from Detroit increased by 13.5% and our share of the District's debt service increased by 23.9%. $50,000 was added due to higher industrial waste control costs charged by Detroit for monitoring non-residential waste flows. Vehicle and equipment maintenance costs decreased $11,000, as less funding is needed to maintain the recently purchased Vactor Jet.

Capital – Total Capital of $141,000 is proposed. $130,000 is to replace an unrepairable Sewer Inspection System used for televising storm and sanitary sewer systems to locate breaks and blockages. $6,000 is for a replacement Target Arrow used by maintenance crews to redirect traffic lanes. $5,000 is for a Lift Station Pump to be used as emergency backup in the event of a pump failure.



Debt Service – Total Debt Service increased $559,720 or 23.9% to fund the City's share of the District's sewer rehabilitation payments.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,398,277	$1,439,220	$1,351,670	$1,419,550	$1,419,550
Supplies	72,158	60,000	65,000	61,000	61,000
Other Charges	11,670,985	12,177,320	13,416,500	13,363,720	13,363,720
Capital Outlay	0	391,600	401,410	141,000	141,000
Debt Service	520,041	2,342,190	2,579,690	2,901,910	2,901,910
Total	$13,661,461	$16,410,330	$17,814,270	$17,887,180	$17,887,180

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	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
MAJOR ROAD FUND						
REVENUES						
Federal Grants	$0	$0	$169,200	$169,200	$0	**$0**
Gas & Weight Tax	4,719,500	4,788,870	4,500,000	4,900,000	5,000,000	**5,000,000**
Metro Act	242,630	223,590	240,000	230,000	230,000	**230,000**
Other Revenue	284,000	200,230	160,500	163,440	162,700	**162,700**
Tfr. from Rd. Bond Constr. Fund	300,000	0	0	0	0	**0**
Total Revenues	**5,546,130**	**5,212,690**	**5,069,700**	**5,462,640**	**5,392,700**	**5,392,700**
EXPENDITURES						
Administration	117,620	142,340	120,380	110,380	120,380	**120,380**
Major Street Maintenance	1,518,760	1,805,150	1,684,500	1,387,060	1,624,500	**1,624,500**
Major Street Improvements	667,160	525,340	684,780	531,050	741,500	**741,500**
Transfer to Local Road Fund	250,000	0	250,000	250,000	0	**0**
Tfr. to Road Bond Debt Fund	2,585,000	2,480,000	2,300,000	2,300,000	2,330,000	**2,330,000**
Total Expenditures	**5,138,540**	**4,952,830**	**5,039,660**	**4,578,490**	**4,816,380**	**4,816,380**
Excess of Revenues Over (Under) Expenditures	**407,590**	**259,860**	**30,040**	**884,150**	**576,320**	**576,320**
Beginning Fund Balance	**2,022,640**	**2,430,230**	**2,690,090**	**2,690,090**	**3,574,240**	**3,574,240**
Ending Fund Balance	**$2,430,230**	**$2,690,090**	**$2,720,130**	**$3,574,240**	**$4,150,560**	**$4,150,560**
LOCAL ROAD FUND						
REVENUES						
Gas & Weight Tax	$1,764,100	$1,790,560	$1,700,000	$1,825,000	$1,875,000	**$1,875,000**
Metro Act	90,700	83,580	90,000	85,000	85,000	**85,000**
Charges for Services	60,890	61,830	40,000	57,000	45,000	**45,000**
Other Revenue	52,300	49,550	47,020	45,720	43,670	**66,770**
Transfer from General Fund	515,000	475,000	0	0	0	**0**
Transfer from Major Road Fund	250,000	0	250,000	250,000	0	**0**
Total Revenues	**2,732,990**	**2,460,520**	**2,127,020**	**2,262,720**	**2,048,670**	**2,071,770**
EXPENDITURES						
Administration	120,210	147,390	139,350	140,190	139,350	**139,350**
Local Street Maintenance	1,468,440	1,688,760	1,442,000	1,197,000	1,409,000	**1,409,000**
Local Street Improvements	1,217,270	1,087,490	650,000	649,300	500,000	**784,000**
Total Expenditures	**2,805,920**	**2,923,640**	**2,231,350**	**1,986,490**	**2,048,350**	**2,332,350**
Excess of Revenues Over (Under) Expenditures	**(72,930)**	**(463,120)**	**(104,330)**	**276,230**	**320**	**(260,580)**
Beginning Fund Balance	**1,262,310**	**1,189,380**	**726,260**	**726,260**	**1,002,490**	**1,002,490**
Ending Fund Balance	**$1,189,380**	**$726,260**	**$621,930**	**$1,002,490**	**$1,002,810**	**$741,910**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

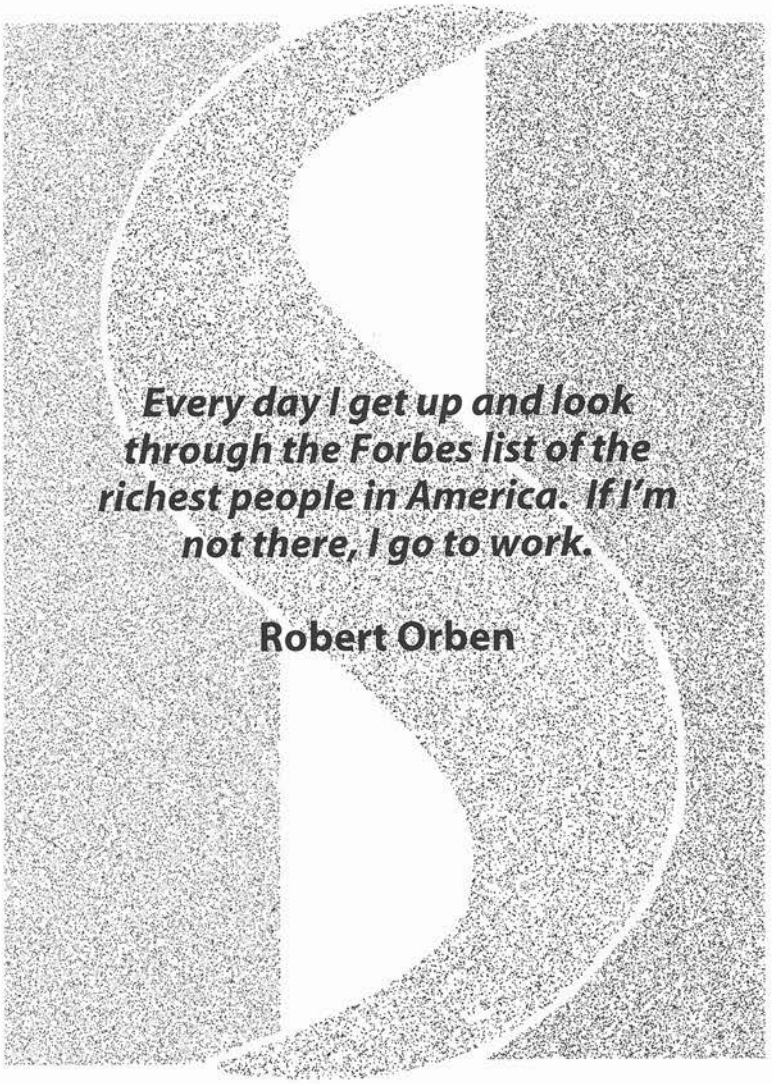
Special Revenue Funds	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
LAND & WATER FUND						
REVENUES						
Federal & State Grants	$1,640	$0	$0	$0	$0	**$0**
Other Revenue	119,790	5,250	3,500	3,500	3,000	**3,000**
Total Revenues	**121,430**	**5,250**	**3,500**	**3,500**	**3,000**	**3,000**
EXPENDITURES						
Land Acquisitions	170	0	0	0	0	**0**
Land Improvements	16,410	131,240	166,810	136,720	200,000	**200,000**
Total Expenditures	**16,580**	**131,240**	**166,810**	**136,720**	**200,000**	**200,000**
Excess of Revenues Over (Under) Expenditures	**104,850**	**(125,990)**	**(163,310)**	**(133,220)**	**(197,000)**	**(197,000)**
Beginning Fund Balance	**754,710**	**859,560**	**733,570**	**733,570**	**600,350**	**600,350**
Ending Fund Balance	**$859,560**	**$733,570**	**$570,260**	**$600,350**	**$403,350**	**$403,350**
ENERGY EFFICIENCY & CONS. BLOCK GRANT FUND						
REVENUES						
Federal & State Grants	$235,030	$476,800	$491,970	$524,200	$0	**$0**
Total Revenues	**235,030**	**476,800**	**491,970**	**524,200**	**0**	**0**
EXPENDITURES						
Other Charges	29,150	8,550	5,000	5,000	0	**0**
Capital Improvements	205,880	468,250	486,970	519,200	0	**0**
Total Expenditures	**235,030**	**476,800**	**491,970**	**524,200**	**0**	**0**
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	$144,570	$161,680	$14,540	$150,100	$0	**$0**
Treasury Forfeitures & Income	25,060	0	10	10	0	**0**
State Forfeitures & Income	185,860	44,480	57,500	107,000	0	**0**
OWI Forfeitures	26,900	18,250	8,340	12,000	0	**0**
Gambling Forfeitures	0	0	78,510	0	0	**0**
Other Revenue	3,710	660	760	240	240	**240**
Total Revenues	**386,100**	**225,070**	**159,660**	**269,350**	**240**	**240**
EXPENDITURES						
Federal Forfeiture Expenditures	144,210	316,480	39,730	30,070	165,300	**165,300**
Treasury Forf. Expenditures	20,330	15,180	67,160	63,660	0	**0**
State Forfeiture Expenditures	277,970	106,880	180,090	194,250	152,480	**152,480**
Gambling Forf. Expenditures	60	1,830	0	0	0	**0**
OWI Forfeiture Expenditures	4,490	10,650	23,150	23,360	5,000	**5,000**
Total Expenditures	**447,060**	**451,020**	**310,130**	**311,340**	**322,780**	**322,780**
Excess of Revenues Over (Under) Expenditures	**(60,960)**	**(225,950)**	**(150,470)**	**(41,990)**	**(322,540)**	**(322,540)**
Beginning Fund Balance	**868,900**	**807,940**	**581,990**	**581,990**	**540,000**	**540,000**
Ending Fund Balance	**$807,940**	**$581,990**	**$431,520**	**$540,000**	**$217,460**	**$217,460**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

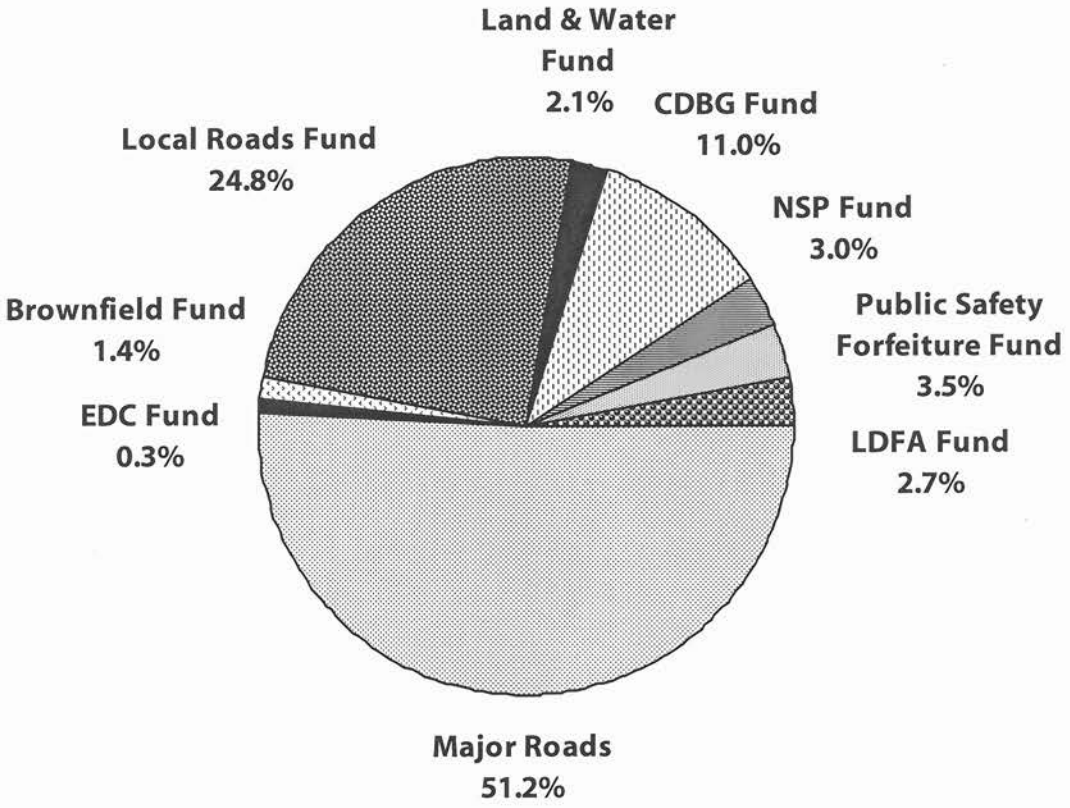
Special Revenue Funds	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	$769,070	$633,740	$1,277,250	$920,880	$1,010,370	**$1,010,370**
Revenue Direct Loans	23,980	56,280	30,000	0	25,000	**25,000**
Total Revenues	**793,050**	**690,020**	**1,307,250**	**920,880**	**1,035,370**	**1,035,370**
EXPENDITURES						
Community Development	478,790	362,460	928,180	605,520	926,770	**926,770**
Principal	280,000	305,000	368,710	305,000	106,470	**106,470**
Interest	34,260	22,560	10,360	10,360	2,130	**2,130**
Total Expenditures	**793,050**	**690,020**	**1,307,250**	**920,880**	**1,035,370**	**1,035,370**
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**
NEIGHBORHOOD STABILIZATION FUND						
REVENUES						
Federal Grants	$915,620	$813,600	$697,240	$459,260	$278,900	**$278,900**
Total Revenues	**915,620**	**813,600**	**697,240**	**459,260**	**278,900**	**278,900**
EXPENDITURES						
Downpayment & Rehab. Assist.	229,840	89,620	16,710	20,450	13,760	**13,760**
Acquisition, Rehab. & Resale	563,100	647,660	79,150	88,000	32,070	**32,070**
Acquisition/Redevelopment	52,120	48,860	475,940	333,000	217,420	**217,420**
Demolition	0	0	6,300	6,300	0	**0**
Administration Costs	70,560	27,460	119,140	11,510	15,650	**15,650**
Total Expenditures	**915,620**	**813,600**	**697,240**	**459,260**	**278,900**	**278,900**
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**
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$20,480	$0	$0	$0	$0	**$0**
Other Revenue	1,370	100	0	20	20	**20**
Total Revenues	**21,850**	**100**	**0**	**20**	**20**	**20**
EXPENDITURES						
Other Charges	0	100	0	300	0	**0**
Capital Improvements	0	0	28,000	8,140	0	**0**
Principal	7,500	187,500	0	0	0	**0**
Interest	8,130	2,720	0	0	0	**0**
Total Expenditures	**15,630**	**190,320**	**28,000**	**8,440**	**0**	**0**
Excess of Revenues Over (Under) Expenditures	**6,220**	**(190,220)**	**(28,000)**	**(8,420)**	**20**	**20**
Beginning Fund Balance	**218,400**	**224,620**	**34,400**	**34,400**	**25,980**	**25,980**
Ending Fund Balance	**$224,620**	**$34,400**	**$6,400**	**$25,980**	**$26,000**	**$26,000**

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	$17,000	$6,000	$21,000	$21,000	$19,000	**$19,000**
Other Revenue	20	0	0	10	10	**10**
Total Revenues	**17,020**	**6,000**	**21,000**	**21,010**	**19,010**	**19,010**
EXPENDITURES						
Miscellaneous	15,240	11,260	22,000	14,000	25,700	**25,700**
Total Expenditures	**15,240**	**11,260**	**22,000**	**14,000**	**25,700**	**25,700**
Excess of Revenues Over (Under) Expenditures	**1,780**	**(5,260)**	**(1,000)**	**7,010**	**(6,690)**	**(6,690)**
Beginning Fund Balance	**5,060**	**6,840**	**1,580**	**1,580**	**8,590**	**8,590**
Ending Fund Balance	**$6,840**	**$1,580**	**$580**	**$8,590**	**$1,900**	**$1,900**
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$47,680	$45,930	$54,760	$70,500	$125,170	**$125,170**
Charges for Services	1,240	1,060	1,000	0	0	**0**
Other Revenue	20	1,900	10	10	10	**10**
Total Revenues	**48,940**	**48,890**	**55,770**	**70,510**	**125,180**	**125,180**
EXPENDITURES						
Other Charges	1,610	1,240	18,770	27,870	86,370	**86,370**
Transfer to General Fund	79,500	42,300	42,300	42,300	45,000	**45,000**
Total Expenditures	**81,110**	**43,540**	**61,070**	**70,170**	**131,370**	**131,370**
Excess of Revenues Over (Under) Expenditures	**(32,170)**	**5,350**	**(5,300)**	**340**	**(6,190)**	**(6,190)**
Beginning Fund Balance	**36,340**	**4,170**	**9,520**	**9,520**	**9,860**	**9,860**
Ending Fund Balance	**$4,170**	**$9,520**	**$4,220**	**$9,860**	**$3,670**	**$3,670**
LOCAL DEVELOPMENT FINANCE AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	$0	$0	$41,370	$41,070	$150,790	**$150,790**
Federal Grants	0	19,450	372,030	372,030	0	**0**
Transfer from General Fund	30,000	30,000	12,930	12,930	0	**0**
Other Revenue	2,959,570	208,480	186,190	121,350	106,780	**106,780**
Total Revenues	**2,989,570**	**257,930**	**612,520**	**547,380**	**257,570**	**257,570**
EXPENDITURES						
Incubator Operations	2,989,560	217,690	216,190	153,990	177,500	**177,500**
BAE Reimbursement	0	0	24,300	21,360	80,070	**80,070**
Incubator Renovations	0	20,470	391,620	391,620	0	**0**
Total Expenditures	**2,989,560**	**238,160**	**632,110**	**566,970**	**257,570**	**257,570**
Excess of Revenues Over (Under) Expenditures	**10**	**19,770**	**(19,590)**	**(19,590)**	**0**	**0**
Beginning Fund Balance	**0**	**10**	**19,780**	**19,780**	**190**	**190**
Ending Fund Balance	**$10**	**$19,780**	**$190**	**$190**	**$190**	**$190**


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

Special Revenue Funds
Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total Special Revenue Funds budget.

Special Revenue Funds Revenues

TAXES

This revenue source is from tax increment financing (TIF) revenues resulting from the Brownfield Redevelopment and Local Development Authorities. A total of $275,960 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 2012/13 Budget, State and Local Return revenues represent 92.60% of total revenue sources, a decrease of $1,222,320 below the 2011/12 Budget. The decrease is primarily due to a decrease in Federal Grants for the Neighborhood Stabilization and Energy Efficiency & Conservation Block Grant programs, partially offset by an increase in Act 51 funds.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. This revenue center will receive a transfer from the General Fund next year.

In 2012/13, revenues generated from Other Financing Sources represent 0.21% of total revenue sources, a decrease of $264,930 below the 2011/12 Budget. This decrease is primarily due to the one-time necessary transfer from the Major Road Fund in the prior year to help fund the City-wide Concrete Replacement Program. The General Fund transfer to the Local Development Financing Authority (LDFA) Fund to help fund the City's SmartZone business incubator operational costs was eliminated 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 $19,000.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting. In the 2012/13 Budget, Charges for Services represents 0.49% of total revenue sources, an increase of $4,000 above the 2011/12 Budget. This increase is due to an increase in tree sales, offset by a decrease in brownfield application fees due to the elimination of the State Tax Credit program.

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 2012/13, Other Revenues represent 3.70% of total revenue sources, a decrease of $58,450 below the 2011/12 Budget. This decrease is primarily due to a revised estimate for actual business incubator rents and 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 2012/13 Budget, expenditures exceed revenue sources by $216,660. 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	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	TAXES						
420000	Property Taxes - TIF - Sims/CIA	$45,934	0.45	$37,690	0.36	$40,000	0.44
420010	Property Taxes - TIF - BAE	0	0.00	41,370	0.39	165,240	1.80
422000	LDFA - SmartZone Capture - BAE	0	0.00	17,070	0.16	70,720	0.77
	Total Taxes	**45,934**	**0.45**	**96,130**	**0.92**	**275,960**	**3.00**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	1,931,253	18.94	3,007,690	28.52	1,289,270	14.04
529002	Federal Program Income	1,856	0.02	0	0.00	0	0.00
529003	Revenue Direct Loans	56,281	0.55	30,000	0.28	25,000	0.27
529100	Federal Forfeiture Grants	138,656	1.36	14,500	0.14	0	0.00
529101	Federal Forfeiture Program Income	23,023	0.23	40	0.00	0	0.00
529201	Treasury Forfeiture Prgrm. Income	0	0.00	10	0.00	0	0.00
529278	Federal Grant - CDBG-R	10,471	0.10	0	0.00	0	0.00
539200	State Forfeiture Grants	36,991	0.36	53,060	0.50	0	0.00
539201	State Forfeiture Program Income	7,483	0.07	4,440	0.04	0	0.00
539300	Gambling Forfeitures	0	0.00	78,510	0.74	0	0.00
539348	Metro Act	307,174	3.01	330,000	3.13	315,000	3.43
539400	OWI Forfeitures	18,250	0.18	8,340	0.08	0	0.00
546000	Highway & Street Grants	6,579,429	64.52	6,200,000	58.79	6,875,000	74.86
	Total State & Local Returns	**9,110,867**	**89.35**	**9,726,590**	**92.23**	**8,504,270**	**92.60**
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	511,000	5.01	33,930	0.32	19,000	0.21
699202	Transfer from Major Road Fund	0	0.00	250,000	2.37	0	0.00
	Total Other Financing Sources	**511,000**	**5.01**	**283,930**	**2.69**	**19,000**	**0.21**
	CHARGES FOR SERVICES						
638000	Application Fees	1,055	0.01	1,000	0.01	0	0.00
640004	Tree Sales & Planting	48,004	0.47	40,000	0.38	45,000	0.49
640010	Chipping Fee	13,827	0.14	0	0.00	0	0.00
	Total Charges for Services	**62,886**	**0.62**	**41,000**	**0.39**	**45,000**	**0.49**
	OTHER REVENUE						
665000	Interest on Investments	13,810	0.14	11,520	0.11	9,440	0.10
665100	Interest Income - Federal Forfeiture	235	0.00	300	0.00	100	0.00
665130	Interest Income - Treas. Forfeiture	130	0.00	100	0.00	30	0.00
665200	Interest Income - State Forfeiture	223	0.00	300	0.00	70	0.00
665300	Interest Income - Gambling Forf.	1	0.00	10	0.00	10	0.00
665400	Interest Income - OWI Forfeiture	76	0.00	50	0.00	30	0.00
667716	Rental Income Smart Incubator	27,529	0.27	93,180	0.88	66,780	0.73
672000	Special Assessment Revenue	34,135	0.33	34,130	0.32	57,230	0.62
672445	SA Delinquent Interest & Penalties	798	0.01	150	0.00	150	0.00
672665	Special Assessment Interest	12,289	0.12	10,240	0.10	8,190	0.09
676000	Reimbursements	367,935	3.61	243,000	2.30	190,000	2.07
685000	Miscellaneous Revenue	9,017	0.09	5,000	0.05	7,500	0.08
	Total Other Revenue	**466,178**	**4.57**	**397,980**	**3.77**	**339,530**	**3.70**
	Total Special Revenue Funds	**$10,196,865**	**100.00**	**$10,545,630**	**100.00**	**$9,183,760**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	$981	0.01	$28,490	0.26	$21,620	0.23
717000	FICA	75	0.00	2,190	0.02	1,650	0.02
718000	Worker's Compensation	0	0.00	180	0.00	130	0.00
	Total Personnel Services	**1,056**	**0.01**	**30,860**	**0.28**	**23,400**	**0.25**
	SUPPLIES						
729000	Postage	688	0.01	1,200	0.01	1,300	0.01
730000	Publications	0	0.00	100	0.00	0	0.00
751000	Operating Supplies	18,792	0.17	43,640	0.40	45,750	0.49
785000	Books	7,225	0.07	6,420	0.06	6,200	0.07
	Total Supplies	**26,705**	**0.25**	**51,360**	**0.47**	**53,250**	**0.57**
	OTHER CHARGES						
802000	Audit & Accounting Services	9,790	0.09	9,730	0.09	9,730	0.10
805000	Administrative Services	411,868	3.77	522,570	4.76	378,370	4.03
806001	Legal Services - City Attorney	44,821	0.41	18,300	0.17	8,300	0.09
810000	Other Fees	163	0.00	170	0.00	170	0.00
826000	Other Contracted Services	949,988	8.70	1,176,180	10.70	746,200	7.94
826900	Subrecipient Funding	283	0.00	46,840	0.43	47,290	0.50
827000	Interfund Services	22,900	0.21	32,190	0.29	19,000	0.20
832000	Building Maintenance	71,464	0.65	10,000	0.09	10,000	0.11
880000	Community Promotion	8,870	0.08	22,500	0.20	27,700	0.29
881000	Down Payment Assistance	24,635	0.23	16,710	0.15	13,760	0.15
902000	Publishing	1,169	0.01	1,050	0.01	1,450	0.02
913000	Liability Insurance	8,814	0.08	8,820	0.08	9,000	0.10
921000	Electric	32,531	0.30	37,000	0.34	40,000	0.43
922000	Telephone	33,365	0.31	30,270	0.28	34,000	0.36
923000	Gas - Fuel - Oil	25,815	0.24	62,400	0.57	45,500	0.48
925000	Water	2,776	0.03	2,400	0.02	4,500	0.05
945000	Other Rental	876	0.01	1,280	0.01	1,320	0.01
957000	Memberships & Dues	3,570	0.03	3,500	0.03	3,530	0.04
959000	Education & Training	11,535	0.11	15,060	0.14	8,000	0.09
962000	Miscellaneous Expense	3,913	0.04	11,900	0.11	5,970	0.06
962010	Miscellaneous Expense - BAE	0	0.00	41,370	0.38	165,240	1.76
962200	Miscellaneous Expense - Investigations	26,000	0.24	30,000	0.27	26,000	0.28
	Total Other Charges	**1,695,146**	**15.52**	**2,100,240**	**19.12**	**1,605,030**	**17.07**
	OTHER SERVICES						
886162	Access Road Maintenance	20,892	0.19	30,000	0.27	30,000	0.32
887000	Bridge Maintenance	36,232	0.33	20,000	0.18	20,000	0.21
887001	Bridge Maintenance - County	290	0.00	0	0.00	0	0.00
888000	Surface Maintenance	542,749	4.97	320,000	2.91	395,000	4.20
888001	Surface Maintenance - County	1,565	0.01	1,000	0.01	0	0.00
888207	2010 Joint Sealing Program	136,028	1.25	0	0.00	0	0.00
888219	2011 Joint Sealing Program	40	0.00	125,000	1.14	130,000	1.38

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
889000	Shoulder Maintenance	29,868	0.27	25,000	0.23	30,000	0.32
890000	Sweeping & Flushing	207,792	1.90	250,000	2.28	225,000	2.39
890001	Sweeping & Flushing - County	52,038	0.48	35,000	0.32	35,000	0.37
890002	Sweeping & Flushing - State	8,611	0.08	10,000	0.09	10,000	0.11
891000	Grass & Weed Control	149,632	1.37	170,000	1.55	165,000	1.76
891001	Grass & Weed Control - County	126,390	1.16	130,000	1.18	125,000	1.33
891002	Grass & Weed Control - State	138,131	1.26	140,000	1.27	120,000	1.28
892000	Roadside Cleanup	4,425	0.04	9,000	0.08	8,000	0.09
892001	Roadside Cleanup - County	4,425	0.04	12,500	0.11	10,000	0.11
892002	Roadside Cleanup - State	5,262	0.05	15,000	0.14	10,000	0.11
893000	Curb & Gutter Maintenance	13,639	0.12	10,500	0.10	8,500	0.09
894000	Storm Drain Maintenance	215,204	1.97	220,000	2.00	190,000	2.02
895000	Tree & Shrub Maintenance	351,365	3.22	445,000	4.05	400,000	4.26
895001	Tree & Shrub Maintenance - County	4,845	0.04	10,000	0.09	8,000	0.09
895002	Tree & Shrub Maintenance - State	5,374	0.05	7,000	0.06	5,000	0.05
897000	Snow & Ice Removal	1,204,345	11.03	850,000	7.74	850,000	9.04
897001	Snow & Ice Removal - County	0	0.00	1,500	0.01	0	0.00
898000	Traffic Signs & Signals	206,085	1.89	220,000	2.00	190,000	2.02
898001	Traffic Signs & Signals - County	1,757	0.02	5,000	0.05	4,000	0.04
899000	Pavement Markings	26,921	0.25	65,000	0.59	65,000	0.69
	Total Other Services	**3,493,905**	**31.99**	**3,126,500**	**28.45**	**3,033,500**	**32.27**
	CAPITAL OUTLAY						
972000	Land Improvements	11,990	0.11	10,000	0.09	60,000	0.64
972008	Land Imp-Neighbrhd Prks-Play Equip	81,194	0.74	5,000	0.05	0	0.00
972333	Delia Park Improvements	5,265	0.05	33,000	0.30	100,000	1.06
972334	Sport Courts & Path Resurfacing	25,897	0.24	8,000	0.07	25,000	0.27
972850	Dodge Park Restroom	6,295	0.06	0	0.00	0	0.00
972945	Baumgartner Park Improvements	0	0.00	101,410	0.92	0	0.00
972985	Baumgartner Park - Soccer Fields	596	0.01	9,400	0.09	0	0.00
975000	Buildings & Improvements	472,824	4.33	486,970	4.43	15,000	0.16
977000	Furniture	0	0.00	2,640	0.02	0	0.00
979000	Computer Equipment	286,690	2.62	3,390	0.03	60,000	0.64
981000	Electronic Equipment	0	0.00	30,800	0.28	46,500	0.49
982000	Machinery & Equipment	6,753	0.06	0	0.00	24,000	0.26
984000	Vehicles	42,368	0.39	96,000	0.87	50,890	0.54
985000	Weapons & Protective Gear	12,618	0.12	14,450	0.13	0	0.00
988000	Construction	75,482	0.69	715,800	6.51	1,739,200	18.50
988176	15 Mile/Ryan Rd. Intersection Impr.	54,766	0.50	0	0.00	0	0.00
988201	15 Mile & Schoenherr Intersect. Impr.	137,098	1.26	137,100	1.25	0	0.00
988202	SMART Bus Stop Improvements	11,853	0.11	10,000	0.09	3,000	0.03
988204	2010 Local Road Resurfacing	450,564	4.13	0	0.00	0	0.00
988206	Utica/Van Dyke - Park	20,579	0.19	24,550	0.22	16,550	0.18
988208	2010 Concrete Replacement Pgrm.	895,638	8.20	0	0.00	0	0.00
988209	ADA Sidewalk Replacement 2010	9,624	0.09	0	0.00	0	0.00
988211	2011 Asphalt Pavement Repair	1,034	0.01	340,000	3.09	0	0.00

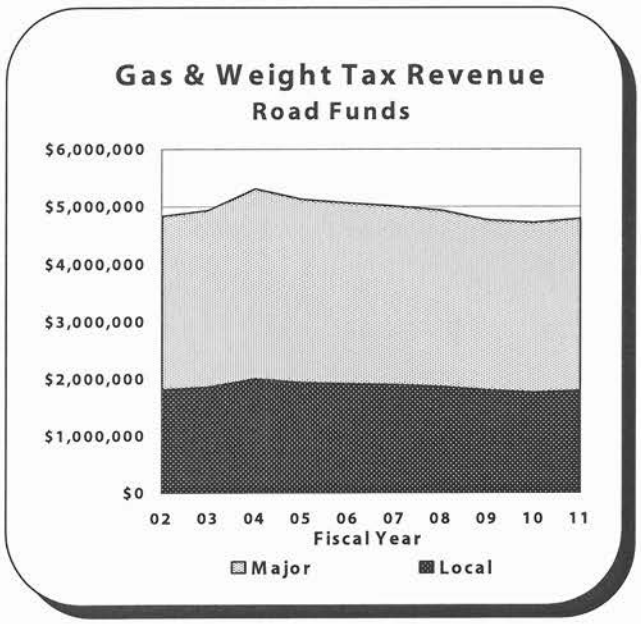
SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
988213	ADA Improve. Baumgartner Park	54,940	0.50	128,750	1.17	**0**	**0.00**
988218	2011 Concrete Replacement Pgrm.	88	0.00	540,000	4.91	**0**	**0.00**
988700	Dequindre Rd - 16-18 Mile Road	0	0.00	10,000	0.09	**61,500**	**0.65**
988852	Utica Road Boulevard	1,384	0.01	0	0.00	**0**	**0.00**
	Total Capital Outlay	**2,665,540**	**24.40**	**2,707,260**	**24.64**	**2,201,640**	**23.42**
	DEBT SERVICE						
992000	Principal	492,500	4.51	368,710	3.36	**106,470**	**1.13**
993000	Interest	25,282	0.23	10,360	0.09	**2,130**	**0.02**
	Total Debt Service	**517,782**	**4.74**	**379,070**	**3.45**	**108,600**	**1.16**
	TRANSFERS OUT						
999101	Transfer to General Fund	42,300	0.39	42,300	0.38	**45,000**	**0.48**
999203	Transfer to Local Road Fund	0	0.00	250,000	2.28	**0**	**0.00**
999327	Transfer to Road Bond Debt Fund	2,480,000	22.71	2,300,000	20.93	**2,330,000**	**24.79**
	Total Transfers Out	**2,522,300**	**23.09**	**2,592,300**	**23.59**	**2,375,000**	**25.26**
	Total Special Revenue Funds	**$10,922,434**	**100.00**	**$10,987,590**	**100.00**	**$9,400,420**	**100.00**

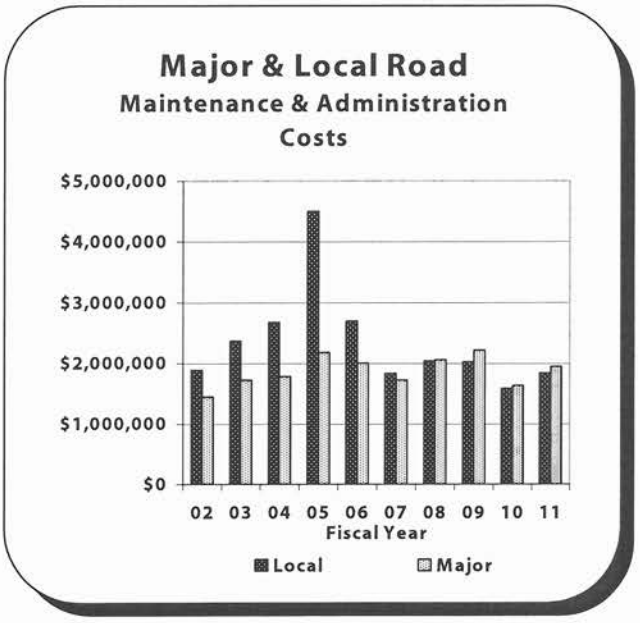
Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

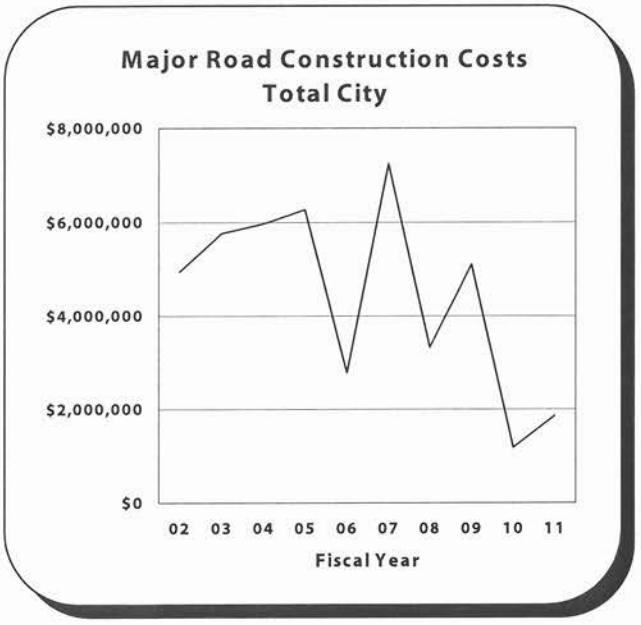
Special Revenue Funds



Gas tax revenues have fallen due to higher gas prices and the use of more fuel-efficient vehicles, which have lessened gas consumption. The State's gas tax of 19 cents per gallon has increased once in the past 27 years. Since 2004, the City has cumulatively lost $4.7 million in State gas tax revenues.



The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads, the removal of street trees due to the emerald ash borer and higher snow removal costs. Starting in 2007, miscellaneous concrete replacement maintenance is now reclassified as construction costs.



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 and 2011 as less City funds were needed due to the use of one-time federal stimulus funds.

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.

Major Road Fund

The Major Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. The motor fuel taxes are earmarked, by law and the State Constitution, for street and highway purposes that are described in detail by the Michigan Department of Transportation.

This Fund receives Act 51 revenues paid to Sterling Heights by the State and accounts for the construction, maintenance, and other authorized operations pertaining to all streets classified as major streets within the City. In addition, this Fund receives monies paid to Sterling Heights for trunk line contracts and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

The 2012/13 Capital Outlay budget includes funding of $61,500 for the preliminary engineering and right-of-way costs for the future widening of Dequindre Road from 18 Mile Road to M-59. $50,000 is included for sectional concrete repairs on Mound Road. Also included is $230,000 for the City-wide Concrete Replacement and Asphalt Resurfacing Program, including concrete replacement on 17 Mile Road west of the Conrail bridge. The resurfacing of Delco Boulevard is budgeted for $190,000. $50,000 is funded for the resurfacing of the Utica Road approaches to Van Dyke. $160,000 is budgeted for various traffic signal improvements including the replacement of traffic signal bulbs with energy efficient LED lighting.

Total Other Services are budgeted in the amount of $1,624,500, 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 2012/13, $2,330,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of Michigan Transportation Fund bonds.

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know...
...the reconstruction of the Van Dyke Bridge over the Clinton River will be the third bridge reconstruction project to take place in the City in the last three years (14 Mile Road over Red Run Drain and 14 Mile Road over Beaver Creek)?

Major Road Fund

SUMMARY OF BUDGET CHANGES

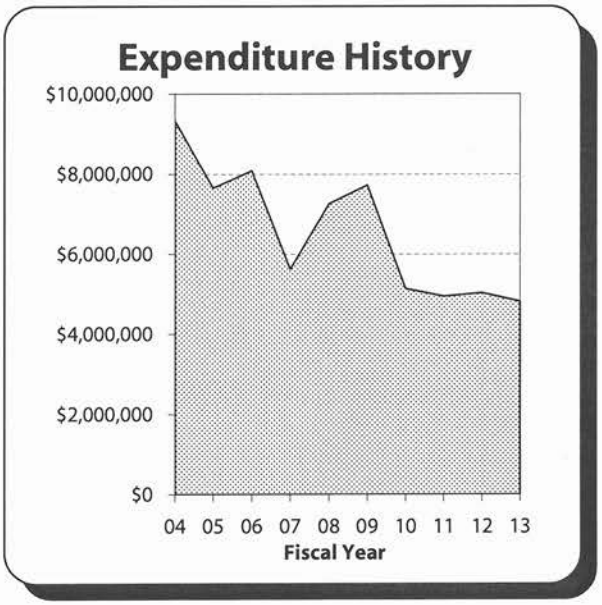
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 4.4%.

Other Charges – Total Other Charges is proposed to remain the same.

Other Services – Total Other Services decreased $60,000 or 3.6%. The budget decreased $31,000 for traffic signal maintenance, $30,000 for median grass mowing, and $19,000 for tree and shrub maintenance, all based on recent expenditure trends and increased operational efficiencies, including utilizing new LED traffic signal bulbs. Less funding is needed for roadside cleanup, saving $7,500. Surface maintenance increased $24,000 for increased road maintenance repairs. $5,000 was added for joint sealing repairs.

Capital – Total Capital of $741,500 is proposed. $230,000 is budgeted for citywide concrete replacement and asphalt resurfacing including concrete replacement on 17 Mile Road west of the Conrail bridge. The resurfacing of Delco Boulevard is included for $190,000. $61,500 is for the preliminary engineering and right-of-way costs for the future widening of Dequindre Road. $50,000 is for the resurfacing of the Utica Road approaches to Van Dyke. $50,000 is for sectional concrete repairs on Mound Road. $160,000 is for various traffic signal improvements including the replacement of traffic signal bulbs with energy efficient LED lighting. ***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 decreased $220,000 or 8.6%. Transfers to the Local Road Fund decreased $250,000, as funds are needed for planned major road projects. Transfers to the Road Bond Debt Retirement Fund increased $30,000 due to higher scheduled principal payments on existing road bonds.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Other Charges	$142,343	$120,380	$110,380	$120,380	$120,380
Other Services	1,805,150	1,684,500	1,387,060	1,624,500	1,624,500
Capital Outlay	525,344	684,780	531,050	741,500	741,500
Tranfers Out	2,480,000	2,550,000	2,550,000	2,330,000	2,330,000
Total	$4,952,837	$5,039,660	$4,578,490	$4,816,380	$4,816,380

Local Road Fund

The Local Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. These taxes are earmarked, by law and the State Constitution for street and highway purposes that are described in detail by the Michigan Department of Transportation.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow and ice control on all streets classified as local roads within the City. This Fund also accounts for the money raised by special assessing property owners for street improvements as provided by Act 51 of the Public Acts of 1951, as amended, and for the transfers into this Fund from other City funds.

This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51 of the Public Acts of 1951, as amended.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow & ice control on all streets classified as local roads within the City.

In fiscal year 2012/13, a total of $2,332,350 is budgeted for this fund. The City-wide Concrete Replacement and Asphalt Resurfacing Program is funded for $500,000. $275,200 is also budgeted in the CDBG Fund to repair two qualifying neighborhood streets. The paving of Gardner Street is budgeted for $284,000. Due to declining City and road funds, the City-wide street replacement program continues to be suspended.

Total Other Services in this fund total $1,409,000 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 2012/13, 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...
...the 286 miles of local roads in the City is estimated to be valued at over $200 million based on current construction costs?

Local Road Fund

SUMMARY OF BUDGET CHANGES

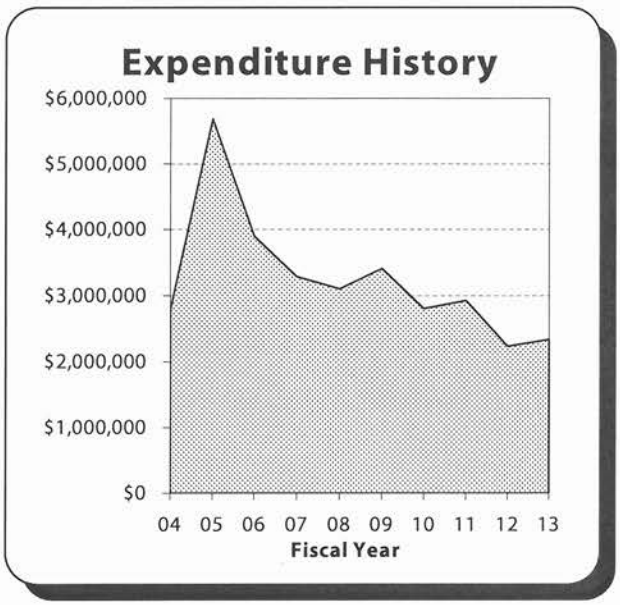
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 4.5%.

Other Charges – Total Other Charges is proposed to remain the same at $139,350. There are no proposed changes within the Other Charges accounts.

Other Services – Total Other Services decreased $33,000 or 2.3%. The budget decreased $30,000 for tree and shrub maintenance, $30,000 for storm drain maintenance, and $25,000 for street sweeping to reflect more recent actual expenditure levels. Curb and gutter maintenance costs decreased $2,000 and roadside cleanup costs decreased $1,000, both due to less activity in recent years. Funding increased $50,000 for surface maintenance repairs and $5,000 for shoulder maintenance, both due to higher costs and greater service demands.

Capital – Total Capital of $500,000 is proposed for the City-wide Concrete Replacement and Asphalt Resurfacing Program to fund sectional repairs to neighborhood streets throughout the City. In addition, $275,200 is budgeted in the CDBG Fund to repair two qualifying neighborhood streets. Due to declining City and road funds, the City-wide street replacement program continues to be suspended.



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Capital – Total Capital increased by $284,000 for the paving of Gardner Street. The City's share of the project cost is $53,000. The remaining $231,000 is being funded through assessments on the affected property owners.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Other Charges	$147,388	$139,350	$140,190	$139,350	$139,350
Other Services	1,688,755	1,442,000	1,197,000	1,409,000	1,409,000
Capital Outlay	1,087,489	650,000	649,300	500,000	784,000
Total	$2,923,632	$2,231,350	$1,986,490	$2,048,350	$2,332,350

Land & Water Conservation Fund

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any parkland or park system. The balance is normally transferred to the Debt Service Fund if and when a bond issue is involved. Money for the operation of the Fund is usually supplied by the sale of General Obligation Bonds, State or Federal grants, a special voted tax, proceeds from the sale of excess City property and/or other restricted contributions.

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

In fiscal year 2012/13, a portion of the funding from the prior sale of City-owned properties will be used to finance four projects totaling $200,000. $100,000 is included for ballfield lighting repairs and bulb replacements at Delia Park. $60,000 is funded for park replacement projects including the repaving of Hampton Park basketball, tennis, and magic square courts and the replacement of basketball poles and fencing; repaving of the magic square court and park entrance drive repairs at Imus Park; sidewalk repairs at Beaver Creek Park; and curb repairs at the Delia Park entrance. Tennis court reconstruction at Magnolia Park is funded for $25,000. A replacement heating and cooling unit for the kitchen at the Recreation Center is included for $15,000.

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

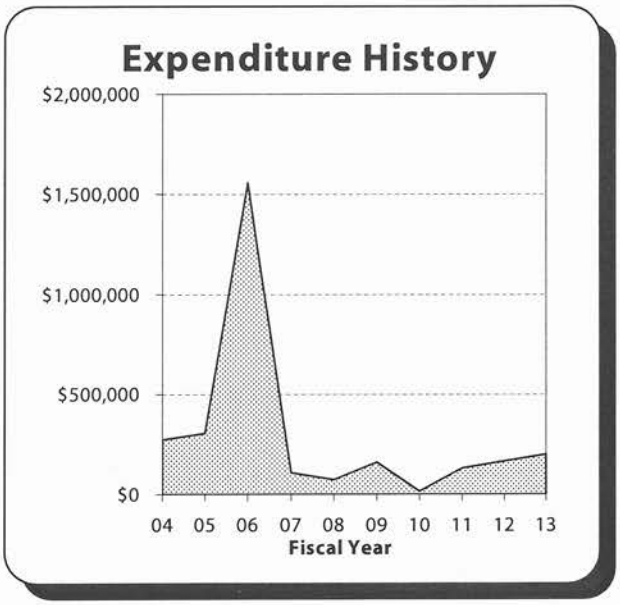
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 19.9%.

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 $200,000 is proposed for this fund. A portion of the funding from the prior sale of City-owned properties will be used to finance four (4) projects next fiscal year. $100,000 is proposed for ball field lighting repairs and bulb replacements at Delia Park. $60,000 is funded for park maintenance projects including the repaving of Hampton Park basketball, tennis, and magic square courts and the replacement of basketball poles and fencing; repaving of the magic square court and park entrance drive repairs at Imus Park; sidewalk repairs at Beaver Creek Park; and curb repairs at the Delia Park entrance. Tennis court reconstruction at Magnolia Park is proposed for $25,000. $15,000 is for a replacement heating and cooling unit for the kitchen at the Recreation Center. ***The Capital Improvement section of this document provides a breakout of each project's cost and funding source.***



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	131,237	166,810	136,720	200,000	200,000
Transfers Out	0	0	0	0	0
Total	$131,237	$166,810	$136,720	$200,000	$200,000

Energy Efficiency & Conservation Block Grant Fund

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 applied for and received $1,203,800 in EECBG funds in October 2009. In fiscal year 2011/12, the remaining grant funding was fully spent and all budgeted capital improvement projects were completed, including 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.

For fiscal year 2012/13, there are no Other Charges proposed for this fund, as the remaining grant funding for the program was fully spent in the prior fiscal year.■

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 were recycled to make vinyl flooring?

Energy Efficiency & Conservation Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

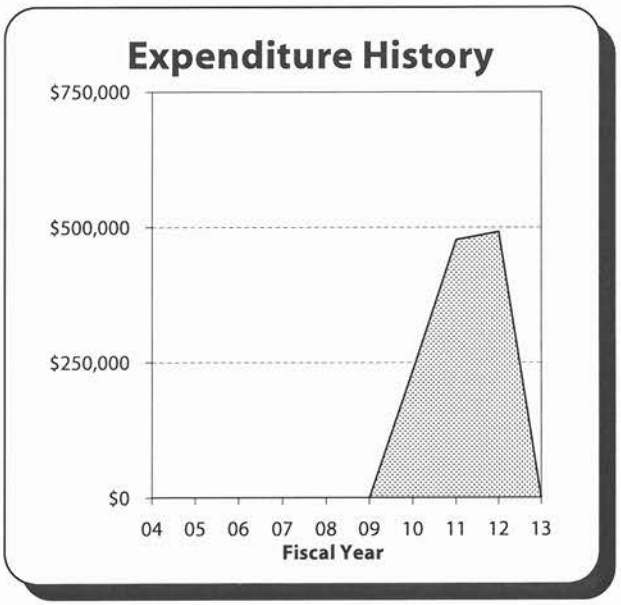
The total budget decreased by 100%.

Personnel Services – There is no Personnel budget for this fund.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased $5,000, as the remaining grant funding for the program was fully spent in the prior fiscal year.

Capital – There is no Capital budget for this fund, as all grant funding for the program was fully spent and all previously budgeted energy efficiency and conservation capital improvement projects were completed in the prior fiscal year.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Other Charges	$8,550	$5,000	$5,000	$0	$0
Capital Outlay	468,249	486,970	519,200	0	0
Transfers Out	0	0	0	0	0
Total	$476,799	$491,970	$524,200	$0	$0

Public Safety Forfeiture Fund

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the federal government electronically deposits funds into a designated City account 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. 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 2012/13, a total of $322,780 is budgeted for this fund. $165,300 is included for Federal Forfeiture related expenditures, $152,480 is allocated for State Forfeiture permitted uses, and $5,000 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

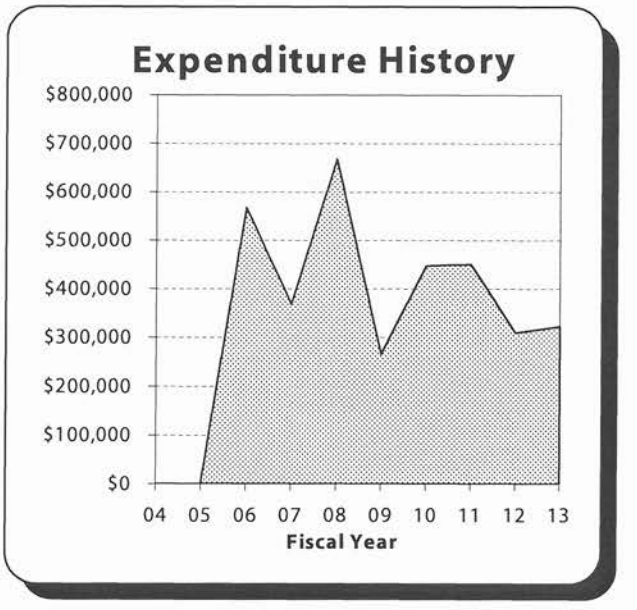
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 4.1%.

Supplies – Total Supplies increased $5,410 or 14.8%, primarily to help cover the increased cost of training ammunition. The increase was partially offset by a decrease due to the prior year one-time purchase of training materials and in-car computer adapters and docking stations.

Other Charges – Total Other Charges decreased $26,870 or 21.3%. The budget decreased $13,190 due to the one-time cost to install grant funded in-car computers in the prior year. The training budget decreased $5,500, as funding can be reduced and brought more in line with the current year's estimated expenditure usage. Undercover investigative costs decreased $4,930. Wireless telephone costs decreased $2,000 based on historic actual expenditure levels. Contracted services decreased $1,290 due to a prior year one-time uninterruptible power service purchase offset by higher State radio user fees, as well as an increase for the annual maintenance fees for the new property room inventory software.

Capital – Total Capital of $181,390 is proposed. $24,000 is to purchase two used Detective vehicles to replace 13 and 14-year old vehicles. $26,890 is to replace a SUV Tahoe with over 100,000 miles that is utilized by the Evidence Technicians to transport equipment used at crime scenes. $46,500 is for ten replacement In-Car DVD Video Recorders, $60,000 is for a replacement In-Car Camera Computer Server and



$24,000 is for ten Equipment Mounts, Light Bars, and Push Bumpers, all of which are needed as the current equipment will no longer be compatible with the new police vehicles being provided.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Supplies	$18,020	$36,590	$55,700	$42,000	$42,000
Other Charges	80,004	126,260	115,210	99,390	99,390
Capital Outlay	352,993	147,280	140,430	181,390	181,390
Total	$451,017	$310,130	$311,340	$322,780	$322,780

Community Development Block Grant Fund

The Community Development Block Grant Fund serves many facets of the Sterling Heights community. In 1974, the Congress of the United States initiated the C.D.B.G. program. This program was designed to replace existing categorical programs identified with city development or redevelopment, namely: Urban Renewal and Neighborhood Development Programs, Model Cities Program, Neighborhood Facilities Programs, Open Space Acquisition, and Rehabilitation Loans.

One of the primary functions of the Community Development Act is to allow local communities the opportunity to structure the program to their own specific needs. This concept was unique at the time and offered local communities far greater flexibility than was present in the categorical programs.

Monies under this program may be spent on activities which are directed to fulfilling specific objectives: elimination of slums and blight, elimination of conditions which are detrimental to health, safety, and public welfare through code enforcement, conservation and expansion of the nation's housing stock in order to provide a decent home for all persons, expansion and improvement of community services principally for persons of low and moderate income, provide a more rational use of land, develop and improve neighborhoods, restore and preserve properties with historical value, and economically develop activities which aid in the revitalization of the community.

Block Grant funds also provide library books for low and moderate-income seniors at senior housing units. These book collections include large-print and "talking books" (books on tape).

When funding allows, 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 bond, which will be retired in the 2012/13 fiscal year.

For fiscal year 2012/13, $275,200 is budgeted for asphalt resurfacing on Tyler Drive and concrete replacement on Sanford Drive. $3,000 in unspent carryover funding is included to complete the SMART bus stop improvements. $108,600 is budgeted for the final debt payment on the Senior Active Life Center bond.■

Did you know...
...that Community Development Block Grant funds provide assistance to the homeless?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

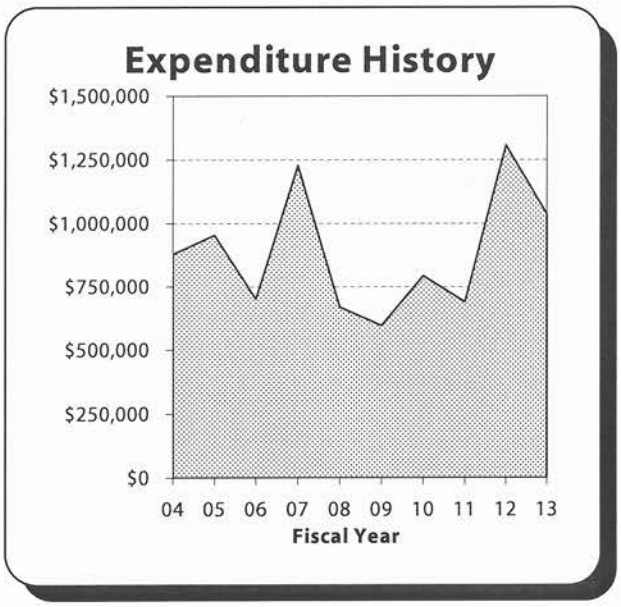
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 20.8%.

Personnel Services – The total Personnel budget decreased by $4,770 or 16.9% due to a reduction in federal funds. $12,490 is budgeted in part-time wages for part-time Code Enforcement Officers to eliminate blighting influences in eligible City neighborhoods, while $9,130 is budgeted for part-time clerical assistance to help administer the CDBG program.

Supplies – Total Supplies increased $250 or 3.0%. $470 was added for postage costs, as notifications will be mailed to inform residents the Home Chore and Minor Home Repair programs will be administered by the County. Funding to provide books at senior housing units decreased $220.

Other Charges – Total Other Charges decreased $130,720 or 17.5%, primarily due to a $117,380 decrease in housing rehabilitation funding. Funding remains sufficient to maintain the current year's level of activity. The budget also includes unspent carryover funding from the prior year. $12,150 in reduced funds are available for the minor home repair as well. The budget includes $19,000 for the Special Recreation Program. $115,300 is included for reimbursing the General Fund for the costs of City personnel assisting and administering the CDBG program. Total funding to service organizations increased slightly by $450, and an additional $2,540 is available for the Home Chore program.



Capital – Total Capital of $278,200 is proposed. $275,200 is for the asphalt resurfacing on Tyler Drive and concrete replacement on Sanford Drive. $3,000 in unspent carryover funding is budgeted to complete the SMART bus stop improvements.

Debt Service – Total Debt Service decreased $270,470 or 71.4% for the final debt payment on the Senior Life Center bond.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$28,170	$16,900	$23,400	$23,400
Supplies	8,213	8,420	7,120	8,670	8,670
Other Charges	277,828	747,220	440,130	616,500	616,500
Capital Outlay	76,417	144,370	141,370	278,200	278,200
Debt Service	327,559	379,070	315,360	108,600	108,600
Total	$690,017	$1,307,250	$920,880	$1,035,370	$1,035,370

Neighborhood Stabilization Program Fund

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 $278,900 is budgeted for fiscal year 2012/13. This program's 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 has resulted in an area-wide benefit. In addition, this activity has benefited 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...
...the City allocated funds from the Federal Neighborhood Stabilization Program to acquire and redevelop 11 homes with Macomb Habitat for Humanity?

Neighborhood Stabilization Program Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

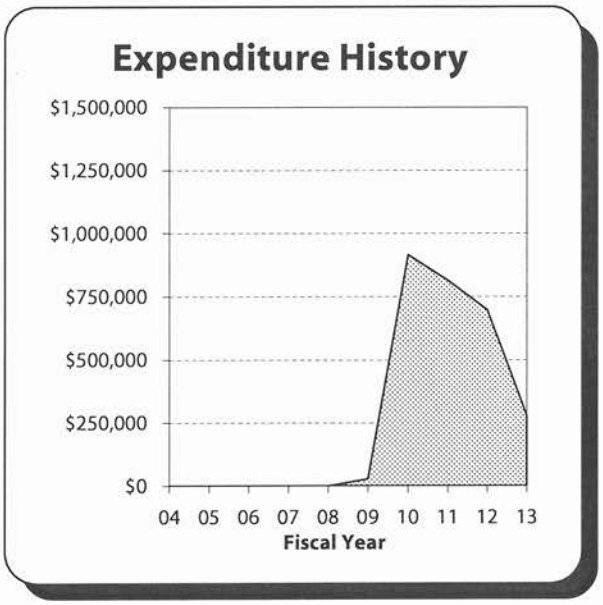
The total budget decreased by 60.0%.

Personnel Services – The total Personnel budget decreased by $2,690 as no part-time Intern hours will be needed to assist in the final year of the grant funded Neighborhood Stabilization Program.

Supplies – Total Supplies decreased $770 or 90.6%. Only $80 is needed in postage and operating supplies for the final year of the program.

Other Charges – Total Other Charges decreased $406,880 or 60.8% as the prior year unspent grant funding of $262,270 is budgeted for the next fiscal year. $13,760 will be used to provide down payment and housing rehabilitation assistance to eligible homebuyers. $32,070 is budgeted to acquire and rehabilitate abandoned or foreclosed properties to be used as housing to benefit qualified low-income individuals. $200,870 is budgeted to acquire vacant or demolished properties for new home construction. There is no remaining funding for demolition, as prior years' funding for the demolition of blighted structures is completed. $15,570 is budgeted in administrative costs, including $1,000 to provide homebuyer group counseling services and $1,500 for legal services.

Capital – Total Capital of $16,550 is budgeted for the final design and engineering costs of the previously approved Utica Road and Van Dyke park development project.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$1,057	$2,690	$1,080	$0	$0
Supplies	43	850	170	80	80
Other Charges	791,917	669,150	450,010	262,270	262,270
Capital	20,579	24,550	8,000	16,550	16,550
Total	$813,596	$697,240	$459,260	$278,900	$278,900

Corridor Improvement Authority Fund

The Corridor Improvement Authority (CIA) Fund is a Special Revenue Fund of the City of Sterling Heights. Established in 2006, the Authority allows the City to identify commercial districts in the City and utilize tax incrementing financing to make public improvements and offer development incentives in order to increase economic vitality within these districts.

The CIA currently includes one District located in the north central portion of Sterling Heights. The District consists of properties bordering Van Dyke Avenue between 18½ Mile Road to the north City limit and along Utica Road between Van Dyke Avenue and Triangle Drive.

The Primary Goals for the District are (1) to enhance the public spaces within the District; (2) to delineate the District by developing a consistent beautification and landscape style along its rights-of-way; (3) to provide a unified building style through the development and redevelopment of properties within the District; and (4) to spur economic growth and increase property values within the District's borders.

As a necessary prerequisite to achieve these goals, both a Development Plan and a Tax Increment Finance Plan have been prepared. The Development Plan outlines the improvements proposed within the District, while the Tax Increment Finance Plan identifies the funding mechanism that will be utilized to finance the proposed improvements.

The Streetscape Design Guidelines prepared for the District include select specifications for paving, decorative lighting, site furnishings, and landscaping. These amenities are intended to be constructed within the Van Dyke Avenue and Utica Road rights-of-way as well as on private property as part of future development and redevelopment within the District.

The Development Plan also includes potential façade improvements with selected styles and material specifications, access management improvements, property acquisition, floodplain/wetland mitigation, park space improvements, general infrastructure improvements, and a business recruitment and retention program. The CIA Master Plan provides for approximately $20 million worth of improvements in the District over a 20-year period.

The Economic Development Manager serves as the City's liaison to the Corridor Improvement Authority Board.

For fiscal year 2012/13, there is no budget for this fund, as the Façade Assistance Program for new applicants continues to be suspended due to the 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 City recently made several improvements to the Corridor area, including completing gaps in the sidewalks and installing concrete pads for new bus stops as well as new benches and trash receptacles?

Corridor Improvement Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

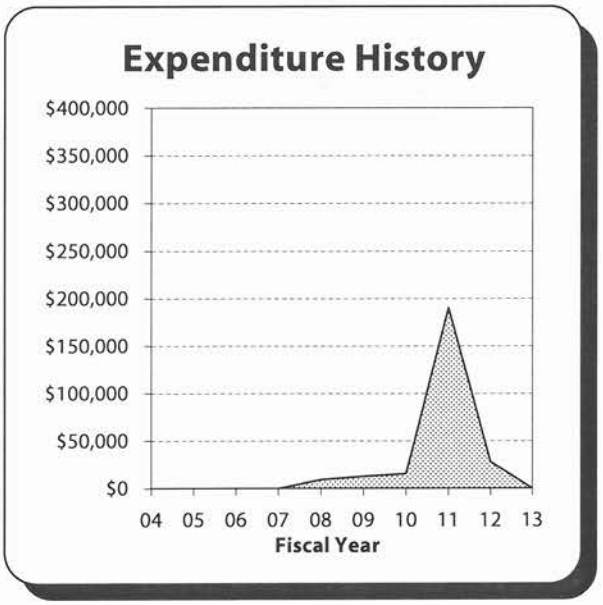
The total budget decreased by 100%.

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – There is no Capital budget for this fund, as the Façade Assistance Program for new applicants has been suspended due to the continuing 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.

Debt Service – There is no Debt Service budget for this fund, as the District had previously fully repaid its loan from the General Fund.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Other Charges	$105	$0	$300	$0	$0
Capital Outlay	0	28,000	8,140	0	0
Debt Service	190,223	0	0	0	0
Total	$190,328	$28,000	$8,440	$0	$0

city of STERLING HEIGHTS Economic Development Corporation Fund

The Economic Development Corporation Fund of the City of Sterling Heights has been established and organized, pursuant to Act 388 of the Public Acts of 1974, to achieve essential public objectives of the City. Its objectives are to alleviate and prevent conditions of unemployment, and to assist and retain local industries and commercial enterprise in order to strengthen and revitalize the economy of the City. The Economic Development Corporation also provides the means for encouragement and assistance of industrial and research enterprises, and provides needed services or facilities to the City by constructing, acquiring through gift or purchase, reconstructing, improving, maintaining, repairing and acquiring land for planned improvements suitable for use by any industrial or research enterprise.

The Economic Development Corporation provides the means and methods for encouragement and assistance of industrial and research enterprises...

To accomplish these objectives, the Economic Development Corporation is allowed to borrow money and issue its revenue bonds or revenue notes to finance all or part of the cost of the acquisition, purchase, construction, reconstruction, or improvements of any project or any part of that project. Additionally, the Economic Development Corporation may enter into leases, lease purchase agreements, or installment sales contracts with any person, firm, or corporation for the use or sale of projects.

The Economic Development Corporation functions as a nine member appointed Board and generates revenues by assessing fees on a particular bond and project improvement program.

Using web-based marketing services, 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 Board members also serve on the Brownfield Redevelopment Authority Board?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

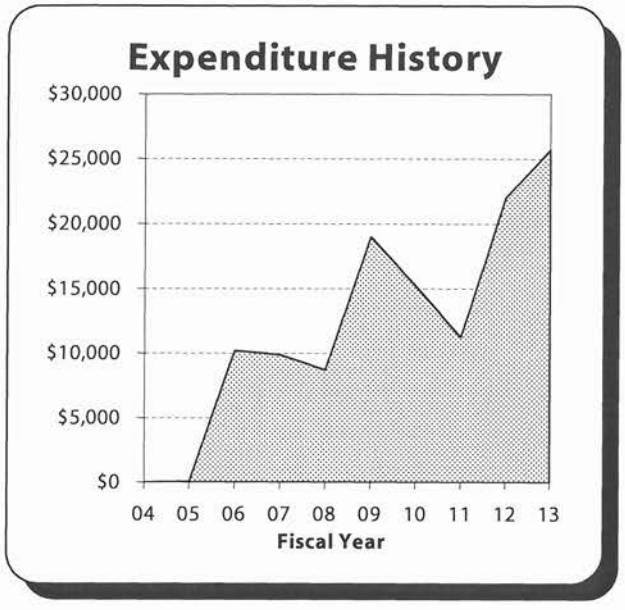
The total budget increased by 16.8%.

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 $3,700 or 16.8%. Community promotion costs increased $6,700 to include funding for the use of a web-based cloud computing system that will be used to access shared county and State records and information about commercial and industrial businesses targeted for growth, investment and job creation opportunities, and other potential economic development projects. $12,000 is budgeted for the use of a web-based economic development marketing service to better market the City for future investments. $2,000 is funded for additional marketing efforts including representation at trade shows and an advertisement in the Macomb Magazine. Contracted service costs decreased $3,000, as funding for economic development grant writing assistance is no longer needed. $5,000 continues to be budgeted for the membership to the Center for Automotive Research, used to access and track automotive supplier activity.

Capital – There is no Capital budget for this fund.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Supplies	0	0	0	0	0
Other Charges	11,256	22,000	14,000	25,700	25,700
Total	$11,256	$22,000	$14,000	$25,700	$25,700

Brownfield Redevelopment Authority Fund

The Brownfield Redevelopment Authority Fund is a Special Revenue Fund of the City of Sterling Heights. The Authority was established in 2000 to offer private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties, as well as remediate those properties that may be contaminated.

The Authority offers private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties.

The goals of the Brownfield Redevelopment Authority are to clean up environmentally questionable properties, maximize land use in relation to the appropriate zoning district, reduce the blighting influence of underutilized or obsolete properties, create new job opportunities for residents of Sterling Heights, stimulate new investment in the City by wisely using all of our resources, and control urban sprawl by reusing sites with existing infrastructure.

The City of Sterling Heights, through the Brownfield Redevelopment Authority uses promotional advertising to encourage new investment in existing properties and assists developers in obtaining financial assistance through grant programs, tax credits, and tax increment financing.

The Brownfield Redevelopment Authority encourages new investment in existing properties.

The Brownfield Redevelopment Authority's tasks include making recommendations to City Council on future Brownfield plans, coordinating environmental inspections of possible Brownfield sites, and providing technical assistance, including zoning and infrastructure information and guidance to those parties that are redeveloping land in the City. Overall, Brownfield Redevelopment will have a positive impact on the Community by providing a cleaner and safer environment.

The Economic Development Manager is the City's liaison to the Brownfield Redevelopment Authority, whose nine members are the same as the Economic Development Corporations' members.■

Did you know...
...that assistance from the Brownfield Redevelopment Authority incentivized redevelopment of an environmentally contaminated site for BAE System's new location to open in 2012?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

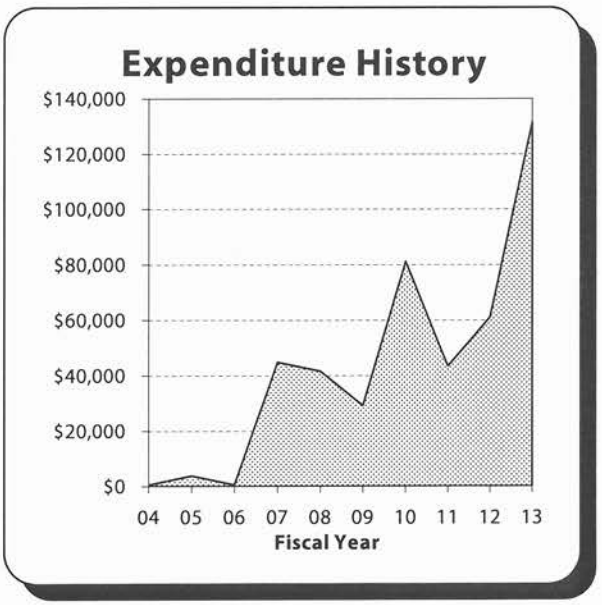
The total budget increased by 115.1%.

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 $67,600 primarily for the reimbursement of BAE eligible brownfield project costs now that the property has been more fully developed, resulting in an increase in the property tax increment capture. $500 was saved, as the budget for City Attorney legal services can be reduced due to a decline in brownfield activity resulting from a reduction in State tax credits.

Capital – There is no Capital budget for this fund.

Transfers Out – Total Transfers Out increased $2,700 or 6.4%. A transfer for $45,000 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.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	1,248	18,770	27,870	86,370	86,370
Capital Outlay	0	0	0	0	0
Transfers Out	42,300	42,300	42,300	45,000	45,000
Total	$43,548	$61,070	$70,170	$131,370	$131,370

Local Development Finance Authority Fund

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 constructed 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 an estimated $40 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 2012/13, $177,500 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.

$80,070 is included for the reimbursement of eligible BAE project costs, including site infrastructure improvements, as well as environmental remediation.■

Did you know...
...the LDFA supports the Macomb-OU INCubator at VELOCITY, providing resources to help start-up, early-stage and transitioning businesses in the targeted areas of manufacturing, defense and homeland security?

Local Development Finance Authority Fund

SUMMARY OF BUDGET CHANGES

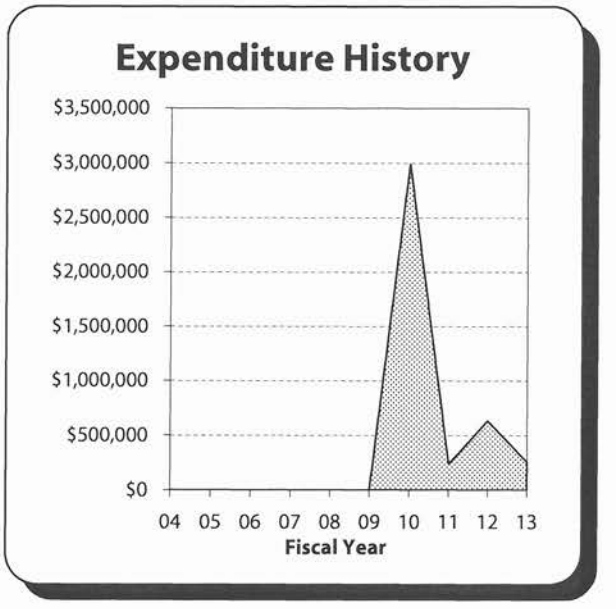
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 59.3%.

Supplies – Total Supplies decreased $3,000 or 54.5%. $2,500 is budgeted for the operation of the SmartZone business incubator based on the current year's estimated expenditure usage.

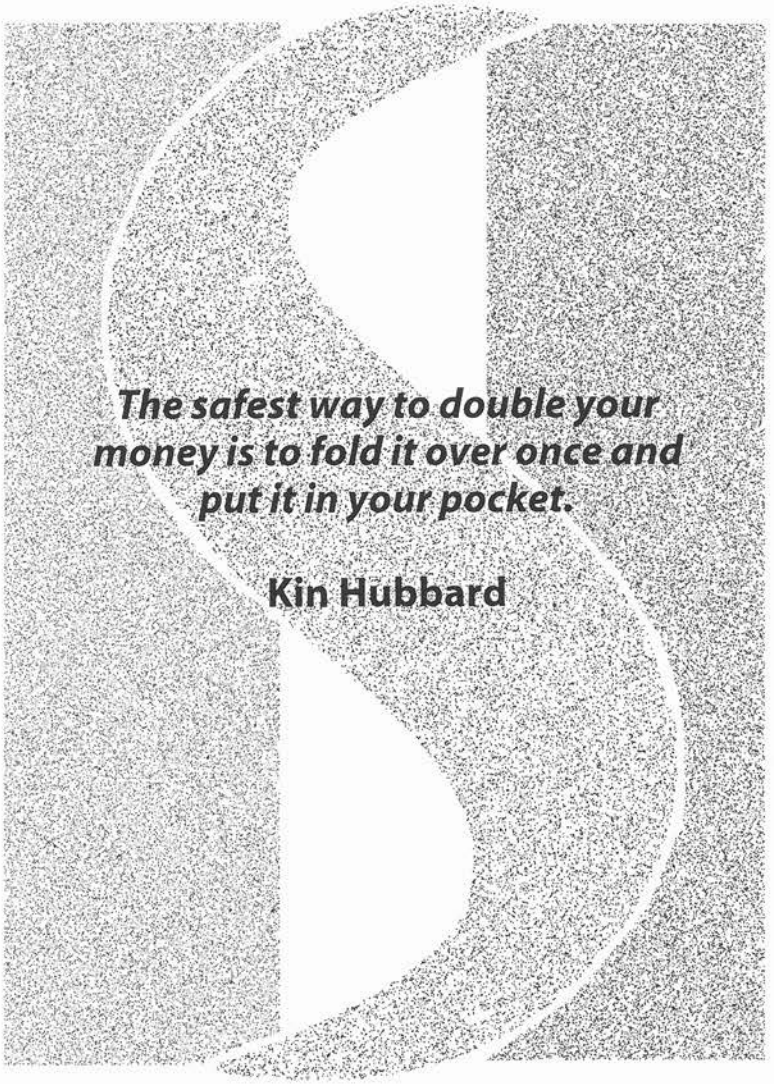
Other Charges – Total Other Charges increased $2,960 or 1.2% and includes $175,000 for operational costs associated with the business incubator, which will be funded with grants, rents, and LDFA tax capture revenues. $90,000 is for utility costs including heat, electricity, and water. $32,500 is for 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 telephone costs and $10,000 in building maintenance costs. $80,070 is budgeted for the reimbursement of eligible BAE project costs, including site infrastructure improvements and environmental remediation.

Capital – There is no Capital budget as the grant-funded expense to renovate the incubator building was completed in the prior year.

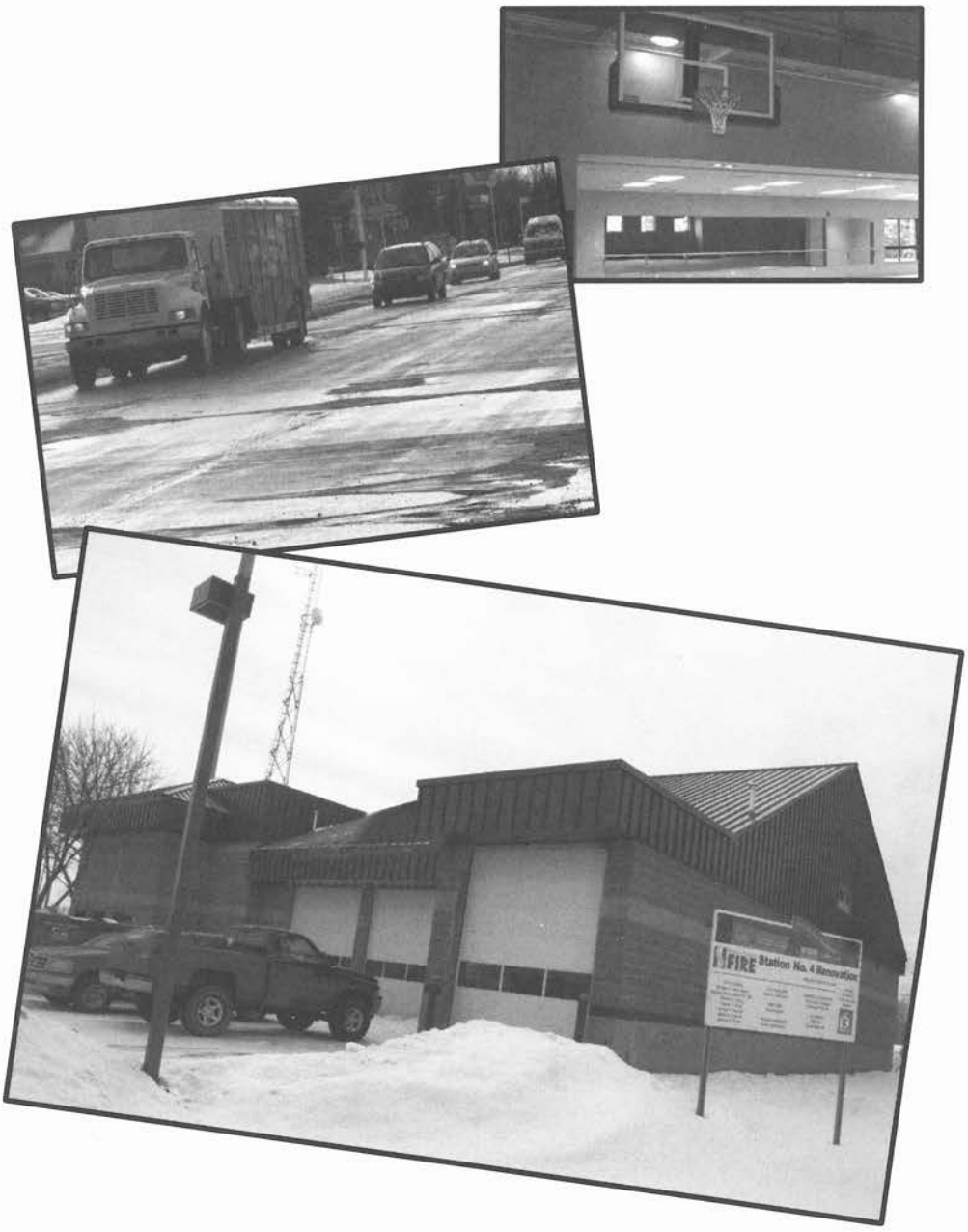


FUNDING LEVEL SUMMARY

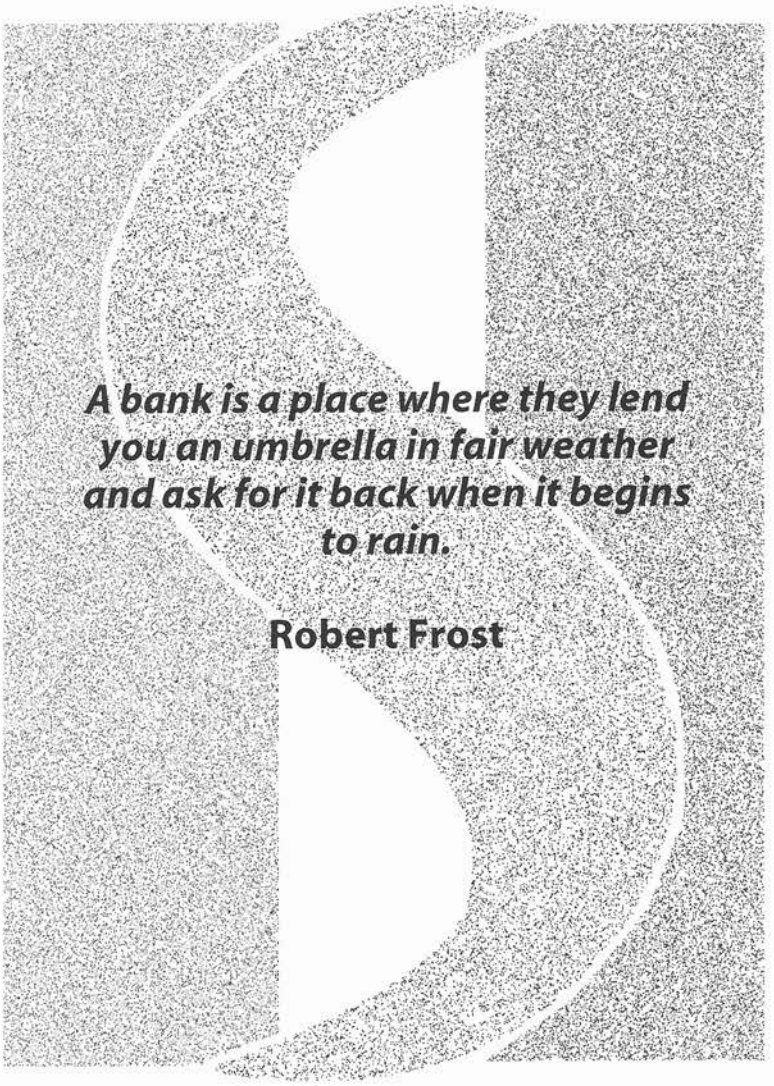
	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Supplies	$428	$5,500	$2,500	$2,500	$2,500
Other Charges	234,506	252,110	189,600	255,070	255,070
Capital Outlay	3,232	374,500	374,870	0	0
Total	$238,166	$632,110	$566,970	$257,570	$257,570


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 2012 estimated State Equalized Valuation plus the assessed value of abated property is $4,255,576,234. Therefore, the City's debt limit is $425,557,623 or 10% of total valuation. The City's population estimate is 130,000. The outstanding Net Direct Bonded Debt for the City as of June 30, 2012 is shown here as a ratio of debt to state equalized value and debt per capita.

	Debt Outstanding 6/30/12	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	$9,535,000	0.22%	$73

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. 89.6% 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 = 89.6%

BOND RATINGS

Standard & Poors	Moody's Investor Service	Fitch
AAA	Aaa	→ **AAA**
→ **AA+**	→ **Aa1**	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
BB+	Ba1	BB+
BB	Ba2	BB
BB-	Ba3	BB-
B+	B1	B+
B	B2	B
B-	B3	B-
CCC+	Caa1	CCC+
CCC	Caa2	CCC
CCC-	Caa3	CCC-
	Ca	CC
	C	C
		DDD
		DD
		D

Debt Management Program

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2012, the principal and interest payments required for fiscal 2012/13, and the funding source is included within this Debt Service section. Total indebtedness is $94,175,740. Total principal payment is $5,240,670 and the interest payment is $2,488,650. 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 $2,130,000. Total principal payment is $215,000 and interest is $90,450.

In 2007, a $3.25 million Improvement Bond was issued for the new Senior Active Life Center and public safety Radio System. In 2012/13, $222,900 is budgeted for the final debt payment on the Radio System bonds. $108,600 is budgeted in the Community Development Block Grant Fund for the final debt payment on the Senior Active Life Center as a reduction in federal grant funds has delayed the advance final debt payment anticipated to be made in the current year.

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. $369,750 is budgeted for the debt payments on the Fire Station Improvement bonds.

SETTLEMENT BONDS DEBT FUND

In 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 settlement, the City sold General Obligation Judgment Funding Bonds. The remainder 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 $12,170,000. The Principal payment is $1,940,000 and interest is $430,950.

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 $110,000 and interest of $117,250 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 $2,630,000. Principal is $1,105,000 and interest is $117,510.

WATER & SEWER FUND

In 2012/13, total principal of $1,345,670 and interest of $1,556,240 is budgeted for the City's portion of the District's debt for the Interceptor Rehabilitation project. Total indebtedness is $69,510,740.■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/12	2012/13 Principal	2012/13 Interest	2012/13 Total
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	$2,130,000	$215,000	$90,450	**$305,450**
LTGO Bonds - Radio System Equipment	Gen Fund	218,530	218,530	4,370	**222,900**
VOTED TAX GENERAL OBLIGATION DEBT FUND					
2008 Fire Station Improvement Bonds (F)	VTGO Fund	4,450,000	200,000	169,750	**369,750**
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	2,630,000	1,105,000	117,510	**1,222,510**
Total Debt Fund Direct Debt Service		**9,428,530**	**1,738,530**	**382,080**	**2,120,610**
COMMUNITY DEVELOPMENT BLOCK GRANT FUND					
LTGO Bonds - Senior Active Life Center	CDBG Fund	106,470	106,470	2,130	**108,600**
Total Direct Debt Service		**9,535,000**	**1,845,000**	**384,210**	**2,229,210**
ROAD BOND DEBT RETIREMENT FUND					
2003 MI Transportation Bonds	Major Rds	245,000	245,000	4,410	**249,410**
2005 MI Transportation Refunding Bonds	Major Rds	1,500,000	500,000	50,120	**550,120**
2007 MI Transportation Bonds	Major Rds	3,900,000	200,000	148,200	**348,200**
2010 MI Transportation Refunding Bonds	Major Rds	1,195,000	605,000	17,850	**622,850**
2010 Build America Bonds	Major Rds	1,550,000	25,000	80,590	**105,590**
2012 MI Transportation Refunding Bonds	Major Rds	3,780,000	365,000	129,780	**494,780**
Special Assessment Bonds	S/A - RBDF	2,960,000	110,000	117,250	**227,250**
Total Road Bond Debt Service		**15,130,000**	**2,050,000**	**548,200**	**2,598,200**
WATER & SEWER FUND					
Sewer District Rehabilitation Bonds	W&S Fund	69,510,740	1,345,670	1,556,240	**2,901,910**
Total Debt Service		**$94,175,740**	**$5,240,670**	**$2,488,650**	**$7,729,320**

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
Judicial Center	$400,430	$0	$0	$0	$0	**$0**
City Center Commons	313,430	296,110	298,650	298,650	305,450	**305,450**
Radio System Equipment	333,240	321,440	309,640	309,640	222,900	**222,900**
Total General Fund Debt Service	**1,047,100**	**617,550**	**608,290**	**608,290**	**528,350**	**528,350**
COMM. DEV. BLOCK GRANT FUND						
Senior Active Life Center	314,260	327,560	379,070	315,360	108,600	**108,600**
Total CDBG Fund Debt Service	**314,260**	**327,560**	**379,070**	**315,360**	**108,600**	**108,600**
CORR. IMPROVEMENT AUTH. FUND						
General Fund Loan	15,630	190,220	0	0	0	**0**
Total CIA Fund Debt Service	**15,630**	**190,220**	**0**	**0**	**0**	**0**
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Fire Station Improvements (F)	308,250	329,500	350,000	350,000	369,750	**369,750**
Total VTGO Fund Debt Service	**308,250**	**329,500**	**350,000**	**350,000**	**369,750**	**369,750**
GENERAL DRAIN FUND	1,197,090	1,183,060	1,186,810	1,186,810	1,222,510	**1,222,510**
Total Tax Supported Debt Service	**$2,882,330**	**$2,647,890**	**$2,524,170**	**$2,460,460**	**$2,229,210**	**$2,229,210**

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
2012/13	305,450	222,898	108,602			636,950
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	$2,554,625	$222,898	$108,602			$2,886,125

VOTED GENERAL OBLIGATION DEBT FUND

Fiscal Year	2008 Proposal F Bonds					Total
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	$5,673,750					$5,673,750

SCHEDULE OF PRINCIPAL & INTEREST
ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	2003 M.T.F. Bonds	2005 M.T.F. Refunding	2007 M.T.F. Bonds	2010 M.T.F. Refunding	2010 B.A. Bonds	2012 M.T.F. Refunding	2008 S.A.D. Bonds		Total
2012/13	249,410	550,125	348,200	622,850	105,587	494,778	227,250		2,598,200
2013/14		530,938	438,200	595,900	129,775	505,550	263,163		2,463,526
2014/15		510,313	426,650		128,388	537,550	258,288		1,861,189
2015/16			415,475		126,688	543,750	253,225		1,339,138
2016/17			502,250		124,725	550,100	247,600		1,424,675
2017/18			486,950		122,500	555,850	241,600		1,406,900
2018/19			569,500		168,937	611,000	235,600		1,585,037
2019/20			549,875		163,987	608,400	229,600		1,551,862
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	$249,410	$1,591,376	$4,777,100	$1,218,750	$2,350,006	$4,406,978	$4,109,126		$18,702,746

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
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	$300,875	$267,001	$222,288	$413,688	$873,000	$666,000	$117,243		$2,860,095

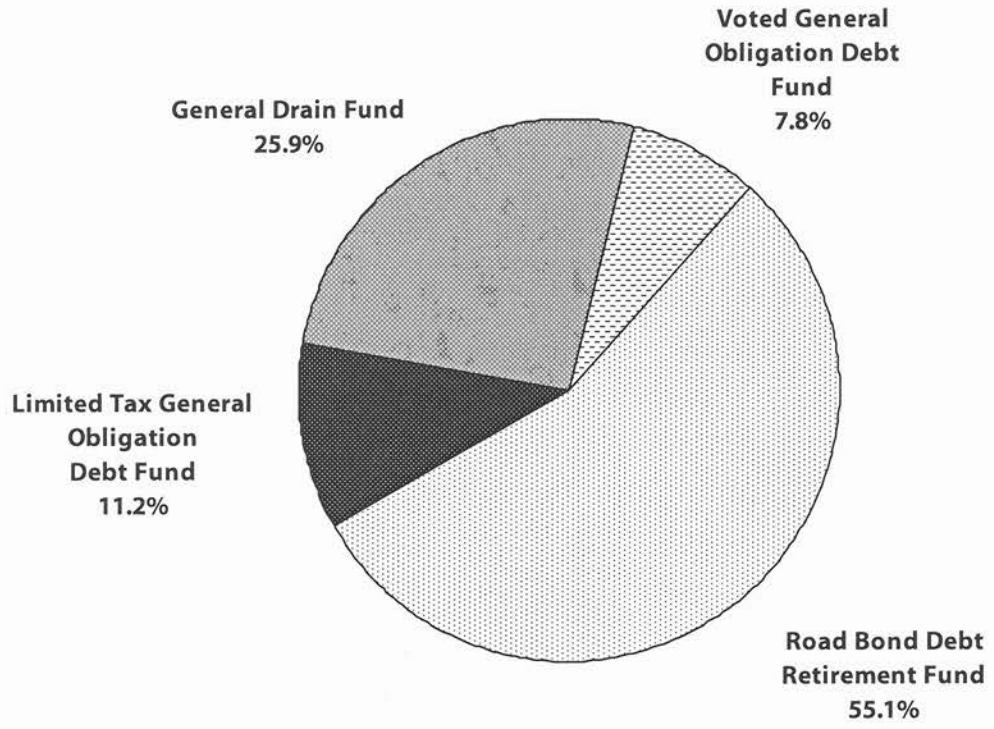
DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	$1,178,020	$1,164,590	$1,191,950	$1,194,790	$1,221,940	$1,221,940
Interest Income	4,060	10,080	3,000	2,900	2,500	2,500
Transfer from General Fund	10,000	20,000	0	0	0	0
Total Revenues	1,192,080	1,194,670	1,194,950	1,197,690	1,224,440	1,224,440
EXPENDITURES						
Principal	955,000	980,000	1,025,000	1,025,000	1,105,000	1,105,000
Interest	242,090	203,060	161,810	161,810	117,510	117,510
Other Charges	5,600	8,670	8,140	13,930	1,930	1,930
Total Expenditures	1,202,690	1,191,730	1,194,950	1,200,740	1,224,440	1,224,440
Excess of Revenues Over (Under) Expenditures	(10,610)	2,940	0	(3,050)	0	0
Beginning Fund Balance	10,730	120	3,060	3,060	10	10
Ending Fund Balance	$120	$3,060	$3,060	$10	$10	$10
VOTED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Property Taxes	$182,450	$318,170	$353,350	$355,160	$364,300	$364,300
Interest Income	1,510	2,570	1,000	900	800	800
Transfer from General Fund	0	10,000	0	0	0	0
Total Revenues	183,960	330,740	354,350	356,060	365,100	365,100
EXPENDITURES						
Principal	125,000	150,000	175,000	175,000	200,000	200,000
Interest	183,250	179,500	175,000	175,000	169,750	169,750
Other Charges	2,250	2,130	4,350	4,750	350	350
Total Expenditures	310,500	331,630	354,350	354,750	370,100	370,100
Excess of Revenues Over (Under) Expenditures	(126,540)	(890)	0	1,310	(5,000)	(5,000)
Beginning Fund Balance	135,990	9,450	8,560	8,560	9,870	9,870
Ending Fund Balance	$9,450	$8,560	$8,560	$9,870	$4,870	$4,870
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Revenues	$4,220	$0	$0	$0	$0	$0
Transfer from Self-Ins. Fund	11,137,590	0	0	0	0	0
Total Revenues	11,141,810	0	0	0	0	0
EXPENDITURES						
Principal	10,870,000	0	0	0	0	0
Interest	272,780	0	0	0	0	0
Other Charges	2,170	0	0	0	0	0
Total Expenditures	11,144,950	0	0	0	0	0
Excess of Revenues Over (Under) Expenditures	(3,140)	0	0	0	0	0
Beginning Fund Balance	3,140	0	0	0	0	0
Ending Fund Balance	$0	$0	$0	$0	$0	$0

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	$153,980	$151,220	$149,200	$146,630	$146,630	**$146,630**
Federal Interest Rebates	0	28,290	36,440	36,440	36,270	**36,270**
Interest Income	144,970	132,000	134,410	129,280	121,640	**121,640**
Other Revenues	0	220	0	0	0	**0**
Proceeds Long-term Debt	2,240,000	0	0	3,780,000	0	**0**
Bond Premiums	33,940	0	0	274,200	0	**0**
Trfr. from Major Roads Fund	2,585,000	2,480,000	2,300,000	2,300,000	2,330,000	**2,330,000**
Total Revenues	**5,157,890**	**2,791,730**	**2,620,050**	**6,666,550**	**2,634,540**	**2,634,540**
EXPENDITURES						
Principal	4,315,000	2,050,000	1,940,000	5,890,000	2,050,000	**2,050,000**
Interest	738,560	683,380	638,010	638,010	548,200	**548,200**
Other Charges	73,700	1,600	1,850	102,070	1,880	**1,880**
Total Expenditures	**5,127,260**	**2,734,980**	**2,579,860**	**6,630,080**	**2,600,080**	**2,600,080**
Excess of Revenues Over (Under) Expenditures	**30,630**	**56,750**	**40,190**	**36,470**	**34,460**	**34,460**
Beginning Fund Balance	**338,930**	**369,560**	**426,310**	**426,310**	**462,780**	**462,780**
Ending Fund Balance	**$369,560**	**$426,310**	**$466,500**	**$462,780**	**$497,240**	**$497,240**
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Other Revenues	$10	$10	$0	$0	$0	**$0**
Transfer from General Fund	1,047,800	617,940	608,680	608,680	528,740	**528,740**
Total Revenues	**1,047,810**	**617,950**	**608,680**	**608,680**	**528,740**	**528,740**
EXPENDITURES						
Principal	890,000	485,000	495,000	495,000	433,530	**433,530**
Interest	157,100	132,550	113,290	113,290	94,820	**94,820**
Other Charges	660	390	390	390	390	**390**
Total Expenditures	**1,047,760**	**617,940**	**608,680**	**608,680**	**528,740**	**528,740**
Excess of Revenues Over (Under) Expenditures	**50**	**10**	**0**	**0**	**0**	**0**
Beginning Fund Balance	**190**	**240**	**250**	**250**	**250**	**250**
Ending Fund Balance	**$240**	**$250**	**$250**	**$250**	**$250**	**$250**

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.

Debt Service Funds Revenues

GENERAL DRAIN TAXES

A substantial source of revenue to the Debt Service Funds is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In the 2012/13 Budget, General Drain Tax revenue represents 25.64% of total revenue sources, an increase of $32,290 above the 2011/12 Budget. This is primarily due to an increase in debt payments on existing drain bond issues. For 2012/13, the millage rate is 0.3020 mills, an increase of 0.0285 mills above 2011/12.

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 2012/13 Budget, revenues generated from Other Financing Sources represent 60.15% of total revenue sources, a decrease of $49,940 below the 2011/12 Budget. This decrease is due to a decrease in transfers from the General Fund to the Limited Tax General Obligation Debt Fund, as the final debt payment on the existing Public Safety Radio System bond is lower next fiscal year. The decrease was partially offset by an increase in transfers from the Major Road Fund to the Road Bond Debt Retirement Fund due to higher scheduled principal payments on existing road bonds.

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 $36,270 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 2012/13 Budget, Other Revenues represent 5.71% of total revenue sources, a decrease of $16,040 below the 2011/12 Budget. This decrease is primarily due to lower scheduled Special Assessment payments from the Lakeside Mall improvement project.

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 2012/13, the millage rate is 0.0903 mills, an increase of 0.009 mills above 2011/12.

In 2012/13, Public Improvement Tax revenue represents 7.74% of total revenue sources, an increase of $8,650 above the 2011/12 Budget. This increase is due to higher debt payments on the Proposal F bond.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted use of fund balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2012/13 Budget, revenues exceed expenditures by $29,460, 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	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	TAXES						
404000	City Operating Tax	$1,159,128	23.49	$1,207,150	25.26	$1,229,240	25.86
404001	Property Tax Refunds	0	0.00	(27,000)	-0.57	(16,400)	-0.35
415000	Delinquent Personal Property Tax	3,723	0.08	3,000	0.06	2,700	0.06
445000	Penalties & Interest	3,524	0.07	3,100	0.06	3,000	0.06
	Total Taxes	**1,166,375**	**23.64**	**1,186,250**	**24.83**	**1,218,540**	**25.64**
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	647,940	13.13	608,680	12.74	528,740	11.12
699202	Transfer From Major Road Fund	2,480,000	50.25	2,300,000	48.14	2,330,000	49.02
	Total Other Financing Sources	**3,127,940**	**63.38**	**2,908,680**	**60.88**	**2,858,740**	**60.15**
	STATE & LOCAL RETURNS						
529004	Federal - Interest Rebates	28,289	0.57	36,440	0.76	36,270	0.76
	Total State & Local Returns	**28,289**	**0.57**	**36,440**	**0.76**	**36,270**	**0.76**
	OTHER REVENUE						
665000	Interest on Investments	16,677	0.34	8,000	0.17	4,300	0.09
672000	Special Assessment Revenue	151,222	3.06	149,200	3.12	146,630	3.09
672445	S.A. Delinquent Interest & Penalties	13	0.00	100	0.00	100	0.00
672665	Special Assessment Interest	127,958	2.59	130,310	2.73	120,540	2.54
685000	Miscellaneous Revenue	220	0.00	0	0.00	0	0.00
	Total Other Revenue	**296,090**	**6.00**	**287,610**	**6.02**	**271,570**	**5.71**
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	267	0.01	0	0.00	0	0.00
419000	Proposal F Debt Levy	316,124	6.41	359,050	7.51	367,700	7.74
	Total Public Improvements Tax	**316,391**	**6.41**	**359,050**	**7.51**	**367,700**	**7.74**
	Total Debt Service Funds	**$4,935,085**	**100.00**	**$4,778,030**	**100.00**	**$4,752,820**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	OTHER CHARGES						
810000	Other Fees	$4,263	0.09	$5,730	0.12	$4,550	0.10
965000	Refunds on Tribunal Adjustments	8,517	0.17	9,000	0.19	0	0.00
	Total Other Charges	**12,780**	**0.26**	**14,730**	**0.31**	**4,550**	**0.10**
	DEBT SERVICE						
992000	Principal	3,665,000	75.16	3,635,000	76.72	3,788,530	80.21
993000	Interest	1,198,495	24.58	1,088,110	22.97	930,280	19.70
	Total Debt Service	**4,863,495**	**99.74**	**4,723,110**	**99.69**	**4,718,810**	**99.90**
	Total Debt Service Funds	**$4,876,275**	**100.00**	**$4,737,840**	**100.00**	**$4,723,360**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

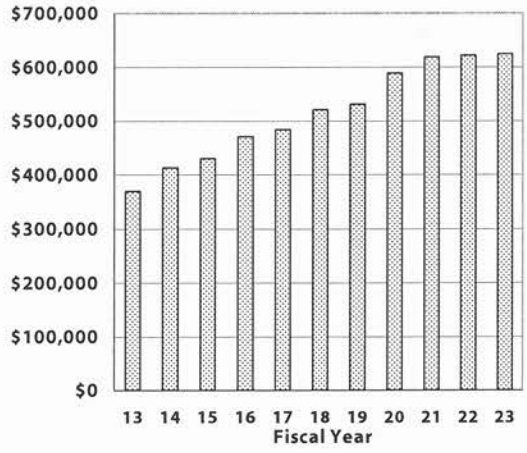
Debt Service Funds

City Bond Ratings

1. STERLING HEIGHTS	**AAA**
2. Troy	AAA
3. Ann Arbor	AA+
4. Farmington Hills	AA+
5. Lansing	AA+
6. Grand Rapids	AA
7. Livonia	AA
8. Southfield	AA
9. Warren	AA
10. Dearborn	A+

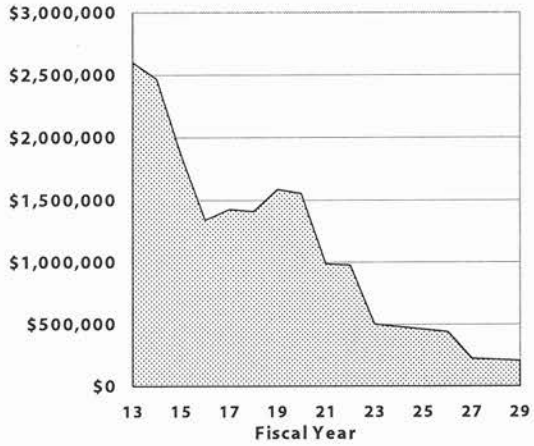
The City's AAA bond rating from Fitch Investor's Rating Service ranks higher than our other comparable communities' rankings. Sterling Heights maintains a very high Aa1 rating from Moody's and a AA+ rating from Standard & Poor's.

Annual Debt Payments
Proposal F - Fire Stations



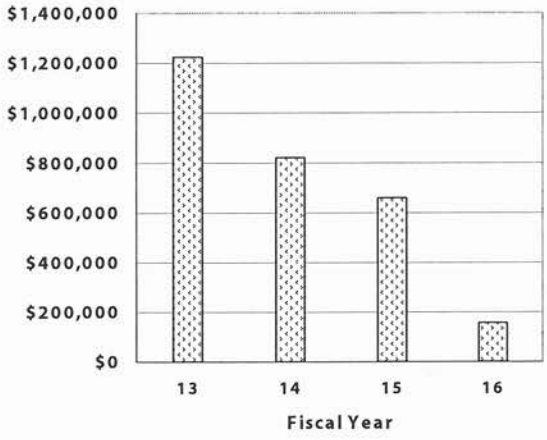
Voted Tax General Obligation Debt from the Fire Station Improvements (Proposal F) continues through 2023.

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 decreases over the next four 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.

General Drain Fund

The General Drain Fund is very specific in the way in which it operates within the City of Sterling Heights. The explanation for this fund can be easily summarized by saying that all debt incurred in the construction and maintenance of the City's major drain system is serviced or paid by this fund.

The City's Drain Program is tied to the County Drain Program, 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 2012/13, $1,222,510 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

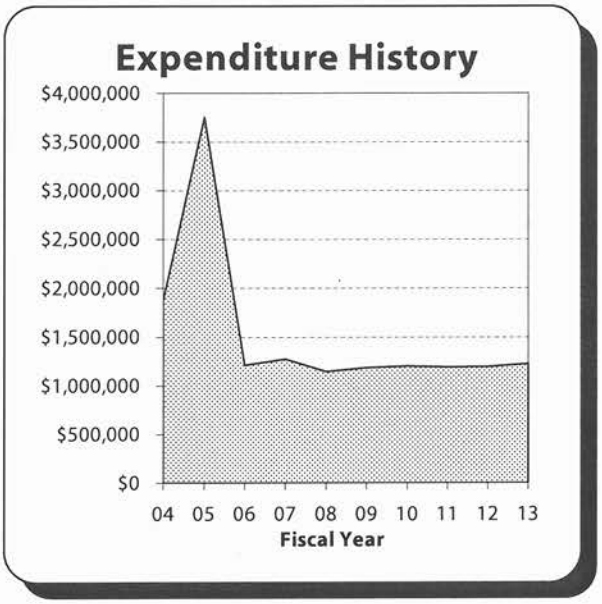
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 2.5%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges decreased $6,210 or 76.3%. The budget decreased $5,000 due to a change in the accounting treatment of refunds on tribunal adjustments as they will now be recorded as a deduction against tax revenues paid. $1,210 was saved in reduced bank fees.

Debt Service – Total Debt Service increased $35,700 or 3.0%. Principal payments increased $80,000 due to an increase in scheduled principal payments on several existing General Drain bonds. Interest payments decreased $44,300, as less interest is owed on all existing General Drain bond issues. No new drain project debt is scheduled for next fiscal year.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	8,663	8,140	13,930	1,930	1,930
Debt Service	1,183,063	1,186,810	1,186,810	1,222,510	1,222,510
Total	$1,191,726	$1,194,950	$1,200,740	$1,224,440	$1,224,440

Voted Tax General Obligation Debt Fund

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 2012/13, principal and interest payments for Proposal F amount to $369,750.■

Did you know...
...the Voted Tax 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

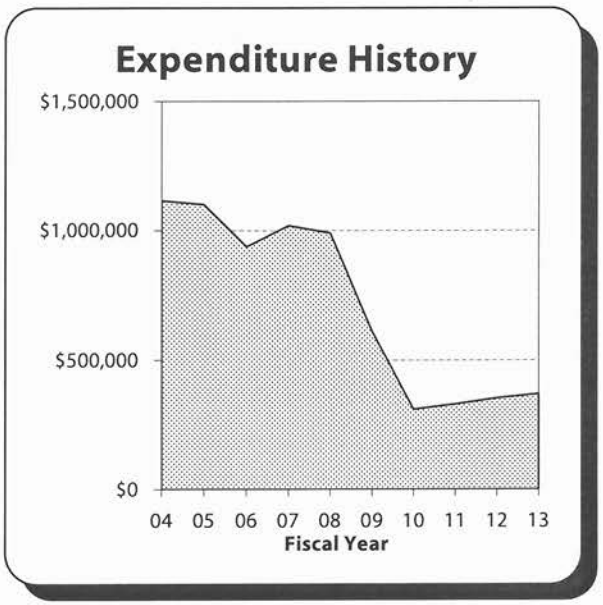
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 4.4%.

Personnel Services – There is no Personnel budget for this fund.

Other Charges – Total Other Charges decreased $4,000 due to a change in the accounting treatment of refunds on tribunal adjustments. Refunds will now be recorded as a net reduction in property tax revenue, rather than booked as an expense.

Debt Service – Total Debt Service increased $19,750 or 5.6% due to a scheduled increase in the debt payment on the 2008 Proposal F bond. There is no outstanding debt for Proposals R, S, & T as the debt was retired in prior years. The debt from the Fire Station Improvements (Proposal F) is scheduled to be retired in 2023.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	2,129	4,350	4,750	350	350
Debt Service	329,500	350,000	350,000	369,750	369,750
Total	$331,629	$354,350	$354,750	$370,100	$370,100

Road Bond Debt Retirement Fund

The Road Bond Debt Retirement Fund is a Debt Service Fund. It is used exclusively for the retirement of debt incurred by the City for various road improvements.

The most significant revenue source of this fund is through a transfer from the Major Road Fund. In 2012/13, the Major Road Fund transfer represents 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 2012/13 totals $2,598,200, which is comprised of $2,050,000 toward principal and $548,200 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 is being funded through assessments on the affected property owners.

In the winter of fiscal year 2011/12, the 2005 MTF bond was refinanced resulting in the issuance of the 2012 MTF refunding bond, which will save the City an estimated $330,000 in future interest payments.

The principal and interest payments for the road bond projects are amortized based on the estimated total cost of the project times the interest rate for a fixed period of time – usually 10-15 years.

Road bond projects to be retired through this fund are specified on the Road Bond Construction Fund schedule located in the Capital Projects section of this document.■

Did you know...
...that no new road bonds have been issued since June 2010?

Road Bond Debt Retirement Fund

SUMMARY OF BUDGET CHANGES

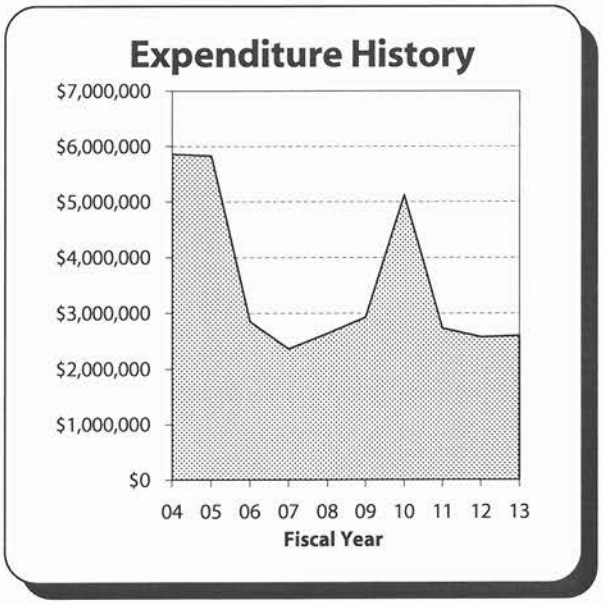
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget increased by 0.8%.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased $30 or 1.6%. Overall, bond paying agent fees increased due to the issuance of the 2012 MTF refunding bond in the prior year. The increase was partially offset by a decrease in fees due to the retirement of the 2005 MTF bond.

Debt Service – Total Debt Service is proposed to increase $20,190 or 0.8%. The principal payment increase of $110,000 was partially offset by a decline in interest payments of $89,810. The City will save an estimated $330,000 in future interest payments as a result of the 2012 MTF refunding. The City has now refinanced four bonds over the past several years, saving a total of $1.2 million in lower interest costs.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Supplies	$0	$0	$0	$0	$0
Other Charges	1,600	1,850	102,070	1,880	1,880
Debt Service	2,733,379	2,578,010	6,528,010	2,598,200	2,598,200
Total	$2,734,979	$2,579,860	$6,630,080	$2,600,080	$2,600,080

Limited Tax General Obligation Fund

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 2012/13 totals $305,450. Principal payments total $215,000 and interest payments amount to $90,450.

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 2012/13, the transfer necessary for the final debt payment for the Public Safety Radio System totals $222,900. Principal payments total $218,530 and interest payments amount to $4,370. 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 a reduction in federal grant funds has delayed the advance final debt payment anticipated to be made in the current year.

Total 2012/13 debt repayment for the fund amounts to $528,350.■

Did you know...
...the Senior Active Life Center addition was financed by bonds that are being repaid using federal CDBG funds?

Limited Tax General Obligation Fund

SUMMARY OF BUDGET CHANGES

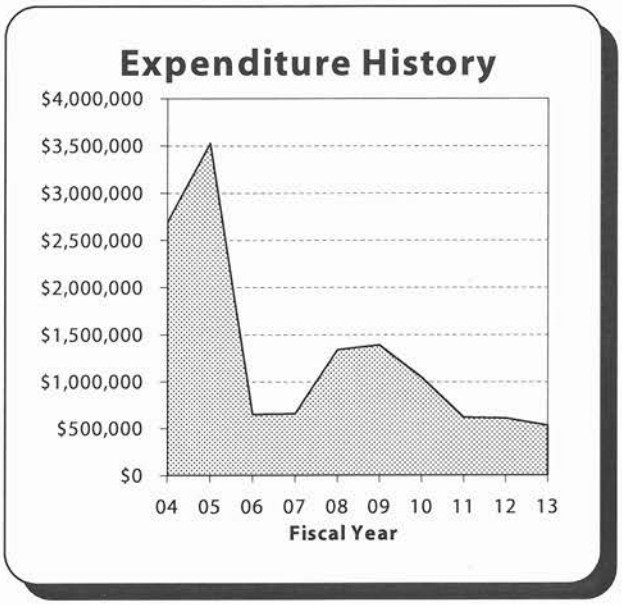
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 13.1%.

Personnel Services – There is no Personnel budget for this fund.

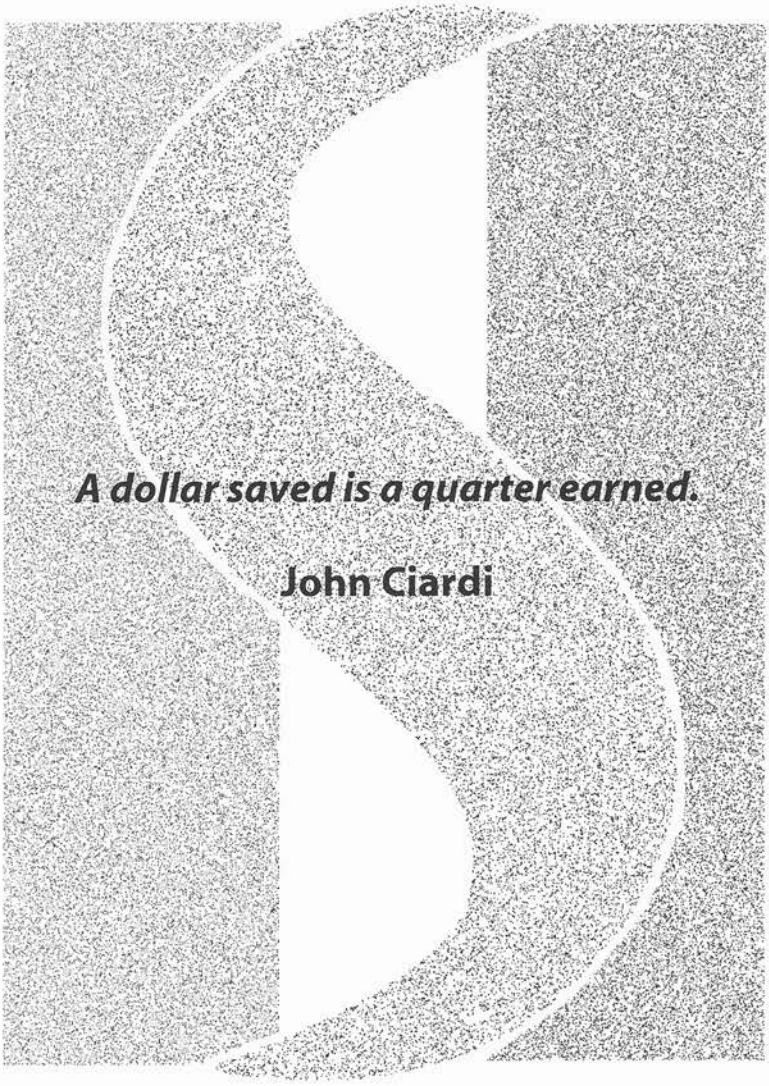
Other Charges – Total Other Charges is proposed to remain the same at $390.

Debt Service – Total Debt Service decreased $79,940 or 13.1%. Total principal payments decreased $61,470 due to a decrease in the scheduled principal payment on the existing 2007 LTGO 800 MHz bond, which will be retired next fiscal year. The decrease was offset by a higher principal payment on the existing 2005 City Center Commons Refunding bond. Total interest payments decreased $18,470, 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 year, as a reduction in federal grant funds has delayed the advance final debt payment anticipated to be made in the current year.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Personnel Services	$0	$0	$0	$0	$0
Other Charges	388	390	390	390	390
Debt Service	617,554	608,290	608,290	528,350	528,350
Total	$617,942	$608,680	$608,680	$528,740	$528,740


A dollar saved is a quarter earned.
John Ciardi

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	2009/10 Actual	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Budget
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	$1,162,200	$1,202,190	$1,056,060	$987,910	$224,070	**$224,070**
Transfer from General Fund	349,000	351,000	317,060	317,060	406,350	**406,350**
Total Revenues	**1,511,200**	**1,553,190**	**1,373,120**	**1,304,970**	**630,420**	**630,420**
EXPENDITURES						
Capital Equipment	642,510	1,286,070	674,270	735,290	180,000	**180,000**
Capital Vehicles	214,540	208,290	736,560	726,860	226,350	**226,350**
Capital Projects	863,120	448,470	990,600	911,600	295,000	**295,000**
Total Expenditures	**1,720,170**	**1,942,830**	**2,401,430**	**2,373,750**	**701,350**	**701,350**
Excess of Revenues Over (Under) Expenditures	**(208,970)**	**(389,640)**	**(1,028,310)**	**(1,068,780)**	**(70,930)**	**(70,930)**
Beginning Fund Balance	**2,712,320**	**2,503,350**	**2,113,710**	**2,113,710**	**1,044,930**	**1,044,930**
Ending Fund Balance	**$2,503,350**	**$2,113,710**	**$1,085,400**	**$1,044,930**	**$974,000**	**$974,000**
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Proceeds Long-term Debt	$1,570,000	$0	$0	$0	$0	**$0**
Other Revenue	650	3,340	1,000	1,400	1,200	**1,200**
Total Revenues	**1,570,650**	**3,340**	**1,000**	**1,400**	**1,200**	**1,200**
EXPENDITURES						
Capital Improvements	508,020	242,470	635,680	517,980	200,000	**200,000**
Transfer to Major Roads Fund	300,000	0	0	0	0	**0**
Total Expenditures	**808,020**	**242,470**	**635,680**	**517,980**	**200,000**	**200,000**
Excess of Revenues Over (Under) Expenditures	**762,630**	**(239,130)**	**(634,680)**	**(516,580)**	**(198,800)**	**(198,800)**
Beginning Fund Balance	**233,730**	**996,360**	**757,230**	**757,230**	**240,650**	**240,650**
Ending Fund Balance	**$996,360**	**$757,230**	**$122,550**	**$240,650**	**$41,850**	**$41,850**

Capital Projects Funds Revenues

TAXES

The revenue from penalties and interest on delinquent special assessments for City sidewalks is included in Other Revenue. There is no tax revenue budgeted in fiscal year 2012/13.

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 2012/13, there is no grant funding anticipated to be received. Public Safety equipment grants were received in the prior year, and the budget will be amended if any new grants are 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 2012/13 Budget, revenues generated from Other Financing Sources represent 64.33% of total revenue sources, an increase of $89,290 above the 2011/12 Budget. This increase is due to an increase in the transfer from the General Fund, as more 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 2012/13 Budget, Other Revenues represent 35.67% of total revenue sources, a decrease of $254,780 below the 2011/12 Budget. This decrease is primarily due to a decline in Reimbursements from the City's Sidewalk Gap and Replacement Programs as fewer sidewalk projects are budgeted.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2012/13 Budget, Use of Fund Balance as a revenue source totals $269,730. This is primarily due to a planned draw down of reserves to fund a road project and the City's share of capital projects.■

CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	2010-2011 Actual %	2011-2012 Budget Dollars	2011-2012 Budget %	2012-2013 Budget Dollars	2012-2013 Budget %
	TAXES						
445000	Penalties & Interest	$411	0.03	$0	0.00	$0	0.00
	Total Taxes	**411**	**0.03**	**0**	**0.00**	**0**	**0.00**
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	815,656	52.40	561,710	40.88	0	0.00
539002	State Grants	0	0.00	15,300	1.11	0	0.00
539378	Act 78 Emergency Phone Service	187,777	12.06	0	0.00	0	0.00
	Total State & Local Returns	**1,003,433**	**64.46**	**577,010**	**41.99**	**0**	**0.00**
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	351,000	22.55	317,060	23.07	406,350	64.33
	Total Other Financing Sources	**351,000**	**22.55**	**317,060**	**23.07**	**406,350**	**64.33**
	OTHER REVENUE						
665000	Interest on Investments	14,819	0.95	11,000	0.80	6,200	0.98
665445	Interest & Penalties - Tax Roll	29	0.00	250	0.02	250	0.04
672000	Special Assessment Revenue	17,942	1.15	14,580	1.06	8,560	1.36
672445	SA Delinquent Interest & Penalties	24	0.00	50	0.00	50	0.01
672665	Special Assessment Interest	2,570	0.17	1,640	0.12	210	0.03
675000	Contributions & Donations	4,087	0.26	4,530	0.33	0	0.00
676000	Reimbursements	124,032	7.97	345,000	25.11	110,000	17.42
685000	Miscellaneous Revenue	0	0.00	3,000	0.22	0	0.00
685015	Miscellaneous Revenue - MCPWC	35,828	2.30	100,000	7.28	100,000	15.83
695000	Insurance Recovery	2,350	0.15	0	0.00	0	0.00
	Total Other Revenue	**201,681**	**12.96**	**480,050**	**34.94**	**225,270**	**35.67**
	Total Capital Projects Funds	**$1,556,525**	**100.00**	**$1,374,120**	**100.00**	**$631,620**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2010-2011 Actual Dollars	%	2011-2012 Budget Dollars	%	2012-2013 Budget Dollars	%
	CAPITAL OUTLAY						
975000	Building & Improvements	$8,920	0.41	$6,950	0.23	**$0**	**0.00**
975010	Municipal Building Modernization	0	0.00	7,000	0.23	**0**	**0.00**
975020	Library Renovations	2,541	0.12	5,010	0.16	**0**	**0.00**
975140	Miscellaneous DPW Improvements	72	0.00	250,000	8.23	**0**	**0.00**
975210	Fire Station Renovations	49,479	2.26	69,480	2.29	**0**	**0.00**
979000	Computer Equipment	197,914	9.06	6,600	0.22	**35,000**	**3.88**
979100	Financial System - Software	0	0.00	40,000	1.32	**0**	**0.00**
979150	Financial System - Hardware	19,954	0.91	32,400	1.07	**31,500**	**3.49**
979330	Police Department - Software	5,119	0.23	0	0.00	**0**	**0.00**
979800	Fire Department - Software	166,626	7.62	2,060	0.07	**0**	**0.00**
981000	Electronic Equipment	0	0.00	401,460	13.22	**35,000**	**3.88**
981001	Electronic Equipment - Grant	545,974	24.98	145,180	4.78	**0**	**0.00**
982000	Machinery & Equipment	153,524	7.03	31,500	1.04	**78,500**	**8.71**
982001	Machinery & Equipment - Grant	73,092	3.34	15,070	0.50	**0**	**0.00**
982008	Machinery & Equip. - E-Crash Capture	73,502	3.36	0	0.00	**0**	**0.00**
982009	Machinery & Equipment - U.D. Grant	1,697	0.08	0	0.00	**0**	**0.00**
983000	Fire Equipment	34,800	1.59	0	0.00	**0**	**0.00**
983001	Fire Equipment - Grant	13,865	0.63	0	0.00	**0**	**0.00**
984315	Vehicles - Police Operations	103,278	4.73	206,560	6.80	**198,350**	**22.01**
984339	Vehicles - Fire Extinguishment	0	0.00	530,000	17.45	**0**	**0.00**
984444	Vehicles - Street Services	88,888	4.07	0	0.00	**28,000**	**3.11**
984447	Vehicles - Engineering	16,129	0.74	0	0.00	**0**	**0.00**
986000	Major Drain Improvements	35,828	1.64	100,000	3.29	**100,000**	**11.09**
988000	Construction	146,594	6.71	829,820	27.32	**395,000**	**43.82**
988138	Laurel Meadows Pump Station	72	0.00	75,400	2.48	**0**	**0.00**
988162	Lakeside Shop Dist SAD Improvements	10,624	0.49	0	0.00	**0**	**0.00**
988173	2010 Sidewalk Gap Completion	171,730	7.86	8,270	0.27	**0**	**0.00**
988187	2009 Sidewalk Replacement Program	1,232	0.06	0	0.00	**0**	**0.00**
988189	15 Mile Road Reconstruction	85,247	3.90	5,860	0.19	**0**	**0.00**
988203	2010 Sidewalk Replacement Program	178,511	8.17	18,490	0.61	**0**	**0.00**
988214	2011 Sidewalk Replacement Program	88	0.00	250,000	8.23	**0**	**0.00**
	Total Capital Projects Fund	**2,185,300**	**100.00**	**3,037,110**	**100.00**	**901,350**	**100.00**

Note: The 2010-2011 Actual Column is rounded to the nearest dollar.

Capital Projects Fund

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose and no other. This fund enables administrators to report to creditors and other grantors of capital projects fund resources that their requirements regarding the use of the resources were met.

As with all governmental funds, the Capital Projects Fund concentrates on inflows and outflows of available, spendable resources. Therefore, the Capital Projects Fund uses the modified accrual basis of accounting. The Capital Projects Fund has the authority to continue expenditures within prescribed limits until a project is completed.

Funding for Capital in fiscal year 2012/13 totals $701,350. Of the total, $295,000 is funded for two improvement projects for facilities and/or infrastructure. $195,000 is included for the City Sidewalk Repair Program. $100,000 is funded for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total $180,000 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total $226,350 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 610 miles of sidewalks in the City?

Capital Projects Fund

SUMMARY OF BUDGET CHANGES

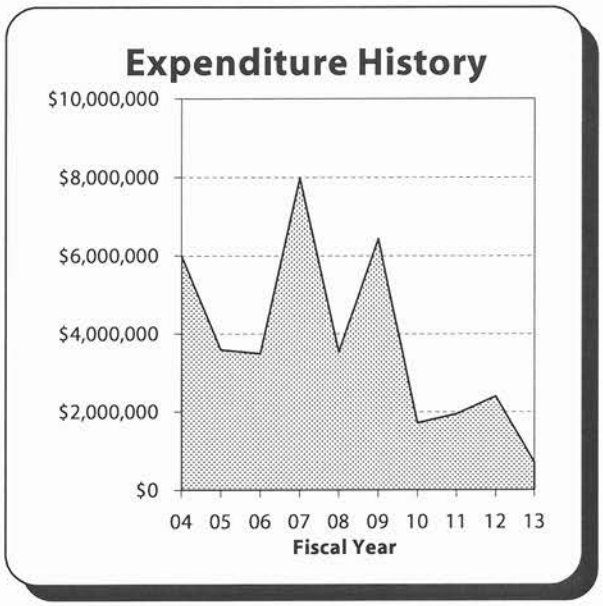
SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

The total budget decreased by 70.8%.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of $701,350 is proposed for next fiscal year. $113,500 is for capital equipment, $226,350 for capital vehicles, and $66,500 for the Information Technology Capital Program. ***The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund activity in which the Capital will be utilized.*** In addition, two (2) Capital Projects totaling $295,000 are proposed. $195,000 is for the City Sidewalk Repair Program and $100,000 is 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 2012/13 fiscal year.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Other Charges	$0	$0	$0	$0	$0
Capital Outlay	1,942,830	2,401,430	2,373,750	701,350	701,350
Transfers Out	0	0	0	0	0
Total	$1,942,830	$2,401,430	$2,373,750	$701,350	$701,350

Road Bond Construction Fund

The Road Bond Construction Fund is a Capital Projects Fund that was established in compliance with Government Accounting Standards Board (GASB) No. 6. Proceeds from the Long-Term Debt account are the most significant revenue source for this Fund.

The Road Bond Construction Fund is used to account for transactions relating to road construction costs, paving, or storm drain activities financed by special assessments or long-term bonds. Other transactions, which are accounted for in this Fund, are associated road construction costs such as engineering costs, legal fees, advertising costs for bids, and rights-of-way acquisition costs.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

Proposal R, Michigan Transportation Fund, Build America Bonds, and Special Assessment Bonds are sold to finance the cost of the road construction projects within this Fund.

In fiscal year 2012/13, one project is funded with proceeds from the prior sale of a road bond in May 2010. $200,000 is funded for the preliminary engineering costs for the reconstruction of the 17 Mile Road Bridge over the Conrail tracks.

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 will receive $800,000 in federal aid dollars in 2012 to be spent on resurfacing 19 Mile Road from Van Dyke to Merrill Road, and concrete repairs on Ryan Road from Metroparkway to 18 ½ Mile Road?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2012/13 BUDGET COMPARED TO 2011/12 BUDGET

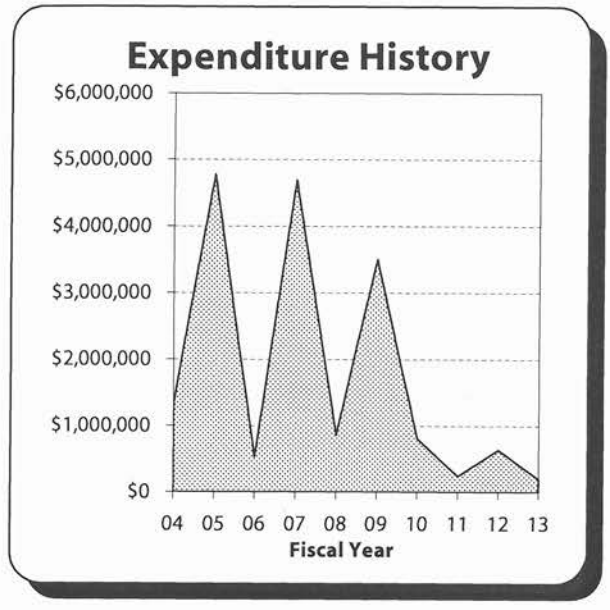
The total budget decreased by 68.5%.

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – $200,000 is proposed for one project in the 2012/13 fiscal year. $200,000 is budgeted for the preliminary engineering costs for the reconstruction of the 17 Mile Road Bridge over the Conrail tracks. This project is funded with proceeds from a prior bond sale. The remaining $1.2 million City share of the construction cost for this project will occur in the 2013/14 fiscal year.

Transfers Out – There are no Transfers Out proposed for this fund.



FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Budget	2011/12 Estimate	2012/13 Proposed	2012/13 Approved
Supplies	$0	$0	$0	$0	$0
Capital Outlay	242,465	635,680	517,980	200,000	200,000
Transfers Out	0	0	0	0	0
Total	$242,465	$635,680	$517,980	$200,000	$200,000

Capital Improvements Program

Since Sterling Heights was incorporated as a city on July 1, 1968, it has proudly followed its motto "To Strive on Behalf of All". Its 36.8 square miles makes Sterling Heights the third largest city in Michigan geographically. Forty-four (44) years after its incorporation, the City has matured into a community serving approximately 130,000 residents. Coupled with the City's rapid growth has been a desire to provide top quality city services with an emphasis on roads, beautiful parks and safe neighborhoods.

Along with the desire to provide for quality service is the realization that needs always exceed resources. In order to ensure that all facets of a Capital Improvements Program were addressed, City Council in 1987 approved the creation of a Citizen's Executive Committee to consider and prioritize hundreds of proposed projects to be undertaken over the next ten (10) years. The results of this effort by the Executive Committee have been used in concert with updated information to provide the backbone for the Municipal Improvement Program (MIP), a five-year capital planning program.

The development of this program document marks the continuation of a capital improvement planning process for the City. 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. 2011/12 is the first year of the MIP. The second year (2012/13) 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 2012/13, the City's total capital funding is $6,795,290. Of the total, $6,047,750 is budgeted for improvements, $443,890 is for equipment, $226,350 is for vehicles, and $77,300 is for the Information Technology Capital Program.

The following schedules detail specific projects to be undertaken by major category. The first three sets of schedules presented in the Capital Improvement Program detail the equipment, technology improvements, and vehicles that are budgeted. These categories of capital are usually funded utilizing General Fund Tax Revenue. Capital equipment and vehicles are budgeted in the Capital Projects Fund with the exception of drug forfeiture purchases, which are budgeted and expensed in the Public Safety Forfeiture Fund. The Water & Sewer Fund equipment, vehicles, and technology improvements are budgeted within the respective Water & Sewer division. The fourth and last set of schedules detail capital improvement costs, future years operating costs, including debt costs for each project and the proposed method of funding these costs.

The Capital Projects Fund is also used to account for the development of capital facilities other than those financed by the Enterprise Fund. The budget for facility improvements in the Capital Projects Fund for fiscal year 2012/13 is $295,000.

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 2012/13, the budgeted expenditures for the Road Bond Construction Fund total $200,000.

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 $741,500 are budgeted for fiscal year 2012/13.

Transportation projects scheduled in 2012/13 are categorized as County road improvements, resurfacing projects, 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 $784,000 are budgeted for fiscal year 2012/13.

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 2012/13, 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 2012/13, $278,200 is budgeted for asphalt resurfacing on Tyler Drive, concrete replacement on Sanford Drive, and the completion of SMART bus stop improvements.

The Neighborhood Stabilization Fund is used to account for grant-funded acquisition and redevelopment of foreclosed properties. In 2012/13, budgeted expenditures total $16,550 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 was established to account for grant-funded improvement projects designed to increase energy efficiency and reduce energy consumption and costs. In fiscal year 2012/13, there is no capital budgeted, as all grant funding for the program was fully spent and all previously budgeted capital improvement projects were completed in the prior fiscal year.

The Corridor Improvement Authority Fund is used to account for public improvements that are made utilizing tax increment financing. In 2012/13 there is no capital budgeted as the Façade Assistance Program continues to be 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 2012/13 total $200,000 and include park maintenance projects at various City parks, a replacement heating and cooling unit for the kitchen at the Recreation Center, ballfield lighting repairs and bulb replacements at Delia Park, and tennis court reconstruction at Magnolia 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 $1,038,000 and water main expenditures of $2,484,500 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 2011/12	Qty.	Proposed Budget 2012/13	Qty.	Approved Budget 2012/13
Community Services Department								
Parks & Recreation								
Playground Wear Mats	982	Machinery & Equipment			24	4,000	24	4,000
Total					**24**	**4,000**	**24**	**4,000**
Police Department								
Police Operations								
Digital Forensic System - Grant	981001	Electronic Equip. - Grant	1	45,000				
E-Ticket System - Grant	981001	Electronic Equip. - Grant	1	19,860				
Warning Sirens Reprogramming - Grant	981001	Electronic Equip. - Grant	1	3,540				
Gas Masks & Cannisters - Grant	981001	Electronic Equip. - Grant	1	52,760				
Firearms Training System - Grant	981001	Electronic Equip. - Grant	1	24,020				
Bulletproof Vest - Grant	982001	Machinery & Equip. - Grant	1	200				
Total			**6**	**145,380**				
Police Support Services								
Dispatch Radio Console Upgrade - Grant	981	Electronic Equip. - Grant	1	401,460				
Total			**1**	**401,460**				
Emergency Management								
Emergency Sirens - Digital Upgrade - Grant	982001	Machinery & Equip. - Grant	1	1,700				
Total			**1**	**1,700**				
Fire Department								
Fire Extinguishment								
Mobile Data Computers - Grant	982001	Machinery & Equip. - Grant	3	13,170				
Thermal Image Camera	982	Machinery & Equipment			1	13,000	1	13,000
Total			**3**	**13,170**	**1**	**13,000**	**1**	**13,000**
Public Works Department								
Fleet Maintenance								
Automobile Diagnostic Computer System	982	Machinery & Equipment	1	19,500				
Total			**1**	**19,500**				
Parks & Grounds Maintenance								
Athletic Field Grass Seed Machine	982	Machinery & Equipment			1	9,000	1	9,000
Total					**1**	**9,000**	**1**	**9,000**

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2011/12	Qty.	Proposed Budget 2012/13	Qty.	Approved Budget 2012/13
Street Services								
Road Patch Roller	982	Machinery & Equipment	1	3,000				
Brine Tank	982	Machinery & Equipment	1	9,000				
Hydraulic Salt Brine Dispensing System	982	Machinery & Equipment			2	12,500	2	12,500
Backhoe Loader	982	Machinery & Equipment			1	40,000	1	40,000
Total			2	12,000	3	52,500	3	52,500
Non-Departmental Services								
41-A District Court								
Digital Recording Equipment	981	Electronic Equipment			4	35,000	4	35,000
Total					4	35,000	4	35,000
Total Capital Projects Fund Equipment			14	593,210	33	113,500	33	113,500
Water & Sewer Fund								
Water Distribution								
Replacement Water Meter - Andover Heights Condos	982	Machinery & Equipment	1	16,500				
Replacement Water Meter - SHAP	982	Machinery & Equipment	1	16,250				
Replacement Water Meter - SH High	982	Machinery & Equipment	1	9,000				
Vibration Roller Attachment - Water Main Repairs	982	Machinery & Equipment			1	8,000	1	8,000
Total			3	41,750	1	8,000	1	8,000
Sewage Collection								
Lift Station /Manhole Monitoring System	982	Machinery & Equipment	4	6,600				
Submersible Lift Station Pump	982	Machinery & Equipment	2	10,000	1	5,000	1	5,000
Sewer Inspection Camera System	982	Machinery & Equipment			1	130,000	1	130,000
Target Arrow	982	Machinery & Equipment			1	6,000	1	6,000
Total			6	16,600	3	141,000	3	141,000
Total Water & Sewer Fund Equipment			9	58,350	4	149,000	4	149,000
Public Safety Forfeiture Fund								
Federal Forfeitures								
Dispatch Equipment	977	Furniture	3	2,640				
E-ticket Software	979	Computer Equipment	1	3,390				
Firearms Training System	981	Electronic Equipment	1	30,800				
Computer Server - In Car Cameras	979	Computer Equipment			1	60,000	1	60,000
Police Vehicle In Car Cameras	981	Electronic Equipment			10	46,500	10	46,500
Police Vehicle Mounts, Lightbars, Push Bumpers	982	Machinery & Equipment			10	24,000	10	24,000
Total			5	36,830	21	130,500	21	130,500

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2011/12	Qty.	Proposed Budget 2012/13	Qty.	Approved Budget 2012/13
State Forfeitures								
Investigative Vehicle (Used)	984	Vehicles	4	42,000	2	24,000	2	24,000
Full-Size SUV Tahoe - SRT & K-9	984	Vehicles	2	54,000				
Non Lethal Impact Weapons	985	Weapons	5	13,890				
SRT Equipment	985	Weapons	1	560				
Full-Size SUV Tahoe - Evidence Technician	984	Vehicles			1	26,890	1	26,890
Total			12	110,450	3	50,890	3	50,890
Total Public Safety Forfeiture Fund Equipment			17	147,280	24	181,390	24	181,390
Total City Equipment			40	$ 798,840	61	$ 443,890	61	$ 443,890

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2011/12	Estimated Budget 2011/12	Proposed Budget 2012/13	Approved Budget 2012/13
CAPITAL PROJECTS FUND								
Information Technology								
Information Technology	979.000	Computer Equipment	2	VOIP Telephone Upgrade - Fire	0	13,870		
Information Technology	979.000	Computer Equipment	55	VOIP Telephone Headsets/Wiring - Fire	0	6,420		
Information Technology	979.000	Computer Equipment	1	Network Switch	6,600	4,200		
Information Technology	979.100	Computer Equipment	1	Database Upgrade - Munis System	40,000	28,890		
Purchasing	979.150	Computer Equipment	3	Replacement Personal Computer	2,700	2,580		
Treasury	979.150	Computer Equipment	13	Replacement Personal Computer	11,700	11,180		
Economic Development	979.150	Computer Equipment	3	Replacement Personal Computer	2,700	2,560		
Building	979.150	Computer Equipment	13	Replacement Personal Computer	11,700	11,200		
Planning	979.150	Computer Equipment	4	Replacement Personal Computer	3,600	3,440		
Fire	979.800	Computer Equipment	1	Fire Records Management System	2,060	2,060		
Information Technology	979.000	Computer Equipment	1	Replacement Storage Server			35,000	35,000
Human Resources	979.150	Computer Equipment	1	Replacement Personal Computer			900	900
City Clerk	979.150	Computer Equipment	5	Replacement Personal Computer			4,500	4,500
Facilities Maintenance	979.150	Computer Equipment	2	Replacement Personal Computer			1,800	1,800
Assessing	979.150	Computer Equipment	7	Replacement Personal Computer			6,300	6,300
Engineering	979.150	Computer Equipment	6	Replacement Personal Computer			5,400	5,400
Public Library	979.150	Computer Equipment	2	Replacement Personal Computer			1,800	1,800
Public Works	979.150	Computer Equipment	12	Replacement Personal Computer			10,800	10,800
Total Capital Projects Fund			**132**		**81,060**	**86,400**	**66,500**	**66,500**
WATER & SEWER FUND								
Water & Sewer Administration								
Public Works	979.000	Computer Equipment	1	VOIP Telephone Upgrade - DPW	0	9,700		
Public Works	979.000	Computer Equipment	31	VOIP Telephone Headsets - DPW	0	2,820		
Public Works	979.000	Computer Equipment	12	Replacement Personal Computers			10,800	10,800
Total Water & Sewer Fund			**44**		**0**	**12,520**	**10,800**	**10,800**
Total City Information Technology			**176**		**$ 81,060**	**$ 98,920**	**$ 77,300**	**$ 77,300**

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2011/12	Qty.	Proposed Budget 2012/13	Qty.	Approved Budget 2012/13
CAPITAL PROJECTS FUND								
Motor Vehicles & Equipment - 9010								
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	10	206,560	7	171,460	7	171,460
Fire Engine	984339	Fire Extinguishment	1	530,000				
Full-Size SUV Tahoe - Traffic/Motor Carrier	984315	Police Operations			1	26,890	1	26,890
3/4 Ton 4 x 4 Pickup Truck with Plow	984444	Street Services			1	28,000	1	28,000
Total Capital Projects Fund Vehicles			**11**	**736,560**	**9**	**226,350**	**9**	**226,350**
WATER & SEWER FUND								
Sewage Collection - 5580								
Vactor Jet Combination Sewer Cleaner	984000	Sewage Collection	1	375,000				
Total			**1**	**375,000**				
Total Water & Sewer Fund Vehicles			**1**	**375,000**				
Total City Vehicles			**12**	**$ 1,111,560**	**9**	**$ 226,350**	**9**	**$ 226,350**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2011/12	Estimate 2011/12	Proposed Budget 2012/13	Approved Budget 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Budget Year 2012/13	Future Years 2013/14	Future Years 2014/15	Future Years 2015/16
	CAPITAL PROJECTS FUND												
975000	DPW Office Lighting Efficiency Project	15,300											
		GRANT	6,950	6,950			GF	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
975010	Room Lighting Sensors -	7,000											
	City Buildings	CPF	7,000	7,000			GF	0	(500)	(500)	(500)	(500)	(500)
975020	Library Lobby Improvements	10,000											
		DONATION	5,010	5,010			GF	0	0	0	0	0	0
975140	Pump Station Repairs - Fairfield	150,000											
		CPF	150,000	150,000			GF	500	500	0	0	0	0
975140	Pump Station Repairs - Brookline	100,000											
		CPF	100,000	100,000			GF	500	500	0	0	0	0
975210	Fire Station Renovations -	5,000,000											
	Fire Stations #2, #3, #4 (Prop. F-08)	CPF	69,480	69,480			GF/Prop F	375,000	400,000	425,000	450,000	450,000	450,000
986000	County Drain Maintenance -	200,000											
	Including Saal Rd. Storm Sewer Repair	CPF	100,000	100,000	100,000	100,000	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
	Sidewalk Gap Completion Program	208,270											
988173	2010: Gap Program & ROW (includes CIA)	SAD (CPF)	8,270	8,270			GF	0	0	0	0	0	0
		CPF	25,000	25,000									
988000	2012: Gap Program	SAD (CPF)	175,000	175,000			GF	0	0	0	0	0	0
	Miscellaneous City Sidewalk Repair Program	384,490											
988203	2010-11: Sections 6, 7	CPF	18,490	18,490			GF	4,000	0	0	0	0	0
		CPF	80,000	90,000									
988214	2011-12: Section 5	SAD (CPF)	170,000	81,000			GF	4,000	4,000	0	0	0	0
		CPF			85,000	85,000							
988000	2012-13: Sections 4, 9	SAD (CPF)			110,000	110,000	GF	4,000	4,000	4,000	0	0	0
	Total Capital Projects Fund	**$6,150,460**	**$990,600**	**$911,600**	**$295,000**	**$295,000**		**$388,500**	**$404,000**	**$423,500**	**$444,500**	**$444,500**	**$444,500**
	ROAD BOND CONSTRUCTION FUND												
988000	Concrete Sectional Pavement Repairs -	278,200											
	Metroparkway - Van Dyke to Utica Road	RBCF	10,120	10,120									
	Metroparkway - Dequindre to Mound Road (MTFB-10)	RBCF	56,790	5,000			MRF	5,000	15,000	20,000	25,000	25,000	25,000
988000	Asphalt Resurfacing -	253,000											
	Metroparkway - Mound to Conrail (MTFB-10)	RBCF	237,910	117,000			MRF	5,000	20,000	20,000	20,000	20,000	20,000
988000	Sectional Concrete & Ashpalt Repairs -	170,000											
	Ryan Road - Metroparkway to 18 1/2 Mile Road (MTFB-10)	RBCF	142,000	170,000			MRF	5,000	15,000	15,000	15,000	15,000	15,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2011/12	Estimate 2011/12	Proposed Budget 2012/13	Approved Budget 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Budget Year 2012/13	Future Years 2013/14	Future Years 2014/15	Future Years 2015/16
988000	19 Mile Road Resurfacing - Van Dyke to Merrill Road (MTFB-10)	210,000 RBCF	183,000	210,000			MRF	5,000	20,000	20,000	20,000	20,000	20,000
988000	17 Mile Road Bridge Over Conrail Reconstruction - Engineering (MTFB-10)	1,370,000 RBCF			200,000	200,000	MRF	5,000	5,000	10,000	90,000	90,000	90,000
988189	15 Mile Road Resurfacing - Maple Lane to Mound Road (MTFB-10)	2,650,000 RBCF	5,860	5,860			MRF	50,000	50,000	50,000	50,000	50,000	50,000
	Total Road Bond Construction Fund	**$4,931,200**	**$635,680**	**$517,980**	**$200,000**	**$200,000**		**$75,000**	**$125,000**	**$135,000**	**$220,000**	**$220,000**	**$220,000**
	MAJOR ROAD FUND												
	STATE/COUNTY ROADS												
988000	Traffic Signals	130,150											
	a) Miscellaneous Locations	MRF	50,000	50,000	50,000	50,000	MRF	500	500	500	500	500	500
	b) Van Dyke & BAE Drive		0	13,750									
	c) 16 Mile at Ryan & Dodge Park Road - (100% Fed.)		11,900	0									
	d) Clinton River Road at Hayes Road		6,250	6,250									
	e) 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	25,670	3,000			MRF	0	0	0	0	0	0
988000	M-53 Highway Resurfacing - 18 Mile to M-59	200,000 MRF	8,950	8,950			MRF	0	0	0	0	0	0
988000	Van Dyke Resurfacing - 15 Mile to 18 Mile	273,700 MRF	10,000	0			MRF	500	500	500	500	500	500
988000	Bridge Deck Repairs - 14 Mile Bridge over Big Beaver Creek	38,110 MRF	3,190	10,000			MRF	0	0	0	0	0	0
988000	M59 Widening - Ryan Road to Dequindre Road	84,000 MRF	18,720	0			MRF	0	1,000	1,000	1,000	1,000	1,000
988000	Utica Road Approaches to Van Dyke - Resurfacing	50,000 MRF			50,000	50,000	MRF	1,000	1,000	0	0	0	0
988000	Mound Road Sectional Repairs - 18 Mile to M-59	50,000 MRF			50,000	50,000	MRF	0	0	0	0	0	0
988700	Dequindre Road - 18 Mile Road to M-59 Prelim. Engineering & ROW	61,500 MRF	10,000	0	61,500	61,500	MRF	0	0	0	0	0	0
	Total State/County Roads	**$951,760**	**$156,680**	**$103,950**	**$211,500**	**$211,500**		**$2,000**	**$3,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**
	CITY ROADS												
988000	Delco Blvd. Resurfacing - M59 to Canal Rd.	190,000 MRF			190,000	190,000	MRF	5,000	5,000	0	0	0	0
988000	2012 City-wide Misc. Concrete Replacement/Asphalt Resurfacing Program including 17 Mile West of Conrail Bridge	230,000 MRF			230,000	230,000	MRF	5,000	5,000	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2011/12	Estimate 2011/12	Proposed Budget 2012/13	Approved Budget 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Budget Year 2012/13	Future Years 2013/14	2014/15	2015/16
988201	15 Mile & Schoenherr Intersection Improvements - Installation of Right-Turn Lanes	274,760 MRF	137,100	137,100			MRF	2,000	2,000	2,000	2,000	2,000	2,000
988211	Major Road Sectional Asphalt Repairs - Saal and Clinton River Road Intersection Dobry Drive - East of Ryan Road Plumbrook and Van Dyke Intersection Riverland Drive and Van Dyke Intersection	200,000 MRF	190,000	200,000			MRF	10,000	0	0	0	0	0
988218	2011 Misc. City-wide Concrete Replacement Program including Schoenherr Road Approaches between 15 & 16 Mile Road	40,000 MRF	40,000	40,000			MRF	0	0	0	0	0	0
	TRAFFIC CONTROLS	160,000											
988000	a) Miscellaneous Locations	MRF	100,000	50,000	50,000	50,000	MRF	500	500	500	500	500	500
	b) Ryan Road Modernization - (100% Fed) (14, 15 & 17 Mile Roads)		61,000	0									
	c) LED Lighting City-wide Bulb Replacement Energy Savings Project				60,000	60,000	MRF	0	0	(10,000)	(10,000)	(10,000)	(10,000)
	Total City Major Road	**$1,094,760**	**$528,100**	**$427,100**	**$530,000**	**$530,000**		**$22,500**	**$12,500**	**($7,500)**	**($7,500)**	**($7,500)**	**($7,500)**
	Total Major Road Fund	**$2,046,520**	**$684,780**	**$531,050**	**$741,500**	**$741,500**		**$24,500**	**$15,500**	**($5,500)**	**($5,500)**	**($5,500)**	**($5,500)**
	LOCAL ROAD FUND **Neighborhood Road Repair Program - Asphalt Resurfacing**												
988211	Gainsley, Lori, Betley Drives	149,300 LRF	150,000	149,300			LRF	1,000	0	0	0	0	0
		1,000,000											
988218	Misc. City-wide Concrete Replacement/	LRF	500,000	500,000									
988000	Asphalt Resurfacing Program	LRF			500,000	500,000	LRF	0	0	0	0	0	0
988000	Gardner Street West - Paving	284,000 LRF SAD				53,000 231,000	LRF	2,000	2,000	1,000	1,000	1,000	1,000
	Total Local Road Fund	**$1,433,300**	**$650,000**	**$649,300**	**$500,000**	**$784,000**		**$3,000**	**$2,000**	**$1,000**	**$1,000**	**$1,000**	**$1,000**
	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
988000	City Sidewalk Ramp Repairs	5,620 CDBG	5,620	5,620			GF	0	0	0	0	0	0
988000	Tyler Drive - Asphalt Resurfacing Sanford Drive - Concrete Replacement	275,200 CDBG			275,200	275,200	LRF	5,000	5,000	0	0	0	0
988202	SMART Bus Stop Improvements	10,000 CDBG	10,000	7,000	3,000	3,000	GF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Budget 2011/12	Estimate 2011/12	Proposed Budget 2012/13	Approved Budget 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Budget Year 2012/13	Future Years 2013/14	Future Years 2014/15	Future Years 2015/16
988213	Baumgartner Park - Restroom Facility Improvements	183,690 CDBG	128,750	128,750			GF	0	500	500	500	500	500
	Total C.D.B.G. Fund	**$474,510**	**$144,370**	**$141,370**	**$278,200**	**$278,200**		**$5,000**	**$5,500**	**$500**	**$500**	**$500**	**$500**
	NEIGHBORHOOD STABILIZATION FUND												
988206	Utica Road & Van Dyke Park - Engineering	45,130 NSP	24,550	8,000	16,550	16,550	GF	0	0	0	0	0	0
	Total Neighborhood Stab. Fund	**$45,130**	**$24,550**	**$8,000**	**$16,550**	**$16,550**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT FUND												
975000	Roof, Boiler/Chiller, Window & Lighting Improvements	955,100 EECBG	486,970	519,200			GF	(20,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
	Total E.E.C.B.G. Fund	**$955,100**	**$486,970**	**$519,200**				**($20,000)**	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**	**($50,000)**
	CORRIDOR IMPROVEMENT AUTHORITY FUND												
988000	Facade Assistance Program	8,140 CIA	28,000	8,140			CIA	0	0	0	0	0	0
	Total Corridor Imp. Authority Fund	**$8,140**	**$28,000**	**$8,140**				**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	LOCAL DEVELOPMENT FINANCE AUTHORITY FUND												
988000	SmartZone Business Incubator Renovation	412,090 GRANT	372,030	372,030									
		LDFA	2,470	2,470			GF	10,000	20,000	20,000	20,000	20,000	20,000
	Total Local Dev. Finance Auth. Fund	**$412,090**	**$374,500**	**$374,500**				**$10,000**	**$20,000**	**$20,000**	**$20,000**	**$20,000**	**$20,000**
	LAND & WATER CONSERVATION FUND LAND DEVELOPMENT												
972000	Parking Lot Repairs - Miscellaneous City Parks	10,000 LAND SALE	10,000	10,000			GF	500	0	0	0	0	0
972000	Park Maintenance Projects Hampton Park: Repaving Basketball, Tennis, Magic Square Courts; Replacement Basketball Poles & Fencing Imus Park: Repaving Magic Square and Park Entrance Drive Repairs Beaver Creek Park: Repair Sidewalks Delia Park: Repair Curb at Park Entrance	60,000 LAND SALE			60,000	60,000	GF	2,000	2,000	0	0	0	0
972008	Playscape with Poured Surface - Dodge Park	86,190 LAND SALE	5,000	5,000			GF	0	0	0	0	0	0
972333	Ballfield Lightpole and Light Fixture Fitting Repairs, Bulb Replacement - Delia Park	100,000 LAND SALE	33,000	0	100,000	100,000	GF	0	0	0	(1,000)	(1,000)	(1,000)
972334	Bike/Hike Path Repairs - Dodge Park	10,000 LAND SALE	8,000	10,000			GF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Budget 2011/12	Estimate 2011/12	Proposed Budget 2012/13	Approved Budget 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Budget Year 2012/13	Future Years 2013/14	Future Years 2014/15	Future Years 2015/16
972334	Tennis Court Reconstruction - Magnolia Park	25,000 LAND SALE			25,000	25,000	GF	500	500	0	0	0	0
972945	Baseball Dugout Covers & Replacement Benches, Fencing - Baumgartner Park	40,000 LAND SALE	33,410	33,410			GF	0	0	500	500	500	500
972945	Replacement Ballfield Turf & Grading - Baumgartner Park	68,810 LAND SALE	68,000	68,810			GF	1,000	1,000	(1,000)	(1,000)	(1,000)	(1,000)
972985	Soccer Field Top Dressing and Edge Drain - Baumgartner Park	9,400 LAND SALE	9,400	9,400			GF	0	0	0	0	0	0
975000	Recreation Center Kitchen Heating/ Cooling Unit Replacement	15,000 LAND SALE			15,000	15,000	GF	500	500	(500)	(500)	(500)	(500)
	Total Land & Water Conserv. Fund	**$424,400**	**$166,810**	**$136,620**	**$200,000**	**$200,000**		**$4,500**	**$4,000**	**($1,000)**	**($2,000)**	**($2,000)**	**($2,000)**

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source	Program 2011/12	Estimate 2011/12	Proposed Program 2012/13	Approved Program 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Program Year 2012/13	Future Years 2013/14	2014/15	2015/16
	WATER & SEWER IMPROVEMENT FUND SANITARY SEWERS												
	Moravian Road, South Side Hayes to East of 15 Mile Road	309,000 W&S	309,000	0	309,000	309,000	W&S	0	0	500	500	500	500
	Hayes Road - Moravian Road to Bartola Subdivision	156,000 W&S	156,000	0	156,000	156,000	W&S	0	0	300	300	300	300
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	226,600 W&S	226,600	226,000			W&S	0	400	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	500	500	500	500
	Saal Road - North of Longview	58,000 W&S	58,000	0	58,000	58,000	W&S	0	0	200	200	200	200
	Sectional Sanitary Sewer Repairs - Gainsley Drive	422,080 W&S	422,080	422,080			W&S	0	500	500	500	500	500
	Sewer Infiltration Program - 19 Mile Road - East of Clinton River Road	190,000 W&S			190,000	190,000	W&S	0	0	400	400	400	400
	Miscellaneous Sanitary Sewer Repairs: 17 & Plumbrook, Independence Drive, Constitution Drive, Hatherly Commons, Red Run Plaza, Cross Roads Plaza, Brookside Village, Dodge Park Plaza	143,900 W&S	143,900	143,900			W&S	0	200	200	200	200	200
	Total Sanitary Sewer	**$1,830,580**	**$1,640,580**	**$791,980**	**$1,038,000**	**$1,038,000**		**$0**	**$1,100**	**$3,000**	**$3,000**	**$3,000**	**$3,000**
	WATER MAINS												
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	900,000 W&S	575,000	900,000			W&S	0	600	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	2,000	2,000	2,000	2,000
	Mound Road - 17 Mile to 18 1/2/ Mile Road	1,817,000 W&S	1,817,000	1,817,000			W&S	0	2,000	2,000	2,000	2,000	2,000
	15 Mile Road - South Side, at Davison Street	60,000 W&S	60,000	0	60,000	60,000	W&S	0	0	100	100	100	100
	2013 Water Reliability Study	40,000 W&S			40,000	40,000	W&S	0	0	0	0	0	0
	Total Water Mains	**5,201,500**	**$4,836,500**	**$2,717,000**	**$2,484,500**	**$2,484,500**		**$0**	**$2,600**	**$4,700**	**$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**

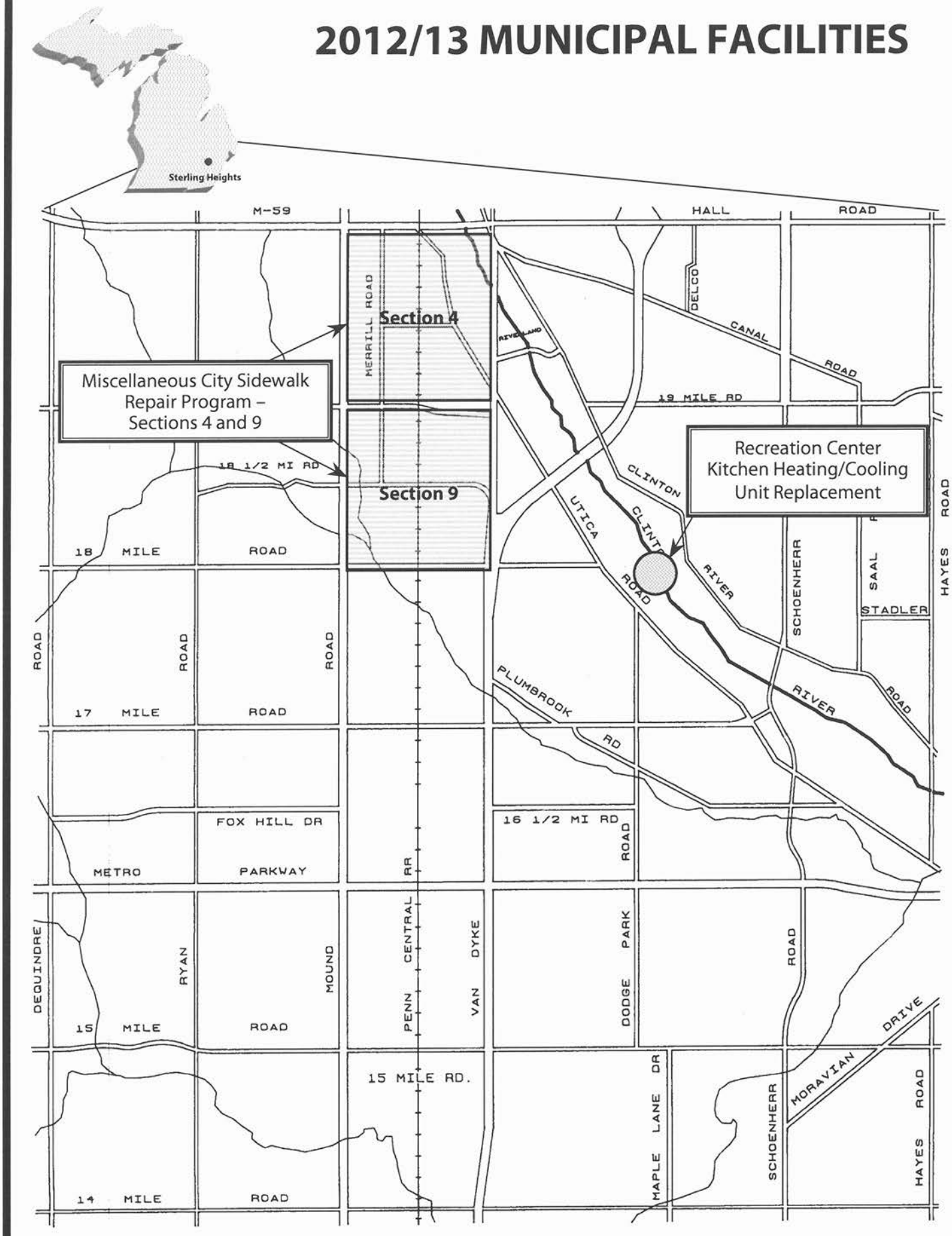
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)					
		Total Cost/ Funding Source	Program 2011/12	Estimate 2011/12	Proposed Program 2012/13	Approved Program 2012/13	Proposed Method of Financing	Estimated Prior Yr. 2010/11	Estimated Current Yr. 2011/12	Program Year 2012/13	Future Years 2013/14	Future Years 2014/15	Future Years 2015/16
	Total Water & Sewer Funds	$7,052,080	$6,487,080	$3,518,980	$3,532,500	$3,532,500		$300	$4,000	$8,000	$8,000	$8,000	$8,000
	Total City Capital Improvements	$7,052,080	$10,673,340	$7,316,740	$5,763,750	$6,047,750		$490,800	$530,000	$531,500	$636,500	$636,500	$636,500

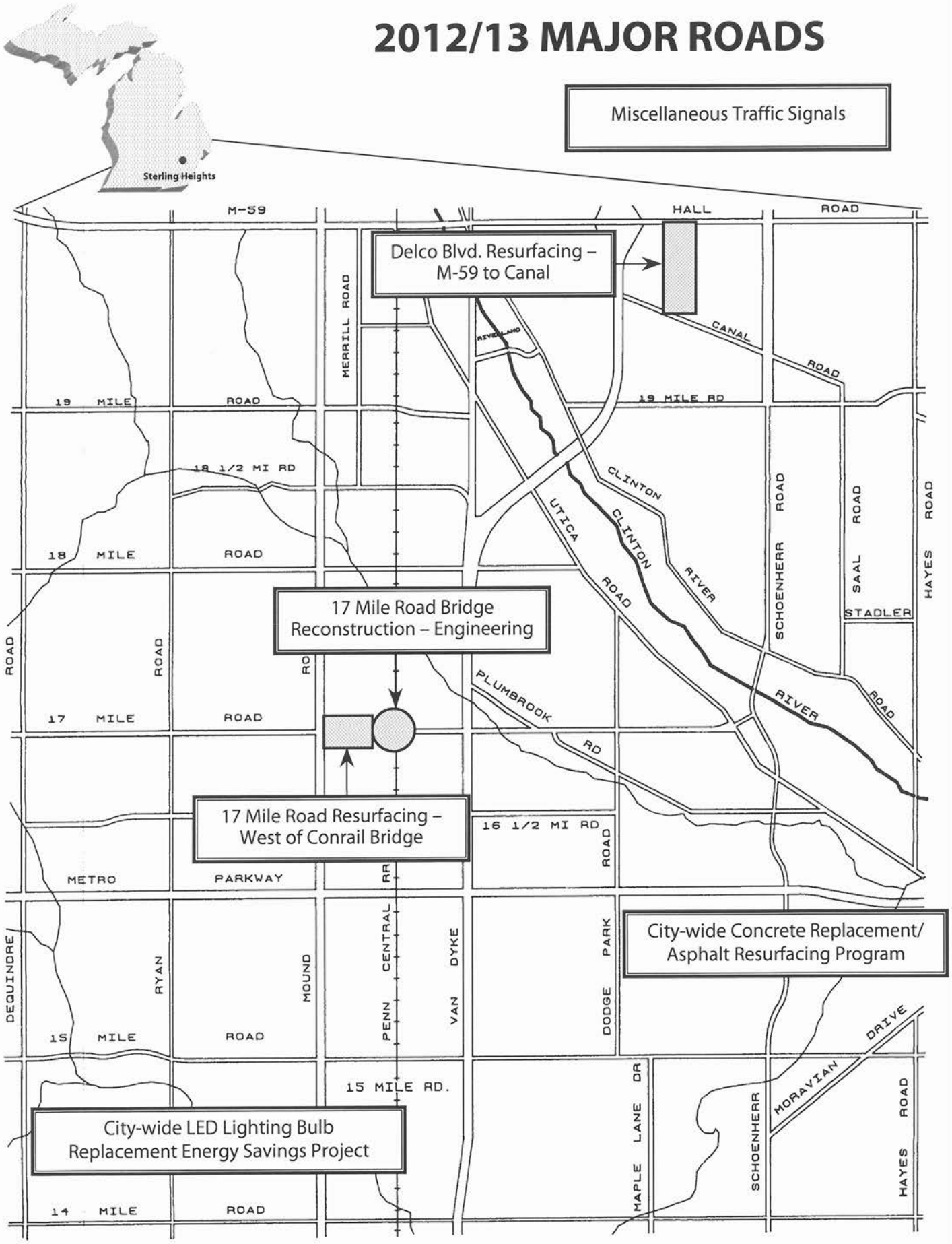
ABBREVIATION KEY:

CDBG:	Community Development Block Grant Fund
CIA:	Cooridor Improvement Authority Fund
CPF:	Capital Projects Fund
EECBG:	Energy Efficiency & Conservation Block Grant Fund
GF:	General Fund
LAND SALE:	Revenue from the Sale of Excess City Property
LRF:	Local Road Fund
MRF:	Major Road Fund
MTFB:	Michigan Transportation Fund Bond
PROP F:	Fire Station Improvement Debt
RBCF:	Road Bond Construction Fund
SAD:	Special Assessment District
W&S:	Water & Sewer Fund

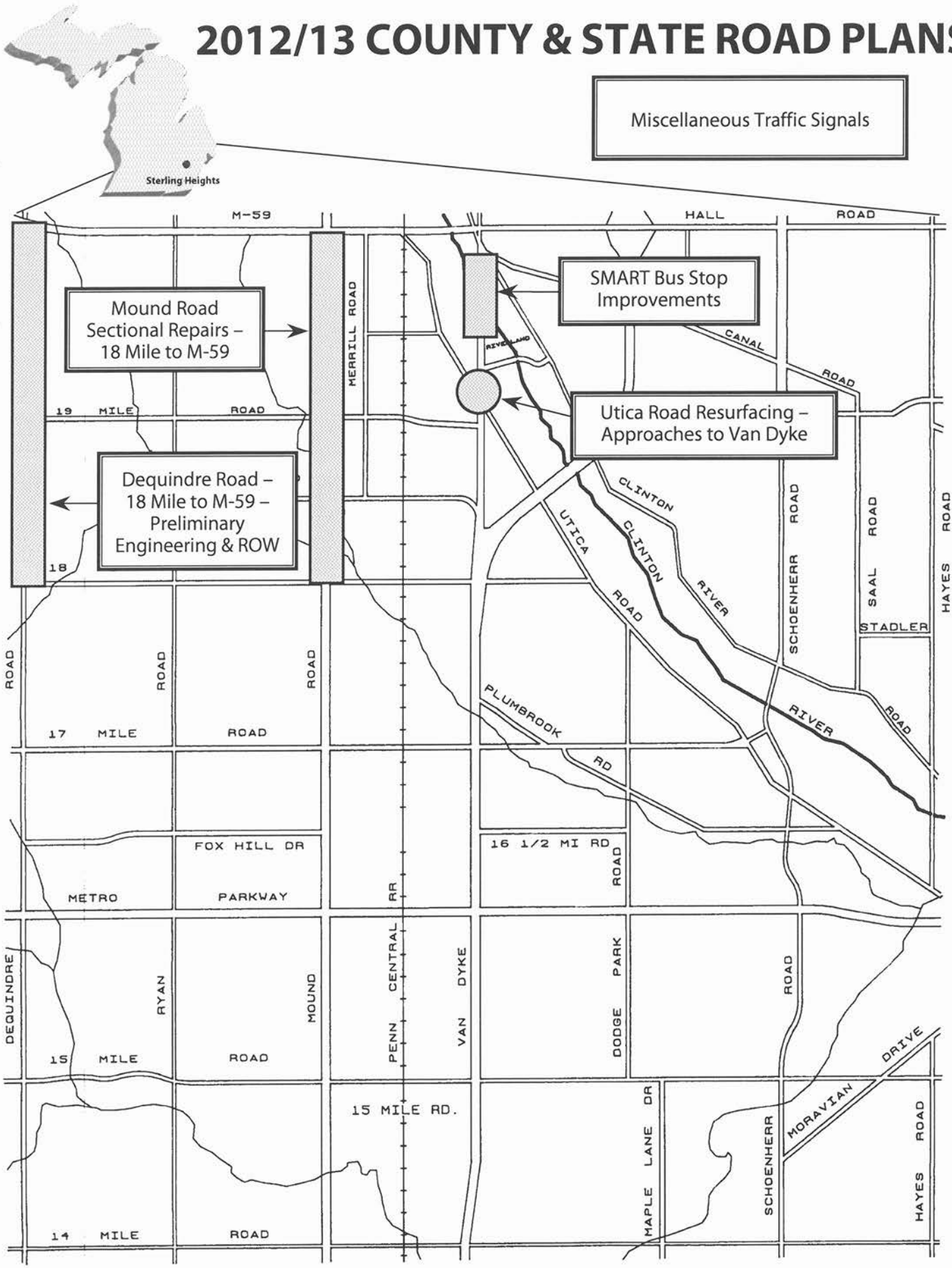
2012/13 MUNICIPAL FACILITIES



2012/13 MAJOR ROADS

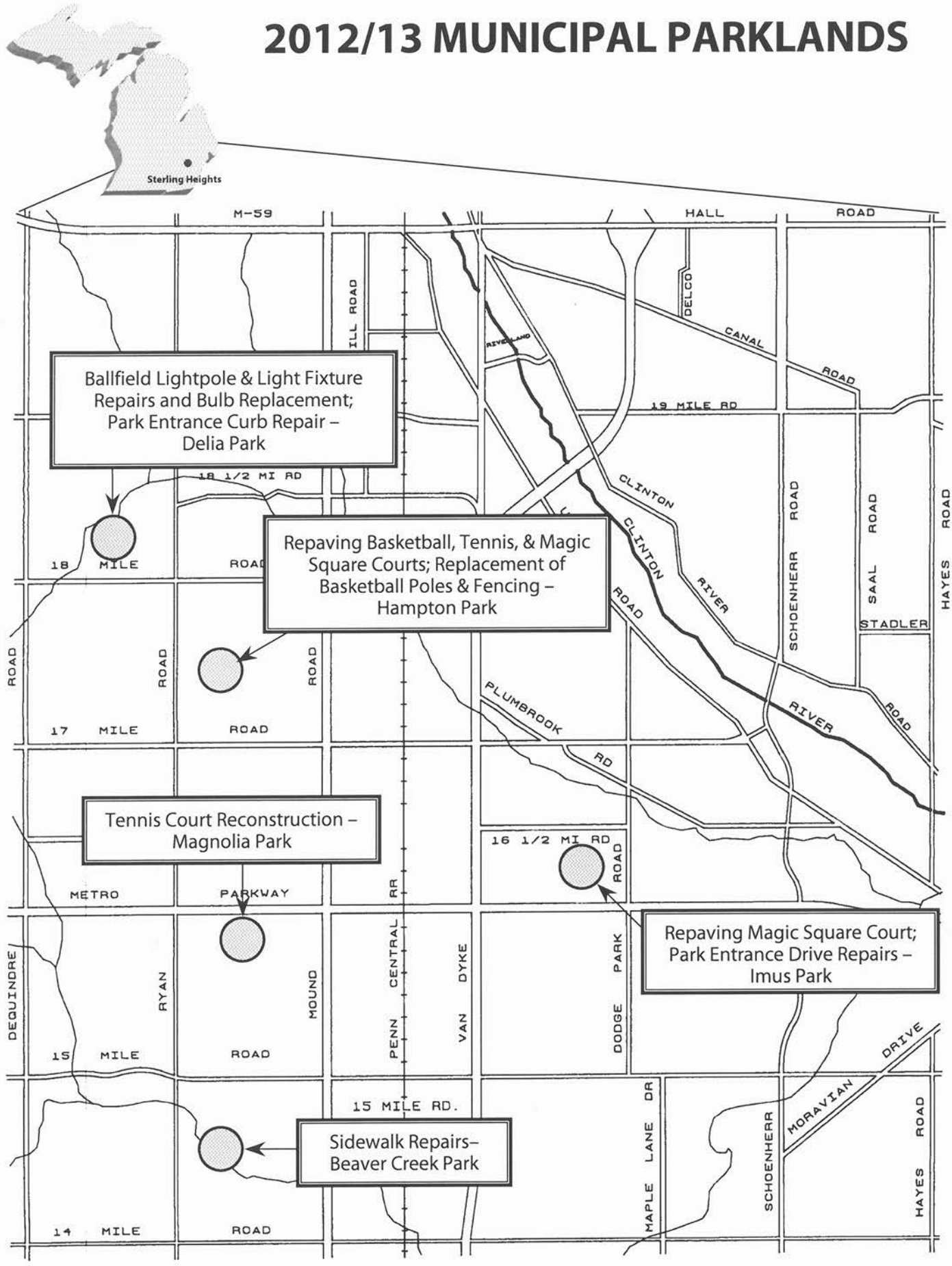


2012/13 COUNTY & STATE ROAD PLANS

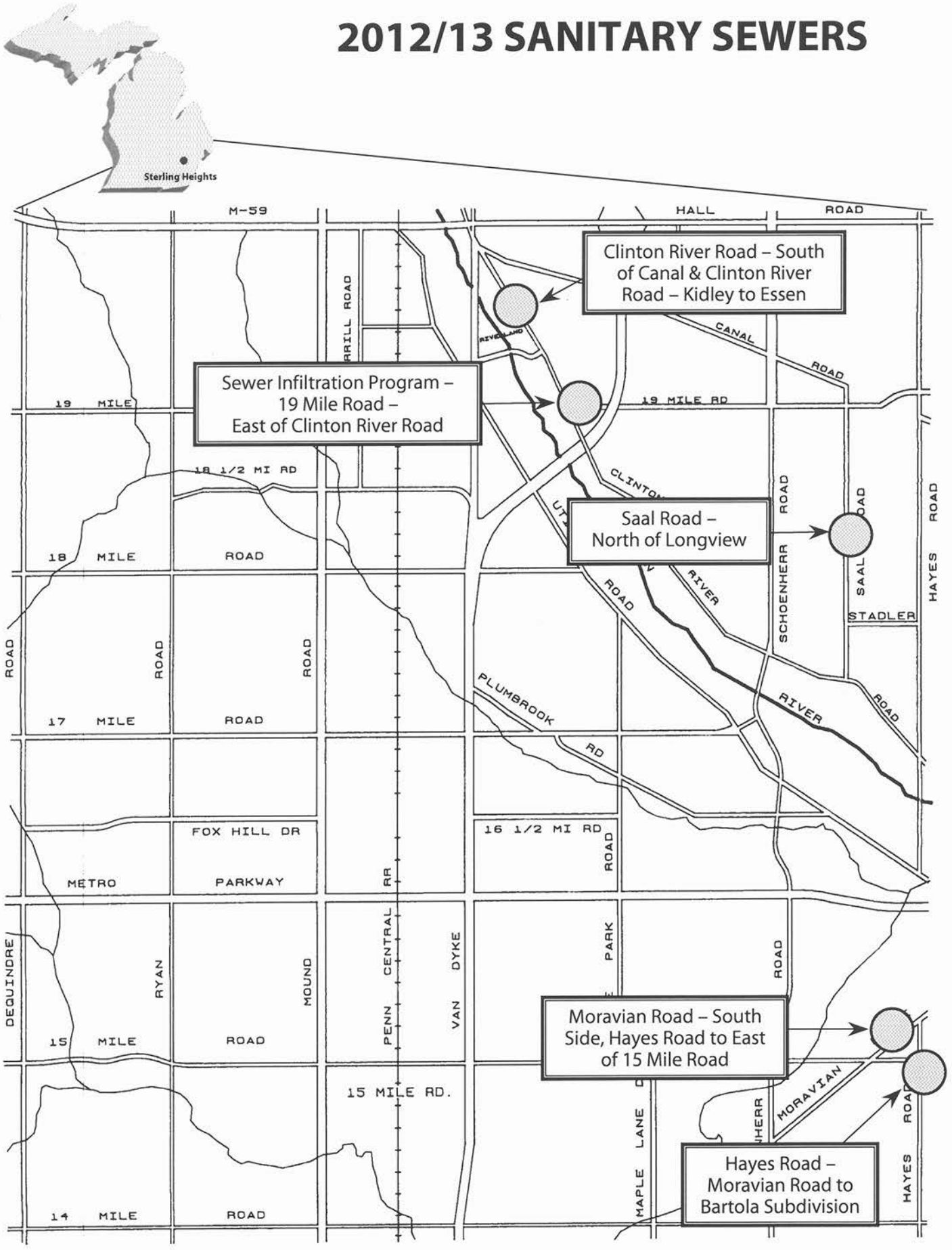


2012/13 LOCAL ROADS

2012/13 MUNICIPAL PARKLANDS



2012/13 SANITARY SEWERS



2012/13 WATER MAINS

Water Reliability Study

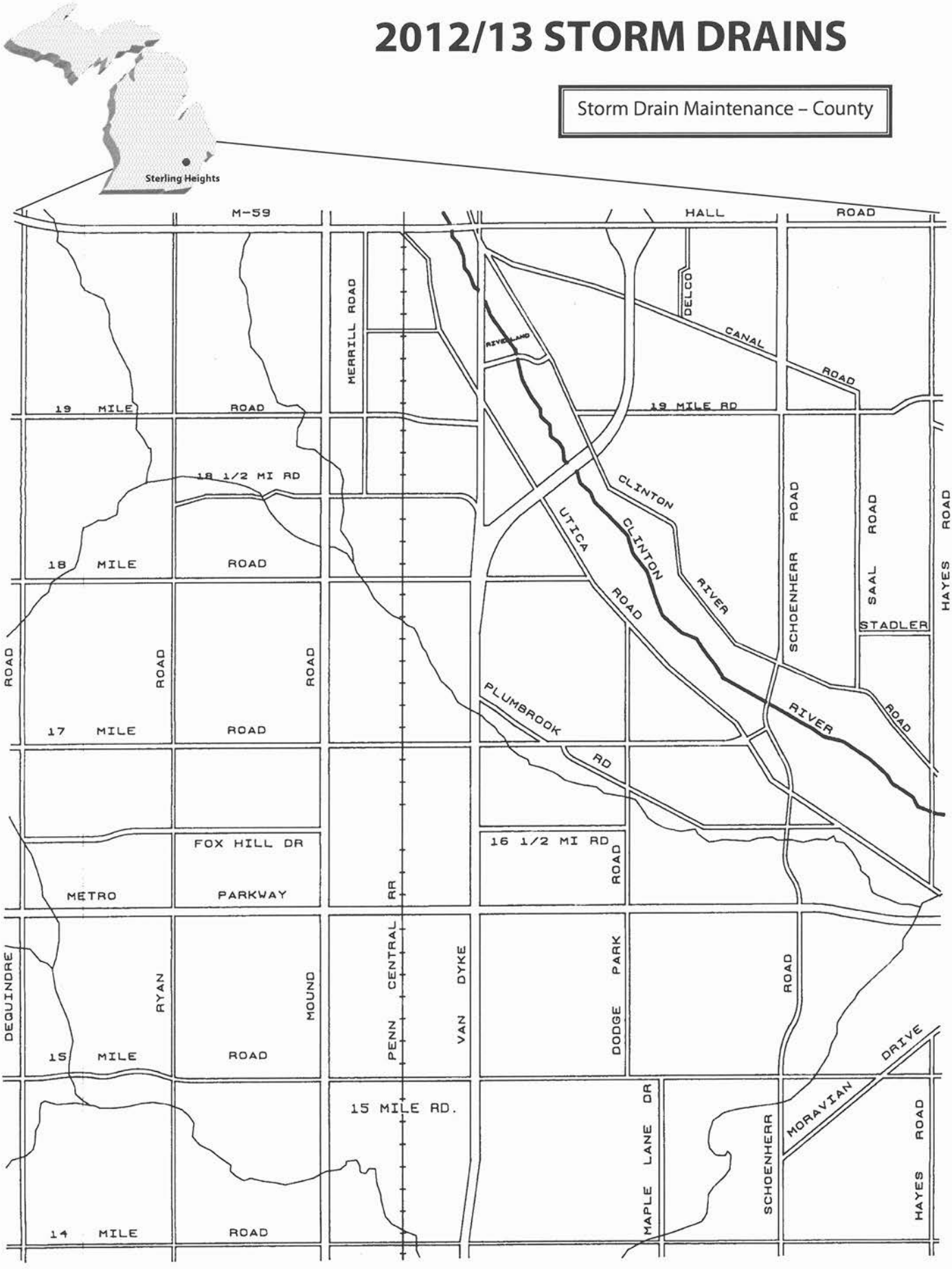
Fire Hydrant Replacement/Repair Program

15 Mile Road – South Side at Davison Street

Sections 30 & 31 along Dequindre Road and 14 Mile Road

2012/13 STORM DRAINS

Storm Drain Maintenance – County



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property Taxes	$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	$59,045,208
Fees & Permits	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	1,438,197
Federal Sources	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	3,085,016
State & Local Sources	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	17,184,734
Fines & Forfeitures	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	3,353,875
Charges For Services	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	8,583,882
Interest Income	1,921,851	1,760,354	567,049	977,664	1,788,092	2,511,234	2,316,653	1,580,754	582,435	308,422
Special Assessments	179,973	68,497	372,917	73,776	28,017	130,082	92,745	243,123	215,118	203,298
Rental Income	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	1,685,041
Cable Revenue	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	1,950,435
Reimb of Advance Rd Const	0	0	0	0	0	0	2,440,414	0	0	0
Other	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	1,526,205
Total Revenues	**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**	**98,364,313**
Expenditures										
General Government	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	8,613,941
41A District Court	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	3,246,811
Public Safety	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	50,929,421
Public Works	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	21,034,821
Recreation & Culture	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	4,603,108
General Expenditures	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	2,540,873
Capital Outlay	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	4,867,162
Debt Service - Principal	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	3,970,000
Debt Service - Interest	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	1,221,055
Total Expenditures	**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**	**101,027,192**
Other Financing Sources										
Long-term Financing	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	0
Proceeds-Sale of Fixed Assets	1,338,442	0	0	476,081	550,074	0	0	149,466	115,724	0
Bond Premium	0	0	975,374	91,759	0	26,815	50,143	0	33,935	0
Payments to Escrow Agents	0	(4,916,772)	(5,075,000)	(8,511,067)	0	0	0	0	(2,200,000)	0
Transfers In	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	3,953,940
Transfers Out	(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)	(3,953,940)
Total Other Fin. Sources	**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**	**0**
Net Change in Fund Balance Before Extraordinary Items	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)	(2,662,879)
Extraordinary Items	0	0	(25,000,000)	(6,000,000)	0	0	0	0	0	0
Net Change in Fund Balance	**$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)**	**($2,662,879)**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget
City Council	$133,530	$136,940	$145,470	$136,200	$134,150	$135,180	$130,000
City Management	907,390	922,350	908,990	978,620	970,180	962,740	961,370
Economic Development	136,930	187,490	156,410	157,340	167,830	413,260	397,660
Public Services	272,360	295,050	316,400	332,120	339,940	0	0
City Clerk	976,440	1,039,120	1,045,460	710,560	778,610	720,530	706,720
Facilities Maintenance	1,571,580	1,712,020	1,734,820	1,603,550	1,311,110	1,341,800	1,004,470
Information Technology	973,220	1,055,560	1,070,300	1,080,160	1,107,470	955,750	931,660
Assessing	821,610	859,440	881,530	861,220	868,780	856,340	879,070
Financial Services	1,202,740	1,281,810	1,291,000	928,110	745,810	777,120	770,740
Purchasing	341,700	340,750	412,220	360,940	369,710	372,930	381,200
Treasury	754,000	787,500	728,150	1,006,240	1,152,570	1,105,610	1,068,840
Act 78 - Civil Service Commission	18,350	33,070	9,460	1,450	30	8,000	0
Building Authority	400	380	430	50	0	0	0
General Employees Pension Board	671,580	728,760	88,000	94,300	70,770	94,710	88,600
Legal	730,200	747,980	746,590	735,370	740,410	765,000	820,000
Total City Administration Dept.	**9,512,030**	**10,128,220**	**9,535,230**	**8,986,230**	**8,757,370**	**8,508,970**	**8,140,330**
Library	2,750,980	2,803,910	2,830,880	2,718,710	2,637,150	2,565,520	2,480,770
Parks & Recreation	2,428,270	2,554,030	2,489,620	2,028,200	1,965,270	1,936,030	1,848,420
Historical Commission	1,250	880	780	690	690	750	680
Total Community Services Dept.	**5,180,500**	**5,358,820**	**5,321,280**	**4,747,600**	**4,603,110**	**4,502,300**	**4,329,870**
Police Administration	3,950,150	2,889,810	2,897,130	2,801,130	2,990,520	3,027,480	3,165,150
Police Investigations	3,863,410	5,419,170	5,529,240	5,879,180	6,176,120	6,186,620	5,745,610
Police Operations	15,610,640	16,700,240	17,586,340	19,328,430	19,679,700	19,841,310	20,131,840
Police Support Services	3,234,570	3,381,110	3,338,480	3,528,550	3,502,360	3,398,590	3,337,410
Emergency Management	99,970	141,650	151,510	137,420	134,990	134,840	0
Total Police Department	**26,758,740**	**28,531,980**	**29,502,700**	**31,674,710**	**32,483,690**	**32,588,840**	**32,380,010**
Fire Administration	1,251,700	1,270,720	1,389,680	1,326,330	1,431,620	1,379,550	1,411,260
Fire Extinguishment	12,422,880	13,254,450	14,143,750	14,839,080	16,009,530	16,262,750	15,513,020
Fire Prevention	1,053,420	1,178,340	1,152,890	993,180	918,880	760,070	713,390
Total Fire Department	**14,728,000**	**15,703,510**	**16,686,320**	**17,158,590**	**18,360,030**	**18,402,370**	**17,637,670**
Building	2,100,770	2,205,160	1,996,460	1,711,640	1,632,160	1,477,330	1,329,980
Foreclosure Relief	0	0	7,480	87,160	87,470	67,870	0
Neighborhood Services	0	0	0	0	63,270	399,560	285,400
Planning	341,600	350,280	346,240	354,500	367,020	430,140	328,760
Planning Commission	7,440	7,490	6,040	5,330	5,580	5,810	5,010
Zoning Board of Appeals	6,630	5,690	6,220	7,310	6,570	6,080	5,740
Total City Development Dept.	**2,456,440**	**2,568,620**	**2,362,440**	**2,165,940**	**2,162,070**	**2,386,790**	**1,954,890**

GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Budget	2012/13 Budget
Engineering	1,755,930	1,701,260	1,626,840	1,547,190	1,534,690	1,416,620	1,279,420
Fleet Maintenance	2,472,330	2,927,750	2,734,900	2,528,010	2,722,390	2,561,040	2,574,110
Parks & Grounds Maintenance	1,390,520	1,360,640	1,414,900	1,355,650	1,385,790	1,173,150	721,070
Public Works Center	518,510	592,450	698,700	389,250	285,890	239,200	232,550
Street Services	1,857,130	1,954,680	2,095,730	1,879,420	1,986,930	1,864,480	1,981,550
Total Public Works Department	**7,994,420**	**8,536,780**	**8,571,070**	**7,699,520**	**7,915,690**	**7,254,490**	**6,788,700**
Refuse Collection	4,089,430	4,206,380	4,337,260	4,429,920	4,450,360	4,444,730	4,439,800
Total Refuse Collection	**4,089,430**	**4,206,380**	**4,337,260**	**4,429,920**	**4,450,360**	**4,444,730**	**4,439,800**
Community Relations	1,452,190	1,596,140	1,541,120	1,582,910	1,470,780	994,570	954,530
Beautification Commission	2,350	2,010	1,430	1,070	1,020	890	740
Cultural Commission	410	180	50	200	10	150	50
Telecommunications Commission	4,470	0	0	0	0	0	0
Total Community Relations Dept.	**1,459,420**	**1,598,330**	**1,542,600**	**1,584,180**	**1,471,810**	**995,610**	**955,320**
41-A District Court	2,847,110	2,974,000	3,150,160	3,221,820	3,246,810	3,273,330	3,307,520
General Expenditures	3,698,840	2,931,290	2,784,520	2,700,520	2,519,540	2,563,580	2,308,830
Transfers Out	4,050,620	3,978,200	3,353,150	1,968,810	1,509,940	959,670	954,090
Total General Fund	**$82,775,550**	**$86,516,130**	**$87,146,730**	**$86,337,840**	**$87,480,420**	**$85,880,680**	**$83,197,030**

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES AND OTHER FINANCING USES LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Balance	Annual Expenditures & Other Uses	General Fund Balance as % of Expenditures & Other Uses
2002	17,835,962	70,500,575	25.30%
2003	18,222,086	71,069,534	25.64%
2004	19,651,520	71,974,280	27.30%
2005	14,001,038	75,734,862	18.49%
2006	15,050,244	78,986,850	19.05%
2007	15,717,895	82,775,550	18.99%
2008	15,292,910	86,516,140	17.68%
2009	15,207,061	87,146,732	17.45%
2010	12,528,923	86,337,844	14.51%
2011	10,991,216 (1)	87,480,425	12.56%

(1) GASB 54 was implemented with the fiscal year ended June 30, 2011. The General Fund balance for fiscal year 2011 includes: $5,500,280 Assigned Funds, $4,629,487 Unassigned Funds, and $861,449 Nonspendable Funds.

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)
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%
2011	4,046,809,230	917,612,350	4,964,421,580	50%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 2001 TVs (stated above in the 2002 row) were used to generate tax revenue for the year ended June 30, 2002.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

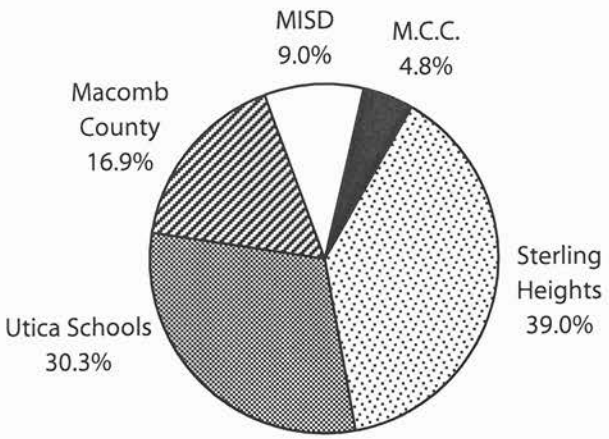
HOMESTEAD PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF TAXABLE VALUATION)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City of Sterling Heights										
Operating (1)	8.43430	8.29230	8.19630	8.09570	8.76420	8.97760	9.22560	9.17770	8.71800	10.18110
Refuse	1.04670	1.05870	1.06960	1.10550	0.82660	0.81420	0.80570	0.83810	0.87170	0.94740
Police & Fire Pension	0.37610	0.62400	0.78090	0.89050	0.60490	0.51180	0.31470	0.48530	0.93720	1.23880
Public Improvements	0.48590	0.32860	0.24160	0.23170	0.18800	0.18750	0.17920	0.06670	0.03460	0.06840
Drain	0.30700	0.32640	0.33660	0.30160	0.24130	0.23390	0.19980	0.21800	0.22430	0.25010
Total	10.65000	10.63000	10.62500	10.62500	10.62500	10.72500	10.72500	10.78580	10.78580	12.68580
Overlapping Governments										
Macomb County	4.20600	4.20580	4.20580	4.20580	4.20580	4.20550	4.20550	4.20550	4.57350	4.57350
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.85000
Warren Consol. Schools	8.89710	10.96260	10.68060	10.04260	9.99300	9.82940	9.23580	8.41520	8.92780	10.84210
State Education	6.00000	6.00000	5.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.67070	1.69250	1.58590	1.50020	1.42120	1.42120	1.42120	1.42120	1.42120	1.57120
M.I.S.D.	2.00330	2.98630	2.97290	2.96150	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.22020	0.21700	0.21610	0.21540	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.32730	0.60000	0.59730	0.59490	0.59120	0.59000	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	0.10000	0.10000	0.10000
Veterans Operations	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.04000	0.04000	0.04000
Total Utica Schools (2)	28.57750	29.83160	28.70300	29.60280	29.50080	29.59930	29.59930	29.80010	30.16810	32.56810
Total Warren Schools (2)	33.97460	37.29420	35.88360	36.14540	35.99380	35.92870	35.33510	34.71530	35.59590	39.56020

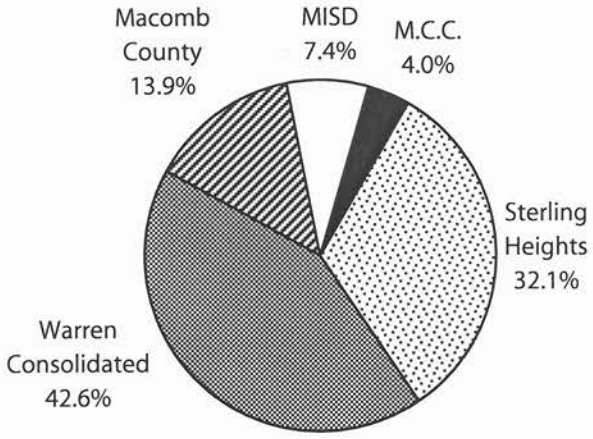
(1) City general operating tax rate charter limit equals 12.0 mills.

(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
2010/11 Distribution of Homestead Taxes



Utica Community Schools

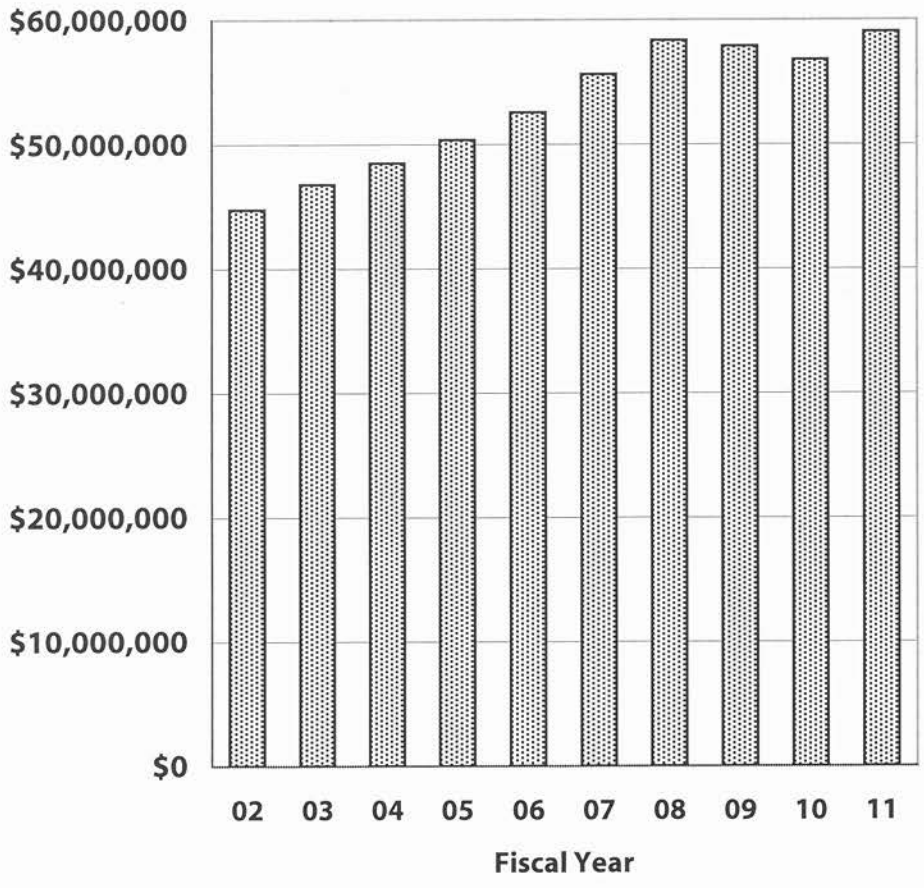


Warren Consolidated Schools

GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

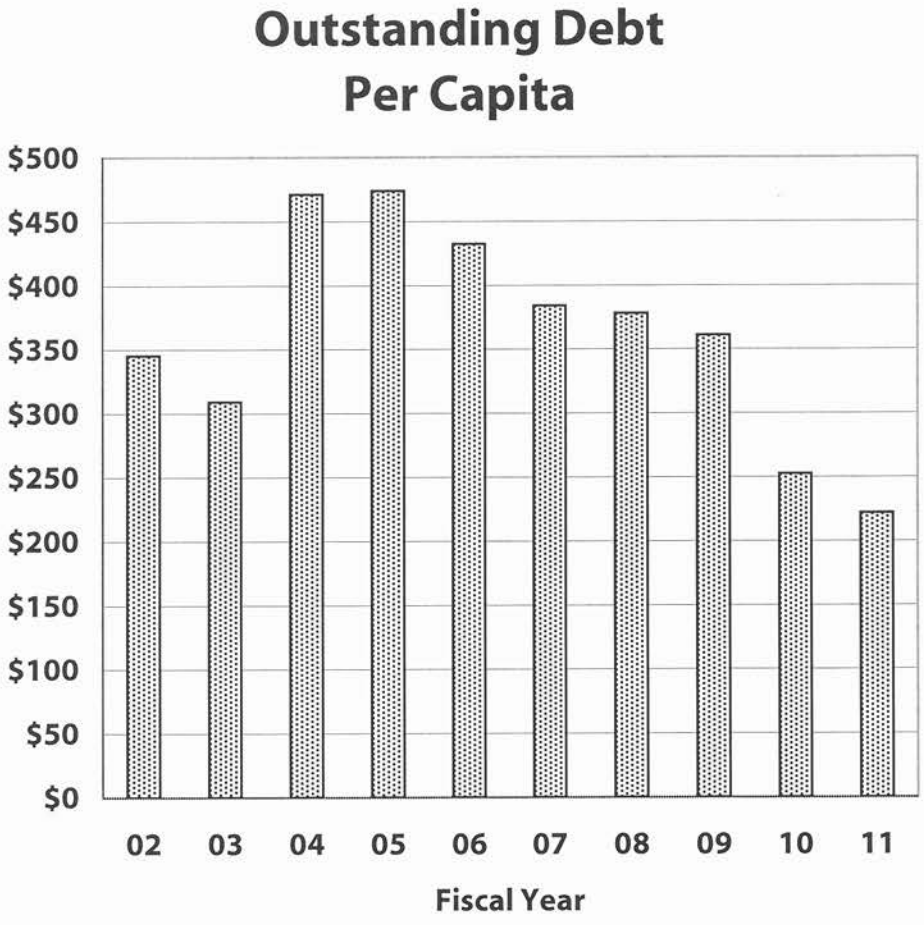
Fiscal Year Ended June 30	General Fund Property Taxes				Debt Service Funds Property Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Total	General Drain	Voted Tax General Obligation	Total	
2002	35,424,907	4,396,245	1,579,658	41,400,810	1,295,294	2,077,581	3,372,875	**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**
2011	47,431,652	4,377,125	5,753,668	57,562,445	1,164,592	318,171	1,482,763	**59,045,208**

Property Tax Revenue



RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

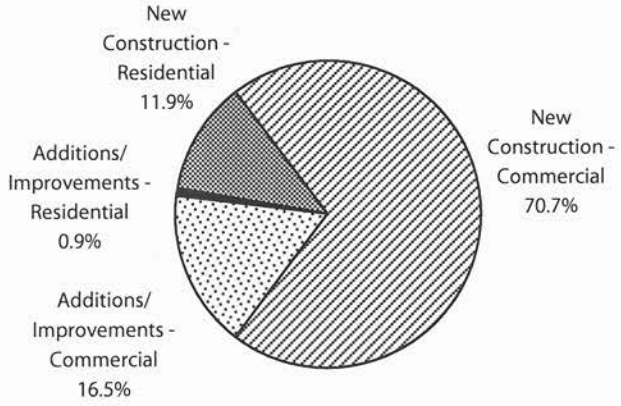
Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities	Primary Government Outstanding Debt Total	Percentage of Personal Income	Pop.	Govt. Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds	County Issued Bonds				
2002	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%	129,699	**252.47**
2011	7,880,000	14,180,000	3,060,000	3,655,000	30,584,068	59,359,068	1.89%	129,699	**221.86**



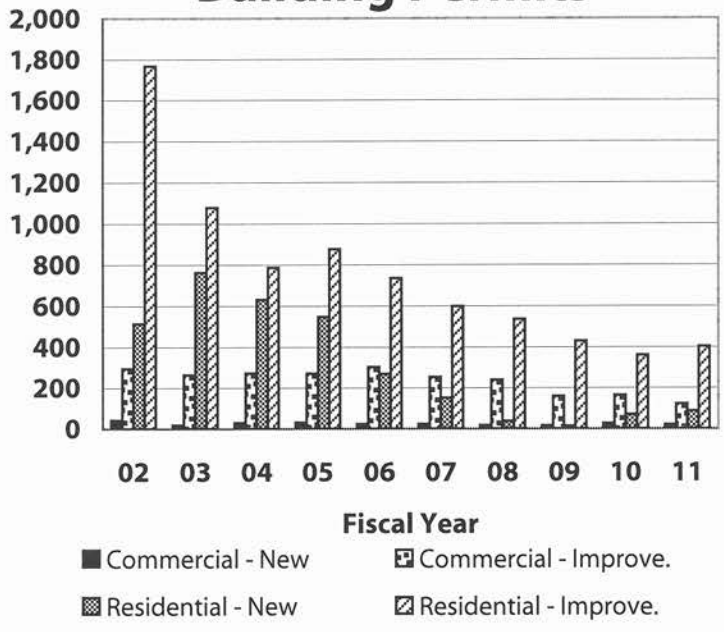
BUILDING PERMITS AT MARKET VALUE
LAST TEN FISCAL YEARS

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	
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
2011	87	15,494,221	402	1,147,729	16,641,950	20	91,661,691	122	21,444,771	113,106,462

Market Value of 2011 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) High School Graduate or Higher	Age 25 or Older (2) Bachelor's Degree or Higher	Per Capita Income (2)/(4)	Income In Thousands	Number of Households (2)	Median Household Income (1)	Sterling Heights Unemployment Rate (3)/(4)
2002	125,800 (1)	35-39	84.0%	22.9%	24,958	3,139,716	48,775	60,494	4.8%
2003	126,470 (1)	35-39	84.0%	22.9%	25,806	3,263,685	48,990	60,494	5.3%
2004	127,270 (1)	35-39	84.0%	22.9%	26,193	3,333,583	49,260	60,494	5.4%
2005	128,026 (1)	35-39	84.0%	22.9%	26,717	3,420,471	49,405	60,494	5.6%
2006	128,692 (1)	35-39	84.0%	22.9%	27,519	3,541,475	49,871	60,494	6.3%
2007	128,914 (1)	35-39	84.0%	22.9%	28,399	3,661,029	50,761	60,494	7.3%
2008	129,200 (1)	35-39	84.0%	22.9%	29,308	3,766,078	50,375	60,494	8.8%
2009	128,500 (1)	35-39	84.0%	22.9%	28,546	3,668,161	49,735	60,494	14.1%
2010	129,699 (1)	35-39	84.0%	22.9%	29,430	3,781,755	49,339	60,494	13.6%
2011	129,699 (1)	40-44	84.0%	22.9%	24,213	3,140,402	49,508	53,390	9.8%

Sources:

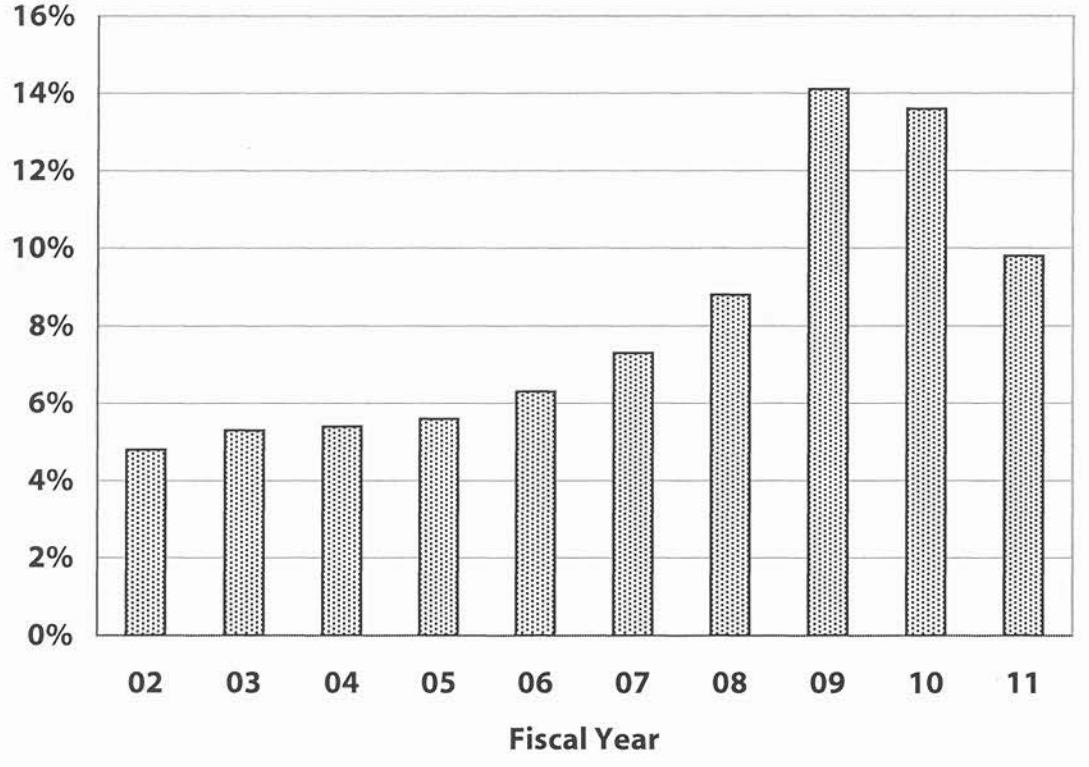
(1) United States Census Bureau - 2000/2010 Census and 2010 American Community Survey One Year Estimates

(2) Southeast Michigan Council of Governments (SEMCOG)

(3) Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information

(4) Michigan Department of Technology, Labor & Budget

City of Sterling Heights
Unemployment Rate



2012/13 BUDGET

Activity Name
Police & Fire Pension Board

Activity 2380

Account Number	Account Name	2010/11 Actual	2011/12 Budget	2011/12 To 12/31	2011/12 Estimate	2012/13 Budget
	Supplies					
729.000	Postage	$347	$500	$162	$500	$500
730.000	Publications	398	350	0	450	450
751.000	Operating Supplies	192	300	213	300	300
758.000	Computer Software	0	0	0	0	0
	Total Supplies	937	1,150	375	1,250	1,250
	Other Charges					
802.000	Audit & Accounting Services	18,845	19,200	27,068	36,600	31,800
806.000	Legal Services	5,875	12,000	0	12,000	12,000
807.000	Medical Services	0	1,000	860	1,000	1,000
826.000	Other Contracted Services	1,009,942	1,030,500	531,497	1,030,500	1,030,500
903.000	Printing	0	350	235	240	250
922.000	Telephone	377	400	260	590	450
956.000	Local Meetings	0	0	0	0	0
957.000	Memberships & Dues	200	200	325	330	330
959.000	Education & Training	3,550	5,650	2,792	5,650	5,650
	Total Other Charges	1,038,789	1,069,300	563,037	1,086,910	1,081,980
	Capital Outlay					
979.000	Computer Equipment	0	0	0	0	0
	Total Capital Outlay	0	0	0	0	0
	Total Activity	**$1,039,726**	**$1,070,450**	**$563,412**	**$1,088,160**	**$1,083,230**

NOTE: The "2010/11 Actual" & "2011/12 To 12/31" columns are rounded to the nearest dollar.

Labor Agreements

NAME	CONTRACT EXPIRATION	BUDGETED EMPLOYEES
Union Employees		
Police Officers - MAP	6/30/2011	115
Police Clerical - MAP	6/30/2011	21
Court Clerical - AFSCME Local 1884 (includes Part-time)	6/30/2013	22
Fire Fighters - IAFF Local 1557	6/30/2012	86
Technical/Office - MAPE (includes Part-time)	6/30/2012	66
DPW Field - Teamsters Local 214	6/30/2012	52
Police Command Officers - COA	6/30/2012	34
Dispatchers - POAM (includes Part-time)	6/30/2012	24
Supervisory - UAW Local 412	6/30/2014	12
DPW Supervisors - AFSCME Local 1917	6/30/2012	6
Professional/Technical - UAW Local 412 (includes Part-time)	6/30/2013	42
Executive - MAPE	6/30/2014	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	$123,200
Total Housing Units	49,508
Houses	32,714
Condominiums	6,311
Apartments	8,859
Mobile Homes	1,624

Major Employers

Company/Employees	
General Dynamics	2,700
Chrysler Group LLC	2,500
Lakeside Associates	2,000
Ford Motor Company	1,400
Detroit News Agency	1,200
Utica Community Schools	1,150
Warren Consolidated Schools	790
City of Sterling Heights	543
Miliken Millwork, Inc	500
Kuka Flexible Production Systems, Inc.	450

Employment Status [2]

Population 16 years & over	104,396
In labor force	68,219
Civilian labor force	68,140
Employed	60,941
Unemployed	7,199
Percent of civilian labor force	10.6
Armed Forces	79
Not in labor force	36,177

Occupation [2]

Employed civilian population 16 yrs. & over	60,941
Management, professional & related occupations	21,768
Service occupations	9,485
Sales & office occupations	18,261
Natural resources, construction, & maintenance occupations	3,945
Production, transportation & material moving occupations	7,482

Industry [2]

Agriculture, forestry, fishing and hunting, & mining	67
Construction	2,421
Manufacturing	12,292
Wholesale trade	1,635
Retail trade	9,114
Transportation and warehousing & utilities	2,181
Information	1,180
Finance, insurance, real estate & rental and leasing	3,203
Professional, scientific, management, administrative & waste management	6,313
Educational, health & social services	11,899
Arts, entertainment, recreation, accommodation & food services	5,591
Other services (except public administration)	2,924
Public administration	2,121

School Enrollment [2]

Population 3 yrs. & over enrolled in school	34,068
Nursery school, preschool	1,783
Kindergarten	1,579
Elementary (grades 1-8)	13,135
High School (grades 9-12)	7,409
College or graduate school	10,162

Streets & Sidewalks

Miles of City Streets:	
Primary	63
Secondary	286
Estimated Sidewalks in Miles	610
Bridges	11
Street Lights	2,520

Police Protection

Group A offenses [3]	5,769
Group B offenses [4]	1,960
Injury Accidents	752
Property Damage	3,408
Private Property Damage	846
Total Traffic Violations	32,752
Civil Infractions	29,315
Parking Violations	1,125
Adult Arrests	2,691
Juvenile Arrests	159
OUIL Arrests	297

Fire Protection

Stations	5
Emergency Alarms Answered	11,062
Medical Emergencies	8,617
Fire Inspections Conducted	2,288
Inspection Violations Issued	4,397
Training Hours Completed	29,986

41-A District Court

Cases Handled:	
Civil	4,037
Criminal	4,254
Traffic	31,074
Landlord & Tenant	2,442
Small Claims	451

Election Data

Registered Voters	85,953
Voters at Polls	39,285
Absentee Ballots	11,037
Percent Voting	46.00%

Parks & Recreation

Acres	820
Developed Parks	28
Adult Athletics Attendance	21,301
Instructional Swim Attendance	3,803
Instructional Rec. Attendance	23,933
Nature Program Attendance	23,374
Senior Program Attendance	102,577
Special Event Attendance	72,321
Summer Playground Attendance	12,160
Special Rec. Program Attendance	10,803

Library

Registered Borrowers	53,181
Book Collections	203,767
Other Collections [5]	38,813
Items Circulated	614,905
Reference Transactions	120,873
Program Attendance	23,184
Library Visits	484,259
Interlibrary Loan Requests	97,588
Book Van Deliveries	7,367
Online Computer Users	610,054

Water & Sewer Services

Customers:	
Residential	34,869
Commercial/Industrial	4,126
Miles of Water Mains	576
Miles of Sanitary Sewers	430
Fire Hydrants	7,226
Water (in thousand cubic feet):	
Purchased from Detroit	683,223
Sold to Residents	692,621
Rates:	
1,000 Cubic Feet (water and sewer)	$40.59
Sewer Only – Per Billing	$50.00

[1] Source: U.S. Census Bureau, Census 2010

[2] Source: 2006-2010 American Community Survey 5-year estimates

[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. 418

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 2012/13; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2012/13; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2012/13.

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, 2012 through June 30, 2013. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2012/13.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES			
Net General Tax Revenue	$37,071,200		
Licenses and Permits	2,028,500		
State and Local Returns	10,639,540		
Fines and Forfeitures	3,178,020		
Charges for Services	8,290,170		
Other Revenue	2,530,610		
Cable Revenue	1,900,000		
Use of Fund Balance	0		
Total General Revenue		65,638,040	
Refuse Tax Revenue	4,411,250		
Fire & Police Pension Tax Revenue	8,412,480		
Total Refuse and Pension Tax Revenue		12,823,730	
Total Revenues		78,461,770	
OTHER FINANCING SOURCES			
Transfers In	~~4,746,000~~	4,735,260	
Total Other Financing Sources		~~4,746,000~~	4,735,260
Total Revenues & Other Financing Sources		**~~$83,207,770~~**	**$83,197,030**

and does hereby designate $37,211,200 to be raised by 9.1428 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 $8,412,480 to be raised by 2.0669 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 $4,411,250 to be raised by 1.0838 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	~~$8,151,070~~	8,140,330	
Community Services Department	4,329,870		
Police Department	32,380,010		
Fire Department	17,637,670		
City Development Department	1,954,890		
Public Works Department	6,788,700		
Refuse Collection	4,439,800		
Community Relations Department	955,320		
41-A District Court	3,307,520		
General Expenditures	2,308,830		
Total Expenditures		~~82,253,680~~	82,242,940
OTHER FINANCING USES			
Transfers Out	954,090		
Total Other Financing Uses		954,090	
Total General Fund		**~~$83,207,770~~**	**$83,197,030**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES		
Operating Revenues	$35,320,340	
Use of Net Assets	0	
Total Operating Revenues		**$35,320,340**
OPERATING EXPENSES		
Administration	$3,255,640	
Water Distribution	14,177,520	
Sewage Collection	17,887,180	
Total Water & Sewer Operating Fund		**$35,320,340**

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, 2012.

WATER RATES

Consumption Charges Per Billing Period:	Rate Per Thousand Cubic Ft.
First 3,000 cubic feet or less	$16.45
All over 3,000 cubic feet	20.56

Fixed DWSD fee (single-family residential customers)	$3.75
Fixed DWSD fee (all other customers)	5.00

Meter Charges Per Billing Period

1 ½"	4.45
2"	11.54
3"	21.16
4"	27.76
6"	43.93
8"	69.95
10"	91.88
16"	105.00

SEWER RATES

This charge shall be based on the amount of water used per billing period:	Rate Per Thousand Cubic Ft.
Per 1,000 cubic feet	$25.62

Fixed Macomb County fee (single-family residential customers)	$3.75
Fixed Macomb County fee (all other customers)	5.00

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 800 cubic feet of water usage per billing cycle. There will be a $55.00 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	5,230,000		
Other Revenue	162,700		
Total Revenues		5,392,700	
OTHER FINANCING SOURCES			
Transfer from Road Bond Construction Fund	0		
Total Other Financing Sources		0	
Total Revenues & Other Financing Sources		**$5,392,700**	

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES			
Administration Expenses	$120,380		
Major Street Maintenance	1,624,500		
Major Street Improvements	741,500		
Contribution to Fund Balance	576,320		
Total Expenditures		3,062,700	
OTHER FINANCING USES			
Transfer to Local Road Fund	0		
Transfer to Road Bond Debt Retirement Fund	2,330,000		
Total Other Financing Uses		2,330,000	
Total Major Road Fund		**$5,392,700**	

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES			
Fund Balance	~~$0~~	260,580	
Federal Grants	0		
State Sources	1,960,000		
Charges for Services	45,000		
Other Revenue	~~43,670~~	66,770	
Total Revenues		~~2,048,670~~	2,332,350
OTHER FINANCING SOURCES			
Transfer from Major Road Fund	0		
Total Other Financing Sources		0	
Total Revenues & Other Financing Sources		**~~$2,048,670~~**	**$2,332,350**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES			
Administration Expenses	$139,350		
Local Street Maintenance	1,409,000		
Local Street Improvements	~~500,000~~	784,000	
Contribution to Fund Balance	~~320~~	0	
Total Expenditures		~~2,048,670~~	2,332,350

OTHER FINANCING USES			
Transfer to Road Bond Debt Retirement Fund	0		
Total Other Financing Uses		0	
Total Local Road Fund		~~$2,048,670~~	$2,332,350

Sec. 2.05

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES			
Fund Balance	$197,000		
Federal & State Sources	0		
Other Revenue	3,000		
Total Revenues		200,000	
OTHER FINANCING SOURCES			
Transfer from General Fund	0		
Total Other Financing Sources		0	
Total Revenues & Other Financing Sources		$200,000	
EXPENDITURES			
Land Improvements	$200,000		
Total Land & Water Conservation Fund		$200,000	

Sec. 2.06

ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT FUND BUDGET:

REVENUES			
Federal Grants	$0		
Total Revenues		$0	
EXPENDITURES			
Administrative & Capital Expenses	$0		
Total Energy Efficiency & Conservation Block Grant Fund		$0	

Sec. 2.07

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES			
Fund Balance	$322,540		
Federal Forfeitures	0		
Treasury Forfeitures	0		
State Forfeitures	0		
Gambling Forfeitures	0		
Operating While Intoxicated Forfeitures	0		
Interest Income	240		
Total Revenues		$322,780	

EXPENDITURES		
Federal Forfeitures	$165,300	
Treasury Forfeitures	0	
State Forfeitures	152,480	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	5,000	
Total Public Safety Forfeiture Fund		**$322,780**

Sec. 2.08

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES		
Community Development Block Grant	$1,035,370	
Total Revenues		**$1,035,370**
EXPENDITURES		
Administrative Expenses	$144,720	
Books	6,200	
Senior Citizens Home Chore Program	24,000	
Single Parent Education Program	24,850	
Minor Home Repair	47,500	
Handicapped Recreation Program	19,000	
Housing Rehabilitation Program	359,860	
Contributions to Non-Profit Organizations	22,440	
Capital & Other Improvements	278,200	
Principal	106,470	
Interest	2,130	
Total Community Development Block Grant Fund		**$1,035,370**

Sec. 2.09

NEIGHBORHOOD STABILIZATION PROGRAM FUND BUDGET:

REVENUES		
Federal Grants	$278,900	
Total Revenues		**$278,900**
EXPENDITURES		
Downpayment & Rehabilitation Assistance	$13,760	
Acquisition, Rehabilitation & Resale	32,070	
Acquisition/Redevelopment	217,420	
Demolition	0	
Administration Costs	15,650	
Total Neighborhood Stabilization Program Fund		**$278,900**

Sec. 2.10

CORRIDOR IMPROVEMENT AUTHORITY FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Property Taxes	$0	
Federal Grants	0	
Other Revenue	20	
Total Revenues		20

OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$20**
EXPENDITURES		
Miscellaneous	$0	
Capital Improvements	0	
Debt Service	0	
Contribution to Fund Balance	20	
Total Corridor Improvement Authority Fund		**$20**

Sec. 2.11

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$6,690	
Other Revenue	10	
Total Revenues		6,700
OTHER FINANCING SOURCES		
Transfer from General Fund	19,000	
Total Other Financing Sources		19,000
Total Revenues & Other Financing Sources		**$25,700**
EXPENDITURES		
Miscellaneous	$25,700	
Total Economic Development Corporation Fund		**$25,700**

Sec. 2.12

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$6,190	
Property Taxes	125,170	
Charges for Services	0	
Other Revenue	10	
Total Revenues		131,370
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$131,370**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Miscellaneous	$86,370	
Total Expenditures		86,370

OTHER FINANCING USES		
Transfer to General Fund	45,000	
Total Other Financing Uses		45,000
Total Brownfield Redevelopment Authority Fund		**$131,370**

Sec. 2.13

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Federal Grant	$0	
Property Taxes	150,790	
Other Revenue	106,780	
Total Revenues		257,570
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$257,570**

EXPENDITURES		
Incubator Renovations	$0	
Incubator Operations	177,500	
BAE Reimbursement	80,070	
Total Local Development Finance Authority Fund		**$257,570**

Sec. 2.14

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Net Drain Tax Revenue	$1,217,240	
Delinquents & Penalties	4,700	
Other Revenue	2,500	
Total Revenues		1,224,440
OTHER FINANCING SOURCES		
Bond Proceeds – Refunding	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$1,224,440**

and does hereby designate $1,229,240 to be raised by 0.3020 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	$1,930	
Principal	1,105,000	
Interest	117,510	
Total Drain Fund		**$1,224,440**

Sec. 2.15

VOTED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$5,000	
Delinquents & Penalties	1,000	
Other Revenue	800	
Net Proposal F Tax Revenue	363,300	
Total Revenues		370,100
OTHER FINANCING SOURCES		
Transfer from General Fund	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$370,100**

and does hereby designate $367,700 to be raised by 0.0903 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	$0	
Proposal F Expenditures	370,100	
Total Voted Tax General Obligation Debt Fund		**$370,100**

Sec. 2.16

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Special Assessment Revenue	$146,630	
Interest Income	121,640	
Federal Interest Rebates	36,270	
Total Revenues		304,540
OTHER FINANCING SOURCES		
Transfer from Major Road Fund	2,330,000	
Total Other Financing Sources		2,330,000
Total Revenues & Other Financing Sources		**$2,634,540**
EXPENDITURES		
Principal	$2,050,000	
Interest	548,200	
Other Fees	1,880	
Contribution to Fund Balance	34,460	
Total Road Bond Debt Retirement Fund		**$2,634,540**

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	528,740	
Total Other Financing Sources		528,740
Total Revenues & Other Financing Sources		**$528,740**
EXPENDITURES		
Principal	$433,530	
Interest	94,820	
Other Fees	390	
Total Limited Tax General Obligation Debt Fund		**$528,740**

Sec. 2.18

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$70,930	
State & Local Returns	0	
Other Revenue	224,070	
Total Revenues		295,000
OTHER FINANCING SOURCES		
Transfer from General Fund	406,350	
Total Other Financing Sources		406,350
Total Revenues & Other Financing Sources		**$701,350**
EXPENDITURES		
Capital Equipment	$180,000	
Capital Vehicles	226,350	
Capital Projects	295,000	
Total Capital Projects Fund		**$701,350**

Sec. 2.19

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	$198,800	
Other Revenue	1,200	
Total Revenues		200,000

OTHER FINANCING SOURCES		
Proceeds from Long-Term Debt	0	
Total Other Financing Sources		0
Total Revenues & Other Financing Sources		**$200,000**
EXPENDITURES & OTHER FINANCING USES		
EXPENDITURES		
Construction	$200,000	
Total Expenditures		200,000
OTHER FINANCING USES		
Transfer to Major Road Fund	0	
Total Other Financing Uses		0
Total Road Bond Construction Fund		**$200,000**

ARTICLE III

The City Council adopts the following fee schedule for public records and services provided by the City of Sterling Heights for the fiscal year July 1, 2012 through June 30, 2013. 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	515.00
Lot Combinations	415.00
Processing Labels (per page)	1.15
Resident Field Sheet Fee	1.00
Apartment Listing (Names/Sidwells/Assessments)	55.00
Shopping Center List	55.00
Section or Subdivision Listing (per page)	0.80
Assessing, Board of Review, & Sales Information (first page)	1.85
Additional Pages	0.30
Plat Map	120.00
Custom Assessment Information Report	45.00
IFEC Extension Application Fee	540.00
IFEC Request for Extension to Complete Project Application Fee	540.00
IFEC Request for Revision of Final Project Cost Application Fee	540.00
Application to Establish a Speculative Building Designation Fee	540.00
Tax Hardship Income Limits:	
1 Person	16,275.00
2 Person	18,620.00
3 Person	20,930.00
4 Person	23,240.00
5 Person	26,200.00
6 Person	30,000.00
7 Person	33,800.00
8 Person	37,600.00
Each Additional Person	3,800.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit	35.00
Fence Permit – Masonry, Separation	53.00
Board of Code Appeals	213.00
Board of Ordinance Appeals	213.00
Reestablish Expired Permit Fee	63.00
Overtime Inspections, Each Hour (4 hour minimum)	83.00
Special Inspections, Each Trade (Residential)	48.00
Special Inspections, Each Trade (Commercial)	69.00
Building Code Publication	Cost + 11.00 Administration fee
Building Moving Permit	278.00
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)	33.00
Permit fee (minimum)	45.00
Electrical Contractor's Registration	23.00
Fire Alarm Contractor's Registration	23.00
Sign Contractor's Registration	23.00
Furnace Wiring	24.00
Air Conditioner Reconnect	24.00
Circuits: Each (new or extended)	18.00
Fixtures: Each 25	18.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	24.00
Each 11 to 30 HP	29.00
Each 31 to 50 HP	34.00
Each 51 to 60 HP	40.00
Each 61 and over	54.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less)	47.00
Refrigeration Units:	
Air Conditioning (residential)	24.00
Interruptible Service	24.00
Air Conditioning (commercial):	
Up to 5 Tons	29.00
5 to 40 Tons	47.00
Over 40 Tons	71.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type	24.00
Swimming Pools/Hot Tubs (all)	53.00
Service (Lights, Heat, and Power):	
100 Ampere or less	24.00
101 to 500 Ampere	34.00
501 to 900 Ampere	47.00
900 Ampere or more	59.00
Signs: Sign Circuit	40.00
Sign Tag Inspection	61.00
Sign Connection	66.00
General Repair & Alterations (per hour or fraction thereof)	55.00
Generator Connection	47.00
Motion Picture Apparatus	47.00
Special Inspections not specifically covered:	
Festivals	122.00

Carnivals 122.00
Circuses 122.00
Shop Inspection 70.00
Theatrical Road Show 70.00
Christmas Tree Lot 70.00

Temporary Wiring:
Display Area (Sq. Ft.):
Up to 100,000 sq. ft. 63.00
Over 100,000 to 200,000 sq. ft. 117.00
Over 200,000 to 300,000 sq. ft. 139.00
Over 300,000 to 400,000 sq. ft. 206.00
Over 400,000 sq. ft. 273.00

Outline Tubing – Connection or Tag Inspection:
Each 100 feet 70.00

Mobile Home and Trailer Park Inspections (minimum) 48.00

Fire Alarm Inspection (minimum) 67.00
Plan Review Fee 91.00
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 17.00

Alterations to existing system 55.00
Reinspection Fee 55.00
Miscellaneous Fire Alarm Fee 55.00

Plumbing Work

Application Fee (Non-refundable) 37.00
Permit Fee (minimum) 45.00
Plumber's Registration 1.00
Journeyman Plumber's Registration 0.50

Fixture Inspection: (New and Replacement)
New Installation (minimum) 45.00
New Stack or Stack Alteration 15.00
Air Admittance Valve 15.00
Roof conductor 15.00
Sump or interceptor 15.00
Backflow preventor 15.00
Pump or Water Lift 15.00
Hose connection (sillcocks) 15.00
Water treatment device 15.00
Water closets 15.00
Shower traps 15.00
Baths 15.00
Water heater 29.00
Tankless water heater 29.00
Basement Waterproofing 45.00
Sinks (any description) 15.00
Lavatories 15.00
Laundry trays 15.00
Floor drains 15.00
Ice Maker 15.00
Back Water Valve 15.00
Thermal Expansion Tank 15.00
Bidet 15.00
Dental Chair 15.00
Grease or Oil Interceptor 15.00
Drinking fountains 15.00

Soda fountains/bars 15.00
Waste opening 15.00
Humidifiers 15.00
Food waste grinders 15.00
Dishwashers 15.00
Urinals 15.00
Whirlpools 34.00
Lawn Sprinkler Systems 40.00
All other fixtures not mentioned 15.00
Reinspection Fee 55.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):
Automatic Machines (minimum) 29.00
Each additional 15.00
Building Sewer Connection – sump connection 47.00
Drains:
Storm drains to catch basin for main storm sewer 273.00
Lines less than 4" in diameter 25.00
Lines less than 6" in diameter 30.00
Lines less than 8" in diameter 41.00
Lines less than 10" in diameter 55.00
Lines less than 12" in diameter 70.00
Lines less than 14" in diameter 82.00
Lines less than 16" in diameter 97.00
Lines less than 18" in diameter 111.00
Lines exceeding 18" in diameter (per inch) 13.00
Water Distribution System:
¾" 19.00
1" 30.00
1 ¼" 35.00
1 ½" 48.00
2" 63.00
2 ½" 90.00
3" 103.00
4" 117.00
Exceeding 4" 138.00
Replace piping, no increase in size 35.00

Mechanical Work
Application Fee (Non-refundable) 33.00
Permit Fee (minimum) 45.00
License/Registration 20.00
Gas-Fired Equipment; Oil Burners; New or Replacement –
Burners with input:
up to 75,000 ..... 47.00
75,001 to 500,000 ..... 54.00
500,001 – 1,000,000 ..... 94.00
1,000,001 – 2,000,000 ..... 107.00
2,000,001 – 3,000,000 ..... 133.00
over 3,000,000 ..... 161.00
Air Handlers:
Up to 2,000 CFM 47.00
Over 2,000 CFM 94.00
Duct Work 47.00
Hydronic Piping 55.00
Gas Piping:
Mains up to 2" 40.00
Mains 2 ½" to 4" 54.00
Mains over 4" 67.00
Each Opening off of Main 13.00

Factory Built Chimneys:
- Up to 8" 18.00
- 9" to 12" 29.00
- Over 12" 40.00

Pre-Fab Fireplace 54.00
Flue Liner 34.00
Exhaust Fans:
- Up to 400 cfm 13.00
- 401 cfm to 1,000 cfm 18.00
- 1,001 cfm to 4,000 cfm 29.00
- Over 4,000 cfm 40.00

Dryer Vents. 18.00
Kitchen Hood and Duct (UL300/FM200) 48.00
Spray Booth Hood and Duct 48.00
Alterations to existing installations 55.00
Alterations to existing boilers 55.00
Reinspection Fee 55.00
Refrigeration Systems –
- Self Contained:
  - 2 Tons or Less, each 40.00
  - Over 2 to 5 Tons, each 47.00
- Alterations to each system 55.00
- Remote Systems:
  - 5 Tons or Less, each 47.00
  - Over 5 to 50 Tons, each 67.00
  - Over 50 Tons, each 107.00
- Alterations to each system 55.00

Cooling Towers 67.00
Stand Pipes and Fire Suppression:
- Riser pipe up to 4" diameter 41.00
- Riser pipe up to 6" diameter 70.00
- Riser pipe up to 8" diameter 97.00
- Riser pipe 8" or more diameter 206.00
- Each suppression opening (each head of the system) 3.50
- Alteration to existing system 55.00

Flammable and Bulk Storage Tanks:
- Tanks under 500 Gallons 47.00
- Tanks under 5,000 Gallons 61.00
- Tanks under 20,000 Gallons 79.00
- Tanks under 50,000 Gallons 94.00
- Tanks under 200,000 Gallons 107.00
- Tanks over 200,000 Gallons 200.00

Buildings

Application Fee (Non-refundable) 33.00
Plan Review Deposits (Non-refundable):
- Single Family Residential 515.00
- Commercial Alteration 206.00
- New Commercial/Industrial Building 1,030.00
- Commercial/Industrial Addition 515.00

Building Permit Fees (all use groups):
- Valuation to $1,000 ..... 54.00
- Valuation $1,001 to $10,000 ..... 54.00 + 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) 480.00
Temporary C/O Refundable Bond 500.00
Multi-Family Bond (5% Retained) 720.00
Commercial Bond (5% Retained) 1,450.00
Industrial Bond (5% Retained) 2,890.00
Mobile Homes 140.00

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 103.00
Miscellaneous Plan Review 63.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs) 63.00
Pigeon Loft Inspection 63.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner 33.00
Use Permit (tenant space) 90.00
Fire Repair 205.00
Fire Inspection Fee (New City Businesses) 84.00
Reinspection Fee 55.00
Demolition:
- Plan review and administration base fee ..... 63.00 + 0.10 per square ft.

Swimming Pools:
- Above Ground 67.00
- Below Ground 133.00

Signs:
- Application Fee (non-refundable) 33.00
- Plan Review Fee 63.00
- Permanent 138.00
- Temporary 63.00

Contractor Registration Fee 23.00
Residential Basement Finish 199.00
Residential Interior Finish 199.00
Minor Commercial Alterations under 400 sq. ft. 205.00

Code Enforcement

Bank Foreclosed Home Registration Fee (biennial) 250.00
Nuisance Abatement Administrative Fee 25%
Nuisance Abatement Agreement Execution Fee ..... Attorney Fee + 25%
Sidewalk Snow Removal Fee ..... Cost + 25% + 34.00
Claimed Signs:
- 16 sq. ft. or less ..... 4.00 each
- 17 – 31 sq. ft. ..... 23.00 each
- 32 sq. ft. and over ..... 112.00 each

Special Code Enforcement Inspection 34.00
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 ..... 895.00 + 59.00 per device
- Renewal Fee ..... 181.00 + 33.00 per device
- Type C 895.00
- Renewal Fee 182.00

Attorney Services ..... Attorney fees & costs
Auction Sales License (per day) 25.00
Auctioneer License 54.00
Business Registry License 44.00
Carnival/Festival License ..... 71.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License ..... 62.00 + 6.00 each additional machine
Death and Birth Certificate 21.00
- Additional Copies 8.25

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 52.00

Replacement Dog Tag 1.80
Fire Inspection Fee (new City businesses – charged by Building) 84.00
Going Out of Business Sales License 50.00
- Renewal Fee 50.00

House Moving License 71.00
Industrial Development District Filing Fee 1,000.00
Industrial Facilities Exemption Certificate Filing Fee 1,850.00
Industrial Facilities Exemption Certificate Application Amendment Fee 1,000.00
Industrial Facilities Exemption Certificate Transfer Fee 1,000.00
New Personal Property Exemption Fee 1,850.00
Junk Yard License 259.00
Landscaper License (Non-resident) 64.00
Mobile Vending License 177.00
Passport Processing Fee 25.00
Pawnbroker License 500.00
Refuse Collection License ..... 93.00 + 7.00 each truck
Snow Removal License 181.00
Solicitor/Peddler License 117.00
Tattoo Permit 535.00
Taxi License (annual fee) ..... 91.00 + 12.00 per vehicle
Temporary Use Vendor License 46.00
Wrecker Driver License (Towing Contractor) 114.00
- Renewal Fee Wrecker Driver License (Towing Contractor) 58.00

Massage Establishment License 615.00
- Renewal Fee Massage Establishment License 308.00
- Each Massologist 239.00
- Renewal Fee Each Massologist 47.00

Precinct Map 7.30
City Street Map 4.60
Zoning Map 5.90
City Budget 49.00
Municipal Improvement Program 29.00
City Financial Audit 29.00
Collective Bargaining Agreement 5.80
Election Results 9.00
Voter and Business Registry Labels (per page) 1.15
Voter and Business Registry Lists (per computer hour) ..... Payroll + 0.05/page
Magnetic Voter Tape 108.00
- with own tape 67.00

Voter Data Diskette 26.00
Liquor License: Class C 1,950.00
- Tavern 1,950.00
- SDD & SDM 1,950.00
- Entertainment and/or Dance Permit 1,950.00
- Extended Hours Permit 1,950.00
- Shareholder Partial Transfer 970.00
- Temporary Liquor License Application Fee 31.00
- Outdoor Service Permit 242.00

Hotel/Motel License 1,950.00
Renewal Fee Hotel/Motel License 970.00
Certifications 4.70
Photo Copies – Black & White 1.85
Additional Pages – Black & White 0.30
Photo Copies – Color 1.85
Additional Pages – Color 0.75
Microfilm Copies (per page) 5.20
Recording Fee (formerly Encroachment Fee) 40.00
Notary Fee 10.00
Audio Tape Recordings (prepay minimum) 18.00
Fireworks Display Permit 680.00
Close Proximity Pyrotechnic Display Permit 680.00
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 630.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs 1,420.00
Sterlingfest Beer Tent Cover Charge (Adult 21 & Over) 2.00
VHS Tape Dubs 33.00
DVD Dubs
Resident 23.00
Non-Resident 33.00
Gazebo Rental (per event):
Resident 56.00
Non-Resident 84.00
Gazebo Rental for Photographs Only (per 1 hour rental):
Resident 29.00
Non-Resident 42.00
Upton House Rental – (per 4 hour rental):
Resident 56.00
Non-Resident 84.00
Sterling Heights Magazine Advertisement Fees:
Full Page Ad (Full Color) 1,442.00
Full Page Ad (Two Color) 1,236.00
One-Half Page Ad (Full Color) 824.00
One-Half Page Ad (Two Color) 721.00
One-Fourth Page Ad (Full Color) 464.00
One-Fourth Page Ad (Two Color) 412.00
Business Card Ad (Full Color) 309.00
Business Card Ad (Two Color) 258.00
Name & Phone Number Ad 103.00
Three-Edition Ad Commitment (Minimum) ..... 20% Discount
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
Municipal Civil Infraction (Failure to License a Dog with the City Clerk):
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

Sec. 3.04

ECONOMIC DEVELOPMENT OFFICE:

Brownfield Redevelopment Auth./Local Dev. Finance Auth./Corridor Improvement Auth. Fees:
- Application Fee (one-time up front) 500.00
- Tax Increment Plan Annual Administrative Fee 2,500.00

Permit Revision Review Fee 97.00
Public Services Agreement Execution Fee 30.00
Recording Fee 40.00
Water & Sewer Debt Service Agreement Finance Charge 20%

Sec. 3.05

ENGINEERING OFFICE:

Review Fees:
- Site Plan ..... 400.00+67 per acre + 1.3% of site improvement costs
- Multiple Developments ..... 400.00+67 per acre + 1.3% of site improvement costs
- Cluster Developments ..... 400.00+67 per acre + 1.3% of site improvement costs
- Site Condominiums ..... 400.00+67-per acre + 1.3% of site improvement costs
- Subdivisions ..... 1.3% of estimated site improvement costs

Plan Revision Review Fee 84.00
Design Fees:
- Construction plans and specifications - *Class 1 ..... 7.0% of construction costs
  **Class 2 ..... 8.7% of construction costs
- Field engineering and contract administration - *Class 1 ..... 2.4% of construction costs
  **Class 2 ..... 2.7% of construction costs

Engineering Bid Packet Fee 44.00
R.O.W. Permits:
- 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%

Telecommunications ROW Application Fee 610.00
Staking Fees ..... Payroll + 180%
Inspection Fees:
- Site Plan ..... Payroll +180%
- Multiple Development ..... Payroll +180%
- Cluster Development ..... Payroll +180%
- Site Condominiums ..... Payroll +180%
- City Construction Projects ..... Payroll +180%
- Subdivisions ..... Payroll +180%
- Inspections by Consultants ..... Consultant Fee +25%

Private Development Engineering Consultant Fee ..... Consultant Fee +25%
Sidewalk Repair and Gap Programs ..... Cost +20%
Easement Vacations ..... Attorney fee + 225.00
Easement Encroachments 245.00
Building Number Assignments (per address) 19.00
S.E.S.C. Review Fee for:
- Commercial, Industrial, Multi-Family, Subdivision ..... ¼ of 1% of first $500,000.00
  ..... +⅛ of 1% over $500,000.00 (50.00 minimum)
- Single-Family Residential House 66.00
- Underground Private Utility ..... 0.05 linear foot (50.00 minimum)

S.E.S.C. Inspection Fees ..... Payroll + 180%
S.E.S.C. Inspection by Consultant ..... Consultant fee +25%
S.E.S.C. Permit Renewal Fee ($50 min.) ..... 10% of Permit Fee
Document Copying for:
- 24" x 36" Prints (Xerox 2510 or blueline) ..... 7.50 each
- 34" x 34" Prints (Xerox 2510 or blueline) ..... 7.50 each
- Larger than 34" x 34" (Xerox 2510 or blueline) ..... 7.50 each

Detail Sheets (Mylar) ..... 8.50 each
Topographic Map 36" x 36" (blueline) ..... 39.00 each
Planimetric Map 36" x 36" (blueline) ..... 22.00 each
Overall Watermain Map (blueline) ..... 7.50 each
Overall Sanitary Sewer Map (blueline) ..... 7.50 each
Overall Storm Sewer Map (blueline) ..... 7.50 each
Master Storm Sewer Plan (book form) ..... 46.00 each
Master Watermain Plan (book form) ..... 34.00 each
Master Sanitary Sewer Plan (book form) ..... 34.00 each
Master Road Plan (book form) 1998 HRC ..... 46.00 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 10.00
Additional Pages 1.00

Digital Photographs:
5" x 7" Color Print 29.00
8" x 10" Color Print 29.00
8" x 10" Contact Sheet 29.00
Compact Disc 15.00

Burning Permit 185.00
Fireworks Sales Permit 680.00
Fireworks Display Permit 680.00
Close Proximity Pyrotechnic Display Permit 680.00
Board of Code Appeals 225.00
Witnessed Acceptance Test Fee 160.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum) 733.00
Each additional hour 245.00
Reinspection Fee for Witnessed Acceptance Test 160.00
Phase I Site Inspection (1 hour minimum) ..... 57.00 + 32 per hour

Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)
Each Inspection 172.00
Each Re-Inspection 172.00
Off-Hour Inspection (3 hour minimum) 245.00
Each Additional Hour 72.00
Off-Hour Re-Inspection (3 hour minimum) 245.00
Each Additional Hour 72.00

Plan Review Fee 150.00
Resubmitted Plan Review Fee 50.00
Heart Saver (CPR) Program Fee 44.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.) ..... Cost + 30%

Reinspection Fees:
First Reinspection ..... No Fee
Second and Subsequent Reinspections 107.00

False Alarm Fees: (within a 12 month period)

First Response	No Fee
Second Response	135.00
Third Response	300.00
Fourth and Subsequent Responses	610.00

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)	60.00
(Non-Resident)	90.00
Weekend (Resident)	83.00
(Non-Resident)	125.00

Nature Center Classes:

School Field Trips (WCS/UCS Schools)	27.00
(All Other Districts per class)	41.00
Children's Nature Classes (Resident)	6.00
(Non-Resident)	9.00
Scout Badge Classes (Resident)	7.00
(Non-Resident)	10.00
Birthday Parties (Resident)	113.00
(Non-Resident)	170.00

Parent & Tot Classes:

1 Child Per Family (Resident)	47.00
(Non-Resident)	71.00
2 Children Per Family (Resident)	53.00
(Non-Resident)	80.00

Summer Playground:

Resident	95.00
Non-Resident	142.00
Field Trip Bus Fee (Per Person)	7.50

Tennis Classes:

Resident	52.00
Non-Resident	78.00

Dodge Park 5K 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 League:

Resident	44.00
Non-Resident	66.00

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) 145.00
(Non-Resident) 218.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident) 246.00
(Non-Resident) 369.00
Mentally Impaired (M.I.) – Individual (Resident) 145.00
(Non-Resident) 218.00
Mentally Impaired (M.I.) – Family (Resident) 246.00
(Non-Resident) 369.00
Special Recreation:
Early On Parent & Tot (Resident) 29.00
(Non-Resident) 44.00
Crafts (Resident) 8.50
(Non-Resident) 12.75
Creative Cooking (Resident) 8.50
(Non-Resident) 12.75
Martial Arts (Resident) 159.00
(Non-Resident) 239.00
Line Dance Exercise (Resident) 41.00
(Non-Resident) 62.00
Children's Line Dance (Resident) 29.00
(Non-Resident) 44.00
Softball – Individual (Resident) 56.00
(Non-Resident) 84.00
Softball – Family (Resident) 97.00
(Non-Resident) 146.00
Fitness Classes:
Resident 47.00
Non-Resident 71.00
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
Men's Gym:
Resident 42.00
Non-Resident 63.00
Golf Lessons – Adult:
Resident 59.00
Non-Resident 89.00
Senior Boys Basketball 510.00
Men's Softball 827.00
Co-ed Softball 539.00
Women's Softball 539.00
Ball Field Rental Fees – Seasonal:
Delia or LWB Park (per field per day):
MABF Teams/Church Teams 360.00
All Other Users 385.00
All Users – Lighted Fields Additional Fee (per day) 62.00
Jaycee Park (per field per day):
MABF Teams/Church Teams 255.00
All Other Users 280.00
Ball Field Rental Fees – Daily:
Delia or LWB Park (per field per day):
MABF Teams/Church Teams 63.00
All Other Users 73.00
All Users – Lighted Fields Additional Fee (per day) 62.00

Jaycee Park (per field per day):
MABF Teams/Church Teams 43.00
All Other Users 53.00
Ball Field Request to Groom/Stripe Additional Fee ..... Cost + 25%
Soccer Field Rental Fees (per field per season):
Travel Clubs:
Seasonal 1-3 days/week 530.00
Seasonal 4-7 days/week 795.00
Camp/Other
Weekly (one week only) 188.00
Daily 80.00
Sand Volleyball League 214.00
Teenfest:
Resident 2.00
Non-Resident 3.00
Treasure Hunters Market:
Resident 23.00
Non-Resident 35.00
Snowmobile Safety (Resident) 14.00
(Non-Resident) 21.00
Gymnastics:
One-half Hour Class (Resident) 42.00
(Non-Resident) 63.00
One Hour Class (Resident) 53.00
(Non-Resident) 80.00
Dance:
Fall Session (Resident) 49.00
(Non-Resident) 74.00
Winter/Spring Session (Resident) 77.00
(Non-Resident) 116.00
Senior Center Activities:
Dance (Resident) 17.00
(Non-Resident) 26.00
Exercise (Resident) 5.00
(Non-Resident) 7.00
Golf League (Resident) 15.00
(Non-Resident) 22.00
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) 13.00
(Non-Resident) 19.50
Stained Glass Class (Resident) 6.50
(Non-Resident) 9.75
Tai Chi (Resident) 5.50
(Non-Resident) 8.25
Volleyball Player Fee (Resident) 31.00
(Non-Resident) 47.00
Yoga (Resident) 7.50
(Non-Resident) 11.25
Senior Bus Trip:
1 day (Resident) 7.00
(Non-Resident) 10.50
3-5 days (Resident) 13.50
(Non-Resident) 20.25
Extended (Resident) 30.00
(Non-Resident) 45.00
Senior Activity Fee - per day (Resident) 0.25
(Non-Resident) 0.50

Senior Center Gymnasium Activities:

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)	1.00
(Non-Resident)	1.50
Gymnasium Usage Fee – After Hours (Resident)	5.00
(Non-Resident)	7.50
Parks and Recreation Plan	8.00

Sec. 3.08

PLANNING:

Special Approval Land Use	534.00
Temporary Use	390.00
Administrative Review	240.00
Variances to Subdivision Regulations	390.00
Right-of-Way Vacations	590.00
Rezoning Petition:	
First Acre	1,670.00
Additional Acre	65.00
Public Hearing Postponements (Petitioner Requested)	43.00
Ordinance Text Amendment	1,670.00
Subdivision Plat	1,310.00
Each lot over 100 lots	8.65
Subdivision Open Space and One-Family Cluster Development	725.00
Tree Preservation – Site Plans and Plats	830.00
Tree Preservation – Single Family Lot (less than one acre)	175.00
Tree Preservation Administrative Fee	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection)	Payroll + 175%
No Tree Affidavit	117.00
Site Plan Review:	
First Acre	399.00
Additional Acre	67.00
Site Plan Review by Planning Commission:	
First Acre	535.00
Additional Acre	67.00
As Built Revisions	235.00
Master Land Use Report	36.00
Master Land Use Map	11.75
Subdivision Plat Print (per sheet)	11.75
Subordination of Lien	150.00
Zoning Board of Appeals:	
Regular Meeting	390.00
Special Meeting	790.00
Zoning Compliance Letter	59.00
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	10.00
Additional Pages	1.00
Clearance Letter	15.00
Noncriminal Fingerprint Card	22.00
Photos: 8" x 10" Color	29.00
5" x 7" Color	29.00
8" x 10" Contact Sheet	29.00
Compact Disc	15.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	20.00
Reports on TR-52 Tracking	25.00
Administration and Presence at Auction	560.00
Audio Tape Duplication Fee	40.00
Video Tape, DVD, CD Duplication Fee	44.00
Animal Give-up Fee	65.00
Animal Impoundment Fee (Released from Station)	28.00
Animal Impoundment Fee (Taken to County)	65.00
Animal Trap Rental Fee (per 5 days)	27.00
Animal 10-Day Quarantine Fee	150.00
Bail Bond Arrest Warrant Fee	10.00
Personal Breathalizer Test (PBT)	21.00
Booking Photo	9.00
Notary Fee for Gun Permits	10.00
Park Alcohol Permit Fee	31.00
Vehicle Inspection Fee	32.00
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)	32.00
Third Response (Non-Residential)	93.00
Fourth Response (Residential)	63.00
Fourth Response (Non-Residential)	188.00
Fifth and Subsequent Responses (Residential)	123.00
Fifth and Subsequent Responses (Non-Residential)	372.00
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
- 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) 4.00
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 97.00
Sewer Tap 1,060.00
Sewer Capital/Unit
- Residential 790.00
- Commercial/Industrial (per 1,000 sq. ft.) 400.00

Sewer Frontage (per front ft.) 66.00
Sewage Disposal Service Only (per billing) 55.00
Residential and Commercial Water Meters:
- ¾" Remote 375.00
- 1" Remote 420.00
- 1 ½" Remote 725.00
- 2" Compound Remote 1,870.00
- 3" Compound Remote 3,310.00
- 4" Compound Remote 4,360.00
- 6" Compound Remote 6,890.00

Double Check Detector Assembly with Meter:
- 3" 1,840.00
- 4" 1,940.00
- 6" 2,780.00
- 8" 5,040.00
- 10" 7,350.00

Water Inspection 97.00
Water Tap
- 1" 1,000.00
- 1 ½" 1,370.00
- 2" 1,610.00
- 3" 3,210.00
- 4" 3,470.00
- 6" 3,970.00
- Additional Charge for 86 ft. wide street:
  - 1" 310.00
  - 1 ½" 360.00
  - 2" 500.00

Additional Charge for 120 ft. wide street:
1" 640.00
1 ½" 810.00
2" 1,060.00
Additional Charge for 204 ft. wide street:1,440.00
1" 1,510.00
1 ½" 1,920.00
2" 2,730.00
Water Capital/Unit:
Residential 620.00
Commercial/Industrial (per 1,000 sq. ft.) 320.00
Water Frontage (per front ft.) 36.00
Monitor Surcharge ..... per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee 47.00
Water Service Fee (avoidable & repeat visits) 47.00
Water Service Abandonment Fee 430.00
Sewer Service Abandonment Fee 97.00
Water Service Re-Use Fee 235.00
Sewer Service Re-Use Fee 97.00
Water Meter Testing Fee 45.00
Water Meter Rescheduling Fee 47.00
Automatic Fixed Network Meter Read Permit 161.00
Final Water Meter Read 31.00
Final Water & Sewer Bill Preparation Fee 12.00
Citizen Water Service Request – after hours 56.00
Public Works Services Provided ..... Cost + 25%
Water Meter Removal/Reinstallation for common area irrigation system 180.00
Landlord/Tenant Affidavit Filing Fee 135.00
Fire Hydrant Rental – Payable by City 24.00
Private Use of Fire Hydrant:
One Hydrant ..... 110.00 per month +290.00 water usage deposit
More Than One Hydrant ..... 220.00 per month + 570.00 water usage deposit
Bypass Inspection Fee ..... Back bill + 120.00
Common Area Irrigation System Permit 350.00
Planting of tree in right-of-way 190.00
Culvert installation permit 87.00
Ditch enclosure permit 87.00
Monitoring well installation permit 410.00
Sewer connection to discharge treated ground water 410.00
Cutting of noxious weeds ..... Contract costs + 60% administrative fee +30.00 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 40.00
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%
Tax Statement Copy (Internet – Free)	2.00
Attorney Review Fee for Liens or Discharges	73.00
Subordination of Lien	265.00
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 sign letters of severance after notifying the City Council and 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, 2012.

BY ORDER OF CITY COUNCIL

ADOPTED:
PUBLISHED:
EFFECTIVE:

Glossary of Key Concepts

A

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BALANCED BUDGET – A budget in which estimated revenues 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.

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