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

City Seal

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



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

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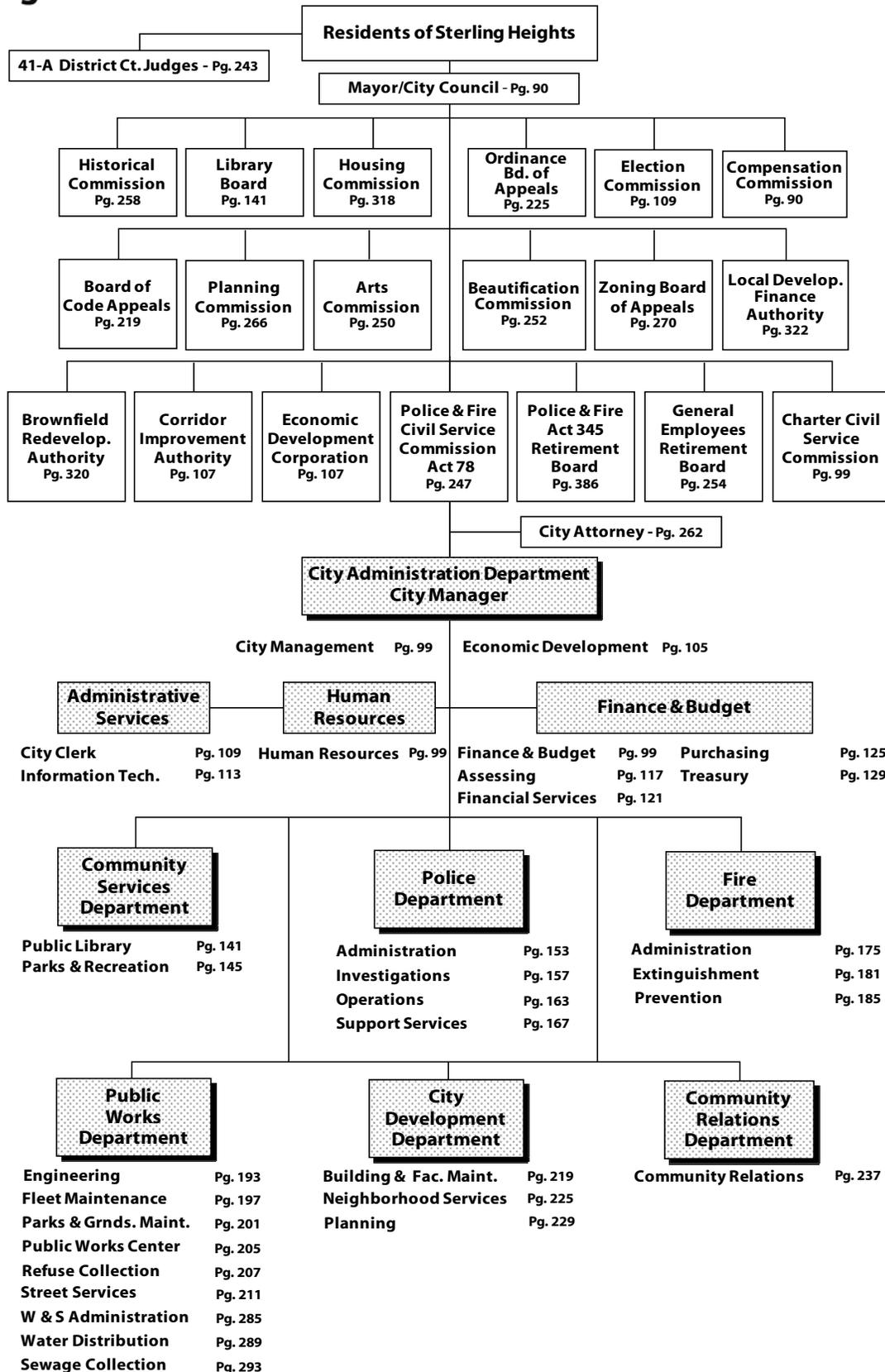
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July 1, 2015

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

Introduction

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. 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 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 2015/16 Annual Budget.

Overview

This past year was important for the City as we embarked on a new Visioning 2030 Plan. By any measure, the City has had a successful history since its incorporation in 1968. However, after 47 years, the most recent of which were consumed by financial challenges, it was time to take a hard look at the future through a thorough visioning process, including input from key stakeholder groups such as the City Council, employees, businesses and residents. After a six month process, on June 3, 2014, the City approved the 2030 Vision Plan, including the following vision statement and guiding principles.

Vision Statement:

A vibrant, welcoming city dedicated to a safe, active, and distinctive community for residents and businesses. Sterling Heights – a bold vision for an exceptional quality of life.

Guiding Principles:

- ✓ Successful, vibrant and attractive commercial center(s) with unique offerings
- ✓ Safe, well-maintained and desirable neighborhoods enhanced by great schools
- ✓ Destination for hi-tech and emerging industries and entrepreneurs
- ✓ Well-maintained and aesthetically pleasing roads and green spaces
- ✓ Focal points that are both Public and Private to serve as destinations for residents and visitors
- ✓ Plentiful leisure and recreation opportunities featuring fully utilized parks
- ✓ Abundant pathways for biking and walking

To begin actualizing the Visioning 2030 initiative, the City is developing a number of long-range plans, including the Master Plan, Parks and Recreation Plan and Non-motorized Transportation Plan.

These plans, providing a roadmap for implementation of the Visioning 2030 Plan, will result in a revitalized and vibrant community that remains a destination for high tech manufacturing jobs, offers clean and safe neighborhoods, provides ample recreational opportunities and bestows an overall excellent quality of life. It is with these principles in mind, the fiscal 2015/2016 Budget has been developed.

Revenues and Expenditures

The City budget totals \$163.0 million – an increase of only \$3.3 million or 2.1% over the prior year. The budget, which had declined to its lowest inflation adjusted level in nearly 20 years, continues to fund the

voter-approved Safe Streets Proposal which enables the City to avoid further cuts to public safety staffing, provides for needed community investments, and begins to increase depleted reserves. The slight overall budget increase is a result of higher water & sewer costs from Detroit and the Macomb County Public Works office. Costs which the City controls decreased due to declining debt payments, one-time transfers in the previous year, and savings from contracting with the County for Dispatch operations. Additional funds are budgeted for City placemaking efforts resulting from the Visioning process, increased road improvements, needed City facility repairs, the early hiring of Police Officers, and restoring several positions due to increased service needs and succession planning efforts.

Personnel

With passage of the Safe Streets proposal, the City is continuing to fill approximately 70 projected vacancies in Police and Fire due to retirements over the next several years. This began with the hiring of 12 new Police Officers and 19 new Firefighters in the current year. The proposed budget includes hiring 12 more Police Officers, a Police Captain, and two Fire Inspectors.

The City is continuing to negotiate new collective bargaining agreements addressing the need to provide wage increases after five years of wage freezes and restoration of the eight unpaid holidays and furlough days. The City has had to balance these objectives with projected operational revenue growth of only 2% annually. Actual taxable value on property tax revenue growth is only 1.6%. In order to remain financially stable, the City must ensure that operational expenditures do not exceed this annual threshold. Out of 11 bargaining groups, 4 new agreements were approved under this model the past year. New agreements will be negotiated with the remainder of collective bargaining units over the next year.

The City has excelled over the years because of excellent employees and we must continue to invest in this important asset beyond wage increases. With this in mind, the City is eliminating the two-tiered wage structure by allowing new employees to reach the same top end as existing employees. In addition, over the past two years the City has approved ten reclassification compensation equity adjustments and approximately 75 promotional opportunities have occurred over the past year, providing continued advancement for employees. The City has also restored the Tuition Reimbursement Program, providing additional training and professional development options.

City Reserves

The fiscal year 2015/16 Budget provides for an increase to General Fund Reserves of \$0.9 million. A portion of reserves allocated to the Insurance Fund is partly being used to finance one-time capital expenditures. The Insurance Fund has an adequate reserve, and the need for capital replacement and repairs continues to be high after years of under funding. Funding levels have increased in other major funds, including the Retiree Healthcare Trust Fund. Eleven years ago, this liability was only 6% funded with approximately \$6 million in reserves. This fund is now over 43% funded with reserves totaling nearly \$80 million. Continued legacy reform, including elimination of retiree health care for all new employees starting in 2004, will increase the funding percentage even more in future years. At the same time, the unfunded liability of approximately \$105 million will stabilize and decline. Both the Police & Fire Pension and General Employee Pension Funds increased in funding to over 68% and 84%, respectively. Elimination of the fixed pension plan (Defined Benefit) and reduction of the pension multiplier from 2.8% to 2.0% for public safety will further improve long-term funding levels.

Capital Expenditures

For the second consecutive year, significant Capital expenditures are allocated in the budget to address an aging infrastructure and equipment. For example, eight new 4x4's, a new front-end loader, two sewer trucks and a snow plow truck were purchased over the past year. Two 4x4's, a utility truck, crane truck and fire engine are in the budget. The entire fuel dispensing system at the DPW facility will be replaced over the

next year. Eight public safety vehicles will be replaced, including replacement of 58 in-car police computer systems.

The capital infrastructure repairs include substantial upgrades to the parking lots at City Hall, the Court building, Library and Fire Station #5, which have all deteriorated considerably over the years.

Neighborhood road funding will equate to \$4.6 million due in large part to the passage of the Safe Streets proposal by the voters in November 2013. Approximately \$3.3 million will be allocated annually for the next five years to fund neighborhood road improvements, along with funding from grants and Act 51 Motor Fuel Tax revenue. The budget includes \$9.6 million to fund the remaining City share of the Van Dyke reconstruction project and Dodge Park Road improvements. In addition, funding is included for the resurfacing of 15 Mile Road from east of Ryan Road to Dequindre Road in both directions, along with improvements on Mound Road from 18 Mile Road to M-59 and improvements on Ryan Road.

Numerous park improvements will also be made, including new scoreboards at Baumgartner Park and replacement of the Dodge Park pedestrian bridge over the Clinton River.

The Future

The City has navigated the challenging financial times in a comprehensive, long-term manner; and as a result, achieved financial stability. This was accomplished through downsizing, developing more cost effective service delivery models and implementing legacy reforms.

Place Making

The challenge for the community moving forward is continuing to provide core services in a cost effective manner while enhancing quality of life services that retain existing residents and businesses while attracting new residents and businesses. Implementing new initiatives that have been repeatedly requested by residents is vitally important to the future success of Sterling Heights. Thus, the proposed budget includes funding for a Farmers Market, which has been frequently requested by residents over the years and was a common topic in the Visioning 2030 focus group meetings last year. In addition, over the next year, Administration will be working to establish funding for the City's first ever dog park. This, too, has been an initiative in high demand from residents. Pursuant to community requests, the City will be improving focal points such as the City Center/Dodge Park area and making rights of way along major roadways more aesthetically pleasing. Through the Master Plan process, the City will be identifying other areas of improvement that result in Sterling Heights being more attractive to new families and millennials from across the region and beyond.

Economic Development

Place making cannot be achieved in a meaningful way without a vibrant business community. Knowing this, the proposed budget includes funding to focus even more effort on Economic Development initiatives targeting potential areas for development or redevelopment. There will be a renewed effort in and around the Lakeside area to make sure this important commercial sector is well positioned for future development and prosperity.

The City's efforts with VELOCITY are paying off, with the incubator nearing full occupancy and the Michigan Defense Center's completion of an International Landing Zone (ILZ) for non U.S. companies looking to expand in this area. The ILZ space is already occupied with new tenants. The City is continuing to leverage strong partnerships with MEDC, Macomb County, Oakland University, and MCC, along with major corporations including Ford, Fiat Chrysler, BAE, General Dynamics, Beaumont Hospital and the Sterling Heights Regional Chamber of Commerce & Industry to name a few.

The North Van Dyke River District area is seeing steady improvements with numerous new developments completed over the past few years. Future plans include integrating this area with recreational opportunities provided by the Clinton River, bike/hike trails and nearby parks.

The Van Dyke corridor further to the south has experienced a remarkable turnaround with the long anticipated completion of the new \$1 billion Sterling Heights Assembly Plant (SHAP). The economic impact of this massive project has resulted in many new investments along the corridor, including auto dealers, restaurants, banks and shopping centers. This activity along with the much anticipated \$40 million reconstruction of Van Dyke from 14 ½ Mile to 18 Mile Road will result in a highly prosperous corridor, fueling even more economic activity in the area.

The local economy is recovering nicely, as evident by the aforementioned projects and the fact that almost all of the major retail centers have been upgraded over the past couple of years and occupancy rates have increased. Best of all, the City's unemployment rate has dropped into the 5% range and foreclosures have declined to more normal levels. Sterling Heights led the region for the largest increase in home values at 15% on average. While the economic successes in Sterling Heights are impressive, the City cannot lose focus of the need to foster an environment supportive of existing businesses and inviting to new businesses. With this in mind, the proposed budget continues funding to facilitate and incentivize development of underutilized properties in distress or projects that have significant long-term benefit. The Economic Development Fund could be leveraged with other resources to acquire and/or improve properties which would eventually be marketed for redevelopment. This tool has proven effective in other parts of the state and country.

Conclusion

The proposed budget includes funding to continue reinvesting in the organization's human assets with wage increases, restoration of unpaid holidays & furlough days, continued promotional opportunities, training and professional development options and new equipment. At the same time, the proposed budget includes investment in community assets, such as neighborhoods, through continued road improvements and strong code enforcement through the Sterling Heights Initiative for Neighborhood Excellence - better known as SHINE. The budget includes funding to beautify major commercial corridors with increased streetscapes and reduced sign clutter. Most importantly, the budget strengthens the long-standing partnership with the community by charting the course of the City for the next 15 years through the new and exciting Visioning 2030 Plan.

In closing, I would like to acknowledge the efforts of the Finance & Budget staff: Brian Baker, Janice Schoenrath, and Sharon Wennerstrom for their hard work and effort during the budget process. The City's department directors and managers are also commended for their team effort and continued commitment to service excellence. I am especially grateful to the City employees who remain dedicated to this great organization and work tirelessly on behalf of our customers, delivering exemplary services.

I would also like to thank the Mayor and City Council for their continued leadership and support throughout the year, especially during the months required to prepare and present the annual budget. Thanks to the entire Sterling Heights Team, the City's future is promising.

Respectfully submitted,



Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2015/16 Budget At A Glance ...

Michael C. Taylor
Mayor

Doug Skrzyniarz
Mayor Pro Tem

Deanna Koski
Councilwoman

Joseph V. Romano
Councilman

Maria G. Schmidt
Councilwoman

Nate Shannon
Councilman

Barbara A. Ziarko
Councilwoman



Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget
Director

The budget totals \$163.0 million – an increase of only \$3.3 million or 2.1% over the prior year. The budget, which had declined to its lowest inflation adjusted level in nearly 20 years, continues to fund the voter-approved Safe Streets Proposal which enables the City to avoid further cuts to public safety staffing, provides for needed community investments, and increases reserves.

- The slight budget increase is a result of higher water & sewer costs from the Detroit and Macomb County. Costs which the City controls decreased due to declining debt payments, one-time transfers in the previous year, and savings from contracting with the County for Dispatch operations. Additional funds are budgeted for City placemaking efforts resulting from the Visioning process, increased road improvements, needed facility repairs, the early hiring of Police Officers, and restoring several positions due to increased service needs and succession planning efforts.
- The City's total taxable value increased 1.6%, up from the 0.7% increase last year and is only the second increase in the past eight years. The inflationary adjustment is one of the lowest increases since Proposal A began and is well below the twenty-year average 2.4% inflationary rate.
- Despite modest taxable value increases, taxable values have still fallen by 22.4% since 2008, resulting in a cumulative \$11 million loss and a \$79 million loss of normal tax revenue growth. The State has cut its funding by \$37.8 million cumulatively since 2002. As a result, the budget cannot restore all of the past cuts, but does allow for limited service improvements and community investments.
- The budget continues to reflect savings from reduced retirement benefits and from eliminating new hire retiree medical benefits. All long-term liability costs are funded. Costs are lower due to the greater use of technology, part-time and volunteer staffs, privatization, and service sharing partnerships.
- The average homeowner's tax bill remains \$206 or 7.5% less than eight years ago. Tax bills are even lower than amounts paid ten years ago. The City's tax rate remains lower than two-thirds of

cities in the State and is one of the lowest of any city in the County. The City's tax rate is 5.75 mills lower than the average Macomb County city tax rate. City taxes average \$82 per month.

- The General Fund Budget totals \$89.7 million, an increase of only \$0.1 million or 0.2% due largely to one-time funds for the Van Dyke reconstruction last year and savings from transferring dispatch operations to the County. With these savings, the City is able to increase capital funding, add limited staff, and continue to restore reserves.
- The budget includes new road debt – the first City debt in six years. As the City has paid off 12 bonds over the past three years, overall debt will fall to its lowest level in 27 years.
- The budget funds 447 full-time positions – a net decrease of 9 positions. Due to the transfer of dispatch operations to the County, 22 full-time positions have been eliminated, while 13 new full-time positions are funded, some of which are being converted from part-time. Net part-time positions have increased by 12, mainly due to increased demands in Public Works.
- The City has reduced 202 full-time positions or 31% of its workforce since 2002, saving \$15.6 million. The employee per resident ratio has decreased by 44%. Public safety staffing is down only 25%, compared to more than a 40% reduction in other departments. The City continues to have one of the lowest employee to resident ratios of any city in the State. Part-time staffing has increased by 60% since 2004.

The budget includes funding for:

- \$21.3 million in infrastructure improvements including \$9.6 million in repairs to major roads including Dodge Park, Ryan and 15 Mile Road, \$4.6 million for neighborhood road repairs, \$3.6 million to repair City facilities, \$2.4 million for water & sewer mains, and \$0.4 million for park projects.
- Capital funding to replace eight Police vehicles, a Fire Engine, four DPW trucks, police in-car computers, fire rescue equipment, Parks & Recreation software, and replacement personal computers.
- Maintaining the lowest combined water & sewer rate for residential customers, as residents will pay only \$57 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 green 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 offices. For example, within the City Administration Department, there are eight offices including City Management, Economic Development, City Clerk, Information Technology, Assessing, Financial Services, Purchasing, and Treasury.

Each 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 office'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 office'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.■

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 and distributed to City Council
- Budget Video Produced

April

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

May

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

June - July

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

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

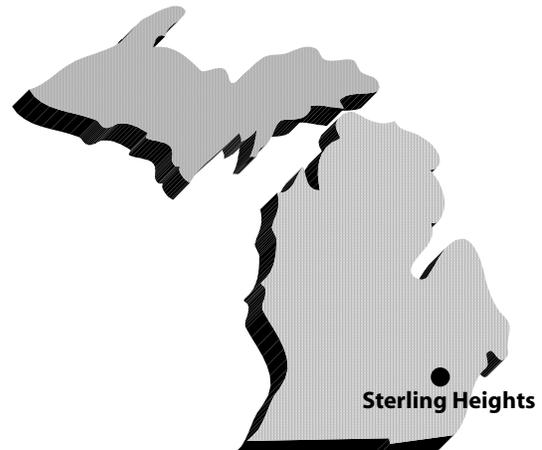
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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

Geographically, Sterling Heights is the third largest city in the state, occupying 36.8 square miles. Although much of its land is developed, approximately 5% remains vacant and available for development. The 2015 estimated population of Sterling Heights is 131,000. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 51,067 households in the City and a 41-year old median age. The City's median household income is \$57,075. 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 29 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, Utica Community Schools, and General Dynamics.

Sterling Heights has received many awards from various professional associations and municipal service organizations for its innovative approaches to service delivery and quality improvements. ■

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

ORGANIZATIONAL OPERATIONS

1. Provide quality and innovative services desired by the majority of the community, while maintaining the City's low cost and efficient government operations.
2. Provide managers and employees with the tools, resources and training to properly serve the community.
3. Offer an efficient, progressive, and high quality service delivery system that manages costs, maximizes revenues, empowers managers and employees, rewards success, and encourages accountability and creativity.
4. Stay up to date on the latest trends to meet the changing needs of the community and to continually update the City's long-range plans for land use, roads, parks, technology, capital, financial forecasting, long-term liabilities, debt, and employee succession.
5. Review department structures and staffing levels to achieve continued efficient and effective desired service levels and review the sharing of services and avoiding duplication of services with other units of government and the private sector where feasible.
6. Create high performance organization that adds value and continues to innovatively provide services and solve problems using an interdepartmental collaborative approach and where department goals are directed toward achieving City-wide goals.
7. Facilitate efficient management of City operations and services by keeping abreast of legislation, legal issues, and through regular communication with legislators.
8. Provide a system for financial and performance reporting that complies with accounting standards, ensures the City's long-term financial stability, regularly reports the City's financial condition, controls risk, increases investments returns, and achieves the high City bond rating.

PUBLIC SAFETY

9. Provide for a safe peaceful community by offering first rate emergency response capabilities that ensure a rapid response and which seek to lower the City's crime rate and minimize the effects of medical emergencies and property loss from fire.
10. Stay current with crime and fire prevention efforts, provide public education, and encourage citizen volunteers for neighborhood watch activities.
11. Maintain and improve the City's ability to respond to civil, natural and medical emergencies by partnering and coordinating with other public safety agencies.

PROPERTY VALUES

12. Develop a clear and visual image of the community, which reflects the highest standards of design quality for both the public and private sectors.
13. Protect a property owner's investment by equitably assessing property, monitoring environmental and blighting conditions and land uses which may adversely affect housing values, and encourage and administer property maintenance, enhancement and redevelopment programs in both residential and commercial areas.
14. Emphasize existing programs and develop additional programs and services which reinforce Sterling Heights as a safe, attractive residential community with well-maintained and desirable neighborhoods.
15. Strive for a balance of housing options which is available to meet the needs of all members of the community regardless of age, income or background.

CITY INFRASTRUCTURE & ENVIRONMENT

16. Develop a comprehensive system to maintain and improve City infrastructure including

major and local roads, bridges, parks, sidewalks, City facilities, signage, rivers, and water, storm and sewer mains to serve the needs of Sterling Heights residents.

17. Provide an orderly, balanced, well-maintained and safe transportation plan for vehicular, bike, and pedestrian traffic throughout the City, which is integrated with the regional transit system.
18. Ensure the safety and the physical beauty of the community with well-maintained, groomed, and attractive green spaces, a healthy urban forest, and an effective storm water runoff system.

RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES

19. Offer high quality and diverse educational, recreational, cultural, and leisure opportunities for City residents of all ages.

ECONOMIC DEVELOPMENT

20. Aggressively maintain and improve the City's financial base by emphasizing the importance of economic development, redevelopment, and marketing the City as a distinctive and welcoming place to do business.
21. Refine economic development and marketing policies and work with local partnerships to focus on business retention and attraction efforts including high tech and emerging industries and entrepreneurs, through economic gardening, retail business development, VELOCITY and business incubation, the defense corridor, Blue Water Economy, and tax increments financing which can further diversify and expand the City's tax base and create local jobs.
22. Facilitate strong identifiable City regional centers and successful vibrant and attractive commercial centers with unique offerings and focal points, which offer alternatives to the traditional downtown by providing clusters of community commercial facilities that serve as destinations for residents and visitors.

TECHNOLOGY & INNOVATION

23. Seek and maintain state-of-the-art innovation and technology hardware and software upgrades in City government through

automating systems and the City's website, thereby enhancing customer service while reducing costs, leading to increases in efficiency and improves services to residents and businesses.

COMMUNICATIONS

24. Maintain an open line of communication with all stakeholders, inform and promote City services, seek opinions, ideas, and feedback from all and promote cultural understanding in our diverse community.
25. Promote City services and events through a coordinated multi-media strategy incorporating the use of the City Magazine and website, press releases, brochures, social media, SHTV, and radio station AM 1700.
26. Encourage and promote volunteerism within the City to assist at City-wide events and with general operations where feasible. ■

2030 VISION STATEMENT:

A vibrant, inclusive community for residents and businesses that is safe, active, progressive and distinctive. Sterling Heights - a bold vision for an exceptional quality of life.

2030 GUIDING PRINCIPLES:

- ***Safe, well maintained and desirable neighborhoods enhanced by great schools.***
- ***Plentiful leisure and recreation opportunities featuring fully utilized parks.***
- ***Abundant pathways for biking and walking.***
- ***Focal points that are both public and private to serve as destinations for residents and visitors.***
- ***Well maintained and aesthetically pleasing roads and green spaces.***
- ***Successful, vibrant and attractive commercial centers with unique offerings.***
- ***Destination for high-tech and emerging industries and entrepreneurs.***

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 ~



Policy Benchmark	Status
<p>Financial Policy</p> <ul style="list-style-type: none"> Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements 	<ul style="list-style-type: none"> Update of the City's Information Technology Plan and funding to: replace personal computers, network storage and backup devices, police in-car computers, thermal imaging cameras, use of field tablets, updated City website, and new Parks and Recreation software, and increased data sharing between departments
<ul style="list-style-type: none"> Maintain a budgetary control system to ensure adherence to the budget 	<ul style="list-style-type: none"> Only City in the nation to receive the GFOA's "Outstanding" budget award in all categories; "Distinguished" budget award for the past 28 years
<ul style="list-style-type: none"> Integrate performance measurement and productivity indicators in the budget 	<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> To avoid practices that balance current expenditures at the expense of future years' revenues 	<ul style="list-style-type: none"> No short-term borrowing for operations Lowest government debt of ten comparable MI cities Avoided borrowing to finance long-term liabilities Lowest City staffing since 1970's (reduced 202 FT) Achieved \$32.0 million in operational savings
<ul style="list-style-type: none"> To provide adequate maintenance and orderly replacement of capital facilities and equipment 	<ul style="list-style-type: none"> Facilities and park repairs \$4.0 million Vehicle expenditures \$1.1 million Equipment & technology \$0.6 million
<ul style="list-style-type: none"> Maintain adequate level of funding for all retirement systems 	<ul style="list-style-type: none"> General Employees System 84.3% funded Police & Fire Pension System 68.4% funded 401(k) Plan for all new general employees; reduced fixed pensions for all existing employees Eliminated Police & Fire DROP program Eliminated retiree medical for new hires Pre-funding retiree medical past 20 years Increased retiree medical funding past twelve years and fully funding contributions; plan 43% funded
<ul style="list-style-type: none"> Seek property tax relief 	<ul style="list-style-type: none"> Average total tax bill has declined by \$206 or 7.5% since 2007 Tax bills lower than amounts paid ten years ago City tax rate lower than majority of all cities in the State and one of lowest of any Macomb County city City tax rate is 5.75 mills below the average tax rate of all Macomb cities Lowest taxes per resident of ten comparable MI cities
<ul style="list-style-type: none"> Enhancement of the property tax base 	<ul style="list-style-type: none"> City total taxable value has decreased by 22.4% since 2008 In 2015, City had the highest increase in residential property values in Macomb County 240% increase in code enforcement properties cleaned up since 2005 Successful efforts to save Chrysler Plant Defense Corridor and economic development initiatives

Policy Benchmark	Status
<p>Revenue Policy</p> <ul style="list-style-type: none"> Maintain a diversified and stable taxable revenue base Maintain sound appraisal procedures and practices to reflect accurate property values Review fees and charges to assure the cost of providing the service is appropriately charged 	<ul style="list-style-type: none"> City's Taxable Value: <ul style="list-style-type: none"> Residential 63% Commercial & Industrial 37% 4th highest property values in State Equalization Factor = 1 Use of one and two-year sales studies Annual review of rates and fees Higher non-resident fees Continued lowest water & sewer rates in State Average \$82 monthly City tax bill and \$57 water & sewer bill
<p>Reserve Policy</p> <ul style="list-style-type: none"> 10% minimum unreserved/undesignated General Fund Balance (excluding Self-Insurance Fund) 37 days of General Fund operations 	<ul style="list-style-type: none"> 8.5% of 2016 budgeted expenditures Lowest General Fund reserves of ten comparable Michigan cities; adding to reserves in 2015 and 2016 31 days of General Fund operations
<p>Accounting, Auditing, Financial Reporting Policy</p> <ul style="list-style-type: none"> Produce comprehensive annual reports in accordance with GAAP 	<ul style="list-style-type: none"> Certificate of Achievement for Excellence in Financial Reporting Award for 27 years One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
<p>Investment Policy</p> <ul style="list-style-type: none"> Analyze market conditions to maximize yields while maintaining the integrity and safety of principal 	<ul style="list-style-type: none"> Maximized Interest on Investment earnings Retiree Health Care Fund Investments maximized
<p>Debt Policy</p> <ul style="list-style-type: none"> Keep average maturity of general obligation bonds at or below 20 years Maintain a sound relationship with all bond rating agencies 	<ul style="list-style-type: none"> 2010 MTF Road Bond 15 yrs. 2007 Senior Active Life Center/Radio Bond 6 yrs. 94% of City debt paid off within ten years Refinanced bonds saving \$1.4 million City's government debt level at 27-year low Twelve bonds fully paid off last three years 3rd highest bond rating of ten comparable MI cities <ul style="list-style-type: none"> Fitch's rating AA+ Moody's rating Aa1 Standard & Poors' rating AA+
<p>Capital Improvement Policy</p> <ul style="list-style-type: none"> Make all capital improvements in accordance with an adopted capital acquisition program Continue to implement a multi-year plan for capital improvements 	<ul style="list-style-type: none"> \$21.3 million in total Capital Improvement Projects \$4.6 million in neighborhood street repairs \$9.6 million in Major road improvements Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

Comparable City Benchmarks

City Revenues

Total Revenue Per Resident

1. Ann Arbor	\$2,227
2. Dearborn	2,205
3. Grand Rapids	2,046
4. Southfield	2,006
5. Lansing	1,806
6. Troy	1,468
7. Warren	1,441
8. Farmington Hills	1,431
9. Livonia	1,388
10. Sterling Heights	1,043

Tax Revenue Per Resident

1. Southfield	\$847
2. Dearborn	846
3. Ann Arbor	730
4. Warren	678
5. Grand Rapids	654
6. Lansing	587
7. Troy	579
8. Livonia	561
9. Farmington Hills	505
10. Sterling Heights	400

State Revenue Sharing Per Resident

1. Lansing	\$111
2. Grand Rapids	103
3. Warren	96
4. Dearborn	88
5. Ann Arbor	87
6. Southfield	86
7. Livonia	80
8. Sterling Heights	79
9. Troy	78
10. Farmington Hills	77

Gas Tax (Act 51) Revenue Per Resident

1. Lansing	\$75
2. Grand Rapids	70
3. Southfield	69
4. Farmington Hills	68
5. Dearborn	67
6. Ann Arbor	66
7. Warren	65
8. Livonia	63
9. Troy	62
10. Sterling Heights	56

Comparable City Benchmarks

City Expenditures

Total Expenditures Per Resident

1. Ann Arbor	\$2,159
2. Dearborn	2,035
3. Grand Rapids	1,963
4. Southfield	1,884
5. Lansing	1,792
6. Troy	1,406
7. Livonia	1,351
8. Farmington Hills	1,310
9. Warren	1,249
10. Sterling Heights	1,058

Police Expenditures Per Resident

1. Dearborn	\$346
2. Southfield	323
3. Lansing	317
4. Grand Rapids	279
5. Troy	263
6. Warren	263
7. Sterling Heights	245
8. Farmington Hills	234
9. Livonia	222
10. Ann Arbor	216

Fire Expenditures Per Resident

1. Lansing	\$246
2. Southfield	203
3. Dearborn	199
4. Grand Rapids	153
5. Warren	147
6. Sterling Heights	130
7. Livonia	127
8. Ann Arbor	119
9. Farmington Hills	102
10. Troy	53

Public Works Expenditures Per Resident

1. Ann Arbor	\$166
2. Farmington Hills	142
3. Livonia	141
4. Lansing	130
5. Southfield	126
6. Dearborn	115
7. Grand Rapids	97
8. Warren	92
9. Sterling Heights	81
10. Troy	75

Comparable City Benchmarks

City Expenditures (continued)

Refuse Expenditures Per Resident

1. Ann Arbor	\$258
2. Troy	189
3. Livonia	121
4. Grand Rapids	69
5. Dearborn	57
6. Warren	56
7. Farmington Hills	44
8. Southfield	42
9. Lansing	40
10. Sterling Heights	36

Library Expenditures Per Resident

1. Southfield	\$71
2. Dearborn	50
3. Grand Rapids	50
4. Livonia	37
5. Troy	28
6. Warren	28
7. Sterling Heights	19
8. Ann Arbor*	0
9. Farmington Hills*	0
10. Lansing*	0

**District Library*

Parks & Recreation Expenditures Per Resident

1. Dearborn	\$132
2. Ann Arbor	102
3. Troy	102
4. Farmington Hills	97
5. Southfield	86
6. Livonia	69
7. Lansing	61
8. Warren	49
9. Grand Rapids	31
10. Sterling Heights	15

2013 Revenues Over (Under) Expenditures Per Resident

1. Warren	\$192
2. Dearborn	170
3. Southfield	122
4. Farmington Hills	121
5. Grand Rapids	83
6. Ann Arbor	68
7. Troy	63
8. Livonia	37
9. Lansing	14
10. Sterling Heights	(15)

Comparable City Benchmarks

Financial Benchmarks

2013 State Equalized Value (Billions)

1. Ann Arbor	\$5.5
2. Grand Rapids	4.6
3. Troy	4.5
4. Sterling Heights	4.3
5. Livonia	4.0
6. Dearborn	3.7
7. Warren	3.5
8. Farmington Hills	3.1
9. Southfield	2.6
10. Lansing	2.1

Fitch Investors Bond Ratings

1. Farmington Hills	AAA
2. Troy	AAA
3. Ann Arbor	AA+
4. Sterling Heights	AA+
5. Grand Rapids	AA
6. Lansing	AA
7. Livonia	AA
8. Southfield	AA
9. Warren	AA
10. Dearborn	A+

General Fund Reserves Per Resident

1. Troy	\$454
2. Farmington Hills	291
3. Southfield	237
4. Warren	234
5. Dearborn	196
6. Grand Rapids	174
7. Ann Arbor	141
8. Livonia	96
9. Lansing	47
10. Sterling Heights	40

2012 Fiscal Health Score 1 = Best; 10 = Worst

1. Ann Arbor	1
2. Dearborn	1
3. Farmington Hills	1
4. Grand Rapids (2011)	1
5. Troy	1
6. Livonia	2
7. Warren	2
8. Southfield	3
9. Lansing	5
10. Sterling Heights*	5

**Prior to Safe Streets Proposal*

Comparable City Benchmarks

City Pension Plans

Annual Required Contribution Per Resident

1. Lansing	\$147
2. Dearborn	116
3. Warren	109
4. Southfield	93
5. Grand Rapids	90
6. Ann Arbor	86
7. Sterling Heights	82
8. Farmington Hills	56
9. Troy	38
10. Livonia	8

Police & Fire Plan Percent Funded

1. Livonia*	99.0
2. Troy*	94.8
3. Southfield	88.7
4. Grand Rapids	88.0
5. Dearborn	86.6
6. Farmington Hills*	83.4
7. Ann Arbor*	82.7
8. Warren	79.1
9. Lansing	71.0
10. Sterling Heights	66.0

**Includes general employees*

General Employees Plan Percent Funded

1. Livonia*	99.0
2. Troy*	94.8
3. Sterling Heights	83.5
4. Farmington Hills*	83.4
5. Dearborn	82.8
6. Ann Arbor*	82.7
7. Grand Rapids	81.0
8. Southfield	72.6
9. Warren	67.3
10. Lansing	61.6

**Includes police & fire employees*

Unfunded Pension Liability Per Resident

1. Lansing	\$1,910
2. Warren	1,369
3. Southfield	1,091
4. Ann Arbor	880
5. Sterling Heights	868
6. Grand Rapids	818
7. Dearborn	725
8. Farmington Hills	352
9. Livonia	146
10. Troy	68

Comparable City Benchmarks

Retiree Health Benefit Plans

Annual Required Contribution Per Resident

1. Lansing	\$284
2. Southfield	170
3. Dearborn	142
4. Ann Arbor	109
5. Warren	104
6. Sterling Heights	92
7. Grand Rapids	89
8. Livonia	75
9. Farmington Hills	50
10. Troy	34

Retiree Health Plan Percent Funded

1. Troy	67.1
2. Farmington Hills	60.9
3. Livonia	40.0
4. Ann Arbor	35.1
5. Sterling Heights	29.1
6. Southfield	23.0
7. Dearborn	18.6
8. Warren	13.0
9. Lansing	9.9
10. Grand Rapids	4.0

Unfunded Health Liability Per Resident

1. Lansing	\$3,778
2. Southfield	2,218
3. Warren	2,092
4. Dearborn	1,857
5. Ann Arbor	1,396
6. Sterling Heights	990
7. Livonia	967
8. Grand Rapids	661
9. Troy	504
10. Farmington Hills	235

Retirement Health Benefit Recipients Per 1,000 Residents

1. Warren	10.3
2. Lansing	10.1
3. Dearborn	7.9
4. Ann Arbor	7.1
5. Southfield	6.7
6. Livonia	5.6
7. Sterling Heights	4.4
8. Troy	4.0
9. Farmington Hills	2.5
10. Grand Rapids	2.1

Comparable City Benchmarks

Miscellaneous Benchmarks

Full-Time Employees Per 1,000 Residents

1. Grand Rapids	7.9
2. Lansing	7.5
3. Southfield	7.2
4. Dearborn	6.9
5. Ann Arbor	6.1
6. Livonia	5.8
7. Warren	4.7
8. Farmington Hills	4.3
9. Troy	4.0
10. Sterling Heights	3.4

Government Debt Per Resident

1. Dearborn	\$2,360
2. Lansing	2,255
3. Ann Arbor	2,150
4. Warren	1,199
5. Grand Rapids	907
6. Southfield	903
7. Livonia	677
8. Troy	312
9. Farmington Hills	221
10. Sterling Heights	190

Pension & Retiree Health Care Annual Req'd Contribution Per Resident

1. Lansing	\$431
2. Southfield	263
3. Dearborn	258
4. Warren	213
5. Ann Arbor	195
6. Grand Rapids	179
7. Sterling Heights	174
8. Farmington Hills	106
9. Livonia	83
10. Troy	72

Average Residential Monthly Water & Sewer Bill

1. Lansing	\$101.44
2. Southfield	84.70
3. Dearborn	75.08
4. Grand Rapids	73.48
5. Farmington Hills	63.94
6. Ann Arbor	57.50
7. Troy	55.15
8. Livonia	55.06
9. Warren	51.63
10. Sterling Heights	45.02

All Funds Summary

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

Financial Organization Chart

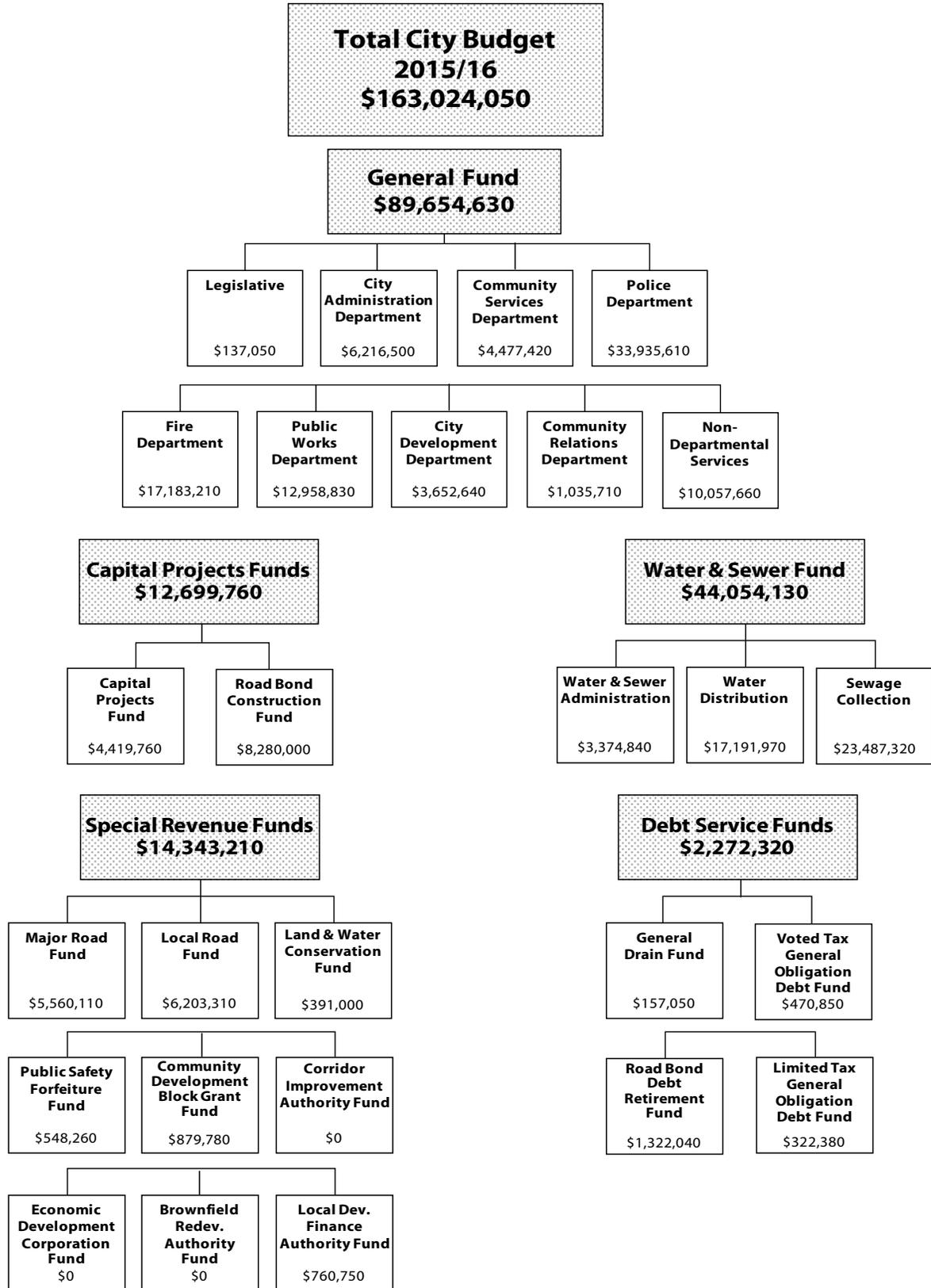


Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

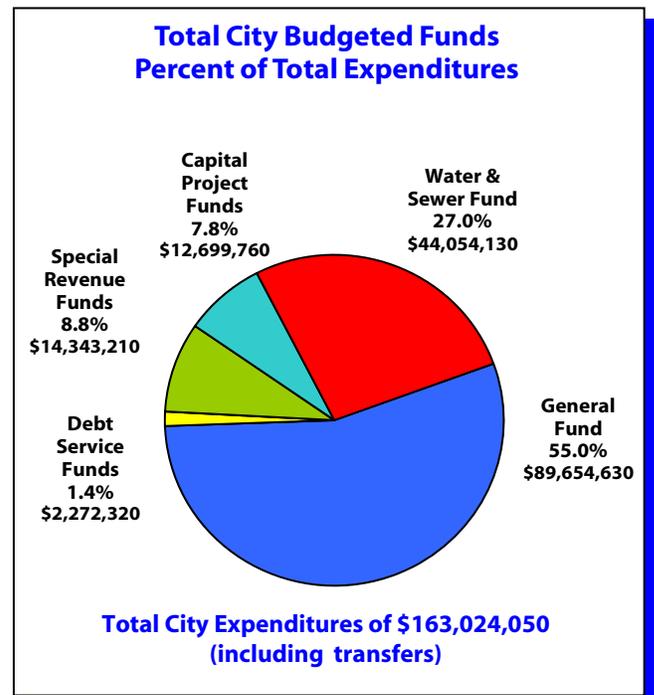
This Executive Summary has been prepared as a general overview to the 2015/16 Budget for the City of Sterling Heights. This overview will provide City residents with a comprehensive summary of the City's plans for the fiscal year. The City Council held several budget hearings throughout the months of 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), and at the City Clerk's office and the Public Library.

TOTAL CITY FUNDS

The 2015/16 Budget for all City Funds totals \$163.0 million – an increase of only \$3.3 million or 2.1% over the prior year. The overall increase is a result of higher water & sewer costs from the City of Detroit and the Macomb County Public Works office. Most City funds decreased due to declining debt payments, one-time transfers that funded capital improvements in the prior year, and savings from transferring Dispatch operations to the County. Additional funds are budgeted for increased road improvements, City facility repairs, succession planning efforts and restoring thirteen full-time and twelve part-time positions.

The City establishes a budget for 15 separate funds or accounting divisions. These 15 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the General Fund, which provides \$89.7 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 \$44.1 million in funding for the water distribution and sewage disposal services purchased from the City of Detroit and Macomb County. 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 \$14.3 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, the local development financing authority, and for the federally subsidized Community Development Block Grant. Several notable items in the Special Revenue Funds Budget include:

- CDBG funding to resurface the parking lot and replace wall partitions at the Senior Center, repair Comstock Drive, funding to assist low and moderate-income families in making minor home repairs, for property maintenance code enforcement efforts, funding for not-for-profit service organizations, and funding for the Special Recreation program.
- Funding for continued operation of the business incubator including repairs to the parking lot and redirecting captured BAE funds for future eligible SmartZone uses.
- Increased investment in major and local road maintenance including additional asphalt repairs, right of way mowing and snow removal funding.

- Park maintenance projects at several parks including replacement scoreboards and a ball field light pole safety audit at Baumgartner Park, initial grant match funds for a City Dog Park, and the replacement of the pedestrian bridge along the Dodge Park trail.

Numerous road improvement projects are budgeted next year including:

- Streetscape improvements and mile road monument markers on Van Dyke from 15 Mile to 18 Mile Road.
- Repairs to Mound Road north of 18 Mile Road and the repair of 15 Mile Road at Dodge Park Road.
- \$1.0 million for the City-wide sectional concrete replacement program.
- \$3.35 million in neighborhood road concrete repairs funded by the new Safe Streets millage approved by City residents.
- Funding for the specially assessed paving of Gardner Street East.

The Capital Project Funds total \$12.7 million. These funds are used for the road construction projects financed by the sale of bonds, the purchase of capital equipment and vehicles, and the repairs to municipal facilities, sidewalks, and storm drains. Notable capital projects include:

- The reconstruction of Dodge Park Road from Metroparkway to Utica Road, the resurfacing of 15 Mile from Dequindre to Ryan Road, and repairs to Ryan Road from 15 Mile to Metroparkway.
- \$902,500 for replacement vehicles including a Fire Engine, eight Police vehicles, two DPW pickup trucks, two replacement pool vehicles, and a City Manager vehicle.
- \$2.0 million for City Hall parking lot repairs and the replacement of the DPW fuel dispensing system.
- Replacement equipment including a Library drop box, fire thermal image cameras, portable gas monitors, and a sewer snake machine for Facilities Maintenance.
- \$250,100 for Technology upgrades including new Parks & Recreation software, replacement computers for City Management, Information

Technology, Finance, Community Relations, and the 41-A District Court, check and employee ID badge printers, an update to the Technology Plan, a Microsoft Office software update, and additional network backup and disk storage.

- \$230,000 for Neighborhood Sidewalk Repairs and \$320,000 for the Sidewalk Gap Program, replacement City Hall electrical panels, exterior building façade repairs, and updated decorative banners on Utica Road, near City Hall.

Finally, the **Debt Service Funds** total \$2.3 million and provide funding for the debt payments on road construction projects, the City Center Commons, storm drains, and the debt resulting from the voter approved Proposal F. The City has saved over \$1.9 million in future interest payments due to the refinancing of several bonds and the last bond rating upgrade. The City's outstanding government debt has dropped to its lowest level since 1989. Debt continued to decline, as 12 existing bonds have been fully paid off over the past three years.

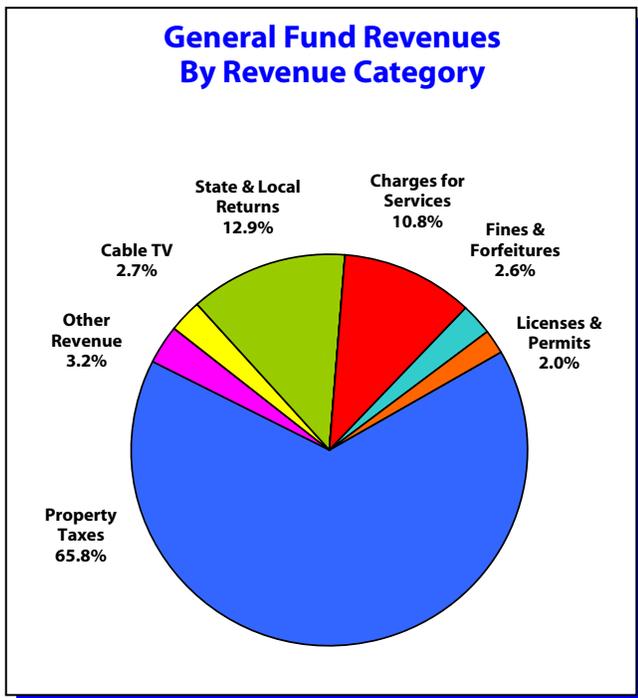
GENERAL FUND

The General Fund expenditure budget totals \$89.7 million, an increase of \$141,460 or 0.2% above the prior year budget. General Fund revenues declined by \$494,940 or 0.5%. The net result is a \$636,400 lower contribution to reserves. \$0.9 million is budgeted to be added to reserves next year, marking the second consecutive year the City has added to reserves.

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 15.1858 mills will provide \$59.2 million or 65.8% of the total General Fund budget. Taxes are levied for General Operations, Safe Streets, Refuse Collection, Police & Fire Pensions, Public Improvement Proposal F debt, and Drain debt.

The City's total millage rate of 15.1858 mills remains the same as last year. In 2014, the millage increased by 2.5 mills, as a result of the voter approval of the six-year Safe Streets millage in November 2013. Despite the increase, the City's tax rate continues to be lower than most cities in the State and is one of the lowest of any city in Macomb County. The City's



tax rate is 5.75 mills lower than the average tax rate of all Macomb County cities.

The City's total taxable value in 2016 is estimated to increase by 1.6%, an improvement over the 0.7% increase in the prior year, but still only the second increase in the past eight years. The Proposal A 1.6% inflationary adjustment is one of the lowest increases, and is well below the twenty-year 2.4% average inflationary rate. The inflationary adjustment on most property is partially offset by declines in several industrial properties, tax appeals, and a decrease in personal property taxes due to a new State law that exempts personal property under \$40,000 in taxable value. Despite the slight taxable value increases in the past two years, the City's total taxable value has still fallen by 22.4% since 2008. As a result, the City has now lost \$89.6 million since 2008 in lower property tax revenues compared to receipts in a normal housing market. When inflation and a normal housing market are excluded, the City has lost \$10.9 million in tax revenues. This revenue loss and assessment decline was unprecedented in the City's history.

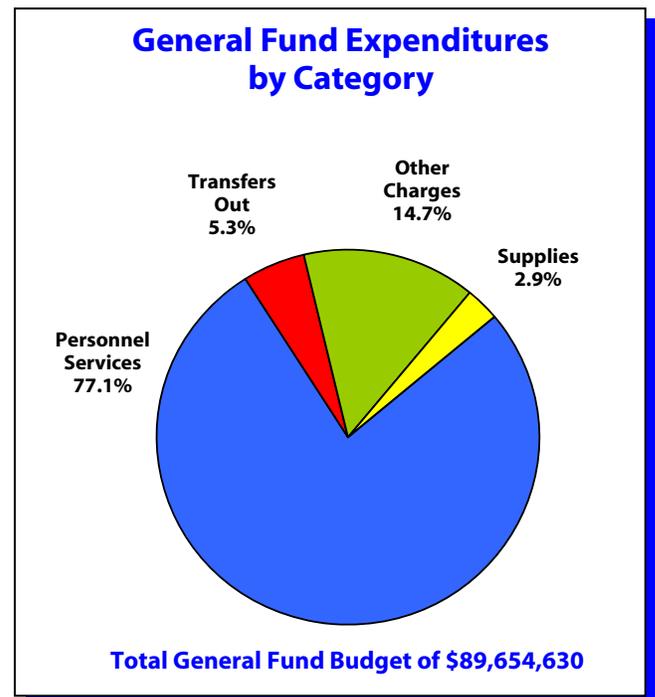
To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 2.0%, State and Local Returns 12.9%,

Fines & Forfeitures 2.6%, Charges for Services 10.8%, Other Revenue 3.2% and Cable TV Revenue 2.7%. No Other Financing Sources are budgeted, as last year a one-time transfer from the Self-insurance Fund was budgeted as a pass through to internally finance the Van Dyke road project.

Due to the passage of the Safe Streets proposal and due to continued efficiency efforts, \$1.24 million is budgeted to increase depleted General Fund reserves. Reserves are estimated to total \$7.9 million or 8.8% of General Fund expenditures. General Fund reserves recently had dropped to its lowest level since 1987.

Expenditures by Category

The \$89.7 million General Fund budget is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel costs, which is made up of wages and fringe benefits and comprises 77.1% of the total budget. Supplies, which is primarily made up of operating supplies, fuel, parts for the repair and maintenance of City vehicles, and the purchase of Library books, totals 2.9% of the budget. Other Charges totals 14.7% of the budget and is primarily for refuse, dispatch, detention facility and custodial contract



costs, utility bills, and legal costs. Transfers to other City funds totals 5.3% of the General Fund budget.

The total \$0.2 million increase in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

	<u>Dollar Change</u>	<u>Percentage Change</u>
Personnel Services	\$733,260	1.1%
Supplies	71,170	2.9%
Other Charges	1,702,610	14.8%
<u>Transfers Out</u>	<u>(2,365,580)</u>	<u>(33.2%)</u>
Total	<u>\$141,460</u>	<u>0.2%</u>

Personnel Services increased by \$733,260 or 1.1% over last year's budget. An estimated \$800,000 was saved by eliminating 20 Dispatcher positions and a vacant Police Sergeant due to the transfer of dispatch operations to the County. The prior year budget included funding for unused leave time for 19 retiring Fire Fighters and next year's budget reflects the savings from the new hires starting at a lower entry-level wage. Offsetting these savings were wage and benefit costs from the addition of 13 full-time positions, four of which are being converted from part-time. The budget also funds 12 additional part-time positions, mainly in Public Works. The budget includes the hiring and training of 12 new Police Officers in advance of numerous retirements, as well as the one-time cost of leave bank buyouts for the retiring Police Officers. Overtime costs rose due to continued increased staffing of the Fire rescue and ladder vehicles, additional road repair and inspection efforts, and for Police Officers working now on holidays. An additional \$129,460 is budgeted for general employee pension liabilities.

The budget includes the cost of the settled labor contracts for Police Officers, DPW Field, DPW Supervisors, and the Executive Group. Similar lump sum wage and furlough day changes for the unsettled June 30, 2015 labor contracts are also budgeted. Contractual wage steps are also budgeted for those employees not yet at the top step.

The City will again fully fund its actuarially required contribution for current and future retiree medical liabilities. In 2015/16, an additional \$237,730 is budgeted or \$11.9 million in total has been set-aside

in the General Fund to fully cover these obligations. In the past twelve years, the City has increased this funding by \$9.9 million.

The budget includes funding for 447 full-time positions – a net decrease of 9 positions. Due to the transfer of dispatch operations to the County, twenty-one positions have been reduced. A vacant full-time Library Clerk is now a part-time position in order to increase funding for Library materials. Due to increased service demands, 13 new full-time positions have been added, four of which are being converted from part-time. In total, the City has reduced funding for 202 full-time positions or 31% of its workforce since 2002, saving \$15.6 million annually. The City's employee per resident ratio has decreased by 44%. The City has worked hard to reduce the staffing impact to the Police and Fire Departments. As a result, in the past 14 years public safety staffing is down only 25% compared to more than a 40% reduction in other City departments.

The budget reflects a net increase of 12 part-time positions. Four part-time positions have been converted to full-time including two Animal Control Officers, a Clerk Typist and a Recreation Supervisor. A part-time Community Relations Manager retired. Seventeen additional part-time positions have been added including a Building Inspector, Code Enforcement Officer, Deputy Court Clerk, two Librarians, Library Clerk, and 11 additional Seasonal Laborers in Public Works. Increased funding for part-time hours have also been budgeted for Building Inspectors. The number of part-time staff has now increased by 48 positions or by 60% since 2004.

Supplies increased by \$71,170 or 2.9%. Due to the hiring and training of new Police Officers, an additional \$48,960 is budgeted for Police ammunition. Funding for vehicle and equipment repairs increased \$25,000, while an additional \$7,000 is funded for Library books. Savings were realized in lower fuel costs and from the one-time purchase of Fire breathing apparatus facemasks in the prior year.

Other Charges increased by \$1,702,610 or 14.8%. The overall increase is a result of increased use of contracted services primarily due to the consolidation of dispatch operations with Macomb

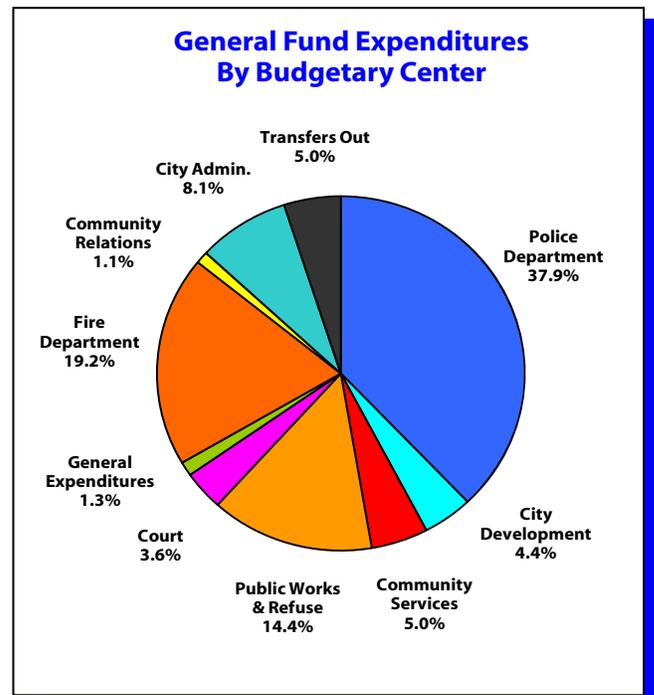
County. The City has also contracted with an Economic Development consultant. Increased funding is budgeted for animal licensing, information technology service contracts, State radio fees, and for increased park mowing, restroom cleaning, fertilization, and retention pond maintenance. Funds are also budgeted to better share property information among all City offices. The budget decreased due to one-time costs in the prior year for the payout of Dispatcher unused leave-time banks and separation costs, the one-time update of the City's Master Plans, a fire consolidation study, and Fire medical grants. Refuse collection costs increased \$130,000. Funding for employee training has increased, including Police Officer leadership training, and increased employee tuition reimbursement. Legal fees increased \$50,000 or 7.7%.

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 through a Transfer Out from the General Fund. Most of the capital is for the Police, Fire and Public Works Departments. \$35,160 is budgeted for replacement equipment and \$250,100 for Information Technology upgrades including the replacement of 65 six and seven-year old personal computers and replacement software for Parks & Recreation. \$902,500 is budgeted for the purchase of eight replacement high mileage police vehicles, a Fire Engine, two DPW Pickup Trucks, and three replacement pool vehicles. **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 \$2.4 million or 33.2% primarily due to the internal financing to reconstruct Van Dyke in the prior year. Increased transfers are budgeted to fund park projects, repairs to the City Hall parking lot, the replacement of the DPW fuel tanks and fuel pumps, and continued funding to replace capital vehicles, equipment, and facility repairs which had been delayed due to revenue losses.

Expenditures by Budgetary Center

The General Fund can be further broken down into the departmental or budgetary center level. These centers comprise the six City operating departments



as well as other ancillary expenditure cost centers. As you will note on the graph, over 70% 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 2015/16 Budget:

City Administration Department

- Funding for the early hiring of a Human Resources Director eighteen months in advance of the upcoming retirement of the current Human Resources Director.
- The replacement of personal computers for City Management, Financial Services, and Information Technology, and a replacement vehicle for the City Manager.
- The replacement of a printer for printing finance checks and an Employee Identification badge printer.
- Funding for a consultant to update the City Technology Plan, additional network disk storage, an offsite network backup device, updates to Microsoft Office software, and software maintenance renewals.
- An Economic Development consultant to replace the Economic Development Manager

who is transitioning to be the new City Planner due to an upcoming retirement.

- A membership to Consultant Connect to better connect the City with commercial investors and site selection consultants.
- The early hiring of a City Clerk eighteen months in advance of the upcoming retirement of the current City Clerk and the conversion of a part-time Clerk Typist to full-time.
- The full year funding for a new City Controller in advance of an upcoming retirement of the current Controller.
- An additional part-time Account Clerk in Financial Services partially funded with the elimination of a vacant Co-op position.
- Increased funding needed for three elections – two City Council elections and a presidential primary and additional funding for the animal licensing contract.

Community Services Department

- The elimination of a vacant full-time Library Clerk with the funding redirected for a part-time Library Clerk, a part-time Librarian, and additional library materials.
- The reinstatement of Library Sunday hours during the school year and the addition of a part-time Librarian.
- Continued \$38,000 in additional funding for the purchase of books, publications and audiovisual materials, the purchase of a language learning database, and increased CDBG funding for the purchase of senior books.
- 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.
- The replacement of the outside Library Book Drop Box.
- In Parks & Recreation, a part-time Recreation Supervisor is proposed to become full-time and funding is included due to an increase in the minimum wage.
- \$23,500 in new funding for the new Dodge Park Farmers Market and \$2,700 for an additional Music in the Park concert.
- The replacement of the Parks & Recreation online registration software, replacement scoreboards

at Baumgartner Park, and a safety audit of the ball field lights at Baumgartner Park, initial grant match funding for a City Dog Park, replacement of the Clinton River pedestrian bridge in Dodge Park, and CDBG funded improvements including the resurfacing of the Senior Center parking lot and replacement partition walls at the Senior Center.

Police Department

- The early hiring and training of 12 new Police Officers in advance of numerous retirements as part of the City's succession planning efforts to ensure an orderly transition. Funding is also included for the purchase of unused leave bank time for the retiring officers.
- An additional Police Captain's position in Police Investigations.
- The conversion of two part-time Animal Control Officers to full-time, the transfer of a full-time Clerical position to the Court to handle the processing of warrants, and a new full-time Clerical position and additional overtime to better assist department operations.
- Increased command officer training, the purchase of bullet proof vests and training ammunition needed for the new Police Officer hires, and higher State radio fees.
- A maintenance service agreement for the new City security video system.
- The full year funding of County Dispatch operations and the elimination of 20 budgeted City Dispatcher positions and a vacant Police Sergeant formerly assigned to the Communications Bureau.
- Funding for seven replacement high mileage traffic and patrol vehicles and a replacement Evidence Technician Tahoe.
- The use of drug funds to replace five radar units, 58 Police in-car computers, vehicle compatibility equipment for the new police cruiser model, and shotgun slings for road patrol officers.

Fire Department

- Two new Fire Inspector positions with additional training and membership costs.

- The continued overtime staffing of the Fire rescue/ladder vehicles which used to be pulled out of service when daily manpower fell below 20 fire fighters.
- Savings from the one-time leave-time buyback costs from 19 retirements in the prior year and from a lower entry level wage for the new hires.
- Savings from the one-time cost of the Fire Officer mentoring program needed last year to aid in training new fire fighters due to the retirements.
- A budget reduction due to the receipt of one-time fitness and medical grants and the one-time cost for a County-wide service sharing study.
- Funding for higher State radio fees and to replace a 27-year old Fire Engine, turnout gear, two replacement thermal imaging cameras, and two portable gas monitors.

Public Works Department

- A new full-time Laborer position and the transfer of a Laborer from Water & Sewer into the Streets Division to better maintain the pavement condition of City major roads.
- Increased Engineering overtime to inspect neighborhood road repairs and funding for a Civil Engineer I position to replace a position assumed to be promoted to City Development Manager.
- An increase in Seasonal Laborers including one in Fleet Maintenance, three in Parks & Grounds Maintenance, and two in Street Services to assist in vehicle repairs, park maintenance efforts, and grass cutting and road repairs.
- Increased overtime as a result of year-round road repairs utilizing road equipment purchased in the prior year, additional DPW building maintenance repairs, and increased grass cutting on vacant parcels.
- Increased park funding including new garbage cans, additional contractor funding to increase park restroom cleanings, park mowing, park weed spraying, and City retention pond maintenance.
- Increased funds for vehicle and equipment repairs, two replacement Pickup Trucks with plows, improvements to the City Hall parking lot, and replacement of the DPW fuel tanks and pumps.

City Development Department

- Increased hours for Building Inspectors and an additional part-time Inspector due to increased permit activity and inspection demand.
- Continued after-hours expedited Building Plan Review option, the purchase of updated building code books, increased building maintenance and restroom supplies, and inspector license renewals.
- A new City Development Director position with backfill of the former City Development Manager position, and the relocation of a full-time position to Community Relations with the backfill of a part-time Code Enforcement Inspector position.
- The replacement of the Business Registry software that will better allow all City Departments to utilize common property information.
- A new City Planner including related training and memberships, and full year funding of the current part-time City Planner to aid in the transition.
- Funds for a consultant to work on redevelopment options for Lakeside Mall and additional funding for future Economic Development opportunities, and the reconstruction of the Velocity parking lot.
- Capital funding for exterior building façade repairs, replacement of City Hall electrical service panels, two replacement compact pool vehicles for out of town employee travel, and a replacement sewer snake machine.

Community Relations Department

- The return of the former Broadcast Programming Specialist from Neighborhood Services, the hiring of a contractor to assist with other department duties including writing and artwork, and increased overtime funds for the taping of night meetings.
- Full year funding for the new Community Relations Director due to a retirement as part of the City's succession planning efforts.
- Continued funding to restore the appreciation banquet for City volunteers and board and commission members and now also to add 10-20-30 year employee attendance at the event.

- The maintenance cost of the City's new website, replacement Mac personal computers, and the replacement of decorative seasonal banners along Utica Road, near City Hall.

Non-Departmental Services

- The addition of a full-time and part-time Deputy Court Clerk due to the transfer of warrant responsibility from the Police Department to the Court, and increased funding for the use of interpreters.
- The replacement of 35 seven-year old Court computers and Microsoft Office software.
- Increased funding for the restored employee tuition reimbursement program and electrical savings from utilizing new LED street lights.
- An increase in legal costs from the new Legal Services contract and from increased legal activity.
- 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.

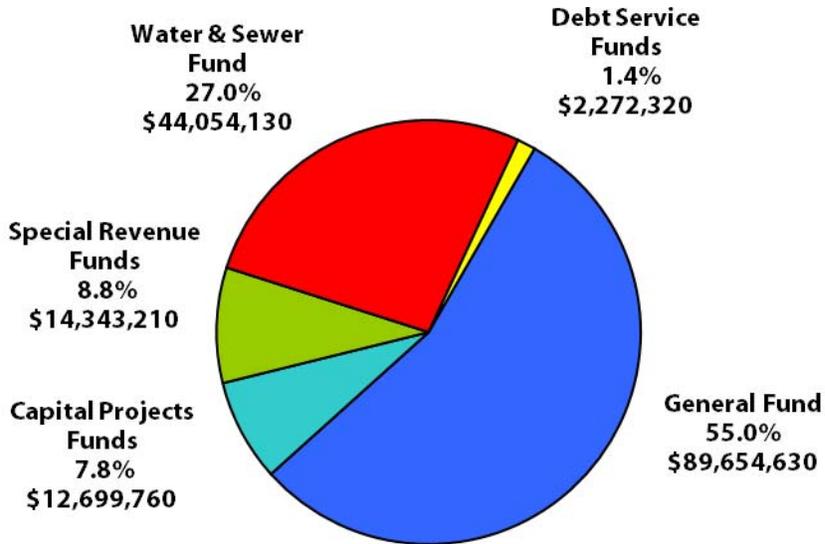
Sterling Heights purchases its water and sewage services from the City of Detroit and the Macomb County Public Works office, which directly influences the rates we must charge. Effective July 1, 2015, the cost of water purchased from Detroit and Detroit's fixed charges will increase by 12.2%. Water consumption is estimated to fall by 2.9%, which lowers both water and sewer sale revenues. Macomb's sewer costs are estimated to increase by 15.8% due to a combination of a prior year increase from higher flow volumes and higher County sewer maintenance costs, an estimated 4% increase for next year, and a 24.9% increase in debt payments on the District's sewer rehabilitation projects. The cost

of water main repairs and preventative maintenance initiatives has also risen. As a result, an 11.9% water and 15.5% sewer rate adjustment must be passed on to our customers, resulting in a \$7 per month average increase. No increase is proposed in residential or commercial fixed fees. Net assets will be used to fund a \$737,650 one-time sewer look-back charge from Macomb as a result of past meter testing.

The average Sterling Heights residential customer will pay \$57 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 \$93,120 or 2.5%. Supply costs rose \$6,500 or 2.1%. Capital costs fell by \$709,880 or 72.1% due to the purchase of several sewer cleaning vehicles in the prior year. For next year, the Capital budget includes a replacement Utility Cube Truck, Crane Truck, a Trailer Mounted Trash Pump, Sewer Jet Camera, and a safety Trench Box. ■

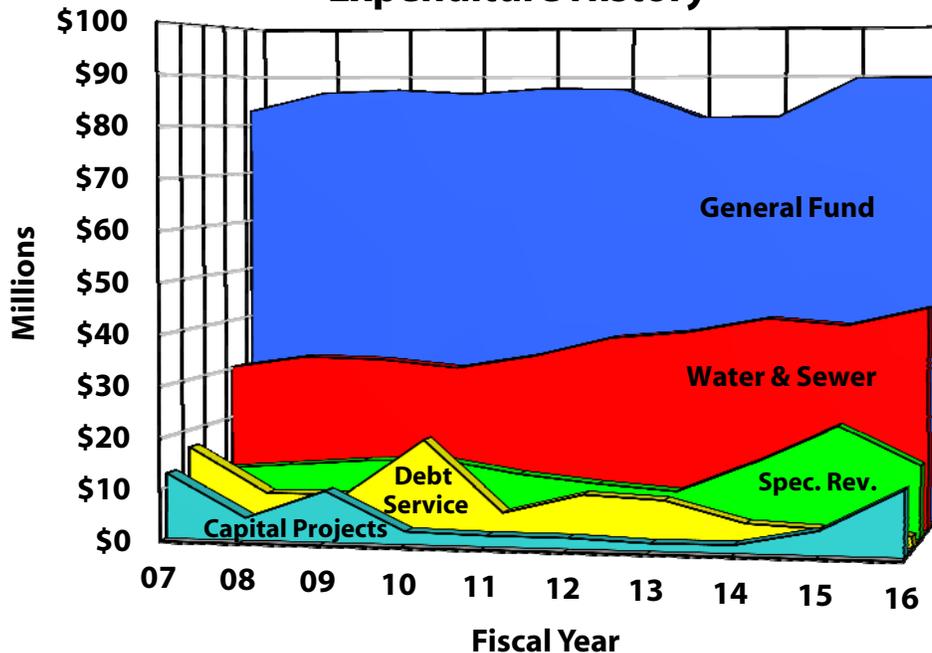
Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$163,024,050
(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.

**2015/16 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	\$59,596,110	\$0	\$3,376,400	\$627,500	\$0	\$63,600,010
Water & Sewer Service	0	39,916,350	0	0	0	39,916,350
Charges for Services	8,821,770	2,522,550	40,000	0	0	11,384,320
State Revenue Sharing	11,000,000	0	0	0	0	11,000,000
Proceeds - Long-Term Debt	0	0	0	0	8,150,000	8,150,000
Highway & Street Grants	0	0	7,700,000	0	0	7,700,000
Interfund Transfers In	0	0	1,075,000	1,452,380	3,809,760	6,337,140
Miscellaneous Revenue	1,430,180	657,260	801,610	243,120	255,360	3,387,530
Federal, State & Local Grants	710,310	0	2,419,580	31,990	0	3,161,880
Cable Revenue	2,450,000	0	0	0	0	2,450,000
Court & Police Fines and Forf.	2,293,000	0	0	0	0	2,293,000
Licenses & Permits	1,805,000	0	0	0	0	1,805,000
Rental - Road Equipment	1,200,000	5,000	0	0	0	1,205,000
Labor Services Roads	1,000,000	15,000	0	0	0	1,015,000
TIF/LDFA - SmartZone Capture	0	0	635,920	0	0	635,920
Interest on Investments	200,000	213,000	11,500	1,000	1,000	426,500
Other Fines & Forfeitures	62,000	0	0	0	0	62,000
Sale of Fixed Assets	15,000	0	0	0	0	15,000
Total Revenues	90,583,370	43,329,160	16,060,010	2,355,990	12,216,120	164,544,650
EXPENDITURES BY OBJECT						
Personnel Services	69,137,510	3,770,350	9,470	0	0	72,917,330
Other Charges	8,523,840	33,218,710	1,637,980	1,980	0	43,382,510
Capital Improvement Projects	0	0	6,778,810	0	11,382,000	18,160,810
Interfund Transfers Out	4,757,140	0	1,750,000	0	130,000	6,637,140
Refuse Collection	4,600,000	0	0	0	0	4,600,000
Principle Payments	0	2,389,580	0	1,725,000	0	4,114,580
Other Services	0	0	3,788,500	0	0	3,788,500
Supplies	2,567,040	309,500	90,150	0	0	2,966,690
Interest Payments	0	2,089,000	0	545,340	0	2,634,340
Interfund Services	69,100	2,001,990	19,000	0	0	2,090,090
Capital Vehicles	0	205,000	0	0	902,500	1,107,500
Capital Equipment	0	70,000	269,300	0	285,260	624,560
Total Expenditures	89,654,630	44,054,130	14,343,210	2,272,320	12,699,760	163,024,050
Excess of Revenues Over (Under) Expenditures	928,740	*	1,716,800	83,670	(483,640)	2,245,570
Beginning Fund Balance	6,656,010	*	3,476,800	665,440	708,250	11,506,500
Ending Fund Balance	\$7,584,750	*	\$5,193,600	\$749,110	\$224,610	\$13,752,070

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**

	2013/14 Actual	2014/15 Estimate	2015/16 Budget
<u>REVENUES BY SOURCE</u>			
City Property Taxes	\$51,344,030	\$62,619,020	\$63,600,010
Water & Sewer Service	29,001,810	32,173,940	39,916,350
Charges for Services	10,101,910	11,267,380	11,384,320
State Revenue Sharing	10,541,410	10,815,490	11,000,000
Proceeds - Long-Term Debt	0	0	8,150,000
Highway & Street Grants	7,481,830	7,600,000	7,700,000
Interfund Transfers In	5,639,290	13,384,440	6,337,140
Miscellaneous Revenue	3,249,150	3,543,970	3,387,530
Federal, State & Local Grants	3,851,180	4,532,960	3,161,880
Cable Revenue	2,342,950	2,420,000	2,450,000
Court & Police Fines and Forfeitures	2,258,670	2,298,070	2,293,000
Licenses & Permits	1,735,420	1,780,500	1,805,000
Rental - Road Equipment	1,489,320	1,205,000	1,205,000
Labor Services Roads	1,358,450	1,215,000	1,015,000
TIF/LDFA - SmartZone Capture	725,490	633,720	635,920
Interest on Investments	350,640	400,980	426,500
Other Fines & Forfeitures	68,200	57,000	62,000
Sale of Fixed Assets	25,300	145,000	15,000
Total Revenues	131,565,050	156,092,470	164,544,650
<u>EXPENDITURES BY OBJECT</u>			
Personnel Services	70,420,570	72,424,640	72,917,330
Other Charges	42,548,170	40,006,360	43,382,510
Capital Improvement Projects	5,640,280	14,790,980	18,160,810
Interfund Transfers Out	4,266,460	10,584,440	6,637,140
Refuse Collection	4,499,520	4,550,000	4,600,000
Principle Payments	3,235,000	4,295,320	4,114,580
Other Services	4,419,000	3,717,500	3,788,500
Supplies	2,821,240	2,908,780	2,966,690
Interest Payments	2,444,930	2,615,720	2,634,340
Interfund Services	1,902,670	1,997,180	2,090,090
Capital Vehicles	317,470	1,982,400	1,107,500
Capital Equipment	1,062,160	1,520,180	624,560
Total Expenditures	143,577,470	161,393,500	163,024,050
Excess of Revenues Over (Under) Expenditures*	(2,679,600)	16,350	2,245,570
Beginning Fund Balance	14,169,750	11,490,150	11,506,500
Ending Fund Balance	\$11,490,150	\$11,506,500	\$13,752,070

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

REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget	% Change from 14/15
	GENERAL FUND						
1010	General Fund	\$81,612,890	\$81,723,290	\$91,078,310	\$92,755,510	\$90,583,370	-0.5%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	35,093,950	32,312,360	39,430,860	36,212,870	43,329,160	9.9%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	5,718,950	6,416,660	10,598,300	9,850,320	7,056,000	-33.4%
2030	Local Road Fund	2,139,490	3,450,770	6,321,690	6,291,060	6,398,410	1.2%
2440	Land & Water Conservation Fund	1,350	4,520	264,500	221,420	325,200	22.9%
2770	Public Safety Forfeiture Fund	186,280	775,390	49,960	170,450	36,240	-27.5%
2780	Comm. Develop. Block Grant Fund	457,690	873,270	1,268,560	1,268,320	879,780	-30.6%
2890	Neighborhood Stabilization Fund	242,260	5,010	0	3,050	0	0.0%
8510	Corridor Improvement Auth. Fund	20	10	10	18,640	18,950	189400.0%
8550	Economic Develop. Corp. Fund	19,010	10	300,000	300,420	300,500	0.2%
8560	Brownfield Redevelopment Fund	127,300	114,070	115,560	0	0	-100.0%
8670	Local Dev. Finance Authority Fund	265,730	717,180	718,600	710,520	1,044,930	45.4%
	Total Special Revenue Funds	9,158,080	12,356,890	19,637,180	18,834,200	16,060,010	-18.2%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,225,180	824,590	660,890	660,800	157,050	-76.2%
3050	Voted Gen. Obligation Debt Fund	366,140	412,890	430,480	429,850	470,850	9.4%
3270	Road Bond Debt Retirement Fund	6,009,390	2,464,960	1,885,340	1,885,100	1,405,710	-25.4%
3690	Ltd. Tax Gen. Obligation Debt Fund	528,740	297,080	312,680	312,680	322,380	3.1%
	Total Debt Service Funds	8,129,450	3,999,520	3,289,390	3,288,430	2,355,990	-28.4%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	748,730	1,172,960	4,010,090	4,871,390	4,066,120	1.4%
4280	Road Bond Construction Fund	194,440	30	160,000	130,070	8,150,000	4993.8%
	Total Capital Project Funds	943,170	1,172,990	4,170,090	5,001,460	12,216,120	192.9%
	Total Revenue	134,937,540	131,565,050	157,605,830	156,092,470	164,544,650	4.4%
	Duplicating Transfers	(6,222,410)	(5,639,290)	(12,572,720)	(13,384,440)	(6,337,140)	-49.6%
	Total All Funds	\$128,715,130	\$125,925,760	\$145,033,110	\$142,708,030	\$158,207,510	9.1%

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

EXPENDITURE COMPARISON CITY BUDGETED FUNDS

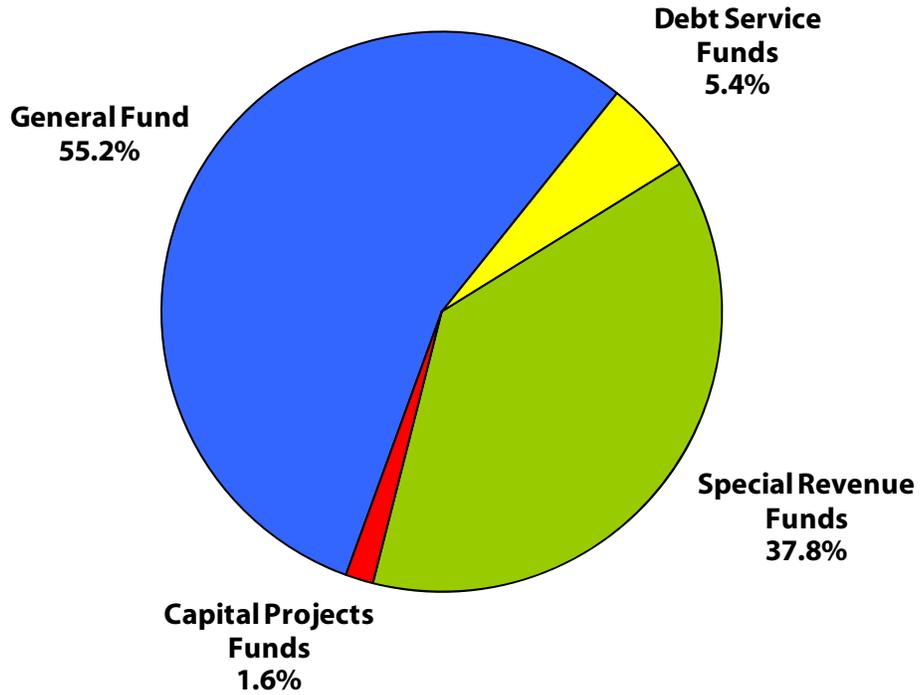
Fund No.	Fund Name	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget	% Change from 14/15
	GENERAL FUND						
1010	General Fund	\$81,612,890	\$81,742,380	\$89,513,170	\$91,328,890	\$89,654,630	0.2%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	38,656,610	41,645,180	40,456,460	41,530,250	44,054,130	8.9%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	4,672,960	8,093,430	12,124,330	12,314,670	5,560,110	-54.1%
2030	Local Road Fund	2,172,600	4,352,070	6,118,490	4,758,350	6,203,310	1.4%
2440	Land & Water Conservation Fund	19,540	81,500	784,450	673,250	391,000	-50.2%
2770	Public Safety Forfeiture Fund	253,590	513,080	433,070	450,140	548,260	26.6%
2780	Comm. Develop. Block Grant Fund	457,690	873,270	1,268,560	1,268,320	879,780	-30.6%
2890	Neighborhood Stabilization Fund	242,260	5,010	0	3,050	0	0.0%
8510	Corridor Improvement Auth. Fund	0	1,110	0	0	0	0.0%
8550	Economic Development Corp. Fund	20,490	0	0	0	0	0.0%
8560	Brownfield Redevelopment Fund	131,990	114,280	115,500	0	0	-100.0%
8670	Local Dev. Finance Authority Fund	238,910	517,540	909,150	791,580	760,750	-16.3%
	Total Special Revenue Funds	8,210,030	14,551,290	21,753,550	20,259,360	14,343,210	-34.1%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,224,340	822,770	660,890	660,990	157,050	-76.2%
3050	Voted Gen. Obligation Debt Fund	370,100	413,600	430,480	430,480	470,850	9.4%
3270	Road Bond Debt Retirement Fund	5,923,320	2,449,420	1,847,850	1,847,850	1,322,040	-28.5%
3690	Ltd. Tax Gen. Obligation Debt Fund	528,660	297,070	312,680	312,680	322,380	3.1%
	Total Debt Service Funds	8,046,420	3,982,860	3,251,900	3,252,000	2,272,320	-30.1%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	942,210	1,527,880	4,653,600	4,968,830	4,419,760	-5.0%
4280	Road Bond Construction Fund	594,670	127,880	54,170	54,170	8,280,000	15185.2%
	Total Capital Project Funds	1,536,880	1,655,760	4,707,770	5,023,000	12,699,760	169.8%
	Total Expenditures	138,062,830	143,577,470	159,682,850	161,393,500	163,024,050	2.1%
	Duplicating Transfers	(3,564,200)	(4,266,460)	(9,472,720)	(10,584,440)	(6,637,140)	-29.9%
	Total All Funds	\$134,498,630	\$139,311,010	\$150,210,130	\$150,809,060	\$156,386,910	4.1%

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

**YEAR-END UNAPPROPRIATED
FUND BALANCE COMPARISON
GOVERNMENTAL FUNDS**

Fund No.	Fund Name	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget	% Change from 14/15
	<u>GENERAL FUND</u>						
1010	General Fund	\$5,248,480	\$5,229,390	\$6,794,530	\$6,656,010	\$7,584,750	11.6%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	4,775,110	3,098,340	1,572,310	633,990	2,129,880	35.5%
2030	Local Road Fund	1,072,060	170,760	373,960	1,703,470	1,898,570	407.7%
2440	Land & Water Conservation Fund	605,390	528,410	8,460	76,580	10,780	27.4%
2770	Public Safety Forfeiture Fund	530,860	793,170	410,060	513,480	1,460	-99.6%
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	25,970	24,870	24,880	43,510	62,460	151.0%
8550	Economic Development Corp. Fund	12,690	12,700	312,700	313,120	613,620	96.2%
8560	Brownfield Redevelopment Fund	5,540	5,330	5,390	5,330	5,330	-1.1%
8670	Local Dev. Finance Authority Fund	68,740	268,380	77,830	187,320	471,500	505.8%
	Total Special Revenue Funds	7,096,360	4,901,960	2,785,590	3,476,800	5,193,600	86.4%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	11,750	13,570	13,570	13,380	13,380	-1.4%
3050	Voted General Obligation Debt Fund	7,110	6,400	6,400	5,770	5,770	-9.8%
3270	Road Bond Debt Retirement Fund	593,160	608,700	646,190	645,950	729,620	12.9%
3690	Limited Tax Gen. Obligation Debt Fund	330	340	340	340	340	0.0%
	Total Debt Service Funds	612,350	629,010	666,500	665,440	749,110	12.4%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	1,012,790	657,870	14,360	560,430	206,790	1340.0%
4280	Road Bond Construction Fund	199,770	71,920	177,750	147,820	17,820	-90.0%
	Total Capital Project Funds	1,212,560	729,790	192,110	708,250	224,610	16.9%
	Unappropriated Total - All Funds	\$14,169,750	\$11,490,150	\$10,438,730	\$11,506,500	\$13,752,070	31.7%

City Government Funds Percent of Total Reserves



Total Government Fund Reserves of \$13,752,070

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	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual
PROPRIETARY FUNDS						
ENTERPRISE FUND						
5740	Water & Sewer Improvement Fund	\$34,041,578	\$32,704,205	\$31,595,124	\$29,959,285	\$24,257,254
INTERNAL SERVICE FUND						
6770	Self-Insurance Fund	21,695,945	21,490,458	22,581,793	21,465,741	20,028,461
Total Proprietary Funds		55,737,523	54,194,663	54,176,917	51,425,026	44,285,715
FIDUCIARY FUNDS						
TRUST FUNDS						
7010	Retiree Medical Benefits Fund	29,553,841	42,313,534	47,243,195	57,608,594	74,626,106
7370	General Employees Retirement System	98,979,076	111,720,763	104,725,421	107,385,692	118,470,102
7380	Police & Fire Retirement System	148,433,306	171,579,741	163,021,978	175,705,787	203,771,027
Total Fiduciary Funds		276,966,223	325,614,038	314,990,594	340,700,073	396,867,235
Total All Non-Budgetary Funds		\$332,703,746	\$379,808,701	\$369,167,511	\$392,125,099	\$441,152,950

This informational schedule is included in the budget document to illustrate fund balance reserves or "net assets" of the City's non-budgeted 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 Project 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 from the General Fund and Water & Sewer Operating Fund. The Trust Funds are managed based on 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. Trust Fund net assets are restricted for future benefit payments. 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 to fund the 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, Library, Parks and Recreation, Police, Fire, Public Works, City Development, Community Relations and the 41-A District Court.

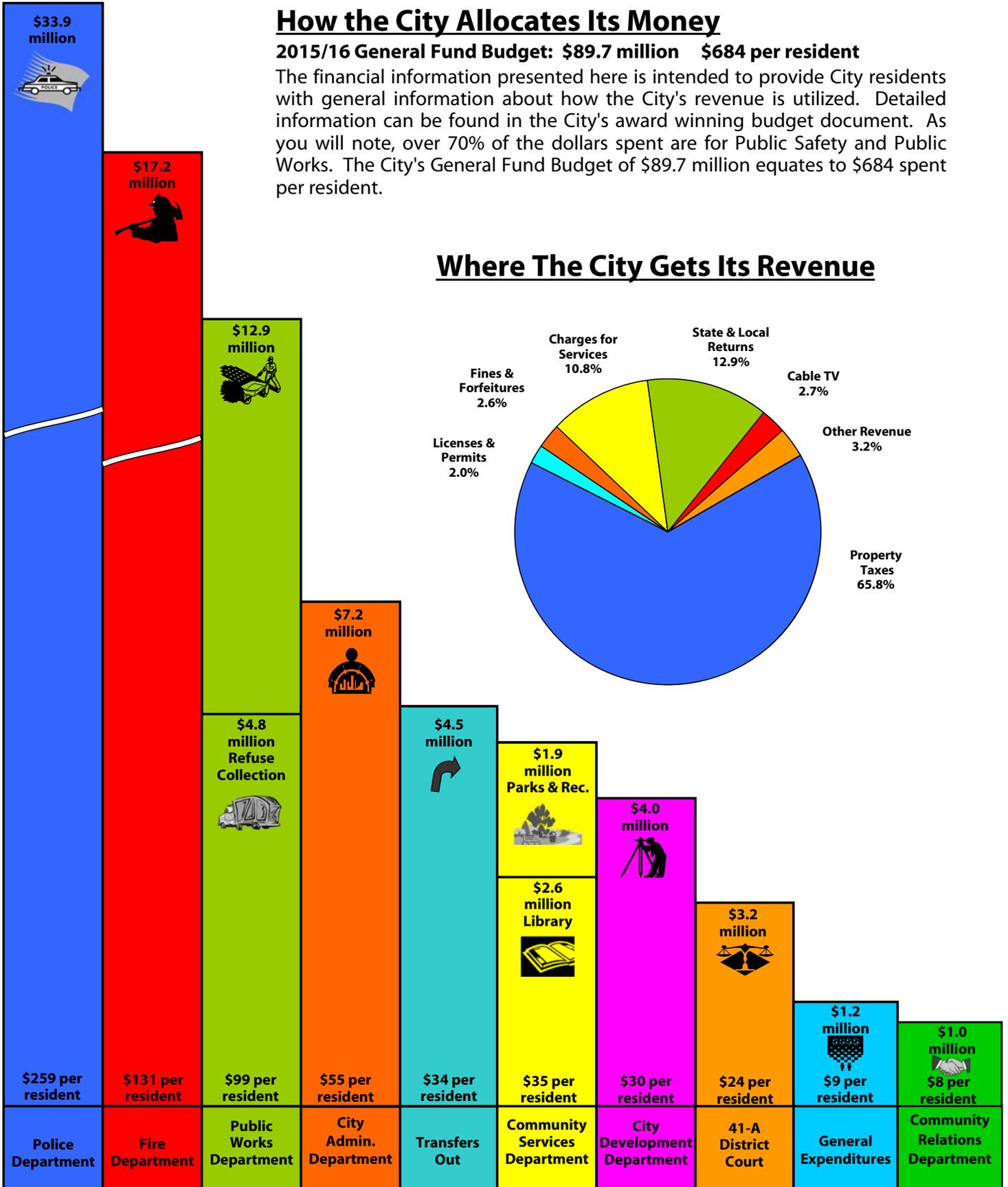
Local property taxes and state shared revenues are the primary sources of revenue used to fund these services.

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.

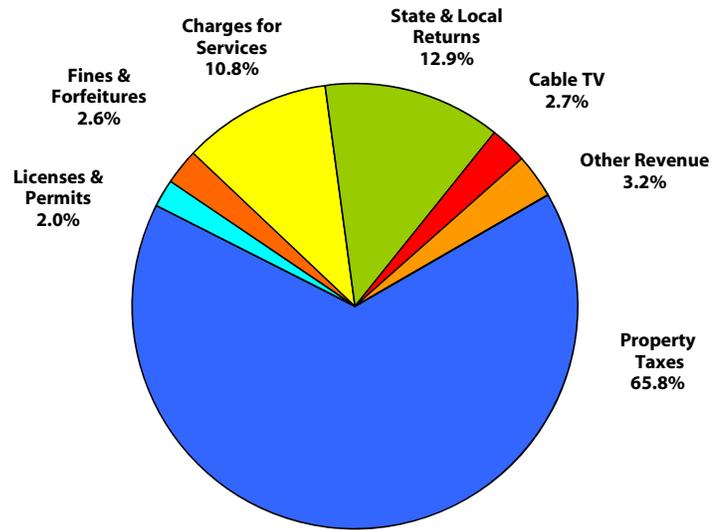
How the City Allocates Its Money

2015/16 General Fund Budget: \$89.7 million \$684 per resident

The financial information presented here is intended to provide City residents with general information about how the City's revenue is utilized. Detailed information can be found in the City's award winning budget document. As you will note, over 70% of the dollars spent are for Public Safety and Public Works. The City's General Fund Budget of \$89.7 million equates to \$684 spent per resident.



Where The City Gets Its Revenue



Trends & Summaries

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

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

Property Tax Benefit Statement

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

The average residential property tax bill is \$2,333 for those in the Utica Community School district and \$2,785 for those in the Warren Consolidated School district. Of this amount, the City receives 40%, or \$984, to fund all local City services such as police and fire protection, refuse collection, and snow plowing services. The average homeowner pays \$82 per month in City taxes.

	Utica Schools	Warren Schools
Average Residential Total Property Tax Bill: <i>(based on home with a market value of \$160,000 and taxable value of \$64,820)</i>	\$2,333	\$2,785
Average Residential Property Tax (City Portion Only):	\$984	\$984



The City of Sterling Heights spends an average of \$2,154 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	\$782	36%	\$357
Fire Department	\$393	18%	\$180
Public Works	\$377	18%	\$172
City Administration Department	\$166	8%	\$76
General Expenditures & Transfers	\$131	6%	\$60
Community Services Department	\$102	5%	\$46
City Development Department	\$91	4%	\$42
41-A District Court	\$74	3%	\$34
Community Relations Department	\$24	1%	\$11
Debt Service	\$14	1%	\$6
Total Per Parcel	\$2,154	100%	\$984

Because the average amount of residential property tax the City receives is only \$984, 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.

RESIDENTIAL TAX RATES

(UTICA COMMUNITY SCHOOLS)

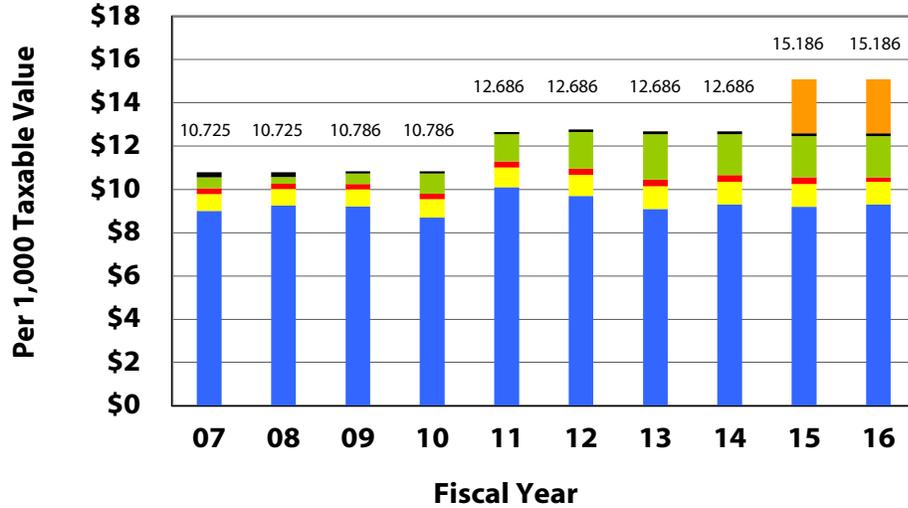
Taxing Entity	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Tax Rate Shown in Mills							
Utica Community Schools	9.500	9.750	9.850	9.850	9.850	9.850	9.850
Macomb County	4.574	4.574	4.574	4.574	4.574	4.574	4.574
Macomb Community College	1.421	1.421	1.571	1.571	1.531	1.526	1.526
Macomb Intermediate School District	2.943	2.943	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority	0.215	0.215	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	1.000	1.000
County Zoo/Veterans/DIA	0.140	0.140	0.140	0.340	0.340	0.340	0.340
Property Tax Administration Fee	0.302	0.323	0.326	0.328	0.327	0.356	0.356
STERLING HEIGHTS	10.786	12.686	12.686	12.686	12.686	15.186	15.186
Total Millage Rates	30.470	32.641	32.894	33.096	33.055	35.989	35.989
Average Residential Taxable Value	\$80,900	\$70,970	\$66,000	\$61,400	\$62,800	\$63,800	\$64,820
Average Tax Rates Shown in Dollars							
Utica Community Schools	\$769	\$692	\$650	\$605	\$619	\$628	\$638
Macomb County Government	370	325	302	281	287	292	296
Macomb Community College	115	101	104	96	96	97	99
Macomb Intermediate School District	238	209	194	181	185	188	191
Huron Clinton Metro Authority	17	15	14	13	13	14	14
S.M.A.R.T.	48	42	39	36	37	64	65
County Zoo/Veterans/DIA	11	10	9	21	21	22	22
Property Tax Administration Fee	24	23	21	20	21	23	23
STERLING HEIGHTS	873	900	837	779	797	969	984
Total Tax Bill	\$2,465	\$2,317	\$2,171	\$2,032	\$2,076	\$2,296	\$2,333

(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Tax Rate Shown in Mills							
Warren Consolidated Schools	14.928	16.259	16.842	17.362	17.383	16.760	16.760
Macomb County	4.574	4.574	4.574	4.574	4.574	4.574	4.574
Macomb Community College	1.421	1.421	1.571	1.571	1.531	1.526	1.526
Macomb Intermediate School District	2.943	2.943	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority	0.215	0.215	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	1.000	1.000
County Zoo/Veterans/DIA	0.140	0.140	0.140	0.340	0.340	0.340	0.340
Property Tax Administration Fee	0.356	0.388	0.396	0.403	0.403	0.425	0.425
STERLING HEIGHTS	10.786	12.686	12.686	12.686	12.686	15.186	15.186
Total Millage Rates	35.952	39.215	39.956	40.683	40.664	42.969	42.969
Average Residential Taxable Value	\$80,900	\$70,970	\$66,000	\$61,400	\$62,800	\$63,800	\$64,820
Average Tax Rates Shown in Dollars							
Warren Consolidated Schools	\$1,208	\$1,154	\$1,112	\$1,066	\$1,092	\$1,069	\$1,086
Macomb County Government	370	325	302	281	287	292	296
Macomb Community College	115	101	104	96	96	97	99
Macomb Intermediate School District	238	209	194	181	185	188	191
Huron Clinton Metro Authority	17	15	14	13	13	14	14
S.M.A.R.T.	48	42	39	36	37	64	65
County Zoo/Veterans/DIA	11	10	9	21	21	22	22
Property Tax Administration Fee	29	28	26	25	25	27	28
STERLING HEIGHTS	873	900	837	779	797	969	984
Total Tax Bill	\$2,908	\$2,783	\$2,637	\$2,498	\$2,554	\$2,741	\$2,785
Average Total Tax Bill	\$2,687	\$2,550	\$2,404	\$2,265	\$2,315	\$2,519	\$2,559

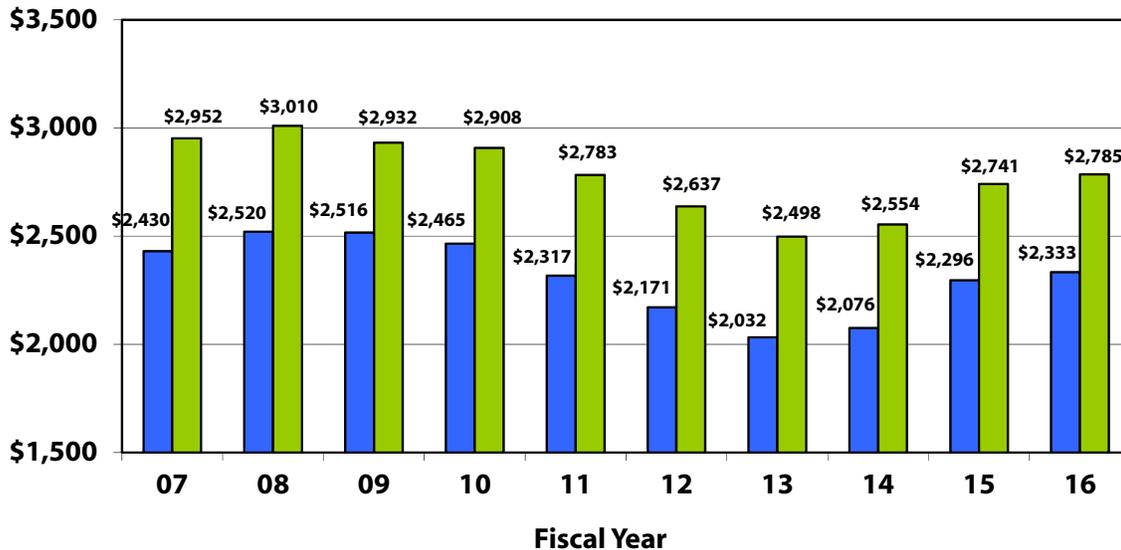
Non-City tax rates are estimated. School rates are for principal residences. Totals may not foot due to rounding.

City of Sterling Heights Millage Rates



■ Operations ■ Refuse ■ Drain ■ P&F Pension ■ R,S,T,&F ■ Safe Streets
 This graph illustrates the millage rates for the various City millage levies.

Total Property Tax Bill Average Resident

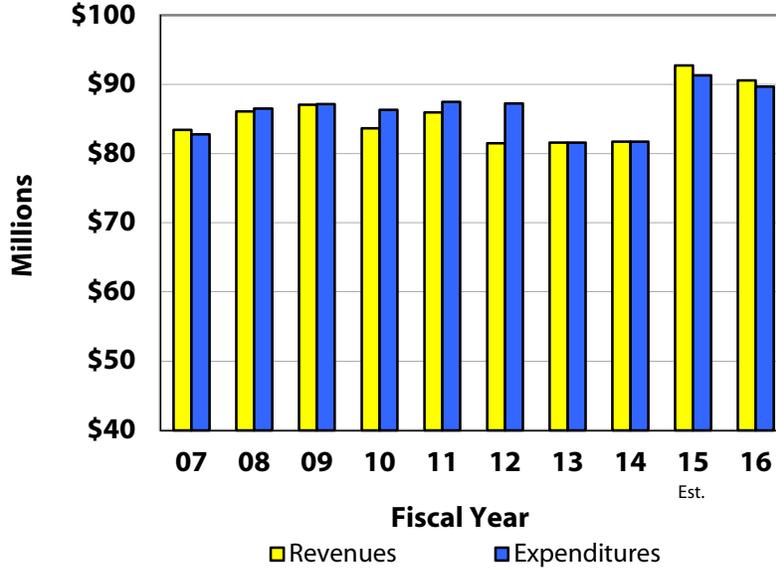


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

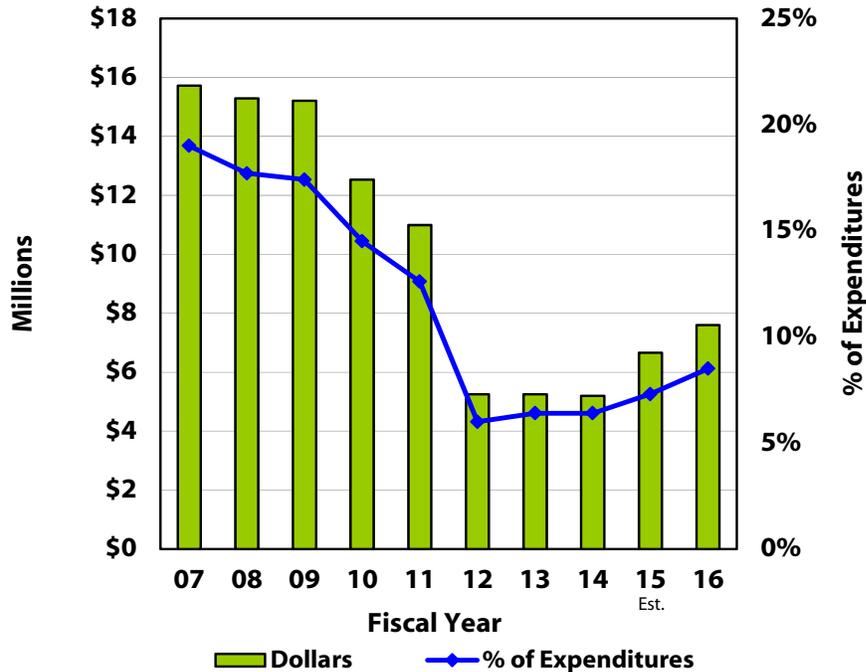
Budgetary Centers	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
REVENUES						
City Operating Taxes	\$37,142,290	\$38,262,430	\$38,275,820	\$36,452,960	\$38,620,000	\$39,678,770
Licenses & Permits	1,789,800	1,735,420	1,772,000	884,590	1,780,500	1,805,000
State and Local Returns	11,291,260	11,537,500	11,972,080	5,818,020	11,998,980	11,710,310
Fines & Forfeitures	2,489,250	2,326,870	2,437,000	1,151,930	2,355,070	2,355,000
Charges For Services	8,306,460	9,048,010	9,123,850	5,996,850	9,965,530	9,821,770
Other Revenue	2,664,900	3,252,020	2,456,480	1,480,690	2,891,460	2,845,180
Cable Revenue	2,292,540	2,342,950	2,300,000	605,860	2,420,000	2,450,000
Refuse Tax	4,403,290	4,400,850	4,658,430	4,403,360	4,650,000	4,795,150
Police & Fire Pension Tax	8,529,890	7,444,410	7,953,970	7,518,400	7,953,970	7,986,310
Safe Streets Tax	0	0	7,028,680	6,643,800	7,020,000	7,135,880
Total Revenues	78,909,680	80,350,460	87,978,310	70,956,460	89,655,510	90,583,370
Other Financing Sources						
Transfers In	2,703,210	1,372,830	3,100,000	1,550,000	3,100,000	0
Total Revenues & Sources	\$81,612,890	\$81,723,290	\$91,078,310	\$72,506,460	\$92,755,510	\$90,583,370
EXPENDITURES						
City Administration Dept.	\$7,727,540	\$6,317,930	\$6,748,160	\$3,452,200	\$6,953,580	\$7,227,810
Community Services Dept.	4,339,950	4,002,490	4,244,500	2,155,250	4,243,270	4,477,990
Police Department	31,620,700	31,498,580	32,911,470	16,518,390	32,698,330	33,935,610
Fire Department	16,883,020	17,078,450	17,582,860	8,594,110	17,751,380	17,183,210
Public Works Department	7,016,750	7,789,850	7,623,160	4,050,360	8,002,520	8,141,680
Refuse Collection	4,672,020	4,697,630	4,684,930	2,519,210	4,766,130	4,817,150
City Development Dept.	1,969,160	3,171,760	3,306,730	1,767,110	3,731,730	3,961,630
Community Relations Dept.	932,390	857,680	933,970	480,120	967,890	1,036,470
41-A District Court	3,258,360	3,078,770	3,081,700	1,548,430	3,114,570	3,202,320
General Expenditures	2,238,910	2,167,780	1,272,970	591,780	1,165,050	1,213,620
Total Expenditures	80,658,800	80,660,920	82,390,450	41,676,960	83,394,450	85,197,490
Other Financing Uses						
Transfers Out	954,090	1,081,460	7,122,720	3,833,910	7,934,440	4,457,140
Total Expenditures & Uses	\$81,612,890	\$81,742,380	\$89,513,170	\$45,510,870	\$91,328,890	\$89,654,630
Excess of Revenues Over (Under) Expenditures	0	(19,090)	1,565,140	26,995,590	1,426,620	928,740
Beginning Fund Balance	5,248,480	5,248,480	5,229,390	5,229,390	5,229,390	6,656,010
Ending Fund Balance	\$5,248,480	\$5,229,390	\$6,794,530	\$32,224,980	\$6,656,010	\$7,584,750

General Fund Revenues vs. Expenditures



The data presented plots revenues vs. expenditures in the General Fund.

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.

CITY OPERATING TAX

The City's largest source of revenue is from property taxes. Tax revenues are based on two variables. The first is the assessed taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. This valuation is called the TV or Taxable Valuation. The second variable is the application of a specific tax millage levy. If either of these variables increase or decrease, a relative change to the City's tax revenue will be experienced.

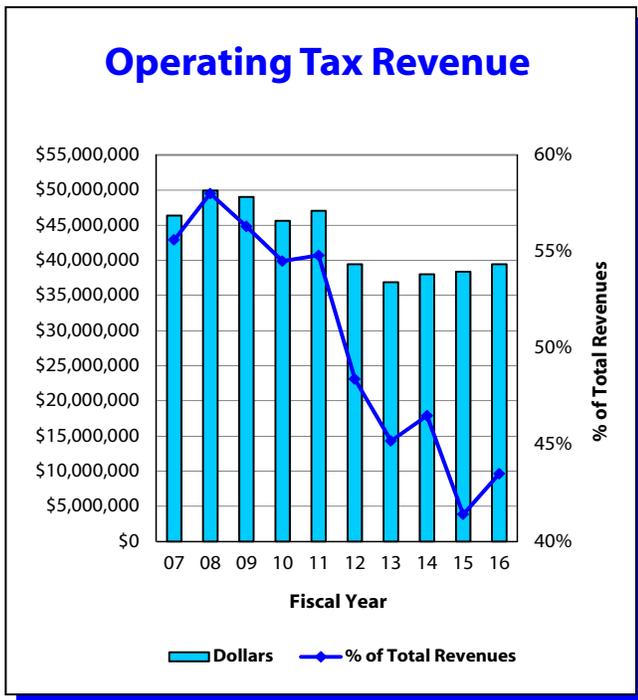
The City has six individual tax levies – the largest is for Operations. Over the past ten years, changes in Operating Tax revenues have varied. In 2007 and 2008, revenues increased due to inflationary growth in the overall assessed value and a fluctuating Operations millage rate. During this period, Operating Tax revenues made up a greater share of General Fund revenues due to declining State revenues. Since 2009, due to decreases in taxable values and a declining Operations tax rate, the Operating revenues percent of total revenues has declined.

In the 2015/16 Budget, Operating tax revenue represents 43.5% of total revenues, a nearly \$1.1 million increase or 2.8% above the amount to be collected in 2015. The increase is a result of an

estimated 1.6% increase in the City's taxable value combined with a 1.3% increase in the Operating tax rate. Tax refunds, which are recorded as an offset to revenues, are estimated to increase by \$75,000 due in part to a pending Fiat Chrysler tax appeal. Despite the increase, Operating tax revenues are still \$10.5 million lower than in 2008 and remain lower than amounts received ten years ago in 2006.

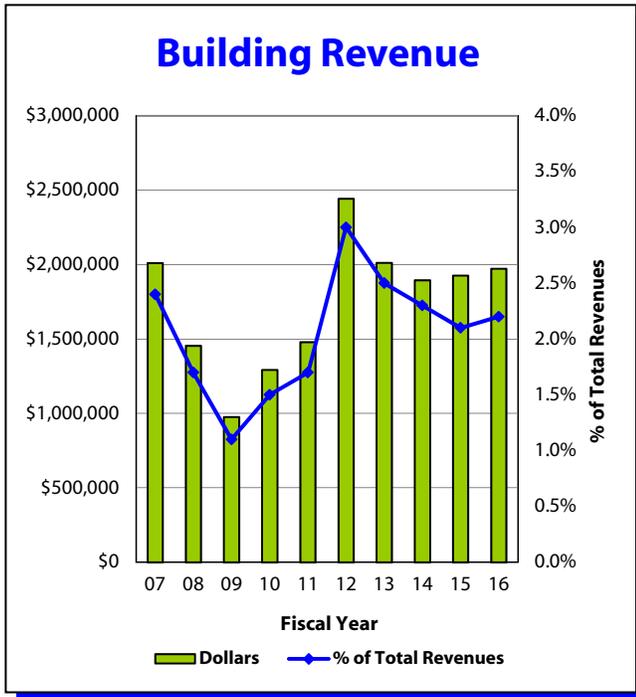
The Operations tax rate for 2015/16 is 9.4909 mills per \$1,000 Taxable Value, an increase of 0.1208 mills. The increase is largely due to an offsetting reduction in the Drain millage rate due to falling debt levels. The City's overall millage rate remains at 15.1858 mills and continues to include the November, 2013 voter-approved Safe Streets proposal. The Operating millage rate remains below the 12.0 millage rate limit established by the City Charter and is presently 1.35 mills below the 10.8395 State Headlee rollback maximum allowable levy. The City's millage rate continues to be lower than most cities in the State and is one of the lowest of any city in Macomb County.

The City's total taxable value for 2015/16 is estimated to increase by 1.6%, which is only the second increase in the past eight years. The Proposal A 1.6% inflationary adjustment is one of the lowest increases in the past 21 years and is well below the 2.4% average rate. The inflationary adjustment on most existing properties and the slight increase from new development is partially offset by a decline in assessments for Fiat Chrysler, pending tax appeals, and the continued loss of personal property taxes due to a new State law that exempts personal property under \$40,000 in taxable value. Despite the slight taxable value increase for next year, the City's total taxable value has still fallen by 22.4% since 2008.



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.

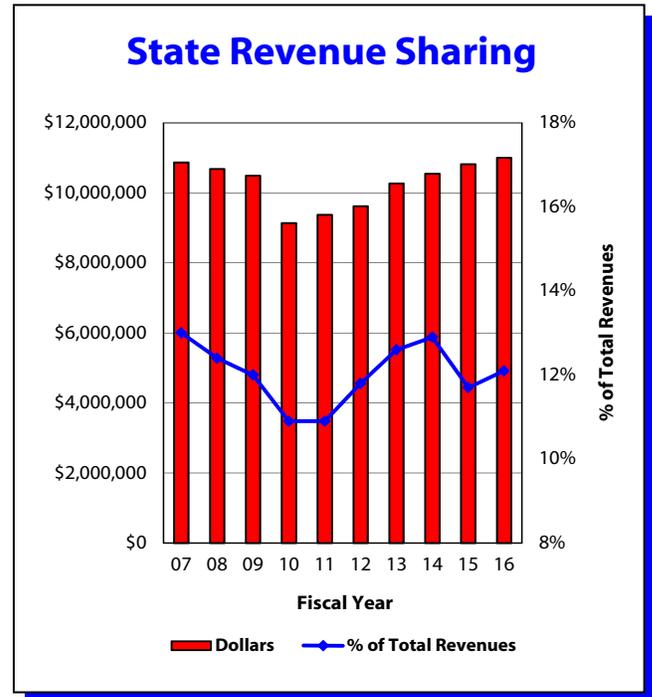


License and Permit revenues are primarily comprised of building revenues. With the State’s economic downturn, building revenues fell to a ten year low in 2009. Fewer new subdivisions, renovations or new commercial sites were developed. In 2012, revenues increased due to one-time large new development projects from BAE and Chrysler. Building revenues have stabilized now due to a slight uptick in new permit activity since reaching a low in 2009, but still remain over 20% below the amount received 15 years ago.

In the 2015/16 Budget, License and Permit revenues represent 2.0% of total revenue sources, a \$24,500 or 1.4% increase over what is estimated to be collected in 2015, due to an expected slight increase in residential and commercial permits. To continue to strengthen and enforce property maintenance standards, the budget includes the third year of revenues from the non-homestead residential property inspection program.

STATE AND LOCAL RETURNS

The second largest source of revenue to the General Fund 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

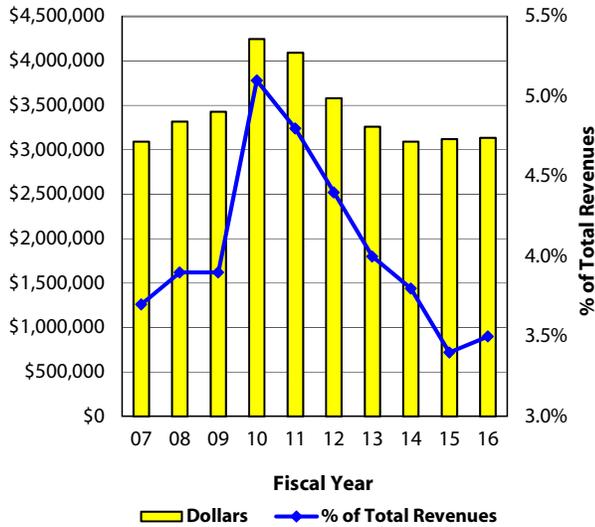


sharing payments, made by the State to communities in Michigan from sales tax receipts, are distributed based on formulas that take into consideration population, government type, and taxable values per capita.

Since 2002, the amount of Revenue Sharing the City has received has fallen dramatically. Back in 2002, the City received \$13.3 million from the State. In 2016, it is estimated the City will receive \$11.0 million, a decrease of \$2.3 million or 17.3%. While the State has increased revenue sharing payments since 2011, the City has lost \$37.8 million cumulatively since 2002. As a percent of total City revenues, State revenue sharing has fallen from 20% of the budget in 2002 to only 12% today.

In the 2015/16 Budget, State & Local Return revenues represent 12.9% of revenue sources, a decrease of \$288,670 or 2.4% below what is estimated to be received in 2015. The decrease is due to the one-time receipt of Fire grants in the prior year and the loss of County telephone surcharge fees, as the County has taken over dispatch operations. State Revenue Sharing payments are estimated to increase by \$184,510 or 1.7% due to an expected continued uptick in State sales tax receipts and State EVIP payments.

41-A District Court Revenue



FINES & FORFEITURES

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

Included in this revenue center are library fines, court costs, parking fines, bond forfeitures, and default judgment fees. Over 95% of these revenues are generated and collected by the judicial branch of our municipal government, the City's 41-A District Court, working in conjunction with the Police Department.

Historical trends show 41-A District Court revenue generally increasing between 2007 and 2010. Since 2010, revenues have decreased, largely as the number of tickets written by the Police Department has fallen. Court revenues have declined from 5.1% of total City revenues in 2010 to 3.5% in 2016.

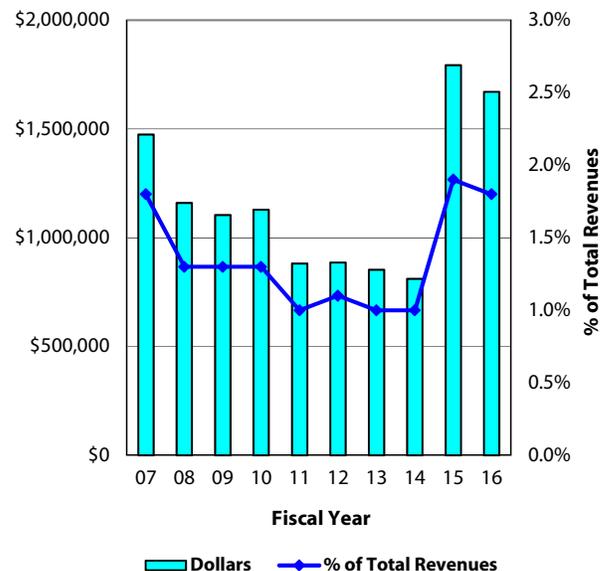
In the 2015/16 Budget, Fines & Forfeiture revenues represents 2.6% of total revenue sources, and is assumed to remain at levels estimated to be collected in 2015. It is anticipated that Police ticket violations will stabilize and slowly begin to return to historic levels. Court revenues have now declined by over \$1.1 million or 26.2% since 2010.

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, Engineering inspection and design charges, and Building review fees.

Engineering revenues make up one of the largest sources of Charges for Services revenues. Engineering revenues declined from nearly \$1.5 million in 2007 to \$811,000 in 2014 due to the State's overall economic downturn. As a percent of General Fund revenues, Engineering revenues had decreased from 1.8% to 1.0%. However due to the passage of the Safe Streets proposal, Engineering revenues began to increase starting in 2015, as the General Fund receives a cross charge from the Local Road Fund for the reimbursement of administration, design and inspection costs of neighborhood road repairs.

Engineering Revenue

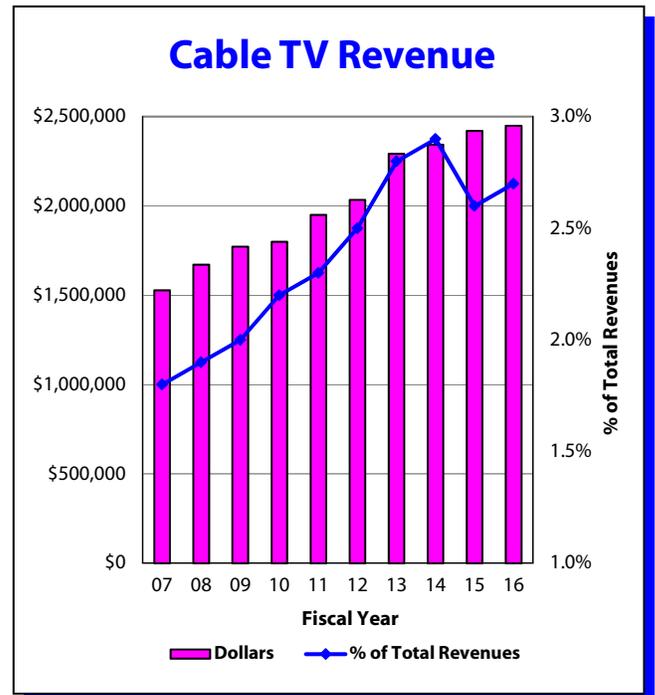
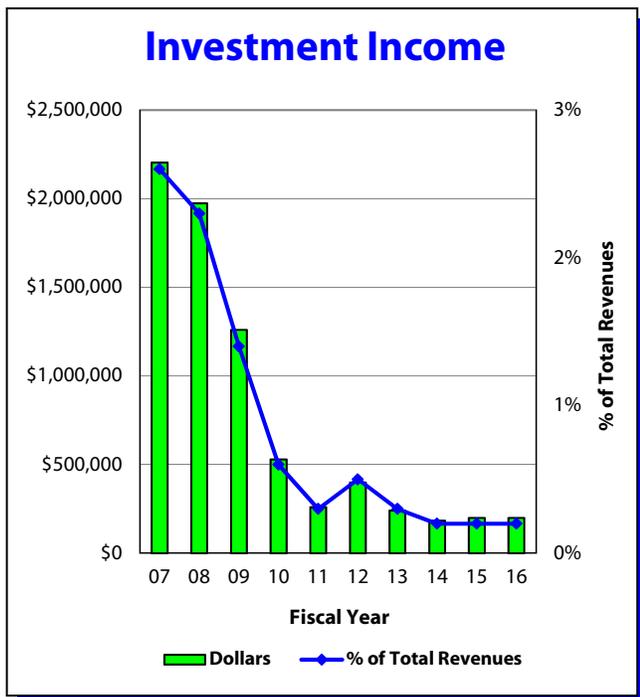


In the 2015/16 Budget, Charges for Services revenues represent 10.8% of total revenue sources, a decrease of \$143,760 or 1.4% below what is estimated to be received in 2015. Labor cross charges are expected to decline by \$200,000, due to higher first year activity resulting from operating the new road repair equipment. Engineering revenues are estimated to decrease by \$122,500. Property tax administration revenues are estimated to increase by \$35,000, while Water & Sewer Fund cross charge revenues are budgeted to increase by \$77,790.

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.

Between 2007 and 2008, Interest Income revenues rose due to rising interest rates and as several high paying investments were called. Due to interest rate cuts by the Federal Reserve starting in 2008 and declining fund balance reserves, Interest on Investments has since fallen. Investment revenues



will remain low in 2016 and account for only 0.2% of total General Fund revenues, down from the peak of 2.6% in 2007. As higher yielding investments have matured, new investments are achieving lower returns. In the 2015/16 Budget, Other Revenue represents 3.1% of revenue sources, a decrease of \$46,280 from what we estimate receiving in 2015. Most of the decline is due to lower reimbursements and equipment rental cross charge revenues.

CABLE TV REVENUE

Cable Television Revenues are received from Comcast, AT&T, and Wide Open West (WOW) as franchise fees between these companies and either the City or the State of Michigan. 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 due to increasing cable subscriber charges. In 2015/16, Cable Revenue is estimated to increase by \$30,000 to total \$2.45 million, or 2.7% 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 voluntary curbside recycling program costs are billed directly to the homeowner. 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.

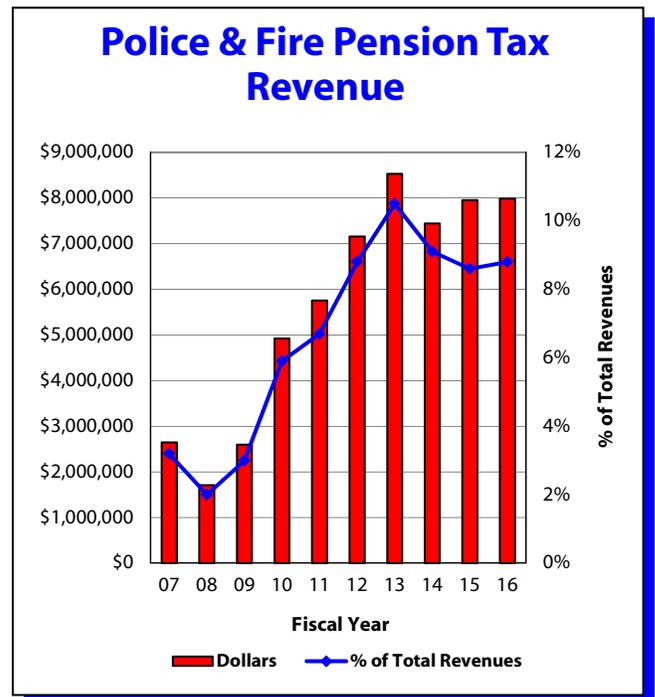
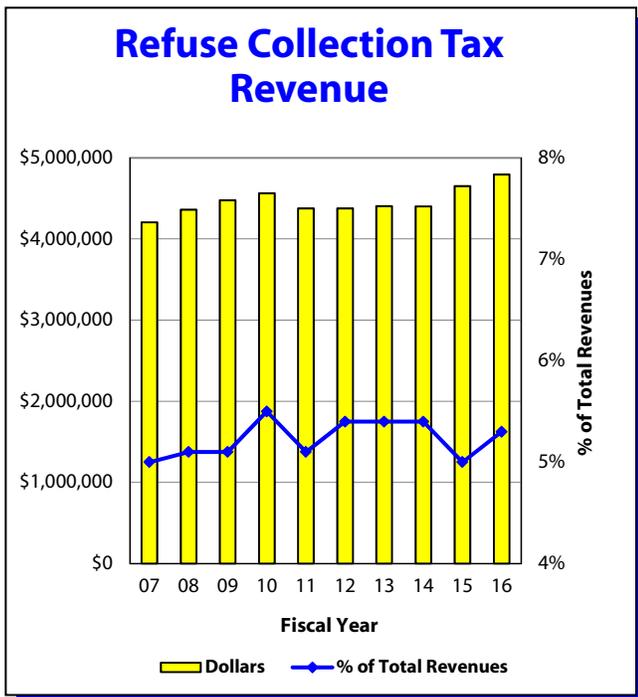
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. In the 2015/16 Budget, the Refuse Tax represents 5.3% of total revenue sources, which is a \$145,150 or 3.1% increase. The increase reflects slightly higher refuse contract costs and variable

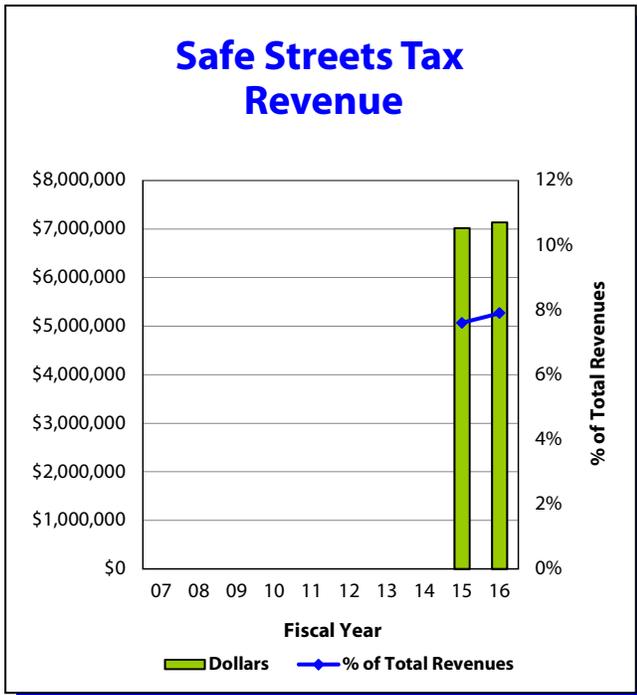
recycling commodity market prices. Due to only a 1.6% increase in taxable values, the Refuse millage rate needs to be increased by 0.0157 mills from 1.1267 to 1.1424 mills in order to generate sufficient funds to cover the refuse contract costs.

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 actuarially required contribution to fund 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 between 2007 and 2008 to match a decline in the City's costs due to higher stock market returns and a change in the assumed rate of return. However, due to a weakened stock market and retirements, the required contribution to the pension system has increased to its second highest level and is now \$6.3 million higher than in 2008.



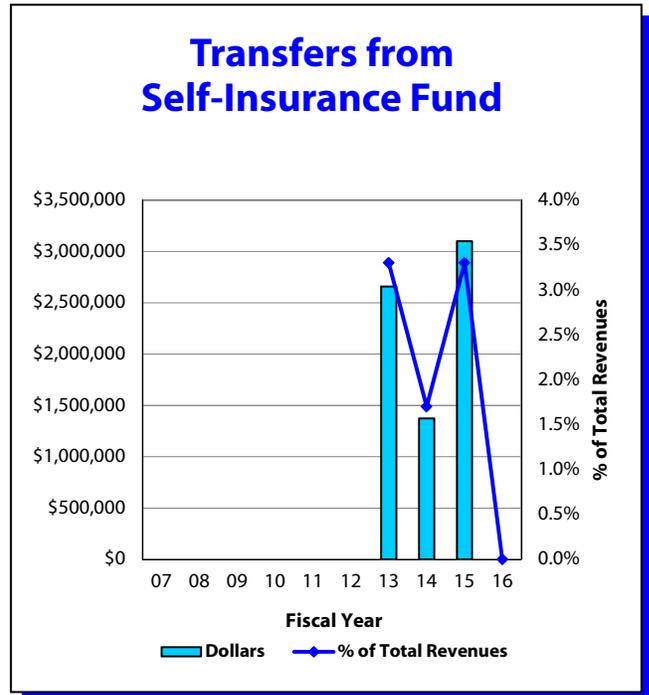


In the 2015/16 Budget, the Police & Fire Pension Tax represents 8.8% of revenue sources, an increase of \$32,340 or 0.4%. The Police & Fire Pension Tax levy for 2015/16 is 1.9026 mills per \$1,000 Taxable Value, a decrease of 0.0212 mills. The millage decrease is due to a 1.6% increase in City taxable values, compared to only a 0.4% increase in the required pension contribution.

SAFE STREETS TAX

In November 2013, City residents approved a six-year 2.5 mill tax levy starting July 1, 2014. 1.7 of the 2.5 mills will generate \$7.1 million in the General Fund to prevent further staffing cuts to Police and Fire positions. The remaining 0.8 mills will generate \$3.4 million in the Local Road Fund to cover the cost of asphalt and concrete repairs to neighborhood streets.

In the 2015/16 Budget, the Safe Streets Tax increased by \$115,880 over amounts collected in 2015 and represents 7.9% of General Fund revenue sources. The millage has allowed the City the funding to restore capital purchases and infrastructure repairs that had been reduced during the economic downturn. It has also allowed the City to avoid having to continue to reduce City staffing levels to

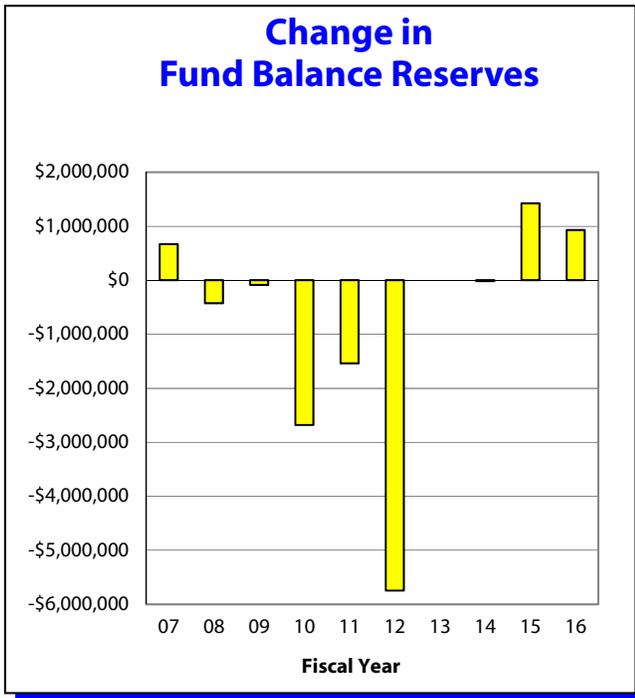


pay for these needed repairs, and to begin restoring General Fund reserves back to adequate levels.

OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt and the transfers into the General Fund from other City funds. There have been no purchases financed using long-term debt over the past ten years.

In 2013 and 2014, despite expenditure reductions, transfers from the Self-Insurance Fund were needed to prevent a further use of General Fund reserves. In 2015, a \$3.1 million transfer of Self-Insurance reserves was budgeted as a pass-through and transfer out to other City funds. \$2.8 million was budgeted for the internal financing of the Van Dyke reconstruction project in the Major Road Fund. By utilizing insurance funds for the project, the City will save bond interest and issuance costs. \$300,000 was transferred to the Economic Development Fund to establish a revolving fund for future property acquisitions, brownfield or redevelopment projects that would assist the City's economic development efforts. No transfers from the Self-Insurance Fund are proposed in the 2015/16 budget.



USE OF FUND BALANCE

A budgeted Use of, or Contribution to, Fund Balance exists when there is an inequality between budgeted revenues and expenditures. 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.

In 2007, the City contributed to Fund Balance reserves. Due to lower 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 was used. For 2012, \$5.7 million was used due to a 6.9% decrease in taxable values, offset by continued labor and personnel savings.

In 2013 and 2014, while little or no use of General Fund reserves occurred, the City used Self-Insurance Funds to balance the General Fund budget due to a fifth and sixth consecutive year of declining taxable values. General Fund Balance reserves totaled only

\$5.2 million or 6.5% of General Fund expenditures – the lowest reserve level in 27 years or since 1987.

With the passage of the Safe Streets millage, we estimate contributing \$1.4 million to General Fund Balance reserves in 2015 and \$0.9 million in the 2015/16 budget bringing total General Fund reserves to \$7.6 million or 8.5% of expenditures at year-end.

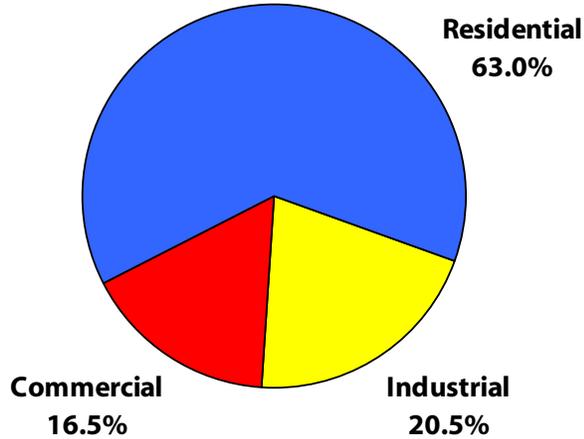
OTHER CITY TAXES

There are also two debt property tax millages levied by the City that are recorded in the Debt Service Funds.

The Drain millage of 0.0377 is 0.1228 mills lower than what was levied in 2014/15. The millage is used to repay drain costs and principal and interest on bonds sold to finance drain construction. The drain millage rate decreased as a result of lower drain debt and a 1.6% increase in City taxable values.

The Public Improvements (Proposal F – Fire Station Improvements) millage rate increased by 0.0075 mills to 0.1122 mills. The Proposal F millage rate is higher due to an increase in scheduled principal payments, partially offset by a 1.6% increase 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. ■

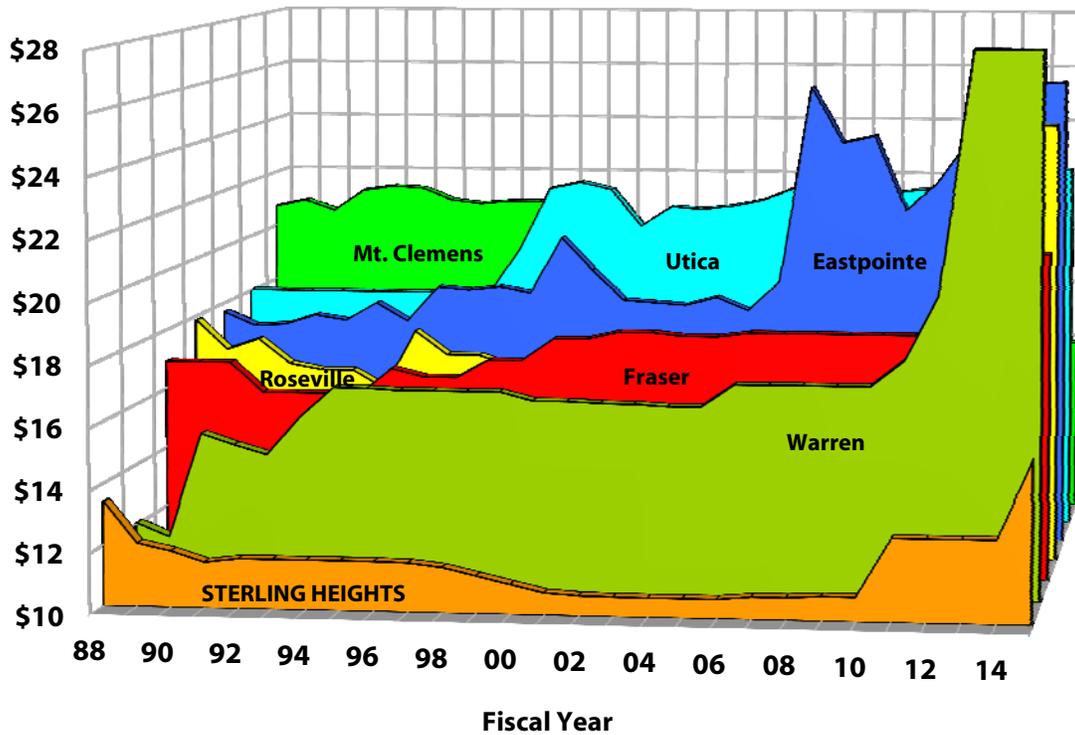
City of Sterling Heights Share of Taxes



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

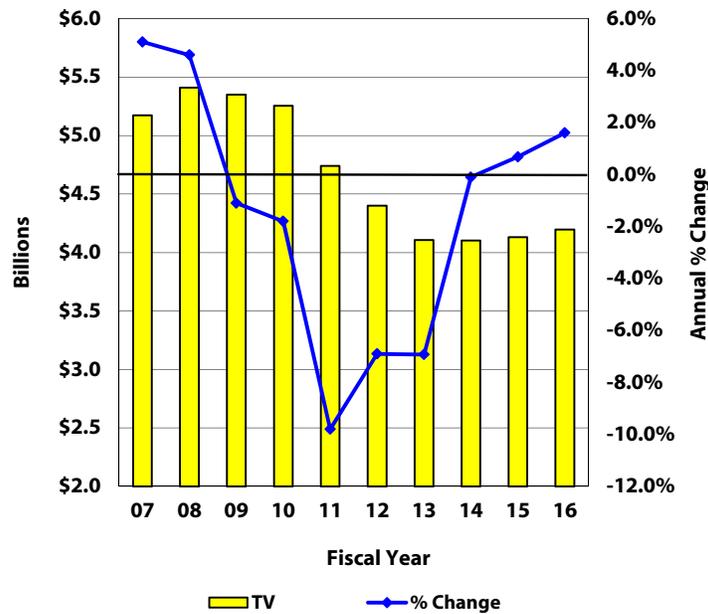
Comparable Tax Rates of Surrounding Macomb County Cities

Per \$1,000 TV



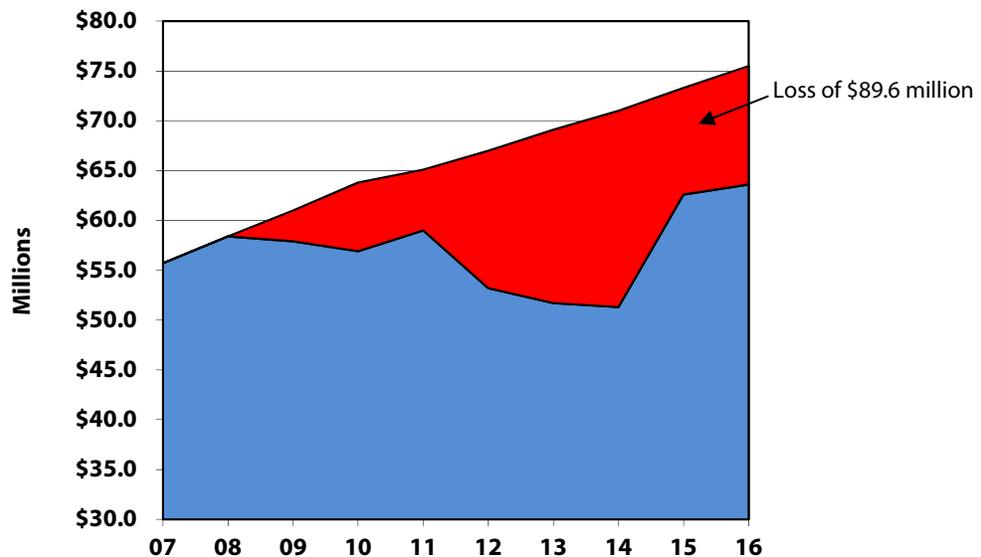
This graph illustrates the taxes levied by Macomb County cities for the past 28 years.

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 and 2015.

**GENERAL FUND
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
CITY OPERATING TAXES							
404000	City Operating Tax	\$38,245,937	46.80	\$38,740,820	42.54	\$39,838,770	43.98
404001	Property Tax Refunds	(246,813)	-0.30	(700,000)	-0.77	(400,000)	-0.44
415000	Delinquent Personal Property Tax	85,006	0.10	75,000	0.08	75,000	0.08
445000	Penalties & Interest	178,306	0.22	160,000	0.18	165,000	0.18
	Total Taxes	38,262,436	46.82	38,275,820	42.03	39,678,770	43.80
LICENSES & PERMITS							
451000	Business Operating License	8,845	0.01	18,000	0.02	10,000	0.01
452000	Mobile / Temporary Vendor	5,504	0.01	5,000	0.01	6,000	0.01
453000	Liquor License	97,056	0.12	90,000	0.10	95,000	0.10
454000	Vending/Amusement Device Fee	16,914	0.02	20,000	0.02	20,000	0.02
461000	Electrical Registration & Permits	216,850	0.27	220,000	0.24	240,000	0.26
462000	Heating Registration & Permits	302,069	0.37	230,000	0.25	250,000	0.28
463000	Plumbing Registration & Permits	152,603	0.19	140,000	0.15	170,000	0.19
464000	Sign Registration & Permits	39,345	0.05	50,000	0.05	45,000	0.05
470000	Building Registration & Permits	665,860	0.81	800,000	0.88	750,000	0.83
471000	Fence Permits	10,257	0.01	9,000	0.01	12,000	0.01
477000	Fire Suppression Permits	18,033	0.02	20,000	0.02	40,000	0.04
478000	Animal Permits	67,988	0.08	60,000	0.07	65,000	0.07
479401	Non-Homestead Resident Insp Fee	103,125	0.13	70,000	0.08	72,000	0.08
479402	Re-Inspection Code Enforcement Fee	30,968	0.04	40,000	0.04	30,000	0.03
	Total Licenses & Permits	1,735,417	2.12	1,772,000	1.94	1,805,000	1.99
STATE & LOCAL RETURNS							
529000	Federal Grant - Other	95,980	0.12	171,990	0.19	65,000	0.07
539002	State Grants	1,431	0.00	0	0.00	0	0.00
539302	Criminal Justice Training	33,013	0.04	41,600	0.05	0	0.00
539332	Dispatcher Training	15,215	0.02	10,000	0.01	0	0.00
539378	Act 78 Emergency Telephone Service	200,616	0.25	200,000	0.22	0	0.00
544000	Drunk Driving Case Flow Assistance	11,559	0.01	12,000	0.01	12,000	0.01
567001	State Aid - Library	70,279	0.09	75,750	0.08	77,140	0.09
569001	Judges Salary Stand Payments	137,171	0.17	137,170	0.15	137,170	0.15
574000	State Revenue Sharing	10,541,415	12.90	10,900,000	11.97	11,000,000	12.14
581001	Municipal Credit Transportation	247,442	0.30	265,570	0.29	250,000	0.28
583000	Macomb Auto Theft Squad - Grant	63,271	0.08	60,000	0.07	63,000	0.07
585000	Drug Enforce. Admin - Federal	15,370	0.02	16,000	0.02	16,000	0.02
587001	County Contrib. - Library Penal Fines	104,736	0.13	82,000	0.09	90,000	0.10
	Total State & Local Returns	11,537,498	14.13	11,972,080	13.14	11,710,310	12.93
FINES & FORFEITURES							
656003	Contempt Court Fines	52,579	0.06	55,000	0.06	55,000	0.06
656004	Ordinance Fines & Costs	1,926,630	2.36	2,050,000	2.25	1,950,000	2.15
656005	Municipal Civil Infractions	16,500	0.02	10,000	0.01	10,000	0.01
657001	Library Fines	51,703	0.06	50,000	0.05	52,000	0.06
658001	Bond Forfeitures	77,026	0.09	70,000	0.08	80,000	0.09
659001	Driver Reinstatement Fee	27,202	0.03	30,000	0.03	30,000	0.03
659002	Default Judgment Fee	163,224	0.20	160,000	0.18	165,000	0.18
659003	Crime Victim Rights Admin. Fee	12,007	0.01	12,000	0.01	13,000	0.01
	Total Fines & Forfeitures	2,326,871	2.83	2,437,000	2.68	2,355,000	2.60

**GENERAL FUND
REVENUE SUMMARY BY ACCOUNT**

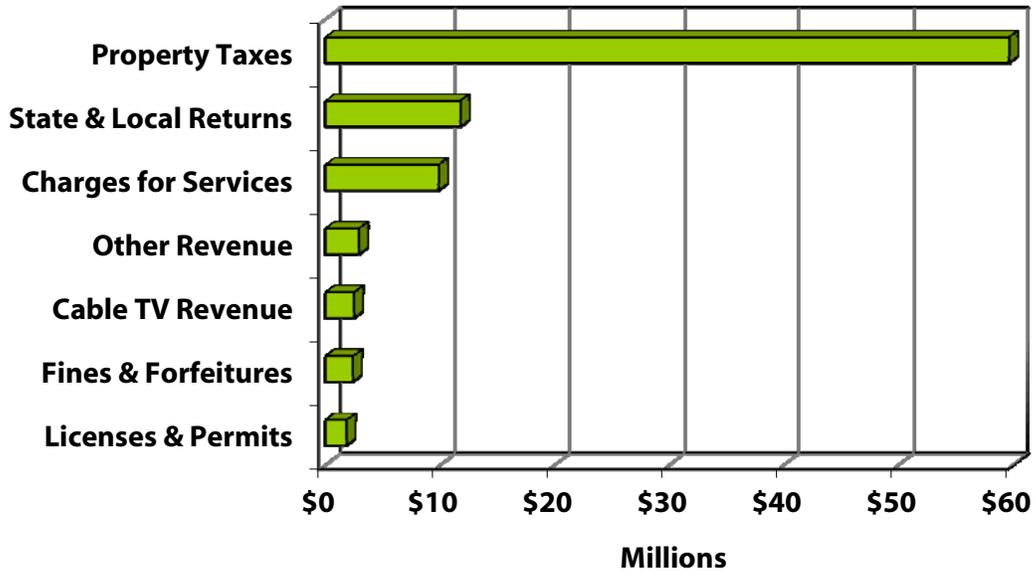
Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER FINANCING SOURCES						
699677	Transfer From Self-Insurance Fund	1,372,830	1.68	3,100,000	3.40	0	0.00
	Total Other Financing Sources	1,372,830	1.68	3,100,000	3.40	0	0.00
	CHARGES FOR SERVICES						
603000	Court Filing Fee	133,007	0.16	140,000	0.15	130,000	0.14
603001	Jury Demand Fee	2,600	0.00	2,000	0.00	3,000	0.00
604000	Probation Oversight	305,029	0.37	290,000	0.32	295,000	0.33
605000	Garnishments - Filing Fee	151,920	0.19	165,000	0.18	155,000	0.17
606000	Split/Combination Fee	7,794	0.01	5,000	0.01	7,000	0.01
607000	Fire Permits, Fees, & Inspections	19,817	0.02	30,000	0.03	30,000	0.03
608000	Encroachment/Deviation Fees	371	0.00	2,000	0.00	1,000	0.00
609000	Mobile Home Tax	9,424	0.01	9,400	0.01	9,600	0.01
610000	Vital Statistics	61,538	0.08	62,000	0.07	65,000	0.07
611000	Attorney Fee Reimbursement	28,948	0.04	35,000	0.04	33,000	0.04
612000	Alcohol Assessment Fee	49,195	0.06	55,000	0.06	55,000	0.06
626000	Services - PTAF	1,593,127	1.95	1,710,000	1.88	1,750,000	1.93
627000	Water & Sewer Activity	1,463,600	1.79	1,543,620	1.69	1,621,410	1.79
627444	Administrative Services - Roads	402,292	0.49	245,000	0.27	260,000	0.29
627556	Admin Services-Water Distribution	300,720	0.37	322,500	0.35	337,560	0.37
627574	Admin Services-W&S Improvements	134,880	0.17	138,900	0.15	143,070	0.16
627677	Administrative Services-Self Insurance	268,020	0.33	278,280	0.31	296,580	0.33
627732	Administrative Services-P&F Pension	6,330	0.01	7,000	0.01	6,500	0.01
628001	Voter Lists	237	0.00	500	0.00	800	0.00
629001	Labor Services - Roads	1,345,005	1.65	950,000	1.04	1,000,000	1.10
629002	Labor Services - Cross Charges	40,692	0.05	35,000	0.04	50,000	0.06
629003	Labor Services - Fleet Maintenance	75,514	0.09	65,000	0.07	75,000	0.08
631001	Police Service/Schools	107,764	0.13	120,000	0.13	120,000	0.13
631002	Towed Vehicle Impound Fee	78,676	0.10	70,000	0.08	80,000	0.09
632001	Inspection Services-Projects-Other	82,324	0.10	150,000	0.16	150,000	0.17
632002	Inspection Services-City Projects	265,001	0.32	400,000	0.44	450,000	0.50
632003	Engineering Review Fee	73,170	0.09	125,000	0.14	120,000	0.13
632004	Engineering & Design - Project	264,612	0.32	400,000	0.44	850,000	0.94
632005	Building Number Assignments	2,090	0.00	400	0.00	600	0.00
632006	SESC Review Fee	14,593	0.02	18,000	0.02	20,000	0.02
632007	SESC Inspection Fee	106,412	0.13	75,000	0.08	75,000	0.08
632008	Easement Vacation	705	0.00	500	0.00	1,000	0.00
632009	ROW Permit Fees	2,007	0.00	2,200	0.00	3,000	0.00
634003	Supplies & Gasoline Revenue	88,404	0.11	85,000	0.09	65,000	0.07
634004	Parts-Vehicle Maintenance	68,651	0.08	55,000	0.06	55,000	0.06
635535	Refuse Collection Fees	26,262	0.03	26,500	0.03	22,000	0.02
636000	Plan Review Fee	44,954	0.06	40,000	0.04	45,000	0.05
636001	Building Department Plan Review	290,435	0.36	300,000	0.33	300,000	0.33
637001	Copies & Forms	18,279	0.02	20,000	0.02	18,000	0.02
637002	Maps	428	0.00	450	0.00	450	0.00
637003	Police Reports	150,894	0.18	155,000	0.17	150,000	0.17
637005	Fire Reports	1,090	0.00	1,000	0.00	1,200	0.00

**GENERAL FUND
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
637006	PBT User Fee	263	0.00	100	0.00	500	0.00
637007	False Alarm Fees	145,301	0.18	130,000	0.14	135,000	0.15
637301	Notary Fee	1,750	0.00	2,000	0.00	2,000	0.00
638000	Application Fees	17,360	0.02	15,000	0.02	10,000	0.01
639001	Parks & Recreation Fees	470,012	0.58	485,000	0.53	490,000	0.54
639253	Treasury Transfer & Late Fees	51,085	0.06	74,000	0.08	60,000	0.07
640001	5% Cash Deposit	2,695	0.00	2,500	0.00	2,500	0.00
640002	Weed Cutting	200,199	0.24	200,000	0.22	200,000	0.22
640003	Board of Zoning Appeals Fees	10,721	0.01	10,000	0.01	11,000	0.01
640005	Ordinance Board of Appeals Fees	61,811	0.08	70,000	0.08	60,000	0.07
	Total Charges for Services	9,048,008	11.07	9,123,850	10.02	9,821,770	10.85
	OTHER REVENUE						
656006	Interpreter Fees	12,487	0.02	13,000	0.01	20,000	0.02
665000	Interest on Investments	183,930	0.23	175,000	0.19	200,000	0.22
667002	Rental Income - Utica Road	36,120	0.04	42,960	0.05	43,020	0.05
667003	Rental Income - DPS	102,000	0.12	90,900	0.10	103,890	0.11
667005	Rental - DPW - Impound Lot	39,600	0.05	39,600	0.04	39,600	0.04
667007	Rental - Universal Ambulance	6,000	0.01	6,000	0.01	6,000	0.01
667009	Rental - Towers	247,422	0.30	221,420	0.24	204,120	0.23
669001	Rental - Road Equipment	1,486,281	1.82	1,100,000	1.21	1,200,000	1.32
669002	Rental - Equipment - Cross Charges	34,116	0.04	35,000	0.04	40,000	0.04
673000	Sale of Fixed Assets	25,296	0.03	15,000	0.02	15,000	0.02
675000	Contributions & Donations	8,621	0.01	10,000	0.01	10,000	0.01
675001	Donations - Parks & Recreation	15,131	0.02	15,000	0.02	17,500	0.02
675003	Art Fair Revenue	104,766	0.13	105,000	0.12	120,000	0.13
676000	Reimbursements	629,025	0.77	550,000	0.60	600,000	0.66
676001	Reimbursements - Legal	(9,188)	-0.01	3,000	0.00	3,000	0.00
677008	Unrealized Gain/Loss	61,926	0.08	(200,000)	-0.22	0	0.00
679000	Police Auction	14,755	0.02	27,000	0.03	20,000	0.02
679535	Refuse Bag Sales	74	0.00	0	0.00	0	0.00
679752	Parks & Recreation Retail Sales	1,109	0.00	1,500	0.00	1,500	0.00
679792	Library Book Sales	0	0.00	100	0.00	50	0.00
685000	Miscellaneous Revenue	127,328	0.16	80,000	0.09	75,000	0.08
685792	Miscellaneous Revenue - Library	81,392	0.10	80,000	0.09	80,000	0.09
690000	O.U.I.L. Recovery	39,832	0.05	42,000	0.05	42,000	0.05
690002	Warrant Arrest Processing Fee	4,000	0.00	4,000	0.00	4,500	0.00
	Total Other Revenue	3,252,023	3.98	2,456,480	2.70	2,845,180	3.14
405000	City Refuse Tax	4,400,850	5.39	4,658,430	5.11	4,795,150	5.29
406000	P&F Pension Tax	7,444,408	9.11	7,953,970	8.73	7,986,310	8.82
407000	Safe Streets Tax	0	0.00	7,028,680	7.72	7,135,880	7.88
680000	Cable TV Revenue	2,342,953	2.87	2,300,000	2.53	2,450,000	2.70
	Total General Fund Revenue	\$81,723,294	100.00	\$91,078,310	100.00	\$90,583,370	100.00

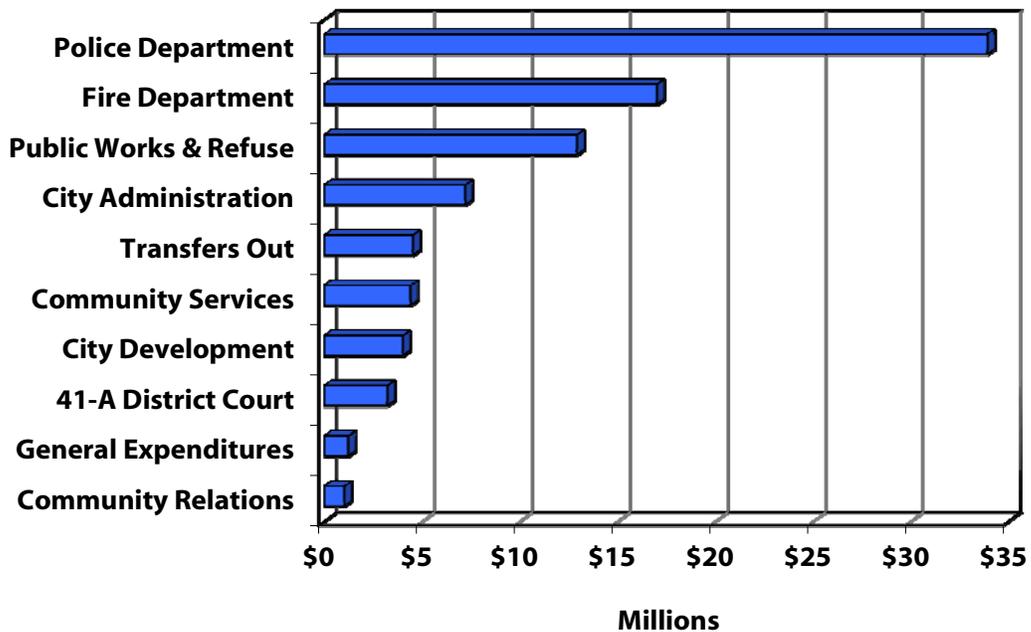
Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

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.	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
LEGISLATIVE					
1. City Council	1010	\$131,330	\$132,090	\$137,050	3.8%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	848,150	944,800	1,005,820	6.5%
2. Economic Development	4150	257,590	260,450	314,510	20.8%
3. City Clerk	2160	542,500	609,990	771,890	26.5%
4. Information Technology	2580	871,860	886,010	908,880	2.6%
5. Assessing	2090	827,390	866,990	880,940	1.6%
6. Financial Services	2010	776,950	833,230	925,050	11.0%
7. Purchasing	2330	274,060	304,970	321,910	5.6%
8. Treasury	2530	1,014,380	1,062,980	1,087,500	2.3%
9. Act 78 - Civil Service Commission	2200	21,230	22,710	20,470	-9.9%
10. General Employees Pension Board	2390	73,800	78,940	78,790	-0.2%
11. Legal	2100	678,690	745,000	775,000	4.0%
Total City Administration Department		6,317,930	6,748,160	7,227,810	7.1%
COMMUNITY SERVICES DEPARTMENT					
1. Library	7920	2,335,380	2,472,640	2,603,030	5.3%
2. Parks & Recreation	7520	1,666,740	1,771,290	1,874,390	5.8%
3. Historical Commission	8030	370	570	570	0.0%
Total Community Services Department		4,002,490	4,244,500	4,477,990	5.5%
POLICE DEPARTMENT					
1. Police Administration	3050	2,988,410	3,153,430	4,930,010	56.3%
2. Police Investigations	3100	5,624,610	5,743,330	6,087,200	6.0%
3. Police Operations	3150	19,602,490	20,352,170	21,343,050	4.9%
4. Police Support Services	3260	3,283,070	3,662,540	1,575,350	-57.0%
Total Police Department		31,498,580	32,911,470	33,935,610	3.1%
FIRE DEPARTMENT					
1. Fire Administration	3370	1,469,690	1,618,930	1,435,560	-11.3%
2. Fire Extinguishment	3390	14,806,220	15,137,860	14,687,000	-3.0%
3. Fire Prevention	3410	802,540	826,070	1,060,650	28.4%
Total Fire Department		17,078,450	17,582,860	17,183,210	-2.3%

GENERAL FUND EXPENDITURES BY BUDGETARY CENTER

Activity Name	Activity No.	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
<u>PUBLIC WORKS DEPARTMENT</u>					
1. Engineering	4470	1,172,660	1,332,660	1,350,000	1.3%
2. Fleet Maintenance	5530	2,857,030	2,825,830	2,920,420	3.3%
3. Parks & Grounds Maintenance	7700	1,318,490	1,241,890	1,321,070	6.4%
4. Public Works Center	4420	270,850	252,390	276,700	9.6%
5. Street Services	4440	2,170,820	1,970,390	2,273,490	15.4%
Total Public Works Department		7,789,850	7,623,160	8,141,680	6.8%
<u>REFUSE COLLECTION</u>					
1. Refuse Collection	5350	4,697,630	4,684,930	4,817,150	2.8%
Total Refuse Collection		4,697,630	4,684,930	4,817,150	2.8%
<u>CITY DEVELOPMENT DEPARTMENT</u>					
1. Building & Facilities Maintenance	4120	1,781,940	1,784,450	1,899,120	6.4%
2. Neighborhood Services	4170	1,278,550	1,330,910	1,522,710	14.4%
3. Planning	4020	104,560	182,120	230,810	26.7%
4. Planning Commission	4030	3,810	4,740	4,710	-0.6%
5. Zoning Board of Appeals	4130	2,900	4,510	4,280	-5.1%
6. Component Unit Funding	9670	0	0	300,000	100.0%
Total City Development Department		3,171,760	3,306,730	3,961,630	19.8%
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
1. Community Relations	2920	856,950	933,210	1,035,710	11.0%
2. Arts Commission	7930	50	50	50	0.0%
3. Beautification Commission	8060	680	710	710	0.0%
Total Community Relations Department		857,680	933,970	1,036,470	11.0%
41-A DISTRICT COURT	1360	3,078,770	3,081,700	3,202,320	3.9%
GENERAL EXPENDITURES	8950	2,167,780	1,272,970	1,213,620	-4.7%
TRANSFERS OUT	9660	1,081,460	7,122,720	4,457,140	-37.4%
Total General Fund Expenditures		\$81,742,380	\$89,513,170	\$89,654,630	0.2%

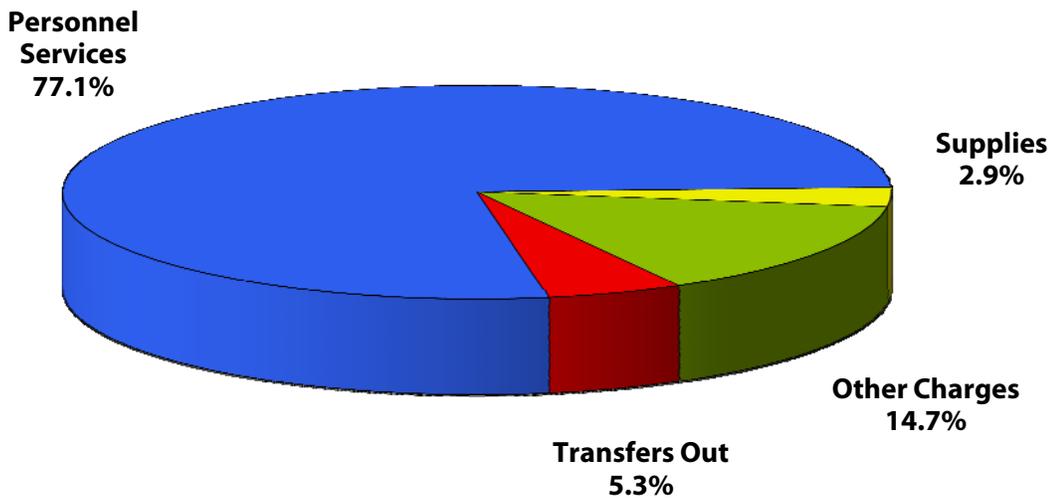
**GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY**

Budgetary Center	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget
<u>CITY ADMINISTRATION DEPARTMENT</u>					
Personnel Services	\$6,589,283	\$5,631,605	\$4,857,801	\$5,150,590	\$5,410,020
Supplies	218,362	202,132	181,941	188,620	202,350
Other Charges	1,610,421	1,893,799	1,278,187	1,408,950	1,615,440
Total	8,418,066	7,727,536	6,317,929	6,748,160	7,227,810
<u>COMMUNITY SERVICES DEPARTMENT</u>					
Personnel Services	3,689,342	3,556,987	3,237,104	3,402,050	3,605,600
Supplies	271,283	244,037	239,283	269,560	282,960
Other Charges	528,543	538,926	526,106	572,890	589,430
Total	4,489,168	4,339,950	4,002,493	4,244,500	4,477,990
<u>POLICE DEPARTMENT</u>					
Personnel Services	31,828,783	30,535,297	30,357,770	31,391,780	31,025,120
Supplies	68,375	55,113	84,016	70,380	124,030
Other Charges	1,083,583	1,030,293	1,056,797	1,449,310	2,786,460
Total	32,980,741	31,620,703	31,498,583	32,911,470	33,935,610
<u>FIRE DEPARTMENT</u>					
Personnel Services	18,546,987	16,333,914	16,529,831	16,783,200	16,543,670
Supplies	134,135	119,776	131,764	179,560	153,930
Other Charges	434,442	429,327	416,851	620,100	485,610
Total	19,115,564	16,883,017	17,078,446	17,582,860	17,183,210
<u>PUBLIC WORKS DEPARTMENT</u>					
Personnel Services	5,233,194	4,743,962	5,401,858	5,235,410	5,700,850
Supplies	1,544,686	1,687,082	1,652,173	1,654,400	1,666,120
Other Charges	532,600	585,711	735,821	733,350	774,710
Total	7,310,480	7,016,755	7,789,852	7,623,160	8,141,680
<u>REFUSE</u>					
Personnel Services	141,986	115,438	126,546	143,530	145,250
Supplies	507	593	2,467	1,500	1,500
Other Charges	4,463,391	4,555,986	4,568,622	4,539,900	4,670,400
Total	4,605,884	4,672,017	4,697,635	4,684,930	4,817,150
<u>CITY DEVELOPMENT DEPARTMENT</u>					
Personnel Services	2,269,975	1,853,642	2,508,967	2,615,410	2,896,610
Supplies	12,590	24,589	36,191	48,820	46,290
Other Charges	78,801	90,928	626,605	642,500	718,730
Transfers Out	0	0	0	0	300,000
Total	2,361,366	1,969,159	3,171,763	3,306,730	3,961,630

**GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY**

Budgetary Center	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget
COMMUNITY RELATIONS DEPARTMENT					
Personnel Services	956,511	849,995	775,237	840,630	842,220
Supplies	26,860	25,524	28,699	27,730	33,820
Other Charges	50,860	56,873	53,740	65,610	160,430
Total	1,034,231	932,392	857,676	933,970	1,036,470
41-A DISTRICT COURT					
Personnel Services	2,982,131	2,991,442	2,775,346	2,811,650	2,913,860
Supplies	45,504	34,060	38,867	39,300	39,720
Other Charges	225,218	232,861	264,552	230,750	248,740
Total	3,252,853	3,258,363	3,078,765	3,081,700	3,202,320
GENERAL EXPENDITURES					
Personnel Services	17,515	69,655	9,229	30,000	20,000
Supplies	18,588	10,179	16,423	16,000	16,320
Other Charges	2,621,409	2,159,076	2,142,130	1,226,970	1,177,300
Total	2,657,512	2,238,910	2,167,782	1,272,970	1,213,620
TRANSFERS OUT					
Transfers Out	1,010,670	954,090	1,081,460	7,122,720	4,457,140
TOTAL EXPENDITURES BY CATEGORY					
Personnel Services	72,255,707	66,681,937	66,579,689	68,404,250	69,103,200
Supplies	2,340,890	2,403,085	2,411,824	2,495,870	2,567,040
Other Charges	11,629,268	11,573,780	11,669,411	11,490,330	13,227,250
Transfers Out	1,010,670	954,090	1,081,460	7,122,720	4,757,140
Total General Fund	\$87,236,535	\$81,612,892	\$81,742,384	\$89,513,170	\$89,654,630

General Fund Expenditures by Expenditure Category



Total General Fund Budget of \$89,654,630

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

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	\$126,234	0.15	\$128,370	0.14	\$130,540	0.15
704000	Wages & Salaries-Permanent	28,653,284	35.05	30,001,340	33.52	29,970,260	33.43
704001	Sick Time Buy Back	391,783	0.48	574,800	0.64	383,600	0.43
704721	Health Insurance Allowance	92,217	0.11	90,500	0.10	85,500	0.10
705000	Wages-Salaries - Temp/Part Time	2,333,690	2.85	2,289,800	2.56	2,417,250	2.70
706000	Wages-Salaries - Occasional	28,238	0.03	75,000	0.08	95,000	0.11
708000	Overtime	2,305,036	2.82	1,888,520	2.11	2,205,120	2.46
708001	Compensatory Time Buy Back	1,078,297	1.32	1,130,130	1.26	1,178,140	1.31
708795	Overtime - F.L.S.A.	74,406	0.09	70,000	0.08	75,000	0.08
708900	Overtime - Grants	46,298	0.06	0	0.00	0	0.00
709000	Union Contract Reimbursement	16,741	0.02	31,950	0.04	26,200	0.03
710000	Longevity	807,607	0.99	827,250	0.92	773,610	0.86
711000	Holiday Pay	977,025	1.20	1,013,480	1.13	940,970	1.05
713500	Car Allowance	0	0.00	0	0.00	3,000	0.00
714000	Food Allowance	70,480	0.09	75,000	0.08	75,000	0.08
715000	Clothing Allowance	300,494	0.37	321,780	0.36	317,680	0.35
717000	FICA	1,336,212	1.63	1,452,170	1.62	1,419,810	1.58
718000	Worker's Compensation	291,049	0.36	302,120	0.34	313,910	0.35
719000	Unemployment Compensation	9,229	0.01	30,000	0.03	20,000	0.02
720000	Pension - General Emp Retirement	2,231,333	2.73	2,129,040	2.38	2,258,500	2.52
720001	Pension - Police and Fire Retirement	8,095,472	9.90	7,953,970	8.89	7,986,310	8.91
720002	Defined Contribution - Employer	170,354	0.21	192,330	0.21	207,540	0.23
720010	Add'l Employee Pension - GERS	(35,164)	-0.04	0	0.00	0	0.00
720011	Add'l Employee Pension - P&F	(15,017)	-0.02	0	0.00	0	0.00
721000	Health Insurance	4,778,972	5.85	5,178,160	5.78	5,266,370	5.87
721001	Health Insurance - Retirees	11,561,870	14.14	11,697,480	13.07	11,935,210	13.31
721003	Retiree Health Savings - City	54,375	0.07	82,100	0.09	162,180	0.18
722000	Dental Insurance	470,052	0.58	528,490	0.59	523,740	0.58
723000	Life Insurance	60,103	0.07	62,690	0.07	61,970	0.07
724000	Eye Care Insurance	39,422	0.05	41,480	0.05	37,910	0.04
725000	Disability Insurance - Long Term	65,203	0.08	67,020	0.07	66,090	0.07
725355	Disability Insurance - Short Term	164,394	0.20	169,280	0.19	166,790	0.19
	Total Personnel Services	66,579,689	81.45	68,404,250	76.41	69,103,200	77.08
	SUPPLIES						
729000	Postage	220,417	0.27	229,770	0.26	239,760	0.27
730000	Publications	19,704	0.02	20,190	0.02	22,870	0.03
741000	Ammunition	25,818	0.03	15,580	0.02	64,540	0.07
741302	Ammunition - Act 302 Grant	4,974	0.01	5,000	0.01	0	0.00
742000	Dog Care Supplies	1,511	0.00	1,200	0.00	1,200	0.00
750000	Fuels & Lubricants	821,322	1.00	790,000	0.88	775,000	0.86
750001	Fuel & Lube Inventory	31,812	0.04	25,000	0.03	25,000	0.03
751000	Operating Supplies	370,720	0.45	438,260	0.49	430,850	0.48
751001	Operating Supplies - Federal Funds	8,716	0.01	0	0.00	0	0.00
758000	Computer Software	468	0.00	500	0.00	500	0.00

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

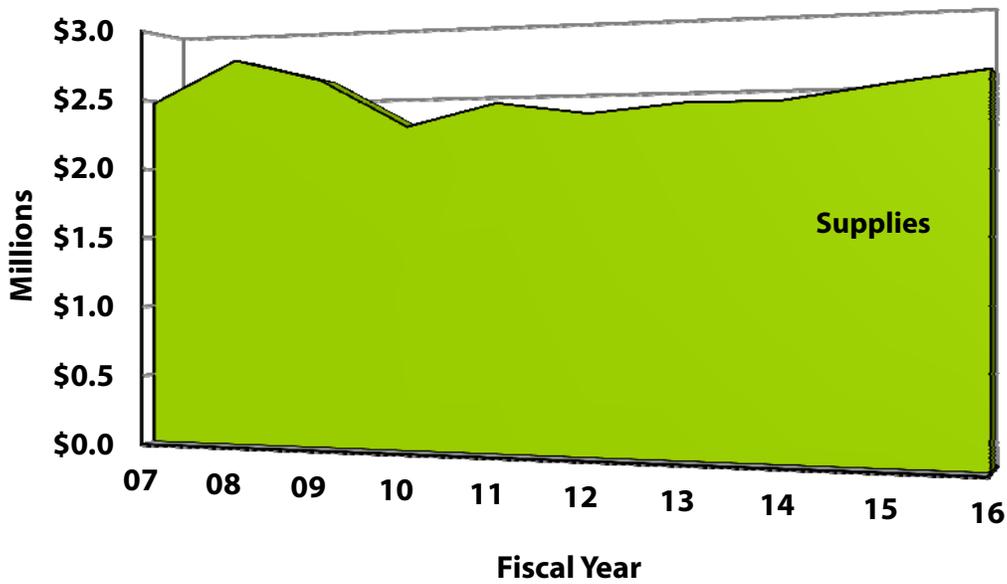
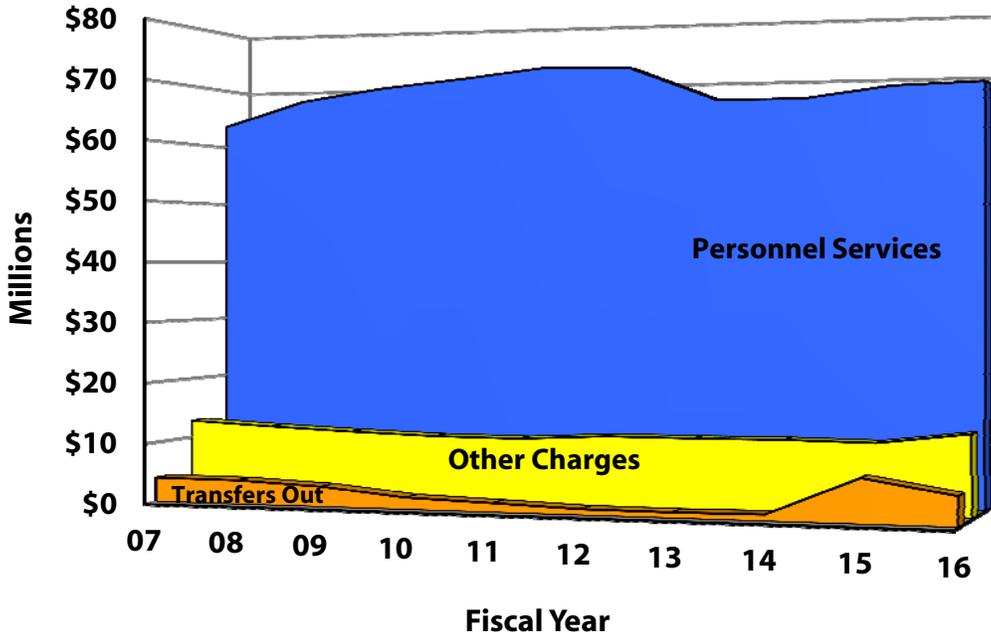
Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
759000	Parts & Sublet Services	687,508	0.84	725,000	0.81	750,000	0.84
760000	Playground & Athletic Supplies	18,720	0.02	13,000	0.01	15,000	0.02
761000	Program Activity Supplies	32,030	0.04	35,450	0.04	38,400	0.04
762000	Seniors Program Supplies	11,455	0.01	13,920	0.02	13,920	0.02
769000	Audio Visual Media	19,991	0.02	25,000	0.03	25,000	0.03
783000	Seeding & Planting Supplies	7,831	0.01	8,000	0.01	8,000	0.01
785000	Books	128,827	0.16	150,000	0.17	157,000	0.18
	Total Supplies	2,411,824	2.95	2,495,870	2.79	2,567,040	2.86
	OTHER CHARGES						
802000	Audit & Accounting Services	45,740	0.06	46,660	0.05	47,600	0.05
803000	Computer Consultant Services	3,200	0.00	6,400	0.01	10,900	0.01
804000	Engineering Consultant Services	772	0.00	10,000	0.01	0	0.00
806000	Legal Services - Other	89,631	0.11	101,000	0.11	81,000	0.09
806001	Legal Services - City Attorney	599,547	0.73	650,600	0.73	700,600	0.78
807000	Medical Services	25,966	0.03	42,840	0.05	37,120	0.04
807001	Medical Services - Grant	0	0.00	135,540	0.15	0	0.00
808000	Reporting Services	20,071	0.02	13,350	0.01	13,600	0.02
810000	Other Fees	45,635	0.06	44,950	0.05	49,080	0.05
820000	Tree/Weed Cutting	110,027	0.13	95,000	0.11	105,000	0.12
821000	Spraying Services	21,876	0.03	20,000	0.02	24,400	0.03
822000	Rubbish Removal	4,499,523	5.50	4,470,000	4.99	4,600,000	5.13
825000	Animal Collection	14,941	0.02	11,000	0.01	12,000	0.01
826000	Other Contracted Services	1,646,637	2.01	1,829,230	2.04	3,760,880	4.19
826412	Nuisance Abatements	26,339	0.03	30,000	0.03	30,000	0.03
827000	Interfund Services	69,100	0.08	69,100	0.08	69,100	0.08
829000	Hazardous Waste Disposal	3,006	0.00	2,000	0.00	2,500	0.00
832000	Building Maintenance	163,705	0.20	139,090	0.16	155,000	0.17
833000	Equipment Maintenance	344,921	0.42	327,050	0.37	428,000	0.48
833001	Personal Computer Maintenance	5,384	0.01	6,000	0.01	6,000	0.01
836000	Radio Maintenance	4,649	0.01	9,000	0.01	8,500	0.01
837000	Retention Pond Maintenance	24,934	0.03	20,000	0.02	35,400	0.04
838000	Parks & Grounds Maintenance	25,125	0.03	40,000	0.04	30,000	0.03
902000	Publishing	11,200	0.01	13,860	0.02	19,380	0.02
903000	Printing	79,337	0.10	93,520	0.10	81,230	0.09
913000	Liability Insurance	1,005,068	1.23	4,600	0.01	5,100	0.01
915000	Other Insurance	19,240	0.02	19,260	0.02	19,260	0.02
921000	Electric	533,044	0.65	565,000	0.63	562,000	0.63
922000	Telephone	96,952	0.12	82,380	0.09	81,590	0.09
922001	Fiber Optic Lease Charges	45,327	0.06	45,330	0.05	45,330	0.05
923000	Gas - Fuel - Oil	213,376	0.26	208,000	0.23	223,000	0.25
924000	Street Lighting	999,430	1.22	1,050,330	1.17	1,000,000	1.12
925000	Water	147,002	0.18	158,900	0.18	161,400	0.18
942302	Building Rental - Act 302	14,960	0.02	12,600	0.01	0	0.00
944000	Hydrant Rental	159,750	0.20	159,750	0.18	162,950	0.18
945000	Other Rental	253,833	0.31	265,960	0.30	266,010	0.30

GENERAL FUND EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
949000	Interpreter Fees	40,410	0.05	25,000	0.03	40,000	0.04
950000	Witness Fees	4,761	0.01	5,000	0.01	5,000	0.01
951000	Juror Fees	3,228	0.00	3,000	0.00	3,000	0.00
954000	Mileage	389	0.00	600	0.00	500	0.00
956000	Local Meetings	5,132	0.01	4,280	0.00	4,440	0.00
956002	Special Events	249	0.00	290	0.00	290	0.00
957000	Memberships & Dues	100,752	0.12	105,730	0.12	116,710	0.13
959000	Education & Training	83,320	0.10	119,850	0.13	149,900	0.17
959001	Education & Training - Grant	13,359	0.02	0	0.00	0	0.00
959302	Education & Training Act 302	13,079	0.02	24,000	0.03	0	0.00
959332	Education & Training Act 32	15,215	0.02	10,000	0.01	0	0.00
960000	Donation Expense Non-Capital	6,139	0.01	4,000	0.00	4,000	0.00
961000	Athletic Entry Fees	320	0.00	320	0.00	320	0.00
962000	Miscellaneous Expense	13,703	0.02	49,960	0.06	34,850	0.04
962001	Misc Exp - Cash - Short/Over	108	0.00	0	0.00	0	0.00
969000	Contingency	0	0.00	340,000	0.38	34,310	0.04
	Total Other Charges	11,669,412	14.28	11,490,330	12.84	13,227,250	14.75
	TRANSFERS OUT						
999202	Transfer to Major Road Fund	0	0.00	2,800,000	3.13	0	0.00
999244	Transfer to L&W Conservation Fund	0	0.00	88,000	0.10	325,000	0.36
999369	Transfer to LTGO Debt Fund	297,080	0.36	312,680	0.35	322,380	0.36
999403	Transfer to Capital Projects Fund	784,380	0.96	3,622,040	4.05	3,809,760	4.25
999855	Transfer to EDC Fund	0	0.00	300,000	0.34	300,000	0.33
	Total Transfers Out	1,081,460	1.32	7,122,720	7.96	4,757,140	5.31
	Total General Fund	\$81,742,385	100.00	\$89,513,170	100.00	\$89,654,630	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

General Fund Expenditure History



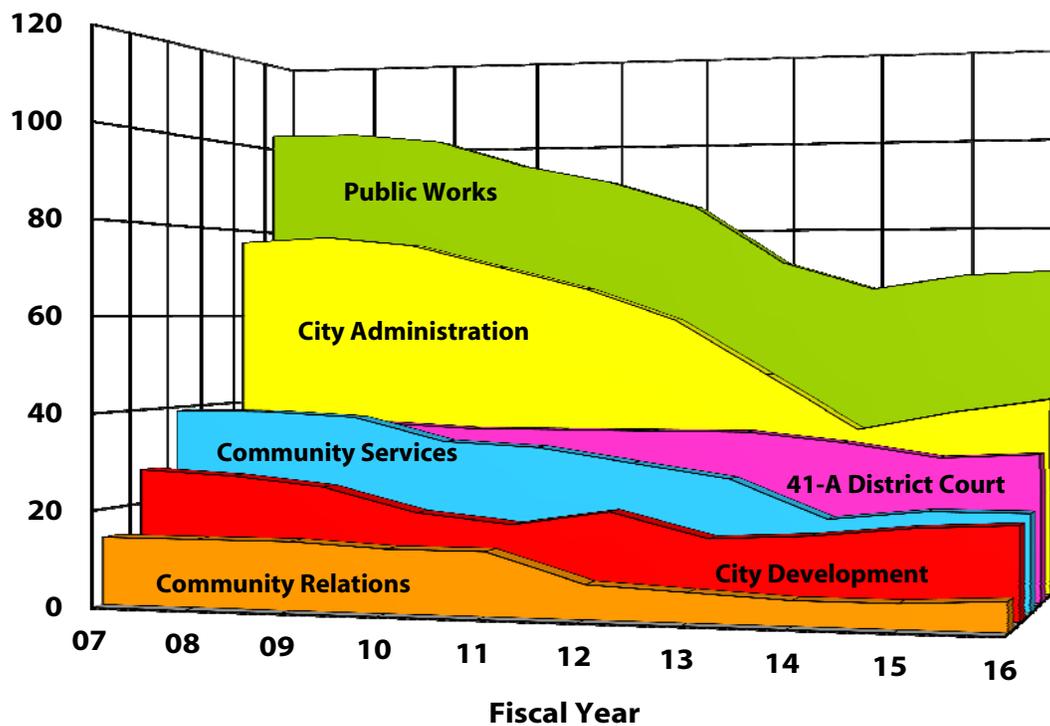
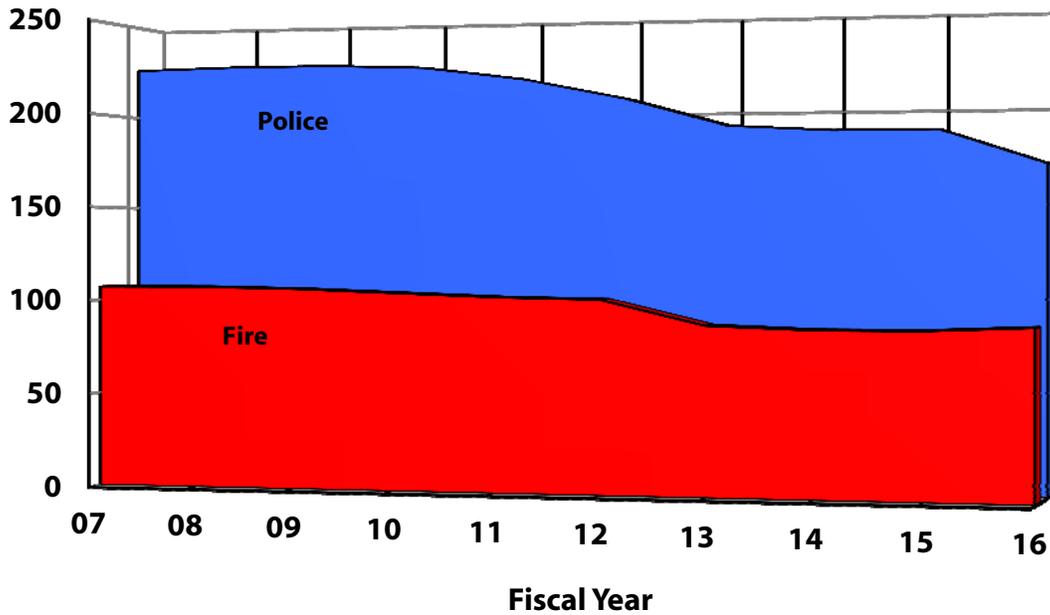
These graphs illustrate the expenditure category history for the General Fund.

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 Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
CITY ADMINISTRATION DEPARTMENT							
CITY MANAGEMENT							
153,717	City Manager	1		1		1	
79,402	Human Resources Director/Assistant City Manager	1		1		1	
79,402	Finance & Budget Director	1		1		1	
93,481 - 117,632	Deputy Human Resources Director	0		0		1	
59,467 - 66,799	Budget Management Coordinator	1		1		1	
42,057 - 47,006	Management Services Specialist	1		1		1	
38,200 - 44,626	Management Assistant	0		1		1	
	Management Assistant (P.T.)		1		0		0
43,424 - 50,727	Administrative Assistant	1		1		1	
31,217	Administrative Assistant (P.T.)		1		1		1
	Total	6	2	7	1	8	1
ECONOMIC DEVELOPMENT							
	Economic Development Manager	1		1		0	
	Business Development Manager	0		0		0	
44,941 - 52,501	Management Assistant	1		1		1	
	Total	2	0	2	0	1	0
CITY CLERK							
79,402	City Clerk/Risk Manager	1		1		1	
75,000	Deputy City Clerk	0		0		1	
38,200 - 52,501	Management Assistant	2		2		2	
33,435 - 39,078	Senior Clerk	0		1		1	
24,961 - 36,650	Clerk Typist	0		0		1	
	Clerk Typist (P.T.)		2		1		0
	Total	3	2	4	1	6	0
INFORMATION TECHNOLOGY							
92,447 - 114,616	Information Technology Manager	1		1		1	
57,860 - 64,669	Senior Systems Analyst	2		2		2	
55,635 - 62,183	Information Technology Specialist	2		2		2	
	Total	5	0	5	0	5	0
ASSESSING							
86,563 - 107,321	City Assessor	1		1		1	
56,166 - 75,326	Appraiser III	1		2		2	
30,903	Appraiser III (P.T.)		2		1		1
58,398 - 66,573	Appraiser II	1		1		1	
51,095 - 58,246	Appraiser I	1		1		1	
46,632 - 54,479	Appraiser Aide	1		1		1	
20,650	Clerk Typist (P.T.)		0		1		1
	Co-op (P.T.)		1		0		0
	Total	5	3	6	2	6	2
FINANCIAL SERVICES							
69,250 - 107,321	Controller	1		1		2	
59,467 - 66,799	Accountant	1		1	2	1	
20,040 - 41,621	Accountant (P.T.)		2				2
36,910 - 50,727	Senior Account Clerk	2		2		2	
20,172	Account Clerk (P.T.)		1		1		2
	Co-op (P.T.)		1		1		0
	Total	4	4	4	4	5	4

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
PURCHASING							
68,993	Purchasing Manager	1		1		1	
55,635 - 62,183	Purchasing Specialist	1		1		1	
43,424 - 50,727	Administrative Assistant	0		1		1	
	Administrative Assistant (P.T.)		1		0		0
	Total	2	1	3	0	3	0
TREASURY							
73,579 - 91,223	City Treasurer	1		1		1	
64,962 - 73,500	Pension Administrator/Utility Billing Accountant	1		1		1	
59,467 - 66,799	Accountant	1		1		1	
44,941 - 52,501	Management Assistant	1		1		1	
43,424 - 50,727	Senior Account Clerk	2		2		2	
30,904 - 45,975	Account Clerk	2		2		2	
24,815 - 25,439	Account Clerk (P.T.)		2		2		2
	Total	8	2	8	2	8	2
Total City Administration Department		35	14	39	10	42	9
COMMUNITY SERVICES DEPARTMENT							
PUBLIC LIBRARY							
92,896 - 115,175	Community Services/Library Director	1		1		1	
59,467 - 67,460	Library Service Area Coordinator	1		2		2	
	Library Service Area Coordinator (P.T.)		1		0		0
57,870 - 65,317	Public Relations & Programs Coordinator	1		1		1	
55,563 - 62,405	Librarian	2		2		2	
23,945 - 37,815	Librarian (P.T.)		8		8		10
51,095 - 58,246	Circulation Supervisor	0		1		1	
	Circulation Supervisor (P.T.)		1		0		0
44,941 - 52,501	Management Assistant	1		1		1	
43,424 - 50,727	Library Assistant II	3		3		3	
40,331 - 47,117	Library Assistant I	1		1		1	
	Library Clerk	1		1		0	
16,478 - 23,100	Library Clerk (P.T.)		5		5		6
11,193 - 14,883	Library Page (P.T.)		10		10		10
	Total	11	25	13	23	12	26
PARKS & RECREATION							
71,025 - 87,035	Parks & Recreation Manager	1		1		1	
	Recreation Supervisor/HUD Coordinator	1		0		0	
49,189 - 65,317	Recreation Supervisor	1		1		2	
40,195	Recreation Supervisor (P.T.)		1		2		1
39,312 - 43,937	Recreation Specialist	0		1		1	
43,424 - 50,727	Administrative Assistant	1		1		1	
39,335 - 45,975	Program & Services Assistant	2		2		2	
27,750	Program & Services Assistant (P.T.)		1		1		1
39,335 - 45,975	Senior Clerk	1		1		1	
	CDBG Intern (P.T.)		1		0		0
	Total	7	3	7	3	8	2
Total Community Services Department		18	28	20	26	20	28

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
POLICE DEPARTMENT							
<u>POLICE ADMINISTRATION</u>							
85,604	Chief of Police	1		1		1	
103,646 - 106,359	Captain	1		1		1	
94,669 - 98,992	Lieutenant	1		1		1	
85,589 - 90,061	Sergeant	2		2		2	
43,829 - 76,042	Police Officer	2		2		2	
37,578 - 52,170	Secretary to Chief	1		1		1	
36,578 - 51,169	Administrative Secretary	3		4		4	
25,968 - 44,645	Technical Secretary	1		1		1	
	Property Clerk	1		0		0	
	Total	13	0	13	0	13	0
<u>POLICE INVESTIGATIONS</u>							
103,646 - 106,359	Captain	0		0		1	
94,669 - 98,992	Lieutenant	2		2		2	
85,589 - 90,061	Sergeant	4		4		4	
43,829 - 76,042	Police Officer	24		24		24	
36,578 - 51,169	Administrative Secretary	1		2		2	
25,968 - 44,645	Technical Secretary	2		2		2	
	Total	33	0	34	0	35	0
<u>POLICE OPERATIONS</u>							
103,646 - 106,359	Captain	1		1		1	
94,669 - 98,992	Lieutenant	4		4		4	
85,589 - 90,061	Sergeant	16		16		16	
43,829 - 76,042	Police Officer	89		89		89	
36,578 - 51,169	Administrative Secretary	2		2		2	
25,968 - 44,645	Technical Secretary	1		1		1	
5,166	Crossing Guards (P.T.)		30		30		30
	Total	113	30	113	30	113	30
<u>POLICE SUPPORT SERVICES</u>							
85,589 - 90,061	Sergeant	2		2		1	
	Communications Officer - Shift Leader	4		4		0	
	Communications Officer	16		16		0	
30,137	Laboratory Technician (P.T.)		1		1		1
37,578 - 52,170	Evidence Clerk	1		1		1	
36,578 - 51,169	Administrative Secretary	3		2		2	
36,866 - 41,822	Animal Control Officer	0		0		2	
	Animal Control Officer (P.T.)		2		2		0
32,851 - 46,304	Terminal Agency Coordinator	1		1		1	
25,968 - 44,645	Technical Secretary	3		3		3	
	Total	30	3	29	3	10	1
Total Police Department		189	33	189	33	171	31

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
FIRE DEPARTMENT							
<u>FIRE ADMINISTRATION</u>							
82,547	Fire Chief	1		1		1	
101,626 - 110,248	Division Chief/Assistant Fire Chief	1		1		1	
93,236 - 101,612	Chief of Training	1		1		1	
91,507 - 94,999	EMS Coordinator	1		1		1	
87,149 - 90,556	Training Officer	1		1		1	
46,632 - 54,479	Fire Services Specialist	1		1		1	
44,941 - 52,501	Management Assistant	1		1		1	
43,424 - 50,727	Administrative Assistant	1		1		1	
	Total	8	0	8	0	8	0
<u>FIRE EXTINGUISHMENT</u>							
91,407 - 96,774	Battalion Chief	3		3		3	
88,055 - 93,221	Captain-Advanced Life Support	3		3		5	
	Captain	2		2		0	
76,600 - 78,088	Lieutenant-Advanced Life Support	14		15		13	
76,180 - 81,454	Lieutenant	2		1		3	
75,144 - 76,600	Sergeant - Fire Engine Operator	9		9		9	
41,819 - 74,363	Fire Fighter-Advanced Life Support	31		30		30	
41,023 - 72,954	Fire Fighter-Fire Engine Operator	12		12		12	
	Total	76	0	75	0	75	0
<u>FIRE PREVENTION</u>							
93,236 - 101,612	Fire Marshal	1		1		1	
87,149 - 90,556	Fire Inspector	1		1		3	
79,954 - 83,079	Fire Prevention Specialist	0		1		1	
	Total	2	0	3	0	5	0
Total Fire Department		86	0	86	0	88	0
PUBLIC WORKS DEPARTMENT							
<u>ENGINEERING</u>							
92,447 - 114,616	City Engineer	1		1		1	
69,517 - 81,219	Civil Engineer II	2		2		1	
48,334 - 56,464	Civil Engineer I	0		0		1	
69,517 - 81,219	CAD/GIS Coordinator	1		1		1	
64,167 - 70,775	Lead Engineering Inspector	1		1		1	
48,330 - 69,275	Engineering Aide	2		3		3	
28,421	Engineering Aide (P.T.)		1		1		1
8,619	Co-op (P.T.)		0		1		1
	Total	7	1	8	2	8	2
<u>FLEET MAINTENANCE</u>							
	Division Supervisor	1		0		0	
54,699 - 69,067	Maintenance Supervisor	0		1		1	
42,915 - 61,725	Mechanic	9		9		9	
44,782 - 56,217	Storekeeper	0		1		1	
21,840	Seasonal Laborer (P.T.)		2		0		1
	Total	10	2	11	0	11	1

PERSONNEL SUMMARY

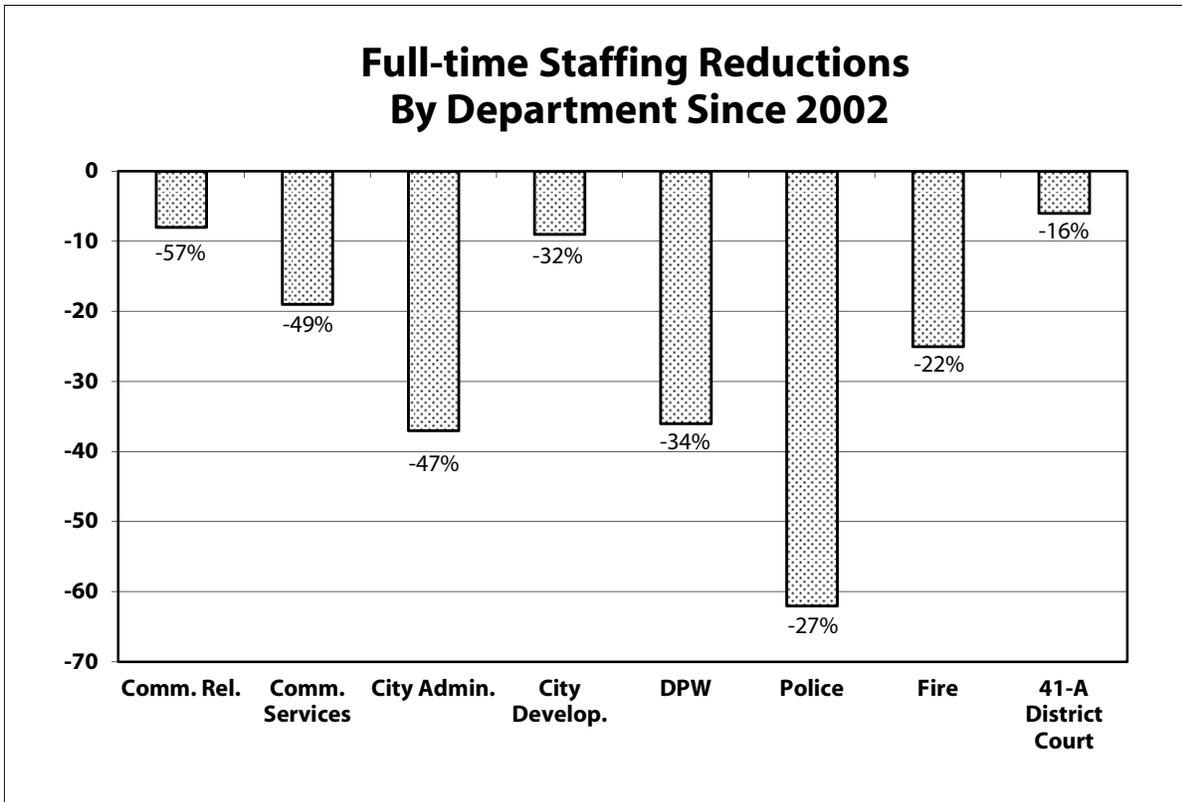
Current Pay Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
<u>PARKS & GROUNDS MAINTENANCE</u>							
61,642 - 81,255	Division Supervisor	0		1		1	
44,782 - 56,217	Parks & Grounds Maintenance Worker	3		3		3	
32,020 - 54,599	Laborer	2		1		1	
4,320 - 24,500	Seasonal Laborer (P.T.)		8		9		12
	Total	5	8	5	9	5	12
<u>REFUSE COLLECTION</u>							
24,815	Account Clerk (P.T.)		1		1		1
22,880 - 24,960	Seasonal Laborer (P.T.)		3		4		4
	Total	0	4	0	5	0	5
<u>STREET SERVICES</u>							
61,642 - 81,255	Division Supervisor	1		1		1	
49,902 - 61,725	Equipment Operator A	1		1		1	
46,923 - 58,564	Equipment Operator B	7		7		7	
46,923 - 58,564	Traffic Sign Worker	2		2		2	
46,923 - 58,564	Street Services Inspector	1		1		1	
44,782 - 56,217	Equipment Operator C	2		2		2	
28,818 - 54,599	Laborer	1		3		5	
4,320 - 22,050	Seasonal Laborer (P.T.)		3		4		6
	Total	15	3	17	4	19	6
Total Public Works Department		37	18	41	20	43	26
<u>CITY DEVELOPMENT DEPARTMENT</u>							
<u>BUILDING & FACILITIES MAINTENANCE</u>							
92,447 - 114,616	Building Official/Facilities Maintenance Manager	1		1		1	
63,669 - 67,393	Building Plan Review Coordinator	1		1		1	
68,945 - 76,668	Building Inspector/Code Enforcement Officer	1		1		1	
58,603 - 65,168	Plumbing Inspector/Code Enforcement Officer	1		1		1	
68,945 - 76,668	Electrical Inspector/Code Enforcement Officer	1		1		1	
68,945 - 76,668	Mechanical Inspector/Code Enforcement Officer	1		1		1	
40,500	Building Inspector (P.T.)		0		0		1
50,772 - 59,151	Lead Facilities Maintenance Mechanic	1		1		1	
46,471 - 53,907	Facilities Maintenance Mechanic	2		2		2	
	Total	9	0	9	0	9	1
<u>NEIGHBORHOOD SERVICES</u>							
93,481 - 117,632	City Development Director	0		0		1	
86,563 - 107,321	City Development Manager	1		1		1	
74,905 - 79,287	Code Enforcement Coordinator	1		1		1	
55,206 - 62,320	HUD Program Coordinator	0		1		1	
57,281 - 65,291	Neighborhood Property Maintenance Code Officer	1		1		1	
	Neighborhood Liaison Specialist	1		1		0	
38,200 - 52,501	Management Assistant	1		2		2	
43,424 - 50,727	Administrative Assistant	1		1		1	
33,435 - 39,078	Senior Clerk	1		1		1	
24,087 - 30,536	Code Enforcement Officer (P.T.)		5		5		6
19,361 - 20,650	Clerk Typist (P.T.)		2		2		2
8,790	CDBG Intern (P.T.)		0		1		1
	Total	7	7	9	8	9	9

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
74,317 - 92,140 77,520	PLANNING						
	City Planner	0		0		1	
	City Planner (P.T.)		1		1		1
	Total	0	1	0	1	1	1
Total City Development Department		16	8	18	9	19	11
COMMUNITY RELATIONS DEPARTMENT							
84,132 - 112,265	Community Relations Director	1		1		1	
	Broadcast Services Manager (P.T.)		1		1		0
62,488 - 70,700	Broadcast Services Coordinator	1		1		1	
53,082 - 59,921	Broadcast Programming Specialist	0		0		1	
49,479 - 55,302	Management Services Specialist	1		1		1	
48,510 - 54,217	Citizen Services Specialist	1		1		1	
44,742 - 52,283	Printing Technician II	1		1		1	
20,000	Graphic Specialist (P.T.)		1		1		1
Total Community Relations Department		5	2	5	2	6	1
41-A DISTRICT COURT							
45,724	Judge	3		3		3	
108,728	Magistrate/Director of Probation	1		1		1	
65,307	Court Administrator	1		1		1	
54,615	Clerk of the Court	1		1		1	
58,403	Court Recorder	3		3		3	
54,336	Court Officer	3		3		3	
45,000 - 47,500	Probation Officer	1		1		1	
28,537 - 43,760	Deputy Clerk	20		17		18	
14,700 - 19,600	Deputy Clerk (P.T.)		1		5		6
11,809	Security Guards (P.T.)		4		4		4
Total 41-A District Court		33	5	30	9	31	10
Total General Fund		419	108	428	109	420	116
WATER & SEWER FUND							
WATER & SEWER ADMINISTRATION							
97,427 - 122,291	Public Works Director	1		1		1	
62,831 - 92,077	Operations Manager	1		1		1	
64,642 - 85,227	General Supervisor	1		1		1	
43,424 - 50,727	Senior Account Clerk	1		1		1	
29,647 - 44,531	Clerk Dispatcher	1		1		1	
29,367 - 43,118	Clerk Typist	1		1		1	
4,950	Seasonal Laborer (P.T.)		0		0		3
Total		6	0	6	0	6	3
WATER DISTRIBUTION							
61,642 - 81,255	Division Supervisor	1		1		1	
46,923 - 58,564	Water Inspector	2		2		2	
46,923 - 58,564	Water Service Worker	4		4		4	
44,782 - 56,217	Meter Repair/Installer	2		2		2	
	Laborer	2		0		0	
11,000 - 14,112	Seasonal Laborer (P.T.)		2		3		4
Total		11	2	9	3	9	4

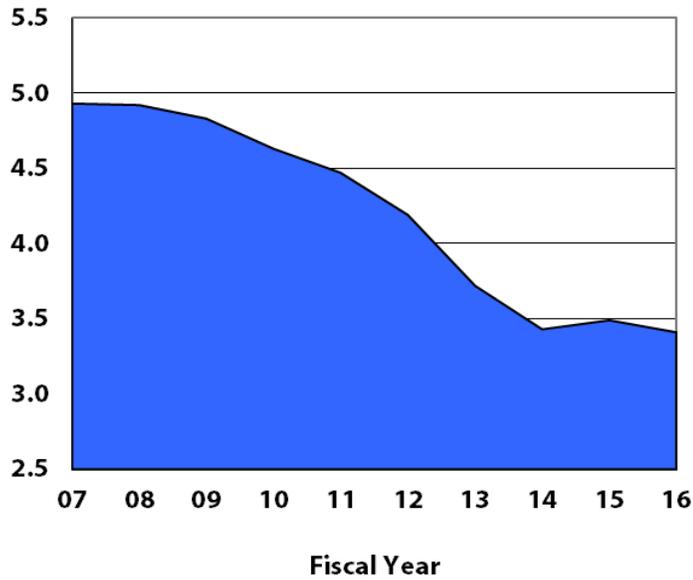
PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2013/14		Budget 2014/15		Budget 2015/16	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
SEWAGE COLLECTION							
61,642 - 81,255	Division Supervisor	1		1		1	
47,683 - 59,290	Plant Operator/Mechanic	2		2		2	
46,923 - 58,564	Sewer Service Worker (Clean)	2		2		2	
46,923 - 58,564	Water/Sewage Inspector	2		2		2	
44,782 - 57,321	Sewer Service Worker (Maint)	1		1		1	
32,020 - 54,599	Laborer	4		5		4	
2,100 - 21,450	Seasonal Laborer (P.T.)		4		4		5
	Total	12	4	13	4	12	5
Total Water & Sewer Fund		29	6	28	7	27	12
Total All Funds		448	114	456	116	447	128



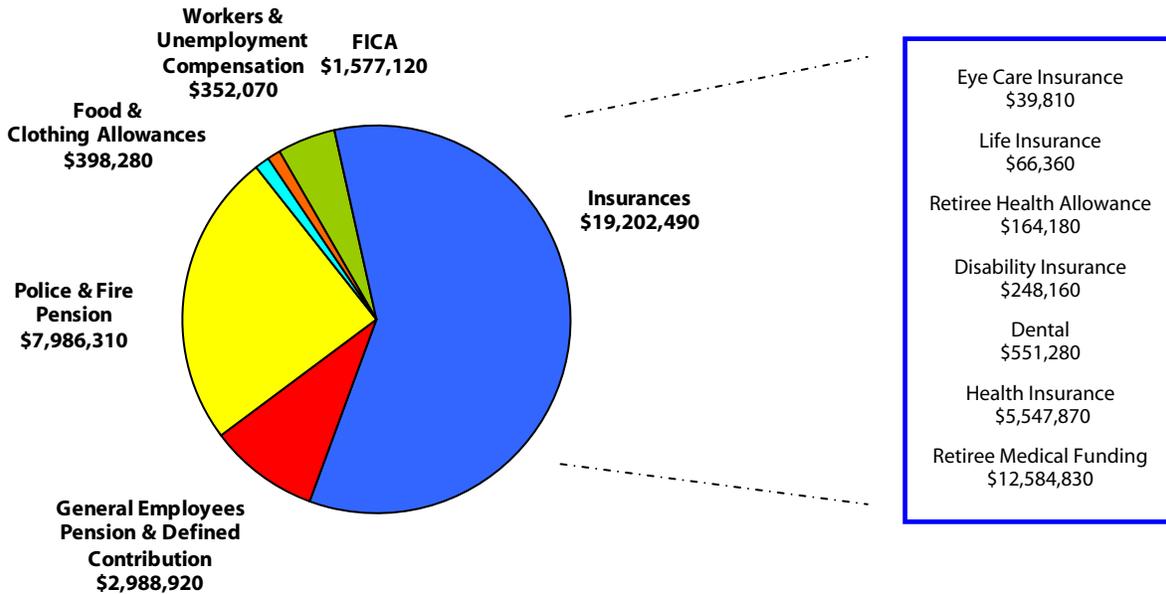
The City's full-time staffing has decreased by 202 positions or 31% since 2002.

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 \$32,505,190
Includes the General Fund & Water & Sewer Fund

Legislative



The Sterling Heights City Council (L-R)
Mayor Pro Tem Doug Skrzyniarz
Councilman Joseph V. Romano
Councilwoman Maria G. Schmidt
Mayor Michael C. Taylor
Councilwoman Deanna Koski
Councilwoman Barbara A. Ziarko
Councilman Nate Shannon

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the City Council approved the 2030 Visioning plan that, for the next 15-20 years, will help in developing the future policy and quality of Public Safety, Public Works, Library, Parks & Recreation, Economic Development and other community-oriented services important to Sterling Heights' success?

City Council

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	4	3	4	4	3	4
	Public Hearings Held	13	10	12	15	10	15
	Ordinances and Amendments Adopted	6	16	10	15	13	15
	Agenda Items Reviewed and Acted Upon	283	249	252	260	250	250
	City Council Members Attending Training Sessions	9	1	6	9	2	6
	"Nice Neighbor" Awards Presented	13	9	10	15	10	12
Effectiveness	City Council Member Attendance at Council Mtgs.	97%	97%	97%	100%	90%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	95%	100%
	% Diff. from Proposed to Adopted Budget (G.F.)	0.00%	-0.01%	0.00%	0.00%	0.02%	0.00%
	Activity Expenditures as % of General Fund	0.15%	0.16%	0.16%	0.15%	0.14%	0.15%

City Council

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

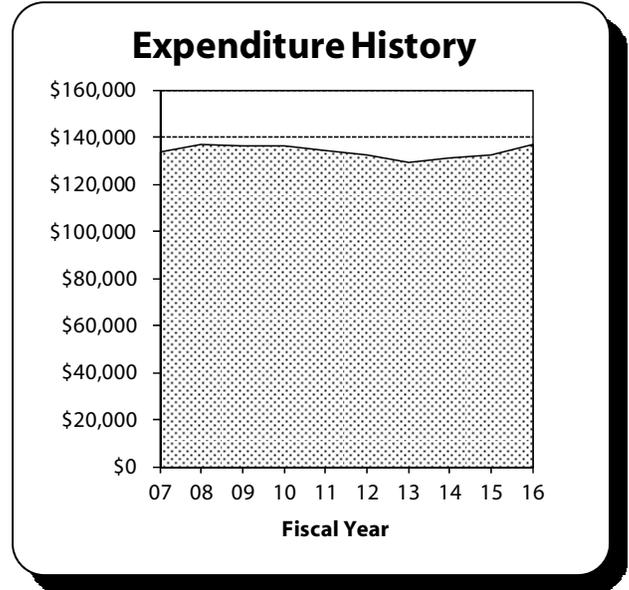
The total budget increased by 3.8%.

Personnel Services – The total Personnel budget increased by \$3,750 or 3.0% to reflect a slight increase in wages for the Mayor and City Council members as recommended by the Elected Officials Compensation Commission. The wages for the Mayor and City Council members had not increased since the 2006/2007 fiscal year.

Supplies – Total Supplies increased \$320 to cover the cost of new supplies in the event new Council members are elected in November.

Other Charges – Total Other Charges increased \$890 or 13.2%. \$400 was added for possible new memberships and the training budget rose \$300 for increased Council attendance at MML conferences. Telephone costs increased \$100 due to higher contractual rates for improved Smartphone communications with constituents. Printing costs for business cards increased \$50, as it is an election year and more funding may be needed. \$40 was added for the higher rental cost of the Bresser's Cross Index Directory.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

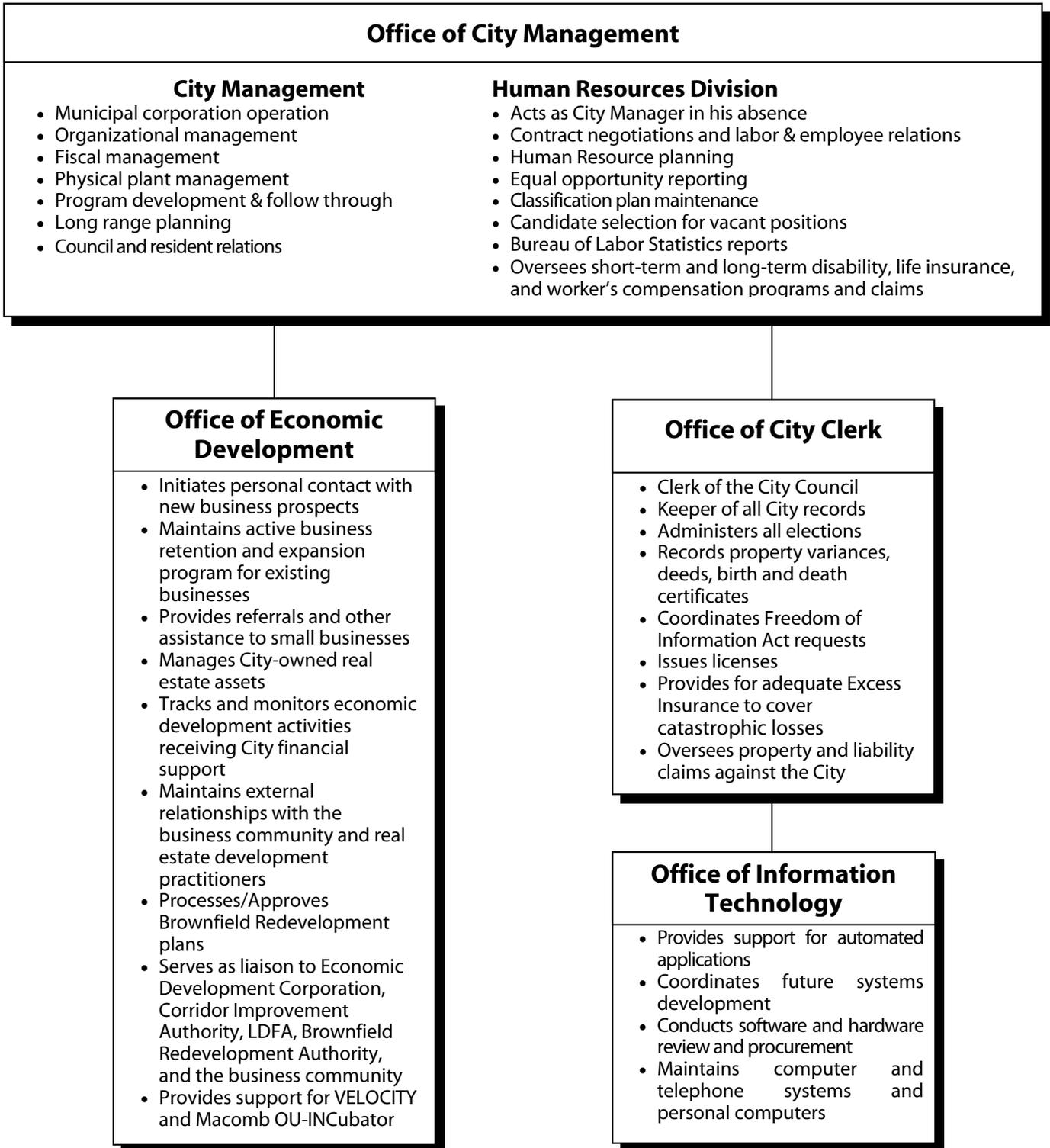
	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$124,769	\$124,630	\$124,630	\$128,380	\$128,380
Supplies	971	720	930	1,040	1,040
Other Charges	5,593	6,740	5,670	7,630	7,630
Total	\$131,333	\$132,090	\$131,230	\$137,050	\$137,050

City Administration Department



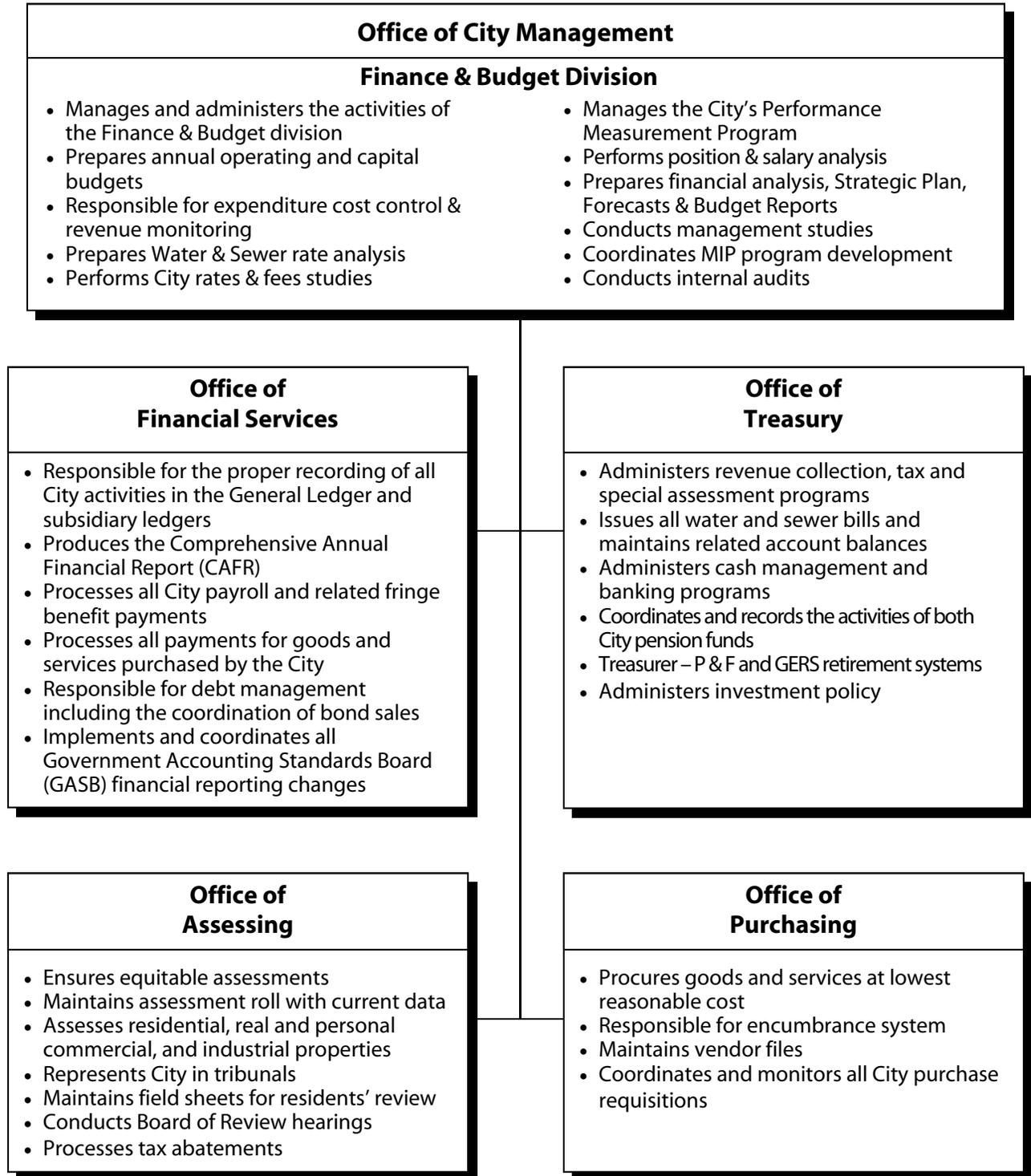
FUNCTIONAL ORGANIZATION CHART

City Administration Department



FUNCTIONAL ORGANIZATION CHART

City Administration Department (continued)



DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

City Administration increased \$447,080 or 7.7%. Personnel increased \$255,680 or 5.1%, primarily to fund three replacement managerial positions in advance of retirements, including a Human Resources Director, City Clerk and Controller. An Economic Development Consultant has replaced the Economic Development Manager, who is now the City Planner. Additional funds are also budgeted for the conversion of a part-time Clerk Typist to full-time and increased election worker costs for the Presidential primary. Supplies increased \$13,410 or 7.2%, to purchase voting ballots for two City

elections. Other Charges rose \$177,990 or 32.0%, primarily for the new Economic Development Consultant, a membership to Consultant Connect to attract new businesses, and Information Technology support agreements. The Capital Budget funds an ID Card Printer, update of the five-year technology plan, network disc storage and back-up devices, a check printer, and replacement personal computers for City Management, Information Technology, and Finance. The City Manager's ten-year old vehicle is also scheduled to be replaced.

FUNDING LEVEL SUMMARY

	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
City Management	\$1,092,740	\$848,150	\$944,800	\$1,005,820	6.5%
Economic Development	285,330	257,590	260,450	314,510	20.8%
City Clerk	666,050	542,500	609,990	771,890	26.5%
Facilities Maintenance	987,750	0	0	0	0.0%
Information Technology	959,460	871,860	886,010	908,880	2.6%
Assessing	761,840	827,380	866,990	880,940	1.6%
Financial Services	725,110	776,950	833,230	925,050	11.0%
Purchasing	263,640	274,060	304,970	321,910	5.6%
Treasury	1,020,450	1,014,380	1,062,980	1,087,500	2.3%
Total Department	\$6,762,370	\$5,412,870	\$5,769,420	\$6,216,500	7.7%
Personnel Services	\$5,506,620	\$4,733,030	\$5,025,960	\$5,281,640	5.1%
Supplies	201,550	180,590	187,280	200,690	7.2%
Other Charges	1,054,200	499,250	556,180	734,170	32.0%
Total Department	\$6,762,370	\$5,412,870	\$5,769,420	\$6,216,500	7.7%

PERSONNEL SUMMARY

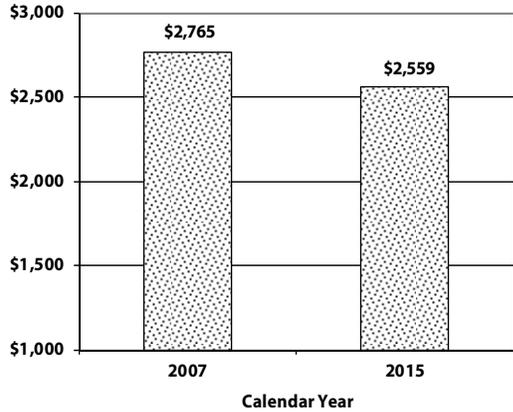
	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	7	0	6	2	7	1	8	1
Economic Development	3	0	2	0	2	0	1	0
City Clerk	4	1	3	2	4	1	6	0
Facilities Maintenance	3	1	0	0	0	0	0	0
Information Technology	6	0	5	0	5	0	5	0
Assessing	7	0	5	3	6	2	6	2
Financial Services	5	3	4	4	4	4	5	4
Purchasing	3	0	2	1	3	0	3	0
Treasury	9	1	8	2	8	2	8	2
Total Department	47	6	35	14	39	10	42	9

Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

City Administration Department

Average Homeowner's Property Tax Bill



Despite an increase in the City's millage rate in 2014 due to the voter approved Safe Streets Proposal, the average homeowner's tax bill remains \$206 or 7.5% less than it was eight years ago due to lower property assessments. In fact, tax bills are even lower than amounts paid ten years ago. In addition, the inflationary adjustment in taxable value in 2014 and 2015 was only 1.6%, which is one of the lowest adjustments in the past 20 years.

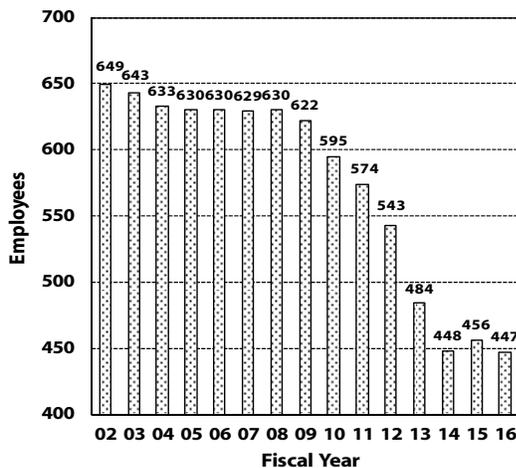
Macomb City Tax Rates

1. Centerline	39.13
2. Warren	27.87
3. Eastpointe	26.04
4. Roseville	24.85
5. Utica	22.68
6. St. Clair Shores	21.00
7. Fraser	20.87
8. Richmond	16.65
9. Mount Clemens	15.99
10. STERLING HEIGHTS	15.19

Macomb Average: 20.93 mills

The City's property tax rate is lower than most cities in Michigan. It is also one of the lowest of any city in Macomb County. The tax rate in Sterling Heights is 5.75 mills below the average of all cities in Macomb County. The tax rate in Warren, for example, is over 12 mills higher than in Sterling Heights.

City's Full-time Staffing



City staffing has declined by 31%, or 202 positions between 2002 and 2016, saving \$15.8 million annually.

Full-Time Employees Per 1,000 Residents

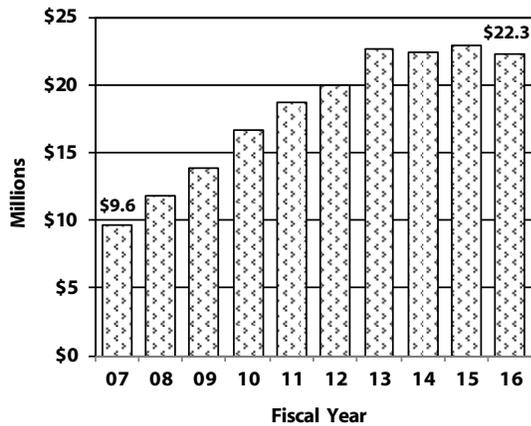
1. Grand Rapids	8.0
2. Lansing	7.4
3. Dearborn	7.1
4. Southfield	6.8
5. Ann Arbor	6.3
6. Livonia	5.7
7. Warren	4.8
8. Farmington Hills	4.3
9. Troy	4.1
10. STERLING HEIGHTS	3.4

Based on current staffing data and the 2010 census, Sterling Heights has 3.4 full-time employees per 1,000 residents – the lowest of our benchmark communities. Despite having the third largest population, Sterling Heights has the fewest employees. 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

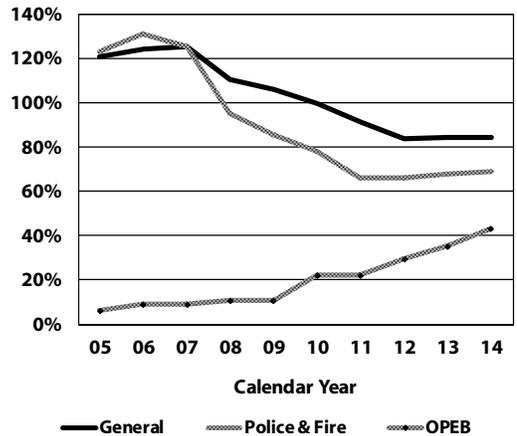
City Administration Department (continued)

Contributions to Fund Retirement Liabilities



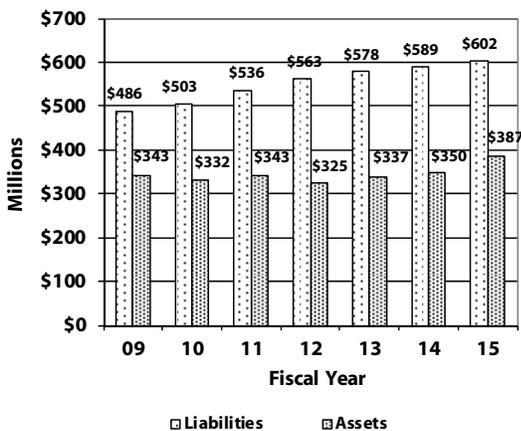
The City annually contributes 100% of the actuarially required funding for all long-term retiree liabilities including police & fire pensions, general employee pensions, and retiree medical. The amounts contributed have increased from \$9.6 million in 2007 to \$22.3 million in 2016. 36% of the increase is to fund retiree health care liabilities, while 42% of the increase is to fund police & fire pensions.

City Pension Systems Percent Funded



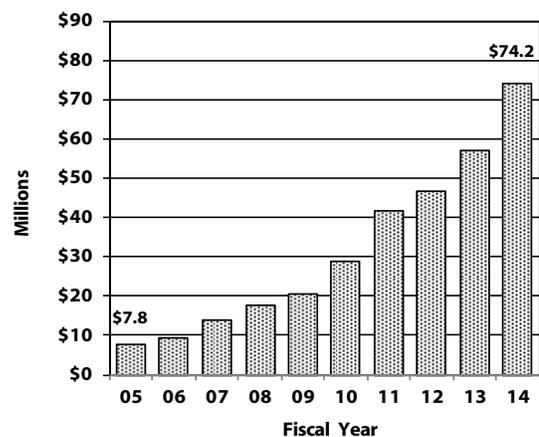
Both the General Employees and Police & Fire pension systems have seen a decrease in funding levels due to prior year declines in the stock market. The General Employees pension system and retiree medical plans are closed to new members. In addition, all employee pensions and medical benefits have been reduced with new labor contracts. The City increased funding of retiree medical benefits starting in 2006.

Long-Term Retirement Assets vs. Liabilities



\$387 million has been set aside to fund future long-term retirement liabilities. The City has closed its General Employees pension plan, which will begin to reduce long-term liabilities. Nearly 50% of the gap between assets and liabilities is a result of medical inflation, which has increased retiree medical liabilities. The City has worked hard to reduce the growth of the liabilities by changing future retiree benefits and eliminating benefits for new hires.

Retiree Medical Fund Net Assets



The City has dramatically increased the assets being set aside to pay for future retiree medical benefit costs. We now have nine times the assets we had only nine years ago, and we continue to fully fund these liabilities each year, unlike many communities. In addition, the City has reduced the cost of the benefits for all employees, and benefits have been completely eliminated for new hires.

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 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, benchmarking and performance reports, financial & demographic trend reviews, department audits, and revenue studies are also prepared.

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

KEY GOALS

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

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

A Human Resource Plan is developed annually to determine staffing levels for full-time, part-time, seasonal employees, and contractual services. Labor negotiations and grievance processing are conducted with 12 different bargaining units representing over 99% of the City's workforce.

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

Did you know...

...the City recently completed a community based visioning process that resulted in a new Vision Statement and Guiding Principles, along with an updated City logo and branding slogan?

City Management

2015/16 INTENTION STATEMENTS

(City Management)

- To provide direction to the Economic Development Team with focus on areas likely to be developed in the next few years. This will include a renewed focus on areas like Lakeside and the M-59 corridor, exploring ways to expand offerings at VELOCITY and proactively addressing the Defense Corridor needs. (City Goal 1, 4, 6, 12, 20, 22)
- To collaborate with the Code Enforcement Team and City Attorney to expand enforcement tools necessary to ensure neighborhoods and commercial centers are being maintained according to high standards. New programs such as the residential landscaping enhancement ordinance is one example of how this intention will be implemented in the following year. (City Goal 2, 13, 14)
- To provide direction in implementing the Master Plan, Recreation Plan and Technology Plan as part of the Visioning 2030 process. (City Goal 1, 2, 4, 6, 16, 19, 23)
- To continue refining the City's Succession Plan in response to ongoing and projected turnover including expanding the City's internal Training and Leadership Academy with options available to all employees. (City Goal 2, 5)
- To continue serving in leadership capacities at the regional and state level and to pursue matters in the best interest of the community and organization. (City Goal 7)
- To conduct a thorough review of all Administrative Procedures and Policy Orders (APPOs) to ensure consistency with City ordinances, along with updated state and federal laws in addition to best practices. (City Goal 2, 7)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Admin. Policy and Procedure Orders Processed	3	4	1	3	1	3
	False Alarm Appeals Processed	65	53	44	60	45	50
	Special Reports Researched & Written	18	17	21	20	15	20
	Special Projects Researched & Developed	16	17	14	20	13	20
	Policy Resolutions Presented to Council	15	8	9	10	10	10
	Legislative Issues Monitored	7	7	5	10	7	8
	Neighborhood/Business Meetings Facilitated	6	6	5	6	4	6
	Intergovernmental Relation Contacts	121	123	130	125	128	125
	New Programs & Policies Developed	7	7	6	8	6	7
Efficiency	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%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.12%	1.34%	1.04%	1.06%	1.03%	1.13%

City Management

2015/16 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To update the City's Major Road Fund long-term financial and debt plan as a result of the May 2015 State election to possibly increase and change road funding. (City Goal 4, 8, 16)
2. To develop a funding forecast for future Parks and Recreation needs as identified in the updated Parks and Recreation Master Plan. (City Goal 2, 4, 16, 19)
3. To analyze the City's water and sewer retail rate options that will better match Detroit's increasing wholesale fixed rate structure. (City Goal 3, 4, 8, 16)
4. To investigate using new presentation software such as Prezi and to modernize the appearance and functionality of the current PowerPoint software used for City Council and public presentations. (City Goal 23, 24, 25)
5. To represent the City and County water and sewer rate payers on the Great Lakes Water Authority (GLWA) and to ensure an efficient operation with the lowest possible water and sewer wholesale rates. (City Goal 3, 5)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	City Budgeted Funds Monitored (Millions)	\$144.8	\$138.1	\$143.7	\$159.7	\$161.4	\$162.7
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	48	45	50	40	50	50
	Management & Labor Cost Studies Conducted	38	40	35	25	20	25
	City Council Agenda Statements Reviewed	283	249	252	260	250	250
	Municipal Improvement Plan (MIP) Prepared	0	0	0	1	0	1
	Travel Requests Reviewed for Policy Compliance	105	119	137	140	145	150
	Years Member of ICMA Center for Perf. Measurement	8	8	8	8	8	8
	G.F.O.A. Budgets Reviewed	5	5	0	0	0	0
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa1,AAA,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+
	City's Fiscal Indicator Score	5	5	5	4	4	3
	General Fund Expenditures Per Capita	\$673	\$628	\$626	\$685	\$699	\$682
	Government Debt Per Capita	\$222	\$190	\$160	\$135	\$135	\$115
	OPEB Ann'l Required Contribution Funded (Millions)	\$11.5	\$12.0	\$12.2	\$12.3	\$12.3	\$11.6
	OPEB Trust Funding Status	21.7%	29.1%	29.1%	40.0%	43.0%	47.0%
	Services Delivered Via Cooperative Venture	49	55	58	61	61	64
	Accuracy Forecasting Expenditures - General Fund	100.0%	100.1%	99.6%	100.0%	102.0%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.4%	100.1%	99.6%	100.0%	101.8%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	25	26	27	28	28	29
	Savings from Reviewing Travel Requests	\$1,874	\$1,214	\$1,084	\$1,400	\$1,100	\$1,200
	Average Cost to Review a Travel Request	\$6.79	\$6.62	\$6.29	*	*	*

*Cost is calculated for "Actual" columns only.

City Management

2015/16 PERFORMANCE OBJECTIVES

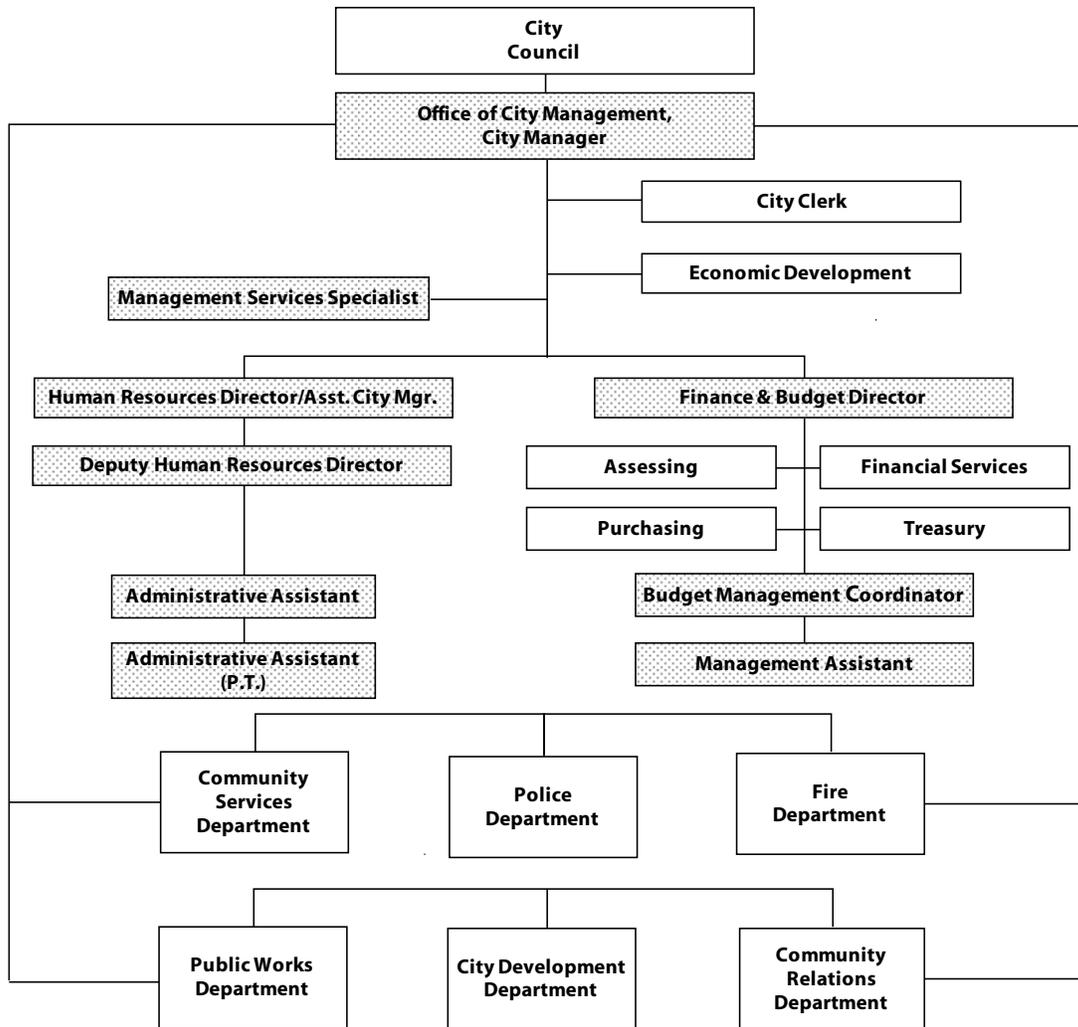
(Human Resources)

1. To negotiate two open labor contracts. (City Goal 3, 4, 20)
2. To implement changes in the City's medical benefits and procedures to comply with mandates of the Affordable Care Act. (City Goal 3, 4, 7)
3. To implement a training program for the successor to the Human Resources Director. (City Goal 3, 4)
4. To implement the new website applicant tracking program, enhancing recruitment of new employees. (City Goal 3, 4, 23)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Promotional Job Postings	7	22	28	10	31	18
	Open Competitive Job Postings	3	18	5	5	7	6
	Applications Reviewed & Processed	295	836	332	410	450	420
	Employees Hired (Full-time/Part-time)	2/96	4/90	6/91	28/95	30/95	20/90
	Police/Fire Promotional Tests	1	1	1	0	1	2
	Labor Contracts Settled (Incl. Re-opened Contracts)	9	6	2	6	6	2
	Worker's Compensation Incident Reports	18	15	19	27	16	15
	Short-Term Disability Claims Handled	34	16	24	35	30	25
	Open Long-Term Disability Claims	4	0	0	3	3	2
	Life Insurance Claims	3	3	2	5	5	3
	New Worker's Compensation Claims	65	55	74	75	75	65
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	30	30	30	30	30	30
	# Labor Grievances Per 100 F.T. Union Employees	3.5	2.2	2.5	2.8	2.6	2.3
	Avg. # Work Days to Complete Internal Recruitment	23	23	23	23	23	23
	% of Grievances Resolved Before Arbitration	92%	100%	95%	100%	95%	100%
	Total FTE's Per 1,000 Residents	4.8	4.3	4.2	4.3	4.3	4.2
	Full-time Employee Turnover Rate (Excl. Retirements)	5.0%	0.4%	0.4%	0.5%	0.4%	0.4%
	% Minorities in Work Force	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	2	1	1	1	1	1
	Cost to Recruit & Hire a Full-time General Employee	\$1,357	\$1,471	\$1,360	*	*	*
	# Worker's Comp Claims Per 100 FTE's	9.7	9.7	13.5	12.6	13.4	11.8
	% Worker's Comp Claims Paying Compensation	6.0%	10.0%	6.7%	15.0%	12.0%	10.0%
	W/C Lost Work Days Due to Injury Per 100 FTE's	56	73	44	80	49	60

*Cost is calculated for "Actual" columns only.

City Management



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
City Manager	1	1	1
Human Resources Director/Asst. City Mgr.	1	1	1
Deputy Human Resources Director	0	0	1
Finance & Budget Director	1	1	1
Budget Management Coordinator	1	1	1
Management Services Specialist	1	1	1
Management Assistant	0	1	1
Management Assistant (P.T.)	1	0	0
Administrative Assistant	1	1	1
Administrative Assistant (P.T.)	1	1	1
Total	8	8	9

City Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

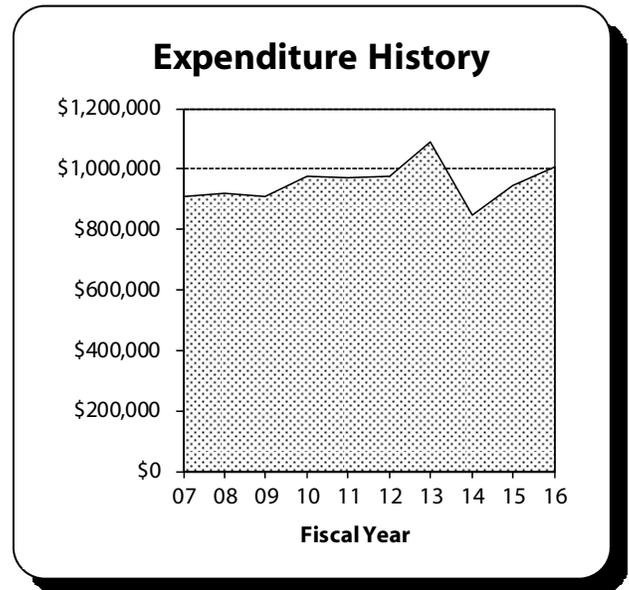
The total budget increased by 6.5%.

Personnel Services – The total Personnel budget increased \$69,770 or 7.9%. The overall increase is primarily a result of funding a replacement Human Resources Director for six months, starting January, 2016. Adding this position will allow for an 18-month training period before the current Human Resources Director retires in June, 2017. No wage or benefit changes are budgeted for the City Manager and Directors.

Supplies – Total Supplies decreased \$40 or 1.5%. Postage can be reduced \$250 due to the increased use of e-mail. \$170 was added for additional employee identification cards, security key fobs and employee recruitment supplies.

Other Charges – Total Other Charges decreased \$8,710 or 15.3%. Contracted service costs can be reduced \$10,000, as the Sergeant exam is administered every two years. Funding for pre-employment physical exams for new hires decreased \$500 and telephone costs fell \$100, as both can be reduced and brought in line with the recent year’s estimated expenditure levels. The training budget increased \$1,250 due to the increased cost of the ICMA conference and training for the new Director. Copier rental costs rose \$200 due to greater copier usage.

Capital – This office is scheduled to receive five personal computers totaling \$4,500 to replace the



existing six-year old units. \$2,000 is proposed for an Employee Identification Card Printer to replace the existing 10-year old printer for which repair parts are no longer available. \$24,000 is funded to replace the City Manager’s 2006 Explorer with mileage exceeding 170,000 miles.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$813,557	\$885,150	\$891,780	\$954,920	\$954,920
Supplies	2,719	2,690	2,750	2,650	2,650
Other Charges	31,870	56,960	42,750	48,250	48,250
Total	\$848,146	\$944,800	\$937,280	\$1,005,820	\$1,005,820

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 City of Sterling Heights has won an eCities award from the University of Michigan-Dearborn five years in a row, which highlights the City's commitment to being business friendly and entrepreneurial minded?

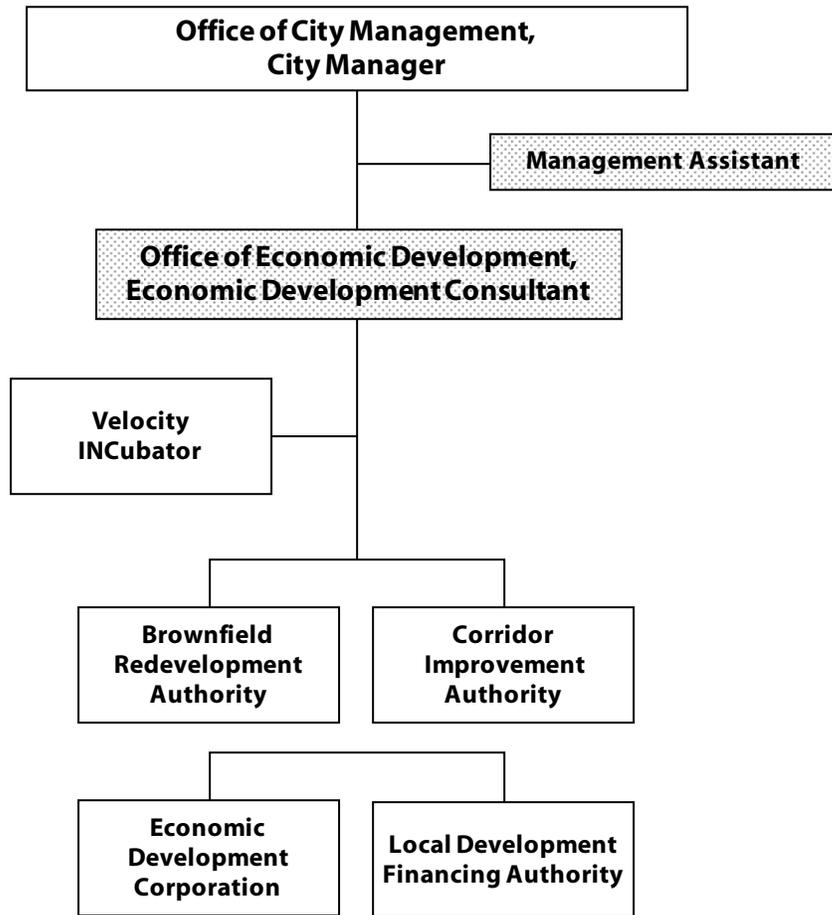
Economic Development

2015/16 PERFORMANCE OBJECTIVES

1. To develop a long-term strategy which identifies target industries and potential redevelopment opportunities. *(City Goal 2, 12, 20, 22)*
2. To identify performance indicators to use as measures to track progress for redevelopment and business retention and attraction efforts. *(City Goal 20, 21)*
3. To represent the City by attending meetings and conferences with site selectors, brokers, financial institutions and business owners. *(City Goal 3, 6, 22)*
4. To develop an annual tactical report to monitor long-term objectives. *(City Goal 6, 21)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Business Retention/Attraction Contacts Made	110	120	84	80	75	75
	Redevelop. Projects (Comm. >20K s.f. & Ind. >\$500K)	11	17	12	8	6	6
	Econ. Develop. Incentives Provided (Tax Abatements)	8	12	7	5	4	2
	State & Federal Legislative Contacts Made	6	6	6	6	6	6
	Banking & Real Estate Contacts Made	6	6	12	6	12	10
	LDFA Meetings Held	4	10	3	3	4	3
	Meetings with Chambers of Commerce	14	14	24	10	20	10
	Targeted Industry Events Attended	6	6	6	6	5	6
	Velocity Partner Meetings Held	20	20	12	15	20	10
	Economic Development Partner Meetings	50	50	50	50	40	40
	Velocity Events & Meetings Held	145	180	165	140	120	130
	Economic Development Newsletters Published	N/A	4	110	100	85	80
	Business Awards Presented	N/A	5	5	5	5	5
	Hits on City's Economic Development Website	5,862	11,550	20,782	15,000	15,500	15,000
	City's Econ. Develop. Followers on Social Media	20	20	20	100	51	100
Effectiveness	Velocity Center Number of Businesses	N/A	N/A	13	14	17	15
	Velocity Center Occupancy Rate	N/A	N/A	95%	90%	95%	90%
	Businesses and/or Participants at Velocity Events	2,800	3,850	3,200	3,000	2,700	3,000
	Value of Redevelop. Projects & New Investments	\$235M	\$237M	\$36M	\$30M	\$50M	\$35M
	Grant Dollars Provided to Small Businesses	N/A	N/A	\$283,000	\$300,000	\$100,000	\$100,000
	Industrial Vacancy Rate	5.18%	N/A	N/A	N/A	2.00%	2.00%
	Retail Vacancy Rate	4.34%	N/A	N/A	N/A	7.80%	7.50%
	Shopping Center Vacancy Rate	12.04%	N/A	N/A	N/A	12.00%	11.50%
	City Unemployment Rate (April)	9.0%	6.7%	5.8%	6.0%	5.2%	5.0%
	Activity Expenditures as % of General Fund	0.42%	0.35%	0.32%	0.29%	0.33%	0.35%

Economic Development



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Economic Development Manager	1	1	0
Management Assistant	1	1	1
Total	2	2	1

Economic Development

SUMMARY OF BUDGET CHANGES

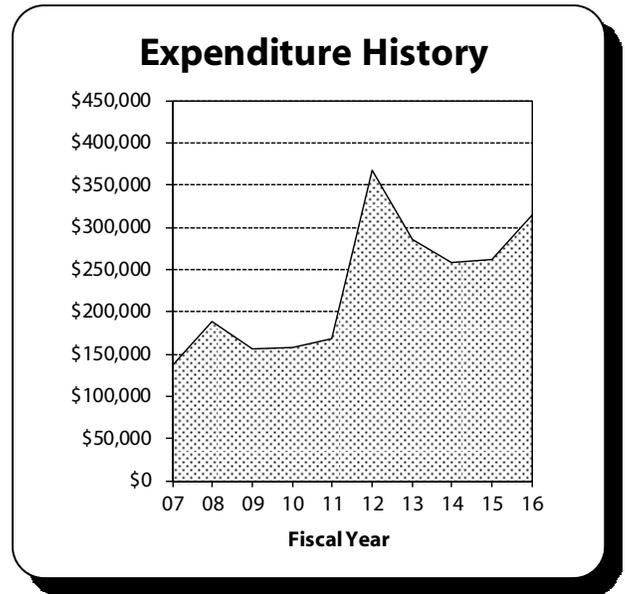
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 20.8%.

Personnel Services – The total Personnel budget decreased by \$89,610 or 36.9%. The former Economic Development Manager has been transitioned to be the new City Planner due to the expected retirement of the current City Planner in June, 2016. An Economic Development consultant has now been hired and is funded in Other Charges as contracted services.

Supplies – Total Supplies decreased \$230 or 37.7%. Operating supply costs decreased \$300 due to a prior year reappropriated encumbrance. Postage increased \$70 based on the current year’s estimated expenditure level.

Other Charges – Total Other Charges increased \$143,900 primarily due to the funding of an Economic Development consultant. The increase was slightly offset by a decrease of the one-time funding in the prior year for a consultant to assist in developing plans for brownfield property reuses. An additional \$4,440 is budgeted for a new membership to Consultant Connect, which provides connections to national site selectors to help attract new businesses to the City. \$5,570 was saved, as educational funding is no longer required, fewer City paid local meetings will be attended, and telephone costs can be reduced, all due to the transition of the former Economic Development Manager to City Planner. Printing costs decreased \$350, as the budget can be reduced and brought more in line with the current year’s estimated expenditure



level. Rental costs decreased \$120, as prior year funding for a copier was not needed.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$244,693	\$242,610	\$200,780	\$153,000	\$153,000
Supplies	1,096	610	420	380	380
Other Charges	11,799	17,230	98,890	161,130	161,130
Total	\$257,588	\$260,450	\$300,090	\$314,510	\$314,510

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.

In addition to these services, the City Clerk also serves as administrative liaison to several City

KEY GOALS

- *To provide accurate and efficient recordkeeping by incorporating the use of modern technology to streamline programs whenever possible.*
- *To assist City Council by expediting information to them that will aid in establishing policy and by communicating Council's actions regarding items on the agenda.*
- *To facilitate efficient management of the election process by keeping abreast of proposed and current legislation and any new technological developments relating to the election field.*
- *To oversee and monitor the license application process to ensure that appropriate inspections and/or investigations are completed thus protecting the public's safety.*
- *To provide risk management activities which will safeguard all City assets in the most cost effective manner.*

boards and commissions. These include the Act 78 Civil Service Commission, Local Officials Compensation Commission, and the Election Commission.

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 City Clerk.■

Did you know...

...the State of Michigan law requires the licensing of all dogs six months of age and older and that residents possessing a dog have the option of a one (1), two (2), or three (3) year dog license, coinciding with the expiration of the rabies certificate?

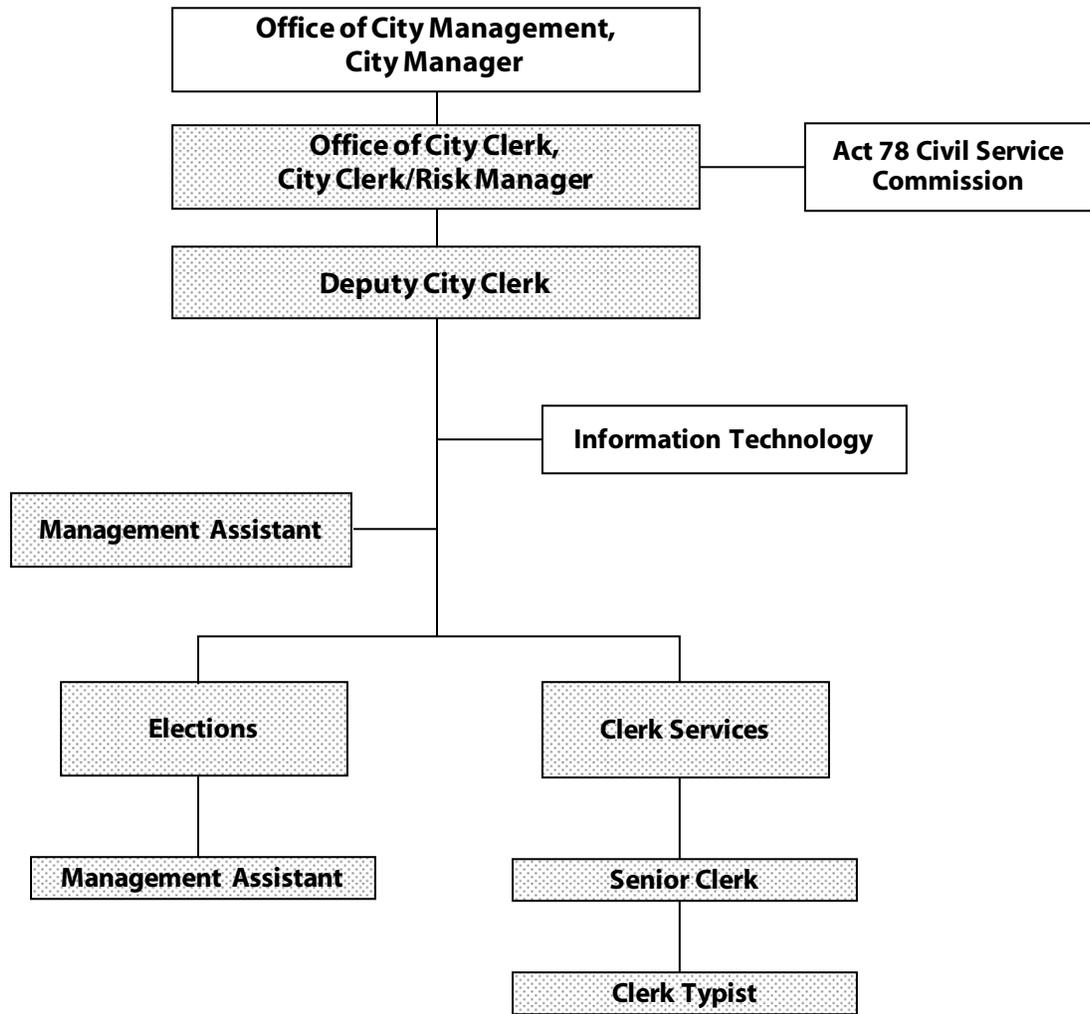
City Clerk

2015/16 PERFORMANCE OBJECTIVES

1. To investigate and test a new tabulator memory card for use by the absent voter counting board. *(City Goal 1, 2, 3, 23)*
2. To research the feasibility of conducting a test canvass of 5% of residential households to determine compliance with the City's dog licensing ordinance, with the intent of conducting a citywide survey the following year, depending on the test survey results. *(City Goal 1, 3, 14)*
3. To assist in the recruitment and training of employees as part of the succession plan for HR Director and City Clerk. *(City Goal 1, 2, 3, 5)*
4. To develop a program to increase business registrations for public safety purposes by comparing with assessing business taxation records and notifying unregistered businesses of registration ordinance requirements. *(City Goal 1, 2, 3, 5)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget	
Output	Council Agenda Statements Processed	283	249	252	260	250	250	
	Council Actions Correspondence Mailed	685	645	572	550	530	550	
	New Voter Registrations/Changes Processed	28,581	27,811	20,811	25,000	21,460	25,000	
	Elections Conducted	2	2	1	2	3	3	
	Absentee Voter Applications Mailed	35,263	14,802	23,236	22,000	23,000	23,000	
	Absentee Voter Ballots Prepared	24,947	24,939	9,511	19,000	30,580	29,000	
	Freedom of Information Requests Processed	294	207	157	200	150	150	
	Documents Recorded	133	77	46	85	100	95	
	Business Registry: New/Closed/Info. Changed	2,791	2,471	2,567	2,500	2,590	2,600	
	Class C Liquor Licenses Approved (New/Transferred)	0/6	1/9	0/9	0/10	1/7	1/6	
	Licenses Issued (dog, vendors, etc.)	10,120	9,024	8,955	9,150	9,500	10,000	
	Pieces of Outgoing Mail Processed	125,681	150,848	121,761	120,000	100,000	110,000	
	Birth & Death Certificates Processed	653	575	672	600	700	670	
	Board/Commission Applications Processed	171	169	45	150	75	100	
	Number of Registered Voters (November)	86,231	85,436	88,164	88,500	87,650	88,000	
	Efficiency	Liability/Property Claims	105	117	214	150	220	150
		Liability/Property Incident Reports	67	30	88	100	110	100
New Lawsuits/Lawsuits Closed		21/16	9/7	13/9	15/15	8/8	9/9	
% of Residents Applying for City Boards		0.13%	0.13%	0.04%	0.10%	0.04%	0.10%	
% of Registered Voters Voting (November)		25%	66%	24%	42%	43%	25%	
% 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%	
# of Accidents Per 100,000 Miles Driven	3.11	1.60	1.45	2.25	1.50	1.75		
Activity Expenditures as % of General Fund	0.79%	0.82%	0.66%	0.68%	0.78%	0.86%		

City Clerk



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
City Clerk/Risk Manager	1	1	1
Deputy City Clerk	0	0	1
Management Assistant	2	2	2
Senior Clerk	0	1	1
Clerk Typist	0	0	1
Clerk Typist (P.T.)	2	1	0
Total	5	5	6

City Clerk

SUMMARY OF BUDGET CHANGES

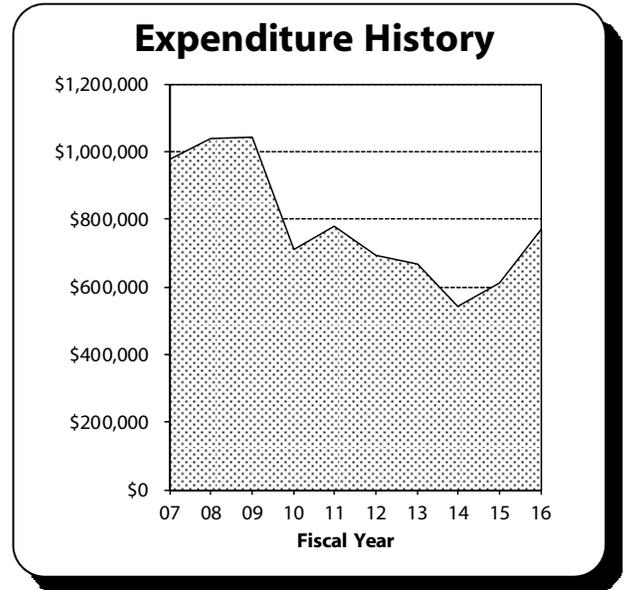
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 22.0%.

Personnel Services – The total Personnel budget increased \$100,060 or 20.1%. Half of the increase is to fund a Deputy City Clerk position for six months starting January, 2016. This funding will ensure the proper time needed to train a new employee to become the new City Clerk effective July, 2017 when the current City Clerk retires. The remaining increase is a result of funding the March, 2016 presidential primary election, as well as an increase in employee insurance costs.

Supplies – Total Supplies increased \$12,470 or 31.2%. Funding increased \$9,830 to purchase voting ballots for two City elections. The County Clerk supplies ballots for non-City elections such as those held last year. Funding is also included for the purchase of additional election supplies. \$2,640 was added for the cost of mailing absentee ballots for three elections.

Other Charges – Total Other Charges increased \$21,670 or 30.1%. Contracted services increased \$16,740 due to higher costs for City code updates and the PetData animal licensing contract, for which fewer multi-year licenses were issued than anticipated, resulting in a greater number of annual renewals. Funding increased \$4,500 for the programming of memory cards for an additional election. \$600 is funded for attendance at the annual Michigan Municipal Clerk Conference. Building rental costs increased \$480 due to one additional budgeted



election, offset slightly by lower per-page print fees under the new copier rental contract. \$450 was added for the increased maintenance costs of voting machines and to fund the annual maintenance of the Clerk’s electronic file system.

Capital – There is no Capital proposed for this office.

CITY COUNCIL’S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – Total funding increased \$27,700 to convert a part-time Clerk Typist position to full-time.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$431,166	\$498,000	\$572,020	\$598,060	\$625,760
Supplies	38,816	39,970	50,200	52,440	52,440
Other Charges	72,521	72,020	86,460	93,690	93,690
Total	\$542,503	\$609,990	\$708,680	\$744,190	\$771,890

MISSION STATEMENT: *The Office of Information Technology 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

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 computer workstations throughout the City.*

communication devices such as cellular telephones and smartphones. ■

Did you know...

...that Information Technology spent the last year testing and configuring software, interfaces, cellular modems and VPN connections for the consolidated public safety dispatch project?

Information Technology

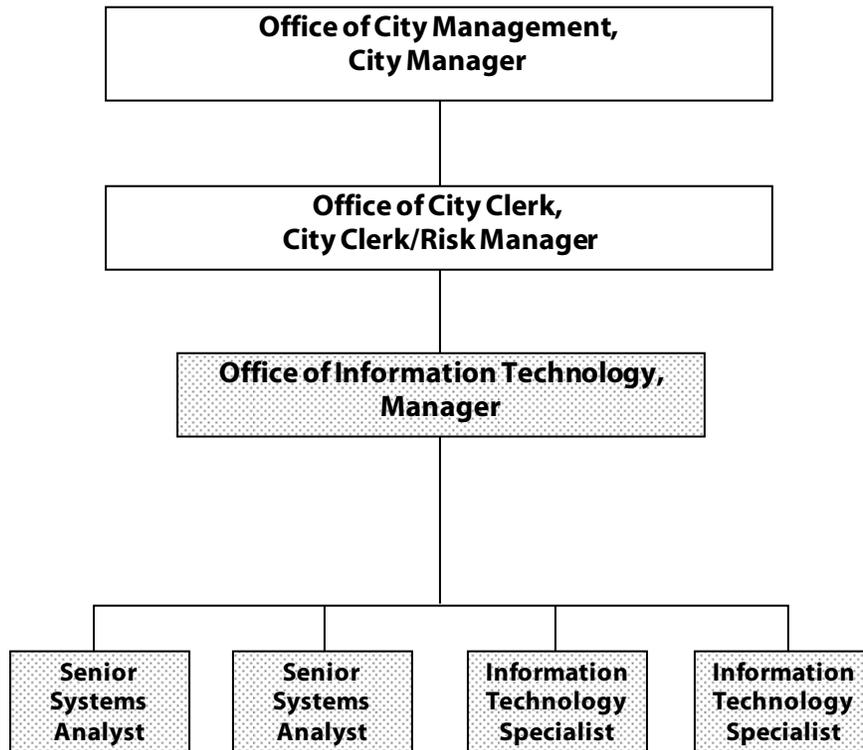
2015/16 PERFORMANCE OBJECTIVES

1. To successfully implement workstation replacements in the offices of City Management, Finance, Community Relations, 41-A District Court and Information Technology. (City Goal 6, 17, 18)
2. To implement new software for Parks and Recreation that will increase functionality and improve online capabilities. (City Goal 6, 17, 18)
3. To complete the five-year Information Technology Plan. (City Goal 6, 17, 18)
4. To work with Macomb County and the Police and Fire Departments to plan and implement the transition to the Macomb County Dispatch Center. (City Goal 6, 17, 18)
5. To complete the disaster recovery plan project, which will include offsite storage replication and failover. (City Goal 6, 17, 18)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Hardware Platforms Supported-(Windows, Unix, etc.)	5	5	5	5	5	5
	Applications/Database Systems Supported	33	33	33	33	33	33
	"Help Desk" Communications Received	7,860	8,000	8,000	8,200	8,100	8,100
	Computers Supported (Desk/Laptops)	462	460	460	505	505	505
	MDC's and Tablets Supported	80	96	115	116	116	116
	Printers Supported	81	74	74	68	68	34
	Land Line Telephones Supported	556	556	556	556	556	556
	Mobile Telephones Supported	148	144	144	130	130	130
	E-Mail Accounts Supported	636	635	650	680	680	680
	Servers Maintained	38	37	38	38	39	39
	Network Equipment Maintained (Routers/Switches)	36	35	35	35	35	35
	Wireless Access Point/Infrastructure Maintained	24	26	26	32	30	30
	Hours Spent on Computer Support/Repair	8,800	9,000	9,000	9,200	9,100	9,100
Efficiency & Effectiveness	% of "Help Desk" Issues Resolved w/i 8 hrs.	91%	91%	91%	90%	90%	90%
	# of Computers/Tablets/MDC's per FTE	0.88	0.98	1.05	1.11	1.11	1.13
	Telephone Problems Resolved within 1 day	90%	90%	90%	90%	90%	90%
	% of Revolving 5-yr. Technology Plan Implemented	90%	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	260	270	270	290	290	290
	Average Annual Cost to Support a PC	\$275	\$259	\$250	*	*	*
	Cost to Support User Systems	\$322,672	\$312,737	\$313,165	*	*	*
	Activity Expenditures as % of General Fund	1.01%	1.18%	1.07%	0.99%	0.96%	1.02%

*Cost is calculated for "Actual" columns only.

Information Technology



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Information Technology Manager	1	1	1
Senior Systems Analyst	2	2	2
Information Technology Specialist	2	2	2
Total	5	5	5

Information Technology

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

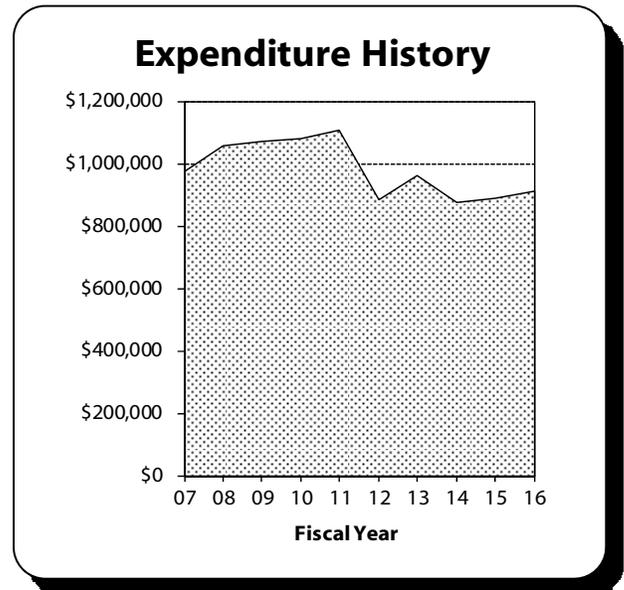
The total budget increased by 2.6%.

Personnel Services – The total Personnel budget increased \$1,950 or 0.3%. The overall increase is a result of higher contributions for pension and retiree medical liabilities. Overall health insurance costs decreased \$7,190, as an employee has elected to receive the health allowance in lieu of health insurance coverage.

Supplies – Total Supplies increased \$50 or 2.4% due to an inflationary increase in office supply costs.

Other Charges – Total Other Charges increased \$20,870 or 10.6%. Contractual costs rose \$16,430, as various existing software support agreements have multiple year service terms and need renewing next year. \$3,240 was added, as several multiple year equipment maintenance agreements also need renewing. Rental costs increased \$1,200 to fund the annual copier lease payment, which was partially offset by savings from the lower per-page print fees under the new copier rental contract.

Capital – Total Capital of \$250,100 is proposed. \$77,400 is budgeted for 65 personal computers to replace the existing six-and seven-year old units in City Management, Information Technology, Financial Services, Community Relations, and the 41-A District Court. \$14,950 is for updated versions of Microsoft Office software for 58 computers. \$90,000 is for a new enhanced Recreation Software System. \$25,000 is for



professional consultant services to assist the City with creating a new five-year technology plan. \$20,000 is for additional Network Disk Storage needed to expand the City's data storage capacity. \$18,000 is to install Network Backup at an alternative offsite location. \$2,750 is for a replacement Check Printer for Finance and \$2,000 is for a replacement Employee Identification Card Printer for Human Resources.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$685,908	\$686,530	\$676,690	\$688,480	\$688,480
Supplies	1,576	2,050	2,050	2,100	2,100
Other Charges	184,379	197,430	197,780	218,300	218,300
Total	\$871,863	\$886,010	\$876,520	\$908,880	\$908,880

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

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

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

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

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

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

KEY GOALS

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

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

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

Did you know...

...the average selling price for a Sterling Heights single family residential home in 2014 was \$174,417 and the median sale price was \$162,500, representing a positive 7% change from the 2013 levels?

Assessing

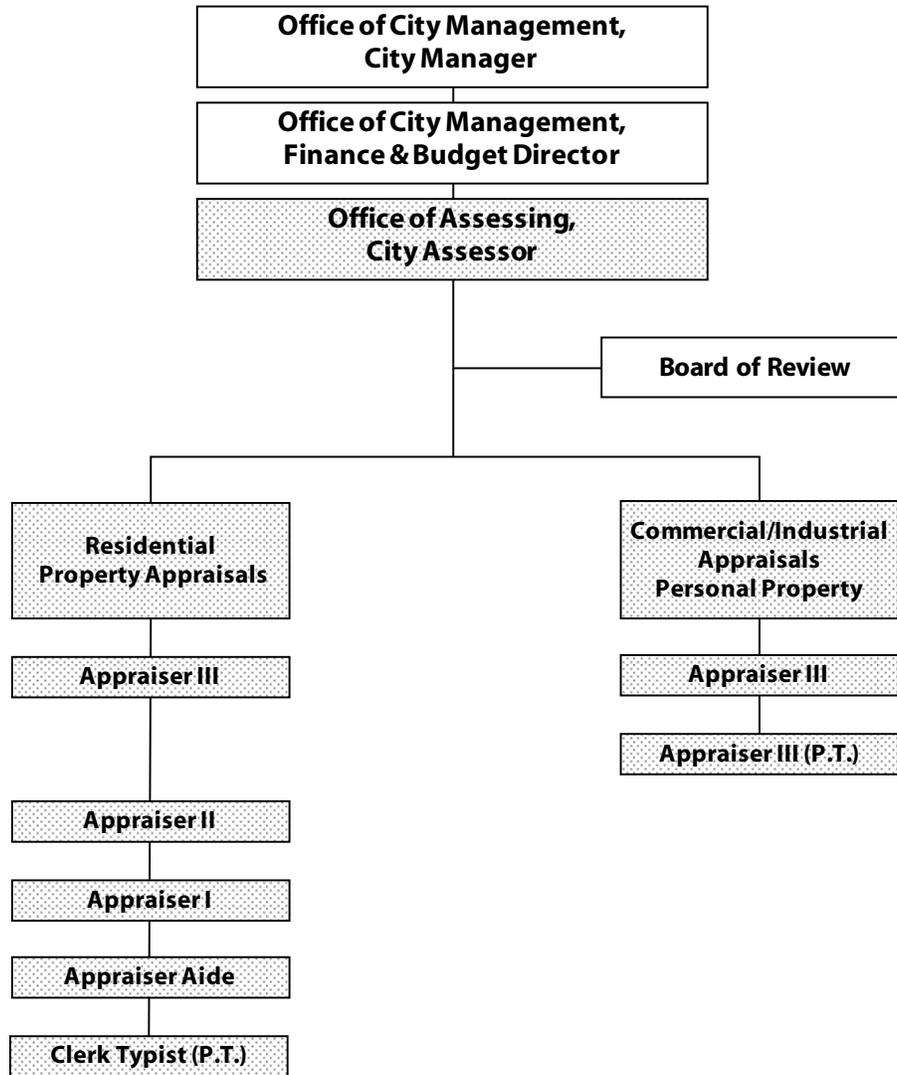
2015/16 PERFORMANCE OBJECTIVES

1. To continue to incorporate the job duties of the commercial and industrial real property and personal property appraiser with the City Assessor in defending 2013 and 2014 Michigan Tax Tribunal (MTT) assessment appeals. (City Goal 3, 4)
2. To facilitate and complete integration of GIS components to the City's assessment data base. (City Goal 3, 6)
3. To continue to create digital sketches of the 33,922 houses and 6,691 condominiums in the City and have them accessible on the City's website. (City Goal 14, 18)
4. To prepare for the new process to report and recover a portion of lost manufacturing personal property tax revenues. (City Goal 7, 8)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Assessment Notices Processed - Real/Personal	46,395	47,363	47,649	47,800	48,200	48,200
	Residential Property Appraisals (including Partial)	75	77	95	125	150	200
	Commercial/Industrial Property Appraisals - Real	2	6	20	25	40	50
	Full Tax Tribunal Applications - Businesses	93	121	130	100	125	75
	Board of Review Appeals	625	405	624	500	718	800
	Personal Property Audits	24	0	0	20	0	0
	Land Divisions/Combinations Processed	10	11	12	15	12	15
	Resident Assessing Online Retrievals	230,386	217,096	204,126	230,000	176,675	200,000
	Deeds & Property Owner Updates	4,241	3,579	3,683	4,000	4,687	4,800
	Property Transfer Affidavits Processed	3,303	3,612	3,543	4,000	4,000	4,000
	Homestead Exemption Affidavits Processed	2,751	2,791	3,236	3,000	3,000	3,000
	IFEC's/328's Personal Property Exemptions Approved	8	12	7	5	3	6
	Total Invest. Resulting from IFEC's/328's (millions)	\$48	\$207	\$28	\$50	\$15	\$20
	Efficiency & Effectiveness	I.F.T. Roll & Certif. Status Reported by Deadline	100%	100%	100%	100%	100%
Total I.F.T. Valuation as a % of City Tax Base (TV)		3.7%	3.7%	3.7%	4.0%	4.0%	4.0%
% Change in City Tax Base (TV)		-6.90%	-6.90%	-0.10%	0.68%	0.68%	1.40%
% Site Plans Reviewed within 2 days		90%	90%	95%	95%	95%	95%
% Land Divisions/Comb. Processed w/i 3 days		90%	90%	90%	90%	90%	90%
Equalization Factor		1.000	1.000	1.000	1.000	1.000	1.000
Average Cost to Appraise a Residential Parcel		\$2.69	\$2.62	\$2.50	*	*	*
Activity Expenditures as % of General Fund		1.04%	0.93%	1.01%	0.97%	0.95%	0.99%

*Cost is calculated for "Actual" columns only.

Assessing



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
City Assessor	1	1	1
Appraiser III	1	2	2
Appraiser III (P.T.)	2	1	1
Appraiser II	1	1	1
Appraiser I	1	1	1
Appraiser Aide	1	1	1
Clerk Typist (P.T.)	0	1	1
Co-op (P.T.)	1	0	0
Total	8	8	8

Assessing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

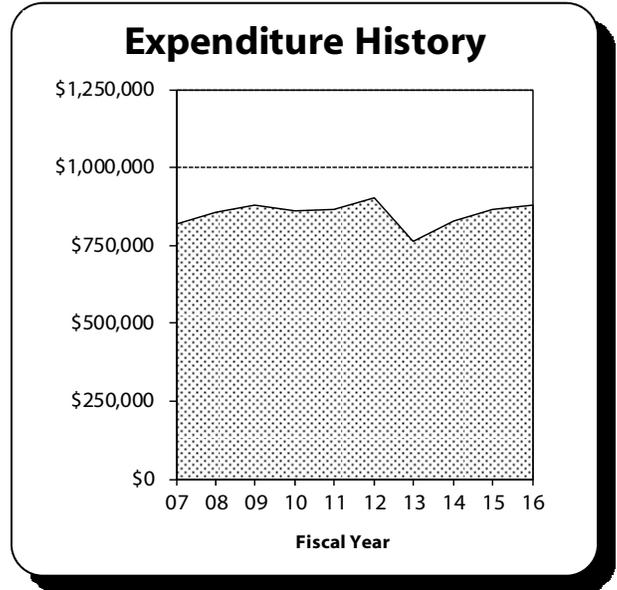
The total budget increased by 1.6%.

Personnel Services – The total Personnel budget increased \$14,040 or 1.7%. Most of the increase is a result of wage step adjustments for employees not at the top of their pay scale. Funding for long-term pension and retiree health insurance liabilities rose a combined \$6,600.

Supplies – Total Supplies decreased \$500 or 2.1% as the Marshall & Swift publication is no longer needed.

Other Charges – Total Other Charges increased \$410 or 1.7%. \$250 was added to the budget as more local training will be attended. Equipment maintenance costs increased \$220 due to an increase in BS&A and APEX Assessor Sketch software maintenance and support fees. \$200 was added for a slight increase in the CoStar contract. Printing costs rose \$200 due to an increase in the cost of printing and sorting property assessment notices. Three additional staff memberships to the Macomb Assessor’s organization are funded for \$70. \$540 was saved due to lower per-page print fees under the new copier rental contract, and the elimination of the Bresser’s Cross Index Directory.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$780,906	\$819,020	\$816,910	\$833,060	\$833,060
Supplies	22,737	24,100	22,900	23,600	23,600
Other Charges	23,742	23,870	23,390	24,280	24,280
Total	\$827,385	\$866,990	\$863,200	\$880,940	\$880,940

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, bond sale activity, benefit plan activities and annual audit completion and reporting.

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 annual reports to the State of Michigan and compliance reports for state and federal granting agencies. This office also prepares monthly reports for City Council, City management and City departments, as well as other specifically required periodic reports.

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 almost 3,000 active accounts and 27 different funds?

Financial Services

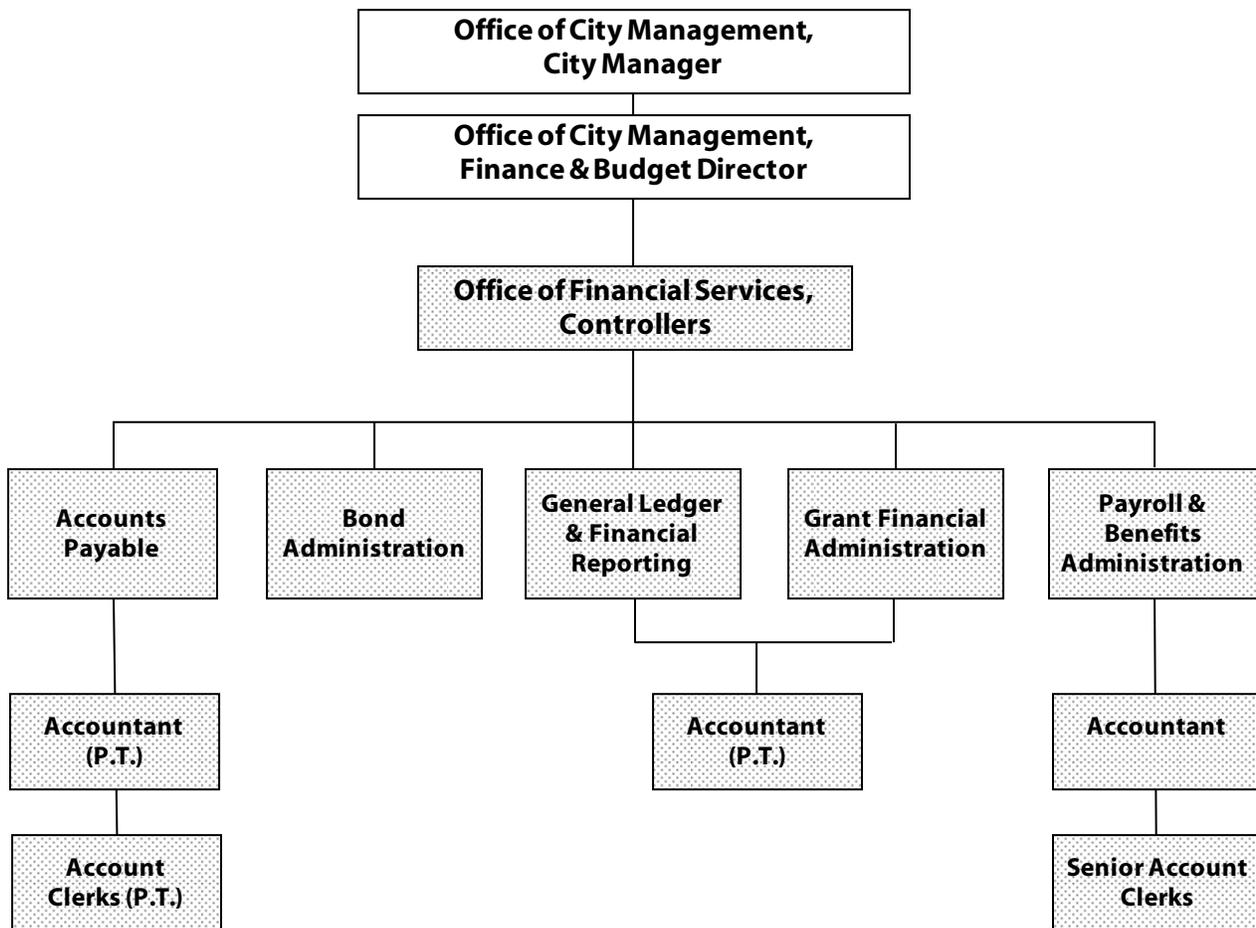
2015/16 PERFORMANCE OBJECTIVES

1. To implement Governmental Accounting Standards Board numbers 68, 69 and 71 into the audited financial statements. (City Goal 3)
2. To research and prepare for a possible future transition from MUNIS to the BS&A financial management system. (City Goal 6, 17, 18)
3. To develop a plan for cross-training of duties to ensure continuity of services. (City Goal 1, 4, 7)
4. To assist in the implementation of procedures and policies in order to comply with the Patient Protection and Affordable Care Act (PPACA) mandates, by assessing record keeping options available to the City, and leveraging resources and technology strategically. (City Goal 1, 4, 18)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Bank Statements Reconciled	252	252	252	250	252	250
	General Journal Entries Processed	1,808	1,733	1,718	1,800	1,750	1,750
	Accounts Payable Invoices Processed	14,947	13,930	14,261	14,280	14,400	14,400
	Accounts Payable Checks Issued	6,780	6,355	6,690	6,500	6,700	6,600
	Payroll Checks & Deposit Notices Generated	19,061	18,064	17,387	18,100	18,100	18,500
	Accounting Funds Maintained	28	28	27	27	27	27
	Retirees/Beneficiaries Receiving Medical Benefits	569	572	593	620	610	610
	Federal Grants Tracked	40	35	25	35	32	35
	Audit Workpapers Prepared	400	402	410	400	410	410
	Active Assets Tracked	5,299	5,374	5,459	5,500	5,525	5,600
	Vendor Files Maintained	2,963	3,048	3,392	3,100	4,000	3,800
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	14.0	14.0	14.3	14.0	14.0	14.0
	% of A/P Checks Issued Without Error	99.0%	99.2%	98.2%	99.0%	99.0%	99.0%
	% of Payroll Checks Issued Without Error	99.0%	98.5%	99.5%	99.0%	99.5%	99.0%
	Active Employees Receiving Compensation/Benefits	1,255	1,409	1,183	1,180	1,300	1,300
	Financial Statement Correcting Entries by Auditors	1	0	1	0	0	0
	Financial Admin. of Federal Grant Expenditures	\$6,878,934	\$4,728,725	\$5,541,279	\$2,400,000	\$2,000,000	\$3,000,000
	Cost for an Independent Auditor to Perform Audit	\$92,000	\$92,000	\$93,850	\$95,700	\$95,750	\$98,700
	Years Received G.F.O.A. CAFR Award	24	25	26	27	27	28
	Cost to Process an Accounts Payable Invoice	\$10.77	\$9.85	\$9.63	*	*	*
	Cost of Payroll Service Per Employee	\$296	\$303	\$318	*	*	*
	Activity Expenditures as % of General Fund	0.86%	0.89%	0.95%	0.93%	0.96%	1.04%

*Cost is calculated for "Actual" columns only.

Financial Services



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Controller	1	1	2
Accountant	1	1	1
Accountant (P.T.)	2	2	2
Senior Account Clerk	2	2	2
Account Clerk (P.T.)	1	1	2
Co-op (P.T.)	1	1	0
Total	8	8	9

Financial Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

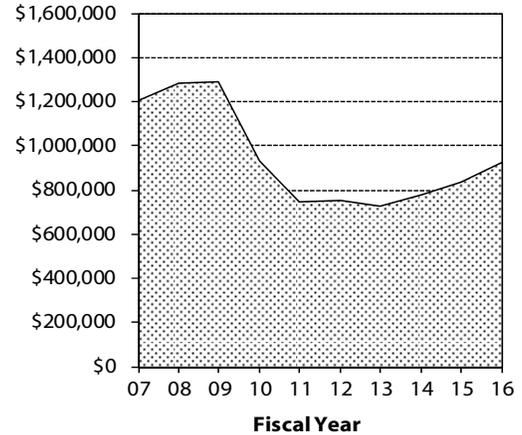
The total budget increased by 11.0%.

Personnel Services – The total Personnel budget increased \$90,520 or 12.3%. Most of the increase is due to an additional Controller position, as part of the City's succession planning efforts, as the current Controller is eligible to retire. Part-time wages rose \$8,860 primarily due to the addition of a part-time Account Clerk position in lieu of filling a vacant Co-op position. Funding for long-term liabilities rose \$6,960.

Supplies – Total Supplies increased \$1,030 or 19.4%. Postage increased \$1,000 to more accurately reflect past postal rate increases. \$20 was added for operating supplies and \$10 was added for publication costs, both due to inflationary cost increases.

Other Charges – Total Other Charges increased \$270 or 0.3%. Educational funding increased \$700 for the new Controller. Three additional memberships are also funded for \$620, as part of employee succession planning. Application fees for participation in the annual GFOA certificate program increased \$150. \$850 was saved due to lower copier rental and per-page print fees under the new copier rental contract. Software maintenance costs can be reduced \$220 to bring the budget more in line with the current year's estimated expenditure level. An anticipated 5% increase in MUNIS licensing and support fees is funded. Telephone costs fell \$200 due to a revised allocation of citywide telephone expenditures.

Expenditure History



Capital – This office is scheduled to receive seven new personal computers totaling \$6,300 to replace the existing six-year old units. \$2,750 is budgeted for a Check Printer to replace a 13-year old printer that is no longer reliable.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$683,389	\$736,860	\$784,260	\$827,380	\$827,380
Supplies	6,184	5,300	6,310	6,330	6,330
Other Charges	87,376	91,070	86,530	91,340	91,340
Total	\$776,949	\$833,230	\$877,100	\$925,050	\$925,050

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.*

Did you know...

...the City is a founding member of the Michigan Intergovernmental Trade Network (MITN), an online procurement system, which now has over 7,770 active vendors that can be awarded bids by over 170 participating governmental entities?

Purchasing

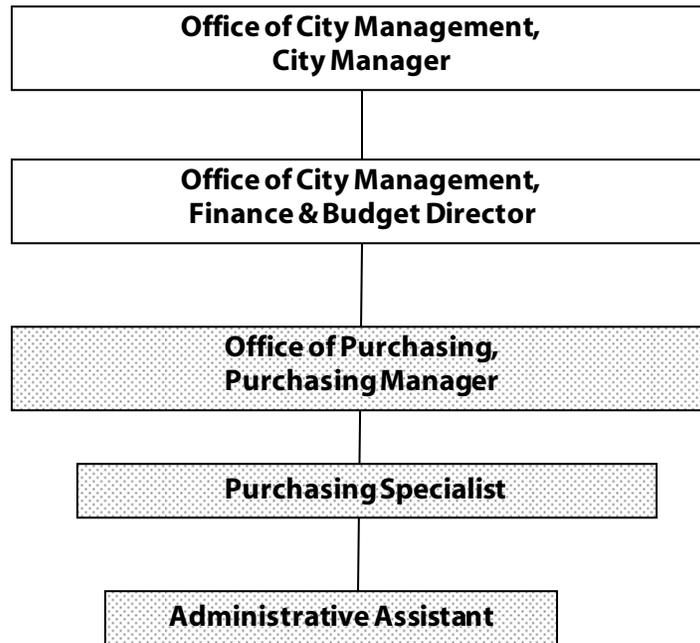
2015/16 PERFORMANCE OBJECTIVES

- To utilize the capabilities of the redesigned website to advertise all Invitations to Bid (ITB) and Requests for Proposal (RFP) solicitations on the Purchasing page, increasing exposure and the number of bids received. (City Goal 1, 23, 24, 25)
- To identify additional opportunities to reduce the number of single-functional devices (SFD's) in favor of using more cost efficient multi-functional devices (MFD's). (City Goal 3, 8, 23)
- To design and implement the option for bidders to submit their bids electronically for ITB's and RFP's. (City Goal 1, 23)
- To increase the participation in City solicitations from local businesses by utilizing the local Chamber of Commerce, to encourage greater participation in MITN. (City Goal 20, 24, 25)
- To automate the internal tracking and notification to end-users of information involving an expiring bid to ensure timely renewal/bidding. (City Goal 2, 3, 6, 7)
- To go out to bid for the Refuse Collection contract which expires in May, 2016. (City Goal 1, 3)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Purchase Orders Processed	997	899	927	1,000	1,000	1,000
	Bid Solicitation Occurrences	43	37	51	40	64	60
	Bid Responses Reviewed	178	139	170	150	230	200
	# of Surplus Item Auctions Conducted on MITN	90	64	60	90	90	80
	Written Quotation Solicitation Occurrences	17	16	23	25	10	10
	Written Quotation Responses Reviewed	107	86	32	100	30	40
	Number of Employees Assigned a Purchasing Card	50	49	56	50	55	55
	Number of Purchasing Card Transactions	1,240	1,138	1,247	1,200	1,500	1,600
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	95%	95%	95%	95%	95%	95%
	Avg. Days to Process a P.O. (informal pricing)	7	7	7	7	7	7
	Avg. Days to Process a P.O. (formal pricing)	30	30	30	30	30	30
	Online Procurement System - Registered Vendors	7,261	7,153	7,816	7,800	7,830	7,860
	Revenue from Sale of Surplus Property	\$41,988	\$42,323	\$40,051	\$42,000	\$40,000	\$40,000
	Dollar Value of Purchasing Card Transactions	\$190,922	\$178,639	\$209,427	\$200,000	\$250,000	\$251,000
	Cost to Issue a Purchase Order	\$86	\$95	\$92	*	*	*
	Average Cost to Go Out to Bid	\$1,482	\$1,497	\$1,391	*	*	*
	Total Dollar Value of Purchase Orders	\$12.9M	\$12.4M	\$12.6M	\$12.8M	\$12.8M	\$13.0M
	Avg. Savings Thru Bid Process/Vendor Savings Prog.	30%	30%	30%	30%	30%	30%
	Activity Expenditures as % of General Fund	0.45%	0.32%	0.34%	0.34%	0.34%	0.36%

*Cost is calculated for "Actual" columns only.

Purchasing



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	0	1	1
Administrative Assistant (P.T.)	1	0	0
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

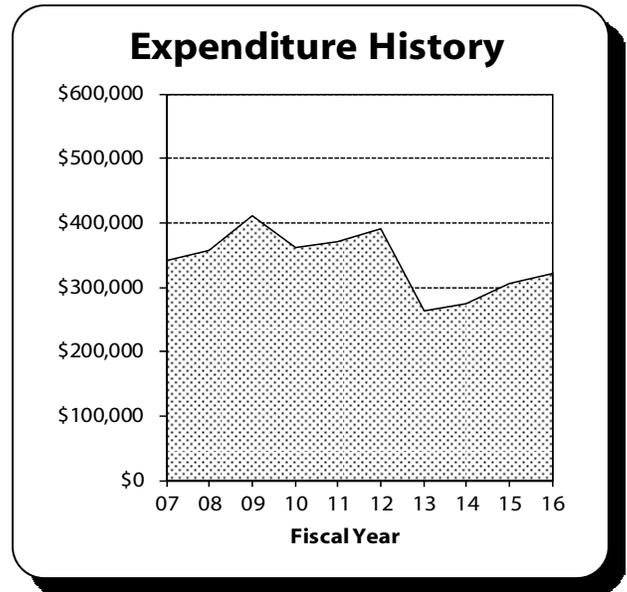
The total budget increased by 5.6%.

Personnel Services – The total Personnel budget increased by \$18,310 or 6.5%. Most of the increase is a result of a transfer of an existing employee from Financial Services into Purchasing, who is at the top of the pay scale. The previous year’s budget assumed a new employee at the entry level pay scale.

Supplies – Total Supplies increased \$30 or 2.6%. Funding for the online gasoline price-tracking subscription increased \$130. Postage costs decreased \$100 due to the increased use of electronic notifications.

Other Charges – Total Other Charges decreased \$1,400 or 7.0%. The City will save \$2,000, as the budget for citywide microfilming services can be further reduced and brought more in line with recent expenditure trends. \$140 was saved based on lower copier rental and usage fees for the new copier. \$320 was added due to an increase in citywide office equipment repairs. Publishing costs increased \$250 due to a higher number of bid announcements in recent years. Educational funding increased \$100 for the increased cost of training at regional purchasing meetings throughout the year. \$70 was added for one additional membership.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$252,496	\$283,810	\$289,810	\$302,120	\$302,120
Supplies	1,389	1,160	1,160	1,190	1,190
Other Charges	20,170	20,000	15,410	18,600	18,600
Total	\$274,055	\$304,970	\$306,380	\$321,910	\$321,910

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

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.*

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

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

Did you know...

...that each homeowner's property tax and water bill historical information is available on the City's website?

Treasury

2015/16 PERFORMANCE OBJECTIVES

1. To update the City Investment Policy to incorporate minor changes to Public Act 20 and other operational changes. *(City Goal 8)*
2. To work with Finance to implement Governmental Accounting Standards Board number 68 into the audited financial statements. *(City Goal 8)*

	Performance Indicators	2011/12	2012/13	2013/14	2014/15	2014/15	2015/16
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Tax Bill Payments Processed - Manually (incl. partials)	24,183	23,349	22,358	23,000	22,445	22,400
	Tax Bill Payments Processed - Electronically (escrows)	32,288	31,928	32,143	32,100	32,645	32,700
	Tax Bill Payments Processed - Lock Box	33,845	31,566	31,805	32,100	29,755	29,800
	Tax Bill Payments Processed - Online	371	4,102	4,525	5,000	4,800	5,000
	Special Assessment Parcels Billed	138	127	132	150	90	100
	Invoices Billed	3,259	3,062	4,073	3,000	3,400	3,400
	Investments Bought/Sold - Number of Transactions	553	626	364	450	250	250
	Tax Adjustments Processed	1,485	1,343	1,298	1,175	990	1,000
	Resident Tax Online Retrievals	76,600	70,910	60,355	65,000	70,000	75,000
	Cash Receipts Processed by Treasury Personnel	67,370	60,284	60,578	60,000	58,000	60,000
	City-Wide Credit Card Payments Received	29,412	32,775	37,320	38,000	40,000	42,000
	Dollar Value of All Credit Card Transactions (Millions)	\$4.2	\$5.4	\$5.6	\$5.8	\$6.0	\$6.2
	Defined Contribution Active Employees	67	68	76	80	83	90
	Defined Benefit Active GERS Employees	160	134	130	125	110	105
	GERS Retirements Processed	31	23	5	4	10	5
	GERS Retirees/Beneficiaries Receiving Benefits	327	347	349	345	355	360
	Pension Calculations Prepared (P&F and GERS)	112	46	19	20	20	20
	Water and Sewer Bills Issued	190,365	190,909	190,041	191,000	191,700	192,000
	Final Water Bills Prepared	1,155	1,199	1,158	1,200	1,320	1,400
	Water & Sewer Customer Bill Online Retrievals	28,049	33,100	31,287	30,000	34,300	35,000
	Water & Sewer Auto Pay Customers	2,331	2,348	2,331	2,400	2,300	2,400
	Water & Sewer Budget Billing Customers	134	117	111	100	105	100
	Service Orders Processed by Utility Billing	3,280	2,202	2,403	2,450	2,850	3,000
	Water Bill Adjustments	1,458	1,510	1,844	2,000	2,140	2,200

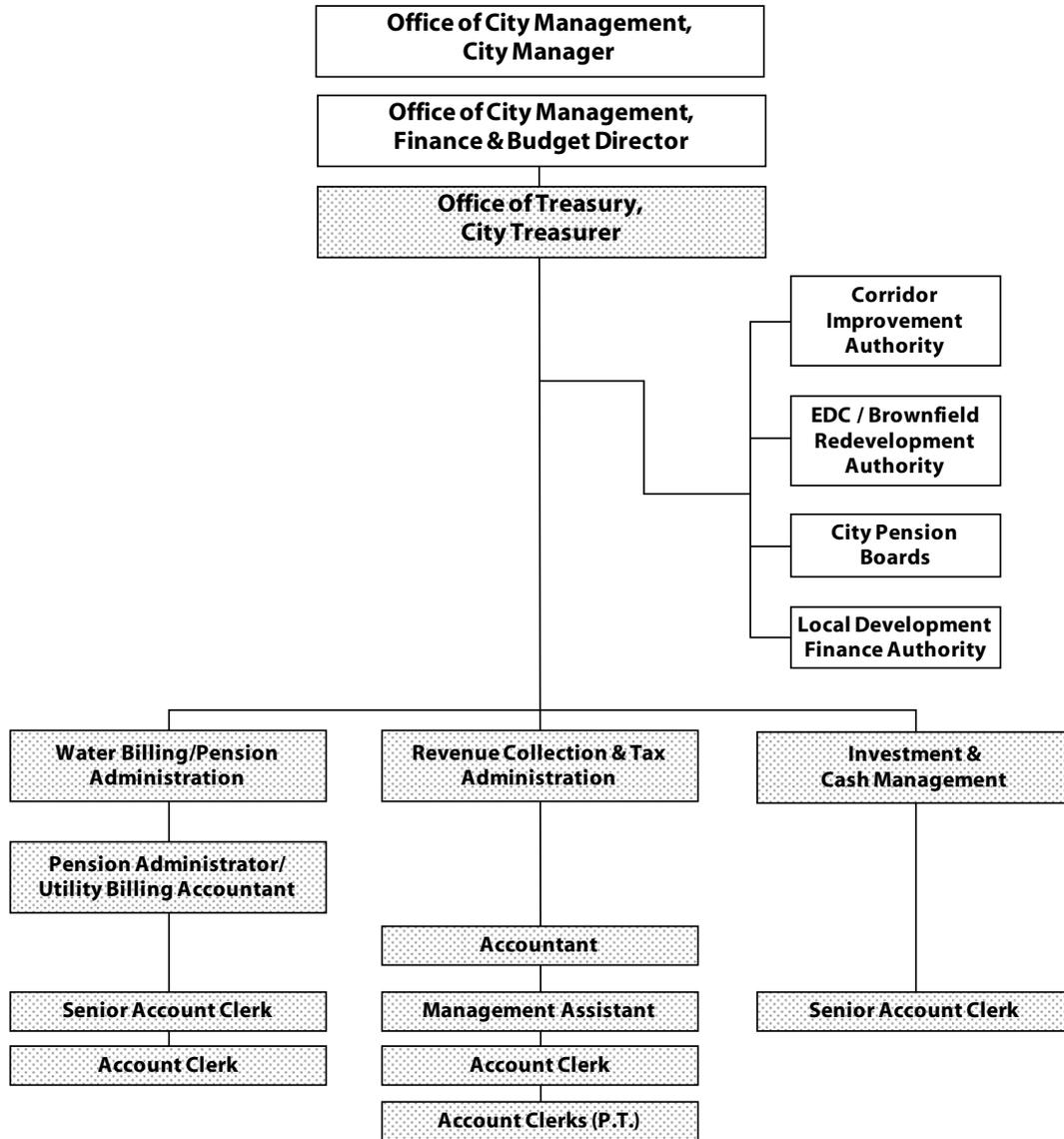
Treasury

2015/16 PERFORMANCE OBJECTIVES

3. To implement the sending of an electronic tax roll to the County in place of a paper roll. (City Goal 23)
4. To work with title companies to encourage use of on-line payment for property taxes. (City Goal 1, 23)

Efficiency & Effectiveness	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
	% of Real & Personal City Prop. Tax Levy Collected	97%	97%	97%	96%	97%	97%
	% of Prop. Tax Parcels Turned Delinquent to County	6.20%	6.51%	6.10%	6.00%	6.00%	6.00%
	Average Rate of Return on Investments	1.94%	1.10%	1.20%	1.50%	1.20%	1.20%
	Average 2-Year T-Note Rate	0.42%	0.27%	0.32%	0.35%	0.32%	0.35%
	City's Return as a % of 2-Year T-Note	462%	407%	375%	430%	375%	343%
	% of Portfolio Invested in Active Market	85.5%	84.7%	85.2%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	\$0.7	\$0.4	\$0.3	\$0.4	\$0.4	\$0.4
	Police & Fire Pension System - % Funded	66.5%	66.0%	67.4%	70.0%	68.4%	70.0%
	General Employees Pension System - % Funded	90.9%	83.5%	84.2%	87.0%	84.3%	85.0%
	Ratio of Active GERS Employees to GERS Retirees	1:2.04	1:2.59	1:2.68	1:2.76	1:3.23	1:3.43
	Annual % Change in GERS Market Value - Fiscal Year	1.0%	11.0%	18.6%	8.0%	8.0%	8.0%
	Annual % Change in P&F Market Value - Fiscal Year	0.1%	12.6%	18.3%	8.0%	8.0%	8.0%
	Ratio of Active P&F Employees to P&F Retirees	1:2.20	1:2.30	1:2.29	1:2.40	1:2.20	1:1.80
	% of Water & Sewer Bills Adjusted	0.77%	0.79%	0.97%	1.00%	1.12%	1.15%
	Activity Expenditures as % of General Fund	1.23%	1.25%	1.24%	1.19%	1.15%	1.22%

Treasury



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
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	2	2	2
Account Clerk (P.T.)	2	2	2
Total	10	10	10

Treasury

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

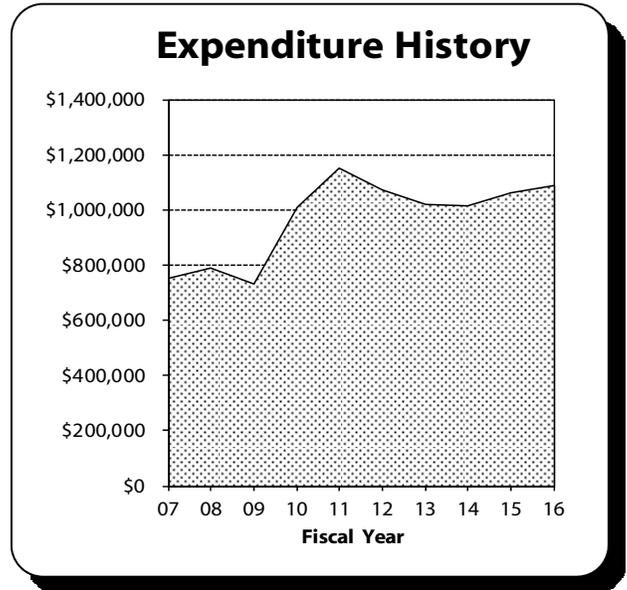
The total budget increased 2.3%.

Personnel Services – The total Personnel budget rose \$22,940 or 2.6%. Most of the increase is a result of wages that increased for employees not yet at the top of their pay scale. In addition \$6,660 is budgeted to fund retirement liabilities. Health insurance cost rose \$2,980 due to a rate increase.

Supplies – Total Supplies increased \$600 or 0.5%. Postage costs increased \$1,000 due to an increase in the cost of tax and water bill mailings. \$400 was saved, as fewer office supplies need to be replenished.

Other Charges – Total Other Charges increased \$980 or 1.3%. \$1,310 was added to the budget for the annual copier lease payment under the new rental agreement. Contracted service costs rose \$380 for the higher cost of printing water bills. Equipment maintenance costs increased \$140 due to an increase in BS&A software support fees. Educational funding increased \$100 for the Treasurer’s attendance at an additional seminar. The City will save \$720, as banking fees can be reduced further as a result of recent process changes. The decrease was partially offset due to higher credit card service fees. Telephone costs decreased \$200, as the budget can be reduced and brought more in line with the current year’s expenditure usage.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$840,916	\$873,980	\$869,310	\$896,920	\$896,920
Supplies	106,076	111,400	112,000	112,000	112,000
Other Charges	67,392	77,600	72,220	78,580	78,580
Total	\$1,014,384	\$1,062,980	\$1,053,530	\$1,087,500	\$1,087,500

***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
- 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
- Provides administrative support for activities of Friends

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

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
- Provides 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

Public Services

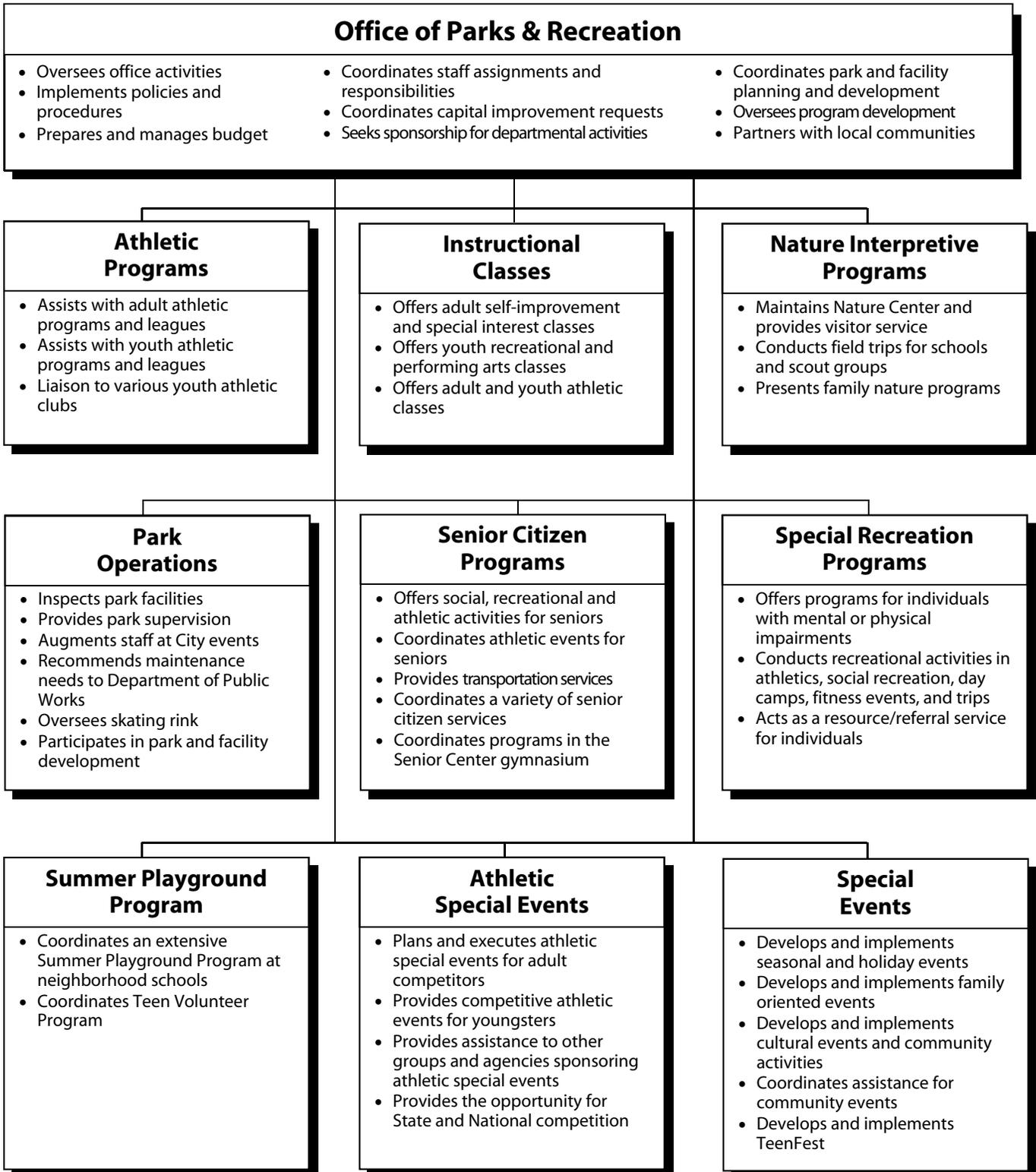
- Reference/information retrieval
- Provides bibliographic instruction
- Collection development and evaluation
- Provides outreach service to senior citizen residences & the homebound
- Processes deposit collections and extension loans
- Shelves materials for user access
- Maintains periodical and newspaper collections
- Provides Readers' Advisory Services
- Selects online reference sources
- Coordinates Internet access and instruction
- Coordinates Young Adult Services
- Conducts Youth programming and seasonal activities
- Creates exhibits, displays and information packets
- Coordinates MeLCat access to materials

Technical Services

- Coordinates the acquisition and processing of materials
- Catalogs and classifies materials
- Administers online catalog and Internet systems
- Processes and routes donations
- Maintains online catalogs and equipment
- Maintains ongoing collection inventory and statistical analysis
- Processes items and donations for Upton House Historical Collection
- Installs and maintains software for homework and reference center workstations

FUNCTIONAL ORGANIZATION CHART

Community Services Department (continued)



DEPARTMENT AT A GLANCE

Community Services Department

BUDGET SUMMARY

The Community Services budget increased \$233,490 or 5.5%. Personnel costs rose \$203,550 or 6.0%, due in part to the conversion of a part-time Recreation Supervisor to full-time. In addition, part-time wages rose due to restored Sunday hours, the new Farmers Market, as well as an increase in the State's minimum wage. In the Library, a vacant full-time Library Clerk position was eliminated and replaced with a part-time Library Clerk and a part-time Librarian, which allowed for an increase in Library materials. Supplies rose \$13,400 or 5.0%, due to increased funding for Library materials, start-up costs for the Dodge Park Farmers Market, and increased Parks & Recreation program supplies. Other Charges increased \$16,540 or 2.9%, to fund an online

language learning database, new Library print management software, an additional Music in the Park concert, as well as increased costs for the Farmers Market. Additional funds are budgeted for employee training, and a savings resulting from the one-time cost to update the Parks & Recreation Master Plan in the prior year. The Capital budget funds a replacement outside Library book drop box, a replacement Recreation software system, the resurfacing of the Senior Center parking lot, the replacement of wall partitions at the Senior Center, replacement scoreboards and an audit of the ball field lights at Baumgartner Park, an initial grant-match funding for a City dog park, and replacement of the Clinton River

FUNDING LEVEL SUMMARY

	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Public Library	\$2,450,830	\$2,335,380	\$2,472,640	\$2,603,030	5.3%
Parks & Recreation	1,888,710	1,666,740	1,771,290	1,874,390	5.8%
Total Department	\$4,339,540	\$4,002,120	\$4,243,930	\$4,477,420	5.5%
Personnel Services	\$3,556,990	\$3,237,100	\$3,402,050	\$3,605,600	6.0%
Supplies	244,000	239,000	269,440	282,840	5.0%
Other Charges	538,550	526,020	572,440	588,980	2.9%
Total Department	\$4,339,540	\$4,002,120	\$4,243,930	\$4,477,420	5.5%

PERSONNEL SUMMARY

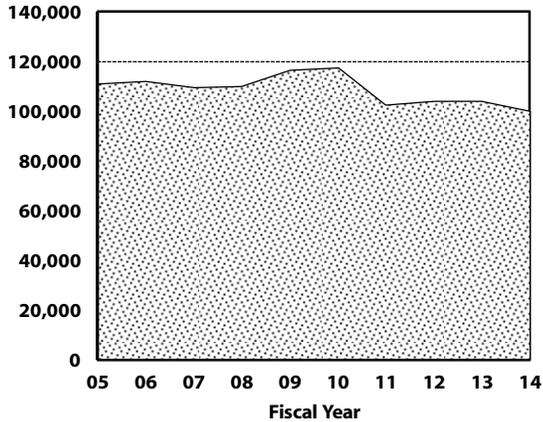
	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	16	22	11	25	13	23	12	26
Parks & Recreation	10	0	7	3	7	3	8	2
Total Department	26	22	18	28	20	26	20	28

Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

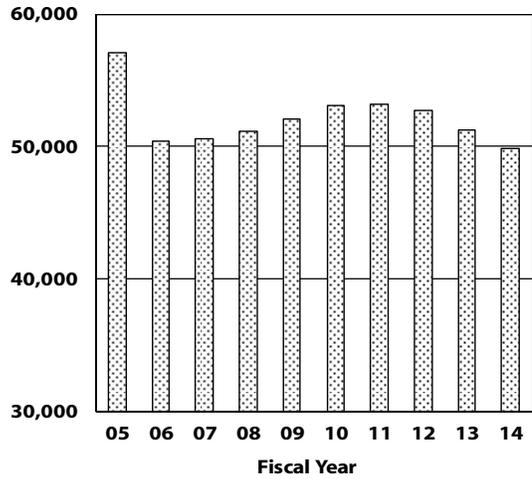
Community Services Department

Senior Center Attendance



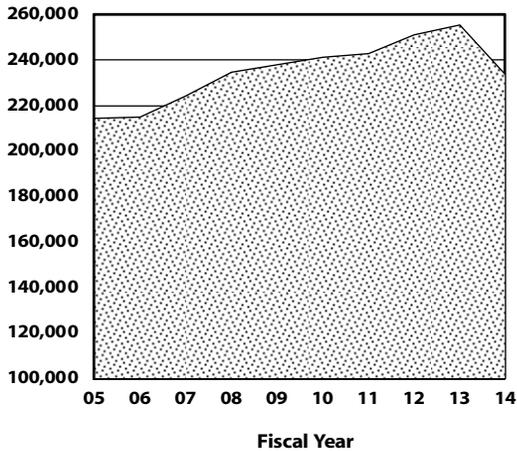
Senior program attendance has been fairly constant, exceeding 100,000 participants each year, over the past ten years. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars.

Registered Borrowers



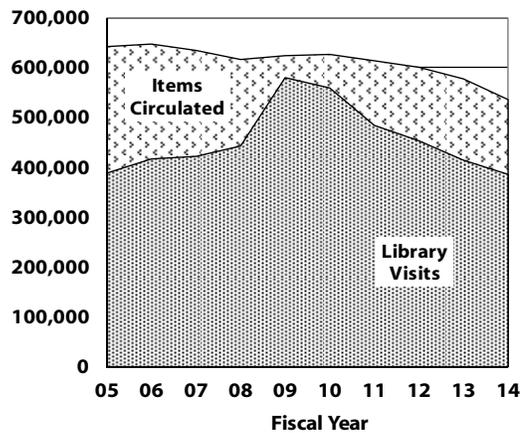
The number of registered borrowers in the City has generally ranged between 50,000 and 54,000 residents over the past ten years as the City regularly updates its registered borrower database.

Total Collection of Library Materials



The size of the Library's collections, including books, audiovisual, and software materials, has generally grown over the past ten years. There are currently 233,004 materials on hand, or an average of 1.8 items per resident. A total of 1.7 million online and electronic database uses were recorded in 2014. Attendance at Library programs has increased since the Library Programming Center was opened in 2001. Attendance in 2014 totaled 15,196 participants.

Library Visits & Items Circulated



Over the past ten years, the number of Library items circulated has declined. Attendance has also declined with the exception of an increase during the recession. In 2014, 384,000 visits were recorded or an average of 134 visits per hour open. 536,000 items (or an average of 1.4 items per visit) were circulated. Library Sunday hours have been eliminated and the Library is also 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 assistance, 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 City 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 Tech for Tots area with educational software applications and games.

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, downloadable audiobooks, digital magazines, and downloadable music. 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

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.*

language skills. For patrons with visual disabilities, the Library provides large print and audio books.

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 Sterling Heights Public Library offers Freegal, a downloadable music service that allows residents to download five songs per week and stream three hours of music per day at no cost?

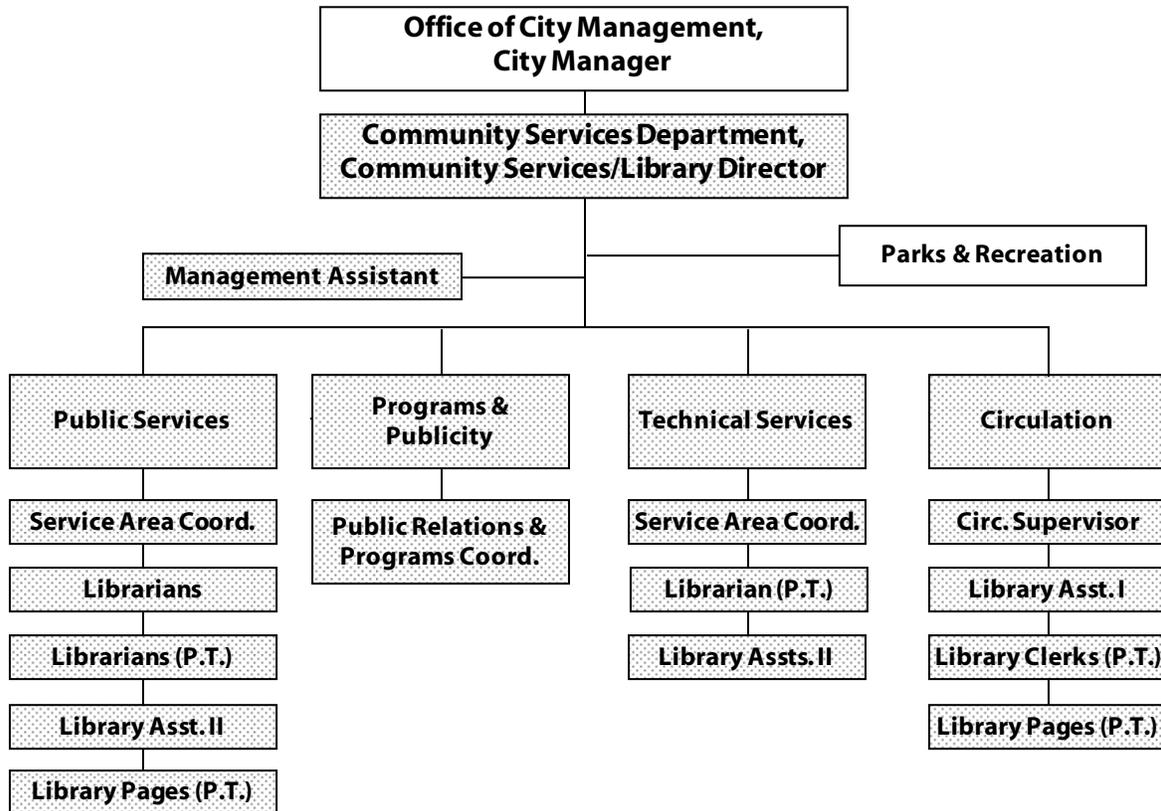
Library

2015/16 PERFORMANCE OBJECTIVES

1. To expand the library's digital and online resources to assist residents in their educational and recreational needs. *(City Goal 2, 19)*
2. To continue to foster an environment of creativity to preserve and expand quality of life services. *(City Goal 1, 19)*
3. To seek grants, community partnerships and other sources of revenue, to improve core library services. *(City Goal 19, 24)*
4. To establish the library as a technology center for the community through programming, hardware and software improvements for all ages. *(City Goal 1, 19, 23)*
5. To install a new Library patron printing system that discontinues the need for print cards and allows for printing from wireless devices. *(City Goal 1, 19, 23)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Library Registered Borrowers	52,733	51,248	49,863	50,000	48,000	48,500
	Annual Library Attendance	453,690	412,656	384,063	385,000	380,000	400,000
	Total Collection of Lib. Materials (Excl. magazines)	250,609	255,346	233,004	240,000	250,000	255,000
	Items Circulated	600,445	577,448	536,485	540,000	525,000	560,000
	Program Attendance	22,168	15,310	15,196	16,000	16,000	16,500
	Reference & General Information Requests	93,243	83,000	68,052	66,000	66,000	70,000
	Hours of Library Operation Weekly	57.5	57.5	57.5	57.5	57.5	61.5
	Materials Added to Collection	20,424	20,481	19,632	18,500	19,500	19,750
	In-Library Use of Materials	133,539	132,298	82,304	80,000	70,000	70,000
	Items Processed for Loan to Other Libraries	82,094	82,832	79,360	78,000	72,000	72,000
	Items Processed for Receipt from Other Libraries	93,068	90,764	86,950	86,000	80,000	80,000
	Online & Electronic Database Usage	768,815	1,050,062	1,659,105	1,600,000	1,300,000	1,400,000
	Wireless Computer Users	N/A	N/A	10,876	60,000	60,000	70,000
	Outreach Loans by Library Van	4,547	3,788	3,253	3,200	3,200	3,200
Efficiency & Effectiveness	Registered Borrowers as a % of Population	41%	39%	38%	39%	37%	37%
	Library Materials per Capita	1.93	1.96	1.79	1.84	1.91	1.95
	Circulation of Materials per 1,000 Population	4,629	4,442	4,111	4,130	4,015	4,275
	% of Hold Material Requests Filled within 30 days	78%	81%	78%	79%	80%	80%
	% of Material Reshelfed within 24 hours	96%	97%	99%	97%	98%	98%
	Full-time Equivalent Staff Per 1,000 Population	0.22	0.21	0.18	0.19	0.19	0.19
	Library Material Acquisition Costs Per Resident	\$1.42	\$1.29	\$1.21	\$1.40	\$1.48	\$1.48
	Library Cost Per Capita	\$19.62	\$18.85	\$17.90	\$18.91	\$18.70	\$19.87
	Total Cost Per Library Registered Borrower	\$48.26	\$47.82	\$46.84	\$48.48	\$50.95	\$53.67
	Activity Expenditures as % of General Fund	2.92%	3.00%	2.86%	2.76%	2.68%	2.90%

Library



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Community Services/Library Director	1	1	1
Library Service Area Coordinator	1	2	2
Library Service Area Coordinator (P.T.)	1	0	0
Public Relations & Programs Coord.	1	1	1
Librarian	2	2	2
Librarian (P.T.)	8	8	10
Circulation Supervisor	0	1	1
Circulation Supervisor (P.T.)	1	0	0
Management Assistant	1	1	1
Library Assistant II	3	3	3
Library Assistant I	1	1	1
Library Clerk	1	1	0
Library Clerk (P.T.)	5	5	6
Library Page (P.T.)	10	10	10
Total	36	36	38

Library

SUMMARY OF BUDGET CHANGES

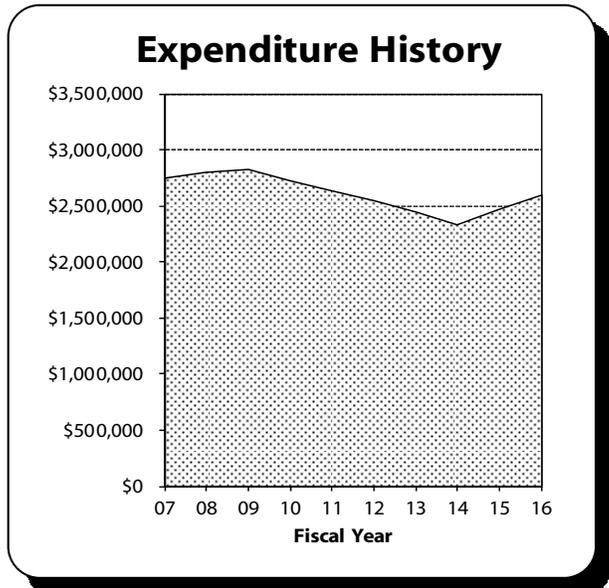
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 2.5%.

Personnel Services – The Personnel budget increased \$39,960 or 2.0%. The overall increase is due to employee wage step increases, an increase in the minimum wage for Library Pages, as well as increases in funding for retirement system liabilities. A vacant full-time Library Clerk position was eliminated and replaced with a part-time Library Clerk and a part-time Librarian, which allowed for increased funding of books and publications.

Supplies – Total Supplies increased \$10,280 or 5.2%. Book funding increased \$7,000, as additional circulation materials will be purchased. \$3,820 is funded for the purchase of International magazines, previously provided by the Friends of the Library, as well as the increased cost of other various magazines and newspapers. The Library will save \$500 by eliminating public print cards with the implementation of a new, less-costly print management software system that allows residents to print from the Library’s public access computers or now from their own wireless devices using cash or coin rather than using a card.

Other Charges – Total Other Charges increased \$11,810 or 4.5%. Funding increased \$7,560 for an online language learning database. Rental costs increased \$3,840 to fund the new print management software maintenance and mobile print fees, and the annual lease payment for four replacement copiers. The Library Cooperative membership fee increased



\$710, which is tied to higher state aid. \$400 was added for Library staff training. Telephone costs decreased \$600 and printing costs fell \$200, as both can be reduced based on the current year’s estimated expenditure levels.

Capital – A replacement outside Library Book Drop Box is proposed for \$6,700.

CITY COUNCIL’S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – Total funding increased \$68,340 to restore Library Sunday hours.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,906,688	\$2,012,760	\$1,973,540	\$2,052,720	\$2,121,060
Supplies	173,450	199,270	209,130	209,550	209,550
Other Charges	255,247	260,610	262,860	272,420	272,420
Total	\$2,335,385	\$2,472,640	\$2,445,530	\$2,534,690	\$2,603,030

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, Daddy/Daughter Dance, Dance Recital, Mother/Son event, and Farmers Market.

In Athletic Services, adult and youth participants are provided the opportunity to compete in organized leagues, events, and tournaments. The department serves as a liaison to six youth sports organizations.

A Summer Playground Program is conducted at neighborhood schools throughout the City for children ages 5 to 14. This program offers activities such as games, crafts, field trips, sports 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

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.*

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.■

***Did you know...
...the Parks and Recreation office, along with 26 volunteers were responsible for sending 53 care packages to U.S. troops serving overseas in 2014?***

Parks & Recreation

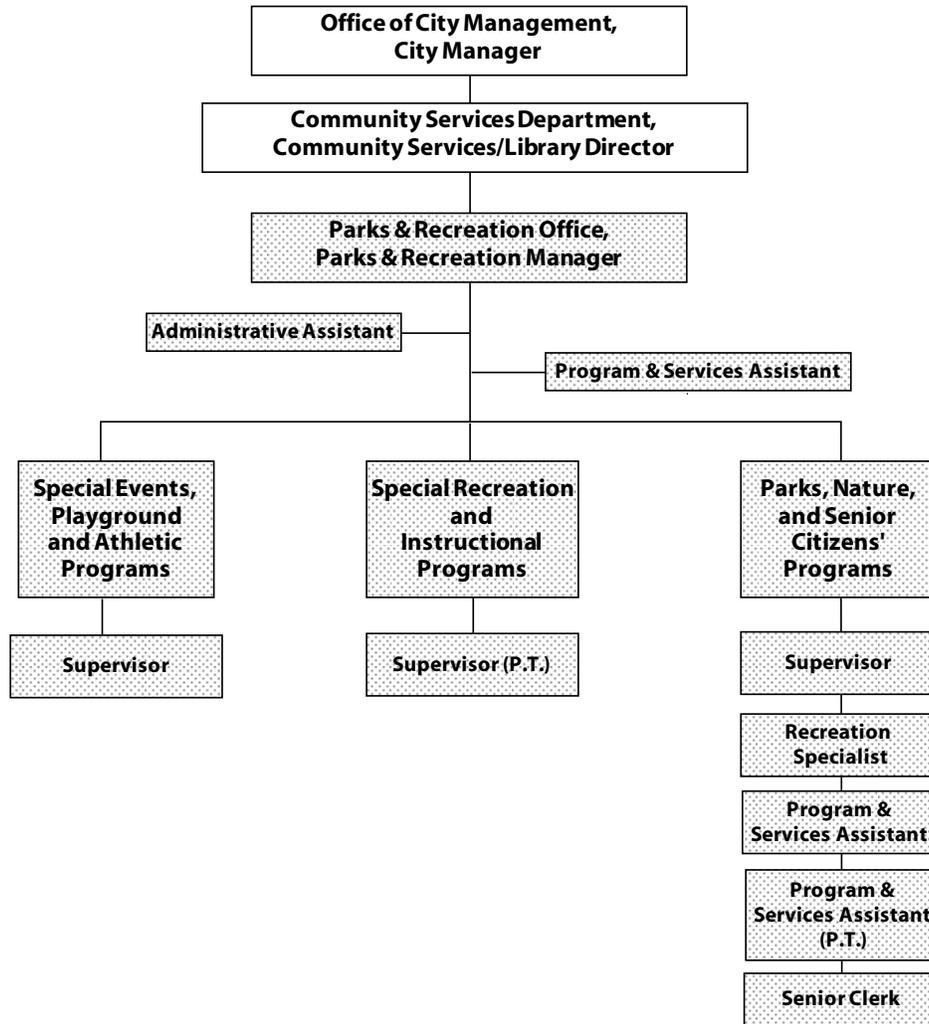
2015/16 PERFORMANCE OBJECTIVES

1. To align Parks and Recreation with one new sponsor/community partner to enhance services. *(City Goal 19)*
2. To purchase a new recreation software system that allows for easier online registrations, automates and better uses participant information and allows for automated program messaging and enhanced revenue opportunities. *(City Goal 23, 24)*
3. To complete the Master Park Plan and prioritize improvements and possible funding sources. *(City Goal 16, 19)*
4. To work with the Public Works Department to develop an annual maintenance plan for the athletic fields utilizing recently acquired equipment. *(City Goal 16)*
5. To seek a DNR grant to obtain funding for the last non-City owned parcel near Dodge Park Road and Utica Road. *(City Goal 14, 21)*
6. To finalize the design of the Dog Park, initiate a crowd funding campaign and evaluate a revision to animal license fees. *(City Goal 16, 19)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Instructional Class Attendance	27,132	22,666	20,344	22,000	24,300	23,000
	Spec. Event Participants (Incl. Sterlingfest Entertain.)	62,015	53,734	46,379	60,000	63,100	61,000
	Special Recreation Program Attendance	10,766	9,895	8,395	9,000	8,620	9,000
	Adult & Youth Athletic Attendance	24,550	27,391	23,442	27,000	23,620	27,000
	Nature Program Participants	21,318	14,582	17,170	17,000	15,710	17,000
	Teen Only Program Attendance	724	600	476	700	353	600
	Number of Internet Registrations	2,846	2,540	2,512	2,600	2,690	2,700
	Summer Playground Registrations	731	740	698	690	700	690
	Park Playground Equipment Replaced	0	0	2	2	1	0
	Senior Center Activities Attendance (Incl. Transport.)	103,663	103,667	100,026	103,000	100,090	103,000
	Community Center Special Activity Use Attendance	7,395	5,828	5,851	5,500	5,760	5,500
	Senior & Special Recreation Transportation Riders	20,029	21,362	19,426	22,500	20,400	21,000
Efficiency & Effectiveness	P & R Revenue Earned per Capita	\$4.12	\$3.66	\$3.60	\$3.71	\$3.64	\$3.75
	% of Refunds Due to Dissatisfaction	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Developed Park Acres per 1,000 Residents	5.4	5.4	5.4	5.4	5.4	5.5
	% of Park Acres Developed	85.4%	85.4%	85.4%	85.4%	85.4%	87.5%
	FTE's per 100,000 Pop. (Incl. Parks & Grounds Maint.)	32	30	30	30	30	31
	Nature Center Cost per Visitor	\$6.98	\$8.49	\$7.18	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	\$14.35	\$13.74	\$14.85	*	*	*
	Department Cost per Capita	\$14.99	\$14.53	\$12.77	\$13.55	\$13.75	\$14.31
Activity Expenditures as % of General Fund	2.23%	2.31%	2.04%	1.98%	1.97%	2.10%	

*Cost is calculated for "Actual" columns only.

Parks & Recreation



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Parks & Recreation Manager	1	1	1
Recreation Supervisor/HUD Coordinator	1	0	0
Recreation Supervisor	1	1	2
Recreation Supervisor (P.T.)	1	2	1
Recreation Specialist	0	1	1
Administrative Assistant	1	1	1
Program & Services Assistant	2	2	2
Program & Services Assistant (P.T.)	1	1	1
Senior Clerk	1	1	1
CDBG Intern (P.T.)	1	0	0
Total	10	10	10

Parks & Recreation

SUMMARY OF BUDGET CHANGES

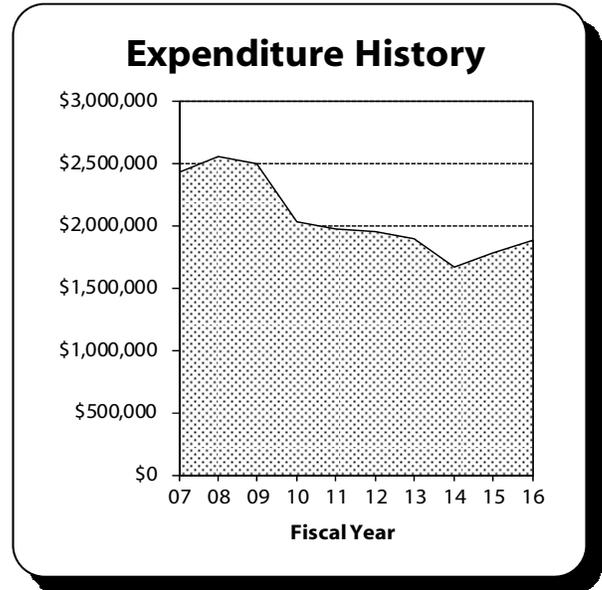
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 5.8%.

Personnel Services – The total Personnel budget increased \$95,250 or 6.9%. Most of the increase is a result of converting a part-time Recreation Supervisor to full-time which includes higher wages and benefits. Despite the reduction in the part-time position, part-time wages rose due to the new Farmers Market as well as an increase in the minimum wage. An additional \$10,350 is budgeted to fund retirement liabilities.

Supplies – Total Supplies increased \$3,120 or 4.4%, primarily to fund the start-up supplies necessary for the Dodge Park Farmers Market, and to purchase additional program supplies needed due to increased attendance at special events.

Other Charges – Total Other Charges increased \$4,730 or 1.5%. \$12,210 was added for the contracting of a Market Master to assist the City with the development and event management of the Farmers Market, and for the return of one additional Music in the Park concert. \$5,600 was added for advertising the Farmers Market. Rental costs increased \$4,090 to fund children’s attractions at the Farmers Market and for the increased cost of bus rental for senior trips. The training budget increased \$1,170 as additional funding is included for staff’s attendance at the annual MRPA Conference and for a Supervisor to attend the Michigan Farmers Market Association (MIFMA) conference. Building utility costs rose \$2,000. One new membership is funded for \$140. The City will save \$20,000 due to the one-time cost to update the Parks & Recreation Master Plan in the prior year.



Capital – \$90,000 is proposed for an enhanced Recreation Software System to replace the current 14-year old software that has limited features and is no longer supported. \$323,810 is for the resurfacing of the Senior Center parking lot. \$30,000 is for the replacement of partition walls at the Senior Center. Also budgeted, are scoreboards and a safety audit of ball field lights at Baumgartner Park, and grant match funding for a City Dog Park and a replacement pedestrian bridge in Dodge Park.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,330,416	\$1,389,290	\$1,422,090	\$1,484,540	\$1,484,540
Supplies	65,551	70,170	71,770	73,290	73,290
Other Charges	270,769	311,830	303,310	316,560	316,560
Total	\$1,666,736	\$1,771,290	\$1,797,170	\$1,874,390	\$1,874,390

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
- **Emergency Management** – coordination with Macomb County and City departments

Police Operations

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

Police Support Services

- **Records Bureau** – collects, analyzes and reports performance data, processes handgun permits, maintains evidence and property
- Inputs source documents into the department computer system and generates reports as required by various agencies
- Maintains files of active warrants for wanted persons and 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

DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police budget increased \$1,024,140 or 3.1%. Personnel costs decreased by \$366,660 or 1.2%, primarily due to the transfer of Dispatch operations to Macomb County, resulting in the elimination of 20 Dispatcher positions and a vacant Police Sergeant. Partially offsetting this savings is increased funding for the early hiring of 12 Officers in advance of upcoming retirements, an additional Police Captain's position, the conversion of two part-time Animal Control Officers to full-time, the transfer of a full-time clerical position to Court for the processing of warrants, and a new full-time clerical position to better assist department operations. One-time unused leave pay is also budgeted for 20 Police Officers scheduled to retire by the

end of the fiscal year. Supplies rose \$53,650 or 76.2%, for the one-time purchase of training ammunition and bullet-proof vests for the new Police Officers. Other Charges rose \$1,337,150, or 92.3%, due to the new County Dispatch contract, higher State radio fees, additional employee training, and a maintenance service agreement for the new security video systems. The Capital budget funds the replacement of eight high mileage Police vehicles, 58 replacement in-car computers, five radar units, shotgun slings, and eight replacement vehicle equipment mounts, light bars, and push bumpers.

FUNDING LEVEL SUMMARY

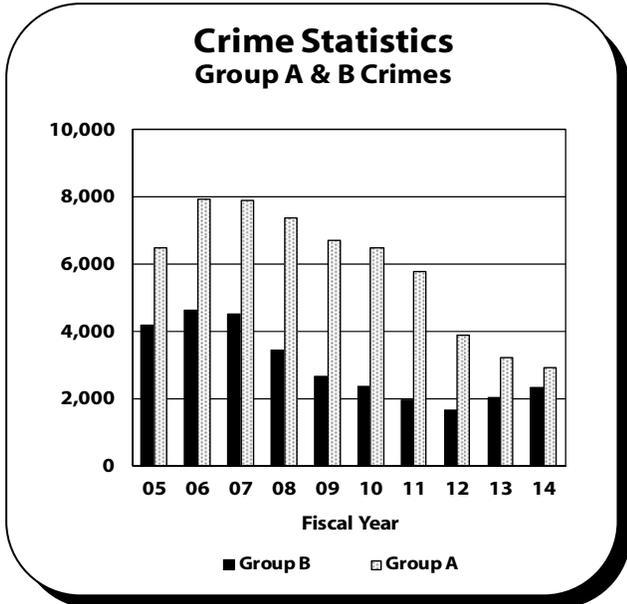
	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Police Administration	\$3,099,570	\$2,988,410	\$3,153,430	\$4,930,010	56.3%
Police Investigations	5,738,130	5,624,610	5,743,330	6,087,200	6.0%
Police Operations	19,501,000	19,602,490	20,352,170	21,343,050	4.9%
Police Support Services	3,282,000	3,283,070	3,662,540	1,575,350	-57.0%
Total Department	<u>\$31,620,700</u>	<u>\$31,498,580</u>	<u>\$32,911,470</u>	<u>\$33,935,610</u>	<u>3.1%</u>
Personnel Services	\$30,535,300	\$30,357,770	\$31,391,780	\$31,025,120	-1.2%
Supplies	55,110	84,010	70,380	124,030	76.2%
Other Charges	1,030,290	1,056,800	1,449,310	2,786,460	92.3%
Total Department	<u>\$31,620,700</u>	<u>\$31,498,580</u>	<u>\$32,911,470</u>	<u>\$33,935,610</u>	<u>3.1%</u>

PERSONNEL SUMMARY

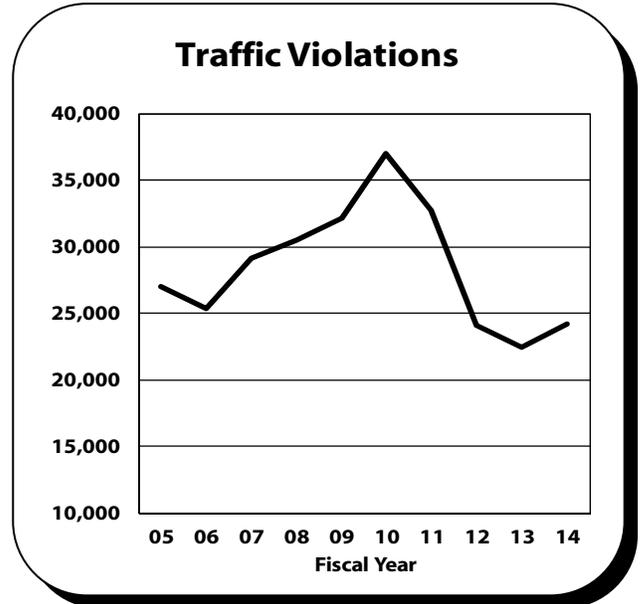
	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	13	0	13	0	13	0	13	0
Police Investigations	32	0	33	0	34	0	35	0
Police Operations	115	30	113	30	113	30	113	30
Police Support Services	32	6	30	3	29	3	10	1
Total Department	<u>192</u>	<u>36</u>	<u>189</u>	<u>33</u>	<u>189</u>	<u>33</u>	<u>171</u>	<u>31</u>

KEY DEPARTMENTAL TRENDS

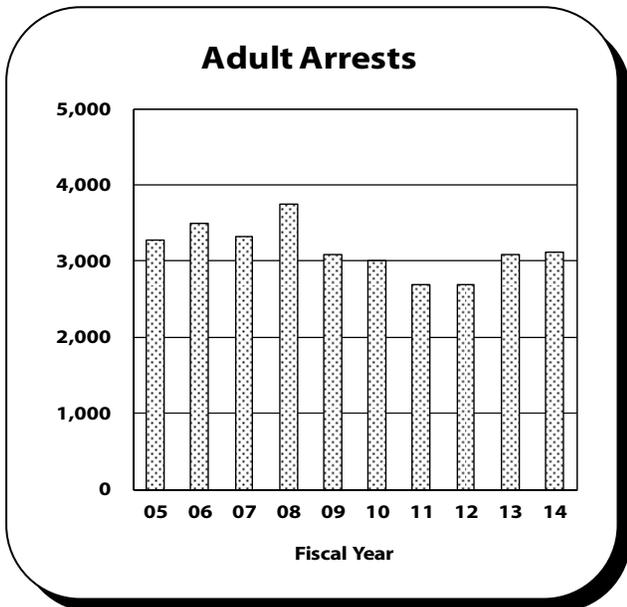
Police Department



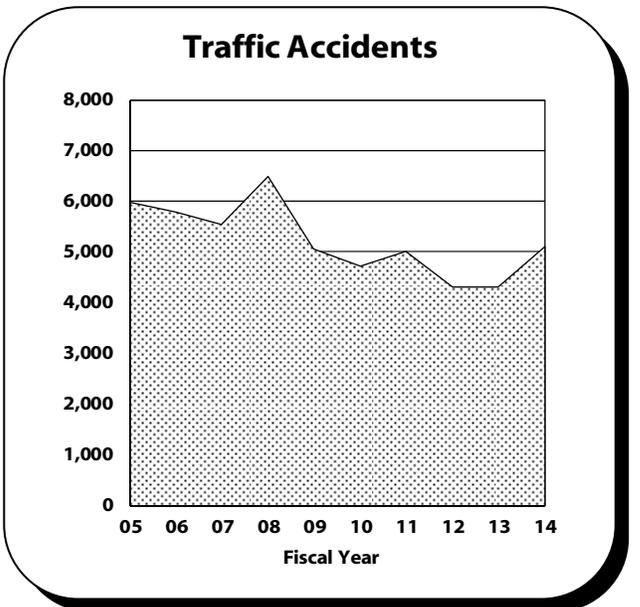
Group A and Group B crimes have decreased over the past ten years. As a result, the City's total crime statistics are at their lowest level in ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family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



Traffic violations rose as the department initiated a multi-faceted strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents expressed a concern. Additional officers also became radar certified. Over the past five years, however, violations have declined to below 2005 levels.



This graph reflects the number of arrests in the City. After declining for four years, the number of arrests increased in 2013 and 2014, returning back to 2009 levels.



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 decreased to a 10-year low. The number of accidents increased in 2014, back to 2009 levels.

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

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

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

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

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 Administration division is responsible for all in-house mandatory training for all sworn Police Officers?

Police Administration

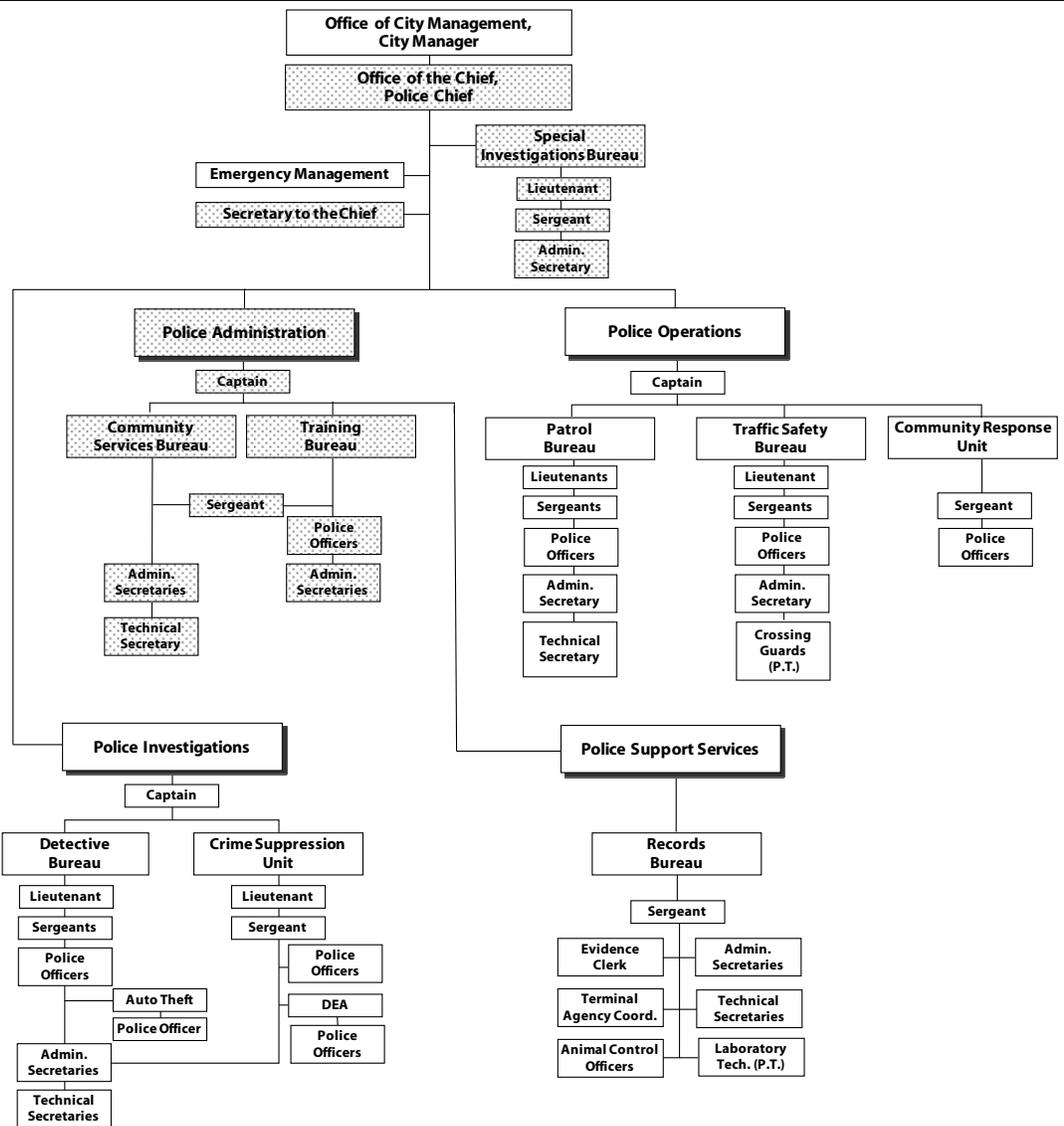
2015/16 PERFORMANCE OBJECTIVES

- To institute a comprehensive in-house training program for the orientation of newly hired officers. *(City Goal 10, 11)*
- To develop and deploy a new radio frequency to be used for the delivery of LEIN services to sworn officers in conjunction with the Macomb County Sheriff's Office. *(City Goal 10, 11)*
- To work with the Fire Department and other stakeholders to develop operating guidelines for today's emergencies. *(City Goal 9, 10, 11)*
- To institute and deliver a diversity training program to all sworn officers. *(City Goal 10, 11)*
- To create and utilize a new formatted program for the purpose of streamlining the new-hire background process for sworn and non-sworn city employees. *(City Goal 9, 10)*
- To enhance/improve communications between the Special Investigations Bureau and the Police Department as a whole. *(City Goal 9, 10, 11)*
- To update the technology in the Special Investigations Bureau to improve the recording and documentation of investigation interviews. *(City Goal 9, 10)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Public Education Programs Presented	70	18	23	16	15	10
	Security/Safety Presentations	6	6	11	5	6	4
	Neighborhood Watch Programs	51	6	6	6	6	4
	Elementary and Middle School Programs	13	6	6	5	3	3
	General Orders Issued or Amended	37	28	16	10	15	15
	School Safety Program - Students Impacted	3,000	770	6,484	50	50	50
	Training Seminars Attended - Department-wide	261	212	258	250	276	300
	Employment Background Investigations	76	77	102	120	132	140
	Internal Affairs Investigations	55	65	60	60	66	60
	Liquor License Background Investigations	19	13	15	15	10	12
	Other Special Investigations Bureau Investigations	1,090	1,429	1,210	1,300	1,130	1,200
	Liquor & Tobacco Inspections/Observations	406	235	130	300	152	130
	Liquor License Violations	14	8	1	10	17	8
	Citizen Observer Web-based Alert System Recipients	N/A	N/A	N/A	350	300	320
	Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	2.7:1	5.3:1	3.4:1	5.0:1	11.8:1
Employment Background Investigations - % Hired		82%	79%	84%	80%	80%	80%
# of Complaints per Officer		0.3	0.4	0.4	0.0	0.4	0.0
Average Cost of an Administrative Investigation		\$569	\$487	\$550	*	*	*
Average Liquor License or Tobacco Inspection Cost		\$88	\$81	\$94	*	*	*
Department Cost per Capita		\$254	\$243	\$241	\$252	\$250	\$259
Division Expenditures as % of General Fund		3.49%	3.80%	3.66%	3.52%	3.96%	5.52%

* Cost is calculated for "Actual" columns only.

Police Administration



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	2	2	2
Police Officer	2	2	2
Secretary to the Chief	1	1	1
Administrative Secretary	3	4	4
Technical Secretary	1	1	1
Property Clerk	1	0	0
Total	13	13	13

Police Administration

SUMMARY OF BUDGET CHANGES

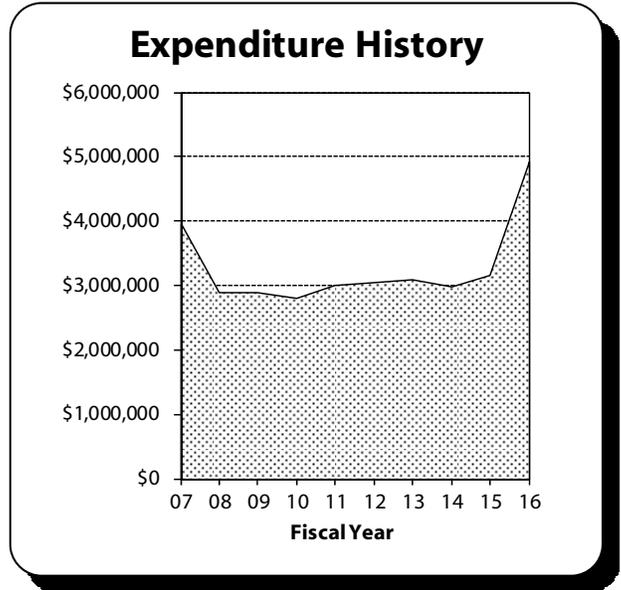
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 56.3%.

Personnel Services – The total Personnel budget increased \$45,660 or 2.3%. The increase is primarily a result of a 1.5% wage increase for Police Officers and overtime pay for Officers scheduled to work a holiday, per the new collective bargaining agreement.

Supplies – Total Supplies increased \$53,650 or 76.2%. Ammunition increased \$48,960 for the one-time purchase of additional ammunition needed for required firearm’s training of all new Police Officers, slightly offset by a decrease due to a prior year reappropriated encumbrance. Grant-funded ammunition is now budgeted in the Public Safety Forfeiture Fund. \$9,690 was added for the one-time purchase of 12 bullet proof vests for new Officers and a slight inflationary adjustment in other supply costs.

Other Charges – Total Other Charges increased \$1,677,270. Contracted services rose \$1,689,900 primarily for the new Macomb County Dispatch contract and higher State radio fees, as previous State credits have been depleted. The training budget increased \$21,000, primarily for additional Command Officer training that will be necessary due to staff turnover. Grant-funded training decreased \$34,000, as funding is now budgeted in the Public Safety Fund and \$10,000 in Dispatch training is no longer needed. Equipment maintenance costs increased \$8,910 for maintenance of the recently upgraded security camera system, offset by a savings from the elimination of the



Alternate Dispatch Center’s phone recording system. Telephone costs rose \$2,000 due to the addition of six Smartphones for the Community Response Unit (CRU). Building rental decreased \$12,600, as the cost for firearms range training is now expensed in the Public Safety Fund.

Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,849,727	\$1,976,010	\$1,922,290	\$2,021,670	\$2,021,670
Supplies	84,016	70,380	79,260	124,030	124,030
Other Charges	1,054,671	1,107,040	1,617,640	2,784,310	2,784,310
Total	\$2,988,414	\$3,153,430	\$3,619,190	\$4,930,010	\$4,930,010

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 has one detective assigned to the Macomb Auto Theft Squad (MATS) full time and one detective assigned to the United States Marshals on a part-time, as-needed basis.

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, Citizens on Patrol (COPS), 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,

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.*
- *To coordinate the citywide Emergency Response Program.*

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, and Crime Stoppers. The Investigations Captain serves as the City's Emergency Management Liaison to the Macomb County Emergency Manager.■

Did you know...

...that a detective is assigned to the Federal Bureau of Investigations on a part-time basis, to investigate fraud complaints and identity thefts, in which residents are victims but the perpetrator is out of state?

Police Investigations

2015/16 PERFORMANCE OBJECTIVES

1. To assign a detective, on a part-time basis, to the FBI's Financial Crimes Task Force, which will provide a resource to investigate and solve crimes that extend across state boundaries. (City Goal 10, 11)
2. To implement a system that will enhance and streamline communications between Investigations and Operations. (City Goal 9, 10)

	Performance Indicators	2011/12	2012/13	2013/14	2014/15	2014/15	2015/16
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Detective Bureau Cases Assigned	4,585	4,149	3,828	3,840	3,950	4,015
	Adult Investigative Cases	3,444	3,031	2,388	2,500	2,985	3,075
	Juvenile Investigative Cases	759	764	1,147	1,000	650	630
	In-Custody Cases	382	354	293	340	315	310
	Total Crime Suppression Unit Cases Assigned	483	677	670	560	735	740
	Auto Theft Investigative Cases	141	182	181	160	145	140
	Theft from Auto Invest. Cases (Incl. Parts/Access.)	N/A	163	141	80	100	100
	Narcotic/Vice Investigative Cases	342	332	348	320	490	500
	Total Interviews Conducted	27,350	26,979	26,615	26,770	27,600	27,600
	Suspect Interviews	5,726	5,580	5,454	5,540	5,600	5,600
	Witness & Informant Interviews	12,709	12,887	12,723	12,900	13,000	13,000
	Victim Interviews	8,915	8,512	8,438	8,330	9,000	9,000
	Arrest Warrants Obtained	1,884	1,438	1,410	1,780	1,400	1,440
	Search Warrants Obtained/Executed	542	432	472	460	520	530
	Polygraph Examinations Conducted	24	11	7	10	5	8
	Criminal Surveillances	2,636	2,689	2,620	2,600	2,700	2,780
	Federal Forfeiture Cases Processed	100	89	67	130	12	15
	State Forfeiture Cases Processed	62	61	58	58	60	60
	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	1,600	1,600
COPS Program Participants	24	22	25	30	25	25	

Police Investigations

2015/16 PERFORMANCE OBJECTIVES

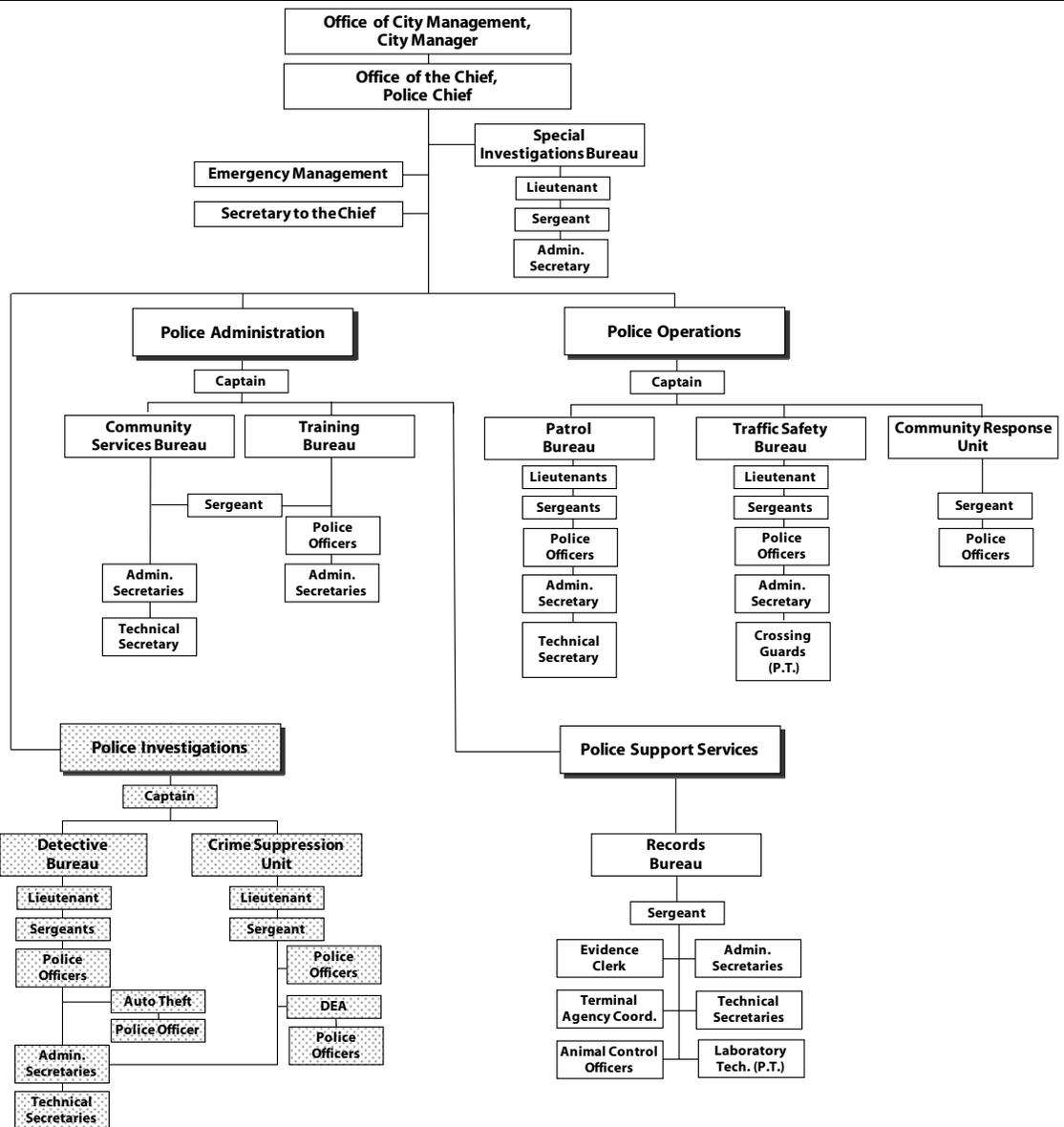
3. To work in conjunction with Code Enforcement to implement and enforce the new Medical Marijuana Ordinance. (*City Goal 9, 10*)
4. To work with the County of Macomb Enforcement Team (COMET), concentrating on specific problems within the community. (*City Goal 9, 11*)

Efficiency & Effectiveness	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
	% of Petitions Obtained vs. Requested	97%	94%	94%	94%	99%	95%
	% of Arrest Warrants Obtained vs. Requested	90%	88%	87%	90%	84%	90%
	Detective Bureau Cases per Investigator	254	259	255	256	263	268
	Crime Suppression Unit Cases per Investigator	81	113	112	93	122	123
	% of Part I Violent Crimes Cleared**	51.0%	70.2%	56.0%	62.0%	54.0%	60.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.6	0.9	0.7	0.9	0.7	0.8
	Juvenile Arrests Violent Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	% of Part I Property Crimes Cleared**	17.0%	62.3%	60.0%	60.0%	60.0%	60.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	2.9	6.1	5.1	6.5	5.1	5.5
	Juvenile Arrests Property Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	Auto Theft Ratio Per 1,000 Population	1.1	1.4	0.7	1.2	0.8	1.2
	Average Cost to Conduct a Polygraph Examination	\$361	\$375	\$393	*	*	*
	Average Cost to Investigate a Case	\$507	\$537	\$554	*	*	*
Division Expenditures as % of General Fund	7.19%	7.03%	6.88%	6.42%	6.41%	6.81%	

*Cost is calculated for "Actual" columns only.

**Beginning in 2012/13, when a subject is arrested on charges relating from several incidents, all incidents are counted as cleared, even if the prosecutor does not charge on all of them.

Police Investigations



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Captain	0	0	1
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	24	24	24
Administrative Secretary	1	2	2
Technical Secretary	2	2	2
Total	33	34	35

Police Investigations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

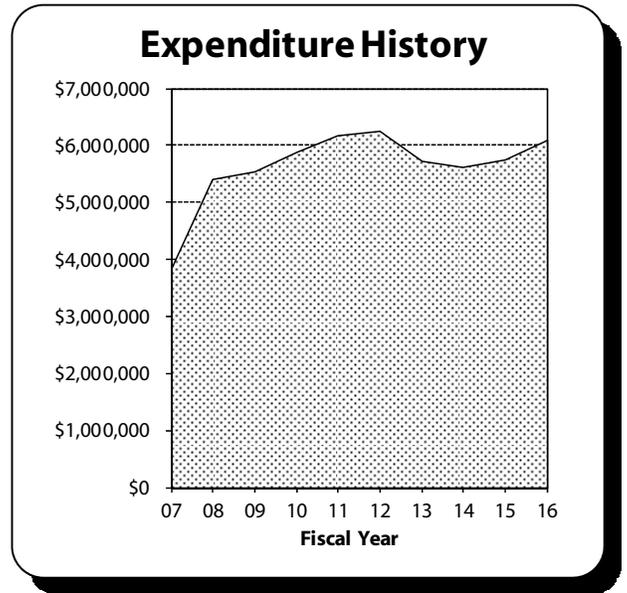
The total budget increased by 6.0%.

Personnel Services – The total Personnel budget increased \$343,870 or 6.0%. Nearly half of the increase is a result of adding a new Police Captain to this division. The remaining increase is a result of contractual wage increases for Police Officers and overtime pay for working holidays, as a result of the new labor contract. Health insurance costs rose \$30,010 while an additional \$21,870 is budgeted for 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 – There is no Capital proposed for this division.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$5,623,687	\$5,742,380	\$5,850,490	\$6,086,250	\$6,086,250
Supplies	0	0	0	0	0
Other Charges	928	950	950	950	950
Total	\$5,624,615	\$5,743,330	\$5,851,440	\$6,087,200	\$6,087,200

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

~ Branden Kerr ~



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

Police Operations 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.

Two officers are assigned to the K-9 program. Two 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.

The Special Response Team (SRT) is a unit of Police Operations which reports to the Police Operations Captain. The SRT is responsible for special operations where appropriate, such as crisis negotiations, active shooter situations, hostage situations, barricade situations, sniper situations, high-risk apprehension, high-risk warrant service, and other highly tactical situations.

A Community Response Unit (CRU) is a unit of Police Operations which reports to the Police

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.*

Operations Captain. The CRU conducts focused directed patrols in both uniform and plain clothes in the areas of surveillance, gathering intelligence, and taking appropriate enforcement action in order to identify, arrest, successfully prosecute and otherwise deter criminal activity. ■

Did you know...

...the Traffic Safety Bureau has a specially equipped Chevrolet Tahoe that is capable of performing roadside commercial vehicle inspections and weight measurements?

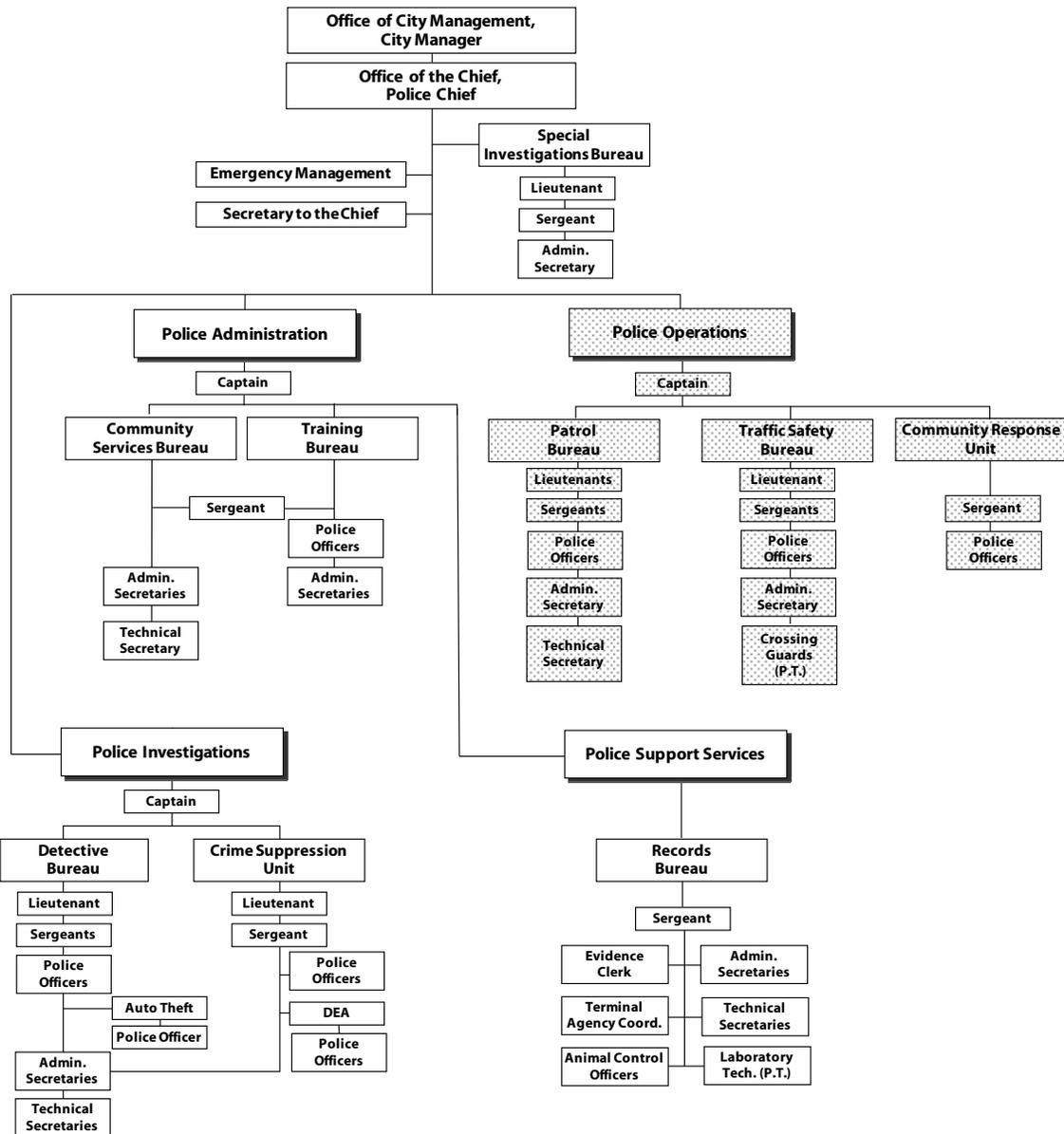
Police Operations

2015/16 PERFORMANCE OBJECTIVES

1. To align with the City's new software to distribute and collect business information from all businesses located in the City and update them on a yearly basis. This will be an important source of information for emergency response personnel and dispatch. *(City Goal 9)*
2. To increase speed trailer deployments in an effort to increase public education of vehicle speed in areas that are of concern to the Police Department and residents. *(City Goal 10)*
3. To research and develop a policy which will hold those detained in our jail accountable for medical bills incurred when they complain of illness and are transported to a medical facility for treatment. *(City Goal 3)*
4. To assign officers to traffic enforcement duties at high accident intersections in an effort to increase the safety of those who travel our roadways. *(City Goal 9)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Police Incident Reports Completed	54,839	49,633	54,139	53,100	54,435	55,000
	Group A Crime Reports	3,890	3,216	2,926	3,000	2,930	3,000
	Group B Crime Reports	1,652	2,030	2,306	2,000	2,740	2,700
	Vehicular Accident Reports	3,926	4,170	4,354	4,100	4,665	4,600
	All Other Rpts. (incl. cases prev. not given case #)	45,371	40,217	44,553	44,000	44,100	44,700
	Adults/Juveniles Arrested	2,686/143	3,083/195	3,113/190	3,000/190	3,750/200	3,500/210
	Total Traffic Violations Issued	24,109	22,428	24,142	23,750	27,332	30,000
	Motor Carrier Violations Issued	187	204	202	220	312	350
	Residential Traffic Enforcement Violations	1,443	1,617	1,647	1,700	1,950	2,000
	SMART Radar Trailer Deployments	94	118	87	120	350	500
	K-9 Unit Deployments	387	293	411	450	330	200
	OUIL Arrests	199	220	183	195	200	205
	SWAT/SRT Call-outs	12	16	19	18	15	17
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	30.0	24.7	22.4	22.9	22.4	22.9
	Group B Crimes per 1,000 Population	12.7	15.6	17.7	15.3	21.0	20.6
	% of Productive K-9 Deployments	98%	98%	98%	97%	98%	98%
	# of Incident Reports per Sworn Division Personnel	465	443	492	480	495	500
	# of Injury Traffic Accidents per 100,000 Pop.	475	460	659	550	692	683
	# of Traffic Fatalities Per 100,000 Population	3.1	3.8	4.6	3.5	1.5	3.0
	% of Total Sworn Personnel in Traffic & Patrol	73%	74%	74%	73%	73%	73%
	OUIL Arrests Per 1,000 Residents	1.5	1.7	1.4	1.5	1.5	1.6
Division Expenditures as % of General Fund	22.89%	23.89%	23.98%	22.74%	22.00%	23.81%	

Police Operations



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Captain	1	1	1
Lieutenant	4	4	4
Sergeant	16	16	16
Police Officer	89	89	89
Administrative Secretary	2	2	2
Technical Secretary	1	1	1
Crossing Guard	30	30	30
Total	143	143	143

Police Operations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 4.7%.

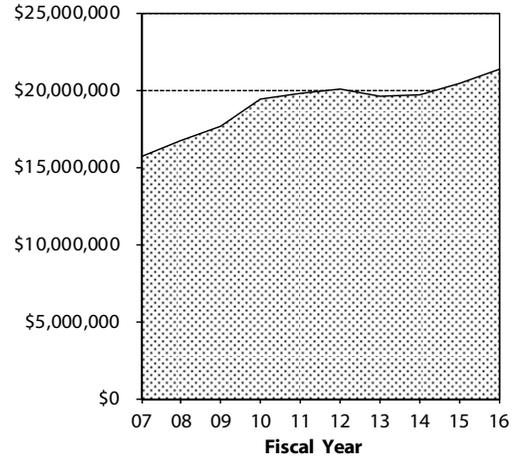
Personnel Services – The total Personnel budget increased \$957,380 or 4.7%. Most of the increase is a result of the early hiring of Police Officers in advance of upcoming retirements. In order to lessen the impact of the upcoming retirements and to provide time for training, six Police Officer positions are funded to start in September, 2015 and six in December, 2015. The remaining increase is a result of the new Police Officer’s labor contract. One-time leave pay is also budgeted for 20 Police Officers scheduled to retire by June, 2016. The vacant Technical Secretary position has been replaced with a part-time position, as the processing of warrants is now being handled by the 41-A District Court.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding will remain the same at \$1,200.

Capital – Total Capital of \$483,800 is proposed. \$185,500 is budgeted to replace seven high mileage traffic and patrol vehicles. \$29,000 is proposed for one SUV Tahoe to replace an Evidence Technician vehicle that will have over 130,000 miles at the time of purchase. \$269,300 is budgeted in the Public Safety Forfeiture Fund, including \$232,000 for 58 replacement

Expenditure History



In-Car Computers, \$11,000 for five replacement Radar Units, \$5,500 for 51 Shotgun Slings, and \$20,800 for eight replacement Vehicle Equipment Mounts, Light Bars, and Push Bumpers.

CITY COUNCIL’S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – Total funding increased \$33,500 to convert the new proposed part-time Technical Secretary position to full-time.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$19,601,295	\$20,350,970	\$20,092,510	\$21,308,350	\$21,341,850
Supplies	0	0	0	0	0
Other Charges	1,191	1,200	1,200	1,200	1,200
Total	\$19,602,486	\$20,352,170	\$20,093,710	\$21,309,550	\$21,343,050

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

The Support Services Division is one of four divisions within the Police Department. The Division commander is a Sergeant who reports to a Captain. The 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 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. 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. The Lab Technician is responsible for processing all photographic evidence. This area assists other City departments in processing photographs and serves as a resource to the Department's Evidence Technicians.

The City now comes under the Macomb County Office of Emergency Management. The Police Captain serves as the emergency management liaison between City administration and departments and the Macomb County Office of Emergency Management. The City still maintains its own emergency operations center, municipal security team, emergency services operations group and Citizen Emergency Response Team (CERT) program.

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.***
- ***To mitigate incidents which may cause injury or loss of life.***

The Animal Control Unit patrols, responds to and investigates reported violations of the City's Animal Control Regulatory Ordinance and other animal nuisance complaints. ■

Did you know...

...the Records Bureau has a Terminal Agency Coordinator who is responsible for the yearly training of personnel in the security of the Law Enforcement Information Network, which contains driving records and wanted person information?

Police Support Services

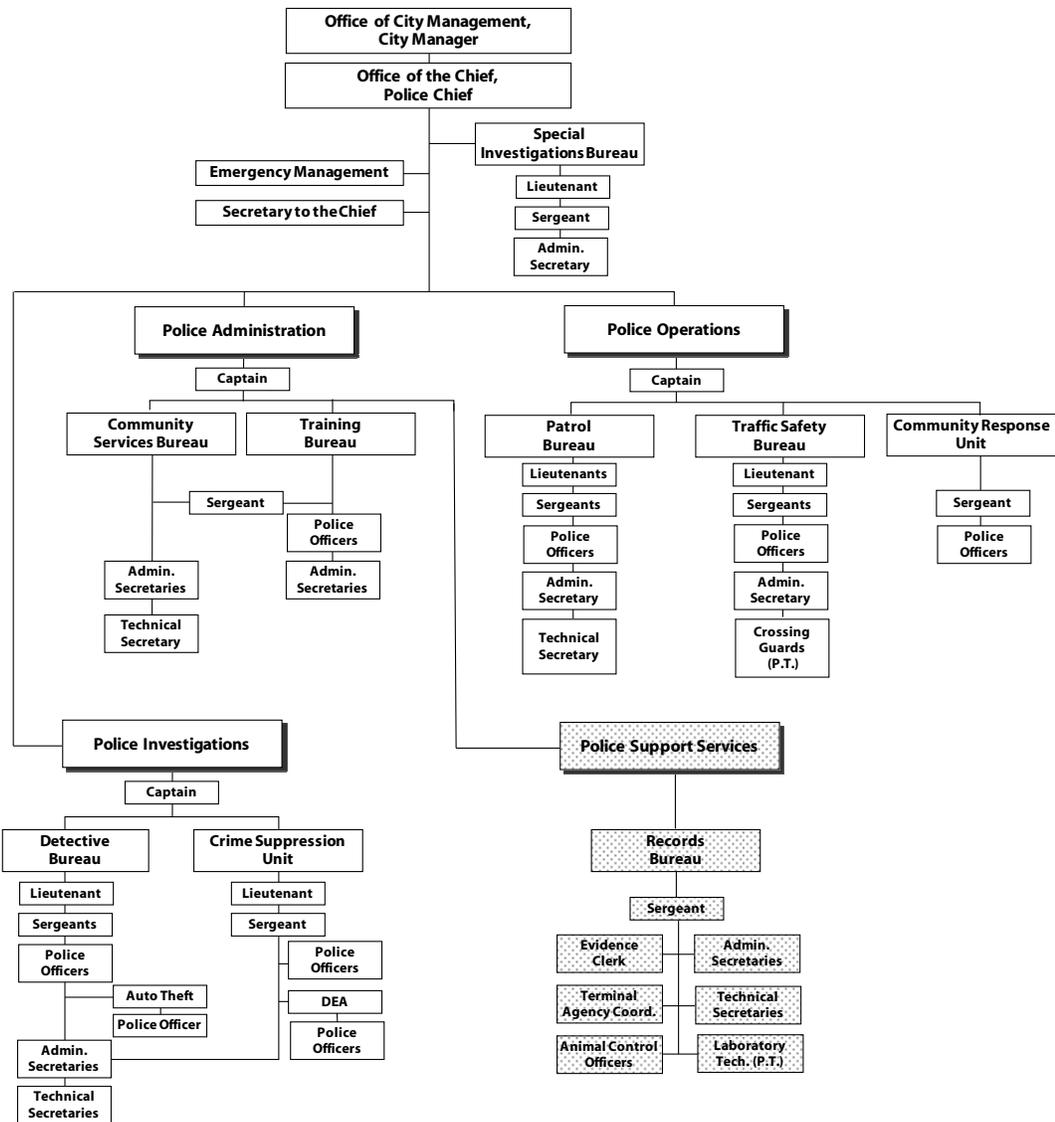
2015/16 PERFORMANCE OBJECTIVES

1. To research and create if feasible, an outside covered storage area located adjacent to the police garage where evidence and found property would be stored and protected from the elements. (City Goal 16)
2. To organize the narcotics property room in order to facilitate quarterly narcotic destruction, which will allow for more utilized space and personnel efficiency. (City Goal 3)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Incidents Processed into Computer	54,839	49,633	54,139	53,100	54,435	55,000
	Police Reports Provided on Request	9,767	11,798	11,322	12,500	9,225	8,020
	Total Calls to 911 (Includes Cellular Calls)	64,832	58,770	58,580	59,400	59,000	59,000
	Gun Permits Obtained	3,083	3,816	3,096	3,400	3,315	3,200
	Responses by Animal Control	2,152	1,977	2,172	2,100	2,110	2,140
	Freedom of Information Act Requests	497	516	805	510	820	810
	Criminal Warrants Processed	2,716	2,164	2,053	2,100	1,560	N/A
	Arrests Processed	2,829	3,278	3,303	3,190	3,950	3,710
	Pieces of Evidence Collected	2,641	2,666	2,810	2,750	2,860	2,830
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	\$31.21	\$33.18	\$31.07	*	*	*
	Average Cost of a FOIA Request	\$26	\$37	\$36	*	*	*
	Dispatch Operations Cost Per Call Dispatched	\$33.23	\$35.21	\$32.53	*	*	*
	Emerg. Responses/EOC Activations/Train. Exercises	1	2	2	2	2	2
	Testing & Maintenance of Warning Systems (Hours)	20	20	20	20	20	20
	Division Expenditures as % of General Fund	4.07%	4.02%	4.02%	4.09%	3.43%	1.76%

*Cost is calculated for "Actual" columns only.

Police Support Services



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Sergeant	2	2	1
Communications Officer - Shift Leader	4	4	0
Communications Officer	16	16	0
Laboratory Technician (P.T.)	1	1	1
Evidence Clerk	1	1	1
Administrative Secretary	3	2	2
Animal Control Officer	0	0	2
Animal Control Officer (P.T.)	2	2	0
Terminal Agency Coordinator	1	1	1
Technical Secretary	3	3	3
Total	33	32	11

Police Support Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

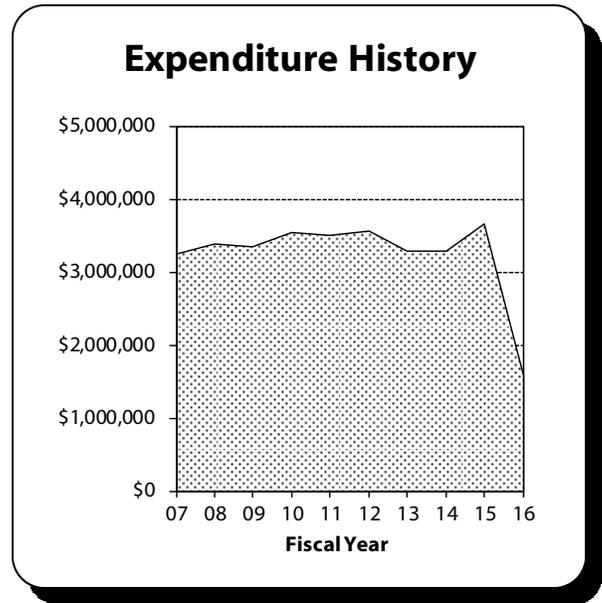
The total budget decreased by 57.8%.

Personnel Services – The total Personnel budget decreased \$1,777,070 or 53.5%. The overall decrease is a result of transferring dispatch operations to Macomb County in February, 2015. As a result, 20 Dispatchers and one vacant Sergeant position have been eliminated. In addition, two part-time Animal Control Officers have been converted to full-time to ensure continuity to this vital service.

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. Funding for miscellaneous expenses decreased \$120, as prior year funds were never spent. \$340,000 was budgeted in the prior year for the one-time payout of Dispatcher’s unused leave time banks and separation costs resulting from the transfer of dispatch services to the County. This expense has been recorded in personnel services.

Capital – There is no Capital proposed for this division.



CITY COUNCIL’S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – The budget increased \$30,000 to fund overtime costs for Police Clerical staff to perform needed work as a result of staff reductions in recent years.

FUNDING LEVEL SUMMARY

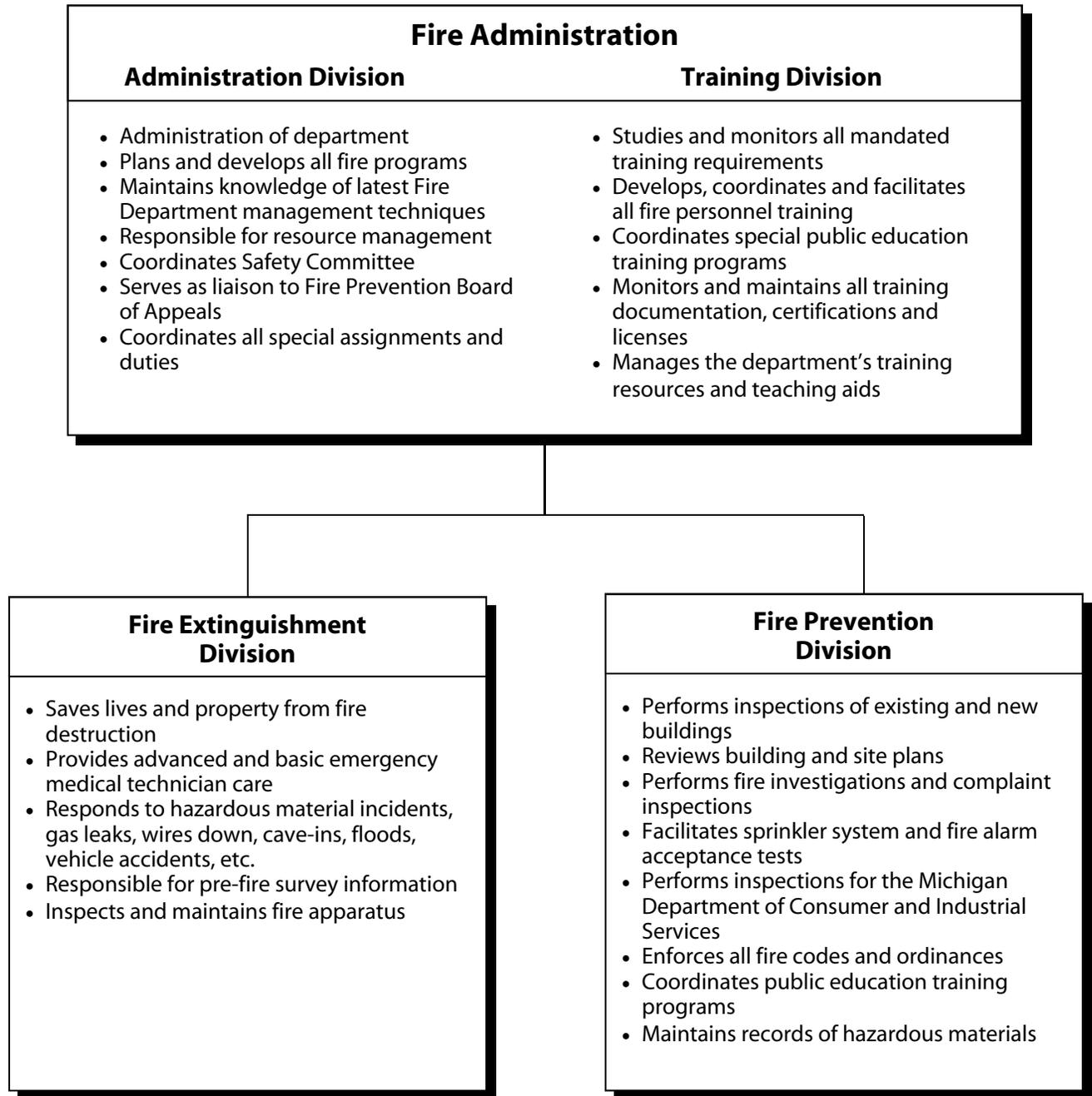
	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$3,283,061	\$3,322,420	\$3,133,990	\$1,545,350	\$1,575,350
Supplies	0	0	0	0	0
Other Charges	7	340,120	0	0	0
Total	\$3,283,068	\$3,662,540	\$3,133,990	\$1,545,350	\$1,575,350

Fire Department



FUNCTIONAL ORGANIZATION CHART

Fire Department



DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire budget declined \$399,650 or 2.3%. Personnel costs fell \$239,530 or 1.4%. Most of the decrease is a result of the prior year purchase of unused leave banks for 19 retiring positions, as well as savings from new hires that are starting at a lower entry wage. The prior year budget also included one-time funding for the early hiring of new Fire Fighters and overtime for the Fire Officer mentoring program. Two new Fire Inspector positions with additional training and membership costs are funded in Fire Prevention to assist this division in being more proactive in prevention efforts. Overtime costs in Extinguishment rose \$129,000, as the cost of fully staffing the rescue and ladder truck and maintaining increased daily staffing levels came in

higher than anticipated. Personnel savings was also achieved in Administration due to two retirements. Supplies decreased \$25,630 due to the one-time cost of replacement face masks in the prior year, partially offset by the cost of new turn out gear. Total Other Charges declined \$134,490 due to the one-time receipt of fitness and medical grant funds and a County shared services feasibility study in the prior year. These savings were partially offset by higher State radio fees. The Capital budget funds the replacement of a 27-year old fire engine, two thermal imaging units, and two portable gas monitors. A Fire Rescue truck, Battalion Chief's vehicle, and parking lot improvements at Station #5 were funded in the prior year.

FUNDING LEVEL SUMMARY

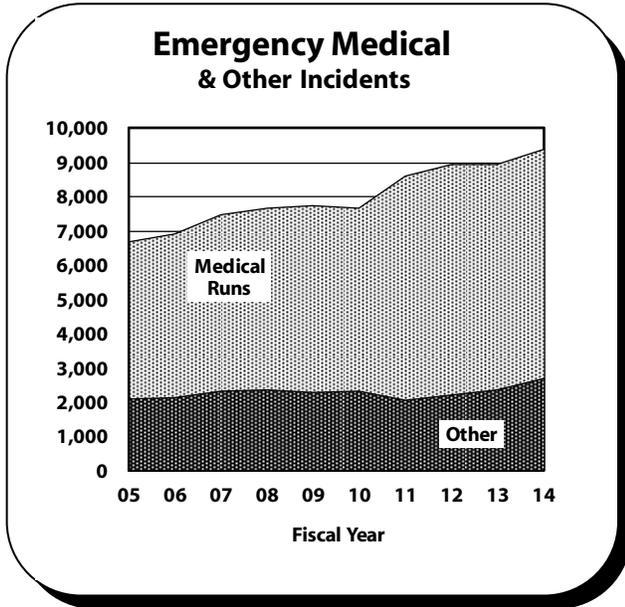
	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Fire Administration	\$1,414,940	\$1,469,690	\$1,618,930	\$1,435,560	-11.3%
Fire Extinguishment	14,742,310	14,806,220	15,137,860	14,687,000	-3.0%
Fire Prevention	725,770	802,540	826,070	1,060,650	28.4%
Total Department	\$16,883,020	\$17,078,450	\$17,582,860	\$17,183,210	-2.3%
Personnel Services	\$16,333,910	\$16,529,830	\$16,783,200	\$16,543,670	-1.4%
Supplies	119,780	131,770	179,560	153,930	-14.3%
Other Charges	429,330	416,850	620,100	485,610	-21.7%
Total Department	\$16,883,020	\$17,078,450	\$17,582,860	\$17,183,210	-2.3%

PERSONNEL SUMMARY

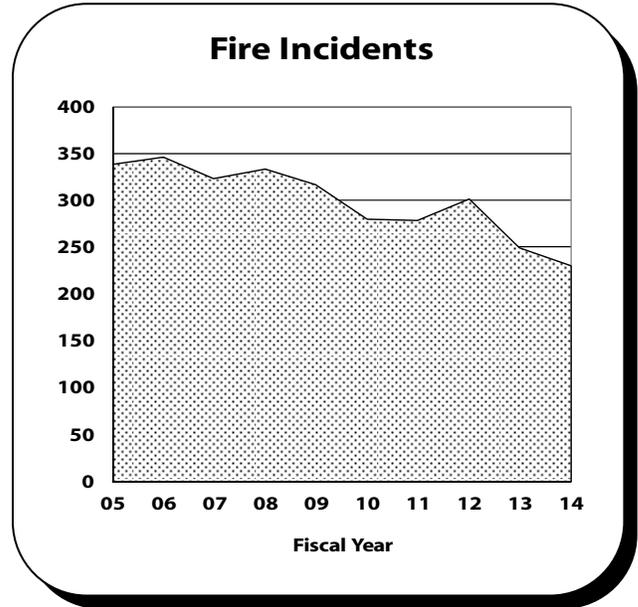
	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	9	0	8	0	8	0	8	0
Fire Extinguishment	77	0	76	0	75	0	75	0
Fire Prevention	2	0	2	0	3	0	5	0
Total Department	88	0	86	0	86	0	88	0

KEY DEPARTMENTAL TRENDS

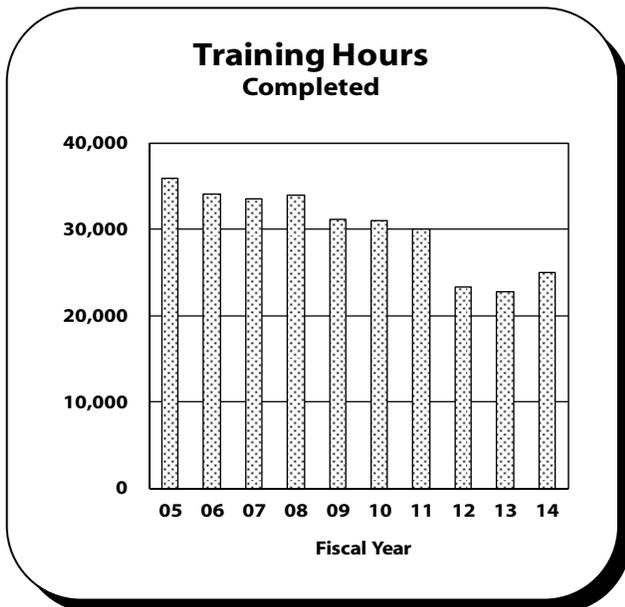
Fire Department



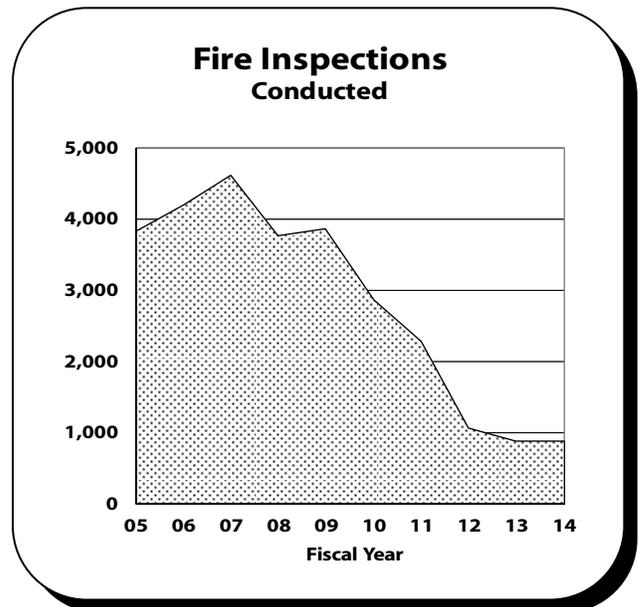
There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 76% of cities nationally 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 32%, reaching a low of 230 in 2014. The value of non-residential fire losses is \$615,000, which is below national, state, and county averages. The City currently averages fewer than one fire incident per week 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.



The City's firefighters devote many hours during the year toward in-house formalized training provided by the Fire Training division. In recent years, training has been necessary for Advance Life Support, Hazardous Materials, Building Collapse Rescue, Peer Fitness, and Weapons of Mass Destruction education. In 2012 and 2013, training hours decreased due to staff turnover, rebounding slightly in 2014.



Fire inspections declined the past several 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. The Department will also begin limited in-company inspections performed by firefighters during their normal shift.

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

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

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

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the Fire Department uses firefighters in the Extinguishment division to assist in conducting fire inspections, which provides fire code compliance in an efficient and effective manner?

Fire Administration

2015/16 PERFORMANCE OBJECTIVES

(Administration)

1. To take full advantage of the City's new website by developing interactive information sharing between the Fire Department and residents. (City Goal 1, 2, 4, 7, 10, 24, 25)
2. To take an active approach to exploring the opportunities that will be created with the changes in health care with the Patient Protection and Affordable Care Act and its effects on the delivery of EMS. (City Goal 1, 2, 21, 25)
3. To work with the Police Department and other stakeholders to develop operating guidelines for responding to today's emergencies. (City Goal 9, 10, 11)
4. To review all mutual aid response plans and make appropriate changes using current best practices. (City Goal 1, 9, 11)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Incident Reports Reviewed for Quality	11,589	11,653	12,451	12,300	13,500	13,500
	Employee Evaluations Conducted/Tracked	101	86	86	86	86	88
	APPO's and Standard Operating Guidelines Reviewed	110	147	159	120	154	200
	Freedom of Information Act Requests	62	51	34	50	42	50
	Staff/Battalion Meetings Conducted	12	12	12	12	12	12
	Presentations to Civic Groups/Organizations	14	7	20	12	8	10
	Employee/Civilian Citations Processed	9	23	22	20	20	20
	Safety Recommendations Implemented	5	6	6	6	7	8
	Hours of Computer Consultant Services Used	200	116	0	0	0	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	\$147	\$130	\$131	\$134	\$136	\$131
	Division Expenditures as % of General Fund	1.76%	1.73%	1.80%	1.81%	1.76%	1.60%

Fire Administration

2015/16 PERFORMANCE OBJECTIVES

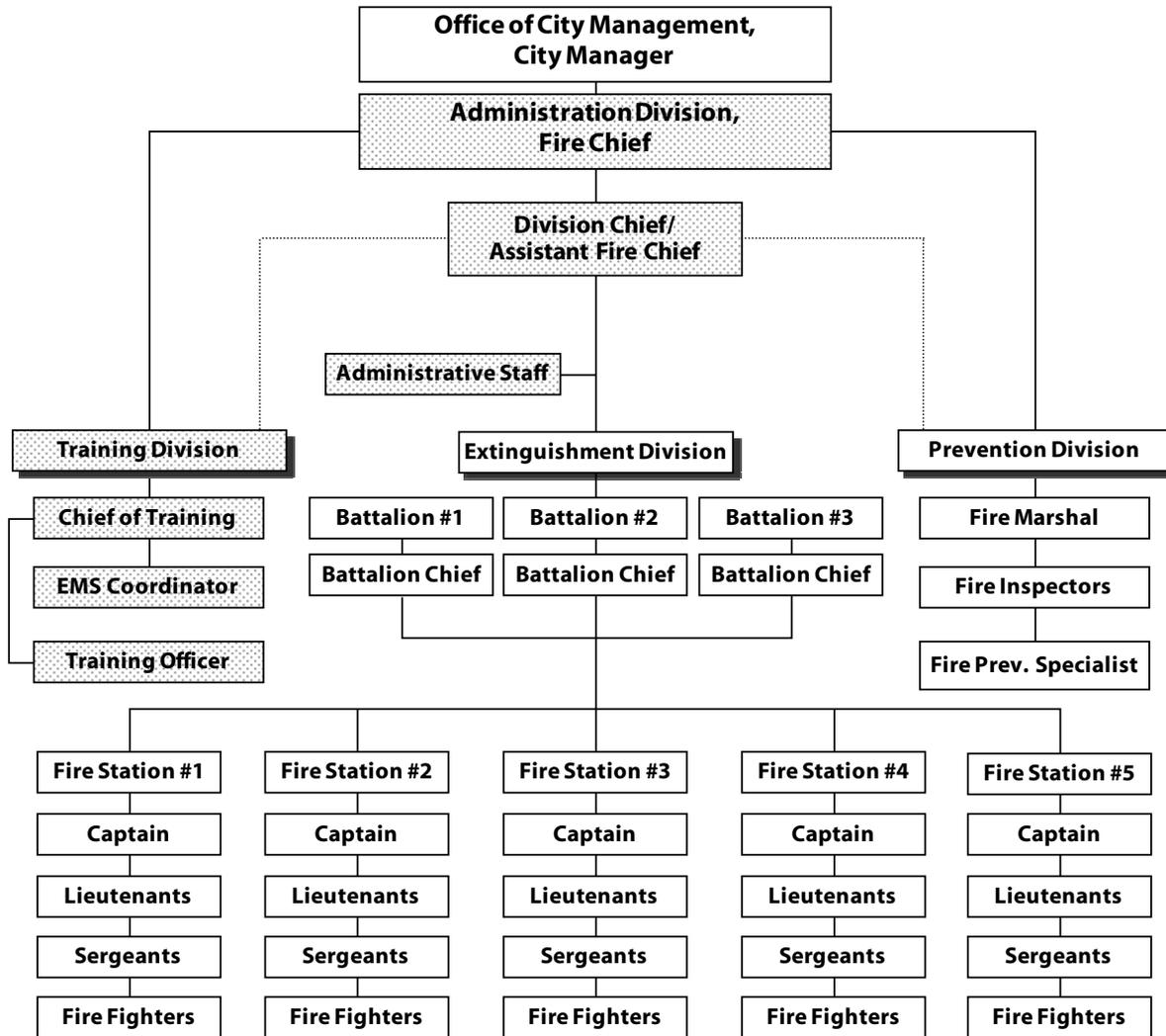
(Training)

1. To develop and enhance the Fire Training Division website to provide City residents with training opportunities, initiatives and photos of Fire Training activities. (City Goals 4, 7, 10, 14, 24, 25)
2. To deliver fire training to develop the knowledge, skills and abilities of recently promoted fire officers and newly hired firefighters with a solid core of basic services. (City Goals 21, 25)
3. To provide training opportunities involving Fire, Police, DPW and other stakeholders to exercise operating guidelines to respond to citywide emergencies. (City Goal 10, 11, 21, 24, 25)
4. To provide mandated county-wide mutual aid fire training that will integrate current changes and best practices. (City Goal 1, 2, 6, 24, 25)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Formal Training Hours Coordinated	23,230	22,790	24,994	22,010	32,066	24,600
	Hours of Fire Officer Training	376	2,183	3,082	3,010	4,973	3,500
	Hours of EMS Training	3,130	1,940	1,938	2,000	2,450	2,200
	Hours of Fire Suppression Training	6,159	5,818	6,046	5,800	8,120	6,000
	Hours of Hazardous Materials Training	485	834	864	700	778	800
	Hours of Professional Development Training	417	889	1,343	700	3,408	800
	Hours of Physical Training	8,806	7,578	7,865	6,200	9,125	7,500
	Hours of Technical Rescue Training	278	616	1,544	700	1,088	800
	Hours of All Other Training	3,579	2,932	2,312	2,900	2,124	3,000
	Residents Receiving Formal Public Education	519	478	480	450	470	450
	Individuals Receiving CPR Instruction	149	47	146	50	160	60
	Paramedic/EMT License Applications Processed	28	31	25	30	38	30
	Procedures Developed and Updated	31	38	51	70	90	80
	Efficiency & Effectiveness	Days of Work Lost Due to Injury	116	292	142	150	100
Sworn Pers. to Workers Comp/Disability Indemnity		97:1	21:1	83:1	83:0	42:1	85:0
% of Right-to-Know Training Completed		100%	100%	100%	100%	100%	100%
Avg. Training Hrs. Received per Sworn Personnel		239	271	301	265	386	289
Training Division Cost per Fire Fighter		\$3,047	\$2,974	\$2,994	*	*	*

*Cost is calculated for "Actual" columns only.

Fire Administration



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
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
Fire Services Specialist	1	1	1
Management Assistant	1	1	1
Administrative Assistant	1	1	1
Total	8	8	8

Fire Administration

SUMMARY OF BUDGET CHANGES

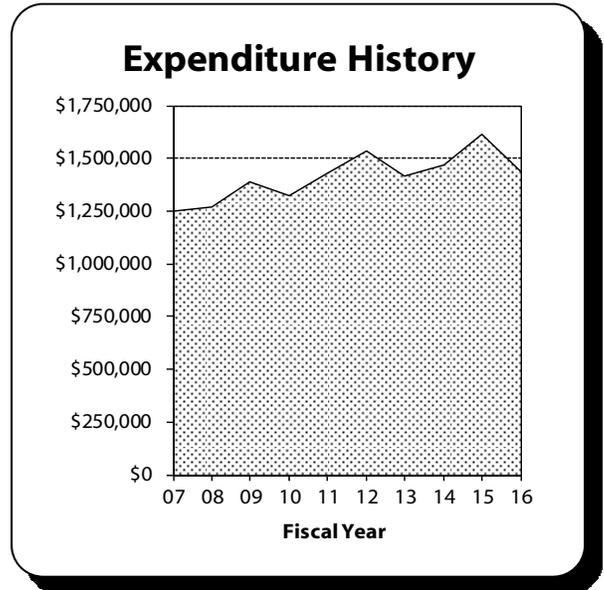
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 13.4%.

Personnel Services – The total Personnel budget decreased \$44,590 or 3.3%. The decrease is the result of two retirements in the prior fiscal year and the one-time cost of purchasing unused leave time hours. Savings was also achieved from the Executive Group contract due to one of the retirements, which lowers wages by one-third and eliminates all City benefits.

Supplies – Total Supplies increased \$390 or 1.7%. Funding for operating supplies increased \$430 due to an inflationary cost increase. Postage costs rose \$50. Publication costs decreased \$90 due to the one-time funding of literature for the Fire Officer Mentoring Program in the prior year.

Other Charges – Total Other Charges decreased \$173,480 or 67.9%. Medical services decreased \$138,470, primarily due to the one-time receipt of grant funds in the prior year. Contracted services declined \$36,350 due to the one-time funding of a County shared services feasibility study last year, partially offset by an increase in State radio fees, as previous State credits have been depleted. Printing costs decreased \$100 due to a prior year one-time necessary adjustment, partially offset by an increase in costs for printed letterhead and envelopes. Educational funding increased \$1,140, primarily for training the new Fire Inspector. \$400 was added for increased membership costs.



Capital – There is no Capital proposed for this division.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Other Charges – The budget increased \$34,310 to reflect the pension cost that will be expensed beginning in fiscal year 2016/17 for the additional full-time Fire Prevention Inspector position.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,379,395	\$1,340,570	\$1,345,580	\$1,295,980	\$1,295,980
Supplies	23,011	22,870	22,870	23,260	23,260
Other Charges	67,284	255,490	241,340	82,010	116,320
Total	\$1,469,690	\$1,618,930	\$1,609,790	\$1,401,250	\$1,435,560

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

~ Ellen Hubbard ~



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

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

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

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

This Division also performs pre-incident surveys of major buildings in the City to develop plans to reduce risk to personnel and damage to the facility in the event of fire or other destructive events.

Division personnel are responsible for the daily maintenance of all emergency response apparatus and the corresponding equipment. This also holds true for emergency medical equipment, as well as maintaining the five fire stations.

To maintain proficiency in multiple skills, firefighters attend daily training in emergency medicine, fire ground tactics and operations, vehicle accident victim extrication, search & rescue, hazardous materials, and emergency situation management. In addition to their training, firefighters receive the continuing education required to maintain their various levels of licensure and certification.

KEY GOALS

- *To provide the highest quality fire protection possible thereby saving lives and property from the ravages of fire.*
- *To provide the highest quality advanced life support delivery system possible thereby saving lives and minimizing the effects of medical emergencies and injuries.*
- *To provide for community betterment through Fire Department sponsored public education.*

The Fire Extinguishment Division works diligently to provide skilled professionals to successfully mitigate emergencies and raise public awareness of safety, in a cost effective manner. ■

Did you know...

...the Fire Department has an Insurance Service Organization (ISO) rating of "Class 4", which puts Sterling Heights in the top 7% of departments in the State for protection class ratings?

Fire Extinguishment

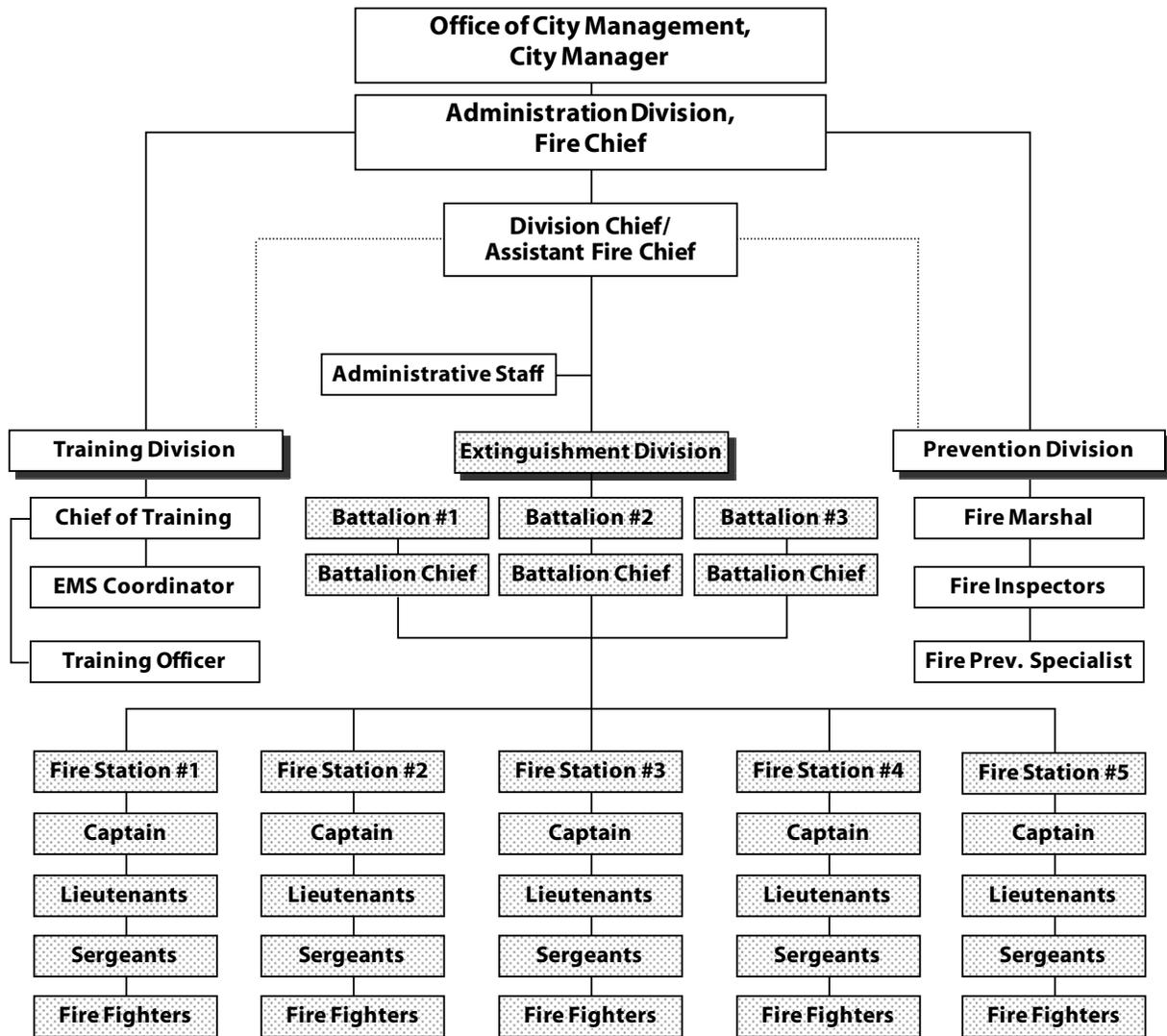
2015/16 PERFORMANCE OBJECTIVES

1. To develop the knowledge, skills, and abilities of recently promoted fire officers and newly hired firefighters to serve the residents with a solid core of basic services as evidenced by performance based tasks. (City Goal 4, 7, 25)
2. To review all department standard operating guidelines and structure to achieve more efficient, effective and improved operations. (City Goal 1, 3, 4, 7, 25)
3. To continue to manage and refine the Company Inspection Program to focus on commercial business related to fire codes and prevention efforts. (City Goals 1, 3, 4, 6, 7, 13, 14, 18, 24)
4. To review daily fire operations from the transition to county dispatch for improved response to emergencies. (City Goal 2, 3, 14, 17, 25)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Fire Department Incidents	11,589	11,653	12,451	12,300	13,500	13,500
	EMS-Related Incidents	8,948	8,969	9,435	9,400	9,958	10,000
	Hazardous Material Incidents	125	95	79	100	76	75
	Fire Incidents	301	249	230	300	250	275
	All Other Incidents	2,215	2,340	2,707	2,500	3,216	3,150
	ALS Patients	4,115	3,582	4,481	4,200	4,752	4,700
	BLS (Priority 3) Patients	4,724	4,450	4,608	4,300	4,804	4,800
	All Other EMS Patients	143	119	156	160	158	160
	Mutual Aid Provided/Received (Man Hours)	95/15	120/12	85/27	120/30	293/6	300/20
	Students Receiving Fire Safety Tours	4,496	3,510	3,612	2,200	3,410	3,000
	Hours Spent on Vehicle/Station Maintenance	11,621	11,333	11,238	11,300	11,420	11,400
Efficiency & Effectiveness	Average Scene Time (Hours) per Fire/ALS Incident	.75/.24	.70/.27	.73/.30	.75/.30	.82/.31	.80/.30
	Fire Fighter Injuries/Deaths	11/0	26/0	26/0	0/0	36/0	0/0
	Civilian Fire Related Injuries/Deaths	7/0	13/0	7/0	0/0	14/0	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	79%/72%	75%/77%	79%/71%	75%/72%	77%/72%	76%/71%
	Average EMS Response Time - Minutes	4.8	4.5	4.5	4.8	4.8	4.9
	Average Cost of an EMS Incident	\$163	\$158	\$150	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,303	\$2,513	\$2,673	*	*	*
	Division Expenditures as % of General Fund	19.29%	18.06%	18.11%	16.91%	16.79%	16.38%

*Cost is calculated for "Actual" columns only.

Fire Extinguishment



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Battalion Chief	3	3	3
Captain - ALS	3	3	5
Captain	2	2	0
Lieutenant - ALS	14	15	13
Lieutenant	2	1	3
Sergeant - FEO	9	9	9
Fire Fighter - ALS	31	30	30
Fire Fighter - FEO	12	12	12
Total	76	75	75

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

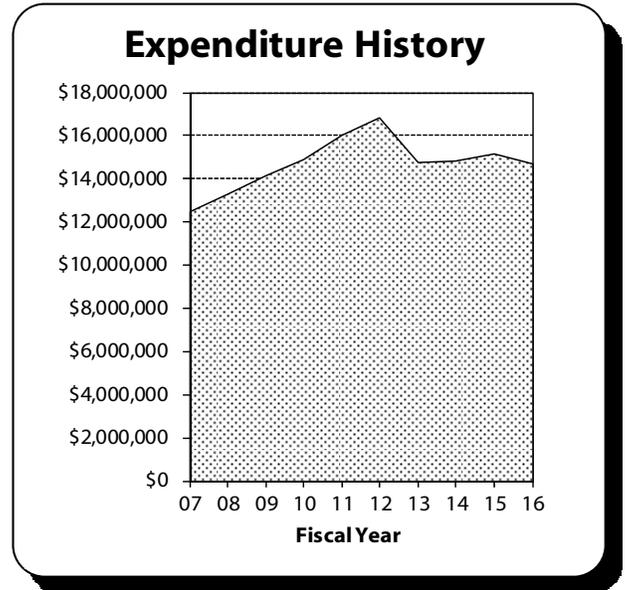
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 3.0%.

Personnel Services – The Personnel budget decreased \$429,520 or 2.9% as a result of the prior year one-time purchase of unused leave time hours for 19 retiring positions. In addition, the resulting new hires will start at a lower entry wage. The prior budget also included one-time funding for the early hiring of new Fire Fighters and overtime for the Fire Officer Mentoring Program. Despite these reductions, next year’s overtime costs rose \$128,880 as the cost to fully staff the rescue and ladder truck and maintain daily staff levels came in higher than anticipated. Overtime costs of \$210,000 to increase staffing to three Fire Fighters on the rescue truck is not included in the budget.

Supplies – Total Supplies decreased \$26,020 or 16.6%, as the prior year budget included the one-time funding of turnout gear due to retirements and replacement face pieces for all personnel. The decrease was partially offset as turnout gear for new Fire Fighters is again funded, as well as the replacement of existing worn turnout gear.

Other Charges – Total Other Charges increased \$4,680 or 1.3%. Fire hydrant rental costs went up \$3,200 as the number of hydrants in the City has increased. Water and heating costs each increased \$2,000 to reflect higher rates. \$2,640 will be saved due to lower copier rental and per-page print fees under the new copier rental contract, and the elimination of one copy machine and three workstation printers.



Capital – Total Capital of \$595,960 is proposed. \$570,000 is proposed to replace a 27-year old Fire Engine with 180,000 miles that is in need of replacement. \$13,300 is budgeted to replace two Thermal Image Cameras that have limited features and are at the end of their life spans. Two Portable Gas Monitors are funded for \$12,660 to replace obsolete models for which repair parts are no longer available.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$14,347,893	\$14,616,560	\$14,818,220	\$14,187,040	\$14,187,040
Supplies	108,754	156,690	156,690	130,670	130,670
Other Charges	349,567	364,610	358,910	369,290	369,290
Total	\$14,806,214	\$15,137,860	\$15,333,820	\$14,687,000	\$14,687,000

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

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

Inspections:

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

Plan Reviews:

1. Site
2. Buildings
3. Fire systems

Fire Investigations:

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

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

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

State Inspections:

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

Public Fire Education:

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

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

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

KEY GOALS

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

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

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

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

Did you know...

...the Fire Prevention division is responsible for Fire and Life Safety inspections in 3,890 businesses, including 375 assemblies and 20 designated SARA Title III Hazardous Material sites within the City?

Fire Prevention

2015/16 PERFORMANCE OBJECTIVES

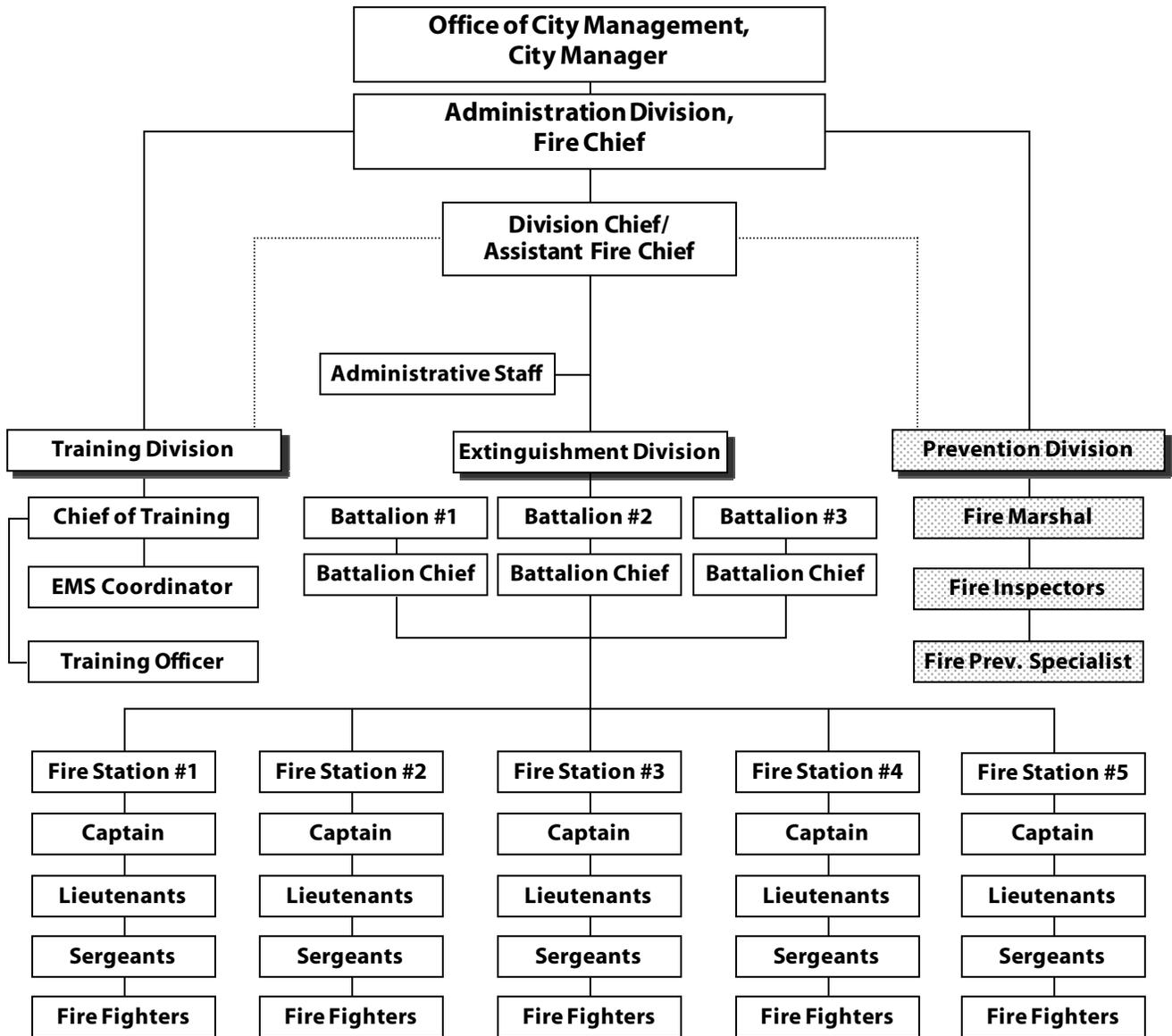
1. To develop the Fire Prevention website to provide business owners and residents access to more efficient and effective solid core fire prevention information. (City Goal 2, 5, 6, 13, 17, 18, 24)
2. To develop and strengthen technology improvement strategies through electronic data records entry encouraging and enhancing commercial property maintenance. (City Goals 2, 5, 6, 13, 17, 18, 24)
3. To provide continuing education and training to Fire Extinguishment personnel to enhance fire prevention efforts emphasizing commercial property. (City Goal 4, 7, 17)
4. To plan and implement monthly fire prevention and fire safety interventions for the high-risk group of older adults in our community. (City Goal 1, 2, 6, 13, 14, 17, 24)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Inspections Conducted	1,072	882	878	1,200	949	2,110
	Use Permit or Final Occupancy Inspections	337	262	399	320	328	320
	Special Event/Annual License Inspections	43	39	41	40	38	40
	Liquor Lic. Amusement, & Hazardous Bldg. Insp.	165	117	48	60	52	60
	Witnessed Acceptance Test Inspections	71	108	91	90	110	100
	Reinspections of Violations	385	287	191	300	180	480
	Citizen Assistance Inspections	71	69	50	70	58	60
	In-Service Company Inspections	N/A	N/A	58	320	183	300
	General Inspections/High Risk Occupancies	N/A	N/A	N/A	N/A	N/A	750
	Violations Discovered and Issued	2,067	1,670	1,020	1,400	1,243	2,450
	Investigations (Fire and Other)	41	39	26	30	28	30
	Plan Reviews (sites, buildings, alarms)	252	211	321	250	219	250
	Efficiency & Effectiveness	% Bus. Receiving Violations during Inspections	99%	99%	99%	99%	99%
Value of Non-Residential Fire Loss		\$450,000	\$675,000	\$615,000	\$350,000	\$1,230,000	\$500,000
% of Solicited Inspections Performed w/i 1 Day		60%	60%	60%	80%	60%	80%
% of Inspectable Occupancies Experiencing Fires		0.40%	0.37%	0.55%	0.40%	0.45%	0.40%
Inspections Conducted Per Inspector/Marshal**		536	441	410	290	380	450
% of Site Plans Reviewed within 20 Days		20%	10%	80%	80%	80%	80%
Average Plan Review Cost		\$192	\$187	\$175	*	*	*
Division Expenditures as % of General Fund		0.86%	0.89%	0.98%	0.92%	0.88%	1.18%

*Cost is calculated for "Actual" columns only.

**Excludes In-Service Company Inspections.

Fire Prevention



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Fire Marshall	1	1	1
Fire Inspector	1	1	3
Fire Prevention Specialist	0	1	1
Total	2	3	5

Fire Prevention

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

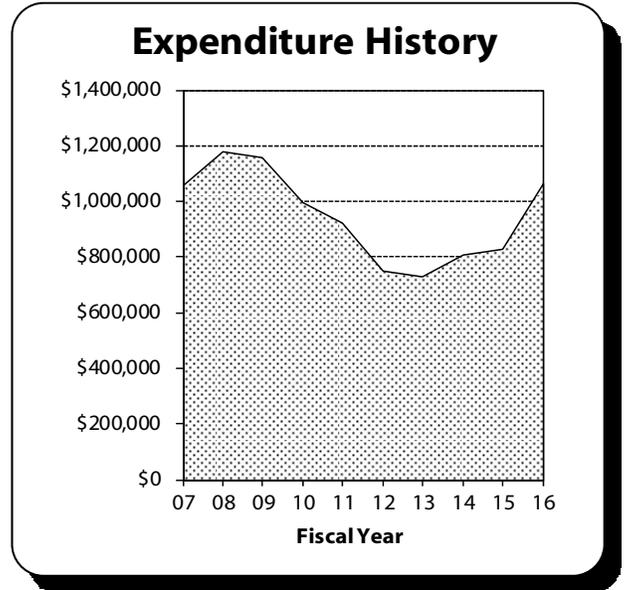
The total budget increased by 14.1%.

Personnel Services – The total Personnel budget increased \$116,490 or 14.1%. The overall increase is the result of funding for a new Fire Inspector position. The new position will significantly increase the department’s abilities to be proactive in fire prevention measures, increase inspections, enhance the ability to investigate cause of origin in fire investigations, and increase ability to discover and correct fire code violations.

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 division.



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – Total funding increased \$118,090 for the addition of a full-time Fire Inspector position.

FUNDING LEVEL SUMMARY

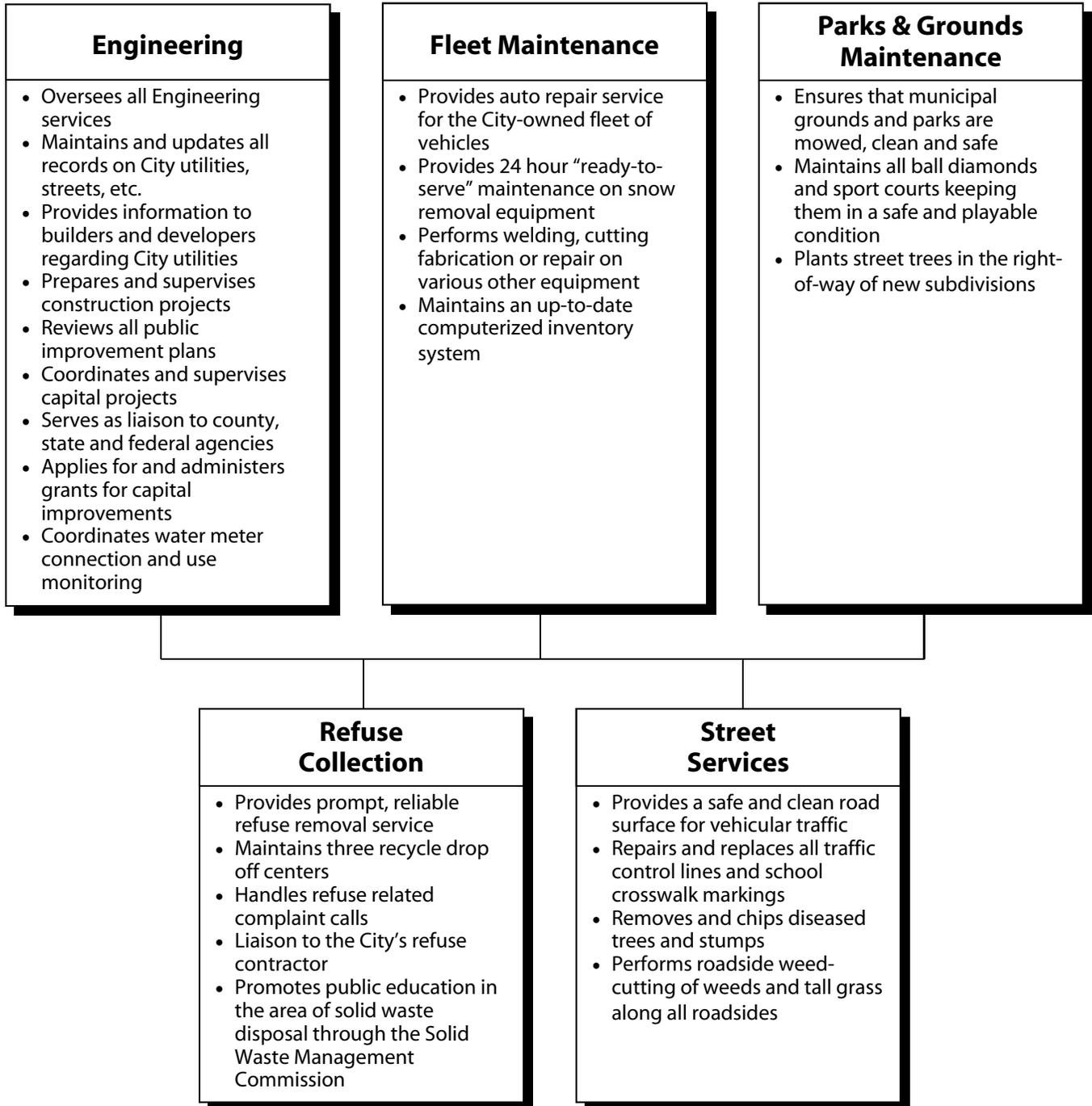
	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$802,542	\$826,070	\$807,770	\$942,560	\$1,060,650
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$802,542	\$826,070	\$807,770	\$942,560	\$1,060,650

Public Works Department



FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works budget increased by \$518,520 or 6.8%. The increase is largely due to the addition of two full-time positions and six part-time positions. In the Street Services division a new full-time Laborer position is funded, as well as transferring a Laborer from the Sewage division due to increased road repair efforts. Additional Seasonal Laborer positions are funded in Fleet Maintenance, Parks & Grounds Maintenance, and Street Services. Personnel costs also rose due to the settled DPW Field and Supervisors labor contracts and increased overtime, primarily for additional road maintenance needs. Overtime costs also rose due to increased Engineering inspections, resulting from the reconstruction of City roads. Supplies increased \$11,720

or 0.7% for increased vehicle and equipment repair costs and the purchase of new garbage cans at City bus stops and parks. Other Charges increased \$41,360 or 5.6% for a contractor to mow and maintain retention ponds, increased park restroom cleaning and mowings, additional fertilizer and herbicide spraying in City parks and rights-of-way, and increased grass cutting of vacant parcels. The Capital budget includes replacing the fuel dispensing system, two pick-up trucks with plows to enhance the City's engineering and snow removal capabilities, and the second phase of improvements to the City Hall parking lot.

FUNDING LEVEL SUMMARY

	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Engineering	\$1,139,250	\$1,172,660	\$1,332,660	\$1,350,000	1.3%
Fleet Maintenance	2,790,250	2,857,030	2,825,830	2,920,420	3.3%
Parks & Grounds Maint.	1,110,640	1,318,490	1,241,890	1,321,070	6.4%
Public Works Center	233,330	270,850	252,390	276,700	9.6%
Street Services	1,743,280	2,170,820	1,970,390	2,273,490	15.4%
Total Department	\$7,016,750	\$7,789,850	\$7,623,160	\$8,141,680	6.8%
Personnel Services	\$4,743,960	\$5,401,860	\$5,235,410	\$5,700,850	8.9%
Supplies	1,687,080	1,652,170	1,654,400	1,666,120	0.7%
Other Charges	585,710	735,820	733,350	774,710	5.6%
Total Department	\$7,016,750	\$7,789,850	\$7,623,160	\$8,141,680	6.8%

PERSONNEL SUMMARY

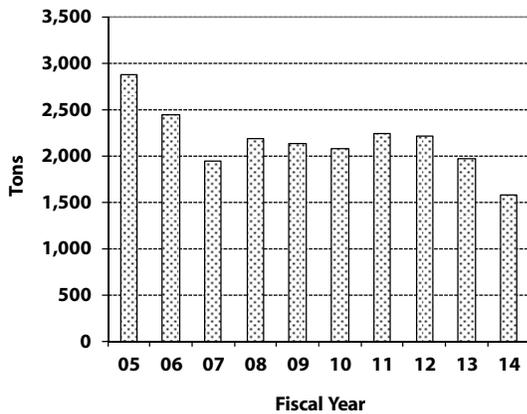
	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time						
Engineering	9	0	7	1	8	2	8	2
Fleet Maintenance	10	1	10	2	11	0	11	1
Parks & Grounds Maint.	2	8	5	8	5	9	5	12
Street Services	19	2	15	3	17	4	19	6
Total Department	40	11	37	14	41	15	43	21

Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

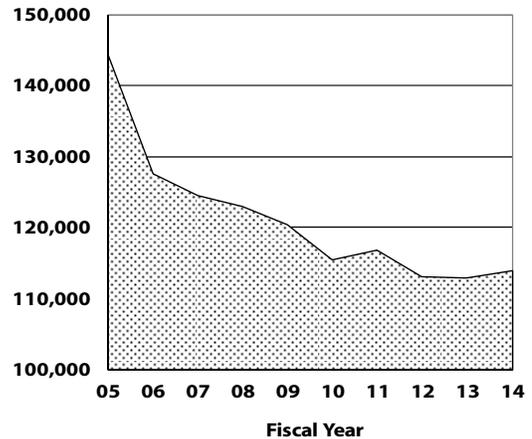
Public Works Department

Recycling Center Newspaper Collections



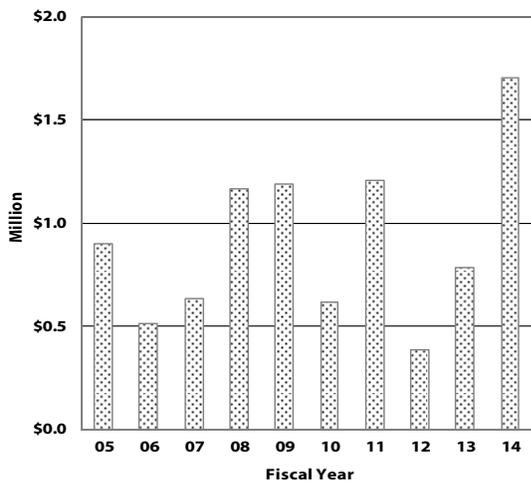
The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites and due to a subscription based curbside recycling program initiated in 2013. The average homeowner pays only \$74 per year for trash pickup, which is much lower than most communities. Only five cities in a national study had a lower recycling cost per ton recycled.

Cubic Yards of Refuse Landfilled



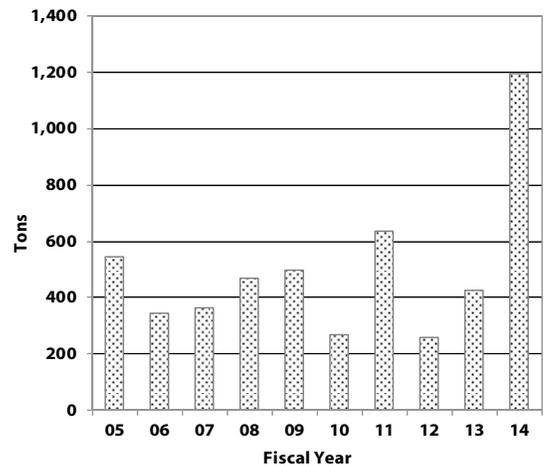
Starting in 2006, the cubic yards of refuse landfilled began to decline, reaching a low of 112,750 cubic yards in 2013. Fewer apartment complexes and mobile home parks have elected to receive City refuse service. The separate collection of yard waste, which is now composted, and additional Recycling Center and curbside recycling collections have also contributed to the decline in the amount of garbage annually landfilled.

Snow Removal Costs



The City's snow removal costs have generally increased over ten years. Expenditures decreased in some years due to warmer winters or reduced snowfalls. Snow removal costs reached a ten-year high of \$1.64 million in 2014, while costs fell in 2012 to a low of \$384,000.

Road Pothole Patch Used



The City has had to double the amount of road patch needed since 2005 in order to repair City roads in light of the loss of State gas tax funds.

MISSION STATEMENT: *To develop and implement master plans and programs and to supervise and inspect all public improvements constructed by or for the City.*

Major responsibilities of the Engineering office 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 Office of Engineering administered three road contracts in 2014 to utilize funds generated by the voter approved Safe Streets millage and provided full or major sectional repairs on 60 neighborhood streets?

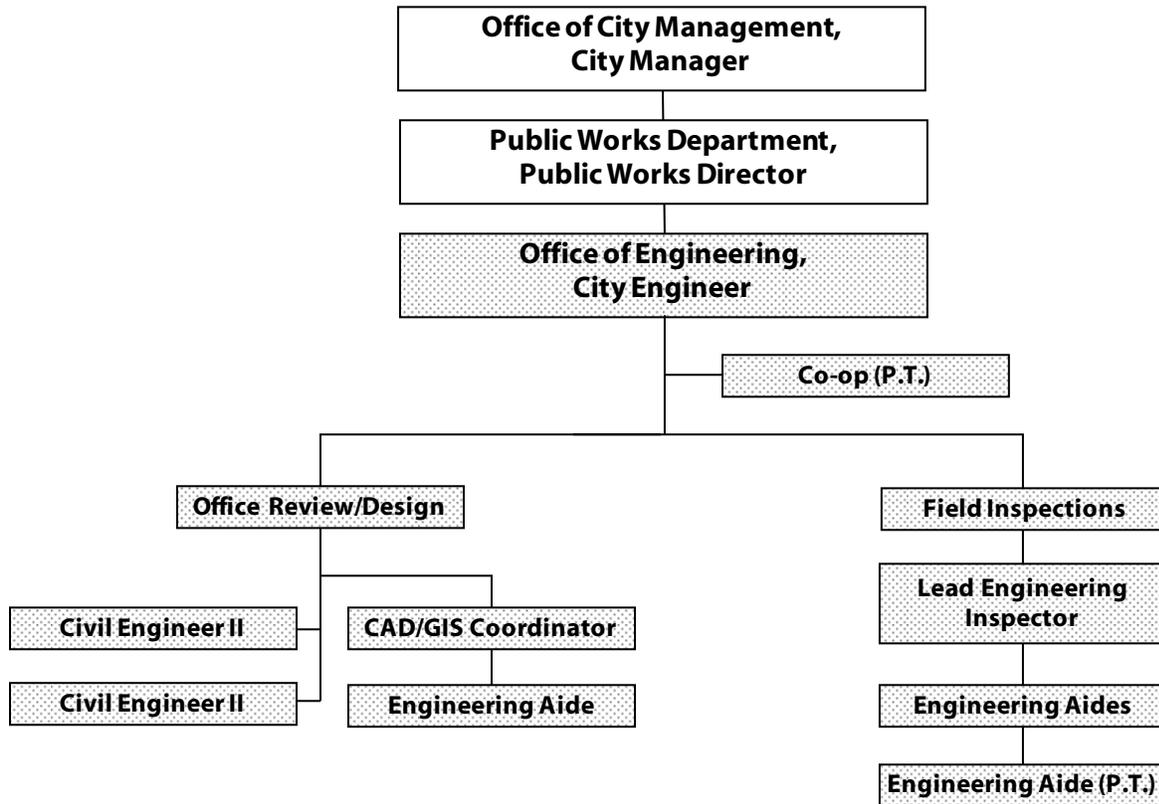
Engineering

2015/16 PERFORMANCE OBJECTIVES

- To create plans, specifications and administer contracts for various capital improvement projects including water main, sanitary sewer, drain, road and sidewalk projects. *(City Goal 16, 22)*
- To pursue alternative funding for capital projects such as grants to improve traffic flow, safety at major road intersections and path/sidewalk construction. *(City Goal 21)*
- To incorporate the guiding principles of the 2030 Vision into designs of infrastructure improvements such as Richard J. Notte Civic Center Improvements and Dodge Park Road Reconstruction. *(City Goal 17, 18)*
- To optimally utilize local road funding and improve the overall condition of local road infrastructure to promote well-maintained and desirable neighborhoods. *(City Goal 5, 13, 23)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Site Plans Approved	27	18	20	30	28	30
	Land Divisions Reviewed	9	8	16	15	15	16
	Plot Plans/Grading Plans Approved	82	99	109	50	55	60
	Utility Company Permits Issued	29	30	29	30	32	30
	SESC Permits Issued	115	120	127	120	80	100
	W & S Connection Permits Issued (Existing Homes)	15	8	6	10	20	15
	Value of Const. Contracts Awarded & Supervised	\$2.4M	\$3.2M	\$10.9M	\$7.0M	\$8.7M	\$13.7M
	Personnel Contacts with Business - Counter	1,343	1,072	1,068	1,200	1,000	1,100
	Personnel Contacts with Business - Phone	6,126	4,013	1,998	2,500	2,000	2,200
	Miles of Sidewalks in City	610	611	612	614	614	615
	Service Requests Processed	447	338	283	500	500	600
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	80%	93%	53%	90%	80%	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%	85%	90%	90%	85%	90%
	% of Plot or Grading Plans Reviewed w/i 10 days	80%	80%	80%	90%	80%	90%
	% of Capital Projects Completed w/i 5% of Bid Costs	100%	100%	88%	90%	85%	90%
	% of Initial Traffic Requests Resp. to w/i 35 Days	100%	100%	100%	100%	100%	100%
	Visual Road Surface (PASER) Rating - Good, Fair, Poor	6%,89%,5%	7%,82%,11%	7%,82%,11%	8%,82%,10%	8%,82%,10%	10%,81%,9%
	Eng. Inspection Hrs. Required to Meet Demand	4,499	3,939	5,817	5,500	6,700	6,700
	Activity Expenditures as % of General Fund	1.71%	1.40%	1.43%	1.49%	1.43%	1.51%

Engineering



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
City Engineer	1	1	1
Civil Engineer II	2	2	1
Civil Engineer I	0	0	1
CAD/GIS Coordinator	1	1	1
Lead Engineering Inspector	1	1	1
Engineering Aide	2	3	3
Engineering Aide (P.T.)	1	1	1
Co-op (P.T.)	0	1	1
Total	8	10	10

Engineering

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

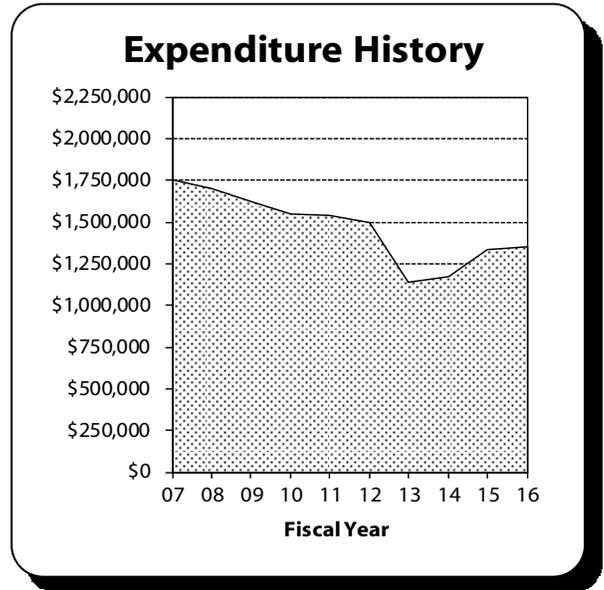
The total budget increased by 1.3%.

Personnel Services – The total Personnel budget increased \$26,660 or 2.0%. The overtime budget rose \$25,000 due to increased road inspection needs resulting from the Safe Streets proposal. Full-time wages declined \$13,910 as it is assumed one of the Engineering staff will be promoted to the City Development Manager position in Neighborhood Services. As a result, a Civil Engineer I position is budgeted next year. Contributions to the pension system increased by \$7,280, while an additional \$4,330 is budgeted to fund retiree health care liabilities.

Supplies – Total Supplies increased \$70 or 1.2%, as funding for small tools and office supplies can be reduced and brought more in line with recent actual expenditure levels.

Other Charges – Total Other Charges decreased \$9,390 or 59.8% due to the prior year one-time funding of a consultant to assist the City with creating a plan for establishing and connecting bike path-trail routes throughout the City. The decrease was slightly offset by an increase in rental fees for two new copiers and additional training funds for two licensed Engineers to maintain certifications.

Capital – Total Capital of \$31,000 is proposed for a ¾ ton Pickup Truck with Plow to replace a 1999 vehicle that is used to access off-road inspection sites and transport work equipment. The current vehicle is



neither safe nor reliable. The truck will be equipped with a plow and can be used by the DPW during snow emergencies.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,162,594	\$1,311,150	\$1,296,930	\$1,337,810	\$1,337,810
Supplies	5,052	5,800	5,550	5,870	5,870
Other Charges	5,015	15,710	5,010	6,320	6,320
Total	\$1,172,661	\$1,332,660	\$1,307,490	\$1,350,000	\$1,350,000

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 63 pieces of heavy equipment, 283 pieces of various equipment ranging from chainsaws to tractors and 260 cars and trucks are repaired. Preventative maintenance is performed on approximately 731 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 731 vehicles and pieces of equipment and dispenses over 262,000 gallons of fuel through 20,000 transactions every year?

Fleet Maintenance

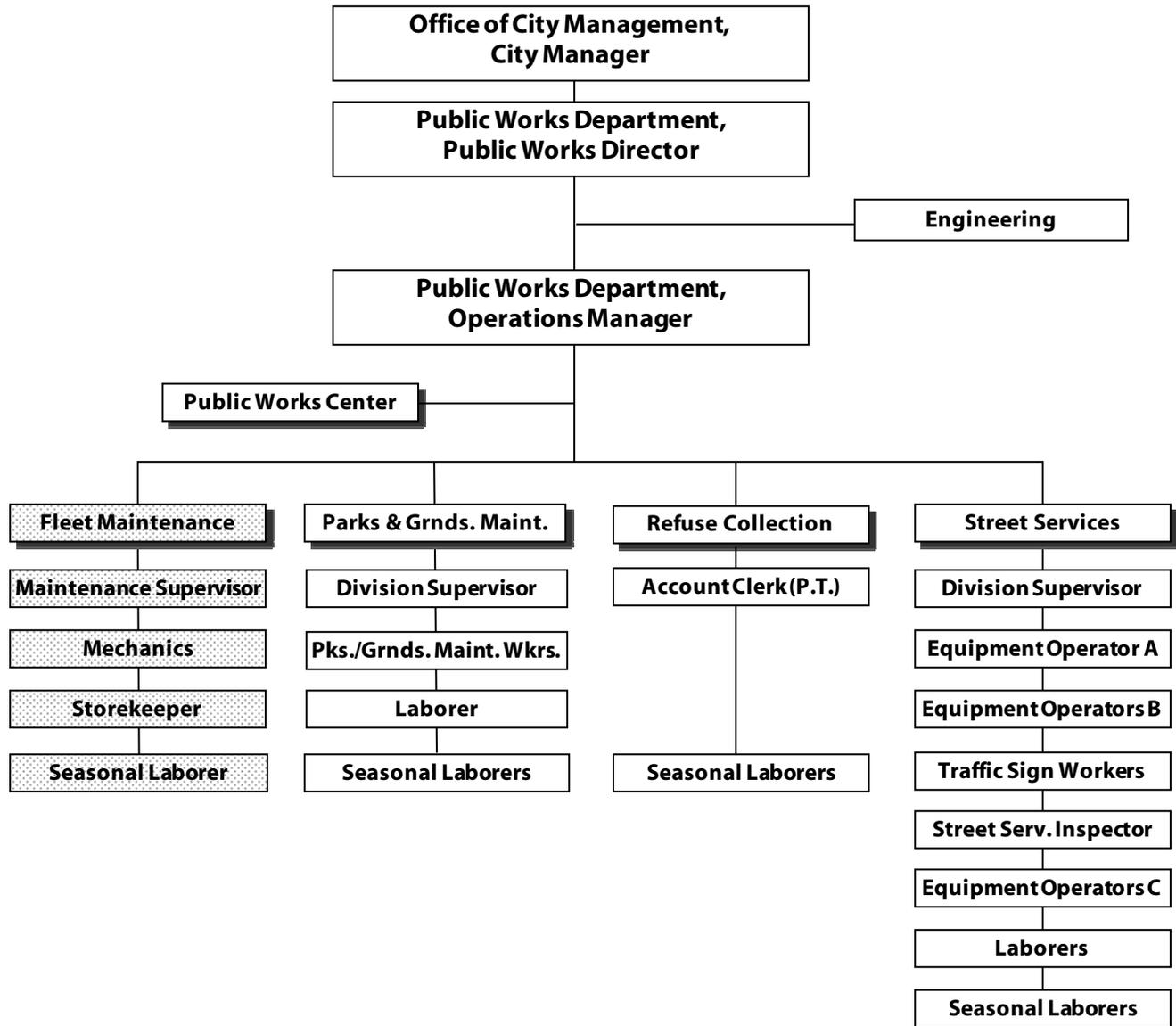
2015/16 PERFORMANCE OBJECTIVES

1. To standardize police equipment in new model vehicles to reduce maintenance and downtime. (City Goal 3)
2. To evaluate current parts and service vendors to maximize cost savings and minimize downtime. (City Goal 1, 3)
3. To replace the outdated fuel dispensing system with a new efficient system that meets all government regulations. (City Goal 2)
4. To integrate a new fuel tracking system to prevent scheduled oil changes from being overlooked on city vehicles and equipment. (City Goal 2, 3, 23)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Full Service Preventive Maintenances Performed	465	492	441	525	400	475
	Preseason Maintenance - Trucks with Plows	44	43	47	45	53	53
	Preseason Maintenance - Tractors/Flail Mowers	13/13	12/12	0/0	0/0	0/0	0/0
	Preseason Maintenance - Snow Plows	44	43	47	45	53	53
	Preseason Maintenance - Salt Spreaders	25	22	21	21	21	21
	Preseason Maintenance - Street Sweepers	3	3	3	4	3	3
	Preseason Maintenance - Lawn Equipment	50	50	50	50	50	50
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	494	452	422	550	500	500
	Safety Inspections Conducted on Hoists	10	10	10	10	10	10
	Material Safety Data Sheets Maintained	420	410	400	400	400	400
	Efficiency & Effectiveness	% of Preventive Maint. Performed on Schedule	85%	85%	85%	85%	85%
Avg. Time to Perform Maintenance on a Car (Mins.)		48	50	50	48	50	50
Avg. # of Vehicles/Equip. Maintained Per Mechanic		82	84	86	88	88	88
Average Age of Police Vehicles (Years)		3.2	3.7	4.0	4.0	4.0	4.0
Average Age of Fire Engines (Years)		10.0	11.0	12.0	13.0	14.0	12.0
% of Snow Removal Vehicles & Equipment Available		95%	95%	95%	95%	95%	95%
% of Snow Vehicles & Equip. Prepared by Nov. 15		100%	100%	100%	100%	60%	100%
% of Front Line Fire Pumper Trucks Avail. for Service		95%	99%	99%	99%	99%	99%
% of Actual Inventory to Inventory Ledger		95%	92%	91%	98%	95%	95%
Cost of a Passenger Car Oil Change		\$25.36	\$23.59	\$24.93	*	*	*
Preventive Maintenance Cost of a Passenger Car		\$59.92	\$59.34	\$58.26	*	*	*
Activity Expenditures as % of General Fund		3.04%	3.42%	3.50%	3.16%	3.12%	3.27%

*Cost is calculated for "Actual" columns only.

Fleet Maintenance



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Division Supervisor	1	0	0
Maintenance Supervisor	0	1	1
Mechanic	9	9	9
Storekeeper	0	1	1
Seasonal Laborer	2	0	1
Total	12	11	12

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

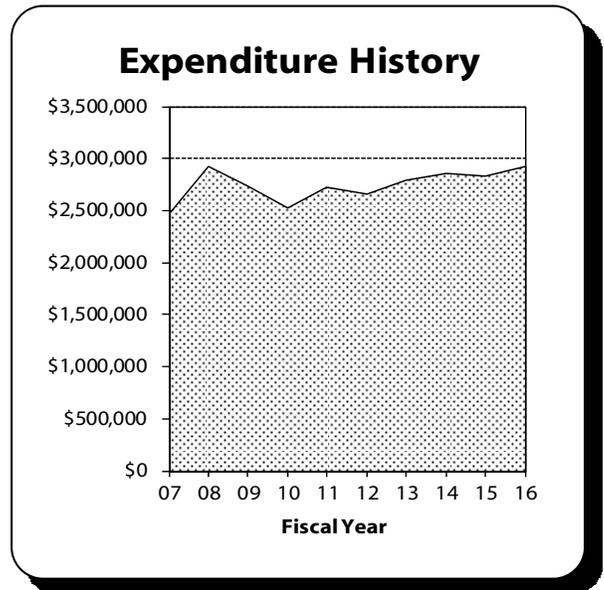
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.3%.

Personnel Services – The total Personnel budget increased \$84,900 or 7.0%. Full-time wages increased \$31,790 due to wage step increases for several employees not at the top of the wage scale, as well as increases from the settled DPW Field and Supervisors labor agreements. In addition, a year-round Seasonal Laborer position is proposed for \$21,840 to assist this division with picking up parts and assisting Mechanics with repairs. Overtime costs have risen by \$15,000, while an additional \$6,760 is budgeted to fund the pension liabilities.

Supplies – Total Supplies increased \$9,950 or 0.6%. \$25,000 was added to the budget due to the increased cost of City vehicle and equipment repairs and parts. Fuel costs decreased \$15,000. Postage costs decreased \$50 based on recent expenditure levels.

Other Charges – Total Other Charges decreased \$260 or 1.2%. Less budgeted funding is needed for equipment maintenance, saving \$1,000. \$500 was saved, as fewer repairs are anticipated on department radios. \$500 was added to the budget for higher hazardous waste disposal costs. \$640 was added for copier rental and usage fees under the new copier rental contract. The training budget increased \$100 for additional attendance at a local Mechanic workshop and seminar.



Capital – Total Capital of \$490,000 is budgeted in the Capital Projects Fund to replace the current Fuel Dispensing System at the DPW, which contains 35-year old equipment that is deteriorating and for which replacement parts are no longer available.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,257,062	\$1,218,880	\$1,283,370	\$1,303,780	\$1,303,780
Supplies	1,580,168	1,585,300	1,545,250	1,595,250	1,595,250
Other Charges	19,796	21,650	19,860	21,390	21,390
Total	\$2,857,026	\$2,825,830	\$2,848,480	\$2,920,420	\$2,920,420

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

The Parks & Grounds Maintenance function 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 office provides seasonal programs of maintaining baseball, football, and soccer fields and also 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 parks and 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 Maintenance division removes snow and ice from walkways and parking lots at 12 municipal building sites, 29 City parks, and 46 pedestrian school walkways?

Parks & Grounds Maintenance

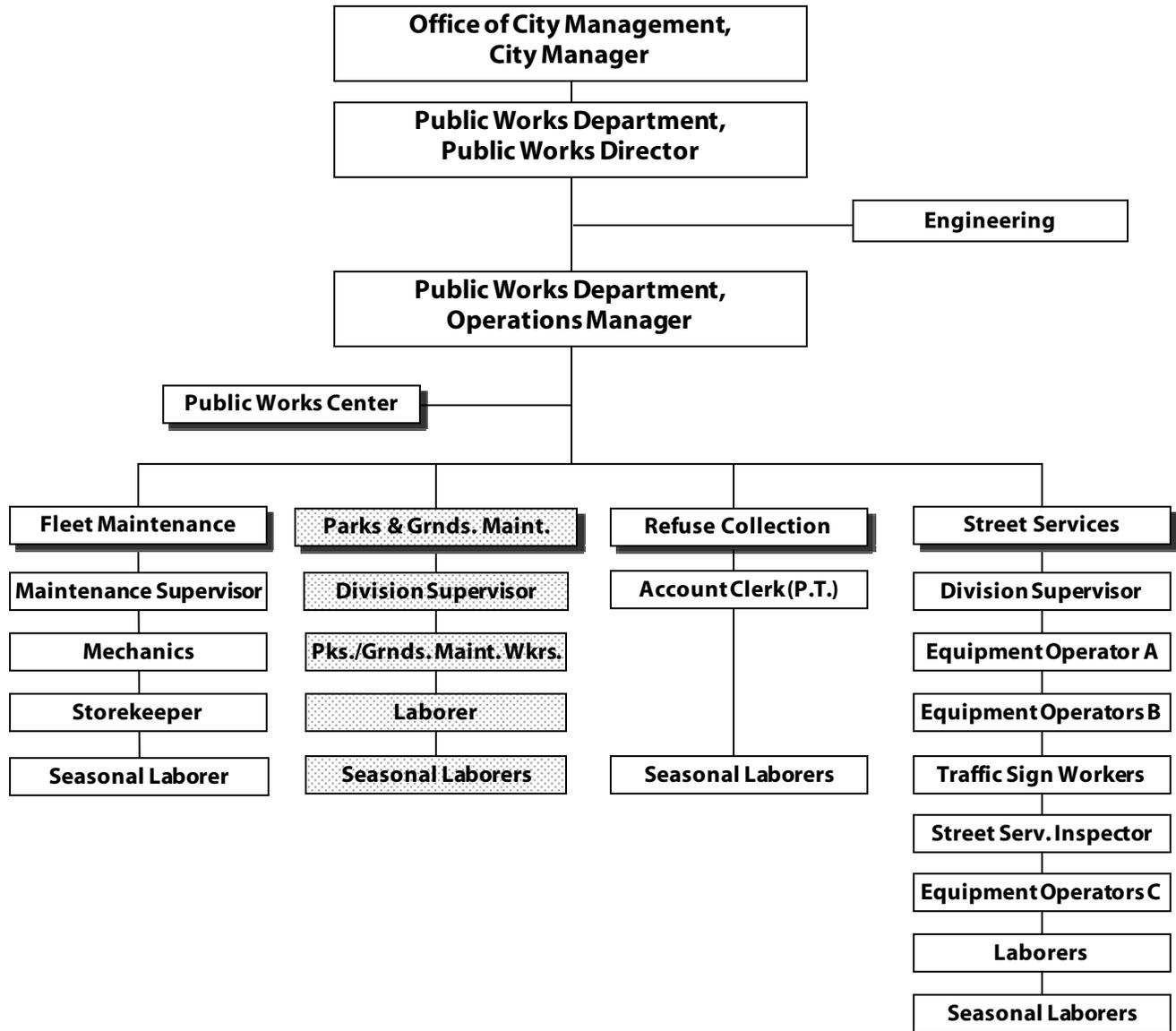
2015/16 PERFORMANCE OBJECTIVES

1. To remove all dead/outdated landscaping from Dodge Park and the Senior Center and plant new landscaping in the Spring/Summer. (City Goal 16,18)
2. To install crushed concrete along the sides of the Clinton River trail system to help fortify the asphalt path and remove any hazards. (City Goal 16, 17, 18)
3. To repair the existing athletic fields with the new top dresser and over-seeder to improve the durability and safety of the fields. (City Goal 18)
4. To coordinate and work with Parks and Recreation on the new Farmers Market. (City Goal 16, 18)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Street Trees Trimmed (In-House)	2,727	1,834	2,905	1,500	1,200	1,500
	Cuttings/Trimmings - 31 Parks (559 of the 826 Acres)	19	19	22	20	29	25
	Cuttings/Trimmings - 9 Mun. Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maint. Performed (Incl. UCS & WCS)	1,150	1,150	1,252	1,170	1,234	1,150
	Soccer/Football Fields Relined	225	245	475	400	400	400
	Snow/Ice Control Call-Ins	12	17	23	20	20	20
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenance/Repairs Made	155	146	139	150	148	150
	Cleaning of Restroom Facilities (Subcontracted)	832	861	742	850	833	850
	Trash Collection Days-Parks & Municipal Sites	200	200	235	250	239	250
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equip.	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of Easement Trees Inspected due to Complaints	10%	10%	10%	15%	10%	10%
	Cost to Mow an Acre of Parkland	\$41.18	\$32.98	\$30.58	*	*	*
	Activity Expenditures as % of General Fund	1.32%	1.36%	1.61%	1.39%	1.44%	1.48%

*Cost is calculated for "Actual" columns only.

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Division Supervisor	0	1	1
Parks & Grounds Maintenance Worker	3	3	3
Laborer	2	1	1
Seasonal Laborer	8	9	12
Total	13	14	17

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

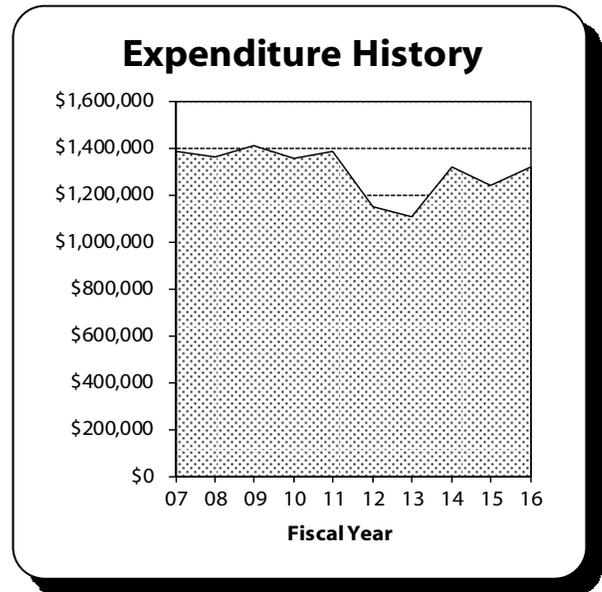
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR BUDGET

The total budget increased by 6.4%.

Personnel Services – The Personnel budget increased \$53,080 or 7.0%. Part-time wages rose \$22,460 due to an increase in the minimum wage, as well as funding for three additional summer Seasonal Laborers to better maintain City parks. Full-time wages rose \$11,200 as a result of the settled DPW labor contracts. Overtime costs rose \$7,000, while pension costs rose \$5,440.

Supplies – Total Supplies increased \$1,000 or 2.3%. An additional \$2,000 is budgeted to fund the purchase of garbage cans to replace unsightly rusted cans at various bus stops and City parks. Operating supply costs decreased \$1,000, as fewer small hand tools and materials are needed to maintain the City’s parks, grounds, and playground equipment.

Other Charges – Total Other Charges increased \$25,100 or 5.7%. Retention pond maintenance costs increased \$15,400 to fund the contractor which now mows and maintains all retention ponds. Contracted services increased \$15,200, primarily for increased park restroom cleanings and mowings during special events. \$4,400 was added for additional fertilization and herbicide spraying in City parks and right-of-ways. Educational funding increased \$500 for aerial platform training, which is required every three years by the Michigan Occupational Safety and Health Administration (MIOSHA), and for chainsaw safety training. The City will save \$10,000 due to the one-time



funding of additional playground mulch for all City parks in the prior year. Electric costs decreased \$1,000 based on recent actual expenditure levels.

Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$834,972	\$758,340	\$807,840	\$811,420	\$811,420
Supplies	47,633	44,000	49,000	45,000	45,000
Other Charges	435,888	439,550	459,650	464,650	464,650
Total	\$1,318,493	\$1,241,890	\$1,316,490	\$1,321,070	\$1,321,070

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 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 offices 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 administered the grass cutting of 541 residential homes and 418 vacant fields in violation of the Noxious Weed Ordinance in 2014?

Public Works Center

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

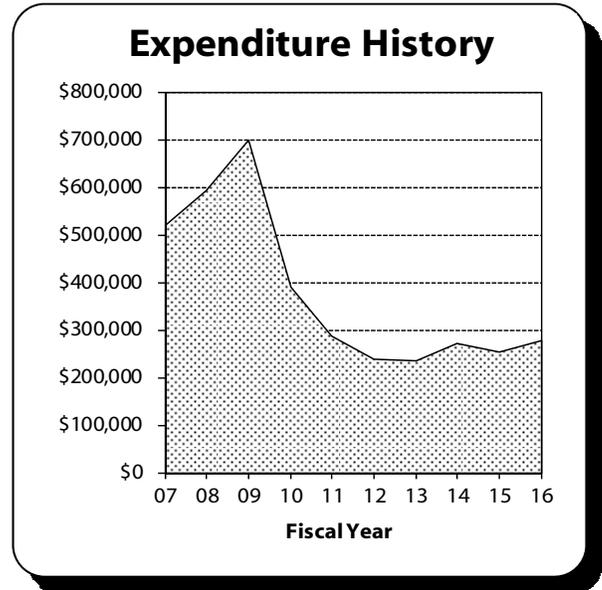
The total budget increased by 9.6%.

Personnel Services – There is no staff assigned to this division.

Supplies – Total Supplies is proposed to remain the same at \$4,000. There are no proposed funding changes to the operating supplies account.

Other Charges – Total Other Charges increased \$24,310 or 9.8%. Utility costs rose \$12,500 due to higher rates. \$10,000 was added for the increased cutting of high grass on vacant or foreclosed properties. \$5,900 was added for higher State radio fees, as previous State credits have been depleted, and for wireless service for an iPad that is utilized for tree inventory and inspections. Telephone costs rose \$500 to bring the budget more in line with recent years' expenditure levels. Building maintenance costs decreased \$4,090 due to a prior year reappropriated encumbrance, partially offset by an increase to fund additional building and electrical repairs needed at the Public Works facility. Equipment maintenance costs decreased \$500, as fewer repairs have been needed in recent years.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	2,909	4,000	5,000	4,000	4,000
Other Charges	267,942	248,390	271,930	272,700	272,700
Total	\$270,851	\$252,390	\$276,930	\$276,700	\$276,700

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. A voluntary subscription-based curbside recycling program is also provided by the City's contractor.

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 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.

The Solid Waste Management Commission is funded in the Refuse activity. The Operations

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.*

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...

...that Waste Management, the City's refuse and yard waste hauler, makes over 39,600 refuse stops in the City each week?

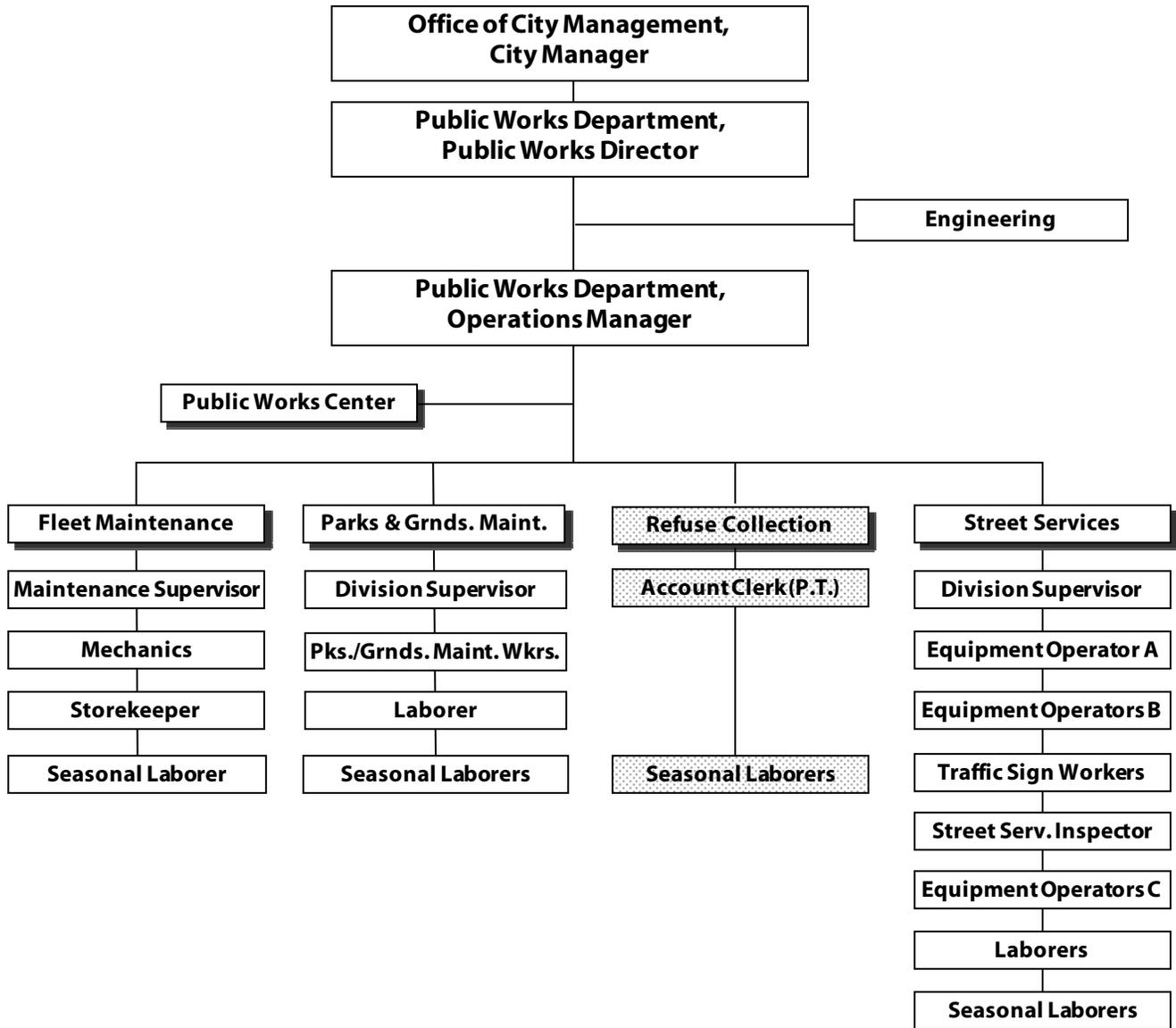
Refuse Collection

2015/16 PERFORMANCE OBJECTIVES

- To monitor the daily operation of the voluntary curbside recycling program to ensure customer service expectations are met. *(City Goal 1, 14)*
- To manage the Cost Recovery Program, providing dumpster service to apartments which choose to participate in the program. *(City Goal 1, 3)*
- To coordinate with the Solid Waste Management Commission, regarding the annual Free Shred Day and Electronic Recycle Day events. *(City Goal 1, 14)*
- To aggressively tag and educate residents who place their refuse out too early for collection or who have placed it out improperly. *(City Goal 12, 13, 14)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,637	39,656	39,669	39,700	39,700	39,730
	Cubic Yards of Refuse Landfilled	113,058	112,750	113,767	115,000	114,200	115,000
	Tons of Yard Waste Composted/Diverted	11,051	10,650	11,234	11,000	11,300	11,000
	Christmas Trees Chipped and Composted	3,627	3,260	3,170	2,500	2,500	2,500
	Tons of Plastics Recycled (Recycling Center)	324	301	273	250	280	270
	Tons of Paper Recycled (Recycling Center)	2,200	1,962	1,578	1,700	1,470	1,500
	Gallons of Used Oil Recycled (Recycling Center)	23,800	24,200	20,075	22,000	21,500	21,000
	Curbside Recycling Subscribers	N/A	4,200	5,367	5,400	5,370	5,400
	Curbside Recycling Volume (tons)	N/A	520	1,560	1,560	1,500	1,500
	Efficiency & Effectiveness	Refuse Violations Tagged by Contractor	29	22	27	25	23
% of 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%	98%	95%	99%	99%
Reduction in Landfill Volume vs. 1989/1990		49.0%	49.0%	48.5%	48.0%	49.0%	48.0%
Refuse Collection Costs per Capita		\$35.51	\$35.94	\$36.00	\$35.83	\$36.45	\$36.77
Refuse Collection Millage Rate		1.00	1.08	1.09	1.13	1.13	1.14
Refuse Cost for Average Homeowner		\$66	\$66	\$68	\$72	\$72	\$74
Total Cost to Operate Three Recycling Centers		\$91,655	\$91,700	\$93,820	\$90,000	\$96,200	\$97,000
Recycling Costs Per Ton Recycled		\$29.87	\$32.70	\$33.84	\$33.00	\$35.60	\$36.00
Cost to Collect/Dispose of Refuse (1 cubic yard)		\$40.74	\$41.44	\$41.29	\$40.74	\$41.73	\$41.89
Activity Expenditures as % of General Fund		5.28%	5.72%	5.75%	5.23%	5.22%	5.39%

Refuse Collection



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Account Clerk (P.T.)	1	1	1
Seasonal Laborer	3	4	4
Total	4	5	5

Refuse Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

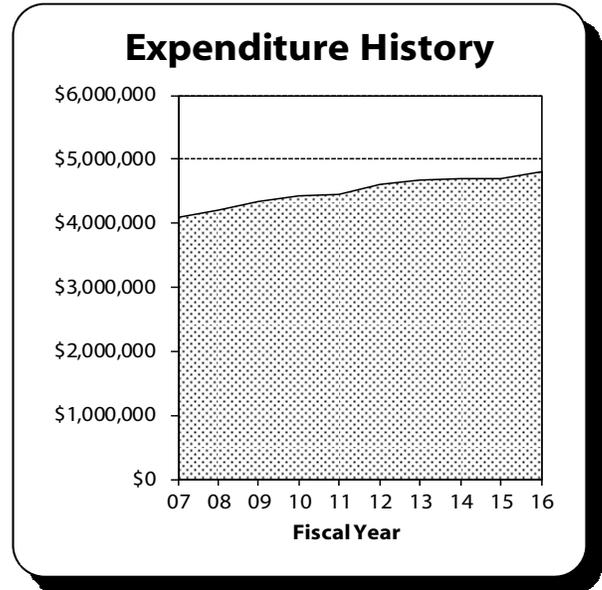
The total budget increased by 2.8%.

Personnel Services – The total Personnel budget increased \$1,720 or 1.2%. Part-time wages rose \$780 as a result of wage step increases for the part-time staff. An additional \$380 is budgeted to fund general employee pension liabilities. An additional \$210 is budgeted for retiree health insurance liabilities.

Supplies – Total Supplies is proposed to remain the same at \$1,500. There are no proposed funding changes within the operating supply budget.

Other Charges – Total Other Charges increased \$130,500 or 2.9%. The rubbish removal budget increased based on the current year’s estimated expenditure usage and a contractual price increase per stop for refuse and yard waste pickups. A fuel adjustment savings was offset by higher prices for recycling materials. \$500 was added to the budget for emergency repairs to recycling equipment.

Capital – There is no Capital proposed for this division.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$126,546	\$143,530	\$144,220	\$145,250	\$145,250
Supplies	2,467	1,500	1,500	1,500	1,500
Other Charges	4,568,623	4,539,900	4,620,410	4,670,400	4,670,400
Total	\$4,697,636	\$4,684,930	\$4,766,130	\$4,817,150	\$4,817,150

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 29 developed parks.

Another support activity is the maintenance of Sterling Heights' urban forest. Approximately 29,000 right-of-way trees are maintained, including inspection, trimming, removal of trees and stumps, and replanting of trees.

Catch basin cleaning is another important function. Catch basins are routinely cleaned allowing for the

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.*

rapid disposal of storm water runoff and drainage. Drainage ditches are cleaned and the culverts are maintained to ensure adequate capacity for storm runoff.

During a declared Snow Emergency, the Snow and Ice Control program ensures an organized procedure for snow removal of all City roads within 48 hours after snowfall ceases. This objective is achieved on 60 miles of major roads and 289 miles of local roads.■

Did you know...

...the Street Services division can now provide permanent road repairs utilizing the recently purchased road repair equipment?

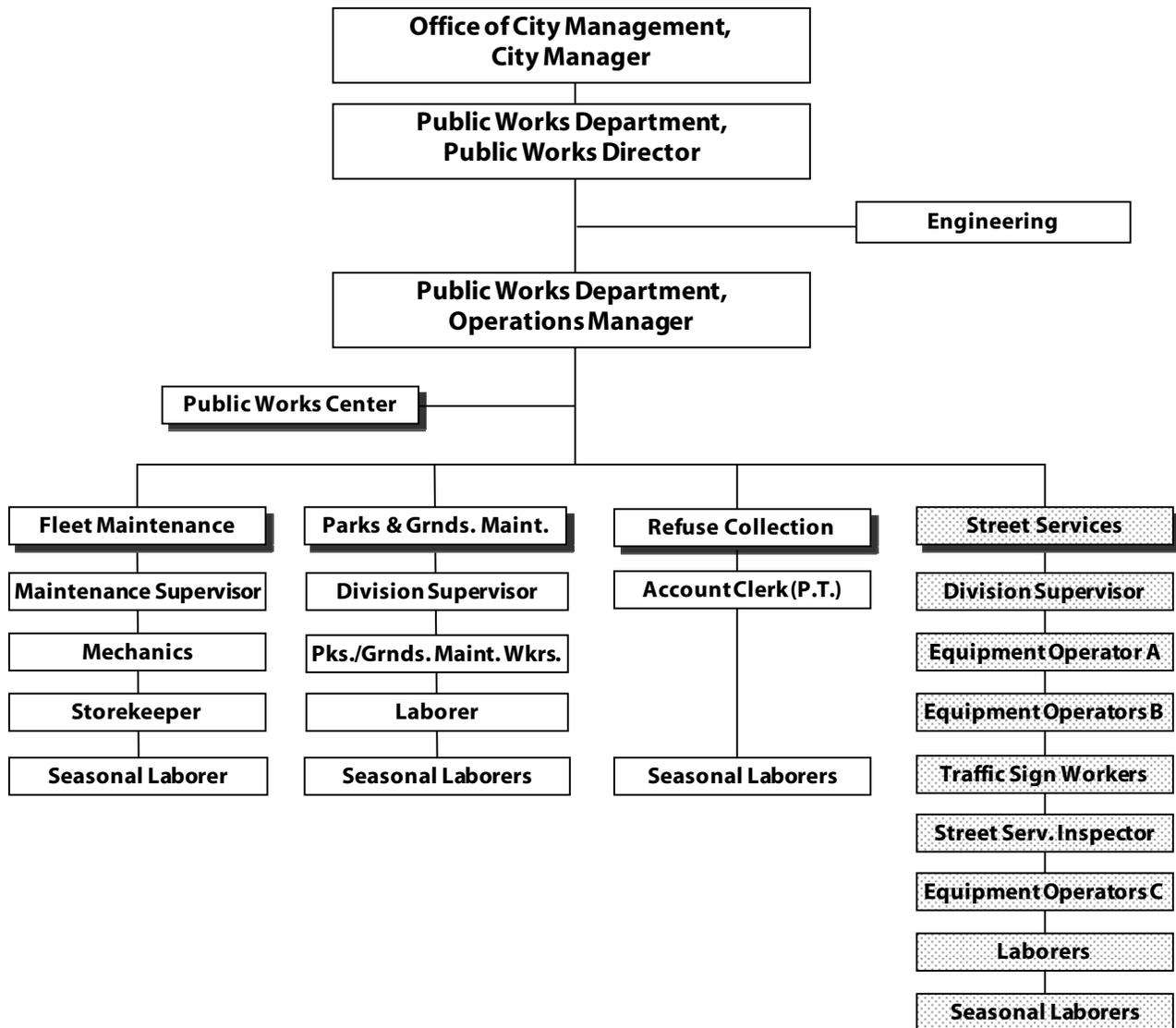
Street Services

2015/16 PERFORMANCE OBJECTIVES

- To remove woody debris from the Clinton River waterway. (City Goal 14, 16, 18, 19)
- To rent equipment to reestablish the engineering design of dirt roads for better drainage. (City Goal 16, 17)
- To establish a better way to track material usage. (City Goal 16,17)
- To continue to repair roads with new long lasting repair techniques developed from recently purchased road equipment. (City Goal 16,17)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	After Hours Snow Removal Occurrences	17	29	41	30	30	30
	Tons of Road Salt Used	2,301	5,826	15,338	8,000	10,000	10,000
	Miles of Snow Fence Installation or Removal	1.9	2.0	2.1	2.0	2.0	2.0
	Pothole Patching - Tons of Patch Used	262	428	1,196	700	500	500
	Sidewalk Patching - Number of Locations	19	118	82	125	125	100
	Street Sweeping - Rotation (395 miles)	2	4	3	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	10	14	6	20	10	10
	Right-of-Way Mowing - Revolution (357 miles)	6	10	13	10	10	10
	Storm Catch Basin Cleaning-Number of Locations	1,994	1,349	953	2,000	500	1,000
	Street Trees Removed (In-House/Contractor)	235/207	113/210	148/146	200/400	150/350	200/400
	Street Trees Planted (Subcontracted)	98	252	49	300	150	250
	Street Trees Pruned (Subcontracted)	0	1,872	3,536	4,000	4,000	4,000
	Homeowner Tree Inquiries/Inspection Responses	1,771	4,674	3,536	3,000	3,000	3,000
	Res. Tree/Branch Chipping Req. Filled (Incl. ROW's)	3,524	884	1,770	500	1,500	1,000
	Traffic Sign Repairs or Replacements	699	540	557	800	800	800
	Gravel Roads - Lane Miles Graded	37	34	35	40	30	40
	Dust Control - Gallons Calcium Chloride Applied	31,019	45,200	45,800	50,000	50,000	50,000
	Signs Installed for Adopt-A-Road	2	0	0	5	0	2
	Refuse Pick-Ups Made from Adopt-A-Road	71	68	74	50	50	50
Efficiency	% of Tree Chipping Requests Completed w/i 1 week	95%	98%	98%	99%	99%	99%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$0	\$200	\$1,200	\$1,200	\$1,000	\$1,000
	Street Services Cost Per Capita	\$13.67	\$13.41	\$16.63	\$15.07	\$17.23	\$17.35
	Activity Expenditures as % of General Fund	2.03%	2.14%	2.66%	2.20%	2.47%	2.54%

Street Services



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
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	2	2	2
Laborer	1	3	5
Seasonal Laborer	3	4	6
Total	18	21	25

Street Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

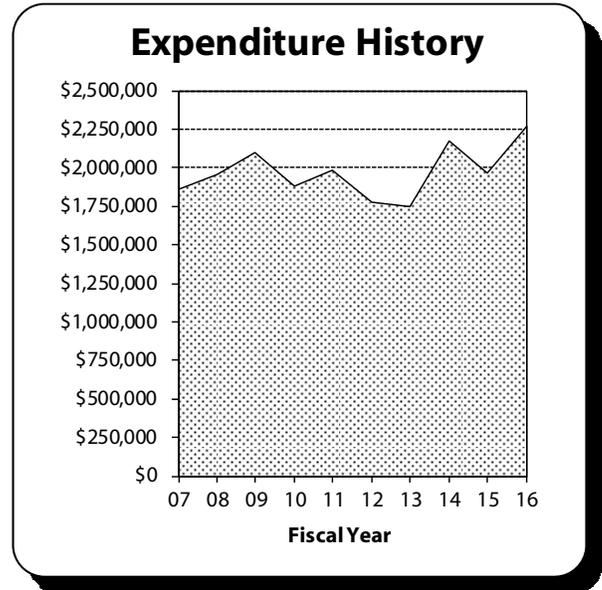
The total budget increased by 15.4%.

Personnel Services – The Personnel budget increased \$300,800 or 15.4%. Full-time wages rose \$120,750 due to a new full-time Laborer position, a Laborer transferred from the Sewage division, as well as wage increases from the settled DPW labor contracts. Overtime costs increased \$100,000 due to an increase in road maintenance efforts. Part-time wages rose \$12,690 to fund two existing summer Seasonal Laborers to better maintain grass cutting on City cul-de-sacs and to assist with road repairs.

Supplies – Total Supplies increased \$700 or 4.6% due to the higher cost and greater need for signage materials and traffic control supplies.

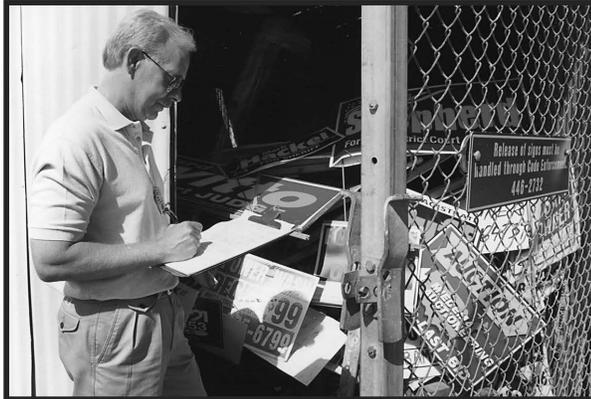
Other Charges – Total Other Charges increased \$1,600 or 19.9%. Educational funding increased \$1,650 for aerial platform training, which is required every three years by the Michigan Occupational Safety and Health Administration (MIOSHA) for applicable DPW personnel. Chainsaw safety training is also funded for \$800. \$50 was saved, as fewer printed work order and complaint forms are needed.

Capital – \$31,000 is budgeted to replace a 2003 4 x 4 Pickup Truck with Plow that has over 150,000 miles and rusting body panels.



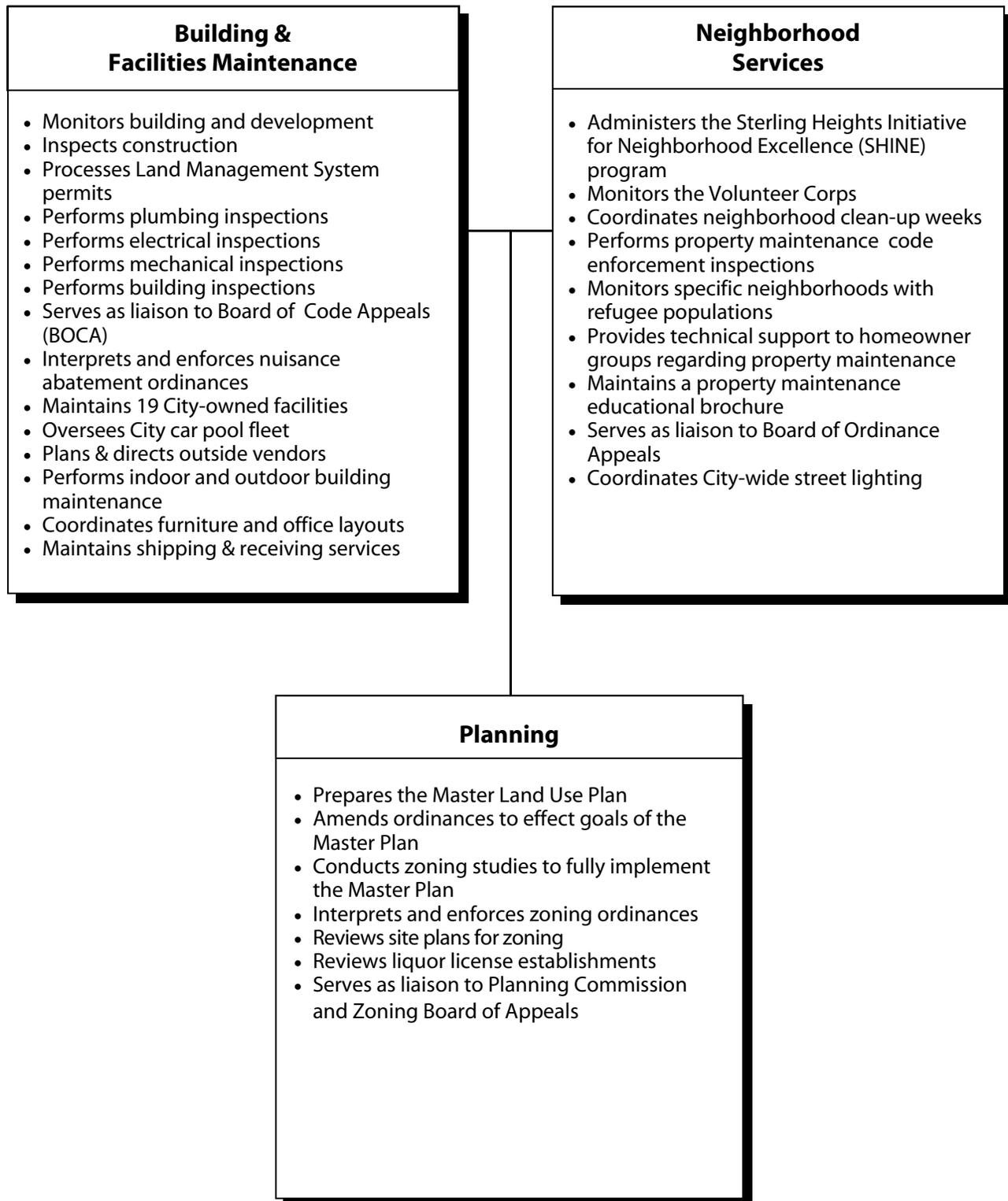
FUNDING LEVEL SUMMARY					
	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$2,147,230	\$1,947,040	\$2,229,880	\$2,247,840	\$2,247,840
Supplies	16,411	15,300	15,300	16,000	16,000
Other Charges	7,180	8,050	7,950	9,650	9,650
Total	\$2,170,821	\$1,970,390	\$2,253,130	\$2,273,490	\$2,273,490

City Development Department



FUNCTIONAL ORGANIZATION CHART

City Development Department



DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development budget increased \$355,160 or 10.8%. Personnel costs increased \$281,420 or 10.8%. A new City Development Director position is funded, as well as increased Building Inspector hours, a part-time Building Inspector, as well as funding for the former Economic Development Manager to become the new City Planner, as part of the City's succession planning efforts. The current part-time City Planner's hours have also been increased, and the position is funded through the end of the fiscal year. Due to staff turnover in Community Relations, a Neighborhood Liaison Specialist has been transferred back to Community Relations. As a result, an additional part-time Code Enforcement Officer position is proposed. Supplies decreased \$2,480 or 5.2%, due to the one-time funding

of updated commercial building code books in the prior year. Other Charges rose \$76,220 or 11.9%, to link the business registry software to other City databases to better share common property information among departments. Funding also increased for building maintenance, which was partially offset by the one-time funding to update the Master Plan in the prior year. Funding is included to provide conceptual redevelopment alternatives for the Lakeside Mall. The Capital budget includes two replacement out-of-town pool vehicles, exterior façade repairs to City buildings, replacement of City Hall electrical service panels, and a new sewer snake machine for City buildings and park restrooms.

FUNDING LEVEL SUMMARY

	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Building & Facilities Maint.	\$1,373,140	\$1,781,940	\$1,784,450	\$1,899,120	6.4%
Foreclosure Relief	4,410	0	0	0	0.0%
Neighborhood Services	346,260	1,278,560	1,330,910	1,522,710	14.4%
Planning	237,210	104,560	182,120	230,810	26.7%
Total Department	\$1,961,020	\$3,165,060	\$3,297,480	\$3,652,640	10.8%
Personnel Services	\$1,850,150	\$2,506,090	\$2,611,530	\$2,892,950	10.8%
Supplies	23,660	35,420	47,800	45,320	-5.2%
Other Charges	87,210	623,550	638,150	714,370	11.9%
Total Department	\$1,961,020	\$3,165,060	\$3,297,480	\$3,652,640	10.8%

PERSONNEL SUMMARY

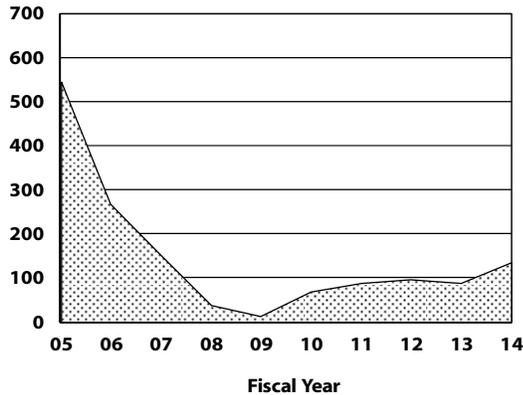
	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building & Facilities Maint.	10	2	9	0	9	0	9	1
Neighborhood Services	3	0	7	7	9	8	9	9
Planning	2	2	0	1	0	1	1	1
Total Department	15	4	16	8	18	9	19	11

Excludes Boards & Commissions and Component Unit Funding.

KEY DEPARTMENTAL TRENDS

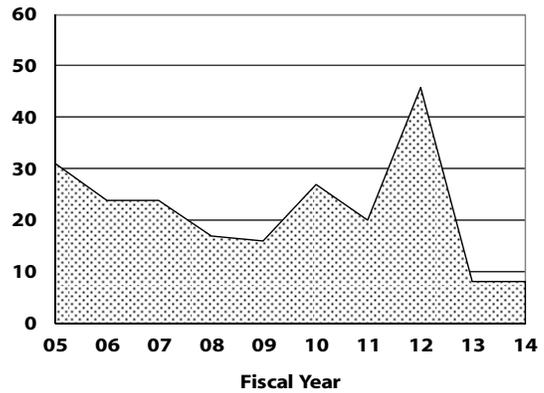
City Development Department

Residential Building Permits New Construction



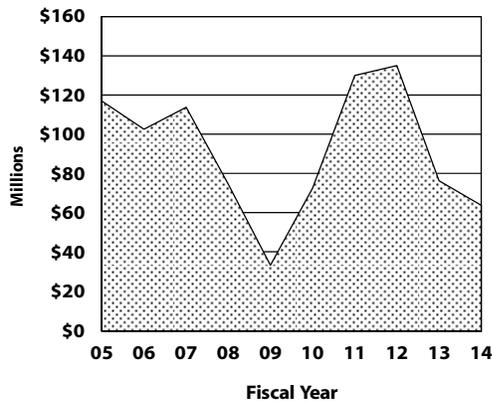
The number of residential building permits reached a high of 546 in 2005 due in part to the increasing number of condominium units and cluster developments. Since 2005, however, the number declined to a ten year low in 2009 as only 14 permits were issued. The number of permits issued has increased slightly over the past five years.

Commercial Building Permits New Construction



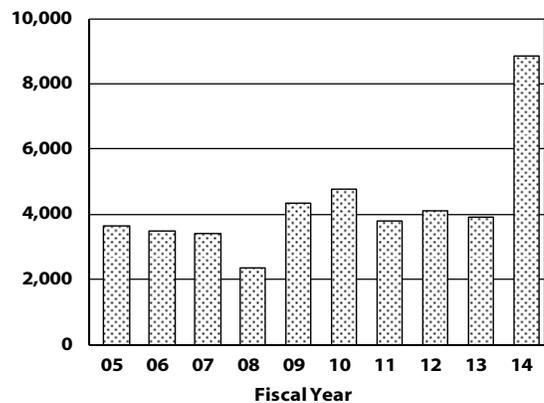
The number of new commercial building permits has decreased over the past two years to reach a ten-year low.

Building Permits at Market Value



The dollars invested in new building construction and improvements fell from \$117 million in 2005 to a low of \$33 million in 2009. The number of residential permits dramatically declined. 546 new construction residential permits were issued in 2005, compared to only 134 permits in 2014 – a 75% decrease. The market value of commercial permits rose in 2009 and 2012 due to several large projects, including BAE and Chrysler.

Code Enforcement Properties Cleaned



The number of code enforcement cases have increased by over 240% since 2005. The City has made a concerted effort to strengthen and vigorously maintain property values by eliminating blighting influences. In 2009 the City's building inspectors began to assist code enforcement officers with code inspections, and in 2011 the SHINE program began. In 2014, three additional part-time code inspectors were hired. 95% of inspections were performed within 48 hours of complaint and 98% of violations were corrected prior to City action.

MISSION STATEMENT: *To maintain a well-balanced program of monitoring building construction, so that the community may enjoy a safe environment and to maintain all City facilities in a safe, clean and economical manner.*

The Building office monitors the building and development activities in the City. The objective of the staff is to inspect projects for compliance to the State adopted construction codes to ensure the health, safety and welfare of the public. This is achieved through an aggressive inspection program in all types of construction – residential, commercial, and industrial. Daily inspections are performed throughout the City to assure compliance to State and local building codes and ordinances.

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. The community is safeguarded against improperly constructed structures by numerous inspections performed by the inspection staff from the beginning through the completion of a project.

To best serve the interests of the taxpayers, developers and investors in the community, the Building activity is operated in a very efficient manner to ensure that inspections are conducted in a timely manner. The established plan review process provides for the efficient administration of the permitting process.

The inspectors employed within the Building office are highly qualified and trained professionals who are monitored not only by the City, but also by the State. They have obtained nationally recognized certifications and participate in continuing education to stay informed of all new construction techniques and code changes. A highly competent clerical staff supports the inspectors and assists customers visiting the Building office.

The Building Official is responsible for proper enforcement of code requirements throughout the construction process. He oversees the daily responsibilities of the department and provides assistance to the inspection staff as needed. The Building Official has the authority to render interpretations of the codes and to adopt policies and procedures in order to clarify the provisions.

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.*
- *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 conduct preventative maintenance programs on all mechanical, electrical, and plumbing equipment to ensure it operates at safe and optimum efficiency.*

The Building Official also oversees the daily activities of the City's custodial contractor and the Facilities Maintenance staff, who are responsible for maintaining all City facilities in a safe, clean and efficient manner. The Facilities Maintenance staff works on preventative maintenance on all mechanical, electrical and plumbing equipment. They also maintain all interior and exterior surfaces that require routine maintenance throughout the year.■

Did you know...

...the City of Sterling Heights Building Office inspection staff has a combined 80 years of inspection experience and 170 combined years of construction experience?

Building & Facilities Maintenance

2015/16 PERFORMANCE OBJECTIVES

(Building)

1. To create a protocol "how to" document for businesses wanting to open up in the City of Sterling Heights so they are aware of the necessary requirements to obtain an occupancy permit. (City Goal 20, 24)
2. To provide the option for certain permits to be issued immediately to the applicant when applied for over the counter, thus eliminating plan review. (City Goal 3, 25)
3. To host educational classes at Velocity or City Hall for inspectors to obtain the required continuing education credits and also include local contractors so they are educated on construction codes. (City Goal 1,2, 21, 25)
4. To provide a handout for the necessary required inspections and department requirements, so contractors and homeowners are informed on City processes in order to complete their projects. (City Goal 24, 25)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Permits Issued	4,767	4,533	5,921	5,365	5,750	6,230
	Building Permits Issued	1,660	1,274	1,644	1,575	1,990	2,100
	Mechanical Permits Issued	1,596	1,577	2,395	1,700	1,600	1,700
	Plumbing Permits Issued	731	688	847	990	950	1,100
	Electrical Permits Issued	780	994	1,035	1,100	1,210	1,330
	Total Inspections Performed	14,614	13,432	13,602	14,080	14,920	15,400
	Building Inspections	7,081	6,538	5,909	6,420	6,650	6,700
	Mechanical Inspections	3,260	2,981	3,185	3,020	3,030	3,170
	Plumbing Inspections	2,230	1,813	2,267	2,320	2,520	2,700
	Electrical Inspections	2,043	2,100	2,241	2,320	2,720	2,830
	Ordinance Complaint Tickets Issued	0	0	1	1	2	1
	Board of Code Appeals Applications	2	4	2	5	2	4
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	2	2	3	3	3	3
	% of Inspections Performed on Schedule	95%	95%	95%	95%	95%	95%
	% of Commercial Plans Reviewed w/i 20 days	95%	95%	95%	95%	95%	100%
	% of Residential Plans Reviewed w/i 10 days	90%	95%	90%	95%	95%	95%
	Average No. of Inspections per Budgeted Inspector	3,247	2,686	2,720	2,820	2,980	2,800
	Market Value of Building Permits (Millions)	\$135.1	\$76.1	\$65.0	\$94.0	\$67.6	\$75.0
	Permits Issued via City's Website	108	117	210	270	260	275
	Activity Expenditures as % of General Fund	1.57%	1.68%	2.18%	1.99%	1.99%	2.13%

Building & Facilities Maintenance

2015/16 PERFORMANCE OBJECTIVES

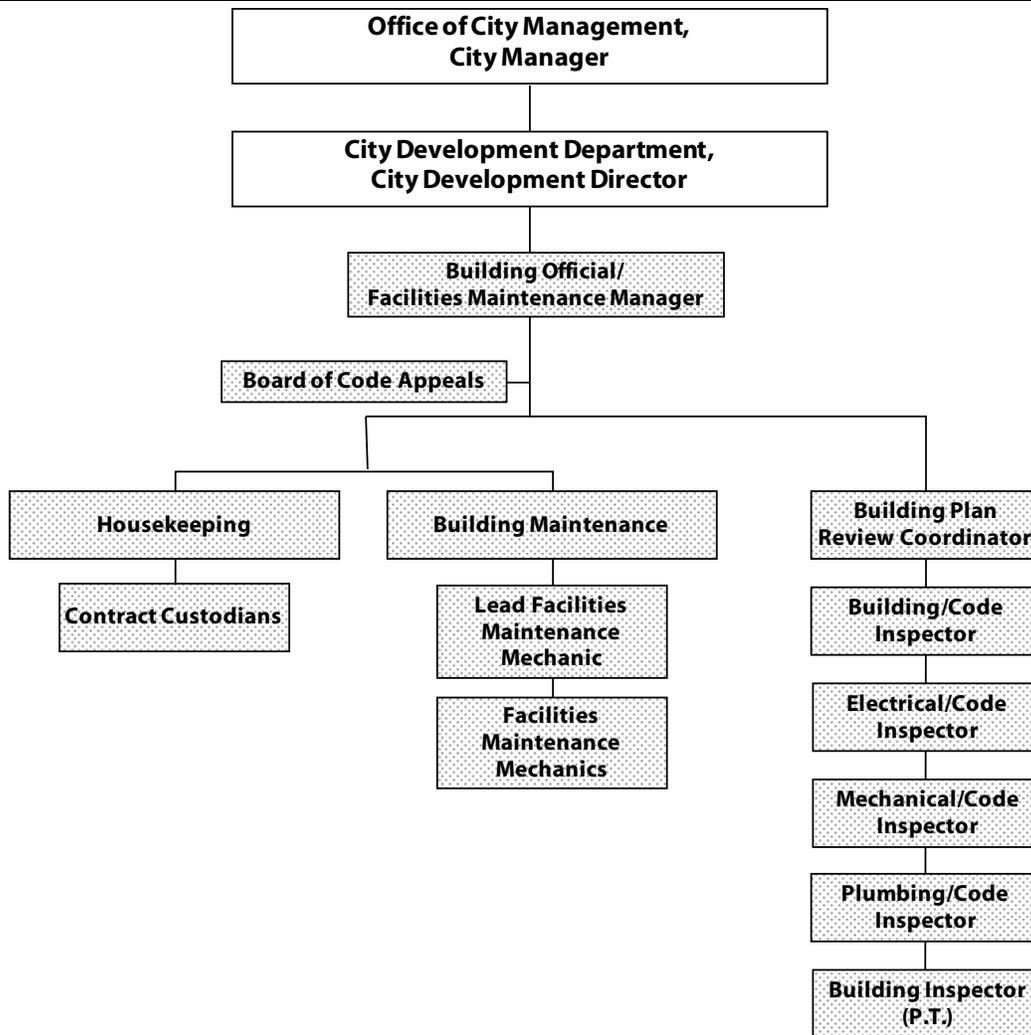
(Facilities Maintenance)

- To have the current heating and cooling systems in City Hall and 41A District Court evaluated to potentially upgrade the current controls to provide a more consistent work environment. (City Goal 2, 3, 16)
- To educate current staff on constant changes to air handling equipment through seminars offered by utility companies and manufacturers. (City Goal 4, 7)
- To meet on a more consistent basis with building representatives to verify that work orders are being completed in an acceptable time frame. (City Goal 3, 6)
- To work with the Information Technology staff to create a tracking and retention process for all facility requests for service to maintain history and help ensure projects are completed. (City Goal 1, 23, 24)

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	City Facilities Supported - Square Feet	360,823	360,823	360,823	360,823	360,823	360,823
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	246,434	246,434	246,434	246,434	246,434	246,434
	Renovations/Projects Supervised/Coordinated	\$521,170	\$3,400	\$222,550	\$137,630	\$149,630	\$117,000
	Interior Preventive Maintenance Cycles	4	4	4	4	4	6
	Exterior Preventive Maintenance Cycles	2	4	4	4	4	4
	Maintenance/Custodial Service Requests Processed	7,300	1,000	1,050	1,100	1,200	1,320
	Deliveries to City Council Members	55	55	55	55	55	55
	Car Pool Vehicles Supervised	37	37	37	37	37	37
	Voting Machines Assembled & Delivered	880	1,000	1,000	1,000	1,400	1,400
	Efficiency & Effectiveness	% of Emg. Call-Ins Reported to w/i 30 minutes	98%	98%	98%	99%	99%
% of Service Requests Met Within 15 Days		70%	80%	90%	95%	95%	98%
Hrs. Spent for Building Maintenance Per 1,000 s.f.		19.0	19.0	19.0	19.0	19.0	19.0
Overtime/Comp Hours Worked		600	140	120	120	180	130
Cost to Complete Maintenance Service Requests		\$411,389	\$413,959	\$408,006	*	*	*
Activity Expenditures as % of General Fund		1.56%	1.21%	0.00%	0.00%	0.00%	0.00%

*Cost is calculated for "Actual" columns only.

Building & Facilities Maintenance



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Building Official/Facilities Maintenance Manager	1	1	1
Building Plan Review Coordinator	1	1	1
Building Inspector/Code Enforcement Officer	1	1	1
Building Inspector (P.T.)	0	0	1
Electrical Inspector/Code Enforcement Officer	1	1	1
Mechanical Inspector/Code Enforcement Officer	1	1	1
Plumbing Inspector/Code Enforcement Officer	1	1	1
Lead Facilities Maintenance Mechanic	1	1	1
Facilities Maintenance Mechanic	2	2	2
Total	9	9	10

Building & Facilities Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

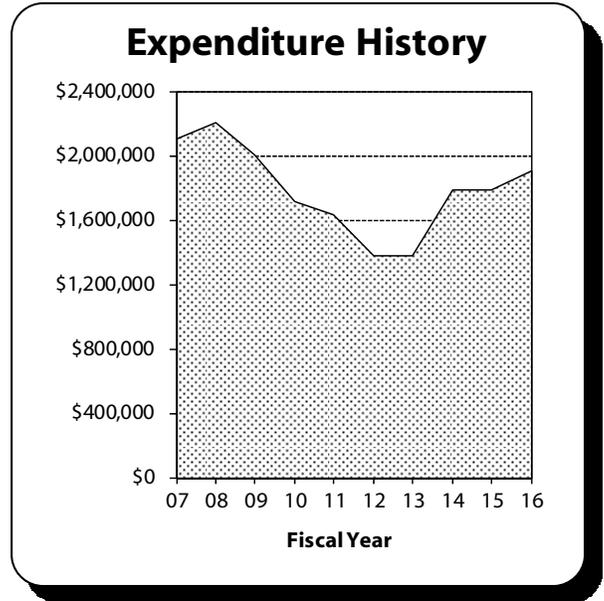
The total budget increased by 6.4%.

Personnel Services – The Personnel budget increased \$96,660 or 8.1%. The increase is largely due to increasing Building Inspector hours from 37.5 to 40 hours per week, due to an increase in building inspections and permit activity. In addition, a part-time Building Inspector is proposed. Required contributions to the General Employees pension system increased \$7,110, while an additional \$4,310 is budgeted for retiree health care liabilities.

Supplies – Total Supplies decreased \$950 or 2.5%. Publication costs decreased \$1,150 due to the one-time funding of updated commercial building code books in the prior year. Updated residential building and energy code books are funded next year.

Other Charges – Total Other Charges increased \$18,960 or 3.4%. \$20,000 is needed for increased City building maintenance needs. Membership costs increased \$1,440 for Inspector recertification, which is required every three years, and a slight increase in existing membership fees. \$520 is needed to fund higher equipment maintenance costs and educational funding increased \$200 for additional Inspector classes. Utility costs decreased \$3,000 based on recent expenditure levels.

Capital – Capital of \$151,500 is budgeted in the Capital Projects Fund. \$32,000 is recommended to replace 1998 and 1999 pool vehicles used for out-of-town city



business travel. \$7,000 is for exterior façade repairs to City buildings, and \$110,000 is to replace City Hall electrical service panels. \$2,500 is for a more efficient Sewer Snake Machine to replace the current 15-year old equipment.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,177,389	\$1,189,590	\$1,216,170	\$1,286,250	\$1,286,250
Supplies	26,885	38,750	38,570	37,800	37,800
Other Charges	577,670	556,110	561,900	575,070	575,070
Total	\$1,781,944	\$1,784,450	\$1,816,640	\$1,899,120	\$1,899,120

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

~ Theodore Roosevelt ~



MISSION STATEMENT: *To protect a property owner's investment by enhancing the quality of life in our neighborhoods, educating residents, and performing neighborhood outreach as well as encouraging economic development through the promotion of energy efficiency, water-related tourism, and Science, Technology, Engineering, and Mathematics (STEM) workforce development initiatives.*

Neighborhood Services is an office in the Public Works Department responsible for code enforcement as well as economic development programs related to energy efficiency and technology, the Blue Economy (promotion of water resources) and Science, Technology, Engineering, and Mathematics (STEM) workforce development initiatives.

This office works closely with the office of Community Relations to implement and administer the principals of SHINE - Sterling Heights Initiative for Neighborhood Excellence. Those principals include working closely with community groups to advise property owners on maintenance issues; using multi-lingual resources to communicate in neighborhoods where there may have been a significant influx of refugees; coordinating clean-ups to assist residents who may have challenges that prevent them from maintaining their property; and inspecting over 200 residential subdivision court islands to insure proper maintenance.

Neighborhood Services' Code Enforcement Officers strive to preserve residential and commercial property values through strict enforcement of property maintenance standards. Property owners who do not voluntarily comply are sent to the Ordinance Board of Appeals (OBA) and a nuisance abatement public hearing is held. 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 Ordinance Board of Appeals also reviews dangerous and potentially dangerous dog cases. The City Development Manager is the staff liaison to the Ordinance Board of Appeals.

To support efficient and sustainable energy-related policies and practices, the City is a member of the Southeast Michigan Regional Energy Office (SEMREO), a unique collaboration of nonprofits and

KEY GOALS

- *To protect a property owner's investment by administering property maintenance ordinances.*
- *To implement the principals of SHINE – Sterling Heights Initiative for Neighborhood Excellence – by working with community groups, using multi-lingual resources, and coordinating neighborhood clean-ups to encourage long-term property maintenance.*
- *To support efficient and sustainable energy-related policies and practices that will attract talent to the area and consequently help revive the economy.*
- *To develop STEM (science, technology, engineering and math) educational initiatives that will encourage the growth of a diverse, talented and educated local workforce that will attract businesses to Sterling Heights.*

local governments encouraging greener communities to attract talent and consequently help revive Michigan's economy.

The City Development Director is the Vice President for the SEMREO Board of Directors. The City Development Manager also works to encourage the development of STEM initiatives, such as Velocity Jr., the STEM educational partnership with Utica Community Schools that encourages the growth of a diverse, talented and educated workforce that will attract businesses to Sterling Heights. ■

Did you know...

...the Code Enforcement Officers remove more than 200 illegal signs from City rights-of-way each month?

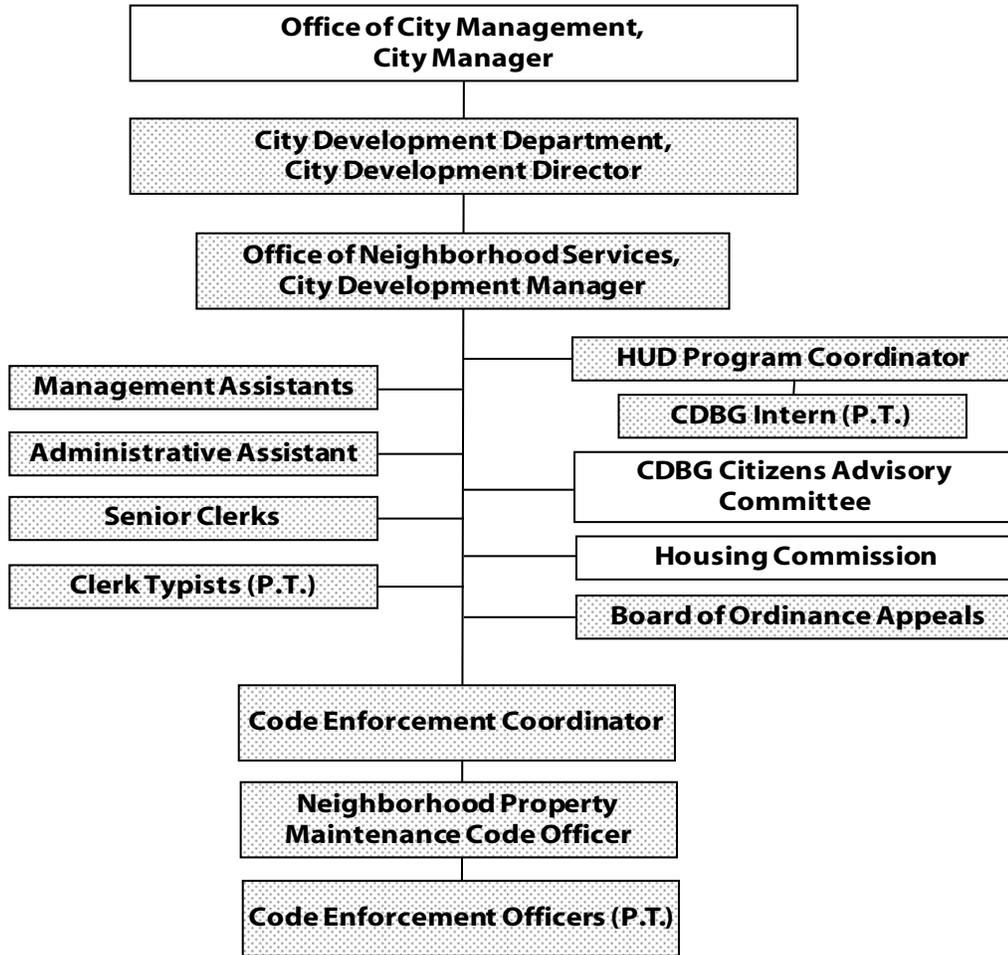
Neighborhood Services

2015/16 PERFORMANCE OBJECTIVES

- To work on the development of an ordinance requiring minimal landscaping requirements in residential districts. *(City Goal 12, 14)*
- To coordinate woody debris removal and install a second canoe launch along the Clinton River as part of the Blue Economy initiatives that promote our water resources and encourage tourism and economic growth. *(City Goal 18, 19)*
- To design and develop a strategic local solar plan that can help meet increasing energy demands, boost economic development, create sustainable jobs and enhance energy reliability. *(City Goal 21)*
- To coordinate the sale of three City-owned single-family residential lots located on Dundee Street. *(City Goal 15)*
- To streamline existing City Development policies and procedures for cost effectiveness, efficiency and necessity, and implement technology improvement strategies where appropriate. *(City Goal 23)*
- To utilize the City's new website mobile application to improve code enforcement services. *(City Goal 4, 23)*
- To contract with BS&A to be able to access stored public information from both MUNIS and New World and share the information with all City Departments. *(City Goal 6, 23)*

Performance Indicators		2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Inspections Performed	15,816	15,340	15,667	16,000	18,000	18,000
	Total Code Enforcement Cases/Properties Cleaned	4,100	3,900	8,851	8,500	8,500	8,500
	# of Proactive Code Enforcements (City Observed)	N/A	N/A	6,260	6,000	6,000	6,000
	# of Code Complaints Received	4,100	3,900	2,591	2,500	2,500	2,500
	Board of Ordinance Appeals Hearings	24	23	25	30	26	26
	Ordinance Board Cases Prepared - Nuisances	441	394	361	525	525	525
	Civil Infraction & Misdemeanor Tickets Issued	14	800	895	450	300	400
	# of Illegal Signs Removed from ROW	N/A	N/A	2,576	3,800	2,600	2,600
	# of Dangerous Dog Cases Reviewed	N/A	5	3	3	1	3
	Neighborhood Clean Up Events Scheduled (SHINE)	2	2	2	4	2	2
	# of SHINE Tags Issued	N/A	N/A	122	150	50	50
	Volunteer Corps Membership	212	220	302	280	280	280
	# of CDBG Home Rehab Applications Received	16	17	19	16	14	14
	Efficiency & Effectiveness	% of Insp. Performed w/i 48 Hours of Complaints	95%	95%	95%	95%	95%
Avg. Days Between Violation Notice & 1st Inspection		10	10	8	8	8	8
% of Violations Corrected Prior to City Action		90%	90%	98%	94%	95%	95%
Inspections Performed Per Inspector		1,582	3,068	1,958	2,000	2,250	2,400
Code Enforcement Cases Per Inspector		456	780	1,106	1,060	1,060	1,130
Code Enforcement Cases Per 1,000 Residents		31.6	30.0	67.8	65.0	65.0	64.9
Activity Expenditures as % of General Fund		0.48%	0.42%	1.56%	1.49%	1.45%	1.70%

Neighborhood Services



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
City Development Director	0	0	1
City Development Manager	1	1	1
Code Enforcement Coordinator	1	1	1
HUD Program Coordinator	0	1	1
Neighborhood Prop. Maint. Code Officer	1	1	1
Neighborhood Liaison Specialist	1	1	0
Management Assistant	1	2	2
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
Clerk Typist (P.T.)	2	2	2
Code Enforcement Officer (P.T.)	5	5	6
CDBG Intern (P.T.)	0	1	1
Total	14	17	18

Neighborhood Services

SUMMARY OF BUDGET CHANGES

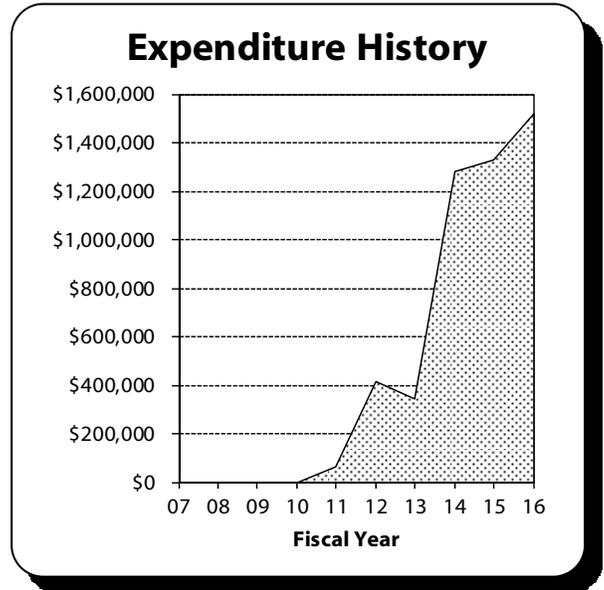
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 14.4%.

Personnel Services – The total Personnel budget increased \$131,910 or 10.5%. The increase is primarily a result of promoting an employee to City Development Director and backfilling the vacant City Development Manager position. Due to staff turnover in Community Relations, the Neighborhood Liaison Specialist has transferred back to a former job of Broadcast Programming Specialist. As a result, an additional part-time Code Officer position is proposed. In addition, most employees in this office are scheduled to receive wage step increases as they are not at the top of their pay scale.

Supplies – Total Supplies decreased \$1,530 or 17.7%. Operating supply costs decreased \$1,030 as less code enforcement related supplies need to be replenished. \$500 was saved, as funding for postage can be reduced and brought more in line with recent actual expenditure levels.

Other Charges – Total Other Charges increased \$61,420 or 101.3%. Equipment maintenance costs increased \$77,710 to link property information in several City software systems to one information storage platform that can be accessible by all City departments, and for additional BS&A software modifications and enhancements. Wireless service costs for the field inspection tablets rose \$100. \$15,110 was saved, as the one-time printing of a code enforcement resource guide for non-English speaking



residents was funded in the prior year. Rental costs decreased \$1,150 based on lower copier rental and usage fees under the new copier rental contract, as well as reduced copier usage resulting from the recent conversion to the BS&A system.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,226,378	\$1,261,640	\$1,261,290	\$1,393,550	\$1,393,550
Supplies	8,222	8,630	6,900	7,100	7,100
Other Charges	43,955	60,640	59,000	122,060	122,060
Total	\$1,278,555	\$1,330,910	\$1,327,190	\$1,522,710	\$1,522,710

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

The ZBA has specific powers and duties as provided in Act 110 of the Public Acts of 2006, as amended. The ZBA is a quasi-judicial body, and serves as the only body at the municipal level to hear appeals on

KEY GOALS

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

various zoning matters. These duties include ordinance interpretations, appeals of administrative decisions, modification, and variance of ordinance requirements, and use variances. The City Planner also serves as liaison to this Board.■

Did you know...

...the Office of Planning has begun working on the Master Land Use Plan Update, previously revised in 2005, to help guide development strategies for the next ten years?

Planning

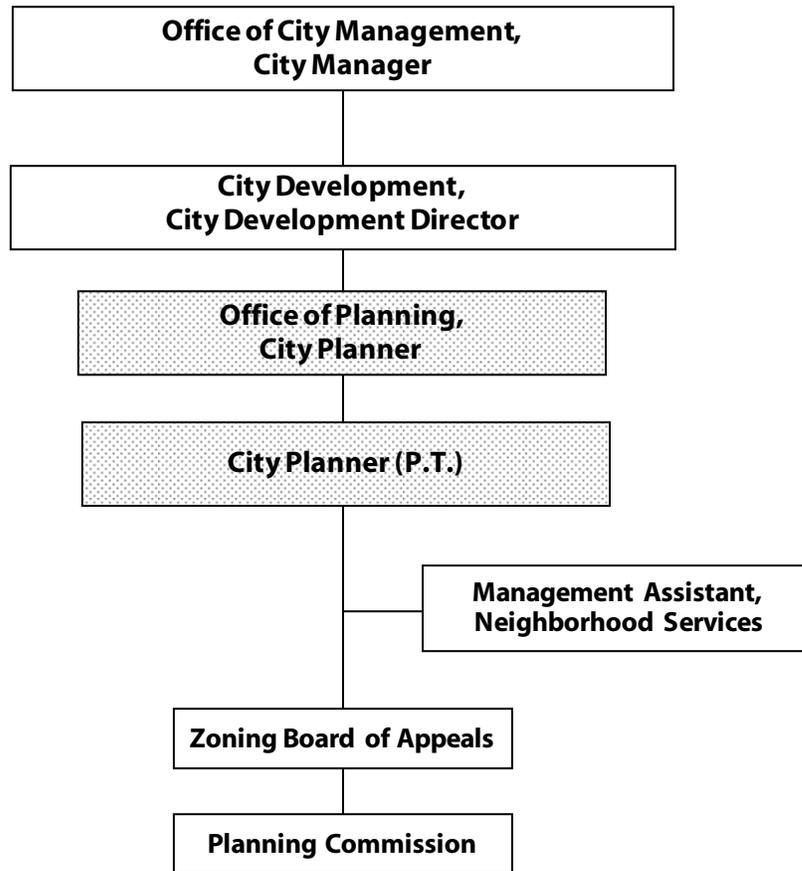
2015/16 PERFORMANCE OBJECTIVES

1. To begin the 2015 update for the Sterling Heights Master Land Use Plan. *(City Goal 4, 12, 22)*
2. To assist other City Departments involved in the 2015 update of the City's Parks and Recreation Plan and Non-Motorized Transportation Plan. *(City Goal 4, 16, 19)*
3. To begin the coordination and implementation of succession planning for the office. *(City Goal 2, 3)*
4. To assist the Planning Commission with the review and updating of the Zoning Ordinance. *(City Goal 13, 20)*
5. To research and prepare a draft of the single-family residential landscape ordinance for consideration by the Planning Commission and City Council. *(City Goal 12, 14)*
6. To work on the development of an ordinance requiring minimal landscaping requirements in residential districts. *(City Goal 12, 14)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Site Plans Reviewed	48	51	72	60	60	70
	Rezoning Petitions Processed	4	5	1	4	8	8
	Residential Developments	3	5	8	3	5	5
	Special Approval Land Uses Processed	7	4	4	7	7	6
	Site Inspections Conducted	596	259	335	360	355	360
	Planning Commission Cases Prepared	17	15	12	10	15	13
	Planning Commission Meetings Attended	10	8	7	8	8	8
	Temporary Uses, Variances, & Vacations Reviewed	74	57	53	50	45	50
	Zoning Board of Appeals Cases Prepared	32	19	12	15	20	17
	Zoning Board of Appeals Meetings Held	11	8	5	7	9	10
	Council Agenda Items Prepared	9	11	8	8	8	9
	Zoning Compliance, Use Permits Reviewed	439	283	254	270	300	300
Efficiency	% of Preliminary Site Plans Reviewed w/i 10 days	90%	93%	92%	90%	90%	90%
	% of Final Site Plans Reviewed w/i 3 days	90%	90%	90%	90%	90%	90%
	% of Property Splits Reviewed w/i 2 days	90%	90%	90%	90%	90%	90%
	Average Cost to Review a Site Plan	\$1,514	\$1,240	\$1,080	*	*	*
	Activity Expenditures as % of General Fund	0.55%	0.29%	0.13%	0.20%	0.31%	0.26%

*Cost is calculated for "Actual" columns only.

Planning



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
City Planner	0	0	1
City Planner (P.T.)	1	1	1
Total	1	1	2

Planning

SUMMARY OF BUDGET CHANGES

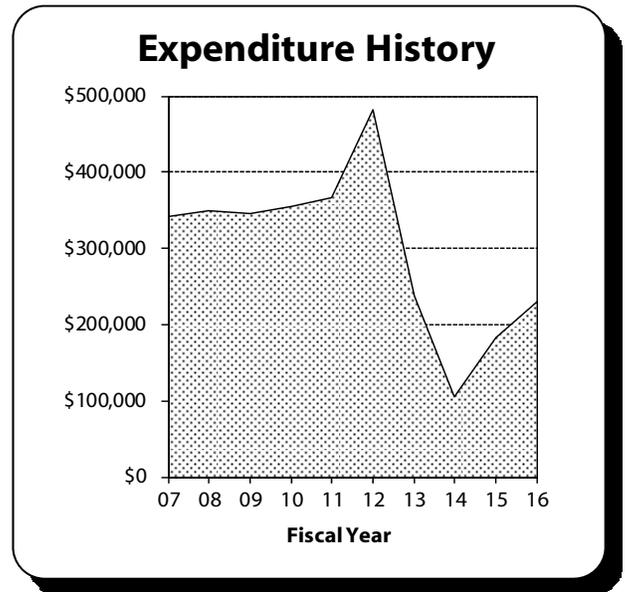
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 26.7%.

Personnel Services – The total Personnel budget increased by \$52,850 or 33.0%. The overall increase is primarily a result of full year funding for the former Economic Development Manager to become the new City Planner, as part of the City’s succession plan. To assist with that transition, the current part-time City Planner’s hours have been increased and the position is funded through June, 2016.

Supplies – Total Supplies is proposed to remain the same at \$420. There are no proposed funding changes to the postage and operating supplies accounts.

Other Charges – Total Other Charges decreased \$4,160 or 19.4%. Contracted services decreased \$5,000, as the prior year budget included the one-time funding of \$20,000 for professional consultant services needed to assist in updating the City’s Master Land Use Plan. \$15,000 is now budgeted for consultant services needed to provide conceptual redevelopment alternatives for the Lakeside Mall area. Telephone costs fell \$290 based on the current year’s estimated expenditure usage. \$600 was added for the new City Planner to attend a State Planning Conference next year. \$530 is also now funded for two new memberships to the American Planning Association’s Professional Institute (AICP) and the Michigan Association of Planners (MAP).

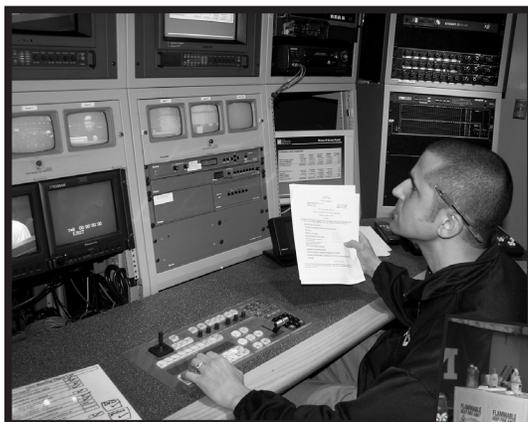


Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$102,320	\$160,300	\$160,920	\$213,150	\$213,150
Supplies	315	420	420	420	420
Other Charges	1,924	21,400	117,710	17,240	17,240
Total	\$104,559	\$182,120	\$279,050	\$230,810	\$230,810

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 increased \$102,500 or 11.0%. The Personnel budget increased only \$1,590 or 0.2%, as the prior year budget included funding for a six-month overlap in the Community Relations Director position, as part of the City's succession planning efforts. In addition, a portion of staffing costs will now be contracted out in Other Charges. A part-time Broadcast Services Manager position has retired, and an employee formerly in Neighborhood Services has returned to the position of Broadcast Programming Specialist. Overtime costs increased \$5,500 due to Sterlingfest and the video taping of night meetings. Supplies increased \$6,090 or

22.5%, as a result of increased postage costs of mailing the City Magazine. Other Charges rose \$94,820, as funding is budgeted for contracted services to assist the department, software support fees for the City's new website, and funding to allow 10, 20, and 30-year employees to attend the Annual Appreciation Banquet. In addition, the cost of printing the City Magazine increased. The Capital budget funds the replacement of nine personal computers and the replacement of seasonal decorative banners on light poles along Utica Road near City Hall.

FUNDING LEVEL SUMMARY

	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Community Relations	\$931,910	\$856,940	\$933,210	\$1,035,710	11.0%
Total Department	<u>\$931,910</u>	<u>\$856,940</u>	<u>\$933,210</u>	<u>\$1,035,710</u>	<u>11.0%</u>
Personnel Services	\$849,990	\$775,230	\$840,630	\$842,220	0.2%
Supplies	25,170	28,050	27,110	33,200	22.5%
Other Charges	56,750	53,660	65,470	160,290	144.8%
Total Department	<u>\$931,910</u>	<u>\$856,940</u>	<u>\$933,210</u>	<u>\$1,035,710</u>	<u>11.0%</u>

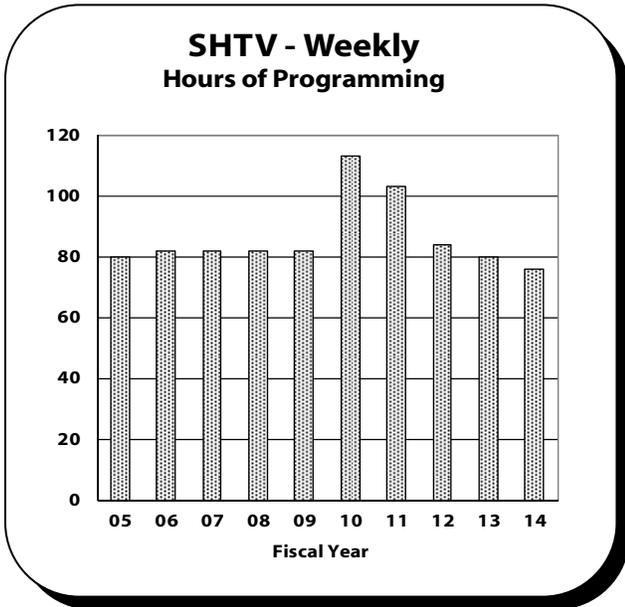
PERSONNEL SUMMARY

	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	6	1	5	2	5	2	6	1
Total Department	<u>6</u>	<u>1</u>	<u>5</u>	<u>2</u>	<u>5</u>	<u>2</u>	<u>6</u>	<u>1</u>

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

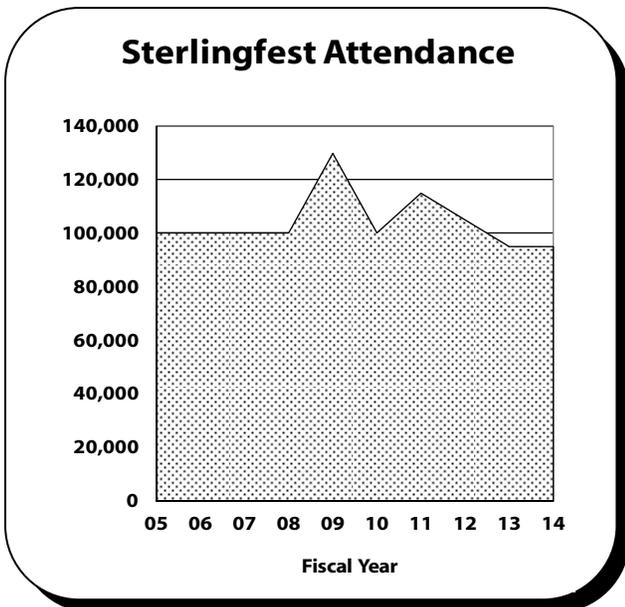
Community Relations Department



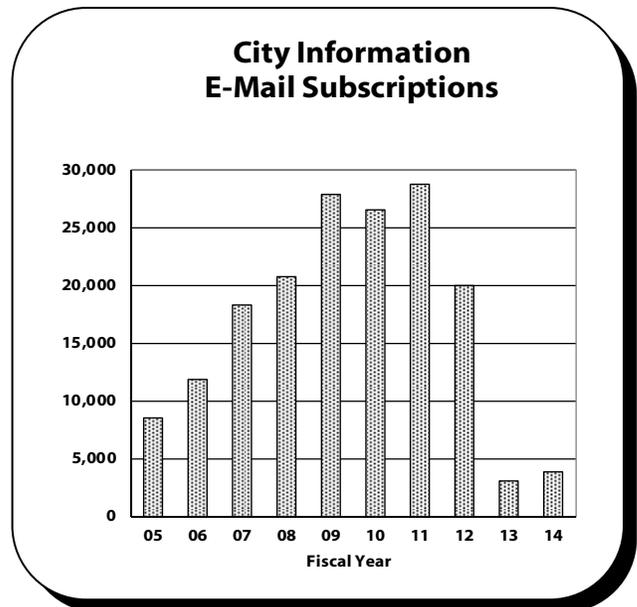
Sterling Heights Television viewers saw a rise in the total hours of programming. Hours increased in 2010 for the additional overnight programming. Hours have since declined due to a reduction in sports programming and bi-weekly newscasts.



City Website visits account for 99% of total service contacts. Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents, e-mails and additional electronic feedback programs.



The Sterlingfest Art and Jazz Fair 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. Attendance declines in several years is attributed to inclement weather.



The City offers 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. A new subscription email service in 2013 required all existing email addresses to be purged.

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

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.*

promote general development in the City and proposes policies that produce a better community in which to live, work, and play.■

Did you know...

...the City of Sterling Heights unveiled its new logo and slogan in 2015, in which the slogan - "Innovating Living" was chosen in an effort to promote an environment of collaboration and reasonable risk to invite lasting and beneficial solutions for all stakeholders?

Community Relations

2015/16 PERFORMANCE OBJECTIVES

- To increase coverage of Sterling Heights' happenings by local and regional media outlets. (City Goal 25)
- To increase the City's social media followers by 15% in the next year in an effort to communicate with and inform more of the City's residents. (City Goal 24)
- To launch an informational marketing campaign to bring awareness to the City's new website and its increased utility. (City Goal 24)
- To find new ways to inform and engage Sterling Heights high school-aged residents through volunteerism and targeted events. (City Goal 26)
- To develop ways to better communicate and utilize the City's Volunteer Corp. (City Goal 24, 26)

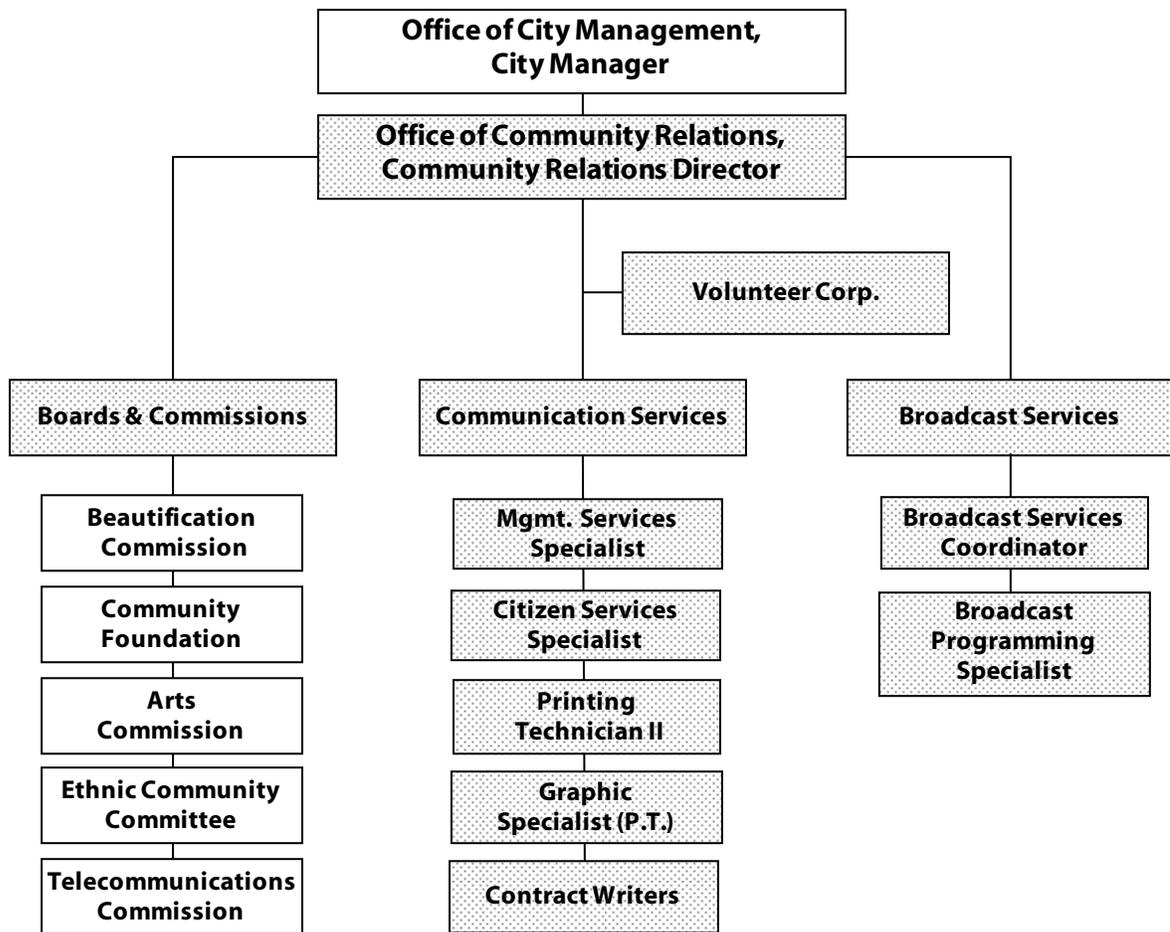
	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Customer Service Contacts	602,878	869,262	1,330,110	1,014,000	1,129,860	1,353,050
	Citizen Action Center Calls/Walk-ins	22,210	8,807	12,512	12,000	9,800	10,000
	E-Mail Requests	2,814	2,007	2,801	2,000	2,680	2,200
	"We Want to Know" Postcards	99	16	2	0	0	0
	Sterling Heights Website Home Page Views**	596,123	858,432	1,314,795	1,000,000	1,117,382	1,340,850
	Total Tapings & Programs Aired	318	170	224	150	135	150
	SHTV Hours of Programming (Weekly)	84	80	76	80	78	80
	City Council, Board & Commission Live Broadcasts	76	63	68	70	75	75
	Press Releases Produced	134	190	184	150	100	150
	Employee Newsletters	100	48	42	50	48	48
	City Magazine/Brochures Produced	17	15	19	15	27	25
	Typesetting/Graphic Design Projects	137	157	250	200	286	290
	City Information E-mail Subscription Recipients***	19,940	3,103	3,797	3,500	5,491	5,600
	Facebook Followers	2,635	3,051	3,660	4,160	4,390	4,860
	Twitter Followers	420	563	816	1,050	1,065	1,270
	Sterlingfest & Memorial Day Parade Attendance	110,000	100,000	100,000	100,000	100,000	100,000
	Beautification Awards Presented	60	57	61	60	60	60
	Print Requests Completed	219	270	281	250	227	250
Stockroom Requests Completed	167	127	134	150	152	160	
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	91%	88%	90%	88%	88%	88%
	Cost per Citizen Contact Center Call Received	\$2.97	\$3.02	\$2.85	*	*	*
	Average Cost to Televiser a Public Meeting	\$1,036	\$1,045	\$968	*	*	*
	Activity Expenditures as % of General Fund	1.19%	1.14%	1.05%	1.04%	1.06%	1.16%

*Cost is calculated for "Actual" columns only.

**In 2011/12, only visits to www.ci.sterling-heights.mi.us were reported, not www.sterling-heights.net.

***Beginning in 2011/12, a new subscription e-mail service required all existing e-mail addresses to be purged.

Community Relations



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Community Relations Director	1	1	1
Broadcast Services Manager (P.T.)	1	1	0
Broadcast Services Coordinator	1	1	1
Broadcast Programming Specialist	0	0	1
Management Services Specialist	1	1	1
Citizens Services Specialist	1	1	1
Printing Technician II	1	1	1
Graphics Specialist (P.T.)	1	1	1
Total	7	7	7

Community Relations

SUMMARY OF BUDGET CHANGES

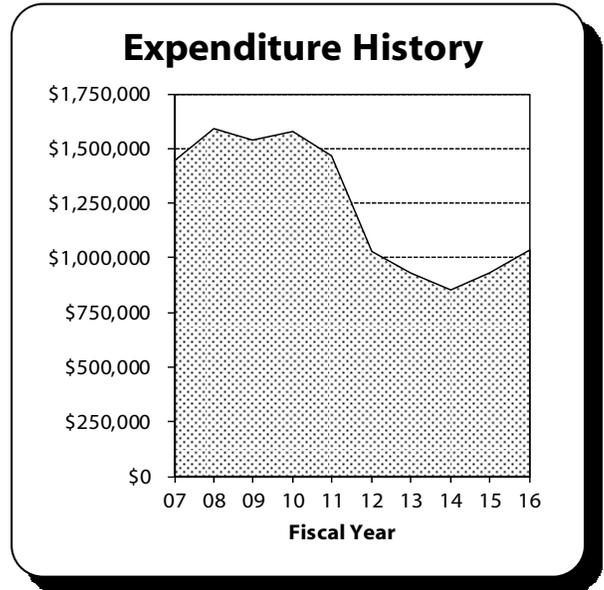
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 11.0%.

Personnel Services – The Personnel budget increased \$1,590 or 0.2%. The slight increase is the result of funding a six-month overlap in the Community Relations Director positions in the prior year, as part of the City’s succession plan efforts. In addition, a portion of staffing costs will be contracted out. A part-time Broadcast Service Manager has retired and an employee formerly in Neighborhood Services has returned to the position of Broadcast Programming Specialist. Overtime costs increased \$5,500 due to increased Sterlingfest hours and the video taping of night meetings.

Supplies – Total Supplies increased \$6,090 or 22.5%, primarily to replenish the postage meter for mailing City Magazines to residents, as the previous meter surplus has now been depleted.

Other Charges – Total Other Charges increased \$94,820 or 144.8%. Two contracted writers are funded for \$75,000. \$11,070 was added for the City’s new web site software support agreement and the annual maintenance contract for two recently purchased SHTV video encoders. \$5,000 was added to allow 10-20-30-year employees to attend the appreciation banquet. \$4,000 was added for the higher cost of printing the City Magazine. A new membership to City, County Communications & Marketing Association is funded for \$390. \$550 was saved from lower copier rental and usage fees.



Capital – This office is scheduled to receive nine Mac office computers totaling \$27,000 to replace the existing seven-year old units. \$15,000 is proposed to replace seasonal Decorative Banners on light poles along Utica Road, near City Hall.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$775,237	\$840,630	\$826,600	\$842,220	\$842,220
Supplies	28,051	27,110	29,110	33,200	33,200
Other Charges	53,657	65,470	111,560	160,290	160,290
Total	\$856,945	\$933,210	\$967,270	\$1,035,710	\$1,035,710

Non-Departmental Services



***Your most unhappy customers are your
greatest source of learning.***

~ Bill Gates ~



MISSION STATEMENT: *To provide a forum of equitable, peaceful, and timely legal dispute resolution, based on the principles of due process, while instilling public confidence in the Court system.*

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

The Judicial Services Center has equipment that is both desirable and necessary for a full service District Court with an increasing caseload. Technology advancements continue to improve staff efficiency and provide increased security.

The Court staff consists of three judges and a full-time magistrate who hears small claims cases, signs warrants, sets bonds, etc. The District Court Administrator oversees the court operations and supervises the support staff. The court is subdivided into six divisions and one Probation division. The six court divisions include Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and the Violations Bureau.

The Civil Division handles the jurisdiction of all civil litigation up to \$25,000.

The Criminal Division handles all felony and misdemeanor complaints filed by law enforcement agencies.

The Traffic and Ordinance Division handles complaints filed by law enforcement agencies regarding traffic and city ordinances.

The Landlord/Tenant Division processes claims filed involving the eviction of tenants and land contract forfeitures.

The Small Claims Division hears civil cases, which are below \$5,500 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 in January 2015, the maximum amount to claim in a small claims case was increased from \$5,000 to \$5,500?***

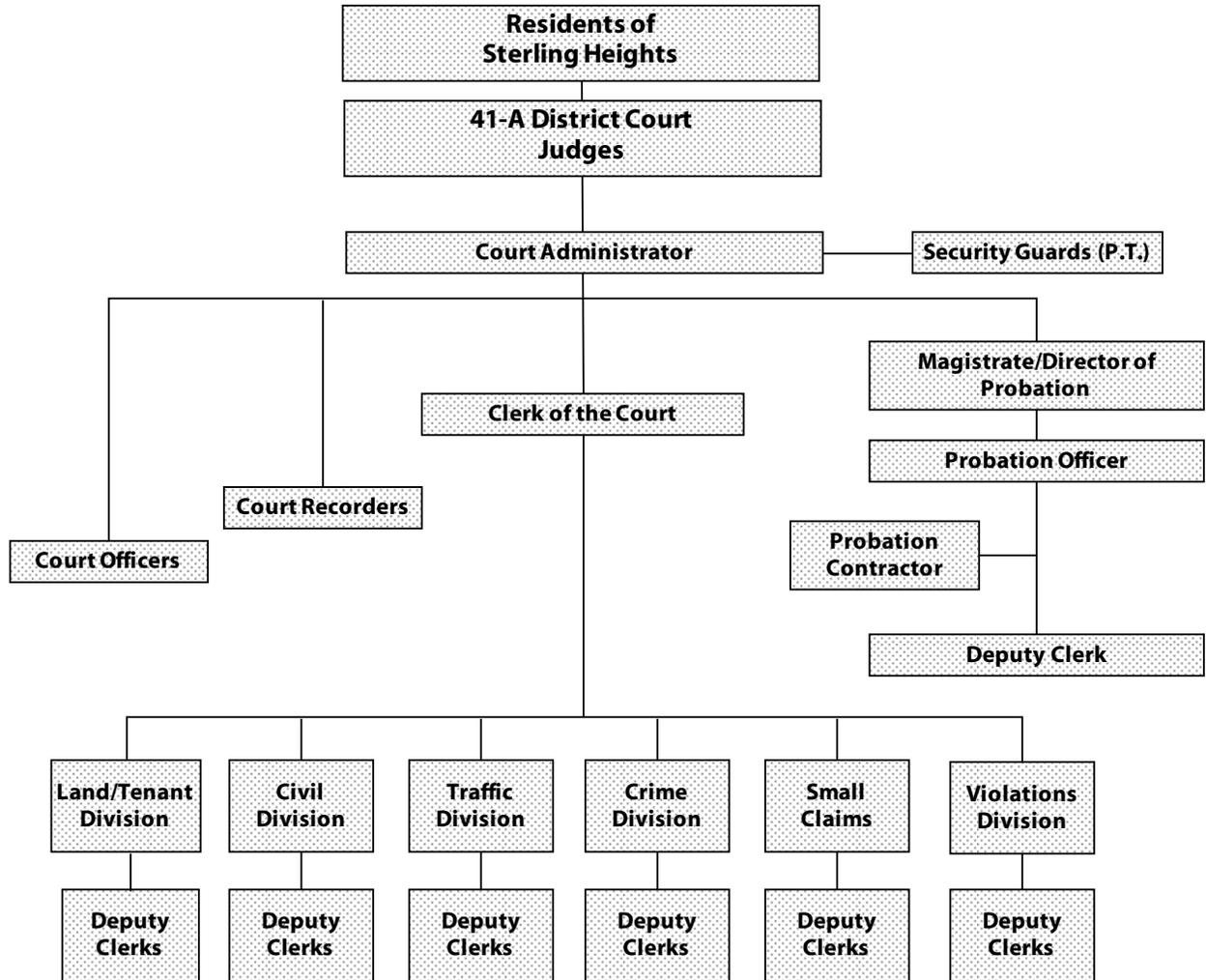
41-A District Court

2015/16 PERFORMANCE OBJECTIVES

- To install security cameras in the cashier's office. *(City Goal 1)*
- To consider an alternative payment method for jury fees, such as debit cards. *(City Goal 1)*
- To train additional personnel as certified Michigan State Police LEIN operators. *(City Goal 1)*
- To consider alternative processing of income tax garnishments. *(City Goal 1)*
- To seek legislation that will allow the Court to use a fee-based collection agency to collect unpaid court fines. *(City Goal 3, 7)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Total Active Caseload	42,118	40,185	40,118	38,000	40,800	42,000
	Total New Cases	33,352	32,421	31,804	31,130	33,330	34,450
	Traffic Cases	22,247	21,845	20,710	21,000	22,970	23,000
	Parking Cases	677	1,044	1,840	1,000	1,060	1,000
	Misdemeanor Cases	2,992	2,842	3,233	3,400	3,500	3,600
	Felony Cases	662	566	580	530	650	700
	General Civil Cases	3,760	3,546	2,550	2,400	2,400	2,400
	Small Claims Cases	404	313	400	400	350	350
	Landlord/Tenant Cases	2,610	2,265	2,491	2,400	2,400	2,400
	Magistrate Dispositions	7,413	7,281	6,903	7,500	7,500	7,600
	Jury/Bench Verdicts	6,934	6,545	7,013	7,000	8,100	8,200
	Guilty/Admissions/Default - By Party	21,307	19,826	17,827	17,000	17,500	18,000
	Dismissals - By Court or Party	6,580	6,312	6,788	6,300	6,100	6,500
	Probation Caseload (includes Shelby)	1,322	1,524	1,390	1,300	1,400	1,400
	Criminal Warrants Processed	N/A	N/A	N/A	N/A	N/A	2,200
	Efficiency & Effectiveness	% of Imposed Revenue Collected	96%	96%	96%	96%	96%
Court Revenue Collected by Collection Agency		\$25,774	\$13,880	\$5,683	\$1,000	\$3,000	\$2,000
% of Probation Clients Required to Attend Rehab.		75%	75%	75%	75%	75%	75%
Total Court Expenditures Per Capita		\$25.08	\$25.06	\$23.59	\$23.57	\$23.82	\$24.45
Cost per Active Case		\$77	\$81	\$77	\$81	\$76	\$76
# of Active Cases per FT Employee		1,203	1,148	1,216	1,270	1,360	1,355
Activity Expenditures as % of General Fund		3.73%	3.99%	3.77%	3.44%	3.41%	3.58%

41-A District Court



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Judge	3	3	3
Magistrate/Director of Probation	1	1	1
Court Administrator	1	1	1
Clerk of the Court	1	1	1
Court Reporter	3	3	3
Court Officer	3	3	3
Probation Officer	1	1	1
Deputy Clerk	20	17	18
Deputy Clerk (P.T.)	1	5	6
Security Guard (P.T.)	4	4	4
Total	38	39	41

41-A District Court

SUMMARY OF BUDGET CHANGES

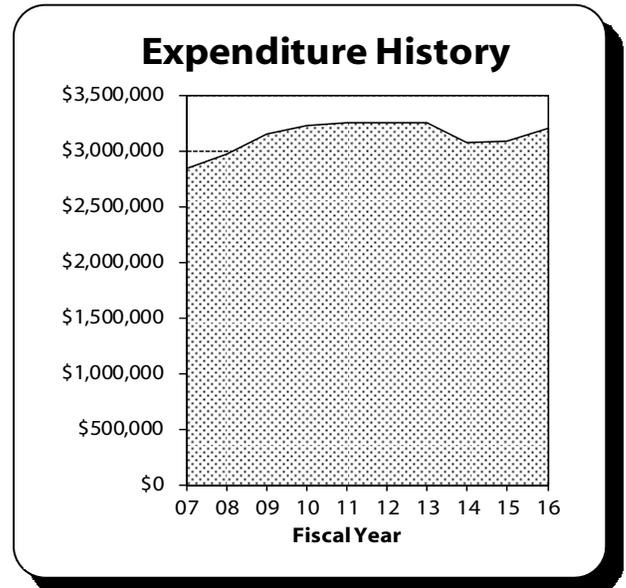
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.9%.

Personnel Services – The total Personnel budget increased \$102,210 or 3.6%. As the responsibilities of processing warrants has shifted from the Police Department to the 41-A District Court, an additional full-time Deputy Clerk and a part-time Deputy Clerk are now funded. Contributions to the General Employees Retirement System rose \$3,140, while an additional \$12,660 is budgeted for retiree health care liabilities.

Supplies – Total Supplies increased \$420 or 1.1% due to the increased cost of legal publications.

Other Charges – Total Other Charges increased \$17,990 or 7.8%. \$15,000 was added for the increased use of interpreters, as the Court is now required to provide interpreters when needed in most types of cases, rather than just criminal matters. Credit card fees increased \$4,800 due to greater public use of credit cards for payments. Heating costs rose \$1,000 due to higher rates. Liability insurance costs rose by \$500. \$390 was added for increased membership costs. Reporting services increased \$250 due to the increased use of outside Court recorders. Electric costs fell \$2,000 and telephone costs fell \$1,000, as both can be reduced and brought more in line with the current year’s estimated expenditure usage. Equipment maintenance costs decreased \$500 based on lower State computer software maintenance and annual support fees. \$490 was saved due to lower per-page print fees under the new copier rental contract.



Capital – The Court is scheduled to receive 35 personal computers to replace the existing seven-year old units, totaling \$31,500.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$2,775,346	\$2,811,650	\$2,822,940	\$2,913,860	\$2,913,860
Supplies	38,867	39,300	39,300	39,720	39,720
Other Charges	264,552	230,750	252,330	248,740	248,740
Total	\$3,078,765	\$3,081,700	\$3,114,570	\$3,202,320	\$3,202,320

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 participates with other governmental entities in utilizing a testing agency, Empco, Inc., for Firefighter and Police Officer recruitment and that applicants for Firefighter and Police Officer positions pay the exam costs to the testing agency, allowing applicants to apply with multiple communities utilizing the test score, and saving participating communities exam costs?

Act 78 - Civil Service Commission

2015/16 PERFORMANCE OBJECTIVES

1. To conduct a Police Officer recruitment to establish a new eligibility list. *(City Goal 1, 2, 3)*
2. To conduct Police Captain and Police Lieutenant assessment centers to establish new promotional eligibility lists. *(City Goal 1, 2, 3)*
3. To review and revise where necessary the Police Officer minimum requirements for hiring new Police Officers. *(City Goal 1, 2, 3)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Minutes of Act 78 Meetings Recorded	0	0	4	2	4	3
	Police Officer Eligibility List Applications	0	0	0	120	93	100
	Fire Fighter Eligibility List Applications	0	0	52	0	53	0
	Written Tests - Police Officer Eligibility List	0	0	0	120	93	100
	Written Tests - Fire Fighter Eligibility List	0	0	52	0	53	0
	Oral Interviews - Police Officer Eligibility List	0	0	0	65	84	75
	Oral Interviews - Fire Fighter Eligibility List	0	0	50	0	53	0
	Physical/Psychological Test - Police/Fire Candidates	0	0	0	24	36	18
	Appointment Notices - Police/Fire New Hires	0	0	0	25	32	18
	Police/Fire Personnel Files Maintained	120	120	120	120	120	120
	Maintained Files (hiring proc./legal opinions, etc.)	90	90	90	90	90	90
	Effectiveness	Number of Appeals by Candidates	0	0	0	0	0
Activity Expenditures as % of General Fund		0.01%	0.00%	0.03%	0.03%	0.04%	0.02%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

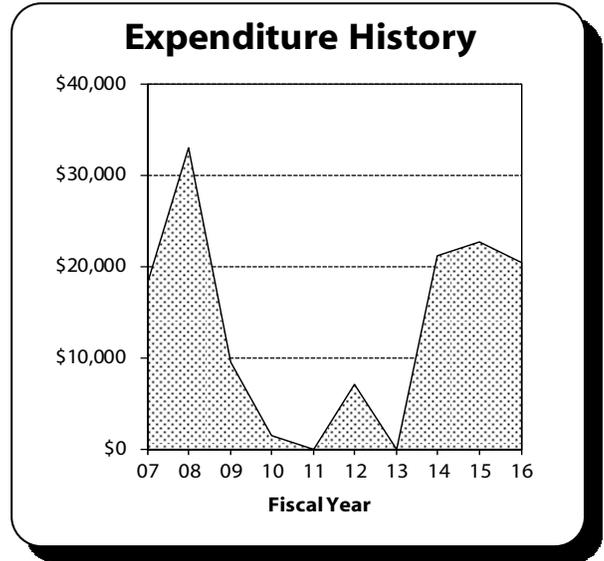
The total budget decreased by 9.9%.

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

Supplies – Total Supplies is proposed to remain the same at \$370. There are no proposed funding changes to the postage and operating supply accounts.

Other Charges – Total Other Charges decreased \$2,240 or 10.0% as there are no new Fire Fighter pre-employment physical and psychological exams anticipated next year, as all new Fire Fighters were hired this year. The hiring of new Police Officers is again budgeted.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	370	220	370	370
Other Charges	21,231	22,340	37,400	20,100	20,100
Total	\$21,231	\$22,710	\$37,620	\$20,470	\$20,470

MISSION STATEMENT: *To serve in an advisory capacity to the City Council for the development of City-wide art programs.*

Programs and projects sponsored by the Arts Commission are developed in accordance with the goals and objectives set by the City Council and administration.

The Arts Commission's primary responsibility is to consider, study and recommend City-wide art 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 art programs and opportunities.

The "Featured Artist" program reinforces the attitude expressed by the Commission that culture should be appreciated. Throughout the year, local artists are chosen to professionally display their 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 Arts 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 Arts 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.*
- *To maintain the City's outdoor publicly-owned sculptures to preserve them for generations to come.*

Did you know...

...the Cultural Commission, now known as the Arts Commission, established an arts endowment fund with the Sterling Heights Community Foundation?

Arts Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

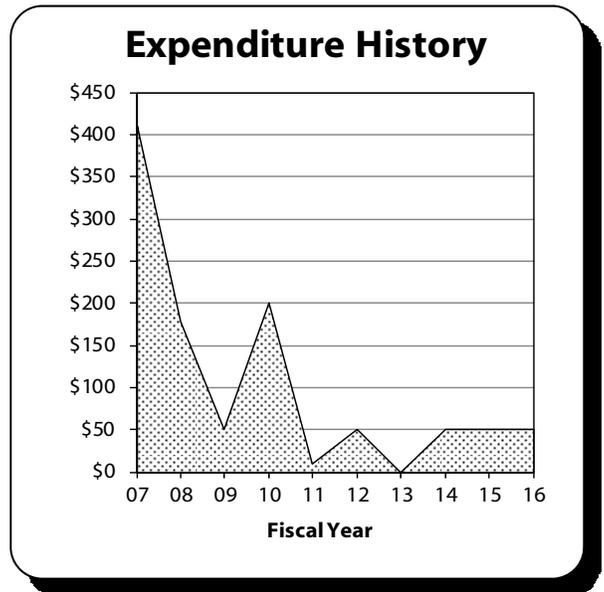
The total budget increased by 0.0%.

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

Supplies – There is no Supplies budget for this commission.

Other Charges – Total Other Charges is proposed to remain the same at \$50. There is no proposed funding change to the membership account.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	50	50	50	50	50
Total	\$50	\$50	\$50	\$50	\$50

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.*
- *To partner with other communities to inform residents of ways to beautify their communities.*

Did you know...

...the Beautification Commission has achieved the Tree City Award status for the City of Sterling Heights for the 29th consecutive year?

Beautification Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

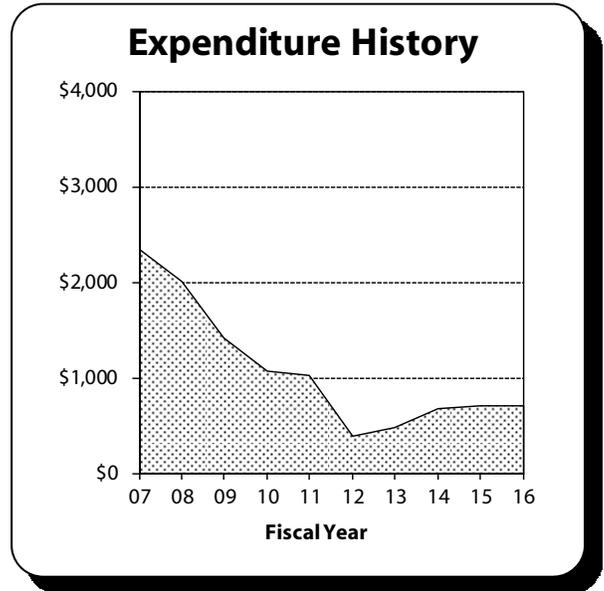
The total budget increased by 0.0%.

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

Supplies – Total Supplies is proposed to remain the same at \$620. There are no proposed funding changes to the operating supplies account.

Other Charges – Total Other Charges is proposed to remain the same at \$90. There are no proposed funding changes to the local meetings and membership accounts.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	648	620	500	620	620
Other Charges	34	90	70	90	90
Total	\$682	\$710	\$570	\$710	\$710



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, 2014 total a market value of \$116,562,420 while the City's contribution for the 2015/16 fiscal year will be \$2,768,786. The fund is now 84.3% 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 351 retirees receiving benefits from the fund and 126 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, 2014, 104 active members were vested.

Five members serve on the General Employees Retirement Board. The officers include the Finance & Budget Director as the Board Secretary and the City Treasurer as the Treasurer of the retirement system and asset custodian. A resident is appointed by City Council to serve on the Board while two

KEY GOALS

- *To monitor investments and liabilities to ensure proper matching while making necessary adjustments to maintain proper balance and long-term funding levels.*
- *To develop and follow procedures whereby plan participants receive the benefits to which they are entitled by contract and/or ordinance.*
- *To provide adequate communication to members of the retirement system so that they know how their funds are managed and what to expect at retirement.*

employee representatives are elected for staggered three-year terms by members of the General Employees Retirement System. An attorney designated by the Board acts as legal advisor while the Pension Administrator serves as the pension board liaison.■

Did you know...
...that members of the General Employee's Retirement System contribute 8% of their gross wages to the retirement system and the retirement system is closed to new members?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

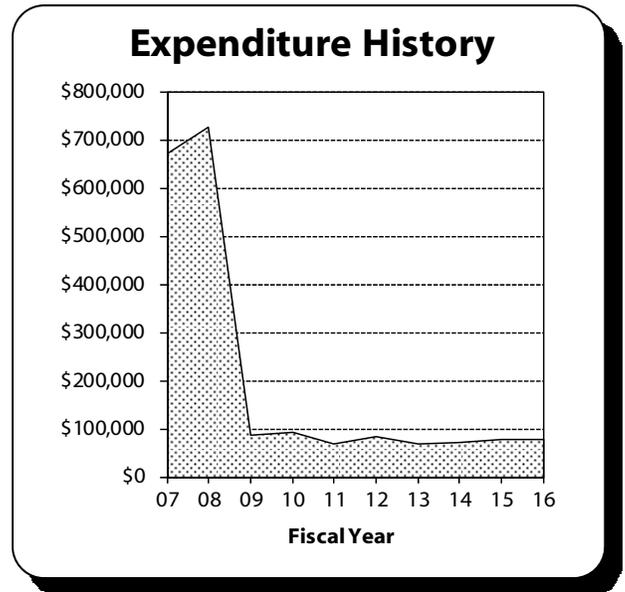
The total budget decreased by 0.2%.

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

Supplies – Total Supplies is proposed to remain the same at \$250. There are no proposed funding changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$150 or 0.2%. \$150 was saved, as there are no retiree medical disability evaluations anticipated for next year. The decrease was offset by a slight increase in actuarial costs due to new GASB reporting requirements.

Capital – There is no Capital proposed for this board.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	377	250	250	250	250
Other Charges	73,421	78,690	76,700	78,540	78,540
Total	\$73,798	\$78,940	\$76,950	\$78,790	\$78,790

MISSION STATEMENT: *To budget and account for general expenditures not assigned to specific users within the City due to their non-specific 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 employee unemployment compensation costs, 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 reports are included in this activity. City street lighting, all liability and property insurance for the City, and citywide 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 citywide 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, auditing costs, and citywide memberships.*
- *To provide a means of budgeting and accounting for citywide liability insurance coverage.*

Did you know...

...the City reinstated reimbursing a portion of college level course costs to employees starting in fiscal year 2015?

General Expenditures

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

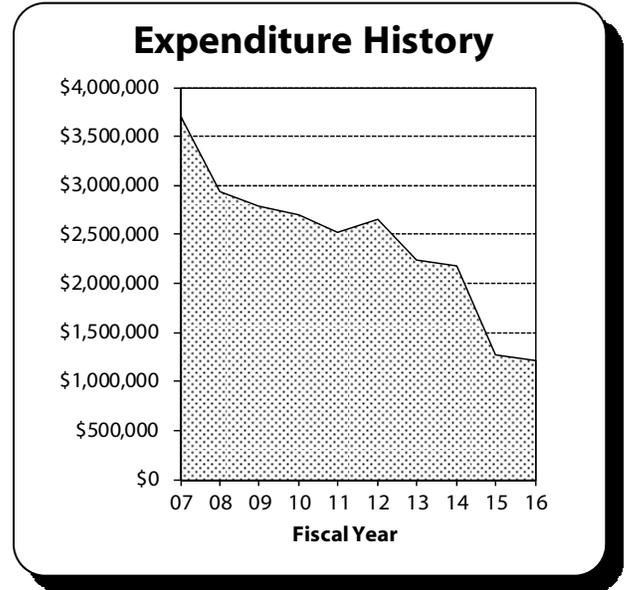
The total budget decreased by 4.7%.

Personnel Services – The total Personnel budget decreased \$10,000 or 33.3%, as the City’s unemployment compensation costs have declined. No employee layoffs are proposed in next year’s budget.

Supplies – Total Supplies increased \$320 or 2.0% due to the increased cost and use of citywide copy paper.

Other Charges – Total Other Charges decreased \$49,670 or 4.0%. Street lighting costs decreased \$50,330 due to savings from the prior year installation of energy-saving LED streetlights, offset slightly by an anticipated DTE rate increase. \$6,340 was saved due to lower copier rental and per-page print fees under the new copier rental contract, and the elimination of one of the City’s large copy machines that was not frequently used. Funding for the employee tuition reimbursement program increased \$5,000 and existing membership fees rose \$1,100. \$900 was added for a slight increase in audit costs.

Capital – There is no Capital proposed for this cost center.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$9,229	\$30,000	\$20,000	\$20,000	\$20,000
Supplies	16,423	16,000	18,300	16,320	16,320
Other Charges	2,142,130	1,226,970	1,126,750	1,177,300	1,177,300
Total	\$2,167,782	\$1,272,970	\$1,165,050	\$1,213,620	\$1,213,620

MISSION STATEMENT: *To foster an understanding and appreciation of local history and to identify the heritage of our City.*

The Historical Commission strives to promote an awareness of the community's heritage; to identify local preservation concerns; to attend workshops and seminars relating to preservation management; to study public policies designed to protect and preserve local history; and to provide opportunities for residents to share and shape their historical legacy.

Through membership in the American Association of State and Local History, the National Council on Public History, and the Historical Society of Michigan, the Commission works to expand its perceptions and knowledge of current practices in the field of local history. It keeps informed of state and federal legislation, as well as identifies sources of funding such as grants and endowments.

The Historical Commission has the responsibility to identify structures and sites of historic significance; to study the value of their preservation, and to make recommendations for future use. The Residential Date Plaque Award Program, established in 1992, has recognized 33 homes of historic value in Sterling Heights as identified by age and architectural significance.

To encourage an appreciation of local history, the Sterling Heights Historical Commission is also responsible for the development of the Sterling Historical Collection in the Upton House and its new expansion in the Library. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835.

The Commission is also a participant in the Veterans History Project created by the United States Congress in 2000 as part of the American Folklife Center at the Library of Congress. As such, the Commission collects and archives the personal recollections of United States wartime veterans from Sterling Heights to honor their service and share their stories with current and future generations.

The Commission, in partnership with the Friends of the Library, produced a book on local history

KEY GOALS

- *To increase public knowledge about local history and historic preservation.*
- *To collect and archive historic photographs.*
- *To collect, maintain, and promote a Sterling Historical Collection in the Upton House and the Library.*
- *To promote cooperation and resource sharing with local, state, and national preservation organizations.*

entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*. In addition, in partnership with the Public Library, the Commission authored *Sterling Township: 1875 – 1968*, a pictorial history.

As Sterling Heights continues to change, it is important to remember that learning about our history creates a bridge from the past to the present. What is happening here today will be tomorrow's history.

The seven member Historical Commission acts in an advisory capacity to the City Council. Members serve uncompensated terms of three years. The Commission, established in 1970, meets quarterly. The Community Services Director is the staff liaison, relating the activities of the Commission to City Administration.■

Did you know...

...that your group can schedule a tour of the Upton House with the Sterling Heights Historical Commission by calling the Sterling Heights Public Library?

Historical Commission

2015/16 PERFORMANCE OBJECTIVES

1. To submit an article on a historical topic for each Sterling Heights City magazine issue. *(City Goal 19)*
2. To host annually a historical program of interest to Sterling Heights residents. *(City Goal 19)*
3. To provide tours of the Upton House during Sterlingfest, Sterling Christmas and as requested by residents. *(City Goal 19)*
4. To transfer the Oral History cassette collection to a digital format to improve accessibility. *(City Goal 19, 23)*

	Performance Indicators	2011/12	2012/13	2013/14	2014/15	2014/15	2015/16
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Meetings Held	4	4	4	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	1	1	1	1
	Professional Memberships	3	2	2	3	3	3
	Historic Photographs and Memorabilia Collected	0	3	500	5	275	5
	Program/Exhibit Attendance	1,562	1,708	1,110	1,300	1,150	1,200

Historical Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

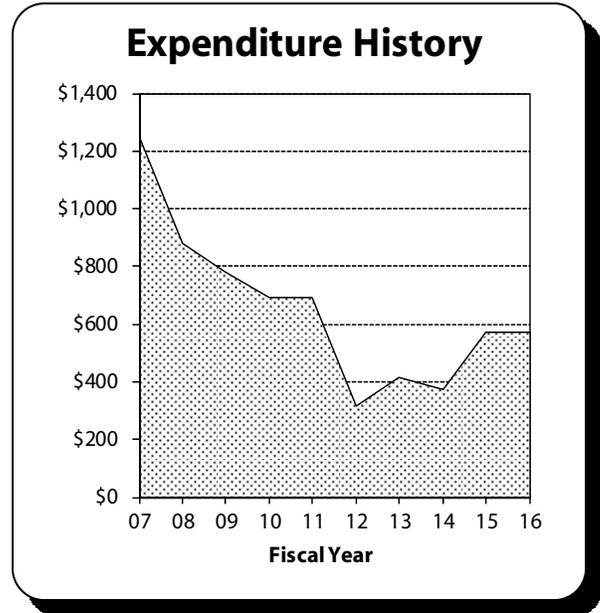
The total budget increased by 0.0%.

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

Supplies – Total Supplies is proposed to remain the same at \$120. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges is proposed to remain the same at \$450. There are no proposed changes within the Other Charges accounts.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	282	120	120	120	120
Other Charges	90	450	450	450	450
Total	\$372	\$570	\$570	\$570	\$570

***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

2015/16 PERFORMANCE OBJECTIVES

1. To identify, research and prepare new ordinances that will serve to update the City Code and improve the effectiveness and efficiency of the affected City department. *(City Goal 6, 7)*
2. To research and propose amendments to the Charter to update and enhance City government. *(City Goal 6, 7)*
3. To aggressively mitigate and defend all liability claims alleged against the City and its personnel in order to minimize exposure to damages and costs of litigation. *(City Goal 8)*
4. To provide legal counsel in connection with the planning and development of the City's Master Land Use Plan update that will impact the implementation of the City's vision for future land use, parks and recreation, technology, and transportation. *(City Goal 4, 17)*
5. To continue to be a catalyst for the City's key economic development initiatives, including but not limited to Velocity, defense corridor, strategic land re-use and cyber security. *(City Goal 20, 21)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	District Court Cases	3,913	3,551	3,982	3,700	4,700	5,000
	Legal Opinions Rendered	4	4	2	5	4	5
	Ordinances and Amendments Prepared	7	15	11	8	10	12
	Commission Meetings Attended	39	49	46	40	40	40
	Council Meetings Attended	26	27	27	26	26	26
	Number of Open Lawsuits	35	16	17	20	15	15
	Number of Closed Lawsuits	8	9	24	8	10	10
	Number of Files Opened	86	36	53	40	40	45
	Number of Files Closed	113	128	101	65	65	60
	Legislative Issues Reviewed	80	80	75	80	75	75
	Hours Spent on City Business	7,030	6,739	6,120	6,500	7,200	7,000
Efficiency & Effectiveness	% Opinions Replied to on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Resolutions Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Contracts Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.92%	0.94%	0.83%	0.83%	0.86%	0.87%

Legal

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

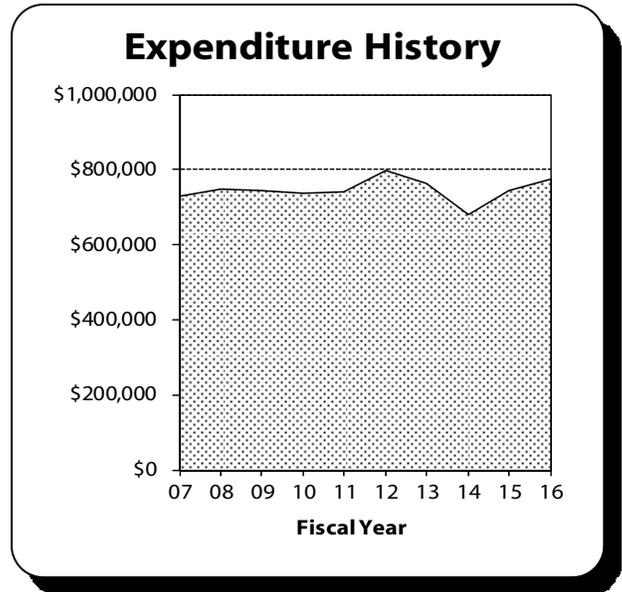
The total budget increased by 4.0%.

Personnel Services – There is no Personnel budget for this cost center.

Supplies – There is no Supplies budget for this cost center.

Other Charges – Total Other Charges increased \$30,000 or 4.0%. Funding for City Attorney legal services increased \$50,000 or 7.7% based on increased billable hours and a 5% increase in the City Attorney’s hourly rate, which went into effect in the current year. Funding for the City’s Labor Attorney decreased \$20,000 or 21.1% to bring the budget more in line with the current year’s estimated expenditure usage, which reflects a lower level of activity. The City Attorney is now handling non-312 arbitration related labor negotiations.

Capital – There is no Capital proposed for this cost center.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	678,694	745,000	785,000	775,000	775,000
Total	\$678,694	\$745,000	\$785,000	\$775,000	\$775,000

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

~ Larry Bird ~



MISSION STATEMENT: *To develop and adopt a Master Land Use Plan for the physical growth and development of the City, review and approve public development proposals and develop and implement zoning and subdivision regulations.*

Ordinance No. 113 adopted in August of 1968 established the Planning Commission. The City Council appointed Commission consists of nine members who serve terms not exceeding three years without reappointment. The Commission is an activity within the General Fund charged with several key responsibilities. The mission of the Planning Commission involves the preparation of a Master Land Use Plan for the physical development of the City. In furthering the policies and objectives of the adopted Master Land Use Plan, the Planning Commission is also empowered to review and approve a comprehensive Municipal Improvement Program (MIP) for public structures and improvements.

Similarly, the Planning Commission reviews and approves the development plans on all parks in accordance with the City's adopted Recreation Plan and Municipal Improvement Program.

The Planning Commission reviews and approves subdivision plats of land for conformity with various elements of the Master Land Use Plan and adopted City ordinances. The Commission also provides recommendations to the City Council on amendments to the Zoning and Subdivision Regulation Ordinances. The Commission reviews and recommends plans related to municipal facilities.

The review and approval of special land uses, temporary uses, and temporary buildings are also included among the key responsibilities of the Planning Commission. Recommendations are provided to the City Council relative to proposed projects under the federal Community Development Block Grant (CDBG) Program.

The members of the Planning Commission are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; and other related matters.

KEY GOALS

- *To prepare and maintain the City's Master Land Use Plan.*
- *To prepare and implement zoning regulations affecting the use of land to protect the public's health, safety, and welfare.*
- *To prepare and implement subdivision regulations related to the subdividing or platting of land.*
- *To provide technical review and recommendations on rezonings, site plans, special approval land uses, temporary uses, special development options, and subdivision plats.*

The current Master Land Use Plan was developed and adopted by the Planning Commission in May, 2005 with amendments in April, 2007 and September, 2009.■

Did you know...

...the Planning Commission recently approved a Zoning Ordinance amendment designed to upgrade and improve the appearance and placement of commercial and industrial real estate signs?

Planning Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

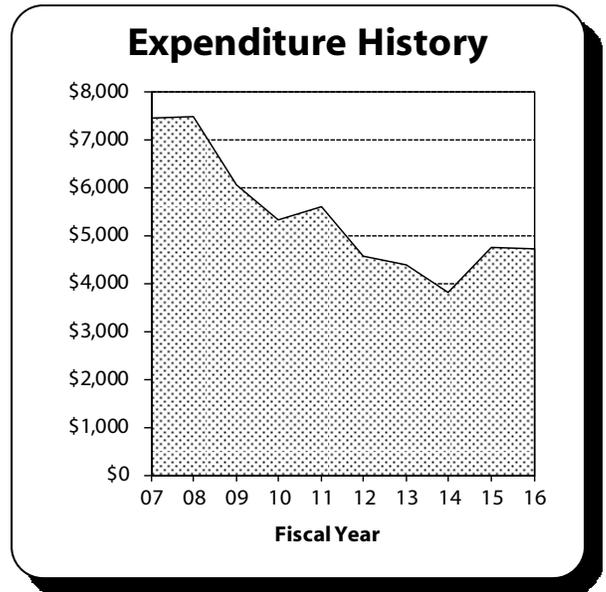
The total budget decreased by 0.6%.

Personnel Services – The total Personnel budget remains the same as the prior year, as the same number of Planning Commission meetings are anticipated.

Supplies – Total Supplies is proposed to remain the same at \$570. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$30 or 1.4%. \$110 was saved, as fewer newspaper notices have been needed. \$40 was added due to an increase in the Michigan Association of Planning membership fee. Educational funding increased \$40, as a required training workshop for possible new Commissioners is budgeted next year.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,586	\$2,040	\$2,040	\$2,040	\$2,040
Supplies	450	570	570	570	570
Other Charges	1,772	2,130	1,960	2,100	2,100
Total	\$3,808	\$4,740	\$4,570	\$4,710	\$4,710

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 \$4,457,140. They include a transfer to the Capital Projects Fund, the Limited Tax General Obligation Debt Service Fund, and the Land & Water Conservation Fund.

The \$3,809,760 Transfer Out to the Capital Projects Fund will be used for the funding of budgeted equipment, vehicles, information technology capital items, and capital projects.

The \$322,380 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments on the City Center Commons bond.

The \$325,000 General Fund transfer to the Land & Water Conservation Fund will be used to fund the City's grant match for the initial funding of the future City Dog Park project and the replacement of the Dodge Park Trail Bridge.

The Transfer Out to the Economic Development Corporation Fund is now budgeted in the Component Unit Funding activity in the City Development Department due to a change in accounting guidelines.

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

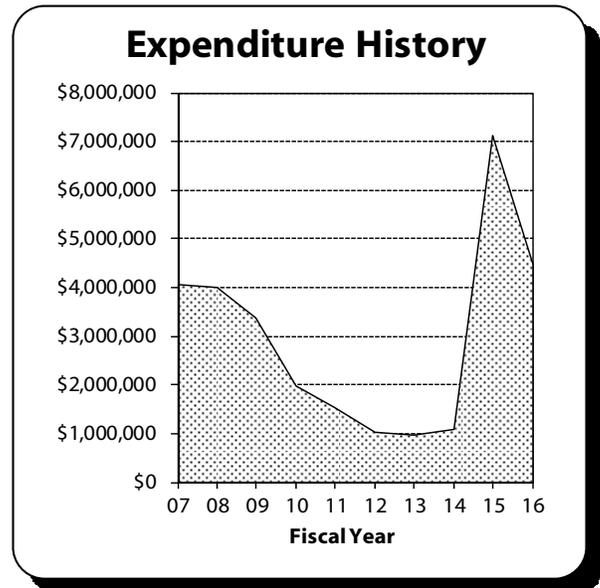
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 37.4%.

Personnel Services – There is no Personnel budget for this cost center.

Other Charges – There is no Other Charges budget for this cost center.

Transfers Out – Transfers Out to other City funds totals \$4,457,140. Transfers to the Capital Projects Fund totals \$3,809,760 for the funding of equipment, vehicles, information technology capital items, and capital projects. ***A listing of all proposed equipment, vehicles, and projects can be found in the Capital schedules within the Capital Projects section of this budget document.*** Transfers to the Limited Tax General Obligation Debt Service Fund totals \$322,380. This transfer will fund the principal and interest payments on the City Center Commons bond. Transfers to the Land & Water Conservation Fund totals \$325,000 to fund the City's grant match to replace the pedestrian bridge in Dodge Park and the initial funding of a future City Dog Park project. Transfers to the Economic Development Corporation Fund are now budgeted in the Component Unit Funding activity in the City Development Department due to a change in accounting guidelines.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfer Out	1,081,460	7,122,720	7,934,440	4,457,140	4,457,140
Total	\$1,081,460	\$7,122,720	\$7,934,440	\$4,457,140	\$4,457,140

MISSION STATEMENT: *To hear and act upon appeals on various zoning matters related to the development and use of land in the City and to provide ordinance interpretation.*

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 110 of the Public Acts of 2006, as amended. Execution of its duties are performed in such a way that the objectives of the Zoning Ordinance shall be observed and met, public safety secured, and substantial justice done. The Zoning Board of Appeals consists of seven members appointed by City Council for a term of three years.

The Zoning Board of Appeals enjoys all the powers granted to it by both State law and Ordinance No. 278, which includes certain specific powers. Ordinance and map interpretations, modification of height, wall, buffering, screening and landscape requirements, modification of vehicle parking stalls, loading area and placement regulations, and the granting of use variances are specific examples of power granted to this Board.

The members of the Board are compensated as appointed officials. Much of its budgeted expenditures are related to the recording services for the meetings; the publishing of notices or minutes; education and training; and other related matters.

Zoning Board of Appeals meetings are open to the public except those authorized to be conducted in closed session pursuant to the Open Meetings Act. The public is afforded the opportunity to speak at any public hearing in accordance with the Rules of Procedure and Bylaws of the Board. No business is conducted unless a majority of the members are present.

If the Board approves a variance, it shall remain in effect only as long as the facts and circumstances, as presented, continue to exist and conditions attached to the approval are satisfied and maintained. If the variance is not exercised within 12 months from the date it was granted, the variance shall lapse.

The appeal process begins by filing a notice of appeal accompanied by an application fee. The

KEY GOALS

- *To review and act upon use and dimensional variances to the City's Zoning Ordinance.*
- *To hear appeals in regard to special land uses and planned unit developments.*
- *To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.*
- *To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.*

notice of appeal must specify the requirement from which a variance is sought and the nature and extent of such variance. An official record is prepared for each appeal upon which the Board has based a decision.■

Did you know...

...the Zoning Board of Appeals hears requests from businesses and homeowners requesting relief from the literal provisions of the Zoning Ordinance due to hardship or practical difficulty?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

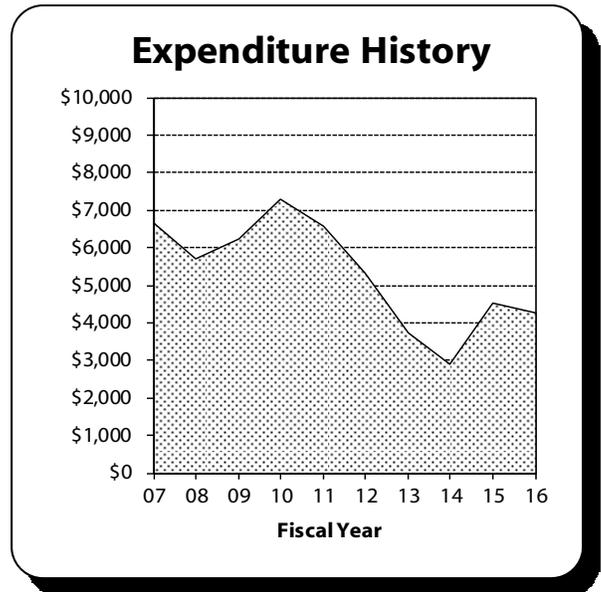
The total budget decreased by 5.1%.

Personnel Services – The total Personnel budget decreased \$220 or 12.0% to more accurately reflect the number of Zoning Board of Appeals meetings held over the past several years.

Supplies – Total Supplies decreased \$50 or 11.1%, as postage funding can be reduced and brought more in line with recent years’ actual expenditure levels.

Other Charges – Total Other Charges increased \$40 or 1.8% due to an increase in the Michigan Association of Planning membership fee.

Capital – There is no Capital proposed for this board.



FUNDING LEVEL SUMMARY					
	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,294	\$1,840	\$1,620	\$1,620	\$1,620
Supplies	319	450	400	400	400
Other Charges	1,283	2,220	2,260	2,260	2,260
Total	\$2,896	\$4,510	\$4,280	\$4,280	\$4,280

Component Unit Funding

SUMMARY OF BUDGET CHANGES

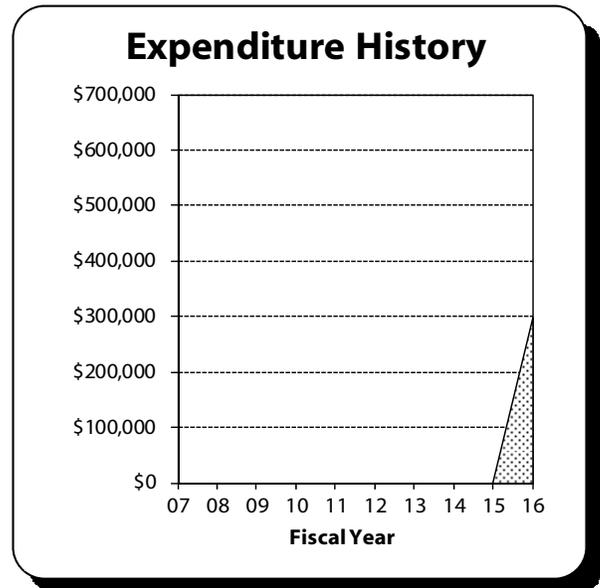
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 100%.

Personnel Services – There is no Personnel budget for this cost center.

Other Charges – There is no Other Charges budget for this cost center.

Transfers Out – Transfers Out to other City funds totals \$300,000. A transfer to the Economic Development Corporation Fund (a component unit) is budgeted for \$300,000 for additional funding that can be utilized for future property acquisitions, brownfield redevelopments, and other economic development activities for which costs can be later recaptured. This transfer was previously budgeted in the Transfers Out activity, but due to an accounting rules change, should now be reflected in this cost center as a transfer to a component unit.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfer Out	0	0	300,000	300,000	300,000
Total	\$0	\$0	\$300,000	\$300,000	\$300,000

Water & Sewer Fund



The Water & Sewer Fund is an Enterprise Fund responsible for operation of the city's combined water supply and sewage disposal system. The fund is used to finance the cost of providing services to residents through user fees. Activities that make up the Water & Sewer Fund include Water & Sewer Administration, Water Distribution, and Sewage Collection.

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. It is used to provide water and sewer services to residential, industrial, and commercial customers. It is self-supporting and is designed to meet its obligations free of taxation. An annual independent audit is prepared on prior year financial results and administrative staff projects a forecast of the next year. Together they are used to determine what, if any, adjustments need to be made so the fund will remain financially sound.

Historically, Sterling Heights has not passed on the full City of Detroit water and sewage rate increases. Over the past 21 years, Detroit has increased its rates by an average of 7.4% per year, while Sterling Heights has increased its rates by only 6.0% 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, Detroit increased its water and sewage rates by 7.2% and 4.1%, respectively. The City passed along only a 3% increase. The summer discount increased from a maximum of \$15 to \$25.

In 2003/04, Detroit increased its water rate by 5.0% and sewage rate by 8.6%. The City passed on only a 4.9% water and 6.9% sewage rate increase, and 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, resulting in a 16.5% water and 4.4% sewage rate increase. The City passed on an 11.9% water and sewage rate increase to its customers.

In 2005/06, Detroit's sewage fees increased 8.9%, which included charges for the 15 Mile sewer repair. 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 City increased its maximum summer discount for the first time in 10 years, from \$25 to \$26.

In 2010/11, Detroit's 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 2012/13, Detroit increased its water rate by 8.9%. Detroit's sewage fees increased 9.2%, while fixed sewage charges rose 13.5% and the City's share of the District's debt increased by 23.9%. The City passed along an 8.9% water and 13.9% sewer rate increase and implemented a fixed charge as a result of Detroit's increasingly fixed charges. To lessen the impact to the average residential customer, the first tier water rate and consumption amount for the minimum bill user also decreased.

In 2013/14, the water rate from Detroit increased by 4.6% and sewage fees increased by 3.7%. The City's share of the District's debt increased by 11.1% and estimated sewage volume rose 2.5%. By continuing to control its discretionary costs, the City was able to pass along only a 3.9% water and 4.9% sewer rate increase; the lowest rate adjustment in 14 years.

In 2014/15, the water rate and fixed charges from Detroit increased by 6.2%. Sewage disposal fees from Detroit were estimated to increase by 4.0% and sewage fixed charges increased by 5.8%. Also, treated sewage volumes rose 4.0% and the City's share of the District's debt increased 11.2%. Sterling Heights passed along a 7.9% water and 11.9% sewer rate adjustment to its customers. Residential fixed fees increased by \$1 and commercial fixed fees increased by \$2 per billing period to become more in-line with Detroit's increasing fixed rate structure.

In 2015/16, Detroit increased its water rate and fixed charges by 12.2%. Macomb's sewage costs are estimated to increase by 15.8% due to a prior year increase received after last year's rates were established, higher flow volumes, higher County sewer maintenance costs, and an estimated 4% rate increase for next year. Debt payments on the District's sewer rehabilitation projects are also increasing by 24.9%. As a result, the City must pass along an 11.9% water and 15.5% sewer rate adjustment to its customers.■

Did you know...

...the City of Sterling Heights continues to have one of the lowest markups in the State on Detroit's water rate?

WATER & SEWER SYSTEM OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
REVENUES						
Water & Sewer Service	\$32,380,570	\$29,001,810	\$36,206,700	\$17,305,780	\$32,173,940	\$39,916,350
Penalties & Interest	609,580	593,990	640,000	302,540	630,000	640,000
Hydrant Rental	159,750	159,750	159,750	79,880	159,750	162,950
Building Rental	1,200	0	0	0	0	0
Interfund Service	87,090	86,540	106,800	35,840	93,100	91,850
Tap and Meter Revenue	403,000	461,000	450,000	320,830	480,000	475,000
Repair and Service	36,890	44,770	45,000	24,730	45,000	45,000
Inspection Fees	9,760	11,740	12,000	3,820	10,000	11,000
Turn-On Charge	14,500	19,530	15,000	5,960	20,000	17,500
Ind./Pollution Surcharge	946,590	996,370	1,050,000	511,370	1,050,000	1,100,000
Miscellaneous	303,150	782,210	544,510	395,110	663,510	656,510
Interest on Investments	141,870	154,650	201,100	73,270	187,000	213,000
Federal Grant - FEMA	0	0	0	0	700,570	0
Total Revenues	\$35,093,950	\$32,312,360	\$39,430,860	\$19,059,130	\$36,212,870	\$43,329,160
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	\$929,560	\$1,003,150	\$958,130	\$501,460	\$991,690	\$1,016,330
Supplies	3,530	6,050	6,000	3,610	7,000	6,500
Other Charges	7,705,500	7,938,540	2,252,110	1,194,470	2,263,620	2,352,010
Capital Outlay	0	0	50,000	0	49,070	0
Total Expenses	8,638,590	8,947,740	3,266,240	1,699,540	3,311,380	3,374,840
WATER DISTRIBUTION						
Personnel Services	1,250,700	1,307,390	1,195,800	623,070	1,231,100	1,257,240
Supplies	199,320	265,230	235,000	128,230	245,000	244,000
Other Charges	12,503,720	12,641,190	14,093,290	5,833,730	13,320,520	15,640,730
Capital Outlay	0	0	133,570	125,440	135,030	50,000
Total Expenses	13,953,740	14,213,810	15,657,660	6,710,470	14,931,650	17,191,970
SEWAGE COLLECTION						
Personnel Services	1,314,720	1,530,350	1,523,300	789,360	1,526,590	1,496,780
Supplies	63,540	67,910	62,000	25,980	53,000	59,000
Other Charges	13,201,140	15,184,620	15,561,480	8,932,460	17,299,140	17,227,960
Capital Outlay	0	0	801,310	117,060	746,020	225,000
Debt Service	1,484,880	1,700,750	3,584,470	1,199,320	3,662,470	4,478,580
Total Expenses	16,064,280	18,483,630	21,532,560	11,064,180	23,287,220	23,487,320
Total Operating Expenses	\$38,656,610	\$41,645,180	\$40,456,460	\$19,474,190	\$41,530,250	\$44,054,130

Note: Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue and Capital and Frontage charges.

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, businesses, and other City funds. These monies are used to reimburse the Water & Sewer Fund for services provided to other entities, funds, or departments. The primary revenue accounts within this revenue center include Water Services and Sewage Collections.

In the 2015/16 Budget, Charges for Services revenue represents 98.0% of total revenue sources, an increase of \$3,779,150.

The 2015/16 Budget recommends an 11.9% increase on water rates and a 15.5% increase on sewage rates charged to our resident and corporate customers. These increases are a result of an increase in Detroit's water and Macomb County's sewage rates charged to the City of Sterling Heights. Debt payments on the District's sewer rehabilitation projects also increased. In addition, water consumption has decreased, which lowers both water and sewer sale revenues. The average residential customer will pay approximately \$57 per month for water and sewer services.

The average residential customer will pay approximately \$57 per month for water & sewer services.

In 2012/13, due to Detroit's increasingly higher fixed charges, the City began passing 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 was implemented. The fixed fee allowed the City to reduce its first tier water rate, where most residential consumption is billed, thereby lowering the water bill increase. The consumption amount for the minimum bill user also decreased to lessen the fixed fee impact to very low users.

In 2014/15, the residential fixed fee increased by \$1 per quarterly bill, while commercial accounts increased by \$2 per bill to begin to become more in-line with Detroit's increasing fixed rate structure.

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 2015/16 Budget, Other Revenues represents 2.0% of total revenue sources, an increase of \$119,150. This increase is due to an increase in billing adjustment revenue.

In the 2015/16 Budget, Other Revenues represents 2.0% of total revenue sources, an increase of \$119,150.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2015/16 Budget, expenditures exceed revenues by \$724,970 due to a one-time sewer look-back charge from Detroit as a result of past meter testing, resulting in a use of net assets for the system to break even. 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	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CHARGES FOR SERVICES						
627531	Administrative Services - Refuse	69,100	0.21	69,100	0.18	69,100	0.16
629001	Labor Services - Roads	13,447	0.04	25,000	0.06	15,000	0.03
629002	Labor Services Cross Charges	286	0.00	1,000	0.00	1,000	0.00
633001	Water Tap Fees	92,951	0.29	130,000	0.33	125,000	0.29
633002	Sewer Tap Fees	34,880	0.11	15,000	0.04	30,000	0.07
633003	Meter Charges	333,166	1.03	305,000	0.77	320,000	0.74
633004	Inspection	11,743	0.04	12,000	0.03	11,000	0.03
633005	Water & Sewer Services	44,774	0.14	45,000	0.11	45,000	0.10
633006	Hydrant Rental - Fire Department	159,750	0.49	159,750	0.41	162,950	0.38
633009	Turn-On Charge	19,525	0.06	15,000	0.04	17,500	0.04
634001	Materials/Supplies Cross Charges	674	0.00	1,200	0.00	1,000	0.00
643000	Water Services	11,967,193	37.04	14,877,300	37.73	16,107,950	37.18
644000	Collections - Sewer	17,034,621	52.72	21,329,400	54.09	23,808,400	54.95
645000	Penalties - Water & Sewer	593,988	1.84	640,000	1.62	640,000	1.48
646000	Industrial & Pollution Surcharge	996,366	3.08	1,050,000	2.66	1,100,000	2.54
	Total Charges for Services	31,372,464	97.09	38,674,750	98.08	42,453,900	97.98
	OTHER REVENUE						
665000	Interest on Investments	153,197	0.47	200,000	0.51	200,000	0.46
665445	Interest & Penalties - Tax Roll	1,450	0.00	1,100	0.00	13,000	0.03
669001	Rental - Road Equipment	3,035	0.01	10,000	0.03	5,000	0.01
669002	Rental/Equipment Cross Charges	0	0.00	500	0.00	750	0.00
676000	Reimbursements	436,220	1.35	454,510	1.15	446,510	1.03
677008	Unrealized Gain/Loss	60,385	0.19	0	0.00	0	0.00
685000	Miscellaneous Revenue	270,232	0.84	80,000	0.20	200,000	0.46
695000	Insurance Recovery	15,372	0.05	10,000	0.03	10,000	0.02
	Total Other Revenue	939,891	2.91	756,110	1.92	875,260	2.02
	Total Water & Sewer Fund	\$32,312,355	100.00	\$39,430,860	100.00	\$43,329,160	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

**WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT**

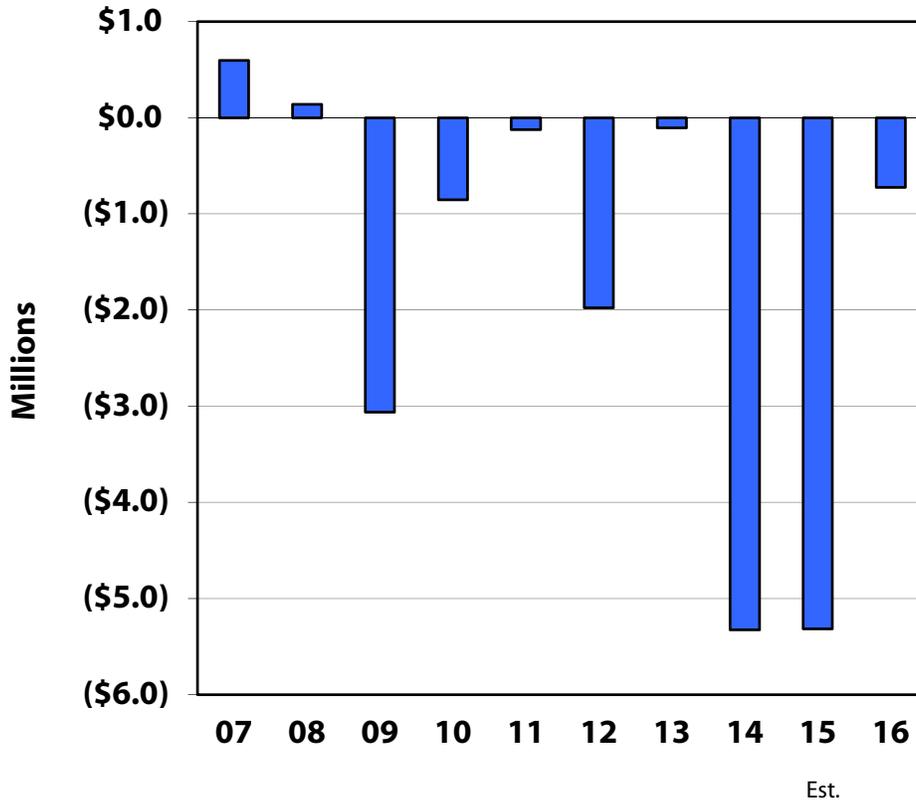
Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
704000	Wages & Salaries - Permanent	\$1,614,615	3.88	\$1,697,070	4.19	\$1,672,770	3.80
704001	Sick Time Buy Back	14,086	0.03	11,000	0.03	10,500	0.02
704721	Health Insurance Allowance	4,500	0.01	4,500	0.01	4,500	0.01
705000	Wages-Salaries - Temp/Part-Time	129,790	0.31	85,390	0.21	133,390	0.30
708000	Overtime	378,822	0.91	170,000	0.42	205,000	0.47
708001	Compensation Time Buy Back	7,085	0.02	7,350	0.02	7,350	0.02
709000	Union Contract Reimbursements	5,000	0.01	6,750	0.02	7,650	0.02
710000	Longevity	49,577	0.12	46,270	0.11	43,010	0.10
715000	Clothing Allowance	5,989	0.01	6,100	0.02	5,600	0.01
717000	FICA	157,085	0.38	153,410	0.38	157,310	0.36
718000	Worker's Compensation	16,992	0.04	17,810	0.04	18,160	0.04
720000	Pension - General Emp Retirement	504,120	1.21	481,040	1.19	510,290	1.16
720002	Defined Contribution - Employer	11,009	0.03	10,800	0.03	12,590	0.03
721000	Health Insurance	259,100	0.62	289,820	0.72	281,500	0.64
721001	Health Insurance - Retirees	633,480	1.52	636,890	1.57	649,620	1.47
721003	Retiree Health Savings - City	1,249	0.00	1,000	0.00	2,000	0.00
722000	Dental Insurance	26,811	0.06	29,640	0.07	27,540	0.06
723000	Life Insurance	4,359	0.01	4,510	0.01	4,390	0.01
724000	Eye Care Insurance	1,994	0.00	2,090	0.01	1,900	0.00
725000	Disability Insurance - Long Term	3,817	0.01	3,960	0.01	3,830	0.01
725355	Disability Insurance - Short Term	11,403	0.03	11,830	0.03	11,450	0.03
	Total Personnel Services	3,840,883	9.22	3,677,230	9.09	3,770,350	8.56
	<u>SUPPLIES</u>						
729000	Postage	2,415	0.01	1,500	0.00	1,500	0.00
750000	Fuels & Lubricants	88,404	0.21	84,000	0.21	74,500	0.17
751000	Operating Supplies	48,635	0.12	37,500	0.09	39,500	0.09
770000	Water Meters - Assembled	84,264	0.20	80,000	0.20	85,000	0.19
771000	Fire Hydrant Parts	7,512	0.02	10,000	0.02	9,000	0.02
772000	Tap-In Materials - Water	70,166	0.17	25,000	0.06	50,000	0.11
774000	Water Meter Parts	37,796	0.09	65,000	0.16	50,000	0.11
	Total Supplies	339,192	0.82	303,000	0.75	309,500	0.70
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	40,110	0.10	40,910	0.10	41,740	0.09
806000	Legal Services - Other	37	0.00	100	0.00	100	0.00
806001	Legal Services - City Attorney	157	0.00	3,000	0.01	2,000	0.00
807000	Medical Services	2,599	0.01	1,500	0.00	1,500	0.00
810000	Other Fees	102,104	0.25	112,750	0.28	100,600	0.23
824000	Water Tap Installation - Contractor	38,357	0.09	45,000	0.11	40,000	0.09
826000	Other Contracted Services	156,343	0.38	83,300	0.21	83,260	0.19
827000	Interfund Services	1,800,440	4.32	1,908,580	4.72	2,001,990	4.54
832000	Building Maintenance	235	0.00	1,200	0.00	1,200	0.00
833000	Equipment Maintenance	59,535	0.14	91,000	0.22	75,150	0.17

**WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
835000	Vehicle Maintenance	167,554	0.40	143,500	0.35	153,500	0.35
840000	Water Main Repair	281,785	0.68	200,000	0.49	300,000	0.68
841000	Distribution Line Repair	207,205	0.50	185,000	0.46	180,000	0.41
842000	Sewer Main Repair	27,375	0.07	30,000	0.07	30,000	0.07
903000	Printing	43	0.00	600	0.00	600	0.00
913000	Liability Insurance	267,800	0.64	0	0.00	0	0.00
915000	Other Insurance	2,460	0.01	2,460	0.01	2,460	0.01
921000	Electric	22,803	0.05	27,100	0.07	27,400	0.06
922000	Telephone	4,790	0.01	4,800	0.01	4,600	0.01
923000	Gas - Fuel - Oil	6,728	0.02	6,400	0.02	7,700	0.02
931000	Water Purchased	12,015,093	28.85	13,563,770	33.53	15,032,000	34.12
932000	Sewage Disposal Services	14,446,907	34.69	14,888,350	36.80	16,523,060	37.51
934000	Industrial & Pollution Surcharge	471,943	1.13	460,000	1.14	480,000	1.09
945000	Other Rental	122,860	0.30	94,340	0.23	115,960	0.26
956000	Local Meetings	20	0.00	50	0.00	50	0.00
957000	Memberships & Dues	533	0.00	620	0.00	630	0.00
959000	Education & Training	2,489	0.01	5,050	0.01	5,200	0.01
964000	Refunds & Rebates	12,221	0.03	7,500	0.02	10,000	0.02
968000	Depreciation	5,503,820	13.22	0	0.00	0	0.00
	Total Other Charges	35,764,346	85.88	31,906,880	78.87	35,220,700	79.95
	CAPITAL OUTLAY						
982000	Machinery & Equipment	0	0.00	170,900	0.42	70,000	0.16
984000	Vehicles	0	0.00	813,980	2.01	205,000	0.47
	Total Capital Outlay	0	0.00	984,880	2.43	275,000	0.62
	DEBT SERVICE						
992000	Principal	0	0.00	1,675,320	4.14	2,389,580	5.42
993001	Interest - Oakland-Macomb Intcpt.	238,769	0.57	229,310	0.57	444,030	1.01
993002	Interest - Macomb Interceptor	1,161,990	2.79	1,144,510	2.83	1,125,080	2.55
993003	Interest - North Gratiot Interceptor	124,230	0.30	120,360	0.30	116,440	0.26
993005	Interest - Clintondale Pump Station	175,765	0.42	414,970	1.03	403,450	0.92
	Total Debt Service	1,700,754	4.08	3,584,470	8.86	4,478,580	10.17
	Total Water & Sewer Fund	\$41,645,175	100.00	\$40,456,460	100.00	\$44,054,130	100.00

Note: The 2013-2014 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 Water & Sewer Fund increased \$3.6 million or 8.9%. As the City purchases its water and sewer services from Detroit and Macomb County, their costs directly impact the City's rates. The water costs from Detroit will increase 12.2%; however, water consumption is estimated to decline further by 2.9%, which will lower water sales revenues. Sewage disposal costs from Macomb are estimated to increase by 11%, while the City's share of the District debt has increased by 24.9%. In addition, Macomb's actual fixed sewer charge increase last year was higher than anticipated. The combined total sewer increase from Macomb is 15.8%. Because of these factors, the City is passing an 11.9% water and 15.5% sewer rate adjustment to its customers. Costs that the City controls actually fell next

year, primarily due to a \$709,880 decrease in capital costs. Personnel costs rose only \$93,120 due to several labor contracts, as well as funding for five additional Seasonal Laborer positions. A full-time Laborer position has been transferred to the Streets division. Supplies rose \$6,500 or 2.1%. The Capital budget includes two replacement vehicles, a trailer mounted trash pump, a sewer jet camera, and a trench box to protect employees making underground repairs. The average Sterling Heights residential customer will pay only \$57 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

	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget	% Change from 14/15
Water & Sewer Admin.	\$8,638,590	\$8,947,740	\$3,266,240	\$3,374,840	3.3%
Water Distribution	13,953,740	14,213,800	15,657,660	17,191,970	9.8%
Sewage Collection	16,064,280	18,483,630	21,532,560	23,487,320	9.1%
Total Department	<u>\$38,656,610</u>	<u>\$41,645,170</u>	<u>\$40,456,460</u>	<u>\$44,054,130</u>	<u>8.9%</u>
Personnel Services	\$3,494,980	\$3,840,880	\$3,677,230	\$3,770,350	2.5%
Supplies	266,390	339,190	303,000	309,500	2.1%
Other Charges	33,410,360	35,764,350	31,906,880	35,220,700	10.4%
Capital Outlay	0	0	984,880	275,000	-72.1%
Debt Service	1,484,880	1,700,750	3,584,470	4,478,580	24.9%
Total Department	<u>\$38,656,610</u>	<u>\$41,645,170</u>	<u>\$40,456,460</u>	<u>\$44,054,130</u>	<u>8.9%</u>

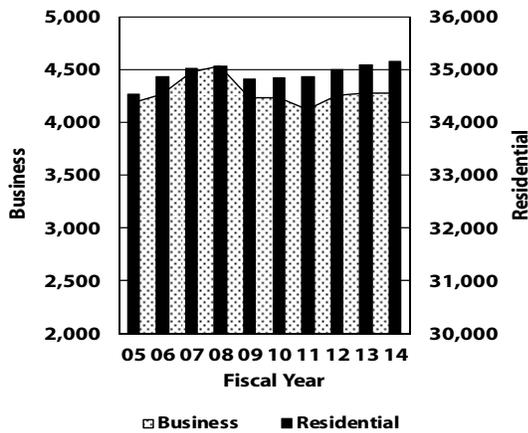
PERSONNEL SUMMARY

	2012/13		2013/14		2014/15		2015/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	7	0	6	0	6	0	6	3
Water Distribution	11	2	11	2	9	3	9	4
Sewage Collection	13	4	12	4	13	4	12	5
Total Department	<u>31</u>	<u>6</u>	<u>29</u>	<u>6</u>	<u>28</u>	<u>7</u>	<u>27</u>	<u>12</u>

KEY FUND TRENDS

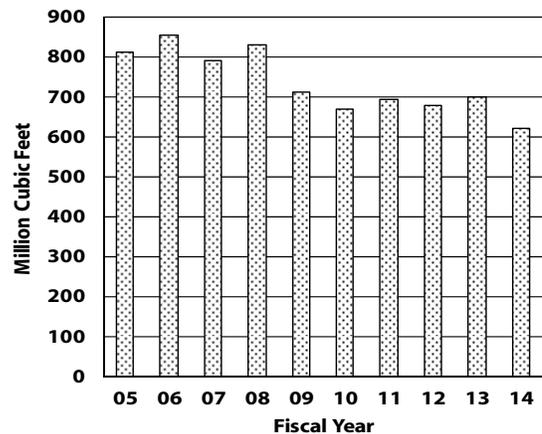
Water & Sewer Fund

Water & Sewer Customers



The number of business and residential Water & Sewer customers has increased over the past ten years due to growth and development in the City, though the rate of growth has slowed in the past several years.

Water Sold to Residents



The City has sold a fluctuating amount of water to our residents and businesses. The decrease in some years is largely a result of increased rainfall or economic conditions, which lowers the demand and use for irrigation purposes. Water usage has declined by 24% since 2005.

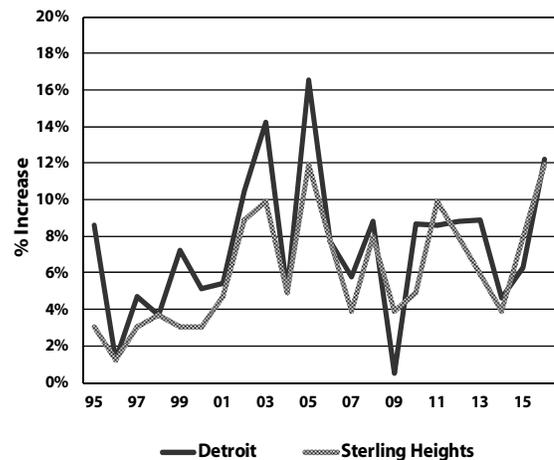
Average Residential Monthly Water & Sewer Bill

1. Lansing	\$105.79
2. Southfield	\$90.05
3. Dearborn	\$76.51
4. Grand Rapids	\$73.00
5. Farmington Hills	\$65.71
6. Ann Arbor	\$60.00
7. Livonia	\$57.25
8. Troy	\$55.80
9. Warren	\$54.12
10. STERLING HEIGHTS	\$49.96

Rates as of 10/14 using 12,000 cf.

The City purchases its water and sewer services through the City of Detroit. The average resident pays less than \$50 per month for such services. This amount compares very favorably to all communities. In fact, our residents pay 8.3% less than the next lowest city and 112% less than the highest. 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 21 years. Sterling Heights has increased its rates by 6.0% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.

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

~ Benjamin Franklin ~



MISSION STATEMENT: *To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.*

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the tall grass/weed cutting program of the Public Works Department.

The staff of the Public Works Department responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also to provide these services in the most cost efficient manner. Reports, correspondence, and responses to residents and users concerning activities of the various divisions are provided through this activity. Specifications are developed, analyzed and prepared for the timely bidding of capital equipment, vehicles, materials, supplies, and subcontracted services.

This Division provides clerical support to the Public Works operation including preparation of specialized reports and correspondence, assistance in budget preparation, and response to resident inquiries and service requests over the telephone, via e-mail and at the counter. Staff schedules water and sewer inspections, Miss Dig stake-outs for City water and sewer lines, tree branch chipping, and tree removal and planting.

Staff has constant and immediate radio contact with field crews during regular duty hours, by transmitting and receiving all radio calls to the base station. The communication system also provides immediate 24 hours, seven days a week communication between administration, supervisors, and staff. Internal calls are evaluated and relayed to the appropriate division.

In the case of emergencies during off-duty hours, a tape-recorded message advises callers to contact

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.*

the Macomb County Dispatch Center. The DPW provides the County Dispatch Center with a list of emergency scenarios and a list of supervisors to contact for each type of 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.■

Did you know...

...the City of Sterling Heights has the lowest combined water and sewer rates for residential customers in the State of Michigan for communities that have a population greater than 25,000?

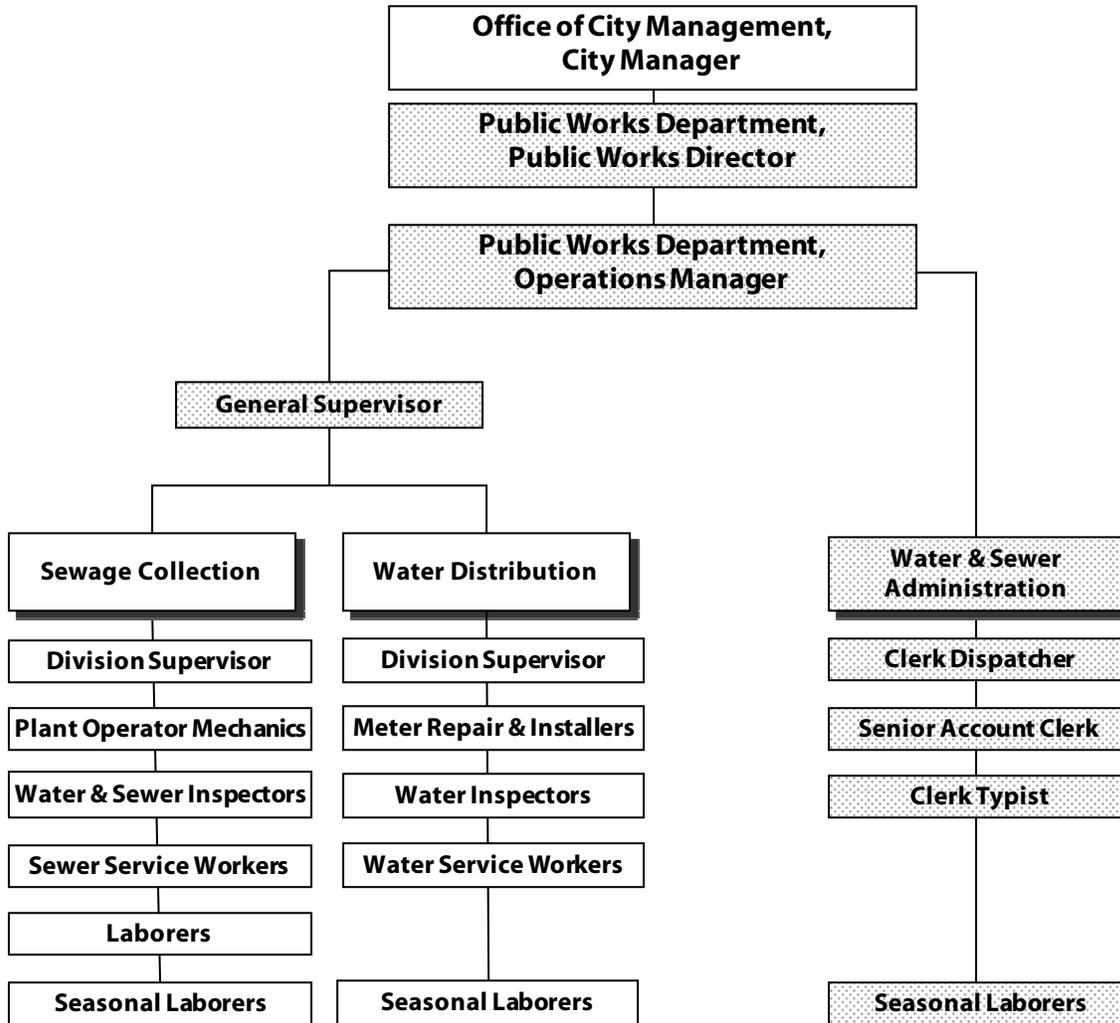
Water & Sewer Administration

2015/16 PERFORMANCE OBJECTIVES

- 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)*
- To develop training classes to increase employee safety and awareness. *(City Goal 2)*
- 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)*
- To review department goals and objectives to ensure that services provided to the public are cost-effective. *(City Goal 1, 3, 4)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget	
Output	Water & Sewer Customers	39,903	39,353	39,435	39,250	39,700	39,700	
	Customer Service Requests (Permits Plus)	8,271	6,396	7,329	6,500	7,600	7,500	
	Res. /Commercial Sanitary Sewer Tap Connections	80	98	114	80	120	100	
	Residential/Commercial Water Taps	90	86	106	115	114	115	
	Res. /Comm. Water Meter Installations (new & repl.)	450	490	639	500	610	550	
	Tall Grass/Weed Cutting Revolutions (317 acres)	6	6	6	6	6	6	
	Vacant Parcels Cut - Tall Grass/Weed Program	420	340	491	400	400	400	
	Parcels Cut - Occupied Res. Homes/Businesses	654	845	647	800	600	600	
	Backflow Preventer Testing Compliance Letters	642	743	1,427	1,000	912	1,000	
	Site Plans Reviewed	17	26	37	45	43	50	
	Vehicles/Equipment Specifications Prepared	3	6	12	10	16	10	
	Materials/Supplies/Services Specifications Prepared	11	22	24	24	25	25	
	Hours of Safety Training	491	454	443	450	450	450	
	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 Insp./Sampled for Stormwater Discharge	60/3	83/3	68/3	50/5	58/1	60/3	
	Landscape Median Mowing - Revolutions	24	25	25	25	25	25	
	Efficiency	Ratio of FT Employees to Workers Comp. Claims	42:1	29:1	41:1	87:0	29:1	70:0
		% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
Annual Residential Water & Sewer Bill (12,000 cfs)		\$463	\$517	\$540	\$599	\$599	\$683	
Monthly Residential Water & Sewer Bill (12,000 cfs)		\$39	\$43	\$45	\$50	\$50	\$57	
City's Fixed Charge as a % of Total W&S Bill		N/A	4.6%	4.9%	4.9%	5.4%	4.4%	
% of Outfalls Sampled with no Water Discharge		95%	95%	95%	95%	90%	95%	

Water & Sewer Administration



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Public Works Director	1	1	1
Operations Manager	1	1	1
General Supervisor	1	1	1
Clerk Dispatcher	1	1	1
Senior Account Clerk	1	1	1
Clerk Typist	1	1	1
Seasonal Laborer	0	0	3
Total	6	6	9

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

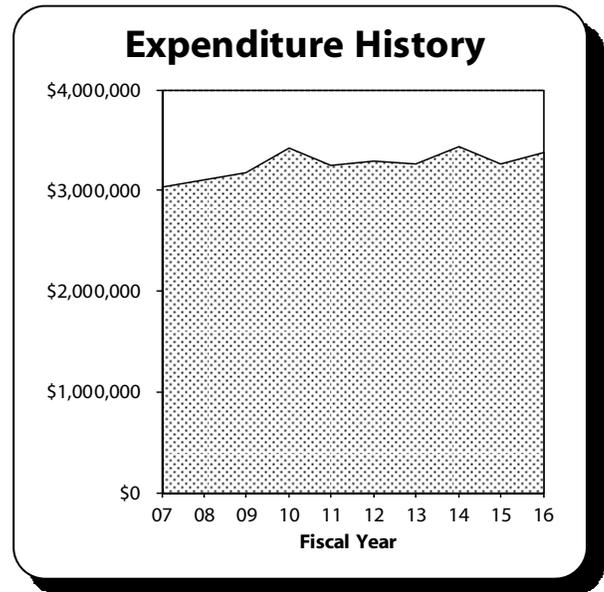
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.3%.

Personnel Services – The Personnel budget increased \$58,200 or 6.1%. Full-time wages rose \$15,120 due to settled DPW labor contracts, as well as wage step increases for eligible employees. Three summer Seasonal Laborer positions are funded, as these positions were added to better assist the department with grass cutting, trash pickup, the noxious weed cutting program and other high priority requests. Funding for overtime increased \$10,000 to reflect increased after-hour call-ins.

Supplies – Total Supplies increased \$500 or 8.3%. Operating supply costs increased \$1,000 based on recent actual expenditure levels. Fuel costs decreased \$500 based on lower gas prices.

Other Charges – Total Other Charges increased \$99,900 or 4.4%. Interfund service costs rose \$93,410 due to higher General Fund administrative costs for time spent on Water & Sewer related functions. Funding increased \$12,350 for facility rental cross-charges due to higher General Fund operational costs, partially offset by a decrease in copier fees under the new copier rental contract. Contracted service costs rose \$4,960 to fund increases in State radio fees, Miss Dig fees, and the Clinton River Watershed participation fee. \$2,500 was added for increased hydrant permit deposit refunds. Utility costs rose \$1,000 based on higher rates. \$830 was added due to a slight increase in audit costs. Credit card fees decreased \$15,000 due to



fewer than anticipated customer credit card water bill payments and lower banking fees. Funding for legal services fell \$1,000 based on less activity in recent years.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,003,153	\$958,130	\$991,690	\$1,016,330	\$1,016,330
Supplies	6,050	6,000	7,000	6,500	6,500
Other Charges	7,938,536	2,252,110	2,263,620	2,352,010	2,352,010
Capital Outlay	0	50,000	49,070	0	0
Total	\$8,947,739	\$3,266,240	\$3,311,380	\$3,374,840	\$3,374,840

MISSION STATEMENT: *To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.*

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 10,000 service request calls are responded to annually.

Inspections and reinspections are conducted at approximately 600 commercial and industrial establishments. Citations are issued to those in violation of City ordinance and/or State rules and regulations. Residents' water shut-off boxes are checked and repaired if necessary. City-owned gatewells, valves, and meter pits are inspected for repairs, cleaning, and electrical functioning. This Division also inspects and repairs water services, damaged water shut-offs, leaking curb stop boxes as well as supervises and assists subcontractors in water main break repairs.

An inventory is maintained of all materials used in the operation of the Water Distribution program. The upkeep of the divisional garage area, storage area, and meter shop, as well as the operator/driver maintenance of vehicles and equipment is performed.

Assistance is provided in the Tall Grass/Weed Cutting Program through inspection of lots or acreage cut by the subcontractor. This Division prepares all necessary paperwork, work orders, and reports; assists in responding to complaints; and participates in the snow emergency program when required.

Residential water meters for approximately 35,000 customers are read quarterly. Commercial and industrial water meters for nearly 4,500 customers are all read on a monthly basis via a fixed network

KEY GOALS

- *To provide efficient and economical maintenance and repair of the water distribution system.*
- *To ensure accurate and continuous reading of residential, commercial and industrial water meters.*
- *To maintain all fire hydrants in a properly functioning condition to support fire fighting throughout the City.*
- *To inspect commercial/industrial establishments for cross connections and proper backflow prevention in order to protect the water system from contamination.*
- *To review construction plans for future development of the water system and inspect new connections for proper installation.*

radio meter reading system, which is able to pick up the transmission of water meter readings and transmit the readings to a central computer. Personnel read and perform rechecks as requested by homeowners and customers to check for high, low, or questionable reads. All new or replacement water meters are tested for accuracy prior to installation to ensure that high volume users are billed correctly. One-half of all compound water meters are tested and repaired annually.■

Did you know...

...the majority of water consumed in Sterling Heights is pumped from five miles offshore of Lake Huron and goes through over 60 miles of transmission mains?

Water Distribution

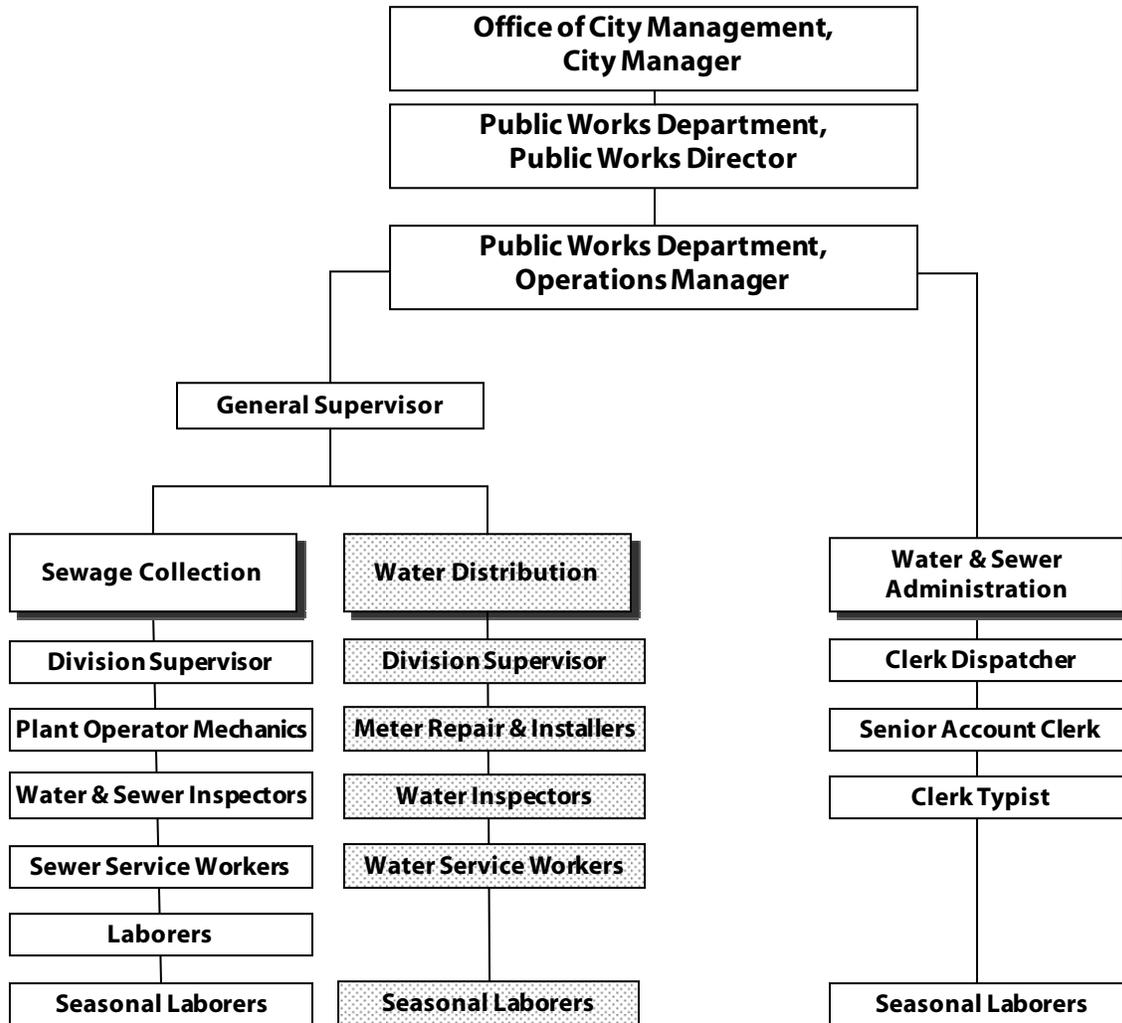
2015/16 PERFORMANCE OBJECTIVES

1. To test/repair approximately 300 water meters 2" and larger to assure that correct revenues are being realized from high-volume users. *(City Goal 1)*
2. To perform 300 gate valve and well structure inspections annually, which will improve our ability to isolate sections of water mains for repairs while minimizing the impact to the City's water customers. *(City Goal 1, 3)*
3. To obtain monthly and quarterly reads of the approximate 4,500 commercial and 35,000 residential water meters in the city for billing purposes. *(City Goal 1)*
4. To monitor the testing by private contractors of 1,000 backflow preventers annually at various commercial and industrial sites, in order to protect the public water supply from backflow hazards. *(City Goal 1)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Miles of Water Mains in City	576	576	576	576	576	576
	Citizen Inquiries/Service Requests Responded To	5,097	4,292	4,596	5,000	6,266	6,500
	Water Meter Manual Reads - Residential & Comm.	138,467	137,291	141,252	140,000	141,592	142,000
	Water Meter Automated Reads - Res. & Comm.	61,554	64,181	66,268	67,000	67,086	67,000
	Water Main Breaks	77	62	155	75	100	100
	Miss Dig Stakeouts of Utilities Performed	7,051	7,032	7,449	7,000	6,836	7,000
	Water Meters Installed - Residential/Comm. (new)	76/13	65/12	65/23	100/15	70/38	100/25
	Water Meters Replaced	220	413	551	500	500	500
	Water Taps Installed - Residential/Commercial	74/16	64/22	84/22	100/15	100/14	100/15
	Cross Connection Inspections/Reinspections	487	532	365	650	250	500
	Compound Meters Tested	185	160	130	300	200	300
	Gatewells Inspected	425	306	310	300	285	300
	Businesses Monitored - Backflow Compliance	642	743	1,427	1,000	912	1,000
	Fire Hydrants Replaced	8	8	6	10	2	5
	Fire Hydrants Painted	329	431	639	600	400	500
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)	4.1	4.0	3.9	4.0	4.0	4.0
	Miles of Water Main Maintained per FT Employee	52.4	52.4	52.4	64.0	64.0	64.0
	Water Meter Manual Reads per Reader	55,387	54,916	56,501	56,000	56,640	56,800
	Water Purchased from Detroit (1,000 cubic feet)	695,711	678,000	614,039	690,000	610,000	670,000
	Cost of 1,000 Cubic Feet of Water from Detroit	\$10.82*	\$9.48*	\$9.92*	\$10.54*	\$10.54*	\$9.45*
	Detroit Water Fixed Charge	\$3,545,772	\$5,662,140	\$5,923,824	\$6,291,170	\$6,291,170	\$8,700,500
	Water Fixed Charge as a % of Total Costs	32.0%	46.8%	49.3%	46.4%	49.5%	57.9%

*Does not include fixed water costs.

Water Distribution



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Laborer	2	0	0
Seasonal Laborer	2	3	4
Total	13	12	13

Water Distribution

SUMMARY OF BUDGET CHANGES

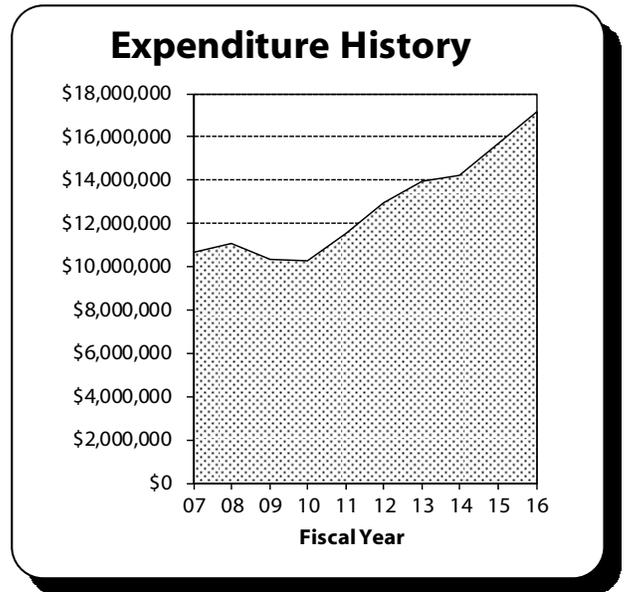
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 9.8%.

Personnel Services – The Personnel budget increased \$61,440 or 5.1%. Full-time wages rose \$16,300 due to the settled DPW labor contracts. Part-time wages rose \$13,410 due in part to an additional Seasonal Laborer to assist with meter readings. Overtime costs rose \$5,000 due to the increased cost of water main repairs, while an additional \$9,840 is funded for pension liabilities. Employee health insurance rose \$11,650.

Supplies – Total Supplies increased \$9,000 or 3.8%. \$25,000 is needed for additional materials to install new water taps. The budget rose \$5,000 due to the higher costs of new water meters. \$16,000 was saved, as less funding is required for replacement water meter and fire hydrant repair parts. Fuel costs decreased \$5,000 based on lower gas prices.

Other Charges – Total Other Charges increased \$1,547,440 or 11.0%. The cost of water purchased from Detroit increased \$1,468,230. While the actual water rate from Detroit decreased by 10.3% from \$10.54 to \$9.45 per mcf, the fixed charge from Detroit increased by \$2,409,330 or 38.3%. The amount of water purchased is anticipated to further decline by 2.9%. \$100,000 was added for the funding of a contractor to restore turf and concrete areas affected by water main breaks. The State Health Department fees increased \$3,000. Training funds increased \$600. Equipment maintenance costs fell \$20,000, as fewer booster station repairs have been needed.



Capital – Capital of \$50,000 is proposed to replace a 14-year old, rusted one-ton Utility Cube Truck that is used by the Water Service Workers to transport tools and equipment when repairing and maintaining the water system.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,307,386	\$1,195,800	\$1,231,100	\$1,257,240	\$1,257,240
Supplies	265,229	235,000	245,000	244,000	244,000
Other Charges	12,641,192	14,093,290	13,320,520	15,640,730	15,640,730
Capital Outlay	0	133,570	135,030	50,000	50,000
Total	\$14,213,807	\$15,657,660	\$14,931,650	\$17,191,970	\$17,191,970

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 a third of the sanitary system each year. Specific trouble spots in the sanitary sewer system are cleaned on a quarterly basis to avoid unnecessary problems. Debris is removed from the system to prevent blockages. Cracked or broken pipes, roots or other problems are located and resolved.

This Division responds to calls regarding sewer back-ups and/or blockages. Blockages are investigated, located, and relieved through sewer cleaning. If internal plumbing problems or sump pump malfunction is the cause, advice and assistance is provided. Residential and commercial sewer tap installations and utility structures (sanitary manholes, storm manholes, and gatewells) are inspected prior to the issuance of final occupancy permits.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

KEY GOALS

- *To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.*
- *To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.*
- *To provide an efficient, competent and responsible sewer connection and utility inspection program.*
- *To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.*
- *To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.*

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know...

...the Sewer Collection division cleans an average of 1.5 million feet of sanitary sewers every year and has four sanitary jet trucks cleaning sewers on a daily basis to eliminate blockages?

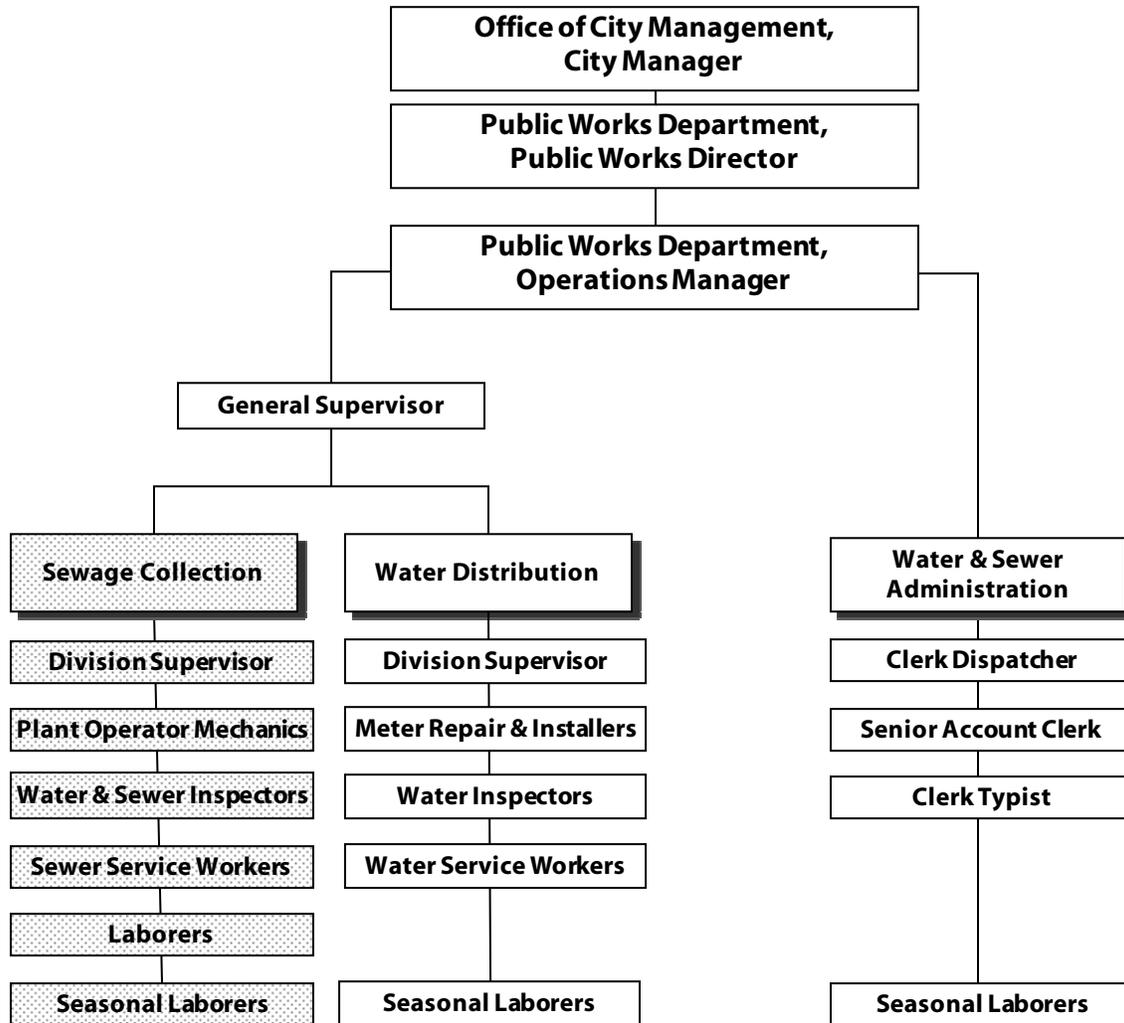
Sewage Collection

2015/16 PERFORMANCE OBJECTIVES

1. To inspect all catch basin structures using industry standards, to determine needed repairs or replacements. *(City Goal 16, 18)*
2. To rent the necessary excavation equipment to restore retention ponds to maximum flows and capacities. *(City Goal 6, 18)*
3. To maintain an annual grease trap inspection program with increased inspections for repeat violators. *(City Goal 16)*
4. To develop and institute a bi-annual cleaning and televising program for all sanitary sewer lines, utilizing recently purchased hi-tech video recording equipment and vehicles. *(City Goal 16)*

	Performance Indicators	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Budget
Output	Miles of Sanitary Sewers in City	430	430	430	430	430	430
	Sewer Inquiries Received & Resolved	1,940	2,218	2,124	2,000	1,700	2,000
	Sewer Inspections	316	352	294	300	358	350
	Water Inspections	83	82	99	75	76	75
	Certificate of Occupancy Inspections	56	49	39	45	58	50
	Sanitary Sewer Cleaned - Feet	725,340	1,049,300	805,510	1,500,000	750,000	1,500,000
	Utility Structures Restored	78	88	60	60	145	150
	Flags of Sidewalk Replaced	64	49	53	70	82	75
	Sections of Street/Approaches Replaced	78/16	40/18	28/17	40/20	108/24	100/25
	Sod Replaced - Yards	910	705	664	800	130	1,000
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	6	15	7	14	10	15
	Grease Trap Program Inspections	150	65	201	345	250	345
	Efficiency & Effectiveness	Sewer Main Blockages	11	9	9	4	12
% 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	33.1	35.8	33.1	33.1	35.8
Sewage Fixed Charge as a % of Total Costs		35.2%	37.4%	35.3%	36.7%	100.0%	100.0%
Sewage Disposal System Look-Back Adjustment		\$0	\$62,402	\$1,188,370	\$884,640	\$737,650	\$737,650
Sewage Metered Flow Differential Adjustment		\$0	\$241,829	\$215,604	\$270,000	N/A	N/A

Sewage Collection



STAFFING SUMMARY

Position	Budget 2013/14	Budget 2014/15	Budget 2015/16
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)	1	1	1
Laborer	4	5	4
Seasonal Laborer	4	4	5
Total	16	17	17

Sewage Collection

SUMMARY OF BUDGET CHANGES

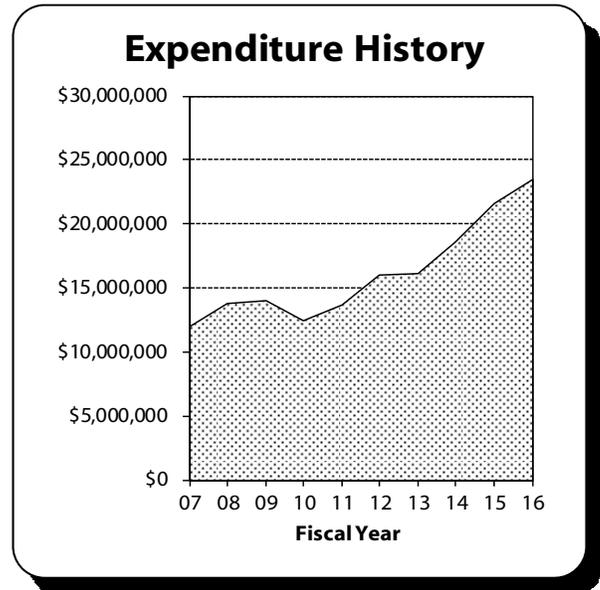
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 9.1%.

Personnel Services – The Personnel budget decreased \$26,520 or 1.7%. A full-time Laborer position has been transferred to the Streets division to assist in operating the new road maintenance equipment. A part-time year-round Seasonal Laborer position has been added to assist with operations throughout the year. Overtime costs rose \$20,000 due to increased call-in hours, while an additional \$11,330 is budgeted to fund pension liabilities.

Supplies – Total Supplies decreased \$3,000 or 4.8%, as fuel costs decreased due to lower gas prices. \$1,000 was added for personal protective gear.

Other Charges – Total Other Charges increased \$1,666,480 or 10.7%. Sewage disposal costs from Macomb are estimated to increase \$1,634,710 or 11.0%. The City's share of the District's debt increased \$894,110 or 24.9%. In addition, Macomb's actual fixed sewage charge increase last year was higher than anticipated. These increases have all resulted in the City's need to pass on a 15.5% sewer rate adjustment. A \$737,650 look-back charge is also budgeted, as Detroit continues to bill a five-year look back as a result of meter testing. This cost is being funded from reserves. The City will be billed for the charge through the end of fiscal year 2016. Industrial waste control charged by Detroit for monitoring non-residential waste flows increased by \$20,000. Vehicle maintenance costs increased \$10,000. \$9,270 was added for the rental of



an excavator and equipment needed for retention pond and water main repairs.

Capital – Total Capital of \$225,000 is proposed. \$155,000 is to replace a 2001 Crane Truck with 150,000 miles that is used for lifting heavy equipment. \$45,000 is for a Trailer Mounted Trash Pump. \$13,000 is for a Sewer Jet Camera to be used for diagnosing problems in sewer lines. \$12,000 is for a Trench Box to protect employees making repairs to underground utilities.

Debt Service – Total Debt Service increased \$894,110 or 24.9% to cover the City's share of the District's sewer rehabilitation payments.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$1,530,344	\$1,523,300	\$1,526,590	\$1,496,780	\$1,496,780
Supplies	67,912	62,000	53,000	59,000	59,000
Other Charges	15,184,617	15,561,480	17,299,140	17,227,960	17,227,960
Capital Outlay	0	801,310	746,020	225,000	225,000
Debt Service	1,700,754	3,584,470	3,662,470	4,478,580	4,478,580
Total	\$18,483,627	\$21,532,560	\$23,287,220	\$23,487,320	\$23,487,320

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, Brownfield Redevelopment Authority, Local Development Finance Authority, Corridor Improvement Authority, Land & Water Conservation Fund and Public Safety Forfeiture Fund.

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
MAJOR ROAD FUND						
REVENUES						
Federal & State Grants	\$17,710	\$513,720	\$1,673,300	\$230,750	\$1,133,820	\$864,000
Gas & Weight Tax	5,297,640	5,461,370	5,500,000	1,890,250	5,525,000	5,600,000
Metro Act	257,400	243,590	260,000	0	250,000	250,000
Other Revenue	146,200	197,980	365,000	62,630	141,500	342,000
Transfer from General Fund	0	0	2,800,000	1,400,000	2,800,000	0
Total Revenues	5,718,950	6,416,660	10,598,300	3,583,630	9,850,320	7,056,000
EXPENDITURES						
Administration	110,790	228,780	115,600	74,830	150,600	130,610
Major Street Maintenance	1,526,690	2,721,930	1,791,500	1,335,120	2,305,500	2,252,500
Major Street Improvements	470,370	1,957,720	7,867,230	2,532,210	7,508,570	1,427,000
Transfer to Local Road Fund	0	1,025,000	750,000	375,000	750,000	750,000
Tfr. to Road Bond Debt Fund	2,430,000	2,160,000	1,600,000	1,233,680	1,600,000	1,000,000
Tfr. to Road Bond Constr Fund	135,110	0	0	0	0	0
Total Expenditures	4,672,960	8,093,430	12,124,330	5,550,840	12,314,670	5,560,110
Excess of Revenues Over (Under) Expenditures	1,045,990	(1,676,770)	(1,526,030)	(1,967,210)	(2,464,350)	1,495,890
Beginning Fund Balance	3,729,120	4,775,110	3,098,340	3,098,340	3,098,340	633,990
Ending Fund Balance	\$4,775,110	\$3,098,340	\$1,572,310	\$1,131,130	\$633,990	\$2,129,880
LOCAL ROAD FUND						
REVENUES						
Property Taxes	\$0	\$0	\$3,272,900	\$3,126,500	\$3,285,000	\$3,376,400
State Grants	0	124,070	0	0	0	0
Gas & Weight Tax	1,958,490	2,020,460	2,100,000	699,470	2,075,000	2,100,000
Metro Act	95,150	90,100	95,000	0	90,000	90,000
Charges for Services	40,220	41,700	52,000	16,620	35,000	40,000
Other Revenue	45,630	149,440	51,790	12,560	56,060	42,010
Transfer from Major Road Fund	0	1,025,000	750,000	375,000	750,000	750,000
Total Revenues	2,139,490	3,450,770	6,321,690	4,230,150	6,291,060	6,398,410
EXPENDITURES						
Administration	107,970	199,070	161,660	54,210	140,300	160,310
Local Street Maintenance	1,372,690	1,697,070	1,491,000	782,400	1,412,000	1,536,000
Local Street Improvements	691,940	2,455,930	4,465,830	3,183,390	3,206,050	4,507,000
Total Expenditures	2,172,600	4,352,070	6,118,490	4,020,000	4,758,350	6,203,310
Excess of Revenues Over (Under) Expenditures	(33,110)	(901,300)	203,200	210,150	1,532,710	195,100
Beginning Fund Balance	1,105,170	1,072,060	170,760	170,760	170,760	1,703,470
Ending Fund Balance	\$1,072,060	\$170,760	\$373,960	\$380,910	\$1,703,470	\$1,898,570

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
LAND & WATER FUND						
REVENUES						
Federal & State Grants	\$0	\$0	\$175,000	\$0	\$0	\$0
Other Revenue	1,350	4,520	1,500	1,430	1,680	200
Transfer from General Fund	0	0	88,000	44,000	219,740	325,000
Total Revenues	1,350	4,520	264,500	45,430	221,420	325,200
EXPENDITURES						
Land Improvements	19,540	81,500	784,450	43,590	673,250	391,000
Total Expenditures	19,540	81,500	784,450	43,590	673,250	391,000
Excess of Revenues Over (Under) Expenditures	(18,190)	(76,980)	(519,950)	1,840	(451,830)	(65,800)
Beginning Fund Balance	623,580	605,390	528,410	528,410	528,410	76,580
Ending Fund Balance	\$605,390	\$528,410	\$8,460	\$530,250	\$76,580	\$10,780
PUBLIC SAFETY FORF. FUND						
REVENUES						
Federal Forfeitures & Income	\$74,850	\$542,020	\$26,170	\$26,170	\$65,000	\$0
Treasury Forfeitures & Income	20	63,870	0	0	0	0
State Forfeitures & Income	96,500	134,310	19,320	31,480	95,000	5,000
OWI Forfeitures	14,260	14,650	4,050	5,850	10,000	0
Gambling Forfeitures	0	20,200	0	540	0	0
Act 302 Training Funds	0	0	0	0	0	30,800
Other Revenue	650	340	420	720	450	440
Total Revenues	186,280	775,390	49,960	64,760	170,450	36,240
EXPENDITURES						
Federal Forfeiture Expenditures	70,020	266,700	254,390	205,740	263,390	164,730
Treasury Forf. Expenditures	23,950	63,880	0	10	10	0
State Forfeiture Expenditures	142,680	162,740	146,150	91,990	154,210	330,730
Gambling Forf. Expenditures	10	1,590	0	0	0	0
OWI Forfeiture Expenditures	16,930	18,170	32,530	22,480	32,530	22,000
Act 302 Training Funds	0	0	0	0	0	30,800
Total Expenditures	253,590	513,080	433,070	320,220	450,140	548,260
Excess of Revenues Over (Under) Expenditures	(67,310)	262,310	(383,110)	(255,460)	(279,690)	(512,020)
Beginning Fund Balance	598,170	530,860	793,170	793,170	793,170	513,480
Ending Fund Balance	\$530,860	\$793,170	\$410,060	\$537,710	\$513,480	\$1,460

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	\$400,940	\$787,710	\$1,223,560	\$491,560	\$1,225,760	\$854,780
Revenue Direct Loans	56,750	85,560	45,000	42,550	42,560	25,000
Total Revenues	457,690	873,270	1,268,560	534,110	1,268,320	879,780
EXPENDITURES						
Community Development	349,090	873,270	1,268,560	600,540	1,268,320	879,780
Principal	106,470	0	0	0	0	0
Interest	2,130	0	0	0	0	0
Total Expenditures	457,690	873,270	1,268,560	600,540	1,268,320	879,780
Excess of Revenues Over (Under) Expenditures	0	0	0	(66,430)	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$66,430)	\$0	\$0
NEIGHBORHOOD STABILIZATION FUND						
REVENUES						
Federal Grants	\$242,260	\$5,010	\$0	\$2,910	\$3,050	\$0
Total Revenues	242,260	5,010	0	2,910	3,050	0
EXPENDITURES						
Downpayment & Rehab. Assist.	1,040	0	0	0	0	0
Acquisition/Redevelopment	236,540	3,800	0	2,150	2,150	0
Administration Costs	4,680	1,210	0	900	900	0
Total Expenditures	242,260	5,010	0	3,050	3,050	0
Excess of Revenues Over (Under) Expenditures	0	0	0	(140)	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$140)	\$0	\$0
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes	\$0	\$0	\$0	\$14,000	\$18,630	\$18,940
Other Revenue	20	10	10	10	10	10
Total Revenues	20	10	10	14,010	18,640	18,950
EXPENDITURES						
Other Charges	0	1,110	0	0	0	0
Total Expenditures	0	1,110	0	0	0	0
Excess of Revenues Over (Under) Expenditures	20	(1,100)	10	14,010	18,640	18,950
Beginning Fund Balance	25,950	25,970	24,870	24,870	24,870	43,510
Ending Fund Balance	\$25,970	\$24,870	\$24,880	\$38,880	\$43,510	\$62,460

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

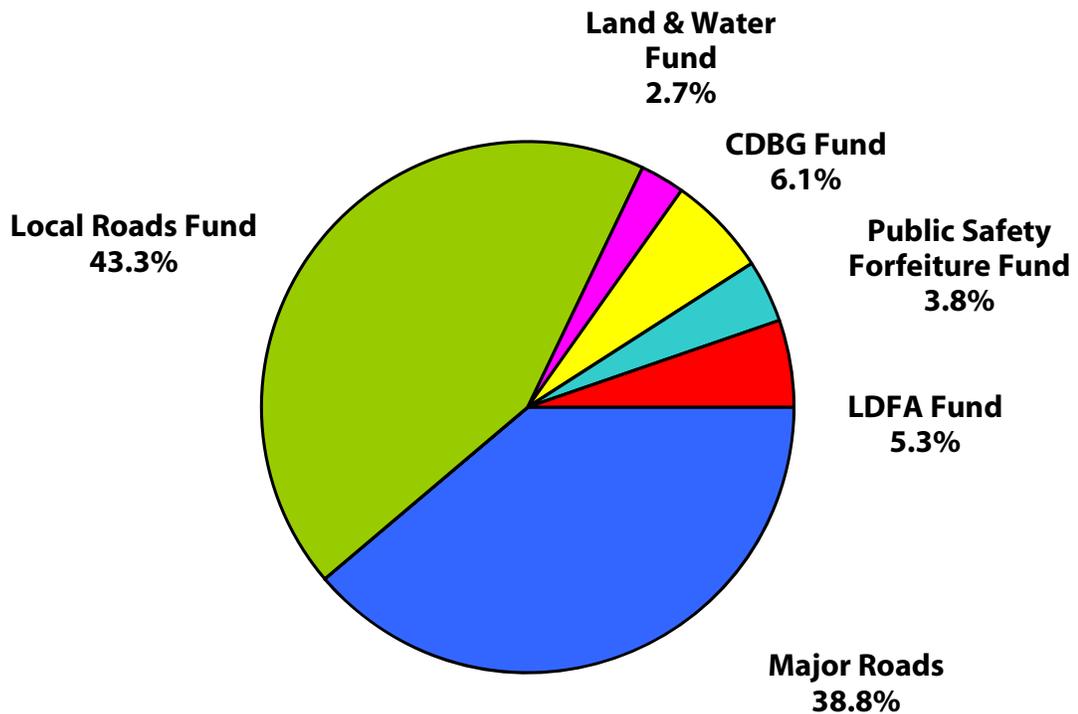
Special Revenue Funds	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Funding from General Gov't	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Transfer from General Fund	19,000	0	300,000	300,000	0	0
Other Revenue	10	10	0	40	420	500
Total Revenues	19,010	10	300,000	300,040	300,420	300,500
EXPENDITURES						
Miscellaneous	20,490	0	0	0	0	0
Total Expenditures	20,490	0	0	0	0	0
Excess of Revenues Over (Under) Expenditures	(1,480)	10	300,000	300,040	300,420	300,500
Beginning Fund Balance	14,170	12,690	12,700	12,700	12,700	313,120
Ending Fund Balance	\$12,690	\$12,700	\$312,700	\$312,740	\$313,120	\$613,620
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$127,240	\$113,960	\$115,500	\$99,200	\$0	\$0
Other Revenue	60	110	60	140	0	0
Total Revenues	127,300	114,070	115,560	99,340	0	0
EXPENDITURES						
Other Charges	86,990	114,280	115,500	99,340	0	0
Transfer to General Fund	45,000	0	0	0	0	0
Total Expenditures	131,990	114,280	115,500	99,340	0	0
Excess of Revenues Over (Under) Expenditures	(4,690)	(210)	60	0	0	0
Beginning Fund Balance	10,230	5,540	5,330	5,330	5,330	5,330
Ending Fund Balance	\$5,540	\$5,330	\$5,390	\$5,330	\$5,330	\$5,330
LOCAL DEVELOPMENT FINANCE AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$79,490	\$111,530	\$128,000	\$103,400	\$115,090	\$116,980
L DFA SmartZone Capture	70,740	500,000	500,000	401,400	500,000	500,000
Other Revenue	115,500	105,650	90,600	52,650	95,430	427,950
Total Revenues	265,730	717,180	718,600	557,450	710,520	1,044,930
EXPENDITURES						
Incubator Operations	159,400	405,910	781,150	177,250	676,490	760,750
BAE Reimbursement	79,510	111,630	128,000	103,530	115,090	0
Total Expenditures	238,910	517,540	909,150	280,780	791,580	760,750
Excess of Revenues Over (Under) Expenditures	26,820	199,640	(190,550)	276,670	(81,060)	284,180
Beginning Fund Balance	41,920	68,740	268,380	268,380	268,380	187,320
Ending Fund Balance	\$68,740	\$268,380	\$77,830	\$545,050	\$187,320	\$471,500

***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 \$14,343,210 Special Revenue Funds budget.

TAXES

This revenue source is largely generated by the Safe Streets millage that was approved by the voters in November 2013, as well as from tax increment financing (TIF) revenues resulting from the Local Development Authority. A total of \$4,012,320 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 and State Grants, including 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 2015/16 Budget, State and Local Return revenues represent 63.0% of total revenue sources, a decrease of \$1,001,820. The decrease is primarily due to a decrease in federal grants for the Major Road Fund and Community Development Block Grant program, partially offset by an increase in Act 51 Funds and the revolving fund for future Economic Development property acquisitions, brownfield or redevelopment projects that would assist the City's economic development efforts.

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 and the Major Road Fund next year.

In 2015/16, revenues generated from Other Financing Sources represent 6.7% of total revenue sources, a decrease of \$2,863,000. The decrease is primarily due to the necessary transfer from the General Fund in the prior year for the one-time pass through of City self-insurance funds to finance the Van Dyke Reconstruction project from 15 Mile to 18 Mile Road. A transfer from the Major Road Fund to the Local Road Fund totals \$750,000.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting and Chipping Fees. In the 2015/16 Budget, Charges for Services represents 0.3% of total revenue sources, a decrease of \$12,000. This decrease is primarily due to a decrease in tree sales.

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, Contributions & Donations, Miscellaneous Revenue, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2015/16, Other Revenues represent 5.1% of total revenue sources, an increase of \$303,730. The increase is primarily due to an increase in LDFA financing revenues, as BAE no longer qualifies for reimbursement of project costs and this funding will now be captured and used for future eligible SmartZone uses.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2015/16 Budget, revenues exceed expenditures by \$1,716,800 allowing for a contribution to Fund Balance reserves, mainly in the Major Road Fund.■

SPECIAL REVENUE FUNDS REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404001	Property Tax Refunds	\$0	0.00	(\$25,000)	-0.13	(\$15,000)	-0.09
407000	Safe Streets Tax	0	0.00	3,297,900	16.79	3,360,000	20.92
415000	Delinquent Personal Property Tax	0	0.00	0	0.00	16,400	0.10
420000	Property Taxes - TIF - Sims/CIA	0	0.00	0	0.00	18,940	0.12
420010	Property Taxes - TIF - BAE	225,490	1.82	243,500	1.24	116,980	0.73
422000	LDFA - SmartZone Capture - BAE	500,000	4.05	500,000	2.55	500,000	3.11
445000	Penalties and Interest	0	0.00	0	0.00	15,000	0.09
	Total Taxes	725,490	5.87	4,016,400	20.45	4,012,320	24.98
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	966,818	7.82	1,363,140	6.94	854,780	5.32
529002	Federal Program Income	4,173	0.03	0	0.00	0	0.00
529003	Revenue Direct Loans	85,561	0.69	45,000	0.23	25,000	0.16
529100	Federal Forfeiture Grants	542,022	4.39	26,170	0.13	0	0.00
529200	Treasury Forfeiture Grants	63,870	0.52	0	0.00	0	0.00
539002	State Grants	459,520	3.72	1,708,720	8.70	864,000	5.38
539200	State Forfeiture Grants	123,300	1.00	14,320	0.07	0	0.00
539201	State Forfeiture Program Income	11,013	0.09	5,000	0.03	5,000	0.03
539300	Gambling Forfeitures	20,194	0.16	0	0.00	0	0.00
539348	Metro Act	333,680	2.70	355,000	1.81	340,000	2.12
539400	OWI Forfeitures	14,650	0.12	4,050	0.02	0	0.00
539500	Act 302 Training Funds	0	0.00	0	0.00	30,800	0.19
546000	Highway & Street Grants	7,481,831	60.55	7,600,000	38.70	7,700,000	47.95
549101	Funding from General Gov't	0	0.00	0	0.00	300,000	1.87
	Total State & Local Returns	10,106,632	81.79	11,121,400	56.64	10,119,580	63.02
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	0	0.00	3,188,000	16.23	325,000	2.02
699202	Transfer from Major Road Fund	1,025,000	8.29	750,000	3.82	750,000	4.67
	Total Other Financing Sources	1,025,000	8.29	3,938,000	20.05	1,075,000	6.69
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	30,267	0.24	40,000	0.20	30,000	0.19
640010	Chipping Fee	11,434	0.09	12,000	0.06	10,000	0.06
	Total Charges for Services	41,701	0.34	52,000	0.26	40,000	0.25
665000	Interest on Investments	8,346	0.07	8,120	0.04	10,860	0.07
665100	Interest Income - Federal Forfeiture	232	0.00	350	0.00	300	0.00
665130	Interest Income - Treas. Forfeiture	16	0.00	10	0.00	10	0.00
665200	Interest Income - State Forfeiture	58	0.00	30	0.00	60	0.00
665300	Interest Income - Gamble Forf.	7	0.00	10	0.00	20	0.00
665400	Interest Income - OWI Forfeiture	30	0.00	20	0.00	50	0.00
665715	Interest Income - LDFA TIF	102	0.00	50	0.00	200	0.00
667716	Rental Income Smart Incubator	99,292	0.80	90,000	0.46	100,000	0.62
672000	Special Assessment Revenue	138,544	1.12	39,400	0.20	35,050	0.22
672445	SA Delinquent Interest & Penalties	189	0.00	500	0.00	110	0.00
672665	Special Assessment Interest	10,210	0.08	11,090	0.06	5,850	0.04
675000	Contributions & Donations	3,720	0.03	1,300	0.01	327,600	2.04
676000	Reimbursements	192,494	1.56	150,500	0.77	125,000	0.78
677008	Unrealized Gain/Loss	20	0.00	0	0.00	0	0.00
685000	Miscellaneous Revenue	4,810	0.04	208,000	1.06	208,000	1.30
	Total Other Revenue	458,070	3.71	509,380	2.60	813,110	5.06
	Total Special Revenue Funds	\$12,356,893	100.00	\$19,637,180	100.00	\$16,060,010	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
705000	Wages - Salaries - Temp/Part-time	\$0	0.00	\$8,140	0.04	\$8,790	0.06
717000	FICA	0	0.00	620	0.00	670	0.00
718000	Worker's Compensation	0	0.00	10	0.00	10	0.00
	Total Personnel Services	0	0.00	8,770	0.04	9,470	0.06
	SUPPLIES						
729000	Postage	476	0.00	1,100	0.01	1,100	0.01
741000	Ammunition	0	0.00	0	0.00	2,800	0.02
751000	Operating Supplies	62,672	0.43	98,130	0.45	79,250	0.55
785000	Books	7,079	0.05	6,000	0.03	7,000	0.05
	Total Supplies	70,227	0.48	105,230	0.48	90,150	0.63
	OTHER CHARGES						
802000	Audit & Accounting Services	880	0.01	900	0.00	920	0.01
805000	Administrative Services	562,509	3.87	494,250	2.27	487,050	3.40
805100	Management Services	96,007	0.66	184,000	0.85	180,000	1.25
806000	Legal Services - Other	8,452	0.06	0	0.00	0	0.00
806001	Legal Services - City Attorney	7,617	0.05	2,500	0.01	1,500	0.01
826000	Other Contracted Services	227,686	1.56	392,200	1.80	335,040	2.34
826900	Subrecipient Funding	60,585	0.42	81,930	0.38	84,970	0.59
827000	Interfund Services	33,133	0.23	19,000	0.09	19,000	0.13
832000	Building Maintenance	33,365	0.23	30,000	0.14	30,000	0.21
833000	Equipment Maintenance	10,238	0.07	4,650	0.02	10,160	0.07
880000	Community Promotion	400	0.00	5,000	0.02	2,000	0.01
902000	Publishing	1,568	0.01	1,800	0.01	1,800	0.01
913000	Liability Insurance	10,573	0.07	11,400	0.05	10,000	0.07
921000	Electric	59,867	0.41	65,000	0.30	65,000	0.45
922000	Telephone	44,518	0.31	56,300	0.26	55,660	0.39
923000	Gas - Fuel - Oil	36,344	0.25	35,000	0.16	37,000	0.26
925000	Water	9,096	0.06	12,000	0.06	10,000	0.07
942000	Building Rent	0	0.00	0	0.00	16,000	0.11
945000	Other Rental	1,473	0.01	1,400	0.01	1,400	0.01
957000	Memberships & Dues	4,475	0.03	4,580	0.02	4,620	0.03
959000	Education & Training	28,453	0.20	22,040	0.10	34,260	0.24
962000	Miscellaneous Expense	2,241	0.02	590	0.00	600	0.00
962010	Miscellaneous Expense - BAE	225,733	1.55	243,500	1.12	0	0.00
962200	Miscellaneous Expense - Investigations	28,378	0.20	18,000	0.08	20,000	0.14
963000	Miscellaneous Programs	0	0.00	10,000	0.05	0	0.00
963900	Miscellaneous - Capital Program	19,325	0.13	250,000	1.15	250,000	1.74
	Total Other Charges	1,512,916	10.40	1,946,040	8.95	1,656,980	11.55
	OTHER SERVICES						
886162	Access Road Maintenance	30,012	0.21	25,000	0.11	35,000	0.24
887000	Bridge Maintenance	12,246	0.08	20,000	0.09	20,000	0.14
888000	Surface Maintenance	1,043,999	7.17	480,000	2.21	1,000,000	6.97

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
888001	Surface Maintenance - County	4,356	0.03	0	0.00	0	0.00
888229	2012 Joint Sealing Program	0	0.00	130,000	0.60	0	0.00
888262	2014 Joint Sealing Program	0	0.00	0	0.00	130,000	0.91
889000	Shoulder Maintenance	14,367	0.10	23,000	0.11	28,000	0.20
889001	Shoulder Maintenance - County	212	0.00	0	0.00	0	0.00
890000	Sweeping & Flushing	280,588	1.93	260,000	1.20	250,000	1.74
890001	Sweeping & Flushing - County	32,655	0.22	35,000	0.16	35,000	0.24
890002	Sweeping & Flushing - State	4,200	0.03	10,000	0.05	6,000	0.04
891000	Grass & Weed Control	158,802	1.09	190,000	0.87	190,000	1.32
891001	Grass & Weed Control - County	187,304	1.29	175,000	0.80	185,000	1.29
891002	Grass & Weed Control - State	142,337	0.98	125,000	0.57	90,000	0.63
892000	Roadside Cleanup	5,471	0.04	8,000	0.04	7,000	0.05
892001	Roadside Cleanup - County	3,519	0.02	8,000	0.04	5,000	0.03
892002	Roadside Cleanup - State	2,275	0.02	3,000	0.01	2,500	0.02
893000	Curb & Gutter Maintenance	1,217	0.01	2,500	0.01	2,500	0.02
894000	Storm Drain Maintenance	96,450	0.66	170,000	0.78	115,000	0.80
895000	Tree & Shrub Maintenance	448,282	3.08	420,000	1.93	450,000	3.14
895001	Tree & Shrub Maintenance - County	2,037	0.01	7,000	0.03	7,000	0.05
895002	Tree & Shrub Maintenance - State	1,300	0.01	3,000	0.01	2,500	0.02
897000	Snow & Ice Removal	1,641,038	11.28	900,000	4.14	900,000	6.27
898000	Traffic Signs & Signals	295,836	2.03	215,000	0.99	240,000	1.67
898001	Traffic Signs & Signals - County	9,615	0.07	8,000	0.04	8,000	0.06
899000	Pavement Markings	881	0.01	65,000	0.30	80,000	0.56
	Total Other Services	4,418,999	30.37	3,282,500	15.09	3,788,500	26.42
	CAPITAL OUTLAY						
972000	Land Improvements	0	0.00	357,240	1.64	66,000	0.46
972008	Land Imp-Neighbrhd Prks-Play Equip	3,950	0.03	0	0.00	0	0.00
972237	2013 Park Improvements	211,141	1.45	41,970	0.19	0	0.00
972333	Delia Park Improvements	0	0.00	600,000	2.76	0	0.00
972334	Sport Courts & Path Resurfacing	0	0.00	75,000	0.34	25,000	0.17
972795	Park Improvements	3,720	0.03	1,300	0.01	0	0.00
975000	Buildings & Improvements	33,561	0.23	52,740	0.24	353,810	2.47
977000	Furniture	1,069	0.01	3,960	0.02	0	0.00
979000	Computer Equipment	63,099	0.43	3,030	0.01	0	0.00
981000	Electronic Equipment	153,119	1.05	40,090	0.18	243,000	1.69
982000	Machinery & Equipment	41,049	0.28	85,000	0.39	26,300	0.18
984000	Vehicles	3,686	0.03	48,000	0.22	0	0.00
988000	Construction	61,288	0.42	4,064,600	18.68	1,959,000	13.66
988206	Utica/Van Dyke - Park	3,798	0.03	0	0.00	0	0.00
988213	ADA Improve. Baumgartner Park	67	0.00	0	0.00	0	0.00
988224	Tyler/Sanford Dr Concrete Replace	325,048	2.23	0	0.00	0	0.00
988232	Gardner Street Paving	238,016	1.64	6,000	0.03	0	0.00
988233	15 Mile Turn Lanes - Dodge/Maple	76,977	0.53	31,980	0.15	0	0.00
988234	Delco Blvd Resurfacing	154,479	1.06	10,520	0.05	0	0.00
988235	17 Mile Bridge Replace - Conrail	531,405	3.65	868,600	3.99	0	0.00

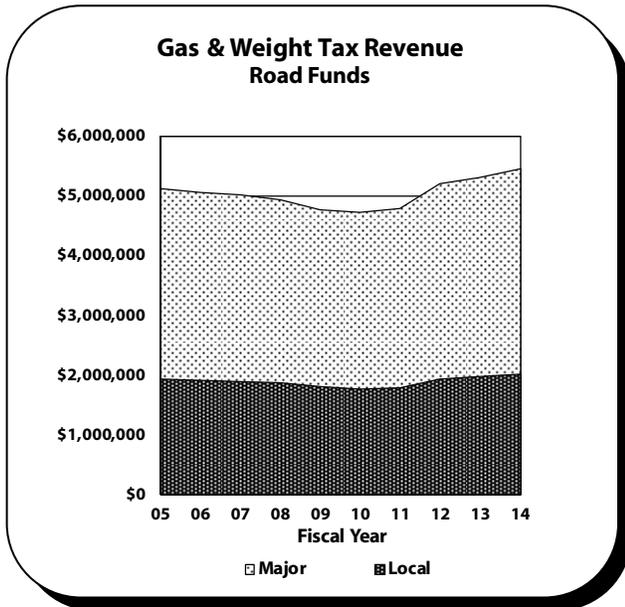
**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
988238	2013 Concrete Replacement Pgrm	430,434	2.96	0	0.00	0	0.00
988243	2013 Asphalt Pavement Repair	1,276,328	8.77	25,670	0.12	0	0.00
988246	Van Dyke Streetscape Design	105,551	0.73	94,450	0.43	0	0.00
988247	Indigo Dr & Elmcrest Dr Reconstr	154,024	1.06	242,440	1.11	0	0.00
988248	2014 Concrete Replacement Pgrm	1,307,526	8.99	2,742,240	12.61	2,275,000	15.86
988249	2014 Asphalt Pavement Repair	175,789	1.21	1,700,000	7.81	0	0.00
988250	2014 Concrete Reconstruction	4,439	0.03	1,700,000	7.81	2,100,000	14.64
988254	Dodge Park - Metro to Utica Reconstr	4,585	0.03	25,000	0.11	0	0.00
988255	RRR 19-1/2 Mile - Merrill to Utica	0	0.00	914,000	4.20	0	0.00
988263	2014 Beaver Creek Path	0	0.00	177,180	0.81	0	0.00
988700	Dequindre Rd - 16-18 Mile Road	0	0.00	150,000	0.69	0	0.00
Total Capital Outlay		5,364,148	36.86	14,061,010	64.64	7,048,110	49.14
TRANSFERS OUT							
999203	Transfer to Local Road Fund	1,025,000	7.04	750,000	3.45	750,000	5.23
999327	Transfer to Road Bond Debt Fund	2,160,000	14.84	1,600,000	7.36	1,000,000	6.97
Total Transfers Out		3,185,000	21.89	2,350,000	10.80	1,750,000	12.20
Total Special Revenue Funds		\$14,551,290	100.00	\$21,753,550	100.00	\$14,343,210	100.00

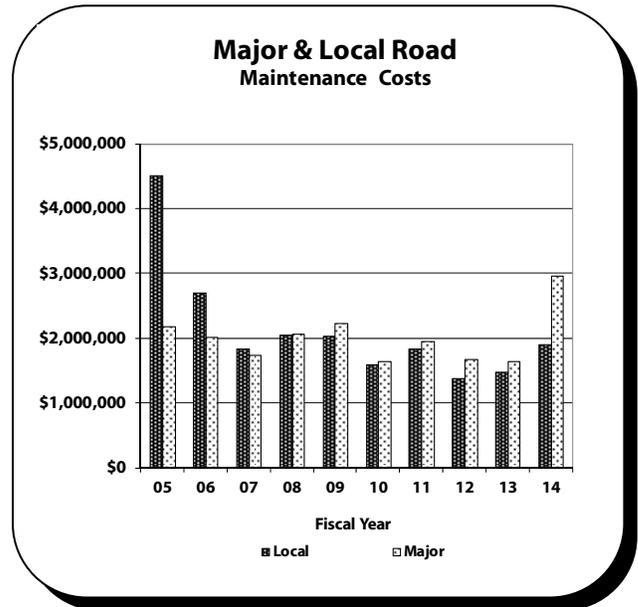
Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

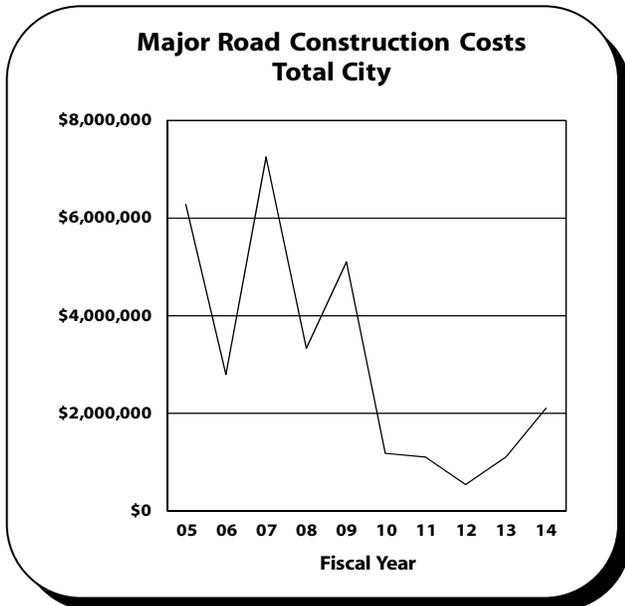
Special Revenue Funds



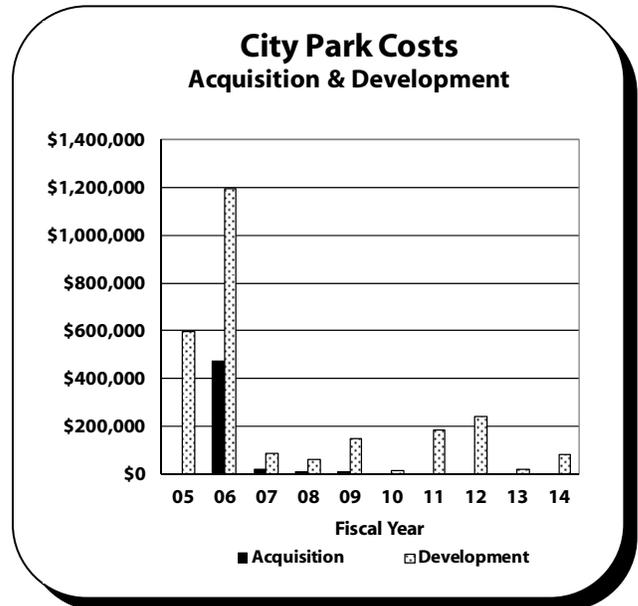
Gas tax revenues fell from 2005 to 2010 due to the economy, higher gas prices and the use of more fuel-efficient vehicles, which lessened gas consumption. The State's gas tax of 19 cents per gallon has increased once in the past 30 years. Since 2004, the City cumulatively lost \$3.8 million in State 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 in 2005 and 2006, and fluctuating snow removal 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 the past several years due to declining City revenues, offset by the one-time use of federal stimulus funds.



The City continues to spend limited funds to improve City parks and provide the necessary path systems, restrooms, ball field lighting, soccer fields, bleachers, parking lot paving, park signage, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve and for future development plans. The costs exclude the \$2.1 million Senior Gymnasium addition to the Senior Center in 2007.

The Major Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. The motor fuel taxes are earmarked, by law and the State Constitution, for street and highway purposes that are described in detail by the Michigan Department of Transportation.

This Fund receives Act 51 revenues paid to Sterling Heights by the State and accounts for the construction, maintenance, and other authorized operations pertaining to all streets classified as major streets within the City. In addition, this Fund receives monies paid to Sterling Heights for trunk line contracts and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

\$130,610 is included for Other Charges, which is funded primarily for the cost of administrative time spent on Major Road Fund projects.

Total Other Services is budgeted in the amount of \$2,252,500, which is primarily used for major road maintenance, snow removal, and grass and weed control.

The 2015/16 Capital Outlay budget includes funding of \$562,000 for lighting, landscaping and mile road monument signs on the Van Dyke road reconstruction project from 15 Mile to 18 Mile Road. \$260,000 is for southbound Mound Road repairs from 18 Mile to M-59 and \$200,000 is for repair work to 15 Mile Road at Dodge Park. Also included is \$275,000 for citywide concrete replacement. \$50,000 is budgeted for preliminary engineering costs for the bridge rehabilitation projects on Riverland, 15 Mile, and Maple Lane. \$80,000 is funded for various traffic signal improvements.

The remaining expenditure accounts will be utilized for the transfer of resources to other City

funds. In fiscal year 2015/16, \$1,000,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of Michigan Transportation Fund bonds. A transfer to the Local Road Fund is also budgeted for \$750,000.

Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document.■

Did you know...

...there are 63 miles of City major roads and 46 miles of County major roads in the City?

Major Road Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

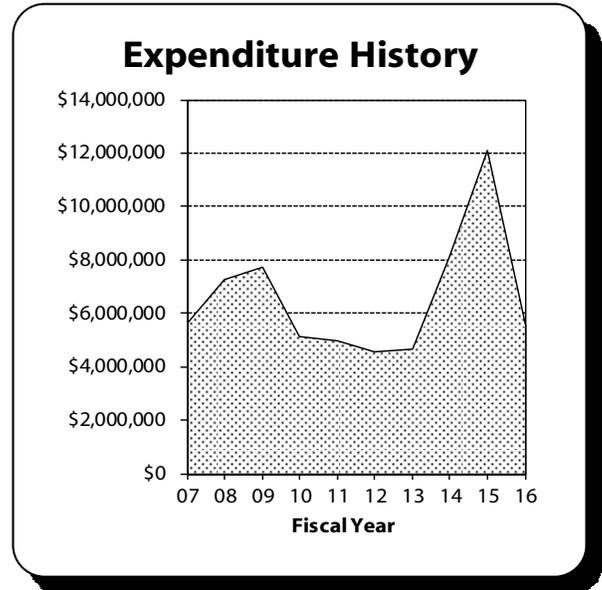
The total budget decreased by 54.1%.

Other Charges – Other Charges increased \$15,010 or 13.0% primarily due to higher General Fund administrative time spent on Major Road projects.

Other Services – Other Services increased \$461,000 or 25.7%. Surface maintenance funds increased \$450,000 for increased asphalt road maintenance repairs, utilizing the City’s new road repair equipment.

Capital – Capital of \$1,427,000 is proposed. \$562,000 is budgeted for lighting, landscaping and mile road monument signs on the Van Dyke road reconstruction project from 15 Mile to 18 Mile Road. \$260,000 is for southbound Mound Road repairs from 18 Mile to M-59. \$275,000 is for citywide concrete replacement. Repair work to 15 Mile at Dodge Park Road is funded for \$200,000. \$50,000 is for preliminary engineering costs for the bridge rehabilitation projects on Riverland, 15 Mile, and Maple Lane. \$80,000 is for various traffic signal improvements. **For a complete list of all Major Road projects, refer to the Capital Improvements schedule and maps on the following pages.**

Transfers Out – Transfers Out decreased \$600,000 or 25.5%. Transfers to the Road Bond Debt Retirement Fund decreased \$600,000 due to lower debt payments on existing road bonds. A transfer to the Local Road Fund is budgeted for \$750,000, as funding is needed for the Citywide Sectional Concrete Replacement Program.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Other Charges	\$228,780	\$115,600	\$150,600	\$130,610	\$130,610
Other Services	2,721,930	1,791,500	2,305,500	2,252,500	2,252,500
Capital Outlay	1,957,720	7,867,230	7,508,570	1,427,000	1,427,000
Transfer Out	3,185,000	2,350,000	2,350,000	1,750,000	1,750,000
Total	\$8,093,430	\$12,124,330	\$12,314,670	\$5,560,110	\$5,560,110

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.

\$160,310 is budgeted for Other Charges, which is used primarily to fund the cross-charged administrative time spent on Local Road Fund projects.

Total Other Services in this fund total \$1,536,000 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

In fiscal year 2015/16, \$4,507,000 of capital is budgeted for this fund. \$3,350,000 is funded for local road repairs, which includes \$1,250,000 for the citywide Sectional Concrete Replacement Program and \$2,100,000 for the

concrete reconstruction of Windy Cove Court, Davenport Court, Arcola, Austin, Baker, Barrington, Deville, Diane, Irval, Jerome, and Wayne Drives. These neighborhood road repair projects are funded by the 0.8 mill Safe Streets millage approved by the voters in November, 2013. \$750,000 also continues to be funded for the citywide Sectional Concrete Replacement Program. \$375,000 is included for the paving of Gardner Street East, of which \$335,000 would be funded through assessments on property owners. The development of a formal City Roadway Asset Management Plan is funded for \$32,000.

For fiscal year 2015/16, 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...

...there are 286 miles of local or neighborhood roads in the City?

Local Road Fund

SUMMARY OF BUDGET CHANGES

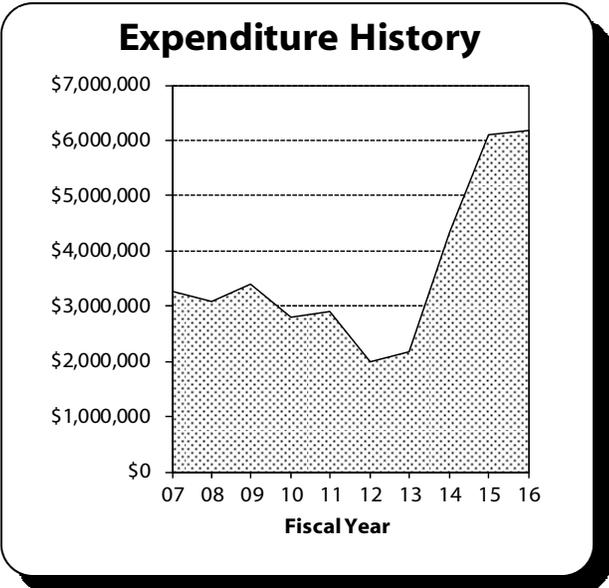
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.4%.

Other Charges – Total Other Charges decreased \$1,350 or 0.8%, primarily due to a slight decrease in funding needed for contracted snow removal services to assist the City’s plowing efforts during snow emergencies.

Other Services – Total Other Services increased \$45,000 or 3.0%. Surface maintenance funds increased \$70,000 for increased road maintenance repairs. \$50,000 was added for tree and shrub maintenance due to higher costs and greater demands. Storm drain maintenance costs decreased \$50,000 based on recent expenditure trends. Less funding is needed for street sweeping, saving \$25,000.

Capital – Total Capital of \$4,507,000 is proposed. \$3,350,000 is budgeted for local road repairs, which includes \$1,250,000 for the citywide Sectional Concrete Replacement Program and \$2,100,000 for the concrete reconstruction of Windy Cove Court, Daventry Court, Arcola, Austin, Baker, Barrington, Deville, Diane, Irvial, Jerome, and Wayne Drives. These neighborhood repair projects are funded by the 0.8 mill Safe Streets millage, which was approved by the voters in November, 2013. \$750,000 also continues to be funded for the citywide Sectional Concrete Replacement Program. \$375,000 is for the paving of Gardner Street East, of which \$335,000 would be funded through assessments on property owners. \$32,000 is for the development of a formal City Roadway Asset Management Plan that consolidates and defines information such as existing roadway



conditions, condition forecasting, and variations of repair types available. The plan will expand the existing asset management program to meet MDOT requirements.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Other Charges	\$199,073	\$161,660	\$140,300	\$160,310	\$160,310
Other Services	1,697,069	1,491,000	1,412,000	1,536,000	1,536,000
Capital Outlay	2,455,928	4,465,830	3,206,050	4,507,000	4,507,000
Total	\$4,352,070	\$6,118,490	\$4,758,350	\$6,203,310	\$6,203,310

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 2015/16, the funding from the prior sale of City-owned properties and General Fund monies will be used to finance four projects totaling \$391,000. \$61,000 is included for the replacement of two non-working Scoreboards and \$5,000 is funded for a Ball Field Light Pole Safety Audit at Baumgartner Park. \$25,000 is budgeted to provide a local grant match for the initial funding of the future City Dog Park project. \$300,000 is proposed for the City's grant match to replace the Dodge Park Trail Bridge.

For a complete list of all park improvement projects, please refer to the Capital Improvement schedule in the Capital Improvement section of this document. ■

Did you know...

...that seven master plan projects, from 2010 to 2015, were completed using Land & Water Conservation Fund reserves, saving General Fund dollars?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

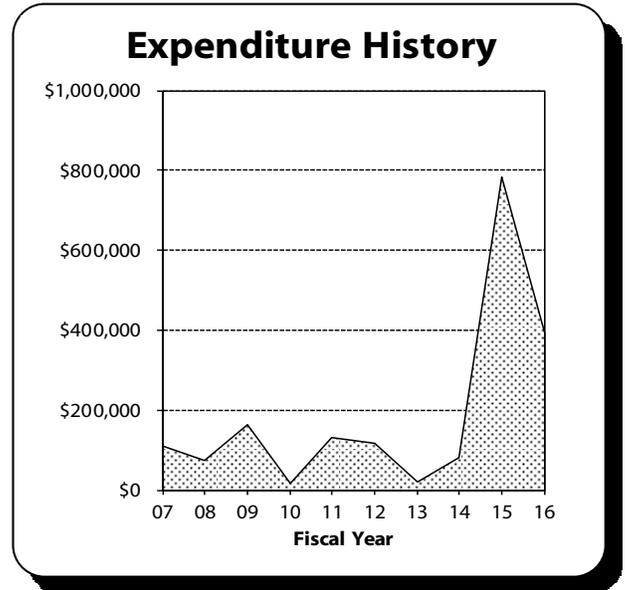
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 50.2%.

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 \$391,000 is proposed for this fund. Funding from the prior sale of City-owned properties and General Fund monies will be used to finance four (4) projects next fiscal year. \$61,000 is proposed for the replacement of two non-working Scoreboards and \$5,000 is funded for a Ball Field Light Pole Safety Audit at Baumgartner Park. \$25,000 is budgeted to provide a local grant match for the initial funding of the future City Dog Park project. \$300,000 is proposed for the City's grant match to replace the Dodge Park Trail Bridge. **The Capital Improvement section of this document provides a breakout of each project's cost and funding source.**



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Capital Outlay	81,498	784,450	673,250	391,000	391,000
Total	\$81,498	\$784,450	\$673,250	\$391,000	\$391,000

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the federal government 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 2015/16, a total of \$548,260 is budgeted for this fund. \$164,730 is included for Federal Forfeiture related expenditures, \$330,730 is allocated for State Forfeiture permitted uses, and \$22,000 is budgeted for O.W.I. Forfeiture related purchases. In addition, \$30,800 is now included for grant-funded training-related costs, which were previously budgeted in the Police Administration division. 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

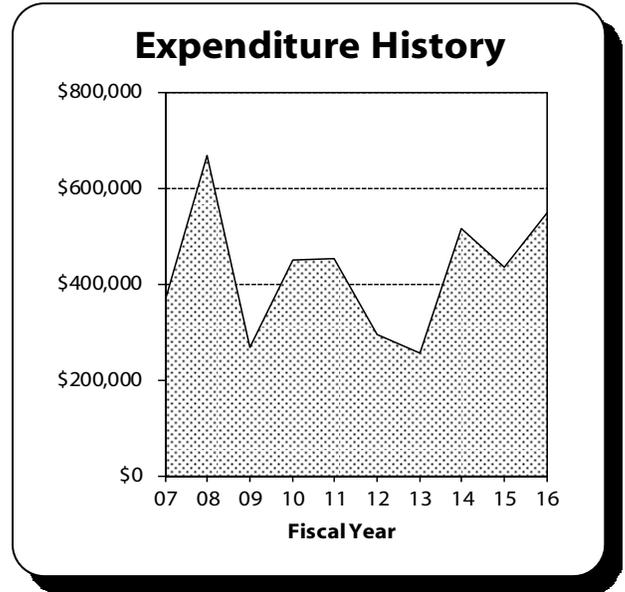
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 26.6%.

Supplies – Total Supplies decreased \$20,080 or 21.3% due to the one-time cost of training ammunition in the prior year. \$2,800 was added, as grant-funded ammunition will now be expensed in this Fund instead of Police Administration.

Other Charges – Total Other Charges increased \$62,340 or 43.8%. The budget increased \$28,000, as grant-funded training and building rental costs for firearms training are now expensed in this Fund. Contracted service costs increased \$27,200 due to an increase in State radio fees and higher maintenance fees for investigative software. Equipment maintenance costs rose \$5,510, primarily for the maintenance of the newly upgraded modems for Police mobile vehicle computers and for the Cellebrite mobile forensic software maintenance fee, which is now budgeted as equipment maintenance. \$2,000 was added for undercover investigative costs.

Capital – Total Capital of \$269,300 is proposed. \$232,000 is budgeted for 58 replacement In-Car Computers. \$11,000 is to replace five Radar Units. \$5,500 is for 51 Shotgun Slings. \$20,800 is for eight replacement Vehicle Equipment Mounts, Light Bars, and Push Bumpers. The budget will have to be amended for the purchase of replacement detective vehicles once additional forfeiture revenues are realized.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Supplies	\$60,131	\$94,430	\$94,480	\$74,350	\$74,350
Other Charges	170,283	142,270	147,130	204,610	204,610
Capital Outlay	282,662	196,370	208,530	269,300	269,300
Total	\$513,076	\$433,070	\$450,140	\$548,260	\$548,260

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 and Beaver Creek Parks, 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 were used to fund the debt payments on the Senior gymnasium bond, which was retired in the 2012/13 fiscal year.

For fiscal year 2015/16, \$323,810 is budgeted for the resurfacing of the Senior Center parking lot and \$30,000 is for the replacement of partition walls at the Senior Center. Concrete replacement on Comstock Drive is funded for \$100,000.■

***Did you know...
...that CDBG funds assisted over 850 Seniors and homebound residents through the Library's Book Stop Program during the 2013/14 fiscal year?***

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

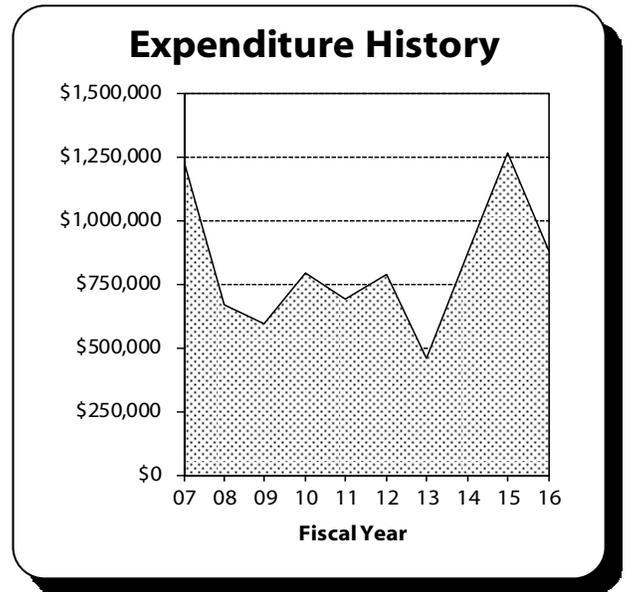
The total budget decreased by 30.6%.

Personnel Services – The Personnel budget increased \$700 or 8.0%, as funding is available to fill a vacant part-time CDBG Intern position to provide clerical assistance to help administer the CDBG program.

Supplies – Total Supplies increased \$1,000 or 12.0%, as more funding is allocated for audio books and special large print books to service the needs of the homebound senior and handicapped residents.

Other Charges – Total Other Charges decreased \$102,160 or 20.1%. Housing rehabilitation costs decreased \$68,000 and minor home repair costs fell \$15,000, both due to a larger one-time use of unspent carryover funding in the prior year. Code Enforcement funding is budgeted for \$40,000, a decrease of \$10,000. The funding in these areas for next year remains sufficient to maintain the current year’s level of activity. \$103,800 is budgeted to reimburse the costs of City personnel administering the CDBG program. The budget includes \$19,000 for the Special Recreation Program. Funding to service organizations increased by \$3,040.

Capital – Total Capital of \$453,810 is proposed for this fund. \$323,810 is for the resurfacing of the Senior Center parking lot. \$30,000 is for the replacement of partition walls at the Senior Center. Concrete replacement on Comstock Drive is funded for \$100,000.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$8,770	\$8,770	\$9,470	\$9,470
Supplies	7,997	8,300	8,300	9,300	9,300
Other Charges	282,734	509,360	509,360	407,200	407,200
Capital Outlay	582,540	742,130	741,890	453,810	453,810
Total	\$873,271	\$1,268,560	\$1,268,320	\$879,780	\$879,780

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 Consultant is the City's liaison to the Brownfield Redevelopment Authority, whose nine members are the same as the Economic Development Corporations' members.■

Did you know...

...the Brownfield Redevelopment Authority provides assistance to developers to revitalize and rehabilitate blighted, obsolete, contaminated properties that may otherwise remain undeveloped?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

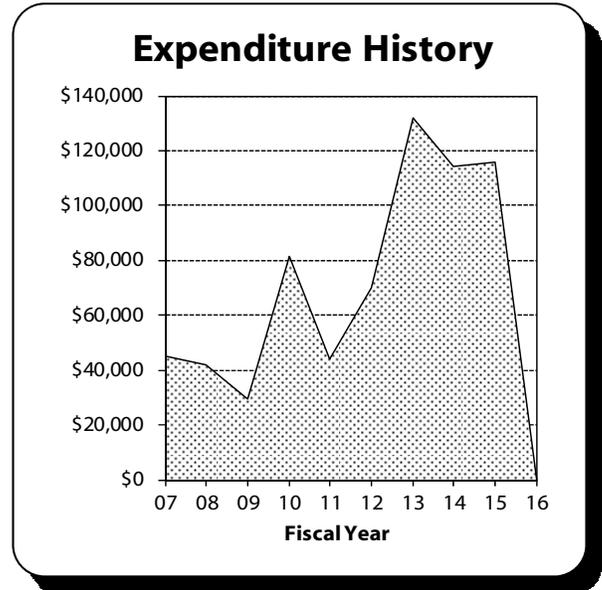
The total budget decreased by 100%.

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 decreased \$115,500 or 100%, as no further BAE Brownfield project costs will be captured or reimbursed as BAE has instead received State tax credits.

Capital – There is no Capital budget for this fund.

Transfers Out – There is no budgeted transfer to the General Fund, as the City has fully recouped its administrative costs for economic development and brownfield expenses as part of the tax capture from the Sim’s Road brownfield project.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	114,285	115,500	0	0	0
Capital Outlay	0	0	0	0	0
Transfer Out	0	0	0	0	0
Total	\$114,285	\$115,500	\$0	\$0	\$0

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 was the first authority district in which the LDFA board is exercising its powers.

BAE Systems constructed a 230,000 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 an estimated \$33 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 2015/16, \$760,750 is budgeted for the operational costs associated with the Macomb-OU INCubator, which will be funded by LDFA increment financing revenues. BAE no longer qualifies for reimbursement of project costs instead the LDFA Plan will be amended to capture and use these funds for other future eligible SmartZone uses. ■

Did you know...

...the Velocity Center has hosted over 500 events pertaining to business and community development, attracting over 5,700 attendees since it started hosting them in 2009?

Local Development Finance Authority Fund

SUMMARY OF BUDGET CHANGES

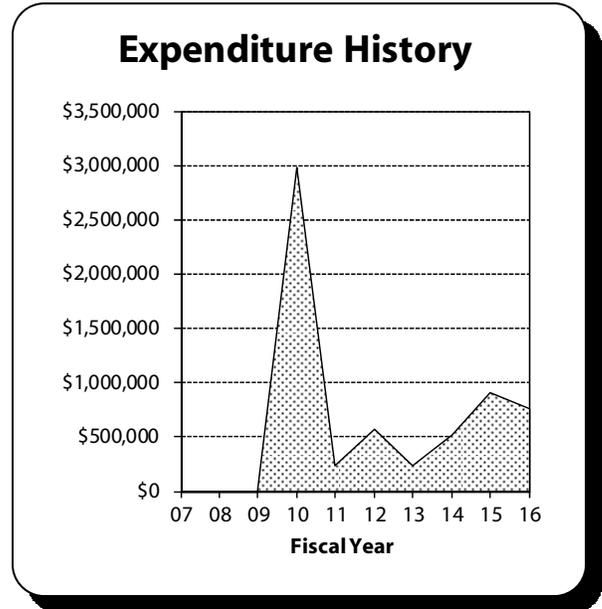
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 16.3%.

Supplies – Total Supplies increased \$4,000 as increased funding is included for the purchase of furnace filters needed for the Velocity building.

Other Charges – Total Other Charges decreased \$147,400 or 16.3%, primarily as BAE no longer qualifies for reimbursement of project costs. Instead the LDFA plan will be amended to capture and use these funds for other future eligible SmartZone uses. \$754,250 is budgeted for operational costs associated with the business incubator, which will be funded by LDFA increment financing revenues. \$83,250 is for the reimbursement of the City’s administrative costs. \$112,000 is for utility costs including heat, electricity, and water. \$180,000 is budgeted for the payment to Oakland University for their management of the Incubator and program development, which includes the pass through of Incubator rental payments, and for a contractor to coordinate facilities maintenance repairs. \$250,000 is budgeted for reconstruction of the Velocity Collaboration Center parking lot. \$42,000 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 \$44,000 for telephone costs and \$30,000 in building maintenance costs.

Capital – There is no Capital proposed for this fund.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Supplies	\$2,099	\$2,500	\$6,300	\$6,500	\$6,500
Other Charges	515,445	901,650	785,280	754,250	754,250
Capital Outlay	0	5,000	0	0	0
Total	\$517,544	\$909,150	\$791,580	\$760,750	\$760,750

***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.

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 2015 estimated State Equalized Valuation plus the assessed value of abated property is \$5,042,005,450. Therefore, the City's debt limit is \$504,200,545 or 10% of total valuation. The City's population estimate is 131,000. The outstanding Net Direct Bonded Debt for the City as of June 30,

2015 is shown here as a ratio of debt to state equalized value and debt per capita.

	Debt Outstanding 6/30/15	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	\$5,335,000	0.11%	\$41

The City's Debt Management Program is the product of over 40 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 AA+ 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. 94.0% 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 = 94.0%

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

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2015, the principal and interest payments required for fiscal 2015/16, and the funding source is included within this Debt Service section. Total indebtedness is \$85,125,370. Total principal payment is \$4,114,580 and the interest payment is \$2,634,340. 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 was financed indirectly through lease with the City's Building Authority, which was created for the purpose of acquiring and leasing City property.

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 \$1,460,000. Total principal payment is \$260,000 and interest is \$62,150.

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, the final debt payment was made on the Radio System bonds. The final debt payment on the Senior Active Life Center bond, which was budgeted in the Community Development Block Grant Fund, was also made in fiscal year 2012/13.

VOTED TAX GENERAL OBLIGATION DEBT FUND

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. \$470,500 is budgeted for the debt payments on the Fire Station Improvement bonds.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness is \$7,205,000. The Principal payment is \$840,000 and interest is \$227,710.

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 \$150,000 and interest of \$103,230 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 \$150,000. Principal is \$150,000 and interest is \$6,750.

WATER & SEWER FUND

In 2015/16, total principal of \$2,389,580 and interest of \$2,089,000 is budgeted for the City's portion of the District's debt for the Interceptor Rehabilitation project. Total indebtedness is \$70,035,370. ■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/15	2015/16		Total
			Principal	Interest	
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	\$1,460,000	\$260,000	\$62,150	\$322,150
VOTED TAX GENERAL OBLIGATION DEBT FUND					
2008 Fire Station Improvement Bonds (F)	VTGO Fund	3,725,000	325,000	145,500	470,500
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	150,000	150,000	6,750	156,750
Total Debt Fund Direct Debt Service		5,335,000	735,000	214,400	949,400
ROAD BOND DEBT RETIREMENT FUND					
2010 Build America Bonds	Major Rds	1,425,000	50,000	76,690	126,690
2012 MI Transportation Refunding Bonds	Major Rds	2,575,000	455,000	88,750	543,750
2013 MI Transportation Refunding Bonds	Major Rds	3,205,000	335,000	62,270	397,270
Special Assessment Bonds	S/A - RBDF	2,550,000	150,000	103,230	253,230
Total Road Bond Debt Service		9,755,000	990,000	330,940	1,320,940
WATER & SEWER FUND					
Sewer District Rehabilitation Bonds	W&S Fund	70,035,370	2,389,580	2,089,000	4,478,580
Total Debt Service		\$85,125,370	\$4,114,580	\$2,634,340	\$6,748,920

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
City Center Commons	305,450	296,850	312,450	278,780	312,450	322,150
Radio System Equipment	222,900	0	0	0	0	0
Total General Fund Debt Service	528,350	296,850	312,450	278,780	312,450	322,150
COMM. DEV. BLOCK GRANT FUND						
Senior Active Life Center	108,600	0	0	0	0	0
Total CDBG Fund Debt Service	108,600	0	0	0	0	0
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Fire Station Improvements (F)	369,750	413,250	430,130	77,560	430,130	470,500
Total VTGO Fund Debt Service	369,750	413,250	430,130	77,560	430,130	470,500
GENERAL DRAIN FUND						
	1,222,510	821,050	659,790	17,390	659,790	156,750
Total Tax Supported Debt Service	\$2,229,210	\$1,531,150	\$1,402,370	\$373,730	\$1,402,370	\$949,400

**SCHEDULE OF PRINCIPAL & INTEREST
ROAD BOND DEBT RETIREMENT FUND**

Fiscal Year	2010 B.A. Bonds	2012 M.T.F. Refunding	2013 M.T.F. Refunding	2008 S.A.D. Bonds				Total
2015/16	126,688	543,750	397,269	253,225				1,320,932
2016/17	124,725	550,100	484,427	247,600				1,406,852
2017/18	122,500	555,850	470,664	241,600				1,390,614
2018/19	168,937	611,000	551,029	235,600				1,566,566
2019/20	163,987	608,400	535,522	229,600				1,537,509
2020/21	183,219		515,170	272,600				970,989
2021/22	200,950		495,022	264,550				960,522
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	\$1,986,256	\$2,869,100	\$3,449,103	\$3,360,425				\$11,664,884

GENERAL DRAIN FUND

Fiscal Year	Central Fire Station Drain							Total
2015/16	156,750							156,750
Total	\$156,750							\$156,750

GENERAL FUND AND VOTED TAX GENERAL OBLIGATION DEBT FUND

Fiscal Year	2005 City Center Refunding G.F. Bonds	2008 Proposal F V.T.G.O. Bonds						Total
2015/16	322,150	470,500						792,650
2016/17	355,850	484,125						839,975
2017/18	337,250	521,000						858,250
2018/19	322,250	531,000						853,250
2019/20	302,375	589,000						891,375
2020/21		619,000						619,000
2021/22		622,000						622,000
2022/23		624,000						624,000
Total	\$1,639,875	\$4,460,625						\$6,100,500

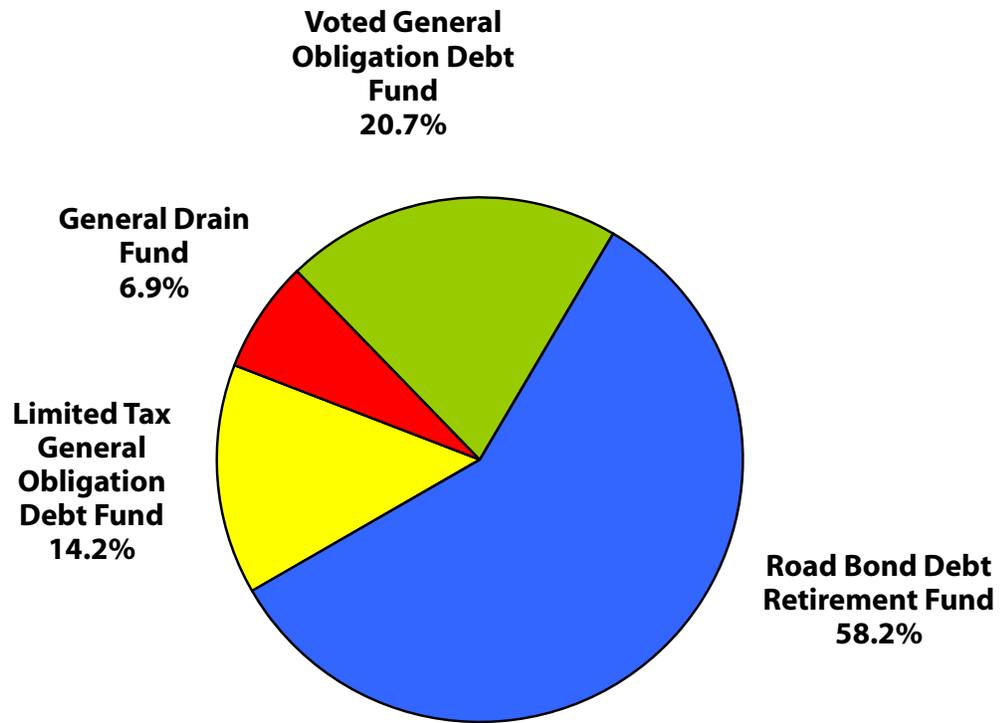
**DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	\$1,224,520	\$823,760	\$660,290	\$623,800	\$660,400	\$156,850
Interest Income	660	830	600	190	400	200
Total Revenues	1,225,180	824,590	660,890	623,990	660,800	157,050
EXPENDITURES						
Principal	1,105,000	750,000	625,000	0	625,000	150,000
Interest	117,510	71,050	34,790	17,390	34,790	6,750
Other Charges	1,830	1,720	1,100	600	1,200	300
Total Expenditures	1,224,340	822,770	660,890	17,990	660,990	157,050
Excess of Revenues Over (Under) Expenditures	840	1,820	0	606,000	(190)	0
Beginning Fund Balance	10,910	11,750	13,570	13,570	13,570	13,380
Ending Fund Balance	\$11,750	\$13,570	\$13,570	\$619,570	\$13,380	\$13,380
VOTED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Property Taxes	\$365,930	\$412,580	\$430,230	\$409,330	\$429,650	\$470,650
Interest Income	210	310	250	110	200	200
Total Revenues	366,140	412,890	430,480	409,440	429,850	470,850
EXPENDITURES						
Principal	200,000	250,000	275,000	0	275,000	325,000
Interest	169,750	163,250	155,130	77,560	155,130	145,500
Other Charges	350	350	350	180	350	350
Total Expenditures	370,100	413,600	430,480	77,740	430,480	470,850
Excess of Revenues Over (Under) Expenditures	(3,960)	(710)	0	331,700	(630)	0
Beginning Fund Balance	11,070	7,110	6,400	6,400	6,400	5,770
Ending Fund Balance	\$7,110	\$6,400	\$6,400	\$338,100	\$5,770	\$5,770

**DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	\$147,090	\$158,500	\$145,750	\$0	\$145,750	\$145,750
Federal Interest Rebates	36,260	33,040	33,990	16,530	33,990	31,990
Interest Income	120,970	113,420	105,600	240	105,360	97,970
Other Revenues	70	0	0	0	0	0
Proceeds Long-term Debt	3,275,000	0	0	0	0	0
Trfr. from Major Roads Fund	2,430,000	2,160,000	1,600,000	1,233,680	1,600,000	1,000,000
Trfr. from Rd Bond Const Fund	0	0	0	0	0	130,000
Total Revenues	6,009,390	2,464,960	1,885,340	1,250,450	1,885,100	1,405,710
EXPENDITURES						
Principal	5,150,000	2,020,000	1,480,000	1,040,000	1,480,000	990,000
Interest	729,850	428,020	366,200	192,860	366,200	330,940
Other Charges	43,470	1,400	1,650	830	1,650	1,100
Total Expenditures	5,923,320	2,449,420	1,847,850	1,233,690	1,847,850	1,322,040
Excess of Revenues Over (Under) Expenditures	86,070	15,540	37,490	16,760	37,250	83,670
Beginning Fund Balance	507,090	593,160	608,700	608,700	608,700	645,950
Ending Fund Balance	\$593,160	\$608,700	\$646,190	\$625,460	\$645,950	\$729,620
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Transfer from General Fund	528,740	297,080	312,680	278,890	312,680	322,380
Total Revenues	528,740	297,080	312,680	278,890	312,680	322,380
EXPENDITURES						
Principal	433,530	215,000	240,000	240,000	240,000	260,000
Interest	94,820	81,850	72,450	38,780	72,450	62,150
Other Charges	310	220	230	110	230	230
Total Expenditures	528,660	297,070	312,680	278,890	312,680	322,380
Excess of Revenues Over (Under) Expenditures	80	10	0	0	0	0
Beginning Fund Balance	250	330	340	340	340	340
Ending Fund Balance	\$330	\$340	\$340	\$340	\$340	\$340

Debt Service Funds Percent of Total Expenditures



This graph reflects budgeted Debt Service Funds expenditures as a percent of the total \$2,272,320 Debt Service Funds budget.

GENERAL DRAIN TAXES

A substantial source of revenue to the Debt Service Funds is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In 2015/16, General Drain Tax revenue represents 6.6% of total revenue sources, a decrease of \$501,290. This is primarily due to a decrease in debt payments on existing drain bonds. For 2015/16, the millage rate is 0.0377 mills, a decrease of 0.1228 mills.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund, Major Road Fund, and Road Bond Construction Fund provide revenue to the Debt Service Funds through this revenue center.

In 2015/16, revenues generated from Other Financing Sources represent 61.7% of total revenue sources, a decrease of \$460,300. The transfer from the Major Road Fund to the Road Bond Debt Retirement Fund decreased due to lower scheduled debt payments on existing road bonds. The decrease was partially offset due to an increase in transfers from the General Fund to the Limited Tax General Obligation Debt Fund, as the principal payment on the existing City Center Commons refunding bond is higher next fiscal year. In addition, a transfer from the Road Bond Construction Fund is budgeted to move the Lisa Marie Drive land sale proceeds to the Road Bond Debt Fund, as a prior year bond sale financed the original purchase of the property as part of the Ryan Road widening project.

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 \$31,990 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 2015/16 Budget, Other Revenues represent 10.4% of total revenue sources, a decrease of \$8,080. 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 2015/16, the millage rate is 0.1122 mills, an increase of 0.0075 mills.

In 2015/16, Public Improvement Tax revenue represents 20.0% of total revenue sources, an increase of \$38,270. 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 2015/16 Budget, revenues exceed expenditures by \$83,670, 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	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404000	City Operating Tax	\$821,146	20.53	\$663,790	20.18	\$158,350	6.72
404001	Property Tax Refunds	(2,645)	-0.07	(11,000)	-0.33	(4,700)	-0.20
415000	Delinquent Personal Property Tax	3,111	0.08	3,000	0.09	1,750	0.07
445000	Penalties & Interest	2,089	0.05	2,000	0.06	1,100	0.05
	Total Taxes	823,701	20.59	657,790	20.00	156,500	6.64
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	297,080	7.43	312,680	9.51	322,380	13.68
699202	Transfer From Major Road Fund	2,160,000	54.01	1,600,000	48.64	1,000,000	42.45
699428	Transfer From Rd Bond Const Fund	0	0.00	0	0.00	130,000	48.63
	Total Other Financing Sources	2,457,080	61.43	1,912,680	58.15	1,452,380	61.65
	STATE & LOCAL RETURNS						
529004	Federal - Interest Rebates	33,043	0.83	33,990	1.03	31,990	1.36
	Total State & Local Returns	33,043	0.83	33,990	1.03	31,990	1.36
	OTHER REVENUE						
665000	Interest on Investments	1,993	0.05	1,600	0.05	1,000	0.04
672000	Special Assessment Revenue	158,499	3.96	145,750	4.43	145,750	6.19
672445	S.A. Delinquent Interest & Penalties	23	0.00	10	0.00	20	0.00
672665	Special Assessment Interest	112,547	2.81	104,840	3.19	97,350	4.13
	Total Other Revenue	273,062	6.83	252,200	7.66	244,120	10.36
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	72	0.00	0	0.00	0	0.00
419000	Proposal F Debt Levy	412,557	10.32	432,730	13.16	471,000	19.99
	Total Public Improvements Tax	412,629	10.32	432,730	13.16	471,000	19.99
	Total Debt Service Funds	\$3,999,515	100.00	\$3,289,390	100.00	\$2,355,990	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

**DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER CHARGES						
810000	Other Fees	\$3,691	0.09	\$3,330	0.10	\$1,980	0.09
	Total Other Charges	3,691	0.09	3,330	0.10	1,980	0.09
	DEBT SERVICE						
992000	Principal	3,235,000	81.22	2,620,000	80.57	1,725,000	75.91
993000	Interest	744,170	18.68	628,570	19.33	545,340	24.00
	Total Debt Service	3,979,170	99.91	3,248,570	99.90	2,270,340	99.91
	Total Debt Service Funds	\$3,982,861	100.00	\$3,251,900	100.00	\$2,272,320	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

Debt Service Funds

City Bond Ratings

1. Farmington Hills	AAA
2. Troy	AAA
3. Ann Arbor	AA+
4. STERLING HEIGHTS	AA+
5. Grand Rapids	AA
6. Livonia	AA
7. Southfield	AA
8. Warren	AA
9. Lansing	AA-
10. Dearborn	A+

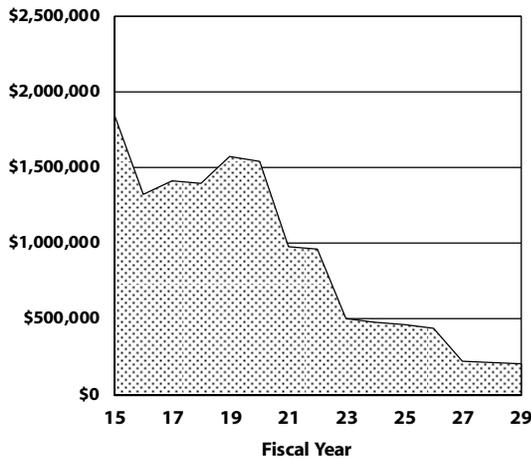
The City's AA+ bond rating from Fitch Investor's Rating Service ranks higher than most of our other comparable communities' rankings. Sterling Heights maintains a very high Aa1 rating from Moody's and a AA+ rating from Standard & Poor's due to the City's low costs and proactive response to changing economic conditions.

Government Debt Per Capita

1. Ann Arbor	\$2,515
2. Dearborn	\$2,224
3. Lansing	\$2,168
4. Warren	\$1,242
5. Grand Rapids	\$832
6. Livonia	\$638
7. Southfield	\$528
8. Farmington Hills	\$328
9. Troy	\$279
10. STERLING HEIGHTS	\$161

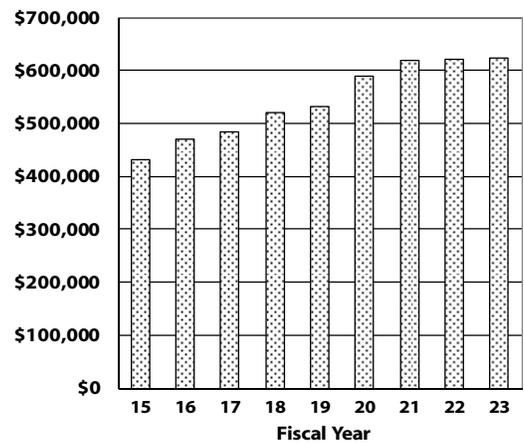
The City has the lowest direct government debt per resident of the nine comparable Michigan cities. The City's debt per resident has declined to its lowest level since 1989.

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 Proposal F - Fire Stations



Voted Tax General Obligation Debt from the Fire Station Improvements (Proposal F) continues through 2023.

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 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 Central Fire Station Drain.

The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

For 2015/16, \$156,750 is budgeted for the interest and principal payments on drains within the City.

Revenues to support the budgeted debt payments and Other Charges are generated from a specific millage levied on 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 in the absence of additional drain construction or maintenance requiring debt, all City issued drain debt is paid in full in 2015/16?

General Drain Fund

SUMMARY OF BUDGET CHANGES

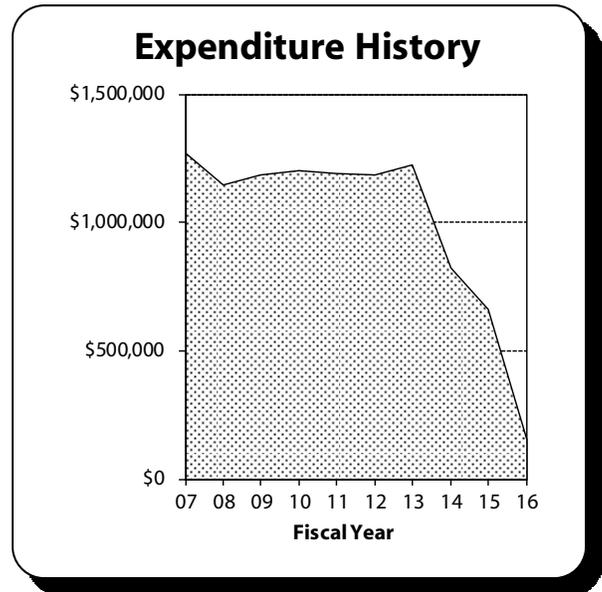
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 76.2%.

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

Other Charges – Total Other Charges decreased \$800 or 72.7% due to a drop in bond paying agent fees, as three Drain bonds were retired in the prior year.

Debt Service – Total Debt Service decreased \$503,040 or 76.2%. Total principal payments decreased \$475,000 due to the retirement of the Hawken, Hayes, and Plumbrook Drain bonds, which were paid off in the prior year. Total interest payments decreased \$28,040, as less debt is now outstanding. No new drain project debt is scheduled for next fiscal year.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	1,716	1,100	1,200	300	300
Debt Services	821,050	659,790	659,790	156,750	156,750
Total	\$822,766	\$660,890	\$660,990	\$157,050	\$157,050

The voter approved General Obligation Debt Fund was created 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 included the 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 2015/16, principal and interest payments for Proposal F total \$470,500.■

Did you know...

...the Voted General Obligation Debt Fund only accounts for "special purpose" debt approved by residents at an election?

Voted Tax General Obligation Debt Fund

SUMMARY OF BUDGET CHANGES

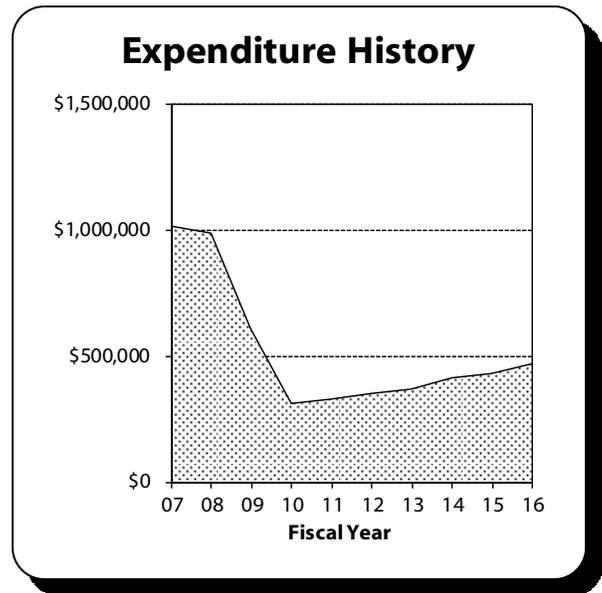
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 9.4%.

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

Other Charges – Total Other Charges is proposed to remain the same at \$350, as bond paying agent fees remain the same as last year.

Debt Service – Total Debt Service increased \$40,370 or 9.4% due to a scheduled increase in the debt payment on the 2008 Fire Station Improvements bond (Proposal F). There is no outstanding debt for Proposals R, S, & T as the debt was retired in prior years. The debt from Proposal F is scheduled to be retired in 2023.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	350	350	350	350	350
Debt Service	413,250	430,130	430,130	470,500	470,500
Total	\$413,600	\$430,480	\$430,480	\$470,850	\$470,850

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 2015/16, the Major Road Fund transfer represents 71% 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 2015/16 totals \$1,320,940, which is comprised of \$990,000 toward principal and \$330,940 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. An MTF bond is scheduled to be sold in the spring of 2016 to primarily fund the reconstruction of Dodge Park Road. The final principal and interest payments to retire the 2005 MTF refunding bond and the 2007 MTF bond were made in the 2014/15 fiscal year.

The principal and interest payments for road bond projects are amortized based on the estimated total cost of the project times the

interest rate for a fixed period of time – usually 10-15 years.

Road bond projects to be retired through this fund are specified on the Road Bond Construction Fund schedule located in the Capital Projects section of this document. ■

Did you know...

...the scheduled 2016 Michigan Transportation Fund (MTF) Road Bond, to primarily fund the reconstruction of Dodge Park Road, is the City's first road bond since 2010?

Road Bond Debt Retirement Fund

SUMMARY OF BUDGET CHANGES

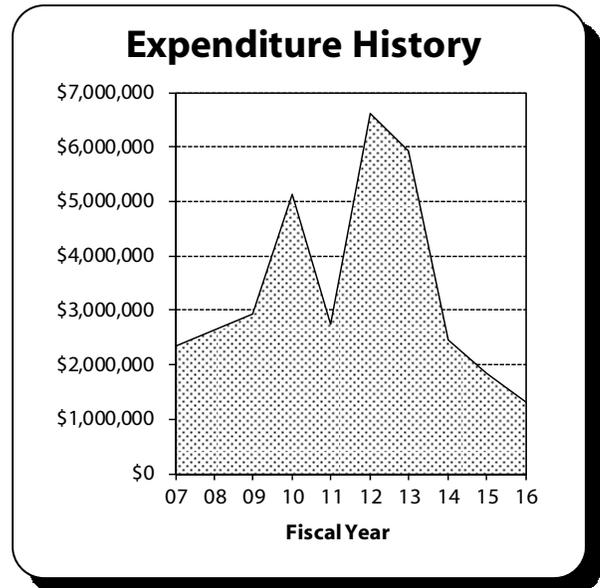
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 28.5%.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased \$550 or 33.3% due to a drop in bond paying agent fees, as two MTF bonds were retired in the prior year.

Debt Service – Total Debt Service is proposed to decrease \$525,260 or 28.5%. Total principal payments decreased \$490,000 due to the retirement of the 2005 MTF refunding bond and the 2007 MTF bond, which were both paid off in the prior year. The decrease was partially offset by higher scheduled principal payments on two existing MTF bond issues. Total interest payments decreased \$35,260 due to lower scheduled interest payments on all existing MTF and Special Assessment bonds and the retirement of the 2005 and 2007 MTF bonds. The City has refinanced five bonds over the past twelve years, saving a total of \$1.4 million in interest costs. A bond is scheduled to be sold in the Spring of 2016 to primarily fund the reconstruction of Dodge Park Road.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	1,400	1,650	1,650	1,100	1,100
Debt Service	2,448,020	1,846,200	1,846,200	1,320,940	1,320,940
Total	\$2,449,420	\$1,847,850	\$1,847,850	\$1,322,040	\$1,322,040

The Limited Tax General Obligation (LTGO) 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 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.

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. This debt was retired in fiscal year 2012/13.

The City is currently paying off debt for the expansion and remodeling of the buildings in the City Center Commons. 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 final bond payments for the Senior Active Life Center, which were accounted for in the Community Development Block Grant (CDBG) Fund, were made in 2012/13. Debt for the public safety 800 MHz radio system was also retired in 2012/13.

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.

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 2015/16 totals \$322,150. Principal payments total \$260,000 and interest payments amount to \$62,150. ■

Did you know...

...that a limited tax general obligation bond is considered a general obligation of the City and because of the limited taxing authority, this type of bond typically has a slightly higher interest rate than a voted general obligation bond that is secured by full taxing power?

Limited Tax General Obligation Fund

SUMMARY OF BUDGET CHANGES

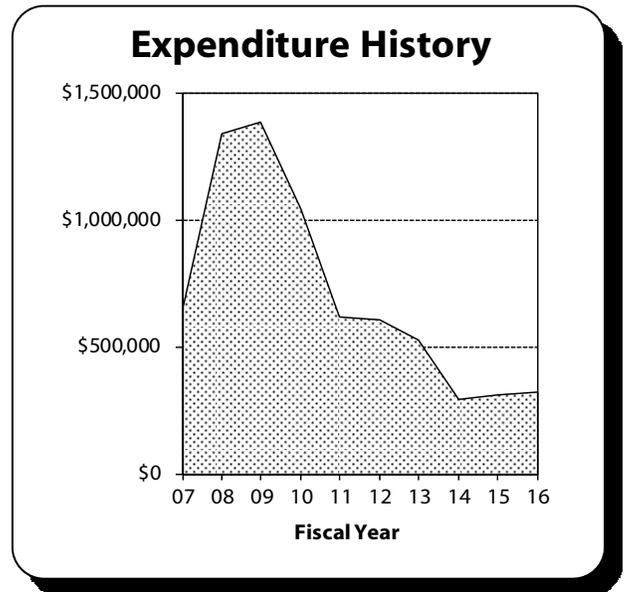
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.1%.

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

Other Charges – Total Other Charges is proposed to remain the same at \$230, as there is no change to the bond paying agent fees.

Debt Service – Total Debt Service increased \$9,700 or 3.1% due to a \$20,000 increase in the scheduled principal payment on the existing 2005 City Center Commons refunding bond. The principal increase was offset by a decline in interest payments of \$10,300, as less debt is outstanding.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	225	230	230	230	230
Debt Service	296,850	312,450	312,450	322,150	322,150
Total	\$297,075	\$312,680	\$312,680	\$322,380	\$322,380

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	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 To Dec. 31	2014/15 Estimate	2015/16 Budget
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	\$342,380	\$388,580	\$388,050	\$2,540	\$269,370	\$256,360
Transfer from General Fund	406,350	784,380	3,622,040	1,811,020	4,602,020	3,809,760
Total Revenues	748,730	1,172,960	4,010,090	1,813,560	4,871,390	4,066,120
EXPENDITURES						
Capital Equipment	273,530	803,830	1,184,660	682,340	1,211,400	285,260
Capital Vehicles	299,110	313,780	1,202,310	392,250	1,174,370	902,500
Capital Projects	369,570	410,270	2,266,630	802,530	2,583,060	3,232,000
Total Expenditures	942,210	1,527,880	4,653,600	1,877,120	4,968,830	4,419,760
Excess of Revenues Over (Under) Expenditures	(193,480)	(354,920)	(643,510)	(63,560)	(97,440)	(353,640)
Beginning Fund Balance	1,206,270	1,012,790	657,870	657,870	657,870	560,430
Ending Fund Balance	\$1,012,790	\$657,870	\$14,360	\$594,310	\$560,430	\$206,790
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Federal Grants	\$58,720	\$0	\$0	\$0	\$0	\$0
Other Revenue	610	30	160,000	40	130,070	0
Proceeds Long-Term Debt	0	0	0	0	0	8,150,000
Transfer From Major Road Fund	135,110	0	0	0	0	0
Total Revenues	194,440	30	160,000	40	130,070	8,150,000
EXPENDITURES						
Capital Improvements	594,670	127,880	54,170	0	54,170	8,280,000
Total Expenditures	594,670	127,880	54,170	0	54,170	8,280,000
Excess of Revenues Over (Under) Expenditures	(400,230)	(127,850)	105,830	40	75,900	(130,000)
Beginning Fund Balance	600,000	199,770	71,920	71,920	71,920	147,820
Ending Fund Balance	\$199,770	\$71,920	\$177,750	\$71,960	\$147,820	\$17,820

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 2015/16.

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 2015/16, there is no grant funding anticipated to be received.

OTHER FINANCING SOURCES

Other Financing Sources include all proceeds received from long-term debt as a result of planned Capital Project construction and/or acquisition by the City. Also included in this revenue center are transfers into the Capital Project Funds from other funds.

In the 2015/16 Budget, revenues generated from Other Financing Sources represent 31.2% of total revenue sources, an increase of \$187,720. This increase is due to an increase in the transfer from the General Fund to the Capital Projects Fund to continue to restore funding for the replacement of capital vehicles, equipment, and needed facility repairs which had been delayed due to funding cuts over the past six years.

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, Sale of Fixed Assets, Miscellaneous Revenue, proceeds from Long-Term Debt, and Interest and Penalties.

In the 2015/16 Budget, Other Revenues represent 68.8% of total revenue sources, an increase of \$7,958,240. This increase is primarily due to an increase in proceeds from long-term debt as three road construction projects will be financed by the sale of a bond during the 2015/16 fiscal year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2015/16 Budget, Use of Fund Balance as a revenue source totals \$483,640. This is primarily due to a planned draw down of reserves to fund a portion of the City's share of capital projects. ■

**CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	147,260	12.55	87,930	2.11	0	0.00
539002	State Grants	0	0.00	12,000	0.29	0	0.00
549000	County & Other Local Grants	50,000	4.26	0	0.00	0	0.00
	Total State & Local Returns	197,260	16.82	99,930	2.40	0	0.00
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	784,380	66.87	3,622,040	86.86	3,809,760	31.19
699202	Transfer from Major Road Fund	0	0.00	0	0.00	0	0.00
	Total Other Financing Sources	784,380	66.87	3,622,040	86.86	3,809,760	31.19
	OTHER REVENUE						
665000	Interest on Investments	1,240	0.11	1,100	0.03	1,000	0.01
665445	Interest & Penalties - Tax Roll	40	0.00	0	0.00	0	0.00
672000	Special Assessment Revenue	17,830	1.52	15,150	0.36	14,190	0.12
672445	SA Delinquent Interest & Penalties	210	0.02	50	0.00	230	0.00
672665	Special Assessment Interest	2,030	0.17	1,820	0.04	940	0.01
673000	Sale of Fixed Assets	0	0.00	160,000	3.84	0	0.00
676000	Reimbursements	117,040	9.98	210,000	5.04	180,000	1.47
677008	Unrealized Gain/Loss	0	0.00	0	0.00	0	0.00
685015	Miscellaneous Revenue - MCPWC	27,560	2.35	60,000	1.44	60,000	0.49
686000	Contributions-Drain Improvements	1,820	0.16	0	0.00	0	0.00
695000	Insurance Recovery	23,580	2.01	0	0.00	0	0.00
698000	Proceeds Long-Term Debt	0	0.00	0	0.00	8,150,000	66.72
	Total Other Revenue	191,350	16.31	448,120	10.74	8,406,360	68.81
	Total Capital Projects Funds	\$1,172,990	100.00	\$4,170,090	100.00	\$12,216,120	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

**CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2013-2014 Actual		2014-2015 Budget		2015-2016 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CAPITAL OUTLAY</u>						
975000	Building & Improvements	\$12,581	0.76	\$82,340	1.75	\$22,000	0.17
975010	Municipal Building Modernization	197,045	11.90	69,290	1.47	110,000	0.87
975130	Civic Center Concrete Replacement	2,719	0.16	500,000	10.62	2,000,000	15.75
975140	Miscellaneous DPW Improvements	0	0.00	86,000	1.83	490,000	3.86
975220	Misc. Fire Station Improvements	0	0.00	225,000	4.78	0	0.00
979000	Computer Equipment	11,756	0.71	110,400	2.35	63,000	0.50
979080	Microsoft Office - Software	0	0.00	28,840	0.61	14,950	0.12
979150	Financial System - Hardware	27,415	1.66	122,400	2.60	82,150	0.65
979300	Tax & Assessing - Software	0	0.00	73,270	1.56	0	0.00
979305	Police Department - Hardware	0	0.00	66,000	1.40	0	0.00
979600	Parks & Recreation - Software	0	0.00	0	0.00	90,000	0.71
979850	Fire Department - Hardware	0	0.00	20,000	0.42	0	0.00
981000	Electronic Equipment	106,100	6.41	310,020	6.59	0	0.00
982000	Machinery & Equipment	464,592	28.06	324,300	6.89	9,200	0.07
982001	Machinery & Equipment - Grant	193,962	11.71	95,930	2.04	0	0.00
983000	Fire Equipment	0	0.00	33,500	0.71	25,960	0.20
984315	Vehicles - Police Operations	283,127	17.10	294,500	6.26	214,500	1.69
984339	Vehicles - Fire Extinguishment	0	0.00	535,000	11.36	570,000	4.49
984412	Vehicles - Building & Facilities Maint	0	0.00	0	0.00	56,000	0.44
984444	Vehicles - Street Services	30,654	1.85	372,810	7.92	31,000	0.24
984447	Vehicles - Engineering	0	0.00	0	0.00	31,000	0.24
986000	Major Drain Improvements	40,493	2.45	60,000	1.27	60,000	0.47
988000	Construction	0	0.00	619,000	13.15	8,700,000	68.51
988173	2010 Sidewalk Gap Completion	11,918	0.72	0	0.00	0	0.00
988214	2011 Sidewalk Replacement Program	29	0.00	0	0.00	0	0.00
988217	2012 Sidewalk Gap Completion	5,784	0.35	0	0.00	0	0.00
988222	Ryan Rd Concrete - Metro to 19 Mile Rd	118,503	7.16	40,530	0.86	0	0.00
988223	19 Mile Resurface - Merrill to Van Dyke	9,375	0.57	13,640	0.29	0	0.00
988225	Brookline Pump Station Repairs	121,600	7.34	0	0.00	0	0.00
988230	2012 Sidewalk Replacement Program	1,618	0.10	0	0.00	0	0.00
988236	2014 Sidewalk Replacement Program	148	0.01	175,000	3.72	0	0.00
988258	Canal Rd Storm - Sterritt/Morang	16,336	0.99	450,000	9.56	0	0.00
	Total Capital Outlay	1,655,755	100.00	4,707,770	100.00	12,569,760	98.98
	<u>TRANSFERS OUT</u>						
999327	Tfr to Road Bond Debt Retirement Fund	0	0.00	0	0.00	130,000	1.02
	Total Transfers Out	0	0.00	0	0.00	130,000	1.02
	Total Capital Projects Fund	1,655,755	100.00	4,707,770	100.00	12,699,760	100.00

Note: The 2013-2014 Actual Column is rounded to the nearest dollar.

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose. 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 2015/16 totals \$4,419,760. Of the total, \$3,232,000 is to fund eight (8) improvement projects for facilities and/or infrastructure. \$230,000 is included for the City Sidewalk Repair Program, \$320,000 for the Sidewalk Gap Completion Program, \$15,000 for the replacement of seasonal decorative banners displayed along Utica Road near City Hall, \$7,000 for exterior dryvit repairs to City buildings, \$2,000,000 for City Hall eastside parking lot repairs, boulevard redesign, landscaping, pedestrian lighting and walkways, \$110,000 for the replacement of electrical service panels at City Hall, \$490,000 for a replacement fuel dispensing system at the DPW, and \$60,000 for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total \$285,260 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$902,500 and are detailed in the General Fund activity in which the vehicle will be utilized.

For a complete list of all equipment, vehicles and projects, please refer to the Capital schedules on the following pages.■

***Did you know...
...there are 612 miles of sidewalk and 2,530 street lights in the City?***

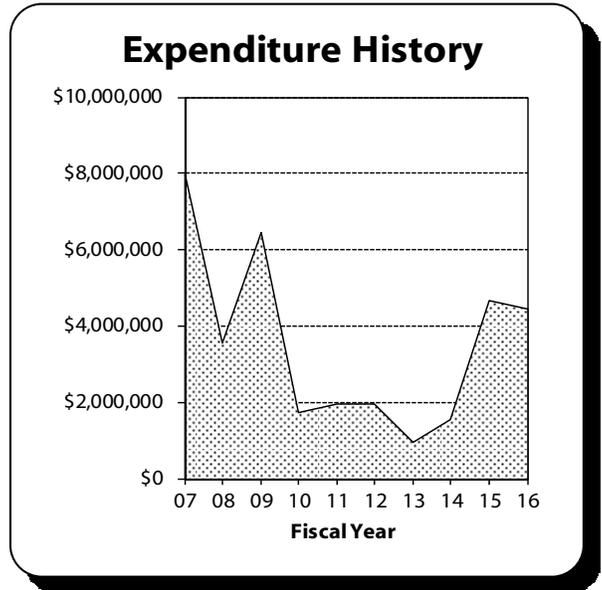
Capital Projects Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 5.0%.

Capital – Total Capital of \$4,419,760 is proposed for next fiscal year. \$35,160 is for capital equipment, \$902,500 for capital vehicles, and \$250,100 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, eight (8) Capital Projects totaling \$3,232,000 are proposed. \$230,000 is funded for the City Sidewalk Repair Program and \$320,000 for the Sidewalk Gap Completion Program, which are both carried over from the prior year. Also funded is \$15,000 for the replacement of seasonal decorative banners displayed along Utica Road near City Hall, \$7,000 for exterior dryvit repairs to City buildings, \$110,000 for the replacement of electrical service panels at City Hall, \$490,000 for a replacement fuel dispensing system at the DPW, \$60,000 for the ongoing maintenance of storm drains in the City, and \$2,000,000 for City Hall eastside parking lot concrete repairs, boulevard redesign, landscaping, pedestrian lighting and walkways. **For a list of all Capital Equipment, Vehicles, and Projects, please refer to the schedules on the following pages.**



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	1,527,875	4,653,600	4,968,830	4,419,760	4,419,760
Transfers Out	0	0	0	0	0
Total	\$1,527,875	\$4,653,600	\$4,968,830	\$4,419,760	\$4,419,760

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.

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 2015/16, three projects are budgeted and will be funded with proceeds from the sale of a road bond in the spring of 2016. \$5,830,000 is funded for the reconstruction of Dodge Park Road from Metropolitan Parkway to Utica Road, of which \$2,880,000 in federal grant funding will be reimbursed to the City in 2017. \$1,600,000 is funded for the resurfacing of 15 Mile Road from Dequindre Road to Ryan Road. \$720,000 is

budgeted for Ryan Road concrete repairs from 15 Mile Road to Metropolitan Parkway.

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 sell an \$8.1 million bond to finance the reconstruction of Dodge Park Road, the resurfacing of 15 Mile, and repairs to Ryan Road?***

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

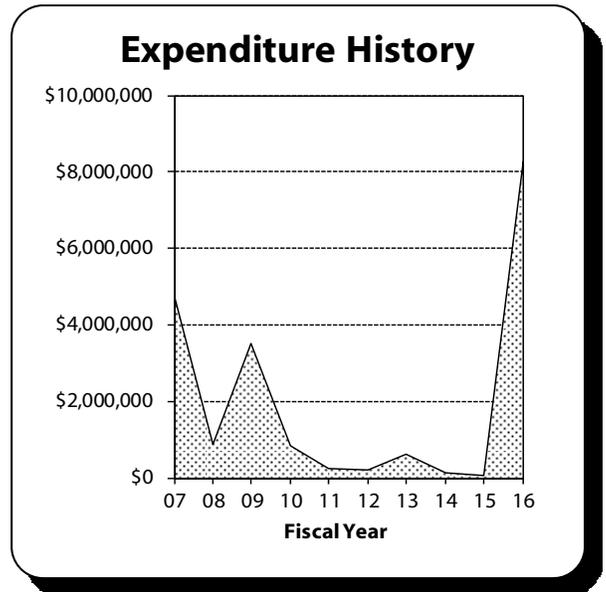
SIGNIFICANT NOTES – 2015/16 BUDGET COMPARED TO PRIOR YEAR BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – \$8,150,000 is proposed for three projects in the 2015/16 fiscal year. \$5,830,000 is proposed for the reconstruction of Dodge Park Road from Metropolitan Parkway to Utica Road, of which \$2,880,000 in federal grant funding will be reimbursed to the City in 2017. \$1,600,000 is funded for the resurfacing of 15 Mile Road from Dequindre Road to Ryan Road, while \$720,000 is budgeted for Ryan Road concrete repairs from 15 Mile Road to Metropolitan Parkway. A bond will be sold in the spring of 2016 to fund the cost of these projects.

Transfers Out – A \$130,000 transfer is budgeted to move the Lisa Marie Drive land sale proceeds to the Road Bond Debt Fund. A prior year bond sale financed the original purchase of the property as part of the Ryan Road widening project.



FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Budget	2014/15 Estimate	2015/16 Proposed	2015/16 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Capital Outlay	127,877	54,170	54,170	8,150,000	8,150,000
Transfers Out	0	0	0	130,000	130,000
Total	\$127,877	\$54,170	\$54,170	\$8,280,000	\$8,280,000

Since Sterling Heights was incorporated as a city on July 1, 1968, it has proudly followed its motto "To Strive on Behalf of All". Its 36.8 square miles makes Sterling Heights the third largest city in Michigan geographically. Forty-seven (47) years after its incorporation, the City has matured into a community serving approximately 131,000 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. 2014/15 is the first year of the MIP. The second year (2015/16) 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 2015/16, the City's total capital funding is \$23,005,870. Of the total, \$21,273,810 is budgeted for improvements, \$374,460 is for equipment, \$1,107,500 is for vehicles, and \$250,100 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 2015/16 is \$3,232,000.

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 2015/16, the budgeted expenditures for the Road Bond Construction Fund total \$8,150,000.

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 \$1,427,000 are budgeted for fiscal year 2015/16.

Transportation projects scheduled in 2015/16 are categorized as County road improvements, resurfacing projects, traffic controls & intersection improvements, bridge rehabilitation, and streetscape improvements.

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 \$4,507,000 are budgeted for fiscal year 2015/16.

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 2015/16, 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 2015/16, \$453,810 is budgeted for the resurfacing of the Senior Center parking lot, the replacement of partition walls at the Senior Center, and concrete replacement on Comstock Drive.

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 and General Fund monies. Projects for 2015/16 total \$391,000 and include the replacement of two non-working scoreboards and a Ball Field Light Pole Safety Audit at Baumgartner Park, funding of a local grant match for the initial costs of the future City Dog Park project, and the City's grant match to replace the Dodge Park Trail Bridge.

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 \$1,908,000 and water main expenditures of \$1,195,000 are programmed. \$10,000 is budgeted for the Fire Hydrant Replacement and Gatewell Valve Maintenance 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 2014/15	Qty.	Proposed Budget 2015/16	Qty.	Approved Budget 2015/16
<u>Community Services Department</u>								
<u>Public Library</u>								
Outside Drop Box	982	Machinery & Equipment			1	6,700	1	6,700
Total					1	6,700	1	6,700
<u>Police Department</u>								
<u>Police Operations</u>								
Police Vehicle In-Car Cameras	981	Electronic Equipment	40	250,520				
SMART Rader Speed Trailer	982001	Machinery & Equip. - Grant	2	15,930				
Total			42	266,450				
<u>Fire Department</u>								
<u>Fire Extinguishment</u>								
Fire Exercise Equipment - Grant	982001	Machinery & Equip. - Grant	10	80,000				
Hurst Extraction Equipment	983	Fire Equipment	1	31,500				
Electric Positive Pressure Fan	983	Fire Equipment	1	2,000				
Automatic External Defibrillator - City Buildings	981	Electronic Equipment	11	22,800				
Thermal Imaging Camera	983	Fire Equipment			2	13,300	2	13,300
Portable Gas Monitor	983	Fire Equipment			2	12,660	2	12,660
Total			23	136,300	4	25,960	4	25,960
<u>Public Works Department</u>								
<u>Fleet Maintenance</u>								
Heavy Duty Hoist Post Replacement	982	Machinery & Equipment	1	13,000				
Total			1	13,000				
<u>Parks & Grounds Maintenance</u>								
Athletic Field Top Dresser	982	Machinery & Equipment	1	20,000				
Total			1	20,000				
<u>Street Services</u>								
Front End Loader	982	Machinery & Equipment	1	280,000				
Right-of-Way Mower	982	Machinery & Equipment	1	11,300				
Total			2	291,300				
<u>City Development Department</u>								
<u>Facilities Maintenance</u>								
Sewer Snake Machine	982	Machinery & Equipment			1	2,500	1	2,500
Total					1	2,500	1	2,500

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2014/15	Qty.	Proposed Budget 2015/16	Qty.	Approved Budget 2015/16
<i>Community Relations Department</i>								
<i>Community Relations</i>								
SHTV Editing System Upgrade	981	Electronic Equipment	1	16,700				
Video Camera & Support Equipment	981	Electronic Equipment	2	20,000				
Total			3	36,700				
Total Capital Projects Fund Equipment								
			72	763,750	6	35,160	6	35,160
<i>Water & Sewer Fund</i>								
<i>Water & Sewer Administration</i>								
Floor Scrubber	982	Machinery & Equipment	1	50,000				
Total			1	50,000				
<i>Water Distribution</i>								
Residential Meter Reading System Upgrade	982	Machinery & Equipment	1	9,590				
Total			1	9,590				
<i>Sewage Collection</i>								
Portable Generator	982	Machinery & Equipment	1	76,310				
Backup Generator - Lift Station	982	Machinery & Equipment	1	35,000				
Trailer Mounted Trash Pump	982	Machinery & Equipment			1	45,000	1	45,000
Sewer Jet Camera	982	Machinery & Equipment			1	13,000	1	13,000
Trench Box	982	Machinery & Equipment			1	12,000	1	12,000
Total			2	111,310	3	70,000	3	70,000
Total Water & Sewer Fund Equipment								
			4	170,900	3	70,000	3	70,000
<i>Public Safety Forfeiture Fund</i>								
<i>Federal Forfeitures</i>								
Police Lobby Repairs	975	Building Improvement	1	16,290				
Lobby Chairs	977	Furniture	7	3,960				
Dispatch Consolidation Equipment	981	Electronic Equipment	2	10,960				
Non-Lethal Conductive Electrical Weapon	982	Machinery & Equipment	50	65,000				
Total			60	96,210				
<i>OWI Forfeitures</i>								
Radar Unit	981	Electronic Equipment	8	21,530	5	11,000	5	11,000
Total			8	21,530	5	11,000	5	11,000

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2014/15	Qty.	Proposed Budget 2015/16	Qty.	Approved Budget 2015/16
<u>State Forfeitures</u>								
Hand-held Device Analysis Software	979	Computer Equipment	1	3,030				
Tactical Thermal Imaging Camera	981	Electronic Equipment	1	7,600				
In Car Computers	981	Electronic Equipment			58	232,000	58	232,000
Police Vehicle Mounts, Lightbars, Push Bumpers	982	Machinery & Equipment	8	20,000	8	20,800	8	20,800
Shot Gun Sling	982	Machinery & Equipment			51	5,500	51	5,500
Mid-size Investigative Sedans	984	Vehicles	2	48,000				
Total			12	78,630	117	258,300	117	258,300
Total Public Safety Forfeiture Fund Equipment								
			80	196,370	122	269,300	122	269,300
Total City Equipment								
			156	\$ 1,131,020	131	\$ 374,460	131	\$ 374,460

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget	Estimated	Proposed	Approved
					2014/15	Budget 2014/15	Budget 2015/16	Budget 2015/16
<u>CAPITAL PROJECTS FUND</u>								
<u>Information Technology</u>								
Community Relations/Info. Technology	979.000	Computer Equipment	1	City Website Redesign/Data Transfer	92,400	92,400		
Information Technology	979.000	Computer Equipment	2	Servers	18,000	30,830		
Police Department/City Hall	979.080	Computer Equipment	108	Microsoft Office Update	28,840	29,520		
Police Department	979.150	Computer Equipment	72	Replacement Personal Computer	64,800	63,650		
Fire Department	979.150	Computer Equipment	28	Replacement Personal Computer	25,200	24,750		
Misc. City Hall Offices	979.150	Computer Equipment	23	Replacement Personal Computer	32,400	20,330		
Assessing/Treasury	979.300	Computer Equipment	1	Tax & Assessing Software	73,270	73,270		
Police Department	979.305	Computer Equipment	57	4G Modems/Antennas	66,000	59,950		
Fire Department	979.850	Computer Equipment	5	Wireless Access Points	3,000	6,160		
Fire Department	979.850	Computer Equipment	17	4G Modems/Antennas	17,000	13,720		
Information Technology	979.000	Computer Equipment	1	Technology Plan Consultant			25,000	25,000
Information Technology	979.000	Computer Equipment	1	Network Disk Storage Expansion			20,000	20,000
Information Technology	979.000	Computer Equipment	1	Alternative Location Network Backup			18,000	18,000
Information Technology	979.080	Computer Equipment	58	Microsoft Office Update			14,950	14,950
City Management/Human Resources	979.150	Computer Equipment	1	Employee ID Printer			2,000	2,000
41 A District Court	979.150	Computer Equipment	35	Replacement Personal Computer			31,500	31,500
Community Relations	979.150	Computer Equipment	9	Replacement Personal Computer (MAC)			27,000	27,000
Financial Services	979.150	Computer Equipment	7	Replacement Personal Computer			6,300	6,300
City Management	979.150	Computer Equipment	5	Replacement Personal Computer			4,500	4,500
Information Technology	979.150	Computer Equipment	9	Replacement Personal Computer			8,100	8,100
Information Technology/Finance	979.150	Computer Equipment	1	Check Printer			2,750	2,750
Parks & Recreation	979.600	Computer Equipment	1	Recreation Software System			90,000	90,000
Total City Information Technology			443		\$ 420,910	\$ 414,580	\$ 250,100	\$ 250,100

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2014/15	Qty.	Proposed Budget 2015/16	Qty.	Approved Budget 2015/16
<u>CAPITAL PROJECTS FUND</u>								
<u>Motor Vehicles & Equipment - 9010</u>								
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	9	238,500	7	185,500	7	185,500
Full-Size SUV Tahoe - Evidence Tech.	984315	Police Operations	1	28,000	1	29,000	1	29,000
Full Size SUV Tahoe - SRT	984315	Police Operations	1	28,000				
Rescue Pumper	984339	Fire Extinguishment	1	490,000				
Battalion Chief/Command Vehicle SUV w/Equip.	984339	Fire Extinguishment	1	45,000				
3/4 Ton 4 x 4 Pickup Truck with Plow	984444	Street Services	4	122,810	1	31,000	1	31,000
Tandem Axle Dump Truck	984444	Street Services	1	250,000				
Fire Engine	984339	Fire Extinguishment			1	570,000	1	570,000
3/4 Ton Pickup Truck with Plow	984447	Engineering			1	31,000	1	31,000
Compact Vehicle - Out of Town Pool Car	984412	Facilities Maintenance			2	32,000	2	32,000
4 x 4 SUV - City Manager	984412	Facilities Maintenance			1	24,000	1	24,000
Total Capital Projects Fund Vehicles			18	1,202,310	14	902,500	14	902,500
<u>WATER & SEWER FUND</u>								
<u>Water Distribution - 5560</u>								
3/4 Ton 4 x 4 Pickup Truck with Plow	984000	Water Distribution	4	123,980				
One Ton Utility/Cube Truck	984000	Water Distribution			1	50,000	1	50,000
Total			4	123,980	1	50,000	1	50,000
<u>Sewage Collection - 5580</u>								
Vactor Jet Combination Sewer Cleaner	984000	Sewage Collection	1	450,000				
Sewer Jet Truck	984000	Sewage Collection	1	240,000				
Crane Truck	984000	Sewage Collection			1	155,000	1	155,000
Total			2	690,000	1	155,000	1	155,000
Total Water & Sewer Fund Vehicles			6	813,980	2	205,000	2	205,000
Total City Vehicles			24	\$ 2,016,290	16	\$ 1,107,500	16	\$ 1,107,500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2015/16	Approved Budget 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Budget Year 2015/16	Future Years		
			Budget 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19
	CAPITAL PROJECTS FUND												
975000	41-A District Court Window Repairs and Exterior Weather Sealing	9,290 CPF	9,290	9,290			GF	500	0	0	0	0	0
975000	Air Conditioning Unit - Information Technology Servers	61,050 CPF	61,050	61,050			GF	1,000	200	200	200	200	200
975000	Chiller & Boiler Repairs - City Hall	15,000 GF	12,000	15,000			GF	500	0	0	0	0	0
975000	City Hall/Utica Road - Replacement Decorative Banners	15,000 GF			15,000	15,000	GF	0	0	0	0	0	0
975000	City Buildings - Exterior Dryvit Repairs	7,000 GF			7,000	7,000	GF	500	500	0	0	0	0
975010	City Hall - Replacement Electrical Service Panels	110,000 GF			110,000	110,000	GF	1,000	1,000	0	0	0	0
975010	Police Department Front Desk/Lobby Security Improvements	175,000 CPF	4,290	4,290			GF	500	0	0	0	0	0
975010	Retaining Wall Removal and Installation - Police Department	65,000 GF	65,000	0			GF	0	0	0	0	0	0
	Concrete Repairs -												
975130	City Hall Westside Parking Lot, Flood Mitigation, Retaining Wall	3,200,000 GF	500,000	1,200,000			GF	5,000	5,000	0	0	0	0
975130	City Hall Eastside Parking Lot, Blvd. Redesign, Landscaping, Plaza, Lighting	GF			2,000,000	2,000,000	GF	10,000	10,000	5,000	5,000	5,000	5,000
975140	Roof Replacement - Clinton River Storage Building	35,000 GF	26,000	35,000			GF	500	500	0	0	0	0
975140	Streetlight LED Energy Savings Project	73,100 GF GRANT	48,000 12,000	60,740 12,360			GF	0	0	(10,000)	(10,000)	(10,000)	(10,000)
975140	DPW Replacement Fuel Dispensing System	490,000 GF			490,000	490,000	GF	5,000	5,000	5,000	1,000	1,000	1,000
975220	Concrete Parking Lot Repairs - Fire Station #5	375,000 GF	200,000	375,000			GF	1,000	1,000	0	0	0	0
975220	Message Board Sign LED Upgrade/ Repairs - Fire Station #1, City Hall	25,000 GF	25,000	25,000			GF	0	0	500	500	500	500
986000	County Drain Maintenance	120,000 CPF	60,000	60,000	60,000	60,000	GF	0	0	0	0	0	0
988000	Footing Drain Disconnection Grant Program	4,000 CPF	4,000	4,000			GF	0	0	0	0	0	0
988000	City-wide Pedestrian Bridge Inspection Program	15,000 GF	15,000	15,000			GF	0	0	0	0	0	0
988000	Sterling Drive South Retention Pond Improvements	50,000 GF	50,000	50,000			GF	500	500	0	0	0	0
988258	Canal Road Storm Sewer Repairs - Sterritt to Morang Drive	451,330 SIF	450,000	451,330			GF	20,000	5,000	0	0	0	0
988000	Sidewalk Gap Program including: 14 Mile Road - Hayes to Schoenherr Canal Road - East of Schoenherr	320,000 CPF SAD (CPF)	120,000 200,000	0 0	120,000 200,000	120,000 200,000	GF	0	0	0	0	0	0
988236	Miscellaneous City Sidewalk Repair Program 2014: Section 24	435,000 CPF SAD (CPF)	85,000 90,000	115,000 90,000			GF	3,000	3,000	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)							
		Total Cost/ Funding Source			Proposed Budget 2015/16	Approved Budget 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Budget Year 2015/16	Future Years			
			Budget 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19	
988000	2015: Section 14 (portion)	CPF SAD (CPF)	70,000 160,000	0 0	70,000 160,000	70,000 160,000	GF	5,000	5,000	5,000	0	0	0	
	Total Capital Projects Fund		\$6,050,770	\$2,266,630	\$2,583,060	\$3,232,000	\$3,232,000		\$54,000	\$36,700	\$5,700	(\$3,300)	(\$3,300)	(\$3,300)
	ROAD BOND CONSTRUCTION FUND													
988000	Dodge Park Road Reconstruction - Metroparkway to Utica Road (MTFB-16)	5,830,000 RBCF RBCF (FED)			2,950,000 2,880,000	2,950,000 2,880,000	MRF	20,000	20,000	10,000	450,000	450,000	450,000	
988000	15 Mile Road Resurfacing - Dequindre Road to Ryan Road (MTFB-16)	1,600,000 RBCF			1,600,000	1,600,000	MRF	20,000	20,000	10,000	150,000	150,000	150,000	
988000	Ryan Road Concrete Repairs - 15 Mile Road to Metropolitan Parkway (MTFB-16)	720,000 RBCF			720,000	720,000	MRF	10,000	10,000	5,000	75,000	75,000	75,000	
988222	Sectional Concrete & Asphalt Repairs - Ryan Road - Metroparkway to 18 1/2 Mile Road (MTFB-10)	415,000 RBCF	40,530	40,530			MRF	40,000	40,000	40,000	40,000	40,000	40,000	
988223	19 Mile Road Resurfacing - Van Dyke to Merrill Road (MTFB-10)	190,000 RBCF	13,640	13,640			MRF	20,000	20,000	20,000	20,000	20,000	20,000	
	Total Road Bond Construction Fund		\$8,755,000	\$54,170	\$54,170	\$8,150,000	\$8,150,000		\$110,000	\$110,000	\$85,000	\$735,000	\$735,000	\$735,000
	MAJOR ROAD FUND STATE/COUNTY ROADS													
988000	Traffic Signals a) Miscellaneous Locations	80,000 MRF	40,000	40,000	40,000	40,000	MRF	500	500	500	500	500	500	
988000	Noise Abatement Wall - M53 Highway - 18 1/2 Mile to Utica Road	64,300 MRF	5,000	5,000			MRF	0	0	0	0	0	0	
988000	Van Dyke Reconstruction - 15 Mile to 18 Mile Road - including Mile Road Monuments	3,341,200 SIF/MRF	2,800,000	2,779,200	562,000	562,000	MRF	0	0	0	30,000	30,000	30,000	
988000	Van Dyke Resurfacing - 14 Mile to South of 15 Mile Road (included above)	165,000 MRF	165,000	0			MRF	0	0	0	0	0	0	
988000	Mound Road Repairs - North/South 18 Mile Road to M-59	516,800 MRF	200,000	256,800	260,000	260,000	MRF	0	0	0	0	0	0	
988000	18 Mile Road Resurfacing - East of Mound Road to Plumbrook Drain	147,600 MRF	147,600	147,600			MRF	0	0	0	0	0	0	
988246	Van Dyke Streetscape Design - 15 Mile to 18 Mile Road	200,000 MRF	94,450	94,450			MRF	0	0	0	0	0	0	
988700	Dequindre Road - 18 Mile Road to M59 Prelim. Engineering & ROW	100,000 MRF	150,000	100,000			MRF	0	0	0	80,000	80,000	80,000	
	Total State/County Roads		\$4,614,900	\$3,602,050	\$3,423,050	\$862,000	\$862,000		\$500	\$500	\$500	\$110,500	\$110,500	\$110,500
	CITY ROADS													
988233	15 Mile Road Right Turn Lanes - Dodge Park and Maple Lane	290,000 MRF	31,980	51,000			MRF	2,000	2,000	2,000	2,000	2,000	2,000	
988234	Delco Blvd. Resurfacing - M59 to Canal Road	210,000 MRF	10,520	10,520			MRF	5,000	0	0	0	0	0	
988000	City-wide Misc. Sectional Concrete Replacement/Asphalt Resurfacing Program													
988000	15 Mile Road Repair at Dodge Park Road	200,000 INS CLAIM	200,000	0	200,000	200,000	MRF	0	0	0	0	0	0	

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2015/16	Approved Budget 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Budget Year 2015/16	Future Years		
			Budget 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19
980000	Bridge Rehabilitation Engineering (Riverland, 15 Mile, Maple Lane Bridges)	225,000 MRF			50,000	50,000	MRF	0	0	0	0	0	0
988235	17 Mile Road Bridge Over Conrail Reconstruction	1,400,000 MRF	868,600	1,025,000			MRF	5,000	2,000	0	0	0	0
988243	Amsterdam Drive - Resurfacing	409,000 MRF	22,840	0			MRF	0	0	0	0	0	0
988248	City-wide Sectional Concrete Replacement Program	275,000 MRF	275,000	0	275,000	275,000	MRF	0	0	0	0	0	0
988248	Ryan Road - 14 Mile to 15 Mile Road	567,240 MRP	567,240	600,000			MRF	10,000	2,000	0	0	0	0
988249	Neighborhood Asphalt Resurfacing - Calka, Gulliver, and Irving Drives	1,250,000 MRF	1,250,000	1,250,000			MRF	20,000	5,000	0	0	0	0
988254	Dodge Park Road Reconstruction Design - Metroparkway to Utica Road	500,000 MRF	25,000	150,000			MRF	0	0	0	0	0	0
988255	19 1/2 Mile Road Reconstruction - Merrill to Utica Road	914,000 MRF GRANT	50,000 864,000	50,000 864,000			MRF	5,000	5,000	0	0	0	0
988000	TRAFFIC CONTROLS a) Miscellaneous Locations b) LED Lighting City-wide Bulb Replacement Energy Savings Project c) 15 Mile & Chrysler Signal	MRF	25,000 60,000 15,000	25,000 60,000 0	25,000 15,000	25,000 15,000	MRF MRF MRF	500 0 0	500 0 0	500 (10,000) 0	500 (10,000) 0	500 (10,000) 0	500 (10,000) 0
	Total City Major Road	\$6,240,240	\$4,265,180	\$4,085,520	\$565,000	\$565,000		\$47,500	\$16,500	(\$7,500)	(\$7,500)	(\$7,500)	(\$7,500)
	Total Major Road Fund	\$10,855,140	\$7,867,230	\$7,508,570	\$1,427,000	\$1,427,000		\$48,000	\$17,000	(\$7,000)	\$103,000	\$103,000	\$103,000
988000	LOCAL ROAD FUND City Roadway Asset Management Plan	32,000 LRF	32,000	0	32,000	32,000	LRF	0	0	0	0	0	0
988000	Gardner Street East - Paving	375,000 LRF SAD(LRF)	40,000 335,000	0 0	40,000 335,000	40,000 335,000	LRF LRF	2,000	2,000	1,000	1,000	1,000	1,000
988232	Gardner Street West - Paving	240,000 LRF	6,000	6,050			LRF	2,000	1,000	1,000	1,000	1,000	1,000
988243	Wheaton, Gainsley, and Fortner Drives - Asphalt Resurfacing	756,000 LRF	2,830	5,000			LRF	10,000	0	0	0	0	0
988248	City-wide Sectional Concrete Replacement Program	750,000 LRF	750,000	750,000	750,000	750,000	LRF	0	0	0	0	0	0
988248	Neighborhood Road Repairs - (Safe Streets Proposal) Sectional Concrete Replacement - Misc.	6,650,000 SSP	1,150,000	170,000	1,250,000	1,250,000	LRF	0	0	0	0	0	0
988249	Asphalt Resurfacing - Constitution Blvd	SSP	450,000	220,000			LRF	5,000	0	0	0	0	0
988250	Concrete Reconstruction - 2014: Amherst, Ascott Court, Chesapeake, Clifford, Faith, Gunther, Heritage, Rose Mary, Winterfield, Catchbasin Repairs 2015: Arcola, Austin, Baker, Barrington, Deville, Diane, Irvial, Jerome, Wayne, Windy Cove Court, Daventry Court	SSP	1,700,000	2,055,000	2,100,000	2,100,000	LRF	20,000	20,000	0	0	0	0
	Total Local Road Fund	\$8,803,000	\$4,465,830	\$3,206,050	\$4,507,000	\$4,507,000		\$39,000	\$23,000	\$2,000	\$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			Proposed Budget 2015/16	Approved Budget 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Budget Year 2015/16	Future Years		
			Budget 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19
	COMMUNITY DEVELOPMENT												
	BLOCK GRANT FUND												
972000	Hampton Park Repairs - Athletic Courts, Baseball Field, Fencing & New Park Sign	299,240 CDBG	299,240	0			GF	0	0	0	0	0	0
972000	Beaver Creek Park - Play Structure, Benches, Table, Trash Receptacles, Parking Lot Bollards (Phase III)	162,990 CDBG	0	162,990			GF	0	0	1,000	1,000	1,000	1,000
972237	Beaver Creek Park - Concrete Replacement, Ball Field Renovation, Court Resurfacing, & Play Area Improvements (Phase I)	173,500 CDBG	23,270	38,540			GF	2,000	0	0	0	0	0
975000	Senior Center Parking Lot Resurfacing	323,810 CDBG			323,810	323,810	GF	2,000	2,000	0	0	0	0
975000	Senior Center Sidewalk & Entrance - Concrete Repairs	91,000 CDBG	0	91,000			GF	1,000	0	0	0	0	0
975000	Senior Center Replacement Carpet	35,420 CDBG	0	35,420			GF	0	0	0	0	0	0
975000	Senior Center Replacement Partition Walls	30,000 CDBG			30,000	30,000	GF	500	500	0	0	0	0
988000	Concrete Replacement - Comstock Drive	100,000 CDBG			100,000	100,000	LRF	1,000	1,000	0	0	0	0
988247	Indigo Drive & West Elmcrest - Concrete Replacement	396,460 CDBG	242,440	242,440			LRF	5,000	0	0	0	0	0
988263	Beaver Creek Park - Walking Path, Park Benches, Trash Receptacles, Bike Racks (Phase II)	171,500 CDBG	177,180	171,500			GF	2,000	2,000	2,000	2,000	2,000	2,000
	Total C.D.B.G. Fund	\$1,783,920	\$742,130	\$741,890	\$453,810	\$453,810		\$13,500	\$5,500	\$3,000	\$3,000	\$3,000	\$3,000
	LAND & WATER CONSERVATION FUND												
	LAND DEVELOPMENT												
972000	Playground Equipment Safety Surface and Border - North Clinton River Park	10,000 GF	18,000	10,000			GF	500	500	500	500	500	500
972000	LED Lights & Replacement Safety Fixtures - Park Pavilions	40,000 LAND SALE	40,000	40,000			GF	500	500	(200)	(200)	(200)	(200)
972000	Baumgartner Park - Replacement Scoreboards	61,000 LAND SALE			61,000	61,000	GF	500	500	0	0	0	0
972000	Baumgartner Park - Ball Field Light Pole Safety Audit	5,000 LAND SALE			5,000	5,000	GF	0	0	0	0	0	0
972333	Replacement Ball Field Lighting/Poles - Delia Park	556,740 LAND SALE/GF GRANT	425,000 175,000	556,740 0			GF	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
972334	Bike/Hike Path Repairs - Dodge Park	5,000 LAND SALE	5,000	0			GF	0	0	0	0	0	0
972334	19 Mile Road Asphalt Trail Connector - Clinton River Road to Clinton River Park	190,000 GF	70,000	0			GF	0	0	0	0	0	0
972334	Dog Park - Local Grant Match	31,500 GF	0	6,500	25,000	25,000	GF	0	0	0	5,000	5,000	5,000
972237	Path Resurfacing - Fairfield Park	40,600 LAND SALE	3,710	3,710			GF	0	0	0	0	0	0
972237	Tennis Court Reconstruction - Magnolia Park	39,000 LAND SALE	14,990	20,910			GF	1,000	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2015/16	Approved Budget 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Budget Year 2015/16	Future Years		
			Budget 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19
972795	Livery Improvements, Debris Removal, & Signage - North Clinton River Park	5,000 DONATION	1,300	1,300			GF	200	200	200	200	200	200
975000	Recreation Center Kitchen Heating/ Cooling Unit Replacement	15,000 LAND SALE	1,450	1,450			GF	0	0	0	0	0	0
975000	Recreation Center - Replacement Flooring	32,640 LAND SALE	30,000	32,640			GF	0	0	0	0	0	0
988000	Dodge Park Trail - Bridge Replacement - Grant Match	300,000 GF			300,000	300,000	GF	0	0	0	0	0	0
Total Land & Water Conserv. Fund		\$1,331,480	\$784,450	\$673,250	\$391,000	\$391,000		\$2,700	(\$3,300)	(\$4,500)	\$500	\$500	\$500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)							
		Total Cost/ Funding Source			Proposed Program 2015/16	Approved Program 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Program Year 2015/16	Future Years			
			Program 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19	
	WATER & SEWER IMPROVEMENT FUND													
	SANITARY SEWERS													
	Moravian Road, South Side Hayes to East of 15 Mile Road (postponed)	309,000 W&S	309,000	0			W&S	0	0	0	0	0	0	0
	Hayes Road - Moravian Road to Bartola Subdivision (postponed)	156,000 W&S	156,000	0			W&S	0	0	0	0	0	0	0
	Clinton River Road - South of Canal & Clinton River Road - Kidley to Essen	325,000 W&S	325,000	0	325,000	325,000	W&S	0	0	0	1,000	1,000	1,000	1,000
	Saal Road - North of Longview	58,000 W&S	58,000	0	58,000	58,000	W&S	0	0	0	200	200	200	200
	Sewer Infiltration Program - 19 Mile Road - East of Clinton River Road	190,000 W&S	190,000	0	190,000	190,000	W&S	0	0	0	400	400	400	400
	Van Dyke Water & Sewer Rehabilitation & Extensions - 15 Mile Road to 18 Mile Road	228,000 W&S	130,000	228,000			W&S	0	0	800	800	800	800	800
	DPW Wash Out Bay and Sanitary Sewer Connection	84,600 W&S	84,600	84,600			W&S	0	0	300	300	300	300	300
	Miscellaneous Sanitary Sewer Repairs	465,000												
	Cherry Creek Lane, Ledgate Drive, Spicemill Drive, Koper Drive, 19 Mile Road east of Rhineland, 17 Mile Road at Van Dyke, Irving Drive Manhole	W&S	465,000	465,000			W&S	5,000	5,000	0	0	0	0	0
	Maple Lane Golf Course Sanitary Sewer Failure Restoration (Parking Lot)	195,000 W&S			195,000	195,000	W&S	0	5,000	0	0	0	0	0
	14 Mile Road - West of Maple Lane Road Sewer Rehabilitation	800,000 W&S			800,000	800,000	W&S	0	0	0	200	200	200	200
	Irval Drive - Sanitary Lead Replacement	20,000 W&S			20,000	20,000	W&S	0	0	0	200	200	200	200
	Sanitary Sewer Lining & Rehabilitation - Woodvilla Drive, Waltham Drive, Linsdale Court, Ebony Court, Tarpon Drive	320,000 W&S			320,000	320,000	W&S	0	0	0	1,000	1,000	1,000	1,000
	Total Sanitary Sewer	\$3,150,600	\$1,717,600	\$777,600	\$1,908,000	\$1,908,000		\$5,000	\$10,000	\$1,100	\$4,100	\$4,100	\$4,100	\$4,100
	WATER MAINS													
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	900,000 W&S	900,000	0	900,000	900,000	W&S	0	0	0	2,000	2,000	2,000	2,000
	Dequindre & 14 Mile Road - Sections 30 & 31 (postponed)	2,384,500 W&S	2,384,500	0			W&S	0	0	0	0	0	0	0
	15 Mile Road - South Side, at Davison Street	60,000 W&S	60,000	0	60,000	60,000	W&S	0	0	0	200	200	200	200
	18 Mile Road - South Side, East of Dequindre - Water Main Repair	100,000 W&S			100,000	100,000	W&S	0	0	0	300	300	300	300
	Water Reliability Study	30,000 W&S	30,000	0	30,000	30,000	W&S	0	0	0	0	0	0	0

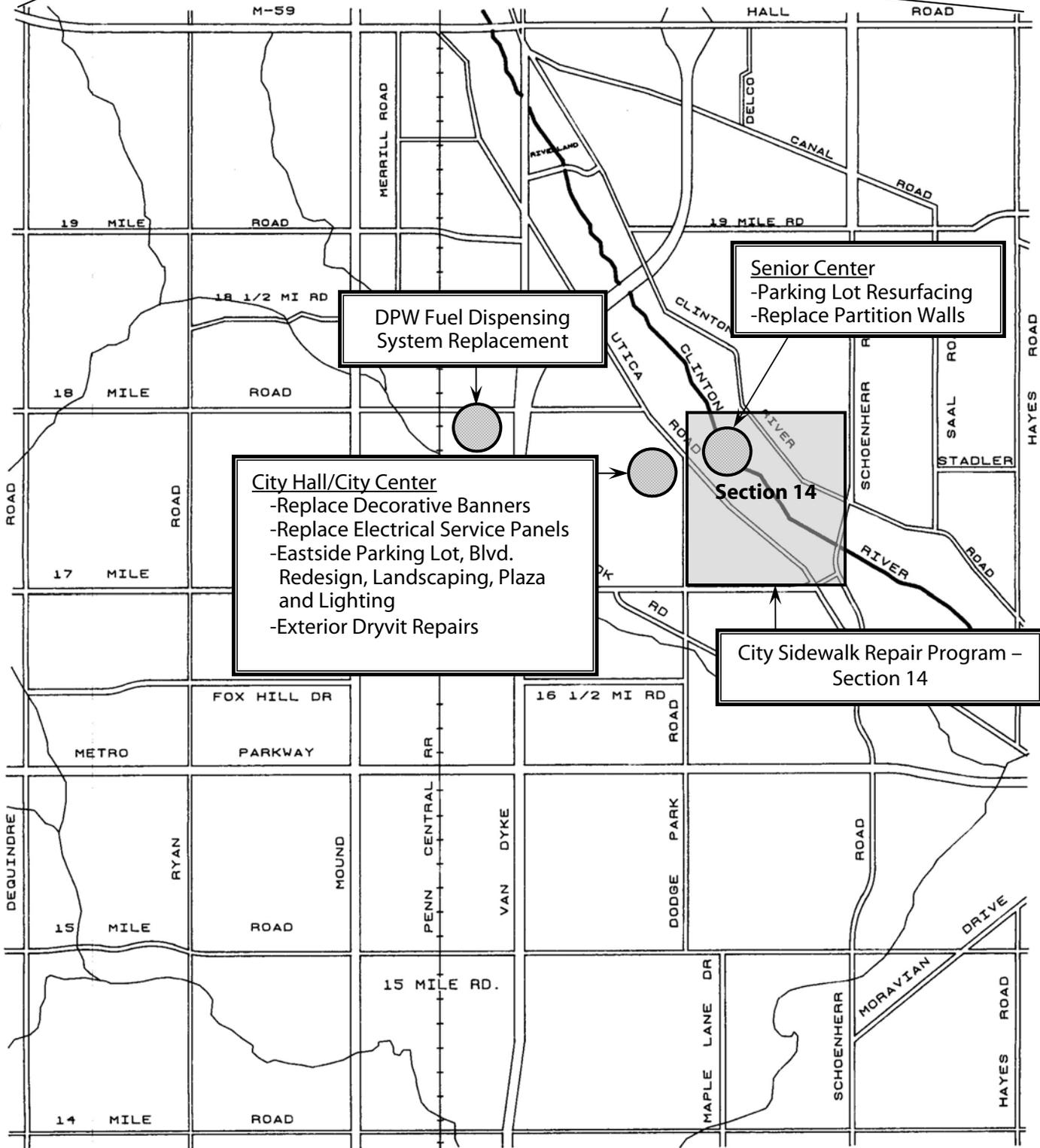
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Program 2015/16	Approved Program 2015/16	Proposed Method of Financing	Estimated Prior Yr. 2013/14	Estimated Current Yr. 2014/15	Program Year 2015/16	Future Years		
			Program 2014/15	Estimate 2014/15							2016/17	2017/18	2018/19
	Wilshire Court Water Main Repair	105,000 W&S			105,000	105,000	W&S	0	0	0	300	300	300
	Total Water Mains	3,579,500	\$3,374,500	\$0	\$1,195,000	\$1,195,000		\$0	\$0	\$0	\$2,800	\$2,800	\$2,800
	WATER & SEWER REPLACEMENT MAINS/OTHER												
	Fire Hydrant Replacement/Gatewell Valve Maintenance Program	20,000 W&S	10,000	10,000	10,000	10,000	W&S	500	500	500	500	500	500
	Asset Management Study/Improvements - Water & Sewer Mains	2,000,000 W&S	400,000	400,000			W&S	0	0	0	0	0	0
	Total Replacement Items	\$2,020,000	\$410,000	\$410,000	\$10,000	\$10,000		\$500	\$500	\$500	\$500	\$500	\$500
	Total Water & Sewer Fund	\$8,750,100	\$5,502,100	\$1,187,600	\$3,113,000	\$3,113,000		\$5,500	\$10,500	\$1,600	\$7,400	\$7,400	\$7,400
	Total City Capital Improvements	\$46,329,410	\$21,682,540	\$15,954,590	\$21,273,810	\$21,273,810		\$272,700	\$199,400	\$85,800	\$847,600	\$847,600	\$847,600

2015/16 MUNICIPAL FACILITIES



City Sidewalk
Gap Completion Program



DPW Fuel Dispensing
System Replacement

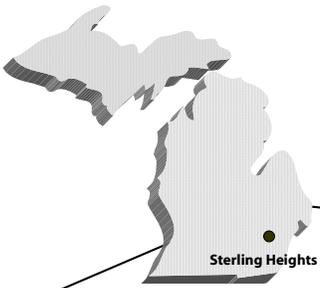
Senior Center
-Parking Lot Resurfacing
-Replace Partition Walls

City Hall/City Center
-Replace Decorative Banners
-Replace Electrical Service Panels
-Eastside Parking Lot, Blvd.
Redesign, Landscaping, Plaza
and Lighting
-Exterior Dryvit Repairs

Section 14

City Sidewalk Repair Program –
Section 14

2015/16 MAJOR ROADS



Miscellaneous Traffic Signals

City-wide Sectional Concrete Replacement Program

Miscellaneous Bridge Rehabilitation - Engineering

Van Dyke Reconstruction, Landscaping, Lighting and Mile Road Monuments

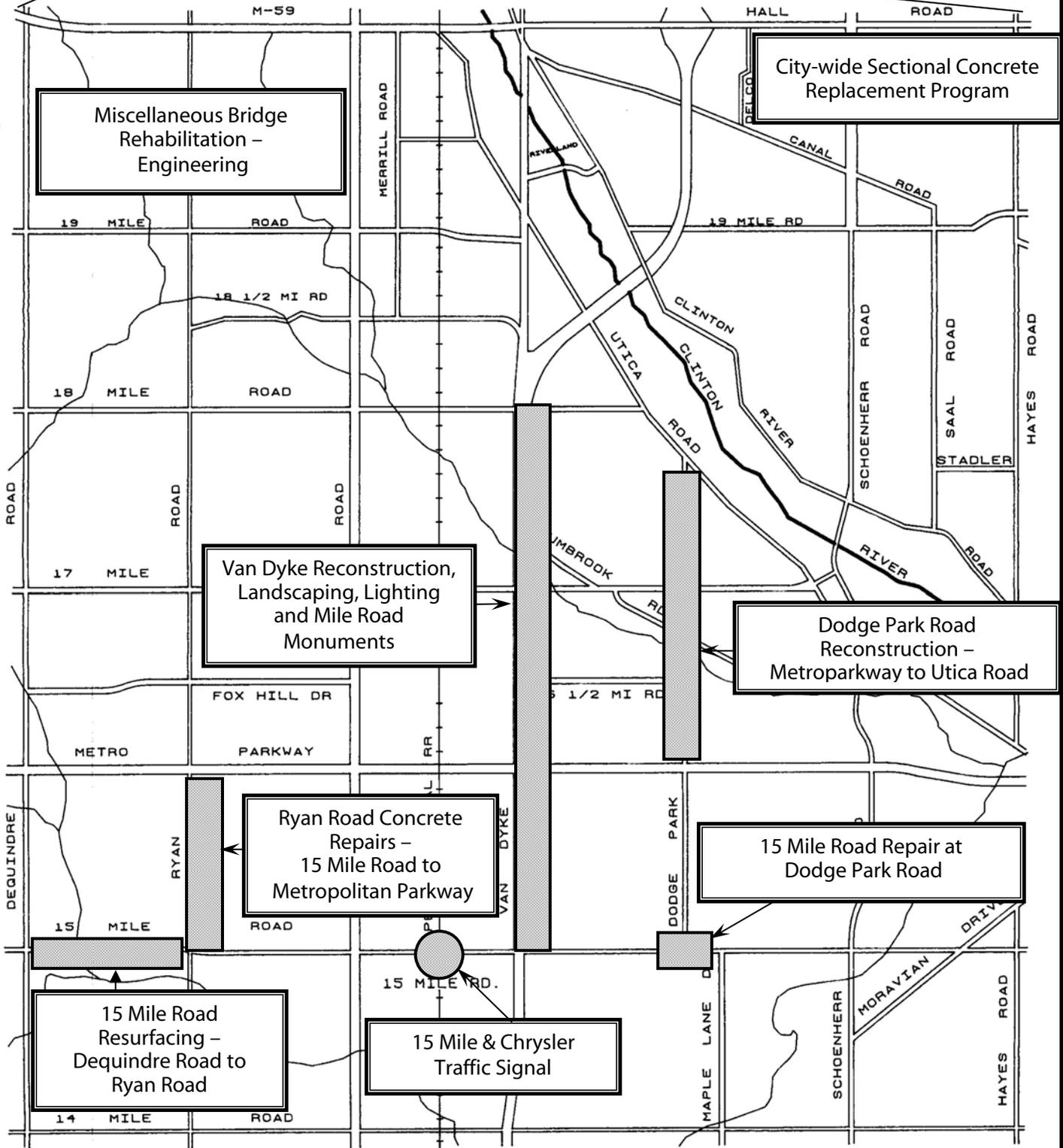
Dodge Park Road Reconstruction - Metroparkway to Utica Road

Ryan Road Concrete Repairs - 15 Mile Road to Metropolitan Parkway

15 Mile Road Repair at Dodge Park Road

15 Mile Road Resurfacing - Dequindre Road to Ryan Road

15 Mile & Chrysler Traffic Signal

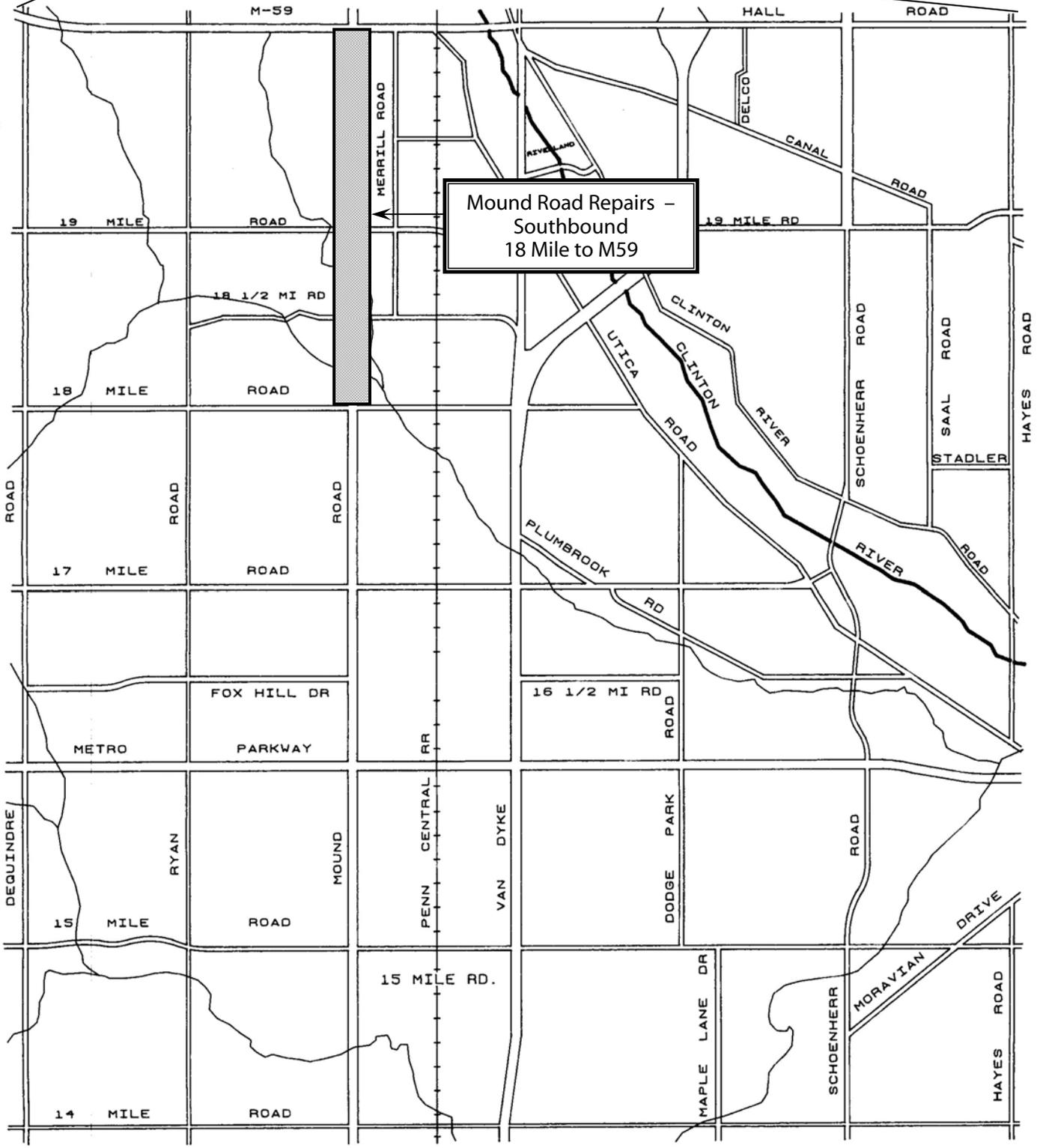




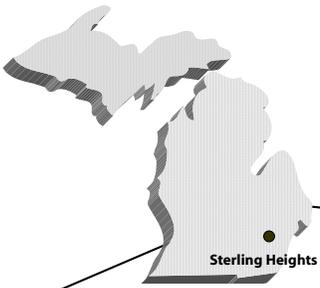
2015/16 COUNTY & STATE ROAD PLANS

Miscellaneous Traffic Signals

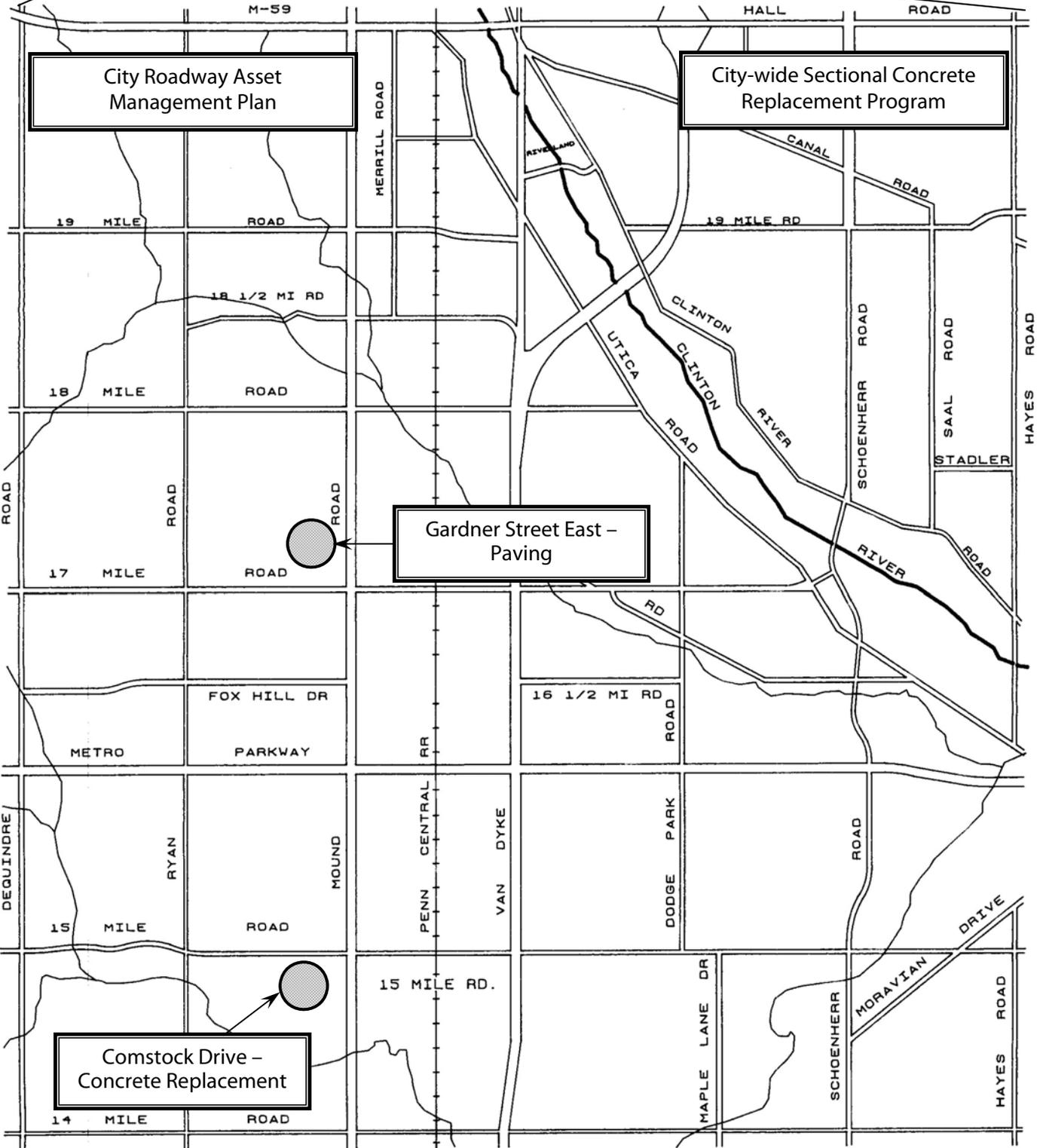
Mound Road Repairs -
Southbound
18 Mile to M59



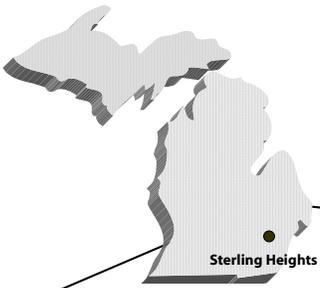
2015/16 LOCAL ROADS



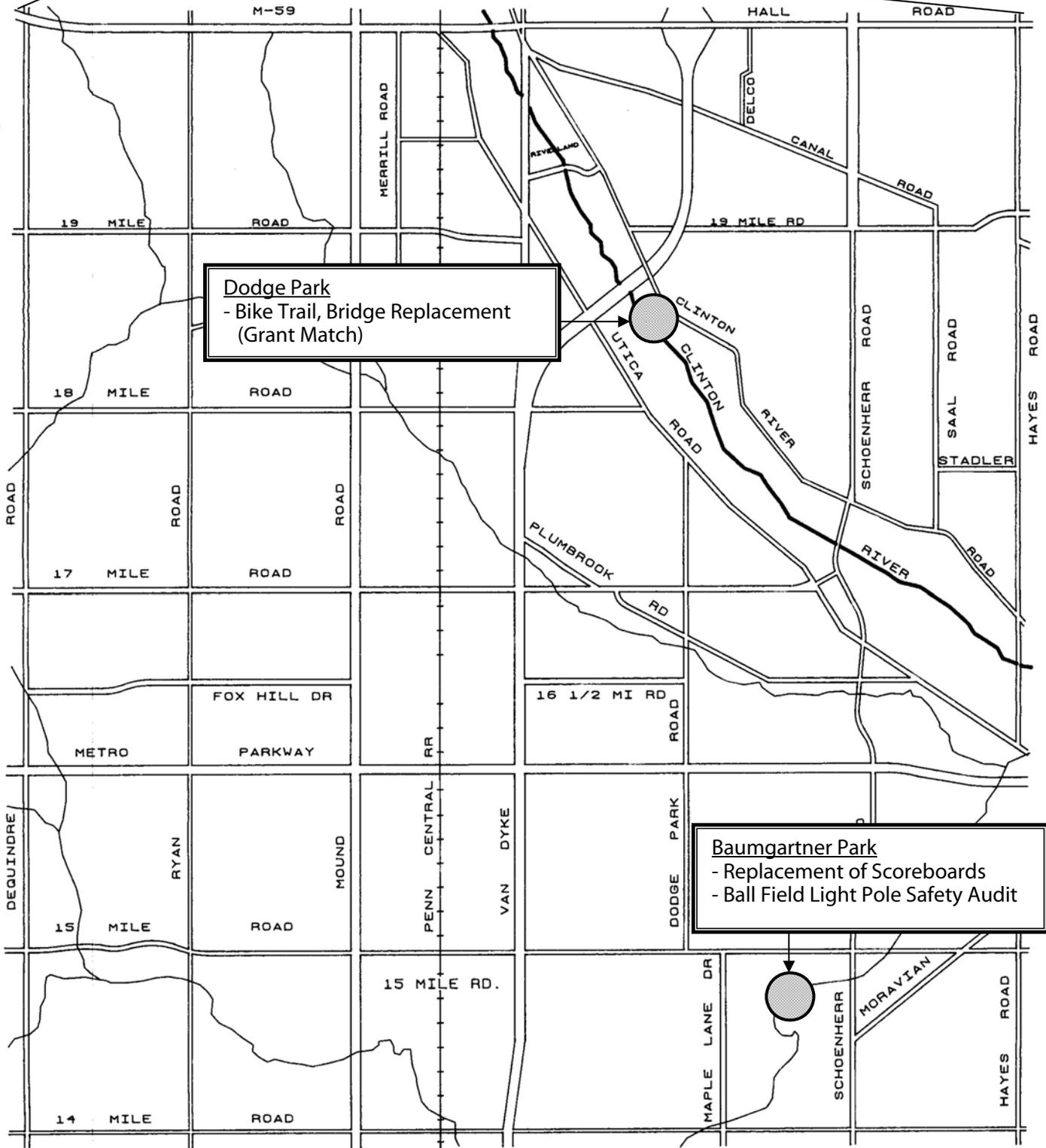
Neighborhood Road Repairs - (Safe Streets Proposal)
including: Concrete Reconstruction and Miscellaneous
Sectional Concrete Repairs



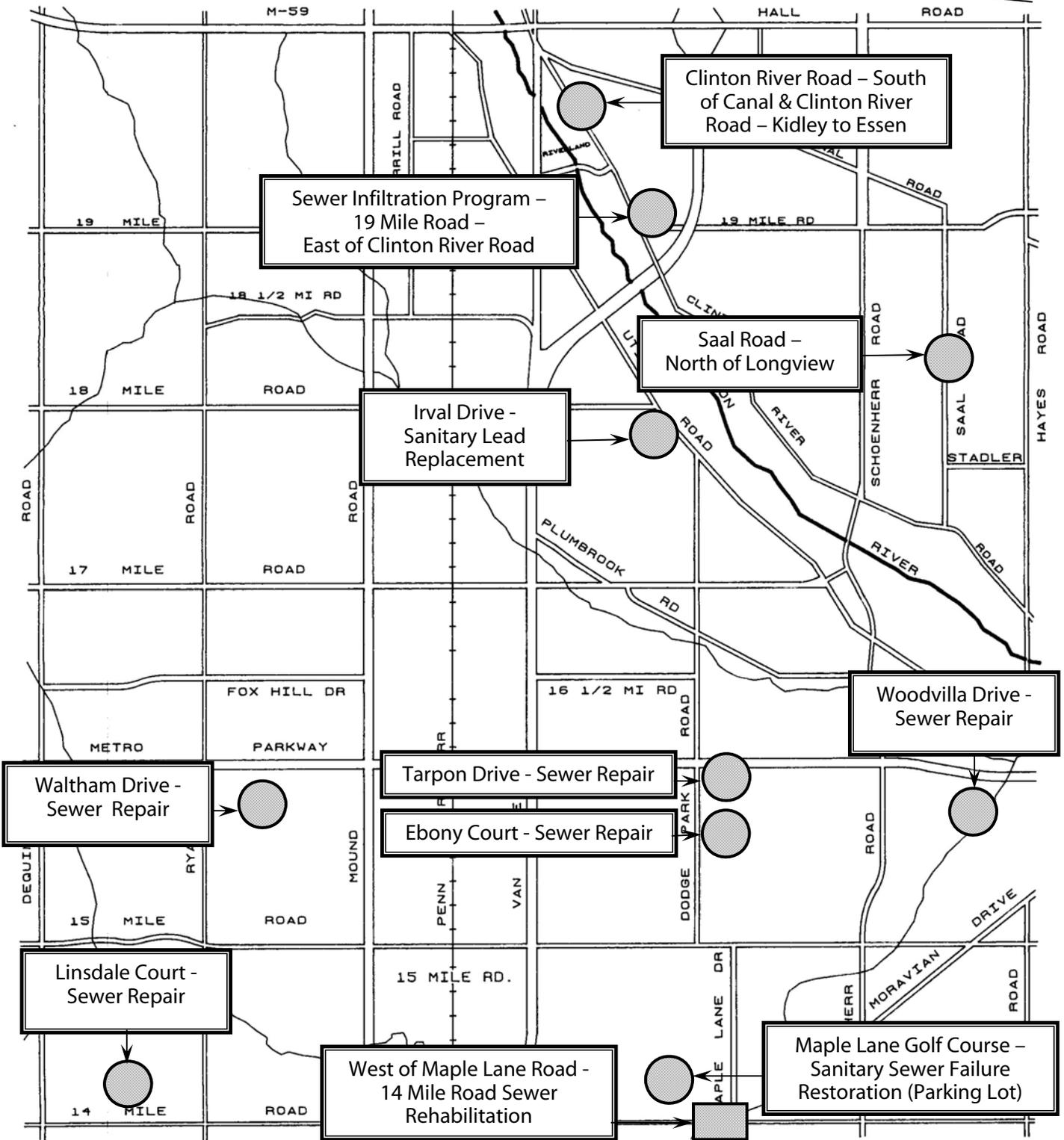
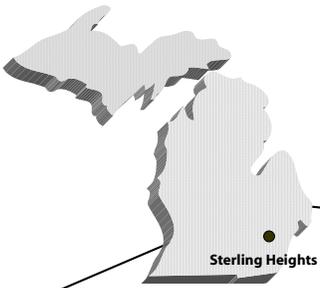
2015/16 MUNICIPAL PARKLANDS



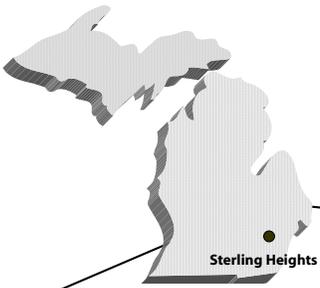
Dog Park – Local Grant Match
Location TBD



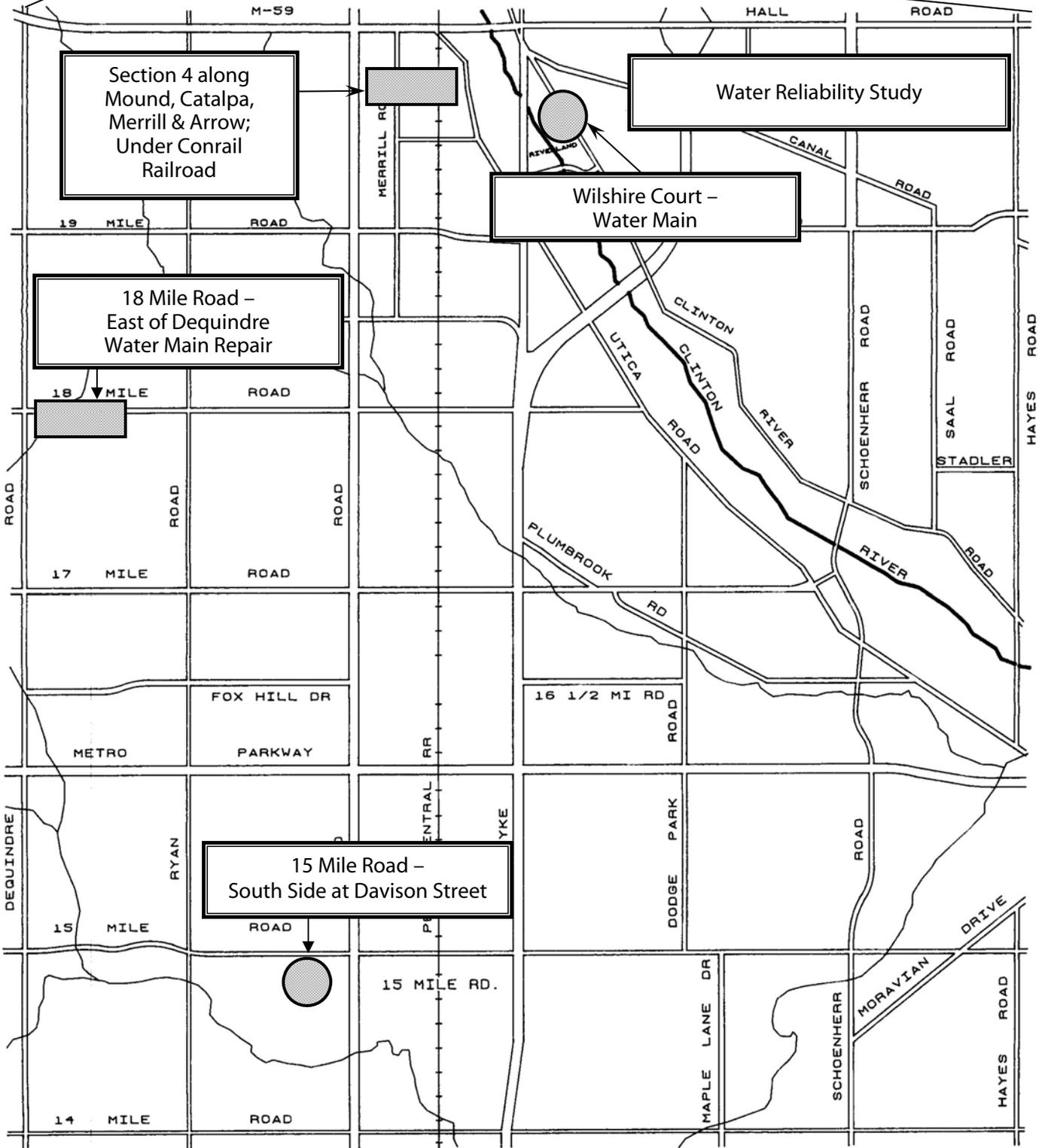
2015/16 SANITARY SEWERS



2015/16 WATER MAINS

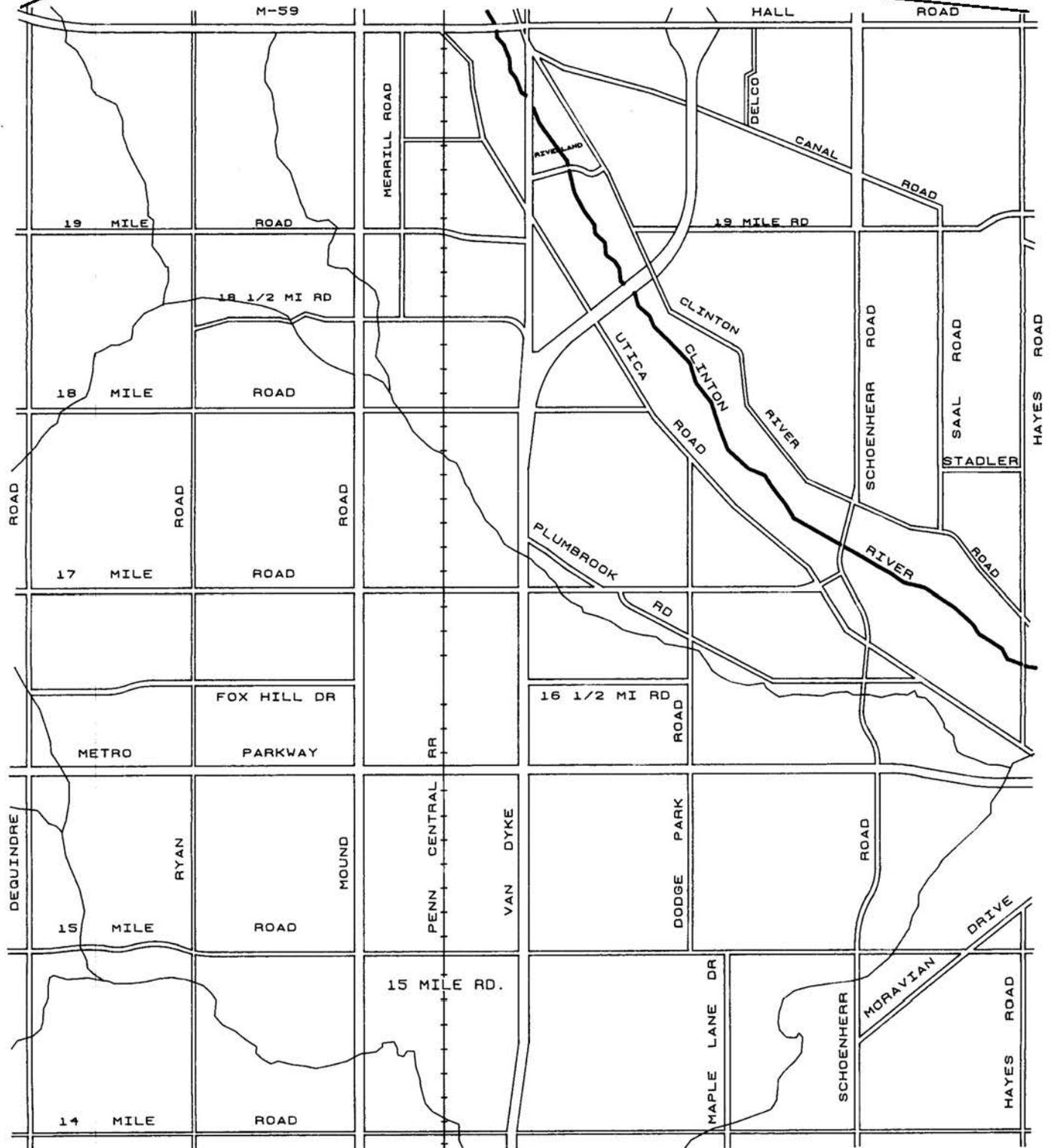
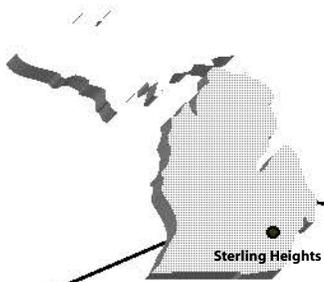


Fire Hydrant Replacement/
Gatewell Valve Maintenance Program



2015/16 STORM DRAINS

Storm Drain Maintenance – County



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property Taxes	\$50,357,630	\$52,574,000	\$55,624,617	\$58,331,682	\$57,875,942	\$56,801,306	\$59,045,208	\$53,149,713	\$51,665,928	\$51,344,025
Fees & Permits	2,012,360	1,986,333	1,784,156	1,352,594	960,683	1,194,707	1,438,197	2,271,967	1,789,803	1,735,413
Federal Sources	2,069,321	3,198,148	2,755,145	1,001,641	1,419,052	2,789,569	3,085,016	2,661,338	1,126,423	1,921,050
State & Local Sources	19,607,043	19,721,028	19,894,287	18,939,977	18,505,491	17,114,177	17,184,734	18,065,838	18,825,672	19,920,337
Fines & Forfeitures	2,995,613	2,890,745	2,563,520	2,755,701	2,836,556	3,618,574	3,353,875	2,770,160	2,489,252	2,326,870
Charges For Services	6,695,039	7,795,120	8,038,601	7,988,183	7,896,549	8,598,054	8,583,882	8,443,205	8,306,458	9,048,012
Interest Income	977,664	1,788,092	2,511,234	2,316,653	1,580,754	582,435	308,422	672,239	58,534	257,632
Special Assessments	73,776	28,017	130,082	92,745	243,123	215,118	203,298	254,977	206,501	314,871
Rental Income	1,566,845	1,357,037	1,443,651	1,727,929	1,798,484	1,429,222	1,685,041	1,508,954	1,536,939	1,951,540
Cable Revenue	1,319,937	1,371,831	1,527,988	1,671,094	1,771,978	1,799,495	1,950,435	2,033,751	2,292,537	2,342,953
Reimb of Advance Rd Const	0	0	0	2,440,414	0	0	0	0	0	0
Other	1,980,022	1,731,700	1,511,396	1,755,645	2,007,807	1,898,739	1,526,205	2,044,415	1,700,076	1,619,427
Total Revenues	89,655,250	94,442,051	97,784,677	#####	96,896,419	96,041,396	98,364,313	93,876,557	89,998,123	92,782,130
Expenditures										
General Government	10,042,438	10,109,764	10,562,158	11,244,018	9,534,712	9,000,797	8,613,941	8,571,928	7,700,466	7,175,604
41A District Court	2,472,160	2,660,587	2,847,111	2,974,001	3,150,155	3,221,815	3,246,811	3,252,852	3,258,362	3,078,766
Public Safety	38,346,169	39,440,275	41,610,977	44,435,670	46,327,145	49,130,527	50,929,421	52,297,573	48,644,125	48,807,450
Public Works	21,418,948	18,545,503	18,734,562	20,134,496	21,273,705	20,321,669	21,034,821	18,680,870	18,062,177	20,790,973
Recreation & Culture	4,669,116	4,868,429	5,180,497	5,358,825	5,321,281	4,747,596	4,603,108	4,489,169	4,339,952	4,002,476
General Expenditures	2,651,054	3,555,955	3,791,084	2,945,761	2,793,240	2,814,058	2,540,873	2,766,125	2,294,184	2,171,473
Capital Outlay	12,476,405	10,576,821	14,756,585	7,402,019	13,212,947	4,694,663	4,867,162	4,275,883	3,115,621	7,026,982
Debt Service - Principal	5,056,539	5,030,000	14,000,000	5,685,000	5,730,000	15,235,000	3,970,000	3,940,000	3,895,000	3,235,000
Debt Service - Interest	2,334,584	2,479,375	2,336,756	1,938,403	1,987,533	1,628,030	1,221,055	1,098,474	1,114,056	744,170
Total Expenditures	99,467,413	97,266,709	#####	#####	109,330,718	110,794,155	101,027,192	99,372,874	92,423,943	97,032,894
Other Financing Sources										
Long-term Financing	13,720,000	0	7,900,000	5,000,000	3,260,000	3,810,000	0	3,780,000	3,275,000	0
Proceeds-Sale of Fixed Assets	476,081	550,074	0	0	149,466	115,724	0	0	0	0
Bond Premium	91,759	0	26,815	50,143	0	33,935	0	274,196	9,311	0
Payments to Escrow Agents	(8,511,067)	0	0	0	0	(2,200,000)	0	(3,950,000)	(3,100,000)	0
Transfers In	8,354,684	9,931,683	18,458,535	9,716,170	11,319,369	16,194,395	3,953,940	3,526,740	6,158,405	5,639,290
Transfers Out	(6,639,684)	(8,071,683)	(8,681,215)	(8,197,830)	(8,412,389)	(5,056,810)	(3,953,940)	(3,526,740)	(3,500,200)	(4,266,460)
Total Other Fin. Sources	7,491,773	2,410,074	17,704,135	6,568,483	6,316,446	12,897,244	0	104,196	2,842,516	1,372,830
Net Change in Fund Balance Before Extraordinary Items	(2,320,390)	(414,584)	1,669,082	4,824,548	(6,117,853)	(1,855,515)	(2,662,879)	(5,392,121)	416,696	(2,877,934)
Extraordinary Items	(6,000,000)	0	0	0	0	0	0	0	0	0
Net Change in Fund Balance	(\$8,320,390)	(\$414,584)	\$1,669,082	\$4,824,548	(\$6,117,853)	(\$1,855,515)	(\$2,662,879)	(\$5,392,121)	\$416,696	(\$2,877,934)

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget
City Council	\$136,200	\$134,150	\$132,600	\$129,410	\$131,330	\$132,090	\$137,050
City Management	978,620	970,180	975,970	1,092,740	848,150	944,800	1,005,820
Economic Development	157,340	167,830	367,830	285,330	257,590	260,450	314,510
Public Services	332,120	339,940	0	0	0	0	0
City Clerk	710,560	778,610	693,460	666,050	542,500	609,990	771,890
Facilities Maintenance	1,603,550	1,311,110	1,358,360	987,750	0	0	0
Information Technology	1,080,160	1,107,470	880,370	959,460	871,860	886,010	908,880
Assessing	861,220	868,780	906,340	761,840	827,390	866,990	880,940
Financial Services	928,110	745,810	749,690	725,110	776,950	833,230	925,050
Purchasing	360,940	369,710	390,590	263,640	274,060	304,970	321,910
Treasury	1,006,240	1,152,570	1,070,960	1,020,450	1,014,380	1,062,980	1,087,500
Act 78 - Civil Service Commission	1,450	30	7,030	0	21,230	22,710	20,470
Building Authority	50	0	0	0	0	0	0
General Employees Pension Board	94,300	70,770	85,150	70,670	73,800	78,940	78,790
Legal	735,370	740,410	799,720	765,090	678,690	745,000	775,000
Total City Administration Dept.	8,986,230	8,757,370	8,418,070	7,727,540	6,317,930	6,748,160	7,227,810
Library	2,718,710	2,637,150	2,544,980	2,450,830	2,335,380	2,472,640	2,603,030
Parks & Recreation	2,028,200	1,965,270	1,943,880	1,888,710	1,666,740	1,771,290	1,874,390
Historical Commission	690	690	310	410	370	570	570
Total Community Services Dept.	4,747,600	4,603,110	4,489,170	4,339,950	4,002,490	4,244,500	4,477,990
Police Administration	2,801,130	2,990,520	3,042,380	3,099,570	2,988,410	3,153,430	4,930,010
Police Investigations	5,879,180	6,176,120	6,268,090	5,738,130	5,624,610	5,743,330	6,087,200
Police Operations	19,328,430	19,679,700	19,971,990	19,501,000	19,602,490	20,352,170	21,343,050
Police Support Services	3,528,550	3,502,360	3,546,890	3,282,000	3,283,070	3,662,540	1,575,350
Emergency Management	137,420	134,990	151,390	0	0	0	0
Total Police Department	31,674,710	32,483,690	32,980,740	31,620,700	31,498,580	32,911,470	33,935,610
Fire Administration	1,326,330	1,431,620	1,535,680	1,414,940	1,469,690	1,618,930	1,435,560
Fire Extinguishment	14,839,080	16,009,530	16,830,110	14,742,310	14,806,220	15,137,860	14,687,000
Fire Prevention	993,180	918,880	749,770	725,770	802,540	826,070	1,060,650
Total Fire Department	17,158,590	18,360,030	19,115,560	16,883,020	17,078,450	17,582,860	17,183,210

**GENERAL FUND
EXPENDITURE HISTORY BY ACTIVITY**

Activity Name	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Budget
Engineering	1,547,190	1,534,690	1,494,210	1,139,250	1,172,660	1,332,660	1,350,000
Fleet Maintenance	2,528,010	2,722,390	2,655,030	2,790,250	2,857,030	2,825,830	2,920,420
Parks & Grounds Maintenance	1,355,650	1,385,790	1,150,800	1,110,640	1,318,490	1,241,890	1,321,070
Public Works Center	389,250	285,890	237,750	233,330	270,850	252,390	276,700
Street Services	1,879,420	1,986,930	1,772,690	1,743,280	2,170,820	1,970,390	2,273,490
Total Public Works Department	7,699,520	7,915,690	7,310,480	7,016,750	7,789,850	7,623,160	8,141,680
Refuse Collection	4,429,920	4,450,360	4,605,880	4,672,020	4,697,630	4,684,930	4,817,150
Total Refuse Collection	4,429,920	4,450,360	4,605,880	4,672,020	4,697,630	4,684,930	4,817,150
Building & Facilities Maintenance	1,711,640	1,632,160	1,373,570	1,373,140	1,781,940	1,784,450	1,899,120
Foreclosure Relief	87,160	87,470	77,310	4,410	0	0	0
Neighborhood Services	0	63,270	417,580	346,260	1,278,550	1,330,910	1,522,710
Planning	354,500	367,020	483,010	237,210	104,560	182,120	230,810
Planning Commission	5,330	5,580	4,570	4,390	3,810	4,740	4,710
Zoning Board of Appeals	7,310	6,570	5,330	3,750	2,900	4,510	4,280
Component Unit Funding	0	0	0	0	0	0	300,000
Total City Development Dept.	2,165,940	2,162,070	2,361,370	1,969,160	3,171,760	3,306,730	3,961,630
Community Relations	1,582,910	1,470,780	1,033,780	931,910	856,950	933,210	1,035,710
Arts Commission	200	10	50	0	50	50	50
Beautification Commission	1,070	1,020	400	480	680	710	710
Total Community Relations Dept.	1,584,180	1,471,810	1,034,230	932,390	857,680	933,970	1,036,470
41-A District Court	3,221,820	3,246,810	3,252,850	3,258,360	3,078,770	3,081,700	3,202,320
General Expenditures	2,700,520	2,519,540	2,657,510	2,238,910	2,167,780	1,272,970	1,213,620
Transfers Out	1,968,810	1,509,940	1,010,670	954,090	1,081,460	7,122,720	4,457,140
Total General Fund	\$86,337,840	\$87,480,420	\$87,236,530	\$81,612,890	\$81,742,380	\$89,513,170	\$89,654,630

**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
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%
2012	5,248,480	87,236,539	6.02%
2013	5,248,480	81,612,889	6.43%
2014	5,229,392	81,742,384	6.40%

(1) GASB 54 was implemented with the fiscal year ended June 30, 2011.

**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)
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%
2012	3,743,670,800	874,496,200	4,618,167,000	50%
2013	3,503,196,250	755,514,350	4,258,710,600	50%
2014	3,526,557,005	724,659,700	4,251,216,705	50%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 2004 TVs (stated above in the 2005 row) were used to generate tax revenue for the year ended June 30, 2005.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

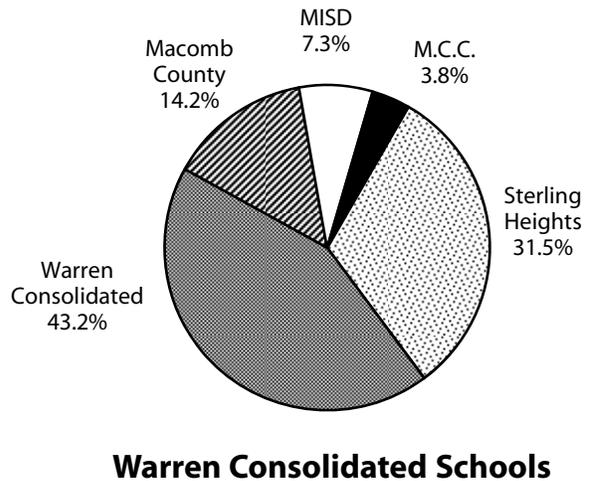
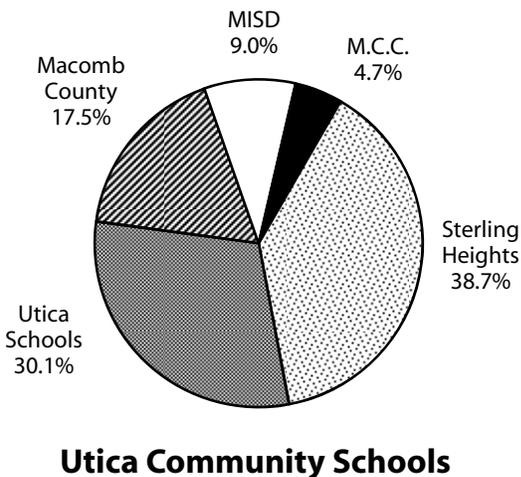
HOMESTEAD PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF TAXABLE VALUATION)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City of Sterling Heights										
Operating (1)	8.09570	8.76420	8.97760	9.22560	9.17770	8.71800	10.18110	9.66170	9.14280	9.47030
Refuse	1.10550	0.82660	0.81420	0.80570	0.83810	0.87170	0.94740	0.99990	1.08380	1.08790
Police & Fire Pension	0.89050	0.60490	0.51180	0.31470	0.48530	0.93720	1.23880	1.66940	2.06690	1.82250
Public Improvements	0.23170	0.18800	0.18750	0.17920	0.06670	0.03460	0.06840	0.08130	0.09030	0.10180
Drain	0.30160	0.24130	0.23390	0.19980	0.21800	0.22430	0.25010	0.27350	0.30200	0.20330
Total	10.62500	10.62500	10.72500	10.72500	10.78580	10.78580	12.68580	12.68580	12.68580	12.68580
Overlapping Governments										
Macomb County	4.20580	4.20580	4.20550	4.20550	4.20550	4.57350	4.57350	4.57350	4.57350	4.57350
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.75000	3.85000	3.85000	3.85000
Warren Consol. Schools	10.04260	9.99300	9.82940	9.23580	8.41520	8.92780	10.25900	10.84210	11.36240	11.38290
State Education	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.50020	1.42120	1.42120	1.42120	1.42120	1.42120	1.42120	1.57120	1.57120	1.53120
M.I.S.D.	2.96150	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.21540	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.59490	0.59120	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000
County Zoo Authority	0.00000	0.00000	0.00000	0.00000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
D.I.A.	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.20000	0.20000
Veterans Operations	0.00000	0.00000	0.00000	0.00000	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000
Total	29.60280	29.50080	29.59930	29.59930	29.80010	30.16810	32.31810	32.56810	32.76810	32.72810
Utica Schools (2)	29.60280	29.50080	29.59930	29.59930	29.80010	30.16810	32.31810	32.56810	32.76810	32.72810
Total	36.14540	35.99380	35.92870	35.33510	34.71530	35.59590	38.82710	39.56020	40.28050	40.26100
Warren Schools (2)	36.14540	35.99380	35.92870	35.33510	34.71530	35.59590	38.82710	39.56020	40.28050	40.26100

(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, 2014.

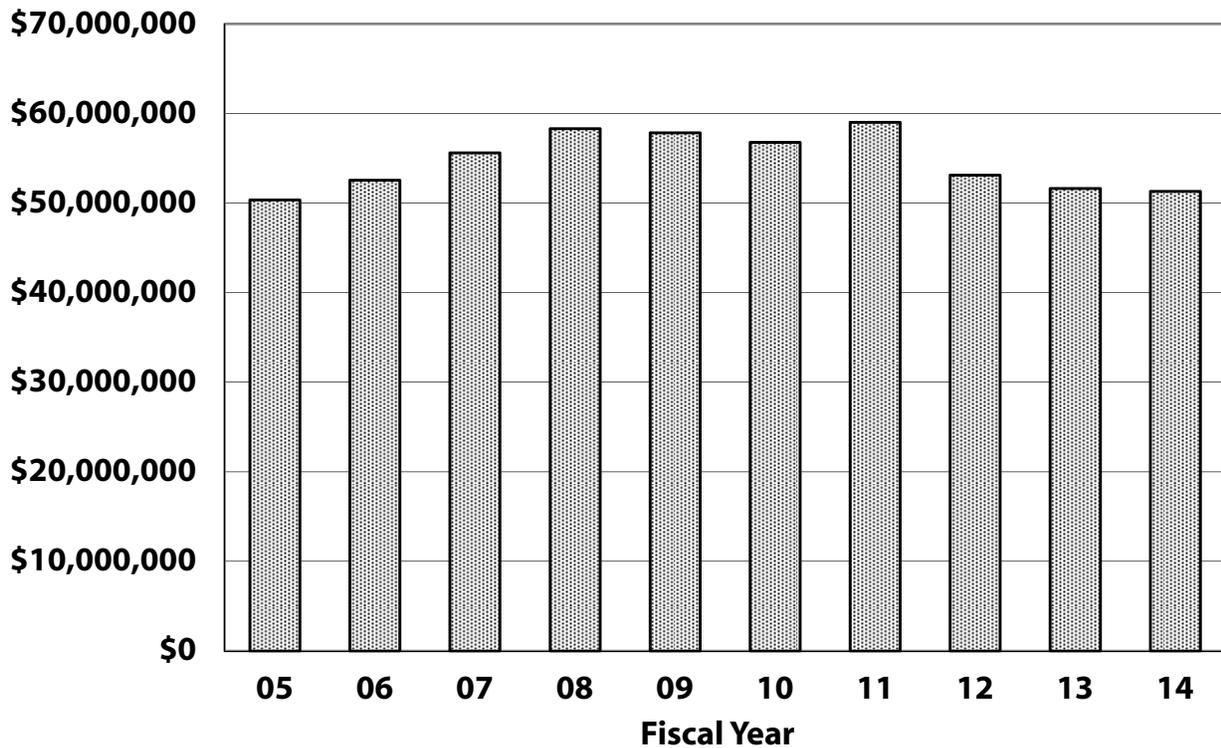
City of Sterling Heights 2013/14 Distribution of Homestead Taxes



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	
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
2012	40,120,585	4,376,626	7,157,201	51,654,412	1,150,140	345,161	1,495,301	53,149,713
2013	37,142,292	4,403,288	8,529,892	50,075,472	1,224,522	365,934	1,590,456	51,665,928
2014	38,262,436	4,400,850	7,444,408	50,107,694	823,757	412,574	1,236,331	51,344,025

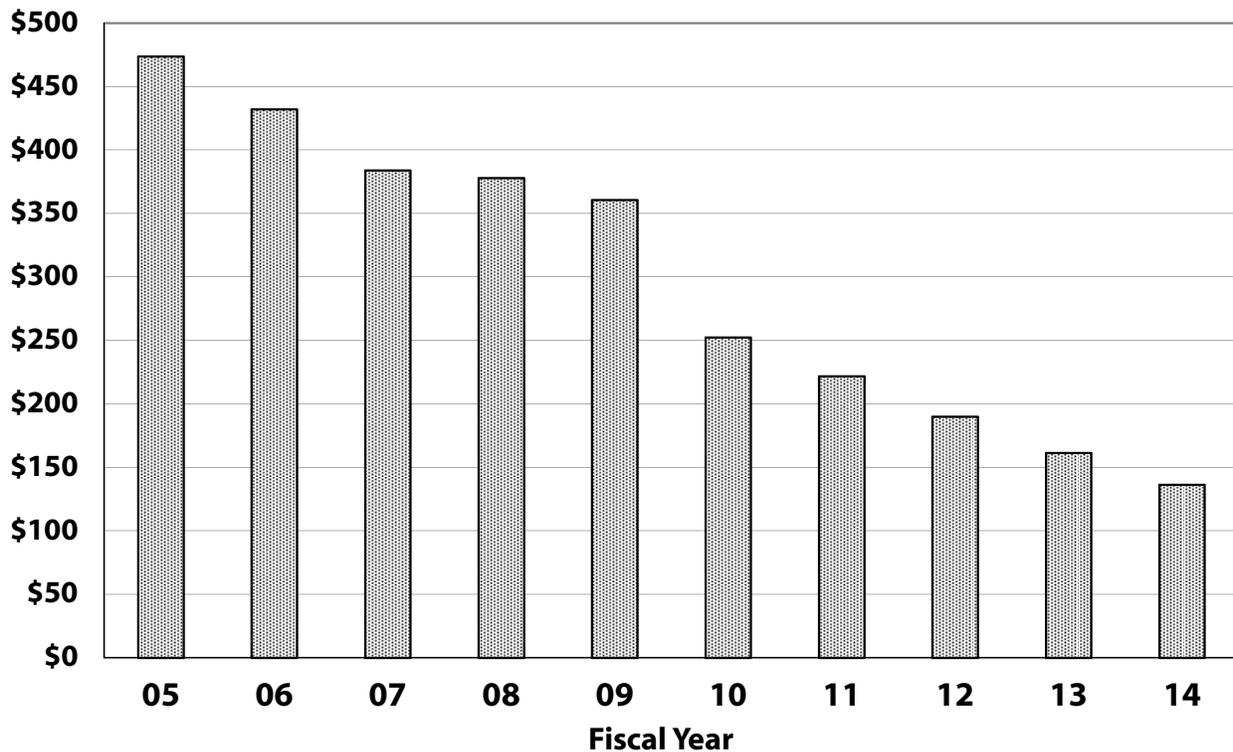
Property Tax Revenue



RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities County Issued			Primary Government	% of Personal Income	Pop.	Govt. Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds	General Obligation Bonds	Special Assessment Bonds	County - State Revolv. Loan Funds	Outstanding Debt Total			
2005	31,735,000	19,735,000	125,000	9,060,000	-	-	-	60,655,000	1.77%	128,026	473.77
2006	29,705,000	17,690,000	-	8,230,000	-	-	-	55,625,000	1.57%	128,692	432.23
2007	21,590,000	20,610,000	-	7,325,000	-	-	-	49,525,000	1.35%	128,914	384.17
2008	23,635,000	18,710,000	-	6,495,000	-	-	-	48,840,000	1.30%	129,200	378.02
2009	20,985,000	16,535,000	3,260,000	5,590,000	-	-	-	46,370,000	1.26%	128,500	360.86
2010	8,820,000	16,130,000	3,160,000	4,635,000	3,702,531	-	-	36,447,531	0.96%	129,699	252.47
2011	7,880,000	14,180,000	3,060,000	3,655,000	30,584,068	-	3,314,862	62,673,930	2.00%	129,699	221.86
2012	6,905,000	12,170,000	2,960,000	2,630,000	36,565,773	2,716,185	4,931,838	68,878,796	2.19%	129,699	190.17
2013	6,165,000	10,405,000	2,850,000	1,525,000	35,428,997	2,647,602	6,825,826	65,847,425	2.10%	129,699	161.49
2014	5,700,000	8,535,000	2,700,000	775,000	34,264,780	2,548,452	11,703,389	66,226,621	2.11%	129,699	136.55

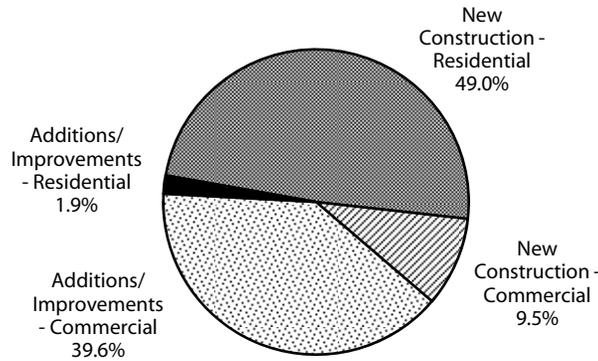
Outstanding Debt Per Capita



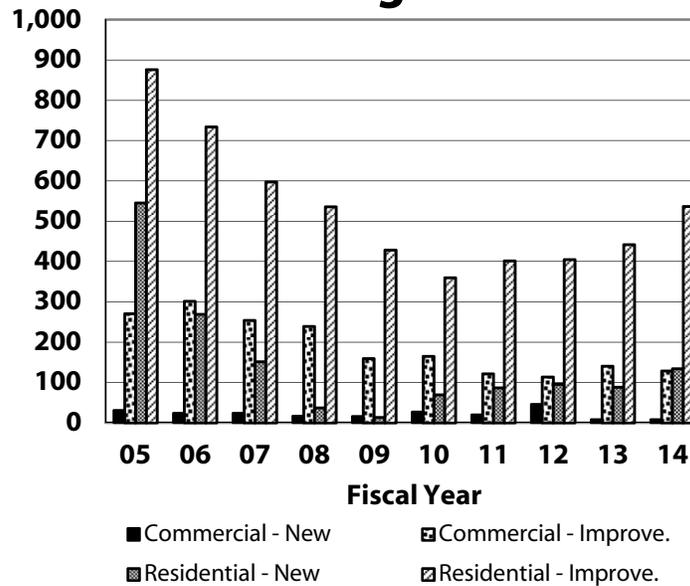
BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Residential					Commercial				
	New Construction		Additions/Improve.		Total Residential	New Construction		Additions/Improve.		Total Commercial
	No.	Value	No.	Value		No.	Value	No.	Value	
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
2012	96	19,872,576	405	1,291,986	21,164,562	46	97,795,253	114	16,137,512	113,932,765
2013	89	20,919,441	442	2,528,899	23,448,340	8	15,579,387	141	37,063,864	52,610,713
2014	134	31,286,101	537	1,191,570	32,477,671	8	6,077,060	129	25,288,174	31,365,234

Market Value of 2014 Building Permits



Building Permits



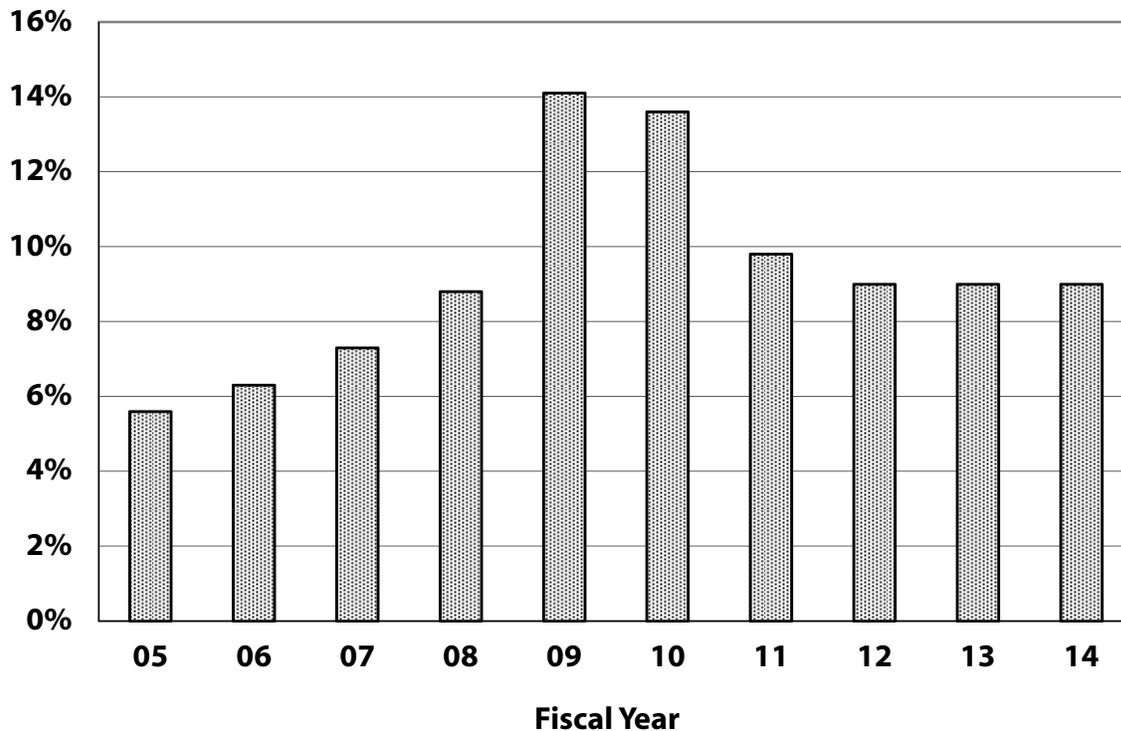
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Median Age (2)	Age 25 or Older (2)		Per Capita Income (2)/(4)	Income In Thousands	Number of Households (2)	Median Household Income (1)	Sterling Heights Unemployment Rate (3)/(4)
			High School Graduate or Higher	Bachelor's Degree or Higher					
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%
2012	129,699 (1)	40-44	86.4%	22.9%	25,194	3,140,402	49,576	53,390	9.0%
2013	129,699 (1)	40-44	86.4%	22.9%	25,194	3,140,402	49,576	53,390	9.0%
2014	129,699 (1)	40-44	86.4%	22.9%	25,194	3,140,402	49,576	53,390	9.0%

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 Treasury, Management & Budget

City of Sterling Heights Unemployment Rate



2015/16 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2013/14 Actual	2014/15 Budget	2014/15 To 12/31	2014/15 Estimate	2015/16 Budget
Supplies						
729.000	Postage	\$598	\$630	\$49	\$630	\$650
730.000	Publications	0	0	0	0	0
751.000	Operating Supplies	397	150	109	150	160
	Total Supplies	995	780	158	780	810
Other Charges						
802.000	Audit & Accounting Services	18,031	19,500	16,373	19,500	25,000
806.000	Legal Services	7,320	12,000	0	12,000	12,000
807.000	Medical Services	0	1,000	0	0	1,000
826.000	Other Contracted Services	1,321,624	1,300,000	708,035	1,300,000	1,460,000
903.000	Printing	129	200	124	200	200
922.000	Telephone	495	480	174	350	360
957.000	Memberships & Dues	100	100	100	100	100
959.000	Education & Training	5,066	7,550	2,241	7,550	7,550
	Total Other Charges	1,352,765	1,340,830	727,047	1,339,700	1,506,210
Capital Outlay						
979.000	Computer Equipment	0	1,500	0	1,500	0
	Total Capital Outlay	0	1,500	0	1,500	0
Total Activity		\$1,353,760	\$1,343,110	\$727,205	\$1,341,980	\$1,507,020

NOTE: The "2013/14 Actual" & "2014/15 To 12/31" columns are rounded to the nearest dollar.

NAME	CONTRACT EXPIRATION	BUDGETED EMPLOYEES	
		FULL-TIME	PART-TIME

Union Employees

Police Officers - MAP	6/30/2017	115	
Fire Fighters - IAFF Local 1557	6/30/2015	84	
Technical/Office - MAPE	6/30/2018	57	24*
DPW Field - Teamsters Local 214	6/30/2017	52	
Police Command Officers - COA	6/30/2015	33	
Professional/Technical - UAW Local 412	6/30/2016	25	14
Court Clerical - AFSCME Local 1884	6/30/2015	18	6
Police Clerical - MAP	6/30/2016	20	
Supervisory - MAPE	6/30/2015	12	1
Executive Group - SHEG	6/30/2018	10	
DPW Supervisors - AFSCME Local 1917	6/30/2017	7	

Non-Union Employees

41-A District Court Administration	N/A	10	
41-A District Court Judges	N/A	3	
Ordinance Employees	N/A	1	

* Includes six part-time employees that are excluded from the part-time limit.

Population¹

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.....	\$155,000
Total Housing Units.....	51,067
Houses.....	33,755
Condominiums.....	6,485
Apartments.....	9,141
Mobile Homes.....	1,686

Major Employers

Company/Employees	
Chrysler Group LLC.....	3,000
Ford Motor Company.....	2,300
Lakeside Associates.....	2,000
General Dynamics.....	1,900
Utica Community Schools.....	1,150
Detroit Media Partnership.....	1,000
Warren Consolidated Schools.....	790
Henry Ford Health System.....	600
KUKA Systems Corporation.....	600
U.S. Farathane Corporation.....	580

Employment Status²

Population 16 years & over.....	108,636
In labor force.....	66,948
Civilian labor force.....	66,912
Employed.....	60,636
Unemployed.....	6,276
Percent of civilian labor force.....	9.4
Armed Forces.....	36
Not in labor force.....	41,688

Occupation²

Employed civilian population 16 yrs. & over....	60,636
Management, professional & related occupations.....	21,492
Service occupations.....	12,571
Sales & office occupations.....	13,903
Natural resources, construction, & maintenance occupations.....	3,839
Production, transportation & material moving occupations.....	8,831

Industry²

Agriculture, forestry, fishing and hunting, & mining.....	203
Construction.....	2,099
Manufacturing.....	11,944
Wholesale trade.....	855
Retail trade.....	7,528
Transportation and warehousing & utilities.....	1,361
Information.....	1,127
Finance, insurance, real estate & rental and leasing.....	3,764
Professional, scientific, management, administrative & waste management.....	5,261
Educational, health & social services.....	11,995
Arts, entertainment, recreation, accommodation & food services.....	6,483
Other services (except public administration)...	4,582
Public administration.....	3,434

School Enrollment²

Population 3 yrs. & over enrolled in school.....	32,674
Nursery school, preschool.....	1,563
Kindergarten.....	1,384
Elementary (grades 1-8).....	12,361
High School (grades 9-12).....	7,394
College or graduate school.....	9,972

Streets & Sidewalks

Miles of City Streets:	
Primary	63
Secondary	286
Estimated Sidewalks in Miles	612
Bridges	11
Street Lights	2,530

Police Protection

Group A offenses ³	2,926
Group B offenses ⁴	2,306
Injury Accidents	860
Property Damage	3,488
Private Property Damage	741
Total Traffic Violations	24,142
Civil Infractions.....	20,535
Parking Violations	1,298
Adult Arrests	3,113
Juvenile Arrests.....	190
OUIL Arrests.....	183

Fire Protection

Stations	5
Emergency Alarms Answered.....	12,451
Medical Emergencies.....	9,435
Fire Inspections Conducted	878
Inspection Violations Issued.....	745
Training Hours Completed	24,994

41-A District Court

Cases Handled:	
Civil	2,550
Criminal.....	3,813
Traffic	22,550
Landlord & Tenant	2,491
Small Claims	400

Election Data

Registered Voters	88,164
Voters at Polls	21,322
Absentee Ballots	8,966
Percent Voting.....	24.00%

Parks & Recreation

Acres	820
Developed Parks.....	28
Adult Athletics Attendance	21,967

Instructional Rec. Attendance	20,344
Nature Program Attendance.....	17,170
Senior Program Attendance.....	100,026
Special Event Attendance	46,379
Summer Playground Attendance	13,053
Special Rec. Program Attendance.....	8,395

Library

Registered Borrowers	49,863
Book Collections.....	195,656
Other Collections ⁵	37,348
Items Circulated.....	536,485
Reference Transactions.....	68,052
Program Attendance	15,196
Library Visits	384,063
Interlibrary Loan Requests.....	86,950
Book Van Deliveries.....	3,253
Online Computer Users.....	1,659,105

Water & Sewer Services

Customers:	
Residential	35,155
Commercial/Industrial.....	4,280
Miles of Water Mains.....	576
Miles of Sanitary Sewers	430
Fire Hydrants.....	7,270
Water (in thousand cubic feet):	
Purchased from Detroit	614,039
Sold to Residents.....	618,799
Rates:	
1,000 Cubic Feet (water and sewer)	\$48.52
Sewer Only – Per Billing	\$65.00

¹ Source: U.S. Census Bureau, Census 2010

² Source: 2013 American Community Survey 1-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. 441**

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 2015/16; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2015/16; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2015/16.

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, 2015 through June 30, 2016. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2015/16.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net General Tax Revenue	\$39,678,770	
Licenses and Permits	1,805,000	
State and Local Returns	11,710,310	
Fines and Forfeitures	2,355,000	
Charges for Services	9,821,770	
Other Revenue	2,845,180	
Cable Revenue	2,450,000	
Use of Fund Balance	<u>0</u>	
 Total General Revenue		 70,666,030
 Refuse Tax Revenue	 4,795,150	
Police & Fire Pension Tax Revenue	7,986,310	
Safe Streets Tax Revenue	<u>7,135,880</u>	
Total Other Tax Revenue		<u>19,917,340</u>
Total Revenues		90,583,370
 OTHER FINANCING SOURCES		
Transfers In	<u>0</u>	
Total Other Financing Sources		<u>0</u>
 Total Revenues & Other Financing Sources		 <u>\$90,583,370</u>

and does hereby designate \$39,838,770 to be raised by 9.4909 mills tax levied for General Purposes on the assessed valuation of all real and personal property subject to taxation in the City,

and does hereby designate \$7,986,310 to be raised by 1.9026 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 \$4,795,150 to be raised by 1.1424 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 does hereby designate \$7,135,880 to be raised by 1.7000 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of providing revenue for police and fire protection as authorized by the electors of the City in approving the Safe Streets Proposal in 2013, 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	\$7,200,110	7,227,810
Community Services Department	4,409,650	4,477,990
Police Department	33,872,110	33,935,610
Fire Department	17,030,810	17,183,210
Public Works Department	8,141,680	
Refuse Collection	4,817,150	
City Development Department	3,961,630	
Community Relations Department	1,036,470	
41-A District Court	3,202,320	
General Expenditures	1,213,620	
Contribution to Fund Balance	<u>1,240,680</u>	<u>928,740</u>
Total Expenditures		86,126,230

OTHER FINANCING USES

Transfers Out	<u>4,457,140</u>	
Total Other Financing Uses		<u>4,457,140</u>

Total General Fund \$90,583,370

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	\$43,329,160	
Use of Net Assets	<u>724,970</u>	
Total Operating Revenues		<u>\$44,054,130</u>

OPERATING EXPENSES

Administration	\$3,374,840	
Water Distribution	17,191,970	
Sewage Collection	<u>23,487,320</u>	
Total Water & Sewer Operating Fund		<u>\$44,054,130</u>

and does hereby designate the rates to be charged for water and sewage disposal services to be as follows for all bills rendered on or after July 1, 2015.

WATER RATES

Consumption Charges Per Billing Period:	<u>Rate Per Thousand Cubic Ft.</u>
First 3,000 cubic feet or less.....	\$20.63
All over 3,000 cubic feet.....	25.79
Fixed DWSD fee (single-family residential customers)	\$4.25
Fixed DWSD fee (all other customers).....	6.00
 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:	<u>Rate Per Thousand Cubic Ft.</u>
Per 1,000 cubic feet.....	\$34.74
Fixed Macomb County fee (single-family residential customers).....	\$4.25
Fixed Macomb County fee (all other customers).....	6.00

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 \$70.00 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	6,714,000	
Other Revenue	<u>342,000</u>	
Total Revenues		7,056,000

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$7,056,000**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Administration Expenses	\$130,610	
Major Street Maintenance	2,252,500	
Major Street Improvements	1,427,000	
Contribution to Fund Balance	<u>1,495,890</u>	
Total Expenditures		5,306,000

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	1,000,000	
Transfer to Local Road Fund	<u>750,000</u>	
Total Other Financing Uses		<u>1,750,000</u>

Total Major Road Fund **\$7,056,000**

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net Property Taxes	\$3,376,400	
State Sources	2,190,000	
Charges for Services	40,000	
Other Revenue	<u>42,010</u>	
Total Revenues		5,648,410

OTHER FINANCING SOURCES

Transfer from Major Road Fund	<u>750,000</u>	
Total Other Financing Sources		<u>750,000</u>

Total Revenues & Other Financing Sources **\$6,398,410**

and does hereby designate \$3,360,000 to be raised by 0.8000 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City for the purpose of providing revenue for local street improvements as authorized by the electors of the City in approving the Safe Streets Proposal in 2013.

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Administration Expenses	\$160,310	
Local Street Maintenance	1,536,000	
Local Street Improvements	4,507,000	
Contribution to Fund Balance	<u>195,100</u>	
Total Expenditures		6,398,410

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Local Road Fund **\$6,398,410**

Sec. 2.05

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$65,800	
Federal & State Sources	0	
Other Revenue	<u>200</u>	
Total Revenues		66,000

OTHER FINANCING SOURCES

Transfer from General Fund	<u>325,000</u>	
Total Other Financing Sources		<u>325,000</u>

Total Revenues & Other Financing Sources **\$391,000**

EXPENDITURES

Land Improvements	<u>\$391,000</u>	
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Total Land & Water Conservation Fund **\$391,000**

Sec. 2.06

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES

Fund Balance	\$512,020	
Federal Forfeitures	0	
Treasury Forfeitures	0	
State Forfeitures	5,000	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Act 302 Training Funds	30,800	
Interest Income	<u>440</u>	

Total Revenues **\$548,260**

EXPENDITURES

Federal Forfeitures	\$164,730	
Treasury Forfeitures	0	
State Forfeitures	330,730	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	22,000	
Act 302 Training Funds	<u>30,800</u>	

Total Public Safety Forfeiture Fund **\$548,260**

EXPENDITURES

Miscellaneous \$0
Contribution to Fund Balance 300,500

Total Economic Development Corporation Fund \$300,500

Sec. 2.10

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Property Taxes \$0
Charges for Services 0
Other Revenue 0
Total Revenues 0

OTHER FINANCING SOURCES

Transfer from General Fund 0
Total Other Financing Sources 0

Total Revenues & Other Financing Sources \$0

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Miscellaneous \$0
Contribution to Fund Balance 0
Total Expenditures 0

OTHER FINANCING USES

Transfer to General Fund 0
Total Other Financing Uses 0

Total Brownfield Redevelopment Authority Fund \$0

Sec. 2.11

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Federal Grants \$0
Property Taxes 616,980
Other Revenue 427,950
Total Revenues 1,044,930

OTHER FINANCING SOURCES

Transfer from General Fund 0
Total Other Financing Sources 0

Total Revenues & Other Financing Sources \$1,044,930

EXPENDITURES

Incubator Renovations \$0
Incubator Operations 760,750
BAE Reimbursement 0
Contribution to Fund Balance 284,180

Total Local Development Finance Authority Fund \$1,044,930

Sec. 2.12

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net Drain Tax Revenue	\$155,350	
Delinquents & Penalties	1,500	
Other Revenue	<u>200</u>	
Total Revenues		157,050

OTHER FINANCING SOURCES

Bond Proceeds – Refunding	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$157,050**

and does hereby designate \$158,350 to be raised by 0.0377 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	\$300	
Principal	150,000	
Interest	<u>6,750</u>	
Total Drain Fund		<u>\$157,050</u>

Sec. 2.13

VOTED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Delinquents & Penalties	\$1,350	
Other Revenue	200	
Net Proposal F Tax Revenue	<u>469,300</u>	
Total Revenues		470,850

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$470,850**

and does hereby designate \$471,000 to be raised by 0.1122 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 F Expenditures	<u>\$470,850</u>	
Total Voted Tax General Obligation Debt Fund		<u>\$470,850</u>

Sec. 2.14

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Special Assessment Revenue	\$145,750	
Interest Income	97,970	
Federal Interest Rebates	<u>31,990</u>	
Total Revenues		275,710

OTHER FINANCING SOURCES

Transfer from Major Road Fund	1,000,000	
Transfer from Road Bond Construction Fund	<u>130,000</u>	
Total Other Financing Sources		<u>1,130,000</u>

Total Revenues & Other Financing Sources **\$1,405,710**

EXPENDITURES

Principal	\$990,000	
Interest	330,940	
Other Fees	1,100	
Contribution to Fund Balance	<u>83,670</u>	

Total Road Bond Debt Retirement Fund **\$1,405,710**

Sec. 2.15

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	<u>\$0</u>	
Total Revenues		0

OTHER FINANCING SOURCES

Transfer from General Fund	<u>322,380</u>	
Total Other Financing Sources		<u>322,380</u>

Total Revenues & Other Financing Sources **\$322,380**

EXPENDITURES

Principal	\$260,000	
Interest	62,150	
Other Fees	<u>230</u>	

Total Limited Tax General Obligation Debt Fund **\$322,380**

Sec. 2.16

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$353,640	
State & Local Returns	0	
Other Revenue	<u>256,360</u>	
Total Revenues		610,000

OTHER FINANCING SOURCES

Transfer from General Fund	<u>3,809,760</u>	
Total Other Financing Sources		<u>3,809,760</u>

Total Revenues & Other Financing Sources **\$4,419,760**

EXPENDITURES

Capital Equipment	\$285,260	
Capital Vehicles	902,500	
Capital Projects	<u>3,232,000</u>	

Total Capital Projects Fund **\$4,419,760**

Sec. 2.17

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$130,000	
Other Revenue	0	
Federal Grants	<u>0</u>	
Total Revenues		130,000

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	8,150,000	
Transfer from Major Road Fund	<u>0</u>	
Total Other Financing Sources		<u>8,150,000</u>

Total Revenues & Other Financing Sources **\$8,280,000**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Construction	<u>\$8,280,000</u>	
Total Expenditures		8,280,000

OTHER FINANCING USES

Transfer to Major Road Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Road Bond Construction Fund **\$8,280,000**

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, 2015 through June 30, 2016. 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.....	550.00
Lot Combinations	450.00
Processing Labels (per page).....	1.30
Resident Field Sheet Fee	2.00
Apartment Listing (Names/Sidwells/Assessments)	60.00
Shopping Center List.....	60.00
Section or Subdivision Listing (per page).....	1.00
Assessing, Board of Review, & Sales Information (first page)	2.00
Additional Pages.....	0.30
Plat Map.....	133.00
Custom Assessment Information Report.....	50.00
IFEC Extension Application Fee	575.00
IFEC Request for Extension to Complete Project Application Fee.....	575.00
IFEC Request for Revision of Final Project Cost Application Fee.....	575.00
Application to Establish a Speculative Building Designation Fee	575.00
Tax Hardship Income Limits:	
1 Person	13,600.00
2 Person	15,730.00
3 Person	19,790.00
4 Person	23,850.00
5 Person	27,910.00
6 Person	31,970.00
7 Person	36,030.00
8 Person	40,090.00
Each Additional Person.....	3,800.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit.....	38.00
Fence Permit – Masonry, Separation	56.00
Board of Code Appeals	226.00
Reestablish Expired Permit Fee	67.00
Overtime Inspections, Each Hour (4 hour minimum).....	89.00
Special Inspections, Each Trade (Residential).....	51.00
Special Inspections, Each Trade (Commercial)	73.00
Building Code Publication	Cost + 13.00 Administration fee
Building Moving Permit.....	297.00
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).....	36.00
Permit fee (minimum)	48.00
Electrical Contractor's Registration	26.00
Fire Alarm Contractor's Registration.....	26.00
Sign Contractor's Registration	26.00
Furnace Wiring.....	27.00
Air Conditioner Reconnect	27.00
Circuits: Each (new or extended).....	21.00
Fixtures: Each 25	21.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	27.00
Each 11 to 30 HP	32.00
Each 31 to 50 HP	37.00
Each 51 to 60 HP	43.00
Each 61 and over	57.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less)	50.00
Refrigeration Units:	
Air Conditioning (residential)	27.00
Interruptible Service.....	27.00
Air Conditioning (commercial):	
Up to 5 Tons	32.00
5 to 40 Tons	50.00
Over 40 Tons	75.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type.....	27.00
Swimming Pools/Hot Tubs (all)	56.00
Service (Lights, Heat, and Power):	
100 Ampere or less	27.00
101 to 500 Ampere	37.00
501 to 900 Ampere	50.00
900 Ampere or more	62.00
Signs: Sign Circuit.....	43.00
Sign Tag Inspection	65.00
Sign Connection	70.00
General Repair & Alterations (per hour or fraction thereof).....	58.00
Generator Connection	50.00
Motion Picture Apparatus.....	50.00
Special Inspections not specifically covered:	
Festivals.....	131.00
Carnivals.....	131.00
Circuses	131.00
Shop Inspection	74.00
Theatrical Road Show	74.00
Christmas Tree Lot	74.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.	67.00
Over 100,000 to 200,000 sq. ft.	124.00
Over 200,000 to 300,000 sq. ft.	148.00
Over 300,000 to 400,000 sq. ft.	219.00
Over 400,000 sq. ft.	292.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet.....	74.00
Mobile Home and Trailer Park Inspections (minimum).....	51.00
Fire Alarm Inspection (minimum)	71.00
Plan Review Fee	97.00
Manual Pull Station.....	12.00
A/V, Strobe, Voice Speaker.....	12.00
Water Flow/Tamper Switch	12.00

Heat or Smoke Detector	12.00
Flame, Duct Detector	12.00
Auxiliary Panel	12.00
Electric Door Release.....	12.00
Elevator Recall Status.....	12.00
Fire Alarm Circuit.....	20.00
Alterations to existing system.....	58.00
Reinspection Fee.....	58.00
Miscellaneous Fire Alarm Fee	58.00

Plumbing Work

Application Fee (Non-refundable).....	40.00
Permit Fee (minimum)	48.00
Plumber's Registration.....	1.00
Journeyman Plumber's Registration.....	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum).....	48.00
New Stack or Stack Alteration	18.00
Air Admittance Valve	18.00
Roof conductor	18.00
Sump or interceptor.....	18.00
Backflow preventor	18.00
Pump or Water Lift.....	18.00
Hose connection (sillcocks)	18.00
Water treatment device	18.00
Water closets.....	18.00
Shower traps.....	18.00
Baths.....	18.00
Water heater.....	32.00
Tankless water heater.....	32.00
Basement Waterproofing.....	48.00
Sinks (any description)	18.00
Lavatories.....	18.00
Laundry trays	18.00
Floor drains.....	18.00
Ice Maker	18.00
Back Water Valve	18.00
Thermal Expansion Tank.....	18.00
Bidet	18.00
Dental Chair.....	18.00
Grease or Oil Interceptor	18.00
Drinking fountains.....	18.00
Soda fountains/bars	18.00
Waste opening	18.00
Humidifiers	18.00
Food waste grinders.....	18.00
Dishwashers	18.00
Urinals.....	18.00
Whirlpools.....	37.00
Lawn Sprinkler Systems	43.00
All other fixtures not mentioned.....	18.00
Reinspection Fee.....	58.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum).....	32.00
Each additional.....	18.00
Building Sewer Connection – sump connection.....	50.00
Drains:	
Storm drains to catch basin for main storm sewer.....	292.00
Lines less than 4" in diameter	28.00
Lines less than 6" in diameter	33.00
Lines less than 8" in diameter	44.00

Lines less than 10" in diameter.....	58.00
Lines less than 12" in diameter.....	74.00
Lines less than 14" in diameter.....	88.00
Lines less than 16" in diameter.....	103.00
Lines less than 18" in diameter.....	118.00
Lines exceeding 18" in diameter (per inch).....	16.00
Water Distribution System:	
3/4".....	22.00
1".....	33.00
1 1/4".....	38.00
1 1/2".....	51.00
2".....	67.00
2 1/2".....	96.00
3".....	110.00
4".....	124.00
Exceeding 4".....	147.00
Replace piping, no increase in size.....	38.00
 Mechanical Work	
Application Fee (Non-refundable).....	36.00
Permit Fee (minimum).....	48.00
License/Registration.....	15.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000.....	50.00
75,001 to 500,000.....	57.00
500,001 – 1,000,000.....	100.00
1,000,001 – 2,000,000.....	114.00
2,000,001 – 3,000,000.....	142.00
over 3,000,000.....	171.00
Air Handlers:	
Up to 2,000 CFM.....	50.00
Over 2,000 CFM.....	100.00
Duct Work.....	50.00
Hydronic Piping.....	58.00
Gas Piping:	
Mains up to 2".....	43.00
Mains 2 1/2" to 4".....	57.00
Mains over 4".....	71.00
Each Opening off of Main.....	15.00
Factory Built Chimneys:	
Up to 8".....	21.00
9" to 12".....	32.00
Over 12".....	43.00
Pre-Fab Fireplace.....	57.00
Flue Liner.....	37.00
Exhaust Fans:	
Up to 400 cfm.....	16.00
401 cfm to 1,000 cfm.....	21.00
1,001 cfm to 4,000 cfm.....	32.00
Over 4,000 cfm.....	43.00
Dryer Vents.....	21.00
Kitchen Hood and Duct (UL300/FM200).....	51.00
Spray Booth Hood and Duct.....	51.00
Alterations to existing installations.....	58.00
Alterations to existing boilers.....	58.00
Reinspection Fee.....	58.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each.....	43.00
Over 2 to 5 Tons, each.....	50.00
Alterations to each system.....	58.00

Remote Systems:	
5 Tons or Less, each.....	50.00
Over 5 to 50 Tons, each.....	71.00
Over 50 Tons, each	114.00
Alterations to each system	58.00
Cooling Towers.....	71.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter.....	44.00
Riser pipe up to 6" diameter.....	74.00
Riser pipe up to 8" diameter.....	103.00
Riser pipe 8" or more diameter	219.00
Each suppression opening (each head of the system).....	5.00
Alteration to existing system	58.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons	50.00
Tanks under 5,000 Gallons.....	65.00
Tanks under 20,000 Gallons	85.00
Tanks under 50,000 Gallons	100.00
Tanks under 200,000 Gallons.....	114.00
Tanks over 200,000 Gallons.....	213.00
Buildings	
Application Fee (Non-refundable).....	36.00
Plan Review Deposits (Non-refundable):	
Single Family Residential.....	550.00
Commercial Alteration	219.00
New Commercial/Industrial Building.....	1,095.00
Commercial/Industrial Addition	550.00
Building Permit Fees (all use groups):	
Valuation to \$1,000.....	56.00
Valuation \$1,001 to \$10,000.....	56.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000.....	222.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000	933.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over	4,050.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained)	510.00
Temporary C/O Refundable Bond	530.00
Multi-Family Bond (5% Retained)	765.00
Commercial Bond (5% Retained).....	1,550.00
Industrial Bond (5% Retained).....	3,080.00
Mobile Homes	149.00
Plan Review Fee:	
Valuation \$0 - \$500,000	0.0040 of valuation but not less than 100.00
Valuation over \$500,000.....	2,370.00 + 0.0015 of valuation over 500,000.00
Residential Plan Review: If Plan Number is on File.....	110.00
Additional Expedited Commercial Interior Alteration Plan Review Fee.....	200.00
Miscellaneous Plan Review.....	67.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs).....	67.00
Pigeon Loft Inspection.....	67.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner.....	36.00
Use Permit (tenant space).....	96.00
Fire Repair/Water Repair	218.00
Fire Inspection Fee (New City Businesses).....	90.00
Reinspection Fee.....	58.00
Demolition:	
Plan review and administration base fee	67.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground	71.00
Below Ground.....	142.00
Signs:	
Application Fee (non-refundable).....	36.00
Plan Review Fee	67.00

Permanent	147.00
Temporary.....	67.00
Contractor Registration Fee.....	26.00
Residential Basement Finish	212.00
Residential Interior Finish	212.00
Minor Commercial Alterations under 400 sq. ft.	219.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:	
Types A & B	950.00 + 62.00 per device
Renewal Fee	193.00 + 36.00 per device
Type C.....	950.00
Renewal Fee	194.00
Attorney Services	Attorney fees & costs
Auction Sales License (per day)	25.00
Auctioneer License.....	57.00
Business Registry License.....	47.00
Carnival/Festival License	75.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License.....	66.00 + 6.00 each additional machine
Death and Birth Certificate (Non-FOIA)	24.00
Additional Copies (Non-FOIA)	9.00
Dog License:	
Newly Acquired Dog - Jan. 1 to Oct. 31 OR License Renewal - Jan. 1 to Mar. 31:	
Spayed/Neutered Dog:	
1-Year License	8.00
2-Year License	14.00
3-Year License	20.00
Unaltered Dog:	
1-Year License	21.00
2-Year License	40.00
3-Year License	59.00
Newly Acquired Dog - Nov. 1 to Dec. 31	
Spayed/Neutered Dog:	
1-Year License	4.00
Unaltered Dog:	
1-Year License	10.50
Newly Acquired Dog - Registering later than 30 days after acquisition:	
Additional Late Fee	10.00
License Renewal - After Mar. 31:	
Additional Late Fee	10.00
Senior (60+) Owner.....	No charge
Service Dog.....	No charge
Potentially Dangerous Dog Annual License Fee.....	56.00
Replacement Dog Tag.....	4.50
Fire Inspection Fee (new City businesses – charged by Building)	90.00
Going Out of Business Sales License.....	50.00
Renewal Fee	50.00
House Moving License	75.00
Industrial Development District Filing Fee.....	1,000.00
Industrial Facilities Exemption Certificate Filing Fee.....	2,000.00
Industrial Facilities Exemption Certificate Application Amendment Fee.....	1,000.00
Industrial Facilities Exemption Certificate Transfer Fee.....	1,000.00
New Personal Property Exemption Fee	2,000.00
Junk Yard License.....	275.00
Landscaper License (Non-resident).....	68.00
Medical Marijuana Location Registration Fee	350.00
Mobile Vending License	189.00
Pawnbroker License.....	500.00
Refuse Collection License	99.00 + 7.00 each truck

Secondhand Goods Merchant Registration Fee	104.00
Snow Removal License	193.00
Solicitor/Peddler License.....	124.00
Tattoo Permit.....	570.00
Taxi License (annual fee)	97.00 + 12.00 per vehicle
Temporary Use Vendor License.....	49.00
Wrecker Driver License (Towing Contractor).....	121.00
Renewal Fee Wrecker Driver License (Towing Contractor)	61.00
Massage Establishment License	655.00
Renewal Fee Massage Establishment License.....	329.00
Precinct Map	7.85
City Street Map.....	4.90
Zoning Map.....	6.20
City Budget.....	52.00
Municipal Improvement Program	32.00
City Financial Audit	32.00
Collective Bargaining Agreement.....	6.20
Election Results.....	9.60
Voter and Business Registry Labels (per page).....	1.30
Voter and Business Registry Lists (per computer hour).....	Payroll + 0.05/page
Voter Data CD.....	29.00
Liquor License: Class C	2,080.00
Tavern	2,080.00
SDD & SDM	2,080.00
Entertainment and/or Dance Permit	2,080.00
Extended Hours Permit.....	2,080.00
Shareholder Partial Transfer	1,030.00
Temporary Liquor License Application Fee.....	34.00
Outdoor Service Permit.....	258.00
Hotel/Motel License.....	2,080.00
Renewal Fee Hotel/Motel License.....	1,030.00
Certifications.....	5.00
Photo Copies – Black & White (Non-FOIA).....	2.00
Additional Pages – Black & White (Non-FOIA)	0.30
Photo Copies – Color (Non-FOIA)	2.00
Additional Pages – Color (Non-FOIA)	0.85
Microfilm Copies (per page) (Non-FOIA).....	5.50
Recording Fee (formerly Encroachment Fee).....	40.00
Notary Fee.....	10.00
Audio Tape Recordings - prepay minimum (Non-FOIA)	19.00
Fireworks Display Permit.....	720.00
Close Proximity Pyrotechnic Display Permit.....	720.00
Sterlingfest Art Fair Applications	230.00
Double Booth Fee	410.00
Corner Booth Additional Charge.....	30.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable)	17.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors	660.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs	1,500.00
VHS Tape Dubs (Non-FOIA).....	36.00
DVD Dubs	
Resident (Non-FOIA).....	26.00
Non-Resident (Non-FOIA).....	36.00
Gazebo Rental (per event):	
Resident	59.00
Non-Resident	90.00
Gazebo Rental for Photographs Only (per 1 hour rental):	
Resident	32.00
Non-Resident	45.00
Upton House Rental – (per 4 hour rental):	
Resident	59.00
Non-Resident	90.00

Site Condominiums	Payroll +180%
City Construction Projects	Payroll +180%
Subdivisions	Payroll +180%
Inspections by Consultants	Consultant Fee +10%
Private Development Engineering Consultant Fee	Consultant Fee +10%
Sidewalk Repair and Gap Programs	Cost +20%
Easement Vacations.....	Attorney fee+ 240.00
Easement Encroachments	260.00
Building Number Assignments (per address)	22.00
S.E.S.C. Review Fee for:	
Commercial, Industrial, Multi-Family, Subdivision	¼ of 1% of first \$500,000.00
.....	+ ¹ / ₈ of 1% over \$500,000.00 (50.00 minimum)
Single-Family Residential House	70.00
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 +10%
S.E.S.C. Permit Renewal Fee (\$50 min.)	10% of Permit Fee
Water & Sewer Permit Revision Review Fee.....	103.00
Public Services Agreement Execution Fee	33.00
Recording Fee	40.00
Water & Sewer Debt Service Agreement Finance Charge.....	20%
Document Copying for:	
24" x 36" Prints (Xerox 2510 or blueline)	8.00 each
34" x 34" Prints (Xerox 2510 or blueline)	8.00 each
Larger than 34" x 34" (Xerox 2510 or blueline).....	8.00 each
Detail Sheets (Mylar)	9.50 each
Topographic Map 36" x 36" (blueline).....	42.00 each
Planimetric Map 36" x 36" (blueline).....	25.00 each
Overall Watermain Map (blueline).....	8.50 each
Overall Sanitary Sewer Map (blueline)	8.50 each
Overall Storm Sewer Map (blueline)	8.50 each
Master Storm Sewer Plan (book form)	49.00 each
Master Watermain Plan (book form).....	37.00 each
Master Sanitary Sewer Plan (book form)	37.00 each
Master Road Plan (book form) 1998 HRC	49.00 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 (Non-FOIA).....	11.00
Additional Pages (Non-FOIA)	1.00
Digital Photographs:	
5" x 7" Color Print (Non-FOIA).....	32.00
8" x 10" Color Print (Non-FOIA)	32.00
8" x 10" Contact Sheet (Non-FOIA)	32.00
Compact Disc (Non-FOIA)	25.00
Burning Permit.....	200.00

Fireworks Sales Permit	720.00
Fireworks Display Permit.....	720.00
Close Proximity Pyrotechnic Display Permit.....	720.00
Board of Code Appeals	240.00
Witnessed Acceptance Test Fee	170.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	781.00
Each additional hour.....	261.00
Reinspection Fee for Witnessed Acceptance Test.....	170.00
Phase I Site Inspection (1 hour minimum).....	60.00 + 35.00 per hour
Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)	
Each Inspection.....	184.00
Each Re-Inspection	184.00
Off-Hour Inspection (3 hour minimum)	261.00
Each Additional Hour.....	76.00
Off-Hour Re-Inspection (3 hour minimum)	261.00
Each Additional Hour.....	76.00
Plan Review Fee	160.00
Resubmitted Plan Review Fee	53.00
Explosive Materials Permit Fee	195.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Reinspection Fees:	
First Reinspection	No Fee
Second and Subsequent Reinspections	114.00
False Alarm Fees: (within a 12 month period)	
First Response.....	No Fee
Second Response	150.00
Third Response.....	320.00
Fourth and Subsequent Responses.....	645.00
Municipal Civil Infraction:	
First Offense 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

NEIGHBORHOOD SERVICES:

Administrative Warrant	125.00
Board of Ordinance Nuisance Abatement Appeals	225.00
Board of Ordinance Noxious Weed Appeals.....	50.00
Single Family Res. Non-Homestead Inspection Fee (biennial)	128.00
Nuisance Abatement Administrative Fee.....	25%
Nuisance Abatement Agreement Execution Fee.....	Attorney Fee + 25%
Sidewalk Snow Removal Fee	Cost + 25% + 58.00
Claimed Signs:	
16 sq. ft. or less	5.00 each
17 – 31 sq. ft.....	25.00 each
32 sq. ft. and over	119.00 each
Code Enforcement Inspection	57.00
Real Estate Sign Removal Fee.....	Contract Costs + 25% Administration Fee
Municipal Civil Infraction (Residential Parking and Signs):	
Each Violation	100.00
First Repeat Offense	250.00
Second and Subsequent Repeat Offenses.....	500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation	25.00

First Repeat Offense	100.00
Second and Subsequent Repeat Offenses.....	125.00

Sec. 3.08

PARKS & RECREATION:

Pavilion Rental:	
Weekday (Resident).....	66.00
(Non-Resident).....	99.00
Weekend (Resident)	89.00
(Non-Resident).....	133.00
Picnic Kits:	
Weekday (Resident).....	10.00
(Non-Resident).....	15.00
Weekend (Resident)	30.00
(Non-Resident).....	45.00
Nature Center Classes:	
School Field Trips (WCS/UCS Schools).....	30.00
(All Other Districts per class).....	45.00
Children’s Nature Classes (Resident).....	8.00
(Non-Resident).....	12.00
Scout Badge Classes (Resident).....	9.00
(Non-Resident).....	13.00
Birthday Parties (Resident).....	118.00
(Non-Resident).....	153.00
Parent & Tot Classes:	
1 Child Per Family (Resident)	50.00
(Non-Resident).....	75.00
2 Children Per Family (Resident).....	56.00
(Non-Resident).....	84.00
Summer Playground:	
Resident	104.00
Non-Resident	156.00
Field Trip Bus Fee (Per Person)	8.00
Special Recreation Dances:	
Pre-Registered (Resident)	7.50
(Non-Resident).....	10.50
Registration at the Door (Resident)	9.50
(Non-Resident).....	13.50
Staff Registration	1.00
Prom Dance – Individual (Resident).....	17.50
(Non-Resident).....	26.25
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident)	156.00
(Non-Resident).....	234.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident)	263.00
(Non-Resident).....	394.00
Mentally Impaired (M.I.) – Individual (Resident)	156.00
(Non-Resident).....	234.00
Mentally Impaired (M.I.) – Family (Resident)	263.00
(Non-Resident).....	394.00
Special Recreation:	
Early On Parent & Tot (Resident).....	32.00
(Non-Resident)	48.00
Crafts (Resident).....	8.00
(Non-Resident).....	12.00
Creative Cooking (Resident).....	8.00
(Non-Resident).....	12.00
Line Dance Exercise (Resident)	44.00
(Non-Resident)	66.00
Softball – Individual (Resident)	58.00
(Non-Resident).....	75.00

Softball – Family (Resident)	101.00
(Non-Resident).....	131.00
Farmers Market:	
Advanced Pay-Full Season.....	375.00
Per-Day Rate.....	20.00
Electricity (Additional Fee Per Day)	5.00
Coffeehouse Tickets:	
Advance Tickets (Resident).....	14.00
(Non-Resident).....	18.00
At the Door Sales (Resident).....	15.00
(Non-Resident).....	20.00
Karate:	
Resident	50.00
Non-Resident	65.00
Yoga/Fitness Classes:	
Resident	42.00
Non-Resident	55.00
Zumba:	
Resident	60.00
Non-Resident	78.00
Men’s Gym:	
Resident	45.00
Non-Resident	58.00
Senior Boys Basketball	530.00
Men’s Softball	898.00
Co-ed Softball.....	587.00
Women’s Softball	587.00
Ball Field Rental Fees – Seasonal:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams.....	390.00
All Other Users	415.00
All Users – Lighted Fields Additional Fee (per day).....	63.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams.....	270.00
All Other Users	295.00
Ball Field Rental Fees – Daily:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams.....	68.00
All Other Users	78.00
All Users – Lighted Fields Additional Fee (per day).....	63.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams.....	46.00
All Other Users	56.00
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	560.00
Seasonal 4-7 days/week	850.00
Camp/Other	
Weekly (one week only).....	200.00
Daily	85.00
Sand Volleyball League.....	228.00
Teenfest:	
Resident	2.50
Non-Resident	3.50
Snowmobile Safety (Resident).....	15.00
(Non-Resident).....	22.00
Gymnastics:	
One-half Hour Class (Resident).....	45.00
(Non-Resident)	67.00
One Hour Class (Resident).....	56.00
(Non-Resident)	84.00

Dance:	
Fall Session (Resident)	52.00
(Non-Resident).....	67.00
Winter/Spring Session (Resident).....	83.00
(Non-Resident)	108.00
30 Minute Dance Classes:	
Fall Session (Resident)	41.00
(Non-Resident).....	53.00
Winter/Spring Session (Resident).....	53.00
(Non-Resident).....	69.00
Ballroom:	
Resident	40.00
Non-Resident	60.00
Senior Center Activities:	
Aquatic Exercise (Resident)	36.00
(Non-Resident).....	47.00
Exercise (Resident)	6.00
(Non-Resident).....	9.00
Golf League (Resident)	16.00
(Non-Resident).....	24.00
Line Dance (Resident).....	6.00
(Non-Resident).....	9.00
Senior News Subscription per year (Resident)	14.50
(Non-Resident).....	21.75
Stained Glass Class (Resident)	7.00
(Non-Resident).....	10.50
Tai Chi (Resident).....	6.00
(Non-Resident).....	9.00
Volleyball Player Fee (Resident).....	34.00
(Non-Resident).....	51.00
Senior Bus Trip:	
1 day.....(Resident).....	8.00
(Non-Resident)	12.00
2-4 days....(Resident).....	15.00
(Non-Resident)	22.50
Extended..(Resident)	33.00
(Non-Resident)	50.00
SMART Bus Day Trips (Resident).....	4.00
(Non-Resident).....	6.00
Senior Activity Fee - per day (Resident).....	0.25
(Non-Resident).....	0.50
Senior Center Gymnasium Activities:	
Co-ed Pickleball (Resident)	24.00
(Non-Resident).....	36.00
Track Usage Fee – After Hours (Resident)	1.00
(Non-Resident).....	1.50
Gymnasium Usage Fee – After Hours (Resident).....	Trial Reduced Fee: 2.00
(Non-Resident).....	Trial Reduced Fee: 3.00
Parks and Recreation Plan	8.75

Sec. 3.09

PLANNING:

Special Approval Land Use.....	569.00
Temporary Use.....	416.00
Administrative Review.....	255.00
Variances to Subdivision Regulations	416.00
Right-of-Way Vacations	630.00
Rezoning Petition:	
First Acre.....	1,770.00
Additional Acre	69.00

Public Hearing Postponements (Petitioner Requested)	46.00
Ordinance Text Amendment.....	1,770.00
Subdivision Plat	1,390.00
Each lot over 100 lots.....	9.30
Subdivision Open Space and One-Family Cluster Development	775.00
Tree Preservation – Site Plans and Plats	880.00
Tree Preservation – Single Family Lot (less than one acre)	190.00
Tree Preservation Administrative Fee	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection)	Payroll + 175%
No Tree Affidavit.....	124.00
Site Plan Review:	
First Acre	425.00
Additional Acre	71.00
Site Plan Review by Planning Commission:	
First Acre	570.00
Additional Acre	71.00
As Built Revisions	251.00
Master Land Use Report	39.00
Master Land Use Map.....	12.50
Subdivision Plat Print (per sheet).....	12.50
Subordination of Lien.....	150.00
Zoning Board of Appeals:	
Regular Meeting	420.00
Special Meeting	840.00
Zoning Compliance Letter.....	62.00
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. 3.10

POLICE DEPARTMENT:

Police Reports:	
First Page (Non-FOIA)	11.00
Additional Pages (Non-FOIA)	2.00
Clearance Letter.....	16.00
Noncriminal Fingerprint Card	25.00
Photos: 8" x 10" Color (Non-FOIA)	33.00
5" x 7" Color (Non-FOIA).....	31.00
8" x 10" Contact Sheet (Non-FOIA)	31.00
Compact Disc (Non-FOIA)	46.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	23.00
Reports on TR-52 Tracking.....	28.00
Administration and Presence at Auction	590.00
Audio Tape Duplication Fee (Non-FOIA).....	42.00
Video Tape, DVD, CD Duplication Fee (Non-FOIA)	46.00
Animal Give-up Fee	30.00
Animal Impoundment Fee (Released from Station)	31.00
Animal Impoundment Fee (Taken to Care Hospital):	
Up to 65 pounds	50.00
Over 65 pounds.....	60.00
Animal Trap Rental Fee (per 5 days)	32.00
Animal 10-Day Quarantine Fee:	
Up to 65 pounds	150.00
Over 65 pounds.....	170.00
Rabies Testing:	
If Owner of Animal Known	75.00

If Owner of Animal Known (Decapitation Required)	150.00
Microchipping of Animal (if required per ordinance/law).....	35.00
Flea Prevention (impounded animals if owner is known).....	20.00
Cremation of Pre-Deceased Animals (if owner is known)	25.00
Personal Breathalyzer Test (PBT)	24.00
Booking Photo (Non-FOIA).....	11.00
Notary Fee for Gun Permits.....	10.00
Park Alcohol Permit Fee.....	34.00
Requested Police Services (Schools, Businesses, Hazmat Incidents, etc.).....	Cost + 30%
Towed Vehicle Impound Fee.....	30.00
Correctable Traffic Violation	10.00
Warrant Fee (All Warrants).....	10.00
False Alarm Fees: (within a 12 month period)	
First Response.....	No fee
Second Response	No fee
Third Response (Residential).....	35.00
Third Response (Non-Residential).....	99.00
Fourth Response (Residential).....	67.00
Fourth Response (Non-Residential).....	201.00
Fifth and Subsequent Responses (Residential)	132.00
Fifth and Subsequent Responses (Non-Residential).....	397.00
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	25.00
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. 3.11

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
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. 3.12

PUBLIC WORKS DEPARTMENT:

Sewer Inspection.....	103.00
Sewer Tap.....	1,130.00
Sewer Capital/Unit	
Residential.....	840.00
Commercial/Industrial (per 1,000 sq. ft.)	430.00
Sewer Frontage (per front ft.)	70.00
Sewage Disposal Service Only (per billing).....	70.00
Residential and Commercial Water Meters:	
¾" Remote.....	390.00
1" Remote.....	440.00
1 ½" Remote	755.00
2" Compound Remote.....	1,960.00
3" Compound Remote.....	3,460.00
4" Compound Remote.....	4,855.00
6" Compound Remote.....	7,200.00
Double Check Detector Assembly with Meter:	
3"	1,930.00
4"	2,030.00
6"	2,910.00
8"	5,270.00
10"	7,680.00
Water Inspection	103.00
Water Tap	
1".....	1,070.00
1 ½"	1,460.00
2"	1,710.00
3"	3,420.00
4"	3,700.00
6"	4,230.00
Additional Charge for 86 ft. wide street:	
1"	340.00
1 ½"	390.00
2"	530.00
Additional Charge for 120 ft. wide street:	
1"	680.00
1 ½"	870.00
2"	1,130.00
Additional Charge for 204 ft. wide street:1,440.00	
1"	1,610.00
1 ½"	2,050.00
2"	2,920.00
Water Capital/Unit:	
Residential.....	660.00
Commercial/Industrial (per 1,000 sq. ft.)	350.00
Water Frontage (per front ft.)	39.00
Monitor Surcharge.....	per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee.....	89.00
Water Service Fee (avoidable & repeat visits).....	89.00
Water Service Abandonment Fee:	
Residential.....	460.00
Commercial	Contract Costs + 920.00
Sewer Service Abandonment Fee.....	103.00
Water Service Re-Use Fee	
Residential.....	460.00
Commercial	Contract Costs + 920.00
Sewer Service Re-Use Fee	103.00
Water Meter Testing Fee	102.00
Water Meter Rescheduling Fee.....	89.00
Non-Compliance with Back Flow Fee.....	210.00

Automatic Fixed Network Meter Read Permit	171.00
Final Water Meter Read.....	34.00
Final Water & Sewer Bill Preparation Fee	14.00
Citizen Water Service Request – after hours	89.00
Public Works Services Provided.....	Cost + 25%
Water Meter Removal/Reinstallation for common area irrigation system.....	195.00
Landlord/Tenant Affidavit Filing Fee.....	150.00
Fire Hydrant Rental – Payable by City	26.00
Private Use of Fire Hydrant:	
Per Hydrant.....	110.00 per month + 320.00 water usage deposit
Bypass Inspection Fee	Back bill + 135.00
Common Area Irrigation System Permit	380.00
Planting of tree in right-of-way	200.00
Culvert installation permit.....	92.00
Ditch enclosure permit	92.00
Monitoring well installation permit	440.00
Sewer connection to discharge treated ground water.....	440.00
Cutting of noxious weeds.....	Contract costs + 60% administrative fee + 33.00 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
Curbside Recycling License (min. \$1,500/year)	1% of program revenue based upon previous year
Debris Removal Fee.....	Contract Costs + 25% administrative fee
Tree Branch Chipping Fee	60.00
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
Municipal Civil Infraction for Raking Leaves Into Street:	
Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses.....	100.00

Sec. 3.13

TREASURY OFFICE:

Bounced Check Fee.....	30.00
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer)	17%
Late Payment Penalty.....	6%
Penalty Assessment on Delinquent Taxes.....	3%
Tax Statement Copy (Internet – Free)	2.00
Attorney Review Fee for Liens or Discharges	78.00
Subordination of Lien.....	500.00
Annual Lien Penalty	6% + lien filing costs
O.U.I.L./O.U.I.D.....	320.00 + 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, 2015.

BY ORDER OF CITY COUNCIL

**ADOPTED:
PUBLISHED:
EFFECTIVE:**

A

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BALANCED BUDGET – A budget in which estimated revenues and use of reserves are equal to or greater than estimated expenditures.

BUDGET MESSAGE – A written policy and financial overview of the City as presented by the City Manager.

BUDGETARY CENTER – A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

C

CCW – Carrying of a concealed weapon. Permission for carrying of a concealed weapon is granted through an application process.

CAPITAL OUTLAY – A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$1,000 to be a capital item.

CAPITAL PROJECTS FUND – A fund to account for the development of municipal capital facilities other than those financed by the Enterprise Fund.

COMPENSATED ABSENCE – An absence for which an employee is paid, such as vacation, holiday, or sick leave.

CONTINGENCY – An estimated amount of funds needed for deficiency, contingent or emergency purposes.

D

DPW – Department of Public Works.

DEBT SERVICE FUND – A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

DEFERMENT – A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

DEFICIT – An excess of liabilities and reserves of a fund over its assets.

DEPARTMENTAL MISSION STATEMENT – A mission statement provides the full range of activities that will be used in the results oriented budget format to link the municipal purpose with the financial resources of the department.

DEPRECIATION – The amount of expense charged against earnings by a company to write off the cost of an asset over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.

E

EPA – Environmental Protection Agency.

EFFICIENCY PERFORMANCE INDICATOR – The quantifying of the relationship between input and output.

EFFECTIVENESS PERFORMANCE INDICATOR – The measure of results, accomplishments, or quality of the item or service provided.

ENCUMBRANCE – An anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund.)

EQUALIZATION FACTOR – A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50% of the true cash value of that class.

EXPENDITURE – The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

EXPENDITURE OBJECT – An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other charges, capital outlay, debt service, and transfers out.

F

FOI – Freedom of Information.

FTE – The amount of funding for full-time positions and part-time positions converted to the decimal equivalent of a full-time position (based on 2,080 hours per year, as set by the ICMA Center for Performance Measurement).

FISCAL YEAR – An accounting period of twelve months. The City's fiscal year begins July 1st and ends June 30th.

FIXED ASSETS – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the governmental full accrual statements and recorded as expenditures at the time of purchase.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

FUND ACCOUNTING – The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

FUND BALANCE – The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

G

GAAP – Generally Accepted Accounting Principles. The guiding conventions, rules, and procedures that define accepted accounting practice at a particular time in the United States.

GENERAL FUND – The City’s major operating fund to account for all financial resources except those required to be accounted for in another fund.

GROUP A CRIME OFFENSE – A more serious group of crimes such as larceny, robbery, murder, or gambling.

GROUP B CRIME OFFENSE – A less serious group of crimes such as solicitation, trespassing, or disorderly conduct.

I

ICMA – International City/County Management Association.

ICMA CENTER FOR PERFORMANCE MEASUREMENT – Center created to help communities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents.

IFEC – Industrial Facilities Exemption Certificate.

INTERNAL SERVICE FUNDS – Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Included in this category is the Self-Insurance Fund. This Fund was established in 1986 when the City became a participant in the Michigan Municipal Risk Management Authority. Expenses in this Fund include reinsurance charges, administration fees, and claims expenses and reserves for both reported and unreported claims.

L

LIABILITY – A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

LINE ITEM BUDGET – A budget which emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as department, division, or agency levels.

M

MDEQ – Michigan Department of Environmental Quality.

MIP – A multi-year *Municipal Improvement Program* that is developed to plan and guide the needed capital improvements and expenditures in a fiscally sound manner, and to ensure that these improvements are consistent with the goals and policies of the City Council and the City’s residents.

MISD – Macomb Intermediate School District.

MITN – Michigan Inter-Governmental Trade Network.

MML – Michigan Municipal League.

MILLAGE RATE – A rate used to determine the amount of annual property tax a property owner must pay. This rate is expressed in mills per dollar or 1/10 cent. Each governing body that levies property taxes sets its own millage rate annually. Property taxes may generally be calculated by multiplying the millage rate by the amount of, or a percentage of, the assessed value. (A mill represents \$1 of tax per \$1,000 of assessed valuation.)

MODIFIED ACCRUAL BASIS – The basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

N

NFIRS – National Fire Incident Reporting System.

NFPA – National Fire Protection Association.

NIMS – National Incident Management System.

NLC – National League of Cities.

NPDES – National Pollution Discharge Elimination System.

O

OPERATING BUDGET – The operating budget is the authorized revenues and expenditures for on-going municipal services and is the primary means by which government is controlled. The life span of an operating budget typically is one year or less. Personnel costs, supplies, and other charges are found in an operating budget. A capital budget typically has a long term outlook where a project can span a several year period.

OPERATING TRANSFERS – Transfers from a fund receiving revenue to the fund through which the resources are to be expended.

ORDINANCE EMPLOYEE – An employee position which is called for and whose duties are described in the City Charter and who is not a member of a collective bargaining agreement.

OTHER CHARGES – An expenditure object within an activity which includes professional services, utilities, rents, and training for example.

OUIL – Operating Under the Influence of Liquor. The detainment of an individual who is operating, authorizing or knowingly permitting another person to operate a motor vehicle while under the influence of intoxicating liquor or controlled substance, or combination thereof, or with blood alcohol level content of .10% or more.

OUTPUT PERFORMANCE INDICATOR – The measure of quantity or volume of products or service provided.

P

PERFORMANCE INDICATOR – A measurement of how a program is accomplishing its mission through the delivery of products or service. See Output Performance Indicator, Effectiveness Performance Indicator, or Efficiency Performance Indicator.

PERFORMANCE OBJECTIVES – Desired output oriented accomplishments which can be measured within a given time period.

PERSONNEL SERVICES – An expenditure object within an activity, which includes payroll and all fringe benefits.

R

RESULTS ORIENTED BUDGETING – A management concept which links the annual line item budget to departmental results of operations.

REVENUE – An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intra-governmental service funds.

S

SAD – Special Assessment District. A geographic area over which a governing authority has power to levy taxes for specific public uses.

SHINE – Sterling Heights Initiative for Neighborhood Excellence.

SMART – Suburban Mobility Authority for Regional Transportation.

SERVICE STATEMENT – A statement of general and specific service deliveries rendered by an activity for the community.

SINKING FUND – A special reserve account created by a bond issuer. The issuer promises to put money into the account at regular intervals and to use the cash that accumulates to redeem the bonds.

SPECIAL ASSESSMENT – A tax or levy imposed against specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

SPECIAL REVENUE FUND – A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

SUPPLIES – An expenditure object within an activity which includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000.

SURPLUS – An excess of the assets of a fund over its liabilities and reserves.

T

TRANSFERS-IN/OUT – A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

TRUST & AGENCY FUND – Trust & Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Retirement Systems and the Agency Funds. The Retirement Systems are accounted for in the same manner as a proprietary fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

W

WATER & SEWER FUND – This enterprise fund accounts for the operation of a combined water and sewer system. The revenues consist of charges for services from City businesses and residences which are used to pay for all water and sewer related expenses.

A

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